Alpha Beta Portfolios
AB Core Plus Balanced Growth

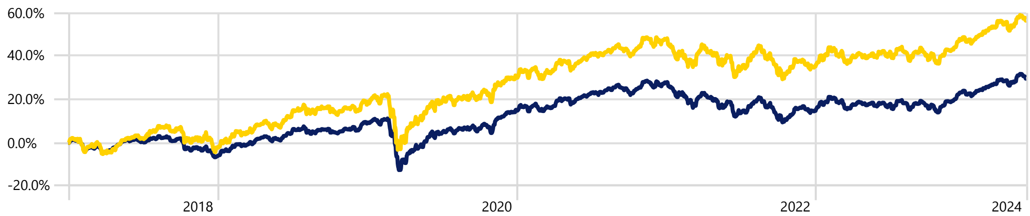
Data as at 31 May 2024

Investment Objectives

The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds for the core and active funds for the satellite positions.

Investment Growth

Time Period: 01/01/2018 to 31/05/2024



AB Core Plus Balanced Growth	56.5%
IA Mixed Investment 40-85% Shares	29.6%

Snapshot

Base Currency	Pound Sterling
12 Month Yield	2.20%
Ongoing Charge	0.37%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	0.62%

Calendar Year Returns

Data Point: Return

	3 Month	6 Month	1 Year	3 Years	5 Years	Since Inception [01-01-2018]
AB Core Plus Balanced Growth	2.88	9.66	12.08	14.44	45.89	56.46
IA Mixed Investment 40-85% Shares	3.11	8.91	10.63	7.82	27.97	29.64

Benchmark

Comparator Benchmark	IA Mixed Investment 40-85%

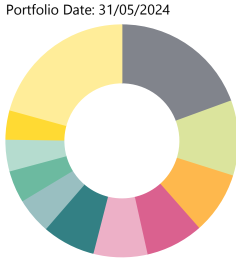
Risk

Time Period: 01/06/2023 to 31/05/2024

	Sharpe Ratio	Std Dev
AB Core Plus Balanced Growth	0.64	8.04
IA Mixed Investment 40-85% Shares	0.58	7.28

Asset Allocation

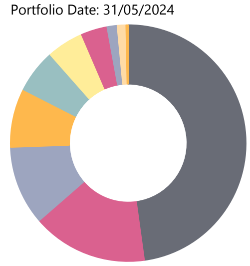
Portfolio Date: 31/05/2024



	%
US Equity Large Cap Blend	19.4
Sterling Fixed Income	10.4
Europe Equity Large Cap	8.6
Global Fixed Income	8.0
Japan Equity	7.5
Global Emerging Markets Equity	7.4
Technology Sector Equity	5.0
UK Equity Large Cap	4.5
US Fixed Income	4.4
Energy Sector Equity	4.1
Other	20.7

Equity Regional Exposure

Portfolio Date: 31/05/2024



	%
North America	47.8
Europe developed	15.8
Japan	10.8
United Kingdom	8.0
Asia emerging	6.0
Asia developed	5.0
Australasia	3.6
Latin America	1.4
Africa/Middle East	1.2
Europe emerging	0.3

Top 10 Holdings

Portfolio Date: 31/05/2024

	Portfolio Weighting %
Fidelity Index US P GBP Acc H	9.74%
iShares North American Eq Idx (UK) D Acc	9.69%
Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc	7.61%
Vanguard Jpn Stk Idx £ Acc	7.49%
Vanguard Em Mkts Stk Idx £ Acc	7.37%
Man GLG High Yield Opports Profl Acc C	4.56%
Vanguard U.S. Govt Bd Idx £ H Acc	4.39%
Janus Henderson Glb Tech Leaders I Acc	4.04%
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	3.45%
Vanguard Pac exJpn Stk Idx £ Acc	3.27%
	61.59%

The aggregate total may not add up to the sum shown due to Morningstar roundings.

Manager's Commentary

May was a more favourable month for risk assets compared to April, with industrial commodities and mainstream equities performing well despite higher valuations and geopolitical concerns.

The U.S. economic backdrop remained robust, with the Federal Reserve holding interest rates steady and Consumer Prices Inflation lower than expected at 3.4%. Treasury yields stayed above 4%, but liquidity improved as the Treasury issued more bills. The Fed's Quantitative Tightening will reduce to $25 billion per month starting from June, supporting liquidity for 2024. Growth-oriented stocks, particularly in technology, performed well, with Nvidia's rapid growth making it larger than the entire German stock market.

While market positivity prevails, risks persist. When debt levels become uncomfortable for markets, government bond yields rise to compensate for higher capital repayment risks, effectively increasing interest rates. This impacts collateral such as real estate and other asset classes used for liability matching, posing challenges for banks, as seen with Silicon Valley Bank last year. The UK experienced similar issues under Mrs. Truss, with volatile Gilt yields until the Bank of England intervened. Europe's economic activity rebounded, particularly in Germany, with GDP growth and the Eurozone Purchasing Managers Index improving. Despite German inflation rising slightly to 2.4%, we expect ECB President Christine Lagarde to announce an interest rate cut in June, likely before the Federal Reserve.

In the UK, equities surged from a low base, while the Bank of England hinted at future rate cuts despite holding steady. UK inflation dipped to 2.3%, lower than the US and Eurozone. Gilt yields rose post the July 4th General Election announcement, anticipating a potential Labour government. In Japan, economic growth persisted, aided by a weaker Yen and revised Bank of Japan policies, with MOF interventions to stabilize currency. Japanese inflation climbed to 2.6%, accompanied by higher wage settlements. Industrial metals, notably copper and silver, saw robust performance in May, alongside revaluations in gold, lithium, and uranium, amidst global reflation and rising demand. The sustainable energy and global technology funds performed strongly, while healthcare and Emerging market funds lagged. Dynamic bond fund yielded positive results for the month whilst long duration remains volatile. Geopolitical tensions persisted, with conflicts in Ukraine and Gaza, and escalated military activity between Taiwan and China, influencing market movements as the US election drew closer.

Portfolio changes included profit-taking in Japan and Europe, shorter duration in fixed income, and trimming emerging markets for a focus on US holdings. Overall, we are good shape year-to-date with performance and risk aligned and valuations moving steadily higher in a controlled manner.

Investment Team

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defaqto DFM MPS (Platform) Family 2024 EXPERT RATED

defaqto DFM MPS on Platform 2024 EXPERT RATED

Source: Morningstar Direct