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# International MPS – GBP

## Investment Review – Q3 2024



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# Performance highlights – Q3 2024

The Evelyn Partners International MPS range continued to deliver positive returns, ranging from 2.9% to 0.4%. Unusually, it was the lowest risk strategy that delivered the best return and our highest risk strategy – maximum growth delivering the lowest at 0.4%, as bonds outperformed equities over the period.

## Equities

During Q3, global equity markets remained largely unchanged, though there was notable volatility. US mega-cap names (Nvidia, Microsoft, Alphabet, Meta, Amazon, Apple, and Tesla) initially dragged global equity benchmarks lower at the start of August but made a swift recovery later in the month. Geopolitical events impacted markets in September, but the beginning of the interest rate cutting cycle in the US provided support.

In this context, US funds with high exposure to these mega-cap names, such as GQG Partners and Edgewood, were further negatively impacted by the strength of sterling against the US dollar, both declining by around 5%. However, our hedged position in the iShares S&P 500 delivered a positive return of 4.2%, effectively mitigating the negative currency translation effects.

Our recently added thematic strategy, Polar Capital Global Insurance, performed exceptionally well, delivering a return of 6.8%, benefiting from favorable sector tailwinds.

In the UK, NinetyOne UK Alpha was our top performer with a gain of 3.7%, while iShares FTSE 100 ETF and Montanaro followed with gains of 1.7% and 1.5%, respectively. Another holding, which gained 3.6%, underwhelmed with a modest gain of 0.9%.

At the end of September, China announced its biggest stimulus package since the pandemic to revive the economy and meet the government's growth targets. This provided a welcome boost to the region, resulting in our Asian funds collectively gaining 2.1%.

Our Japanese holding also performed well over Q3, supported by its growth-oriented style.

In Europe, the Blackrock Continental Europe fund faced challenges as its top-weighted holdings, Novo Nordisk and ASML, experienced declines of approximately 20%.

## Fixed Income

Amid easing inflation and a softening economic environment, the US Federal Open Market Committee (FOMC) made its long-awaited first interest rate cut at the 18 September meeting. The committee voted to cut interest rates by 50 basis points, a more significant reduction compared to the 25 basis point cuts by the Bank of England and the European Central Bank.

This differential in interest rate cuts led to US Government debt exposure outperforming the UK, with returns of 4.6% versus 2.3%. The Brown Advisory Sustainable Total Return fund was the best performer within fixed income, achieving a 5.1% return. This success was driven by curve steepening positions in Europe, Canada, the UK, and the US, as well as a core long position in New Zealand. The strategic bond manager, Vontobel TwentyFour, also performed well, delivering a 4.0% return.

During the quarter, we exited the Capital Global High Income Opportunities fund due to an unfavourable risk-to-reward outlook, given the historically tight global high yield spreads.

## Alternative Assets

We continue to maintain a diverse selection of alternative funds with differentiated return drivers, which collectively made a positive contribution to our portfolios this quarter.

Our real assets benefited from the interest rate cuts, with Schroder Global Cities delivering a strong gain of 7.4%. Gold continued its ascent amidst ongoing geopolitical risks and a weakening US dollar. BBGI Infrastructure performed well, increasing its dividend by 6%, which enhances our returns while we wait for the discount to NAV to narrow.

Our two absolute return funds provided muted returns, ranging from 1.5% to -0.10%.

Source: Factset as of 30 September 2024

# Equity look through – GBP Balanced

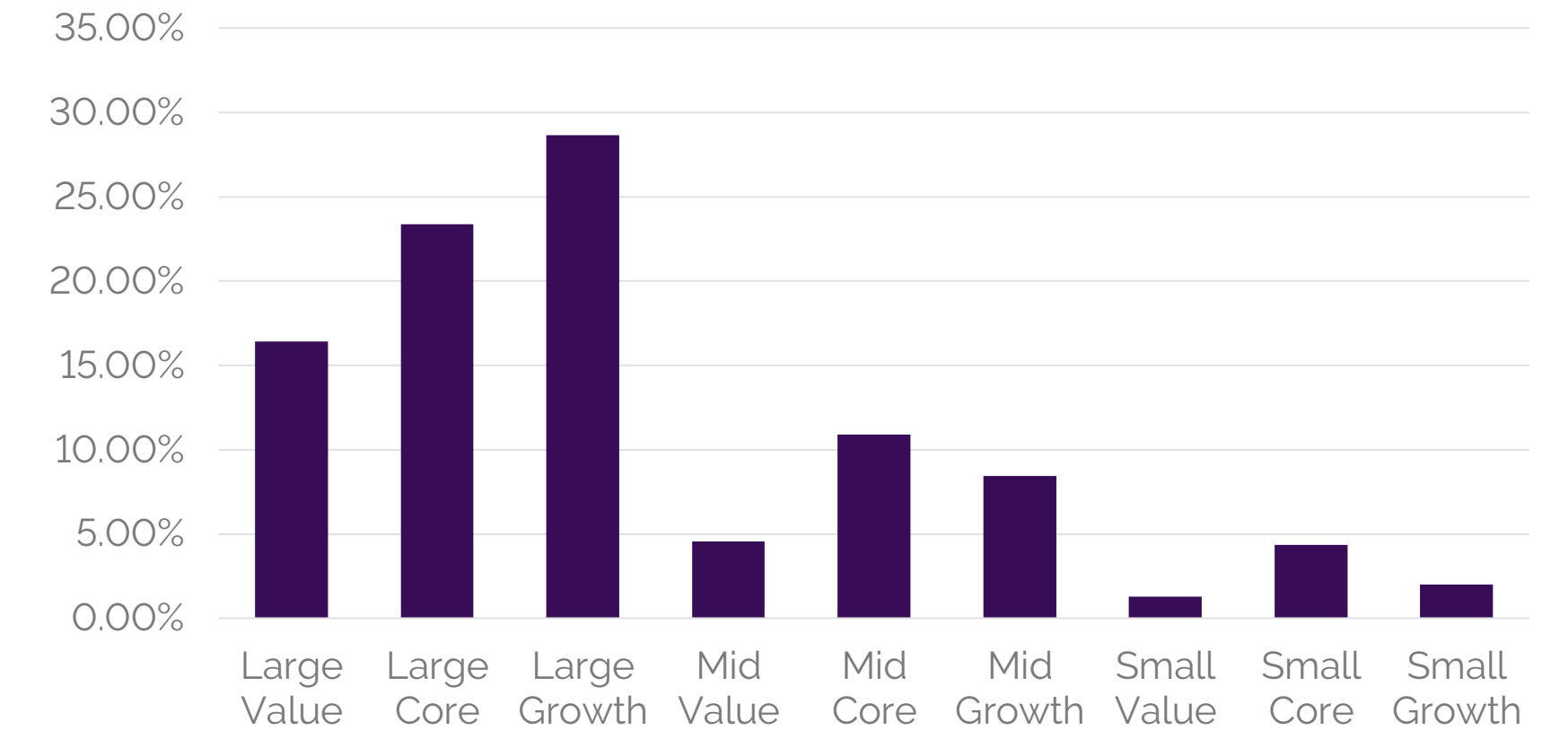
## Top 10 underlying

Top 10 Companies	Weight (%)
Microsoft	1.27
Novo Nordisk	1.14
Unilever	0.80
Meta	0.76
Eli Lilly and Co	0.67
TSMC	0.58
Shell Plc	0.57
Diageo	0.57
Visa	0.54
NVIDIA	0.53

## Sector breakdown

Sectors	Weight (%)
Basic Materials	4.13
Consumer Discretionary	8.98
Financials	15.38
Real Estate	6.45
Communication Services	6.02
Energy	2.97
Industrials	11.34
Technology	17.41
Consumer Staples	9.79
Healthcare	15.62
Utilities	1.92

## Size and style exposure



## Financial Ratios

Statistics	Balanced	Comparator
ROE %	24.80	23.66
ROA %	9.89	9.83
Net Margin %	17.54	16.34
Debt to Capital %	34.63	38.12

Comparator: 35% MSCI UK / 65% MSCI ACWI ex UK

Source: Morningstar Direct as of 30 September 2024



# Underlying top holding – Microsoft

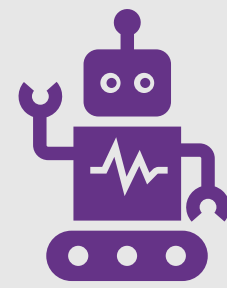
Microsoft is a diversified tech giant with strong revenue streams from cloud computing (Azure), productivity software (Office 365), and gaming (Xbox). Its consistent innovation, robust financial health, and strategic acquisitions like LinkedIn and GitHub have helped drive growth. Microsoft's recurring revenue model ensures stability, while its leadership in AI and cloud services positions it well for future trends. The company's commitment to shareholder returns through dividends and buybacks adds to its investment appeal.

## Cloud computing growing at 27%



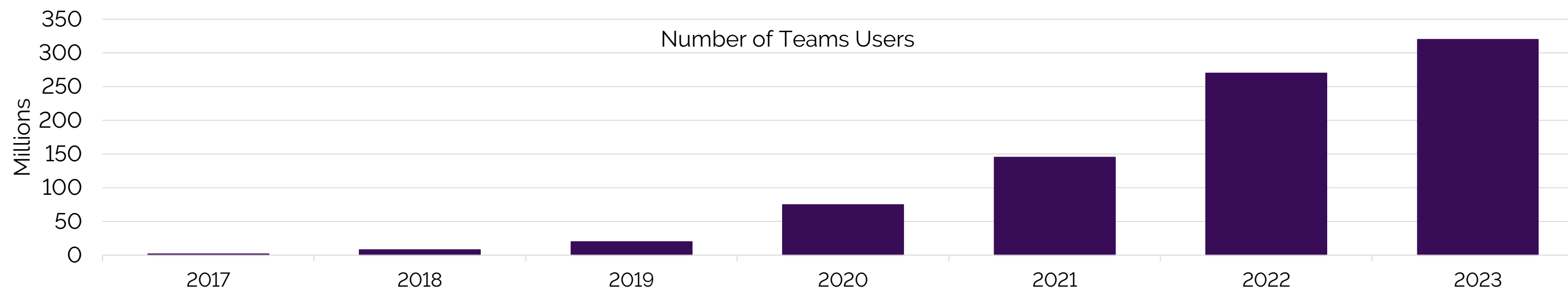
Microsoft's cloud computing segment (Azure), has been experiencing robust growth. The compound annual growth rate (CAGR) for cloud revenue is 27%

## AI Revenue >\$10 Billion in 2025

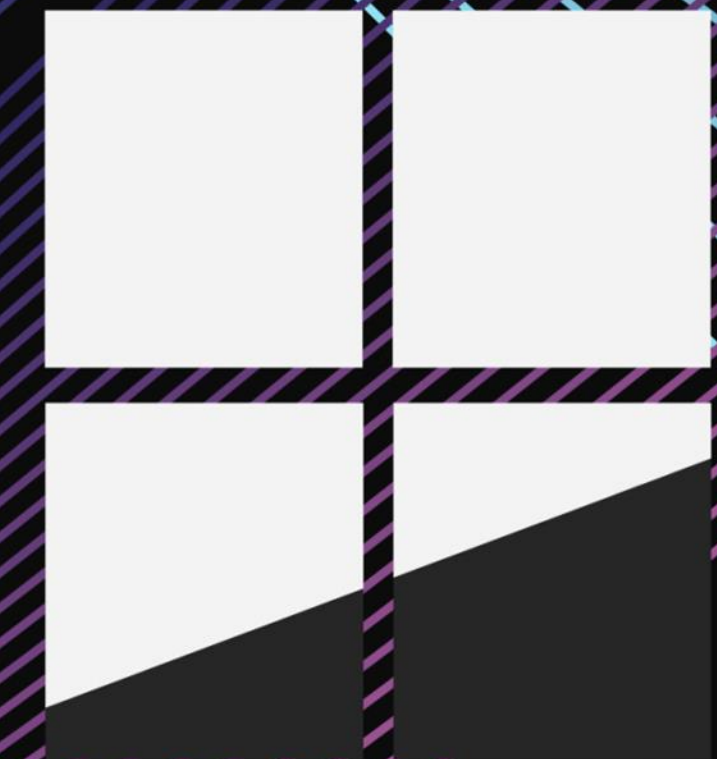


Microsoft's AI segment is projected to see significant growth in 2025. Analysts from Piper Sandler expect Microsoft's AI revenue to surpass **\$10 billion**.

Microsoft has high barriers to entry exemplified by its growing user base of teams leading to **high retention rates and reoccurring revenues**.



Cloud Computing and AI are the two pillars of Microsoft's corporate strategy



Security, AI and productivity and collaboration tools are Microsoft's key areas of focus.



# Fund Focus – GQG US Partners

## About the strategy

GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Their investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. The resulting portfolio seeks to manage the downside risk of equity investments while providing attractive returns to long-term investors over a full market cycle

## Philosophy

Forward-looking quality is less reliant on backward-looking statistical measures and places a heavy emphasis on qualitative assessments of barriers to entry, sustainability and overall industry dynamics.

## Strong historical performance across all measures.

Last 5 Years (%)	Alpha	Beta	Std Dev	Sharpe	Up Capture	Down Capture	R2	Tracking Error
Composite (Net fees)	5.95	0.80	17.23	0.89	96.14	76.53	73.03	9.71
S&P 500 Index	—	1.00	18.48	0.59	100.00	100.00	100.00	—

	Alpha	Beta	Std Dev	Sharpe	Up Capture	Down Capture
Best Quartile						
Median						
Worst Quartile						

1,011 Strategies in US Large Cap Peer Universe

As of 30 April 2024. Source: Morningstar. Benchmark S&P 500 Index

High Active Management

Forward-looking Quality

Concentrated, unconstrained, and diversified portfolio

High active share

Ongoing charge 0.55%

# Performance

## Performance to 30 September 2024

Model	Cumulative average % performance						Rolling 12 month % performance				
	3 Months Return	6 Months Return	1 Year Return	3 Years Return	5 Years Return	Since Launch Return	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Defensive GBP	2.95	4.09	11.37	9.72	16.07	41.88	11.37	2.44	-3.83	6.65	-0.81
International Conservative GBP	2.51	3.88	12.70	11.12	20.41	73.29	12.70	3.43	-4.68	9.04	-0.63
International Cautious GBP	2.39	3.86	14.27	6.62	19.61	53.24	14.27	5.27	-11.37	9.99	2.00
International Balanced GBP	1.87	3.30	14.64	6.15	23.38	67.80	14.64	5.80	-12.49	13.00	2.86
International Growth GBP	1.32	2.97	15.47	15.38	29.00	34.67	15.47	6.20	-5.92	11.98	-0.16
International Adventurous GBP	0.95	2.87	16.63	7.93	32.53	87.13	16.63	7.79	-14.16	16.22	5.65
International Maximum Growth GBP	0.46	2.30	16.43	17.84	35.53	200.25	16.43	8.91	-7.07	15.21	-0.18

### Past performance is not a guide to the future.

All performance data is, net of underlying fund charges and Evelyn Partners' 0.30% investment management charge. The since launch performance shown for Defensive, Conservative and Maximum Growth Portfolios is from 01/07/2011. The since launch performance shown for Cautious, Balanced and Adventurous Portfolios is from 01/01/2016. The since launch performance shown for Growth Portfolio is from 01/06/2019. The since launch performance shown for Adventurous Portfolio is from 01/07/2016. Source: Evelyn Partners International Limited and FactSet.



# International Portfolio Profiles



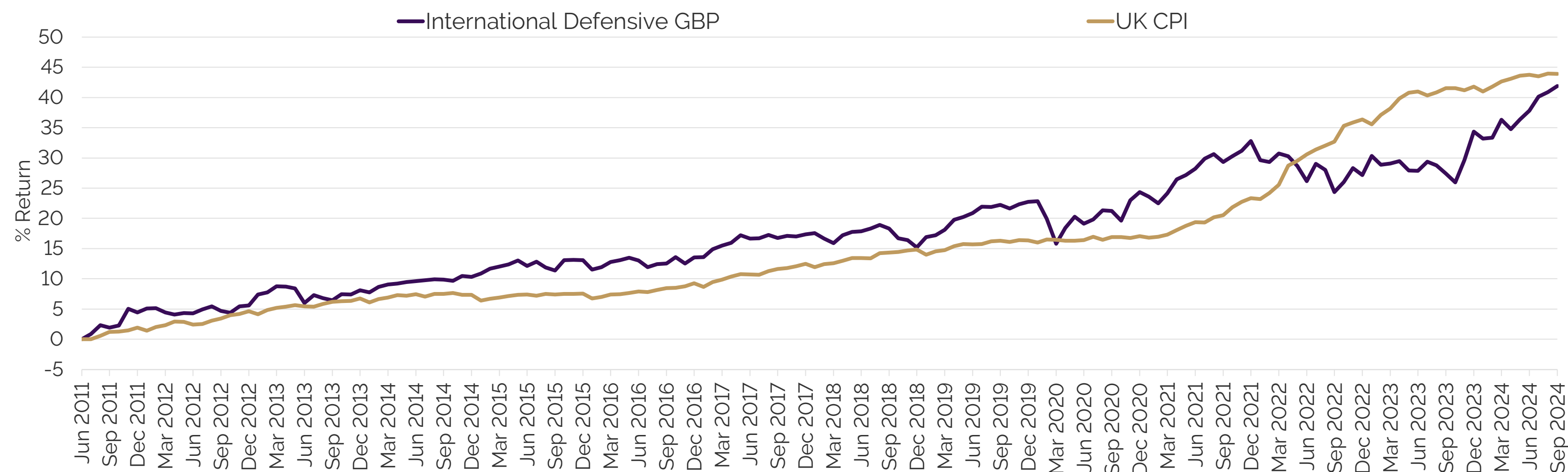
# International Defensive GBP Portfolio Profile

30 September 2024

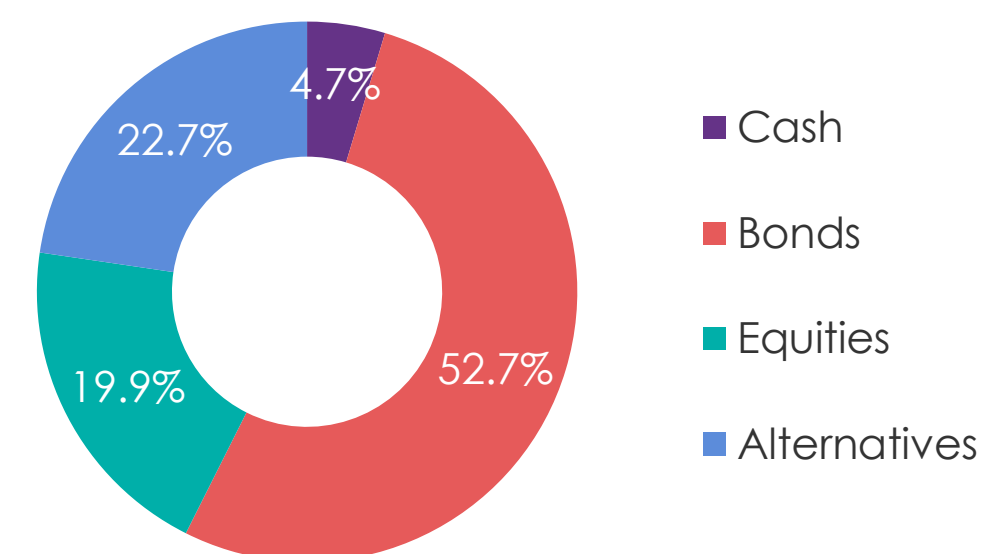
## Portfolio Objective

The portfolio objective is appropriate for an investor with a two-year time horizon or more, who seeks low volatility of returns, is comfortable having typically around 17.5% of their portfolio in equities. The projected annualised rate of return over the long term is UK CPI. Investors should be able to tolerate a loss of up to 7.5% of the value of their portfolio in any one year, based on the assumption of 95% probability.

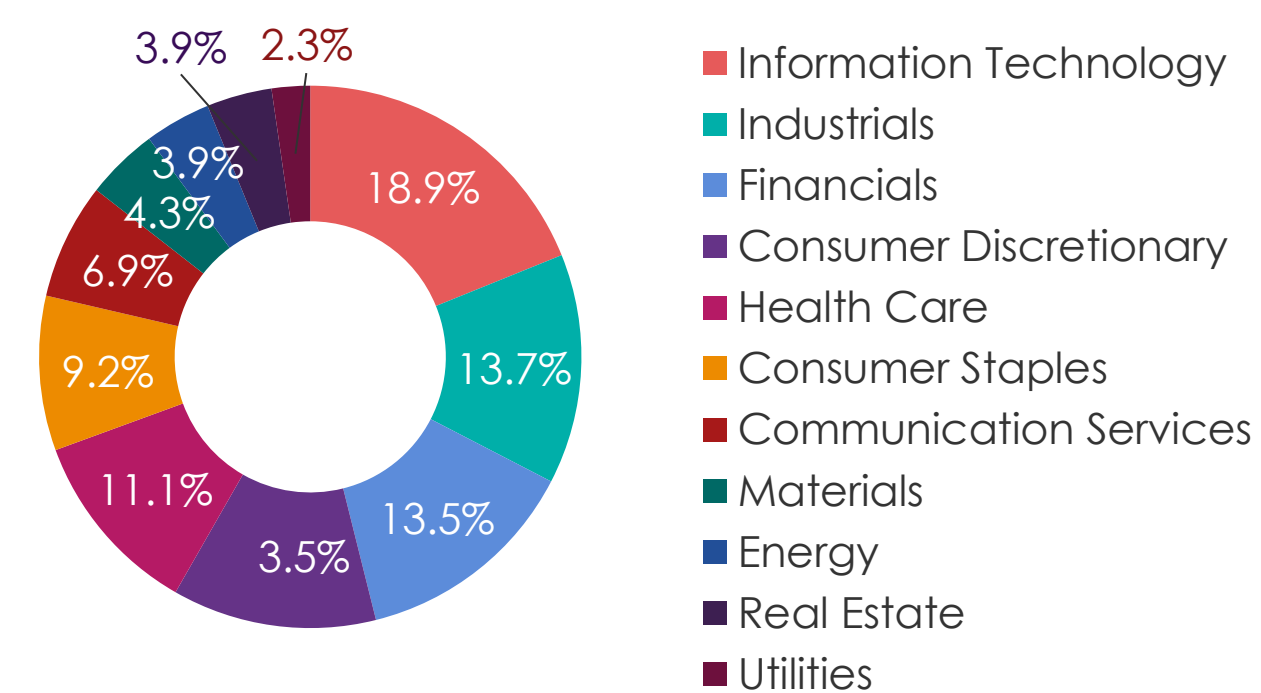
## Portfolio Total Return (01/07/2011 to 30/09/2024)



## Asset breakdown



## Equity sector breakdown



## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Defensive GBP	11.37	2.44	-3.83	6.65	-0.81
UK CPI	1.68	6.65	10.10	3.08	0.53

Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 September 2024. Performance figures are net of underlying fund fees and Evelyn Partners' Investment Management Fee of 0.30%. Asset allocation is subject to change. Source: Evelyn Partners International Limited and FactSet.



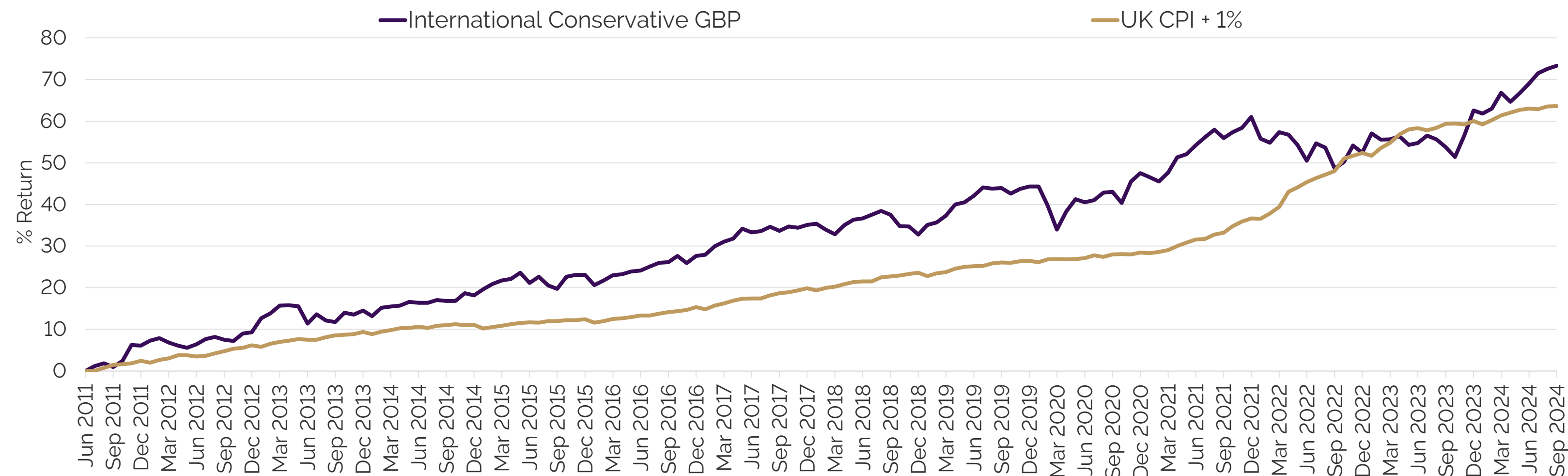
# International Conservative GBP Portfolio Profile

30 September 2024

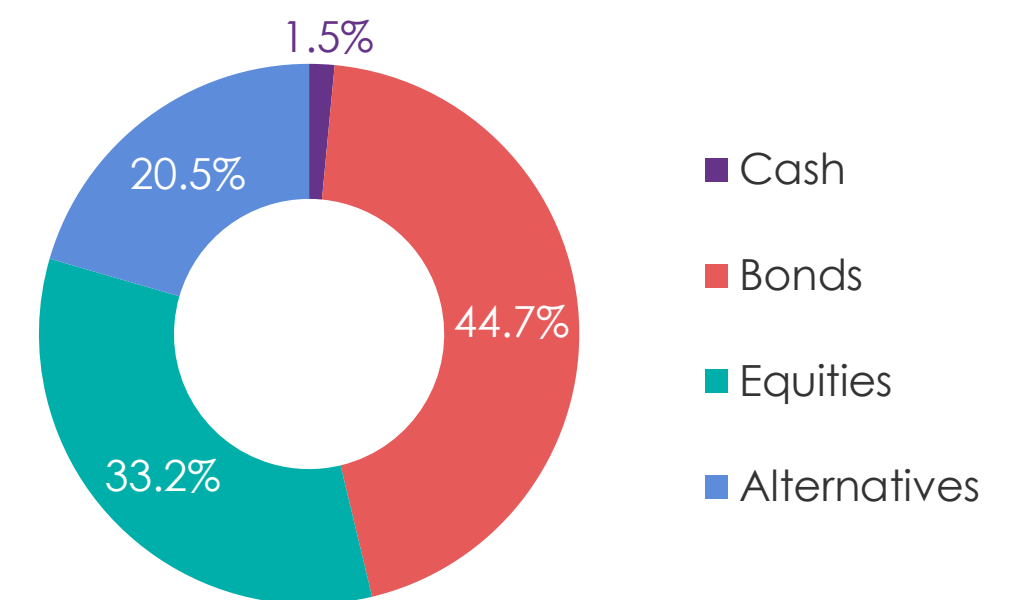
## Portfolio Objective

The portfolio objective is appropriate for an investor with a two-year time horizon or more, who seeks low volatility of returns, is comfortable having typically around 30% of their portfolio in equities. The projected annualised rate of return over the long term is UK CPI +1%. Investors should be able tolerate a loss of up to 10% of the value of their portfolio in any one year, based on the assumption of 95% probability.

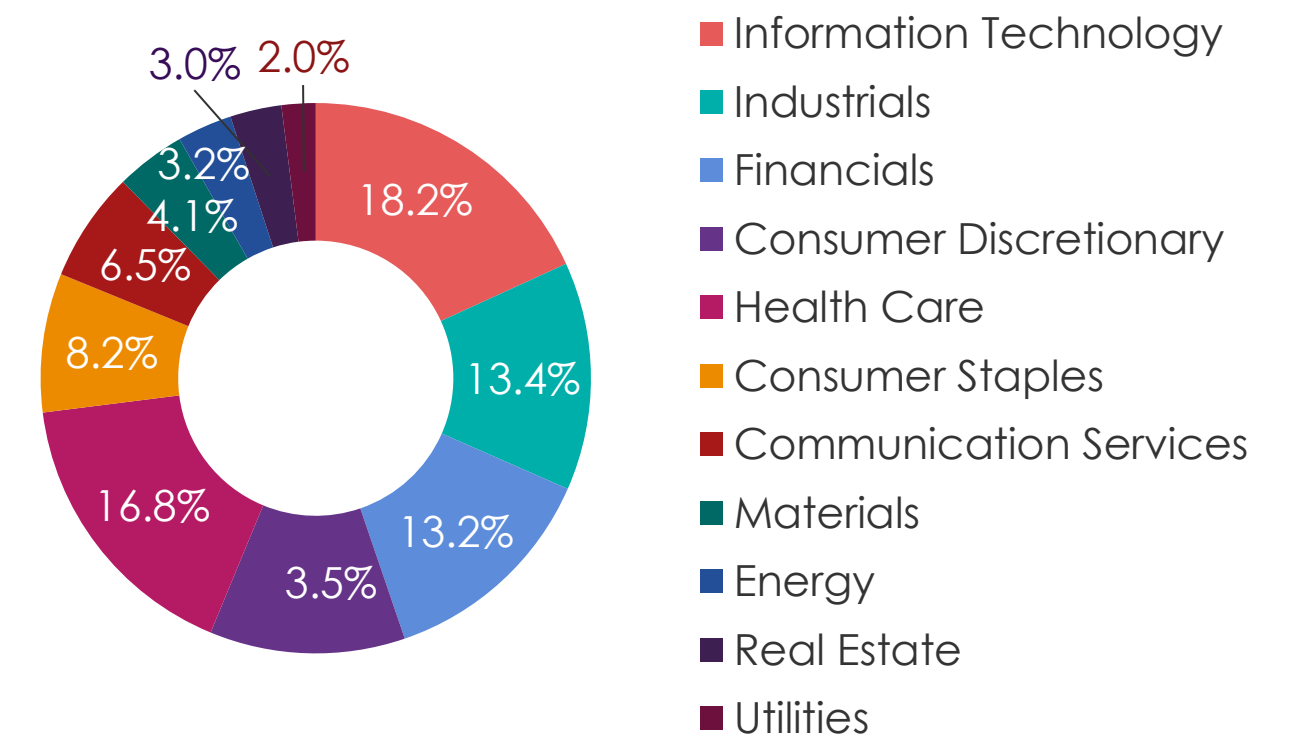
## Portfolio Total Return (01/07/2011 to 30/09/2024)



## Asset breakdown



## Equity sector breakdown



## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Conservative GBP	12.70	3.43	-4.68	9.04	-0.63
UK CPI +1%	2.67	7.64	11.11	4.09	1.53

Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 September 2024. Performance figures are net of underlying fund fees and Evelyn Partners' Investment Management Fee of 0.30%. Asset allocation is subject to change. Source: Evelyn Partners International Limited and FactSet.



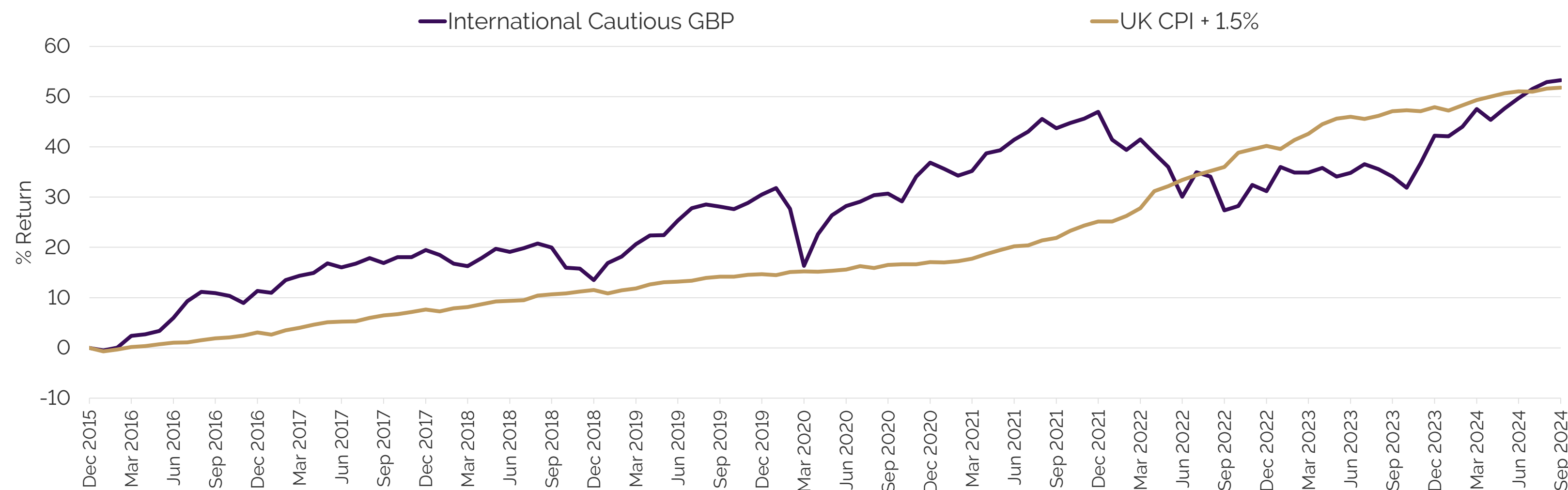
# International Cautious GBP Portfolio Profile

30 September 2024

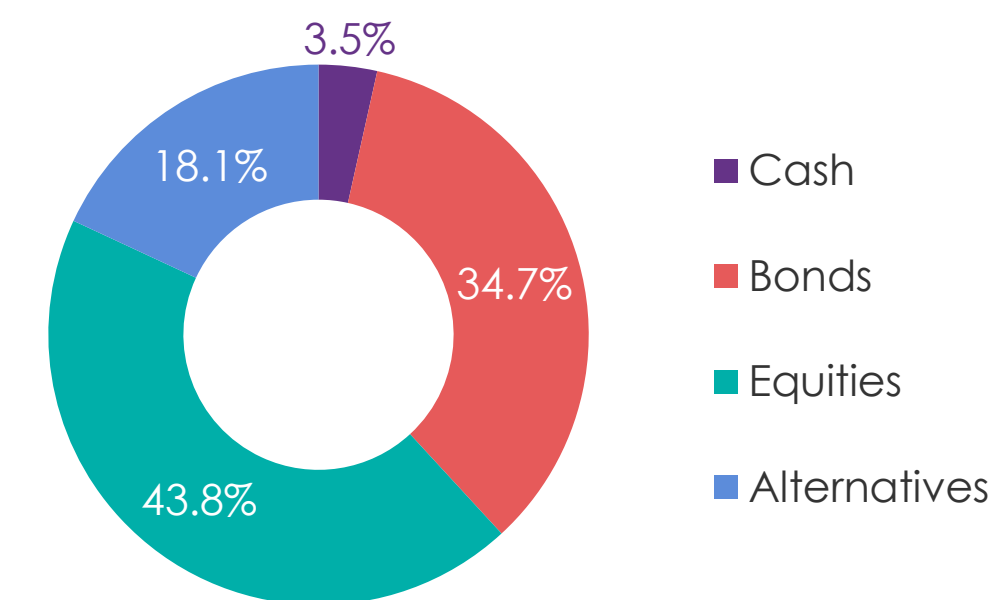
## Portfolio Objective

The portfolio objective is appropriate for an investor with a four-year time horizon or more, who seeks low volatility of returns, is comfortable having typically around 40% of their portfolio in equities. The projected annualised rate of return over the long term is UK CPI +1.5%. Investors should be able tolerate a loss of up to 12.5% of the value of their portfolio in any one year, based on the assumption of 95% probability.

## Portfolio Total Return (01/01/2016 to 30/09/2024)



## Asset breakdown



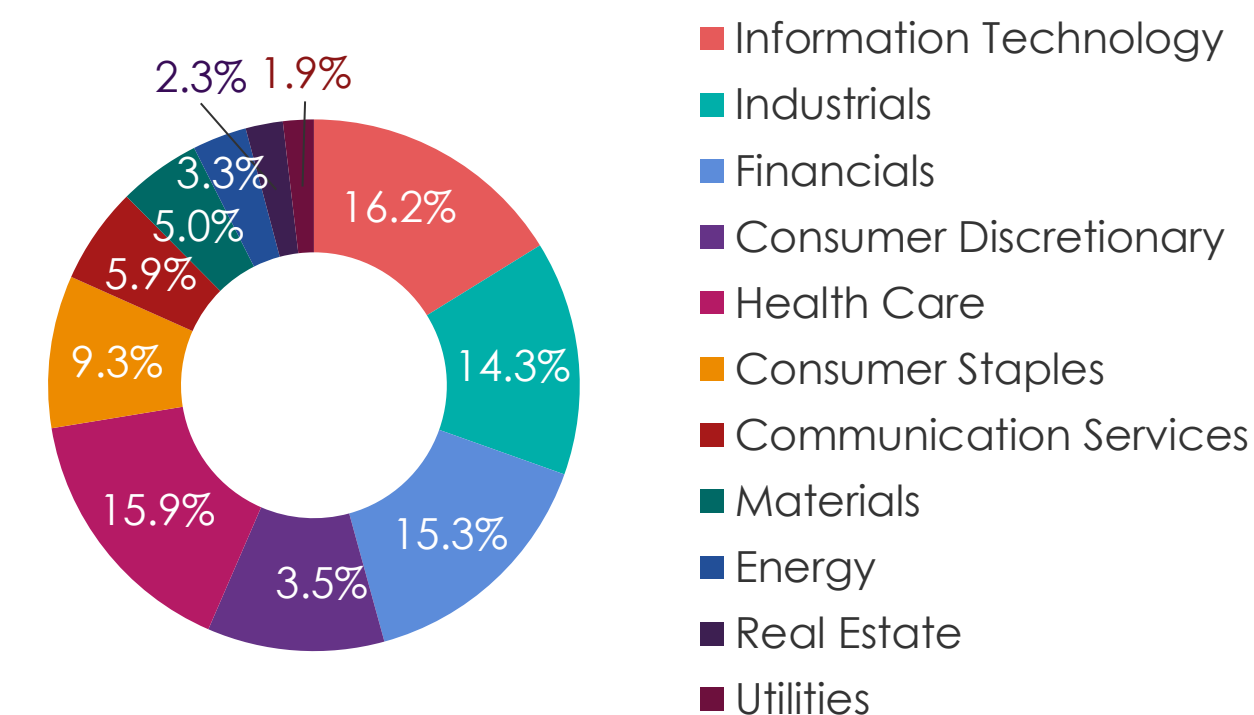
## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Cautious GBP	14.27	5.27	-11.37	9.99	2.00
UK CPI +1.5%	3.17	8.14	11.61	4.59	2.03

Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 September 2024. Performance figures are net of underlying fund fees and Evelyn Partners' Investment Management Fee of 0.30%. Asset allocation is subject to change. Source: Evelyn Partners International Limited and FactSet.

## Equity sector breakdown





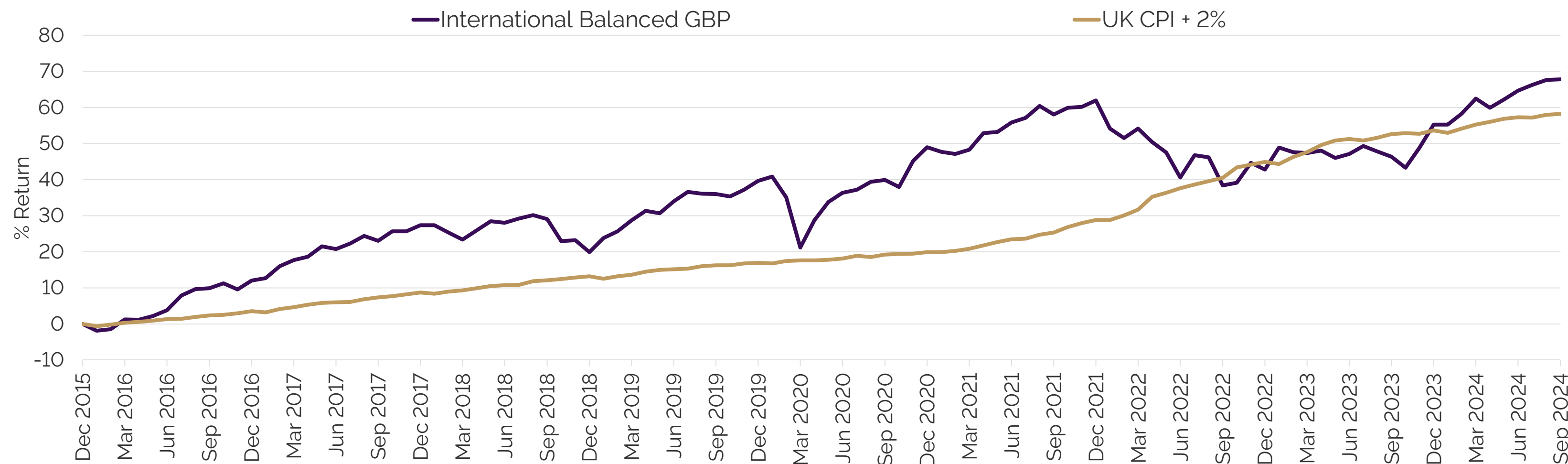
# International Balanced GBP Portfolio Profile

30 September 2024

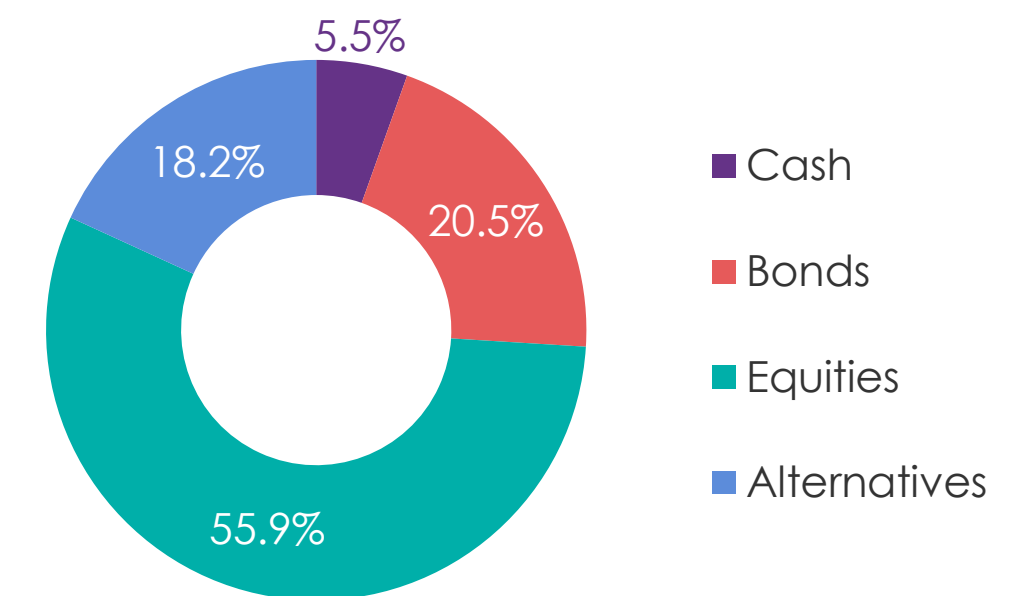
## Portfolio Objective

The portfolio objective is appropriate for an investor with a four-year time horizon or more, who seeks medium volatility of returns, is comfortable having typically around 55% of their portfolio in equities. The projected annualised rate of return over the long term is UK CPI +2%. Investors should be able tolerate a loss of up to 15% of the value of their portfolio in any one year, based on the assumption of 95% probability.

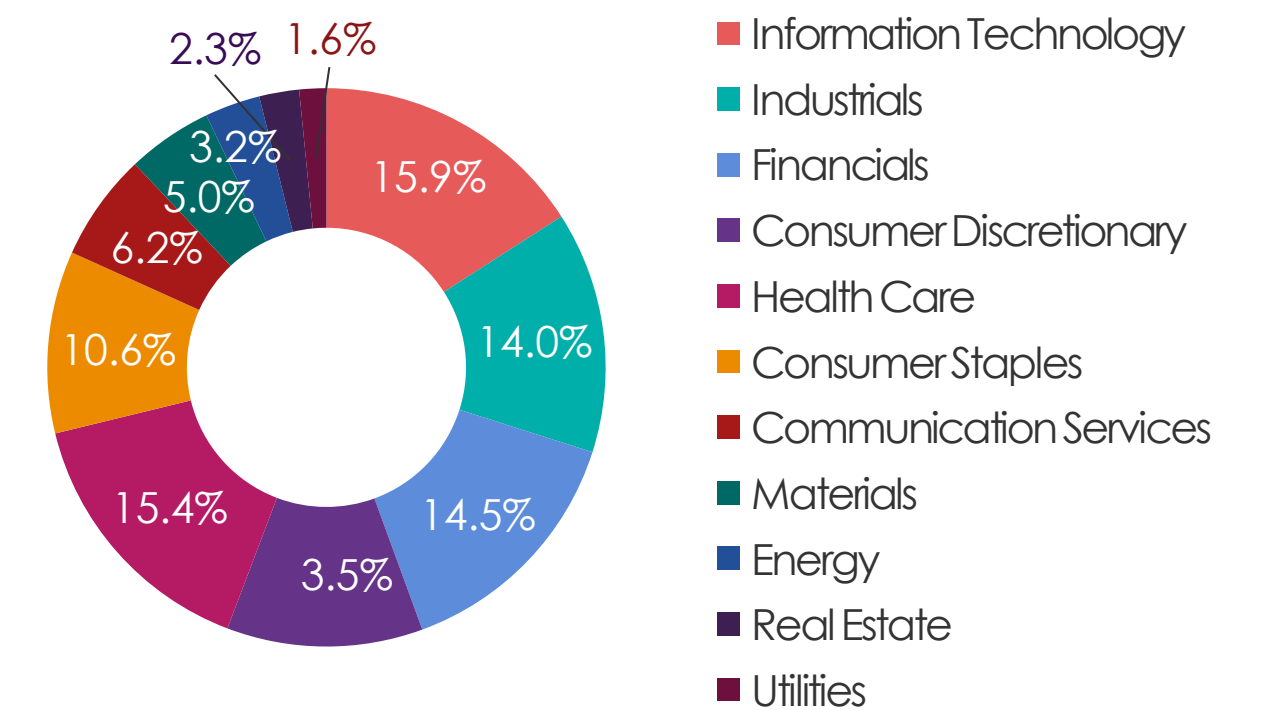
## Portfolio Total Return (01/01/2016 to 30/09/2024)



## Asset breakdown



## Equity sector breakdown



## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Balanced GBP	14.64	5.80	-12.49	13.00	2.86
UK CPI +2%	3.67	8.64	12.12	5.09	2.53

Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 September 2024. Performance figures are net of underlying fund fees and Evelyn Partners' Investment Management Fee of 0.30%. Asset allocation is subject to change. Source: Evelyn Partners International Limited and FactSet.



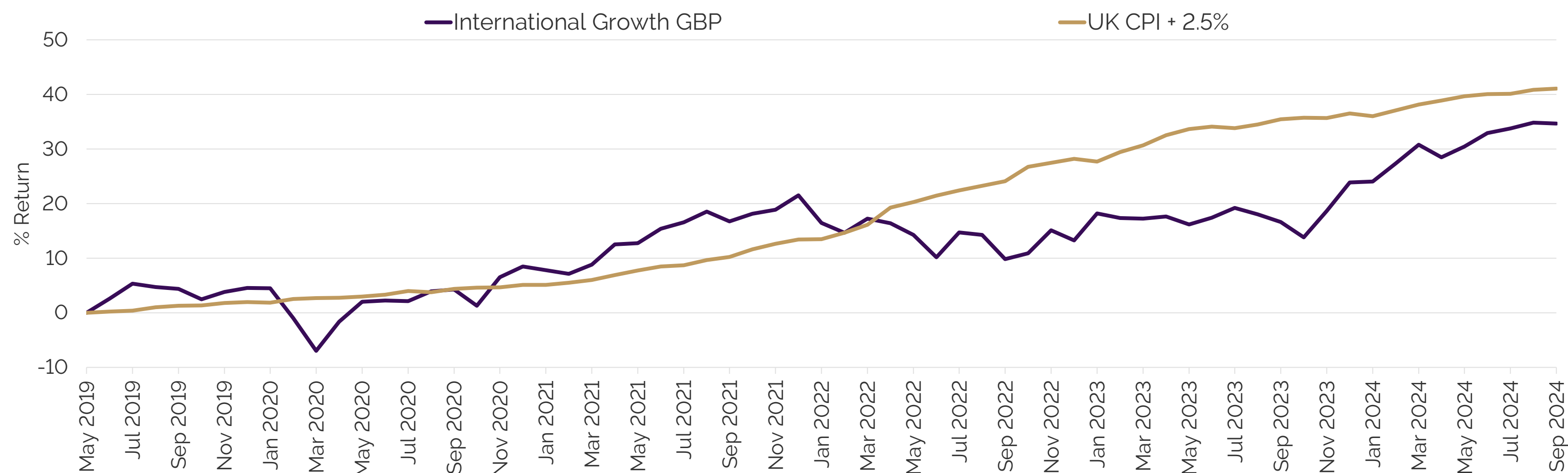
# International Growth GBP Portfolio Profile

30 September 2024

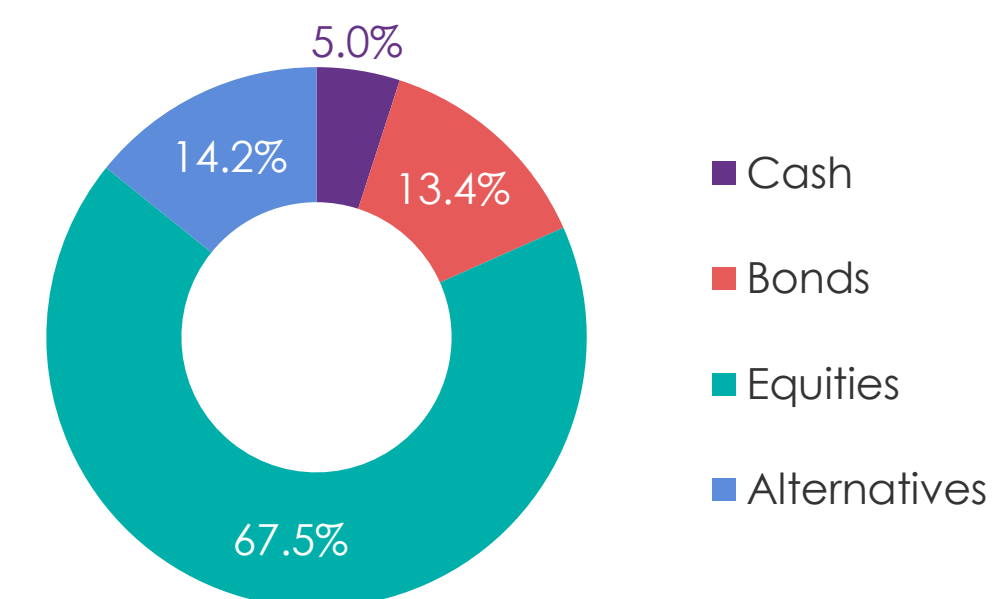
## Portfolio Objective

The portfolio objective is appropriate for an investor with a four-year time horizon or more, who seeks medium volatility of returns, is comfortable having typically around 65% of their portfolio in equities. The projected annualised rate of return over the long term is UK CPI +2.5%. Investors should be able to tolerate a loss of up to 17.5% of the value of their portfolio in any one year, based on the assumption of 95% probability.

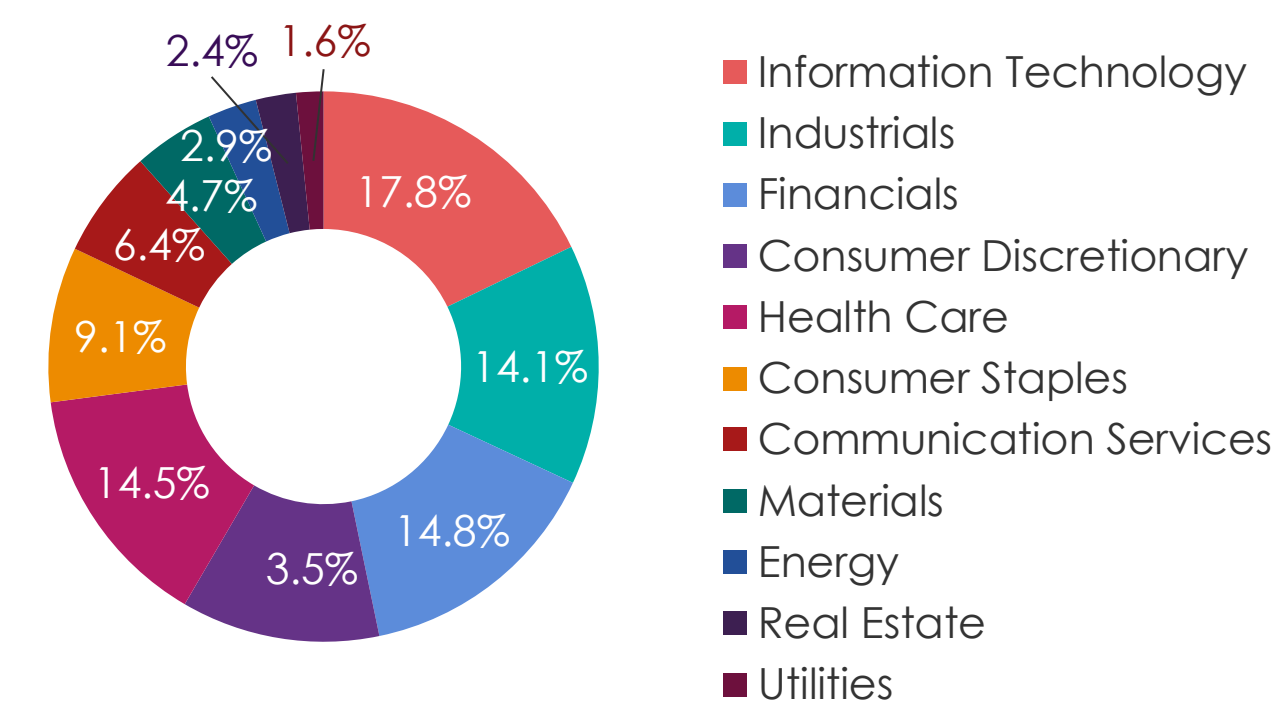
## Portfolio Total Return (01/06/2019 to 30/09/2024)



## Asset breakdown



## Equity sector breakdown



## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Growth GBP	15.47	6.20	-5.92	11.98	-0.16
UK CPI +2.5%	4.17	9.13	12.62	5.60	3.03

Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 September 2024. Performance figures are net of underlying fund fees and Evelyn Partners' Investment Management Fee of 0.30%. Asset allocation is subject to change. Source: Evelyn Partners International Limited and FactSet.

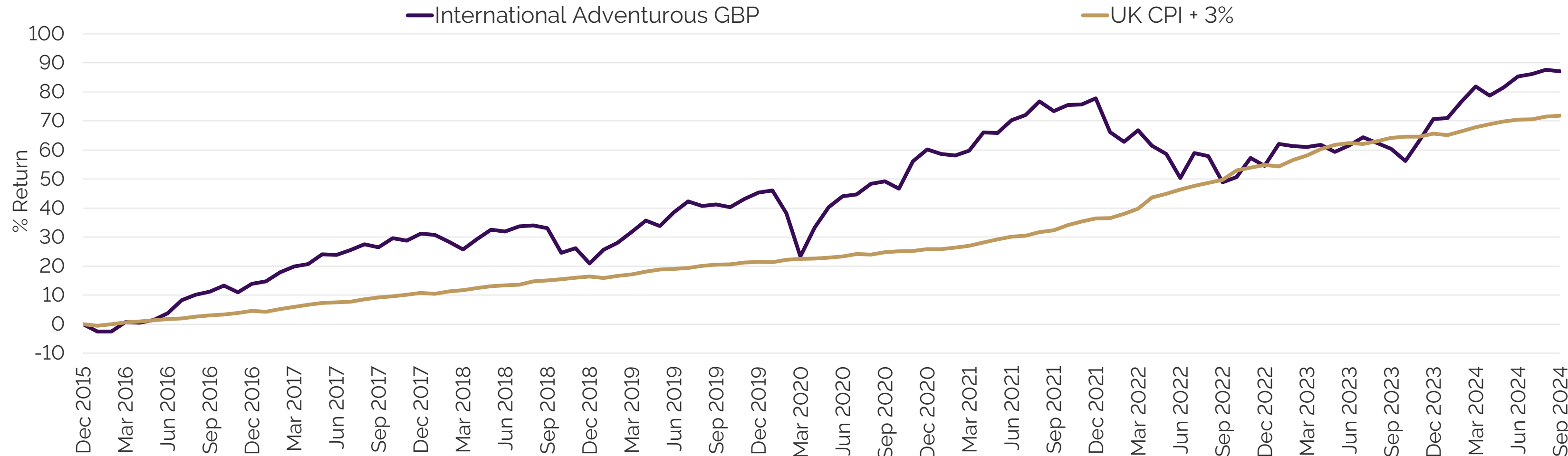
# International Adventurous GBP Portfolio Profile

30 September 2024

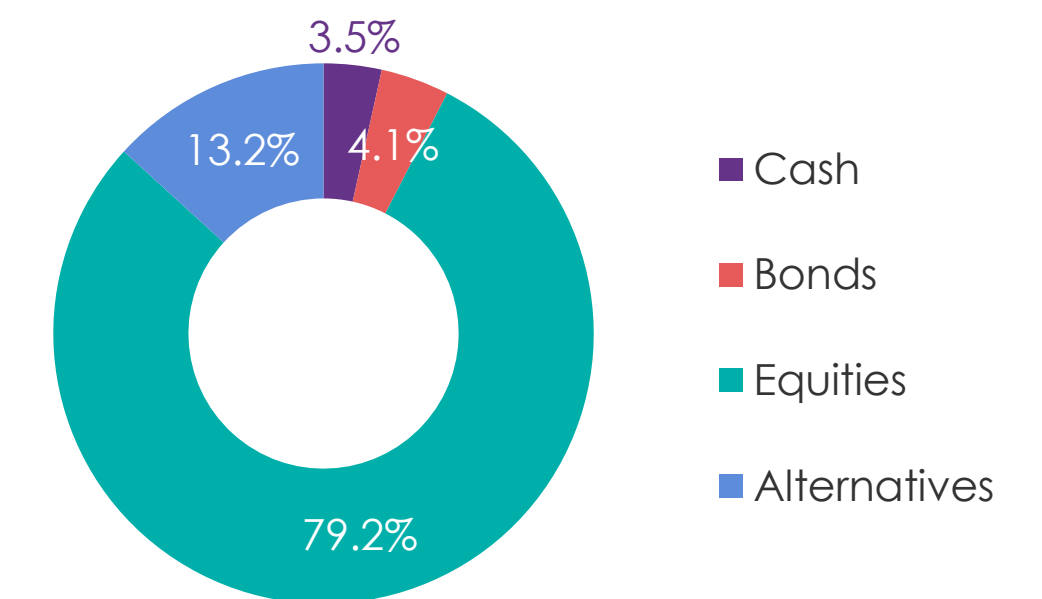
## Portfolio Objective

The portfolio objective is appropriate for an investor with a four-year time horizon or more, who seeks medium volatility of returns, is comfortable having typically around 75% of their portfolio in equities. The projected annualised rate of return over the long term is UK CPI +3%. Investors should be able tolerate a loss of up to 20% of the value of their portfolio in any one year, based on the assumption of 95% probability.

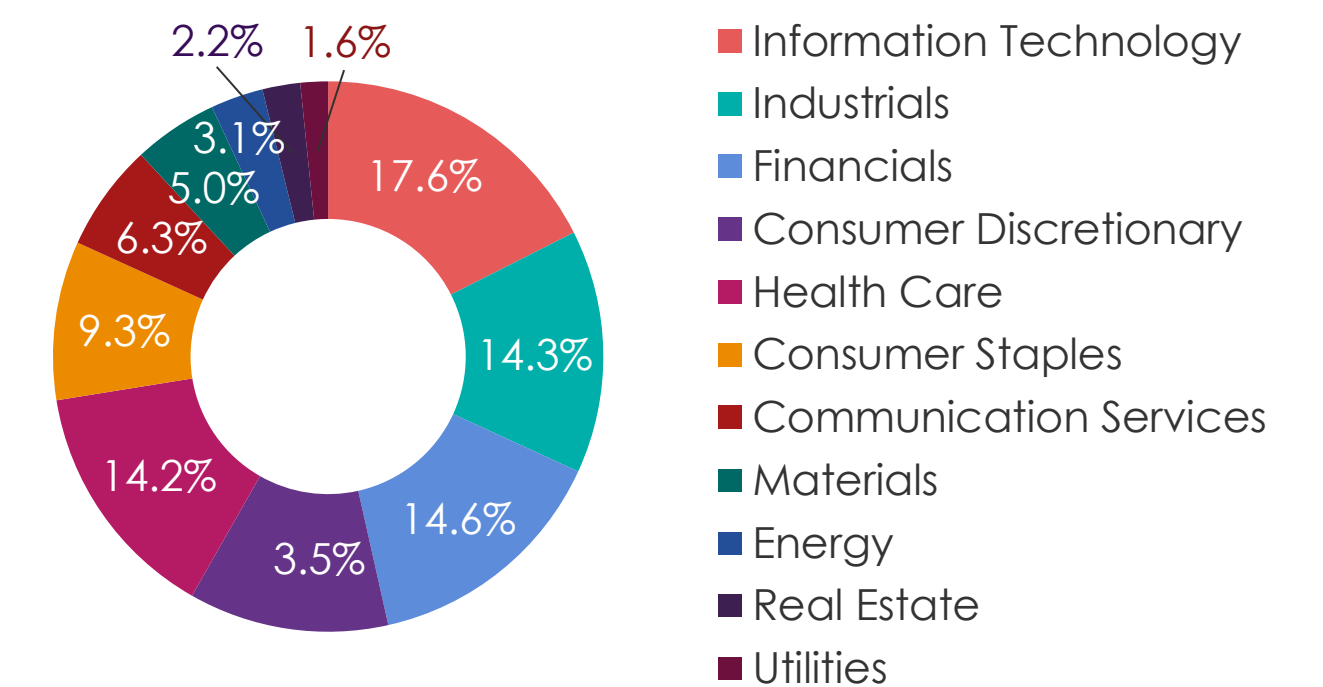
## Portfolio Total Return (01/01/2016 to 30/09/2024)



## Asset breakdown



## Equity sector breakdown



## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Adventurous GBP	16.63	7.79	-14.16	16.22	5.65
UK CPI +3%	4.66	9.63	13.13	6.10	3.53

Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 September 2024. Performance figures are net of underlying fund fees and Evelyn Partners' Investment Management Fee of 0.30%. Asset allocation is subject to change. Source: Evelyn Partners International Limited and FactSet.



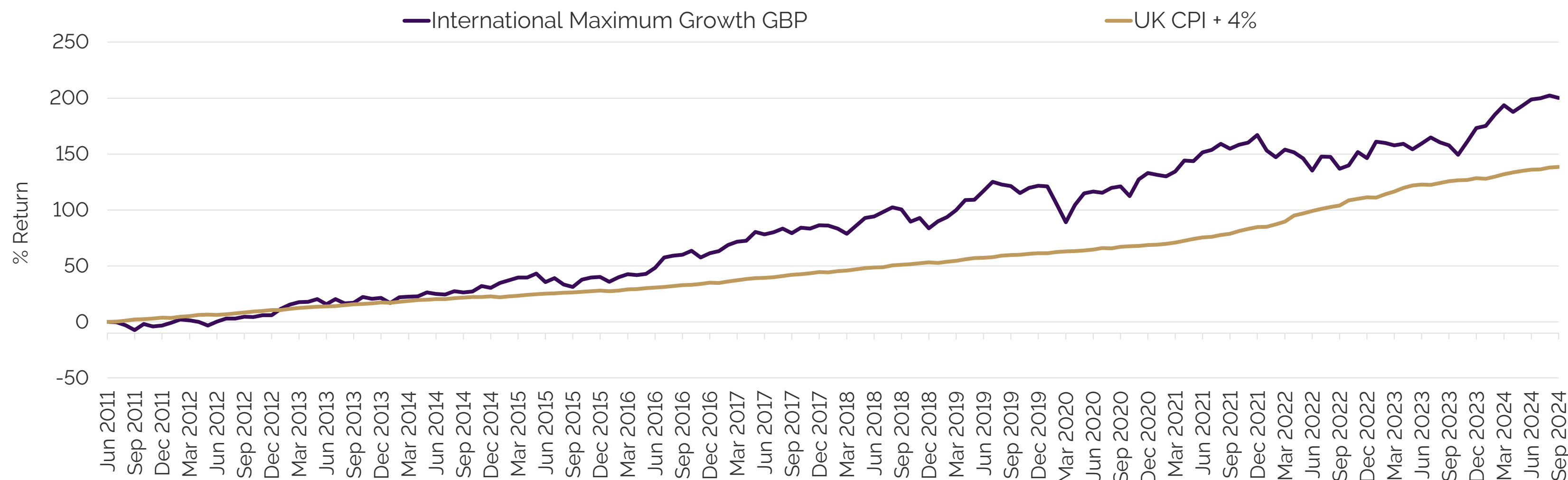
# International Maximum Growth GBP Portfolio Profile

30 September 2024

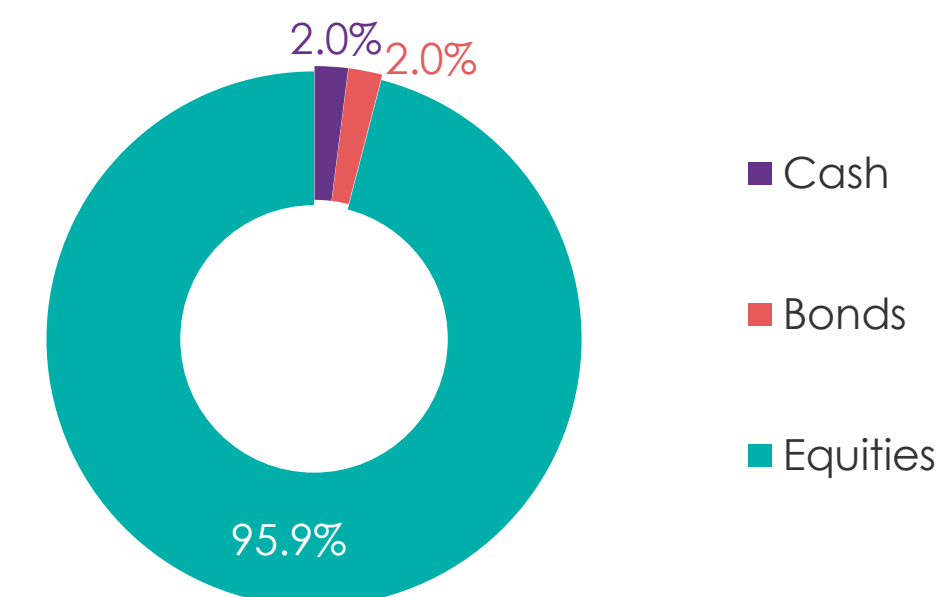
## Portfolio Objective

The portfolio objective is appropriate for an investor with a four-year time horizon or more, who seeks medium volatility of returns, is comfortable having typically around 95% of their portfolio in equities. The projected annualised rate of return over the long term is UK CPI +4%. Investors should be able tolerate a loss of up to 25% of the value of their portfolio in any one year, based on the assumption of 95% probability.

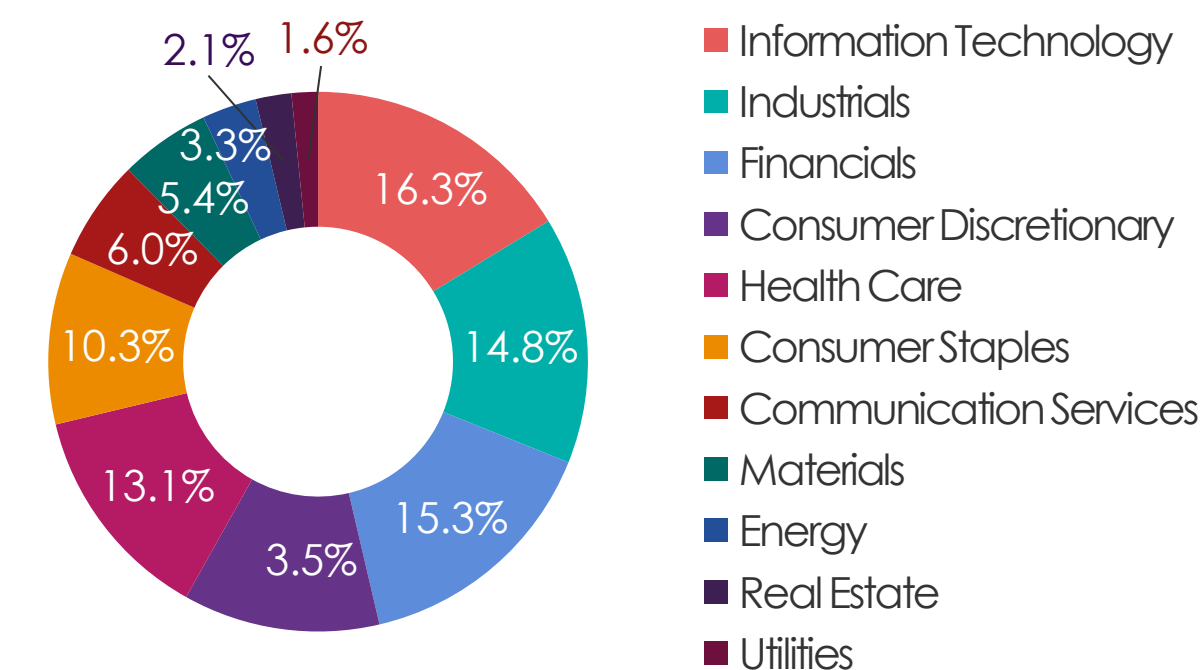
## Portfolio Total Return (01/07/2011 to 30/09/2024)



## Asset breakdown



## Equity sector breakdown



## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
International Maximum Growth GBP	16.43	8.91	-7.07	15.21	-0.18
UK CPI +4%	5.66	10.62	14.14	7.10	4.52

Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 September 2024. Performance figures are net of underlying fund fees and Evelyn Partners' Investment Management Fee of 0.30%. Asset allocation is subject to change. Source: Evelyn Partners International Limited and FactSet.

# Important information

Always remind your clients that the value of investments and the income derived from it can go down as well as up and investors can get back less than they originally invested. Past performance is not a guide to the future.

Funds which invest in specific sectors may carry more risk than those spread across a number of different sectors. In particular, gold, technology and other focused funds can suffer as the underlying stocks can be more volatile and less liquid.

Bonds issued by major governments and companies will be more stable than those issued by emerging markets or smaller corporate issuers; in the event of an issuer experiencing financial difficulty, there may be a risk to some or all of the capital invested. Please note that historical or current yields should not be considered a reliable indicator of future performance.

Targeted absolute return funds do not guarantee a positive return and you could get back less than you invested, much like any other investment. Additionally, the underlying assets of targeted absolute return funds generally use complex hedging techniques through the use of derivative products.

Due to their nature, specialist funds can be subject to specific sector risks. Investors should ensure they read all relevant information in order to understand the nature of such investments and the specific risks involved.

Different funds carry varying levels of risk depending on the geographical region and industry sector in which they invest. You should make yourself aware of these specific risks prior to investing.

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