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# International MPS – GBP

Investment Review – Q1 2024

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# Performance highlights – Q1 2024



## Christopher Golding

### Lead Portfolio Manager, Director

The Evelyn Partners International MPS range continued its strong performance from Q4.23, with returns ranging from 1.5% for the lowest risk strategy up to 7.4% for maximum growth, as global equities continued their ascent, while bonds faced a headwind from a material shift in inflation and interest rate expectations. In commodities, Gold and Oil both increased on increased geopolitical tensions, stronger demand and constrained oil supply from some OPEC+ members.

We view the wealth effect from rising equity and property prices as potentially supportive to the global economic recovery, and should this encourage more risk taking by consumers, firms, and investors then there is potential for the global equity to rally to continue.

## Equities

Global equities rallied 9.5% over the first 3 months of 2024, as US economic growth remained resilient and companies, most notably the majority of the 'Magnificent Seven' (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla), delivered better than expected earnings.

Against this backdrop, US funds with concentrated exposure to this cohort delivered the best performance, such as GQG Partners and Edgewood Select which delivered returns of 23.5% and 13.9%, respectively.

European equities also performed well in the positive environment, gaining 10.8%, ahead of the region thank to the fund's semiconductor related holdings.

In the Far East, a weak yen, alongside recent corporate governance reforms, boosted Japanese equities, this saw our Japanese fund rise by 8.4% in sterling terms.

## Equities continued.

The UK was the lagged over the period, with a muted return of 2.4%, in part due to low exposure to the Artificial Intelligence led tech sector and also weak economic growth outlook contributed to some of this underperformance

## Fixed Income

The shift in inflation and interest rate expectations to higher for longer in the US and UK was a headwind for US treasuries and UK Gilts, as such holdings in the Vanguard US Government Bond Fund and iShares UK Gilts declined by -1.0% and 1.7%, respectively.

In contrast credit was well rewarded with the buoyant equity backdrop, this saw the TwentyFour Strategic Income deliver a gain of 3.0%, while Capital Group High Income Opportunities increased by 1.0%.

## Alternative Assets

We continue to hold a diverse selection of alternative funds with differentiated drivers of return, and during the quarter these combined to make a positive contribution to our portfolios.

Our two absolute return managers delivered mixed returns ranging from 5.5% to -0.2%, while Invesco Gold was the best performing alternative asset with an increase in 8.4%, benefiting from central bank buying and also aided by positive currency translation effects in GBP terms.

Despite operationally performing well, BBGI Global Infrastructure was the worst performing holding as the environment of higher for longer interest rates weighed on the sector, while Schroder Global Cities performed reasonably well considering this environment with a gain of 1.0%.

Source: Factset as of 31 March 2024

# Equity look through – GBP Balanced

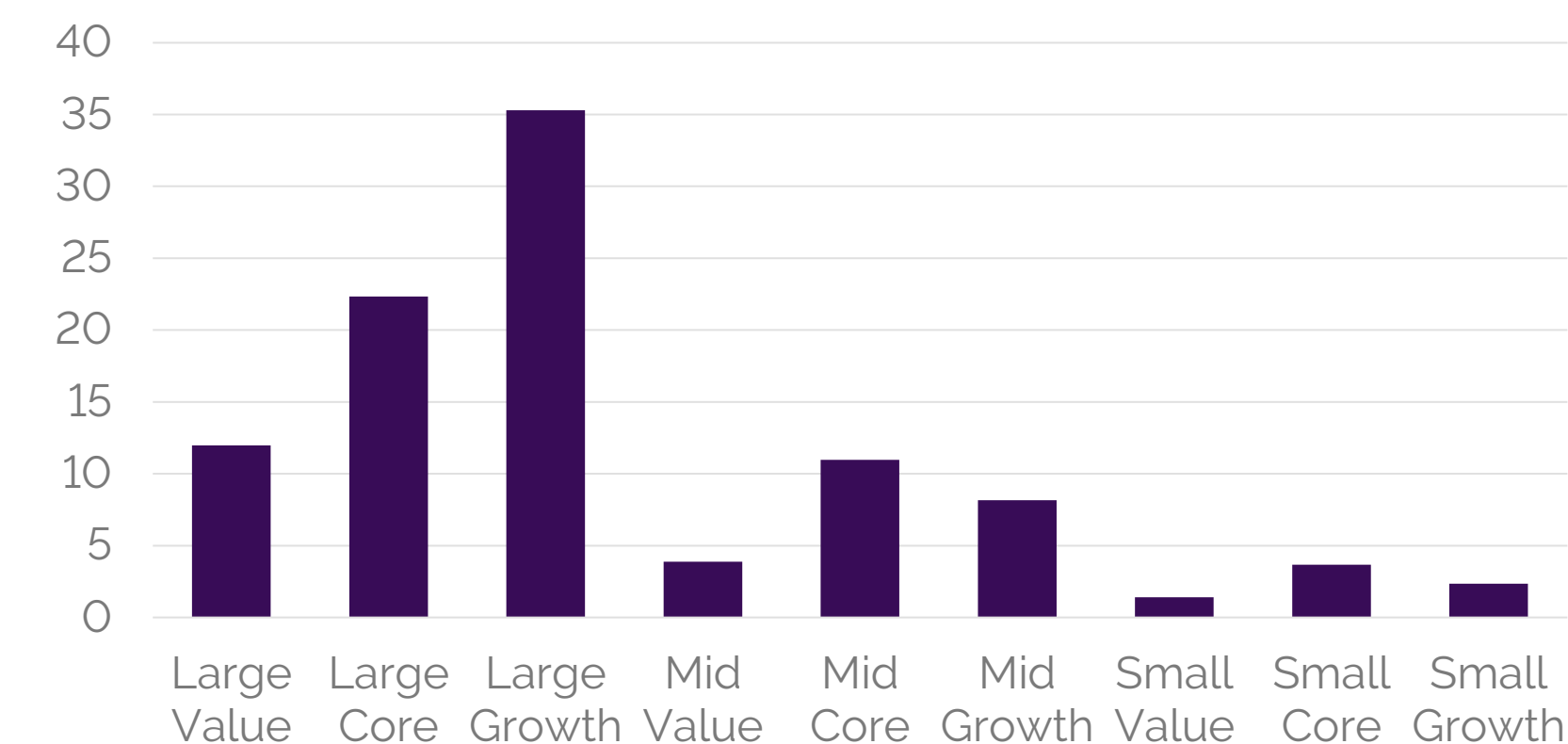
## Top 10 underlying

Top 10 Companies	Weight (%)
Microsoft	1.33
Novo Nordisk	1.27
NVIDIA	0.77
Meta	0.71
Diageo	0.69
Shell	0.68
TSMC Ltd	0.63
Eli Lilly and Co	0.61
Visa	0.60
LVMH	0.59

## Sector breakdown

Sectors	Weight (%)
Basic Materials	4.28
Consumer Discretionary	10.06
Financials	11.98
Real Estate	6.91
Communication Services	5.31
Energy	3.17
Industrials	12.47
Technology	18.73
Consumer Staples	10.20
Healthcare	15.59
Utilities	1.30

## Size and style exposure



## Financial Ratios

ROE %	25.78	23.49
ROA %	9.99	9.00
Net Margin %	17.85	16.20
Debt to Capital %	34.68	38.40

Source: Morningstar Direct as of 31 March 2024

# Underlying top holding – Novo Nordisk

## The healthcare sector

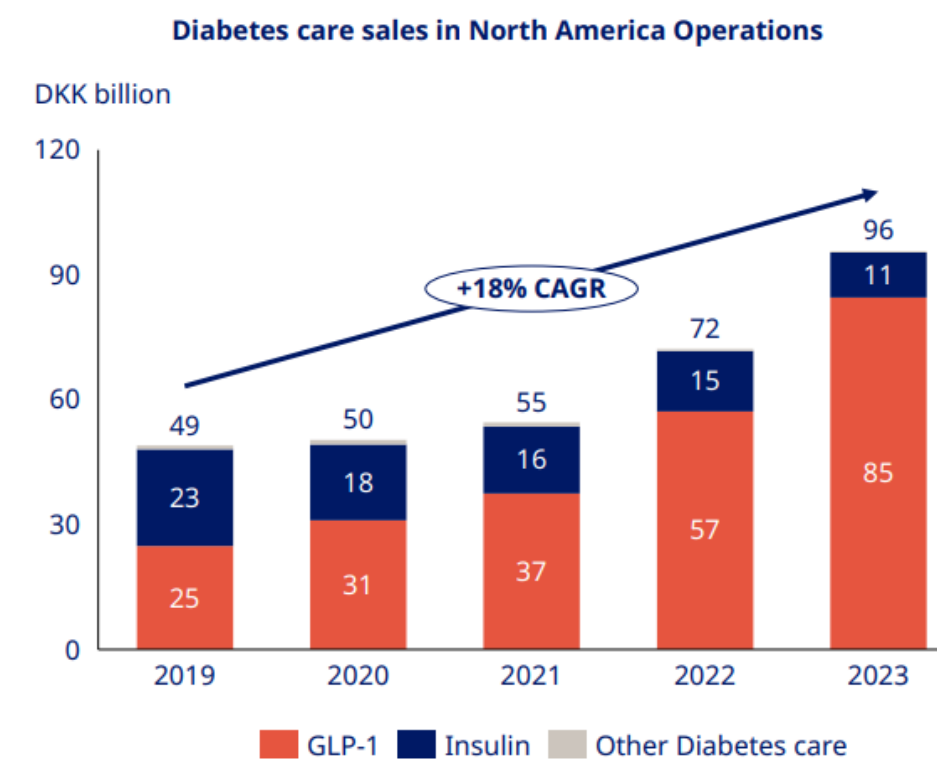
The healthcare sector delivers resilient earnings throughout the cycle, providing portfolios with a countercyclical element, as such Healthcare companies have consistently outperformed in down markets.

Diabetes and obesity are Novo Nordisk's key priority areas

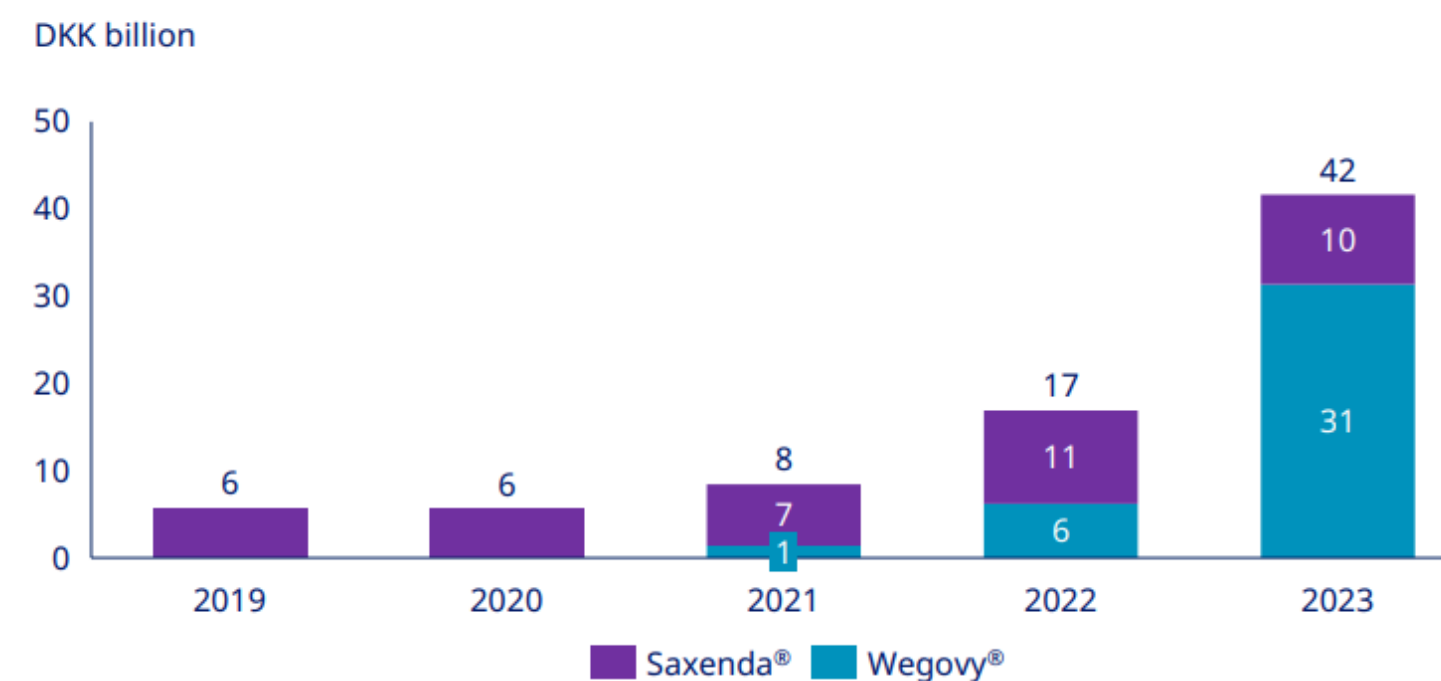


**Diabetes** is one of the leading causes of death in the world

422mn people worldwide are living with diabetes, 4x more than in 1980



**Obesity care sales development**



>1bn people worldwide are obese

By 2025, WHO estimates 167mn people (adults and children) will become less healthy because they are overweight or obese



\*WHO: World Health Organization, <https://www.who.int> For illustrative purposes only. Portfolio composition may vary over time. The UN's Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". For more details: <https://sdgs.un.org/goals> Please refer to the fund prospectus 1 January 2022 for further explanation. Source: Company data, WHO/

# Performance

## Performance to 31 March 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	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Defensive GBP	1.38	6.84	5.28	8.83	13.69	31.20	5.28	-1.54	4.99	6.87	-2.25
International Conservative GBP	2.52	8.33	6.87	11.96	19.70	60.57	6.87	-1.41	6.26	9.90	-2.71
International Cautious GBP	3.65	9.86	9.05	8.17	20.45	43.94	9.05	-4.95	4.36	15.87	-3.90
International Balanced GBP	4.52	10.81	9.87	8.52	24.29	58.48	9.87	-4.70	3.64	22.11	-6.21
International Growth GBP	5.48	11.98	11.24	19.13	33.39	28.91	11.24	-0.33	7.45	16.63	-3.99
International Adventurous GBP	6.48	13.22	12.66	12.82	35.99	77.49	12.66	-3.74	4.03	29.14	-6.66
International Maximum Growth GBP	7.29	13.64	13.54	24.12	44.57	182.55	13.54	1.17	8.07	23.52	-5.70

### 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

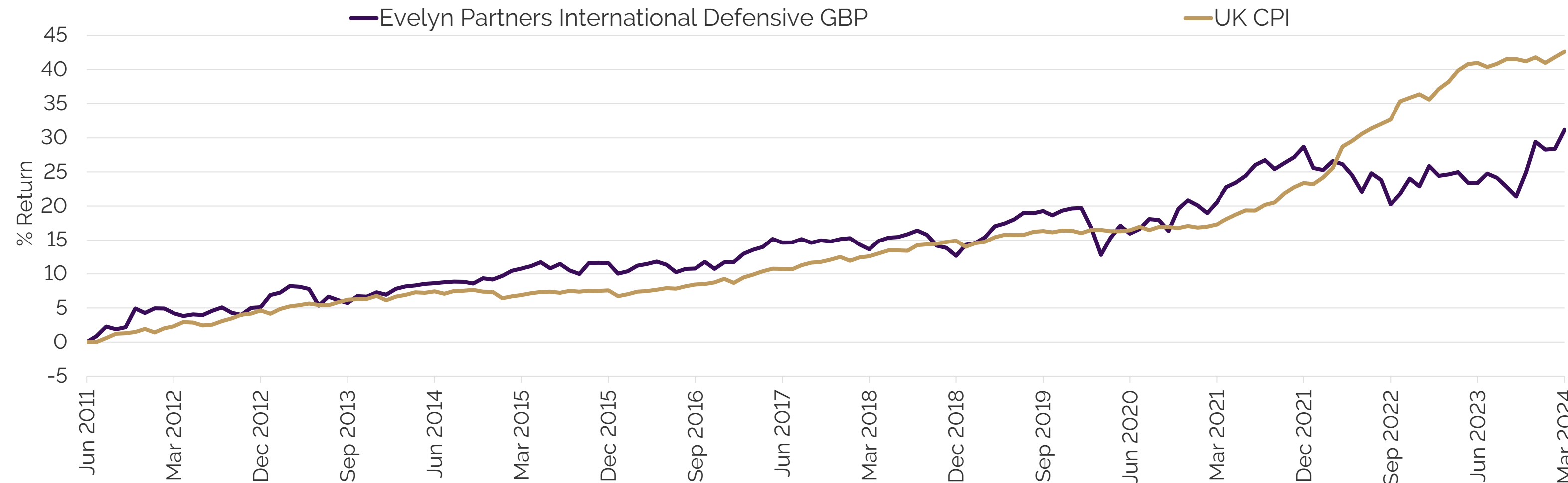
# International Defensive GBP Portfolio Profile

31 March 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 31/03/2024)



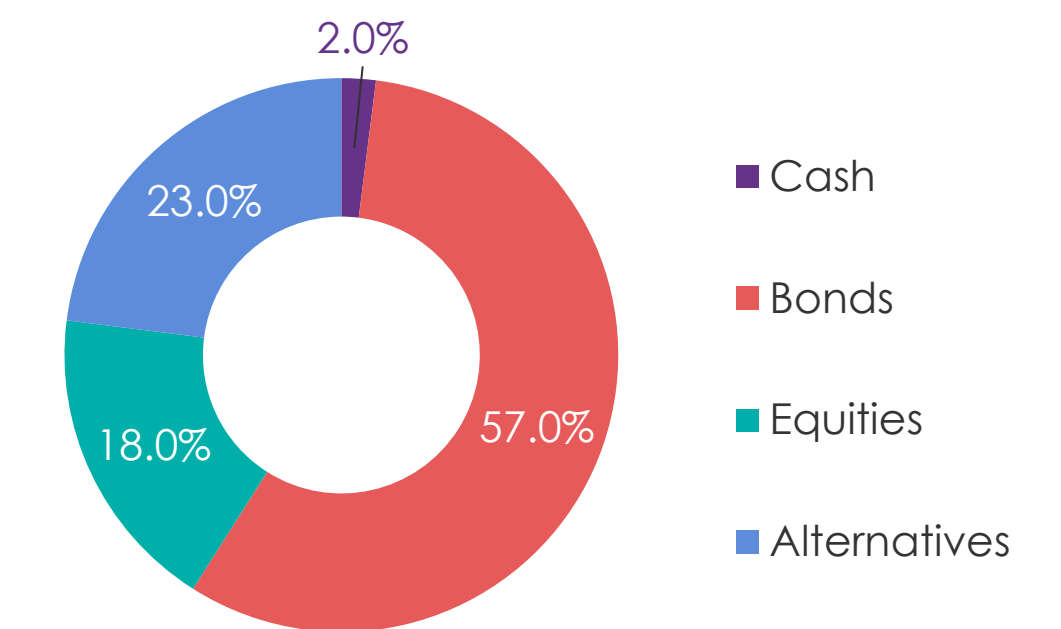
## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Defensive GBP	5.28	-1.54	4.99	6.87	-2.25
UK CPI	3.23	10.06	7.02	0.71	1.52

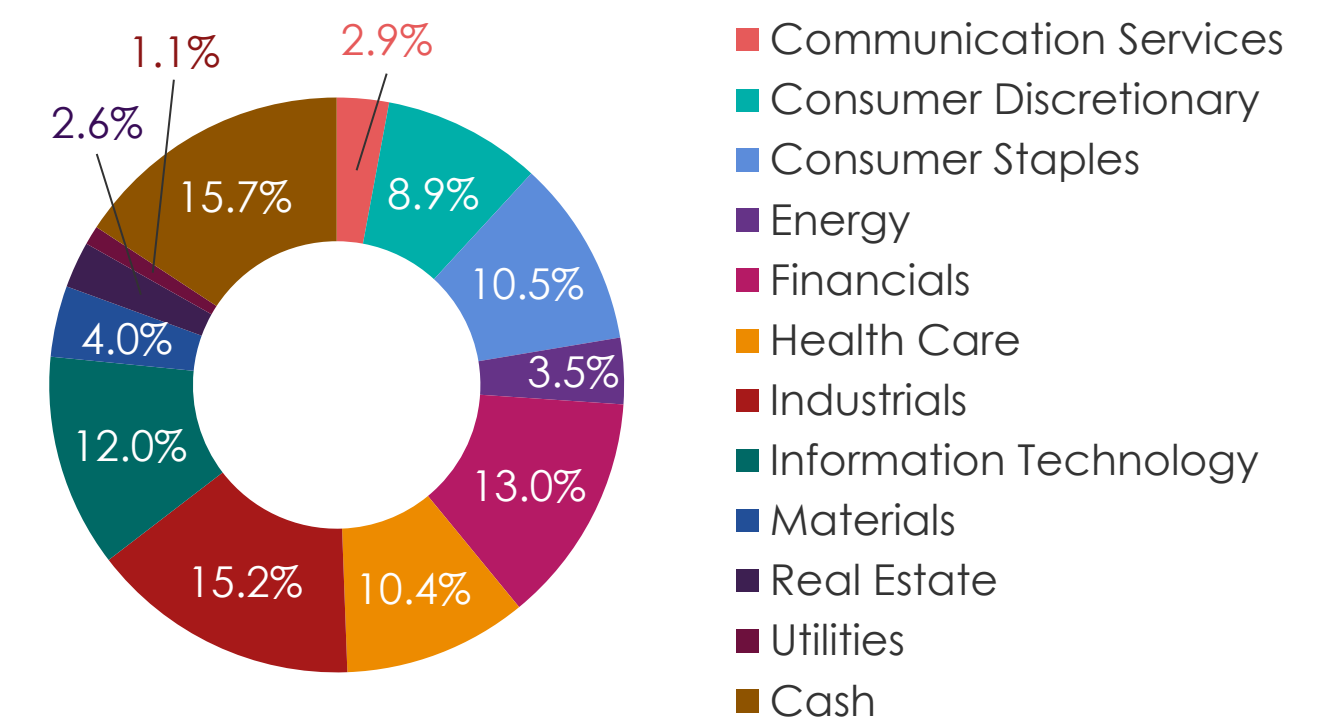
Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 31 March 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.

## Asset breakdown



## Equity sector breakdown





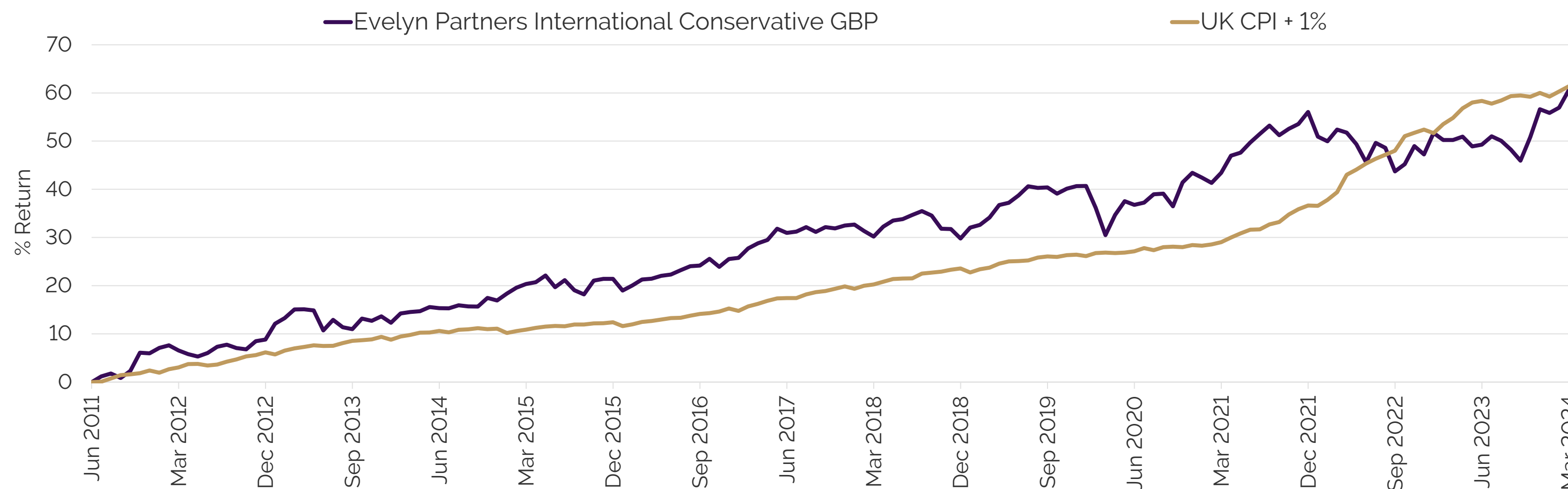
# International Conservative GBP Portfolio Profile

31 March 2024

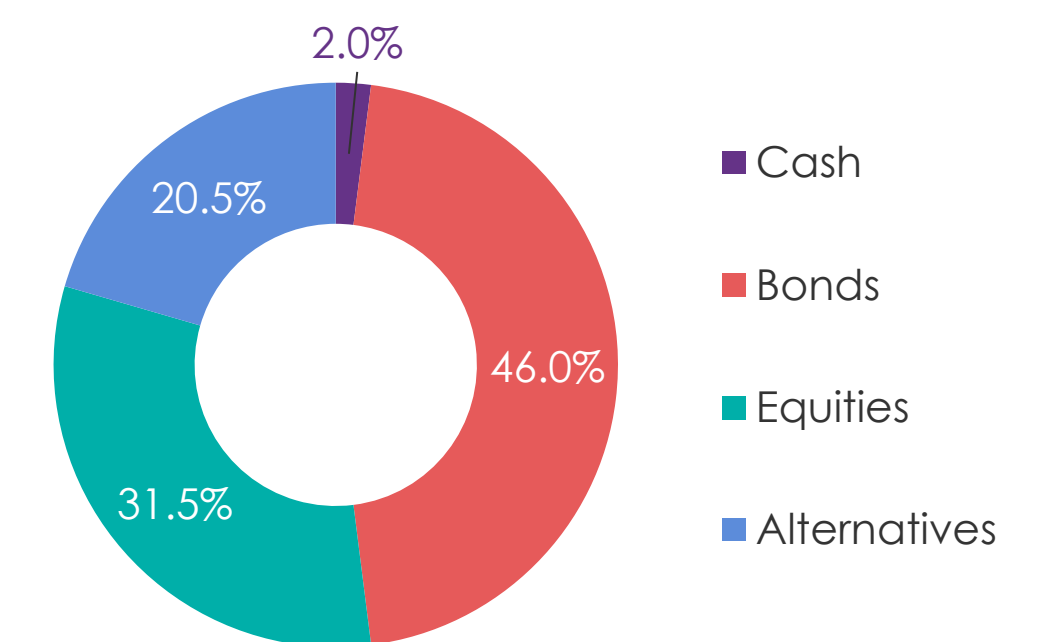
## Portfolio Objective

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 to tolerate a loss of up to 10% of the value of their portfolio in any one year, based on the assumption of 95% probability.

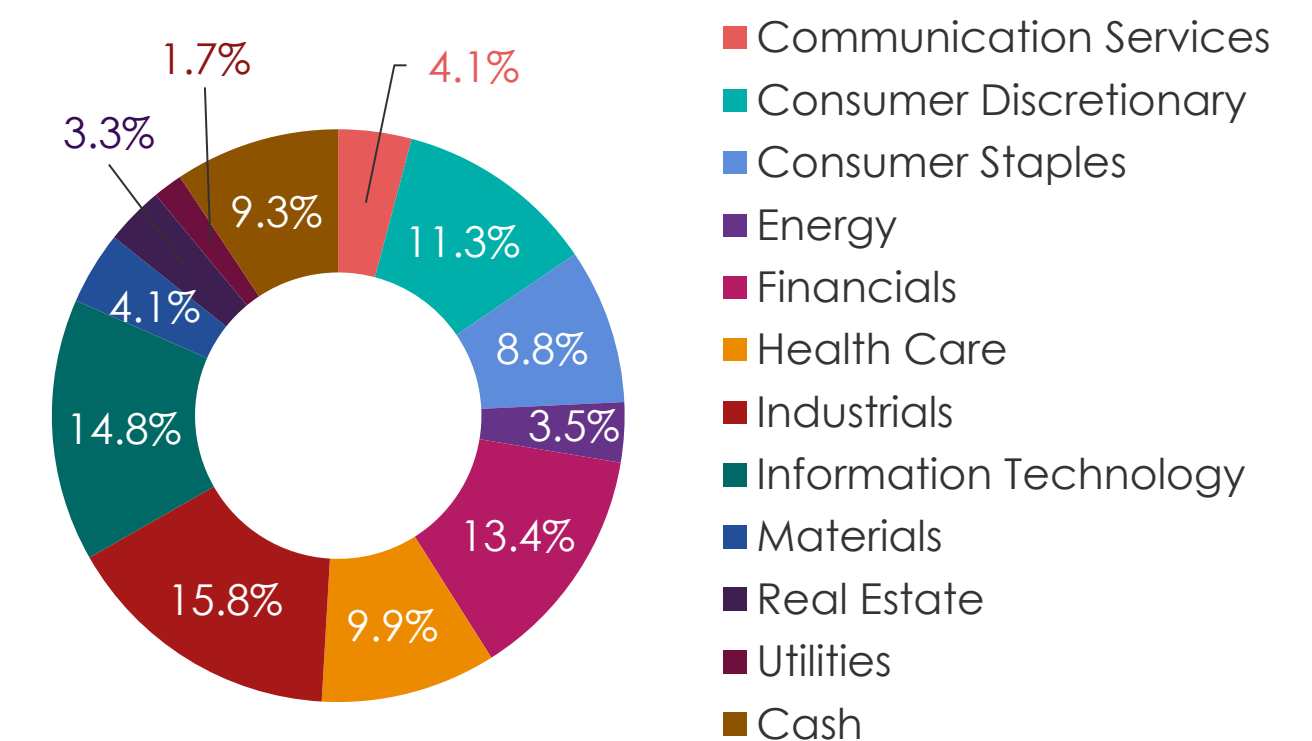
## Portfolio Total Return (01/07/2011 to 31/03/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Conservative GBP	6.87	-1.41	6.26	9.90	-2.71
UK CPI +1%	4.22	11.05	8.03	1.72	2.52

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

All data is at 31 March 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.

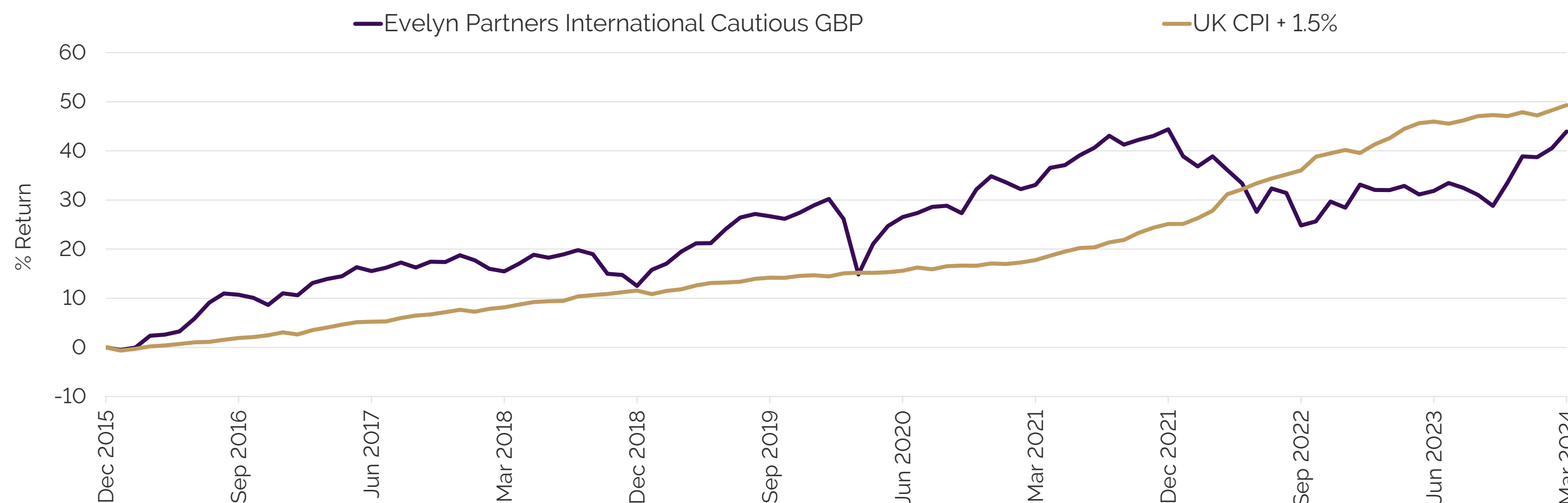
# International Cautious GBP Portfolio Profile

31 March 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 31/03/2024)



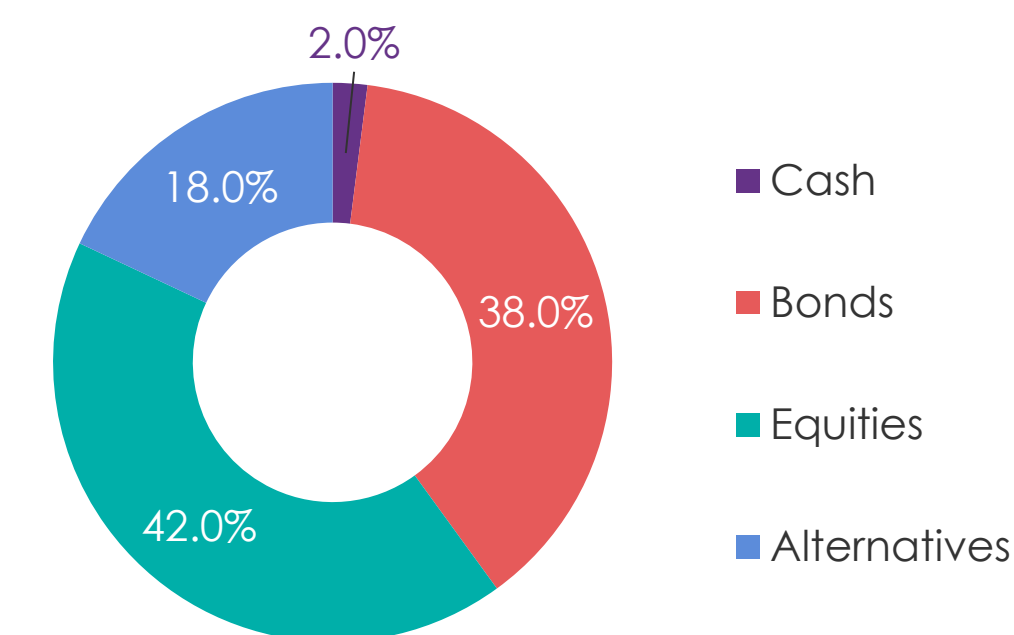
## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Cautious GBP	9.05	-4.95	4.36	15.87	-3.90
UK CPI +1.5%	4.72	11.55	8.54	2.22	3.03

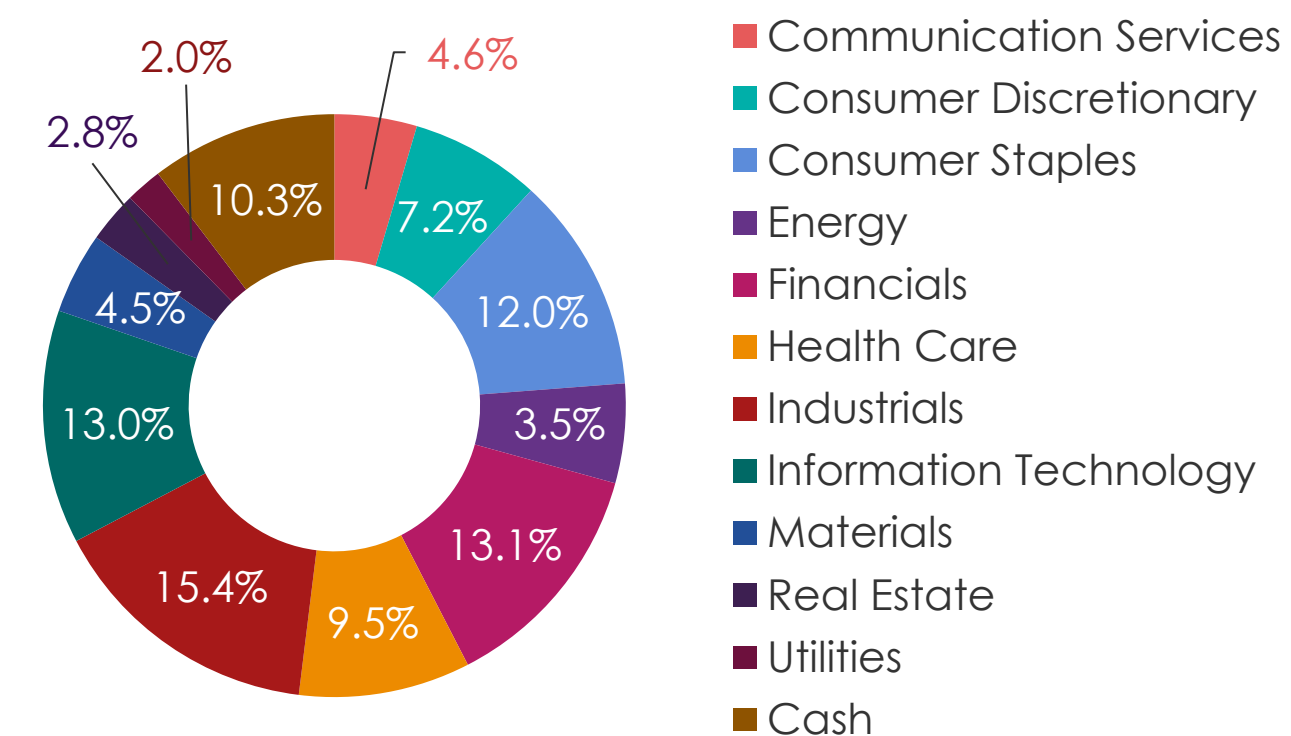
Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 31 March 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.

## Asset breakdown



## Equity sector breakdown



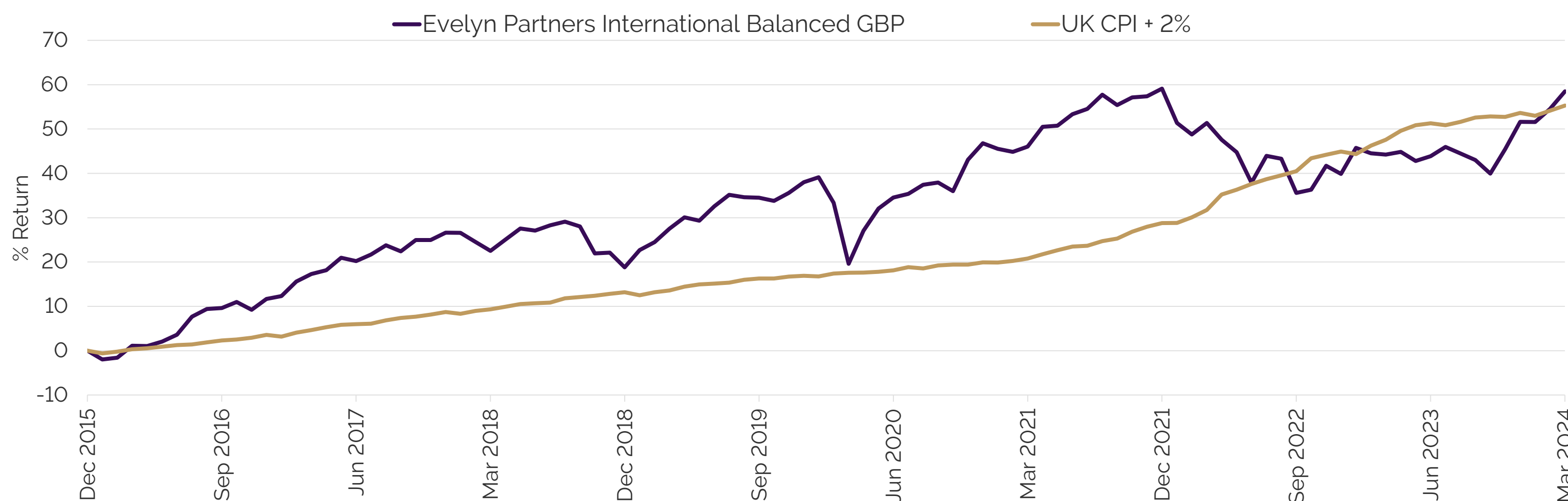
# International Balanced GBP Portfolio Profile

31 March 2024

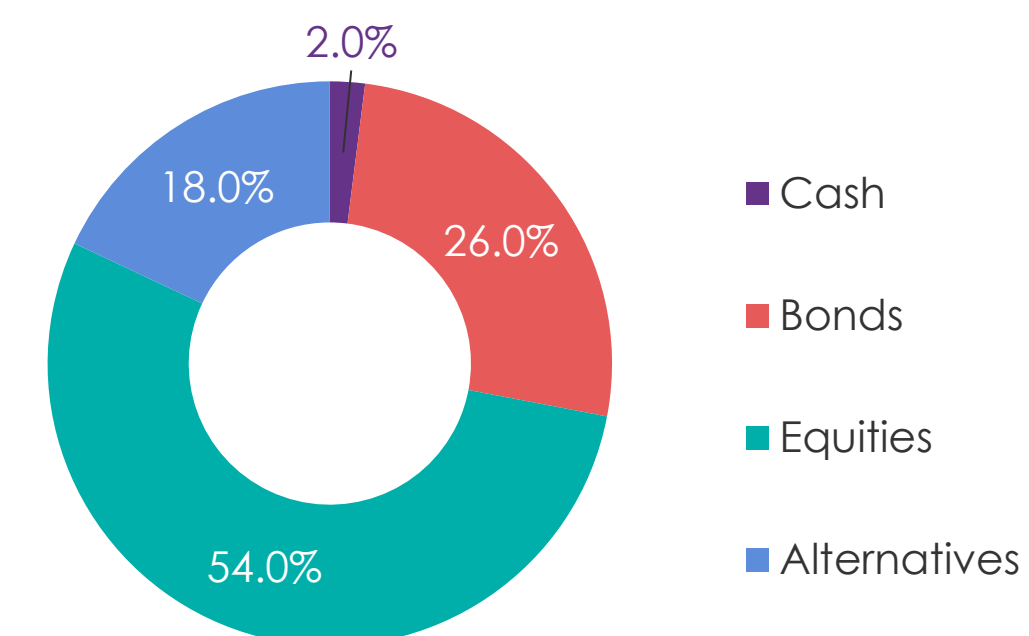
## Portfolio Objective

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.

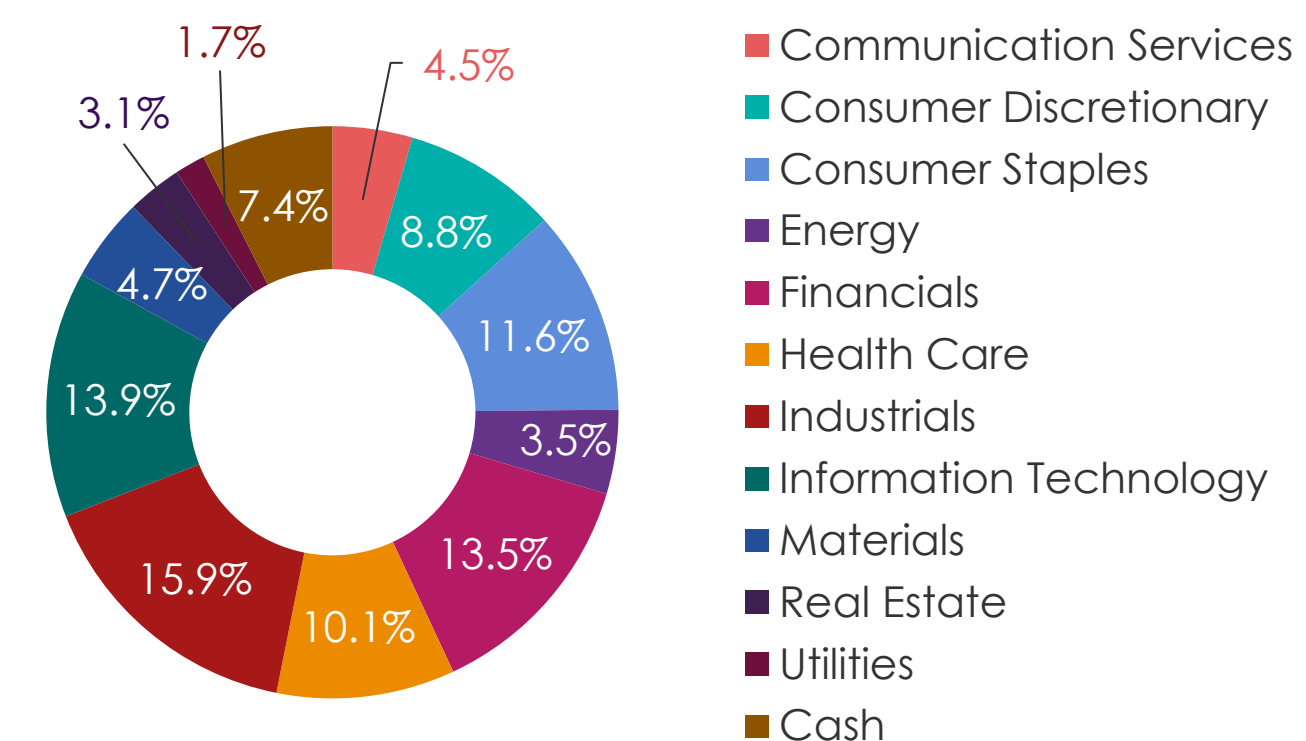
## Portfolio Total Return (01/01/2016 to 31/03/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Balanced GBP	9.87	-4.70	3.64	22.11	-6.21
UK CPI +2%	5.22	12.05	9.05	2.72	3.53

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

All data is at 31 March 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.

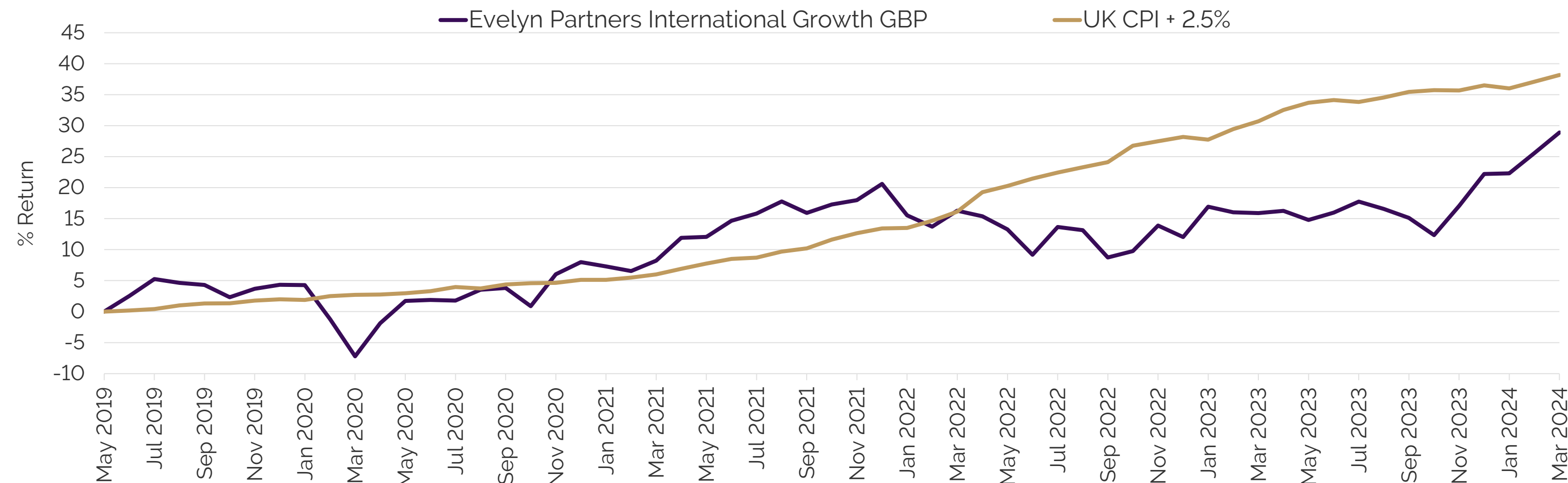
# International Growth GBP Portfolio Profile

31 March 2024

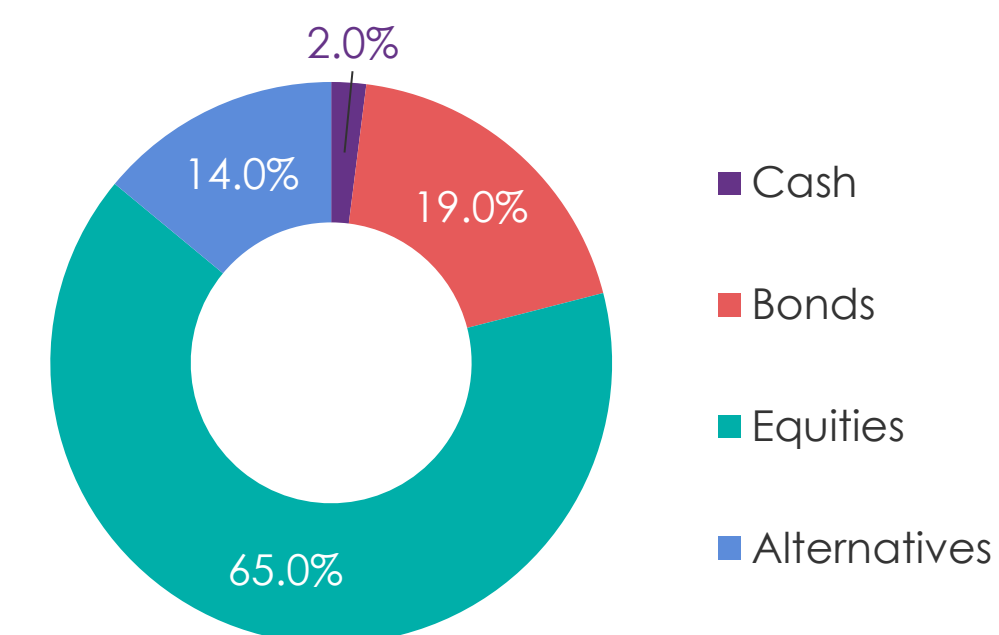
## Portfolio Objective

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.

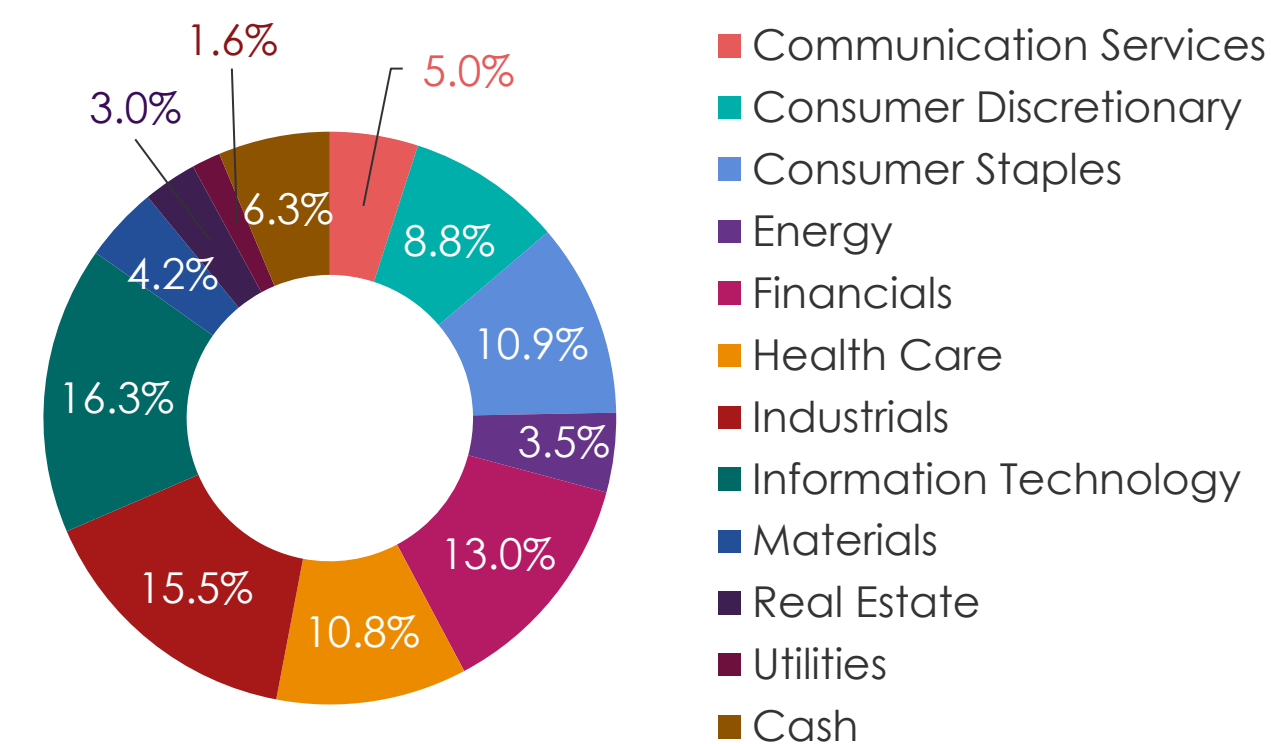
## Portfolio Total Return (01/06/2019 to 31/03/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Growth GBP	11.24	-0.33	7.45	16.63	-3.99
UK CPI +2.5%	5.71	12.55	9.55	3.22	4.03

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

All data is at 31 March 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.

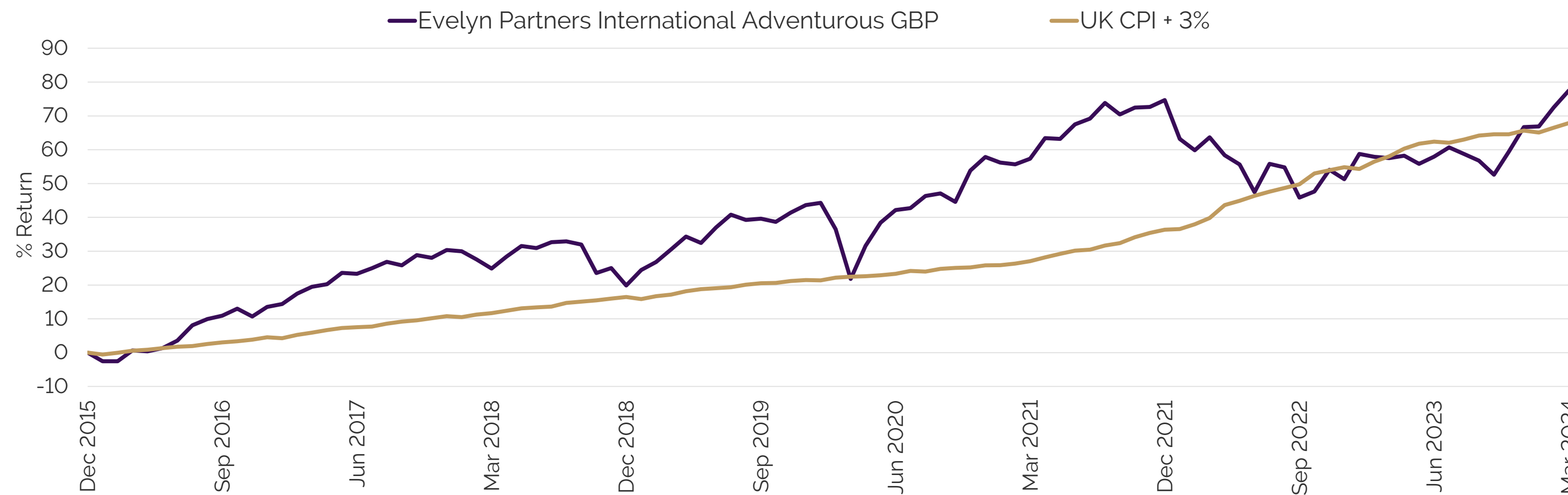
# International Adventurous GBP Portfolio Profile

31 March 2024

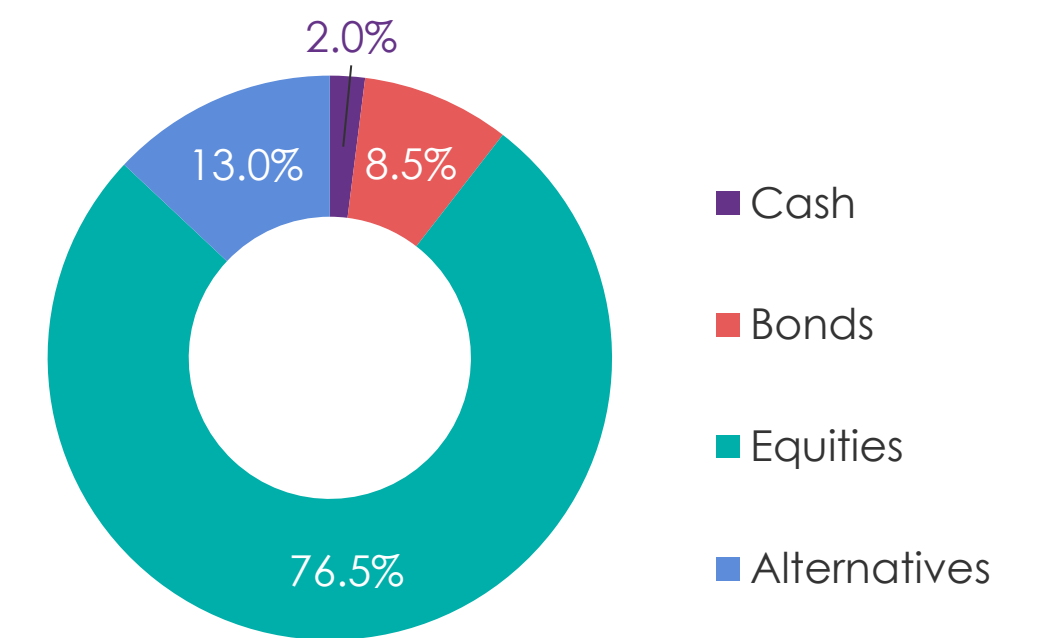
## Portfolio Objective

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.

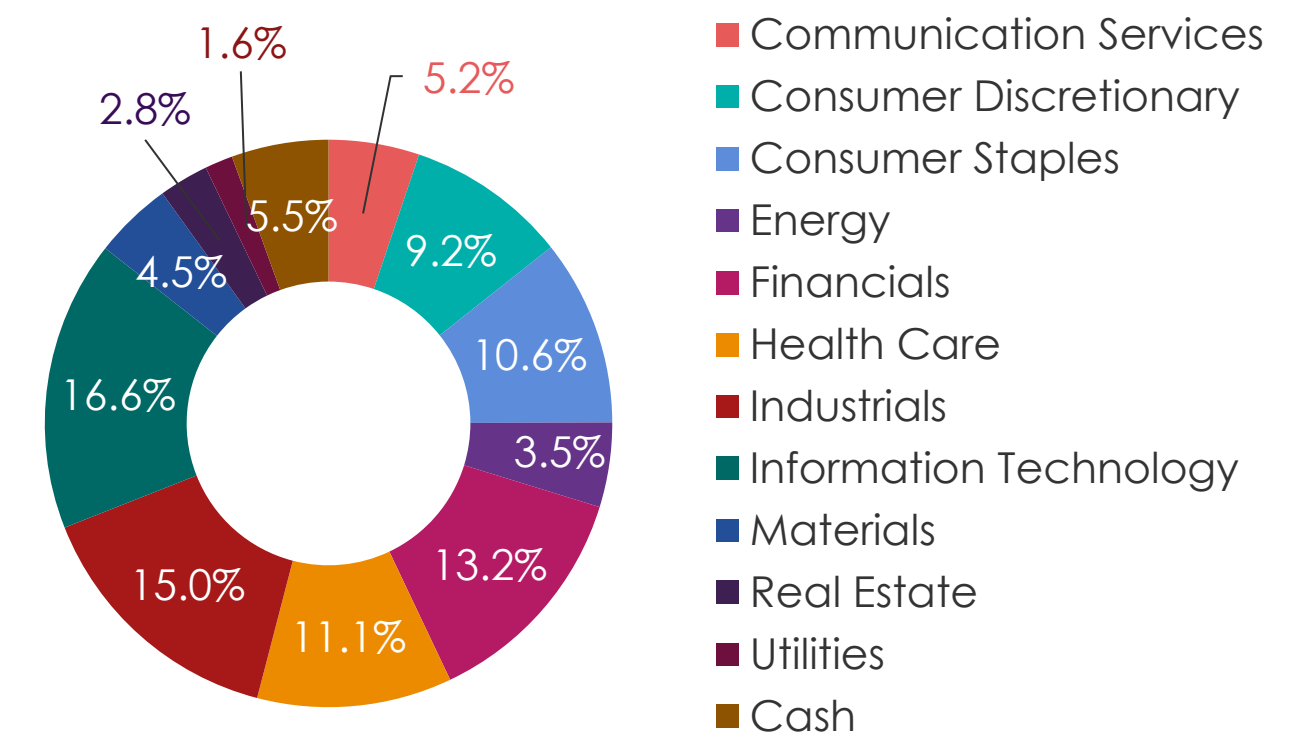
## Portfolio Total Return (01/01/2016 to 31/03/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Adventurous GBP	12.66	-3.74	4.03	29.14	-6.66
UK CPI +3%	6.21	13.05	10.06	3.72	4.53

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

All data is at 31 March 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.

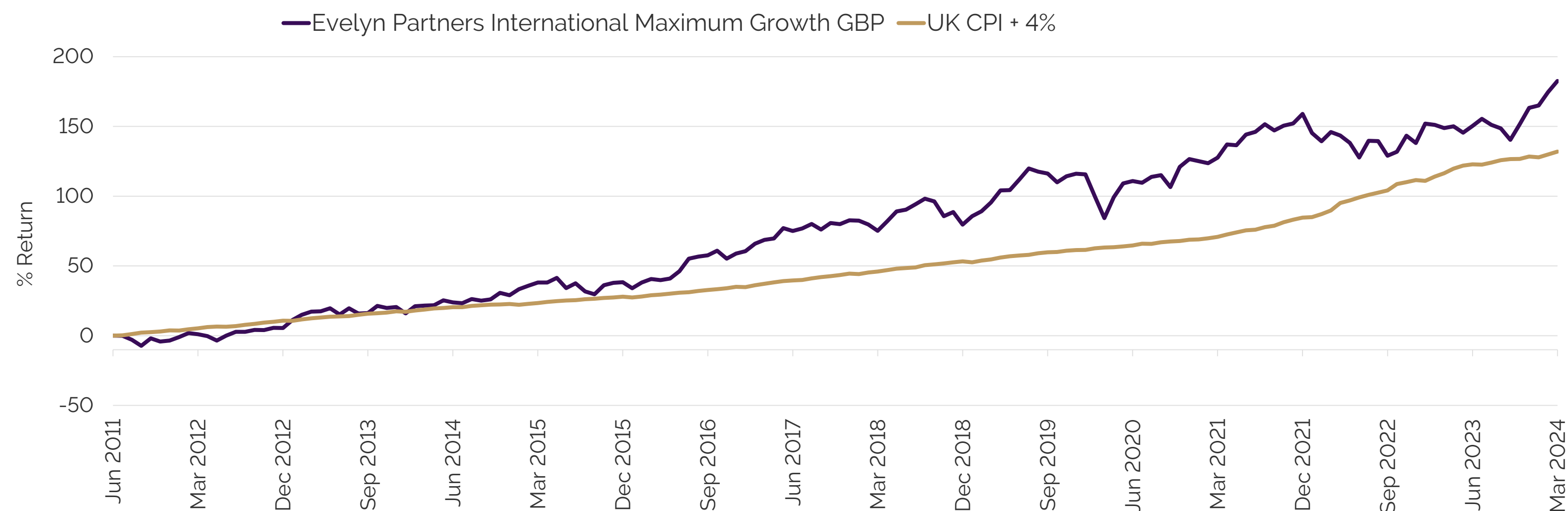
# International Maximum Growth GBP Portfolio Profile

31 March 2024

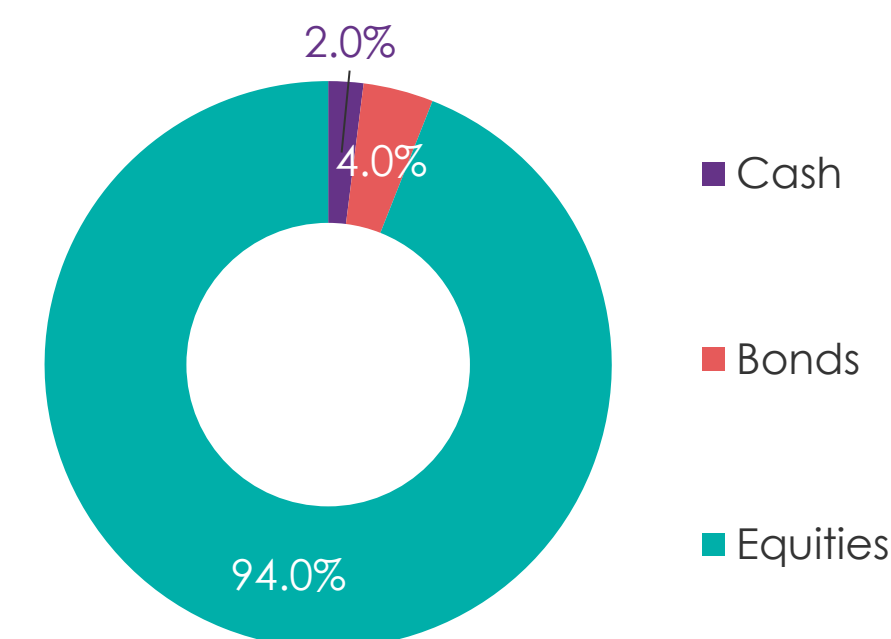
## Portfolio Objective

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.

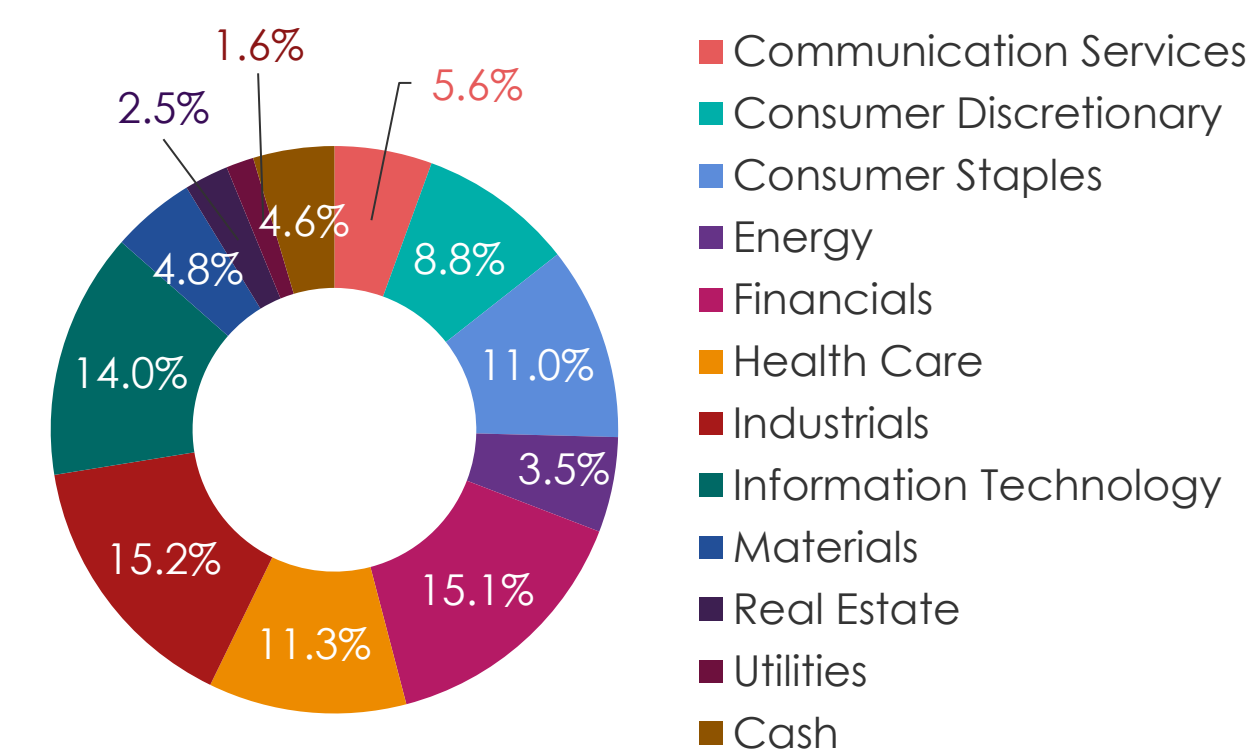
## Portfolio Total Return (01/07/2011 to 31/03/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
International Maximum Growth GBP	13.54	1.17	8.07	23.52	-5.70
UK CPI +4%	7.21	14.04	11.07	4.72	5.53

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

All data is at 31 March 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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