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# International MPS - EUR

## Investment Review - Q2 2024

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# Performance highlights – Q2 2024

The Evelyn Partners International MPS range continued to deliver positive returns, ranging from 0.8% to 2.5%, as all major asset classes contributed positively. Emerging market equities outperformed developed markets, with notable strength coming from Taiwan and India. Stocks related to the artificial intelligence (AI) theme continued to perform well. The European Central Bank cut interest rates, while other major central banks kept rates on hold due to sticky inflation.

In the UK, the Labour party secured a landslide victory that marked the largest government majority since 1832. These results aligned with opinion polls and therefore had already been factored into the markets although this was beneficial to domestically-focused UK mid-cap equities over more internationally-focused UK large caps. In France, the French President Emmanuel Macron called for a snap parliamentary election due to his party's poor performance in the recent European parliament elections, and with increased fears that Le Pen could get into power this pushed French government borrowing costs higher.

## Equities

Global equities gained 2.8% over Q2 2024 in euro terms. All equity regions in the portfolios made positive contributions in euro terms, except for Japan which detracted slightly due to the continued depreciation in the yen.

Against this backdrop, the Veritas Asia fund was the best performing with a gain of 7.1%, however Fidelity Asia Smaller Companies (+1.3%) was unable to benefit from the region's strength due to its style being out of favour.

Turning to the US, the region was helped by the information technology and communication services sectors. The Vanguard S&P 500 ETF delivered a gain of 5.9%, while GQG Partners and Edgewood Select were short of this at 4.1% and 2.3%, respectively.

European equities returned 0.7%, helped by active manager Blackrock, which outperformed the region by 0.3%. UK equity exposure is towards UK mid cap which was a beneficiary of Labour's election win to deliver a return of 0.9%.

## Fixed Income

Global bond markets were initially hurt by renewed concerns about US inflation causing investors to reassess the timing of interest rate cuts. Later, a more conducive market environment was driven by the emergence of softer labour market conditions and encouraging news on inflation.

Overall, this was positive for US TIPS which gained 17% and US Treasuries at the front end which performed (+0.2%) better than European government debt.

Our strategic bond manager, Vontobel TwentyFour navigated the environment well to provide a return of 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 three absolute return managers delivered mixed returns ranging from 1.6% to -1.3%, while Invesco Gold was the best performing alternative asset with an increase of 5.7%, benefiting from increased geopolitical concerns and central bank buying.

Turning to real assets, returns were mixed; Schroder Global Cities fell by 2.0%, while Greencoat Renewables gained 1.0%

Source: Factset as of 30 June 2024

# Equity look through – EUR Balanced

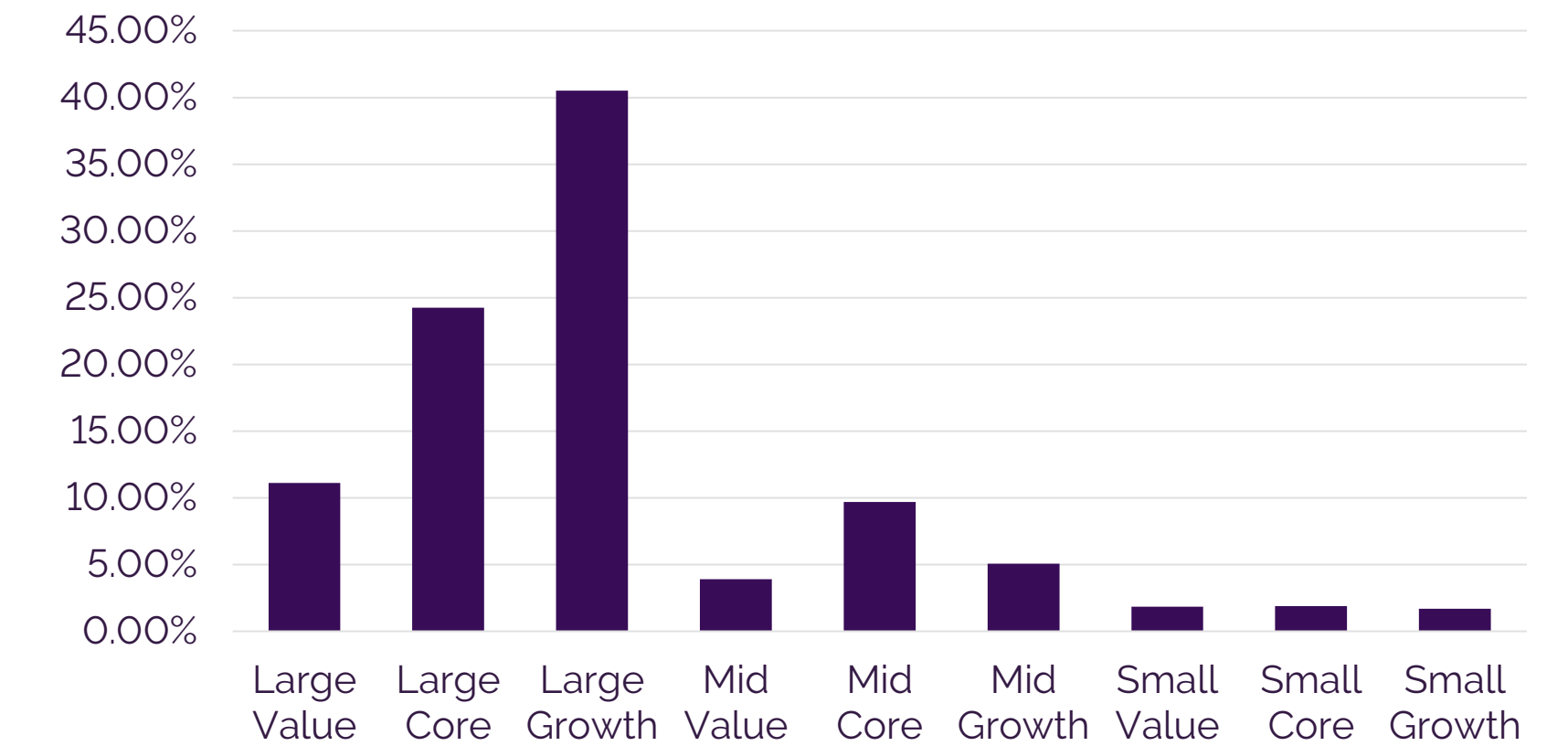
## Top 10 underlying

Top 10 Companies	Weight (%)
Novo Nordisk	1.86
Microsoft	1.55
ASML	1.03
NVIDIA	1.03
Meta	0.91
Eli Lilly and Co	0.88
LVMH	0.73
Visa	0.72
TSMC	0.72
Apple	0.64

## Sector breakdown

Sectors	Weight (%)
Basic Materials	3.64
Consumer Discretionary	9.57
Financials	15.39
Real Estate	5.85
Communication Services	6.36
Energy	1.67
Industrials	11.23
Technology	20.84
Consumer Staples	7.77
Healthcare	15.99
Utilities	1.70

## Size and style exposure



## Financial Ratios

Statistics	Balanced	Comparator
ROE %	25.90	25.56
ROA %	10.65	10.72
Net Margin %	18.99	17.91
Debt to Capital %	33.77	36.96

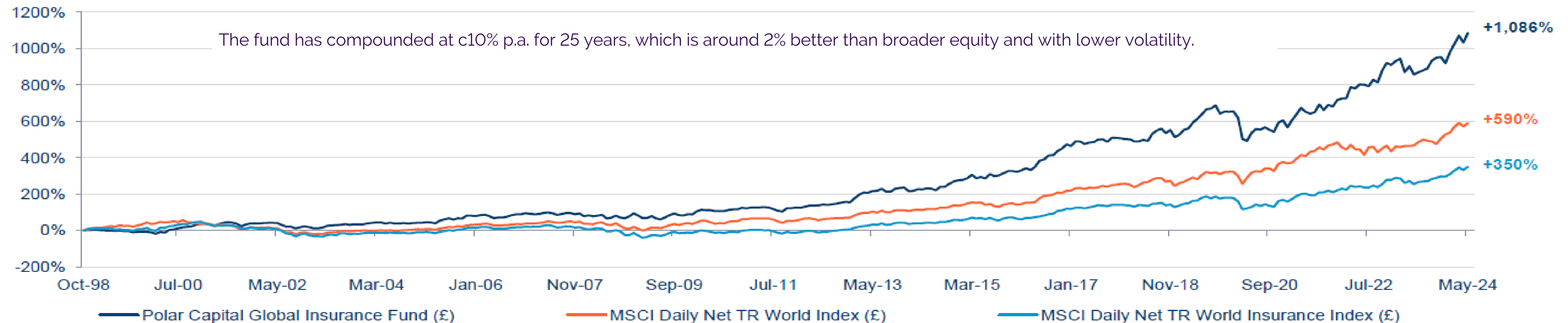
Comparator 35% MSCI Europe / 65% MSCI ACWI ex Europe

Source: Morningstar Direct as of 30 June 2024

# New Fund spotlight – Polar Capital Global Insurance

Initiated a new position in the above fund on the 1st June 2024

- We view the underwriting environment for insurance companies as attractive.
- Insurance is a lagged business, where contracts written today typically take 12 months to be recognised from a revenue perspective and underwriting profits take even longer to pass through. This allows visibility into likely near-term underwriting margins.
- Historically, global insurance companies have tracked book value growth and Polar Capital expect over the next 12-months **book value growth to be around 16%**.
- Industry returns are highly dispersed which rewards good stock pickers (not an industry for an ETF) – see below outperformance.
- Non-life insurance is not a discretionary purchase, it is often required by law
- Demand is less sensitive to macroeconomic conditions and historically has offered defensive characteristics in challenging financial markets
- In an increasingly global, complex world with accelerating technologies, the value of insurance in helping to manage risk is rising
- Industry is significantly less vulnerable to the big disruptors like Alphabet, Amazon and Uber
- The non-life insurance sector has a role to play in the transition to a green economy



Past performance is not indicative or a guarantee of future returns.

Source: Polar Capital, 31 May 2024.

# Performance

## Performance to 30 June 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 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
International Defensive EUR	0.81	2.49	5.67	2.59	12.28	7.35	5.67	0.36	-3.25	7.32	1.98
International Conservative EUR	1.46	4.48	8.20	--	--	11.83	8.20	--	--	--	--
International Cautious EUR	1.39	5.49	9.66	2.01	--	16.15	9.66	4.05	-10.59	13.86	--
International Balanced EUR	1.62	7.30	11.56	2.29	--	18.14	11.56	5.85	-13.38	19.59	--
International Growth EUR	1.94	8.58	12.54	5.69	36.48	29.63	12.54	6.54	-11.85	23.98	4.15
International Adventurous EUR	2.23	10.53	14.36	3.71	--	30.35	14.36	8.48	-16.40	25.69	--
International Maximum Growth EUR	2.54	12.97	16.53	7.66	51.76	42.01	16.53	10.20	-16.17	36.14	3.54

### 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 and Maximum Growth Portfolios is from 01/12/2020. The since launch performance shown for Conservative Portfolio is from 01/01/2023. The since launch performance shown for Cautious Portfolio is from 01/07/2020. The since launch performance shown for Balanced and Growth Portfolios is from 01/01/2020. The since launch performance shown for Adventurous Portfolio is from 01/07/2016. Source: Evelyn Partners International Limited and FactSet.

# International EUR Portfolio Profiles

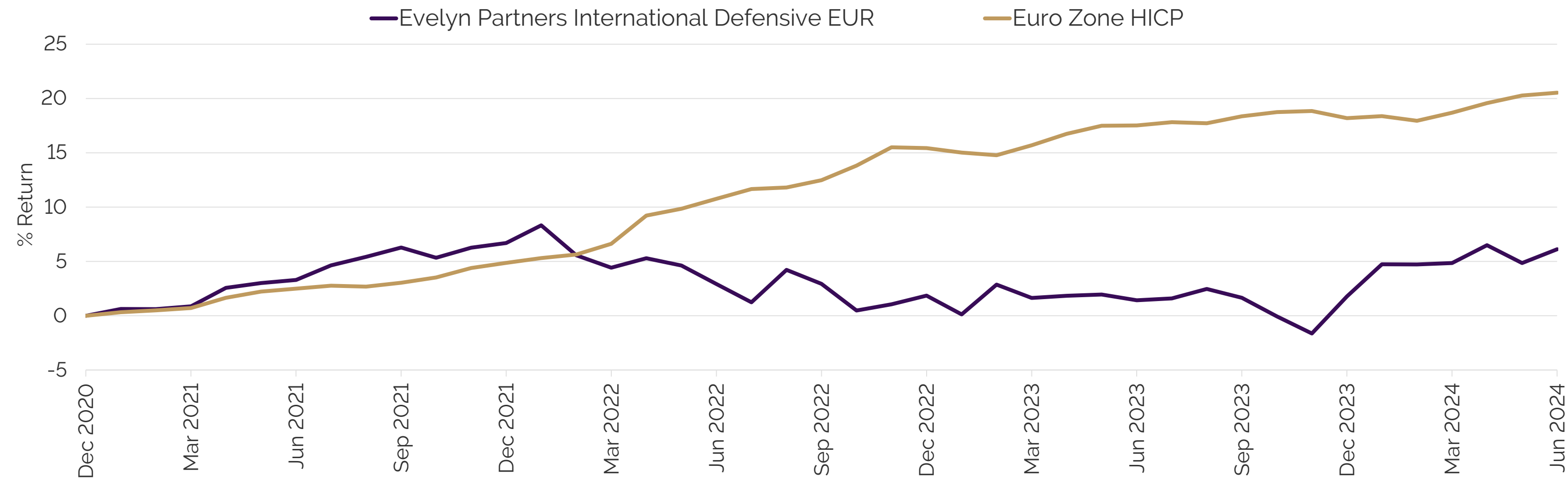
# International Defensive EUR Portfolio Profile

30 June 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 Euro Zone HICP. Investors should be able 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 (01/12/2020 to 30/06/2024)



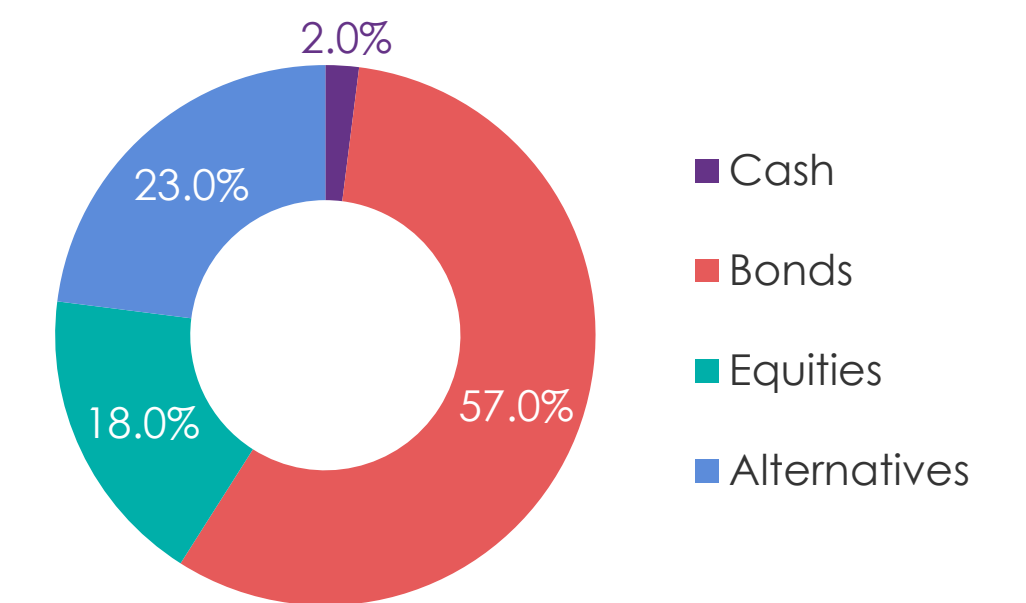
## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
International Defensive EUR	5.67	0.36	-3.25	7.32	1.98
Euro Zone HICP	2.52	5.51	8.66	1.90	0.27

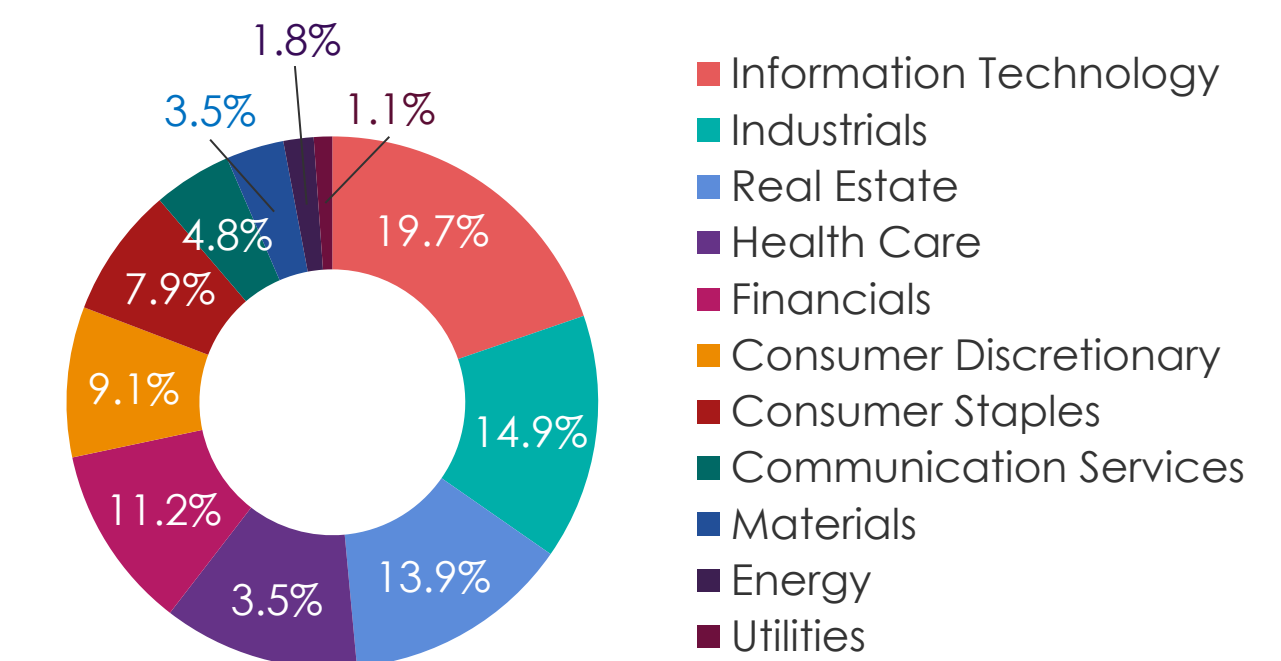
Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 June 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





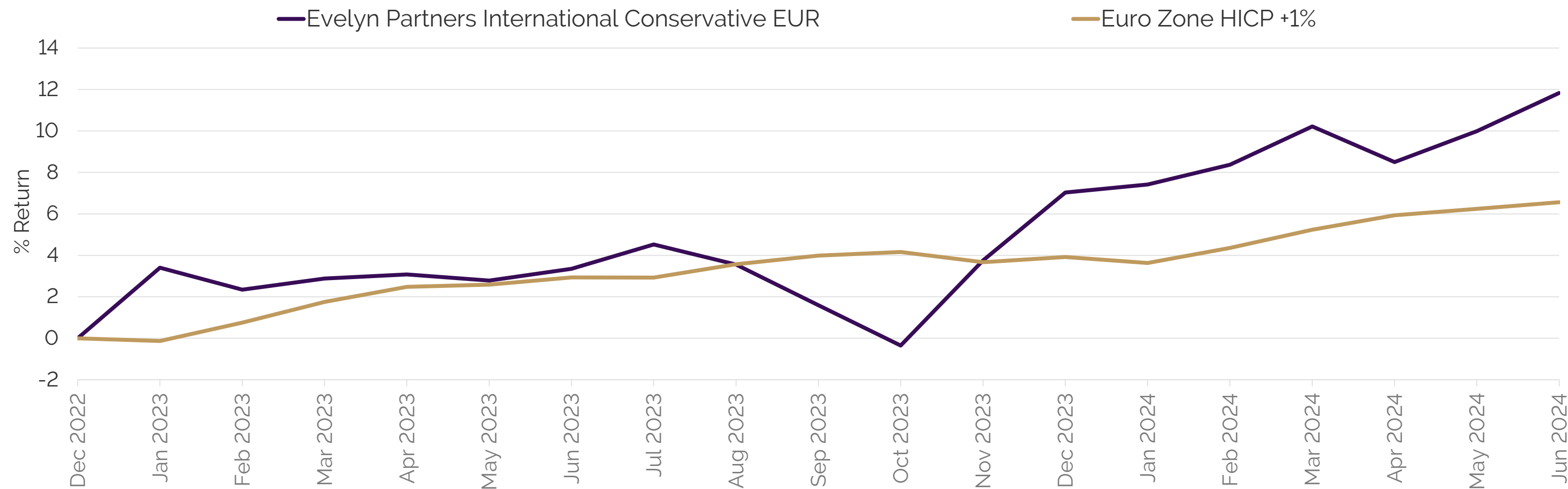
# International Conservative EUR Portfolio Profile

30 June 2024

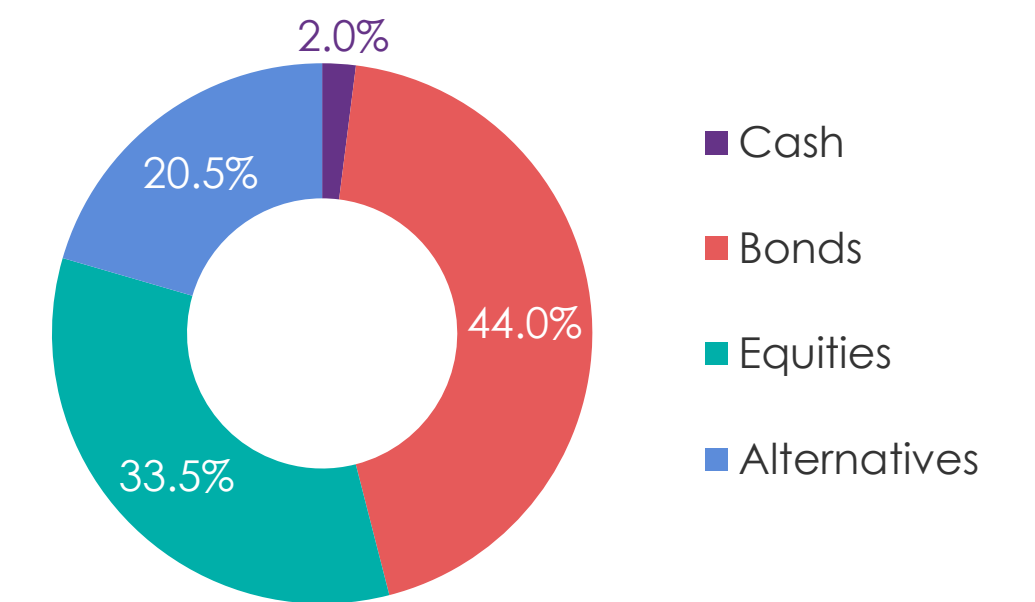
## Portfolio Objective

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 Euro Zone HICP +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.

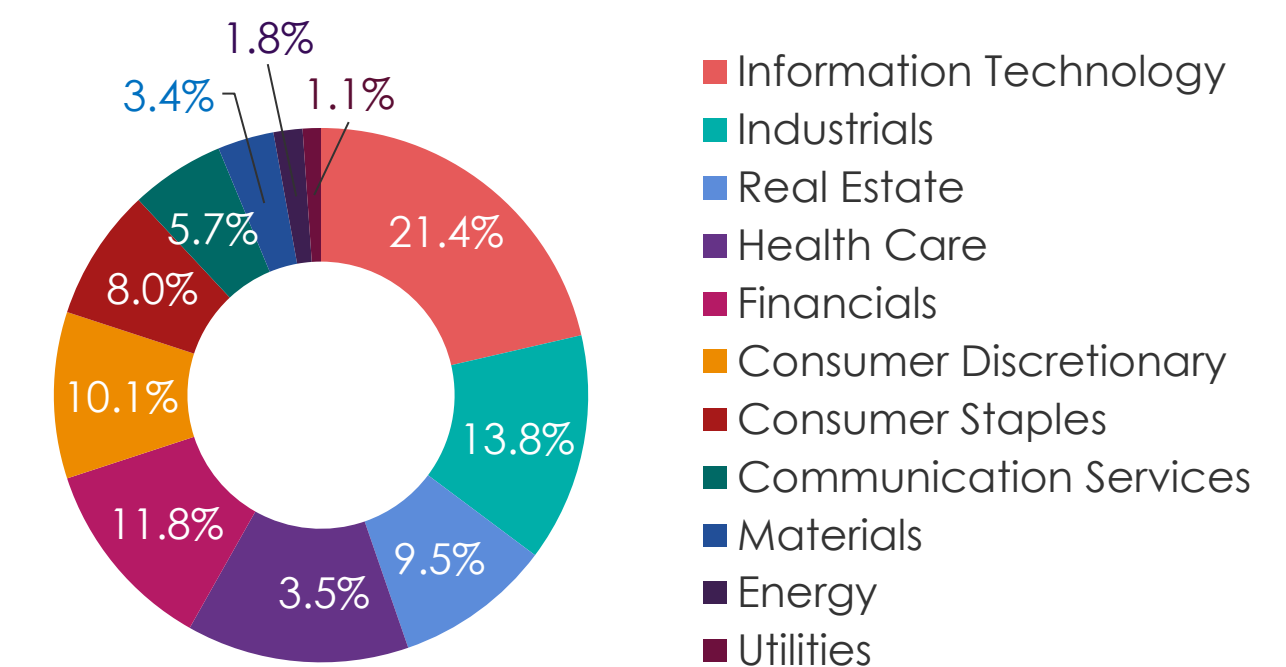
## Portfolio Total Return (01/01/2023 to 30/06/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 2020
International Conservative EUR	8.20	n/a	n/a	n/a	n/a
Euro Zone HICP +1%	3.52	6.50	9.68	2.91	1.26

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

All data is at 30 June 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.

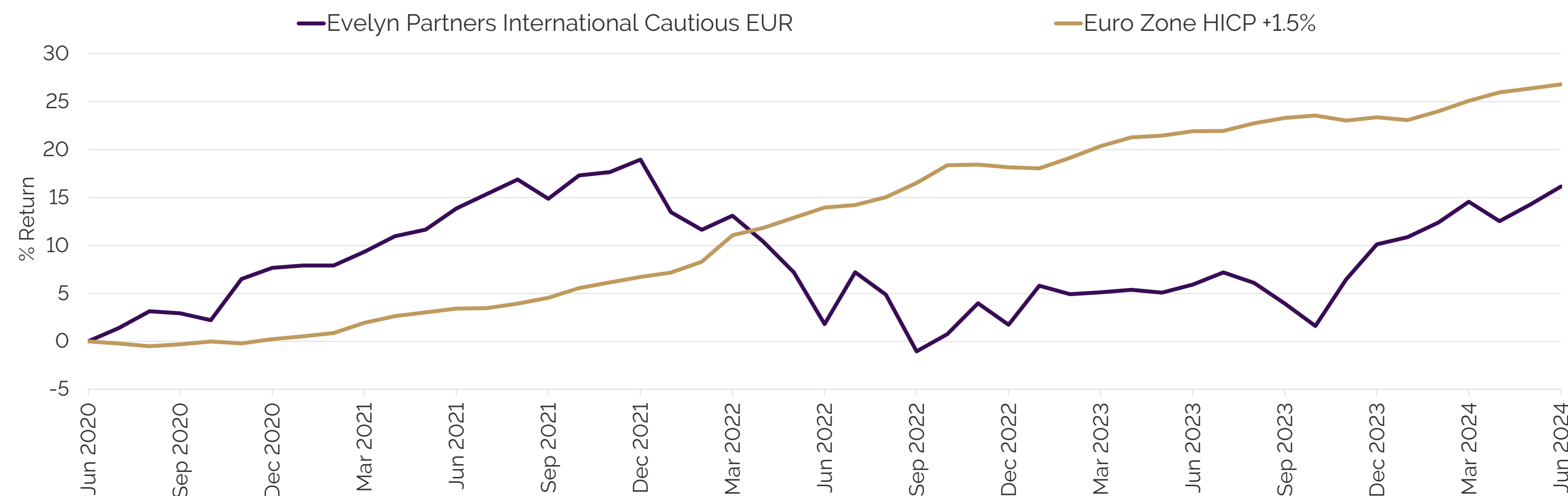
# International Cautious EUR Portfolio Profile

30 June 2024

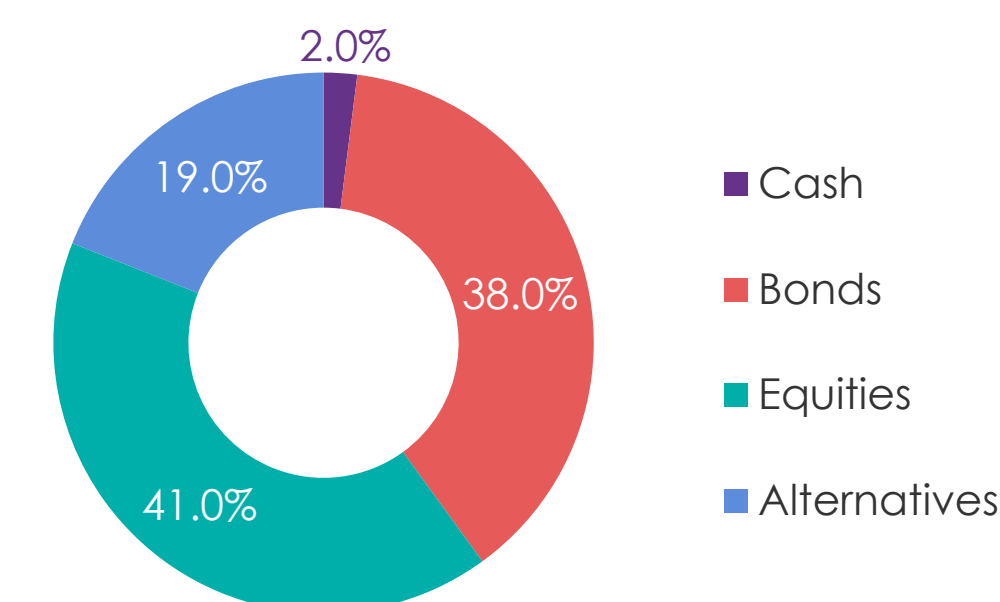
## Portfolio Objective

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 Euro Zone HICP +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.

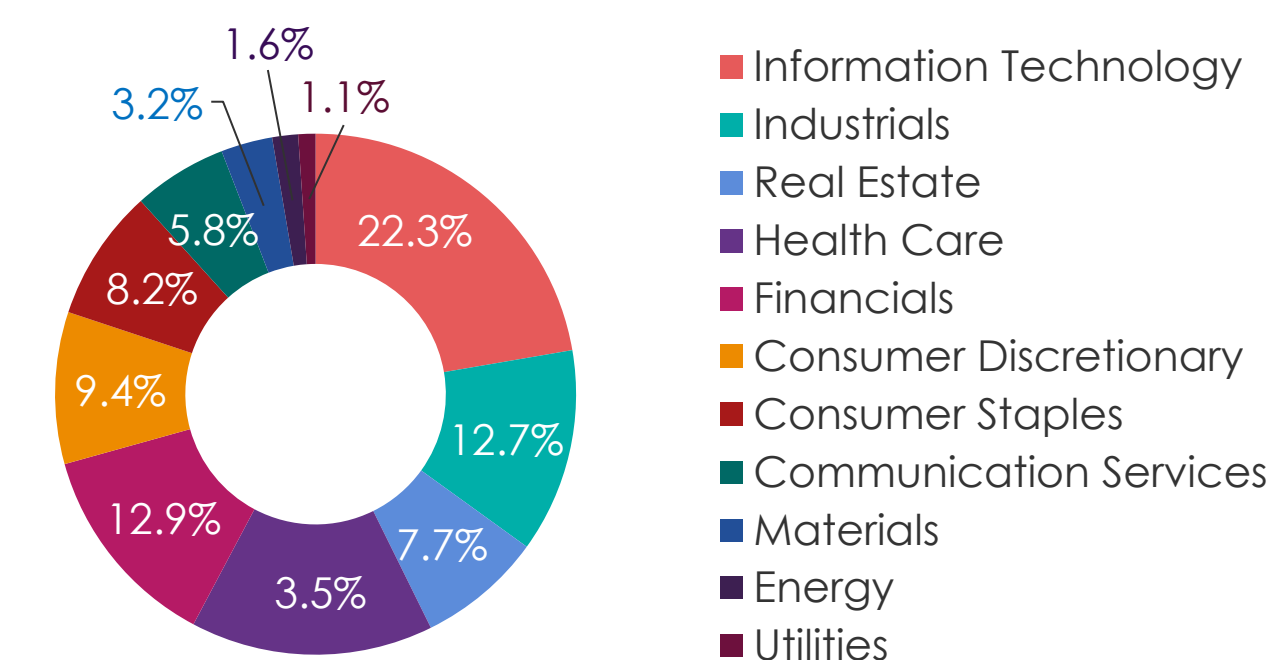
## Portfolio Total Return (01/07/2020 to 30/06/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
International Cautious EUR	9.66	4.05	-10.59	13.86	n/a
EUR CPI +1.5%	4.02	6.99	10.19	3.42	1.76

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

All data is at 30 June 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.

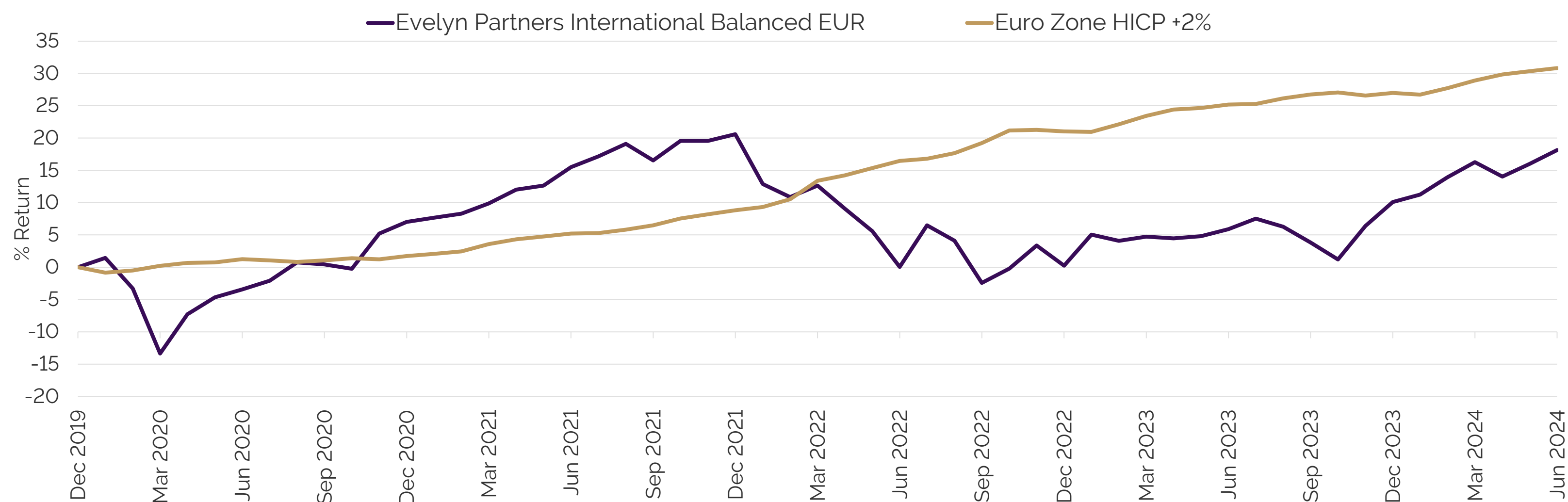
# International Balanced EUR Portfolio Profile

30 June 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 Euro Zone HICP +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 (01/01/2020 to 30/06/2024)



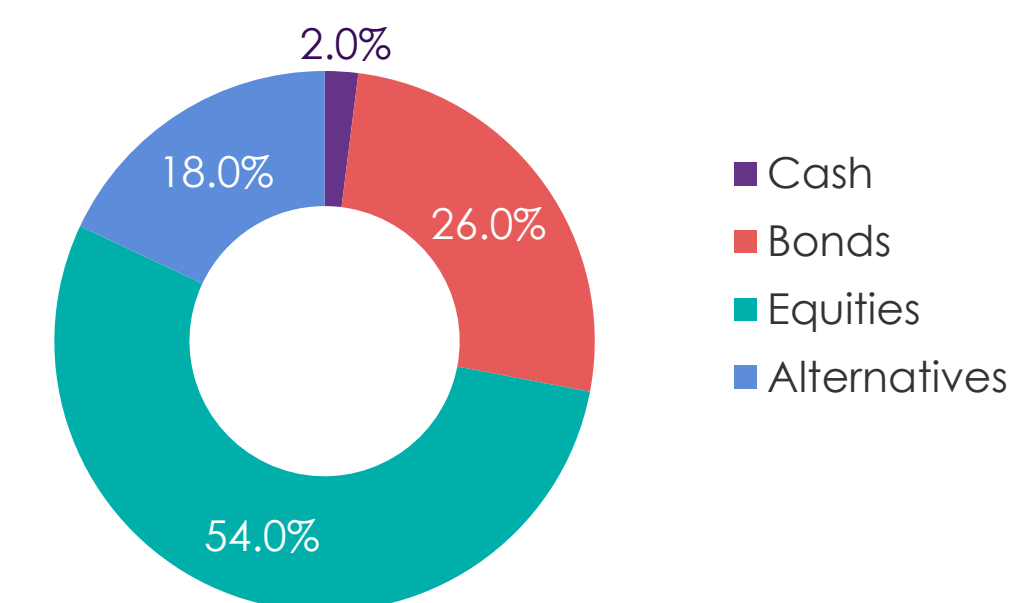
## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
International Balanced EUR	11.56	5.85	-13.38	19.59	n/a
Euro Zone HICP +2%	4.51	7.48	10.70	3.92	2.26

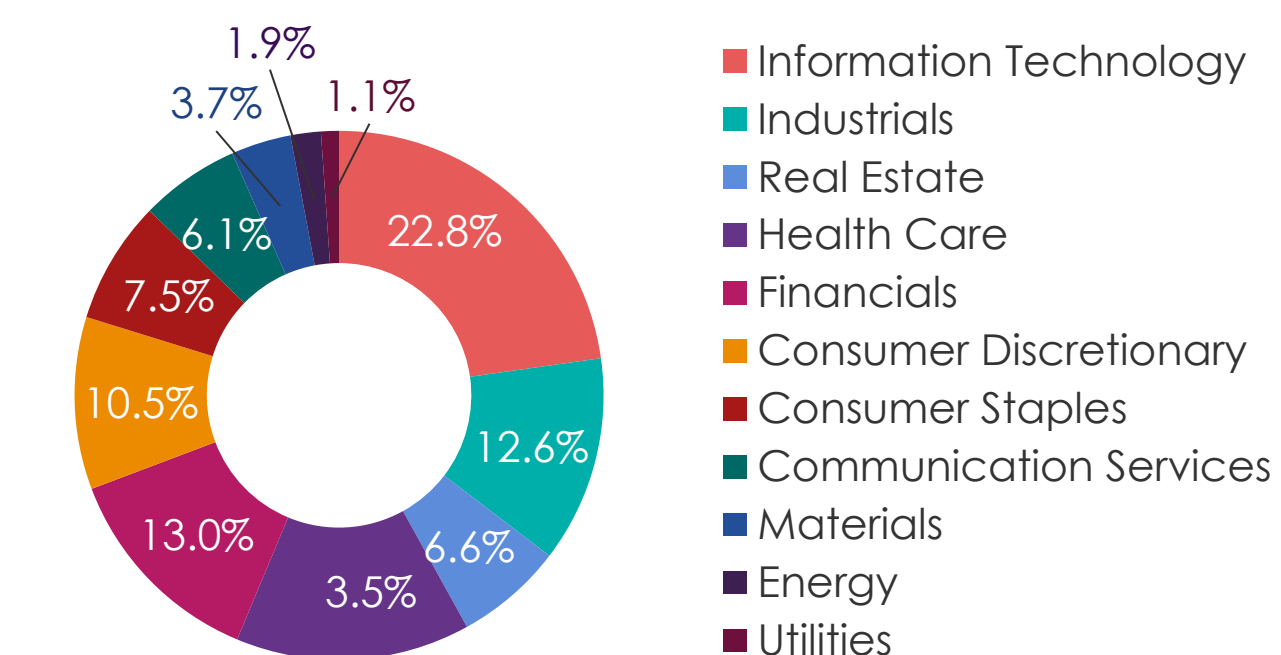
Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 June 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



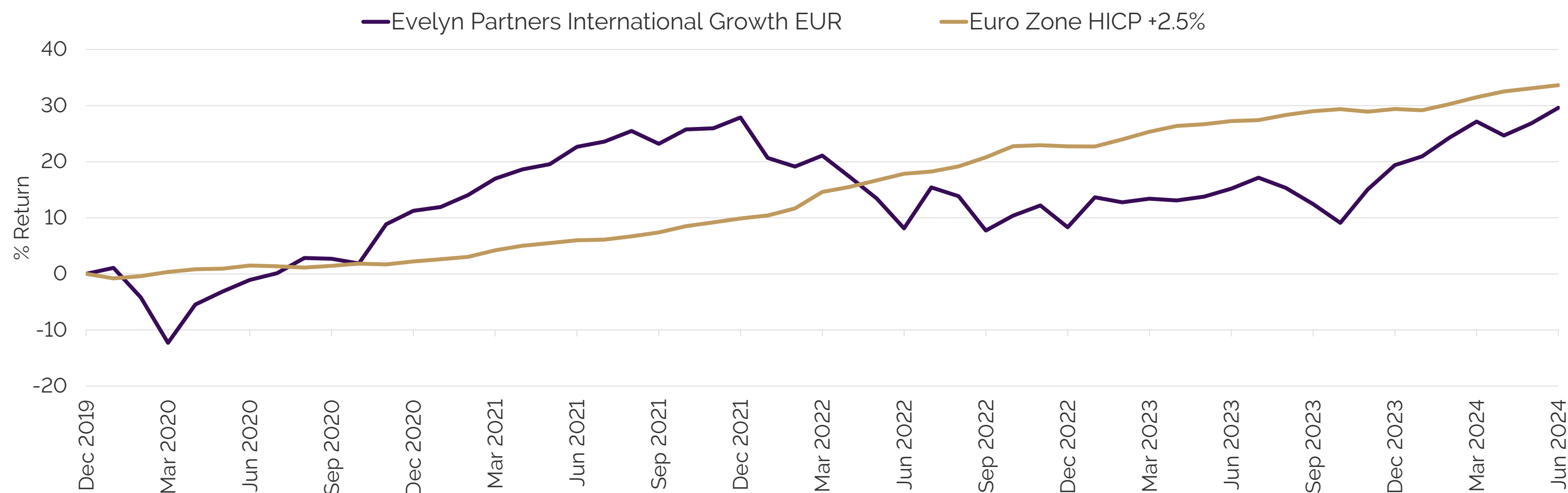
# International Growth EUR Portfolio Profile

30 June 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 Euro Zone HICP +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 (01/01/2020 to 30/06/2024)



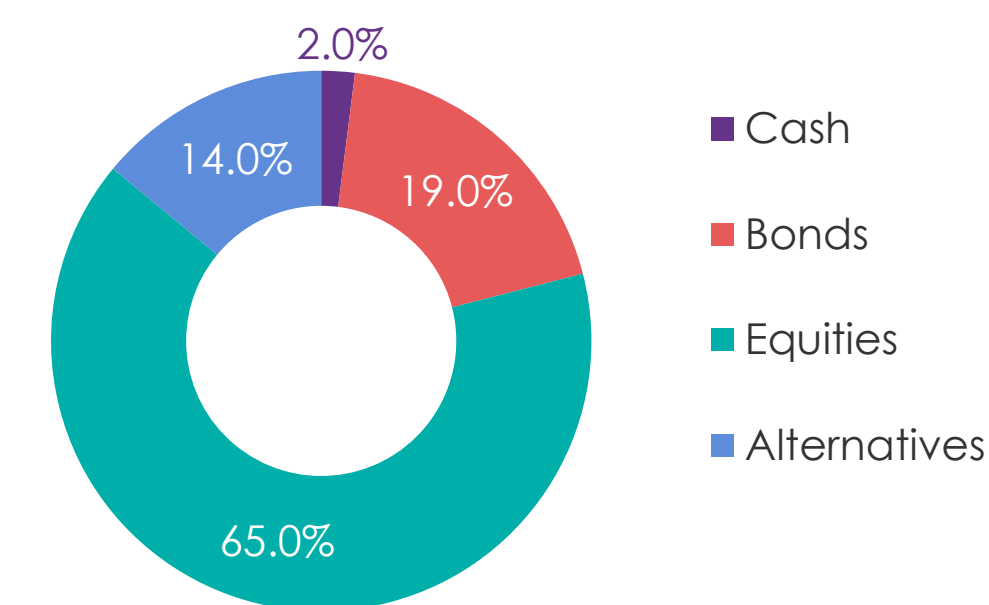
## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
International Growth EUR	12.54	6.54	-11.85	23.98	4.15
Euro Zone HICP +2.5%	5.01	7.97	11.21	4.43	2.75

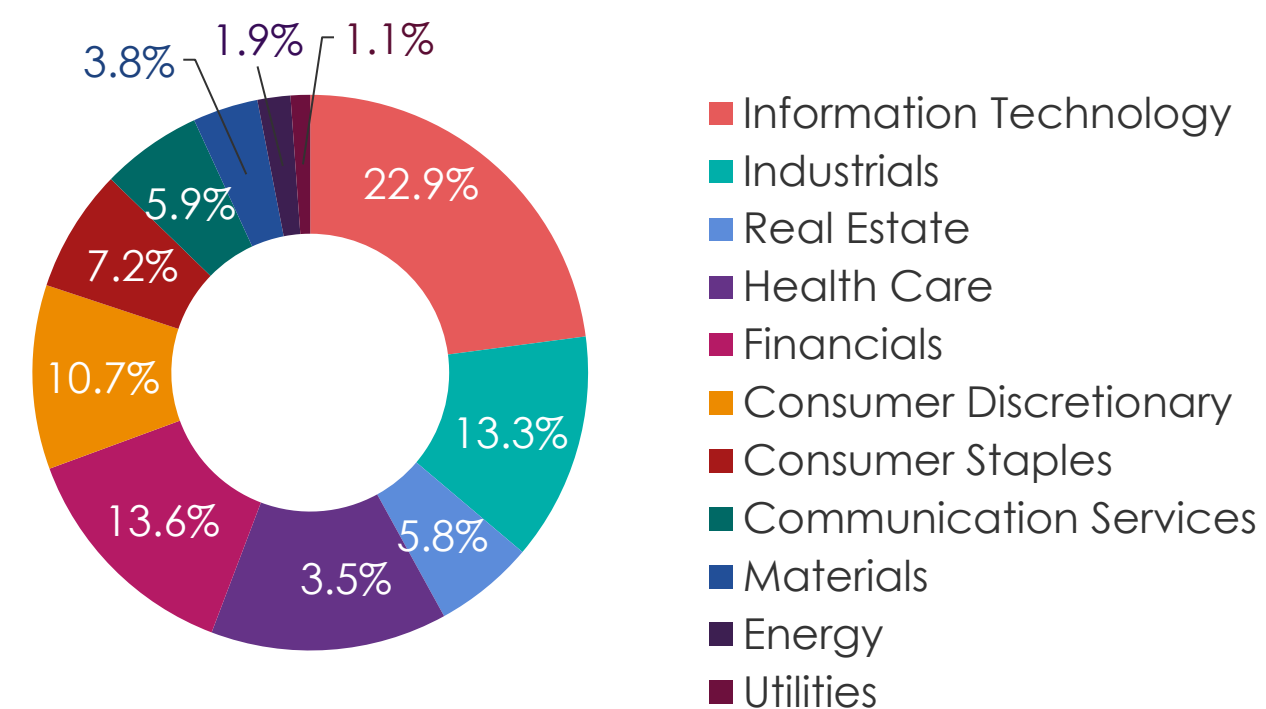
Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 June 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



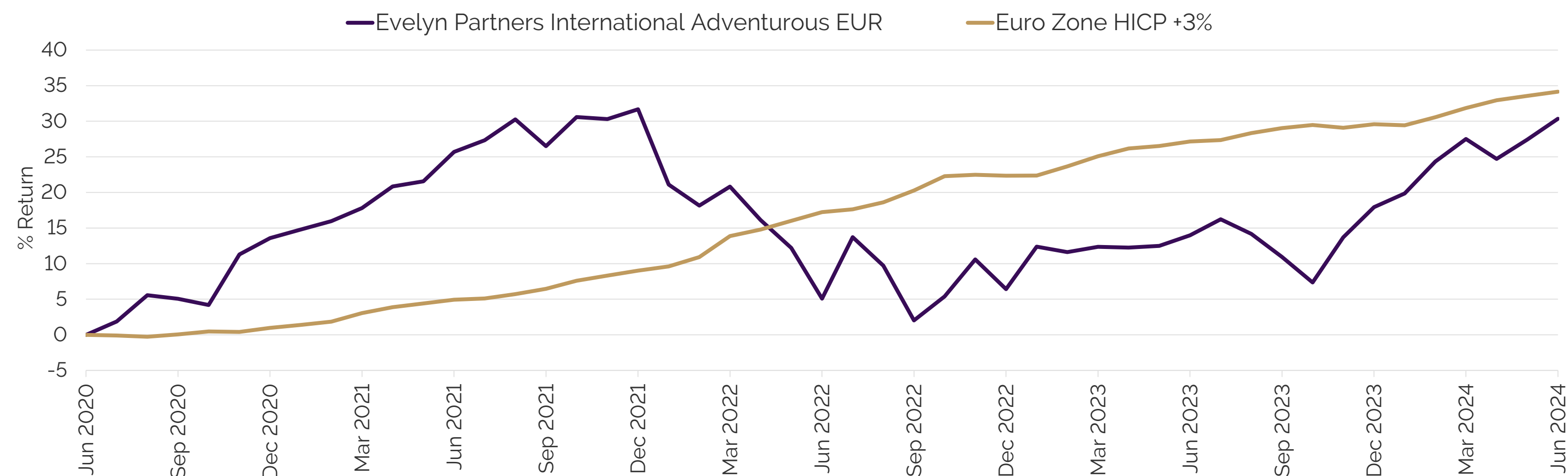
# International Adventurous EUR Portfolio Profile

30 June 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 Euro Zone HICP +3%. Investors should be able to 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 (01/07/2020 to 30/06/2024)



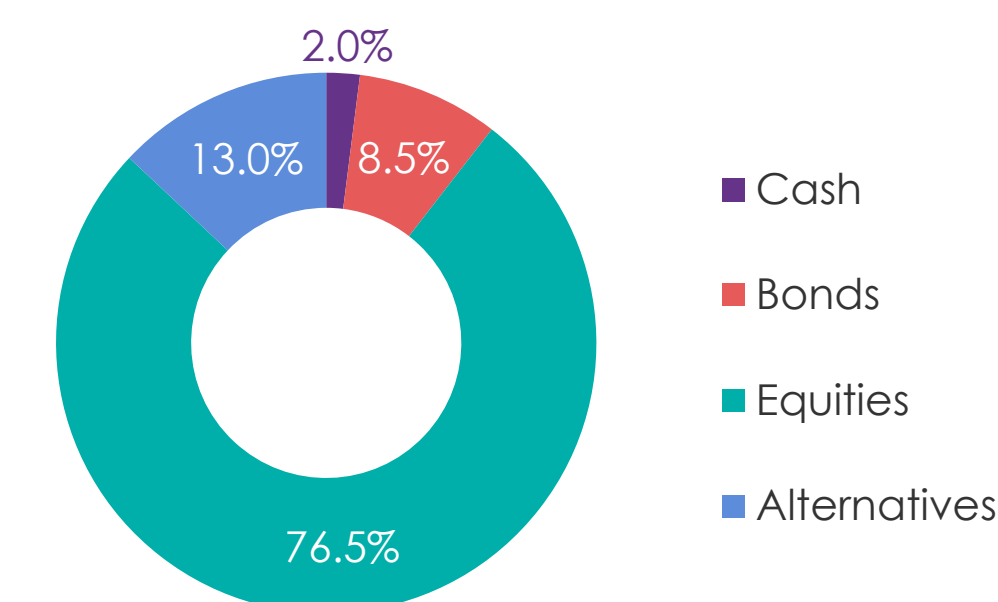
## 12 Months Rolling Performance\*\* (%)

1 year to the end of:	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
International Adventurous EUR	14.36	8.48	-16.40	25.69	n/a
Euro Zone HICP +3%	5.51	8.46	11.71	4.93	3.25

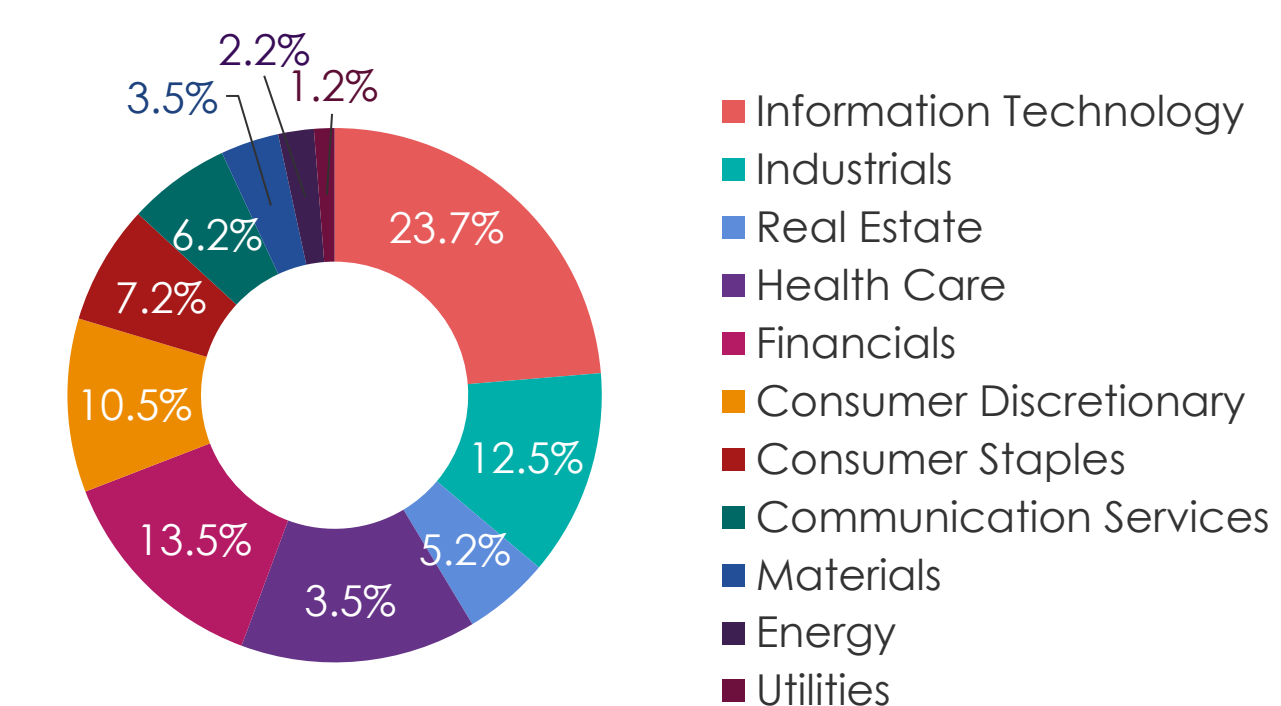
Past performance, or any yields quoted, should never be considered a reliable indicator of future returns.

All data is at 30 June 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



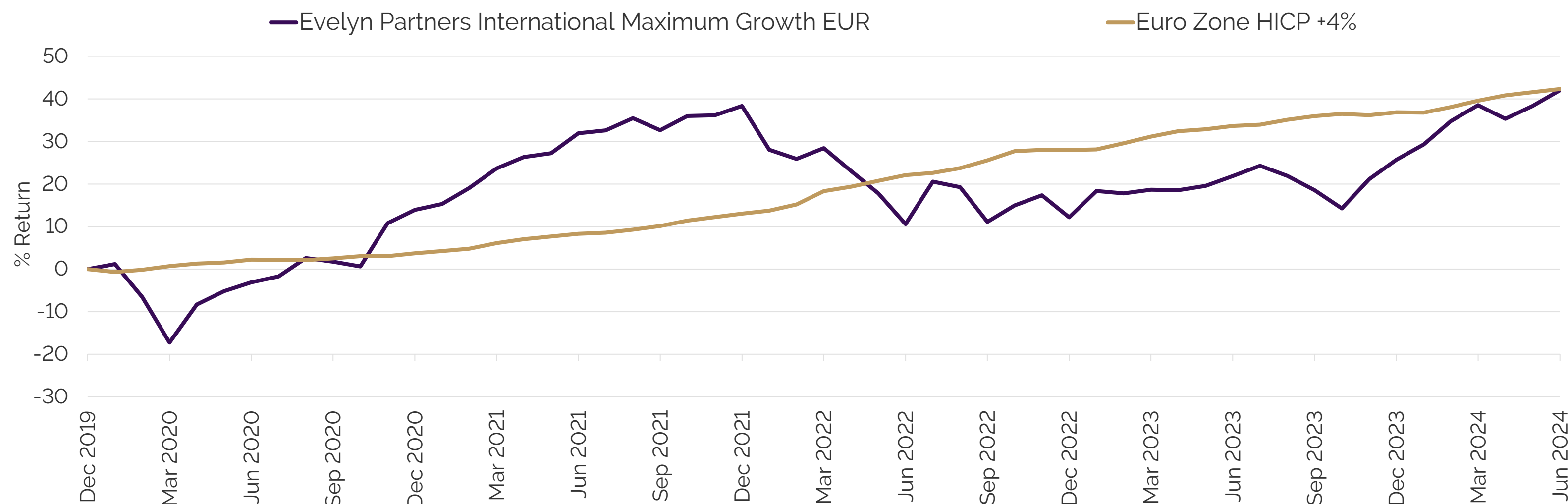
# International Maximum Growth EUR Portfolio Profile

30 June 2024

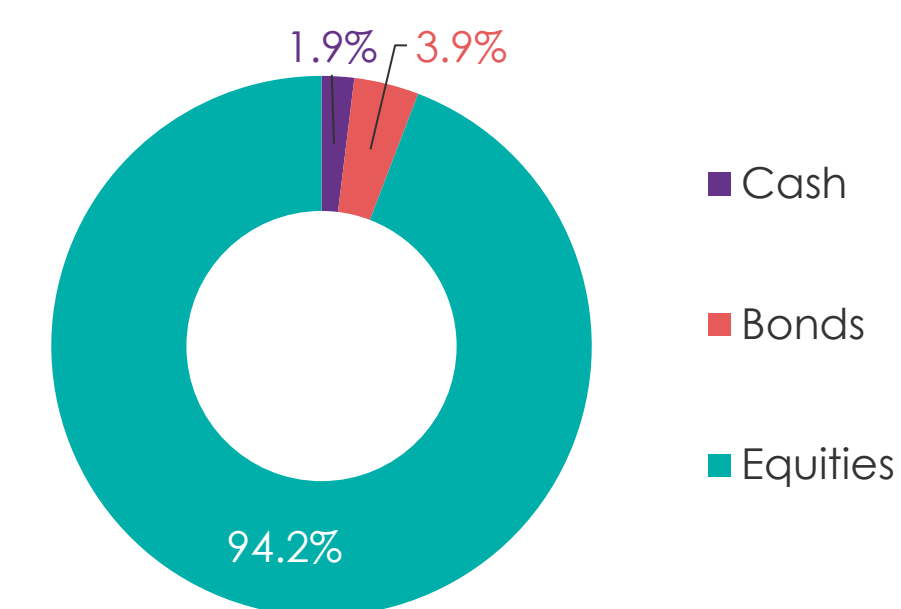
## Portfolio Objective

The portfolio objective is appropriate for an investor with a four-year time horizon or more, who seeks high 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 Euro Zone HICP +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.

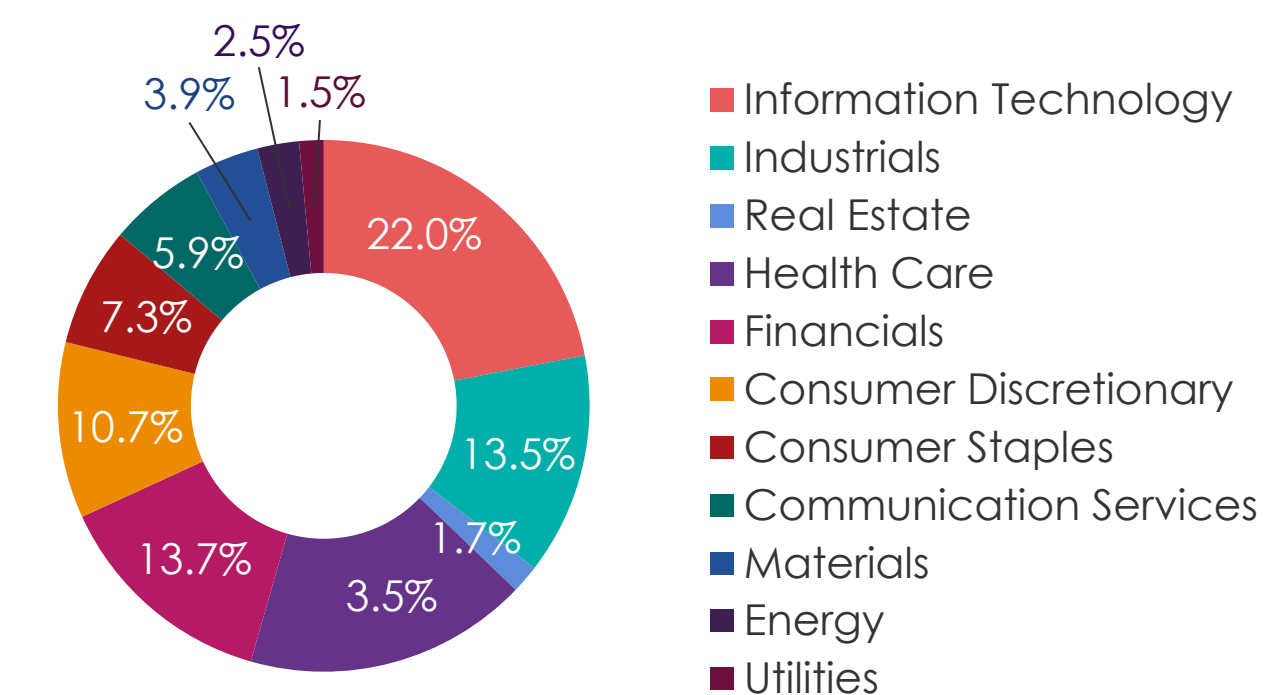
## Portfolio Total Return (01/01/2020 to 30/06/2024)



## Asset breakdown



## Equity sector breakdown



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

1 year to the end of:	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
International Maximum Growth EUR	16.53	10.20	-16.17	36.14	3.54
Euro Zone HICP +4%	6.51	9.45	12.73	5.95	4.24

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

All data is at 30 June 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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