

EMBARK HORIZON MULTI-ASSET FUND RANGE

QUARTERLY REPORT Q3 2024

Signatory of:



For professional advisers only

CONTENTS

Market background and outlook	03
Fund objectives	07
Risk Profiles	08
Risk Ratings	08
Embark Horizon Multi-Asset Fund I	09
Embark Horizon Multi-Asset Fund II	11
Embark Horizon Multi-Asset Fund III	13
Embark Horizon Multi-Asset Fund IV	15
Embark Horizon Multi-Asset Fund V	17
Where to invest	19

The Embark Horizon Multi-Asset Fund range consists of five, active, globally diversified, volatility managed solutions, designed to match five typical risk profiles with a medium to long-term investment focus (5 or more years).

The Embark Horizon Multi-Asset Funds aim to adapt to changing market conditions and provide the right balance of risk and reward to help deliver your clients' retirement and investment goals.

Even though the Embark Horizon Multi-Asset Funds are distinct in their risk profiles and asset allocations, the unique investment process provides a consistent and robust governance framework, giving your clients' confidence their investments remain well-placed to meet their needs.

The Strategic Asset Allocation (SAA) is provided by a leading asset allocation specialist, EValue (EV), and the Tactical Asset Allocation (TAA) and Fund Selection is provided by a premier global investment manager, BlackRock.

MARKET BACKGROUND AND OUTLOOK



Key points of note for advisers this quarter

The global economic picture was centre stage. Concerns about a US recession triggered bouts of risk aversion, with investors worried that rate cuts would be insufficient to arrest weakening economic momentum. The mood lifted as markets gained confidence that an interest rate cut from the Federal Reserve would be forthcoming. Global equities advanced, but markets suffered high volatility along the way, with the sudden strengthening of the Japanese yen also reverberating through the financial system. A raft of stimulus measures, announced by the Chinese authorities just before the quarter end, triggered a surge in Chinese/China-exposed equities. Meanwhile, global bond yields fell on the back of softer economic data and interest rate cuts.

UK Economy

Recent data releases confirmed a picture of fading economic momentum. Second quarter GDP rose by 0.5%, less than anticipated. GfK's consumer confidence index slumped during September, with commentators concluding that people and businesses were responding to the government's warnings about the dire state of the country's finances and the prospect of painful decisions at the upcoming budget. On the inflation front, prices rose by 2.2% in the 12 months to August. Services inflation remained sticky, making it more challenging for core inflation to fall back to the 2% target. On the jobs front, while the unemployment rate ticked down to 4.1%, and wage growth was steady, anecdotal evidence pointed to receding employer confidence, resulting in a slowdown in hiring.

Countering this weakening picture, the OECD upgraded its expectation for UK growth following relatively robust growth earlier in the year, when the UK was among the fastest growing economies in the G7. The organisation noted that real wage growth is supporting household incomes and spending. The Halifax reported that its house price index increased by 4.3% year-on-year (to August), with prices moving higher over the summer as mortgage rates softened.

UK politics

Labour won a decisive victory in the general election, although the party won with just 35% of the national vote amid a low turn-out and broad disaffection for the political class. However, it has been an inauspicious start for Prime Minister Starmer, with notable missteps including the winter fuel payment debacle and the row about "freebies" provided by a Labour donor. With her feet barely under the desk, Chancellor Rachel Reeves was put under pressure to loosen the purse strings to raise pay for public sector workers. At the same time, claiming that she had inherited a fiscal "mess", she prepared the way for a tax-raising

budget in the autumn just as UK government debt reached 100% of GDP for the first time since 1961. Indeed, the new government was accused of doom-mongering and talking the country down, forcing them into a swift change of tone at the Labour conference. Meanwhile, the Conservative Party was distracted by its extended leadership contest.

Global economies

Data from the US was mixed, leading to worries that the economy may be heading for a recession. There were clear signs of weaker trends within the manufacturing sector, indicating higher interest rates had taken effect. The closely watched labour market showed signs of softening, adding to concerns that the economy might be faltering. On the other hand, inflation dropped to 2.5% in August, supporting the case for further cuts to interest rates and the economy grew by 3% (annualised) during the second quarter.

Weakness in the French and Germany economies continued to depress readings from the eurozone, despite better growth from southern Europe. German industrial production remained under pressure, dragged down by the auto sector and electrical equipment manufacturing.

In Japan, inflation remained above 2% and data showed that wages were growing in real terms, which helped to build expectations of further interest rate rises before the year end.

Amid persistent weakness in the Chinese economy, a slew of measures was announced, aimed at reviving growth and restoring market confidence. The central bank cut key interest rates and freed up cash for banks to boost lending, while Beijing pledged to support fiscal spending and bolster the struggling property sector. There was even a promise to provide one-off handouts to people in extreme poverty. These announcements came as new data showed that manufacturing activity fell into contraction, while the rate of services expansion also disappointed.

MARKET BACKGROUND AND OUTLOOK (CONTINUED)

Global monetary policies

The Bank of England reduced the base rate by 0.25%, to 5.00%. Later, Governor Bailey suggested that further interest rate cuts could be in the pipeline, noting that inflation is falling more quickly than expected.

At the much-anticipated meeting of the Federal Reserve, the committee opted for an interest rate cut of 0.50% (falling to a new range of 4.75% - 5%), a larger move than many had expected. This was the first reduction in borrowing costs since March 2020, with the Bank highlighting the softening inflation picture and a potential slowdown in the labour market. Officials also projected that rates could decrease by another half percentage point by the end of the year.

The European Central Bank also cut the deposit facility rate by 0.25%, to 3.5%, reflecting the Bank's confidence that inflation will fall to the 2% target. Marking an important moment, the Bank of Japan raised the short-term interest rate into positive territory, from around 0% to around 0.25%, the highest level since 2008. As part of a raft of stimulus measures, the People's Bank of China cut a key policy rate and reserve requirements for banks, and announced support measures for the property sector and the stock market.

Global politics and events

There was plenty of drama on the US political scene as November's general election drew nearer. Under intense scrutiny concerning his fitness to stand in the election, President Biden finally announced that he would not run. Vice President Kamala Harris was then confirmed as the Democratic nominee and she chose Tim Walz as her running mate. At the Republican National Convention, JD Vance accepted the invitation to be Donald Trump's running mate. Mr Trump suffered two assassination attempts, the first of which very nearly succeeded. As things stand, the election race remains too close to call and the outcome will likely be a function of turnout rates and marginal voters.

In France's general election, none of the three main political blocs achieved an overall majority, leaving France in a political and legislative vacuum. President Macron appointed Michel Barnier as the new Prime Minister, hoping that he would be able to end the political impasse. In Germany, Chancellor Olaf Scholz managed to fend off the far-right party, AfD, by a small margin in the state of Brandenburg, while in Austria, the far-right Freedom Party gained the largest share of the vote in the general election.

Japan's prime minister, Fumio Kishida, resigned amid public scandals and internal conflicts. New party leader, Shigeru Ishiba, wasted no time in calling a snap election in October, saying that the new administration should be judged by the people as soon as possible.

Middle Eastern tensions ratcheted higher, with Israel fighting a war on three fronts – Hamas in Gaza, Hezbollah in Lebanon and the Houthis in Yemen. All eyes turned to Iran to see how it would retaliate, particularly in light of the killing of Hassan Nasrallah, secretary-general of Hezbollah, in an Israeli airstrike.

Ukraine launched a surprise incursion across the Russian border, but exhaustion and a lack of manpower and weaponry weakened their ability to fight on a new front whilst still fending off Russian forces in the east.

Equity markets

Positive returns at the headline level masked high drama below the surface as investors responded to fears of a US recession, the sudden change in the direction of the Japanese yen (leading to the unwinding of the so-called "carry trade", whereby investors borrow in yen to invest in higher-yielding assets elsewhere) and doubts about valuations within the technology sector. Indeed, a measure of volatility reached its highest intra-day level since March 2020, at the height of the pandemic fears. However, the turmoil was short-lived as the Federal Reserve cut interest rates, US economic data improved and latterly, China unleashed a whirlwind of stimulus measures.

US equities enjoyed another robust quarter although, alongside bouts of elevated volatility, there was also a change of market leadership. The mega-cap technology stocks, which had performed so strongly, stumbled after some disappointing earnings results which called into question companies' ability to turn huge capital expenditure on AI-related products and services into future profitability. Indeed, this was the first quarter for some time that the broad market had outperformed the "Magnificent 7" grouping. Instead, the best performing sectors included the likes of utilities and real estate. Mid and smaller-cap indices also performed very strongly.

In China, assertive and wide-ranging policy changes designed to prop up asset markets and the economy spurred a blockbuster stockmarket rally, with investors from all quarters rushing to get involved in the previously unloved market. On the last day of the quarter, the Chinese market rose by over 8%. The Hong Kong market also sprang into life, enjoying its best quarter since 2009. These moves contributed to stellar returns from Asian and emerging market indices.

MARKET BACKGROUND AND OUTLOOK (CONTINUED)

European indices advanced, but underperformed the US, Asian and emerging market indices. Core European markets struggled to make progress, with political upheaval in France and the lacklustre German economy weighing upon sentiment. Earlier in the quarter, the share prices of China-exposed companies, such as luxury goods and car makers, were impacted because of flagging demand and disappointing revenues, although the dramatic stimulus announcements provided some relief.

Compared to the excitement seen elsewhere, the UK market struggled to gain traction. The strength of sterling dampened sentiment towards larger companies with overseas earnings. Indeed, on this note, it is important to highlight that, in an investment portfolio context, the returns from non-UK sterling assets were dampened because of the currency's strength. Mid and smaller-cap indices fared well, with a resurgence in bid activity brightening the mood and helping to attract investors.

The Japanese market peaked in early July, in tandem with the turning point in the Japanese yen, which had reached a position of extreme weakness. The weak currency had supported the market, boosting the profit outlook for export-heavy industries. The rapid change in the currency's fortunes represented a major turning point for the Japanese market and, in a broader context, for those using the yen as a cheap funding currency. Amid these rapidly shifting sands, in July, the market dropped by 12% in a day, the worst sell-off since "Black Monday" in 1987 (although it reclaimed much of the lost ground in short order). Weakness in US technology stocks also weighed upon the Japanese technology sector.

Bond markets

Against the backdrop of loosening monetary policy, global bond yields declined over the quarter (prices rose), with the Federal Reserve's decision to cut rates by half a percentage point bolstering the case for a more rapid cycle of easing. The UK gilt market followed this trend and delivered a positive return, but it underperformed other core government bonds because of the Bank of England's relatively hawkish stance.

Broadly, corporate bonds matched the move in their sovereign counterparts. Credit spreads on investment grade bonds (the yield premium available to compensate investors for additional risk) were already narrow, leaving little room for additional price appreciation over and above the move in government bonds. Lower-rated bonds delivered robust positive total returns, benefiting from superior running yields as well as price appreciation.

Other assets

UK sterling hit its highest level versus the US dollar since March 2022 after the Bank of England kept rates on hold at the September meeting. The Japanese yen strengthened significantly following the Bank of Japan's interest rate hike. This triggered a move by investors to close out their yen borrowings (also known as the unwinding of the yen "carry trade"), the consequences of which rippled through the financial system.

Despite geo-political tensions, the oil price fell, succumbing to persistent concerns about global demand, particularly in the context of China's economic woes and a weakening US economy. The prospect of increased production from OPEC+ later this year also depressed the price.

The gold price rose sharply, reaching a new record high thanks to a weaker US dollar (in which gold is priced) and lower interest rates around the globe (reduced competition from yield-generating assets). Geo-political tensions also reinforced the allure of the safe-haven asset, and ongoing buying from central banks added to the positive price momentum.

And finally... China returns to the headlines

Before September's stimulus blitz, investors had been relatively immune from the long-running drip-drip of disappointing economic news from China, preferring instead to concentrate upon the fate of the US economy and the Federal Reserve's next steps.

Commentators have been drawing comparisons between China's malaise and the experience of Japan after its stockmarket slump at the beginning of the 1990s, whereby a period of heady growth was followed by years in the economic doldrums. At the heart of the problem is China's property market, which boomed on the back of speculative activity and a quite staggering level of capital misallocation during the noughties and beyond. In practice, the bubble began to deflate early in the 2010s as Beijing sought to curb activity. Unsurprisingly, China's economic output began to decline at the same time. The default of property giant Evergrande Group in 2021 brought the crisis into the spotlight and raised international awareness of the scale of the problem.

Despite various announcements of support packages in recent months, consumer confidence remains at a low ebb. The recently announced "bazooka" of support measures has provided a boost to Chinese asset markets, but the real issue is that China has a demand problem. People and businesses are choosing not to borrow because sentiment is poor. Mirroring the experience of Japan, it appears that the Chinese are falling into the mode of "paradox of thrift", with

MARKET BACKGROUND AND OUTLOOK (CONTINUED)

more people choosing to save rather than spend and invest, battered as they are by the real estate crisis, the extended Covid-19 experience and the perceived increase in external risks, including trade tensions. Structurally, the economy is also swimming against the tide of population decline.

Given the size of the economy, the repercussions of the situation in China are clearly significant and global in nature. Commodity prices had already been weakened by the diminished demand outlook. In Europe, the luxury goods companies and car manufacturers have been reporting disappointing sales from their Chinese businesses, resulting in slumping share prices. Germany's heavy reliance upon exports to China is a major headwind for its economy.

Some investors have been voting with their feet, opting for Asian products that exclude China. While understandable, this is not a fail-safe strategy given the dominance and connectivity of the Chinese economy within the region. On the other side of the coin, professional investors who do invest in the country are not short of ideas, given low valuations and the ability to access exciting new industries, such as green technology. It will be fascinating to observe the next stage for China's economy as the effects of the recent stimulus policies wash through the system. One thing is for sure – China is too big to ignore.

Source: Embark Investments, as at 30/09/2024. References made to individual securities and/or companies should not constitute or form part of any offer or solicitation to issue, sell, subscribe, or purchase, and neither should be assumed profitable.



Fraser Blain
Commercial Director

FUND OBJECTIVES

Horizon Fund I

The Fund aims to grow clients' investment over the medium to long term, 5 or more years, and to stay within the designated risk profile. It is aligned to risk profile 1 on the EV five-point scale for long term risk profiling and strategic asset allocation, the lowest in the range, meaning it aims to deliver income and growth through assets that demonstrate moderate price fluctuations, with greater emphasis placed on exposure to fixed income securities including high yield and emerging market bonds, and lower relative emphasis placed on exposure to equities including emerging market equities. There may be some indirect exposure to real estate and commodities. The Fund is also currently mapped to other risk profiling tools, as seen below in the Risk Ratings section of this report.

Horizon Fund II

The Fund aims to grow clients' investment over the medium to long term, 5 or more years, and to stay within the designated risk profile. It is aligned to risk profile 2 on the EV five-point scale for long term risk profiling and strategic asset allocation, meaning it aims to deliver income and growth through assets that demonstrate moderate price fluctuations, with an emphasis placed on fixed income securities including high yield and emerging market bonds, and a lower relative emphasis placed on exposure to equities including emerging market equities. There may be some indirect exposure to real estate commodities. The Fund is also currently mapped to other risk profiling tools, as seen below in the Risk Ratings section of this report.

Horizon Fund III

The Fund aims to grow clients' investment over the medium to long term, 5 or more years, and to stay within the designated risk profile. It is aligned to risk profile 3 on the EV five-point scale for long term risk profiling and strategic asset allocation, meaning it aims to deliver income and growth through assets that may demonstrate moderate to large price fluctuations, with a greater emphasis placed on equities including emerging market equities, and lower emphasis placed on exposure to fixed income securities including high yield and emerging market bonds. There may be some indirect exposure to real estate and commodities. The Fund is also currently mapped to other risk profiling tools, as seen below in the Risk Ratings section of this report.

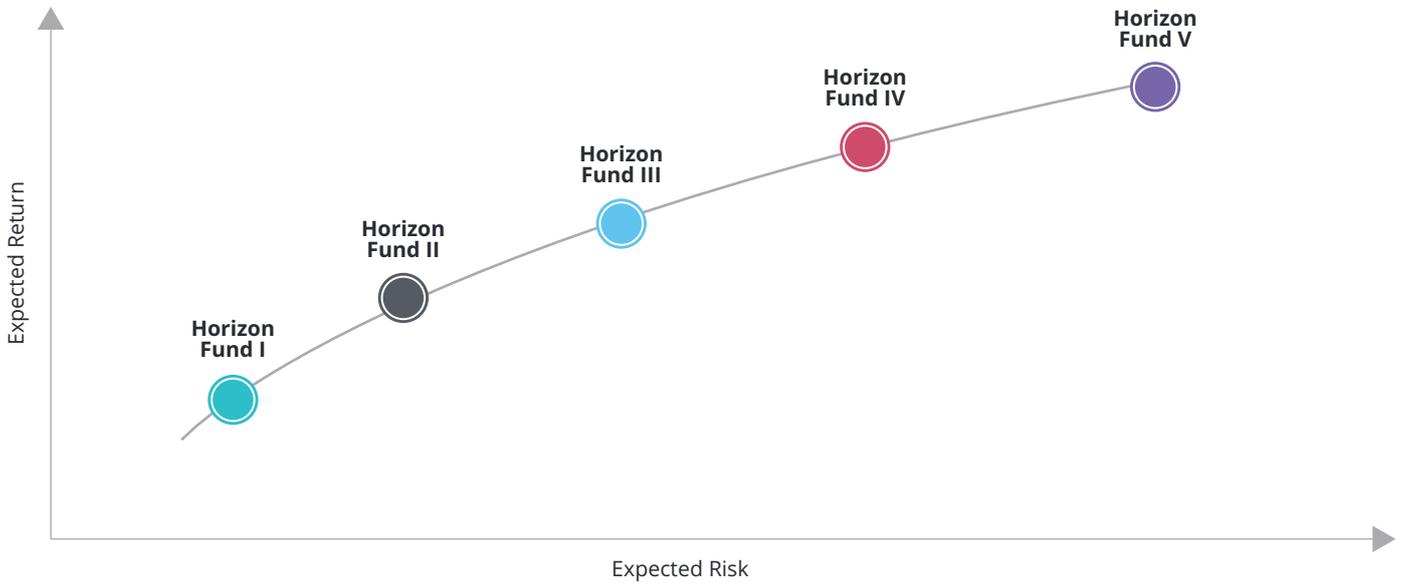
Horizon Fund IV

The Fund aims to grow clients' investment over the medium to long term, 5 or more years, and to stay within the designated risk profile. It is aligned to risk profile 4 on the EV five-point scale for long term risk profiling and strategic asset allocation, meaning it aims to deliver income and growth through assets that may demonstrate moderate to large price fluctuations, with greater emphasis placed on equities including emerging market equity and potentially some exposure to fixed income securities including high yield and emerging market bonds. There may be some indirect exposure to real estate and commodities. The Fund is also currently mapped to other risk profiling tools, as seen below in the Risk Ratings section of this report.

Horizon Fund V

The Fund aims to grow clients' investment over the medium to long term, 5 or more years, and to stay within the designated risk profile. It is aligned to risk profile 5 on the EV five-point scale for long term risk profiling and strategic asset allocation, the highest in the range, meaning it aims to deliver income and growth through assets that may demonstrate large price fluctuations, with the greatest emphasis placed on equities including emerging market equities. There may be some indirect exposure to real estate commodities. The Fund is also currently mapped to other risk profiling tools, as seen below in the Risk Ratings section of this report.

RISK PROFILES



Source: Embark Investments Ltd, for illustrative purposes only.

RISK RATINGS

Fund	Fund Size ¹ AUM	EV ²	Distribution Technology ³	FinaMetrica ⁴		Defaqto Risk Rating ⁵
				Growth Assets	Best Fit Risk Comfort Zone	
Horizon I	£18.3m	1	4	35%	30-46	3
Horizon II	£117.5m	2	4	43%	47-52	4
Horizon III	£221.3m	3	5	54%	53-60	5
Horizon IV	£96.8m	4	6	71%	61-73	6
Horizon V	£60.4m	5	7	92%	74-100	8

¹ Embark Investments Ltd as at 30/09/2024. ² EV's 5-point scale as at 31/03/2024. ³ Distribution Technology as at Q3 2024. ⁴ © FinaMetrica Pty Ltd. Risk tolerance scores were mapped to the funds' strategic asset allocations as at 30/09/2024. The mappings are only for use by financial advisers licensed to use FinaMetrica's risk profiling system and do not constitute financial advice. Financial advisers must satisfy themselves that the funds' current asset allocations reflect the risk/return expectations of the funds when mapped. Embark pays FinaMetrica for the mappings in the table. However, these mappings are calculated independently by FinaMetrica. ⁵ Defaqto is a financial information business. Data as at 30/09/2024.

EMBARK HORIZON MULTI-ASSET FUND I

Fund details and cumulative performance

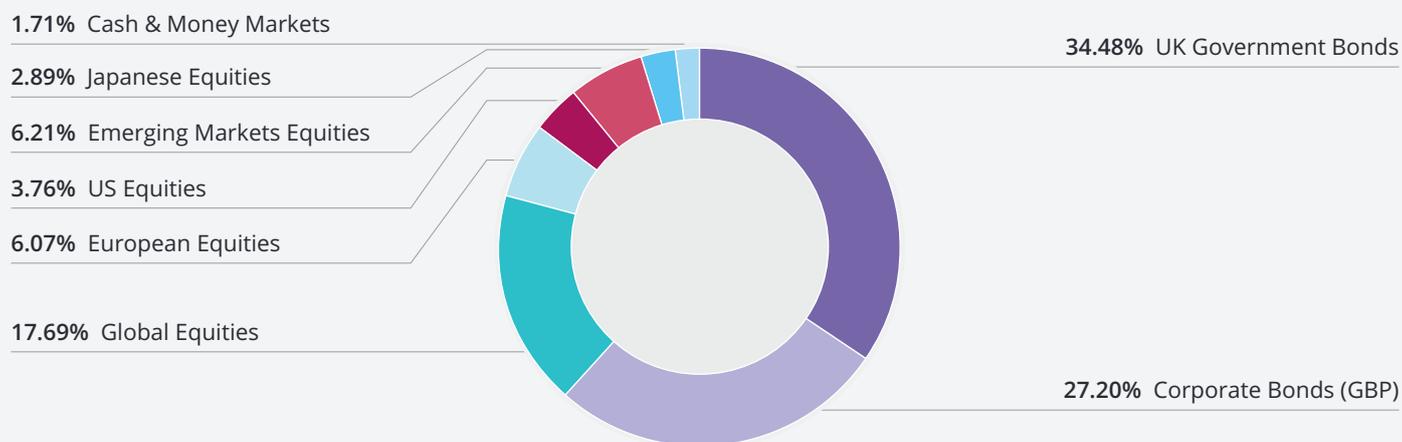
	Fund Size	Launch 12/12/13	10 Years	5 Years	3 Years	1 Year	6 months	3 months
Horizon Fund I	£18.3m	44.27%	37.79%	-1.17%	-6.62%	10.76%	0.73%	0.98%

Fund size source: Embark Investments Ltd; Performance source: Embark Investment Ltd and FE fundinfo. All data as at 30/09/2024. Performance is calculated using bid to bid pricing net of all charges, with net income reinvested, based on Z acc shares, in Pound Sterling. Embark Horizon Multi-Asset Fund I was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund I"). Performance before then is based on the Threadneedle Multi-Asset Zurich Fund I, and attributable to Columbia Threadneedle Investments. The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

	Cumulative Maximum Drawdown*
Horizon Fund I	-20.29%

Source: Embark Investment Ltd and FE fundinfo, as at 30/09/2024. *Since inception. Maximum Drawdown is calculated using monthly data.

Portfolio breakdown



Source: Embark Investments Ltd and Northern Trust Global Services Limited, as at 30/09/2024. Cash includes investments in a money market fund as well as adjustments to cash such as accruals. Figures may not total 100% due to rounding.

EMBARK HORIZON MULTI-ASSET FUND I (CONTINUED)



Fund Commentary

- As at 30th September 2024, the Horizon Fund I (Z Acc share class net of fees) posted a return of +0.98% for the quarter and achieved a positive 1-year return of +10.76%.¹
- EV's Strategic Asset Allocation (SAA) update for Q3 for Horizon I showed a minor tilt away from US equities, towards Japanese equities.²
- In general, Q3 2024 was a positive quarter for financial markets. There was an uptick in volatility in markets, particularly during August, however returns were generally strong within both equities and fixed income. The overarching theme was of interest rate cuts from central banks, which was supportive of both equities and fixed income.
- US equities posted strong returns however sectors which had previously underperformed including utilities and real estate were top performers while information technology posted only a small advance.
- European equities delivered positive returns but lagged the US. After reaching new highs in July, Japanese equities experienced a sharp fall in early August before stabilising later in the quarter. Emerging market equities, however, had a strong quarter.
- In the UK The Bank of England cut interest rates by 25 bps in August, its first rate cut in 4 years. Falling rates led to positive returns for UK fixed income.
- The Strategic Asset Allocation (SAA) was the driver of returns this quarter.
- Tactical Asset Allocation (TAA) detracted from performance over the quarter. The overweight to Emerging Market equities did contribute to performance however this was outweighed by the funding of positions from UK Gilts which detracted from TAA performance overall as yields fell over the quarter.
- Manager selection also detracted from returns over the quarter. The BlackRock Global Unconstrained Equity strategy was the largest detractor from active returns. Roughly two-thirds of the underperformance came from stocks in the information technology sector, and the rest from healthcare. The BlackRock Sustainable Equity Factor Plus Fund also detracted. Exposures to Momentum and Quality were the biggest detractors. The BlackRock Continental European Equities strategy detracted over the quarter as news flow dragged on semiconductor sentiment, however the manager expects this to be a short-term setback. The Oaktree Emerging Markets fund contributed to manager selection, with regional positioning paying off, notably an overweight to China.³

¹ Source: FE fundinfo, as at 30 September 2024, in GBP.

² Source: Embark Investments Ltd and EV, as at 01 July 2024.

³ Source: Embark Investments Ltd and BlackRock, as at 30 September 2024

EMBARK HORIZON MULTI-ASSET FUND II

Fund details and cumulative performance

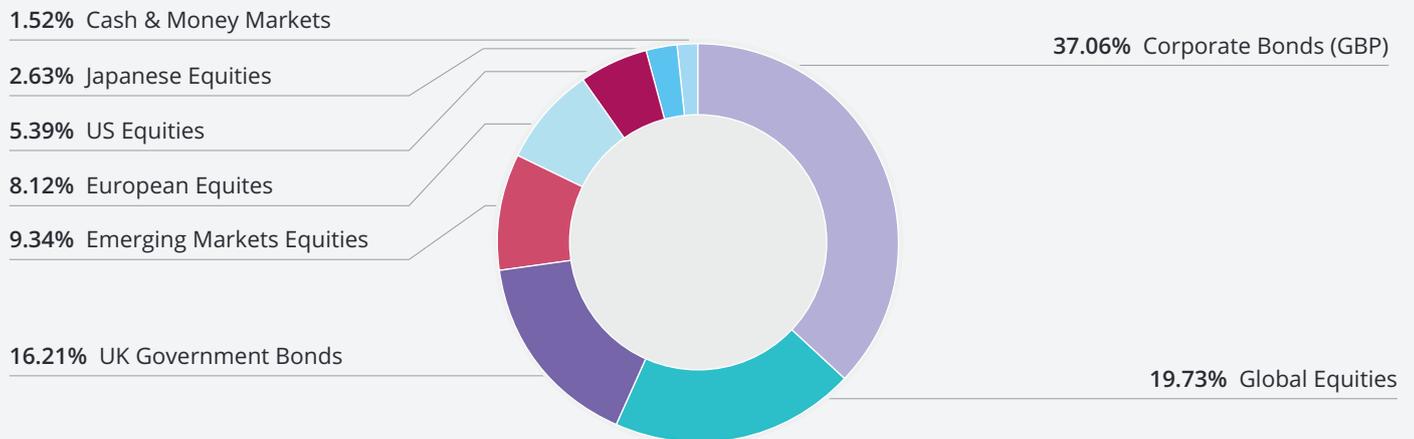
	Fund Size	Launch 12/12/13	10 Years	5 Years	3 Years	1 Year	6 months	3 months
Horizon Fund II	£117.5m	65.53%	57.68%	6.95%	-2.24%	11.76%	0.84%	0.78%

Fund size source: Embark Investments Ltd; Performance source: Embark Investment Ltd and FE fundinfo. All data as at 30/09/2024. Performance is calculated using bid to bid pricing net of all charges, with net income reinvested, based on Z acc shares, in Pound Sterling. Embark Horizon Multi-Asset Fund II was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund II"). Performance before then is based on the Threadneedle Multi-Asset Zurich Fund II, and attributable to Columbia Threadneedle Investments. The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

	Cumulative Maximum Drawdown*
Horizon Fund II	-18.54%

Source: Embark Investment Ltd and FE fundinfo, as at 30/09/2024. *Since inception. Maximum Drawdown is calculated using monthly data.

Portfolio breakdown



Source: Embark Investments Ltd and Northern Trust Global Services Limited, as at 30/09/2024. Cash includes investments in a money market fund as well as adjustments to cash such as accruals. Figures may not total 100% due to rounding.

EMBARK HORIZON MULTI-ASSET FUND II (CONTINUED)



Fund Commentary

- As at 30th September 2024, the Horizon Fund II (Z Acc share class net of fees) posted a return of +0.78% for the quarter and achieved a positive 1-year return of +11.76%.¹
- EV's Strategic Asset Allocation (SAA) update for Q3 for Horizon II showed no change this quarter.²
- In general, Q3 2024 was a positive quarter for financial markets. There was an uptick in volatility in markets, particularly during August, however returns were generally strong within both equities and fixed income. The overarching theme was of interest rate cuts from central banks, which was supportive of both equities and fixed income.
- US equities posted strong returns however sectors which had previously underperformed including utilities and real estate were top performers while information technology posted only a small advance.
- European equities delivered positive returns but lagged the US. After reaching new highs in July, Japanese equities experienced a sharp fall in early August before stabilising later in the quarter. Emerging market equities, however, had a strong quarter.
- In the UK The Bank of England cut interest rates by 25 bps in August, its first rate cut in 4 years. Falling rates led to positive returns for UK fixed income.
- The Strategic Asset Allocation (SAA) was the driver of returns this quarter.
- Tactical Asset Allocation (TAA) detracted from performance over the quarter. The overweight to Emerging Market equities did contribute to performance however this was outweighed by the funding of positions from UK Gilts which detracted from TAA performance overall as yields fell over the quarter.
- Manager selection also detracted from returns over the quarter. The BlackRock Global Unconstrained Equity strategy was the largest detractor from active returns. Roughly two-thirds of the underperformance came from stocks in the information technology sector, and the rest from healthcare. The BlackRock Sustainable Equity Factor Plus Fund also detracted. Exposures to Momentum and Quality were the biggest detractors. The BlackRock Continental European Equities strategy detracted over the quarter as news flow dragged on semiconductor sentiment, however the manager expects this to be a short-term setback. The Oaktree Emerging Markets fund contributed to manager selection, with regional positioning paying off, notably an overweight to China.³

¹ Source: FE fundinfo, as at 30 September 2024, in GBP.

² Source: Embark Investments Ltd and EV, as at 01 July 2024.

³ Source: Embark Investments Ltd and BlackRock, as at 30 September 2024

EMBARK HORIZON MULTI-ASSET FUND III

Fund details and cumulative performance

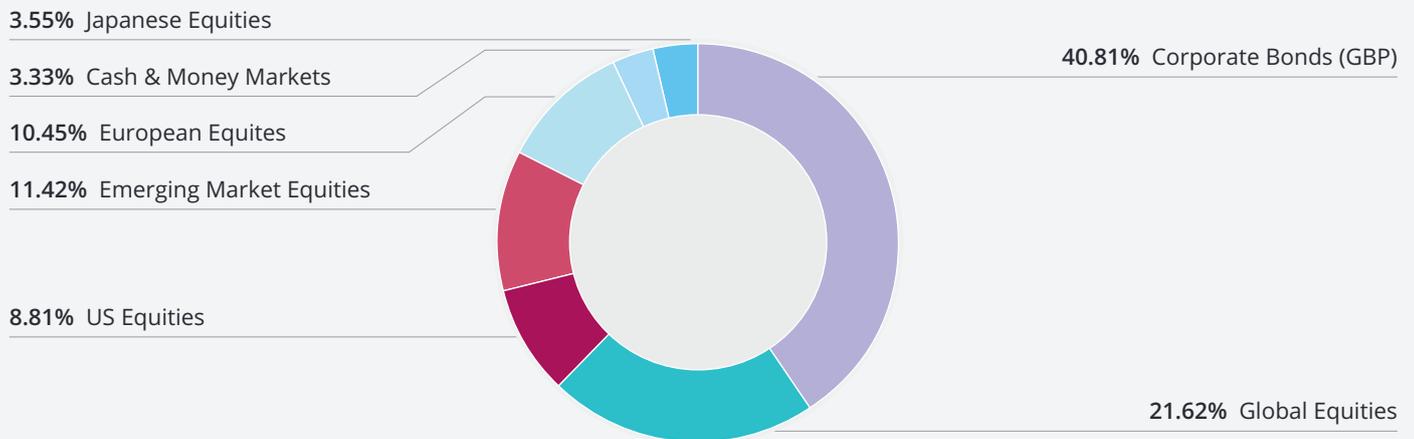
	Fund Size	Launch 12/12/13	10 Years	5 Years	3 Years	1 Year	6 months	3 months
Horizon Fund III	£221.3m	89.88%	79.81%	16.44%	2.13%	12.68%	0.90%	0.48%

Fund size source: Embark Investments Ltd; Performance source: Embark Investment Ltd and FE fundinfo. All data as at 30/09/2024. Performance is calculated using bid to bid pricing net of all charges, with net income reinvested, based on Z acc shares, in Pound Sterling. Embark Horizon Multi-Asset Fund III was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund III"). Performance before then is based on the Threadneedle Multi-Asset Zurich Fund III, and attributable to Columbia Threadneedle Investments. The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

	Cumulative Maximum Drawdown*
Horizon Fund III	-17.19%

Source: Embark Investment Ltd and FE fundinfo, as at 30/09/2024. *Since inception. Maximum Drawdown is calculated using monthly data.

Portfolio breakdown



Source: Embark Investments Ltd and Northern Trust Global Services Limited, as at 30/09/2024. Cash includes investments in a money market fund as well as adjustments to cash such as accruals. Figures may not total 100% due to rounding.

EMBARK HORIZON MULTI-ASSET FUND III (CONTINUED)



Fund Commentary

- As at 30th September 2024, the Horizon Fund III (Z Acc share class net of fees) posted a return of +0.48% for the quarter and achieved a positive 1-year return of +12.68%.¹
- EV's Strategic Asset Allocation (SAA) update for Q3 for Horizon III showed a minor tilt away from US equities and UK equities, towards European and Japanese equities.²
- In general, Q3 2024 was a positive quarter for financial markets. There was an uptick in volatility in markets, particularly during August, however returns were generally strong within both equities and fixed income. The overarching theme was of interest rate cuts from central banks, which was supportive of both equities and fixed income.
- US equities posted strong returns however sectors which had previously underperformed including utilities and real estate were top performers while information technology posted only a small advance.
- European equities delivered positive returns but lagged the US. After reaching new highs in July, Japanese equities experienced a sharp fall in early August before stabilising later in the quarter. Emerging market equities, however, had a strong quarter.
- In the UK The Bank of England cut interest rates by 25 bps in August, its first rate cut in 4 years. Falling rates led to positive returns for UK fixed income.
- The Strategic Asset Allocation (SAA) was the driver of returns this quarter.
- Tactical Asset Allocation (TAA) detracted from performance over the quarter. The overweight to Emerging Market equities did contribute to performance however this was outweighed by the funding of positions from UK IG Credit which detracted from TAA performance overall as yields fell over the quarter.
- Manager selection also detracted from returns over the quarter. The BlackRock Global Unconstrained Equity strategy was the largest detractor from active returns. Roughly two-thirds of the underperformance came from stocks in the information technology sector, and the rest from healthcare. The BlackRock Sustainable Equity Factor Plus Fund also detracted. Exposures to Momentum and Quality were the biggest detractors. The BlackRock Continental European Equities strategy detracted over the quarter as news flow dragged on semiconductor sentiment, however the manager expects this to be a short-term setback. The Oaktree Emerging Markets fund contributed to manager selection, with regional positioning paying off, notably an overweight to China.³

¹ Source: FE fundinfo, as at 30 September 2024, in GBP.

² Source: Embark Investments Ltd and EV, as at 01 July 2024.

³ Source: Embark Investments Ltd and BlackRock, as at 30 September 2024

EMBARK HORIZON MULTI-ASSET FUND IV

Fund details and cumulative performance

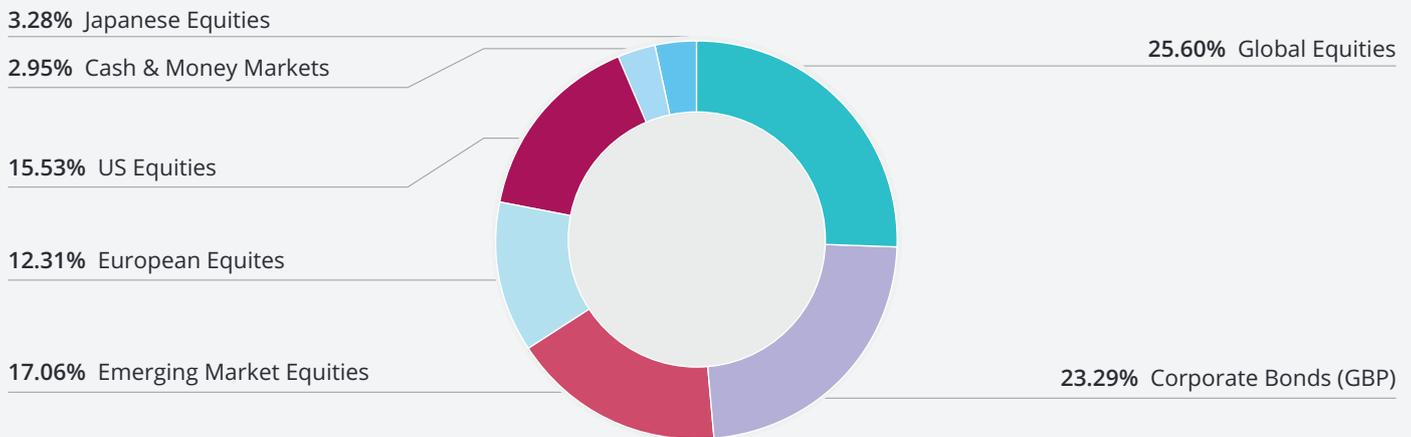
	Fund Size	Launch 12/12/13	10 Years	5 Years	3 Years	1 Year	6 months	3 months
Horizon Fund IV	£96.8m	114.25%	101.79%	24.45%	4.32%	14.37%	1.18%	0.07%

Fund size source: Embark Investments Ltd; Performance source: Embark Investment Ltd and FE fundinfo. All data as at 30/09/2024. Performance is calculated using bid to bid pricing net of all charges, with net income reinvested, based on Z acc shares, in Pound Sterling. Embark Horizon Multi-Asset Fund IV was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund IV"). Performance before then is based on the Threadneedle Multi-Asset Zurich Fund IV, and attributable to Columbia Threadneedle Investments. The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

	Cumulative Maximum Drawdown*
Horizon Fund II	-17.89%

Source: Embark Investment Ltd and FE fundinfo, as at 30/09/2024. *Since inception. Maximum Drawdown is calculated using monthly data.

Portfolio breakdown



Source: Embark Investments Ltd and Northern Trust Global Services Limited, as at 30/09/2024. Cash includes investments in a money market fund as well as adjustments to cash such as accruals. Figures may not total 100% due to rounding.

EMBARK HORIZON MULTI-ASSET FUND IV (CONTINUED)



Fund Commentary

- As at 30th September 2024, the Horizon Fund IV (Z Acc share class net of fees) posted a return of +0.07% for the quarter and achieved a positive 1-year return of +14.37%.¹
- EV's Strategic Asset Allocation (SAA) update for Q3 for Horizon IV showed a tilt away from UK equities, towards US, European and Japanese equities and corporate bonds.²
- In general, Q3 2024 was a positive quarter for financial markets. There was an uptick in volatility in markets, particularly during August, however returns were generally strong within both equities and fixed income. The overarching theme was of interest rate cuts from central banks, which was supportive of both equities and fixed income.
- US equities posted strong returns however sectors which had previously underperformed including utilities and real estate were top performers while information technology posted only a small advance.
- European equities delivered positive returns but lagged the US. After reaching new highs in July, Japanese equities experienced a sharp fall in early August before stabilising later in the quarter. Emerging market equities, however, had a strong quarter.
- In the UK The Bank of England cut interest rates by 25 bps in August, its first rate cut in 4 years. Falling rates led to positive returns for UK fixed income.
- The Strategic Asset Allocation (SAA) was the driver of returns this quarter.
- Tactical Asset Allocation (TAA) detracted from performance over the quarter. The overweight to Emerging Market equities did contribute to performance however this was outweighed by the funding of positions from UK IG Credit which detracted from TAA performance overall as yields fell over the quarter.
- Manager selection also detracted from returns over the quarter. The BlackRock Global Unconstrained Equity strategy was the largest detractor from active returns. Roughly two-thirds of the underperformance came from stocks in the information technology sector, and the rest from healthcare. The BlackRock Sustainable Equity Factor Plus Fund also detracted. Exposures to Momentum and Quality were the biggest detractors. The BlackRock Continental European Equities strategy detracted over the quarter as news flow dragged on semiconductor sentiment, however the manager expects this to be a short-term setback. The Oaktree Emerging Markets fund contributed to manager selection, with regional positioning paying off, notably an overweight to China.³

¹ Source: FE fundinfo, as at 30 September 2024, in GBP.

² Source: Embark Investments Ltd and EV, as at 01 July 2024.

³ Source: Embark Investments Ltd and BlackRock, as at 30 September 2024

EMBARK HORIZON MULTI-ASSET FUND V

Fund details and cumulative performance

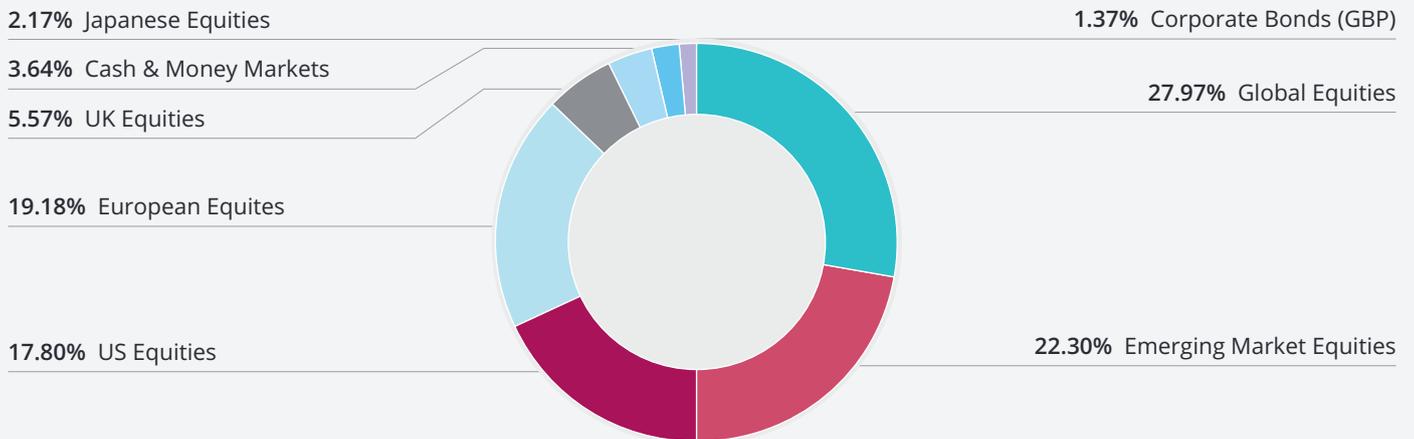
	Fund Size	Launch 12/12/13	10 Years	5 Years	3 Years	1 Year	6 months	3 months
Horizon Fund V	£60.4m	156.20%	140.45%	38.90%	7.54%	16.01%	1.59%	-0.51%

Fund size source: Embark Investments Ltd; Performance source: Embark Investment Ltd and FE fundinfo. All data as at 30/09/2024. Performance is calculated using bid to bid pricing net of all charges, with net income reinvested, based on Z acc shares, in Pound Sterling. Embark Horizon Multi-Asset Fund V was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund V"). Performance before then is based on the Threadneedle Multi-Asset Zurich Fund V, and attributable to Columbia Threadneedle Investments. The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

	Cumulative Maximum Drawdown*
Horizon Fund V	-18.03%

Source: Embark Investment Ltd and FE fundinfo, as at 30/09/2024. *Since inception. Maximum Drawdown is calculated using monthly data.

Portfolio breakdown



Source: Embark Investments Ltd and Northern Trust Global Services Limited, as at 30/09/2024. Cash includes investments in a money market fund as well as adjustments to cash such as accruals. Figures may not total 100% due to rounding.

EMBARK HORIZON MULTI-ASSET FUND V (CONTINUED)



Fund Commentary

- As at 30th September 2024, the Horizon Fund V (Z Acc share class net of fees) posted a loss of -0.51% for the quarter but achieved a positive 1-year return of +16.01%.¹
- EV's Strategic Asset Allocation (SAA) update for Q3 for Horizon V showed a tilt away from UK equities, towards US, European and Japanese equities and corporate bonds.²
- In general, Q3 2024 was a positive quarter for financial markets. There was an uptick in volatility in markets, particularly during August, however returns were generally strong within both equities and fixed income. The overarching theme was of interest rate cuts from central banks, which was supportive of both equities and fixed income.
- US equities posted strong returns however sectors which had previously underperformed including utilities and real estate were top performers while information technology posted only a small advance.
- European equities delivered positive returns but lagged the US. After reaching new highs in July, Japanese equities experienced a sharp fall in early August before stabilising later in the quarter. Emerging market equities, however, had a strong quarter.
- In the UK The Bank of England cut interest rates by 25 bps in August, its first rate cut in 4 years. Falling rates led to positive returns for UK fixed income.
- Tactical Asset Allocation (TAA) detracted from performance over the quarter. The overweight to Emerging Market equities did contribute to performance however this was outweighed by the funding of positions from UK IG Credit which detracted from TAA performance overall as yields fell over the quarter.
- Manager selection also detracted from returns over the quarter. The BlackRock Global Unconstrained Equity strategy was the largest detractor from active returns. Roughly two-thirds of the underperformance came from stocks in the information technology sector, and the rest from healthcare. The BlackRock Sustainable Equity Factor Plus Fund also detracted. Exposures to Momentum and Quality were the biggest detractors. The BlackRock Continental European Equities strategy detracted over the quarter as news flow dragged on semiconductor sentiment, however the manager expects this to be a short-term setback. The Oaktree Emerging Markets fund contributed to manager selection, with regional positioning paying off, notably an overweight to China.³

¹ Source: FE fundinfo, as at 30 September 2024, in GBP.

² Source: Embark Investments Ltd and EV, as at 01 July 2024.

³ Source: Embark Investments Ltd and BlackRock, as at 30 September 2024

WHERE TO INVEST

The Embark Horizon Multi-Asset Funds are available on a wide range of investment platforms.





For further information on the investment process of the Embark Horizon Multi-Asset Funds, please see our **due diligence guide** or contact your local business development manager.

Important legal information

The document is issued by Embark Investments, for professional financial advisers only.

Nothing contained within this document should be construed as the giving of investment advice or a recommendation to invest or an offer to buy or sell shares.

No other person should rely on, or act on any information in this document when making an investment decision. If you require further information on any of the Embark Horizon Multi-Asset Funds, the Key Investor Information Document (KIID) and the prospectus are both available on the **website**.

Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Funds.

The tax position of the Fund will depend on the personal circumstances of the investor and tax rules may change in the future.

On 1 May 2020 Zurich Investment Services (UK) Limited and its fund range were acquired by the Embark Group. Zurich Investment Services (UK) Limited was subsequently renamed Embark Investments Limited and the name of the Zurich Horizon Investment Funds ICVC changed to Embark Investment Funds ICVC. For the most up-to-date information on the Embark Investments Limited range of funds, please refer to the relevant fund and share class Key Investor Information Document (KIID), the Supplementary Information Document, the Annual or Interim Short Reports and the Prospectus.

On 1 May 2020, the name of the Authorised Corporate Director was changed to Embark Investments Limited with registered office: 33 Old Broad Street, London, EC2N 1HZ. This document is issued by Embark Investments Limited. Embark Investments Limited is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales under company number 3383730. Registered Office: 33 Old Broad Street, London, EC2N 1HZ.

The information in this document is not directed at any US Person. The fund has not been registered under the United States' Securities Act of 1933, and is not offered and may not be sold in the United States or to US citizens and residents.