

Moderately Cautious Medium Term

Quarterly Report 31/12/2023

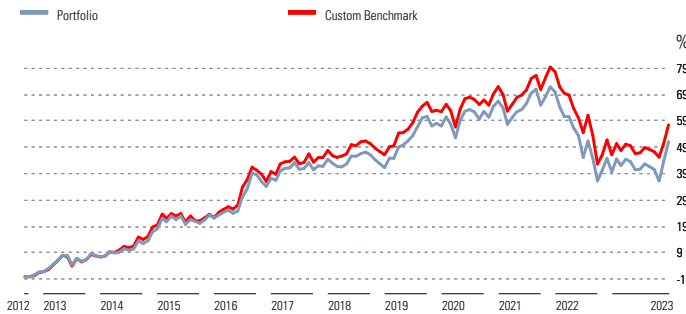


Investment Objective

The objective is to deliver a risk and return profile in each of the asset classes that is commensurate with the underlying markets, whilst seeking outperformance over the long-term.

Investment Growth

Time Period: 30/09/2012 to 31/12/2023



Portfolio Returns

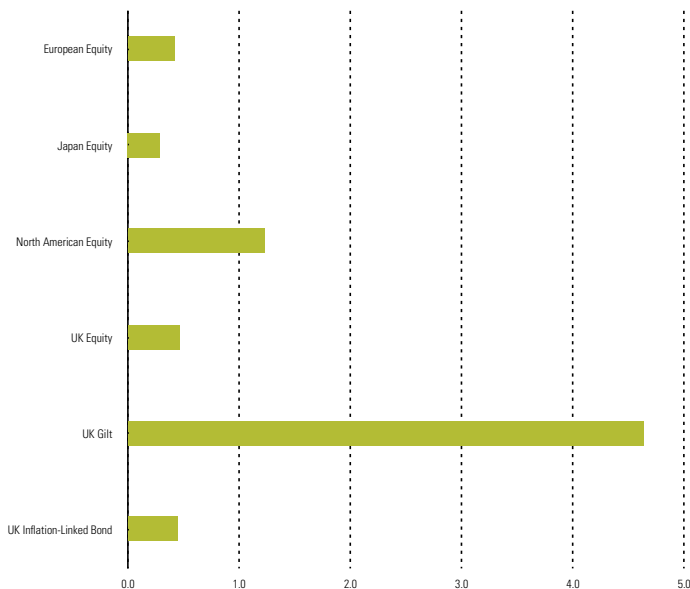
As Of Date: 31/12/2023

Trailing Returns %	3M	YTD	1 Year	3-Years	5-Years	Since Inception
Moderately Cautious Medium Term	7.49	8.21	8.21	-3.18	1.35	3.74
Custom Benchmark	6.98	7.79	7.79	-2.88	1.51	4.12
Discrete Returns %	2023	2022	2021	2020	2019	
Moderately Cautious Medium Term	8.21	-17.84	2.09	6.00	11.15	
Custom Benchmark	7.79	-17.70	3.26	5.81	11.19	

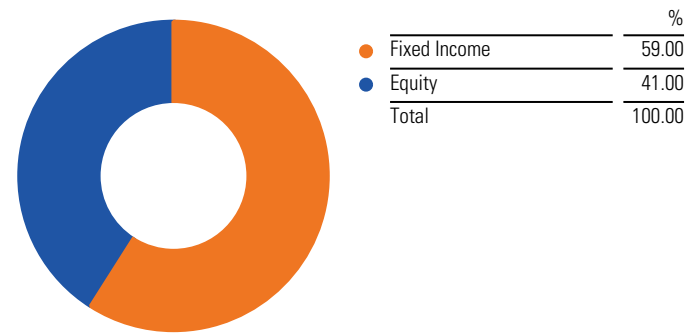
The Custom Benchmark used to measure performance is a composite that reflects EV's asset allocation output. Until 31/12/2022, the custom benchmark was composed primarily of underlying market indices. Since 01/01/2023, it has been composed of passive funds that track the relevant underlying market indices.

Contribution to Return %

Time Period: 01/10/2023 to 31/12/2023



Asset Allocation



Key Facts

The Model Portfolios were established in September 2012. Asset allocation is provided by Embark Investment Services Limited (EISL) and sourced from EV. Morningstar Investment Management Ltd populates the asset allocation with funds it considers appropriate and attractive as a result of its in-depth, qualitatively-driven research process.

Market Background

Both equities and fixed income saw positive returns with expectations of no further interest rate rises and potential rate cuts in 2024 boosting both broad asset classes in Q4.

Europe and US led the way for equities in Q4, driven by an improving picture on the inflation front, which in turn contributed to expectations of no further interest rate rises and the potential for rate cuts in 2024, which at an equity level particularly benefitted the technology sector in both regions. In Europe, economically sensitive sectors such as industrials and materials contributed to outperformance too. In the US, stocks in the real estate, and consumer discretionary sectors also contributed to relative outperformance. UK equities, while positive, were the laggard among equities due to sterling strength and high exposure to the energy sector. It is also worth noting that emerging markets were weighed down by poor performance in China due to the declining economic outlook, the ongoing real estate crisis and continued regulatory crackdown on certain sectors.

Style-wise, Q4 saw the outperformance of global growth as an investment style as interest rate expectations provided a tailwind for growth sectors, which are typically more interest rate sensitive. Global growth was driven by the technology sector which was bolstered by the aggregate performance of the 'Magnificent Seven' while energy was the notable detractor from global returns due to the prices of oil and gas falling sharply in Q4, despite production cuts by Opec+. It is worth noting that although global growth outperformed, there are regional differences such as in the emerging markets (EM) where value saw slight relative outperformance.

Globally, small-caps outperformed large-caps due to their sensitivity to macroeconomic conditions (peak interest rates) and being unloved and therefore trading on relatively cheap valuations.

Fixed income returns were positive in Q4, with EM debt (hard) leading the charge with spreads falling as funding risk due to 'higher for longer' rates in the US receded, buoyed by a weaker dollar. Greater interest rate sensitivity also saw corporates outperform treasuries apart from euro bonds, where government bonds outperformed corporates over the quarter with a stagnating economy and high borrowing costs weighing on euro corporates.

Moderately Cautious Medium Term

Quarterly Report 31/12/2023



Asset Class Breakdown



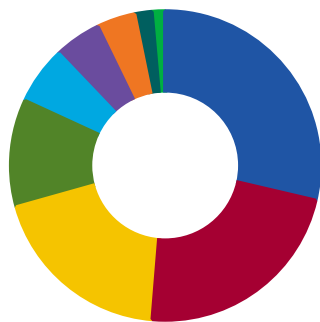
	%
UK Gilts	54.0
North American Equity	16.0
UK Equity	13.0
European Equity	6.0
Japan Equity	6.0
UK Inflation-Linked Bond	5.0

Quarter Performance

The **Moderately Cautious Medium-Term** Model Portfolio was up 7.49% over Q4 2023. Over the quarter, the portfolio was ahead of the passive composite benchmark which replicates the indices used in the strategic asset allocation. The portfolio was also ahead of the composite benchmark for the year and is slightly behind since launch.

Global equities and bonds rose in US dollar terms over the fourth quarter, buoyed by the view that interest rates had peaked. As highlighted in our market comments, within global equities growth outperformed value and within fixed income higher risk assets, including EMD (hard) outperformed. Indeed the 4th quarter's return within fixed income markets made it their best quarterly performance in over two decades, according to the Bloomberg Global Aggregate indices. The major driver of this performance was a perceived shift in monetary policy direction, from a "higher-for-longer" stance to prospective rate cuts. Government bond yields fell sharply, and credit markets rallied, outperforming government bonds.

Equity Style (Look Through)*



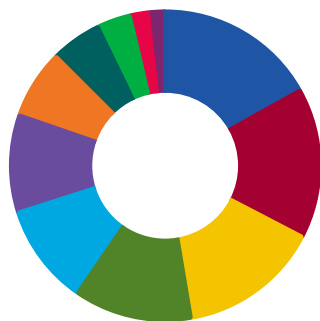
	%
Large Growth	28.6
Large Core	22.6
Large Value	19.3
Mid Core	11.2
Mid Value	6.0
Mid Growth	4.9
Small Core	4.0
Small Value	1.8
Small Growth	1.4

Against this backdrop the model's 51% allocation to gilts and a 7% allocation to inflation-linked bonds were both significant contributors to returns over the quarter. In relative terms the model's outperformance was driven by outperformance in UK gilts, as well as UK and Japanese equities.

Within gilts the allocation to the **Vanguard UK Government Bond Index** fund, which has higher duration than the benchmark, was additive. The **Allianz Gilt Yield** fund also outperformed as a result of being overweight duration.

Artemis Income and **Royal London Sustainable Leaders** were the stand-out performers in the UK blend while **Liontrust UK Growth** underperformed. Artemis Income benefited from underweight positions in energy and healthcare as well as from an overweight in industrials and from strong stock selection in financials and consumer staples. Royal London's sustainable mandate, which results in a zero allocation to energy was a key contributor to performance as was their overweight in industrials. Stock selection was the key detractor from performance in the Liontrust UK Growth fund, most notably in the consumer staples and healthcare sectors.

Equity Sectors (Look Through)*



	%
Financial Services	16.9
Technology	15.7
Industrials	14.7
Healthcare	12.2
Communication Services	10.5
Consumer Cyclical	10.2
Consumer Defensive	7.2
Energy	5.3
Basic Materials	3.5
RealEstate	1.9
Utilities	1.8

After several quarters of poor relative performance, it was pleasing to once again see outperformance from **Baillie Gifford Japanese Income Growth**, while **Jupiter Japan Income** outperformed too. Both funds benefited from positive stock selection.

Market Outlook

Please note Morningstar Investment Management Europe is not mandated to tactically adjust the asset allocation of the Portfolio, so the below views are included for information purposes only.

It would seem that central banks of a number of the major economies have completed their rate hikes for this cycle and have opted to hold rates steady leading to a market rally in Q4. If this is a prelude of what is to come, this could lead to even more excitement if expectations of peak rates and rate cuts in 2024 come to fruition. Despite positive news on the inflation front, China's economy is slowing and several economies have stagnated, namely the UK and Europe, weighing on the global outlook. Investors should also be vigilant with regard to regional conflicts around the world which could cause additional price shocks if escalated, dealing the global markets another blow.

* Look-through charts are calculated by aggregating the underlying fund holdings. For data integrity purposes, any underlying holdings that have not been reported in the past 184 days are excluded from the look-through calculations. Therefore, actual exposures may differ from what is presented.

Moderately Cautious Medium Term

Quarterly Report 31/12/2023



Fund	Weight (%)	Morningstar Medalist Rating	Q4 2023 (%)	YTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	3 YRS (%)	5 YRS (%)	Since Inception Annualised (%)
UK Gilt												
Allianz Gilt Yield I Inc	14.00	Neutral	9.22	4.97	4.97	-25.22	-5.50	9.55	7.09	-9.48	-2.74	0.64
iShares UK Gilts All Stks Idx (UK) H Acc	14.00	Silver	8.16	3.63	3.63	-23.97	-5.14	8.41	6.71	-9.25	-2.87	
Royal London UK Government Bond M Acc	14.00	Bronze	8.77	4.74	4.74	-22.15	-5.04	8.82	6.70	-8.17	-2.11	0.73
FTSE Act UK Cnvt Gilts All Stocks TR GBP			8.11	3.69	3.69	-23.83	-5.16	8.27	6.90	-9.18	-2.82	0.61
Vanguard UK Govt Bd Idx £ Acc	12.00	Silver	8.99	3.35	3.35	-27.08	-5.56	9.48	7.47	-10.71	-3.49	0.36
Bloomberg UK Gov Float Adjusted TR GBP			9.01	3.43	3.43	-26.99	-5.45	9.52	7.64	-10.62	-3.39	0.49
UK Inflation-Linked Bond												
L&G All Stocks Index Linked Gt Idx I Acc	5.00	Bronze	8.16	0.63	0.63	-33.71	4.11	11.23	5.95	-11.44	-3.93	2.10
FTSE Act UK Index-Lnk Gilts AS TR GBP			8.72	0.93	0.93	-33.60	4.16	11.01	6.42	-11.29	-3.78	2.31
UK Equity												
Artemis Income I Acc	3.25	Silver	5.37	9.78	9.78	0.40	16.17	-6.74	23.03	8.59	8.00	7.85
Jupiter UK Special Situations I Acc	3.90	Gold	3.18	11.75	11.75	5.71	20.18	-13.69	16.33	12.39	7.35	8.40
Liontrust UK Growth I Inc	3.90	Bronze	1.42	4.71	4.71	-1.09	20.95	-8.26	19.94	7.80	6.63	7.93
Royal London Sustainable Leaders D Acc	1.95	Silver	4.44	10.67	10.67	-10.60	22.44	3.44	29.67	6.60	10.19	
FTSE All Share			3.23	7.92	7.92	0.34	18.32	-9.82	19.17	8.61	6.61	6.86
European Equity												
Fidelity European W Acc	2.40	Gold	7.71	13.97	13.97	-1.64	18.41	9.12	22.55	9.90	12.16	11.20
MSCI Europe Ex UK NR USD			7.56	14.83	14.83	-7.62	16.73	7.49	19.99	7.38	9.81	9.54
JPM Europe Dynamic (ex-UK) C Net Acc	3.60	Bronze	7.97	12.64	12.64	-5.90	22.56	8.19	18.49	9.11	10.74	11.44
FTSE AW Dv Europe Ex UK TR GBP			7.88	15.85	15.85	-7.49	17.57	8.85	20.50	8.01	10.57	10.43
North American Equity												
Dodge & Cox Worldwide US Stock A GBP	4.00	Gold	5.20	10.18	10.18	2.79	32.63	2.33	19.48	14.53	12.93	14.66
TM Natixis Loomis Sayles US Eq Ldrs N/A€	4.00	Silver	9.91	43.70	43.70	-20.40	20.83	27.08	27.03	11.39	17.41	
S&P 500			6.94	19.16	19.16	-7.79	29.89	14.74	26.41	12.59	15.66	15.79
iShares North American Eq Idx (UK) D Acc	8.00	Gold	7.63	19.24	19.24	-9.72	29.28	15.77	26.62	11.65	15.33	14.93
FTSE World NA TR GBP			7.14	19.44	19.44	-8.79	28.13	16.45	26.46	11.76	15.50	15.29
Japan Equity												
Baillie Gifford Japanese Inc Gr B £ Acc	3.00	Bronze	4.27	1.23	1.23	-6.87	0.85	11.53	15.87	-1.67	4.20	
Jupiter Japan Income I Acc	3.00	Bronze	5.83	10.46	10.46	-9.09	6.83	11.73	24.69	2.37	8.37	10.53
TOPIX			3.41	13.27	13.27	-4.14	2.02	9.55	14.64	3.47	6.82	9.83

Please note Morningstar Medalist Ratings are provided as of the date of this report and are subject to change at any time and without notice. Please see www.morningstar.co.uk for the latest Ratings.

Morningstar Investment Management Europe Ltd Disclosure

THIS DOCUMENT IS FOR PROFESSIONAL CLIENT USE ONLY AND SHOULD NOT BE DISTRIBUTED TO OR RELIED UPON BY RETAIL INVESTORS.

The Manager Selection Services team is part of Morningstar Investment Management Europe Limited which is authorised and regulated by the Financial Conduct Authority to provide services to Professional clients. The Morningstar Investment Management Europe Limited Dubai Representative Office is regulated by the DFSA as a Representative Office. Morningstar Investment Management Europe Ltd is the entity providing the advisory services. Morningstar's fund research and rating activities are not undertaken by Morningstar Investment Management Europe Limited and as such are not regulated by the Financial Conduct Authority. Registered address: 1 Oliver's Yard, 55-71 City Road, London, EC1Y 1HQ. Within EMEA, Morningstar research and ratings are provided via Morningstar UK Ltd., Morningstar Holland B.V., Morningstar France Fund Information and other entities of the Morningstar group. There are information barriers between Morningstar Investment Management Europe Limited and other Morningstar research entities and any identified conflicts are managed in accordance with internal policies. Arrangements have been established within Morningstar for the delivery of information relevant for the provision of investment advice services.

The information, data, analyses and opinions presented herein do not constitute investment advice; are provided as of the date written; and are subject to change without notice. Every effort has been made to ensure the accuracy of the information provided, but Morningstar Investment Management Europe Ltd makes no warranty, express or implied regarding such information. The information presented herein will be deemed to be superseded by any subsequent versions of this document. Except as otherwise required by law, Morningstar Investment Management Europe Ltd shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, this information, data, analyses, or opinions or their use. Past performance is not a guide to future returns. The value of investments may go down as well as up and an investor may not get back the amount invested. Reference to any specific security is not a recommendation to buy or sell that security. Morningstar Investment Management Europe Ltd does not guarantee or assure that the investment objective of the Model Portfolio will be achieved. There is no guarantee that a diversified portfolio will enhance overall returns or will outperform a non-diversified portfolio. Neither diversification nor asset allocation ensure a profit or guarantee against loss. It is important to note that investments in mutual funds involve risk, including as a result of market and general economic conditions and will not always be profitable. Please be aware that adjustments to previously reported data can occur. This can be due to factors such as changes to tax treatments, income distributions, pricing or updated information from third parties.

The Morningstar Medalist Rating™ is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and re-evaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to <http://global.morningstar.com/managerdisclosures>.

The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating™ should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating™ can mean that the rating is subsequently no longer accurate.

For information on the historical Morningstar Medalist Rating™ for any managed investment Morningstar covers, please contact your local Morningstar office.

For more detailed information about conflicts of interest, including EU MAR disclosures, please see the "Morningstar Medalist Rating Analyst Conflict of Interest & Other Disclosures for EMEA" here.