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January 2025

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Review prepared by Morningstar Investment Management Europe Ltd  
1 Oliver's Yard, 55-71 City Road, London EC1Y 1HQ

# Quarterly Model Portfolio Change Rationale

## Asset Allocation and Fund Selection Update

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# Model Portfolios – Asset Allocation and Fund Selection Update – January 2025

This communication provides a summary of asset allocation and fund selection changes which were published in January 2025.

## Asset Allocation

EV provides the asset allocations for the Model Portfolios over which Morningstar has no influence. As a result of the recent asset allocation update from EV, there were changes to the asset allocation for the following Model Portfolios.

### Summary of Changes

#### Cautious Portfolio – Medium Term

- The Index Linked Bonds weight has decreased from 17.00% to 16.00%
- The UK Equity weight has decreased from 6.00% to 5.00%
- The European Equity weight has increased from 4.00% to 5.00%
- The Japanese Equity weight has increased from 4.00% to 5.00%

#### Moderately Cautious Portfolio - Medium Term

- The Government Bonds weight has increased from 55.00% to 56.00%
- The Index Linked Bonds weight has decreased from 6.00% to 5.00%
- The UK Equity weight has decreased from 7.00% to 5.00%
- The US Equity weight has decreased from 17.00% to 16.00%
- The European Equity weight has increased from 8.00% to 11.00%

#### Balanced Portfolio - Medium Term

- The Government Bonds weight has increased from 44.00% to 45.00%
- The UK Equity weight has decreased from 9.00% to 6.00%
- The US Equity weight has decreased from 25.00% to 24.00%
- The European Equity weight has increased from 13.00% to 16.00%

#### Moderately Adventurous Portfolio - Medium Term

- The Corporate Bonds weight has increased from 7.00% to 8.00%
- The UK Equity weight has decreased from 10.00% to 6.00%
- The US Equity weight has decreased from 34.00% to 32.00%
- The European Equity weight has increased from 18.00% to 22.00%
- The Japanese Equity weight has increased from 11.00% to 12.00%

#### Adventurous Portfolio - Medium Term

- The Corporate Bonds weight has increased from 4.00% to 5.00%
- The UK Equity weight has decreased from 5.00% to 1.00%
- The US Equity weight has decreased from 49.00% to 46.00%
- The European Equity weight has increased from 29.00% to 34.00%
- The Japanese Equity weight has increased from 13.00% to 14.00%

#### Cautious Portfolio - Long Term

- The Government Bonds weight has decreased from 55.00% to 54.00%
- The US Equity weight has decreased from 22.00% to 20.00%
- The European Equity weight has increased from 14.00% to 16.00%
- The Japanese Equity weight has increased from 5.00% to 6.00%

#### Moderately Cautious Portfolio - Long Term

- The UK Equity weight has been Removed
- The US Equity weight has decreased from 27.00% to 25.00%
- The European Equity weight has increased from 17.00% to 20.00%

#### Balanced Portfolio - Long Term

- The Government Bonds weight has decreased from 23.00% to 22.00%
- The Corporate Bonds weight has increased from 14.00% to 15.00%
- The UK Equity weight has been Removed
- The US Equity weight has decreased from 34.00% to 32.00%
- The European Equity weight has increased from 19.00% to 22.00%
- The Japanese Equity weight has increased from 8.00% to 9.00%

#### Moderately Adventurous Portfolio - Long Term

- The Government Bonds weight has decreased from 3.00% to 2.00%
- The Corporate Bonds weight has increased from 23.00% to 24.00%
- The UK Equity weight has been Removed
- The US Equity weight has decreased from 33.00% to 31.00%
- The European Equity weight has increased from 21.00% to 25.00%
- The Japanese Equity weight has increased from 8.00% to 9.00%

#### Adventurous Portfolio - Long Term

- The Corporate Bonds weight has increased from 7.00% to 8.00%
- The UK Equity weight has decreased from 5.00% to 1.00%
- The US Equity weight has decreased from 38.00% to 36.00%
- The European Equity weight has increased from 27.00% to 31.00%
- The Japanese Equity weight has increased from 8.00% to 9.00%

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### Fund Selection

#### Mod Cautious, Balanced, Mod Adventurous – Long Term

- Remove Fidelity Index UK

To accommodate the removal of the allocation to UK equities we have removed the Fidelity Index UK fund.

#### Adventurous – Medium Term

- Remove Artemis Income

To accommodate the decreased allocation to UK equities we have removed the Artemis Income fund.

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