

# Portfolio returns & commentary

GBP - USD - EUR

November 2023

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This presentation is not for retail investors



# November 2023 commentary - covering October 2023

Global markets started the month on a positive footing before reversing mid-month as events in the Israeli-Hamas conflict escalated, broadening hostilities in the region and intensified geopolitical tensions between Arab nations and Israeli allies. The likely path of interest rates and the acknowledgement that rates could indeed remain 'higher for longer' compounded the risk-off mood. Developed market equities, as measured by the MSCI World Index, declined -2.9%, outpacing emerging market returns of -3.9% over the month thanks to the relative outperformance of US markets, where Q3 growth data beat consensus estimates.

*All returns measured in USD terms on a total return basis.*

## US

A 4.9% annualised GDP print for the third quarter in the US beat estimates and affirms the economy remains resilient, with robust employment data and strong consumer indicators providing further confirmation. Inflation data was mixed, with headline Consumer prices ('CPI') coming in at 3.7%, marginally higher than expected, leaving investors to reconsider their expectations of when the Federal Reserve may lower interest rates. Though US equities outperformed the broader market in October, the region's main measure, the S&P 500, was down -2.1% in local currency terms.

## Europe

In contrast to the US, growth data in Europe is a cause for concern. GDP data for the third quarter was weaker than forecast, indicating the economy shrank by -0.1% quarter-on-quarter. Additionally, Purchasing Managers' Index ('PMI') data signalled a downturn in business activity in the Eurozone: October's composite reading of 46.5 was the lowest since 2020, with both the service and manufacturing sectors of the economy contracting. The MSCI Europe ex UK declined -3.3% on the month in EUR terms.



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## UK

The FTSE All Share's 4.1% fall in October ensured it was among the worst-performing major equity indices across October. Stagnating growth, sticky services inflation and persistently high living costs restricting the consumer are dampening investor sentiment toward the UK. Headline CPI remained unchanged at 6.7% in September, while GDP data for the third quarter indicated that economic growth was flat in real terms. The 0% change nonetheless was better than the -0.1% forecast. High mortgage costs, energy bills and higher food prices have been identified as contributing to a fall in a consumer confidence measure by research group Gfk. The UK's index registered its largest tumble since the Covid-induced fall in March 2020.

## Yields

Within fixed income markets, the big news was the announcement that the Bank of Japan was tweaking its yield curve control policy, by changing the 1.0% upper limit on its 10-year government bond to a 'reference level' at the same rate. The Japanese sovereign bond market fell -1.6% over the month, underperforming developed government bond markets. The 'higher for longer' narrative from central bankers generally caused bond markets to trade lower. Treasuries were off -1.2% over the month and gilts fell -0.4%, while German Bunds bucked this trend with a return of +0.4% after inflation fell more than expected to 3.0%.

*Returns measured by Bloomberg Barclays Government Bond Indices.*



**Blair Campbell**  
Portfolio Manager



# Portfolio returns (GBP)

	1 month	YTD	1 year	3 years	5 years	Since inception
MMPS +2% GBP	-1.18	-1.38	0.72	0.82	4.16	16.74
ARC GBP Cautious	-1.00	-0.60	0.71	-0.11	5.88	19.47
MMPS +3% GBP	-1.85	-2.18	-0.08	-0.65	6.11	26.18
ARC GBP Cautious	-1.00	-0.60	0.71	-0.11	5.88	19.47
MMPS +4% GBP	-2.57	-2.58	-0.32	0.81	9.22	35.43
ARC GBP Balanced	-1.70	-0.68	0.76	3.85	10.03	31.31
MMPS +5% GBP	-3.25	-2.85	-0.30	3.29	13.35	47.09
ARC GBP Balanced	-1.70	-0.68	0.76	3.85	10.03	31.31
MMPS +6% GBP	-3.77	-3.39	-1.13	4.55	17.84	61.00
ARC GBP Steady Growth	-2.30	-0.45	1.18	7.42	14.32	44.73



# Portfolio returns (USD)

	1 month	YTD	1 year	3 years	5 years	Since inception
MMPS +2% USD	-1.30	-1.10	2.07	0.58	6.77	12.67
ARC USD Cautious	-1.00	0.85	3.25	-3.73	6.33	13.19
MMPS +3% USD	-2.03	-1.84	1.86	-1.32	8.41	17.04
ARC USD Cautious	-1.00	0.85	3.25	-3.73	6.33	13.19
MMPS +4% USD	-2.82	-1.73	2.84	-0.54	10.63	21.53
ARC USD Balanced	-1.60	1.63	4.71	0.78	13.19	24.30
MMPS +5% USD	-3.58	-1.58	3.82	1.03	13.07	27.10
ARC USD Balanced	-1.60	1.63	4.71	0.78	13.19	24.30
MMPS +6% USD	-4.17	-2.52	3.15	0.73	15.35	33.58
ARC USD Steady Growth	-2.00	2.69	6.41	5.74	21.62	38.86



# Portfolio returns (EUR)

	1 month	YTD	1 year	3 years	5 years	Since inception
MMPS +2% EUR	-1.36	-1.98	-0.67	-1.13	0.95	10.04
ARC EUR Cautious	-0.70	0.49	0.28	-2.68	0.97	5.10
MMPS +3% EUR	-2.07	-2.32	-1.36	-1.57	3.85	19.13
ARC EUR Cautious	-0.70	0.49	0.28	-2.68	0.97	5.10
MMPS +4% EUR	-2.81	-2.20	-1.55	0.96	8.34	27.93
ARC EUR Balanced	-1.10	1.74	1.10	2.85	8.14	17.64
MMPS +5% EUR	-3.52	-1.77	-1.45	4.42	13.34	38.00
ARC EUR Balanced	-1.10	1.74	1.10	2.85	8.14	17.64
MMPS +6% EUR	-4.08	-2.22	-2.28	6.66	18.88	52.19
ARC EUR Steady Growth	-1.50	2.80	1.75	10.64	19.95	39.32



# Important Information

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