

Portfolio returns & commentary

GBP – USD – EUR

March 2024



This presentation is not for retail investors



March 2024 commentary - covering February 2024

Measures announced over the course of the month in support of the Chinese economy provided a boost to investor confidence, translating to healthy gains for associated stock indices. The Shanghai Composite increased 8.1%, in local currency terms, helping propel the MSCI's Emerging Market gauge 4.8% higher. On the back of fourth-quarter company earnings releases in the US largely beating analyst expectations the MSCI's developed market equivalent returned 4.3%, underperforming their emerging counterpart. MSCI returns in USD terms on a total return basis.

US

Constructive economic data announcements assured investor sentiment in the US remained positive. Robust labour market numbers surpassed economist forecasts (non-farm payrolls of +353,000 versus +187,000 and a stable unemployment number). Likewise, healthy growth readings (Composite Purchasing Managers' Index ('PMI') > 50), indicate the economy is on a solid footing. Stock prices duly rallied, lifting equity indices in the US to all-time highs where the broad S&P 500 index exceeded 5000 for the first time, returning 5.3%.

Europe

Though largely positive, European indices underperformed global indices in February. Despite improving, PMI data suggests the economy is still contracting; the latest reading of 49.2 (January 47.9) is still below the 50-point level that constitutes expansion in business activity. Investor sentiment was also impacted by inflation data. Whilst the pace of price rises continue to fall, wages remain elevated putting upward pressure on future potential price increases, forcing the European Central Bank to be cautious on the timing of the reduction in interest rates. The MSCI Europe ex UK index returned 2.8% for investors.



March 2024 commentary - covering February 2024

UK

Economic news in the UK was mixed for February, reflected in variable returns for equity markets as investors considered the data. Internationally exposed indices were marginally positive: the FTSE 100 and All Share climbed 0.4% and 0.2% respectively, whereas the domestically focused FTSE 250 contracted -1.3%. Figures show inflation remains stagnant, deterring the Bank of England ('BoE') from beginning to loosen monetary policy. At +5.8%, wage growth outstripped inflation. This was encouraging for the consumer but put further pressure on the 'BoE' to hold interest rates steady. Growth in the economy is, however, sluggish. Fourth quarter growth domestic product ('GDP') contracted -0.3% quarter-on-quarter, confirming the UK economy fell, after contracting in the third quarter, into a technical recession last year (two consecutive quarters of negative growth constitutes a technical recession).

Yields

The resilience growth displayed by global economies and/or pressure on inflation through wage growth has compelled policymakers to manage investors' expectations on when interest rates can start to be cut. Sovereign bond returns have compressed accordingly. US Treasuries, UK Gilts and German Bunds fell 1.35%, 1.22% and 1.62% respectively. From a corporate perspective, US and Euro high yields were some of the few asset classes in fixed-income markets to see gains. The US high yield index was up 0.3%, at the same time, the corresponding Euro index ended February 0.4% higher.

Sovereign returns measured by ICE Bank of America Indices. High yield returns, BofA/Merrill Lynch non-financial HY constrained indices.

Returns are measured in local currency terms unless stated.



Blair Campbell
Portfolio Manager



Portfolio returns (GBP)

| | 1 month | YTD | 1 year | 3 years | 5 years | Since inception |
|-----------------------|---------|-------|--------|---------|---------|-----------------|
| MMPS +2% GBP | 0.38 | -0.33 | 2.63 | 0.93 | 8.88 | 22.47 |
| ARC GBP Cautious | 0.20 | 0.00 | 2.79 | 0.83 | 9.96 | 24.62 |
| MMPS +3% GBP | 1.66 | 1.60 | 5.52 | 1.90 | 14.51 | 37.24 |
| ARC GBP Cautious | 0.20 | 0.00 | 2.79 | 0.83 | 9.96 | 24.62 |
| MMPS +4% GBP | 2.12 | 2.11 | 6.57 | 3.22 | 19.59 | 49.82 |
| ARC GBP Balanced | 0.70 | 0.60 | 4.57 | 4.96 | 17.18 | 40.71 |
| MMPS +5% GBP | 2.88 | 2.76 | 7.38 | 5.39 | 24.99 | 64.80 |
| ARC GBP Balanced | 0.70 | 0.60 | 4.57 | 4.96 | 17.18 | 40.71 |
| MMPS +6% GBP | 3.51 | 2.76 | 8.10 | 6.68 | 31.16 | 82.95 |
| ARC GBP Steady Growth | 1.20 | 1.20 | 5.87 | 8.20 | 23.40 | 57.72 |



Portfolio returns (USD)

| | 1 month | YTD | 1 year | 3 years | 5 years | Since inception |
|-----------------------|---------|-------|--------|---------|---------|-----------------|
| MMPS +2% USD | 0.26 | -0.51 | 3.71 | 0.43 | 11.41 | 19.50 |
| ARC USD Cautious | 0.20 | 0.40 | 6.07 | -1.29 | 10.63 | 20.53 |
| MMPS +3% USD | 1.46 | 1.31 | 7.38 | 0.69 | 16.73 | 29.51 |
| ARC USD Cautious | 0.20 | 0.40 | 6.07 | -1.29 | 10.63 | 20.53 |
| MMPS +4% USD | 1.88 | 1.73 | 9.38 | 0.67 | 21.00 | 37.49 |
| ARC USD Balanced | 1.20 | 1.50 | 9.85 | 2.41 | 21.58 | 37.08 |
| MMPS +5% USD | 2.57 | 2.25 | 11.04 | 1.44 | 24.78 | 46.45 |
| ARC USD Balanced | 1.20 | 1.50 | 9.85 | 2.41 | 21.58 | 37.08 |
| MMPS +6% USD | 3.10 | 2.11 | 12.25 | 0.64 | 28.72 | 56.91 |
| ARC USD Steady Growth | 1.90 | 2.31 | 13.15 | 6.72 | 33.12 | 56.93 |



Portfolio returns (EUR)

| | 1 month | YTD | 1 year | 3 years | 5 years | Since inception |
|-----------------------|---------|-------|--------|---------|---------|-----------------|
| MMPS +2% EUR | 0.25 | -0.14 | 2.19 | -1.32 | 5.24 | 15.69 |
| ARC EUR Cautious | 0.20 | 0.50 | 4.22 | -1.60 | 4.78 | 10.31 |
| MMPS +3% EUR | 1.49 | 1.96 | 5.56 | 0.33 | 11.58 | 30.15 |
| ARC EUR Cautious | 0.20 | 0.50 | 4.22 | -1.60 | 4.78 | 10.31 |
| MMPS +4% EUR | 1.94 | 2.60 | 7.16 | 2.37 | 17.52 | 42.41 |
| ARC EUR Balanced | 1.10 | 1.81 | 6.88 | 3.52 | 14.55 | 26.69 |
| MMPS +5% EUR | 2.67 | 3.45 | 8.59 | 5.28 | 23.56 | 56.04 |
| ARC EUR Balanced | 1.10 | 1.81 | 6.88 | 3.52 | 14.55 | 26.69 |
| MMPS +6% EUR | 3.28 | 3.56 | 9.70 | 7.23 | 30.43 | 74.86 |
| ARC EUR Steady Growth | 1.90 | 3.12 | 9.74 | 11.12 | 29.27 | 53.84 |



Important Information

The value of investments and the income from them may go down as well as up and you may realise less than the sum invested. Past performance is not a guide to future performance and may not be repeated. No guarantees are offered in respect of investment returns and/or capital invested.

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