Canaccord Genuity Wealth Management

February 2024

MI Canaccord Genuity Fund of Funds Risk Profile 5

Risk Profile 5:

This fund has been evaluated by Canaccord as a risk profile 5 often referred to as 'RP5'. If you would like more details on how this relates to risk and investment, please refer to our guide to risk and investment.

Inflation source:

CPI from the Office for National Statistics. Crown Copyright material is reproduced with the permission of the Office of Public Sector Information (OPSI). Reproduced under the terms of the Click-Use License.

Inception:

*Inception to Date. Performance is measured from Inception Date, which is 31/12/2019. Unless otherwise stated, all data is from Interactive Data as at 29/02/2024. All performance figures shown on this factsheet are net of fees.

Minimum investment

Minimum investment	**£1,000**
Subsequent	**£1,000**
Minimum trade size	**£25**

This document is intended to aid a wider discussion between clients and their investment and/or financial adviser about this investment portfolio.

It is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments, address the financial situations or needs of any specific investor nor is it deemed to be a form of advice to invest in this portfolio.

Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment and/or financial adviser.

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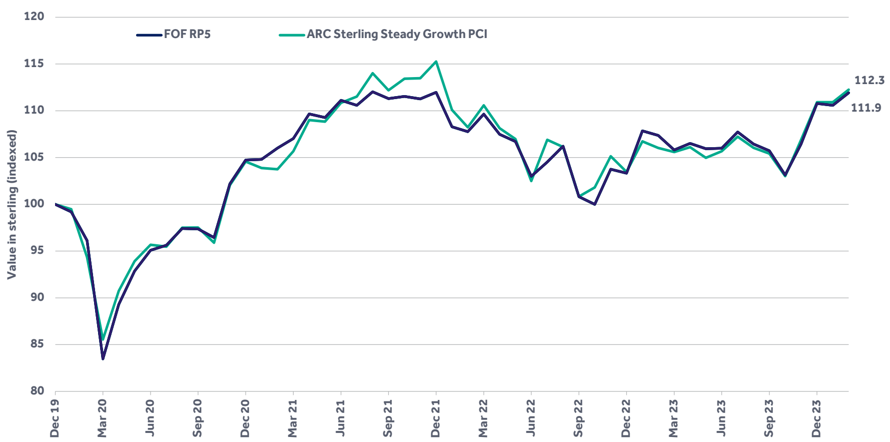
Investment objectives

The Fund will seek investment opportunities globally and comprise, but not be limited to, a balanced blend of actively managed Equity Investment funds, Index Linked Gilt funds, Fixed Interest funds, Property funds, Commodity funds and Absolute Return funds established in Europe.

The Fund aims to preserve capital and deliver returns in line with the UK Consumer Price Index plus 4% (after fees), over a 10-year investment period, by investing in a range of other funds. The Fund aims to generate the returns through diversified investments with a maximum equity weighting of 75%.

Performance since inception (31/12/2019)



ARC data is confirmed until December 2023.
Source: CGWM

Cumulative net performance (%)

Total return from inception* to 29/02/2024.

	3 Months	1 Year	3 Year	Since inception (31/12/2019)
Fund	**+5.2**	**+4.2**	**+5.6**	**+11.9**
ARC Sterling Growth PCI	**+5.0**	**+5.9**	**+8.2**	**+12.3**

Discrete net performance (%)

Total return from inception* to 29/02/2024.

	2024 YTD*	2023	2022	2021	2020
Fund	**+1.0**	**+7.2**	**-7.7**	**+6.9**	**+4.7**
ARC Sterling Growth PCI	**+1.2**	**+7.2**	**-10.2**	**+10.2**	**+4.6**

* 2024 YTD is data for year to date from 01 January 2024 to 29 February 2024

Strategy characteristics

Launched	**December 2019**
Target return	**Inflation +4%**
Maximum equity	**75%**
Estimated yield	**2.21%**
Recommended investment period	**10+years**
ISA eligible	**Yes**

Share Class	**A,B & X Accumulation**
A Share Classs ISIN	**GB00BFZNVW71**
B Share Class ISIN	**GB00BFZNWW47**
X Share Class ISIN	**GB00BMBQJP80**
A Share Class SEDOL	**BFZNVW7**
B Share Class SEDOL	**BFZNWW4**
X Share Class SEDOL	**BMBQJP8**

Class B Shares are only available to clients via a platform.
Class X Shares are only available to internal CGWM clients

Source: Canaccord Genuity Wealth Management (CGWM) Interactive Data as at 29/02/2024
Total return net of fees and charges.

Underlying fund costs are external costs levied by third party fund managers for providing collective investment schemes for your investment portfolio and include: fund expenses incurred by third party fund managers, transaction costs as a result of acquisition or sale of assets and incidental costs, which include third party performance fees.

Investment involves risk.

The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.

Past performance is not a guide to future performance.

Figures represent the performance of a model portfolio, investors should note that individual account performance may differ.

Levels and bases for taxation may change.

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defaqto ★★★★★ DFM Bespoke 2013-2024 EXPERT RATED

defaqto ★★★★★ DFM MPS Direct 2013-2024 EXPERT RATED

defaqto ★★★★★ DFM MPS on Platform 2016-2024 EXPERT RATED

defaqto GOLD DFM Service 2024 EXPERT RATED

Costs and charges (%)

	A Shares	B Shares*
Share type	**A Accumulation**	**B Accumulation**
Annual management charge	**0.50**	**0.35**
Underlying fund costs#	**0.57**	**0.57**
Total	**1.07**	**0.92**

*Total cost via platform excludes platform fees.

MI Canaccord Genuity Risk Profile 5 Fund suggested asset allocation (%)

	Model
Fixed Interest	32.5
Equities	59.0
Alternative Investments	6.5
Cash	2.1

Top 10 holdings (%)

iShares FTSE 100 ETF GBP Acc	**6.3**
Vanguard S&P 500 ETF USD Acc	**5.2**
NinetyOne FD-GL ENVIRN-K ACC GBP	**4.0**
iShares $ Trs Bd 7-10yr ETF GBP H Dist	**4.0**
LF Lindsell Train UK Equity Inc	**3.8**
Fidelity Special Situations W Acc	**3.8**
WS Evenlode Global Income F GBP ACC	**3.8**
Fundsmith Equity I ACC	**3.8**
Artemis Income	**3.5**
Threadneedle US Disciplined Core	**3.3**

Top 10 holdings excluding cash. Source: CGWM

Portfolio Manager commentary

The S&P 500 ended the month at another all-time high, rising 5.3% in total return terms during February. Global equities followed suit, with the FTSE All-World advancing 4.2%. In local currency terms, Japan was a notably strong performer, with the Nikkei 225 at last surpassing its previous 1989 peak, gaining 7.9% for February, and 17% for the year to date.

The advance in the US stockmarket was driven, in no small part, by the earnings of large-cap technology companies, and in particular, Meta which surged over 20% in one day at the beginning of the month. This was on the back of an announcement that the company plans to fund another $50 billion stock buyback and to pay its first ever quarterly dividend. This one-day share price rise added a record $197 billion to its market capitalisation, the biggest single session market cap increase ever. Similarly, Nvidia also reported another massive increase in revenue and projected even stronger sales moving forward. Revenues were $22.1 billion in the fourth quarter, a 265% quarterly increase and the company stated that it expected revenues for the current quarter to jump to $24 billion.

As expected, the US Federal Reserve (Fed) kept interest rates unchanged, and Jerome Powell was about as blunt as a central banker can be when he said that he doesn't think the Fed will be ready to lower rates in March. A number of Fed officials subsequently reiterated Jerome Powell's comments and the release of the meeting minutes later in the month revealed that US Fed officials remain very wary of cutting interest rates too quickly and are still focused on inflation risks. While they are satisfied with the progress which has been made, they are still only guiding towards three rate cuts this year, whereas earlier in the year, markets had been expecting six. There is a valid argument to be made that the longer the delay in easing policy, the better, as this implies the economy is enjoying a softer slowdown.

There was mixed news on US inflation during the month. CPI was shown to have slowed to a 3.1% year-on-year pace, which was higher than the 2.9% expected. As a consequence, expectations of a May interest rate cut fell from 50% to 30% as inflation was felt to be proving stickier than hoped. However, by contrast, US inflation fell to 2.4% in the year to January, according to the measure most closely watched by the Fed, the Personal Consumption Expenditures index (PCE). The headline PCE reading was the lowest for almost three years and compares to a peak of 7.1%. This in turn supported expectations of rate cuts later this year, given the moderate level of the reading, and the fact it was a decline from December's rate of 2.6%.

Looking at markets and economies outside the US, China imposed trading restrictions on some investors to try and stem the rout in its stockmarkets. China's economy is grappling with an extended property slump, deflation and weaker export revenue, and sentiment is extremely negative. China's consumer prices fell at the fastest pace in 15 years in January, with CPI declining 0.8% year-on-year in January, the fourth straight month of declines. Turnover in several Chinese ETFs surged, suggesting that China's state funds (national team) intervened in the market by picking up stocks. But in a rare flash of hope, it was reported that Chinese travel and spending during the Lunar New Year exceeded levels from before the pandemic, adding to optimism that consumption is improving. China also increased the support for its beleaguered property sector with the biggest ever cut to a key mortgage reference rate. Investors were still left a little underwhelmed, and more aggressive moves may be required.

Portfolio Activity

We made no changes to the portfolio this month and remain neutral in all asset classes at a 'headline level', reflecting our view that most asset classes are offering a fair balance between risk and reward. We are differentiated under the bonnet of these headline asset classes. Our positioning is influenced by our view that we need to 'wait and see' how certain key factors progress this year. With this in mind we remain balanced, diversified and are operating with a 'flexible mindset'.