



WealthSelect Quarterly Report Q4 2024

Quarterly report to 31 December 2024

WealthSelect Managed Portfolio Service

Quarterly report to 31 December 2024

Private and confidential

Mrs J Smith
29 The Avenue
Southampton
Hants
SO15 2AB

Account number: AC1234567

30 January 2025

Dear Mrs Smith

I have pleasure in enclosing your WealthSelect Managed Portfolio Service quarterly report. This report includes the following information:

- Valuation of your accounts held in the WealthSelect Managed Portfolio Service.
- Performance summary of your portfolio with a detailed review.
- Commentary from your portfolio manager who manages your investments.
- Summary of any changes made to your portfolio.
- Breakdown of the funds held in your portfolio.
- A responsible investment update on your portfolio.

If you have any questions or concerns, please contact me.

Yours sincerely,

Dominic Carlisle

WealthSelect

Managed Portfolio Service

Quarterly report to 31 December 2024

Total portfolio valuation

| | |
|---|------------|
| Total portfolio valuation as at 31 December 2024 | £55,851.94 |
| Total portfolio valuation as at 30 September 2024 | £55,579.18 |

Individual portfolio valuations

Collective Retirement Account

AC1234567

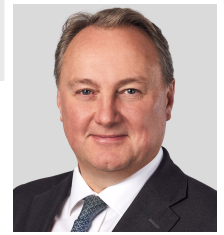
Managed Active 5

| | |
|--|------------|
| Current valuation as at 31 December 2024 | £55,851.94 |
| Previous valuation as at 30 September 2024 | £55,579.18 |

Please note:

- The valuations shown above are just for the WealthSelect portfolios within each account. If you have other assets, the valuations of those will be shown in your quarterly statements.
- For full details of contributions, subscriptions, withdrawals, fees and charges please refer to your Quarterly Statement.
- If any transactions, such as fund switches, are processed at the time this report was produced, there might be some differences between the valuations above and the 'Your Portfolio Holdings' section in this report.

Our market summary



Marcus Brookes
Chief Investment Officer

Global **equities** were up 1.4% in US dollar terms in the fourth quarter of 2024. However, the **currency weakness** of sterling saw returns boosted to 6.1% for sterling-based investors. At a regional equity level, the US and Japan were the only developed markets that saw positive returns over the quarter. The US stock market advanced following Donald's Trump's victory in the Presidential election, but other regional markets came under pressure amid worries over the impact of tariffs.

Fixed income markets were highly volatile in the last quarter of 2024 due to geopolitical tensions, the decisions of **central banks**, and persistent **inflation**.



Developed markets (ex UK) equity

US equities rose by 2.8% in US dollar terms, translating to a 10.1% return for sterling investors due to the strong dollar. Markets were buoyed by Trump's clean sweep of the presidency, Senate, and House, with expectations of lower taxes and reduced regulation. The best-performing sectors were **consumer discretionary**, communication services, and tech, while materials was the weakest.

European equities end the final quarter of the year with a decline of 4.2%, driven by concerns over a potential **recession** in the eurozone. Political instability was also prevalent during Q4, notably marked by the collapse of the German coalition government in November and the resignation of the French Prime Minister in December following a vote of no confidence. The weakest performing sectors for the quarter were materials, real estate, and **consumer staples**.



UK equity

UK equities ended the quarter 0.6% lower as several domestically-focused sectors declined due to an increase in long-term **bond yields** and concerns about the outlook for the UK economy. Additionally, there were indications that cost increases mentioned in the Budget could be affecting the jobs market. Industry hiring data for November indicated weak demand for UK staff leading up to the Christmas period.



Emerging markets equity

Overall, **emerging markets** were down 1.3% for sterling-based investors (down 4.2% in US dollars). Chinese equities saw a 7.0% loss in local currency, but the renminbi's strength against the pound saw this soften to a 1.1% decline. Trump's victory acted as a headwind for emerging markets with concerns about the impact of tariffs weighing heavy on China. Only four emerging markets recorded positive returns over the quarter – Czech Republic, Kuwait, Taiwan, and the UAE.



Fixed interest

Robust US economic data and higher inflation caused considerable **volatility** in fixed-income markets, pushing up yields and strengthening the US dollar. The quarter was also marked by notable selloffs in **government bond** markets. UK **gilts** were down 3.6%, US **Treasuries** down 3.5%, and global bonds overall were down 1.0%. In **corporate bonds**, **high-yield bonds** outperformed **investment-grade bonds**, driven by expectations of a pro-business Trump administration.

Source: Quilter Investors and Factset as at 31 December 2024. Total return, percentage growth in pounds sterling except where shown, rounded to one decimal place. The performance shown for each equity market is represented by the appropriate MSCI Index. Global bonds are represented by the Bloomberg Global Aggregate (GBP Hedged) Index, US Treasuries by the ICE BofA US Treasury (GBP Hedged) Index; and UK gilts by the ICE BofA UK Gilt Index.

Your portfolio summary

Product

Collective Retirement Account

Account number

AC1234567

Volatility target

9.10% - 11.10%

Portfolio name

Managed Active 5

Portfolio objective

The WealthSelect Managed Active 5 portfolio aims to achieve capital growth over a period of five years or more through a diversified range of investments in the UK and globally.

The portfolio is matched to a risk profile that targets a specific range of volatility of between 45% and 55% of the expected annualised volatility of global equities over the next 10 years and is managed to stay within this range most of the time.

Growth to last quarter end

Cumulative performance

| Holding | 3 months | 6 months | 1 year | 3 years | 5 years | Since launch* |
|-----------------------------------|----------|----------|--------|---------|---------|---------------|
| Managed Active 5 | 0.64% | 2.88% | 7.33% | 9.72% | 25.08% | 78.43% |
| IA Mixed Investment 20-60% Shares | 0.06% | 2.37% | 6.18% | 2.49% | 12.76% | 50.49% |

Growth year by year

Discrete annual performance over one year to 31 December

| Holding | 2024 | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------|-------|-------|--------|-------|-------|
| Managed Active 5 | 7.33% | 8.05% | -5.39% | 6.46% | 7.08% |
| IA Mixed Investment 20-60% Shares | 6.18% | 6.86% | -9.67% | 6.31% | 3.49% |

* Source: Quilter Investors. Total return, percentage growth, rounded to two decimal places. All performance figures are shown after the deduction of the charges of the underlying funds, but before the deduction of the Managed Portfolio Service charge. The deduction of this charge will impact on the performance shown. Cumulative performance is over time periods shown to 31 December 2024. The WealthSelect Managed Active 5 portfolio launched on 24 February 2014.

The performance comparator is an index or similar factor against which the portfolio manager invites you to compare the performance of the portfolio. The IA sector is representative of funds with exposure to a broad mix of asset types. The portfolio's allocations to these asset types may be different to the average sector allocation and therefore the performance of the portfolio and the comparator may differ.

Your portfolio commentary



Stuart Clark
Portfolio Manager



Helen Bradshaw
Portfolio Manager

Product

Collective Retirement Account

Portfolio name

Managed Active 5

It was quite the quarter for markets with dispersion between **asset classes** and regions almost as wide as the gap between the left and right in modern politics. Unlike most of the election results this year the trend in markets was for the outperforming assets to stay in charge. Against this backdrop, your portfolio delivered a positive absolute return primarily driven by its US equity exposure.



Fixed interest

Inflation still a concern

US **Treasury yields** marched higher during the fourth quarter amid still strong US growth and inflation. Meanwhile, Trump's proposed policies of import tariffs and immigration restrictions present upside risks to inflation making investors question whether interest rates would be cut as far as expected. This led to losses from traditional fixed income, with gilts faring particularly poorly following the Budget. Elsewhere, our shorter **duration** strategic bond managers were the best performers, taking advantage of the volatility to enhance returns.



UK equity

UK equities decline

UK equities posted a decline in the fourth quarter. A weakening economy, a tax-raising budget from the new government, and a pick-up in inflation were just some of the things investors needed to navigate over the period. Interest-rate sensitive sectors such as utilities and real estate were particularly weak following increased expectations for UK interest rates to remain higher for longer.

UK exposure trimmed

We have previously looked at the relative valuation of the UK market as an interesting opportunity but with the lack of short-term growth drivers presented in the Budget, we trimmed the exposure in the December rebalance. The performance of the underlying holdings in the portfolio was mixed but they beat their benchmarks overall.

Artemis performs

The Quilter Investors UK Equity Large-Cap Income Fund was the standout performer in Q4 capping off a strong year for the team at Artemis. Performance was driven by a combination of holdings alongside good sector positioning particularly their **underweight** to materials and an **overweight** to **consumer discretionary** names.



Developed markets (ex UK) equity

US equities drive returns

US equity markets rallied sharply following Donald Trump's election victory and dollar strength boosted returns further for sterling-based investors. Despite broad-based returns for the US market in November, tech stocks once again led the way in December. This benefitted Quilter Investors US Equity Growth (managed by JP Morgan), which was the top performing holding over the period.

Japanese equities rally

Positive sentiment towards the US and its economy provided support for the Japanese equity market, which rallied in the fourth quarter. However, the Bank of Japan's cautious approach to raising interest rates saw the yen continue to weaken, which took some of the sheen off returns for sterling-based investors. Our holding here, the Quilter Investors Japanese Equity Fund (managed by M&G) rose by more than 2%.

Europe struggles

Not all regions fared quite so well over the quarter. European equities struggled to make gains and political concerns in France put further pressure on French assets. In addition, Europe is in the crosshairs of Trump's protectionist trade policies.

During the quarter, the management of the Quilter Investors Europe (ex UK) Equity Growth was moved to Alliance Bernstein. This meant the prior managers of the mandate assumed responsibility again following their move to Alliance Bernstein.

Your portfolio commentary (cont.)

Product

Collective Retirement Account

Portfolio name

Managed Active 5



Alternatives

Preference for alternatives pays off

Our preference for alternatives over traditional fixed income was a positive contributor to performance over the quarter as the allocation provided positive returns and outperformed bonds. The top performer was Quilter Investors Global Equity Absolute Return Fund which rose by 4.2%. The PIMCO Strategic Income Fund was the weakest performer with its **long** US equities and US duration positions detracting.

During the quarter, the PIMCO Dynamic Multi Asset Fund was merged into the PIMCO Strategic Income Fund. This resulted in minimal changes given the high degree of commonality of exposures between the two funds as well as the similar risk and return profile.



Emerging markets equity

Uncertainty in China

Chinese equity markets continued to rally at the start of October but gave back most of this and September's gains before year end. A lack of detail on stimulus measures weighed on sentiment. Trump's victory also saw concerns mount about the impact of tariffs on China as well as emerging markets more generally. The Quilter Investors Emerging Markets Equity Fund delivered positive returns, outperforming the broader market, driven by strong stock selection.



Investment Outlook

Another day, another year – while we do not need to contend with the quantity of elections it will be time to see how those elected fare implementing their campaign pledges versus those that have been voted out. Not least, are we about to enter a new paradigm as President Trump returns to the White House, drains the swamp, and makes America great again?

A fine balancing act

As investors we need to weigh up the risks and opportunities and consider what is already being priced into the various instruments we invest in on your behalf. When we think about risks as an industry we often talk about volatility – the amount prices move about – and we expect this to be elevated as non-traditional policy messages are delivered in a non-traditional manner.

Taking the right opportunities

Volatility however presents not just risk, but opportunity, and we will look to exploit these opportunities as and when they present themselves to us. One area we have trimmed holdings in recently is our home market which, while looking better value than the US, is suffering from a lack of positive catalysts in the short term to unlock that value.

Looking at the bigger picture

While US exceptionalism and the leadership of a small sub-set of stocks seems to have become the accepted norm, we feel that the opportunities lie in a broader basket of names and reflected that in recent trades for the portfolios.

Your portfolio holdings

Product

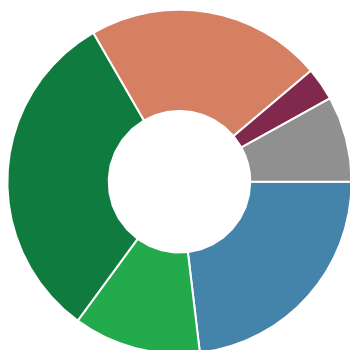
Collective Retirement Account

Portfolio name

Managed Active 5

Asset allocation

As at 31 December 2024



Fixed interest

Percentage

22.73%

Quarterly change

▼ -0.08%



UK equity

11.92%

▼ -0.29%



Developed markets (ex UK) equity

31.15%

▲ 0.72%



Alternatives

22.45%

▼ -0.80%



Emerging markets equity

3.18%

▲ 0.16%



Cash/money markets

8.57%

▲ 0.29%

Portfolio changes

Your portfolio is constantly monitored and reviewed by our portfolio management team. As part of our active management of your portfolio, we will make changes to the funds in which we invest where we believe it's in your best interest.

In



N/A this quarter

Out



N/A this quarter

Portfolio holdings



Fixed interest

£12,489.51

| Fund | Units/shares | Price (£) | Value (£) |
|---|--------------|-----------|-----------|
| Quilter Investors Corporate Bond (Premier Miton) Acc -WS | 1,595.66 | 1.1800 | £1,882.88 |
| Quilter Investors Diversified Bond (Premier Miton) Acc -WS | 1,034.58 | 1.3470 | £1,393.58 |
| Quilter Investors Investment Grade Corp Bond (Invesco) Acc -WS | 771.16 | 1.2980 | £1,000.96 |
| Quilter Investors Sterling Corporate Bond (Fidelity) Acc -WS | 635.40 | 1.2740 | £809.49 |
| Quilter Investors Sterling Diversified Bond (Fidelity) Acc -WS | 1,120.39 | 1.3400 | £1,501.33 |
| Quilter Investors Dynamic Bond (TwentyFour) Inc -WS | 1,561.07 | 0.4025 | £628.33 |
| Aviva Investors (Lux) Global Sovereign Bond (Share class IYH) Acc -U3 | 29.51 | 91.4694 | £2,699.26 |
| iShares UK Gilts All Stocks Index (UK) (Share Class S) Acc -U3 | 3,500.89 | 0.7351 | £2,573.68 |

Your portfolio holdings (cont.)

Product **Portfolio name**
Collective Retirement Account Managed Active 5

 **UK equity** **£6,551.91**

| Fund | Units/shares | Price (£) | Value (£) |
|--|--------------|-----------|-----------|
| Quilter Investors UK Equity (Jupiter) Acc -WS | 1,060.97 | 1.4370 | £1,524.62 |
| Quilter Investors UK Equity Income (Jupiter) Acc -WS | 153.94 | 1.4770 | £227.36 |
| Quilter Investors UK Equity Growth (BlackRock) Acc -WS | 775.23 | 1.4170 | £1,098.50 |
| Quilter Investors UK Equity Large-Cap Income (Artemis) Acc -WS | 1,031.79 | 1.9870 | £2,050.16 |
| Quilter Investors UK Equity Opportunities (Artemis) Acc -WS | 956.70 | 1.7260 | £1,651.27 |

 **Developed markets (ex UK) equity** **£17,117.20**

| Fund | Units/shares | Price (£) | Value (£) |
|--|--------------|-----------|-----------|
| Quilter Investors Asia Pacific (Jupiter) Acc -WS | 111.33 | 1.5646 | £174.19 |
| Quilter Investors North American Equity (Jupiter) Acc -WS | 834.86 | 2.5899 | £2,162.20 |
| Quilter Investors US Equity Income (BNY Mellon) Acc -WS | 987.83 | 2.0280 | £2,003.32 |
| Quilter Investors Asia Pac (ex Jap) Equity (Fidelity) Acc -WS | 321.63 | 2.4770 | £796.69 |
| Quilter Investors Asia Pac (ex Jap) Lg-Cap Eq (Invesco) Acc -WS | 256.68 | 2.9880 | £766.96 |
| Quilter Investors Europe (ex UK) Equity (Janus Henderson) Acc -WS | 717.45 | 2.3560 | £1,690.32 |
| Quilter Investors Europe (ex UK) Equity Growth (AllianceBernstein) Acc -WS | 429.46 | 2.3050 | £989.91 |
| Quilter Investors Europe (ex UK) Equity Income (Schroder) Acc -WS | 764.62 | 1.4250 | £1,089.58 |
| Quilter Investors Global Equity Value (Redwheel) Acc -WS | 687.43 | 2.7080 | £1,861.57 |
| Quilter Investors Japanese Equity (M&G) Acc -WS | 571.68 | 2.7330 | £1,562.40 |
| Quilter Investors Natural Resources Eq (Janus Henderson) Acc -WS | 257.50 | 1.4500 | £373.38 |
| Quilter Investors Precious Metals Equity (BlackRock) Acc -WS | 476.84 | 1.7830 | £850.20 |
| Quilter Investors US Equity Growth (JPM) Acc -WS | 171.62 | 3.8460 | £660.06 |
| Quilter Investors US Equity Small/Mid-Cap (Schroder) Acc -WS | 243.27 | 3.3820 | £822.74 |
| iShares North American Equity Index (UK) (Share Class S) Acc -U3 | 679.93 | 1.3864 | £942.63 |
| Quilter Investors Timber Equity (Pictet) Acc -WS | 362.71 | 1.0230 | £371.05 |

Your portfolio holdings (cont.)

Product

Collective Retirement Account

Portfolio name

Managed Active 5



Alternatives

£12,334.54

| Fund | Units/shares | Price (£) | Value (£) |
|--|--------------|-----------|-----------|
| Quilter Investors Global Equity Absolute Return (Jupiter) (Hedged) Acc -WS | 272.47 | 12.5988 | £3,432.74 |
| PIMCO Dynamic Bond (GBP Hedged) Acc -U | 283.44 | 13.6600 | £3,871.74 |
| Quilter Investors Absolute Return Bond (Janus Henderson) Acc -WS | 3,496.26 | 1.1390 | £3,982.24 |
| Trium ESG Emissions Improvers (Share Class F) (Hedged) Acc -U3 | 8.32 | 125.9400 | £1,047.82 |



Emerging markets equity

£1,745.63

| Fund | Units/shares | Price (£) | Value (£) |
|--|--------------|-----------|-----------|
| Quilter Investors Emerging Markets Eq Income (Allspring) Acc -WS | 411.98 | 1.4130 | £582.12 |
| Quilter Investors Emerging Markets Equity (Jupiter) Acc -WS | 36.83 | 12.6600 | £466.26 |
| Quilter Investors China Equity (Janus Henderson) Acc -WS | 108.52 | 1.6090 | £174.62 |
| Quilter Investors Emerging Markets Equity Growth (JPM) Acc -WS | 240.18 | 2.1760 | £522.63 |



Cash/money markets

£4,706.61

| Fund | Units/shares | Price (£) | Value (£) |
|---|--------------|-----------|-----------|
| BlackRock ICS Sterling Liquid Environmentally Aware (Share Class J) Acc -U3 | 42.10 | 111.7676 | £4,705.42 |
| GBP Cash | 1.19 | 1.0000 | £1.19 |

Glossary

Asset class

An asset class is a group of financial instruments that have similar characteristics. Equities, bonds, alternatives, and cash are all separate asset classes. These can be further sub-divided by country, industry, or other relevant attributes.

Central banks

Central banks are the financial institutions typically tasked with managing a country's financial stability, by implementing monetary policy. This will involve setting interest rates, watching price stability, and regulating other financial institutions or organisations.

Consumer discretionary

Consumer discretionary describes goods and services that consumers consider non-essential, but highly desirable if their income allows. Consequently, companies that sell consumer discretionary products tend to be the most sensitive to economic cycles.

Consumer staples

Consumer staples are goods and services that are always in demand. Consequently, consumer staples companies are referred to as being non-cyclical or defensive companies and are favoured by investors when economic growth declines.

Corporate bonds

Corporate bonds are bonds issued by companies. They are riskier than government bonds, so corporate bonds normally offer higher interest rates (or yields) to compensate for the added risk.

Currency weakness

Currency weakness is when a currency, such as sterling, falls compared to another currency. For example, if a sterling investor holds a US dollar investment, and sterling falls compared to the US dollar, the return from the investment will increase.

Emerging markets

Emerging markets are developing economies that are in the process of transitioning into becoming developed markets by evolving their industries, infrastructure, and political and legal systems.

Equities

Equities are company shares. In most instances, except for private equity, they describe shares in listed companies that are traded on recognised stock markets.

Gilts

Gilts is the name given to bonds issued by the UK government.

High-yield bonds

High-yield bonds are bonds issued by countries, companies, or institutions with lower creditworthiness who must pay greater rates of interest to compensate their bondholders for the increased risk of default.

Investment-grade bonds

Investment-grade bonds are considered to signify a relatively low risk of default. Bonds rated from 'AAA' to 'BBB' are investment grade. They are assigned these credit ratings by agencies such as Standard & Poor's, Moody's, and Fitch.

Overweight

Overweight is when a fund or portfolio holds a larger position in a particular stock, sector, region, or strategy than the index or model against which it is benchmarked. Underweight means the opposite.

Recession

Recession is a significant, widespread, and prolonged downturn in economic activity. Recessions often last six months or more and one popular definition is that two consecutive quarters of economic decline or contraction constitutes a recession.

Treasuries

Treasuries are US government bonds. They are issued by the US Treasury.

Underweight

Underweight is when a fund or portfolio holds a smaller position in a particular stock (equity), sector, region, or strategy than the index or model against which it is benchmarked. Overweight means the opposite.

Yield

Yield is a measure of the income an investment delivers. It is calculated as a percentage of either the original purchase price or the current market value of the asset in question.



Need additional help reading documents?

More and more of our investors are using screen reading software as a quick and easy way to read their documentation if they are blind, partially sighted, or dyslexic. Alternatively, we can write to you in several alternative formats, such as large print, braille, audio, and OpenDyslexic font.

Find out more about screen readers, accessing your documents online, and our alternative format options at quilter.com/document-help

Important information

Source: Quilter Investors. Calculated by Factset. Based on the latest data and portfolio holdings available as at 31 December 2024.

Further information on the WealthSelect Managed Portfolio Service can be found at quilter.com/wealthselect

Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Because of this, an investor is not certain to make a profit on an investment and may lose money. Exchange rates may cause the value of overseas investments to rise or fall.

quilter.com

Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.

The WealthSelect Managed Portfolio Service is provided by Quilter Investment Platform Limited and Quilter Life & Pensions Limited. "Quilter" is the trading name of Quilter Investment Platform Limited (which also provides an Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA)) and Quilter Life & Pensions Limited (which also provides a Collective Retirement Account (CRA) and Collective Investment Bonds (CIB)).

Quilter Investment Platform Limited and Quilter Life & Pensions Limited are registered in England and Wales under numbers 1680071 and 4163431 respectively. Registered Office at Senator House, 85 Queen Victoria Street, London, United Kingdom, EC4V 4AB. Quilter Investment Platform Limited is authorised and regulated by the Financial Conduct Authority. Quilter Life & Pensions Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their Financial Services register numbers are 165359 and 207977 respectively. VAT number 386 1301 59.

Quilter uses all reasonable skill and care in compiling the information in this communication and in ensuring its accuracy, but no assurances or warranties are given. You should not rely on the information in this communication in making investment decisions. Nothing in this communication constitutes advice or personal recommendation.

Data from third parties ("Third-Party Data") may be included in this communication and those third parties do not accept any liability for errors and omissions. Therefore, you should make sure you understand certain important information, which can be found at quilter.com/third-party-data/. Where this communication contains Third-Party Data, Quilter Investors, cannot guarantee the accuracy, reliability or completeness of such Third-Party Data and accepts no responsibility or liability whatsoever in respect of such Third-Party Data.