

WealthSelect Managed Blend Portfolios

Monthly commentary – Review of October 2024



Marcus Brookes
Chief Investment Officer

Our market summary

It was a disappointing month for equities and bonds across the board. In local currency terms, Japanese equities were the only positive developed market returning 2.3%. Uncertainty around future growth is still the main concern for investors, whilst the US election added further uncertainty about potential policy shifts affecting taxation, inflation, and interest rates.

However, it was not all gloom for sterling-based investors as the relative weakness of the pound against the US dollar over the month saw US and global equities deliver positive returns of 3.6% and 2.0%, respectively.



In order to aid your understanding, the underlined terms are hyperlinked to definitions in our online investment glossary.

Equity markets



The uncertainty ahead of the US Presidential election and ongoing doubts about the future path of interest rates saw US equities end the month down by 0.7% (before the impact of currency movements). Weaker than expected earnings updates from some of the largest US companies also weighed on investor sentiment. At a sector level, healthcare, materials, and real estate saw the most significant declines whilst financials and communications performed well.



European ex UK equities fell by 1.9% in October due to concerns around growth and weakening economic momentum, particularly in the manufacturing sector. The real estate, information technology, and consumer staples sectors were the weakest sectors with industrials and communication services the only sectors to register a positive return. In line with expectations, the European Central Bank (ECB) announced a third 0.25% rate cut of the year.



UK equities were down 1.7% in October amid concerns that the recently announced budget has worsened the longer-term economic and interest rate outlook for the UK. The market sell-off at the end of the month was particularly felt by UK small-cap companies as the index ended the month down by 3.5%. This change in market sentiment occurred despite positive news that headline inflation was back below the Bank of England's 2.0% target.



Emerging markets equities fell by 2.7% in local currency terms over the month with notable headwinds including rising US bond yields and the stronger US dollar. Chinese equities were also down 5.6% in local currency terms due to doubts about the effectiveness of the stimulus measures announced in September. Elsewhere, India, Korea, and Brazil underperformed whilst Taiwan was the only emerging market to deliver positive returns in October.

Fixed income



October was a challenging month for fixed income as the resilience of the US economy and uncertainty about potential post-election policy changes prompted a re-pricing of future US Federal Reserve (Fed) rate cuts. Global bonds were down 1.4% overall with UK gilts and US Treasuries down 2.8% and 2.6%, respectively.

Source: Quilter Investors as at 31 October 2024. Total return, percentage growth in pounds sterling except where shown, rounded to one decimal place. The performance shown for Japanese equities is represented by the MSCI Japan Index, US equities by the MSCI USA Index, global equities by the MSCI AC World Index, European ex UK equities by the MSCI Europe ex UK Index, UK equities by the MSCI United Kingdom All Cap Index, UK smaller companies by the MSCI United Kingdom Small Cap Index, emerging markets by the MSCI Emerging Markets Index, Chinese equities by the MSCI China Index, global bonds 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.



Performance review

The portfolios delivered mixed returns in October, ranging from a 0.4% loss at risk level 3 to gain of 0.5% at risk level 10. Market volatility saw both out equity and bond holdings come under pressure

Within equities, the US market was a bright spot although positive returns were driven by a strong US dollar rather than stock prices. The Quilter Investors Previous Metals Equity Fund (BlackRock) was the standout performer overall, up 7.8% as gold prices hit fresh highs. Meanwhile, our strategic bond holdings in our fixed interest allocation took advantage of the market volatility and outperformed.



**Stuart
Clark**

Portfolio Manager



**Helen
Bradshaw**

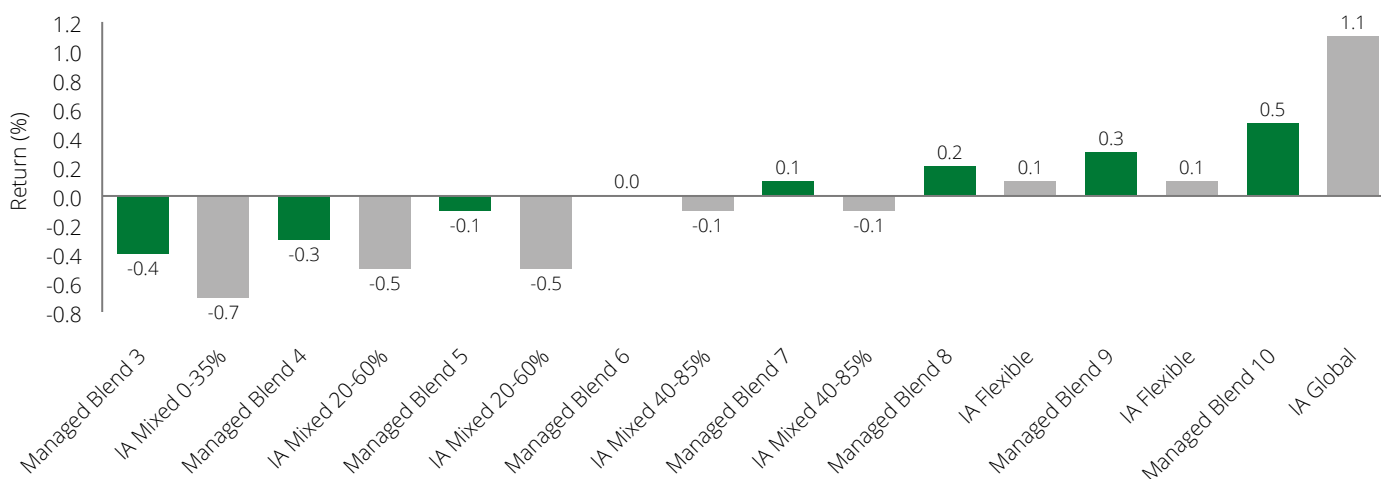
Portfolio Manager



**Bethan
Dixon**

Portfolio Manager

Monthly performance (%)



Performance summary (%)

	Cumulative performance						Discrete annual performance to end of October				
	1 month	YTD	1 year	3 year	5 year	Since launch	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020
Managed Blend 3	-0.4	5.1	10.9	6.4	17.9	52.3	10.9	4.1	-7.8	7.2	3.3
IA Mixed 0-35% Shares	-0.7	4.0	11.2	-0.2	7.0	33.8	11.2	0.9	-11.1	6.8	0.4
Managed Blend 4	-0.3	5.9	12.2	8.5	22.7	66.0	12.2	4.7	-7.6	9.7	3.0
IA Mixed 20-60% Shares	-0.5	5.6	13.6	3.2	14.9	49.7	13.6	1.7	-10.7	13.3	-1.7
Managed Blend 5	-0.1	6.8	13.6	10.1	26.9	79.4	13.6	5.2	-7.9	12.4	2.6
IA Mixed 20-60% Shares	-0.5	5.6	13.6	3.2	14.9	49.7	13.6	1.7	-10.7	13.3	-1.7
Managed Blend 6	0.0	7.6	15.0	12.6	32.0	91.9	15.0	5.5	-7.2	14.9	2.1
IA Mixed 40-85% Shares	-0.1	7.5	16.7	6.3	26.7	78.6	16.7	2.0	-10.6	20.0	-0.7
Managed Blend 7	0.1	8.4	16.5	14.8	36.9	105.4	16.5	5.9	-6.9	17.6	1.4
IA Mixed 40-85% Shares	-0.1	7.5	16.7	6.3	26.7	78.6	16.7	2.0	-10.6	20.0	-0.7
Managed Blend 8	0.2	9.4	18.1	17.4	42.7	121.2	18.1	6.4	-6.6	20.4	0.9
IA Flexible	0.1	7.4	16.1	6.3	29.5	83.5	16.1	1.8	-10.1	21.1	0.7
Managed Blend 9	0.3	10.4	19.9	18.8	50.3	147.7	19.9	6.8	-7.2	23.2	2.7
IA Flexible	0.1	7.4	16.1	6.3	29.5	83.5	16.1	1.8	-10.1	21.1	0.7
Managed Blend 10	0.5	10.9	21.2	19.8	55.3	174.9	21.2	7.2	-7.8	24.6	4.1
IA Global	1.1	10.1	22.1	12.5	54.5	166.5	22.1	1.7	-9.5	28.6	6.8

Source: Quilter Investors as at 31 October 2024. Total return, percentage growth, rounded to one decimal place. 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. The WealthSelect Managed Blend Portfolios launched on 24 February 2014.

Investment outlook

In the UK we received the new government's first budget, and they made sure that no-one could be surprised about the announcements that were made on the day. Upon review we feel there is little new incentive for growth, certainly not in the short term, and some risk to corporate margins, employment, and wages because of the changes announced.

1. A clean sweep

One of the apparently tightest races in US election history turned out to be more one-sided than most had predicted. The Republicans also won the Senate and the House of Representatives. Whilst the clean sweep gives considerable flexibility to President-elect Trump, the closer result in the House will lead to deals being made to ensure support.

2. What happens next?

With the US election outcome now known we must introduce expectations for President Trump's return to the White House – the potential for tax cuts, spending, tight controls on immigration, tariffs, and so on. In the short term, we expect there to be a boost to economic activity and ultimately upward pressure on inflation which may force the Fed, assuming they can maintain their independence, to adjust policy accordingly.

3. The cost of the deal

As we look forward, but also think back to 2016 when Trump last assumed the Presidency, we envisage a shift higher in both bond and equity market volatility reflecting the abrupt changes and unconventional methods of policy communication. While President Trump has been vocal in his ability to resolve the Russia/Ukraine war and the Middle East crisis, we need to be aware of the potential future cost of any deals that are struck.

Thank you for investing with us

Keep an eye out for your WealthSelect monthly commentary report available in December.

Want more updates about your portfolio?

Please visit our website at www.quilter.com for all the latest news, views, and portfolio information.

Your financial adviser is on hand to discuss anything related to your investment decisions or the suitability of the products mentioned in this document.

If you are a financial adviser and you have any questions or want to find out more about our solutions, please contact one of our [investment directors](#) or visit our website at www.quilter.com.



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 www.quilter.com/document-help.

Important information

Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments may go down as well as up and investors may not get back the amount originally invested. 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, Junior ISA, and Collective Investment Account, and Quilter Life & Pensions Limited, which also provides a Collective Retirement Account and Collective Investment Bond.

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

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. Investors should not rely on the information in this communication when making investment decisions. Nothing in this communication constitutes advice or a personal recommendation. This communication is for information purposes only and is not an offer or solicitation to buy or sell any Quilter portfolio.

Data from third parties is included in this communication and those third parties do not accept any liability for errors and omissions. Investors should read the important information provided by the third parties, which can be found at www.quilter.com/third-party-data. Where this communication contains data from third parties, Quilter Investors cannot guarantee the accuracy, reliability or completeness of the third-party data and accepts no responsibility or liability whatsoever in respect of such data.

Published: November 2024

QI 23470/29/9079/SK22302