MONTHLY REPORT MAY 2024

ALL DATA AS AT 31 MAY 2024

Equity Portfolio GBP (£)

Summary

• Our framework indicated that prevailing price trends were deteriorating into late April. Accordingly, we dialled back equity exposure in early May, principally to US large cap and technology.
• Prevailing sentiment points to robust growth, corporate earnings that will explode in the second half of this year, and a Fed that is desperate to cut rates ahead of the election. Looking carefully at US shelter/rent data, we are not sure this is a foregone conclusion.
• We anticipate a better opportunity to add back risk exposure during the summer months.
• As always, we will continue to lean heavily on a data-driven process that continues to serve as our investment compass.

Portfolio Objective & Policy

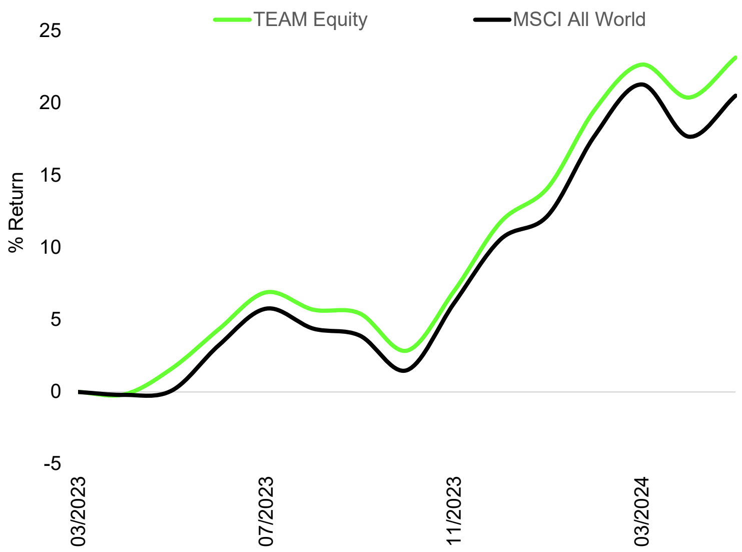
We aim to provide long-term capital growth from an actively managed portfolio of equity securities.

TEAM's equity exposure comprises of potential allocations to global large cap, global technology, global value, global small-cap, Japan, Asia, Europe ex-UK, and UK equities.

Geography, style, and factor diversification is pursued to achieve appropriate risk-adjusted returns in the context of the mandate.

The strategy will remain close to fully invested in equity securities through cycles, with a maximum cash holding of 10%. There is no guarantee that a positive return will be delivered.

Portfolio Return Since Launch



Portfolio Information

Portfolio Manager	Craig Farley
Launch Date	Aug-15
Minimum Initial Investment (£)	10,000
Annual Management Charge	0.35%
Estimated OCF	0.25%
Base Currency	GBP (£)
Dealing Frequency	Daily, market hours
Custodian	Multiple Platforms
Benchmark	MSCI World GBP Net

Top 10 Holdings (% NAV)

iShares S&P 500 Growth ETF	26.45%
iShares UK Dividend	14.28%
iShares MSCI Japan UCITS ETF	11.72%
iShares NASDAQ 100 UCITS ETF	10.06%
iShares MSCI India UCITS ETF	6.89%
iShares MSCI Europe Ex-UK	6.12%
GBP Cash	6.00%
iShares Edge MSCI World Value	5.99%
iShares Asia 50 ETF	5.81%

Calendar Year Performance (%)

	2023	2024*
Equity Portfolio GBP (£)	11.77%	10.18%
MSCI World GBP Net	10.57%	8.99%

(*YTD)

Cumulative Performance (%)

31-May-24	1m	3m	6m	SL
Equity Portfolio GBP (£)	2.29%	3.00%	15.12%	23.15%
MSCI World GBP Net	2.74%	2.33%	13.55%	20.51%

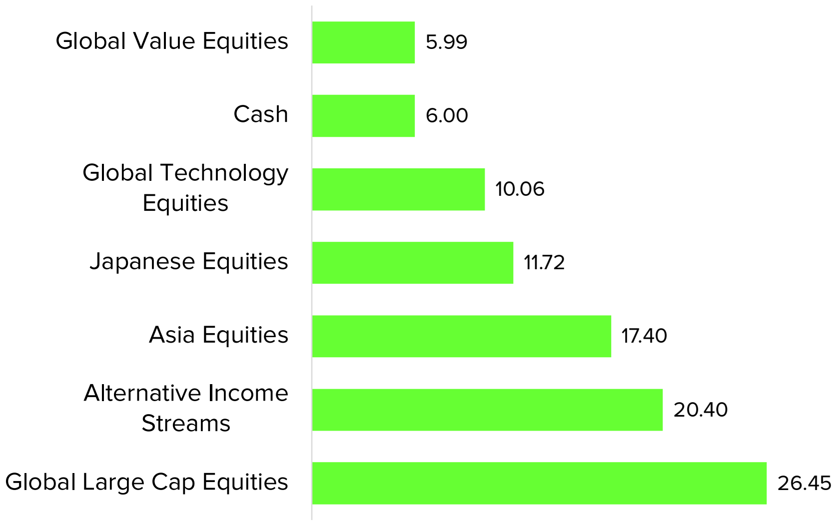
12M Rolling Annualised Volatility

Equity Portfolio GBP (£)	7.85%
MSCI World GBP Net	8.57%

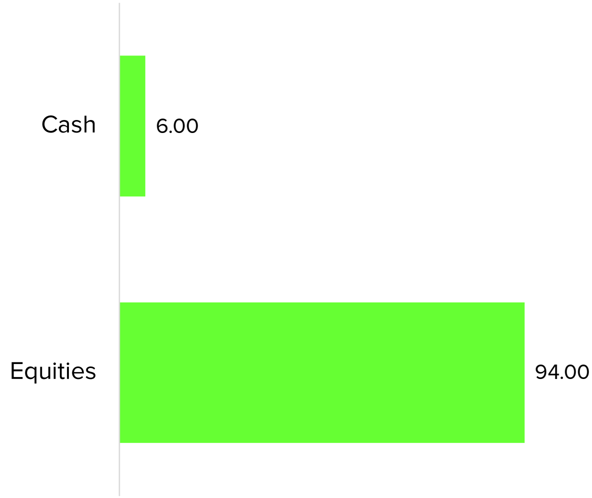
Portfolio Profile

The portfolio achieves diversification by holding approximately 10 equity positions across regions and investment styles.

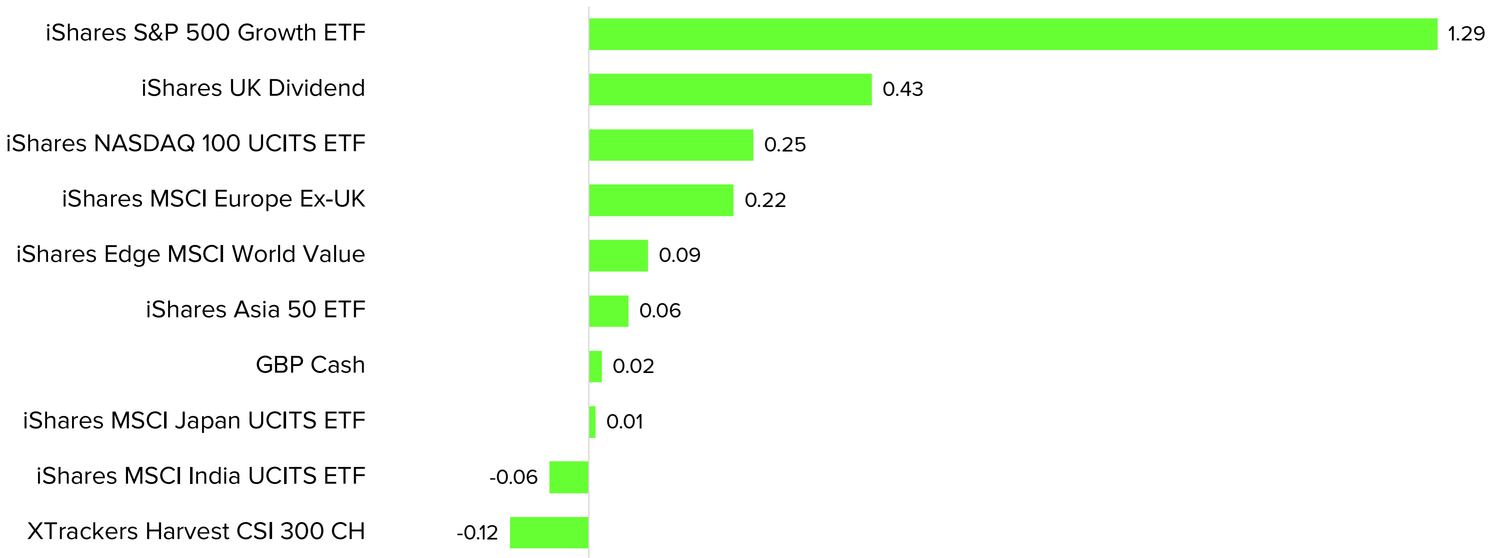
Portfolio Breakdown (% NAV)



Asset Allocation (% NAV)



Monthly Return Contribution (% NAV)



Investment Team

Craig Farley
Chief Investment Officer

Andrew Gillham
Head of Fixed Interest

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Monthly PM Commentary

To coin a phrase associated with the late England football player turned pundit Jimmy Greaves, global financial markets delivered the proverbial game of two halves in May.

Stocks and bonds rallied in the first half, supported by robust first quarter corporate earnings and an underwhelming US jobs report which markets hoped would persuade the Federal Reserve to move towards a more accommodative monetary policy stance. According to the monthly nonfarm payrolls report, 175,000 jobs were added in April, short of the consensus forecast of 240,000, and the unemployment rate ticked higher to 3.9%.

However, there was a reversal later in the month as concerns over inflation re-emerged on both sides of the Atlantic. Whilst headline consumer price inflation in the UK dropped to +2.3% in April, it was higher than the expected +2.1% and largely driven by the 12% cut in the regulatory energy price cap. The core rate, which excludes volatile items such as food and energy, was +3.9%, almost twice as high as the Bank of England's target rate, and prices in the services sector rose +5.9% from a year earlier.

Money markets quickly moved to rule out the chances of any rate cuts by the Bank of England over the summer which was underlined further when Rishi called a surprise snap general election for early July. Senior members of his Cabinet are seemingly of the view that short-term economic and inflation news in the UK is as good as it is going to get, enabling PM Sunak to capitalise on the little political capital he has at his disposal.

More hawkish rhetoric from officials at the Federal Reserve also rattled bond markets, including a warning from Minneapolis Fed President Neel Kashkari that potential rate hikes should not be ruled out at this point if inflation fails to come down further. A rate cut by the European Central Bank later this week is a near certainty, but it now looks like the first cuts by the Fed and BoE will be at least three months away.

While stocks also experienced more volatility in the second half of the month, a continuation of strong corporate earnings reports provided some relief to the technology sector, none more so than Nvidia which once again beat some very lofty expectations. The chipmaker's revenue surged 262% from a year earlier to $26 billion in the three months to the end of April on soaring demand for its artificial intelligence chips.

When the AI system ChatGPT was launched 18 months ago, arguably the single most important 'event' of this post pandemic cycle, Nvidia's market value was more than $2 trillion below Apple.

It is now on the cusp of overtaking Apple to become world's second most valuable company with a current market valuation of $2.8 trillion, larger than the entire market capitalisation of Germany's stock market index that includes corporate heavyweights Deutsche Telekom, Siemens, and Mercedes.

Portfolio Positioning

Our framework indicated that prevailing price trends were deteriorating into late April. Accordingly, we dialled back equity exposure in early May, principally to US large cap and technology. Underlying breadth (the percentage of stocks meaningfully participating in rallies) has been weakening, with fewer and fewer stocks doing the heavy lifting. Remember the Magnificent 7?

The market has moved quickly to price a 'no landing' scenario for America with practically zero chance of recession in this cycle. Prevailing sentiment points to robust growth, corporate earnings that will explode in the second half of this year, and a Fed that is desperate to cut rates ahead of the election. Looking carefully at US shelter/rent data, we are not sure this is a foregone conclusion.

We anticipate a better opportunity to add back risk exposure during the summer months. As always, we will continue to lean heavily on a data-driven process that continues to serve as our investment compass.