

## Apogee Adventurous Model Portfolio Update

### Recommended Fund Changes

The following changes are being made to the asset allocation and fund selection within the Adventurous Model Portfolio:

- In general across our portfolios this quarter, we are increasing our emphasis on global property and infrastructure assets, by re-allocating capital we previously held in overseas equities.
- In the last quarter of 2024, we reduced our exposure to property and infrastructure to capture potential growth opportunities in foreign markets including Europe. This decision proved beneficial for our portfolios as European markets in particular have delivered strong returns over this period of time. Now we see opportunity for long term value to be added to the portfolio by crystallising these gains and reinvesting into property and infrastructure.
- The Artemis Income fund is being introduced into the portfolio as a core holding, with our view being that the investment approach is suitable across varying market conditions with the potential to deliver decent returns over the medium to long term. The fund has produced strong returns, consistently outperforming its sector over 1, 3 & 5 year periods.
- The BlackRock Continental European, BNY Mellon Global Dynamic Bond, FTF Martin Currie UK Rising Dividends, Liontrust Special Situations, M&G Global Floating Rate High Yield Hedged and UBS US Equity funds are being fully sold.
- The Artemis Income, FTF ClearBridge Global Infrastructure Income, iShares Overseas Government Bond Index, Schroder Global Cities Real Estate, UBS US Growth and Waverton European Capital Growth funds are being introduced.
- Minor percentage allocations between funds are being varied, as detailed below, to accommodate the funds being removed/introduced.

### New Fund Selection

The following portfolio of funds is the recommended investment fund selection as part of our updated Apogee Adventurous Model Portfolio:

Fund	Sector	Current Holding	New Holding
Product Cash	Cash	2.00%	2.00%
BlackRock Continental European	Europe Excluding UK	4.00%	-
Artemis Income	UK Equity Income	-	8.50%
BlackRock UK Special Situations	UK All Companies	6.00%	6.50%
BNY Mellon Global Dynamic Bond	Targeted Absolute Return	1.00%	-
CFP SDL UK Buffettology	UK All Companies	4.00%	5.00%
Fidelity Asia	Asia Pacific Excl Japan	7.00%	6.00%
FSSA Global Emerging Markets Focus	Global Emerging Markets	3.00%	3.00%
FTF ClearBridge Global Infrastructure Income	Global Equity Income	-	3.00%
FTF Martin Currie UK Rising Dividends	UK All Companies	5.00%	-
HSBC American Index	North America	9.00%	8.50%
iShares North American Equity Index	North America	8.00%	8.00%
iShares Overseas Government Bond Index	Global Bonds	-	1.00%
JPM Emerging Markets	Global Emerging Markets	5.00%	4.50%
JPM Europe Dynamic Ex UK	Europe Excluding UK	3.00%	3.00%
JPM Japan	Japan	4.00%	5.50%
Jupiter Asian Income	Asia Pacific ex Japan	5.50%	5.00%
Liontrust European Dynamic Fund	Europe Excluding UK	4.00%	3.50%
Liontrust Special Situations	UK All Companies	6.00%	-
M&G Global Floating Rate High Yield Hedged	Sterling High Yield	1.50%	-
Man GLG Undervalued Assets	UK All Companies	6.00%	7.50%
Premier Miton US Opportunities	North America	9.00%	5.50%
Schroder Global Cities Real Estate	Property Other	-	3.00%
UBS US Equity	North America	7.00%	-
UBS US Growth	North America	-	7.00%
Waverton European Capital Growth	Europe Excluding UK	-	4.00%

The funds selected give consideration to the level of volatility suitable for the agreed attitude to risk and model asset allocation. Please be aware that there may be occasions when an individual fund or funds may have a higher risk rating than your overall stated attitude to risk. If this is the case, then the overall risk rating applied to all of the combined funds being recommended is still designed to meet your stated tolerance.

Further details on each fund selected within our models and the investment methodology of the fund managers are contained within the Key Investor Information Documents (KIIDs). Copies of the current KIIDs are available on request.

### Updated Fund Charges

The following table compares the approximate current charges of the existing Apogee Adventurous Model Portfolio and our updated Adventurous Model Portfolio, excluding any incidental transaction charges incurred:

	Ongoing fund charges (OCF)
Existing Apogee Adventurous Model Portfolio	c.0.69%
New Apogee Adventurous Model Portfolio	c.0.71%

As you can see, comparing the ongoing fund charges for the existing model portfolio and our updated model, the proposed fund switches will lead to a marginally higher level of ongoing fund charges.

Note that the above fund charges are based on the underlying Ongoing Charges Figure (OCF) of each fund when held on a typical investment platform, and do not include any additional ad hoc transaction costs incurred within the individual funds.

### Portfolio Performance Analysis

In the five years to the time of writing, our Adventurous portfolio has returned 38.82% compared to the benchmark return of 35.61%. The overall asset allocation contains 97% Growth assets and 3% Defensive assets.

We continue to reap the rewards from our overseas equity holdings. Our US funds produced some strong returns despite the turbulence caused by Trump's tariffs. The HSBC American Index fund returned 14.23% from the period 1<sup>st</sup> May to 31<sup>st</sup> July. Exposure to the large US technology giants proved once again to be standout holdings. It is due to this reason that we are switching the UBS US Equity fund for its Growth counterpart. Although, we are pleased with the performance of the UBS US Equity fund, the UBS US Growth fund contains a higher bias towards information technology and communication services, which we believe will provide more opportunity for growth.

The Premier Miton US Opportunities fund provides a welcome form of diversity in American markets for our portfolios as the fund takes a more "multi-cap" approach. This allows the portfolio to hedge the risk of a drop in market favouritism towards the larger American companies, to some degree. Tesla is a perfect example of how investor and market sentiment can quickly turn sour, and by keeping this fund, we hope our US exposure can benefit the portfolio in a changing market.

Our holdings in the Asian markets have also proved positive, with the Fidelity Asia fund returning 14.59% over the quarter to the end of July. The US tariffs levelled on the Asian countries were by far the harshest. The degree to which these emerging market economies have been impacted has been varied, dependent on each country's imports and exports with the US. Although new trade deals are being made, the manufacturing industries have still been hit hard, with automobiles and semiconductors being key exports to the US.

Following renewed market optimism in Japan (caused by strong economic growth ending around a 30-year long period of a deflationary environment), we continue to monitor opportunities in the region. The JPM Japan fund has produced a strong 15.10% since the start of the year, compared to the 11.28% for the IA Japan sector. The industrial sector in the region is a leading contributor. This comes as the result of increased wages, improved corporate governance and a combination of monetary and fiscal policies contributing to an increase in economic productivity.

Throughout the first two quarters, we were rewarded by our decision to increase our allocation to European equities. Since the beginning of the year, the Liontrust European Dynamic returned 16.83% to date; 2.1% higher than the sector. Reviewing the fund's performance, there was a notable fall in April due to the market speculation and initial reaction to Trump's tariffs, however the fund has since recovered well.

Whilst our allocation to UK equity funds may not quite reach the heights of their American counterparts, the UK market's focus on value stocks over growth does provide benefit. The Man Undervalued Assets fund has performed well over both the short and long terms; the consistent return received helps to absorb any volatility from the more growth orientated equity market funds.

We remain confident the portfolio, in conjunction with the recommended changes, is well positioned to benefit from longer-term growth opportunities.

*Please note that the returns shown are net of fund managers fees and show the historic returns achieved by the Apogee Model Portfolio managed in conjunction with RSMR. The performance achieved by individual client portfolios may vary slightly from our headline figures depending upon the date the investment was made, the platform selected and the date that any recommended rebalances were actioned. Please also note that past performance is no guarantee of future returns.*

*This document is for advisers and retail clients. It does not constitute a form of financial advice and should not be relied upon.*