Apogee Defensive Model Portfolio Update

Portfolio Performance Update

The performance of the Apogee Defensive Model Portfolio over the five-year period to 31st July 2026 versus the portfolio's bespoke benchmark can be summarised as follows:

Cumulative Performance	6 months	1 yr	3 yrs	5 yrs
Apogee Defensive Model Portfolio	**2.77%**	**5.83%**	**19.61%**	**13.32%**
Apogee Defensive Portfolio Benchmark	2.23%	6.87%	22.93%	12.56%

Please note past performance is no guarantee of future returns, and the returns shown are net of fund manager fees and show the historic returns achieved by the Apogee Model Portfolio managed in conjunction with RSMR.

We continue to be pleased with the performance of the portfolio versus the benchmark, and we would generally place greater emphasis on the longer return performance, given the portfolio is positioned for longer term growth (5+ years).

Review of Asset Allocation & Fund Selection

Defensive assets comprise c.74.5% of portfolio and consists of cash, global developed government bonds, global index linked bonds, sterling corporate bonds, and global corporate bonds.

Growth assets comprise c.25.5% of the portfolio that consists of global equities, global high yield bonds, emerging market local currency bonds, and listed property.

Having completed our quarterly review, we would comment as follows:

Asset Allocation

- Due to having genuine diversification across asset classes, sectors, regions, and investment styles, we feel the asset allocation of our Apogee Defensive Model Portfolio remains well positioned to weather ongoing uncertainty in the current climate whilst offering the potential for capital growth. This can also help mitigate sudden market movements and preserve wealth.

On that basis, we do not propose any changes be made to the asset allocation framework.

Fund Selection

Having reviewed each of the individual funds that comprise the asset allocation, we are recommending the following fund switches:

1) **Switch the BNY Mellon Global Dynamic Bond fund into the Royal London Global Bond Opportunities fund.**

2) **Switch the BNY Mellon International Bond fund into the Vanguard Global Credit fund.**

A switch from both BNY funds is recommended because they currently contain a sizeable exposure to global *government* bond funds, despite being included within the 'Global Corporate Bonds' asset allocation.

The proposed replacements (Royal London Global Bond Opportunities / Vanguard Global Credit Bond) will provide exposure to true specialist global *corporate* bonds, that will better complement the required asset allocation.

- The **Royal London Global Bond Opportunities** fund is a flexible global credit strategy designed to deliver a high level of income while maintaining a favourable risk/reward profile. The fund invests across a broad opportunity set of investment grade, high yield and unrated corporate bonds, allowing the experienced Royal London fixed income team to exploit value opportunities globally rather than being constrained by benchmark weights.

- The **Vanguard Global Credit Bond** fund provides core exposure to global corporate credit through a highly diversified portfolio managed by one of the world's largest fixed income teams. The strategy focuses on generating incremental returns through rigorous bottom-up credit research and security selection rather than relying on significant macroeconomic or sector positioning. This approach aims to deliver consistent performance that closely reflects the characteristics of the global credit market while benefiting from Vanguard's extensive analytical resources and collaborative investment process.

We will continue to keep the other fund holdings within the portfolio under review and notify you of any recommended changes as part of our quarterly updates.

<u>Portfolio Rebalance</u>

As part of implementing the recommended fund switches, we will rebalance the model in line with the original fund weightings.

Rebalancing is necessary because over time, some of the individual funds within the portfolio can provide greater returns than others, which can distort the asset allocation / risk strategy. This is known as 'portfolio drift' and is normal for model portfolios.

A rebalance will effectively re-align the portfolio with the recommended asset allocation which we feel could optimise returns going forward, whilst realigning the risk with the required strategy.

Updated Fund Selection

The current and ongoing composition of the Apogee Defensive Model Portfolio once the fund switches have completed can be summarised as follows:

Fund	Sector	Current	Ongoing
Product Cash	Cash	2.0%	2.0%
abrdn American Equity Enhanced Index	North America	6.5%	6.5%
Artemis Corporate Bond	Sterling Corporate Bonds	4.0%	4.0%
Artemis Income	UK Equity Income	2.0%	2.0%
AXA Global Short Duration Bonds	Global Bonds	5.0%	5.0%
BNY Mellon Global Dynamic Bond	Targeted Absolute Return	7.5%	-
BNY Mellon International Bond	Global Bonds	7.0%	-
Fidelity Asia	Asia Pacific Excluding Japan	2.0%	2.0%
FSSA Global Emerging Markets Focus Class E (Acc)	Global Emerging Markets	2.0%	2.0%
Gresham House UK Multi Cap Income	UK Equities	1.5%	1.5%
iShares Overseas Government Bond Index (UK)	Global Bonds	14.0%	14.0%
L&G Global Inflation Linked Bond Index	Global Bonds	10.5%	10.5%
M&G Emerging Markets Bond	Global EM Bond-Local Currency	2.5%	2.5%
M&G Global Floating Rate High Yield Hedged	Sterling High Yield	2.5%	2.5%
M&G Global Government Bond	Global Government Bond	6.5%	6.5%
M&G Japan	Japan	1.0%	1.0%
M&G UK Inflation Linked Corporate Bond	Sterling Strategic Bond	7.0%	7.0%
Man GLG Undervalued Assets	UK All Companies	2.0%	2.0%
Royal London Global Bond Opportunities	Global Mixed Bond	-	7.5%
Royal London Short Duration Credit	Sterling Strategic Bond	6.5%	6.5%
Schroder Global Cities Real Estate	Property Other	1.0%	1.0%
Schroder Sterling Corporate Bond	Sterling Corporate Bond	4.5%	4.5%
Vanguard Global Credit Bond	Global Corporate Bond	-	7.0%
Waverton European Capital Growth	Europe Excluding UK	2.5%	2.5%

Updated Portfolio Charges

The following table compares the charges of the existing Apogee Defensive Model Portfolio vs the updated Defensive Model Portfolio, excluding any incidental transaction charges within the underlying funds:

	Ongoing fund charges (OCF)
Existing Apogee Defensive Model Portfolio	c.0.42%
Updated Apogee Defensive Model Portfolio	c.0.38%

As you can see, the proposed fund switches will result in a reduction in ongoing cost of c.0.04% per annum.

Please note however the charges applicable to the underlying funds within the models are subject to change which means this position could change over time, and we also review the individual fund performance net of fund manager fees.