Navigate International Optimised Aggressive Growth GBP

April 2025

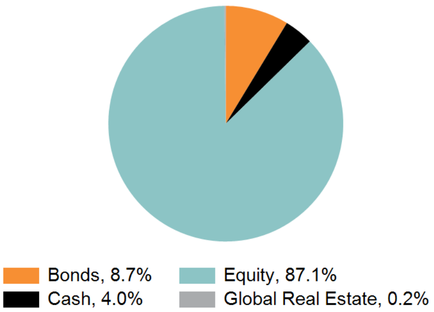
Fund Details

Currency	GBP(£)
Risk profile	Aggressive
Investment period	10 years or longer
Launch date	01 March 2016

Fund Objectives

This portfolio aims to provide high exposure to global equities, and will aim to produce a relatively high level of capital growth over the long term. Investors in this portfolio should be prepared to tolerate high fluctuations in the value of their investment over the short term. The portfolio will typically hold global equity funds that are actively managed, with the managers having a large degree of flexibility in terms of which stocks to hold. The portfolio is constructed using a multi factor model that takes into account clients' risk vs. return objectives and time horizons. Here we consider the risk tolerance of each portfolio, incorporating factors such as value at risk, acceptable drawdowns and correlations (to mention a few) to ensure there is an optimal blend of investment philosophies, styles, geographical and regional exposures as well as economic sectors. We also look at the synergies within the portfolio and how the underlying funds contribute to performance and risk over various time horizons. The optimised portfolios are monitored and rebalanced as market conditions or managers change with the aim to meet clients' financial needs and expectations.

Global Asset Allocation



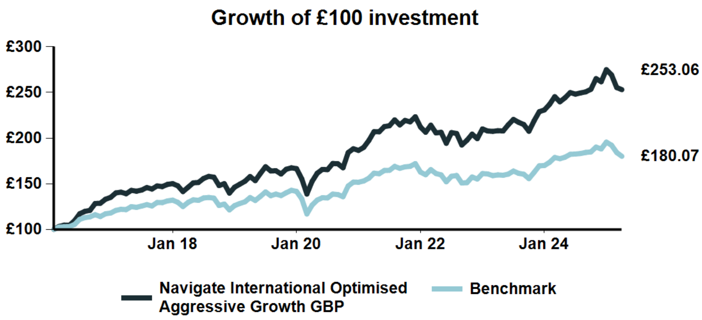
Holdings as at Month End

Holdings as at Month End	%
Baillie Gifford Managed	5.00
Baillie Gifford Worldwide Long Term Global Growth	7.00
Coronation - Global Capital Plus	5.00
Dodge & Cox Worldwide - Global Stock	18.00
Goldman Sachs Global CORE Equity Portfolio	8.00
Jupiter Merian Global Equity	12.00
Nedgroup Investments - Global Cautious	5.00
Nedgroup Investments - Global Flexible	5.00
Ninety One GSF Global Franchise	15.00
Schroder ISF Global Equity Alpha	15.00
Schroder QEP Global Core	5.00

Key Information

Key Information	%
Benchmark	
EAA OE GBP Aggressive Allocation	100.00
Fees (incl. VAT)	
Annual Wrap fee	0.29
Underlying Manager TER's	0.84

Cumulative performance since launch*



Performance (%)	Fund*	Benchmark
1 Month	-0.90	-2.25
3 Months	-7.96	-7.94
6 Months	-0.14	-2.60
YTD	-3.30	-4.30
1 Year	5.55	1.49
2 Years (annualised)	10.27	6.18
3 Years (annualised)	7.15	3.75
5 Years (annualised)	10.66	7.30
Since Launch (annualised)	10.66	6.63

Risk statistics (since launch)	Fund*	Benchmark
Returns (annualised)	10.66%	6.63%
Standard deviation (annualised)	11.88%	10.09%
% Positive months	61.82%	62.73%
Maximum drawdown	-17.74%	-18.15%
Sharpe ratio	0.45	0.13

* The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Dual-listed wraps will reflect combined fund sizes and will reflect primary platform performance information. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

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Commentary

Market Review

Risk assets recovered some of their March losses in April as a pause on reciprocal tariffs and progress made on bilateral trade deals revived market optimism. Although earnings were revised lower in developed market (DM) economies, in line with downward revisions to global growth, emerging market (EM) earnings were revised higher on expectations of additional Chinese monetary and fiscal stimulus, and an expansion of trade with Asia and Europe. There were positive returns from both DM and EM equities. DM bonds outperformed equities as recession risks increased, while EM bonds underperformed on rising spreads, yielding negative US dollar returns.

DM equities recorded their third consecutive fall in April, with the MSCI World Index ending the month down 2.51% in pound sterling, pushing them further into negative territory for the first third of 2025. US megacap tech stocks were among the worst performers, resulting in a significant drop in the Bloomberg Magnificent 7 Index. Tariffs continued to weigh on investor sentiment, as April started with'Liberation Day'. EM equities performed better in the month than DM equities, ending negative at 2.09% month-on-month (m/m) in pound sterling. Global property was in negative territory at 2.40% m/m, as well as global bonds at 0.53% m/m, both in pound sterling. The FTSE Index slid 0.66% m/m in pound sterling from a previous monthly decline. The Euro Stoxx 50 Index ended in positive territory for the month at 0.50% m/m, with the S&P 500 the biggest detractor for the month, down 4.02% m/m. The Dow Jones Index ended the month in negative territory in pound sterling terms. The Nikkei, however, bucked the trend gaining 2.53% in pound sterling.

Tactical Asset Allocation and Fund Selection

The Navigate Optimised Aggressive Growth portfolio delivered a negative return of 0.89% in April 2025, outperforming the GBP Allocation 80%+ category average, which delivered a negative return of 2.25%. Given the portfolio's larger exposure to core and growth equities, relative to value equities, it delivered outperformance. At a fund level, the largest contributor to performance was the Ninety One Global Franchise Fund, which delivered a return of 1.96%. The fund's performance was largely driven by exposure to and stock selection in Consumer Defensive stocks. On the flip side, the leading detractor from performance was the Dodge & Cox Global Stock Fund (-3.69%) as value stocks were out of favour for the month. At a sector level, the fund's exposure to Technology and Communication Services was the largest detractor.

Positioning and Outlook

Consensus on MSCI World earnings growth is about 8% for the next 12 months and 12% the following year, while EM earnings are expected to grow by 15% this year and 13% the following year. In view of the expected strong earnings growth, an overweight position is retained in global equities. The current business cycle can hardly be described as normal due to the uncertainty about Trump's policies. A neutral weighting is retained in global bonds as a hedge against a bad economic outcome/recession later in the year. In the case of inflation-linked bonds, a neutral weighting is retained as a hedge against a negative inflation outcome and a higher neutral rate of interest. If inflation re-accelerates, the inflation carry is expected to underpin returns from this asset class. In the second half of the year, however, inflation-linkers are underweighted as real yields are expected to normalise back to their mean.

Chinese consumption and growth remain a key concern for global growth. The quantum of stimulus packages in the near term, along with the extent to which China can weather the impact of a trade war with the US, will be key. In the euro area, activity has improved in the short term, but generally soft economic data remains a concern. Emerging economies continue to show resilience, and with the potential for easier monetary policy, growth could accelerate pending global trade speedbumps.

We therefore remain constructive to growth assets (such as equities). Similarly, while we retain a constructive approach to fixed income, we recognise that the risks and rewards for duration assets are finely balanced, and a measured outlook is warranted.