



Independent Financial
Advice and Planning

In association with

BM BROOKS
MACDONALD

Portfolio Breakdown HFP Ultra Cautious

as at 31 May 2025

Objectives

The primary objective of this portfolio is to produce a higher level of income than the Bank of England base rate over the longer term by investing in a range of relatively defensive diversified UK and international investments. Equity exposure is likely to range between 0-30% and is likely to be limited to shares in companies paying higher than average dividends.

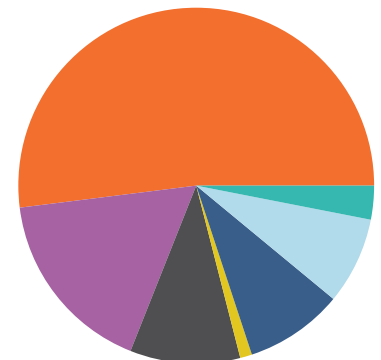
Portfolio breakdown

Holdings	%
UK Fixed Interest	52.00
L&G Short Dated Sterling Corporate Bond Index	13.00
L&G Sterling Corporate Bond Index	8.00
Royal London Short Duration Gilts	12.00
Royal London Short Term Fixed Income Enhanced	8.00
Vanguard UK Government Bond Index	11.00
International Fixed Interest	17.00
L&G Global Inflation Linked Bond Index Fund	3.00
Vanguard Global Bond Index	11.00
Vanguard US Government Bond Index	3.00
UK Equities	10.00
L&G UK 100 Index Trust	3.00
Vanguard FTSE UK All Share Index	7.00
North American Equities	1.00
Fidelity Index US	1.00
International & Thematic	9.00
Fidelity Index World	9.00
Hedge Funds & Alternatives	8.00
Fortem Absolute Return Fund	8.00
Cash	3.00
British Pounds	3.00

Key facts

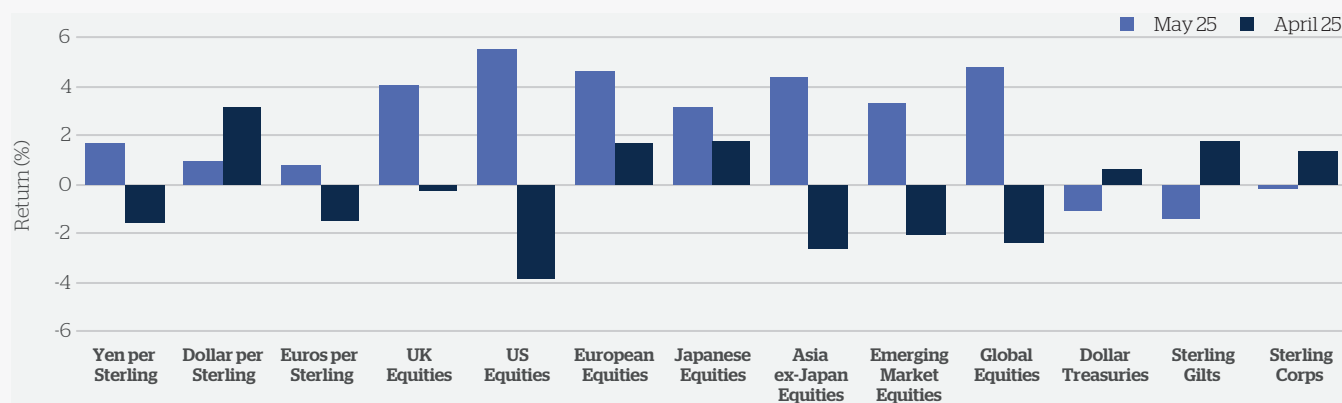
Currency £

Yield 3.24%



- UK Fixed Interest 52.00%
- International Fixed Interest 17.00%
- UK Equities 10.00%
- North American Equities 1.00%
- International & Thematic 9.00%
- Hedge Funds & Alternatives 8.00%
- Cash 3.00%

Asset market return



Sterling-denominated market performance, net total return performance figures. Past performance is not a reliable indicator of future results.
Source: Bloomberg, MSCI; please see important information. Data from 30.04.25 to 31.05.25

Fund activity

	Action	% Change	New %
AHFM Defined Returns	Sell	6.00%	0.00%
Cash	Reduce	1.00%	3.00%
Fidelity Index US	Reduce	1.00%	1.00%
Fidelity Index World	Increase	1.00%	9.00%
Royal London Short Term Fixed Income Enhanced	Increase	1.00%	8.00%
Vanguard FTSE U.K. All Share Index	Increase	1.00%	7.00%
Vanguard Global Bond Index	Increase	1.00%	11.00%
Vanguard UK Government Bond Index	Increase	4.00%	11.00%

Due to rounding, the figures shown in this table may not match exactly with the portfolio breakdown on page 1.

Performance

Cumulative performance to 31.05.2025

	3 months	6 months	1 Year	3 Year	5 Year	Since inception*
HFP Ultra Cautious	0.06%	1.53%	5.67%	--	--	15.31%
IA Mixed Investment 0-35% Shares	-0.27%	0.56%	4.92%	--	--	14.36%

*31.10.22

Discrete 12 month performance to 31 May

	2021	2022	2023	2024	2025	YTD
HFP Ultra Cautious	--	--	-2.94%	7.00%	5.67%	1.81%
IA Mixed Investment 0-35% Shares	7.24%	-3.94%	-4.06%	6.23%	4.92%	1.55%

The HFP MPS investment strategy follows the same approach as the Brooks Macdonald Managed Portfolio Service (MPS) strategy of equivalent risk profile. This includes asset allocation, tactical changes and security selection. The HFP portfolios were inceptioned on 31 October 2022, therefore performance data prior to this date refers to the Brooks Macdonald MPS strategy. Past performance is not a reliable indicator of future results.

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HFP Ultra Cautious *Additional information*

March 2025



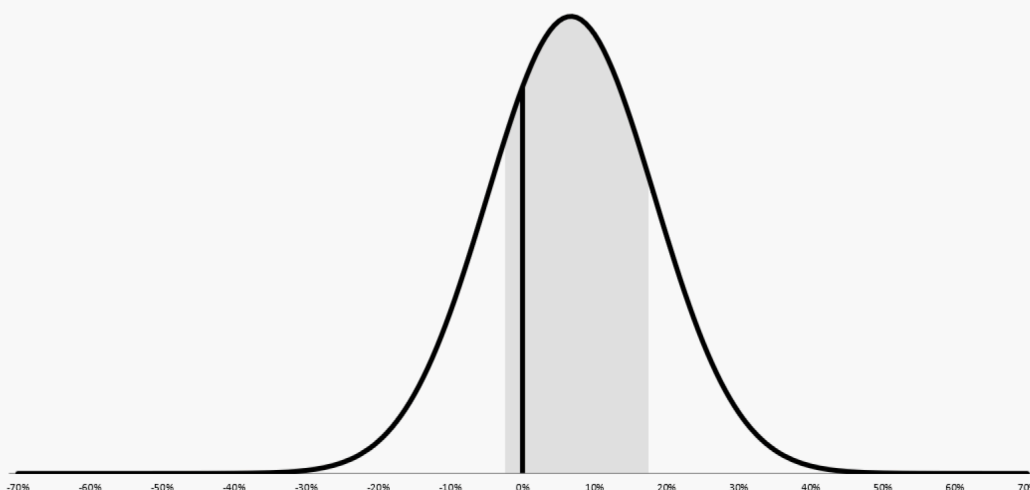
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Given a portfolio matched to this asset allocation and given a period of not less than 10 years, we target an annualised nominal rate of return somewhere between 1.27% and 11.69% (50% confidence interval) with a midpoint of 6.48% before deductions for charges and tax liabilities. Assuming a rate of inflation equal to 2.0%, we could see an annualised 'real' midpoint rate of return around 4.39%.

Of course, there is a great deal of uncertainty about these returns. For instance, we predict routine fluctuations in nominal values, in any one 12- month period, between -6.57% and 19.99% (50% confidence interval) with much greater potential for loss during unusually poor market conditions. Indeed, annual fluctuations could vary between -15.92% and 29.34% (90% confidence interval) during comparatively unusual conditions.

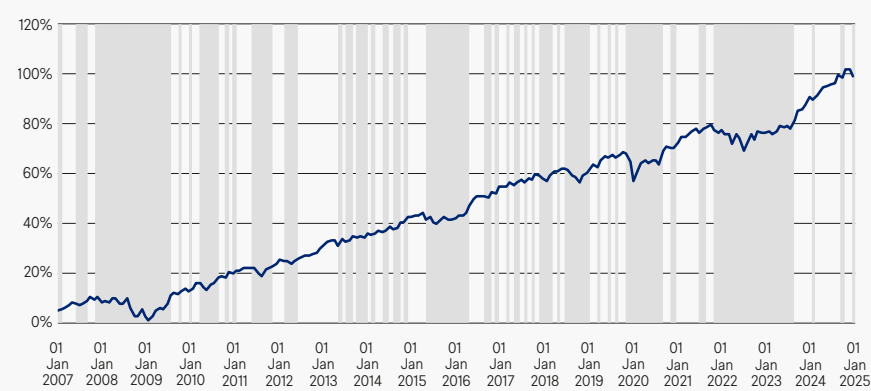
Potential risk and returns - Barclays Equity Gilt study



Shown in this graph is the distribution of performance based on nominal return data for UK equities, gilts and cash between 1900 and 2021.

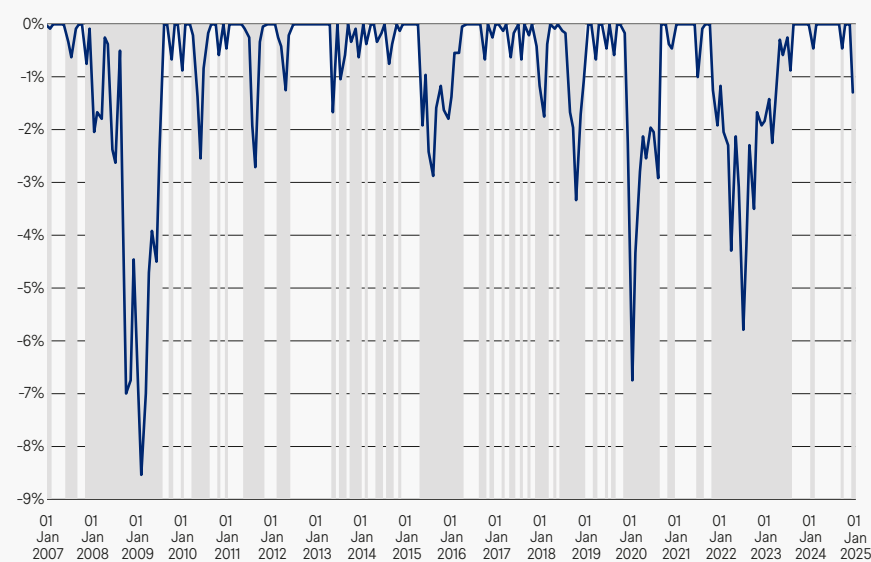
*Source:
Brooks Macdonald
and Barclays Equity
Gilt Study, June 2022.*

Cumulative performance - 50/50 BOE Base Rate/PIMFA Income



Cumulative performance of the 50/50 Bank of England Base Rate/PIMFA Income benchmark to 31/03/2025.

Historical peak-to-trough losses - 50/50 BOE Base Rate/PIMFA Income



Shown in this graph is the performance of the 50/50 Bank of England (BOE) Base Rate/PIMFA Income benchmark since inception and the periods which the portfolio would have been ‘underwater’ – times were the portfolio failed to gain value. This is highlighted in grey. Cumulative performance of the 50/50 BOE Base Rate/PIMFA Income benchmark to 31/03/2025.

Looking back at performance over the life of the 50/50 BOE Base Rate/PIMFA Income benchmark, there was a period in the run up to March 2009, experienced a maximum peak to loss trough of -8.67%.

There is no reason to believe that a decline in value of that magnitude, or greater, could not be repeated.

Note also, that the same benchmark may have spent as long as 1 year and 9 months ‘underwater’ – that being the longest single period since the start of the benchmark data, that the portfolio has failed to gain in value.

Important information

Investors should be aware that the price of investments and the income from them can go down as well as up and that neither is guaranteed. Past performance is not a reliable indicator of future results. Investors may not get back the amount invested. Changes in rates of exchange may have an adverse effect on the value, price or income of an investment. Investors should be aware of the additional risks associated with funds investing in emerging or developing markets.

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