



# Quarterly Portfolio Report Q2 2024



## Enhancing Our Service To You

### About the HFP Managed Portfolio Service

The Harrold Financial Planning Managed Portfolio Service aims to source the very best investment solutions that the market can provide. We believe that the best investment solutions involve blending the expertise of active fund management, where we feel an advantage can be gained, with the direct nature of index tracking funds within a single portfolio. The ideal portfolio for our clients will allocate assets from the widest range of asset classes and ensure they mirror the client's risk profile. Once this is established, the portfolio should be regularly rebalanced to adjust to changes in global markets and maintain a consistent level of investment risk. Our desire is to deliver all of this whilst offering our clients the value for money they deserve.

We have given the discretionary fund manager, Brooks Macdonald, the mandate to build these portfolios on our chosen platforms. Designed by Harrold Financial Planning for the benefit of you, our clients, managed by Brooks Macdonald.

### Market outlook

Events in recent years have resulted in a number of investor narratives. Think back to the start of the pandemic and the boom in companies offering online goods and services. Or the rebound in travel and hospitality in a post-pandemic world. We witnessed the valuation tailwind for technology as interest rates around the world fell to zero. That was followed by hopes for a profit margin boost for financial services and banks as inflation prompted a hike in interest rates. Most recently, the enthusiasm around technology and generative AI has been fuelled by the promise of significant gains in productivity as companies invest in the hope of being able to do much more with the same or less. This has driven significant concentration risk within markets. Nvidia, the US-based generative AI semiconductor chip designer, overtook Microsoft at one point in June to become the world's biggest company. With it, by mid-June Nvidia had single-handedly powered around a third of the total gains in the US S&P 500 equity market index year-to-date.

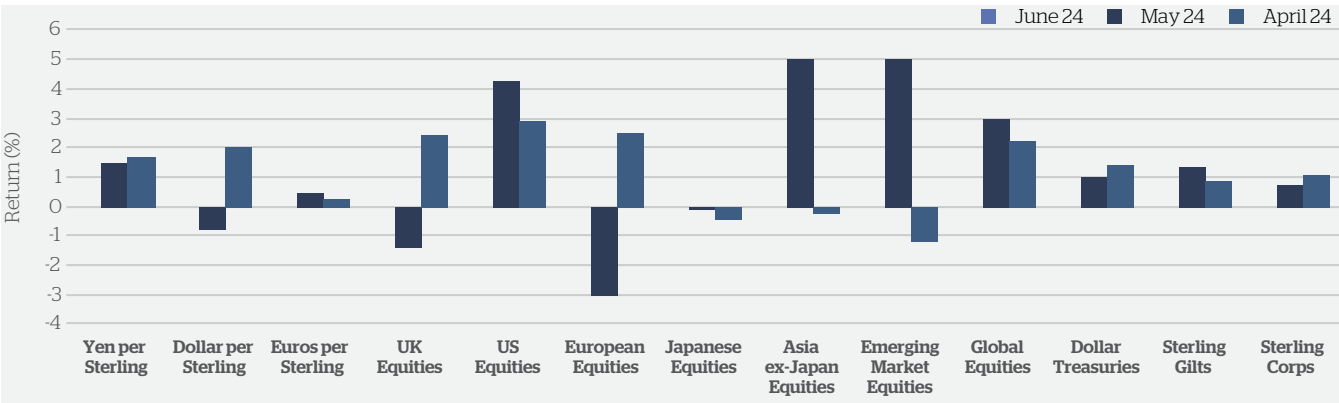
In each of these cases, we have seen bouts of relative outperformance and concentration risk emerge. In recent years, investors have had to navigate a marked pick-up in the frequency and size of rotation between growth and value investment styles, such as technology companies and banks. Helping to drive these changing narratives has been the changing outlook for inflation, interest rates and economic growth. More broadly, while we have seen market valuations rise over the past 18 months or so, more recently, we have seen growing confidence in the earnings outlook – important if the market is to have the headroom to continue to rise.

As we look forward, it is important to recognise that our investment style selection is more than just a binary choice between the 'value versus growth' debate. Between value and growth sits a space occupied by a 'blend' or what we consider 'core' strategies. These are an important building block in our asset allocation approach. With the recent strong performance of megacap technology stocks, it is key to remain balanced globally at an asset allocation level. While the US equity market provides an important contribution to our growth-investment-style exposures including technology, we also seek out value exposures, in particular, in UK equities. Alongside regular rebalancing of portfolios, in line with our stated target of balancing global equity investment styles, this helps to provide an important level of diversification not always readily available in passive equity indices.

Across our asset allocation, we think carefully about our asset choices and what our goals are for each of these assets. Fundamentally, we see a contrast between equities and bonds. While equities provide exposure to an encouraging economic and market outlook, our fixed-income positioning is more than just a hunt for yield. Yes, income is back in fixed income again, but a key aim for our government bond allocations in particular, both in the UK and abroad, is to provide an important counterbalance to the risks we take elsewhere. Between these two central pillars sit alternative assets, including property, uncorrelated multi-asset investments, and structured return products. We can expect to benefit from a diversified asset allocation by having a blended investment style exposure.

This diversification helps us keep exposure to more than one economic and/ or market scenario. What if the excitement around technology and generative AI fades? What if inflation should reemerge, prompting renewed rate hikes from central banks? What if geopolitical risks should escalate, challenging global supply chains once more, or worse? Ultimately, while our asset allocation adheres to a central scenario, we acknowledge the potential for tail-risks to emerge. We aim to continue helping you to target your investment goals by staying invested, but keeping balance through a well thought out, diversified asset allocation.

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 30.04.24 to 30.06.24

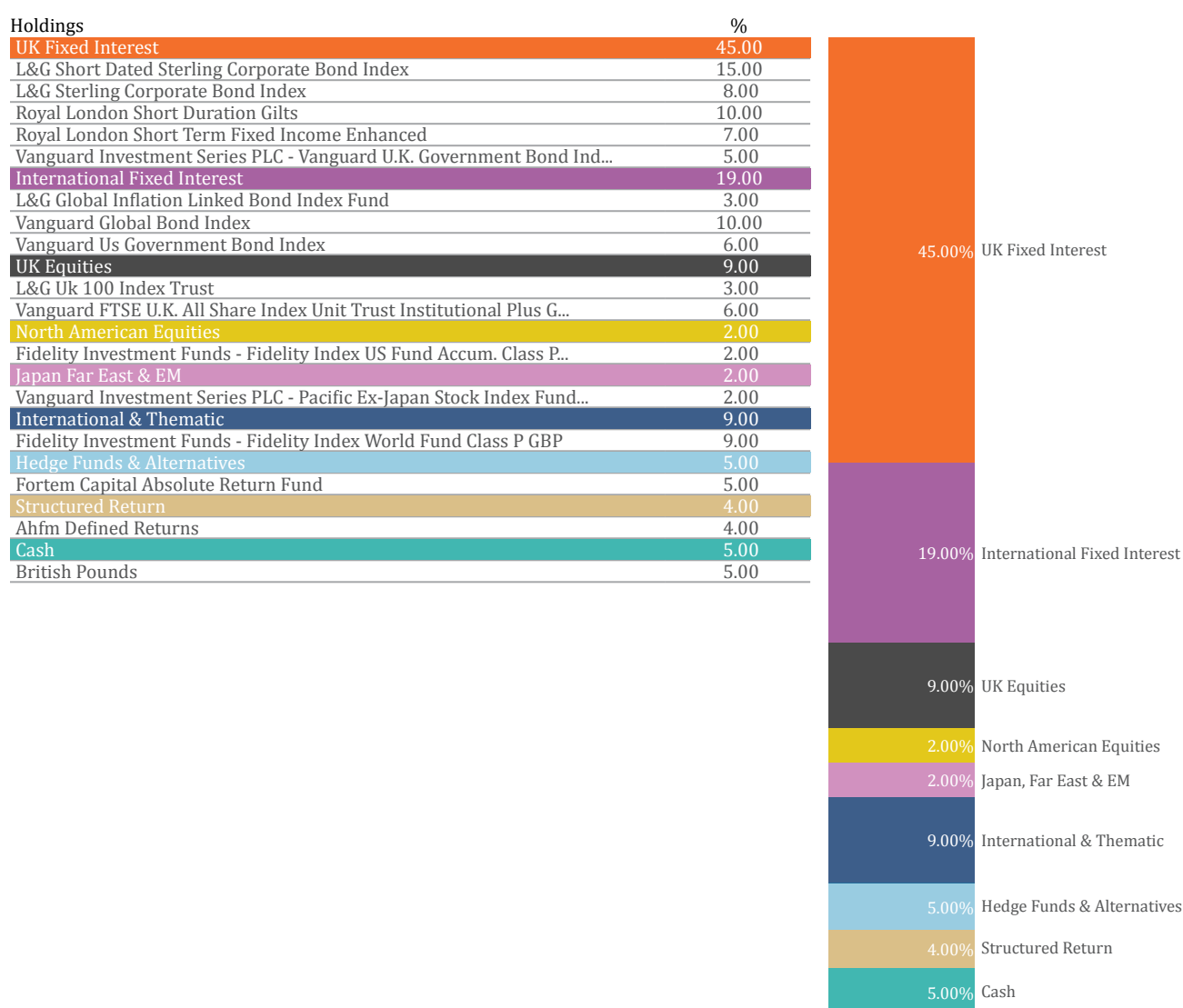
# HFP Ultra Cautious - as at 30 June 2024

Key facts    **Currency.....£**                      **Yield.....2.75%**

## 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



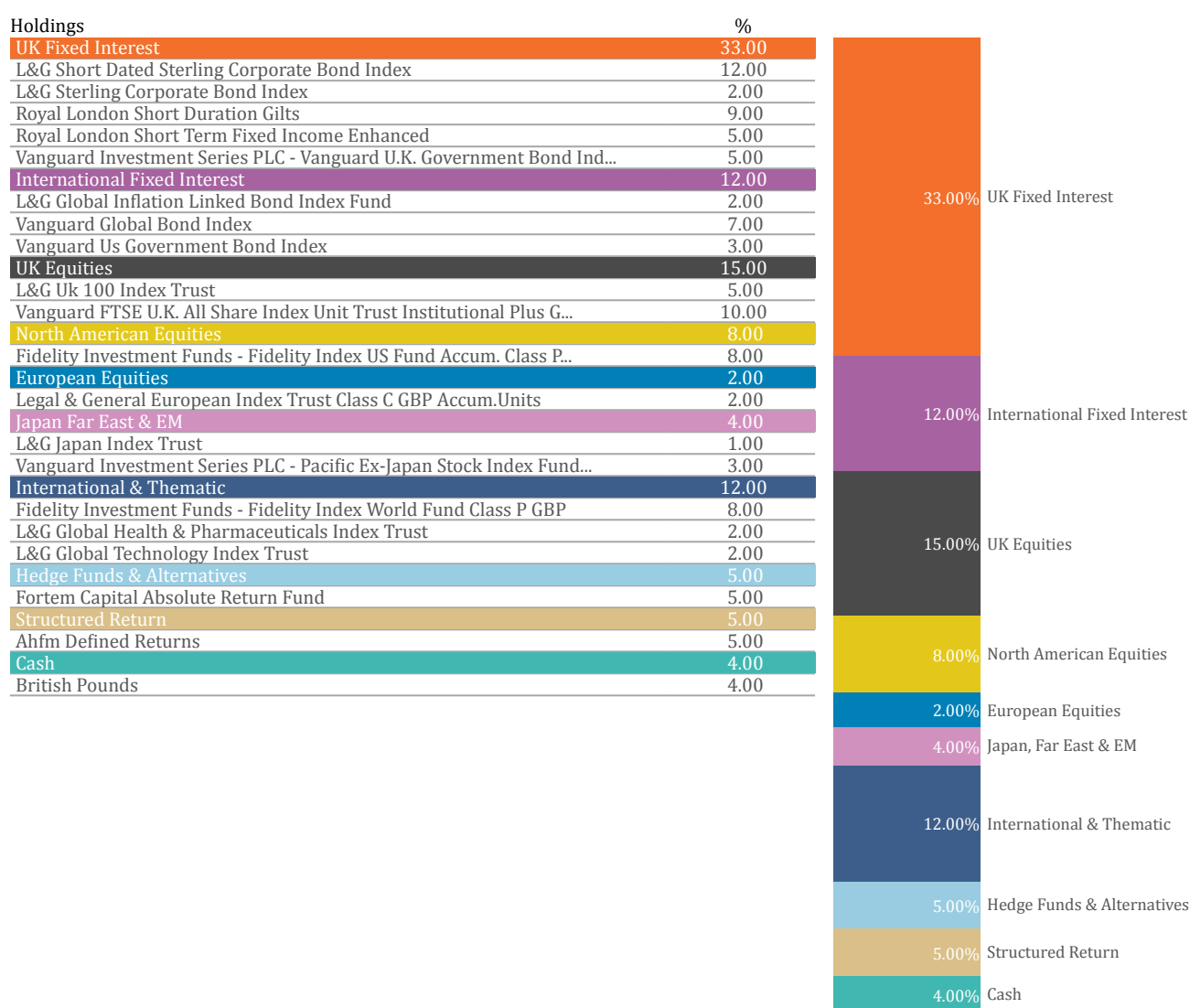
# HFP Cautious - as at 30 June 2024

Key facts    **Currency.....£**                      **Yield.....2.60%**

## Objectives

The objective of this portfolio is to provide a combination of income and capital growth. The portfolio gives limited exposure to capital markets through a diversified range of UK and international investments and aims to achieve above inflation investment returns over the longer term. Equity exposure is likely to range between 30-55% with limited exposure to international investments.

## Portfolio Breakdown



# HFP Balanced - as at 30 June 2024

Key facts    **Currency.....£**                      **Yield.....2.04%**

## Objectives

The primary objective of the portfolio is to provide a combination of income and capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 50-70%.

## Portfolio Breakdown

Holdings	%	
<b>Alternatives</b>	<b>5.00</b>	<b>5.00%</b> Alternatives
Ahfm Uncorrelated Strategies	2.50	
Fortem Capital Absolute Return Fund	2.50	
<b>International &amp; Thematic Equities</b>	<b>16.00</b>	<b>16.00%</b> International & Thematic Equities
AXA Framlington Global Technology Fund	1.00	
Fidelity Index World	3.00	
Fundsmith Equity Fund Class I GBP Accum.Shs	3.00	
Guinness Global Equity Income	3.00	
L&G Global Health & Pharmaceuticals Index Trust	3.00	
L&G Global Technology Index Trust	1.00	
Ninety One Funds Series III - Global Environment Fund Accum K GBP	2.00	
<b>UK Fixed Interest</b>	<b>19.00</b>	<b>19.00%</b> UK Fixed Interest
Allianz UK & European Investment Funds - Allianz Gilt Yield Fund C...	3.00	
L&G Short Dated Sterling Corporate Bond Index	6.00	
L&G Sterling Corporate Bond Index	2.00	
Royal London Short Duration Gilts	4.00	
Royal London Short Term Fixed Income Enhanced	2.00	
Vontobel Fund SICAV - TwentyFour Absolute Return Credit Fund -AQG-...	2.00	
<b>International Fixed Interest</b>	<b>9.00</b>	<b>9.00%</b> International Fixed Interest
Jp Morgan Unconstrained Bond	3.00	
L&G Global Inflation Linked Bond Index Fund	2.00	
Vanguard Global Bond Index	2.00	
Vanguard Us Government Bond Index	2.00	
<b>UK Equities</b>	<b>18.00</b>	<b>18.00%</b> UK Equities
Artemis Uk Select	2.00	
J O Hambro Capital Management UK Umbrella Fund - UK Equity Income...	3.00	
Liontrust Special Situations Fund Units I GBP	2.00	
Threadneedle Uk Equity Income	3.00	
Vanguard FTSE U.K. All Share Index Unit Trust Units GBP	8.00	
<b>North American Equities</b>	<b>12.00</b>	<b>12.00%</b> North American Equities
Dodge & Cox Us Stock Fund	2.00	
Fidelity Investment Funds - Fidelity Index US Fund Accum. Class P...	4.00	
JPMorgan Fund ICVC - JPM US Equity Income Fund Class C GBP	3.00	
T.Rowe Price Funds SICAV - US Smaller Companies Equity Fund -Id (G...	3.00	
<b>European Equities</b>	<b>3.00</b>	<b>3.00%</b> European Equities
Legal & General European Index Trust Class C GBP Accum.Units	3.00	
<b>Japan, Far East &amp; EM</b>	<b>10.00</b>	<b>10.00%</b> Japan, Far East & EM
First Sentier Investors ICVC - Stewart Investors Asia Pacific Lead...	3.00	
Hermes Asia Ex-Japan Equity Fund	2.00	
L&G Japan Index Trust	3.00	
Vanguard Investment Series PLC - Pacific Ex- Japan Stock Index Fun...	2.00	
<b>Structured Return</b>	<b>4.00</b>	<b>4.00%</b> Structured Return
Ahfm Defined Returns	2.00	
Fortem Cap Progressive Growth	2.00	
<b>Cash</b>	<b>4.00</b>	<b>4.00%</b> Cash
British Pounds	4.00	

# HFP Adventurous - as at 30 June 2024

Key facts    **Currency.....£**                      **Yield.....1.93%**

## Objectives

The primary objective of the portfolio is to provide a combination of income and capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 60-80%.

## Portfolio Breakdown

Holdings	%	
<b>Alternatives</b>	<b>4.00</b>	<b>4.00%</b> Alternatives
Ahfm Uncorrelated Strategies	2.00	
Fortem Capital Absolute Return Fund	2.00	
<b>International &amp; Thematic Equities</b>	<b>19.00</b>	<b>19.00%</b> International & Thematic Equities
AXA Framlington Global Technology Fund	1.50	
Fidelity Index World	3.00	
Fundsmith Equity Fund Class I GBP Accum.Shs	3.00	
Guinness Global Equity Income	3.00	
L&G Global Health & Pharmaceuticals Index Trust	4.00	
L&G Global Technology Index Trust	1.50	
Ninety One Funds Series III - Global Environment Fund Accum K GBP	3.00	
<b>UK Fixed Interest</b>	<b>13.00</b>	<b>13.00%</b> UK Fixed Interest
Allianz UK & European Investment Funds - Allianz Gilt Yield Fund C...	2.00	
L&G Short Dated Sterling Corporate Bond Index	4.00	
L&G Sterling Corporate Bond Index	1.00	
Royal London Short Duration Gilts	4.00	
Royal London Short Term Fixed Income Enhanced	2.00	
<b>International Fixed Interest</b>	<b>4.00</b>	<b>4.00%</b> International Fixed Interest
L&G Global Inflation Linked Bond Index Fund	2.00	
Vanguard Global Bond Index	2.00	
<b>UK Equities</b>	<b>22.00</b>	<b>22.00%</b> UK Equities
Artemis Uk Select	2.00	
J O Hambro Capital Management UK Umbrella Fund - UK Equity Income...	4.00	
Liontrust Special Situations Fund Units I GBP	3.00	
Threadneedle Uk Equity Income	4.00	
Vanguard FTSE U.K. All Share Index Unit Trust Units GBP	9.00	
<b>North American Equities</b>	<b>17.00</b>	<b>17.00%</b> North American Equities
Dodge & Cox Us Stock Fund	5.00	
Fidelity Investment Funds - Fidelity Index US Fund Accum. Class P...	6.00	
JPMorgan Fund ICVC - JPM US Equity Income Fund Class C GBP	3.00	
T.Rowe Price Funds SICAV - US Smaller Companies Equity Fund -Id (G...	3.00	
<b>European Equities</b>	<b>4.00</b>	<b>4.00%</b> European Equities
Legal & General European Index Trust Class C GBP Accum.Units	4.00	
<b>Japan, Far East &amp; EM</b>	<b>12.00</b>	<b>12.00%</b> Japan, Far East & EM
First Sentier Investors ICVC - Stewart Investors Asia Pacific Lead...	3.00	
Hermes Asia Ex-Japan Equity Fund	3.00	
L&G Japan Index Trust	3.00	
Vanguard Investment Series PLC - Pacific Ex- Japan Stock Index Fun...	3.00	
<b>Structured Return</b>	<b>2.00</b>	<b>2.00%</b> Structured Return
Ahfm Defined Returns	2.00	
<b>Cash</b>	<b>3.00</b>	<b>3.00%</b> Cash
British Pounds	3.00	

# HFP Speculative - as at 30 June 2024

Key facts    **Currency.....£**                      **Yield.....1.93%**

## Objectives

The primary objective of the portfolio is to provide capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 75-95%.

## Portfolio Breakdown

Holdings	%	
<b>Alternatives</b>	<b>3.00</b>	<b>3.00%</b> Alternatives
Ahfm Uncorrelated Strategies	1.50	
Fortem Capital Absolute Return Fund	1.50	
<b>International &amp; Thematic Equities</b>	<b>21.00</b>	<b>21.00%</b> International & Thematic Equities
AXA Framlington Global Technology Fund	1.50	
Fidelity Index World	4.00	
Fundsmith Equity Fund Class I GBP Accum.Shs	4.00	
Guinness Global Equity Income	3.00	
L&G Global Health & Pharmaceuticals Index Trust	4.00	
L&G Global Technology Index Trust	1.50	
Ninety One Funds Series III - Global Environment Fund Accum K GBP	3.00	
<b>UK Fixed Interest</b>	<b>7.00</b>	<b>7.00%</b> UK Fixed Interest
L&G Short Dated Sterling Corporate Bond Index	3.00	
L&G Sterling Corporate Bond Index	1.00	
Royal London Short Duration Gilts	3.00	
<b>International Fixed Interest</b>	<b>3.00</b>	<b>3.00%</b> International Fixed Interest
L&G Global Inflation Linked Bond Index Fund	1.00	
Vanguard Us Government Bond Index	2.00	
<b>UK Equities</b>	<b>24.00</b>	<b>24.00%</b> UK Equities
Artemis Uk Select	2.00	
J O Hambro Capital Management UK Umbrella Fund - UK Equity Income...	4.00	
Liontrust Special Situations Fund Units I GBP	4.00	
Threadneedle Uk Equity Income	5.00	
Vanguard FTSE U.K. All Share Index Unit Trust Units GBP	9.00	
<b>North American Equities</b>	<b>20.00</b>	<b>20.00%</b> North American Equities
Dodge & Cox Us Stock Fund	5.00	
Fidelity Investment Funds - Fidelity Index US Fund Accum. Class P..	7.00	
JPMorgan Fund ICVC - JPM US Equity Income Fund Class C GBP	4.00	
T.Rowe Price Funds SICAV - US Smaller Companies Equity Fund -Id (G...	4.00	
<b>European Equities</b>	<b>5.00</b>	<b>5.00%</b> European Equities
Legal & General European Index Trust Class C GBP Accum.Units	5.00	
<b>Japan, Far East &amp; EM</b>	<b>13.00</b>	<b>13.00%</b> Japan, Far East & EM
First Sentier Investors ICVC - Stewart Investors Asia Pacific Lead...	3.00	
Hermes Asia Ex-Japan Equity Fund	3.00	
L&G Japan Index Trust	3.00	
Vanguard Investment Series PLC - Pacific Ex- Japan Stock Index Fun...	4.00	
<b>Structured Return</b>	<b>1.00</b>	<b>1.00%</b> Structured Return
Ahfm Defined Returns	1.00	
<b>Cash</b>	<b>3.00</b>	<b>3.00%</b> Cash
British Pounds	3.00	



# Fund activity

Due to rounding, the figures shown in these tables may not match exactly with the portfolio breakdowns earlier in the document.

## HFP Ultra Cautious

There were no changes to the portfolio during the quarter.

## HFP Cautious

There were no changes to the portfolio during the quarter.

## HFP Balanced

	Action	% Change	New %	Month
Neuberger Berman Uncorrelated Strategies	Sell	3.00%	0.00%	May
AHFM Uncorrelated Strategies	Buy	2.50%	2.50%	May
Fortem Absolute Return Fund	Increase	0.50%	2.50%	May

## HFP Adventurous

	Action	% Change	New %	Month
Neuberger Berman Uncorrelated Strategies	Sell	2.00%	0.00%	May
AHFM Uncorrelated Strategies	Buy	2.00%	2.00%	May

## HFP Speculative

	Action	% Change	New %	Month
Neuberger Berman Uncorrelated Strategies	Sell	2.00%	0.00%	May
AHFM Uncorrelated Strategies	Buy	1.50%	1.50%	May
Fortem Absolute Return Fund	Increase	0.50%	1.50%	May

## Important information

The performance indicated for each sector should not be taken as an expectation of the future performance. 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.

The information in this document does not constitute advice or a recommendation and you should not make any investment decisions on the basis of it. This document is for the information of the recipient only and should not be reproduced, copied or made available to others.

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.msci.com](http://www.msci.com))

"Bloomberg®" and LUATTRgh Index, LSG1TRGU Index, LC61TRGU Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Brooks Macdonald. Bloomberg is not affiliated with Brooks Macdonald, and Bloomberg does not approve, endorse, review, or recommend the Managed Portfolio Service. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Managed Portfolio Service.

Brooks Macdonald is a trading name of Brooks Macdonald Group plc used by various companies in the Brooks Macdonald group of companies.

Brooks Macdonald Asset Management Limited is regulated by the Financial Conduct Authority. Registered in England No 3417519. Registered office: 21 Lombard Street London EC3V 9AH.

More information about the Brooks Macdonald Group can be found at [www.brooksmacdonald.com](http://www.brooksmacdonald.com).

UK\_BMIS\_Quarterly\_HFP Quarterly Report\_January 0001



BROOKS MACDONALD