

Growth Models Monthly Update

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WALKERCRIPS

Model Portfolio Service Collectives

31st July 2024



Growth Model Cumulative Performance Tables

Source: FE Analytics & Blackrock 360: 05/08/2024

Conservative	Yield:	2.74%	OCF:	0.55%	Inception Date:	31/12/2018	
	1m	3m	6m	1yr	3yr	5yr	Since Inception
Portfolio	1.33%	3.43%	4.38%	8.93%	-3.22%	2.94%	15.61%
MSCI PIMFA Conservative	1.46%	3.74%	5.52%	10.47%	1.90%	11.44%	24.35%
ARC GBP Cautious	0.70%	2.06%	3.32%	5.98%	0.26%	8.28%	16.00%
Moderate	Yield:	2.55%	OCF:	0.56%	Inception Date:	31/12/2018	
	1m	3m	6m	1yr	3yr	5yr	Since Inception
Portfolio	1.37%	3.55%	5.38%	9.63%	0.28%	10.58%	26.79%
MSCI PIMFA Income	1.31%	4.10%	7.39%	12.15%	10.38%	22.10%	38.50%
ARC GBP Balanced	0.80%	2.80%	5.10%	8.50%	3.29%	14.46%	26.42%
Ethical Moderate	Yield:	1.73%	OCF:	0.67%	Inception Date:	31/12/2020	
	1m	3m	6m	1yr	3yr	5yr	Since Inception
Portfolio	1.60%	3.45%	5.37%	8.57%	-4.04%	-	2.11%
MSCI PIMFA Income	1.31%	4.10%	7.39%	12.15%	10.38%	22.10%	17.99%
ARC GBP Balanced	0.80%	2.80%	5.10%	8.50%	3.29%	14.46%	8.47%
Balanced	Yield:	2.47%	OCF:	0.57%	Inception Date:	31/12/2018	
	1m	3m	6m	1yr	3yr	5yr	Since Inception
Portfolio	1.29%	3.60%	6.04%	10.11%	1.03%	12.28%	30.58%
MSCI PIMFA Balanced	1.17%	4.28%	8.28%	12.98%	14.00%	27.36%	45.76%
ARC GBP Steady Growth	0.90%	3.34%	6.44%	9.96%	5.72%	19.62%	35.59%
Growth	Yield:	2.15%	OCF:	0.58%	Inception Date:	31/12/2018	
	1m	3m	6m	1yr	3yr	5yr	Since Inception
Portfolio	1.17%	3.68%	7.00%	11.07%	1.91%	18.83%	41.50%
MSCI PIMFA Growth	1.01%	4.60%	9.83%	14.52%	21.51%	38.67%	61.14%
ARC GBP Equity Risk	1.00%	3.91%	7.75%	11.34%	7.27%	25.05%	44.95%
Global Growth	Yield:	1.37%	OCF:	0.55%	Inception Date:	31/12/2018	
	1m	3m	6m	1yr	3yr	5yr	Since Inception
Portfolio	0.56%	3.10%	7.66%	11.90%	2.42%	44.23%	76.65%
MSCI PIMFA Global Growth	0.11%	5.36%	11.05%	17.30%	29.18%	62.22%	96.12%
ARC GBP Equity Risk	1.00%	3.91%	7.75%	11.34%	7.27%	25.05%	44.95%

Allocations

	Conservative		Moderate		Ethical Moderate		Balanced		Growth		Global Growth	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Fixed Income	47.5%	47.5%	32.5%	30.0%	33.0%	30.0%	25.5%	22.5%	11.0%	7.5%	2.5%	0.0%
Alternatives	18.0%	17.5%	16.0%	15.0%	16.0%	15.0%	13.0%	12.5%	10.5%	10.0%	4.0%	2.5%
UK Equities	13.0%	10.0%	18.0%	17.5%	17.5%	17.5%	20.5%	20.0%	23.0%	22.5%	6.5%	3.5%
Global Equities	16.0%	19.5%	26.5%	31.5%	27.0%	31.5%	33.0%	38.5%	46.0%	52.5%	76.5%	87.5%
EM Equities	1.5%	0.5%	3.0%	1.0%	2.5%	1.0%	4.5%	1.5%	6.0%	2.5%	9.5%	4.00%
Real Estate	3.0%	2.5%	3.0%	2.5%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	0.0%	0.0%
Cash	1.0%	2.5%	1.0%	2.5%	1.0%	2.5%	2.5%	2.50	1.0%	2.5%	1.0%	2.5%

Past performance is not a reliable indicator of future results. Portfolio performance is shown with all income reinvested, and is after deduction of underlying fund charges but before Walker Crips' annual management charge (AMC). Deduction of the AMC will have the effect of reducing the illustrated performance. Benchmark portfolio performance is shown gross - before all charges. All dates refer to close of day values.

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Growth Model Discrete Performance Tables

Source: FE Analytics & Blackrock 360: 05/08/2024

Conservative

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	13.98%	1.52%	4.23%	-12.50%	5.56%	3.79%
MSCI PIMFA Conservative	12.86%	2.97%	6.89%	-11.60%	7.88%	4.97%
ARC GBP Cautious	8.05%	4.20%	4.23%	-7.60%	3.68%	3.19%

Moderate

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	16.70%	2.49%	7.92%	-11.91%	6.10%	5.09%
MSCI PIMFA Income	15.15%	1.94%	10.42%	-8.49%	9.09%	7.04%
ARC GBP Balanced	11.73%	4.31%	7.64%	-9.14%	5.79%	4.84%

Ethical Moderate

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	-	-	9.00%	-15.44%	5.90%	4.60%
MSCI PIMFA Income	15.15%	1.94%	10.42%	-8.49%	9.09%	7.04%
ARC GBP Balanced	11.73%	4.31%	7.64%	-9.14%	5.79%	4.84%

Balanced

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	18.17%	2.60%	9.31%	-12.49%	6.27%	5.94%
MSCI PIMFA Balanced	16.21%	1.95%	12.54%	-8.10%	10.11%	8.03%
ARC GBP Steady Growth	15.00%	4.56%	10.24%	-10.23%	7.20%	6.29%

Growth

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	20.67%	6.12%	11.75%	-13.57%	6.68%	7.24%
MSCI PIMFA Growth	18.24%	2.22%	15.92%	-6.12%	11.42%	9.94%
ARC GBP Equity Risk	18.04%	5.82%	12.31%	-11.40%	8.30%	7.68%

Global Growth

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	21.03%	31.18%	12.48%	-16.86%	9.36%	8.78%
MSCI PIMFA Global Growth	21.31%	11.90%	20.55%	-7.39%	15.38%	12.14%
ARC GBP Equity Risk	18.04%	5.82%	12.31%	-11.40%	8.30%	7.68%

Platform Availability



The Team

The Model Portfolio Service Collectives team is chaired by Rachel Blythe (Head of Model Portfolios) and Shane Bennett (Head of Investment Strategy), members of the Central Investment Team; supported by our team of Investment Managers, Analysts and Administrators. +

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Commentary

Within the growth models, performance for the month showed the Conservative portfolio underperformed the benchmark by 0.13%; the Moderate portfolio outperformed the benchmark by 0.06%; the Ethical Moderate portfolio outperformed the benchmark by 0.29%; the Balanced portfolio outperformed the benchmark by 0.12%; the Growth portfolio outperformed the benchmark by 0.16%; and the Global Growth portfolio outperformed the benchmark by 0.45%.

Montanaro UK Income, held by all growth models, except Global Growth and Moderate Ethical, was the strongest performing holding during the month, returning 5.85%. The fund's strategy to invest in UK Small and Mid-Cap companies, particularly those with attractive dividend yields and potential for above-average dividend growth, has benefited from current market conditions. Recent interest rate cuts have positively impacted smaller companies, making them more attractive to investors. This has led to a resurgence of the "Small-Cap Effect," with small-cap stocks outperforming larger ones over the past month. Despite recent gains, UK Small-Cap stocks are still trading at low multiples, driving significant Merger and Acquisition (M&A) activity as trade buyers and private equity firms capitalise on attractive valuations. This environment has positioned the fund to effectively leverage the emerging opportunities in the Small-Cap segment.

Similarly, during the period WS Montanaro Global Select, held across all growth models, except the Conservative model, grew 4.87%. The fund adopts a similar strategy by seeking exposure to Small and Mid-Cap companies but on a global scale. In July, this year's laggards played catch up, with investors shifting towards small-cap equity stocks, which are more sensitive to interest rate cuts. This shift contributed to the performance of the fund.

Another top performer for the month was Liontrust UK Ethical, held only in the Moderate Ethical portfolio, returning 5.48% over the month. The fund, aiming for long-term capital growth through its sustainable future investment process, has outperformed by strategically focusing on key structural growth trends and well-managed companies poised to capitalise on transformative economic changes. Recently, its overweight position in the financial services sector has significantly boosted performance, as this sector has thrived in the higher interest rate environment, enjoying improved net interest margins and profitability. The fund's thematic approach ensures it remains well-positioned to benefit from ongoing economic shifts, while its emphasis on sustainable and innovative companies provides a resilient foundation for future growth amidst evolving market conditions.

One of the worst-performing holdings over the month was Guinness Global Innovators, held by all growth models except Moderate Ethical, detracting 3.21%. The fund, which targets global companies benefiting from technological and strategic innovations, has recently been negatively impacted by the weaker performance of the AI sector, especially among high-profile holdings such as Microsoft, Nvidia and Meta. These companies faced underwhelming earning results and valuation concerns, leading to a downturn in the fund's performance. Despite these challenges, the fund's focus on long-term growth through innovative companies with high returns on capital remains strong, positioning it well to capitalise on future opportunities as market conditions stabilise and technological advancements continue.

Glossary

Holdings - the contents of an investment portfolio, such as a stock or a fund.

Benchmarks - either an index or base rate used as a comparator to assess a portfolio's performance.

Yield - indicates income generated as a percentage value of the portfolio. Yields are not guaranteed and may fluctuate over time.

OCF - ongoing charges figure' is the amount paid over an annual period for as long as you hold an investment. The OCF for a fund is quoted on the 'Key Investor Information' document and relates to the running costs of the fund.

Important Information

The ARC Indices are a set of benchmarks that reflect the real performance of investors that have their wealth professionally managed. It is based on the world's largest dataset of private client investment performance from the past 20 years. The Benchmark allows investors to see performance of similar portfolios helping them gauge the return of their own. The value of any investment and the income arising from it is not guaranteed and can fall as well as rise, so that you may not get back the amount you originally invested. Past performance is not a reliable indicator of future results. There is no guarantee that the portfolio objective will be met or that a positive return will be delivered over any time period. This publication is intended to be Walker Crips Investment Management's own commentary on markets. It is not investment research and should not be construed as an offer or solicitation to buy, sell or trade in any of the investments, sectors or asset classes mentioned. The performance of individual portfolios may differ from the model portfolio due to timing difference in implementing investment decisions, the impact of annual management charges, trading taxes, individual restrictions and taxation constraints. Movements in exchange rates can have an adverse effect on the value. The asset allocations indicated may vary marginally depending on prevailing market conditions. All figures are provided as at the date of this fact sheet. Walker Crips Investment Management Limited is authorised and regulated by the Financial Conduct Authority (FRN: 226344) and is a member of the London Stock Exchange. Registered Office: Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ. Registered in England and Wales number 4774117.