

MKC Invest Income Focus 5 January 2025

Portfolio Objective:

Inception Date: 01.07.2024

MKC Wealth
Risk Rating

Equity Target

Balanced

50%

The MKC Invest Income Focus portfolio 5 aims to provide a natural distribution yield from a diversified portfolio of collective investments managed such that the risk level of the portfolio will be suitable for an investor at level 5 on the MKC "Baseline" scale of investment risk. The yield target will be at least 200% of the relevant benchmark yield over a rolling 12-month period. The portfolio aims to outperform the yield of this strategic asset allocation over the course of a market cycle through active asset allocation and the selection of predominantly higher-yield actively managed funds from a range of providers. While long-term capital growth is a reasonable expectation from the portfolio given its underlying asset exposures, this portfolio will be measured solely by its distribution yield.

Baseline Benchmark 5:
50% Morningstar Global Target Market Exposure
50% Morningstar Global Core Bond (GBP) Hedged

Market Overview:

Stock markets had a mixed start to the year, initially struggling before rallying strongly following President Trump's inauguration. Hopes that his pre-election rhetoric on tariffs might soften contributed to the rebound.

Unlike recent years, market leadership did not come from US mega-cap stocks but from previously underperforming sectors, such as consumer staples. This shift accelerated when Chinese firm DeepSeek unveiled a rival to US AI engines, claiming significantly lower development and energy costs. The news weighed on chip manufacturers, particularly Nvidia, which experienced another volatile month. Notably, it suffered the largest single-day dollar-value loss in market history, with a single-session decline of nearly 17%.

The UK stock market also performed well, closing at a record high. Sterling weakness, coupled with the relative cheapness of the FTSE compared to US markets, was a key driver. A similar trend played out across Europe, with most major indices posting gains.

In monetary policy, the European Central Bank cut interest rates, widening the gap in borrowing costs between the Eurozone, the UK, and the US. The Federal Reserve kept rates on hold, while the Bank of England had no policy meeting during the month. All eyes now turn to its next announcement on 6th February.

Historic Performance*

Time Period: 04/02/2020 to 03/02/2025



— Baseline Benchmark 5

30.6%

Calendar Year Returns*

Data Point: Return Calculation Benchmark: Baseline Benchmark 5

	2020	2021	2022	2023	2024
Baseline Benchmark 5	9.56	8.42	-10.44	10.45	10.63

Cumulative Return*

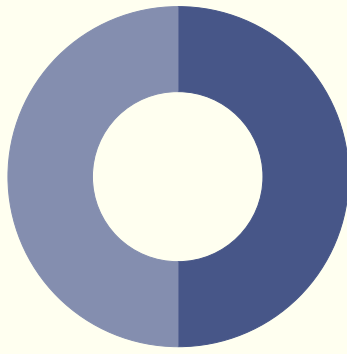
Data Point: Return Calculation Benchmark: Baseline Benchmark 5

	YTD	3 Months	6 Months	1 Year	3 Years	5 Years
Baseline Benchmark 5	1.81	4.29	6.53	11.64	16.03	30.63

*To comply with FCA regulations we are unable to provide performance numbers for this portfolio until it has a track record of at least 12 months. For context, we have provided the historic performance of the suitable benchmark but this must not be taken as an indication of likely future performance.

Asset Allocation - MKC Invest Income Focus 5

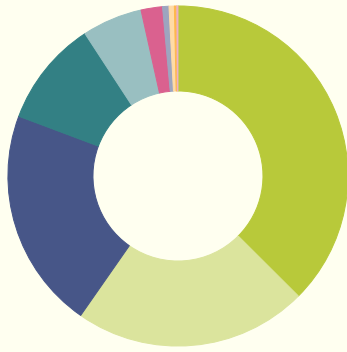
Portfolio Date: 10/01/2024



	%
Equity	50.0
Bond	50.0
Total	100.0

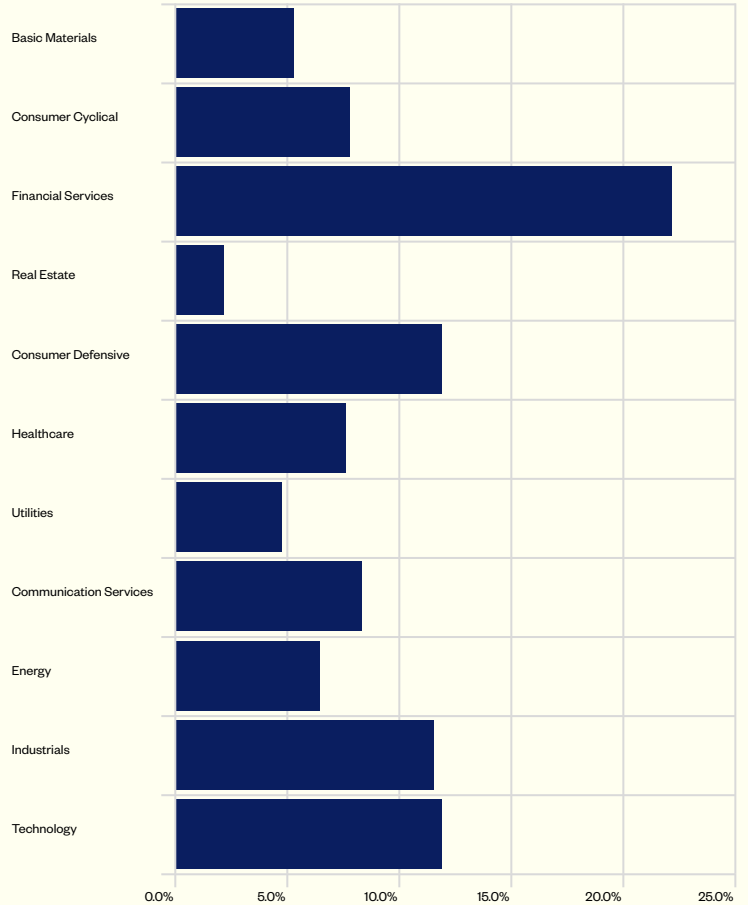
Equity Regional Exposure - MKC Invest Income Focus 5

Portfolio Date: 31/01/2025



	%
United Kingdom	37.5
Europe dev	22.2
North America	21.0
Asia dev	10.1
Asia emrg	5.7
Australasia	2.0
Latin America	0.6
Africa/Middle East	0.5
Europe emrg	0.2
Japan	0.1
Total	100.0

Equity Sector Exposure



Top 10 Underlying Securities:

Security	Portfolio Weighting %
HSBC Holdings PLC	1.27
Shell PLC	1.20
AstraZeneca PLC	1.12
Unilever PLC	1.10
Taiwan Semiconductor Manufacturing Co Ltd	0.91
British American Tobacco PLC	0.69
NVIDIA Corp	0.69
Apple Inc	0.68
BP PLC	0.67
Microsoft Corp	0.62

Funds:

Funds	Portfolio Weighting %
Vanguard U.S. Govt Bd Idx £ H Dist	12.00
Schroder US Eq Inc Mxmsr L Inc £	10.00
Vanguard Global Credit Bond Inv GBP H Inc	10.00
Polar Optl Eurp Ex UK Inc I Inc	8.00
Fidelity Enhanced Income W Inc Monthly	7.00
Schroder UK-Listed Equity Inc MxmsrZ£Inc	7.00
Jupiter Monthly Income Bd U1 GBP Inc	6.00
Schroder Asian Income Maximiser L £ Inc	6.00
Aegon High Yield Bond GBP B Inc	5.00
Fidelity Global Enhanced Income W Mlthly	5.00
Liontrust Sust Fut Mn Inc Bd P Grs Inc	5.00
M&G Dividend GBP I Inc	4.00
Artemis SmartGARP Glb EM Eq I Inc GBP	3.00
ArtemisFds(Lux) SD Glb HY Bd FI GBP IncH	3.00
L&G All Stocks Gilt Index I Inc	3.00
M&G Short Dated Corp Bd GBP I Inc	3.00
MI TwentyFour Core Corp Bd A Grs Inc	3.00

Historic Yield*:

Baseline Benchmark 5: 2.20%
Income Focus 5: 5.43%

Costs and Charges:

Underlying fund costs: 0.49%
DIM Charge: 0.20%
Total Cost: 0.69%

Portfolio performance has been calculated using Morningstar Direct and is believed accurate based on the standard pricing of any underlying investment funds held in the portfolio. In some cases, clients may benefit from additional discounts to those same funds on their chosen custody platform. This will cause differences between actual performance and the performance calculated by Morningstar. We expect in all cases that these differences, where present, will be to investors' advantage.

*These yield figures are backward-looking and indicate the typical percentage yield from share dividends, bond coupons or other forms of earned investment income that would have been received over the period stated. Future yields are likely to differ substantially from historic yields.

Important Information:

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