# Multi-Asset Portfolio ESG – 45/55 (GBP)

January 2024

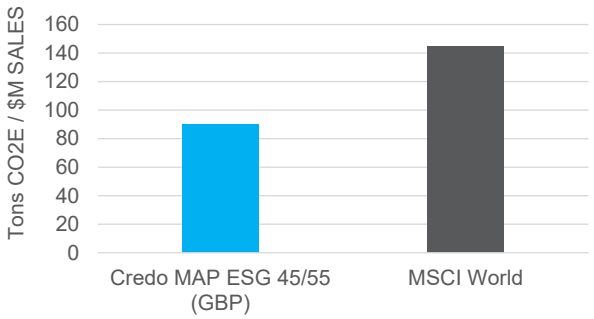
## CORE STRATEGY & OBJECTIVE

The Credo Multi-Asset Portfolios provide investors with diversified exposure to global assets through mutual funds and ETFs. The portfolios apply an evidence-based investment philosophy across asset classes with the aim of providing long term exposure to both traditional and alternative assets. The 45/55 portfolio targets a 45% long term allocation to equities and 55% in all other asset classes – the actual portfolio allocation at any point in time will fluctuate to reflect prevailing investment opportunities.

## ESG APPROACH

The ESG range will prioritise consistency with the Credo MAP philosophy. ESG aware strategies that are deemed to be a suitable substitute for the unconstrained exposures in core MAP are included in MAP ESG. The wide-ranging and subjective nature of ESG investing leads to significant variation in ESG assessment - in line with MAP's focus on diversification, MAP ESG looks to diversify idiosyncratic risks between ESG assessors where appropriate.

## WEIGHTED AVERAGE CARBON INTENSITY[2]



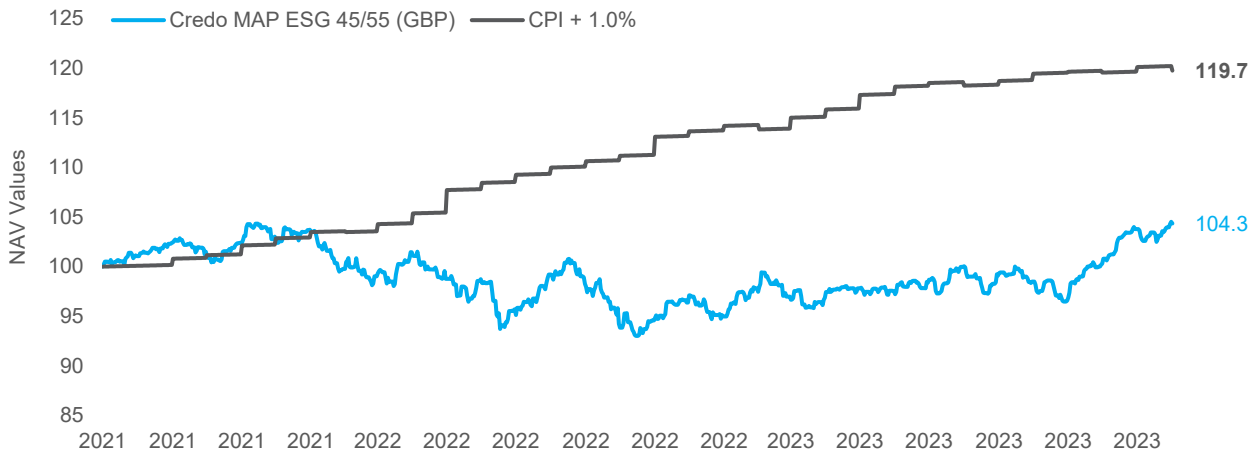

## PORTFOLIO PERFORMANCE (GBP)[1]

| Return (%) | S.Inception | 1 Year | 3 Months | 1 Month | YTD |
|---|---|---|---|---|---|
| **Multi Asset – 45/55** | 1.7 | 6.6 | 7.7 | 0.6 | 0.6 |
| **CPI + 1.0%** | 7.2 | 5.2 | 0.1 | -0.3 | -0.3 |
| **Relative** | -5.5 | 1.3 | 7.6 | 0.9 | 0.9 |

## MARKET COMMENTARY

Following a strong end to 2023 global markets delivered mixed performances for January. Over the month, the DJIA, S&P 500, NASDAQ and Euro STOXX 50 all experienced positive returns of 1.3%, 1.7%, 1.0% and 3.0%, respectively and measured in their local currencies. The S&P 500 reached all-time highs as positive economic data and receding inflation supported investor optimism. In contrast, the FTSE 100 posted a negative return of -1.3% due to weaker economic data. In fixed income markets, yields on US, UK and German 10-year bonds rose by 3.3, 25.7, and 14.2 basis points, respectively, and mainly driven by central banks striking a less dovish tone in respect of rate cuts expected in 2024. Brent Crude oil was up 5.4% over the month as the ongoing conflict in the Middle East caused disruptions in the Suez Canal. The pound fell by 0.1% against the US dollar and rose by 1.6% against the euro.

## PERFORMANCE SINCE INCEPTION[3]



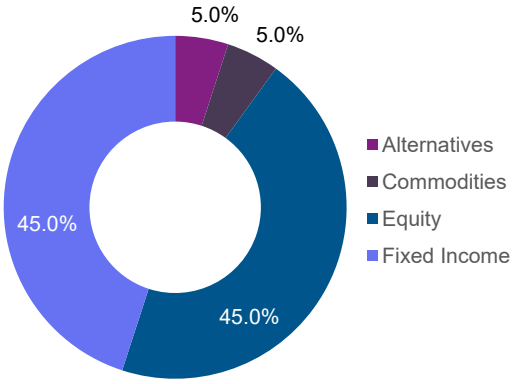
# Multi-Asset Portfolio ESG – 45/55 (GBP)

January 2024

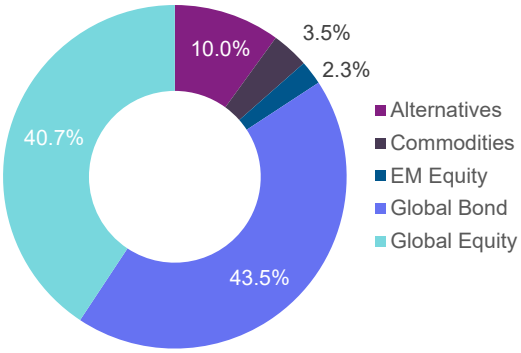
## SAMPLE HOLDINGS

| | TER (%) | Weight (%) |
|---|---|---|
| Vaneck Sustainable World Equal Weight | 0.20 | 9.4 |
| L&G Multi-Strategy Enhanced Commodities | 0.30 | 3.5 |
| iShares Global Agg ESG Bond Hedged | 0.10 | 19.9 |
| L&G Global Equity | 0.10 | 8.6 |
| Dimensional Global Sustainability Core Fixed Income | 0.28 | 14.6 |
| **Total** | | **55.9** |

## STRATEGIC ASSET ALLOCATION




## FUND ALLOCATION

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*(1) Performance figures are based on a notional portfolio, denominated in pound sterling, designed to track the holdings of the Credo Multi-Asset 45/55 Portfolio. Portfolio incorporates all additions and removals. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Performance is calculated before any Credo fees (which can vary depending on the level of service) but after all underlying fund costs. Inception date: 30/06/2021.*

*(2) CPI measured by CPI including owner occupiers' housing costs, not seasonally adjusted (CPIH).*

*(3) Source: Bloomberg pricing as of 29/12/2023 close. All portfolio performance is calculated using Bloomberg PORT.*

# Multi-Asset Portfolio ESG – 45/55 (USD)

January 2024

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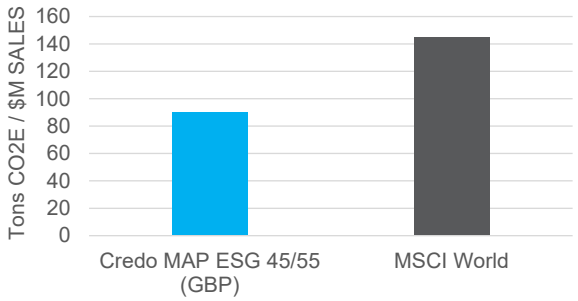


## PORTFOLIO PERFORMANCE (USD)[1]

| Return (%) | S.Inception | 1 Year | 3 Months | 1 Month | YTD |
|---|---|---|---|---|---|
| **Multi Asset – 45/55** | 0.7 | 8.4 | 9.9 | 0.4 | 0.4 |
| **CPI + 1.0%** | 6.1 | 4.1 | 0.5 | 0.6 | 0.6 |
| **Relative** | -5.3 | 4.3 | 9.4 | -0.2 | -0.2 |

## MARKET COMMENTARY

Following a strong end to 2023 global markets delivered mixed performances for January. Over the month, the DJIA, S&P 500, NASDAQ and Euro STOXX 50 all experienced positive returns of 1.3%, 1.7%, 1.0% and 3.0%, respectively and measured in their local currencies. The S&P 500 reached all-time highs as positive economic data and receding inflation supported investor optimism. In contrast, the FTSE 100 posted a negative return of -1.3% due to weaker economic data. In fixed income markets, yields on US, UK and German 10-year bonds rose by 3.3, 25.7, and 14.2 basis points, respectively, and mainly driven by central banks striking a less dovish tone in respect of rate cuts expected in 2024. Brent Crude oil was up 5.4% over the month as the ongoing conflict in the Middle East caused disruptions in the Suez Canal. The pound fell by 0.1% against the US dollar and rose by 1.6% against the euro.

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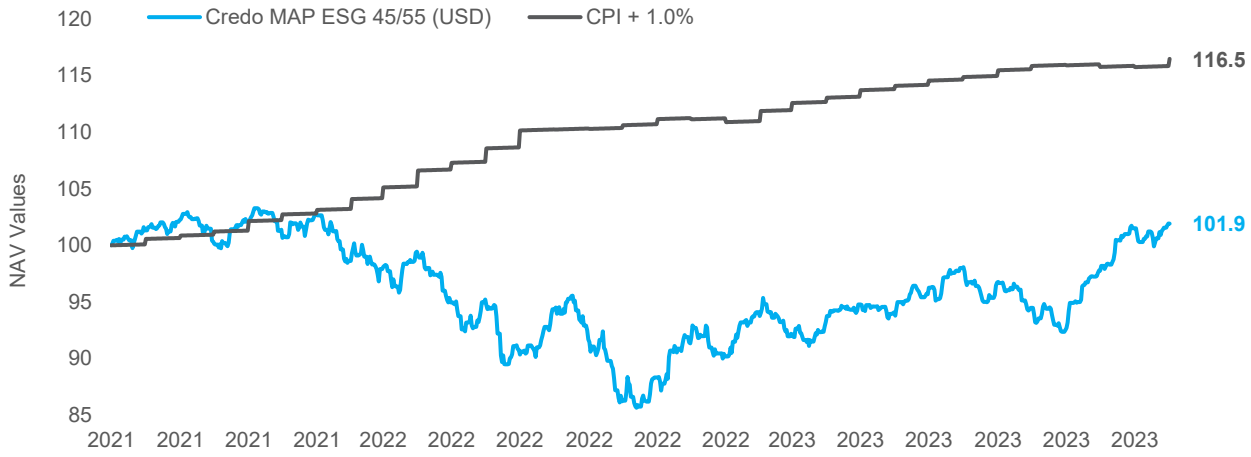

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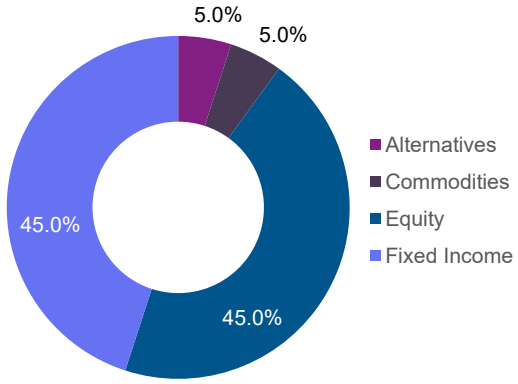
| L&G Global Equity | 0.10 | 8.6 |
| Dimensional Global Sustainability Core Fixed Income | 0.28 | 14.6 |
| **Total** | | **56.0** |

## STRATEGIC ASSET ALLOCATION

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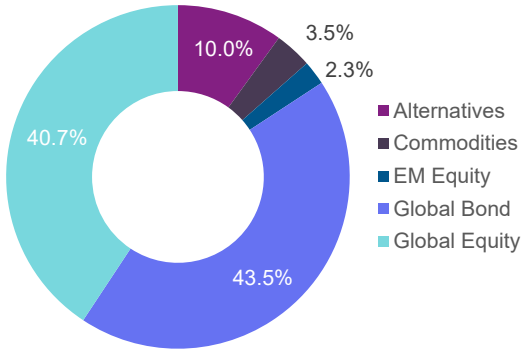


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