31 December 2023	Octagon Global Cautious

Fund Details

Currency	GBP(£)
Risk profile	Cautious
Investment period	5 years
Launch date	01 August 2013

Fund Objectives

The investment objective of the Fund is to provide capital growth through low levels of exposure to equity markets over a market cycle. This Fund is suitable for investors who require low capital growth over a 5-year or longer timeframe. Equity exposure limited to 50%.

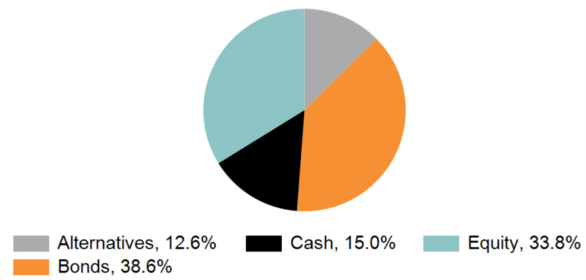
Holdings as at Month End

Holdings as at Month End	%
Cash	
Ninety One GSF Sterling Money I Acc GBP	15.00
European Funds	
Allianz Continental European	1.00
Man GLG Continental European Growth	1.00
Polar Capital European Ex UK	1.80
Corporate Bond Funds	
Allianz Strategic Bond I Acc	6.00
Hermes Global High Yield Credit	2.70
Jupiter Strategic Bond	5.00
Ninety One Global Total Return Credit K GBP Acc	4.00
Vontobel - TwentyFour Absolute Return Credit	8.90
Global Emerging Markets Funds	
Aubrey Global Emerging Markets Opportunities	1.20
Fidelity Fast Emerging Markets	1.20
Pacific North of South EM All Cap Equity	1.70
Japanese Funds	
Baillie Gifford Japanese	1.90
North American Funds	
Brown Advisory Beutel Goodman U.S. Value	3.00
Brown Advisory US Mid Cap Growth B GBP Acc	2.00
Dodge & Cox Worldwide - U.S Stock	3.00
Fidelity Funds - American Special Situations Fund	0.80
Granahan US Focused Growth	0.80
Legg Mason ClearBridge US Equity Sustainability Leaders	1.40
Loomis Sayles U.S. Growth Equity	3.00
M&G North American Dividend	2.00
Polen Capital Focus US Growth	3.00
UK Equity Funds	
Franklin UK Managers Focus	0.40
Invesco UK Opportunities	0.40
Schroder Recovery	0.80
Govt Bond Fund	
iShares GiltTrak Index	12.00
Alternative Funds	
Legg Mason Western Asset Macro Opportunities Bond	3.60
Protea ECO Advisors ESG Absolute Return	5.00
Sanlam Multi Strategy Fund	4.00
Global Equity Fund	
Sanlam Real Assets	2.50
Developed Asia ex Japan Funds	
Schroder ISF Asian Total Return	0.90

Key Information

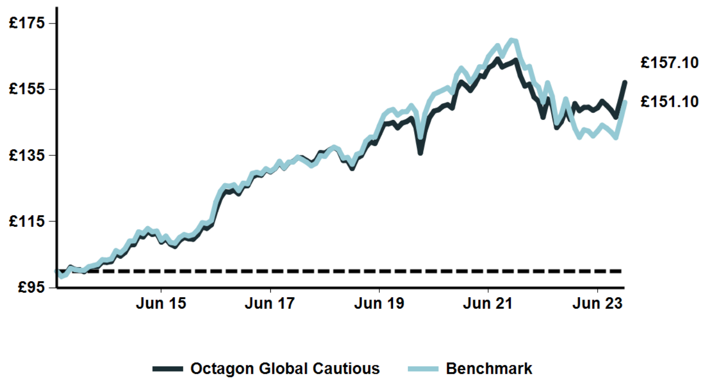
Key Information	%
Benchmark	
MSCI AC World	35.00
Barclays Global Aggregate UK Government Bond Index	25.00
Barclays Global Aggregate Corporate Bond Index GBP Hedged	25.00
GBP Cash	15.00
Fees (incl. VAT)	
Annual Wrap fee	0.46
Underlying Manager TER's	0.60

Global Asset Allocation



Cumulative performance since launch*

Growth of £100 investment



Performance (%)	Fund*	Benchmark
1 Month	3.64	3.87
3 Months	5.63	6.37
6 Months	5.13	6.12
YTD	7.70	2.38
1 Year	7.70	2.38
2 Years (annualised)	-2.08	-5.61
3 Years (annualised)	-0.03	-2.18
5 Years (annualised)	3.69	2.69
Since Launch (annualised)	4.43	4.04

Risk statistics (since launch)	Fund*	Benchmark
Returns (annualised)	4.43%	4.04%
Standard deviation (annualised)	5.70%	6.11%
% Positive months	60.80%	60.00%
Maximum drawdown	-12.66%	-17.36%
Sharpe ratio	0.43	0.34

* The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and does not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. The information contained in this document has been recorded and arrived at by Octagon Asset Managers (Pty) Ltd (FSP) Licence No. 45236 in good faith and from sources believed to be reliable, but no representation or warranty, expressed or implied, is made as to the accuracy, completeness or correctness. Performance figures are calculated using net returns (after-fee) of underlying managers but are quoted gross of wrap fund fee. Performance figures for periods greater than 12 months are annualised. All data shown is at the month end. Changes in currency rates of exchange may cause the value of your investment to fluctuate. Past performance is not necessarily a guide to the future returns. The value of investments and the income from them may go down as well as up and are not guaranteed. You may not get back the amount you invest.

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Commentary

Market Review

In December, global equities rose alongside government bonds due to signs of continuing softening inflation and ongoing economic resilience. The December announcement from the U.S. Federal Reserve (“the Fed”), that interest rates would remain unchanged for the time being, alongside other dovish post-meeting comments from Fed Chairman Powell, helped lower bond yields and drive equities higher at year-end. The market was pricing in approximately 70bps of cuts from the Fed in 2024 at the end of October, but by the end of December this had moved to approximately 160bps of cuts, with similar moves in market expectations for both the European Central Bank and the Bank of England. Over December, the U.S. 10-year Treasury yield fell 45 basis points (bps) to 3.88%. The German 10-year Bund yield fell 42 bps to 2.02% and the U.K. 10-year Gilt yield fell 64 bps to 3.54%. In Japan, the 10-year JGB yield fell by a more modest 6 bps to 0.61% as the Bank of Japan weighed a potential exit to its accommodative monetary policy. These were all in their base currency.

U.S. economic momentum continued accelerating after November’s robust core retail sales and industrial production prints, as U.S. employers both hired more workers than expected and raised wages in December. In addition, there was an acceleration in real personal spending. Declining inflation prints through the last quarter of the year, in the face of growth data that remained above expectation, helped build the narrative that developed market central banks might actually engineer a soft landing.

In the U.S., investors poured $14.6 billion into U.S. equity funds, the largest inflow since June. While the so-called Magnificent Seven large-cap tech stocks accounted for nearly two-thirds of the S&P 500’s gain, other segments also enjoyed a strong finish to the year. The Dow Jones Industrial Index hit a new all-time high and U.S. small-cap equities entered a bull market as the Russell 2000 index posted strong positive performance. European equities also rose in December and finished the year with strong positive performance, led by the technology and retail sectors. Despite modest gains in December, Japanese equities posted their best annual performance in a decade, finishing the year solidly higher.

The MSCI World Index ended up 4.2% for the month and 16.8% for the calendar year in GBP terms. Emerging Market (EM) equities underperformed their Developed Market (DM) counterparts by 1.0%. The MSCI EM index posted a return of 3.2% for December and 3.63% for the year in Sterling.

The Bloomberg Global Bond Aggregate Index achieved a return of 3.4% for the month and -0.25% for 2023.

Property, as measured by the EPRA/NAREIT Developed Markets Property Index, rallied strongly to produce a return of 8.7% for the month and 3.5% for the full year.

Positioning and Outlook

While resilient economic conditions and easing price pressures could continue to boost the performance of financial markets over the near term, investors’ expectations of a soft landing are such that there is little room for disappointment, and risky assets may face downside pressure over the coming year if recession fears become more prevalent. Furthermore, with developed market central banks poised to ease, the market will continue to remain laser focused on any data that will guide towards that first cut, and the ongoing strength of the labour market may put some pressure on the Fed to keep financial conditions tighter, which would also disappoint the market.

We therefore currently maintain a balanced and broadly neutral stance to growth assets (such as equities and property), but with a more defensive bias. Similarly, while we retain a neutral approach to fixed income, we recognize that the risks and rewards for duration assets are finely balanced, and a dynamic and flexible attitude is warranted.