

# MPS - USD Balanced Strategy

August 2023



## Investment Objective

The **objective** of the AHR model portfolios is to provide broadly diversified efficient portfolios that maximise returns over the long term for different levels risk benchmarked against asset risk consultants peer group.

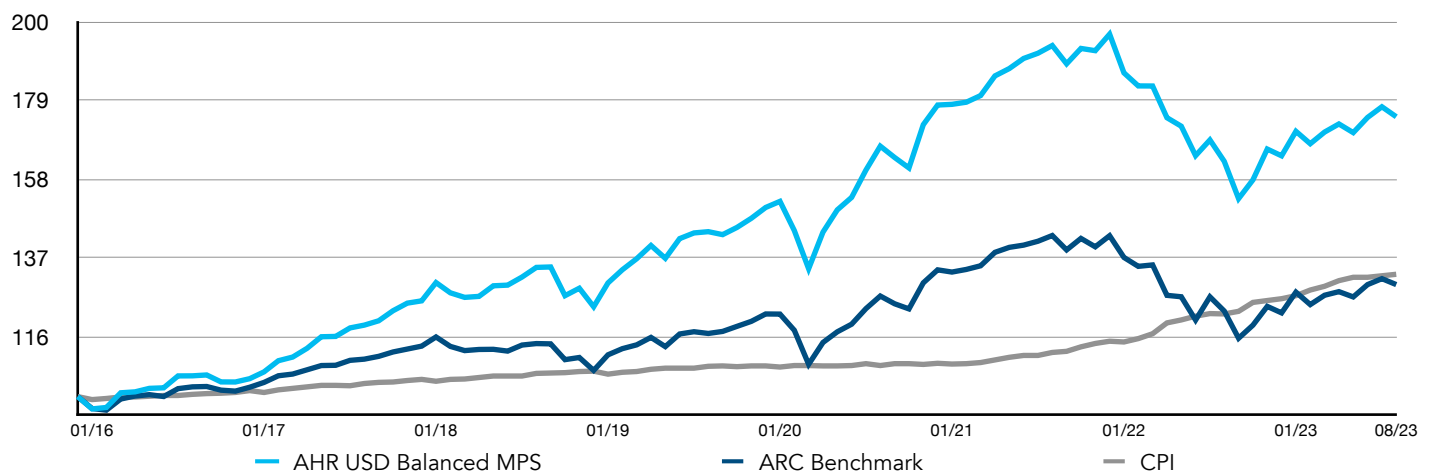
The **strategy** uses a Core-Satellite model utilising a combination of passive & active investment strategies, with a best in class allocation.

This **approach** is for clients with a medium-long term investment horizon where there is need for a portfolio diversified across multiple asset classes and geographies.

## Key Information

<b>Launch Date:</b>	January 2016
<b>OCF:</b>	0.73%
<b>Oversight:</b>	AHR Investment Committee
<b>Asset Class:</b>	Multi Asset
<b>Core Manager:</b>	LGT
<b>Liquidity:</b>	Daily
<b>Currency:</b>	USD

## Balanced Portfolio Performance



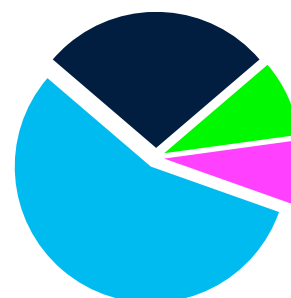
	1m	3m	6m	YTD	1 yr	3 yr	5 y
Portfolio	-1.50	2.48	5.02	7.03	6.93	4.53	29.66
ARC Benchmark	-1.20	2.54	4.03	6.15	5.40	2.41	13.78

## Month by Month Portfolio Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
2023	3.98	-1.94	1.85	1.27	-1.33	2.38	1.63	-1.50				
2022	-5.25	-1.87	-0.01	-4.62	-1.30	-4.56	2.55	-3.39	-6.10	3.27	5.20	-1.08
2021	0.10	0.32	0.99	2.91	1.06	1.43	0.64	1.07	-2.52	2.17	-0.31	2.29
2020	1.08	-5.11	-7.05	7.27	4.13	2.22	4.76	3.97	-1.81	-1.70	7.17	3.03
2019	5.13	2.69	2.20	2.59	-2.44	3.84	1.07	0.23	-0.55	1.34	1.68	1.95
2018	3.88	-2.10	-0.95	0.21	2.23	0.14	1.66	1.95	0.09	-5.69	1.56	-3.84
2017	1.73	2.79	0.89	2.10	2.74	0.08	1.95	0.63	0.97	2.23	1.65	0.49
2016		0.39	4.03	0.25	0.92	0.14	3.10	0.02	0.22	-1.75	-0.02	0.85

## Asset Allocation

◆ Equity:	55.90%
◆ Fixed Income:	27.50%
◆ Alternative:	9.10%
◆ Cash:	7.60%



## Current Holdings

WMP Core Cautious	42.00%
WMP Satellite Equity	28.00%
WMP Core Balanced	25.00%
Cash USD	5.00%

## Investment Outlook

Despite the pessimism surrounding equity markets coming into 2023, markets have staged a significant rally for the first half of the year. Much of the equity returns have been dominated by mega cap growth names, with the NASDAQ recording its best first half of the year in 40 years as it rose 32%. What has seemingly helped many of these names is the belief that we may well be towards the end of the US Federal Reserve's rate hiking cycle, with the latest comments suggesting that at best there may be two small additional hikes to come before the year end which will signal the end of the current cycle. Market expectations of more stable and potentially lower rates moving forward has been supportive of growth valuations, which along with euphoria around the potential business application of artificial intelligence has propelled equity markets higher for H1 2023.

Whilst the rally so far this year has been a welcome relief for investors, we would advise caution moving into the second half of the year. Whilst the impact of aggressive rate rises has yet to take a toll on economies significantly, if history is anything to go by then it inevitably will and is perhaps a matter of when rather than if. With this in mind, we would suggest that investors continue to focus on quality and maintain a disciplined approach whilst avoiding the hysteria that may continue in certain areas of the stock market.