Live Pulse Webinar

Unlocking the future...

Presented by:

Nathan Sweeney
Marlborough

novia global

Agenda

Market Update

Current topics

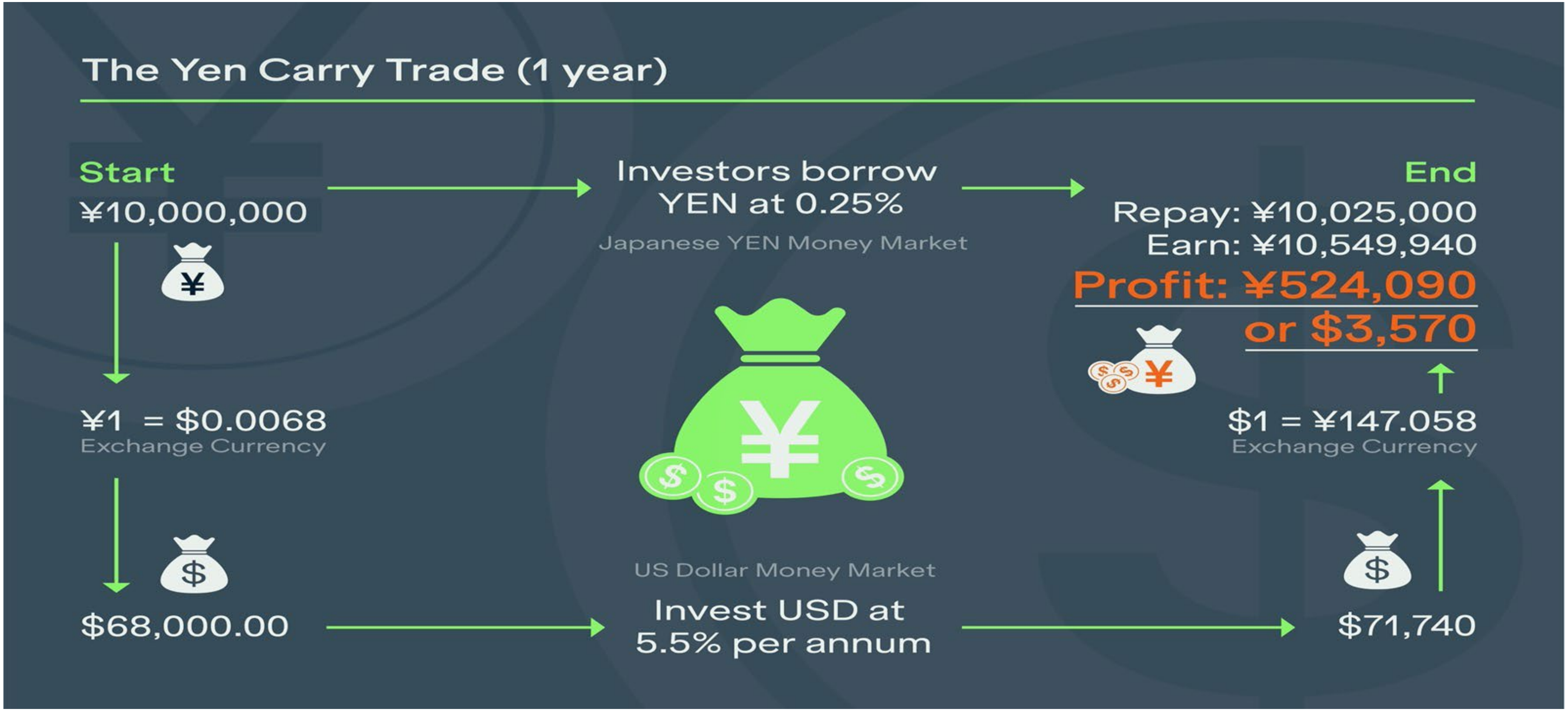
01.
Market timing reminder

02.
The Fed keeps things smooth

03.
US election ahead. The certainty of uncertainty

How the carry trade and China's stimulus provides a timely reminder of the folly of timing the market.

Japanese markets see the biggest fall since 1987- Yen carry trade explained



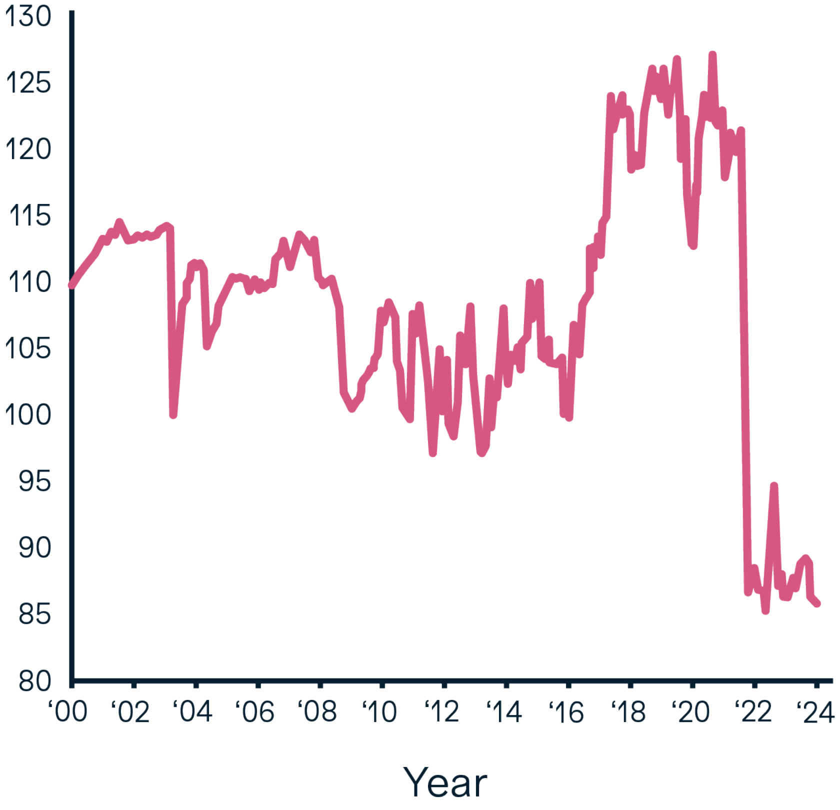
Source: Marlborough Multi-Asset Team

Marlborough

China unleashes wave of stimulus, sending Chinese stock soaring

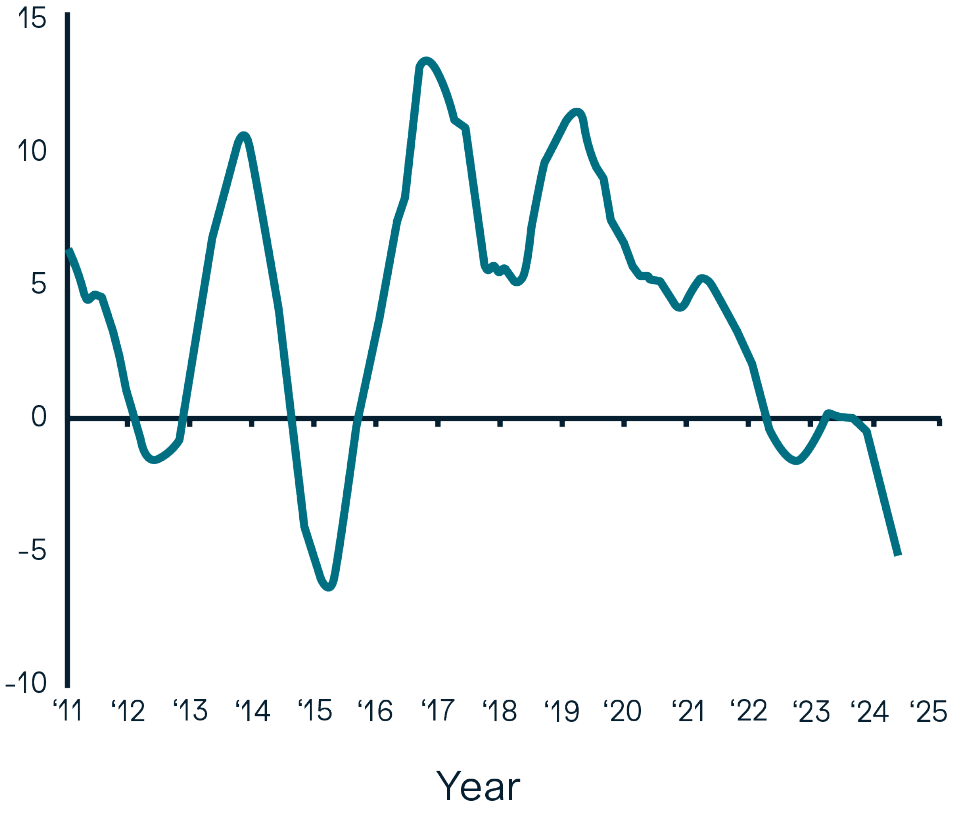
Chinese consumer confidence

Index Level



China new residential property prices

% Change Year On Year



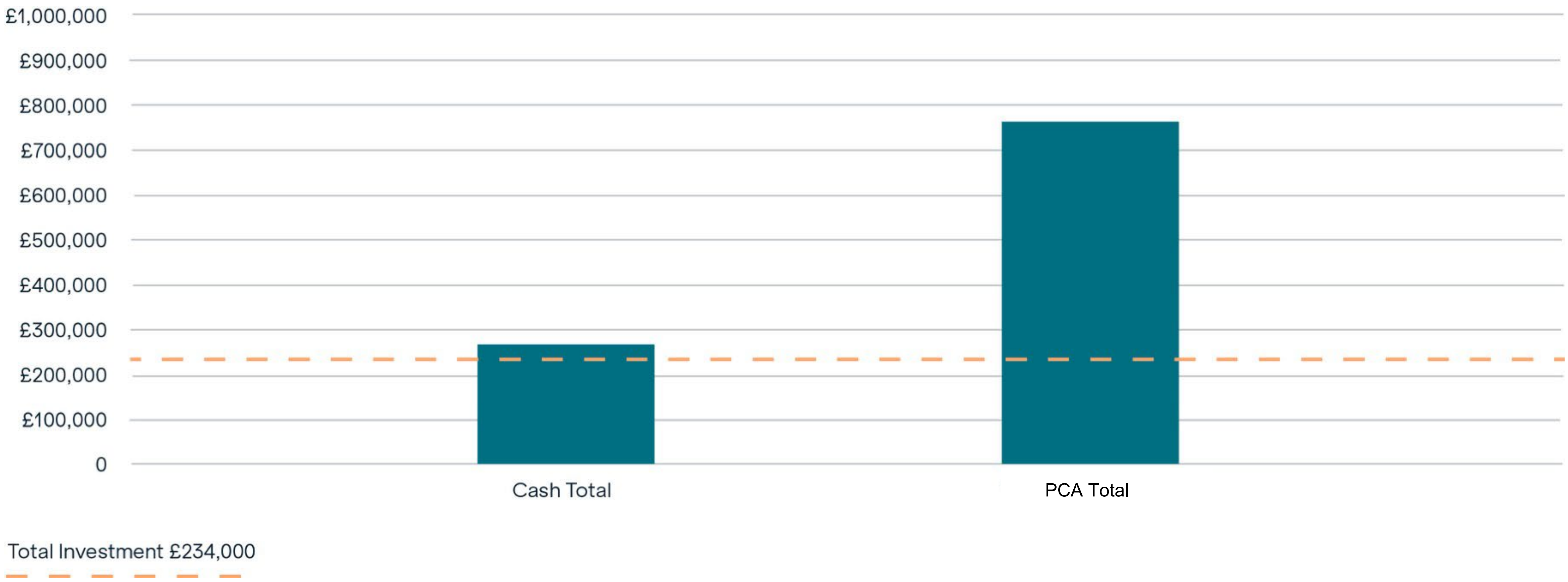
Composition of household assets	% of total
Property	63%
Cash & deposits	25%
Equity & mutual funds	4%
Pension & insurance	4%
Other assets	5%

> PBOC looks to restore confidence in the consumer and the housing market.

Source: Marlborough Multi-Asset Team, JPM

Timing the market v's pound cost average (PCA) returns

Returns from investing £12,000 a year in the MSCI World Index over nearly 20 years

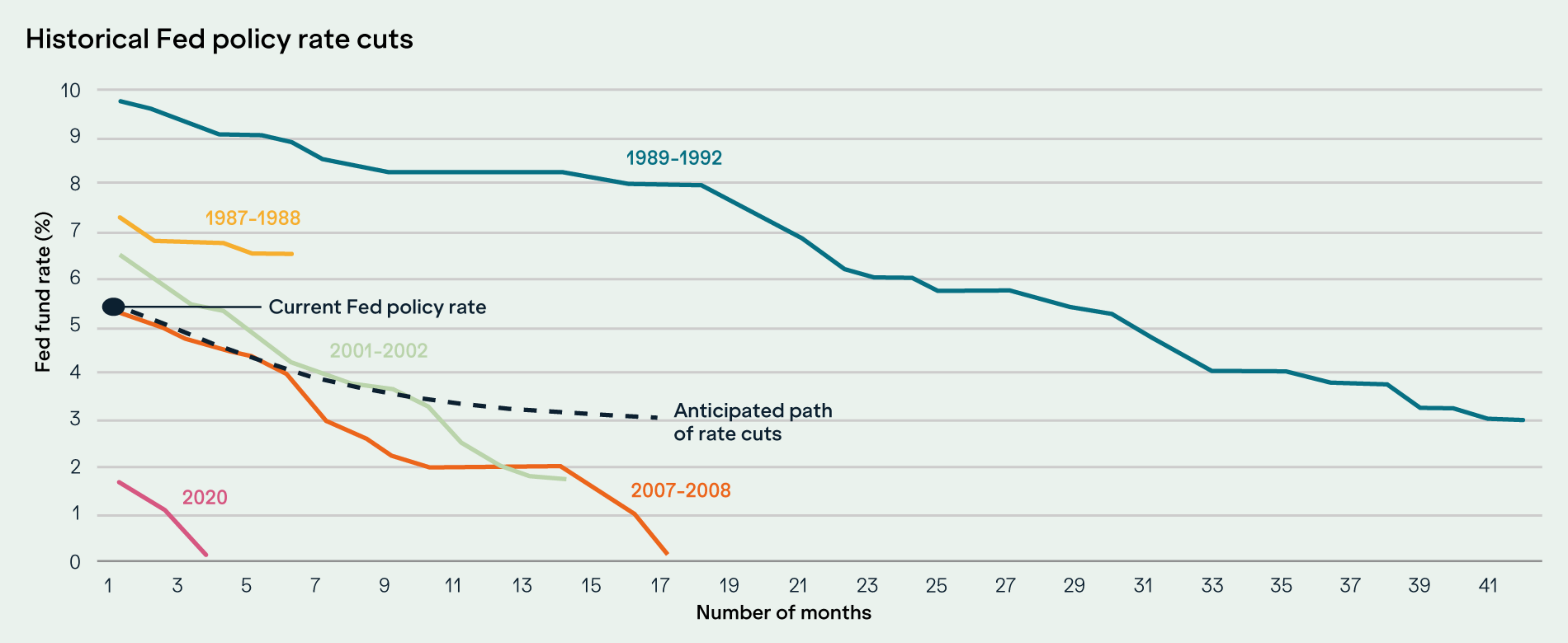


Data as at: 03/01/05 – 28/06/24. Source: Bloomberg

Not too fast, not too slow, the Fed keeps things smooth

Marlborough

With inflation normalising, interest rate cuts are underway

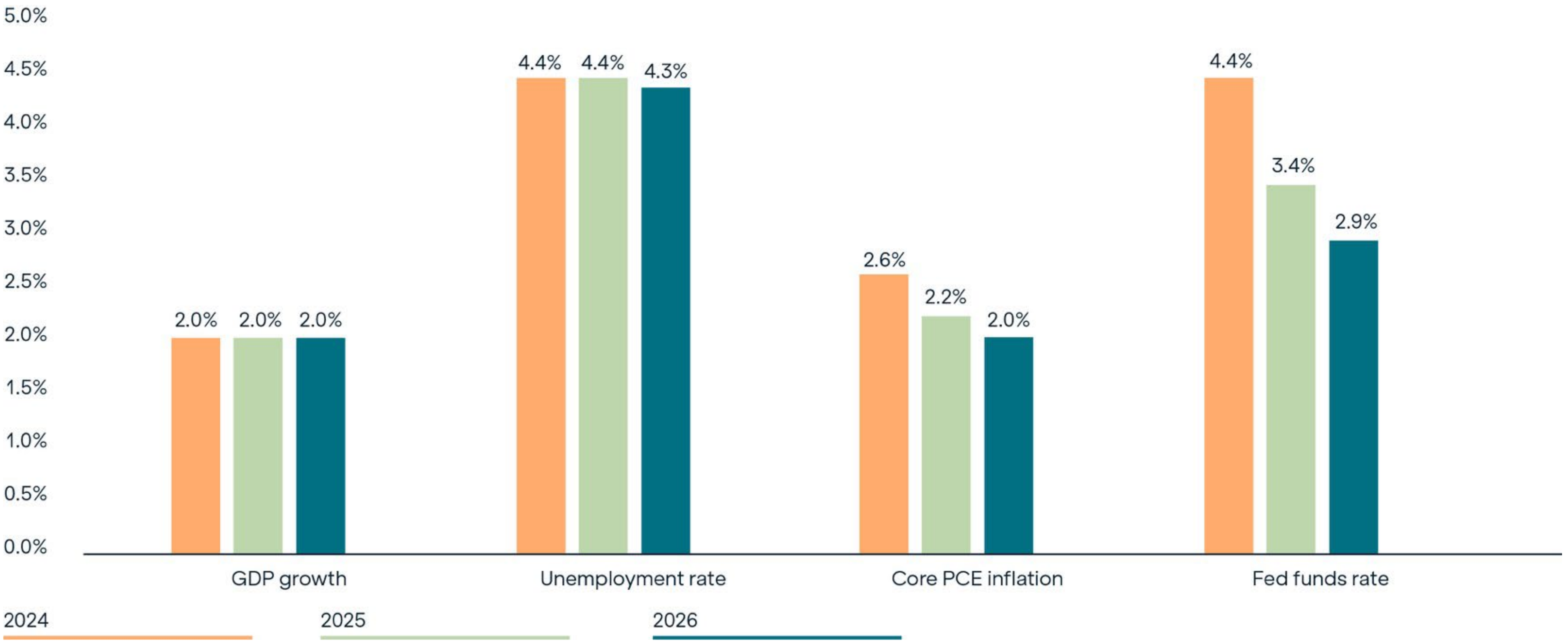


> We expect to see a gradual reduction in interest rates over time.

Source: Marlborough, Bloomberg and Edward Jones.

Marlborough

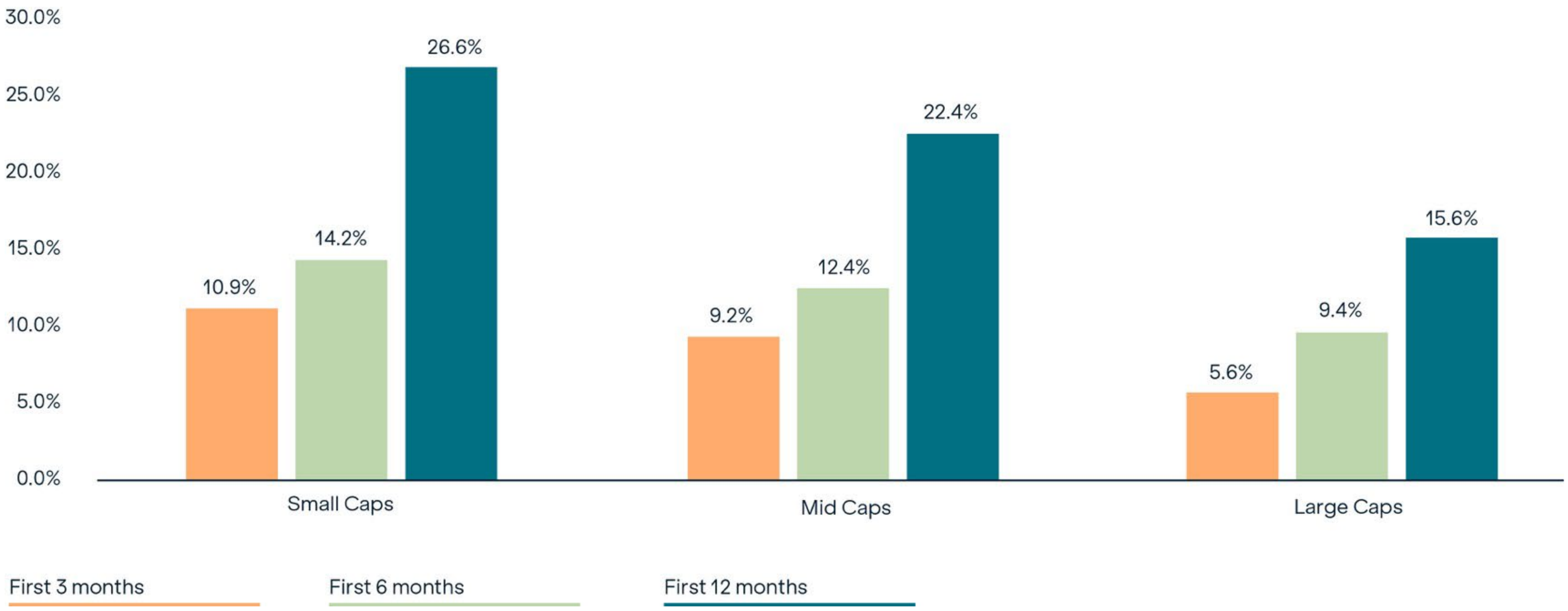
The Fed's attention shifts from inflation control to economic stability



> 0.5% interest rate to unpin growth and not stave off an oncoming recession.

Source: Marlborough Multi-Asset Team, FOMC

Equity performance following Fed rate cuts



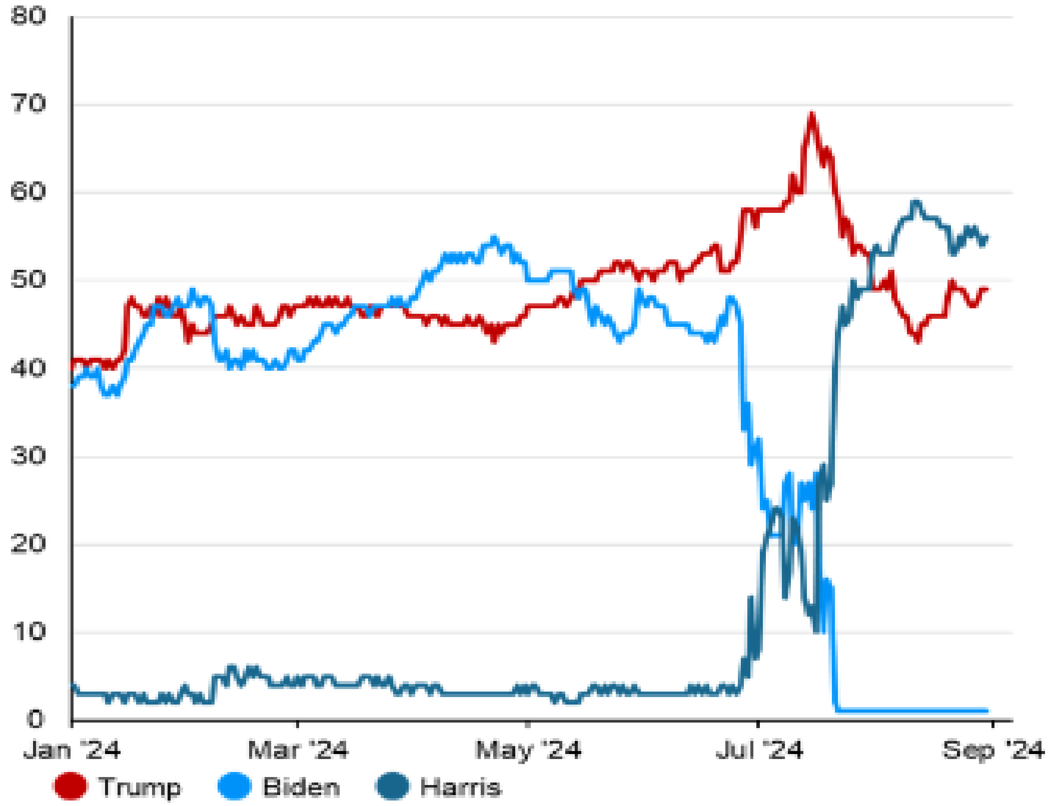
Source: Jefferies using Federal Reserve Board, Haver Analytics, Centre for Research in Securities Prices (CRSP), and the University of Chicago Booth School of Business. Note: used fed funds rate from 1954 until 1963, then used discount rate from 1963 until 1994 and the fed fund rates after that. Market caps defined by CRSP based on placing market caps into deciles. Deciles 1 and 2 are large and 6 through 8 are small.

Can the uncertainty of the US election and the potential for regional war in the Middle East destabilise markets?

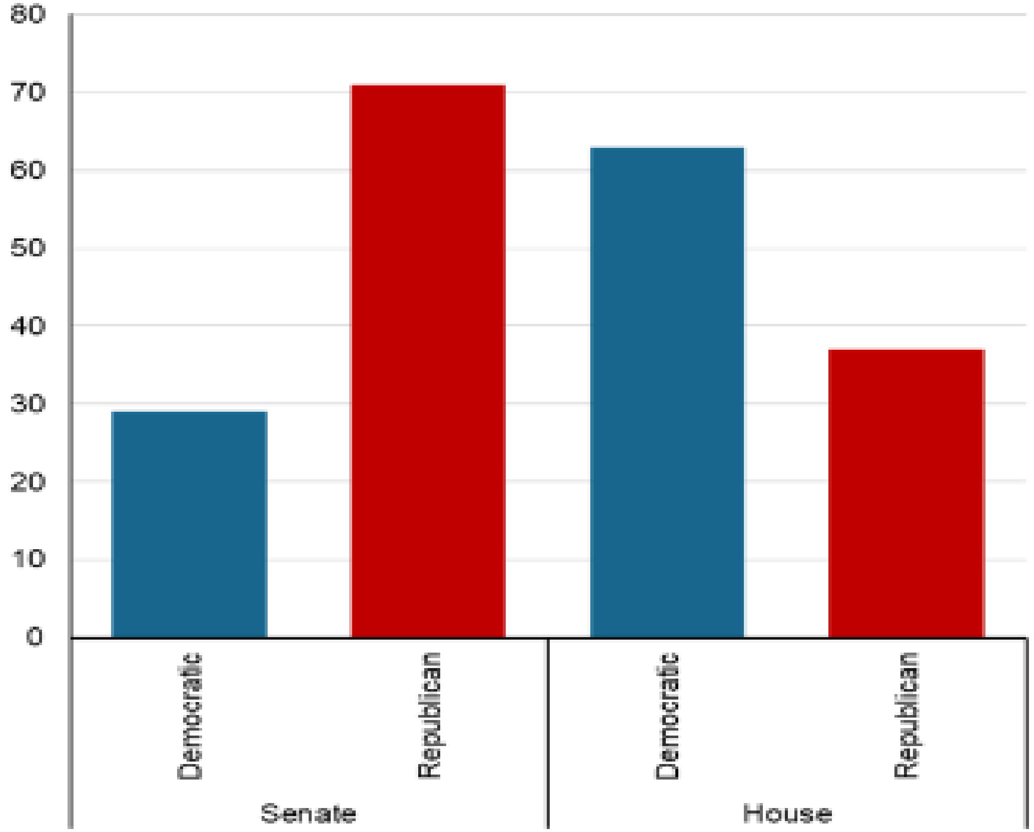
Marlborough

The US election brings uncertainty to investors and corporates

Market-implied probabilities for the 2024 presidential election winner
% likelihood



Market-implied probabilities for control of Congress
% likelihood



> the increasing certainty of not being able to enact big policies reduces risk

Source: Marlborough Multi-Asset Team, JPM

Market leadership is shifting as the cutting cycle begins

Marlborough

Q3 returns show changing tide

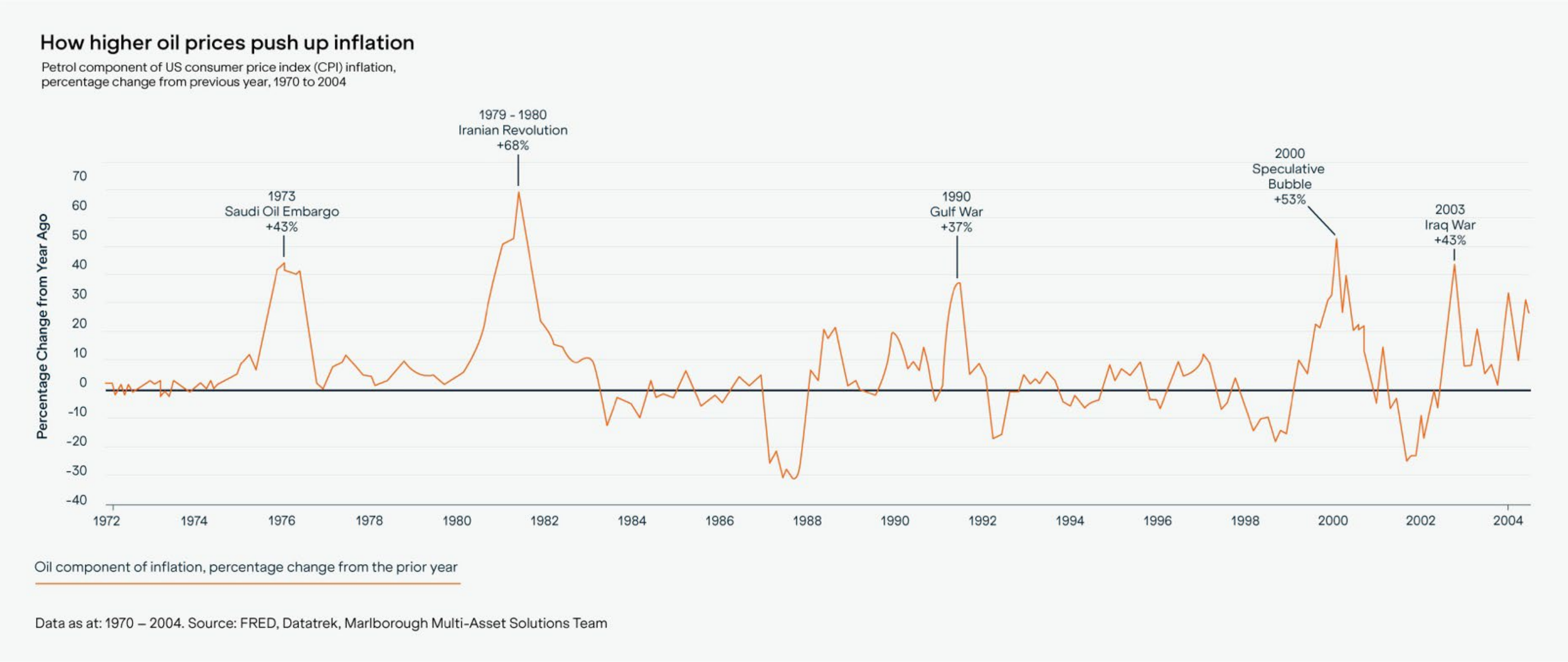
- > Tax cuts
- > Deregulation
- > Increased tariffs
- > Domestic energy independence with fossil fuels

- > Universal healthcare
- > Investment in green energy
- > Increased taxation of wealthy individuals
- > Tax credits for small business and children

Source: Investing.com and Genuine Impact .

Marlborough

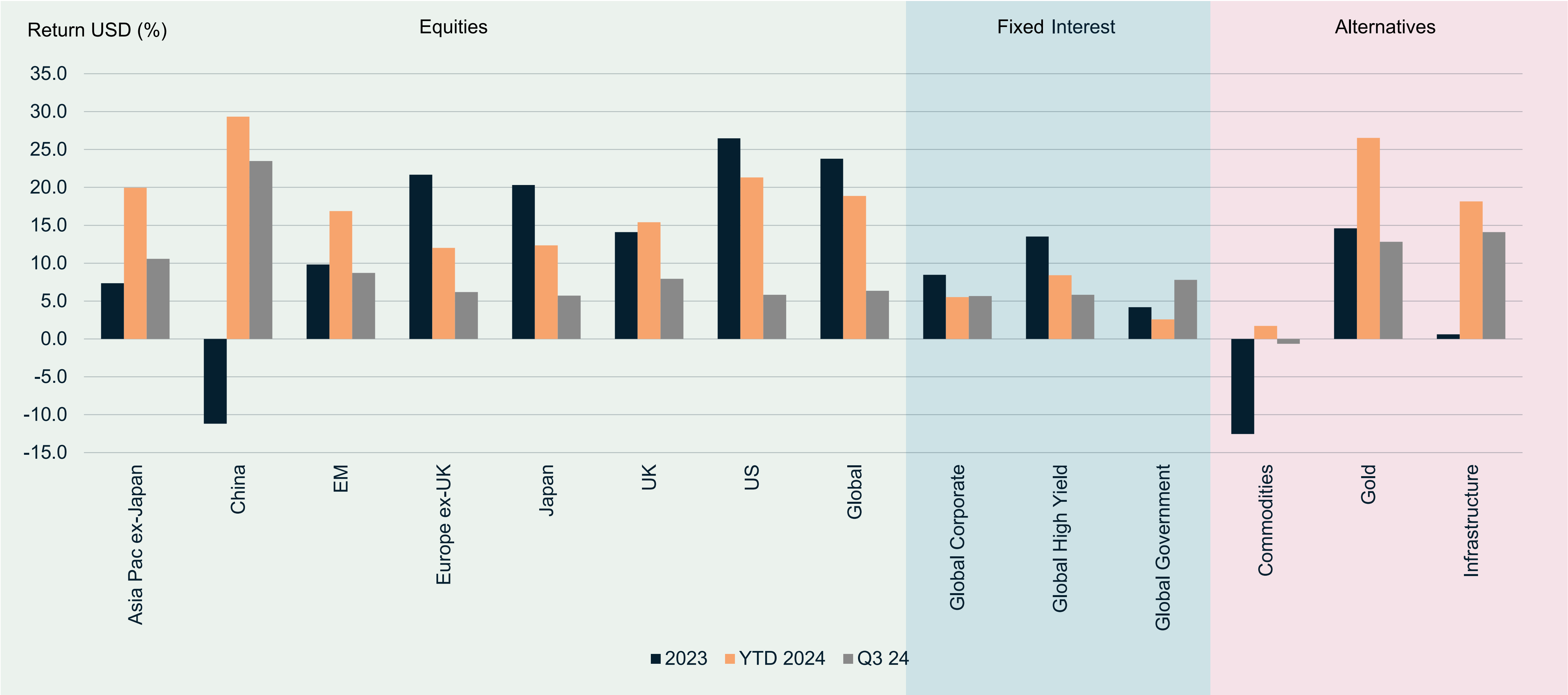
Middle East tensions continue to rise increasing the potential for all-out war



> Markets will look to the implications for the oil price and inflation

Current View

Market performance over Q3 | YTD vs 2023



Data as at: 30/09/2024. Source: Morningstar, GBP returns. Past performance is not a reliable indicator of future performance.

Tactical asset allocation views | September 2024

Sector	Weighting	Investment team views
Equities	NEUTRAL	• With interest rates falling in many developed markets, we expect to see equities delivering a more broad-based recovery for the remainder of 2024 as opposed to being dominated by profitable technology companies.
Bonds	OVERWEIGHT	• Bonds are now providing an attractive level of income for investors. • With central banks gradually cutting interest rates, we expect improved performance from bonds and returns above cash.
Cash	UNDERWEIGHT	• Cash has offered an attractive yield, but the return on cash will diminish with interest rate cuts underway. • As a result, we see better opportunities in government bonds.

KEY

- Underweight
- Neutral
- Overweight
- Previous position (if changed)

WEIGHTING DEFINITIONS

Underweight (UW)
This means we have taken a shorter-term tactical decision to reduce our investment holdings in this asset class. We are 'underweight' or below our planned long-term level of exposure.

Neutral (N)
This means our holdings in this asset class are in line with the level we would plan to hold for the long term, which is known as our strategic asset allocation.

Overweight (OW)
This means we have taken a shorter-term tactical decision to increase our investment holdings in this asset class. We are 'overweight' or above our planned long-term level of exposure.

Data as at: 31/08/24. Source: Marlborough Multi-Asset Team.

Main asset classes | September 2024

Underweight | Neutral | Overweight | Previous position (if changed)

Region / Sector	UW	N	OW	Investment Team Views
Equities		N		With interest rates falling in many developed markets, we expect to see equities delivering a more broad-based recovery for the remainder of 2024 as opposed to being dominated by profitable technology companies.
Fixed Income			OW	Bonds are now providing an attractive level of income for investors. With central banks gradually cutting interest rates, we expect improved performance from bonds, and returns above cash.
Duration		→	OW	Overall duration positioning is neutral, combining both shorter-dated and longer-dated bonds. With shorter-dated bonds benefiting from attractive yields due to higher interest rates, and the longer-dated set to benefit from interest rate cuts.
Cash	UW			Cash has offered an attractive yield, but the return on cash will diminish with interest rate cuts underway. As a result, we see better opportunities in government bonds.
US		N		Data suggests the US economy may be slowing, as a result, we expect interest rate cuts in September. Therefore, expect to see equities delivering a more broad-based recovery as opposed to being dominated by profitable technology companies.
UK		→	OW	We are overweight UK equities as valuations remain attractive. Additionally, growth data has been improving, inflation has reached its 2% target and interest rate cuts have begun. We expect interest rate cuts to benefit smaller companies.
Europe		N		GDP Growth data has been improving and inflation edges closer to its 2% target. Valuations are fair and after a prolonged period of negative fund flows, 2024 has seen this flattening with some positive flows. However, manufacturing data continues to be sluggish.
Japan		N		Economic growth has improved, and inflation has fallen significantly since its peak. However, the slowdown in manufacturing is a concern. Additionally, fund flows have been negative for a prolonged period, although they have recently turned positive.
Asia Pacific		N		Some economies are expected to slow but export orientated economies will likely benefit as financial conditions begin to loosen. On the other hand, valuations are attractive.
Emerging Markets		N		We have seen a slight improvement in the Chinese economy but there are still issues in the property sector. Valuations are attractive but growth is expected to slow in EM in the coming quarters. Latin America continues to be the stronger region.
UK Gilts			OW	We see attractive opportunities in UK government bonds as inflation staiblies at lower levels and the Bank of England gradually reduces interest rates.
Global Government		N		The interest rate cutting cycle has started in global markets with the ECB the first major central bank to cut rates. We expect the Federal Reserve to begin cutting interest rates in September, which will add additional support to government bonds.
UK Investment Grade		N		With interest rates falling, corporate borrowers have a positive backdrop, although credit spreads remain tight.
Global Investment Grade		N		With the Federal Reserve expected to cut interest rates in September, we are constructive about the outlook for good-quality corporate bond issuers. Although similar to the UK, credit spreads remain tight.
High Yield	UW			Spreads on high yield are tight and don't provide the necessary compensation versus investment grade. Defaults have started to increase but at a slow pace. A large proportion of companies must refinance their debt at higher rates and this may add pressure.
Emerging Market Debt		N		Falling US interest rates provide a positive backdrop for Emerging Market Debt, although concerns about economic conditions remain.
Property / Infrastructure		→	OW	The infrastructure sector is sensitive to interest rates. With interest rates cut underway, we moved to overweight in August 2024, expecting a rebound in the sector, which has lagged since interest rate rises began.
Commodities		N		Gold and other precious metals are often negatively correlated to equities and bonds. With heightened geopolitical tensions, gold provides further diversification within portfolios where we can easily access this asset class.
Absolute Return	UW			We are underweight absolute return as we currently see better opportunities within equities and bonds.

Summary

- Our central scenario suggests a modest, albeit not significant, slowdown in economic growth, with declining inflation leading to interest rate reductions. This sets the stage for government bonds to outshine cash, while we anticipate a broader recovery in equities, moving away from the dominance of profitable technology firms.

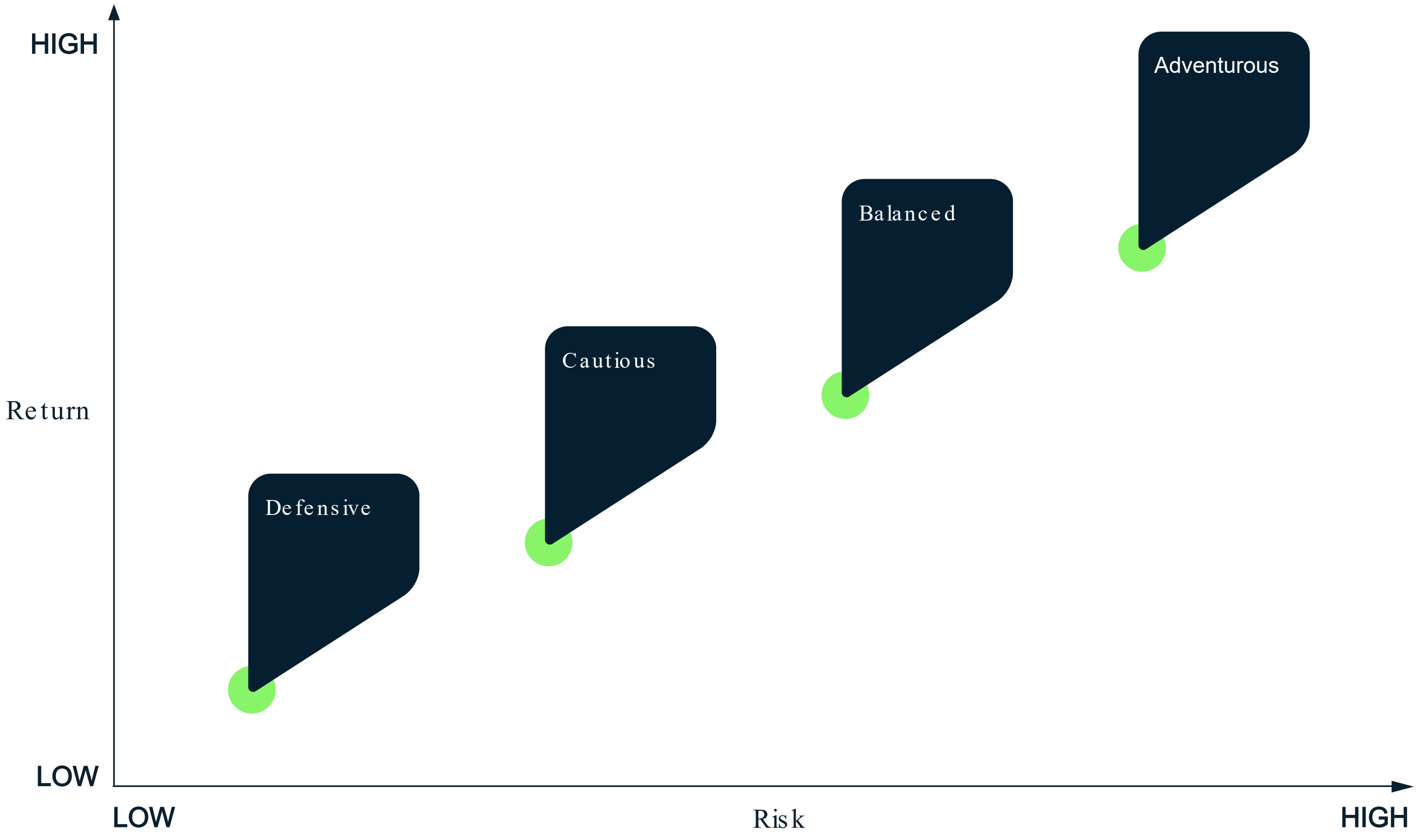
- A balanced approach to diversification and risk management is prudent in navigating current market conditions.

Portfolios & Performance

A range of investment solutions

We will provide a range of portfolios designed to meet your clients' differing needs. In our funds we blend a range of investments with the aim of providing the best possible returns, while ensuring the level of risk taken matches what has been agreed.

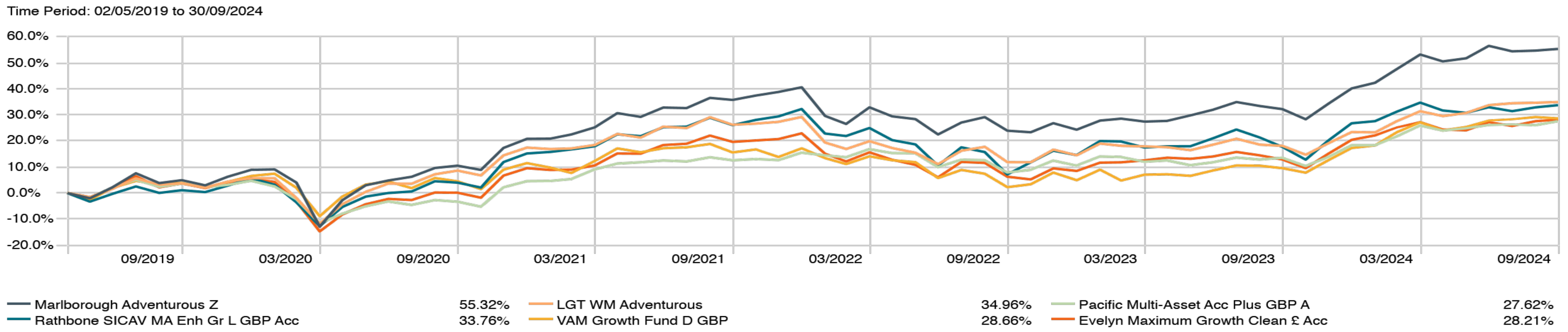
Four risk-graded portfolios



Source: Marlborough Group. For illustration purposes only.

Marlborough Adventurous

Performance versus peers (Performance since ICAV launch)



	YTD	1yr	2yrs	3yrs	4yrs	5yrs	Since Launch	2023	2022	2021	2020	2019
Marlborough Adventurous Z	10.8	17.5	25.3	14.4	40.6	48.0	55.3	12.8	-11.6	16.4	10.9	—
LGT WM Adventurous	9.3	14.3	20.6	6.9	24.2	30.1	35.0	7.8	-11.4	10.0	11.1	19.4
Pacific Multi -Asset Acc Plus GBP A	8.0	12.5	18.4	13.5	32.1	23.3	27.6	7.0	-4.3	10.5	-0.1	11.3
Rathbone SICAV Mlt -Asst Enh Gr L Acc GBP	5.5	13.6	24.8	6.1	28.6	32.3	33.8	10.7	-13.4	14.8	9.0	20.2
VAM Growth Fund D GBP	9.8	17.6	26.0	11.4	23.3	24.0	28.7	11.8	-10.5	5.1	4.6	16.6
Evelyn Maximum Growth Clean £ Acc	6.6	13.7	20.8	7.3	28.2	23.7	28.2	11.0	-11.7	12.2	3.9	20.0

Data as at 30/09/2024. Source: Morningstar Direct, Marlborough Multi-Asset Team. Capital is at risk. The Marlborough ICAV range launched on 02nd May 2019 and there is insufficient data to provide past performance for the full 5 discrete years. The value and income from investments can go down as well as up and are not guaranteed. Performance data is calculated on a NAV-NAV basis, net of fees and reinvestment of all dividends and capital gains.
Past performance is all simulated based on the actual performance of the underlying portfolio instruments (or instruments that are substantially the same as the portfolio instruments), including estimated annual management charges, audit, transaction, and custodian fees. Investment Association (IA) sectors are provided for comparison and illustration purposes only. We have chosen the IA sector that most closely matches the portfolio, in limited instances the allocations of the portfolio may fall outside the boundaries of the relevant IA peer group.

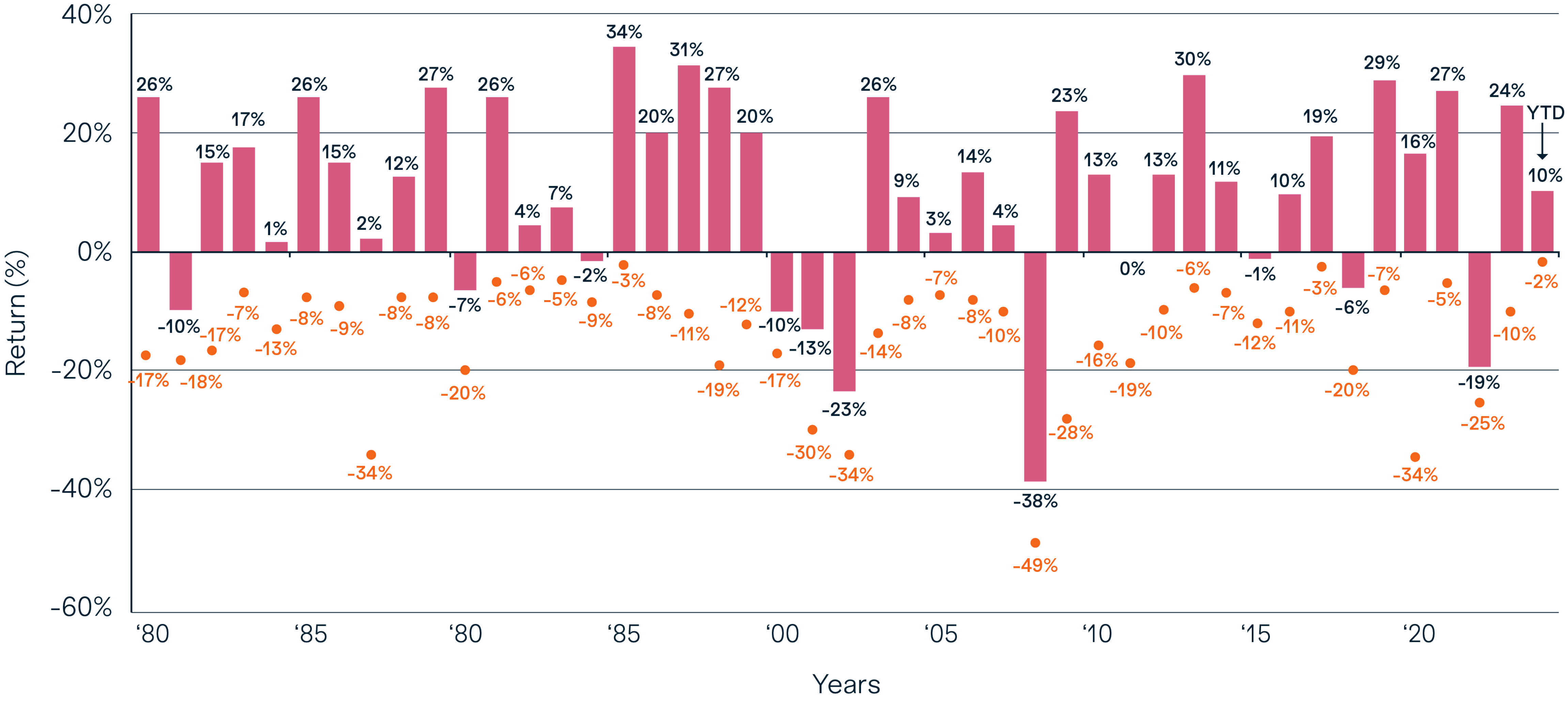
Investment International Awards 2024

- Winners of the International DFM Fund/Product of the Year category in the Investment International Awards 2024.
- Regional winners in the Excellence in Client Service (Industry) category.
- Highly commended in Best International Fund Group.
- Our Chief Investment Officer for Multi-Asset, Nathan Sweeney, was ranked in the Judges' Special Award and Readers' Award listings for Personality of the Year (Industry).
- Shortlisted for Company of the Year (Industry)

Appendix

Intra-year declines vs. calendar-year returns of S&P 500

Despite average intra-year drops of 14.2% annual returns were positive in 33 of 44 years



Data as at 30/03/24. Source: Marlborough Multi-Asset Team, JPM.

Risk Warnings

Capital is at risk. The value and income from investments can go down as well as up and are not guaranteed. An investor may get back significantly less than they invest. Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting portfolios. Investments may include emerging market, smaller company and commodity funds which may be higher risk than other asset classes. Investments in fixed interest funds are subject to market and credit risk and will be impacted by changes in interest rates. Changes in exchange rates may affect the value of the underlying investments. Investments in Property funds carry specific risks relating to liquidity. Property funds can go through periods, known as 'gating', when it may not be possible to trade in or out of the funds and to access your money during such periods. The portfolios may invest a large part of their assets in funds for which investment decisions are made independently of the portfolios. If these investment managers perform poorly, the value of the portfolios is likely to be adversely affected. Investment in funds may also lead to additional fees arising from holding these funds.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from Marlborough or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine together with their own professional advisers if appropriate if any investment mentioned herein is believed to be suitable. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. Issued in the UK by Marlborough Investment Management Limited, authorised and regulated by the Financial Conduct Authority (reference number 115231). Registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Registered in England No. 01947598. Issued in Europe by Marlborough Investment Management Limited (authorised and regulated by the Financial Conduct Authority) on behalf of IFSL ICAV (authorised and regulated by the Central Bank of Ireland). IFSL ICAV is managed by TMF Fund Management (Ireland) Limited (authorised and regulated by the Central Bank of Ireland.

Regulatory Information

IFSL ICAV is registered under the laws of Ireland with registered number C186352 as an Irish Collective Asset-management Vehicle which is constituted as an open-ended umbrella UCITS fund with segregated liability between sub-funds. Directors: Raymond O'Neill (Irish), Brian Farrell (Irish), Dominic Clarke (British), Danny Knight (British) and Martin Ratcliffe (British)
Registered Office: IFSL ICAV, 38 Upper Mount Street, Dublin 2, Ireland