



FINANCE SHOP
Independent Financial Advisers

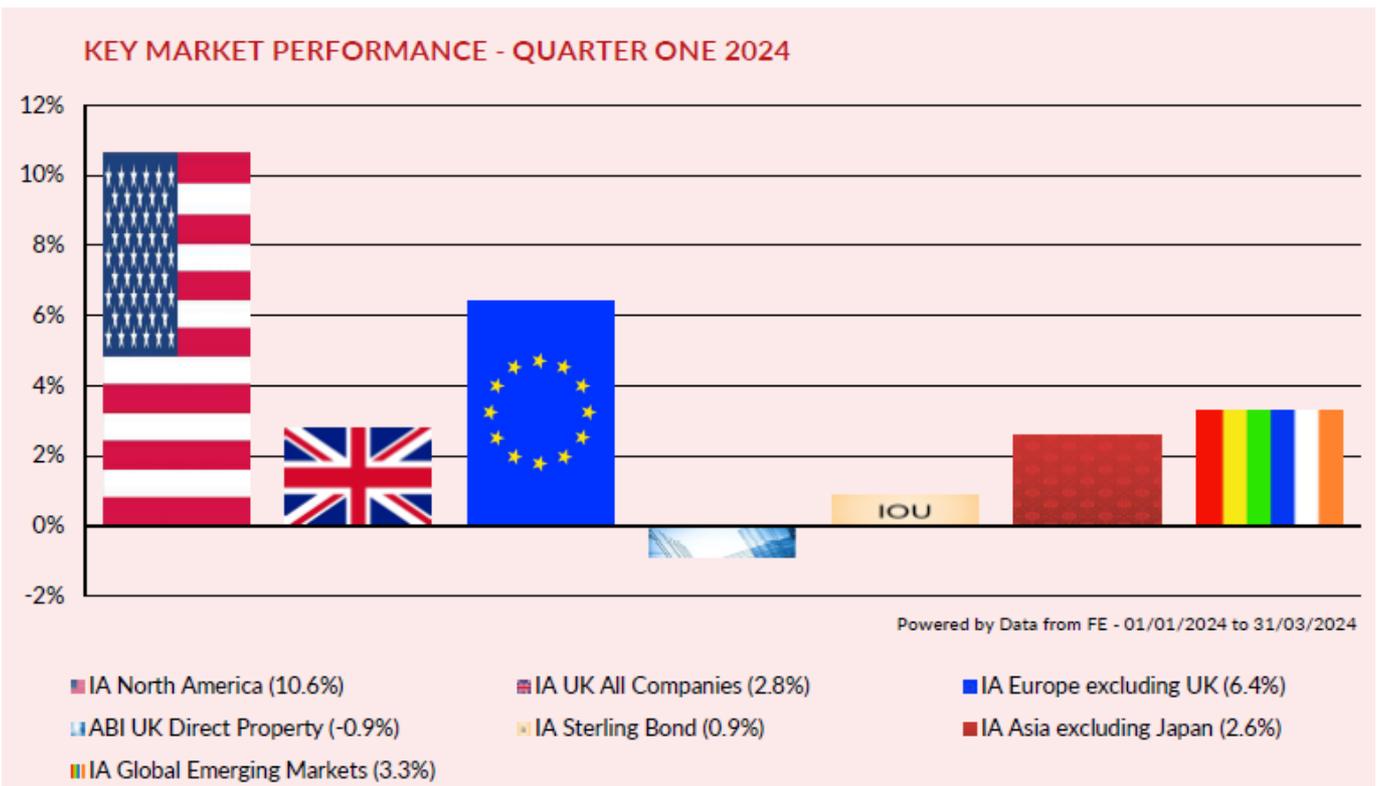
ADVISORY PORTFOLIO MANAGEMENT QUARTERLY REVIEW SPRING 2024

MARKET OVERVIEW - QUARTER ONE 2024

The first quarter continued to see many equity markets push higher, driven by hopes of reducing interest rates and inflation coming back down to target levels. That said we have seen a material shift in the expectation in the number of interest rate cuts predicted. At the beginning of the year six or seven 25 basis point cuts were being factored in, this however has fallen significantly with most developed world central banks now expected to cut rates two or three times over the second half of the year. This has led yields to back up on government bonds, subsequently this sector of the market has been more challenged.

The US economy has remained incredibly resilient to higher interest rates and that has led us to tilt our view from shallow recession to soft landing. That said, we would expect economic data to gradually weaken in this US, but begin to improve in both the UK and Europe, both of which have greater flexibility to cut rates earlier and faster. Two risks remain however to this more favourable outlook, the first being inflation misbehaving and moving back upwards whilst sadly geopolitical risk led by the continued events in the Middle East and Ukraine remain potential catalysts for volatility.

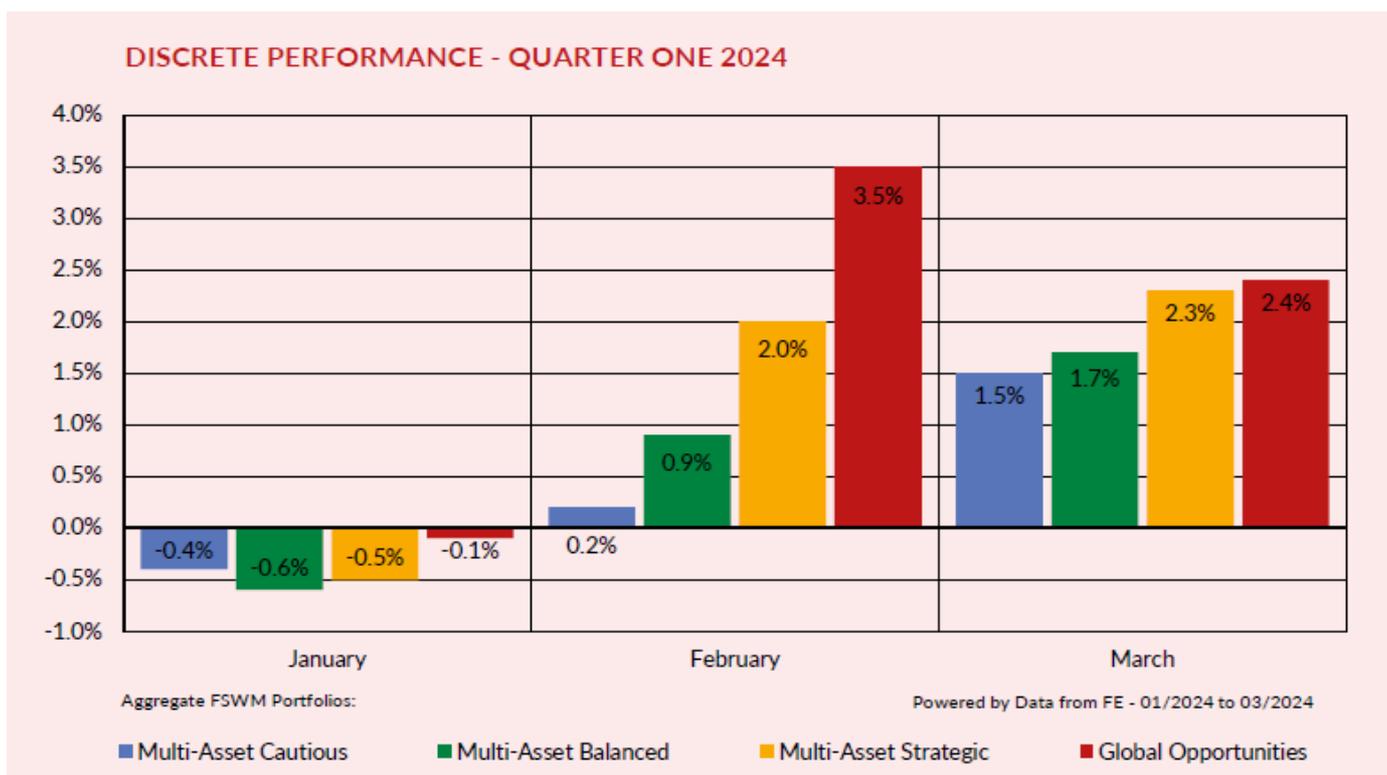
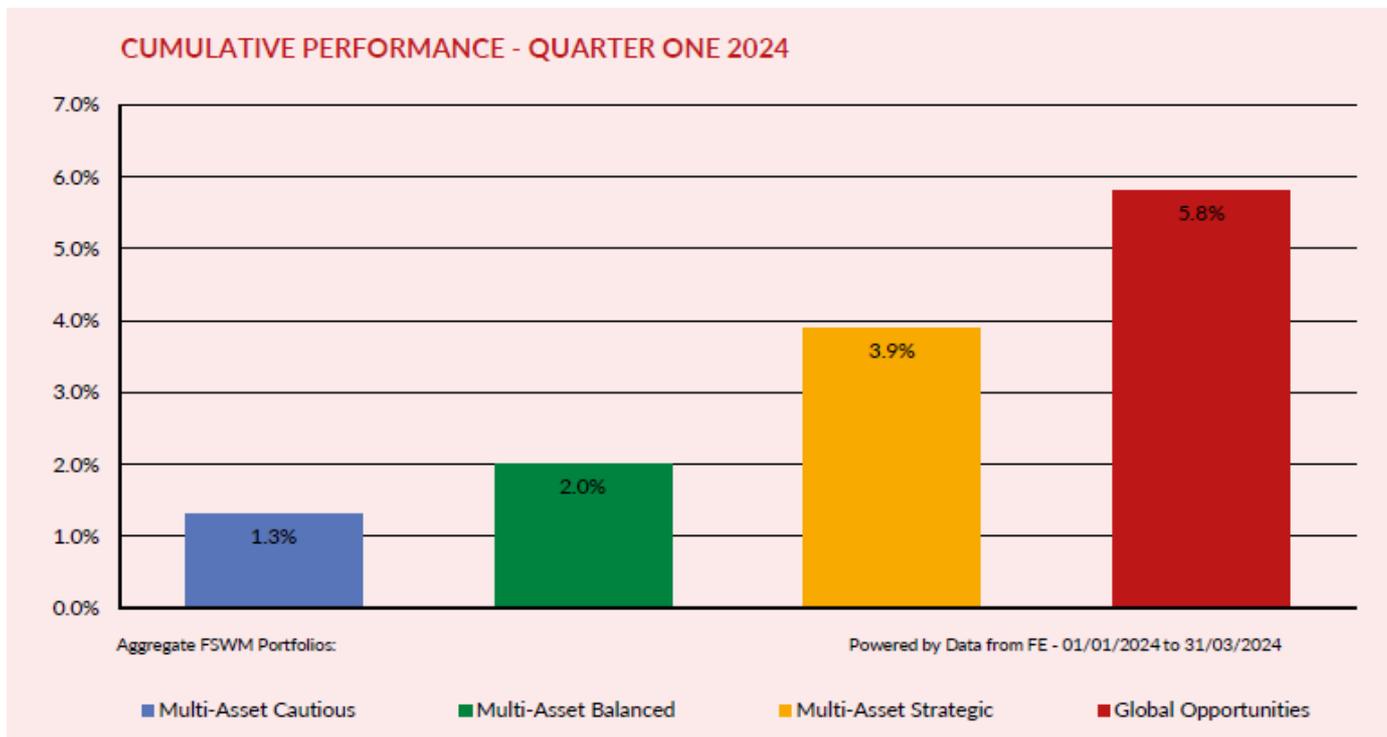
Looking ahead we expect to see a broadening of market participation, with some of the less favoured sectors such as small and mid-sized capitalisation stocks, financials and energy faring much better and a greater focus on income and dividends. This should help those markets outside the US and aid our more balanced approach within portfolios.



APM PORTFOLIOS - QUARTER ONE 2024 PERFORMANCE

The graphs below show how the APM portfolios within the four Finance Shop risk categories have behaved over the last three months. The first graph shows the total return for the quarter whereas the second graph illustrates the “month by month” performance. The performance figures are aggregated so, for example, the green bar is made up of all the APM Multi-Asset Balanced portfolios across all product types.

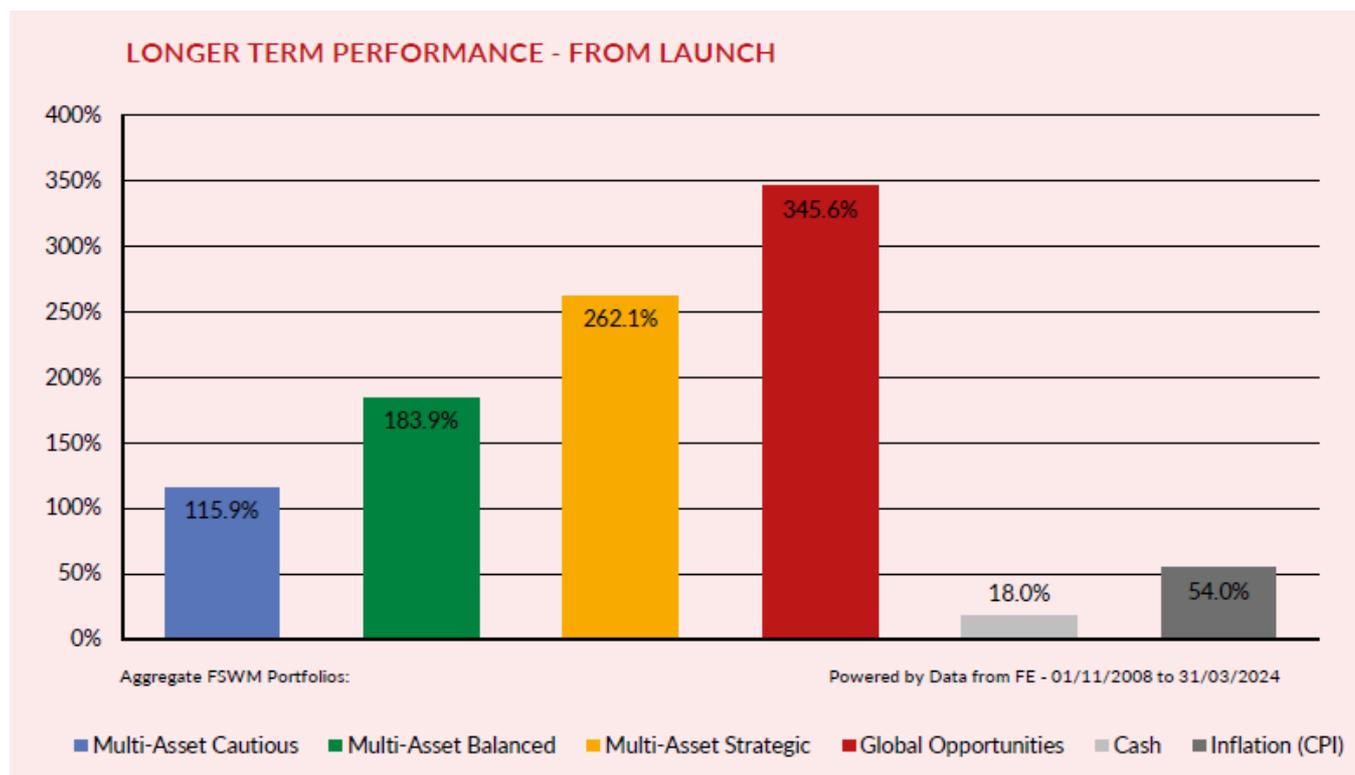
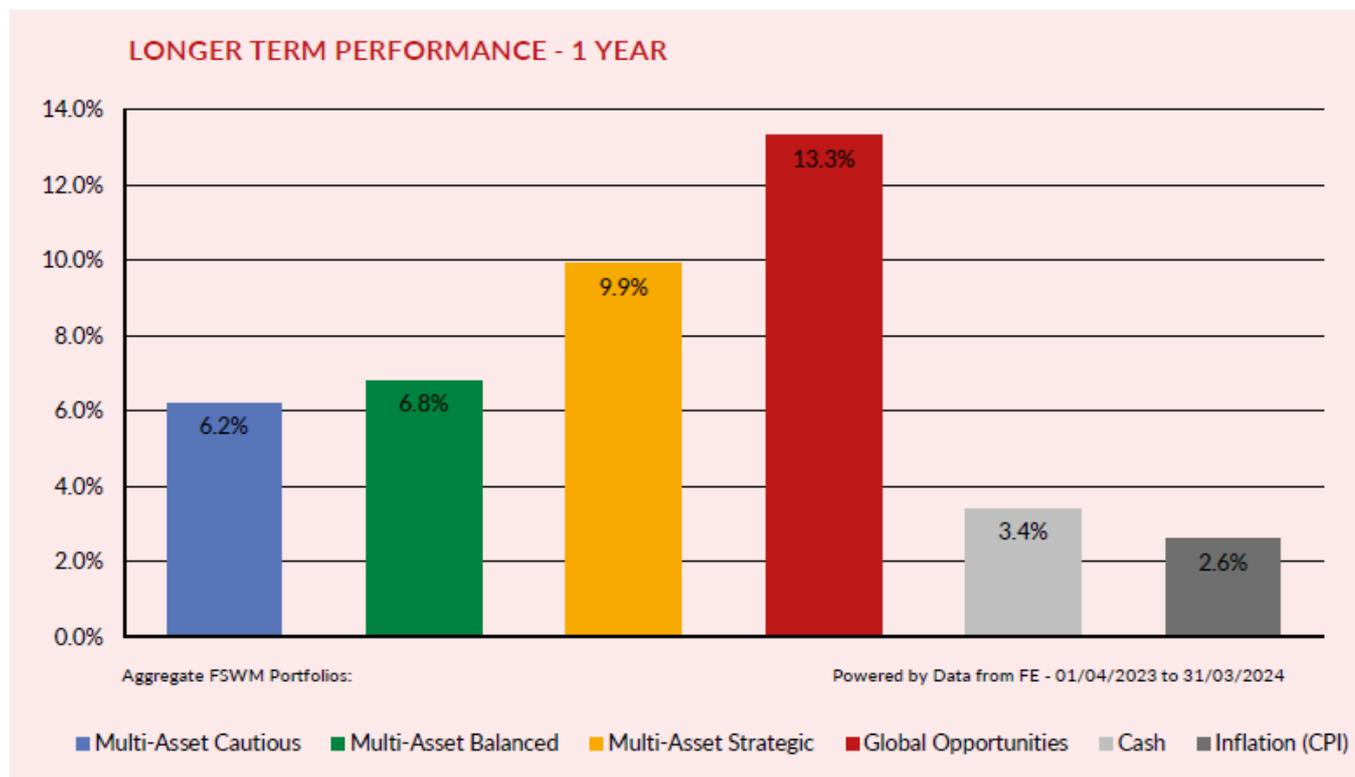
If you require specific performance figures for your plan, please contact your adviser.



APM PORTFOLIOS – LONGER TERM PERFORMANCE

The first graph below shows how the APM portfolios have performed over 12 months. For comparison, the returns of cash (MoneyFacts 90 days' notice 10K) and inflation (UK Consumer Price Index) are also shown. The second graph illustrates how the portfolios have performed since launch (1st November 2008).

As with the graphs on the previous page, the figures for each category are aggregated.



PERFORMANCE REVIEW

All the portfolios enjoyed positive returns over the quarter propelled upwards by the continuation of a more optimistic outlook for markets. It was equities that delivered the bulk of the returns however and this led to the more adventurous portfolios providing the best gains.

APM FUND REVIEW POLICY

A key part of the APM service is to monitor the underlying performance of each fund within the portfolios for both risk and return. We have selected quality funds with strong track records and therefore do not envisage a high turnover of holdings.

However, there will be occasions when the performance of an individual fund will lead to its expulsion from the portfolio(s). There are several factors that determine this decision, for example consistent under-performance, change of management team etc. It is also important, however, to have patience with a fund that is just suffering short-term under-performance.

We operate a “traffic light” system and will move a fund from a “green” to “amber” rating if the fund requires closer scrutiny at the next review. If a fund shows sufficient improvement, it will move back to “green”.

If the fund consistently under-performs without good reason its status will change to “red” and the fund will be removed from the portfolio(s). A replacement fund will be selected and all clients holding the fund within their portfolio will be notified. Upon receipt of their authority, the client’s funds will be switched accordingly.

RESULTS OF FUND & ASSET ALLOCATION REVIEW

The Investment Committee meets on a quarterly basis and one of its primary functions is to review our existing fund range.

Within this meeting we scrutinise any funds which we feel are performing significantly differently to their peer group or benchmark, with a number then run against our internal performance and risk measurements.

The changing backdrop for the forthcoming year has led us to make a number of changes to the make-up of the portfolios. We will write to you over the coming months outlining the changes and requesting permission to action them.

IMPORTANT INFORMATION

This report has been issued by the Investment Committee of the Finance Shop Wealth Management team using data provided by Financial Express. Care has been taken to ensure that the information is correct but Financial Express and Finance Shop neither warrants, represents nor guarantees the contents of the information, nor does Financial Express or Finance Shop accept any responsibility for errors, inaccuracies, omissions, or any inconsistencies herein.

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Currency fluctuations can also affect fund values. The above report does not constitute advice and you should speak to your Independent Financial Adviser before you make any alterations to investments or pension plans.

The instruments recorded above are weighted model portfolios created using Financial Express Analytics. Performance figures shown are based on the weighted models and may differ from the actual returns achieved by investors. Performance figures shown are based on bid-to-bid gross returns and do not include plan, contract, or ongoing adviser charges / commission. Please refer to your policy documentation for further details.

Finance Shop is a trading name of Finance Shop Limited. Company Number 07535053. Registered in England. Registered Office: North Wood Place, Octagon Business Park, Little Plumstead, Norwich, Norfolk NR13 5FH. Finance Shop is authorised and regulated by the Financial Conduct Authority.

WWW.FS-IFA.COM

WWW.FS-DPM.COM

WWW.FS-VENTURES.COM

WWW.FS-PRO.COM

