

All BAM portfolios, bar the Global Horizons portfolio were positive in May. Performance was largely driven by exposures to the UK which we believe may continue to do well as the Bank of England may not be far off reducing interest rates.

DROWNING STREET

Outside of a very wet number 10 Downing Street, Rishi Sunak announced that on the 4th July we will be heading to the polls for a general election, but what is the expected outcome and the probable implications? As at the end of May, the Labour party are currently projected to win a landslide majority, securing 485 of the 650 seats. Whilst the prospects of a huge landslide victory is somewhat eye-catching, BAM expect to see minimal changes as public finances are very tight, in truth, any party would struggle to have the financial firepower to implement significant change. One could argue that we may already have seen this in action as Labour dialled back pledged climate spending from £28bn to £5bn, likely as a step towards managing expectations on what is financially viable. Pending any shock changes in voting or unexpected radical policy changes, the election will likely pass without incident as far as financial markets are concerned given the likely predictability of the outcome.

STORMY OUTLOOK FOR US POLITICS

There can't be too many politicians whose popularity increases whilst on trial for criminal charges but political forecasters are projecting that Donald Trump has a marginal advantage in the run up to the US election, taking place in less than 6 months. One could argue this is a representation of the quality of the candidates, as a number of market commentators battle to debate whom of Joe Biden or Donald Trump is 'the least bad option'. Whilst the US election is much further in the future than our own election here in the UK, voting across the pond has the potential to have far greater financial implications. A key area of discussion recently has been around the independence of the Federal Reserve, the US central bank. Extensive academic research shows the importance of central bank independence in reducing inflation and maintaining financial stability, therefore greater political interference could have disastrous consequences for the US, the nation with the largest allocation within the vast majority of investment portfolios, including those managed by BAM.

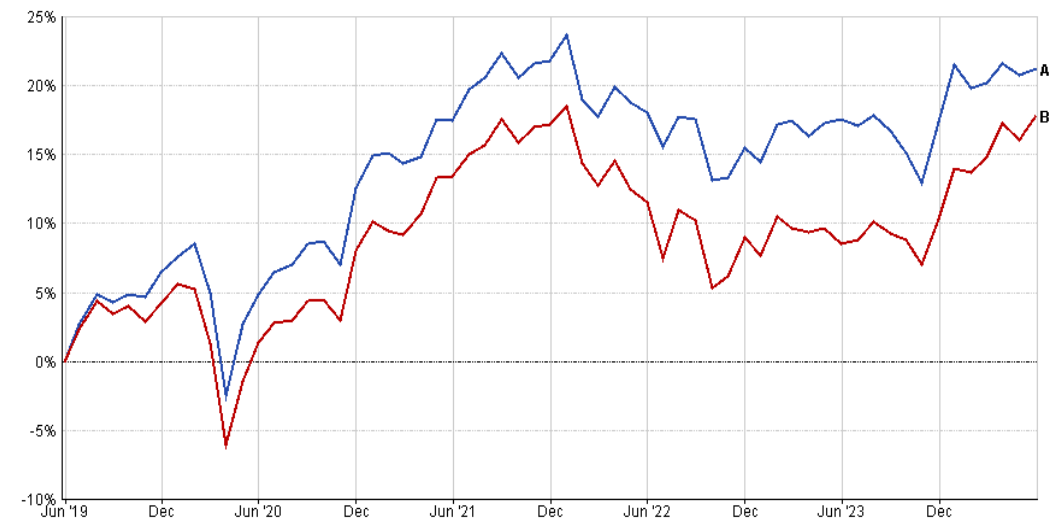
In reality, detrimental interference with the Fed is very unlikely and this may just be another toothless Trump throw away comment. Change is more likely to come about from policy changes relating to taxation, immigration and trade tariffs, most notably

those relating to China, of which we are likely to gain a greater understanding in the coming months.

CHOCOLATE CRISIS

Commodity markets have been turbulent in recent months as expectations around industrial activity have been ever changing, as the most anticipated recession in our lifetimes, against all odds, became a period of slow but positive growth. On a personal level we're debating whether to start buying chocolate like it's loo roll in 2020 before price rises hit, as the price of cocoa has risen over 200% in the last 12 months. More importantly for the BAM portfolios, the price of copper is up 20% over the same time period, primarily driven by a supply/demand imbalance. It's not challenging to understand that as more processes are electrified and technology becomes more power hungry, the demand for copper is exponential. What is challenging however, is acquiring enough copper, as from discovering copper ore to opening an operational mine can take up to 12 years. Therefore, the situation we see developing now is that demand is greater than supply, pushing up prices to the benefit of the BAM portfolios, all of which have an exposure be that through miners in the exposure to emerging markets or through a product that tracks the price of copper, amongst other materials.

SOCIAL IMPACT



■ A - Social Impact Portfolio 05/12/2023 TR in GB [21.26%]
■ B - ARC Sterling Balanced Asset PCI TR in GB [17.82%]

5 YEAR MODEL PERFORMANCE VS BENCHMARK*

DEFENSIVE MIXED ASSETS MODEL



DEFENSIVE BALANCED MIXED ASSETS MODEL



BALANCED MIXED ASSETS MODEL



FOCUSED GROWTH MIXED ASSETS MODEL



BAM MPS PERFORMANCE FIGURES TAKE INTO ACCOUNT THE ONGOING CHARGES OF THE UNDERLYING HOLDINGS BUT EXCLUDE ADVISER CHARGES AND PLATFORM FEES. INCLUSION OF THESE WILL RESULT IN A LOWER RETURN TO THE END INVESTOR, DEPENDING ON THE CLIENT AGREEMENT AND THE PLATFORM USED.

ARC PCI: ASSET RISK CONSULTANTS (ARC) OPERATE THE PRIVATE CLIENT INDICES (PCI) ACROSS THE RISK SPECTRUM AS PERFORMANCE MEASUREMENT AND YARD-STICKS FOR DISCRETIONARY PORTFOLIO MANAGERS. THIS DATA INCLUDES PLATFORM FEES AND MAY BE ESTIMATED AND SUBJECT TO REVISION.

AS IS THE VERY NATURE OF INVESTING, THERE ARE INHERENT RISKS AND THE VALUE OF YOUR INVESTMENT WILL BOTH RISE AND FALL OVER TIME. PLEASE DO NOT ASSUME THAT PAST PERFORMANCE WILL REPEAT ITSELF AND YOU MUST BE COMFORTABLE IN THE KNOWLEDGE THAT YOU MAY RECEIVE LESS THAN YOU ORIGINALLY INVESTED. CHANGES IN RATES OF EXCHANGE MAY HAVE AN ADVERSE EFFECT ON THE VALUE, PRICE OR INCOME OF AN INVESTMENT. THE OPINIONS STATED ARE THOSE OF BECKETT ASSET MANAGEMENT LTD, WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.