

The majority of major asset classes endured a challenging October and therefore, the BAM portfolios were down for the month. Lower-risk portfolios fared better, as allocations to alternatives and fixed income assets, in particular, helped minimise the drawdown. Sentiment and risk appetite have been headwinds in recent months, but the team remains confident in the operational performance of underlying companies and their return potential when sentiment improves.

## MATTERHORN OR TABLE MOUNTAIN?

Central banks in many developed economies are starting to indicate that interest rate rises may be over (for now). Both the Bank of England and the Federal Reserve voted to keep rates unchanged at their most recent policy meetings, which now generates interest and speculation over when and how quickly rates may be cut. BAM believes that while the next move is likely to be an interest rate cut, it's probable that we're now looking at a "Table Mountain" strategy, whereby rates remain elevated for an extended period of time, rather than a "Matterhorn" approach of tightening followed by rapid easing of monetary policy. This is likely to create an environment suiting resilient, large businesses with stable cash flows, to which the team looks to maintain exposures. Despite this, BAM has seen the early signs of risk appetite increasing now that market participants appear to believe the next interest rate change will be a reduction. This will likely be beneficial for the equity components of portfolios.

## MIDDLE EAST CONFLICT

Geopolitics continues to dominate headlines as conflict erupts in the Middle East. The situation in Israel and Gaza is foremost a humanitarian crisis, and the horrific human cost takes precedence over any comments that could be made regarding the financial and investment implications.

The war in the Middle East increases the risk of a major interruption to the supply of oil, but should the conflict remain within its current geographical boundaries, the global financial implications may remain somewhat muted. Financial concerns primarily relate to Iran's involvement in the war, as direct involvement would likely lead to some degree of supply disruption. However, in the past, it has only been the most extreme rises in oil prices that have caused significant selloffs in other assets, most notably in 1973 and 1990. Currently, BAM expects to make no changes to the portfolios in response to the conflict due to having

no exposure to Israel, Gaza, or surrounding nations. The situation will, however, continue to be monitored as an escalation could have global implications.

## NEW PORTFOLIO: ETHICAL GROWTH

Interest in sustainable investing continues to grow and previously BAM has only offered a lower-risk portfolio with an ethical mandate, Social Impact. As a result of increased demand and interest in ethical-minded investing, the team are launching a higher risk version of the Social Impact portfolio, to be known as Ethical Growth. The portfolio will adhere to the same ethical principles but with a greater emphasis on riskier assets such as equities. The primary objective of Ethical Growth will be to achieve long-term capital growth by investing in a variety of asset classes and geographical regions to create a high-risk, high-reward portfolio.

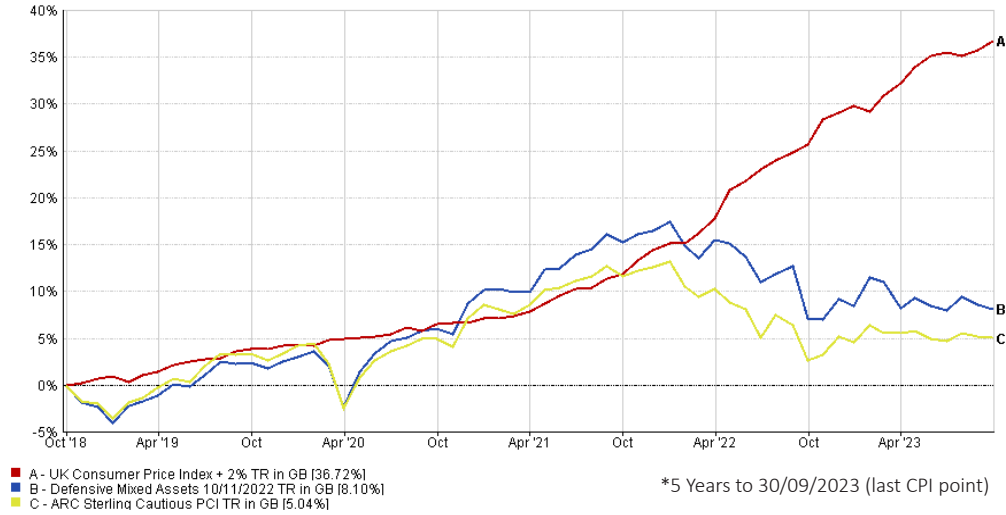
If you are interested in the new Ethical Growth portfolio, please contact your financial adviser to discuss its suitability in line with your individual financial needs, values, and investment risk tolerance.

## SOCIAL IMPACT MODEL



# 5 YEAR MODEL PERFORMANCE VS BENCHMARK\*

## DEFENSIVE MIXED ASSETS MODEL



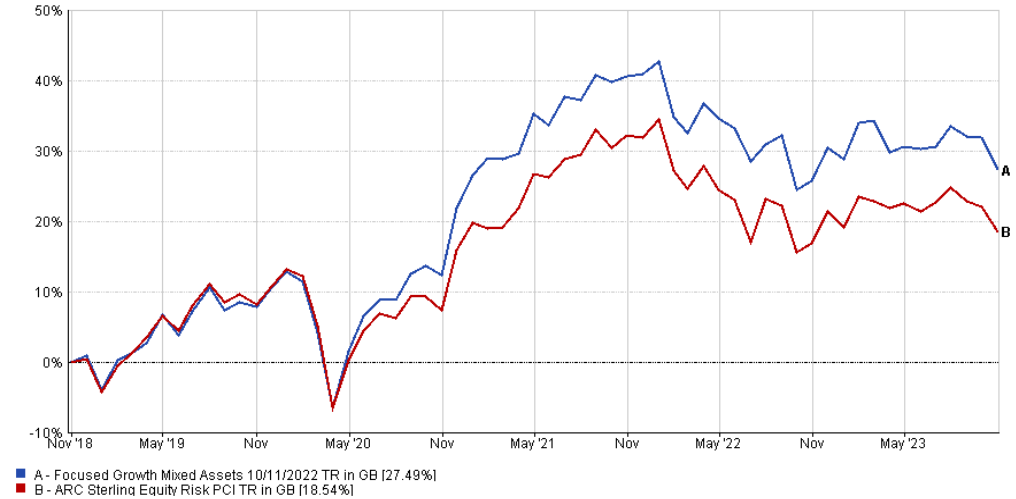
## DEFENSIVE BALANCED MIXED ASSETS MODEL



## 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.