

# INDEX MPS

## *Rebalance note*

### Summary

At this rebalance, we followed the latest asset allocation guidance and took the opportunity to take profits following the recent strong performance of UK equities, as we continue to trim our long-standing home bias.

The reduction in UK equities was used to fund an increase in our market-cap-weighted exposure to Japan and add to US equities, while favouring Equal-Weighted and more Value-focused allocations in the US. With valuations and concentration risk still a concern in this region, and given our existing exposure to market-cap-weighted benchmarks, diversifying into other parts of the US market helps bring greater balance to the portfolios overall.

As part of this process, we took advantage of access to a cheaper share class of the UBS FTSE RAFI Developed 1000 Index Fund. This fund follows a fundamentally weighted methodology, which can provide greater exposure to the Value factor when market-cap-weighted indices tilt towards Growth. The new share class reduces the OCF to 0.16%, down from 0.25% previously.

We made no changes to the asset class weights, with the exception of removing Gold from the Maximum Growth models and moving these portfolios to a purely equity-focused allocation. No changes were made to fixed interest allocations across the portfolios.



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## Index Cautious

We took advantage of the recent strong performance of UK markets to trim our exposure to this region and reduce the portfolios' home bias by lowering allocations to both the market-capitalisation-weighted **L&G UK Index Trust** and the **L&G UK Mid Cap Index**.

We reinvested the proceeds into the **iShares Japan Equity Index** and increased our exposure to US equities, while remaining mindful of valuation and concentration risk in this region.

Accordingly, we added to the **L&G S&P 500 US Equal Weight Index**, which provides greater exposure to US mid caps relative to a traditional market-cap-weighted approach. At the same time, we increased our allocation to the **UBS FTSE RAFI Developed 1000 Index**, which offers greater Value exposure compared with more growth-tilted market-cap-weighted indices, and we took advantage of access to a new, cheaper share class that reduces the fund's OCF from 0.25% to 0.16%.

Additional equity adjustments were made, including a reduction in the US-focused market-cap-weighted **Vanguard FTSE Developed World ex UK Index** and an increase in the lower-cost **Vanguard US Equity Index**. This helps control portfolio costs and gives us greater control over the portfolios' geographical exposure. Small adjustments were also made to other equity holdings to align the portfolios with our overall regional targets.

Our fixed income exposure remains unchanged, and we continue to hold the **Invesco Physical Gold ETC**. No changes were made to the overall asset class weights within the portfolios.

Below is a summary of the major portfolio adjustments. Please note that additional marginal changes were also made as part of this rebalancing exercise:

↓	Reduce	L&G UK Index Trust 2.00%
↓	Reduce	L&G UK Mid Cap Index 0.70%
↑	Increase	Vanguard US Equity Index 0.80%
↑	Increase	L&G S&P 500 US Equal Weight Index 0.80%
↑	Increase	iShares Japan Equity Index 1.50%
↓	Reduce	HSBC European Index 0.40%
↑	Increase	Abrdn Asia Pacific ex Japan Equity Tracker 0.80%
←	Exit	UBS FTSE RAFI Developed 1000 Index 3.50%
★	Initiate	UBS FTSE RAFI Developed 1000 Index 3.90%
↓	Reduce	Vanguard FTSE Developed World ex UK 1.20%

## Index Balanced

We took advantage of the recent strong performance of UK markets to trim our exposure to this region and reduce the portfolios' home bias by lowering allocations to both the market-capitalisation-weighted **L&G UK Index Trust** and the **L&G UK Mid Cap Index**.

We reinvested the proceeds into the **iShares Japan Equity Index** and increased our exposure to US equities, while remaining mindful of valuation and concentration risk in this region.

Accordingly, we added to the **L&G S&P 500 US Equal Weight Index**, which provides greater exposure to US mid caps relative to a traditional market-cap-weighted approach. At the same time, we increased our allocation to the **UBS FTSE RAFI Developed 1000 Index**, which offers greater Value exposure compared with more growth-tilted market-cap-weighted indices, and we took advantage of access to a new, cheaper share class that reduces the fund's OCF from 0.25% to 0.16%.

Additional equity adjustments were made, including a reduction in the US-focused market-cap-weighted **Vanguard FTSE Developed World ex UK Index** and an increase in the lower-cost **Vanguard US Equity Index**. This helps control portfolio costs and gives us greater control over the portfolios' geographical exposure. Small adjustments were also made to other equity holdings to align the portfolios with our overall regional targets.

Our fixed income exposure remains unchanged, and we continue to hold the **Invesco Physical Gold ETC**. No changes were made to the overall asset class weights within the portfolios.

Below is a summary of the major portfolio adjustments. Please note that additional marginal changes were also made as part of this rebalancing exercise:

↓	Reduce	L&G UK Index Trust 2.50%
↓	Reduce	L&G UK Mid Cap Index 0.90%
↑	Increase	Vanguard US Equity Index 1.10%
↑	Increase	L&G S&P 500 US Equal Weight Index 1.10%
↑	Increase	iShares Japan Equity Index 1.90%
↓	Reduce	HSBC European Index 0.50%
↑	Increase	Abrdn Asia Pacific ex Japan Equity Tracker 1.00%
←	Exit	UBS FTSE RAFI Developed 1000 Index 4.40%
★	Initiate	UBS FTSE RAFI Developed 1000 Index 4.90%
↓	Reduce	Vanguard FTSE Developed World ex UK 1.60%
↓	Reduce	L&G Global Small Cap Equity Index 0.10%
↓	Reduce	iShares Up to 10 Years Gilts Index 0.60%
↑	Increase	Cash 0.60%

## Index Growth

We took advantage of the recent strong performance of UK markets to trim our exposure to this region and reduce the portfolios' home bias by lowering allocations to both the market-capitalisation-weighted **L&G UK Index Trust** and the **L&G UK Mid Cap Index**.

We reinvested the proceeds into the **iShares Japan Equity Index** and increased our exposure to US equities, while remaining mindful of valuation and concentration risk in this region.

Accordingly, we added to the **L&G S&P 500 US Equal Weight Index**, which provides greater exposure to US mid caps relative to a traditional market-cap-weighted approach. At the same time, we increased our allocation to the **UBS FTSE RAFI Developed 1000 Index**, which offers greater Value exposure compared with more growth-tilted market-cap-weighted indices, and we took advantage of access to a new, cheaper share class that reduces the fund's OCF from 0.25% to 0.16%.

Additional equity adjustments were made, including a reduction in the US-focused market-cap-weighted **Vanguard FTSE Developed World ex UK Index** and an increase in the lower-cost **Vanguard US Equity Index**. This helps control portfolio costs and gives us greater control over the portfolios' geographical exposure. Small adjustments were also made to other equity holdings to align the portfolios with our overall regional targets.

Our fixed income exposure remains unchanged, and we continue to hold the **Invesco Physical Gold ETC**. No changes were made to the overall asset class weights within the portfolios.

Below is a summary of the major portfolio adjustments. Please note that additional marginal changes were also made as part of this rebalancing exercise:

↓	Reduce	L&G UK Index Trust 3.00%
↓	Reduce	L&G UK Mid Cap Index 1.10%
↑	Increase	Vanguard US Equity Index 1.30%
↑	Increase	L&G S&P 500 US Equal Weight Index 1.30%
↑	Increase	iShares Japan Equity Index 2.30%
↓	Reduce	HSBC European Index 0.70%
↑	Increase	Abrdn Asia Pacific ex Japan Equity Tracker 1.30%
←	Exit	UBS FTSE RAFI Developed 1000 Index 5.40%
★	Initiate	UBS FTSE RAFI Developed 1000 Index 6.00%
↓	Reduce	Vanguard FTSE Developed World ex UK 2.00%
↓	Reduce	iShares Up to 10 Years Gilts Index 0.80%
↑	Increase	Cash 0.80%

## Index Adventurous

We took advantage of the recent strong performance of UK markets to trim our exposure to this region and reduce the portfolios' home bias by lowering allocations to both the market-capitalisation-weighted **L&G UK Index Trust** and the **L&G UK Mid Cap Index**.

We reinvested the proceeds into the **iShares Japan Equity Index** and increased our exposure to US equities, while remaining mindful of valuation and concentration risk in this region.

Accordingly, we added to the **L&G S&P 500 US Equal Weight Index**, which provides greater exposure to US mid caps relative to a traditional market-cap-weighted approach. At the same time, we increased our allocation to the **UBS FTSE RAFI Developed 1000 Index**, which offers greater Value exposure compared with more growth-tilted market-cap-weighted indices, and we took advantage of access to a new, cheaper share class that reduces the fund's OCF from 0.25% to 0.16%.

Additional equity adjustments were made, including a reduction in the US-focused market-cap-weighted **Vanguard FTSE Developed World ex UK Index** and an increase in the lower-cost **Vanguard US Equity Index**. This helps control portfolio costs and gives us greater control over the portfolios' geographical exposure. Small adjustments were also made to other equity holdings to align the portfolios with our overall regional targets.

Our fixed income exposure remains unchanged, and we continue to hold the **Invesco Physical Gold ETC**. No changes were made to the overall asset class weights within the portfolios.

Below is a summary of the major portfolio adjustments. Please note that additional marginal changes were also made as part of this rebalancing exercise:

↓	Reduce	L&G UK Index Trust 3.50%
↓	Reduce	L&G UK Mid Cap Index 1.30%
↑	Increase	Vanguard US Equity Index 1.50%
↑	Increase	L&G S&P 500 US Equal Weight Index 1.50%
↑	Increase	iShares Japan Equity Index 2.60%
↓	Reduce	HSBC European Index 0.80%
↑	Increase	Abrdn Asia Pacific ex Japan Equity Tracker 1.50%
←	Exit	UBS FTSE RAFI Developed 1000 Index 6.30%
★	Initiate	UBS FTSE RAFI Developed 1000 Index 7.10%
↓	Reduce	Vanguard FTSE Developed World ex UK 2.30%
↓	Reduce	iShares Up to 10 Years Gilts Index 0.80%
↑	Increase	Cash 0.80%

## Index Maximum Growth

Within our highest-risk portfolio, we took this opportunity to take profits from the strong multi-year rally in gold and sold our holding in the **Invesco Physical Gold ETC** and move the portfolio to a purely equity focused allocation.

We took advantage of the recent strong performance of UK markets to trim our exposure to this region and reduce the portfolios' home bias by lowering allocations to both the market-capitalisation-weighted **L&G UK Index Trust** and the **L&G UK Mid Cap Index**.

We reinvested the proceeds into the **iShares Japan Equity Index** and increased our exposure to US equities, while remaining mindful of valuation and concentration risk in this region.

Accordingly, we added to the **L&G S&P 500 US Equal Weight Index**, which provides greater exposure to US mid caps relative to a traditional market-cap-weighted approach. At the same time, we increased our allocation to the **UBS FTSE RAFI Developed 1000 Index**, which offers greater Value exposure compared with more growth-tilted market-cap-weighted indices, and we took advantage of access to a new, cheaper share class that reduces the fund's OCF from 0.25% to 0.16%.

Additional equity adjustments were made, including a reduction in the US-focused market-cap-weighted **Vanguard FTSE Developed World ex UK Index** and an increase in the lower-cost **Vanguard US Equity Index**. This helps control portfolio costs and gives us greater control over the portfolios' geographical exposure. Small adjustments were also made to other equity holdings to align the portfolios with our overall regional targets.

Below is a summary of the major portfolio adjustments. Please note that additional marginal changes were also made as part of this rebalancing exercise:

↓	Reduce	L&G UK Index Trust 4.00%
↓	Reduce	L&G UK Mid Cap Index 1.50%
↑	Increase	Vanguard US Equity Index 2.40%
↑	Increase	L&G S&P 500 US Equal Weight Index 2.40%
↑	Increase	iShares Japan Equity Index 3.30%
↓	Reduce	HSBC European Index 0.60%
↑	Increase	Abrdn Asia Pacific ex Japan Equity Tracker 2.00%
↑	Increase	Vanguard Emerging Markets Stocks Index 0.20%
←	Exit	UBS FTSE RAFI Developed 1000 Index 7.60%
★	Initiate	UBS FTSE RAFI Developed 1000 Index 8.80%
↓	Reduce	Vanguard FTSE Developed World ex UK 2.50%
↑	Increase	L&G Global Small Cap Equity Index 0.10%
←	Exit	Invesco Physical Gold ETC 4.00%
↑	Increase	Cash 1.00%

## Index MPS Investment List – Risk-based Portfolios

	Cautious	Balanced	Growth	Adventurous	Maximum Growth
<b>Equities</b>					
<b>UK Equity</b>					
L&G UK INDEX TRUST	2.80%	3.60%	4.40%	5.10%	6.50%
L&G UK MID CAP INDEX FUND	1.10%	1.40%	1.70%	2.00%	2.50%
	<b>3.90%</b>	<b>5.00%</b>	<b>6.10%</b>	<b>7.10%</b>	<b>9.00%</b>
<b>US Equity</b>					
VANGUARD US EQUITY INDEX FUND	7.80%	9.90%	12.00%	14.10%	17.60%
L&G S&P 500 US EQUAL WEIGHT FUND	7.80%	9.90%	12.00%	14.10%	17.60%
	<b>15.60%</b>	<b>19.80%</b>	<b>24.00%</b>	<b>28.20%</b>	<b>35.20%</b>
<b>Japan Equity</b>					
ISHARES JAPAN EQUITY INDEX FUND	2.20%	2.80%	3.40%	3.90%	4.90%
	<b>2.20%</b>	<b>2.80%</b>	<b>3.40%</b>	<b>3.90%</b>	<b>4.90%</b>
<b>Europe Ex UK Equity</b>					
HSBC EUROPEAN INDEX FUND	5.70%	7.20%	8.70%	10.20%	12.70%
	<b>5.70%</b>	<b>7.20%</b>	<b>8.70%</b>	<b>10.20%</b>	<b>12.70%</b>
<b>Asia Pacific Ex Japan Equity</b>					
ABRDN ASIA PACIFIC EX-JAPAN EQUITY TRACKER FUND	3.50%	4.40%	5.40%	6.30%	7.80%
	<b>3.50%</b>	<b>4.40%</b>	<b>5.40%</b>	<b>6.30%</b>	<b>7.80%</b>
<b>Global Emerging Equity</b>					
VANGUARD EMERGING MARKETS STOCK INDEX FUND	2.60%	3.30%	4.00%	4.70%	5.90%
	<b>2.60%</b>	<b>3.30%</b>	<b>4.00%</b>	<b>4.70%</b>	<b>5.90%</b>
<b>Global Equity</b>					
VANGUARD FTSE DEVELOPED WORLD EX UK EQUITY INDEX FUND	3.90%	4.90%	6.00%	7.10%	8.80%
UBS FTSE RAFI DEVELOPED 1000 INDEX FUND	3.90%	4.90%	6.40%	7.10%	8.80%
L&G GLOBAL SMALL CAP INDEX FUND	2.20%	2.70%	3.40%	3.90%	4.90%
	<b>10.00%</b>	<b>12.50%</b>	<b>15.40%</b>	<b>18.10%</b>	<b>22.50%</b>
<b>Sub Total Equities</b>	<b>43.50%</b>	<b>55.00%</b>	<b>67.00%</b>	<b>78.50%</b>	<b>98.00%</b>
<b>Fixed Income</b>					
<b>UK Gilts</b>					
ISHARES UP TO 10 YEARS GILT INDEX FUND	14.30%	8.10%	2.40%	2.10%	
VANGUARD UK GOVERNMENT BOND INDEX FUND	4.80%	7.60%	8.20%	4.90%	
	<b>19.10%</b>	<b>15.70%</b>	<b>10.60%</b>	<b>7.00%</b>	<b>0.00%</b>
<b>International Sovereign Bonds</b>					
LYXOR CORE US TIPS UCITS ETF	10.60%	8.60%	5.90%	4.80%	
	10.60%	8.60%	5.90%	4.80%	0.00%
<b>Investment Grade Corporate Bonds</b>					
VANGUARD GLOBAL SHORT-TM CORP BD IDX	10.60%	7.10%	5.00%	2.00%	
VANGUARD UK SHORT-TERM IG BD IDX FD	9.70%	7.10%	5.00%	2.00%	
	20.30%	14.20%	10.00%	4.00%	0.00%
<b>Sub Total Fixed Income</b>	<b>48.80%</b>	<b>37.30%</b>	<b>26.60%</b>	<b>15.80%</b>	<b>0.00%</b>
<b>Alternative Assets</b>					
<b>Gold</b>					
INVESCO PHYSICAL GOLD ETC	4.50%	4.50%	4.50%	4.50%	0.00%
	4.50%	4.50%	4.50%	4.50%	0.00%
<b>Sub Total Alternative Assets</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>0.00%</b>
<b>Cash</b>					
CASH	2.00%	2.00%	1.20%	2.00%	2.00%
<b>Sub Total Cash</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Evelyn Partners Investment Management Services Limited. Asset allocation within the portfolios is subject to change and the allocation is correct as at 16.02.2025

## Important information

This document has been prepared for use by professional advisers and intermediaries only and should not be construed as investment advice. It is not intended for use by retail clients.

Please remember the value of an investment and income derived from it can go down as well as up and investors may get back less than the amount invested. The return may increase or decrease as a result of currency fluctuations.

**Past performance is not a guide to future performance.**

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