ACTIVE MPS
Rebalance note

Summary

In a similar vein to our last rebalance back in December, this rebalance was driven primarily by a desire to marginally reduce the equity exposure in all models apart from Dynamic Growth where the overall allocation remains unchanged. We believe this is a prudent move bearing in mind the strength we have witnessed in equity markets over the first half of the year. Despite this, we still retain an overweight to equities in these models, reflecting our continued positive outlook for risk assets. The proceeds were reinvested into a mixture of bonds and infrastructure.

The reduction in the equity allocation was primarily funded from the significant overweight to the UK, although other geographies were also trimmed depending on the portfolio. Within Asia/Emerging Markets we have increased our weightings to some of the funds which have lagged in the AI driven rally of recent months and trimmed those that have been significant beneficiaries.

The allocation to UK gilts was increased in all but the two highest risk portfolios as we believe they should provide portfolio diversification in any risk-off scenario. We also added to infrastructure in the higher risk half of the range as the investment trusts that we invest in continue to trade at attractive discounts to NAV and provide interesting growth and income characteristics. We believe that over the medium term this valuation anomaly will correct.

Finally, we conducted switches into cheaper share classes that have become available to us in Baillie Gifford Emerging Markets Leading Companies and Schroder Asian Income Maximiser.

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Active Defensive (DT3)

Exposure to UK government bonds was increased by adding to the existing position in **iShares Up To 10 Years Gilts Index** which has a duration of just under four years. Short-dated gilts offer returns ahead of inflation whilst having limited interest rate sensitivity meaning that they remain an attractive source of stability in portfolios.

↓	Reduce	**Cash** 0.50%
↑	Increase	**iShares Up to 10 Years Gilts Index** 2.00%

UK and US equities were reduced in order to bring down the portfolio's overall overweight to equities. The UK has been the biggest geographic overweight for some time and we remain convinced that retaining significant exposure to a market that is cheap against not only many other major global markets, but also its own history continues to make sense. **Redwheel UK Equity Income** had become the biggest position within the UK allocation, partially due to strong performance, and so was an obvious candidate for trimming. With regard to the US, **Vanguard US Equity Index** was reduced as we sought to bank further profits from the mega cap tech stocks that dominate the index and which have continued to perform well again this year.

↓	Reduce	**Redwheel UK Equity Income** 1.00%
↓	Reduce	**Vanguard US Equity Index** 0.50%

Active Defensive Income (DT4)

Exposure to UK government bonds was increased by adding to the existing position in **iShares Up To 10 Years Gilts Index** which has a duration of just under four years. Short-dated gilts offer returns ahead of inflation whilst having limited interest rate sensitivity meaning that they remain an attractive source of stability in portfolios.

↓ Reduce	**Cash** 0.50%
↑ Increase	**iShares Up to 10 Years Gilts Index** 2.50%

UK, European and Emerging Market equities were all reduced in order to bring down the portfolio's overall overweight to equities. The UK has been the biggest geographic overweight for some time and we remain convinced that retaining significant exposure to a market that is cheap against not only many other major global markets, but also its own history continues to make sense. **Redwheel UK Equity Income** had become the biggest position within the UK allocation, partially due to strong performance, and so was an obvious candidate for trimming. Europe continues to provide diversification benefits but softer growth dynamics, weaker earnings revisions and greater sensitivity to higher energy prices reduce the relative attractiveness of the region at this stage of the cycle. **BlackRock European Dynamic**, the more growth focused of the portfolio's European holdings was therefore reduced. **Baillie Gifford Emerging Markets Leading Companies** has produced excellent returns since we introduced it to the portfolio just over a year ago and this reduction brought the position back to its original size.

↓ Reduce	**Redwheel UK Equity Income** 1.00%
↓ Reduce	**BlackRock European Dynamic** 0.50%
↓ Reduce	**Baillie Gifford Emerging Markets Leading Companies** 0.50%

Active Balanced Income (DT5)

Exposure to UK government bonds was increased by adding to the existing position in **iShares Up To 10 Years Gilts Index** which has a duration of just under four years. Short-dated gilts offer returns ahead of inflation whilst having limited interest rate sensitivity meaning that they remain an attractive source of stability in portfolios. In a similar vein of thinking we added to short duration corporate bonds. **Aegon Global Short Dated Climate Transition** focuses on global investment grade bonds whilst **Sequoia Economic Infrastructure Income** has a diversified portfolio of private debt backed by economic infrastructure such as digital assets, power and transportation. Both have low interest rate sensitivity due to their short-dated nature and all overseas currency exposure in the portfolios is hedged back to sterling so there are no currency fluctuations to worry about.

↓	Reduce	**Cash** 0.75%
↑	Increase	**iShares Up to 10 Years Gilts Index** 1.25%
↑	Increase	**Aegon Global Short Dated Climate Transition Bond (H)** 0.50%
↑	Increase	**Sequoia Economic Infrastructure** 1.00%

UK equities were reduced whilst Emerging Market and Asia equities were increased, albeit to a lesser degree, to bring down the portfolio's overall overweight to equities. The UK has been the biggest geographic overweight for some time and we remain convinced that retaining significant exposure to a market that is cheap against not only many other major global markets, but also its own history continues to make sense. We like the mix we have across the UK allocation and so all holdings were trimmed so as to maintain roughly the same relative weights. The past six months have been a period of very strong performance for Emerging Market and Asian equities and funds that have had substantial allocations to South Korea and Taiwan have done particularly well. Both of the more contrarian managers that we hold, **Federated Hermes Asia ex Japan Equity** and **BlackRock Emerging Markets Equity Strategies** have lagged this rally. Over the longer term they have strong track records and we felt this was a good opportunity to add to the positions.

↓	Reduce	**Artemis UK Select** 0.75%
↓	Reduce	**Legal & General UK 100 Index Trust** 1.00%
↓	Reduce	**Premier Miton UK Multi Cap Income** 0.75%
↓	Reduce	**Redwheel UK Equity Income** 0.75%
↑	Increase	**Federated Hermes Asia ex Japan Equity** 0.50%
↑	Increase	**BlackRock Emerging Markets Equity Strategies** 0.75%

Active Balanced Growth (DT6)

Exposure to UK government bonds was increased by adding to the existing position in **Vanguard UK Government Bond Index**. Although we like short duration gilts for lower risk portfolios, in higher risk ones a slightly longer duration makes sense as they should have greater sensitivity in any growth shock. The duration of this passive fund is medium dated at around eight years, a level we are very comfortable with. **Sequoia Economic Infrastructure Income** was also increased as we remain convinced by the attractions of its diversified portfolio of private debt backed by economic infrastructure such as digital assets, power and transportation. This investment company yields over 8% and all overseas currency exposure in the portfolio is hedged back to sterling so there are no currency fluctuations to worry about.

Reduce	**Cash** 0.50%
Increase	**Vanguard UK Government Bond Index** 0.50%
Increase	**Seqouia Economic Infrastructure** 1.00%

We increased the position in **International Public Partnerships.** This investment company is focused on lower risk essential social and public infrastructure assets. We rate the management team highly and they continue to deliver on the strategy. The shares have re-rated this year but still trade on a discount to net asset value and we expect this trend to continue and for its net asset value to continue growing. In the meantime, it is paying an attractive yield of 6% and we expect the dividend to grow consistently over time.

Increase	**International Public Partnerships** 1.00%

UK as well as Emerging Market and Asia equities were reduced whilst US equities were increased, albeit to a lesser degree, to bring down the portfolio's overall overweight to equities. The UK has been the biggest geographic overweight for some time and we remain convinced that retaining significant exposure to a market that is cheap against not only many other major global markets, but also its own history, continues to make sense. We like the mix we have across the UK allocation and so the bulk of the holdings were trimmed so as to maintain roughly the same relative weights. We topped up the position in **GQG US Equity** as its underweight to the technology sector has led it to lag the broader market, but we believe its approach adds good diversification to the overall portfolio. The past six months have been a period of very strong performance for Emerging Market and Asian equities and funds that have had substantial allocations to South Korea and Taiwan such as **Fidelity Asia** and **Baillie Gifford Emerging Markets Leading Companies** have done particularly well. As a result, we decided to trim both positions as they had become over-sized. Both of the more contrarian managers that we hold, **Federated Hermes Asia ex Japan Equity** and **BlackRock Emerging Markets Equity Strategies** have lagged this rally. Over the longer term they have strong track records and we felt this was a good opportunity to add to the positions.

Reduce	**Artemis UK Select** 0.50%
Reduce	**Legal & General UK 100 Index Trust** 0.50%
Reduce	**Premier Miton UK Multi Cap** 0.50%
Reduce	**Redwheel UK Equity Income** 0.50%
Increase	**GQG US Equity** 0.50%
Increase	**Federated Hermes Asia ex Japan Equity** 1.75%
Increase	**BlackRock Emerging Markets Equity Strategies** 0.75%
Reduce	**Fidelity Asia** 1.25%
Reduce	**Baillie Gifford Emerging Markets Leading Companies** 1.75%

Active Growth (DT7)

We initiated a new position in **International Public Partnerships.** This investment company is focused on lower risk essential social and public infrastructure assets. We rate the management team highly and they continue to deliver on the strategy. The shares have re-rated this year but still trade on a discount to net asset value and we expect this trend to continue and for its net asset value to continue growing. In the meantime, it is paying an attractive yield of 6% and we expect the dividend to grow consistently over time.

★	Initiate	**International Public Partnerships** 2.00%

UK equities were reduced whilst Emerging Market and Asia equities were increased, albeit to a lesser degree, to bring down the portfolio's overall overweight to equities. The UK has been the biggest geographic overweight for some time and we remain convinced that retaining significant exposure to a market that is cheap against not only many other major global markets, but also its own history, continues to make sense. We like the mix we have across the UK allocation and so the bulk of the holdings were trimmed so as to maintain roughly the same relative weights. We were disappointed to be informed a few weeks ago that **Pinebridge Asia ex Japan Small Cap Equity** was being closed by the start of September. This required us to sell out of the position and led to a reallocation of some of the capital into the **Vanguard Emerging Markets Stock Index**. The past six months have been a period of very strong performance for Emerging Market and Asian equities and funds that have had substantial allocations to South Korea and Taiwan have done particularly well. Both of the more contrarian managers that we hold, **Federated Hermes Asia ex Japan Equity** and **BlackRock Emerging Markets Equity Strategies** have lagged this rally. Over the longer term they have strong track records and we felt this was a good opportunity to add to the positions. India has also been a laggard over the past eighteen months but we believe the market there is looking better value now and the long-term growth story is undiminished. We therefore took the opportunity to add to **Goldman Sachs India**.

↓	Reduce	**Artemis UK Select** 0.50%
↓	Reduce	**Legal & General UK 100 Index Trust** 1.75%
↓	Reduce	**Premier Miton UK Multi Cap** 0.50%
↓	Reduce	**Redwheel UK Equity Income** 0.50%
↑	Increase	**Federated Hermes Asia ex Japan Equity** 1.25%
↑	Increase	BlackRock Emerging Markets Equity Strategies 1.00%
↑	Increase	Goldman Sachs India 0.50%
↑	Increase	Vanguard Emerging Markets Stock Index 1.25%
←	Exit	Pinebridge Asia ex Japan Small Cap Equity 2.69%

Active Dynamic Growth (DT8)

We took the decision that having a small allocation to defensive UK government bonds no longer made sense in a portfolio that is very much for clients with a high risk tolerance. We therefore exited the position in **Vanguard UK Government Bond Index** and used the proceeds to top up infrastructure and emerging market bonds. **M&G Emerging Markets Bond** provides exposure to both sovereign and corporate bonds in both local and hard (dollars) currency. The flexible mandate that this provides the managers allows them to seek out the best opportunities they can find to produce an attractive income yield as well as capital growth.

←	Exit	**Vanguard UK Government Bond Index** 3.06%
↑	Increase	**M&G Emerging Markets Bond** 1.00%

We initiated a new position in **Cordiant Digital Infrastructure.** This is an investment company investing in the core infrastructure of the digital economy such as date centres, fibre-optic networks and mobile towers. The management team continue to deliver on the strategy, The shares have re-rated this year but still trade on a discount to net asset value and we expect this trend to continue and for its net asset value to continue growing. In the meantime, it is paying an attractive yield of over 3.5% and we expect the dividend to grow consistently over time.

★	Initiate	**Cordiant Digital Infrastructure** 2.00%

We were disappointed to be informed a few weeks ago that **Pinebridge Asia ex Japan Small Cap Equity** was being closed by the start of September. This required us to sell out of the position and led to a reallocation of the capital into other existing positions. In addition, the past six months have been a period of very strong performance for Emerging Market and Asian equities and funds that have had substantial allocations to South Korea and Taiwan such as **Fidelity Asia** have done particularly well. As a result, the position has become over-sized and we decided to trim it. Both of the more contrarian managers that we hold, **Federated Hermes Asia ex Japan Equity** and **BlackRock Emerging Markets Equity Strategies** have lagged this rally. Over the longer term they have strong track records and we felt this was a good opportunity to add to the positions. **Utilico Emerging Markets** is focused on infrastructure opportunities and has unsurprisingly been left behind this year. However, its investments in critical infrastructure such as ports, railroads and utilities mean it is an excellent way of playing the long-term growth trends in emerging markets. **Goldman Sachs India** and **Fidelity China Special Situations** were also added to but for slightly different reasons. India has been a laggard for the past eighteen months but we believe the market there is looking better value now and the long-term growth story remains undiminished. China had a strong year in 2025 but has paused for breath this year. It would appear that the property market, which has been the biggest headwind for a number of years, has bottomed out and over time investors will once again look at some of the exciting opportunities that exist in China.

↑	Increase	**Federated Hermes Asia ex Japan Equity** 0.50%
↑	Increase	**BlackRock Emerging Markets Equity Strategies** 1.75%
↓	Decrease	Fidelity Asia 1.25%
↑	Increase	**Goldman Sachs India** 1.00%
↑	Increase	**Fidelity China Special Situations** 0.50%
↑	Increase	**Utilico Emerging Markets** 1.00%
←	Exit	Pinebridge Asia ex Japan Small Cap Equity 3.41%

Active MPS Investment List

Security	Defensive	Defensive Income	Balanced Income	Balanced Growth	Growth	Dynamic Growth
Equities						
UK Equity						
Artemis UK Select			2.08%	2.27%	2.94%	2.93%
Blackrock Smaller Companies				1.92%	2.40%	2.11%
L&G UK 100 Index Trust	1.73%	2.49%	2.86%	2.49%	3.04%	2.80%
Premier Miton UK Multi Cap Income	2.40%	2.53%	2.61%	1.94%	2.27%	2.56%
Redwheel UK Equity Income	2.16%	2.45%	2.53%	2.37%	3.02%	
US Equity						
BlackRock Gold & General	2.30%	2.67%	2.72%	3.23%	3.39%	3.21%
GQG US Equity	1.38%	3.00%	3.99%	5.33%	4.93%	4.14%
Monks Investment Trust				2.32%	4.21%	4.12%
Vanguard US Equity Index	1.82%	4.21%	5.52%	5.62%	6.07%	4.41%
BNY Mellon US Equity Income	2.63%	4.59%	6.10%	5.57%	6.23%	3.57%
Europe Equity						
Blackrock Continental European Income		3.63%	3.36%			
Blackrock European Dynamic		2.38%	3.64%	3.29%	3.67%	3.63%
Janus Henderson European Focus				3.99%	4.11%	3.86%
Japan Equity						
Baillie Gifford Japan Trust						1.53%
JPMorgan Japan	2.87%	3.43%	3.44%	3.96%	4.38%	3.63%
Jupiter Japan Income	2.37%	3.03%	3.19%	3.34%	3.79%	2.86%
Asia Pacific ex Japan Equity						
Federated Hermes Asia Ex Japan Equity			2.12%	3.85%	4.40%	6.44%
Fidelity Asia				3.48%	3.45%	6.12%
Schroder Asian Total Return Inv Company		2.08%	3.20%	4.03%	3.87%	6.00%
Schroder Asian Income Maximiser	1.46%	2.15%	2.36%			
Emerging Market Equity						
BlackRock Emerging Markets Equity Strategies			2.35%	3.44%	3.40%	4.12%
Blackrock Frontiers Investment Trust				1.35%	1.45%	2.35%
Baillie Gifford Emerging Markets Leading Cos		1.28%	3.93%	3.98%	3.57%	5.86%
Fidelity China Special Situations					1.48%	2.38%
Goldman Sachs India Equity					1.88%	3.30%
Vanguard Emerging Markets Stock Index				4.27%	3.83%	7.68%
Utilico Emerging Markets						4.31%
Fixed Income						
Index-Linked Bonds						
Sanlam NinetyOne Intl Inflation Linked Bond	5.54%	4.59%	3.75%			
Vanguard UK Inflation Linked Gilt Index	2.13%	1.96%				
Sovereign Bonds						
iShares Up to 10 Years Gilts Index	13.56%	11.41%	5.36%			
Vanguard UK Government Bond Index	6.88%	5.29%	5.95%	5.71%	4.61%	
UK Corporate Bonds						
AXA US Short Duration High Yield (H)	5.36%	4.86%	3.39%	3.17%		
International Bonds						
M&G Emerging Markets Bond	3.58%	3.15%	1.73%	1.53%	1.49%	2.20%
Aegon Global Short Dated Climate Transition (H)	4.12%	4.51%	3.29%			
SSGA SPDR Barclays Global Aggregate Bond	11.89%	7.14%	6.64%	4.48%	2.62%	
High Yield Bonds						
Sequoia Economic Infrastructure Income	3.16%	2.21%	2.27%	2.14%	1.26%	
Alternative Assets						
Hedge Funds						
BH Macro	2.72%	2.38%	2.17%	1.48%	1.98%	
Fulcrum Diversified Absolute Return	1.55%	1.24%	1.20%	1.58%		
Real Assets						
International Public Partnerships	2.92%	3.07%	3.04%	2.55%	2.00%	
Unite Group	1.13%	1.05%	1.03%	0.73%		
Cordiant Digital Infrastructure	2.20%	2.16%	1.79%	1.97%	2.23%	2.00%
Picton Property Income	2.97%	2.82%	1.96%	2.06%	1.68%	1.54%
Cash						
Cash	0.58%	0.56%	0.44%	0.53%	0.36%	0.33%
Blackrock ICS Sterling Liquidity	8.57%	1.67%				

Source Evelyn Partners Investment Management LLP

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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