

INTERNATIONAL MPS

Rebalance note (USD)



Summary

At a strategic level, our long-term conviction in global equity markets remains firmly intact, and we have therefore maintained our overall equity exposure. That said, with the geopolitical backdrop evolving and energy markets becoming more influential in shaping inflation trends, we have taken the opportunity to make some thoughtful adjustments designed to strengthen portfolios and enhance resilience.

Tensions in the Middle East are likely to remain a feature for some time, creating the potential for more persistent disruption in global energy supply. In this environment, we see a compelling opportunity to complement our existing equity positions with a targeted allocation to the energy sector via a low-cost global Energy ETF.

Energy, in our view, offers one of the most effective ways to hedge against an unexpected oil led inflation shock. While a rapid de-escalation could see prices ease modestly, the balance of risks still tilts to the upside. Importantly, while spot prices have moved meaningfully, futures prices, which matter more for energy equities, have risen far less, creating attractive catch-up potential.

To fund this ~5% allocation within equities, we exited the Redwheel Frontier EM Fund and Brown Advisory US Mid Cap.

Portfolio adjustments

Exit: Redwheel Frontier EM

We chose to step away from this fund to reduce idiosyncratic and geopolitical risk. Frontier markets, including the UAE (5.6% exposure), tend to be more sensitive to energy-related shocks and can exhibit higher volatility in periods of global uncertainty. Removing this position helps streamline risk and improve the overall robustness of the portfolio.

Reduction: Brown Advisory US Mid Cap

US mid-caps typically run at higher leverage levels and face greater refinancing needs than large caps. With funding costs elevated, we expect mid-caps to experience more margin and earnings pressure. We continue to favour large caps for their stronger balance sheets, higher quality, and more predictable performance.

Energy allocation enhancement

The portfolio had been structurally underweight Energy relative to global benchmarks. Introducing a ~5% position in the **iShares MSCI World Energy ETF** helps rebalance sector exposure while adding diversification and an attractive risk reward profile.

This allocation strengthens the portfolio in several important ways:

- A natural hedge against rising oil prices, driven by supply side tightness, OPEC+ discipline, and ongoing geopolitical tensions.
- Improved inflation protection, as energy producers directly benefit from higher commodity prices.
- Broader global diversification through exposure to leading energy majors rather than region specific bets.
- Access to strong free cash flow businesses with attractive dividends, solid balance sheets, and earnings resilience — qualities that tend to shine in late cycle or slower growth environments.
- Overall, this addition enhances both risk management and return generation potential during periods of elevated or rising crude prices.

Summary

These refinements steer the portfolio away from more volatile frontier and cyclical exposures and towards a higher quality, globally diversified, and inherently more resilient sector. The result is a more balanced equity allocation that is better equipped to navigate today's complex macroeconomic and geopolitical landscape, while remaining well positioned to capture long term equity market upside.

International MPS Investment List – Risk-based Portfolios

	Defensive	Cons.	Cautious	Balanced	Growth	Adventurous	Max Growth
Cash & Short Dated							
Cash	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
BlackRock USD Liquidity Fund	3.0%	2.0%	2.0%				
Sub Total Cash	5.0%	4.0%	4.0%	2.0%	2.0%	2.0%	2.0%
Fixed Income							
Government – Nominal							
iShares \$ Treasury 7-10 Year	10.0%	7.0%	7.0%	6.0%	6.0%	4.0%	
Brown Advisory Sustainable Bond Fund	10.0%	7.0%	5.0%	4.0%	2.0%		
iShares Treasury Bond 3-7year ETF USD	14.0%	13.0%	10.0%	8.0%	5.0%	2.5%	
	34.0%	27.0%	22.0%	18.0%	13.0%	6.5%	
Government – Real							
Lxyor US TIPS	8.0%	5.0%	5.0%	4.0%	2.0%		
	8.0%	5.0%	5.0%	4.0%	2.0%		
Investment Grade Corporate Bonds							
Schroder Strategic Credit USD H	5.0%	5.0%	3.0%	2.0%			
Vontobel Fund - TwentyFour Strategic Income	5.0%	5.0%	4.0%	3.0%	3.0%	2.0%	
	10.0%	10.0%	7.0%	5.0%	3.0%	2.0%	
Sub Total Fixed Income	52.0%	42.0%	34.0%	27.0%	18.0%	8.5%	
Alternative Assets							
Real Assets							
Schroder Global Cities	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	
Lazard Listed Private Markets					2.0%	2.0%	
	3.0%	3.0%	3.0%	3.0%	4.0%	4.0%	
Absolute Return							
Fulcrum Diversified Absolute Return	8.0%	6.5%	6.0%	5.0%	3.0%	2.0%	
Trium EPYNT Macro Fund	7.0%	6.0%	5.0%	4.0%	3.0%	2.0%	
	15.0%	12.5%	11.0%	9.0%	6.0%	4.0%	
Gold							
Invesco Physical Gold ETC	5.0%	5.0%	4.0%	4.0%	4.0%	3.5%	
	5.0%	5.0%	4.0%	4.0%	4.0%	3.5%	
Sub Total Alternative Assets	23.0%	20.5%	18.0%	16.0%	14.0%	11.5%	
Equities							
US Equity							
Vanguard S&P 500	4.0%	6.0%	8.0%	10.0%	12.5%	14.0%	16.0%
iShares NASDAQ 100 UCITS ETF USD		2.0%	4.0%	5.0%	6.0%	6.5%	8.0%
Dodge & Cox US Stock		2.0%	3.0%	4.0%	4.0%	8.0%	8.0%
GQG Partners US Equity	2.0%	2.0%	4.0%	5.0%	6.0%	7.5%	10.0%
Brown Advisory US Mid Cap Growth				2.0%	3.0%	4.0%	6.5%
	6.0%	12.0%	19.0%	26.0%	31.5%	40.0%	48.5%
UK Equity							
iShares Core FTSE 100							3.0%
							3.0%
Japan Equity							
JP Morgan Japan USD	1.0%	2.0%	3.0%	3.0%	3.0%	4.0%	5.0%
	1.0%	2.0%	3.0%	3.0%	3.0%	4.0%	5.0%
Europe Ex UK Equity							
Blackrock Continental European Equity	2.0%	3.0%	4.0%	6.0%	6.0%	6.0%	7.0%
Lightman European Equities					2.0%	3.0%	4.0%
	2.0%	3.0%	4.0%	6.0%	8.0%	9.0%	11.0%
Asia Pacific Ex Japan Equity							
Fed Hermes Asia ex Japan	2.0%	3.0%	2.0%	3.0%	4.5%	5.0%	5.0%
Fidelity Asian Smaller Companies Income				2.0%	2.0%	2.5%	3.5%
Schroder Asian Total Return Equity		1.5%	3.0%	3.0%	3.0%	4.0%	5.0%
	2.0%	4.5%	5.0%	8.0%	9.5%	11.5%	13.5%
Global Equity							
Vanguard FTSE All-World UCITS ETF	3.0%	4.0%	4.0%				
Jupiter Gold & Silver				1.5%	1.75%	2.0%	3.0%
AB International Healthcare	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%
Polar Cap Global Insurance	1.0%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Guinness Global Equity Income Fund	3.0%	3.0%	3.0%	4.0%	5.0%	4.0%	5.0%
SPDR MSCI World Energy ETF	1.0%	1.5%	2.0%	2.5%	3.25%	3.5%	4.5%
	9.0%	12.0%	13.0%	12.0%	14.0%	13.5%	17.0%
Sub Total Equities	20.0%	33.5%	44.0%	55.0%	66.0%	78.0%	98.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
OCF	0.45%	0.48%	0.48%	0.53%	0.55%	0.58%	0.58%

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.

T: 020 7189 9918

E: IFAServices@evelyn.com

Evelyn Partners International Limited

Registered in Jersey No. 120252. Regulated by the Jersey Financial Services Commission.

[Factsheets & Literature | Evelyn Partners](#)

