

P1 Retirement Income Cautious-Moderate

Quarterly Factsheet to 1 April 2025



Portfolio Range

Retirement Income

Portfolio Managers

Will Dickson

Objective

Income

Risk Level

Cautious-Moderate
Risk-rated range; Adventurous, Moderate-Adventurous, Moderate, Cautious-Moderate & Cautious

Benchmark

IA Mixed Investment 20%-60% Shares

Rebalancing Frequency

January, April, July & October

Target Market

Retail Investors

Historic Yield

3.58%
Please note that income from Acc units is not distributed

Volatility

7.07%

Total Fund Charge

0.55%
Based on weighted average of individual fund holdings at date of factsheet

Investment Management Charge

0.25%

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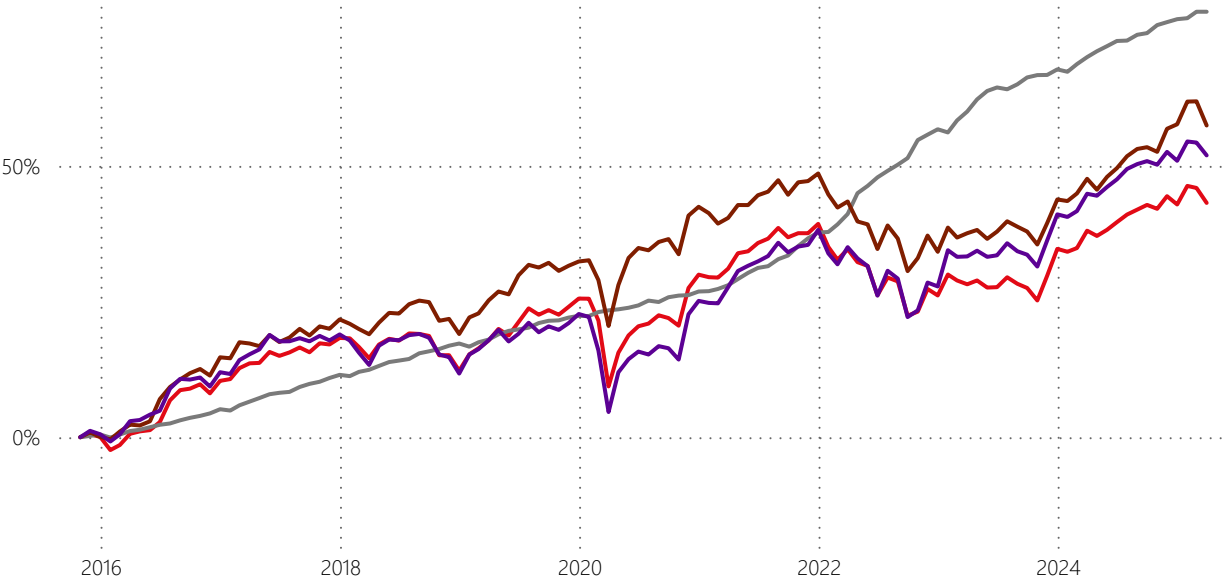
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Portfolio Performance

Performance since inception (31 January 2013)

Portfolio: P1 Retirement Income Cautious-Moderate	51.93%
Benchmark: IA Mixed Investment 20-60% Shares	43.18%
CPI + 3%	78.40%
Morningstar UK Moderate Target Allocation	57.44%



Performance periods

	1yr	3yr	5yr
Portfolio: P1 Retirement Income Cautious-Moderate	4.88%	12.52%	45.19%
Benchmark: IA Mixed Investment 20-60% Shares	3.71%	6.34%	30.91%
Relative	1.18%	6.18%	14.28%

Asset Allocation

Cash	2.00%
Ethical Multi Asset	15.00%
Fixed Interest	32.00%
Overseas Equity	40.00%
UK Equity	11.00%



Investment Objective

The portfolio aims to deliver some nominal capital growth after income distribution over the long term (5+ years) and generate an income of 3-4% per annum. The portfolios are actively managed and primarily invest in active and passive funds within the core asset classes of equity and fixed income. Positions in alternative asset classes are also included for diversification purposes.

The portfolio is benchmarked, to the IA Mixed Investment 20%-60% Shares and CPI + 3%, and the managers are looking to outperform both the primary and secondary benchmarks over the long term (5+ years). The managers recognise that investment costs are a key criterion when constructing portfolios and selecting investments. Any investment changes will also take into consideration the potential costs of a transaction, eg.Bid/offer spread, taxes, trading charges etc.

The model portfolio is designed for investors with an investment time horizon of a minimum of five years and an attitude to risk which can withstand fluctuations in capital value and/or income. Suitability of a particular portfolio will depend upon each investor's individual circumstances and attitudes towards investment risk, together with their capacity for loss.



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Quarterly Commentary & Outlook

Following a particularly strong 2024, the first quarter of the year marked a sharp change for equities. The dominant US market was volatile was the centre of significant selling from late February, underperforming peers. Unusually, government bonds saw little change as although interest rates have begun to come down, stubborn inflation moderated expectations for future cuts. Geopolitically, uncertainty remains elevated as the threat of tariffs and changes to the US alliance framework leave many questioning what the future will look like and who the beneficiaries or losers will be.

Economic momentum continues to ease although modest growth remains. Particular focus has been on the US economy, which was already showing signs of slowing. Policy volatility, mainly on tariffs, has impacted business and consumer confidence. Given the direction of economic momentum, combined with greater uncertainty on trade, there is a realistic risk of recession in the world’s largest economy. This is now being priced into markets.

Monetary policy has also been more of a headwind than a help, as central banks have on balance moderated their expectations for rate cuts given persistent inflation. This is particularly notable in the US, where the Federal Reserve may potentially make no further adjustments this year. However, should a significant economic slowdown or recession occur, some easing would be expected, even with the high inflation backdrop. Europe has had more scope to ease policy as inflation is contained, approaching the 2% target rate. Furthermore, Eurozone economy has also been more sluggish, increasing the arguments for stimulus.

Developments in the Ukraine conflict have been volatile, although the prospect for peace increasing as the US is forcing discussion. The potential for peace has already impacted energy prices in Europe as the prospect for Russian gas exports returning could ease supply pressures. A potentially bigger and longer term impact of the way the negotiations have been conducted is how European (and other) nations perceive the established US alliance framework and guarantees. The current administration has forced European nations to take their own defence into their own hands. The shift in mindset has been rapid and the scale of the change will be significant for many European nations. In particular, Germany, which has underspent for many years and has significant fiscal headroom, is likely to see a seismic shift in the amount of defence spending over the coming years. Markets have taken this positively as investors see a potential renaissance in European manufacturing. Some barriers remain, however, several stars appear to be aligning for the European economy.

Asset Class	Pos	Q3	Q4	Q1	Q2	Outlook
Fixed Income	+	↑	↑	=	↓	Fixed income yields have risen over the quarter, and remain attractive. Credit spreads have widened marginally although are close to historical lows.
Government Bonds	+	=	↑	=	=	Government bonds still offer attractive absolute returns, although there is ongoing high volatility. Government bonds provide a hedge against certain types of market turbulence.
Corporate Bonds	-	=	↓	=	↓	Credit spreads remain narrow and in line with long term lows. Caution is required as spreads could widen in a negative market environment.
High Yield	=	=	=	=	=	High yield spreads remain tight. Given current risks and yields on offer, longer dated high yield bonds are not attractive. Opportunities are present in short dated bonds
Equity	=	=	=	=	=	Valuations are higher than long run averages although have decreased in the quarter. Earnings are likely to see downward pressure if economic conditions weaken.
UK Equity	-	=	=	↓	↓	UK equities are very attractively valued at a market level both on an absolute and relative basis. Caution needed given dominance of commodities, energy and financials. Strategic reduction in UK bias across risk levels continues. Small tactical overweight applied.
UK Mid/Small Cap Equity	=	=	=	=	=	Small and mid caps remain attractive on a relative and absolute basis. We continue to believe in the ability for smaller, more dynamic companies to outperform over time.
US Equity	-	=	↓	↓	=	US Equities trade at a premium, which remains historically wide. However, this is balanced to an extent by the tech biases within the market.
European Equity	=	=	=	↓	=	European equities have rebounded strongly as potential peace in Ukraine and an increase in defense spending provide tailwinds.
Japanese Equity	=	=	=	↓	=	Valuation discounts are inline with historical averages. We have a neutral position to the market following some strength in 2024. Significant currency volatility is likely as monetary and trade policy evolves.
Asian/Emerging Market Equity	+	=	=	=	=	There continues to be an attractive valuation in Asian and EM equities. The polarised outlook between Chinese and Indian equities has led to dispersion in valuation. Investor sentiment remains weak. Some signs of recovery can now be seen.
Global Equity	+	=	↑	↑	↑	We introduced a global equity allocation to better enable exposure to global funds, styles and thematic. This has been taken broadly from developed market equities although this is not a change in preference.
Alternatives	=	↓	↓	=	=	Alternatives are split out into real assets and diversifying alternatives.
Real Assets	+	=	↓	=	=	Allocations to infrastructure remain as a hedge against inflationary risks. Currently on very low valuations relative to other asset classes.
Diversifying Alternatives	=	=	=	=	=	Diversifying alternatives provide an differing return profile to equities and fixed income. Increasing competition from cash and short dated bonds providing 5%+ returns make allocating to alternatives with uncertain outcomes less attractive. Gold allocations have been particularly strong where used.

Investment Approach

With the objective to outperform the benchmark, P1 portfolio managers combine strategic, risk-based asset allocations with tactical tilts and investment selection. We use both active and passive investments, creating blended portfolios. Passive investments are used where we believe active managers are not able to add value sufficiently to justify the higher charges. As a result, we believe that our portfolios have the ability to outperform while having a lower overall cost. Typically, a quarter of the portfolio will be invested through passive instruments, however, this will vary dependent on asset allocation, availability of appropriate passive investments and portfolio objective.

Our investment research process includes both quantitative and qualitative criteria, and portfolios deliberately avoid having a style bias, containing investments from across the style spectrum. Our panel of investments includes funds from across asset classes, geographies and market capitalisation, giving managers flexibility to make more nuanced tactical allocations.

Appropriate investments are selected from the panel to meet the tactical asset allocation determined by the portfolio’s risk profile and manager decisions. Investments are made with a long-term (5+ years) time horizon in mind, although positions are reviewed, and portfolios rebalanced quarterly.

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Allocation Summary

abrdn Global Infrastructure Equity Tracker Fund (5%)	To generate growth over the long term (5 years or more) by tracking the return of MSCI World Core Infrastructure Index.
Artemis Global Income Fund Inc (4%)	The Fund invests 80%-100% in company shares and up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
BlackRock Continental European Income D Inc (2%)	Fund managers Andreas Zoellinger and Alice Gaskell have worked together at BlackRock since 2002. This fund is intended to be a low risk, high quality way to gain European equity exposure.
BNY Mellon Global Income Fund Institutional W Net Inc (5%)	The Sub-Fund aims to achieve income together with capital growth over the long term (5 years or more).
Cash (2%)	British Pound Sterling.
Fidelity Global Enhanced Income W Inc (6%)	The Fund aims to increase the value of your investment and deliver an income that is at least 50% more than the income produced by the companies included in the MSCI All Country World Index. The Fund is actively managed without reference to a benchmark.
Fidelity Index UK Gilt Fund S Acc GBP (3%)	The Fund aims to track the performance of the FTSE Actuaries UK Gilts All Stocks Index with mid-day valuation (before fees and expenses are applied) thereby seeking to increase the value of investor's investment over a period of 5 years or more.
FTF Martin Currie UK Equity Income W Inc (6%)	The fund aims to provide a growing level of income which is higher than that of the FTSE All-Share Index, together with capital growth over the medium to long term. The process is constrained so that the fund will always have a strong large cap exposure, which should mean that fund liquidity is robust.
JPM Emerging Markets C Net Inc (7%)	The portfolio is designed to achieve income by investing primarily in Equity and Equity-Linked Securities of Emerging Markets companies in any economic sector whilst participating in long-term capital growth.
L&G Japan Index Trust C Inc (2%)	The objective of this fund is to provide growth by tracking the performance of the FTSE World Japan Index.The fund will invest almost entirely in company shares. The fund's investments will closely match those that make up the Index. The Index consists of a broad spread of Japanese company shares.
L&G Short Dated Sterling Corporate Bond C Inc (6%)	The objective of this fund is to provide income by tracking the performance of the Markit iBoxx Sterling Non-Gilts ex BBB Index.
Royal London Short Duration Global High Yield Bond M GBP Inc (8%)	The investment objective of the fund is to provide income. The fund seeks to achieve its investment objective by outperforming its benchmark, the 3 Month LIBOR (the "Benchmark") by 2% per annum over rolling three year periods.
Royal London Short Term Money Market Y Inc (9%)	The Fund's investment objective is to preserve capital and provide an income over rolling 12-month periods by investing at least 80% in cash and cash equivalents.
Schroder US EQTY Inc Maximiser Z Income (6%)	The fund aims to provide income by investing in equities of large US companies. The fund aims to deliver an income of 5% per year but this is not guaranteed and could change depending on market conditions.
TM P1 Ethical World Fund A Inc (15%)	The Fund aims to deliver income and capital growth, net of fees, on a total return basis whilst providing investors with exposure to a diversified portfolio invested in an ethically conscious way following the Investment Managers' ethical investment policy.
Vanguard Global Bond Index Fund GBP Hedged Inc (6%)	The Fund seeks to track the performance of the Bloomberg Barclays Global Aggregate Float Adjusted and Scaled Index (the "Index"). The Index includes investment-grade and government bonds from around the world with maturities greater than one year.
Vanguard Global Equity Income Fund A GBP Inc (8%)	The Fund seeks to provide an annual level of income (gross of fees) greater than that of the FTSE Developed Index (the "Index") together with an increase in the value of investments over the long-term (more than 5 years).

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Top Holdings

UBS(Lux)FS MSCI World SRI USD Adis	1.29%
Federated Hermes Sus Gl Eq X GBP Acc	0.97%
Nomura Global Sustainable Eq F GBP Acc	0.94%
Janus Henderson Global Sust Eq I Acc	0.91%
Greencoat UK Wind	0.83%
Liontrust GF Sust Fut US Gr C8 GBP Acc	0.82%
Liontrust Sust Fut Corp Bd 2 Grs Inc	0.75%
Janus Henderson UK Responsible Inc I Inc	0.74%
Alquity Asia GBP I	0.72%
Taiwan Semiconductor Manufacturing Co Ltd	0.63%

Sectors

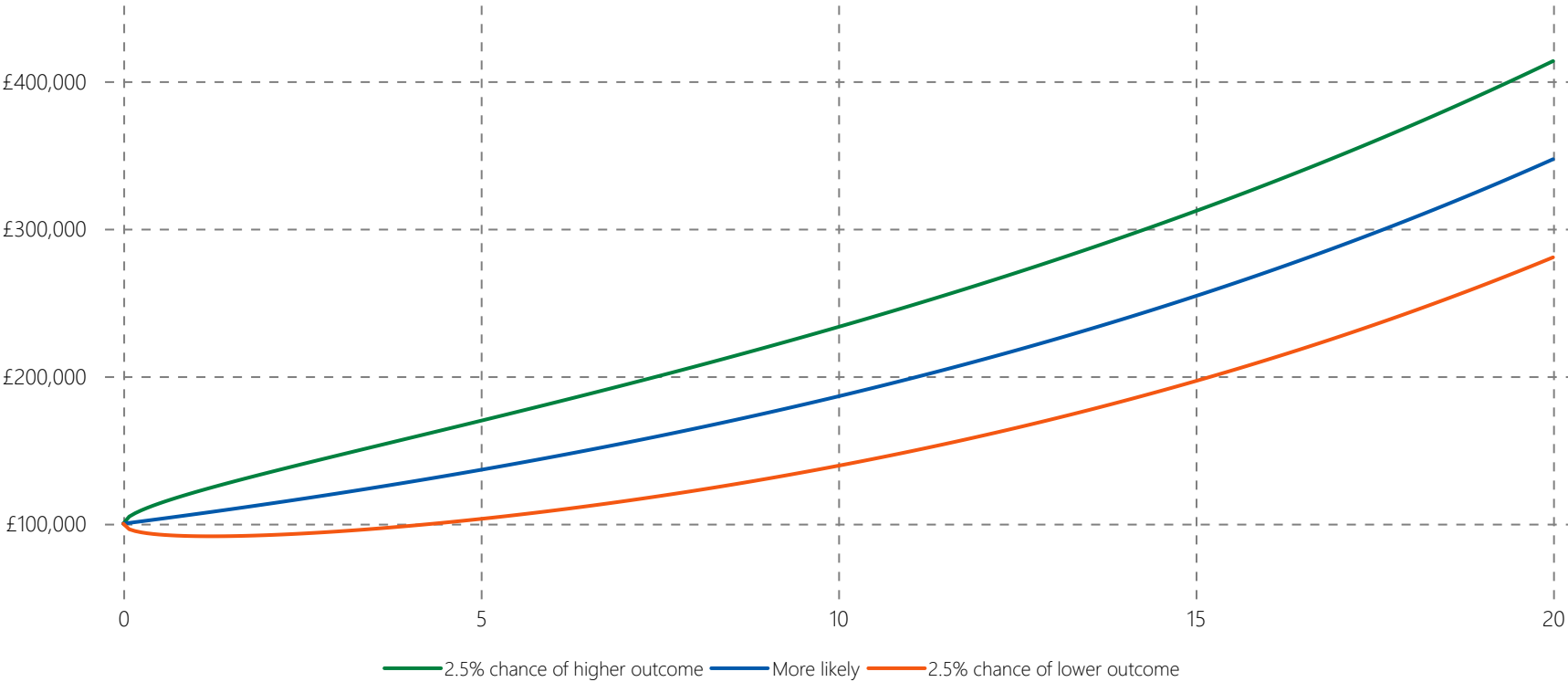
Financial Services	21.79%
Technology	14.48%
Industrials	13.87%
Health Care	9.37%
Consumer Cyclical	9.01%
Consumer Defensive	7.87%
Utilities	7.38%
Communication Services	5.35%
Energy	4.90%
Real Estate	3.75%
Basic Materials	2.22%

APPENDIX: Investment Forecaster

We have developed this chart to illustrate the likely outcomes for a lump sum invested over a 20-year time horizon. It is designed to help clients see the long-term pathway of their investments.

It is easy to get caught up in the day to day movement of markets and the media noise around economic data and geopolitics. However, longer term returns are more consistent as this volatility becomes less significant. While there is always a potential for more extreme events, we have tried to capture the central 95% of outcomes, providing clients with reasonable expectations for returns and aiding financial planning.

Cautious-Moderate - 20 years



The illustration is indicative of the nature and risks of the specific types of instruments within this portfolio, however actual performance will vary and will be impacted by the effect of fees and other charges on your investment. Your financial adviser will confirm the amount and timing of such fees and charges before you agree to proceed. Actual returns may be higher or lower than those shown and may fall outside of the band shown. P1 believe that the illustrated scenarios are based on reasonable assumptions and are supported by objective historic data on the asset classes used in this portfolio.

The possible performance scenarios illustrated are not guaranteed and are based on historic asset class returns, weighted in the proportions used in this portfolio.

Such forecasts are not a reliable indicator of future returns and the value of investments and any income from them may fall as well as rise.

Important Information & Risk Warnings

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