



Portfolio Progress Report

Phoenix Core Cautious

March 2024

"The return of your portfolio is important, but so is the risk taken to get there. Never underestimate risk."

The background features several decorative elements: a large donut chart with four segments in shades of red and pink, a smaller donut chart in the bottom left, and several circles with diagonal hatching patterns in various sizes and orientations.

MORNINGSTAR Wealth

Confidential Report

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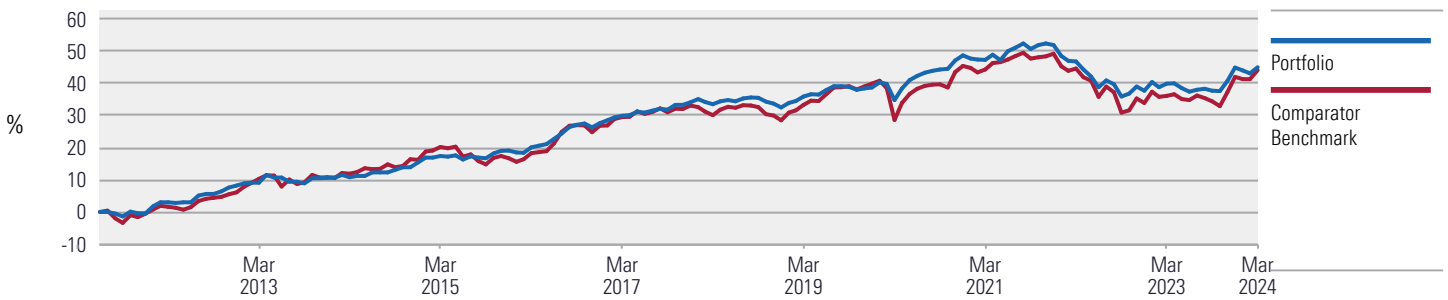
Performance

Inception / Launch Date	Last Rebalance Date	Time Horizon	Annual Management Charge	Underlying Funds Cost	Comparator Benchmark
30th June 2011	30th November 2023	5+ Years	0.20%	0.29%	IA Mixed Investment 0-35% Shares

How Has The Portfolio Performed?

The portfolio generated a return of 3.60% over the past twelve months. Since inception we have delivered 2.95% annualised performance along with the careful management of risk.

Cumulative Performance (Since Inception)



Trailing Performance (Annualised Return) 31-03-2024

	Since Inception	5 Years	3 Years	1 Year	YTD	6 Months	3 Months	1 Month
Portfolio %	2.95	1.30	-0.53	3.60	0.01	5.30	0.01	1.33
Comparator Benchmark %	2.91	1.57	-0.04	5.84	1.44	7.21	1.44	1.95

Calendar Year Performance 31-03-2024

	2023	2022	2021	2020	2019
Portfolio %	5.28	-9.40	2.20	7.20	4.66
Comparator Benchmark %	6.06	-10.22	2.57	3.98	8.80

Comparator Benchmark: IA Mixed Investment 0-35% Shares

The returns shown may not be the same as the returns of an investor’s actual account and this due to various factors including the investment date by the investor and differences across platforms. The returns are calculated through Morningstar Direct, are provided for illustrative purposes only and should not be viewed as the performance of an actual account. The trailing returns shown are cumulative and year-on-year returns show complete 12-month periods. All performance is shown net of the holdings’ management fees and expenses based on the cheapest share class available; however does not include the 0.20% per annum charged by Smart Investment Management Ltd, the advisor fees or the Platform fees, therefore the actual performance experienced will be lower once these charges have been taken into account. You should be aware that the share class used to compile the above performance may not be available via all platforms. Past performance is not a guide to future returns.

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Portfolio Positioning

Inception / Launch Date	Last Rebalance Date	Time Horizon	Annual Management Charge	Underlying Funds Cost	Currency
30th June 2011	30th November 2023	5+ Years	0.20%	0.29%	GBP

Overview And Key Thoughts

Equity markets overall posted strong returns over the quarter, helped by continued economic resilience. Economic activity remained solid, as did employment rates, and inflation continued to move lower. Strong company earnings helped equity markets, especially for AI- (artificial intelligent) related companies.

Equity returns were far from uniform across countries. Japanese stocks rose strongly, while U.K. equities nudged out a small gain despite a recession announcement, which occurred in the second half of last year. Performance was similarly divergent across emerging markets; Chinese and Brazilian stocks experienced losses, while India gained. For China, losses occurred in January, whereas February and March saw most of these losses recovered.

From a sector perspective, technology and communication-services outperformed, while consumer discretionary stocks lagged due in large part to weakness in the automobile industry. Smaller companies also struggled versus their larger counterparts, although still delivered positive outcomes for investors.

The market's appetite for mega-cap stocks continued, with the "Magnificent Seven" dominating performance, although this was heavily swayed by Nvidia, which rose more than 80% in the first quarter. Outside of Nvidia, Tesla was down -27% in the quarter—the worst stock in entire S&P 500. Apple was also down 11%, while Google was up 8% but trailed the broad market.

Turning to bonds, improving news on the global economy caused yields to inch higher (prices fall), providing a headwind for fixed income asset classes, as the more positive outlook pushed out expected interest rate cuts. Longer-dated bonds underperformed their short-dated counterparts (longer-dated bonds are more impacted the expected change of interest rates). High-yield bonds were a standout winner among fixed income.

Looking ahead, market participants are trying to reconcile a few key developments. On one hand, the market backdrop appears favourable, with sentiment improving and company earnings rising. On the other hand, central banks may not pursue rate cuts at the speed many hoped, with valuations edging on expensive across many measures. Taken together, we believe a cautionary optimistic stance is warranted, balancing risk and return drivers while selectively identifying pockets of opportunity.

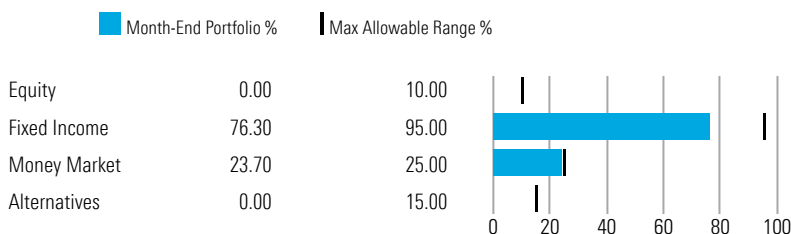
Current Positioning

Given the market environment, it is imperative that we seek assets that can provide protection in the event of adverse conditions, whilst also identifying assets that will drive performance over the longer term. The latter is based on understanding the underlying fundamentals, including cash flows, whilst taking advantage of price movements, aiming to improve risk-adjusted returns.

In order to manage risk and sustainably grow wealth, we hold 76.30% in fixed income and 23.70% in cash/money markets.

The portfolio continues to be biased to those opportunities that rank highly and diversifiers that are driven by different factors. The majority of the portfolio is held within fixed income assets. Exposure is accessed across the government and corporate space in different regions, including specific exposure to the UK and US, as well as Emerging Market debt, high yield and inflation-linked bonds. These assets provide defensive and opportunistic properties, whilst delivering an attractive yield. The portfolio also holds a relatively large amount of cash assets, which help provide stability.

Asset Allocation 31-03-2024



References to specific asset classes are not a recommendation to buy or sell that asset class.

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Portfolio Breakdown

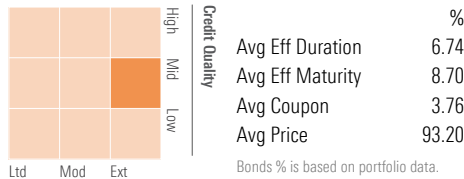
Inception / Launch Date	Last Rebalance Date	Time Horizon	Annual Management Charge	Underlying Funds Cost	Currency
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Asset Allocation 31-03-2024



	%
Fixed Income	76.30
GBP Corporate Bond	18.17
Other Bond	15.27
GBP Corporate Bond - Short Term	14.01
GBP Government Bond	13.02
Global Corporate Bond - GBP Hedged	5.06
Global Emerging Markets Bond - Local Currency	3.44
Global Flexible Bond - GBP Hedged	2.96
GBP Inflation-Linked Bond	2.87
Global Inflation-Linked Bond - GBP Hedged	1.50
Money Market	23.70
GBP Money Market - Short Term	21.52
Cash & Cash Equivalents	2.18
Total	100.00

Morningstar Fixed Income Style Box™



Interest Rate Sensitivity

Fixed Income Sector Weightings 31-03-2024

	%
Government	48.12
Corporate	34.15
Securitized	3.19
Municipal	0.00
Cash / Cash Equivalents	15.70
Other	-1.17

Due to rounding, numbers presented in this report may not add up to 100%.

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Investment Selection

Inception / Launch Date	Last Rebalance Date	Time Horizon	Annual Management Charge	Underlying Funds Cost	Currency
30th June 2011	30th November 2023	5+ Years	0.20%	0.29%	GBP

Portfolio Holdings 31-03-2024

Broad Asset Class / Fund	Portfolio Weight %	Ongoing Charge %	Morningstar Category
Fixed Income			
L&G All Stocks Gilt Index I Acc	13.02	0.15	GBP Government Bond
Vanguard U.S. Govt Bd Idx £ H Acc	12.50	0.12	Other Bond
BlackRock Corporate Bond 1-10 Year D Acc	8.07	0.16	GBP Corporate Bond
L&G Short Dated £ Corporate Bd Idx I Acc	7.02	0.14	GBP Corporate Bond - Short Term
AXA Sterling Crdt Shrt Dura Bd Z Grs Acc	6.99	0.41	GBP Corporate Bond - Short Term
BlackRock Corporate Bond D Acc	5.07	0.56	GBP Corporate Bond
Robeco Global Credits IH GBP	5.06	0.53	Global Corporate Bond - GBP Hedged
Royal London Corporate Bond M Acc	5.03	0.56	GBP Corporate Bond
Colchester Lcl Mkts Bd I £ Acc	3.44	0.75	Global Emerging Markets Bond - Local Currency
Allianz Strategic Bond I Acc	2.96	0.44	Global Flexible Bond - GBP Hedged
Dimensional £InflLnkdIntermDurFI GBP Acc	2.87	0.19	GBP Inflation-Linked Bond
Vanguard Emerging Mkts Bd Inv GBP H Acc	2.77	0.60	Other Bond
L&G Global Inflation Linked Bd Idx I Acc	1.50	0.23	Global Inflation-Linked Bond - GBP Hedged
Money Market			
Royal London Short Term Money Mkt Y Acc	11.64	0.10	GBP Money Market - Short Term
abrdn Liquidity-Sterling Fund A-2 AccGBP	9.88	0.42	GBP Money Market - Short Term
Cash & Cash Equivalents	2.18	-	Cash & Cash Equivalents

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Recent Portfolio Changes

Inception / Launch Date	Last Rebalance Date	Time Horizon	Annual Management Charge	Underlying Funds Cost	Currency
30th June 2011	30th November 2023	5+ Years	0.20%	0.29%	GBP

Risk levels change over time, so it is important we acknowledge such shifts and gain exposure to assets that offer the best reward for risk over time. As we do this, we are always seeking to maintain the correct risk exposure and minimise costs (both in fees and turnover).

Allocation Changes Compared to 3-Month Ago Time period:01/01/2024 - 31/03/2024

	Previous %	Current %	% Change from Previous
GBP Corporate Bond	18.17	18.17	
GBP Corporate Bond - Short Term	14.01	14.01	
GBP Government Bond	13.02	13.02	
GBP Inflation-Linked Bond	2.87	2.87	
GBP Money Market - Short Term	21.52	21.52	
Global Corporate Bond - GBP Hedged	5.06	5.06	
Global Emerging Markets Bond - Local Currency	3.44	3.44	
Global Flexible Bond - GBP Hedged	2.96	2.96	
Global Inflation-Linked Bond - GBP Hedged	1.50	1.50	
Other Bond	15.27	15.27	
Cash & Cash Equivalents	2.18	2.18	
Total	100.00	100.00	

Actual outcomes may differ as the chart has been prepared assuming 'buy and hold' approach.

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Our Convictions

The following information is provided to give context to the current portfolio positioning.

Broad Asset Class	Sub Asset Class	Our Conviction	Key Long-term Drivers
Equities	United States		While some broadening has occurred of late, performance has been dominated by mega-cap growers. We're finding more value outside these companies.
	Europe ex-U.K.		Sticky inflation is now moderating in Europe, which has led to market optimism. Parts of Europe remain attractive on a country and sector basis.
	U.K.		The U.K. is operating on a different trajectory to peers, although inflation is now easing. Sector exposure plays an important role, including high offshore earnings.
	Japan		Japan's ongoing structural reform has sparked a huge rally in stocks. The relative appeal is now muted, with currency returns forming the bulk of expected returns.
	Emerging Markets		The emerging-markets complex is seeing significant dispersion, with China, India, and Brazil all at different points. A stronger U.S. dollar hurts, and risks must be managed.
	Germany		German stocks are well poised, offering solid balance sheets and further upside to earnings, although our view has moderated.
	Global Energy		Following a weak 2023, the relative appeal has since stabilised, although it does not stand out. European energy is our preference.
	U.S. Banks		The banking industry remains fundamentally healthy, with headline risks abating. Long-term profitability appears durable, although valuations are starting to move toward fair.
Fixed Income	Government Bonds: U.S. & U.K.		We've seen significant moves across the yield curve in recent times. Treasuries remain attractive to us, and the defensive attributes are appealing.
	Government Bonds: Europe		European Treasuries have seen yields stabilise, although remain below many peers. The appeal is moderate at best.
	Inflation-Linked Bonds		Inflation-protected securities continue to warrant some attention as they have repriced more attractively due to inflation expectations falling.
	Investment-Grade Corporate Bonds		Yields are still healthy, although the credit spread to government bonds is only fair. Credit quality is worth watching, but low default rates persist.
	High-Yield Credit		The extra yield to cover default risk has fallen. Care must be taken as the rate-hiking cycle could affect creditworthiness.
	Emerging-Markets Debt (Local)		Emerging-markets debt issued in local currency still offers attractive yields and prospective currency returns.

● Low-Very Low ● Average ● High-Very High

Overall conviction is a long-term judgement built on a five-point scale from "Low" to "High". Typically judged on a 10-year horizon, a "Low" means that reward-for-risk is likely to be subdued, whereas a "High" means reward-for-risk is appealing. This incorporates our four pillars of conviction including: 1) absolute valuations, 2) relative valuations, 3) fundamental risk and 4) a contrarian scorecard. Convictions are as at 31/03/2024 and are subject to change at any time without notice. References to convictions and specific asset classes do not constitute a recommendation to buy or sell securities.

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Risk Warning

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