

Investment Objective

The Income model aims to provide a combination of long-term capital growth and an income for investors who are willing to accept a medium level of risk by investing across global markets into a range of asset classes. Equity exposure within this portfolio will not exceed 60%. The portfolio's benchmark is the ARC Sterling Balanced Asset PCI.

Commentary For the last quarter of 2023, the DFM Income model delivered a 5.6% return, just outperforming the ARC Sterling Balanced Asset PCI by 0.7%. For the year as a whole, the model returned 8.9%, outpacing the average by 2.9%. 2023 will likely go down in the annals as a year of contradiction. Economic growth was relatively slow (arguably Europe witnessed a recession), inflation – although falling – remains much higher than recent past numbers (and stubbornly so) and interest rates continue to rise. In terms of politics, “stability” is not a word that would be bandied around comfortably. In pretty much every editorial relating to capital markets, the word “recession” is increasingly used too. With such headwinds, it’s surprising that many markets performed really well. The tech heavy NASDAQ for instance was up almost 50% for the year (and approaching 10% for the quarter.) We closely follow over 150 indices – a mixture of equities, bonds, currencies and commodities – and in the last quarter of the year more than 10% of these were up more than 10%. When looking at the winning indices in the final quarter, it is interesting to note that among them were gilts, non-gilts, technology, real estate, smaller companies, and value. Although the market headlines continue to be dominated by the “magnificent 7” stocks, it feels like there are opportunities across a number of asset classes and investment styles. 2024 could see inflation fall further and Central Banks start to reduce rates. Although we are not dismissing a recession, that doesn’t necessarily mean stock markets will crash. Creating a balanced, blended portfolio should be a key objective in volatile times such as these. We find the portfolio remains suitable for a client looking to obtain a broad exposure of assets diversified by manager, investment style, geography and income.

Performance Summary as at 31st December 2023

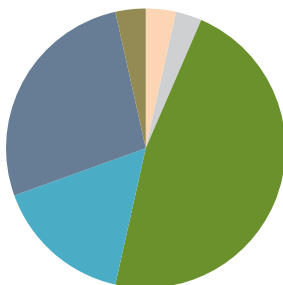


	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE
Income Model	3.6%	5.6%	7.0%	8.9%	9.4%	24.1%	126.1%
ARC Sterling Balanced Asset PCI	3.6%	4.9%	4.9%	6.0%	3.7%	20.8%	81.8%

Source: FE fundinfo & Hawksmoor. All figures quoted are on a total return basis with income reinvested and are gross of any Hawksmoor fees that may be deducted. Deduction of this charge will reduce the performance. All ARC benchmark figures are quoted net of fees.

Current Asset Allocation

Alternatives	3.5%
Cash	3.0%
Fixed Interest	47.0%
UK Equities	16.0%
International Equities	27.0%
Property	3.5%



Top 10 Holdings

Man GLG Sterling Corporate Bond	7.5%
Royal London Short Duration Global High Yield Bond	7.0%
Premier Miton Strategic Monthly Income Bond	6.0%
WS Gresham House UK Multi Cap Income	6.0%
Artemis Corporate Bond	5.5%
Fidelity Index World	5.5%
FTF Martin Currie UK Equity Income	5.5%
TM Redwheel Global Equity Income	5.5%
Royal London Corporate Bond	5.0%
TwentyFour Corporate Bond	5.0%

Model Details

Inception Date	1 st Feb 2008
Number of Holdings	20
Underlying fund Ongoing Charge Figure (exc. fees) *	0.56%
Investment Management Fee	0.35%
Estimated Yield*	4.11%
3 Year Annualised Volatility	7.08%

* Based on the current portfolio weightings using the latest available data of the underlying funds. The yield is not guaranteed and may fluctuate.

A central model is created for each of our model portfolios, where the performance summary, asset allocation, fund holdings, charges and yield quoted on this factsheet are based on the central model portfolio. Where the central model is replicated, such as through a platform, any individual portfolio is unlikely to be identical to that of the central model as a result of the timing of the investment or any restrictions of the platform provider. There may be some circumstances when certain investments (e.g. property funds) may not be readily realisable and investors may experience difficulty in selling the investment or in obtaining reliable information as to its value.

For more information, please contact Jill Gill on 07846 932888 or at jill.gill@hawksmoorim.co.uk

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