

The Verso Investment Management Discretionary Portfolios

Quarterly Snapshot - 31st March 2024

Pages 2 & 3: Three month performance and from inception.

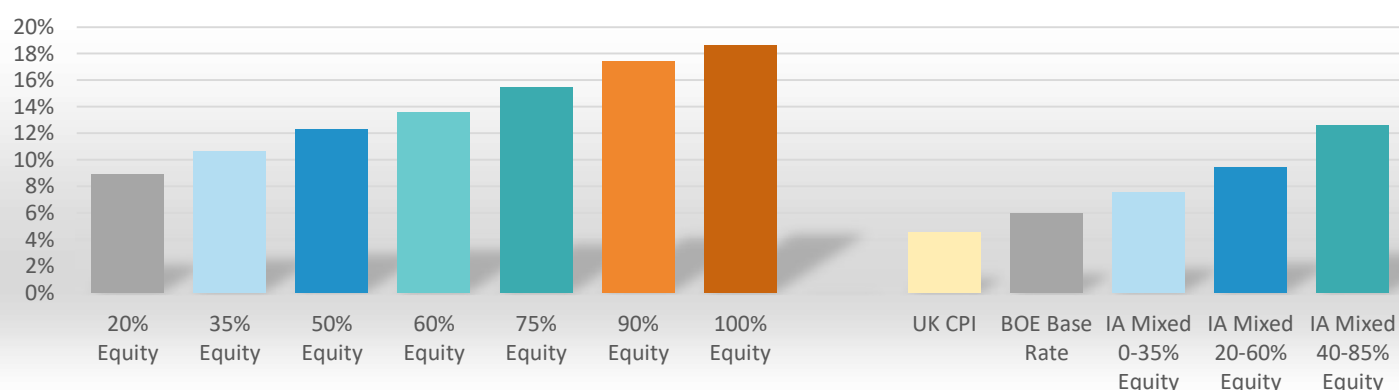
Page 4: Rebalance and planned discretionary changes for following quarter.

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Verso IM - Standard Portfolios

Cumulative Performance Since Inception



Breakdown of Performance (%)

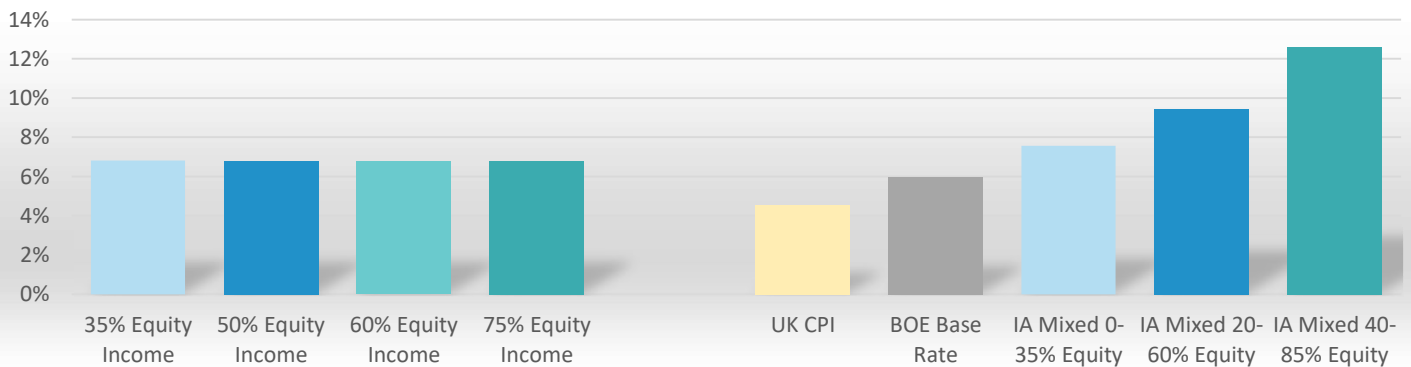
Verso IM Portfolios	Since Launch (Annualised)	Since Launch (Cumulative)	3 Months (Cumulative)	1 Year (Cumulative)	3 Year (Cumulative)	5 Year (Cumulative)	Volatility (Annualised)
20% Equity	7.1	8.9	1.4	6.4			4.4
35% Equity	8.5	10.7	2.1	7.5			5.6
50% Equity	9.8	12.3	2.8	8.8			6.9
60% Equity	10.7	13.6	3.5	10.0			7.2
75% Equity	12.2	15.5	4.4	11.7			7.8
90% Equity	13.7	17.4	5.4	13.4			8.5
100% Equity	14.7	18.7	6.0	14.5			9.0
<i>Index (please see end of document for explanation of indices)</i>							
UK CPI	3.6	4.6	0.6	3.2	21.6	24.3	2.0
BOE Base Rate	4.8	6.0	1.3	5.0	7.6	8.5	0.2
Mixed IA 0-35% Equity	6.0	7.6	1.5	5.9	-0.6	7.5	5.5
Mixed IA 20-60% Equity	7.5	9.5	2.5	7.7	5.3	17.2	6.3
Mixed IA 40-85% Equity	10.0	12.6	4.2	10.2	10.7	28.7	7.2

Discrete Annual Performance (%)

Verso IM Portfolios	31/3/23 to 31/3/24	31/3/22 to 31/3/23	31/3/21 to 31/3/22	31/3/20 to 31/3/21	31/3/19 to 31/3/20
20% Equity	6.4	-	-	-	-
35% Equity	7.5	-	-	-	-
50% Equity	8.8	-	-	-	-
60% Equity	10.0	-	-	-	-
75% Equity	11.7	-	-	-	-
90% Equity	13.4	-	-	-	-
100% Equity	14.5	-	-	-	-

Verso IM - Income Portfolios

Cumulative Performance Since Inception



Breakdown of Performance (%)

	Since Launch (Annualised)	Since Launch (Cumulative)	3 Months (Cumulative)	1 Year (Cumulative)	3 Year (Cumulative)	5 Year (Cumulative)	Volatility (Annualised)
Verso WI Portfolios							
35% Equity Income	6.8	8.6	1.8	7.3			6.2
50% Equity Income	6.8	8.6	2.3	7.7			7.0
60% Equity Income	6.8	8.5	2.7	7.9			7.7
75% Equity Income	6.8	8.6	3.3	8.4			8.7
Index <i>(please see end of document for explanation of indices)</i>							
UK CPI	3.6	4.6	0.6	3.2	21.6	24.3	2.0
BOE Base Rate	4.8	6.0	1.3	5.0	7.6	8.5	0.2
Mixed IA 0-35% Equity	6.0	7.6	1.5	5.9	-0.6	7.5	5.5
Mixed IA 20-60% Equity	7.5	9.5	2.5	7.7	5.3	17.2	6.3
Mixed IA 40-85% Equity	10.0	12.6	4.2	10.2	10.7	28.7	7.2

Discrete Annual Performance (%)

	31/3/23 to 31/3/24	31/3/22 to 31/3/23	31/3/21 to 31/3/22	31/3/20 to 31/3/21	31/3/19 to 31/3/20
Verso WI Portfolios					
35% Equity Income	7.3				
50% Equity Income	7.7				
60% Equity Income	7.9				
75% Equity Income	8.4				

Rebalance and Discretionary Changes

Regularly rebalancing investment portfolios helps to ensure that they remain aligned to the level of risk and return that investors expect. It also will also have the effect of reducing the holdings where prices have performed most strongly and buying those which have become more attractively priced.

Our Verso IM Portfolios will be rebalanced on 30th April 2024 and you will receive contract notes reflecting the sales and purchases that result.

All our portfolios contain an element of flexibility whereby asset weightings can be altered from their normal weighting (within a prescribed range) to reflect market conditions and expectations. The following adjustments will be applied this quarter:

Region/Asset	Adjustment	Reason
UK Equity	9% Overweight	Positive Outlook
North America Equity	9% Underweight	Negative Outlook
Europe excl. UK Equity	9% Overweight	Positive Outlook
Japan Equity	11% Underweight	Negative Outlook
Pacific (ex. Japan) Equity	8% Overweight	Positive Outlook
Emerging Markets Equity	No Significant Change	Neutral Outlook
Global Equity	9% Overweight	Positive Outlook
Global Health	No Significant Change	Neutral Outlook
Global Small Cap	No Significant Change	Neutral Outlook
Property	18% Underweight	Negative Outlook
Bonds	No Significant Change	Neutral Outlook
Cash (Growth Portfolios)	No Significant Change	Neutral Outlook
Cash (Income Portfolios)	No Significant Change	Neutral Outlook

*Please note that the above percentages are approximations and are based on the normal asset weighting.

The reasons for the above positions are as follows:

Equities:

➤ We are looking to largely remain as we are with some marginal tweaks around the edges. We have used the rebalance to reduce the US and Japan further but not significantly following a strong run and with valuations looking increasingly stretched. We have slightly increased Europe, as we become increasingly positive on the region.

We have not directly reduced the real estate position, but given the weakness since the previous rebalance, we have held the position stable. There are still opportunities in the real estate space, with large discounts to Net Asset Value. However, we are wary that there are structural issues in some parts of the market, especially commercial property, so we are happy with a gradual reduction in our positioning, without proposing drastic measures.

We are also making a fund switch within the standard portfolios replacing the Vanguard Pacific ex-Japan Fund with the iShares Pacific ex-Japan Fund. The reason for this is that we feel the iShares fund offers a greater level of diversification across the region which will help smooth out the effects of one region performing badly, while still reaping rewards when others do well.

Fixed Interest:

➤ Within the fixed interest part of the portfolios, we have taken the opportunity to add some duration, specifically in UK gilts as we see yields at 15-year highs and with a higher likelihood of cuts coming from the BoE (versus the Fed). This trade has mainly been at the expense of the Royal London Short Term Fixed Income fund, which has around half of the portfolio invested in money market instruments.

The themes above have also been reflected in the Income models, with the only differentials being the lower natural duration (more high yield, more income oriented than capital returns) and infrastructure. We have taken up duration modestly, adding to UK government bonds, but not to the extent in the other models given the more income focussed objective.

Reference Indices

Index	Details
UK Consumer Price Index	The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The speed at which the prices of the goods and services bought by households rise or fall provides a measure of inflation over a given period (Consumer Price Inflation.)
Bank of England Base Rate	The base rate is the official interest rate set by the Bank of England's Monetary Policy Committee (MPC)
IA Mixed 0-35% Equity	Funds in this sector are required to have a range of different investments. Up to 35% of the fund can be invested in company shares (equities). At least 45% of the fund must be in fixed income investments (for example, corporate and Government bonds) and/or "cash" investments. "Cash" can include investments such as current account cash, short-term fixed income investments and certificates of deposit.
IA Mixed 20-60% Equity	Funds in this sector are required to have a range of different investments. The fund must have between 20% and 60% invested in company shares (equities). At least 30% of the fund must be in fixed income investments (for example, corporate and government bonds) and/or "cash" investments. "Cash" can include investments such as current account cash, short-term fixed income investments and certificates of deposit.
IA Mixed 40-85% Equity	Funds in this sector are required to have a range of different investments. However, there is scope for funds to have a high proportion in company shares (equities). The fund must have between 40% and 85% invested in company shares.

Disclaimer

Source: FE Analytics

You should remember that past performance is not a guide to future performance. The portfolios' investments are subject to normal fluctuations and other risks inherent when investing in securities. There can be no assurance that any appreciation in value of units will occur. The value of investments and any income derived from them may fall as well as rise and investors may not get back the original amount they invested. There is no certainty the investment objectives of the portfolios will actually be achieved and no warranty or representation is given to this effect. The portfolios therefore should be considered as medium to long-term investments. All performance is given gross of any deduction in fees with the exception of the underlying assets. The portfolios were launched on 1/1/2023.

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