

The Verso Investment Management Discretionary Portfolios

Quarterly Snapshot - 30th June 2024

Pages 2 & 3: Performance figures since inception (1st January 2023)

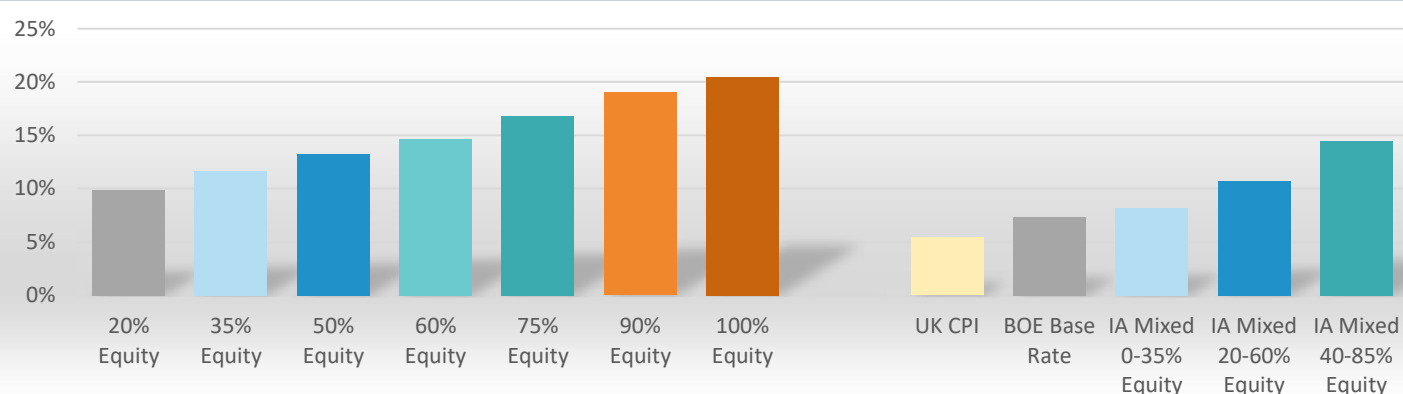
Page 4: Rebalance and planned discretionary changes for following quarter.

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Verso IM - Standard Portfolios

Cumulative Performance Since Inception



Breakdown of Performance (%)

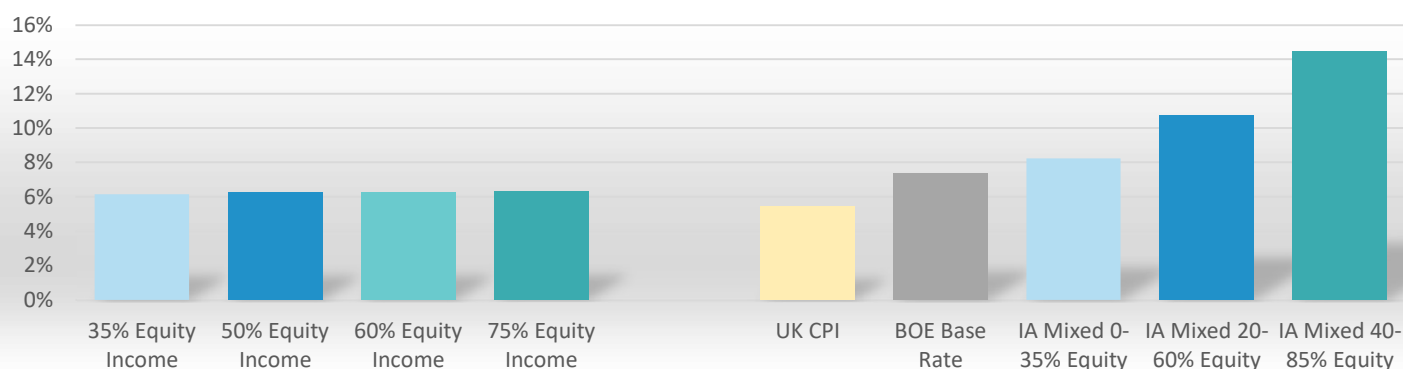
Verso IM Portfolios	Since Launch (Annualised)	Since Launch (Cumulative)	3 Months (Cumulative)	1 Year (Cumulative)	3 Year (Cumulative)	5 Year (Cumulative)	Volatility (Annualised)
20% Equity	6.5	9.9	0.9	8.0			4.1
35% Equity	7.6	11.7	0.9	8.7			5.4
50% Equity	8.7	13.2	0.8	9.5			6.5
60% Equity	9.6	14.7	1.0	10.5			6.8
75% Equity	11.0	16.9	1.2	11.9			7.4
90% Equity	12.3	19.0	1.4	13.3			8.1
100% Equity	13.2	20.5	1.5	14.2			8.5
Index <i>(please see end of document for explanation of indices)</i>							
UK CPI	3.6	5.4	0.8	2.0	20.5	24.3	1.8
BOE Base Rate	4.8	7.3	1.3	5.2	9.0	9.7	0.2
Mixed IA 0-35% Equity	5.4	8.2	0.6	7.6	-2.5	5.6	5.2
Mixed IA 20-60% Equity	7.0	10.7	1.1	9.4	2.8	15.2	5.8
Mixed IA 40-85% Equity	9.4	14.5	1.7	11.8	7.2	25.6	6.6

Discrete Annual Performance (%)

Verso IM Portfolios	30/6/23 to 30/6/24	30/6/22 to 30/6/23	30/6/21 to 30/6/22	30/6/20 to 30/6/21	30/6/19 to 30/6/20
20% Equity	8.0	-	-	-	-
35% Equity	8.7	-	-	-	-
50% Equity	9.5	-	-	-	-
60% Equity	10.5	-	-	-	-
75% Equity	11.9	-	-	-	-
90% Equity	13.3	-	-	-	-
100% Equity	14.2	-	-	-	-

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	6.2	9.4	0.8	9.4			5.7
50% Equity Income	6.3	9.5	0.8	10.4			6.5
60% Equity Income	6.3	9.5	0.8	10.9			7.0
75% Equity Income	6.3	9.6	0.8	11.8			7.9
Index <i>(please see end of document for explanation of indices)</i>							
UK CPI	3.6	5.4	0.8	2.0	20.5	24.3	1.8
BOE Base Rate	4.8	7.3	1.3	5.2	9.0	9.7	0.2
Mixed IA 0-35% Equity	5.4	8.2	0.6	7.6	-2.5	5.6	5.2
Mixed IA 20-60% Equity	7.0	10.7	1.1	9.4	2.8	15.2	5.8
Mixed IA 40-85% Equity	9.4	14.5	1.7	11.8	7.2	25.6	6.6

Discrete Annual Performance (%)

	30/6/23 to 30/6/24	30/6/22 to 30/6/23	30/6/21 to 30/6/22	30/6/20 to 30/6/21	30/6/19 to 30/6/20
Verso WI Portfolios					
35% Equity Income	9.4				
50% Equity Income	10.4				
60% Equity Income	10.9				
75% Equity Income	11.8				

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 31th July 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:

There wasn't a great deal of change this quarter as we rebalanced the core models back to their previous asset allocation and held the income models as they were. Our convictions have largely remained unchanged over the last couple of months, indeed, in May and June, we felt even more strongly that the US market had become stretched on valuation grounds, especially the "magnificent 7" tech names. This rotation has begun to play out in the last few weeks of July as small cap companies have started to pick up, and large technology and AI stocks have struggled.

The UK has benefitted from a rare bout of inflows as growth has improved, political instability eased and an impending rate cutting cycle looms. In essence, we have seen the early stages of much of our thesis beginning to play out, however, there should be much longer to run with this positioning, therefore, we have decided to return back to where we were at our last rebalance to account for drift where there has been some, and in the income models, no action is required. It is likely to be a rare occurrence that so little will happen in a rebalance cycle, however, there are times when patience can be rewarded, and we believe now is one of those occasions.

Fixed Interest:

On the fixed income side, there too was little change. We still see government bond yields at attractive absolute levels and we have even greater confidence that we are moving towards a meaningful rate cutting cycle now as inflation is at target in the UK and nearing that in the US (albeit with a bit of a stutter). Although some of the most risky parts of the European High Yield bond market have shown some weakness, in general valuations in the credit markets remain tight, therefore we are limiting the exposure here in the portfolios, and instead looking for higher quality debt in the main.

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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