

# Passive Growth 3

## September 2023 Factsheet

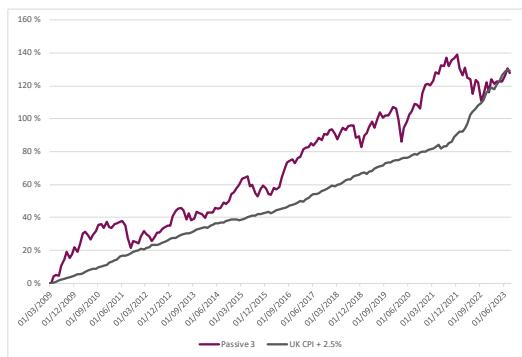
All data as at 31 August 2023



CHARLES  
STANLEY

### Charles Stanley

#### Performance



#### Top ten holdings

FUND NAME	%
iShares Corporate Bond 0-5yr UCITS ETF GBP TR	8
Vanguard S&P 500 ETF	8
X-trackers S&P 500 UCITS ETF 2C Hedged	6
L&G Sterling Corporate Bond Index C Inc	6
iShares \$ Treasury Bond 1-3yr UCITS ETF Hedged	5
Lyxor Core UK Government Bond ETF	5
Xtrackers S&P 500 Equal Weight UCITS ETF GBP Hedged	5
Xtrackers S&P 500 Equal Weight UCITS ETF 1C GBP	5
iShares - \$ TIPS 0-5 UCITS ETF GBP Hedged GBP	5
iShares \$ Corp Bond 0-3yr ESG UCITS ETF Hedged Dis GBP	4

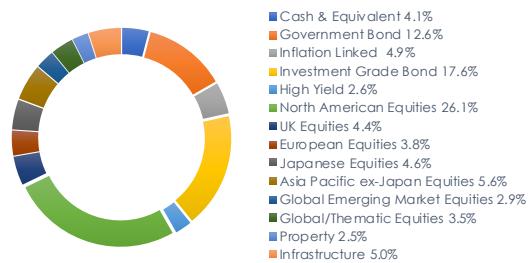
#### Portfolio characteristics

EXPECTED RISK < 0 1 2 3 4 5 6 >

Benchmark	CPI + 2.5%
Yield	1.8%
Annual Management Charge	0.20%
Total Ongoing Charges*	0.41%
Launch Date	31/03/2009
Typical Growth/Defensive Split	50/50
Typical Max Loss	15%

\* Total Ongoing Charges includes Charles Stanley's annual management fee (including VAT) and also any associated underlying asset charges.

#### Asset allocation



Performance (%)	1 month	1 year	3 years	August 21 - August 22	August 20 - August 21	August 19 - August 20	August 18 - August 19	Since Inception
<b>Passive Growth 3</b>	<b>-1.2</b>	<b>1.3</b>	<b>7.8</b>	<b>-6.2</b>	<b>13.4</b>	<b>4.1</b>	<b>2.4</b>	<b>125.2</b>
CPI + 2.5%	0.5%	9.3%	31.5%	13.1%	6.3%	3.2%	4.8%	133.2%

The CPI+ indicative return was CPI+3% until 31st August 2022 and CPI+2.5% thereafter to reflect Waverton Wealth's current return expectations.

#### Main objective

The investment objective for the Passive Growth 3 Portfolio, managed by Charles Stanley, is to provide a long-term total return of up to two & a half percent above the Consumer Price Index (CPI plus 2.5%). Although, the performance of the model portfolio is not intended to track the rise (or fall) of any specific index.

#### Risk profile

This Portfolio targets a moderate risk & return, designed for investors who would be able to tolerate a loss of 15% in one year but understand & accept that this could be more in extreme market circumstances. The Portfolio is invested in a range of defensive & growth asset classes, and is not hedged, therefore it will be exposed to currency fluctuations arising from any international investments.

#### Investment policy

The Passive Growth range of model portfolios employ Charles Stanley's dynamic asset allocation process coupled with low-cost investment in carefully selected Exchange Traded Funds (ETFs) and index-tracking funds. This approach means that each portfolio benefits from day-by-day management by investment professionals concentrating on a broad range of asset classes all over the world.

The portfolios are carefully constructed using this wide range of asset classes to meet each model portfolio's stated risk benchmark. Detailed back-testing and performance simulations are used to verify that the model is likely to meet the risk and return benchmarks.

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CHARLES  
STANLEY

### Charles Stanley

#### Investment Team

The model portfolios are managed by the Charles Stanley Asset Management Division. The team of portfolio managers and analysts have extensive experience, drawing upon the expertise of investment specialists, strategists and economists both internally and externally. The research team looks for the best Index tracking funds from the available passive universe.

August saw falls in world stock markets following the good performance in July, with a rally developing in the last week. Investors had second thoughts on the idea that interest rates had reached their peaks and could soon fall again. Inflation proved more persistent in the service sectors of the USA, the EU and the UK and Central Banks reaffirmed their wish to ensure inflation came back down to 2% and stayed there. Headline inflation is on the way down, spurred by lower energy prices, some reduction in the pace of increase for food and some slowdown in goods price rises generally. Wage inflation leading to service sector price increases remains high relative to a 2% inflation target, though wages are often lagging prices.

Catherine Lagarde the Head of the European Central Bank set out her views at the recent Jackson Hole conference, she confirmed the need to keep money tight and get back to target. Jerome Powell, the Chairman of the Fed confirmed that he is sticking with the 2% target and is watching wage rises and service sector prices particularly carefully. He will raise rates yet again if the labour market does not cool as forecast. We will have to live with higher rates for longer than many in the markets thought a few weeks ago, with more of a slowdown in activity before prices are tamed. Some still think we might have seen the top of rates in the EU and US but more now accept they cannot come down again any time soon.

In Asia, China has failed to follow through with the growth spurt

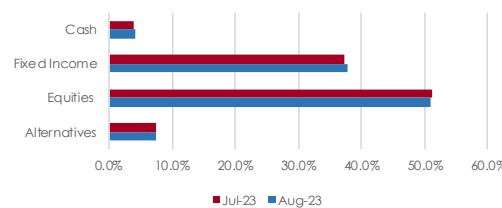
#### ESG Rating

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

#### Changes to asset allocation



brought on by the end of covid lockdowns at the end of last year. The world's second largest economy is going to have to advance without the big boost property development was giving to it up to the collapse starting in late 2021.

US and EU Shares so far this year have offered decent returns after a poor 2022 despite weakness in August. Markets believe the US can engineer a soft landing to get inflation down without too much additional economic damage. The UK FTSE 100 index did well last year but has suffered this year from commodity price weakness and disappointing pharmaceutical share performance given the importance of these to its valuation.

#### Important Information

**The value of investments, and the income derived from them, can fall as well as rise and may be affected by exchange rate variations. Investors may get back less than invested. Past performance is not a reliable guide to future returns.**

This Waverton Wealth Passive Model Portfolio factsheet has been prepared for information purposes only. Performance is net of Charles Stanley investment management fees but not adviser fees nor platform costs. Any charges and fees applied by platforms and/or authorised intermediaries will be charged in addition to the charges shown. The Total Ongoing Charges Figure (TOC) is calculated on a periodic basis using a weighted average of the most recent publicly available Total Ongoing Charges for the underlying investments as at the date of the factsheet. This includes the underlying funds' Ongoing Charges Figure plus Transaction costs plus Incidental costs. Please note that whilst we endeavour to show all charges associated with specific funds, sometimes this is not possible due to the information not being made available by the fund provider. In such cases transaction or incidental cost information may be missing. The Indicative Yield is provided for guidance purposes only and is calculated on a periodic basis using a weighted average of the most recent publicly available income yields for the underlying investments. Yields for the underlying funds, and thus for the strategy, are likely to differ in the future. The Indicative Yield does not represent guaranteed income. Portfolios linked to this Model Portfolio may not exactly replicate the model due to the difference in timing of initial investment or rebalancing differences resulting from minimum transaction size limits on platforms. The management and rebalancing of this Model Portfolio does not take Capital Gains Tax into consideration. This factsheet has been prepared for information purposes only and does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase units or shares. The information on which the document is based is deemed to be reliable. Charles Stanley has not independently verified such information and its accuracy or completeness is not guaranteed. Although Charles Stanley's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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