



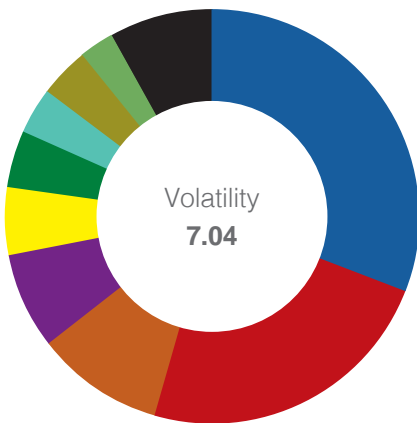


Aisa's Investment Portfolios

The graphs below show typical holdings in our following risk portfolios. They are not designed to represent the day to day current holdings which may change due to volatility in markets and the investment team quarterly reviews. Potential gain/loss on a portfolio over any short period 3 months, 6 months, 1 year is demonstrated by volatility listed inside the portfolio and shows how much you could lose or gain by being invested typically. However, actual gains or losses can be higher than this and there is no guarantee on performance. They are designed to demonstrate the concept of loss and risk and returns linked to different risk portfolios. The committee will take a collective view rather than any individual view.

Defensive 3

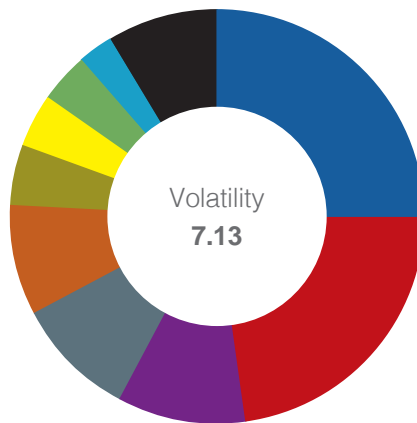
Target Return **4%**



Global Fixed Interest	30.98
UK Equities	23.59
Other International Equities	10.01
North American Equities	7.47
UK Fixed Interest	5.54
Money Market	4.20
Undisclosed	4.50
European Equities	3.74
Asia Pacific Equities	2.75
Others	8.00

Cautious 4

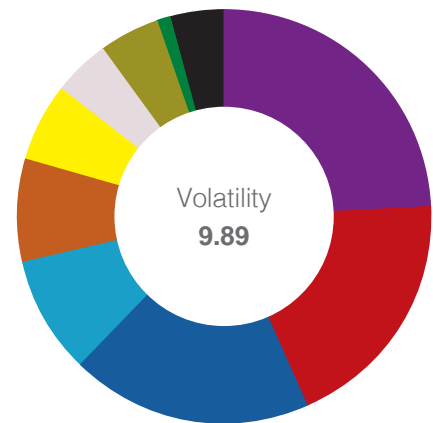
Target Return **5.5%**



Global Fixed Interest	25.19
UK Equities	22.71
North American Equities	9.96
Undisclosed	9.60
Other International Equities	8.46
European EquitiesUK	4.92
UK Fixed Interest	4.16
Asia Pacific Equities	3.71
Asia Pacific Emerging Equities	2.98
Others	8.42

Balanced 5

Target Return **6.5%**

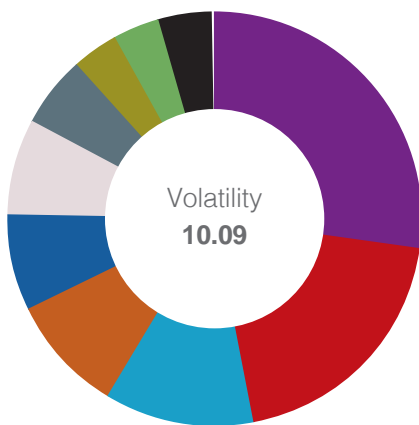


North American Equities	24.32
UK Equities	19.25
Global Fixed Interest	18.94
Asia Pacific Emerging Equities	9.18
Other International Equities	7.90
UK Fixed Interest	6.05
UK Gilts	4.63
European Equities	4.58
Money Market	1.19
Others	4.05

Volatility: Refers to the amount of uncertainty or risk about the size of changes in a security's value. A higher volatility means that a security's value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. A lower volatility means that a security's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

Growth 6

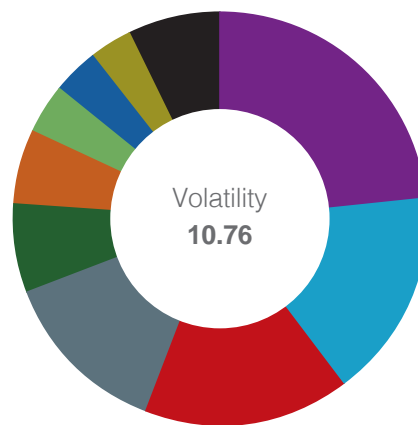
Target Return **7.75%**



North American Equities	27.44
UK Equities	19.78
Asia Pacific Emerging Equities	11.45
Other International Equities	9.20
Global Fixed Interest	7.69
UK Gilts	7.40
Undisclosed	5.70
European Equities	3.65
Asia Pacific Equities	3.60
Others	3.60

Speculative 7

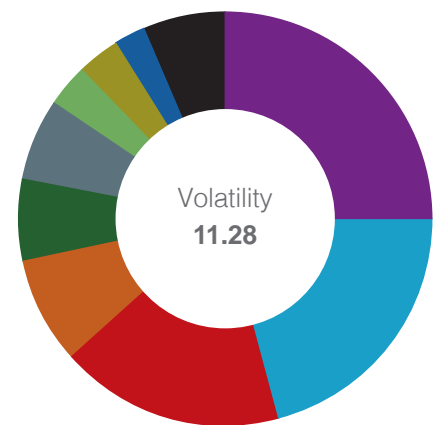
Target Return **8.75%**



North American Equities	23.39
Asia Pacific Emerging Equities	16.35
UK Equities	16.32
Undisclosed	13.30
Commodity & Energy	6.75
Other International Equities	5.99
Asia Pacific Equities	3.88
Global Fixed Interest	3.51
European Equities	3.50
Others	7.00

Adventurous 8

Target Return **9.5%**



North American Equities	25.15
Asia Pacific Emerging Equities	20.80
UK Equities	17.59
Other International Equities	8.32
Commodity & Energy	6.33
Undisclosed	6.30
Asia Pacific Equities	3.47
European Equities	3.24
Global Fixed Interest	2.55
Others	6.25

Committee Meeting

Dated: 17th October 2023

Attendees:

John Reid (Chairman)

James Percy-Caldwell (Member of Committee & Compliance Representation)

Geordie Bulmer (Member of Committee)

Max Durrant (Non-voting member of Committee)

Christopher Lean (Aisa International)

Secretary:

Danny Setters (Secretary)

1) Review of previous minutes and sign off

After agreement, the minutes of 18th July 2023 were signed as correct by the Chair.

Actions outstanding at previous meeting, and outcomes:

- contacted clients who were affected by the fund change(s) in their portfolio(s)

2) General strategy *(internal eyes only – not for publication)*

3) Presentation(s)

a) Aisa Comment

The backdrop to our quarterly meeting is the regional conflict in the middle east, alongside debt concerns feeding through from the world economy.

Whilst we actually have positive news for our clients with regard to an upturn in investment returns, the events in the world continue to overshadow and concern all of us.

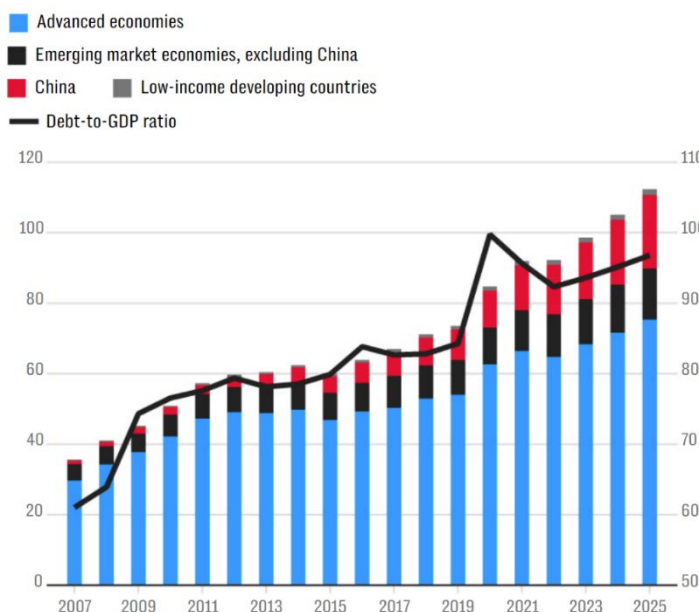
We have covered at length in our last quarter why we are looking at gilts and treasuries; the prospect of interest rate peaks and inflation being far lower than at the start of the year mean that capital values could bounce back from the extreme lows of the last 12 months. We also have moved our investment away from China and into India. Whereas we would normally write more about this we did publish our reasons in the extraordinary meeting we held in September. Just one fact however – credit and credit cards. We have around 55m credit cards in the UK for approximately 66m people. India has only 10m credit cards for approximately 1,426m people. The potential growth in the middle-class spending in India is likely to outstrip the whole of Europe combined, and India has better demographics than China. That is not to say we will not revisit investing in China within the next couple of years as the factors holding China back will subside.

So, amongst the many concerns what keeps us most alert that we can recognise as a known known, rather than a known unknown? Debt of countries. Strong and poor countries alike are buckling under the weight of indebtedness.

We can learn a lot from history and the way in which public debt has soared in the past and the outcome.

Global debt is rising again

Left scale: trillions of dollars. Right scale: Share of GDP



With fiscal spending in many countries higher than at anytime in peacetime alongside the highest government debt levels there is a not so delicate balancing act required. For example, in the UK simply spending on our debt servicing (interest) is now higher than our entire defence budget and will soon be the same size as our education budget. Imagine, the cost of education of our children will be less than how much interest we are repaying!

In fact, with government borrowing at around 5% currently, the majority of that is actually being used to repay debt!

i. Source: IMF

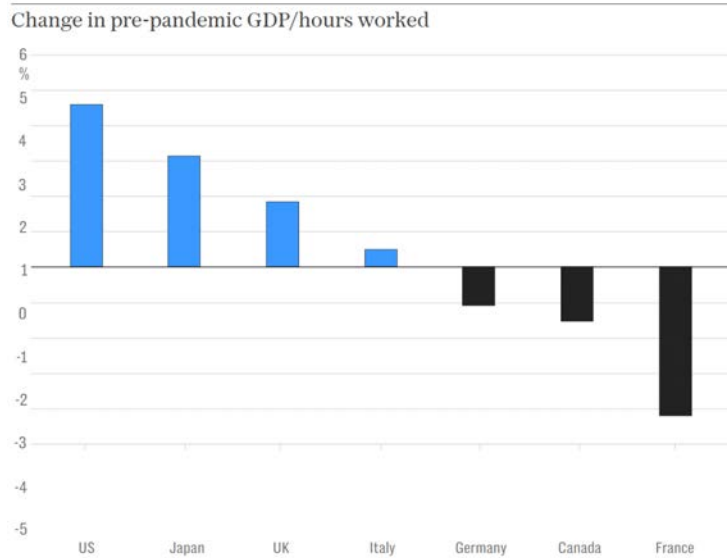
Just to put that into context, if you are a homeowner with a £100,000 mortgage on a home worth a £100,000 and your interest rate is 4% and you do not have sufficient income to repay this and you are borrowing at 5% per annum, then at the end of year one your home is now worth the same £100,000 but your debt has increased to £105,000 (negative equity) and your interest rate means that you have an interest payment to make of £4,200 the next year. At these rates within a few years your debt has increased to £127,630 and the interest payment is £5,105 which is more than you are borrowing.

The only solutions are to go bust, massively reduce your spending or hope for growth in value, or lower interest rates and better borrowing terms.

This is also the scenario for a number of countries, each facing a variant of the same problem. The world needs to bring public spending into line with economic reality. Higher tax or reduced spending or both. The only other alternative is economic growth.

Whilst the US, Italy and France are simply not taking action the US has at least seen growth in the economy and growth in productivity. However, this deemed advantage of the US has to be balanced with the fact it is on an “unsustainable” fiscal pathway according to its own treasury department.

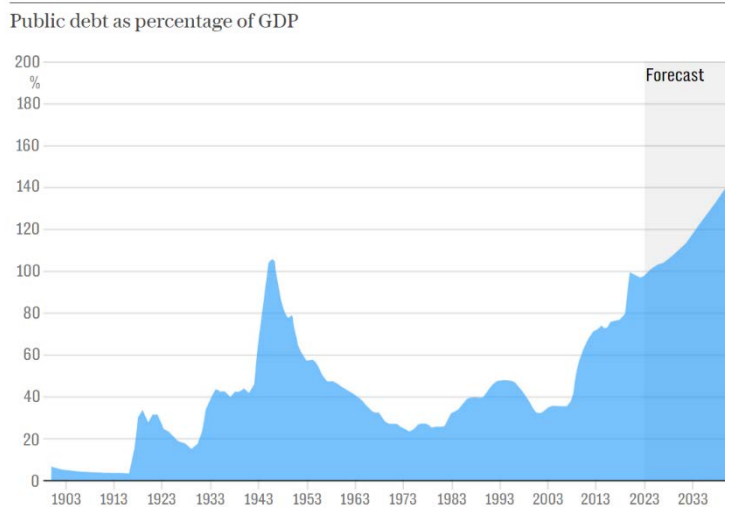
US productivity is soaring – thanks to AI and digital technology



ii. Source: IMF

US debt is going out of control and is forecasted to continue to borrow between 6-8% each year whilst growing at 50-70% of this. It is on the wrong side of the equation just as Italy was 10+ years ago but without the advantage of historic low interest rates in the future. With these historic lows Italy has gone from around 116.6% government debt to GDP, to around 145% now; but it has done it with the country suffering a slide in size and interest payments now being between 8-9% of its budget. The IMF warns that even in 5 years' time it will have debt to GDP of over 140% and so Italy recently said it would sell its own assets to reduce debt.

US debt is going parabolic



iii. Source: IMF

The UK is not as bad (although the press would have you believe it is the worst) and has already raised taxes to the highest level in peacetime, and is now talking about lowering expenditure whilst trying to get growth going. Is this possible?

Well, in “normal” times it may well be possible but are these normal times with the conflicts in the middle east and eastern Europe?

One thing is for sure, the idea there is spare money for investment into new projects by the government such as green energy in the next few years is likely to be difficult to achieve unless inflation is brought under control. Put simply, growth in the economy needs to exceed interest rates and the debt interest payments need to reduce to lower borrowing further.

The UK story is the same in the US, but whilst the UK looks to at least be trying to take these actions seriously the US has no champions of raising taxes, borrowing less and spending less. It cannot carry on like that and we should all fear the day when fiscal rectitude returns, as it will with a vengeance. Maybe this is why some very experienced investors are suggesting that some US stocks are at historic highs and could suffer losses in the aftermath of a correction after any reigning in.

b) Guest Presentations

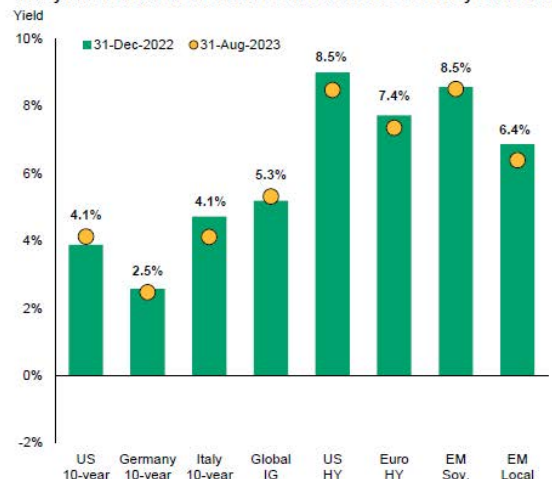
Joining our quarterly investment meeting in October, were James Wring and Adam Osman from JPMorgan, whose presentation is summarised as below:

- **Markets in October** made a small speculative reaction to middle east conflict, but where the potential for escalation in the conflict is there, likewise the potential for deeper market fallout is present.
- **Inflation** looking like it is stabilising, but in the event it picks up again (potential effect of middle east conflict worsening) then resilient investment areas such as infrastructure will likely be a favourable option.
- **India** is a promising long term investment with big potential as India transitions rapidly to more modern infrastructure, but currently showing high valuations so less favourable in the short term.
- **Japan:** Hasn't paid off as well as hoped in recent years, but new Topix legislation could force more expenditure from companies holding large cash reserves which would lead to easy net economy growth.
- **Small-cap** companies have (in general) taken beating after beating recently. Valuations are low and look cheap compared to large cap, but is it still too early to buy in? Still some economic weakness forecasted which is generally a poor environment for any small-cap investment.
- **UK:** Worth separating the UK stock market from the UK economy. Stock market strong in short/medium term primarily from the FTSE 100, whereas the economy is rife with political uncertainty.
- **Fixed Income:** Real yields now at their highest point in years and back above the 25 year average. Historically fixed income has performed during economic shocks, with the only exception being the Covid crash. Currently negative view on high yield due to consistent high beta as returns stay low, while positive on Gilts which show higher returns while keeping low risk.
- **Cash interest rates** being at an attractive rate gives a short term boost to those seeking consistency, but as interest rates start to settle this will be a sign to transition back across to fixed income, which will see a pay off once rates decrease.

Real yields look even more attractive...
Global government bond real yields up to August 2023



...as yields remain elevated across fixed income sectors year-to-date



Source: Bloomberg, Barclays Live, J.P. Morgan, ICE BofA. LHS chart data as of 31 July 2023. RHS chart data as of 31 August 2023. IG: Investment grade; HY: High yield; EM: Emerging markets.

4) Geographical & Sector Outlook

The FTSE 100 has seen another consistently volatile 12 months, but still showing growth of 10.80% gross, over the period of 14th October 2022 to 13th October 2023. Over the same period the FTSE 250 showed similar volatility and grew 2.47%.



■ A - FTSE 100 in GB [7599.60]

14/10/2022 - 13/10/2023 Data from FE fundinfo2023














































The US market has also had a volatile 12 months, with the Dow Jones Index increasing by 13.62% over the period of 14th October 2022 to 13th October 2023, ending the period at a price of 33670.36.



■ A - Dow Jones Industrial Average in US [33670.36]

14/10/2022 - 13/10/2023 Data from FE fundinfo2023

4 b) Committee Asset Allocation Views

Views			Outlook
Negative	Neutral	Positive	  
			
Equity Europe			
Equity UK			
Equity US			
Equity Japan			
Asia			
China			
Emerging Markets			
Emerging Markets Debt			
Government Bonds			
Investment Grade			
High Yield			
Commercial Property			
Residential Property			
Commodities	Gold is now to be reconsidered as middle east uncertainty has the potential to cause both market turbulence and a rise in commodity prices.		
Currency	Not confident on USD long term.		
Investment Trusts	No new views on Investment Trusts.		
General	There are many areas for concern currently, with fears about the US debt levels spiralling, and conflict in the middle east having far reaching effects. But hoping to find safety in government bonds for now, with high inflation and interest rates starting to level out.		

5a) Portfolio Performance (Sterling)

Actual Performance of our clients colour co-ordinated as follows:

Growth Portfolios

Include charges
 After charges

Aisa Portfolio	RISK GRADE	3 mths	1 y	3 y	5 y	10 y	10 y annualised
G3 Defensive (48)	3	0.52%	6.39%	-6.21%	9.93%	35.04%	3.50%
		0.14%	4.74%	-10.61%	1.14%	16.35%	1.64%
G4 Cautious (49)	4	0.64%	5.36%	-4.71%	10.20%	36.05%	3.61%
		0.28%	3.84%	-8.88%	1.79%	17.80%	1.78%
G5 Balanced (64)	5	-0.18 %	6.76%	0.11%	16.53%	54.78%	5.48%
		-0.56%	5.12%	-4.54%	7.24%	34.84%	3.48%
G6 Growth (68)	6	0.08%	4.59%	-3.50%	11.65%	59.34%	5.93%
		-0.30%	2.98%	-7.95%	2.74%	38.17%	3.82%
G7 Speculative (77)	7	-0.02%	4.40%	-5.44%	11.32%	62.17%	6.22%
		-0.40%	2.78%	-9.85%	2.29%	41.17%	4.12%
G8 Aggressive (78)	8	0.95%	5.46%	-3.91%	14.03%	58.78%	5.88%
		0.60%	3.85%	-8.33%	5.80%	39.93%	3.99%

Income Portfolios

Include charges
 After charges

Aisa Portfolio	RISK GRADE	Yield	3 mths	1 y	3 y	5 y	10 y	10 y annualised
I4 Cautious (58)	4	4.86%	0.44%	8.16%	11.97%	8.26%	29.91%	2.99%
			0.04%	6.50%	6.74%	0.33%	10.54%	1.05%
I5 Balanced (78)	5	3.98%	1.32%	8.88%	19.79%	14.95%	44.17%	4.42%
			0.96%	7.28%	14.25%	6.54%	26.74%	2.67%
I6 Growth (80)	6	3.76%	1.44%	10.32%	22.68%	18.66%	49.17%	4.92%
			1.06%	8.60%	16.65%	9.46%	30.68%	3.07%

It has been agreed by the committee that all the income portfolios must produce a yield of more than the average standard daily saving rate (annualised) plus 1%. Current yields are all higher than 3.00%.

5b) UCITS & Passive Model Performance

UCITS Models	Currency	3 month	6 month	1 year	2 year
U4 Cautious	GBP	-0.03%	-3.34%	-0.14%	-12.24%
	EUR	0.64%	-5.12%	-1.85%	-12.03%
	USD	-3.20%	-2.60%	7.10%	-11.02%
U5 Balanced	GBP	-0.04%	-1.58%	1.29%	-9.63%
	EUR	-1.65%	-0.76%	5.24%	-10.41%
	USD	-4.37%	-1.75%	12.32%	-9.64%
U6 Growth	GBP	-0.59%	-2.23%	1.37%	-11.99%
	EUR	-2.73%	-0.81%	7.27%	-8.47%
	USD	-6.70%	-3.49%	11.03%	-15.39%
Passive Models	Currency	3 month	6 month	1 year*	
P4 Steady	GBP	0.76%	-0.74%	7.58%	
	EUR	-0.24%	0.89%	7.80%	
	USD	3.41%	1.39%	17.13%	
P5 Moderate	GBP	0.91%	0.00%	9.04%	
	EUR	-0.67%	-2.85%	7.77%	
	USD	3.05%	1.65%	7.90%	
P6 Dynamic	GBP	0.65%	0.74%	8.89%	
	EUR	-0.23%	3.28%	10.27%	
	USD	-5.65%	-0.49%	17.43%	

All above figures net of underlying fund fees, and gross of all other charges. Please note that the UCITS and Passive portfolio ranges were launched in July 2021 and January 2022 respectively, meaning actual performance results are limited to the above at this time.

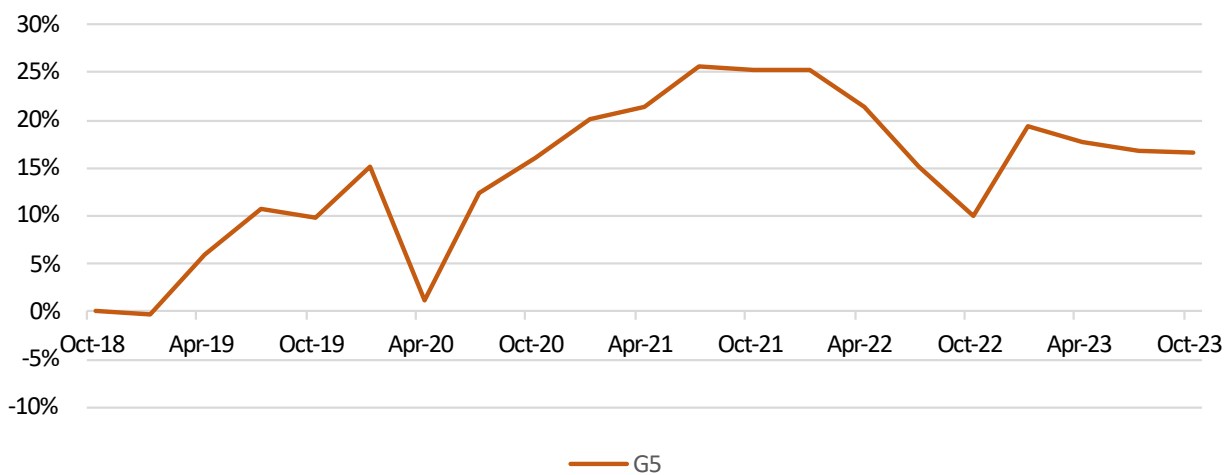
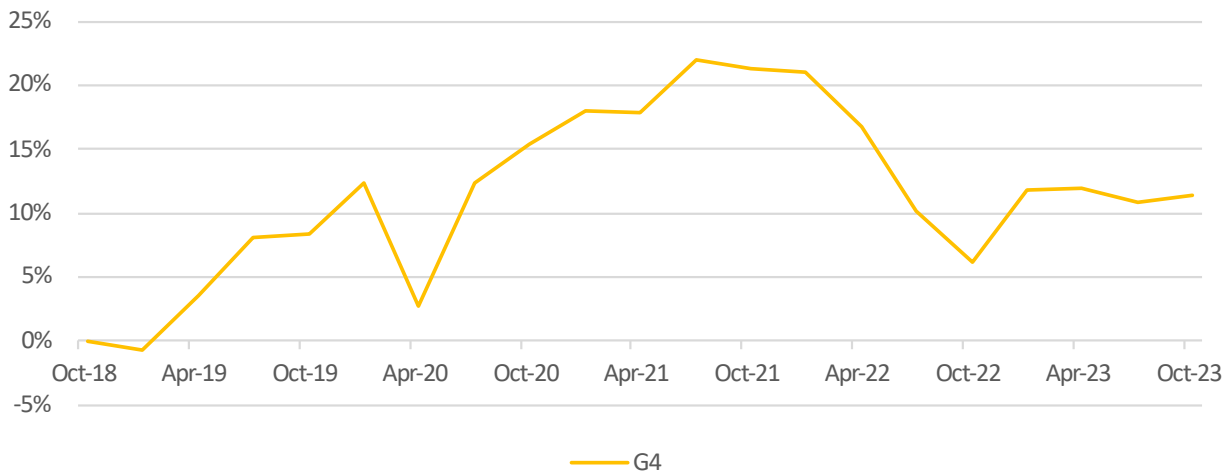
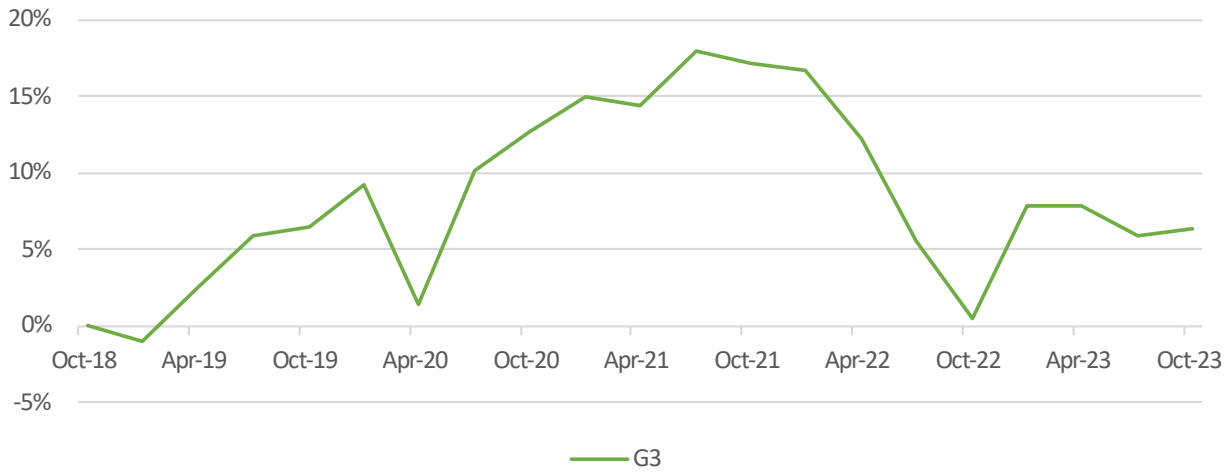
Important Note

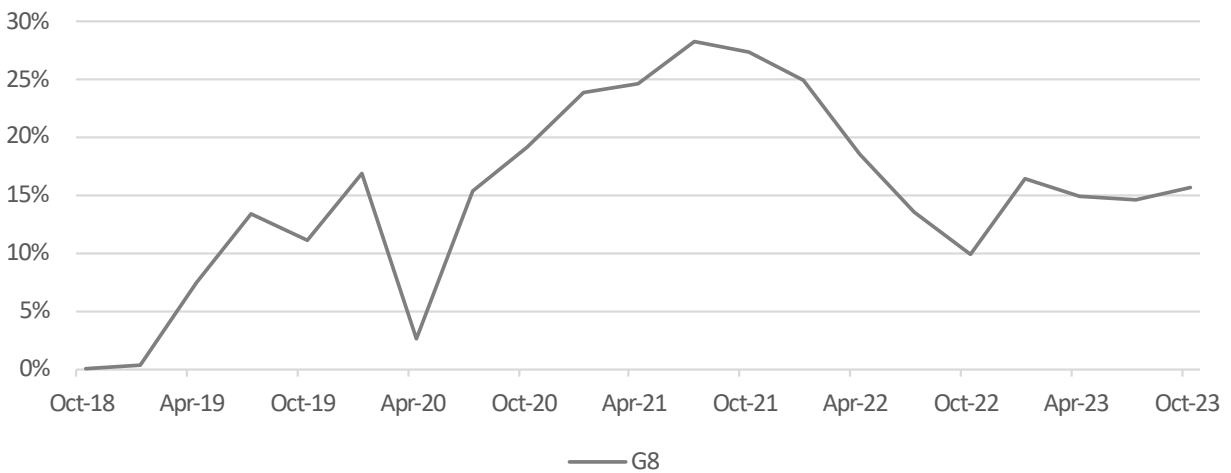
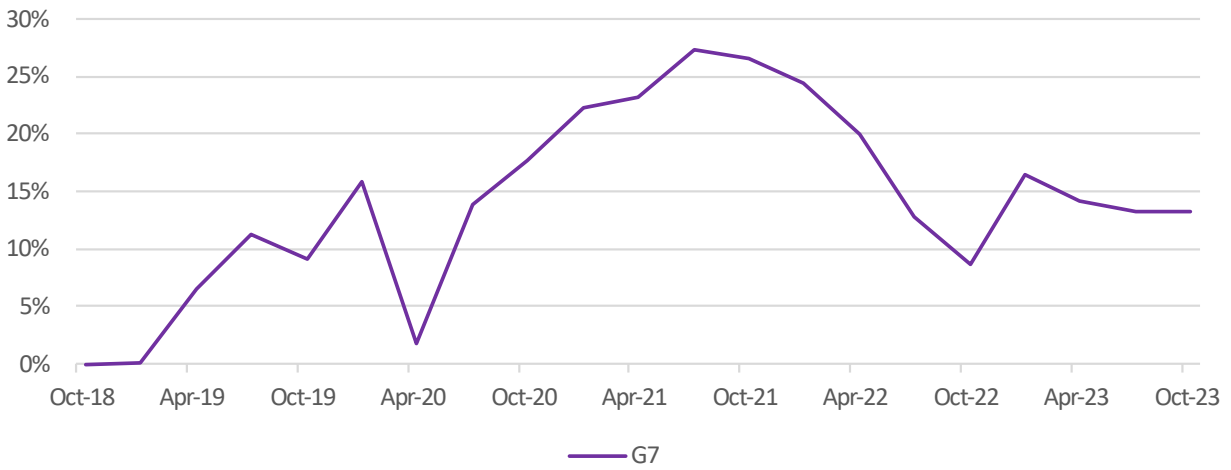
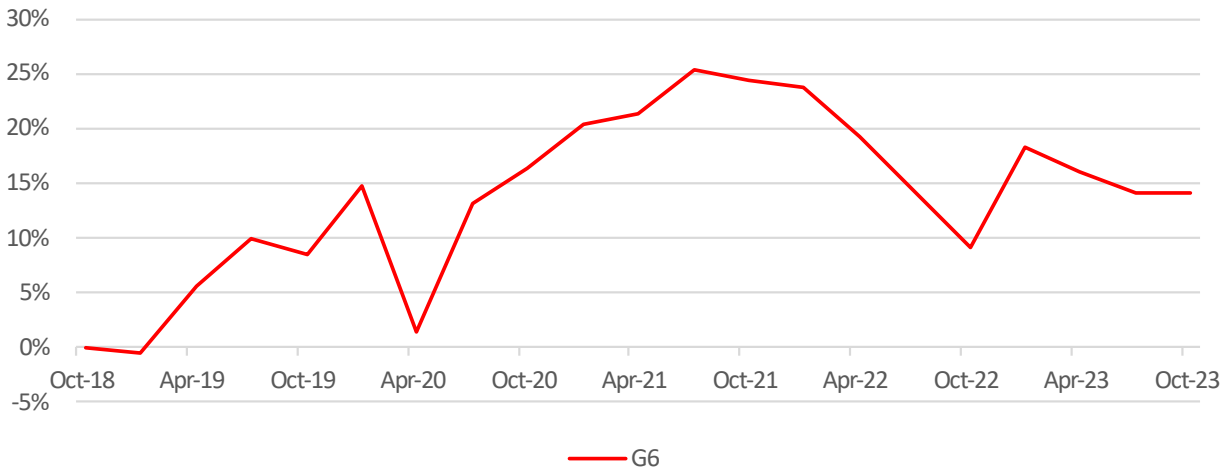
Past performance should not be a guide to future performance. Returns may vary due to currency variation and tax treatment. Tax is subject to individual circumstances and subject to change due to legislation. Clients retain responsibility for their tax affairs and should consult the relevant tax experts in the relevant jurisdictions.

Aggregate Costs and Cumulative Effect of costs on returns

The total costs and charges for your investment are made up of a mixture of our charges, the platform or product and investment funds and services. The table above shows how the total costs are allocated over the different time periods by measuring the difference between the gross returns (black) and the net returns (orange). Please note that gross returns are net of the underlying fund management charges, which typically range between 0.2% and 0.9%. (A typical portfolio average would be 0.75%). The total charge deducted for each investment or product will have an impact on the investment return you might receive. Using the tables above you can calculate that impact. For example, if you were a Balanced Investor with 300,000 invested then over the last 12 months the total charges applied were (gross minus net) 1.64%. For 300,000 your charges were therefore $300,000 \times 1.64\% = 4,920$. If there were no charges this is how much more your fund would have grown by. You can therefore do this calculation over any time period up to 10 years for all our portfolios.

5a) Sterling Portfolio 5 Year Performance Graphs





6) 12-Month Rolling Performance

We have analysed the actual net (after all charges) performance of our model portfolios over the last three years on a rolling 12-month basis. In the table below, next to each month, we have shown the performance for each growth portfolio over the prior 12 months, i.e. July 2022 to July 2023, June 2022 to June 2023 and so on.

In the twelve month rolling performance for October 2023, growth in the model portfolios ranged between 2.78% and 5.12%, the first month showing consistent positive growth since the start of the Ukraine conflict.

Month	Aisa Defensive	Aisa Cautious	Aisa Balanced	Aisa Growth	Aisa Speculative	Aisa Adventurous
Oct-23	4.74%	3.84%	5.12%	2.98%	2.78%	3.85%
Sep-23	-2.31%	-2.68%	-2.33%	-4.29%	-3.46%	-2.68%
Aug-23	-4.41%	-4.06%	-3.79%	-5.31%	-4.90%	-4.21%
Jul-23	-1.48%	-1.06%	-0.25%	-2.27%	-1.61%	-0.61%
Jun-23	-1.68%	-0.99%	0.81%	0.45%	1.73%	3.55%
May-23	-3.04%	-2.51%	-0.56%	-0.61%	-0.73%	0.37%
Apr-23	-6.70%	-6.49%	-5.78%	-5.21%	-7.68%	-5.46%
Mar-23	-6.44%	-6.01%	-4.72%	-4.02%	-5.04%	-3.90%
Feb-23	-6.86%	-5.91%	-3.97%	-2.95%	-5.12%	-4.68%
Jan-23	-10.89%	-10.58%	-7.96%	-7.41%	-10.04%	-10.19%
Dec-22	-14.48%	-14.47%	-12.76%	-13.17%	-16.10%	-16.92%
Nov-22	-15.53%	-14.86%	-14.17%	-14.64%	-17.99%	-18.07%
Oct-22	-16.82%	-15.64%	-15.75%	-16.05%	-18.14%	-17.75%
Sep-22	-13.21%	-11.99%	-10.57%	-11.27%	-13.58%	-13.14%
Aug-22	-10.31%	-9.68%	-8.17%	-9.11%	-11.01%	-11.18%
Jul-22	-13.09%	-12.71%	-11.39%	-12.37%	-15.12%	-15.38%
Jun-22	-11.05%	-10.84%	-10.22%	-11.98%	-14.69%	-15.83%
May-22	-6.08%	-5.82%	-5.40%	-7.53%	-9.42%	-10.60%
Apr-22	-3.49%	-2.97%	-1.55%	-3.57%	-4.78%	-7.55%
Mar-22	-2.49%	-2.09%	-0.73%	-2.19%	-4.99%	-7.13%
Feb-22	-3.04%	-2.18%	-0.46%	-2.11%	-4.21%	-5.45%
Jan-22	0.06%	1.54%	3.51%	2.00%	0.41%	-2.42%
Dec-21	2.62%	4.91%	7.25%	5.91%	5.79%	5.53%
Nov-21	4.83%	7.42%	11.16%	9.97%	11.02%	11.01%
Oct-21	2.77%	4.43%	7.68%	6.50%	7.44%	6.76%
Sep-21	5.72%	8.24%	12.08%	11.17%	12.40%	11.57%
Aug-21	5.57%	6.92%	11.26%	10.33%	11.40%	11.27%
Jul-21	6.44%	8.52%	12.07%	11.50%	12.48%	11.77%
Jun-21	8.01%	10.30%	14.45%	13.99%	14.92%	14.57%
May-21	6.39%	7.90%	12.05%	11.34%	12.91%	11.59%
Apr-21	12.43%	14.52%	19.71%	20.68%	20.97%	21.55%
Mar-21	10.66%	12.77%	16.43%	18.03%	20.62%	22.84%
Feb-21	2.62%	1.88%	2.10%	3.15%	4.39%	4.45%
Jan-21	3.55%	3.05%	1.45%	2.38%	3.07%	4.02%
Dec-20	6.41%	5.97%	4.45%	5.74%	6.73%	7.97%
Nov-20	5.23%	5.00%	2.67%	4.46%	5.01%	5.35%

7) Quarterly timetabled asset/product discussions:

The product discussions for this quarter were 'Offshore Pensions – SIPP/QROPS Providers', reviewed by John Reid, 'Asset Allocation and Risk' reviewed by James Pearcy-Caldwell', and 'Structure Products' reviewed by Geordie Bulmer. All information is to be updated into our Governance document held centrally at our main office.

8) AOB

Reference Material utilised in this meeting

FEAnalytics – Review of funds

Aisa Performance data – Obtained from M&G, FEAnalytics

Aisa Governance Document

LGT & JPMorgan Presentations





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Not all investment and types of products are regulated. Investments go down as well as up, and past performance is not a reliable indicator of future performance. The information contained within this quarterly bulletin should not be construed as individual advice, and it is only the current views of the Aisa Investment Team as to where they believe markets are heading.

If you require individual advice or wish to make or change an investment please contact your advisor for investment advice.

The guidance contained in this brochure is targeted at those people who live outside the UK.