

Income Models Monthly Update

✉ mps@wcgplc.co.uk

☎ 020 3100 8100

WALKERCRIPS

Model Portfolio Service Collectives

31st March 2024



Income Model Cumulative Performance Tables

Source: FE Analytics & BlackRock 360 : 02/04/2024

Defensive Income	Yield:	2.72%		OCF:	0.51%		Inception Date:	29/01/2021	
		1m	3m	6m	1yr	3yr	5yr	Since Inception	
Portfolio	2.07%	1.16%	7.58%	6.19%	-1.43%	-	-3.18%		
MSCI PIMFA Conservative	2.49%	2.89%	8.88%	8.44%	4.62%	14.81%	5.65%		
ARC GBP Cautious	1.90%	1.90%	3.26%	2.71%	-0.06%	8.71%	0.31%		

Conservative Income	Yield:	3.45%		OCF:	0.54%		Inception Date:	26/02/2021	
		1m	3m	6m	1yr	3yr	5yr	Since Inception	
Portfolio	2.48%	0.94%	7.77%	4.71%	-1.71%	-	-0.21%		
MSCI PIMFA Conservative	2.49%	2.89%	8.88%	8.44%	4.62%	14.81%	6.66%		
ARC GBP Cautious	1.90%	1.90%	3.26%	2.71%	-0.06%	8.71%	0.83%		

Moderate Income	Yield:	3.63%		OCF:	0.59%		Inception Date:	04/03/2020	
		1m	3m	6m	1yr	3yr	5yr	Since Inception	
Portfolio	2.69%	1.80%	7.90%	6.48%	5.29%	-	8.75%		
MSCI PIMFA Income	2.89%	4.27%	10.05%	10.94%	13.14%	25.83%	19.97%		
ARC GBP Balanced	2.40%	3.00%	5.33%	4.79%	3.52%	15.37%	13.17%		

Balanced Income	Yield:	3.65%		OCF:	0.57%		Inception Date:	03/07/2020	
		1m	3m	6m	1yr	3yr	5yr	Since Inception	
Portfolio	2.97%	2.73%	8.42%	7.26%	7.27%	-	15.45%		
MSCI PIMFA Balanced	3.07%	4.98%	10.74%	12.20%	17.05%	31.51%	28.34%		
ARC GBP Steady Growth	2.80%	4.00%	6.47%	6.31%	6.22%	21.10%	17.34%		

Allocations

	Defensive Income		Conservative Income		Moderate Income		Balanced Income	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Fixed Income	61.50%	47.50%	51.50%	47.50%	35.50%	30.00%	28.50%	22.50%
Alternatives	18.00%	17.50%	18.00%	17.50%	16.00%	15.00%	13.00%	12.50%
UK Equities	4.50%	10.00%	10.50%	10.00%	15.50%	17.50%	19.50%	20.00%
Global Equities	11.00%	18.50%	12.00%	18.50%	23.50%	30.00%	28.50%	37.00%
EM Equities	-	1.50%	3.00%	1.50%	4.50%	2.50%	6.50%	3.00%
Real Estate	4.00%	2.50%	4.00%	2.50%	4.00%	2.50%	3.00%	2.50%
Cash	1.00%	2.50%	1.00%	2.50%	1.00%	2.50%	1.00%	2.50%

Past performance is not a reliable indicator of future results. Portfolio performance is shown with all income reinvested, and is after deduction of underlying fund charges but before Walker Crips' annual management charge (AMC). Deduction of the AMC will have the effect of reducing the illustrated performance. Benchmark portfolio performance is shown gross - before all charges. All dates refer to close of day values.

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Income Model Discrete Performance Tables

Source: FE Analytics & BlackRock 360 : 02/04/2024

Defensive Income

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	-	-	-	-13.23%	6.16%	1.16%
MSCI PIMFA Conservative	12.86%	2.97%	6.89%	-11.60%	7.88%	2.89%
ARC GBP Cautious	8.05%	4.20%	4.23%	-7.60%	3.68%	1.90%

Conservative Income

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	-	-	-	-12.20%	4.34%	0.94%
MSCI PIMFA Conservative	12.86%	2.97%	6.89%	-11.60%	7.88%	2.89%
ARC GBP Cautious	8.05%	4.20%	4.23%	-7.60%	3.68%	1.90%

Moderate Income

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	-	-	10.26%	-9.93%	5.55%	1.80%
MSCI PIMFA Income	15.15%	1.94%	10.42%	-8.49%	9.09%	4.27%
ARC GBP Balanced	11.73%	4.31%	7.64%	-9.14%	5.79%	3.00%

Balanced Income

	2019	2020	2021	2022	2023	2024 YTD
Portfolio	-	-	11.94%	-10.02%	5.47%	2.73%
MSCI PIMFA Balanced	16.21%	1.95%	12.54%	-8.10%	10.11%	4.98%
ARC GBP Steady Growth	15.00%	4.56%	10.24%	-10.23%	7.20%	4.00%

Platform Availability



The Team

The Model Portfolio Service Collectives team is chaired by Rachel Blythe (Head of Model Portfolios) and Shane Bennett (Head of Investment Strategy), members of the Central Investment Team; supported by our team of Investment Managers, Analysts and Administrators.

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Commentary

Within the income models, performance for the month showed the Defensive Income portfolio underperformed the benchmark by 0.42%; the Conservative Income portfolio underperformed the benchmark by 0.01%; the Moderate Income portfolio underperformed the benchmark by 0.20%, and the Balanced Income portfolio underperformed the benchmark by 0.10%.

One of the strongest performers within the income models was LondonMetric Property, held by all the income models, which delivered a return of 12.64% in March. LondonMetric Property is a real estate investment trust listed on the FTSE 250, with the aim of owning and managing desirable real estate that meets the needs of their occupiers. The fund has the aim of delivering reliable, repetitive and growing income-led returns with the hope of outperforming over the long term. March was largely a strong month for the fund as positive sentiment regarding anticipated rate cuts improved the outlook for real estate assets.

Another holding that performed strongly during the month was the Vanguard FTSE UK Equity Income Index fund, held by all income models apart from the Defensive Income model, which returned 6.78% during the month. The fund seeks to track the performance of the FTSE UK Equity Income Index, consisting of common shares of companies that are listed on the London Stock Exchange's main market. The companies within the index are anticipated to pay dividends that are generally higher than average. The strong performance was largely driven by positive economic sentiment regarding a pivot towards rate cuts by the Bank of England, which is anticipated to happen later this year. The fund has a large weighting towards financials, consumer staples and basic materials sectors which all appeared to benefit from the market sentiment shift regarding economic expectations.

A notable detractor within the portfolio during March was the VT RM Alternative Income fund, held by all of the income models, which declined 0.09% during the month. The fund is focussed on real asset investments across three sectors: Secured Real Assets, Infrastructure and Specialist Real Estate. The aim of the fund is to provide income whilst preserving capital over the medium to long-term. The fund performance was relatively neutral for the month, with the performance showing a minimal decline. It appears that this was largely driven by market sentiment as investors favoured other investments amid changing economic conditions.

Another weak holding in the income models for March was the BlackRock European Absolute Alpha fund, held by only the Defensive Income model, delivering a return of 0.35%. The fund aims to achieve positive absolute returns over a period of 12 months regardless of market conditions. The fund delivered a positive, yet minimal, return due to the high interest rate economic environment which continues to impact equity markets. The fund has a large exposure to the industrial sector, which appeared to have been out of favour for the month as investors position their portfolios for the anticipated rate cuts later this year.

Glossary

Holdings - the contents of an investment portfolio, such as a stock or a fund.

Benchmarks - either an index or base rate used as a comparator to assess a portfolio's performance.

Yield - indicates income generated as a percentage value of the portfolio. Yields are not guaranteed and may fluctuate over time.

OCF - ongoing charges figure' is the amount paid over an annual period for as long as you hold an investment. The OCF for a fund is quoted on the 'Key Investor Information' document and relates to the running costs of the fund.

Important Information

The ARC Indices are a set of benchmarks that reflect the real performance of investors that have their wealth professionally managed. It is based on the world's largest dataset of private client investment performance from the past 20 years. The Benchmark allows investors to see performance of similar portfolios helping them gauge the return of their own. The value of any investment and the income arising from it is not guaranteed and can fall as well as rise, so that you may not get back the amount you originally invested. Past performance is not a reliable indicator of future results. There is no guarantee that the portfolio objective will be met or that a positive return will be delivered over any time period. This publication is intended to be Walker Crips Investment Management's own commentary on markets. It is not investment research and should not be construed as an offer or solicitation to buy, sell or trade in any of the investments, sectors or asset classes mentioned. The performance of individual portfolios may differ from the model portfolio due to timing difference in implementing investment decisions, the impact of annual management charges, trading taxes, individual restrictions and taxation constraints. Movements in exchange rates can have an adverse effect on the value. The asset allocations indicated may vary marginally depending on prevailing market conditions. All figures are provided as at the date of this fact sheet. Walker Crips Investment Management Limited is authorised and regulated by the Financial Conduct Authority (FRN: 226344) and is a member of the London Stock Exchange. Registered Office: Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ. Registered in England and Wales number 4774117.