Thorntons Adventurous
Investor Factsheet Q3 2024

THORNTONS
INVESTMENTS

Investment Objectives

The Thorntons Adventurous model portfolio aims to provide a higher risk investment, with equity type returns, primarily focused on capital growth, over a five-year investment period. The portfolio will primarily be invested in equity, with much of that international, but may also include some property, corporate bonds and alternative assets. The model is invested across a portfolio of funds and exchange traded instruments.

Five-year annualised volatility target of 12.6 to 14.7

Key Facts

Historic Model Yield	2.1%
Five Year Monthly Volatility	11.3
Estimated OCF of model	0.44%
Investment fee	0.2% (VAT Exempt)
Comparison Benchmark	IA Flexible Investment

Data sourced from Financial Express as at 30 September 2024

Date of Inception 31 December 2014

Managers

Matt Strachan BSc (Hons) Econ, ACSI
Matt is the CIO at Thorntons Investments and has over 30 years of international investment management experience, including managing an OBSR rated N American fund.

Ciaran Garvey BSc Econ & Fin, MSc Fin, FCSI
Ciaran is an investment manager at Thorntons Investments, he has over 10 years industry experience after graduating from University College Dublin and Heriot Watt University.

Performance from Inception

Adventurous Model Total Return 31/12/14 -30/09/24

A - *Thorntons Adventurous Model Portfolio*
B - *IA Flexible Investment*

31/12/14 - 30/09/24
Data from FE fundinfo

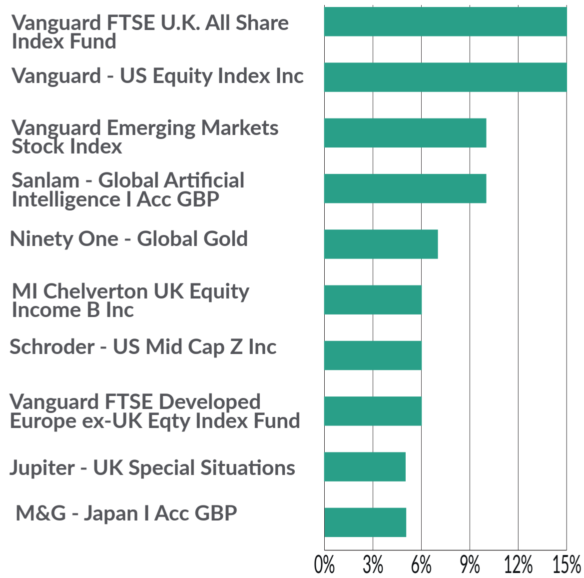
Performance - Cumulative	Q3	YTD	1 year	3 years	5 years	Incept
Thorntons Adventurous Model Portfolio	2.0%	10.2%	16.3%	11.5%	32.2%	92.3%
IA Flexible Investment	1.1%	7.4%	13.0%	7.0%	27.7%	73.1%

Discrete Calendar Year	2023	2022	2021	2020	2019
Thorntons Adventurous Model Portfolio	8.1%	-8.7%	9.4%	8.5%	18.0%
IA Flexible Investment	7.1%	-9.0%	11.3%	6.7%	15.7%

Industry Allocation

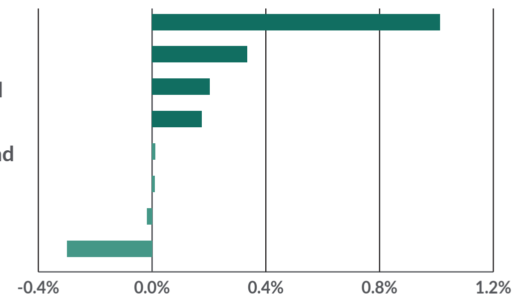
- 62.0% - International Equities
- 26.0% - UK Equities
- 7.0% - Other
- 3.0% - Property
- 2.0% - Cash

Top Ten Holdings



Top And Bottom Contributors To Performance Q3 2024

- Ninety One - Global Gold
- Vanguard FTSE U.K. All Share Index Fund
- Vanguard Emerging Markets Stock Index Fund
- MI Chelverton UK Equity Income
- Vanguard FTSE Dev Eur ex-UK Eqty Index Fund
- Vanguard US Equity Index Fund
- Vanguard Japan Stock Index Fund
- Sanlam Global Artificial Intelligence



Platform Availability

abrdn, Fidelity International, M&G wealth, nucleus, Scottish Widows, transact, Quilter, wealthtime, 7IM

Market Commentary

Although there have been plenty of developments to distract and concern, including a sharp drop in equity markets at the start of August, financial markets generally took a glass-half-full view on prospects over the quarter. Much of the positive side of the ledger has focused on central bank implementation of interest rate cuts across much of the world, including here in the UK and most importantly in the US. Inflation reports have been drifting down and heading in the right direction towards targeted levels.

Although other economic data prints have been uninspiring (weak in Europe), there has been enough activity to encourage the view that recession can be avoided and the fabled 'soft-landing' achieved. Bonds responded well to falling inflation and interest rate cuts, with UK gilts returning 2.3% over the quarter.

UK stocks returned 1.3%, despite sterling strengthening by nearly 3% over the quarter; sterling strength is normally seen as a drag on overseas earnings for UK companies. The strength of sterling clipped the returns from other stock markets, making US equities slightly negative, despite a positive return in dollar terms. There were two notable events for stock markets during the quarter, the first a 'flash crash' in Japanese equities at the start of August, when the market plunged more than 12%, in one day, following a rapid strengthening of the yen after the Bank of Japan made a long-awaited increase in interest rates. Most of the fall was recovered the following day, but it highlighted that there is still a lot of leverage and stress across financial markets following the unprecedented period of quantitative easing. The second event came right at the end of the quarter, when Chinese stocks surged following a series of stimulus measures by the Peoples Bank of China and promise of government fiscal support.

As the world works its way through the record roster of general elections, Labour's win in the UK looks like one of the more stable. Indeed, Japan has just called a snap election for the end of October, to help ratify the authority of the new prime minister. The key election we now wait for is the US election on November 5th, where the two presidential candidates offer widely different policy outcomes. In the UK we have the new Labour government's first budget at the end of October, which is causing a degree of concern given the hairshirt political language in advance. Hopefully, there will be a sensible balance struck between spending and taxation, but the recent rise in long bond yields reflects worries that budget deficits will not be tackled, both here and abroad.

Industrial commodity prices were weak due to concerns about the health of the Chinese economy, in particular, but there have been some sharp rallies just after quarter end on hopes demand will be boosted by their promised stimulus. Oil was one of the weakest commodities over the quarter, as demand concern outweighed worries about intensifying hostilities in the Middle East. However, again there has been a price spike at the start of October, following the Iranian missile attack on Israel. Given the escalation of military action it is no surprise that gold was the best performing financial asset, +6.7% in sterling terms.

Portfolio Commentary Q3 2024

The Adventurous portfolio made further gains, returning 2.0% over the third quarter, with most investments making a positive contribution. UK investment continued to perform well, with Jupiter UK Special Situations, +3.4%, Chelverton UK Equity Income +2.9% and Vanguard FTSE UK All Share Index +2.2%. During the quarter we sold Martin Currie UK Equity Income, which had risen 3.4%, and added to US investments. The star performer was Ninety One Global Gold which delivered half the portfolio return, +14.8%, as the gold price moved higher on lower interest rates and heightened Middle East tensions. We also sold the investment in Royal London Sterling Extra Yield Bond fund, +2% at that point, reinvesting in CT Property Growth & Income, which rose 3% from purchase.

The two negative performers were Sanlam Global Artificial Intelligence, -3.4%, as market interest broadened out from its fixation on AI, and Vanguard Japan Stock Index Fund, -0.4%, as the Japanese market suffered from the flash crash in August. Other stock markets were much calmer, with US and European equity investment barely changed over the quarter. With Chinese stocks springing to life right at the end of the period, Vanguard Emerging Markets Stock Index returned +1.9%, after being weak for most of the quarter. The sudden change in sentiment undoubtedly caught many out and reinforces the importance of maintaining a good spread of investments across the portfolio.

Get In Touch

Phone:
01382 797 600

Website:
www.thorntons-investments.co.uk

Dundee
Whitehall House
35 Yeaman Shore
Dundee
DD1 4BU