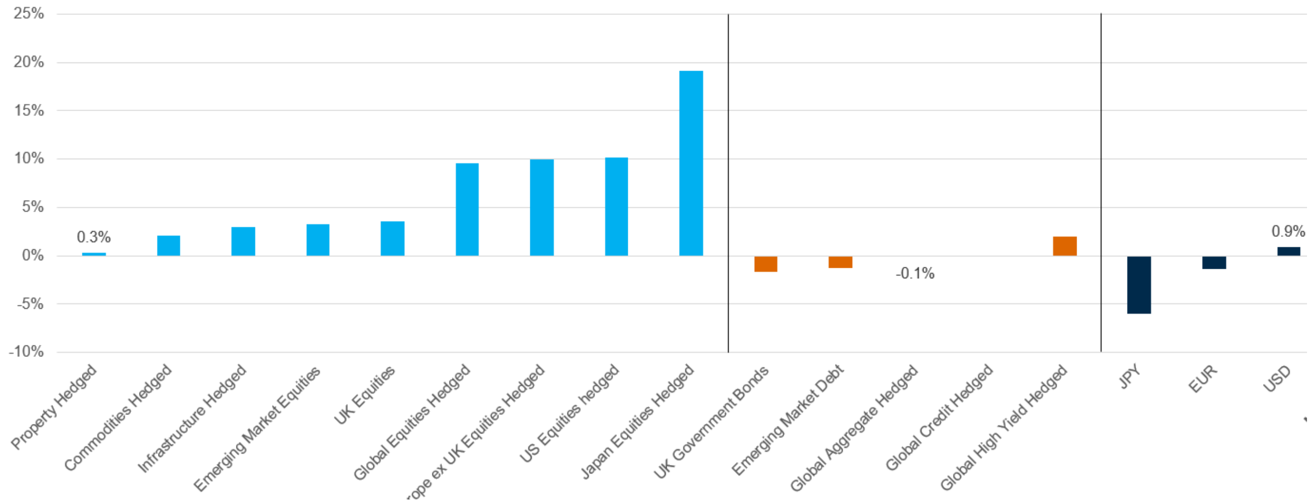
JGC - WPP Performance Summary Q1 2024

Global Market Commentary

Global equities rose while fixed income markets edged lower in the first quarter of 2024. For equities, the year-end rally continued into the new year, propelling benchmark indices in the US, Europe and Japan to record highs. Sentiment was boosted by strong earnings results, optimism over artificial intelligence (AI)-related technology and expectations of interest rate cuts. Nevertheless, the US dollar strengthened against most currencies as investors were faced with the prospect of fewer cuts than initially expected given a buoyant US economy. Within fixed income, high yield outperformed investment grade assets, with risk-on sentiment driving the market. Oil prices rose amid continuing geopolitical concerns in the Middle East and Ukraine. The Federal Reserve, the European Central Bank, and Bank of England (BoE) all left interest rates unchanged, as expected. In contrast, the Bank of Japan ended eight years of negative interest rates with its first rate increase in 17 years.

Asset class performance – Quarter to Date (March) 2024



Benchmarks : Global equity hedged (MSCI World ACWI), UK equity (FTSE All Share), US equity hedged (Russell 1000 Net GBPH), Europe ex UK equity (MSCI Europe ex UK Equity Net GBPH), Japan equity (TOPIX Net GBPH), Emerging equity (MSCI Emerging Markets Net), Global HY bonds (BofAML Global High Yield 2% Constrained Index), EMD LC (JP Morgan GBI-EM Global Diversified Index), Global credit hedged (Bloomberg Barclays Global Aggregate Credit Index), Global aggregate hedged (Bloomberg Barclays Global Aggregate Bond Index GBPH), UK Government Bonds (ICEBofAML UK Gilts All Stocks (GB), Property hedged (FTSEEPRA Nareit Dev Re GBP)

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	8.0	16.3	11.1
Net	7.9	15.8	10.7
MSCI AC World Index Net	9.2	20.6	12.3
Excess returns (gross)	-1.2	-4.3	-1.1
Excess returns (Net)	-1.3	-4.8	-1.6

Inception Date: 31st January 2019
Source: Northern Trust as of 31 March 2024
Benchmark: MSCI AC World Net Total Return Index GBP
Objective: The sub-fund aims to achieve a long-term capital appreciation, net of fees.
Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Despite posting a solid positive return, the fund trailed the benchmark over the quarter. The market was led by growth, quality, and technology reflected in the returns of Nvidia, Microsoft, Meta and Amazon. Value styles underperformed making Pzena's 6.1% return the largest relative underperformer. Baillie Gifford (8.8%) and Veritas (9.1%) underperformed modestly.

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	9.1	20.4	13.3
Net	8.9	19.9	12.9
MSCI AC World Index Net	9.2	20.6	12.2
Excess returns (gross)	-0.1	-0.2	1.0
Excess returns (Net)	-0.3	-0.7	0.7

Inception Date:COB 31st January 2019
Source: Northern Trust as of 31 March 2024
Benchmark: MSCI AC World Net Total Return Index GBP
Objective: The sub-fund aims to achieve long-term capital appreciation, net of fees.
Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Through the quarter the Fund's tilt to value and small caps was a headwind. At the sector level, stock selection within communication services was the main positive contributor to returns, in particular an overweight to Meta. In consumer discretionary an underweight to Tesla was a notable contributor. Selection within utilities was also helpful. Within materials an overweight to Antofagasta was positive. However, in information technology stock selection hindered relative returns. Although an underweight to Apple was helpful, overweights to Adobe, Samsung Electronics and Sunny Optical Tech detracted. In semiconductor names, an underweight to chipmaker Nvidia was punished while holdings in TSMC and Micron Technology were beneficial. Elsewhere, in health care overweights to HCA Healthcare and the Cigna Group were positive while an overweight to Humana was ineffective.

Sustainable Active Equity Fund:

	Three Months	1 Year	Since Inception
Gross	8.3	-	15.3
Net	8.2	-	14.9
MSCI AC World Index Net	9.2	-	19.1
Excess returns (gross)	-0.9	-	-3.8
Excess returns (Net)	-1.0	-	-4.1

Inception Date: COB 23rd June 2023
Source: Northern Trust as of 31 March 2024
Benchmark: MSCI AC World Net Total Return Index GBP plus 1.5% per annum
Objective: The sub-fund aims to achieve a total return (the combination of income and capital growth) of the equivalent of the MSCI AC World Net Total Return Index GBP plus 1.5% per annum, net of fees, over a rolling five year period.

Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

High dividend yielding and minimum volatility stocks underperformed. In sectors, technology and communication services were the best performers as strong results from the big US technology companies and optimism over the potential of AI propelled shares higher. Names within financials, energy, and industrials also did well. In contrast, real estate lagged as rates remained higher for longer, while stocks within utilities also struggled.
The Fund’s tilt towards small cap and away from momentum was a headwind. Within sectors, selection within communication services and consumer discretionary was ineffective. An underweight to US chipmaker Nvidia was also a key detractor. However, underweights to large cap US firms Apple and Tesla was beneficial.

EM Market Commentary

Over the quarter China was the weakest-performing country and led the index lower. The market was heavily impacted by foreign investor outflows amid negative investor sentiment over the strength of the economy, particularly the property sector. The People's Bank of China made numerous accommodative interest rate cuts during the period amid "insufficient" domestic demand and injected liquidity into the banking system through its medium-term lending facility. Economic growth matched government targets but was below analyst expectations, while deflationary pressure remained.

EM Equity Fund:

	Three Months	1 Year	Since Inception
Gross	4.1	4.7	-2.7
Net	3.7	3.9	-3.3
MSCI Emerging Market Index plus 1.5%	3.7	7.4	-1.3

Inception Date: COB 20th October 2021
Source: Northern Trust as of 31 March 2024
Benchmark: MSCI Emerging Markets Index Net plus 1.5% per annum.
Objective: To achieve capital appreciation, the equivalent of the MSCI Emerging Market Index Net plus 1.5% per annum, over any five year period, after all costs and charges have been taken.
Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary
The Fund's exposure to momentum was positive. Effective stock selection across numerous countries was a key relative performance driver. This was strongest within South Korea (information technology, financials) and more broadly within information technology. However, stock selection was negative within China in a weak quarter for specialist manager Bin Yuan. Elsewhere, an overweight to Brazil and an underweight to Taiwan was negative, but stock selection within these markets offset some of the negative allocation effects.

UK Market Commentary

The first quarter of 2024 started with UK equities underperforming due to concerns over stubborn inflation and a stagnant economy. However, the market strengthened later in the quarter, outperforming all other markets in March. Despite a sharp fall in retail sales in January, the biggest decline in nearly three years, fresh data revealed the economy grew 0.2% in January, largely driven by a rise in services sector activity. This supported the BoE's view that the recession in the second half of 2023 would be shallow. In March, sentiment was boosted further by weaker inflation and a perceived dovish pivot by the BoE as it kept rates unchanged. Inflation fell to 3.4% YoY in February, down from January's unchanged figure of 4.0%, marking the lowest in over two years and below market forecasts of 3.5%.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	4.6	10.5	5.1
Net	4.5	10.1	4.7
FTSE All Share	3.6	8.4	5.2
Excess returns (gross)	1.0	2.1	-0.1
Excess returns (Net)	0.9	1.7	-0.5

Inception Date: COB 23rd September 2019
Source: Northern Trust as of 31 March 2024
Benchmark: FTSE All Share Index
Objective: The Sub-fund aims to achieve long-term capital appreciation, net of fees.
Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund's tilt towards momentum stocks was favourable. In sectors, stock selection within financials and communication services contributed positively. An underweight to and selection within materials was also additive. However, an underweight to BAE Systems within industrials, and an overweight to Monysupermarket.com Group within communication services, detracted.

Fixed Income Market Commentary

Government bonds sold off following the BoE's decision to leave rates unchanged at its February meeting, saying it required more evidence that inflation would continue to fall and stay at target levels before lowering rates. Later in the month BoE governor Andrew Bailey said price growth did not need to reach the 2.0% target before the bank took the decision to cut rates but added that he wanted more evidence of progress in services inflation, wage growth and the state of the labour market. Although rates were left unchanged in March there was a noticeable dovish pivot from the central bank, signalling that rate cuts may not be far off. Furthermore, there was welcome news in the latest inflation data, which showed headline inflation at 3.4% in February, down from January's 4.0%. This was the lowest in over two years and below market forecasts of 3.5%. Core inflation fell to 4.5% from 5.1%. Elsewhere, Fitch Ratings upgraded the country's sovereign credit outlook from negative to stable in March due to weaker economic policy risks. It also forecast a reduction in the general government deficit.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	-0.9	1.8	-2.2
Net	-0.9	1.5	-2.5
FTSE World Gvt Bond Index (GBP Hedged)	-0.4	2.0	-3.3
Excess returns (gross)	-0.5	-0.3	1.1
Excess returns (Net)	-0.6	-0.5	0.8

Inception Date: COB 30th July 2020
Source: Northern Trust as of 31 March 2024
Benchmark: FTSE World Government Bond Index (GBP Hedged)
Objective: The Sub-fund aims to achieve total return (the combination of income and growth), in excess of the FTSE World Government Bond Index (GBP Hedged), over any five year period, after all costs and charges have been taken.

Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Government bond yields broadly increased across January and February, as investors tempered their enthusiasm following the large rally at the end of 2023, before edging lower in March. Investors were faced with the prospect of fewer 2024 rate cuts than initially expected given a buoyant US economy, with robust employment data and higher-than-expected inflation. The Federal Reserve, the European Central Bank and the Bank of England all left interest rates unchanged, as expected. In contrast, the Bank of Japan raised its key short-term interest rate for the first time in 17 years, ending eight years of negative interest rates.

The Fund's short-dated US Treasury positioning detracted from relative returns this quarter. In contrast, overweights to rates within non-classic markets such as Mexico and Colombia contributed positively to relative returns. An underweight to rates within Japan was also rewarded.

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	0.4	4.9	-2.3
Net	0.3	4.7	-2.5
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	-0.0	4.9	-2.3
Excess returns (gross)	0.4	0.0	-0.0
Excess returns (Net)	0.3	-0.2	-0.2

Inception Date: COB 27th July 2020
Source: Northern Trust as of 31 Marc 2024
Benchmark: Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)
Objective: The Sub-fund aims to achieve a total return (the combination of income and growth), in excess of the Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged), over any five-year period, after all costs and charges have been taken.

Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Credit spreads tightened over the quarter, aided by positive equity market performance. Global high yield was the best performer, where spreads narrowed by 41 bps to 382.

Within this environment, overweight exposure to both high yield and investment grade credit in Europe contributed positively. In US credit an overweight to high yield financials and industrials was rewarded, however an underweight to investment grade credit was ineffective. Underweights to investment grade in Canada (financials, industrials) and the UK (industrials) were also unhelpful. Exposure to hard currency emerging market debt detracted largely due to underweights to investment grade in Asia, Latin America and the Middle East. Elsewhere, an overweight to US securitized passthrough credit was beneficial.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	2.0	10.6	2.5
Net	1.9	10.2	2.1
3 Month GBP SONIA + 4%	2.3	9.4	6.1

Inception Date: COB 27th July 2020
Source: Northern Trust as of 31 March 2024
Objective: To achieve a total return (the combination of income and capital growth), the equivalent of the 3 Month GBP SONIA + 4%, over any five year period, after all costs and charges have been taken. We have not shown excess return as this is a target.
Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Government bond yields broadly increased across January and February, before edging lower in March. The Federal Reserve (Fed), the European Central Bank (ECB), and the Bank of England (BoE), all left interest rates unchanged, as expected. In contrast, the Bank of Japan (BoJ) raised its key short-term interest rate for the first time in 17 years, ending eight years of negative interest rates.

Overweight exposure to US high yield credit (financials, industrials) was a primary driver of returns. An overweight to high yield financials in the UK was also effective. In Europe, overweights to high yield and investment grade financials were notable positive contributors. Allocations to hard currency emerging market debt were also effective with overweights across most markets contributing, particularly Latin American credit.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	2.4	7.1	3.5
Net	2.3	6.8	3.2
3 Month GBP SONIA + 2%	1.8	7.3	4.2

Inception Date: COB 30th September 2020
Source: Northern Trust as of 31 March 2024
Objective: To achieve a total return (the combination of income and capital growth), the equivalent of the 3 month GBP SONIA plus 2%, over any five year period, after all costs and charges have been taken. we have not shown excess return as this is a target.
Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Macro-driven duration strategies were positive this quarter. The Credit strategies generated positive returns, as spreads tightened in most credit sectors. Manager’s underweight exposure to duration in the US, Japan, Europe and UK contributed positively. Relative value strategies were also additive. However, quantitative rates strategies and macro-driven currency strategies detracted.

It was a strong period for exposure to European asset-backed securities (ABS) as spread tightened across the board, causing primary issuance to pick up.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	0.8	7.8	-1.9
Net	0.8	7.6	-2.0
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	0.2	6.8	-2.4

Inception Date: COB 27th July 2020
Source: Northern Trust as of 31 March 2024
Benchmark: ICE Bank of America Merrill Lynch Euro-Sterling Index Plus 0.65%.
Objective: The sub-fund aims to achieve a total return (the combination of income and capital growth), the equivalent of the ICE Bank of America Merrill Lynch Euro Sterling Index plus 0.65% each year, over any three year period after all costs and charges have been taken.

Inception date is based starting NAV for the sub-fund. This inception date may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The fund advanced and outperformed the index over the quarter. Both credit positioning and interest rate strategy contributed positively to excess returns. An overweight credit beta position supported returns as credit spreads broadly tightened in light of positive global sentiment. At a sector level, the overweight stance in banks & brokers, asset backed securities (ABS) and insurance supported performance. Favourable selection in securitised bonds such as Tesco Property and Aa Bond added value. From an issuer standpoint, an overweight position in CPI Property enhanced gains as bonds recovered considerably post sell off in November. The bias against utility and tech & communications detracted from returns from a sector standpoint. A structural underweight to quasi/supra names also held back gains. On the duration front, the fund's tactical positioning in sterling duration and US dollar duration supported performance. Gilt yields fell across the curve amid easing inflation and dovish anticipated path for interest rates.