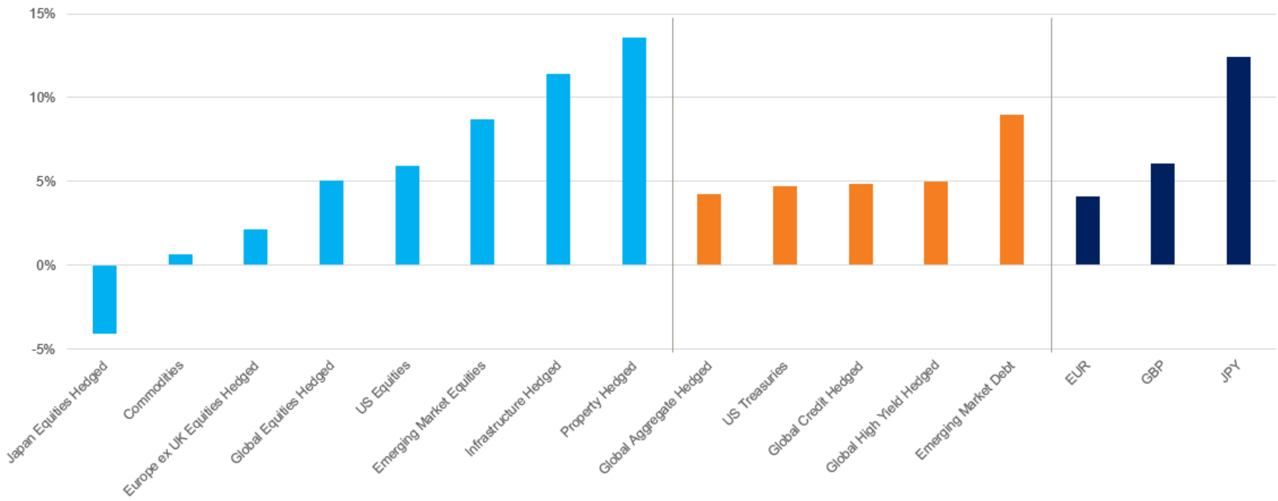
JGC - WPP Performance Summary Q3 2024

Global Market Commentary

Global equities and fixed income markets rose in the third quarter. After a shaky start due to recession fears, shares rebounded on more encouraging US economic data and signals from Federal Reserve (Fed) Chair Jerome Powell that interest rates would be lowered imminently. The central bank followed through with a bumper 50-basis point (bps) rate cut in September. Equities were further boosted by new measures in China aimed at reviving the ailing economy. Aside from the Fed's action, the Bank of England (BoE) cut its key interest rate by 25 bps in August. The European Central Bank lowered rates in September while the Bank of Canada cut its key interest rate by 25 bps twice over the quarter. In contrast, the Bank of Japan raised its benchmark interest rate to 0.25%, its highest in 15 years. Yields fell across major economies as resilient growth in the US and encouraging inflation data buoyed sentiment. The US dollar weakened against most currencies, impacted by the Fed's move on interest rates. Despite geopolitical tensions, oil prices fell amid concerns over weak demand, an end to voluntary production cuts and moves by Saudia Arabia to abandon its crude price target.

Asset class performance – Quarter to Date (September) 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	3 Year	5 Year	Since Inception
Gross	1.6	16.0	4.1	9.1	10.3
Net	1.5	15.5	3.8	8.7	9.9
MSCI AC World Index Net	0.5	19.9	8.3	10.3	11.8
Excess returns (gross)	1.1	-3.9	-4.2	-1.2	-1.5
Excess returns (Net)	1.0	-4.4	-4.5	-1.6	-1.9

Inception Date: 31st January 2019
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

During the quarter, the US was the laggard index and EM names rallied as China introduced a stimulus package which helped the MSCI ACWI value index to outperform the broader MSCI ACWI. From a sector perspective, there was also a change in leadership during the quarter as the first FED cut since 2020 led to strength in interest sensitive sectors such as Real Estate, Utilities and Financials. Veritas (+2.6% relative) was the best performer, as it recouped some of the Q2s underperformance. Strong stock selection in Financials and Healthcare were the key contributors. Baillie Gifford marginally outperformed by (0.1%). Pzena, outperformed the ACWI by 1.1%, but lagged the rebound in value as stock specific factors due to poor performance form Dollar General, Humana and NOV.

Global Opportunities Equity Fund:

	Three Months	1 Year	3 Year	5 Year	Since Inception
Gross	1.3	18.4	8.9	11.2	12.6
Net	1.3	18.1	8.7	10.9	12.3
MSCI AC World Index Net	0.5	19.9	8.3	10.3	11.8
Excess returns (gross)	0.9	-1.5	0.6	0.9	0.8
Excess returns (Net)	0.8	-1.8	0.4	0.6	0.5

Inception Date: COB 31st January 2019
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Throughout the quarter the Fund's tilt to small caps was helpful. In sectors, stock selection within industrials contributed positively (overweight Toto, IHI). Stock selection in financials (overweight Commerzbank, underweight Mitsubishi UFJ Financial) and consumer discretionary (underweight Amazon, Toyota Motors) was also effective. In health care, underweight exposure to Novo Nordisk and an overweight to HCA Healthcare were rewarded. An underweight to Alphabet in communication services was also beneficial. In information technology, although underweight exposure to the sector was helpful stock selection detracted (overweight CrowdStrike, Samsung Electronics).

However, this was partly offset by underweights to Nvidia and ASML Holding, which were beneficial. Stock selection within energy, the worst performing sector, detracted including an overweight to BP and an off-benchmark position in Noble Corp. Furthermore, as one of the best-performing sectors, underweight exposure to real estate was also unhelpful.

Sustainable Active Equity Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	1.7	18.4	-	14.0
Net	1.6	17.9	-	13.6
MSCI AC World Index Net	0.5	19.9	-	17.6
Excess returns (gross)	1.2	-1.5	-	-3.6
Excess returns (Net)	1.1	-2.0	-	-4.0

Inception Date: COB 23rd June 2023
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Low volatility was the best-performing style over the quarter. Value and small caps also outperformed in developed markets. Momentum underperformed in both developed and emerging markets given the drawdown in late July and sharp recovery in late September, respectively. In sectors, utilities was the best performer followed by real estate, which benefitted from the cuts to interest rates over the period. Energy was the only sector to record losses with oil companies impacted by a fall in oil prices amid concerns over weak demand in China, moves by Saudi Arabia to abandon its $100 per barrel crude price target and indications that OPEC+ will cease production cuts in December.

Within this market environment, stock selection within financials (overweight AIA Group) was rewarded, as was an underweight to energy stocks. Stock selection within consumer discretionary (overweight eBay) was also effective for the Fund. However, an overweight to ASML Holding within technology and Edwards Lifesciences within health care detracted from the Fund's performance.

EM Market Commentary

Emerging Markets recorded a fourth-successive quarterly increase and outperformed developed market equities as strong performance from China late in the period pushed the index higher. Investors reacted positively to new accommodative central bank and government efforts to support the economy, easing concerns of China's economic resilience which persisted over most of the quarter. Most EM markets benefitted from a weaker US dollar and the US Federal Reserve's decision to lower interest rates.

China was the leading constituent. Large cap names, particularly in the consumer discretionary sector, were the key drivers of the rally as investors hoped for improved short-term consumer confidence ahead of the Golden Week national holiday. Smaller Asian markets such as Thailand, Malaysia and Indonesia also outperformed. Meanwhile, South Africa benefitted from healthy performance across most sectors. Elsewhere, India slightly underperformed. Brazil lagged despite benefitting from a strengthening real. Mexico and South Korea recorded negative absolute returns, the latter impacted by weak performance from the technology (AI related names – SK Hynix, in particular) and consumer discretionary (car manufacturers) sectors.

EM Equity Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	1.6	12.1	-	-0.7
Net	1.5	11.7	-	-1.1
MSCI Emerging Market Index plus 1.5%	2.8	16.4	-	1.6

Inception Date: COB 20th October 2021
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Within the Emerging Market environment, stock selection within information technology (overweight SK Hynix, MediaTek, and off-benchmark exposure to other AI-related names in developed markets) was the key challenge to performance of the fund as the sentiments around AI cooled over the quarter. The Fund's tilt away from low-volatility was unhelpful while its exposure to small caps was beneficial. An overweight to and selection within South Korea in a period where it was among the weakest-performing countries weighed on returns.

However, effective stock selection within China was a positive contributor to performance, particularly among financials (overweights Ping An Insurance, China International Capital Corp) and real estate names. In Taiwan, an off-benchmark position in Bizlink Holding and an underweight to TSMC was effective. Stock selection within Brazil contributed positively. This included overweights to MercadoLibre and Lojas Renner in consumer discretionary and an overweight to industrial name Embraer. An underweight to India (underweight Reliance Industries) were also beneficial.

UK Market Commentary

UK equities outperformed most other markets (except Asia and emerging markets). Consumer staples and utilities were the top performers. Mining stocks recovered towards quarter end (Anglo-American, Antofagasta, Glencore), boosted by expectations of increased demand from China. Earlier, investors were encouraged by Labour's solid majority in the general election after years of instability. The outcome prompted notable gains in housebuilding stocks, in anticipation of government efforts to spur construction activity. Sentiment was boosted further in August by the 25-bps interest rate cut to 5.0% from 5.25%, the first decrease since 2020. Encouraging economic data also helped. Inflation edged up slightly less than forecast in July. Services inflation softened to its lowest in over two years, while core inflation cooled to 3.3% YoY from 3.5% YoY.

Unemployment dropped in July and increases in average weekly earnings (excluding bonuses) softened to 5.1% from 5.4%, in line with expectations. Headline CPI was unchanged in August at 2.2% YoY, while core inflation was 3.6%, both as expected. Retail sales rose 2.5% YoY in August, more than the 1.3% increase forecast and July's upwardly revised 1.5% rise. Elsewhere, there were signs of improvement in the housing market with new buyer enquiries rising and the fastest pace of house price growth since January. However, later in the quarter, signs of deteriorating consumer confidence led to accusations the new Labour government had been overly pessimistic in its messaging, leading to fears over the contents of the October Budget.

UK Opportunities Equity Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	2.9	14.1	5.3	5.7
Net	2.8	13.8	5.0	5.3
FTSE All Share	2.3	13.4	7.4	5.9
Excess returns (gross)	0.6	0.7	-2.1	-0.2
Excess returns (Net)	0.5	0.4	-2.4	-0.6

Inception Date: COB 23rd September 2019
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary
The Fund outperformed its benchmark. The Fund's tilt towards small cap stocks was favourable during the period. In terms of sectors, underweight to and selection within health care (overweight Astra Zeneca) was additive, as was the selection of names within industrials (underweight BAE Systems). Other contributors to excess returns also included an underweight to energy company Shell, and overweights to AJ Bell within financials and TI Fluid Systems within consumer discretionary. However, selection within consumer staples (underweight Unilever, Haleon) weighed on excess returns. Overweights to 4imprint Group and John Wood Group within communication services and energy, respectively, also detracted.

Fixed Income Market Commentary

Government bond yields fell across major economies as resilient growth in the US and encouraging inflation data buoyed sentiment. Expectations of a 50 basis point rate cut strengthened, which the Federal Reserve delivered on in September. Numerous other major central banks cut rates during the quarter. In Europe, markets were impacted by political uncertainty in France following the outcome of a hung parliament in the country's elections, before the European Central Bank lowered rates by 25 bps in September. The central banks of Canada (two -25 bps cuts), New Zealand (-25 bps), Sweden (two -25 bps cuts) and Switzerland (-25 bps) also made accommodative policy moves. In contrast, the Bank of Japan (BoJ) raised its benchmark interest rate to 0.25%, signalling a notable divergence in developed market central bank policy.

In the UK, bond prices ticked up with yields falling below 4.0% on expectations of interest rate cuts and following Labour's landslide win in the general election. Some market observers believe the solid majority could enhance the perception of the UK as a safe haven after years of uncertainty and instability. In August, sentiment was boosted by the BoE's first interest rate cut since 2020, which sent 10-year gilt yields lower. However, comments by BoE Governor Andrew Bailey warned against expectations of a series of rapid reductions. Investors noted encouraging economic data. Inflation edged up slightly less than forecast in July. Services inflation softened to its lowest in over two years, while core inflation cooled to 3.3% YoY from 3.5% YoY. Unemployment dropped in July and increases in average weekly earnings (excluding bonuses) softened to 5.1% from 5.4%, in line with expectations. Headline CPI was unchanged in August at 2.2% YoY, while core inflation was 3.6%, both as expected. Elsewhere, retail sales were stronger than expected in August and there were signs of improvement in the housing market. Over the quarter the 10-year UK gilt yield fell 17 bps to 4.00%.

Global Government Bond Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	5.1	10.1	-1.1	-1.0
Net	5.0	9.9	-1.4	-1.2
FTSE World Gvt Bond Index (GBP Hedged)	4.0	9.0	-2.0	-2.1
Excess returns (gross)	1.1	1.1	0.9	1.1
Excess returns (Net)	1.0	0.9	0.7	0.9

Inception Date: COB 30th July 2020
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary
The Fund outperformed the positive benchmark return this quarter. The Fund's positioning within non-classic markets suited the market environment this quarter. An overweight to weights in Mexico, Colombia and Indonesia contributed positively. Positive positioning in traditional markets included overweights to New Zealand and Norway. However, underweights to longer-dated US Treasuries, Japanese rates and core European bonds weighed on additional performance

Global Credit Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	4.6	12.5	-2.0	-1.0
Net	4.6	12.3	-2.1	-1.1
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	4.7	12.1	-1.5	-0.9
Excess returns (gross)	-0.1	0.4	-0.4	0.0
Excess returns (Net)	-0.1	0.2	-0.6	-0.2

Inception Date: COB 27th July 2020
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

High yield (HY) credit outperformed investment grade (IG) credit over the quarter when HY spreads narrowed by double digits. Global HY spreads tightened the most, by 22 bps to 364. Both European and US HY spreads narrowed by 14 bps, to 345 and 295, respectively. In IG, US spreads narrowed by 4 bps to 84. Global and European IG spreads tightened by 2 bps to 92 and 102, respectively. UK IG spreads barely moved. Local currency emerging market debt (EMD) benefitted from the Fed's monetary easing, outperforming hard currency EMD, as the JP Morgan GBI-EM Global Diversified Index climbed 9.0% while the JPM EMBI Global Index increased by 6.1%.

Within the global credit environment, the Fund's overweight to high yield industrials was a positive contributor to relative returns. However, in US credit an overweight to high yield and an underweight to investment grade industrials detracted. In hard currency EMD underweight exposure to Asia, Latin America and the Middle East was beneficial. However, an underweight to Europe was ineffective. Elsewhere, underweight exposure to sovereign debt in Spain detracted, weighing on gains.

Multi Asset Credit Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	5.1	15.0	2.1	3.7
Net	5.0	14.7	1.8	3.4
3 Month GBP SONIA + 4%	2.3	9.6	7.5	6.5

Inception Date: COB 27th July 2020
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

Credit markets moved higher with continuing strong demand for corporate credit able to absorb elevated issuance. In a period of interest rate cuts, receding refinancing costs have become more easily absorbed by earnings growth. In general, economic data was supportive of consumer credit behavior with tight labour markets and solid wage growth. This environment was supportive of securitised credit specialist Voya.

With European credit spreads wider than in the US credit market, the former was a preferred destination for global credit managers. Both hard currency and local currency emerging market debt (EMD) posted strong gains, benefitting those managers with overweight exposure (RBC UK (BlueBay)), but negatively impacting those managers with underweight positions (Barings).

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	1.3	6.9	4.4	3.9
Net	1.3	6.9	4.3	3.7
3 Month GBP SONIA + 2%	1.8	7.5	5.5	4.6

Inception Date: COB 30th September 2020
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The Fund's yield curve and currency positioning was positive. Within yield curve strategies, Wellington and Insight's US curve steepeners were beneficial. Inflation strategies positively impacted performance, with Insight's overweight in 30-year USD inflation swaps relative to 30-year EUR inflation swaps and their short position in 10-year GBP inflation swaps both contributing positively during the quarter. Positive country selection within Europe was an additional contributor, particularly Italy and Spain, although positions in Korea, Canada, and Australia were unhelpful. The Fund's large weight to global macro specialist Wellington was additive in a positive period for the manager. Core generalist Insight was the best-performing manager, while securitised specialist Aegon recorded a negative return.

Sterling Credit Fund:

	Three Months	1 Year	3 Year	Since Inception
Gross	2.4	11.1	-1.6	-1.1
Net	2.4	11.0	-1.7	-1.2
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	2.4	10.4	-2.2	-1.6

Inception Date: COB 27th July 2020
Source: Northern Trust as of 30 September 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 (and therefore performance) may differ from the investment manager, who typically takes over following a transition period.

Overall Fund Commentary

The portfolio posted positive returns and performed in line with the index over the quarter. Term structure positioning contributed to performance while credit positioning weighed on returns.

On the duration front, the fund's overweight position in US dollar duration enhanced gains as US Federal Reserve (Fed) kickstarted its interest rate cutting cycle with a 50 bps in September. Meanwhile, adverse positioning on UK Gilt curve held back gains.

On the credit side, the overweight in Thames Water was the largest detractor from the issuer perspective as bonds fell sharply after its debt rating was cut to "junk" status, raising the prospect of a government bailout. The overweight in Southern Water Services was also a notable detractor as the company proposed to pay out dividends despite rising debt pressures. In contrast, the overweight in banks & brokers names such as Morgan Stanley and Bank of America enhanced returns.