Aisa Financial Planning

Quarterly Investment Update

Q3 2023

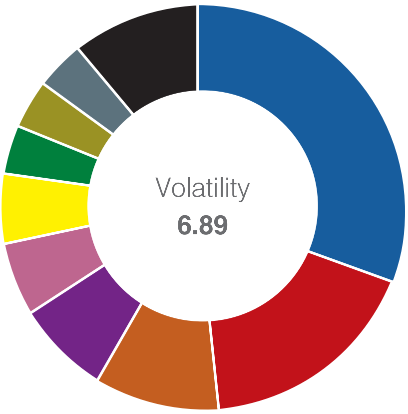

76%

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

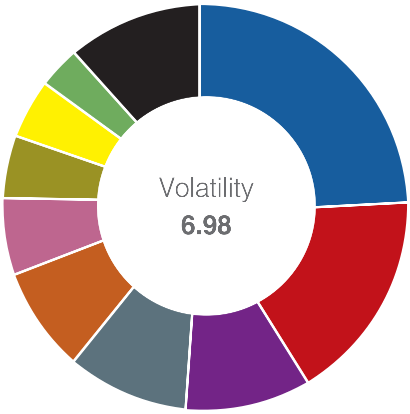
Target Return **4%**



Global Fixed Interest	30.63
UK Equities	17.75
Other International Equities	9.75
North American Equities	7.49
UK Corporate Fixed Interest	5.75
UK Fixed Interest	5.54
Money Market	4.04
European Equities	3.91
Undisclosed	3.85
Others	10.86

Cautious 4

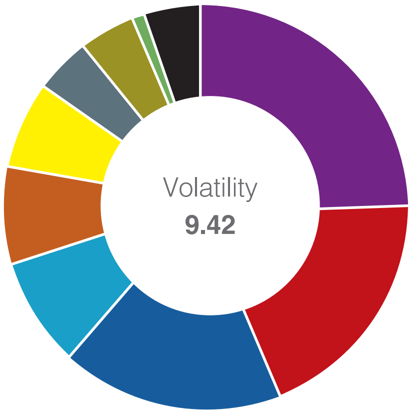
Target Return **5.5%**



Global Fixed Interest	24.21
UK Equities	16.77
North American Equities	10.06
Undisclosed	9.60
Other International Equities	8.32
UK Corporate Fixed Interest	6.24
European Equities	4.96
UK Fixed Interest	4.64
Asia Pacific Equities	3.47
Others	11.39

Balanced 5

Target Return **6.5%**

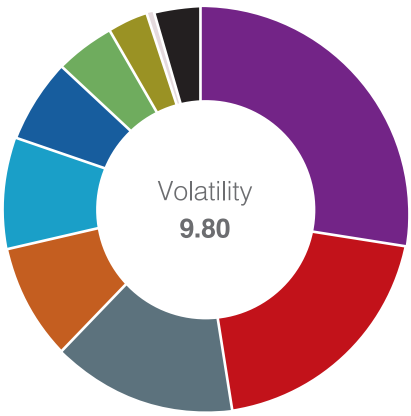


North American Equities	24.44
UK Equities	19.24
Global Fixed Interest	17.59
Asia Pacific Emerging Equities	8.71
Other International Equities	7.69
UK Fixed Interest	6.90
Undisclosed	4.50
European Equities	4.47
Asia Pacific Equities	1.70
Others	4.43

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

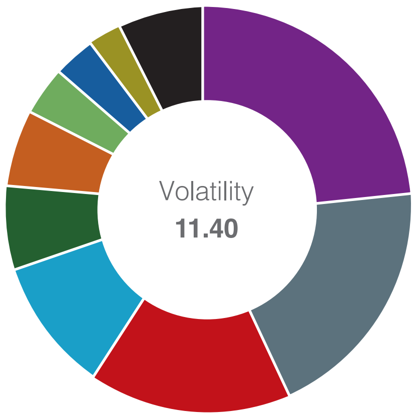
Target Return **7.75%**



North American Equities	27.66
UK Equities	19.72
Undisclosed	14.90
Other International Equities	9.13
Asia Pacific Emerging Equities	8.85
Global Fixed Interest	6.39
Asia Pacific Equities	4.90
European Equities	3.51
Japanese Equities	1.00
Others	3.60

Speculative 7

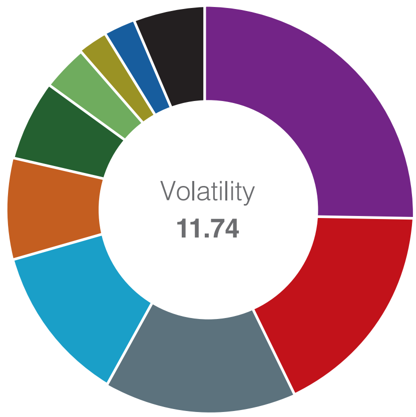
Target Return **8.75%**



North American Equities	23.58
Undisclosed	19.50
UK Equities	16.22
Asia Pacific Emerging Equities	10.61
Commodity & Energy	6.72
Other International Equities	5.89
Asia Pacific Equities	3.89
Global Fixed Interest	3.39
European Equities	3.17
Others	7.02

Adventurous 8

Target Return **9.5%**



North American Equities	25.38
UK Equities	17.49
Undisclosed	15.45
Asia Pacific Emerging Equities	12.32
Other International Equities	8.20
Commodity & Energy	6.31
Asia Pacific Equities	3.51
European Equities	2.92
Global Fixed Interest	2.46
Others	5.96

Committee Meeting
Dated: 18th July 2023

Attendees:

John Reid (Chairman)

James Pearcy-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 19th April 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

We continue to suffer the after effects of Covid, the reckless printing of money by governments across the globe, and the energy crisis caused partly by Russia and partly by the net zero drive. Supply side inflation from China has exacerbated all this. All of these to a greater or lesser extent have provided the ideal situation for creating a rise in prices which in turn has led to an increase in interest rates to combat inflation.

From a consumer point of view, it is much simpler; with costs going up and the real value of earnings going down the impact is on day-to-day life. As investors, the two major concerns at Aisa about our own portfolios are linked to inflation (interest rates) and China. At our meeting this was our focus although, it has to be said, it was not all bad news (it just appears that way with the news coverage).

In reality it is now clear that the worst is behind us in many of the key areas above but that hardly provides re-assurance to people whose next question is, when will I get my money back!

Timing is not something that anyone can accurately forecast whereas trends are not so tricky. The trend is now to consider that interest rate cycles across the globe are reaching / have reached their peaks. Likewise, inflation has been tamed in many countries (and remember that like for like inflation figures in each country are not possible as each country has its own way of measuring and presenting them).

Has the cost to the consumer fully fed through then? In a word, no!

For most of our clients their biggest asset is their home, and this is where there is always going to be a lag in reaction and prices. Therefore, this quarter our team looked at what happened in previous high inflation times, the Barber Boom – 1972-74 (cause of 1973-75 recession), Lawson Boom – 1985-88 (cause of 1990-92 recession) and of course the financial crisis of 2007-2009.

We examined what negative reaction there was on markets, when, and what positive reaction there was. We are publishing this and making it available to all our clients, but we can tell you now the main learning point is that property may not be a great place to be for the next couple of years and that corporate bonds, fixed interest and gilts is normally a great place for recovery after peak rates have occurred. We are NOT giving individual advice to you, and you should seek further personal advice before making any decisions. Past performance is not necessarily a guide to the future!

With this in mind, we have very carefully analyzed where we should be putting your investments and that included whether we should continue to hold China funds. With the rate support and the extra fiscal support that the Chinese announced last week (25th/ 26th July 23) we have taken the view that your investments are best supported by retaining China for the time being. Further analysis means we have decided to reduce some of the volatility in the portfolios (which remains in line with our published data) and consider some of the lower risk assets which have uncharacteristically performed so badly over the last 15 months. Actually, we came out of these assets in July 2022, which was perfect for portfolio performance, and have gradually re-introduced them this year. For those who wish to have our detailed thoughts on the positioning through a “mortgage” crunch then please contact us for our published brochure.

b) MI Chelverton Asset Management

Joining us to speak this quarter were Dave Taylor, Oli Knott and Gareth Rudd from MI Chelverton. Their macro-economic update is summarised below:

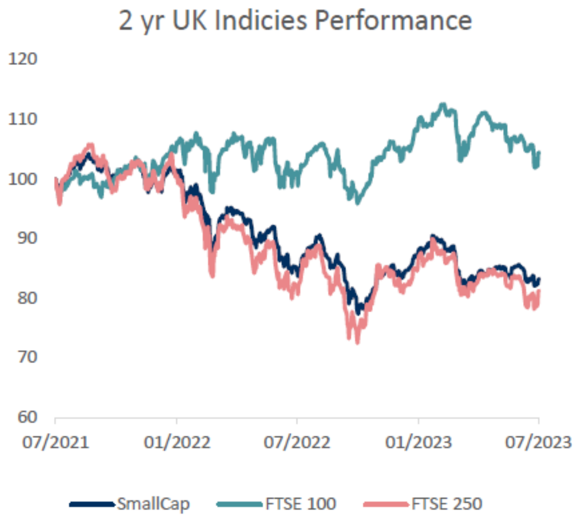
2023: Macro Pressures

UK interest rates continue to rise:
- Higher for longer
- Peak rates being revised upwards post recent wage inflation & CPI prints
- Increased risk of "overtightening"

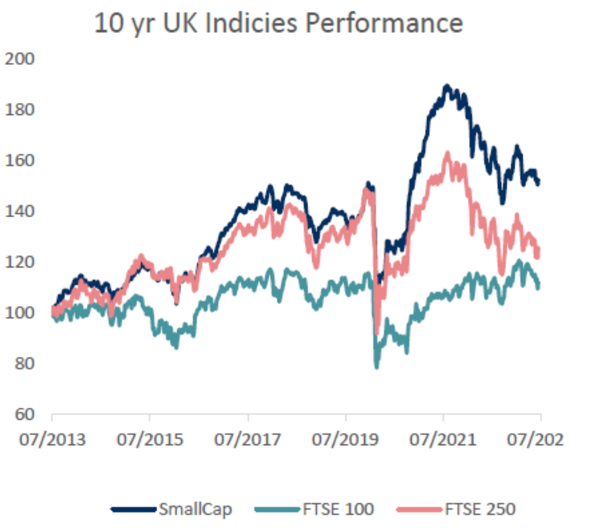
Speed of rate increases deemed to be problematic:
- Rising mortgage rates
- Climate of fear having negative impact on consumer confidence
- Adverse effect on housing related activates
- Prevalence of fixed rate

UK Equities

- Small and Midcaps under the most pressure due to liquidity
- Current valuations at levels only seen at the depth of the pandemic and the global financial crisis
- Considering above, Small and Midcap sectors offer the opportunity for superior long-term growth



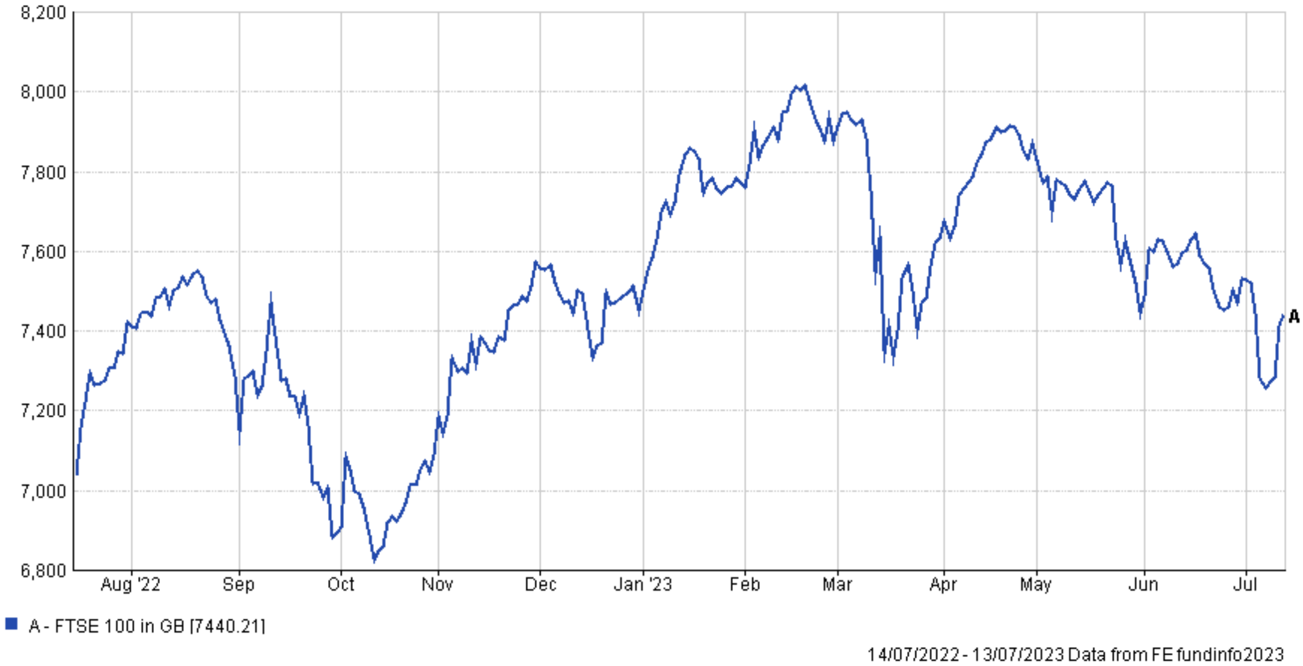
Source: Bloomberg 14 July 2023



Source: Bloomberg 14 July 2023

4) Geographical & Sector Outlook

The FTSE 100 has seen another volatile 12 months, but still showing growth of 5.69% gross, over the period of 14th July 2022 to 13th July 2023. The FTSE 100 no longer outperforming most other global markets.



The US market has also grown over 12 months after consecutive quarters showing poor returns, with the Dow Jones Index increasing by 12.29% over the period of 14th July 2022 to 13th July 2023, ending the period at a price of 34,394.29.

4 b) Committee Asset Allocation Views

Views — Negative | Neutral | Positive

Outlook — ↓ → ↑

Equity Europe	Neutral	Negative	Neutral	→
Equity UK	Positive	Positive	Neutral	↑
Equity US	Neutral	Positive	Positive	↑
Equity Japan	Neutral	Positive	Positive	↑
Asia	Neutral	Positive	Neutral	→
China	Negative	Positive	Neutral	→
Emerging Markets	Negative	Positive	Neutral	→
Emerging Markets Debt	Negative	Neutral	Negative	↓
Government Bonds	Positive	Neutral	Positive	↑
Investment Grade	Positive	Positive	Positive	↑
High Yield	Positive	Negative	Neutral	→
Commercial Property	Negative	Negative	Negative	↓
Residential Property	Negative	Negative	Negative	↓
Commodities	Recently sold Gold at a good point prior to a drop in its value, we remain ready to utilise this as a hedge in future. Other commodities could be considered in future if the UK heads toward a recession.			
Currency	No new views on currencies.			
Investment Trusts	No new views on Investment Trusts.			
General	Inflation and Interest rates still dominating headlines, with worries of a UK mortgage crisis and forthcoming recession leading us to take a cautious and sceptical approach.			

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	10 y	10 y annualised
Defensive (44)	3	-2.00% -2.37%	0.09% -1.48%	-12.22% -14.88%	32.15% 11.72%	3.22% 1.17%
Cautious (48)	4	-1.14% -1.48%	0.43% -1.06%	-11.09% -13.63%	35.42% 17.70%	3.54% 1.77%
Balanced (68)	5	-0.91% -1.27%	1.27% -0.25%	-9.03% -11.73%	52.67% 33.82%	5.27% 3.38%
Growth (74)	6	-1.93% -2.29%	-0.76% -2.27%	-11.54% -14.16%	59.23% 38.71%	5.92% 3.87%
Speculative (76)	7	-1.00% -1.39%	-0.06% -1.61%	-14.09% -16.66%	61.53% 41.67%	6.15% 4.17%
Aggressive (79)	8	-0.29% -0.68%	0.91% -0.61%	-13.31% -15.85%	55.20% 36.70%	5.52% 3.67%

Income Portfolios

Include charges / After charges

Aisa Portfolio	RISK GRADE	Yield	3 mths	1 y	3 y	10 y	10 y annualised
Cautious (56)	4	4.75%	-2.03% -2.39%	2.12% 0.62%	-3.94% -6.70%	30.75% 15.25%	3.08% 1.53%
Balanced (74)	5	4.15%	-3.02% -3.36%	1.11% -0.34%	-2.01% -4.82%	41.04% 24.47%	4.10% -2.45%
Growth (78)	6	3.87%	-2.92% -3.29%	2.78% 1.21%	-0.32% -3.35%	45.40% 27.84%	4.54% 2.78%

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%.

Please see "Important Note and Costs" on following pages

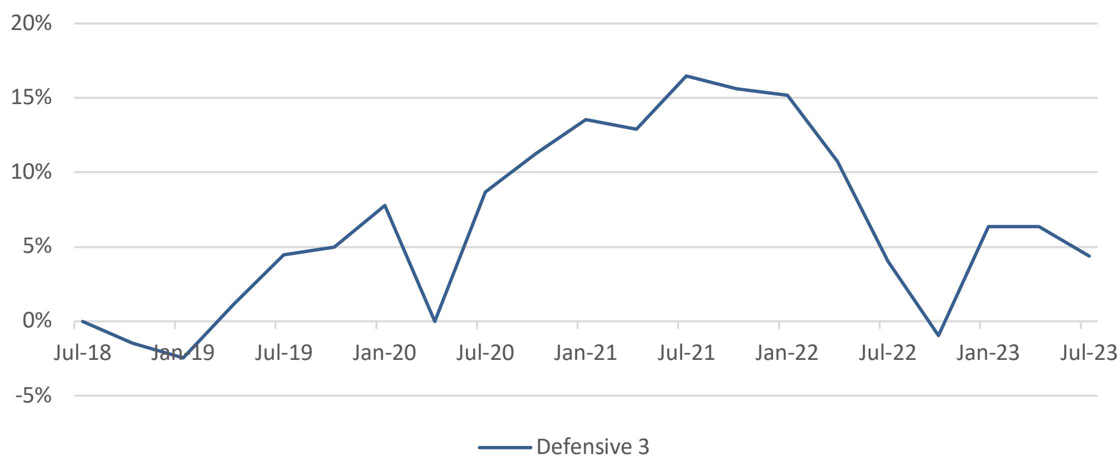
Important Note

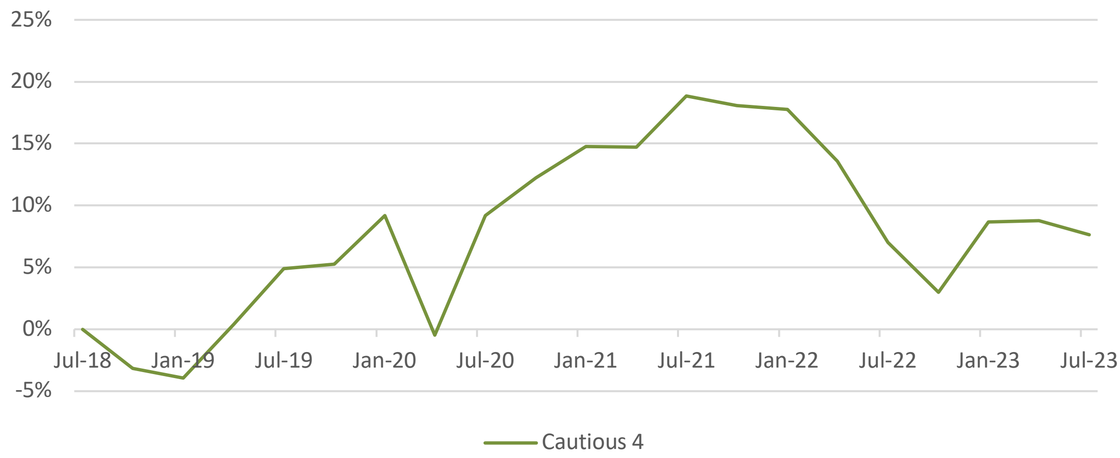
Past performance should not be a guide to future performance. Returns may vary due to currency variation and tax treatment. Tax is subject to individual circumstances and subject to change due to legislation. Clients retain responsibility for their tax affairs and should consult the relevant tax experts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

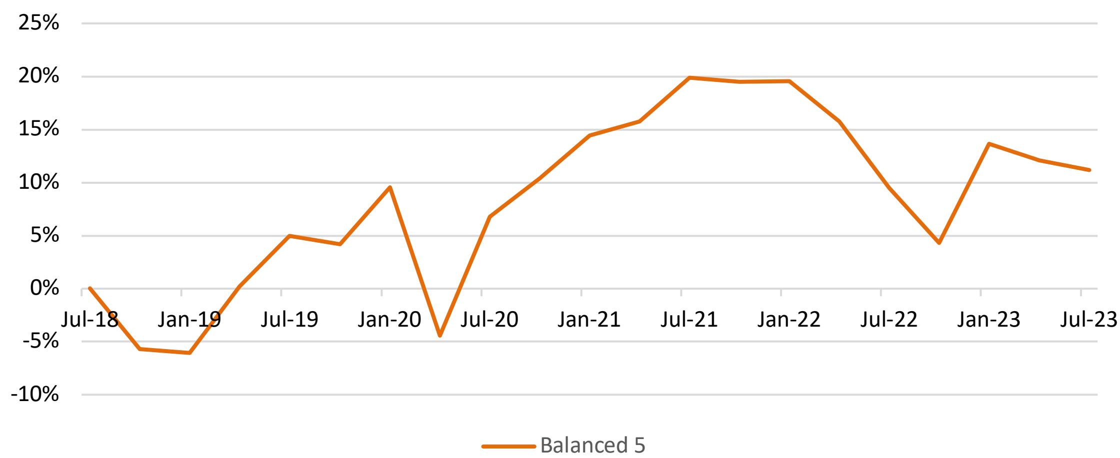
Aggregate Costs and Cumulative Effect of costs on returns

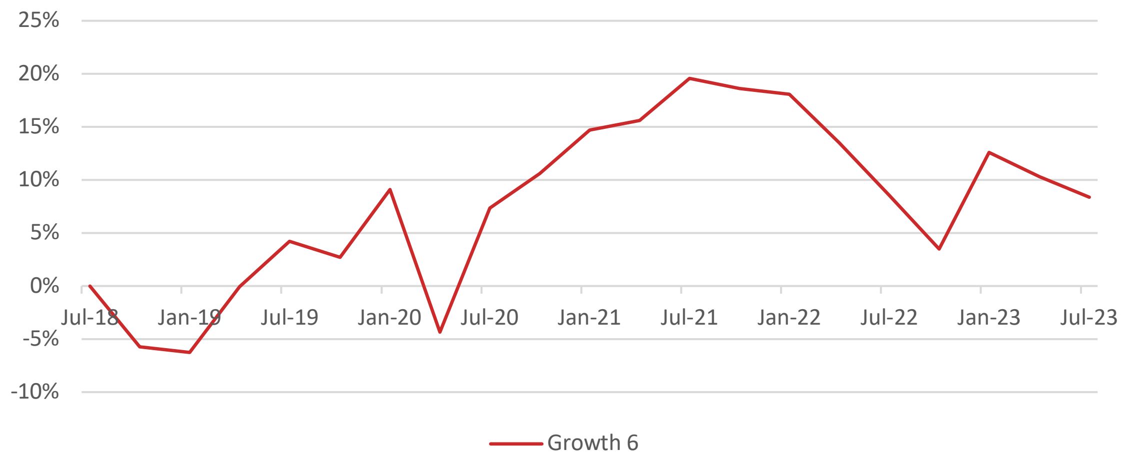
The total costs and charges for your investment are made up of a mixture of our charges, the platform or product and investment funds and services. The table above shows how the total costs are allocated over the different time periods by measuring the difference between the gross returns (black) and 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) 1.52%. For 300,000 your charges were therefore 300,000 x 1.52% = 4,560. 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





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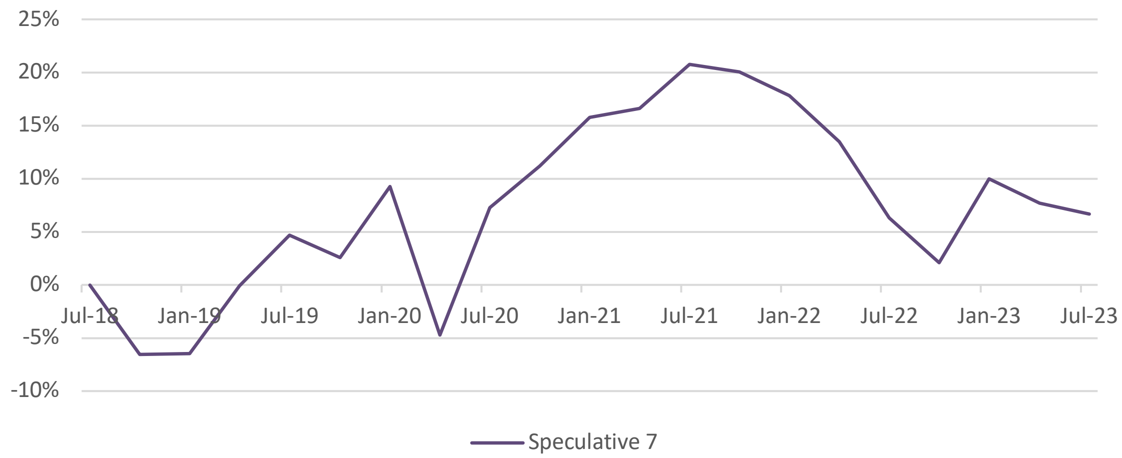
Growth 6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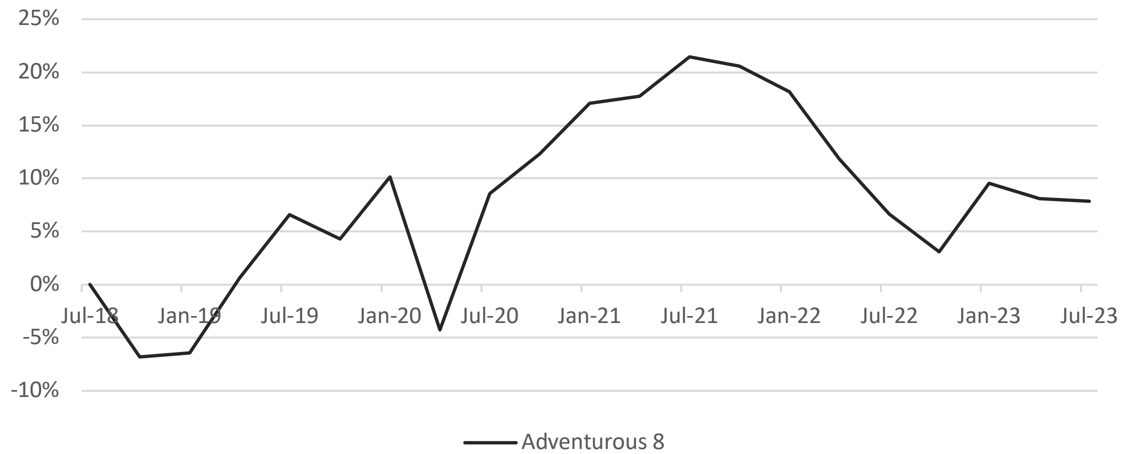
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Adventurous 8

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 July 2023, growth in the model portfolios ranged between -0.61% and -2.27%, with the June and May figures showing some long-awaited positive returns.

Month	Aisa Defensive	Aisa Cautious	Aisa Balanced	Aisa Growth	Aisa Speculative	Aisa Adventurous
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%
Oct-20	4.17%	4.52%	2.82%	3.79%	5.13%	4.81%
Sep-20	2.74%	2.34%	1.60%	1.17%	1.60%	1.20%
Aug-20	2.86%	2.76%	0.36%	1.29%	1.52%	0.93%

6) 12-Month Rolling Performance

Benchmarks shown below represents the ARC Sterling PCI Indices, which are composed of actual performances of real investors from the respective risk profiles. 12 month rolling performance of each benchmark shown below for the purpose of comparison against Aisa's portfolio range.

Please note each of Aisa's portfolios risk level may not always line up exactly with the corresponding ARC benchmark's risk level.

Month	ARC Sterling Cautious	ARC Sterling Balanced	ARC Sterling Steady Growth	ARC Sterling Equity Risk
Jul-23	-0.33%	1.49%	3.01%	4.43%
Jun-23	-2.88%	-2.40%	-1.79%	-1.36%
May-23	-2.68%	-2.39%	-1.87%	-1.49%
Apr-23	-3.71%	-4.08%	-4.24%	-4.30%
Mar-23	-3.17%	-2.27%	-1.47%	-0.97%
Feb-23	-3.17%	-2.65%	-2.25%	-2.04%
Jan-23	-7.71%	-9.21%	-10.24%	-11.35%
Dec-22	-6.51%	-6.94%	-7.09%	-7.55%
Nov-22	-8.15%	-9.39%	-10.31%	-11.63%
Oct-22	-8.23%	-9.21%	-10.17%	-11.42%
Sep-22	-5.69%	-6.24%	-6.80%	-7.91%
Aug-22	-3.69%	-3.83%	-3.83%	-4.41%
Jul-22	-5.52%	-6.55%	-7.52%	-9.09%
Jun-22	-2.04%	-1.52%	-1.49%	-2.26%
May-22	-1.13%	-0.59%	-0.56%	-1.37%
Apr-22	1.67%	3.56%	4.80%	5.11%
Mar-22	1.82%	3.34%	4.50%	4.89%
Feb-22	2.30%	4.46%	6.04%	7.02%
Jan-22	4.18%	7.45%	9.89%	11.81%
Dec-21	4.95%	8.24%	10.78%	13.13%
Nov-21	7.60%	12.96%	17.15%	21.42%
Oct-21	6.23%	10.59%	14.38%	18.30%
Sep-21	7.29%	12.07%	16.01%	20.08%
Aug-21	6.95%	11.79%	15.89%	20.28%
Jul-21	7.08%	11.39%	15.08%	19.24%
Jun-21	7.36%	11.44%	15.10%	19.48%
May-21	8.99%	14.19%	18.77%	23.93%
Apr-21	10.88%	16.77%	21.67%	27.31%
Mar-21	5.31%	8.14%	10.50%	14.03%
Feb-21	3.70%	4.66%	5.46%	7.52%
Jan-21	4.38%	4.89%	5.58%	7.30%
Dec-20	3.88%	4.28%	4.77%	6.20%
Nov-20	1.67%	0.70%	0.28%	0.63%
Oct-20	1.73%	1.05%	0.76%	1.07%
Sep-20	1.84%	1.44%	1.45%	2.10%
Aug-20	1.05%	-0.77%	-2.27%	-3.08%

7) Quarterly timetabled asset/product discussions:

The product discussions for this quarter were 'VCT & EIS', reviewed by John Reid, 'Investment Trusts' reviewed by James Pearcy-Caldwell', and 'Discretionary Management – DFM Processes' 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
MI Chelverton Presentations


59%

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