

Client Webinar 31/03/2023

In our March 2023 investment webinar, we look at the funds you are investing in, what returns have been delivered and the future outlook – what significant factors are on the horizon.



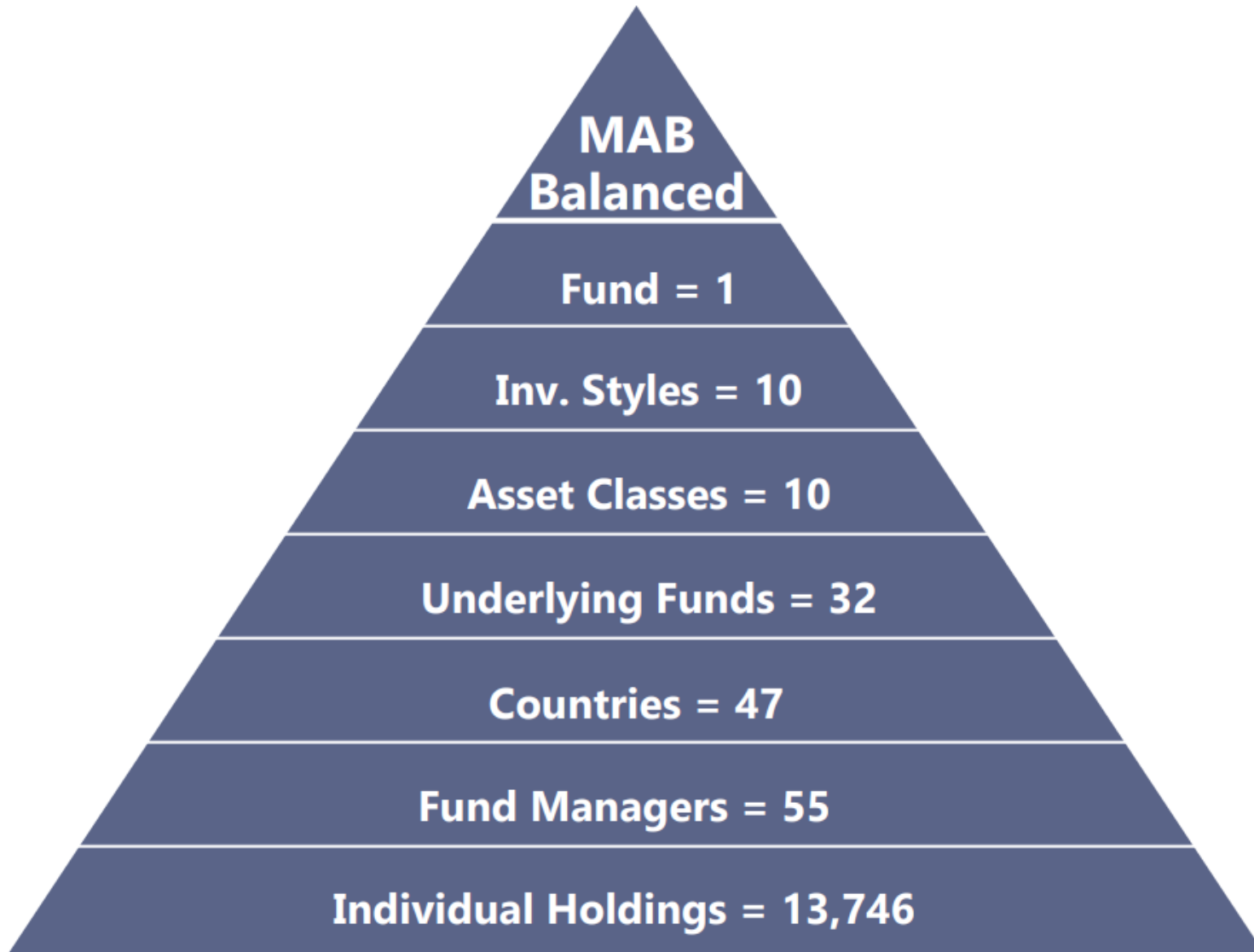
FINANCIAL • LIFE • PLANNING™

YOU Asset Management Client Webinar – **Agenda**

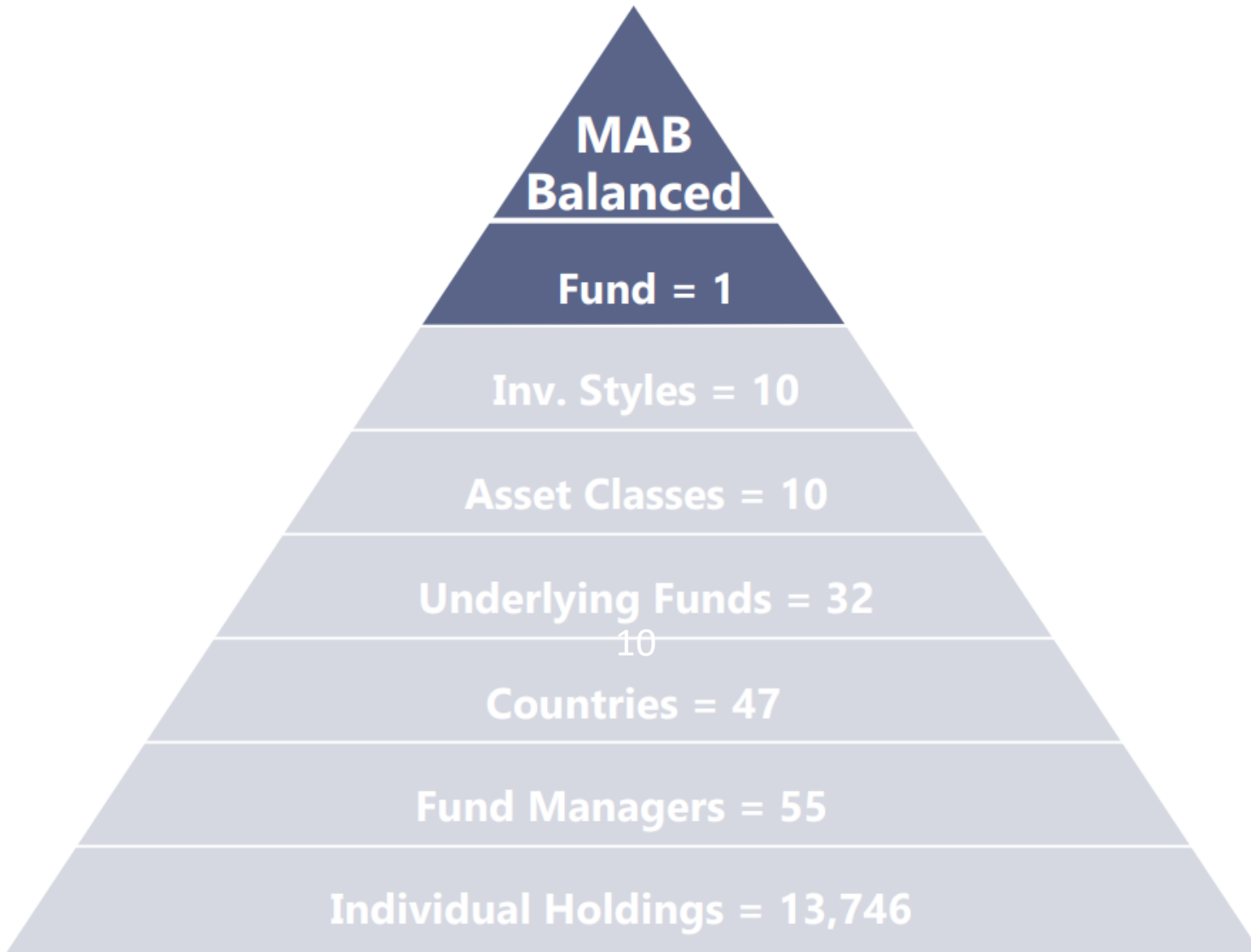


- Welcome
- YOU Multi-Asset Blend Funds – **What are you investing in?**
- Performance – **What returns have been delivered?**
- Outlook – **What are the significant factors on the horizon?**
- Q&A

What's in a Multi-Asset Blend Fund?



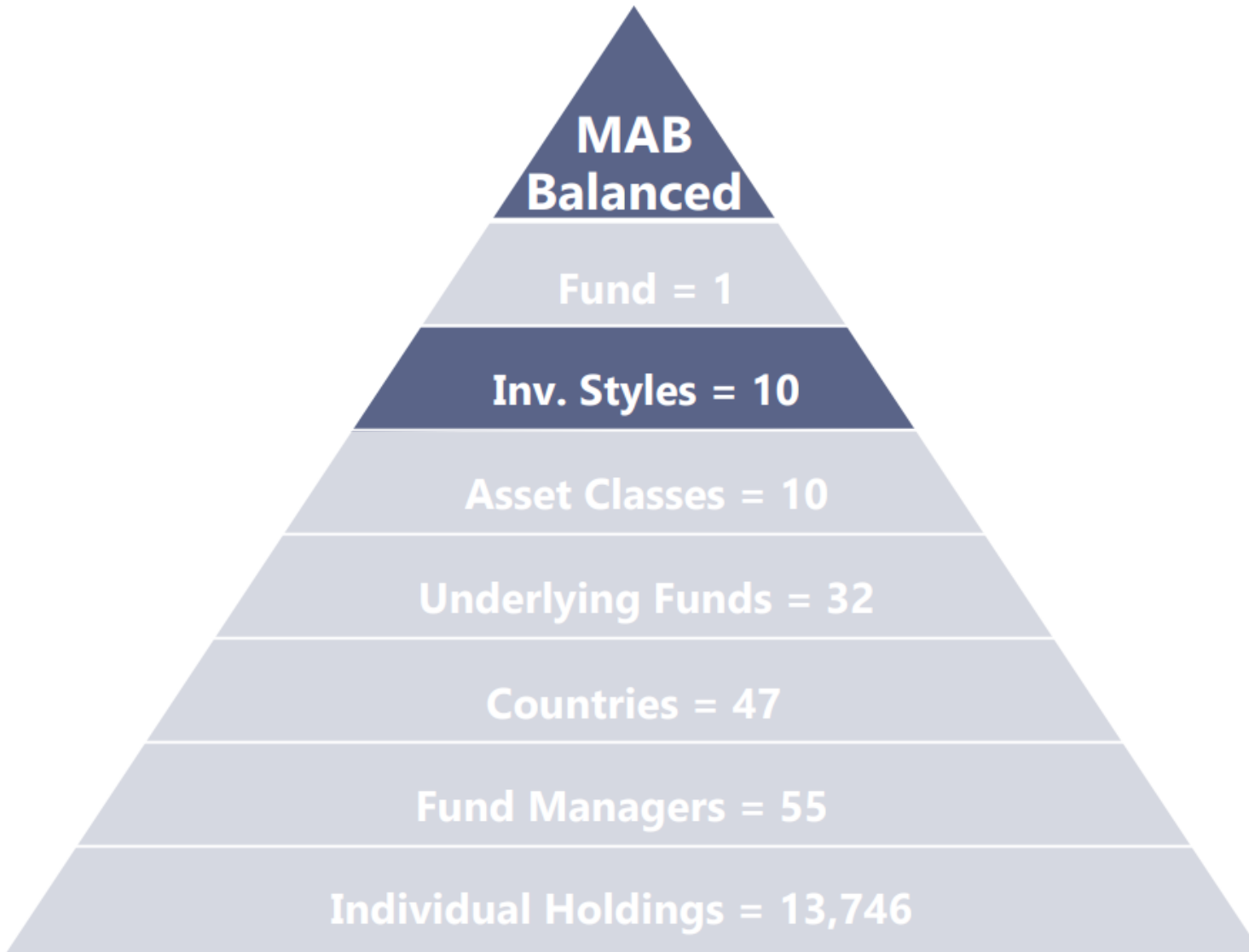
What's in a Multi-Asset Blend Fund? **Fund**



Advantages of using Funds

- Increased Tax Efficiency
- Improved Frequency For Trading
- Less time "out of the market" when switching Underlying Funds
- Accurate monthly & quarterly reporting
- Wider range of specialist investments
- Carbon footprint offsetting
- Ongoing management in probate

What's in a Multi-Asset Blend Fund? **Investment Styles**



Investment strategies explained

You will have developed a relationship with your financial adviser and discussed your financial goals, as well as completing a 'fact find' to understand more about what you are looking to achieve.

Within this process, your adviser will gain enough knowledge and understanding of your goals to ensure you understand exactly what it means for your financial plan and its investment strategy.

Your financial adviser will work with you to select the most appropriate investment solutions for you. These will typically cover the following types of investment choices:

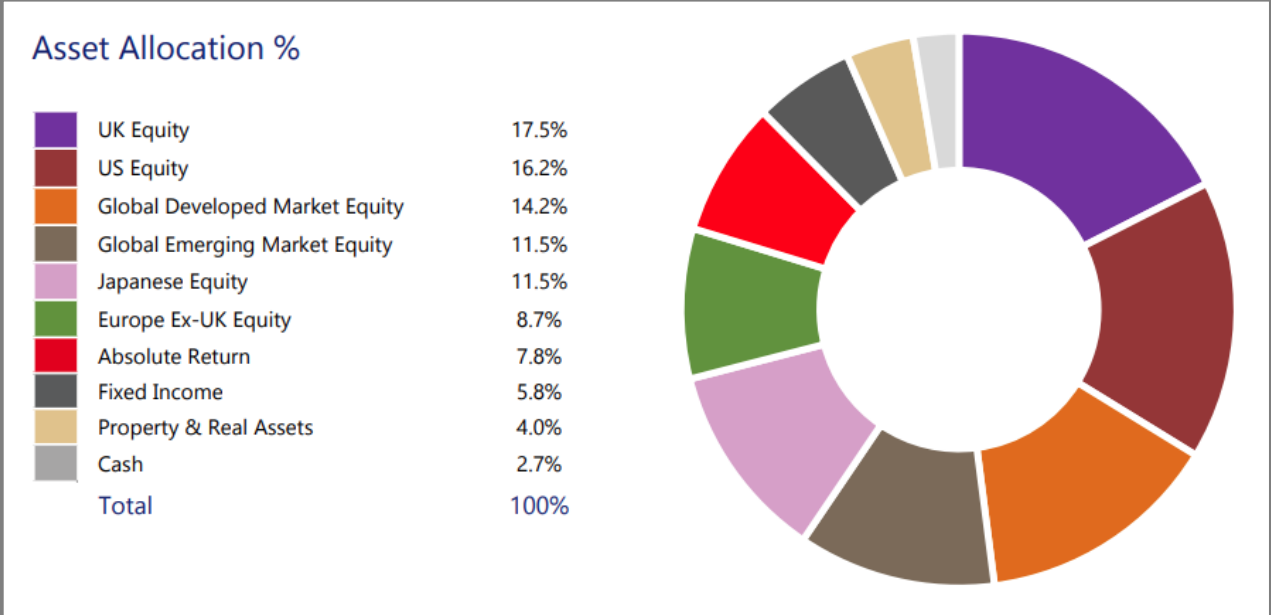
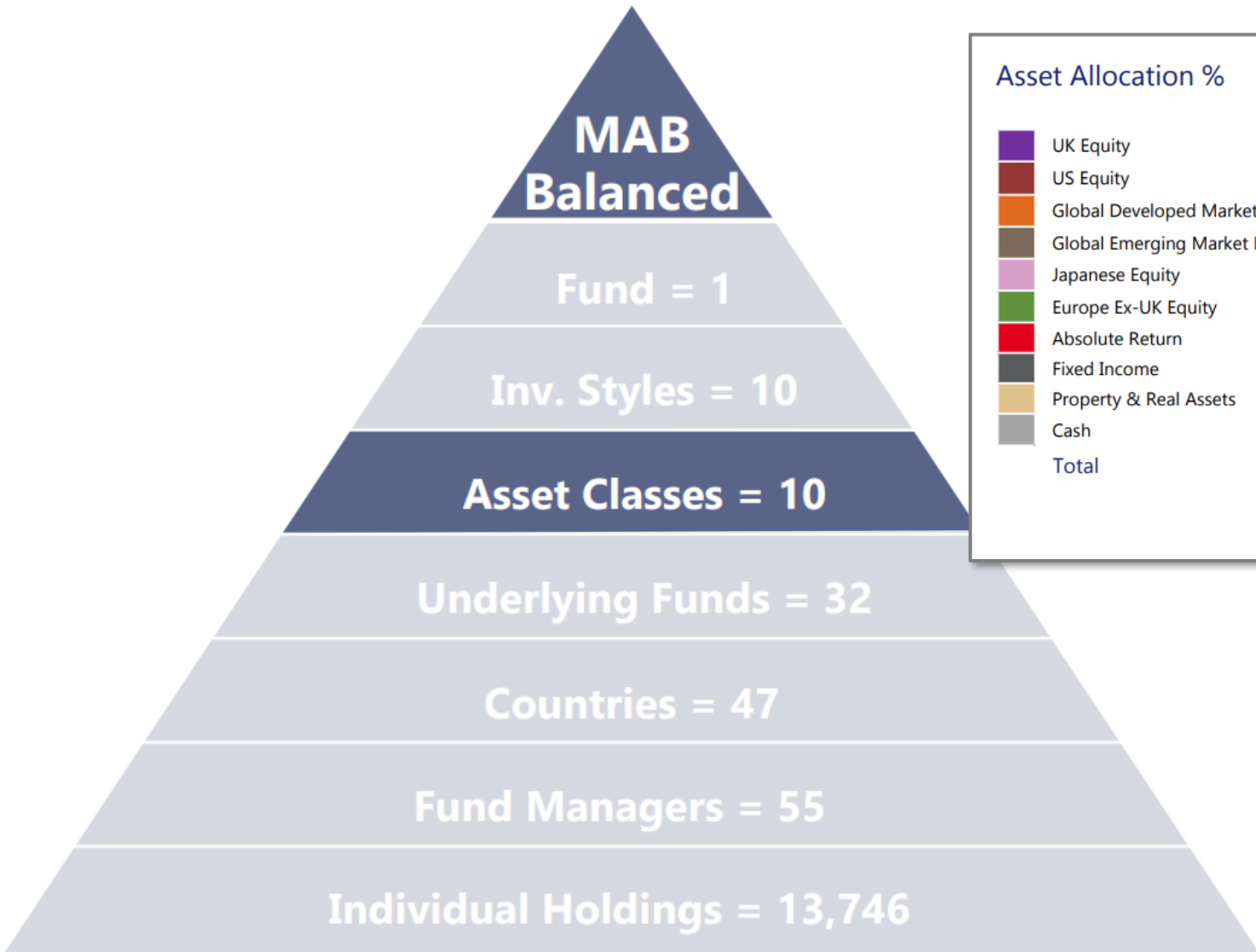
Understanding investment strategy

Diversification	Active & Passive
Diversification is an important element of any investment strategy. It aims to maximise returns (within differing risk tolerances) by investing in different areas that would each react differently to the same event. This technique reduces risk by allocating investments across various financial instruments, industries, and other categories.	Active investing allows fund managers to apply expertise and judgement to adjust portfolios for the purposes of return enhancement or risk management. With more resource applied, costs are higher for these strategies, which result in higher fees for clients. In addition, the average fund manager fails to beat the market, so you need to find one that does! Fund selection is therefore key to the outcome.
Defensive, Growth & Balanced A defensive investment strategy is as conservative as the name suggests and will hold lower risk investments such as cash, bonds and absolute return assets. These are typically used for investments of a shorter-term nature where risk management is key. A growth investment strategy is focused on generating strong returns over the long-term. Portfolios will be heavily biased towards holding shares. Diversification will be achieved through investment in listed shares across the globe, in large and small companies. A balanced investment strategy is one that combines Defensive and Growth investments in a portfolio that aims to balance risk and return. Balanced portfolios combine shares, bonds and alternative investments.	Passive investing seeks to build wealth gradually by replicating market performance in order to construct a well-diversified portfolio. It is an efficient way of generating market returns and has lower fees as a result. In replicating the market, the strategy buys assets that have risen in price and sells those that have fallen.
	Ethical & Income Ethical strategies combine investments in socially responsible, ethical, and environmental funds with a strategy for long term capital growth. All funds in this sector are independently monitored for consistency in their ethical and environmental credentials. Income investing builds an investment portfolio to generate a sustainable and regular flow of income. This is a diversified portfolio which is invested in equities, bonds and other asset classes, in order to receive dividends, coupons, and other income payments. Although designed to target income over growth, it is important to understand that the income is not guaranteed and will fluctuate, depending on the economic conditions. The higher the income you are targeting, the more risk there is to the money you invested.

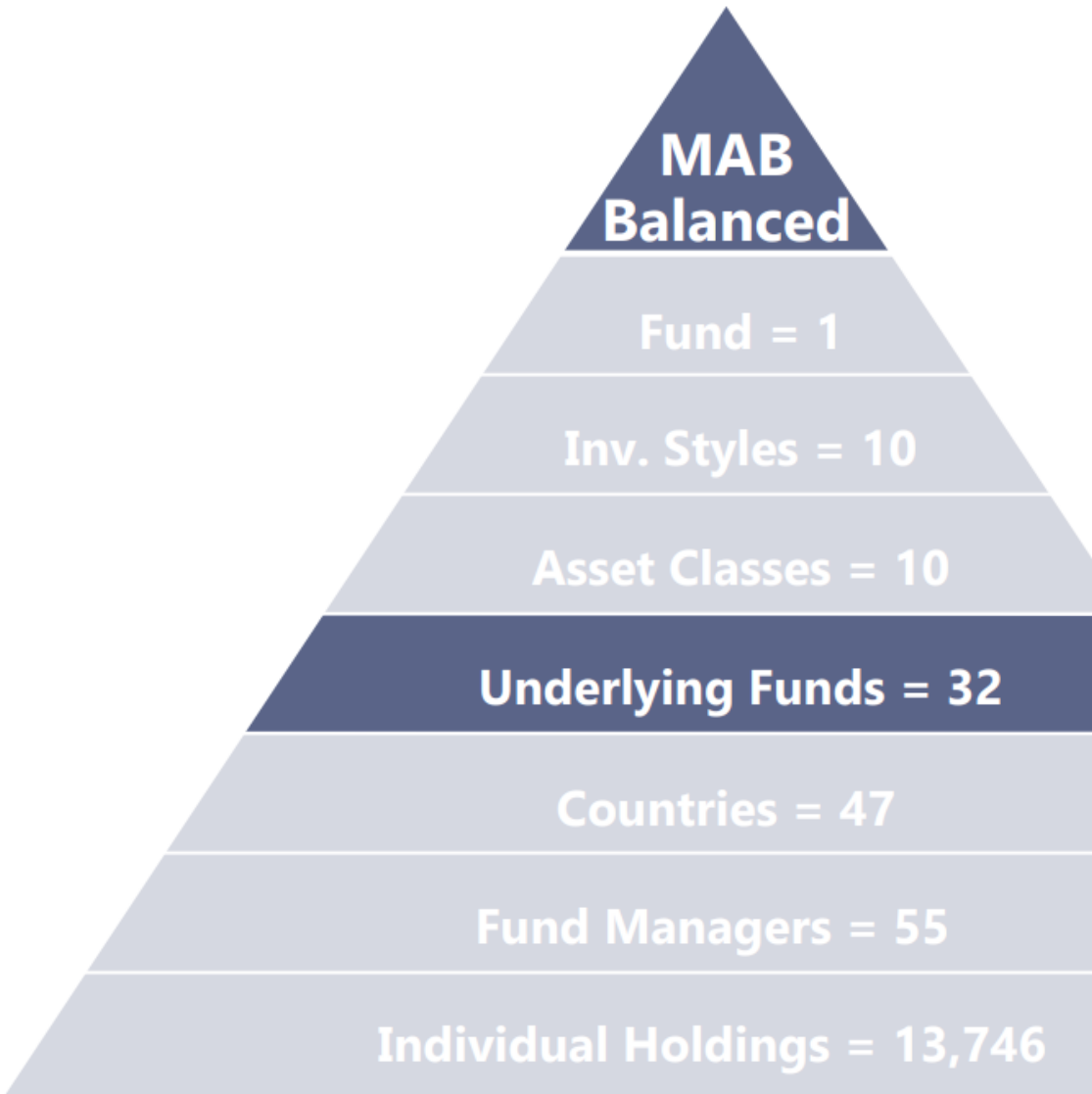
Page 1 of 2

Helping you achieve your financial goals

What's in a Multi-Asset Blend Fund? **Asset Classes**



What's in a Multi-Asset Blend Fund? **Underlying Funds**



IFSL YOU Multi-Asset Blend Balanced Fund
(as at 31 December 2022)

EQUITY TOTAL	49.9%	GLOBAL DEVELOPED MARKET EQUITY	8.9%	OTHER ASSETS TOTAL	23.8%
UK EQUITY	11.0%	Lyxor Core MSCI World ETF	2.7%	PROPERTY & REAL ASSETS	9.9%
Lyxor Core UK All Cap ETF	5.8%	Pzena Global Value	2.5%	Clearbridge Global Infrastructure	4.4%
Lindsell Train UK Equity	2.6%	Brown Advisory Global Leaders	2.5%	AQR Managed Futures	2.2%
Polar Capital UK Value Opportunities	2.6%	Baillie Gifford Global Discovery	1.2%	Invesco Bloomberg Commodity ETF	2.3%
US EQUITY	10.1%			SparkChange Physical Carbon EUA ETC	1.0%
Invesco S&P 500 ETF	4.3%	FIXED INCOME TOTAL	23.9%	ABSOLUTE RETURN	13.9%
Lyxor Russell 1000 Growth ETF	2.9%	Vanguard Global Aggregate Bond ETF	11.9%	Sanlam Multi Strategy	4.7%
Neuberger Berman US Small Cap Intrinsic Value	2.9%	Janus Henderson Horizon Strategic Bond	4.4%	Pacific G10 Macro Rates	4.6%
EUROPE EX-UK EQUITY	5.5%	MAN GLG High Yield Opportunities	3.2%	Fulcrum Thematic Equity Market Neutral	4.6%
Vanguard Europe ex-UK ETF	2.8%	UBS China Bond	3.2%		
Blackrock Continental Europe	1.4%	ASI Short-Dated ILB Tracker	1.2%		
Lansdowne Partners European	1.3%				
JAPANESE EQUITY	7.2%	CASH TOTAL	2.5%		
Amundi Prime Japan ETF	3.8%				
Nikko AM Value	1.7%				
Matthews Asia Japan	1.7%				
GLOBAL EMERGING MARKET EQUITY	7.2%				
HSBC MSCI EM ETF	3.1%				
Ninety One APAC Franchise	2.1%				
North of South EM All Cap	2.0%				

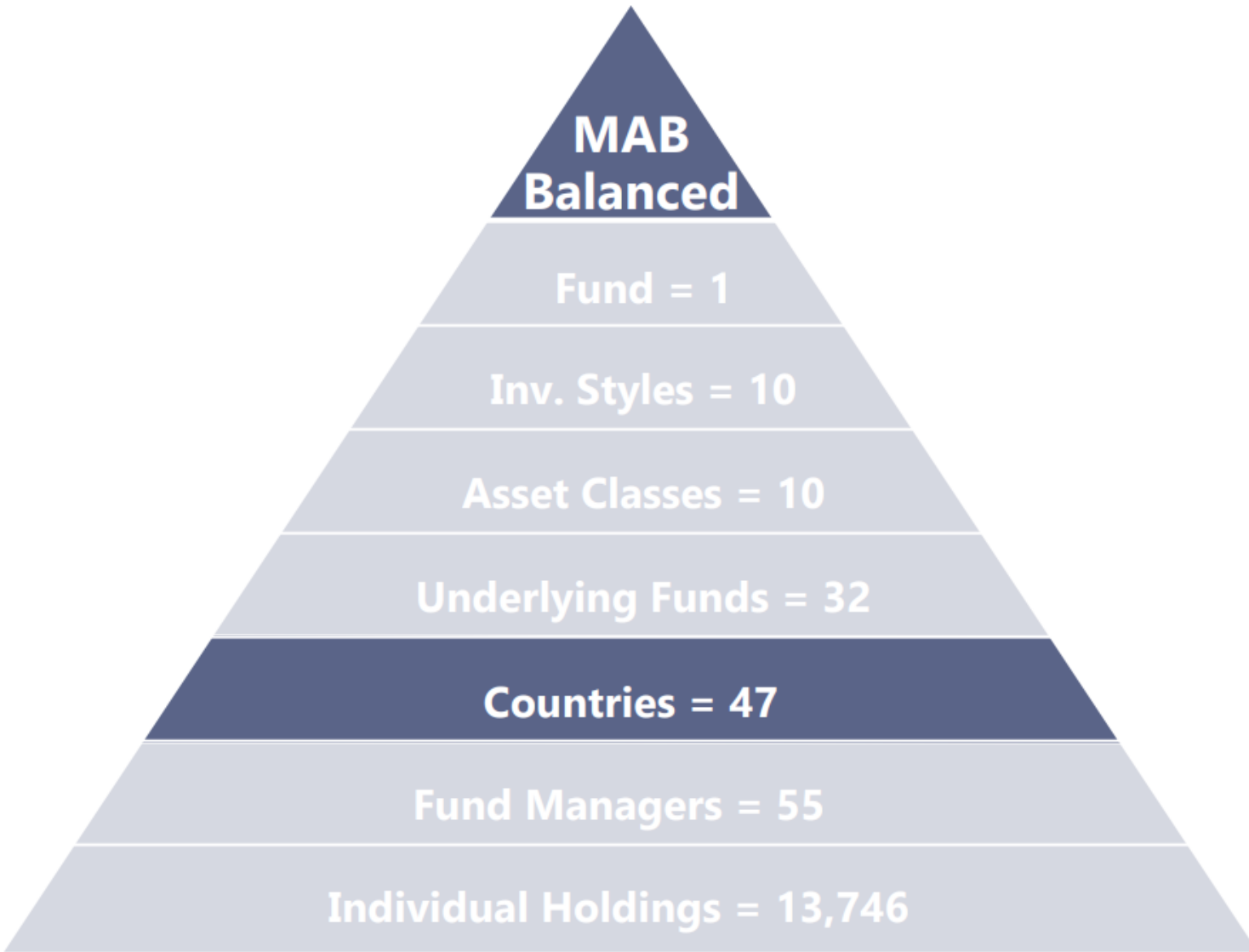
* The actual portfolio may vary and totals may not add to 100% due to rounding.

We recommend that potential investors seek professional financial advice before making any investment. YOU Asset Management Limited is authorised and regulated by the Financial Conduct Authority. The material in this presentation has been prepared by YOU Asset Management and provides background information about YOU Asset Management's activities as at the date of this presentation.

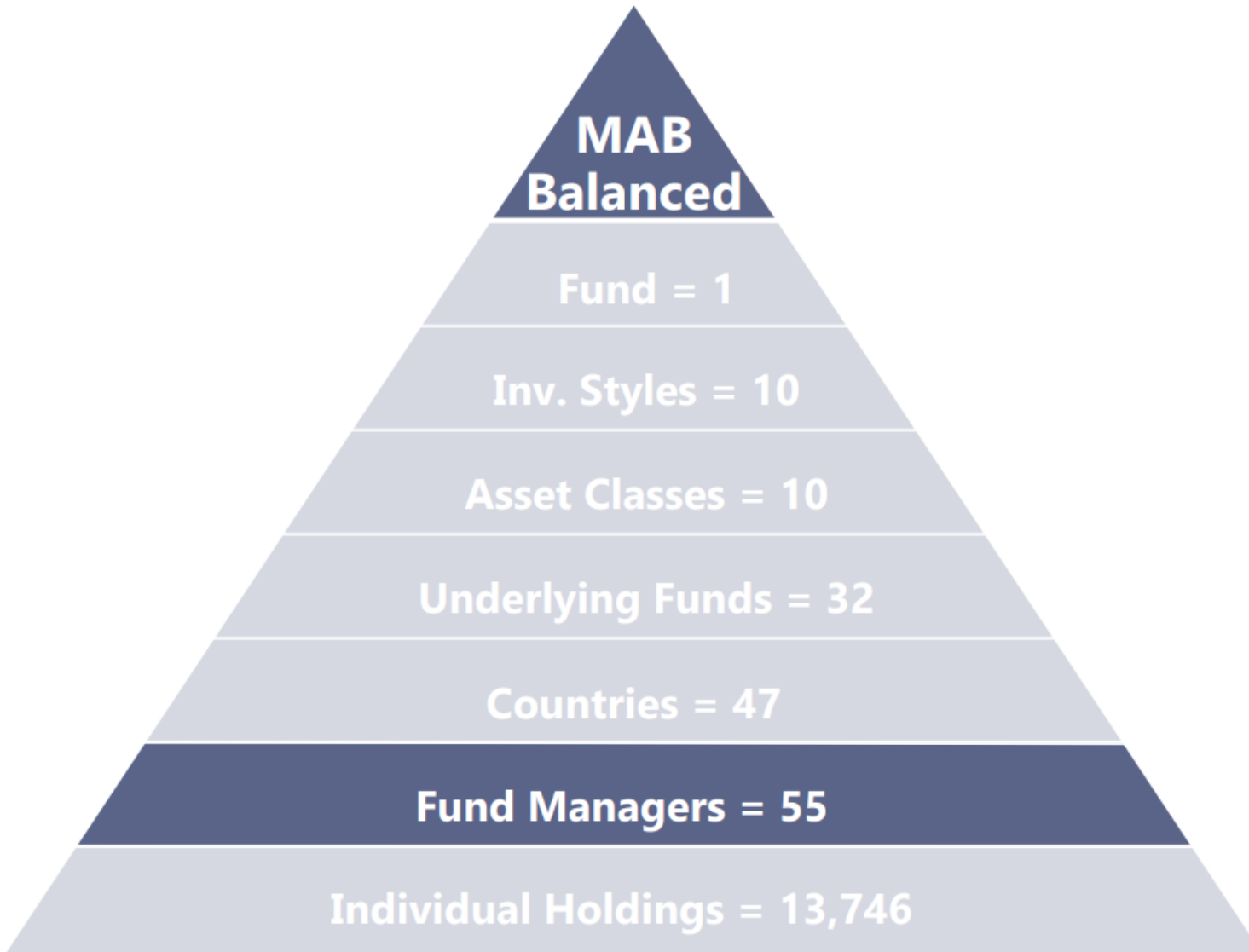
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What's in a Multi-Asset Blend Fund? **Countries**



What's in a Multi-Asset Blend Fund? Fund Managers



Fund Selection Process

The team uses a combination of quantitative and qualitative methods to select suitable investments for inclusion in the Model Portfolio ranges and Multi-Asset Blend Funds. There are several stages to the selection process, which are detailed below:

1. Idea Generation

Investment ideas from a variety of sources:

- Weekly team meetings – the team meets every Monday for a broad discussion; new ideas will be discussed here first and the meeting provides a forum for an open and challenging debate.
- We produce a weekly market update which allows us to efficiently monitor markets, identify trends and review leading economic indicators. High-level minutes are recorded.
- Conferences – the team attends a variety of conferences, these are hosted by fund groups, investment banks and trade press. Notes are circulated to the team.
- Industry connections – the team values relationships and meets regularly with a variety of industry professionals. Notes are circulated at the attendee's discretion.
- Reading – the team reads a breadth of information such as broadsheets, trade press, research papers, thought pieces, white papers, industry blogs, etc. These are circulated amongst the team where appropriate.
- Sector screens – the team runs quarterly sector screens on all asset classes. This tool is used to review how funds we own are performing relative to their peer group, but also allows us to find new ideas for potential inclusion in the model portfolio ranges and Multi-Asset Blend Funds.

Initial research is conducted via FE Analytics. FE Analytics is a web-based analytical tool which is subscription based and enables us to access a large pool of data. We also use an additional feature provided by FE Analytics, FinXL, which enables us to extract data from FE Analytics.

In addition to FE Analytics, the team has built various proprietary internal models, which are linked to FE Analytics via FinXL. The team always strives for improvement and the analytical tools we use will continue to be developed to assist us in selecting investments for our clients.

When reviewing potential investments, the team has a medium to long term horizon and a fund will be considered for inclusion in relation to this timeframe.

While the team is unconstrained in how it explores ideas, i.e. there is no set format or universe that we use to source new ideas, a fund must have UK reporting status, which means it is typically an OEIC, Unit Trust and SICAV structure.

The Multi-Asset Blend Funds can also use ETFs. All funds must be priced and traded daily.

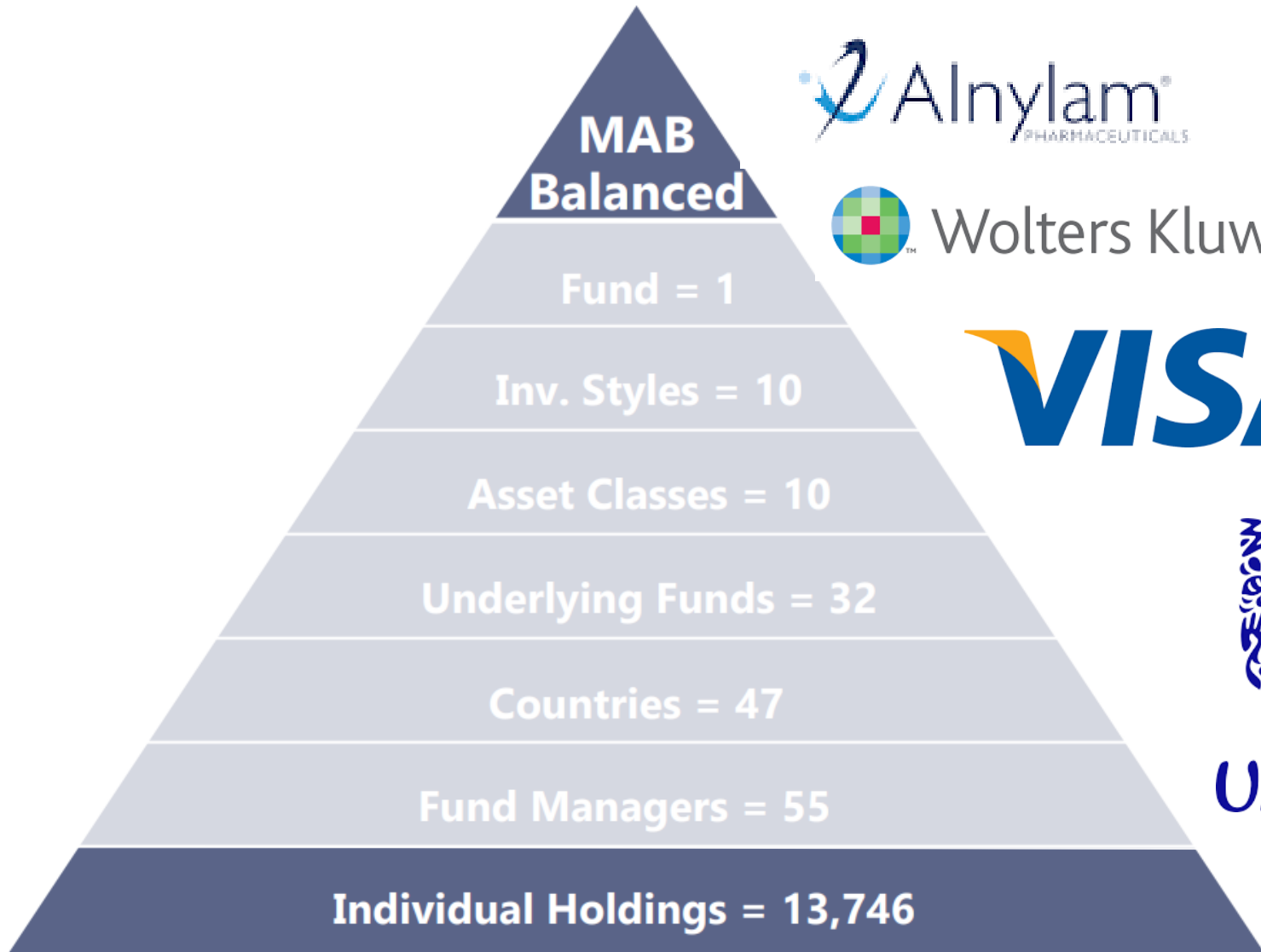
Fees are a key consideration; competitive fee structures are sought at the outset and we will negotiate further advantageous terms where available and appropriate.

“ When reviewing potential investments, the team has a medium to long term horizon ”

Page 6 of 8

Helping you achieve your financial goals

What's in a Multi-Asset Blend Fund? **Individual Holdings**



Asset Classes = 10

Underlying Funds = 32

Countries = 47

Fund Managers = 55

Individual Holdings = 13,746



Unilever

Alphabet



ocado



What's in a Multi-Asset Blend Fund? Diversification matters

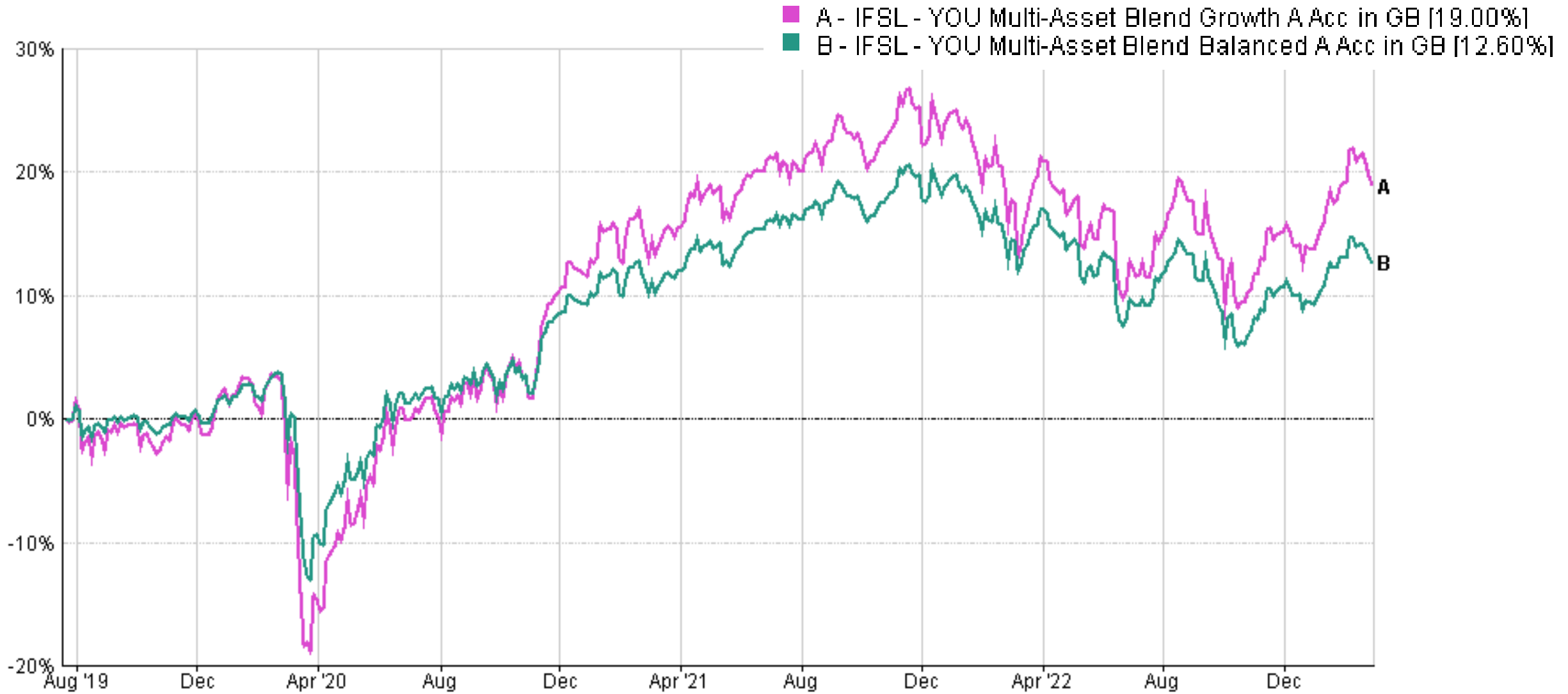


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CPI +4%	8.4%	MSCI Europe Ex-UK	S&P 500	S&P 500	MSCI Japan	MSCI Emerging Markets	MSCI Emerging Markets	CPI +4%	S&P 500	MSCI Emerging Markets	S&P 500	CPI +4%
		16.0%	27.2%	18.3%	15.9%	32.6%	25.4%	6.2%	23.9%	14.7%	28.1%	14.1%
Global Aggregate GBP H	5.8%	MSCI Emerging Markets	MSCI Europe Ex-UK	MSCI World	HFRX Absolute Return	S&P 500	MSCI Europe Ex-UK	HFRX Absolute Return	MSCI World	S&P 500	MSCI World	HFRX Absolute Return
		13.0%	25.3%	10.6%	8.8%	30.7%	15.8%	5.7%	21.7%	12.7%	19.6%	13.6%
S&P 500	0.7%	FTSE All Share	MSCI Japan	Global Aggregate GBP H	MSCI Europe Ex-UK	MSCI World	MSCI Japan	Global Aggregate GBP H	MSCI Europe Ex-UK	MSCI World	FTSE All Share	FTSE All Share
		12.3%	24.8%	7.9%	5.1%	28.7%	13.3%	0.1%	20.0%	12.7%	18.3%	0.3%
MAB Balanced SAA	-2.4%	MSCI World	FTSE All Share	HFRX Absolute Return	S&P 500	MSCI Japan	MSCI World	S&P 500	FTSE All Share	MSCI Japan	MSCI Europe Ex-UK	MAB Balanced SAA
		11.0%	20.8%	7.1%	5.0%	22.1%	13.2%	-0.4%	19.2%	10.9%	16.7%	-3.0%
HFRX Absolute Return	-3.0%	S&P 500	MSCI World	MAB Balanced SAA	CPI +4%	HFRX Absolute Return	FTSE All Share	MAB Balanced SAA	MSCI Japan	MSCI Europe Ex-UK	CPI +4%	MSCI Japan
		8.4%	20.5%	6.6%	4.2%	19.6%	13.1%	-1.8%	15.0%	7.5%	9.6%	-6.1%
FTSE All Share	-3.5%	MAB Balanced SAA	MAB Balanced SAA	CPI +4%	MAB Balanced SAA	MSCI Europe Ex-UK	S&P 500	MSCI World	MSCI Emerging Markets	MAB Balanced SAA	MAB Balanced SAA	MSCI Europe Ex-UK
		7.0%	10.7%	4.5%	3.6%	18.6%	9.1%	-3.8%	13.9%	5.5%	8.7%	-7.6%
MSCI World	-6.7%	CPI +4%	CPI +4%	MSCI Emerging Markets	MSCI World	FTSE All Share	MAB Balanced SAA	MSCI Japan	MAB Balanced SAA	Global Aggregate GBP H	HFRX Absolute Return	MSCI World
		6.7%	6.1%	3.9%	3.3%	16.8%	7.7%	-7.5%	11.8%	5.0%	3.0%	-8.1%
MSCI Japan	-13.7%	Global Aggregate GBP H	HFRX Absolute Return	MSCI Japan	Global Aggregate GBP H	MAB Balanced SAA	CPI +4%	MSCI Emerging Markets	Global Aggregate GBP H	CPI +4%	MSCI Japan	S&P 500
		5.9%	1.7%	1.9%	1.4%	16.7%	7.0%	-9.3%	6.5%	4.7%	2.6%	-9.3%
MSCI Europe Ex-UK	-14.6%	MSCI Japan	Global Aggregate GBP H	FTSE All Share	FTSE All Share	CPI +4%	Global Aggregate GBP H	FTSE All Share	CPI +4%	HFRX Absolute Return	Global Aggregate GBP H	MSCI Emerging Markets
		3.4%	0.0%	1.2%	1.0%	5.6%	1.9%	-9.5%	5.4%	-0.5%	-1.5%	-10.0%
MSCI Emerging Markets	-17.8%	HFRX Absolute Return	MSCI Emerging Markets	MSCI Europe Ex-UK	MSCI Emerging Markets	Global Aggregate GBP H	HFRX Absolute Return	MSCI Europe Ex-UK	HFRX Absolute Return	FTSE All Share	MSCI Emerging Markets	Global Aggregate GBP H
		-3.6%	-4.4%	-0.7%	-10.0%	3.7%	-5.6%	-9.9%	0.3%	-9.8%	-1.6%	-12.2%

Source: Refinitiv, Financial Express Analytics and YOU Asset Management, data to 31/12/2022.

Performance – **What returns have been delivered?**

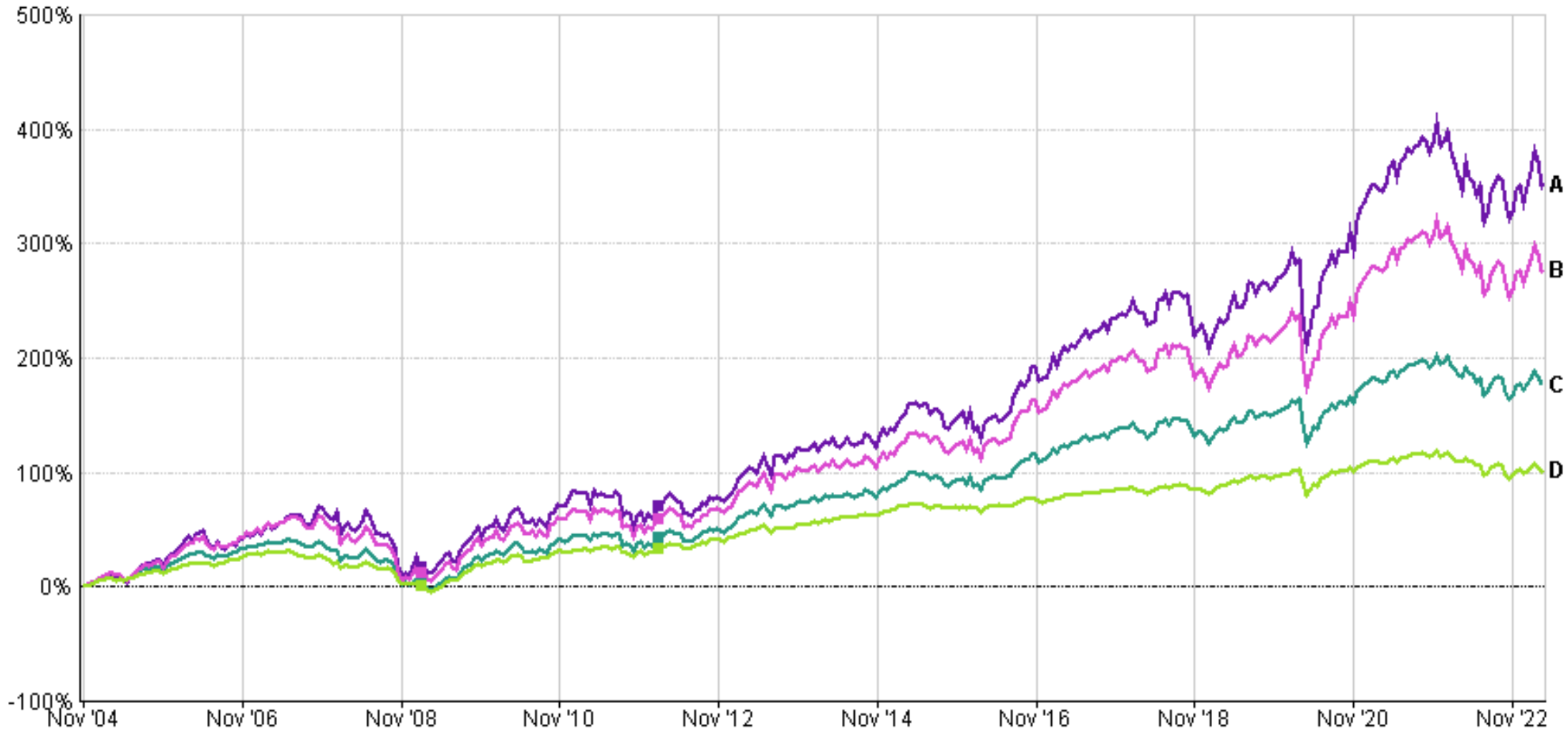
Performance since launch – Multi-Asset Blend Funds



Performance over the long-term – **Active MPS**

Since Inception

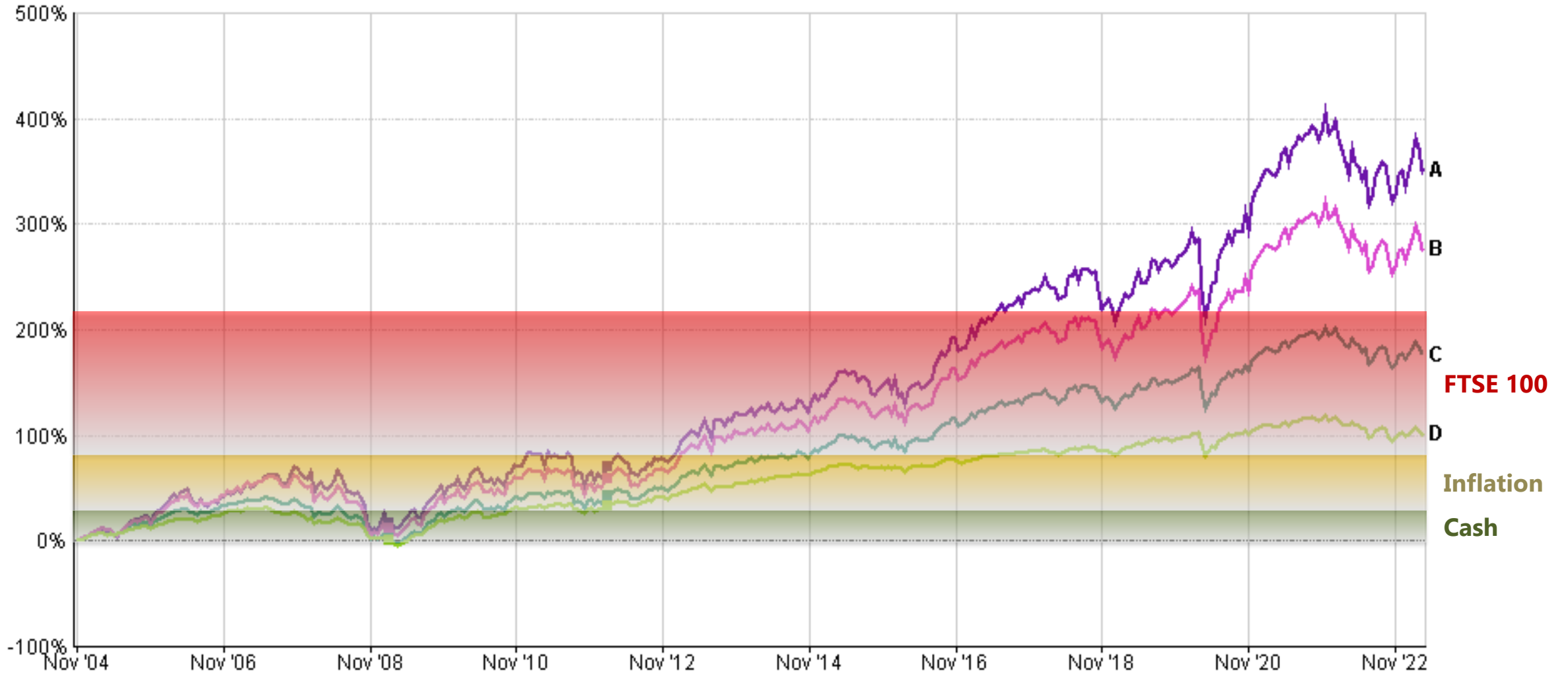
18 Years, 4 months and 24 days



Performance over the long-term – **Active MPS**

Since Inception

18 Years, 4 months and 24 days

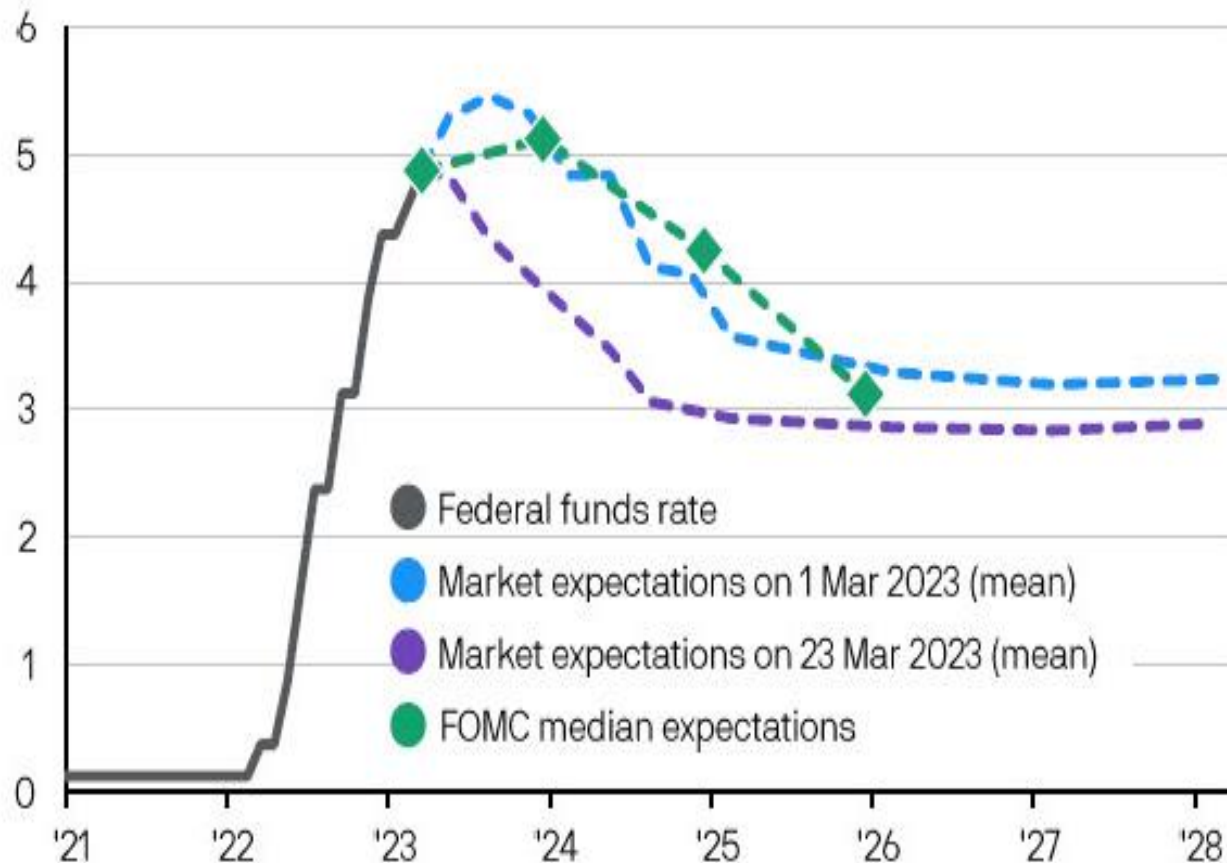


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Outlook – **What do we think is going to happen?**

Outlook – Market expectations are for rate cuts

Great expectations

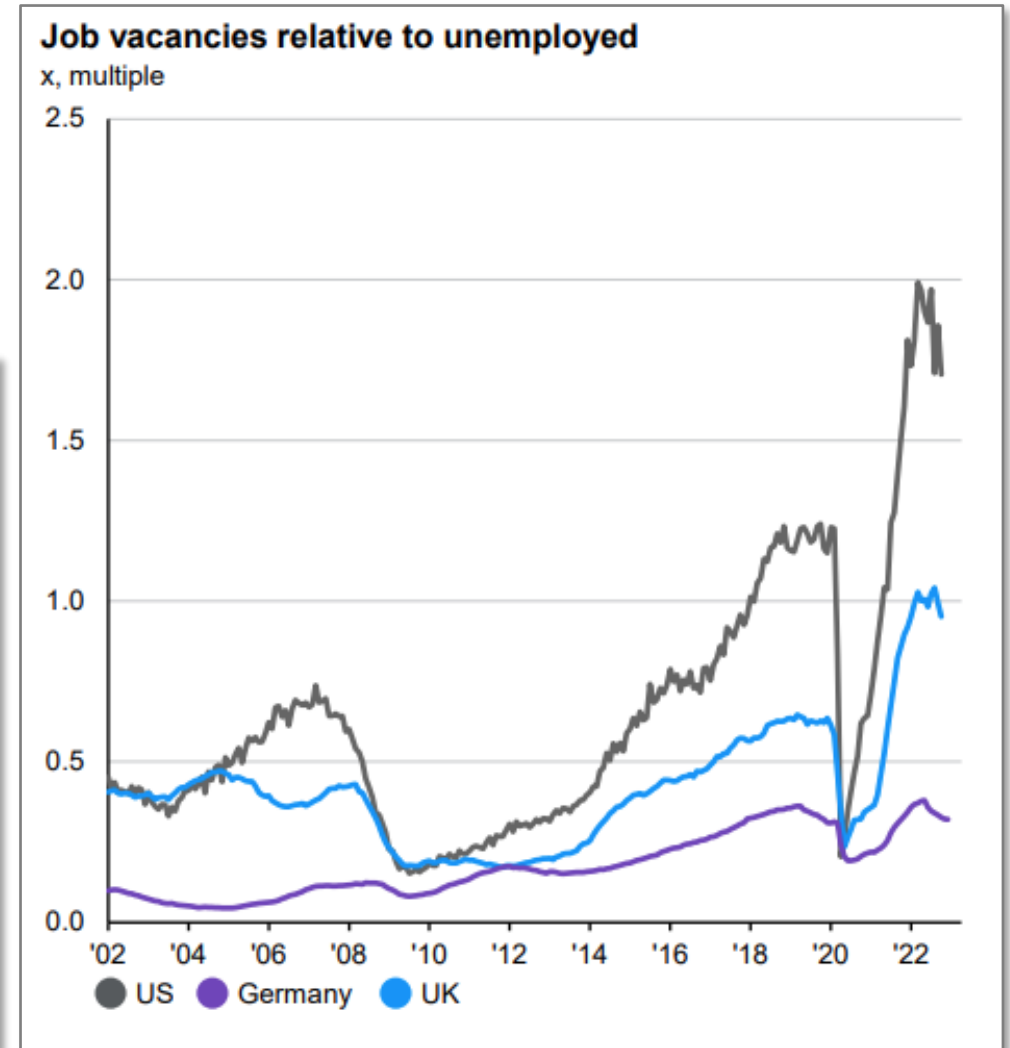
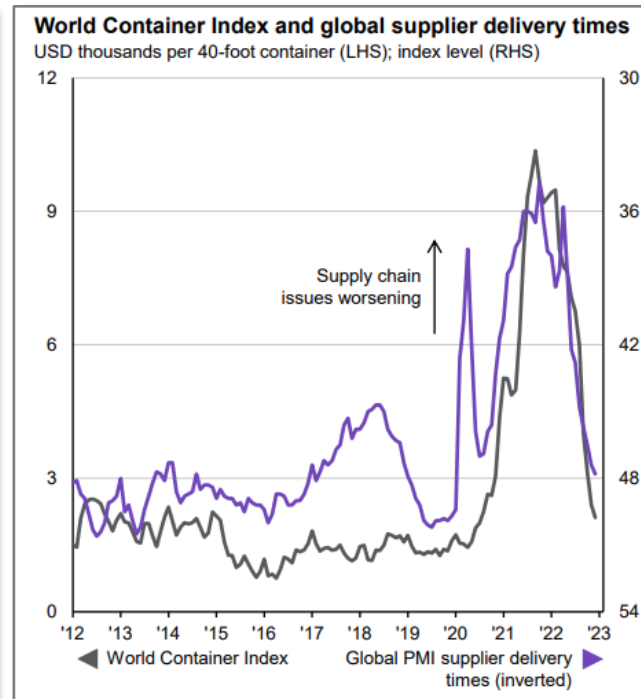
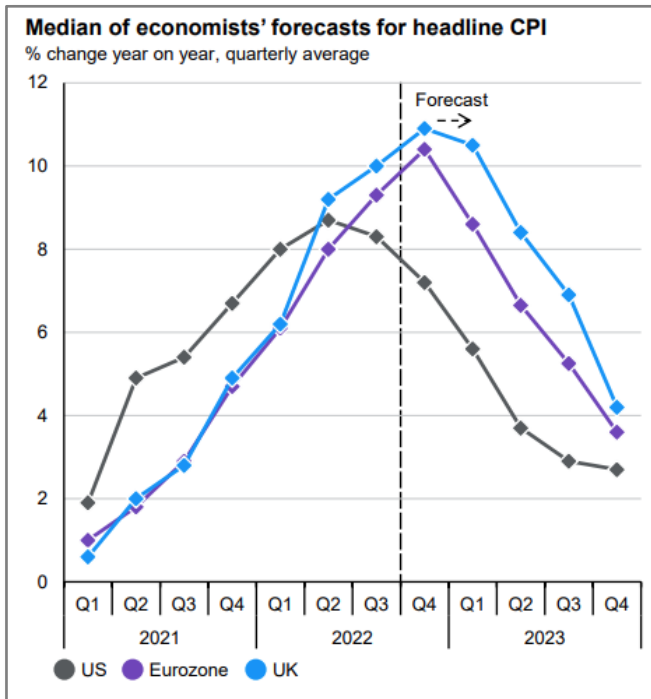


- Recent events have materially changed the market’s expectations for the future path of interest rates.
- Prior to recent concerns about the financial sector, the market expected rates to peak at 5.5% in the US.
- However, revised expectations show we may have reached the peak and there is anticipation for rate cuts in the summer.

Outlook – Reasons to be optimistic



Forecast looks fair



Source: J.P. Morgan Asset Management, Guide to the Markets – UK, data as of 31/12/2022. [left] Bloomberg, BLS, Eurostat, ONS, CPI is consumer price index. [middle] Bloomberg, Drewry, S&P Global. [right] BLS, Deutsche Bundesbank, ONS, Refinitiv Datastream.

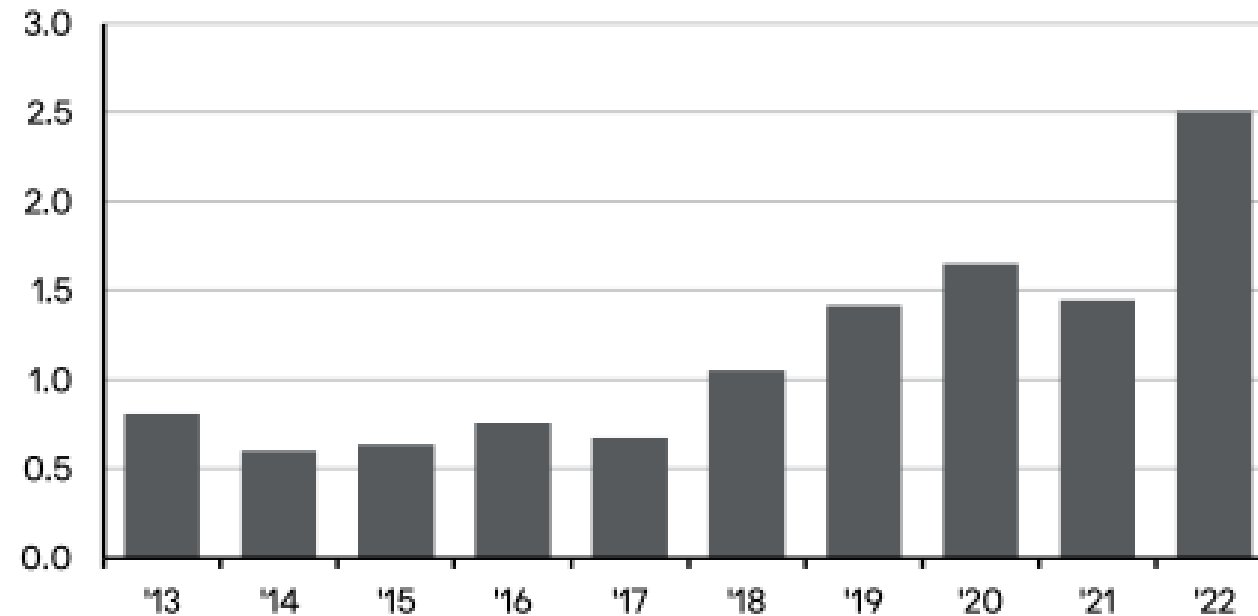
Outlook – Reasons to be optimistic



China is open again

China could see a consumption-led recovery this year

Increase in Chinese household deposits per year, USD trillions

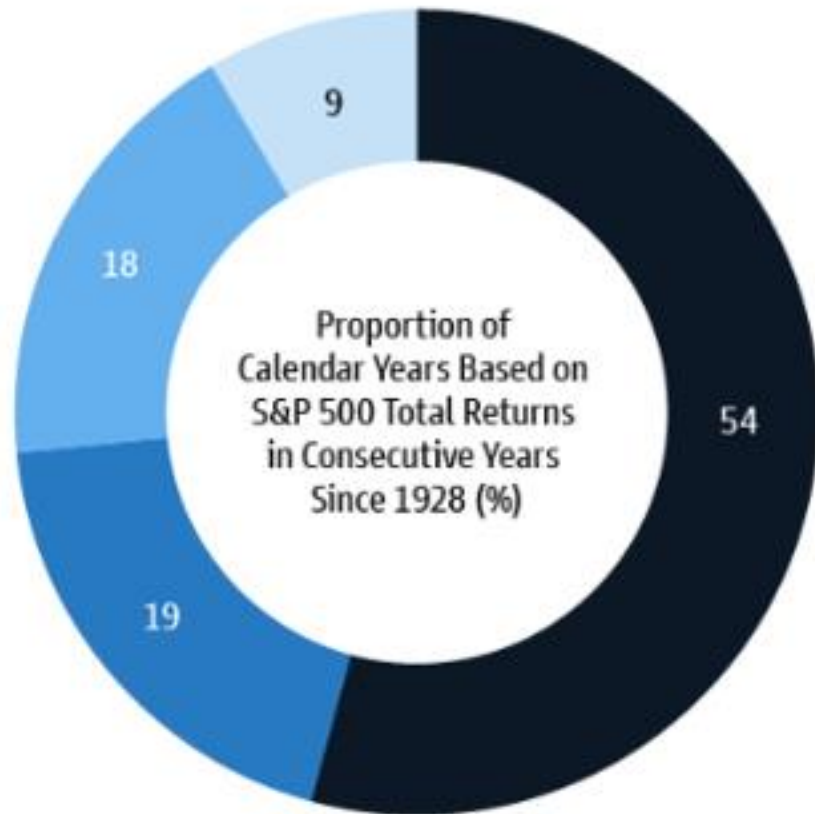


- China's reversal of its Zero-COVID policy may lead to a significant boost to domestic consumption in 2023.
- This will undoubtedly help fuel the recovery in the world's second largest economy.
- In 2022, Chinese households saved a record \$2.5 trillion as stringent COVID restrictions limited households' ability to spend.
- As we saw in the West, as economies re-opened, a wave of pent-up demand was released and consumers increased their discretionary spending.
- This was particularly prevalent in service sectors such as hospitality and entertainment.

Outlook – Reasons to be optimistic



Historic probabilities



- Positive year followed by positive year
- Positive year followed by negative year
- Negative year followed by positive year
- Negative year followed by negative year

EQUITIES

The S&P 500's performance in 2022 was its seventh worst since inception and the third worst since 2000. Episodic volatility, lack of earnings growth, and a high cost of capital may pose headwinds for US equities in 2023, but there is a silver lining: since 1928, the index has only delivered consecutive years of negative returns eight times. History may be on investors' side as positive S&P 500 annual returns have followed a down year more than two-thirds of the time.

Summary – **Macro review**

- Inflation continued to grind higher and was the primary concern for central banks.
- While still high, inflation looks to have peaked in the US over the last quarter.
- Monetary policy was tightened dramatically in 2022 to put out the inflationary fire that was arguably started by leaving stimulus in place for too long.
- Due to recent financial stresses, the priority for central banks may change in 2023.
- Financial stability may be the near-term focus.

Important Information



The Active Portfolios, one to ten were launched on 1st November 2004 (Equip Portfolios were renamed Active Portfolios on 1st October 2019). The Income Portfolio was launched on 1st November 2010. The Enhanced Passive Portfolios were launched on 2nd April 2013. The Ethical Portfolios were launched on 1st April 2015. Multi-Asset Blend Balanced and Growth Funds launched on 22nd July 2019. Multi-Asset Blend Cautious Fund launched on 17th October 2022 and Adventurous Fund launched on 6th October 2022. The calculation date for all performance figures quoted is to 24th March 2023, unless otherwise stated. Past performance is not a guide to future investment returns. The value of investments and the income from them may fluctuate and you may not get back your original investment. All the performance information is based on unit holdings priced in GBP (Sterling) unless otherwise stated. Fund percentage growth is calculated with income re-invested back into the fund net of tax. For fund or sector average benchmarks the percentage growth is also calculated net of tax. Index benchmarks will not normally include re-invested income at all. Performance is bid to bid. The benchmarks used in this publication are IA sector averages, unless otherwise stated. If you have moved portfolios during the quarter or have not been fully invested in the portfolio for the entire quarter, then the performance figures quoted in the review will not be the same as you have experienced. Performance can vary depending on the dates on which switches are carried out may be considerably different to that quoted. YOU Asset Management are authorised and regulated by the Financial Conduct Authority. YOU Asset Management is registered in England No. 06150317. Registered office: Building 2, Watchmoor Park, Riverside Way, Camberley, GU15 3YL. All the information contained in the communication is believed to be reliable but may be inaccurate or incomplete. Any opinions stated are honestly held but are not guaranteed and should not be relied upon. This is not a buy, sell or hold recommendation for any particular investment.

Q&A



- Thank you for attending our webinar
- Now it is time for any questions and answers