

31 July 2025

Aven Global Cautious Tracker

Fund Details

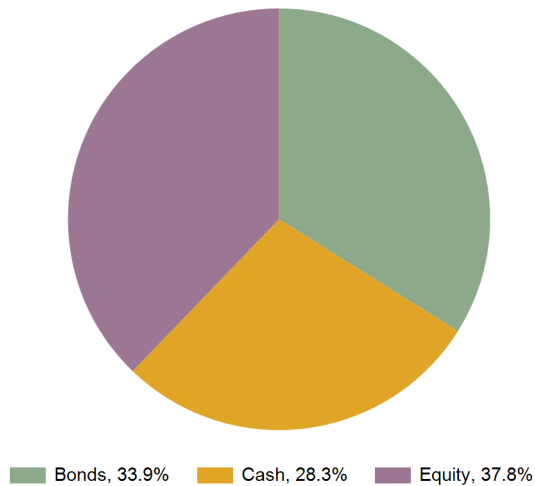
Currency	USD(\$)
Benchmark	US 3 Month LIBOR + 3%
Risk profile	Cautious
Investment period	5 years or longer
Launch date	01 December 2016

Fund Objectives

The objective of the portfolio is to provide capital growth by investing in a combination of equity (max 50%) and fixed interest assets over a full market cycle. This portfolio is suitable for investors who require stable capital growth over a 5-years or longer timeframe.

Holdings as at Month End	%
iShares Core Global Aggregate Bond UCITS ETF	34.41
iShares Core MSCI World UCITS ETF	38.75
Schroder ISF US Dollar Liquidity	26.84

Global Asset Allocation

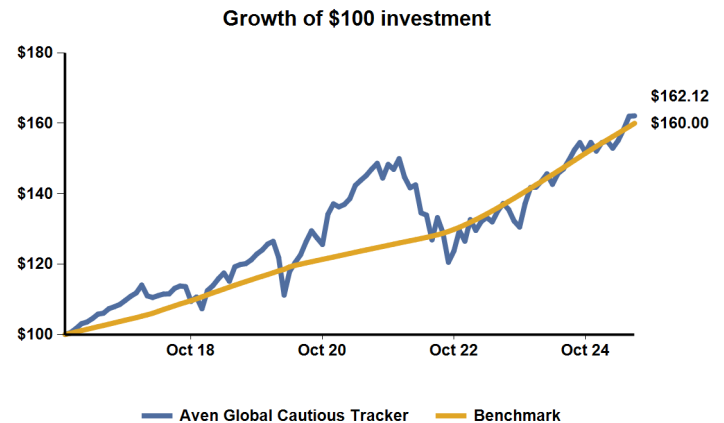


Investor Profile

This fund is suitable for investors looking for:

- Stable income and a high level of capital stability
- Low probability of capital loss over the medium to long term
- A minimum investment horizon of 5 years or longer

Cumulative performance since launch*



Performance (%)	Fund*	Benchmark
1 Month	0.07	0.60
3 Months	4.52	1.81
6 Months	4.93	3.64
YTD	6.59	4.29
1 Year	8.40	7.80
2 Years (annualised)	8.70	8.12
3 Years (annualised)	6.77	7.63
5 Years (annualised)	5.12	5.86
Since Launch (annualised)	5.73	5.57

Risk statistics (since launch)	Fund*	Benchmark
Returns (annualised)	5.73%	5.57%
Standard deviation (annualised)	8.63%	0.51%
% Positive months	71.15%	100.00%
Maximum drawdown	-19.62%	0.00%
Sharpe ratio	0.24	3.80

Fees (incl. VAT)

Annual Wrap fee	0.17
Underlying Manager TER's	0.19

* The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Dual-listed wraps will reflect combined fund sizes and will reflect primary platform performance information. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

Commentary

Market Review

Global equities gained further ground in July, boosted by a series of trade deals and earnings beats by US technology companies. Better-than-expected second-quarter GDP growth in the US, EU and China, and gains in developed market (DM) purchasing manager indices, helped to lift sentiment, suggesting that the global growth cycle may have bottomed in the second quarter of the year. Upward revisions to consensus earnings estimates support the better growth outlook, with upward revisions broad-based across Europe, the UK, Japan and the US. The risk remains that, since future demand was brought forward ahead of US tariffs, the pace of growth may slow in the second half of the year, with upside inflation risks limiting the number of rate cuts in the US. Emerging market (EM) equities outperformed their developed market counterparts. The latest BOA Global Fund Manager Survey shows a rotation out of EU stocks into EM equities. Fiscal deficit concerns weighed on global bonds over the month after the passage of President Trump's One Big Beautiful Bill (OBBB) and the EU's commitment to significant spending on infrastructure and US military equipment and energy.

The MSCI World Index gained 1.3% in US dollars, lagging the 2% returned by EM equities. In emerging markets, index heavyweights such as Taiwan, China and South Korea underpinned returns. Information technology stocks continued to rebound from their lows earlier in the year as optimism over the potential of AI powered related stocks higher. The agreement by the US, permitting semiconductor companies to resume shipments of some key advanced processors to China, was a further catalyst while the passage of Trump's OBBB by the House of Representatives buoyed consumer and business sentiment. Capital expenditure-related tax changes, allowing for 100% write-downs on manufacturing structures, equipment, domestic research and development and software, boosted the earnings outlook, with the effective US corporate tax rate easing to around 15%. Consumers, in turn, were expected to benefit from the extension of the 2017 tax cuts – the Tax Cuts and Jobs Act – and large deductions on state and local taxes.

Outlook

Consensus on MSCI World earnings growth is about 3.5% for the next 12 months and 12% the following year, while EM earnings are expected to grow by 12.5% one year out and 12.5% the following year. However, despite this positive trajectory for global corporate earnings and strong price momentum over the quarter, geopolitical risks remain elevated and can impact investor sentiment negatively. As such, profit-taking on overweight positions to equities seems warranted currently, and a more neutral stance on risk assets is proposed for the remainder of this year. The current business cycle can hardly be described as normal due to the uncertainty about Trump's policies. A neutral weighting is retained in global bonds as a hedge against a bad economic outcome/recession later in the year. In the case of inflation-linked bonds, an underweight position is held as inflation seems to be tempered in the short term due to slower economic growth.

Chinese consumption and growth remain a key concern for global growth. The quantum of stimulus packages in the near term, along with the extent to which China can weather the impact of a trade war with the US, will be key. In the euro area, activity has improved in the short term, but generally soft economic data remains a concern. Emerging economies continue to show resilience, and with the potential for easier monetary policy, growth could accelerate pending global trade speedbumps.