

Where money meets intelligence

 **crossing point**

TACTICAL INVESTORS

Performance update and review, 30 Sept 2023
Guardian Portfolios



Guardian Portfolios

A low-cost tactically traded portfolio service designed to grow and protect investment and pension assets by smoothing long-term returns. We hold equity assets to capture growth but use a trend-following strategy overlay to protect your portfolio from downside losses and to minimise volatility.

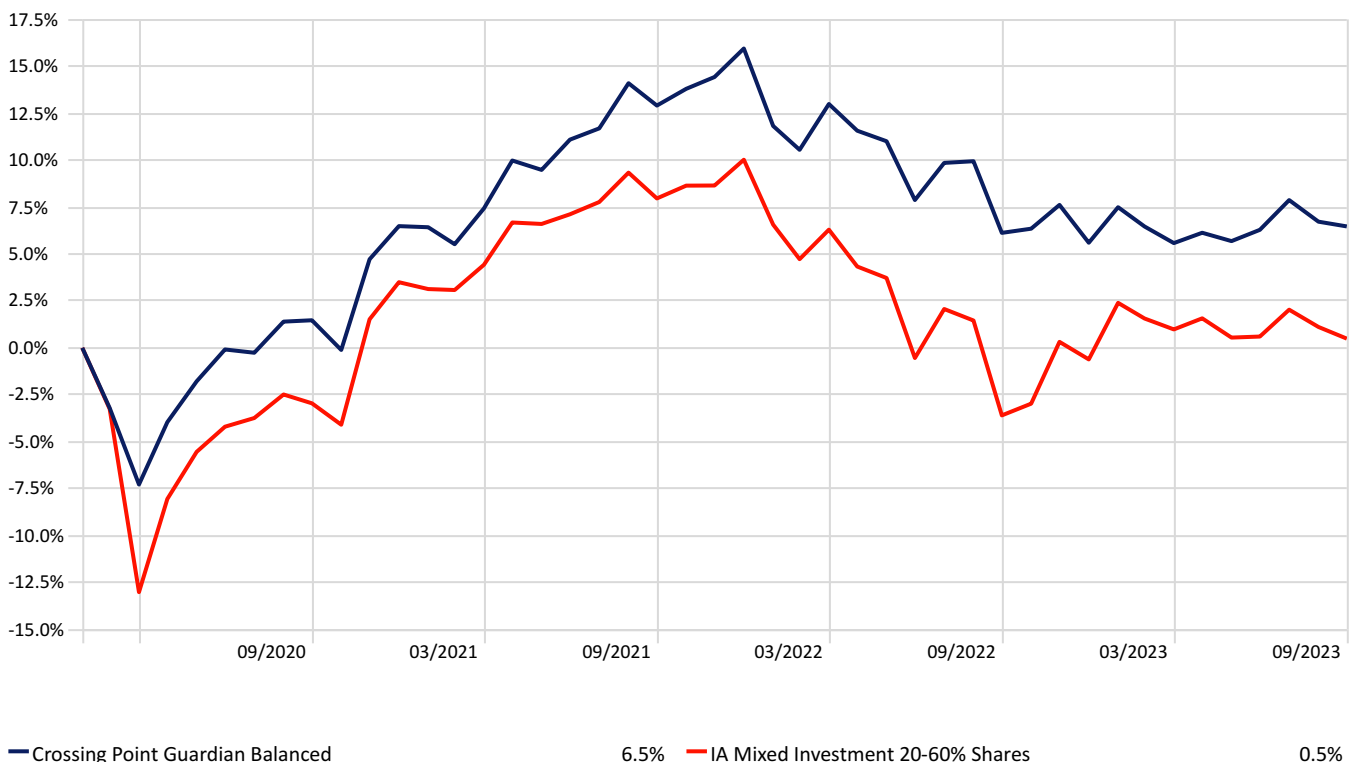
Key Objectives:

- Focuses on growth and capital preservation
- Reduces volatility
- Smooths long-term returns supporting more accurate cash-flow modelling
- Limits the sequence of returns risk
- Reduces maximum drawdown
- Protects assets in times of market stress

Guardian Balanced Portfolio Performance Since Crossing Point Launch on 1 February 2020 to 30 September 2023 vs. the IA Mixed Investment 20-60%

Investment Growth

Time Period: 01/02/2020 to 30/09/2023



Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated is inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transactional, platform, incidental, and IFA charges, all of which will reduce the performance and eventual returns over the long term.



3rd Quarter 2023 Guardian Portfolio Updates

Throughout this quarter, markets have continued to react to expectations and announcements on inflation, central bank rate rises or pauses, unemployment rates, wage growth, and housing market conditions as well as other economic indicators. Speculation about the intentions of the Federal Reserve, European Central Bank, and the Bank of England, as well as the slow rise of rates permitted by the Bank of Japan has driven both equity and bond markets.

US: Continuing inflation reductions in May, June and July as well as strong earnings reports drove equity markets upward in the first half of the quarter. This was followed by higher-than-expected headline inflation and a drop in the unemployment rate in July, announced in August, as well as another interest rate hike and hawkish comments by the Federal Reserve Chairman, Jerome Powell, leading to increased volatility and losses in both equity and bond markets. Overall, US economic growth for the quarter continued to be exceptional at 4.9%, beating expectations, due to the continued strength of consumer spending.

UK: With inflation still over 6%, the BoE raised interest rates again in August. But due to reductions in house prices, increased mortgage rates, and continuing negative consumer confidence, as well as other economic indicators weakening, the BoE will struggle to raise rates much more.

Japan: Japanese economic growth expanded 1.2% in Q2, but less than the 1.5% anticipated. The Bank of Japan has continued its dovish stance on interest rates, but has allowed the 10-year bond rate to reach 1%.

Europe: There was an economic slowdown in Europe with relatively flat growth in Q2, and negative Q3 growth. The ECB continued to raise interest rates throughout the quarter. Growth expectations for the Eurozone are only 0.7% for 2023 due to higher prices, lower domestic demand, tighter financing conditions, and a contracting industrial sector.

China: Growth in Q2 cooled to 0.5% compared to expectations and previous quarters. Although stimulus packages have been announced, strained relations with the West, difficulties within the property market, high unemployment rates, especially within younger generations, and weak domestic demand have continued to weigh on economic recovery.

India: India has benefited from China's struggles with the west with the two stock markets returns having at times low or negative correlations. Growth in Q2 was 1.9%, lower than the 2.1% from the previous quarter, but business confidence improved throughout the quarter and consumer confidence continued to improve throughout the year to reach 88.1 in July.

Guardian portfolios outperformed their benchmarks over the past two quarters with both improved returns (p.4) and continued reductions in volatility (Std Dev) and maximum drawdowns (p.6). The improved risk control is especially visible in the more risk-averse cautious and defensive portfolios (as seen in the ratio table (p. 6) and scatter chart (p.7)) reflecting the difficult fixed income environment.

Equity: Heading into the quarter and throughout July markets continued to recover, buoyed by reductions in inflation and the Fed pause in interest rate hikes in June. We fully allocated across equity markets, reducing slightly some of our regional equity market allocations to increase our allocations to alternatives including technology. Our high US, FTSE 100, Japanese equity and the passive technology tracker fund allocations helped to drive our returns throughout this quarter.



3rd Quarter 2023 Guardian Portfolio Updates

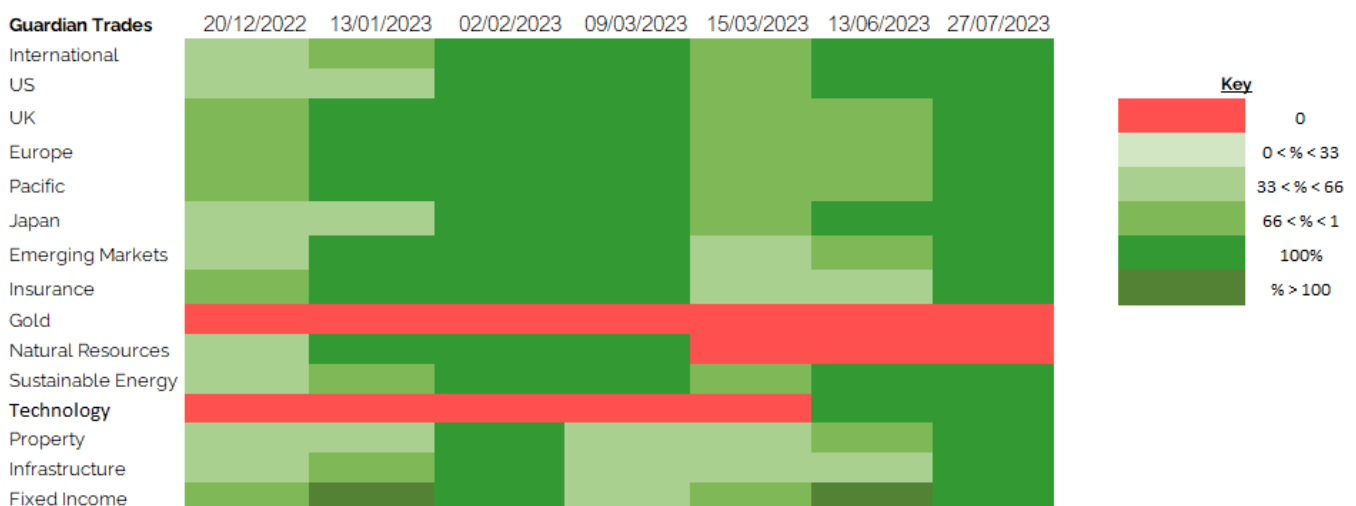
Alternatives: As alternatives guard against inflation risk and provide diversification, we increased the levels of infrastructure, property, sustainable energy, insurance, and the new passive technology fund which we added last quarter. Although the property, infrastructure, and sustainable energy funds struggled with higher interest rates, the insurance and technology funds provided returns which offset these losses.

Fixed Income: Although we feel that fixed income is able to provide both higher yields and protection in case of a large fall in equity valuations, we were still concerned about the impact of further interest rate rises. We therefore continued a cautious approach with high allocations to diversified asset-backed and short-dated funds and added a target-return fund and short-dated UK fund for further diversification. We included a UK government bond fund and reduced our US government bond allocation to keep a similar duration risk. We also slightly reduced allocations to the short-dated high-yield bond fund and some of our strategic bond funds to reduce costs. The longer duration bonds suffered this quarter as central banks continued to raise rates and express hawkish, higher-for-longer sentiment. This was largely offset by gains in short-term bonds, the target return bond, and the diversified asset-backed fund. Although overweight short-dated bonds at this time, we expect to start to increase our longer-duration fixed income allocations as central banks are reaching their peak interest rates, and may begin to cut rates sometime in the middle or second half of 2024.

During these volatile times, we feel that diversification in markets, asset types, fixed income, and duration is key. Our goal remains to protect and grow the assets entrusted with us. We continue to monitor trends, performance, and volatility while also considering market indicators and expectations.

Guardian Trade Decisions

The chart below approximately reflects trade decisions for each international equity market over the past few months. Each investment decision was decided at individual fund level and informed using trend-following signals. An equity investment of 0% is shown in red. Shades of green represent varying levels of equity investment with dark green a 100% investment and the darkest green indicating an overweight position in that market.



Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated is inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transactional, platform, incidental, and IFA charges, all of which will reduce the performance and eventual returns over the long term.



Guardian Portfolio Performance to 30 September 2023

	1 Month	3 Months	6 Months	1 Year	3 Years	Since Inception
Crossing Point Guardian Adventurous	-0.20	0.14	1.17	0.05	8.55	11.47
Crossing Point Guardian Strategic	-0.21	0.12	0.92	0.23	7.02	9.21
IA Mixed Investment 40-85% Shares	-0.66	-0.21	-0.04	5.27	10.30	8.00
Crossing Point Guardian Balanced	-0.24	0.17	0.84	0.32	4.93	6.47
Crossing Point Guardian Cautious	-0.20	0.35	0.88	0.48	2.66	3.29
IA Mixed Investment 20-60% Shares	-0.61	-0.11	-0.49	4.24	3.55	0.49
Crossing Point Guardian Defensive	-0.11	0.38	0.78	0.75	0.20	0.42
IA Mixed Investment 0-35% Shares	-0.77	-0.33	-1.28	2.67	-3.76	-4.55

Past performance for the Guardian Speculative Portfolios will not be shown until the portfolio has been running for 12 months. Guardian Speculative was launched on 11 October 2022.

Guardian Portfolio Ratios to 30 September 2023

Time Period: 01/10/2020 to 30/09/2023 Calculation Benchmark: Multiple

	Std Dev	Alpha	Beta	Max Drawdown	Sharpe Ratio	Sortino Ratio
Crossing Point Guardian Adventurous	8.20	-0.63	0.92	-11.08	-0.09	-0.12
Crossing Point Guardian Strategic	7.00	-1.23	0.86	-9.74	-0.14	-0.18
IA Mixed Investment 40-85% Shares	8.71	0.00	1.00	-12.79	-0.04	-0.06
Crossing Point Guardian Balanced	6.05	0.00	0.87	-8.94	-0.21	-0.27
Crossing Point Guardian Cautious	4.87	-0.98	0.81	-7.74	-0.29	-0.37
IA Mixed Investment 20-60% Shares	7.10	0.00	1.00	-12.38	-0.21	-0.27
Crossing Point Guardian Defensive	3.68	0.24	0.81	-6.54	-0.40	-0.50
IA Mixed Investment 0-35% Shares	5.69	0.00	1.00	-12.46	-0.42	-0.52

Guardian Portfolios continue to have lower standard deviation and reduced maximum drawdowns compared to their benchmarks. The 3-year standard deviation for the Guardian portfolios ranged from 8.20% for the Adventurous portfolio to 3.68% for the Defensive portfolio compared to the benchmark volatilities of 8.71% to 5.69%.

Guardian portfolios also experienced much smaller maximum drawdowns ranging from -11.08% for the Adventurous portfolio to -6.54% for the Defensive portfolio while their benchmarks had maximum drawdowns ranging from -12.79% to -12.46%. The reduction in maximum drawdowns can have long-lasting implications for investment returns and is linked to a reduction in sequence risk for income taking investors.

Past performance for the Guardian Speculative Portfolios will not be shown until the portfolio has been running for 12 months. Guardian Speculative was launched on 11 October 2022.

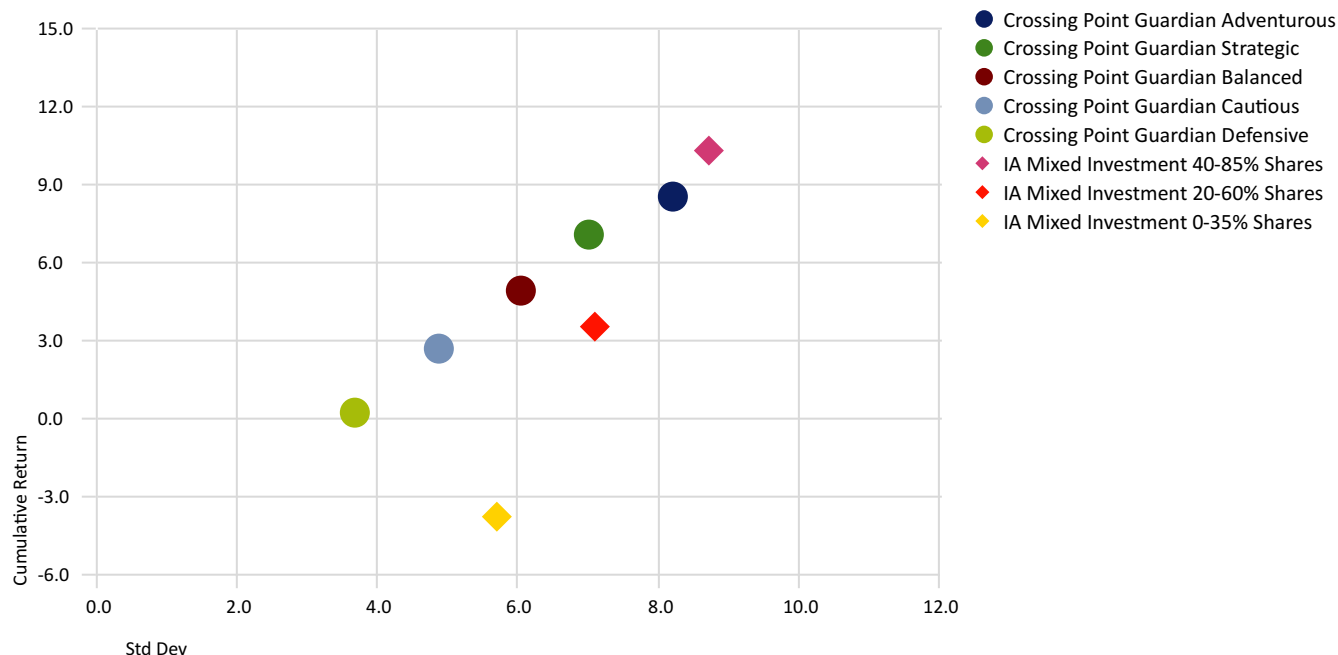
Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated is inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transactional, platform, incidental, and IFA charges, all of which will reduce the performance and eventual returns over the long term.



Managing Risk: 3-Year Risk vs Return

Time Period: 01/10/2020 to 30/09/2023

Calculation Benchmark: Multiple



Time Period: 01/10/2020 to 30/09/2023

	Cumulative Return	Std Dev
Crossing Point Guardian Adventurous	8.55	8.20
Crossing Point Guardian Strategic	7.02	7.00
IA Mixed Investment 40-85% Shares	10.30	8.71
Crossing Point Guardian Balanced	4.93	6.05
Crossing Point Guardian Cautious	2.66	4.87
IA Mixed Investment 20-60% Shares	3.55	7.10
Crossing Point Guardian Defensive	0.20	3.68
IA Mixed Investment 0-35% Shares	-3.76	5.69

This scatter chart and the associated performance and volatility figures illustrate the risk and return of both the Guardian Portfolios and their Investment Association benchmarks. The Guardian portfolios have provided a lower volatility over the past 3 years than their equivalent benchmarks. Guardian portfolios use of trend following has been effective at dealing with the current volatility within the markets.

Trend-following has been found to smooth returns and reduce volatility, maximum drawdown losses, and sequence of returns risk over whole business cycles. This impact can be seen in the standard deviation figures in the above 3-year chart through the Russian invasion of Ukraine, concerns around inflation, rising interest rates and bond market volatility.

Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated is inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transactional, platform, incidental, and IFA charges, all of which will reduce the performance and eventual returns over the long term.



Guardian Portfolios Asset Allocation

30.09.23 Current Allocations

Following the modifications recommended by the trends and agreed within our investment committee, please find the current asset allocation by region. These allocations are highly actively managed and have been modified with more frequency than normal as markets continue to be volatile.

Guardian Current Allocation: 30/09/2023

	Speculative	Adventurous	Strategic	Balanced	Cautious	Defensive
International	17.00	14.50	10.50	10.00	8.00	3.50
US	18.00	16.00	12.00	10.00	9.00	4.00
UK	11.00	9.00	8.00	6.00	5.00	4.00
Europe	11.00	9.00	8.00	7.00	4.00	3.00
Pacific	7.50	7.00	5.25	5.00	3.00	3.00
Japan	7.50	7.00	5.25	5.00	3.00	2.50
Emerging Markets	7.50	6.00	5.00	4.00	2.50	2.00
Insurance	4.00	3.50	3.50	2.50	2.50	1.50
Natural Resources	0.00	0.00	0.00	0.00	0.00	0.00
Sustainable Energy	3.50	3.50	3.50	2.50	2.00	2.00
Technology	4.00	4.00	4.00	3.00	3.00	2.00
Property	3.00	3.00	3.00	3.00	1.75	1.25
Infrastructure	3.00	2.50	2.00	2.00	1.25	1.25
Equity Total	97.00	85.00	70.00	60.00	45.00	30.00
Fixed Income	0.00	12.00	22.00	29.00	40.25	45.00
Short Term Money Market	0.00	0.00	5.00	8.00	11.75	22.00
Cash	3.00	3.00	3.00	3.00	3.00	3.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

30.09.23 Default Allocations

Underlying the above trade decisions is our default allocation. This is the allocation which we are in if our trend analysis and economic conditions suggest a 100% allocation across all investments.

Guardian Default Allocation: 30/09/2023

	Speculative	Adventurous	Strategic	Balanced	Cautious	Defensive
International	17.00	14.50	10.50	10.00	8.00	3.50
US	18.00	16.00	12.00	10.00	9.00	4.00
UK	11.00	9.00	8.00	6.00	5.00	4.00
Europe	11.00	9.00	8.00	7.00	4.00	3.00
Pacific	7.50	7.00	5.25	5.00	3.00	3.00
Japan	7.50	7.00	5.25	5.00	3.00	2.50
Emerging Markets	7.50	6.00	5.00	4.00	2.50	2.00
Insurance	4.00	3.50	3.50	2.50	2.50	1.50
Natural Resources	0.00	0.00	0.00	0.00	0.00	0.00
Sustainable Energy	3.50	3.50	3.50	2.50	2.00	2.00
Technology	4.00	4.00	4.00	3.00	3.00	2.00
Property	3.00	3.00	3.00	3.00	1.75	1.25
Infrastructure	3.00	2.50	2.00	2.00	1.25	1.25
Equity Total	97.00	85.00	70.00	60.00	45.00	30.00
Fixed Income	0.00	12.00	22.00	29.00	40.25	45.00
Short Term Money Market	0.00	0.00	5.00	8.00	11.75	22.00
Cash	3.00	3.00	3.00	3.00	3.00	3.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated is inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transactional, platform, incidental, and IFA charges, all of which will reduce the performance and eventual returns over the long term.



Guardian Portfolio Morningstar Risk Scores and FE risk scores

Due to the nature of our trend-following algorithms, Guardian portfolios may have smaller equity and fixed income allocations and larger cash allocations than they would if fully invested. As FE and Morningstar Risk Scores are heavily linked to equity content, investors should be aware that as markets fall we could sell further out of risk assets reducing the risk within the portfolios and as markets rise the allocation to risk assets could increase to the full equity allocation, increasing the portfolios risk scores.

The Morningstar Portfolio Risk Score (MPRS) measures the overall risk of portfolios, including client portfolios, model portfolios, and fund portfolios. MPRS uses Morningstar Risk Model's holdings-based analysis to derive a risk estimate and score for each portfolio, and Morningstar's multi-asset Target Allocation Indexes to define the following risk ranges: Conservative: 0-24, Moderate: 25-49, Aggressive: 50-81, Very Aggressive: 82-100, Extreme: 100+.

FE Fundinfo Risk Scores define risk as a measure of volatility relative to an index of the 100 largest UK companies (the FE Risk Score benchmark) which has a risk rating of 100 and is rebased to sterling. Instruments more volatile than this benchmark have a score above 100 and vice versa giving a reliable indication of risk.

Morningstar Risk Score Levels		FE Risk Score Levels		
			Short (3-7 Year)	Medium (8-15 Year)
Conservative	0 - 24	Cautious	5 - 25	30 - 50
Moderate	25 - 49	Cautious to Moderate	25 - 35	50 - 60
Aggressive	50 - 81	Moderate	35 - 50	60 - 70
Very Aggressive	82 - 100	Moderate to Adventurous	50 - 75	70 - 80
Extreme	100 +	Adventurous	75 - 120	80 - 130

Morningstar Risk Scores

	Portfolio Risk score	Risk Level	Portfolio Risk Score Date
Guardian Adventurous	57.59	Aggressive	30/09/2023
Guardian Strategic	47.35	Moderate	30/09/2023
Guardian Balanced	40.17	Moderate	30/09/2023
Guardian Cautious	30.13	Moderate	30/09/2023
Guardian Defensive	13.80	Conservative	30/09/2023

FE Risk Scores

	Portfolio Risk score	Short-term Level (3-7 Year)	Medium-term Level (8-15 Year)
Guardian Adventurous	65	Moderate to Adventurous	Moderate
Guardian Strategic	55	Moderate to Adventurous	Cautious to moderate
Guardian Balanced	48	Moderate	Cautious
Guardian Cautious	38	Moderate	Cautious
Guardian Defensive	28	Cautious to Moderate	< Cautious

Defaqto Risk Ratings

	Defaqto Risk Ratings
Guardian Adventurous	7
Guardian Strategic	5
Guardian Balanced	4
Guardian Cautious	3
Guardian Defensive	2



Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated is inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transactional, platform, incidental, and IFA charges, all of which will reduce the performance and eventual returns over the long term.



Platform Availability

Crossing Point Guardian Portfolios are available on the following platforms:



Guardian Portfolio Costs, 30 September 2023

Crossing Point Guardian portfolios are managed with a trend-following overlay which at times will recommend reductions in fund allocations. These reductions will instead be invested in either a less risky asset or cash, therefore modifying the overall fund costs. The current costs listed in the chart below reflect the cost of the funds in the portfolio allocations at the end of the quarter. The default costs reflect the costs of the portfolios if the trend-following signals were to recommend that the portfolios were fully invested.

	Current Costs				Default Costs			
	DFM Charge	Fund Cost	Transaction Costs	Total	DFM Charge	Fund Cost	Transaction Costs	Total
Guardian Speculative	0.30%	0.19%	0.05%	0.54%	0.30%	0.19%	0.05%	0.54%
Guardian Adventurous	0.30%	0.22%	0.06%	0.58%	0.30%	0.22%	0.06%	0.58%
Guardian Strategic	0.30%	0.24%	0.06%	0.60%	0.30%	0.24%	0.06%	0.60%
Guardian Balanced	0.30%	0.24%	0.06%	0.60%	0.30%	0.24%	0.06%	0.60%
Guardian Cautious	0.30%	0.26%	0.06%	0.62%	0.30%	0.26%	0.06%	0.62%
Guardian Defensive	0.30%	0.26%	0.06%	0.62%	0.30%	0.26%	0.06%	0.62%

Current fund costs and default fund costs at 30/09/2023 from Nucleus.

Excludes platform charge and incidental charges.

The impact of different transaction, platform, and incidental costs may mean illustrations from platforms show different total costs.

Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated is inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transactional, platform, incidental, and IFA charges, all of which will reduce the performance and eventual returns over the long term.



Important Information

The Crossing Point Portfolio Management Service is only available to investors who use the ongoing services of a financial adviser. For information purposes only, please contact a personal financial adviser for further information.

Independent financial advisers take no responsibility for the underlying investment strategy, the investment process and the choice of funds will be based purely on Crossing Point Discretionary Fund Managers' experience within the market. By the nature of tactical trading, holdings will be regularly bought and sold, but the investment manager will not seek your permission to do this. Investment decisions will be the responsibility of the Discretionary Fund Manager.

Performance Calculation: Performance is shown inclusive of ongoing fund charges as well as Crossing Point's investment management charge but gross of transaction, platform, IFA, and incidental fund charge charges. Deductions for these charges will have the result of reducing the illustrated performance. Please refer to your investment adviser for details. Performance is quoted on an annualised basis and calculated through Morningstar direct and provided for illustrative purposes only and should not be viewed as the performance of a specific client account.

Past performance is not a guide to future performance. The value of investments and any income from them can fall and you may get back less than you invested. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset. The information contained in this documentation has been taken from sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. Tax concessions are not guaranteed and may be charged at any time, their value will depend on individual circumstances.

The information provided by Morningstar Direct is used at your own risk. Morningstar takes care to ensure that the information provided is correct. Neither Morningstar or Crossing Point Investment Management warrants or guarantee the content of the information, nor do we accept any responsibility for error, inaccuracies, omissions or any inconsistencies herein.

Detail of the nature of the investments, the commitment required, and the specific risk warnings are described in the Crossing Point Investment Management Terms of Business with a financial adviser. Reference to any particular fund or portfolio does not constitute a recommendation for investment purposes. Indices are used for comparative purposes only. Persons who do not have professional experience in matters relating to investments should speak with a financial adviser before making an investment decision.

Issued by Crossing Point Investment Management Ltd (registered no.08776208) is authorised and regulated by the Financial Conduct Authority (FCA no. 813549), Registered address 7 Uplands Crescent, Swansea, SA2 0PA. For your protection, calls may be monitored and recorded for training and quality assurance purposes.