
**Economic Outlook and
Portfolio Review**
Fourth Quarter 2024
Year End Review



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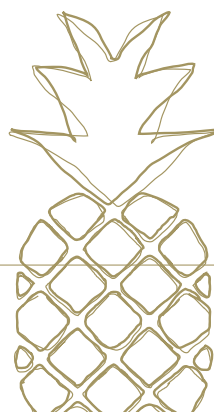
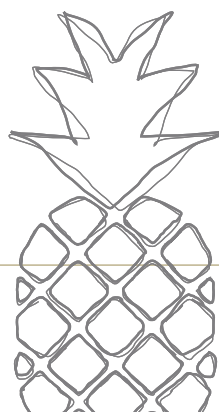
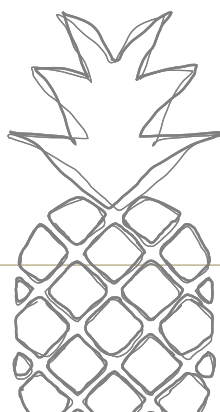
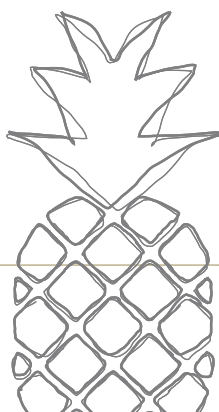
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Q1

Q2

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Q4



2024 in Review: one for the history books

How is 2025 here already? Perhaps the best place to begin this review is by looking at how the Wall Street expectations for 2024 held up to reality. As always, Bloomberg¹ did the hard work, collating the predictions of the major players in the finance world for the year ahead back in 2023. The likes of Bank of America, Morgan Stanley, and UBS all forecasted that the S&P 500 would sit between the range of 3,500 and 5,000.

With the S&P 500 actually ending the year at 5,881.63, it's clear that the juggernauts of the financial world might need to put away the crystal ball and stick to the spreadsheets. It was a similar story in our last annual review, so as we look ahead to 2025, may the continued strength of the markets keep defying analyst expectations!

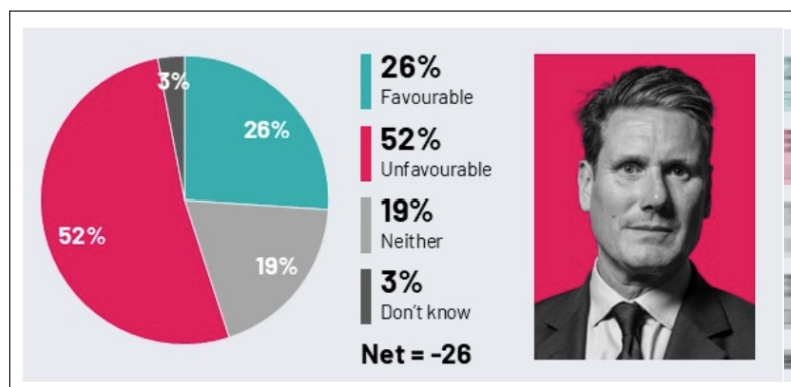
Culturally, 2024 was one for the history books. The 'Barbenheimer' debate was finally put to bed at the Oscars, with Oppenheimer taking home seven awards to Barbie's single victory. In the world of music, Taylor Swift became the first billionaire artist from songs and concerts alone, following the success of her worldwide Eras tour.

Finally, 2024 was a year for the sports enthusiasts amongst us. The Paris Olympics were a spectacle and didn't fail to leave viewers speechless. From Hodgkinson and Lee securing gold in their respective races to Murray picking up his racket for a final time, there was no shortage of heroic Team GB moments.

Starmer's shaky start

2024 managed to keep the world on its toes when it came to politics. Elections and political turmoil were rife, with the election Supercycle rippling across the world. In the UK, we welcomed Mr Starmer into Number 10 with an overwhelming majority. Yet, his premiership has been fraught with challenges—from demanding the return of "sausages" rather than hostages to his recent expenses scandal.

Since coming into office, Labour's approval rating has consistently slipped, and over half of Britons currently disapprove of Starmer as Prime Minister². However, it's worth noting that Starmer is still early in his leadership, leaving ample time to address these challenges and shape his trajectory.



Source: IPSOS (2024)

¹ Here's (Almost) Everything Wall Street Expects in 2024.

² IPSOS, 2024.

2024 in Review: one for the history books

Many waited with bated breath for Reeves to deliver what was anticipated to be a “painful” budget. While the general consensus was that “it could have been worse,” changes to capital gains, business property relief, and inheritance tax have already proven to be a headache for some advisers. Reeves may have avoided directly increasing personal taxes, but the freezing of various tax rate bands continues the tradition of fiscal drag for the average household. Though it is still early days, some pundits predict that further tax rises are likely in the near future.

From a personal finance perspective, many felt the impact, but businesses may have been hit the hardest. In a snap poll by the Institute of Directors, 67%³ of respondents expressed a negative view of the Budget. The combination of an increase in employer National Insurance to 15% and a reduction in the employment allowance threshold presents an expensive challenge that could dampen business confidence going forward. The true extent of the Budget’s fallout won’t be clear until the dust settles; for now, we’ll have to wait and see what Reeves has planned for 2025.

Politics further afield

It wasn’t just the UK heading to the polls this year, with roughly 1.5 billion people voting in various elections. A few highlights include Mexico nominating its first-ever female president, Claudia Sheinbaum; Putin claiming a “landslide victory” following the mysterious death of his rival Alexei Navalny; Trump making a return; and Modi retaining his position as Indian Prime Minister, albeit losing his parliamentary majority.

Perhaps one of the most shocking events in this year’s political saga occurred in the final weeks leading up to Christmas. When political unrest in the Korean peninsula is mentioned, many would assume Kim Jong Un was behind it; however, South Korea’s President Yoon Suk Yeol has been the one making international headlines with his recent ill-judged decisions.

In December, Yoon declared martial law, throwing the country into chaos and sparking widespread protests from civilians. As shocking as this was, it proved incredibly short-lived, with South Korea’s parliament voting to overturn martial law within hours. Days later, the saga concluded with Yoon being impeached and stripped of his presidential powers.

³ IoD Press Release, 1st November 2024

Economic Outlook & Market Commentary

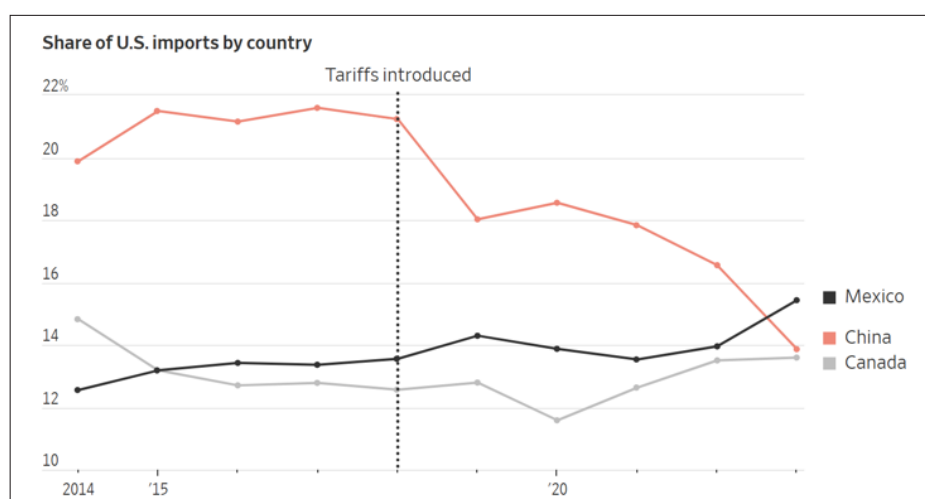
Introduction to Trumponomics - What might we expect under a Second Term?

We start 2025 with Trump once again being elected as the next President of the United States, and with that comes a sense of great trepidation around the globe. His decisive victory in November left many political pundits and exit polls in shock, as he won both the election and the popular vote—something he failed to do in 2016. Republicans achieved a clean sweep across the board, with Congress also swaying red. As the election result became clear, it left some disheartened, but the markets breathed a collective sigh of relief.

You may be tired of hearing us repeat the same adages, but one of the main causes of market volatility is uncertainty, and with this steadfast victory, volatility was temporarily avoided. It was quite the year for Trump—starting with his criminal convictions, followed by two assassination attempts, and finally ending the year as the next POTUS. But what will a second Trump presidency bring?

The effects won't just be felt in the US; it's likely that his international policies will shape expectations for global growth and markets, at least in the short term. As we may all be aware, Trump's foreign policies are somewhat aggressive, and under his first presidency, his tariffs resulted in Americans paying an additional \$80 billion in taxes.⁴ These tariffs have already shifted the international import market, with China now falling behind Mexico in terms of its share of US imports. The reason for this is twofold: nearshoring and reshoring.

With the supply chain shock that hit the world in 2022, many countries looked to move their manufacturing onshore or, if that wasn't feasible, closer to the US.⁵ Reshoring is more intricate; some Chinese-based manufacturers are now looking to set up plants in Mexico to avoid steep tariffs. The New York Times⁶ has reported that this phenomenon began back in 2021, with one Chinese company, Hisun (which produces all-terrain vehicles), moving its operations from China to Mexico.



Source: Census Bureau, graphic from Wall Street Journal (2024)

⁴ Tax Foundation, 2024.

⁵ Mexico Is Now the Top Exporter to the US. Is There Room for Growth?, BCG 2024.

⁶ For First Time in Two Decades, U.S. Buys More From Mexico Than China, NYT, 2024.

Economic Outlook & Market Commentary



Trump's campaign pledge included a 10% flat-rate tariff on all imported goods, excluding Chinese goods, which would face a steeper 60% tariff, and Chinese car imports, which could face a potential 100% tariff. The risk here is rising inflation. While voters were hoping for the 'restoring' of supply chains to the US, the likely effect is that large corporations will keep their current suppliers and pass on the price increases to the end customer within the US itself.

Some analysts fear this could dampen US growth, and consequently global growth. Estimates suggest that the 10% tariff on all imports may cause a drag on GDP of up to 1%⁷. Deglobalisation has been a buzzword since the supply chain issues during the COVID pandemic, and some speculate that a Trump presidency will serve as a further catalyst. While this wouldn't result in a full move to autarky, it could mean the US re-evaluates its external trading partners.

Alternatively, some believe this could be a positive driver for 2025. US growth is a positive sign for global markets, and these tariffs, alongside Trump's generally loose fiscal policies, could, theoretically, promote US growth. Fitch Ratings has revised its US growth prediction upwards to 2.1%⁸. With tariffs concentrated on China, supply chains may be diverted to other emerging economies, boosting their growth, such as Mexico, as described above. While it may seem from the rhetoric that the US is reliant on Chinese goods, some of these needs can be fulfilled by other trading partners, and there is optimism for what this may do to emerging market equities and debt over the next few years.

Powell exit stage right?

We love hearing client questions, and since Trump's victory, we've received the same one a few times: will Trump really fire Powell, and what would that mean? Like many things Trump, on this occasion, his bark may have been bigger than his bite. During the election campaign, he was steadfast in his intention to replace Powell, only to go back on his word in December. The clash arose over Trump's wish to lower interest rates faster than the Fed was comfortable with.

In reality, Trump doesn't have the power to fire Powell or any head of the Fed; that power lies with the Supreme Court, and there must be 'cause' for such an action. Realistically, Trump seeks some control over interest rates, which goes against the independence that the Fed (and many other central banks) strive to maintain. Powell is opposed to this idea, and it is unlikely to come to fruition in the immediate future. However, with Powell's term ending in 2026, it will be interesting to see how his replacement handles any pressure from Trump.

By the end of his second term, President Trump would be the oldest US president in history, and it may be time for him to officially retire to Mar-a-Lago (this time without all the secret documents). While we can't say for certain what a Trump presidency will entail, it's likely that some of what he said on the campaign trail won't come to pass. Trump will focus on continuing the strength of the US markets, as he views this as his true legacy. So, now more than ever, it's best to ignore the noise that may come over the next four years and simply enjoy (or, at the very least, grin and bear) the journey ahead.

⁷ Trump returns, with majorities in Congress, but his agenda may face a bumpy road, Principal AM, 2024

⁸ Fitch Ratings Agency, 2024.

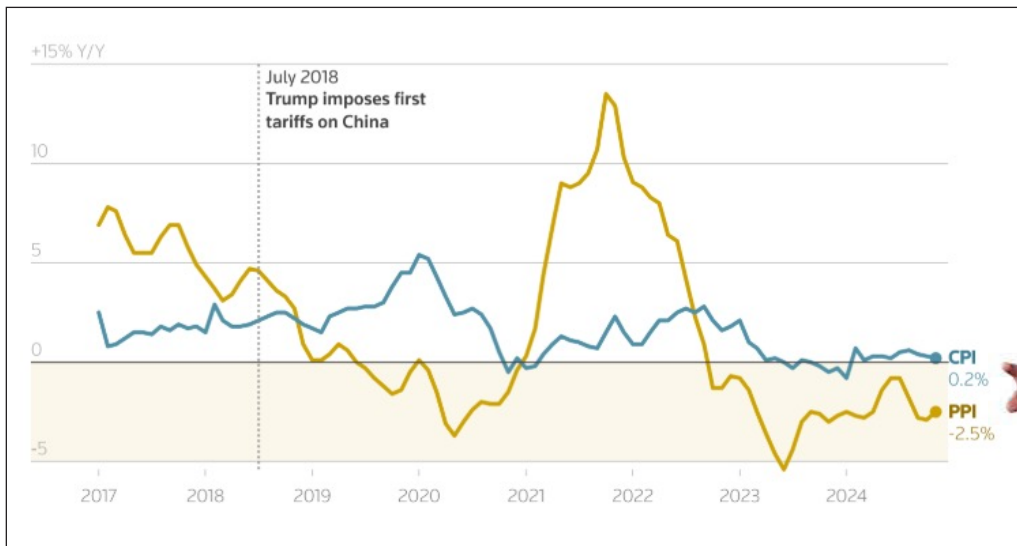
Inflation: the never-ending story

Believe us, we would be happy never to speak of inflation again after its domination of conversations in 2024. Globally, inflation has been hard to shake of late; yet 2025 looks somewhat more promising than previous years. What are analysts predicting moving forward?

Towards the end of 2024, the developed world managed to shake off the sticky, high inflation that plagued markets since late 2022. In the UK, inflation eased throughout the year in response to aggressive rate hikes from the Bank of England (BoE). The figure for November floated around 2.3%⁹, slightly higher than the 1.7% in September. However, the BoE still believes that inflation is likely to tick upward into 2025 and end the year at roughly 2.75%¹⁰.

The US told a similar story, with the Consumer Price Index (CPI) at 2.7%¹¹ for the year to the end of November, approaching the Fed's 2% target but remaining persistently high. With the promise of import tariffs, inflation is likely to tick upwards throughout 2025. It's uncertain what the Fed will do with interest rates to combat this potential inflation spike. Combined with increased pressure from the White House to cut rates, the US inflation path in 2025 remains unclear.

Emerging markets have experienced both hyperinflation and deflationary risks across various regions. Chinese consumer inflation hit a five-month low in November. Reuters has reported that fresh food prices continue to fall in China, alongside factory deflation, leading to speculation that it may enter deflationary territory. House prices, both new and pre-owned, are still falling by roughly 0.2% and 0.35% respectively month on month¹², continuing their property crisis.



Source: Reuters and LSEG (2024)

⁹ ONS, 2024.

¹⁰ Bank of England, 2024.

¹¹ JP Morgan, 2024.

¹² ING, 2024.

Inflation: The never-ending story

However, global forecasts are generally optimistic (see Vanguard forecasts below). The biggest potential concern is the Eurozone, with an expected GDP growth of just +0.5%, notably lower than other developed regions. Given the possible impact of the Trump tariffs, which are likely to cause issues in Europe as well, many analysts' forecasts remain relatively reserved.

Vanguard's 2025 economic forecasts

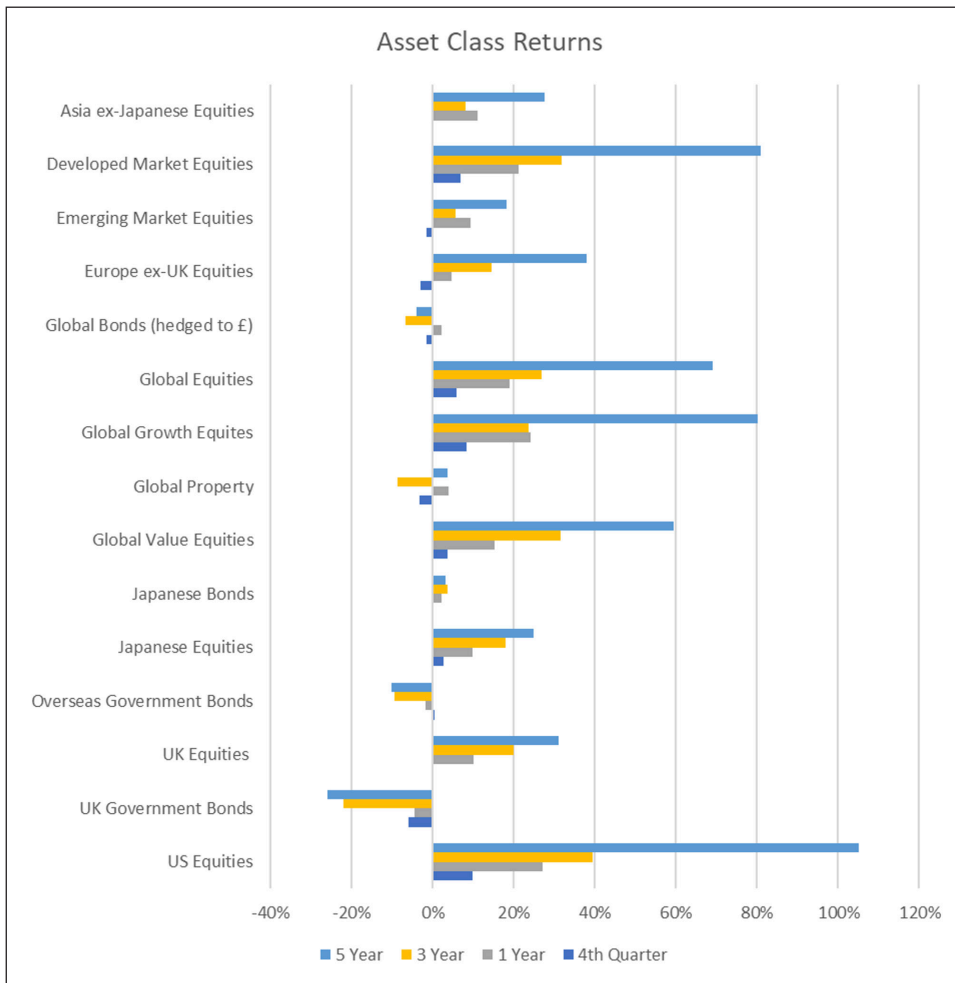
Country/region	GDP growth 2025		Unemployment rate 2025		Core inflation 2025	Monetary policy		
	Vanguard	Trend	Vanguard	NAIRU	Vanguard	Year-end '24	Year-end '25	Neutral rate
US	2.1%	2.7%	4.4%	4.5%	2.5%	4.5%	4%	3.5%
Euro area	0.5%	1.2%	6.9%	6.5%-7%	1.9%	3%	1.75%	2%-2.5%
UK	1.4%	1.2%	4.4%	4%-4.5%	2.4%	4.75%	3.75%	3%-3.5%
China	4.5%	4.2%	5.1%	5%	1.5%	1.4%	1.2%	4.5%-5%
Japan	1.2%	1%	2.4%	2.5%-3%	2.1%	0.5%	1%	0%

Source: Vanguard (2024)

Asset Class Returns

With 2024 now behind us, the markets enjoyed a relatively calm year overall. There was a spike in volatility in August, triggered by a perfect storm of US jobs data and the Bank of Japan's interest rate hike, which caused some carry trades to unwind unfavourably. However, this was just a brief blip that passed quickly.

The positive story of the year was the long-awaited return of fixed income, as central banks began gradually reducing interest rates. This shift also contributed to the resurgence of emerging markets, as cheaper debt spurred growth in companies within these regions. As we've frequently noted in our reports, the US continued to deliver strong returns, driving growth on a global scale¹³.



¹³ Proxies. Asia ex-Japanese Equities: Morningstar Asia Pacific ex-Japan Large-Mid Cap GR GBP; Developed Market Equities: Morningstar Developed Markets Target Market Exposure GR GBP; Emerging Market Equities: Morningstar Emerging Markets Target Market Exposure GR GBP; Europe ex-UK Equities: Europe ex-UK Equities: Morningstar Developed Europe Target Market Exposure GR GBP; Global Bonds: Global Bonds: Vanguard Global Bond Index Hedged Acc GBP in GB; Global Corporate Bonds (hedged £): Vanguard Global Bond Index Hedged Acc GBP in GB; Global Equities: Global Equities: Morningstar Global Markets GR GBP; Global Growth Equities: Global Growth Equities: Morningstar Global Growth Target Market Exposure GR GBP; Global Property: Global Property: Morningstar Global Real Estate GR GBP; Global Value Equities: Global Value Equities: Morningstar Global Value Target Market Exposure GR GBP; Japanese Bonds: Japanese Bonds: Morningstar Japan Treasury Bond TR GBP Hedged; Japanese Equities: Japanese Equities: Morningstar Japan GR GBP; Overseas Government Bonds: Overseas Government Bonds: iShares Overseas Government Bond Index (UK) D Acc in GB; UK Equities: UK Equities: Morningstar UK GR GBP; UK Government Bonds: Vanguard UK Government Bond Index Acc GBP in GB; US Equities: US Equities: Morningstar US Target Market Exposure TR GBP. Performance periods: 4th Quarter: 01/10/2024 -- 31/12/2024, Year: 31/12/2023 - 31/12/2024; 3 Year: 31/12/2021 - 31/12/2024, 5 Year: 31/12/2019 - 31/12/2024.

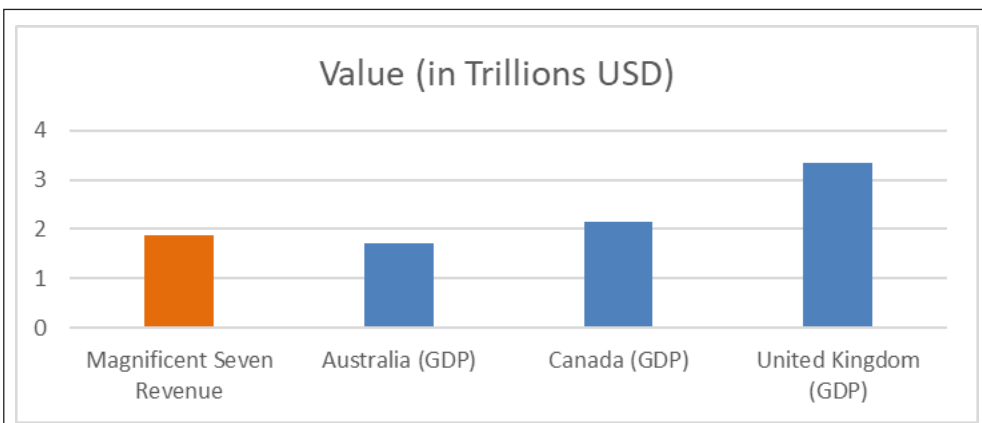
Developed markets leading the charge

For yet another year, the markets were dominated by the same seven stocks, which drove the majority of growth for both the US and global markets. The so-called 'Magnificent 7' continues to defy expectations, returning a collective 44.2%, compared to the rest of the S&P 500, which returned just 27.6% as of 27th November 2024.



Source: Reuters & LSEG (2024)

The "Magnificent Seven" stocks are undeniably dominating the US equity market, and their growing share of market capitalisation has raised concerns about overconcentration. While these companies hold significant weight in the US market, the story doesn't end there. These firms are global giants with extensive operations worldwide. Their combined revenues of \$1.88 trillion surpass Australia's GDP of \$1.72 trillion and come close to Canada's \$2.14 trillion GDP. While the UK's GDP stands higher at \$3.34 trillion, the scale of the Magnificent Seven's financial footprint is immense.



Source: GDP data from the World Bank, revenue data from company financial statements and Macrotrends (2024)

Equities

What makes these companies unique is their global footprint. They operate in hundreds of countries, generating substantial revenue from markets outside the US. Their products and services power industries in Europe, Asia, and beyond, making them truly global businesses. By investing in these stocks, you are not just gaining exposure to the US economy but also tapping into a diversified stream of global revenues.

Equity returns elsewhere in developed markets were solid. Japan had a recovery year after a long period of underperformance, thanks to the Bank of Japan's easing of monetary policy and the subsequent increase in investment. Europe, however, struggled and was a detractor from global markets in 2024, returning just 4.60%. Elections swept across Europe this year, causing general unrest and tensions. With no sign of a cease-fire in Ukraine and lingering issues from Russian energy dependence and supply chain disruptions, these factors continue to weigh on markets.

Finally, the UK had a positive year in the markets, following its own election cycle. UK equities returned 10.02% over the year, outperforming its European neighbours but still underperforming global markets more broadly. Some analysts, including those at Goldman Sachs¹⁴, have a positive view of UK markets after 2024. With solid dividends and low valuations, there is growing discussion about whether the UK may present a good opportunity for international investors.



Source: Timeline (2025)

This year's global returns highlight the importance of a diversified portfolio for investors. Not only does diversification allow them to benefit from the growth of other countries and lower portfolio volatility, but it also helps prevent overreliance on a single region.

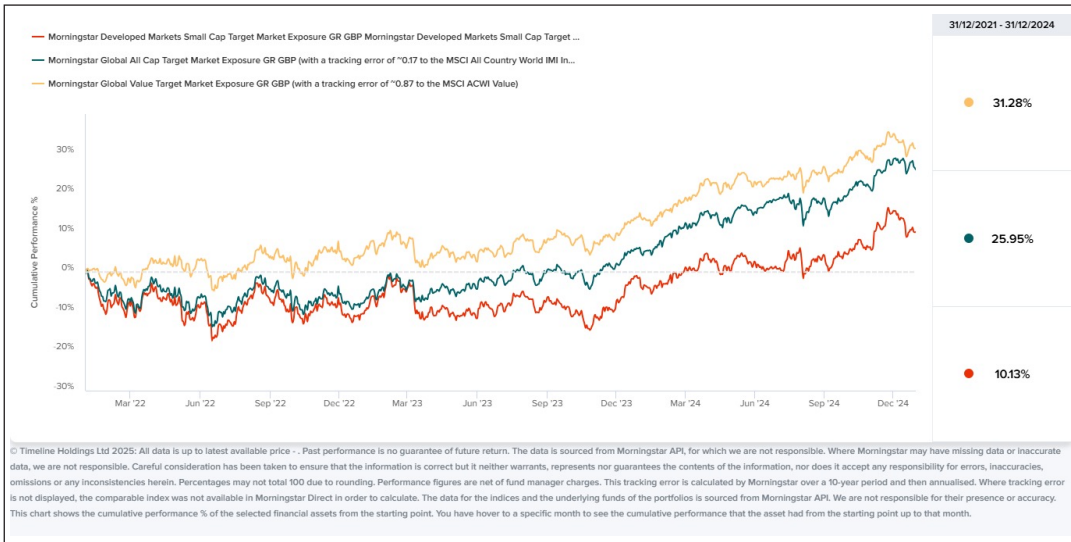
¹⁴ The bullish outlook for UK stocks, Goldman Sachs 2024.

Risk factors continuing their steady performance

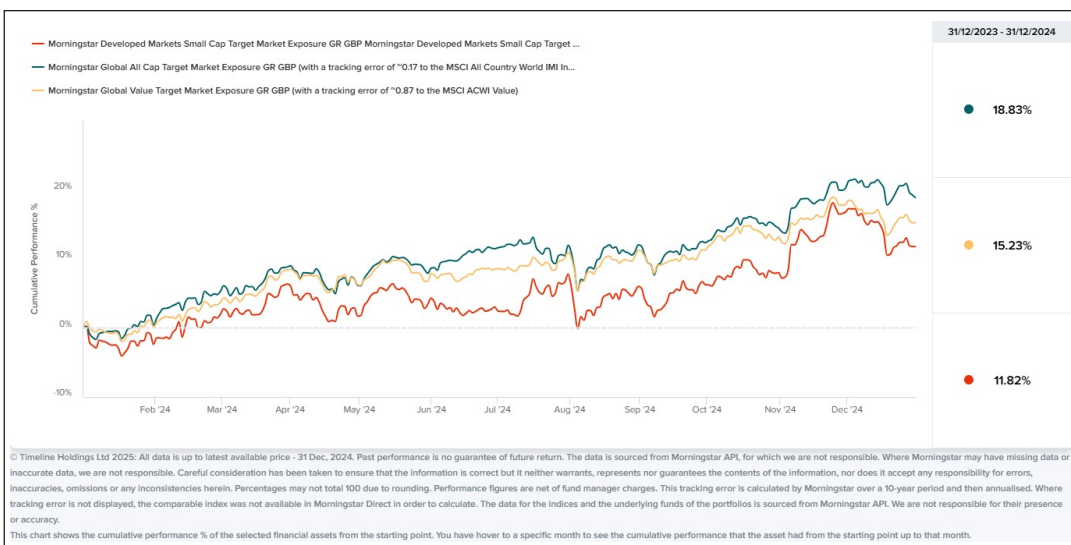


While the past decade has seen a monumental rise in favour of growth stocks, history and academic research still suggest that small and value factors tend to outperform over the long term. It should be noted that underperformance of growth is not always required for value to outperform, and often, under certain market conditions, both value and growth can show strong (or weak) performance. It's worth bearing in mind that the 'original' risk premium is the market itself, and both value and growth benefit from the power that this brings to the underlying securities.

Recently, these trends have emerged once again, with value stocks showing strong performance over the past three years and outperforming their growth counterparts. As illustrated in our graph below, value returned 31.28% over the period, compared to 25.95% for growth stocks. While the difference is notable, it is a positive sign for the value side of the markets and shows that sometimes, a little investor patience is rewarded. Over the past year, growth has outperformed, but there has been a similar positive trend for value stocks, with their performances very close until the last month of the year.



Source: Timeline (2025)



Source: Timeline (2025)

Equities

It's worth noting that small-cap stocks have faced challenges over the past few years. Small companies have had to navigate the impacts of COVID-19, supply chain disruptions, and high interest rates, making it a particularly difficult period. However, the outlook for 2025 appears more optimistic, with lower interest rate environments expected to ease access to debt and provide relief for smaller firms. This shift is reflected in the one-year performance graph, where small companies delivered a strong return of 11.82%, though they still underperformed the broader markets.

Resurgence in emerging markets

Emerging markets have faced significant headwinds in recent years, including high interest rates, political instability, and increased tariffs, causing them to lag behind their developed counterparts. In 2024, performance was mixed, with periods of high returns eventually giving way to generally flat markets as the year came to a close. Developed markets delivered an impressive 21.2% return compared to emerging markets' 9.33% for the year. While this may seem underwhelming, it marks a significant improvement from the 3.69% return achieved by emerging markets in 2023. Easing economic conditions could serve as a springboard for potential growth in the region throughout 2025.



Source: Timeline (2025)

Equities

Fixed Income

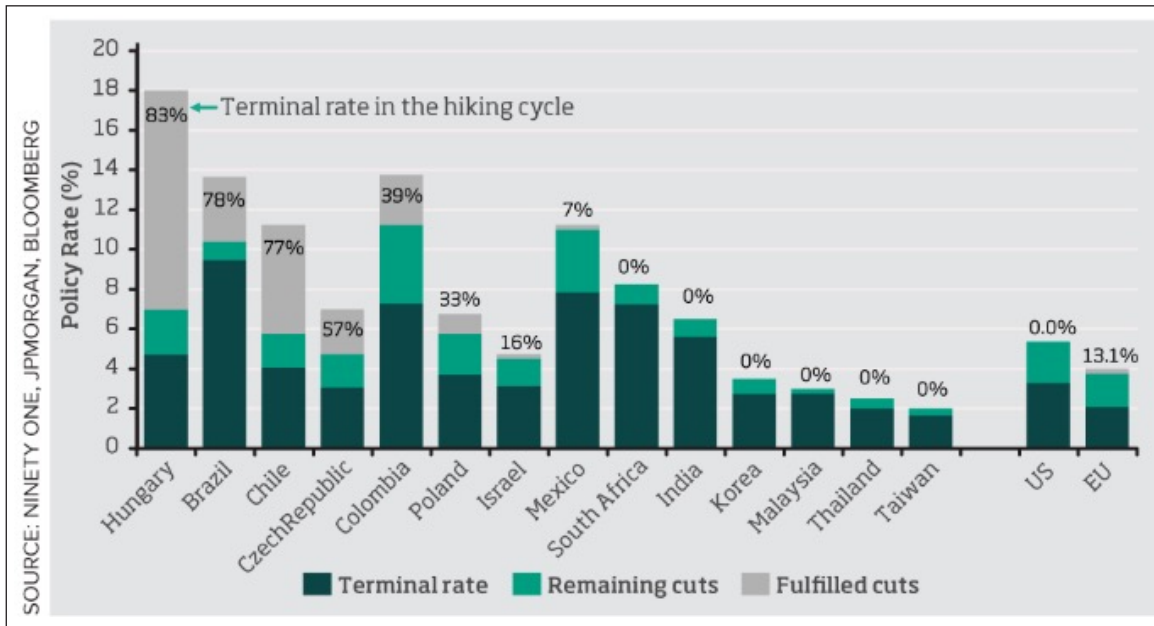
After several challenging years for the fixed income asset class, bonds finally staged a recovery in 2024. While they didn't achieve the high returns seen in equities, they delivered a respectable return of 3.32% for the year.

Central banks worldwide began the gradual process of lowering interest rates following the sharp hikes implemented during the COVID-19 pandemic. Notably, the UK and the US played significant roles in this trend, reducing their rates to 4.75% and 4.25-4.5%, respectively, by the end of 2024.



Source: Timeline (2025)

This trend wasn't confined to developed markets, as a global pattern emerged of central banks reducing their policy rates throughout the year. The graph below highlights various countries and their respective terminal rates. For fixed-income investors, 2024 has been a strong signal that the tides are finally turning. With further rate cuts anticipated in the coming year, this narrative is likely to continue evolving.



Source: Investment Week (2024)

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Digital Assets: well-behaved markets seldom make history

What can we say? Bitcoin has officially broken the \$100,000 mark. Perhaps we should start with congratulations? As of writing, Forbes estimates Bitcoin's market cap at \$1.93 trillion¹⁵ – a remarkable figure, though still dwarfed by the \$55.2 trillion US equity markets. 2024 created a perfect storm for digital assets, from Trump and El Salvador to meme-coins. So, what made 2024 the year of crypto?



Source: LSEG Workspace, Retrieved from Reuters, Dec. 5, 2024.
By Pasit Kongkunakornkul and Tom Westbrook.

Trump's stance on cryptocurrencies has, typically, shifted over time. However, during his election campaign and in his speech at the Bitcoin 2024 conference, he emphasised his newfound, unwavering support for the asset. His proposals, including a potential executive order to establish a Bitcoin stockpile¹⁶, reflect the growing momentum for pro-crypto regulation in the US. A key move signalling this shift was Trump's appointment of Paul Atkins to lead the Securities and Exchange Commission (SEC). Atkins, a long-time pro-crypto advocate, has been instrumental in shaping crypto policy, and his leadership has fuelled optimism about regulatory changes expected in 2025. There are even calls for the US to establish a crypto reserve—similar to gold reserves—to hedge against inflation over the long term. While this movement is still in its infancy in the US, other countries are further along in their crypto journeys.

¹⁵ Forbes, 2024.

¹⁶ US crypto industry eyes possible day-one Trump executive orders, Reuters 2024.

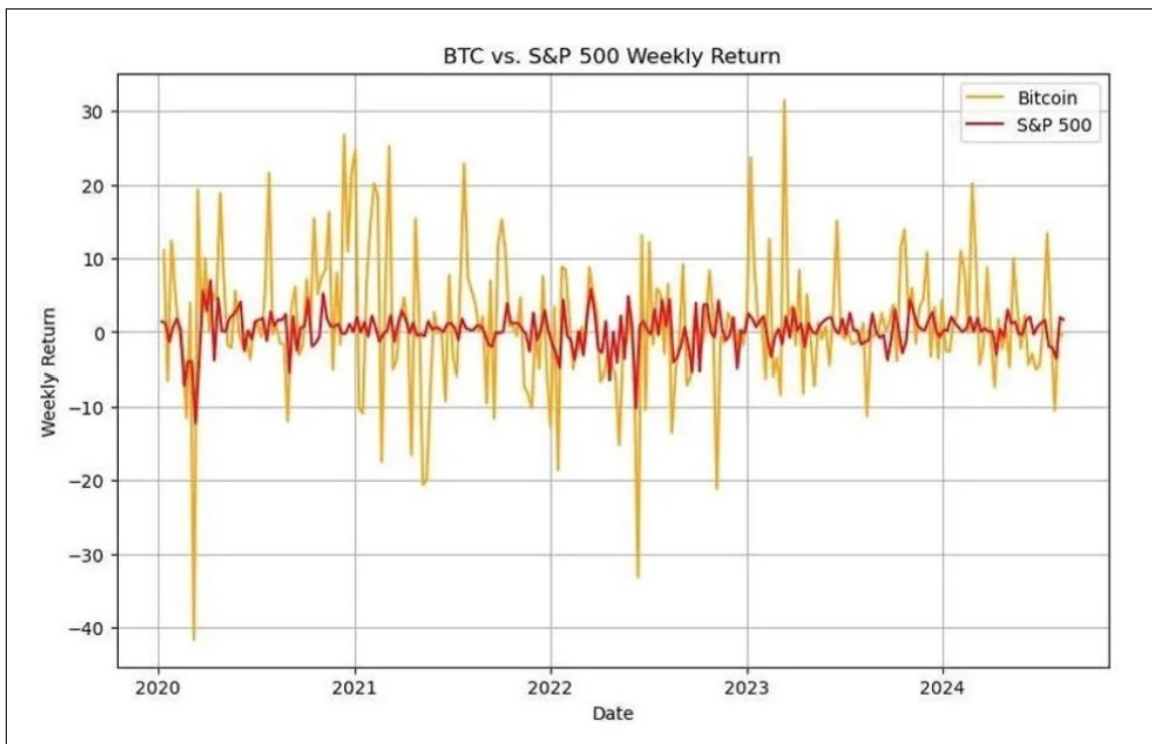
Equities



South and Central America have been integrating tokens into their financial systems over recent years. The Central Bank of Brazil (BCB), for example, planned to launch its own digital currency by the end of 2024, though this has now been delayed to 2025. El Salvador famously adopted Bitcoin as a legal tender in 2021, much to the IMF's dismay. While this experiment in Bitcoin legitimisation sparked global interest, it appears to have lost some momentum. In exchange for a \$1.3 billion loan programme from the IMF, El Salvador has agreed to scale back its Bitcoin adoption (Reuters¹⁷).

We remain sceptical about Bitcoin's place in investors' portfolios. For the average retail investor, the primary source of returns from this asset often relies on the "greater fool theory"—the hope (rightly or wrongly) that someone will buy your Bitcoin at a higher price than you paid. In reality, investors gain exposure to cryptocurrencies indirectly through global markets. Companies such as Tesla, MicroStrategy, Coinbase Global, and Fortune 500 hold significant crypto assets on their balance sheets.

Given Bitcoin's notorious volatility in recent years, it remains outside the risk tolerance of most retail investors for direct holdings. For those who wish to invest, the best advice is often to only allocate as much as you're comfortable losing. The chart below, sourced from Bloomberg, compares the volatility of weekly returns of the S&P 500 to Bitcoin's weekly returns. Hopefully, the data speaks for itself!



Source: Bloomberg (2024)

¹⁷ El Salvador to scale back bitcoin dreams to seal \$1.3bn IMF deal, FT 2024.

Portfolio Performance

Timeline Tracker

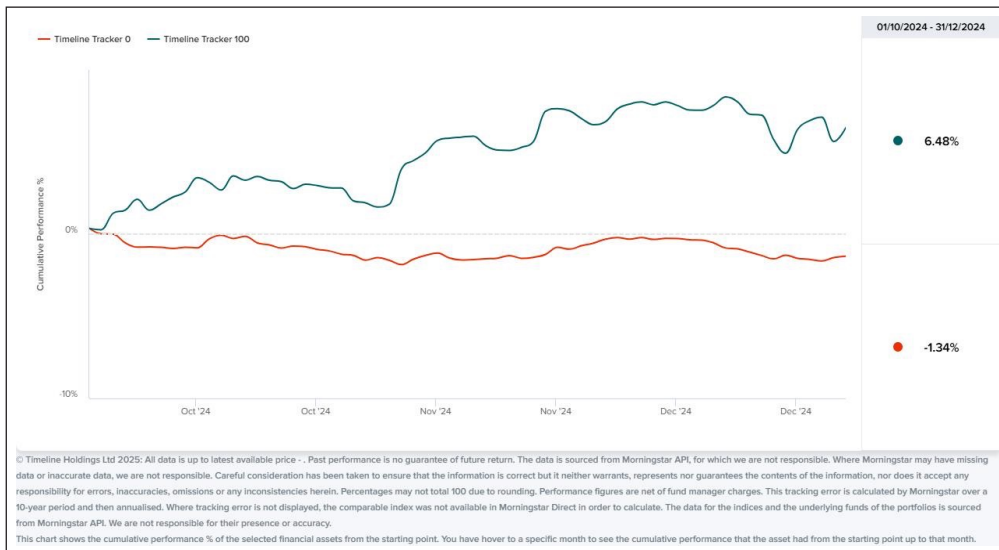
This year has been a positive one for global markets, and this has been reflected in the performance of our Timeline Tracker over the period. When reviewing one-year returns, the equity portion of the portfolio, Tracker 100, has successfully achieved its goal of effectively capturing global market returns. With a return of 19.37%, it reflects the positive sentiment in the markets and the growing investor confidence heading into the new year.

The fixed income portion has continued to provide steady returns on the defensive side of our portfolios, as measured by the Tracker 0 model. However, with inflation proving stickier than anticipated, central banks opted for a gradual, laddered approach to interest rate adjustments rather than making drastic changes. Despite this, fixed income performance dipped in the final quarter, closing December with returns of -1.34%.

With inflation currently hovering just above the 2% target in the UK and interest rates at 4.75%, there is optimism for fixed income in 2025 as conditions appear to stabilise and improve for the asset class.



Source: Timeline (2025)



Source: Timeline (2025)



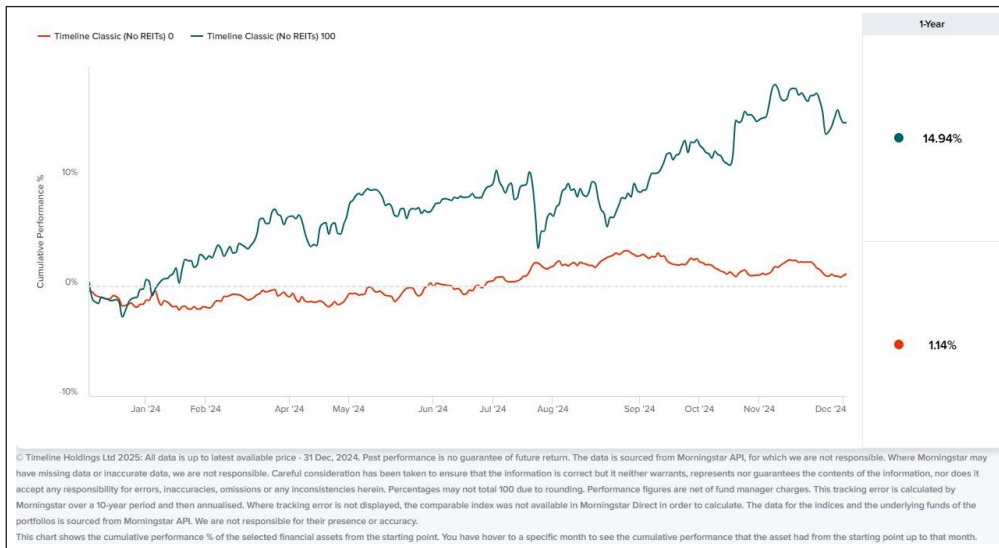
Portfolio Performance

Timeline Classic

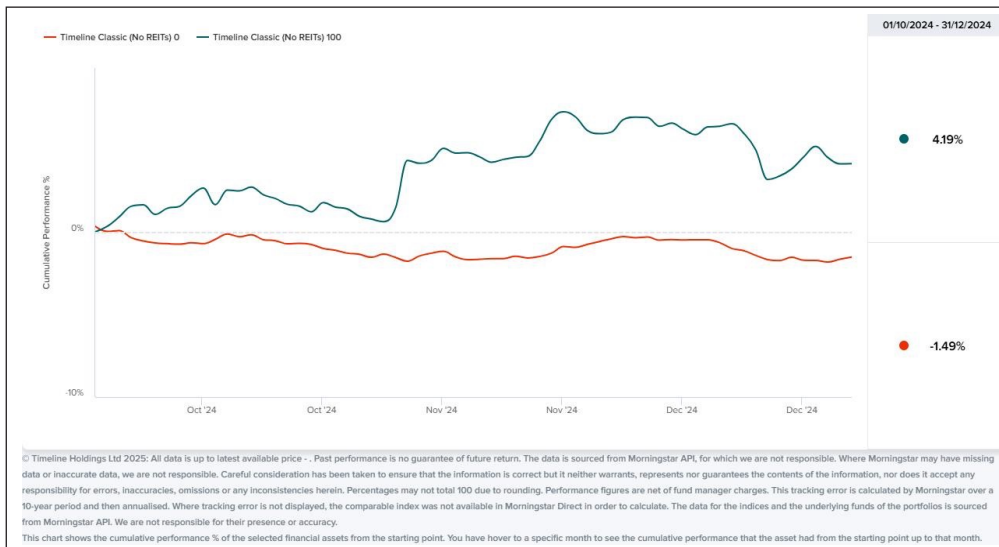
The Classic portfolios have performed well over the past 12 months in line with global markets. However, due to the range's tilt towards small-cap, value, and emerging markets, they have slightly underperformed their Tracker counterparts. The Classic 100 model returned 14.94% over the past year. This slight underperformance compared to the Tracker range is primarily attributed to the strategy's overweighting of risk premiums.

Value stocks have maintained solid performance over the past year, slightly trailing their growth counterparts. However, the small-cap and emerging markets sectors faced challenges, which contributed to the overall lag in the Classic portfolios' performance.

On the fixed income side of the Classic range, over the year the 0 model returned a promising 1.14%. With the range's tilt towards the slightly shorter maturity end of the spectrum, the reduction in interest rates has favoured bonds with a longer maturity. This had a knock-on effect, with the 0-model returning -1.49% over the last quarter.



Source: Timeline (2025)



Source: Timeline (2025)

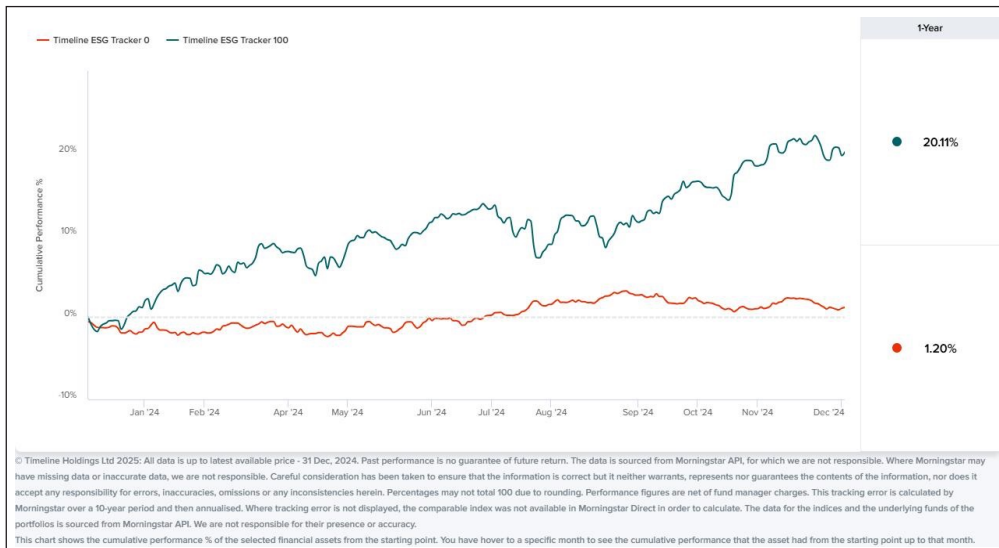


Portfolio Performance

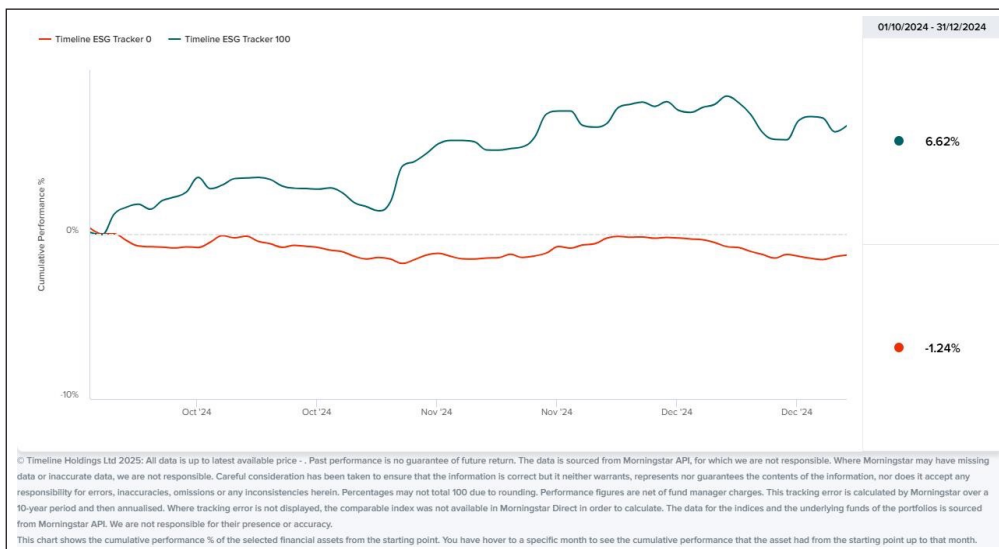
Timeline ESG Tracker The ESG Tracker range benefited significantly from the positive market trends of 2024, much like its non-ESG counterpart. The ESG Tracker 100 delivered an impressive annual return of 20.11%, making it the highest-performing portfolio among our 'core' ranges.

While maintaining global markets as its foundation, the ESG portfolios place additional emphasis on securities with higher ESG ratings and underweight those with lower scores on these ESG metrics. This strategic tilt, combined with another strong year for technology stocks, contributed to the portfolio's exceptional performance, as the overweight to this sector proved particularly advantageous.

As with the broader Timeline Tracker range, the ESG Tracker's fixed-income holdings closely mirrored the performance of the wider global markets. The defensive portion of the portfolio posted a 1.2% annual return, though performance in the final quarter detracted slightly from the overall result.



Source: Timeline (2025)



Source: Timeline (2025)



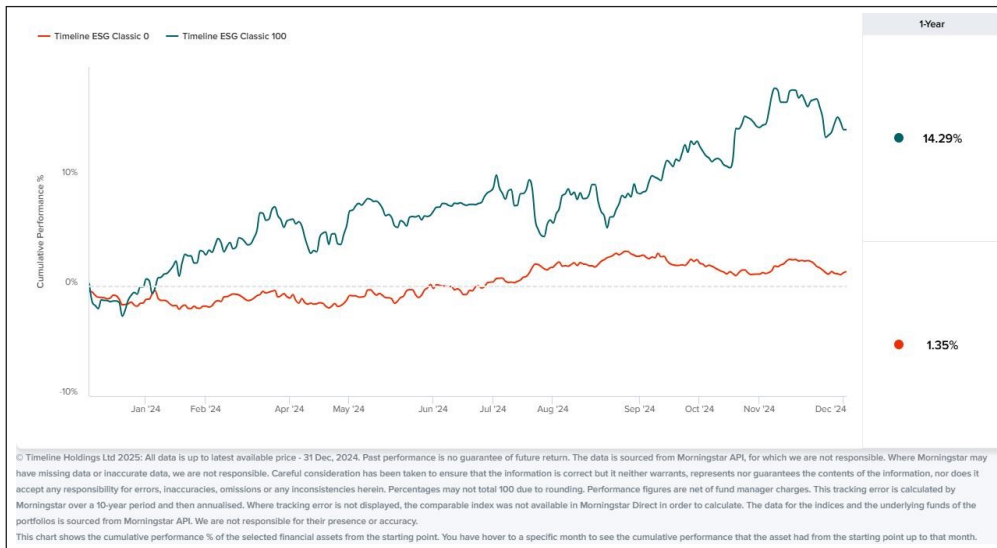
Portfolio Performance

Timeline ESG Classic

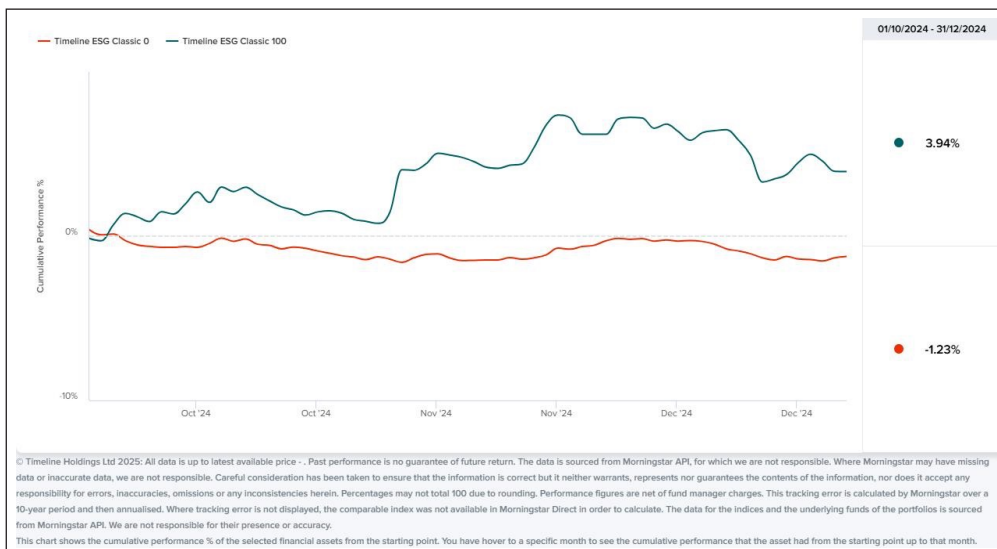
The ESG Classic range delivered a 14.29% return for 2024, performing in line with the non-ESG Classic range.

Again, the portfolios overweighting to the small-cap portion of the market has caused a dampener on returns as the large-cap tech stocks have once again driven equity market performance in 2024.

The fixed income portion of the portfolio has mirrored the Classic range with a return of 1.35% for 2024. The ESG Classic 0 portfolio suffered, like the other core ranges, in the final quarter of the year leading to a return of -1.23%.



Source: Timeline (2025)



Source: Timeline (2025)



Final Thoughts

While 2024 was a year filled with events destined for the history books, it proved to be a steady and relatively quiet year for markets. Our philosophy remains steadfast: we don't attempt to predict future market movements. Instead, we focus on helping you achieve your financial goals and stay invested—a challenge that some may find daunting as we step into 2025.

Some market commentators may like to pontificate as if they know all the answers, but 2025 is truly an unknown playing field. Trump will begin settling into his old chair in the Oval Office and enacting some of the promises he made on the campaign trail. While not all of these pledges may materialise, their potential impact—particularly proposed tariffs, immigration changes, and domestic policies—will be closely watched worldwide. On the global stage, calls for ceasefires and peace will continue as conflicts show little sign of resolution early in the year.

The year ahead promises to be one filled with opportunities, excitement, and trepidation. We like to remind investors that this is all par for the course. Volatility will likely rear its head in 2025 and bring with it some movement in markets. It's more important than ever to remember to stay the course and remain invested; with a well-designed and evidence-based strategy, volatility is only a short-term effect in the markets.

THANKS 🍍

We would like to thank all those reading this for your continued support. It's our mission to help the people we work with, plan, invest and retire with confidence, and our success is down to the clients who put their faith in our strategies and engage with us on a regular basis. They are reaping the rewards of our long-term relationship. We wish you all a happy and prosperous new year - may 2025 truly be the best one yet!

THANKS 🍍
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