Vanilla Blue Chip Portfolio

Investing at its simplest

July 2026

Blue Chip – Invest in Stability, Grow with the Best

Why the Blue Chip Portfolio Stands Apart

- *Invests in established large cap companies*
- *With global revenue streams*
- *Are active participants in today's mega trends*

The stock selection framework

- *We start by identifying the 4 most promising GIC sectors from the full set of 11 sectors.*

- *The top 4 sectors are selected based on a blend of a Macro Economic, Market Trend & Market Sentiment trading signal.*

- *Within each sector, 5 stocks are selected based on their market cap and blended trading signal score.* ***If the portfolio holds a winning stock from an out of favour sector, our algorithm on occasion will retain that position****.*

- *Our selection process has a discretionary override, allowing the investment team to be reactive to changes in the markets.*

- *The portfolio is constructed using these stocks along with a core position in Berkshire Hathaway.*

CATERPILLAR®

COLGATE-PALMOLIVE

Alibaba Group 阿里巴巴集团

ExxonMobil

Walmart

mercado libre

ConocoPhillips

GE VERNOVA

PETROBRAS

Canadian Natural

BERKSHIRE HATHAWAY INC.

Chevron

THE HOME DEPOT

amazon

P&G

Parker

TJX

tsmc

RTX

T

Coca-Cola

Alphabet

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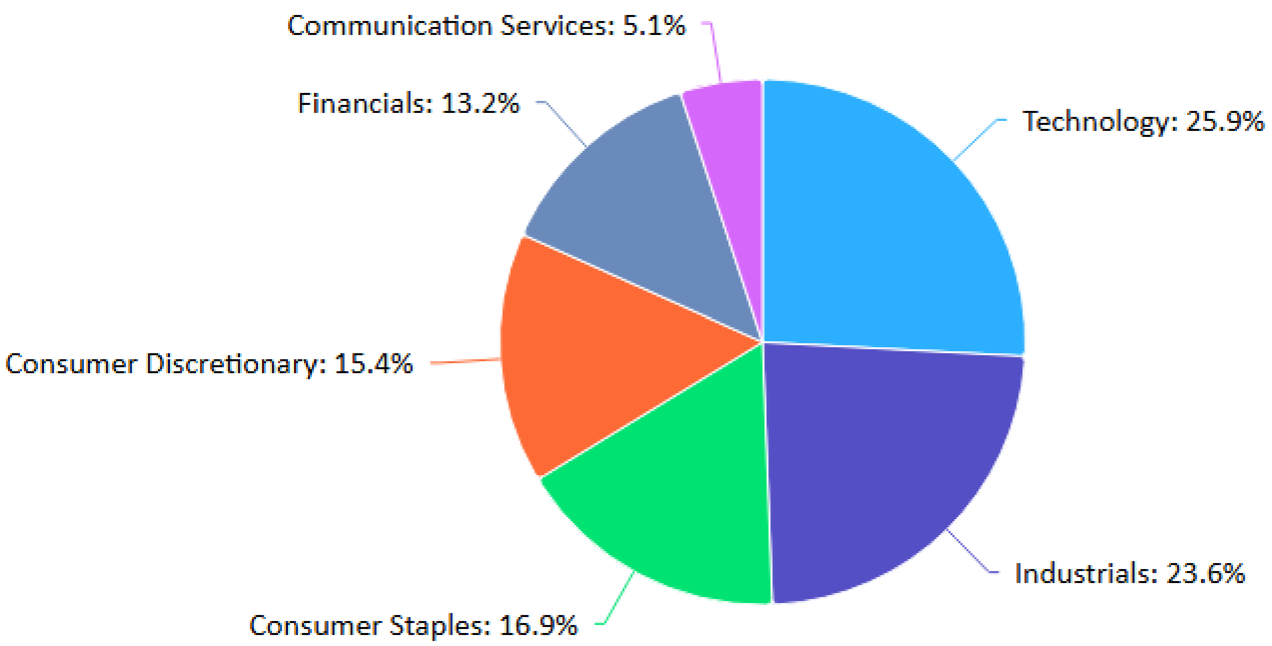
Current Holdings

Stock Name	Symbol	Sector	Asset Region	Weights
Berkshire Hathaway Inc.	BRK-B	Financials	United States	13.2%
Caterpillar Inc.	CAT	Industrials	United States	7.5%
Taiwan Semiconductor Manufacturing Company Limit	TSM	Technology	Taiwan	6.3%
GE Aerospace	GE	Industrials	United States	5.3%
Apple Inc.	AAPL	Technology	United States	5.3%
Microsoft Corporation	MSFT	Technology	United States	5.2%
Alphabet Inc.	GOOG	Communication Services	United States	5.1%
ASML Holdings	ASML	Technology	Netherlands	5.0%
GE Vernova Inc.	GEV	Industrials	United States	4.8%
Amazon.com, Inc.	AMZN	Consumer Discretionary	United States	4.8%
Lam Research Corporation	LRCX	Technology	United States	4.1%
Walmart Inc.	WMT	Consumer Staples	United States	4.1%
Costco Wholesale Corporation	COST	Consumer Staples	United States	4.0%
The Procter & Gamble Company	PG	Consumer Staples	United States	3.9%
RTX Corporation	RTX	Industrials	United States	3.8%
The Coca-Cola Company	KO	Consumer Staples	United States	3.0%
The Home Depot, Inc.	HD	Consumer Discretionary	United States	2.9%
Alibaba Group Holding Limited	BABA	Consumer Discretionary	China	2.7%
The TJX Companies, Inc.	TJX	Consumer Discretionary	United States	2.7%
MercadoLibre, Inc.	MELI	Consumer Discretionary	Uruguay	2.4%
Parker-Hannifin Corporation	PH	Industrials	United States	2.1%
Colgate-Palmolive Company	CL	Consumer Staples	United States	1.9%

Source: Leverage Shares – 30 Jun 2026

Equity Sector Allocations



Source: Leverage Shares – 30 Jun 2026

Industrials Trends

Industrials Sector

Economic Role

- Includes aerospace, defence, construction, and manufacturing that build and maintain essential infrastructure.
- Drives economic efficiency through the development of automation and advanced machinery.
- Source of high-skilled labour demand and a major contributor to national GDP.

Key Drivers

- Government-led initiatives in transportation, power grids, and public works directly boost sector order books.
- Increased global security concerns lead to sustained, long-term contracts for aerospace and defence firms.
- The adoption of "Industry 4.0" (IoT, AI, and robotics) is redefining manufacturing margins and output.

Investment Take

- Typically excels as economic recoveries mature and businesses increase Cap Ex .
- Offers a blend of stable, long-term defence contracts and cyclical, growth-oriented construction and logistics plays.
- Highly responsive to global trade policies, supply chain fluidity, and raw material costs.

Information Technology Trends

Information Techology Sector

Economic Role

- A key engine of global growth, fuelled by innovation and digital transformation
- Global IT spend projected to grow 9.3% in 2025

Key Drivers

- AI boom: AI spend growing at 29% CAGR (2024–2028)
- Cloud computing: Driving recurring revenue and infrastructure demand
- Cybersecurity: Rising threats push defensive tech investment
- Semiconductors: Shift toward AI infrastructure creates new demand curves

Investment Take

- Highest 5-year growth potential among major sectors
- High sensitivity to interest rates and macro slowdowns
- Outperforms in early/mid economic cycles, lags in recessionary phases

Consumer Discretionary Trends

Consumer Discretionary Sector

Economic Role

- Comprises providers of non-essential goods and services
- A reliable indicator of consumer confidence and economic momentum
- Spending in this sector rises with disposable income and employment gains

Key Drivers

- Interest rates directly affect consumer credit and corporate financing
- E-commerce reshaping retail ecosystems and distribution strategies
- Growth of personalization and direct-to-consumer models strengthens engagement and data-driven strategies

Investment Take

- Most economically sensitive sector among the four analysed
- Low inflation resistance; demand softens when consumer budgets tighten
- Excels in early economic expansions, lags in late/recessionary phases

Communication Services Trends

Communication Services Sector

Economic Role

- Sector Evolution undergoing dynamic change
- 5G expansion
- AI integration
- Digital infrastructure investments

Key Drivers

- Telecom - media convergence reshaping the landscape
- Surge in streaming and digital content transforming consumer engagement
- Digital transformation redefining operational strategies

Investment Take

- Moderate economic sensitivity with inflation resilience
- Balanced mix of growth platforms and defensive telecom plays
- Infrastructure tailwinds via Fixed Wireless Access (FWA) and 5G Advanced rollout

Consumer Staples Trends

Consumer Staples Sector

Economic Role

- Produces essential everyday goods like food, beverages, and household items
- Offers stable demand across all economic conditions
- Known for its defensive profile – a stronghold during volatility

Key Drivers

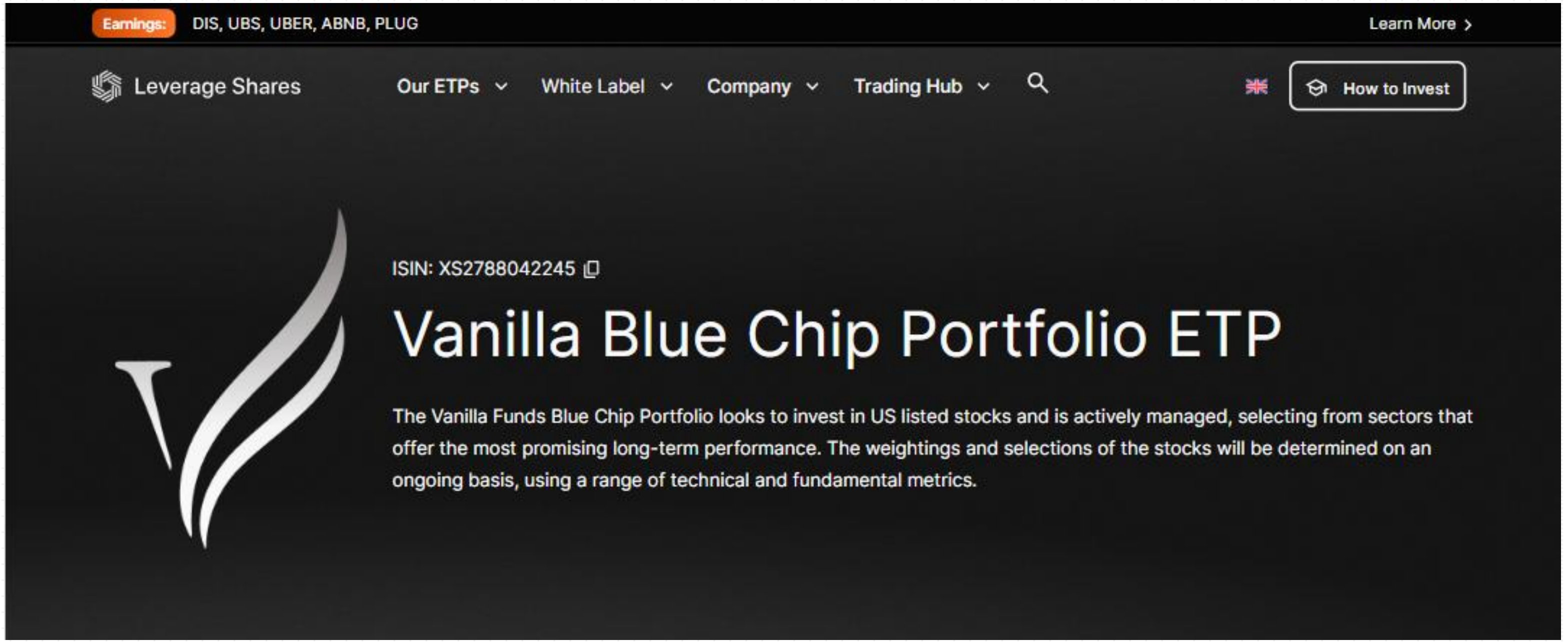
- Cycle-resilient sales: Demand holds up even in downturns
- Inflation protection: Companies often pass rising costs onto consumers
- Sustainability push: Shaping product innovation and packaging choices

Investment Take

- Lowest economic sensitivity among major sectors
- Highest inflation resistance, ideal for hedging uncertainty
- Strong performance during late-cycle and recession phases
- Firms focusing on supply chain resilience to maintain reliability

Source: See Appendix

Listed on The London Stock Exchange



Vanilla Blue Chip Portfolio

Stock Selection Methodology

US Equity Sector Selection

The Stylized Facts

The Multi-Model Approach

- To make informed investment decisions, we begin by identifying the four most promising GICS sectors from the full set of eleven.
- This first step ensures we're narrowing our focus to the sectors with the highest potential based on a wide spectrum of economic and market data.
- Our selection framework combines a Macro Economic Machine Learning Model and a Market Trend signal.
- This dual approach allows us to harness both deep economic insights and real-time market dynamics.
- By combining predictive analytics with trend-following techniques, we're able to identify the top four sectors that are best positioned for growth.

The Stylized Facts

Sector	Style	Opportunities	Risks	Key Drivers
Technology (XLK)	Growth	High revenue and earnings growth from innovation	Valuation volatility, especially with rising interest rates	Digital transformation, AI, cloud computing, consumer tech
Consumer Discretionary (XLY)	Growth, Cyclical	Strong growth during economic expansions	Vulnerable to economic downturns and inflation impacts	E-commerce, travel recovery, lifestyle trends
Consumer Staples (XLP)	Defensive	Stability and resilience during downturns	Limited growth in bull markets, sensitive to commodity prices	Population growth, demand in emerging markets, consistent cash flows
Energy (XLE)	Value, Cyclical	Strong returns during rising oil prices and geopolitical instability	High sensitivity to price volatility, regulatory and ESG risks	Global energy demand, OPEC policies, renewable energy trends
Financials (XLF)	Value, Cyclical	Benefit from rising interest rates	Exposure to credit cycles and regulatory changes	Interest rates, M&A activity, digitization of financial services
Health Care (XLV)	Defensive, Growth	Resilience in downturns, long-term growth from demographics and innovation	Regulatory challenges, drug pricing reforms	Aging population, biotech advancements, demand for services
Industrials (XLI)	Cyclical, Value	Gains from economic recovery and infrastructure spending	Sensitive to global trade uncertainties and economic slowdowns	Infrastructure investments, automation, defense spending
Materials (XLB)	Cyclical, Value	Benefit from rising commodity prices and industrial growth	Vulnerable to economic slowdowns and commodity price volatility	Infrastructure projects, emerging market growth, ESG-driven innovations
Real Estate (XLRE)	Income, Defensive	Steady REIT dividends, inflation protection via property value appreciation	Interest rate sensitivity, property demand declines during downturns	E-commerce logistics, urbanization, housing demand
Communication Services (VOX)	Growth, Defensive	Cash flow from telecoms and growth in digital media and streaming	Regulatory scrutiny, competition in digital platforms	5G rollout, streaming growth, advertising recovery
Utilities (XLU)	Defensive, Income	Resilience during downturns, consistent dividend payouts	Interest rate sensitivity, regulatory risks	Decarbonization, renewable energy, steady utility demand

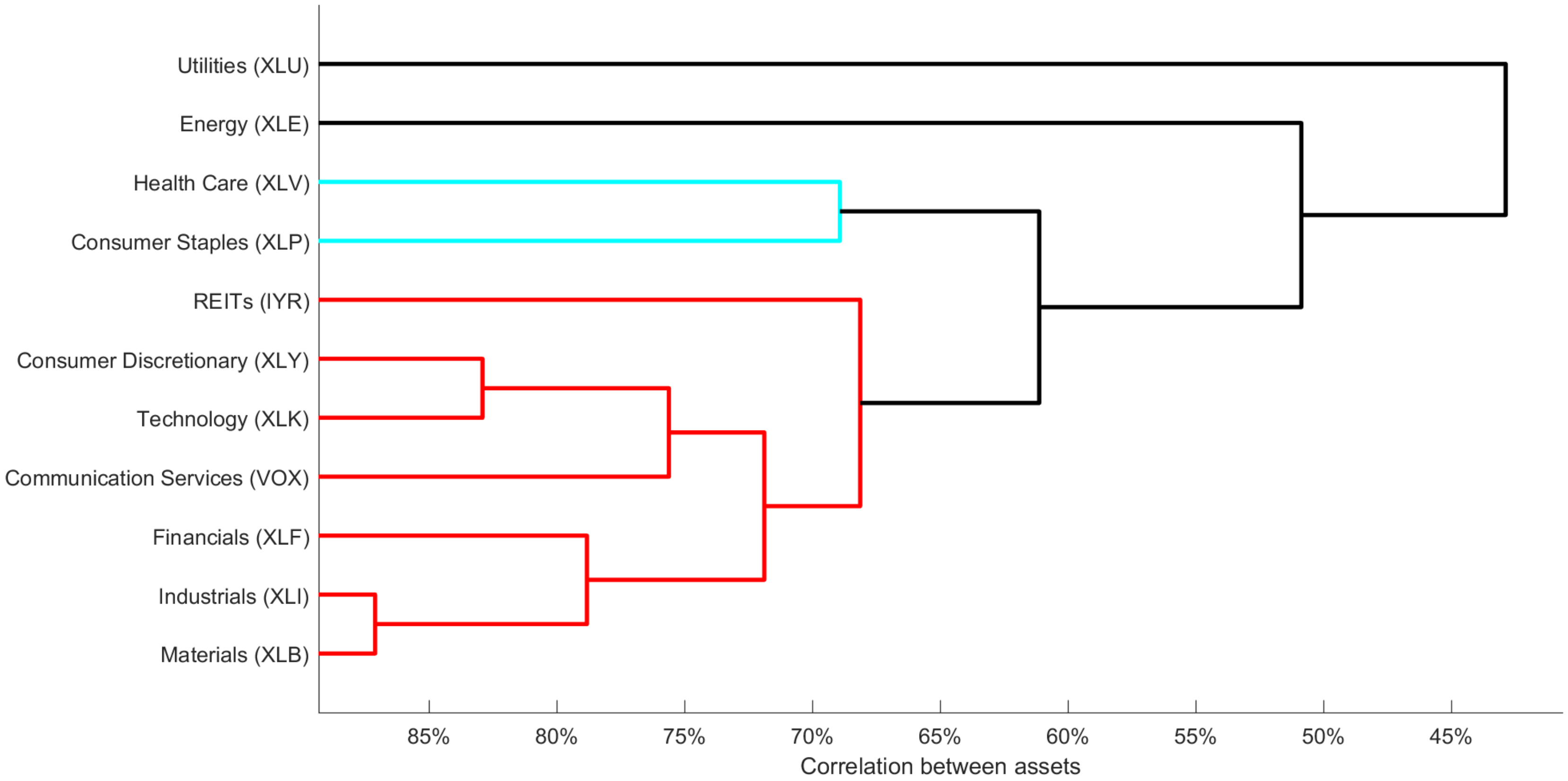
US Sector ETFs – 20+ Year Returns

Sector (Ticker)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	21 Year Return
Technology (XLK)	-0.32%	12.15%	15.45%	-41.51%	51.32%	11.39%	2.61%	15.29%	26.24%	17.84%	5.47%	15.01%	34.26%	-1.68%	49.86%	43.62%	34.74%	-27.73%	56.02%	9.87%	24.61%	1505.48%
Health Care (XLV)	6.40%	7.04%	7.15%	-23.32%	19.50%	3.29%	12.38%	17.36%	41.39%	25.12%	6.82%	-2.77%	21.76%	6.27%	20.44%	13.30%	26.04%	-2.09%	2.07%	9.88%	14.50%	683.26%
Consumer Discretionary (XLY)	-6.57%	18.41%	-13.67%	-32.97%	40.57%	27.46%	5.99%	23.59%	42.74%	9.46%	9.90%	5.97%	22.82%	1.58%	28.39%	29.63%	27.93%	-36.28%	39.64%	-0.60%	7.37%	589.78%
Consumer Staples (XLP)	2.84%	14.49%	12.69%	-15.02%	14.27%	13.78%	14.09%	10.72%	26.31%	15.72%	6.87%	4.98%	12.98%	-8.07%	27.43%	10.11%	17.20%	-0.82%	-0.82%	17.98%	1.52%	511.09%
Industrials (XLI)	2.75%	13.52%	13.49%	-38.73%	22.03%	27.82%	-1.10%	14.92%	40.55%	10.36%	-4.32%	20.00%	23.98%	-13.25%	29.08%	10.91%	21.08%	-5.58%	18.13%	12.92%	19.35%	617.74%
Utilities (XLU)	16.39%	20.90%	18.42%	-28.91%	11.71%	5.30%	19.64%	1.04%	13.06%	28.75%	-4.93%	16.07%	12.05%	3.94%	25.93%	0.51%	17.70%	1.43%	-7.18%	29.38%	16.03%	563.57%
Materials (XLB)	4.08%	18.26%	22.19%	-44.05%	48.15%	20.56%	-10.92%	14.69%	25.99%	7.18%	-8.69%	16.80%	24.01%	-14.88%	24.13%	20.46%	27.44%	-12.23%	12.46%	6.87%	9.94%	415.83%
Energy (XLE)	40.13%	18.05%	36.84%	-38.98%	21.69%	21.72%	2.79%	5.17%	26.25%	-8.68%	-21.50%	28.03%	-0.89%	-18.22%	10.66%	-32.67%	53.28%	64.25%	-0.60%	7.43%	7.88%	348.92%
Communication Services (VOX)	2.01%	36.69%	5.11%	-38.57%	29.49%	19.54%	-2.16%	16.56%	24.28%	4.03%	2.70%	22.78%	-5.50%	-16.75%	28.03%	29.12%	13.83%	-38.85%	44.81%	19.90%	26.27%	414.22%
Financials (XLF)	6.79%	19.57%	-18.68%	-54.47%	18.17%	12.17%	-16.82%	28.96%	36.03%	15.50%	-1.33%	51.33%	22.00%	-13.06%	31.88%	-1.74%	34.80%	-10.60%	12.03%	21.26%	14.90%	307.78%
REITs (IYR)	8.95%	34.91%	-18.15%	-39.88%	30.58%	26.54%	5.55%	18.21%	1.16%	26.69%	1.62%	7.01%	9.31%	-4.33%	28.21%	-5.23%	38.74%	-25.51%	11.89%	12.84%	3.38%	256.18%

- 11 US Equity ETFs tracking GIC sector benchmarks
- The performance across sectors displays considerable dispersion
- Note, post 2016, the Technology sector dominates the performance tables

Source: Algo-Chain, returns in USD from 31 Dec 2004 to 31 Dec 2025.

Sector Diversification



The dispersion among the different sectors can help in choosing trending sectors

Source: Algo-Chain, correlations based on returns in USD from 31 Dec 2004 to 31 Dec 2025.

Multi-Model Trading Signals

Sector Selection

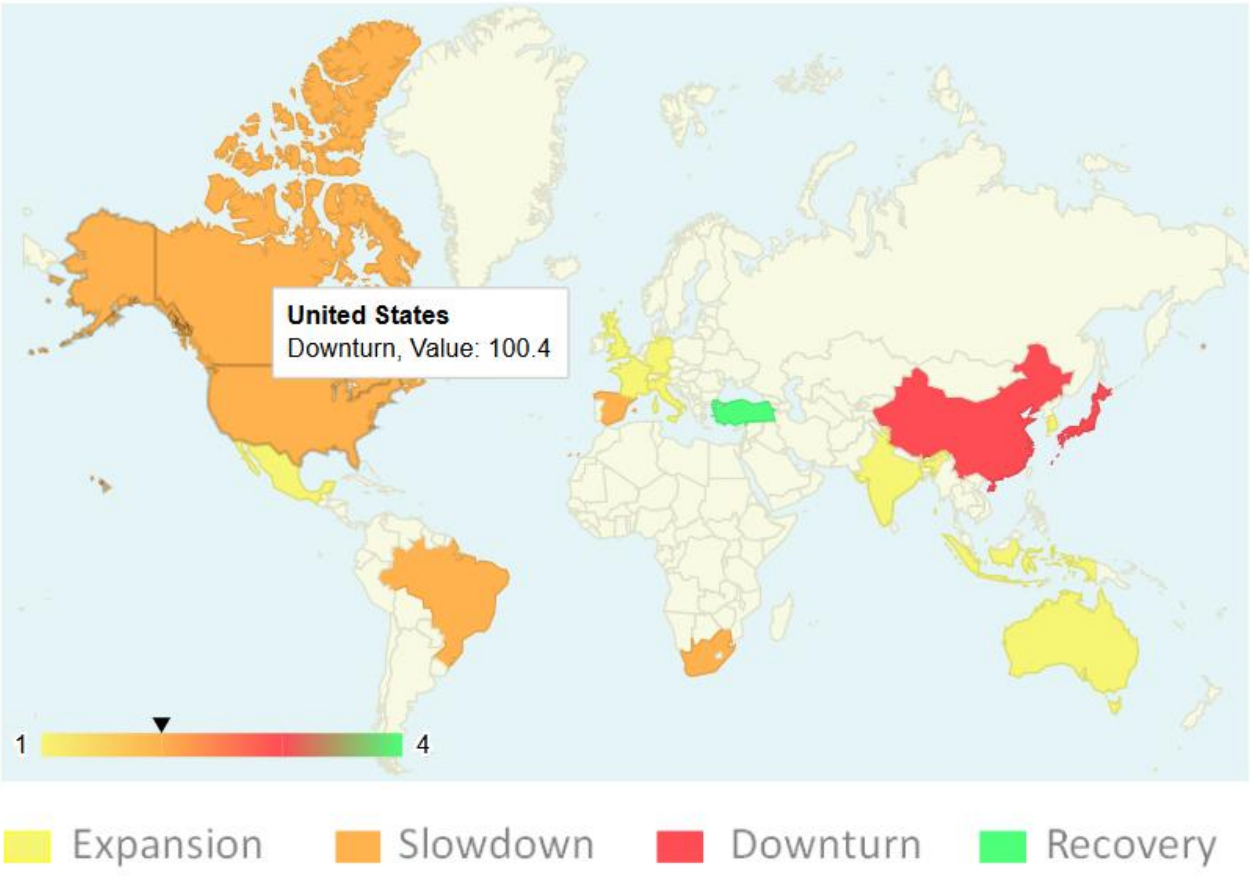
Macro Economic

The OECD has developed a system of composite leading indicators to provide early signals of turning points in overall economic activity.

The calculations work on the basis that a set of leading indicators for a given country can provide early signals of turning points in economic activity.

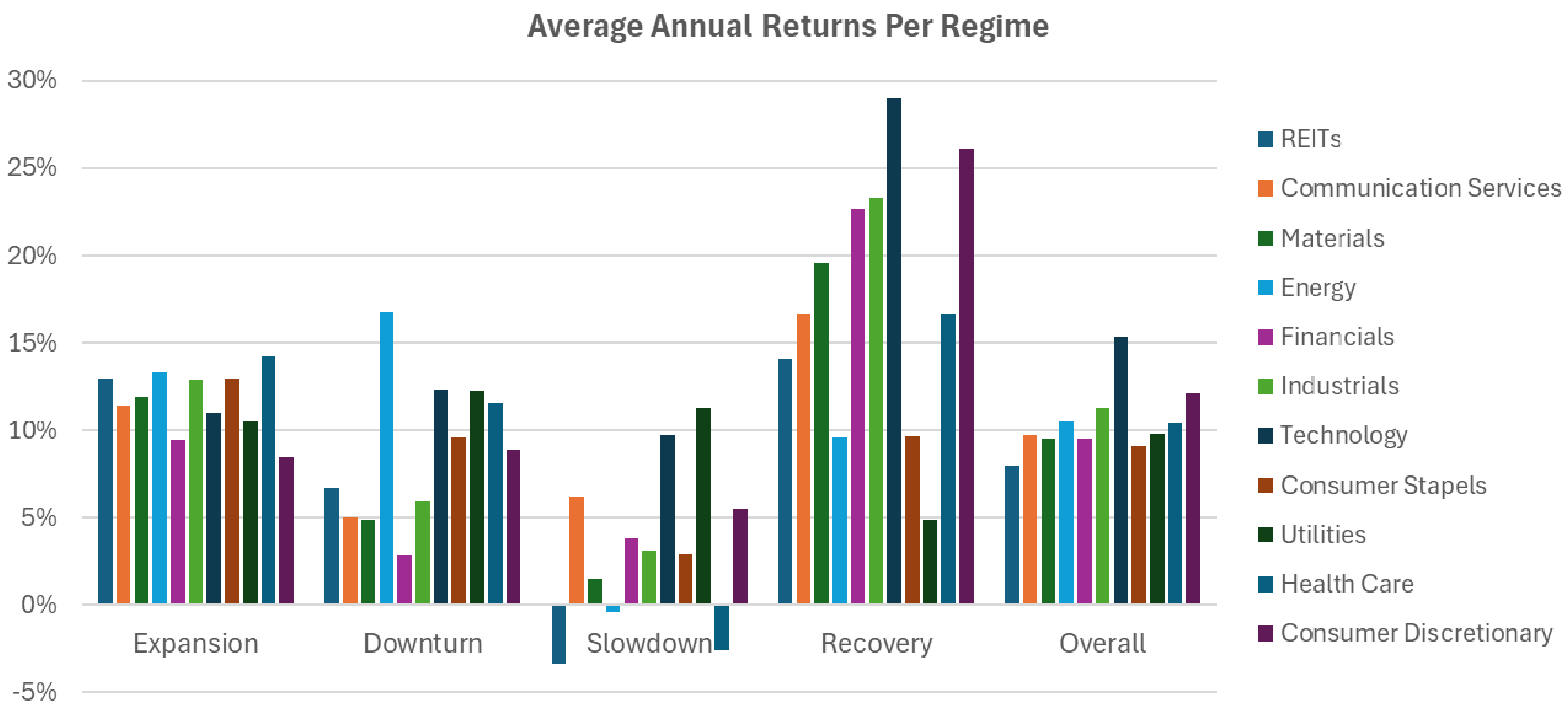
The indicators are based on consumer and business sentiment, estimates of economic activity and other macro economic and monetary factors.

OECD Macro-Economic Heatmap



Source: Algo-Chain 30 Sep 2025

Macro Economic Cycle vs Sector Returns



Based on the monthly data packs issued by the OECD, Algo-Chain's machine learning model is used to rank which US sectors offer the most promising investment opportunities

Source: Algo-Chain, OECD, all returns in USD from 31 Dec 2004 to 31 Dec 2025.

Market Trend Signals

Fund Name	Ticker	Asset Class	Date	Z	Z*	R	R*	M	M*	MS	MS*
iShares U.S. Real Estate ETF	IYR_US	Alternative	25 Nov 2024	2.00	1.98	71.87	68.08	1.42	1.33	1.40	1.40
Financial Select Sector SPDR Fund	XLF_US	Equity	25 Nov 2024	2.00	2.00	77.16	76.16	1.61	1.55	1.13	1.09
Industrial Select Sector SPDR Fund	XLI_US	Equity	25 Nov 2024	2.00	2.00	73.33	72.12	3.51	3.38	2.71	2.65
Consumer Staples Select Sector SPDR Fund	XLP_US	Equity	25 Nov 2024	2.00	1.90	75.42	73.91	0.68	0.61	0.53	0.52
Utilities Select Sector SPDR Fund	XLU_US	Equity	25 Nov 2024	2.00	2.00	70.43	70.23	1.79	1.73	1.69	1.68
Consumer Discretionary Select Sector SPDR Fund	XLY_US	Equity	25 Nov 2024	2.00	2.00	79.67	78.04	6.97	6.70	4.63	4.44
Vanguard Communication Services ETF	VOX_US	Equity	25 Nov 2024	1.75	1.74	74.08	72.49	4.09	4.01	2.98	2.89
Materials Select Sector SPDR Fund	XLB_US	Equity	25 Nov 2024	1.72	1.42	68.40	65.23	0.89	0.82	0.82	0.81
Technology Select Sector SPDR Fund	XLK_US	Equity	25 Nov 2024	1.35	1.38	65.37	66.07	4.22	4.11	2.95	2.85
Health Care Select Sector SPDR Fund	XLV_US	Equity	25 Nov 2024	0.06	-0.28	56.00	52.33	-0.43	-0.47	-0.07	-0.04
Energy Select Sector SPDR Fund	XLE_US	Equity	25 Nov 2024	-0.27	-0.12	65.27	76.48	1.62	1.54	0.55	0.46

Algo-Chain's suite of market trend trading signals is used to rank each US Equity Sector in a standardized way.

Stock Selection Framework

Portfolio Construction

Our Blue Chip Portfolio is designed to balance robust systematic analysis with discretionary oversight, ensuring sector and stock selections are both data-driven and adaptable to market conditions. The process emphasizes consistency, prudence, and simplicity.

Key Principles and Methodology

Sector Selection

- Utilize a multi-model signal to rank sectors monthly based on their potential for superior performance in the subsequent investment period.
- Focus on the top four sectors that exhibit the most promising returns based on the analysis

Stock Filtration and Selection

- Start with the top five stocks by market capitalization within each of the selected sectors.
- Assess fundamental data, technical indicators, and analyst recommendations to identify stronger candidates that may outperform the initial selections.
- Incorporate a discretionary review to address idiosyncratic risk and consider the latest market news and developments.

Portfolio Construction Cont.

Risk Management

- Maintain flexibility to exclude stocks with elevated risk or unfavorable news at the time of rebalancing.
- Avoid excessive trading to reduce transaction costs and portfolio churn.

Rebalancing Philosophy

- Adhere to the principle of "Keep it simple unless there's a good reason not to" (Occam's Razor).
- Only implement changes when the filtration and ranking process indicates significant potential for improvement over maintaining the current portfolio composition.
- Prefer infrequent rebalancing to foster stability, minimize disruption and reduce trading costs.
- Think quarterly rather than monthly re-balancing, unless an idiosyncratic event overrides this.

This disciplined approach ensures the portfolio remains focused on long-term performance while accommodating critical insights from market dynamics.

About Algo-Chain

Allan Lane, PhD, CEO & Founding Partner

Co-founded Algo-Chain, headed up Client Solutions and R&D team at iShares, BlackRock. R&D head for Global Macro Fund at Barclays Global Investors

Irene Bauer, PhD, CIO & Founding Partner

Co-founded Algo-Chain, expert in ETFs and active investments at BlackRock and Barclays Global Investors and at ABN Amro in Structured Products

Algo-Chain is an independent firm providing Investment Research & Portfolio Solutions to the Wealth Management industry.

Thank You

The Vanilla Blue Chip Portfolio, with ISIN: XS2788042245,
is currently listed on The London Stock Exchange.