momentum
global investment management

Momentum Portfolios

Q4 2025 Investment update

Stewards of your investment **success**

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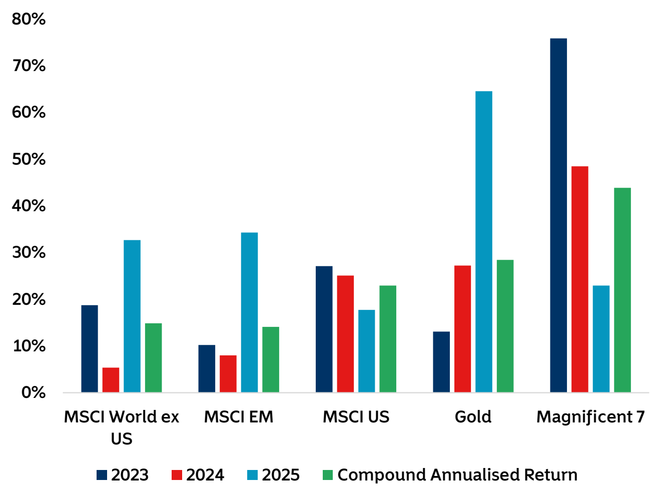
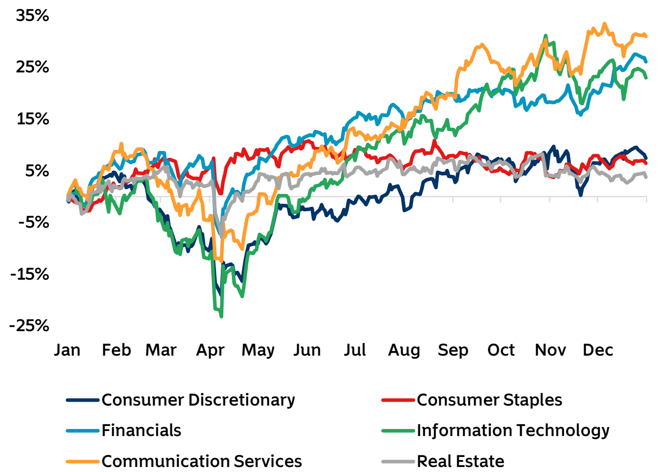
Following one of the sharpest two-day falls on record triggered by President Trump's 'Liberation Day' tariff shock in early April, which left the S&P 500 index down by over 15% from the beginning of 2025, few would have predicted that by year end the bull market that began in October 2022 would be extended with another substantial double-digit calendar year return of 17.4% from US stocks, taking the cumulative total return over the last three years to 82%. Once again, the market was very narrow in 2025 and AI was the dominant theme: two stocks, Nvidia (+39%) and Alphabet (Google, +65%) contributed 30% of the annual gain and only 30% of S&P 500 stocks outperformed the index, with a total of 319 making gains, continuing the pattern of 2023 and 2024. Globally, the AI theme was reflected in two of the top three performing sectors in the MSCI World index: communication services +31% and IT +23%, with the third, financials +26%, driven by falling interest rates, steepening yield curves and benign financial conditions. In contrast, two of the three weakest performing sectors reflected a subdued consumer spending environment, Consumer Staples +6% and Consumer Discretionary +7%, leaving the quality cohort of global stocks trailing its growth, momentum, value and small cap cousins.

Equity market & gold returns 2023, 2024, 2025



MSCI World sector returns 2025:

Big divergence between top and bottom performers



Source: Bloomberg Finance L.P., as at 7 January 2026.

2025, however, was very different to the preceding two years in two important respects:

1. The bulk of the return in the US came from earnings growth, which surprised on the upside at 13.5%, with only 2.5% from valuation expansion, whereas multiple expansion contributed 17.3% in 2023 and 10.6% in 2024;
2. Non-US markets, which had underperformed substantially in 2023 and 2024, materially outperformed the US in USD terms in 2025, with the MSCI World ex US index returning 31.8%. Part of the reason was US exceptionalism being called into question as the US administration re-writes the global economic and geopolitical world order, leading to weakness in the US dollar, down by 9.5% over the year on a trade weighted basis.

Most of the dollar's fall occurred in the first four months of the year and was driven in part by investors diversifying their asset holdings more widely, but more by non-US investors hedging their currency exposure rather than selling US assets. In addition, valuations of US stocks, particularly those driven by the AI boom, had become increasingly extended relative to non-US stocks, which offered both better value and diversification benefits, leading to some rebalancing of portfolios. Although this pushed valuations outside the US higher during 2025, most markets still offer significantly better value than the US and further outperformance is likely during 2026. Gold, up by 61.5%, was a major beneficiary of the dollar fall as well as concerns around Fed independence, geopolitical worries and debt sustainability. Despite this high headline number, gold actually underperformed its precious metal peers, with silver and platinum both more than doubling over the year following a late year end surge. Gold and precious metal producers fared even better.

In the event, the tariff impact was substantially watered down as the US negotiated deals with most of its key trading partners, and companies proved remarkably adept in managing the uncertainty, such that economic activity was resilient, and corporate profits generally performed ahead of expectations, while by year end the inflation rate had resumed its decline, giving room for the Fed to cut its policy rate by 25bps at each of three successive meetings in the final months of the year.

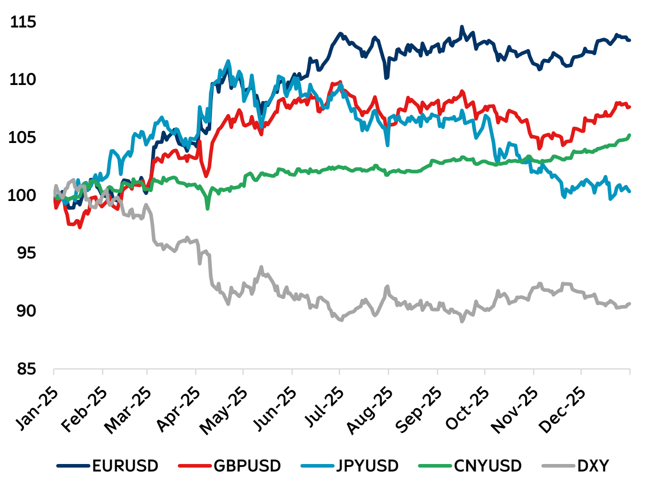
This environment was supportive for bond markets, most of which delivered returns above cash, with US Treasuries +6.2% over the year. High grade credit and high yield bonds outperformed, mostly from their higher income, but the standout sector was emerging market hard currency debt, +12.4%, with the outlook for emerging markets improving through the year as the dollar weakened, US rates were cut, and tariff fears diminished.

Notable underperformers were the Japanese and Euro Government bond markets, which returned respectively -6.2% in yen terms and +0.7% in euro terms. The Bank of Japan (BoJ) is steadily normalising policy as inflation has been above its 2% target rate since April 2022, and delivered two policy rate increases of 25bps each, taking the rate to 0.75%, and its 30-Year bond yields rose by 110bps to 3.38% over the year, the highest levels reached since their launch in 1999. Although the European Central Bank (ECB) delivered four cuts of 25bps in 2025 they all came in the first half of the year; with inflation at target and growth more resilient than expected, the ECB signalled that it had probably come to the end of its easing cycle; bond yields rose over the year, with the biggest moves in longer maturities - the 30-Year German bond yield rose by 90bps to 3.47% by year end.

These moves effectively return most bond yields to normal levels after the extraordinary period of near-zero interest rates post the GFC and through the pandemic period. They now offer reasonable real yields in most markets and around fair value, likely to trade in a range in the macro conditions we expect, with little room for significant falls in rates given fiscal and debt constraints and resultant supply of sovereign bonds. They now play a role as a useful income generator and safe haven asset for multi-asset portfolios, and any significant moves in yields could provide tactical opportunities to add value.

As the differential between US rates and those of other major currencies is expected to narrow, with a commensurate fall in the costs of hedging USD exposure, further dollar weakness is likely. This will support the performance of non-US assets, and is a particular benefit to emerging markets, creating room for easier monetary policy and improving already favourable macro fundamentals. After a long period of underperformance against developed world equities, emerging equities outperformed in 2025 with a return of 33.8% in USD terms, but this still leaves their relative performance over the past 15 years substantially behind developed markets at 86% versus 392%. With relatively attractive valuations across much of the emerging market universe, we expect further outperformance in 2026.

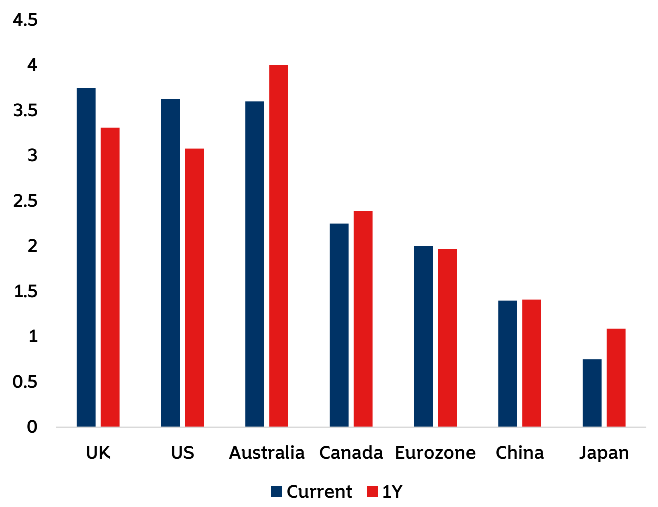
USD weakness concentrated in first half of 2025



Source: Bloomberg Finance L.P., as at 7 January 2026. DXY is a USD trade weighted index.

Entering 2026, macro-economic conditions, while not without risks, are broadly favourable. The fear of tariffs massively disrupting trade and supply chains has dissipated, and although the impact of higher tariffs is still working through the economy, most of the uncertainty has been discounted. Economic growth globally has been resilient and inflation has remained largely under control, close to or slightly above target rates, such that most of the monetary easing cycle is behind us. Some central banks are now on hold with policy, such as the ECB, or expected to tighten, including Japan, where policy normalisation has further to run, and Australia and Canada, where domestic economic conditions have strengthened. Importantly however, any tightening is expected to be cautious and modest, and most importantly of all, the Fed is expected to cut further in the face of a soft labour market, keeping financial conditions easy. The Bank of England is also expected to cut as inflation is set to fall closer to target and economic activity remains subdued. Fiscal policy generally is likely to support growth: in the US through tax cuts, in China where selected stimulus measures are planned, in Japan as new PM Takaichi has announced a significant stimulus package, and in Germany, where its huge defence and infrastructure commitment early in 2025 should begin to impact growth.

Current policy rates and market implied rates for end 2026.

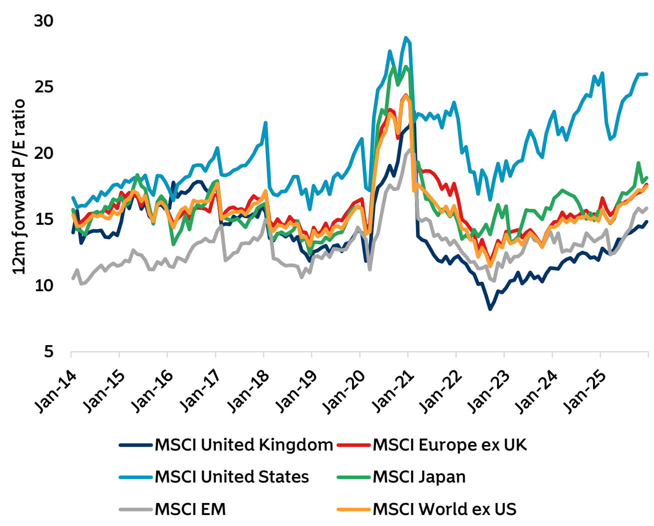


Source: Bloomberg Finance L.P., as at 7 January 2026.

Easier monetary conditions in the US along with the lagged impact of earlier loosening in most major economies, the fiscal boost ahead, and rising business investment especially from the boom in AI infrastructure spending as well as more traditional cyclical sectors, should offset a softer labour market and weakness in consumer spending outside the high income sector to produce a modest pick-up in growth in 2026. With household and business balance sheets healthy, and banks with particularly strong capital positions, this is a supportive backdrop for equity markets, which we expect to make further progress.

There will inevitably be periods of volatility, especially after the strong rise of markets in recent months. These could be triggered by a range of factors: geopolitical events; worries about fiscal and debt sustainability, given the size of government budget deficits and debt-to-GDP ratios across large parts of the developed world; stretched valuations, notably in the broad AI sector which has driven a substantial portion of returns (up to 50% of the S&P 500 return) over the past three years and brings considerable concentration risk given the huge size of the megacap tech stocks and concurrent passive fund buying; or increasing concerns about the sustainability of AI capital expenditure, a concern that has taken hold in recent months and taken the shine off many AI stocks, particularly those at the more speculative end. To date the main beneficiaries in terms of profitability have been the hardware providers like Nvidia and Broadcom; monetising the AI revolution and its broad adoption will be a focus of investors given the sheer scale of the investments, and this presents material upside and downside risks.

Equity market valuations - estimated 12 months forward PERs



Source: Bloomberg Finance L.P., as at 7 January 2026.

Although the macro picture is clearer than for some time, there remains a high degree of uncertainty - not least on the geopolitical front - and disappointments could lead to sizeable corrections given the increased valuations across markets. On balance, however, given the broadly benign global economic and financial outlook, we are cautiously optimistic and believe it is appropriate to stay invested. But careful selection is necessary, and risks should be spread broadly across asset classes, markets and styles. The concentration of markets in a relatively small number of highly valued megacap tech stocks strengthens the case for broad diversification, and a nimble approach will be necessary to take advantage of tactical opportunities during the inevitable periods of volatility that lie ahead. But the foundations are firm enough for us to remain constructive about markets and to seek opportunities to add to risk during such periods of volatility.

“the foundations are firm enough for us to remain constructive about markets and to seek opportunities to add to risk during such periods of volatility.

Momentum Managed Portfolios

Manager commentary

Risk assets closed the year on a strong footing, with broad-based gains across markets in the fourth quarter. Global equities advanced, overcoming a brief pullback in early November on concerns around the sustainability of AI-driven investment spending. Credit markets and emerging market debt also delivered robust performance, reflecting resilient risk appetite. Performance across sovereign bond markets was more nuanced. Policy divergence became increasingly evident, with Japan charting a different course from other developed market central banks, resulting in mixed returns for global government bonds. In commodities, oil prices lagged, while the broader complex ended the quarter on a firmer note. Gold and other precious metals extended their rally, benefiting from expectations of easier monetary conditions and ongoing geopolitical uncertainty. Despite persistent geopolitical risks, macroeconomic conditions proved more supportive than anticipated, with fears of tariff-driven disruptions to global trade and supply chains receding.

Global developed market equities delivered steady gains in the final quarter of the year with the index posting +3.2%. Investor sentiment remained broadly positive, driven by continued enthusiasm for companies benefitting from the AI theme, despite some year-end profit-taking affecting momentum late in the quarter. US equities finished the quarter up 2.6% in spite of the longest government shutdown on record and increasing job cuts. Whilst communication services and IT sectors led the way in terms of performance over the year, sector performance broadened out in Q4, supported by financials and utilities as rates fell and yield curves steepened. UK and European equities performed very well in the last quarter of the year, posting +7.0% and +5.9% respectively, both driven by stellar performance from the financials and utilities sectors on the back of lower interest rates. European and UK equities ended the year up 26.1% and 25.7% respectively whilst US equities finished the year up 12.7%.

Bond markets were generally supportive. Whilst global credit markets posted positive returns on the back of decent levels of carry, global sovereign markets were mixed. UK gilts were the standout performer last quarter, posting +3.3% returns. The UK budget announced larger than expected fiscal headroom and a smaller than expected gilt remit for the year, both of which lowered concerns fiscal concerns and were well received by the markets. The Bank of England finally cut the base rate by 25bps. US treasuries posted more muted returns (+1.0%) as the yield curve steepened with longer maturity yields rising and shorter maturity yields falling. The US Federal Reserve cut interest rates twice in the quarter, taking the federal funds rate to 3.5-3.75%. In contrast, Japanese government bonds sold off significantly, with yields rising to multi-decade highs. Eurozone government bonds were broadly flat (+0.2%) as peripheral markets outperformed core eurozone market. Indeed, German yields rose across the curve on the back of improved growth and inflation forecasts by the European Central bank (ECB).

The US dollar was broadly stable on a trade-weighted basis, edging down just 0.2% over the quarter. In contrast, gold posted a strong 12% gain in Q4, reaching fresh record highs as heightened geopolitical tensions fuelled demand for safe-haven assets. Oil prices moved lower during the period on expectations of a persistent supply surplus.

Over the quarter, in this market context, the Momentum MPS generated total returns ranging from +1.8% in MPS3 to +2.9% in MPS8.

Within the portfolios, the main positive contributors came from our gold exposure (Ninety One), manager selection in the emerging market equities space (JP Morgan), and a relative overweight to UK government bonds which benefitted from the move lower in interest rates in Q4. The main detractors of performance came from manager selection in global quality (Evenlode), and UK small cap equities (Jupiter, Liontrust) of the latter of which suffering from weak financials stock selection despite the sector outperforming. Within real assets the RM Alternative Income fund suffered from disappointing selection in the renewables space. Fund rotations were implemented at the end of the quarter in equities, fixed income, and real assets as described in the following section.

Source: MSCI, Bloomberg Finance L.P. as at 31 December 2025. All performance numbers in GBP unless stated otherwise.

Q4 2025 Portfolio changes

New allocation

- Aberforth UK Smaller Companies
- Curate Global Growth
- Curate Global Quality
- Curate Global Value
- Curate Global Emerging Markets Equity
- MGF Harmony Cautious Income (*MPS Income only*
- VT Momentum Diversified Income (*MPS Income only)*
- Momentum Real Assets Growth & Income

Increased allocaton

- Curate Global Sustainable Equity
- Fidelity Index World *(MPS Income only)*
- Fidelity Emerging Markets *(MPS Income only)*
- iShares UK Gilts All Stock
- BlackRock Cash Fund *(MPS Income only)*
- Vanguard UK Short Term Investment Grade Bond
- L&G EM Government Bond *(MPS Income only)*
- L&G Global Real Estate Dividend *(MPS Income only)*
- L&G Global Infrastructure

Decreased allocation

- RWC UK Equity Income
- Schroder Income Maximiser *(MPS Income only)*
- Fidelity Index World
- L&G Global Inflation Linked Bond *(MPS Income only)*
- Vanguard US Government Bond
- iShares UK Gilts All Stock *(MPS Income only)*
- Vanguard Euro Government Bond *(MPS Income)*
- Vanguard UK Investment Grade Bond *(MPS Income only)*
- Vanguard UK Short Term Investment Grade Bond *(MPS Income only)*
- Artemis Short Duration Global High Yield *(MPS Income only)*

Exited holding

- Evenlode Income
- Liontrust UK Smaller Companies
- Jupiter UK Smaller Companies
- Evenlode Global Income
- JPM Emerging Market Dividend
- First Sentier Stewart Investors Asia Pacific Leaders
- First State Global Listed Infrastructure
- VT RM Alternative Income Fund

Q4 2025 Fund contributions*

Helped

- Gold *(Ninety-One)*
- UK Equity Income *(Redwheel UK Equity Income)*
- Emerging market debt *(JP Morgan)*
- UK Gilts exposure *(BlackRock)*

Hurt

- Manager selection in UK Equities (*Evenlode, Liontrust and Trojan)*
- Global Quality *(Evenlode)*
- Global Growth*(Curate Global Growth)*
- Real assets manager selection *(RM Funds)*

**Not an exhaustive list, information shown highlights the main contributors and detractors.*

Portfolio returns to 31 December 2025

Managed Portfolio	3 Mths	6 Mths	YTD	12 Mths	3 Yr (ann)	5 Yr (ann)	Since inception (ann)	Volatility
Managed Portfolio 3	1.8%	3.8%	7.2%	7.2%	4.8%	2.2%	3.4%	4.5%
Managed Portfolio 4	2.0%	4.9%	7.7%	7.7%	6.4%	3.8%	4.6%	5.9%
Managed Portfolio 5	2.4%	6.0%	8.5%	8.5%	7.6%	5.1%	5.5%	7.2%
Managed Portfolio 6	2.5%	7.3%	9.5%	9.5%	8.6%	5.9%	6.2%	8.1%
Managed Portfolio 7	2.5%	7.4%	8.9%	8.9%	8.7%	6.1%	6.6%	8.7%
Managed Portfolio 8	2.9%	8.8%	10.7%	10.7%	9.0%	5.9%	7.0%	9.4%
Income Portfolio	2.4%	4.0%	7.9%	7.9%	6.0%	4.0%	4.4%	5.9%

Managed Portfolio	Dec 24 - 25	Dec 23 - 24	Dec 22 - 23	Dec 21 - 22	Dec 20- 21
Managed Portfolio 3	7.2%	3.1%	4.2%	-7.9%	4.9%
Managed Portfolio 4	7.7%	5.7%	5.9%	-8.4%	9.4%
Managed Portfolio 5	8.5%	7.2%	7.0%	-8.6%	12.8%
Managed Portfolio 6	9.5%	8.5%	7.9%	-9.0%	14.3%
Managed Portfolio 7	8.9%	9.5%	7.8%	-9.3%	15.4%
Managed Portfolio 8	10.7%	9.1%	7.2%	-10.1%	14.4%
Income Portfolio	7.9%	4.6%	5.6%	-6.4%	9.3%

Sources of all data: Momentum Global Investment Management (MGIM), Bloomberg Finance L.P. Performance is calculated on a total return basis in GBP terms. Performance may also differ depending upon which platform is used to access the Momentum Managed Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance. Since inception date 1 January 2010. MGIM commenced management from 1 February 2016.

Sustainable Managed Portfolios

Portfolio commentary

Risk assets closed the year on a strong footing, with broad-based gains across markets in the fourth quarter. Global equities advanced, overcoming a brief pullback in early November on concerns around the sustainability of AI-driven investment spending. Credit markets and emerging market debt also delivered robust performance, reflecting resilient risk appetite. Performance across sovereign bond markets was more nuanced. Policy divergence became increasingly evident, with Japan charting a different course from other developed market central banks, resulting in mixed returns for global government bonds. In commodities, oil prices lagged, while the broader complex ended the quarter on a firmer note. Gold and other precious metals extended their rally, benefiting from expectations of easier monetary conditions and ongoing geopolitical uncertainty. Despite persistent geopolitical risks, macroeconomic conditions proved more supportive than anticipated, with fears of tariff-driven disruptions to global trade and supply chains receding.

Global developed market equities delivered steady gains in the final quarter of the year with the index posting +3.2%. Investor sentiment remained broadly positive, driven by continued enthusiasm for companies benefitting from the AI theme, despite some year-end profit-taking affecting momentum late in the quarter. US equities finished the quarter up 2.6% in spite of the longest government shutdown on record and increasing job cuts. Whilst communication services and IT sectors led the way in terms of performance over the year, sector performance broadened out in Q4, supported by financials and utilities as rates fell and yield curves steepened. UK and European equities performed very well in the last quarter of the year, posting +7.0% and +5.9% respectively, both driven by stellar performance from the financials and utilities sectors on the back of lower interest rates. European and UK equities ended the year up 26.1% and 25.7% respectively whilst US equities finished the year up 12.7%.

Bond markets were generally supportive. Whilst global credit markets posted positive returns on the back of decent levels of carry, global sovereign markets were mixed. UK gilts were the standout performer last quarter, posting +3.3% returns. The UK budget announced larger than expected fiscal headroom and a smaller than expected gilt remit for the year, both of which lowered concerns fiscal concerns and were well received by the markets. The Bank of England finally cut the base rate by 25bps. US treasuries posted more muted returns (+1.0%) as the yield curve steepened with longer maturity yields rising and shorter maturity yields falling. The US Federal Reserve cut interest rates twice in the quarter, taking the federal funds rate to 3.5-3.75%. In contrast, Japanese government bonds sold off significantly, with yields rising to multi-decade highs. Eurozone government bonds were broadly flat (+0.2%) as peripheral markets outperformed core eurozone market. Indeed, German yields rose across the curve on the back of improved growth and inflation forecasts by the European Central bank (ECB).

The US dollar was broadly stable on a trade-weighted basis, edging down just 0.2% over the quarter. In contrast, gold posted a strong 12% gain in Q4, reaching fresh record highs as heightened geopolitical tensions fuelled demand for safe-haven assets. Oil prices moved lower during the period on expectations of a persistent supply surplus.

Over the quarter, in this market context, the Momentum Sustainable MPS all ended up generating similar total returns of 1.8%.

Within the portfolios, the main positive contributor came from our gold exposure (Ninety One), manager selection in global equities (Curate Global Sustainable), and asset allocation in UK government bonds sector (iShares), the latter of which benefitted from the move lower in interest rates in Q4. The main detractors of performance came from manager selection in the global quality growth sector (Morgan Stanley, First Sentier) and global all cap (First Sentier Stewart Investors) as well as UK quality and quality growth manager selection (Edentree and Evenlode).

Source: MSCI, Bloomberg Finance L.P. as at 31 December 2025. All performance numbers in GBP unless stated otherwise.

Q4 2025 Portfolio changes

New allocation

- » Curate Global Sustainable Equity
- » Curate Global Emerging Markets Equity

Increased allocaton

- » iShares UK Gilts All Stock
- » BlackRock Cash Fund *(MPS Income only)*
- » PIMCO Global Investment Grade Credit ESG
- » BNY Mellon Sustainable Global Dynamic Bond
- » Legal & General Global Infrastructure

Decreased allocation

- » Evenlode Income
- » EdenTree Responsible and Sustainable UK Equity Opportunities
- » Vanguard US Government Bond

Exited holding

- » Ninety One Global Sustainable Equity
- » First Sentier Stewart Investors Worldwide Sustainability
- » Morgan Stanley Global Sustainable Equity
- » Schroder Global Sustainable Value Equity
- » First Sentier Stewart Investors Asia Pacific Leaders
- » Vanguard ESG Emerging Markets All Cap Equity

Q4 2025 Fund contributions*

Helped

- » Gold *(Ninety-One)*
- » Global equities manager selection *(Curate)*
- » UK Gilts *(BlackRock ishares)*

Hurt

- » Global quality growth manager selection (*Morgan Stanley, First Sentier)*
- » UK quality and quality growth manager selection *(Evenlode, Edentree respectively)*

**Not an exhaustive list, information shown highlights the main contributors and detractors.*

Portfolio returns to 31 December 2025

Sustainable Portfolio	3 Mths	6 Mths	YTD	12 Mths	3 Yr (ann)	5 Yr (ann)	Since inception (ann)	Volatility
Sustainable Portfolio 4	1.8%	5.3%	6.9%	6.9%	5.4%	-	1.4%	6.9%
Sustainable Portfolio 5	1.8%	5.8%	6.9%	6.9%	6.1%	-	1.8%	7.6%
Sustainable Portfolio 6	1.8%	6.2%	7.3%	7.3%	6.6%	-	2.2%	8.4%

Discrete annual returns to 31 December 2025

Sustainable Portfolio	Dec 24 - 25	Dec 23 - 24	Dec 22 - 23	Dec 21 - 22	Dec 20 - 21
Sustainable Portfolio 4	6.9%	3.8%	5.7%	-9.9%	8.8%
Sustainable Portfolio 5	6.9%	4.9%	6.5%	-10.1%	10.6%
Sustainable Portfolio 6	7.3%	5.6%	7.0%	-10.2%	12.3%

Sources of all data: Momentum Global Investment Management (MGIM), Bloomberg Finance L.P. Performance is calculated on a total return basis in GBP terms. Performance may also differ depending upon which platform is used to access the Momentum Managed Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance. Since inception date 1 January 2010. MGIM commenced management from 1 February 2016.

Passive Plus Portfolios

Portfolio commentary

Risk assets closed the year on a strong footing, with broad-based gains across markets in the fourth quarter. Global equities advanced, overcoming a brief pullback in early November on concerns around the sustainability of AI-driven investment spending. Credit markets and emerging market debt also delivered robust performance, reflecting resilient risk appetite. Performance across sovereign bond markets was more nuanced. Policy divergence became increasingly evident, with Japan charting a different course from other developed market central banks, resulting in mixed returns for global government bonds. In commodities, oil prices lagged, while the broader complex ended the quarter on a firmer note. Gold and other precious metals extended their rally, benefiting from expectations of easier monetary conditions and ongoing geopolitical uncertainty. Despite persistent geopolitical risks, macroeconomic conditions proved more supportive than anticipated, with fears of tariff-driven disruptions to global trade and supply chains receding.

Global developed market equities delivered steady gains in the final quarter of the year with the index posting +3.2% returns. Investor sentiment remained broadly positive, driven by continued enthusiasm for companies benefitting from the AI theme, despite some year-end profit-taking affecting momentum late in the quarter. US equities finished the quarter up 2.6% in spite of the longest government shutdown on record and increasing job cuts. Whilst communication services and IT sectors led the way in terms of performance over the year, sector performance broadened out in Q4, supported by financials and utilities as rates fell and yield curves steepened. UK and European equities performed very well in the last quarter of the year, posting +7.0% and +5.9% respectively, both driven by stellar performance from the financials and utilities sectors on the back of lower interest rates. European and UK equities ended the year up 26.1% and 25.7% respectively whilst US equities finished the year up 12.7%.

Bond markets were generally supportive. Whilst global credit markets posted positive returns on the back of decent levels of carry, global sovereign markets were mixed. UK gilts were the standout performer last quarter, posting +3.3% returns. The UK budget announced larger than expected fiscal headroom and a smaller than expected gilt remit for the year, both of which lowered concerns fiscal concerns and were well received by the markets. The Bank of England finally cut the base rate by 25bps. US treasuries posted more muted returns (+1.0%) as the yield curve steepened with longer maturity yields rising and shorter maturity yields falling. The US Federal Reserve cut interest rates twice in the quarter, taking the federal funds rate to 3.5-3.75%. In contrast, Japanese government bonds sold off significantly, with yields rising to multi-decade highs. Eurozone government bonds were broadly flat (+0.2%) as peripheral markets outperformed core eurozone market. Indeed, German yields rose across the curve on the back of improved growth and inflation forecasts by the European Central bank (ECB).

The US dollar was broadly stable on a trade-weighted basis, edging down just 0.2% over the quarter. In contrast, gold posted a strong 12% gain in Q4, reaching fresh record highs as heightened geopolitical tensions fuelled demand for safe-haven assets. Oil prices moved lower during the period on expectations of a persistent supply surplus.

Over the quarter, in this market context, the Momentum Passive Plus MPS generated total returns ranging from +2.2% in Passive Plus Cautious to +3.9% in Passive Plus Dynamic.

Within the portfolios, the main positive contributor came from our gold exposure (Ninety One), our UK equities exposure (Vanguard) given the strong performance of financial names in the index, global equities exposure (Fidelity) as the AI theme drove strong performance in US growth stocks, and our emerging market equities exposure (Vanguard). The only marginal negative contributor came from our exposure to global property (BlackRock iShares).

Source: MSCI, Bloomberg Finance L.P. as at 31 December 2025. All performance numbers in GBP unless stated otherwise.

Q4 2025 Portfolio changes

New allocation

- Momentum Real Assets Growth & Income

Increased allocaton

- Fidelity Index World
- Vanguard Emerging Markets Stock
- iShares UK Gilts All Stock
- Vanguard UK Short Term Investment Grade Bond

Decreased allocation

- Vanguard FTSE All Share
- Vanguard US Government Bond
- iShares Environment & Low Carbon Tilt Real Estate

Exited holding

- BlackRock Cash Fund

Q4 2025 Fund contributions*

Helped

- Gold *(Ninety One)*
- UK equities *(Vanguard)*
- Global equities *(Fidelity)*
- Emerging markets equities *(Vanguard)*

Hurt

- Global Property *(BlackRock iShares)*

**Not an exhaustive list, information shown highlights the main contributors and detractors.*

Portfolio returns to 31 December 2025

Passive Plus Portfolio	3 Mths	6 Mths	YTD	12 Mths	3 Yr (ann)	5 Yr (ann)	Since inception (ann)	5 Yr Volatility
Passive Plus Cautious	2.2%	6.2%	8.4%	8.4%	5.9%	3.1%	3.7%	5.0%
Passive Plus Moderate	3.4%	10.6%	13.6%	13.6%	10.1%	7.3%	6.3%	6.8%
Passive Plus Dynamic	3.9%	13.0%	16.6%	16.6%	12.2%	8.5%	7.8%	8.5%

Discrete annual returns to 31 December 2025

Passive Plus Portfolio	Dec 24 - 25	Dec 23 - 24	Dec 22 - 23	Dec 21 - 22	Dec 20 - 21
Passive Plus Cautious	8.4%	4.6%	4.6%	-6.9%	5.3%
Passive Plus Moderate	13.6%	9.6%	7.2%	-5.0%	12.3%
Passive Plus Dynamic	16.6%	12.0%	8.0%	-5.4%	12.6%

Sources of all data: Momentum Global Investment Management (MGIM), Bloomberg Finance L.P. Performance is calculated on a total return basis in GBP terms. Performance may also differ depending upon which platform is used to access the Momentum Managed Portfolios due to different rebates and fees agreed with the Fund Manager by the Platforms. The value of the underlying funds and the income generated from them can go down as well as up, and is not guaranteed. Investors may not get back the original amount invested. The value of investments involving exposure to foreign currencies can be affected by currency exchange rate fluctuations. Past performance is not a guide to future performance. Since inception date 1 January 2010. MGIM commenced management from 1 February 2016.

2025

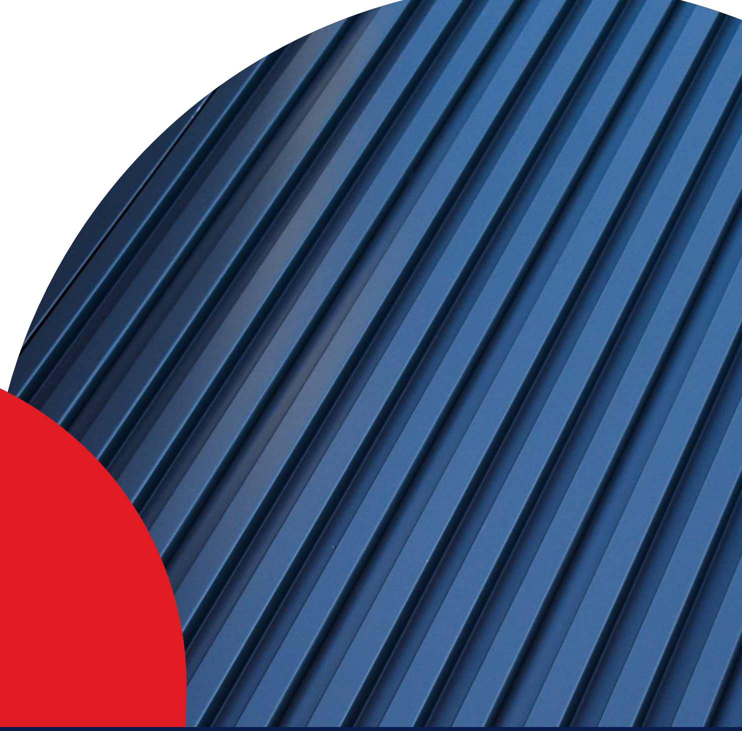
Asset allocation views

− ⟵⟶ +

Score	---	--	-	/	+	++	+++

Score	Change	---	--	-	/	+	++	+++
MAIN ASSET CLASSES	▲/▼/–							
Equities	–							
Fixed Income	–							
Alternatives	–							
Cash	–							
EQUITIES								
Developed Equities	–							
UK Equities	–							
European Equities	–							
US Equities	–							
Japanese Equities	–							
Emerging Market Equities	–							
FIXED INCOME								
Government	▼							
Index-Linked	▼							
Investment Grade Corporate	–							
High Yield Corporate	▲							
SPECIALIST ASSETS/ALTERNATIVES								
Global Listed Property	–							
Global Listed Infrastructure	–							
Specialist Assets	–							
Liquid Alternatives	–							
Gold	–							

The asset allocation views are updated at the end of each quarter unless otherwise stated.



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