

Active | January 2026

YOU.

# Quarter Four Review

Your guide to the markets and the Active Portfolios

Investment solutions to suit all risk profiles



## Contents

Performance summary	4
Performance commentary	5
Market outlook	8
Portfolio breakdown & performance details	10
Investment insights	22
General information & important notes	27

## Performance summary

Below is an overview of how each Model Portfolio has performed over the last quarter, one year, three years, five years, since launch and its annualised return.

We also provide details of how a typical cash account and the FTSE 100 Index have performed so you can compare your Portfolio's performance against these common alternative forms of investment.

Active		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act01	Portfolio	1.5	7.4	17.6	11.5	75.0	2.7
Act02	Portfolio	1.8	8.5	21.2	15.3	101.7	3.4
Act03	Portfolio	2.1	10.5	25.7	20.6	151.4	4.5
Act04	Portfolio	2.4	11.4	28.2	24.3	205.8	5.4
Act05	Portfolio	2.7	12.3	31.2	29.2	259.6	6.2
Act06	Portfolio	2.9	12.8	33.3	32.3	312.6	6.9
Act07	Portfolio	3.2	13.9	35.9	35.6	367.8	7.6
Act08	Portfolio	3.2	13.9	37.7	37.2	410.9	8.0
Act09	Portfolio	3.3	13.7	39.4	38.8	468.5	8.6
Act10	Portfolio	3.4	13.9	40.7	41.4	522.5	9.0
Income	Portfolio	4.5	18.1	35.8	33.1	138.7	5.9

Comparators for clients to use against three key levels of comparison: cash, inflation and the core UK stock market.

	QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Bank Of England Base Rate	1.0	4.3	14.7	16.5	50.6	2.0
Inflation UK Retail Price	-0.1	3.4	12.5	37.3	115.1	3.7
FTSE 100	6.9	25.8	48.9	84.7	366.9	7.6

Notes: Due to rounding, relative performance may not correspond exactly with its constituent components above.

The Investment Association (IA) monitors around 4,000 funds in the UK and are classified to the IA sectors. The sectors provide a way to divide these funds into broad groups, so investors and advisers can compare funds in one or more sectors.

UK CPI is for Risk Profiles 01 to 03, IA Mixed Investment 20-60% Shares is for Risk Profile 04 to 06, IA Mixed Investment 40-85% Shares is for Risk Profiles 07 to 09 and IA Flexible Investment is for Risk Profile 10.

Invesment Association	QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
CPI	0.1	2.9	9.7	27.7	81.4	2.9
IA Mixed Investment 20-60	2.7	10.2	24.8	21.1	158.4	4.6
IA Mixed Investment 40-85	3.3	11.6	31.4	31.2	263.5	6.3
IA Flexible Investment	3.2	12.0	31.2	32.9	279.9	6.5



## Performance commentary

### Market

Overall, the fourth quarter was a positive one for global equities and global bonds, although interspersed with bouts of volatility driven by economic news and political events.

The MSCI All Country World Index, which is a broad measure of global equity markets, rose +3.4% over the quarter, taking it to +13.9% for the year. The UK equity market was one of the strongest, with the FTSE All Share Index rising +6.4% over the quarter and seemingly letting out a sigh of relief after the long-awaited but relatively uneventful UK budget announcement. Despite continued outflows from many domestic investors, the UK equity market posted an admirable return of +24% over 2025, although it was notable that more domestically oriented mid-cap UK companies fared much less well than their larger, more global counterparts.

Continental European equities also enjoyed a positive quarter, with MSCI Europe ex-UK Index +6.1%. The US equity market, however, rose a more modest +2.7% and was only up +9.3% in Sterling terms over 2025 as a whole. Although technology stocks had a bit of a wobble towards the end of the quarter as investors reassessed valuations and responded to modestly higher bond yields, these were still some of the better performers over the quarter and over 2025. With economic momentum slowing and ongoing problems in their property market,

Chinese equities endured a challenging end to the year, with MSCI China falling -7.3% in the final quarter of 2025. Despite China representing nearly 30% of its exposure, this didn't prevent the MSCI Emerging Markets Index from rising +4.8% over the quarter, boosted by exceptionally strong performance from other markets like Korea (MSCI Korea +27.4% over the quarter) and Taiwan (MSCI Taiwan +11% over the quarter).

Fixed Income markets were more subdued, with the Bloomberg Global Aggregate Index up +0.8% in GBP hedged terms, taking the index to +4.8% for the year. Corporate bond and high-yield bond indices were up slightly more over the quarter and year. Local Emerging Market government bonds, however, continued to perform very well, boosted by the attraction of higher yields, modest inflation and strengthening emerging market currencies.

Overall, the fourth quarter and 2025 as a whole reinforced our long-held beliefs in the benefits of global diversification. US equities weren't the only game in town, and we saw stronger returns from the UK, Europe and Emerging Markets as well as idiosyncratic contributions from other diversifying asset classes such as commodities and global infrastructure. Diversification was truly your friend.

## Equities

Our Tactical Asset Allocation positioning in equities was slightly negative for the quarter, with positive impact from our overweight to the UK equity market offset by underweighting European equities to be overweight to Japanese equities.

Among your underlying equity managers, it was primarily the more value-oriented managers who delivered the strongest outperformance this quarter, including long-held managers such as the Pzena Global Value Fund (+7.4%), the Neuberger Berman Small Cap Intrinsic Value Fund (+4.4%) and the North of South Emerging Market All Cap Fund (+7.1%). Conversely, and continuing the pattern observed for most of this year, it was strategies focused on owning the highest quality companies that endured a more challenging quarter, including the Evenlode Income Fund (+0.1%), the GSAM Japan Equity Partners Fund (-2.0%) and the BlackRock Continental European Fund (-2.4%). Such quality-focused strategies had previously performed well for much of this century, but these typically more predictable, steady-growing companies have been out of favour for a prolonged period now, with the market more focused on newer growth themes like banks, artificial intelligence and defence. Predicting when these styles will be in and out of favour is notoriously difficult, hence we continue to maintain these strategies in your Fund as part of a broadly style diversified portfolio.

## Fixed Income

Your portfolio's Fixed Income managers had a good quarter. This was led by the Morgan Stanley Emerging Market Local Income Fund, which returned +5.6% over the period, with these strong returns driven by high interest rates in frontier emerging markets as well as a broad strengthening of emerging market currencies. The PIMCO Global Bond Fund and the BlueBay IG Asset-Backed Credit Fund also delivered returns in excess of +1% for the quarter.



## 56 Manager Meetings

We attended 56 meetings during the quarter to review existing and prospective managers.



## Property, Real Assets & Absolute Return

Your Property & Real Assets asset class delivered another excellent quarter. Exposure to a broad range of commodities through the Neuberger Berman Commodities Fund proved beneficial as this rose +4.6% boosted by continued strength in precious metals such as gold and silver. Your portfolio's exposure to global listed infrastructure assets through ClearBridge Global Infrastructure Income Fund also continued to make a positive contribution, rising +4.7% over the quarter as the cheap valuations, attractive yields and the inflation-sensitive nature of the underlying infrastructure assets continued to be in demand from investors.

Performance within your blend of Absolute Return managers was more mixed in the final quarter. Fulcrum's Thematic Equity Market Neutral Fund fell -2.8%, and the Man Credit Opportunities Alternative Fund fell -0.1%. However, these were offset by a good quarter for the Sanlam Multi Strategy Fund, which rose +2.7% and yet another solid quarter from Pacific G10 Macro Rates Fund, which returned +1.6%.

## Portfolio changes



### Complete sales

#### **Skerryvore Global Emerging Markets Fund:**

We invested in this fund in 2023 and, although the manager's quality-focused investment style helped protect returns in some of the weaker market environments since that point, we increasingly felt the manager was being too defensive in their investment approach, resulting in lower-than-expected returns in stronger markets. The fund did make money over the holding period, but we felt the assets could be more efficiently deployed in one of our subs-bench managers that had demonstrated an ability to also take advantage of more positive market environments.



### New buys

#### **M&G Asian Fund:**

The M&G Asian Fund has been on our subs bench for Asian/Emerging Markets exposure since mid-2024, and we have known the team behind the fund for many years longer. M&G's Asian team is very well-resourced, both here and on the ground in Asia. The strategy is managed with discipline under Dave Perrett, the Portfolio Manager, who has a very strong pedigree with over 30 years of relevant Asian investing experience. The manager has consistently demonstrated a highly diligent stock selection process, encompassing a lot of independent thought and first-hand interactions with senior management on the ground in Asia. The resultant strong stock selection has been the driver behind their record of consistent added value.

#### **Man Alternative Credit Opportunities Fund:**

The Man Alternative Credit Opportunities Fund was added as a fourth manager in the Absolute Return blend. This fund is managed by Mike Scott, who already manages the Man High Yield Opportunities Fund within the portfolio's Fixed Income allocation. The fund seeks credit opportunities globally, using both long and short positions. This gives the strategy a "market neutral" return profile, which we expect will deliver good returns in a variety of market environments and independent of the direction of credit markets, in contrast to the High Yield Opportunities Fund, which is "long biased" and expected to move broadly in line with the wider market. Since we began investing in the High Yield Opportunities Fund, the strategy has delivered excellent results thanks to the manager and his team's expertise, and we believe this absolute return strategy is well placed to build on that success.



### Switch

#### **The Pacific North of South Emerging Market All Cap Equity Fund into Pacific North of South Global Emerging Market Equity Fund:**

The manager of the All Cap Equity Fund decided to limit future contributions into the fund going forward. As a result, we switched into another of the manager's Global Emerging Market funds that is run by the same team and is very similar in terms of underlying exposures, but which holds fewer smaller companies and, as such, has no such restrictions on further inflows.

## Market outlook

As a reminder, each of the Active Model Portfolios has a distinct long-term Strategic Asset Allocation that is specifically formulated based upon each portfolio's stated risk profile. The higher the risk profile selected, the more is allocated to equities and the less to diversifiers such as bonds, real assets or absolute return strategies. Around that strategic asset allocation, we implement tactical tilts when we observe highly attractive return opportunities where we believe the risk-reward is strongly in our favour. We made no changes to the tactical positioning over the fourth quarter and remain meaningfully overweight Japanese equities and very modestly overweight to UK equities, funding these overweights with an underweight to Continental European equities.

### Equities

Global equity markets finished 2025 strongly, delivering another year of double-digit gains despite ongoing geopolitical tensions, relatively high valuations, and concerns around trade policy and tariffs. By the end of the year, most major equity markets had risen substantially, with returns particularly strong in the UK, Europe ex-UK, Emerging Markets and parts of Asia.

Your Fund is spread across six equity regions: the UK, US, Global, Continental Europe, Emerging Markets and Japan. Unlike many portfolios that are heavily concentrated in the US simply because it dominates global indices, we deliberately maintain a broader spread. We believe this reduces risk and increases the chances of more consistent long-term returns. Within each regional equity allocation, we are careful not to rely on a single investment approach. We deliberately combine active and passive strategies and maintain exposure to a range of different investment styles. This is important because markets do not reward the same type of investing all the time. Different styles tend to perform well at different stages of the economic and market cycle, and leadership can change quickly and without advance notice. By maintaining this breadth, we aim to reduce reliance on any one outcome and build portfolios that are better able to adapt as conditions evolve.

Japan remains our strongest conviction tactical overweight. Japanese shares continue to trade at much lower valuations than US equities, yet company profits are improving. Importantly, Japan is undergoing long-overdue corporate reforms that encourage companies to use their cash and future profits more efficiently and focus more on shareholder returns. These changes are likely structural rather than temporary. Our Japanese equity managers have benefited from this environment

by selecting individual companies that are improving their governance, profitability, and capital discipline.

We remain modestly constructive on UK equities. They remain relatively cheap, and income levels are attractive. Any improvement in domestic growth or falling interest rates could potentially support returns, however, we recognise that the UK is a persistently low-growth economy with a shrinking equity market.

Continental Europe has enjoyed a strong run, but valuations are no longer as compelling. Growth is modest and more vulnerable to global slowdowns. Returns are likely to be positive but unspectacular, with higher sensitivity to economic surprises. Emerging markets potentially offer good long-term value, but outcomes will vary widely by country. Those with falling inflation, stable currencies and domestic growth could perform well. Our view is that broad exposure is sensible, and selectivity is crucial.

Looking to the new year, and while acknowledging that the future is inherently unpredictable, we think it is entirely reasonable to think that investors will continue to benefit from significant global diversification in the years to come.

### Diversifiers

Alongside equities, your Fund holds a range of assets designed to behave differently from stock markets. These include Fixed Income (also called "bonds"), Absolute return strategies (designed to deliver positive returns largely irrespective of market direction), Infrastructure assets (such as utilities and transport networks) and Commodities (energy, foodstuffs and precious metals). During Q4 2025, bonds delivered modest but positive returns, helped by falling inflation and growing confidence that interest rates are past their peak levels. While bond returns were far lower than equities, they once again played their role as a stabilising force.

Absolute return strategies and infrastructure investments also performed well, delivering steady returns with little connection to stock market movements. Commodities were volatile but contributed positively over the year as a whole.

These assets are not designed to beat equities during strong markets. Instead, they are there to reduce risk, smooth returns, and protect your portfolio when equity markets struggle. With equity valuations stretched by historic standards and economic momentum slowing, this balance is particularly important as we enter 2026.



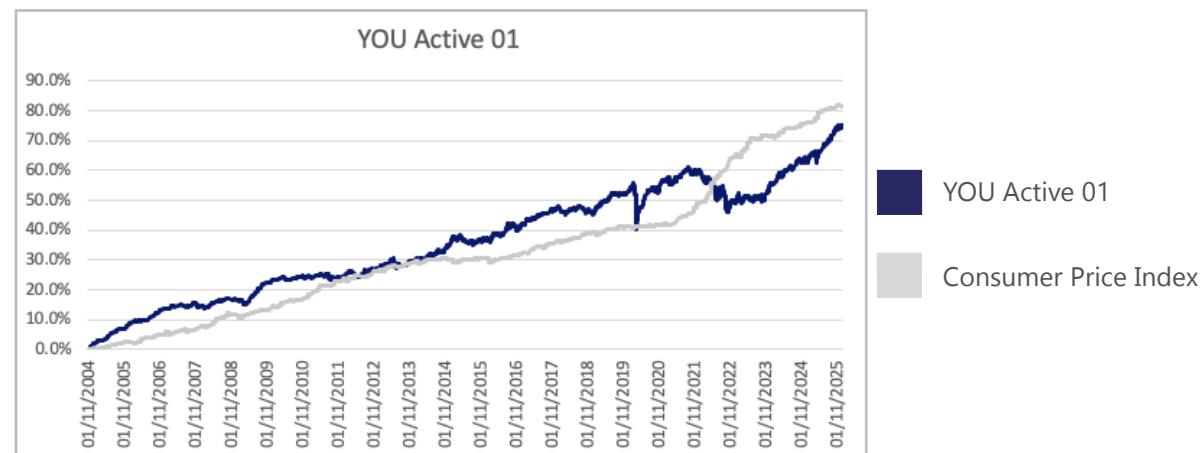
Fund	Allocation (%)
Cash	15.00
Cash	15.00
Fixed Income	50.00
PIMCO GIS Global Bond	42.00
BlueBay IG Asset-Backed Credit	5.00
Coolabah Credit Alpha	3.00
Property & Real Assets	10.00
NB Commodities	3.30
ClearBridge Global Infrastructure	3.40
AQR Managed Futures	3.30
Absolute Return	15.00
Sanlam Ninety One Multi Strategy	3.75
Fulcrum Thematic Equity Market Neutral	4.20
Pacific G10 Macro Rates	4.20
Man Credit Opportunities Alternative	2.85
UK Equity	2.00
Polar Capital UK Value Opportunities	0.40
Invesco UK Opportunities	0.80
Evenlode Income	0.80
US Equity	2.10
Natixis Loomis Sayles US Equity Leaders	0.50
Neuberger Berman US Small Cap IV	0.60
AB American Growth	0.50
BNY Mellon US Equity Income	0.50
Europe Ex-UK Equity	0.90
BlackRock Continental Euro Equity	0.40
Lansdowne European Special Situations	0.50
Japanese Equity	1.80
GSAM Japan Equity Partners	0.60
Amova Japan Value	0.70
Neuberger Berman Japan Engagement	0.50
Global Emerging Market Equity	1.40
Baillie Gifford Pacific Fund	0.40
North of South Global Emerging Markets Equity	0.60
M&G Asian Fund	0.40
Global Developed Market Equity	1.80
Pzena Global Value	0.80
GMO Quality	0.60
Baillie Gifford Global Discovery	0.40
	100.00

## Portfolio Holdings

### YOU Active 01

This Portfolio invests mainly in Cash and Fixed Income and suits investors for whom minimising any capital loss is a priority over returns.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act01	Portfolio	1.5	7.4	17.6	11.5	75.0	2.7



Asset Class	Strategic (%)	Tactical (%)
Cash	15.0	15.0
Fixed Income	50.0	50.0
Property & Real Assets	10.0	10.0
Absolute Return	15.0	15.0
UK Equity	1.9	2.0
US Equity	2.1	2.1
Europe ex-UK Equity	1.6	0.9
Japanese Equity	1.3	1.8
Global Emerging Market Equity	1.4	1.4
Global Developed Market Equity	1.7	1.8

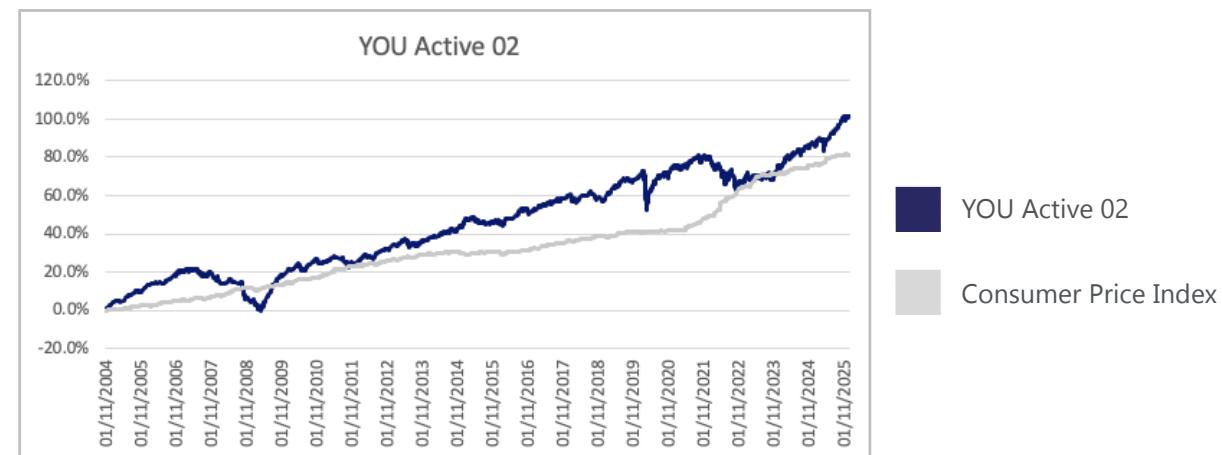
Fund	Allocation (%)
Cash	10.00
Cash	10.00
Fixed Income	45.00
PIMCO GIS Global Bond	37.00
BlueBay IG Asset-Backed Credit	5.00
Coolabah Credit Alpha	3.00
Property & Real Assets	10.00
NB Commodities	3.30
ClearBridge Global Infrastructure	3.40
AQR Managed Futures	3.30
Absolute Return	15.00
Sanlam Ninety One Multi Strategy	3.75
Fulcrum Thematic Equity Market Neutral	4.20
Pacific G10 Macro Rates	4.20
Man Credit Opportunities Alternative	2.85
UK Equity	4.10
Polar Capital UK Value Opportunities	0.80
Invesco UK Opportunities	1.60
Evenlode Income	1.70
US Equity	4.20
Natixis Loomis Sayles US Equity Leaders	1.00
Neuberger Berman US Small Cap IV	1.10
AB American Growth	1.00
BNY Mellon US Equity Income	1.10
Europe Ex-UK Equity	1.70
BlackRock Continental Euro Equity	0.70
Lansdowne European Special Situations	1.00
Japanese Equity	3.60
GSAM Japan Equity Partners	1.20
Amova Japan Value	1.30
Neuberger Berman Japan Engagement	1.10
Global Emerging Market Equity	2.90
Baillie Gifford Pacific Fund	0.90
North of South Global Emerging Markets Equity	1.10
M&G Asian Fund	0.90
Global Developed Market Equity	3.50
Pzena Global Value	1.60
GMO Quality	1.20
Baillie Gifford Global Discovery	0.70
	100.00

## Portfolio Holdings

### YOU Active 02

This Portfolio invests mainly in Cash and Fixed Income and is suitable for investors who wish to protect their capital with a minimal amount of risk.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act02	Portfolio	1.8	8.5	21.2	15.3	101.7	3.4



Asset Class	Strategic (%)	Tactical (%)
Cash	10.0	10.0
Fixed Income	45.0	45.0
Property & Real Assets	10.0	10.0
Absolute Return	15.0	15.0
UK Equity	3.7	4.1
US Equity	4.2	4.2
Europe ex-UK Equity	3.2	1.7
Japanese Equity	2.5	3.6
Global Emerging Market Equity	2.9	2.9
Global Developed Market Equity	3.5	3.5

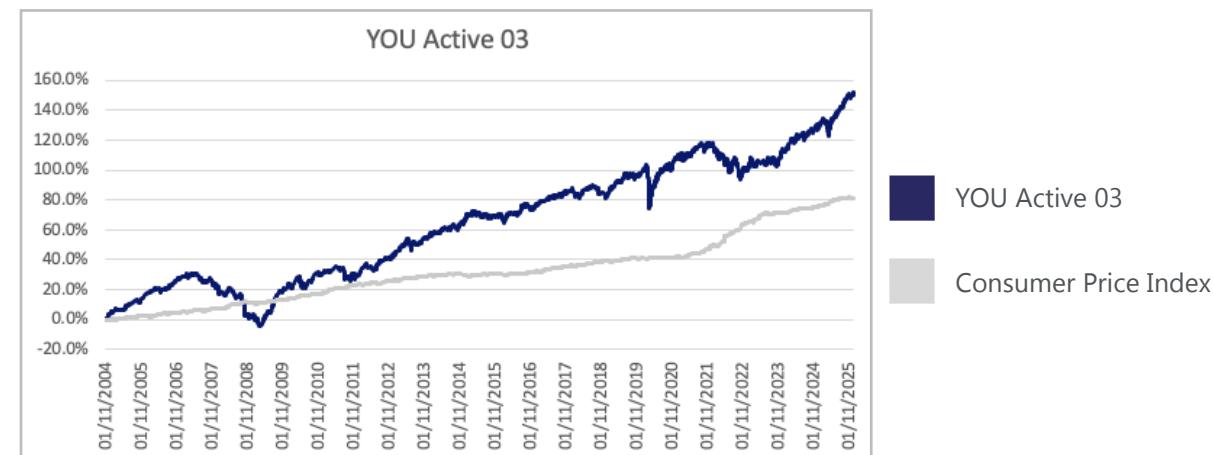
Fund	Allocation (%)
Cash	5.00
Cash	5.00
Fixed Income	40.00
PIMCO GIS Global Bond	29.50
Man High Yield Opportunities	3.00
MS Local Emerging Market Debt	3.00
BlueBay IG Asset-Backed Credit	3.00
Coolabah Credit Alpha	1.50
Property & Real Assets	10.00
NB Commodities	3.30
ClearBridge Global Infrastructure	3.40
AQR Managed Futures	3.30
Absolute Return	15.0
Sanlam Ninety One Multi Strategy	3.75
Fulcrum Thematic Equity Market Neutral	4.20
Pacific G10 Macro Rates	4.20
Man Credit Opportunities Alternative	2.85
UK Equity	6.10
Polar Capital UK Value Opportunities	1.20
Invesco UK Opportunities	2.40
Evenlode Income	2.50
US Equity	6.30
Natixis Loomis Sayles US Equity Leaders	1.50
Neuberger Berman US Small Cap IV	1.60
AB American Growth	1.50
BNY Mellon US Equity Income	1.70
Europe Ex-UK Equity	2.60
BlackRock Continental Euro Equity	1.00
Lansdowne European Special Situations	1.60
Japanese Equity	5.40
GSAM Japan Equity Partners	1.90
Amova Japan Value	1.90
Neuberger Berman Japan Engagement	1.60
Global Emerging Market Equity	4.30
Baillie Gifford Pacific Fund	1.30
North of South Global Emerging Markets Equity	1.70
M&G Asian Fund	1.30
Global Developed Market Equity	5.30
Pzena Global Value	2.30
GMO Quality	1.90
Baillie Gifford Global Discovery	1.10
	100.00

## Portfolio Holdings

### YOU Active 03

This Portfolio invests mainly in Fixed Income and a small amount of riskier assets and is suitable for investors who wish to protect their capital, if possible, but increase the chances of better long-term returns.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act03	Portfolio	2.1	10.5	25.7	20.6	151.4	4.5



Asset Class	Strategic (%)	Tactical (%)
Cash	5.0	5.0
Fixed Income	40.0	40.0
Property & Real Assets	10.0	10.0
Absolute Return	15.0	15.0
UK Equity	5.6	6.1
US Equity	6.3	6.3
Europe ex-UK Equity	4.8	2.6
Japanese Equity	3.8	5.4
Global Emerging Market Equity	4.3	4.3
Global Developed Market Equity	5.2	5.3

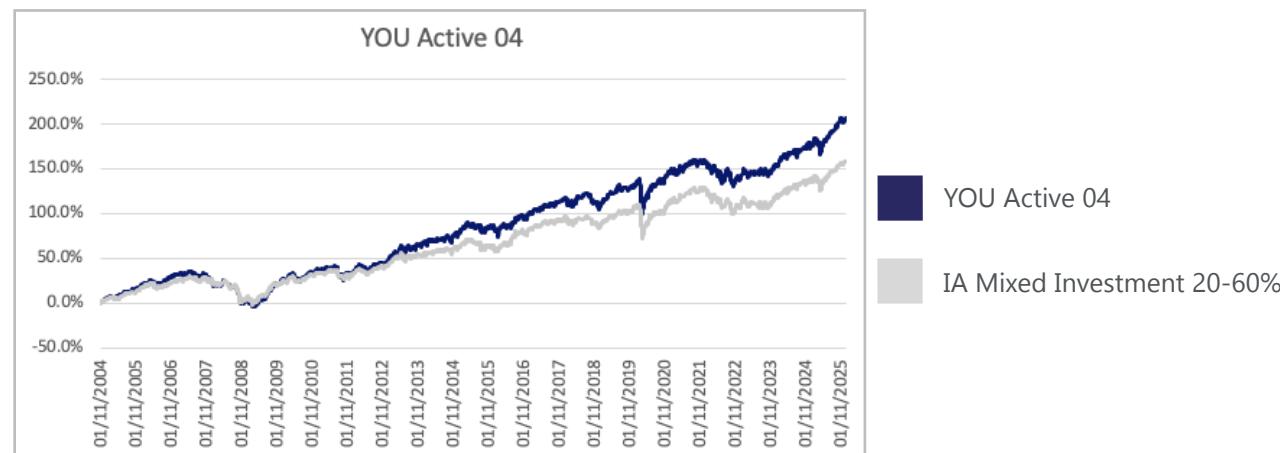
Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	34.00
PIMCO GIS Global Bond	24.00
Man High Yield Opportunities	3.00
MS Local Emerging Market Debt	3.00
BlueBay IG Asset-Backed Credit	2.50
Coolabah Credit Alpha	1.50
Property & Real Assets	10.00
NB Commodities	3.30
ClearBridge Global Infrastructure	3.40
AQR Managed Futures	3.30
Absolute Return	14.00
Sanlam Ninety One Multi Strategy	3.50
Fulcrum Thematic Equity Market Neutral	3.92
Pacific G10 Macro Rates	3.92
Man Credit Opportunities Alternative	2.66
UK Equity	8.20
Polar Capital UK Value Opportunities	1.60
Invesco UK Opportunities	3.30
Evenlode Income	3.30
US Equity	8.30
Natixis Loomis Sayles US Equity Leaders	2.00
Neuberger Berman US Small Cap IV	2.20
AB American Growth	1.90
BNY Mellon US Equity Income	2.20
Europe Ex-UK Equity	3.50
BlackRock Continental Euro Equity	1.40
Lansdowne European Special Situations	2.10
Japanese Equity	7.20
GSAM Japan Equity Partners	2.50
Amova Japan Value	2.50
Neuberger Berman Japan Engagement	2.20
Global Emerging Market Equity	5.80
Baillie Gifford Pacific Fund	1.70
North of South Global Emerging Markets Equity	2.40
M&G Asian Fund	1.70
Global Developed Market Equity	7.00
Pzena Global Value	3.10
GMO Quality	2.50
Baillie Gifford Global Discovery	1.40
	100.00

## Portfolio Holdings

### YOU Active 04

This Portfolio invests in a moderate amount of Fixed Income, with some Equity and Property as well. It is suitable for investors who wish to increase the chances of reasonable returns and protect capital, if possible.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act04	Portfolio	2.4	11.4	28.2	24.3	205.8	5.4



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	34.0	34.0
Property & Real Assets	10.0	10.0
Absolute Return	14.0	14.0
UK Equity	7.4	8.2
US Equity	8.3	8.3
Europe ex-UK Equity	6.4	3.5
Japanese Equity	5.0	7.2
Global Emerging Market Equity	5.8	5.8
Global Developed Market Equity	7.0	7.0

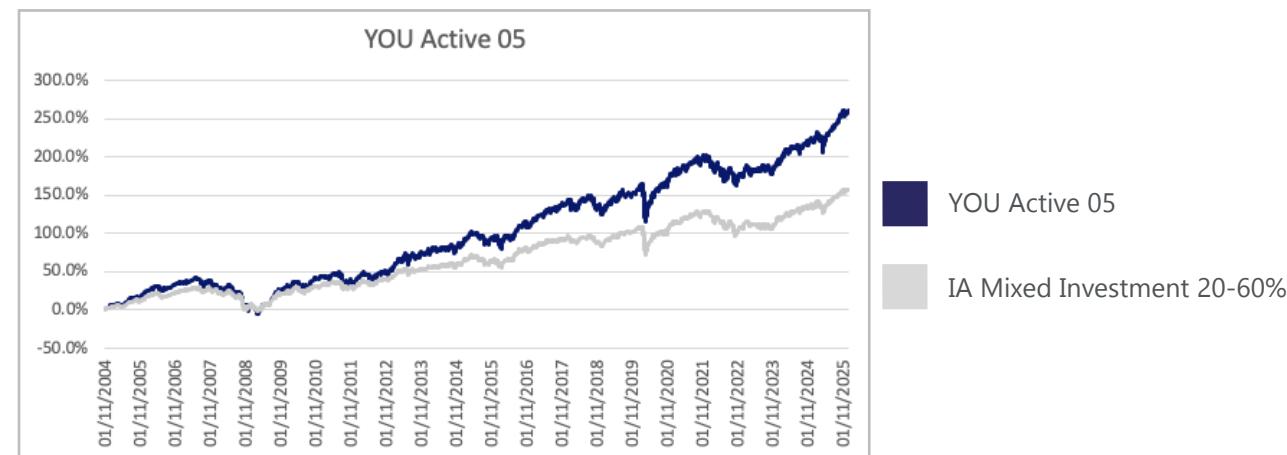
Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	24.00
PIMCO GIS Global Bond	12.50
Man High Yield Opportunities	3.00
MS Local Emerging Market Debt	4.50
BlueBay IG Asset-Backed Credit	2.50
Coolabah Credit Alpha	1.50
Property & Real Assets	10.00
NB Commodities	3.30
ClearBridge Global Infrastructure	3.40
AQR Managed Futures	3.30
Absolute Return	14.00
Sanlam Ninety One Multi Strategy	3.50
Fulcrum Thematic Equity Market Neutral	3.92
Pacific G10 Macro Rates	3.92
Man Credit Opportunities Alternative	2.66
UK Equity	10.20
Polar Capital UK Value Opportunities	2.00
Invesco UK Opportunities	4.10
Evenlode Income	4.10
US Equity	10.40
Natixis Loomis Sayles US Equity Leaders	2.40
Neuberger Berman US Small Cap IV	2.80
AB American Growth	2.40
BNY Mellon US Equity Income	2.80
Europe Ex-UK Equity	4.40
BlackRock Continental Euro Equity	1.80
Lansdowne European Special Situations	2.60
Japanese Equity	9.00
GSAM Japan Equity Partners	3.20
Amova Japan Value	3.20
Neuberger Berman Japan Engagement	2.60
Global Emerging Market Equity	7.20
Baillie Gifford Pacific Fund	2.10
North of South Global Emerging Markets Equity	2.90
M&G Asian Fund	2.20
Global Developed Market Equity	8.80
Pzena Global Value	3.90
GMO Quality	3.10
Baillie Gifford Global Discovery	1.80
	100.00

## Portfolio Holdings

### YOU Active 05

This Portfolio invests in a moderate amount of Fixed Income with a greater proportion in Equities and Property. It is suitable for investors who wish to increase the chances of reasonable returns and still protect capital if possible.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act05	Portfolio	2.7	12.3	31.2	29.2	259.6	6.2



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	24.0	24.0
Property & Real Assets	10.0	10.0
Absolute Return	14.0	14.0
UK Equity	9.3	10.2
US Equity	10.4	10.4
Europe ex-UK Equity	8.0	4.4
Japanese Equity	6.3	9.0
Global Emerging Market Equity	7.2	7.2
Global Developed Market Equity	8.7	8.8

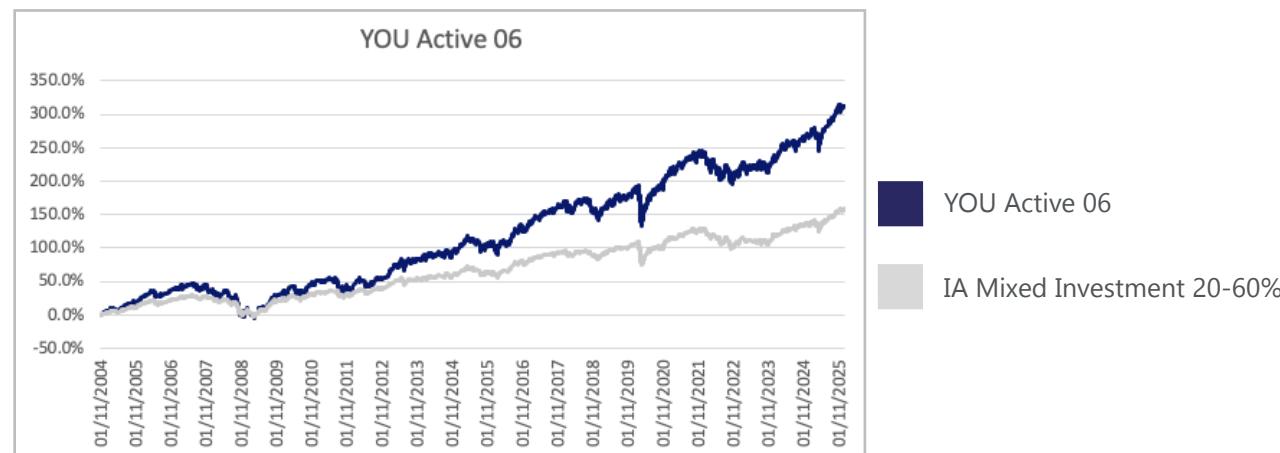
Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	15.00
PIMCO GIS Global Bond	7.80
Man High Yield Opportunities	1.90
MS Local Emerging Market Debt	2.80
BlueBay IG Asset-Backed Credit	1.60
Coolabah Credit Alpha	0.90
Property & Real Assets	10.00
NB Commodities	3.30
ClearBridge Global Infrastructure	3.40
AQR Managed Futures	3.30
Absolute Return	13.00
Sanlam Ninety One Multi Strategy	3.30
Fulcrum Thematic Equity Market Neutral	3.60
Pacific G10 Macro Rates	3.60
Man Credit Opportunities Alternative	2.50
UK Equity	12.30
Polar Capital UK Value Opportunities	2.50
Invesco UK Opportunities	4.90
Evenlode Income	4.90
US Equity	12.50
Natixis Loomis Sayles US Equity Leaders	2.90
Neuberger Berman US Small Cap IV	3.30
AB American Growth	3.00
BNY Mellon US Equity Income	3.30
Europe Ex-UK Equity	5.20
BlackRock Continental Euro Equity	2.10
Lansdowne European Special Situations	3.10
Japanese Equity	10.80
GSAM Japan Equity Partners	3.80
Amova Japan Value	3.80
Neuberger Berman Japan Engagement	3.20
Global Emerging Market Equity	8.70
Baillie Gifford Pacific Fund	2.60
North of South Global Emerging Markets Equity	3.50
M&G Asian Fund	2.60
Global Developed Market Equity	10.50
Pzena Global Value	4.70
GMO Quality	3.70
Baillie Gifford Global Discovery	2.10
	100.00

## Portfolio Holdings

### YOU Active 06

This Portfolio invests in a variety of assets to obtain diversification. It is suitable for investors for whom returns are more important than capital protection.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act06	Portfolio	2.9	12.8	33.3	32.3	312.6	6.9



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	15.0	15.0
Property & Real Assets	10.0	10.0
Absolute Return	13.0	13.0
UK Equity	11.2	12.3
US Equity	12.5	12.5
Europe ex-UK Equity	9.6	5.2
Japanese Equity	7.5	10.8
Global Emerging Market Equity	8.7	8.7
Global Developed Market Equity	10.5	10.5

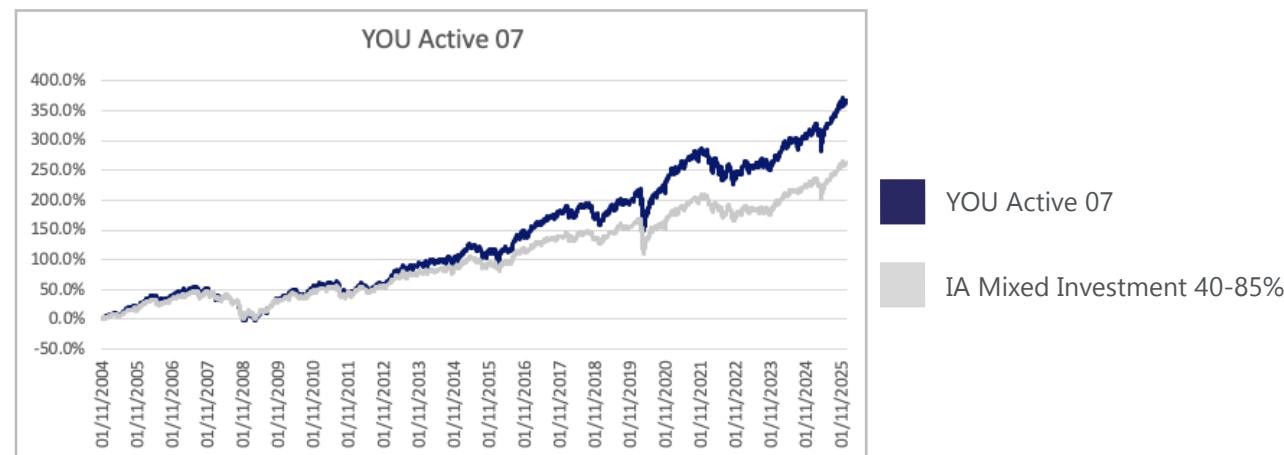
Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	7.00
Man High Yield Opportunities	2.00
MS Local Emerging Market Debt	5.00
Property & Real Assets	10.00
NB Commodities	3.30
ClearBridge Global Infrastructure	3.40
AQR Managed Futures	3.30
Absolute Return	11.00
Sanlam Ninety One Multi Strategy	2.70
Fulcrum Thematic Equity Market Neutral	3.10
Pacific G10 Macro Rates	3.10
Man Credit Opportunities Alternative	2.10
UK Equity	14.30
Polar Capital UK Value Opportunities	2.90
Invesco UK Opportunities	5.70
Evenlode Income	5.70
US Equity	14.60
Natixis Loomis Sayles US Equity Leaders	3.30
Neuberger Berman US Small Cap IV	4.00
AB American Growth	3.30
BNY Mellon US Equity Income	4.00
Europe Ex-UK Equity	6.10
BlackRock Continental Euro Equity	2.40
Lansdowne European Special Situations	3.70
Japanese Equity	12.60
GSAM Japan Equity Partners	4.40
Amova Japan Value	4.40
Neuberger Berman Japan Engagement	3.80
Global Emerging Market Equity	10.10
Baillie Gifford Pacific Fund	3.00
North of South Global Emerging Markets Equity	4.10
M&G Asian Fund	3.00
Global Developed Market Equity	12.30
Pzena Global Value	5.50
GMO Quality	4.30
Baillie Gifford Global Discovery	2.50
	100.00

## Portfolio Holdings

### YOU Active 07

This Portfolio invests in a variety of assets to obtain diversification. It is suitable for investors who are comfortable with some investment risk and where returns are more important than capital protection.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act07	Portfolio	3.2	13.9	35.9	35.6	367.8	7.6



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	7.0	7.0
Property & Real Assets	10.0	10.0
Absolute Return	11.0	11.0
UK Equity	13.0	14.3
US Equity	14.6	14.6
Europe ex-UK Equity	11.2	6.1
Japanese Equity	8.8	12.6
Global Emerging Market Equity	10.1	10.1
Global Developed Market Equity	12.2	12.3

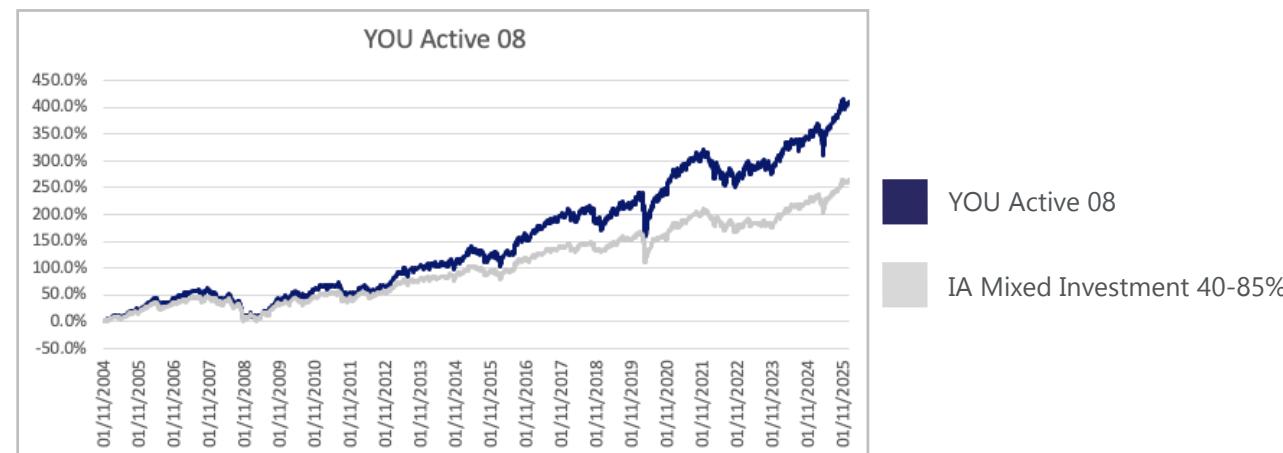
Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	6.00
Man High Yield Opportunities	1.70
MS Local Emerging Market Debt	4.30
Property & Real Assets	4.00
NB Commodities	1.30
ClearBridge Global Infrastructure	1.40
AQR Managed Futures	1.30
Absolute Return	8.00
Sanlam Ninety One Multi Strategy	2.00
Fulcrum Thematic Equity Market Neutral	2.24
Pacific G10 Macro Rates	2.24
Man Credit Opportunities Alternative	1.52
UK Equity	16.40
Polar Capital UK Value Opportunities	3.30
Invesco UK Opportunities	6.50
Evenlode Income	6.60
US Equity	16.70
Natixis Loomis Sayles US Equity Leaders	3.80
Neuberger Berman US Small Cap IV	4.60
AB American Growth	3.80
BNY Mellon US Equity Income	4.50
Europe Ex-UK Equity	7.00
BlackRock Continental Euro Equity	2.80
Lansdowne European Special Situations	4.20
Japanese Equity	14.40
GSAM Japan Equity Partners	5.00
Amova Japan Value	5.00
Neuberger Berman Japan Engagement	4.40
Global Emerging Market Equity	11.60
Baillie Gifford Pacific Fund	3.50
North of South Global Emerging Markets Equity	4.60
M&G Asian Fund	3.50
Global Developed Market Equity	13.90
Pzena Global Value	6.20
GMO Quality	4.90
Baillie Gifford Global Discovery	2.80
	100.00

## Portfolio Holdings

### YOU Active 08

This Portfolio invests mainly in Equities and some specialist Equities in order to obtain diversification. It is suitable for investors who are prepared to take some investment risk to improve long-term returns, where these are more important than capital protection.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act08	Portfolio	3.2	13.9	37.7	37.2	410.9	8.0



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	6.0	6.0
Property & Real Assets	4.0	4.0
Absolute Return	8.0	8.0
UK Equity	14.9	16.4
US Equity	16.7	16.7
Europe ex-UK Equity	12.8	7.0
Japanese Equity	10.1	14.4
Global Emerging Market Equity	11.6	11.6
Global Developed Market Equity	14.0	13.9

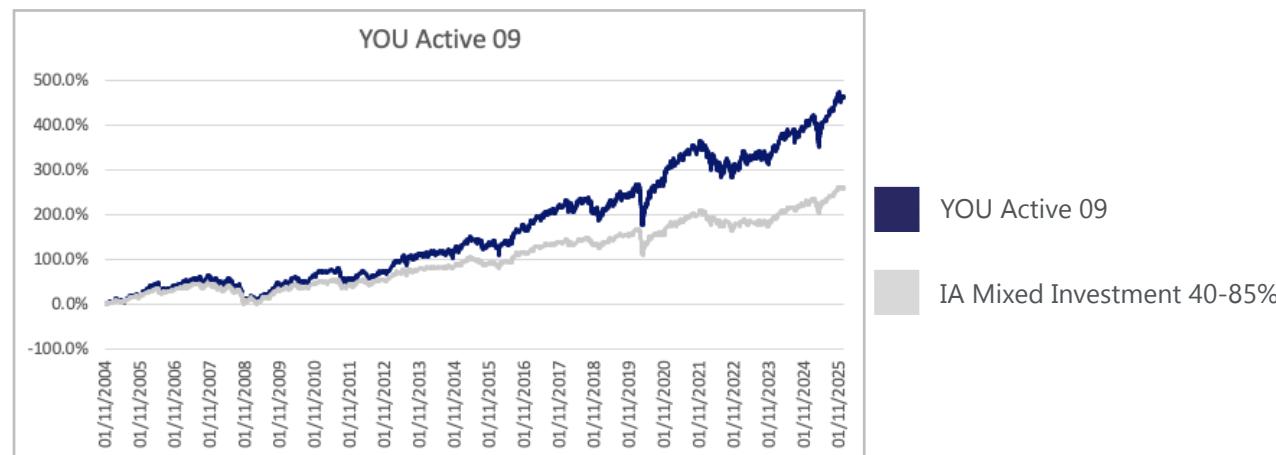
Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	3.00
Man High Yield Opportunities	0.90
MS Local Emerging Market Debt	2.10
Property & Real Assets	0.00
Absolute Return	5.00
Sanlam Ninety One Multi Strategy	1.30
Fulcrum Thematic Equity Market Neutral	1.40
Pacific G10 Macro Rates	1.40
Man Credit Opportunities Alternative	0.90
UK Equity	18.40
Polar Capital UK Value Opportunities	3.70
Invesco UK Opportunities	7.30
Evenlode Income	7.40
US Equity	18.80
Natixis Loomis Sayles US Equity Leaders	4.30
Neuberger Berman US Small Cap IV	5.10
AB American Growth	4.30
BNY Mellon US Equity Income	5.10
Europe Ex-UK Equity	7.90
BlackRock Continental Euro Equity	3.20
Lansdowne European Special Situations	4.70
Japanese Equity	16.20
GSAM Japan Equity Partners	5.70
Amova Japan Value	5.70
Neuberger Berman Japan Engagement	4.80
Global Emerging Market Equity	13.00
Baillie Gifford Pacific Fund	3.90
North of South Global Emerging Markets Equity	5.20
M&G Asian Fund	3.90
Global Developed Market Equity	15.70
Pzena Global Value	7.10
GMO Quality	5.50
Baillie Gifford Global Discovery	3.10
	100.00

## Portfolio Holdings

### YOU Active 09

This Portfolio invests mainly in Equities and some specialist Equities in order to obtain diversification. It is suitable for investors who are happy to take more investment risk to improve long-term returns, where these are more important than capital protection.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act09	Portfolio	3.3	13.7	39.4	38.8	468.5	8.6



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	3.0	3.0
Property & Real Assets	0.0	0.0
Absolute Return	5.0	5.0
UK Equity	16.8	18.4
US Equity	18.8	18.8
Europe ex-UK Equity	14.4	7.9
Japanese Equity	11.3	16.2
Global Emerging Market Equity	13.0	13.0
Global Developed Market Equity	15.7	15.7

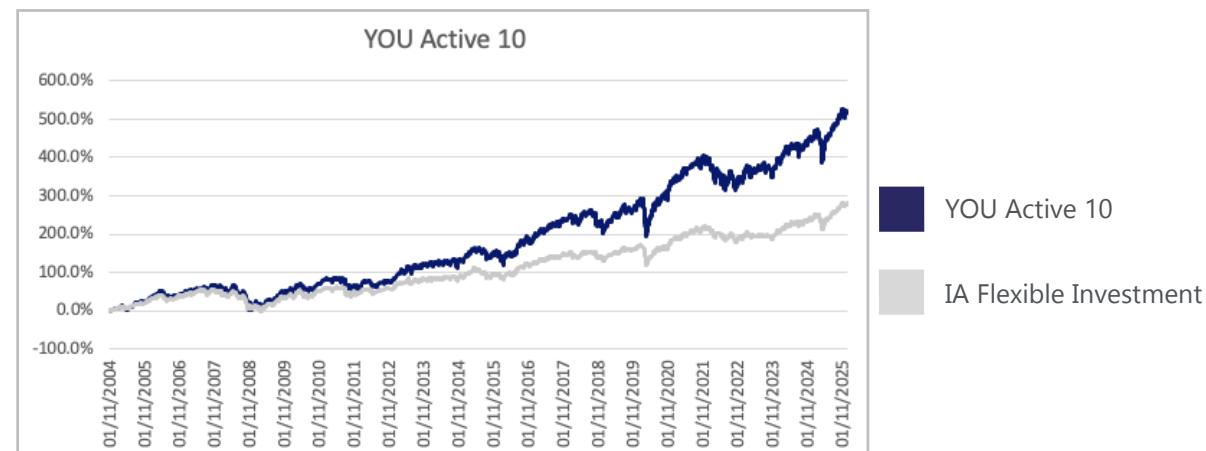
Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	0.00
Property & Real Assets	0.00
Absolute Return	0.00
UK Equity	20.00
Polar Capital UK Value Opportunities	4.00
Invesco UK Opportunities	8.00
Evenlode Income	8.00
US Equity	20.50
Natixis Loomis Sayles US Equity Leaders	4.70
Neuberger Berman US Small Cap IV	5.60
AB American Growth	4.70
BNY Mellon US Equity Income	5.50
Europe Ex-UK Equity	8.60
BlackRock Continental Euro Equity	3.40
Lansdowne European Special Situations	5.20
Japanese Equity	17.70
GSAM Japan Equity Partners	6.20
Amova Japan Value	6.20
Neuberger Berman Japan Engagement	5.30
Global Emerging Market Equity	14.20
Baillie Gifford Pacific Fund	4.30
North of South Global Emerging Markets Equity	5.60
M&G Asian Fund	4.30
Global Developed Market Equity	17.00
Pzena Global Value	7.60
GMO Quality	6.00
Baillie Gifford Global Discovery	3.40
	100.00

## Portfolio Holdings

### YOU Active 10

This Portfolio invests mainly in Equities and some specialist Equities in order to obtain diversification. It is suitable for investors who are happy to take more investment risk to improve long-term returns, where these are more important than capital protection.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act10	Portfolio	3.4	13.9	40.7	41.4	522.5	9.0



Asset Class			Strategic (%)	Tactical (%)						
	Cash	Fixed Income	Property & Real Assets	Absolute Return	UK Equity	US Equity	Europe ex-UK Equity	Japanese Equity	Global Emerging Market Equity	Global Developed Market Equity
Cash										
Fixed Income										
Property & Real Assets										
Absolute Return										
UK Equity										
US Equity										
Europe ex-UK Equity										
Japanese Equity										
Global Emerging Market Equity										
Global Developed Market Equity										
	2.0	0.0	0.0	0.0	18.2	20.5	15.7	12.3	14.2	17.1
	2.0	0.0	0.0	0.0	20.0	20.5	8.6	17.7	14.2	17.0

## Active Portfolio

Fund	Allocation (%)
Cash	2.00
Cash	2.00
Fixed Income	30.00
Morgan Stanley Local Emerging Market Debt	9.00
Man High Yield Opportunities	9.00
PGIM Global Corporate Bond	12.00
Property & Real Assets	10.00
ClearBridge Global Infrastructure Income	10.00
Absolute Return	8.00
Sanlam Ninety One Multi Strategy	8.00
UK Equity	14.40
Redwheel UK Income	7.20
BNY Mellon UK Income	7.20
US Equity	0.00
Europe Ex-UK Equity	8.60
Polar Capital Europe ex-UK Income	8.60
Japanese Equity	0.00
Global Emerging Market Equity	13.00
North of South EM All Cap Inc	13.00
Global Developed Market Equity	14.00
Pzena Global Value	4.00
BNY Mellon Global Income	10.00
	100.00

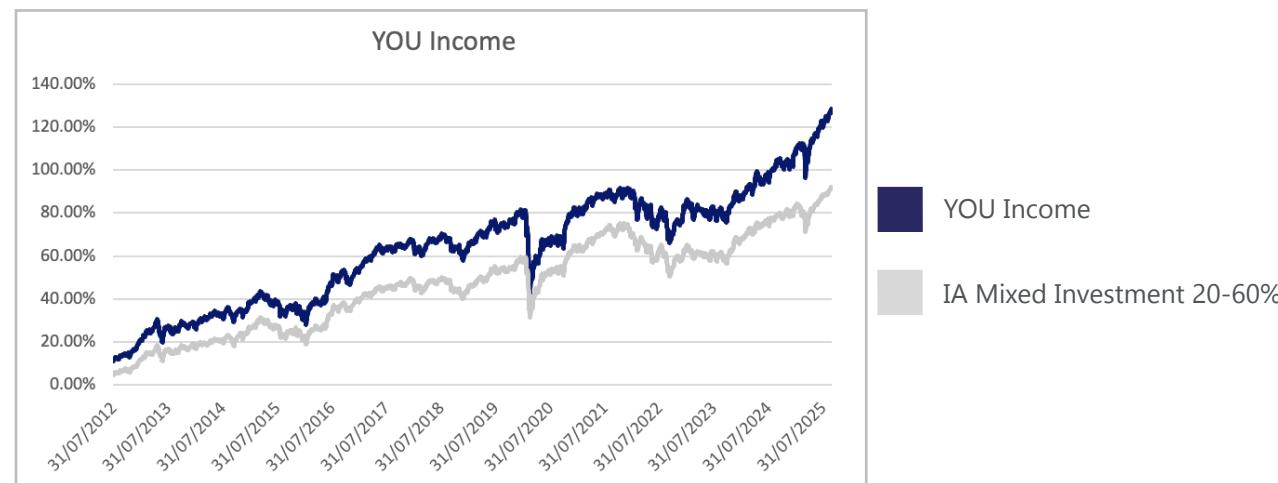
## Income

## Portfolio Holdings

### YOU Income

This Portfolio invests mainly in Equities and some specialist Equities in order to obtain diversification. It is suitable for investors who are happy to take more investment risk to improve long-term returns, where these are more important than capital protection.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Income	Portfolio	4.5	18.1	35.8	33.1	138.7	5.9



## Income Yields - Current Yield for Portfolio: 4.3%

The 'current yield' figure is the weighted yield from the components of the Active Income Portfolio. The individual yields are calculated by the Fund group and are an estimate of what they expect the yield to be in the next 12 months. It is an expectation only and does not represent any guarantee. It is based on the current underlying stocks held within the Fund and assumes that these are held for the next 12 months and no changes are made.

Asset Class	Strategic (%)	Tactical (%)
Cash		2.0
Fixed Income		30.0
Property & Real Assets		10.0
Absolute Return		8.0
UK Equity		14.4
US Equity		0.0
Europe ex-UK Equity		8.6
Japanese Equity		0.0
Global Emerging Market Equity		13.0
Global Developed Market Equity		14.0

Our Income Portfolios are not managed in line with a Strategic Asset Allocation





# Investment insights

## Time - its relationship with risk and return

At YOU Asset Management (YOU AM), our mission is to help clients achieve their financial goals. Understanding how time interacts with risk and return is fundamental to making informed investment decisions.

We wrote in our last quarterly review about the importance of focusing on the numbers which matter to your overall outcomes. We develop this theme further by emphasising the importance of anchoring investment decisions to the correct time horizon. With an aim of ensuring risks, expected outcomes and portfolio roles are assessed over the periods in which they genuinely matter.

We naturally consider time and money each day. We do not squirrel away our whole pay cheque to a savings account; some of the cash sits in a current account for groceries and bills. For our investments the thought process can differ.

### Why time matters in investing

Time is one of the most powerful tools in managing investment risk. Whilst returns are not guaranteed, the longer you stay invested, the more you can improve your chances of achieving positive returns.

History to date shows us that when we look at suitable diversified investments, markets tend to recover from the falls in value which happen over the course of market cycles, sometimes rapidly. And if you can weather these storms, the overall direction of suitably diversified equity (stocks and shares) portfolios

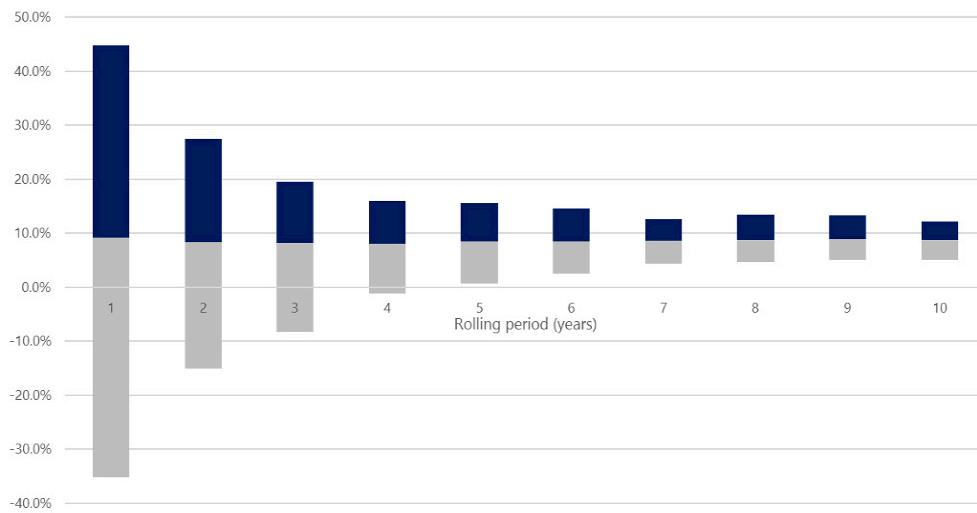
has been significant long-term growth.

Keeping one's timeframe in mind can unlock these long-term returns by investing the right proportion in risk assets and focusing on objectives, rather than the short-term market news we see in the press. Most risk measures focus on the variability of returns (volatility, for example, is a measure of the variability of returns in annual periods). Generally, we deem portfolios with more variable returns to be 'riskier'. But our experience shows this variability tends to smooth out if you allow time to work its magic and returns to compound.

Using our highest risk portfolio allocation over a 20+ year sample (from the November 2004 launch of our original investment service to May 2025) we can see the most extreme outcomes soon smooth out as time and compounding take effect.

The observed returns over any given annual period are extremely unpredictable. But our study shows that over all of the possible three-year periods in our sample, only 6% of those periods showed a fall in value, and this fell to just 2% of observations for four-year holding periods. This chart shows the experienced return over every rolling period (one year, two years, etc.) with the total bar being the whole range of returns, blue above the average and grey below the average. **Once you get out to five-year periods and above, there are no negative returns observed over those rolling five-year periods.**

## Rolling Returns Spreads (years) – Active MPS 10



**Past Performance is not a reliable indicator of future performance.**

Source: YOU Asset Management and FE Analytics

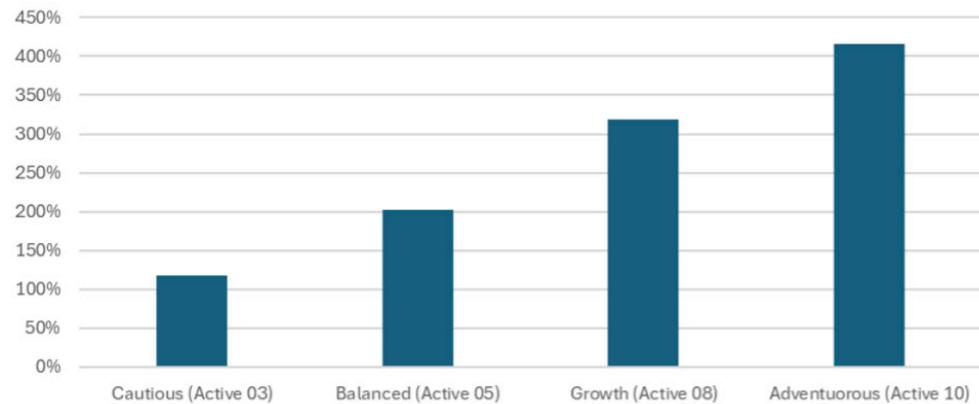
## Risk and return: a balancing act

While higher-risk portfolios show a more variable return, your return is potentially rewarded for bearing that risk.

Over time, the return from our Multi-Asset Blend Growth Fund has been stronger than Balanced, but there has been a bumpier road to get there. During the Covid slump in early 2020, Balanced fell by 15.8% and Growth by over 21%. In 2025's Trump tariff panic, Balanced fell 7.8% and Growth also fell by over 11%.

But over time, for those able to tolerate the risk, these different risk levels can give starkly different outcomes. Below is the cumulative return for 20 years (to 31/12/2024) of our model portfolios for the equivalent Cautious, Balanced, Growth and Adventurous risk levels.

## Cumulative return, 20 years to 31/12/2024



**Past Performance is not a reliable indicator of future performance.**

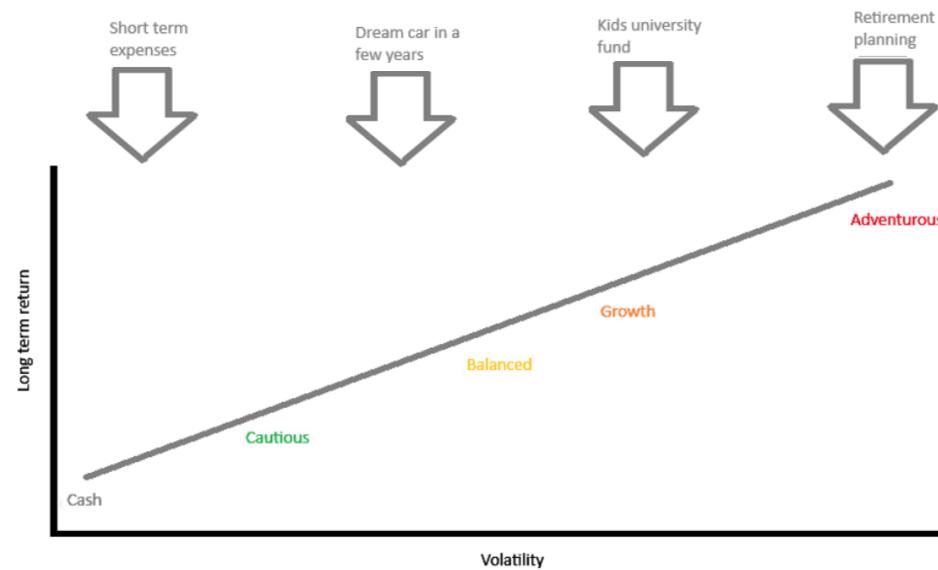
Source: YOU Asset Management and FE Analytics



## How to utilise time effectively

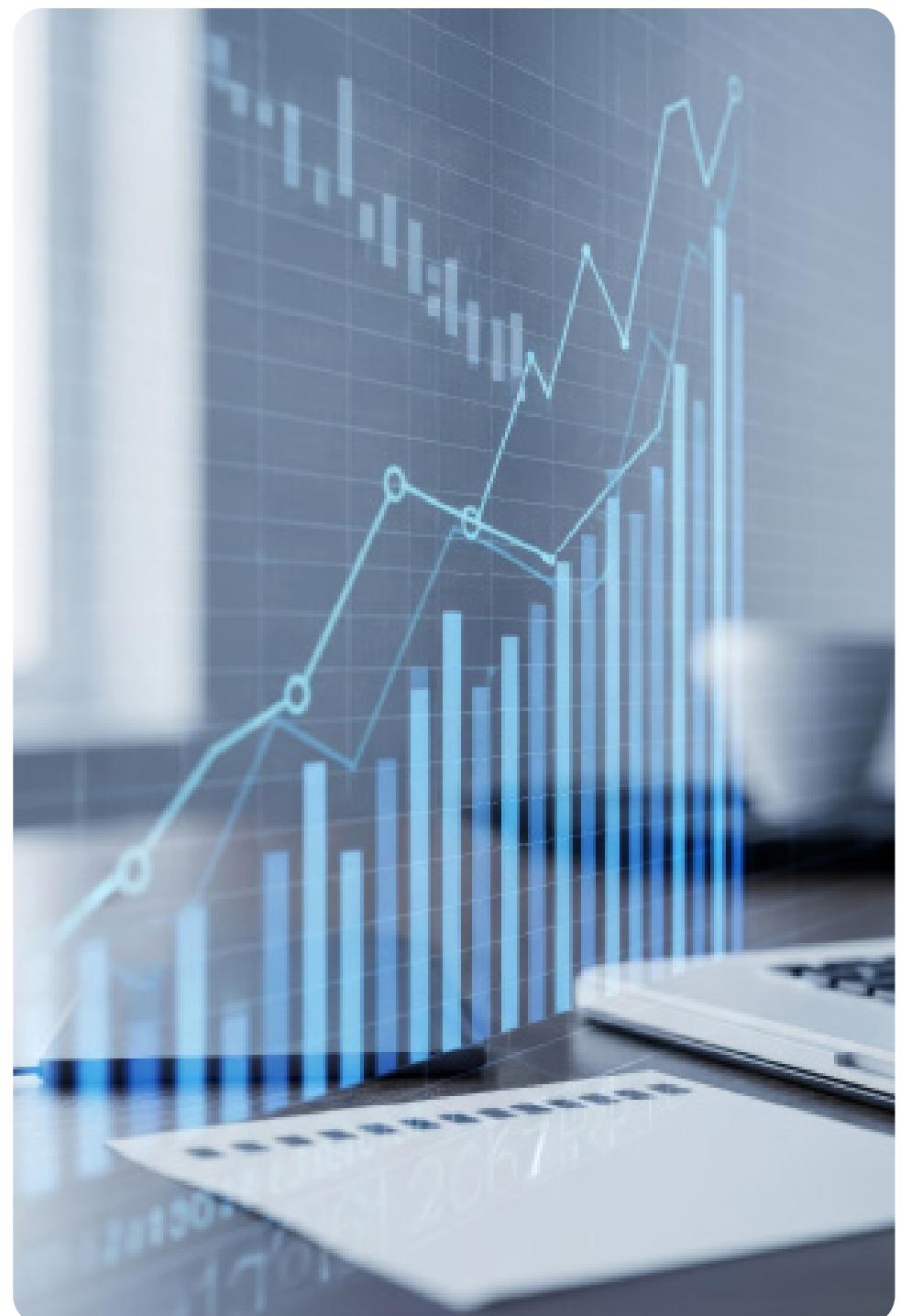
The typical approach by large institutional investors is to increase risk as the investment time horizon lengthens. So liabilities far in the future can be held in riskier assets like equities, while shorter-term needs are in assets with more predictable short-term outcomes. And of course, cash is held on hand for immediate expenses where any investment risk can't be tolerated.

Applying a similar concept to personal finances is why we believe it is essential to consider your time horizon when you work with your financial planner to agree appropriate risk levels for your investments. While our needs and liabilities do not mirror an institution exactly, the concept could be expressed as the following diagram:



Your financial planner will also consider your capacity for loss for each investment, which can of course drive more conservative approaches when appropriate. Allowing for that, we can give ourselves a chance to improve our outcomes by thinking more like an institution; staying invested over time in a suitable risk level for each objective.

While accepting that there will be increased volatility with higher risk investments in the short-term, for more distant objectives, this volatility is likely to have less impact. Though, as always, there is no increased returns without some risk.





## YOU Asset Management Team



Derrick Dunne  
Chief Executive



Shane Balkham  
Client Investment Director



Peter Griffin  
Director



Chris Ayton  
Fund Manager



Cormac Nevin  
Fund Manager



Millan Chauhan  
Investment Analyst



Ilaria Massei  
Investment Analyst



Ashwin Gurung  
Investment Analyst



Dominic Williams  
Investment Analyst



Kira Parker  
Investment Operations Manager



Conor Cassidy  
Investment Operations Associate



Maddie O'Connor  
Investment Operations Associate



Linda Afari  
Investment Operations Associate



Steven Poulton  
Compliance Director



Katrina Wooltorton  
Compliance Analyst



Nicola Walmley  
Marketing & Communications Manager



Mary Fyfe  
Group Head of HR

## Important information

The Active Portfolios one to ten, launched in November 2004, and the Active Income Portfolio, launched in November 2010, have their performance metrics updated to the 31st December, based on their composition of 1st January 2026. It's crucial to understand that past performance does not predict future returns, and the value of investments can change, potentially resulting in not recovering the initial investment.

Investment performance is subject to fluctuations due to changes in currency rates and market conditions, especially for funds invested in international markets or different currencies. The Investment Asset Allocation Committee may adjust asset allocations in response to market evaluations, which could affect portfolio performance. Also, performance figures may not align with individual experiences if there were changes in portfolio investment during the quarter.

Be aware that inflation can impact the future value of capital, and investments focused on specific sectors or regions are generally riskier. Additionally, investments in emerging markets or smaller companies are subject to higher volatility and risks. Lastly, the performance of funds can vary significantly based on the timing of investment switches.





# YOU.

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