

Quarter Four Review

Your guide to the markets and the Enhanced Passive Portfolios

Investment solutions to suit all risk profiles



Contents

Performance summary	4
Performance commentary	5
Market outlook	6
Portfolio breakdown & performance details	8
Investment insights	18
General information & important notes	23

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.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
EnP01	Portfolio	1.0	5.7	15.2	7.8	27.9	2.0
EnP02	Portfolio	1.5	7.3	19.4	12.9	53.2	3.4
EnP03	Portfolio	1.9	8.8	23.7	18.8	76.9	4.6
EnP04	Portfolio	2.3	10.2	27.6	24.3	108.8	5.9
EnP05	Portfolio	2.8	11.6	31.4	30.4	133.3	6.9
EnP06	Portfolio	3.2	12.7	34.7	36.8	154.2	7.6
EnP07	Portfolio	3.5	13.9	38.4	43.6	178.2	8.4
EnP08	Portfolio	3.9	15.3	42.6	48.7	190.6	8.7
EnP09	Portfolio	4.3	16.6	46.5	54.4	215.6	9.4
EnP10	Portfolio	4.6	17.4	49.3	59.5	232.8	9.9

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	20.8	1.5
Inflation UK Retail Price	-0.1	3.4	12.5	37.3	63.1	3.9
FTSE 100	6.9	25.8	48.9	84.7	147.3	7.4

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.

Investment Association	QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
CPI	0.1	2.9	9.7	27.7	42.2	2.8
IA Mixed Investment 20-60%	2.7	10.2	24.8	21.1	71.6	4.3
IA Mixed Investment 40-85%	3.3	11.6	31.4	31.2	111.2	6.0
IA Flexible Investment	3.2	12.0	31.2	32.9	116.9	6.3

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.

Portfolio changes



Complete sales

There were no new sales in Q4 2025.



New buys

There were no new buys in Q4 2025.

Market outlook

As a reminder, each of the Enhanced Passive 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.

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.

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.

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") and Absolute return strategies (designed to deliver positive returns largely irrespective of market direction). 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.

Your Absolute Return exposure also performed well, delivering steady returns with lower connection to stock market movements. 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.

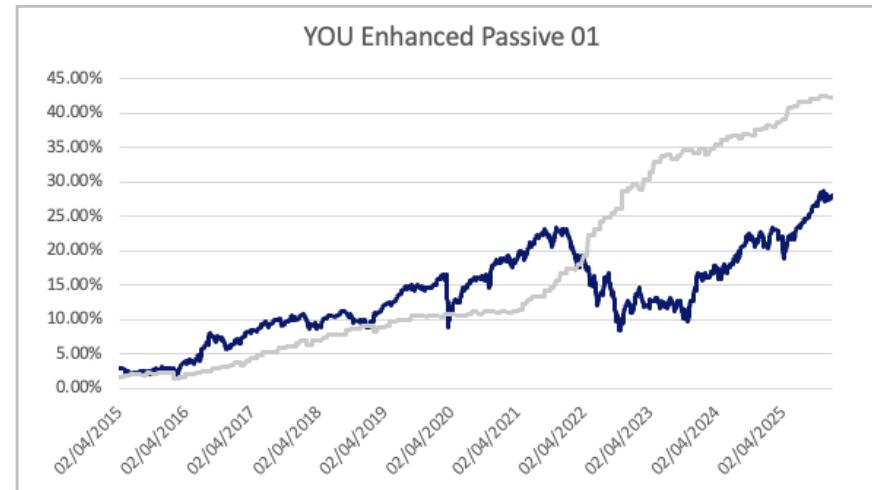


YOU Enhanced Passive 01

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

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
EnP01	Portfolio	1.0	5.7	15.2	7.8	27.9	2.0

Fund	Allocation (%)
Cash	15.0
Cash	15.0
Fixed Income	50.0
Amundi Global Aggregate Index	50.0
Property & Real Assets	10.0
iShares Environment & Low Carbon Tilt Real Estate Index	10.0
Absolute Return	15.0
GSAM Absolute Return Tracker	15.0
UK Equity	2.0
Fidelity Index UK	2.0
US Equity	2.1
Fidelity Index US	2.1
Europe Ex-UK Equity	0.9
Fidelity Index Europe Ex UK	0.9
Japanese Equity	1.8
Fidelity Index Japan	1.8
Global Emerging Market Equity	1.4
Fidelity Index Emerging Markets	1.4
Global Developed Market Equity	1.8
Fidelity Index World	1.8
	100.0



YOU Enhanced Passive 01



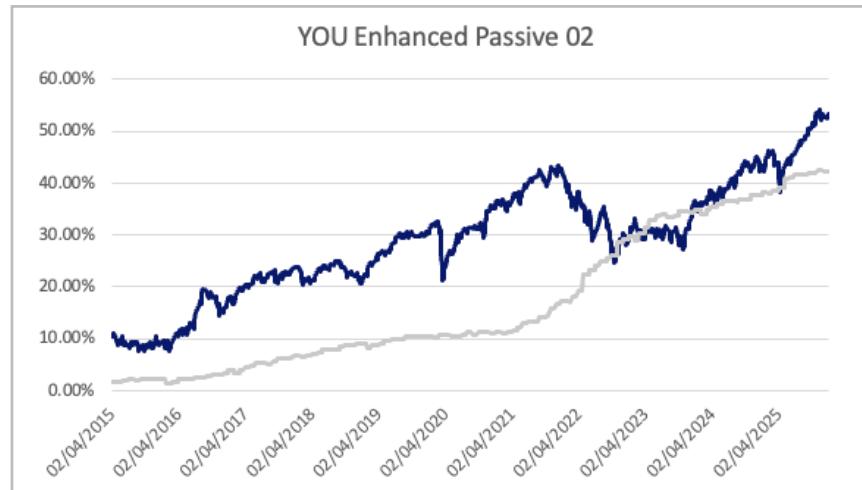
Consumer Price Index

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

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

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
EnP02	Portfolio	1.5	7.3	19.4	12.9	53.2	3.4

Fund	Allocation (%)
Cash	10.0
Cash	10.0
Fixed Income	45.0
Amundi Global Aggregate Index	45.0
Property & Real Assets	10.0
iShares Environment & Low Carbon Tilt Real Estate Index	10.0
Absolute Return	15.0
GSAM Absolute Return Tracker	15.0
UK Equity	4.1
Fidelity Index UK	4.1
US Equity	4.2
Fidelity Index US	4.2
Europe Ex-UK Equity	1.7
Fidelity Index Europe Ex UK	1.7
Japanese Equity	3.6
Fidelity Index Japan	3.6
Global Emerging Market Equity	2.9
Fidelity Index Emerging Markets	2.9
Global Developed Market Equity	3.5
Fidelity Index World	3.5
	100.0



YOU Enhanced Passive 02

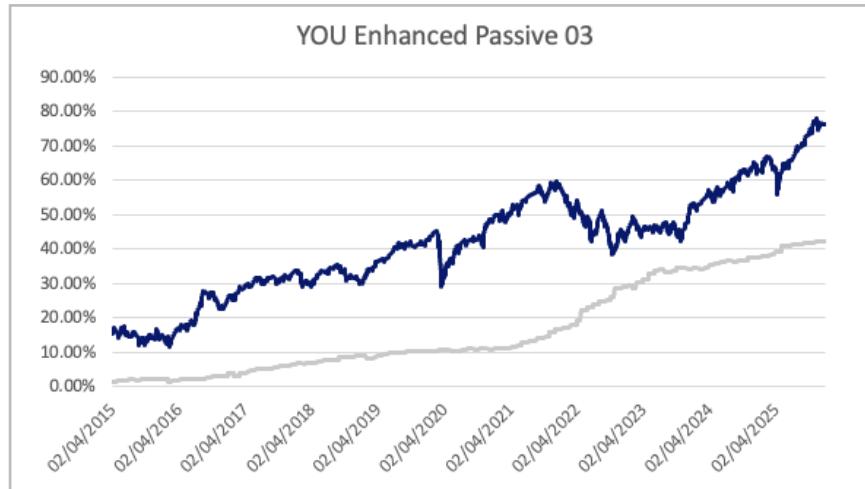
Consumer Price Index

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

This Portfolio invests mainly in Fixed Interest 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 (%)
EnP03	Portfolio	1.9	8.8	23.7	18.8	76.9	4.6

Fund	Allocation (%)
Cash	5.0
Cash	5.0
Fixed Income	40.0
Amundi Global Aggregate Index	40.0
Property & Real Assets	10.0
iShares Environment & Low Carbon Tilt Real Estate Index	10.0
Absolute Return	15.0
GSAM Absolute Return Tracker	15.0
UK Equity	6.1
Fidelity Index UK	6.1
US Equity	6.3
Fidelity Index US	6.3
Europe Ex-UK Equity	2.6
Fidelity Index Europe Ex UK	2.6
Japanese Equity	5.4
Fidelity Index Japan	5.4
Global Emerging Market Equity	4.3
Fidelity Index Emerging Markets	4.3
Global Developed Market Equity	5.3
Fidelity Index World	5.3
	100.0



YOU Enhanced Passive 03



Consumer Price Index

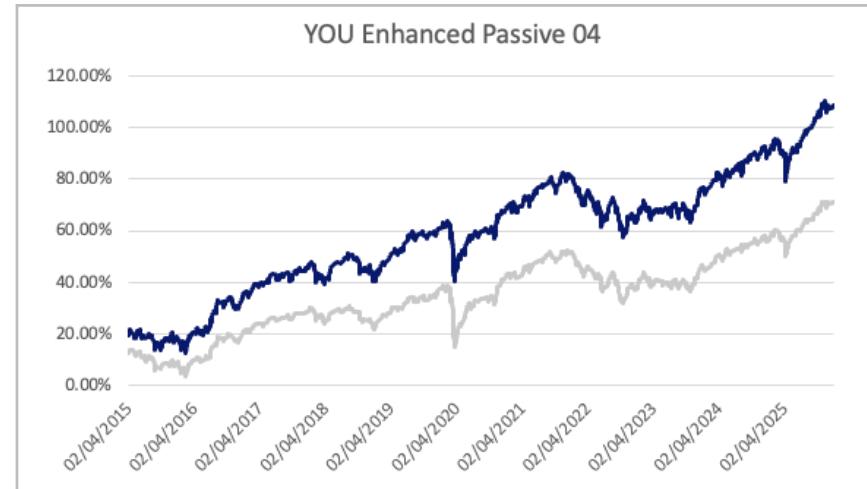
Asset Class	Strategic (%)	Tactical (%)
Cash	5.0	5.0
Fixed Income	40.0	40.0
Property & Real Assets	10.0	10.0
Absolute Return	15.0	15.0
UK Equity	5.6	6.1
US Equity	6.3	6.3
Europe ex-UK Equity	4.8	2.6
Japanese Equity	3.8	5.4
Global Emerging Market Equity	4.3	4.3
Global Developed Market Equity	5.2	5.3

YOU Enhanced Passive 04

This Portfolio invests in a moderate amount of Fixed Interest, 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 (%)
EnP04	Portfolio	2.3	10.2	27.6	24.3	108.8	5.9

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	34.0
Amundi Global Aggregate Index	34.0
Property & Real Assets	10.0
iShares Environment & Low Carbon Tilt Real Estate Index	10.0
Absolute Return	14.0
GSAM Absolute Return Tracker	14.0
UK Equity	8.2
Fidelity Index UK	8.2
US Equity	8.3
Fidelity Index US	8.3
Europe Ex-UK Equity	3.5
Fidelity Index Europe Ex UK	3.5
Japanese Equity	7.2
Fidelity Index Japan	7.2
Global Emerging Market Equity	5.8
Fidelity Index Emerging Markets	5.8
Global Developed Market Equity	7.0
Fidelity Index World	7.0
	100.0



YOU Enhanced Passive 04 IA Mixed Investment 20-60%

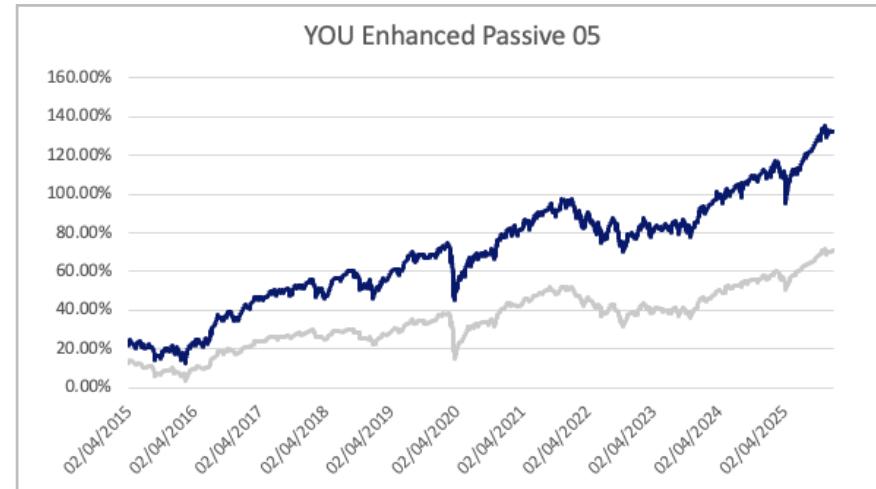
Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	34.0	34.0
Property & Real Assets	10.0	10.0
Absolute Return	14.0	14.0
UK Equity	7.4	8.2
US Equity	8.3	8.3
Europe ex-UK Equity	6.4	3.5
Japanese Equity	5.0	7.2
Global Emerging Market Equity	5.8	5.8
Global Developed Market Equity	7.0	7.0

YOU Enhanced Passive 05

This Portfolio invests mainly in Fixed Interest 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 (%)
EnP05	Portfolio	2.8	11.6	31.4	30.4	133.3	6.9

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	24.0
Amundi Global Aggregate Index	24.0
Property & Real Assets	10.0
iShares Environment & Low Carbon Tilt Real Estate Index	10.0
Absolute Return	14.0
GSAM Absolute Return Tracker	14.0
UK Equity	10.2
Fidelity Index UK	10.2
US Equity	10.4
Fidelity Index US	10.4
Europe Ex-UK Equity	4.4
Fidelity Index Europe Ex UK	4.4
Japanese Equity	9.0
Fidelity Index Japan	9.0
Global Emerging Market Equity	7.2
Fidelity Index Emerging Markets	7.2
Global Developed Market Equity	8.8
Fidelity Index World	8.8
	100.0



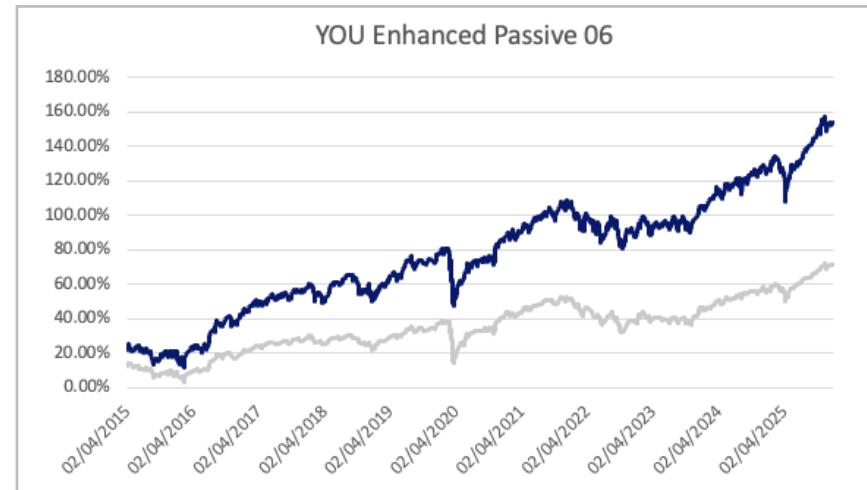
Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	24.0	24.0
Property & Real Assets	10.0	10.0
Absolute Return	14.0	14.0
UK Equity	9.3	10.2
US Equity	10.4	10.4
Europe ex-UK Equity	8.0	4.4
Japanese Equity	6.3	9.0
Global Emerging Market Equity	7.2	7.2
Global Developed Market Equity	8.7	8.8

YOU Enhanced Passive 06

This Portfolio invests in a moderate amount of Fixed Interest, 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 (%)
EnP06	Portfolio	3.2	12.7	34.7	36.8	154.2	7.6

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	15.0
Amundi Global Aggregate Index	15.0
Property & Real Assets	10.0
iShares Environment & Low Carbon Tilt Real Estate Index	10.0
Absolute Return	13.0
GSAM Absolute Return Tracker	13.0
UK Equity	12.3
Fidelity Index UK	12.3
US Equity	12.5
Fidelity Index US	12.5
Europe Ex-UK Equity	5.2
Fidelity Index Europe Ex UK	5.2
Japanese Equity	10.8
Fidelity Index Japan	10.8
Global Emerging Market Equity	8.7
Fidelity Index Emerging Markets	8.7
Global Developed Market Equity	10.5
Fidelity Index World	10.5
	100.0



YOU Enhanced Passive 06 IA Mixed Investment 20-60%

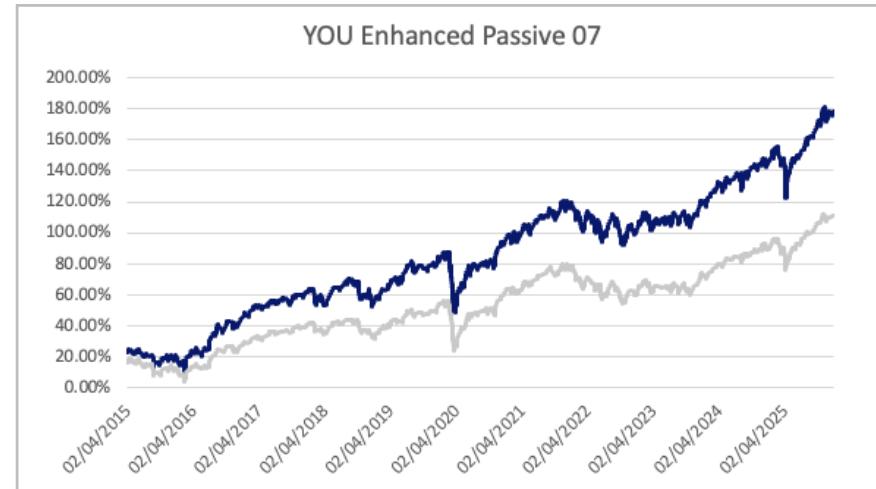
Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	15.0	15.0
Property & Real Assets	10.0	10.0
Absolute Return	13.0	13.0
UK Equity	11.2	12.3
US Equity	12.5	12.5
Europe ex-UK Equity	9.6	5.2
Japanese Equity	7.5	10.8
Global Emerging Market Equity	8.7	8.7
Global Developed Market Equity	10.5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

YOU Enhanced Passive 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 (%)
EnP07	Portfolio	3.5	13.9	38.4	43.6	178.2	8.4

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	7.0
Amundi Global Aggregate Index	7.0
Property & Real Assets	10.0
iShares Environment & Low Carbon Tilt Real Estate Index	10.0
Absolute Return	11.0
GSAM Absolute Return Tracker	11.0
UK Equity	14.3
Fidelity Index UK	14.3
US Equity	14.6
Fidelity Index US	14.6
Europe Ex-UK Equity	6.1
Fidelity Index Europe Ex UK	6.1
Japanese Equity	12.6
Fidelity Index Japan	12.6
Global Emerging Market Equity	10.1
Fidelity Index Emerging Markets	10.1
Global Developed Market Equity	12.3
Fidelity Index World	12.3
	100.0



YOU Enhanced Passive 07 IA Mixed Investment 40-85%

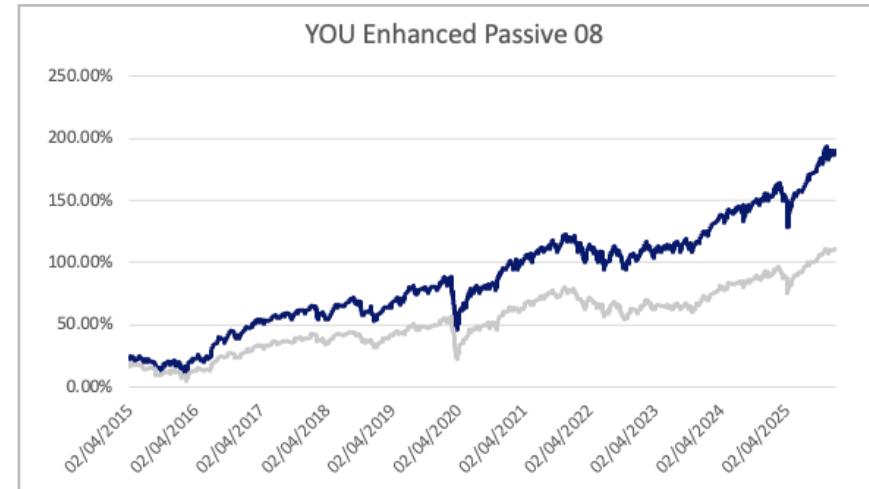
Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	7.0	7.0
Property & Real Assets	10.0	10.0
Absolute Return	11.0	11.0
UK Equity	13.0	14.3
US Equity	14.6	14.6
Europe ex-UK Equity	11.2	6.1
Japanese Equity	8.8	12.6
Global Emerging Market Equity	10.1	10.1
Global Developed Market Equity	12.2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

YOU Enhanced Passive 08

This Portfolio invests in a moderate amount of Fixed Interest, 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 (%)
EnP08	Portfolio	3.9	15.3	42.6	48.7	190.6	8.7

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	6.0
Amundi Global Aggregate Index	6.0
Property & Real Assets	4.0
iShares Environment & Low Carbon Tilt Real Estate Index	4.0
Absolute Return	8.0
GSAM Absolute Return Tracker	8.0
UK Equity	16.4
Fidelity Index UK	16.4
US Equity	16.7
Fidelity Index US	16.7
Europe Ex-UK Equity	7.0
Fidelity Index Europe Ex UK	7.0
Japanese Equity	14.4
Fidelity Index Japan	14.4
Global Emerging Market Equity	11.6
Fidelity Index Emerging Markets	11.6
Global Developed Market Equity	13.9
Fidelity Index World	13.9
	100.0



YOU Enhanced Passive 08



IA Mixed Investment 40-85%

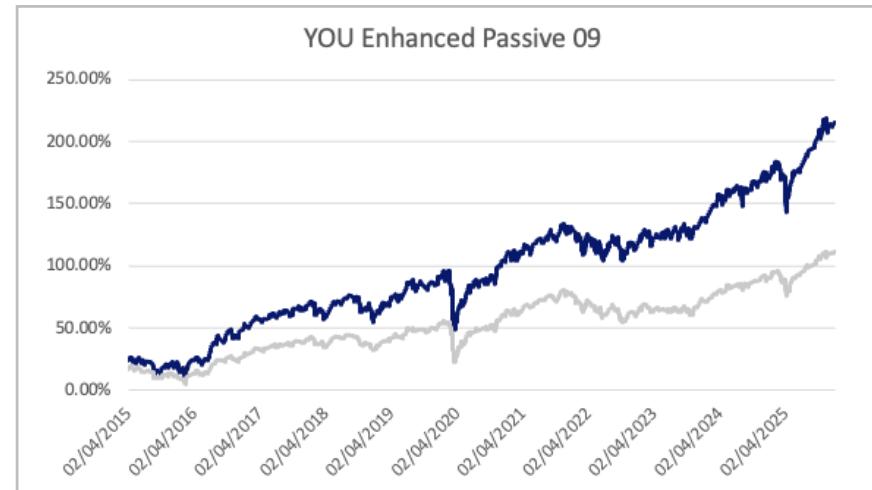
Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	6.0	6.0
Property & Real Assets	4.0	4.0
Absolute Return	8.0	8.0
UK Equity	14.9	16.4
US Equity	16.7	16.7
Europe ex-UK Equity	12.8	7.0
Japanese Equity	10.1	14.4
Global Emerging Market Equity	11.6	11.6
Global Developed Market Equity	14.0	13.9

YOU Enhanced Passive 09

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 (%)
EnP09	Portfolio	4.3	16.6	46.5	54.4	215.6	9.4

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	3.0
Amundi Global Aggregate Index	3.0
Absolute Return	5.0
GSAM Absolute Return Tracker	5.0
UK Equity	18.4
Fidelity Index UK	18.4
US Equity	18.8
Fidelity Index US	18.8
Europe Ex-UK Equity	7.9
Fidelity Index Europe Ex UK	7.9
Japanese Equity	16.2
Fidelity Index Japan	16.2
Global Emerging Market Equity	13.0
Fidelity Index Emerging Markets	13.0
Global Developed Market Equity	15.7
Fidelity Index World	15.7
	100.0



YOU Enhanced Passive 09 IA Mixed Investment 40-85%

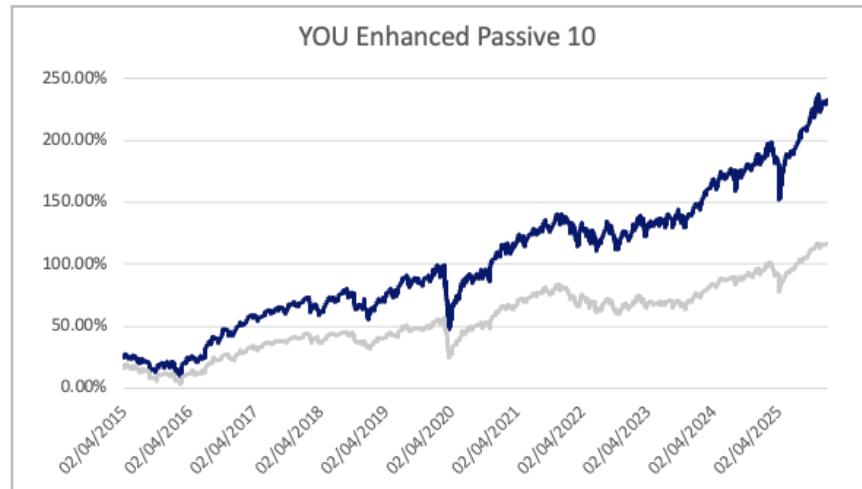
Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	3.0	3.0
Property & Real Assets	0.0	0.0
Absolute Return	5.0	5.0
UK Equity	16.8	18.4
US Equity	18.8	18.8
Europe ex-UK Equity	14.4	7.9
Japanese Equity	11.3	16.2
Global Emerging Market Equity	13.0	13.0
Global Developed Market Equity	15.7	15.7

YOU Enhanced Passive 10

This Portfolio invests wholly in Equities, with a significant proportion in specialist Equities. It is suitable for those investors looking for the highest potential long-term returns, but who must also be prepared to accept the greatest investment risk and significant short-term falls as well.

		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
EnP10	Portfolio	4.6	17.4	49.3	59.5	232.8	9.9

Fund	Allocation (%)
Cash	2.0
Cash	2.0
UK Equity	20.0
Fidelity Index UK	20.0
US Equity	20.5
Fidelity Index US	20.5
Europe Ex-UK Equity	8.6
Fidelity Index Europe Ex UK	8.6
Japanese Equity	17.7
Fidelity Index Japan	17.7
Global Emerging Market Equity	14.2
Fidelity Index Emerging Markets	14.2
Global Developed Market Equity	17.0
Fidelity Index World	17.0
	100.0



YOU Enhanced Passive 10 IA Flexible Investment

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



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

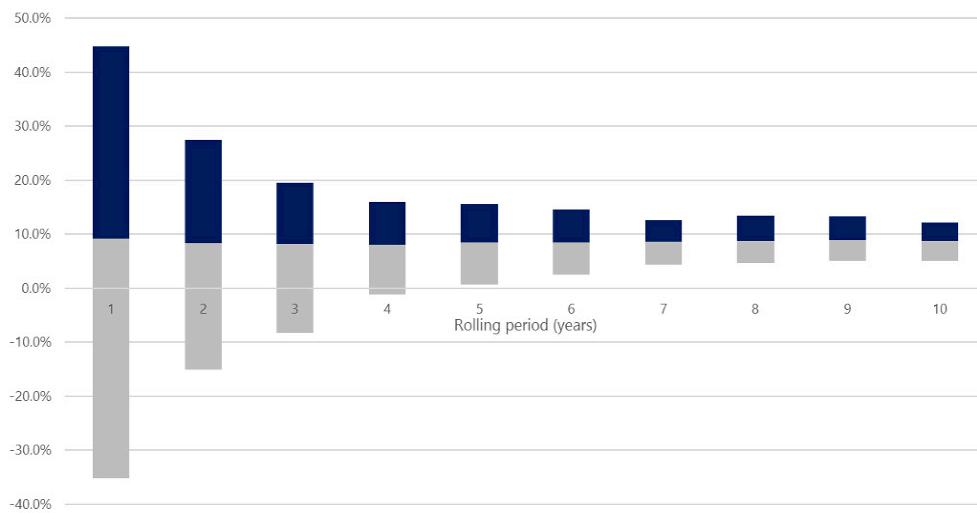
has been significant long-term growth.

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

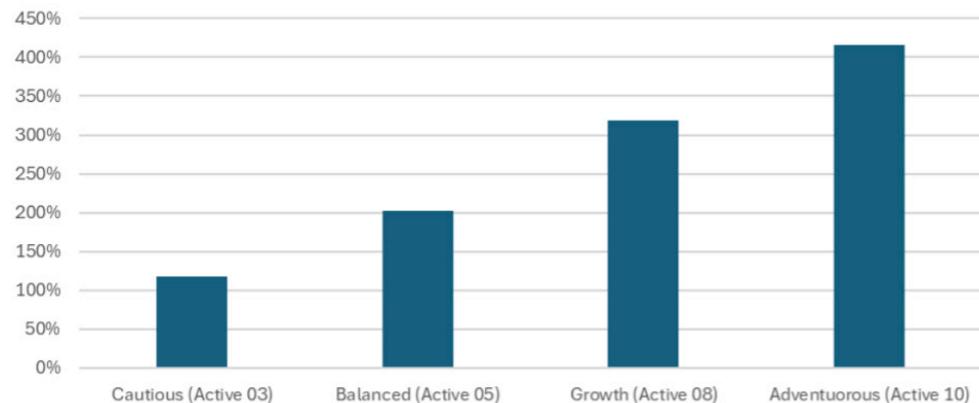
Risk and return: a balancing act

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.

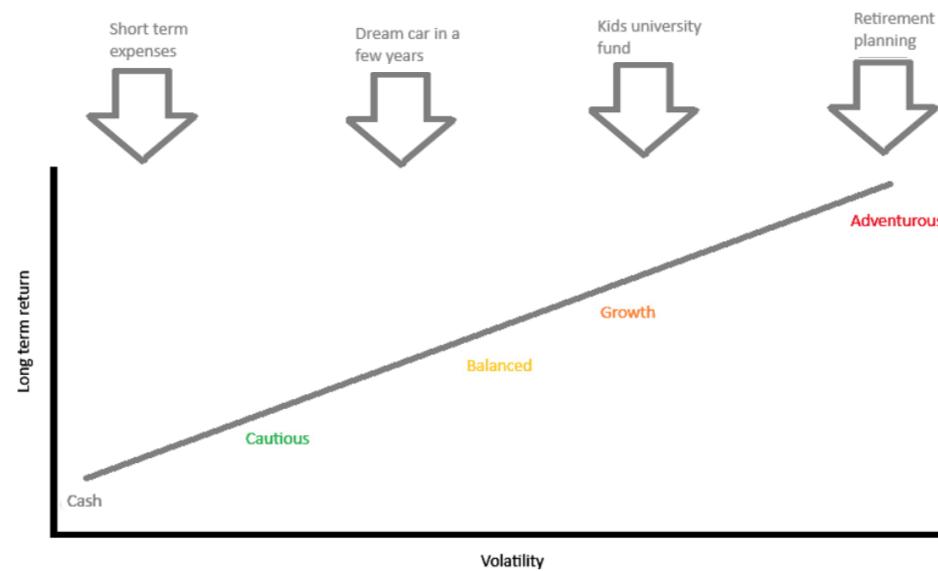
Source: YOU Asset Management and FE Analytics



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 Walmsley
Marketing & Communications Manager



Mary Fyfe
Group Head of HR

Important information

The Enhanced Passive Portfolios one to ten, launched on 2nd April 2013, have their performance metrics updated to 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.

Visit: www.YOU-Asset.co.uk

Call: 0345 241 5376

Email: enquiries@YOU-Asset.co.uk

The content of this document is for information only. None of YOU, its partner firms, its sister company or its affiliates are, by means of this publication, rendering financial, investment, legal, tax, or other professional advice or services. Any opinions stated are honestly held but are not guaranteed and should not be relied upon. It is advisable that you discuss your personal financial circumstances with an Independent Financial Adviser before undertaking any investments.

YOU Asset Management is the copyright and registered trademark of The Beaufort Group of Companies Limited. All rights reserved. © 2026

YOU is a trading style of YOU Asset Management Limited which is authorised and regulated by the Financial Conduct Authority. YOU Asset Management Limited is registered in England Company No. 06150317. Registered Office: Brennan House, Farnborough Aerospace Centre Business Park, Farnborough, GU14 6XR.

YOU Asset Management Limited is a wholly owned subsidiary of The Beaufort Group of Companies Limited which is neither authorised nor regulated by the Financial Conduct Authority. The Beaufort Group of Companies Limited is registered in England Company No. 07902965. Registered Office: Brennan House, Farnborough Aerospace Centre Business Park, Farnborough, GU14 6XR. Please contact enquiries@YOU-Asset.co.uk