

# Cirilium Passive Portfolios

## Monthly commentary – Review of April 2025



**Marcus Brookes**  
Chief Investment Officer

### Our market summary

April was marked by significant market volatility, primarily driven by President Trump's 'Liberation Day' announcement of sweeping reciprocal tariffs on imported goods. The tariffs announced on 2 April were broader and higher than expected, and the implications of this new US trade policy impacted equities, fixed income, and currencies. Stock markets recovered somewhat later in the month as Trump suspended the reciprocal tariffs for 90 days for countries that had not implemented any retaliatory measures. Against this backdrop, global equities ended the month down 2.4% whilst global bonds finished the month up by 0.5%.



In order to aid your understanding, the underlined terms are hyperlinked to definitions in our online investment glossary.

### Equity markets



The US was the worst performing equity market in April. The 0.9% loss experienced in US dollar terms was increased to a loss of 3.9% for sterling-based investors due to the weakness of the US dollar. Energy was the weakest sector along with the healthcare and financials sectors, with consumer staples and IT the best performers. Meanwhile, Trump's tariffs weakened business confidence, hindering investment and spending decisions, and increasing the risk of a recession.



Like the US, European markets were impacted by the uncertainty caused by the reciprocal tariffs. However, an interest rate cut from the European Central Bank (ECB) and supportive fiscal policies helped provide relief. Overall, European ex UK equities were up 1.6% over the month. Like the US, the energy sector was the weakest with defensive areas, including consumer staples and utilities, showing resilience.



UK equities also faced the same challenges from trade policy uncertainties and ended the month down 0.2%. The energy sector was once again the main laggard, whereas the utilities sector, known for its defensive characteristics, was the top performer. Additionally, the more domestically focused small-cap companies (up 3.6%) outperformed large cap (down 1.4%) over the month.



April saw an escalation in trade tensions between the US and China. This weighed on Chinese equities, which ended the month down 7.5%. Overall, emerging markets proved to be more resilient and were down only 2.1%. Mexico was the top performer as it faced no new trade tariffs on 2 April, whilst Brazil was notably strong, supported by the strength of the Brazilian Real. Elsewhere, India continued to do well, and South Africa was up, helped by the surge in the gold price.

### Fixed income



There was significant volatility in bond markets over the month. There was a sharp spike in US Treasury yields and government bond yields fell across Europe and the UK. At the end of the month, US Treasuries were up 0.5%, UK gilts were up 1.8%, global corporate bonds were up 0.4%, and global government bonds were up 1.3%.

**Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments may go down as well as up and investors may not get back the amount originally invested.** Source: Quilter Investors as at 30 April 2025. Total return, percentage growth over period 31 March 2025 to 30 April 2025. The performance figures shown for equities are represented by an appropriate MSCI index, global bonds by the Bloomberg Global Aggregate (GBP Hedged) Index, US Treasuries by the ICE BofA US Treasury (GBP Hedged) Index, UK gilts by the ICE BofA UK Gilt Index, global corporate bonds by the Bloomberg Global Aggregate Corporate (GBP Hedged) Index, and global government bonds by the Bloomberg Global Aggregate Government Treasuries (GBP Hedged) Index.

## Performance review

In April, the Cirilium Passive Portfolios delivered returns in April ranging from a loss of 0.1% for the lower-risk Conservative Passive Portfolio to a 3.0% loss for the higher-risk Adventurous Passive Portfolio.

Stock market performance was the dominant driver of returns, with US equity weakness the main factor. In the lower-risk portfolios, our fixed-income holdings were able to add positively to returns with our UK gilt and investment-grade bond holdings delivering the best returns.



**Ian Jensen-Humphreys**  
Portfolio Manager

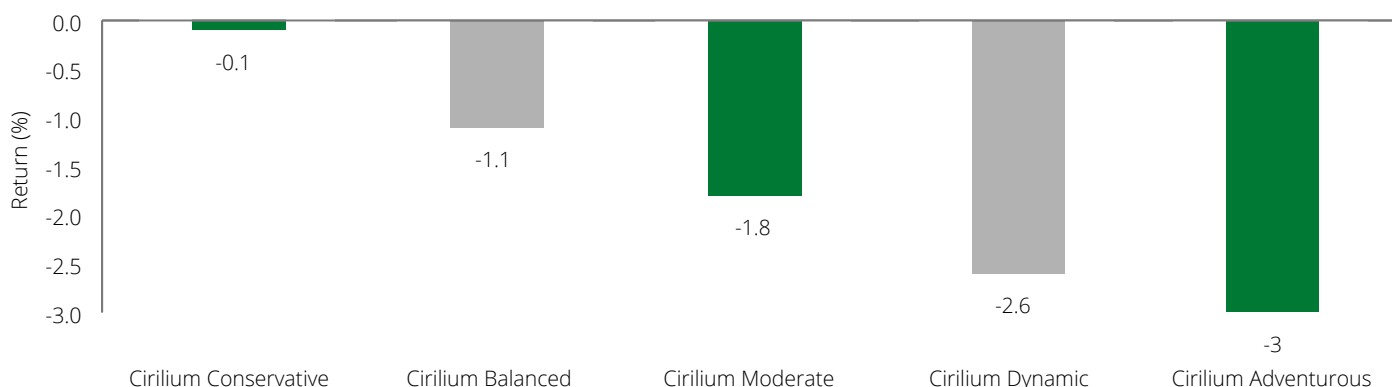


**Sacha Chorley**  
Portfolio Manager



**CJ Cowan**  
Portfolio Manager

## Monthly performance (%)



## Performance summary (%)

	Cumulative performance						Discrete annual performance to end of April				
	1 month	YTD	1 year	3 year	5 year	Since launch	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021
Cirilium Conservative Passive	-0.1	0.7	4.7	8.4	10.7	51.3	4.7	4.9	-1.4	-3.8	6.2
Cirilium Balanced Passive	-1.1	-0.6	4.1	10.1	21.3	85.7	4.1	7.1	-1.3	-1.9	12.3
Cirilium Moderate Passive	-1.8	-1.5	4.2	15.0	38.7	121.3	4.2	10.4	-0.1	1.3	19.1
Cirilium Dynamic Passive	-2.6	-2.5	4.1	19.3	55.7	155.7	4.1	13.4	1.1	4.2	25.3
Cirilium Adventurous Passive	-3.0	-3.1	5.3	25.7	74.7	104.0	5.3	19.3	0.1	5.2	32.1

Past performance is not a guide to future performance and may not be repeated. Source: Quilter Investors as at 30 April 2025. Total return, percentage growth, net of fees, rounded to one decimal place of the R(GBP) accumulation shares. The Cirilium Conservative Passive Portfolio, the Cirilium Balanced Passive Portfolio, the Cirilium Moderate Passive Portfolio, and the Cirilium Dynamic Passive Portfolio launched on 8 February 2013 and the Cirilium Adventurous Passive Portfolio launched on 1 June 2017.

## Portfolio activity

Our activity in April was limited to rebalancing the portfolios based on investor transactions, as well as rebalances due to market drift.

## Investment outlook

At the end of the first quarter of 2025, the US economy was still in decent shape. Consumer and business confidence was weaker, but there was good reason to be sceptical of those surveys. Meanwhile, economic activity and labour market data was solid. So, while a slowdown was coming, we didn't expect anything more serious. In Europe, the promise of more government spending had notably improved the long-run economic outlook. Closer to home, the UK enjoyed a small bounce in growth, but wage gains without productivity growth meant upside risks to inflation were still a concern.

### 1. How it started

Before the Presidential election, US equities rallied on expectations of deregulation and tax cuts. While tariffs were always part of Trump's policy agenda, our working assumption was that the reality would be less extreme than the rhetoric, given the knock-on impact of lower global growth and higher US inflation. However, this theory was already being challenged following the 20% tariff placed on imports from China and the on-off tariff back and forth with Canada and Mexico.

### 2. How it's going

'Liberation Day' on 2 April was worse than almost anyone foresaw. Its chaotic aftermath left investors with doubts over the competency of US policy making. Trump backtracked in a matter of days once US Treasury yields jumped, but there is now a reluctance to hold US assets among investors. We have likely seen the peak in the US share of global equity markets unless policy drastically changes but would note that asset allocation shifts like this typically take place slowly over several years.

### 3. What does it all mean?

A more significant global slowdown is now expected. A recession is far from certain and is not priced into markets, so if conditions worsen materially then a further equity sell-off and bond rally is likely. Conversely, the turmoil in markets was entirely Trump-made and could be (partly) unwound with a single 'tweet', so we are reticent to sell equities now and instead favour options trades that payout in market rallies or falls. With uncertainty, diversification is the name of the game.

## Thank you for investing with us

Keep an eye out for your Cirilium Passive Portfolios monthly commentary available in June.

### Want more updates about your portfolio?

Please visit our website at [www.quilter.com](http://www.quilter.com) for all the latest news, views, and portfolio information.

Your financial adviser is on hand to discuss anything related to your investment decisions or the suitability of the products mentioned in this document.

If you are a financial adviser and you have any questions or want to find out more about our solutions, please contact one of our **investment directors** or visit our website at [www.quilter.com](http://www.quilter.com).



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There are also other risks shown below of which investors should be aware. For more information on these risks, investors should read the key investor information document(s) (KIID(s)).

The portfolios are denominated in one currency, but may hold assets denominated in other currencies, which means exchange rate changes may cause the value of investments to rise or fall. The portfolios may invest in a range of assets such as bonds, equities (company shares), and other investment funds. This means the portfolios will be subject to the collective risks of those investments and, in the case of other investment funds, the collective risks of those investment funds as well as their underlying investments. The portfolios deduct the charges from the capital of the portfolios, which means there is the potential for capital erosion if insufficient capital growth achieved to cover the charges. The portfolios may use derivatives, which means there may be a higher level of risk. The portfolios may invest more than 15% in cash, which could reduce returns in rising markets and reduce losses in falling markets. The portfolios may hold investments that may be more difficult to sell, which may affect the ability of investors to withdraw their money. The portfolios invest in emerging markets, which may be more volatile than investments in developed markets.

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