WealthSelect Managed Active 10 Portfolio Quarterly Report Q2 2026

Quarterly report to 30 June 2026

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Market summary

Marcus Brookes
Chief Investment Officer

The second quarter of 2026 marked a sharp turnaround for investors. Markets recovered strongly as tensions in the Middle East eased and concerns about energy supply disruption faded. Falling oil prices helped reduce inflation pressures, while enthusiasm surrounding artificial intelligence (AI) and continued investment in technology infrastructure boosted investor confidence. Corporate earnings remained resilient and economic conditions proved more supportive than expected. Global equities delivered strong gains, up 14.3%, led by technology and emerging markets, while commodity prices declined.

Developed markets (ex UK)

US equities delivered a strong rebound during the quarter, up by 14.5%, supported by robust corporate earnings, resilient economic growth, and continued optimism around AI. Investors remained focused on companies benefiting from spending on data centres, semiconductors, and cloud infrastructure. As confidence improved, gains broadened beyond the largest tech companies into more cyclical sectors, while more defensive areas of the market lagged.

European equities were up 12.8% as improving investor sentiment, easing energy prices, and resilient company earnings supported performance. However, Europe's lower exposure to the technology sector meant the region benefited less from the AI-driven rally. Industrial and financial companies performed well as confidence in economic growth improved. More defensive sectors lagged as investors favoured areas offering greater earnings growth potential.

UK equity

UK equities were up 4.2% but underperformed other developed markets. The UK's limited exposure to technology companies meant it benefited less from the resurgence in AI-related investment. Falling commodity prices also reduced support for the energy and mining sectors that had performed strongly earlier in the year. Nevertheless, improving global risk appetite and resilient corporate earnings helped underpin returns.

Emerging markets equity

Emerging market equities were the strongest-performing asset class in the quarter with a return of 23.3%. Markets with significant exposure to semiconductor manufacturing and technology hardware, particularly in Asia, benefited from renewed investor enthusiasm for AI-related growth. South Korea and Taiwan performed especially well as demand for advanced chips and technology infrastructure remained strong. Improving global risk appetite also supported returns.

Fixed interest

Fixed income markets delivered modest positive returns, although performance varied across regions. Falling energy prices helped ease inflation concerns and supported investor confidence. Corporate bonds outperformed government bonds as stronger economic growth and resilient company earnings led credit spreads to tighten. Government bond markets were more mixed as investors assessed the outlook for inflation, growth, and interest rates.

The performance figures shown refer to past performance. Past performance is not a reliable indicator of future performance. Source: Quilter and Morningstar as at 30 June 2026. Total return, percentage growth over period 31 March 2026 to 30 June 2026. The performance shown for each equity market is represented by the appropriate MSCI Index.

Portfolio summary

Portfolio name

Managed Active 10

Portfolio objective

The WealthSelect Managed Active 10 portfolio aims to achieve capital growth over a period of five years or more through a diversified range of investments in the UK and globally.

The portfolio is matched to a risk profile that targets a specific range of volatility of between 95% and 105% of the expected annualised volatility of global equities over the next 10 years and is managed to stay within this range most of the time.

Growth to last quarter end

Cumulative performance

Holding	3 months	6 months	1 year	3 years	5 years	Since launch*
Managed Active 10	13.64%	12.03%	27.97%	53.84%	62.00%	253.83%
IA Global	12.97%	9.94%	21.05%	45.31%	46.32%	232.58%

Growth year by year

Discrete annual performance over one year to June

Holding	2026	2025	2024	2023	2022
Managed Active 10	27.97%	5.62%	13.82%	9.44%	-3.78%
IA Global	21.05%	4.45%	14.92%	10.78%	-9.10%

The performance figures shown refer to past performance. Past performance is not a reliable indicator of future performance. Source: Quilter, Morningstar, and FactSet as at 30 June 2026. Total return, percentage growth, net of fees over periods shown. The performance shown is based on a model of the portfolio held via Quilter's platform and may differ on other platforms. The portfolio launched on 24 February 2014.

An index or similar against which we invite investors to compare the performance of the portfolio. The IA Global sector is representative of funds with exposure to a broad mix of asset types. The allocation of the portfolio to these asset types may be different. Therefore, the performance of the portfolio and the performance comparator may differ.

Portfolio commentary

Portfolio name

Managed Active 10

Stuart Clark
Portfolio Manager

Helen Bradshaw
Portfolio Manager

Bethan Dixon
Portfolio Manager

Expectations of a de-escalation in tensions between the US and Iran supported strong equity market returns. Fixed interest markets also delivered positive performance, although resilient economic data led investors to scale back expectations for monetary policy easing and prompted some central banks to adopt a more hawkish tone. Despite this, moderating inflation pressures helped support bond markets. Overall, a more constructive risk environment drove broad-based gains across most asset classes, with precious metals a notable exception as easing geopolitical risks and higher interest rate expectations saw gold give back some of its strong gains from earlier in the year.

UK equity

UK market trails

The UK market lagged other regions as the weakness in commodities and the lack of tech related names proved a headwind for the overall index. However, small- and mid-sized companies performed better, and this provided a tailwind for the Quilter Investors UK Equity Opportunities Fund (managed by Artemis), which returned 10.6%.

Developed markets (ex UK)

Tech stocks drive markets

Markets rallied as concerns in the Middle East subsided and oil prices declined from their April high. Technology stocks were a key driver of market gains, with renewed investor enthusiasm for the AI theme boosting technology shares and broader equity markets.

US equities lead on tech strength

Against this backdrop US equities performed particularly well, with the ongoing AI-driven investment cycle continuing to support corporate earnings growth across multiple sectors. All US equity holdings returned delivered double-digit gains over the quarter, although it was the Quilter Investors US Equity Small/Mid Cap Fund (managed by Schroders) that led the pack, up 19.9%.

Financials and exporters lift Japan

Elsewhere, Japanese equities had a strong second quarter. A weak yen continued to support exporters, while a steeper yield curve provided a favourable backdrop for financial stocks. The Quilter Investors Japanese Equity Fund (managed by M&G) outperformed the broader market, delivering 18.4% during the period.

Portfolio commentary (cont.)

Portfolio name

Managed Active 10

Emerging markets equity

AI demand boosts emerging markets

Asian and emerging markets were the standout equity region, driven by exceptional gains in Korea and Taiwan as investor demand for semiconductor and AI-related companies accelerated. Reflecting this, our emerging market holdings were among the strongest contributors to performance, benefitting from their exposure to semiconductor, tech, and AI-driven names across the region.

Investment outlook

As we look ahead there are many unanswered questions. Will the memorandum of understanding between the US and Iran hold, how will the Fed manage policy under Chair Warsh, how will corporate earnings hold up in Q2, what will be the actions of the next UK Prime Minister and who will they appoint to be Chancellor of the Exchequer, what is the potential impact of a 'super' El Niño this year, and what have we not even thought of yet? We have shared some of our thoughts on these issues below.

Iranian conflict re-escalates

Iran - extremely tough to see this being plain sailing with the potential to add significant volatility through the 60-day period – we certainly have been surprised by the sharp drop in oil prices given the rebuild in oil reserves that will be required over the following 24 months even if the Straits of Hormuz do remain open.

Policy direction remains key

Initial signs are promising in that Warsh has not immediately succumbed to President Trump's desire for lower rates no matter what. The market has shifted to a more reasonable outlook for rate positioning given the factors at play. In the UK, it looks almost certain to be Andy Burnham as the next PM, but the chancellor is much more up in the air. The impact on markets has been muted so far but so are the policies and this will be key to the direction of gilts in the short term and the economy in the medium term.

Staying flexible

A 'super' El Niño cannot be underappreciated with the potential for droughts as well as heavy rainfall and a higher risk of heatwaves all of which will have meaningful impact on agriculture and other industries. Finally, we have no answers to what we have not thought of yet! We remain ever vigilant to the changing macro conditions and will look to adjust the portfolio in a timely manner to reflect our current views on the risks and opportunities that develop.

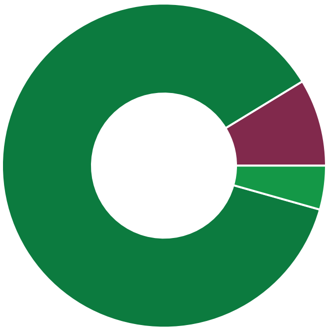
Portfolio holdings

Portfolio name

Managed Active 10

Asset allocation

As at 30 June 2026



	Percentage	Quarterly change
UK equity	4.30%	▼ -1.22%
Developed markets (ex UK) equity	87.04%	▲ 0.45%
Emerging markets equity	8.66%	▲ 0.78%

Portfolio changes

Your portfolio is constantly monitored and reviewed by our portfolio management team. As part of our active management of your portfolio, we will make changes to the funds in which we invest where we believe it's in your best interest.

In

N/A

Out

N/A

Portfolio holdings

UK equity **4.30%**

Fund	
Quilter Investors UK Equity Large-Cap Income	1.35%
Quilter Investors UK Equity Opportunities	1.18%
Quilter Investors UK Equity	1.13%
Quilter Investors UK Equity Growth	0.64%

Source: Quilter, Factset. Please note that due to rounding the portfolio holdings may not add up to 100%. The portfolio holdings are based on an illustrative model of the WealthSelect Managed Active 10 Portfolio held via the Quilter platform. The portfolio holdings on other platforms may not be the same due to various factors including the availability of funds and share classes.

Portfolio holdings (cont.)

Portfolio name

Managed Active 10

Developed markets (ex UK) equity — 87.04%

Fund	
Quilter Investors US Equity Income	12.93%
Quilter Investors North American Equity	12.50%
Quilter Investors Global Equity Value	7.49%
Quilter Investors Japanese Equity	6.77%
Quilter Investors Europe (ex UK) Equity	6.15%
Quilter Investors US Equity Growth	5.97%
Quilter Investors Asia Pacific (ex Japan) Equity	5.36%
Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity	5.34%
Quilter Investors US Equity Small/Mid-Cap	4.88%
Quilter Investors Europe (ex UK) Equity Growth	4.57%
Quilter Investors Europe (ex UK) Equity Income	4.37%
iShares North American Equity Index	4.01%
Quilter Investors Asia Pacific	1.91%
Quilter Investors Natural Resources Equity	1.64%
Quilter Investors Precious Metals Equity	1.59%
Quilter Investors Timber Equity	1.56%

Emerging markets equity — 8.66%

Fund	
Quilter Investors Emerging Markets Equity Income	3.09%
Quilter Investors Emerging Markets Equity Growth	2.83%
Quilter Investors Emerging Markets Equity	1.98%
Quilter Investors China Equity	0.75%

Source: Quilter, Factset. Please note that due to rounding the portfolio holdings may not add up to 100%. The portfolio holdings are based on an illustrative model of the WealthSelect Managed Active 10 Portfolio held via the Quilter platform. The portfolio holdings on other platforms may not be the same due to various factors including the availability of funds and share classes.

Portfolio holdings (cont.)

Portfolio name

Managed Active 10

Source: Quilter, Factset. Please note that due to rounding the portfolio holdings may not add up to 100%. The portfolio holdings are based on an illustrative model of the WealthSelect Managed Active 10 Portfolio held via the Quilter platform. The portfolio holdings on other platforms may not be the same due to various factors including the availability of funds and share classes.

Glossary

Bonds
Bonds are fixed-income investments that represent a loan made by an investor to a borrower. For example, to a government, company, or large institution. In principle, bond investors are lending money (the principal) to the bond issuer in return for a fixed or variable rate of interest (coupon) during the term of the bond. When the term ends (maturity), the issuer repays the principal to the investor.

Central banks
Central banks are the financial institutions typically tasked with managing a country's financial stability, by implementing monetary policy. This will involve setting interest rates, watching price stability, and regulating other financial institutions or organisations.

Commodities
Commodities are raw materials, basic resources, or primary agricultural or mining products that can be traded on an exchange. The term can also be used to describe energy supplies.

Credit spread
Credit spread is the additional yield offered by a corporate bond (issued by companies) versus a government bond of the same maturity and currency. This compensates the bondholder for the added risk that the company may default on its debt obligations.

Cyclical companies
Cyclical companies are those whose fortunes are linked to the economic cycle. This means their revenues generally rise during periods of economic growth and fall during recession.

Fixed income
Fixed income is the general term used to describe bonds and bond-like financial instruments. In most instances, the terms fixed-income, fixed-interest, and bonds are interchangeable.

Gilts
Gilts is the name given to bonds issued by the UK government.

Government bonds
Government bonds, also known as sovereign bonds, are bonds issued by governments.

Inflation
Inflation is the rate of increase in the price of goods and services. For most countries, it is based on a basket of goods and services that are representative of the cost of living. Inflation increases the cost of goods and services but decreases the real value of cash savings and future bond payments.

Monetary policy
Monetary policy refers to the tools and actions taken by a central bank to influence the cost of borrowing and money supply in its economy. For example, interest rate changes,

US Federal Reserve
The US Federal Reserve, commonly known as the Fed, is the central bank of the United States of America, it operates in a similar way to the Bank of England in the UK.

Yield curve
A yield curve is a graphical representation of the yields of bonds with similar credit quality across a variety of maturities. It can be described as flat, inverted, and normal.

Important information

Source: Quilter, Morningstar, FactSet. Based on the latest data and portfolio holdings available as at 30 June 2026.

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