



WealthSelect Managed Active 5 Portfolio Quarterly Report Q3 2025

Quarterly report to 30 September 2025

Market summary



Marcus Brookes
Chief Investment Officer

The third quarter of 2025 saw strong gains with global equities up by 9.7%. This was driven by strong performance from AI and technology stocks, solid corporate earnings, and a widely anticipated US Federal Reserve (the Fed) rate cut with the suggestion of more to follow. Easing trade tensions and resilient economic data further supported risk assets. However, persistent inflation, political uncertainty, and ongoing geopolitical tensions remained headwinds. Investors benefited from diversification, as both equities and corporate bonds performed well, while government bond markets were mixed. Overall, the quarter highlighted the importance of balancing growth opportunities with risk management in a dynamic environment.



Developed markets (ex UK)

US equities delivered strong returns and finished the quarter up by 10.1%. However, there were some wobbles over the quarter, particularly after the release of July's non-farm payrolls data. The main market drivers were technology and communication services, while healthcare and energy lagged. Overall, the US economy remained resilient, with solid GDP growth and steady consumer spending, though a late-quarter government shutdown created some uncertainty.

Europe was the weakest developed equity market over the quarter but still posted gains of 4.9%. Financials and healthcare led the way, while telecoms and communication services underperformed. German equities were weak due to subdued exports and political uncertainty, while France faced its own political and fiscal challenges. Elsewhere, while a major US-EU trade agreement averted a tariff war, corporate earnings remained weak.



UK equity

UK equities performed well delivering a return of 6.9% over the quarter. Internationally focused companies benefited from a weaker pound and resilient global demand. Technology and communication services led gains, while basic materials rallied on higher gold prices. Despite inflation remaining elevated, the Bank of England narrowly voted to cut rates. This, along with their announcement that they would slow quantitative tightening, supported market sentiment.



Emerging markets equity

Emerging markets outperformed developed markets and delivered a return of 12.9%. China, with a return of 22.9% in the third quarter alone, Taiwan, and Korea led the way, driven by AI optimism, trade progress, and strong tech demand. Egypt, Peru, and South Africa also excelled, while Brazil lagged due to political uncertainty. India underperformed as it was impacted by US tariffs including the 100% tariff on drugs exported to the US, and weaker non-tech sectors.



Fixed interest

Fixed interest markets were mixed. US Treasuries were up 1.5% as the Fed cut rates and labour market data softened, while gilts fell by 0.8% on fiscal concerns and sticky inflation. Meanwhile, corporate bond markets performed well with global corporate bonds up 2.1% and sterling corporate bonds up 0.7%.

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 September 2025. Total return, percentage growth over period 30 June 2025 to 30 September 2025. The performance shown for each equity market is represented by the appropriate MSCI Index. US Treasuries are represented by the ICE BofA US Treasury (GBP Hedged) Index, gilts by the ICE BofA UK Gilt Index, global corporate bonds by the Bloomberg Global Aggregate Corporate (GBP Hedged) Index, and sterling corporate bonds by the ICE BofA Sterling Corporate Index.

Portfolio summary

Portfolio name

Managed Active 5

Portfolio objective

The WealthSelect Managed Active 5 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 45% and 55% 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 5	4.73%	8.28%	10.02%	32.47%	35.76%	95.06%
IA Mixed Investment 20-60% Shares	3.83%	7.10%	7.36%	25.50%	24.67%	61.47%

Growth year by year

Discrete annual performance over one year to September

Holding	2025	2024	2023	2022	2021
Managed Active 5	10.02%	11.79%	7.71%	-7.84%	11.19%
IA Mixed Investment 20-60% Shares	7.36%	12.14%	4.24%	-10.71%	11.25%

Source: Quilter. Calculated by FactSet. Total return, percentage growth, rounded to one decimal place. All performance shown is based on an illustrative model of the WealthSelect Managed Active 5 Portfolio held via the Quilter platform, after the deduction of the charges of the underlying funds, but before the deduction of the Managed Portfolio Service charge. The deduction of this charge will impact on the performance shown. The WealthSelect Managed Active 5 launched on 24 February 2014. The performance of the portfolio on other platforms may not be the same due to various factors including the availability of funds and share classes, the timing of trades within the portfolio, and the impact of costs and charges. Investors can obtain a performance summary of their individual portfolio from their financial adviser.

The performance comparator is an index or similar factor against which the portfolio manager invites investors to compare the performance of the portfolio. The IA Mixed Investment 20-60% Shares sector is representative of funds with exposure to a broad mix of asset types. The portfolio's allocations to these asset types may be different to the average sector allocation and therefore the performance of the portfolio and the performance comparator may differ.

Portfolio commentary

Portfolio name

Managed Active 5



Stuart Clark

Portfolio Manager



Helen Bradshaw

Portfolio Manager



Bethan Dixon

Portfolio Manager

The third quarter of 2025 was not plain sailing for investors with higher inflation numbers and budget concerns in the UK; higher inflation, revisions to employment data, and a government shutdown in the US; and a resurgence of political turmoil in France, among other things. Against this backdrop, it was somewhat surprising to have seen a very strong quarter for riskier assets and no significant sell off in bonds. This resulted in a strong return for your portfolio.



UK equity

UK positive

UK equities posted solid returns over the quarter as a resilient global economy helped drive returns. Weaker sterling also benefitted companies with internationally focused businesses. All managers delivered positive returns but failed to keep up with the broader market given the strength of the larger names in the index. The Quilter Investors UK Equity Fund (Jupiter) led the pack, returning 3.9%.



Developed markets (ex UK)

Gold continues to shine

Gold prices surged to record highs in the third quarter as lower real rates, continued central bank buying, and fiscal worries kept demand for the metal high. This provided a significant tailwind to gold mining equities and saw the Quilter Investors Precious Metals Equity Fund, managed by BlackRock, return 47.1% over the quarter.

Natural Resources

Gold was not the only precious metal to rally over the quarter as silver also saw some very strong price moves. The Quilter Investors Natural Resources Fund (Janus Henderson) was a beneficiary of the strong performance from many of the mining names. So, despite lacklustre performance from the energy sector, it returned 21.4%.

Tech lifts the US

Outside of mining, AI was the driving equity market theme as mega caps like Nvidia continued to deliver strong earnings. Meanwhile, speculative, unprofitable tech companies surged in an uncomfortable echo of 2021. Against this backdrop, three of our US holdings delivered double digit returns with the Quilter Investors US Equity Growth Fund (JP Morgan) our best performer, up 11.4%. However, small- and mid-cap companies were left behind in this environment, which impacted the Quilter Investors US Equity Small/Mid Cap Fund (Schroders) that returned 4.1%.

Portfolio commentary (cont.)

Portfolio name

Managed Active 5



Emerging markets equity

China leads the way

Emerging market equities outperformed their developed market counterparts, with China particularly strong. Progress on US-China trade as well as ongoing enthusiasm for AI-related stocks helped lift the market higher. Against this backdrop the Quilter Investors China Equity Fund (Janus Henderson) rose 22.7% with strong stock selection helping the fund outperform the broader market.



Fixed interest

Active managers add value

Signs of weakness in the US labour market encouraged the Fed to cut interest rates in September, which supported bond markets, while the Bank of England continued with their quarterly pace of rate reductions with another cut in August. US Treasury yields edged lower, but UK gilt yields and credit spreads tracked sideways. Our more active managers were able to add value over the quarter with the Quilter Investors Diversified Bond Fund (Premier Miton) up 2.3% and Quilter Investors Dynamic Bond Fund (TwentyFour) up 2.2%.



Alternatives

Alternative outperformance

Our preference for alternatives over fixed interest was a positive over the quarter as the alternatives allocation delivered robust absolute returns and outperformed both cash and fixed interest. The strongest performer was the Trium ESG Emissions Improvers Fund, which was up 4.6%. The manager has strong conviction in continuing to drive returns in the current market environment.



Investment outlook

The third quarter has extended the volatility seen earlier in the year, with equity and bond markets continuing to react to a complex mix of policy shifts, geopolitical tensions, and macroeconomic surprises. Despite these headwinds, equity markets have posted robust gains this year, buoyed by strong earnings and AI optimism. As we move into the fourth quarter, the question is whether markets continue their upward trajectory.

A growing disconnect

While equity markets have shown resilience, the disconnect between valuations and underlying risks has widened. Markets continue to shrug off geopolitical risk, trade tensions and fiscal deficits and are pricing in a number of rate cuts from the Fed, despite signs that inflation remains sticky and growth is slowing. At the same time, a small number of AI stocks are driving a disproportionate share of market returns.

Reasons to be positive

That said, consumer spending has remained robust and there is much talk of the stimulus cheques US citizens will be receiving in the coming months which may provide a further tailwind. Should economic growth remain robust we would expect other parts of the market, beyond the mega-cap growth cohort, to benefit. It may also lead to a tempering of expectations of rate cuts in the year ahead.

Diversification is key

With global equity markets continuing to reach new all-time highs, we continue to focus on diversification within the portfolios as well as being nimble when opportunities present themselves. We have recently taken profit from our gold equity exposure in the Managed Active and Managed Blend portfolios after outstanding returns year to date. The proceeds have been reallocated into fixed interest and liquid alternatives, enhancing portfolio diversification and resilience as we head into year-end.

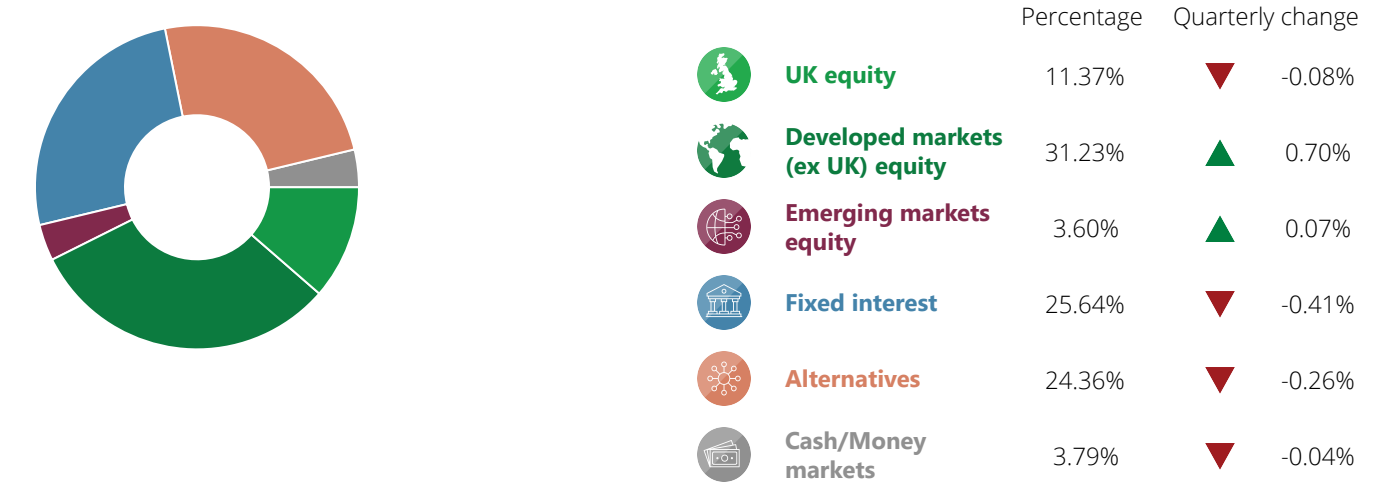
Portfolio holdings

Portfolio name

Managed Active 5

Asset allocation

As at 30 September 2025



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.



Portfolio holdings

UK equity	11.37%
Fund	
Quilter Investors UK Equity Large-Cap Income	3.51%
Quilter Investors UK Equity Opportunities	3.17%
Quilter Investors UK Equity	3.02%
Quilter Investors UK Equity Growth	1.67%

Source: Quilter. Calculated by Factset. Please note that due to rounding the portfolio holdings may not add up to 100%.

The portfolio holdings shown are based on an illustrative model of the WealthSelect Managed Active 5 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 5



Developed markets (ex UK) equity

31.23%

Fund

Quilter Investors North American Equity	4.03%
Quilter Investors US Equity Income	3.91%
Quilter Investors Japanese Equity	3.22%
Quilter Investors Europe (ex UK) Equity	2.77%
Quilter Investors Global Equity Value	2.40%
Quilter Investors Precious Metals Equity	2.27%
Quilter Investors Europe (ex UK) Equity Income	2.06%
Quilter Investors Europe (ex UK) Equity Growth	2.05%
iShares North American Equity Index	1.42%
Quilter Investors US Equity Small/Mid-Cap	1.42%
Quilter Investors Asia Pacific (ex Japan) Equity	1.40%
Quilter Investors US Equity Growth	1.38%
Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity	1.32%
Quilter Investors Natural Resources Equity	0.71%
Quilter Investors Timber Equity	0.57%
Quilter Investors Asia Pacific	0.30%



Emerging markets equity

3.60%

Fund

Quilter Investors Emerging Markets Equity Growth	1.24%
Quilter Investors Emerging Markets Equity Income	1.22%
Quilter Investors Emerging Markets Equity	0.81%
Quilter Investors China Equity	0.34%

Source: Quilter. Calculated by Factset. Please note that due to rounding the portfolio holdings may not add up to 100%.

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Portfolio holdings (cont.)

Portfolio name

Managed Active 5



Fixed interest

25.64%

Fund

Aviva Investors Global Sovereign Bond	5.26%
iShares UK Gilts All Stocks Index	4.67%
Quilter Investors Corporate Bond	3.37%
Quilter Investors Diversified Bond	2.91%
Quilter Investors Sterling Diversified Bond	2.56%
Quilter Investors Dynamic Bond	1.93%
Quilter Investors Investment Grade Corporate Bond	1.80%
Quilter Investors Sterling Corporate Bond	1.77%
Vanguard Euro Government Bond Index	1.36%



Alternatives

24.36%

Fund

PIMCO Dynamic Bond	7.48%
Quilter Investors Absolute Return Bond	7.28%
Quilter Investors Global Equity Absolute Return	6.39%
Trium ESG Emissions Improvers	1.99%
PIMCO Strategic Income	1.22%



Cash/Money markets

3.79%

Fund

BlackRock ICS Sterling Liquid Environmentally Aware	3.79%
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Glossary

Alternatives

Alternatives include non-standard asset classes. For example, commodities, renewable energy, infrastructure, or collectibles. It also includes strategies that invest in traditional asset classes by using derivatives. The latter are known as hedge funds.

Bond yield

A bond yield is the return an investor expects to receive each year over its term to maturity. It is calculated by dividing a bond's value by the amount of interest it pays. When a bond's price goes down, its yield will go up, and vice versa.

Corporate bonds

Corporate bonds are bonds issued by companies. They are riskier than government bonds, so corporate bonds normally offer higher interest rates (or yields) to compensate for the added risk.

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.

Currency weakness

Currency weakness is when a currency falls compared to another currency. For example, if a sterling investor holds a US dollar investment, and sterling falls compared to the US dollar, the return from the investment will increase.

Diversification

Diversification is the process of investing in a range of different assets or asset classes with the aim of improving performance and/or reducing the overall volatility, or the investment risk, of a fund or portfolio.

Fiscal policy

Fiscal policy refers to governments influencing the economy through their decisions on the levels of taxation and spending.

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.

Mega-cap

Mega-cap describes the largest companies as measured by market capitalisation. While the exact thresholds change with market conditions, mega-cap refers to companies with a market capitalisation above \$200bn.

Quantitative tightening

Quantitative tightening (QT) is a form of monetary policy applied by central banks where they sell bonds from their balance sheet, to help reduce money supply. In combination with increases in interest rates, this is designed to slow economic and consumer demand. It represents a contraction of market liquidity and is the opposite of quantitative easing (QE).

Risk assets

Risk assets are any assets that carries a degree of risk. It generally means assets that have volatility. For example, equities, commodities, high-yield bonds, property, and currencies.

Treasuries

Treasuries are US government bonds. They are issued by the US Treasury.

Important information

Source: Quilter Investors and FactSet. Based on the latest data and portfolio holdings available as at 30 September 2025.

Further information on the WealthSelect Managed Portfolio Service can be found at quilter.com/wealthselect

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