UK: Suitable for retail clients.

Your Cirilium Adventurous Blend Portfolio quarterly report

Q1 2025

What your report covers

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- Performance review
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- Important information

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

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Marcus Brookes
Chief Investment Officer

Your market summary

In our latest market update video, we review the impact of Trump's tariffs, how markets are reacting, and what this could mean for your investments. Watch the video at ***quilter.com/uncertain-times***.

The first quarter of 2025 was volatile with global equities down 4.2% due to elevated uncertainty caused by US trade policy dampening growth expectations. Whilst outside of the period of review for this commentary, since end of Q1, we have continued to see Trump's tariff policies lead to heightened volatility and market weakness. The uncertain nature of Trump's policies and the unpredictability of their delivery means market volatility is here to stay for at least the short term. However, one pleasing aspect of recent weeks has been the success of diversification in navigating these uncertain times. Falling yields in the US have offset equity losses, and in equities overall, diversification has worked at a regional and sector level.

Equity markets

US equities saw significant volatility in Q1 2025 due to tariff-related headlines and policy uncertainty. Overall, US equities were down 7.4% with the information technology and consumer discretionary sectors seeing the worst losses. The energy and healthcare sectors performed better. The ongoing concerns about trade tariffs and fears of public sector job cuts by DOGE (the new Department of Government Efficiency) also impacted consumer sentiment.

European equities outperformed other developed markets in Q1, up by 7.6%, driven by robust performance in the financials, industrials, and energy sectors. Germany's fiscal policy changes and increased defence spending also boosted market sentiment with German equities recording their strongest first quarter since 2023. However, concerns about US tariffs on imports, particularly in the automotive sector, caused markets to pull back in March and cap gains.

UK equities rose by 4.9% over the quarter, led by large-cap financials and the energy and healthcare sectors. Sentiment towards small and mid-sized companies remained weaker due to ongoing concerns about the domestic outlook. This challenging environment saw consumer-facing sectors such as housebuilders, retailers, and travel and leisure suffer. Technology and basic materials were also detractors.

Emerging markets equities were broadly flat in the first quarter. This was despite impressive performance from Chinese equities, which were up 11.7%, driven by technology companies and supportive measures from the policymakers in Beijing. Indian stocks struggled, while Brazil and South Africa fared better. Elsewhere, Indonesia, Thailand, and Korea all posted double-digit losses as uncertainty relating to growth and US trade tariffs weighed on sentiment.

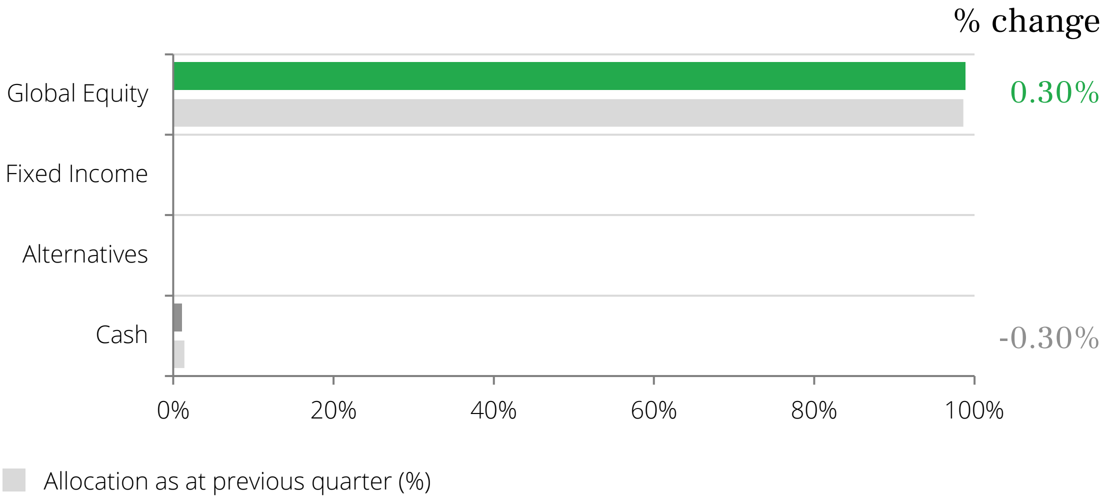
Fixed income

Fixed income markets saw gains in Q1, with US Treasuries returning 3.0% amid rising recession risks. Elsewhere, sterling corporate bonds were up 0.4%, gilts were up 0.5%, and global corporate bonds saw a rise of 1.8%.

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 and FactSet as at 31 March 2025. Total return, percentage growth in pounds sterling except where shown, rounded to one decimal place. The performance shown for each equity market is represented by the appropriate MSCI Index. Global bonds are represented by the Bloomberg Global Aggregate (GBP Hedged) Index, US Treasuries by the ICE BofA US Treasury (GBP Hedged) Index; and UK gilts by the ICE BofA UK Gilt Index.*

Your portfolio summary

Asset allocation



Please note due to rounding of figures they may not add up to 100%. Asset allocation may include derivative exposure which may be offset against cash exposure.

Cumulative growth (%)

Total return over periods shown to 31 March 2025

Holding	3 months	6 months	1 year	3 years	5 years	Since launch
Cirilium Adventurous Blend	**-0.4**	**1.5**	**4.1**	**16.5**	**69.6**	**39.5**
IA Flexible	-1.5	0.1	2.9	8.8	47.7	27.8

Year by year growth (%)

Discrete annual return over periods shown to 31 March each year

Holding	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Cirilium Adventurous Blend	**4.1**	**13.1**	**-1.0**	**6.8**	**36.3**
IA Flexible	2.9	10.1	-4.0	5.0	29.4

Past performance is not a guide to future performance and may not be repeated. Source: Quilter Investors as at 31 March 2025. Total return, percentage growth, net of fees, rounded to one decimal place of the Cirilium Adventurous Blend Portfolio R (GBP) accumulation shares. The R (GBP) share class was launched on 26 July 2019. The performance of other share classes may differ.

Your portfolio holdings

Holding name	Fund manager (where applicable)	Asset type	Weight (%)
Global Equity			**98.91**
Asia Pacific Equity			**7.48**
HSBC MSCI PACIFIC ex JAPAN UCITS ETF	HSBC	Direct Equity	2.96
M&G Japan Fund	M&G	Collective	2.71
Fidelity Asia Pacific Opportunities Fund	Fidelity	Collective	2.47
iShares Japan Equity Index Fund	BlackRock	Collective	1.83
MSCI AC AP ex Japan (EUR) Jun 25		Derivative	-2.50
Emerging Markets Equity			**11.87**
Amundi MSCI Emerging Markets	Amundi	Collective	4.50
Pacific North of South EM All Cap Equity	Pacific Capital Partners	Collective	2.56
Quilter Inv Emerging Markets Equity (Jupiter)	Jupiter		2.50
MSCI Emrg Markets Mini (IFUS) Jun 25		Derivative	2.30
European Equity			**15.98**
iShares Continental European Equity Index	BlackRock	Collective	8.62
M&G European Strategic Value Fund	M&G	Collective	3.48
Premier Miton European Opportunities Fund	Premier Miton	Collective	2.16
Invesco European Equity Income Fund	Invesco	Collective	1.47
Euro STOXX 50 (EUR) Jun 25		Derivative	0.56
SX5E 06/20/25 P3950		Derivative	0.05
SX5E 06/20/25 P4950		Derivative	-0.36
Global Equity			**6.21**
Quilter Inv Gbl Equity Value (Redwheel)	Redwheel	Collective	2.55
Ninety One Global Special Situations Fund	Ninety One	Collective	2.18
AB International Health Care Portfolio	Alliance Bernstein	Collective	1.39
Xtrackers MSCI World HealthCare UCITS ETF	DWS	Collective	0.10
North American Equity			**34.10**
iShares North American Equity Index Fund	BlackRock	Collective	18.63
Quilter Inv US Equity Growth (JPMorgan)	JPMorgan	Collective	3.97
Brandes U.S. Value	Brandes	Collective	3.08
E-mini S&P 500 Equal Weight (CME) Mar 25		Derivative	2.02
Premier Miton US Opportunities Fund	Premier Miton	Collective	1.99
Sands Capital US Select Growth Fund	Sands Capital	Collective	1.95
Mini Russell 1000 Value (CME) Jun 25		Derivative	1.60
Berkshire Hathaway B Shares		Direct Equity	1.56
eMini S&P 500 (CME) Jun 25		Derivative	0.81
SPX US 06/20/25 P4850		Derivative	0.27
SPX US 06/20/25 P6050		Derivative	-1.79
UK Equity			**23.27**
iShares UK Equity Index Fund	BlackRock	Collective	11.26
Liontrust UK Growth Fund	Liontrust	Collective	2.83
Invesco UK Opportunities Fund	Invesco	Collective	2.56
Quilter Inv UK Equity 2 (Ninety One)	Ninety One	Collective	2.54
Montanaro UK Income Fund	Montanaro	Collective	1.88
J O Hambro UK Dynamic Fund	J O Hambro	Collective	1.87
FTSE 100 (IFEU) Jun 25		Derivative	0.79
UKX 06/20/25 P6500		Derivative	0.03
UKX 06/20/25 P8275		Derivative	-0.49
Cash			**1.09**
Cash			1.09

Please note due to rounding of figures they may not add up to 100%. Asset allocation may include derivative exposure which may be offset against cash exposure.

Your performance review

Ian Jensen-Humphreys
Portfolio Manager

Sacha Chorley
Portfolio Manager

CJ Cowan
Portfolio Manager

The Cirilium Blend Portfolios delivered mixed returns over the quarter. However, most portfolios were ahead of their respective Investment Association (IA) performance comparators. The Conservative Blend Portfolio returned 0.4% but returns steadily declined moving up the risk levels to a 0.4% loss for the Adventurous Blend Portfolio.

Our equity holdings dragged returns lower, and an overweight to the US and an underweight to Europe both went against us. Our fixed income and alternatives exposures boosted returns, with fixed income a particular positive in the lower-risk portfolios where they have a higher weighting. Meanwhile, a defensive derivatives position we introduced to the portfolios in December helped mitigate some of the losses incurred from the US equity selloff.

How your equity holdings performed

Europe led the way...

Europe was home to several top performing managers and our largest holding in the region, the M&G European Strategic Value Fund, was up 10.2%. Industrial stocks like Rheinmetall and BAE Systems were the real standouts on news that Germany would increase spending on defence over the coming decade. The Invesco European Equity Income Fund was also up by 8.0%.

...and the US brought up the rear

Meanwhile, mega-cap tech led declines in US equities in a sharp reversal of fortunes of recent years. This meant the Quilter Investors US Equity Growth (JP Morgan) and Sands Capital US Select Growth funds, were down by 13.4% and 12.2%, respectively. However, Warren Buffet's Berkshire Hathaway had an exceptional quarter and returned 14.0%. The stock delivers exposure to his value investing style, which focuses on buying good companies at cheap prices.

Defensive managers come up trumps

Our defensive global managers protected capital well amid a nervous mood in pockets of the equity market. The Quilter Investors Global Equity Value Fund (Redwheel) was up 4.4% as the manager's focus on durable, cash-generative companies with attractive dividend yields won out. Our tactical overweight to healthcare was a benefit too as the Xtrackers MSCI World Health Care ETF returned 1.9% compared to a 4.2% drop for global equity markets.

Your portfolio changes

We made several tactical asset allocation and manager changes over the quarter. In January we removed our high-yield bond overweight, a position that had performed well enough to persuade us that high-yield bonds had become too expensive to continue holding. We also removed our overweight to clean energy. In March, we removed our European equity underweight, as the promise of increased fiscal spending in Europe, particularly Germany, fundamentally changes the long-term outlook for the region and removes a key reason for the persistent underperformance compared to the US over the past decade. We also made changes to our alternatives allocation, adding a new equity long/short manager and changing weightings in favour of our highest conviction picks. Once finished, this will mean full sales of a few managers.

New holdings

HSBC

HSBC MSCI Pacific ex Japan ETF

The exposures from this ETF better match our strategic asset allocation. It does not invest in Taiwan or South Korea and instead has a notably larger weighting in Australian equities.

Amundi Investment Solutions

Amundi MSCI Emerging Markets II ETF

The exposures from this ETF better match our strategic asset allocation. The most notable change is the inclusion of South Korea.

Removed holdings

Schroders

Schroder Global Energy Transition Fund

We sold out of this holding when removing the tactical overweight to clean energy. Trump's anti-green agenda is unlikely to help lift sentiment towards the sector, and earnings growth estimates are too high to be realistic.

iShares by BlackRock

iShares Pacific ex Japan Equity Index Fund

This was replaced by the HSBC MSCI Pacific ex Japan ETF.

iShares by BlackRock

iShares Emerging Markets Equity Index Fund

This was replaced by the Amundi MSCI Emerging Markets II ETF.

Your investment outlook

By the end of Q1 2025, the US economy was still in good shape. Consumer and business confidence had weakened but economic activity and labour market data remained solid. So, while a slowdown was coming, we didn't expect anything more serious. In Europe, the promise of more government spending has notably improved the long-term economic outlook. Closer to home, the UK enjoyed a small bounce in growth, but wage gains without any productivity growth means higher inflation remains a concern.

1. How it started

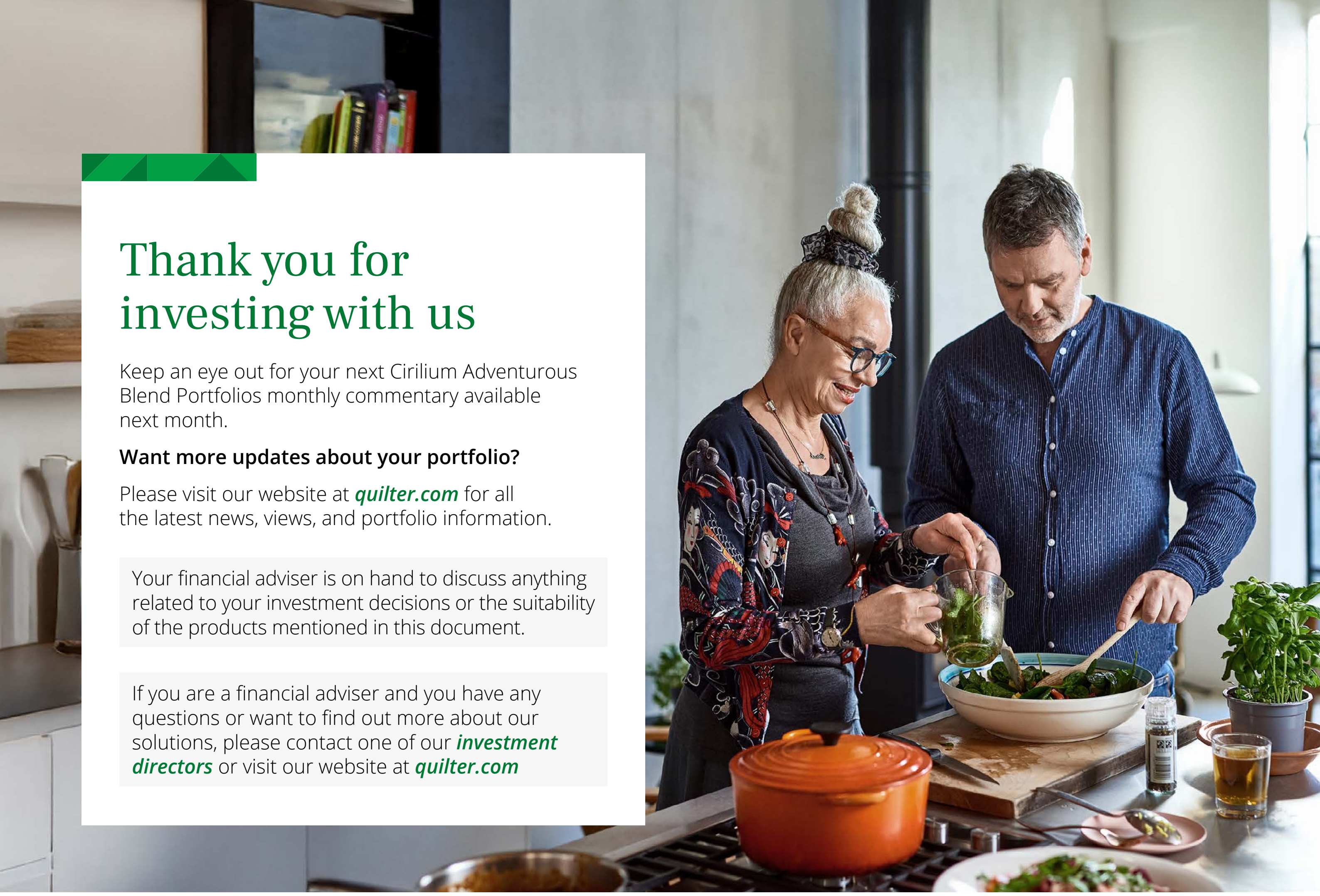
Before the Presidential election, US equities rallied on expectations of deregulation and tax cuts. While tariffs were always part of Trump's policy agenda, our working assumption was that the reality would be less extreme than the rhetoric, given the knock-on impact of lower global growth and higher 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, and its chaotic aftermath left investors with serious doubts over the competency of US policy making. Trump backtracked in a matter of days once US Treasury yields jumped, but the cat is out of the bag, and it is unlikely we will revisit recent highs in equity markets for the time being. There is now a reluctance to hold US assets and we have likely seen the peak in the US's share of global equity markets unless policy drastically changes course.

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 can be (partly) unwound with a single 'tweet', so we are reticent to sell equities now and instead favour derivatives that pay out 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 next Cirilium Adventurous Blend Portfolios monthly commentary available next month.

Want more updates about your portfolio?

Please visit our website at ***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 ***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)).

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