UK: Suitable for retail clients.

Your Cirilium Adventurous Passive Portfolio quarterly report

Q1 2025

What your report covers

- Market summary
- Portfolio summary
- Portfolio holdings
- Performance review
- Portfolio changes
- Investment outlook
- Important information

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

Need additional help reading documents?

More and more of our investors are using screen reading software as a quick and easy way to read their documentation if they are blind, partially sighted, or dyslexic. Alternatively, we can write to you in several alternative formats, such as large print, braille, audio, and OpenDyslexic font.

Find out more about screen readers, accessing your documents online, and our alternative format options at ***quilter.com/document-help.***

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.

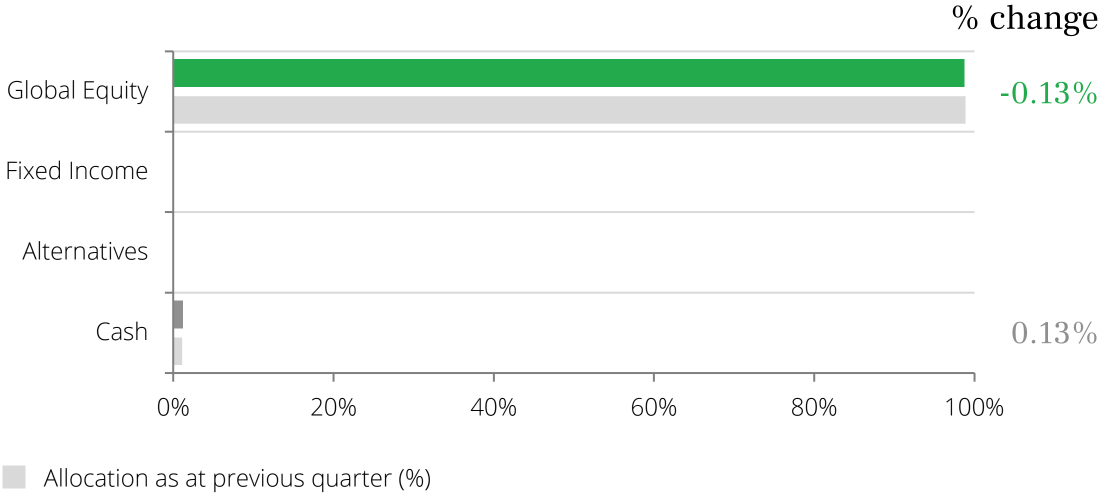
Fixed income

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 Passive	**-0.1**	**2.6**	**7.2**	**25.0**	**100.4**	**110.4**

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 Passive	**7.2**	**21.1**	**-3.7**	**13.5**	**41.3**

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 Passive Portfolio R (GBP) accumulation shares. The R (GBP) share class was launched on 1 June 2017. The performance of other share classes may differ.

Your portfolio holdings

Holding name	Fund manager (where applicable)	Asset type	Weight (%)
Global Equity			**98.77**
Asia Pacific Equity			**6.73**
iShares Japan Equity Index Fund	BlackRock	Collective	3.47
HSBC MSCI PACIFIC ex JAPAN UCITS ETF	HSBC	Direct Equity	3.26
Emerging Markets Equity			**12.98**
Amundi MSCI Emerging Markets	Amundi	Collective	12.98
European Equity			**16.49**
iShares Continental European Equity Index	BlackRock	Collective	16.49
North American Equity			**37.66**
iShares North American Equity Index Fund	BlackRock	Collective	33.23
Vanguard FTSE North America UCITS ETF	Vanguard	Collective	4.42
UK Equity			**24.91**
iShares UK Equity Index Fund	BlackRock	Collective	24.91
Cash			**1.23**
Cash			1.23

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

Most of the Cirilium Passive Portfolios delivered positive returns over the quarter. The Conservative Passive Portfolio returned 0.8% but returns steadily declined moving up the risk levels. The Dynamic Passive Portfolio was still up 0.1%, but the Adventurous Passive Portfolio lost 0.1%.

Our equity holdings were a drag on returns, primarily due to losses from the US. However, both our fixed income and alternatives exposures boosted returns. Fixed income was a particular positive in lower risk portfolios where they have a higher weighting.

How your equity holdings performed

Europe led the way...

As well as being comfortably the top performing region, with the iShares Continental European Equity Index Fund delivering 6.8%, Europe was also the joint top contributor to performance from our equity exposure. Industrial stocks were the real stand out on news that the German constitutional debt brake would be reformed to allow for increased spending on defence.

...with the UK not far behind...

The UK had a strong quarter too as the iShares UK Equity Index Fund delivered 3.5%. There wasn't much in the way of UK specific positive news, but the market traded more in line with the positive sentiment around Europe. UK equities are among the cheapest in developed markets and managers have long been touting the bargains on offer, so it doesn't take much to see a bounce in share prices.

...and the US brought up the rear

Mega-cap tech led declines in US equities in a sharp reversal of fortunes. While the US is home to many of the world's foremost companies and earnings growth in recent years has been very impressive, the premium valuations now placed on these companies makes them vulnerable to any dip in sentiment. President Trump's erratic style of policy making seems largely to blame for the market's struggle this quarter – the iShares North American Equity Index Fund was down 8.9%.

Your portfolio changes

The were no changes to our strategic asset allocation (SAA) over the quarter. We sold two equity holdings and bought two new funds, which better match the exposures in the SAA. Other activity was limited to investing daily cash flows and rebalancing towards the SAA.

New holdings

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 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

iShares Pacific ex Japan Equity Index Fund

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

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 Passive 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***

Important information

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.

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.

This communication is issued by Quilter Investors, a trading name of Quilter Investors Limited. Quilter Investors is registered in England and Wales under number 04227837 and is authorised and regulated by the Financial Conduct Authority (FCA) under number 208543. Registered office: Senator House, 85 Queen Victoria Street, London, United Kingdom, EC4V 4AB.

Quilter Investors Cirilium Conservative Passive Portfolio, Quilter Investors Cirilium Balanced Passive Portfolio, Quilter Investors Cirilium Moderate Passive Portfolio, Quilter Investors Cirilium Dynamic Passive Portfolio, and Quilter Investors Cirilium Adventurous Passive Portfolio are sub-funds of Quilter Investors Cirilium OEIC, an investment company with variable capital incorporated in England and Wales.

Quilter Investors Cirilium OEIC is authorised by the Financial Conduct Authority as a non-UCITS retail scheme and can be distributed to the public in the United Kingdom.

Quilter Investors uses all reasonable skill and care in compiling the information in this communication and in ensuring its accuracy, but no assurances or warranties are given. Investors should not rely on the information in this communication when making investment decisions. Nothing in this communication constitutes advice or a personal recommendation. This communication is for information purposes only and is not an offer or solicitation to buy or sell any Quilter Investors portfolio. Investors should read the KIID before investing in any sub-fund of Quilter Investors Cirilium OEIC. The KIIDs and the prospectus can be obtained from ***quilter.com*** *in English.*

Data from third parties is included in this communication and those third parties do not accept any liability for errors and omissions. Investors should read the important information provided by the third parties, which can be found at ***quilter.com/third-party-data****. Where this communication contains data from third parties, Quilter Investors cannot guarantee the accuracy, reliability or completeness of the third-party data and accepts no responsibility or liability whatsoever in respect of such data.*

Published: May 2025
QI 26899/25/11147