

Multi-Asset Balanced MPS Portfolio GBP (£)

TEAM

May 2025 Monthly Report

(All data as at 30 May 2025)

Information

Portfolio Facts

Manager **Craig Farley**

Launch **Aug-15**

Annual Management Charge **0.30% - 0.50%**

Ongoing Charge Fee* **0.39%**

Currencies available **GBP, EUR, USD**

Dealing Frequency **Daily, Market Hours**

Custodian **Multiple Platforms**

Benchmark **MPI Medium**

*Estimated, may vary depending on platform provider

3Y Volatility

Portfolio **7.58**

Benchmark **7.04**



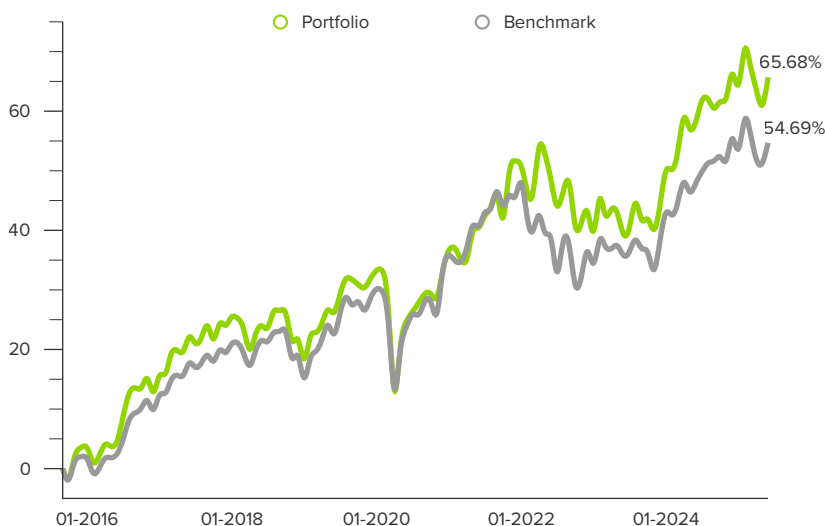
Objective

We aim to provide capital growth and income over the longer-term from an actively managed portfolio of different asset classes and markets worldwide.

The main asset classes in which the portfolio will invest are global equities, global high yield bonds, absolute return strategies, alternative income-producing securities and real assets including gold, commodities, infrastructure and property.

Underpinning this objective is the constant search for genuine diversification. Average portfolio equity risk is approximately 50% through market cycles. There is no guarantee that a positive return will be delivered.

Return (since launch)



The benchmark used is the Managed Portfolio Indices (MPI) representing the median average return of a peer group of approximately 50 wealth managers and investment managers across the UK and Channel Islands.

Calendar Performance (%)

(*YTD)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Multi-Asset Balanced Portfolio GBP (£)	11.60%	8.59%	-5.59%	12.49%	2.55%	10.33%	-7.18%	7.14%	9.76%	0.70%
MPI Medium	10.41%	7.72%	-4.67%	12.86%	4.36%	8.91%	-9.06%	6.23%	7.57%	0.66%

Cumulative Performance (%)

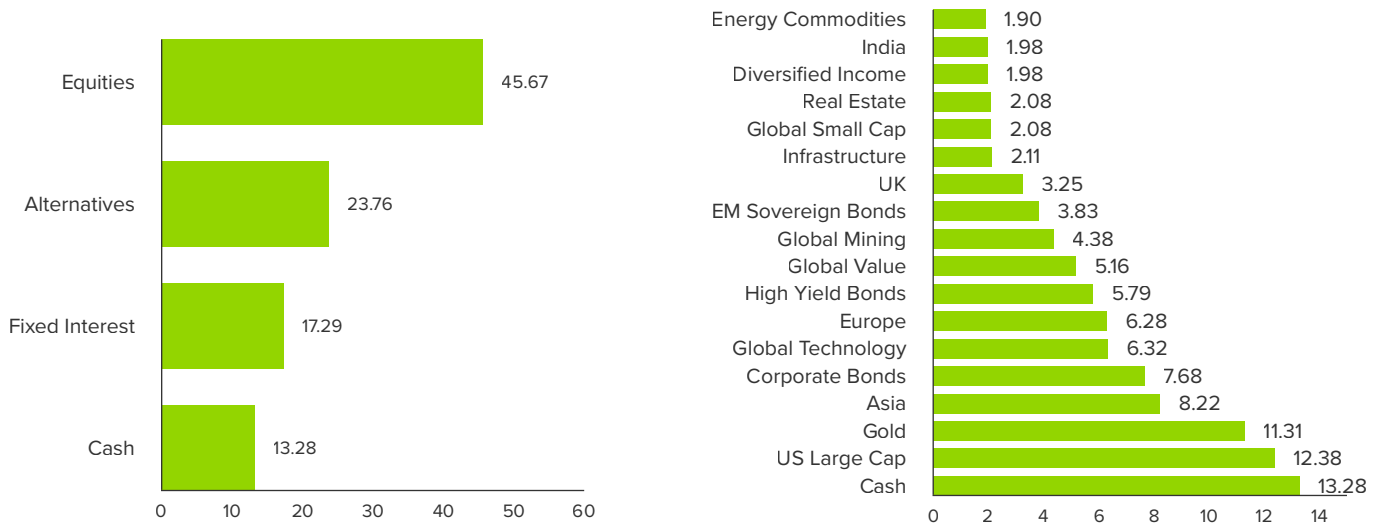
	1m	3m	6m	1Y	3Y	5Y	SL
Multi-Asset Balanced Portfolio GBP (£)	2.88%	-1.31%	-0.31%	4.63%	11.73%	32.81%	65.68%
MPI Medium	2.27%	-1.19%	-0.44%	4.56%	11.72%	24.95%	54.69%

Multi-Asset Balanced MPS Portfolio GBP (£)

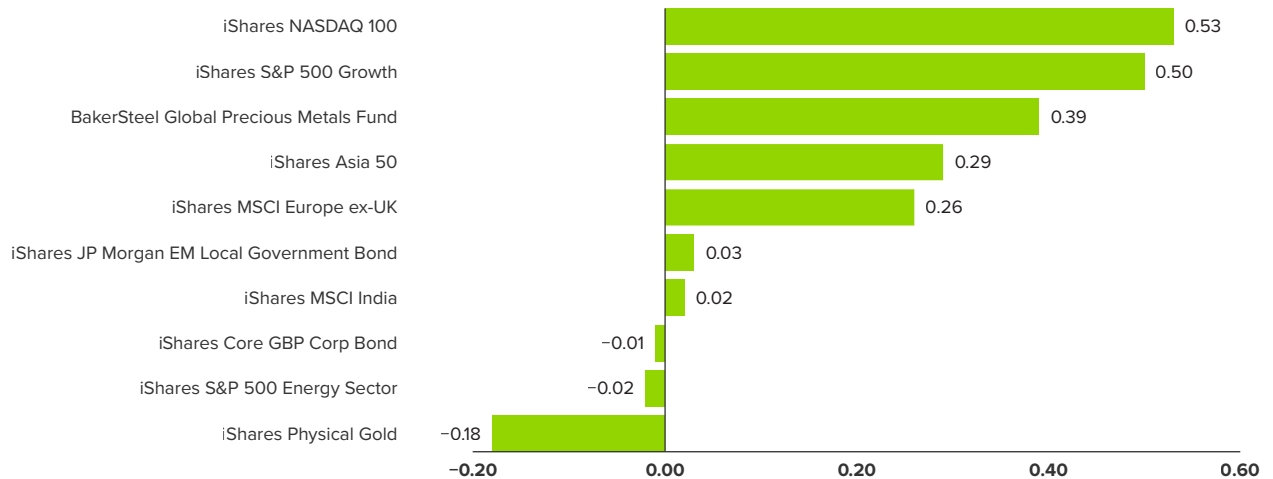
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Asset Allocation (% NAV)



Return Contribution (% NAV)



Top 10 Holdings

Cash	13.28%
iShares Physical Gold	11.31%
iShares Core GBP Corp Bond	7.68%
iShares S&P 500 Growth	6.34%
iShares NASDAQ 100	6.32%
iShares MSCI Europe ex-UK	6.28%
iShares S&P 500 Equal Weight	6.03%
Titan Hybrid Capital Bond Fund	5.79%
iShares Asia 50	5.25%
iShares Edge MSCI World Value Factor	5.16%

Important

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Market Commentary

Global equities surged, with the MSCI World Index up almost 5% in sterling terms, its best month in six, as investors warmly embraced the 'TACO' trade. Pithily coined by Financial Times columnist Robert Armstrong, the term encapsulates the notion that (President) 'Trump Always Chickens Out' on trade policies, particularly in relation to his beloved tariffs, and that risky assets rise in response.

Trump's latest TACO offering concerned Europe, with the Donald performing a volte face less than 72 hours after threatening a straight 50% tariff for all EU exports, following a 'very nice' phone call with European Commission President Ursula von der Leyen. The White House administration is seeking to close a 230-billion-dollar trade deficit with the EU and the two leaders agreed to push back the deadline for reaching an agreement to July 9.

Tech giants pushed the technology laden Nasdaq 100 up 8.6% over the month, with market darling Nvidia delivering top-line and bottom-line earnings results that assuaged fears over weakening demand for AI-related chips, at least in the short-term. Note that the Magnificent 7 (Apple Inc., Microsoft Corporation, Amazon.com Inc., Nvidia Corporation, Alphabet Inc., Meta Platforms Inc. and Tesla Inc.) have accounted for well over half of the S&P 500 index return since the lows in early April.

European equities followed suit, with the MSCI Europe ex-UK Index rising 5.1%, as TACO-driven optimism about U.S.-EU trade talks boosted technology and export-oriented cyclical. The UK's FTSE All-Share underperformed slightly, returning 4%, as defensive sectors like utilities and healthcare faced pressures from rising G7 bond yields and U.S. drug pricing reforms.

Emerging markets, particularly Taiwan (+12%) and South Korea (+7.8%), surged on AI and semiconductor demand and aided by a weaker U.S. dollar.

Fixed income markets faced some turbulence, with the Bloomberg Global Aggregate Index down 0.5%. A major development in recent weeks has been the sustained rise in global long duration bond yields. This reflects a combination of fiscal concerns on financing existing government debt mountains and planned fiscal largesse, leading to weaker demand at long-dated auctions. Whilst America has dominated the narrative in this regard, Japan, Germany, and UK government bond yields have risen far more sharply.

Similar selling pressure has not been witnessed within the investment grade corporate bond and high yield corporate bond sectors, both of which have seen substantial spread compression (indicating a rosier outlook for companies) from the carnage of early April. The journey spreads have taken over the past six weeks by both sectors also indicates that an outright recession led by the US will likely be avoided.

Commodities were mixed. Oil prices stabilised at over \$60 per barrel, supported by OPEC+ supply tweaks but restrained somewhat by ongoing demand concerns. The most interesting development was arguably in the gold space. Recent front-page headlines of the \$3,500 dollar an ounce level being achieved attracted a flurry of late-to-the-party ETF buying, only for the yellow metal to correct by -10% intramonth as TACO-driven risk-on sentiment reduced haven demand. A classic washout.

Portfolio Positioning

Our investment framework indicates that the prevailing view of 'US exceptionalism', which peaked with Trump's euphoric election victory and dominated portfolio positioning in the fourth quarter of 2024, marked the beginning of a steady drift of asset migration away from America; specifically, Nvidia and AI-related technology, the dollar, and 'not so safe' US Treasuries, and into international markets.

The strategy of blending safe, short-term US Treasuries with seemingly impervious 'risk-on' mega cap technology shares including Nvidia bought with it an exceptional short-term risk-adjusted return profile but also a generous helping of concentration risk, correlation risk, and currency risk. This is now beginning to be more carefully appreciated. An unwind is underway, although we don't anticipate an extreme one-off event.

TEAM's equity exposure continues to exhibit a balanced tilt between US and ex-US markets, specifically Europe (relative valuation merit, fiscal largesse catalysts, well-capitalised banking and insurance sectors), India (valuation reset, global

tariff insulation, rate cutting cycle that should boost housing and consumption), and Chinese technology shares (steep discount to Magnificent 7 valuations, earnings growth inflecting upwards, stellar operational performance not reflected in current prices).

Within fixed income, physical gold has replaced our long duration bond exposure given the backdrop of mounting government deficits and a wall of supply this year that could create refinancing problems for weaker companies. Our preference in the space remains high quality investment grade corporate credits and financial hybrid bonds issued by well capitalised European banks and insurance companies.

Gold remains essential portfolio insurance, whilst selective high-quality precious metal mining stocks look to offer excellent upside potential. Following an extended period of industry consolidation, and renewed focus on capital efficiency, the survivors are making hay. At current spot prices (both gold and silver), significant cash flow generation offers scope for meaningful share buybacks and/or special dividends through this bull market cycle.

Craig Farley

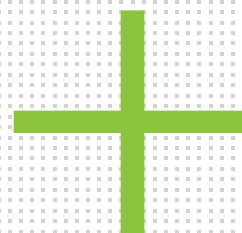
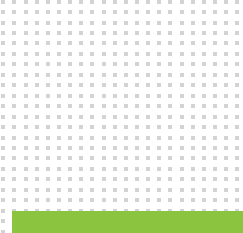
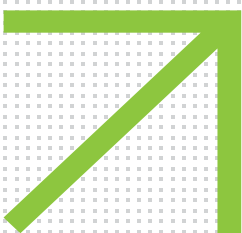
Chief Investment Officer

Craig is an experienced capital markets professional with 20+ years buy-side experience as a PM and strategist across asset classes. He is responsible for setting the optimal global asset allocation mix across TEAM's multi asset investment range. He provides frequent commentary, analysis, and insights for clients on the important issues impacting markets.

Andrew Gillham

Head of Fixed Income

Andrew graduated with a BA (Hons) Economics degree and started his finance industry career with HSBC Private Bank's graduate programme. Thereafter, Andrew joined Insinger de Beaufort as a dealer on their bond trading desk before embarking on a career in investment management, focussed on overseeing dedicated fixed income mandates.



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