

Multi-Asset Diversified Income MPS Portfolio GBP (£)



December 2025 Monthly Report

(All data as at 31 December 2025)

Information

Portfolio Facts

Manager	Andrew Gillham
Launch	Jun-16
Annual Management Charge	0.30% - 0.50%
Ongoing Charge Fee*	0.60%
Currencies available	GBP, EUR
Dealing Frequency	Daily, Market Hours
Custodian	Multiple Platforms
Benchmark	SONIA + 1.5%

*Estimated, may vary depending on platform.

3Y Volatility

Portfolio	8.13
Benchmark	0.20

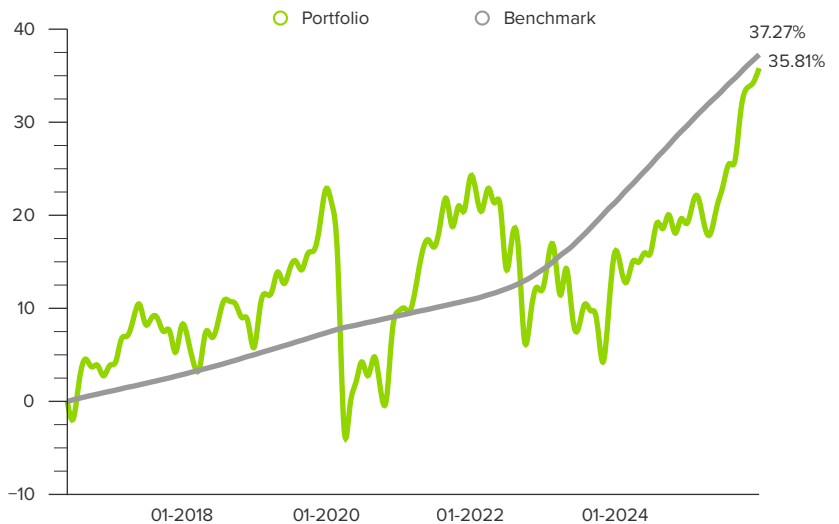
Objective

The portfolio is invested with the aim of achieving a high level of income in the portfolio's base currency.

The portfolio will be invested in a range of collective investment schemes, direct equities and fixed interest related instruments on a consistent basis.

TEAM consider the risk level of the model to be moderate and investors should be prepared to see moderate changes in the value of the investment over short term time periods. There is no guarantee that a positive return will be delivered.

Return (since launch)



The benchmark used is comprised of 35% FTSE UK Dividend Plus / 40% iBoxx GBP Corporate Bonds 5-7YR / 10% FTSE NA UK REITS / 15% SONIA +2%.

Calendar Performance (%)

(*YTD)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Diversified Income Portfolio GBP (£)	3.84%	4.16%	-2.20%	16.13%	-10.71%	13.19%	-9.73%	3.50%	2.72%	13.99%
Income Benchmark	1.07%	1.77%	2.09%	2.24%	1.72%	1.57%	2.92%	6.28%	6.83%	5.90%

Cumulative Performance (%)

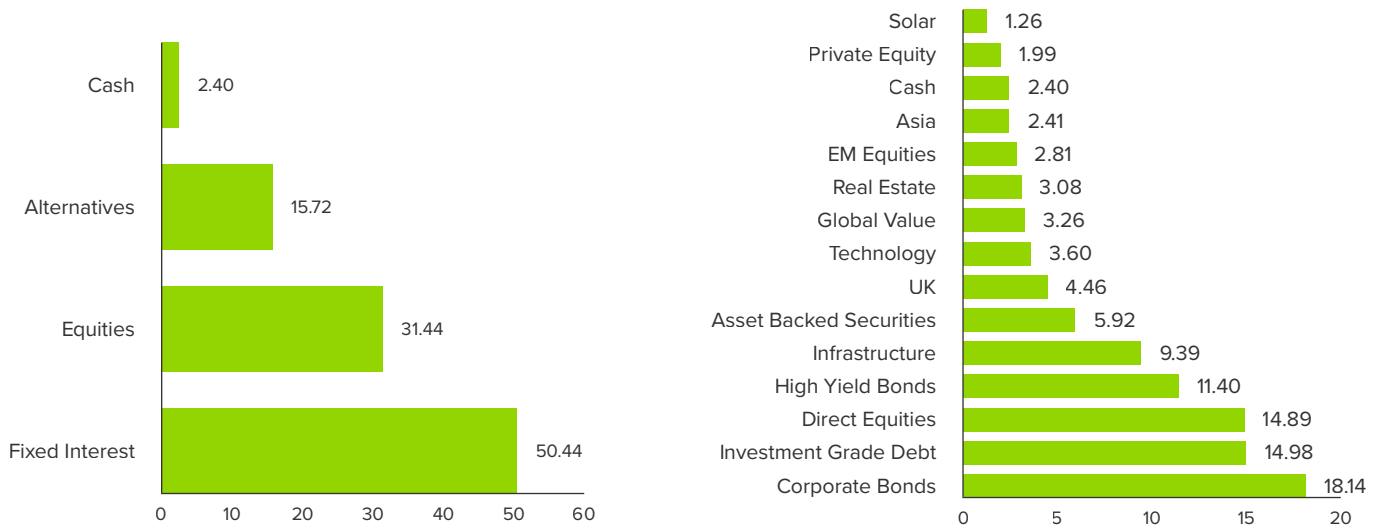
	1m	3m	6m	1Y	3Y	5Y	SL
Diversified Income Portfolio GBP (£)	1.19%	3.35%	10.34%	13.99%	21.19%	23.82%	35.81%
Income Benchmark	0.45%	1.39%	2.86%	5.90%	20.24%	25.70%	37.27%

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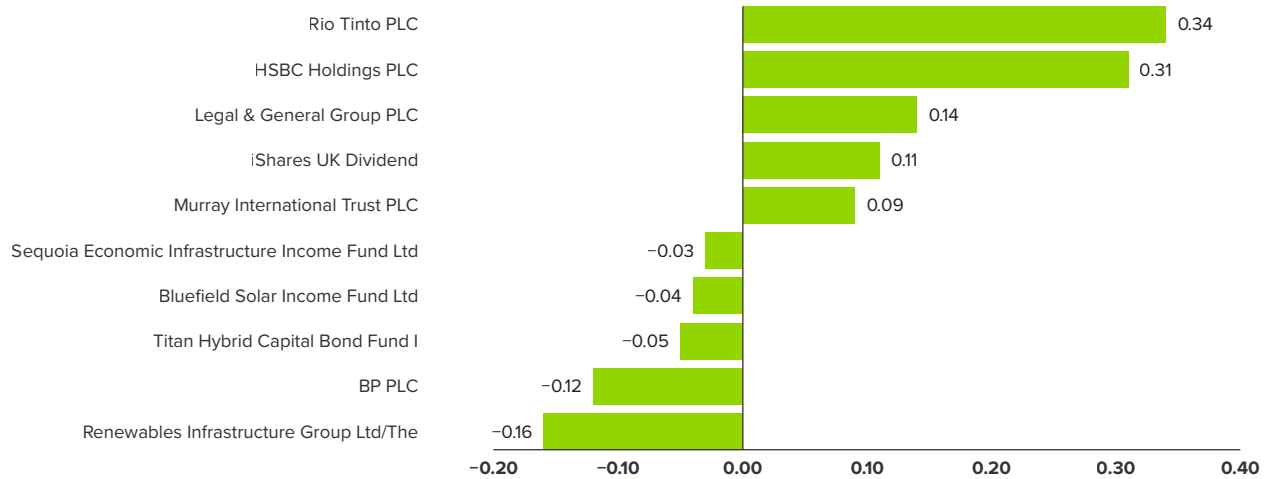


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Asset Allocation (% NAV)



Return Contribution (%)



Top 10 Holdings

Titan Hybrid Capital Bond Fund	6.99%
Vontobel -TwentyFour Sustainable Short Term Bond	6.98%
JP Morgan GBP Ultra-Short Income	6.38%
TwentyFour Income Fund Ltd	5.92%
Aegon Strategic Global Bond Fund	5.74%
Vontobel - TwentyFour Strategic Income Fund	5.28%
Royal London AM Sterling Extra Yield Bond Fund	4.78%
iShares UK Dividend	4.46%
Jupiter Dynamic Bond Fund	4.41%
M&G Lux Optimal Income Fund	3.95%

Important

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TEAM

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Market Commentary

December was a month of contrasting fortunes as investors weighed lofty valuations, resilient economic data and central bank easing. UK and European markets pushed higher to new all-time highs, but high-flying US markets moved lower, snapping a seven-month winning streak.

As expected, the Federal Reserve cut interest rates by a quarter of a percentage point to a three-year low, but the meeting was divisive, exposing deep fractures in the central bank over whether to prioritise a weakening jobs market or high inflation. Fed governor Stephen Miran, a staunch ally of the president called for a 0.5% cut, while Chicago Fed's Austan Goolsbee and Kansas City Fed's Jeffrey Schmid called for no change. President Trump weighed in following the decision, labelling Fed Chair Jay Powell a "stiff" and insisted the rate cut should have been "at least double".

In addition to the split on the FOMC, the prospect of a new Fed chairman to replace the incumbent Jerome Powell when his term ends in May adds even more uncertainty. The clear frontrunners are Kevin Hassett, the director of the National Economic Council, and Kevin Warsh who served as a Fed governor from 2006 to 2011.

Hassett is thought to be the preferred candidate of the president due to their close relationship, but he would likely be the most controversial and disruptive selection in the eyes of investors fearing further erosion of the Fed's independence. The appointment of a Trump loyalist, a stooge, willing to cut interest rates too aggressively could ignite a sell-off in long-term Treasuries and the Dollar. It is also thought that Hassett would find it much more difficult to corral a consensus amongst the

divisive views on the FOMC.

The Bank of England also cut its benchmark interest rate by a quarter point to 3.75% at the December meeting of its Monetary Policy Committee following a close 5-4 vote. The majority, including Governor Bailey, argued that we are past peak inflation and with the economy slowing and the unemployment rate climbing to a four-year high of 5.1%, further easing was needed. The dissenters placed more emphasis on the possibility of "prolonged inflation persistence". Forward looking wage indicators remain elevated with the BoE forecasting pay settlements of 3.5% in 2026.

Events further afield have also had a significant impact on bond markets, especially in Japan. Sanae Takaichi, the country's newly appointed first female prime minister, is a firm believer in fiscal stimulus and has been more aggressive than advertised, asserting that 2026 will be a major turning point for Japan. The fiscal spend includes a major arms build up to a record proportion of GDP to deter an emboldened China.

The stance pushed the Bank of Japan into taking a more hawkish stance, raising rates to a 30-year high and Governor Kazuo Ueda says they will go higher. In turn, 10-year JGB yields have risen above 2% for the first time this century, triggering a re-pricing across global markets.

Portfolio Positioning

The portfolio is built around a core allocation to corporate bonds which provide reliable and stable, contracted income streams.

The risks that the Federal Reserve will become a policy tool of the White House and that European governments will miss fiscal deficit reductions targets, complicated further by the events of recent months which have underscored the pressing need for Europe to ramp up its spend on defence, leads to a bias towards steeper yield curves in the year ahead.

We therefore favour short-to-medium dated corporate bonds, or the "belly" of the curve, which should be more resilient to any volatility in long-term rates. We also invest in bond funds that have significant exposure to financial hybrid bonds issued by highly capitalised European banks and insurance companies which offer high yield returns from investment grade rated issuers.

The allocations to equity, alternative investments and real estate provide diversification within the strategy and the potential to provide some capital growth over the medium-term to offset the impact of inflation.

Craig Farley

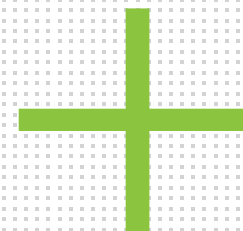
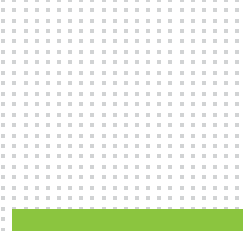
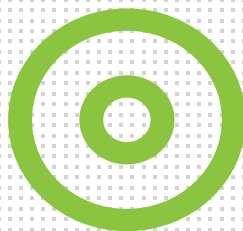
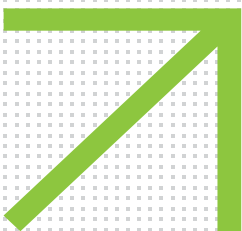
Chief Investment Officer

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.



Get in touch

+44 (0) 1534 281700

team@team.je

www.team.je