

Multi-Asset Diversified Income MPS Portfolio GBP (£)

TEAM

February 2026 Monthly Report

(All data as at 27 February 2026)

Information

Portfolio Facts

Manager **Andrew Gillham**

Launch **Jun-16**

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

Ongoing Charge Fee* **0.58%**

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 **8.24**

Benchmark **0.19**

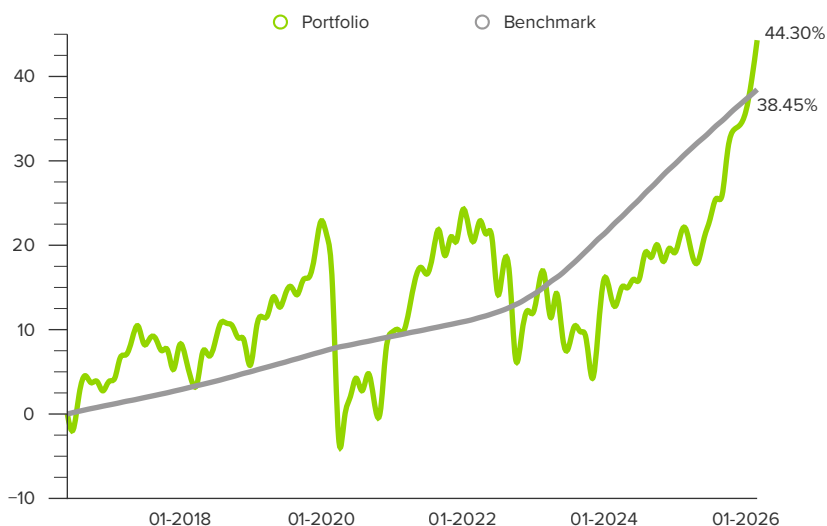
Objective

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)

	2021	2022	2023	2024	2025	2026*
Diversified Income Portfolio GBP (£)	13.19%	-9.73%	3.50%	2.72%	13.99%	6.25%
Income Benchmark	1.57%	2.92%	6.28%	6.83%	5.90%	0.86%

Cumulative Performance (%)

	1m	3m	6m	1Y	3Y	5Y	SL
Diversified Income Portfolio GBP (£)	3.35%	7.51%	14.59%	18.52%	24.13%	31.52%	44.30%
Income Benchmark	0.42%	1.32%	2.75%	5.73%	20.26%	26.47%	38.45%

Quilter

7IM

MORNINGSTAR



BNY MELLON

PERSHING

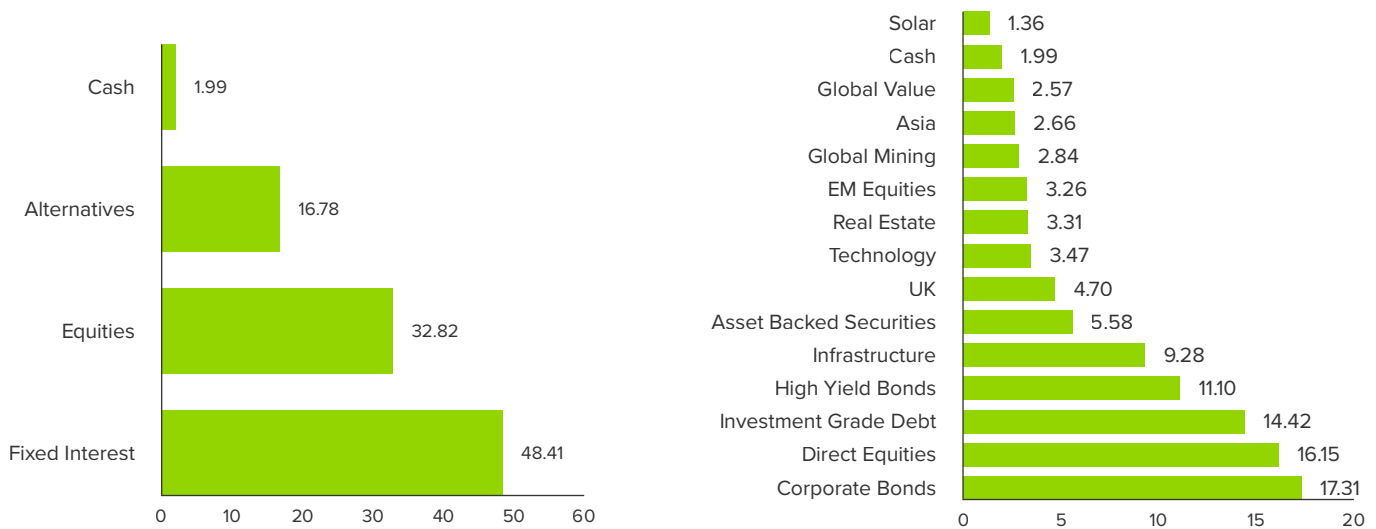
CAPITAL INTERNATIONAL GROUP

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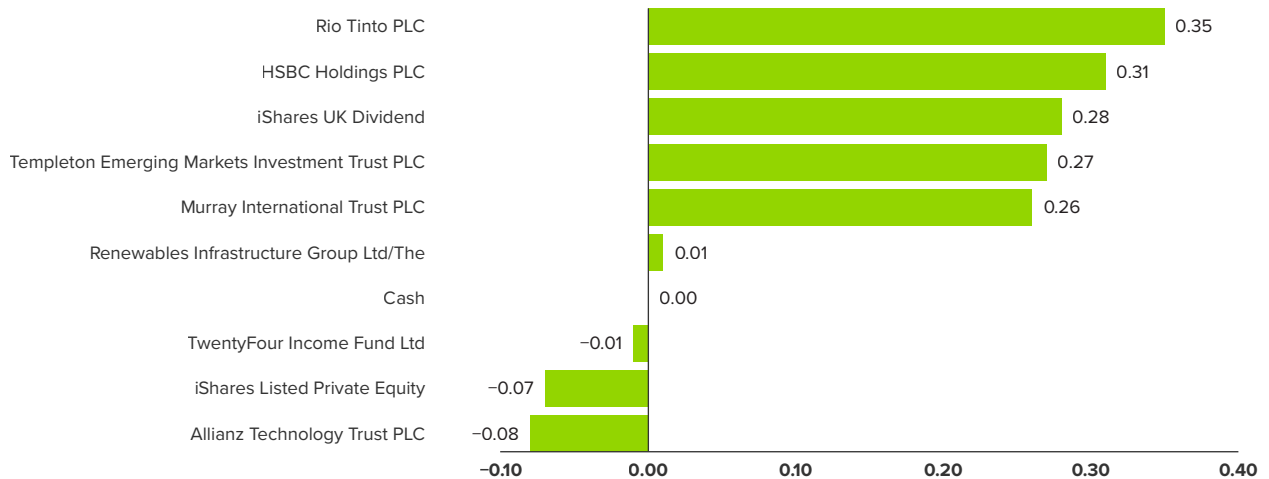


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Asset Allocation (% NAV)



Return Contribution (%)



Top 10 Holdings

Titan Hybrid Capital Bond Fund	6.74%
Vontobel - TwentyFour Sustainable Short Term Bond	6.70%
JP Morgan GBP Ultra-Short Income	6.05%
TwentyFour Income Fund Ltd	5.58%
Aegon Strategic Global Bond Fund	5.50%
Vontobel - TwentyFour Strategic Income Fund	5.09%
iShares UK Dividend	4.70%
Royal London AM Sterling Extra Yield Bond Fund	4.56%
Jupiter Dynamic Bond Fund	4.35%
Rio Tinto	4.05%

Important

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Market Commentary

The shortest month of the year wasn't short on news as the themes of dispersion and disruption gathered pace. Dispersion refers to the fact that while the US large-cap bellwether S&P 500 index is essentially flat in price return terms so far this year, there is a lot more activity going on underneath the hood. For example, 94 constituent members of the index have moved up or down by over 5% in price terms so far this year, while 117 constituent members of the index have moved up or down by over 20% in price during the same period.

There is also growing concern over the projected AI-related capex spend by the so-called hyperscalers (Alphabet, Amazon, Meta and Microsoft) which is turning asset-light business models into something very different. The hyperscalers are projecting AI software revenues of c\$45 billion in 2026 against a projected capex spend of a whopping \$650 billion. This FOMO-driven capex mania equates to a price-to-sales ratio of 14x or 1,400%, extremely expensive by anyone's book.

While technology stocks have faced headwinds from concerns over their massive capex plans to build out their AI infrastructure, primary bond markets have welcomed tech companies with open arms. Oracle's latest \$25 billion bond offering attracted a record order book of more than \$129 billion, eclipsing the \$125 billion of orders Meta Platforms received for its \$30 billion of AI related bonds sold in October.

Alphabet's 100-year bond denominated in Sterling, the first century bond issued by a technology since Motorola in 1997, attracted orders of GBP 9.5 billion. Such long-dated corporate bond issues are extremely rare due to the potential for acquisitions, outdated business models and technological

obsolescence.

There was also the Supreme Court ruling that overturned President Trump's sweeping global tariff policies in a six-three majority decision. The ruling states that the International Emergency Economic Powers Act of 1977, a statute that gives the US President a "legal toolkit" to handle national emergencies, does not authorise the president to impose sweeping tariffs on global trading partners. Taken at face value, the judgment invalidates roughly half of all tariffs imposed under the Trump and potentially puts around \$175bn of US tariff revenue at risk of repayment.

Closer to home, as expected the Bank of England left interest rates unchanged in February. However, the 5-4 vote on the BoE's Monetary Policy Committee was closer than expected and suggests that a rate cut at their next meeting in March is likely. The BoE cuts its growth forecasts for the next years and predicted that a weakening employment market will curb wage and price pressures. Money markets are pricing in a 65% chance of a rate cut at their next meeting in March.

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

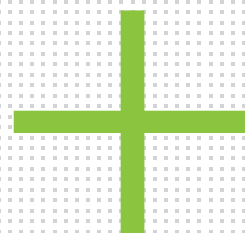
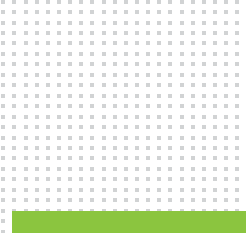
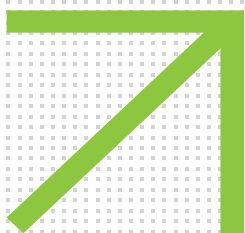
Chief Investment Officer

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.



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