

EPIM Cabot

Q1 2026 Portfolio Update



Latest Market Commentary – Q1 2026

After a period of rangebound trading, global markets were jolted in March by the US–Israeli attacks on Iran and the fallout across the wider region. Oil prices surged as supply through the Strait of Hormuz was disrupted, and risk aversion rippled through financial markets worldwide.

The severity of the market impact varied sharply by region. The FTSE 100 fell but was supported by heavyweight oil and mining groups that benefit from higher spot prices, while continental indices adopted a more defensive stance. Europe entered March 2026 already grappling with a fragile inflation-growth balance. The continent remains directly exposed to liquified natural gas (LNG) flows from Qatar, which paused production temporarily after Iranian drone strikes on its facilities – further straining an energy market still recovering from the 2022 supply shock.

The US market saw heightened volatility, though the country remains less dependent on imported energy than Asia or Europe. Even so, rising oil prices risk slowing growth, lifting inflation and complicating the Federal Reserve’s timetable for interest rate cuts.

Asia experienced the most acute equity shock due to its heavy reliance on Middle Eastern energy. Japan, one of the world’s largest importers of oil routed through the Strait of Hormuz, saw investors price in a hit to manufacturing margins, consumer spending and energy security. Mainland China proved more insulated than its regional peers. Markets viewed the situation largely through a policy lens: expectations of additional fiscal support from Beijing helped offset energy related concerns. China still faces a dual challenge – dependence on Gulf LNG and increasing supply chain risks if shipping delays worsen – though the country is believed to hold significant oil stockpiles.

The conflict has also become the dominant force shaping global fixed-income markets. Government bond yields have moved sharply, with traders rapidly reassessing the trajectory of central bank policy. UK and European bonds were among the hardest hit.

Nowhere have expectations shifted faster than in the UK, where the war has upended the prior consensus that the Bank of England would continue cutting rates in 2026. Government borrowing costs surged to their highest level since the 2008 financial crisis, with 10-year gilt yields rising above 5% as investors priced in renewed inflation pressure from the oil shock. Markets now predict rate hikes in 2026 though, at Charles Stanley, we do not believe the Bank of England will be able to raise interest rates this year given the fragility of the domestic economy. The UK is uniquely exposed due to its reliance on imported energy and its sensitivity to global commodity driven inflation.

In the US, bond yields have moved sharply higher as traders reconsider the inflationary consequences of the conflict. This marks a significant shift in sentiment. Before hostilities erupted, markets broadly assumed the Federal Reserve would ease policy to support a softening labour market. The inflation shock from rising energy prices has instead revived discussion of tighter policy.

The fourth quarter earnings season delivered a mixed but broadly resilient picture, with companies on both sides of the Atlantic navigating slowing economic momentum, lingering cost pressures and heightened geopolitical uncertainty. Across sectors, revenue growth held up, but margins softened as wage costs and inflation related expenses continued to weigh.

Technology and communications remained standout performers, supported by investment in AI infrastructure and cloud services. Consumer facing companies reported more uneven results as discretionary spending cooled. Industrial and energy groups highlighted the impact of moderating global demand and volatile commodity prices, though many pointed to improving order books heading into 2026. Overall, corporate guidance was cautious but not pessimistic.

Ultimately, market outcomes this year will hinge on developments in the Middle East. The endgame in this geopolitical wildcard remains highly uncertain, and the escalation seen throughout March has materially raised global risk levels.

	EPIM Cabot Cautious	EPIM Cabot Moderately Cautious	EPIM Cabot Balanced	EPIM Cabot Growth	EPIM Cabot Global Equity
Fixed Income	52.9	48.0	32.5	17.0	6.0
Government Bond	15.2	12.3	11.6	8.4	6.0
Inflation Linked	5.0	3.9	2.8	2.6	0.0
Investment Grade Bond	32.7	31.8	18.1	6.0	0.0
Equity	16.4	31.1	49.6	68.2	79.1
North America	8.2	15.8	24.7	32.0	40.8
Japan	3.3	5.0	6.0	7.3	7.2
Europe	2.1	2.8	4.1	4.1	5.4
UK	2.8	3.5	4.6	6.4	5.3
Asia Pacific ex-Japan	0.0	4.0	6.4	9.4	9.9
GEM	0.0	0.0	3.9	6.5	6.9
Global/Thematic Equities	0.0	0.0	0.0	2.6	3.6
Alternatives	6.0	10.9	11.9	12.8	12.9
Property	2.0	2.0	3.0	3.9	4.7
Infrastructure	4.0	8.9	8.9	8.9	8.2
Cash & Equivalent	24.8	10.0	6.0	2.0	2.0

Portfolio Positioning

Following our annual Strategic Asset Allocation review, we have rebalanced portfolios to reflect updated long-term capital market assumptions and our current investment views.

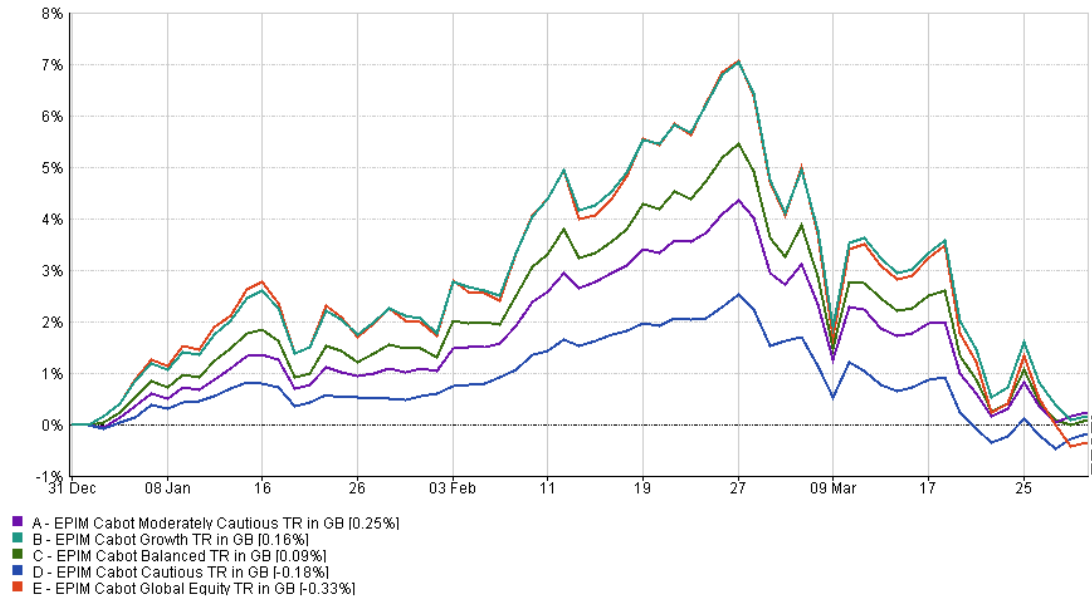
This year's recalibration includes a modest shift from fixed income to equities, driven by compressed credit spreads and lower forward-looking bond returns. We have introduced Emerging Market Debt as a strategic holding, recognising improved fundamentals and attractive real yields, while reducing investment-grade credit where spreads have tightened considerably.

Within equities, we have increased exposure to North America, reflecting its growing share of global markets, and to Emerging Markets, supported by compelling valuations and stronger return forecasts. Allocations to the UK, Europe, and Japan have been reduced following strong 2025 performance driven primarily by valuation expansion. We have also increased our position in global small-cap equities, which we believe are well-positioned to benefit from broadening economic momentum and attractive valuations.

These changes maintain effective diversification while aligning portfolios with both our five-year strategic framework and near-term market opportunities. The result is a balanced positioning designed to deliver strong risk-adjusted returns in an evolving global environment.

More information regarding these changes can be found in the latest rebalance rationale document.

Figure 1: 3-month Performance



Source: Financial Express Analytics, net income reinvested. Past Performance is not a reliable indicator of future returns. As at: 31st March 2026.

Quarterly Performance

Portfolios in the EPIM Cabot range delivered mixed returns over the quarter, with lower-risk strategies proving more resilient in challenging market conditions.

Market conditions were exceptionally difficult throughout the quarter, dominated by the outbreak of the US-Iran conflict which disrupted global energy supplies and triggered significant volatility across asset classes.

Equity markets experienced sharp declines, particularly in March, with global stocks recording their worst monthly performance in over 17 years. This weighed heavily on higher-equity portfolios. Markets rallied strongly at quarter-end on optimism that the conflict could be resolved, though this was insufficient to offset earlier losses.

Bond markets faced pressure as central banks adopted a more hawkish stance in response to inflation concerns stemming from the energy shock, with rate hike expectations increasing across major economies.

Despite heightened geopolitical uncertainty and significant volatility, losses in higher-risk strategies remained contained given the severity of the quarter's challenges.

- **EPIM Cabot Moderately Cautious** led the range with a gain of 0.25%, followed by EPIM Cabot Growth (0.16%) and EPIM Cabot Balanced (0.09%), reflecting the defensive benefits of balanced allocations.
- **EPIM Cabot Cautious** returned -0.18%, while higher-risk strategies EPIM Cabot Global Equity declined 0.33%.

Total Growth	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	17.3	3.3	0.6
Government Bond	8.2	2.5	0.2
Inflation Linked Bond	2.7	3.3	0.1
Investment Grade Bond	6.3	4.5	0.3
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.1	-1.5	0.0
Equity	68.2	21.6	14.6
North America	32.0	13.7	4.7
Japan	7.1	27.5	1.9
Europe	4.1	15.5	0.7
UK	6.3	24.0	1.6
Asia Pacific ex-Japan	9.5	43.1	3.6
Global Emerging Market	6.6	27.2	1.6
Global Equity / Thematics	2.7	23.5	0.6
Alternatives	12.5	11.2	1.4
Property	3.9	4.3	0.2
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.6	14.2	1.3
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	2.0	2.1	0.0

12m Attribution

The EPIM Cabot portfolios delivered a strong return over the past year, driven primarily by robust equity performance across all regions.

Equities were the dominant driver of performance, with gains across all major markets. North America remained the largest contributor due to portfolio positioning, supported by resilient corporate earnings. Global Emerging Markets was the standout performer, reflecting strong economic momentum and market leadership. Japan also posted particularly strong results and added meaningfully to performance. Asia Pacific ex-Japan delivered solid gains, while Europe and the UK contributed positively.

Fixed income provided a steady contribution, with stabilising bond markets supporting returns. High Yield Bonds led the way within the fixed income allocation, while Investment Grade Bonds, Inflation Linked Bonds, and Government Bonds also contributed positively. Among alternatives, Infrastructure delivered a solid uplift, reflecting its stable income characteristics. Property returns were positive, while Commodities also added modestly to overall performance.

Overall, contributions were broad-based, with equity strength complemented by steady support from fixed income and alternatives.

IM Cabot Cautious	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	54.7	3.7	2.1
Government Bond	16.6	2.9	0.5
Inflation Linked Bond	5.0	3.3	0.2
Investment Grade Bond	33.1	4.1	1.4
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.0	0.0	0.0
Equity	16.6	16.6	2.7
North America	8.3	12.9	1.1
Japan	3.2	22.8	0.7
Europe	2.1	15.5	0.3
UK	3.0	22.2	0.6
Asia Pacific ex-Japan	0.0	0.0	0.0
Global Emerging Market	0.0	0.0	0.0
Global Equity / Thematics	0.0	0.0	0.0
Alternatives	5.4	10.8	0.6
Property	2.0	4.3	0.1
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	3.4	14.2	0.5
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	23.3	3.9	0.9

EPIM Cabot Moderately Cautious	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	47.7	3.7	1.9
Government Bond	12.0	2.9	0.4
Inflation Linked Bond	3.9	3.3	0.1
Investment Grade Bond	31.7	4.2	1.4
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.1	-1.5	0.0
Equity	32.0	21.5	6.7
North America	16.0	13.1	2.2
Japan	4.9	27.5	1.3
Europe	2.8	15.5	0.4
UK	4.3	23.9	1.1
Asia Pacific ex-Japan	3.7	56.9	1.9
Global Emerging Market	0.2	-5.5	-0.2
Global Equity / Thematics	0.1	0.3	0.0
Alternatives	10.4	12.4	1.3
Property	2.0	4.3	0.1
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.4	14.2	1.2
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	9.9	3.8	0.4

EPIM Cabot Balanced	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	32.3	3.7	1.2
Government Bond	11.0	2.9	0.3
Inflation Linked Bond	2.9	3.3	0.1
Investment Grade Bond	18.3	4.3	0.8
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.1	-1.5	0.0
Equity	50.1	20.9	10.3
North America	25.2	13.5	3.6
Japan	5.8	28.1	1.6
Europe	3.8	15.5	0.6
UK	4.8	24.3	1.2
Asia Pacific ex-Japan	6.4	42.0	2.5
Global Emerging Market	4.0	27.2	0.7
Global Equity / Thematics	0.2	0.3	0.0
Alternatives	11.6	11.7	1.4
Property	3.0	4.3	0.1
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.6	14.2	1.2
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	5.9	3.5	0.2

EPIM Cabot Global Equity	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	5.7	2.7	0.2
Government Bond	5.7	2.7	0.2
Inflation Linked Bond	0.0	0.0	0.0
Investment Grade Bond	0.0	0.0	0.0
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.0	0.0	0.0
Equity	79.5	20.6	16.4
North America	40.4	13.6	5.8
Japan	7.1	27.5	2.0
Europe	5.2	15.5	0.8
UK	5.9	24.2	1.5
Asia Pacific ex-Japan	10.4	41.2	3.7
Global Emerging Market	7.0	27.2	1.7
Global Equity / Thematics	3.6	23.5	0.9
Alternatives	12.9	10.6	1.3
Property	4.8	4.3	0.2
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.1	14.2	1.1
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	1.8	1.9	0.0

Top & Bottom Contributors – 12m to 31 March 2026

Fund	Positive Contributors				Negative Contributors			
	Description	Weight (%)	Return (%)	CTR (%)	Description	Weight (%)	Return (%)	CTR (%)
Cabot Cautious	L&G Japan Index	3.2	22.8	0.7	L&G All Stocks Gilt Index Trust	7.2	2.2	0.2
	L&G UK Index Trust	3.0	22.2	0.6	L&G Global Real Estate Dividend Index Fund	2.0	4.3	0.1
	Fidelity Index US Hedged	4.7	16.2	0.6	L&G S&P500 US Equal Weight Index Fund	0.4	-1.9	0.0
Cabot Moderately Cautious	L&G Pacific Index	6.0	62.1	1.9	L&G EM Government Bond Index	0.1	-1.5	0.0
	L&G Global Infrastructure Index	3.6	14.2	1.2	Fidelity Index Pacific ex Japan	0.1	-3.2	-0.1
	Fidelity Index US Hedged	8.6	16.2	1.2	Fidelity Index Emerging Markets	0.2	-5.5	-0.2
Cabot Balanced	L&G Pacific Index	3.7	62.1	2.0	L&G All Stocks Gilt Index Trust	3.9	2.2	0.1
	Fidelity Index US Hedged	11.6	16.2	1.7	Vanguard Global Small-Cap Index Fund	0.2	0.3	0.0
	L&G Global Infrastructure Index	8.6	14.2	1.2	L&G EM Government Bond Index	0.1	-1.5	0.0
Cabot Growth	L&G Pacific Index	6.5	53.2	3.0	L&G Global Inflation Linked Bond Index	2.7	3.3	0.1
	Fidelity Index US Hedged	15.1	16.2	2.6	BlackRock ICS Sterling Liquidity	1.0	4.2	0.0
	Fidelity Index Emerging Markets	6.6	27.2	1.6	L&G EM Government Bond Index	0.1	-1.5	0.0
Cabot Global Equity	L&G Pacific Index	6.6	53.2	3.0	Vanguard US Government Bond Index Hedged	2.8	3.1	0.1
	Fidelity Index US Hedged	15.1	16.2	2.6	L&G All Stocks Gilt Index Trust	2.9	2.2	0.1
	Fidelity Index Emerging Markets	7.0	27.2	1.7	BlackRock ICS Sterling Liquidity	0.9	4.2	0.0

Source: Charles Stanley, Bloomberg, 12m to 31 March 2026. Figures Subject to rounding. Past performance is not a guide to future performance. CTR is Contribution to Returns.

Risk Characteristics

	Max Drawdown			Sharpe Ratios			Volatility		
	1y	3y	5Y	1y	3y	5Y	1y	3y	5Y
EPIM Cabot Cautious	-2.6	-2.6	-9.3	1.2	1.2	0.4	3.9	3.6	4.5
EPIM Cabot Moderately Cautious	-3.9	-3.9	-11.7	1.3	1.2	0.4	6.3	5.2	6.1
EPIM Cabot Balanced	-5.1	-5.1	-12.3	1.4	1.2	0.5	8.4	6.9	7.7
EPIM Cabot Growth	-6.4	-6.4	-12.6	1.4	1.1	0.6	10.9	8.6	9.2
EPIM Cabot Global Equity	-6.9	-7.8	-12.8	1.4	1.1	0.6	12.0	9.6	10.1

Source: FE Analytics. All data as at 31 March 2026

Past performance is not a reliable guide to future performance. The performance is net of Eden Park Investment Management fees, with income reinvested. Return Period: Weekly

●●Risk Free Rate: 1.5% ●Annualised Ratios: Yes ●Currency: Pounds Sterling

General Regulatory Disclosure

The value of investments, and the income derived from them, can fall as well as rise. Investors may get back less than invested. Returns may be affected by currency exchange rate fluctuations.

Performance is calculated on a Total Return basis using a notional portfolio in Financial Express Analytics. Performance is net of Charles Stanley Investment Management fees but not adviser fees nor platform costs. Any charges and fees applied by authorised intermediaries will be charged in addition to the charges shown. The Total Ongoing Charges Figure (TOC) is calculated by Financial Express Analytics using a weighted average of the underlying investments and represents underlying Ongoing Charges Figure plus Transaction costs plus Incidental costs for those holdings. Portfolios linked to this Model Portfolio may not exactly replicate the model due to the difference in timing of initial investment or rebalancing differences resulting from individual portfolio circumstances. The management and rebalancing of this Model Portfolio does not take Capital Gains Tax into consideration. This update has been prepared for information purposes only and does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase units or shares. The information on which the document is based is deemed to be reliable. Charles Stanley has not independently verified such information, and its accuracy or completeness is not guaranteed. Although Charles Stanley's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any damages (including lost profits) even if notified of the possibility of such damages. Charles Stanley is a trading name of Raymond James Wealth Management Limited, which is a member of the London Stock Exchange, is authorised and regulated by the Financial Conduct Authority and is part of the Raymond James Financial, Inc. group of companies.