

EPIM Cabot

Q4 2025 Portfolio Update



Latest Market Commentary – Q4 2025

Global equities pushed higher through October, November and December, with large cap US benchmarks extending gains. Europe participated in the rally, albeit more cautiously. Rises were underpinned by a solid third quarter earnings season and cooling inflation.

Defensive sectors lagged while technology, communications and cyclicals outperformed, aided by resilient demand and ongoing investment in artificial intelligence (AI) and cloud infrastructure. The UK market advanced, helped by financials, materials (mining) and health care, although mid-caps were more mixed on domestic growth worries.

Bond markets were choppy. Sovereign yields initially climbed in October as supply remained heavy before retracing into November on softer inflation and signs of moderating bond issuance by governments. By December, markets were pricing earlier and deeper rate cuts in 2026, pulling 10-year yields off their peaks.

The third-quarter earnings season set the tone. Across the US, revenue growth was modest but broad based and margins generally held up thanks to disciplined cost control and easing input prices. Mega-cap tech delivered above trend results, with cloud and AI related services offsetting hardware cycles. Consumer-facing names showed resilience at the higher end, while value-oriented retailers cited ongoing trading down. Although equity market gains were solid, there were persistent concerns about valuations, especially in technology.

Industrials reported steady backlogs but noted normalising order intake, and semiconductors pointed to an improving inventory picture tied to data centre demand. In Europe, results were similarly mixed but constructive.

Policy and politics created intermittent headwinds. US president Donald Trump's tariff announcements – framed as efforts to bolster domestic manufacturing and address trade imbalances – injected bouts of volatility, particularly around China exposed supply chains and consumer goods. Equity markets largely looked through

the headline risk when measures appeared incremental or phased, but stock specific moves were sharp where revenue concentration risk was high.

The Federal Reserve cut interest rates twice in the period – in October and December – amid soft jobs-market data and tariff-induced inflation concerns. Tech stocks dominated, with artificial intelligence (AI) optimism driving Nasdaq's outperformance. Although the 'Magnificent Seven' posted weaker growth than in recent quarters, five of the seven beat earnings-per-share estimates. Nevertheless, US equities fell in November, as profit-taking hit mega-cap tech stocks and credit jitters resurfaced.

In London, the FTSE 100 delivered modest but steady gains, supported by defensive sectors. Indeed, the UK blue-chip index hit a series of all-time highs in the final three months of the year. It was a banner year for the blue-chip index, which had its best 12-month period since 2009.

November was dominated by Chancellor Rachel Reeves' Autumn Budget. Held at the end of the month, markets were braced for turbulence after leaks and fiscal-gap warnings triggered gilt-market volatility mid-month, but the final package – tax rises on dividends and property, extended threshold freezes, and targeted investment incentives – was taken as credible by markets. Gilts rallied after the statement and sterling held steady.

US President Donald Trump has aggressively continued to reshape US trade policy, deploying a "reciprocal-tariff" strategy to pressure trading partners into bilateral deals. The trade strategy continues to cause tensions worldwide and appeared to escalate with China until Mr Trump and Chinese President Xi Jinping met in South Korea – leading to a series of announcements on closer trade ties.

The US government shutdown in October lasted a record 43 days. Triggered by a bitter funding dispute in Congress, the deadlock froze large parts of the federal government, furloughing around 900,000 employees and forcing another two million to work without pay.

	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 latest review, we have reduced our headline equity exposure to bring portfolios back in line with strategic allocations following a period of strong market performance.

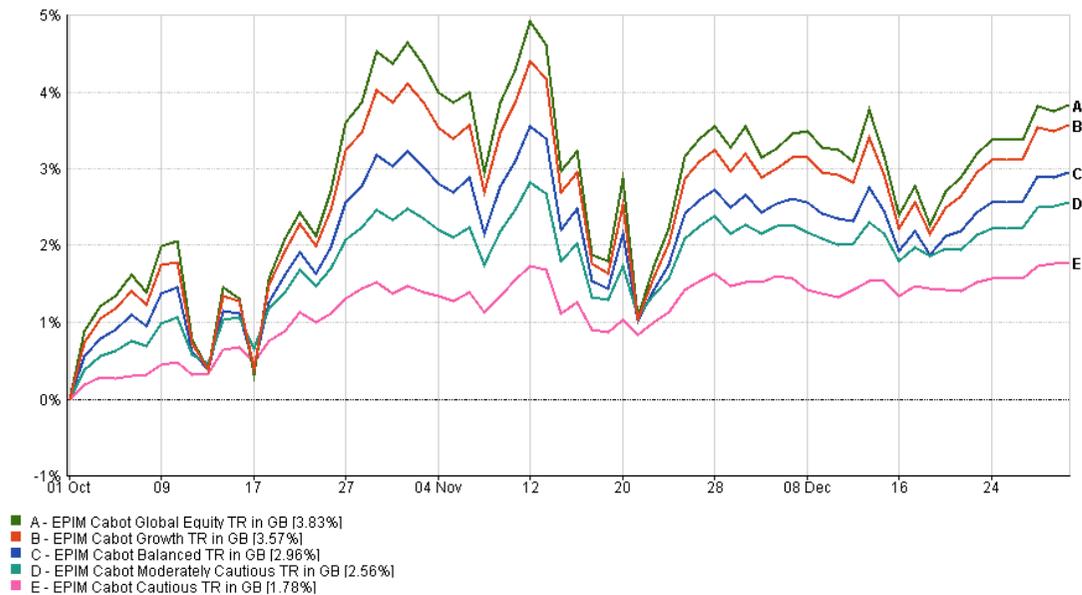
Despite circulating market narratives in 2025, Global equity markets have been supported by resilient labour markets, solid earnings and better-than-expected economic growth. While uncertainties remain - particularly around tariffs and inflation - we do not see these as reasons to reduce risk further. Instead, we viewed this rebalance as prudent management of equity drift and a way to maintain effective diversification.

Most of the reduction came from US equities, reflecting their size in portfolios and the strength of their recent rally. Although US fundamentals remain robust, leadership has been narrow and valuations have moved higher, warranting modest trimming. We also made smaller reductions in the UK, Japan and Asia-Pacific for consistency across risk profiles.

The proceeds from these sales have been allocated to increase exposure to a diversified mix of fixed income and alternative assets that align with our current views.

Overall, these adjustments support a balanced positioning that stays aligned with long-term strategy while preserving diversification in a still-uncertain environment.

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 December 2025.

Quarterly Performance

All portfolios in the EPIM Cabot range delivered positive returns over the quarter, with performance improving in line with risk level as expected. Market conditions were generally supportive throughout the quarter, marked by improving investor sentiment as inflation trends continued to moderate and expectations grew for interest-rate cuts in the year ahead. Equity markets responded positively, particularly in late October and early November, although the period also featured heightened volatility linked to shifting macroeconomic data and geopolitical developments. Bond markets were mixed but broadly stable, providing a supportive backdrop for the portfolios. Despite mid-quarter fluctuations, all portfolios finished the period with solid positive performance.

- **EPIM Cabot Global Equity** led the range with a gain of 3.83%, followed by Growth (3.57%) and Balanced (2.96%) reflecting stronger equity contributions.
- **EPIM Cabot Moderately Cautious** returned 2.56%, while **Cautious**, the lowest-risk strategy, delivered a steadier 1.78%.

EPIM Cabot Growth	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	17.8	6.0	1.1
Government Bond	8.2	5.5	0.5
Inflation Linked Bond	2.8	5.2	0.2
Investment Grade Bond	6.8	6.9	0.5
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.0	0.0	0.0
Equity	67.9	17.4	11.8
North America	32.0	12.1	4.1
Japan	7.0	19.8	1.4
Europe	4.1	27.0	1.1
UK	6.3	20.0	1.2
Asia Pacific ex-Japan	9.1	23.6	2.1
Global Emerging Market	6.6	24.3	1.5
Global Equity / Thematics	2.8	16.5	0.4
Alternatives	12.3	5.3	0.7
Property	3.9	1.5	0.1
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.4	7.0	0.6
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	2.0	2.2	0.0

12m Attribution

The **EPIM Cabot Growth** portfolio delivered a strong return over the past year, supported by broad-based strength across global equity markets.

Equities were the key driver of performance, with gains coming from all major regions. North America remained the largest contributor due to portfolio positioning, helped by resilient earnings and renewed market momentum. Encouragingly, performance was well-diversified beyond the US, with Asia Pacific ex-Japan, Emerging Markets, and Japan all posting particularly strong results over the period. Europe and the UK also added positively, benefiting from improving economic sentiment and healthier corporate fundamentals.

Fixed income provided a steady contribution as bond markets stabilised. Easing yields and tightening credit spreads supported returns across government, investment-grade, and inflation-linked bonds. Among alternatives, infrastructure delivered a solid uplift, reflecting its stable income characteristics in a calmer rate environment. Property returns were positive but more muted, consistent with the sector's ongoing adjustment to tighter financing conditions.

Overall, contributions were broad and well-balanced across asset classes.

EPIM Cabot Cautious	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	56.1	6.1	3.4
Government Bond	17.7	5.4	0.9
Inflation Linked Bond	4.9	5.2	0.3
Investment Grade Bond	33.5	6.6	2.2
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.0	0.0	0.0
Equity	16.8	15.1	2.5
North America	6.8	16.4	1.3
Japan	3.1	16.4	0.5
Europe	1.7	13.5	0.3
UK	3.0	23.9	0.7
Asia Pacific ex-Japan	0.0	0.0	0.0
Global Emerging Market	0.0	0.0	0.0
Global Equity / Thematics	2.2	-2.3	-0.3
Alternatives	5.2	4.8	0.2
Property	2.0	1.5	0.0
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	3.2	7.0	0.2
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	21.8	4.1	0.9

EPIM Cabot Moderately Cautious	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	48.3	6.1	3.0
Government Bond	12.0	5.5	0.7
Inflation Linked Bond	4.0	5.2	0.2
Investment Grade Bond	32.2	6.5	2.1
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.0	0.0	0.0
Equity	31.6	18.1	5.8
North America	15.5	11.3	2.1
Japan	4.9	19.8	1.0
Europe	2.7	27.0	0.7
UK	4.7	20.1	0.9
Asia Pacific ex-Japan	3.5	29.0	1.0
Global Emerging Market	0.0	0.0	0.0
Global Equity / Thematics	0.3	4.2	0.1
Alternatives	10.3	6.1	0.6
Property	2.2	1.5	0.0
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.1	7.0	0.6
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	9.9	3.9	0.4

EPIM Cabot Balanced	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	33.3	6.0	2.1
Government Bond	11.0	5.4	0.6
Inflation Linked Bond	3.1	5.2	0.2
Investment Grade Bond	19.1	6.6	1.3
High Yield Bond	0.0	0.0	0.0
Emerging Market Bond	0.0	0.0	0.0
Equity	49.7	17.4	8.7
North America	24.9	12.1	3.4
Japan	5.7	20.2	1.1
Europe	3.6	27.0	0.9
UK	5.1	19.6	1.0
Asia Pacific ex-Japan	6.3	22.0	1.4
Global Emerging Market	3.7	24.3	0.9
Global Equity / Thematics	0.4	4.2	0.1
Alternatives	11.5	5.6	0.6
Property	3.0	1.5	0.1
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.4	7.0	0.6
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	5.6	3.6	0.2

EPIM Cabot Global Equity	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	6.1	5.6	0.4
Government Bond	5.7	5.4	0.3
Inflation Linked Bond	0.3	1.5	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	79.0	16.9	13.5
North America	40.1	11.7	5.1
Japan	7.0	19.8	1.4
Europe	5.0	27.0	1.3
UK	6.4	20.3	1.3
Asia Pacific ex-Japan	10.0	22.8	2.3
Global Emerging Market	6.9	24.3	1.6
Global Equity / Thematics	3.7	16.6	0.6
Alternatives	13.1	5.0	0.6
Property	5.1	1.5	0.1
Absolute Return / Multi Asset	0.0	0.0	0.0
Infrastructure	8.0	7.0	0.5
Commodities	0.0	0.0	0.0
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	1.8	2.0	0.0

Top & Bottom Contributors – 12m to 31 December 2025

	Positive Contributors				Negative Contributors			
	Description	Weight (%)	Return (%)	CTR (%)	Description	Weight (%)	Return (%)	CTR (%)
Cabot Cautious	Fidelity Index US Hedged	3.6	19.8	0.9	L&G S&P500 US Equal Weight Index Fund	0.5	-3.7	-0.1
	L&G Short Dated Corp Bond Index	10.2	6.8	0.7	Vanguard Developed World ex-UK Equity Index	0.7	-2.0	-0.1
	Vanguard UK Short Term Investment Grade Bond Index	10.2	6.4	0.7	L&G International Index Trust	1.5	-2.5	-0.2
Cabot Moderately Cautious	Fidelity Index US Hedged	6.0	17.2	1.6	L&G Global Health & Pharma Index	0.3	4.2	0.1
	L&G Pacific Index	7.4	29.0	1.0	L&G S&P500 US Equal Weight Index Fund	1.5	4.3	0.0
	L&G European Index Trust	2.7	27.0	0.7	L&G Global Real Estate Dividend Index Fund	2.2	1.5	0.0
Cabot Balanced	Fidelity Index US Hedged	11.1	17.2	2.0	L&G Global Health & Pharma Index	0.4	4.2	0.1
	L&G Pacific Index	3.7	29.0	1.1	L&G Global Real Estate Dividend Index Fund	3.0	1.5	0.1
	L&G European Index Trust	3.6	27.0	0.9	L&G S&P500 US Equal Weight Index Fund	2.2	4.3	0.0
Cabot Growth	Fidelity Index US Hedged	14.7	17.2	2.7	L&G S&P500 US Equal Weight Index Fund	2.9	4.3	0.0
	L&G Pacific Index	6.2	29.0	1.8	BlackRock ICS Sterling Liquidity	1.0	4.4	0.0
	Fidelity Index Emerging Markets	6.6	24.3	1.5	Vanguard Global Short Term Corporate Bond Index Hedged	0.3	1.2	0.0
Cabot Global Equity	L&G Pacific Index	6.2	29.0	1.8	L&G Global Health & Pharma Index	0.4	4.2	0.1
	Fidelity MSCI Japan Index Hedged	2.0	28.4	0.6	L&G Global Real Estate Dividend Index Fund	5.1	1.5	0.1
	L&G European Index Trust	5.0	27.0	1.3	L&G Global Inflation Linked Bond Index	0.3	1.5	0.0

Source: Bloomberg – 31/12/2025. CTR = Contribution to Returns. Past performance is not an indicator of future performance.

Risk Characteristics

	Max Drawdown			Sharpe Ratios			Volatility		
	1y	3y	5Y	1y	3y	5Y	1y	3y	5Y
EPIM Cabot Cautious	-0.99	-0.99	-9.33	1.34	0.99	0	2.45	3.23	4.28
EPIM Cabot Moderately Cautious	-2.25	-2.25	-11.7	1.36	1.08	0.11	4.37	4.43	5.72
EPIM Cabot Balanced	-4.18	-4.18	-12.33	1.19	1.19	0.32	6.52	5.87	7.14
EPIM Cabot Growth	-6.3	-6.3	-12.63	1.11	1.19	0.44	8.84	7.29	8.38
EPIM Cabot Global Equity	-7.78	-7.78	-12.77	1.02	1.18	0.49	10.43	8.26	9.26

Source: FE Analytics. All data as at 31 December 2025

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.