

marketmatters

Market Summary

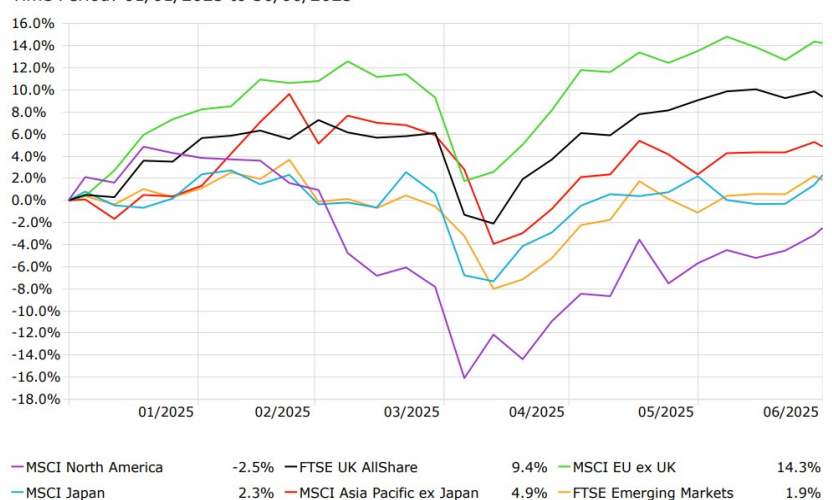
Similar to the previous quarter, the main story remains in the US. The infamous 'Liberation Day', a day with new proposed tariffs on US trade partners, saw the S&P500 decline in excess of 20%. The market soon recovered with a stark reversal of 10%. Many countries soon came to the negotiating table including China after a rally of back and forth of increasing reciprocal tariffs, these are taxes on imported goods. Trump soon after implemented a 90 day pause, which was a reprieve for markets.

US Government Bonds were downgraded, a move which the market had expected since the US fiscal debt was forecasted to grow. The Senate saw a narrow pass of 215 votes for and 214 votes against the extension of the Tax Cuts and Jobs Act (TCJA) - a tax cut set in place from 2017.

Europe and the UK equities continued to dominate compared to other regions, stemmed from investors diversifying away from the US. Europe has benefitted from both fiscal spending plans coupled with easing monetary policy bringing interest rates down to 2% compared to other developed regions where rates are higher.

Chart 1 - Equity Market Performance - Year to Date - 2024

Time Period: 01/01/2025 to 30/06/2025



Past performance is not a reliable indicator of future results
There are no charges associated with the indices shown in this chart
Source: Morningstar Direct

Equity Markets – see Chart 1



The US equity market generated negative returns over this period, however experienced a large reversal from the fall in performance as investors were appeased by the 90 day pause in Tariffs and the tempering down of extreme tariffs. Strong corporate data highlighted US corporate strength including the 'Mag 7' which aided investor confidence within the US market.



UK stocks demonstrated robust returns over this period. While sectors such as energy and healthcare lagged, utilities and industrials outperformed. UK mid sized companies (FTSE250) outperformed the larger companies (FTSE100), this was mainly due to the FTSE100 having larger exposures to energy and healthcare compared to the FTSE250.



Europe gained during this period spurred by a softening of monetary policy with two rate cuts and inflation at 2%. The region enjoyed gains in defense stocks sparked by continued policy on defense spending as well as sentiment from investors to diversify away from the US.

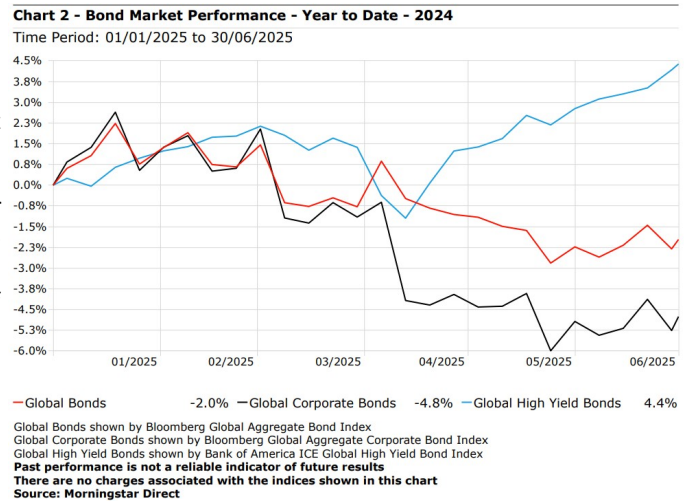


While initially emerging markets were shook by Liberation Day, the ease of trade tensions in the 90 day pause aided Emerging markets performance. Japanese stocks posted strong returns due to growth stocks outperforming after the easing of recessionary fears from Trump's tariffs.

Fixed Income – see Chart 2

Some Investors concerned with the stability of the US fiscal deficit, caused by the government spending more than it receives, led to a sell off of US Bonds.

European bonds ended the quarter stronger than other regions partly due to the ECB cutting rates and partly due to investor appetite for European Bonds against the US. High yield, lower quality bonds, outperformed during a period of uncertainty in global geopolitical tensions.



Economic Update



US Tariffs added to geopolitical tensions with blanket tariffs and high reciprocal tariffs on countries with which they have larger trade deficits—the US purchases more from the country than the country purchases from the US. Trump's 'Big Beautiful Bill' a bill to continue to allow tax cuts implemented in 2017, was regarded by investors to worsen US debt deficit.



The Bank of England cut it's rates by 0.25% over the quarter, a move which has been consistent with previous quarters. Inflation for May was recorded at 3.4%, above target expectations of 2%.



European government bonds outperformed both the US and Japanese equivalents. ECB delivered two rate cuts bringing the lending rate to 2.0%. ECB President Lagarde signaled that ECB is ending it's cutting cycle.



Growth expectations were revised down after Trump's tariff policies and continued conflicts in the Middle East many central banks paused cutting rates including the Bank of Japan.

Portfolio Performance

The table below shows the performance of Gemini Asset Management's (GAM) discretionary risk-rated portfolios over the course of the last 5 years. The table compares the performance of GAM's Discretionary Models against the FTSE All Share and the most relevant Investment Association (IA) Mixed Investment sector. The weight of equity in each IA Mixed Investment sector is the main deciding factor when choosing which is the most suitable comparator to each GAM portfolio but the constitution of the GAM portfolios and the relevant IA sectors could still be very different from one another. Whilst a direct comparison of GAM's portfolios with an equity index such as the FTSE All Share, or the relevant IA Mixed Investment Sector are not like-for-like, it gives an indication of volatility and performance differences on a risk-adjusted basis and can demonstrate the importance of spreading risk through diversification.

Name	Cumulative Performance (%) to 30/06/2025											
	31/03/2025 30/06/2025		Year to Date		30/06/2024 30/06/2025		30/06/2022 30/06/2025		30/06/2020 30/06/2025		16/03/2017 30/06/2025	
	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector
GAM Dynamic MPS 3	2.84	2.30	3.34	2.84	7.08	5.11	18.34	12.26	17.86	10.21	29.74	17.74
GAM Dynamic MPS 4	3.92	3.15	2.97	3.34	6.73	5.78	20.52	17.16	23.06	21.64	36.23	28.84
GAM Dynamic MPS 5	4.28	3.89	3.15	2.62	7.24	5.48	25.24	21.83	31.27	32.77	48.50	46.07
GAM Dynamic MPS 6	5.14	3.89	2.45	2.62	6.22	5.48	24.81	21.83	33.25	32.77	53.32	46.07
GAM Dynamic MPS 7	5.47	3.89	2.53	2.62	6.52	5.48	27.20	21.83	35.27	32.77	59.30	46.07
FTSE All Share	4.14		9.39		11.41		36.39		69.55		59.97	

Source: Morningstar Direct data 17/03/2017 – 30/06/2025. Past performance is not a reliable indicator of future results. Figures do not include initial, advice, discretionary management or platform fees, but do include fund charges/OCFs.

The sectors used as comparators with the portfolios are the respective IA Mixed Investment sectors. Gemini's GAM Dynamic MPS 3 is compared to the IA Mixed Investment 0-35% Shares sector; GAM Dynamic MPS 4 is compared to the IA Mixed Investment 20-60% Shares sector; and GAM Dynamic MPS 5, GAM Dynamic MPS 6, and GAM Dynamic MPS 7 are compared with the IA Mixed Investment 40-85% Shares sector.

The value of an investment and the income from it could go down as well as up. The return at the end of the investment period is not guaranteed and you may get back less than you originally invested.

Asset Allocation and Fund Review

The Gemini Asset Management investment team reviewed the existing asset allocation model in conjunction with the recommendations and capital market assumptions put forward by our independent actuary, Dynamic Planner. As a result of this there were changes made to the GAM discretionary models during Q2 2025—detailed on the next page.

Asset Allocation and fund changes – Quarter 2, 2025

The Gemini Asset Management (GAM) investment committee reviewed the existing asset allocation model in conjunction with the recommendations and capital market assumptions put forward by our independent actuary, Dynamic Planner. As a result of this there were changes made to the GAM Dynamic MPS (managed portfolio service) models during Q2 2025, with the main themes for the asset allocation changes covered below.

The table directly below shows the asset allocation for the GAM Dynamic MPS – the weight for each sub-asset class is noted, and the colour of the text signifies whether or not a weighting has been increased, decreased or remained the same during Quarter 2 2025. Increases in weight are highlighted **green**, and decreases in weight are highlighted **red**. If there is no change to the asset class weighting, there is no colour used.

Asset Class	Risk Level									
	GAM 1	GAM 2	GAM 3	GAM 4	GAM 5	GAM 6	GAM 7	GAM 8	GAM 9	GAM 10
Cash	100.0%	52.0%	20.0%	8.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Income	0.0%	40.0%	53.0%	45.0%	33.0%	20.0%	10.0%	5.0%	0.0%	0.0%
Equity - UK	0.0%	1.0%	4.0%	6.0%	6.0%	8.0%	8.0%	6.0%	4.0%	0.0%
Equity - EU	0.0%	0.0%	2.0%	4.0%	6.0%	7.0%	6.0%	5.0%	3.0%	0.0%
Equity - US	0.0%	4.0%	10.0%	18.0%	18.0%	25.0%	25.0%	25.0%	16.0%	8.0%
Equity - Japan	0.0%	1.0%	4.0%	6.0%	8.0%	9.0%	10.0%	8.0%	5.0%	0.0%
Equity - GEM	0.0%	0.0%	0.0%	2.0%	6.0%	9.0%	14.0%	24.0%	43.0%	65.0%
Equity - Asia ex Japan	0.0%	0.0%	0.0%	1.0%	6.0%	8.0%	13.0%	22.0%	24.0%	27.0%
Global Alternative Equity	0.0%	2.0%	7.0%	10.0%	13.0%	14.0%	14.0%	5.0%	5.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Asset Allocation Changes

The changes made to the GAM Dynamic MPS in Quarter 2 2025 were made with the view to potentially capitalise on investment opportunities in various sub-asset classes, or with the aim to potentially mitigate risks within the current investment environment. The main asset allocation changes made during Quarter 2 2025 were:

- A reduction in Jupiter Strategic Bond, and an increase in PIMCO Global Bond.
 - ⇒ GAM reduced the Jupiter exposure to take profits on some of the high yield weighting within the portfolios.
 - ⇒ GAM increased exposure to PIMCO Global Bond in order to gain high quality bond exposure to help mitigate the backdrop of heightened uncertainty.

Disclaimer

The price of shares and investments and the income derived from them can go down as well as up, and investors may not get back the amount they invested. Past performance is not necessarily a guide to future performance.

We do not accept any liability for any loss or damage which is incurred by you acting or not acting as a result of reading any of our publications. You acknowledge that you use the information we provide at your own risk. The information contained in the document and/or website is for guidance only and does not constitute advice which should be sought before taking any action or inaction. The information is based on our understanding of legislation, whether proposed or in force, and market practice at the time of writing. Levels, bases and reliefs from taxation may be subject to change.

The information we publish has been obtained from or is based on sources that we believe to be accurate and complete. Where the information consists of pricing or performance data, the data contained therein has been obtained from company reports, financial reporting services, periodicals, and other sources believed reliable. Although reasonable care has been taken, we cannot guarantee the accuracy or completeness of any information we publish. Any opinions that we publish may be wrong and may change at any time. You should always carry out your independent verification of facts and data before making any investment decisions.