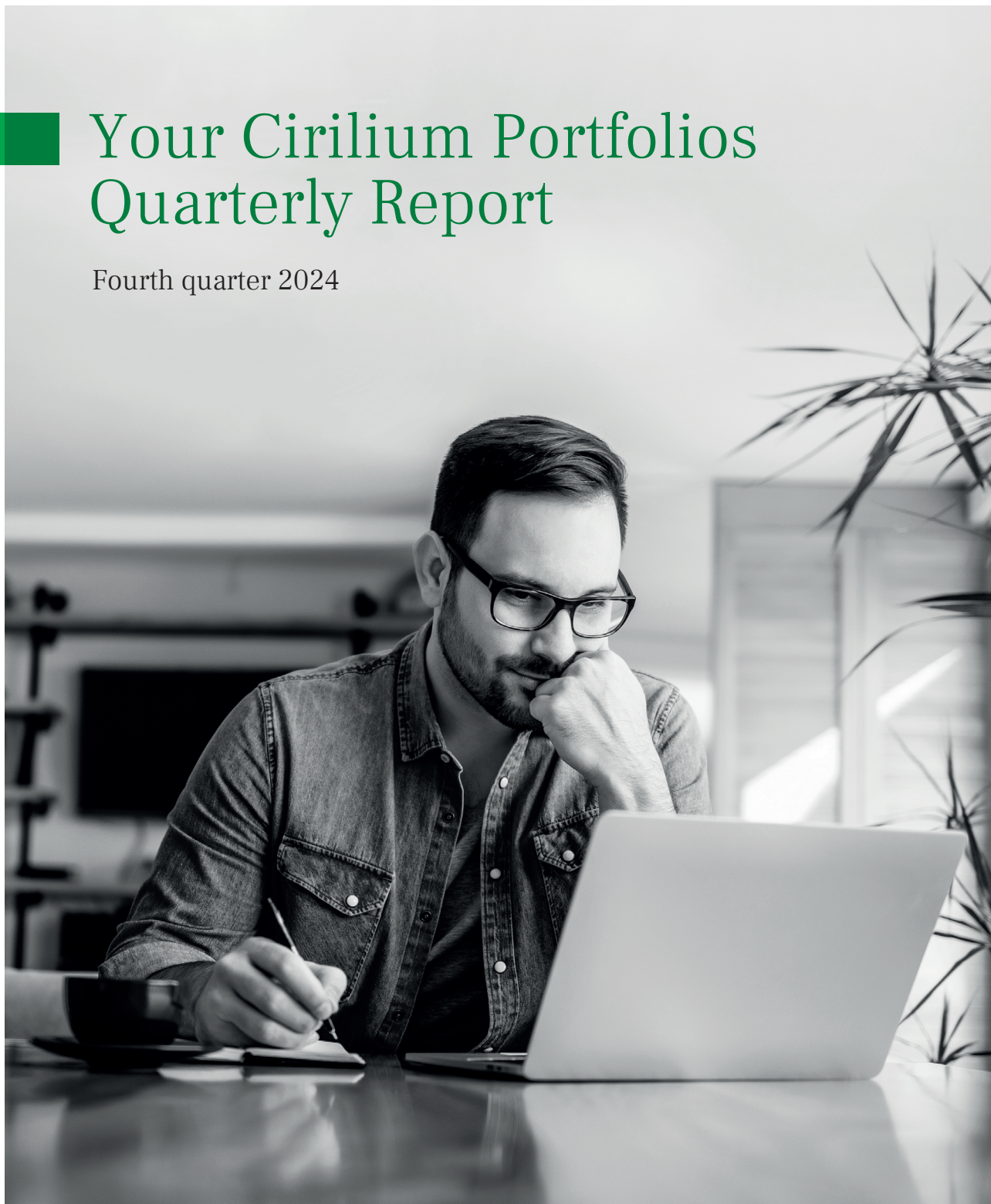


UK: Suitable for retail and professional clients.

Quilter  
Investors

# Your Cirilium Portfolios Quarterly Report

Fourth quarter 2024





# What your report covers

- ▶ Our market summary
- ▶ Your investment summary
- ▶ Your portfolio holdings
- ▶ Your performance review
- ▶ Portfolio changes
- ▶ Investment outlook
- ▶ Important information



In order to aid your understanding, definitions of the underlined terms are provided in the investment glossary at the end of this document.





Marcus Brookes  
Chief Investment Officer

# Our market summary

Global equities were up 1.4% in US dollar terms in the fourth quarter of 2024. However, the currency weakness of sterling saw returns boosted to 6.1% for sterling-based investors. At a regional equity level, the US and Japan were the only developed markets that saw positive returns over the quarter. The US stock market advanced following Donald's Trump's victory in the Presidential election, but other regional markets came under pressure amid worries over the impact of tariffs.

Fixed income markets were highly volatile in the last quarter of 2024 due to geopolitical tensions, the decisions of central banks, and persistent inflation.

## Equity markets



US equities rose by 2.8% in US dollar terms, translating to a 10.1% return for sterling investors due to the strong dollar. Markets were buoyed by Trump's clean sweep of the presidency, Senate, and House, with expectations of lower taxes and reduced regulation. The best-performing sectors were consumer discretionary, communication services, and tech, while materials was the weakest.



European equities end the final quarter of the year with a decline of 4.2%, driven by concerns over a potential recession in the eurozone. Political instability was also prevalent during Q4, notably marked by the collapse of the German coalition government in November and the resignation of the French Prime Minister in December following a vote of no confidence. The weakest performing sectors for the quarter were materials, real estate, and consumer staples.



UK equities ended the quarter 0.6% lower as several domestically-focused sectors declined due to an increase in long-term bond yields and concerns about the outlook for the UK economy. Additionally, there were indications that cost increases mentioned in the Budget could be affecting the jobs market. Industry hiring data for November indicated weak demand for UK staff leading up to the Christmas period.



Overall, emerging markets were down 1.3% for sterling-based investors (down 4.2% in US dollars). Chinese equities saw a 7.0% loss in local currency, but the renminbi's strength against the pound saw this soften to a 1.1% decline. Trump's victory acted as a headwind for emerging markets with concerns about the impact of tariffs weighing heavy on China. Only four emerging markets recorded positive returns over the quarter – the Czech Republic, Kuwait, Taiwan, and the UAE.

## Fixed-income

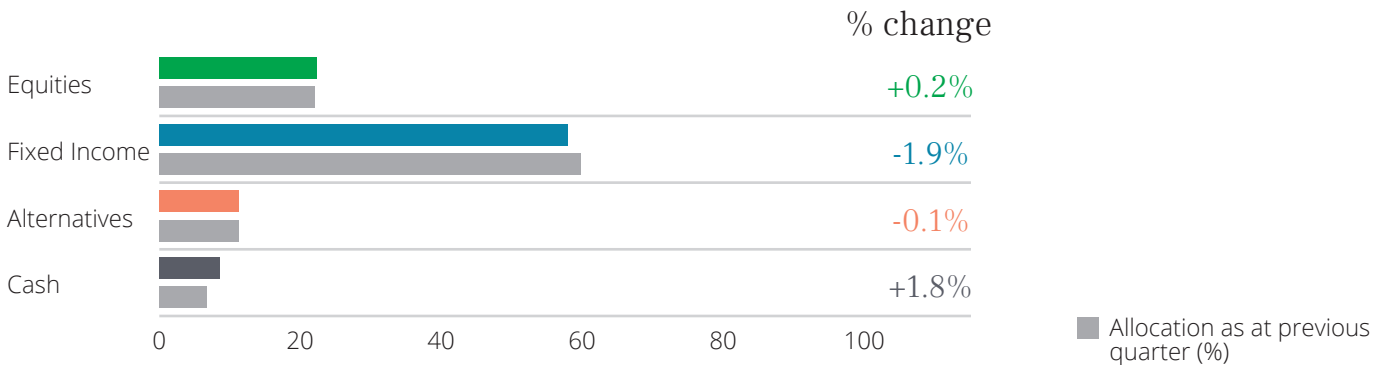


Robust US economic data and higher inflation caused considerable volatility in fixed-income markets, pushing up yields and strengthening the US dollar. The quarter was also marked by notable selloffs in government bond markets. UK gilts were down 3.6%, US Treasuries down 3.5%, and global bonds overall were down 1.0%. In corporate bonds, high-yield bonds outperformed investment-grade bonds, driven by expectations of a pro-business Trump administration.

Source: Quilter Investors and FactSet as at 31 December 2024. Total return, percentage growth in pounds sterling except where shown, rounded to one decimal place. The performance shown for each equity market is represented by the appropriate MSCI Index. Global bonds are represented by the Bloomberg Global Aggregate (GBP Hedged) Index, US Treasuries by the ICE BofA US Treasury (GBP Hedged) Index, and UK gilts by the ICE BofA UK Gilt Index.

# Your investment summary: Cirilium Conservative Portfolio

## Cirilium Conservative Portfolio asset allocation breakdown



## Cirilium Conservative Portfolio growth year by year to end of December

Holding	2024	2023	2022	2021	2020
Quilter Investors Cirilium Conservative Portfolio - A (GBP) Accumulation Shares	1.7%	2.6%	-11.4%	1.5%	4.4%
Quilter Investors Cirilium Conservative Portfolio - R (GBP) Accumulation Shares	2.1%	3.1%	-10.9%	2.1%	5.1%
IA Mixed Investment 0-35% Shares sector average	4.4%	6.1%	-10.2%	2.6%	4.0%

## Cirilium Conservative Portfolio growth to month end

Holding	3 months	6 months	1 year	3 years	5 years	Since launch*	Launch date
Quilter Investors Cirilium Conservative Portfolio - A (GBP) Accumulation Shares	-1.3%	0.9%	1.7%	-7.5%	-2.0%	35.4%	30/03/12
Quilter Investors Cirilium Conservative Portfolio - R (GBP) Accumulation Shares	-1.2%	1.1%	2.1%	-6.2%	0.7%	45.4%	30/03/12
IA Mixed Investment 0-35% Shares sector average	-0.4%	2.2%	4.4%	-0.6%	6.0%	48.8%	

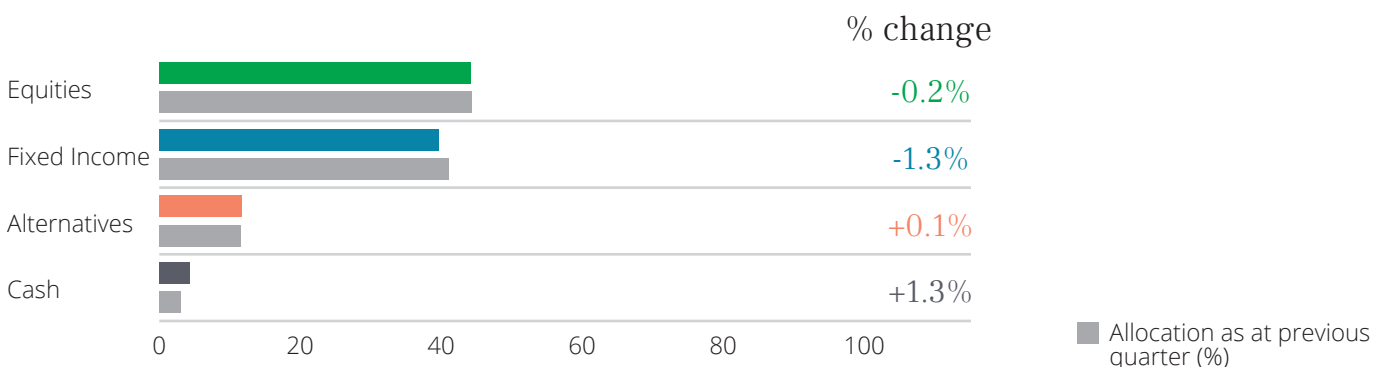
\*Since launch performance figures are from the launch date of the respective share class.

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Source: Quilter Investors as at 31 December 2024 unless otherwise stated. Total return, percentage growth, net of fees in pounds sterling. We have shown the performance of the portfolio against a performance comparator that is considered appropriate on the basis that the portfolio's equity exposure over time is expected to be similar to that of the average fund in this sector. Due to rounding and the use of derivatives (financial instruments that derive their values from underlying assets) the allocations may not add up to 100%.

# Your investment summary: Cirilium Balanced Portfolio

## Cirilium Balanced Portfolio asset allocation breakdown



## Cirilium Balanced Portfolio growth year by year to end of December

Holding	2024	2023	2022	2021	2020
Quilter Investors Cirilium Balanced Portfolio - A (GBP) Accumulation Shares	3.8%	4.9%	-11.8%	4.8%	4.9%
Quilter Investors Cirilium Balanced Portfolio - R (GBP) Accumulation Shares	4.4%	5.5%	-11.3%	5.5%	5.5%
IA Mixed Investment 20-60% Shares sector average	6.2%	6.9%	-9.7%	6.3%	3.5%

## Cirilium Balanced Portfolio growth to month end

Holding	3 months	6 months	1 year	3 years	5 years	Since launch*	Launch date
Quilter Investors Cirilium Balanced Portfolio - A (GBP) Accumulation Shares	-0.5%	1.6%	3.8%	-3.9%	5.6%	108.5%	02/06/08
Quilter Investors Cirilium Balanced Portfolio - R (GBP) Accumulation Shares	-0.3%	1.9%	4.4%	-2.3%	8.7%	130.3%	02/06/08
IA Mixed Investment 20-60% Shares sector average	0.1%	2.4%	6.2%	2.5%	12.8%	94.6%	

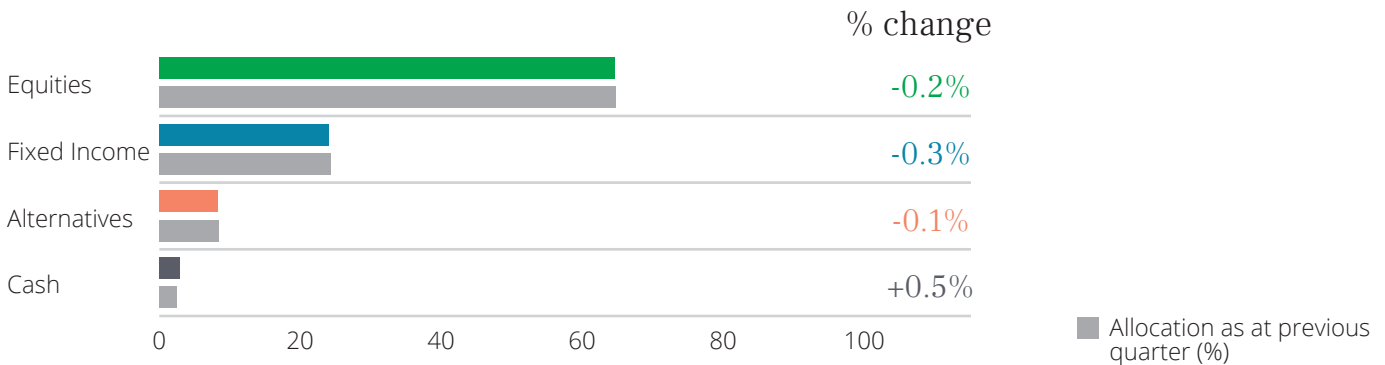
\*Since launch performance figures are from the launch date of the respective share class.

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# Your investment summary: Cirilium Moderate Portfolio

## Cirilium Moderate Portfolio asset allocation breakdown



## Cirilium Moderate Portfolio growth year by year to end of December

Holding	2024	2023	2022	2021	2020
Quilter Investors Cirilium Moderate Portfolio - A (GBP) Accumulation Shares	6.4%	5.7%	-12.8%	7.5%	7.5%
Quilter Investors Cirilium Moderate Portfolio - R (GBP) Accumulation Shares	6.9%	6.2%	-12.4%	8.2%	7.2%
IA Mixed Investment 40-85% Shares sector average	8.9%	8.1%	-10.2%	11.2%	5.5%

## Cirilium Moderate Portfolio growth to month end

Holding	3 months	6 months	1 year	3 years	5 years	Since launch*	Launch date
Quilter Investors Cirilium Moderate Portfolio - A (GBP) Accumulation Shares	0.4%	2.3%	6.4%	-1.9%	13.4%	161.8%	02/06/08
Quilter Investors Cirilium Moderate Portfolio - R (GBP) Accumulation Shares	0.5%	2.6%	6.9%	-0.5%	15.5%	188.0%	02/06/08
IA Mixed Investment 40-85% Shares sector average	1.2%	2.8%	8.9%	5.7%	24.0%	138.6%	

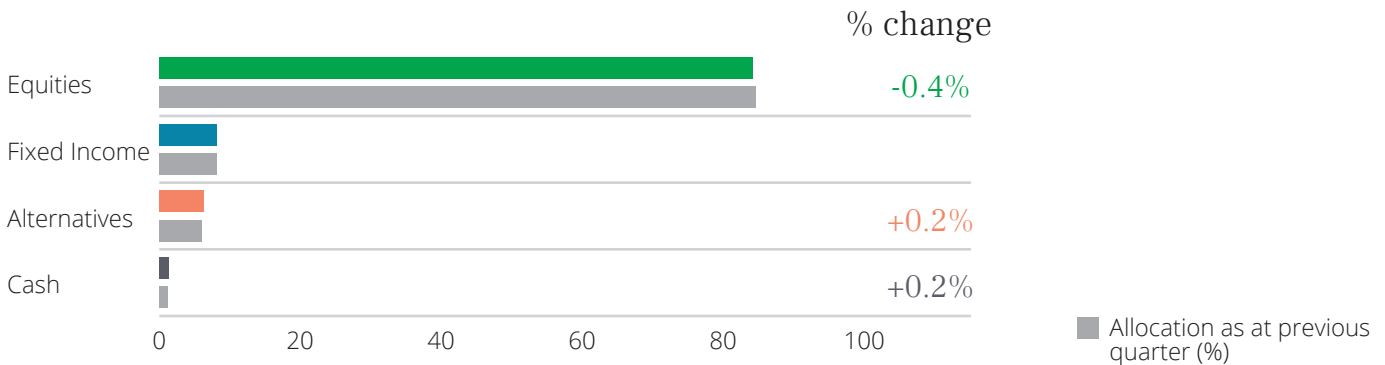
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# Your investment summary: Cirilium Dynamic Portfolio

## Cirilium Dynamic Portfolio asset allocation breakdown



## Cirilium Dynamic Portfolio growth year by year to end of December

Holding	2024	2023	2022	2021	2020
Quilter Investors Cirilium Dynamic Portfolio - A (GBP) Accumulation Shares	8.6%	5.6%	-15.1%	10.3%	6.8%
Quilter Investors Cirilium Dynamic Portfolio - R (GBP) Accumulation Shares	9.3%	6.3%	-14.4%	11.2%	7.6%
IA Flexible Investment sector average	9.2%	7.3%	-9.1%	11.4%	7.0%

## Cirilium Dynamic Portfolio growth to month end

Holding	3 months	6 months	1 year	3 years	5 years	Since launch*	Launch date
Quilter Investors Cirilium Dynamic Portfolio - A (GBP) Accumulation Shares	1.1%	2.9%	8.6%	-2.6%	14.7%	169.4%	02/06/08
Quilter Investors Cirilium Dynamic Portfolio - R (GBP) Accumulation Shares	1.2%	3.2%	9.3%	-0.6%	18.8%	203.4%	02/06/08
IA Flexible Investment sector average	1.7%	2.8%	9.2%	6.4%	26.9%	135.5%	

\*Since launch performance figures are from the launch date of the respective share class.

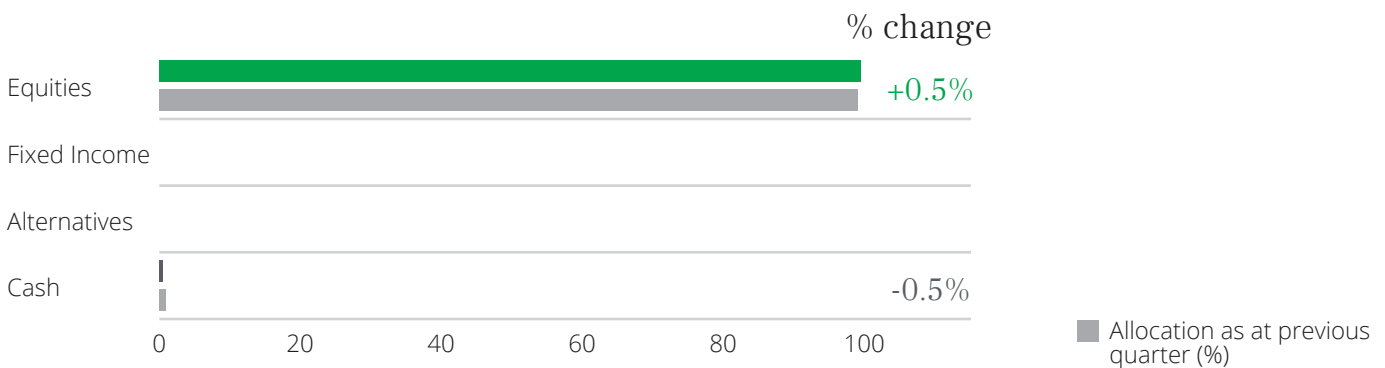
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# Your investment summary: Cirilium Adventurous Portfolio

## Cirilium Adventurous Portfolio asset allocation breakdown



## Cirilium Adventurous Portfolio growth year by year to end of December

Holding	2024	2023	2022	2021	2020
Quilter Investors Cirilium Adventurous Portfolio - A (GBP) Accumulation Shares	8.6%	6.5%	-14.8%	12.5%	7.3%
Quilter Investors Cirilium Adventurous Portfolio - R (GBP) Accumulation Shares	9.3%	7.2%	-14.2%	13.3%	8.1%
IA Flexible Investment sector average	9.2%	7.3%	-9.1%	11.4%	7.0%

## Cirilium Adventurous Portfolio growth to month end

Holding	3 months	6 months	1 year	3 years	5 years	Since launch*	Launch date
Quilter Investors Cirilium Adventurous Portfolio - A (GBP) Accumulation Shares	1.4%	3.2%	8.6%	-1.4%	18.9%	28.9%	01/06/17
Quilter Investors Cirilium Adventurous Portfolio - R (GBP) Accumulation Shares	1.5%	3.5%	9.3%	0.6%	23.2%	36.1%	01/06/17
IA Flexible Investment sector average	1.7%	2.8%	9.2%	6.4%	26.9%	42.7%	

\*Since launch performance figures are from the launch date of the respective share class.

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# Your portfolio holdings

Holding Name	Fund manager (where applicable)	Asset type	Cirilium Conservative Portfolio	Cirilium Balanced Portfolio	Cirilium Moderate Portfolio	Cirilium Dynamic Portfolio	Cirilium Adventurous Portfolio
<b>EQUITY</b>			<b>22.29%</b>	<b>44.23%</b>	<b>64.60%</b>	<b>84.18%</b>	<b>99.56%</b>
<b>ASIA PACIFIC EQUITY</b>			<b>3.77</b>	<b>5.56</b>	<b>7.47</b>	<b>8.98</b>	<b>10.32</b>
BAILLIE GIFFORD JAPAN TRUST PLC	BAILLIE GIFFORD	COLLECTIVE	0.26	0.48	0.67	0.85	1.02
FIDELITY ASIA PACIFIC OPPORTUNITIES FUND	FIDELITY	COLLECTIVE	1.25	2.36	3.39	4.17	4.96
M&G JAPAN FUND	M&G	COLLECTIVE	1.90	2.30	2.78	3.30	3.54
MSCI PACIFIC EX JP NTR (EUR) MAR 25		DERIVATIVE	0.36	0.42	0.62	0.66	0.79
<b>CORPORATE CONVERTIBLE</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
APQ GLOBAL LIMITED 3.5% 30/09/24		BOND	0.00	0.00	0.00	0.00	0.00
<b>EMERGING MARKETS EQUITY</b>			<b>1.36</b>	<b>3.41</b>	<b>5.32</b>	<b>7.55</b>	<b>8.93</b>
JPMORGAN EMERGING MARKETS INVESTMENT TRUST PLC	JPMORGAN	COLLECTIVE	0.25	0.45	0.65	0.85	1.00
JUPITER GLOBAL EMERGING MARKETS FOCUS	JUPITER	COLLECTIVE	0.35	0.65	0.96	1.19	1.40
MSCI EMRG MARKETS MINI (IFUS) MAR 25		DERIVATIVE	-0.41	-0.29	-0.28	-0.10	0.00
PACIFIC NORTH OF SOUTH EM ALL CAP EQUITY	PACIFIC CAPITAL PARTNERS	COLLECTIVE	0.87	1.85	2.82	3.86	4.50
QI EMERGING MARKETS EQUITY FUND		COLLECTIVE	0.30	0.75	1.17	1.74	2.04
<b>EUROPEAN EQUITY</b>			<b>0.36</b>	<b>4.40</b>	<b>8.02</b>	<b>11.46</b>	<b>14.17</b>
EURO STOXX 50 (EUR) MAR 25		DERIVATIVE	-2.74	-2.59	-2.67	-2.59	-2.31
FIDELITY EUROPEAN TRUST PLC	FIDELITY	COLLECTIVE	0.26	0.45	0.64	0.85	1.00
INVESCO EUROPEAN EQUITY INCOME FUND	INVESCO	COLLECTIVE	0.63	1.37	1.84	2.53	3.01
M&G EUROPEAN STRATEGIC VALUE FUND	M&G	COLLECTIVE	1.19	2.46	3.80	4.66	5.64
MARTIN CURRIE EURO UNCONSTRAINED	MARTIN CURRIE	COLLECTIVE	0.60	1.28	1.68	2.41	2.76
PREMIER MITON EUROPEAN OPPORTUNITIES FUND	PREMIER MITON	COLLECTIVE	0.85	1.87	3.18	4.04	4.52
SX5E 06/20/25 P3950		DERIVATIVE	0.10	0.10	0.10	0.10	0.10
SX5E 06/20/25 P4950		DERIVATIVE	-0.54	-0.55	-0.54	-0.55	-0.54
<b>GLOBAL EQUITY</b>			<b>3.19</b>	<b>4.40</b>	<b>5.57</b>	<b>6.78</b>	<b>7.67</b>
AB INTERNATIONAL HEALTH CARE PORTFOLIO	ALLIANCE BERNSTEIN	COLLECTIVE	1.47	1.48	1.46	1.48	1.47
MONKS INVESTMENT TRUST PLC	BAILLIE GIFFORD	COLLECTIVE	0.26	0.46	0.67	0.84	1.02
QUILTER INV GBL EQUITY VALUE (REDWHEEL)	REDWHEEL	COLLECTIVE	1.27	2.26	3.27	4.28	4.99
SCHRODER GLOBAL ENERGY TRANSITION FUND	SCHRODERS	COLLECTIVE	0.20	0.20	0.18	0.18	0.19
<b>NORTH AMERICAN EQUITY</b>			<b>7.71</b>	<b>14.36</b>	<b>21.29</b>	<b>27.52</b>	<b>32.96</b>
BERKSHIRE HATHAWAY B SHARES		DIRECT EQUITY	1.20	2.56	4.02	5.16	6.05
BRANDES U.S. VALUE	BRANDES	COLLECTIVE	1.20	2.52	4.00	5.16	6.05
E-MINI S&P 500 EQUAL WEIGHT (CME) MAR 25		DERIVATIVE	2.01	1.97	1.97	1.99	1.94
EMINI S&P 500 (CME) MAR 25		DERIVATIVE	0.84	0.82	0.80	0.81	1.84

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# Your portfolio holdings (cont'd)

Holding Name	Fund manager (where applicable)	Asset type	Cirilium Conservative Portfolio	Cirilium Balanced Portfolio	Cirilium Moderate Portfolio	Cirilium Dynamic Portfolio	Cirilium Adventurous Portfolio
<b>EQUITY (CONTINUED)</b>							
ISHARES EDGE MSCI USA QUALITY FACTOR UCITS ETF	BLACKROCK	COLLECTIVE	0.07	0.15	0.23	0.30	0.35
JPMORGAN AMERICAN INVESTMENT TRUST PLC	JPMORGAN	COLLECTIVE	0.26	0.46	0.66	0.85	1.02
KLS SGA US LARGE CAP GROWTH FUND	KLS SGA	COLLECTIVE	0.55	1.19	1.78	2.39	2.77
MINI RUSSELL 1000 GROWTH (CME) MAR 25		DERIVATIVE	0.08	0.15	0.22	0.30	0.25
PERSHING SQUARE HOLDINGS LTD	PERSHING SQUARE	COLLECTIVE	0.26	0.46	0.67	0.86	1.02
PREMIER MITON US OPPORTUNITIES FUND	PREMIER MITON	COLLECTIVE	0.76	1.55	2.32	3.24	3.95
QUILTER INV US EQUITY GROWTH (JPMORGAN)	JPMORGAN	COLLECTIVE	1.20	2.49	3.91	5.15	6.04
SANDS CAPITAL US SELECT GROWTH FUND	SANDS CAPITAL	COLLECTIVE	0.62	1.36	2.01	2.62	3.15
SPX US 06/20/25 P4850		DERIVATIVE	0.23	0.22	0.22	0.22	0.25
SPX US 06/20/25 P6050		DERIVATIVE	-1.55	-1.54	-1.53	-1.54	-1.74
<b>PRIVATE EQUITY</b>			<b>1.23</b>	<b>2.15</b>	<b>2.59</b>	<b>3.15</b>	<b>3.25</b>
APQ GLOBAL LIMITED	APQ CAPITAL	COLLECTIVE	0.00	0.00	0.00	0.14	0.00
EUROVESTECH PLC	EUROVESTECH	COLLECTIVE	0.00	0.00	0.00	0.02	0.00
HARBOURVEST GLOBAL PRIVATE EQUITY	HARBOURVEST	COLLECTIVE	0.29	0.50	0.70	0.91	1.14
PANTHEON INTERNATIONAL PLC	PANTHEON	COLLECTIVE	0.25	0.46	0.66	0.87	1.01
POLLEN STREET PLC	POLLEN STREET CAPITAL	COLLECTIVE	0.00	0.48	0.56	0.55	0.47
RIVERSTONE ENERGY LIMITED	RIVERSTONE	COLLECTIVE	0.69	0.71	0.67	0.66	0.64
<b>UK EQUITY</b>			<b>4.67</b>	<b>9.96</b>	<b>14.33</b>	<b>18.74</b>	<b>22.25</b>
FINSBURY GROWTH & INCOME TRUST PLC	LINDELL TRAIN	COLLECTIVE	0.26	0.46	0.67	0.86	1.03
FTSE 100 (IFEU) MAR 25		DERIVATIVE	0.37	0.43	0.38	0.69	0.89
INVESCO UK OPPORTUNITIES FUND	INVESCO	COLLECTIVE	0.96	2.09	2.86	3.80	4.43
J O HAMBRO UK DYNAMIC FUND	J O HAMBRO	COLLECTIVE	0.52	1.01	1.60	1.93	2.25
LF EQUITY INCOME FUND	WOODFORD	COLLECTIVE	0.00	0.00	0.00	0.00	0.00
LF EQUITY INCOME FUND	WOODFORD	COLLECTIVE	0.00	0.02	0.03	0.05	0.00
LIONTRUST UK GROWTH FUND	LIONTRUST	COLLECTIVE	1.01	2.10	2.89	3.75	4.38
MONTANARO UK INCOME FUND	MONTANARO	COLLECTIVE	0.52	1.02	1.55	1.91	2.27
QUILTER INV UK EQUITY 2 (NINETY ONE)	NINETY ONE	COLLECTIVE	0.99	2.10	2.89	3.72	4.38
RIVER AND MERCANTILE UK RECOVERY FUND	RIVER & MERCANTILE	COLLECTIVE	0.52	1.00	1.52	1.91	2.32
THE CITY OF LONDON INVESTMENT TRUST PLC	JANUS HENDERSON	COLLECTIVE	0.27	0.45	0.68	0.86	1.02
UKX 06/20/25 P6500		DERIVATIVE	0.08	0.08	0.08	0.08	0.08
UKX 06/20/25 P8275		DERIVATIVE	-0.82	-0.82	-0.82	-0.83	-0.80
<b>FIXED INCOME</b>			<b>57.92%</b>	<b>39.70%</b>	<b>24.11%</b>	<b>8.16%</b>	<b>0.00%</b>
<b>CORPORATE BONDS</b>			<b>23.70</b>	<b>17.38</b>	<b>10.98</b>	<b>3.51</b>	<b>0.00</b>
FEDERATED HERMES UNCONSTRAINED CREDIT	HERMES	COLLECTIVE	1.02	1.03	1.09	0.21	0.00

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# Your portfolio holdings (cont'd)

Holding Name	Fund manager (where applicable)	Asset type	Cirilium Conservative Portfolio	Cirilium Balanced Portfolio	Cirilium Moderate Portfolio	Cirilium Dynamic Portfolio	Cirilium Adventurous Portfolio
<b>FIXED INCOME (CONTINUED)</b>							
PREMIER MITON FINANCIALS CAP SECURITIES	PREMIER MITON	COLLECTIVE	0.68	0.67	0.83	0.39	0.00
QI CORPORATE BOND FUND	PREMIER MITON	COLLECTIVE	7.80	5.51	3.15	1.01	0.00
QUILTER INV STERLING CORP BOND FUND	FIDELITY	COLLECTIVE	7.78	5.48	3.13	1.01	0.00
WELLINGTON GLOBAL CREDIT ESG FUND	WELLINGTON	COLLECTIVE	6.42	4.69	2.79	0.89	0.00
<b>GOVERNMENT BONDS</b>			<b>15.47</b>	<b>10.46</b>	<b>6.53</b>	<b>1.15</b>	<b>0.00</b>
10Y ULTRA T-NOTE (CBT) MAR 25		DERIVATIVE	0.00	0.00	-0.82	-0.82	0.00
BLACKROCK ISHARES UK GILTS ALL SHARES	BLACKROCK	COLLECTIVE	12.08	8.36	3.41	0.00	0.00
EURO BUND GERMANY (EUR) MAR 25		DERIVATIVE	0.00	0.00	0.00	-0.26	0.00
ISHARES GBP INDEX-LINKED GILTS UCITS ETF	BLACKROCK	COLLECTIVE	1.01	1.02	0.96	1.01	0.00
LONG GILT (IFEU) MAR 25		DERIVATIVE	0.00	0.00	2.62	1.22	0.00
VANGUARD EUR EUROZONE GOVERNMENT BOND	VANGUARD	COLLECTIVE	0.80	0.42	0.00	0.00	0.00
VANGUARD JAPAN GOVERNMENT BOND INDEX FUND	VANGUARD	COLLECTIVE	1.07	0.67	0.36	0.00	0.00
VANGUARD U.S. GOVERNMENT BOND INDEX FUND	VANGUARD	COLLECTIVE	0.51	0.00	0.00	0.00	0.00
<b>OTHER FIXED INCOME</b>			<b>18.74</b>	<b>11.85</b>	<b>6.59</b>	<b>3.50</b>	<b>0.00</b>
ALLIANZ STRATEGIC BOND FUND	ALLIANZ	COLLECTIVE	5.75	3.43	1.71	0.81	0.00
BLACKSTONE LOAN FINANCING LIMITED	BLACKSTONE	COLLECTIVE	0.00	0.00	0.28	0.28	0.00
JANUS HENDERSON ASSET- BACKED SECURITIES	JANUS HENDERSON	COLLECTIVE	1.50	1.55	1.20	0.81	0.00
JANUS HENDERSON STRATEGIC BOND FUND	JANUS HENDERSON	COLLECTIVE	5.74	3.43	1.71	0.80	0.00
WELLINGTON OPPORTUNISTIC FIXED INCOME	WELLINGTON	COLLECTIVE	5.75	3.44	1.71	0.80	0.00
<b>ALTERNATIVES</b>			<b>11.25%</b>	<b>11.73%</b>	<b>8.33%</b>	<b>6.27%</b>	<b>0.00%</b>
<b>ALTERNATIVE EQUITY</b>			<b>1.31</b>	<b>1.41</b>	<b>1.00</b>	<b>0.73</b>	<b>0.00</b>
COOPER CREEK NORTH AMERICA LNG SHRT EQ	COOPER CREEK PARTNERS	COLLECTIVE	1.31	1.41	1.00	0.73	0.00
<b>ALTERNATIVE FIXED INCOME</b>			<b>4.47</b>	<b>4.60</b>	<b>3.35</b>	<b>2.56</b>	<b>0.00</b>
BREXAN HOWARD ABSOLUTE RETURN GOV. BOND	BREXAN HOWARD	COLLECTIVE	0.87	0.89	0.63	0.51	0.00
JUPITER STRATEGIC ABSOLUTE RETURN BOND	JUPITER	COLLECTIVE	0.84	0.90	0.60	0.51	0.00
SCHRODER ALTERNATIVE INCOME GBPH	SCHRODERS	COLLECTIVE	1.50	1.55	1.20	0.81	0.00
WELLINGTON GLOBAL TOTAL RETURN	WELLINGTON	COLLECTIVE	1.26	1.26	0.92	0.73	0.00
<b>ALTERNATIVE OTHER</b>			<b>3.47</b>	<b>3.62</b>	<b>2.58</b>	<b>1.84</b>	<b>0.00</b>
AQR MANAGED FUTURES UCITS FUND	AQR	COLLECTIVE	2.44	2.60	1.86	1.28	0.00
PANTHEON INFRASTRUCTURE PLC	PANTHEON	COLLECTIVE	0.58	0.59	0.40	0.35	0.00

Continued on next page

# Your portfolio holdings (cont'd)

Holding Name	Fund manager (where applicable)	Asset type	Cirium Conservative Portfolio	Cirium Balanced Portfolio	Cirium Moderate Portfolio	Cirium Dynamic Portfolio	Cirium Adventurous Portfolio
<b>ALTERNATIVES (CONTINUED)</b>							
THE RENEWABLES INFRASTRUCTURE GROUP	INFRARED CAPITAL PARTNERS	COLLECTIVE	0.45	0.44	0.32	0.22	0.00
<b>COMMODITIES</b>			<b>1.44</b>	<b>1.55</b>	<b>1.01</b>	<b>0.82</b>	<b>0.00</b>
L&G MULTI-STRATEGY ENHANCED COMMODITIES UCITS ETF	L&GIM LIMITED	COLLECTIVE	0.53	0.54	0.35	0.31	0.00
UBS CMCI COMMODITY CARRY SF UCITS ETF	UBS	COLLECTIVE	0.91	1.01	0.66	0.52	0.00
<b>PROPERTY</b>			<b>0.56</b>	<b>0.55</b>	<b>0.39</b>	<b>0.31</b>	<b>0.00</b>
IMPACT HEALTHCARE REIT PLC	IMPACT HEALTHCARE	COLLECTIVE	0.56	0.55	0.39	0.31	0.00
<b>CASH</b>			<b>8.55%</b>	<b>4.35%</b>	<b>2.96%</b>	<b>1.39%</b>	<b>0.44%</b>
<b>CASH</b>			<b>8.55</b>	<b>4.35</b>	<b>2.96</b>	<b>1.39</b>	<b>0.44</b>
<b>TOTAL</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Quilter Investors, as at 31 December 2024. Due to rounding and use of derivatives the allocations may not add up to 100%.

# Your performance review



**Ian Jensen-Humphreys**  
Portfolio Manager



**Sacha Chorley**  
Portfolio Manager



**CJ Cowan**  
Portfolio Manager

Over the quarter, the Cirilium Portfolios delivered mixed returns, from a loss of 1.2% for the Conservative Portfolio up to a gain of 1.5% for the Adventurous Portfolio. Within the portfolios, our US equity holdings delivered the strongest performance, predominantly in anticipation of deregulation and lower taxation following Donald Trump's victory in the US presidential election. In contrast, our European equity holdings struggled amid political uncertainty in France and Germany.



## How our equity holdings performed

### Impressive performance from US growth holdings

The two strongest performers in the portfolios were the Sands Capital US Select Growth Fund (up 16.2%) and the Quilter Investors US Equity Growth Fund managed by J. P. Morgan (up 14.2%). These growth holdings both benefitted from renewed optimism for the future growth of the large US tech companies. In the case of the Sands fund, their best performing holding was Atlassian, which develops software to improve project management efficiency and collaboration.

### Investment trust holdings deliver strong returns

Some of the investment trust holdings in the portfolios outperformed over the quarter with tailwinds from both strong net asset value (NAV) returns and their discounts narrowing. For example, The JP Morgan American Investment Trust rallied 16.4%, comprised of 10.6% NAV return and a further 4.9% boost as the shares rallied from a discount to a premium. Similarly, the Finsbury Growth & Income Trust outperformed by 3.7%, of which 1.9% was due to discount narrowing.

### Thematic tilts struggle due to political concerns

Donald Trump's victory in the November US presidential election impacted our tactical tilts to both healthcare (due to the nomination of Robert F. Kennedy Jr. as Secretary of Health) and energy transition (due to Donald Trump's vocal attack on the Inflation Reduction Act that had supported renewables at the expense of fossil fuels). As a result, the AB International Health Care Portfolio fell 5.7% whilst the Schroder Global Energy Transition Fund fell 16.5%.



## How our fixed-income holdings performed

### Negative returns amid rising interest rates

The fourth quarter was tough for fixed-income managers as the headwind of rising interest rates led to falling bond prices. In addition, our strategic bond managers (particularly Allianz and Janus Henderson) were positioned for a growth slowdown, which exacerbated losses. The standout performance came from Blackstone Loan Financing, which rallied 12.3% over the quarter as the board agreed a sale of the portfolio to facilitate a wind-up of the trust. Another strong performer was the Premier Miton Financials Capital Securities Fund, which gained 2.2% despite these headwinds. This was due to strong bank performance that improved their balance sheet resilience.



## How our alternative holdings performed

### Mixed alternatives performance

The performance of our alternatives holdings was mixed during the fourth quarter, but provided a marginally positive return overall. The best performing holding was the Brevan Howard Absolute Return Government Bond Fund. The fund gained 4.5%, taking advantage of higher bond volatility despite the downward price trends. Conversely, our real estate and infrastructure investment trust holdings suffered in the higher yield environment. In particular, the Renewables Infrastructure Group, which fell 16.0%.

# Portfolio changes

We made several changes to our tactical tilts during the quarter. Firstly, we added a US equity overweight via S&P 500 Equal Weight Index futures (see below) to take advantage of the region's higher growth trajectory and superior equity market profit outlook. This was offset by an underweight to European equities, which are exposed to the threat of tariffs by the new Trump administration and the political uncertainty in France and Germany, which is detrimental to both consumer and corporate confidence.

We also removed our US vs European government bond position. We think the weaker European growth outlook is more supportive of interest rate cuts and lower bond yields.

## New holdings



### S&P 500 Equal Weight Index futures contract

We added this in November to take exposure to an index comprised of equally weighted US larger companies (where all 500 companies in the index are weighted evenly at 0.2% as opposed to being weighted by their size). This is designed to benefit from an expectation that US corporate earnings growth will be broad based, and less concentrated within mega-cap tech companies. It also has an increased exposure to industrial companies that should benefit from Donald Trump's agenda and policies.



### Russell 1000 Growth Index futures contract

We have started to reduce exposure to one of our US managers, so we added this in December as an interim measure to maintain a target level exposure to US growth companies, whilst we identify a suitable replacement.



### iShares Edge MSCI USA Quality Factor ETF

We have started to reduce exposure to one of our US managers, so we added this smart beta ETF in December as an interim measure to maintain a target level exposure to US companies displaying 'quality' characteristics, whilst we identify a suitable replacement.



### Invesco UK Opportunities

We initiated a position in this strategy during November, having previously held exposure via FTSE 100 Index futures. We were attracted to this fund as we believe it offers diversification to the existing manager lineup, both through its value footprint (although it is not a 'deep value' strategy) as well as through its substantial exposure to larger cap stocks



### Vanguard Eurozone Government Bond ETF (Conservative Portfolio only)

We added this position in November to increase our exposure to European government bonds as part of the unwinding of our US vs European government bond tactical tilt.

## Removed holdings



### Vanguard US Government Bond Index Fund (Balanced and Moderate portfolios only)

This position was removed in November to reduce our overall exposure to US government bonds as part of the unwinding of our US vs European government bond tactical tilt.



### Schroder Asian Total Return (Balanced Portfolio only)

This investment trust position was exited in December after a gradual sell down. We are supporters of the managers, but the trust's size and liquidity are too small to allow for a holding of sufficient scale.

# Investment outlook

We are cautiously optimistic heading into 2025. We think global growth will remain positive, with the US economy continuing to outperform. This should be supportive for broad equity earnings, although valuations look stretched in some areas, particularly in tech stocks. Government bond yields near 5% make them an interesting asset class, particularly with central banks biased to cut rates. However, persistent above target inflation could pose challenges.

## 1. You can't ignore the politicians

President Trump's second term in the White House is likely to lead to tailwinds of deregulation and tax cuts, which should be beneficial for the US corporate sector. Against this, the proposed tariffs and immigration curbs could prove inflationary. Elsewhere, equities face political headwinds, particularly in Europe and Germany. Finally, the Chinese authorities need to decide if they are serious about stimulating consumer spending to support their somewhat stagnant economy.

## 2. What might make us more optimistic?

Markets are likely to deliver robust returns if the global economy can remain in a 'Goldilocks' state – decent growth but not so much that inflationary pressures bubble up to the surface, allowing central banks to further cut rates. A key marker for us will be observing inflation in the US and UK to see if it can continue its glidepath down to target levels. There could be several additional catalysts that are worth monitoring, such as a potential Ukraine ceasefire, meaningful China stimulus, and governments in France and Germany that prioritise growth and consumption.

## 3. What might make us more pessimistic?

The key risk for us for 2025 is US inflation and the risk that it starts to increase again. Trump's policies might be a catalyst for this with tariffs a potential culprit. The result would likely force the Fed to raise rates rather than cut, which would be bad for bond prices and borrowers everywhere. The resulting shock to growth from these tighter financial conditions could lead to poor corporate returns. Separately, a tit-for-tat tariff war could be at the least distracting, and at worst, destructive to growth.





# Glossary

## Bonds

Bonds are fixed-income investments that represent a loan made by an investor to a borrower such as a government, company, or large institution. In principle, bond investors are lending money (the principal) to the bond issuer in return for a fixed or variable rate of interest (coupon) during the term of the bond. When the term ends (maturity), the issuer repays the principal to the investor.

## Central banks

Central banks are the financial institutions typically tasked with managing a country's financial stability, by implementing monetary policy. This will involve setting interest rates, watching price stability, and regulating other financial institutions or organisations.

## Consumer discretionary

Consumer discretionary describes goods and services that consumers consider non-essential, but highly desirable if their income allows. Consequently, companies that sell consumer discretionary products tend to be the most sensitive to economic cycles.

## Consumer staples

Consumer staples are goods and services that are always in demand. Consequently, consumer staples companies are referred to as being non-cyclical or defensive companies and are favoured by investors when economic growth declines.

## Corporate bonds

Corporate bonds are bonds issued by companies. They are riskier than government bonds, so corporate bonds normally offer higher interest rates (or yields) to compensate for the added risk.

## Currency weakness

Currency weakness is when a currency, such as sterling, falls compared to another currency. For example, if a sterling investor holds a US dollar investment, and sterling falls compared to the US dollar, the return from the investment will increase.

## Emerging markets

Emerging markets are developing economies that are in the process of transitioning into becoming developed markets by evolving their industries, infrastructure, and political and legal systems.

## Equities

Equities are company shares. In most instances, except for private equity, they describe shares in listed companies that are traded on recognised stock markets.

## Fixed income

Fixed income is the general term used to describe bonds and bond-like financial instruments. In most instances, the terms fixed-income, fixed-interest, and bonds are interchangeable.

## Futures

Futures are a type of derivative contract agreement to buy or sell a specific commodity asset or shares at a set future date for a set price.

## Gilts

Gilts is the name given to bonds issued by the UK government.

## Government bonds

Government bonds, also known as sovereign bonds, are bonds issued by governments.

## Growth stocks

Growth stocks tend to be younger companies that derive their value from the rate at which they are expected to grow their future earnings. Generally, they pay limited dividends as they reinvest their profits to grow their businesses.

## High-yield bonds

High-yield bonds are bonds issued by countries, companies, or institutions with lower creditworthiness who must pay greater rates of interest to compensate their bondholders for the increased risk of default.

## Index

An index is a hypothetical portfolio of investment holdings that can be used to gauge the movement and performance of a regional market or market sector. The calculation of its value comes from the prices of the underlying holdings. For example, the MSCI UK Index represents the performance of UK companies.

## Inflation

Inflation is the rate of increase in the price of goods and services. For most countries, it is based on a basket of goods and services that are representative of the cost of living. Inflation increases the cost of goods and services but decreases the real value of cash savings and future bond payments.

## Investment trusts

Investment trusts, also known as closed-end funds, are like open-ended funds, but their managers do not create new shares to meet demand. Their shares are traded on the stock market.

## Investment-grade bonds

Investment-grade bonds are considered to signify a relatively low risk of default. Bonds rated from 'AAA' to 'BBB' are investment grade. They are assigned these credit ratings by agencies such as Standard & Poor's, Moody's and Fitch.

## Investment trusts

Investment trusts, also known as closed-end funds, are like open-ended funds, but their managers do not create new shares to meet demand. Their shares are traded on the stock market.

## Investment trust discount

An investment trust discount is when the share price of an investment trust is worth less than the net asset value (NAV) of its underlying portfolio. When the opposite is the case, it is said to trade at a premium.

## Large-cap

Large-cap describes larger-sized companies as measured by market capitalisation (market cap). While the exact thresholds change with market conditions, large-cap refers to companies with a market capitalisation of \$10bn to \$200bn.

## Net asset value

Net asset value (NAV) describes the total value of an investment fund's underlying holdings, less its liabilities. The NAV of an investment trust can be more or less than the value of its quoted share.

## Overweight

Overweight is when a fund or portfolio holds a larger position in a particular stock, sector, region, or strategy than the index or model against which it is benchmarked. Underweight means the opposite.

## Recession

Recession is a significant, widespread, and prolonged downturn in economic activity. Recessions often last six months or more and one popular definition is that two consecutive quarters of economic decline or contraction constitutes a recession.

## Treasuries

Treasuries are US government bonds. They are issued by the US Treasury.

## Underweight

Underweight is when a fund or portfolio holds a smaller position in a particular stock (equity), sector, region, or strategy than the index or model against its benchmark. Overweight means the opposite.

## Value stocks

Value stocks tend to be well-established, mature businesses. They are companies whose share price is low relative to their value. Consequently, value stocks are among those with the highest dividend yields.

## Volatility

Volatility is the extent and speed of change in the value of a financial security such as a bond or equity. The greater the movements in the price of a security, and the shorter the period of such changes, the higher its volatility. The higher the volatility of an asset, the more unpredictable and extreme its price movements.

## Yield

Yield is a measure of the income an investment delivers. It is calculated as a percentage of either the original purchase price or the current market value of the asset in question.







## Thank you for investing with us

Keep an eye out for your next Cirilium Portfolios monthly commentary available in February.

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Please visit our website at [www.quilter.com](http://www.quilter.com) for all the latest news, views, and portfolio information.

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QI 26851/25/9856/SK18517/Published: January 2025