QUILTER CHEVIOT

Specialists in Investment Management

A year in review

Ben Deidun

Investment Manager and Regional Charity Specialist

26 November 2025

Source: iStock

The year so far…

20 January 2025

2 April 2025

September 2025

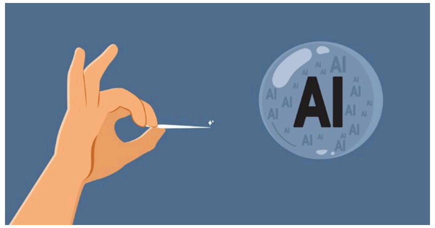
?

28 January 2025

deepseek

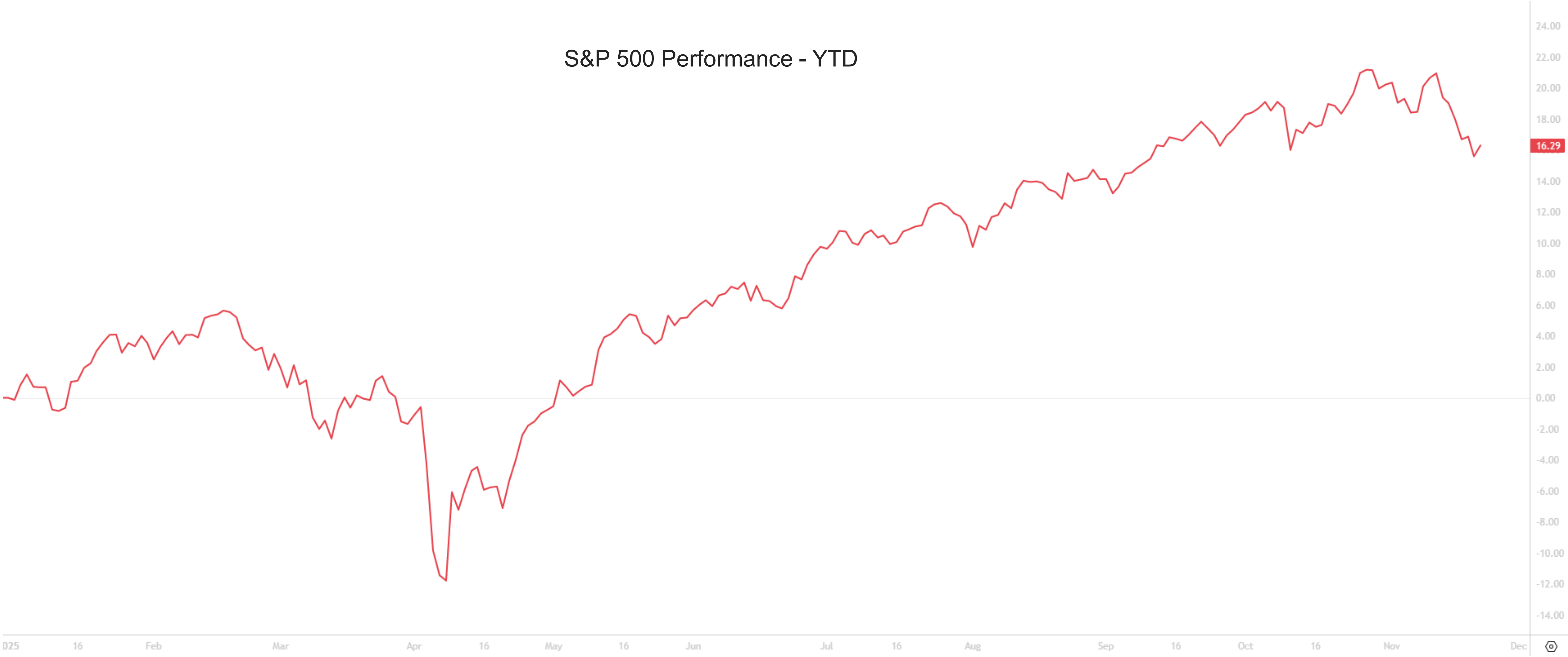
9 April 2025

Q4 2025



Source: iStock images

The year so far…



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So where have the returns come from?

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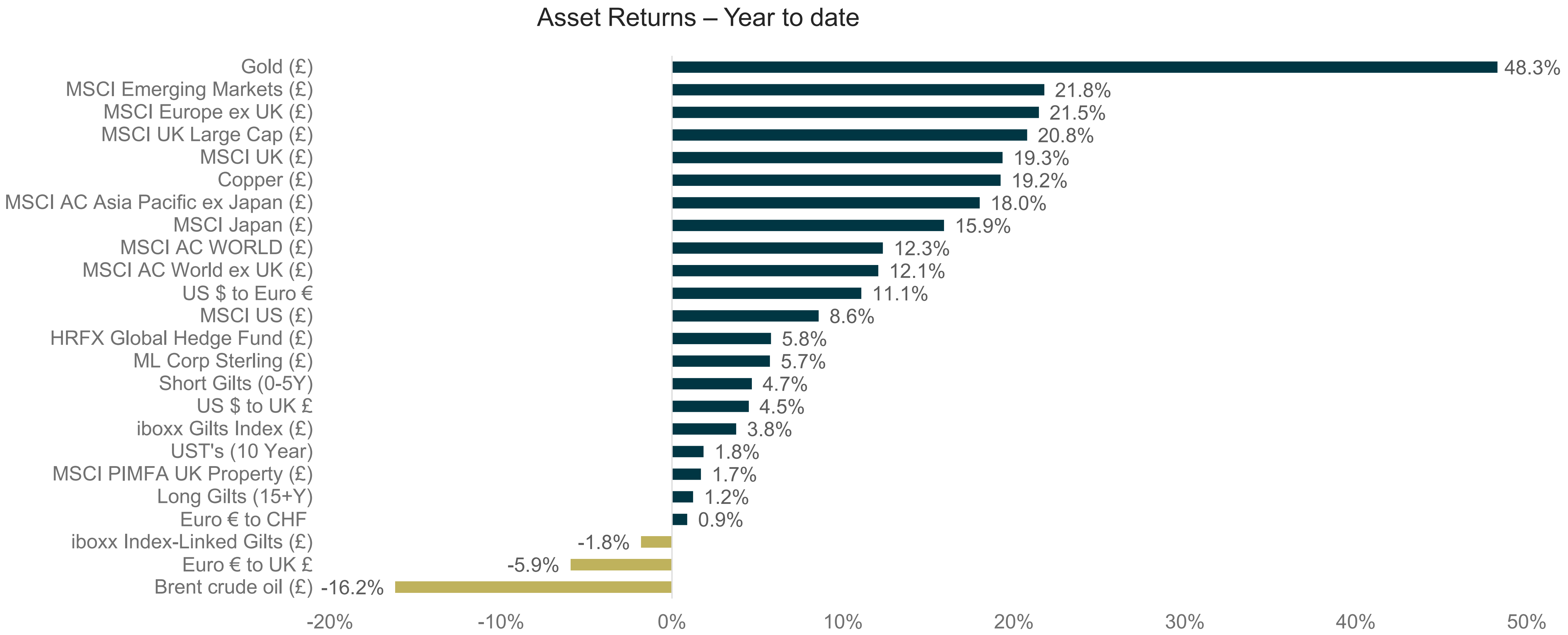
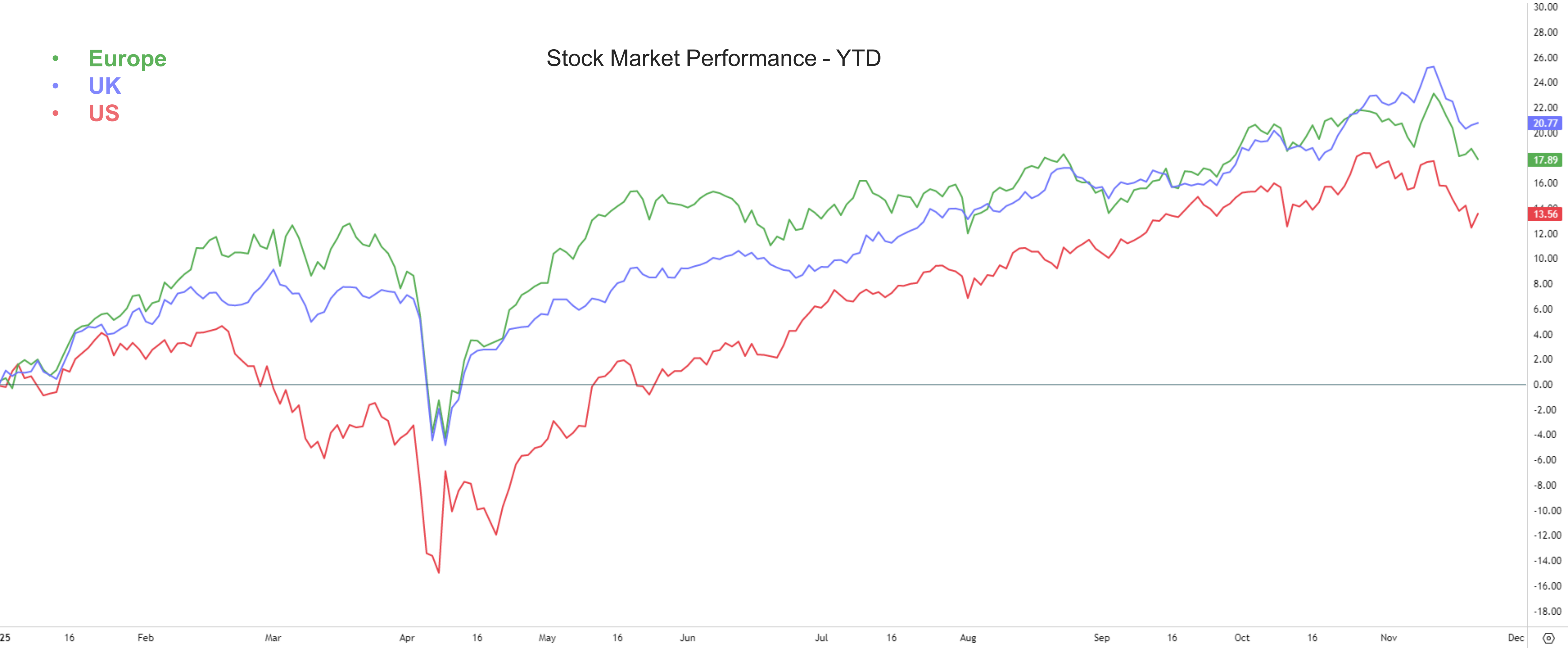
Gold still the standout, while broad equities have had a strong 12 months



Source: LSEG DataStream, 24 November 2025.

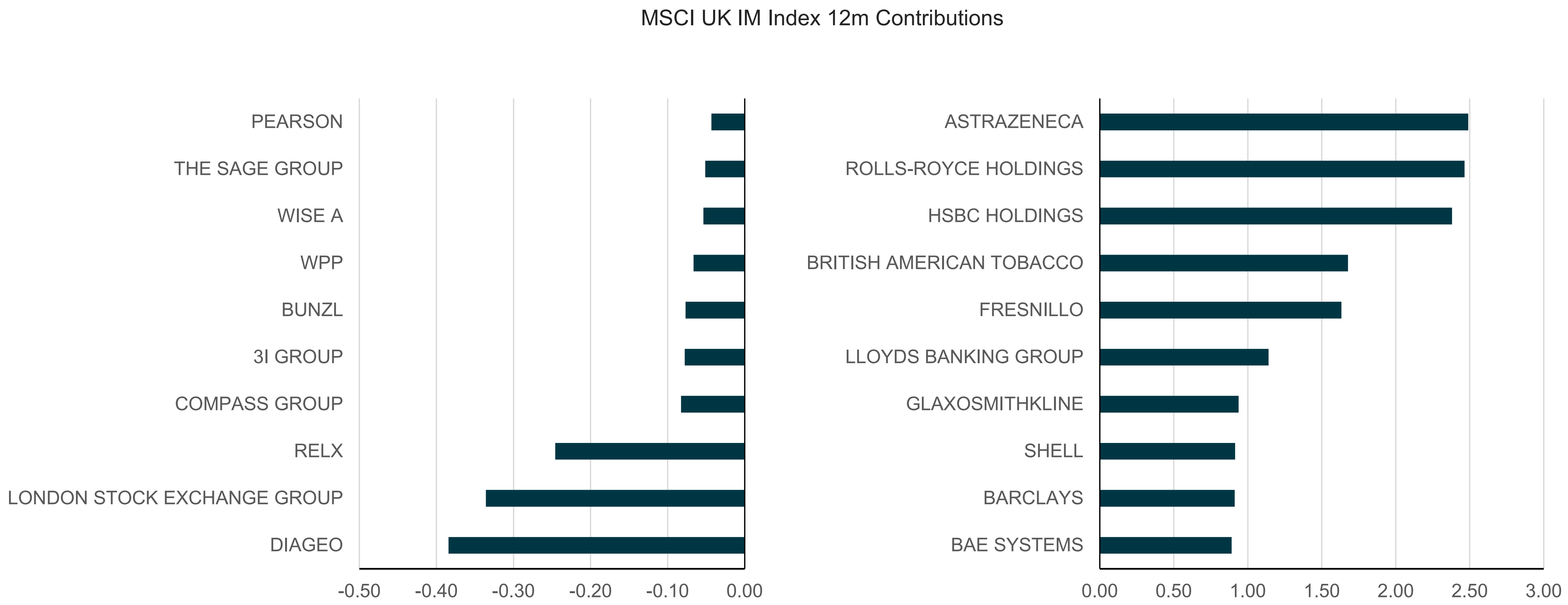
Past performance is not a reliable indicator of future returns. The value of investments and the income from them can go down as well as up. You may not recover what you invest.

Is the UK starting to show signs of life?



Source: LSEG DataStream 24 November 2025

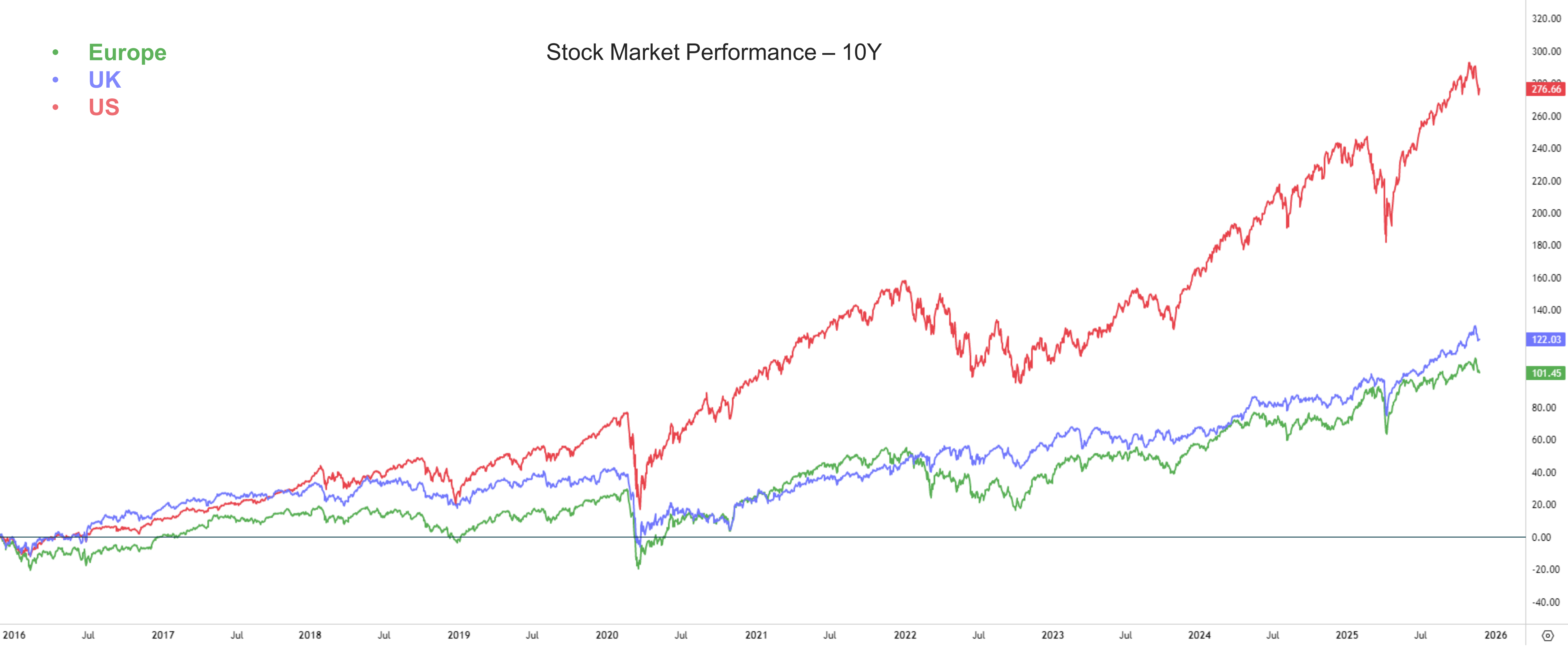
Leaders and Laggards in the UK



Source: LSEG DataStream 31 October 2024 – 31 October 2025

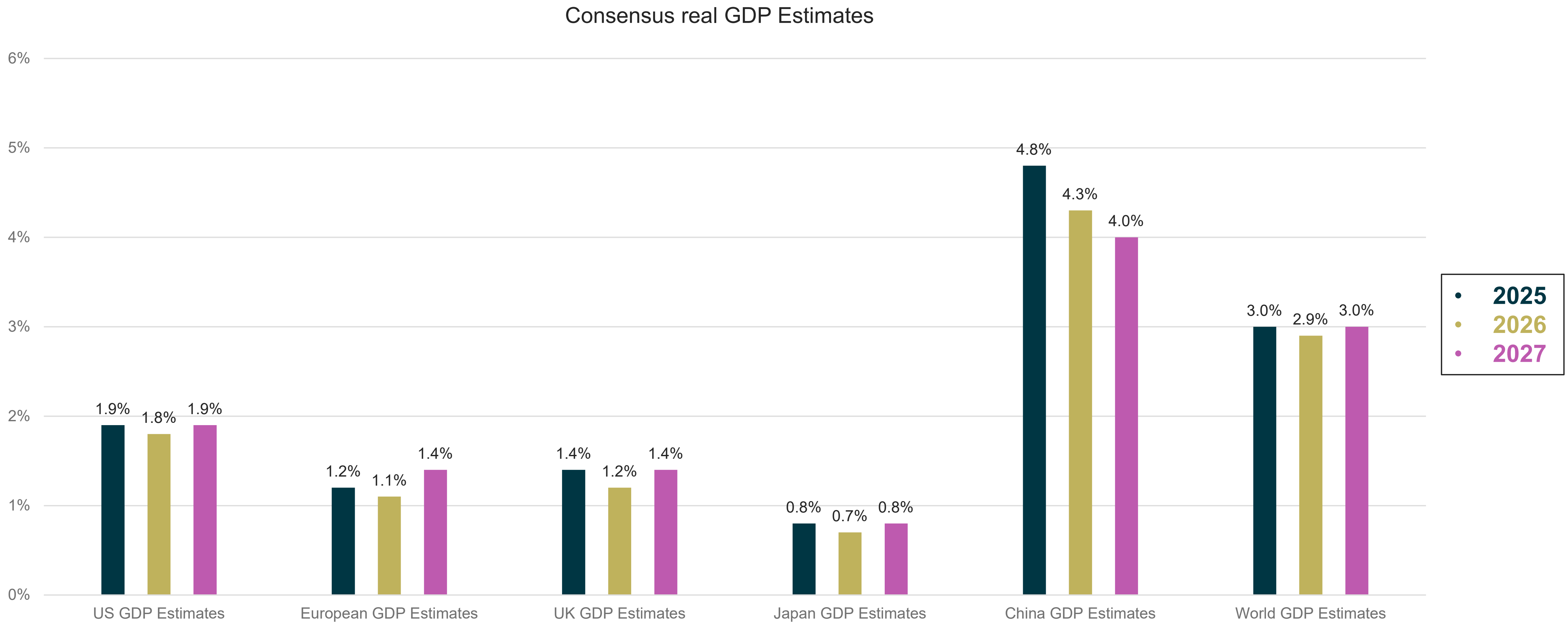
Past performance is not a reliable indicator of future returns. The value of investments and the income from them can go down as well as up. You may not recover what you invest.

The case for global



The Macro Picture

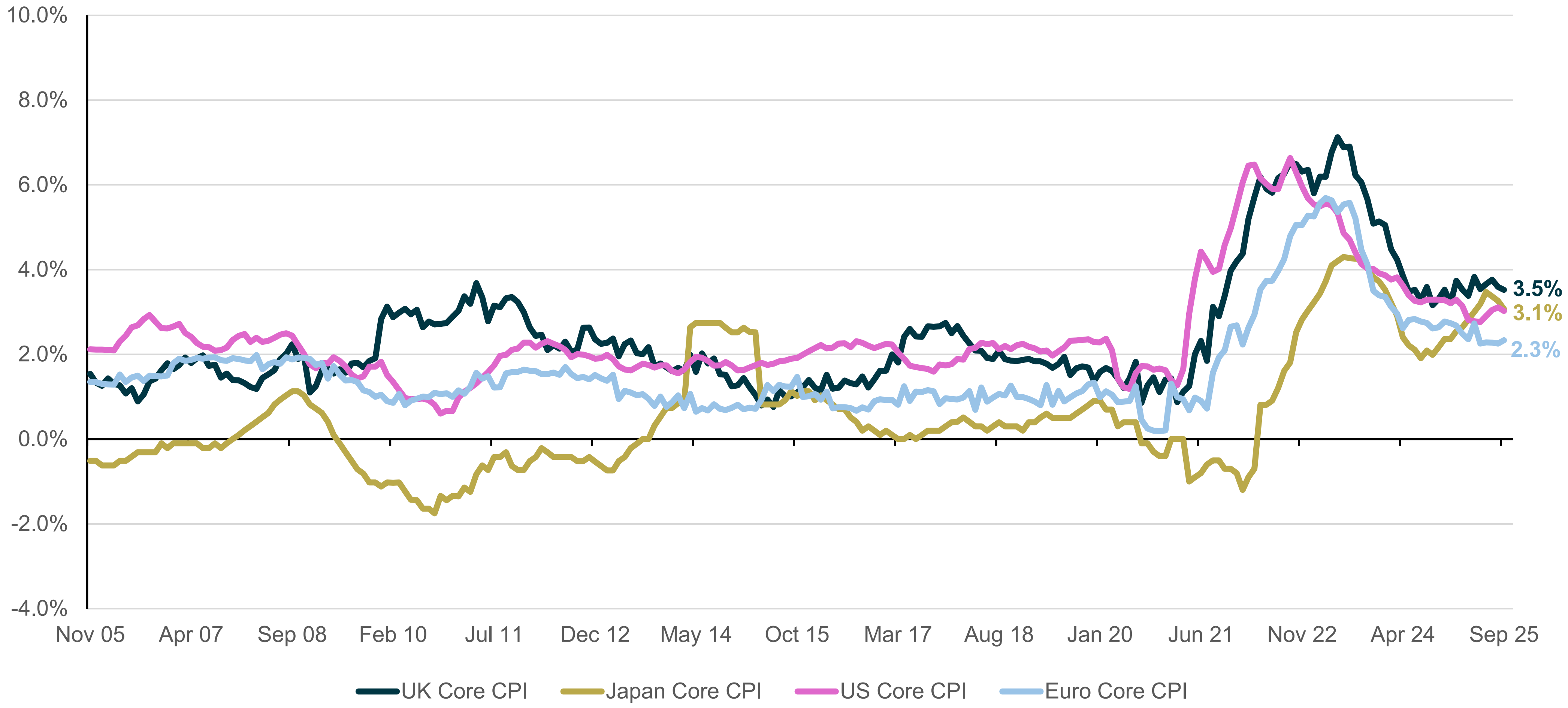
Global growth outlook positive amid tariff uncertainty



Source: LSEG DataStream 31 October 2025, Quilter Cheviot Limited

Past performance is not a reliable indicator of future returns. The value of investments and the income from them can go down as well as up. You may not recover what you invest.

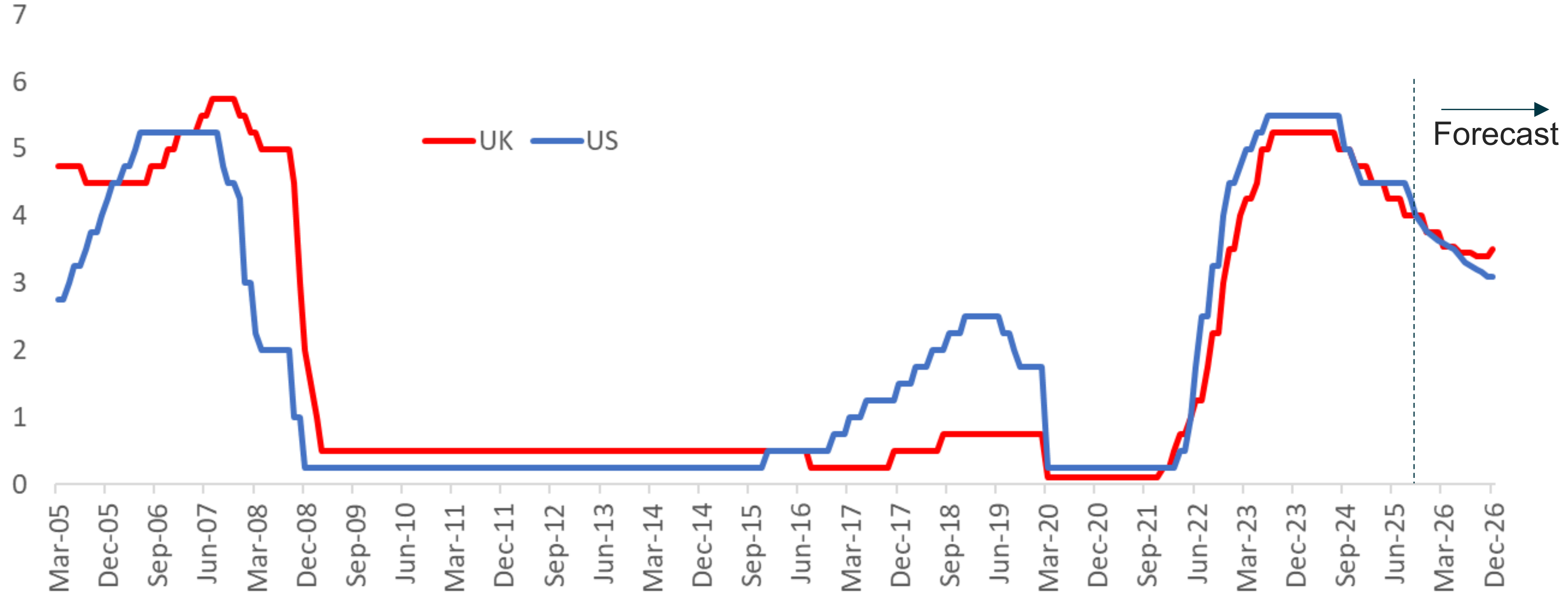
Inflation back to more normal levels but pressures remain



Source: LSEG DataStream 31 October 2025

Interest rates likely heading gradually lower

US and UK interest rates, plus forecasts



Source: Bloomberg Finance L.P, 31 Oct 25

Past performance is not a reliable indicator of future returns. The value of investments and the income from them can go down as well as up. You may not recover what you invest. Forecasts are not a reliable indicator of future performance.

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So what are the risks?

Valuations, Concentration and Bubbles

Valuations

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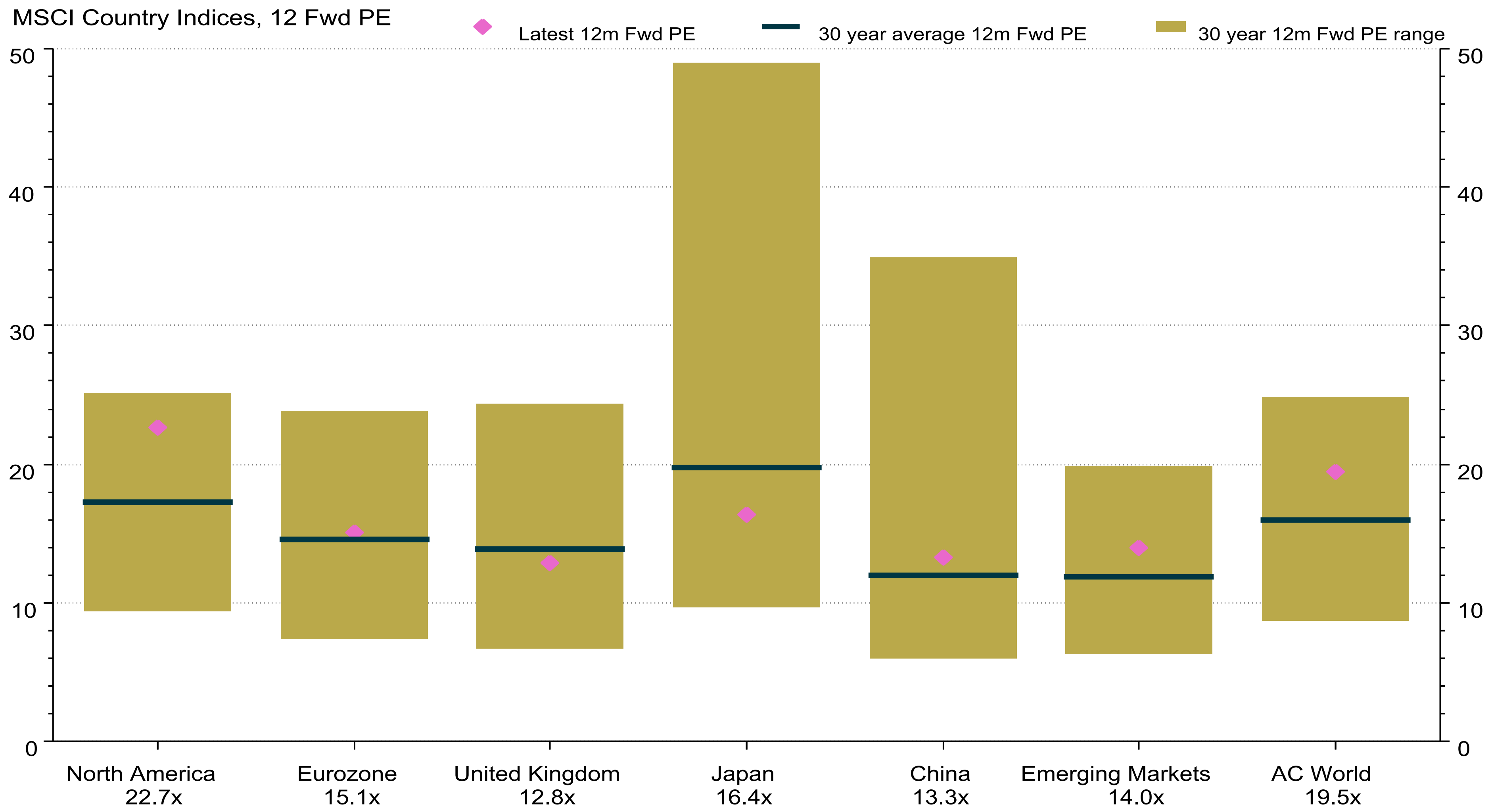
Valuations are getting expensive



Source: LSEG Datastream, Quilter Cheviot, 03/11/2025

Equity Market Concentration

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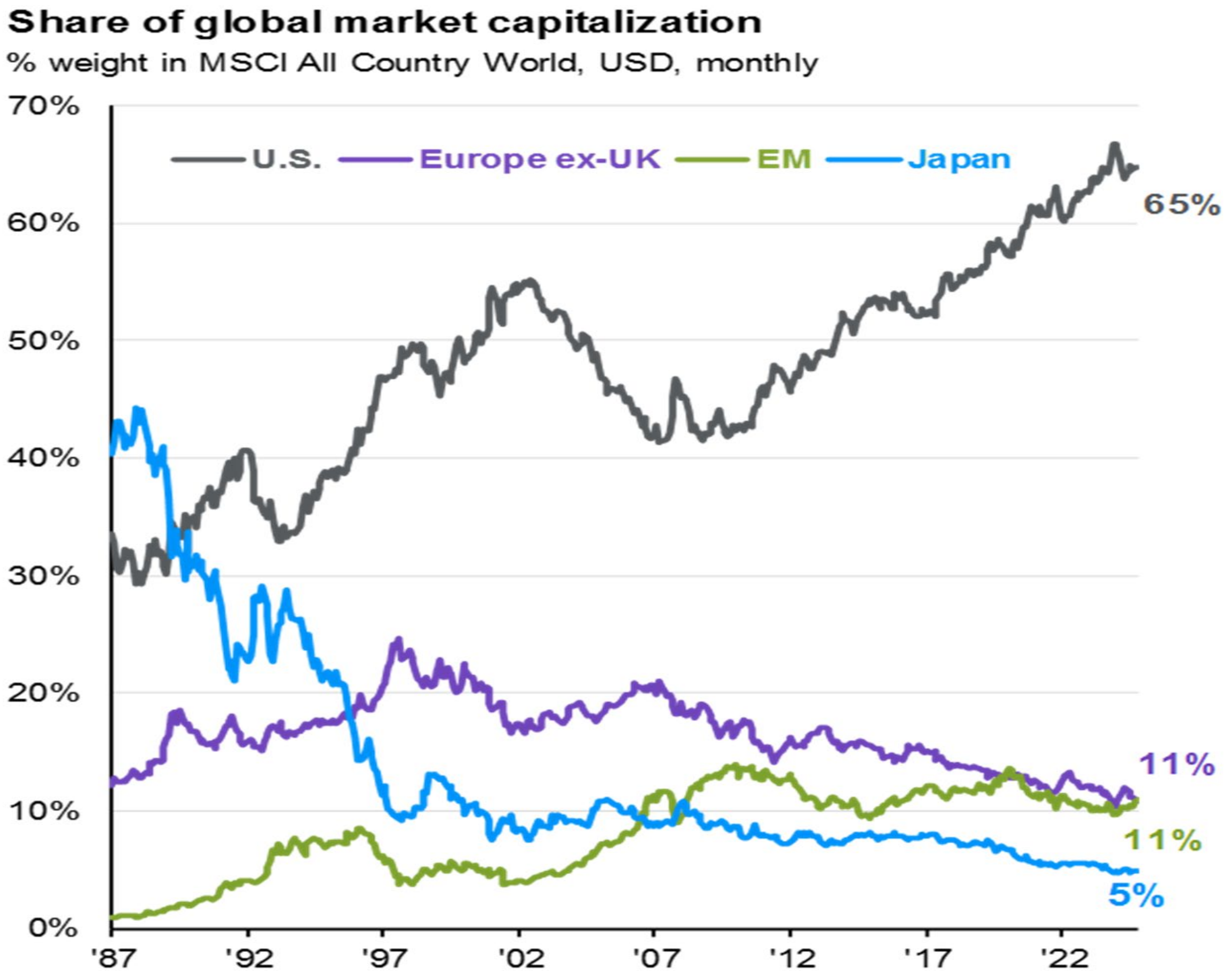
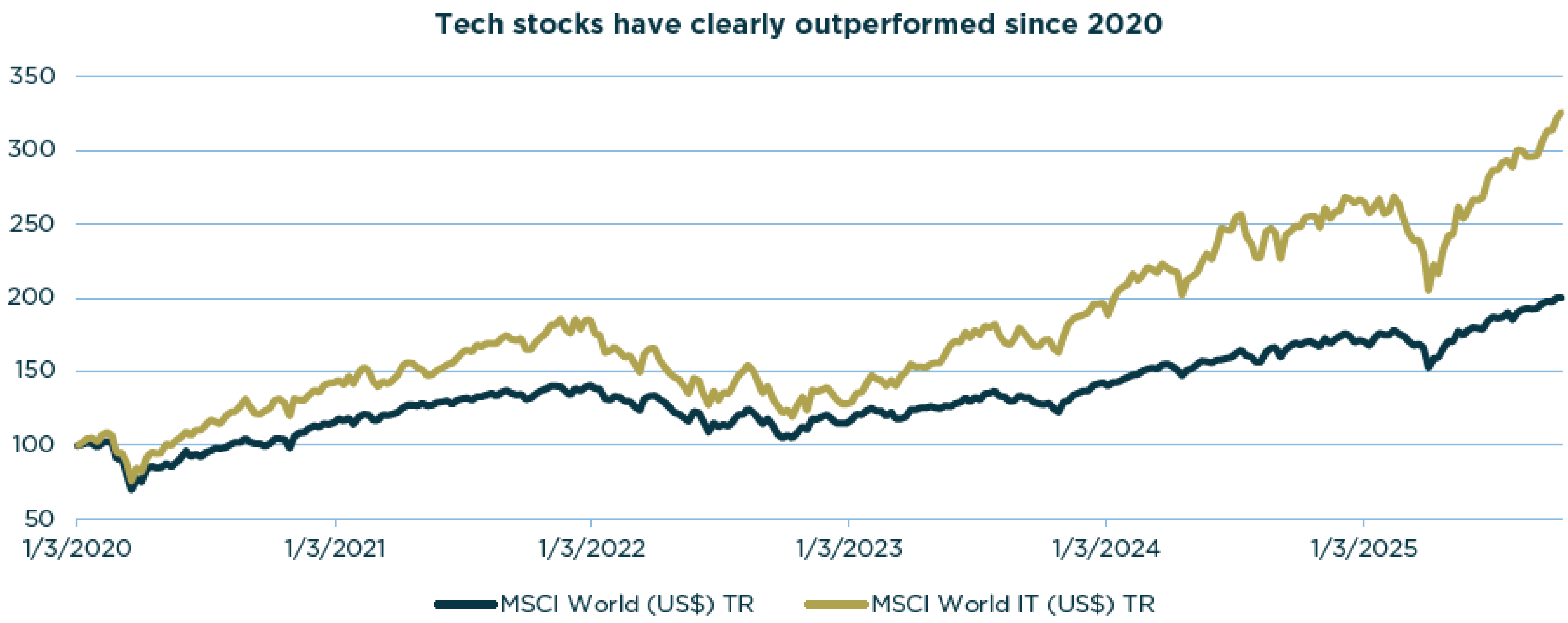
US Dominance



Source: JP Morgan, Guide to the Markets - UK. November 2025.

Bubbles?

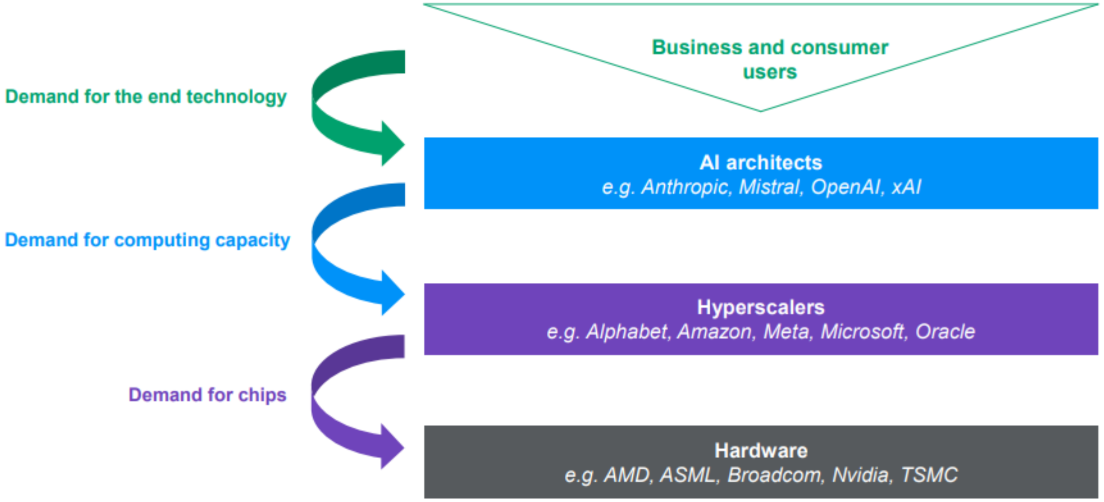
Tech Bubble 2.0?

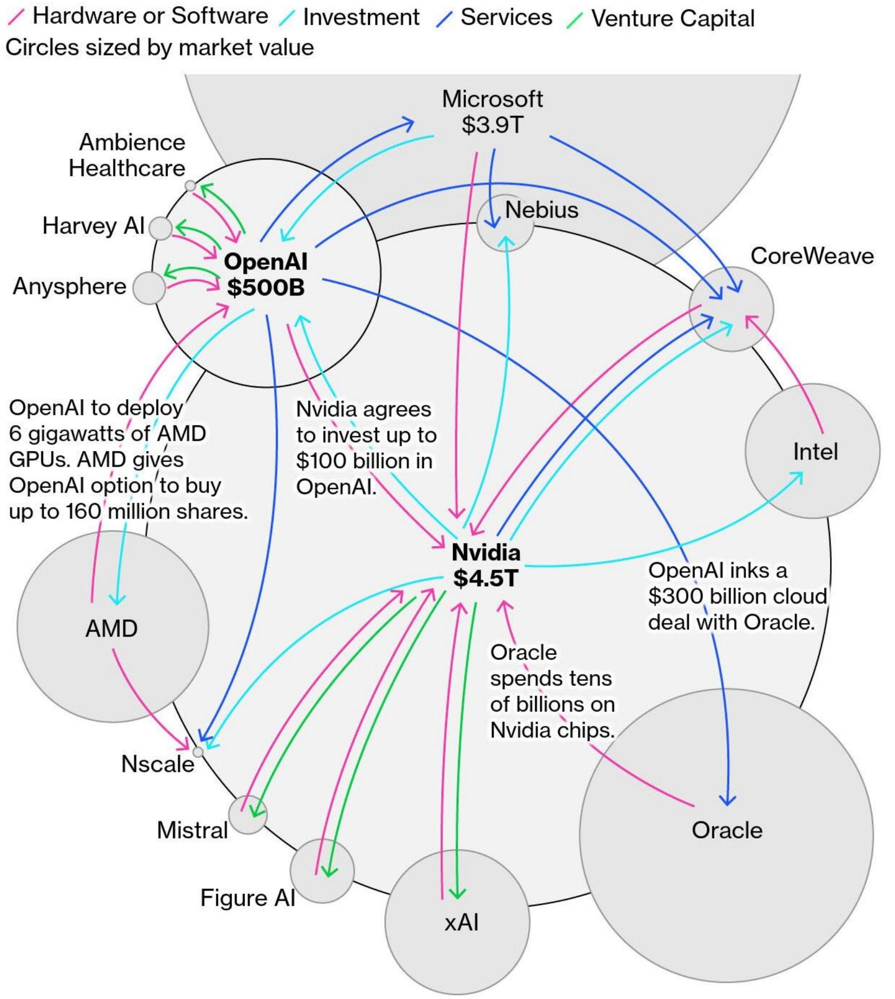


Source: LSEG Datastream, Quilter Cheviot Limited 10/10/2025.
These figures refer to the past and past performance is not a reliable indicator of future results.

Vendor Financing

Understanding the AI ecosystem





Source: Bloomberg News reporting

Bloomberg

Source: JP Morgan, Guide to the Markets - UK. November 2025.

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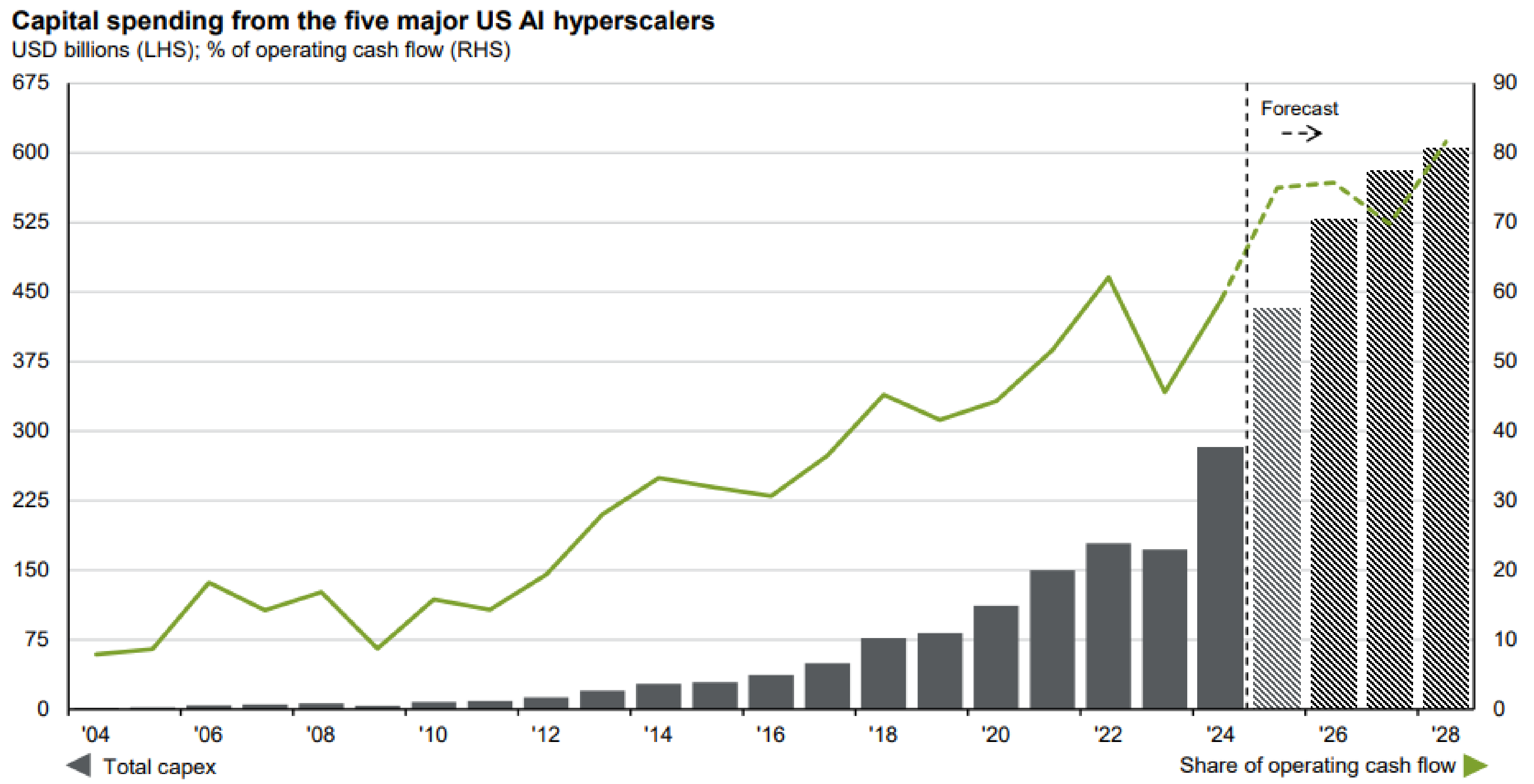
Capital expenditure…

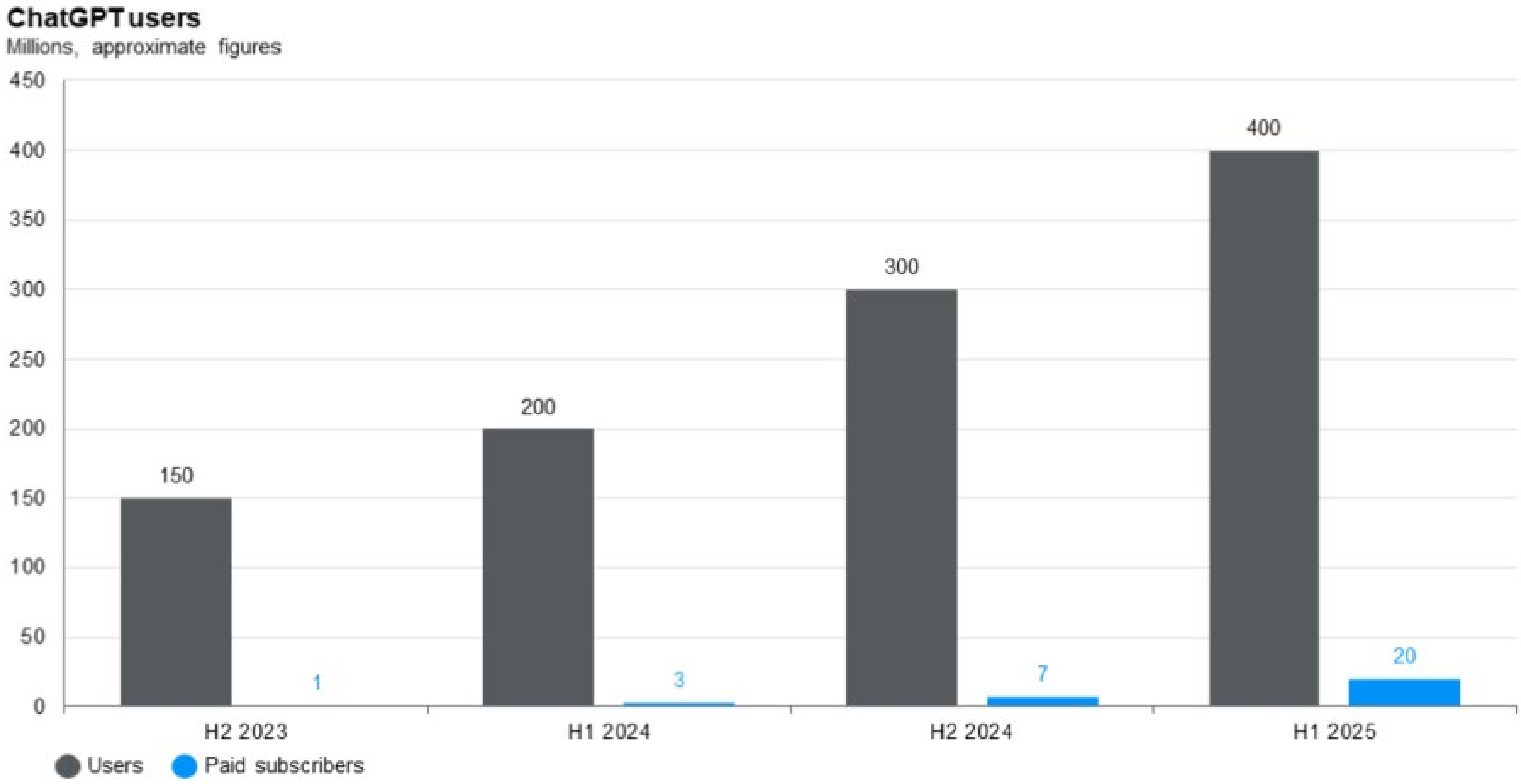
Investing for high demand

GTM | UK | 61



Source: *JP Morgan, Guide to the Markets - UK*. November 2025.

Is the demand there?



Source: JP Morgan, Guide to the Markets - UK. November 2025.

Key Takeaways

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Conclusion

- Equities are getting expensive, but growth and earnings outlooks are positive.
- Fixed Income – Yields are attractive - 5Y Gilt Yield is just shy of 4%, above inflation returns.
- Property – capital values improving and yields are still strong, offering attractive returns.
- Commodities - still appeal as a useful diversifier.
- Tech - Vendor financing is not good & Capex has risen a lot (95% is FCF funded though), but don’t think we’re in a bubble. Be selective.
- Active vs Passive – 485 of 500 stocks in S&P 500 have a weighting of less than 1%.

Source: JP Morgan, Guide to the Markets - UK. November 2025.

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