



THORNTONS INVESTMENTS

Investment Objectives

The Thorntons Moderate model portfolio aims to provide a medium risk investment that balances income generation and capital growth over a five-year period. Typically the portfolio will be invested across a spread of UK and International equities, bonds, property and alternative assets. The model is invested across a portfolio of funds and exchange traded instruments.

Target five-year annualised volatility of 8.4 to 10.5

Key Facts

Historic Model Yield	2.8%
Five Year Monthly Volatility	7.7
Estimated OCF of model	0.38%
Investment fee	0.2% (VAT Exempt)
Comparison Benchmark	IA Mixed Investment 20-60% Shares

Data sourced from Financial Express as at 31 March 2025

Date of Inception 31 March 2014

Managers

Matt Strachan BSc (Hons) Econ, ACSI
Matt is the CIO at Thorntons Investments and has over 30 years of international investment management experience, including managing an OBSR rated N American fund.

Ciaran Garvey BSc Econ & Fin, MSc Fin, FCSI

Ciaran is an investment manager at Thorntons Investments, he has over 10 years industry experience after graduating from University College Dublin and Heriot Watt University.

Thorntons Moderate Investor Factsheet Q1 2025

Performance from Inception

Moderate Model Total Return 31/12/14 -31/03/2025



Performance - Cumulative	Q1	YTD	1 year	3 years	5 years	Incept
Thorntons Moderate Model Portfolio	1.2%	1.2%	6.6%	11.7%	46.2%	66.3%
IA Mixed Investment 20-60% Shares Sector	0.2%	0.2%	3.7%	6.3%	30.9%	44.8%

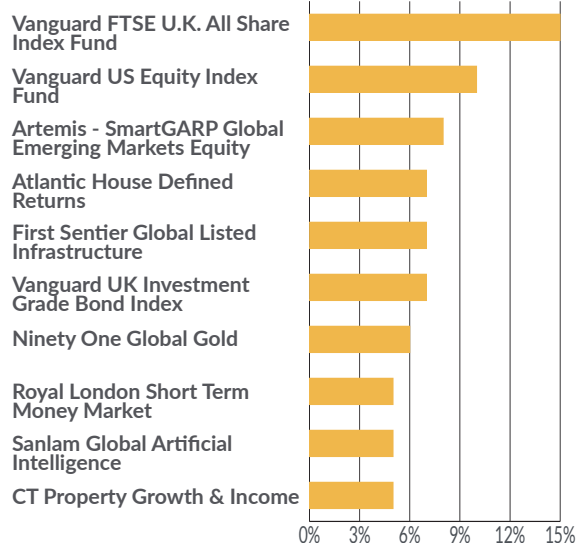
Discrete Calendar Year	2024	2023	2022	2021	2020
Thorntons Moderate Model Portfolio	9.0%	8.8%	-8.1%	9.6%	1.1%
IA Mixed Investment 20-60% Shares Sector	6.1%	6.8%	-9.5%	7.2%	3.5%

Industry Allocation

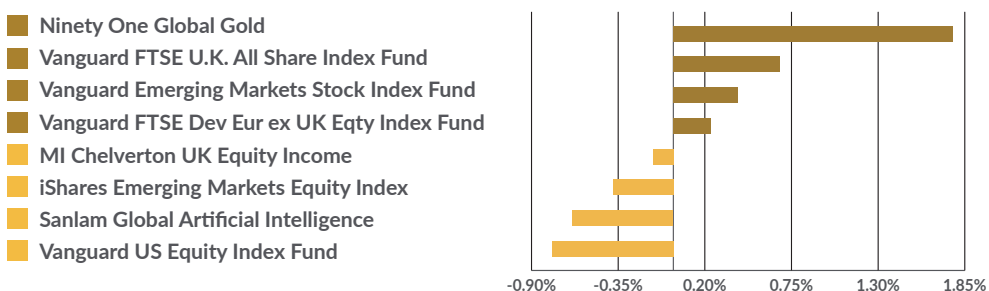


33.0% - International Equities
20.0% - Other
18.0% - UK Equities
17.0% - Bonds
7.0% - Cash
5.0% - Property

Top Ten Holdings



Top And Bottom Contributors To Performance Q1 2025



Platform Availability



Market Commentary

A review of the first quarter of 2025 is more than overshadowed by the tariffs announced by President Trump at the start of April. Not only were they broader and more punitive than expected, but the initial response from China has been to respond in kind. The threat of an ongoing trade war has naturally spooked markets, with almost all financial assets falling and in many cases undoing the gains of the last year.

Investment returns over the first quarter were mixed, as markets tried to digest a raft of US Presidential executive orders and prepare for tariffs. Not surprisingly gold did well, rising over 15 percent in sterling terms, as investors sought a safer haven in an increasingly uncertain environment. Additionally there has been significant gold buying by some central banks, wishing to reduce their exposure to the dollar and the risk of US sanctions. Also benefitting from moves to lower exposure to 'risk assets' (generally financial assets that do well in strong economic growth environments), were bonds especially government bonds and particularly US government treasuries. Interestingly the US dollar lost value over the first quarter, normally seen as a safe house it may reflect the uncertainty that the new US administration has brought or possibly their stated desire to see a lower dollar. Sterling's trade weighted value rose over the quarter.

The weaker dollar compounded a fall in the US stock markets so that in sterling terms US equities fell 7%. This was one of the worst financial asset class returns, but follows an exceptional period of US equity outperformance. The concentration, however, of performance in a handful of tech stocks in the last few years and valuation premium against the rest of the world, has been a concern. We have limited our exposure, because of these factors and are keeping that underweight stance for the time being. The corollary of this is a higher relative weighting in UK equities, where we see valuations as much more attractive. The UK stock market rose 3.5% over the quarter and we hope this is the start of an unwinding of a long period of relative underperformance. The best performance was from European equities, up nearly 9%, where the German election and commitment to a €500m spending package raised hopes of European fiscal stimulus to offset general economic malaise.

Asian and Japanese stock markets dropped roughly 2½% in aggregate, as they began to anticipate US tariff introduction. Although significant exporters to the US, Asia is increasingly becoming an integrated economic block. There has also been a significant mood change in China. The announcement of AI tool DeepSeek performing at similar levels of effectiveness to western AI, but purportedly at a fraction of the cost, has re-energised their tech sector and been warmly embraced by President Xi.

To date economic data has not been overly exciting, but not too concerning either. With Trump's tariffs, analysts are scrambling to try and quantify what the economic impact will be. At the moment it is a finger-in-the-air job as the uncertainties are so great, but the one thing that is certain is that inflation will be higher in the US and growth, globally, will be lower. Whether it turns negative is still to be seen. Bond markets and commodity prices have quickly moved in a fashion consistent with expecting a recession, but that is by no means certain. Trade deals could be struck quickly and relative calm returned.

Portfolio Commentary Q1 2025

The Moderate portfolio returned 1.2% over the quarter, despite US market weakness in March undermining earlier positive performance. The US weakness dominated negative attribution, with Vanguard US Equity Index -7.8% and the US heavy Sanlam Global Artificial Intelligence -12.8%. iShares Emerging Markets Equity Index was a new investment and was -4.8% from purchase, which was no worse than the subsequent fall in Vanguard Emerging Markets Stock Index (+5.2% at time of sale), which it replaced. The other investment change was switching from Stewart Investors Asia Pacific Leaders to Artemis SmartGARP Global Emerging Market Equity, both changes slightly lower costs and give a slightly different regional exposure.

The standout positive over the first quarter was Ninety One Global Gold, +31%. This is mainly invested in gold miners and the fund outperformed the price of gold, as miners share prices have significantly lagged behind over the last few years. Vanguard FTSE Developed Europe ex-UK Equity Index, +7.6%, was the next best performer, whilst Vanguard FTSE UK All Share Index, +4.5%, had the second biggest positive contribution. In contrast Chelverton UK Equity Income was down 4.2%, where small cap exposure hurt performance. Small company underperformance has been global, but low valuations make them look attractive.

Get In Touch

Phone:
01382 797 600

Dundee
Whitehall House
35 Yeaman Shore
Dundee
DD1 4BU

Website:
www.thorntons-investments.co.uk

Thorntons Investments is a trading name of Thorntons Investment Management Limited a company registered in Scotland No. SC438886 whose registered office is at Whitehall House, 35 Yeaman Shore, Dundee DD1 4BU. Thorntons Investment Management Limited is authorised and regulated by the Financial Conduct Authority. This information has been prepared using all reasonable care. It is not guaranteed as to its accuracy, and it is published solely for information purposes. Our opinions are subject to change without notice and we are not under any obligation to update or keep this information current. It is not to be construed as a solicitation or offer to buy or sell securities and does not in any way constitute investment advice. Past performance is not a guide to future performance. The value of investments can fall as well as rise and you may not get back the amount you have invested. The income from an investment may fluctuate in money terms. If an investment involves exposure to a currency other than that in which acquisition of the investment is invited, changes in the rates of exchange may cause the value of the investment to go up or down.

