



# THORNTONS INVESTMENTS

## Investment Objectives

The Thorntons Cautious model portfolio aims to provide a low risk investment that preserves capital value and generates a sustainable return greater than that achieved from a deposit account over a five-year period. Typically the majority of the portfolio will be invested in bonds and alternative assets, with a smaller allocation to equities and property. The model is invested across a portfolio of funds and exchange traded instruments.

Target five-year annualised volatility of 4.2 to 6.3

This is consistent with a standard industry risk rating (1 to 10) of 3.



## Key Facts

Historic Model Yield	3.7%
Five Year Monthly Volatility	6.1
Estimated OCF of model	0.41%
Investment fee	0.2% (VAT Exempt)
Comparison Benchmark	IA Mixed Investment 0-35% Shares

Date of Inception 31 December 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 Cautious Investor Factsheet Q2 2025

## Performance from Inception

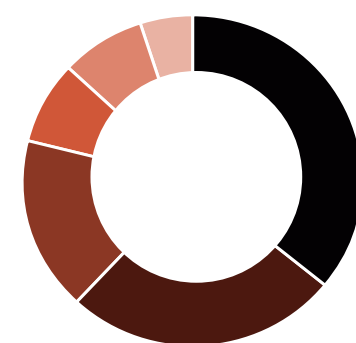
### Cautious Model Total Return 31/12/14 -30/06/2025



Performance -Cumulative	Q2	YTD	1 year	3 year	5 year	10 year	Incept
Thorntons Cautious Model Portfolio	3.7%	5.8%	8.0%	14.0%	22.0%	48.7%	49.4%
IA Mixed Investment 0-35% Share Sector	2.2%	2.7%	4.9%	12.0%	9.4%	28.7%	29.7%

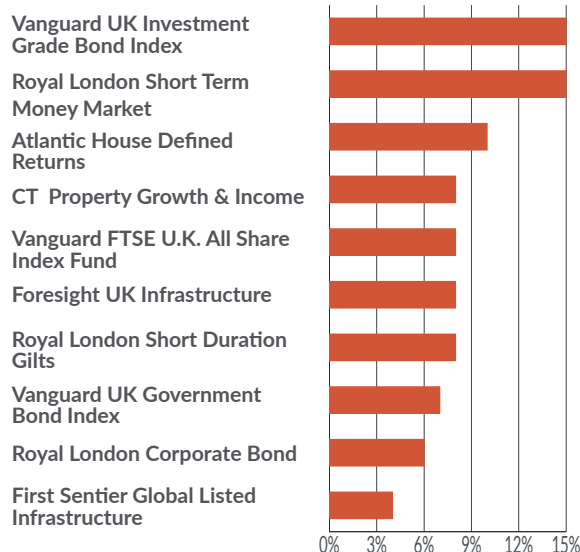
Discrete Calendar Year	2024	2023	2022	2021	2020
Thorntons Cautious Model Portfolio	4.2%	5.9%	-8.4%	7.6%	1.1%
IA Mixed Investment 0-35% Share Sector	4.4%	6.0%	-10.9%	2.8%	3.9%

## Industry Allocation

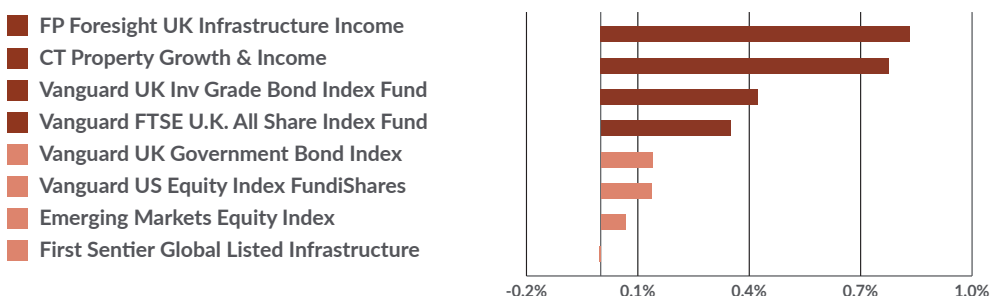


36.0% - Bonds
26.0% - Other
17.0% - Cash
8.0% - Property
8.0% - UK Equities
5.0% - International Equities

## Top Ten Holdings



## Top And Bottom Contributors To Performance Q2 2025



## Platform Availability

aberdeen

SCOTTISH WIDOWS

Fidelity INTERNATIONAL

M&G wealth

nucleus 7IM

transact take control

wealthtime

Quilter

AVIVA

Fundment

MORNINGSTAR Wealth Platform

## Market Commentary

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The first half of 2025 has been nothing, if not tumultuous. The on, off, on again nature of President Trump's tariff announcements and his determination to break with convention on institutional norms have put most in a spin. Furthermore a 12 day armed conflict between Israel and Iran, drawing in US involvement, should have been enough to send financial markets cowering. Instead markets have, yet again, displayed their capacity to climb a wall of worry. Markets recovered strongly, following the initial falls on the 'Liberation Day' tariff announcements, with the main marked weakness coming from the US dollar, now down 10% since the start of the year. UK equities rose more than 3% over the second quarter, adding to a similar gain in the first quarter, whilst European stocks gained another 6%; combined with euro strength, the region's equities are up 15% over the first half of the year. In contrast, and despite a strong recovery in the second quarter, largely driven by renewed enthusiasm for AI and related tech stocks, US stocks were only up 4% in sterling terms and are still down more than 3% over the first half, hurt by the weakness of the dollar.

Financial markets appear to have learned not to take President Trump literally, but they should be careful to still take him seriously. A limited impact from eventual tariff agreements is now assumed, but even if they do settle around 10%, plus a few product specific rates, it will still put upward pressure on US prices and a drag on growth. Despite concern over tariff impacts Japanese stocks returned over 4% in the quarter, helped by a strong yen, whilst Asian stock markets rose by more than 5%. Gold continued to be sought as a refuge in uncertain times, but declined in sterling terms by 1%, despite a rise in its dollar price.

Gilts fell very slightly over the second quarter, not helped by the government struggling to implement spending cuts. The UK's problems in controlling the fiscal deficit are not in isolation, as well as European governments scratching their heads over how to make ends meet with greater defence spending commitments, President Trump has successfully passed a budget that is expected to add \$3-4tr to an already large US government deficit. This will increasingly test the willingness of investors to purchase a growing supply of government bonds and is something to keep a close eye on. Any real concern that governments are losing control of their budgets will lead to rising bond yields that will weigh on all financial assets.

Some commodity prices have experienced fluctuations over speculation on the impact of tariffs and oil spiked during the Israel-Iran conflict, but in general they have remained calm and are not a threat to general inflation. For now economic growth is ticking over and markets are holding their nerves. Valuations in US markets continue to reflect an optimistic outlook and valuations in the UK a more pessimistic one. Declining inflation in the UK and better prospects for interest rate cuts mean we prefer exposure to the lower valuations and have the backing of the increasing level of takeover interest in UK listed companies.

## Portfolio Commentary Q2 2025

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The Cautious portfolio returned 3.7% over the second quarter as markets recovered after an initial fall on the back of Trump's tariff announcements. Every investment had a positive return, bar one, with First Sentier Global Listed Infrastructure (-0.1%) just negative. The defensive investments in Atlantic House Defined Returns, +3.2%, and Royal London Short Term Money Market, +1.1%, continue to give consistent positive returns. Bond investments also delivered positive returns, with Royal London Short Duration Gilts returning 1.9%, the Vanguard UK Government Bond Index fund 2.0%, Royal London Corporate Bond 2.4% and the best return from Vanguard UK Investment Grade Bond Index fund 2.8%.

The best contribution came from Foresight UK Infrastructure, +10.4%, as some of the deep value in UK infrastructure stocks was realised. There was also a very strong return from CT Property Growth and Income, +9.7%, as takeover activity in the quoted property sector picked up. Gold miners continued to catch up with the soaring gold price and Ninety One Global Gold rose 6.9%. Whilst the largest equity positions in Vanguard FTSE UK All Share was up 4.4% and smaller investments in Vanguard US Equity Index and iShares Emerging Markets Equity Index returned 4.6% and 3.4% respectively.

## Get In Touch

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