



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

This is consistent with a standard industry risk rating (1 to 10) of 5.



Key Facts

Historic Model Yield	2.7%
Five Year Monthly Volatility	7.4
Estimated OCF of model	0.38%
Investment fee	0.2% (VAT Exempt)
Comparison Benchmark	IA Mixed Investment 20-60% 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 Moderate Investor Factsheet Q3 2025

Performance from Inception

Moderate Model Total Return 31/12/14 - 30/09/2025



Performance - Cumulative	Q3	YTD	1 year	3 year	5 year	10 year	Incept
Thorntons Adventurous Model Portfolio	8.4%	14.5%	14.9%	39.9%	44.9%	90.9%	88.1%
IA Flexible Investment	3.8%	7.3%	7.3%	25.2%	25.7%	57.7%	55.0%

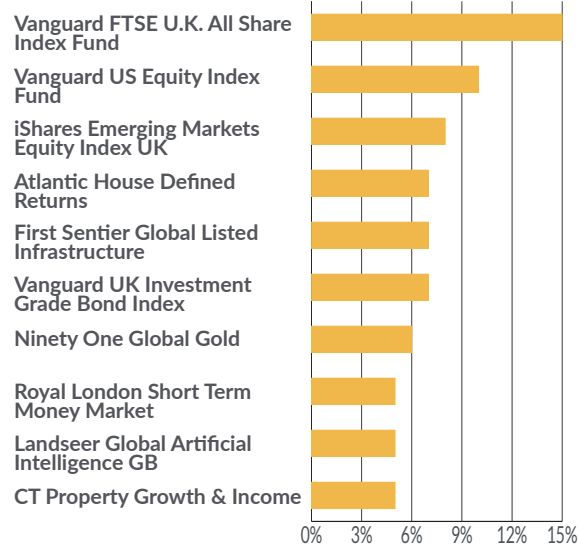
Discrete Calendar Year	2024	2023	2022	2021	2020
Thorntons Moderate Model Portfolio	9.0%	8.8%	-8.1%	9.6%	1.1%
IA Mixed Investment 20-60% Shares Sector	6.1%	6.8%	-9.5%	7.2%	3.5%

Industry Allocation

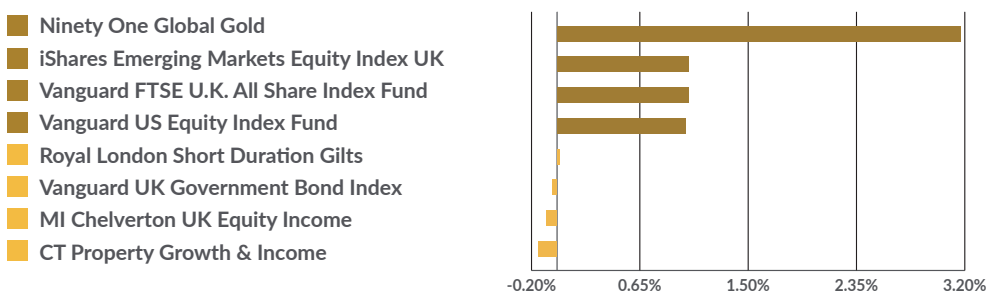


33.0% - International Equities
20.0% - Other
18.0% - UK Equities
17.0% - Bonds
7.0% - Cash
5.0% - Property

Top Ten Holdings



Top And Bottom Contributors To Performance Q3 2025



Platform Availability

aberndeen

SCOTTISH WIDOWS

Fidelity INTERNATIONAL

M&G wealth

nucleus

7IM

transact take control

wealthtime

Quilter

AVIVA

Fundment

MORNINGSTAR Wealth Platform

Market Commentary

The third quarter of 2025 provided some very strong market returns. Seemingly ignoring the many uncertainties that we all face, many stock markets raced to new all-time highs, spurred on by enthusiasm for Artificial Intelligence (AI) and expectations of interest rate cuts. The biggest gains, however, were in precious metals, with gold having just reached \$4,000/oz for the first time ever and up 50% so far this year. This does throw up a dichotomy, as gold is traditionally a barometer of uncertainty and risk. If it is signalling heightened concerns, then it is at odds with stock markets, and to some extent bond markets, which indicate a positive view on economic outlook and limited risk.

Both the Bank of England and US Federal Reserve Bank cut interest rates in the quarter, as signs of weakening jobs markets outweighed inflation persistently sitting above target levels. However, this did not translate to long-term bonds, where growing concerns about rising government deficits in developed countries saw growing reluctance to buy their bonds, raising the yield they have to offer to rise. The rise in bond yields is neither helpful for governments nor large capital investment decisions, both of whom have to factor in a higher cost of borrowing. The higher yields did help cover off some of the price declines and gilts in aggregate generated a small negative total return over the quarter. Infrastructure and property, which are sensitive to long-term borrowing costs, saw some funds negatively impacted, although the property sector eked out a +1.2% total return, as there was some takeover activity.

Stock markets, meanwhile, took a glass half-full view, with investment in AI surging ahead, both through corporate spending commitments and in the rapid share price appreciation of companies central to the AI theme. The US stock market rose 10%, with most of the rise attributed to AI related companies, which experienced significantly greater gains. Japan, also up 10%, and Emerging Markets, up nearly 13%, similarly experienced surging stock markets. Both have significant exposure to the AI theme, but Japan is additionally benefiting from corporate restructuring and Emerging Markets from dollar weakness, as much of their debt is dollar denominated. The UK and European stock markets both rose 6%. Ordinarily this would be seen as a very strong quarterly return, but on this occasion has been somewhat overshadowed by exceptional returns elsewhere.

Which brings us to commodities, where the index of a broad spread of commodities rose 4%, but disguises some divergent individual moves. Oil, the most significant component, declined as OPEC+ committed to greater supply, as did copper, after being whipsawed by tariff uncertainty. However, the extraordinary increase in the price of gold ensured the positive index return. The recent US Federal government shutdown, due to a failure to agree a funding package between the Republicans and Democrats, political turmoil in France and Japan, rapidly rising government debt and expectations of lower interest rates, have all been supporting factors behind gold's rise. As many of these factors look unlikely to disappear quickly, we maintain an exposure to gold. We also remain invested in equities, as companies continue to grow profits despite all the uncertainties, but remain alert to the concentration on AI.

Portfolio Commentary Q3 2025

The Moderate portfolio returned 8.4%, over the third quarter, a return more normally associated with a full year! The standout contribution came from Ninety One Global Gold, +53%, as gold mining companies played catch-up with the gold price and their profits begin to surge. The excitement around AI also contributed nicely to the portfolio, with Landseer Global Artificial Intelligence, +11.1%, and Vanguard US Equity Index, with significant AI exposure, +10.1%. However, both of these were trumped by the returns of Emerging Market funds, with iShares Emerging Markets Equity Index and Artemis SmartGARP Global Emerging Market Equity, returning 12.9% and 14.4% respectively. The Vanguard FTSE UK All Share Index fund 'only' returned 6.9%, but its significant weight made it one of the top four contributors.

Three funds had a negative performance. Chelverton UK Equity Income -2.6%, due to the underperformance of smaller companies over the quarter, which followed a very strong second quarter and CT Property Growth and Income, -3%, which reacted negatively to rising bond yields. The sell-off in longer dated bonds impacted Vanguard UK Government Bond Index, -0.8%, but not so much shorter dated debt, with Royal London Short Duration Gilts returning 0.4%.

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