

# copia:capital

## Quarterly Performance Update

31 Dec 2025

For advisers only



**Market performance**  
**Market Positioning**  
**Risk barometer**  
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## Market performance Q4 2025

Equity markets finished the year on a strong note with most regions delivering double digit returns over the period and hitting all-time highs. This was achieved despite several potential headwinds including Trump's tariff hikes, growing concerns about technology valuations as well as recent concerns of a potential Chinese slowdown.

Looking at the quarter, the UK led markets returning 6.8% bolstered by strong corporate earnings and the hope for further rate cuts. Europe was also a strong performer (+6.4%) and finished the year as the best performing region on the back of increased stimulus spending and improving economic growth. Emerging Markets also fared well over the quarter (4.5%) and over the year. Emerging countries benefitted from strong growth prospects and a weakening dollar. Over the quarter, Latin America was the best performing region benefitting from commodity producers (gold and copper) while Chinese stocks fell over concerns of a potential slowdown and further weakness in the Chinese property market.

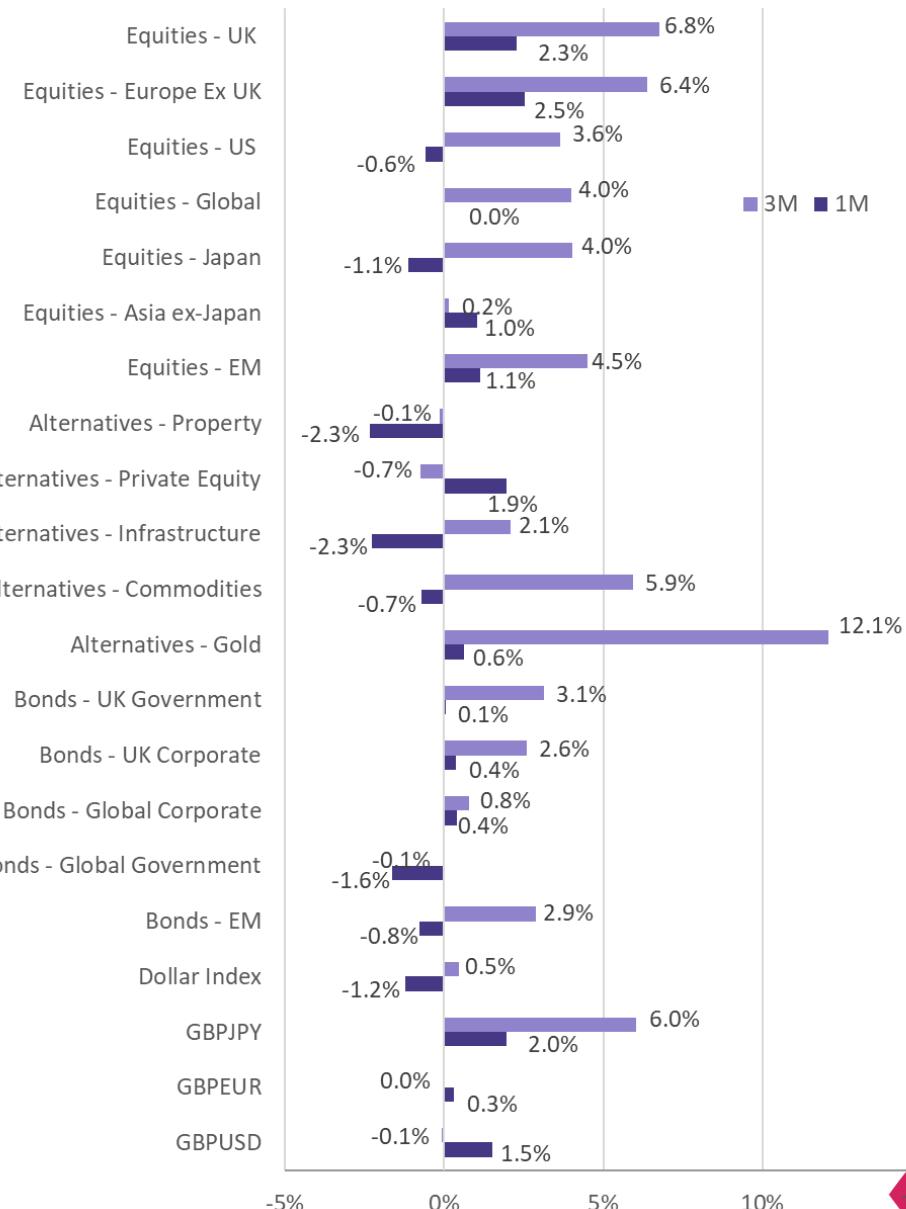
The US equity market returned a 3.6% over the quarter and just under 10% for the year. 2025 was an outlier year where other major regions significantly outperformed the US equity market in Sterling terms. This was largely attributed to dollar weakness as the dollar experienced its largest annual decline since 2009. Artificial Intelligence (AI) has been a dominant theme in the US driving most of the gains over the year however corporate profits have broadly outperformed expectations and GDP growth remains quite strong compared to developed market counterparts.

Though returns across bond markets were subdued relative to the equity markets they were still positive providing a good ballast to portfolios. Government bonds (Gilts and US Treasuries) both generated gains on the view that the BOE and FED are likely to cut rates into the New Year. Credit strategies also posted gains as corporate profits and balance sheets remain robust.

Within alternatives, infrastructure and real estate performed reasonably well over the year providing mid to high single digit returns. Precious metals had a particularly strong run in 2025 with physical gold prices rallying over 50% in 2025. This was based on several factors including investors seeking a safe haven amid geopolitical uncertainty as well as Central Bank purchases as part of a broader diversification strategy.

As noted, 2025 was an exceptionally strong year for risk assets and regional diversification was much more beneficial than we have seen in recent years. Also, maintaining exposure to high quality, low duration credit managers has helped deliver consistent and less volatile returns streams through the year. Whilst these continue to be attractive themes, we are always on the lookout for new investment opportunities that may arise.

## Market Performance



Source: Refinitiv Datastream, Copia Capital Management. All numbers expressed in GBP

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- US economic data has been mixed. On a positive note, GDP has been revised higher largely driven by AI investment spending while corporate earnings have largely exceeded expectations.
- Tariff fears appear to be abating with deals in place with EU/Japan and in principle with China, which has helped reduce fears of an escalating trade war.
- Central banks in the UK, Europe and Australia have cut interest rates as inflation has descended towards target levels. Further cuts are expected however this could be hampered by the prospect of increased global tariffs.
- Infrastructure spending increases have been thrust into the limelight in Europe and UK, while the recent NATO conference has emphasised the requirement for Europe to increase their Defence spend.
- Within the UK and Japan, we continue to see positive signs – M&A, share buybacks and dividends helping both markets. While we continue to see positive corporate change in Japan. Both equity regions look attractive from a valuation perspective, with notable interest in the mid and small cap parts of the market.
- Asian and Emerging Markets are likely to benefit from recent trade deals between the US and China and a softer US dollar.
- Recent developments in Venezuela with the capture of President Maduro by US forces hasn't had any major economic impact (so far) however does create more geopolitical uncertainty

**Consequently:**

- Risk barometer has improved to green, signalling a positive outlook.
- Preference for value and quality versus growth.
- Regional diversification is proving to be key in the current environment, where US exceptionalism is being questioned.
- Within fixed income – tilted towards short dated investment grade bonds, with some government bond duration exposure in the US and UK.

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**+0.45**

As of 30-Sep-2025

**+0.72**

As of 31-Dec-2025



Based on our proprietary Prediction Algorithm the Copia Risk Barometer is reading +0.72 as of 31-Dec-2025, a change of +0.27 from last quarter, staying in the green zone, indicating that the global economic outlook is positive.

#### Primary drivers for the Risk Barometer:

- **Government bond markets:** Major global yield curves have transitioned to a more normal yield curve environment, a positive sign for the Risk Barometer, a result of falling yields at the short end of the curve and rising yields at longer maturities.
- **Equity market pricing:** An improvement in momentum in equity markets and a decrease in volatility has led to improved contributions towards the Risk Barometer score.
- **Credit Spreads:** Credit spreads widened modestly in recent months although remain relatively low, indicating corporate bond investors are not pricing in a systemic default of the bonds despite an increased possibility of recession.
- **Overall:** Risk barometer has remained in the green zone, signalling a positive outlook.

Note: The Risk Barometer score varies between -1.0 and +1.0. A score of -1.0 indicates an extremely poor economic outlook, which is accompanied by a high probability of negative returns in risky asset classes. A score of 0 indicates a neutral economic outlook with almost equal probability of positive and negative returns in risky asset classes. A score of +1.0 indicates an extremely positive economic outlook, which is accompanied by a high probability of positive returns in risky asset classes.

## Risk Barometer history

- The top chart shows the market performance (best and worst returns) during different Risk Barometer regimes.
- The bottom chart shows how the Risk Barometer has moved between different regimes and the triggers for regime changes.
- The Risk Barometer is a forward-looking quantitative model that provides a systematic rules-based approach for dynamic risk management.

Note: The Risk Barometer score varies between -1.0 and +1.0.

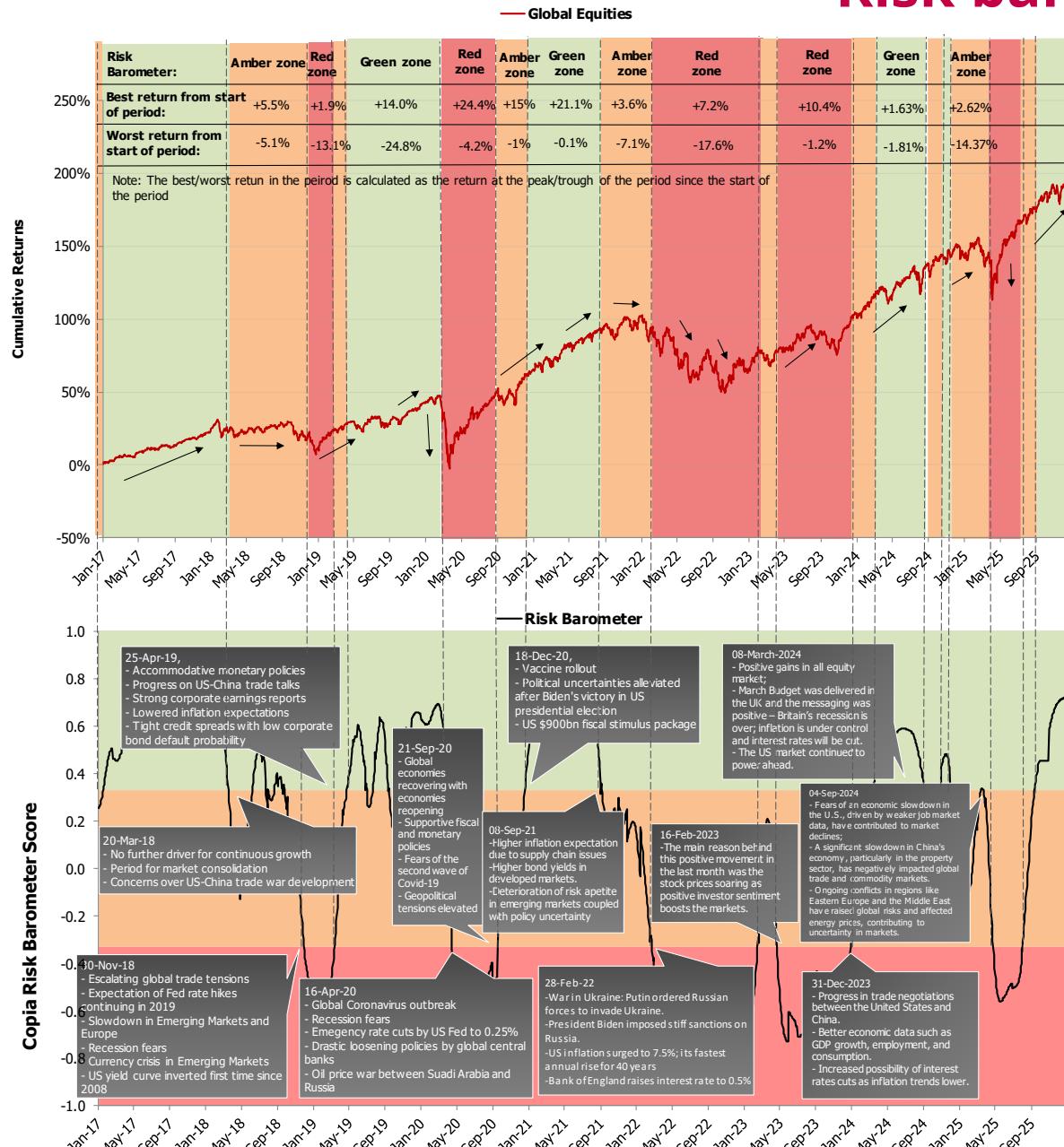
A score of -1.0 indicates an extremely poor economic outlook, which is accompanied by a high probability of negative returns in risky asset classes.

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A score of +1.0 indicates an extremely positive economic outlook, which is accompanied by a high probability of positive returns in risky asset classes.

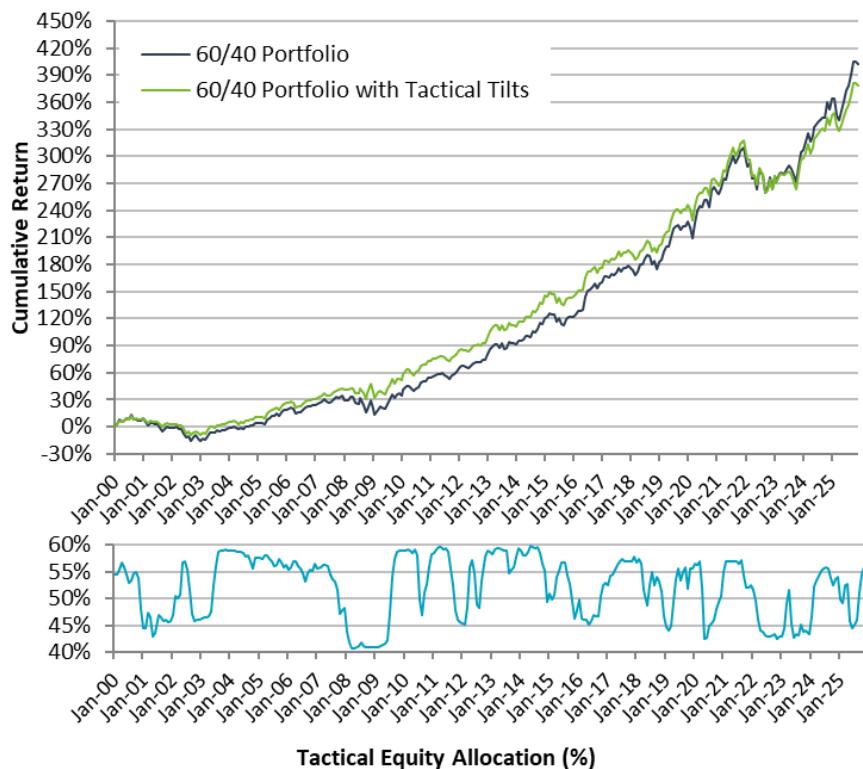
Source: Copia Capital Management, Refinitiv Datastream.

Global Equities Returns is based on actual data of MSCI World Index for the period between 31-Dec-2016 and 31-Dec-2025.

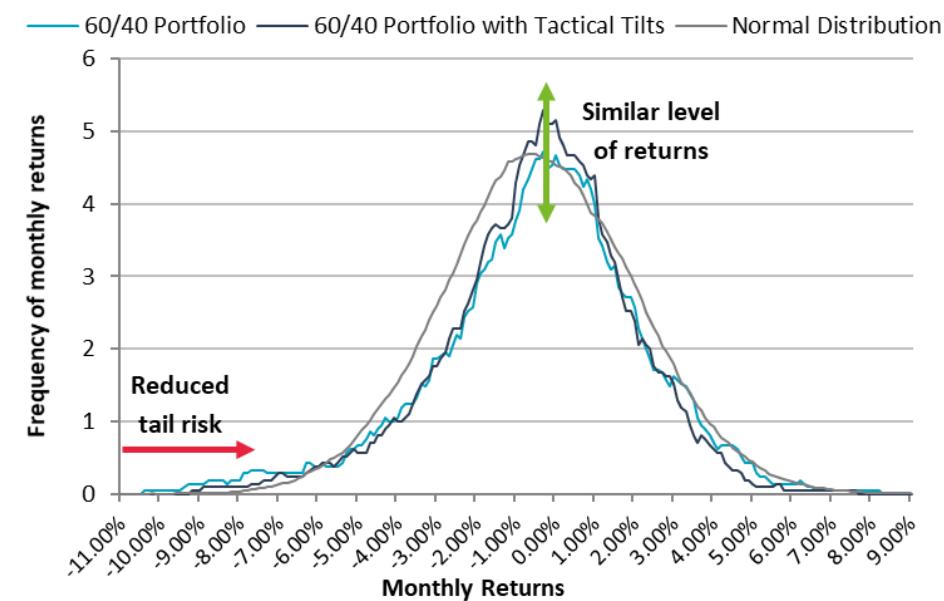


## Impact of dynamic risk management using the Risk Barometer

- Objective is to achieve similar levels of returns, with a narrower dispersion of returns (reduced tail risk)
- Can enhanced risk-adjusted returns
- Can deliver a smoother investment journey whilst mitigating downside risk
- We evaluate impact using a theoretical 60/40 portfolio with and without the Risk Barometer



	Annualised Return	Annualised Volatility	Sharpe Ratio	Maximum Drawdown
60/40 Portfolio	6.42%	8.27%	0.78	-25.40%
60/40 Portfolio with Tactical Tilts	6.22%	7.27%	0.86	-19.13%
Impact	→ -0.20%	↓ -12.19%	↑ 10.39%	↓ -24.68%



Note: 60/40 Portfolio consists of 60% allocation to MSCI World Index and 40% allocation US 10-year Bond Index rebalanced monthly. Figures are based on historic actual figures in GBP terms for the period 31-Jan-2000 and 31-Dec-2025. All return figures are before fees.

The 60/40 Portfolio with Tactical Tilts consists of dynamic allocation to MSCI World Index within a range of 40% to 60% driven by the Risk Barometer. The portfolio is rebalanced monthly and remaining allocation is to US 10-year Bond Index.

Source: Copia Capital Management, Refinitiv Datastream

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# Select Acc. and Select ESG performance table

Select Accumulation	Discrete											
	3 M	6 M	1 Yr	3 Yr	Since Inception (31-Oct-2016)	Since Inception (31-Oct-2016) (Annualized)	1 Yr Volatility	31-Dec-20 to 31- Dec-21	31-Dec-21 to 31- Dec-22	31-Dec-22 to 31- Dec-23	31-Dec-23 to 31- Dec-24	31-Dec-24 to 31- Dec-25
<b>Cautious</b>	2.51%	5.43%	8.67%	21.71%	39.11%	3.66%	3.90%	2.03%	-5.19%	6.13%	5.53%	8.67%
<b>Moderate</b>	2.85%	6.93%	10.50%	24.51%	56.90%	5.03%	5.00%	6.02%	-5.87%	5.42%	6.88%	10.50%
<b>Balanced</b>	3.40%	9.17%	12.80%	31.25%	79.06%	6.56%	7.03%	10.25%	-5.83%	7.08%	8.66%	12.80%
<b>Growth</b>	4.02%	11.53%	15.06%	39.12%	98.29%	7.75%	9.30%	13.73%	-6.73%	8.68%	11.25%	15.06%
<b>Equity</b>	4.30%	12.27%	16.17%	40.51%	109.39%	8.39%	9.83%	15.84%	-6.32%	8.52%	11.46%	16.17%
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates												

Select ESG	Discrete											
	3 M	6 M	1 Yr	3 Yr	Since Inception (31-Mar-2020)	Since Inception (31-Mar-2020) (Annualized)	1 Yr Volatility	31-Dec-20 to 31- Dec-21	31-Dec-21 to 31- Dec-22	31-Dec-22 to 31- Dec-23	31-Dec-23 to 31- Dec-24	31-Dec-24 to 31- Dec-25
<b>Cautious</b>	1.78%	3.19%	8.00%	18.82%	22.35%	3.57%	2.98%	1.93%	-7.34%	6.76%	3.05%	8.00%
<b>Moderate</b>	1.80%	3.37%	8.41%	17.88%	31.44%	4.86%	3.86%	6.44%	-9.05%	6.07%	2.51%	8.41%
<b>Balanced</b>	1.72%	4.19%	9.08%	20.74%	47.26%	6.95%	5.31%	10.44%	-9.74%	7.14%	3.31%	9.08%
<b>Growth</b>	1.69%	5.16%	9.76%	24.14%	58.80%	8.37%	7.18%	14.05%	-10.94%	8.73%	4.03%	9.76%
<b>Equity</b>	1.46%	5.32%	9.86%	23.91%	64.42%	9.02%	7.90%	16.26%	-11.05%	8.26%	4.19%	9.86%
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates												

# Select Retirement Income and Retirement Income Plus performance table

Select Retirement Income	3 M	6 M	1 Yr	3 Yr	Since Inception	Since Inception	1 Yr Volatility	Discrete				
					(28-Feb-2023)	(Annualized)		31-Dec-20 to 31-Dec-21	31-Dec-21 to 31-Dec-22	31-Dec-22 to 31-Dec-23	31-Dec-23 to 31-Dec-24	31-Dec-24 to 31-Dec-25
Risk Profile 1	2.28%	4.68%	6.75%	#N/A	19.98%	6.62%	3.20%	#N/A	#N/A	#N/A	6.69%	6.75%
Risk Profile 2	2.78%	6.57%	7.99%	#N/A	24.34%	7.97%	4.95%	#N/A	#N/A	#N/A	9.36%	7.99%
Risk Profile 3	3.23%	7.53%	10.49%	#N/A	27.73%	9.00%	5.85%	#N/A	#N/A	#N/A	9.47%	10.49%
Risk Profile 4	3.94%	9.82%	12.82%	#N/A	32.50%	10.41%	7.77%	#N/A	#N/A	#N/A	10.53%	12.82%
Risk Profile 5	4.63%	12.06%	15.26%	#N/A	35.90%	11.40%	9.53%	#N/A	#N/A	#N/A	10.50%	15.26%
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates												

Retirement Income Plus	3 M	6 M	1 Yr	3 Yr	Since Inception	Since Inception	1 Yr Volatility	Discrete				
					(28-Feb-2023)	(Annualized)		31-Dec-20 to 31-Dec-21	31-Dec-21 to 31-Dec-22	31-Dec-22 to 31-Dec-23	31-Dec-23 to 31-Dec-24	31-Dec-24 to 31-Dec-25
SLI Risk Profile 1	2.48%	5.23%	7.04%	#N/A	21.37%	7.05%	3.94%	#N/A	#N/A	#N/A	7.65%	7.04%
SLI Risk Profile 2	2.88%	7.09%	8.24%	#N/A	26.15%	8.52%	5.65%	#N/A	#N/A	#N/A	10.55%	8.24%
SLI Risk Profile 3	3.37%	8.02%	10.96%	#N/A	29.32%	9.47%	6.41%	#N/A	#N/A	#N/A	10.14%	10.96%
SLI Risk Profile 4	3.94%	9.97%	12.84%	#N/A	32.98%	10.55%	8.04%	#N/A	#N/A	#N/A	10.78%	12.84%
SLI Risk Profile 5	4.65%	12.11%	15.78%	#N/A	36.92%	11.69%	9.82%	#N/A	#N/A	#N/A	10.77%	15.78%
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates												

# Select Blended, Short Duration Bond and Select Money Market performance table

Select Blended	Discrete											
	3 M	6 M	1 Yr	3 Yr	Since Inception (30-Sep-21) (Annualized)	1 Yr Volatility	31-Dec-20 to 31-Dec-21	31-Dec-21 to 31-Dec-22	31-Dec-22 to 31-Dec-23	31-Dec-23 to 31-Dec-24	31-Dec-24 to 31-Dec-25	
<b>Cautious</b>	2.27%	5.42%	8.56%	20.61%	14.88%	-3.21%	3.60%	#N/A	#N/A	5.57%	5.24%	8.56%
<b>Moderate</b>	2.50%	6.84%	10.13%	22.98%	15.06%	-3.24%	4.60%	#N/A	#N/A	4.88%	6.47%	10.13%
<b>Balanced</b>	3.04%	9.04%	12.22%	28.02%	19.92%	-4.18%	6.59%	#N/A	#N/A	5.89%	7.73%	12.22%
<b>Growth</b>	3.25%	10.97%	13.99%	33.14%	23.94%	-4.92%	8.66%	#N/A	#N/A	6.54%	9.62%	13.99%
<b>Equity</b>	3.47%	11.68%	15.02%	34.88%	25.72%	-5.24%	9.29%	#N/A	#N/A	6.58%	10.03%	15.02%
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates												

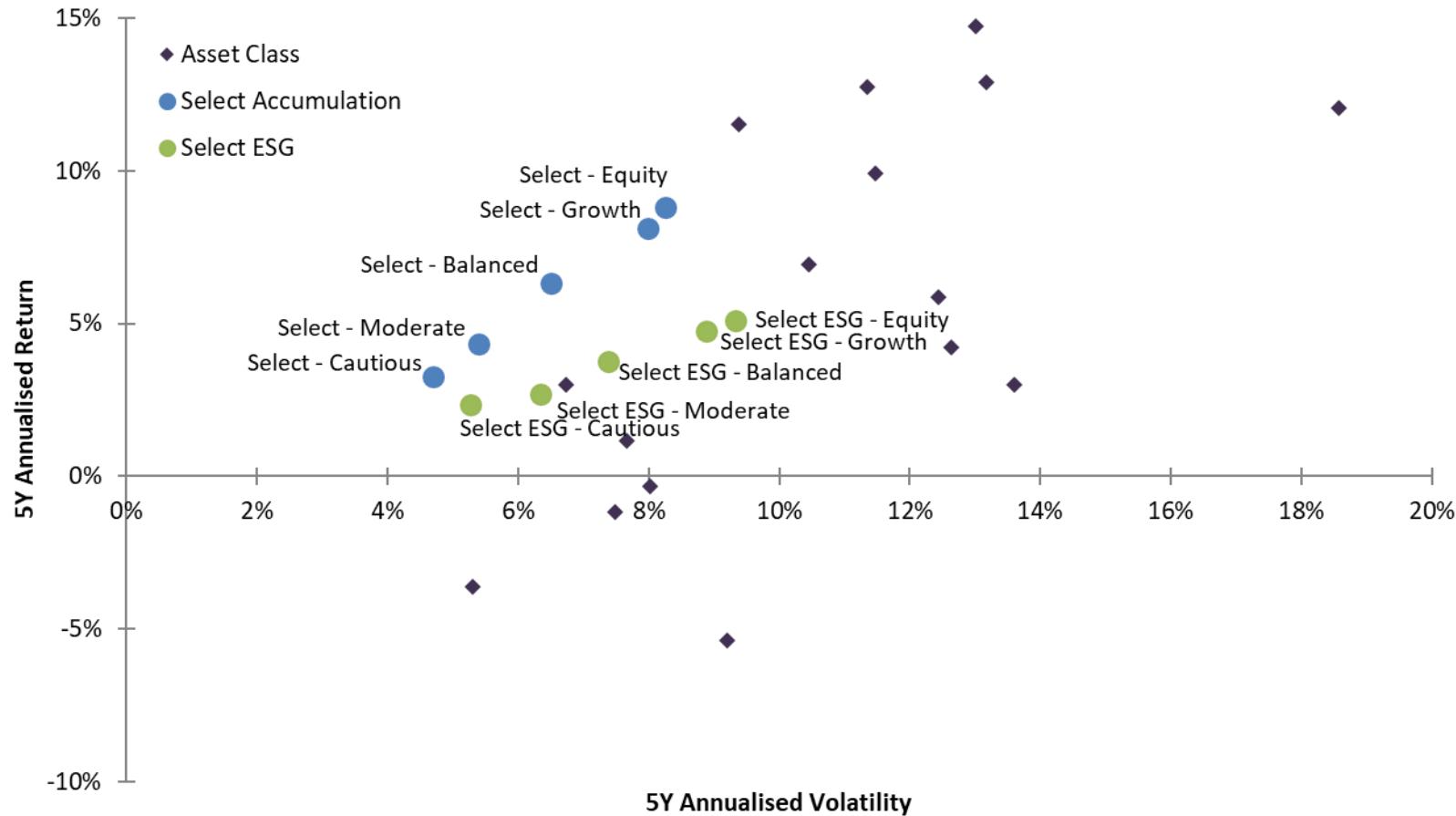
	Discrete											
	3 M	6 M	1 Yr	3 Yr	Since Inception (31 Oct 22) (Annualized)	1 Yr Volatility	31-Dec-20 to 31-Dec-21	31-Dec-21 to 31-Dec-22	31-Dec-22 to 31-Dec-23	31-Dec-23 to 31-Dec-24	31-Dec-24 to 31-Dec-25	
<b>Copia Short Duration Bond Portfolio</b>	1.60%	3.08%	6.47%	20.56%	22.56%	6.63%	0.74%	#N/A	#N/A	#N/A	5.57%	6.47%
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates												

Select Money Market	Discrete											
	3 M	6 M	1 Yr	3 Yr	Since Inception (24-Jan-24) (Annualized)	1 Yr Volatility	31-Dec-20 to 31-Dec-21	31-Dec-21 to 31-Dec-22	31-Dec-22 to 31-Dec-23	31-Dec-23 to 31-Dec-24	31-Dec-24 to 31-Dec-25	
<b>Select Money Market</b>	1.01%	2.05%	4.30%	#N/A	9.28%	-4.47%	0.09%	#N/A	#N/A	#N/A	#N/A	4.30%
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates												

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Outcome (risk-return) analysis as of 31 December 2025



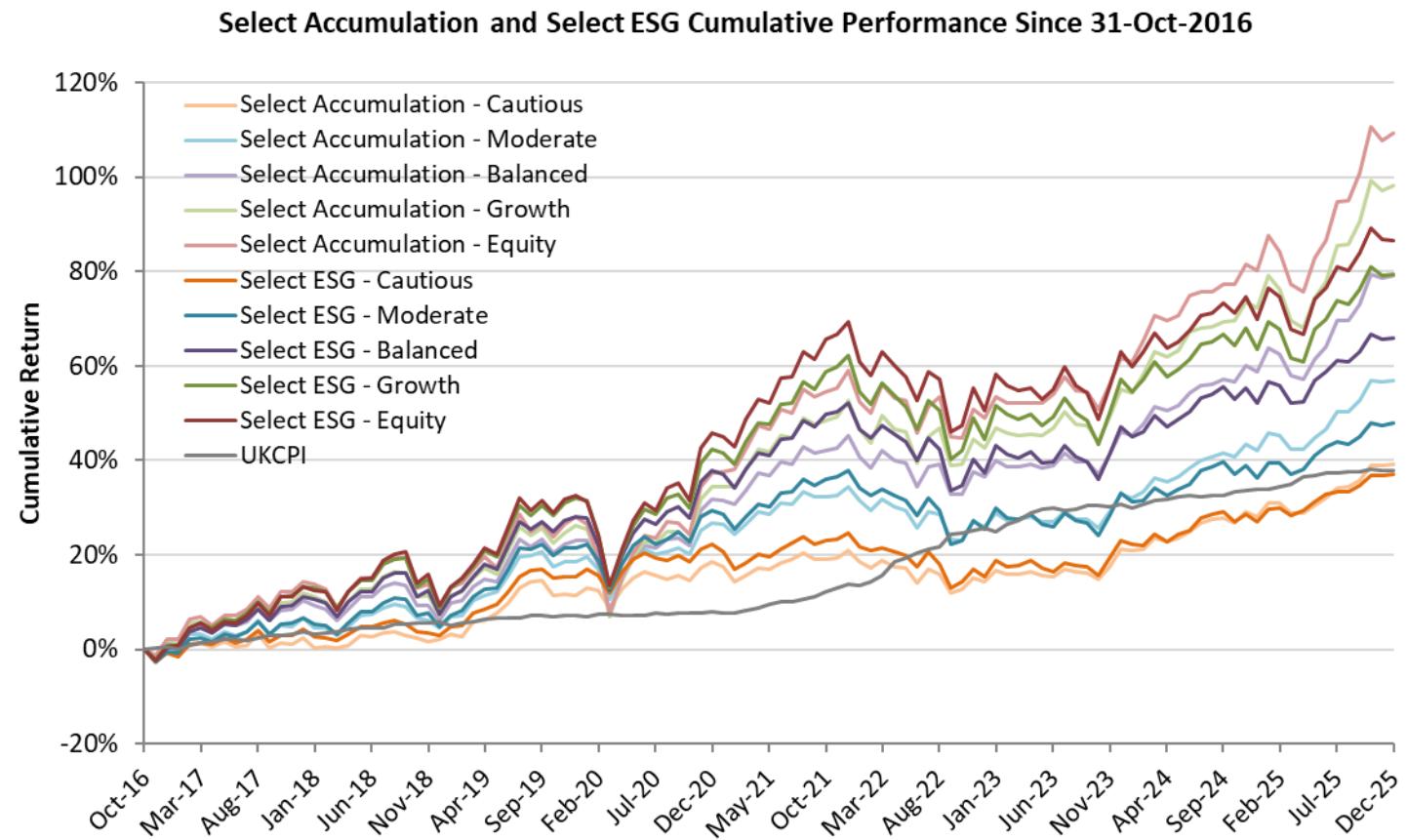
Our 'Select Accumulation' portfolio was previously known as 'Select'.

For illustration only.

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates. Past performance is not indicative of future performance.

The annualised risk and return figures are calculated based on a historic 5-year period as of 31-Dec-2025.

Outcome (cumulative return) analysis as of 31 Dec 2025



Our 'Select Accumulation' portfolio was previously known as 'Select'.

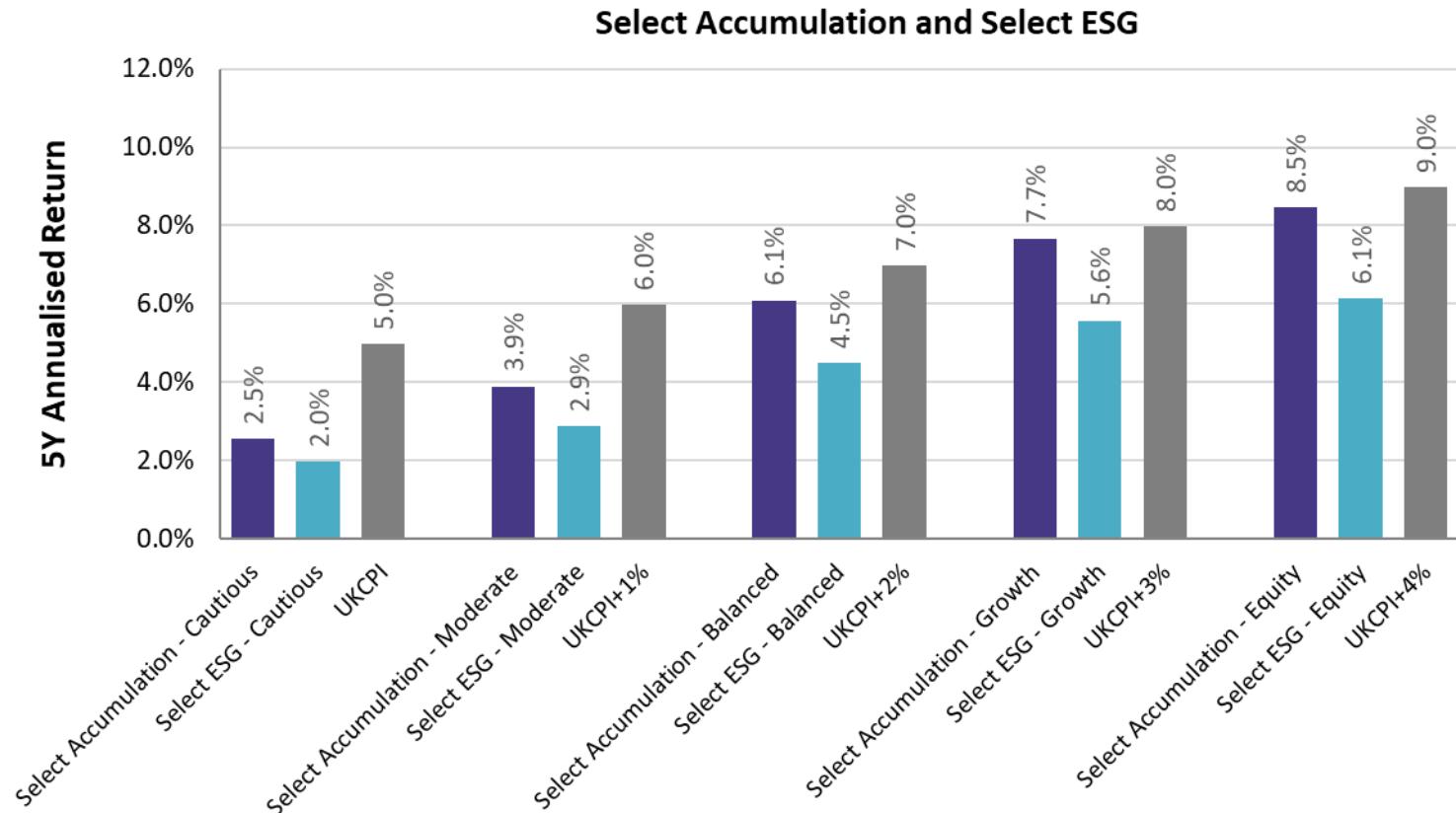
For illustration only.

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates.

Available CPI data has been used as a comparator for real returns. CPI data for Dec-2025 is currently unavailable and not shown. Past performance is not indicative of future performance.

The cumulative returns are calculated based on the period from the inception date of the Select Accumulation portfolios (31-Oct-2016). The performance figures for Select ESG portfolios include simulated data before the inception date of the Select ESG portfolios (31-Mar-2020).

Outcome (annualised return) analysis as of 31 Dec 2025



Our 'Select Accumulation' portfolio was previously known as 'Select'.

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Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates.

Available CPI data has been used as a comparator for real returns. CPI data for Dec 2025 is currently unavailable and not shown. Past performance is not indicative of future performance.

**The annualised returns are calculated based on a historic 5-year period as of 31-Dec-2025.**

**The performance figures for Select ESG portfolios include simulated data before the inception date of the Select ESG portfolios (31-Mar-2020).**

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## Understanding the risks

- Investment model portfolios may not be suitable for everyone
- The value of funds can increase and decrease, past performance and historical data cannot guarantee future success
  - Investors may get back less than they originally invested

## Disclaimer

Some figures and numbers in this document are based on Copia's simulation data. Figures relating to simulated performance is not a reliable indicator of the future. Models are prepared in accordance with tolerance to risk and not client circumstances and information is from given sources and taken to be reliable and accurate, which Copia cannot warrant for accuracy or completeness.

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