



**FINANCE SHOP**  
Independent Financial Advisers

# ADVISORY PORTFOLIO MANAGEMENT QUARTERLY REVIEW SPRING 2025

## MARKET OVERVIEW - QUARTER ONE 2025

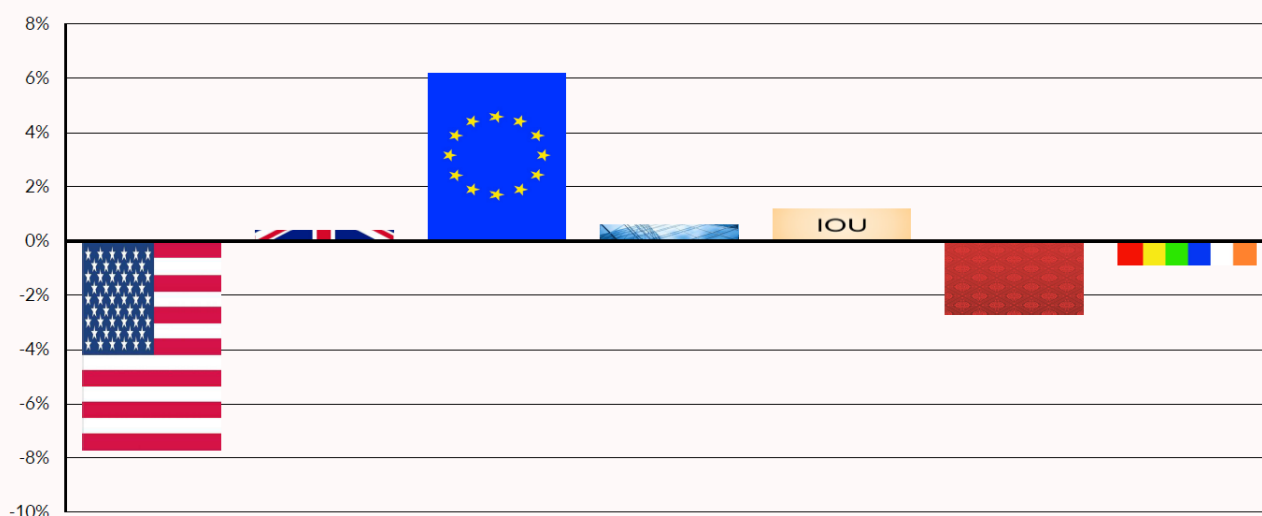
Global markets started the quarter on a solid footing, with strong economic data, falling inflation and an expectation that the US economy would continue to outperform, supported by the incoming Trump, led market friendly initiatives. As January turned to February however, cracks began to appear. Trump's rhetoric around tariffs began to escalate, with threats of much more punitive implementation even impacting Canada and Mexico, two of its biggest trading partners. This was replicated across numerous other nations, with a game of threat and counter threat ensuing, often seeing a change in direction overnight.

In tandem, the Chinese start up company DeepSeek announced it had created an Artificial Intelligence (AI) model to rival ChatGPT at a fraction of the cost, and this brought into question the enormous spending the large technology companies are applying to AI. The US stock market has been sucking in a disproportionate amount of investors capital, peaking at nearly 70% of the global market, and within this the top seven companies (or so called magnificent seven) accounted for nearly a third of this number. These companies, driven up by AI excitement, have looked vulnerable for some time and suffered a tough quarter as questions mounted about their ability to justify very high valuations.

Outside the US however, the picture was rosier, with much of the rest of the world outperforming US markets, and at the vanguard was Europe. Changes in the relationship with the US prompted the EU to announce a major defence spending programme, whilst Germany announced an additional huge package of infrastructure investment. A closer relationship with the EU also helped UK markets to outperform.

As we move into the second quarter, two events are likely to dictate the direction of markets. Firstly, comes Donald Trump's so called "Liberation Day" when he announces his framework of tariffs, where a more aggressive stance will lead to a leg down, whilst a more measured approach could see a relief rally. The second event will be corporate earnings numbers, and perhaps more importantly how businesses are seeing the outlook, and this will ultimately determine the medium-term outcome.

### KEY MARKET PERFORMANCE - QUARTER ONE 2025



Powered by Data from FE - 01/01/2025 to 31/03/2025

IA North America (-7.7%)

IA UK All Companies (0.4%)

IA Europe excluding UK (6.2%)

ABI UK Direct Property (0.6%)

IA Sterling Bond (1.2%)

IA Asia excluding Japan (-2.7%)

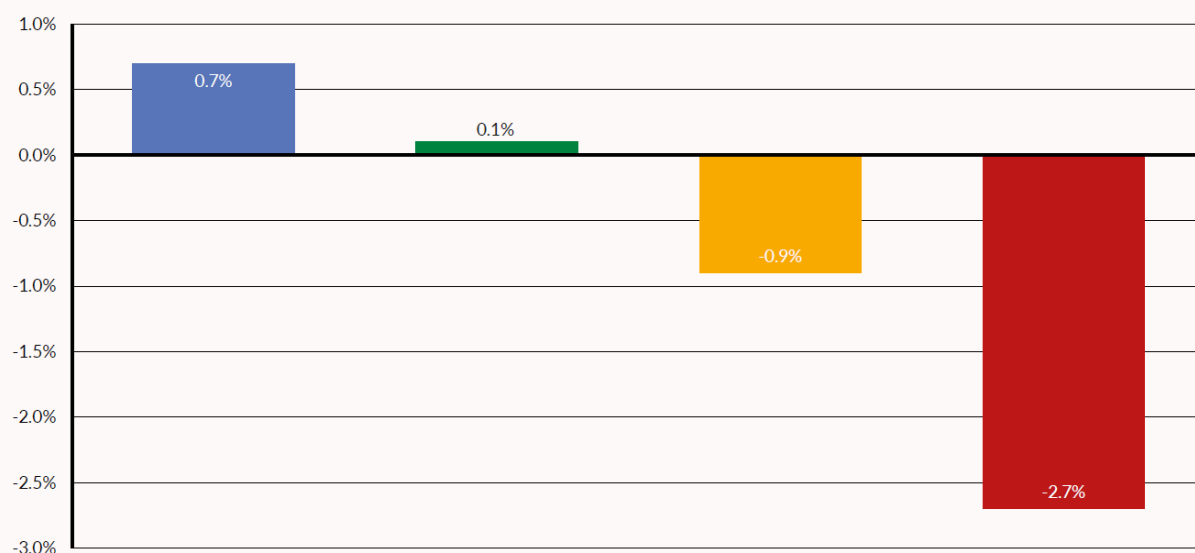
IA Global Emerging Markets (-0.9%)

## APM PORTFOLIOS – QUARTER ONE 2025 PERFORMANCE

The graphs below show how the APM portfolios within the four Finance Shop risk categories have behaved over the last three months. The first graph shows the total return for the quarter whereas the second graph illustrates the “month by month” performance. The performance figures are aggregated so, for example, the green bar is made up of all the APM Multi-Asset Balanced portfolios across all product types.

If you require specific performance figures for your plan, please contact your adviser.

### CUMULATIVE PERFORMANCE - QUARTER ONE 2025

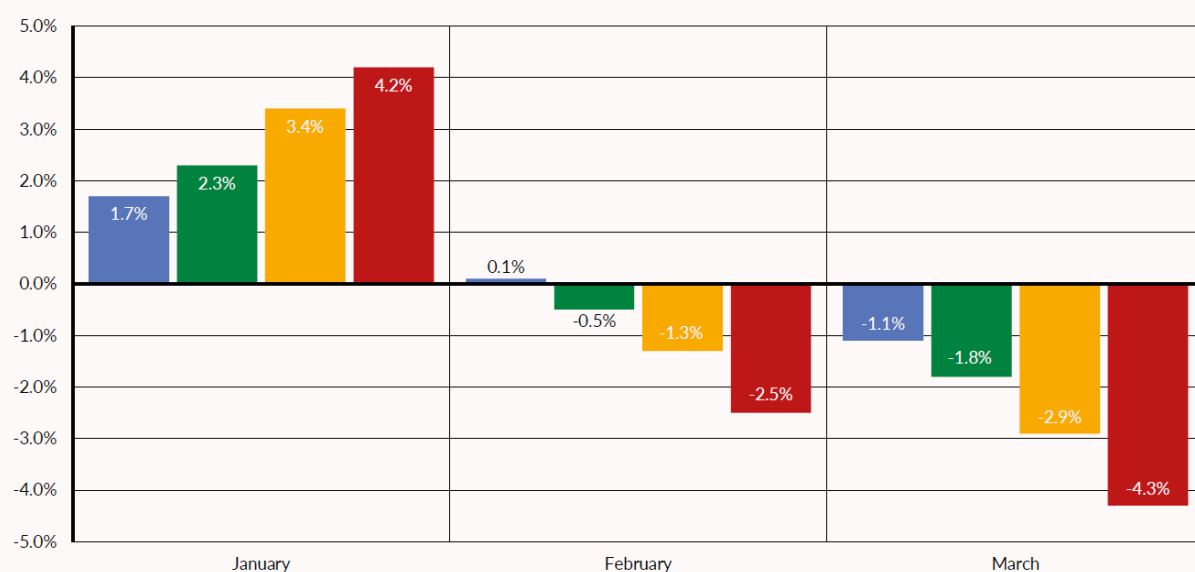


Aggregate FSWM Portfolios:

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■ Multi-Asset Cautious ■ Multi-Asset Balanced ■ Multi-Asset Strategic ■ Global Opportunities

### DISCRETE PERFORMANCE - QUARTER ONE 2025



Aggregate FSWM Portfolios:

Powered by Data from FE - 01/2025 to 03/2025

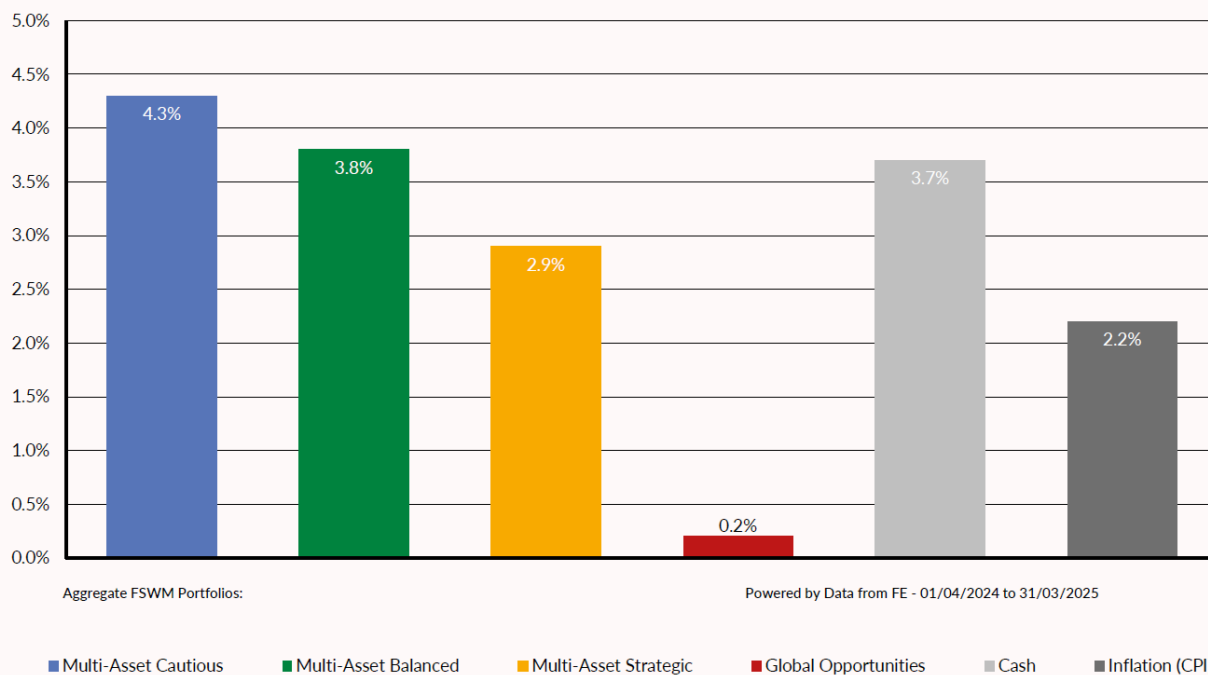
■ Multi-Asset Cautious ■ Multi-Asset Balanced ■ Multi-Asset Strategic ■ Global Opportunities

## APM PORTFOLIOS – LONGER TERM PERFORMANCE

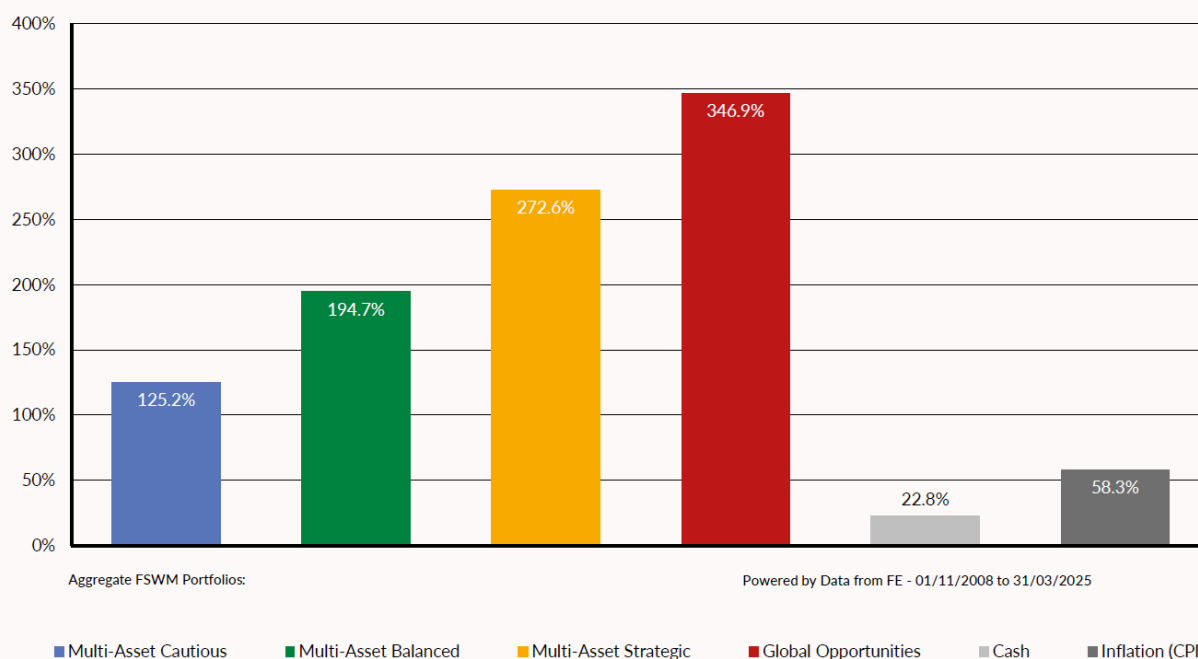
The first graph below shows how the APM portfolios have performed over 12 months. For comparison, the returns of cash (MoneyFacts 90 days' notice 10K) and inflation (UK Consumer Price Index) are also shown. The second graph illustrates how the portfolios have performed since launch (1st November 2008).

As with the graphs on the previous page, the figures for each category are aggregated.

### LONGER TERM PERFORMANCE - 1 YEAR



### LONGER TERM PERFORMANCE - FROM LAUNCH



## PERFORMANCE REVIEW

We have for some months been nervous about valuations on US stocks, focused around some of the technology and consumer discretionary names, and this proved a difficult period for these sectors. Our underweight position in the US helped relative performance over the quarter, allowing the Cautious and Balanced portfolios to hang on to positive returns, and whilst this also aided the more adventurous portfolios, it could not prevent them from finishing the quarter underwater.

## APM FUND REVIEW POLICY

A key part of the APM service is to monitor the underlying performance of each fund within the portfolios for both risk and return. We have selected quality funds with strong track records and therefore do not envisage a high turnover of holdings.

However, there will be occasions when the performance of an individual fund will lead to its expulsion from the portfolio(s). There are several factors that determine this decision, for example consistent under-performance, change of management team etc. It is also important, however, to have patience with a fund that is just suffering short-term under-performance.

We operate a “traffic light” system and will move a fund from a “green” to “amber” rating if the fund requires closer scrutiny at the next review. If a fund shows sufficient improvement, it will move back to “green”.

If the fund consistently under-performs without good reason its status will change to “red” and the fund will be removed from the portfolio(s). A replacement fund will be selected and all clients holding the fund within their portfolio will be notified. Upon receipt of their authority, the client’s funds will be switched accordingly.

## RESULTS OF FUND & ASSET ALLOCATION REVIEW

The Investment Committee meets on a quarterly basis and one of its primary functions is to review our existing fund range.

Within this meeting we scrutinise any funds which we feel are performing significantly differently to their peer group or benchmark, with a number then run against our internal performance and risk measurements.

The funds under review are as follows:

- Atlantic House Balanced Return Fund
- Blackrock European Dynamic
- Fidelity Strategic Bond
- Gravis UK Infrastructure Income Fund
- JP Morgan Emerging Markets Equity Fund
- Jupiter European Fund
- Liontrust Special Situations Fund
- Matthews Asia Discovery Fund
- Premier Miton UK Value Opportunities
- Regnan Global Impact Solutions Fund
- VT De Lisle America

## IMPORTANT INFORMATION

This report has been issued by the Investment Committee of the Finance Shop Wealth Management team using data provided by Financial Express. Care has been taken to ensure that the information is correct but Financial Express and Finance Shop neither warrants, represents nor guarantees the contents of the information, nor does Financial Express or Finance Shop accept any responsibility for errors, inaccuracies, omissions, or any inconsistencies herein.

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Currency fluctuations can also affect fund values. The above report does not constitute advice and you should speak to your Independent Financial Adviser before you make any alterations to investments or pension plans.

The instruments recorded above are weighted model portfolios created using Financial Express Analytics. Performance figures shown are based on the weighted models and may differ from the actual returns achieved by investors. Performance figures shown are based on bid-to-bid gross returns and do not include plan, contract, or ongoing adviser charges / commission. Please refer to your policy documentation for further details.

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