



LEVANTINE & Co
INVESTMENT PARTNERS

Institutional outlook

MARKET UPDATE & INVESTMENT REPORT

OCTOBER 2025



INVESTMENT SOLUTIONS *made for you*



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Market update

October 2025

The third quarter of 2025 extended the rally that began earlier in the year, lifting global markets to fresh highs amid renewed optimism surrounding technology, central bank pivots, and easing trade pressures. Yet beneath the surface of strong performance, several emerging tensions and crosscurrents continued to shape the investment landscape.

The Federal Reserve's long-awaited rate cut in September boosted sentiment and marked the start of monetary easing. Combined with a softer U.S. dollar, the shift provided a strong tailwind for risk assets and lifted returns in non-U.S. and emerging markets.

Still, not all signals pointed in the same direction. While overall growth held firm, some indicators suggested that the economy may be starting to lose momentum. Labour market data softened modestly, wage growth cooled, and consumer spending showed signs of fatigue. These developments underscored that the path to a sustained recovery is unlikely to be smooth, even as markets continued to discount the possibility of a deeper slowdown.

In the months ahead, inflation dynamics, interest rate policy, and geopolitical developments will remain critical signposts. A reacceleration in price pressures could force policymakers to recalibrate, while persistent economic softness might prompt additional easing. Meanwhile, evolving trade relations, particularly between major economies, continue to carry the potential to inject bouts of volatility into an otherwise constructive environment.

Asset allocation overview

Asset allocation is the primary driver of both investment performance and portfolio risk. We look at all asset classes globally to build diversified portfolios that span equities, fixed-income and alternative investments, so as to provide exposure to a broad range of asset classes that can be weighted according to their expectations of risk and reward.

EQUITY

We continue to maintain a disciplined, globally diversified equity allocation, but with a strategic allocation toward quality and defensive sectors, such as healthcare, consumer staples, and dividend-paying companies with strong balance sheets.

While volatility may persist in the near term, we believe that select opportunities, particularly in undervalued international markets offer attractive entry points for long-term investors.

FIXED INCOME

Fixed income assets provide stability through consistent interest payments and typically lower volatility compared to equities. This allocation helps to dampen overall portfolio risk, especially during periods of equity market uncertainty, while contributing to steady returns. In the current economic environment bond markets rallied as yields declined, credit spreads tightened, and investors priced in a more accommodative policy outlook.

Asset allocation overview

Within our fixed income allocation, we are increasing exposure to corporate bonds and UK Gilts.

ALTERNATIVES

We maintain a modest allocation to alternative assets, including global property and gold. Recently, we reduced our exposure to global property while remaining neutral on gold.

Gold continues to be a valuable investment due to its role as an inflation hedge, safe-haven during market volatility, and effective portfolio diversifier, supported by strong global demand and low correlation to traditional assets.

CASH

We currently maintain a strategic cash position to enhance portfolio flexibility, allowing us to respond swiftly to market opportunities or reallocate during periods of heightened volatility.

Additionally, holding cash serves as a short-term risk management tool, providing stability and liquidity without exposing the portfolio to undue market risk. This allocation supports overall risk control while ensuring we remain well-positioned to deploy capital effectively as conditions evolve.

Geographic equity exposure



U.S.

The U.S. remains well positioned thanks to structural productivity gains and leadership in AI-driven innovation. Strong demand for technology and data infrastructure continued to support earnings in Q3, reinforcing its role as a global growth engine. However, stretched valuations and rising labour costs may limit near-term upside, while a softer dollar and lingering trade uncertainties could weigh on margins. Selectivity remains key as investors balance the U.S.'s innovation strength against tighter profit conditions.



U.K.

The U.K. maintained its appeal as an investment destination in Q3, with steady economic performance despite lingering global headwinds. Easing inflation and improving consumer sentiment supported modest growth, while expectations of Bank of England rate cuts helped lift market confidence. Business investment picked up, aided by targeted fiscal measures and ongoing infrastructure initiatives aimed at revitalising productivity. Though structural challenges remain, the U.K.'s stabilising inflation backdrop and policy momentum continue to underpin a constructive medium-term outlook.



China

China's economic momentum improved in Q3 as targeted policy easing and fiscal support boosted confidence in the private sector. Stabilising industrial activity and resilient consumer spending signalled that growth is gradually firming. While structural challenges persist, valuations remain compelling, and renewed policy commitment to innovation and domestic demand continues to support a cautiously optimistic outlook.

Geographic equity exposure



Eurozone

The Eurozone continued to show steady improvement in Q3 as inflation moderated and consumer confidence recovered. Easing energy costs and signs of renewed industrial activity supported a gradual rebound in growth. Equity valuations remain attractive relative to global peers, while sectors tied to manufacturing, clean energy, and technology innovation offer selective opportunities. With the European Central Bank signalling a shift toward looser policy, the region's combination of improving fundamentals and appealing valuations supports a constructive, though measured, outlook.



Japan

Japanese equities remained resilient in Q3, supported by steady corporate reforms, strong earnings, and continued foreign investor interest. The Bank of Japan maintained its gradual policy normalisation, while a weaker yen enhanced export competitiveness and earnings momentum for large-cap firms. Combined with improving governance and shareholder returns, these dynamics continue to underpin Japan's constructive investment outlook.



Emerging Markets

Growth momentum in parts of Asia, the Middle East, and Latin America remained resilient, while valuations continued to offer attractive entry points. With policy support strengthening and diversification benefits intact, emerging markets remain well positioned for long-term capital appreciation and improved risk-adjusted returns.

Our portfolios

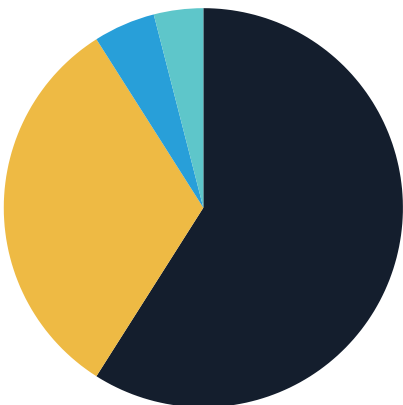
Levantine & Co Balanced Portfolio

MODERATE RISK PROFILE

Our Balanced Portfolio is designed for investors seeking long-term capital appreciation through a blend of capital growth and income. The portfolio typically allocates more than half in equities to target higher returns over time. While this approach may involve short-term volatility and fluctuations in value, the portfolio is actively managed, rather than benchmark-tracking, to capture opportunities and mitigate risks.

Diversification across asset classes and global markets underpins our risk management framework, aiming to deliver consistent growth while maintaining resilience through different market conditions

ASSET ALLOCATION



Equity	60%
Fixed Income	30%
Cash	5%
Alternatives	5%

Our portfolios

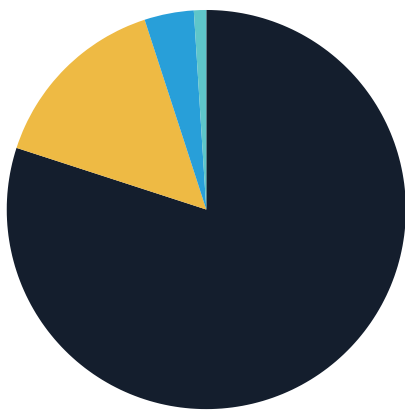
Levantine & Co Growth Portfolio

MODERATE TO HIGH RISK PROFILE

This portfolio is structured to generate higher long-term returns through a significant allocation to equities, with minimal exposure to fixed income, cash, and alternative asset classes. The high equity weighting is expected to enhance growth potential but may also increase overall volatility.

Its primary objective is long-term capital appreciation, achieved through both capital growth and income. Risk management is embedded through diversification across collective investments, asset classes, and geographies, while portfolio construction emphasises prudent fund selection and asset allocation to achieve the investment objective conservatively.

ASSET ALLOCATION



Equity 80%

Fixed Income 15%

Cash 4%

Alternatives 1%

Our portfolios

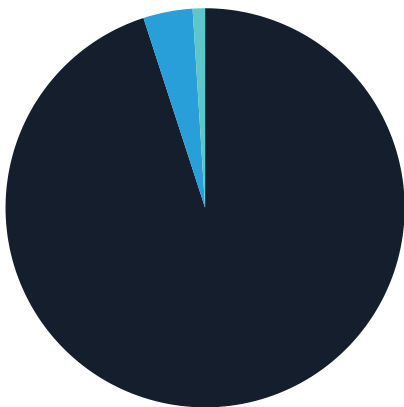
Levantine & Co Equity Portfolio

HIGH RISK PROFILE

The Equity Portfolio is positioned for long-term capital growth through a dominant allocation to equities, with 95% invested in global equity markets and only minimal exposure to other asset classes.

The absence of fixed income reflects the portfolio's growth-oriented strategy, prioritising equity opportunities across developed and liquid markets. While the high equity concentration increases sensitivity to market volatility, risk is managed through diversification across sectors and geographies. The small cash allocation serves as a safety net, providing flexibility to capture new investment opportunities as they arise. The portfolio is actively managed, with fund selection and asset allocation aimed at delivering sustainable capital appreciation over time.

ASSET ALLOCATION



Equity 95%

Fixed Income 0%

Cash 4%

Alternatives 1%



UNDER			NEUTRAL			OVER		
ASSET CLASS							Equities	
			Bonds					
	Cash				Alternatives			
EQUITIES							<... U.S.	
			U.K.					
							Eurozone	
			Japan					
	China ...>							
	Emerging Markets (ex China) ...>						Pacific (ex Japan)	
FIXED INCOME							Government Bonds	
			Investment Grade ...>					
			High Yield					
							Inflation Linked	
			Emerging Market Bonds					
ALTERNATIVES	Global Property							
			Gold					

Levantine & Co Portfolio Performance Report

30 September 2025



	Monthly Returns								
	1 Month	3 Month	YTD	1 Year	3 Years	5 Years	Cumulative		
GBP									
Levantine & Co Balanced Portfolio	1,74%	5,32%	7,35%	7,51%	25,48%	31,17%	143,72%		
Levantine & Co Growth Portfolio	1,63%	6,12%	7,08%	8,10%	26,12%	36,39%	175,91%		
Levantine & Co Equity Portfolio	2,43%	7,46%	7,93%	9,49%	28,86%	41,40%	219,50%		
USD									
Levantine & Co Balanced Portfolio	1,80%	4,76%	12,57%	8,55%	42,51%	42,39%	97,10%		
Levantine & Co Growth Portfolio	1,46%	4,56%	12,35%	8,09%	43,43%	45,53%	127,22%		
	Calendar Year Returns								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
GBP									
Levantine & Co Balanced Portfolio	7,42%	8,53%	-8,43%	9,16%	6,55%	10,98%	-4,68%	7,72%	24,21%
Levantine & Co Growth Portfolio	9,03%	9,20%	-9,22%	13,43%	8,43%	14,70%	-7,70%	8,94%	23,32%
Levantine & Co Equity Portfolio	10,63%	10,19%	-8,91%	15,28%	4,57%	14,33%	-8,11%	15,06%	19,50%
USD									
Levantine & Co Balanced Portfolio	7,46%	14,47%	-14,39%	9,33%	9,75%	15,58%	-7,24%	15,93%	N/A
Levantine & Co Growth Portfolio	8,88%	15,54%	-15,64%	13,61%	8,43%	20,74%	-10,19%	21,50%	N/A

Returns are generated using Morningstar Wealth Platform. Returns are presented net of underlying fund charges and net of Levantine & Co's management fees
Past performance is not necessarily a guide to future performance. Please discuss the content of this slide with your investment manager or professional adviser.

Our investment team

At Levantine & Co, our strength is our team, a group of dedicated professionals united by integrity, expertise, and a shared commitment to excellence. We bring seasoned experts together with global experience and fresh talent with new perspectives, creating a powerful balance of insight and innovation.

We pride ourselves on being approachable, adaptable, and genuinely invested in every client relationship. Above all, we believe in growth and not just financial growth for our clients, but personal and professional growth within our team and the communities we support.



Laurent Joly, CFA®

Managing Director & CIO



Brian Rushmere, CFA®

Senior Investment Manager



Demi Murray

Junior Investment Manager