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**CHARLES
STANLEY**▲
Wealth Managers



Passive Growth Models Q1 2026 Portfolio Update

What happened in markets over the quarter?

- **Geopolitical shock dominated March**, with US–Israeli strikes on Iran disrupting the Strait of Hormuz, driving oil prices sharply higher and triggering market volatility.
- **Regional equity performance diverged**: the FTSE 100 rose on energy and mining strength; Europe turned negative amid renewed LNG supply risks; Asia especially Japan, saw the sharp declines due to heavy reliance on Middle Eastern energy.
- **Global bond markets repriced aggressively**, with yields surging as investors reassessed inflation and central bank policy paths. UK gilts were hit hardest, with 10-year yields rising above 5%.
- **Rate expectations shifted materially**: markets now price UK rate hikes in 2026—though we believe the Bank of England is unlikely to tighten given domestic fragility—while US expectations have swung from cuts to renewed tightening risk.
- **Corporate earnings were broadly resilient**, with tech and communications outperforming, consumer sectors softening, and industrials noting volatile demand; guidance remained cautious but not pessimistic as we enter earnings season.

What happened in the models?

What went well?

Infrastructure performed strongly over the quarter, with its defensive characteristics and stable cash-flow profile providing meaningful support amid broader market volatility.

What could have gone better?

North America was the poorest performer, with elevated valuations prompting profit-taking and reinforcing a risk-off shift among investors.

What were the key contributors?

What performed well?

Vanguard FTSE Developed Asia Pacific ex Japan, 11.1% was the best performing holding over the quarter. Reinforcing the diversification benefits of maintaining regional breadth within the equity allocation.

What struggled this quarter?

Franklin FTSE India ETF was the worst performing holding over the quarter -14.1%. Reflecting a challenging quarter for Indian equities amid shifting risk sentiment.

Changes and positioning



March Rebalance

- Rebalanced portfolios to realign positioning with this year's updated Strategic Asset Allocations.
- Introduced the Ninety-One Emerging Market Blended Debt fund into the portfolios, as a natural fit for the increased strategic allocations to Emerging Market Debt.
- Increased exposure to the Vanguard Global Small-Cap Index.

Model Performance – 31st March 2026

Strategy	Cumulative (%)						Discrete (%)				
	1m	3m	6m	1yr	3yr	5yr	Mar 25 - Mar 26	Mar 24 - Mar 25	Mar 23- Mar 24	Mar 22 - Mar 23	Mar 21 - Mar 22
Passive Growth 1	-4.12	2.27	4.99	12.17	25.53	30.49	6.41	4.25	6.41	-2.17	1.8
Passive Growth 2	-7.32	-0.05	4.25	19.83	40.79	41.19	10.15	3.62	8.48	-4.13	3.27
Passive Growth 3	-6.73	-0.01	3.94	17.94	36.88	36.57	13.87	3.04	11.2	-4.66	3.45
Passive Growth 4	-6.14	0.44	4.13	16.67	34.72	34.27	16.67	2.82	12.31	-5.19	5.12
Passive Growth 5	-4.79	0.8	3.9	13.87	30.47	28.69	17.94	2.27	13.48	-5.24	5.29
Passive Growth 6	-3.69	0.59	3.11	10.15	23.82	22.59	19.83	2.11	15.07	-5.04	5.6
Passive Income 3	-2.26	0.16	1.86	6.41	18.04	17.55	12.17	3.8	7.81	-2.28	6.38

Source: Financial Express Analytics as at 31st March 2026. Past performance is not a reliable guide to the future.

General Regulatory Disclosure

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