

RATHBONES
ASSET MANAGEMENT

Rathbone Multi-Asset Portfolios

Rathbone Strategic Income Portfolio

Quarterly investment update July to end September 2026

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Hot topics

Markets hot topics (Macroeconomic)

This information reflects our general views and should not be taken as a recommendation or advice as to how a specific market is likely to perform.

The Budget: new Chancellor, same tightrope

Years of simmering fiscal malaise has boiled down the most important day of the year for UK governments to one summarising measure: the 'fiscal headroom'. That's the government's expected surplus after day-to-day spending by 2029/30. One of the government's fiscal rules is that this must be in surplus by then. The other is that public debt as a share of GDP must be falling by that point as well, but it's the day-to-day spending that seems to get most of the attention from pundits and economists.

This reduction to a single number is disappointing, but also illuminating about the central problem of the UK: a lack of imagination and courage to make bold reforms. Most of the problems are well known by anyone: a tax regime that looks like an Escher print, a nightmare scape of ups and downs that delivers wildly different outcomes based on form or family situation, rather than substance or effort. A welfare and social care system that manages to be both extortionately expensive and ineffective. A lack of homes and infrastructure, and an almost complete inability to build what's required at a reasonable cost. The list goes on. The fiscal rules are essentially a straitjacket that – depending on how you lean politically – either gives the government an excuse to stagger on with the status quo or prevents them from doing something truly effective.

We have a new Chancellor following John Healey's appointment by new Prime Minister Andy Burnham. Yet we (sadly) expect little else to change. In March, the Office for Budget Responsibility reckoned the Government had £23.6 billion of fiscal headroom. Since that forecast, Israel and the US attacked Iran, sparking a tit-for-tat conflict that has severely curtailed the flow of oil, gas and fertiliser through the Strait of Hormuz. This lingering conflict has helped change the likely path of interest rates from downward to upward. UK 10-year government bond yields have risen a full percentage point since then, to 5.5%. This means the government must pay that much more to roll over maturing debt and to borrow more. In early October, accounting firm EY estimated that the headroom has shrunk to about £11.3bn, or roughly 1% of all tax receipts, so razor-thin. But that's predicated on the Strait of Hormuz reopening essentially immediately. If it stays shut into next year, EY thinks the cushion could swing to a deficit of around £7bn.

The Bank of England has stepped in, or at least eased off. It announced a multi-year plan to run down the remaining £488bn of gilts it bought under quantitative easing. It had been selling billions of pounds of bonds to market buyers each fortnight, pushing prices lower and yields higher. The BoE is now cutting these sales by about 40%, and it has stopped selling 30-year gilts entirely. Long-dated gilts rallied hard on the news, but have

since given up the gains. The move helps, but doesn't solve the problem. It lowers one source of supply in a market that still has to absorb heavy new government borrowing. Yet another huge cost for the government remains: when the BoE bought up all those bonds during QE, it created money to do so. That cash – 'reserves', effectively commercial bank deposits held at the BoE – still exists, and will continue to do so until the gilts are sold or mature and the BoE can destroy it. Until then, like all deposits, these reserves attract interest (at the BoE's Bank Rate). At the current 3.75%, the cost of £488bn of reserves is about £18bn a year. That's much lower than a couple of years ago when reserves were much larger and the interest rate was above 5%, but it's still a big drain on the public purse.

So what's on the menu at the Bistrot Déjà Vu? EY estimates that manifesto pledges ring-fence about 70% of tax revenue. That leaves wealth taxes, capital gains tax and levies on particular sectors among the realistic options. Expect plenty of fiddling at the margins and a lot of

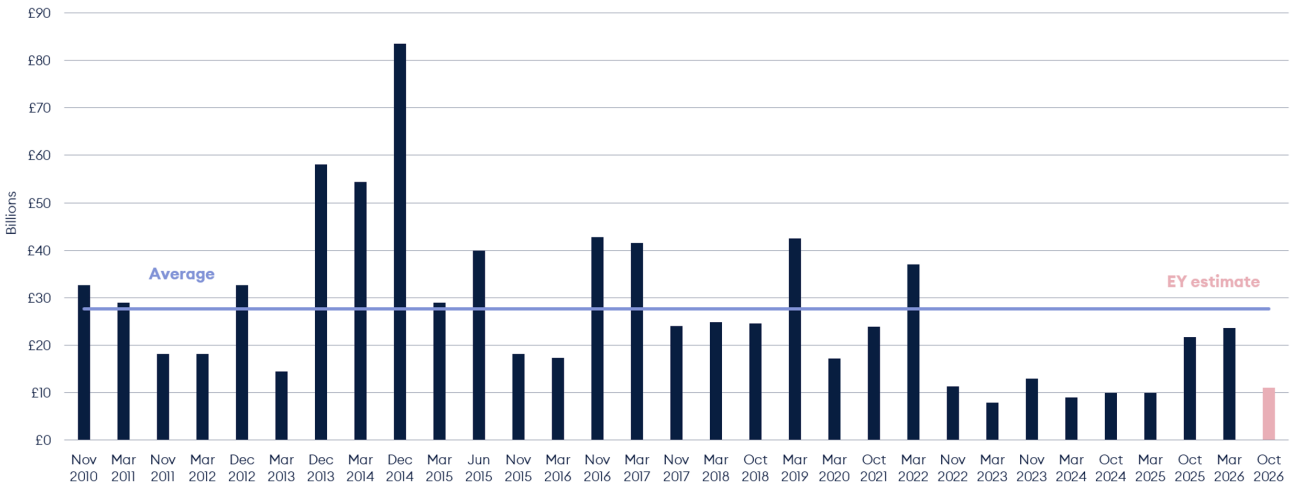
1998

the last time 30-year UK government bond yields were above 6%, which was hit in early October.

talk about 'growth', which, to be fair, is the only lasting way out of this. Yet, as we've said, this won't happen unless serious reforms are made to incentivise people to strive and companies to invest.

For our portfolios, we don't expect the Budget to change the big picture. We aren't trying to guess tax policy. What matters to us is how gilt investors take the Budget. A credible plan for the medium term should help long gilt yields settle further. A plan that relies on optimistic forecasts would be punished. We are cautious on long-dated gilts and prefer generally shorter maturities, where yields are attractive and there's less risk of big price swings if sentiment turns.

UK's fiscal headroom expected to slump after rise in yields, squeezing the Chancellor's options at the Budget



Source: OBR; headroom is the government's expected surplus after day-to-day spending by 2029/30; past headrooms standardised against forecast GDP at the time and then calculated as if the economy was the size expected at the end of 2029-30; latest forecast unofficial estimate by accounting firm EY

Bonds are pricing problems that may not last

The UK isn't the only country whose bonds have been hit hard. Government bond markets haven't had a quarter like this for a long time. Government borrowing costs blew out in most countries, most significantly in the US, UK and France. Long-term 30-year bonds were the worst hit (see chart).

The trigger was renewed fighting in the Persian Gulf. Brent crude hovered near $109 a barrel in mid-September, and US diesel hit a record $6.31 a gallon. In September the US Federal Reserve (Fed) raised rates for the first time since July 2023, to 3.75-4.00%, and its officials pencilled in one more hike this year. The ECB has hiked too. The Bank of England has held so far, but its rate-setters are openly talking about hiking if inflation keeps building. A year ago everyone was asking how fast rates would fall. Now they're asking how far they'll rise.

We think markets have got ahead of themselves for three reasons.

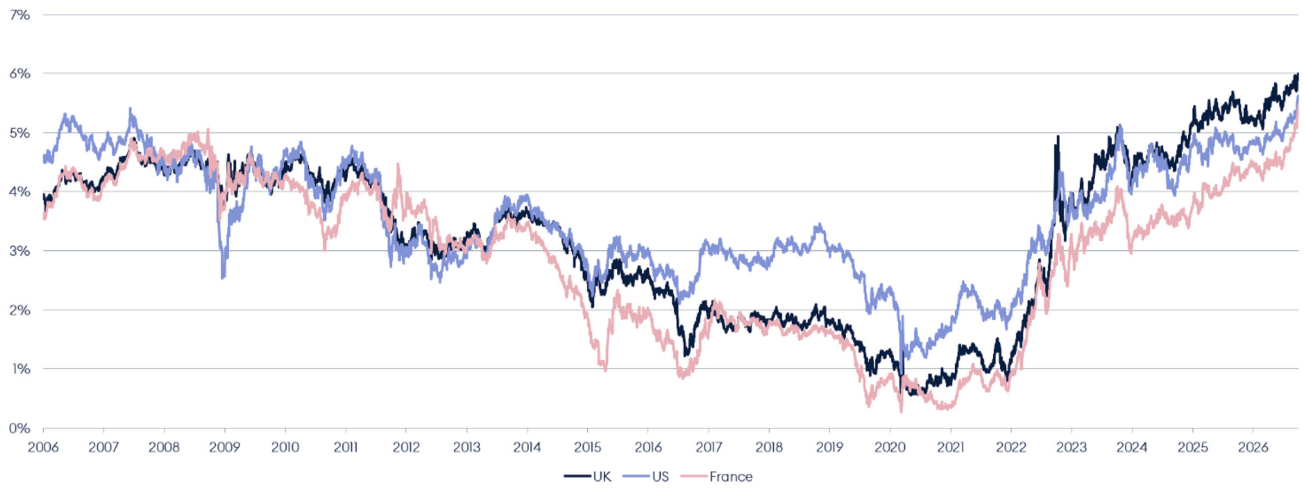
First, politics. The US administration has every reason to bring this conflict to an end and get oil back to a sensible price. Petrol prices weigh on voters in the run-up to an election, and most US voters blame the war for higher fuel costs. When the White House has that much riding on cheaper oil, betting on permanently high oil prices looks like a poor wager. The upcoming mid-term elections could catalyse a change in the President's strategy, especially if the Republicans do very poorly indeed. In fact, it already has. In early October the President made a deal to buy Russian diesel. Considering that undermines years of bipartisan foreign policy aimed at punishing the country for its war in Ukraine, it shows the lengths Trump is willing to go to ameliorate the effects of higher energy costs.

$6.31 per gallon

the record average price for US diesel at the pump (that's $1.67/litre – we know, what are they complaining about!)

Second, higher prices attract more production. Countries that can get oil to market are racing to make as much money as possible while the profits are good. Those whose usual trade routes are gummed up by the conflict are finding different ways to move their produce, often through new oil pipelines.

30-year bonds caught the worst of a bad quarter for government debt



Source: FactSet; 1 January 2006 to 1 October 2026

Third, the squeeze does the job by itself. Expensive energy and higher borrowing costs act like a tax on households. Each extra dollar spent on fuel or mortgage payments is a dollar not spent elsewhere. US inflation is already running ahead of wage growth, and the Fed's hike has pushed up credit card rates. In a sense, an oil shock does part of the job for the central bank, even as it prepares to raise rates to tamp down any consequent inflation. Raise rates aggressively on top of that and you risk tightening twice.

We expect fewer hikes than markets currently price. If we're right, today's yields are a chance to lock in income, rather than a warning to stay away. We've been gradually adding duration, focusing on US Treasuries and short-to-medium-dated gilts, where we think investors are being paid well to take the risk. We're more wary of France, where the problem is as much political as inflationary. A ceasefire won't fix that.

We could be wrong, of course. A long closure of Hormuz would push inflation higher and keep it there (economic activity is effectively energy converted). That's why we hold assets that do well in that scenario, including oil majors and inflation-linked bonds as insurance.

Americans hate AI, but do they love the economy it's driving?

On 3 November, Americans vote on all 435 seats in the House of Representatives and 35 of the 100 Senate seats. Democrats are favourites to win the House, while control of the Senate is close to a coin toss. CBS polling suggests the Democrats' edge comes from unhappiness with prices and from Republican voters who are less likely to turn out (again, because of unhappiness with the path of prices). Ask an American how the economy's doing and, these days, they'll tell you what groceries cost.

The likeliest result is divided government. That will mean plenty of colourful headlines. For investors, it usually means gridlock, and markets have tended to cope well with gridlock. Much of the administration's agenda already runs through executive action, and a Democratic House can make life awkward without reversing it. We don't expect the election to change the US economic or political direction much.

Company and economic fundamentals matter more, and they look good. In the second quarter, 78% of S&P 500 companies beat their earnings forecasts, and profits rose 53% from a year earlier. Some of that came from one-off investment gains at the big tech firms, but the underlying results were still strong. Revenue growth sped up to almost 13%. Consumers grumble, but they're still spending. Core US retail sales rose 1.2% in August and 5.6% from a year earlier, and employers added about 162,000 jobs. People don't spend like that if a recession is in the offing.

What's driving this is one of the oddities of our time: the US economy is leaning heavily on a technology most Americans don't much like. ING estimates AI-related investment accounts for about a third of US growth this year. Yet 39% of Americans tell Gallup pollsters that AI does more harm than good, and only 9% say the opposite. More now think AI will slow economic growth than speed it up. Most think it's moving too fast and want safety and independent oversight put ahead of speed. Americans are using AI more than ever while trusting it no more than before.

The US economy is a great paradox at the moment. Americans usually feel happy and optimistic when GDP is doing well: "It's the economy, stupid," remember? Yet, with growth holding up well and unemployment low, they are miserable and restive. Prices are the problem, according to US punters: 'inflation' has been far and away the nation's top problem highlighted by voters for four

years in a row (see chart). And this at a time when inflation – while noticeably higher than target – hasn't been terribly high. In fact, complaints about inflation got worse even as inflation improved.

The question becomes: how much of this angst over inflation is down to vibes? And how much is a legitimate grievance, as experienced by Americans, yet unrecorded by stats agencies that still rely on armies of shelf checkers and telephone surveys? As AI-fuelled algorithms personalise everything from Instagram feeds to the music we hear and the news we see, are they also personalising the prices people pay?

Consumer watchdogs in the US report growing use of 'surveillance pricing' since 2021 (helped by the rapid progress of AI models) – both online and in stores, that pushes up the actual prices Americans are paying in the real world. Some companies are using personal data and shopping histories to sell the same products to different people at different prices – even at the same stores on the same day. It only takes someone noticing this once before they see the potential for it everywhere and become suspicious that they are always being ripped off, even if they aren't.

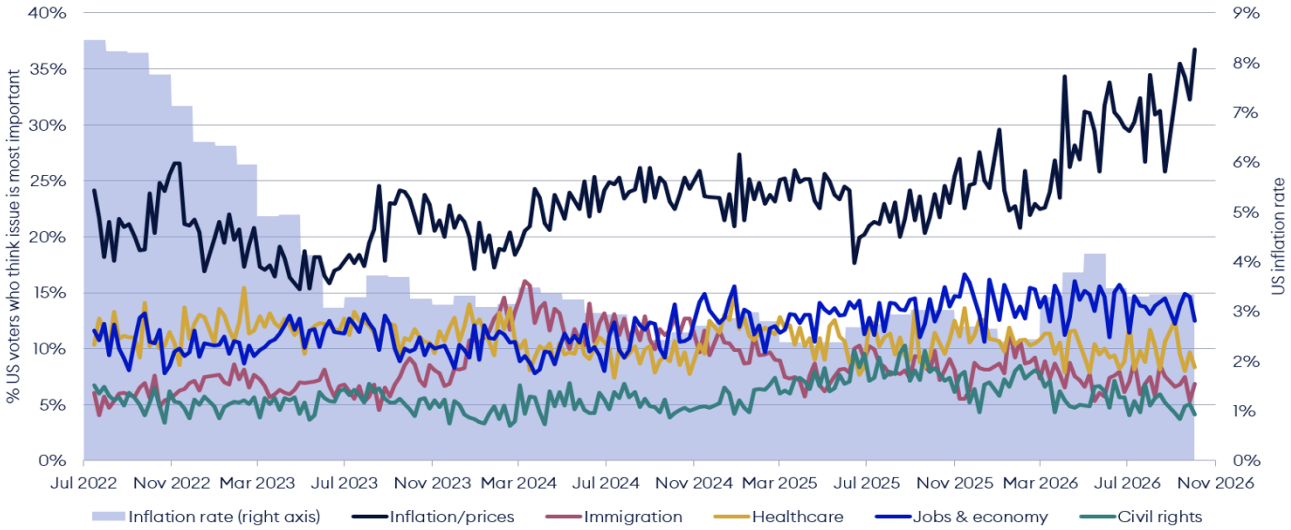
53%

US Q2 earnings soared on the same quarter a year earlier

Putting that together, it starts to make sense why Americans might say that they think inflation is actually much higher than the CPI stats say. And why they distrust the data showing the economy doing well: they may feel like it's extraction from their pocket, rather than genuinely positive.

All of this also reinforces the public feeling that AI is very powerful, but not really being used in their interest. Of course, it's impossible to know where the truth lies. But this gap between the public sentiment and the economic data (growth, profitability and inflation) is worth watching. Public unease can turn into regulation, and the midterms could amplify it. For now though, household spending continues, and our AI exposure sits mainly with the 'picks and shovels' suppliers: chips, networking and power infrastructure. We think they're paid for building the infrastructure, whatever voters end up thinking of it.

Rising prices is consistently the most important issue for US voters — even as inflation has fallen from its peak to relatively benign levels



Source: FactSet, Economist/YouGov Poll of registered US voters asking 'Which of these is the most important to you?'; latest poll consisted 1,381 respondents between 2 and 5 October 2026; inflation is CPI annual change; data 1 July 2022 to 30 September 2026

Portfolio activity

Key purchases/additions	Key sales/trims
Nationwide Building Society 7.5% Perpetual (purchase)	Aptiv (sale)
Colgate-Palmolive (purchase)	Romanian Govt 5.375% 03/22/2031 (sale)
Procter and Gamble (purchase)	M&G (sale)
Hoya (addition)	Sampo (sale)
CME (addition)	AJ Bell (sale)

Source: Rathbones

In July, we sold the Romanian Government 5.375% 2031 bond. We had purchased this a couple of years back because it had an attractive yield relative to its peers and was on a path of economic and institutional improvement that led to a potential EU membership. It has delivered for us over that time, but as yields have fluctuated – both in Romania and elsewhere – it became less attractive, so we sold.

We bought the Nationwide Building Society 7.5% Perpetual alternative tier 1 (AT1) bond. This is a very attractively yielding and riskier bond that is swapped for equity if the lender suffers losses that put it at risk of going bust. Nationwide has more than enough equity capital in the business to make that a remote prospect, so we think this should offer a very good cash return, helping us to make our income payments to you.

We sold UK fund manager M&G after a very strong run for its share price over the past year or so. Its valuation had risen to the highest level in more than five years. It has done an extremely good job in a tough environment, but we felt that the risks ahead of it weren't adequately factored in, so we sold and recycled the cash into other stocks.

We removed two other financial stocks from our portfolio.

The first was Nordic insurer Sampo, which had done well, pushing up its valuation. Yet after a few spin-offs and acquisitions, UK motor and home insurance, through Hastings Direct, has grown markedly to 25% of its sales. Car insurance dominates this division, a fraught area in the UK because of deep-seated competitive and regulatory concerns. We thought this was a good point to take our profits and invest elsewhere.

The second was investment platform AJ Bell. It benefited massively from a competitor's pricing overhaul, roping in many lucrative clients. That was a one-off win, however, that's unlikely to be repeated. The boon also illuminates the risks here: the investment platform game is highly competitive and it's becoming ever easier for customers to leave. With the share price riding high, we sold and moved on.

We used the cash from these sales to add to our holdings in consumer goods companies Colgate-Palmolive and Procter & Gamble. These are quality companies whose valuations have slipped over the past couple of years while the spotlight has been on racier tech stocks. This area of the market should offer protection and diversification in case of a faltering market. We also added to Japanese medtech, optics and chip-components supplier Hoya, a relatively new holding, and to derivatives marketplace CME.

Another sale was Aptiv, which supplies electric cars with the software programs, hardware and sensors needed for their digital safety systems, and electrified tools. While the auto sector has been challenged for many years, Aptiv has been able to grow regardless because it sells tools that increase safety and electrical content within cars – a growth area. However, now even this part of the market is facing increasing competition from Chinese rivals. We question whether its revenue can sustainably outgrow vehicle production, so sold the stock.

Spotlight

In this quarter, the spotlight is on our ASML and Abbott Labs holdings.

ASML

- The blue-chip player globally in the manufacturing of the equipment required to make chips found in a wide range of products including computers, smartphones and medical equipment
- ASML possess significant technological expertise and the deep pockets required to drive innovation to enable microchips to be smaller, cheaper, and more powerful and energy-efficient – this expertise and financial strength drives out competitors
- The design of their products extracts the maximum value from the materials they use, increasingly important in today's supply-constrained environment
- Structural shifts to artificial intelligence and generally more technology-enabled products should lead to a significant expansion of opportunities for ASML through chip-hungry areas such as industrials, and data centres

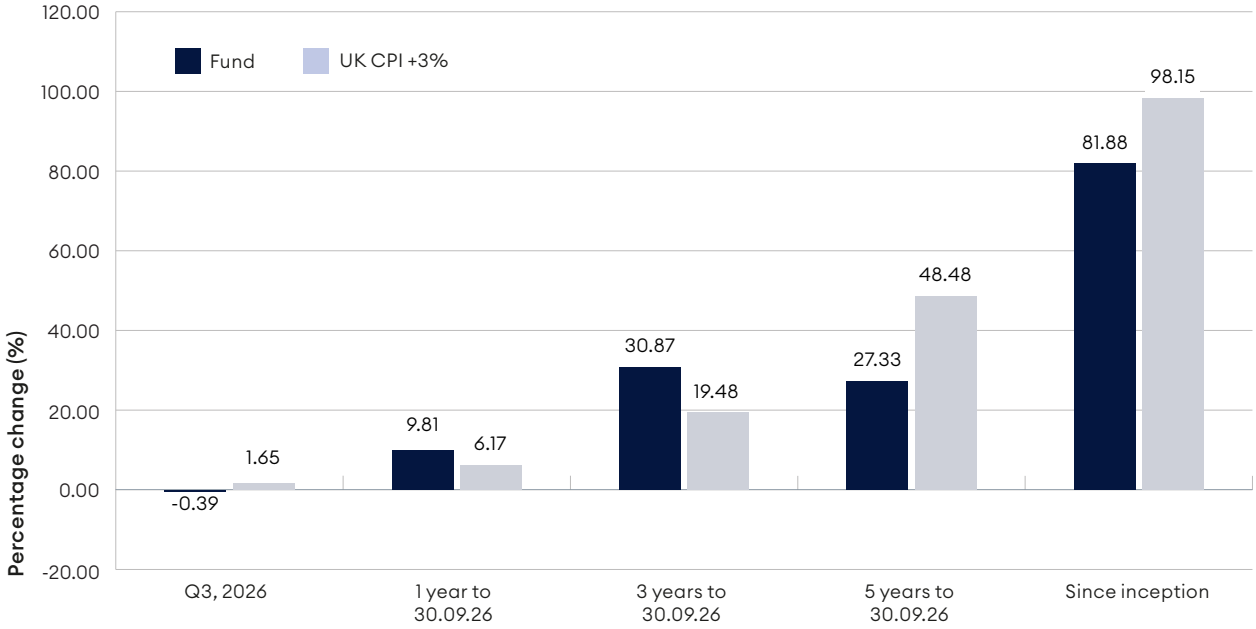
Abbott Labs

- American multinational medical device and healthcare company with a diversified portfolio of products including cardiovascular (heart) medical technologies, diabetes monitoring systems, diagnostics for viruses, blood tests for diseases and nutritional supplements
- Medical devices make up the largest portion of sales and is well diversified across a range of conditions, with cardiovascular and diabetes being two particular areas of focus
- Overall global demographics and the increasing need to manage medical conditions for lengthier periods as people live longer leaves Abbott and their innovative product suite well supported in the long-term

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.
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Fund performance

Rathbone Strategic Income Portfolio – Quarter 3 2026



Performance (based on 'S-class' shares). Net of expenses and tax. Net reinvested. Data source: FE fundinfo.

12-month rolling performance					
Year to:	**End Sep 2026**	**End Sep 2025**	**End Sep 2024**	**End Sep 2023**	**End Sep 2022**
Strategic Income	+9.81%	+5.29%	+13.19%	+6.48%	-8.63%
UK CPI +3%	+6.17%	+6.89%	+5.28%	+9.84%	+13.14%
Annual calendar performance					
Calendar year	**2025**	**2024**	**2023**	**2022**	**2021**
Strategic Income	+10.72%	+5.59%	+7.27%	-6.05%	+8.67%
UK CPI +3%	+6.34%	+5.69%	+7.05%	+13.96%	+8.27%

Price performance based upon bid to bid prior to 21 January 2019 and single price (mid) thereafter.

Past performance should not be seen as an indication of future performance. The value of investments and the income from them may go down as well as up and you may not get back your original investment.

Our benchmarks are calculated on the rate of change of the CPI index, over different time periods (e.g. if we were calculating year to date figures in January 2021, we would look at the percentage change from December 2020 to the end of January 2021). So we take CPI to the current value, and add on 3%, prorated over a year (roughly 0.25% per month). If the CPI Index benchmark were to fall, more than the amount pro-rata, the benchmark year-to-date will be negative, even though inflation as reported by the media (calculated specifically as a 12M rate of change), remains positive.

Fund performance

Top performers		
Holding	**Performance**	**Contribution**
Microsoft	+37.63%	+0.30%
SAP	+37.53%	+0.14%
Thermo Fisher Scientific	+34.63%	+0.17%
Chevron	+24.16%	+0.17%
Shell	+22.77%	+0.23%

Bottom performers		
Holding	**Performance**	**Contribution**
Rentokil	-29.68%	-0.25%
Home Depot	-18.81%	-0.19%
Societe Generale USD Balloon Phoenix Autocall April 2035	-18.72%	-0.19%
WEC Energy Group	-13.02%	-0.16%
AstraZeneca	-12.33%	-0.12%

Note: Top and bottom performers are taken from the list of all holdings of 0.25% and above of the portfolio. Performance and contribution data shown above are based on unhedged GBP capital returns.
Source: Rathbones

It was an up-and-down quarter, as a short-lived de-escalation in the Persian Gulf gave way to more tit-for-tat strikes and another spike in the oil price. Higher energy costs put more pressure on households and businesses, even as central banks are squeezing them with higher interest rates to prevent runaway inflation. Meanwhile, the risks and opportunities of extraordinarily large AI investments by the hyperscalers and their suppliers keep investors both greedy and fearful in equal measure.

Bond values fell as the US Federal Reserve was forced to raise interest rates in September – its first increase in three years – as the oil shock fed through into inflation expectations. The US 10-year government bond yield climbed to its highest level since 2007. The UK 10-year government bond yield pushed above 5.4%, even as the Bank of England kept rates on hold. Because bond prices fall as yields rise, our government bonds lost money. The consolation is that the income on offer from here is higher still: our sterling high yield bonds made a small positive contribution and cash added a little.

Energy was a major contributor to returns. Continued disruption in the Middle East pushed Brent crude back above $100 a barrel, peaking above $130 in September, as most of the Gulf production remained shut in and traffic through the Strait of Hormuz ran at a fraction of its normal rate. Our oil majors – Shell, TotalEnergies and Chevron – all rose strongly, reversing their weakness in the previous quarter.

Yield-oriented financials were another big source of return. Lenders DBS Group, HSBC and ING Groep, and derivatives and options marketplace CME Group all delivered strongly. As did private markets specialist ICG, insurer Legal & General and asset manager M&G. UK bank Barclays, US investment bank Morgan Stanley and US regional lender US Bancorp were the notable exceptions.

Telecoms added meaningfully to our quarterly return. US carrier Verizon Communications and German telecoms group Deutsche Telekom both did well as investors rotated towards dependable, cash-generative income. Networking hardware supplier Cisco Systems was the one disappointment in the group.

Our real asset holdings were a mixed bag. UK-listed infrastructure investment trusts Renewables Infrastructure Group, HICL Infrastructure, GCP Infrastructure and International Public Partnerships all contributed well, continuing the recovery in higher-yielding real assets. Yet commercial property went the other way, with self-storage business Big Yellow Group, LondonMetric Property, TR Property Investment Trust and US self-storage group Public Storage all lower as bond yields rose.

Our technology stocks split neatly into two camps. Software and platform businesses delivered excellent returns. German enterprise software group SAP, office tools developer Microsoft, and chip designer Nvidia were among our largest individual contributors. The chip equipment makers were a different story. Investor scepticism about the level of AI capex and just how profitable it will turn out to be drove a partial reversal of Q2's extraordinary strength. This was reinforced by fears about the level of debt building up in the AI ecosystem, and pushback on data centres in the run-up to the US mid-terms. And then some AI leaders called for a slowdown in the development of frontier AI models after a raft of safety breaches. The companies that sell the tools to build chips bore the brunt: chip-making equipment manufacturer ASML and chip design software provider Cadence Design Systems lost ground. Elsewhere, pest control business Rentokil Initial, home improvement retailer Home Depot, US energy provider WEC Energy Group, National Grid and industrial gases group Linde detracted.

Asset allocation changes

Asset allocation split	30.06.26	30.09.26	% Change	12 month change
Liquid assets (10%-50%)	23.2%	24.7%	1.5%	-5.5%
Equity-type risk (20%-60%)	73.4%	72.0%	-1.4%	5.3%
Diversifiers (0%-50%)	3.4%	3.3%	-0.1%	0.3%

For more information on our liquidity, equity-type risk and diversifiers (LED) risk framework, please consult our investor brochure.

Asset class split	30.06.26	30.09.26	% Change	12 month change
Equities	61.3%	60.2%	-1.1%	5.1%
UK	18.5%	17.3%	-1.2%	-2.4%
US	24.6%	25.4%	0.9%	2.5%
Europe	11.3%	10.1%	-1.2%	1.9%
Japan	1.5%	1.7%	0.2%	0.3%
Asia ex-Japan	3.8%	4.1%	0.4%	1.1%
Emerging Markets	0.0%	0.0%	0.0%	0.0%
Global	1.7%	1.6%	-0.1%	1.6%
Index-linked bonds	0.0%	0.0%	0.0%	0.0%
Conventional government bonds	21.4%	21.1%	-0.4%	-3.0%
Corporate bonds	4.9%	5.3%	0.4%	-1.5%
Emerging market debt	0.4%	0.0%	-0.4%	-0.9%
Private equity	0.0%	0.0%	0.0%	0.0%
Alternative investment strategies	3.4%	3.3%	-0.1%	0.3%
Property	2.0%	1.9%	-0.1%	1.1%
Infrastructure	4.9%	5.0%	0.0%	1.5%
Commodities	0.0%	0.0%	0.0%	0.0%
Cash	1.8%	3.4%	1.6%	-2.6%

Investment outlook

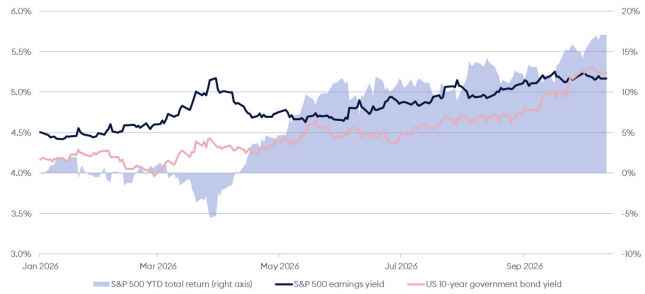
A disconnect has developed between an equity market that keeps straining to go higher, and a bond market that is faltering.

Bondholders are focused on the soaring cost of energy that's sending inflation higher, and recalculating the path of interest rates for the coming years. If rates and inflation are higher than expected over the life of a bond, then they are going to lose money. Because of this, bond prices dropped markedly this quarter, which sends their yields higher in response. Yet stocks continue to grind higher, despite all these risks.

Yet are these two markets really in opposition to each other? Maybe not. The AI buildout is all-consuming for attention, money and economic growth. It's driving prices higher in many areas of computer hardware and construction. It's also delivering phenomenal growth in company sales and profits that have scarcely been seen in the past. All of this has pushed stock markets higher, particularly at the top of the US market, in AI-boosted industries, and in emerging markets where most of the chips are made.

While the S&P 500 index has risen inexorably this year, its valuation – the amount people are willing to pay for every dollar of profit (the PE) – has fallen back markedly. That is effectively the equity equivalent of a rising yield (see the chart) below. The only difference is that there is no ceiling on what stocks can make, unlike bonds, whose returns are fixed (thus the name 'fixed income'). This means that stocks can become less valuable (their PE can fall), even as their prices go higher (because they are making so much more profits). Bonds don't have that luxury.

Per dollar of profit, the value of US stocks has dropped along with bonds, but they are making so much profit that the index is racing higher anyway



Source: FactSet, Rathbones; S&P 500 earnings yield is inverse of price/earnings for 1 year ahead, so rising yield means lower PE; S&P 500 total return in GBP; data 1 January 2026 to 12 October 2026

The US Federal Reserve (Fed) – and other central banks – are in a bit of a bind. They are faced with a resurgence in inflation from an energy shock that they can't control. Raising interest rates won't result in more energy either, so raising rates won't even help the problem. Yet not acting could leave people and businesses starting to assume that inflation will be much higher, starting a price-wage spiral that could get out of hand and damage the credibility of the bank and the dollar itself.

So the Fed decided in September to hike its benchmark rate by a quarter point to 3.75-4.00%. The US economy is still resilient, helped by enormous spending on data centres and by the tax breaks in the One Big Beautiful Bill, so it should be able to stomach a hike that is more signal than palliative.

For us, the main driver of all this turmoil is the price of oil. While the conflict with Iran keeps supply through the Strait of Hormuz tight, higher energy costs risk spreading into wider inflation. That would make central banks keep raising rates and put more strain on stretched government finances. A calmer Gulf and cheaper oil would change the picture quickly. The pressure isn't only on the US: in Europe, rising debt and borrowing costs are making investors ask how long some governments can keep kicking the can down the road.

Because of this, we're foraging carefully in government bond markets. They once again offer real yields (returns greater than inflation), and they should act as a safe haven if growth stumbles. But we've favoured shorter-dated bonds to reduce our exposure to fears about government spending. Alongside them we hold diversifiers, including structured products linked to rate volatility and put options on equities. We're also sticking to our fundamentals instead of chasing an overexcited tech market. That means owning the companies quietly enabling the AI build-out, rather than going all-in on the ones getting the most attention.

If there are any of the commentaries you require further clarification on, then please contact your advisers or via the Rathbones Asset Management website.

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