PORTFOLIOMETRIX QUARTERLY INSIGHTS

GPS PORTFOLIOS
JUNE 2025

PORTFOLIOMETRIX

CONTENTS

MARKET COMMENTARY

Despite heightened geopolitical tensions and abrupt shifts in trade policy—particularly the implementation and subsequent pause of "Liberation Day" tariffs—global markets demonstrated surprising resilience. US Equities experienced notable volatility, briefly entering bear market territory before rebounding sharply, evidencing the risks of trying to time the market. International equities outperformed, supported by a weaker US dollar, while diversified portfolios continued to prove their worth as fixed income provided stability in portfolios. Meanwhile, recession fears eased as trade negotiations progressed, though the outlook remains clouded by unresolved global trade dynamics and lingering uncertainty around Federal Reserve policy.

Developed Equity

The second quarter of 2025 delivered strong returns across all developed market regions, with markets rebounding swiftly from post–Liberation Day lows. Pacific ex-Japan equities led the way, driven by strong performance from Australia and Hong Kong amid optimism around monetary easing. European equities continued to benefit from investor rotation away from U.S. markets, supported by both fiscal and monetary policy, and remain the best-performing equity region this year. U.S. equities rose strongly in local currency terms, although a weaker US dollar dampened returns for international investors.

Emerging Equity

Emerging market equities outperformed their developed market counterparts in the second quarter. Asian equities delivered strong absolute returns, but the outperformance was led by another robust quarter from emerging Europe and Latin America. These two regions now stand as the top performers across both developed and emerging market equities for the first half of 2025.

Global Fixed Income

Despite interest rate volatility, global fixed income delivered another solid quarter of returns, supported by attractive income levels across the asset class. Global high yield once again outperformed, benefiting from elevated carry (with interest income exceeding 7%), lower interest rate sensitivity, and a risk-on tone that gathered momentum over the rest of the quarter. Emerging market debt (hard currency) also performed well, supported by both the improving risk environment and a weaker U.S. dollar, which eased the repayment burden for issuers of dollar-denominated debt.

Global sovereign bonds remain a focal point for investors, as major developed economies continue to grapple with elevated debt levels and stubbornly high interest rates. However, higher yields are offering a meaningful source of income, which is anchoring total returns.

Global Real Assets

Following a strong first quarter, real assets saw more mixed performance in Q2. Oil prices fell sharply, dragging down the Bloomberg Commodity Index, in a perfect storm of increased supply from OPEC+ and softening global demand—particularly from China. Gold reached new record highs, briefly surpassing $3,500/oz in April amid rising geopolitical uncertainty. However, a weaker U.S. dollar reduced the benefit for international investors when translated back into local currency terms.

Looking Ahead

As we move into the second half of 2025, investors are still navigating a world shaped more by political noise than economic signal. Across developed markets, governments continue to support growth through targeted fiscal measures—most notably expansive tax-and-spend policies in the US and infrastructure-led investment in Europe. In the UK, on the contrary, fiscal policy has remained cautious, with modest increases in public investment balanced against a commitment to broader budgetary discipline. Meanwhile, the US has again delayed the implementation of its latest tariffs, prolonging trade negotiations and keeping global uncertainty elevated, with all eyes now on August 1st.

With equity valuations elevated, U.S. policy direction still evolving, and long-term bond yields drifting higher, the second half of the year may bring more surprises—along with periodic bouts of volatility. But this is not a time for overreaction or outsized thematic bets. Instead, it's a moment to stay focused on the basics: robust diversification, composure in the face of noise, and a long-term mindset. Historically, periods of uncertainty have often laid the groundwork for future opportunity—provided investors stay the course.

INDEX RETURNS & MARKET INDICATORS

As of 30/06/2025

Global Asset Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equity	11.5	10.0	16.2	17.3	13.7	10.0
Global Bonds	4.5	7.3	8.9	2.7	-1.2	1.2
Global Property	3.7	5.5	11.9	4.4	6.1	4.4
Global Infrastructure	4.6	9.8	18.0	7.6	9.0	7.7

Developed Equity (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Developed Equity	11.5	9.5	16.3	18.3	14.6	10.7
North America Equity	11.4	6.5	15.8	19.2	15.9	12.7
UK Equity	10.8	19.4	20.5	15.2	13.2	5.3
Europe Ex UK Equity	12.2	24.2	17.9	17.9	11.9	7.3
Japan Equity	11.4	11.7	13.9	15.0	8.8	6.1
Pacific Ex Japan Equity	14.2	14.6	19.1	10.4	9.0	5.8

Emerging Equity (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
EM Equity	12.0	15.3	15.3	9.7	6.8	4.8
EM Latin America Equity	15.2	29.9	13.4	11.6	11.1	3.7
EM Asia Equity	12.4	13.9	14.9	9.4	6.5	5.7
EM Europe Europe Equity	16.5	36.0	23.9	32.5	-6.7	-2.8

Fixed Income (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Gov Bonds	4.8	7.5	9.0	1.5	-2.5	0.5
Global Corp Bonds	1.8	4.2	7.0	4.5	0.4	3.0
Global HY Bonds	4.9	6.8	13.0	11.8	5.7	5.0
EM Local Currency Govt	5.4	7.1	10.3	5.4	2.7	2.7
EM Hard Currency Agg	3.7	6.4	10.5	8.1	1.6	3.2

Commodities (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity Index	-3.1	5.5	5.8	0.1	12.7	2.0
Gold Spot	5.0	25.2	41.4	22.3	12.9	10.9
Brent Crude	-7.6	-8.4	-21.8	-16.2	10.4	0.6

Currency

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
EUR/USD	1.1	2.2	4.7	4.9	3.0	2.1
GBP/USD	1.1	2.2	4.7	4.9	3.0	2.1
US Dollar Index (DXY)	-7.0	-10.7	-8.5	-2.6	-0.1	0.1

Currency Movements

Positive movements indicate an appreciation of the price currency relative to the base currency in the Price/Base currency quoting convention. For example, if the Pound Sterling strengthens from £1.30/USD to £1.20/USD quarter-to-date (QTD), this is interpreted as an 8.33% appreciation of the Pound against the Dollar over the quarter.

Source: Morningstar Direct

ASSET CLASS PERIODIC TABLE

As of 30/06/2025

Asset Class Performance (USD)

	2020	2021	2022	2023	2024	YTD	QTD
Best	North American Equity 19.4	Global Property 28.7	Dollar Cash 1.7	North American Equity 26.0	North American Equity 23.9	Europe Ex UK Equity 24.1	Pacific Ex Japan 13.5
	Emerging Market Equity 17.5	North American Equity 26.5	Pacific Ex Japan -4.2	Europe Ex UK Equity 21.9	Global Infrastructure 9.5	UK Equity 19.4	Emerging Market Equity 11.9
	Japan Equity 13.9	UK Equity 17.2	Global Infrastructure -4.9	Japan Equity 20.1	Global High Yield Bonds 9.2	Emerging Market Equity 14.3	Europe Ex UK Equity 11.8
	Europe Ex UK Equity 11.3	Europe Ex UK Equity 16.2	UK Equity -10.9	UK Equity 14.4	Japan Equity 8.3	Pacific Ex Japan 13.7	North American Equity 11.3
	Global Corporate Bonds 9.7	Global Infrastructure 14.9	Global High Yield Bonds -12.7	Global High Yield Bonds 14.0	UK Equity 7.5	Japan Equity 11.6	Japan Equity 11.2
	Global Government Bonds 9.5	Pacific Ex Japan 5.2	Global Corporate Bonds -15.3	Emerging Market Equity 10.2	Emerging Market Equity 7.1	Global Infrastructure 9.3	UK Equity 10.8
	Pacific Ex Japan 8.3	Japan Equity 1.4	Japan Equity -16.4	Global Property 9.7	Dollar Cash 5.4	Global Government Bonds 7.5	Global High Yield Bonds 4.9
	Global High Yield Bonds 7.0	Global High Yield Bonds 1.0	Global Government Bonds -17.5	Global Corporate Bonds 8.5	Global Corporate Bonds 2.6	Global High Yield Bonds 6.8	Global Government Bonds 4.8
	Dollar Cash 0.4	Dollar Cash 0.0	Europe Ex UK Equity -17.8	Pacific Ex Japan 5.8	Pacific Ex Japan 1.9	North American Equity 6.5	Global Infrastructure 4.3
	Global Infrastructure -4.1	Global Corporate Bonds -0.9	Emerging Market Equity -18.2	Dollar Cash 5.2	Global Property 1.2	Global Property 4.8	Global Property 3.2
	UK Equity -6.9	Emerging Market Equity -1.8	North American Equity -19.5	Global Government Bonds 4.2	Europe Ex UK Equity 0.2	Global Corporate Bonds 4.2	Global Corporate Bonds 1.8
Worst	Global Property -8.8	Global Government Bonds -6.6	Global Property -26.5	Global Infrastructure 2.2	Global Government Bonds -3.6	Dollar Cash 2.2	Dollar Cash 1.1

Source: Morningstar Direct

PORTFOLIO PERFORMANCE

Core Portfolios

PortfolioMetrix Global Portfolio Series Performance (USD)

	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
EAA Fund USD Cautious Allocation	3.4	4.2	7.1	5.4	3.0	2.9
GPS Profile 3	7.8	7.4	10.9	9.3	5.8	4.8
GPS Profile 4	8.6	7.7	11.5	10.3	6.9	5.3
EAA Fund USD Moderate Allocation	5.8	6.0	8.9	7.9	5.3	4.5
GPS Profile 5	9.7	7.6	11.9	11.7	8.4	6.2
GPS Profile 6	10.8	7.8	12.4	13.0	9.9	7.0
GPS Profile 7	11.9	8.0	13.0	14.2	11.2	7.8
EAA Fund USD Aggressive Allocation	7.1	6.2	9.8	10.0	7.8	5.9

Source: Morningstar Direct

Contributors & Detractors

A broad-based equity rally saw emerging markets and Pacific ex-Japan regions lead the way. Both the Global Equity and Global Diversified funds outperformed in this strong market, driven predominantly by our European and UK active equity managers; JPM UK Equity Plus (+13.4%), Premier Miton European Opportunities (+22.3%), Lazard Emerging Markets (+12.5%). Additionally, the Euro hedged fixed income funds benefited from a strengthening Euro versus the US Dollar.

Lagging, but still positive, were real assets, US cash, and global corporate bonds. From a fund perspective CT American Smallers had another tough quarter, rising just 6.1% over the quarter, whilst AMUNDI Pioneer Global High Yield returned just 3%.

PORTFOLIO CHANGES

Strategic Asset Allocation

While our strategic asset allocation has remained unchanged over the quarter, we continuously review our exposures to ensure they align with our long-term objectives, reflecting our commitment to preserving the integrity of our strategic asset allocations.

Equity Portfolio Changes

During the second quarter of 2025 we completed our disinvestment from Invesco European Focus in favour of Amundi European Europe ex-UK, which is a core active fund that provides the desired exposure to the European equity market. Additionally, we added a Japanese equity index to balance the stylistic exposure exhibited by the Ballie Gifford strategy in our Japanese allocation.

Fixed Income Portfolio Changes

Neuberger Berman Investment Grade Credit has been added to our corporate bond exposure to complement Vanguard Global Credit. Additionally, adjustments have been made to the Global High Yield exposure: the Lombard Odier Liquid High Yield strategy has been introduced, whilst the allocation to Amundi Pioneer Global High Yield has been reduced.

Real Asset Changes

There were no changes made within this asset class over the quarter.

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