

Opinion: AA rating

Performance: 5.87% annualised return over 2 years, beating UK Retail Prices Index 96.4% of the time

Risks: asset class risk rated 4/10, fund risk 2/5, with a max drawdown of -5.57% over 2 years

Opinion

POSITIVE Rating & Rationale — The fund is assigned a default rating of 'AA' due to the absence of a stated rating in the documents, reflecting its long-term outperformance versus inflation and peer benchmarks.

The fund has consistently delivered positive returns above the UK Retail Prices Index and peer group over multi-year periods, supporting a high-quality assessment.

→ *Continue to monitor for any material deterioration in relative performance or process discipline.*

— Q4 2025 Commentary

POSITIVE Management Team & Process — The management team has demonstrated strong discipline in dynamic asset allocation, notably increasing equity exposure during the April 2025 sell-off and maintaining a significant allocation to safe-haven assets and index-linked bonds.

This approach has helped the fund navigate volatile markets and preserve capital, indicating high confidence in the team's ability to execute its mandate.

→ *Discuss with the manager how they plan to sustain this discipline amid ongoing macro uncertainty.*

— Q4 2025 Commentary

POSITIVE Suitability for Investors — The fund maintains a diversified allocation across equities, inflation-linked bonds, gold, and cash, targeting real returns above inflation for long-term investors.

This makes the fund suitable for investors seeking capital preservation and moderate growth with a focus on inflation protection.

→ *Confirm with the manager whether the current asset mix remains optimal for the fund's stated objectives.*

— Q4 2025 Commentary

Summary

POSITIVE Meeting Coverage — The Q4 2025 review covered performance, asset allocation, portfolio activity, and outlook, with no material negative surprises reported.

Comprehensive coverage ensures all relevant aspects of the fund's management and performance are addressed.

→ *Maintain this level of transparency in future meetings.*

— Q4 2025 Commentary

POSITIVE Performance vs Expectations — The fund delivered a positive return of 3.1% in Q4 2025, outperforming inflation (UK RPI -0.1%) but underperforming the FTSE All-Share Index (+6.4%).

While the fund met its inflation-plus objective, it lagged the equity benchmark, consistent with its multi-asset, capital preservation mandate.

→ *Discuss the trade-off between capital preservation and equity market participation with the manager.*

— Q4 2025 Commentary

NEUTRAL Personnel & Process — No personnel changes or major process modifications were reported during the review period. Stability in team and process supports continuity and reduces operational risk.

→ *Confirm ongoing stability and succession planning at the next meeting.*

— Q4 2025 Commentary

Company/Team/Investment Process Changes

POSITIVE Personnel Continuity — No team departures, hires, or role changes were reported in Q4 2025.

Team stability is a positive for process consistency and investor confidence.

→ *Monitor for any upcoming changes or succession planning needs.*

— Q4 2025 Commentary

Fund Size/Liquidity/Ownership

NEUTRAL AUM — No AUM or fund flow data was disclosed in the available documents.

The absence of AUM data limits the ability to assess size-related risks or capacity constraints.

→ *Request updated AUM and flow figures from the manager prior to the next review.*

— Current Fund Data Analysis 1

NEUTRAL Liquidity Profile — No explicit liquidity profile or least liquid holdings were disclosed in recent reports.

Without liquidity data, it is difficult to evaluate the fund's ability to meet redemptions under stress.

→ *Ask the manager to provide liquidity metrics and discuss any recent changes in portfolio liquidity.*

— Current Fund Data Analysis 1

NEUTRAL Ownership Concentration — No data on shareholder or ownership concentration was provided in the reviewed materials. Ownership concentration can affect fund stability and redemption risk, especially during periods of market stress.
→ *Request an update on ownership concentration and any large client exposures.*

— Current Fund Data Analysis 1

Performance Overview

POSITIVE Headline Returns — The fund returned 3.1% in Q4 2025, 9.0% over 1 year, and 19.5% over 3 years, consistently outperforming the UK Retail Prices Index (RPI) and meeting its real return objective.

This demonstrates the fund's ability to deliver on its inflation-plus mandate over multiple timeframes.

→ *Discuss with the manager how they plan to sustain real returns in a changing inflation environment.*

— Q4 2025 Commentary

NEGATIVE Relative Equity Performance — The fund underperformed the FTSE All-Share Index by 3.3 percentage points in Q4 2025 and by 15.0 percentage points over 1 year.

This underperformance reflects the fund's lower equity allocation and defensive positioning relative to pure equity benchmarks.

→ *Ask the manager to elaborate on the rationale for current equity weightings and the expected trade-off between risk and return.*

— Q4 2025 Commentary

POSITIVE Performance Drivers — Equities (+1.8%), gold (+1.4%), and US TIPS contributed positively in Q4 2025, while non-sterling currency exposure was a modest detractor.

Diversified asset allocation helped mitigate volatility and support returns despite currency headwinds.

→ *Explore whether currency hedging strategies will be adjusted in light of recent performance.*

— Q4 2025 Commentary

POSITIVE Stock Contributors — Alphabet was the largest equity contributor in Q4 2025 and over the full year, driven by strong sales growth and cloud acceleration; other notable contributors included Chubb, Unilever, and Nestlé.

Stock selection in quality global equities continues to add value to the fund's performance.

→ *Discuss the current conviction in top contributors and any plans to adjust positions.*

— Q4 2025 Commentary

NEGATIVE Stock Detractors — VeriSign, Diageo, and Experian were among the largest detractors in Q4 2025, each reducing returns by 0.2 percentage points.

Understanding the drivers of underperformance at the stock level is important for risk management.

→ *Request an update on the investment thesis for these holdings and whether any changes are anticipated.*

— Q4 2025 Commentary

NEUTRAL Calendar Year Returns — The fund achieved a full-year return of 9.0% in 2025, below the FTSE All-Share Index (24.0%) but above inflation (RPI 3.4%).

Calendar year performance aligns with the fund's capital preservation and inflation-plus objectives, though equity participation is limited.

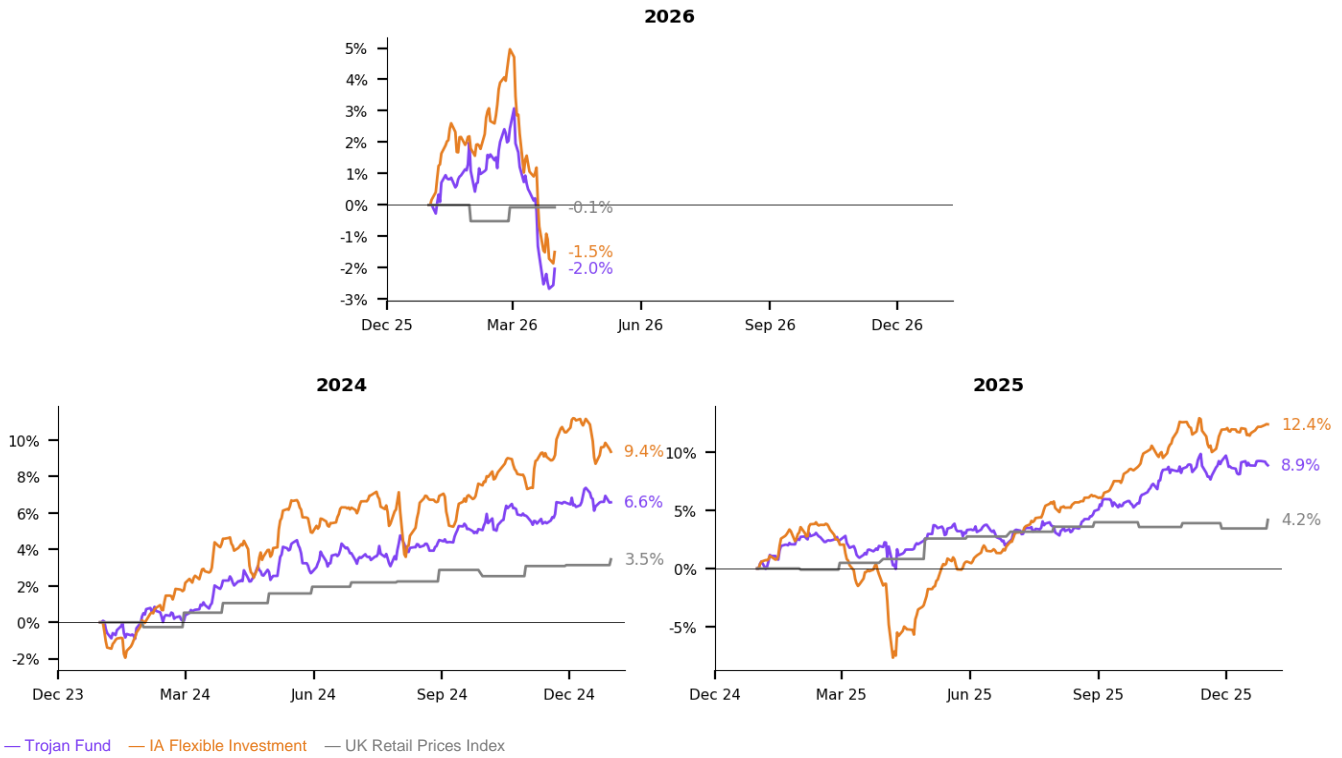
→ *Review whether the current balance between growth and defensive assets remains appropriate.*

— Q4 2025 Commentary

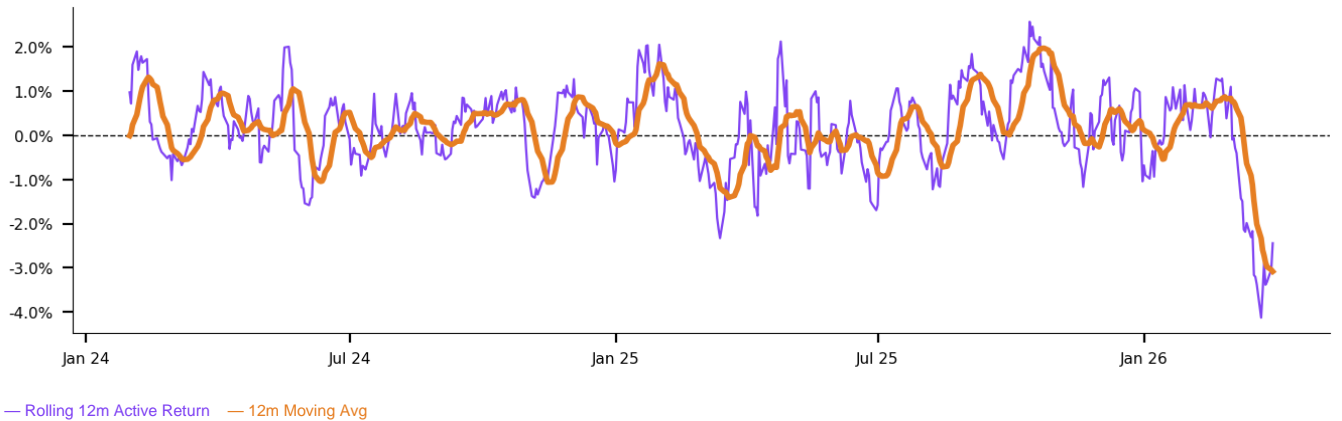
Fund / Benchmark	6 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Trojan Fund	1.0%	-2.0%	4.7%	14.9%	26.1%	N/A
IA Flexible Investment	1.7%	-1.5%	12.4%	27.7%	28.8%	N/A
UK Retail Prices Index	0.5%	-0.1%	3.3%	11.2%	37.5%	N/A
Active Return vs Benchmark	+0.5%	-2.0%	+1.5%	+3.7%	-11.4%	N/A

The fund underperformed by 11.4 pp over 5 years, primarily attributable to its defensive allocation to inflation-linked bonds and gold relative to the equity-heavy benchmark.

Past 3 years Performance



Rolling 12-Month Active Return



The 12-month moving average crossed below zero in March 2026, indicating active underperformance has become a trend rather than episodic.

Past performance is not a guide to future returns. Source: LSEG Lipper (all rights reserved), Titan Square Mile.

Outlook

NEUTRAL Equity Market Risks — The manager notes increased fragility in equity markets due to concentration risk, with the top 10% of US companies making up 78% of market cap.

Heightened concentration increases vulnerability to market corrections, especially given the dominance of the AI theme.

→ Ask how the fund is positioned to mitigate concentration risk and whether further diversification is planned.

— Q4 2025 Commentary

POSITIVE Inflation & Interest Rates — The fund retains around 30% in index-linked bonds and a third in safe-haven assets, reflecting caution on inflation and fiscal risks.

This positioning aims to preserve capital in real terms amid persistent inflation and policy uncertainty.

→ *Discuss whether the inflation-linked allocation will be maintained or adjusted in the coming quarters.*

— Q4 2025 Commentary

POSITIVE Gold Allocation — Gold-related investments remain a core holding, supported by ongoing central bank accumulation and geopolitical concerns.

Gold acts as a hedge against inflation, currency debasement, and geopolitical shocks.

→ *Explore the manager's outlook for gold and any triggers for adjusting the allocation.*

— Q4 2025 Commentary

NEUTRAL Currency Outlook — The fund maintains net exposures to USD (8%) and JPY (10%), with active hedging based on conviction in currency prospects versus sterling.

Currency positioning can materially impact returns for UK-based investors; active management is key.

→ *Ask for the manager's latest views on currency risks and hedging strategy.*

— Q4 2025 Commentary

Positioning

POSITIVE Equity Allocation — Equities represent 41% of the portfolio, with a focus on quality global names such as Alphabet, Unilever, and Nestlé.

This allocation is above the fund's long-run average, reflecting increased risk appetite during 2025 market dislocations.

→ *Discuss whether the current equity allocation is expected to persist or be reduced as markets normalize.*

— Q4 2025 Commentary

POSITIVE Inflation-Linked Bonds — US TIPS (16%) and UK Index-Linked Gilts (12%) form a substantial part of the portfolio, providing inflation protection.

Index-linked bonds help preserve real capital in an environment of elevated inflation and policy uncertainty.

→ *Ask if the manager anticipates any changes to the inflation-linked allocation given evolving inflation expectations.*

— Q4 2025 Commentary

POSITIVE Gold Exposure — Gold-related investments account for 12% of the portfolio, with holdings in Invesco Physical Gold and iShares Physical Gold.

Gold provides diversification and a hedge against macro and geopolitical risks.

→ *Discuss the triggers for increasing or reducing gold exposure in the portfolio.*

— Q4 2025 Commentary

POSITIVE Government Bonds — Japanese Government Bonds (10%) and short-dated gilts (7%) contribute to the fund's defensive positioning.

Government bonds add liquidity and reduce overall portfolio volatility.

→ *Review the role of government bonds in the current interest rate environment.*

— Q4 2025 Commentary

POSITIVE Cash Position — Cash is maintained at 2% of the portfolio, providing liquidity for tactical opportunities.

A modest cash allocation allows the manager to act dynamically during market dislocations.

→ *Ask whether the current cash level is likely to change in the near term.*

— Q4 2025 Commentary

NEUTRAL Currency Exposure — GBP net exposure is 62%, with the remainder diversified across gold, JPY, USD, EUR, and CHF.

Currency diversification is actively managed to mitigate sterling risk.

→ *Request an update on any planned currency hedging adjustments.*

— Q4 2025 Commentary

POSITIVE Portfolio Activity — No new holdings were added in Q4 2025; American Express, LVMH, and The Magnum Ice Cream Co were exited, while additions were made to Hubbell, Experian, LSEG, and Visa. Alphabet and Verisign positions were trimmed after strong performance.

Portfolio activity reflects a disciplined approach to valuation and risk management.

→ *Discuss the rationale for recent exits and reductions, and whether further changes are anticipated.*

— Q4 2025 Commentary



- 41 Equities
- 16 US TIPS
- 12 UK Index-linked
- 12 Gold-related Investments
- 10 Japanese Government Bonds
- 7 Short-dated Gilts
- 2 Cash

Currency Exposure (%)	Net	Gross
GBP	62	62
Gold	12	12
JPY	10	10
USD	8	8
EUR	4	4
CHF	4	4

Portfolio Characteristics

Metric	Previous	30 11 2025 (TF)	Trend / Comment
Fund AUM	-	-	AUM not disclosed in report or meeting notes
No. of Holdings	-	27	No new holdings; American Express, LVMH, MICC sold
Top 20 Concentration	-	53.3%	Profits taken in Alphabet, Verisign after strong returns
Cash	-	0.6%	Maintained liquidity; no major allocation changes stated
Large Cap (>£5bn)	-	39.7%	Profits taken in Alphabet, Verisign; added to Hubbell, Visa
Mid Cap (£2bn-£5bn)	-	1.7%	Added to Experian, LSEG during quarter
Small Cap (<£2bn)	-	-	
Financials	-	8.1%	American Express sold; added to Chubb
Health Care	-	4.4%	Added to Agilent Technologies
Industrials	-	5.7%	Added to Hubbell
Consumer Discretionary	-	-	LVMH, MICC sold during quarter
Basic Materials	-	-	
Energy	-	-	
Consumer Staples	-	14.1%	MICC sold; retained Unilever, Nestlé, Diageo
Utilities	-	-	

Source: Troy, as at latest available date.

Priority Interview Questions

Follow-up

HIGH What were the key drivers behind the decision to exit American Express, LVMH, and The Magnum Ice Cream Co in Q4 2025, and how do these exits align with your current risk and valuation framework?

The Q4 2025 Commentary notes the full exit of these holdings due to valuation and company-specific concerns, warranting a deeper discussion of the rationale and process.

LOW Can you provide updated AUM, liquidity, and ownership concentration data, and discuss any recent changes in client concentration or redemption risk?

No AUM, liquidity, or ownership data was disclosed in the latest reports, limiting the ability to assess operational risks.

Strategy & Process

HIGH How do you balance the fund's capital preservation mandate with the need to participate in equity market rallies, given the persistent underperformance versus the FTSE All-Share Index over 1 and 5 years?

The fund has consistently lagged equity benchmarks while meeting its inflation-plus objective, raising questions about the trade-off between risk and return.

MEDIUM What is your outlook for inflation and interest rates, and do you anticipate maintaining or adjusting the current 30% allocation to index-linked bonds and one-third in safe-haven assets?

The fund's defensive allocation is a core part of its risk management, but evolving inflation dynamics may require adjustments.

Performance & Risk

MEDIUM What is your current conviction in Alphabet and other top contributors, and how do you assess valuation risk after recent strong performance and subsequent profit-taking?

Alphabet was the largest contributor in Q4 2025 and over the year, with some profits taken after shares doubled; understanding ongoing conviction is critical.

MEDIUM How do you plan to address the modest drag from non-sterling currency exposures, and will your hedging strategy change in light of recent performance?

Non-sterling currency exposure was a detractor in Q4 2025, highlighting the importance of active currency management.

LOW What lessons have you drawn from the recent underperformance of holdings such as VeriSign, Diageo, and Experian, and how does this inform your ongoing risk management?

These stocks were among the largest detractors in Q4 2025, and understanding the response to underperformance is important for future positioning.

Important Information

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