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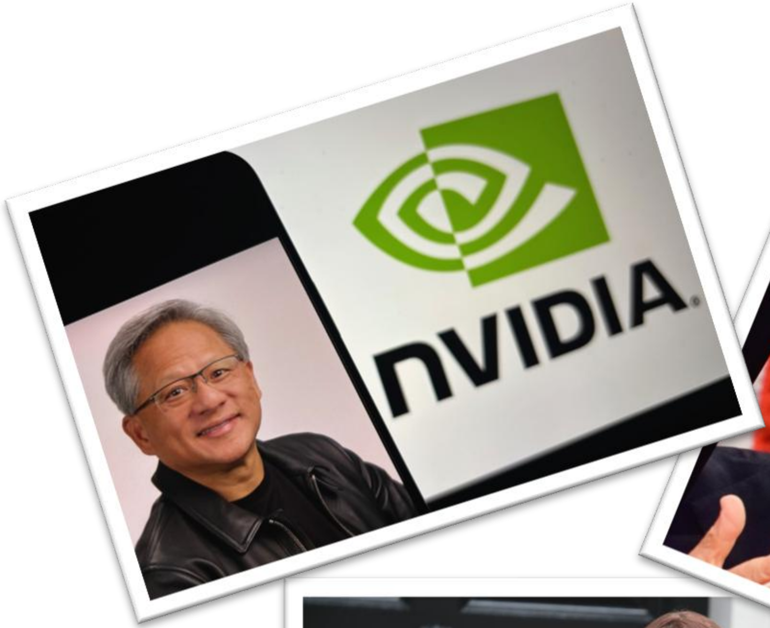
40 YEARS IN BUSINESS
1984 – 2024

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# Market Update – November 2025

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# Headline macroeconomic figures

OBR forecast GDP to grow by 1.5% for 2025, upgraded from 1%.

For 2026-29, forecast has downgraded the average GDP growth from 1.8% to 1.5% per annum

OBR forecasts inflation to be 3.5% in 2025, 2.5% in 2026 and 2% in 2027

National debt to be £2.6 trillion this year meaning £1 in every £10 will be spent on debt interest

Budget surplus predicted by 2028/29

# What remains unchanged

- Pension tax-free cash and allowances
- Main Capital Gains Tax rates
- Enterprise Investment Scheme rules
- Inheritance Tax rates and gifting rules

| What was announced: | From when: |
|---|---|
| Tax thresholds frozen extended to 2031 | Extended |
| Employee Ownership Trust CGT relief now 50% | Immediate |
| Dividend rates increased by 2% for basic rate and higher rate taxpayers | 2026 |
| VCT income tax relief to 20% - Increases to size of companies that qualify | 2026 |
| Business Relief and Agricultural Relief – £1 million exemption transferrable to spouse on death | 2026 |
| State pension and pension credit to increase by 4.8% | 2026 |

Source: Parliament UK

| What was announced: | From when: |
| --- | --- |
| Cash ISAs limits reduced to £12,000 for under 65s | 2027 |
| Rental and savings tax rates increased by 2% | 2027 |
| “Mansion” tax, yearly surcharge: £2,500 for £2m+, £7,500 for £5m+ | 2028 |
| Mileage duty on Electric and Plug-in Hybrid cars | 2028 |
| Salary Sacrifice relief limited to £2,000 | 2029 |
| Self-Assessment – more tax to be collected via PAYE | 2029 |

Source: Parliament UK

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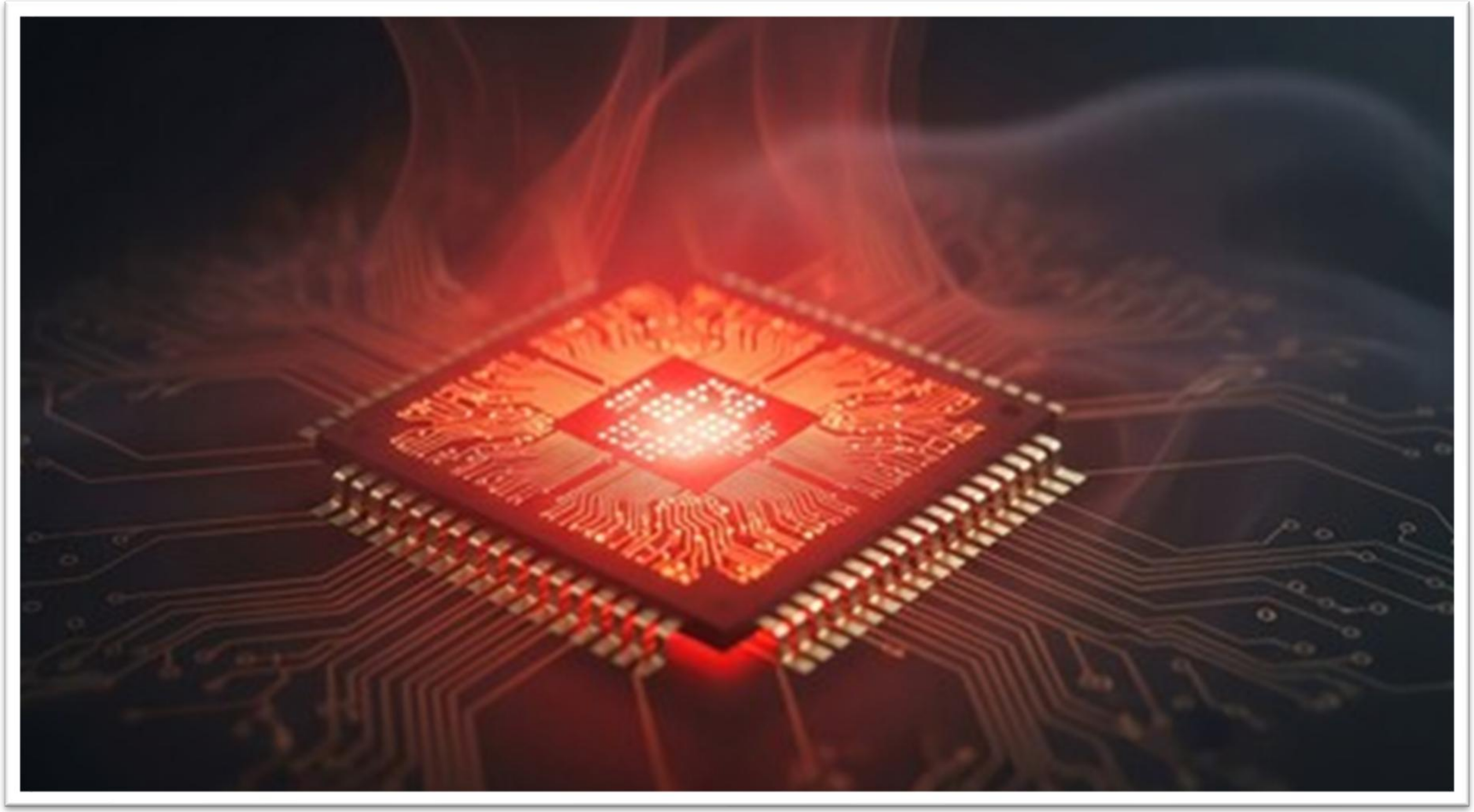
# General excise duty changes


- Fuel duty – 5p COVID cut restored in three stages to March 2027
  RPI increases from April 2027
- Tobacco duty increased immediately, and alcohol duty increases in February 2026
- Increase in remote gaming duty from 21% to 40%, from April 2026
- Introduced remote general betting duty of 25% from April 2026
  Horse racing betting is exempt
- Bingo duty abolished from April 2026

Source: Parliament UK

# Is it getting hot in here, or is it just me?





Source: Image – Adobe Stock.

# Q3 Outlook

- Markets are pricing a lot of hope, especially on AI and soft landings
- Risks around tariffs, policy, and inflation persist, creating bouts of volatility as markets absorb short term news flow
- But there are pockets of durable opportunity, notably the return of income from bonds, UK equities, and other key portfolio diversifiers such as infrastructure and gold
- Beware the UK Autumn Budget, with analysts expecting tax rises (e.g. on council tax, pensions, dividends, capital gains) to help close the fiscal shortfall as high as £41 billion
- Softer US inflation, with markets poised for a Fed rate cut in September, which could boost risk sentiment, allowing markets to continue "climbing the wall of worry"
- We continue to balance risk and return with clarity, not complacency

# Q3 Market Drivers

## Equity Markets

- Continued strength with global indices (US, UK, Japan, Europe) hitting record highs


## Fed Leadership

- US first rate cut delivered in September
- Soft landing still the consensus

## Inflation Surprise

- UK Q3 inflation data surprise as lower than expected after rising over Q1 and Q2

## Stabilisation

- Tentative signs in Europe of industrial stabilisation
- ECB expected to cut in H1 2026

## Transition

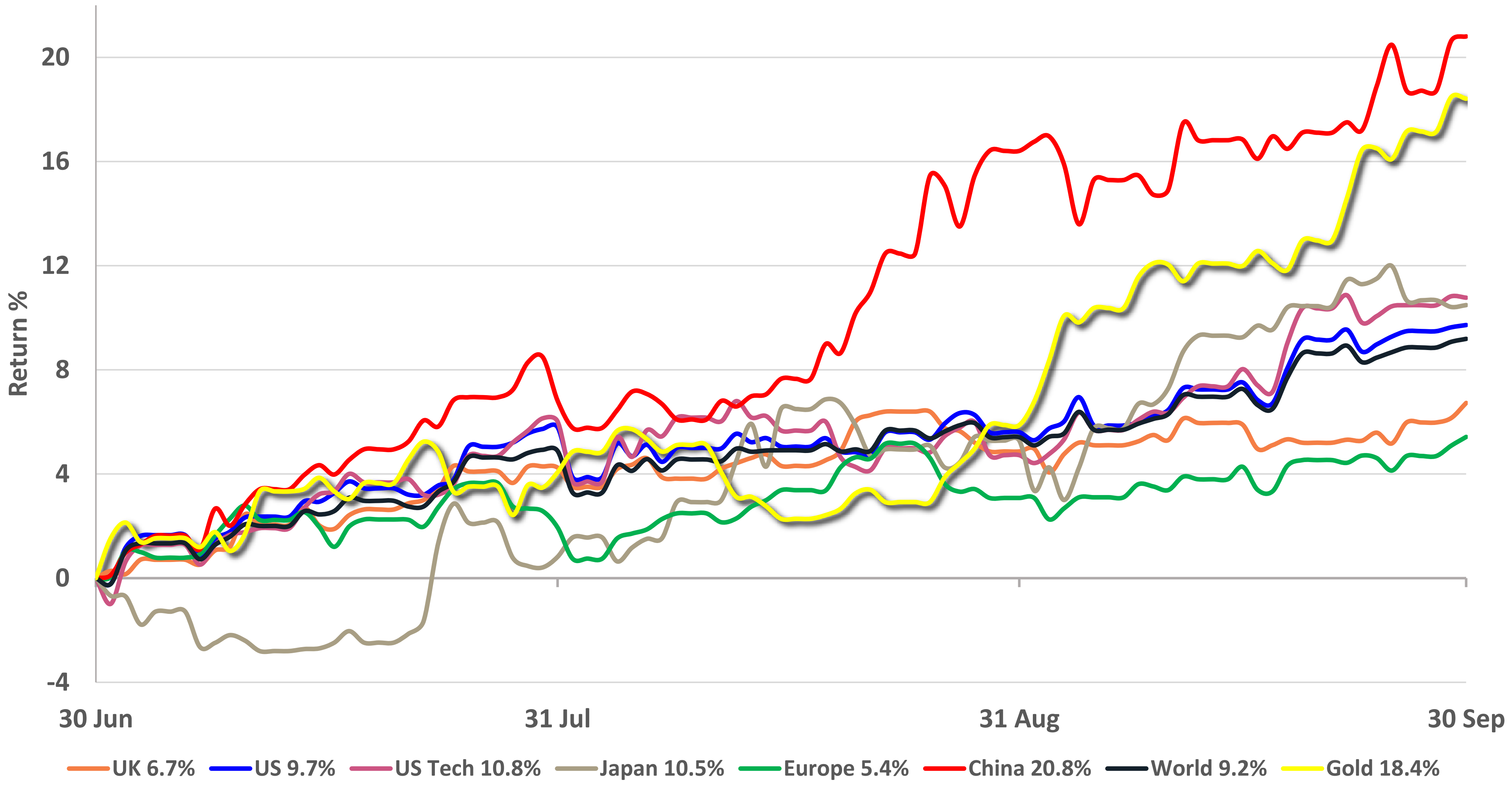
- New leadership in Japan as Sanae Takaichi wins election
- BoJ transitions to modest tightening
- Equity strength continues

## Commodities

- Oil bounces on new sanctions (Rosneft/Lukoil), but not sustained
- Gold rallies again on global liquidity and geopolitical tensions

 Source: Images – Adobe Stock.

# Q3 Market Performance in GBP






Source: Morningstar. Indices: UK = FTSE 100, US = S&P 500, Tech = Nasdaq 100, Japan = Nikkei 225, Europe = STOXX Europe 600, China = CSI 300, World = MSCI World, Gold = LBMA Gold Price. Data for period 30/06/25 to 31/10/25, in GBP.

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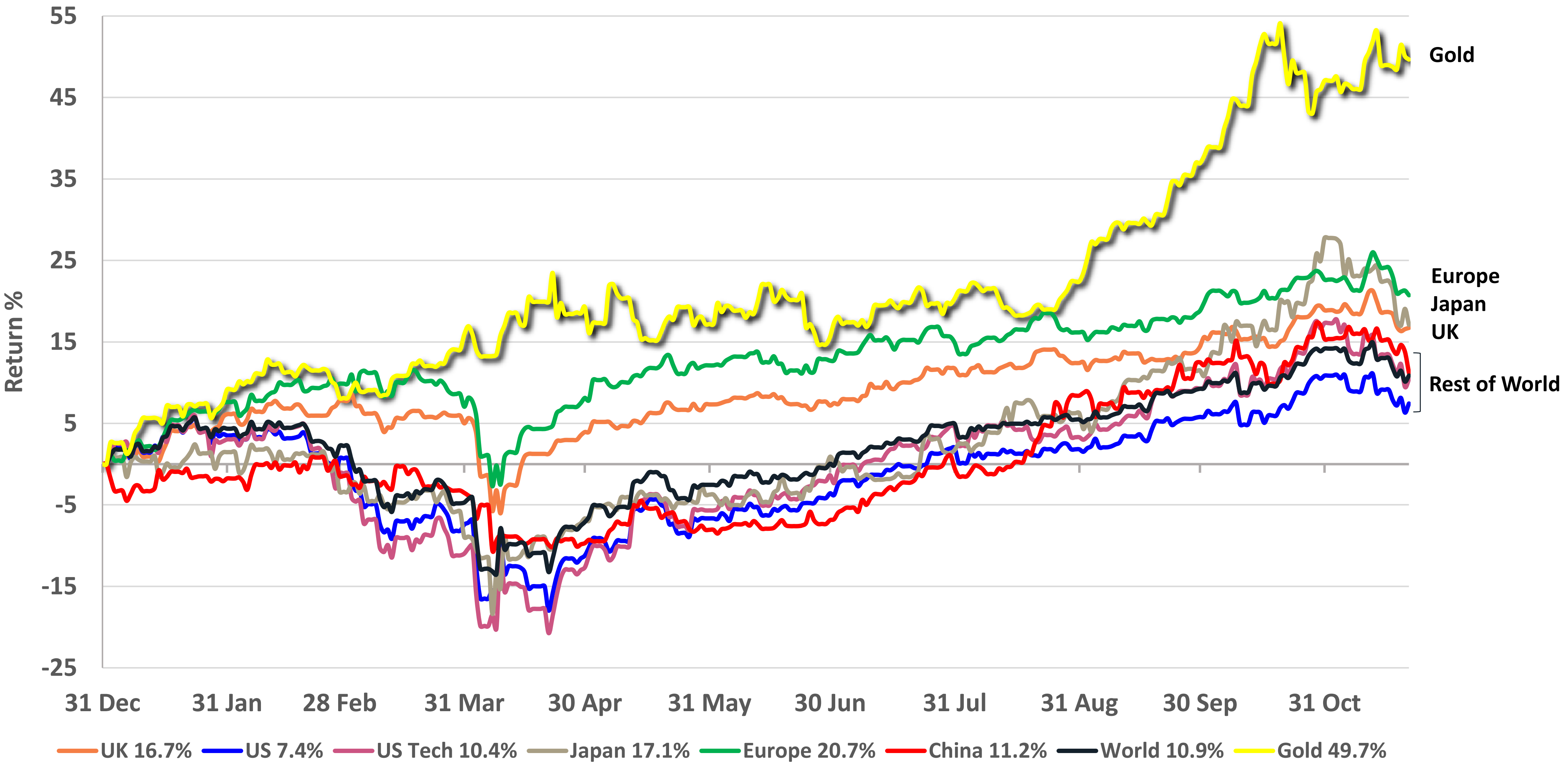
# Year to Date Market Performance in GBP




Source: Morningstar. Indices: UK = FTSE 100, US = S&P 500, Tech = Nasdaq 100, Japan = Nikkei 225, Europe = STOXX Europe 600, China = CSI 300, World = MSCI World, Gold = LBMA Gold Price. Data for period 31/12/24 to 21/11/25, in GBP.

# Key themes driving markets

## Running Hot

- Record deficits
- Record highs
- Liquidity driven momentum?

## The Illusion of Balance

- AI exuberance
- Fiscal imbalance
- Monetary easing

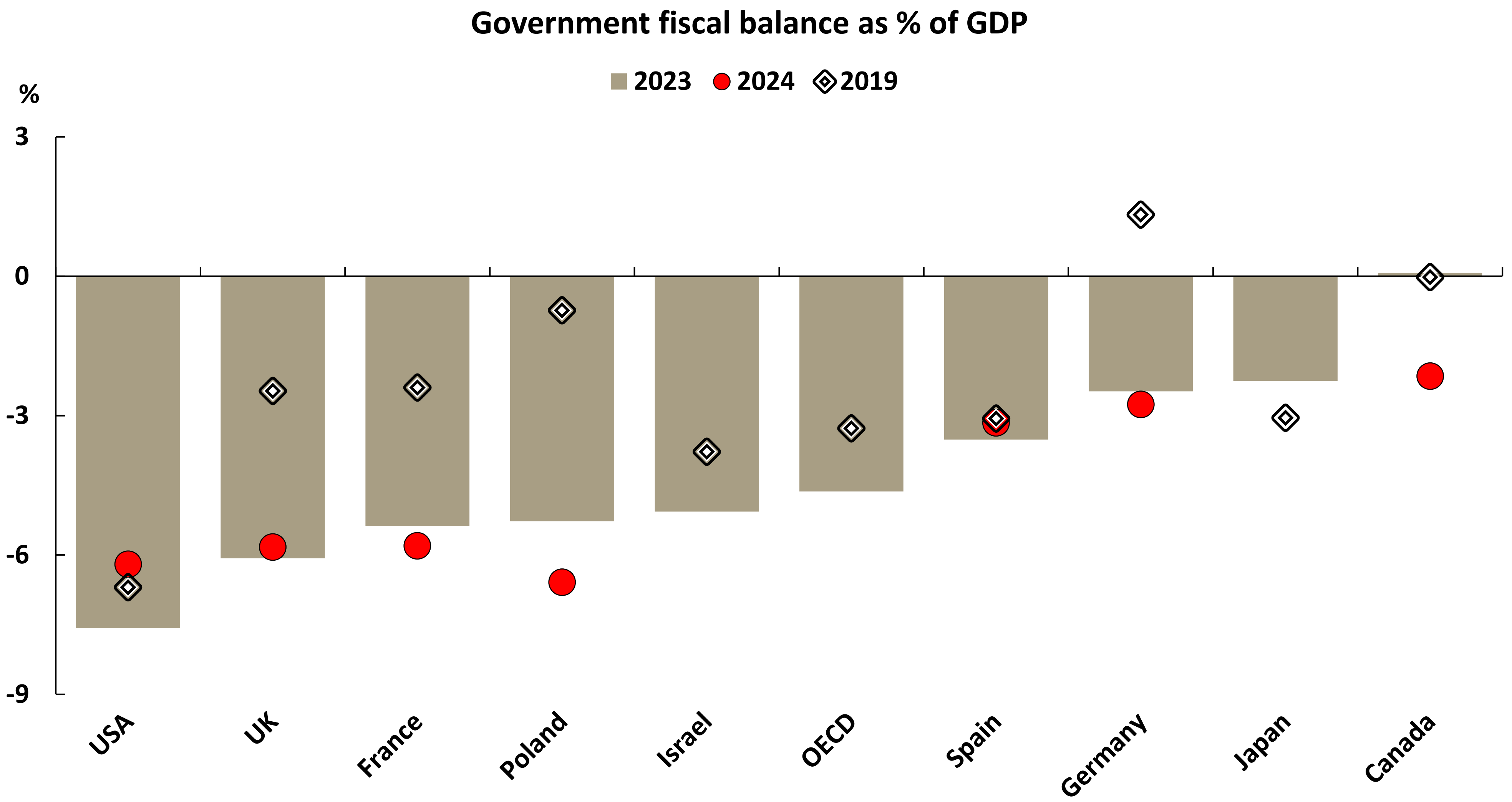
## From Hype to Hard Reality

- Data releases
- Earnings season
- Trade tensions

## Peak Optimism

- Risk assets and havens both strong
- What could possibly go wrong?

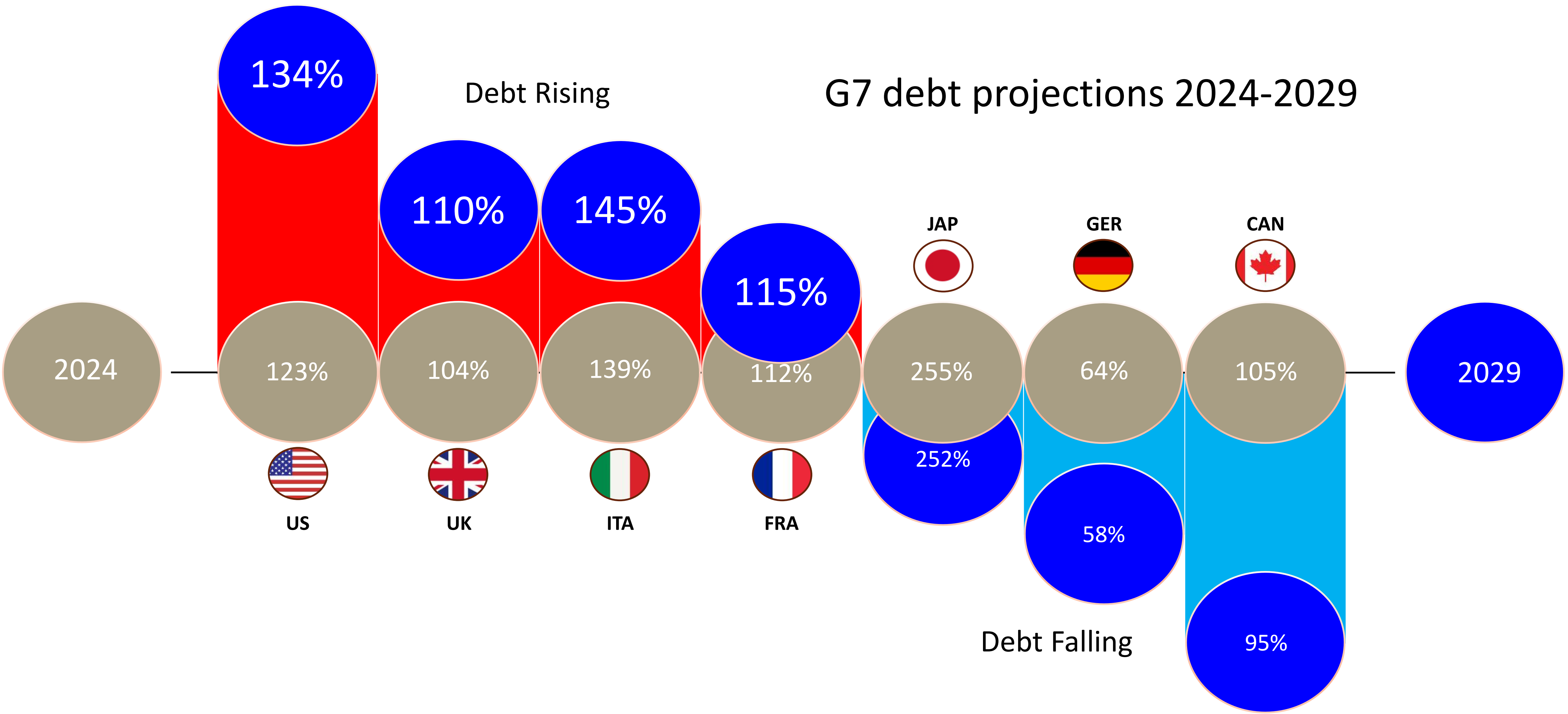
# Record deficits





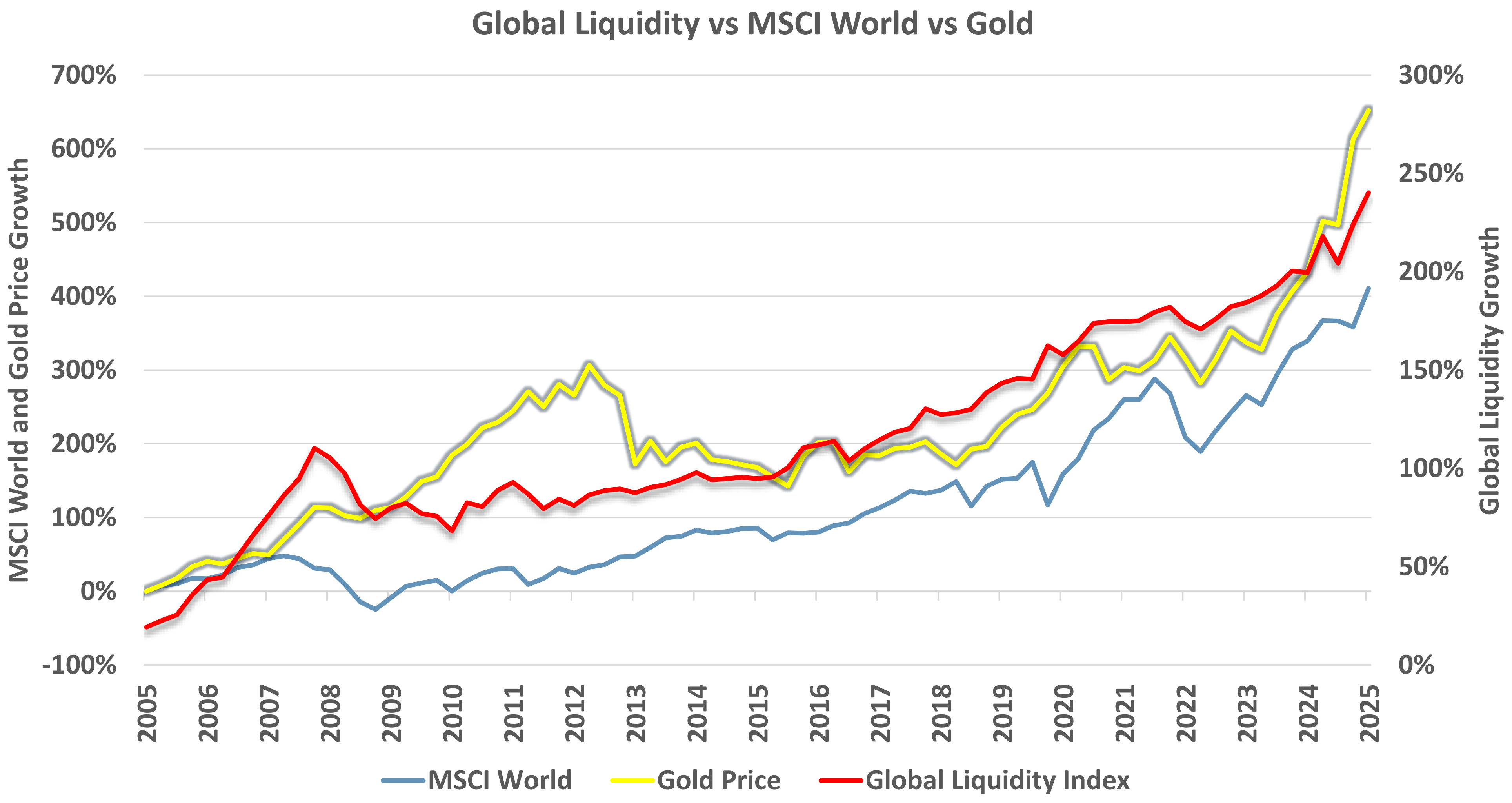

Source: International Monetary Fund, MM Wealth Investment Team. The rounded estimated ratios of global debt to GDP are weighted by each country's GDP in USD.

# Record debt, why is this important?



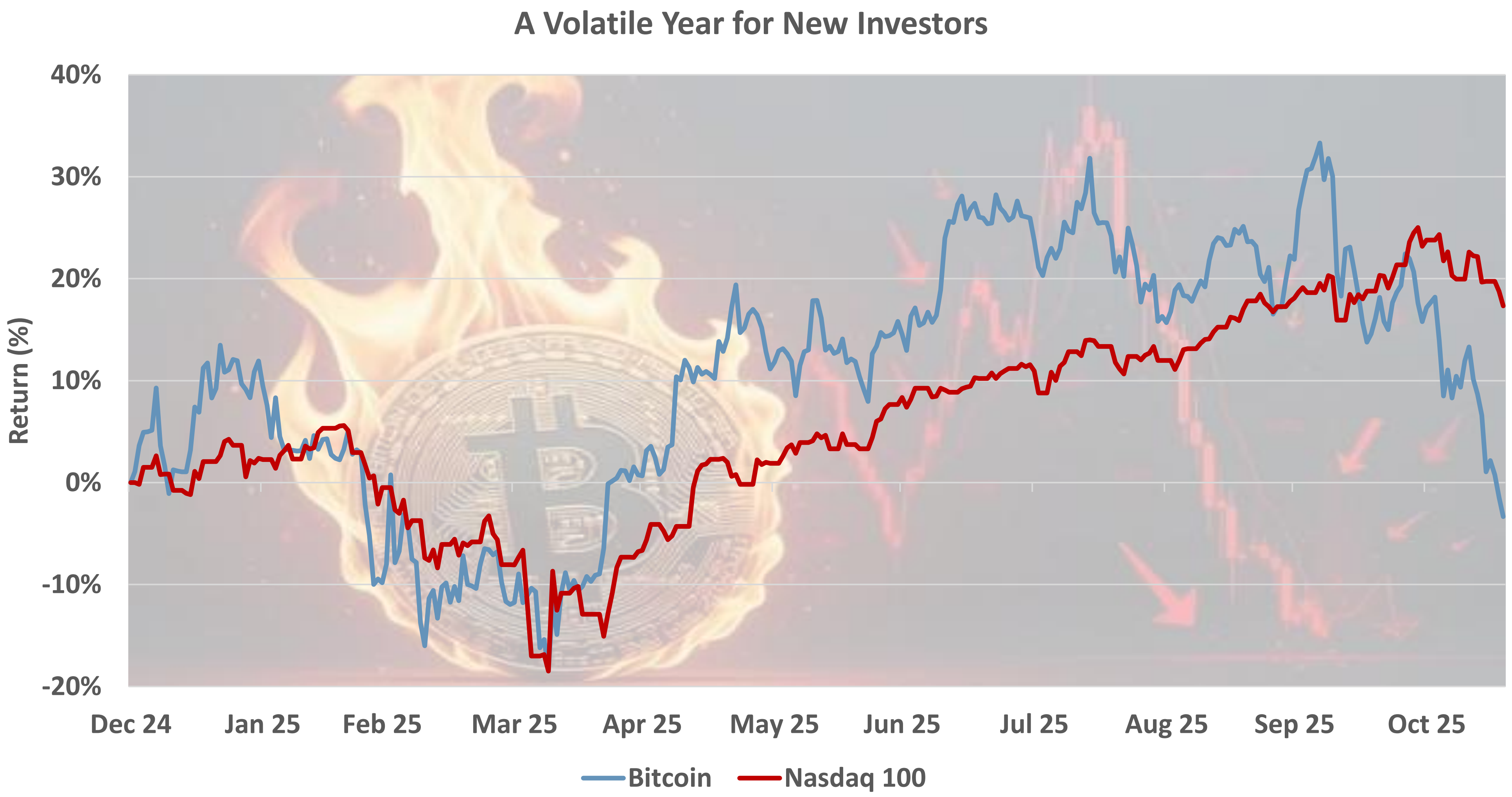

 Source: International Monetary Fund. G7 debt projections, government gross debt 2024-2029.

# Running hot, the fiscal-monetary loop



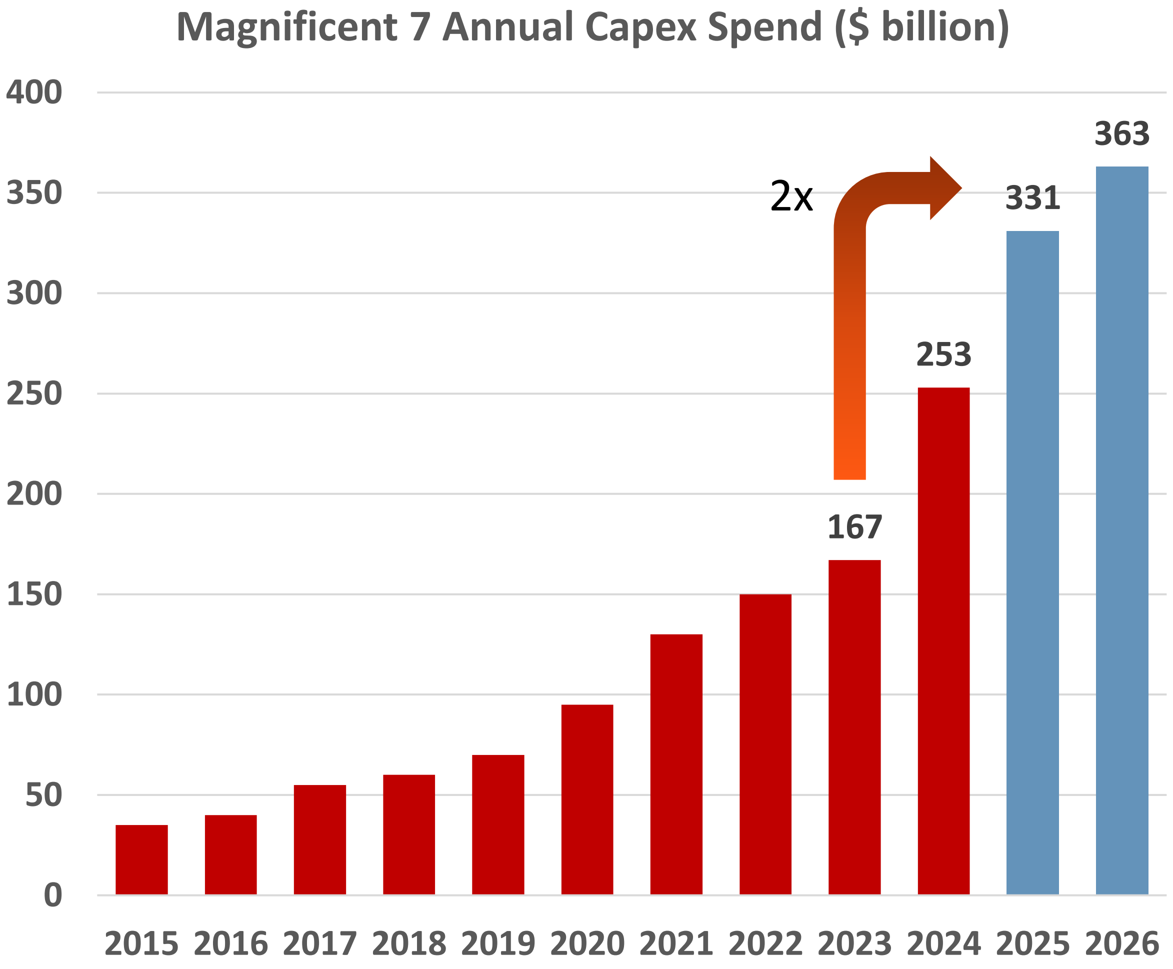

Source: Morningstar, Band for International Settlements (BIS), MM Wealth Investment Team. Global Liquidity measure based on international claims on non-banks (worldwide), all currencies, bank lenders. Data from 30/06/2015 to 30/06/2025, in USD.

# Bitcoin just a leveraged Magnificent 7 tracker?




Source: Morningstar, MM Wealth Investment Team. Data for period 31/12/24 to 21/11/25, in USD. Image – Adobe Stock.

# Red flag as growth starts to be fuelled by debt




***Measuring the risk in the AI financing boom – "this year, OpenAI has announced over $1tn worth of deals for computing power with Nvidia, Oracle, CoreWeave, AMD, and, on Monday, Broadcom. Some agreements have involved complex circular financing arrangements. – FT, 13/10/25***

***Credit market hit with $200bn 'flood' of AI-related issuance – FT, 31/10/25***

***Banks lend $18bn for Oracle-tied data centre project, Bloomberg News reports – Reuters, 07/11/25***

***Nvidia's strong forecast calms AI bubble jitters, for now – Reuters, 20/11/25***



Source: Chart - Goldman Sachs Global Investment Research report "AI: In a Bubble", MM Wealth Investment Team.

# How can risk assets and gold rise at the same time? Monetary easing!

**The obvious part: Policy rate cuts**

- **US Fed** – first cut in September, again in October
- **Bank of Canada** – also cut in September and October
- **ECB** – expected to follow early 2026
- **BoE** – not yet, but the writing is on the wall

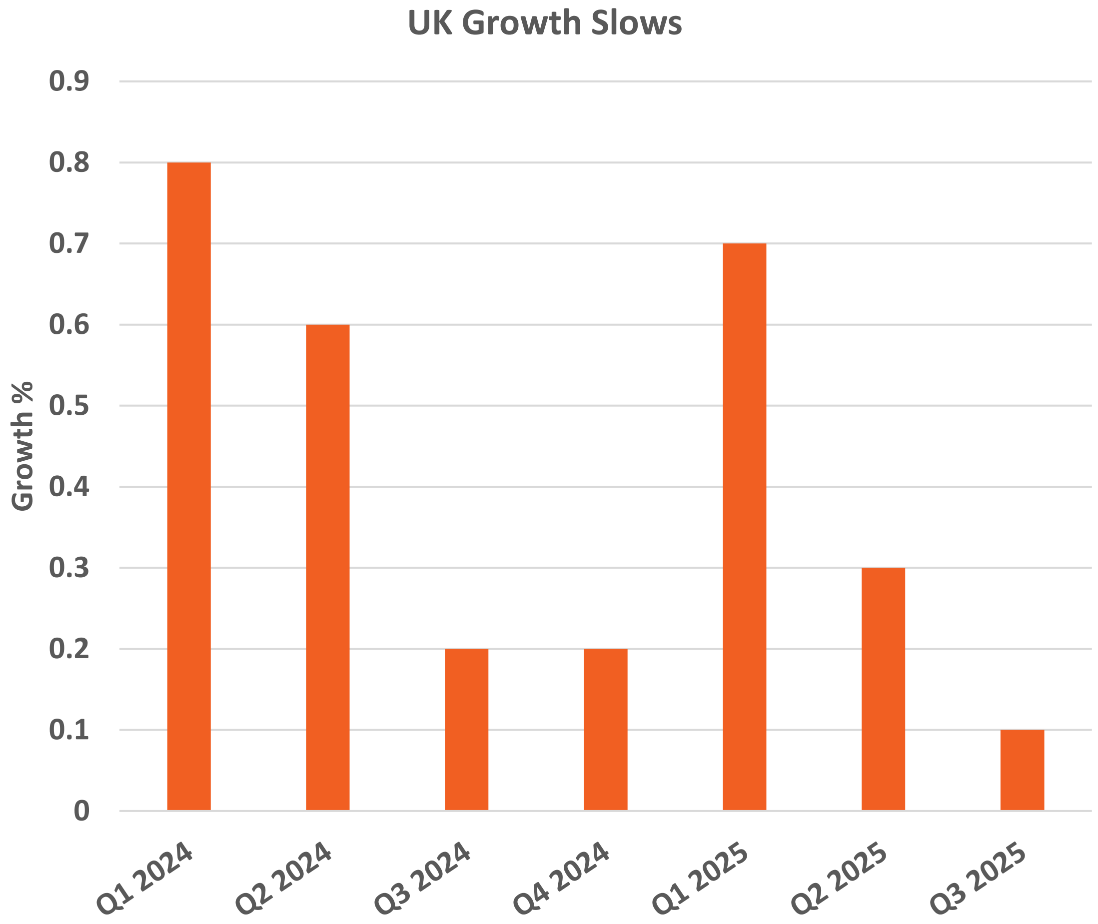
**The less obvious, *but more powerful*, part: Expanding liquidity**

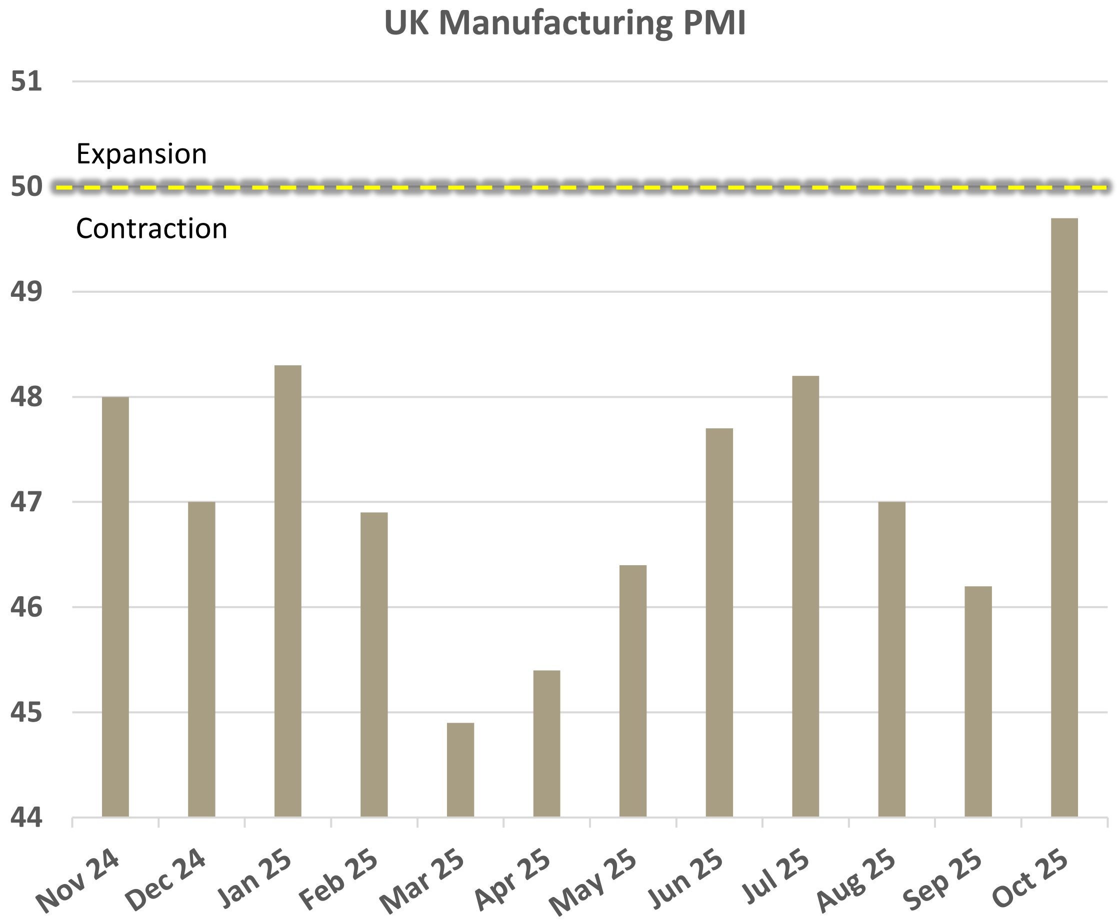
- **BoJ** – ongoing bond purchases, low domestic yields
- **China** – quietly easing credit
- **Shadow banking and private credit growth** – private credit is rising
- **Declining bond yields** – equals looser conditions for markets

**And markets feel "eased" even with partial data**

- **Borrowing costs down**
- **Equity markets up**
- **Credit spreads tighter**
- **USD weaker**

# Fundamentals ***are*** still important

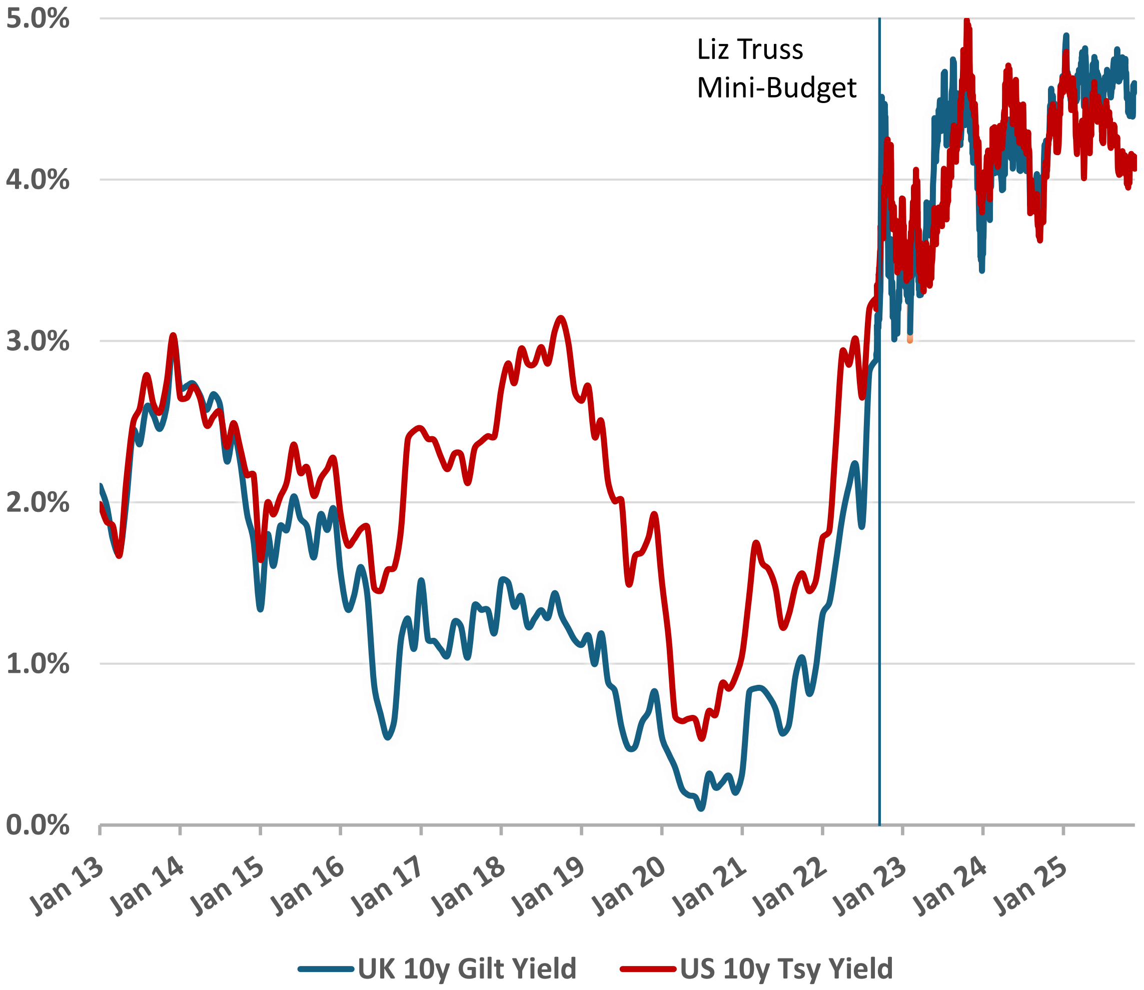


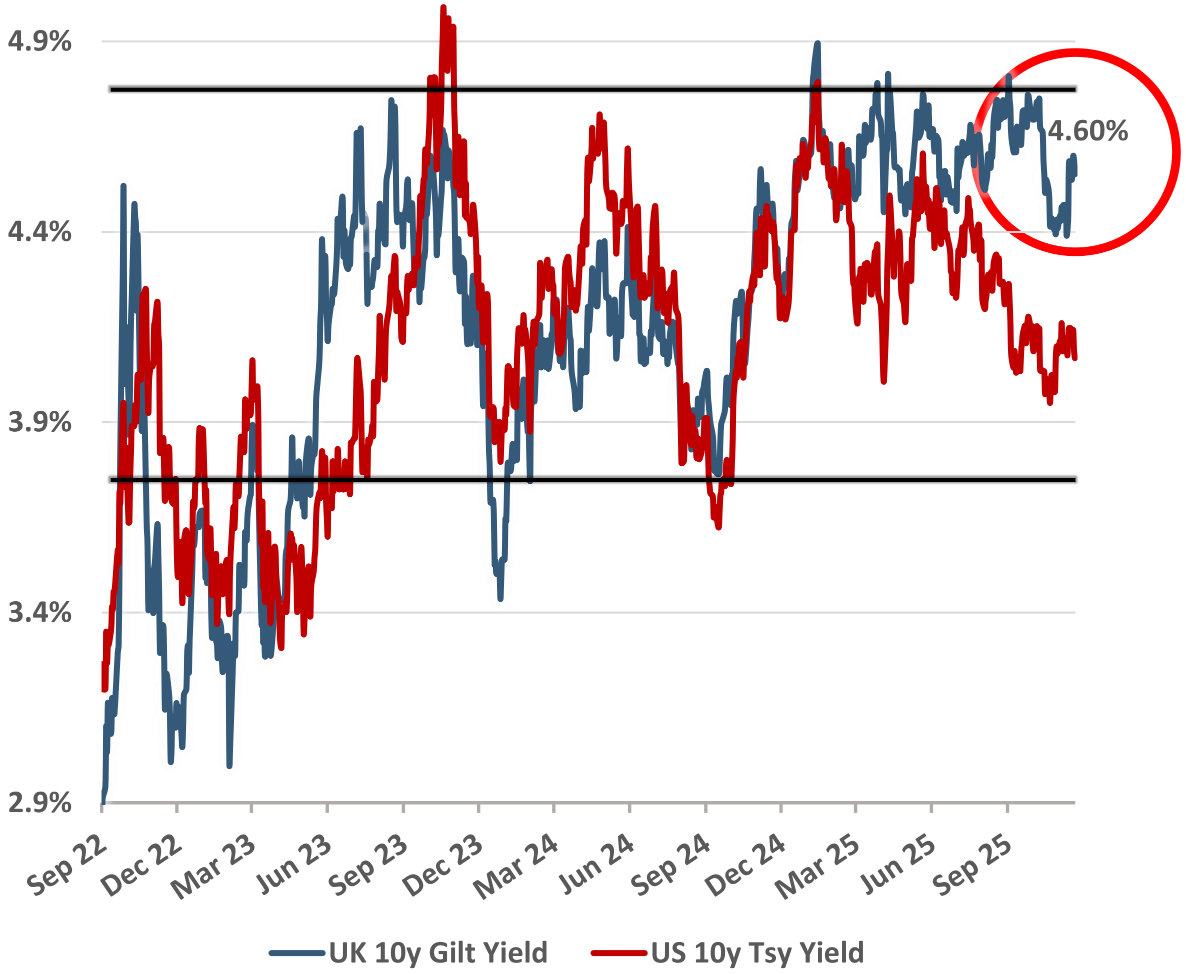






Source: S&P Global Purchasing Managers Index, Morningstar, MM Wealth Investment Team.

# And politicians are keeping one eye on the bond markets

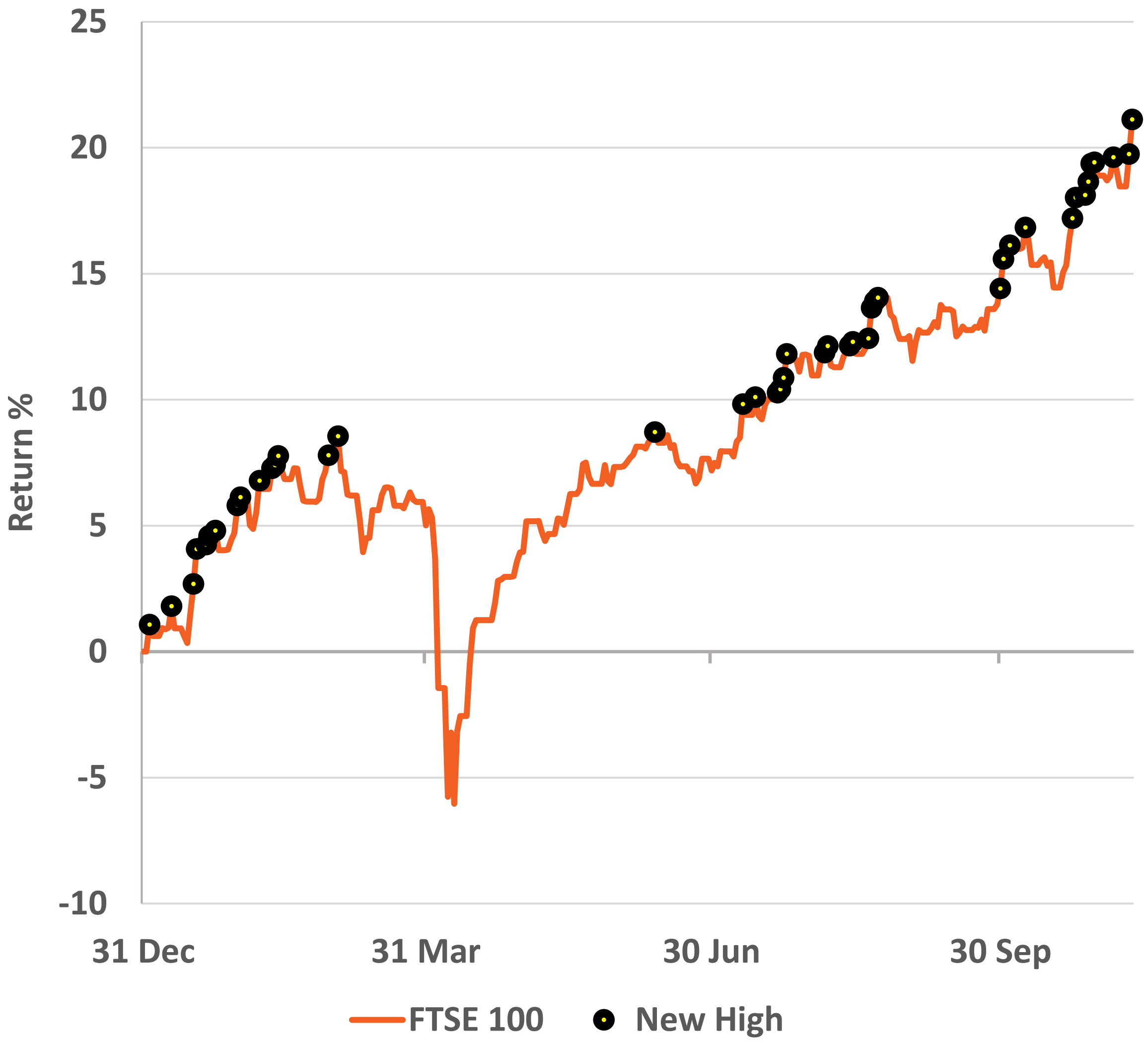


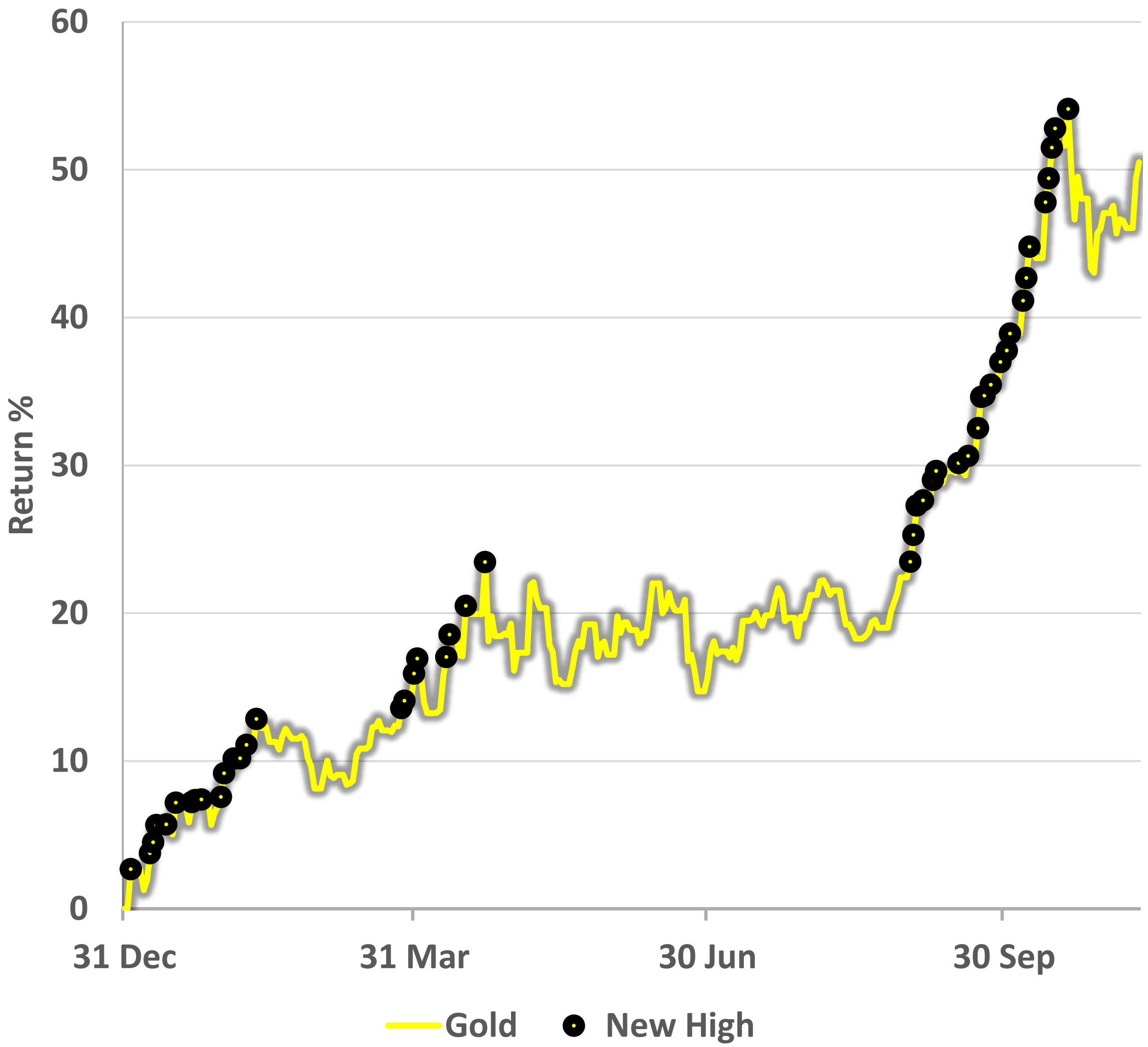






Source: Morningstar, MM Wealth Investment Team. Date for period 01/01/2013 to 21/11/2025.

# Record highs – UK makes 43 new highs year to date, Gold 46!

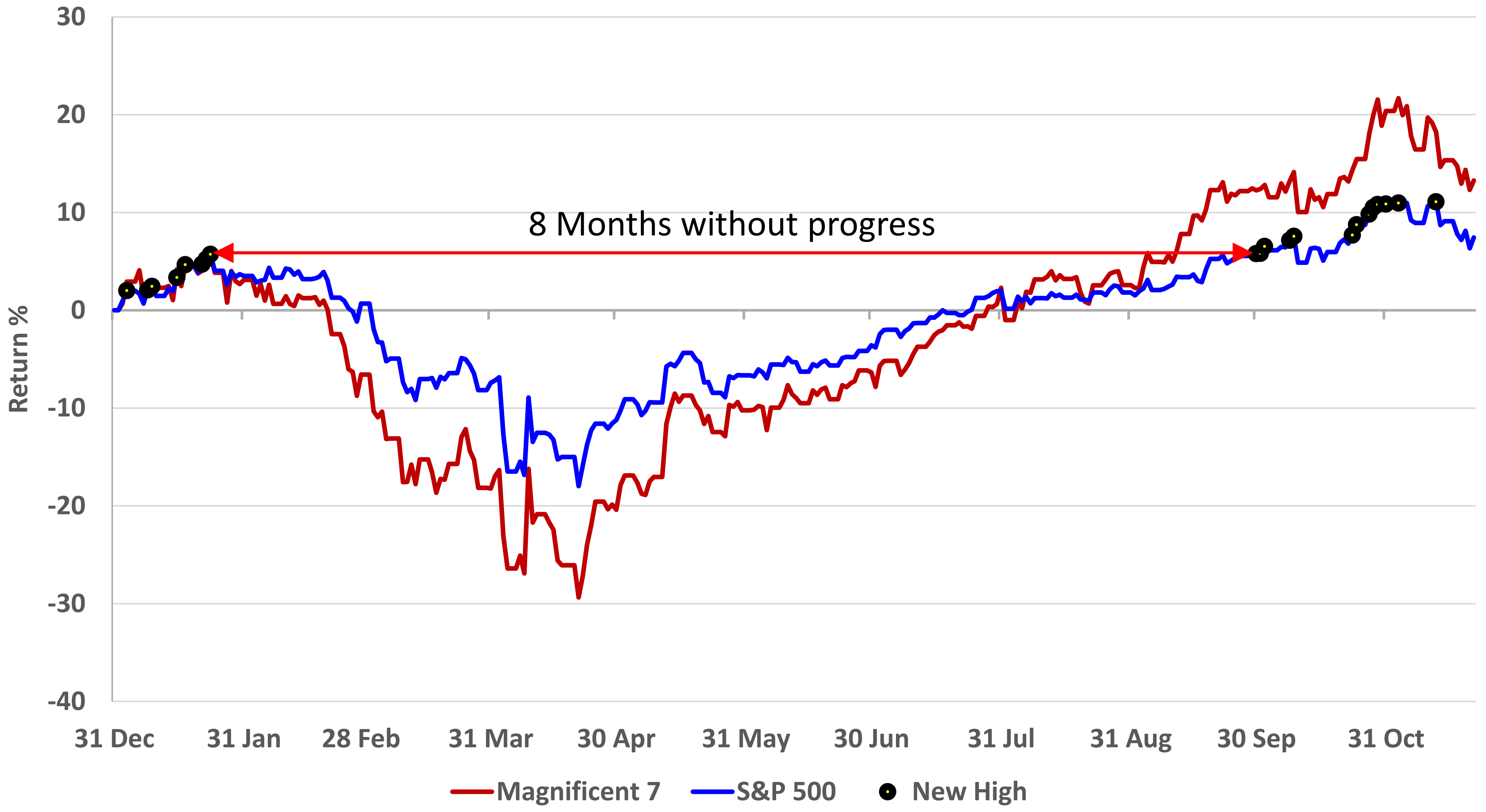




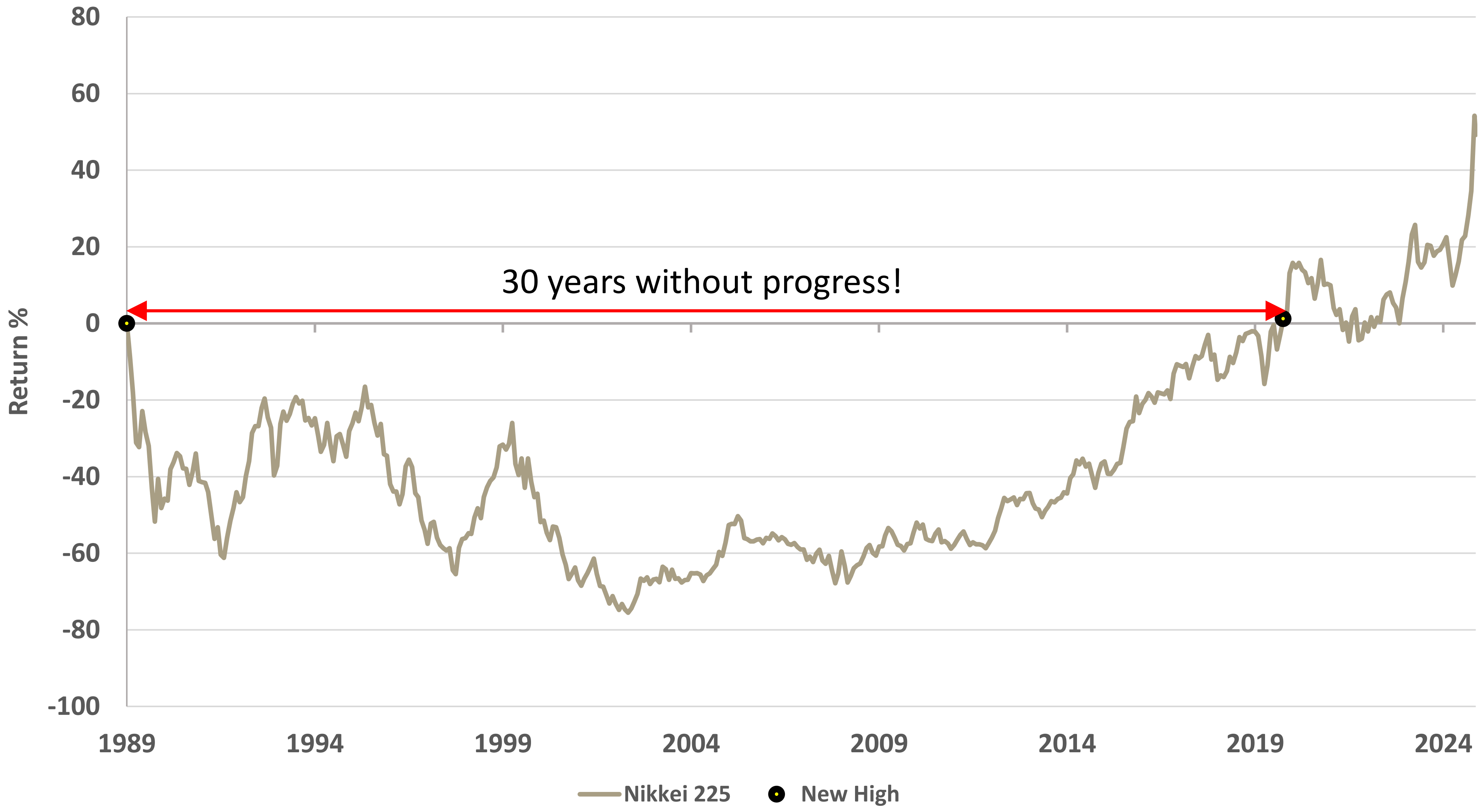

Source: Morningstar, MM Wealth Investment Team. Data for period 31/12/24 to 11/11/25, in GBP.

# But are new highs important or not?




Source: Morningstar, MM Wealth Investment Team. Data from 31/12/25 to 21/11/25, in GBP.

# Even more so in the case of Japan





Source: Morningstar, MM Wealth Investment Team. Data for period 31/12/89 to 31/10/25, in GBP.

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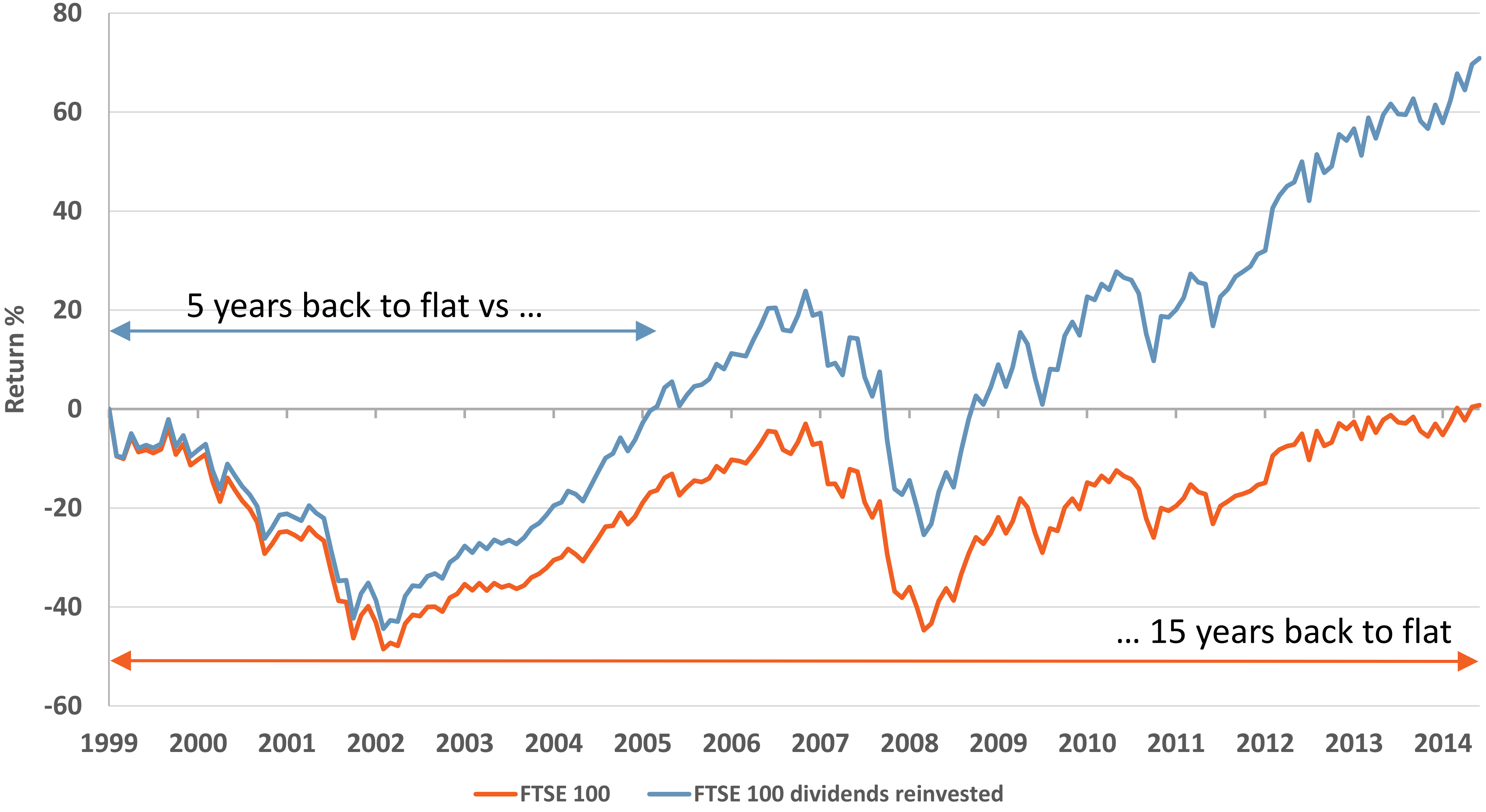
# And THAT is why we like dividends






Source: Morningstar, MM Wealth Investment Team. Data from 31/12/99 to 31/05/15, in GBP.

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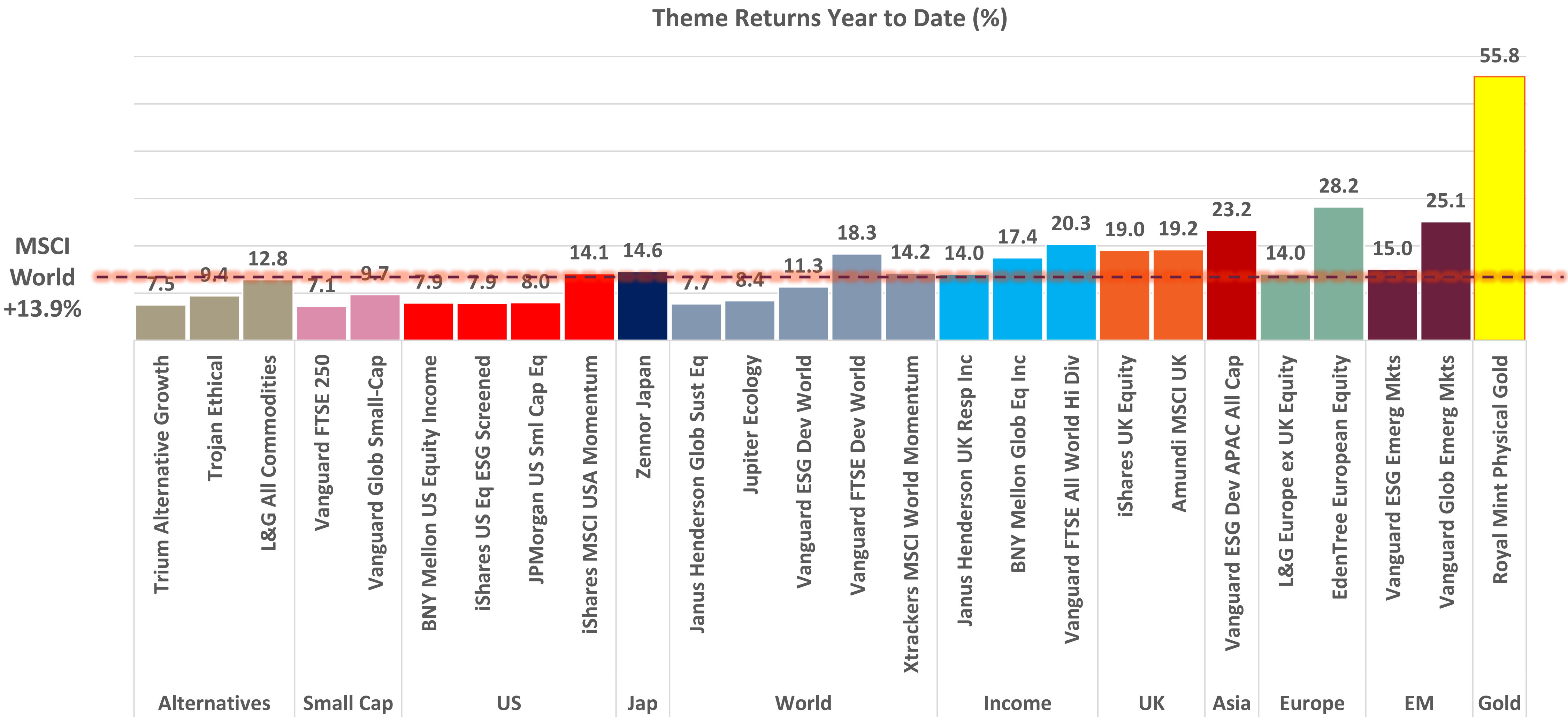
# Divergence






Source: Morningstar, MM Wealth Investment Team. Data for period 31/12/24 to 21/11/25, in GBP.

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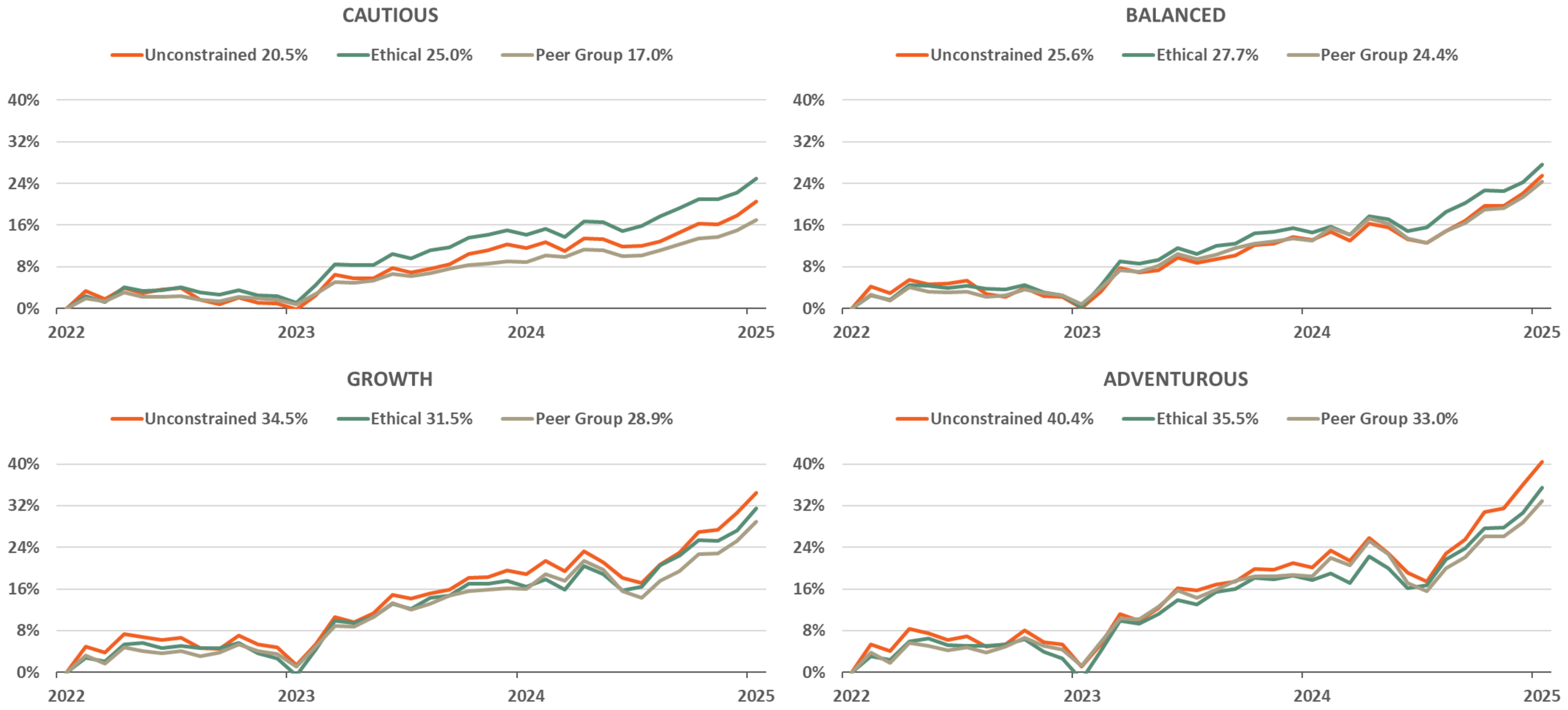
# MM Wealth strategies – 3-year performance vs peer group comparison




Source: Morningstar, MM Wealth Investment Team. Unconstrained and Ethical investment strategies versus peer group comparison in GBP. Performance data for period 31/10/22 to 31/10/25.

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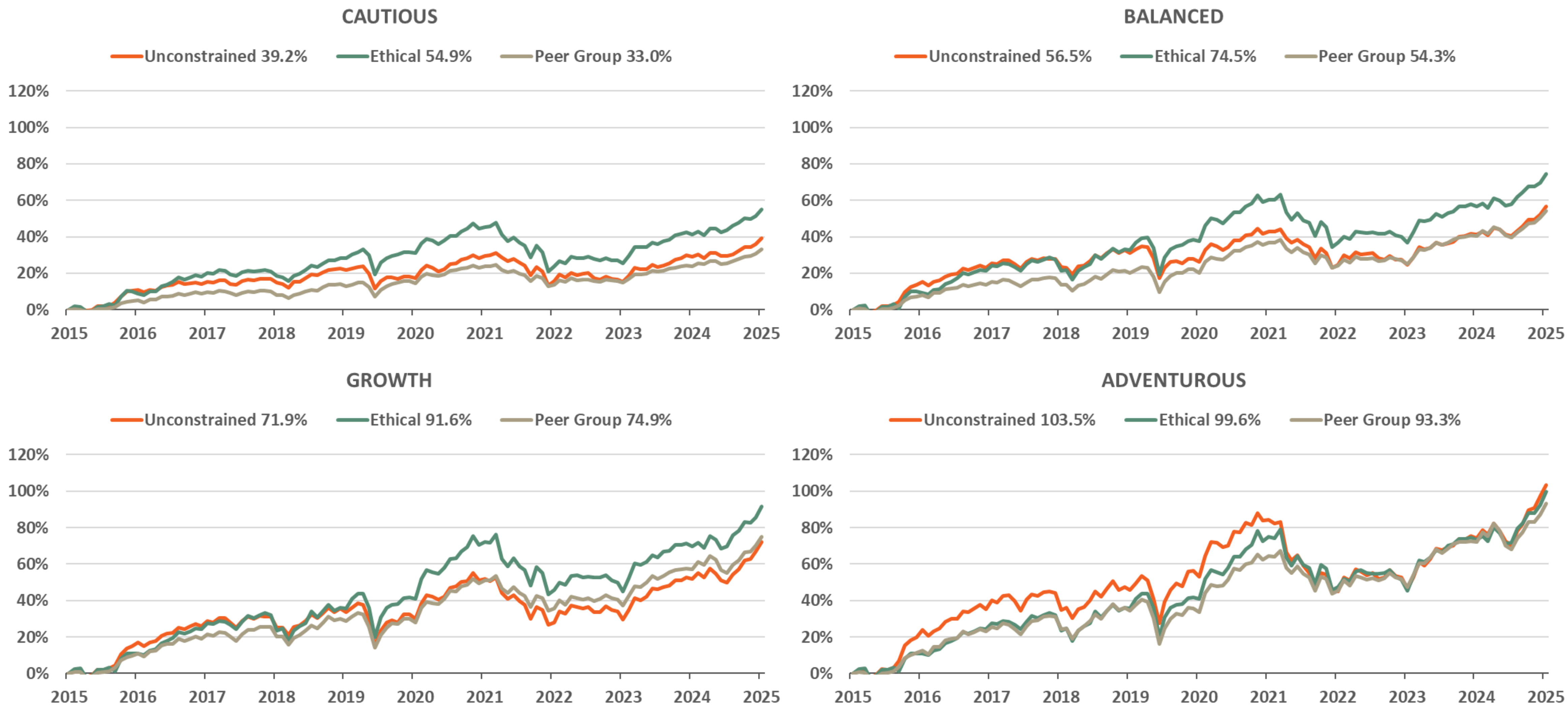
# MM Wealth strategies – 10-year performance vs peer group comparison




Source: Morningstar, MM Wealth Investment Team. Unconstrained and Ethical investment strategies versus peer group comparison in GBP. Performance data for period 31/10/15 to 31/10/25.

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# Outlook

- Further policy rate cuts expected (US, UK, Europe) heading into 2026 and AI investment are the most important issues for investors
- Growth plus stimulus (liquidity) means the narrow US tech/growth leaders can continue to run hot
- After overheating, expectations for rate cuts to fade, and AI capex to slow... stagflation?
- Inflation-protected bonds and gold should outperform under stagflation, potentially real estate and commodities also
- Speculative holdings (Bitcoin!) and carry trades will be hurt, as positions unwind quickly
- As well as stagflation protection, the importance of cash and defensive alternatives rises

# Upcoming dates for your diary


**Next webinar – 25 February 2026**

# Appendix

## MM Wealth

# Global Market Returns in GBP

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Best | 17.04 Japan | 33.55 US - S&P 500 | 30.55 Emerging Markets | 6.26 US - NDX | 34.07 US - NDX | 44.28 US - NDX | 29.89 US - S&P 500 | 0.34 UK | 46.38 US - NDX | 28.14 US - NDX | 25.20 Emerging Markets |
| | 16.11 US - NDX | 27.96 US - NDX | 25.13 Asia Ex Japan | 1.56 US - S&P 500 | 31.89 China | 34.08 China | 28.68 US - NDX | -5.42 Global Ex US | 21.61 Global | 27.26 US - S&P 500 | 24.59 Global Ex US |
| | 8.37 China | 27.34 Asia Ex Japan | 21.48 US - NDX | -2.16 Japan | 26.43 Europe Ex UK | 20.63 Japan | 23.53 Europe Ex UK | -7.08 Asia Ex Japan | 19.16 US - S&P 500 | 20.21 Global | 24.13 Japan |
| | 8.30 Europe Ex UK | 25.96 Japan | 21.12 China | -7.69 Global | 26.41 US - S&P 500 | 19.12 Emerging Markets | 20.90 Global | -7.79 US - S&P 500 | 16.36 Europe Ex UK | 16.94 China | 18.79 UK |
| | 7.25 US - S&P 500 | 24.64 Global Ex US | 19.77 Global | -8.57 Asia Ex Japan | 26.24 Global | 18.66 Asia Ex Japan | 18.32 UK | -8.94 Japan | 15.65 Japan | 13.12 Emerging Markets | 17.43 Asia Ex Japan |
| | 1.27 Global | 16.75 UK | 16.18 Global Ex US | -8.86 Global Ex US | 19.17 UK | 14.74 US - S&P 500 | 8.82 Global Ex US | -12.95 Europe Ex UK | 9.85 Emerging Markets | 12.12 Asia Ex Japan | 16.15 China |
| | 0.98 UK | 9.69 Emerging Markets | 14.75 Japan | -9.47 UK | 18.06 Emerging Markets | 14.21 Global | -0.08 China | -15.54 Emerging Markets | 9.10 Global Ex US | 10.78 Japan | 16.10 US - NDX |
| | -0.20 Global Ex US | 9.04 Global | 13.59 Europe Ex UK | -10.08 Emerging Markets | 17.17 Japan | 7.24 Global Ex US | -0.19 Emerging Markets | -15.98 Global | 7.92 UK | 9.47 UK | 15.02 Global |
| | -4.12 Asia Ex Japan | 2.31 Europe Ex UK | 13.10 UK | -11.31 Europe Ex UK | 16.82 Global Ex US | 1.43 Europe Ex UK | -2.00 Asia Ex Japan | -17.25 China | 1.31 Asia Ex Japan | 7.42 Global Ex US | 13.60 Europe Ex UK |
| Worst | -5.76 Emerging Markets | 1.14 China | 11.29 US - S&P 500 | -23.07 China | 14.56 Asia Ex Japan | -9.82 UK | -3.49 Japan | -23.86 US - NDX | -15.96 China | 7.21 Europe Ex UK | 8.68 US - S&P 500 |

Source: Morningstar, MM Wealth Investment Team. Data for period 2015 to 31/10/2025.

# Asset Class Returns in GBP

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Best | 6.28 EM Debt | 33.37 Commodities | 25.83 EM Equity | 5.82 Govt Bonds | 28.07 DM Equity | 15.02 EM Equity | 28.21 Commodities | 30.76 Commodities | 23.75 DM Equity | 21.57 DM Equity | 27.24 EM Equity |
| | 5.36 REITs | 33.12 EM Equity | 19.13 DM Equity | 2.80 Hedge Funds | 18.81 REITs | 14.06 DM Equity | 24.71 DM Equity | 3.08 Hedge Funds | 11.92 HY Bonds | 9.98 EM Equity | 14.34 DM Equity |
| | 3.11 Hedge Funds | 30.77 EM Debt | 6.73 HY Bonds | 2.43 IG Bonds | 14.31 EM Equity | 6.96 IG Bonds | 24.18 REITs | 1.41 Cash | 4.65 Cash | 8.94 HY Bonds | 12.26 EM Debt |
| | 2.65 DM Equity | 24.79 REITs | 5.06 REITs | 0.52 Cash | 12.32 HY Bonds | 6.12 Govt Bonds | 2.78 HY Bonds | -6.23 IG Bonds | 4.07 Hedge Funds | 8.59 Hedge Funds | 8.20 Commodities |
| | 2.31 Govt Bonds | 24.38 IG Bonds | 0.26 Cash | 0.32 REITs | 10.07 EM Debt | 5.10 HY Bonds | 0.48 Hedge Funds | -7.08 Govt Bonds | 4.05 EM Equity | 7.30 EM Debt | 7.06 HY Bonds |
| | 2.02 IG Bonds | 21.25 Govt Bonds | -0.15 EM Debt | -0.71 EM Debt | 7.21 IG Bonds | 2.30 Hedge Funds | -0.04 Cash | -8.17 EM Debt | 3.59 REITs | 7.22 Commodities | 5.81 Govt Bonds |
| | 0.36 Cash | 20.12 Hedge Funds | -0.35 IG Bonds | -3.61 HY Bonds | 4.40 Hedge Funds | 1.27 EM Debt | -1.32 EM Equity | -9.62 EM Equity | 3.42 IG Bonds | 5.32 Cash | 5.33 Hedge Funds |
| | -2.11 HY Bonds | 15.66 HY Bonds | -2.00 Govt Bonds | -5.78 Commodities | 3.64 Commodities | 0.42 Cash | -2.00 IG Bonds | -12.58 HY Bonds | 3.13 EM Debt | 3.39 REITs | 4.40 IG Bonds |
| | -9.65 EM Equity | 9.65 DM Equity | -2.95 Hedge Funds | -6.86 DM Equity | 1.51 Govt Bonds | -6.10 Commodities | -2.61 EM Debt | -13.96 REITs | -1.70 Govt Bonds | 2.91 IG Bonds | 4.27 REITs |
| Worst | -20.34 Commodities | 0.44 Cash | -7.11 Commodities | -8.92 EM Equity | 0.78 Cash | -11.97 REITs | -5.74 Govt Bonds | -15.62 DM Equity | -13.09 Commodities | -1.85 Govt Bonds | 3.99 Cash |



Source: Morningstar, MM Wealth Investment Team. Data for period 2015 to 31/10/2025.

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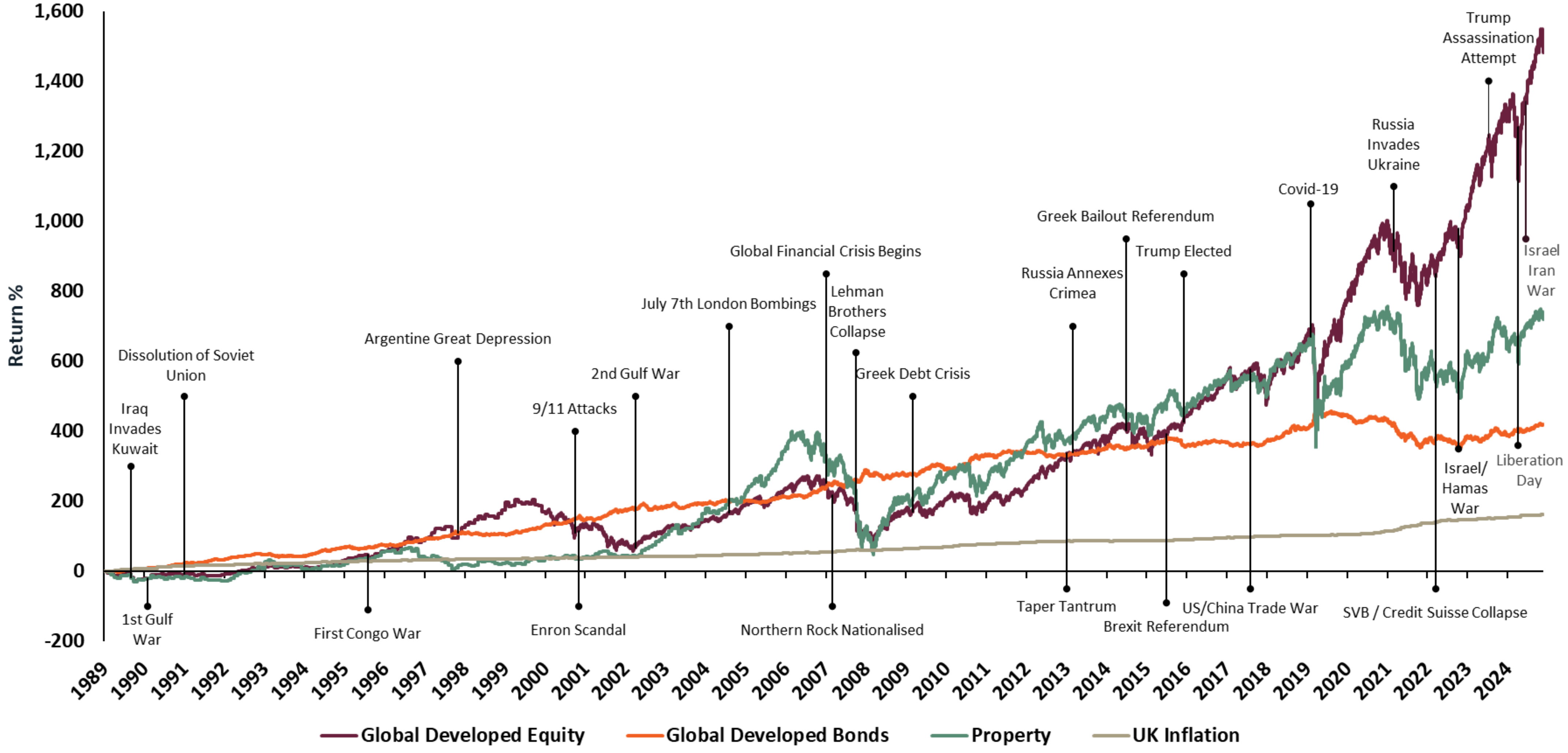
# Time in the market, not timing the market






Source: Morningstar, MM Wealth Investment Team. Global Developed Equity = MSCI World, Global Developed Bonds = Bloomberg Global Aggregate, Property = S&P Global Property, UK Inflation = UK CPI. Data for period 31/12/1989 to 21/11/2025.

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**If you have any questions, please do not hesitate to contact us.**

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