

Quarterly Rebalance Update

February 2026



ROCKHOLD

Contents

What's Moving Markets?	03
From The Investment Team	04
Asset Allocation Changes	06
Sustainable Portfolios	07
Delivering Diversification	08
Fund Changes	09

What's Moving Markets?

Every new year, we like to imagine that a fresh calendar will bring order, predictability and a clean slate – yet markets are always quick to remind us otherwise. The start of 2026 was no exception, delivering on the excitement front with a fresh wave of geopolitical tensions.

From the dramatic removal of Venezuela's President to divisions within NATO over Greenland and mounting unrest inside Iran, there was plenty to keep investors busy. Nevertheless, all major equity markets pushed through the noise to deliver another positive start, even after an already impressive 2025. As expected in a middling interest rate environment with low inflation, the fixed income world has remained quiet in most regions. Japan was the notable exception, where the ongoing political rollercoaster sent Japanese government bond yields sharply higher.

The standout story was, of course, precious metals. Investors initially piled back into last year's safe-haven favourites. Gold and silver, defence stocks, mining and semiconductor companies. Until, of course, it went the other way. As the month progressed, asset prices started jumping around a LOT.

It was silver that stole the show. An ounce of silver cost you \$70 at the start of January, shot up to \$80, back towards \$70 again, before flying up to \$115, back to \$100, up again to \$115, then ending the month at \$78. An extraordinary level of day to day swings. That being said, if you'd bought at the start of the year, you'd be up 12%. Better still, if you'd bought a year ago, you'd be up more than 100%!

In short, silver's wild ride was a timely reminder that even in noisy markets, perspective matters. The long term view often tells a very different story from the daily headlines.

Despite turbulence, silver's long term trend remains on course...

...and equity markets continue to brush off the latest headlines.

From The Investment Team

What would have happened if you'd bought Apple shares instead of an iPhone?

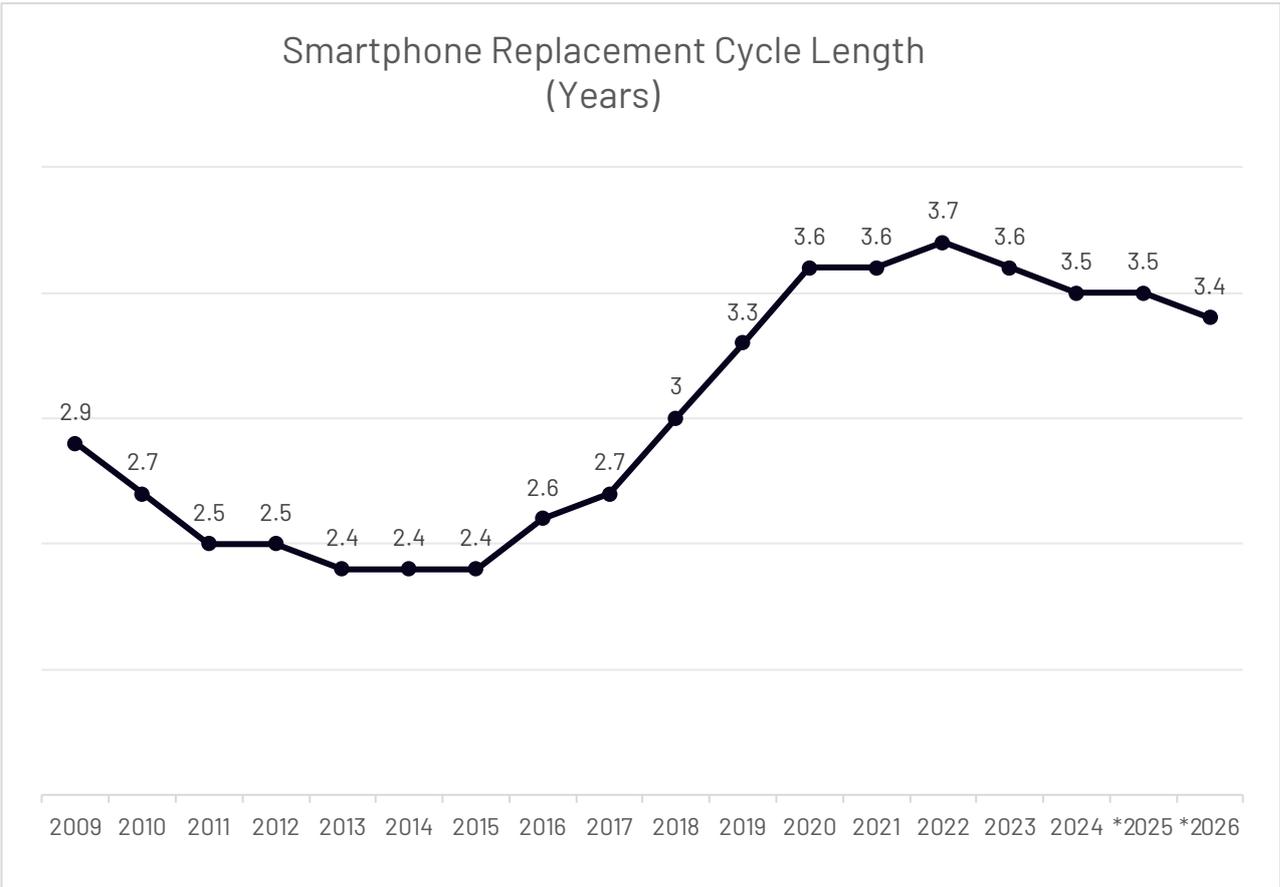
At the end of January, Apple released its results, and the numbers were huge. The company made \$85 billion from iPhones in just October, November and December and STILL had enough spare cash to hand \$32 billion back to shareholders. That's roughly the market value of Vodafone... or the total budget for yet another re imagined version of HS2.

But what's remarkable is why this quarter was so good.

Because for years, Apple has been fighting against one big behavioural shift: everyone stopped upgrading their phones like lunatics.

In the early iPhone era, nobody really knew how long a smartphone should last. Then came the mid 2010s, where turning up with an iPhone 5 while everyone else had an iPhone 7 was a serious source of social shame.

And then society collectively calmed down. Three to four years is FINE.



Source: sellcell.com

And in 2025, enough people finally hit the “cracked screen + dying battery + emotional readiness” combination to lift Apple’s iPhone numbers again. This struck us as an excellent way to bring investing to life:

If you’d have bought an iPhone every two years since 2013, you’d have given £6,000 to Apple. And you’d have a nice shiny iPhone 17 to show for it today.

If you’d invested the same amount in Apple shares, on the day the phone was released, you’d have £32,000... But you’d have had no phone for over a decade.

So, what about the middle ground? Gone with a 4-year upgrade cycle (only upgrading in time for each Winter Olympics is a handy way to remember) and then investing the “missed” phone’s value in Apple shares? You’d have put £3,300 in Apple’s pocket and you’d have a new iPhone 17 today. But you’d have invested the remaining £2,700 and have turned it into £12,700 today...

What we’re watching this quarter

- The Bank of England’s tighter than expected vote on February 5th has pulled rate cut expectations forward, putting February’s data in the spotlight as markets look for evidence that easing could begin sooner.
- Q4 US Retail Sales – a real key indicator of how strong the US consumer looks is how much they spend over Christmas. Was 2025 a record-breaking year for spending?
- Nvidia results have now become the market event. How will the chip group fare going into 2026?
- The US Federal Reserve are meeting on the 17th and 18th March. Is inflation slowing enough for rates to come down? Or is growth still strong enough to avoid having to cut rates unnecessarily?



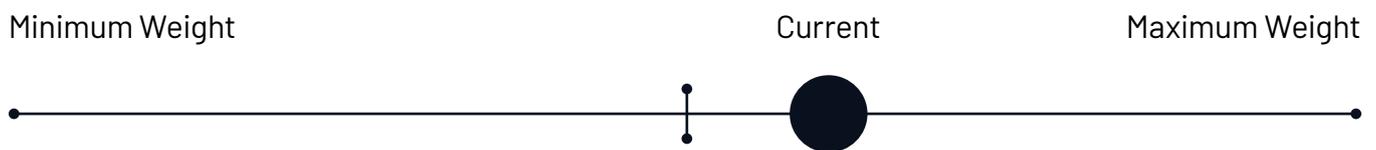
Ben Kumar

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Asset Allocation Changes

A rebalance across the Rockhold portfolios has been initiated as part of the ongoing alignment of portfolios to the 7IM asset allocation approach. The 7IM Portfolio Management Committee has recommended these changes to align the asset allocation of the Rockhold portfolios closer to long-term Strategic Asset Allocation.

Equity - equity exposure is unchanged since the previous quarter



Our equity exposure is unchanged since last quarter, and we remain neutral in our position. Our macroeconomic signals are, on balance, mildly positive. While growth and sentiment remain constructive, high valuations in certain markets and sectors suggest not leaning too heavily on risk assets.

Fixed Income - we slightly increased fixed income exposure



We slightly increased our fixed income exposure but still maintain a broadly neutral position. At these yields on global government bonds, we are very happy to collect our income, while benefitting from protection if something does go awry.

Sustainable Portfolios

The Rockhold Sustainable Portfolios invest in companies and funds that score strongly on ESG factors while avoiding exposure to controversial activities such as armaments, tobacco and thermal coal. They also seek investments that can deliver long-term positive environmental and social impact, drawing on 7IM's extensive experience in sustainable multi-asset investing.

Portfolio Themes



The Future of Humanity

The COVID crisis has shown how important healthcare is. Healthcare is becoming increasingly important as Europe's population ages, with over half of new drugs targeting the over 65s



The World is Getting Warmer

Climate change poses a major global risk, driving investment into clean energy such as solar, wind and hydropower, as governments seek greater control over energy supplies.



ESG Transition Leaders

Companies are cleaning up their business models (even if not helping directly with climate change), such as when a bank cuts the use of paper, or an airline goes lower carbon.



Automation and Digitalisation

Companies are designing products/solutions which improve processing, connectivity and production and help clean up the world. Think AI, electric cars, food chain technology and supply chain management.



Evolving Consumption

Companies looking to design their products around consumption that fits health and wellness, the circular economy, travel and experiences and consumer lifestyles



Global impact

Impact investments are those that lead to a material and measurable improvement in environmental and social problems. Examples global corporate bond funds that invest in both ESG-labelled bonds (green and social bonds)

Diversification

To bring extra diversification into tactically managed portfolios, 7IM researches and implements long-term allocations to the following evidence-backed diversifying strategies.



Equal Weight

This allocation buys an equal amount of each of the 500 companies in the S&P 500 Index. This increases exposure to medium-sized companies when compared to a market-cap weighted strategy. It's a simple way to maintain exposure to US companies, without over-exposure to the huge technology stocks.



Put-Selling

Another diversifying strategy focused on generating income through selling put options on the S&P 500 Index. It aims for stable returns with less exposure to equity volatility.



Alternatives

This is a diversified basket of strategies which aren't correlated to bonds or equities. It continues to deliver returns above the interest rates on cash. It will tend to perform best during dislocations.

Sustainable Diversifiers

Diversified Sustainable Leaders:

Companies leading in environmental innovation, social progress, and governance best practice are central to driving economic growth and supporting a more sustainable global economy. This also includes responsible companies that are currently underappreciated by the market. Targeting these leaders enables the portfolio to capture opportunities across multiple sustainability themes, combining financial performance with positive contributions to sustainable development.

Fund Changes

7IM monitors the funds in our portfolios and makes changes when we feel we can achieve better outcomes for our customers. This table shows the funds that were new additions in the rebalance and ones that have been completely sold.

Bought:

Fund	Strategies	Rationale
BlueBay Impact Aligned	Sustainable	Added to portfolios to broaden sustainability exposure through impactful green and social bonds, active engagement, and improved diversification.
T. Rowe Price US Structured Research Equity	Blended	Supported by a large team of high-quality analysts, this actively managed US equity fund has been added to portfolios as it leverages deep, research driven insights to deliver consistent value at an attractive cost.
Federated Hermes MDT US Equity	Active	Added to provide extra diversification to the US equity allocation. This is a diversified, 'all-weather' equity strategy that seeks to outperform by selecting the most attractive companies in the US.
Global Sector Strategy Fund & Global Equity Premium Fund	Blended/Active	These funds are provided by JPM but 7IM have full control over the underlying exposures, allowing portfolios to access high conviction strategies previously not available to the models. For more information, please contact us.

The following funds have been added to Income portfolios as part of our ongoing alignment with 7IM's target asset allocation:

- L&G Global Real Estate Dividend Index
- ASI Global Inflation-linked Bond Tracker

Fund Changes

Sold:

To create capacity for allocations to our highest conviction holdings, the following funds have been removed from portfolios. Please refer to the above list of new funds for further details.

- Baillie Gifford Japanese (Blended/Active)
- M&G North American Dividend (Blended/Active)
- M&G Global Listed Infrastructure (Sustainable)
- EdenTree Responsible & Sustainable Short Dated (Sustainable)
- Rathbone Ethical Bond Fund (Sustainable)
- CT Responsible Sterling Corp Bond (Sustainable)
- Brown Advisory US Sustainable

The following funds have been removed from portfolios after identifying a preferred lower-cost vehicle:

- Vanguard Global Short-Term Bond Index Fund (Passive)
- Vanguard Global Bond Index Fund (Passive)
- BlackRock Corporate Bond (Passive)
- iShares Corporate Bond Index UK (Passive)
- Vanguard U.S. Government Bond Index (Passive/Blended)
- HSBC FTSE 250 Index (Passive)
- Royal London UK Government Bond (Income)

About the Investment Manager

Seven Investment Management (7IM) was established in 2002 by seven founders who set out to build a firm they could trust with their own families' money.

Since then, they have partnered closely with financial advisers and planners – delivering not only cost effective investment but an unrivalled service experience built around responsiveness, clarity, and genuine partnership. Every interaction is designed to make advisers' lives easier and to help them deliver outstanding outcomes for their clients.

Today, they are entrusted with several billion pounds of clients' hard-earned assets, and their values remain unchanged:

- A commitment to putting clients and advisers first
- A transparent and disciplined approach to risk management
- A focus on clarity, partnership, and exceptional service

In April 2025, following the acquisition of Rockhold, 7IM assumed responsibility for the management of the Rockhold MPS, meaning we could draw on their expertise to enhance Rockhold's solutions and support our continued growth of assets.

While we continue to evolve, our purpose endures: to support advisers and their clients with robust investment solutions and an unwavering dedication to service excellence.

Please note: This document is issued by Rockhold Asset Management Ltd. The views and information expressed herein are the opinions of the author. This document must not be relied on for the purposes of any investment decisions and is not to be interpreted as investment advice. Should you require further information on your portfolio and how these changes may affect you, please speak with your financial adviser.

Capital is at risk and the value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. Where an investment involves exposure to a foreign currency, changes in the rates of exchange may also cause the value of the investment and the income from it to go up or down.

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