June 2025 quarter end review update

The table details the quarterly data for the FTSE All-Share Index.

Quarter	Open	Close	High	Low	Return year to date
January – March	4467	4623	4784	4454	3.49%
April - June	4623	4772	4823	4151	6.83%

The start of the quarter, or more specifically on the 2nd April, President Trump announced the imposition of tariffs across the globe, in what was entitled "Liberation Day". Initially the response of markets was reasonably measured but soon thereafter, as details of the country specific tariffs on top of the global 10% tariff emerged, markets started to fall, and US treasuries sold off. Within seven days of the initial announcement, a 90 day pause was declared, which not only calmed markets, it saw the beginning of a recovery. While the 90 day pause ends on the 9th July, market expectations are that the pause could be extended if trade deals haven't yet been agreed.

The background noise of tariffs, and their implications for inflation, has seen both the USA and UK central banks pause interest rate cuts and therefore, as we indicated in the last quarterly update, they are expected to remain cautious. This contrasts with the EU, which economically is facing more headwinds, having cut interest rates 8 times between June 2024 and June 2025. However, the current indication is that rates in the EU are likely to remain where they are in the near term.

If the decision between interest rate cuts and reducing inflation was not enough for policy makers to deal with, they also need to factor in the potential effects of external events on inflation, such as the ongoing geopolitical conflict, which potentially could push the price of oil up with potential inflationary consequences.

Despite heightened uncertainty, resulting in pockets of elevated volatility, markets in the main have remained resilient with the main indices higher than they were before "Liberation Day". A lot will be riding on what the Trump administration does on the 9th July.

Certain sectors continue to be areas of growth, such as technology, defense and infrastructure, with the UK announcing significant capital projects over the coming years which should benefit economic growth. Some of these sectors feature in global equity funds that we seek to identify.

There is no escaping that economic growth is slowing for several reasons, but at the same time companies are going through a period of adjustment in terms of applying technology to the business in order to reduce overheads and become more profitable. Whilst this has implications for the workforce, this should have a positive impact on their profits and, consequently, valuations.

Once again, as we highlighted in the last quarterly review, well run, profitable companies with the ability to grow will always attract investors. Whilst that doesn't mean that they are immune to market conditions, long term they are well placed to navigate through periods of volatility.

The table sets out our current asset allocation views.

Underweight	Neutral	Overweight
	Government Gilts Index-linked Gilts: Global	High Yield Bonds (for income)
Emerging Markets	Investment-Grade Bonds Equities: US, Far East, Japan, China	Equities (large cap): UK, Europe, Asia
	Equities (small cap): UK, US, Europe	Global Equities
Property (bricks & mortar)	Commodities	
Gold	Global property shares	

**Neutral means that, while we retain the asset class, we do not generally want to add to the position, apart from exposure via mixed asset funds.*

1st July 2025