

# Quarterly Rebalance Update

February 2026



**7iM**

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# 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?

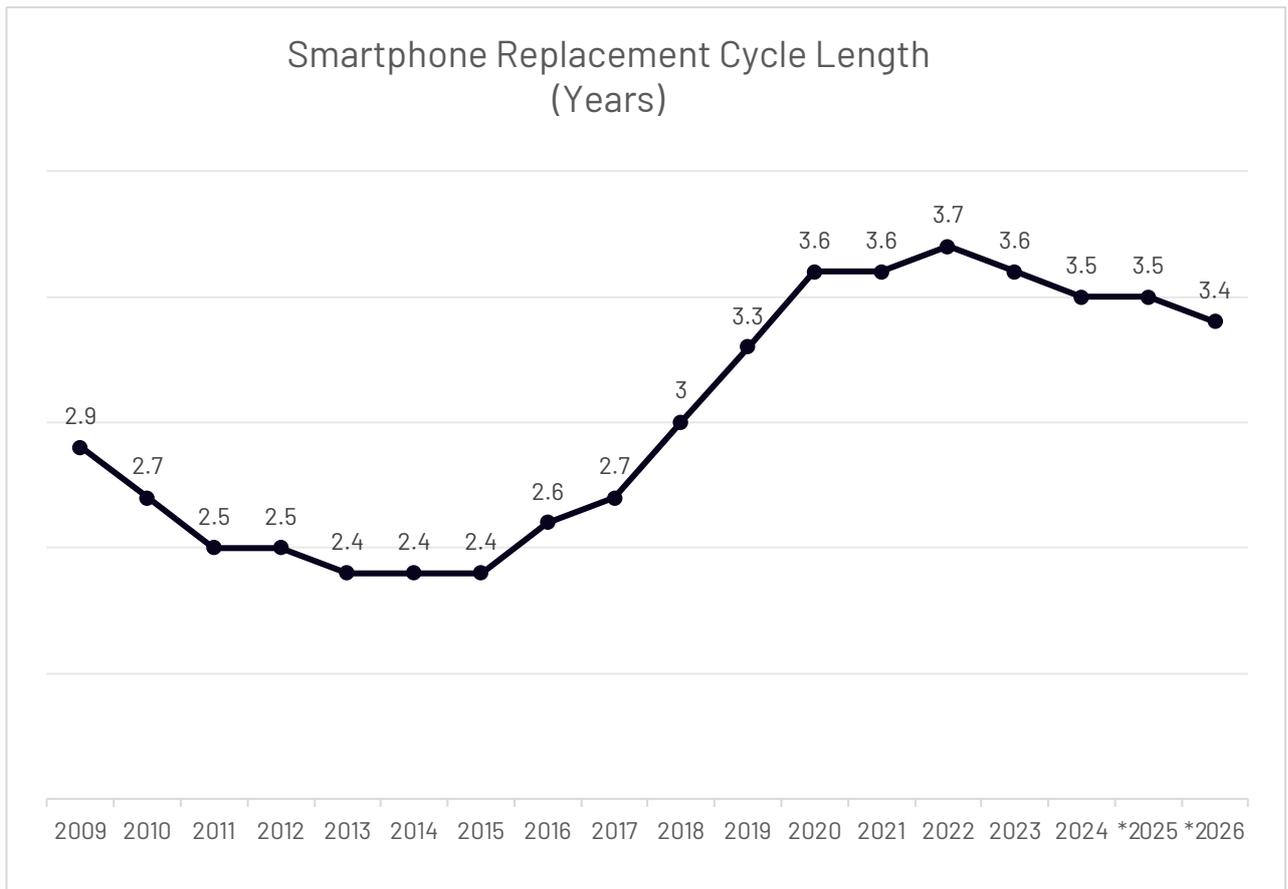
At the end of January, Apple released its results, and the numbers were huge. The company made \$85 billion from iPhones in just October, November and December and STILL had enough spare cash to hand \$32 billion back to shareholders. That's roughly the market value of Vodafone... or the total budget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



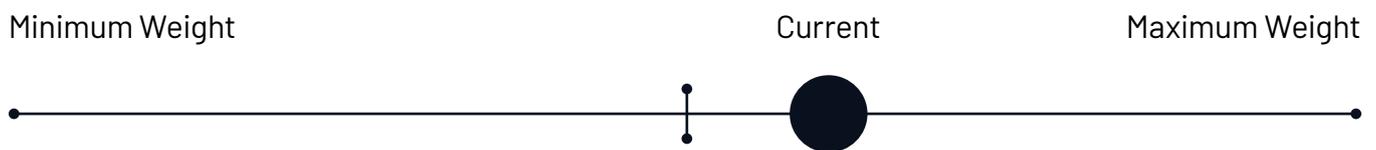
Ben Kumar

Head of Strategy – Wealth,  
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# Asset Allocation Changes

All portfolios are underpinned by 7IM's Strategic Asset Allocation, which seeks to diversify investments across a broad range of asset classes and global regions and is reviewed annually. Portfolios with tactical management will see 7IM adjust these long-term allocations to take advantage of opportunities and help navigate market conditions.

## 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

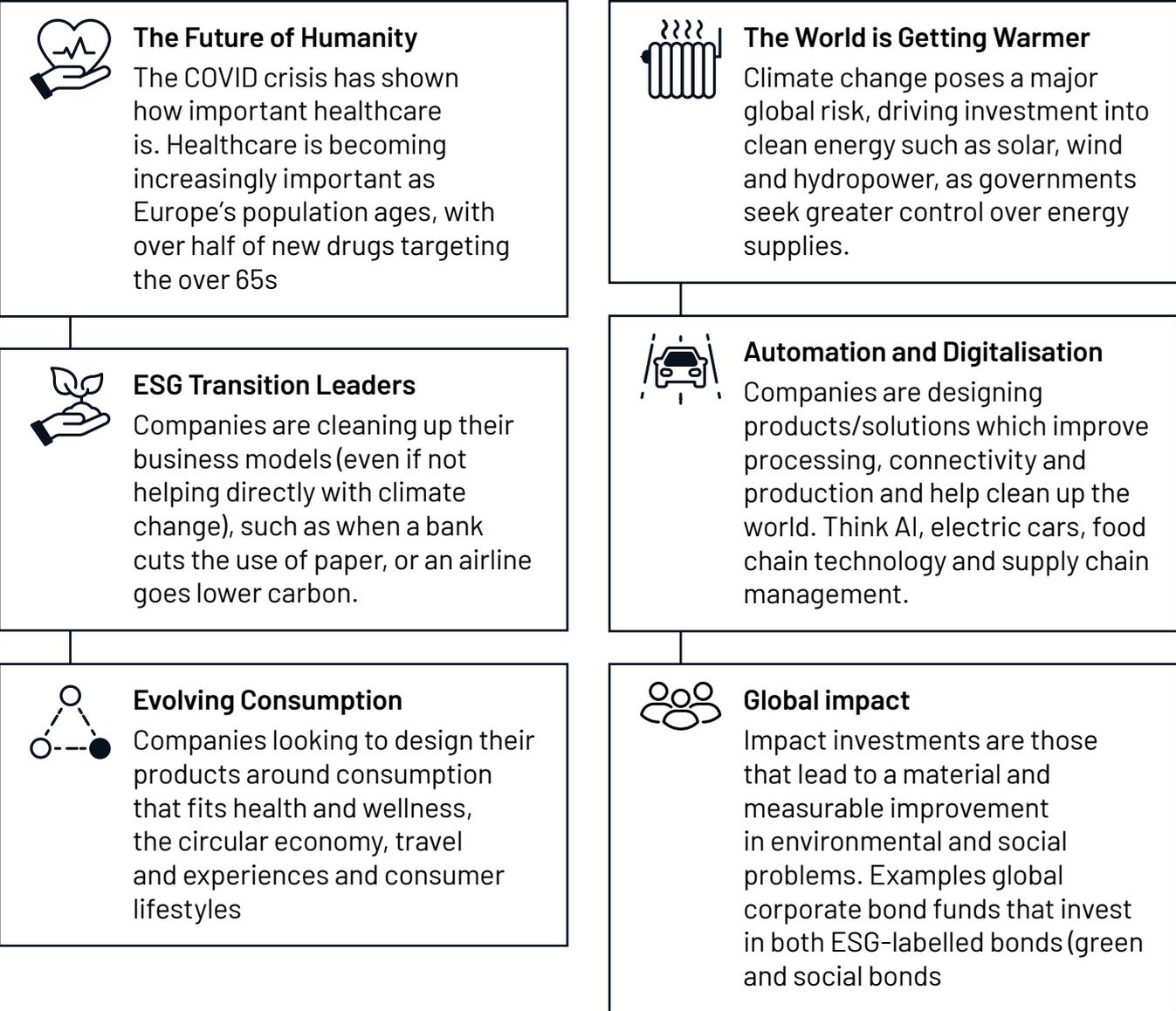


We slightly increased our fixed income exposure but still maintain a broadly neutral position. At these yields on global government bonds, we are very happy to collect our income, while benefitting from protection if something does go awry.

# Responsible Portfolios

The 7IM Responsible 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



# 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.

## Responsible Choice 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 make changes when we feel we can achieve a better outcome 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
HSBC UK Gilt Index	ALL	Added to portfolios as a more cost-efficient way of maintaining the desired exposure. It also tracks our preferred index compared to what we currently hold.
Invesco S&P 500 Equal Weight Swap	Blended	This ETF has been introduced to portfolios because its replication methodology provides potential for enhanced performance relative to the current holding.
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.
Abrdn EM Local Currency Debt	Blended	This fund has been added to portfolios due to its competitive pricing, offering a cost-efficient way to maintain the desired market exposure.
Global Sector Strategy Fund & Global Equity Premium Fund	Income	These funds are provided by JPM but 7IM have full control over the underlying exposures, allowing us cheaper and more timely execution of existing sector and equity premium positions. For more information, please contact us.

**Sold:**

Fund	Strategies	Rationale
Vanguard UK Government Bond Index	Active/Blended	This fund has been removed from portfolios after identifying a lower-cost vehicle that provides the same exposure more efficiently.
Xtrackers S&P 500 Equal Weight UCITS ETF	Blended	The fund has been removed from portfolios after a replacement with the potential for enhanced performance due to its replication methodology was identified.
Amundi UK Government Bond UCITS ETF	Passive	The fund has been withdrawn from portfolios following the identification of an alternative fund that adheres more closely to our preferred index tracking structure, rather than an ETF.
iShares UK Gilts All Stks Idx (UK)	Passive	The fund has been removed from portfolios after identifying a lower-cost vehicle that provides the same exposure more efficiently.
Neuberger Berman US Equity Premium Fund	Income	The fund has been removed from portfolios following the introduction of the Global Equity Premium Fund, a strategy designed to provide a more efficient and controlled implementation of our yield seeking equity exposure.
L&G EM Government Bond Local Currency Index	Blended	The fund has been removed from portfolios after identifying a lower-cost vehicle that provides the same exposure more efficiently.
Invesco UK Gilts ETF	Responsible Choice	The fund has been removed from portfolios after identifying a lower-cost vehicle that provides the same exposure more efficiently.

## 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, we 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, we are entrusted with over 24 billion pounds of clients' hard-earned assets, and our 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

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: All of the comments in this document refer to the models we run on the 7IM platform, but the models are also available on a range of other platforms. As much as possible, we try to replicate the models we run of the 7IM platform across all platforms, but due to differing security availability, not all of the points outlined in this document may be relevant across these platforms. If you are unsure whether certain changes apply to models on a specific platform, please reach out to a member of the team.

The past performance of investments is not a guide to future performance. The value of investments can go down as well as up and you may get back less than you originally invested. Any reference to specific investments are included for information purposes only and are not intended to provide stock recommendation or investment recommendations to individual investors

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