

# The Zedra Fiduciary Investment Fund Limited

## Balanced (Income Bias) Sub-Fund (ISIN: JE00BD35TF04)

### Factsheet - 30th June 2025

This document is for existing investors only and provides you with the key information about this Sub-Fund to help you understand the nature and risks of investing in this Sub-Fund. This is not marketing material.

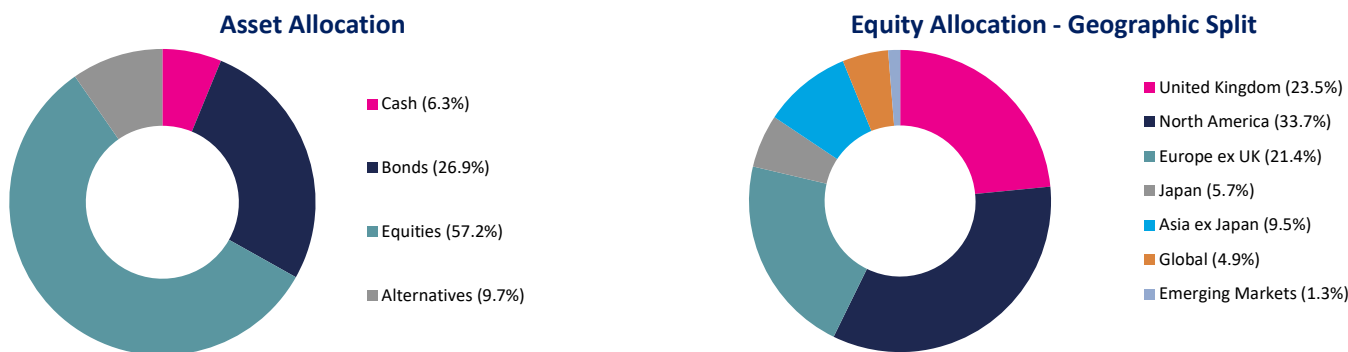
The Sub-Fund investment objective is to provide long-term capital growth and income with a medium level of investment risk. The Sub-Fund is denominated in Sterling (GBP) and aims to achieve an annual return in excess of United Kingdom Consumer Prices Index +3%, over the longer term. The Sub-Fund will have a balanced consideration for the needs of both income and capital investors, and is targeted to produce an income in excess of the underlying market yield. The managers' performance will be tracked against a composite benchmark based on an average allocation of 40% to fixed interest/bond assets, and 60% to equity assets, split evenly between UK and Global equities. The Sub-Fund investment time horizon is long term.

Performance							Standard Deviation
	1 month	3 months	6 months	1 year	3 years	5 years	3 years (ann.)
Cumulative							
Sub-Fund	1.3	2.5	1.7	3.9	15.0	22.4	4.4
CPI +3% p.a.	0.6	2.5	3.9	3.7	24.6	48.1	1.6
Composite	1.6	3.7	3.8	6.4	19.2	23.8	6.2
Discrete	YTD	2024	2023	2022	2021	2020	
Sub-Fund	1.7	6.3	6.8	-9.7	9.8	2.5	
CPI +3% p.a.	3.9	5.6	7.1	13.8	8.5	3.6	
Composite	3.8	7.4	9.0	-12.3	8.9	4.1	

All performance shown above is to the period ending 30th June 2025. The Sub-Fund does not have a track record prior to launch in November 2018, although each of the underlying managers have a validated record which has been reviewed by the investment adviser and considered by the Fund. The Sub-Fund performance will be tracked against a number of benchmarks. Two such benchmarks are shown above and provide a guide to possible historic returns. Over the longer term the Sub-Fund is expected to provide an inflation plus return based on the annual UK Consumer Prices Index All Items plus 3% p.a. The Sub-Fund performance will also be compared to the underlying performance of financial markets based on a composite index made up of the following three components: 40% Sterling Bonds; 30% UK Equities; 30% World Equities ex UK. Standard deviation is calculated on an annualised unweighted basis using three years of quarterly data.

### Asset Allocation

The asset allocation below is only indicative and is based on the weighted allocations of the underlying managers at period end.



### Investment Adviser Market Commentary

The Sub-Fund performed positively over the second quarter with a return of 2.5%, underperforming the composite benchmark by 1.2 percentage points. The fund is also underperforming over one and three years. Although the Sub-Fund is underperforming over certain time periods, the level of risk, as measured by the annualised standard deviation, is lower than the composite.

Developments in the US overshadowed markets over the second quarter of 2025. President Trump's "Liberation Day" tariff announcements (10% baseline rate on all US imports and much higher reciprocal tariffs for countries with large trade deficits) roiled markets, equities saw a sharp sell off with \$10 trillion being wiped off global stock markets over 3-days. Over the subsequent days US equities had their worst decline since the pandemic and volatility hit levels typically seen during global financial crises. The sell-off in equities spread to sovereign bonds, with US treasuries posting their largest daily spike in yields (prices fell) since the pandemic. The affect on treasuries led to Trump announcing a 90-day pause on reciprocal tariffs causing the market to rebound sharply. As the quarter progressed strong corporate earnings supported US markets as did easing tensions between the US and China with their retaliatory tariffs falling from over 120% to as low as 10%. US equity markets made new all-time-highs towards quarter-end, helped by the technology sector reversing losses from Q1 and being one of the strongest performing sectors in Q2. Although equity markets recovered, the US dollar continued to weaken as the quarter progressed, falling over 6% and 9% versus sterling and euros respectively. This would have been a headwind for sterling and euro based investors holding US dollar assets. Although for US dollar investors holding assets in other currencies, dollar weakness would have boosted returns. Focus shifted from trade policies to fiscal as the first draft of the US reconciliation bill, also known as Trump's "One Big Beautiful Bill Act" was released in May. It was approved by the House in June, but there are estimates it could add over \$3 trillion to the US Federal debt over the next decade, raising questions on the sustainability of Federal finances and inflation. Moody's Ratings Agency also downgraded the US in May, losing its triple-A credit rating, citing large fiscal deficits and rising interest costs.

European equities performed positively although much weaker than other regions. Easing trade tensions in May and June helped push equities higher as recession fears were dialled back. Economists warned that tariffs on EU exports to the US will weigh on growth this year, as will the level of uncertainty in the short term however, the increased spending on defence and infrastructure should help counterbalance and bolster growth over time. Whilst the EU's largest economy (Germany) has the fiscal headroom to increase spending, some of the other major European countries do not, raising concerns on long-term debt sustainability. Inflation in the EU fell to 1.9% in May, below the European Central Bank's (ECB) medium term target of 2% however, inflation edged higher to 2.0% in June. The ECB cut rates in both April and June, each time by 25 basis points (bps), bringing their deposit rate to 2.0%. ECB President Christine Lagarde indicated the central bank was close to ending its rate cutting cycle.

UK equities performed positively during the quarter but returns were more muted in comparison to other regions, in part due to the UK's high exposure to healthcare and energy sectors which struggled over Q2. Despite this, UK equities hit all-time-highs in June, helped by good news with the UK's Q1 GDP rising by 0.7% and the International Monetary Fund raising their growth forecast for 2025 from 1.1% to 1.2%. The UK announced trade deals with the US, India and EU, which also helped to improve sentiment. The Bank of England (BoE) cut rates by 25bps to 4.25% in May, in line with expectations, although two of the nine members voted for a larger 50bps cut whilst another two voted to keep rates unchanged. There are growing concerns on how global trade tensions will affect growth going forward.

In contrast to the BoE and ECB, the US Federal Reserve (Fed) held rates steady at its May and June meetings, despite Trump posting to social media calling for Fed Chair Jerome Powell to cut rates multiple times throughout the quarter. The Fed are taking a data driven approach to interest rates and taming inflation, which rose to 2.4% in June (May figures). Members of the Fed are forecasting two rate cuts this year, however, they have upwardly revised interest rate forecasts for 2026 and 2027 due to concerns of stagflation from Trump's tariff policies.

Following Trump's 90-day pause on reciprocal tariffs and easing tensions between the US and China as the quarter progressed, both emerging market and Asia Pacific ex Japan equities delivered strong returns. Continued US dollar weakness in Q2, which saw the US dollar fall over 7% against a basket of currencies was also a tailwind for emerging market and Asian equities.

UK gilt and US treasury yields steepened over the quarter (longer-dated bond yields rose, therefore prices fell) reflecting concerns on the sustainability of government finances. On the short end US treasuries yields fell (prices rose) as some members of the Fed became more dovish (looser monetary policy i.e. rate cuts) although Powell continued to reiterate a wait and see approach. In Europe sovereign yields fell as the ECB cut rates twice over the quarter and although Lagarde indicated the easing cycle is close to ending, the market is pricing in one more rate cut before year-end. Corporate credit performed positively overall over the quarter. Despite spreads widening sharply post "Liberation Day", they just as quickly retraced to levels below pre-Liberation Day, leading to outperformance from corporate credit versus government bonds overall.

Oil performed negatively over the quarter, as OPEC+ (Organization of the Petroleum Exporting Countries) announced increases to production throughout the period. Trump's tariff policy also raised concerns on global demand due to the potential for increased global economic weakness. After years of output cuts, OPEC+ have lost market share, particularly to the US, so the change to their policy aims to regain some of it back. The war between Israel and Iran saw short-term volatility in June with the price of Brent crude hitting a high of over \$80 a barrel, before settling to around \$68 once a ceasefire was agreed.

Gold continued to perform positively over the second quarter, hitting a new all-time-high just over \$3,500 per Troy ounce in April in reaction to Trump's tariff policies. The price eased back a little once the pause to reciprocal tariffs was announced. Overall, gold has been one of the strongest performing assets year-to-date, appreciating by nearly 26%.

The Zedra Fiduciary Investment Fund Limited is an unclassified fund authorised and regulated by the Jersey Financial Services Commission and suitable for sophisticated investors.  
 Issued by Zedra Fund Services Limited, 19-21 Broad Street, St Helier, Jersey, JE2 3RR as promoter. Zedra Fund Services Limited is regulated by the Jersey Financial Services Commission.

## Balanced (Income Bias) Sub-Fund

### Key Information

<b>Fund domicile</b>	Jersey	<b>Dealing</b>	Weekly - Wednesday. Deal instructions required before 5 p.m. Tuesday
<b>Launch date</b>	21st November 2018	<b>Ex-Dividend date</b>	Quarterly - 31 January, 30 April, 31 July, 31 October Payment within 20 business days of the distribution date
<b>Year end</b>	30th April		
<b>Price - GBP (date)</b>	1.1015 (24 Jun '25)	<b>Promoter / Administrator</b>	Zedra Fund Services Limited
<b>Fund size</b>	GBP 93,792,225.08 (24 Jun '25)	<b>Custodian</b>	Apex Financial Services (Corporate) Limited
<b>Annual management charge</b>	0.25%	<b>Investment Adviser</b>	Zedra Fiduciary Investment Services Limited
<b>Historic yield</b>	2.76%	This Sub-Fund has an objective to generate an income in excess of the market yield.	

### Synthetic Risk and Reward Indicator



The risk and reward category is calculated using historical model and actual Sub-Fund data and may not be a reliable indicator of the Sub-Fund's future risk profile based on volatility. The Sub-Fund is currently classified as Category 4 and this may shift over time and is not a target or guarantee. Category 1 does not mean a risk free investment.

### Features

- The Sub-Fund consists of a limited number of Asset Manager Portfolios managed to the Sub-Fund's objective by different investment houses;
- Each manager will manage their allocated portfolio to the same objective, but each will have a different investment style or approach;
- This Sub-Fund is designed specifically for investors who need an ongoing income yield, but accept this may affect the longer term actual and relative total return;
- The underlying assets will primarily be invested in listed investments traded on the leading global stock exchanges;
- The underlying Bond investments will be primarily denominated in Sterling, whereas Equity investments will be diversified on a global basis through all major currencies, markets, industries and sectors;
- The appointment of managers follows the unique and independent fiduciary manager selection process used across ZEDRA;
- Cost effective vehicle to spread manager risk and removes any administrative costs for fiduciary clients where historically there is a wish to remove and appoint a new manager;
- The Sub-Fund structure allows for tax efficient switching to new managers;
- A self-managed fund with a robust governance process and a majority of non-executive Fund board directors.

### Manager Allocations & Profiles

Three core active managers have been selected for the Sub-Fund, each with a unique investment style. A small allocation to a passive strategy may be used and, where applicable, will be reflected below. Sub-Fund level cash has been excluded, hence the total manager allocations do not sum to 100%.

27.0%

**LGT Wealth** formerly abrdn Capital Limited, which was acquired by LGT Wealth with completion of the deal in Q3 2023. The abrdn team remains in place at LGT and the segregated portfolio is still aligned with their income constrained strategy which they have been successfully running now for over 20 years. They will continue to find the best investment ideas globally and aim to limit the number of third party funds held that can add significant and often unseen costs to portfolios. The portfolios will tend to have a more consistent profile to quality with a strong bias to cash flow, return on invested capital, and low leverage. This allows them to focus on their highest conviction ideas.

15.5%

**LGT Wealth** is a UK-based partnership between the private banking group LGT, wholly owned by the Princely Family of Liechtenstein, and the executive partners of LGT Wealth. The LGT Wealth investment philosophy is based around flexible and dynamic portfolio construction; taking a whole of market approach and implementing ideas with conviction, primarily through collective investments. Their Investment Committee sits at the heart of the investment process and comprises their most experienced investment managers and asset class specialists. LGT Wealth's private ownership ensures financial stability, enabling them to take a long-term approach to business decisions, whilst their business structure ensures that they are able to maintain their entrepreneurial spirit.

33.0%

**Evelyn Partners** is one of the UK's leading integrated wealth management and professional services group, offering personal wealth management, financial planning, investment management and an award-winning digital investment platform, the firm primarily serves high-net-worth private clients, businesses and charities.

22.4%

**Waverton Investment Management** are an owner-managed investment management firm. They design and manage award winning investment solutions for private investors, charities, financial advisers and institutional investors. Their commitment to client service is second to none. Waverton's aim is to generate inflation-beating returns over the long term, using an active and flexible, multi-asset investment approach through bespoke portfolios or specialist funds. We understand our responsibility to help effect positive change and strive to identify responsible companies to achieve sustained returns for our clients over the long-term.

### Risk Warnings

The Zedra Fiduciary Investment Fund Limited (the "Fund") has been established in Jersey as an unclassified fund. Investment in unclassified funds may involve risks that could lead to a loss of all or a substantial portion of such investment. The risks of investing in the Fund are set out in section 14 of the Prospectus which any person wishing to invest in the Fund should read carefully. Each investor is wholly responsible for ensuring that all aspects of the Fund are acceptable to that investor, and, unless an investor fully understands and accepts the nature and the potential risks inherent in investing in the Fund, they should not invest in the Fund.

The Zedra Fiduciary Investment Fund Limited is an unclassified fund authorised and regulated by the Jersey Financial Services Commission and suitable for sophisticated investors. Issued by Zedra Fund Services Limited, 19-21 Broad Street, St Helier, Jersey, JE2 3RR as promoter. Zedra Fund Services Limited is regulated by the Jersey Financial Services Commission.

[www.zedra.com/zfif](http://www.zedra.com/zfif)