



PenLife 60 Autumn 2026



PORTFOLIO INVESTMENT REVIEW

WELCOME TO YOUR AUTUMN 2026 PORTFOLIO INVESTMENT REVIEW

Your quarterly portfolio investment review is simply designed to give you a brief update of your portfolio, as well as an overview of the changes we are proposing to make to your portfolio this quarter, and reasons why.

We've updated the format of the reports to include:

1. **Markets Update** section as to what's been happening in the markets and how this has impacted decision-making on the portfolios we offer for our clients.
2. **Portfolio Update** section with recommended changes to each portfolio, by risk profile
3. **Important Notices** about actions to take with respect to our review and recommendations.

Your new Portfolio Factsheet is included at the end of this document. For those wanting information on each fund in the portfolio, this can be accessed in the Key Investor Information Documents section at www.pen-life-portfolios.co.uk

Queries or additional information

If you have any queries about any aspect of your financial plan, or your investment portfolio, please contact your financial adviser.

1. MARKETS UPDATE

Introduction

We look at developments in the month that have impacted the three key Macro Factors: Growth, Inflation & Interest Rates, as summarised below.

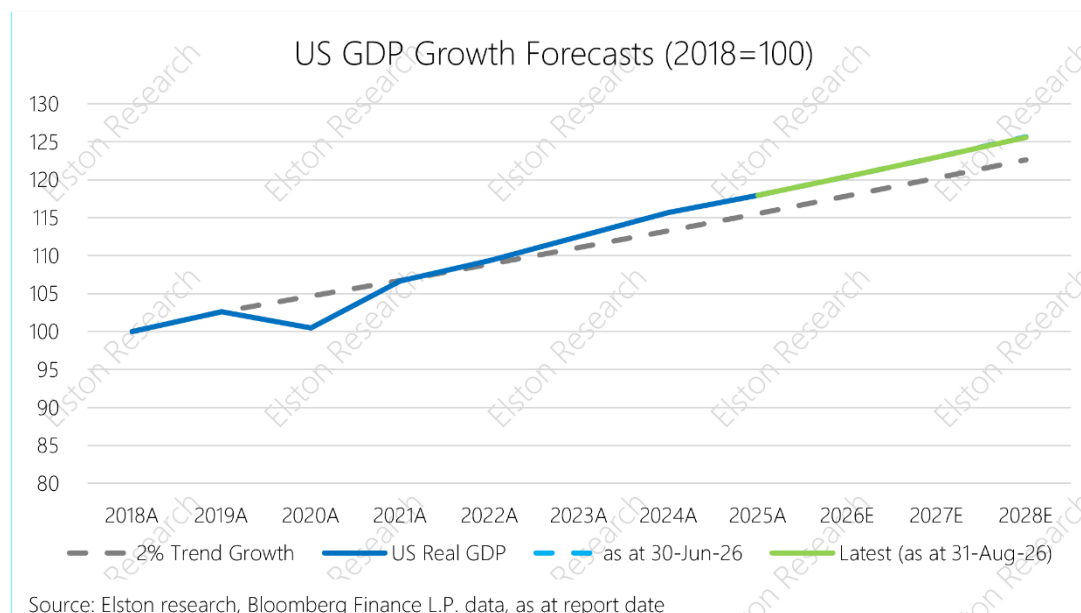
12 month outlook	Last update	This update
Growth	Lower in near-term, higher later	Resilient, broadly unchanged
Inflation	Above target but lower	Above target and higher
Interest Rates	Higher	Higher for longer

GROWTH

Over the next 12 months, the outlook for Growth remained broadly unchanged, in our view.

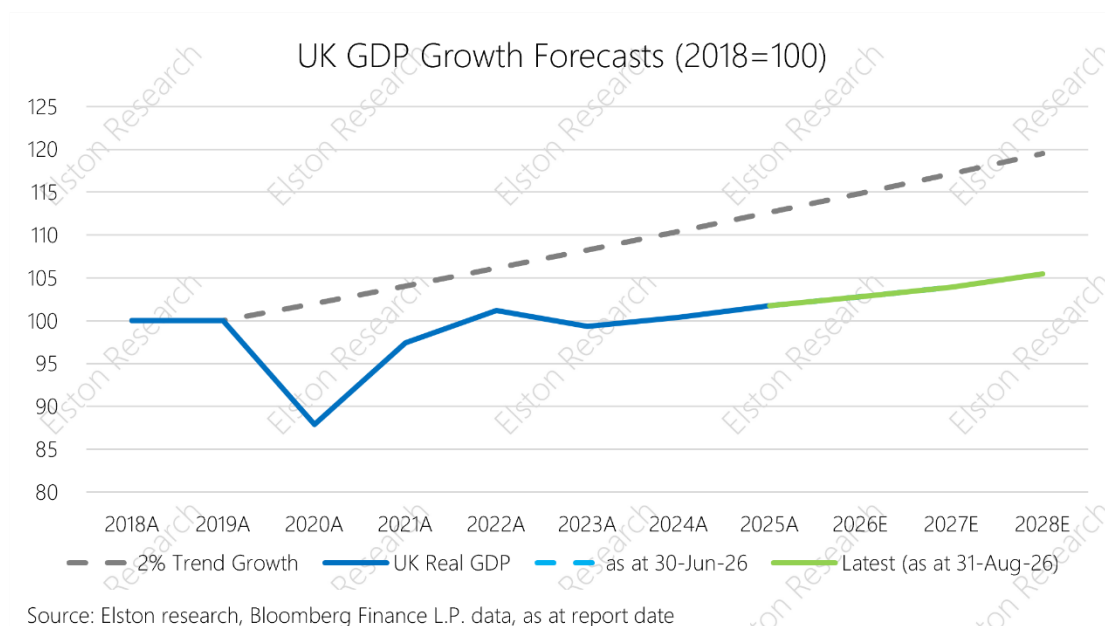
In the US, the 2026 year end growth estimate has been revised slightly lower to 2.10% from 2.13% as at June, the 2027 estimate raised to 2.10% from 2.04%, and the 2028 estimate lowered to 2.10% from 2.20%. Growth in 2025 was 2.00%, and the 3-year compound annual growth rate to 2028 year end is little changed at 2.10% (from 2.12%). Growth has stayed resilient, supported by strong AI-related capital investment and solid corporate earnings, even as higher oil prices and rising bond yields weigh on the outlook.

Fig.1. US real GDP growth forecasts



In the UK, the 2026 year end, 2027 and 2028 growth estimates are little changed at 1.00%, 1.10% and 1.58%, and the 3-year compound annual growth rate to 2028 year end has edged down to 1.20% from 1.23% as at June. Growth in 2025 was 1.40%. UK activity held up in the first half of the year, but renewed energy price pressure and weaker domestic demand continue to hold back the medium-term outlook.

Fig.2. UK real GDP growth forecasts



These charts show the US and UK's economic GDP growth trajectory. The charts show more resilience in the US economy in the next 36 months.

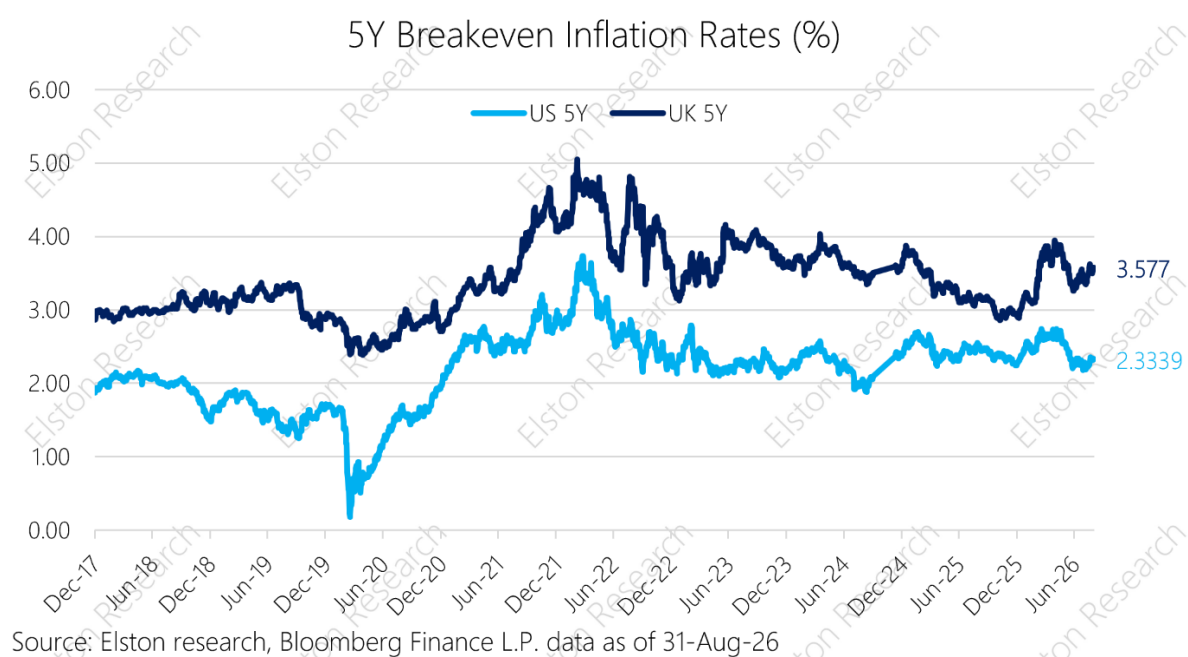
INFLATION

Over the next 12 months, the outlook for Inflation remains above target and has moved higher, in our view.

Fig.3. US & UK inflation expectations

In the US, the 5-Year Break Even Inflation Rate (BEIR) was unchanged at 2.33% at the end of August, the same level as in June. This suggests markets' medium-term inflation expectations in the US have held steady. Core inflation remains above the Federal Reserve's 2% target, and oil climbed back above \$100 per barrel in September as Middle East tensions flared again, adding to near-term inflation pressure.

In the UK, the 5-Year BEIR rose to 3.58% at the end of August from 3.35% in June, which suggests markets now expect higher medium-term UK inflation. UK CPI rose to 3.1% in August from 2.6% in June, a five-month high, as higher energy costs fed through. Services inflation held at 3.4%, and household energy bills are due to rise again in October.



This chart shows the forward-looking market-implied 5 year Break-Even Inflation Rate (BEIR), for the US and UK.

INTEREST RATES

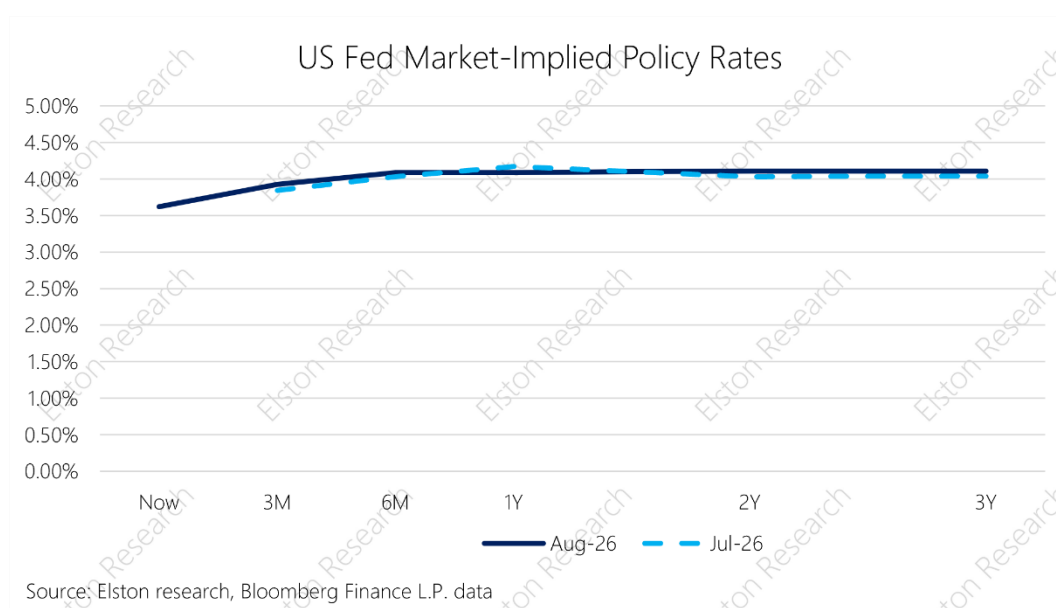
Over the next 12 months, the outlook for Interest Rates moved higher, in our view.

US Federal Reserve (Fed): The Fed raised the federal funds rate by 0.25% to 3.75-4.00% on 16 September, its first increase since 2023. The move was widely expected after a hawkish Jackson Hole speech from Chair Kevin Warsh in late August, and three members had already voted for a hike at the July meeting. The Fed said inflation remains elevated, and its updated projections point to a possible further increase this year. For 2027, eight officials see another hike, six see no change and four see cuts. The US 10-year Treasury yield rose above 5% ahead of the meeting for the first time since 2007.

UK Bank of England (BoE): The BoE held the Bank Rate at 3.75% on 17 September by a 6-3 vote. Governor Andrew Bailey said policy may need to be tightened if the Middle East conflict goes on, with energy prices materially higher since July, though there is still very limited evidence of second-round effects. The BoE also slowed quantitative tightening and stopped selling its longest-dated gilts.

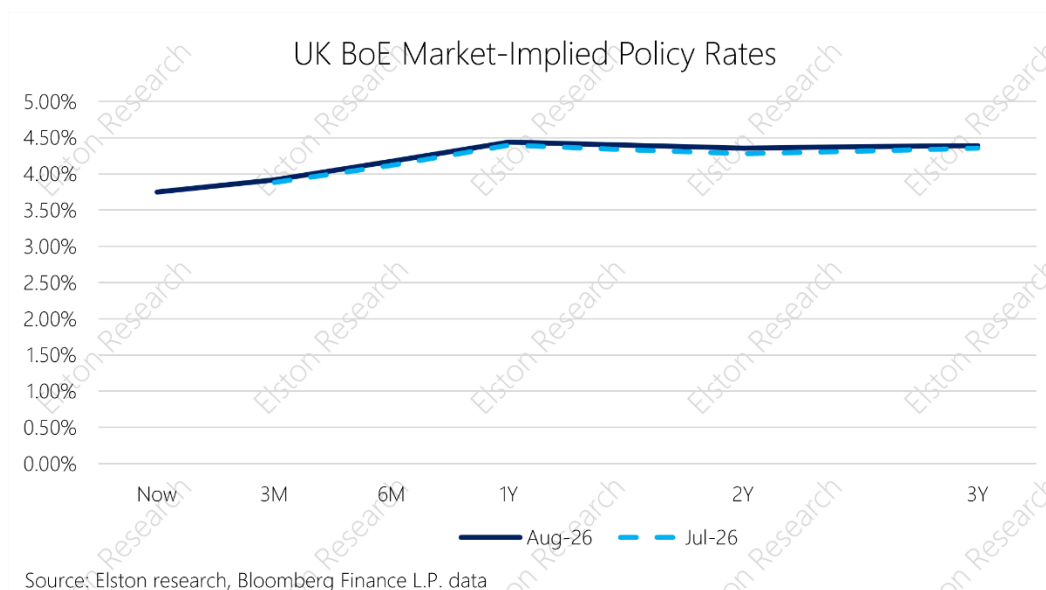
Central Banks' decisions on interest rates will remain highly data-dependent, but growing divergences within committees reflect the uncertainty around the economic outlook and inflationary pressures.

Fig.4. US interest rate expectations



This chart shows the current Fed Funds rate now, the market-implied policy rate path over 3 years (now), against the market-implied policy rate path 3 months ago (dotted)

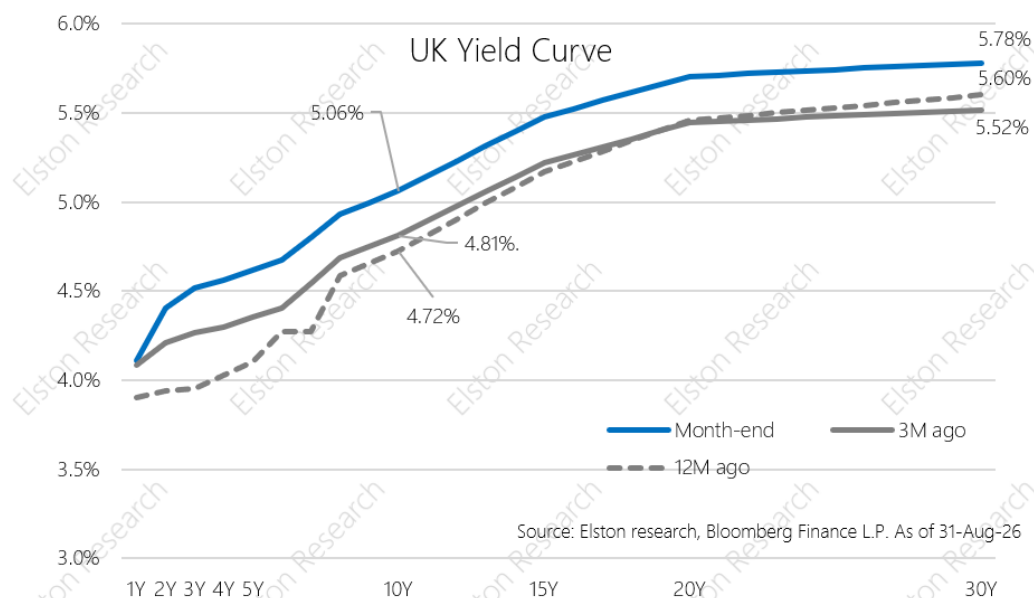
Fig5. UK interest rate expectations



This chart shows the Bank of England policy rate “Bank Rate” and the market-implied 3 year policy rate at the end of August. Compared to one month earlier, expected interest rates have increased slightly.

Over the past three months, the 10-year Gilts yield increased from 4.81% to 5.06% as at the end of August and the 30-year Gilts yield rose from 5.52% to 5.78%. The sell-off carried on into September, with the 30-year yield reaching 5.89% on 1 September, the highest since 1998, and the 10-year touching around 5.30% on 10 September, its highest since 2007. The drivers were higher oil prices, sticky inflation and a higher expected Bank Rate path, as well as fiscal concerns ahead of the Autumn Budget on 28 October. UK gilt yields have risen more sharply this year than US or German government bond yields.

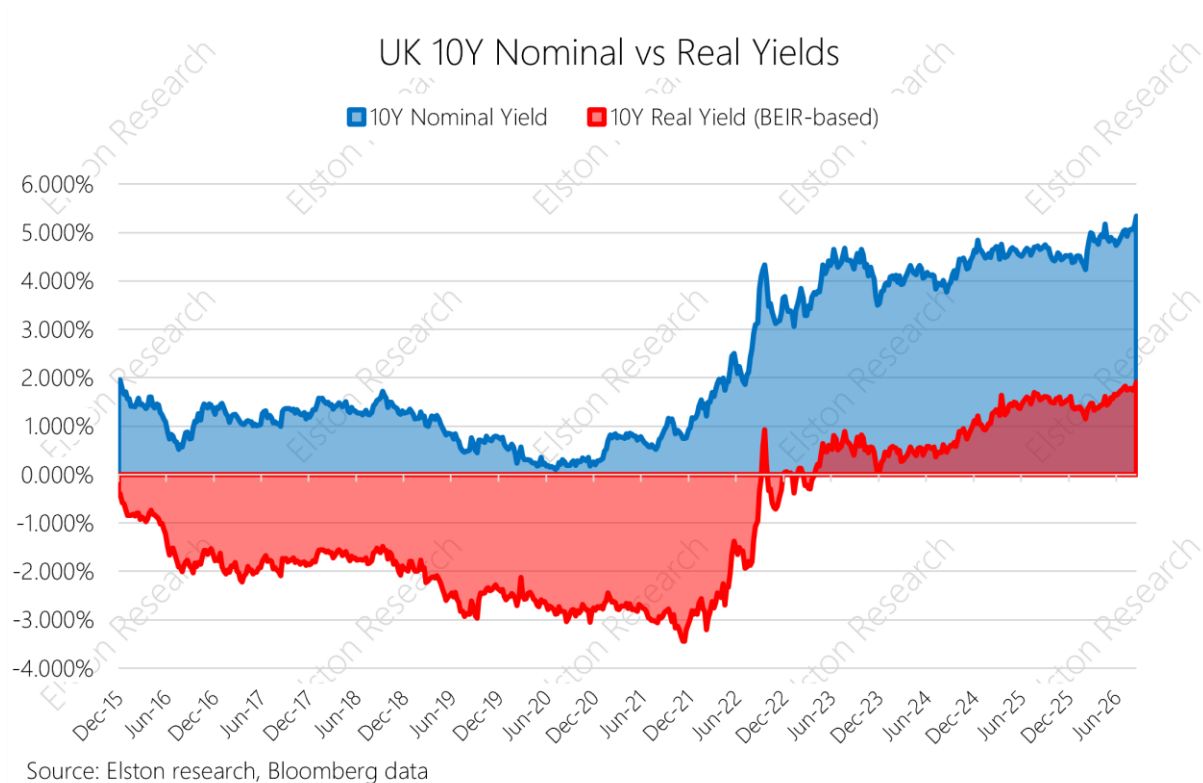
Fig.6. UK yield curve



The chart illustrates the UK government bond yield curve at different points in time (month-end, three months ago, and twelve months ago).

The 10-year nominal gilts yield rose to 5.06% at the end of August, up from 4.76% in June. Real yields increased to 1.74%, up from 1.70% in June, so most of the rise in nominal yields came from higher inflation expectations rather than a higher real return. Positive real yields mean investors still earn an inflation-adjusted return on 10-year gilts. High government deficits, fiscal and political uncertainty, and sticky inflation are likely to keep long-dated gilts under pressure in the near term.

Fig.7. UK nominal vs real yields



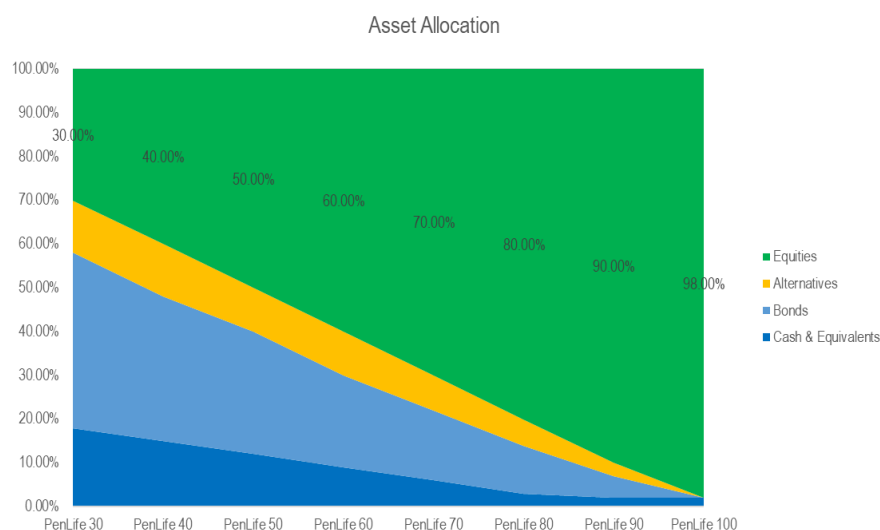
This chart shows nominal (headline) UK government bond yields, as well as how real (adjusted for inflation expectations) yields have evolved over time. The 10-year term is the standard reference rate for comparing government bonds across the market. Inflation adjustment uses the break-even inflation rate for the same 10-year term. Chart data runs into September.

2. PORTFOLIO UPDATE

In this section, we outline the recommended changes to the portfolio considering the macroeconomic and market conditions summarised above.

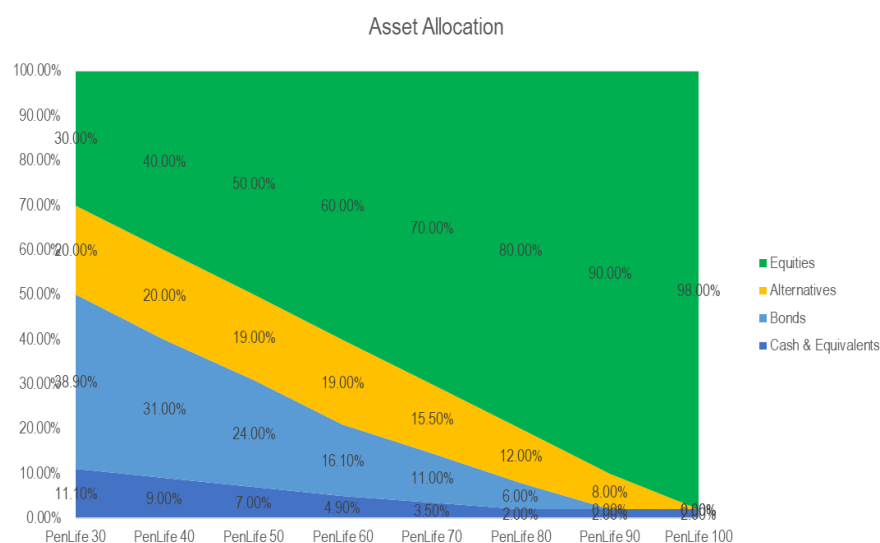
Strategic Asset Allocations (Neutral)

The strategic asset allocation for the portfolios is presented below: this represents the long-term “neutral” position for the portfolios.



Proposed Tactical Asset Allocation

This quarter, we recommend no changes to the strategic or tactical asset allocation. Equities remain at Neutral, with an Overweight to Emerging Markets. We keep an Overweight position in alternatives as a shock absorber and source of diversification amid heightened geopolitical risk and remain defensive on bond duration given the risk of further upward pressure on long-term yields.



CHANGES WITHIN EACH ASSET CLASS

Asset class	Outlook	Implementation
Equities	<p>Regions:</p> <p>US/Global: We remain Neutral. Corporate earnings continue to show a resilient economy driven by large capital expenditure on AI infrastructure. We retain value and income tilt to reduce concentration risk in the largest technology companies. Inflation: With oil back above \$100 per barrel, headline inflation could re-accelerate, following a similar path to 2022.</p> <p>UK: We prefer UK equity income for its attractive valuations, dividend support and defensive cash-flow bias, while avoiding UK small and mid-caps given weaker domestic demand, higher financing costs and lower liquidity.</p> <p>Europe: We remain Neutral. Europe remains the developed market most exposed to energy dislocations, but activity has held up better than feared, with manufacturing growing at its fastest in over four years and German business confidence at its strongest since before the war. The European Central Bank has begun raising rates and has signalled more to come, which may temper the equity market's run.</p> <p>Japan: We remain Neutral. Structural tailwinds such as corporate reforms and buybacks are balanced by the risk that rate hikes may slow momentum.</p> <p>Asia & Emerging Markets: We remain Overweight Emerging Markets as valuations remain attractive, earnings growth expectations are improving, and the asset class offers exposure to structural growth themes across Asia, AI supply chains and domestic consumption, while also providing diversification away from expensive US mega-cap leadership. We continue to split exposure between broad Emerging Markets and Emerging Markets ex-China strategies.</p>	No change
Alternatives	<p>Alternatives: We remain Overweight Alternatives, implemented through a diversified mix of gold, silver, copper and clean energy exposure, with gold allocation supported by its strong performance as US Treasury bond buybacks raised debasement concerns. This is complemented by absolute return strategies and short-duration cash-like holdings to provide diversification, liquidity and resilience, with no allocation to Property or Infrastructure.</p>	No change
Bonds	<p>Rates: We expect the Bank of England to remain cautious, balancing softer growth and a weakening labour market against still-sticky inflation and the risk that renewed energy volatility keeps price pressures elevated.</p> <p>Inflation: The renewed conflict has already pushed energy prices higher again, so the improvement in headline inflation may prove temporary. US core measures remain stuck above target and UK inflation re-accelerated in July on the energy price cap, leaving second-round effects through wages and services as the key risk for central banks.</p> <p>Duration: We remain defensive on duration with a target of 4 years, limiting sensitivity to further upside risks in yields while retaining some exposure should growth weaken.</p> <p>Credit: We remain Neutral on corporate bonds but retain a strong preference for Emerging Market US dollar debt, where fiscal fundamentals appear stronger relative to developed markets facing elevated deficits, rising debt burdens and signs of "debt indigestion".</p>	No change
Cash & Equivalents	<p>GBP/USD: GBP/USD is likely to remain rangebound, with sterling supported by a cautious Bank of England, but capped by resilient US growth, higher-for-longer Fed expectations and continued demand for the dollar in periods of risk aversion.</p>	No change

EQUITY PORTFOLIO CHANGES

In our proposed changes, the Equities part of the portfolio is summarised below.

We have increased or decreased allocation to our funds as denoted in the difference column (green indicates an increase in allocation and red is a decrease in allocation)

Name	PenLife 60 - Summer 2026	PenLife 60 - Autumn 2026	Difference
Artemis Global Income I Acc	4.60%	4.60%	0.00%
Artemis SmartGARP European Equity I Acc	1.80%	1.80%	0.00%
Artemis SmartGARP Global Emerging Markets Equity	3.60%	3.60%	0.00%
Artemis SmartGARP UK Equity I Acc	2.40%	2.40%	0.00%
BNY Mellon US Equity Income Inst W Acc	5.50%	5.50%	0.00%
CT North American Equity 3 Acc	6.00%	6.00%	0.00%
Fidelity Index US P	6.00%	6.00%	0.00%
Fidelity Investment Funds ICVC - Index World Fund	4.50%	4.50%	0.00%
Invesco Emerging Markets ex China Fund (UK) Z Acc	2.40%	2.40%	0.00%
Jupiter India I Acc	1.20%	1.20%	0.00%
Liontrust European Dynamic I Acc	3.00%	3.00%	0.00%
M&G Asian I Acc	3.60%	3.60%	0.00%
Man GLG Japan Core Alpha C Professional Acc	3.00%	3.00%	0.00%
Ninety One UK Special Situations J Acc	2.40%	2.40%	0.00%
Orbis Global Equity Standard Acc	4.60%	4.60%	0.00%
VT Munro Smart-Beta UK Fund	5.40%	5.40%	0.00%

Equities

We recommend no changes to the Equities allocation this quarter. Equities remain at Neutral with an Overweight to Emerging Markets, and pairing active managers with low-cost index exposure continues to add diversification with an income and value tilt.

ALTERNATIVE PORTFOLIO CHANGES

In our proposed changes, the Alternatives part of the portfolio is summarised below.

Name	PenLife 60 - Summer 2026	PenLife 60 - Autumn 2026	Difference
VT Avastra Global Alternatives Fund A Acc GBP	19.00%	19.00%	0.00%

BONDS AND CASH PORTFOLIO CHANGES

In our proposed changes, the bonds and cash part of the portfolio remains unchanged from last quarter.

Name	PenLife 60 - Summer 2026	PenLife 60 - Autumn 2026	Difference
abrdn Short Duration Global Inflation-Linked Bond	2.00%	2.00%	0.00%
Cash	2.00%	2.00%	0.00%
Jupiter Monthly Income Bond U1 Acc	3.70%	3.70%	0.00%
L&G Strategic Bond I Acc	3.70%	3.70%	0.00%
M&G Emerging Markets Bond I Acc GBP GTR in GB	2.00%	2.00%	0.00%
Pimco GIS Global Bond Inst Hedged Acc GBP	1.00%	1.00%	0.00%
Royal London Short Term Money Market Y Acc	2.90%	2.90%	0.00%
VT Avastra Global Fixed Income Acc	3.70%	3.70%	0.00%

Bonds

We recommend no changes to the Bonds and Cash allocation this quarter. We keep our duration target at around 3.5 years following last quarter's reduction.

INVESTMENT COMMITTEE SUMMARY

With no changes recommended this quarter, our view is that your portfolio remains well positioned for the upcoming period, whilst remaining in line with its long-term strategic risk-return objective.

Short-run volatility may continue as markets adjust to the outlook for growth, interest rates and inflation.

Charges

PENLIFE 60 SUMMER 26	PENLIFE 60 AUTUMN 26
OLD PENLIFE PORTFOLIO CHARGE 0.52%	NEW PENLIFE PORTFOLIO CHARGE 0.52%

3. IMPORTANT NOTICES

- WE NEED YOUR EXPRESS AUTHORITY TO SWITCH FUNDS AND REBALANCE BACK TO THE ORIGINAL ASSET ALLOCATION AS DESCRIBED IN THIS SUMMARY. PLEASE ACCEPT THE CHANGES BY CLICKING ON THE ACCEPT BUTTON IN YOUR EMAIL OR RETURNING YOUR ACCEPTANCE LETTER.
- WITHDRAWALS FROM PORTFOLIOS DURING THE REBALANCE PERIOD ARE RESTRICTED AND CAN LEAD TO LENGTHY DELAYS. PLEASE ADVISE US OF ANY WITHDRAWAL OR ENCASHMENT REQUESTS BEFORE ACCEPTING THE CHANGES.
- THIS INVESTMENT ADVICE IS BASED ON THE SUITABILITY OF YOUR ORIGINAL RECOMMENDATION AND YOU SHOULD REFER BACK TO YOUR LATEST SUITABILITY REPORT FROM US WHICH CONFIRMS HOW OUR ADVICE MEETS YOUR OBJECTIVES. IF THERE HAVE BEEN ANY CHANGES TO CIRCUMSTANCES, PLEASE CONTACT US IMMEDIATELY.
- TAX IMPLICATIONS: IF YOUR CURRENT INVESTMENTS ARE HELD IN A PENSION, ISA OR OFFSHORE BOND, THERE SHOULD BE NO TAX IMPLICATIONS ASSOCIATED WITH YOUR REBALANCE OR FUND SWITCHES. **IF YOU HAVE A GENERAL INVESTMENT ACCOUNT, THERE COULD BE TAX IMPLICATIONS.** YOU MUST LET US KNOW IF YOU HAVE MADE ANY DISPOSALS WHICH MAY HAVE USED ANY OF YOUR PERSONAL CAPITAL GAINS TAX ALLOWANCE IN THE CURRENT TAX YEAR. FOR THE 2026-2027 TAX YEAR THE ANNUAL CGT EXEMPTION ALLOWANCE IS £3,000. ALTHOUGH WE WILL DO OUR BEST TO KEEP YOU WITHIN YOUR CGT ALLOWANCE, WE CANNOT GUARANTEE THAT WE WILL NOT EXCEED IT.
- PENLIFE AND YOUR WRAP PROVIDER WILL NOT CHARGE ANY ADDITIONAL FEES FOR YOUR REBALANCE OR FUND SWITCHES.

TO VIEW YOUR PORTFOLIO FACTSHEET, PLEASE SEE BELOW


Portfolio Summary

Instrument	Name	Currency	6m	1y	3y	5y	Hist. Yield	Portfolio Expense	FE fundinfo Risk Score
Portfolio	PenLife 60 - Autumn 2026	GBP	12.54	19.93	61.84	75.84	2.45	0.52	63
Benchmark	UT Mixed Investment 20-60% Shares Retail - Dec 89	GBP	6.25	9.21	28.76	20.93	-	-	47

Performance figures to last price date

Portfolio Expense - The portfolio expense is calculated using the weighted value of the Ongoing Costs Ex Ante of the portfolio constituents. Where the Ongoing Costs Ex Ante is not available the OCF is used, and where this is not available the TER is used.

Please note: Historic yield figures will only be provided for funds with at least 12 months of performance history.

Portfolio Composition

Fund Manager	Name	Original % Holding	Hist. Yield	1 Year			3 Years			FE fundinfo Crown Rating
				Perf.	Est. Contrb	Qtl	Perf.	Est. Contrb	Qtl	
Valu-Trac Investment Management Limited	Avastra Global Diversified Assets GBP Acc A£ - Nov 10	19.00	2.56	9.46	1.80		29.87	5.68		
Columbia Threadneedle Investments**	North American Systematic Equity 3 Acc - Jan 95	6.00	0.70	11.20	0.67	3	65.63	3.94	2	
Fidelity International (FIL Invt Svcs UK Ltd)	Index US P - Nov 12	6.00	0.96	18.13	1.09	1	66.29	3.98	2	
BNY Mellon Fund Managers Ltd	US Equity Income Inst W Acc - Dec 18	5.50	1.74	21.74	1.20	1	48.56	2.67	3	
Valu-Trac Investment Management Limited	Munro UK Equity Income X Acc - Sep 07	5.40	3.44	24.92	1.35	1	64.23	3.47	1	
Artemis Fund Managers Limited	Global Income I Acc - Jul 10	4.60	2.46	35.06	1.61	1	138.56	6.37	1	
Orbis Investments	Global Equity Standard - Dec 89	4.60	-	26.53	1.22	1	88.11	4.05	1	
Fidelity International (FIL Invt Svcs UK Ltd)	Index World P - Dec 12	4.50	1.25	18.17	0.82	2	62.70	2.82	1	
Jupiter Unit Trust Mgrs Ltd**	Monthly Income Bond U1 Acc GBP - Sep 04	3.70	6.29	5.02	0.19	1	27.09	1.00	1	
Legal & General UT Mgr Ltd	Strategic Bond I Acc - May 07	3.70	6.10	2.80	0.10	2	28.05	1.04	1	
Valu-Trac Investment Management Limited	Avastra Global Fixed Income GBP Acc A£ - Nov 10	3.70	4.82	1.04	0.04	2	8.10	0.30	3	
Artemis Fund Managers Limited	SmartGARP Global Emerging Markets Equity I Acc GBP - Apr 15	3.60	2.50	43.22	1.56	1	104.78	3.77	1	
M&G UK	Asian I Acc GBP - Sep 73	3.60	1.91	34.23	1.23	2	97.49	3.51	1	
Liontrust**	European Dynamic I Acc - Nov 06	3.00	1.84	23.34	0.70	1	60.91	1.83	1	
Man Group**	Japan Core Alpha C Professional Acc - Mar 98	3.00	1.43	35.48	1.06	1	71.16	2.13	1	
Royal London Unit Tst Mgrs Ltd	Short Term Money Market Y Acc - Jul 99	2.90	3.90	3.97	0.12	1	14.69	0.43	1	
Artemis Fund Managers Limited	SmartGARP UK Equity I Acc - Dec 86	2.40	2.69	27.57	0.66	1	102.05	2.45	1	
Invesco Fund Managers Ltd	Emerging Markets ex China (UK) Z Acc - Jan 95	2.40	1.84	57.43	1.38	1	107.73	2.59	1	
Ninety One Fund Managers UK Limited**	UK Special Situations J Acc GBP - Oct 88	2.40	1.92	15.78	0.38	3	84.30	2.02	1	
Currency	Pounds Sterling - Jan 70	2.00	-	0.00	0.00		0.00	0.00		
abrdn Fund Managers Limited	Short Duration Global Inflation-Linked Bond Inst Acc GBP - Sep 14	2.00	3.70	1.17	0.02	2	11.66	0.23	1	
M&G UK	Emerging Markets Bond I Acc GBP - Oct 99	2.00	6.44	8.09	0.16	1	23.04	0.46	2	
Artemis Fund Managers Limited	SmartGARP European Equity I Acc - Mar 01	1.80	2.36	28.35	0.51	1	115.55	2.08	1	
Jupiter Unit Trust Mgrs Ltd	India I Acc - Feb 08	1.20	0.62	-10.44	-0.13	3	24.74	0.30	1	
PIMCO (UCITS)	Global Bond Inst Hedged Acc GBP - Apr 03	1.00	-	-0.58	-0.01	3	14.56	0.15	2	
Total Portfolio		100.00	2.45	19.93			61.84			
Selected Benchmark	UT Mixed Investment 20-60% Shares Retail - Dec 89			9.21			28.76			

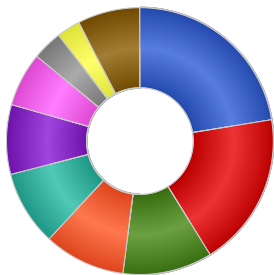
Performance figures to last price date, rebased in Pounds Sterling, ordered by largest original holdings.

Estimated contribution values are based on the percentage weightings being correct at the start of the analysed performance period.

Please note: Historic yield figures will only be provided for funds with at least 12 months of performance history.

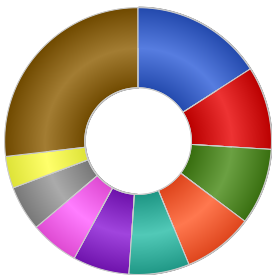
** The history of this unit/share class has been extended, at FE fundinfo's discretion, to give a sense of a longer track record of the fund as a whole.

Asset Allocation



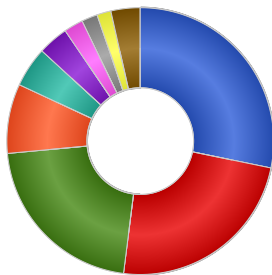
Name	Original %
North American Equities	22.44
Global Fixed Interest	18.75
UK Equities	10.85
Money Market	9.87
Asia Pacific Emerging Equities	9.08
Other International Equities	8.42
European Equities	6.55
Japanese Equities	3.60
Commodity & Energy	2.89
Others	7.55

Sector Allocation



Name	Original %
Telecom, Media & Technology	15.91
Money Market	10.09
Financials	9.26
Consumer Products	8.53
Basic Materials	7.31
Industrials	6.86
Government Bonds	5.89
Corporate Bonds	5.47
Commodity & Energy	3.86
Others	26.84

Region Allocation



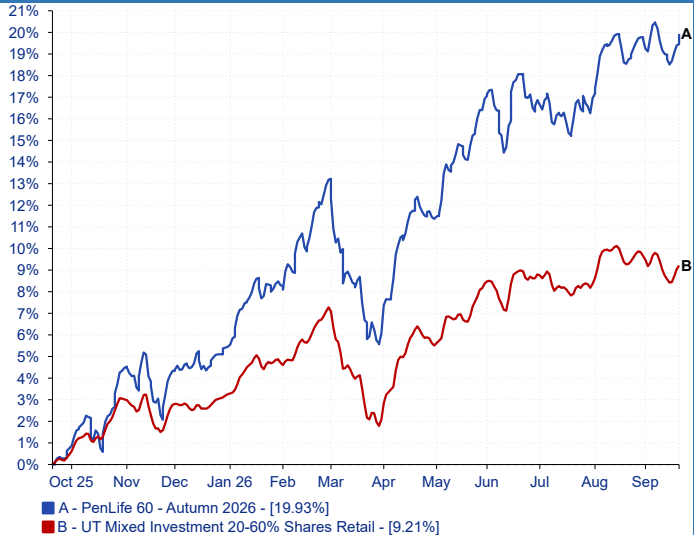
Name	Original %
North America	28.23
UK	23.77
Europe ex UK	21.52
Pacific Basin	8.42
International	4.87
Japan	3.68
Money Market	2.31
Asia Pacific	1.95
Americas	1.70
Other	3.54

Top 10 Holdings

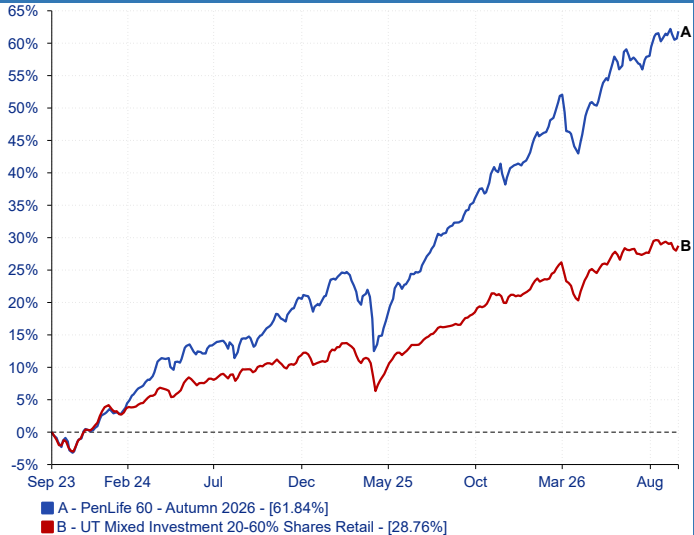
	Original %
1 ISHARES IV PLC - ISHARES £ ULTRASHORT BOND ESG SRI UCITS ETF GBP	3.15
2 ROYAL LONDON SHORT TERM MONEY MARKET Y INC XTRACKERS US TREASURIES ULTRASHORT BOND 1C UCITS ETF 1C	2.83
3	2.40
4 Cash	2.00
5 NVIDIA CORPORATION	1.19
6 APPLE INC.	1.12
7 MICROSOFT CORPORATION	0.99
8 ISHARES PHYSICAL METALS PLC - ISHARES PHYSICAL GOLD ETC GBP	0.97
9 SAMSUNG ELECTRONICS CO., LTD	0.97
10 MGMTS Downing Active Defined Return Assets F GBP Acc	0.95

Portfolio breakdown and holdings are based on latest published data for each constituent which may have different publication dates. Portfolio start date is required to calculate current weightings.

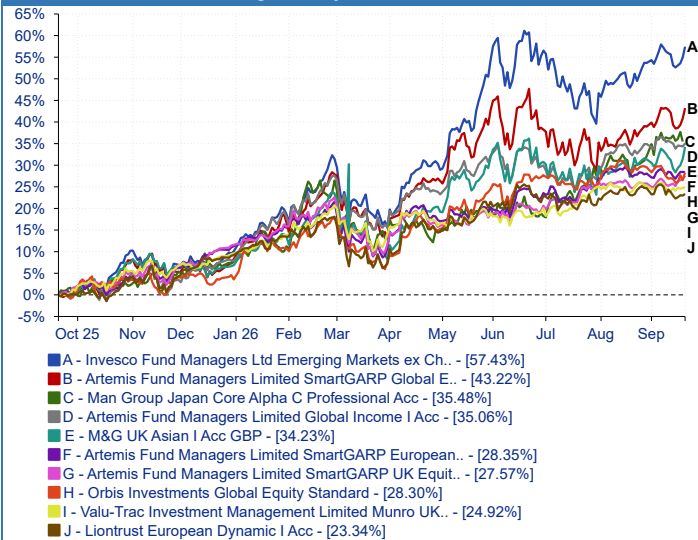
Portfolio Backtested vs. Benchmark over 1 year



Portfolio Backtested vs. Benchmark over 3 years

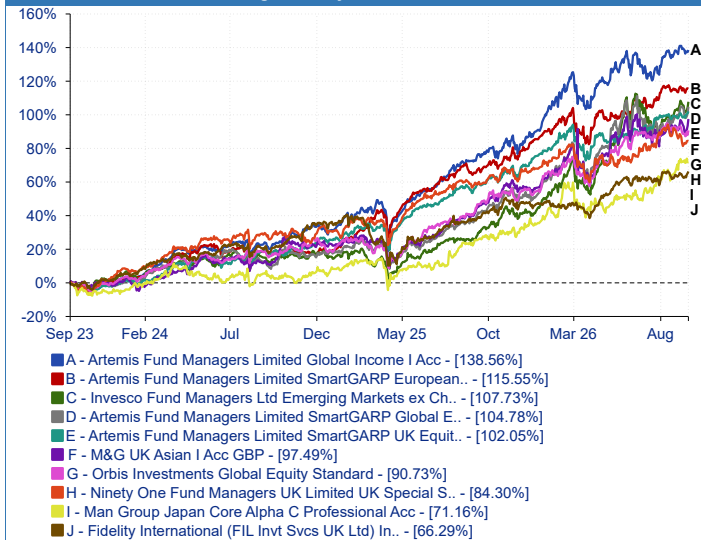


Relative Performance of Holdings over 1 year



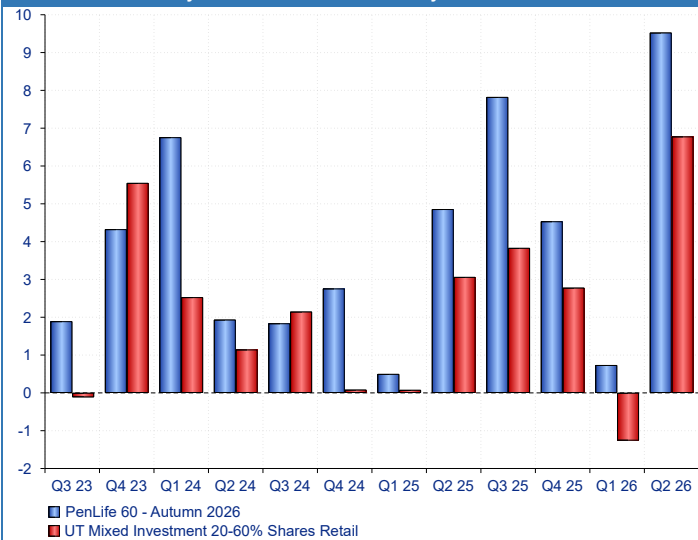
19/09/2025 - 21/09/2026 Powered by data from FE fundinfo

Relative Performance of Holdings over 3 years



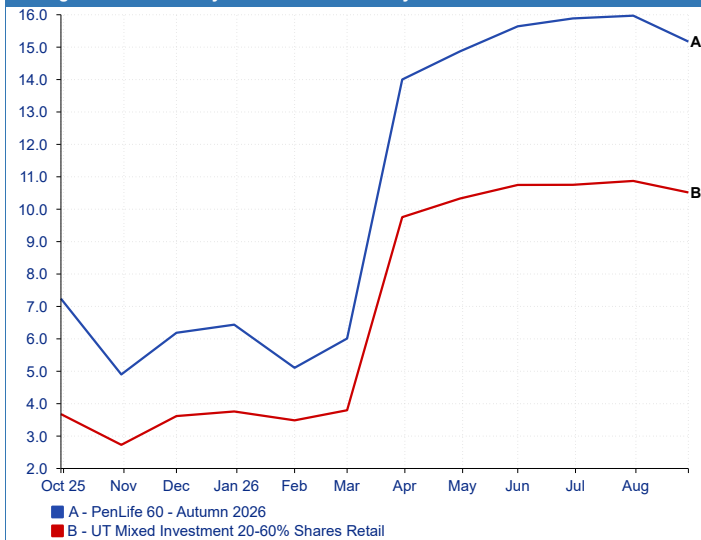
21/09/2023 - 21/09/2026 Powered by data from FE fundinfo

Medium Term Quarterly Discrete Performance over 3 years



Powered by data from FE fundinfo

Rolling 6 months Volatility vs. Benchmark over 1 year



30/09/2025 - 31/08/2026 Powered by data from FE fundinfo