DEPOSIT ADMINISTRATION FUND

GUARANTEED RETURN FUND RANGE

utmost
CORPORATE SOLUTIONS

GBP ANNUAL REPORT
2025

ECONOMIC BACK-DROP & MACRO SITUATION

Markets entered 2025 following a historic period of political transition. The 2024 election cycle saw established regimes change globally and the UK began the year under a new administration tasked with delivering growth. The transition from fourteen years of Conservative rule introduced a fresh fiscal framework, though the late 2024 Autumn Budget created immediate headwinds.

UK inflation followed a volatile path across 2025. Consumer price inflation saw a temporary resurgence to peak at 3.8% during the summer. This was largely driven by rising food prices and transportation costs alongside a pick-up in domestic business expenses. By the end of 2025, inflationary pressures softened with the headline rate easing to 3.4% in December which provided some relief for the market.

The Bank of England responded with a measured reduction in borrowing costs. The Monetary Policy Committee gradually lowered interest rates from 4.75% to 3.75% by the close of 2025. This easing was more cautious than analysts had predicted, reflecting a desire to protect price stability. Current expectations point toward a continued but slow descent in rates through 2026.

The labour market showed signs of cooling as unemployment rose to 5.1% by late 2025. This weakening was accompanied by a moderation in wage growth. While real incomes grew marginally, higher tax thresholds and cost of living pressures kept consumer spending subdued. Consequently, retail sales remained under pressure as households prioritised mortgage repayments over discretionary spending.

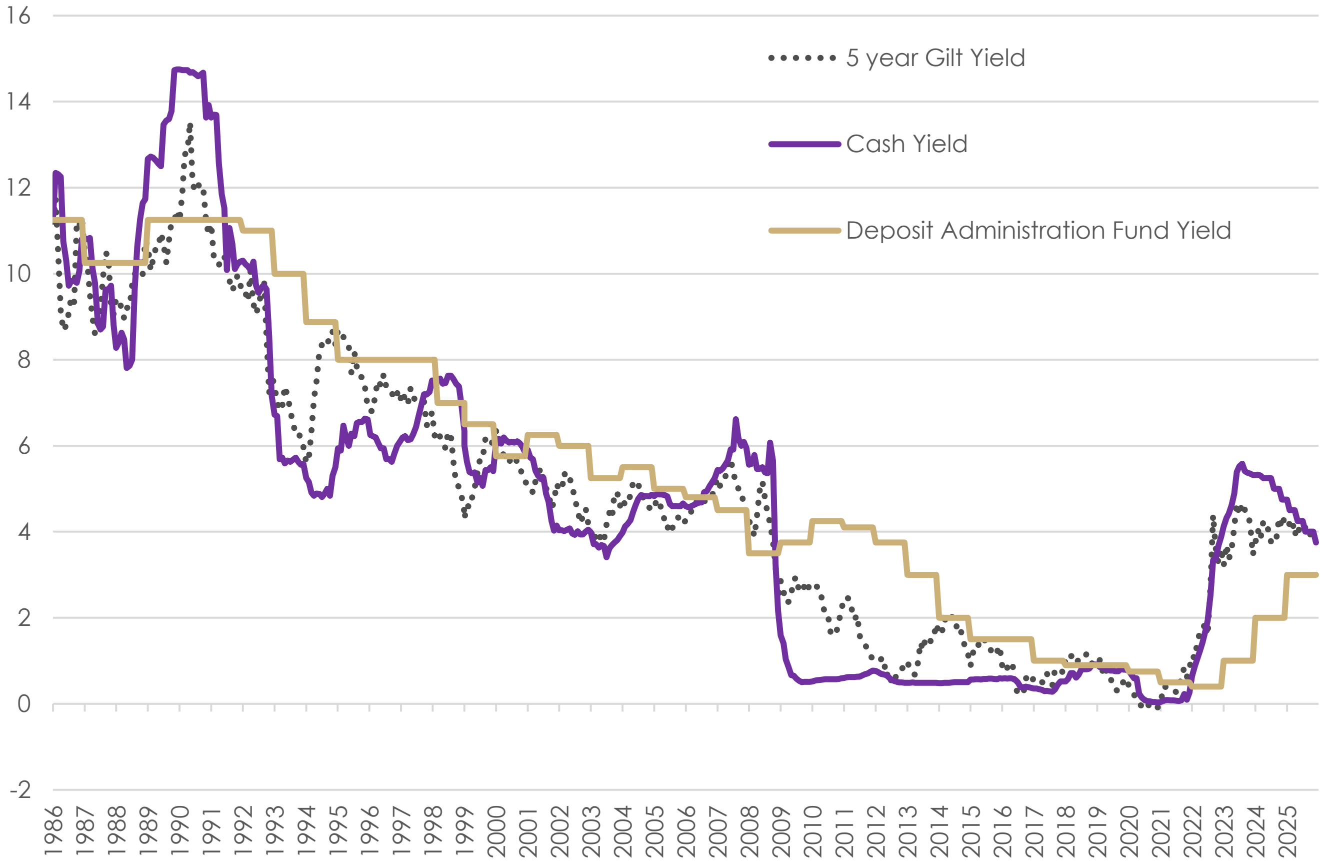
UK FINANCIAL MARKETS

UK equities, particularly the largest companies, delivered standout gains of over 25% in 2025 (assuming dividends were reinvested) led by financial, precious metals & mining and aerospace. Bond markets were volatile, whilst yields on shorter dated securities reduced, long-term yields (securities maturing in 15 years or more) remained elevated causing the yield curve to steepen sharply. This meant fixed-income strategies had to be active to navigating a changing landscape where short-dated bonds outperformed longer-duration assets for much of the year.

THE GBP DEPOSIT ADMINISTRATION FUND

The following chart details the fund's 2025 declared rate of 3%, along with the return on cash and the yield on 5 year UK Government Bonds (known as Gilts).

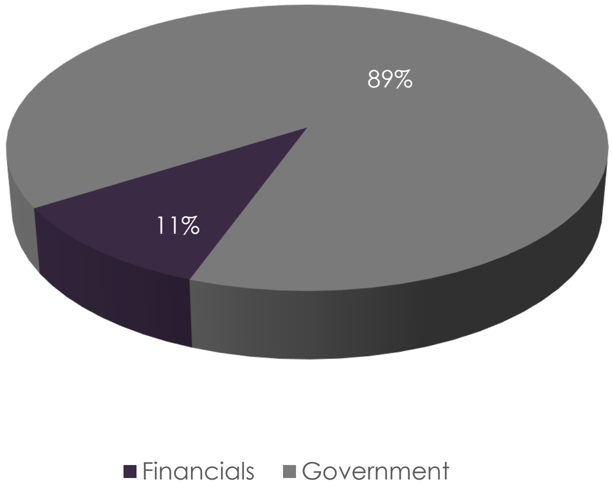
PERFORMANCE COMPARISON CHART



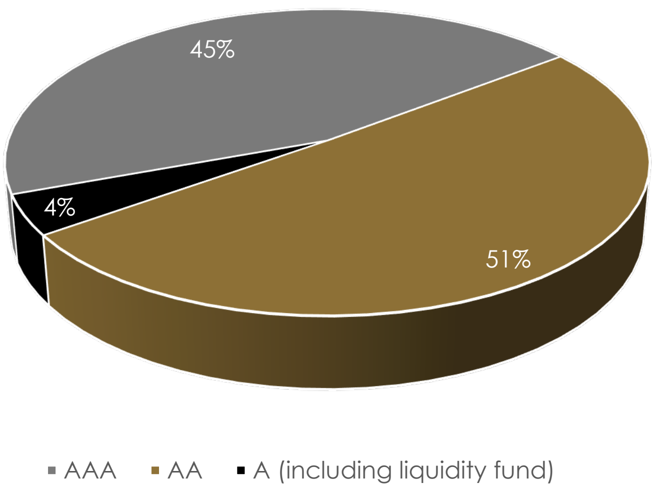
At the end of the year the portfolio was 89% allocated to Government and Government related bonds (including Gilts) with the balance in corporate bonds (primarily financial issuers). The portfolio's sensitivity to changes in interest rates, measured using modified duration, was 2.2 years at the beginning of the year and finished 2025 at 2.1years.

Our fund managers took advantage of opportunities throughout the year to adjust the duration and selectively add to corporate bond exposure where the additional yield on offer over Government bonds was attractive. Ultimately the assets backing the Deposit Administration Fund were defensively positioned with the shorter duration allowing the portfolio to have an attractive yield without the volatility of longer-dated holdings.

ASSET DISTRIBUTION BY SECTOR



ASSET DISTRIBUTION BY CREDIT RATING



A WORLD *of* DIFFERENCE

Registered Head Office address: Utmost Worldwide Limited, Utmost House, Le Truchot, St. Peter Port, Guernsey, Channel Islands, GY1 1GR.

T +44 (0) 1481 715 400
F +44 (0) 1481 715 390
E EBInvestCustomerService@utmostworldwide.com
W utmostinternational.com