

MONTHLY MATTERS

OCTOBER 2025



Wealth Matters

CELEBRATING 25 YEARS



Looking back on October 2025

Autumn is certainly here! We had a jam-packed month with plenty of treats and thankfully not too many tricks.

Just a few weeks ago we held our WRAPS+ Update webinar, featuring some very insightful presentations from our partners at Timeline and our own Head of Investing. In this newsletter we have included a summary of some of the key things that our presenters covered in the webinar, including a market overview and a discussion on the benefits of passive investing versus active investing.

We have also included a transcript of the Q&A section, which featured some fantastic questions from clients around bonds, AI, and investing in US assets. Read on to hear what our presenters had to say on these timely topics.

As the evenings draw in, the subject on everybody's mind seems to be the Autumn Budget, due at the end of November. We've included a note about what you can expect from us in the lead up and aftermath of the announcement - read on to find out more. The registration link for our Budget Webinar is included in this newsletter.

If you've been with us a while, you may recall that a few years ago Julian collaborated with Ben Carlson and Robin Powell to create a book for Wealth Matters - a simple guide to investing. We've taken a dive back into it and found it just as useful and applicable as the day it was published. We've shared an excerpt in this newsletter - if you'd like a copy, let us know.

This month we also quietly celebrated our 26th birthday and finalised our donations from the charity bike ride. Read on to hear more.

Finally, Toby's been away in the New Forest - and he's been thinking things over on his lovely autumnal walks.

We hope you enjoy this newsletter.

IN THIS NEWSLETTER

MONEY MATTERS

WRAPS+ Webinar Summary

WRAPS+ Q&A

The Autumn 2025 Budget

Our Budget Webinar

Our Book: An Excerpt

TEAM NEWS

Our 26th Birthday

Fundraising Update

DOG TALES

An autumnal walk in
the New Forest



WRAPS+ Update

A summary of our latest webinar

Thank you to everyone who joined our recent webinar. If you weren't able to attend, or would like a quick recap, here's a summary of the key insights shared by our speakers and how they relate to your investments. If you would like to watch the webinar back, [you can do so here](#).

The webinar was hosted by Katherine Pautard, with presentations from Bruce Hallman (Head of Investment Planning at Wealth Matters), Laurentius van den Worm (Head of investment Strategy at Timeline Portfolios), and Mike Parker (Regional Director at Timeline Portfolios).

Together they provided an update on recent market developments, a review of the WRAPS+ portfolios, and insights from our latest Investment Committee meeting. **We will provide an overview of the Investment Committee review and US equities in our upcoming WRAPS+ Bulletin, so keep an eye out for that next week.** In the meantime, here's a summary of the other topics we discussed:

Market review: A volatile but rewarding year

This year has been a story of volatility giving way to resilience. As Laurentius explained, the start of 2025 brought a burst of optimism in US markets following political shifts and renewed confidence in economic growth. That optimism was quickly tested when the US administration introduced a series of aggressive trade tariffs – the announcements unsettled global investors, with markets falling sharply around 1st April, dropping around 10% all in one day (nicknamed 'Liberation Day' by Trump).

Despite the initial sell-off, the downturn proved short-lived. From May onwards global markets began a strong and sustained recovery. By mid-October, global equities were up around 11% year-to-date, reflecting renewed confidence in growth prospects and stable inflation trends. Given it's not yet been a full year, that's inspired a lot of confidence.

So what does that mean in our portfolios? In terms of the building blocks that make them up, several areas stood out. Emerging markets have performed particularly well this year, offering both solid returns and valuable diversification benefits relative to the US and UK markets.

Laurentius also noted the important role of currencies this year. Sterling has strengthened against the US dollar, which has modestly reduced the pound-based returns of overseas investments even as those underlying assets have risen in local terms. This is an entirely normal effect in global portfolios – while currency moves may add or subtract in any given year, they tend to even out over the long term and are already factored into

how we design your portfolio.

Finally, bonds have played their traditional role as a stabiliser within portfolios. While they do not drive long-term returns in the way equities do, they remain an essential anchor when markets turn volatile. Bonds offered some protection during the tariff-induced market wobble earlier in the year, highlighting their ongoing role in helping to smooth the journey for investors.

Investment Committee: Disciplined review and continuous oversight

Each year, Wealth Matters and Timeline hold a joint **Investment Committee (IC)** meeting to review every aspect of the WRAPS+ portfolios. This is to ensure that every fund, allocation, and strategy continues to meet our evidence-based standards. The committee also meets informally each quarter to review fund performance, screen for any red flags, and confirm that the portfolios are behaving as expected in different market environments.

In the most recent IC meeting, we reviewed both performance and portfolio structure in detail. The portfolios have continued to perform in line with our expectations, with no areas of concern in any of the underlying holdings. The committee reaffirmed its confidence in the evidence-based approach, maintaining the key factor tilts toward value, smaller companies, and high profitability – factors that have historically been associated with higher long-term returns.

We also discussed a few areas of potential fine-tuning. One topic was whether to adjust allocations slightly to create a more linear scaling

of risk levels between the portfolios. This would be largely a cosmetic change, intended to make the progression between models more even rather than to alter risk in any material way. Another discussion point was the UK market weighting. Although the portfolios currently hold a modest overweight to the UK, there is no strong case at present to reduce it significantly, and doing so would not justify a full rebalance.

Lastly, we reviewed the currency hedging strategy. We reaffirmed our decision to keep equities unhedged, as currency movements can add or detract from returns randomly year to year, but tend to wash out over time. However, for fixed income, hedging remains appropriate because bonds are designed to provide stability rather than growth. Hedging bond exposure to sterling helps keep risk in line with clients' future spending needs, which are typically denominated in pounds.

The outcome of the committee's work is clear: the WRAPS+ portfolios remain robust, diversified, and aligned with the best available academic and market evidence. We are confident that they are well positioned to continue meeting clients' long-term objectives and will not be making any changes at this point.

Active vs passive investing: Why evidence wins

In his presentation, Mike Parker of Timeline Portfolios addressed the age-old, ongoing debate between active and passive investing. As Mike explained, this is an area where the data speaks loudly. Over both three- and five-year periods, the majority of actively managed portfolios fail to beat their passive counterparts once costs are taken into account. While active managers can outperform for short stretches, doing so consistently over the long term is exceptionally rare.

To illustrate the point, Mike referred to Warren Buffett's famous 10-year bet against a group of hedge fund managers. Buffett wagered that a simple, low-cost S&P 500 index fund would outperform their expensive, actively managed strategies. Ten years later, his index investment had returned 125%, compared with just 36% for the hedge funds. The lesson is that keeping costs low and sticking with a disciplined, market-based approach generally produces better results over time.

Some investors worry that passive strategies may lead to concentration risk, especially in the United States where a handful of very large companies – often referred to as the 'Magnificent Seven' (Apple, Microsoft, Nvidia, Amazon, Alphabet,

Meta, and Tesla) – dominate the index. However, it's important to remember that these businesses are not speculative start-ups; they are among the world's most profitable and globally diversified firms. In contrast to the tech bubble of 2000, their valuations are far more reasonable (with average price-to-earnings ratios around 23 versus over 50 back then) and their profit margins significantly higher. Most of them generate a large portion of their revenues outside the United States, meaning the exposure is far more global than it may appear.

Avoiding these companies altogether would mean you risk missing out on an important source of market returns. Instead, the WRAPS+ portfolios continue to track the broad global market in a disciplined way, ensuring that your portfolios participate in the growth of the world's most successful businesses while maintaining meaningful diversification across sectors, regions, and investment styles.

What this means for you

In brief, your WRAPS+ portfolio remains globally diversified, low-cost, and grounded in robust evidence. We continue to focus on long-term results rather than short-term noise, using a disciplined process that avoids unnecessary trading. Equities remain the main engine of growth, while hedged bonds provide stability.

The combination of disciplined design, cost efficiency, and continuous oversight gives us confidence that the portfolios are well placed to help you achieve your financial goals through all market cycles.

If you have any specific questions about your own portfolio, or if you would like further information on anything that you've read in this update, please do get in touch with your financial planner. They will be more than happy to answer your questions.

Keep an eye out for our WRAPS+ Bulletin next week, which will provide an overview on the Investment Committee review and US equities.



WRAPS+ Q&As



We had some great questions submitted in advance of the webinar and a handful asked on the day, too. Many were around similar themes – bonds, US investment risk, and AI were all frequently mentioned.

We collated these and, whilst the speakers incorporated some of the answers into their presentations, we also directly answered several of them during the Q&A session. Here's what the panel answered:



I know all three of you touched on this a little bit today, and it's a question that has been asked a lot by our clients. I'm going to pass this one over to Laurentius – "do you see the US as an investment risk with its incredibly high valuations, and are you pivoting to where there is better value?"

Laurentius:

I basically want to repeat what Mike explained to us about the magnificent seven (editor's note: see the article above). In short, yes, the US is very attractive. There are overvaluations and there's a bit of a concentration there, yes. But those underlying companies are still really, really attractive. If you think about developments in the tech space, the US currently is the leader there. So yes, there are still a lot of opportunities in the US. Valuations are high. But because valuations tend to drive global market returns, or tend to drive portfolio returns, that is one of the reasons why we do tilt our portfolios towards value companies. It doesn't necessarily mean it's going to be US value companies, it's going to tilt towards where that value is. So yes, the portfolio is considering those value companies, we do have that bias. Smaller cap companies are also quite attractive currently. So with the portfolio, it is emphasising those smaller cap companies as well to provide balance. But overall our concern is not with the US. Our concern is more we can get something better within value and size.



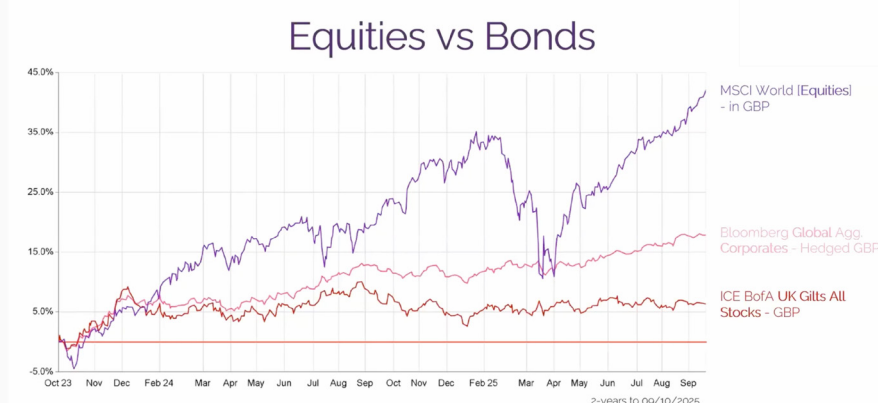
Thank you. Bruce, one for you: again, Laurentius did touch on bonds a little bit in his presentation earlier, but one of our clients sent a question that says "we've been encouraged to reduce the percentage of bonds in our portfolio. How are bonds performing now and is this still your recommendation?"

Bruce:

Yes, this is one I've actually prepared a slide for because we saw this question come in in advance, and I wanted to make sure we answer that.

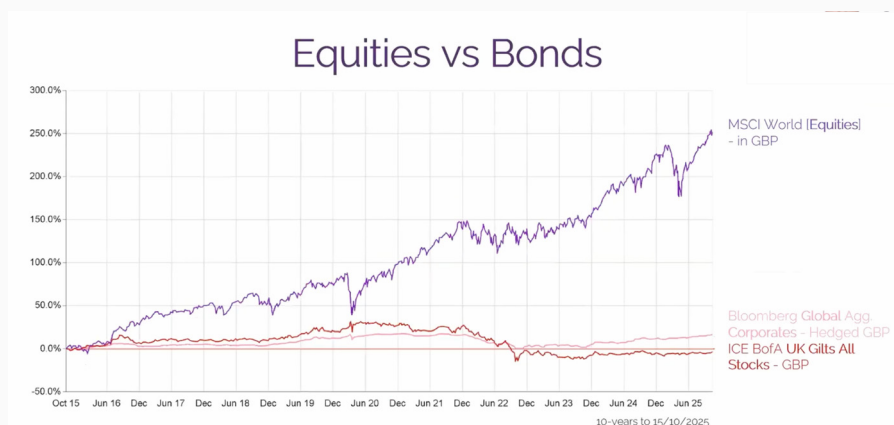
So this chart is showing bonds over the past two years, since we launched WRAPS+. I use some indices here; so we've got MSCI World, which is kind of replicating the equities, and then we've got bonds here – the Global Bonds and UK Gilts. And when we launched WRAPS+ two years ago for some of our more established

clients, they will recall that we did increase the equity rating within the WRAPS+ portfolios I alluded to earlier. And one of the reasons for that was that after 2022, where we had a very bad year with equities dropping and bonds dropping, we felt that equity was going to recover far quicker than bonds would, and that's why we wanted to capture that within the portfolios. I think we can see from the chart over the past few years, that's definitely what has happened.



If we look over a longer time period (10 years), equities do outperform. They are the driver of your returns, and the bonds are there for the more stability and to help that balance when equities are going through more volatile periods. But this is a 10 year chart showing how the equities really are driving the returns in

your portfolio. So yes, we are pleased with how it's gone so far and we do continue to recommend having the higher equity content than we did have earlier.



Brilliant, thank you Bruce. I think we've got time for one more. Again, a lot of questions around AI. So firstly: how has the Investment Committee considered the potential growth across AI developments? Maybe also we can try and cover off two in one go, we had another client say that they are keen to understand the expected impact of a crash in the AI market and tech firms and the impact on the wider portfolios. Laurentius, could you cover that one for us?

Laurentius:

Very good question. The way I would answer that is to say that 'AI' and 'tech' are sort of synonymous these days. People talk about AI companies or tech companies, and you can even make the argument that currently about 35% of the S&P 500 is tech companies. That excludes companies like Tesla, Amazon, Google, Facebook. They are consumer cyclical or communication companies, technically - but they are tech companies, they are part of these AI companies. So your concentration in AI is much bigger than you actually expect. But then you should take it one step further and ask yourself, which leader is not a tech company?

Tesla sells vehicles, but it's a tech company. Google makes their profits from ads, but it's a tech company. Anybody that has been in a John Deere tractor these days will know that it's nothing more than a GPS platform, actually, that looks like a tractor. It's an AI company. The most innovative company for me in the UK is probably Revolut. It's not a financial services company, it's a tech company.

So tech is sort of the modern internet. It is everywhere. Or we could probably compare it more to modern electricity. It is everywhere, you can't be without it. So a tech crash will mean a market crash. Nobody's going to hide away from it. I mean nobody - not equity, not bonds - because it's part and parcel of the system.

That said, there are overconcentrations. There are some valuations that are slightly high, and yes, there could be a market correction. The one thing I can guarantee is at some point there will be a market correction. Those bear markets are not a bug in the system. It's a feature of the system. That's the risk that you have to accept in order to share in that significant outperformance that we see over time.

The longest bear market we've ever had in history was about two years and seven months, and that was the Dot Com crash. The bear market in the 70s, also two years and seven months. So it's worth just staying in the market. If there's a crash, it'll just be a short market correction and the markets will pick it up very quickly again.



If you would like to watch the webinar back to hear the full discussions, you can do so by clicking the button below. Please don't hesitate to reach out to your financial planner if you have any additional questions.

[Click here to watch back the webinar](#)



Autumn Budget 2025

As you are probably aware, the government's Autumn Budget will be delivered on 26 November. We know it's been on our clients' minds (and it's firmly on ours too), particularly following the announcement from last year about pensions and Inheritance Tax. It's understandable that you may be concerned about the possibility of further significant changes.

To keep you informed and in the loop, we will be providing three key areas of support around the Budget:

- Firstly, we will send out **a summary of the key Budget changes** that are relevant to you. This will arrive in your inbox the day after the Budget announcement, to give us time to fully digest all the detail that is published afterwards.
- In addition, all our financial planners will have **dedicated time blocked out in their diaries** in the days following the announcement to answer any specific questions you may have. Please do send these over or give us a call.
- Finally, we will be **hosting a webinar on Monday 12 January** to cover the key announcements and give a more in-depth overview of ways to mitigate any challenges that may arise out of the measures announced. You can register for this webinar using the link at the bottom of this page.

As much as we wish we could, none of us can see the future to accurately predict what's coming. For now, all we can do is sit tight, avoid making any knee-jerk moves in anticipation of what may or may not happen, and await the announcements. If anything significant does arise, we will be on hand to guide you through it.

We're here to help - please do get in touch if you have any specific concerns or questions.

OUR NEXT WEBINAR

Autumn Budget Review

Key changes and impacts from the Autumn Budget 2025

MONDAY 12 JANUARY 2026 • 7:00PM

During this webinar, members of our financial planning team will be unpacking and explaining the impact of any changes that are announced as part of the Chancellor's Autumn Budget.

We will confirm the hosts and speakers in due course.

You can register your place on the webinar now using the button below. We appreciate that it will be hard to know what questions to ask before the announcement has been made, so we will provide another opportunity to submit specific questions ahead of the webinar.

[Click here to register for the webinar](#)

Invest Your Way to Financial Freedom

Did you know that Wealth Matters has a book? Several years ago, Julian Gilbert (our founder) collaborated with Ben Carlson and Robin Powell to create *Invest Your Way to Financial Freedom: A simple guide to everything you need to know*. It's a very accessible and practical guide to show you how to put yourself on the path to financial freedom – whatever that means to you – through sensible saving and straightforward investing.



It includes answers to the following key questions:

- Why is saving important and how much should you save?
- Why is investing the best way to build wealth?
- What should investors expect from the stock market?
- How long does it really take to become a millionaire?
- Is it too late if you don't make an early start to saving and investing?

Here's an excerpt to whet your appetite. This is from chapter 9, **'The Investor's Lifecycle'**:

Over the 50 years from 1970-2019, there were seven recessions, ten bear markets and four legitimate market crashes with losses in excess of 30% for the US stock market. Over the previous 50 years from 1920-1969, there were 1 recessions, 15 bear markets, and eight legitimate market crashes with losses in excess of 30% for the US stock market. The figures for European markets, including the UK, are fairly similar.

Bear markets, brutal market crashes and recessions are a fact of life as an investor. They are a feature, not a bug, of the system in which we save and invest our money. You may as well get used to dealing with them because they're not going away anytime soon. They can't go away, because the markets and economy are run by humans and humans always take everything, both good times and bad, too far.

The risk of these crashes and economic downturns is not the same for everyone though. How you view the inevitable setbacks when dealing with your life savings has more to do with your station in life than how scary you think those times are. Risk means different things to different people depending on where they reside in the investor's lifecycle.

When you're young, human capital (or lifetime earning potential) is a far greater asset than your investment capital. If you're in your 20s, 30s or even 40s you still have many years ahead of you as a net saver and earner, meaning market volatility should be welcomed, not feared.

There's an old saying that the stock market is the only business where the product goes on sale and all of the customers run out of the store. Your

actions during down markets have a larger say in your success or failure as an investor than how you act during rising markets.

Down markets lead to higher dividend yields, lower valuations and more opportunities to buy stocks at lower price points. It may not feel like it at the time, but if you're saving money and putting it into the stock market regularly, more opportunities to buy stocks at lower price points is a good thing.

The problem is, during a market crash, it will always feel like it's too late to sell but too early to buy. If time is on your side, you shouldn't worry about nailing the timing of your investments, especially during down markets. The good thing about being a young person is you don't need to worry about timing the market to succeed. You have the ability to wait out bear markets since you have such a long runway in front of you.

The important thing for you is to keep saving and investing regularly, no matter what is happening in the stock market.

People who are nearing the end of their working lives, on the other hand, are lacking in human capital, but they should, in theory, be sitting on plenty of financial capital. People are living longer, meaning the management of your money isn't over when you retire.

But you have to be more thoughtful about how your life savings are invested at this stage of life because you don't have nearly as much time to wait out a down market, nor do you have the earning power to deploy new savings when stocks are down by buying when there's blood in the streets.

If you would like a copy, either for yourself or to pass on to a loved one who you think may find it useful, please let your client relationship manager know. They will be happy to put a copy in the post for you.

Happy Birthday to us!

This month we celebrated our 26th birthday!

Our celebration this year was a quieter affair than last year, but we're certainly not sitting on our laurels! We ran a team training day, focusing on new processes and embracing new technology within our work.

Of course, we couldn't let the occasion go by without cake and a pretty impressive sparkler to celebrate.

A big thank you to all of our clients for being with us on this journey.

Here's to many more years!



Fundraising Update

Back in September, our team of cyclists completed their 182-mile charity bike ride from Luxembourg to Koblenz to raise money for our two chosen charities. We aimed to raise a total of £6,000 to split evenly between Oracle Cancer Trust and Bedfordshire & Luton Community Foundation.

We are thrilled to announce that **our grand total came to £6,042.82!** That's £3,021.41 to each charity. This is a truly fantastic achievement and it will make a significant difference to the beneficiaries of these charities in their time of need.



We would like to extend a heartfelt 'thank you' to every client who donated to the fundraiser and supported us in our fundraising efforts. We couldn't have done this without your generosity!

At Wealth Matters, philanthropy is a key component of our ethos. We feel that it is important to give back to our community and enable our fellow citizens to access the help and support that they need.

It's an honour to be able to run initiatives such as these. Stay tuned to hear what we cook up for next year's fundraiser!

As a reminder, here's a little more information about the two charities this fundraiser is supporting:



Oracle Cancer Trust

The UK's leading national charity dedicated to head and neck cancer. They support programmes and fund research at some of the UK's leading scientific research institutions.



Bedfordshire and Luton Community Foundation

Known for their groundbreaking initiatives, including addressing food, fuel and digital poverty, mental health and inequality, and combating isolation.

Dog Tales

Toby and his brother Benji recently enjoyed a well-deserved escape to the New Forest with their humans.

These snaps are from a crisp, sunny, autumn walk; the leaves crunched under their paws, the path wound gently ahead, and there wasn't a worry in sight. There was even a fun stream for Toby to splash around in (an inclination not shared by Benji, who deemed it far too cold for such antics – to each their own). It was the quintessential autumn day.

It's a picture of freedom and contentment. But just like any good adventure, this one didn't happen by chance – it was, of course, planned.

In many ways, a peaceful walk in the woods is a lot like good financial planning. It starts with knowing where you want to go, checking the route, and making sure you've packed what you need – whether that's savings for a holiday, budgeting for quality time with family, or setting longer-term goals like retirement or future care needs.

Relaxing, spontaneous, and joyful trips like these are only truly stress-free when the groundwork has been laid. Toby and Benji don't need to worry about where they're headed because they trust their humans have it all in hand. That's exactly how sound financial planning works: it gives you the freedom to enjoy life in the moment, knowing the essentials are taken care of.

So whether you're working towards a family break, a cosy retirement, or simply more time to spend how you choose, setting goals and planning ahead makes all the difference. Because when the big things are sorted, you're free to enjoy the small ones – like a walk in the woods with those you love.



If there is anything you wish to discuss with your Financial Planner, please do not hesitate to contact us.

Email: info@wealth-matters.co.uk

Tel: 01582 720511

Head Office:

727 Capability Green, Luton, Bedfordshire, LU1 3LU



Wealth Matters
CELEBRATING 25 YEARS

DISCLAIMER: The content in this newsletter is for information purposes only and does not constitute financial advice. You should always engage the services of a fully qualified financial adviser before entering any financial contract.