

# Global Balanced UCITS ETF – Q4 2025 Update



Goshawk  
Asset Management

Goshawk Asset Management is a trading name of  
North Atlantic Investment Services Limited (FCA no.  
969870) with company no. 13800256

## Performance Overview

- Global equities continued to perform strongly over the final quarter of 2025 after a weak first quarter and strong second and third quarters.
- Artificial intelligence has been the dominant theme for investors in 2025, and represents a sizeable percentage of our portfolio via investments that we see as long-term winners from its implementation.
- The Goshawk Global Balanced UCITS ETF (ROE LN) rose by 3.05% in USD during the fourth quarter and was up 14.63% for the year.
- The Goshawk Global Balanced UCITS ETF (ROES LN) rose by 2.93% in GBP during the fourth quarter and was up 6.85% for the year.

## Market Highlights

- **US:** in December, the Federal Reserve cut interest rates for the third time in 2025, lowering the benchmark rate to 3.5-3.75%. Economic data released in December showed US GDP growth in Q3 rising by a revised higher figure of 4.3%, the fastest pace in two years and well above expectations.
- **Europe:** interest rates were left on hold at the end of December and are likely to remain at the same level for some time, despite tepid economic growth of around 1.4% for 2025.
- **Japan:** the Bank of Japan continued its long-term strategy of monetary policy normalisation by finally increasing interest rates in December. The yen continued to weaken and inflation remained well above the 2% target. Bond yields have continued to rise, with ten-year yields ending 2025 above 2% for the first time since 1999.
- **China:** the property market has continued to struggle in 2025, though there are policy initiatives to help stabilise it. The government continues to pursue growth by stimulating increased consumer spending, but will need a stable property market to create greater confidence in consumers' financial position.

## Portfolio Adjustments

- Added a new position in SMC Corporation, who we believe will be a substantial winner from the increased use of physical AI, which is creating an inflection point for industrial robotics.
- Increased our position in Baidu, which has started to perform well after a prolonged period of underperformance, and is undergoing a business transition by pivoting to an AI-based strategy via cloud services, chip development, and autonomous driving.
- Modestly reduced our position in China life after a superb run in the stock and slightly added to our position in ICBC.



## Stock Performance

- Schneider Electric: performance was below our expectations, but the stock has a strong position in electrification from datacentres and management is forecasting 7-10% annual revenue growth, with improving margins and a higher return on invested capital.
- Accenture: had a difficult 2025 from a share price perspective, but recent results showed the resilience of its business model and opportunities in digital consultancy helping businesses to implement AI and other transformational technologies.
- Healthcare stocks: sector has continued to struggle, and we removed position in Carl Zeiss Meditec following its decision to reduce its dividend. Added new position in Merck, which is attractively valued and complementary to our other pharma names, AbbVie and Johnson & Johnson, the latter of which performed extremely well in 2025.

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## Outlook

- Looking forward to 2026 with some confidence in the belief that our investments are on reasonable valuations and have good growth prospects.
- Expect President Trump to focus on domestic cost of living issues ahead of midterms rather than the bond markets, European governments to make further progress on defence spending, and Asian economies to avoid US tariffs by focusing on trade amongst themselves.
- Feel optimistic about another year of attractive returns, but cautiously continue to monitor the markets and keep our portfolios balanced to guard against unexpected developments.

Data source: Goshawk Asset Management, Bloomberg

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