



M&G MPS Webinar

A look back on 2025 and ahead to
2026



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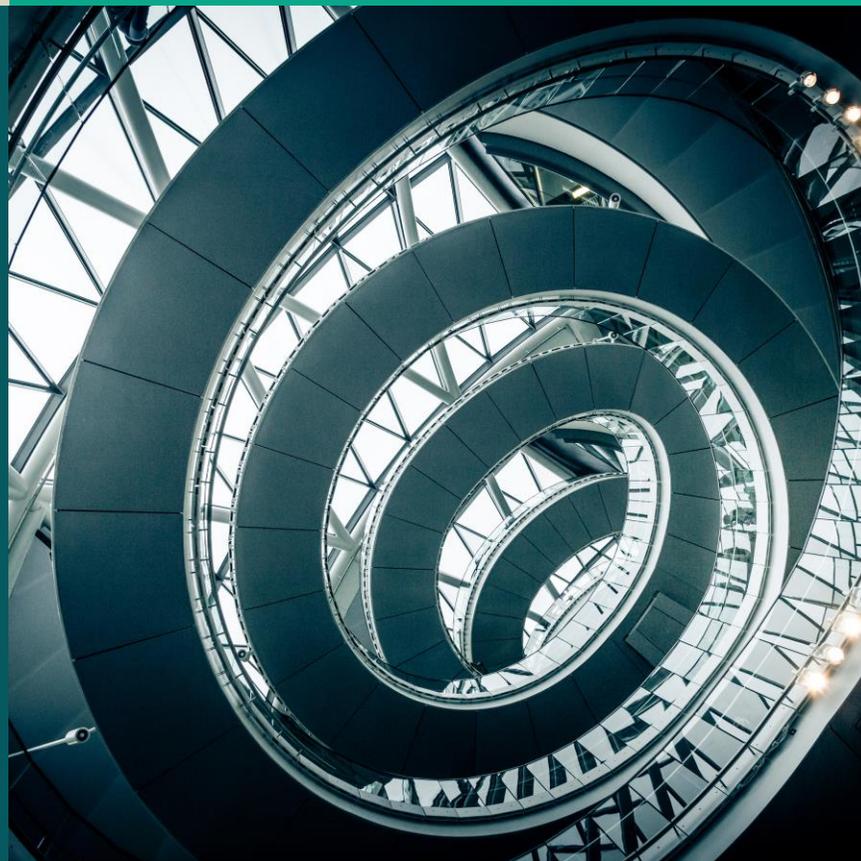
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A lookback on 2025



News Headlines

Politics
High inflation, soaring food prices and dwindling growth: How Britain's economy ranks compared to other nations

S&P 500, Nasdaq Hit New All-Time High As Stocks Complete Tariff Comeback

Tesla robotaxi 'low-key' launch in Texas

Inflation expectations pop to highest level in a year

China trade surplus nears \$1.2 trillion as global markets absorb record exports

Trump tariff news spooks market

China trade surplus nears \$1.2 trillion as global markets absorb record exports

The Advisor's Edge: 10-year Treasury yield hits 2-week high despite Fed rate cut this week

Trump rolls out sweeping tariffs as he declares deficits a 'national emergency'

Gold tops \$4,000 milestone
Gold prices reached a record on Oct. 7 with the precious metal topping \$4,000 an ounce. Analysts say investors are turning to gold amid unease about the U.S. economy and political stability.

Magnificent Seven Stocks Lose Most Value in a Single Day Amid Doubts on AI

The House just passed Donald Trump's 'One Big, Beautiful Bill.' Here's what that means for you

NATO allies agree to higher 5% defense spending target

UK facing highest inflation in G7 in yet another pre-Budget blow for Reeves

S&P 500 performance in 2025

US dollar is off to its worst start in 50 years. Here's why that matters for you.

U.S. Joins Israel in Strikes on Iranian Nuclear Sites, Risking Wider War

Israel strikes Iran's Isfahan nuclear site, buildings on fire in Tel Aviv
It was the second attack on Isfahan as the conflict enters a second week, killing at least 430 in Israel.

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News > World > Americas > US politics

News > UK > UK Politics

Updated: JUN 22, 2025 3:54 AM GMT

of 20: 10AM 11AM 12PM 1PM 2PM 3PM 4PM

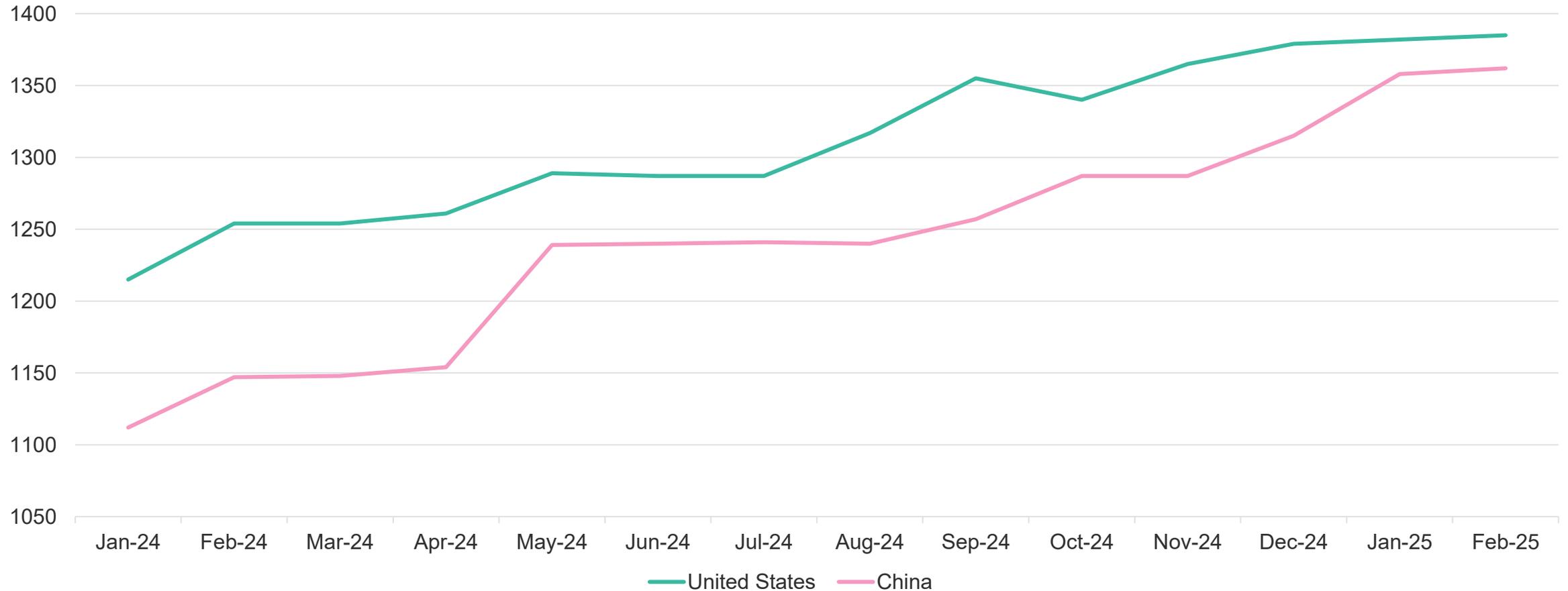
IRAN

Source: M&G Wealth Investments, 2025.

Is AI just a US Theme?

China has closed the gap to the US

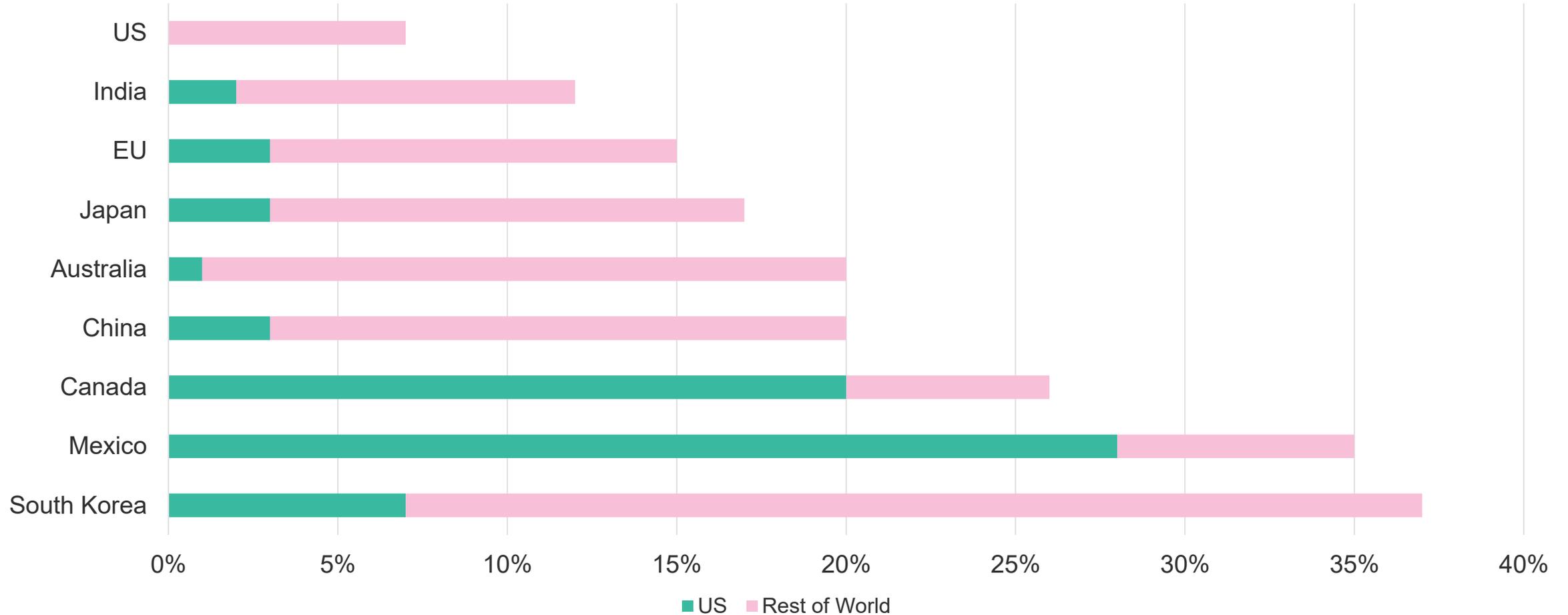
Performance of top United States vs Chinese models on LMSYS Chatbot Arena



Tariffs

The Elephant in the Room

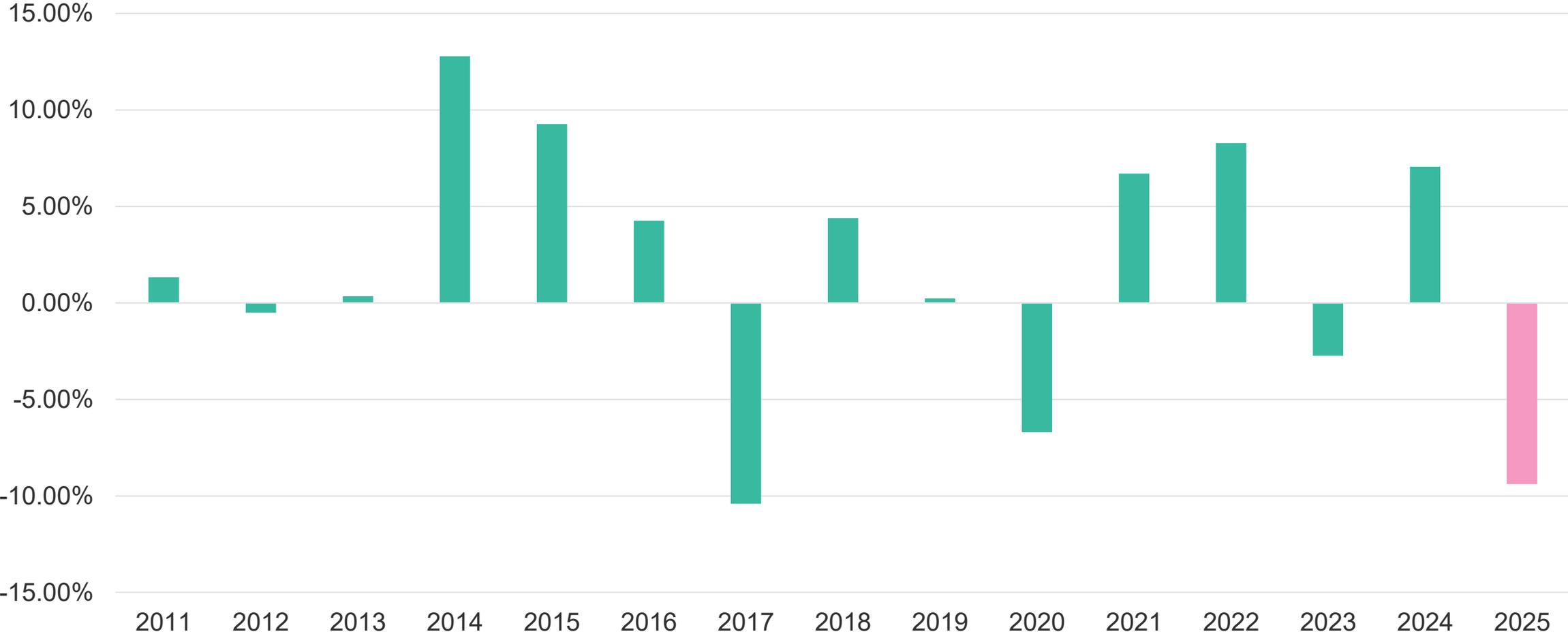
Exports by Market % of Nominal GDP, USD, goods, 2024



US Dollar

One of the worst years for the US Dollar in the past 15 years

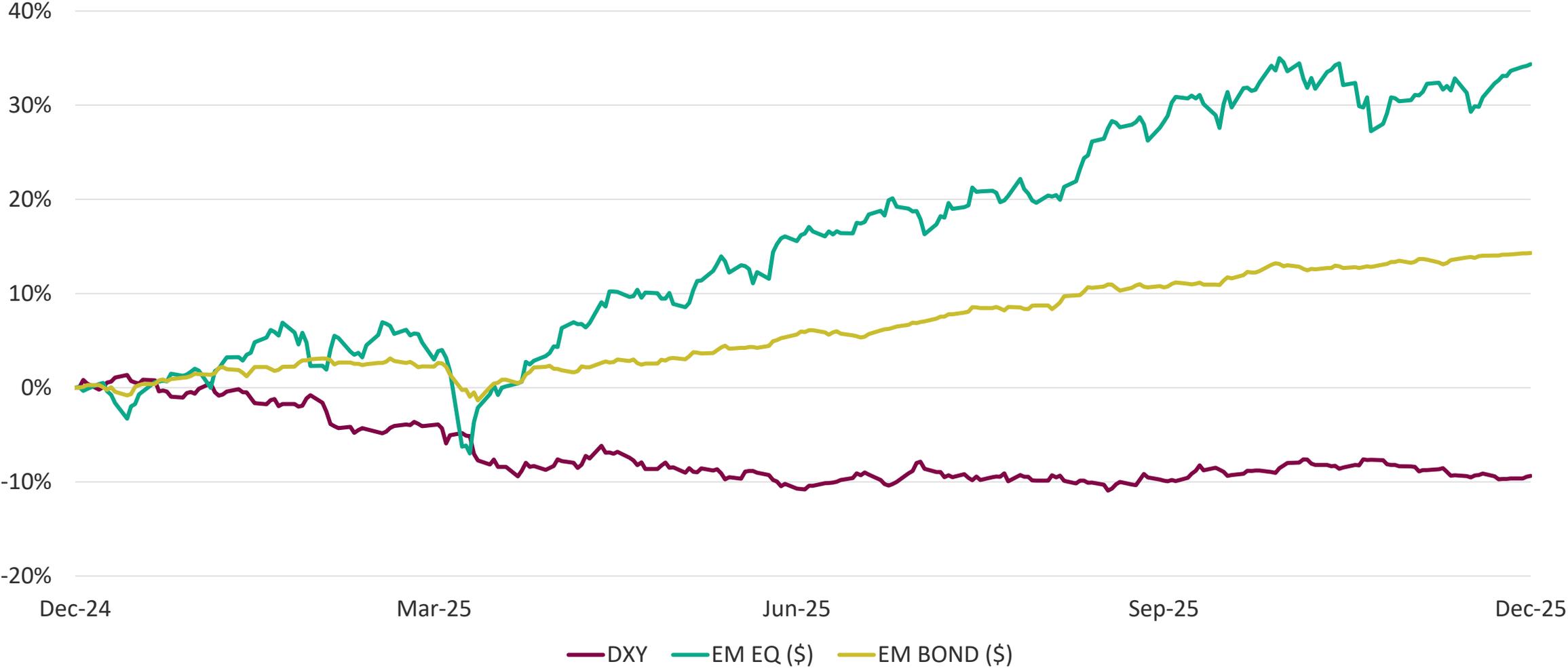
DXY Index Performance Discrete Years



Source: M&G Wealth Investments, Refinitiv, December 2025.

Emerging Markets

A falling US Dollar is supportive for Emerging Market Assets

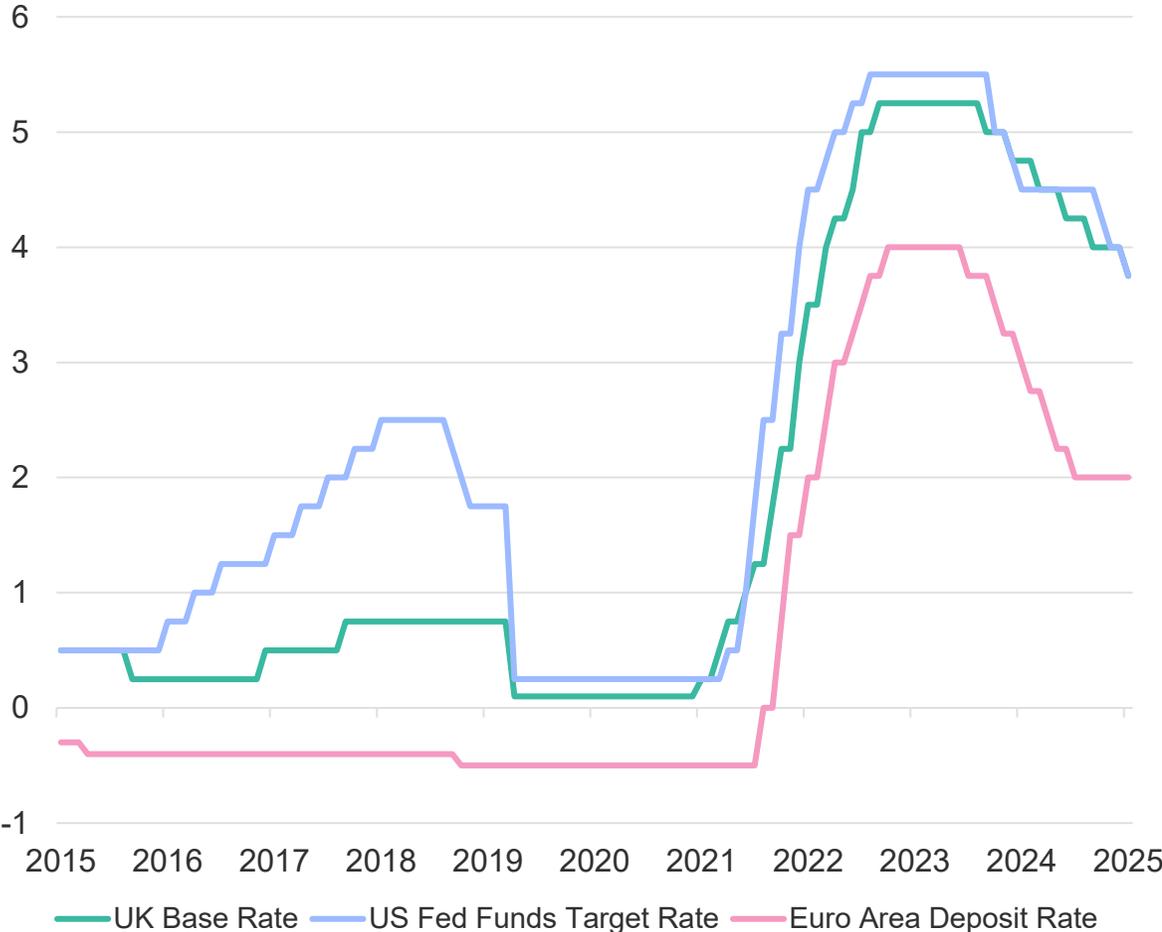


Source: M&G Wealth Investments, LTIS, December 2025.

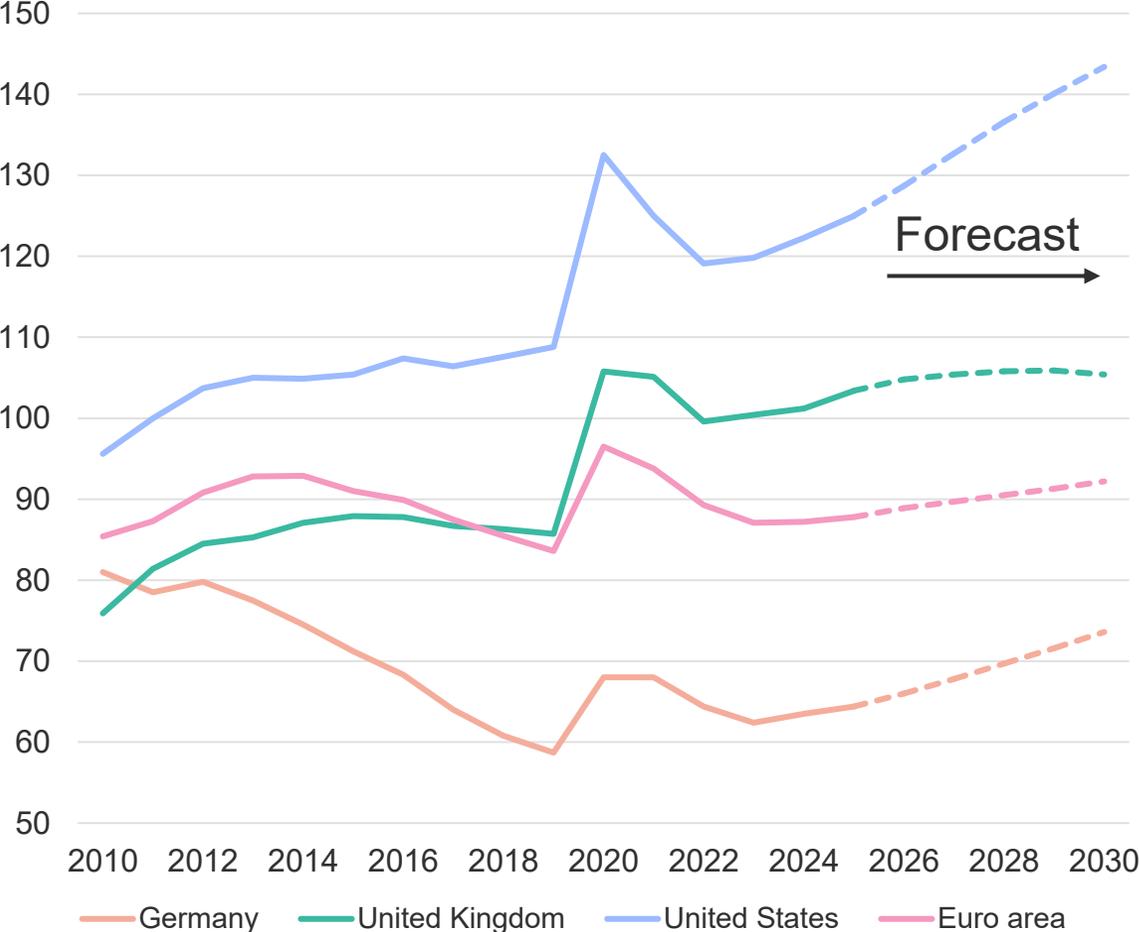
Fiscal and Monetary Stimulus

Helping Support Economic Growth

Developed Market Interest Rates (%)



General Gross Government Debt (% of GDP)

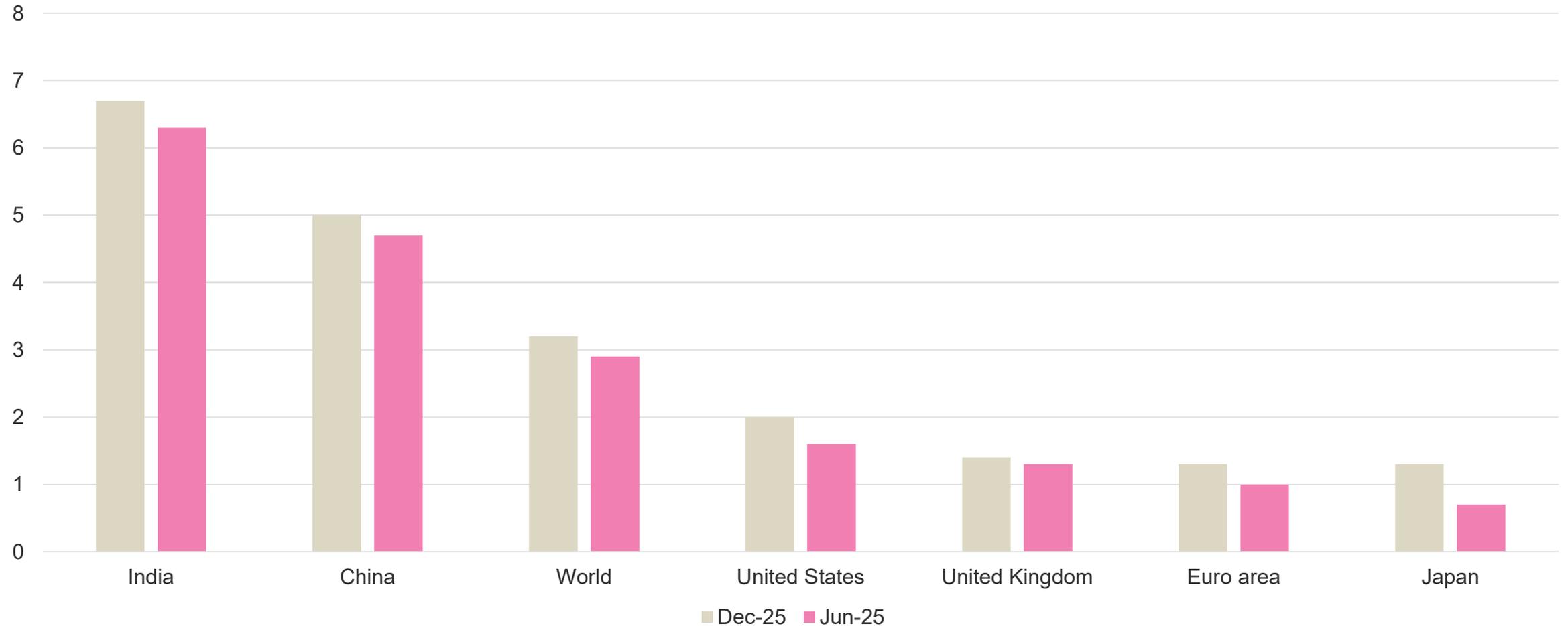


Source: M&G Wealth Investments, IMF Outlook, October 2025 (RHS), Refinitiv, M&G Wealth Investments, 29th December 2025 (LHS).

Growth data are Solid

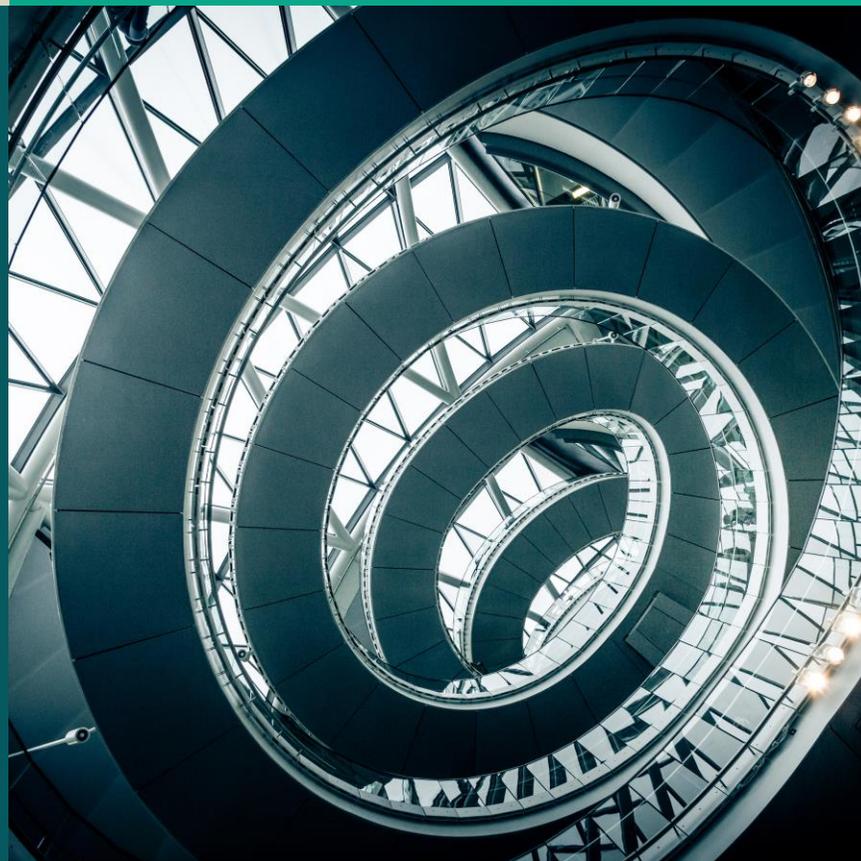
OECD raises Growth forecasts for 'Resilient' Economy

Real GDP 2025 Growth Projections for the OECD's December 2025 and June 2025 Forecasts (%)



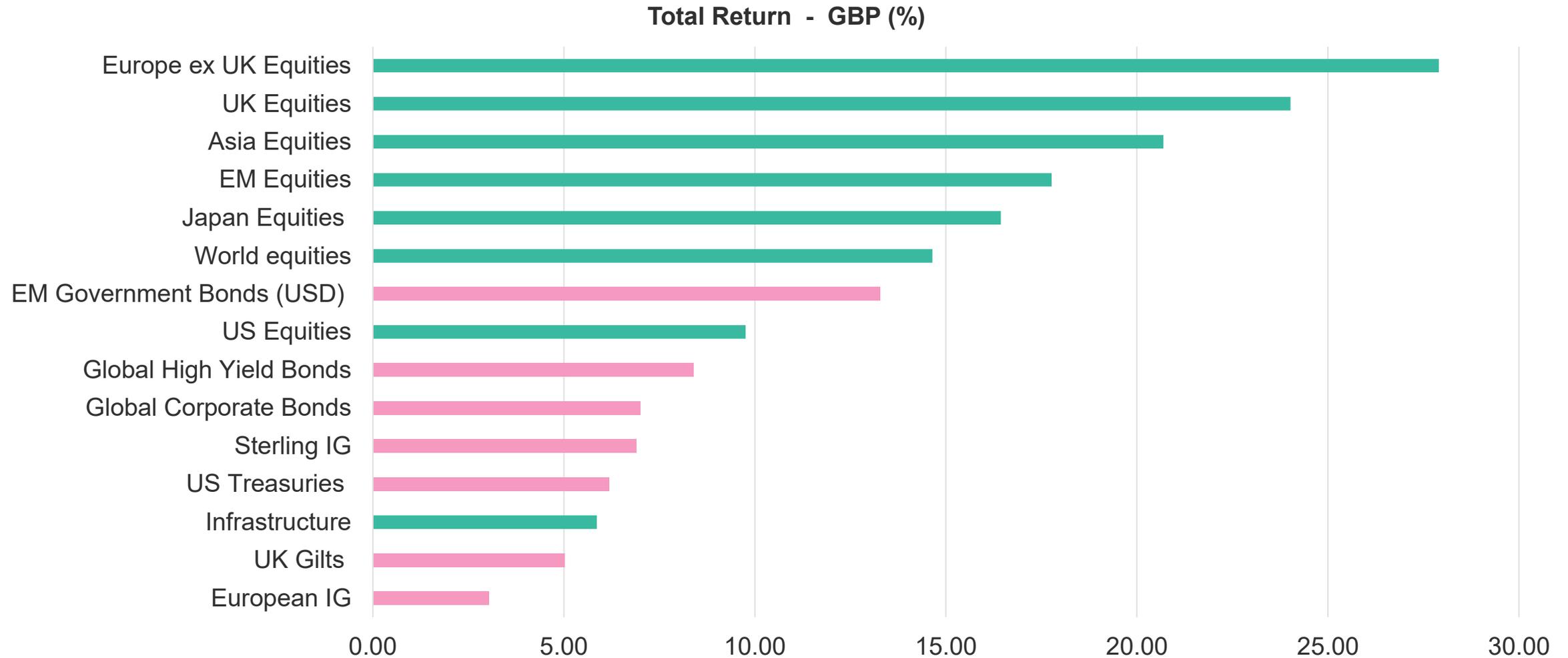
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Performance



Asset Class Returns 2025

Asset class returns were strong for multi-asset portfolios



Portfolio Performance

Our investment views worked well in 2025

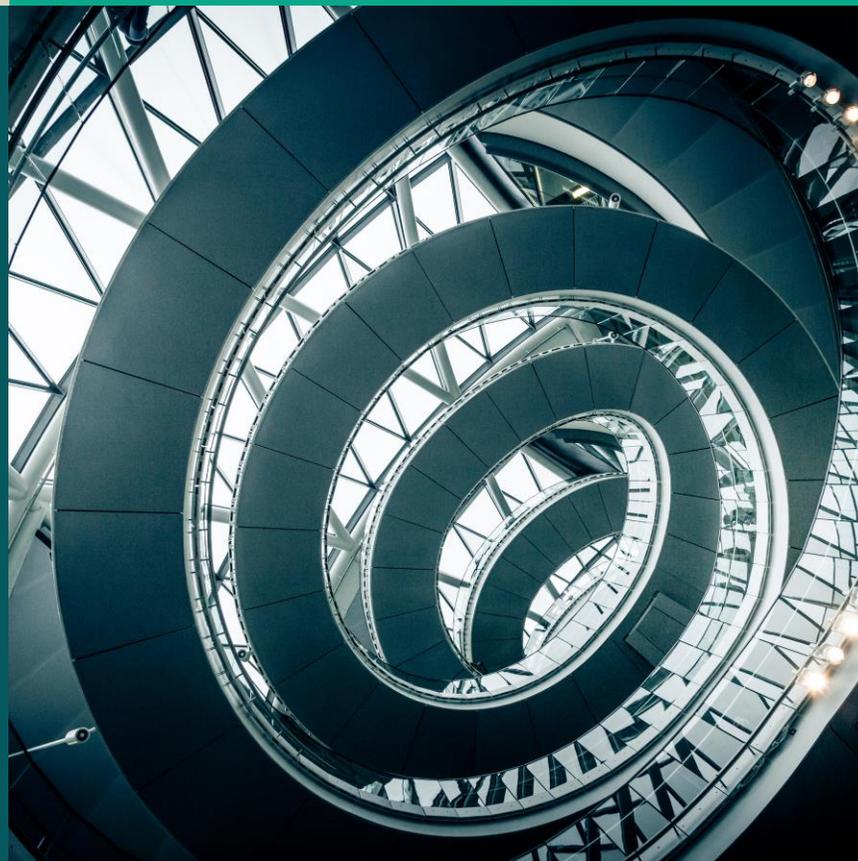
Performance (to 31st December 2025)

| Fund | Benchmark | 3 months (%) | | 6 months (%) | | 1 year (%) | | 3 years (ann.) (%) | | 5 years (ann.) (%) | | 10 years (ann.) (%) | |
|---------------|--|--------------|-------|--------------|-------|------------|-------|--------------------|-------|--------------------|------|---------------------|------|
| | | MPS | Rel | MPS | Rel | MPS | Rel | MPS | Rel | MPS | Rel | MPS | Rel |
| MPS Passive 1 | IA Mixed Investment 0-35% Shares TR | 2.28 | 0.11 | 5.32 | 0.27 | 8.48 | 0.65 | 6.49 | 0.43 | 2.71 | 0.90 | 3.96 | 0.85 |
| MPS Passive 2 | IA Mixed Investment 20-60% Shares TR | 2.81 | 0.08 | 7.12 | 0.49 | 10.40 | 0.22 | 7.83 | 0.16 | 4.44 | 0.53 | 5.48 | 0.84 |
| MPS Passive 3 | IA Mixed Investment 20-60% Shares TR | 3.20 | 0.47 | 8.50 | 1.87 | 11.79 | 1.61 | 8.77 | 1.10 | 5.88 | 1.97 | 6.79 | 2.15 |
| MPS Passive 4 | IA Mixed Investment 40 - 85% Shares TR | 3.63 | 0.32 | 9.96 | 1.20 | 13.27 | 1.69 | 9.73 | 0.20 | 6.83 | 1.26 | | |
| MPS Passive 5 | IA Mixed Investment 40 - 85% Shares TR | 4.00 | 0.69 | 11.22 | 2.46 | 14.57 | 2.99 | 10.65 | 1.12 | 7.69 | 2.12 | 8.18 | 1.75 |
| MPS Passive 6 | IA Mixed Investment 40 - 85% Shares TR | 4.40 | 1.09 | 12.49 | 3.73 | 15.68 | 4.10 | 11.46 | 1.93 | 8.60 | 3.03 | 8.92 | 2.49 |
| MPS Hybrid 1 | IA Mixed Investment 0-35% Shares TR | 2.49 | 0.32 | 5.65 | 0.60 | 9.40 | 1.57 | 6.88 | 0.82 | 2.90 | 1.09 | 3.97 | 0.86 |
| MPS Hybrid 2 | IA Mixed Investment 20-60% Shares TR | 2.91 | 0.18 | 7.26 | 0.63 | 10.95 | 0.77 | 8.14 | 0.47 | 4.46 | 0.55 | 5.35 | 0.71 |
| MPS Hybrid 3 | IA Mixed Investment 20-60% Shares TR | 3.17 | 0.44 | 8.20 | 1.57 | 11.74 | 1.56 | 8.76 | 1.09 | 5.48 | 1.57 | 6.49 | 1.85 |
| MPS Hybrid 4 | IA Mixed Investment 40 - 85% Shares TR | 3.48 | 0.17 | 9.41 | 0.65 | 12.86 | 1.28 | 9.58 | 0.05 | 6.12 | 0.55 | | |
| MPS Hybrid 5 | IA Mixed Investment 40 - 85% Shares TR | 3.81 | 0.5 | 10.57 | 1.81 | 13.92 | 2.34 | 10.33 | 0.80 | 6.73 | 1.16 | 7.74 | 1.31 |
| MPS Hybrid 6 | IA Mixed Investment 40 - 85% Shares TR | 4.18 | 0.87 | 11.84 | 3.08 | 14.88 | 3.30 | 11.06 | 1.53 | 7.26 | 1.69 | 8.34 | 1.91 |
| MPS GESGT 1 | IA Mixed Investment 0-35% Shares TR | 1.87 | -0.30 | 5.04 | -0.01 | 8.52 | 0.69 | 6.72 | 0.66 | | | | |
| MPS GESGT 2 | IA Mixed Investment 20-60% Shares TR | 2.20 | -0.53 | 6.20 | -0.43 | 9.21 | -0.97 | 7.23 | -0.44 | | | | |
| MPS GESGT 3 | IA Mixed Investment 20-60% Shares TR | 2.45 | -0.28 | 7.09 | 0.46 | 9.83 | -0.35 | 7.53 | -0.14 | | | | |
| MPS GESGT 4 | IA Mixed Investment 40 - 85% Shares TR | 2.72 | -0.59 | 8.04 | -0.72 | 10.43 | -1.15 | 7.86 | -1.67 | | | | |
| MPS GESGT 5 | IA Mixed Investment 40 - 85% Shares TR | 2.96 | -0.35 | 8.92 | 0.16 | 11.03 | -0.55 | 8.15 | -1.38 | | | | |

Source: FE Analytics. Data is to 31st December 2025. Total returns in GBP. While M&G Wealth Investments LLP has taken reasonable steps in the preparation of the performance figures, we can't accept responsibility for any errors, omissions, or actions taken based on the information. The performance figures are calculated in FE Fundinfo based on a standard model and may not reflect the performance of individual customer portfolios. The calculation includes all underlying fund charges and investment management fees. The platform, wrapper and advice fees are excluded. The IA sectors index represents the average returns of a wide range of mixed asset funds, with broadly similar equity content. The schedule contains simulated past performance (prior to 17 January 2025) for Passive 4 and Hybrid 4. The figures we've shown for those portfolios are an example of how they may have performed. All other figures are actual past performance. We can't predict the future. Past performance isn't a guide to future performance.

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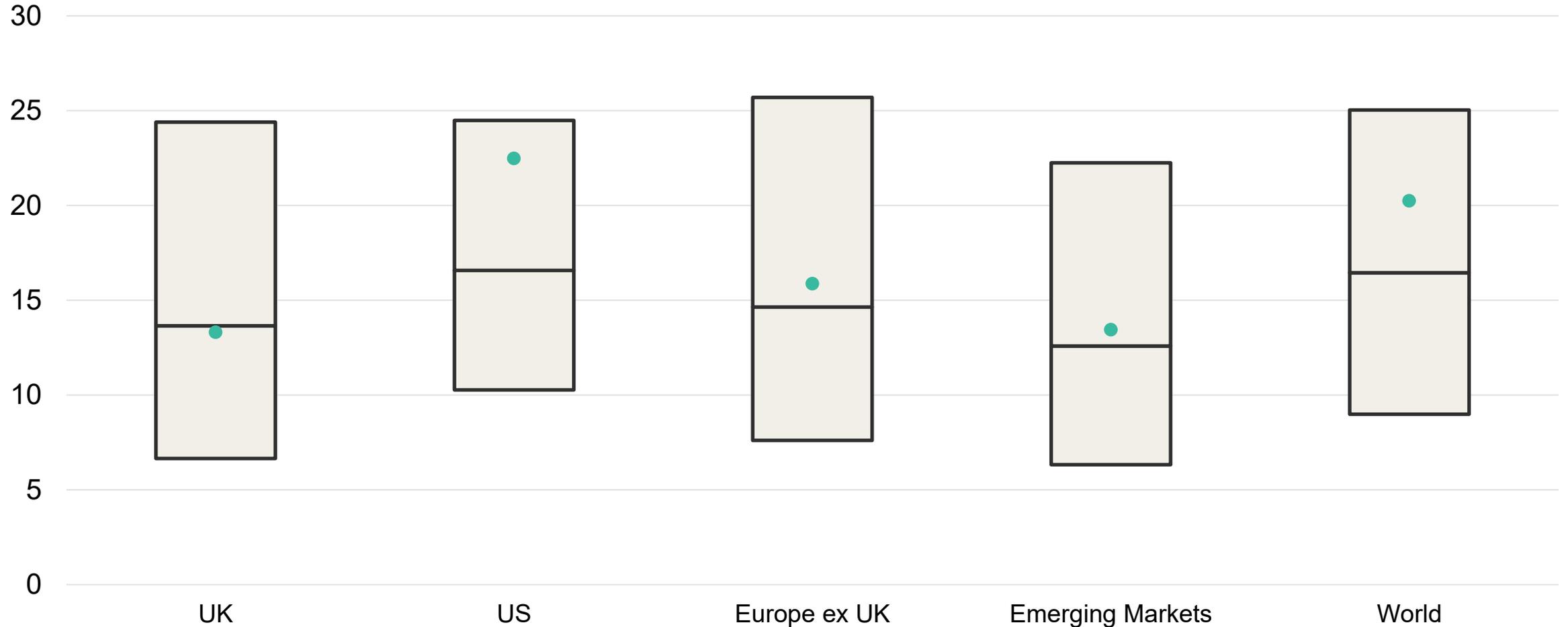
A look forward to 2026



Are we in a Bubble?

US Equities are the standout

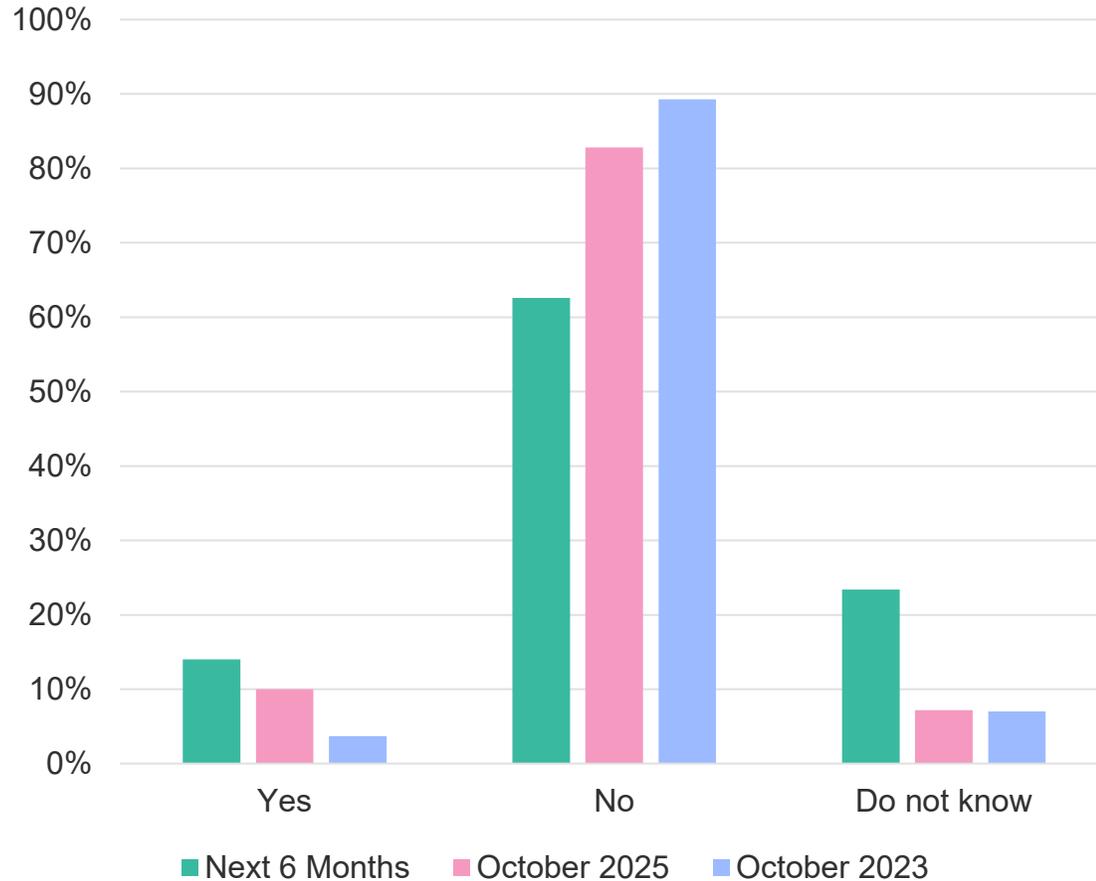
Forward Price to Earnings Multiples of Different Markets



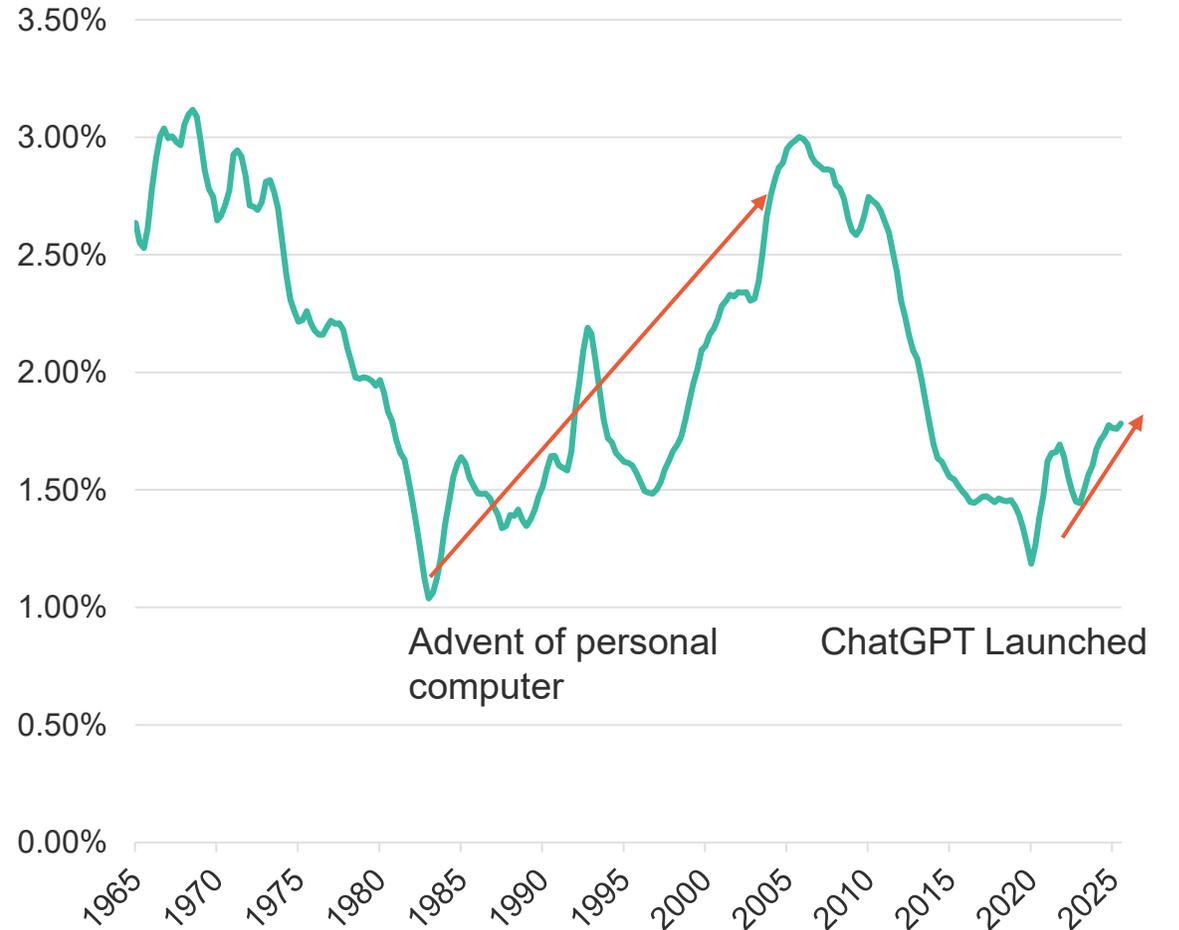
Are we in a Bubble?

Adoption and productivity looks set to improve

US Firms Reporting use of AI Applications to Produce Goods & Services



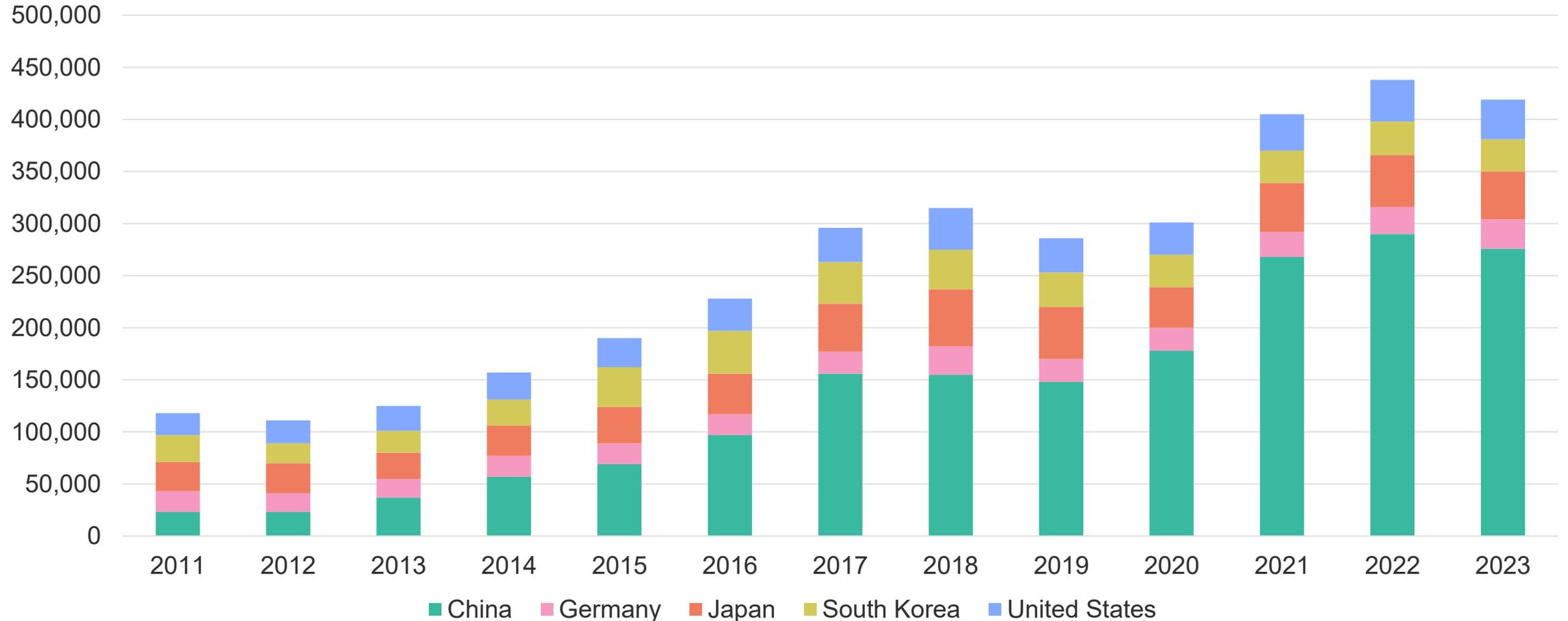
Average US 10-Year Rolling Productivity



AI isn't just about Data Centres

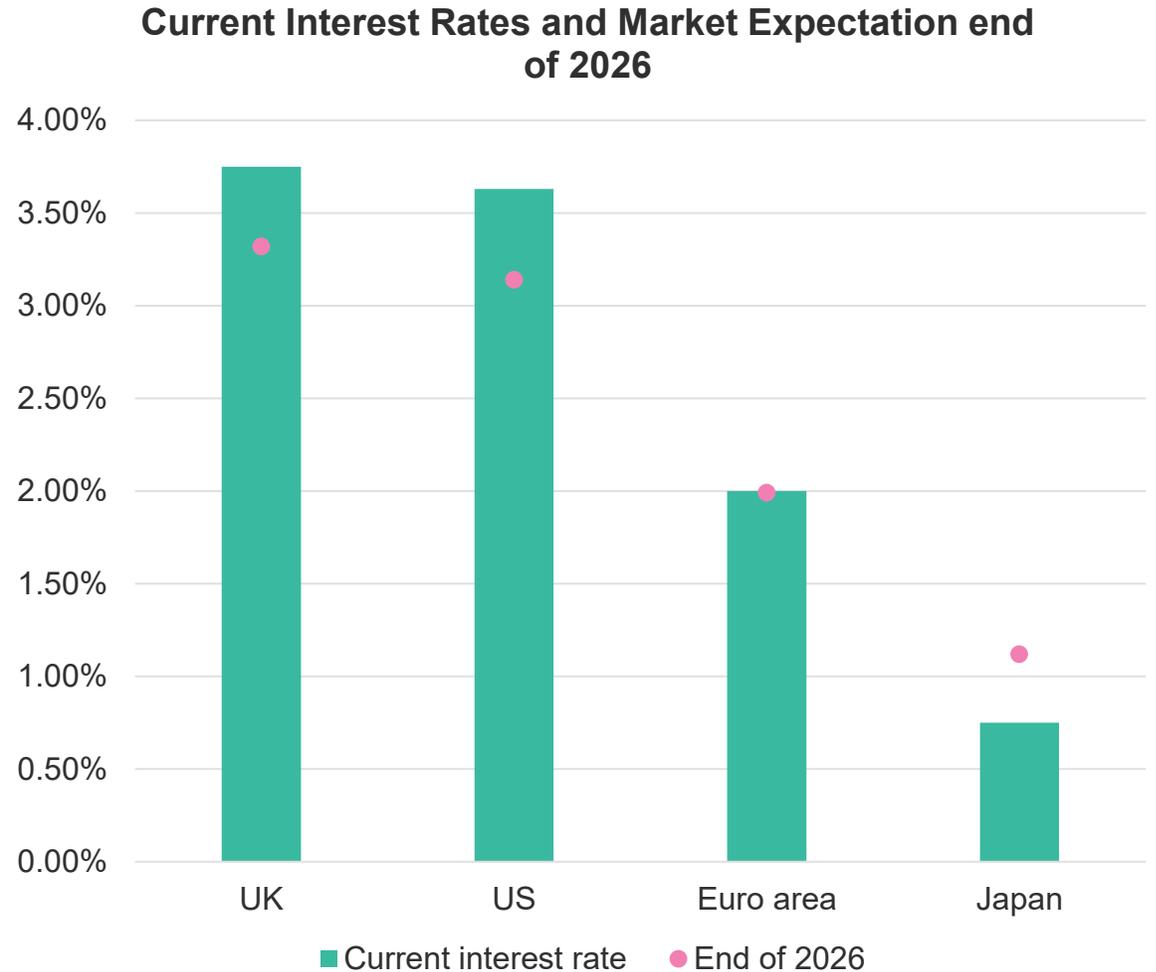
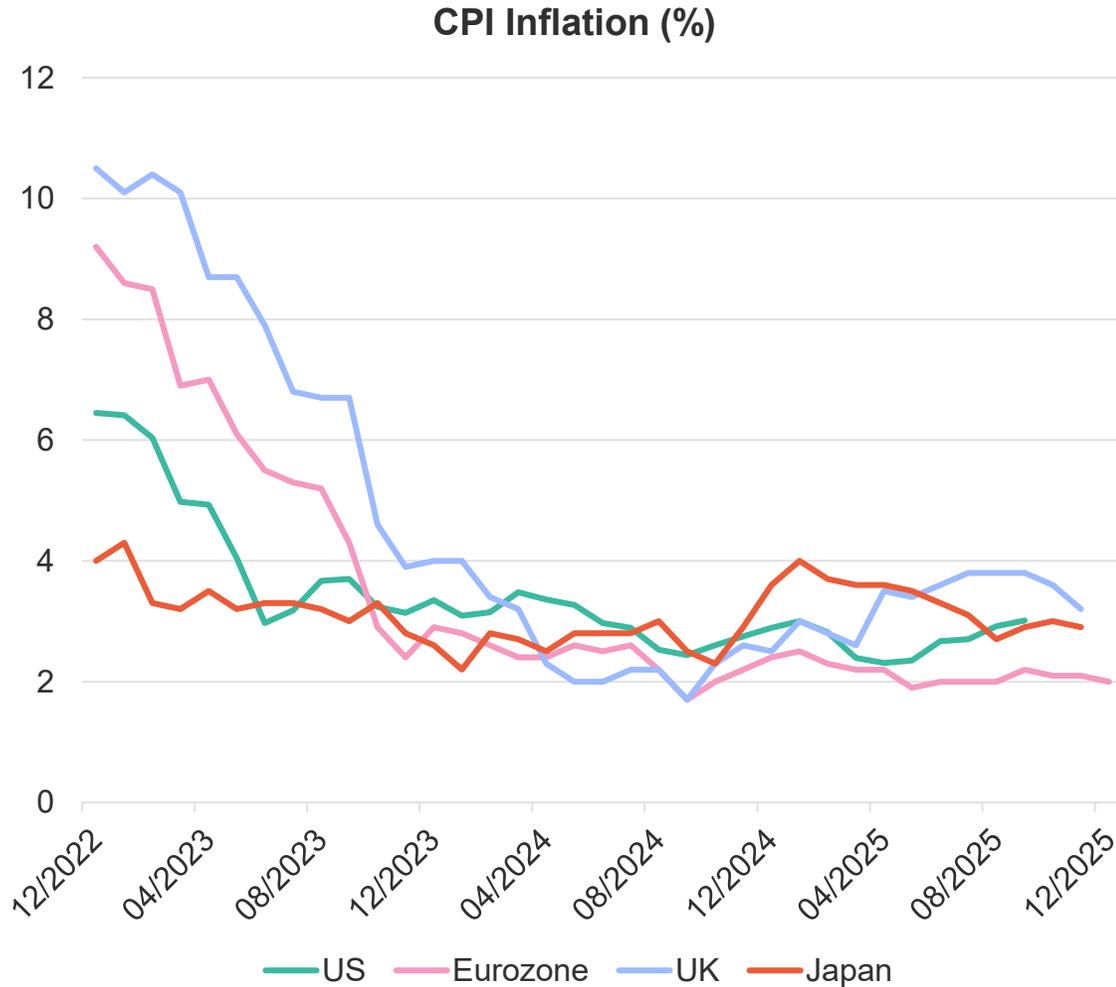
Integration of robotics is a theme too

New Industrial Robots Installed



Inflation & Interest Rates

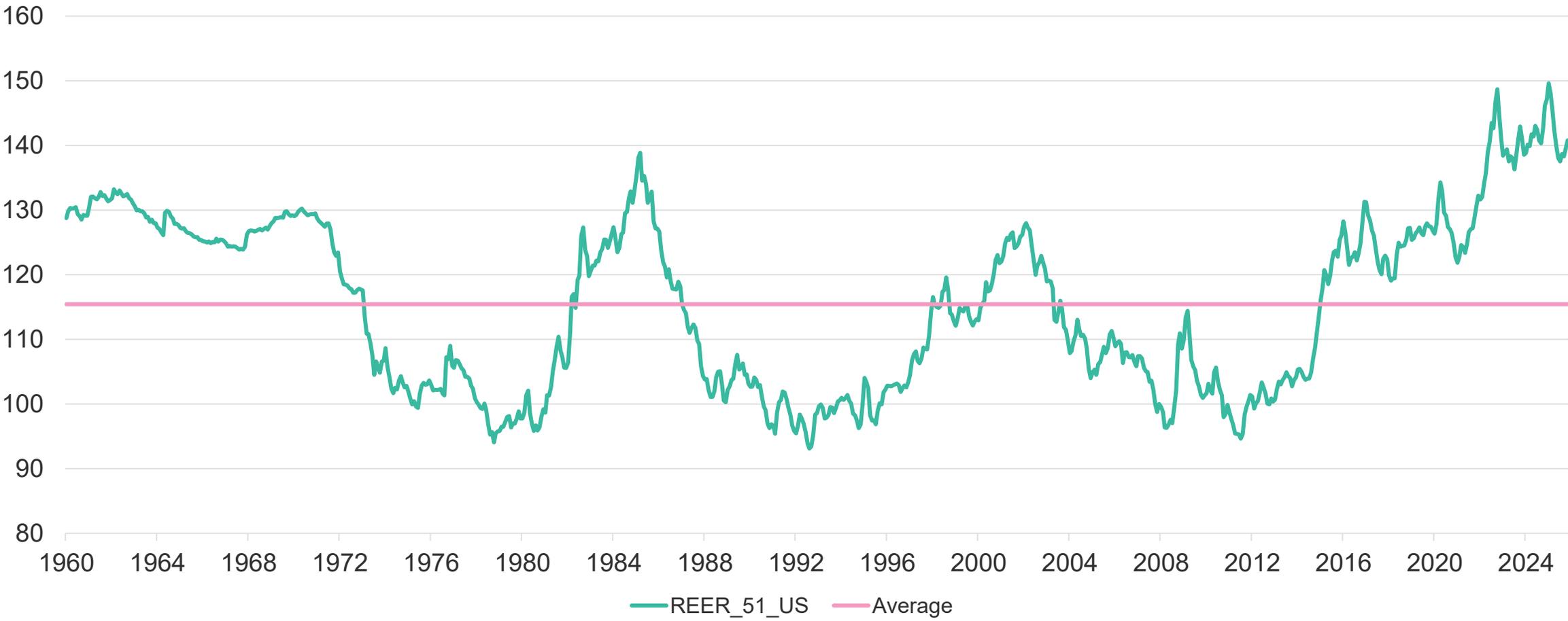
Inflation is not dead and buried, but more interest rate cuts are expected in the US & UK



US Dollar

Despite the fall in 2025, the US Dollar still looks overvalued

USD Real Effective Exchange Rate



Source: M&G Wealth Investments, Breugel, USD Real Effective Exchange Rate relative to 51 other countries. December 2025.

Geopolitics

Risks are heightened

**Trump
eyes
Greenland**

**Russia-
Ukraine
war**

**US
removes
Venezuelan
President**



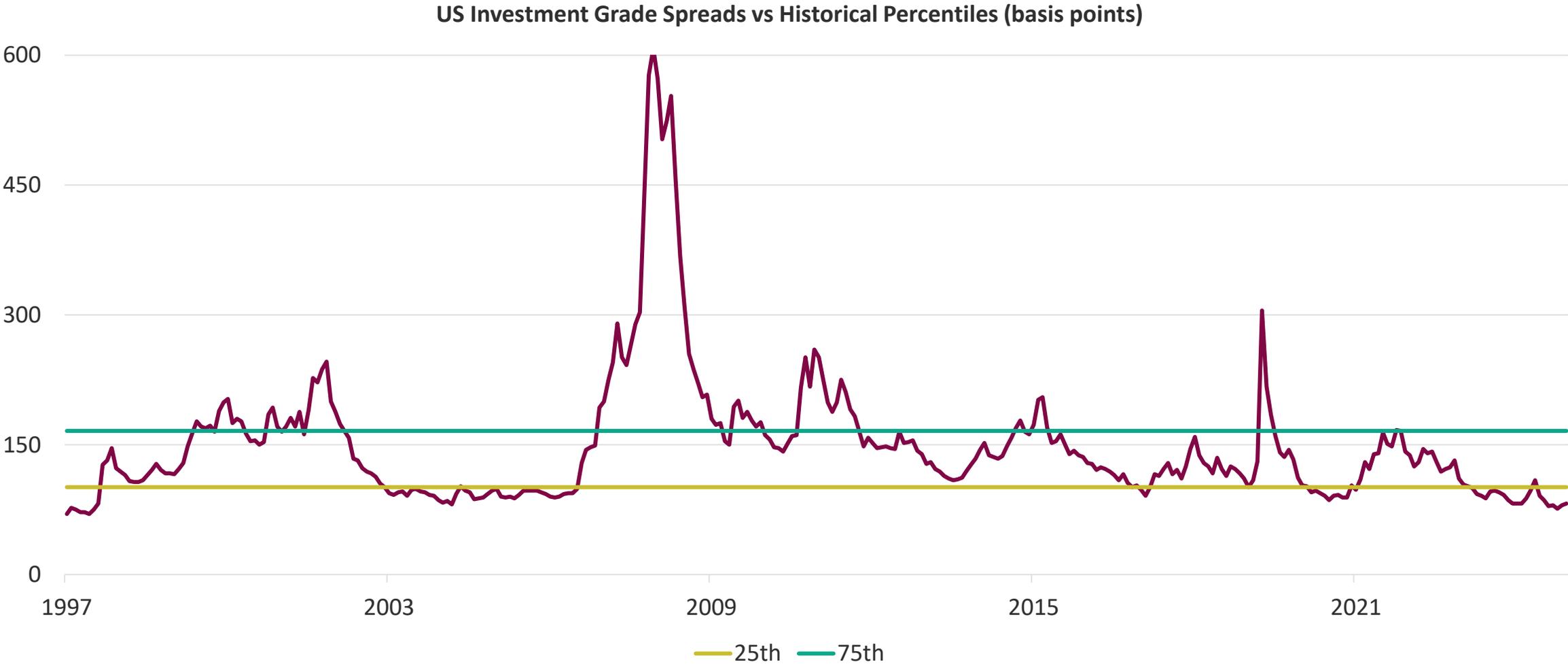
**Protests
in Iran**

**US-China
Trade War**

**Will China
move into
Taiwan?**

Credit spreads are historically tight

Despite the fall in 2025, the US Dollar still looks overvalued



Source: M&G Wealth Investments, LTIS, November 2025.

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Questions?

