

International Balanced Fund: USD Class

Quarter 2 2025

Objective

To achieve long-term capital growth whilst exposing the investor to a moderate level of risk.

Investment policy

To hold a global portfolio of money market instruments, eurobonds, domestic government bonds and international equities. This combination of investment and geographical spread provides the Fund with the necessary diversification to reduce risk and maximise returns for the US dollar-based investor.

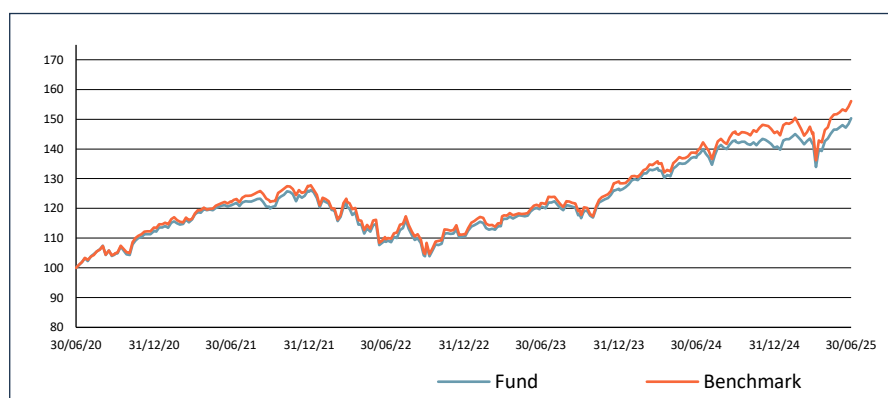
Investment process

Benchmarked against a portfolio of 60% international equities and 40% US dollar fixed income. The primary consideration for our fixed income strategy is liquidity and safety of principal. The duration will move to facilitate this capital preservation objective. The equity process is to focus on large capitalisation companies with market leadership positions and a history of consistent earnings growth.

Key facts as at 30 June 2025

Currency	USD
Valuation	Weekly
Dealings	Tuesday
Front end fee	None
Units available	Accumulation
Identifier	BUTIBLI KY
Fiscal year end	30 June
Minimum investment	USD 5,000
Total expense ratio	1.16%
Size of fund (millions)	USD 28.0
NAV per share	USD 47.23
Risk rating	Moderate risk/ Moderate return

Performance chart



Average annual compound returns

	1 year	3 years	5 years	7 years	10 years
Fund	9.68%	11.39%	8.49%	7.46%	6.80%
Benchmark	12.52%	12.43%	9.26%	8.15%	7.53%

Fund review

The second quarter of 2025 was characterized by policy shocks, geopolitical tensions, and market volatility. The US's unexpected "Liberation Day" tariffs in April shook investor confidence and sparked a flight to safety, while mid-June saw further turmoil as Israel and Iran exchanged direct strikes, driving oil and gold prices higher. Despite these disruptions, markets recovered swiftly once geopolitical risks eased, with risk assets rallying, volatility declining, and credit spreads tightening by the end of the quarter. Throughout the drama, the Federal Reserve remained steady. Monetary policy was held unchanged, balance sheet runoff continued, and officials reiterated a data-dependent stance, while market expectations rose for two 25bps rate cuts beginning in September. The two-year Treasury yield dropped to 3.72%, while the 30-year yield rose to 4.78%, widening the yield curve to its largest 2s/10s spread in over three years as supply concerns and a pickup in the nominal growth outlook offset easing expectations. US inflation expectations eased, pulled lower by retreating commodity prices and softening global input costs. Credit markets mirrored the volatility in equities and ended the quarter on firm footing. Despite signs of a potentially easier Fed policy and improving US economic data, we believe less attractive valuations and deteriorating seasonal factors heading into the late summer period now balance those positives. Commodities demonstrated how geopolitical shocks can burn hot and fade quickly. Despite the June oil spike, crude finished the quarter lower, alongside declines in natural gas. Gold, by contrast, held most of its gains and ended just below its record high, a reflection of both ongoing event risk and waning confidence in fiat money stability. The broader commodity complex

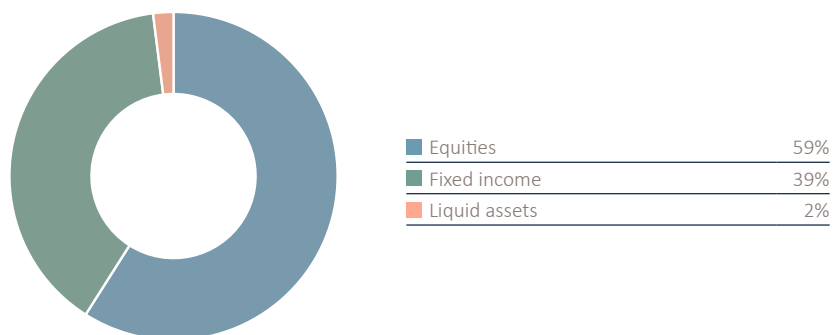
softened, suggesting that while risk sentiment improved, the rally has not spilled over into a full reflation theme. The continued decline in oil prices could indicate weaker global activity than markets suggest, though it's positive for US consumers and helps ease inflationary pressures in both the US and Europe. Currency markets showed a deeper structural shift as the US dollar declined for the sixth consecutive month; an unusual outcome during periods of geopolitical stress. Market participants increasingly questioned the dollar's reserve status amid rising deficits and unilateral trade actions. The Swiss franc and Japanese yen outperformed due to haven demand, while the euro and sterling strengthened on stronger domestic data and changing central bank expectations.

Global equity markets rebounded strongly in Q2 2025, with the MSCI World Index rising 11.5%, led by a 23.2% surge in the Information Technology sector. Despite initial turmoil from the US announcing steep tariffs on trading partners—which caused a sharp market drop and concerns over inflation—markets recovered quickly when the US paused the tariffs and eased measures against China. In Europe, Germany launched significant fiscal stimulus, boosting regional equities. Technology stocks regained momentum, driven by confidence in AI-related spending, as major US tech firms reported robust earnings growth of 28%, outpacing the broader market's 9%. Caution remains as Q2 earnings growth for the S&P 500 is expected to slow to 4% from 12%. While earnings estimates have been revised downward, US companies have historically exceeded expectations. If this trend continues, it provides strong support for the equity market.

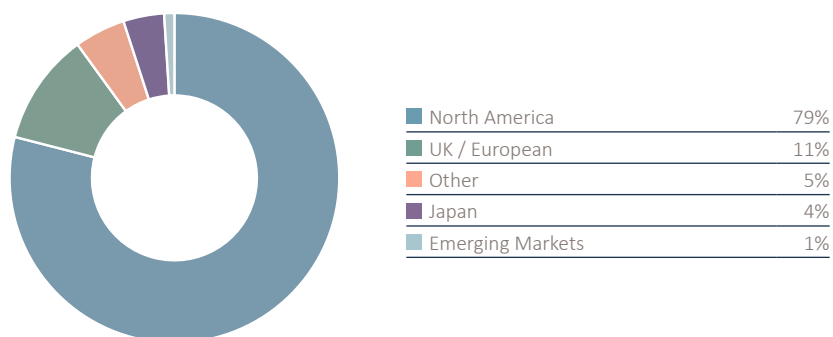
Average duration and credit rating

Duration	2.52 Yrs
Average coupon	1.47%
Credit rating	S&P AA
Yield to maturity	3.79%

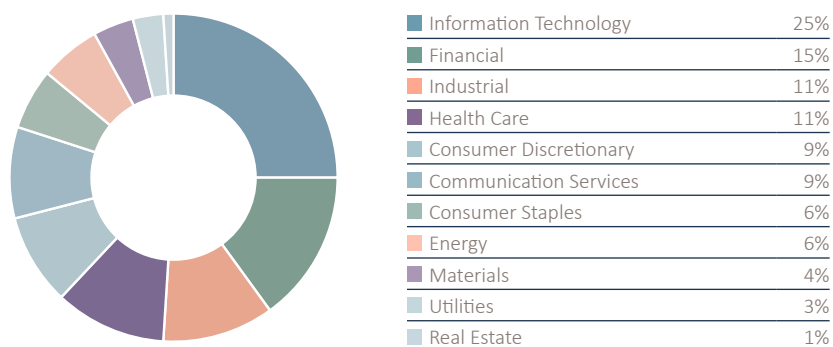
Asset allocation



Geographic allocation



Equity sector allocation



Note: Regional index tracking products have been excluded.

Contact us

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Top 10 holdings

1	MICROSOFT CORP	Information Technology	5.00%
2	NVIDIA CORP	Information Technology	4.46%
3	APPLE COMPUTER INC	Information Technology	3.66%
4	META PLATFORMS INC-CLASS A	Communication Services	3.22%
5	ALPHABET INC CLASS C	Communication Services	3.01%
6	AMAZON COM INC	Consumer Discretionary	3.00%
7	SIEMENS AG	Industrial	2.48%
8	E.ON SE NPV	Utilities	2.45%
9	NOVARTIS A G	Health Care	2.43%
10	SAP SE-SPONSORED ADR	Information Technology	2.23%

Note: Index tracking products have been excluded.

Benchmark composition

60% MSCI World Index / 40% ICE BofAML 1-5 Year AAA-A US Corp & Govt Index.

All benchmark components are calculated on a total return basis i.e. dividends included and net of appropriate withholding taxes.

Note: As at 1 July 2018 the Equity benchmark changed from the S&P Global 100 to the MSCI World.