TrinityBridge

TrinityBridge Managed Funds

Monthly fund manager update

October 2026



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MONTH IN FOCUS

Unease in markets during October centred on concerns that Artificial Intelligence (AI) investment spending is unsustainable and may not deliver the future profits required to justify the burgeoning levels of debt being taken on to support this expenditure.

Returns in October were as follows (with respective Investment Association sector peer groups in brackets):

- Conservative Managed -0.8% (vs -0.3%)
- Managed Income 0.4% (vs -0.3%)
- Balanced Managed -1.2% (vs -0.8%)
- Growth Managed -1.6% (vs -1.4%)

THOUGHTS FROM THE TEAM

Negative equity market returns were particularly pronounced in Asia and emerging markets, and also in the US. Although the US has been the epicentre of AI-related corporate spending, the sharp fall in the emerging market index (over -8.5% for the month in GBP terms) reflected the highly concentrated nature of the index, where just three stocks, TSMC, Samsung and SK Hynix, make up an oversized proportion of the index. Encouragingly, our emerging market and Asia managers were able to outperform the market (albeit while still delivering negative returns for the month). In the US, despite the tech-heavy Nasdaq falling over -8% (in GBP terms), we were able to generate some positive returns. The M.D. Sass US Concentrated Value fund returned +2.7% and the Barrow Hanley US Mid Cap Value fund managed to return +2.0% for October. It was a good month for UK equities, with most of our active managers in positive territory. The Redwheel UK Equity Income fund led the way with +3.8% for the month compared with +1.5% for the broader UK market, while the Jupiter UK Dynamic fund returned +3.7%.

After a challenging recent period for fixed income, government bonds rallied. Our broad UK gilt exposure, for example, returned +1.5% for the month and the long-dated gilt tracker delivered a healthy +3.7%. This was partly a result of the 'risk-off' sentiment within equities, but it had the effect of creating a positive total return for credit; where all but the highest-yielding funds were in positive territory.

It was a weaker month for alternatives, where although listed infrastructure equities had a good month, this was not reflected in the infrastructure trusts we hold, which were broadly flat for the month. Commodities and gold also weakened slightly, while the only real positive contributor within alternatives was LondonMetric Property, which returned +2.9% for the month.

ACTIVITY

We made only very minor adjustments during the month, mainly within Managed Income, where we trimmed Japan and Europe. At the end of the month, we topped up our exposure to gilts and credit within Conservative Managed.

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