

The PRISM Master Strategy (MIS) and all PRISM profiles have continued to deliver excellent investment returns thus far in 2025 with year to date performance set out in the table below:

Profile	H1	H1+	H2	H2+	H3	H3+	H4	H5	H6	H8	H10	EG
GBP	2.6%	2.9%	3.3%	3.8%	4.2%	4.7%	5.2%	5.6%	6.1%	6.7%	7.5%	8.1%
USD	2.8%	3.5%	4.4%	5.3%	6.2%	7.3%	8.4%	9.6%	10.9%	12.4%	15.2%	17.7%
EUR	1.7%	1.9%	2.3%	2.5%	2.9%	3.1%	3.4%	3.5%	3.7%	3.9%	3.9%	3.4%

US Dollar strategies have posted particularly impressive performance helped by a combination of a weaker dollar and strong equity markets. Performance of both the Euro and Sterling strategies have been tempered a little by the dollar's weakness as strong US equity market performance has been offset by a falling US dollar. Nevertheless, performance has been robust across all strategies and it has been pleasing to see our UK equity strategy being one of the top contributors.

Interest rate environment

Since our last PRISM update in February 2025, central bank interest rates have continued to fall with the European Central Bank cutting rates by 0.6% to 2.15% and the Bank of England reducing base rates by 0.5% to 4.0% currently. Despite increasing pressure to cut from the Trump administration, the US Federal Reserve has thus far remained cautious and has kept US interest rates at 4.5%; however, it is widely expected that further US rate cuts will begin in September with the Treasury Secretary, Scott Bessent, calling for cuts of 1.5% over the coming months.

We remain positive on the outlook for financial markets in 2025, and expect the combination of falling interest rates and reduced inflation coupled with positive, albeit modest, economic growth and resilient earnings to be supportive. However, equity valuations have expanded again to high levels, so there is room for potential dissappointments to generate volatility; whether from tariff shocks, geopolitical uncertainty or earnings.

Changes to expected returns on PRISM profiles

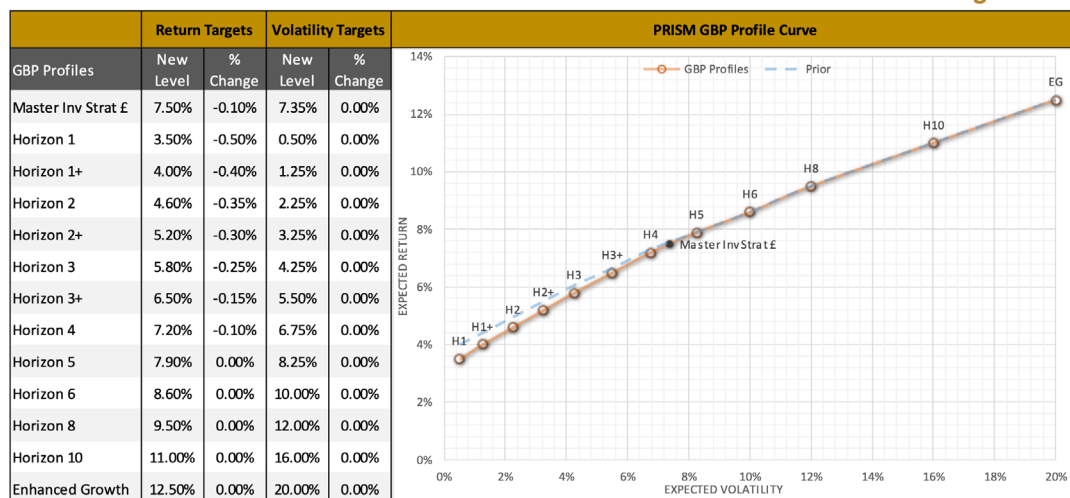
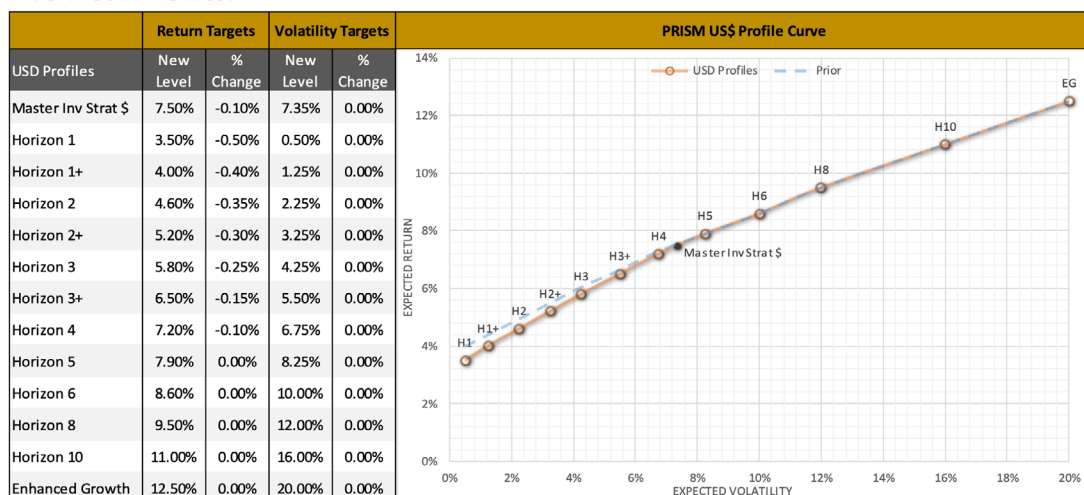
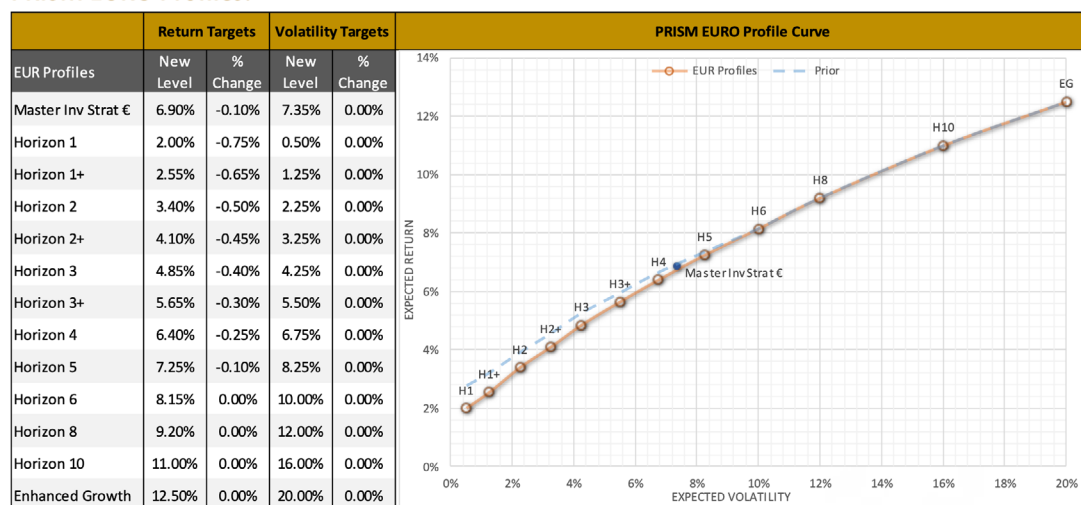
PRISM is designed to be able to respond to the changing interest rate and economic environment by updating the PRISM expected return and risk profiles to suit the conditions. PRISM expected return and risk profiles were last updated in February 2025.

Reflecting the lower interest rate environment, we have adjusted the expected return profiles for the lower risk strategies across all three currencies and these are detailed on the following page. For more cautious investors the lower risk profiles remain highly compelling compared to money market returns, particularly as falling interest rates start to reduce fixed deposit rates.

These changes will come into effect from the **Tuesday 26th August 2025** pricing point and trades should be received by 12.30pm on that day.

PRISM profiles will be updated to reflect future interest rate changes to ensure they remain compelling. Do not hesitate to contact us if you require further information; our Business Development team can be contacted by email businessdevelopment@capital-iom.com or by telephone on **+44 (0) 1624 654200**.

This document has been prepared for information purposes, it is believed to be correct as at the issue date hereof, but its accuracy cannot be guaranteed. Information in this document does not constitute investment advice or an offer or an invitation by or on behalf of any company within the Group to buy or sell any product or security or to make a bank deposit. Any reference to past performance is not necessarily a guide to the future. The value of investments may go down as well as up and may be adversely affected by currency fluctuations. The Group, its subsidiary companies, clients, and officers may have a position in, or engage in transactions in any of the investments mentioned. Opinions constitute views as at the date of issue thereof and are subject to change. PRISM GBP, USD and EUR Strategies were launched in June 2014, April 2018 and September 2018 respectively. Historical performance is calculated by reference to the actual investment performance of Fusion Alpha modelled into the PRISM product structure. Full details of PRISM are contained in the Asset Management Services Brochure, Terms of Business and associated literature which is available upon request.

PRISM GBP Profiles:effective 26th August 2025**PRISM USD Profiles:****PRISM EURO Profiles:**

Any reference to past performance is not necessarily a guide to the future. The value of investments may go down as well as up and may be adversely affected by currency fluctuations. CIG, its clients and officers may have a position in, or engage in transactions in any of the investments mentioned.

Capital International Limited

Capital International Limited and Capital Financial Markets Limited are subsidiaries of Capital International Group Limited and are licensed by the Isle of Man Financial Services Authority. Capital International Limited is a member of the London Stock Exchange. Capital International, Capital International Asset Management, and Capital International Investment Platform are trading names of Capital International Limited. Capital International is a trading name of Capital Financial Markets Limited.

Issue Date: 19/08/2025

Ref: PUv2-25

**Create Tomorrow.
Start Today.**

 Do you really need to print this? We are serious about climate change & biodiversity loss. For more information, please [click here](#).