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# BlackRock Monthly News and Commentary

Review of December 2025

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**Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.**

Dear Adviser, welcome to the latest edition of our MPS Newsletter – bringing you the latest news and investment commentary on the Transact – BlackRock MPS.

## Starting 2026 on a strong footing

As we move into the new year, the Transact – Blackrock MPS does so with real confidence. Since launch, all models continue to deliver top-quartile performance, while keeping risk firmly within agreed targets. It's a clear reminder that strong outcomes don't need to come at the expense of disciplined risk management.

You can view the latest peer performance comparison here:

[View the update](#)

# Quarterly Webinar – Is AI a bubble?

We are looking forward to our first MPS webinar of 2026. Our expert panel will review the macro-economic forces shaping markets for the year ahead and provide an update on the positioning of the Transact – BlackRock MPS.

The session will also feature perspectives on the AI theme and offer a forward-looking lens on one of the most transformative forces impacting markets today. The session will qualify for 45 minutes of unstructured CPD.

- Date: Tuesday 20 January 2026
- Time: 11:00 AM GMT – 11:45 AM GMT

[Secure your spot now](#)

## BlackRock's Monthly Investment Update

### December Market Commentary

- Markets were broadly positively in December, as resilient economic growth and central bank rate cuts sparked optimism.
- Global equities experienced a mixed month; higher yields weighed on US and Japan equities. Europe was positive on easing energy prices, while emerging markets advanced, helped by a weaker trade weighted dollar and stronger industrial metals.
- The Fed delivered its third interest rate cut of the year; however hawkish meeting minutes resulted in the market lowering forward expectations for further monetary easing and government bonds finishing the month marginally down.
- Credit remained resilient, with both investment grade and high yield spreads tightening as demand for carry stayed strong into year end. High yield outperformed investment grade, while Emerging Market Debt benefited from softer dollar conditions and improved sentiment across both hard and local currency markets.
- Gold extended gains over the month, and the dollar broadly softened, helping EM assets.

### Outlook and Current Positioning

The MPS is positioned to capture three key themes over the next 6 to 12 months.

#### *Economy holding steady*

Going into 2026 our signals indicate that the global economy is on firm footing. However, there are some signs of softening on the horizon, most notably in the jobs market. Considering this, while we remain constructive on the stock market, we have taken some profits from our equity holdings. We continue to hold gold given its safe haven characteristics. Finally, we have increased our holdings in the US dollar, as we expect the currency to stabilize over the coming months.

#### *Fundamentals take the helm*

Last year market returns were blown off course by geopolitical news headlines. However, over the long term, we recognize that markets are anchored by earnings. We expect a less speculative market in the year ahead, with investment returns concentrated in companies generating real profits. We are tilting towards US equities, where profits remain high, and Emerging Market equities where earnings are strong and companies look cheap.

#### *Mind the debt iceberg*

Public finances in developed markets continue to take on water as national debt and interest payments rise. By contrast companies have been much more prudent with their borrowing and are now seeing their debt servicing costs start to fall. We remain focused on shorter dated developed market government bonds. By contrast, we like emerging market government bonds, where public sector spending is more contained. We have also held a preference for corporate bonds, in particular high yield credit.

## Performance Commentary

The Transact models delivered positive returns in December, supported by the positive performance from Gold, and Higher Yielding Fixed Income. By contrast, the modest negative returns from global equities and government bonds weighed on returns over the month.

Over the month our active positioning added value, most notably our positive view on Gold and tilt towards Emerging equity markets added value. Our currency hedging strategy also added value, given our decision to hedge a portion of our USD and EUR exposures and the strengthening in sterling over the period. By contrast, our positive view on US equities and emerging market debt both detracted.

Portfolio	MTD	QTD	YTD	1YR	3YR	ITD*	3YR Ann.Vol.
Growth 25	0.3%	2.3%	9.4%	9.4%	22.0%	5.5%	4.5%
Growth 40	0.4%	2.8%	10.8%	10.8%	27.8%	7.0%	5.1%
Growth 50	0.4%	3.1%	12.0%	12.0%	34.0%	8.6%	5.9%
Growth 60	0.5%	3.5%	13.3%	13.3%	39.4%	9.8%	6.9%
Growth 70	0.6%	3.7%	14.3%	14.3%	43.7%	10.7%	7.7%
Growth 80	0.7%	4.1%	15.3%	15.3%	48.7%	11.8%	8.6%
Growth 95	0.7%	4.1%	14.9%	14.9%	50.9%	12.3%	9.0%

Source: BlackRock, 31<sup>st</sup> December 2025. Performance numbers are in GBP, official net with inception date of the model portfolio range on the 6<sup>th</sup> of September 2022. Performance data covers the period from 6 September 2022 until 31 December 2025. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. \*Since inception performance is annualised.

### Market Index Level Returns GBP:

Asset Class		MTD	1YR
Equity	Global Equities	-0.5%	13.9%
	US Equities	-1.4%	9.8%
	Europe ex-UK Equities	2.4%	26.2%
	UK Equities	2.3%	25.8%
	Asia pacific ex Japan Equities	4.2%	29.2%
	Japan Equities	-1.0%	16.0%
	Emerging Market Equities	1.5%	24.4%
	Fixed Income	US Treasuries - hedged	-0.3%
European Government Bonds - hedged		-0.3%	3.2%
UK Gilts		0.2%	4.7%
US Investment Grade – hedged		-0.3%	7.6%
European Investment Grade - hedged		0.0%	5.1%
UK Investment Grade		-0.1%	7.0%
US High Yield – hedged		-0.8%	0.8%
Europe High Yield – hedged		0.5%	7.4%
Emerging Market Debt Hard Currency		-0.9%	6.4%
Emerging Market Debt Local Currency – hedged		0.2%	13.7%
Alternatives	Gold	2.5%	55.4%
	REITS	-2.8%	-0.1%
	Commodities	-1.8%	7.8%

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index. Index performance returns do not reflect any management fees, transaction costs or expenses. **Source:** BlackRock, Aladdin as at 31/12/2025. All performance numbers in GBP unless otherwise stated.

## Get in touch

If you'd like to discuss any aspect of the Transact – BlackRock MPS please speak to your usual contact or you can speak directly to the Transact MPS Manager, Ben Roberts on

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**January 2026**

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