

## Investment Update - Pre-budget Newsletter

Autumn 2025

### **Riding the highs, and watching what's next.** **“Never underestimate the markets ability to surprise”**

Following an extremely bumpy start to the year antagonised by Trump's tariff announcement in April, over the last 6 months, we have witnessed a year defined by global markets resilience and strength. Equities have surged to record highs, buoyed by moderating inflation, tapering interest rates, and renewed investor optimism in advancing sectors like AI development. Gold, silver, property, Bitcoin (not a SIPWM recommendation!), etc... have also all continued on a remarkable ascent over the last 6 months – with prices surpassing previous all-time highs as investors seek both security and diversification amid global uncertainty. As ever, we remain cautious in the knowledge that positive bull markets inevitably come to an end but for the time being, momentum certainly remains strong.

With the UK's 'November Budget' on the horizon, attention is now turning closer to home, and this is certainly the most pressing topic of conversation for our clients in recent review meetings. Speculation is mounting around possible adjustments to income tax, capital gains tax, inheritance tax, tweaks to pension/ISA allowances, and other targets to generate more Government revenue. As ever, fiscal shifts of this kind can create short-term market reactions, but also opportunities for careful planning and strategy to become even more valuable.

### **Market Overview – Clear consumer confidence, but always an eye for caution**

Following a volatile few years, global stock markets have regained momentum through 2025. Technology, energy, and financial sectors have all played a part in driving the recovery, supported by steady earnings growth and the prospect of lower interest rates in 2026.

Gold's rally tells a slightly different story: while equities thrive on optimism, gold's strength reflects the persistent undercurrent of caution among investors mindful of geopolitical risks and global debt levels. The combination of these trends has rewarded diversification – with balanced, multi-asset portfolios benefitting from both growth and stability.

The global bond market remains in an interesting transition phase. We have seen yields soften from their 2023–24 peaks but continue to offer attractive income opportunities and potential for capital growth as interest rates continue on their trajectory back to the 20-year average rates. Longer-duration bonds have recovered some ground as markets price in future rate cuts, though volatility remains as central banks signal they are not yet ready to declare victory over inflation.

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## November Budget (The Buzz Topic) – A reactive rather than proactive approach

In line with the rest of the UK, we can only speculate as to the impending changes that will be brought about in Rachel Reeves' budget announcement on 26th November 2025. Though we are experienced in the field, there is simply no way of knowing the specific changes that will be brought about in November. With that said, the previous budget was obviously one of the most drastic and hard hitting in decades, and it seems from her recent comments, that we can likely expect more of the same in this one.

A quick google search shows just how actively media pages like the BBC are covering the budget announcement, highlighting the concern felt across the UK for further tax hikes and damaging changes.

Our default internal position is straightforward; do not speculate and gamble on changes which may be included (the rumoured changes certainly didn't come to fruition this time last year) but be prepared to react and alter investments/strategy once the dust has settled. There are circumstances where we may deviate from this position but for the majority, this is the suitable strategy.

We will be in touch with another newsletter shortly after the announcement with our updated outlook, future strategy and budget summary, but please feel free to contact with any questions in the meantime.

## Investment Strategy – Discipline remains the key component

Our investment strategy remains consistent: diversification, discipline, and a long-term horizon. While markets maintain a level of volatility in response to economic data and political developments, our focus is on maintaining well-structured portfolios across geographies and asset classes.

Periods of market strength are an opportunity to review allocations and rebalance – not to chase performance. Equally, the past has shown that moments of uncertainty often present the best opportunities for patient investors. Hold fast and wait for opportunities...

## Summary & Final Thoughts

As we approach the end of 2025, the investment landscape presents both optimism and complexity. Markets are strong, technologies continue to develop, and policy clarity from the upcoming Budget may shape the outlook for the year ahead. Yet, as always, cycles continue – and discipline remains the most reliable driver of long-term success.

At SIP Wealth Management, our role is not only to manage your investments but to help you navigate these changing tides with confidence and perspective.

If you would like to discuss your portfolio or any potential implications of the Budget for your financial plan, please don't hesitate to contact us.

Kind regards,

**SIP Wealth Management Investment Committee**

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