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QUARTERLY INVESTMENT PERSPECTIVE

The Return of Balance

Why broader markets are creating new opportunities for diversified investors.

Q3 2026

For professional clients and financial advisers only.
Past performance is not a reliable indicator of future results.

EXECUTIVE SUMMARY

The Return of Balance

The first half of the year marked an important shift in market dynamics. After several years in which investment returns were dominated by a narrow group of large US technology companies, market leadership has begun to broaden across sectors, regions and asset classes. While Artificial Intelligence remains a powerful long-term investment theme, investors are increasingly recognising opportunities beyond the familiar market leaders.

This broadening of participation reflects a healthier market environment. Corporate earnings remain resilient, inflation continues to moderate and central banks have gradually adopted a more accommodative stance. Despite ongoing geopolitical uncertainty and evolving trade policies, financial markets have shown remarkable resilience by focusing on economic fundamentals rather than short-term headlines.

For long-term investors, this represents a welcome return to balance. Diversified portfolios are once again benefiting from multiple sources of return, reinforcing the importance of maintaining disciplined asset allocation rather than concentrating risk in a small number of companies or sectors.

Although uncertainty will inevitably remain, we believe the current environment is becoming increasingly supportive for patient, diversified investors. Our focus continues to be on constructing resilient portfolios capable of delivering attractive long-term returns while carefully managing risk through changing market conditions.

CIO INSIGHT

"One of the most encouraging developments this quarter has not been how far markets have risen, but how much broader the recovery has become. Healthy markets rely on participation across sectors, regions and asset classes—not just a handful of companies."

Eric Silvestre
Chief Investment Officer

THE CURRENT INVESTMENT ENVIRONMENT

Global economic conditions are improving.

Economic conditions continue to improve steadily across many developed markets. Inflation has eased considerably from its recent highs, allowing central banks greater flexibility to begin reducing interest rates while maintaining confidence that price pressures remain under control. Although global growth has moderated from the strong post-pandemic recovery, recession fears have eased and corporate earnings have generally proved more resilient than many investors anticipated.

Importantly, markets have demonstrated an increasing ability to distinguish between short-term uncertainty and long-term fundamentals. Geopolitical developments, trade negotiations and political events continue to generate volatility, but investors have largely focused on company earnings, cash generation and economic resilience rather than reacting to every headline.

This shift in focus has helped create a more balanced investment environment, where opportunities are becoming increasingly diversified across sectors, regions and investment styles.

Market Performance at a Glance

ASSET	Q2 2026	YTD (30 JUN 2026)
MSCI World	+13.7%	+8.9%
S&P 500	+14.9%	+9.6%
Nasdaq Composite	+21.6%	+13.1%
Euro Stoxx 50	+5.4%	+14.2%
FTSE 100	+4.8%	+9.1%
Gold	+6.2%	+27.4%
US 10-Year Treasury Yield	4.24%	+55 bps

KEY INVESTMENT THEMES

Market Leadership Is Broadening

One of the most significant developments this quarter has been the continued broadening of equity market participation. While the world's largest technology companies remain important drivers of innovation, investment opportunities are no longer concentrated within a handful of stocks.

Financials, industrials, healthcare, selected consumer businesses and smaller companies have all begun contributing more meaningfully to overall market performance. This wider participation is encouraging and reflects improving confidence in the broader global economy.

For active managers, a broader market typically creates a richer opportunity set and reinforces the value of careful stock selection and disciplined diversification.

Artificial Intelligence Enters Its Next Phase

Artificial Intelligence remains one of the defining investment themes of this decade. However, attention is increasingly shifting beyond chip manufacturers and technology infrastructure providers towards companies successfully integrating AI into everyday business operations.

Rather than attempting to identify individual winners, we believe diversified exposure across industries provides a more balanced way to participate in this long-term structural trend.

Lower Interest Rates Support Growth

The gradual decline in inflation has enabled several central banks to begin reducing interest rates. Lower borrowing costs should continue to support both consumers and businesses, while improving financing conditions provide a constructive backdrop for financial markets.

At the same time, bond yields remain attractive by historical standards, allowing fixed income once again to deliver meaningful income alongside diversification.

PORTFOLIO POSITIONING

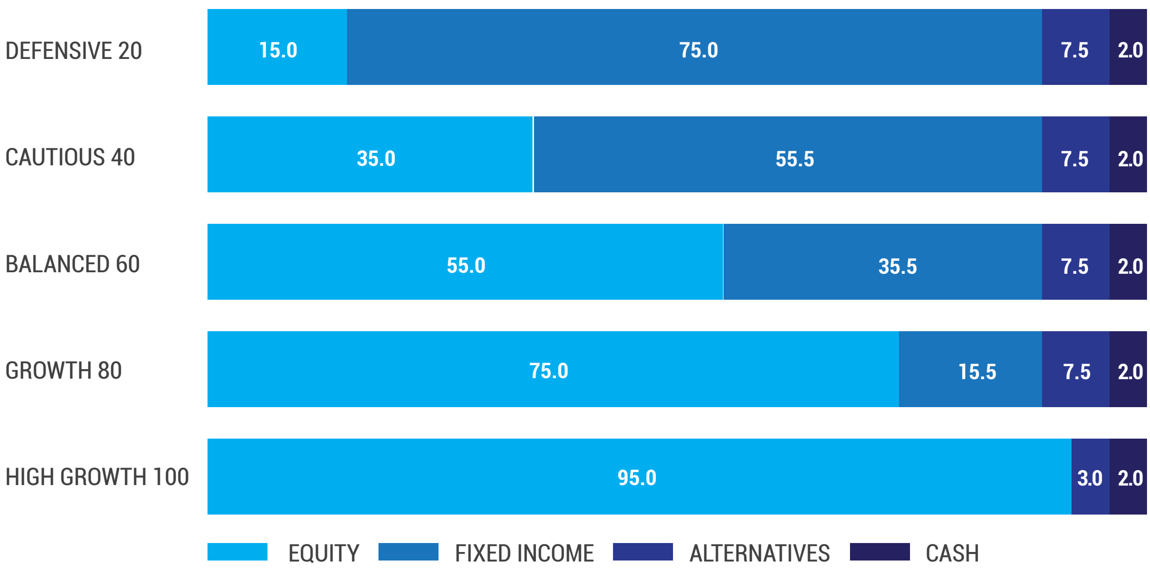
Our investment philosophy has always been centred on building resilient portfolios rather than attempting to predict short-term market movements.

The return of broader market participation reinforces this approach. Diversified portfolios are benefiting from a wider range of return drivers across regions, sectors and asset classes, reducing reliance on any single investment theme.

Within equities, we continue to favour broad global exposure while remaining selective in areas where valuations have become stretched. Fixed income remains an important source of income and diversification, while alternative assets continue to enhance overall portfolio resilience.

Although tactical opportunities will continue to arise, our emphasis remains firmly on long-term strategic asset allocation supported by disciplined risk management

Current asset allocation by risk profile (%)



ALTERNATIVES & FIXED INCOME

Alternatives

Alternative investments continue to play an important role in strengthening portfolio resilience.

Gold remains a valuable hedge during periods of geopolitical uncertainty, while infrastructure, real assets and selected absolute return strategies provide additional diversification benefits that complement traditional equity and bond investments.

Although alternatives may experience periods of relative underperformance, their primary role remains improving portfolio stability across different market environments.

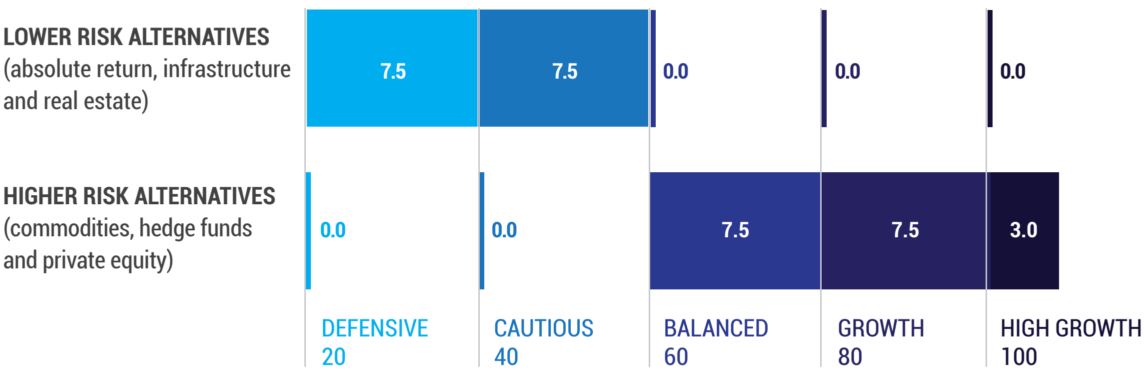
Fixed Income & Regional Positioning

Bond markets have stabilised significantly following the sharp rise in interest rates over recent years. Higher starting yields have restored much of the income potential investors historically expected from fixed income while also improving its role as a portfolio diversifier.

Regionally, we continue to maintain broad global diversification. The United States remains home to many exceptional businesses, but increasingly attractive opportunities are emerging across Europe, Asia and selected emerging markets where valuations remain comparatively favourable and structural reforms continue to support long-term growth.

Maintaining diversified regional exposure allows portfolios to benefit from a broader range of investment opportunities while reducing dependence on any single economy.

Current asset allocation by risk profile (%)



Exposure to higher risk alternatives increases with portfolio risk and is carefully structured to ensure that lower risk portfolios avoid higher volatility assets such as commodities.

LOOKING AHEAD

The Return of Balance

As we move through the third quarter of 2026, the investment landscape appears considerably more balanced than it did at the beginning of the year. Inflation continues to moderate across many developed economies, interest rates are becoming more supportive, and corporate earnings have remained resilient despite ongoing geopolitical and economic uncertainty.

Perhaps the most encouraging development has been the broadening of market leadership. After an extended period in which returns were driven by a relatively small number of large US technology companies, opportunities are increasingly emerging across sectors, regions and asset classes. This is creating a healthier investment environment and reinforcing the benefits of diversification and active portfolio management.

While short-term volatility should always be expected, history has consistently shown that successful investing is rarely about predicting the next headline. It is about remaining focused on long-term fundamentals, maintaining a disciplined investment process and adapting thoughtfully as market conditions evolve.

> *"The most successful investors are rarely those who react first to market headlines, but those who remain disciplined enough to stay focused on their long-term objectives. As opportunities broaden across markets, we believe diversification and active portfolio management are once again being rewarded."*
>
> Eric Silvestre
> *Chief Investment Officer*

For us, The Return of Balance is more than simply a description of today's markets. It reflects a return to the investment principles that have always underpinned our philosophy: broad diversification, careful risk management and active investment decisions based on long-term value rather than short-term market sentiment.

Although challenges undoubtedly remain, we believe patient investors who stay diversified and maintain a long-term perspective remain well positioned to benefit from the opportunities ahead.

Our current positioning reflects this balanced outlook:

☑ Diversified Global Exposure
Maintaining broad allocations across regions, sectors and asset classes to reduce concentration risk and capture a wider range of investment opportunities.

☑ Quality-Focused Investing
Continuing to favour financially strong businesses with resilient earnings, robust balance sheets and sustainable competitive advantages.

☑ Purposeful Fixed Income
Retaining meaningful bond exposure to provide attractive income while restoring the diversification benefits of high-quality fixed income.

☑ Alternative Assets
Using selective allocations to assets such as gold and other diversifiers to help strengthen portfolio resilience through different market environments.

☑ Disciplined Active Management
Making measured portfolio adjustments where appropriate while remaining focused on long-term fundamentals rather than reacting to short-term market noise.

If you would like to discuss our portfolio positioning, the current market environment, or any aspect of this update in more detail, please feel free to reach out and speak with a member of our investment team.

We welcome thoughtful discussion and are always happy to provide additional context where helpful.

ERIC SILVESTRE
Chief Investment Officer

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