

Global market review & outlook

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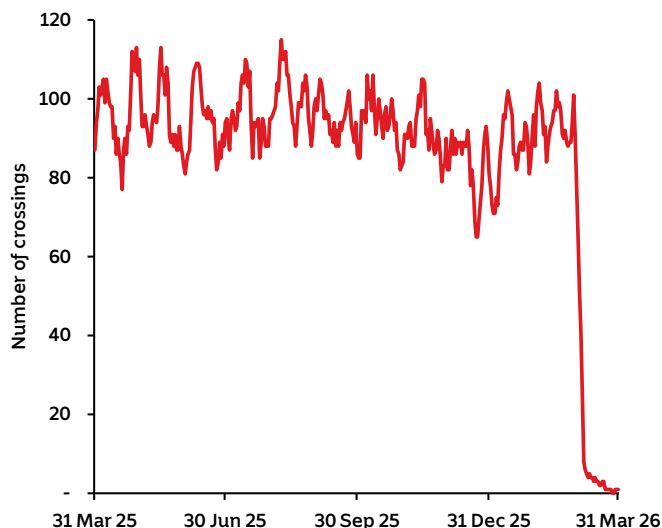


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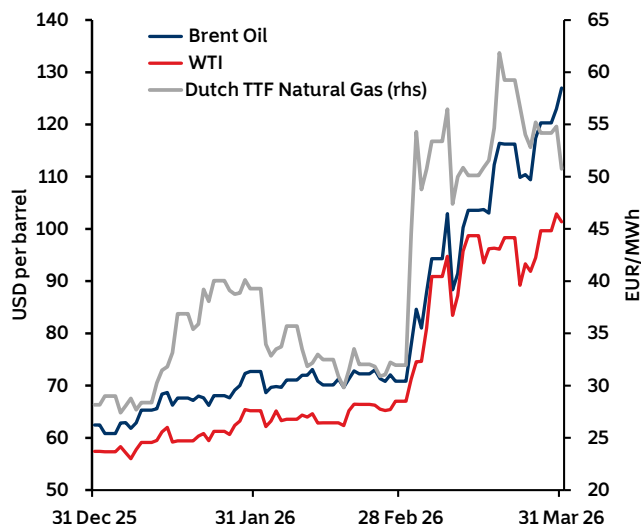
By anyone's standards the first three months of 2026 have been an extraordinary roller coaster of geopolitical posturing and market volatility. For all the headlines, one might be surprised that global equities were 'only' down 3.5% for the period, and US treasuries were flat. Were you not looking under the bonnet you'd be forgiven for thinking it wasn't just some modest profit taking on the 22% gains racked up by the MSCI ACWI index in 2025. Not so. Markets brushed off the Venezuela skirmish in January with little concern before tensions escalated into full conflict in the Middle East. January and February's gains dissipated within a week as investors took fright over the implications for risk appetite and global growth of a protracted conflict between the US and Iran and their respective proxies and proteges. Despite President Trump's claims of regime change in Iran, the reality of supremacy passing from Ayatollah Khamenei senior to Ayatollah Khamenei junior - injured or otherwise - is that little has changed in that regard. At the time of writing, the US and Iran are observing a tentative ceasefire on condition the Strait of Hormuz be reopened. Continued bombing of Southern Lebanon by Israel is testing the peace.

Headline asset class returns also masked much greater dispersion across geographies, sectors and styles. Global value equities generated modest gains, whilst growth equities fell almost 9% and the 'Mag7' index was down over 11% with positive earnings being crowded out by a sharp revaluation lower to a more sensible level. Regionally there were bright spots in the UK and Japan and even Eastern European equities as attention shifted to the Middle East. Core European markets were hit much harder as for the second time in four years the prospect of a lasting energy price shock knocked earnings expectations and broader risk appetite from the region. The DAX - Germany's blue-chip index which has a weighty industrial component sensitive to energy input costs - fell 7.4% over the quarter (peak to trough nearer 13%). In Asia ex Japan markets equities largely followed suit marking lower as the high-growth, energy-poor region weighed the cost of their oil imports. The geopolitical conflict pivot of course plays out well for Russia whose sanctioned oil becomes a more prized asset which is shipped mostly to Asia by a 'shadow fleet' of oil tankers, with China and India buying more than 80% of their crude oil.

**Strait of Hormuz - West > East
Crude Tanker Crossings (7d total)**



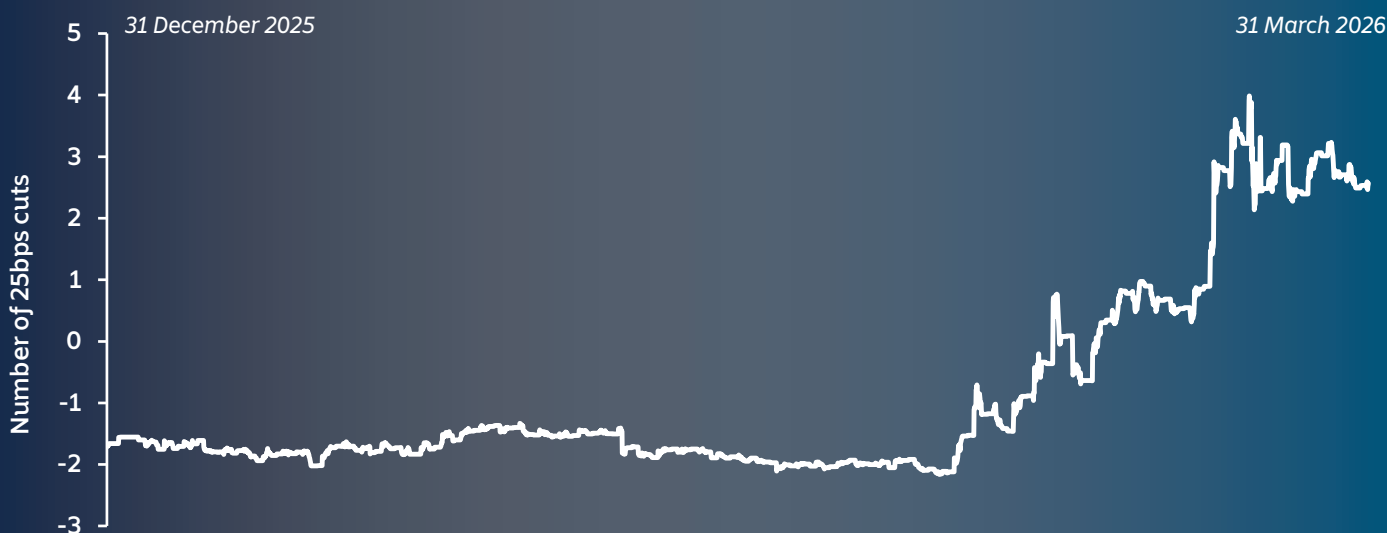
**Energy prices spike
as Iran war starts**



Source: Bloomberg Finance L.P., as at 31 March 2026.

The escalation of tension between the US and Iran into a full-blown war had significant ramifications resulting in the de facto closure of the Strait of Hormuz through which passes some 20% of global oil supplies. The oil price surged by almost 30% in the first week of March and bonds fell sharply as the inflationary impulse and more hawkish central bank stance embedded into market pricing. In the UK rates markets went from pricing two cuts before year end to pricing over four hikes before falling back as word of mediated talks emerged. This pattern of pricing was seen across markets globally, but Europe bore the brunt. None of the major central banks changed their policy rate during the quarter but there was certainly a pivot in expectations amongst policy setters, and clearly a protracted conflict and elevated energy prices would have implications for global growth, with history evidencing energy shocks as potential recessionary precursors. As the bombing continued and the Strait remained closed, so the narrative shifted from inflationary shock to growth concerns and with that the need for more accommodative policy further out should a resolution not be reached. Whilst we have a tentative ceasefire in place today, the jury is out on if and how long it lasts, and markets remain skittish. One might ordinarily expect gold to provide a haven at times like these but instead it fell sharply – almost 20% peak to trough in March, a similarly sized move to its late January correction which subsequently rebounded. Nonetheless it ended the quarter up over 7% with silver trailing but positive, and platinum and palladium both underwater for the period. Precious metals always reflect in part (inversely) the movement of the dollar in which they are denominated, and it was indeed a better period for the US dollar which having fallen through 2025 – and by any measure had become something of a consensus short – found a bid amongst the turmoil, up against most of the majors and a basket of emerging market currencies.

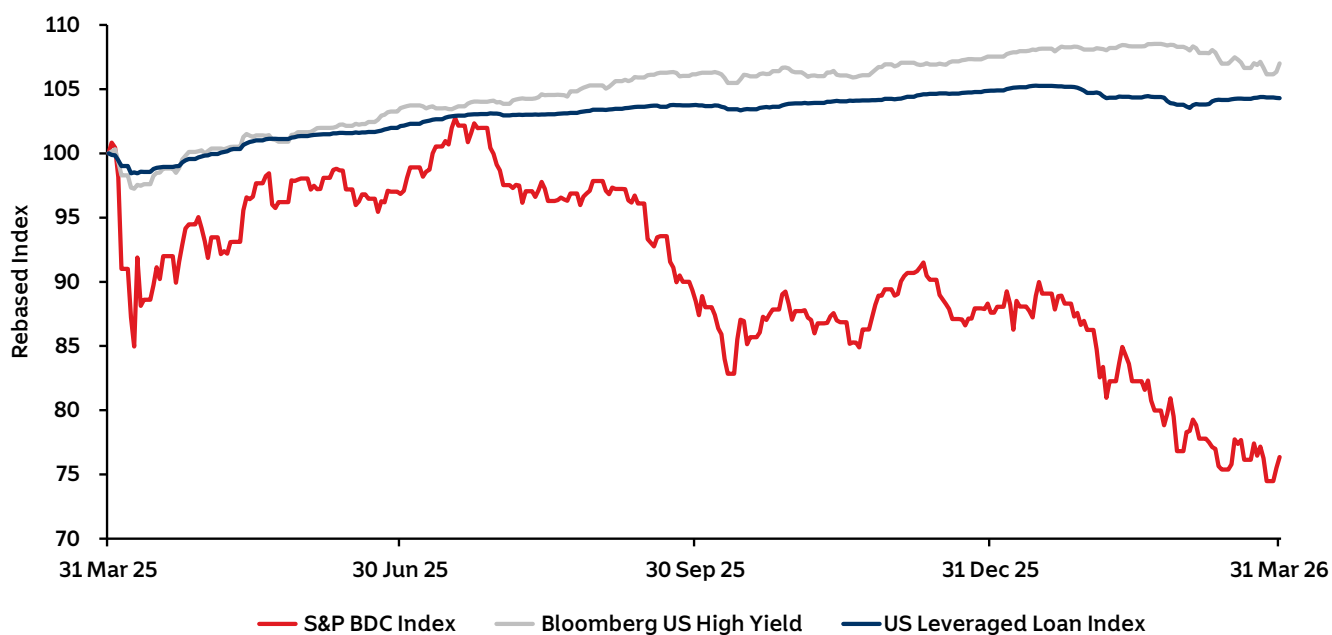
Market implied number of rate cuts/hikes in the UK through December 2026



Source: Bloomberg Finance L.P., as at 31 March 2026.

With the war raging over the Middle East and of course still in Ukraine, for the first time in months artificial intelligence (AI) seemed to drop down the newsflow, but its impact was still very much being felt across the software as a service (SaaS) industry. There is little doubt that AI will have a lasting impact – and bring efficiency gains – to a swathe of companies operating in this space, and in time beyond, but the data these companies hold is the key enabler to providing their service, be that automated or more ‘humanly’ provided. AI can only work with the data available to it so undoubtedly some babies will have been thrown out with the digital bathwater. For now, investors remain wary of the sector which had a torrid quarter during which the S&P Software and Services index fell 24%. Linked to this equity malaise is the financing part of the equation and whilst it’s not a straight overlap in terms of underlying companies, the asset lite nature of this sector has attracted private capital in the form of private debt, an evolving asset class that is only really being tested now for the first time. Business development companies (BDCs) in the US have become the poster child for the problems manifesting in private debt and the S&P BDC index marked 13% lower over the quarter. As private funds face mounting redemption requests and start gating vehicles, portfolio ‘marks’ – the levels at which underlying loans are priced – will come under increasing pressure. Public credit markets have remained remarkably resilient, and only time will tell if and how much cross-contamination there has been but at a sector level there is considerably less exposure in public credit, and credit spread widening has been mostly confined to the broader risk-off sentiment associated with the military conflict.

Business Development Companies (BDCs) come under increased pressure



Source: Bloomberg Finance L.P., as at 31 March 2026.

As we progress into April markets have welcomed the ceasefire and rebounded strongly as oil prices dropped sharply, if temporarily. It is far too early to point to any fundamental improvement, and the positive narrative perhaps lends itself as much to short covering as it does to a genuine improvement in risk appetite. Either way, whether one views it through an investment lens or a humanitarian one, it is undoubtedly a welcome development. We had been enjoying a period of improving active manager performance (versus passive) as dispersion amongst stocks increased and the relentless rise of the 'megacaps' paused for breath. We currently find ourselves back in something of a 'RORO' (risk on, risk off) environment with Trump's ultimatums dictating the RORO regime from week to week. As naturally diversified multi asset investors we position for a longer game that favours maintaining a core allocation across asset classes with cash used sparingly and opportunistically to pivot towards more attractive risk premia. Whipsawing markets tend not to favour attempts at market timing, and we have stayed broadly invested through this quarter. Aside from the war and broader geopolitical tensions, equity markets continue to embed mid-teens earnings growth through 2026 which feels healthy even without the oppressive newsflow. For that reason, we continue to advocate maintaining a diverse allocation and avoid overconcentrating to countries, sectors, styles or themes. 2022 was a year best avoided and one where you'd take the flat return gold offered over the deeply negative 60/40 portfolio. With the yellow metal sitting some 160% higher than where it ended that year, it's unlikely to offer the same shelter again. Its recent declines during periods of heightened risk aversion attests to it being used not so much as a diversifier but as a source of cash, suggesting there may yet be more excess leverage in the system looking for a way out.

Market performance Global

as at 31 March 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
Developed Markets Equities						
United States	S&P 500 NR	USD	-5.0%	-4.4%	-4.4%	17.4%
United Kingdom	MSCI UK NR	GBP	-6.0%	3.8%	3.8%	22.7%
Continental Europe	MSCI Europe ex UK NR	EUR	-8.3%	-2.4%	-2.4%	9.9%
Japan	Topix TR	JPY	-10.3%	3.6%*	3.6%*	34.6%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	-13.3%	-0.6%	-0.6%	27.3%
Global	MSCI World NR	USD	-6.4%	-3.6%	-3.6%	18.9%
Emerging Markets Equities						
Emerging Europe	MSCI EM Europe NR	USD	-8.5%	1.2%	1.2%	34.5%
Emerging Asia	MSCI EM Asia NR	USD	-14.4%	-1.5%	-1.5%	28.4%
Emerging Latin America	MSCI EM Latin America NR	USD	-4.3%	14.6%	14.6%	57.4%
BRICs	MSCI BRIC NR	USD	-9.3%	-9.3%	-9.3%	2.0%
China	MSCI China NR	USD	-7.7%	-8.9%	-8.9%	3.8%
Global emerging markets	MSCI Emerging Markets NR	USD	-13.1%	-0.2%	-0.2%	29.6%
Bonds						
US Treasuries	JP Morgan United States Government Bond TR	USD	-1.7%	0.0%	0.0%	3.3%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	-1.4%	0.2%	0.2%	2.8%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	-2.0%	-0.5%	-0.5%	4.8%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	-1.2%	-0.5%	-0.5%	7.0%
UK Gilts	JP Morgan UK Government Bond TR	GBP	-4.1%	-1.9%	-1.9%	2.5%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	-3.2%	-1.7%	-1.7%	4.4%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-2.6%	-0.6%	-0.6%	1.3%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	-2.3%	-1.0%	-1.0%	2.0%
Euro High Yield	BBgBarc European HY 3% Constrained TR	EUR	-2.5%	-1.5%	-1.5%	3.0%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	-1.9%	-1.7%	-1.7%	-5.5%
Australian Government	JP Morgan Australia GBI TR	AUD	-1.5%	-0.5%	-0.5%	0.7%
Global Government Bonds	JP Morgan Global GBI	USD	-3.2%	-1.3%	-1.3%	2.2%
Global Bonds	ICE BofAML Global Broad Market	USD	-3.1%	-1.1%	-1.1%	4.3%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	-4.8%	2.2%	2.2%	23.7%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	-2.9%	-0.5%	-0.5%	9.5%

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.
*estimated figures.

Market performance Global as at 31 March 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
Property						
US Property Securities	MSCI US REIT NR	USD	-5.9%	4.5%	4.5%	5.5%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	-11.3%	-17.1%	-17.1%	-5.3%
Global Property Securities	S&P Global Property USD TR	USD	-9.6%	0.2%	0.2%	9.9%
Currencies						
Euro		USD	-2.2%	-1.6%	-1.6%	6.8%
UK Pound Sterling		USD	-1.9%	-1.8%	-1.8%	2.4%
Japanese Yen		USD	-1.7%	-1.3%	-1.3%	-5.5%
Australian Dollar		USD	-3.1%	3.4%	3.4%	10.5%
South African Rand		USD	-5.9%	-2.2%	-2.2%	8.2%
Commodities & Alternatives						
Commodities	RICI TR	USD	16.8%	30.4%	30.4%	32.5%
Agricultural Commodities	RICI Agriculture TR	USD	4.4%	7.7%	7.7%	1.8%
Oil	Brent Crude Oil	USD	63.3%	94.5%	94.5%	58.3%
Gold	Gold Spot	USD	-11.6%	8.1%	8.1%	49.4%
Interest Rates				Current Rate		
United States						3.75%
United Kingdom						3.75%
Eurozone						2.15%
Japan						0.75%
Australia						4.10%
South Africa						6.75%

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.
*estimated figures.

Market performance UK

as at 31 March 2026 (all returns GBP)

Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
Equities						
UK - All Cap	MSCI UK NR	GBP	-6.0%	3.8%	3.8%	22.7%
UK - Large Cap	MSCI UK Large Cap NR	GBP	-5.5%	5.0%	5.0%	24.6%
UK - Mid Cap	MSCI UK Mid Cap NR	GBP	-8.8%	-2.4%	-2.4%	9.5%
UK - Small Cap	MSCI Small Cap NR	GBP	-11.2%	-5.1%	-5.1%	14.2%
United States	S&P 500 NR	USD	-3.3%	-2.7%	-2.7%	14.6%
Continental Europe	MSCI Europe ex UK NR	EUR	-8.8%	-2.3%	-2.3%	14.6%
Japan	Topix TR	JPY	-10.3%	3.9%*	3.9%*	24.0%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	-11.6%	1.2%	1.2%	24.4%
Global developed markets	MSCI World NR	USD	-4.6%	-1.9%	-1.9%	16.1%
Global emerging markets	MSCI Emerging Markets NR	USD	-11.5%	1.6%	1.6%	26.5%
Bonds						
Gilts - All	ICE BofAML UK Gilt TR	GBP	-4.3%	-2.0%	-2.0%	2.4%
Gilts - Under 5 years	ICE BofAML UK Gilt TR 0-5 years	GBP	-1.7%	-0.5%	-0.5%	3.3%
Gilts - 5 to 15 years	ICE BofAML UK Gilt TR 5-15 years	GBP	-4.2%	-1.8%	-1.8%	3.1%
Gilts - Over 15 years	ICE BofAML UK Gilt TR 15+ years	GBP	-7.3%	-4.1%	-4.1%	0.4%
Index Linked Gilts - All	ICE BofAML UK Gilt Inflation-Linked TR	GBP	-3.3%	1.2%	1.2%	4.1%
Index Linked Gilts - 5 to 15 years	ICE BofAML UK Gilt Inflation-Linked TR 5-15 years	GBP	-1.7%	2.3%	2.3%	4.4%
Index Linked Gilts - Over 15 years	ICE BofAML UK Gilt Inflation-Linked TR 15+ years	GBP	-6.4%	-0.4%	-0.4%	3.2%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	-3.2%	-1.7%	-1.7%	4.4%
US Treasuries	JP Morgan US Government Bond TR	USD	0.2%	2.0%	2.0%	1.1%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	-0.1%	1.5%	1.5%	2.6%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	-1.2%	-0.5%	-0.5%	7.0%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-2.6%	-0.6%	-0.6%	1.3%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	-2.3%	-1.0%	-1.0%	2.0%
Euro High Yield	BBgBarc European High Yield 3% Constrained TR	EUR	-2.5%	-1.5%	-1.5%	3.0%
Global Government Bonds	JP Morgan Global GBI	GBP	-1.4%	0.4%	0.4%	-0.2%
Global Bonds	ICE BofAML Global Broad Market	GBP	-3.1%	-1.1%	-1.1%	4.3%
Global Convertible Bonds	ICE BofAML Global Convertibles	GBP	-4.8%	2.2%	2.2%	23.7%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	GBP	-1.1%	1.2%	1.2%	6.9%

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.
*estimated figures.

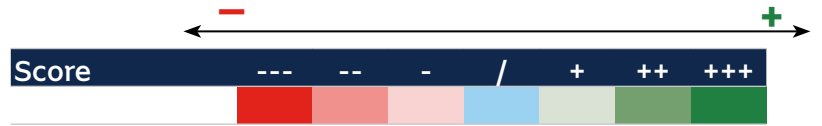


Market performance UK as at 31 March 2026 (all returns in GBP)

Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
Property						
Global Property Securities	S&P Global Property TR	GBP	-8.0%	1.9%	1.9%	7.4%
Currencies						
Euro		GBP	-0.3%	0.2%	0.2%	4.3%
US Dollar		GBP	1.9%	1.9%	1.9%	-2.3%
Japanese Yen		GBP	0.2%	0.6%	0.6%	-7.7%
Commodities & Alternatives						
Commodities	Rogers International Commodity (RICI) TR	GBP	19.0%	32.7%	32.7%	29.4%
Agricultural Commodities	Rogers International Commodity (RICI) Agriculture TR	GBP	6.4%	9.6%	9.6%	-0.6%
Oil	Brent Crude Oil	GBP	66.3%	98.0%	98.0%	54.6%
Gold	Gold Spot	GBP	-11.6%	8.1%	8.1%	49.4%
Interest Rates						
				Current Rate		
United Kingdom				3.75%		

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.
*estimated figures.

Asset allocation views



Score	Change	---	--	-	/	+	++	+++
MAIN ASSET CLASSES								
	▲/▼/—							
Equities	—							
Rates	▼							
Fixed Income	—							
Specialist / Alternatives	—							
Cash	▲							
EQUITIES								
Developed Equities	—							
UK Equities	—							
European Equities	—							
US Equities	—							
Japanese Equities	—							
Emerging Market Equities	▼							
FIXED INCOME								
Government	▼							
Index-Linked	▼							
Investment Grade Corporate	—							
High Yield Corporate	—							
Emerging Market Debt	▲							
SPECIALIST ASSETS/ALTERNATIVES								
Global Listed Property	—							
Global Listed Infrastructure	—							
Specialist Assets	—							
Liquid Alternatives	▲							
Gold	—							

The asset allocation views are updated at the end of each quarter unless otherwise stated.

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