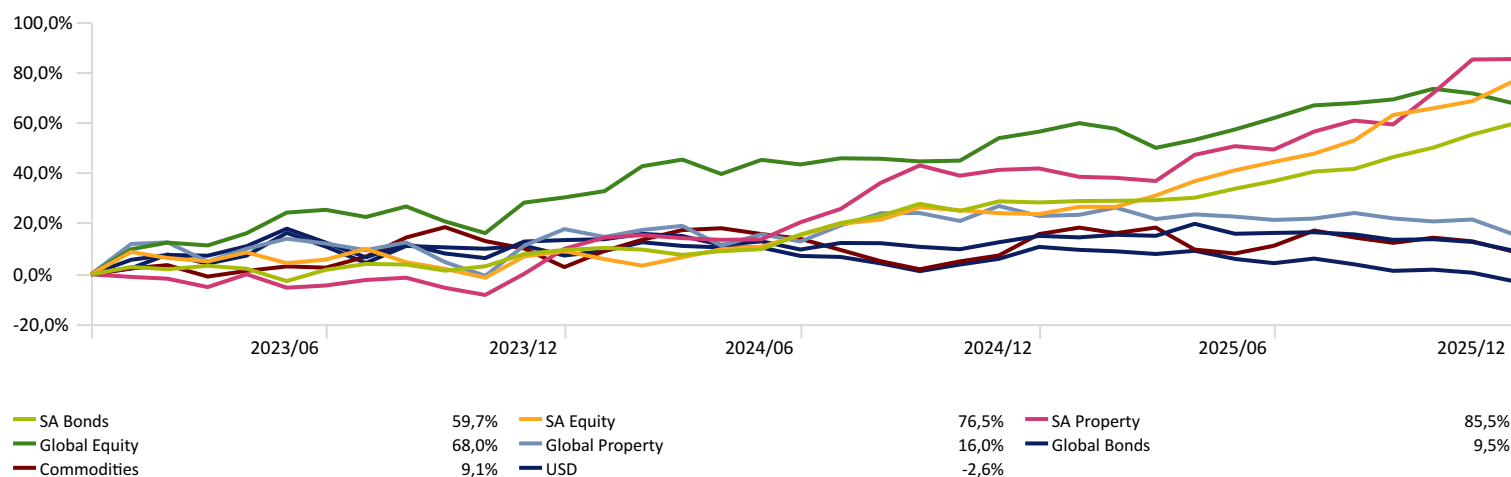


SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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ASSET CLASS RETURNS in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
SA Bonds	2,7	9,0	24,2	24,2	16,9
SA Equity	4,6	8,1	42,4	42,4	20,8
SA Property	0,1	16,3	30,6	30,6	22,9
Global Bonds	-3,0	-3,7	-5,0	-5,0	3,1
Global Equity	-2,2	-0,9	7,2	7,2	18,9
Global Property	-4,7	-5,0	-5,8	-5,8	5,1
Commodities	-3,5	-3,0	-5,9	-5,9	2,9
USD	-3,3	-4,0	-12,2	-12,2	-0,9

3 YEAR CUMULATIVE RETURNS in ZAR



CALENDAR YEAR RETURNS in ZAR

Year	SA Bonds	SA Equity	USD	Glb Equity	Glb Equity	Commodities	Commodities	Glb Equity	SA Property	SA Equity	SA Equity
2016	15,4	21,0	16,2	22,8	22,2	52,5	34,3	30,5	29,0	42,4	42,4
2017	10,2	17,2	14,8	20,6	14,7	41,3	6,6	19,3	20,0	30,6	30,6
2018	2,6	12,3	10,7	14,3	8,7	36,9	4,3	13,6	17,2	24,2	24,2
2019	-1,7	10,2	7,7	12,0	7,0	29,2	3,6	10,1	13,4	7,2	7,2
2020	-4,3	-1,0	4,4	10,3	5,0	28,4	0,5	9,7	12,7	-4,6	-4,6
2021	-6,7	-2,8	0,1	3,9	-3,3	8,7	-10,7	9,3	5,7	-5,0	-5,0
2022	-9,9	-4,2	-8,5	1,9	-19,9	8,4	-13,0	7,5	3,2	-5,9	-5,9
2023	-11,7	-9,5	-25,3	-2,8	-34,5	3,5	-20,9	2,9	1,4	-12,2	-12,2
YTD											

CURRENCIES VS. ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	-2,1	-4,0	-0,4	-0,4	2,3
USD	-3,3	-4,0	-12,2	-12,2	-0,9
GBP	-1,8	-4,0	-5,7	-5,7	2,9
JPY	-3,7	-9,5	-12,0	-12,0	-6,4

Currency performance in ZAR - a positive number represents ZAR weakness, while a negative number represents ZAR strength

SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
JSE ALSI TR	4,6	8,1	42,4	42,4	20,8
Basic Materials	5,7	10,4	131,7	131,7	23,1
Consumer Goods	-0,8	2,9	9,5	9,5	11,6
Consumer Services	-0,6	5,0	-6,4	-6,4	16,0
Financials	7,7	18,9	27,1	27,1	23,6
Health Care	14,5	15,4	-14,3	-14,3	2,0
Industrials	4,4	6,5	-7,4	-7,4	7,3
Technology	1,8	-11,8	33,7	33,7	25,2
Telecommunication	7,3	13,5	72,6	72,6	12,8

ALSI Contributors YTD (Approximate)

	Weight	Return	Contribution
Gold Fields Ltd	5,6	202,6	7,0
Anglogold Ashanti PLC	4,0	240,8	5,6
Naspers Ltd Class N	11,5	33,0	3,6
MTN Group Ltd	3,3	90,4	2,3
Impala Platinum Holdings Ltd	1,6	201,2	2,2
Sibanye Stillwater Ltd Ordinary Shares	1,2	303,9	2,0
Valterra Platinum Ltd	1,6	172,6	2,0
Standard Bank Group Ltd	4,3	40,6	1,8
Harmony Gold Mining Co Ltd	1,9	126,6	1,7
Firststrand Ltd	5,4	27,1	1,6

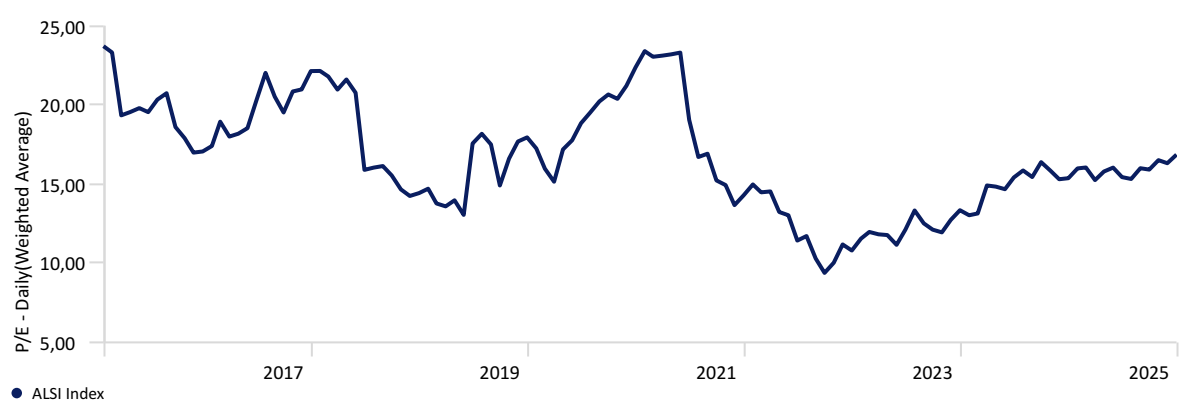
ALSI Detractors YTD (Approximate)

	Weight	Return	Contribution
Mr Price Group Ltd	0,8	-38,0	-0,4
Foschini Group Ltd	0,6	-48,4	-0,4
Aspen Pharmacare Holdings Ltd	0,7	-27,6	-0,3
Truworths International Ltd	0,4	-41,0	-0,2
Sappi Ltd	0,3	-47,5	-0,2
Mondi PLC	0,7	-24,0	-0,2
Spar Group Ltd	0,3	-34,6	-0,2
Shoprite Holdings Ltd	1,9	-5,6	-0,1
Clicks Group Ltd	1,2	-7,8	-0,1
Bidvest Group Ltd	1,1	-6,2	-0,1

Current ALSI Metrics

P/E	11,2
P/B	1,6
P/EBITDA	7,0
P/Cash Flow	7,2
P/S	1,9
Debt/Capital	30,1

Historical P/E



MARKET CAP RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
Small Caps	2,4	12,6	21,5	21,5	22,3
Mid Caps	4,5	11,1	31,0	31,0	18,4
Top 40	4,7	7,6	47,7	47,7	21,2

STYLE BASED RETURNS

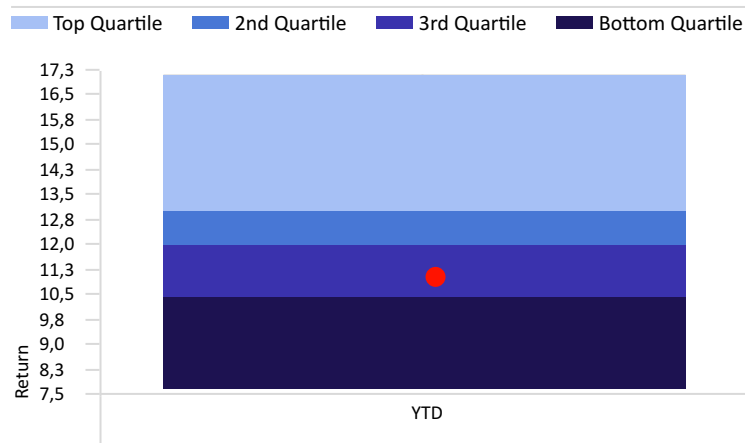
	1 Month	3 Months	YTD	1 Year	*3 Years
JSE Growth	2,7	3,5	43,4	43,4	24,6
JSE Value	6,6	13,6	41,0	41,0	16,3

SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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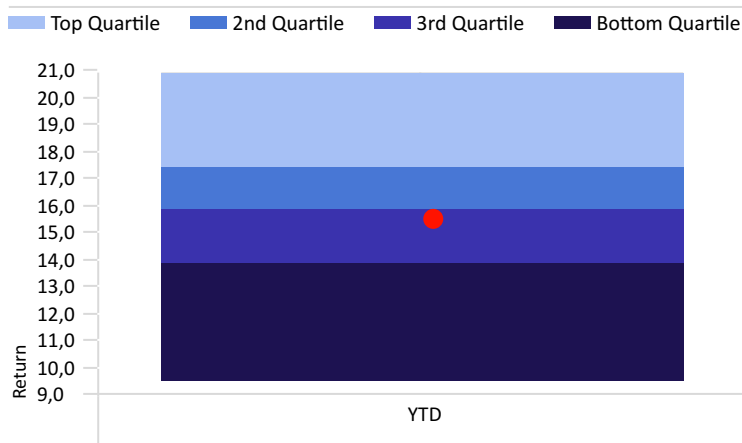
CATEGORY AVERAGES in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) SA MA Inc	1,0	3,4	11,0	11,0	10,2
(ASISA) SA MA Low EQ	1,3	4,3	15,5	15,5	12,9
(ASISA) SA MA Med EQ	1,6	4,6	17,7	17,7	13,9
(ASISA) SA MA High EQ	1,9	4,7	18,8	18,8	14,8
(ASISA) SA EQ General	3,8	6,9	28,9	28,9	16,2
(ASISA) SA RE General	0,3	15,7	27,8	27,8	20,6
(ASISA) Glb MA Low EQ	-2,2	-2,7	-0,9	-0,9	7,3
(ASISA) Glb MA Flex	-1,6	-1,5	3,3	3,3	11,5
(ASISA) Glb MA High EQ	-1,4	-1,4	4,8	4,8	12,6
(ASISA) Glb EQ General	-1,5	-1,2	5,9	5,9	16,2

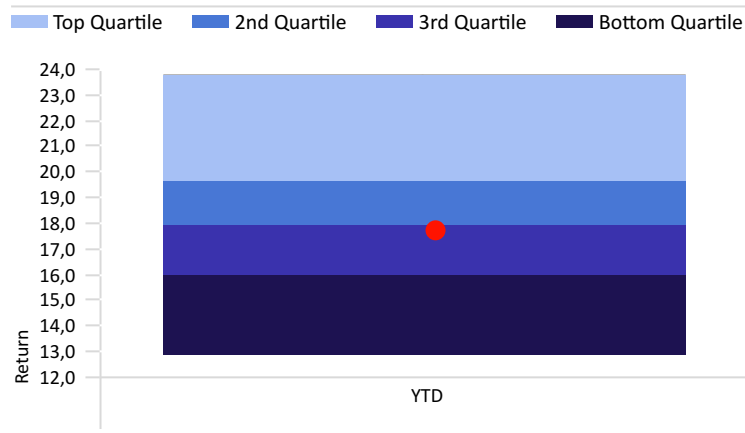
SA MA INCOME



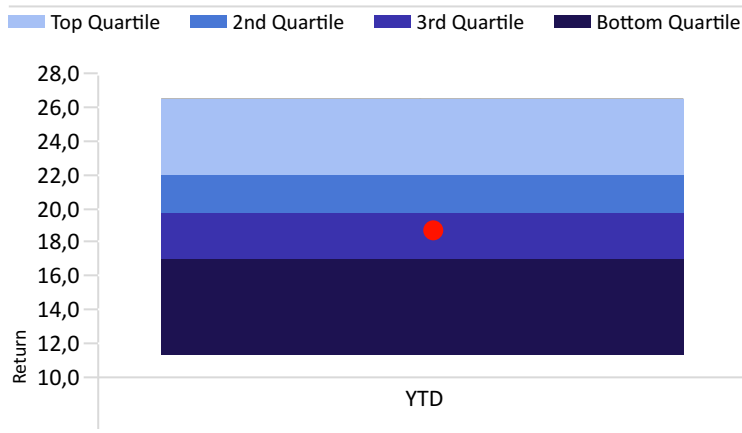
SA MA LOW EQUITY



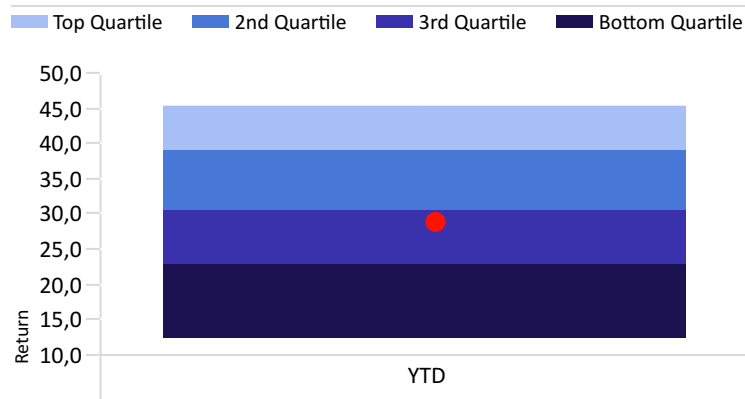
SA MA MED EQUITY



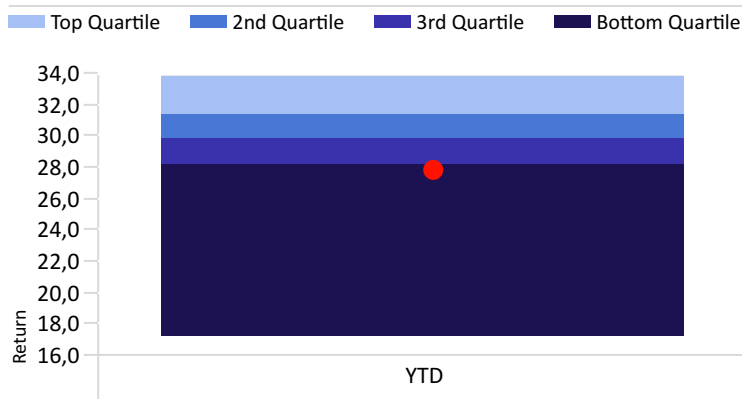
SA MA HIGH EQUITY



SA EQUITY GENERAL



SA RE GENERAL



SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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LOCAL COMMENTARY

South African financial markets closed 2025 on a notably strong footing, with domestic assets delivering exceptional returns against a backdrop of moderating inflation, firmer economic activity, and a supportive external environment. While global policy uncertainty remained elevated, local markets were buoyed by improving macro fundamentals, strong commodity prices, and a meaningful appreciation in the Rand.

Recent data releases continue to point to a gradual improvement in South Africa’s growth momentum. Real GDP expanded by 0.5% quarter-on-quarter in the third quarter of 2025, following a stronger 0.9% increase in the prior quarter. Encouragingly, growth was broad-based across most productive sectors, with only utilities detracting marginally. On the demand side, household consumption rose for a seventh consecutive quarter, while gross fixed capital formation posted its first quarterly expansion after three periods of contraction — an important signal that investment conditions may be stabilising.

High-frequency indicators and leading business cycle measures suggest upside risk to consensus growth expectations into the fourth quarter of 2025 and into 2026. Business confidence has improved from depressed levels, while reduced load-shedding intensity and easing logistical constraints are beginning to support activity at the margin. Nevertheless, growth remains modest in absolute terms, constrained by structural challenges and subdued private sector confidence.

Inflation dynamics remain favourable. Headline CPI eased to 3.5% year-on-year in November, undershooting market expectations for the seventh time in the past year. Core inflation ticked slightly higher but remains well contained. Transport inflation, aided by lower fuel prices and a stronger currency, was a key contributor to the softer print, while food inflation showed some renewed pressure driven by higher meat prices. Looking ahead, inflation is expected to move broadly sideways over the next few quarters, with rand strength and lower oil prices offsetting firmer housing inflation. Overall, inflation outcomes remain comfortably within the South African Reserve Bank’s target range, reinforcing a supportive monetary backdrop.

South African assets delivered another month of strong performance in December, capping a standout year across most asset classes. Local equities gained 4.6% over the month, taking full-year returns to 42.4% — their best annual performance since 2005. Gains were led by the resource sector, which benefited from strong precious metal prices and favourable global demand dynamics, while bank shares also delivered robust returns amid improving domestic macro conditions and resilient earnings.

At a sector level, the divergence in performance remained pronounced. Resource counters dominated returns for the year, supported by sharp increases in platinum group metals and gold prices, while select financial stocks benefitted from improving balance sheets and lower funding costs. In contrast, the retail sector continued to lag, reflecting pressure on real disposable incomes and cautious consumer spending behaviour.

Local bonds extended their rally in December, returning 2.7% for the month and 24.2% for the year — the strongest annual performance since 1999. The rally was underpinned by declining inflation expectations, improving fiscal optics, and strong foreign demand, supported by a meaningfully stronger Rand. Inflation-linked bonds also performed well, aided by positive inflation carry and declining real yields, although prospects for further capital appreciation appear more limited at current yield levels.

Listed property posted a modest gain in December but delivered an impressive 30.6% return for the year. Falling bond yields, improved earnings visibility, and renewed investor confidence continued to support the sector, despite some dispersion in individual stock performance.

The Rand appreciated by over 14% against the US dollar in 2025, marking its first positive calendar year in six years. The currency benefitted from favourable terms of trade, firm commodity prices, and improved sentiment toward South African assets, although volatility remains a key risk given the uncertain global backdrop.

Looking ahead, it appears that while the global environment remains supportive for risk assets in the near term, downside risks are building into 2026. Elevated geopolitical tensions, ongoing uncertainty around US trade policy, and the lagged effects of tight global financial conditions could weigh on global growth and capital flows to emerging markets. However, South Africa appears relatively well positioned within the emerging market universe, supported by attractive real yields, improving external balances, and favourable valuation metrics.

Domestically, the outlook remains cautiously constructive. Inflation is expected to remain anchored, allowing scope for further monetary policy easing over the next year, particularly should the Reserve Bank proceed with a lower inflation target. Fiscal consolidation prospects have improved, but execution risks remain, and markets may be pricing in an overly optimistic scenario. As a result, while carry remains attractive across income assets, the scope for additional capital gains from current levels is likely to be more limited.

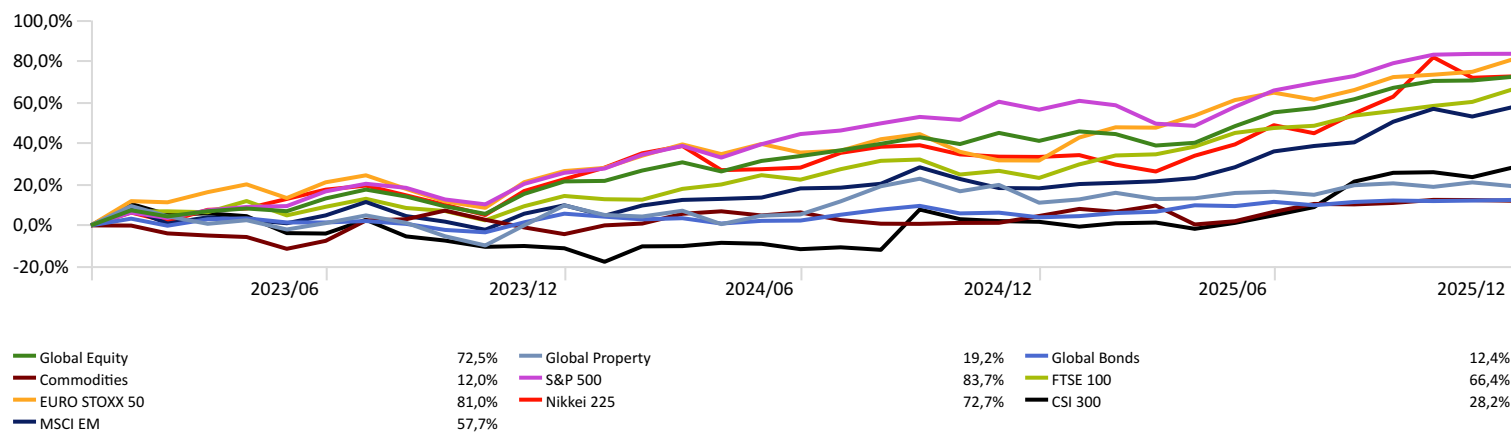
Equities continue to offer selective opportunities, particularly in sectors with strong balance sheets, pricing power, and leverage to global growth themes. However, after an exceptional year of returns, dispersion and volatility are expected to increase, reinforcing the importance of active management and disciplined portfolio construction.

SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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ASSET CLASS RETURNS in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
Global Equity	1,0	3,2	22,1	22,1	19,9
Global Property	-1,5	-1,1	7,3	7,3	6,0
Global Bonds	0,3	0,2	8,2	8,2	4,0
Commodities	-0,3	1,0	7,1	7,1	3,9
S&P 500	0,0	2,6	17,4	17,4	22,5
FTSE 100	3,8	6,8	35,1	35,1	18,5
EURO STOXX 50	3,5	5,0	37,5	37,5	21,9
Nikkei 225	0,4	6,1	29,5	29,5	20,0
CSI 300	3,8	2,0	26,0	26,0	8,6
MSCI EM	3,0	4,7	33,6	33,6	16,4

3 YEAR CUMULATIVE RETURNS in USD



CALENDAR YEAR RETURNS IN USD

Year	S&P 500	MSCI EM	NASDAQ 100	NASDAQ 100	NASDAQ 100	Glb Property	FTSE 100	NASDAQ 100	NASDAQ 100	EU STOXX	EU STOXX
2016	11,2	37,3	0,0	39,5	48,9	30,0	-7,0	55,1	25,9	40,9	40,9
2017	11,2	33,0	-1,2	36,9	38,1	28,2	-16,2	25,7	24,5	39,5	39,5
2018	7,3	32,3	-4,7	30,7	24,5	27,5	-17,7	24,5	14,5	35,1	35,1
2019	5,8	28,1	-4,9	24,1	18,3	17,3	-17,7	22,7	11,4	33,6	33,6
2020	5,6	28,1	-7,9	23,8	17,8	14,0	-18,5	22,6	8,8	29,5	29,5
2021	3,8	25,6	-14,1	23,2	12,9	7,6	-19,1	14,3	7,7	26,0	26,0
2022	2,1	22,5	-14,6	22,0	9,3	-1,2	-20,1	11,0	7,5	21,0	21,0
2023	1,1	21,1	-16,9	21,9	9,2	-2,5	-25,8	9,8	2,4	17,4	17,4
2024	-0,2	9,4	-22,2	18,4	-7,9	-4,4	-26,7	5,7	2,4	8,6	8,6
2025	-15,4	7,4	-27,7	6,8	-8,8	-4,7	-32,4	-11,2	-1,7	8,2	8,2
YTD											

CURRENCIES vs. USD

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	1,2	0,0	13,4	13,4	3,2
GBP	1,5	-0,1	7,4	7,4	3,8
JPY	-0,4	-5,8	0,3	0,3	-5,6
CNY	1,3	1,9	4,5	4,5	-0,2

Currency performance in USD - a positive number represents USD weakness, while a negative number represents USD strength

SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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GLOBAL SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI/Financials	4,3	4,9	28,6	28,6	22,7
MSCI ACWI/Health Care	-1,0	9,8	14,7	14,7	6,3
MSCI ACWI/Materials	4,6	6,5	31,8	31,8	10,8
MSCI ACWI/Technology	0,8	2,9	26,4	26,4	35,9
MSCI ACWI/Industrials	2,1	1,8	25,6	25,6	19,8
MSCI ACWI/Cons Staples	-1,1	1,1	8,6	8,6	5,0
MSCI ACWI/Cons Discretionary	0,7	-0,6	9,5	9,5	19,4
MSCI ACWI/Energy	-0,2	2,6	13,7	13,7	6,7

MSCI ACWI Contributors YTD (Approximate)

	Weight	Return	Contribution
NVIDIA Corp	5,2	38,9	2,0
Alphabet Inc Class A	1,7	66,0	1,1
Alphabet Inc Class C	1,4	65,4	0,9
Broadcom Inc	1,7	50,6	0,8
Microsoft Corp	4,6	15,6	0,7
Apple Inc	5,0	9,0	0,5
JPMorgan Chase & Co	1,1	37,3	0,4
Eli Lilly and Co	0,9	40,2	0,4
Micron Technology Inc	0,2	240,2	0,3
Palantir Technologies Inc Ordinary Shares - Class A	0,4	135,0	0,3

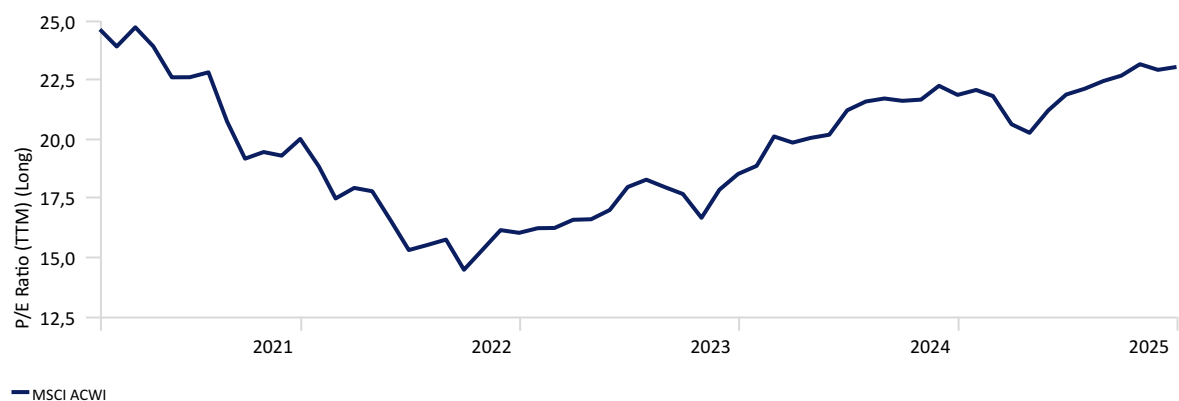
MSCWI ACWI Detractors YTD (Approximate)

	Weight	Return	Contribution
UnitedHealth Group Inc	0,5	-33,1	-0,2
Novo Nordisk AS Class B	0,3	-39,3	-0,2
Fiserv Inc	0,1	-67,3	-0,1
Salesforce Inc	0,4	-20,2	-0,1
ServiceNow Inc	0,3	-27,7	-0,1
Accenture PLC Class A	0,3	-22,1	-0,1
Procter & Gamble Co	0,5	-12,3	-0,1
Adobe Inc	0,2	-21,3	-0,1
Strategy Inc Class A	0,1	-47,5	-0,1
The Home Depot Inc	0,5	-9,3	-0,1

Current MSCI AC Metrics

P/E	17,8
P/B	3,0
P/EBITDA	22,0
P/Cash Flow	11,1
P/S	2,8
Debt/Capital	38,7

Historical P/E



MARKET CAP RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI Small Cap	0,9	2,7	19,7	19,7	14,6
MSCI ACWI Mid Cap	0,9	1,6	18,9	18,9	14,5
MSCI ACWI Large Cap	1,1	3,6	23,0	23,0	21,8

STYLE BASED RETURNS

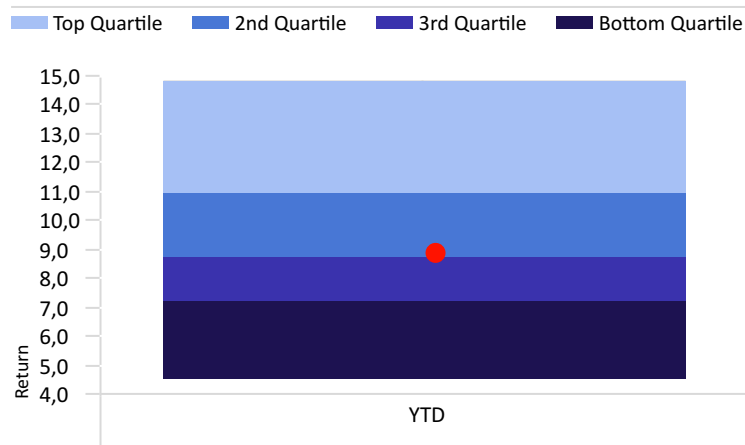
	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI Value	1,9	3,7	22,0	22,0	14,7
MSCI ACWI Growth	0,2	2,8	22,4	22,4	26,5

SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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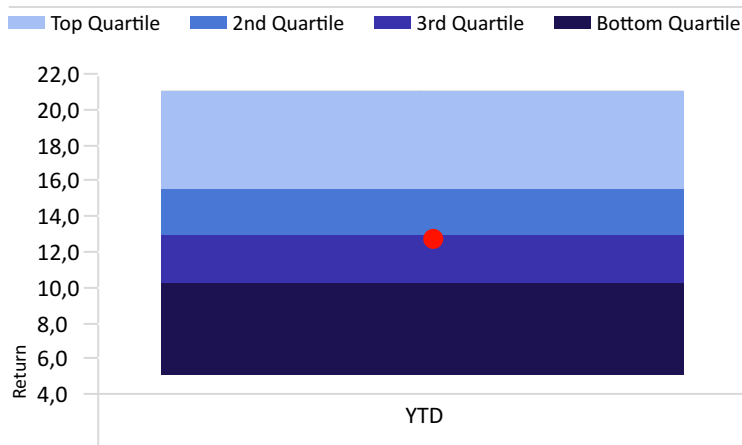
CATEGORY AVERAGES in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) Glb MA Low EQ	1,1	1,3	12,9	12,9	8,2
(ASISA) Glb MA Flex	1,7	2,6	17,6	17,6	12,4
(ASISA) Glb MA High EQ	1,9	2,7	19,4	19,4	13,6
(ASISA) Glb EQ General	1,8	2,9	20,6	20,6	17,2
EAA Fund USD Cautious	0,4	1,6	8,9	8,9	7,3
EAA Fund USD Moderate	0,7	2,2	12,8	12,8	10,1
EAA Fund USD Flexible	0,8	2,3	13,0	13,0	9,9
EAA Fund USD Bond - ST	0,3	1,0	5,2	5,2	4,8
EAA Fund USD Aggressive	0,9	2,7	14,9	14,9	12,5
EAA Fund USD HY Bond	0,6	1,3	7,6	7,6	8,4

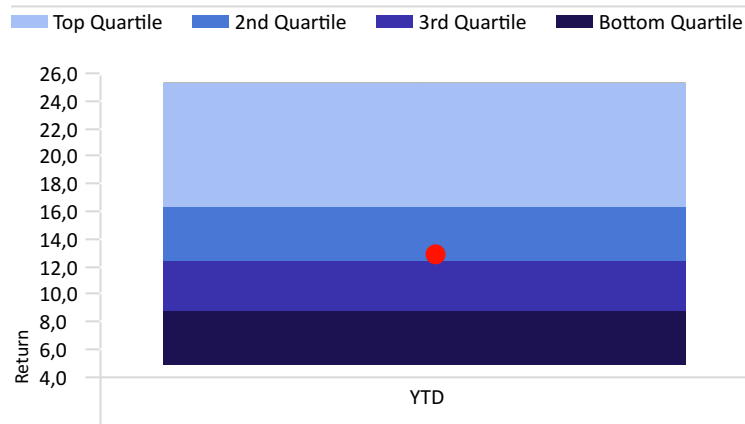
EAA USD CAUTIOUS ALLOCATION



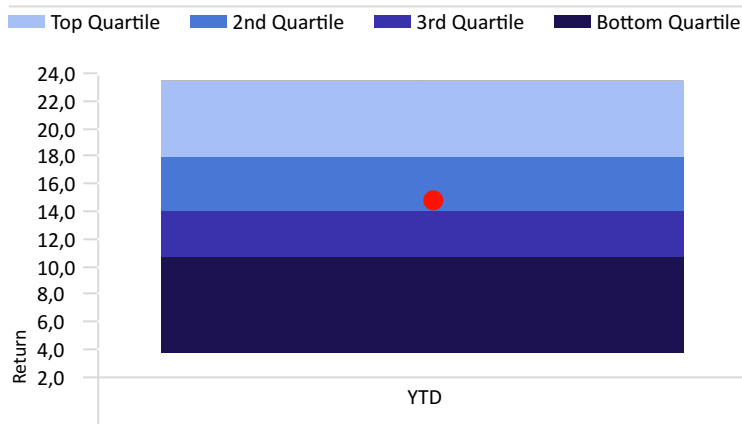
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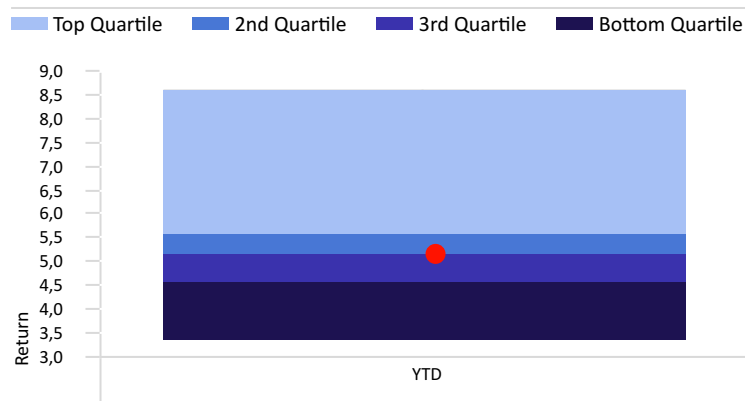
EAA USD FLEXIBLE ALLOCATION



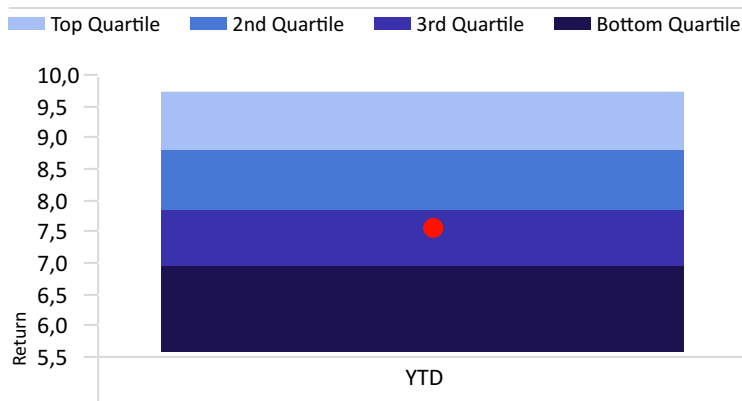
EAA USD AGGRESSIVE ALLOCATION



EAA USD DIVERSIFIED BOND - SHORT TERM



EAA USD HIGH YIELD BOND



SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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OFFSHORE COMMENTARY

Equities closed the year with a steadier, more inclusive tone. After months where a narrow group of mega cap growth and AI leaders dominated, December extended the broadening that began in the autumn. Value, non U.S., and emerging markets continued to carry more of the load into year end, consistent with stronger showings from financials, industrials, and commodity linked sectors. That shift mattered for portfolio construction. Index level returns looked modest, yet beneath the surface there was healthier breadth, better participation from cyclicals, and improved earnings revision dispersion, all of which point to a more balanced foundation going into 2026.

Regionally, leadership rotated toward markets with cleaner valuation entry points and clearer policy tailwinds. Japan remained well bid as a weaker currency supported exporters and governance reforms kept foreign inflows engaged. In Europe, falling headline inflation and the prospect of earlier monetary easing supported domestically sensitive sectors and balance sheet repair stories, even as activity data remained mixed. Across emerging markets, the weaker U.S. dollar over the full year and firmer trade flows aided select Latin American and Asia ex Japan bourses, while energy and materials heavy indices benefited from better metals pricing and improving terms of trade. The result was a relative performance mix that no longer relied solely on the most crowded AI trades, even if those franchises still anchored sentiment.

Style and factor behavior also evolved in a constructive way. Investors leaned further into quality balance sheets and dependable free cash flow, rewarding franchises with pricing power and visible dividend or buyback capacity. That preference helped traditional defensives, such as healthcare and staples, hold their own while leaving room for economically sensitive pockets like shipping, machinery, capital goods, and select banks to participate as financial conditions eased. Small caps stabilized as funding windows stayed open and as the cost of capital moved lower at the margin, although dispersion within smaller companies remained high and business model quality still separated leaders from laggards. With buyback windows reopening for many issuers in mid December and year end rebalancing flows adding technical support, the month felt less like a chase and more like confirmation that participation had widened.

Fixed income ended 2025 by reinforcing the year’s core message. Income and spread carried portfolios, while pure duration contributed more modestly. The earlier sequence of Federal Reserve cuts and higher starting yields supported total returns in core indices during the fourth quarter and in December, though the rally was uneven along the curve. Front end yields were anchored by the policy path and cooler inflation, while the long end lagged as term premium and supply dynamics kept steepening pressure in place. That mix left duration heavy sovereign benchmarks trailing carry rich segments into year end.

Credit continued to be the brighter spot. Investment grade spreads finished the year comparatively tight by historical standards, reflecting solid interest coverage, manageable refinancing needs for higher quality borrowers, and steady demand from pensions, insurers, and crossover buyers. High yield outpaced duration heavy sovereigns as coupon income did most of the work and as defaults stayed contained to the smallest and most levered cohorts. Primary markets remained open, albeit seasonally quiet, and December’s lighter supply created a favorable technical that supported secondary spreads. Securitized credit was mixed. Agency MBS benefited from calmer rate volatility and improving mortgage convexity into year end, while legacy commercial mortgage exposure remained bifurcated, with high quality, well leased properties trading efficiently and older office heavy pools still facing valuation pressure.

Global rates outside the United States added useful diversification. In Europe, the combination of softer inflation prints and rising expectations for policy easing in 2026 helped core curves grind lower in yield and aided peripherals through modest spread compression. In the United Kingdom, gilts found a steadier footing as inflation cooled and budget arithmetic looked less threatening at the margin, though long dated yields remained sensitive to issuance plans. In Japan, investors continued to price a slow normalization path, which left local yields biased higher relative to early year levels and limited the contribution from yen duration. Across emerging markets, the backdrop was friendlier. A weaker dollar over the full year, higher real yield cushions, and improving external balances in several large constituents helped both hard currency and local currency debt, with local markets additionally supported by disinflation and room for domestic policy easing in 2026.

Commodities ended the year with metals in the spotlight and energy still playing the laggard. Gold rallied roughly 8% from mid-November through December as a combination of a softer dollar, lower policy rates and lingering geopolitical unease revived safe-haven and ETF demand, while silver and copper either reached or approached record levels on the back of tight inventories and anticipation of easier global financial conditions in 2026. Oil and LNG, by contrast, stabilised but finished 2025 down double digits for the year, reflecting a balance between patchy demand, growing non-OPEC supply and fading mid-year geopolitical risk premia. Currency markets were comparatively subdued in December itself, but the cumulative picture for 2025 was one of a weaker US dollar, which provided a material tailwind to emerging-market and non-US assets over the year even if the final weeks were more range-bound.

2026 is shaping up as a year of better-than-expected growth, led by the U.S., with momentum supported by rising productivity, helped by the practical adoption of AI, alongside a strengthening capital spending cycle and ongoing fiscal support. Inflation is expected to cool over the year, staying somewhat sticky early but easing meaningfully into the second half as productivity improves, wage pressures soften, and energy costs remain more contained. That combination sets up a more supportive policy environment later in 2026, with the Federal Reserve likely to hold steady in the first half and then shift more dovish as disinflation becomes clearer. In currencies, this backdrop can keep the U.S. dollar supported early on due to the U.S. growth and yield advantage, before a softer trend emerges later in the year if rate cuts come into view. Geopolitically, the baseline looks somewhat less acute than recent years, but markets should still expect persistent headline risk: U.S.–China tensions may remain managed rather than escalating, the Russia–Ukraine conflict may move toward a negotiated phase, while regional flashpoints and “geopolitical noise” continue to influence energy, defence, and supply-chain decisions.

Against that macro canvas, we expect risk assets to remain supported, but with an uneven path: equities could be choppy and range-bound in the early months as inflation and rates remain the key swing factors, then potentially accelerate later in the year if easing expectations build. U.S. equities remain the preferred engine for that upside, particularly areas linked to technology, AI, and infrastructure spend, with scope for value and cyclicals to lead earlier before growth leadership reasserts if discount rates fall. Fixed income should play its traditional role again, income plus diversification, with the potential for high-quality duration to perform better into the second half if yields drift lower; however, volatility could rise around policy transitions and leadership changes. Commodities look more compelling than they have in years: the complex appears undervalued, industrial metals stand out due to structural demand and supply constraints, while gold looks less attractive given valuation and if real rates stabilize and inflation fears fade. Oil feels better supported than consensus implies, policy may cap near-term upside, but supply discipline and geopolitics leave the balance of risks skewed higher into year-end. Overarching all of this are the strategic themes that matter most: governments leaning into industrial policy, energy security driving investment, reshoring and reindustrialisation lifting capex, and an AI-led investment cycle that can support productivity and earnings across multiple sectors.

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