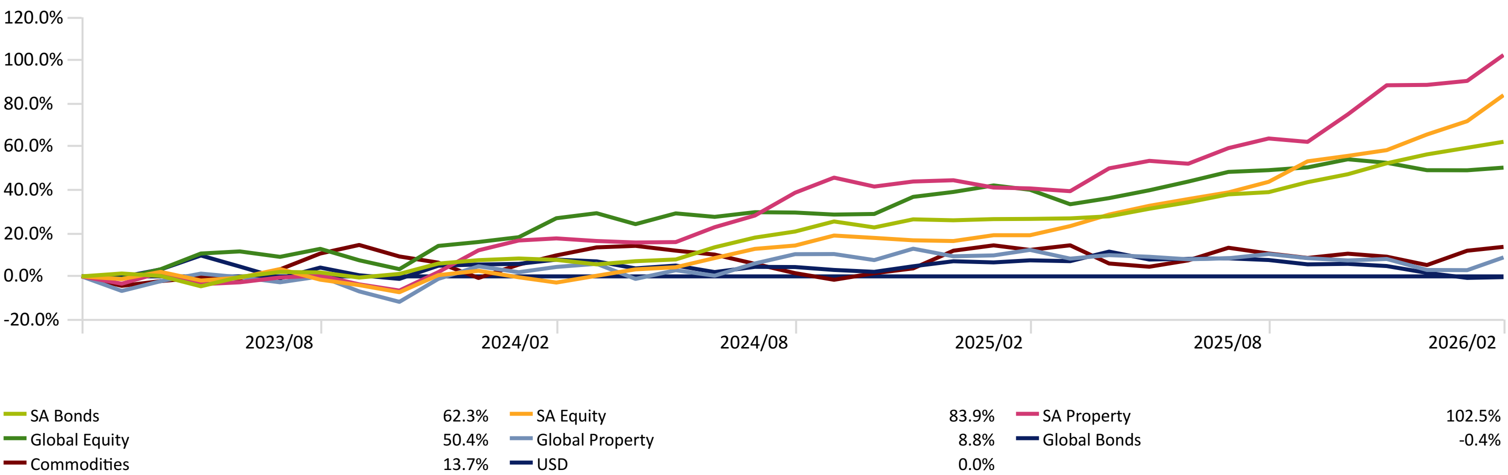
MARKET WATCH As of 2026/02/28

Renaissance
Wealth Management

ASSET CLASS RETURNS in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
SA Bonds	1.7	6.5	3.7	28.2	17.5
SA Equity	7.0	16.1	11.0	54.5	22.5
SA Property	6.3	7.4	7.3	43.9	26.5
Global Bonds	0.4	-4.9	-2.0	-7.2	-0.1
Global Equity	0.8	-1.5	0.8	7.3	14.6
Global Property	5.7	0.7	5.6	-3.1	2.8
Commodities	1.6	4.2	8.0	1.3	4.4
USD	-0.7	-7.1	-3.9	-14.3	-4.6

3 YEAR CUMULATIVE RETURNS in ZAR



CALENDAR YEAR RETURNS in ZAR

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Best	SA Bonds 15.4	SA Equity 21.0	USD 16.2	Glb Equity 22.8	Glb Equity 22.2	Commodities 52.5	Commodities 34.3	Glb Equity 30.5	SA Property 29.0	SA Equity 42.4	SA Equity 11.0
	SA Property 10.2	SA Property 17.2	Glb Bonds 14.8	Glb Property 20.6	Glb Bonds 14.7	Glb Property 41.3	USD 6.6	Glb Property 19.3	Glb Equity 20.0	SA Property 30.6	Commodities 8.0
	SA Equity 2.6	Glb Equity 12.3	Glb Property 10.7	Commodities 14.3	SA Bonds 8.7	SA Property 36.9	SA Bonds 4.3	Glb Bonds 13.6	SA Bonds 17.2	SA Bonds 24.2	SA Property 7.3
	Commodities -1.7	SA Bonds 10.2	SA Bonds 7.7	SA Equity 12.0	SA Equity 7.0	SA Equity 29.2	SA Equity 3.6	SA Property 10.1	SA Equity 13.4	Glb Equity 7.2	Glb Property 5.8
	Glb Equity -4.3	Glb Property -1.0	Glb Equity 4.4	SA Bonds 10.3	USD 5.0	Glb Equity 28.4	SA Property 0.5	SA Bonds 9.7	Commodities 12.7	Glb Property -4.6	SA Bonds 3.7
	Glb Property -6.7	Glb Bonds -2.8	Commodities 0.1	Glb Bonds 3.9	Glb Property -3.3	USD 8.7	Glb Bonds -10.7	SA Equity 9.3	Glb Property 5.7	Glb Bonds -5.0	Glb Equity 0.8
	Glb Bonds -9.9	Commodities -4.2	SA Equity -8.5	SA Property 1.9	Commodities -19.9	SA Bonds 8.4	Glb Equity -13.0	USD 7.5	USD 3.2	Commodities -5.9	Glb Bonds -2.0
Worst	USD -11.7	USD -9.5	SA Property -25.3	USD -2.8	SA Property -34.5	Glb Bonds 3.5	Glb Property -20.9	Commodities 2.9	Glb Bonds 1.4	USD -12.2	USD -3.9

CURRENCIES VS. ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	-1.5	-5.5	-3.4	-2.7	-1.2
USD	-0.7	-7.1	-3.9	-14.3	-4.6
GBP	-2.8	-5.7	-4.0	-8.5	-1.2
JPY	-1.9	-7.1	-3.6	-17.3	-8.9

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

* *Annualised*

SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
JSE ALSI TR	7.0	16.1	11.0	54.5	22.5
Basic Materials	13.4	35.1	27.8	172.3	36.7
Consumer Goods	1.9	1.6	2.4	12.0	10.2
Consumer Services	2.5	-2.0	-1.4	-7.2	8.4
Financials	7.3	19.0	10.5	43.2	24.7
Health Care	18.5	29.5	13.1	0.5	3.5
Industrials	6.6	10.6	5.9	4.7	6.2
Technology	-10.6	-17.9	-19.4	1.5	11.3
Telecommunication	13.1	28.8	20.0	70.1	15.3

ALSI Contributors YTD (Approximate)

	Weight	Return	Contribution
Anglogold Ashanti PLC	6.5	43.9	2.8
Gold Fields Ltd	8.8	27.9	2.3
Valterra Platinum Ltd	4.3	32.3	1.4
Impala Platinum Holdings Ltd	2.8	35.0	0.9
MTN Group Ltd	3.9	22.5	0.9
Capitec Bank Holdings Ltd	4.6	14.1	0.7
Firstrand Ltd	5.9	9.3	0.6
Standard Bank Group Ltd	4.9	10.7	0.5
Anglo American PLC	2.7	15.2	0.4
Absa Group Ltd	2.6	13.3	0.3

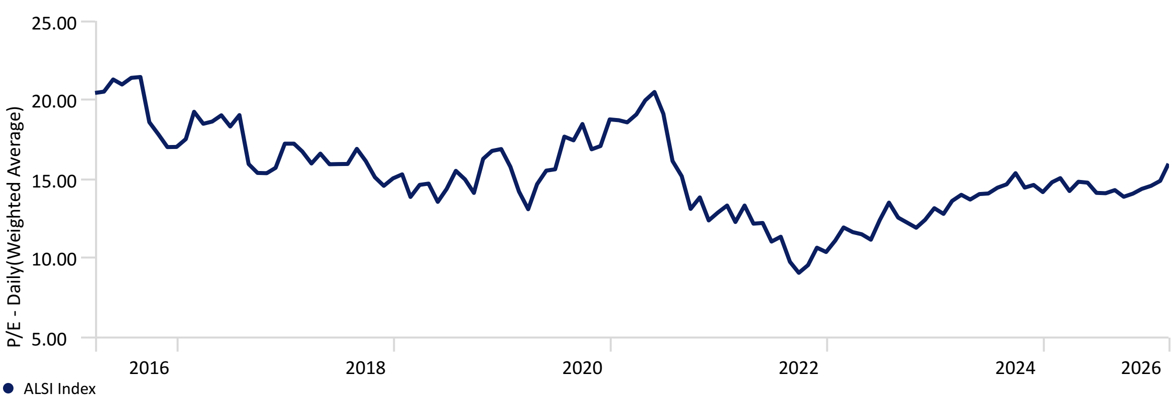
ALSI Detractors YTD (Approximate)

	Weight	Return	Contribution
Naspers Ltd Class N	10.1	-19.8	-2.1
Compagnie Financiere Richemont SA Class A	2.0	-9.6	-0.2
Reinet Investments SCA	1.0	-12.8	-0.1
Spar Group Ltd	0.2	-26.9	-0.1
Sappi Ltd	0.2	-31.0	-0.1
Pick N Pay Stores Ltd	0.2	-21.9	0.0
Clicks Group Ltd	1.0	-3.7	0.0
Shoprite Holdings Ltd	1.6	-2.1	0.0
Mondi PLC	0.5	-6.2	0.0
Tiger Brands Ltd	0.7	-3.1	0.0

Current ALSI Metrics

P/E	11.2
P/B	1.6
P/EBITDA	8.4
P/Cash Flow	6.8
P/S	2.1
Debt/Capital	29.3

Historical P/E



MARKET CAP RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
Small Caps	5.3	8.9	6.4	38.7	23.6
Mid Caps	5.4	17.1	12.0	51.9	21.5
Top 40	7.2	16.7	11.5	57.9	22.8

STYLE BASED RETURNS

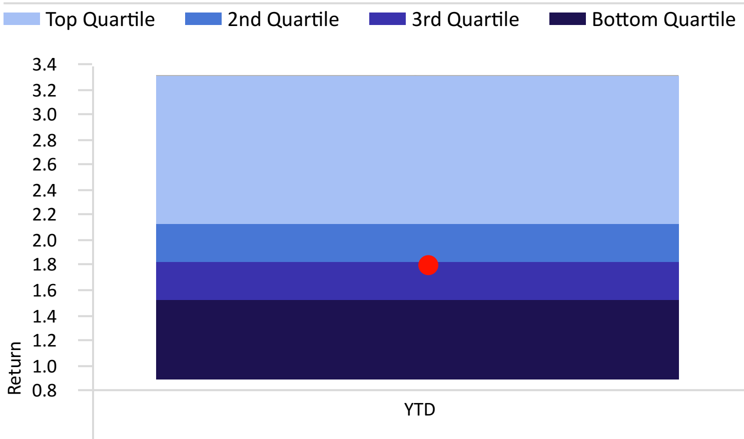
	1 Month	3 Months	YTD	1 Year	*3 Years
JSE Growth	4.6	8.9	6.0	46.9	23.4
JSE Value	9.5	24.0	16.3	62.4	21.0

** Annualised*

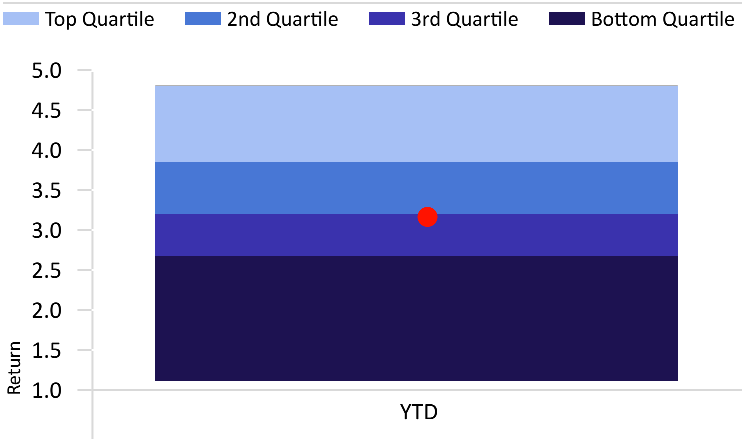
CATEGORY AVERAGES in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) SA MA Inc	1.0	2.9	1.8	11.9	10.3
(ASISA) SA MA Low EQ	1.9	4.5	3.2	18.0	12.6
(ASISA) SA MA Med EQ	2.3	5.8	4.1	21.4	13.6
(ASISA) SA MA High EQ	2.5	6.5	4.6	23.1	14.3
(ASISA) SA EQ General	4.5	12.2	8.1	38.2	17.4
(ASISA) SA RE General	6.0	7.2	6.9	40.1	23.8
(ASISA) Glb MA Low EQ	1.1	-3.0	-0.8	-2.1	3.7
(ASISA) Glb MA Flex	0.1	-2.2	-0.6	1.7	7.4
(ASISA) Glb MA High EQ	-0.1	-2.5	-1.1	2.6	8.1
(ASISA) Glb EQ General	-0.3	-2.6	-1.1	3.7	11.2

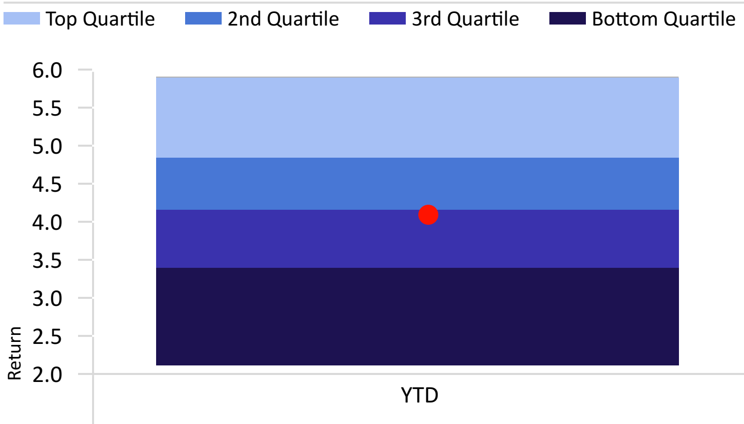
SA MA INCOME



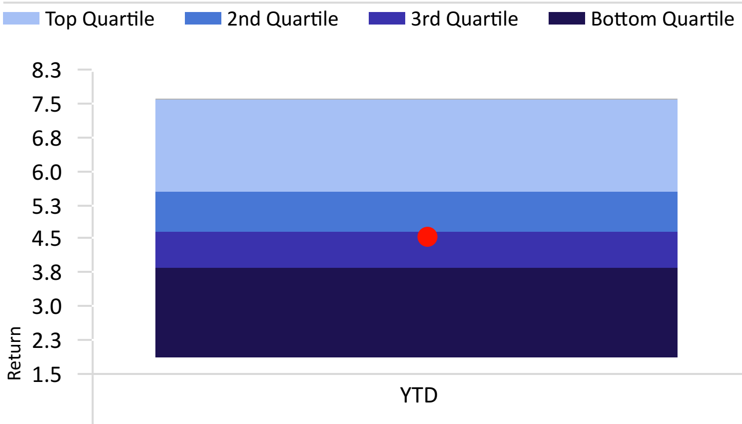
SA MA LOW EQUITY



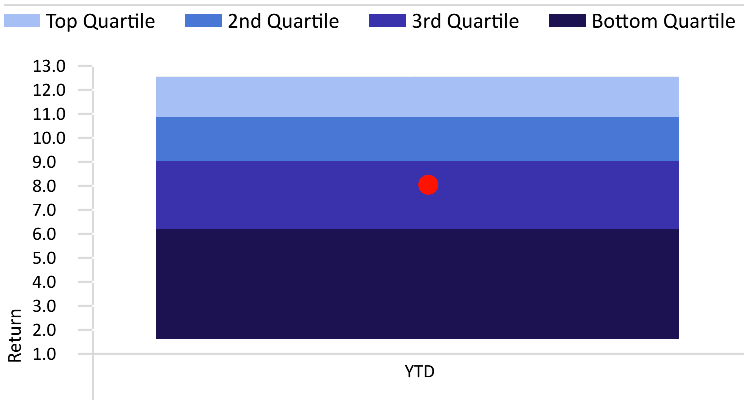
SA MA MED EQUITY



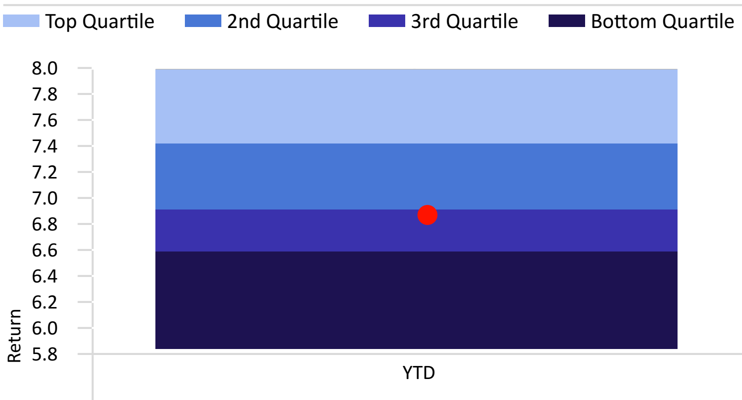
SA MA HIGH EQUITY



SA EQUITY GENERAL



SA RE GENERAL



** Annualised*

LOCAL COMMENTARY

South African financial markets delivered another strong performance in February, supported by favourable global risk appetite, firm commodity prices and a constructive reception to the National Budget. Local equities, bonds and listed property all produced solid gains during the month, while the rand strengthened modestly against major currencies.

Global markets remained broadly supportive for risk assets. Emerging market equities continued to outperform developed markets, extending a multi-month trend and delivering their strongest relative performance since 2009.

Commodity markets also played an important role in shaping market dynamics. Precious metals experienced heightened volatility early in the month following sharp price swings, which temporarily weighed on mining shares before recovering later in February.

Geopolitical tensions and trade policy developments added to market uncertainty. US tariff announcements and tensions involving Iran contributed to fluctuations in commodity prices and energy markets, while the ongoing Russia-Ukraine conflict continued to influence global sentiment.

Despite these risks, global equity markets finished the month relatively resilient, and the supportive external environment helped sustain capital flows into emerging markets.

South African equities recorded a strong month, with the FTSE/JSE All Share Index rising approximately 7% in February. Over the past year the market has now delivered gains of more than 50%, reflecting strong performance from commodity-linked sectors.

The resources sector was once again the standout performer, advancing 13.4% during the month and extending its remarkable 12-month rally. The surge reflects continued strength in key commodity prices and strong earnings momentum from major mining companies.

Financial shares also performed well, supported by improving economic sentiment and the prospect of lower interest rates later in the year. In contrast, the industrial sector was largely flat, weighed down by weakness in heavyweight stocks such as Naspers and Prosus.

Overall, the broad-based equity gains highlight the continued importance of the commodity cycle for local market performance.

South African bond markets delivered another positive month as yields continued to decline. The yield curve flattened further, reflecting both supportive global conditions and improving local fiscal sentiment.

Nominal government bonds returned roughly 1.7% during February, while inflation-linked bonds performed even better with gains of around 3.5%.

Several factors supported the bond market. A stable rand, moderating inflation and the perception of credible fiscal consolidation all helped reduce risk premiums. In addition, National Treasury announced a reduction in the size of weekly bond auctions while increasing Treasury bill issuance, which improved the supply outlook for longer-dated bonds.

Market expectations also point to a gradual easing cycle from the South African Reserve Bank (SARB). Forward rate agreements are pricing in at least one 25 basis-point interest-rate cut by mid-year, with the possibility of further easing later in the cycle.

Listed property was among the best-performing asset classes during the month, returning more than 6%.

The rally in property was broad-based and supported by declining bond yields and improving company outlooks. Property companies reported resilient fundamentals and signalled expectations of stronger earnings as financing costs begin to decline. Several counters posted double-digit gains, contributing to the sector's strong performance.

The rand strengthened modestly during February, appreciating by roughly 1.3% against the US dollar.

Currency stability reflected improved investor sentiment following the national budget as well as support from strong commodity prices and capital flows into emerging markets. The firmer currency also contributed to lower bond yields and a more constructive inflation outlook.

The 2026 National Budget

The key domestic event during February was the presentation of the 2026 National Budget. Financial markets reacted positively to the announcement, viewing it as evidence of continued fiscal discipline.

The budget reaffirmed government's commitment to stabilising the public debt ratio, supported by a growing primary budget surplus. The main budget deficit is projected to remain at 4.5% of GDP in the current fiscal year before gradually declining to below 3% over the medium term.

Encouragingly, stronger-than-expected commodity revenues allowed government to withdraw a previously proposed R20 billion tax increase and provide full inflation adjustments to personal income tax brackets, offering modest relief to consumers.

At the same time, the budget continues to prioritise structural reforms and infrastructure investment, including initiatives under Operation Vulindlela aimed at improving economic efficiency and unlocking growth.

South Africa's macroeconomic environment remained relatively stable. Headline consumer inflation slowed slightly to 3.5% year-on-year in January, remaining comfortably within the SARB's target range. Lower fuel prices helped offset upward pressure from some services categories.

However, economic growth data continued to point to a weak end to 2025. Several sectors—including manufacturing, mining and transport—contracted in the fourth quarter, raising the risk that overall growth may disappoint.

Looking ahead, improving business and consumer confidence, together with ongoing structural reforms, could support somewhat stronger growth during 2026.

MARKET WATCH

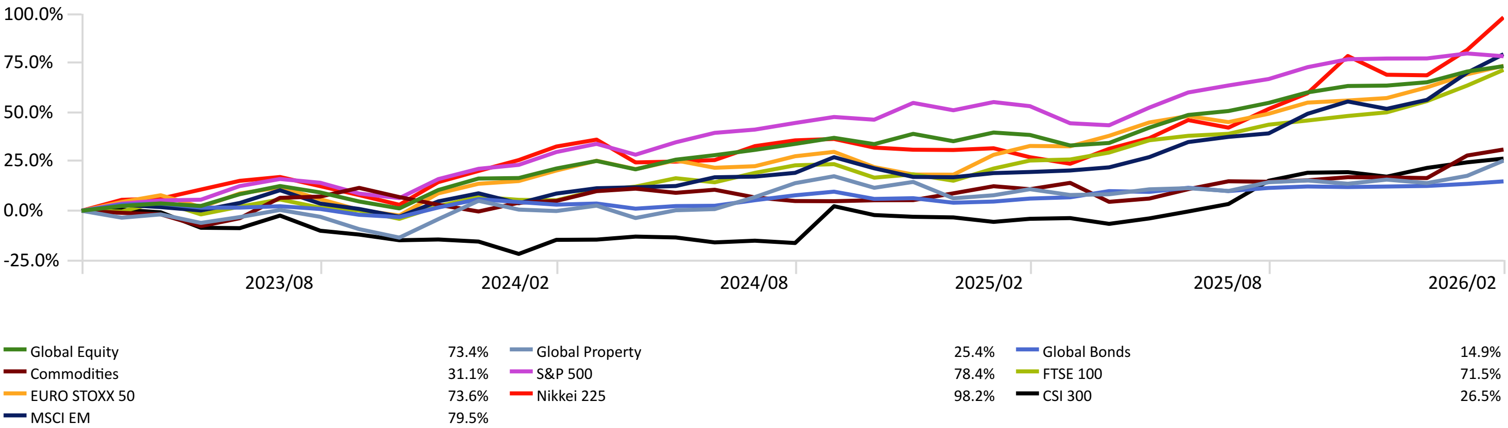
As of 2026/02/28

Renaissance
Wealth Management

ASSET CLASS RETURNS in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
Global Equity	1.6	6.0	4.9	25.2	20.1
Global Property	6.5	8.3	10.0	13.1	7.8
Global Bonds	1.1	2.3	2.1	8.2	4.7
Commodities	2.4	12.1	12.4	18.2	9.4
S&P 500	-0.8	0.6	0.6	16.5	21.3
FTSE 100	4.9	14.4	10.2	36.7	19.7
EURO STOXX 50	2.5	10.4	6.7	30.6	20.2
Nikkei 225	9.1	17.2	17.4	55.8	25.6
CSI 300	1.5	7.8	3.9	31.9	8.1
MSCI EM	5.5	18.3	14.8	50.0	21.5

3 YEAR CUMULATIVE RETURNS in USD



CALENDAR YEAR RETURNS IN USD

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Best	S&P 500 11.2	MSCI EM 37.3	NASDAQ 100 0.0	NASDAQ 100 39.5	NASDAQ 100 48.9	Glb Property 30.0	FTSE 100 -7.0	NASDAQ 100 55.1	NASDAQ 100 25.9	EU STOXX 40.9	Nikkei 225 17.4
	MSCI EM 11.2	NASDAQ 100 33.0	Glb Bonds -1.2	CSI 300 36.9	CSI 300 38.1	S&P 500 28.2	Glb Bonds -16.2	S&P 500 25.7	S&P 500 24.5	DAX 39.5	MSCI EM 14.8
	NASDAQ 100 7.3	CSI 300 32.3	Glb Property -4.7	S&P 500 30.7	Nikkei 225 24.5	NASDAQ 100 27.5	EU STOXX -17.7	DAX 24.5	CSI 300 14.5	FTSE 100 35.1	FTSE 100 10.2
	Glb Property 5.8	EU STOXX 28.1	S&P 500 -4.9	Glb Property 24.1	MSCI EM 18.3	FTSE 100 17.3	DAX -17.7	EU STOXX 22.7	DAX 11.4	MSCI EM 33.6	Glb Property 10.1
	Nikkei 225 5.6	DAX 28.1	Nikkei 225 -7.9	EU STOXX 23.8	S&P 500 17.8	EU STOXX 14.0	S&P 500 -18.5	Nikkei 225 22.6	Nikkei 225 8.8	Nikkei 225 29.0	EU STOXX 7.0
	DAX 3.8	Nikkei 225 25.6	FTSE 100 -14.1	DAX 23.2	DAX 12.9	DAX 7.6	Nikkei 225 -19.1	FTSE 100 14.3	FTSE 100 7.7	CSI 300 26.0	CSI 300 3.9
	Glb Bonds 2.1	FTSE 100 22.5	MSCI EM -14.6	FTSE 100 22.0	EU STOXX 9.3	CSI 300 -1.2	MSCI EM -20.1	Glb Property 11.0	MSCI EM 7.5	NASDAQ 100 21.0	DAX 3.8
	EU STOXX 1.1	S&P 500 21.1	EU STOXX -16.9	Nikkei 225 21.9	Glb Bonds 9.2	MSCI EM -2.5	Glb Property -25.8	MSCI EM 9.8	EU STOXX 2.4	S&P 500 17.4	Glb Bonds 2.1
	FTSE 100 -0.2	Glb Property 9.4	DAX -22.2	MSCI EM 18.4	Glb Property -7.9	Nikkei 225 -4.4	CSI 300 -26.7	Glb Bonds 5.7	Glb Property 2.4	Glb Property 8.6	S&P 500 0.6
Worst	CSI 300 -15.4	Glb Bonds 7.4	CSI 300 -27.7	Glb Bonds 6.8	FTSE 100 -8.8	Glb Bonds -4.7	NASDAQ 100 -32.4	CSI 300 -11.2	Glb Bonds -1.7	Glb Bonds 8.2	NASDAQ 100 -1.1

CURRENCIES vs. USD

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	-0.8	1.7	0.5	13.5	3.6
GBP	-2.0	1.5	0.0	6.8	3.6
JPY	-1.2	0.0	0.4	-3.5	-4.4
CNY	1.4	3.3	1.9	6.2	0.4

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

** Annualised*

GLOBAL SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI/Financials	-0.9	4.4	0.1	19.4	20.6
MSCI ACWI/Health Care	2.9	3.1	4.1	11.2	9.5
MSCI ACWI/Materials	9.9	26.1	20.6	51.5	16.5
MSCI ACWI/Technology	-1.0	0.7	-0.1	30.2	31.6
MSCI ACWI/Industrials	6.9	17.2	14.8	38.8	23.6
MSCI ACWI/Cons Staples	7.9	12.0	13.2	15.8	9.9
MSCI ACWI/Cons Discretionary	-3.2	-1.9	-2.5	7.7	14.7
MSCI ACWI/Energy	8.3	20.8	21.0	32.0	14.4

MSCI ACWI Contributors YTD (Approximate)

	Weight	Return	Contribution
Micron Technology Inc	0.8	44.5	0.3
Exxon Mobil Corp	1.1	27.6	0.3
Johnson & Johnson	1.1	20.7	0.2
Caterpillar Inc	0.6	30.0	0.2
Lam Research Corp	0.5	36.6	0.2
Costco Wholesale Corp	0.8	17.4	0.1
Novartis AG Registered Shares	0.6	22.7	0.1
Procter & Gamble Co	0.7	17.5	0.1
Corning Inc	0.2	72.1	0.1
HSBC Holdings PLC	0.6	18.7	0.1

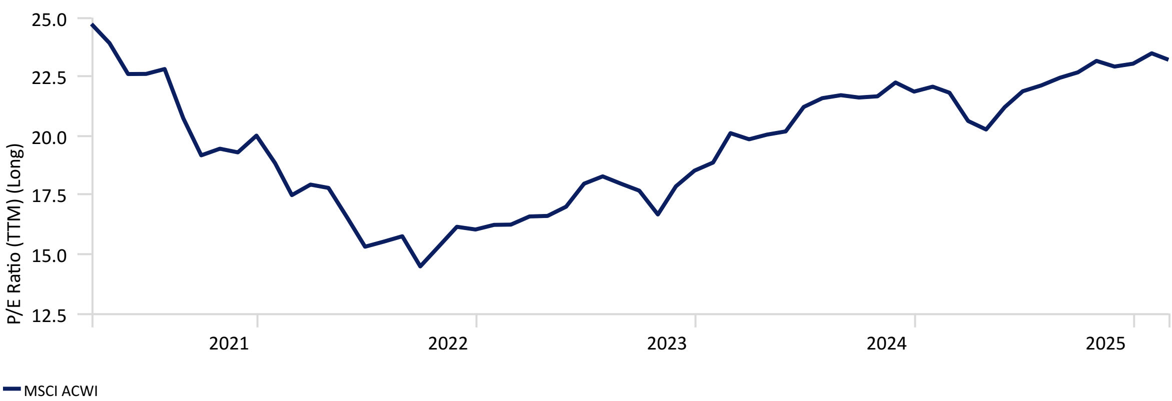
MSCWI ACWI Detractors YTD (Approximate)

	Weight	Return	Contribution
Microsoft Corp	6.5	-18.6	-1.3
NVIDIA Corp	9.3	-5.0	-0.5
Broadcom Inc	3.1	-7.7	-0.2
Palantir Technologies Inc Ordinary Shares - Class A	0.8	-22.8	-0.2
Oracle Corp	0.6	-25.2	-0.2
Intuit Inc	0.3	-38.1	-0.1
Salesforce Inc	0.5	-26.5	-0.1
JPMorgan Chase & Co	1.7	-6.4	-0.1
International Business Machines Corp	0.6	-18.4	-0.1
Mastercard Inc Class A	1.0	-9.3	-0.1

Current MSCI AC Metrics

P/E	17.4
P/B	3.1
P/EBITDA	14.1
P/Cash Flow	11.1
P/S	2.7
Debt/Capital	37.9

Historical P/E



MARKET CAP RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI Small Cap	3.9	11.1	10.1	32.7	15.9
MSCI ACWI Mid Cap	4.3	9.3	8.3	25.5	15.7
MSCI ACWI Large Cap	0.7	4.7	3.5	23.9	21.6

STYLE BASED RETURNS

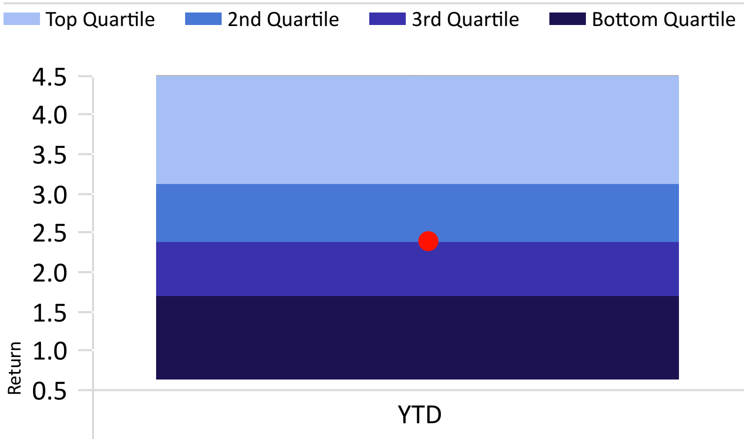
	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI Value	3.3	10.7	8.7	25.3	17.3
MSCI ACWI Growth	-0.9	0.0	-0.2	22.3	23.7

** Annualised*

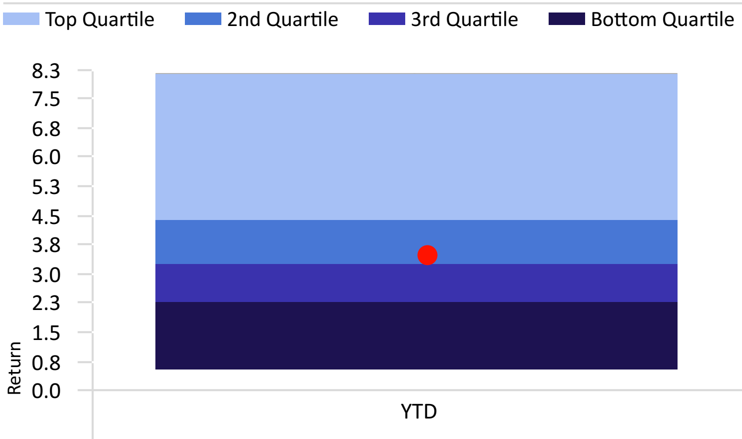
CATEGORY AVERAGES in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) Glb MA Low EQ	1.8	4.3	3.2	14.2	8.8
(ASISA) Glb MA Flex	0.8	5.2	3.5	18.6	12.6
(ASISA) Glb MA High EQ	0.6	4.9	2.9	19.7	13.4
(ASISA) Glb EQ General	0.4	4.8	2.9	21.0	16.6
EAA Fund USD Cautious	1.1	2.8	2.4	9.4	7.7
EAA Fund USD Moderate	1.4	4.2	3.5	14.3	10.6
EAA Fund USD Flexible	1.0	4.3	3.4	14.4	10.3
EAA Fund USD Bond - ST	0.4	1.1	0.8	4.8	4.9
EAA Fund USD Aggressive	1.5	4.6	3.7	16.7	12.8
EAA Fund USD HY Bond	0.1	1.2	0.6	6.3	7.9

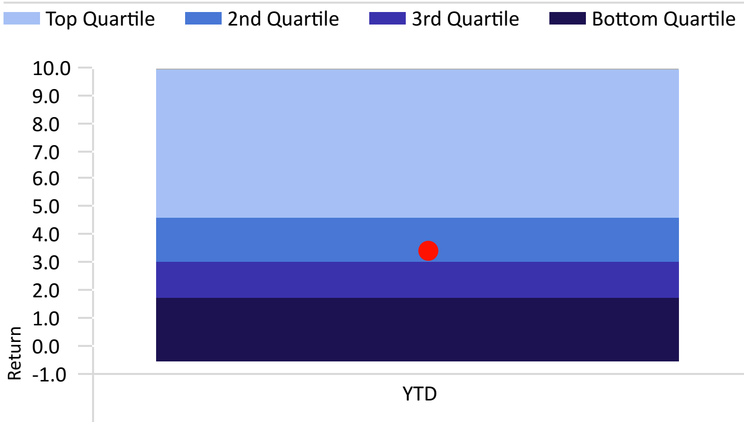
EAA USD CAUTIOUS ALLOCATION



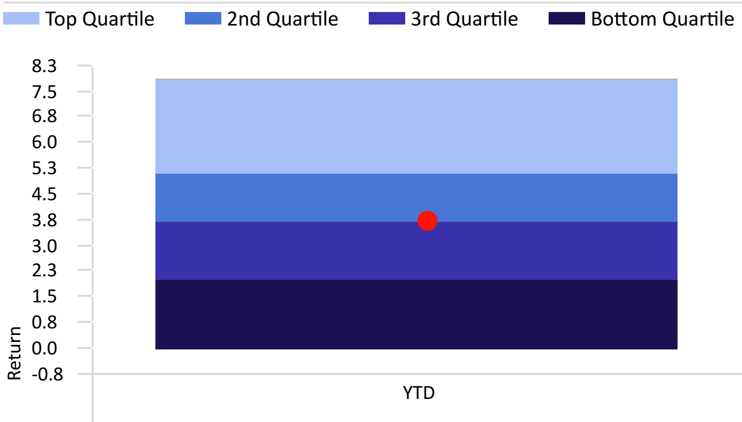
EAA USD MODERATE ALLOCATION



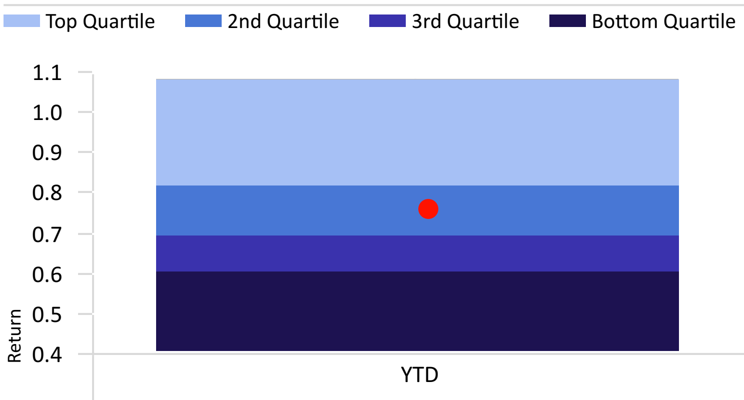
EAA USD FLEXIBLE ALLOCATION



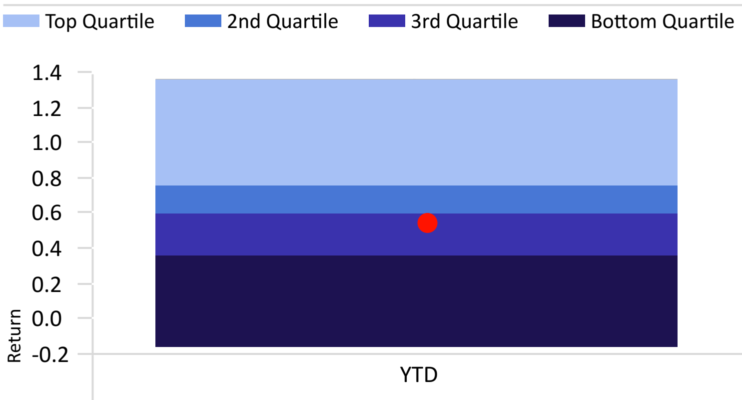
EAA USD AGGRESSIVE ALLOCATION



EAA USD DIVERSIFIED BOND - SHORT TERM



EAA USD HIGH YIELD BOND



** Annualised*

OFFSHORE COMMENTARY

February was shaped by an unusual blend of supportive macro data and headline driven policy risk. Markets had to navigate two major crosswinds. First, the US Supreme Court ruled against the use of the International Economic Emergency Powers Act as a basis for the April 2025 reciprocal tariffs, reopening uncertainty around the trade policy toolkit and how tariff policy might evolve from here. Second, tensions between the US and Iran escalated through the month and culminated in armed conflict, although the most acute hostilities began after markets had effectively closed for February, setting the stage for a more volatile start to March rather than fully reshaping month end pricing.

Against that noisier political backdrop, the economic impulse was more constructive. Business surveys continued to point toward broadening growth across manufacturing and services, while inflation signals in several major economies were less threatening than markets had feared. That combination helped keep risk appetite intact even as investors remained alert to event risk and policy uncertainty.

Equities

Equity performance in February was less about headline index moves and more about leadership and positioning. Investors continued to rotate away from mega cap US technology, and the month reinforced that markets are increasingly sensitive to the debate around AI investment returns rather than simply the AI narrative itself. US earnings were generally strong, but the hyperscalers were punished when they signaled further large increases in capital expenditure, as investors questioned payback periods, competitive dynamics, and whether the next phase of spending will translate into durable profit pools.

That shift in leadership supported a rotation toward value and more asset heavy sectors that stand to benefit from the physical build out of AI infrastructure. Materials, utilities and energy performed better than the technology complex, reflecting renewed interest in the inputs and enabling infrastructure required for data centers, grid upgrades, and broader electrification. Regional performance also favored markets with greater exposure to manufacturing supply chains and commodities. Emerging markets outperformed developed markets, with Asia and parts of Latin America benefiting from their positioning in hardware, raw materials, and industrial activity linked to the AI capex cycle.

Japan also stood out. Markets reacted positively to domestic political developments that increased expectations of fiscal support and policy continuity. That combination, alongside an export tailwind from currency dynamics, helped Japanese equities outperform and reinforced the theme that leadership is broadening beyond the most crowded US mega cap cohort.

Fixed income

Fixed income delivered more constructive results than a simple risk on narrative might imply. Even with activity data holding up, the combination of policy uncertainty, geopolitical risk, and concern about longer run structural shifts linked to AI encouraged demand for high quality duration. Global developed market government bonds posted positive returns as yields drifted lower in several markets, reflecting both hedging demand and a market that is increasingly comfortable that near term inflation is not re accelerating in a straight line.

The UK was a notable bright spot within sovereign bonds. Cooling inflation pressures strengthened expectations for earlier rate cuts, pushing gilt yields lower and supporting returns. In the eurozone, inflation undershot target and the central bank remained cautious, keeping rates on hold while acknowledging the balance between improving inflation trends and uneven growth. Peripheral markets benefited from carry and a calmer risk backdrop, supporting relative performance versus core benchmarks.

The US bond market reflected a tug of war. Improved risk sentiment and steady activity data tended to push yields higher, yet policy uncertainty and softening pockets of labor and confidence data supported demand for Treasuries. The net effect was that bonds performed reasonably well, but curve dynamics remained sensitive to the outlook for future supply and the perceived independence of institutions. Japan was the main source of rates volatility. Fiscal concerns and political uncertainty continued to put upward pressure on long dated yields, leaving Japanese government bonds among the weakest segments of developed market fixed income.

Credit markets were more mixed. Investment grade returns benefited from carry and the broader bond rally, but spreads widened modestly as investors repriced risk in areas perceived to be more exposed to business model disruption, particularly those linked to software and private credit narratives. High yield spreads also widened, though total returns were cushioned by higher all in yields, leaving credit more resilient than spread moves alone would suggest.

Commodities

Commodities delivered positive returns for February, with precious metals doing much of the work. After a late January correction, gold and related metals rebounded sharply as investors sought hedges against geopolitical escalation and policy uncertainty. Energy markets were weaker for much of the month as rising inventory concerns and surplus narratives weighed on pricing, but late month geopolitical developments created a setup for renewed volatility once markets reopened in March.

Conclusion

February was a constructive month for diversified investors, but the deeper message was dispersion and rotation. Leadership continued to broaden away from a narrow set of US mega cap growth names and toward a wider opportunity set across regions and sectors. That broadening supports the strategic case for regional diversification and for managing concentration risk in portfolios that have become structurally tied to a small number of AI dominant stocks.

The month also reinforced that AI is no longer a single market trade. Investors are increasingly distinguishing between beneficiaries of AI infrastructure spending, including power, industrials, and raw materials, and the sectors that may face disruption or margin pressure as AI tools diffuse across the economy. In this environment, maintaining diversification while staying humble about the next phase of the theme remains sensible.

Finally, February showed that bonds can still play a stabilizing role even when growth is resilient, particularly when geopolitical and policy uncertainty rise. Carry remains an important component of fixed income returns, while duration is likely to be most valuable as protection during volatility spikes rather than as a one way capital appreciation story.

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