



Quarterly Market Review

First Quarter 2026 · January · February · March

PUBLISHED MAY 2026

KEY TAKEAWAYS

- Q1 2026 was the first negative quarter for global equities since early 2022. The S&P 500 fell 4.4%, the Nasdaq 100 fell 5.8% and the Magnificent Seven dropped roughly 13% as the AI trade was repriced.

- Conflict involving Iran from late February disrupted shipping through the Strait of Hormuz. Brent crude rose around 80% over the quarter and pushed inflation expectations sharply higher.

- All four major central banks — the Fed, ECB, BoE and BoJ — held rates unchanged in March within a 24-hour window. Markets repriced from expecting two further Fed cuts to essentially none.

- Real assets were the clear winners. The Bloomberg Commodity Index returned 26.8%, gold reached a record USD 5,595/oz on 29 January, and listed infrastructure delivered around 10%.

- The UK's FTSE All-Share returned +2.4%, supported by its energy and resources weighting. UK CPI was 3.0% in January and the Bank of England held Bank Rate at 3.75%.

- All six London Tyne portfolios delivered positive returns and outperformed their IA peer-group benchmarks, with outperformance ranging from +1.10% to +2.66%.

Executive Summary

The first quarter of 2026 was a noisy one. Investors began the year expecting the gentle disinflation story of 2024 and 2025 to carry on, with central banks delivering steady rate cuts and equity markets pushing higher. Two things got in the way.

First, an abrupt reassessment of the artificial intelligence trade in late January left mega-cap technology stocks looking overstretched. Then in late February, conflict involving Iran escalated and disrupted shipping through the Strait of Hormuz, sending Brent crude up around 80% over the quarter and reigniting the inflation fears that had been steadily fading. Central banks took the hint and the Federal Reserve, European Central Bank and Bank of England all paused at their March meetings.

The story for equities was rotation more than retreat. The S&P 500 fell about 4% on a total-return basis and the Magnificent Seven dropped roughly 13%, but beneath the surface the picture was very different: energy stocks rallied more than a third, value, dividend and small-cap names came back into favour, and the UK's commodity-heavy FTSE All-Share posted a positive quarter.

"The clear winners of the quarter were real assets — commodities posted their strongest quarter in years, gold reached a fresh record above USD 5,500 an ounce, and listed infrastructure delivered double-digit gains."

Outside the US, Europe and Japan struggled with their energy import bills while emerging markets held up better than many feared, helped by Korean and Taiwanese semiconductor strength early in the quarter. All four major central banks paused in March within 24 hours of each other.

Both our LT and LT Cost Conscious model ranges delivered positive returns and outperformed their IA peer-group benchmarks across all three risk profiles. Holding back from the most concentrated parts of the US equity market, leaning toward UK and Asian equities, and maintaining diversified exposure to real assets and managed futures all paid off.



A NOTE ON TERMINOLOGY

Magnificent Seven — the seven largest US technology companies by market capitalisation: Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Meta (Facebook) and Tesla. Collectively they account for around a quarter of the S&P 500 by weight.

Hyperscalers — the largest cloud-infrastructure providers: principally Amazon (AWS), Microsoft (Azure), Alphabet (Google Cloud), Meta and, increasingly, Oracle. They are responsible for the bulk of global AI infrastructure investment.

Market Snapshot

EQUITY INDEX RETURNS · Q1 2026

| INDEX | Q1 2026 RETURN | NOTES |
|------------------------------|---|--|
| S&P 500 Total Return |  -4.4% | AI and software de-rating; energy and defensives held up. |
| Nasdaq 100 Total Return |  -5.8% | Mega-cap tech led losses; Magnificent Seven fell c.13%. |
| Russell 2000 Total Return |  -2.4% | US small caps relatively resilient; value beat growth. |
| FTSE All-Share Total Return |  +2.4% | Energy and resources weighting provided shelter. |
| MSCI Europe ex-UK Net TR |  -4.0% | Exporters and cyclicals weighed by higher input costs. |
| TOPIX Total Return |  -3.5% | Heavy oil import dependence hit Japanese equities. |
| MSCI Emerging Markets Net TR |  -0.2% | Korea and Taiwan held up the index against later weakness. |
| MSCI Asia ex-Japan Net TR |  -1.1% | Energy security concerns weighed on regional sentiment. |

Source: J.P. Morgan Asset Management, Morningstar, FE Analytics, FactSet. All equity index returns are total return in local currency. Figures approximate.

ASSET CLASS RETURNS · Q1 2026

| ASSET CLASS | Q1 2026 RETURN | KEY DRIVER |
|--|----------------|--|
| Bloomberg Commodity Index TR | +26.8% | Oil shock and broad commodity rally. |
| Brent Crude Oil | c.+80% | Disruption to traffic through the Strait of Hormuz. |
| Gold (USD) | +5.0% | Record high in late January, then profit-taking in March. |
| Industrial Metals (MSCI World M&M) | +10.7% | Tightening physical markets and inflation hedging demand. |
| Bloomberg Global Aggregate Bond TR (GBP Hgd) | -0.2% | Bond yields rose c.50bp on inflation concerns. |
| US Dollar Index (DXY) | +2.0% | Largest monthly USD gain since July, driven by rate repricing. |
| GBP/USD | -1.0% | Sterling broadly stable, mild weakness vs USD. |
| EUR/USD | -0.8% | ECB on hold; persistent inflation pressures. |

Source: Bloomberg, FE Analytics, J.P. Morgan Asset Management, ICE, LBMA. Figures approximate.

Regional Review

United States

-4.4%

S&P 500 RETURN

2.6%

GDP GROWTH (Q1 EST.)

3.0%

HEADLINE CPI

3.50–

3.75%

FED FUNDS RATE

The US economy entered the year on a slower footing. Real GDP growth in the first quarter is tracking at around 2.6%, following a 0.7% pace in Q4 2025, and the labour market continued to soften — Fed Chair Powell described job creation in March as "essentially zero" with the unemployment rate hovering in the 4.3%–4.4% range.

Headline CPI proved sticky at around 3.0% year-on-year and core PCE is forecast to print near 2.7% by quarter-end, both stubbornly above the 2% target. The spike in petrol prices following the Hormuz disruption added to the pressure: by quarter-end, US gasoline prices were back near USD 3.99 a gallon, more than a dollar above where they started February.

US equities had their first negative quarter since early 2022. The S&P 500 fell 4.4% and the Nasdaq 100 fell 5.8%, with the Magnificent Seven dropping roughly 13%. The catalyst was a fundamental rethink about the economics of the AI trade. Beneath the index level, however, dispersion was striking — energy stocks rallied around 36%, materials gained 10% and utilities posted a 7% return. Equal-weighted S&P 500 outperformed its cap-weighted counterpart comfortably. Forward valuations compressed from around 22x earnings to closer to 20x by quarter-end.



United Kingdom

+2.4%

FTSE ALL-SHARE
RETURN

3.75%

BANK RATE

3.0%

UK CPI (JAN)

4.83%

10Y GILT YIELD (MAR
13)

The UK was a relative bright spot in a difficult quarter for global markets. The Bank of England held Bank Rate unchanged at 3.75% at both its February and March meetings, with the MPC voting 5–4 to hold in February. UK headline CPI stood at 3.0% in January and the Bank now expects it to print between 3.0% and 3.5% over the next two quarters before easing back.

UK equities benefited handsomely from this backdrop. The FTSE All-Share returned around 2.4% over the quarter, helped enormously by its weighting in energy and resources stocks — BP, Shell, Glencore and Rio Tinto all benefited directly from the rise in oil and industrial metals prices. Mid-caps were more mixed: the more domestically focused FTSE 250 was hampered by the Bank's reluctance to cut rates further.

Sterling was broadly stable against the dollar, and the 10-year gilt yield reached 4.83% on 13 March — a level we view as an attractive entry point for sterling sovereign exposure.



Europe ex-UK

-4.0%

MSCI EUROPE EX-UK

2.5%

HICP INFLATION (MAR)

2.00%

ECB DEPOSIT RATE

-0.8%

EUR/USD

Eurozone growth stayed subdued, tracking modestly below potential as the energy shock landed on top of already-weak German manufacturing and fragile consumer sentiment. Headline HICP inflation jumped to 2.5% in March on higher gas and oil prices. At its 19 March meeting, the ECB held the deposit facility rate at 2.00%, citing the Middle East conflict as the primary source of upside inflation risk. The MSCI Europe ex-UK Index fell around 4% as exporters, automotives and consumer discretionary names came under pressure. Germany found some support from defence and infrastructure capital expenditure under its recently agreed fiscal package.



Japan

-3.5%

TOPIX RETURN

2.1%

HEADLINE CPI

0.75%

BOJ POLICY RATE

2.20%

10Y JGB YIELD (MAR)

Japan's first quarter was shaped by the interaction of Prime Minister Takaichi's expansionary fiscal plans, persistent above-target inflation, and the energy import shock that hits Japan harder than almost anywhere. Headline CPI ran at around 2.1% year-on-year — the 45th consecutive month above the BoJ's 2% target. The Bank of Japan held its policy rate at 0.75%, the highest since September 1995. The TOPIX fell around 3.5% in local-currency terms. The 10-year JGB yield reached a 27-year high above 2.38% in late January before stabilising near 2.20% by quarter-end.



Asia & Emerging Markets

-0.2%

MSCI EM RETURN

-1.1%

MSCI ASIA EX-JAPAN

-6.0%

SHANGHAI COMPOSITE

1.50%

PBOC 7-DAY REPO
RATE

The broader Asia and emerging markets picture was uneven but ultimately resilient relative to developed markets. The MSCI Emerging Markets Index fell only marginally, with early-quarter strength in Korean and Taiwanese semiconductor names cushioning the index against the later risk-off move. Chinese equities remained under pressure — the Shanghai Composite fell around 6% as ongoing property market weakness and persistent deflation weighed on sentiment. India and ASEAN markets were comparatively resilient, supported by stronger domestic growth and lower direct exposure to the energy import shock.



Commodities & Currencies

+26.8%

BLOOMBERG
COMMODITY INDEX

c.+80%

BRENT CRUDE OIL

\$5,595

GOLD RECORD (29
JAN)

+10.7%

INDUSTRIAL METALS

Commodities were the unambiguous winners of Q1 2026. The Bloomberg Commodity Index returned around 27%, with Brent crude up about 80% from a starting price near USD 57 a barrel. The trigger was the disruption to shipping through the Strait of Hormuz, through which 20%–30% of the world's seaborne crude oil flows. A market that had been comfortably oversupplied at the start of the year suddenly looked tight.

Gold had a more interesting quarter. It hit a record high of around USD 5,595 per ounce on 29 January as safe-haven demand and central-bank buying pushed it higher, before falling more than 11% in March in its steepest monthly decline since 2008 as the dollar strengthened. It still ended the quarter around 5% higher in dollar terms. Industrial metals were strong across the board, with copper, aluminium and zinc all posting double-digit gains.

Currency moves were comparatively contained. The US dollar gained around 2% over the quarter as traders priced out Fed cuts. Sterling traded in a narrow range and ended broadly flat against the dollar. The yen tested the 160 level against the dollar in late March, prompting verbal intervention from Japanese authorities.

Key Themes & Risks

THEME 01

The AI Capex Reassessment

For the first time in nearly three years, the AI story shifted from unambiguous tailwind to a source of concentrated risk. Hyperscalers plan to spend over USD 650 billion on AI infrastructure this year, raising questions about return on investment. The Magnificent Seven entered the year at roughly a 25% premium to the rest of the index — that premium compressed materially. We view this as a structural shift reinforcing our preference for broad market participation.

THEME 02

Iran Conflict & Energy Security

The escalation of the Iran conflict and the resulting disruption to the Strait of Hormuz was the most significant geopolitical shock to global markets since the Russian invasion of Ukraine in 2022. The Strait carries 20%–30% of seaborne crude oil. Our working assumption is that diplomatic pressure will eventually push toward de-escalation, but the strategic vulnerability exposed is unlikely to fade quickly. A structurally higher geopolitical risk premium in oil prices should be expected.

THEME 03

Inflation & the Limits of Easing

All four major central banks holding rates within a 24-hour window marks a meaningful inflection point in the global easing cycle. Markets entered the year expecting 50–75bp of additional Fed cuts — by end-March that expectation had collapsed to essentially zero. The renewed positive correlation between equities and bonds during inflation shocks strengthens the case for genuine alternatives such as managed futures, infrastructure and gold within multi-asset frameworks.

Portfolio Performance

Both the LT and LT Cost Conscious ranges delivered positive returns over Q1 2026, and all six portfolios outperformed their IA peer-group benchmarks. The defensive composition — an underweight to mega-cap US technology, regional tilts toward the UK and Asia, diversified sovereign bond exposure, and meaningful holdings in real assets and managed futures — was well suited to a quarter dominated by an oil shock and rotation away from concentrated AI leadership.

| LT RANGE · Q1 2026 | | | | LT COST CONSCIOUS RANGE · Q1 2026 | | | |
|--------------------|-------------------------|-------------------------------|------------------------|-----------------------------------|-------------------------|-------------------------------|------------------------|
| LT Cautious | Return +0.20% | IA Benchmark -0.90% | Alpha +1.10% | LT CC Cautious | Return +1.22% | IA Benchmark -0.90% | Alpha +2.12% |
| LT Balanced | Return +0.73% | IA Benchmark -0.97% | Alpha +1.70% | LT CC Balanced | Return +1.04% | IA Benchmark -0.97% | Alpha +2.01% |
| LT Opportunistic | Return +0.97% | IA Benchmark -1.69% | Alpha +2.66% | LT CC Opportunistic | Return +0.39% | IA Benchmark -1.69% | Alpha +2.08% |

Source: FE Analytics, FE fundinfo. Performance period 31 December 2025 to 31 March 2026. All returns are total return in GBP, net of fund-level ongoing costs. Past performance is not a reliable indicator of future results.

All six London Tyne portfolios outperformed their IA peer-group benchmarks in Q1 2026, and all three LT Premium portfolios have outperformed across every time period measured — 3 months, 6 months, 1 year, 2 years and since inception on 06 September 2023.

Cumulative Performance · LT Premium Range

● LT PREMIUM RANGE

CUMULATIVE PERFORMANCE TO 31 MAR 2026

| PORTFOLIO | 3 MONTHS | 6 MONTHS | 1 YEAR | 2 YEARS | SINCE INCEPTION |
|--|---------------|---------------|---------------|---------------|-----------------|
| LT Opportunistic | +0.97% | +4.33% | +13.81% | +22.06% | +36.84% |
| <i>IA Mixed Investment 40–85% Shares</i> | -1.69% | +1.57% | +11.05% | +14.75% | +25.71% |
| Outperformance | +2.66% | +2.76% | +2.76% | +7.31% | +11.13% |
| LT Balanced | +0.73% | +3.56% | +10.50% | +18.72% | +30.33% |
| <i>IA Mixed Investment 20–60% Shares</i> | -0.97% | +1.73% | +8.89% | +12.92% | +21.80% |
| Outperformance | +1.70% | +1.83% | +1.61% | +5.80% | +8.53% |
| LT Cautious | +0.20% | +2.55% | +7.53% | +14.57% | +24.24% |
| <i>IA Mixed Investment 0–35% Shares</i> | -0.90% | +1.24% | +6.39% | +9.93% | +17.38% |
| Outperformance | +1.10% | +1.31% | +1.14% | +4.64% | +6.86% |

Source: FE Analytics, FE fundinfo. 06 Sep 2023 to 31 Mar 2026. All returns total return in GBP, net of fund-level ongoing costs.

Performance over one year is cumulative, not annualised. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class) but exclude manager fees (c.0.35% p.a.), adviser, and platform charges.

Discrete Annual Performance · LT Premium Range

● LT PREMIUM RANGE

DISCRETE ANNUAL PERFORMANCE TO 31 MAR 2026

| PORTFOLIO | Q1 2026 (YTD) | 2025 | 2024 |
|--|---------------|----------------|----------------|
| LT Opportunistic | +0.97% | +16.17% | +11.90% |
| <i>IA Mixed Investment 40–85% Shares</i> | -1.69% | +11.58% | +8.98% |
| Outperformance | +2.66% | +4.59% | +2.92% |
| LT Balanced | +0.73% | +13.07% | +9.68% |
| <i>IA Mixed Investment 20–60% Shares</i> | -0.97% | +10.18% | +6.07% |
| Outperformance | +1.70% | +2.89% | +3.61% |
| LT Cautious | +0.20% | +10.29% | +8.57% |
| <i>IA Mixed Investment 0–35% Shares</i> | -0.90% | +7.83% | +4.42% |
| Outperformance | +1.10% | +2.46% | +4.15% |

Source: FE Analytics, FE fundinfo. Returns total return in GBP, net of fund-level ongoing costs. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class) but exclude manager fees (c.0.35% p.a.), adviser, and platform charges.

Cumulative Performance · LT Cost Conscious Range

● LT COST CONSCIOUS RANGE

CUMULATIVE PERFORMANCE TO 31 MAR 2026

| PORTFOLIO | 3 MONTHS | 6 MONTHS | 1 YEAR |
|--|---------------|---------------|---------------|
| LT CC Opportunistic | +0.39% | +3.11% | +12.28% |
| <i>IA Mixed Investment 40–85% Shares</i> | -1.69% | +1.57% | +11.05% |
| Outperformance | +2.08% | +1.54% | +1.23% |
| LT CC Balanced | +1.04% | +3.47% | +9.98% |
| <i>IA Mixed Investment 20–60% Shares</i> | -0.97% | +1.73% | +8.89% |
| Outperformance | +2.01% | +1.74% | +1.09% |
| LT CC Cautious | +1.22% | +3.22% | +7.31% |
| <i>IA Mixed Investment 0–35% Shares</i> | -0.90% | +1.24% | +6.39% |
| Outperformance | +2.12% | +1.98% | +0.92% |

Source: FE Analytics, FE fundinfo. 13 Mar 2025 to 31 Mar 2026. Returns total return in GBP, net of fund-level ongoing costs. The LT CC range was launched 13 March 2025; longer periods are not shown as prior data reflects actual returns of the LT Premium portfolios. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class) but exclude manager fees (c.0.35% p.a.), adviser, and platform charges.

Q1 2026 Performance · LT Cost Conscious Range

● LT COST CONSCIOUS RANGE

Q1 2026 (YTD) PERFORMANCE TO 31 MAR 2026

| PORTFOLIO | Q1 2026 (YTD) |
|--|---------------|
| LT CC Opportunistic | +0.39% |
| <i>IA Mixed Investment 40–85% Shares</i> | -1.69% |
| Outperformance | +2.08% |
| LT CC Balanced | +1.04% |
| <i>IA Mixed Investment 20–60% Shares</i> | -0.97% |
| Outperformance | +2.01% |
| LT CC Cautious | +1.22% |
| <i>IA Mixed Investment 0–35% Shares</i> | -0.90% |
| Outperformance | +2.12% |

Source: FE Analytics, FE fundinfo. 31 Dec 2025 to 31 Mar 2026. Returns total return in GBP, net of fund-level ongoing costs. Only YTD data is shown for the CC range as prior periods include backtested returns from the LT Premium portfolios. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class) but exclude manager fees (c.0.35% p.a.), adviser, and platform charges.

INDIVIDUAL HOLDING RETURNS · Q1 2026 (GBP, TOTAL RETURN)

| HOLDING | Q1 2026 RETURN | RANGE |
|---|----------------|------------|
| L&G Global Infrastructure Index | +10.2% | LT CC |
| WS Nomura Global Infrastructure Securities | +10.2% | LT |
| AQR Managed Futures | +7.4% | LT |
| Vanguard FTSE All World High Dividend Yield | +5.9% | LT / LT CC |
| L&G Asia Pacific ex Japan Equity | +4.7% | LT CC |
| Vanguard FTSE Japan | +3.7% | LT / LT CC |
| HSBC FTSE 100 | +3.4% | LT / LT CC |
| Artemis SmartGARP Global Equity | +3.0% | LT |
| CAIFS / Perinvest Asia Dividend Equity | +2.1% | LT |
| Vanguard USD Treasury Bond | +2.0% | LT CC |
| iShares Global Inflation Linked Govt Bond | +1.7% | LT CC |
| Royal London Short Duration Global Index Linked | +1.2% | LT CC |
| Royal London Short Term Money Market | +0.9% | LT CC |
| Redwheel Next Generation Emerging Markets | +0.7% | LT |
| iShares MSCI EM Asia | +0.5% | LT CC |
| iShares Core Global Aggregate Bond (Hgd) | -0.2% | LT CC |
| Amundi Core Stoxx Europe 600 | -0.9% | LT CC |
| iShares Core UK Gilts | -1.9% | LT |
| Vanguard FTSE Developed Europe ex-UK | -2.2% | LT |
| Ninety One Global Special Situations | -3.0% | LT |
| SPDR MSCI World (Hedged) | -3.0% | LT / LT CC |
| Franklin FTSE China | -6.1% | LT / LT CC |

| HOLDING | Q1 2026 RETURN | RANGE |
|--------------------------|----------------|------------|
| Amundi S&P Global Luxury | -11.5% | LT / LT CC |

Source: FE Analytics, FE fundinfo. Returns total return in GBP, 31/12/2025 to 31/03/2026. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class available).

Portfolio Activity

Activity over the quarter was thematic rather than directional. The aim of each trade was either to express an existing view through a better vehicle or to act on shifts in relative value as the macro backdrop evolved.

EARLY JAN**LT Range: Ninety One Global Special Situations Added**

Added Ninety One Global Special Situations to the LT range, funded by the sale of the iShares Edge MSCI World Minimum Volatility ETF. The minimum-volatility position had retained meaningful exposure to mega-cap technology, undermining its defensive role. Ninety One is a contrarian, value-oriented manager with a structural underweight to the Magnificent Seven.

6 FEB**Both Ranges: Major Real Asset Rebalance**

In the LT range, exited PIMCO Commodity Real Return and L&G Global Infrastructure Index, consolidating real-asset exposure into actively managed WS Nomura Global Infrastructure Securities. Also swapped Xtrackers MSCI Japan and Invesco MSCI Europe ex-UK for equivalent Vanguard trackers at materially lower cost. In the LT CC range, made an equivalent set of changes — exiting iShares Min Vol, Amundi Prime Japan, L&G All Commodities and iShares Physical Gold; adding a larger L&G Global Infrastructure position, Vanguard FTSE Japan, and expanded Vanguard FTSE All World High Dividend Yield.

2 MAR**LT Range: Asian Dividend Manager Swap**

Substituted the Fidelity Asian Dividend Fund for CAIFS Asia Dividend Equity (Perinvest). A like-for-like swap maintaining overall Asian dividend equity weighting but moving to a higher-yielding, value-oriented manager with a structural underweight to large-cap Asian technology.

16 MAR**LT Cautious & Balanced: Gilts for Asian Local Bonds**

Sold the iShares Emerging Asia Local Government Bond ETF from LT Cautious and LT Balanced, reinvesting in the actively managed Royal London UK Government Bond fund. With the 10-year gilt yield reaching 4.83% on 13 March, UK gilts offered an attractive entry point for sterling government bond exposure. The trade is income-accretive, lowers ongoing costs and removes both currency and geopolitical risk.

Outlook & Positioning

Equity market concentration has reached its highest level since the dot-com era, with the top 10 S&P 500 stocks now representing 39.7% of the index — the highest reading in 60 years. The phenomenon is not confined to the US. It is regional and national in nature: Samsung Electronics and SK Hynix alone account for close to 40% of the KOSPI's total weight, and the MSCI Emerging Markets rally has been driven almost entirely by these names plus TSMC. In the US, stripping out Nvidia and Micron reduces Q1 S&P 500 earnings growth from 13.4% to approximately 3%. Breadth on the latest rally is at its narrowest since the dot-com era. We see material risks to equities in the coming quarters and have leaned further into active management to mitigate exposure to this highly concentrated beta.

Compounding the risk, the character of the mega-cap leadership has fundamentally shifted, and these are no longer the businesses they were a cycle ago. The five largest US hyperscalers issued \$121 billion in bonds in 2025 against a five-year prior average of \$28 billion, and Bank of America projects a further \$175 billion of issuance in 2026. For the first time, this cohort collectively holds more debt than cash. Free cash flow is collapsing alongside the capex surge: Pivotal Research projects Alphabet's FCF to fall roughly 90% in 2026 to \$8.2 billion (from \$73.3 billion in 2025), and Barclays sees a comparable 90% decline at Meta. The cash-rich, asset-light compounders that defined the prior cycle have become capex-heavy, debt-funded infrastructure businesses with rapidly deteriorating cash conversion. They are no longer the place to hide.

The macro backdrop reinforces our caution. Oil shocks filter through with a lag, so the full damage to GDP and corporate earnings is not yet visible, but the gilt market has already flagged the upside risk to inflation — UK 30-year yields hit 5.78% this week, the highest since 1998, with 10-year yields near 18-year highs. Inflation expectations are at their highest level since 2023, even as growth expectations are being materially downgraded. US 2026 GDP forecasts have been cut from 2.2% to between 1.6% and 1.7%, while the IMF now projects Asia to grow 4.4% in 2026, down from 5.0% in 2025, with Emerging Asia at 4.9%. The deceleration in Asia is comparable in magnitude to the US, but from a meaningfully higher starting base. On that basis we continue to favour Asia, where policymakers retain greater stimulus capacity should they need to support growth.

Developed markets have far less room to manoeuvre as inflation expectations climb, but the constraints differ by region. The Fed's dual mandate of price stability and maximum employment leaves it caught between two opposing forces: rising inflation argues for tighter policy, while softening growth and a cooling labour market argue for easier policy. The path of least resistance is therefore inaction, with the Fed most likely to remain on hold until one side of the mandate clearly dominates. The ECB faces no such ambiguity — bound by a single primary mandate of price stability, it risks tightening into faltering eurozone growth, where the IMF now sees the region expanding just 1.1% in 2026, down from 1.4% in 2025. Our base case is that inflation subsides over the medium term,

but in the interim our inflation protection is expressed through infrastructure rather than conventional hedges, and our continued allocation to alternatives is designed to address the persistent risk of positive stock–bond correlations that has eroded the diversification benefit of traditional portfolios.

EQUITY POSITIONING

Modest underweight to US equities across both ranges. Careful about concentration risk in mega-cap technology. Regional preferences remain Asia and Europe. UK overweight retained — supported by attractive combination of valuation, dividend yield and sector composition. In Asia, conviction in value, dividend and family-owned segments via active managers (LT) and broad high-dividend exposure (LT CC).

FIXED INCOME POSITIONING

Fixed income exposure broadly diversified across UK and US government debt, with duration spread across the curve. No exposure to private credit across either range — current spreads do not adequately compensate for liquidity, transparency and refinancing risks. UK gilts and US Treasuries viewed as offering attractive real returns and meaningful capital appreciation potential should central banks resume easing in H2.

REAL ASSETS & ALTERNATIVES

Both ranges retain meaningful exposure to real assets and alternatives post the February rebalance. LT range expresses this through WS Nomura Global Infrastructure Securities and AQR Managed Futures. LT CC range through L&G Global Infrastructure Index and AQR. These holdings proved their diversification value in Q1 2026, where traditional 60/40 portfolios came under simultaneous pressure from equity drawdowns and rising bond yields.

Performance Since Inception

LT RANGE

06 Sep 2023 to 31 Mar 2026

| | RETURN | BENCHMARK | ALPHA |
|-------------|----------------|-----------|---------------|
| LT Cautious | +24.24% | +17.38% | +6.86% |

| | RETURN | BENCHMARK | ALPHA |
|-------------|----------------|-----------|---------------|
| LT Balanced | +30.33% | +21.80% | +8.53% |

| | RETURN | BENCHMARK | ALPHA |
|------------------|----------------|-----------|----------------|
| LT Opportunistic | +36.84% | +25.71% | +11.13% |

LT COST CONSCIOUS RANGE

13 Mar 2025 to 31 Mar 2026

| | RETURN | BENCHMARK | ALPHA |
|----------------|---------------|-----------|---------------|
| LT CC Cautious | +8.10% | +6.81% | +1.29% |

| | RETURN | BENCHMARK | ALPHA |
|----------------|----------------|-----------|---------------|
| LT CC Balanced | +10.86% | +9.23% | +1.63% |

| | RETURN | BENCHMARK | ALPHA |
|---------------------|----------------|-----------|---------------|
| LT CC Opportunistic | +13.05% | +11.22% | +1.83% |

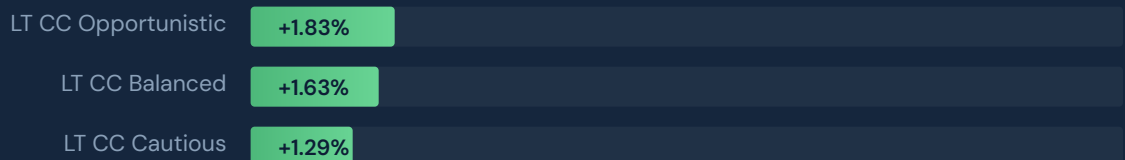
Source: FE Analytics, FE fundinfo. LT range: 06 Sep 2023 to 31 Mar 2026. LT CC range: 13 Mar 2025 to 31 Mar 2026. All returns are total return in GBP, net of fund-level ongoing costs. IA peer-group benchmarks: Cautious vs IA Mixed Investment 0–35% Shares; Balanced vs IA Mixed Investment 20–60% Shares; Opportunistic vs IA Mixed Investment 40–85% Shares. Past performance is not a reliable indicator of future results.

SINCE INCEPTION OUTPERFORMANCE VS IA BENCHMARK

LT Range (06 Sep 2023 – 31 Mar 2026)



LT Cost Conscious Range (13 Mar 2025 – 31 Mar 2026)

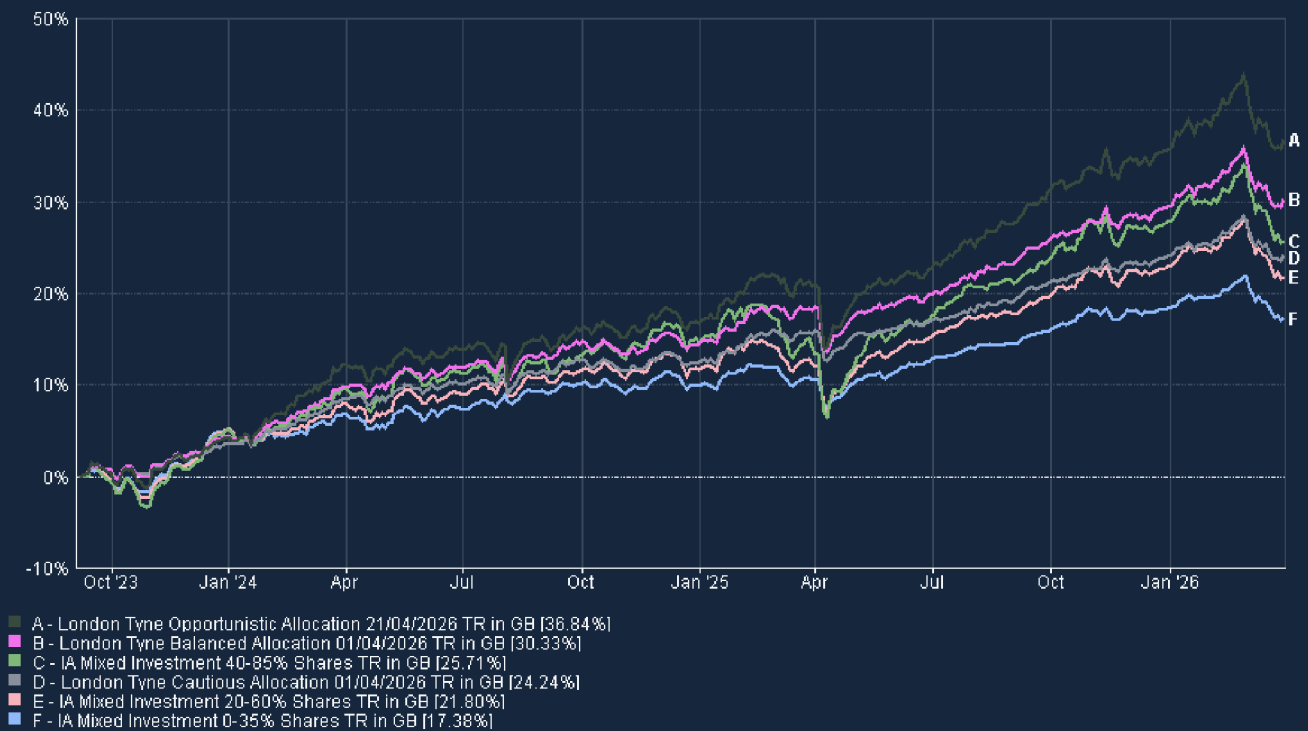


Performance Charts

The charts below show cumulative total return for each range against their respective IA peer-group benchmarks. The LT Premium Range is shown from inception (06 September 2023) to 31 March 2026; the LT Cost Conscious Range is shown from its inception (13 March 2025) to 31 March 2026. All returns are in GBP, net of fund-level ongoing costs.

● LT PREMIUM RANGE

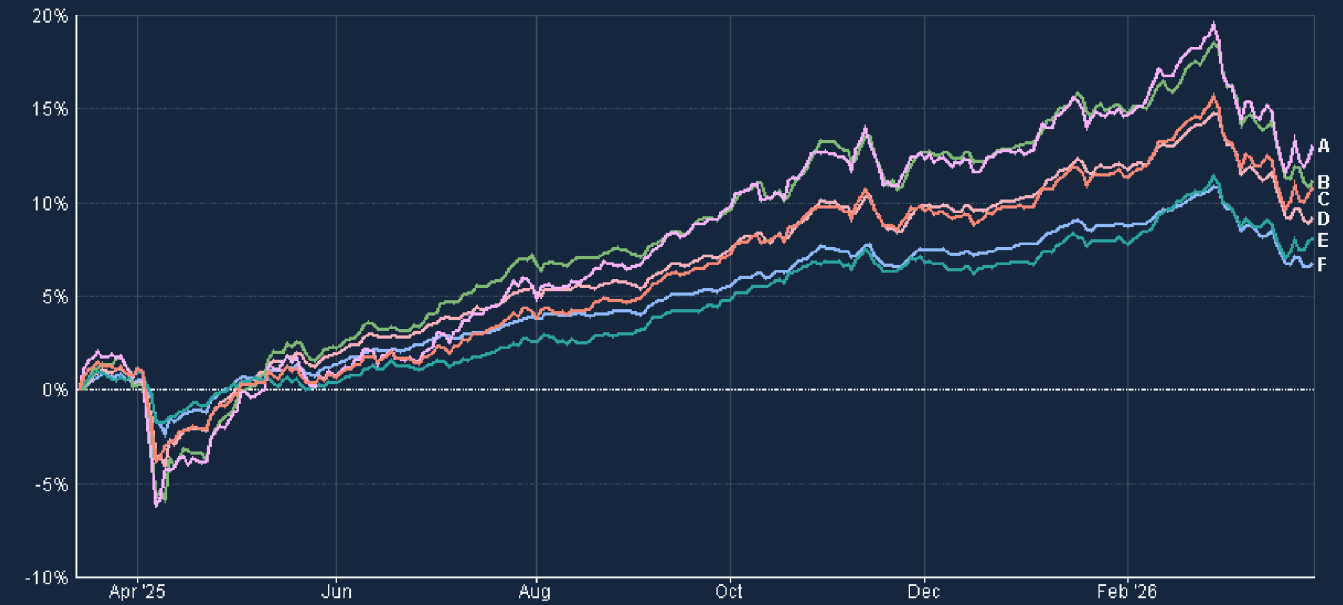
CUMULATIVE PERFORMANCE · LT PREMIUM RANGE · SEP 2023 – MAR 2026



06/09/2023 - 31/03/2026 Data from FE fundinfo 2026

Source: FE Analytics, FE fundinfo. 06 Sep 2023 – 31 Mar 2026. Total return in GBP, net of fund-level ongoing costs. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class) but exclude manager fees (c.0.35% p.a.), adviser, and platform charges.

CUMULATIVE PERFORMANCE · LT COST CONSCIOUS RANGE · MAR 2025 – MAR 2026



- A - CC Opportunistic 21/04/2026 TR in GB [13.05%]
- B - IA Mixed Investment 40-85% Shares TR in GB [11.22%]
- C - CC Balanced 01/04/2026 TR in GB [10.86%]
- D - IA Mixed Investment 20-60% Shares TR in GB [9.23%]
- E - CC Cautious 01/04/2026 TR in GB [8.10%]
- F - IA Mixed Investment 0-35% Shares TR in GB [6.81%]

13/03/2025 - 31/03/2026 Data from FE fundinfo2026

Source: FE Analytics, FE fundinfo. 13 Mar 2025 – 31 Mar 2026. Total return in GBP, net of fund-level ongoing costs. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class) but exclude manager fees (c.0.35% p.a.), adviser, and platform charges.

RETURNS DISCLOSURE & DISCLAIMER

Figures for the LT Premium Portfolios reflect the actual returns of a representative model of the given portfolio. Prior to 13/03/2025, figures for the LT CC Portfolios refer to actual returns of their Premium counterpart, from 13/03/2025 onward, performance reflects a representative model of the given portfolio. Past performance is not a reliable indicator of future performance. Returns are net of holdings' management fees and expenses based on the cheapest share class available; however, they do not include the fees charged by the manager (estimated to be 0.35% per annum), the adviser or the Platform. Returns are calculated assuming a single trading date in relation to any changes to underlying holdings which will not necessarily be the date that actual platform transactions occurred. Therefore, platform performance may vary from actual performance. For periods longer than one-year, cumulative performance has not been annualised. Movement in exchange rates may affect the value of some underlying investments.

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