Quarterly Market Review

Second Quarter 2026 · April · May · June

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FOR INVESTMENT PROFESSIONALS ONLY

KEY TAKEAWAYS

- Q2 2026 delivered one of the strongest quarters for global equities in years. The S&P 500 returned approximately +15.2%, the Nasdaq 100 +27.7% and the Dow +12.9% — the best quarterly gains for US indices since Q2 2020 — as AI-capex fears eased and the Iran conflict moved toward resolution.
- Kevin Warsh was sworn in as the 17th Chair of the Federal Reserve on 22 May, succeeding Jerome Powell. His first FOMC meeting (16–17 June) held rates at 3.50%–3.75%, even as markets ended the quarter pricing a meaningful probability of a hike as early as September.
- An interim US–Iran agreement signed on 19 June extended the ceasefire, lifted the naval blockade and reopened the Strait of Hormuz. Brent crude fell around 38% over the quarter, from above USD 113/barrel early in the period to the high-USD 70s by quarter-end.
- Central bank policy diverged for the first time this cycle: the ECB raised rates for the first time since 2023 (deposit rate to 2.25%, 11 June) and the Bank of Japan lifted its policy rate to 1.0%, while the Bank of England held Bank Rate at 3.75% on an increasingly split 7–2 vote.
- Gold's Q1 rally reversed sharply — bullion fell 14.1% over the quarter, its steepest quarterly decline since 2013, as the dollar strengthened and rate expectations shifted from cuts to possible hikes. UK equities extended their run, with the FTSE 100 posting a sixth consecutive quarterly gain.
- All six London Tyne portfolios delivered strong positive absolute returns (LT +2.65% to +3.94%; LT CC +3.00% to +7.42%), but lagged their IA peer-group benchmarks over the quarter as defensive positioning — light on mega-cap US technology, tilted to the UK, Asia and real assets — held them back during a sharp, tech-led risk-on rally. Over two years and since inception, the LT range remains comfortably ahead of benchmark.

OVERVIEW

Executive Summary

The second quarter of 2026 marked a dramatic turnaround from the volatility of Q1. Investors began April still nursing losses from the AI-trade reassessment and the Iran-driven oil shock, with the Strait of Hormuz effectively closed and Brent crude trading sharply higher. Sentiment shifted decisively as the quarter progressed: corporate earnings proved exceptionally strong, AI infrastructure spending remained robust, and — most significantly — the US and Iran reached an interim agreement in mid-June that extended their ceasefire and reopened the Strait.

Global equities rallied broadly, with North-Asian and emerging markets leading and US large-cap technology the standout among developed markets. The S&P 500 returned approximately +15.2% and the Nasdaq 100 +27.7% over the quarter, both posting their best quarterly gains since the pandemic recovery of Q2 2020, while the Russell 2000 also rallied hard as leadership broadened beyond mega-cap technology. Earnings momentum was a key support: with the large majority of S&P 500 companies beating estimates, analysts moved Q2 earnings-growth estimates higher through the quarter, led by energy and technology. The rally was not without turbulence — a bout of profit-taking in mega-cap technology from early June, and a further semiconductor-led wobble late in the month, briefly pulled indices off their highs before a strong finish into quarter-end.

> *"The defining event of the quarter was resolution rather than escalation: an interim US–Iran deal reopened the Strait of Hormuz in June, and Brent crude fell around 38% over the quarter to the high USD 70s, unwinding much of the energy shock that dominated Q1."*

The other defining development was the change of leadership at the Federal Reserve. Kevin Warsh was confirmed in the most divisive Senate vote for a Fed chair in the modern era and took office on 22 May, succeeding Jerome Powell (who remains on the Board as a governor). Warsh's first meeting as chair, on 16–17 June, held the federal funds rate at 3.50%–3.75%, but the accompanying commentary — and a widening split among voting members — left markets pricing a real possibility of a rate rise later in the year should inflation prove sticky.

That de-escalation came too late to prevent other central banks from tightening. The ECB raised its deposit rate by 25bp to 2.25% on 11 June — its first hike since 2023 — as eurozone inflation ran to around 3.2% in May. The Bank of Japan lifted its policy rate to 1.0% as underlying inflation continued to run near target. The Bank of England held Bank Rate at 3.75% on 18 June, but the 7–2 vote signalled a Committee genuinely split on timing. Gold's fortunes reversed, down around 14% on the quarter — its steepest quarterly decline since Q2 2013 — as the dollar strengthened and the geopolitical premium unwound, while UK equities recorded a sixth consecutive quarterly gain.

Both the LT and LT Cost Conscious ranges delivered strong positive absolute returns over Q2, but lagged their IA peer-group benchmarks over the three months. The same defensive composition that drove Q1's broad outperformance — an underweight to mega-cap US technology, regional tilts toward the UK and Asia, and meaningful real-asset and managed-futures exposure — was a headwind in a quarter led sharply higher by US technology. Over longer horizons the picture is unchanged: the LT range remains ahead of benchmark across two years and since inception.

A NOTE ON TERMINOLOGY

IA peer-group benchmark — the Investment Association sector average used as each portfolio's comparator. The Cautious, Balanced and Opportunistic strategies are measured against the IA Mixed Investment 0–35%, 20–60% and 40–85% Shares sectors respectively — the average return of all comparable multi-asset funds in that risk band.

Alpha — the portion of a portfolio's return above (or below) its IA peer-group benchmark over the same period. Positive alpha indicates outperformance of the comparator; negative alpha indicates underperformance.

Market Snapshot

EQUITY INDEX RETURNS · Q2 2026		
INDEX	Q2 2026 RETURN	NOTES
MSCI Asia ex-Japan Net TR	+27.8%	Korea (+88%) and Taiwan (+49%) memory/semiconductor names led the AI supply-chain rally.
MSCI Emerging Markets Net TR	+24.1%	Best quarter since Q2 2009; returns concentrated in North-Asian AI beneficiaries.
S&P 500 Total Return	+15.2%	Strongest quarter since 2020; 85% of companies beat estimates as the AI capex cycle broadened.
TOPIX Total Return	+14.4%	Cheap yen and a steeper curve aided exporters and financials; the TOPIX rose 14.4%.
MSCI Europe ex-UK Net TR	+14.4%	Rallied on Middle East de-escalation and resilient sentiment; IT and financials led.
Nasdaq 100 Total Return	+27.7%	Mega-cap technology and semiconductors drove the index to fresh record highs.
Russell 2000 / Small Cap TR	≈ +15%	Small caps rallied as AI-supply-chain strength broadened market leadership.
FTSE All-Share Total Return	+4.7%	Sixth consecutive FTSE 100 gain, but lagged on commodity exposure and defensive composition.

Source: FTSE, LSEG Datastream, MSCI, S&P Global, TOPIX, J.P. Morgan Asset Management. Equity index returns are total return in local currency, except MSCI Asia ex-Japan and MSCI EM which are in US dollars. Russell 2000 (≈) is approximate. Data as of 30 June 2026. Past performance is not a reliable indicator of future results.

ASSET CLASS & RATES SNAPSHOT · Q2 2026

ITEM	LEVEL / Q2 MOVE	KEY DRIVER
Brent Crude Oil	≈ -38%	Fell around 38% over the quarter, from its April high to the high USD 70s, as the US–Iran ceasefire reopened the Strait of Hormuz.
Gold & Precious Metals	-14.1%	The currency-debasement trade lost momentum as the dollar and real yields firmed.
Bloomberg Commodity Index TR	-8.1%	Energy and precious metals fell; industrial metals little changed on copper and zinc gains.
Bloomberg Global Aggregate Bond TR	+0.9%	Credit spreads tightened on robust corporate earnings; rates broadly directionless.
Fed Funds Rate	3.50–3.75%	Held at Kevin Warsh's first meeting (16–17 June); statement and press conference skewed hawkish.
ECB Deposit Rate	2.25%	Raised 25bp on 11 June — first hike since 2023; eurozone HICP ≈ 3.2% in May.
BoJ Policy Rate	1.00%	Raised 25bp in June; wage and producer-price momentum kept the bias hawkish.
BoE Bank Rate	3.75%	Held; two MPC members voted for an immediate rise. UK gilts returned +2.1%.

Source: US Federal Reserve, ECB, Bank of Japan, Bank of England, Bloomberg, LSEG Datastream, J.P. Morgan Asset Management. Data as of 30 June 2026. Figures approximate where marked ≈.

Regional Review

United States

+15.2%	+27.7%	4.2%	3.50–3.75%
S&P 500 RETURN	NASDAQ 100 RETURN	HEADLINE CPI (MAY)	FED FUNDS RATE

US equities staged a powerful recovery in Q2, with the S&P 500 gaining 15.2% — its strongest quarter since 2020. The defining feature was the resurgence of the AI capital-expenditure trade: the largest US cloud providers continued to raise 2026 capital-expenditure guidance toward an impressive USD 700 billion, and record results from several semiconductor and semiconductor-equipment companies reassured investors that the AI infrastructure build-out remained intact. The earnings season was the strongest in recent years, with 85% of S&P 500 companies beating consensus — the most since 2021. Leadership was broad: information technology was by far the strongest sector, but by quarter-end gains had broadened into communication services, consumer discretionary and more cyclical areas.

Inflation, however, moved the wrong way. Consumer prices rose 0.5% in May for a 4.2% year-on-year rate, most of it driven by a 7.0% jump in gasoline prices following the spring oil spike — although falling oil into quarter-end should ease price pressures ahead. There was little sign of higher inflation feeding through to wages: despite a tight labour market (unemployment 4.3%), average hourly earnings rose just 3.5% in May, among the smallest gains in five years.

The quarter's most consequential development was at the Federal Reserve. Kevin Warsh was confirmed as the 17th Fed Chair and took office on 22 May, succeeding Jerome Powell (who remains on the Board of Governors). Warsh's inaugural meeting on 16–17 June held the federal funds rate at 3.50%–3.75%, but both the statement and press conference skewed hawkish, and markets ended the quarter alert to the possibility of a rate increase rather than the cuts that had prevailed for most of 2025.

KEY FACTS

- Kevin Warsh sworn in as 17th Fed Chair (22 May); first FOMC held rates at 3.50–3.75%.
- Headline CPI rose to 4.2% in May, driven by a 7.0% jump in gasoline prices.
- 85% of S&P 500 companies beat estimates — the most since 2021.
- Labour market still tight: unemployment 4.3%, wage growth just 3.5%.

United Kingdom

+4.7%	3.75%	2.8%	+2.1%
FTSE ALL-SHARE RETURN	BANK RATE (HELD)	UK CPI (MAY)	UK GILTS RETURN

UK equities, as measured by the FTSE All-Share, gained around 4.7% — a sixth consecutive quarterly advance — yet heavy weightings in energy and the index's defensive composition left it lagging other regions as oil prices fell back. Consumer discretionary, real estate and financials led, while energy was the main laggard. UK headline CPI was 2.8% in the year to May, unchanged from April and still above target, but core inflation fell from 3.1% to 2.6% and composite PMIs slipped to 49.7, reducing the probability of near-term rate hikes.

The Bank of England held Bank Rate at 3.75% throughout the quarter, although two policymakers voted for an immediate increase at the June meeting. Gilts were a relative bright spot: UK gilts returned 2.1%, more than recovering the prior quarter's losses and outperforming the global bond index, even after the 10-year yield had reached its highest level since 2008 in April on energy-driven inflation fears. Politically, poor local-election results in May put Prime Minister Sir Keir Starmer under pressure; he announced his resignation as Labour leader after a by-election victory for rival Andy Burnham, who is expected to become prime minister in July. Markets took the transition largely in their stride.

KEY FACTS

- FTSE 100 notched a sixth consecutive quarterly gain.
- Core CPI eased from 3.1% to 2.6%; composite PMI slipped to 49.7.
- BoE held Bank Rate at 3.75% — two MPC members voted to hike.
- Starmer resigned as Labour leader; Andy Burnham set to become PM in July.

Europe ex-UK

+14.4%	3.2%	2.25%	First hike
MSCI EUROPE EX-UK	HICP INFLATION (MAY)	ECB DEPOSIT RATE	SINCE 2023

The European Central Bank raised its deposit facility rate by 25 basis points to 2.25% on 11 June — its first increase since 2023 — as eurozone HICP inflation ran at around 3.2% in May, well above target. The Governing Council's updated staff projections pointed to headline inflation averaging 3.0% in 2026 before easing toward target in 2027–28, while growth forecasts for 2026 and 2027 were revised down to reflect the drag from the energy shock on incomes and confidence. European equities rose but lagged the US: luxury-goods names rallied sharply around the announcement of the US–Iran deal, while European defence stocks came under pressure late in the quarter after a setback to a major national warship procurement programme. A firmer euro was an additional headwind for the region's large exporters.

KEY FACTS

- ECB delivered its first hike since 2023 — +25bp to a 2.25% deposit rate.
- Eurozone HICP ran at ~3.2% in May, still well above target.
- Luxury-goods names rallied around the US–Iran deal.
- Defence stocks fell late on a national warship-programme setback.

Japan

+14.4%	2.4%	1.00%	2.35%
TOPIX RETURN	HEADLINE CPI	BOJ POLICY RATE	10Y JGB YIELD (JUN)

The Bank of Japan continued its gradual tightening cycle, raising its policy rate to 1.0% during the quarter as officials pointed to the risk that underlying inflation could move above the 2% target, with wholesale price pressures accelerating as firms passed on higher import costs stemming from the Middle East conflict. Board members signalled a preference for continuing to raise rates toward a 'neutral' level of around 2% over time, in quarter-point increments, while stressing that the pace remains contingent on developments in the Middle East. Despite the tightening, Japanese equities advanced on the back of strong earnings and continued corporate-governance reform, with the TOPIX up around 14% and the 10-year JGB yield rising to around 2.35% by quarter-end.

KEY FACTS

- BoJ raised its policy rate to 1.0%, signalling a path toward ~2% neutral.
- 10-year JGB yield climbed to around 2.35%.
- TOPIX +14.4% on strong earnings and governance reform.
- Wholesale prices accelerating as firms pass on higher import costs.

Asia & Emerging Markets

+24.1%	+27.8%	4.3%	1.40%
MSCI EM RETURN	MSCI ASIA EX-JAPAN	CHINA GDP GROWTH	PBOC 7-DAY REPO RATE

Emerging market and Asian equities benefited from the broader global risk-on backdrop and the easing of energy-security concerns following the US–Iran agreement. Korean and Taiwanese semiconductor and technology names remained a key source of strength for the region, consistent with the pattern seen through Q1, driving MSCI Asia ex-Japan and the broad MSCI EM index to quarterly gains of well over 20%. Sentiment toward Chinese equities remained more mixed against a backdrop of ongoing property-sector weakness and persistent deflation, leaving the Shanghai Composite only modestly higher. India and ASEAN markets were resilient, supported by robust domestic growth and the sharp fall in energy prices.

KEY FACTS

- Korea (+88%) and Taiwan (+49%) led the AI supply-chain rally.
- MSCI EM posted its best quarter since Q2 2009.
- China lagged on property weakness and deflation; GDP grew 4.3%.
- India and ASEAN resilient, helped by the sharp fall in energy prices.

SECTION 03

Commodities & Currencies

≈-38%	-14.1%	-8.1%	19 Jun
BRENT CRUDE Q2	GOLD Q2 RETURN	BLOOMBERG COMMODITY INDEX	US–IRAN INTERIM DEAL

Having been the standout performer of Q1, commodities gave back a substantial part of their gains in Q2 as the geopolitical risk premium unwound. Brent crude fell around 38% over the quarter, from its April high to the high USD 70s at quarter-end, dropping sharply following the announcement of an interim US–Iran agreement on 15 June and its formal extension on 19 June. The deal extended the existing ceasefire for a further 60 days, lifted the US naval blockade of Iranian ports, and led to the reopening of the Strait of Hormuz, through which roughly 20%–30% of the world's seaborne crude oil flows. Tanker traffic resumed within days, even as several details of a permanent settlement — including the future of Iran's nuclear programme and the status of fighting in Lebanon — remain unresolved.

Gold's fortunes reversed sharply over the quarter. Having been a primary beneficiary of safe-haven demand and central-bank buying in Q1, bullion came under sustained pressure as the US dollar strengthened on rising rate expectations and the Middle East risk premium unwound; the metal fell 14.1% — its steepest quarterly decline since Q2 2013 and its first quarterly loss since 2024 — even as it remained well above its level a year earlier. Newly-installed Fed Chair Warsh's early moves to establish task forces reviewing the size of the Fed's balance sheet added to the case for higher longer-term yields, a further headwind for non-yielding assets such as gold.

Currency markets reflected the shifting rate landscape: the US dollar firmed as Fed-hike pricing built through June, gaining around 1.5% on a trade-weighted basis. Sterling was modestly softer against the dollar as the Bank of England held, while the euro was broadly steady to firmer around the ECB's hawkish pivot. Industrial metals were a relative bright spot within commodities, supported by firmer risk appetite and the return of a global growth impulse as energy prices normalised.

KEY FACTS

- Brent crude fell ~38% over the quarter to the high-USD 70s.
- Gold -14.1% — its steepest quarterly decline since Q2 2013.
- US–Iran deal (19 Jun) reopened the Strait of Hormuz within days.
- Bloomberg Commodity Index -8.1%; US dollar +1.5% trade-weighted.

SECTION 04

Key Themes & Risks

THEME 01

A New Fed, A New Regime

Kevin Warsh's arrival as Fed Chair marks a genuine regime change at the world's most important central bank. Warsh has signalled a preference for tighter inflation discipline, a leaner balance sheet and more disciplined communication than his predecessor. With inflation still above target and markets now pricing meaningful odds of a hike rather than a cut later in 2026, the reaction function investors have relied on for much of the post-2022 cycle may no longer hold. We are watching closely for how the wider FOMC — which includes members with differing views on the balance of risks — aligns behind the new chair.

THEME 02

De-escalation, Not Resolution

The reopening of the Strait of Hormuz is unambiguously positive for global growth and inflation, but the underlying dispute remains only partially resolved. The interim deal extends the ceasefire by 60 days and leaves critical issues — Iran's nuclear programme, the status of Israeli operations in Lebanon, and a permanent framework for the Strait — for further negotiation. Talks have already been disrupted once by renewed fighting in Lebanon. We would characterise the risk premium in oil as reduced but not eliminated, and expect continued volatility around each round of talks.

THEME 03

Central Bank Divergence

For the first time in this cycle, the major central banks moved in different directions within the same quarter: the ECB and BoJ hiked, the Fed held (with a growing hawkish minority), and the BoE held on an increasingly split vote. This divergence has implications for currency markets, relative bond valuations and the correlation benefits of geographic diversification — reinforcing the case for broad-based, actively managed fixed income exposure rather than a single-currency approach.

SECTION 05

Portfolio Performance

Both the LT and LT Cost Conscious ranges delivered strong positive absolute returns over Q2 2026, but lagged their IA peer-group benchmarks over the three months. The very positioning that drove broad outperformance in Q1 — 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 — became a headwind in a quarter led sharply higher by US mega-cap technology and a powerful risk-on rally. Managed futures, gold-sensitive real assets, and our China and Asian-dividend positions were the principal detractors, while broad equity beta, European and Japanese trackers and, in the CC range, EM-Asia exposure were the strongest contributors.

The Cost Conscious range fared notably better than the Premium range over the quarter, benefiting from its broader, more index-like exposure to Europe, Japan and emerging-market Asia during the rally. Importantly, the give-back is largely a short-term, three-month phenomenon, and the LT range remains comfortably ahead of its benchmarks over two years and since inception.

LT RANGE · Q2 2026

	Return	IA Benchmark	Relative
LT Cautious	+2.80%	+4.40%	-1.60%
LT Balanced	+2.65%	+6.55%	-3.90%
LT Opportunistic	+3.94%	+9.47%	-5.53%

LT COST CONSCIOUS RANGE · Q2 2026

	Return	IA Benchmark	Relative
LT CC Cautious	+3.00%	+4.40%	-1.40%
LT CC Balanced	+5.35%	+6.55%	-1.20%
LT CC Opportunistic	+7.42%	+9.47%	-2.05%

Source: FE Analytics, FE fundinfo. Performance period 31 March 2026 to 30 June 2026. All returns are total return in GBP, net of fund-level ongoing costs. "Relative" is the simple arithmetic difference between the portfolio return and its IA peer-group benchmark. Past performance is not a reliable indicator of future results.

> *All six London Tyne portfolios delivered strong positive absolute returns in Q2 2026 but trailed their IA peer-group benchmarks over the quarter. Zoom out and the longer-run record holds: the LT Premium range remains comfortably ahead of benchmark over 2 years and since inception on 06 September 2023.*

Cumulative Performance · LT Premium Range

LT PREMIUM RANGE

CUMULATIVE PERFORMANCE TO 30 JUN 2026					
PORTFOLIO	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS	SINCE INCEPTION
LT Opportunistic	+3.94%	+5.22%	+16.20%	+25.33%	+42.61%
IA Mixed Investment 40–85% Shares	+9.47%	+7.62%	+17.05%	+23.55%	+37.62%
Relative	-5.53%	-2.40%	-0.85%	+1.78%	+4.99%
LT Balanced	+2.65%	+3.56%	+11.74%	+19.83%	+33.99%
IA Mixed Investment 20–60% Shares	+6.55%	+5.51%	+12.51%	+18.97%	+29.77%
Relative	-3.90%	-1.95%	-0.77%	+0.86%	+4.22%
LT Cautious	+2.80%	+3.16%	+9.21%	+16.10%	+27.92%
IA Mixed Investment 0–35% Shares	+4.40%	+3.46%	+8.68%	+14.05%	+22.54%
Relative	-1.60%	-0.30%	+0.53%	+2.05%	+5.38%

Source: FE Analytics, FE fundinfo. 06 Sep 2023 to 30 Jun 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 30 JUN 2026			
PORTFOLIO	H1 2026 (YTD)	2025	2024
LT Opportunistic	+5.22%	+16.17%	+11.90%
IA Mixed Investment 40–85% Shares	+7.62%	+11.58%	+8.98%
Relative	-2.40%	+4.59%	+2.92%
LT Balanced	+3.56%	+13.07%	+9.68%
IA Mixed Investment 20–60% Shares	+5.51%	+10.18%	+6.07%
Relative	-1.95%	+2.89%	+3.61%
LT Cautious	+3.16%	+10.29%	+8.57%
IA Mixed Investment 0–35% Shares	+3.46%	+7.83%	+4.42%
Relative	-0.30%	+2.46%	+4.15%

Source: FE Analytics, FE fundinfo. H1 2026 is year-to-date (31 Dec 2025 to 30 Jun 2026); 2025 and 2024 are calendar-year returns. 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 30 JUN 2026			
PORTFOLIO	3 MONTHS	6 MONTHS	1 YEAR
LT CC Opportunistic	+7.42%	+7.84%	+18.87%
IA Mixed Investment 40–85% Shares	+9.47%	+7.62%	+17.05%
Relative	−2.05%	+0.22%	+1.82%
LT CC Balanced	+5.35%	+6.45%	+14.69%
IA Mixed Investment 20–60% Shares	+6.55%	+5.51%	+12.51%
Relative	−1.20%	+0.94%	+2.18%
LT CC Cautious	+3.00%	+4.25%	+9.91%
IA Mixed Investment 0–35% Shares	+4.40%	+3.46%	+8.68%
Relative	−1.40%	+0.79%	+1.23%

Source: FE Analytics, FE fundinfo. 13 Mar 2025 to 30 Jun 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.

H1 2026 Performance · LT Cost Conscious Range

• LT COST CONSCIOUS RANGE

H1 2026 (YTD) PERFORMANCE TO 30 JUN 2026	
PORTFOLIO	H1 2026 (YTD)
LT CC Opportunistic	+7.84%
IA Mixed Investment 40–85% Shares	+7.62%
Relative	+0.22%
LT CC Balanced	+6.45%
IA Mixed Investment 20–60% Shares	+5.51%
Relative	+0.94%
LT CC Cautious	+4.25%
IA Mixed Investment 0–35% Shares	+3.46%
Relative	+0.79%

Source: FE Analytics, FE fundinfo. 31 Dec 2025 to 30 Jun 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 · Q2 2026 (GBP, TOTAL RETURN)		
HOLDING	Q2 2026 RETURN	RANGE
iShares MSCI EM Asia	+29.3%	LT CC
Artemis SmartGARP Global Equity	+16.9%	LT
SPDR MSCI World (Hedged)	+13.8%	LT / LT CC
Vanguard FTSE Japan	+12.7%	LT / LT CC
Vanguard FTSE Developed Europe ex-UK	+12.6%	LT
Ninety One Global Special Situations	+10.9%	LT
Amundi Core Stoxx Europe 600	+10.1%	LT CC
Amundi S&P Global Luxury	+7.8%	LT / LT CC
Vanguard FTSE All World High Dividend Yield	+7.3%	LT / LT CC
HOLDING	Q2 2026 RETURN	RANGE
HSBC FTSE 100	+4.0%	LT / LT CC
L&G Asia Pacific ex Japan Equity	+2.9%	LT CC
Royal London UK Government Bond	+2.6%	LT
L&G Global Infrastructure Index	+2.5%	LT CC
iShares Core UK Gilts	+2.0%	LT
iShares Core Global Aggregate Bond (Hgd)	+1.3%	LT CC
Royal London Short Duration Global Index Linked	+1.1%	LT CC
Redwheel Next Generation Emerging Markets	+1.1%	LT
Royal London Short Term Money Market	+1.0%	LT CC
WS Nomura Global Infrastructure Securities	+0.6%	LT
iShares Global Inflation Linked Govt Bond	-0.1%	LT CC
Vanguard USD Treasury Bond	-0.3%	LT CC

AQR Managed Futures	-1.9%	LT
Franklin FTSE China	-7.0%	LT / LT CC
CAIFS / Perinvest Asia Dividend Equity	-8.5%	LT

Source: FE Analytics, FE fundinfo. Returns total return in GBP, 31/03/2026 to 30/06/2026. Past performance is not a reliable indicator of future results. Returns are net of holdings' fees and expenses (cheapest share class available).

SECTION 06

Portfolio Activity

Activity across both ranges was modest in Q2 2026, comprising a single switch out of luxury equity into global infrastructure in April and a routine rebalance later in the quarter. Following the substantial repositioning carried out in Q1 — including the real-asset rebalance, the move to lower-cost regional trackers, and the Asian dividend manager swap — we entered the quarter comfortable with overall positioning across equities, fixed income and alternatives, and the strong outperformance delivered in Q1 validated that stance.

21 APR 2026

Both Ranges: Switched Luxury Equity into Global Infrastructure

On 21 April we sold the portfolios' dedicated global luxury-goods position — the Amundi Index Solutions S&P Global Luxury ETF (ISIN LU1681048713) — and redeployed the proceeds into global listed infrastructure. In the LT (Premium) range the switch was made into the actively-managed WS Nomura Global Infrastructure Securities fund (ISIN GB00B1W2BX03); in the lower-cost LT Cost Conscious range it went into the L&G Global Infrastructure Index tracker (ISIN GB00BF0TZG22). The trade — 2.50% of the Opportunistic portfolios, scaled proportionately across the risk-graded models — replaces a narrow, cyclically-sensitive consumer exposure with a real-asset holding whose inflation-linked revenue streams reinforce the diversification we prefer over inflation-linked bonds.

Q2 2026

Both Ranges: Scheduled Rebalance to Target Weights

Beyond the infrastructure switch, the other activity in the quarter was a routine rebalance of both the LT and LT Cost Conscious ranges back to target strategic weights, following the strong and uneven performance across asset classes and regions in Q1 and into Q2. The rebalance was limited to trimming positions that had drifted materially above target weight — principally UK and US equities and real assets, all of which had performed strongly — and topping up positions that had drifted below target, in order to restore the intended risk profile of each portfolio.

SECTION 07

Outlook & Positioning

The de-escalation of the Iran conflict removes one of the two major risks that dominated markets in the first half of 2026, but it does not remove the second: elevated and, in places, still-rising interest rates. With the ECB and BoJ now hiking, the Fed under new leadership signalling it may follow, and the Bank of England only narrowly holding, the global rate backdrop has shifted from 'peak restrictiveness, gradual easing' to something closer to 'higher for longer, with upside risk.' We think this argues for continued caution on interest-rate-sensitive assets and for maintaining diversified, actively managed fixed income exposure across currencies and durations, consistent with our positioning through H1.

The record run through the second quarter is, in our view, showing signs of exhaustion. The Nasdaq 100 has been range-bound since its early-June peak, and the rate of change in US purchasing-managers' indices is decelerating in step with downgraded global growth forecasts — classic late-cycle signals rather than the start of a new leg higher. Equity market concentration, flagged as a risk in our Q1 report, remains a live concern even after the broadening of leadership seen in Q2. AI-related capital expenditure continues to run at extraordinary levels, and the cash-flow and balance-sheet dynamics we highlighted previously — heavier debt issuance and compressing free cash flow among the largest US technology companies — have not reversed. We think margins at the AI-infrastructure leaders are more likely to compress than expand from here, and continue to favour quality and dividend compounders, and broad international participation, over concentrated exposure to the most crowded parts of the US index.

Beneath the headline numbers, the signals from the US labour market are more troubling than they first appear. Nonfarm payrolls rose by just 57,000 in June, well short of consensus and with prior months revised lower, while the labour-force participation rate fell sharply to 61.5% — its lowest outside the pandemic in fifty years. The unemployment rate's dip to 4.2% therefore flatters the underlying picture: this looks more like workers giving up the job search than a tightening market. It is a textbook 'no hire, no fire' labour market and, alongside a savings rate that has roughly halved, it leaves us thinking a US recession is a more likely outcome than markets are currently pricing. We continue to expect inflation to prove transitory — there is early evidence of softening input prices following the Iran ceasefire — and favour nominal government bonds over inflation-linked bonds on that view.

On the positive side, the reopening of the Strait of Hormuz and the prospect of a more durable Middle East settlement materially reduce the tail risk that dominated scenario planning through Q1 and much of Q2. Should the ceasefire hold, we would expect further normalisation in energy prices and inflation expectations over H2, which — depending on how the new Fed leadership responds — could reopen the door to rate cuts into 2027. That ceasefire nonetheless remains fragile, and we would characterise markets as complacent about geopolitical risk more broadly: implied volatility is pricing materially less tail risk than the headlines around Iran, Russia and the wider backdrop would suggest is warranted. That gap between price and risk is itself one of the key vulnerabilities facing markets in the second half of the year.

EQUITY POSITIONING

Overweight rest-of-world equities relative to the US, and tilted toward quality and dividend aristocrats over concentrated mega-cap and AI-infrastructure exposure, which we expect to hold up better as earnings momentum fades and multiples come under pressure. UK overweight retained on valuation, yield and sector composition. China stands out as attractively valued with the prospect of further stimulus, but we prefer to express emerging-market conviction through diversified exposure rather than concentrated single-country or single-theme bets.

FIXED INCOME POSITIONING

Positioned in sovereign bonds over credit — current spreads do not, in our view, adequately compensate for the underlying risk — with no exposure to private credit across either range. We continue to prefer nominal government bonds over inflation-linked bonds: our holdings in infrastructure already provide the inflation-linked exposure we would otherwise diversify with, and our continued attraction to commodities offers a further inflation hedge — both reasons to favour nominals over linkers. Our base case is primarily that most major developed-market central banks stay on hold through Q3, leaving policy rates broadly where they are into the second half of the year.

REAL ASSETS & ALTERNATIVES

Both ranges retain meaningful exposure to real assets and alternatives — infrastructure and managed futures — as diversifiers against the persistent risk of positive stock-bond correlation. Despite gold's sharp Q2 reversal, we think it looks increasingly attractive against a backdrop of falling real rates and elevated sovereign debt and leverage across the developed world. Oil is soft for now on demand-growth downgrades; yen weakness remains a growing concern that past intervention has done little to durably resolve.

SECTION 08

Performance Since Inception

LT RANGE

06 Sep 2023 to 30 Jun 2026

Fund	Return	Benchmark	Alpha
LT Cautious	+27.92%	+22.54%	+5.38%
LT Balanced	+33.99%	+29.77%	+4.22%
LT Opportunistic	+42.61%	+37.62%	+4.99%

LT COST CONSCIOUS RANGE

13 Mar 2025 to 30 Jun 2026

Fund	Return	Benchmark	Alpha
LT CC Cautious	+11.34%	+11.50%	-0.16%
LT CC Balanced	+16.79%	+16.38%	+0.41%
LT CC Opportunistic	+21.44%	+21.75%	-0.31%

Source: FE Analytics, FE fundinfo. LT range: 06 Sep 2023 to 30 Jun 2026. LT CC range: 13 Mar 2025 to 30 Jun 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 – 30 Jun 2026)

The LT Cost Conscious range has tracked its benchmark closely since its 13 March 2025 launch, with since-inception relative returns between -0.31% and +0.41% — the strong six-month and one-year outperformance built up through late 2025 and early 2026 was largely given back during the Q2 2026 risk-on rally.

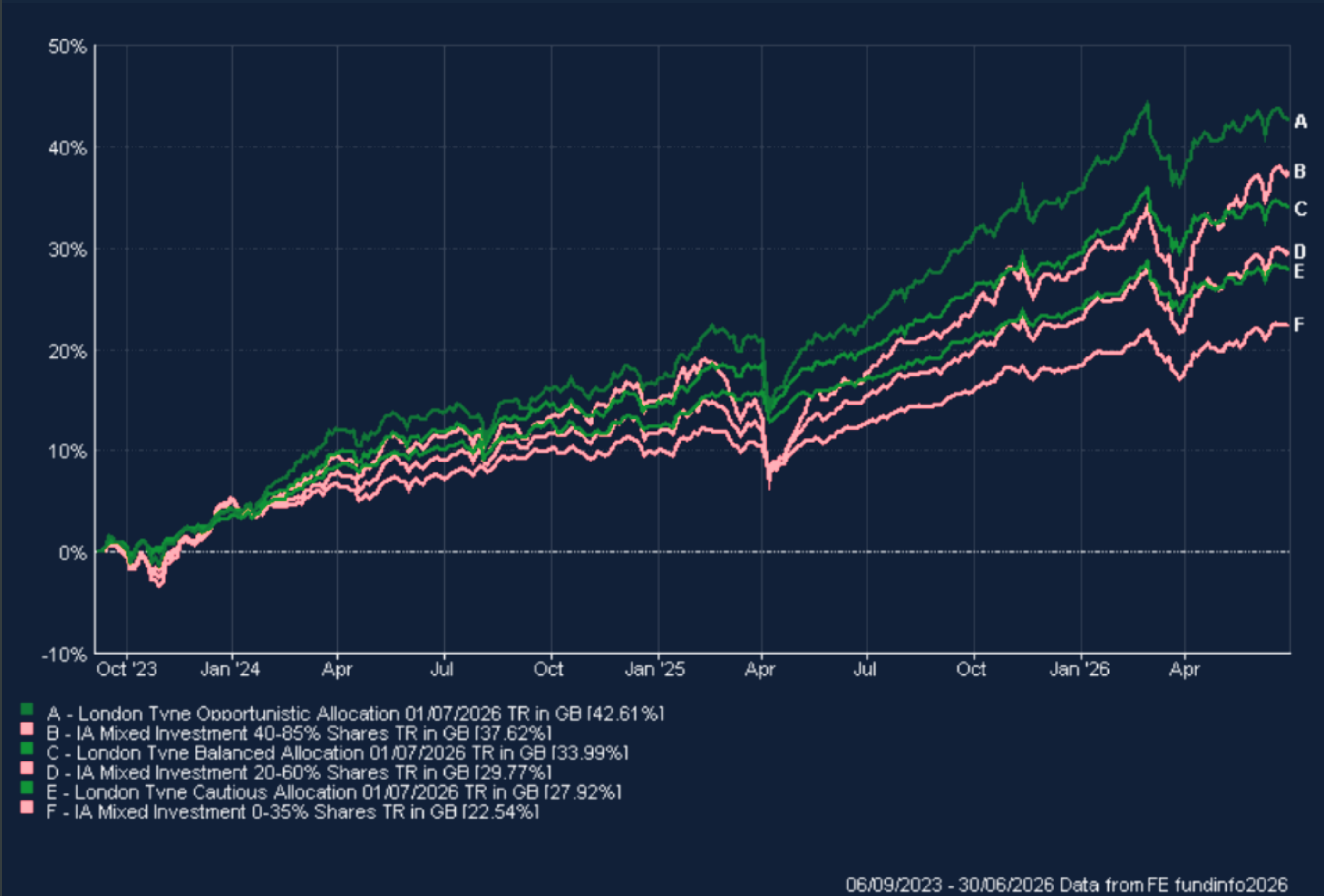
SECTION 09

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 30 June 2026; the LT Cost Conscious Range is shown from its inception (13 March 2025) to 30 June 2026. All returns are in GBP, net of fund-level ongoing costs.

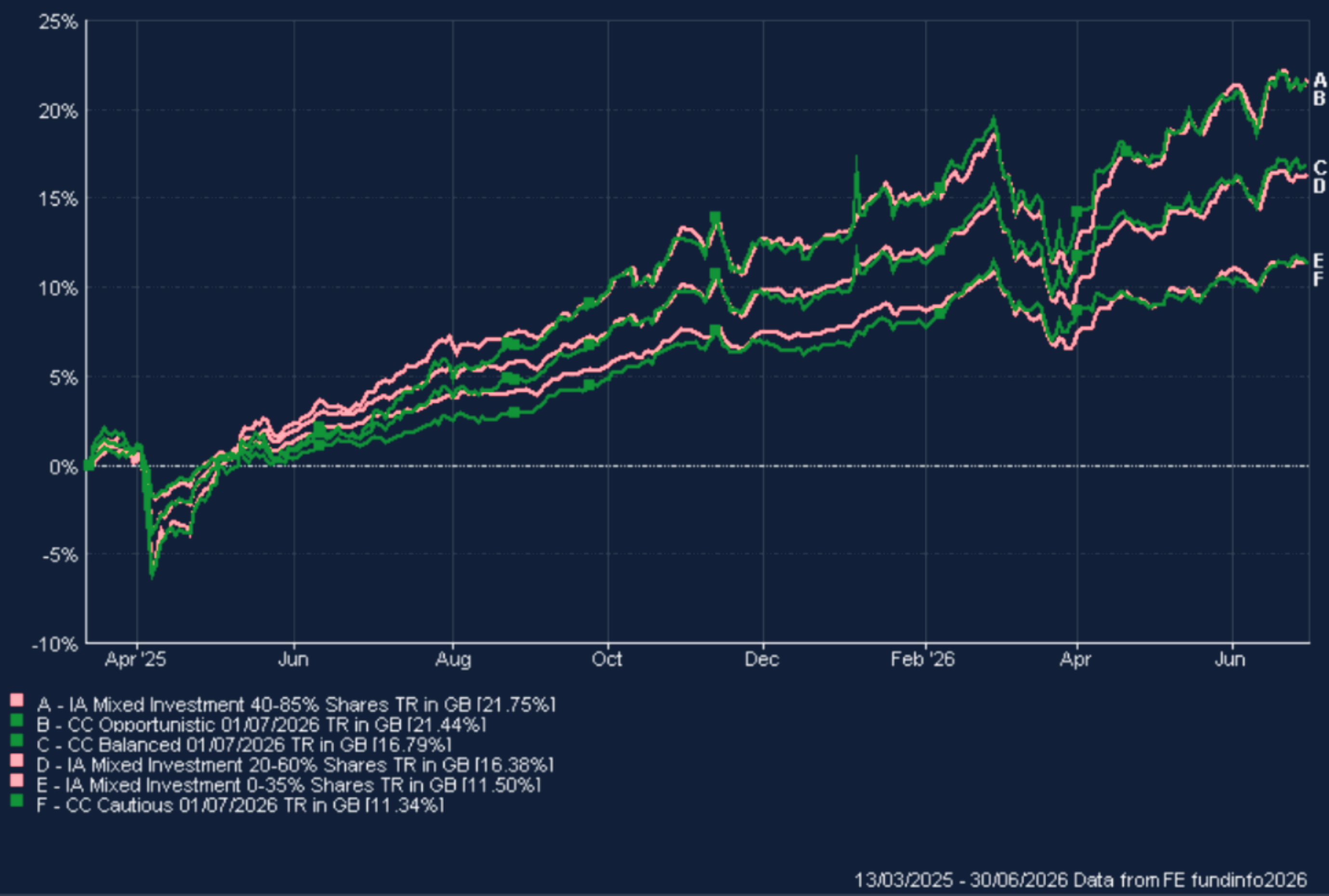
● LT PREMIUM RANGE

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



Source: FE Analytics, FE fundinfo. 06 Sep 2023 – 30 Jun 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 – JUN 2026



Source: FE Analytics, FE fundinfo. 13 Mar 2025 – 30 Jun 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

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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