Equity Mandate (USD)

Q2 2026

Market Commentary

Global equity markets staged a powerful reversal in Q2, with indices recouping all their Q1 losses and moving into positive territory YTD. Sentiment swung decisively in April after signs that Iran was seeking a negotiated end to hostilities and Q1 data reasserted the case for AI-driven earnings growth. Market breadth continued to improve, with semiconductor and memory names driving the bulk of the advance, as AI infrastructure spending translated into record earnings rather than the disruption fears that had weighed on the sector in Q1.

This recovery unfolded even as rate expectations moved further against risk assets. Fixed Income markets in the second quarter were dominated by a dramatic hawkish pivot at the Fed with their first holding rates steady in April in their first 8-4 dissenting split vote since 1992 and then in June, in Kevin Warsh's first meeting as Fed Chair, producing a notably more hawkish policy statement, stripping out prior rate-cut language and the SEP (dot-plot) pointing to a possible hike as soon as September. Two-year Treasury yields rose roughly34bps over the quarter to end near 4.14%, as markets priced out easing entirely. Despite this repricing, the S&P 500 returned +14.9% for the quarter — its best performance since Q2 2020. The Nasdaq Composite gained 21.4% and the small-cap Russell 2000 also participated meaningfully whilst the equal-weight S&P 500 continued to outperform its cap-weighted counterpart.

Other global benchmarks also set new all-time-highs as falling oil prices offset earlier inflation concerns. STOXX Europe 600 (+12%) recorded its best quarter since 2020. Emerging markets outperformed even more decisively, with Korea (Kospi 200 +84.4%) and Taiwan (TWSE +45.4) overtaking China (CSI 300 +13%) as the largest weightings in the MSCI EM Index (+24%) on the strength of AI-linked semiconductor and memory names and delivering the index's best quarter since 2009. The Nikkei 225 (+37%) additionally benefitted the announcement of PM Takaichi's roughly ¥370trn long-term fiscal package and a yen near 40-year lows.

Commodities reversed harshly. The conflict initially intensified, pushing WTI to fresh highs above $115/bbl, before a US–Iran ceasefire and peace framework signed in mid-June “reopened” the Strait of Hormuz, sending WTI tumbling to close Q2 near $69/bbl. Gold fell from $4,503 to c. $4,015 (-11%), its worst quarter since the 2013 taper tantrum, while silver dropped from $73 to c. $58 (-20%). Copper was the notable exception, extending its gains on structural AI and electrification-linked demand

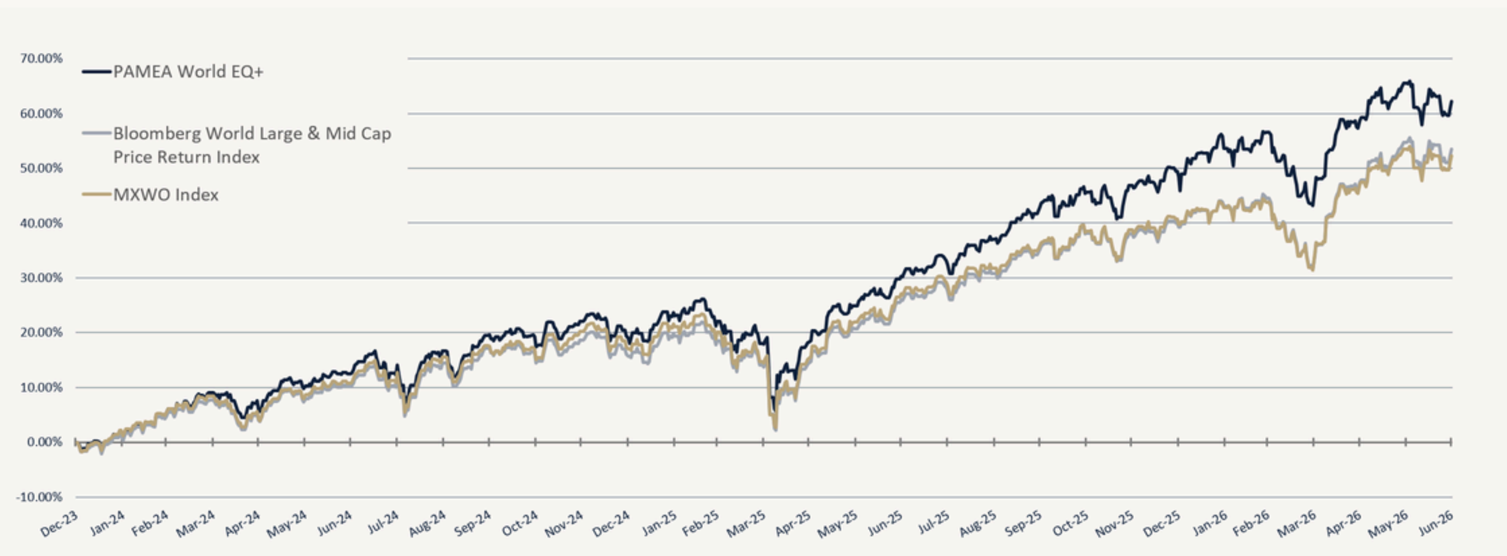
Investment Parameters

The Picard Angst MEA Limited-DIFC (“PAMEA”) Fixed Income Mandate (USD) represents a medium-term fixed income solution aimed at delivering consistent income generation. The strategic duration target of the portfolio is 3-5 years with a minimum average rating of BBB-. These targets are achieved through a blend of longer dated investment grade and shorter dated high yield allocations to single line bonds and sukuks. The portfolio is geographically and sectorally diversified with an overweight allocation to the MENA region. This investment portfolio is ideal for investors with a low to moderate risk profile seeking enhanced returns over risk free rates through diversified credit exposure.

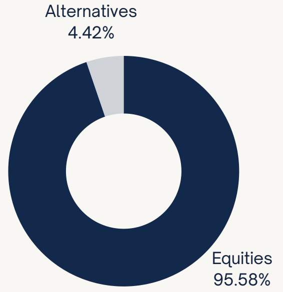
Portfolio Statistics

	Equities	Alternatives	Overall Portfolio
PE Ratio	28.33	-	**28.33**
Quarterly Return	+12.00%	-6.20%	**+11.05%**
1Y Return	+24.87%	+21.31%	**+24.69%**
Return (YTD)	+9.54%	+3.76%	**+9.27%**
Return (Since Inception)	+62.93%	+47.60%	**+62.19%**

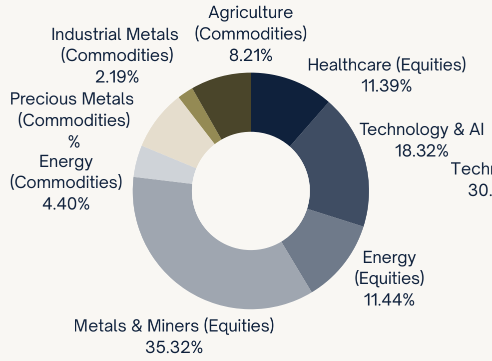
Portfolio Performance vs. Benchmark



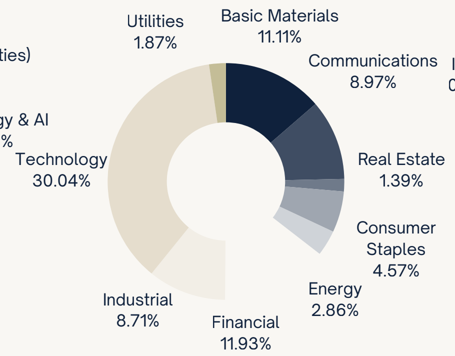
Portfolio Allocation



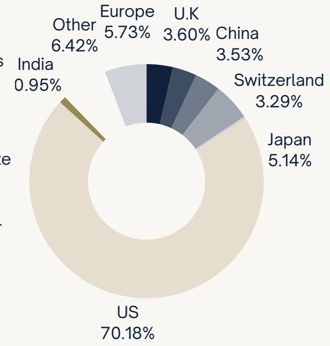
Thematic & Alternative Allocation



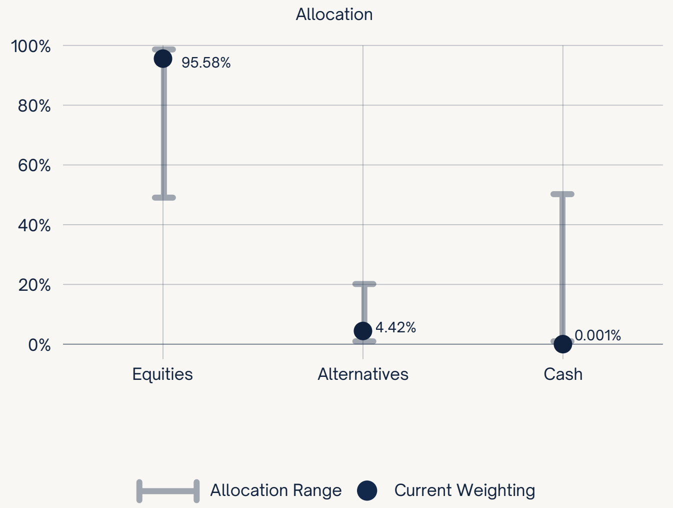
Sector Allocation



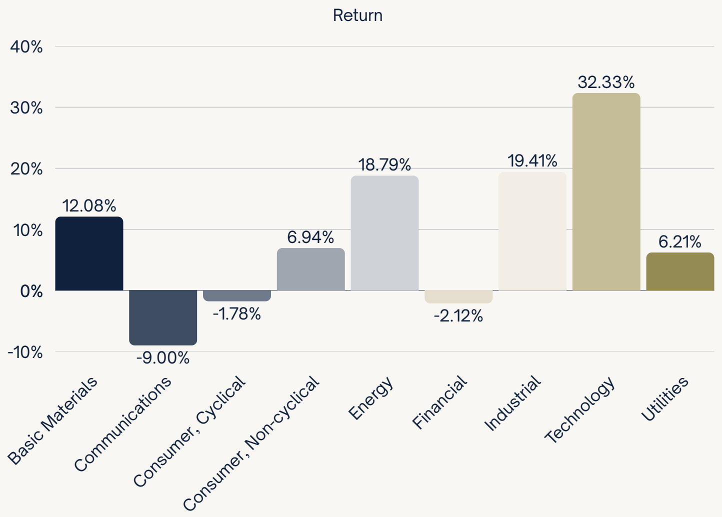
Geographical Allocation



Strategic and Tactical Asset Allocation



S&P 500 Index Sector Return (YTD)



Largest Holdings

ISIN	Name	Ticker	Return (YTD)	Return (Since Inception)	Portfolio Weighting
US9229083632	Vanguard S&P 500 ETF	VOO US	+10.21%	+59.38%	31.34%
US9229087369	Vanguard Growth ETF	VUG US	+6.36%	+68.67%	19.03%
US9229087443	Vanguard Value ETF	VTV US	+15.22%	+54.13%	10.73%
US9220428588	Vanguard FTSE Emerging Markets	VWO US	+9.31%	+65.12%	5.05%
US46434G8556	iShares MSCI Global Gold Miner	RING US	+15.78%	+56.24%	4.75%

Top Equity Holdings (Performance YTD)

ISIN	Name	Ticker	Return (YTD)	Return (Since Inception)	Portfolio Weighting
US78468R5569	State Street SPDR S&P Oil & Ga	XOP US	+23.41%	+20.19%	2.15%
DE000SLA0RF6	VanEck Rare Earth and Strategi	REMX US	+17.24%	+77.93%	0.89%
IE00BYYLVH00	UBS BBG Commodity CMCI SF UCIT	BCCU LN	+26.13%	+118.00%	3.44%
US46434G8481	iShares MSCI Global Metals & M	PICK US	+15.78%	+56.24%	4.75%