PICARD ANGST

Equity Mandate (USD)

Q3 2026

Market Commentary

Global equity markets lost momentum in Q3, modest headline gains in the US masked a sharp narrowing of leadership and losses across much of the rest of the world. The Middle East conflict lapsed into a standoff rather than a resolution, oil rebounded and bond yields climbed to multi-year highs. The AI trade also rotated with software rebounding as fears of AI disruption eased, iShares Expanded Tech-Software ETF rallied 17%, while the iShares Semiconductor ETF fell 11% with profit-taking on earlier data-centre winners, though the largest chipmakers held up better. Earnings remained a key support. Analysts raised Q3 S&P 500 EPS estimates by 1.4% over the quarter and are now expected at 29.5% y/y, the third straight quarter above 25%.

Rate expectations moved further against risk assets. The Fed held in July before raising rates 25bps to 3.75-4.00% in September, its first increase since 2023. The median SEP (dot-plot) for FY 2026 rose to 4.1% from 3.8% with 16 of 18 participants now expecting at least one further hike this year. Two-year Treasury yields rose roughly 75bps to c. 4.88%, while the 10-year briefly traded above 5.34%, its highest since 2002. Against this backdrop the Nasdaq Composite rose +2.6%, while the Dow fell 2.7%. In a reversal of Q2's broadening participation, mega-caps led as witnessed by the cap weighted S&P 500 rising +2.3% whilst its equal weight version fell -1.9% and the small-cap Russell 2000 fell 7.2%, giving back almost half of its H1 gains.

Other global benchmarks were generally weaker. The STOXX Europe 600 finished broadly flat, down 0.4%. Emerging markets also edged lower, with the MSCI EM Index down 0.4%, as the leadership seen in Q2 unwound sharply. The Kospi fell c. 19%, the worst return among major global markets, as selling concentrated in Samsung Electronics and SK Hynix. China's CSI 300 fell c. 12.5%, its steepest quarterly drop since 2022. In Japan, the Nikkei 225 fell 4.7%, ending a five-quarter winning streak, as the BoJ raised rates to 1.25%, its highest since 1995, though the yen remained weak above 157 per dollar. The HSCEI bucked the trend and rose +7.6% as investors rotated back into software stocks.

Commodities reversed sharply. WTI peaked at c.$107/bbl in mid-September before easing to close the quarter near $90/bbl. Gold and silver gained c.4% and 3% for the quarter, despite falling 6.7% and 9.3% respectively in September, pressured by rising real yields and a firmer dollar. Copper again extended its gains, setting a record LME cash close of $14,737/t on 8 September.

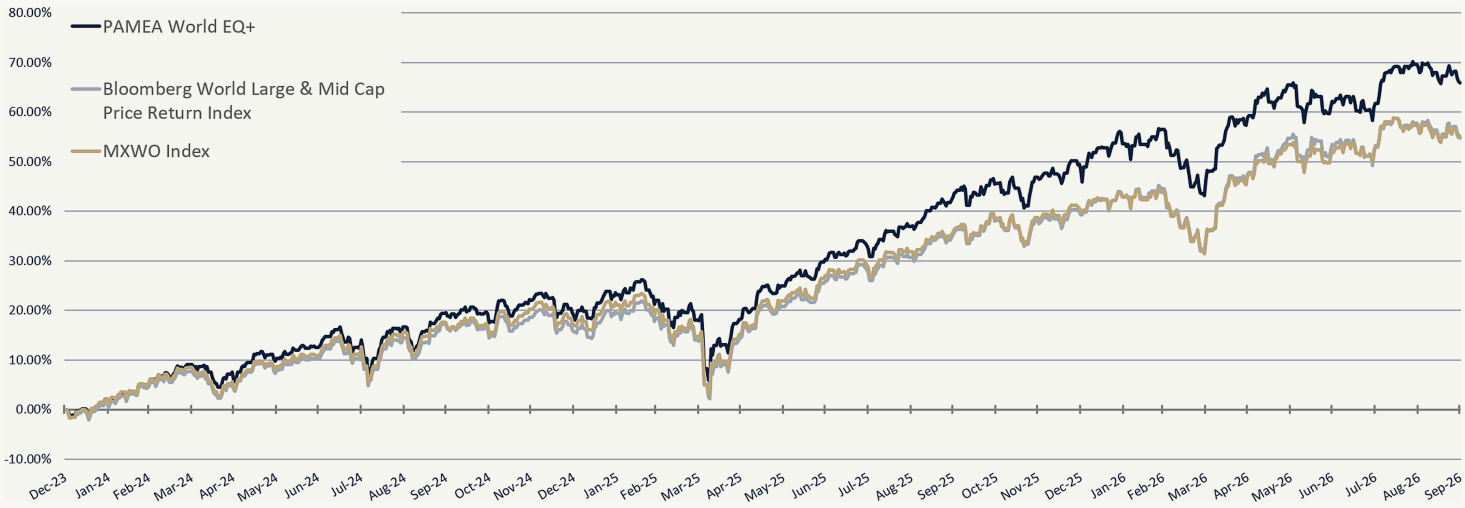
Investment Parameters

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.

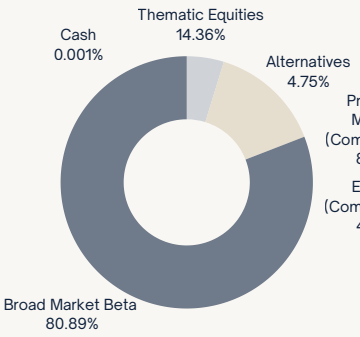
Portfolio Statistics

	Equities	Alternatives	Overall Portfolio
PE Ratio	24.72	-	**24.72**
Quarterly Return	+1.91%	+9.89%	**+2.26%**
1Y Return	+16.16%	+25.23%	**+16.62%**
Return (YTD)	+11.63%	+14.03%	**+11.74%**
Return (Since Inception)	+66.04%	+62.20%	**+65.86%**

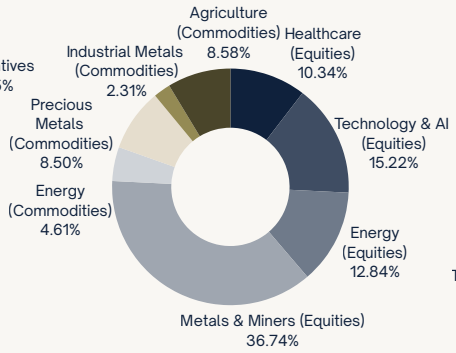
Portfolio Performance vs. Benchmark



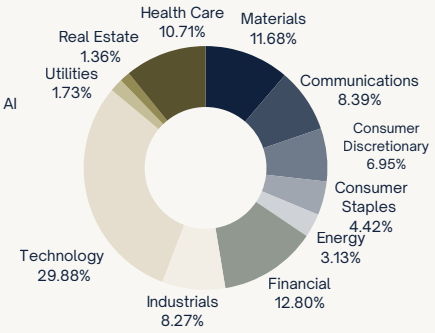
Portfolio Allocation



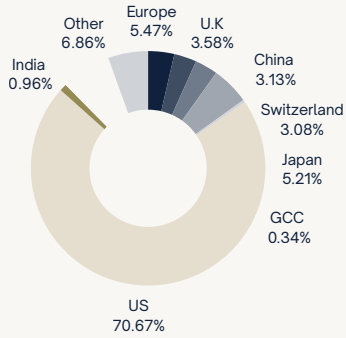
Thematic & Alternative Allocation



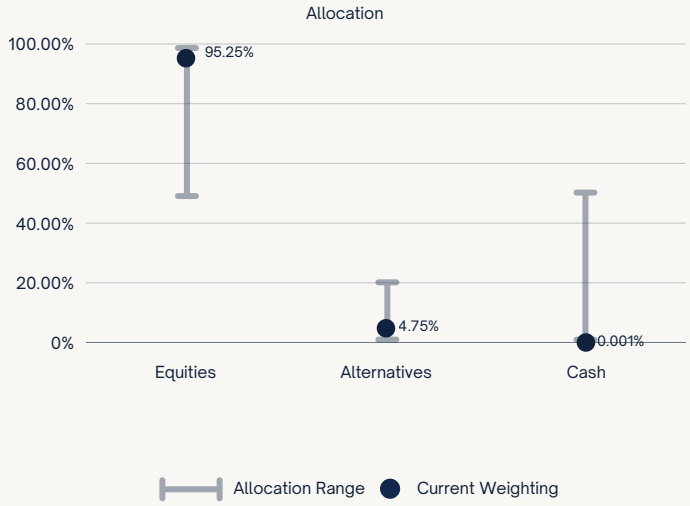
Sector Allocation



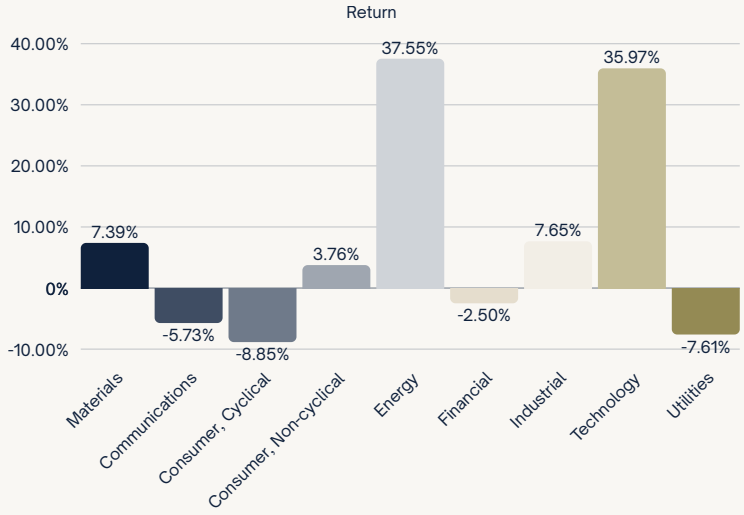
Geographical Allocation



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	+12.75%	+63.05%	31.35%
US9229087369	Vanguard Morningstar Growth ETF	VUG US	+10.96%	+75.97%	19.41%
US9229087443	Vanguard Morningstar Value ETF	VTV US	+15.80%	+54.90%	10.55%
US9220428588	Vanguard FTSE Emerging Markets	VWO US	+10.52%	+66.94%	4.99%
US46434G8226	iShares MSCI Japan ETF	EWJ US	+20.14%	+62.13%	4.82%

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	+44.08%	+40.32%	2.45%
US46434G8481	iShares MSCI Global Metals & M	PICK US	+18.39%	+49.57%	2.07%
IE00BYYLVH00	UBS BBG Commodity CMCI SF UCIT	BCCU LN	+26.85%	+58.01%	3.00%
US46434G8226	iShares MSCI Japan ETF	EWJ US	+20.14%	+62.13%	4.82%

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