

marketmatters

Market Summary

The first quarter of 2026 was shaped by conflict within the Middle East and the closure of the Strait of Hormuz. The closure of the Strait, which is crucial for circa 20% of global oil supply, led to a shake up in equity market performance. The UK equity market benefitted from large weights of energy stocks within the region, Europe suffered from the disruption within conflict in the middle east, the largest declines came in economically sensitive consumer discretionary sector.

Though markets such as the US demonstrated strong fundamentals, tensions in the Middle East coupled with growing concern over software companies competitiveness versus AI led to negative performance. As a result, investors focussed on technology hardware, semiconductors, cloud computing and data centre providers.

Among the gainers in equity markets were energy stocks as they benefitted from higher prices. Basic materials such as miners, chemical producers and commodity processors all fared better from global disruption within Iran. In other asset classes, precious metals posted smaller returns compared to recent periods, as investors booked in profits from their previous strong run among the likes of Silver and Gold. In regard to international policy, the US Supreme Court ruled that Trump's tariffs posed last year, as what is now remembered as 'Liberation Day', were ruled against. Trump further responded by implementing a 10% blanket tariff.

Equity Markets – see Chart 1



MSCI North America delivered -2.3% over the quarter. Technology stocks experienced a turbulent time as investors grew concerned over SAAS (Software as a service) competitiveness versus AI capabilities. Positively, with the conflict in the middle east the US technology sector proved to be more resilient than others as investors flocked towards quality companies under economic uncertainty.



UK equities performed strongly during the first quarter of the year. Energy companies which makes up a large portion of the UK Equity Index saw an increase in performance also sectors such as basic materials, telecommunications and healthcare all posted positive returns.



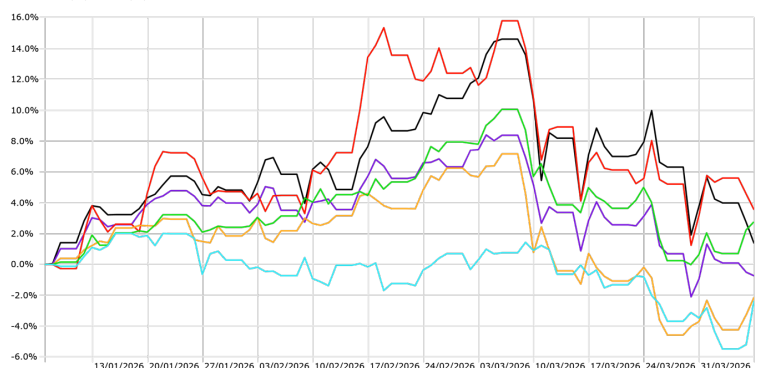
European equities delivered negative returns over this period. European equities were hindered from exposures within the software sector that also affected US equities, this was further exacerbated with the dependence on LNG (Liquefied Natural Gas) which increased in price negatively affecting European equities.



Japan's TOPIX was the highest gainer over this quarter. A resounding victory of the Liberal Democratic Party snap election which proposed further stimulus within Japan buoyed Japanese equities. Nonetheless, the region lost some gains from the conflict in the Middle East. Emerging markets such as Latin America and technology heavy Korea and Taiwan benefitted from sustained AI CAPEX from hyperscalers.

Equity Market Performance - YTD

Time Period: 01/01/2026 to 31/03/2026



Equity - US -2.3% Equity - UK 3.5% Equity - EU ex UK 2.8% Equity - Japan -0.7% Equity - Emerging Markets -2.1% Equity - Asia ex Japan 1.4%

Past performance is not a reliable indicator of future results
There are no charges associated with the indices shown on this chart
Source: Morningstar Direct

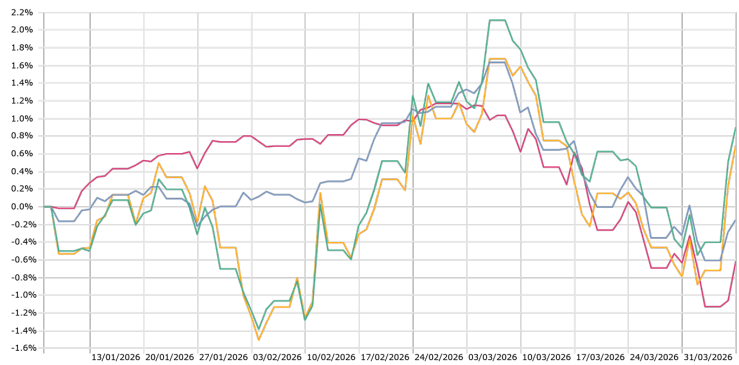
Fixed Income—see Chart 2

Global Bonds and Global Corporate Bonds posted strong returns while Global High Yield lagged behind. US Treasuries proved to be more resilient than other peers, while yields increased further in other government bonds, US Treasuries moved by a lesser amount. The geopolitical events triggered a switch into higher quality and safer assets like corporate and government bonds.

Lower quality bonds saw a reversal, as growth expectations softened and renewed tariff pressures led to a greater change in yield.

Bond Market Performance - YTD

Time Period: 01/01/2026 to 31/03/2026



Global Bond Aggregate 0.9% Global Government Bonds -0.1% Global Corporate Bonds 0.7%
Global High Yield Bonds -0.6%

Past performance is not a reliable indicator of future results
There are no charges associated with the indices shown on this chart
Source: Morningstar Direct

Economic Update



Kevin Warsh was nominated by Trump to replace Powell this year. Interest rates were held over the quarter at 3.5 - 3.75%. Powell noted in the Fed's March meeting that inflation would need to further progress downward to cut rates this year.



The outlook for the UK changed following rising energy prices caused by conflict within the Middle East. Earlier in the quarter markets priced in rate cuts this year as soon as March. However the Bank of England (BOE) kept rates held at 3.75% and indicated a hawkish tone. ONS data showed the UK economy growing 0.1% YOY in Q4 2025



ECB kept rates on hold in March, which are already low at 2%. Inflation in Europe was 2.5% up from previous 1.9% in February. The flash Eurozone PMI figure fell from 51.9 in February to 50.5.



Japan held rates steady at 0.75% highest level since September 1995, flagging that the uncertainty in the Middle East could further cloud outlook. Emerging markets has a mixed picture, India remains among the higher growth emerging market countries while others such as Brazil are forecasted to deliver lower GDP growth

Portfolio Performance

The table below shows the performance of Gemini Asset Management's (GAM) discretionary risk-rated portfolios. The table compares the performance of GAM's Discretionary Models against the FTSE All Share and the most relevant Investment Association (IA) Mixed Investment sector. The weight of equity in each IA Mixed Investment sector is the main deciding factor when choosing which is the most suitable comparator to each GAM portfolios but the constitution of the GAM portfolios and the relevant IA sectors could still be different from one another. Whilst a direct comparison of GAM's portfolios with an equity index such as the FTSE All Share, or the relevant IA Mixed Investment Sector are not like-for-like, it gives an indication of volatility and performance differences on a risk-adjusted basis and can demonstrate the importance of spreading risk through diversification.

Name	Cumulative Performance (%) to 31/03/2026											
	31/12/2025		Year to Date		31/03/2025		31/03/2023		31/03/2021		16/03/2017	
	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector
GAM Dynamic MPS 3	-0.60	-0.90	-0.60	-0.90	7.70	6.50	21.50	16.60	18.40	10.00	36.00	22.60
GAM Dynamic MPS 4	-0.70	-1.00	-0.70	-1.00	11.00	9.00	25.60	21.90	22.30	17.90	45.40	36.10
GAM Dynamic MPS 5	-0.50	2.80	-0.50	2.80	13.00	11.10	31.40	26.30	28.30	26.90	61.10	56.20
GAM Dynamic MPS 6	-0.50	2.80	-0.50	2.80	15.80	11.10	33.20	26.30	28.70	26.90	68.50	56.20
GAM Dynamic MPS 7	0.00	2.80	0.00	2.80	18.10	11.10	36.80	26.30	29.90	26.90	76.60	56.20
FTSE All Share	2.80		2.80		21.80		46.60		73.70		87.20	

Source: Morningstar Direct data 17/03/2017 - 31/03/2026 Past performance is not a reliable indicator of future results. Figures do not include initial, advice, discretionary management or platform fees, but do include fund charges/OCFs.

The sectors used as comparators with the portfolios are the respective IA Mixed Investment sectors. Gemini's GAM 3 is compared to the IA Mixed Investment 0-35% Shares sector; GAM 4 is compared to the IA Mixed Investment 20-60% Shares sector; and GAM 5, GAM 6, and GAM 7 are compared with the IA Mixed Investment 40-85% Shares sector.

The value of an investment and the income from it could go down as well as up. The return at the end of the investment period is not guaranteed and you may get back less than you originally invested.

Asset Allocation and Fund Review

The Gemini Asset Management investment team reviewed the existing asset allocation model in conjunction with the recommendations and capital market assumptions put forward by our independent actuary, Dynamic Planner. As a result of this there were no changes made to the GAM discretionary models during Q1 2026.

Disclaimer

The price of shares and investments and the income derived from them can go down as well as up, and investors may not get back the amount they invested. Past performance is not necessarily a guide to future performance.

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