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MarketMatters – Quarter 3 2026

Market Summary

The main characteristics of the third quarter of 2026 were familiar, and similar to those felt throughout 2026 so far: Resilient economic growth, strong corporate earnings, upward inflationary pressures and persistently high interest rates.

The conflict in the middle east intensified over the quarter, which further disrupted energy supplies and pushed up prices of energy commodities once again. This in turn pushed up inflation expectations, and revived concerns about the heightened cost of living and the 'higher for longer' interest rate environment, which has been biting consumers since 2022.

Given the tricky macroeconomic backdrop, it is pleasing to note that the major economies of the world have avoided recessions as economic growth remained resilient, even with the price of oil bouncing around above $100 per barrel!

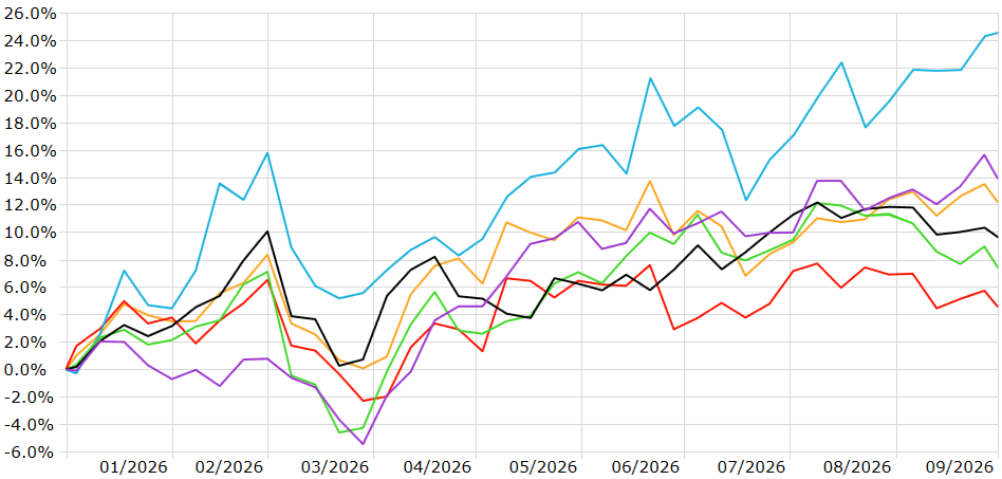
Equity Markets

US: US equities ended the quarter up 13.9% for 2026, although, as Chart 1 shows, the journey was volatile. Strong company earnings helped sustain investor confidence, but technology performance was mixed: some Artificial Intelligence (AI) themes weakened, while software companies performed well.

UK: The UK stock market continued to perform relatively well, with energy stocks benefiting as conflict in the Middle East pushed oil prices higher. Its large financial sector also benefited from higher interest rates.

Chart 1 - Equity Market Performance - Year to Date - 2026

Time Period: 01/01/2026 to 30/09/2026



MSCI North America	13.9%	FTSE UK AllShare	9.6%	MSCI EU ex UK	7.5%
MSCI Japan	24.6%	MSCI Asia Pacific ex Japan	4.5%	FTSE Emerging Markets	12.2%

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

EU: European equities fell 2.7% over the quarter, leaving their 2026 year-to-date return at 7.5%. This remained a strong gain, although other major equity markets performed better over the same period. Higher energy prices weighed on corporate profits across the continent, while EU defence and infrastructure spending plans continued to support investor sentiment.

Rest of World: Japanese companies benefited from stronger profits, continuing reforms to how businesses are managed, and increased share buybacks. These involve companies repurchasing their own shares, reducing the number in circulation and potentially supporting returns. Japan led major equity markets in 2026 to date, returning 24.6%. Across Asia, semiconductor companies came under scrutiny despite exceptional demand, which supply struggled to meet consistently. Higher commodity prices helped emerging economies that produce energy, particularly those outside the Middle East, with Brazil a notable example.

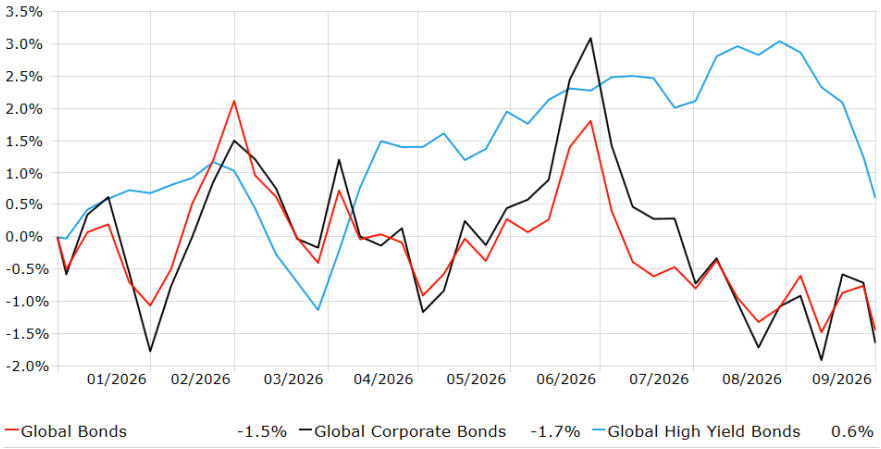
Fixed Income

Inflation concerns, expectations of further interest-rate rises, and heavy government borrowing pushed bond yields higher, putting pressure on bond prices.

In 2026, High Yield bonds have generated the strongest return but following inflation and interest rate expectations rising we see most bond markets have struggled. Corporate fundamentals remained positive, but when interest rate expectations shift upwards, there is little bonds can do to avoid being caught up in the negative pricing effect.

Chart 2 - Bond Market Performance - Year to Date - 2026

Time Period: 01/01/2026 to 30/09/2026



Global Bonds -1.5% Global Corporate Bonds -1.7% Global High Yield Bonds 0.6%

Global Bonds shown by Bloomberg Global Aggregate Bond Index
Global Corporate Bonds shown by Bloomberg Global Aggregate Corporate Bond Index
Global High Yield Bonds shown by Bank of America ICE Global High Yield Bond Index
Past performance is not a reliable indicator of future results
There are no charges associated with the indices shown in this chart
Source: Morningstar Direct

Economic Update

US: Business investment, resilient employment and persistent inflation prompted the Federal Reserve to raise rates by 0.25% to 4% in September. Markets continue to expect further increases.

UK: The Bank of England held rates at 3.75%, balancing above-target inflation against weak growth and the limited ability of interest rates being able to address the main cause of recent inflation: Energy prices.

EU: The European Central Bank (ECB) raised interest rates to 2.50% as inflation concerns persisted. Promisingly though, business surveys came in with their highest positivity in the last 3 years.

Rest of World: The Bank of Japan raised its interest rate to 1.25%, while higher energy import costs added to inflation pressures. China's weak investment remained a concern despite developments in its AI industry.

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 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 the relevant IA Mixed Investment Sector are not like-for-like, it gives an indication of the performance of a peer-group-average and is useful on a risk-adjusted basis.

	Cumulative Performance (%) to 30/09/2026									
	01/07/2026 30/09/2026		30/09/2025 30/09/2026		30/09/2023 30/09/2026		30/09/2021 30/09/2026		16/03/2017 30/09/2026	
Portfolio Name	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector	GAM Portfolio	Sector
GAM Dynamic MPS 3	-0.5	-0.9	6.1	4.8	28.2	22.3	19.3	11.3	42.3	26.9
GAM Dynamic MPS 4	-0.3	-0.1	9.5	8.2	35.5	30.3	24.6	21.3	55.5	44.8
GAM Dynamic MPS 5	-0.1	0.8	12.5	12.1	43.7	39.4	32.3	31.7	76.1	72.3
GAM Dynamic MPS 6	0.3	0.8	15.8	12.1	49.3	39.4	36.3	31.7	89.2	72.3
GAM Dynamic MPS 7	0.5	0.8	19.3	12.1	57.6	39.4	40.2	31.7	103.3	72.3

Morningstar Direct 16/03/2017 – 30/09/2026. Past performance is not a reliable indicator of future results. Figures don't include initial, advice, discretionary management or platform fees, but do include fund OCFs.

The sectors used as comparators 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 Q3 2026.

Portfolio name change

I am writing to let you know about an upcoming change to the name of the Gemini Asset Management (GAM) portfolio in which you are currently invested. GAM has recently streamlined its Dynamic range from ten portfolios to five, retaining portfolios 3 to 7. To make the range clearer and avoid future confusion, these portfolios will be renumbered 1 to 5 with 1 representing the lowest risk model and 5 the highest. The name change will also apply to the Hybrid range of portfolios.

No action is required from you; this notification is simply to keep you informed and to retain with your records. The change is to the portfolio name only. Your portfolio will continue to be managed in the same way and in accordance with the risk level you have previously agreed with your adviser.

For ease of reference, the affected portfolios are listed below, together with their current and new names.

Current Portfolio Name	New Portfolio Name
GAM Dynamic MPS 3	GAM Dynamic MPS 1
GAM Dynamic MPS 4	GAM Dynamic MPS 2
GAM Dynamic MPS 5	GAM Dynamic MPS 3
GAM Dynamic MPS 6	GAM Dynamic MPS 4
GAM Dynamic MPS 7	GAM Dynamic MPS 5
GAM ESG Dynamic MPS 3	GAM ESG Dynamic MPS 1
GAM ESG Dynamic MPS 4	GAM ESG Dynamic MPS 2
GAM ESG Dynamic MPS 5	GAM ESG Dynamic MPS 3
GAM ESG Dynamic MPS 6	GAM ESG Dynamic MPS 4
GAM ESG Dynamic MPS 7	GAM ESG Dynamic MPS 5
GAM Hybrid MPS 3	GAM Hybrid MPS 1
GAM Hybrid MPS 4	GAM Hybrid MPS 2
GAM Hybrid MPS 5	GAM Hybrid MPS 3
GAM Hybrid MPS 6	GAM Hybrid MPS 4
GAM Hybrid MPS 7	GAM Hybrid MPS 5
Gemini AM Dynamic MPS 3	Gemini AM Dynamic MPS 1
Gemini AM Dynamic MPS 4	Gemini AM Dynamic MPS 2

Current Portfolio Name	New Portfolio Name
Gemini AM Dynamic MPS 5	Gemini AM Dynamic MPS 3
Gemini AM Dynamic MPS 6	Gemini AM Dynamic MPS 4
Gemini AM Dynamic MPS 7	Gemini AM Dynamic MPS 5
Gemini AM Hybrid MPS 3	Gemini AM Hybrid MPS 1
Gemini AM Hybrid MPS 4	Gemini AM Hybrid MPS 2
Gemini AM Hybrid MPS 5	Gemini AM Hybrid MPS 3
Gemini AM Hybrid MPS 6	Gemini AM Hybrid MPS 4
Gemini AM Hybrid MPS 7	Gemini AM Hybrid MPS 5
GAM 4 - Lowest Medium	GAM 2 – Dynamic MPS
GAM 5 - Low Medium	GAM 3 – Dynamic MPS
GAM 6 - High Medium	GAM 4 – Dynamic MPS
GAM CIB 3b - Low	GAM CIB Dynamic MPS 1b
GAM CIB 4b - Lowest medium	GAM CIB Dynamic MPS 2b
GAM CIB 5b - Low Medium	GAM CIB Dynamic MPS 3b
GAM CIB 6b - High Medium	GAM CIB Dynamic MPS 4b
GAM CIB 7b - Highest Medium	GAM CIB Dynamic MPS 5b

If you have any questions or concerns regarding the above, please do not hesitate to contact your Wealth Manager.

Yours sincerely,



Paul Reid Dip PFS, IMC

Director and Wealth Manager

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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