

Macro Pulse

Iran conflict: drivers hold, while disruptors rise

Drivers vs. disruptors

Supports hold as risks rise

Repricing underway

Markets adjust to the energy shock

Oil as the channel

Prices determine the macro path

Global divergence

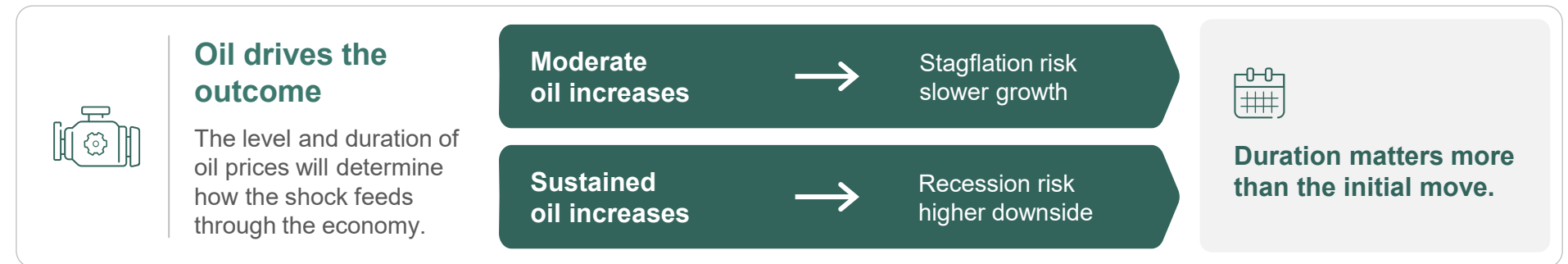
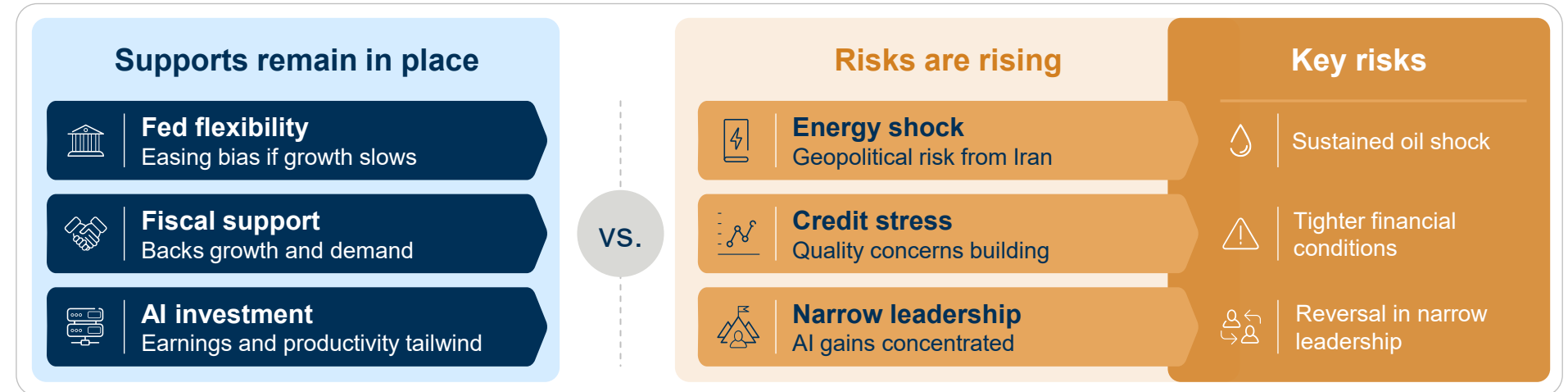
Exposure varies across regions

Rates & markets

Inflation drives near-term moves

Base case holds, but an energy shock is widening outcomes

With underlying supports becoming more fragile at the margin, this environment reinforces the need for diversification and a more balanced approach to portfolio risk.



Macro Pulse

Macro spillovers from the Strait

Geopolitical risk has upended market outlooks, raising fresh, global questions about growth, inflation, and the policy path ahead. The risk of a protracted period of higher oil prices stemming from a prolonged disruption around the Strait of Hormuz broadens the range of possible macro and market outcomes for the year. The challenge is not simply slower growth or higher inflation in isolation, but the possibility that both pressures begin to build at once, making the policy response less straightforward.

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Our view remains that supportive policy and liquidity conditions should continue to underpin markets and investment conditions, but the path forward is likely to be less linear, more volatile, and more headline-driven than it appeared at the start of the year.

	Our view	How to invest
Equity	<ul style="list-style-type: none"> • Early risk-on positioning has partly reversed amid geopolitical shocks; higher oil prices may delay further easing. • Valuations and geopolitical risk support deploying cash; opportunities in U.S. large-cap value, high-quality small caps, and short-duration credit. • AI remains a key driver, with sustained profitability expected. • U.S. assets likely to outperform, supported by global dynamics and balanced ex-U.S. exposure. 	<ul style="list-style-type: none"> • Maintain full allocation to U.S. large caps, emphasizing earnings quality. • Move small caps to neutral, focusing on quality and AI/policy tailwinds. • Diversify new equity exposure into AI-linked infrastructure/materials and high-quality small caps.
Fixed income	<ul style="list-style-type: none"> • Credit cycle is maturing but remains resilient; lower-quality segments are more vulnerable. • Higher yields improve income potential and provide a cushion against volatility. • Strong fundamentals support credit, though selectivity is increasingly important. • Favor “buy and hold” short-duration corporates to capture quality while limiting rate risk. 	<ul style="list-style-type: none"> • Keep credit duration short to manage volatility and risk. • Balance short-duration credit with longer-duration infrastructure and municipals. • Maintain an underweight to floating-rate bank loans.
Private markets	<ul style="list-style-type: none"> • Allocations are growing, increasing competition for high-quality assets; selectivity is key as dispersion rises. • Deal activity has improved, but macro uncertainty and private credit stress may temper opportunities. 	Use resilient mid-market private credit/equity where appropriate.
Alternatives	<ul style="list-style-type: none"> • Commodities and gold remain effective diversifiers, especially amid geopolitical risk. • Geopolitical shocks are more frequent, impacting even traditional safe-haven assets. • Inflation likely to stay sticky due to structural factors. 	Hedge inflation and geopolitical risk with gold and commodities (5–20% satellite allocation).

Global Market Strategy

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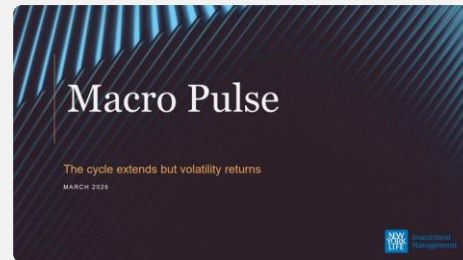


Insights and content offerings

Public-approved resources

MACRO PULSE: *Economic & market commentary, high conviction ideas*

In an ever-changing landscape, understanding the trajectory of macrotrends and economic forecasts is critical to making informed investment decisions.



Comprehensive outlook
(& quarterly webinars)



Weekly market update



From the desk...
(timely response to market movement)

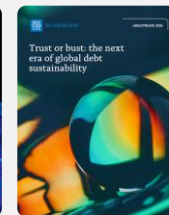


Weekly podcast &
bi-weekly video series

THOUGHT LEADERSHIP: *Thematic reports, portfolio construction, etc.*

Megatrends

- Trust or Bust: The Next Era of Global Debt Sustainability
- Artificial intelligence: From imagination to investment
- (re)globalization



Politics and geopolitics

- Geopolitical risk in a shifting world order
- Swan Lake: The risks that would most disrupt consensus in 2026



Private markets

- Global market outlook



Important disclosures

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions. The precious metals market can be significantly affected by international monetary and political developments such as currency devaluations or revaluations, central bank movements, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries. Fluctuations in the price of precious metals often dramatically affect the profitability of companies in the precious metals sector. The precious metals market is extremely volatile, and investing directly in physical precious metals may not be appropriate for most investors.

Prospective investors should be aware that investments in private funds or alternative investment strategies are suitable only qualified investors who do not require liquidity and who can bear the economic risk, including the potential for a complete loss, of their investment. A Qualified Investor, also known as an accredited investor, is an individual or entity that is legally permitted to invest in hedge funds, venture capital funds, private equity offerings, and other private placements. This qualification is typically based on the investor's income and net worth.

All investments are subject to market risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market. Active management typically involves higher fees than passive management.

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