

Aggressive Mandate (USD)

Q1 2026

Market Commentary

Financial markets in the first quarter were dominated by the interplay between a patient Federal Reserve and an escalating energy shock. The conflict in the Middle East and the effective closing of the Strait of Hormuz created considerable uncertainty as inflationary pressures resurfaced across major economies and sentiment swung between hopes for a quick resolution and fears of a prolonged conflict.

The FOMC held rates unchanged at 3.50–3.75% in both its January and March meetings, pausing after three consecutive cuts in Q3/Q4 2025. The Fed's March 18th updated Summary of Economic Projections revised 2026 headline PCE inflation up to 2.7% and GDP growth to 2.4%, while the median dot plot maintained just one cut for the year. Seven of 19 participants saw no cuts at all in 2026, reflecting a significant hawkish shift driven by the oil price shock.

Treasury yields moved broadly higher across the curve, with the 10-year trading c. 4.31% into quarter-end, as energy-driven inflation expectations outweighed any residual easing bias. The 2-year yield closed the quarter near c. 3.79%, leaving the 10Y–2Y spread around +52 bps, a modest steepening, though the curve dynamic was driven more by the front end holding firm than by a decisive long-end move.

Global equity markets suffered a challenging quarter, reversing much of the strong momentum that closed 2025. Strong performance in sectors such as energy, materials, consumer staples and industrials in January and February offset the pull-back of the mega cap stocks, to leave the S&P largely flat going into the onset of the Iran conflict.

At the end of Q1, the S&P 500 returned -4.3% for the quarter and the Nasdaq 100 fell -5.8%, whilst the small cap Russel 2000 closed Q1 with a small gain of 0.9%, marking the weakest quarter for US large caps since 2022. With the equal weight S&P 500 Index outperforming the market cap weighted S&P 500 by 5%.

European equities fared better, as growth optimism offset rising inflation expectations and a more hawkish tone from the ECB. Japanese equities continued to outperform following the February landslide victory for the LDP in the House of Representatives election. The Nikkei advanced approximately 6% in Q1, supported by accommodative domestic policy, a weaker yen and continued earnings resilience.

Commodities continued to draw global focus in Q1 with dramatic moves. Precious metals traded more like risk assets than safe havens, with silver and gold continuing their rallies in January, setting fresh all-time highs of USD 121.65/oz (+70%) and USD 5595/oz (+30%) respectively, before crashing on 30/01 and eventually closing Q1 at +5% and +8%.

Crude oil benchmarks doubled in price to their peaks of more than USD 120/bbl, before moderating slightly to close Q1 +77% at USD 101.38/bbl. The Bloomberg Commodity Index gained 22% in Q1.

Investment Parameters

Picard Angst MEA Limited-DIFC (“PAMEA”) Aggressive Mandate (USD) represents medium to long-term capital growth strategy designed to deliver capital appreciation through a globally diversified portfolio. Investing in low cost efficient ETF’s, listed equities & a diversified portfolio of global credits. The mandate focuses on core equity exposure to large and mid-cap companies across developed and select emerging markets, complemented by tactical allocations to key growth themes. Credit exposure is taken through a blend of longer dated investment grade and shorter dated high yield allocations to single line bonds and sukuks. This investment portfolio is ideal for investors with a moderate to high risk profile seeking enhanced returns over risk free rates through diversified credit exposure.

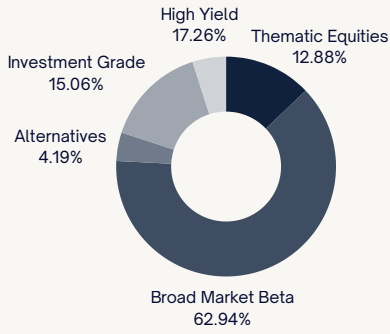
Portfolio Statistics

	Fixed Income	Equities & Alternatives	Overall Portfolio
Quarterly Return	-0.69%	-1.57%	-1.39%
1Y Return	+5.06%	+23.09%	+19.48%
Return (YTD)	-0.69%	-1.57%	-1.39%
Return (Since Inception)	+14.26%	+46.06%	+39.70%

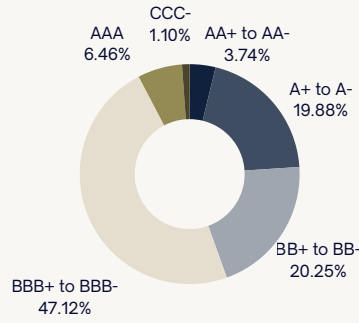
Portfolio Performance vs. Benchmark



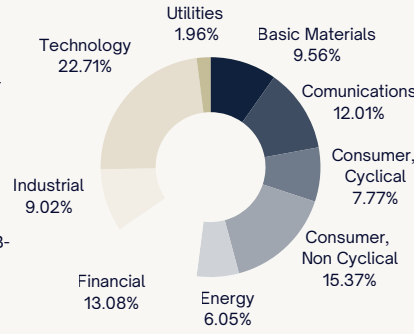
Overall Allocation



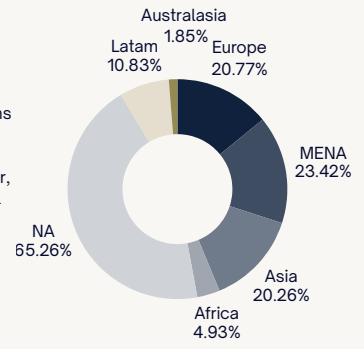
Credit Rating Allocation



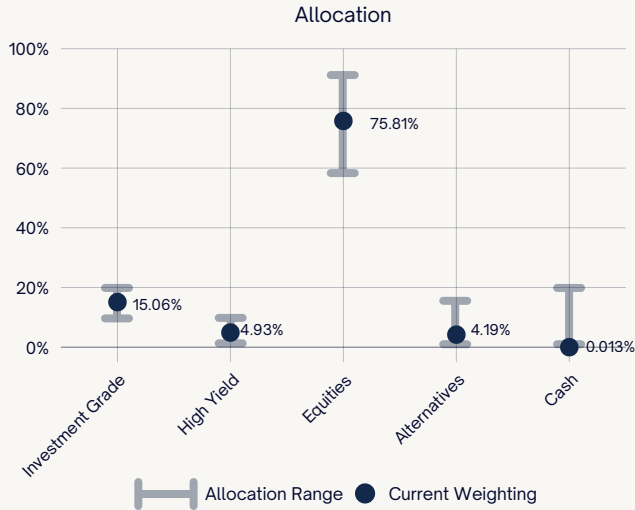
Equities Sector Allocation



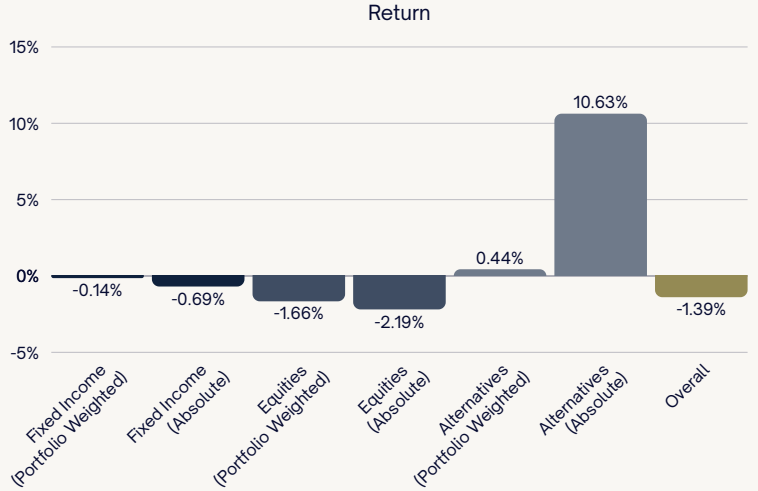
Geographical Allocation



Portfolio Weighting



Asset Class Performance (YTD)



Largest Equity Holdings

ISIN	Name	Ticker	Absolute Return (1Y)	Absolute Return (YTD)	Absolute Return (Since Inception)	Portfolio Weighting
US9229083632	Vanguard S&P 500 ETF	VOO US	+23.49%	-4.33%	38.35%	24.17%
US9229087369	Vanguard Growth ETF	VUG US	+24.86%	-10.39%	42.12%	14.24%
US9229087443	Vanguard Value ETF	VTV US	+20.60%	3.33%	38.21%	8.55%
US9220428588	Vanguard FTSE Emerging Markets	VWO US	+23.93%	-2.73%	46.93%	3.99%
US46434G8556	iShares MSCI Global Gold Miner	RING US	+115.89%	6.04%	221.60%	3.95%

High-conviction Bonds

ISIN	Name	Ticker	Country of Risk	Yield (YTM)	Rating	Portfolio Weighting
XS2539374673	First Abu Dhabi Bank PJSC	FABUH 5 1/8 10/13/27	AE	5.04	AA-	0.42%
XS3170344314	Saudi Awwal Bank	SABBAB 5.947 09/04/35	SA	6.51	BBB	0.37%
XS2852966501	Magellan Capital Holdings PLC	MAGELL 8 3/8 07/08/29	AE	8.65	BBB-	0.38%
USY775M1CJ07	Shriram Finance Ltd	SHFLIN 6.15 04/03/28	IN	6.02	BB+	0.39%
XS2861555964	Saudi Arabian Oil Co	ARAMCO 5 7/8 07/17/64	SA	6.53	A+	0.35%

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