

Management Team  
Multi-Asset  
Solutions  
Investment Team

Date  
07/04/26

Capital is at risk.  
Please read full risk  
warning at the end  
of this document.

<sup>1</sup>Bonds are interest-paying financial products issued by governments, companies and other institutions when they want to borrow money from investors.

<sup>2</sup>Yield is the income paid by bonds or other investments. It is usually stated as a percentage of the value of the investment.

Monthly Commentary: April 2026

## Multi-Asset

Stock markets were volatile in March after the conflict in the Middle East sent oil prices sharply higher and rattled global investors. The Strait of Hormuz, a critical chokepoint through which roughly 20% of global oil and gas supplies normally pass, was effectively closed to most shipping. Brent crude briefly exceeded \$110 per barrel after its largest monthly increase in four decades. Equities (company shares) fell sharply, particularly in Asia and Europe, while energy company stocks outperformed.

The surge in oil prices stoked fears of stagflation – a damaging combination of rising prices and slowing growth. This led investors to reassess expectations for interest rates, with anticipated cuts replaced by warnings of potential hikes. In equities, the MSCI World index suffered its worst monthly fall since 2022, and the S&P 500 fell 3.1% over the month, although it was cushioned by a late-month rally on hopes of a diplomatic resolution to the conflict.

Government bonds<sup>1</sup> fell sharply as inflation fears took hold. The US 10-year Treasury yield<sup>2</sup> rose to 4.3% (yields move in the opposite direction to bond prices), while UK 10-year government bond yields reached their highest level since 2008 at over 5.0%. The US Federal Reserve, European Central Bank (ECB) and Bank of England (BoE) all held interest rates steady in March, while issuing warnings about potential ‘second-round effects’ putting upward pressure on prices. Gold fell nearly 14%, as rising real yields (yields after inflation is taken into account) and a stronger US dollar reduced the appeal of the precious metal.

As an investment team, we added to cash positions as the month developed and we will look to deploy this cash as the outlook becomes clearer. One of the benefits of a multi-asset approach is the flexibility it provides during periods of heightened uncertainty – helping us to manage risk while remaining ready to act when opportunities emerge.

### UK

The FTSE 100 fell 6.2% over the month, with the sharpest declines occurring around 19th to 20th March as the conflict intensified. Rising oil prices quickly pushed up petrol and other energy costs, while broader risk-off sentiment – where investors move away from riskier assets such as equities – weighed heavily on investment markets.

The Office for Budget Responsibility (OBR) published its Spring forecast at the beginning of the month, downgrading its prediction for UK economic growth (as measured by gross domestic product or GDP) for 2026 from 1.4% to 1.1%. The OBR cited weaker data from the final quarter of 2025, rising unemployment (now above 5%) and subdued business sentiment. February’s inflation figure, released on 25th March, showed headline inflation broadly unchanged at 3.0% year-on-year. Crucially, these figures do not yet capture the impact of rising energy costs, and headline inflation is expected to move higher in the coming months as rising fuel prices feed through into the wider economy.

## Europe

March proved a difficult month for European equities, with the MSCI Europe index (excluding the UK) declining 8.8%. The halting of most shipping through the Strait of Hormuz revived memories of the 2022 energy crisis and triggered sharp sell-offs across major stock markets. A preliminary estimate showed eurozone headline inflation jumping to 2.5% year-on-year in March, up from 1.9% in February, as energy costs rose 4.9%.

Encouragingly, underlying price pressures showed signs of moderating despite the energy shock. Core inflation, which strips out volatile food and energy prices, fell to 2.3%, well below consensus expectations. Headline inflation is expected to average around 2.9% for 2026, peaking in the second quarter before easing back towards 2.0% in 2027.

## US

US stock markets fell in March as geopolitical tensions and concerns about persistent inflation hit investor sentiment. Data confirmed a slower but still positive trajectory for economic growth. The US economy expanded at an annualised rate of 0.7% in the final quarter of 2025. Meanwhile, the inflation rate in February was 2.5% year-on-year, indicating continuing price pressures despite moderating growth. The unemployment rate edged up to 4.1% as companies in 'cyclical' industries – those whose fortunes are most tied to the economic cycle – reduced the number of people they recruited.

US government bond yields touched 4.3% on expectations that the Federal Reserve would delay interest rate cuts previously anticipated for mid-2026. Higher borrowing costs weighed on property-related businesses, utilities and smaller companies. Defensive sectors such as energy, healthcare and consumer staples outperformed, supported by resilient earnings. Late in the month, a more stable oil price and strong jobs data provided a modest improvement in sentiment.

## Japan

Japanese equities posted their steepest monthly losses since the 2008 financial crisis, with the Topix index down 10.3%. Higher energy costs weighed heavily on Japan's import-reliant economy, while the Bank of Japan raised interest rates, pushing the 10-year Japanese government bond yield to a 27-year high of 2.39%. This strengthened the yen, which hurt exporters, a major component of the Japanese stock market. Consumer, financial and export-oriented sectors led the declines.

Economic data signalled slowing growth, with industrial output contracting and retail sales softening as energy-driven price increases cut into household spending. Despite resilient company earnings reported earlier in the fiscal year, investor sentiment suffered amid fears of global stagflation and disruption to trade through the Strait of Hormuz.

## Asia Pacific

The MSCI Asia Pacific (excluding Japan) index fell approximately 11.6% in March, with broad losses across Australia, Hong Kong and Singapore. In Australia, financial, property-related and technology companies led the declines, while energy producers outperformed because of rising oil and gas prices. The Reserve Bank of Australia held interest rates steady but warned that at 3.2% inflation remained above target. In Hong Kong, equities fell as exports contracted and demand from mainland China weakened.

Late in the month, stock markets and energy prices were more stable as diplomatic efforts appeared to ease tensions in the Middle East and US labour market data surprised positively. Nonetheless, investors remained cautious, preferring energy and defensive sectors over those more sensitive to the economic cycle.

## Emerging Markets

The MSCI Emerging Markets index fell around 11.4% In March, its weakest month since 2022. Global investors retreated from Asian stock markets amid concerns about stagflation and higher borrowing costs. Consumer prices rose despite moderating growth across several major emerging economies, including South Korea and India.

In Europe, two nations classed as emerging markets, Turkey and Poland, saw stock market declines after bond yields spiked.

## Fixed Income

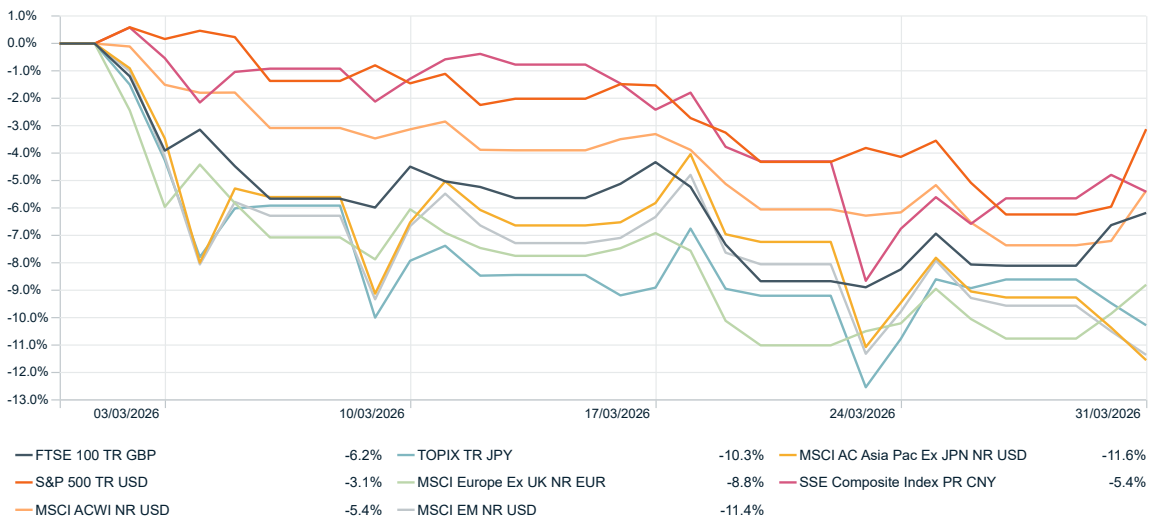
With oil, natural gas and other key supplies materially disrupted, bond investors were concerned about an increase in inflation – and that became the dominant theme for markets throughout March. Expectations of interest rate cuts were quickly replaced by concerns about potential rate hikes, sending bond yields sharply higher.

Despite having played a central role in the conflict, the US is likely to be comparatively less affected by the resulting disruption to energy supplies. As a result, US government bonds and the US dollar both outperformed during the month.

## Performance of key Global Markets

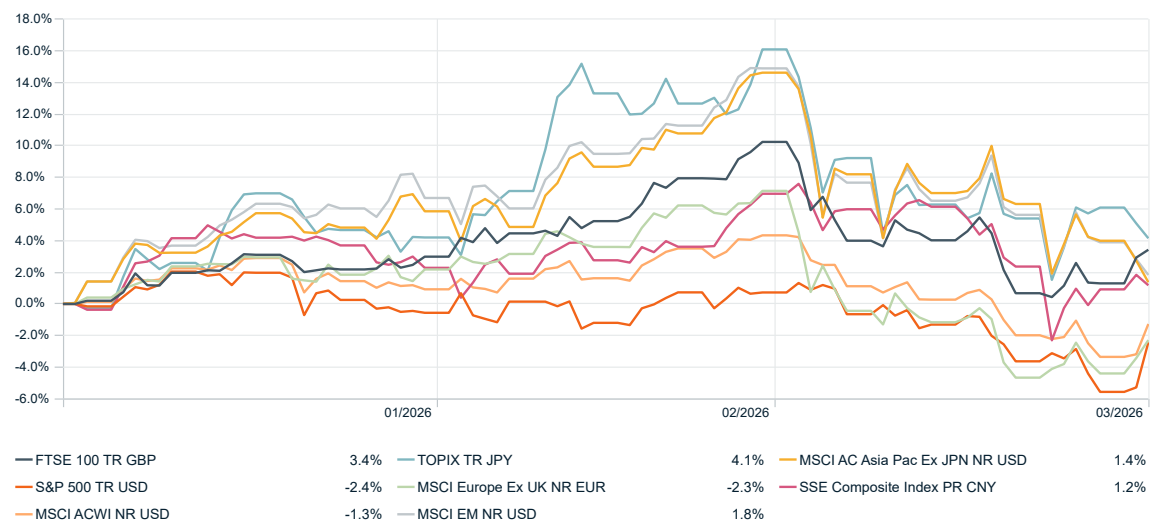
### 1 month performance

Time Period: 01/03/2026 to 31/03/2026  
Currency: Pound Sterling

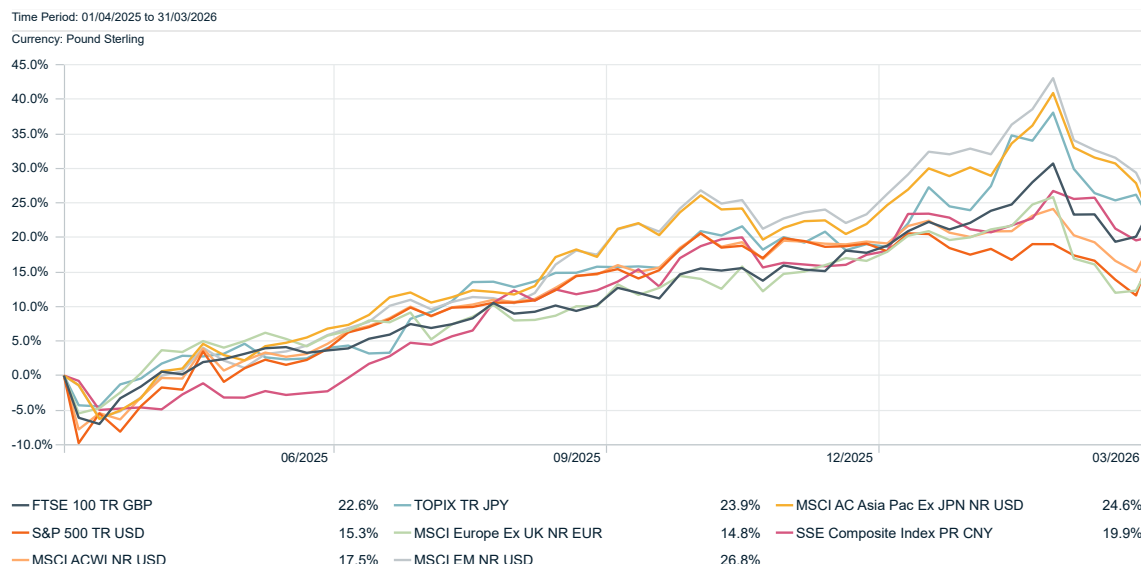


### 3 month performance

Time Period: 01/01/2026 to 31/03/2026  
Currency: Pound Sterling



## 12 month performance



### Risk Warnings

Capital is at risk. The value and income from investments can go down as well as up and are not guaranteed. An investor may get back significantly less than they invest. Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting portfolios. Investments may include emerging market, smaller company and commodity funds which may be higher risk than other asset classes. Investments in fixed interest funds are subject to market and credit risk and will be impacted by changes in interest rates. Changes in exchange rates may affect the value of the underlying investments. Investments in Property funds carry specific risks relating to liquidity. Property funds can go through periods, known as 'gating', when it may not be possible to trade in or out of the funds and to access your money during such periods. The portfolios may invest a large part of their assets in funds for which investment decisions are made independently of the portfolios. If these investment managers perform poorly, the value of the portfolios is likely to be adversely affected. Investment in funds may also lead to additional fees arising from holding these funds.

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The fund is registered and approved under section 65 of CISCA. South African investors must read this document with the latest Minimum Disclosure Document & General Investor Report.

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