

Management Team
Multi-Asset
Solutions
Investment Team

Date
05/03/26

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

¹Value investors seek to identify companies where they believe the share price does not reflect the true value of the business. Value stocks are often companies that are out of favour with investors.

²Bonds are interest-paying financial products issued by governments, companies and other institutions when they want to borrow money from investors.

³Yield is the income paid by bonds or other investments. It is usually stated as a percentage of the value of the investment.

Monthly Commentary: March 2026

Multi-Asset

The performance of global stock markets in February was mixed but generally resilient, as investors grappled with geopolitical risks, macroeconomic developments and changes in sentiment towards different business sectors. In broad terms, equities (company shares) rose, led by Japanese and other Asian markets, where decisive political outcomes and strong local demand lifted stocks. European and emerging market stocks also posted respectable gains. Meanwhile, major US stock markets showed more modest returns amid tariff uncertainty and concerns about the valuations of artificial intelligence (AI) related companies.

Commodities were a standout winner. Gold and other precious metals continued to attract flows from investors seeking a 'safe haven', as geopolitical tensions escalated. Meanwhile, oil's sensitivity to Middle East developments kept energy prices volatile and elevated.

Technology and high-growth shares faced headwinds, as investors moved into value-oriented¹ and 'real assets' such as property and infrastructure. There was relative stability among companies with more defensive qualities, such as utilities, and certain stocks more exposed to the economic cycle. These developments underlined the benefits of diversified equity exposure in a multi-asset portfolio.

Government bonds² were mostly positive as yields³ (which move in the opposite direction to bond prices) fell amid demand from investors seeking refuge because of concerns about AI valuations and rising Middle East tensions. In currency markets, the US dollar was stronger against some developed nation currencies, but weaker versus a number of emerging market currencies. This was because growth is stronger in some of these developing countries and interest rates and bond yields are more attractive.

As an investment team, we are watching the situation in the Middle East very closely. This includes monitoring the oil price for a large and sustained increase that could drive up inflation. As events continue to unfold, we will remain sharply focused on latest developments and their implications for our investors. It is worth mentioning that one of the benefits of multi-asset investing is that it provides diversification designed to help manage risk and smooth returns during periods of geopolitical uncertainty.

UK

The FTSE100 gained 7.0% in February, supported by strong performance across sectors such as energy, healthcare and basic materials. The last of these includes industrial metals, which have seen strong global demand as investment in AI-related data centre infrastructure accelerates. Healthcare outperformed thanks to the sector's defensive characteristics, attracting investors during a period of heightened geopolitical uncertainty. Rising oil prices provided a boost for energy stocks.

UK headline inflation eased to 3.0% in January, down from 3.4% in December. Although broadly in line with expectations, the figure remained above the forecast from the Bank of England (BoE). The main reason for the fall was a sharper-than-expected reduction in food inflation. While inflation remains above the BoE's 2% target, easing pressure on prices is welcome news for policymakers and investors.

Europe

The MSCI Europe stock market index (excluding the UK) rose 4.9%, supported by strong performance across the oil & gas and basic materials sectors for the reasons outlined above.

European inflation continued its downward trajectory, with January's rate easing to 1.7%. Monetary policy remained steady, with the European Central Bank (ECB) maintaining its benchmark interest rate at 2.0%. This stable policy backdrop, combined with easing price pressures, continued to shape market expectations for the region.

US

US technology stocks experienced a broad sell off in February, with the S&P 500 index recording its weakest monthly performance since March 2025. Evidence of changing investor sentiment towards the AI theme was provided when chip giant Nvidia reported stellar earnings, only for its shares to fall the following day.

US inflation eased from 2.7% in December to 2.4% in January, which was slightly below the widely expected figure of 2.5%. US economic growth (as measured by gross domestic product or GDP) slowed to an annualised 1.4% in the final quarter of 2025. This was a sharp deceleration from the 4.4% growth seen in the third quarter and significantly below the widely expected 3%.

Japan

Japanese equities extended their strong start to 2026, with the MSCI Japan index rising solidly in February. This was the result of broad-based gains across the financial and industrial sectors and among other companies whose fortunes tend to be tied to the economic cycle (often called 'cyclicals'). Increased risk appetite among global investors helped sustain the gains by Japanese equities, which remain underpinned by attractive valuations, robust earnings and continuing corporate reforms.

A key feature of the month was the increased investor interest in cyclicals, particularly industrial businesses and less highly valued financial sector stocks. Investors responded positively to indications of recovering global manufacturing activity and improving export demand, which benefited companies linked to capital goods (such as machinery and factory equipment). Other beneficiaries were businesses involved in automation and energy-related supply chains. Technology stocks also performed well, especially those in semiconductor-related areas, as investors priced in a further increase in AI-related investment.

After the general election result, markets broadly expect continuity in economic policy and reform efforts, helping to limit uncertainty and supporting risk appetite. The Bank of Japan remained cautious, while reiterating its willingness to raise interest rates if wage increases justify it.

Asia Pacific

Asia-Pacific (excluding Japan) equities rose strongly during the month, extending January's positive momentum amid improving risk appetite among global investors and a broadening recovery in cyclical sectors. Expectations that major developed market central banks may cut interest rates again later in 2026 helped reinforce appetite for risk assets, such as equities, while resilient company earnings across several key Asian markets further strengthened sentiment. Australia and Southeast Asia posted broadly positive returns.

Emerging Markets

Emerging market equities rose again in February, with the MSCI Emerging Markets index posting another month of solid gains, supported by resilient global growth indicators and continued anticipation of further rate cuts in developed markets. The strongest performance was from technology companies, with Korea and Taiwan standout performers, continuing the powerful rally seen in January. India and Indonesia were weaker, partly due to investors continuing to take their profits from previous stock market gains.

China saw only a modest improvement, with property-sector fragility and subdued consumer demand limiting stock market progress, despite pockets of strength among export-oriented industrial companies. Latin America was led by Brazil, which delivered another month of healthy gains, supported by strong commodity prices and stabilising inflation. Mexico also performed well, benefiting from a balanced macroeconomic backdrop and US companies 'nearshoring' by moving their overseas production sites from further afield to a neighbouring country.

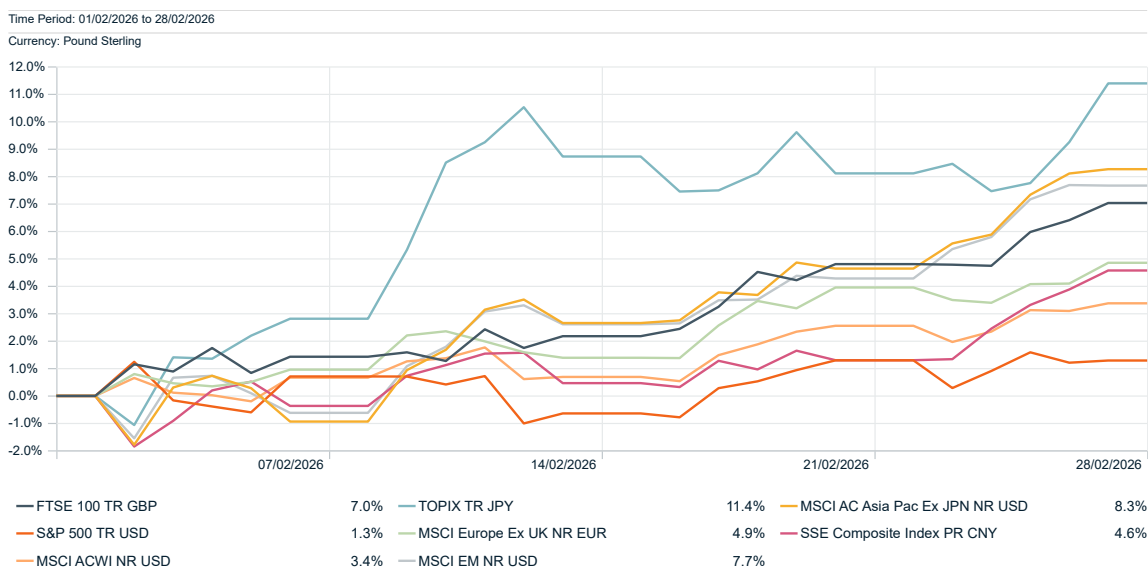
Fixed Income

In February, government bonds benefited as investors continued to seek 'safe havens'. Yields on US government 10-year bonds fell from around 4.25% to below 4.0%. This was as investors sought safety amid concerns about the huge sums being invested in AI infrastructure, worries about weak labour market data and later in the month uncertainty about new conflict in the Middle East.

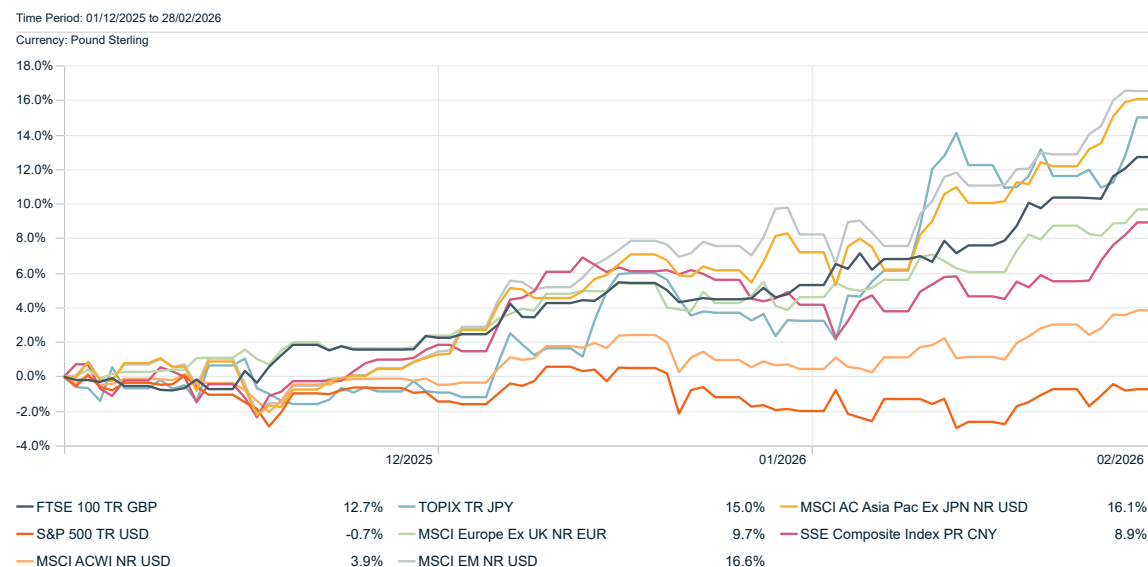
Differences in central banks' policies continued. The ECB was still taking a 'wait and see' approach, while the BoE seemed to have shifted to a position where interest rate cuts looked more likely. Meanwhile, the US Federal Reserve acknowledged vulnerabilities in markets. Politics were a significant driver of bond price moves, with economic data taking more of a back seat. The UK and Japan saw notable political events/disruption (calls for UK Prime Minister Keir Starmer to resign as leader of the Labour Party and leadership consolidation of power respectively). The end of the month saw investors becoming more risk averse, which pushed up yields on company bonds.

Performance of key Global Markets

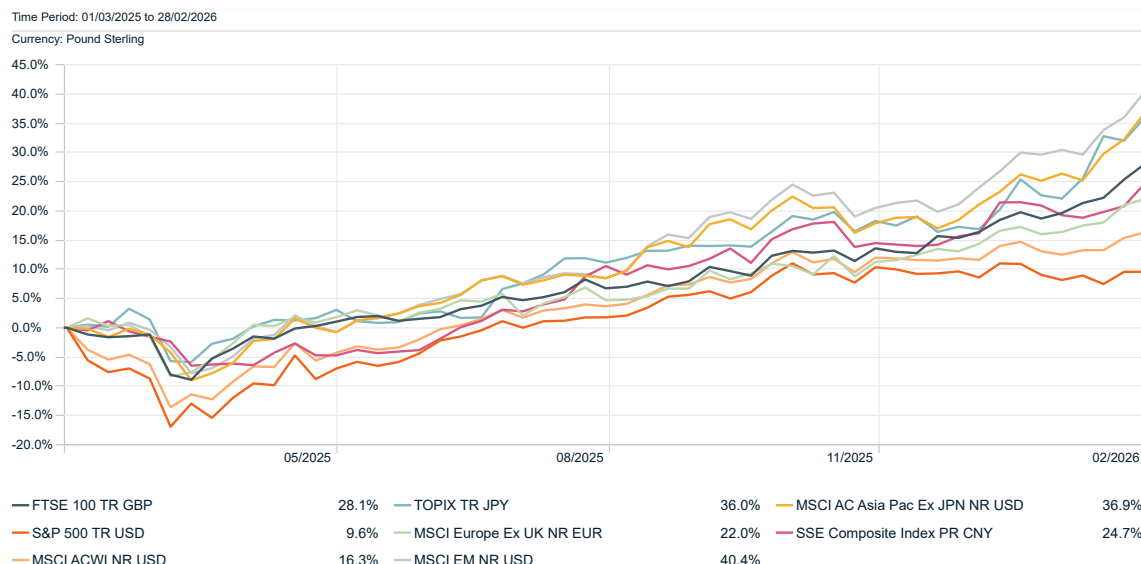
1 month performance



3 month performance



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.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from Marlborough or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine together with their own professional advisers if appropriate if any investment mentioned herein is believed to be suitable. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted.

Regulatory Information

Issued in the UK by Marlborough Investment Management Limited, authorised and regulated by the Financial Conduct Authority (reference number 115231). Registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Registered in England No. 01947598.

Issued in Europe by Marlborough Investment Management Limited (authorised and regulated by the Financial Conduct Authority) on behalf of Marlborough ICAV (authorised and regulated by the Central Bank of Ireland). Marlborough ICAV is managed by TMF Fund Management (Ireland) Limited (authorised and regulated by the Central Bank of Ireland). Marlborough ICAV is registered under the laws of Ireland with registered number C186352 as an Irish Collective Asset management Vehicle which is constituted as an open ended umbrella UCITS fund with segregated liability between sub funds. Directors: Raymond O'Neill (Irish), Brian Farrell (Irish), Dom Clarke (British), Martin Ratcliffe (British) and Danny Knight (British). Registered office: Marlborough ICAV, 88 Harcourt Street, Dublin 2, Ireland.

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.

Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

Intermediary Support. 0808 145 2502

Email. salesupport@marlboroughgroup.com

Website. marlboroughgroup.com

