GLOBAL MATTERS VIEWPOINT

MARKET VIEW & OUTLOOK
AUGUST 2026

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GLOBAL MARKET REVIEW & OUTLOOK

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The MSCI All Country World Index (ACWI) recorded a 0.00% return in July but investors would be forgiven for thinking that it had been a quiet month. Korean stocks shed almost one quarter of their value, the Philadelphia Semiconductor one fifth and global momentum stocks almost one tenth. But positive stories elsewhere helped steady the ACWI boat. We came into the second half of 2026 with some healthy gains from risk assets and with a broader dispersion of returns than that which we had become accustomed to, both within individual markets and across geographies and sectors. In many ways this is characteristic of a healthier market and for diversified investors like ourselves this was very much welcome and somewhat overdue. The market continued to oscillate around the on/off Trump Iran war rhetoric, and the second order inflation derivative that falls out from more entrenched higher oil, commodity and shipping costs.

Despite inflation in the US coming in both below May's reading and expectations, the resurgent war narrative (did it ever go away?) continued to fuel concerns about consumer prices in the future, which in turn led to a steady but significant move higher in rates across developed markets during the month of July. This was largely a resetting higher in real rates with the US 10yr real rate hitting 2.43% at month end and 30yr real yields breaching 3% for the first time since 'peak GFC' in October 2008 (they were negative less than 5 years ago). Unsurprisingly, risk markets found this somewhat unsettling and when combined with extended investor positioning some profit taking ensued. In the case of Korea, where the KOSPI index is dominated by SK Hynix and Samsung, the approval by the regulators in late May for leveraged single stock ETFs only added to the market volatility which at one point saw the index 44% lower from its intraday peak on 18th June, leading the finance minister to apologise to the thousands of retail investors nursing heavy losses. July's final day KOSPI rally of almost 18%, which followed a similar sized fall over the prior three days, translated into an annualised volatility north of 100%, levels rarely seen which probably would have been higher were it not for the circuit breakers that kicked in.

SpaceX continued to see profit taking through the month which eventually pushed it below its IPO price and ultimately end July at - $108 - more than 50% below its post launch peak, putting a serious dent in founder Elon Musk's paper net worth (but one he can live with). It is notable that margin debt - borrowing for the purpose of investment - reached a record $1.5trn in the US during the month, something which risks exacerbating market moves in an already volatile market. Shortly after month end, news emerged of a hedge fund called Situational Awareness - a near four times leveraged play into AI related names and infrastructure - being forced into a fire sale of assets to Ken Griffin's Citadel as heightened volatility triggered margin calls. Despite a less favourable backdrop for tech and AI related names, Bitcoin ended the month 7.5% higher, likely finding some temporary support after the 20% June rout.

Despite there being no changes to the major policy rates during the month, yields edged higher as oil prices rose sharply again in July as the short-lived US- Iran peace plan broke down and hostilities between the sparring nations resumed. As a result, returns on most rate sensitive bonds were modestly negative and the higher carry of corporate credit wasn't enough to offset the price declines. One other notable move worthy of mention was a sharp move higher in the Yen as speculation swirled again that the Bank of Japan would intervene in the currency market to prop up the weak currency. Ultimately it was a coordinated intervention which also saw the US selling Euros and buying Yen, an unusual move and one probably not welcomed by ECB officials.

We go into August hoping for less volatility but expectant for more of the same. Volatility presents opportunity however, and we remain ready to position portfolios around any adverse market moves where opportunities arise. It has been pleasing to see a broadening out of equity returns as the year has progressed, and some support for quality after a weak and concerning first quarter. Together with a broader asset mix and a strong line up of active managers we should be well positioned for what the remainder of the year brings.

Market Performance – Global

as of 31 July 2026 (local currency terms)

Asset Class/Region	Index	Ccy	1 Month	3 Months	Year to date	12 Months
Developed markets equities						
United States	S&P 500 NR	USD	-0.1%	4.1%	9.9%	19.1%
United Kingdom	MSCI UK NR	GBP	3.6%	5.1%	11.7%	23.4%
Continental Europe	MSCI Europe ex UK NR	EUR	-0.1%	7.6%	11.1%	21.3%
Japan	Topix TR	JPY	0.2%	7.6%	18.8%	39.2%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	-2.3%	5.9%	21.0%	34.5%
Global	MSCI World NR	USD	0.5%	4.3%	10.3%	20.4%
Emerging Markets Equities						
Emerging Europe	MSCI EM Europe NR	USD	6.1%	8.7%	21.3%	34.3%
Emerging Asia	MSCI EM Asia NR	USD	-4.2%	6.1%	22.8%	39.0%
Emerging Latin America	MSCI EM Latin America NR	USD	4.9%	-1.9%	15.9%	44.6%
BRICs	MSCI BRIC NR	USD	6.3%	-1.0%	-5.5%	0.7%
China	MSCI China NR	USD	9.0%	-1.8%	-7.3%	-1.1%
Global emerging markets	MSCI Emerging Markets NR	USD	-3.1%	4.8%	20.0%	36.4%
Bonds						
US Treasuries	JP Morgan United States Government Bond TR	USD	-1.1%	-0.7%	-0.7%	2.1%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	-0.8%	-1.0%	0.3%	2.5%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	-1.7%	-0.7%	-0.8%	2.5%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	-0.2%	0.5%	1.7%	5.2%
UK Gilts	JP Morgan UK Government Bond TR	GBP	-1.7%	0.9%	-1.6%	1.2%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	-1.1%	1.3%	-0.2%	2.8%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-1.6%	-0.2%	-0.4%	-0.1%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	-1.0%	0.4%	0.4%	1.0%
Euro High Yield	BBgBarc European HY 3% Constrained TR	EUR	-0.3%	1.3%	1.5%	2.8%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	-0.6%	-1.1%	-3.4%	-5.9%
Australian Government	JP Morgan Australia GBI TR	AUD	-0.5%	2.1%	1.5%	0.3%
Global Government Bonds	JP Morgan Global GBI	USD	-0.6%	-1.3%	-1.7%	-0.3%
Global Bonds	ICE BofAML Global Broad Market	USD	-0.5%	-0.9%	-0.7%	1.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	-4.6%	0.6%	13.0%	22.0%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	-1.3%	0.1%	2.3%	7.3%

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Market Performance – Global

as of 31 July 2026 (local currency terms)

Asset Class/Region	Index	Ccy	1 Month	3 Months	Year to date	12 Months
Property						
US Property Securities	MSCI US REIT NR	USD	2.3%	4.9%	19.5%	23.4%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	-0.1%	3.5%	-6.8%	-8.4%
Global Property Securities	S&P Global Property USD TR	USD	2.5%	2.0%	10.8%	16.3%
Currencies						
Euro		USD	0.9%	-1.7%	-1.9%	1.0%
UK Pound Sterling		USD	1.7%	-0.9%	0.1%	2.1%
Japanese Yen		USD	3.3%	-0.5%	-0.4%	-4.2%
Australian Dollar		USD	1.4%	-2.5%	5.2%	9.2%
South African Rand		USD	-0.8%	0.9%	0.2%	10.2%
Commodities & Alternatives						
Commodities	RICI TR	USD	8.9%	-4.5%	32.0%	36.3%
Agricultural Commodities	RICI Agriculture TR	USD	4.9%	0.4%	11.7%	9.9%
Oil	Brent Crude Oil	USD	23.6%	-21.0%	48.1%	24.3%
Gold	Gold Spot	USD	1.0%	-12.4%	-6.3%	23.0%
Interest rates						
United States				3.75%		
United Kingdom				3.75%		
Eurozone				2.40%		
Japan				1.00%		
Australia				4.35%		
South Africa				7.00%		

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Market Performance – UK

as of 31 July 2026 (all returns GBP)

Asset Class/Region	Index	Local Ccy	1 Month	3 Months	Year to date	12 Months
Equities						
UK - All Cap	MSCI UK NR	GBP	3.6%	5.1%	11.7%	23.4%
UK - Large Cap	MSCI UK Large Cap NR	GBP	4.2%	5.3%	12.4%	25.2%
UK - Mid Cap	MSCI UK Mid Cap NR	GBP	1.7%	3.7%	6.0%	10.4%
UK - Small Cap	MSCI Small Cap NR	GBP	4.1%	6.6%	7.3%	12.2%
United States	S&P 500 NR	USD	-1.7%	5.0%	9.8%	17.0%
Continental Europe	MSCI Europe ex UK NR	EUR	-0.8%	6.6%	9.0%	20.1%
Japan	Topix TR	JPY	0.7%	6.6%	16.6%	29.2%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	-3.9%	6.7%	20.9%	32.1%
Global developed markets	MSCI World NR	USD	-1.1%	5.2%	10.2%	18.2%
Global emerging markets	MSCI Emerging Markets NR	USD	-4.6%	5.7%	19.9%	34.0%
Bonds						
Gilts - All	ICE BofAML UK Gilt TR	GBP	-1.7%	0.9%	-1.7%	1.1%
Gilts - Under 5 years	ICE BofAML UK Gilt TR 0-5 years	GBP	-0.3%	1.0%	0.7%	2.5%
Gilts - 5 to 15 years	ICE BofAML UK Gilt TR 5-15 years	GBP	-1.6%	1.0%	-1.1%	1.3%
Gilts - Over 15 years	ICE BofAML UK Gilt TR 15+ years	GBP	-3.7%	0.4%	-5.5%	-1.2%
Index Linked Gilts - All	ICE BofAML UK Gilt Inflation-Linked TR	GBP	-1.9%	-1.4%	-1.8%	0.7%
Index Linked Gilts - 5 to 15 years	ICE BofAML UK Gilt Inflation-Linked TR 5-15 years	GBP	-0.9%	-0.9%	1.0%	1.6%
Index Linked Gilts - Over 15 years	ICE BofAML UK Gilt Inflation-Linked TR 15+ years	GBP	-3.9%	-2.5%	-6.3%	-1.5%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	-1.1%	1.3%	-0.2%	2.8%
US Treasuries	JP Morgan US Government Bond TR	USD	-2.4%	0.3%	-0.8%	0.4%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	-3.0%	0.2%	-0.9%	0.8%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	-0.2%	0.5%	1.7%	5.2%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-1.6%	-0.2%	-0.4%	-0.1%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	-1.0%	0.4%	0.4%	1.0%
Euro High Yield	BBgBarc European High Yield 3% Constrained TR	EUR	-0.3%	1.3%	1.5%	2.8%
Global Government Bonds	JP Morgan Global GBI	GBP	-2.2%	-0.5%	-1.8%	-2.1%
Global Bonds	ICE BofAML Global Broad Market	GBP	-0.5%	-0.9%	-0.7%	1.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	GBP	-4.6%	0.6%	13.0%	22.0%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	GBP	-2.9%	0.9%	2.2%	5.3%

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Market Performance – UK

as of 31 July 2026 (all returns GBP)

Asset Class/Region	Index	Local Ccy	1 Month	3 Months	Year to date	12 Months
Property						
Global Property Securities	S&P Global Property TR	GBP	0.9%	2.9%	10.7%	14.2%
Currencies						
Euro		GBP	-0.7%	-0.8%	-1.9%	-1.1%
US Dollar		GBP	-1.6%	0.9%	-0.1%	-2.0%
Japanese Yen		GBP	1.4%	0.3%	-0.7%	-6.3%
Commodities & Alternatives						
Commodities	Rogers International Commodity (RICI) TR	GBP	7.2%	-3.7%	31.9%	33.9%
Agricultural Commodities	Rogers International Commodity (RICI) Agriculture TR	GBP	3.2%	1.2%	11.6%	7.9%
Oil	Brent Crude Oil	GBP	21.6%	-20.3%	48.0%	22.0%
Gold	Gold Spot	GBP	1.0%	-12.4%	-6.3%	23.0%
Interest rates						
United Kingdom				3.75%		

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Asset Allocation Views

Score	Change	---	--	-	/	+	++	+++
	▲/▼/–							
MAIN ASSET CLASSES								
Equities	–			■				
Rates	▼			■				
Fixed Income	–					■		
Specialist / Alternatives	–					■		
Cash	▲					■		
EQUITIES								
Developed Equities	–			■				
UK Equities	–				■			
European Equities	–			■				
US Equities	–		■					
Japanese Equities	–					■		
Emerging Market Equities	▼			■				
FIXED INCOME								
Government	▼			■				
Index-Linked	▼			■				
Investment Grade Corporate	–				■			
High Yield Corporate	–					■		
Emerging Market Debt	▲					■		
SPECIALIST ASSETS/ALTERNATIVES								
Global Listed Property	–				■			
Global Listed Infrastructure	–			■				
Specialist Assets	–						■	
Liquid Alternatives	▲				■			
Gold	–				■			

The asset allocation views are updated at the end of each quarter unless otherwise stated.

Important Notes

Investment Manager - Momentum Global Investment Management Limited (MGIM).

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