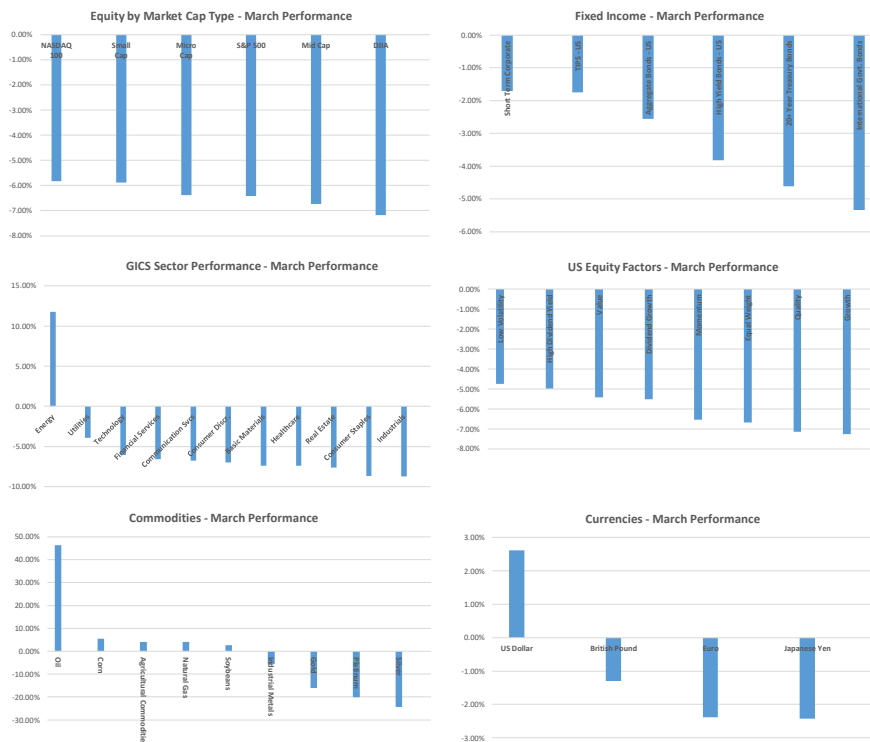


March 2026 - Market Comments

Markets in a Glimpse

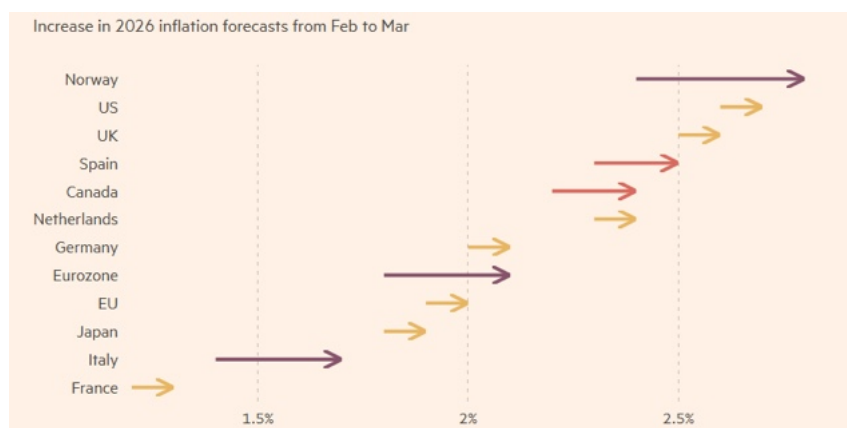
- **Rotation Interrupted by Macro and Geopolitics:** March marked a sharp reversal in equity performance, with major U.S. indices suffering significant losses. While early year trends favoured “traditional economy” stocks, escalating geopolitical tensions triggered a broad risk-off move where only Energy sector stocks managed to thrive.
- **Defensive Factors Outperform:** Factor performance reflected a shift toward defensiveness rather than pure cyclical leadership i.e. High dividend and low-volatility strategies outperformed broader markets, while Growth and Momentum lagged significantly amid rising bond yields and valuation compression.
- **Uncertainty is the Name of the Game:** Heightened uncertainty surrounding U.S. trade policy alongside limited clarity on U.S. strategic direction in the Middle East conflict, re-emerged as key sources of market volatility contributing to a more fragile sentiment backdrop. Concurrently, resilient US economic data and persistent inflationary pressures have reinforced expectations of a “higher-for-longer” policy stance from the Federal Reserve.
- **Energy Surge Dominates Commodities:** Commodities diverged sharply in March, led by a significant double-digit rally in oil and natural gas, driven by supply concerns tied to Middle East tensions and the strategic importance of the Strait of Hormuz. In contrast, precious and industrial metals saw profit-taking on the back of a significant dollar strength.
- **USD strength overshadowing Cryptos:** Major cryptocurrencies such as Bitcoin and Ethereum stabilized following early-month volatility, yet gains were capped by a strengthening U.S. dollar, which rose during the month alongside higher bond yields and shifting rate expectations creating a less supportive liquidity backdrop for digital assets.



March 2026 - Market Comments

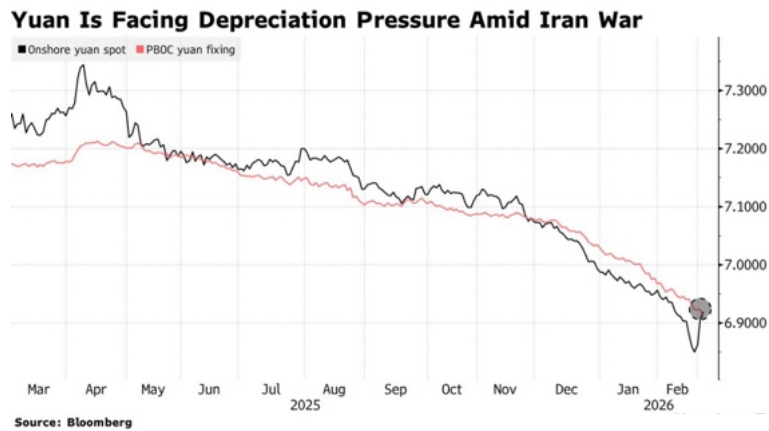
In-Depth Market Review

- Stagflation Risks Looming:** The Iran crisis represents a commodity-driven macro risk rather than a systemic financial event, with oil prices acting as the primary transmission channel. Disruptions around the Strait of Hormuz - through which roughly 20% of global oil and LNG flows pass - have pushed Brent crude above \$100 per barrel, with significant supply losses amplifying the shock. This is translating into higher energy costs, raising input prices for businesses and fuel costs for consumers. The inflation impact is immediate, as elevated energy prices feed through to transportation, food, and broader goods prices, putting upward pressure on CPI and delaying potential rate cuts. At the same time, growth expectations are softening: sustained oil prices around \$100 per barrel could reduce global growth by ~0.4 percentage points through weaker consumption, tighter margins, and reduced investment—raising stagflation risks according to multiple economists consensus across developed countries. Markets remain sensitive to the duration of the disruption. While the shock is currently contained, prolonged supply constraints could drive further volatility, support safe-haven flows, and reinforce outperformance in energy and defensive sectors.



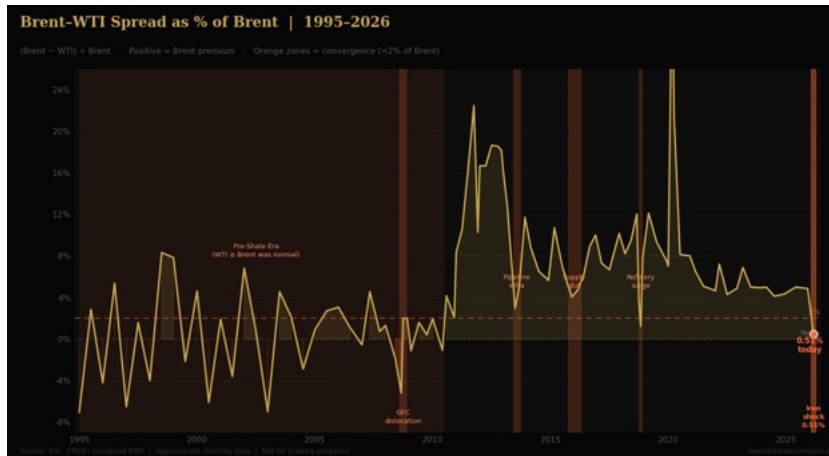
- Petroyuan No More:** Recent disruptions to shipping through the Strait of Hormuz have revived debate about whether energy trade settlement dynamics could reinforce the global role of the U.S. dollar, particularly as some oil flows to China have in recent years been denominated in renminbi through mechanisms linked to the Shanghai International Energy Exchange and cleared via the Cross-Border Interbank Payment System. While such developments reflect gradual experimentation with a “petroyuan,” they remain small relative to the broader global oil market, where price discovery and risk management continue to be anchored to dollar-denominated benchmarks such as Brent crude and West Texas Intermediate. Consequently, geopolitical disruptions affecting a critical transit corridor like Hormuz tend to increase demand for dollar liquidity through commodity financing, hedging activity, and trade settlement, reinforcing USD strength in the short term. This dynamic reflects the continued dominance of dollar-based financial infrastructure during periods of market stress.

March 2026 - Market Comments

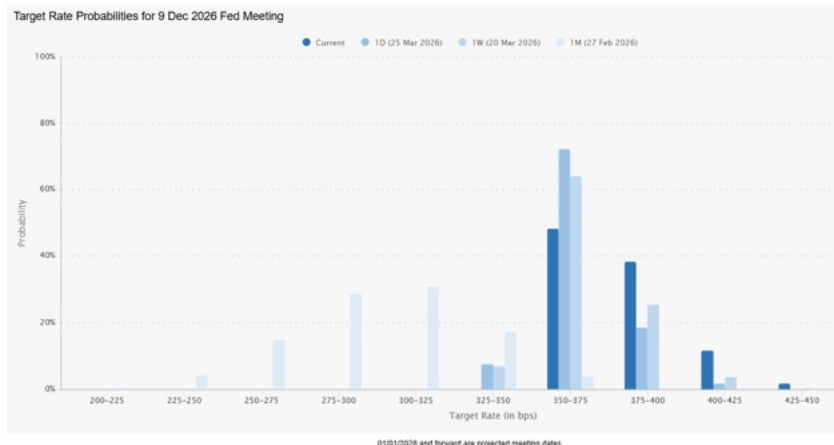


- Brent–WTI Spread Compression:** Over the past decade, the spread between Brent crude and WTI (West Texas Intermediate) has narrowed significantly relative to historical averages, reflecting a structural shift in global oil market dynamics. Historically, WTI traded at a persistent discount to Brent - often exceeding \$10–\$20/bbl - because U.S. crude was largely landlocked at Cushing, Oklahoma and constrained by pipeline bottlenecks, while global price discovery occurred through seaborne Brent-linked markets. However, the lifting of the U.S. crude export ban in 2015, combined with rapid growth in shale production and the expansion of Gulf Coast export infrastructure, effectively integrated U.S. crude into global trade flows. As a result, WTI now competes directly with international barrels in Europe and Asia, significantly reducing the structural discount. A further structural change occurred when WTI Midland was incorporated into the Brent pricing basket, strengthening the linkage between the two benchmarks and further compressing the spread. In the current market regime, the Brent-WTI differential is largely determined by logistics and arbitrage economics - primarily freight costs and minor quality differences - rather than structural regional segmentation. Consequently, the spread has generally stabilized within a narrower \$2–\$6/bbl range. Recent geopolitical tensions affecting the Strait of Hormuz have at times tightened the spread further. Disruptions to Middle Eastern supply increase the strategic importance of seaborne U.S. exports, raising demand for Gulf Coast crude and pulling WTI prices closer to Brent. In this context, geopolitical risk does not necessarily widen the spread; instead, it can reinforce the U.S. global role as an alternative supply source.

March 2026 - Market Comments



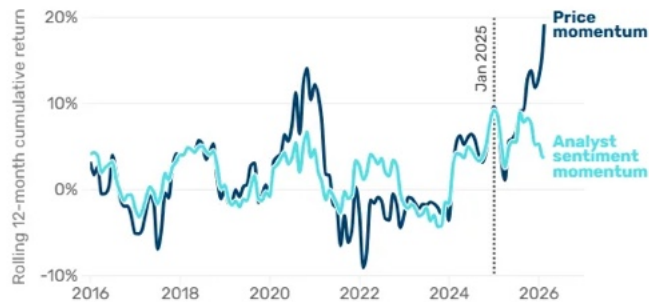
- Markets Reprice Fed Rate Cut Expectations:** Over the past month, market-implied expectations for U.S. monetary policy have shifted notably in a more hawkish direction. Investors have scaled back projections for rate cuts by the Federal Reserve, reducing expected easing from roughly 75-100 basis points to around 25-50 basis points and pushing the timing of the first cut further into 2026. This repricing has been driven by persistent inflation pressures - exacerbated by higher energy prices - alongside resilient economic data and a still-tight job market. At the same time, rising Treasury yields, particularly in benchmark government bonds, reflect growing acceptance of a “higher-for-longer” rate environment, with policymakers signalling caution and no immediate urgency to ease policy.



- Price and Earnings Momentum Correlation Broken:** Another notable shift in the AI-driven market environment is the breakdown of the traditional momentum factor. Over the past decade, one of the most persistent patterns in equity markets has been the tendency for outperforming stocks to continue outperforming, often at an accelerating pace. This dynamic was fundamentally supported by improving earnings outlooks, as the same companies benefiting from strong price momentum were typically subject to positive analyst revisions. However, this relationship appears to have weakened materially. Recent analysis from Man Group indicates that the stocks exhibiting the strongest price momentum now show little to no correlation with improvements in fundamental sentiment, as measured by

March 2026 - Market Comments

analyst earnings revisions. Instead, price performance is increasingly driven by perceived exposure to the AI theme, regardless of how direct or substantiated that linkage may be.



Source: Man Numeric calculations as at 12 February 2026. Rolling 12-month returns for price momentum and analyst sentiment momentum, global. The two tracked closely for a decade before diverging sharply from early 2025.

- Private Credit Risks Intensify:** Private credit markets continue to weaken, with rising defaults, valuation pressures, and tightening liquidity driven by elevated redemptions at major managers such as BlackRock and Blue Owl Capital. Underlying credit quality appears softer than headline data implies, while significant concentration in sectors like software increases systemic vulnerability. Scenario analysis in the chart below - using High Yield B spreads as a proxy for private loans - illustrates a broadening risk spectrum: a +150–200 bps widening suggests manageable, sector-specific stress; +300–350 bps points to wider macro or geopolitical deterioration; and an extreme +1000 bps shock, comparable to the Global Financial Crisis, could lead to widespread defaults and market dislocation. Although markets remain operational, the current trajectory indicates a more fragile backdrop, emphasizing the importance of selectivity, diversification, and active monitoring of liquidity and credit risk.



March 2026 - Market Comments

MG's Message to Investors

- **Rotation Reverses Amid Geopolitical Shock:** March marked a clear reversal from February's broad-based rotation, as markets shifted into a risk-off environment. While earlier trends favoured value and cyclical sectors, escalating geopolitical tensions—particularly in the Middle East—disrupted this dynamic and led to broad equity declines. Sector performance became more uneven, with energy standing out as the only consistent outperformer, supported by strong gains in oil and gas, while most other sectors moved lower. Market breadth weakened, and leadership rotated back toward defensive strategies, with high dividend and low-volatility factors outperforming Growth and Momentum.
- **Inflation Menace Reinforces “Higher-for-Longer”:** Expectations for monetary easing were pushed further out as resilient U.S. economic data and persistent inflation - partly driven by higher energy prices - reinforced a “higher-for-longer” stance from the Federal Reserve. At the same time, renewed uncertainty on U.S. trade policy and the evolving Middle East conflict increased market volatility and pressured risk sentiment. This backdrop supported a stronger U.S. dollar and higher bond yields, weighing on liquidity-sensitive assets such as cryptocurrencies, while supply risks linked to the Strait of Hormuz continued to underpin strength in energy markets and pressure metals.
- As April starts, MG highlights the following tactical views for the short term:
 - **Equities:** Overweight exposure to equities is unchanged across most regions, except Japan, reflecting the country's high dependence on energy imports, which increases its vulnerability to current geopolitical tensions and potential energy price shocks.
 - **Fixed Income:** Overweight allocation to fixed income, while slightly reducing exposure to corporate bonds - particularly more credit-sensitive areas such as high yield. The model is only keeping a low exposure in Mortgage-backed securities as a prolonged Iran conflict could result in inflationary pressures that could ultimately weigh on household finances.
 - **Alternatives:** Overweight stance in this asset class with gold as favourite sub-asset class as global geopolitical uncertainty lingers.
 - **Outlook and Strategy:** These positioning shifts are tactical in nature and will be reassessed as incoming economic data, policy developments, and market dynamics evolve.
- MG reminds its investors about the importance of disciplined risk management, reaffirming the necessity of adopting a cautious, data-driven methodology focused on achieving long-term performance objectives. In this way, MG remains steadfast in its commitment to diligently monitor financial markets and actively adjust risk exposures in alignment with shifting market dynamics. The primary recommendation emphasises the preservation of a fully diversified portfolio, ensuring its structural integrity by refraining from imprudent exposure to risks or opportunities that may appear excessively favourable or unsustainable.

March 2026 - Market Comments

MG Investment Solutions Taxonomy

- **MG ETF Asset Allocation Portfolios:** Multi-asset class diversified mandates employing a quantitative asset allocation framework that dynamically adjusts portfolio exposures in response to evolving market conditions and the distinct risk profile of each mandate, with the objective of effectively navigating the prevailing environment of uncertainty.
- **MG ETF High Income Portfolio:** A diversified ETF portfolio designed as an alternative investment vehicle for investors seeking short-duration, highly liquid exposure with the objective of generating monthly income. The strategy targets a mid-single digit yield and is recommended for investors with a minimum investment horizon of two years.
- **MG Sector:** An actively managed ETF strategy designed to deliver high–single-digit annualized returns over the long term through a concentrated sector rotation approach. The portfolio invests exclusively in liquid, U.S.-listed ETFs that provide targeted exposure to GICS sectors, and using a dynamic, machine-learning-based quantitative model developed to address the limitations of traditional factor strategies.
- **MG Opp Portfolio:** An equity portfolio managed through a quantamental investment process, selecting U.S. stocks with a higher likelihood of outperformance over the medium to long term. The portfolio maintains a strategic bias toward large-cap growth companies.
- **MG Opp Dividend Portfolio:** An equity portfolio constructed through a quantamental investment process, focused on the selection of U.S. stocks with a dividend yield significantly higher than the broad U.S. equity market. The portfolio emphasizes companies with high-quality balance sheet, aiming to enhance the likelihood of outperformance over the long term, with a strategic bias toward mid-cap value and quality-oriented stocks.
- **MG Emerging Technologies (MGET):** A Tax-efficient, annually rebalanced portfolio designed to target double-digit annualized returns over the long term by allocating capital to high-growth transformative thematic opportunities such as Artificial Intelligence, Cybersecurity, Robotics, Biotechnology, Blockchain, and Quantum Computing.
- **MG Blockchain (MGBLOCK):** A tax-efficient, annually rebalanced portfolio designed to target double-digit annualized returns over the long term by offering investors diversified access to the cryptocurrency sector. The strategy employs a combination of direct exposure to cryptocurrency-linked, fiat currency-denominated ETFs (focused on Bitcoin and Ether) alongside indirect exposure to publicly traded companies demonstrating high sensitivity to the blockchain ecosystem.

March 2026 - Market Comments

MG Solution	Short	Asset Class	Description
MG Asset Allocation ETF	<i>MGAA</i>	Multi-Asset Class	Multi-asset class diversified mandates employing a quantitative asset allocation framework that dynamically adjusts portfolio exposures in response to evolving market conditions and the distinct risk profile of each mandate, with the objective of effectively navigating the prevailing environment of uncertainty.
MG High Income ETF	<i>MGHI</i>	Fixed Income	A diversified ETF portfolio designed as an alternative investment vehicle for investors seeking short-duration, highly liquid exposure with the objective of generating monthly income. The strategy targets a mid-single digit yield and is recommended for investors with a minimum investment horizon of two years
MG Sector ETF	<i>MGS</i>	Equity	An actively managed ETF strategy designed to deliver high-single-digit annualized returns over the long term through a concentrated sector rotation approach. The portfolio invests exclusively in liquid, U.S.-listed ETFs that provide targeted exposure to GICS sectors, and using a dynamic, machine-learning-based quantitative model developed to address the limitations of traditional factor strategies.
MG Opp	<i>MGOP</i>	Equity	An equity portfolio managed through a quantamental investment process, selecting U.S. stocks with a higher likelihood of outperformance over the medium to long term. The portfolio maintains a strategic bias toward large-cap growth companies
MG Opp Dividend	<i>MGOD</i>	Equity	An equity portfolio constructed through a quantamental investment process, focused on the selection of U.S. stocks that prioritize a dividend yield approximately three to four times higher than that of the broad U.S. equity market. The portfolio emphasizes companies with high-quality balance sheet, aiming to enhance the likelihood of outperformance over the medium to long term, with a strategic bias toward mid-cap value and quality-oriented stocks.
MG Emerging Tech	<i>MGET</i>	Equity	A Tax-efficient, annually rebalanced portfolio designed to target double-digit annualized returns over the long term by allocating capital to high-growth transformative thematic opportunities such as Artificial Intelligence, Cybersecurity, Robotics, Biotechnology, Blockchain, and Quantum Computing.
MG Blockchain	<i>MGBLOCK</i>	Equity & Crypto ETF	A tax-efficient, annually rebalanced portfolio designed to target double-digit annualized returns over the long term by offering investors diversified access to the cryptocurrency sector. The strategy employs a combination of direct exposure to cryptocurrency-linked, fiat currency-denominated ETFs (focused on Bitcoin and Ether) alongside indirect exposure to publicly traded companies demonstrating high sensitivity to the blockchain ecosystem.