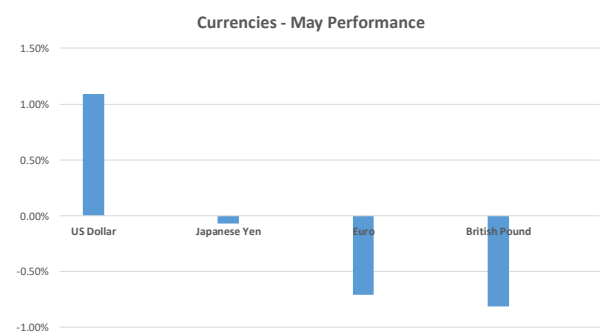
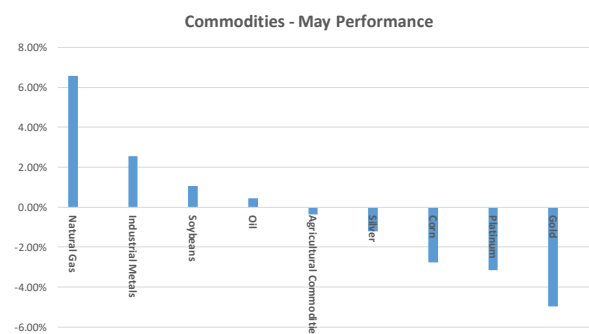
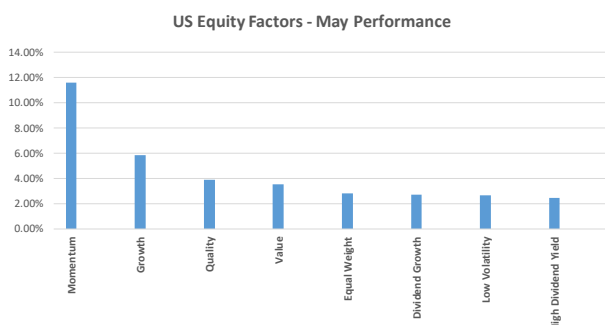
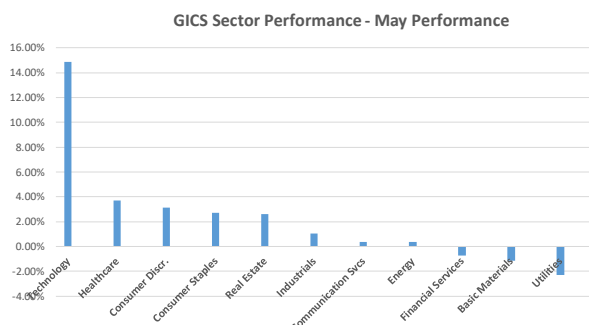
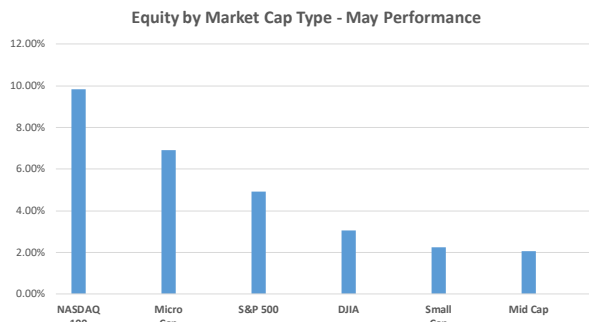


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Markets in a Glimpse

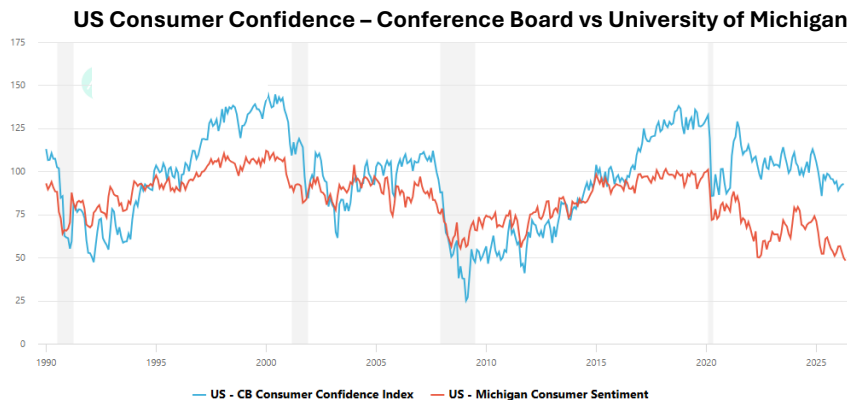
- **AI Continues Driving Markets:** Global equities stayed resilient as AI-related earnings and semiconductor demand supported major indices, even while broader market participation narrowed and rate-sensitive sectors weakened.
- **Higher Yields Pressure Risk Assets:** Bond yields rose sharply as investors reduced expectations for rate cuts, reinforcing the “higher-for-longer” narrative and tightening financial conditions across markets.
- **Inflation Risks Return to the Spotlight:** Markets shifted from soft-landing optimism toward concerns about persistent inflation, fiscal deficits, and slowing growth, increasing stagflation fears.
- **Geopolitics Keep Oil and Gold Elevated:** Middle East tensions and supply risks supported oil prices and boosted demand for gold as investors hedged inflation and geopolitical uncertainty.
- **Crypto Tracks Liquidity and Regulation:** Digital assets remained tied to broader risk sentiment, while improving regulatory clarity and institutional adoption continued supporting long-term interest in crypto markets.



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In-Depth Market Review

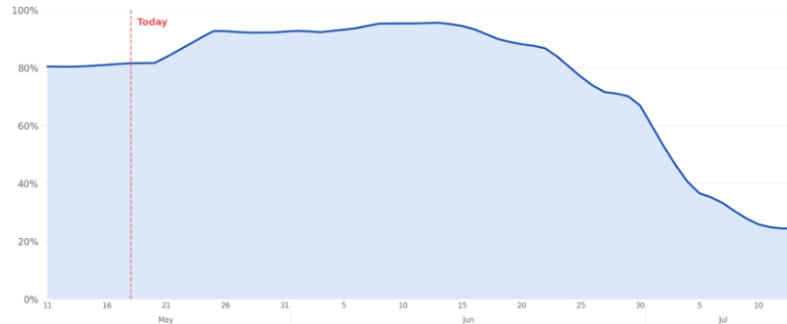
- U.S. Consumer Outlook Softens Despite Labor Market Resilience:** U.S. consumer conditions remain mixed heading into mid-2026, as weakening confidence contrasts with a still-resilient labor market. The University of Michigan's Consumer Sentiment Index fell to a record low of 48.2 in early May from 49.8 in April, reflecting persistent pressure from high prices, gasoline costs, and tariffs, all of which continue to weigh on household purchasing power and discretionary spending intentions. At the same time, inflation expectations eased slightly, offering some relief at the margin. In contrast, the labor market continues to support consumption. Nonfarm payrolls rose by a stronger-than-expected 115K in April, following a revised 185K gain in March, with hiring concentrated in healthcare, transportation, and retail. While employment growth is moderating, the data suggest the labor market is cooling gradually rather than weakening sharply. Overall, consumption is likely to trend modestly south over the next few months, particularly for discretionary and large-ticket purchases, as weak sentiment and declining real income expectations offset the support from continued job growth and easing inflation pressures.



- Corporates Buybacks Tailwind:** Alongside the recovery in earnings activity, corporates are beginning to re-emerge as a meaningful source of equity demand. The buyback window is steadily reopening, with a growing share of the index becoming eligible to resume repurchases over the coming weeks as earnings blackout periods roll off. Year-to-date through May, U.S. corporates have authorized nearly \$685B in buybacks, led primarily by Technology and Financials, which together account for more than 50% of total announced authorizations in 2026. With cash balances remaining healthy, credit markets broadly supportive, and management teams continuing to prioritize capital returns amid limited M&A activity, the setup points to a meaningful acceleration in repurchase activity into the summer. Historically, buybacks have represented one of the largest and most consistent sources of incremental equity demand, particularly during periods when discretionary investor positioning remains cautious. As execution activity ramps higher, corporate flows could provide an important technical tailwind for the broader market (source: Citadel).

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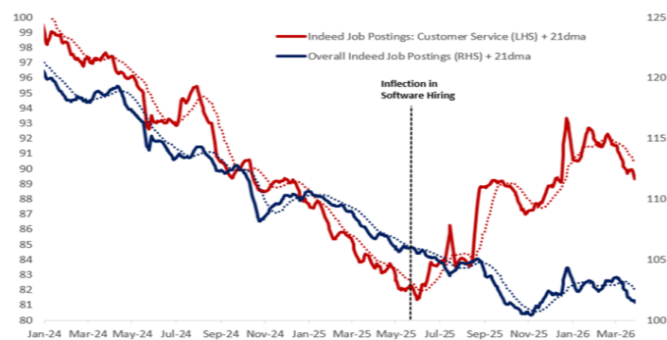
Projected Buyback Window (% of Index Weight)
 May 11 – July 13, 2026



- AI As Complement Rather Than Replacement:** The debate around AI's impact on employment is increasingly shifting away from fears of broad labor displacement toward a more nuanced view that AI is likely to complement rather than replace workers. Recent evidence suggests that the high compute and energy intensity required for advanced AI systems makes large-scale substitution of labor economically challenging, particularly for complex, agentic workflows. Instead, AI appears to be enhancing productivity and enabling firms to expand output and services with existing workforces. This is reflected in rising job postings across AI-exposed sectors such as software engineering, finance, accounting, and customer service, even as overall job postings remain soft. Historical precedent also supports the view that major technological innovations tend to increase productivity, wages, and employment over time rather than reduce labor demand structurally. Corporate commentary reinforces this trend, with S&P 500 executives overwhelmingly framing AI as a productivity-enhancing tool rather than a replacement for workers. While some routine administrative functions may face automation pressure, current labor market data and corporate behavior suggest AI is acting more as a labor multiplier, supporting demand for skilled labor, infrastructure, software, and data center investment.

Job Postings in AI Exposed Industries are Rapidly Rising

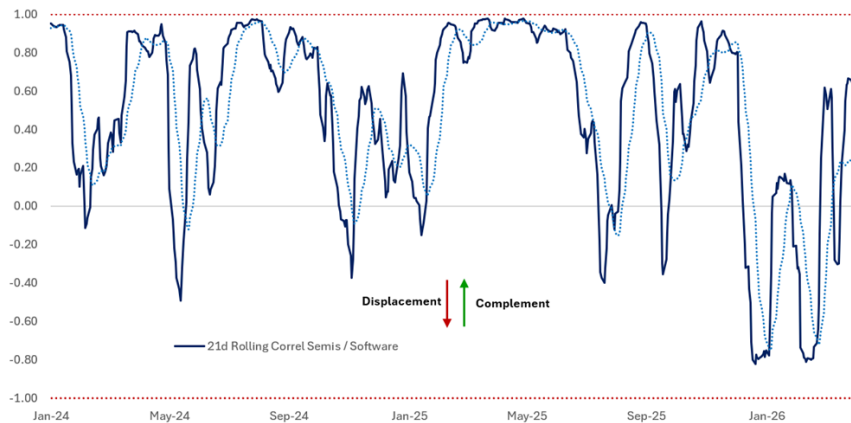
Indeed Daily Job Postings for Various AI Exposed Industries



- AI Cycle Is Broadening Into a Macro Expansion Story:** Complementing the previous job market section, the market has refocused on AI, with expected capex spending now approaching \$750bn, or roughly 2.5% of US GDP. Investment at this scale is inherently supportive of growth, even if not fully reflected in GDP accounting given semiconductors are

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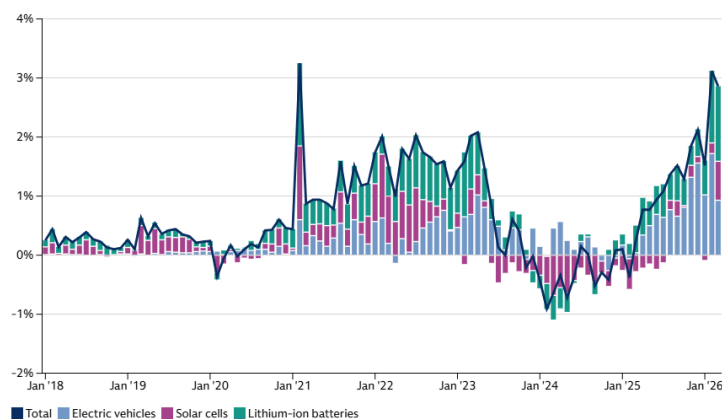
intermediate goods. Semiconductor stocks have responded accordingly, rising roughly 40% over the past month. More importantly, the market is shifting away from viewing AI purely as a displacement story for software and labour, and increasingly seeing it as a once-in-a-generation capex cycle with the potential to boost both near-term growth and long-run productivity. This shift is reflected in the 21-day realised correlation between semis and software moving from -0.8 to +0.75, signalling a far healthier and more complementary AI narrative (source: Citadel Securities).



- Energy Shock Meets China's Green Ambitions:** The Xi-Trump summit produced no major breakthroughs, reinforcing expectations of continued strategic and trade uncertainty between the U.S. and China. China's economy is expected to moderate in Q2 as higher energy prices and disruptions in the Strait of Hormuz weigh on global demand, particularly across emerging markets that account for more than half of Chinese exports. Estimates suggest the energy shock could reduce China's GDP growth by roughly 30bps. Over the medium term, however, rising global energy insecurity may accelerate investment in renewable energy and electrification, potentially benefiting China given its dominant position in solar modules, batteries, and electric vehicles. As countries seek to reduce dependence on hydrocarbons, demand for China's clean energy exports could strengthen further, particularly across Europe and energy-importing Asian economies (source: GS).

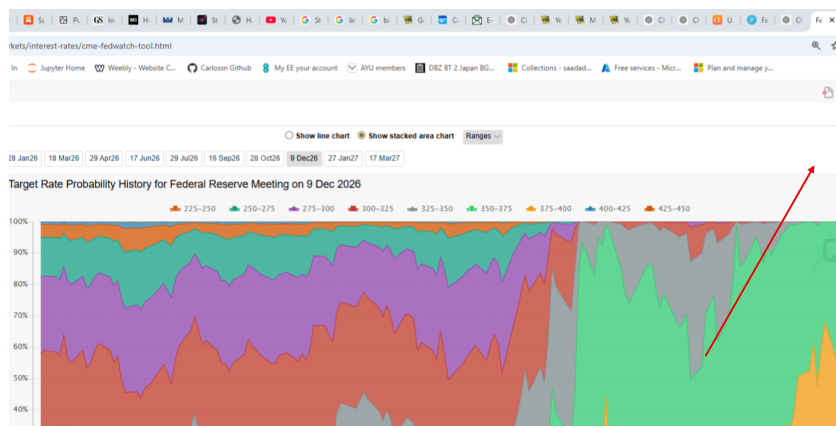
China's 'new three' green exports are surging

Contribution to year-over-year growth of China's nominal exports



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- Inflation Fears Handcuffing Warsh:** Since Kevin Warsh assumed the Fed chairmanship in May, futures markets have gradually repriced the medium-term policy outlook toward a less accommodative stance. Current market pricing now implies fewer rate cuts over the next 12–18 months, reflecting expectations that the Fed may maintain restrictive policy for longer amid persistent inflation and resilient economic activity. Investors increasingly view Warsh as prioritizing inflation credibility and policy discipline, reducing expectations for an aggressive easing cycle. The repricing has been most visible at the front end of the Treasury curve, while also providing renewed support for the U.S. dollar in recent weeks. At present, markets are interpreting the leadership transition less as a signal of imminent tightening and more as a factor limiting the scope and pace of future monetary easing.



- Earnings Season Signals Broad-Based Corporate Strength:** Q1 2026 earnings season was one of the strongest corporate reporting periods since 2021. Companies continued to outperform expectations at a historically elevated pace, as 84% exceeded EPS estimates versus long-term averages of 78% (5-year) and 76% (10-year). Top-line performance was similarly strong, with 81% of companies surpassing sales forecasts compared with historical averages of 70% and 67%, respectively. Aggregate earnings growth at double digits, while revenue growth accelerated to roughly 11.5%, reflected resilient demand conditions and continued strength in AI-related spending trends. Performance broadened beyond mega-cap technology, as 10 of 11 sectors delivered positive earnings growth, led by Technology, Communication Services, and Consumer Discretionary. Forward guidance also improved meaningfully, with 54% of companies issuing positive outlooks versus 46% negative guidance, a notable improvement relative to the historical pattern where negative guidance typically represents 58–60% of updates. Despite the strong fundamental backdrop, equity market reactions to earnings beats were relatively muted, suggesting investor expectations and valuation levels remain elevated. Overall, the quarter reinforced confidence in continued earnings momentum through the remainder of 2026.

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MG's Message to Investors

- AI-Led Resilience Persists Amid Rising Macro Pressures: May extended the divergence between resilient AI-driven growth leadership and a more challenging macro backdrop, as strong technology earnings and continued semiconductor demand supported major equity indices despite narrowing market breadth and weakness across rate-sensitive sectors. Rising Treasury yields and reduced expectations for Fed rate cuts reinforced the “higher-for-longer” narrative, tightening financial conditions and pressuring broader risk assets. At the same time, investor focus shifted increasingly toward persistent inflation risks, widening fiscal deficits, and slowing global growth dynamics, contributing to renewed stagflation concerns. Geopolitical tensions in the Middle East continued supporting oil prices and safe-haven demand for gold, while commodities linked to industrial and AI-related demand remained relatively firm. Meanwhile, digital assets largely tracked broader liquidity conditions and risk sentiment, although improving regulatory clarity and ongoing institutional adoption continued to underpin longer-term interest in crypto markets.
- As June kicks off, MG highlights the following tactical views for the short term:
 - Equities: Equities remain modestly constructive overall, though positioning has become more selective following strong year-to-date performance in growth-oriented segments. Exposure was reduced across U.S. Large Cap Growth, Mid Caps, Japan, and Emerging Markets, while Value and Small Caps remain comparatively more fully allocated. The adjustments reflect a preference for more balanced equity exposure amid elevated valuations, persistent policy uncertainty, and a less accommodative global rate backdrop.
 - Fixed Income: Fixed income positioning remains constructive and tilted toward higher-quality duration exposure. Allocations to Treasuries, TIPS, MBS, and short-duration investment grade credit remain fully maintained, reflecting continued preference for defensive carry and portfolio stability. Exposure to High Yield, Fallen Angels, and Emerging Market debt remains more moderate as tighter spreads and resilient risk sentiment have reduced relative value opportunities in lower-quality credit.
 - Alternatives: Alternatives remain an important portfolio diversifier, though allocations have become more selective. Gold and Real Estate exposures continue to hold relatively elevated weights given ongoing macro and geopolitical uncertainty, while commodity exposure has been reduced as energy-driven gains moderate and inflation expectations stabilize. Positioning continues to favor assets with diversification benefits and lower sensitivity to stretched equity valuations.
 - 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

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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.

MG Investment Solutions Taxonomy

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.