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Investing for a
world of change

Multi-Asset Strategy Quarterly

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Foreword

Welcome to our latest Multi-Asset Strategy Quarterly. In this report, we discuss how resilient global growth and the resumption of monetary easing have supported a risk-seeking market environment, despite elevated policy uncertainty and currency volatility remaining. We also provide a concise summary of our higher-conviction asset class views, spanning equities, fixed income, currencies, and commodities.

Contents

General risks. The value of investments, and any income generated from them, can fall as well as rise. Where charges are taken from capital, this may constrain future growth. Past performance is not a reliable indicator of future results. If any currency differs from the investor's home currency, returns may increase or decrease as a result of currency fluctuations. Investment objectives and performance targets are subject to change and may not necessarily be achieved, losses may be made. Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of investments.

Specific risks. Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income. **Emerging market (inc. China):** These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems. **Commodity related investment:** Commodity prices can be extremely volatile and significant losses may be made. **Default:** There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss. **Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

Policy tides turn

Growth holds steady with upside risks as liquidity eases

The tariff picture continues to evolve, with persistent uncertainty and the ongoing impact of higher trade costs keeping the risk of a stagflationary scenario in the US relatively elevated. Despite these headwinds, US economic data remains buoyant and inflation pressure benign with strong disinflationary forces from housing continuing to support progress. The latest tax bill, deregulation and a return to easing and a risk management approach by the Federal Reserve is likely to provide further support for economic growth as we move through the rest of the year and into 2026. Recession risks remain elevated, however, with the full impact of the Trump administration's policies (tariffs, immigration, DOGE etc.) still unclear and the labour market in balance. As a result of these dynamics, we expect some ongoing volatility in the price of US risk assets in the near-term, with upside risks as liquidity conditions are eased.

Figure 1: US core CPI

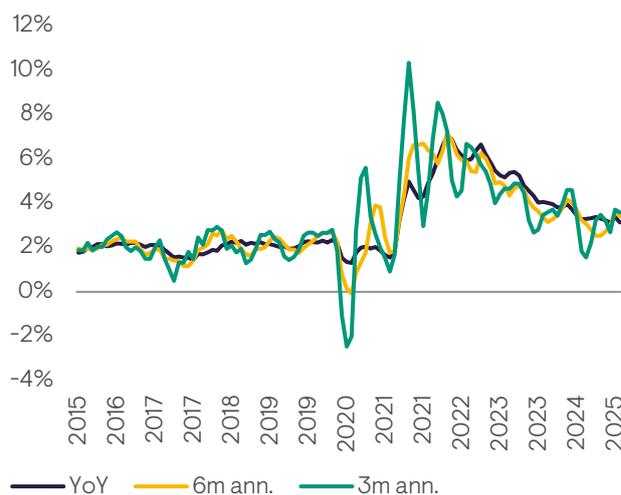
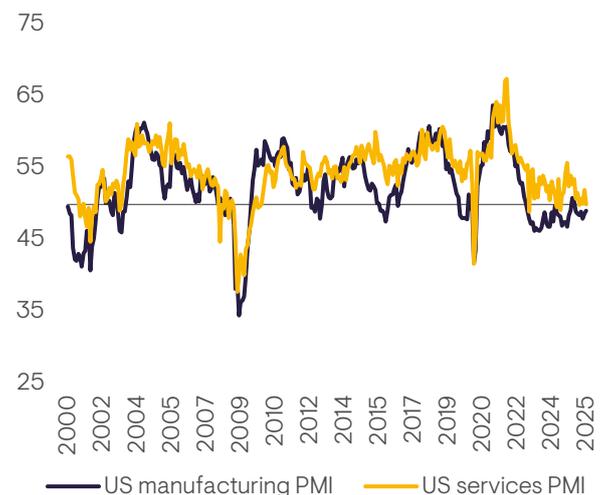


Figure 2: US PMI



Source: Ninety One, September 2025.

Easing policy supports Europe's recovery and reflation prospects

In Europe, monetary policy has been eased with policy rates now at neutral levels. This is supporting an emerging economic recovery and a new credit cycle. The headwinds from the recent tariff announcements are expected to impact growth in the coming quarters, albeit less so than previously feared, while the latest budget proposals in Germany and across Europe to increase defence spending are expected to provide ongoing support to economic growth. A lagging policy reaction function from the ECB in the coming quarters increases the prospects for a reflationary environment in the region later this year, creating the potential for an ongoing supportive environment for European currencies and risk assets, outside of the tariff reescalation scenario.

Figure 3: Euro core CPI

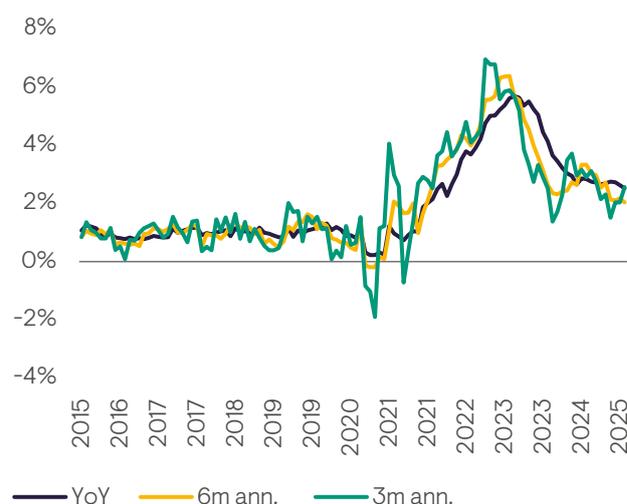
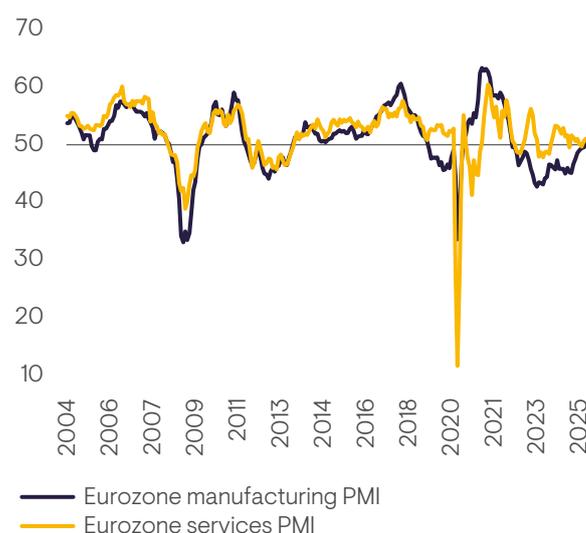


Figure 4: Euro PMI



Source: Ninety One, September 2025.

Easing gathers pace as China pivots toward domestic demand

In China, easing measures are becoming progressively more forceful, with a pivot in policy toward prioritising domestic consumption as a driver of growth. Chinese authorities have released a 'special action plan' outlining a broad set of measures that will be implemented in seeking to transition away from the recent driver of growth, being high-value-added industry and exports, towards domestic consumption, driven by the step up in trade conflict. The introduction of 'anti-involution' policies has renewed hopes of an end to deflation and a recovery in nominal earnings.

While we continue to expect policymakers to take the necessary steps to ensure a sustained recovery in consumption, in the near-term, domestic risk assets have repriced considerably and a renewed weakening in the property sector adds headwinds to consumption suggesting limited asymmetry.

Figure 5: China inflation

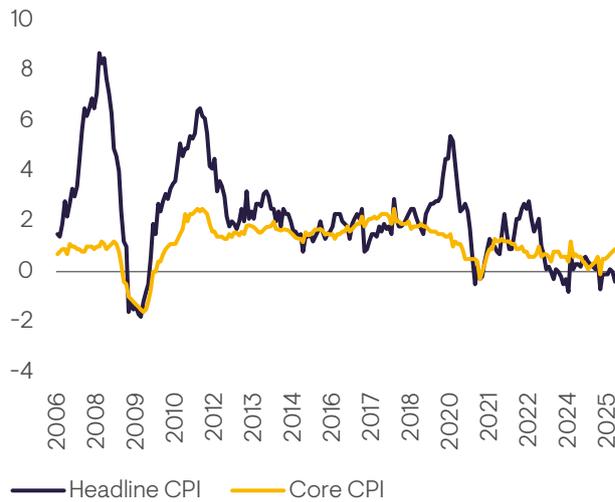


Figure 6: China PMI



Source: Ninety One, September 2025.

Staying nimble as easing takes hold

As a result of our central investment roadmap, as discussed above, we continue to believe that risk assets will remain supported by easing fiscal and monetary conditions, albeit with volatility given elevated risks to US growth. The potential easing in liquidity conditions by key central banks adds to support for risk assets, particularly as uncertainty wanes. In fixed income, a healthy exposure to defensive government bonds remains, given potential downside risks and a lack of value in credit markets. This provides us with dry powder to capitalise on any episodes of volatility in financial markets. In the currency market, we continue to monitor the US dollar for opportunities to add to short positions, given the potential economic divergence between the US and the rest of the world.

Summary of asset class views

Defensive bonds

View as at	30 Sep 25	30 Jun 25	31 Mar 25
US	neutral	neutral	positive
Eurozone	neutral	neutral	neutral
Japan	neutral	neutral	neutral
UK	positive	positive	positive
China	neutral	neutral	neutral

■ max positive
 ■ positive
 ■ neutral
 ■ negative
 ■ max negative

Positive: UK, EU & Swedish curve steepeners, Short EU 2s

Summary

The disinflationary forces across the US and Europe have supported central banks in easing policy back towards a more neutral level. In Europe, the ECB appears to be nearing the end of its cutting cycle, with economic data reaccelerating, supported by fiscal expansion and interest rate-sensitive areas of the economy.

The Federal Reserve has resumed lowering interest rates as uncertainty wanes and inflationary pressures remain benign; however, uncertainty over the growth and inflation outlook, particularly given tariff policies, may limit its ability to materially lower rates further. As a result of the uncertainty around the growth and inflation outlook across key regions, we have moved neutral on overall duration with remaining positions focused on areas where there is a high degree of economic sensitivity to interest rates such as the UK.

Growth bonds & credit spreads

View as at	30 Sep 25	30 Jun 25	31 Mar 25
EM HC	neutral	neutral	neutral
EM LC	neutral	neutral	neutral
US Credit	max negative	max negative	max negative
EU Credit	max negative	max negative	max negative

■ max positive
 ■ positive
 ■ neutral
 ■ negative
 ■ max negative

Summary

Developed market credit spreads remain at all-time highs/multiyear tight amid supportive macroeconomic and tariff policy backdrop. Given the limited upside, we don't believe these valuation levels compensate investors for taking credit risks here, particularly in the US where recession risks remain elevated.

Overall, we are neutral on emerging market fixed income given the uncertainty in the global macroeconomic outlook. While certain areas have succeeded in controlling inflation through early and effective policy responses, tariff risks and potential downside global growth risks are not fully compensated for in current risk premia levels.

FX

View as at	30 Sep 25	30 Jun 25	31 Mar 25
USD	neutral	negative	max negative
EUR	positive	positive	neutral
JPY	neutral	neutral	neutral
CNY	neutral	neutral	neutral
EM	neutral	neutral	neutral

■ max positive
 ■ positive
 ■ neutral
 ■ negative
 ■ max negative

Positive: Euro, Brazilian real

Negative: Swiss franc, British pound

Equity

View as at	30 Sep 25	30 Jun 25	31 Mar 25
US	positive	neutral	neutral
Europe ex-UK	positive	positive	neutral
UK	neutral	neutral	neutral
Japan	neutral	neutral	neutral
Asia ex-Japan	neutral	max positive	max positive
EM vs. DM	neutral	neutral	neutral

■ max positive
 ■ positive
 ■ neutral
 ■ negative
 ■ max negative

Positive: Eurostoxx 50, Nasdaq call options

Summary

We continue to see the medium-term outlook for the USD as biased to weakness, reflecting easier policy conditions and slowing economic activity as fiscal and immigration-related measures feed through to the real economy. The public sector's outsized role in supporting growth in recent years has left the US more exposed as that impulse fades.

In contrast, early signs of recovery in Europe, underpinned by substantial policy easing, point to potential economic divergence between the US and the RoW. However, in the near term, positioning in short USD trades has become stretched. Combined with the reflexivity of the dollar and ongoing fiscal spending, there is a risk that US growth could surprise to the upside. As a result, we have moved to a neutral stance on the USD.

Summary

Within equities, we have become more constructive on the US outlook as the Federal Reserve continues to recalibrate policy toward a more neutral stance, aiming to prevent further downside risks to the labour market. This supportive policy backdrop, coupled with improving growth momentum, should continue to underpin US risk assets.

European markets are also poised to benefit from a cyclical recovery, reinforced by rising fiscal spending, which creates potential for further upside.

In emerging markets, Chinese authorities are actively easing policy to stabilise growth and confidence. While this should support related equity markets, we have moved to a neutral stance on the region in the near term following the recent repricing and more balanced valuation outlook.

Commodities

View as at	30 Sep 25	30 Jun 25	31 Mar 25
Energy	max negative	neutral	neutral
Precious metals	positive	positive	positive
Base metals & bulks	positive	neutral	positive
Agriculture	neutral	neutral	neutral

■ max positive
 ■ positive
 ■ neutral
 ■ negative
 ■ max negative

Summary

We continue to find attractive opportunities in natural resources, underpinned by structural demand tailwinds (e.g. electrification), tight supply and appealing valuations. Macro trends such as a weaker US dollar and rising fiscal deficits further support the sector, reinforcing its role as an inflation hedge. While geopolitical tensions in the form of tariffs and the Middle East conflict have dominated headlines, they have not derailed the long-term investment case.

In energy, near-term oversupply concerns continue to persist; near-term oversupply concerns continue to persist leading to a downgrade in score; however, we can see potential for a more positive oil outlook to materialise as we move into 2026, with US shale production plateauing and OPEC+ spare capacity returning to normal levels. We remain positive on copper amid strong demand from China and Europe, tariff-related stockpiling in the US and unplanned supply disruptions. The market looks fundamentally tight, and any price weakness may be short-lived.

Gold remains well-supported, buoyed by safe-haven demand, central bank buying and a weakening dollar. Platinum has also rallied on supply deficits, regulatory shifts, and rising jewellery demand. In agriculture, mixed fundamentals persist; grain oversupply tempers optimism, but input markets, such as fertiliser and protein, remain firm, justifying selective overweight positions.

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