PMX

PORTFOLIOMETRIX QUARTERLY INSIGHTS

GPS PORTFOLIOS
JUNE 2026

PORTFOLIOMETRIX

CONTENTS

MARKET COMMENTARY

Global markets staged a sharp recovery in the second quarter of 2026, reversing much of the weakness seen in Q1. Equity markets rallied strongly as fears of a prolonged Middle East energy shock began to ease, with periodic ceasefire progress between the United States and Iran leading markets to price in a lower risk premium, even as tensions remained fragile and punctuated by setbacks. Robust corporate earnings and continued enthusiasm for artificial intelligence investment provided a further tailwind for risk assets.

Monetary policy added an additional layer of complexity. As inflation accelerated on the back of the earlier energy price shock, major central banks pulled back from their easing bias, pushing out the expected timing of further rate cuts. In the United States, a leadership change at the Federal Reserve reinforced this shift, with policymakers opening the door to a hike later in the year. This left investors weighing a less accommodative policy backdrop against improving risk sentiment elsewhere.

Commodity markets told a very different story to equities. Energy prices reversed sharply from the first quarter's spike, as diplomatic progress toward a ceasefire between the United States and Iran reduced the risk premium that had built up over the standoff at the Strait of Hormuz. Precious metals gave back a portion of their extended run as safe-haven demand faded alongside the improvement in risk sentiment and a firmer US dollar.

Developed Equity

Developed market equities advanced strongly over the quarter, recovering the ground lost in the first quarter's energy-driven sell-off. US equities led the advance, supported by continued strength in mega-cap technology names and resilient corporate earnings. European ex-UK and Japanese equities also delivered strong gains, while UK equities and the broader Asia-Pacific ex-Japan region lagged, still positive but more muted than their peers.

Emerging Equity

Emerging market equities outperformed developed markets by a wide margin, extending their earlier resilience into a much stronger recovery. Asian markets led the advance, while emerging European markets also delivered strong gains. Latin American equities were the outlier, giving back some ground after a strong start to the year.

Global Fixed Income

Fixed income markets delivered more modest, but broadly positive, returns. Government bonds lagged the broader market as yields came under renewed pressure, reflecting the shift in central bank rhetoric toward a less accommodative stance amid stickier inflation. Corporate credit and high yield fared better, while emerging market debt, in both local and hard currency form, continued to perform well, supported by improving risk appetite.

Global Real Assets

Real assets delivered a mixed picture. Energy markets reversed sharply from the prior quarter's spike, as easing geopolitical tensions and progress toward a durable ceasefire reduced the supply risk premium built up earlier in the year, even though volatility persisted through the quarter. Gold retreated from its recent highs as safe-haven demand unwound alongside firmer risk appetite and a stronger US dollar. Listed property and infrastructure delivered more modest, but still positive, returns, with property outperforming infrastructure over the period.

Looking Ahead

While the quarter closed on a considerably more constructive note than it began, the underlying situation in the Middle East remains unresolved, and renewed tensions in the days following quarter-end are a reminder that the diplomatic process remains fragile. Markets will also need to navigate a less predictable policy backdrop, as major central banks reassess the pace of future easing. In this environment, diversification, discipline and a long-term mindset remain as important as ever.

Market commentary is based on publicly available market data and PortfolioMetrix analysis as at 30 June 2026. Key sources include Morningstar Direct, central bank communications and relevant market/news data reviewed during the quarter.

Past performance is not a reliable indicator of future performance.

INDEX RETURNS & MARKET INDICATORS

As of 2026/06/30

Global Asset Returns (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equities	14.8	11.0	23.5	19.5	10.9	12.7
Global Bonds	0.9	0.1	0.8	3.2	-2.1	0.0
Global Property	9.3	9.8	11.0	8.0	1.4	3.7
Global Infrastructure	2.6	11.1	16.7	13.2	8.5	8.3

Developed Equity (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Developed Equities	13.6	9.4	21.2	19.1	11.4	13.1
North America Equity	14.7	9.6	21.4	20.1	12.3	14.7
UK Equities	4.8	5.6	18.1	17.2	10.3	8.4
Europe Ex UK Equity	12.6	7.9	18.4	16.0	8.9	10.4
Japan Equity	12.2	13.8	27.4	17.9	9.1	9.5
Pacific Ex Japan Equity	3.8	7.8	14.6	12.3	5.3	8.1

Emerging Equity (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
EM Equity	23.7	23.1	41.7	22.2	7.4	10.3
EM Latin American Equities	-2.9	13.1	34.5	13.1	9.4	7.8
EM Asia Equities	29.0	26.7	46.6	24.5	7.8	11.5
EM Europe Equities	14.7	15.1	28.6	25.9	-9.8	0.0

Fixed Income (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Gov Bonds	0.6	-0.6	-1.2	1.9	-3.4	-1.1
Global Corp Bonds	1.5	0.2	2.6	5.5	-0.2	2.0
Global HY Bonds	2.5	1.3	4.9	9.0	3.8	5.5
EM Local Currency Govt	3.5	1.2	6.9	7.0	2.2	3.1
EM Hard Currency Agg	3.0	1.7	7.5	7.6	1.2	3.2

Commodities (USD)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Gold Spot	-13.7	-7.0	22.1	27.9	17.9	11.8
Brent Crude	-38.4	19.8	7.9	-0.9	-0.6	3.9

Currency

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
EUR/USD	-0.8	-2.7	-2.6	1.6	-0.7	0.3
GBP/USD	0.6	-1.3	-3.1	1.4	-0.8	-0.1
US Dollar Index (DXY)	1.2	2.9	4.5	-0.6	1.8	0.5

Currency Movements

Positive movements indicate an appreciation of the base currency relative to the price currency in the Price/Base currency quoting convention. For example, if the Dollar strengthens from £1.20/USD to £1.30/USD quarter-to-date (QTD), this is interpreted as an 8.3% appreciation of the Dollar against the Pound Sterling over the quarter.

Source: Morningstar Direct

Past performance is not a reliable indicator of future performance.

ASSET CLASS PERIODIC TABLE

As of 2026/06/30

Asset Class Performance (USD)

	2021	2022	2023	2024	2025	YTD	QTD
Best	Global Property 31.9	Dollar Cash 1.7	North American Equity 26.0	North American Equity 23.9	Europe Ex UK Equity 36.2	Emerging Market Equity 23.1	Emerging Market Equity 23.7
	North American Equity 26.5	Global Infrastructure -4.1	Europe Ex UK Equity 21.9	Global Infrastructure 10.5	UK Equities 33.9	Japan Equity 13.8	North American Equity 14.7
	Global Infrastructure 17.7	Pacific Ex Japan -4.2	Japan Equity 20.1	Japan Equity 8.3	Emerging Market Equity 31.6	Global Infrastructure 11.2	Europe Ex UK Equity 12.6
	UK Equities 17.5	Global Infrastructure -8.5	Global HY Bonds 14.3	UK Equities 7.9	Japan Equity 24.9	Global Infrastructure 11.1	Japan Equity 12.2
	Europe Ex UK Equity 16.2	UK Equities -10.3	UK Equities 14.1	Emerging Market Equity 7.1	Pacific Ex Japan 20.8	Global Property 9.8	Global Property 9.3
	Global Infrastructure 15.7	Global HY Bonds -12.6	Emerging Market Equity 10.2	Global HY Bonds 6.8	North American Equity 18.0	North American Equity 9.6	UK Equities 4.8
	Pacific Ex Japan 5.2	Japan Equity -16.4	Global Corp Bonds 9.5	Global Infrastructure 6.6	Global Infrastructure 17.7	Europe Ex UK Equity 7.9	Pacific Ex Japan 3.8
	Global HY Bonds 3.1	Global Corp Bonds -17.3	Global Property 8.7	Dollar Cash 5.4	Global Infrastructure 15.3	Pacific Ex Japan 7.8	Global Infrastructure 2.8
	Japan Equity 1.4	Europe Ex UK Equity -17.8	Global Infrastructure 6.7	Pacific Ex Japan 1.9	Global HY Bonds 11.0	UK Equities 5.6	Global Infrastructure 2.6
	Dollar Cash 0.0	Emerging Market Equity -18.2	Pacific Ex Japan 5.8	Global Corp Bonds 0.5	Global Corp Bonds 10.2	Dollar Cash 1.8	Global HY Bonds 2.5
	Emerging Market Equity -1.8	Global Gov Bonds -18.6	Dollar Cash 5.2	Europe Ex UK Equity 0.2	Global Gov Bonds 6.7	Global HY Bonds 1.3	Global Corp Bonds 1.5
	Global Corp Bonds -3.4	North American Equity -19.5	Global Gov Bonds 3.7	Global Property 0.1	Global Property 6.5	Global Corp Bonds 0.2	Dollar Cash 0.9
Worst	Global Gov Bonds -7.4	Global Property -25.5	Global Infrastructure 3.1	Global Gov Bonds -3.6	Dollar Cash 4.4	Global Gov Bonds -0.6	Global Gov Bonds 0.6

Source: Morningstar Direct

Past performance is not a reliable indicator of future performance.

PORTFOLIO PERFORMANCE

Core Portfolios

PortfolioMetrix Global Portfolio Series Performance (USD)

	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
EAA Fund USD Cautious Allocation	4.3	2.9	7.6	7.2	2.6	3.4
GPS Profile 3	8.9	5.5	12.4	11.0	3.9	5.5
GPS Profile 4	10.7	7.1	15.4	12.5	5.0	6.2
EAA Fund USD Moderate Allocation	7.8	5.5	12.3	10.2	4.2	5.2
GPS Profile 5	12.6	8.3	18.0	14.1	6.2	7.3
GPS Profile 6	14.5	9.6	20.8	15.7	7.3	8.2
GPS Profile 7	16.4	10.8	23.4	17.3	8.4	9.2
EAA Fund USD Aggressive Allocation	10.3	6.8	15.6	12.5	5.8	6.8

Source: Morningstar Direct

Performance as at 30 June 2026. Returns longer than one year are annualised. Past performance is not a reliable indicator of future performance.

Contributors & Detractors

Equity returns were positive across the board, led by emerging markets: Lazard Emerging Markets Equity Advantage and T. Rowe Price Emerging Markets Discovery returned 26.3% and 22.2% respectively over the quarter. US small caps kept pace, with the CT American Smaller Companies exposure up 21.5%. Japan and European ex-UK active implementations were similarly robust — M&G Japan gained 19.0% and Janus Henderson European Focus 16.7% — though the smaller companies allocation within Europe was comparatively subdued at 12.9%. Pacific ex Japan and UK equities rounded out the quarter with single-digit gains.

Listed property added further support, with the CT Global Real Estate Securities implementation up 12.1%, while infrastructure returned 2.1%.

Within fixed income, emerging market bonds led by a significant margin, with the PIMCO implementation returning 4.8%. High yield implementations ranged between 2.5% and 4.0%, corporate bonds a touch lower at 2.1% to 2.3%, and government bonds the most restrained.

PORTFOLIO CHANGES

Strategic Asset Allocation

While our strategic asset allocation has remained unchanged over the quarter, we continuously review our exposures to ensure they align with our long-term objectives, reflecting our commitment to preserving the integrity of our strategic asset allocations.

Equity Portfolio Changes

During the quarter, the Japanese equity allocation was revised. The Baillie Gifford strategy was fully redeemed following a deterioration in stock selection conviction, with the proceeds reallocated to the existing Vanguard passive strategy to neutralise the portfolio's mid-cap and growth biases.

Fixed Income Portfolio Changes

There were no changes made within this asset class over the quarter.

Real Asset Changes

There were no changes made within this asset class over the quarter.

Enhancing the PortfolioMetrix Global Equity Fund

We have enhanced the implementation of the PortfolioMetrix Global Equity UCITS Fund. This does not represent a change to the investment strategy, underlying managers or investment philosophy, but rather to the way the portfolio is implemented, with the objective of improving efficiency and enhancing long-term investor outcomes.

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Previously, the fund operated as a traditional fund-of-funds, investing in underlying manager vehicles. It has now transitioned to Russell Investments' Enhanced Portfolio Implementation (EPI) framework, under which the same investment decisions are executed within a single centrally managed account. This allows investments to be made directly in securities, while retaining the flexibility to utilise collective investment schemes where appropriate.

The enhanced structure is expected to:

- Lower transaction costs through trade netting across managers.
- Reduce fee and administrative layering.
- Improve trading efficiency through centralised execution.
- Strengthen the application of portfolio-level controls.

By separating investment management from portfolio implementation, the new structure delivers a more efficient execution framework while preserving the fund's established investment approach.

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