



S.P. HINDUJA

BANQUE PRIVÉE

Global House View

June 2026



Thoughts of the CEO

“ Navigating a Higher-Rate World: Asset Allocation After the Energy Supply Shock”

The global investment landscape is entering a markedly different phase from the one that dominated financial markets during the post-Global Financial Crisis era. For more than a decade, investors operated in an environment characterized by structurally low inflation, subdued commodity prices, abundant liquidity, and historically low interest rates. That regime supported elevated valuations across both equities and fixed income while encouraging strong capital flows into long-duration growth assets.

Today, the macroeconomic backdrop is evolving toward a higher-for-longer interest rate environment driven increasingly by supply-side constraints. The renewed geopolitical tensions surrounding the Strait of Hormuz represent one of the clearest manifestations of this shift. As a critical artery for global energy transportation, disruptions in the region have materially increased energy price volatility and revived concerns over structurally higher inflation expectations.

This matters profoundly for financial markets. Unlike cyclical inflationary pressures that can be addressed through moderate monetary tightening, supply-driven inflation creates a more complex challenge for policymakers. Central banks may succeed in moderating demand, but they cannot directly resolve geopolitical disruptions or restore constrained energy supply chains. The consequence is a prolonged period during which inflation remains elevated even as economic growth moderates.

For investors, the implications are significant. Higher nominal and real interest rates alter the valuation framework across virtually every asset class. Equity markets are likely to experience greater dispersion between sectors and styles, with businesses possessing pricing power, resilient cash flows, and tangible asset exposure increasingly outperforming long-duration growth segments. At the same time, fixed income markets are once again capable of generating attractive income, although duration risk remains elevated in an environment of persistent inflation uncertainty.

Importantly, this new regime also restores the strategic relevance of real assets and commodities within diversified portfolios. Infrastructure, energy, industrial metals, selective real estate exposures, and inflation-sensitive assets may once again play a central role in preserving purchasing power and enhancing portfolio resilience. Gold, despite higher real yields, continues to benefit from geopolitical uncertainty and concerns regarding fiscal sustainability across developed economies.

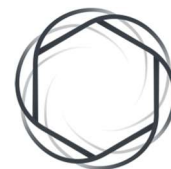
While the near-term outlook remains uncertain, periods of structural transition often create opportunities for disciplined investors. Market volatility is likely to remain elevated as inflation expectations, policy rates, and growth assumptions adjust. We continue to favor diversified portfolios with exposure to quality equities, short- and intermediate-duration fixed income, inflation-linked securities, infrastructure, and selective commodities. In this environment, active management becomes increasingly important amid greater macro and geopolitical uncertainty.

Our central scenario remains one of slower but positive global growth, structurally higher inflation than the pre-pandemic average, and interest rates that stabilize above the levels investors became accustomed to during the 2010s. Under these conditions, portfolio resilience, income generation, and inflation protection become increasingly important components of long-term investment strategy. As always, we remain committed to navigating these evolving market conditions with discipline, prudence, and a long-term perspective.

Yours sincerely,

Fabrice d'Erm





Investment Positioning

We continue to maintain a cautious overall portfolio stance, keeping a modest underweight allocation to Equities as the disconnect between resilient market performance and a deteriorating macro backdrop becomes increasingly difficult to ignore. While earnings momentum, particularly within selected technology segments, has remained supportive, broader market conditions are becoming less favourable. Persistent geopolitical tensions and ongoing energy supply concerns continue to create upside pressure on inflation while simultaneously weighing on global growth expectations. This environment is beginning to translate into softer confidence indicators, rising uncertainty around corporate margins, and the risk of downward earnings revisions beyond the narrow group of market leaders currently driving performance. In parallel, higher bond yields and sticky inflation are likely to constrain the scope for near-term monetary easing, limiting support for traditional risk assets and increasing the probability of renewed volatility across equity markets. Against this backdrop, we maintain neutral allocations to both Cash and Fixed Income, preserving flexibility while avoiding excessive duration or liquidity risk at current levels. We continue to favour Alternative strategies with absolute return characteristics and a broader exposure to commodities, which we believe are better positioned to deliver more resilient and diversified performance across a wider range of macroeconomic outcomes while preserving optionality for future portfolio reallocation opportunities.

Recent Investment Committee Decisions

The Committee decided to implement tactical adjustments within Fixed Income in the second week of May, reducing US duration exposure and increasing allocations to TIPs and floating rate instruments, reflecting elevated inflation expectations. These changes had an overall neutral impact. In parallel, exposure to commodities was increased. However, this positioning detracted ca 4 bps from portfolio performance over the month, primarily due to the decline in oil prices during May.

A Structural Macroeconomic Regime

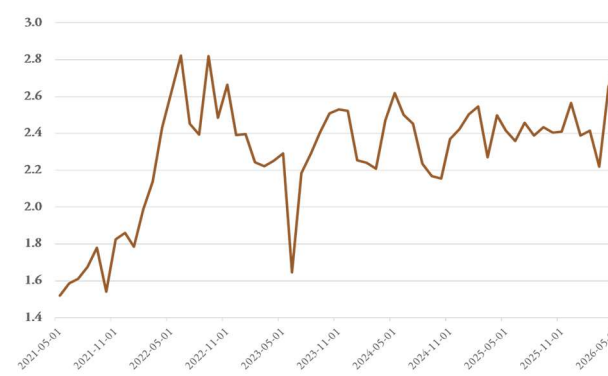
Global financial markets are increasingly confronting the possibility that the ultra-low interest rate regime of the past decade has structurally ended. While the initial post-pandemic inflation surge was widely interpreted as transitory, recent geopolitical developments, particularly rising tensions around the Strait of Hormuz, have reinforced the risk of **persistent supply-driven inflation**.

The Strait of Hormuz remains one of the most strategically important energy corridors in the world, facilitating the transportation of approximately one-fifth of global oil consumption. Any **disruption to energy flows** through the region immediately impacts crude oil prices, shipping costs, industrial production expenses, and ultimately headline inflation across major economies.

Unlike demand-driven inflation, which can often be

moderated through conventional monetary tightening, **supply-driven inflation** presents policymakers with a more difficult trade-off. Central banks can suppress aggregate demand through higher interest rates, but they cannot directly resolve geopolitical instability or restore disrupted supply chains. Consequently, inflation expectations may remain elevated even as economic growth slows.

Fig. 1: 3-Year US Expected Inflation



Source: Federal Reserve Bank of Cleveland

This creates a macroeconomic environment characterized by:

- Higher nominal interest rates
- Elevated real yields
- Increased market volatility
- Slower global growth
- Persistent inflation uncertainty and
- Greater fiscal pressures





Such conditions differ materially from the “Goldilocks” environment that supported strong performance across both equities and bonds during the 2010s.

The **implications for asset allocation are substantial**. Investors can no longer rely on falling discount rates to support broad asset price appreciation. Instead, portfolio construction increasingly requires a focus on cash flow resilience, inflation protection, income generation, and diversification across real assets.

Historical Parallels and Lessons

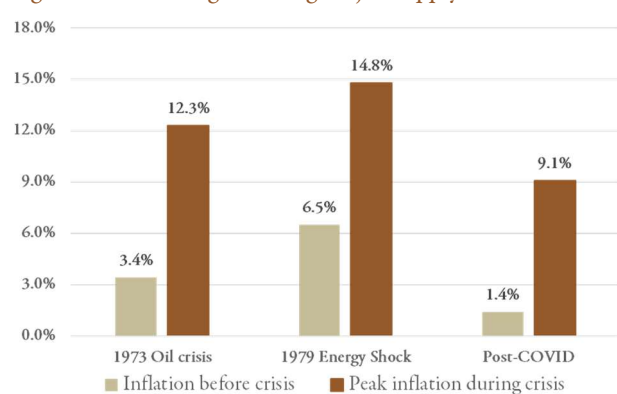
History offers important insights into how markets behave during supply-driven inflationary regimes.

The 1973 Oil Crisis

The Arab oil embargo of 1973 triggered a dramatic rise in energy prices and ushered in a period of stagflation across developed economies. Inflation surged while economic growth weakened sharply. **Equities experienced prolonged volatility**, and traditional balanced portfolios struggled as bonds failed to provide diversification benefits.

Importantly, **commodity-linked sectors significantly outperformed during this period**. Energy companies, natural resource producers, and real assets benefited from rising nominal prices, while long-duration growth assets underperformed.

Fig. 2: Inflation Surges During Major Supply-Driven Crises



Source: US Bureau of Labor Statistics (BLS)

The 1979 Energy Shock

A second major oil shock emerged following the Iranian Revolution in 1979. Inflation accelerated once again, forcing central bank, particularly the Federal Reserve under Paul Volcker, to aggressively tighten monetary policy. **Real**

interest rates rose substantially, eventually restoring inflation credibility but at the cost of a severe recession.

This period demonstrated that once inflation expectations become entrenched, restoring price stability often requires sustained restrictive monetary policy.

The Commodity Supercycle of the 2000s

The rapid industrialization of China during the early 2000s generated a prolonged rise in commodity demand. Unlike the 1970s, global growth remained robust, but commodity prices and inflation pressures still increased materially.

Real assets, emerging markets, infrastructure, and commodity-exporting economies outperformed during much of this cycle. Investors increasingly recognized the diversification benefits of alternative assets within institutional portfolios.

The Post-COVID Inflation Cycle

The inflationary surge following the COVID-19 pandemic initially reflected supply chain disruptions, fiscal stimulus, and labor shortages. However, geopolitical fragmentation and energy market disruptions prolonged inflationary pressures beyond initial expectations.

The key lesson from this period is that **inflation regimes can shift more rapidly and persistently** than markets initially anticipate. Central banks that were initially reluctant to tighten policy ultimately implemented the most aggressive rate hiking cycle in decades.

Collectively, these historical episodes suggest that supply-side inflation shocks often produce prolonged periods of elevated volatility, higher rates, and increased sectoral dispersion.

Implications for Equities

Higher interest rates fundamentally alter equity valuation dynamics. When discount rates rise, the present value of future earnings declines, placing downward pressure on equity multiples, particularly for long-duration growth companies.

Sectoral Winners and Losers

Not all sectors are equally vulnerable to higher-for-longer rates.

Energy companies generally benefit from elevated commodity prices and improved cash flow generation. Integrated oil producers, pipeline operators, and energy

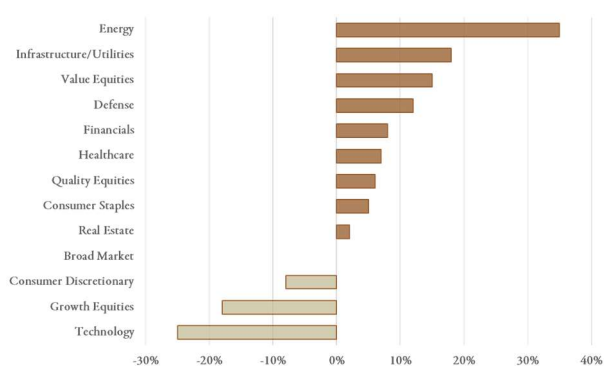




infrastructure firms tend to exhibit strong pricing power during supply-driven inflation periods.

Infrastructure assets also become increasingly attractive. Regulated utilities, transportation infrastructure, and toll-road operators often possess inflation-linked revenues and relatively predictable cash flows. The compound positive effect of revenue-linked top lines usually offset the negative impact of higher rates on valuation.

Fig. 3: Relative Equity Sector Performance During Higher-Rate Inflationary Periods



Source: MSCI, Bloomberg, Kenneth French Data Library

Defense companies may benefit from increased geopolitical tensions and rising government spending on national security.

Financials can initially benefit from higher interest rates through improved net interest margins, although deteriorating credit quality may eventually offset some advantages if economic growth weakens materially.

Conversely, technology and high-growth sectors often face valuation headwinds due to elevated discount rates. Companies whose valuations depend heavily on distant future cash flows become particularly sensitive to rising real yields.

Consumer discretionary sectors may also face pressure as higher energy costs and borrowing expenses reduce household purchasing power.

Value versus Growth

History tells us that **value-oriented equities** tend to outperform during inflationary and rising-rate environments. Companies with tangible assets, strong free cash flow, dividend support, and pricing power become

increasingly attractive relative to highly valued growth companies.

Quality also becomes an important factor. Firms with strong balance sheets, resilient margins, and low refinancing needs are generally better positioned to navigate higher borrowing costs.

Regional Considerations

Commodity-exporting regions may outperform commodity-importing economies. Markets with significant exposure to energy, materials, and industrial production could benefit from structurally higher commodity prices.

Emerging markets present a more nuanced picture. Commodity exporters may benefit from improved terms of trade, while import-dependent economies face inflationary pressures and external financing challenges.

Overall, equity markets are likely to experience **greater dispersion** and lower broad-market multiple expansion than during the previous decade.

Implications for Fixed Income

The return of higher yields has materially improved the income-generating potential of fixed income markets. However, inflation uncertainty continues to create important risks.

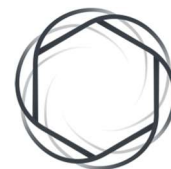
Government Bonds

Sovereign bonds face competing forces. On one hand, slower growth and risk aversion support demand for high-quality government debt. On the other hand, persistent inflation and rising fiscal deficits place upward pressure on yields.

Long-duration government bonds remain vulnerable to renewed inflation surprises. Yield volatility is therefore likely to remain elevated relative to historical norms. This is precisely the situation markets are living today. Higher inflation fears often lead to a sell-off in bonds, particularly in long-duration government bonds. The 10-year and 30-year Treasury yields are trading at their highest levels in more than one year and two decades, respectively.

Higher bond yields and firmer inflation dynamics could increasingly challenge the valuations investors are willing to assign to long-duration growth assets, even where underlying fundamentals remain robust. In our view, a **10-year Treasury yield approaching 5%** could represent an important market catalyst.

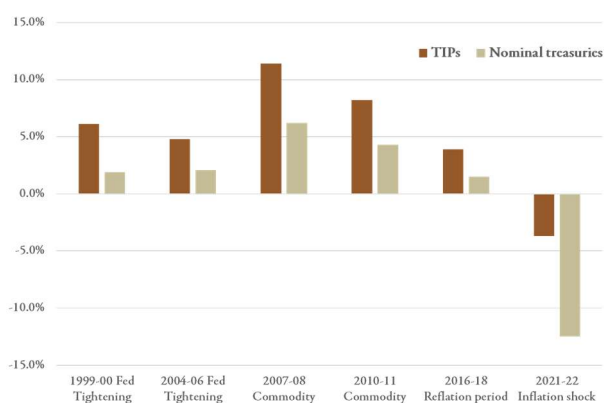




Inflation-Linked Bonds

However, inflation-linked securities do regain strategic relevance in supply-driven inflation environments. These instruments provide explicit inflation protection while also benefiting from elevated inflation expectations. US Treasury Inflation-Protected Securities (TIPS) have **historically demonstrated greater resilience** than nominal Treasuries during periods of elevated inflation and rising interest rates.

Fig. 4: TIPS vs. Nominal Treasuries During Inflationary and Rising-Rate Periods



Source: Illustrative annualized returns during selected inflationary periods. Bloomberg, Federal Reserve, U.S. Treasury, ICE BofA indices.

Corporate Credit

Investment-grade credit appears relatively attractive given improved starting yields and stronger corporate balance sheets compared to previous cycles. However, credit selection becomes increasingly important.

High-yield debt faces greater challenges. Higher refinancing costs and slower economic growth could increase default risks, particularly among highly leveraged issuers.

Floating-Rate Instruments

Floating-rate loans and short-duration credit instruments may offer attractive risk-adjusted opportunities during periods of elevated rate uncertainty.

Diversification into Alternatives, Commodities and Real Assets

One of the defining characteristics of inflationary regimes is the weakening correlation benefits between equities and bonds. During the disinflationary era, government bonds often rallied during equity market stress. In contrast,

inflation shocks can simultaneously pressure both asset classes. As a result, investors may need to increasingly rely on alternative assets and real assets for diversification. The renewed inflation regime significantly enhances the strategic relevance of alternative investments.

Commodities

Commodities historically perform well during supply-driven inflation shocks. Energy markets are particularly sensitive to geopolitical disruptions surrounding the Strait of Hormuz.

Industrial metals may also benefit from supply constraints and long-term structural demand associated with electrification and infrastructure investment.

Gold presents a more complex dynamic. Higher real yields can pressure gold prices, but geopolitical uncertainty and concerns over fiscal sustainability continue to support demand for safe-haven assets.

Infrastructure

Infrastructure assets often provide inflation-linked cash flows and defensive characteristics. Utilities, pipelines, ports, airports, and renewable energy infrastructure may all benefit from increased demand for stable income and inflation protection.

Real Estate

Real estate performance becomes more differentiated in higher-rate environments. Sectors with strong pricing power and supply constraints, such as logistics, data centers, and residential housing in select markets, may continue to perform relatively well.

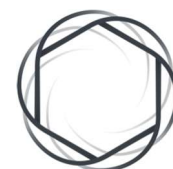
However, highly leveraged **commercial real estate** segments remain vulnerable to refinancing pressures and weaker economic growth.

Private Markets

Private equity and private credit strategies may face a more challenging environment than during the low-rate era. Higher financing costs reduce leverage-driven returns, while exit valuations become more constrained.

Nevertheless, private infrastructure and asset-backed lending strategies may continue to attract institutional capital.





Strategic Asset Allocation Considerations

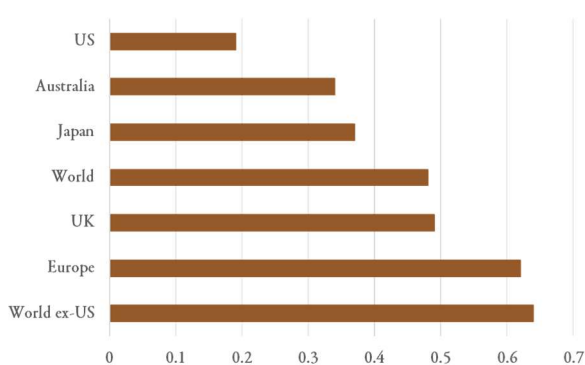
The emerging macroeconomic environment requires investors to rethink traditional portfolio construction assumptions.

Diversification Beyond Traditional 60/40 Portfolios

The classic balanced portfolio framework may become less effective if inflation shocks continue to weaken stock-bond diversification benefits. We recommend investors remain cautious about over relying on periods of negative correlation between equities and bonds. Over the long term, correlations between these two major asset classes have not been consistently negative, underscoring the growing importance of broader diversification across:

- Real assets
- Infrastructure
- Commodities
- Inflation-linked securities
- Absolute return strategies

Fig. 5: Long-term Bond-Equity Correlation, 1900-2022



Source: CFA Institute from Dimson, Marsh and Staunton (2023)

Historical evidence over the 1900–2022 period shows that stock-bond correlations have not been consistently negative and have often turned positive during inflationary or tightening monetary regimes, limiting the diversification benefits of conventional balanced portfolios.

In a structurally more uncertain macroeconomic environment characterized by higher inflation volatility, geopolitical fragmentation, and shifting monetary regimes, resilience is likely to depend less on static asset allocation models and more on the ability to diversify across different economic outcomes and sources of risk.

Duration Management

Managing interest rate sensitivity becomes increasingly important. Short- and intermediate-duration bonds may provide more attractive risk-adjusted opportunities than long-duration securities.

Income Generation

Higher rates restore the attractiveness of income-producing assets. Fixed income once again offers meaningful yield opportunities after years of financial repression.

Dividend-paying equities, infrastructure assets, and selective private credit strategies may also contribute to portfolio income generation.

Geographic Diversification

Countries with strong commodity exposure, fiscal discipline, and lower external vulnerabilities may outperform in a structurally inflationary environment.

Currency diversification also becomes increasingly important given divergent monetary policies and geopolitical fragmentation.

Key Risks to the Outlook

Several risks could materially alter the current macroeconomic outlook.

A faster-than-expected decline in inflation could allow central banks to ease policy more aggressively, supporting both equities and longer-duration bonds.

Geopolitical de-escalation in the Middle East could reduce energy prices and improve global growth expectations.

Conversely, a deeper global recession could emerge if monetary tightening and energy costs significantly weaken consumer demand and corporate investment.

Fiscal sustainability also remains a growing concern. Rising debt servicing costs may constrain future government spending and increase sovereign risk premiums.

Finally, technological innovation and productivity gains, particularly related to artificial intelligence and automation, could partially offset inflationary pressures over time.





Conclusion

We believe investors are entering a structurally different investment regime than the one that prevailed during the post-2008 period.

Our strategic view favors:

- Quality equities with pricing power
- Energy and infrastructure exposure
- Short- and intermediate-duration fixed income
- Inflation-linked securities
- Select commodities and real assets
- Greater portfolio diversification across alternative assets

We remain cautious on:

- Highly valued long-duration growth equities
- Excessively leveraged businesses
- Long-duration sovereign bonds vulnerable to inflation persistence

Tactically, volatility is likely to remain elevated as markets continue to reassess inflation expectations, central bank policy trajectories, and geopolitical risks.

However, periods of macroeconomic transition also create attractive opportunities for disciplined long-term investors. In a higher-for-longer rates world, investment success will increasingly depend on resilience, diversification, active risk management, and exposure to real sources of return.

The era of abundant liquidity and structurally declining interest rates may be ending. Investors who adapt proactively to this new regime will likely be better positioned to preserve capital and generate sustainable long-term returns.





Macroeconomic estimates (per cent)

	GDP Growth			Inflation			Interest Rates	Fiscal Balance
	2025A	2026E	2027E	2025A	2026E	2027E	Current	Current
USA	2.2	2.1	2.0	2.7	3.5	2.4	3.75	-5.3
Eurozone	1.5	0.8	1.3	2.1	2.9	2.1	2.15	-2.9
UK	1.4	0.8	1.1	3.4	3.3	2.5	3.75	-4.2
Switzerland	1.2	1.1	1.4	0.2	0.6	0.7	0.00	0.0
Japan	1.2	0.7	0.8	3.2	2.1	2.1	0.75	-2.3
China	5.0	4.6	4.4	0	1.1	1.1	3.00	-5.1
Brazil	2.3	1.8	1.8	5	4.5	4.0	14.50	-9.4
India	6.4	7.5	6.4	4.6	4.6	4.9	5.25	-4.5
Russia	0.9	1.0	1.3	8.8	5.5	4.5	14.50	-2.6
World	3.2	2.9	3.1	3.4	4.0	3.6	-	-

SOURCE: Bloomberg

MSCI All Country World Index

Indexed Performance (01.01.2024 = 100):

■ in USD

■ in CHF



Government 10-year Yield

■ US ■ EU



SOURCE: Bloomberg





Global Asset Allocation Preferences

Global Asset Allocation Preferences						June 2026
Asset Class	Opinion	Constituents	Most Preferred	Least Preferred	Commentary	
Cash	=				We maintain neutral cash levels. Elevated geopolitical risks, persistent inflation pressures, and limited central bank support warrant maintaining sufficient liquidity levels, allowing us to respond dynamically to market dislocations and redeploy capital opportunistically.	
Fixed Income	=	Segments	IG credit, inflation-linked bonds	Convertibles	Our positioning in fixed income remains neutral with a clear emphasis on income generation, quality, and flexibility, reflecting an environment characterized by persistent inflation, elevated geopolitical uncertainty, and limited scope for monetary easing. We see fixed income less as a directional duration play and more as a source of carry and diversification, with returns likely to be driven primarily by income rather than capital appreciation.	
		Duration	Intermediate		We maintain a preference for high-quality credit against high-yield, where spreads do not compensate for rising consumer credit stress. Investment grade credit would be more resilient in the event of a growth slowdown and would be a relative beneficiary of a duration tailwind. Tactical adjustments through ZIPs and floating-rate notes would make sense. In terms of duration, we prefer the intermediate part of the US-curve over the long end, given high fiscal risk and sticky inflation.	
Equities	-	Markets	Modest underweight in EZ and Emerging markets. Neutral in the US. Reduce India	Latin America	We resist the temptation to upgrade equities after the recent price recovery and remain comfortable with a modest Underweight. This stance is warranted as markets are pricing a highly optimistic scenario despite growing signs of softer underlying growth, stretched valuations, elevated concentration risk, and uncertainty around consumer demand, geopolitics, and inflation. We believe that markets are pricing out risks to growth too soon. Our view is supported by PMIs suggesting that price pressures are building up rapidly driven by energy and other commodities, and consumer confidence is weak in major developed markets. US consumer are increasingly spending on credit rather than on rising real incomes and the personal savings rate fell significantly in April. Even in the case of a peace agreement between the US and Iran, the underlying logistics problem will take longer to fix.	
		Styles/Sectors	High quality and Value. Dividend growers. Selective Industrials. Cash-flow resilient sectors based on pricing power. Construction	High energy-dependent capital goods, Chemicals, Auto and Auto parts. Cyclical.	We remain highly diversified, having reduced our underweight in US equities and significantly scaled back our previous overweight in European equities. Eurozone and UK equities are experiencing the most earnings downgrades and have limited exposure to the AI-driven capex theme. Within Europe, we prefer peripheral markets over core countries, given their stronger earnings outlook, more attractive valuations, and higher economic growth. Japan continues to exhibit the strongest earnings momentum and visibility, and we maintain an overweight position.	
Alternatives	+		Infrastructure, Gold and real assets in general. Absolute return strategies.	Commercial Real Estate.	We remain constructive on alternatives, which play an important role in portfolio construction amid elevated geopolitical and macroeconomic uncertainty. Our allocation favors real assets (infrastructure, commodities ...), hedge funds, and in particular, gold, whose long-term drivers remain valid. Infrastructure benefits from attractive valuations and inflation-linked cash flows, while commodities provide diversification supported by structural demand dynamics (AI, defence, energy transition) and constrained supply. Despite the recent decline in gold prices, structural factors including fiscal expansion, geopolitical fragmentation, and ongoing demand for diversification should continue to support gold over a longer horizon. Real estate exposure remains selective, favoring residential, industrial, and specialized segments over structurally challenged office assets.	

Opinion legend: (-) very unattractive; (-) unattractive; (=) neutral; (+) attractive; (++) very attractive.



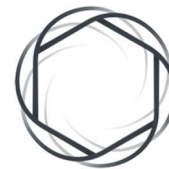


Figure of the Month

1.8

This is the number of trillions of US dollars the Congressional Budget Office projects annual US **net interest costs** could reach by 2035. This amount is comparable to the entire economic output of countries such as South Korea and Spain today. Financial markets are increasingly adjusting to a structurally different macroeconomic regime, one characterized by higher inflation volatility, rising fiscal deficits, and interest rates that are likely to remain above the ultra-low levels investors became accustomed to during the post-2008 era. As government debt levels continue to expand, higher borrowing costs are rapidly increasing debt servicing expenses. According to Congressional Budget Office projections, annual US net interest payments could approach USD 1.8 trillion by 2035, highlighting how the era of abundant liquidity and near-zero rates may be giving way to a higher-for-longer interest rate environment. For investors, this reinforces the growing importance of income generation, duration management, inflation protection, and broader portfolio diversification.

Source: US Congressional Budget Office, Bloomberg.

S. P. Hinduja Banque Privée S.A. – A family-owned Swiss Bank with Indian roots.

S.P. Hinduja Banque Privée S.A. is an innovative Swiss bank with roots in India, offering wealth management and investment advisory services to entrepreneurial clients. We partner with clients to create exponential economic and social impact, as our family has aspired to do for over 100 years.

Founded in Geneva in 1994 by Srichand Parmanand Hinduja with a vision to provide clients with a bridge between East and West, our institution remains the only Indian-owned Swiss bank in history. With an active presence in Switzerland, India, UAE and the UK, S.P. Hinduja Banque Privée offers its clients the reliability of Swiss regulatory oversight, while providing specialized access to high-growth markets.

We are a private bank with an entrepreneurial spirit, embracing collective action and building creative solutions that advance the world, economically and socially.

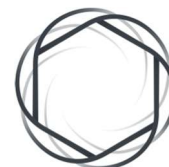
The future of banking is emerging at the intersection of profit and purpose.

Contact :

S.P. Hinduja Banque Privée S.A.
Place de la Fusterie 3bis
1204 Geneva - Switzerland

Phone : +41 58 906 08 08
Fax : +41 58 906 08 00
Email : info@sphinduja.com
Website: sphinduja.com





Disclaimer

This report has been exclusively prepared and published by S.P. Hinduja Banque Privée SA ("SPH"). This publication is for your information only and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or any other specific product. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Certain services and products are subject to legal restrictions and cannot be offered worldwide and/or on an unrestricted basis. Although all information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, no representation or warranty, express or implied, is made as to its accuracy or completeness. All information and opinions indicated are subject to change without notice. Some investments may not be readily realizable if the market in certain securities is illiquid and therefore valuing such investments and identifying the risks associated therewith may be difficult or even impossible. Trading and owning futures, options, and all other derivatives is very risky and therefore requires an extremely high level of risk tolerance. Past performance of an investment is no guarantee for its future performance. Some investments may be subject to sudden and large falls in value and on realization you may receive back less than you invested or may be required to pay more. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment. SPH is of necessity unable to take into account the particular investment objectives, financial situation and needs of our individual clients and we recommend that you take financial and/or tax advice as to the implications (including tax liabilities) of investing in any of the products mentioned herein. This document may not be reproduced or circulated without the prior authorization of SPH. SPH expressly prohibits the distribution and transfer of this document to third parties for any reason. SPH will not be liable for any claims or lawsuits from any third parties arising from the use or distribution of this document. This report is for distribution only under such circumstances as may be permitted by applicable law.

Editorial closing date: June the 1st, 2026

