momentum
global investment management

Global market review & outlook

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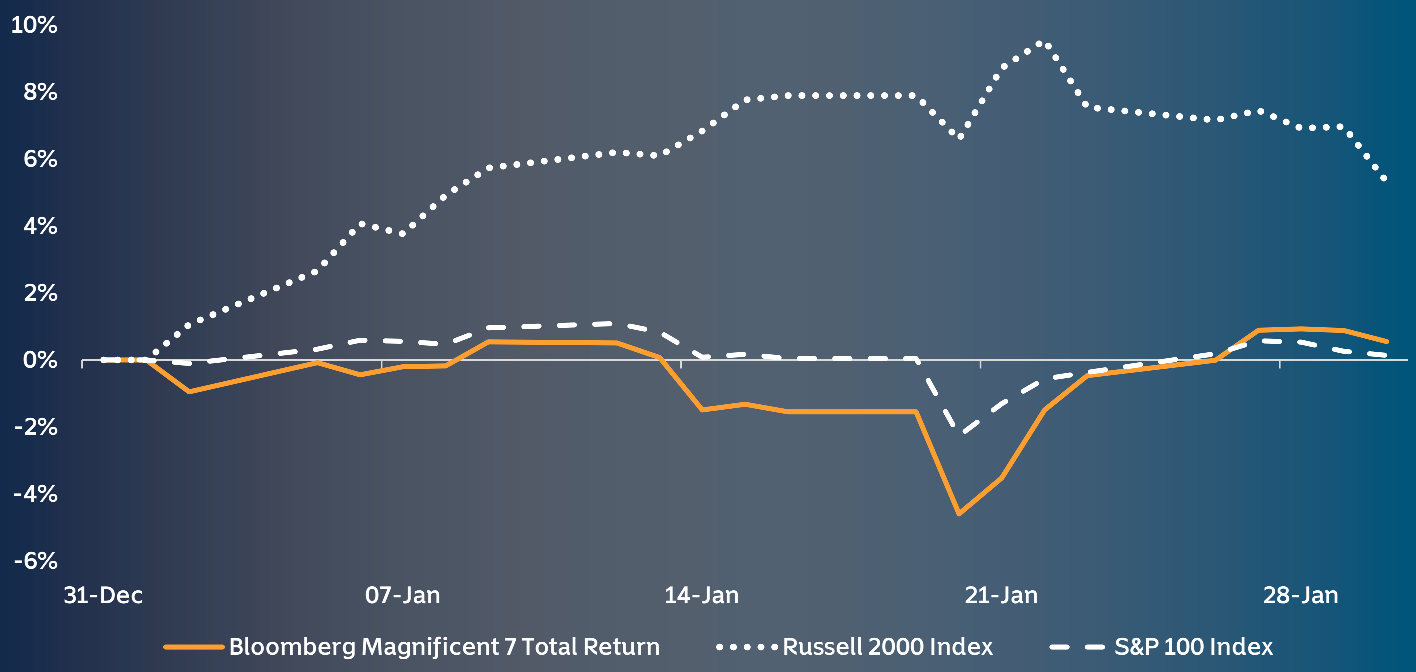
The new year brought little in the way of new order as on 3rd January President Trump launched US strikes in Venezuela that culminated in the capture of Nicolás Maduro and the abrupt disruption of the Bolivarian leadership. At the time this was huge news, albeit not very impactful on financial markets, but it set a strong tone for and clear intent for how the US administration looked set to move forward. Whilst the oil price flickered, and despite the country having the largest proven oil reserves, its estimated 1% of global production it did little to move prices in any meaningful way. More impactful has been the increased tension and build-up of US military hardware around the Persian Gulf. The world was horrified to see images of what is rumoured to be the bodies of thousands of Iranians killed as part of the mass protests across the country against the regime. Protester deaths were not confined to Iran, and the US administration found itself increasingly under pressure following the deaths of two protesters in Minneapolis at the hands of Trump's ICE patrols. Under the premise of securing a nuclear deal, and perhaps to deflect from these domestic problems, the US is amassing a 'huge armada' in scenes reminiscent of Venezuela just weeks ago, the difference here being that the action taken against the South American country falls under the so called 'Monroe Doctrine', whereby the US asserts a growing sphere of influence over its western hemisphere neighbours. This culminated in an increasingly hostile dialogue with Denmark over ownership of the autonomous territory of Greenland, a prize Donald Trump was seeking for Arctic security reasons. The situation defused on the military dimension (but not diplomatically) after the President spoke at Davos, appearing to rule out military action.

All the above would provide ample material for a quarterly or even annual commentary but remarkably this has played out in just a couple of weeks. Were this kind of geo(ego?)-political posturing something new for financial markets to digest, one might expect risk assets to perform less well, and treasuries to make gains. Conversely however, investors have become accustomed to what are arguably market moving events playing out in this way, and absent a model to price this 'Trump risk', markets have again chosen to look through the near-term noise. One upside perhaps of the marginalisation of these events, is a focus on corporate and economic fundamentals, which ultimately will drive asset class returns over the longer term. In the US, which accounts for over 70% of the MSCI World Index, fourth quarter earnings season started well, with strong positive sales and earnings growth coupled with upside surprise. The economy remains in reasonably good health, and inflation somewhat in check, such that the Fed held rates at their January meeting. What was encouraging to see was a broadening out of the equity rally with small caps outperforming mega cap by some margin (6%). The Russell 2000 index of US small cap stocks added 5% versus the Magnificent Seven's -0.3%. Whilst Japanese shares fared less well, no doubt hampered by a strong Yen as rumours of intervention surfaced, broader Asian equities did well, led by the still supercharged Korean market which added 24% in January, on top of 2025's near 80% gains. Emerging market equities more broadly rallied on the back of buoyant risk appetite – despite the aforementioned geopolitical events – and the continued headwind facing the US dollar, down 1.4% on the month, and continuing a trend which saw 11% come off the DXY index in 2025. Bonds on the whole posted positive but unexciting returns during the month, notwithstanding some tumultuous price action at the long end of the Japanese bond market.

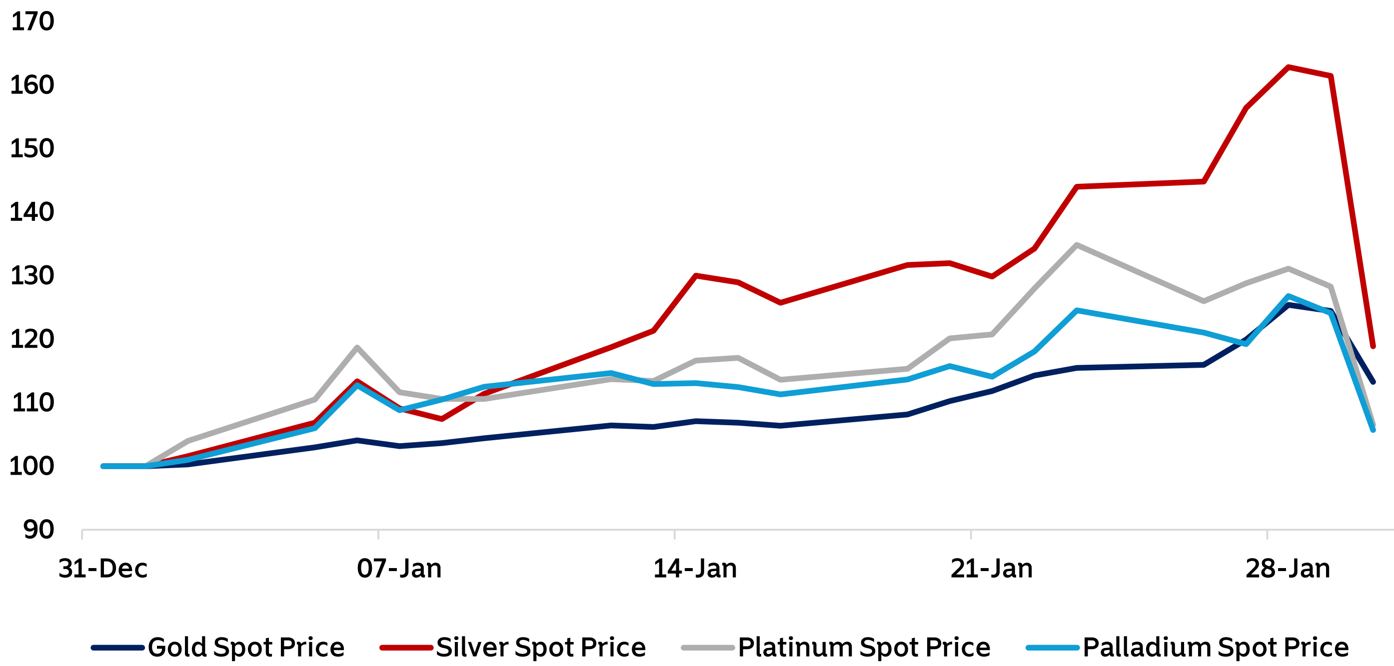
Equity markets broaden out - Large Caps vs. Small Caps



Source: Bloomberg Finance L.P., as at 30 January 2026.

The ’debasement’ trade, as it’s being termed, continues to dominate the narrative and to fuel a spectacular rally in gold and precious metals more broadly (despite a crash in late January). Having gained over 25% during the month the yellow metal fell back to add 13% during the month, and silver ‘only’ 19%. Whilst the thesis of debasement perhaps holds intact over a longer-term horizon, and an element of idiosyncratic US country risk plays its part, these kinds of returns don’t really square with a 1.4% fall in the dollar index. Although commodities are by their nature hard to value, with prices determined squarely by supply and demand and cyclical factors, it feels hard not to think that precious metal prices are still somewhat extended at this time. What this does tell us, even if you strip out the momentum buying, is that investors remain concerned about wider risk that pervades markets and which our own proprietary risk measures show as somewhat underpriced – the corollary being that markets are exhibiting a degree of complacency. Whilst we continue to favour owning risk assets, we stress the importance of remaining diversified and are happy to own quality at what is arguably a discount in markets today. Cream always rises to the top.

Precious metals pull back after big monthly gains



Source: Bloomberg Finance L.P., as at 30 January 2026.

Market performance Global

as at 30 January 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
Developed Markets Equities						
United States	S&P 500 NR	USD	1.4%	1.7%	1.4%	15.9%
United Kingdom	MSCI UK NR	GBP	3.2%	6.0%	3.2%	22.7%
Continental Europe	MSCI Europe ex UK NR	EUR	2.9%	6.7%	2.9%	15.0%
Japan	Topix TR	JPY	4.6%*	7.2%	4.6%*	31.1%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	8.0%	7.8%	8.0%	38.0%
Global	MSCI World NR	USD	2.2%	3.4%	2.2%	19.6%
Emerging Markets Equities						
Emerging Europe	MSCI EM Europe NR	USD	12.3%	20.3%	12.3%	60.8%
Emerging Asia	MSCI EM Asia NR	USD	8.3%	7.9%	8.3%	42.0%
Emerging Latin America	MSCI EM Latin America NR	USD	15.3%	23.6%	15.3%	63.0%
BRICs	MSCI BRIC NR	USD	2.6%	1.0%	2.6%	24.7%
China	MSCI China NR	USD	4.7%	0.8%	4.7%	36.1%
Global emerging markets	MSCI Emerging Markets NR	USD	8.9%	9.4%	8.9%	42.8%
Bonds						
US Treasuries	JP Morgan United States Government Bond TR	USD	-0.1%	0.2%	-0.1%	5.6%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	0.3%	0.0%	0.3%	5.8%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	0.2%	0.6%	0.2%	7.4%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	0.5%	1.7%	0.5%	7.7%
UK Gilts	JP Morgan UK Government Bond TR	GBP	-0.1%	0.2%	-0.1%	4.0%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	0.2%	0.8%	0.2%	6.0%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	0.7%	0.1%	0.7%	1.6%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	0.8%	0.3%	0.8%	3.4%
Euro High Yield	BBgBarc European HY 3% Constrained TR	EUR	0.7%	1.2%	0.7%	5.3%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	-1.3%	-3.7%	-1.3%	-6.8%
Australian Government	JP Morgan Australia GBI TR	AUD	0.0%	-1.8%	0.0%	2.3%
Global Government Bonds	JP Morgan Global GBI	USD	0.7%	0.7%	0.7%	6.8%
Global Bonds	ICE BofAML Global Broad Market	USD	0.9%	1.4%	0.9%	8.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	5.5%	3.7%	5.5%	25.6%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	0.8%	1.6%	0.8%	11.3%

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.
**estimated figures.*

Market performance Global as at 30 January 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
Property						
US Property Securities	MSCI US REIT NR	USD	3.0%	2.6%	3.0%	3.7%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	-2.7%	-5.5%	-2.7%	-1.6%
Global Property Securities	S&P Global Property USD TR	USD	3.9%	5.0%	3.9%	14.1%
Currencies						
Euro		USD	0.9%	2.7%	0.9%	14.4%
UK Pound Sterling		USD	1.6%	4.1%	1.6%	10.4%
Japanese Yen		USD	1.3%	-0.5%	1.3%	0.3%
Australian Dollar		USD	4.4%	6.4%	4.4%	12.0%
South African Rand		USD	2.6%	7.3%	2.6%	15.6%
Commodities & Alternatives						
Commodities	RICI TR	USD	9.9%	11.1%	9.9%	14.1%
Agricultural Commodities	RICI Agriculture TR	USD	1.2%	-0.8%	1.2%	-8.1%
Oil	Brent Crude Oil	USD	16.2%	8.6%	16.2%	-7.9%
Gold	Gold Spot	USD	13.3%	22.3%	13.3%	74.9%

Interest Rates	Current Rate
United States	3.75%
United Kingdom	3.75%
Eurozone	2.15%
Japan	0.75%
Australia	3.60%
South Africa	6.75%

*Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns. *estimated figures.*

Market performance UK

as at 30 January 2026 (all returns GBP)

Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
Equities						
UK - All Cap	MSCI UK NR	GBP	3.2%	6.0%	3.2%	22.7%
UK - Large Cap	MSCI UK Large Cap NR	GBP	3.5%	6.8%	3.5%	24.6%
UK - Mid Cap	MSCI UK Mid Cap NR	GBP	0.7%	0.3%	0.7%	6.0%
UK - Small Cap	MSCI Small Cap NR	GBP	4.2%	6.6%	4.2%	17.3%
United States	S&P 500 NR	USD	-0.5%	-2.6%	-0.5%	5.3%
Continental Europe	MSCI Europe ex UK NR	EUR	2.2%	5.3%	2.2%	19.0%
Japan	Topix TR	JPY	4.1%*	2.5%	4.1%*	19.3%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	6.0%	3.3%	6.0%	25.4%
Global developed markets	MSCI World NR	USD	0.3%	-1.0%	0.3%	8.6%
Global emerging markets	MSCI Emerging Markets NR	USD	6.8%	4.8%	6.8%	29.8%
Bonds						
Gilts - All	ICE BofAML UK Gilt TR	GBP	-0.2%	0.2%	-0.2%	4.0%
Gilts - Under 5 years	ICE BofAML UK Gilt TR 0-5 years	GBP	0.3%	0.8%	0.3%	4.9%
Gilts - 5 to 15 years	ICE BofAML UK Gilt TR 5-15 years	GBP	0.0%	0.3%	0.0%	5.0%
Gilts - Over 15 years	ICE BofAML UK Gilt TR 15+ years	GBP	-0.9%	-0.6%	-0.9%	1.9%
Index Linked Gilts - All	ICE BofAML UK Gilt Inflation-Linked TR	GBP	0.8%	0.6%	0.8%	0.9%
Index Linked Gilts - 5 to 15 years	ICE BofAML UK Gilt Inflation-Linked TR 5-15 years	GBP	1.3%	1.0%	1.3%	1.6%
Index Linked Gilts - Over 15 years	ICE BofAML UK Gilt Inflation-Linked TR 15+ years	GBP	0.4%	0.3%	0.4%	-0.6%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	0.2%	0.8%	0.2%	6.0%
US Treasuries	JP Morgan US Government Bond TR	USD	-2.0%	-4.1%	-2.0%	-4.4%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	-1.8%	-3.7%	-1.8%	-2.8%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	0.5%	1.7%	0.5%	7.7%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	0.7%	0.1%	0.7%	1.6%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	0.8%	0.3%	0.8%	3.4%
Euro High Yield	BBgBarc European High Yield 3% Constrained TR	EUR	0.7%	1.2%	0.7%	5.3%
Global Government Bonds	JP Morgan Global GBI	GBP	-1.2%	-3.5%	-1.2%	-3.0%
Global Bonds	ICE BofAML Global Broad Market	GBP	0.9%	1.4%	0.9%	8.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	GBP	5.5%	3.7%	5.5%	25.6%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	GBP	-1.1%	-2.7%	-1.1%	1.1%

*Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns. *estimated figures.*

Market performance UK as at 30 January 2026 (all returns in GBP)

Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
Property						
Global Property Securities	S&P Global Property TR	GBP	1.9%	0.6%	1.9%	3.7%
Currencies						
Euro		GBP	-0.6%	-1.3%	-0.6%	3.6%
US Dollar		GBP	-1.5%	-3.9%	-1.5%	-9.4%
Japanese Yen		GBP	-0.3%	-4.4%	-0.3%	-9.2%
Commodities & Alternatives						
Commodities	Rogers International Commodity (RICI) TR	GBP	7.8%	6.4%	7.8%	3.7%
Agricultural Commodities	Rogers International Commodity (RICI) Agriculture TR	GBP	-0.7%	-5.0%	-0.7%	-16.5%
Oil	Brent Crude Oil	GBP	14.0%	4.1%	14.0%	-16.3%
Gold	Gold Spot	GBP	11.2%	17.1%	11.2%	58.9%
Interest Rates				Current Rate		
United Kingdom				3.75%		

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.
**estimated figures.*

Asset allocation views

Score	---	--	-	/	+	++	+++

Score	Change	---	--	-	/	+	++	+++
MAIN ASSET CLASSES	▲/▼/–							
Equities	–			■				
Fixed Income	–				■			
Alternatives	–					■		
Cash	–				■			
EQUITIES								
Developed Equities	–			■				
UK Equities	–				■			
European Equities	–			■				
US Equities	–		■					
Japanese Equities	–				■			
Emerging Market Equities	–				■			
FIXED INCOME								
Government	▼				■			
Index-Linked	▼				■			
Investment Grade Corporate	–				■			
High Yield Corporate	▲					■		
SPECIALIST ASSETS/ALTERNATIVES								
Global Listed Property	–				■			
Global Listed Infrastructure	–			■				
Specialist Assets	–						■	
Liquid Alternatives	–		■					
Gold	–				■			
CURRENCIES vs. USD								
GBP	–					■		
EUR	–				■			
JPY	–					■		

The asset allocation views are updated at the end of each quarter unless otherwise stated.

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