tpo the private office

PACIFIC ASSET MANAGEMENT

July 2026

World markets at a Glance

Market summary

World markets at a glance is designed to help you understand the key developments shaping portfolio performance. It gives you a high-level view of what has changed and why it matters.

The information is provided by our investment partners at Pacific Asset Management (PAM), who apply market expertise and rigorous analysis to interpret fast-moving conditions. Together with PAM, we maintain real-time daily monitoring of all client portfolios to ensure they continue to align with your objectives.

If you have any questions about this summary or the impact of recent market movements on your investments, please contact your TPO Adviser.

Nigel Yeo
Chief Client Officer
The Private Office

For comprehensive commentary on investment markets be sure to read our latest investment market update via the QR code or this link:

<u>www.theprivateoffice.com/marketcommentary</u>

July 2026

- July was dominated by renewed Middle East tensions, a sharp reversal in AI-related equities, and a Federal Reserve meeting that unsettled bond markets.
- Equities were mixed, with semiconductor and AI infrastructure stocks falling on concerns over AI spending sustainability, while UK equities reached new highs, supported by strong energy and financial stocks.
- Bond yields moved higher after the Fed left rates unchanged whilst committing to its 2% target, while rising oil prices reignited inflation concerns.
- Overall, markets saw a broad repricing of risk, despite a backdrop of resilient earnings and economic growth.

Will Thompson
Portfolio Manager
Pacific Asset Management

Overview

July 2026

(%)	2021	2022	2023	2024	2025	YTD	July 2026
US Equity	29.81	-8.38	19.71	27.46	9.70	10.03	-1.65
UK Equity	18.32	0.34	7.92	9.47	24.02	11.17	3.69
Europe ex UK Equity	16.92	-8.57	15.21	1.92	26.82	8.99	-0.47
Asia Pacific ex Japan Equity	-7.64	-12.25	-2.36	14.61	30.93	28.43	-5.46
Japan Equity	2.07	-5.80	13.34	9.89	16.61	16.21	-0.74
Emerging Equity	0.58	-10.31	5.85	9.18	22.26	18.00	-5.05
World Government Bonds	-1.99	-11.65	5.85	2.65	3.43	-0.13	-0.91
UK Government Bonds	-5.16	-23.83	3.69	-3.32	5.03	-1.44	-1.54
Investment Grade Bonds	-0.98	-15.26	8.02	3.29	7.00	-0.03	-1.28
High Yield Bonds	3.49	-11.98	12.04	8.71	8.14	1.98	-0.22
Commodities	28.14	28.47	-12.36	6.51	8.38	22.03	5.87
Gold	-2.34	10.58	8.45	28.20	53.66	-6.40	-1.29
Oil	63.11	40.68	-7.5	15.78	-14.27	68.41	15.51

Returns are in GBP. Source: Bloomberg (July 2026)

Global Markets

July 2026

US MARKETS
US equities fell over the month as AI-linked names had a sharp reversal. As a result, Situational Awareness LP, the $45bn AI-focused hedge fund which had returned over 400% in the first half of 2026, became forced sellers of its AI-linked equities.

Technology sector weakness was partly offset by healthcare and financials, the latter posting strong earnings led by trading desks.

UK MARKETS
UK equities showed strong performance, with the FTSE 100 reaching record-breaking highs throughout the month. The index's limited exposure to semiconductor and technology names proved a structural advantage in this environment, while heavy weightings in well-performing energy and financials acted as a tailwind.

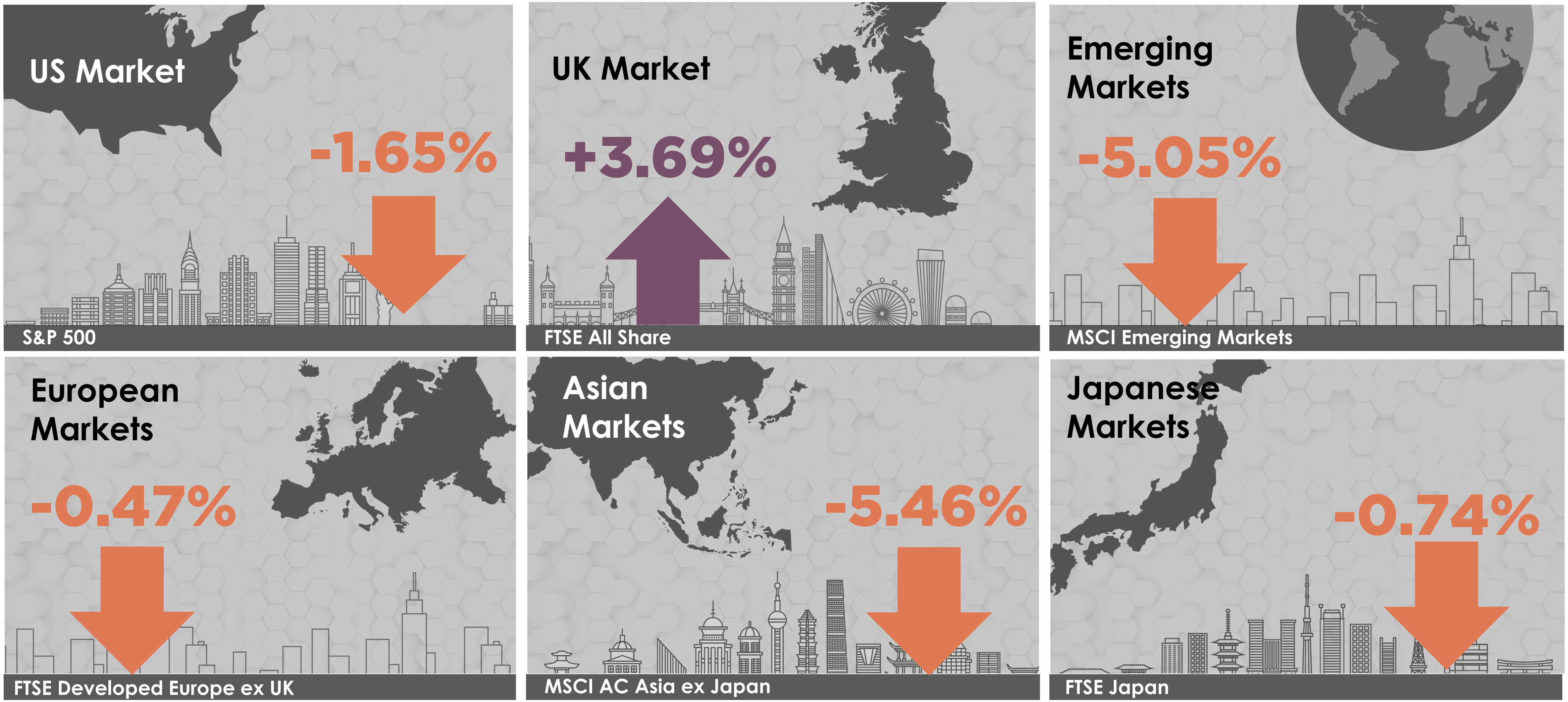
EMERGING MARKETS
Emerging Market equities had a reversal to performance in July, linked to the increasing investor concerns over the sustainability of AI capex and chipmaker earnings. In South Korea, where SK Hynix and Samsung Electronics dominate the KOSPI Index, the drop was particularly acute.

EUROPEAN MARKETS
European stocks had a slightly negative month, however lower exposure to technology names and strong earning from financials aided returns

Source: Bloomberg (July 2026)

Equities

July 2026 returns in GBP



Source: Bloomberg (July 2026)

Key Indicators & Currencies

July 2026 returns in GBP

Key Indicators

Key Points

- The reignition of the conflict in the Middle East reversed June's drop in oil price, with the Brent Crude oil barrel reaching $100 mid-month before stabilizing at $90 by the end of the month
- UK inflation fell more than expected to 2.6%, however markets expect this respite may be short-lived given the rebound in oil prices

GOLD	OIL	COMMODITIES	INFLATION
-1.29%	+15.51%	+5.87%	+2.60%

Pound vs other currencies

Key Points

- Sterling was stronger against most major currencies over the month
- Sterling weakened against the Yen after a joint currency intervention by the US and Japan, who sold euros to buy the Japanese currency

+1.38%	-0.65%	+0.75%	+0.89%
$	¥	€	元
GBP vs USD	GBP vs JPY	GBP vs EUR	GBP vs CNY

Source: Bloomberg (July 2026)

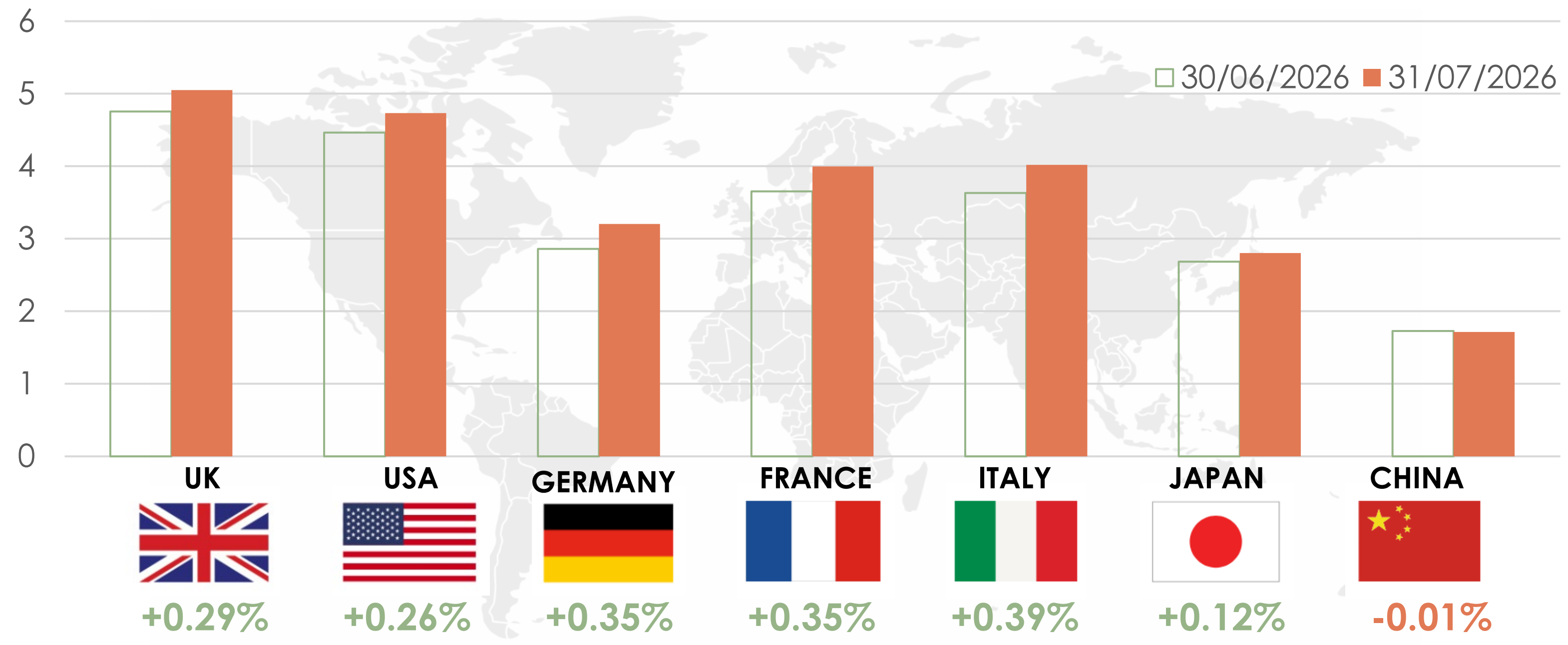
Bonds

Key Points

- Longer dated yields surged across developed markets
- The 30-year US Treasury reached its highest level since 2007 following a Fed decision to hold rates steady whilst committing to its 2% inflation mandate
- UK Gilts followed as a resurgence in the US-Iran conflict raised fears of rising inflation. The BoE voted to hold rates, although with a 6-3 vote split

Bond Markets	
UK Government Bonds	-1.54%
UK Investment Grade Bonds	-1.28%
World Government Bonds	-0.91%
High Yield Bonds	-0.22%

10 Year Bond Yields



Source: Bloomberg (July 2026)

Glossary

BoE	Bank of England - central bank of the United Kingdom
BoJ	Bank of Japan - central bank of Japan
Correlation	The degree to which the returns of financial assets or instruments move in relation to each other
CNY	Chinese renminbi (yuan) - currency of the People's Republic of China
CPI	Consumer Price Index - a measure of inflation in which a basket of goods and services is calculated over different time periods
Dovish	The approach in which central banks are likely to keep monetary policy "loose" or accommodative
ECB	European Central Bank - the central bank of the European Union countries which have adopted the euro
EUR	Euro, the official currency of the European Union for the 20 of 27 member states that have adopted this currency
The 'Fed'	or the US Federal Reserve System - the central banking system of the United States of America, which includes the Federal Reserve Board and the twelve regional Federal Reserve Banks
GBP	British Pound - sometimes referred to as 'sterling'
GDP	Gross Domestic Product - a monetary measure of the market value of all goods and services produced in a specific time period by a country or countries

Growth Stocks	Stocks which display specific characteristics –high price-to-earnings (P/E), high price-to-book (P/B), low to no dividend yield –which typically demonstrate revenue growth and tend to reinvest earnings rather than distribute them as dividends
Hawkish	The approach in which central banks are likely to keep monetary policy "tight" or restrictive
JPY	Japanese Yen - currency of Japan
Macro	or Macroeconomics - a branch of economics that deals with the performance, structure, behavior, and decision-making of an economy as a whole
PMI	Purchasing Managers' Index - an economic indicator used to measure the activity of the manufacturing/service sectors of the economy
USD	US Dollar - currency of the United States of America
Value Stocks	Stocks which may trade at lower prices relative to their intrinsic value, as defined by traditional fundamental analysis, and typically include evaluation metrics such as lower price-to-earnings (P/E) and price-to-book (P/B) ratios, and higher dividend yields, compared to Growth stocks
Yield Curve	a graph (line) which depicts how the yields on debt instruments –such as bonds –vary as a function of their years remaining to maturity
YoY	Year over year

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