

EVLI

ALLOCATION VIEW APRIL 1, 2026



EVLI PLC

CONFIDENTIAL

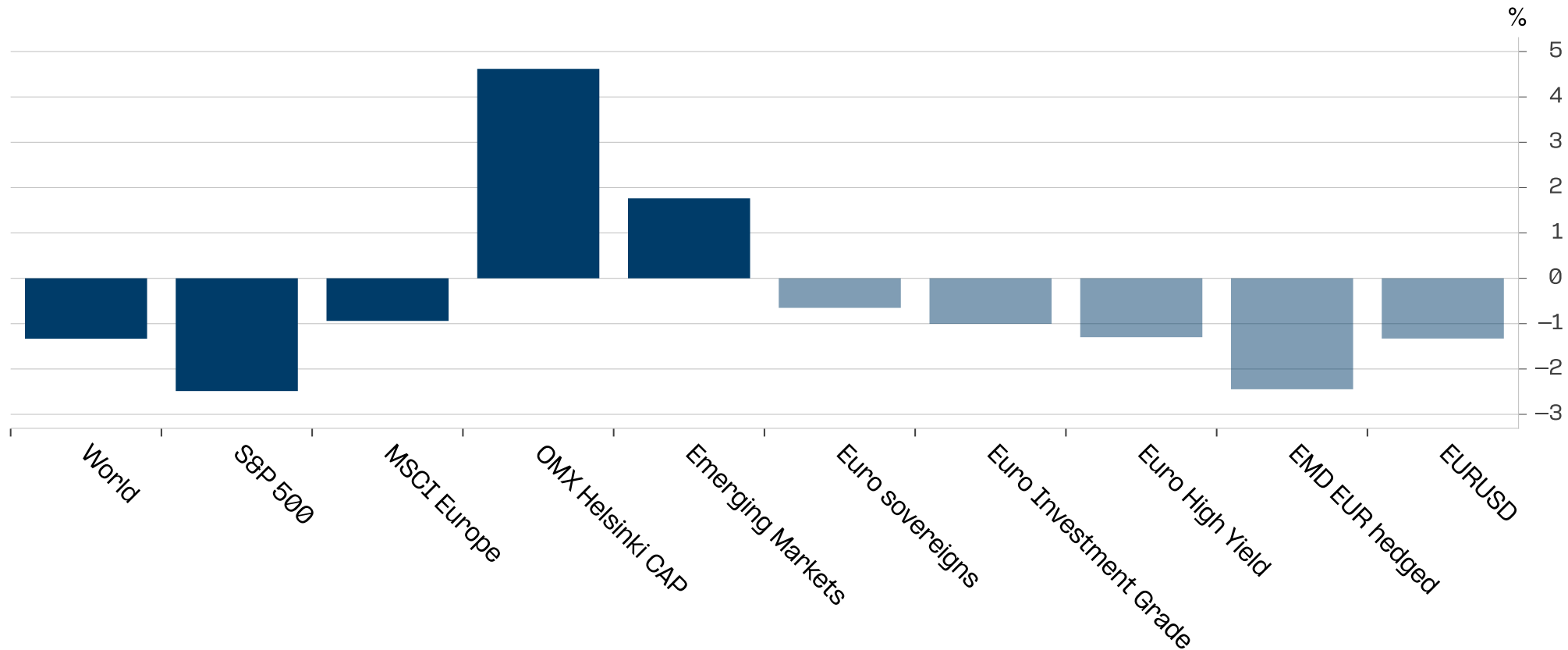
The main points of the allocation meeting

- **Signs of a potential turning point in the Iran war.** We believe the probability of the conflict coming to an end has increased. The war has now lasted over a month, and U.S. President Donald Trump has repeatedly signaled his willingness to withdraw from the conflict. However, Iran has remained firm and the Strait of Hormuz has stayed closed. Iran's President Masoud Pezeshkian stated that his country has the "necessary will" to end the conflict. Iran's key demand is that it will not be subjected to the use of force going forward. Trump announced that the United States would withdraw from the war within the next two to three weeks, even if the Strait of Hormuz remains closed. Despite these more positive signals, the risk of the conflict continuing remains elevated.
- **We are upgrading equities from a slight overweight to overweight and reducing exposure to money markets and fixed income.** We believe a turning point toward de-escalation has taken place. Our base case has been that the conflict would remain short-lived, as neither side has an incentive for a prolonged war. Trump has sought to end the conflict for several weeks and has signaled readiness to withdraw even if the Strait of Hormuz remains closed. The missing piece has been Iran's willingness to end the conflict. Iran's negotiating position has strengthened day by day as the strait has remained closed. We interpret the president's statement as a sign that Iran believes it has achieved sufficient leverage. We acknowledge that the risk of a prolonged closure of the Strait of Hormuz remains significant and are ready to adjust our view if progress stalls. The nature of the conflict calls for a tactical approach to asset management.
- **European Central Bank (ECB) President Christine Lagarde has indicated that the decision to raise the deposit rate will depend on the impact of the Iran war.** Market pricing currently implies around a 40% probability of a rate hike at the April 30 meeting. According to preliminary data, euro area inflation accelerated to 2.5% in March from 1.9% in February. The Iran war is pushing inflation higher while weighing on economic growth. The economic impact of the war depends on how long the Strait of Hormuz remains closed and oil prices elevated. The ECB is also keen to avoid repeating the policy mistake made during the pandemic, when inflation was initially misjudged as transitory.
- **We overweight equities** and underweight money markets. Within equities, we overweight EM equities and remain neutral elsewhere. Within equity themes, we emphasize European industrials. In fixed income investments, we overweight high yield corporate bonds and underweight government bonds and remain neutral on emerging market bonds and investment grade corporate bonds.

Asset class returns year to date in EUR

Year to date return in euros

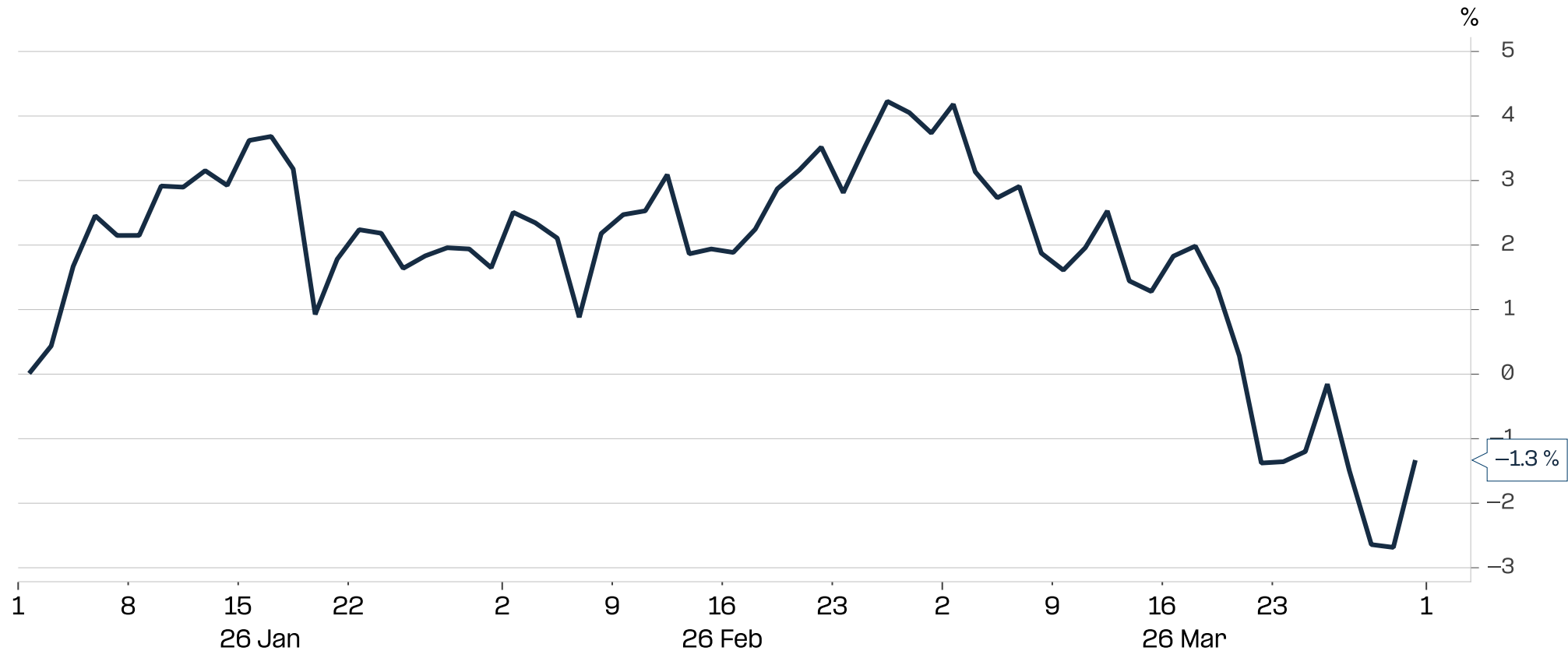
Total return indices in eur or eur hedged in the case of EMD. World is ACWI.



Global stock market return year to date in EUR

Global stock market return in euros year to date and maximum drawdown

MSCI ACWI Net Total Return EUR Index

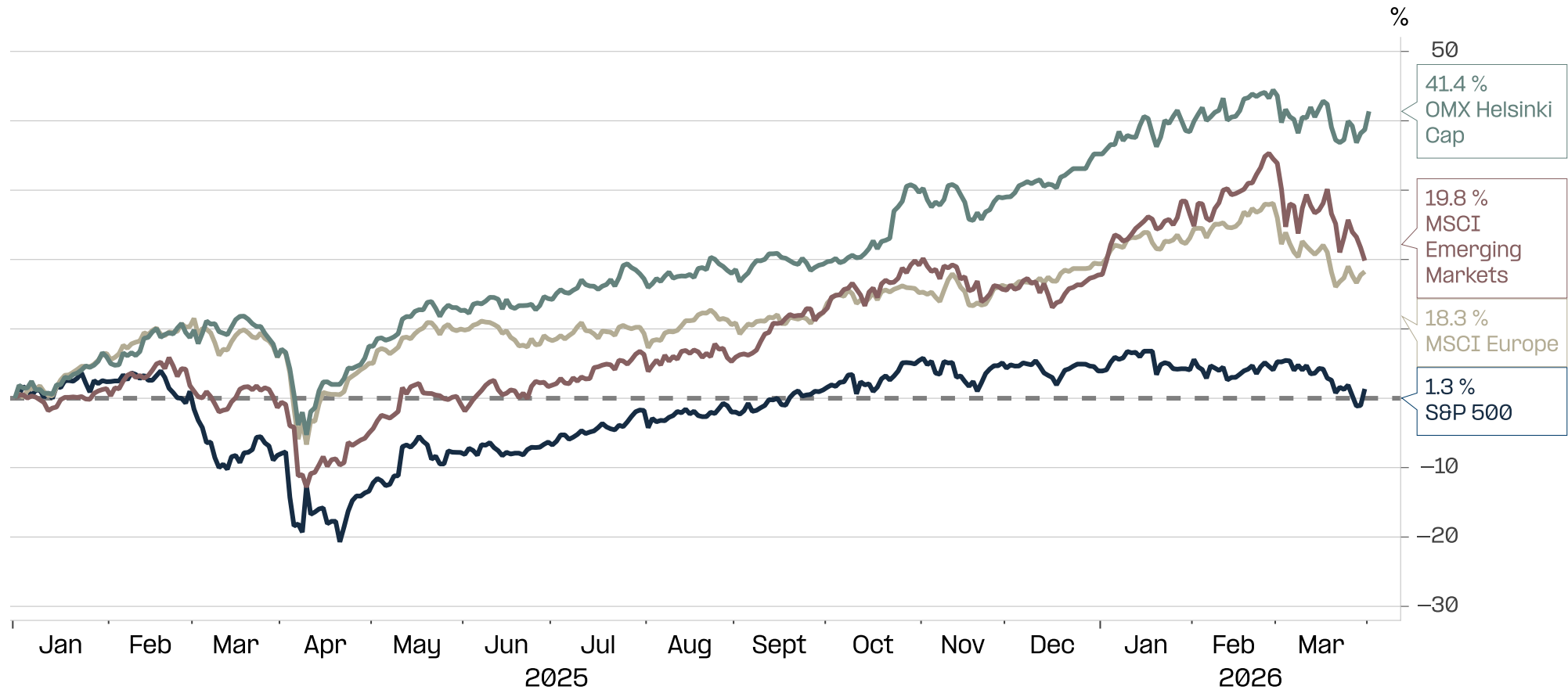


Source: Macrobond, Evli

EVLI

Equity returns from the beginning of 2025 (EUR)

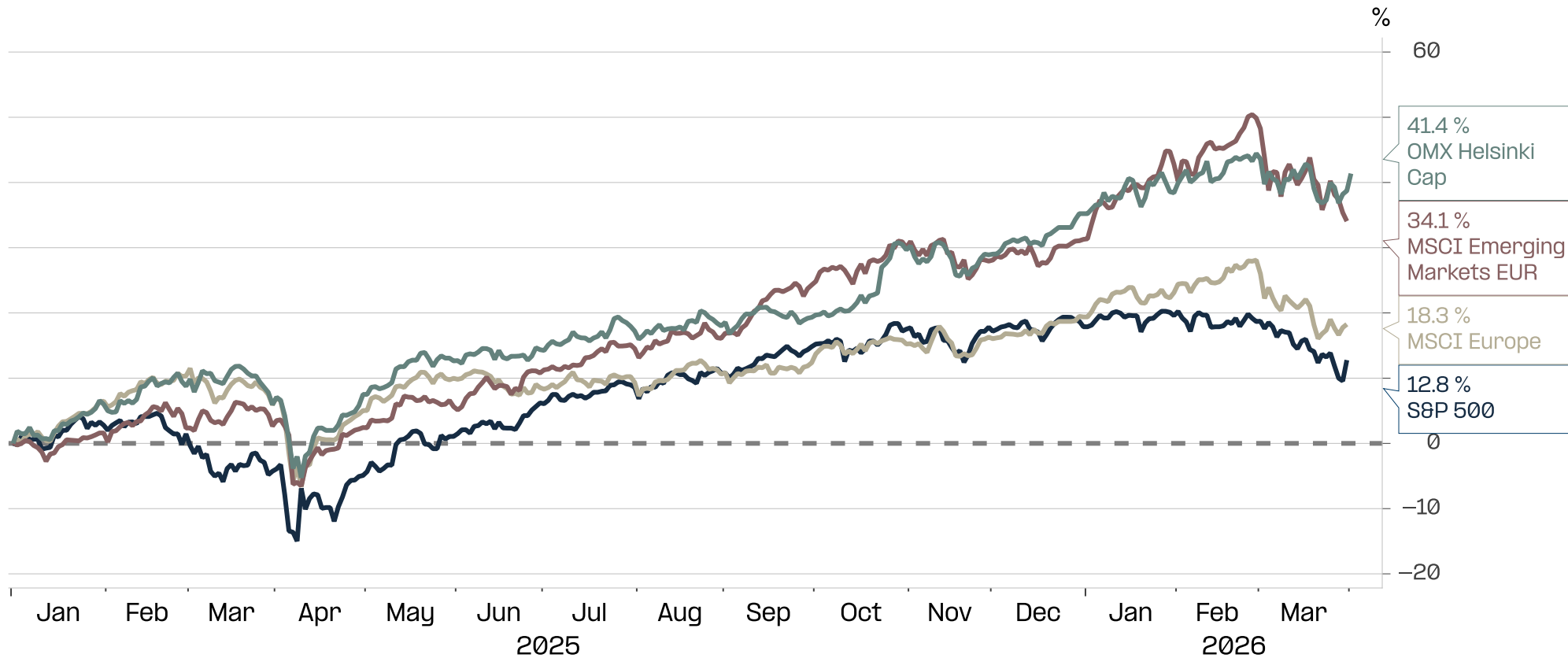
Equity market returns in EUR



Equity returns from the beginning of 2025 (local FX)

Stock market returns from beginning of 2025

Local currency total market returns

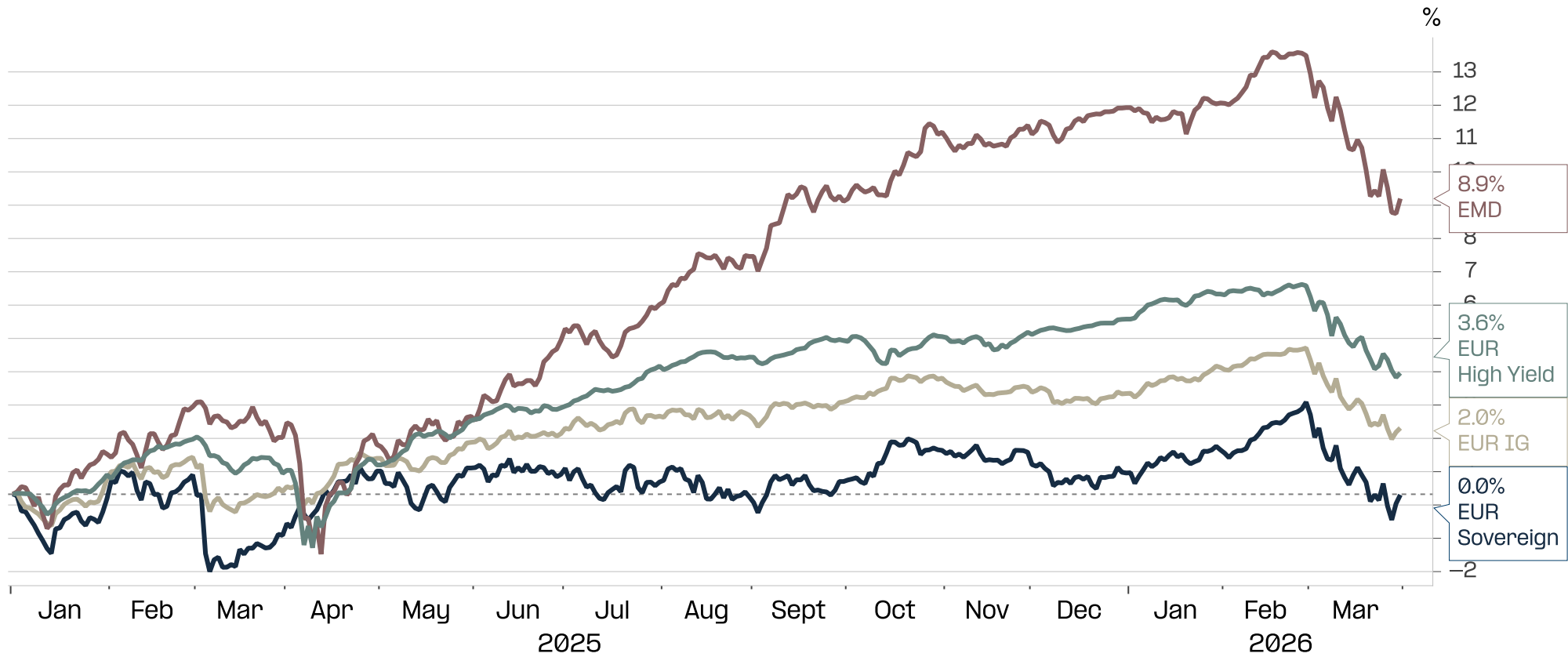


Source: Macrobond, Bloomberg, Evli

Fixed income returns from the beginning of 2025

European and EM fixed income returns from beginning of 2025

European high yield, IG, sovereign bonds and emerging market debt eur hedged



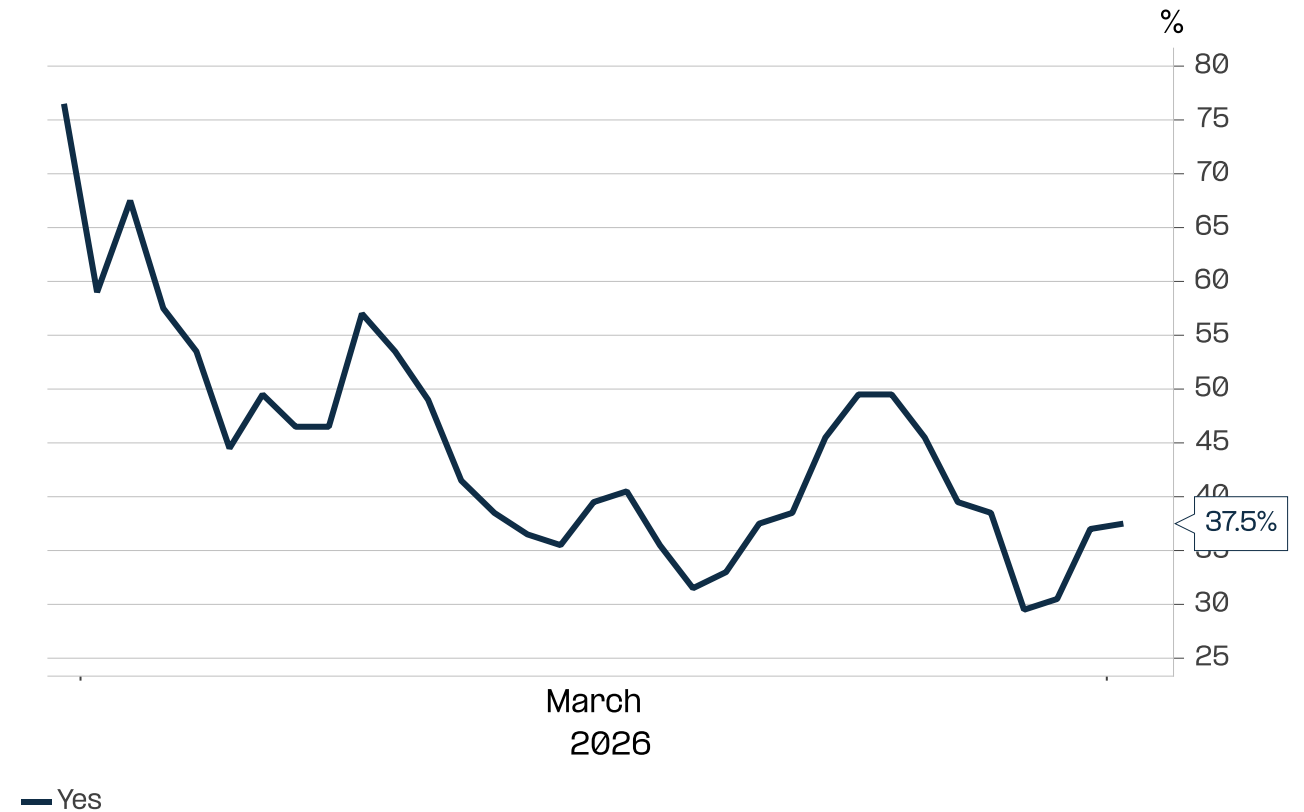
Source: Macrobond, Bloomberg, Evli

Signs of a potential turning point in the Iran war

- We believe the probability of the conflict coming to an end has increased.
- The war has now lasted over a month, and U.S. President Donald Trump has repeatedly signaled his willingness to withdraw from the conflict.
- Iran's President Masoud Pezeshkian stated that his country has the "necessary will" to end the conflict. Iran's key demand is that it will not be subjected to the use of force going forward.
- Trump announced that the United States would withdraw from the war within the next two to three weeks, even if the Strait of Hormuz remains closed. Despite these more positive signals, the risk of the conflict continuing remains elevated.

Will the United States and Iran reach a ceasefire by April 30?

Odds on Polymarket



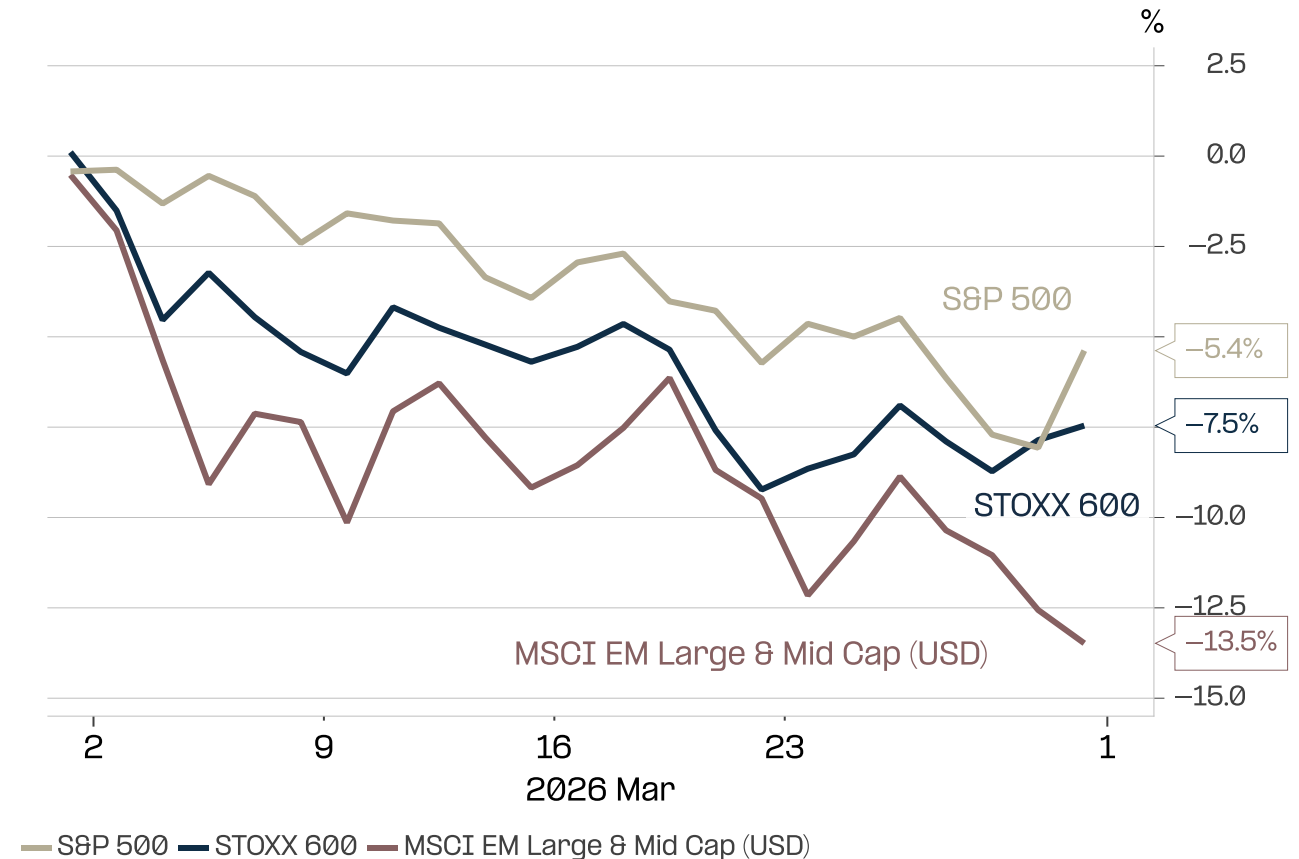
— Yes

Source: Macrobond, Evli

We are upgrading equities from a slight overweight to overweight

- We believe a turning point toward de-escalation has taken place.
- Trump has sought to end the conflict for several weeks and has signaled readiness to withdraw even if the Strait of Hormuz remains closed. The missing piece has been Iran's willingness to end the conflict.
- We interpret the president's statement as a sign that Iran believes it has achieved sufficient leverage.
- We acknowledge that the risk of a prolonged closure of the Strait of Hormuz remains significant and are ready to adjust our view if progress stalls. The nature of the conflict calls for a tactical approach to asset management.

Total returns since the start of the Iran war

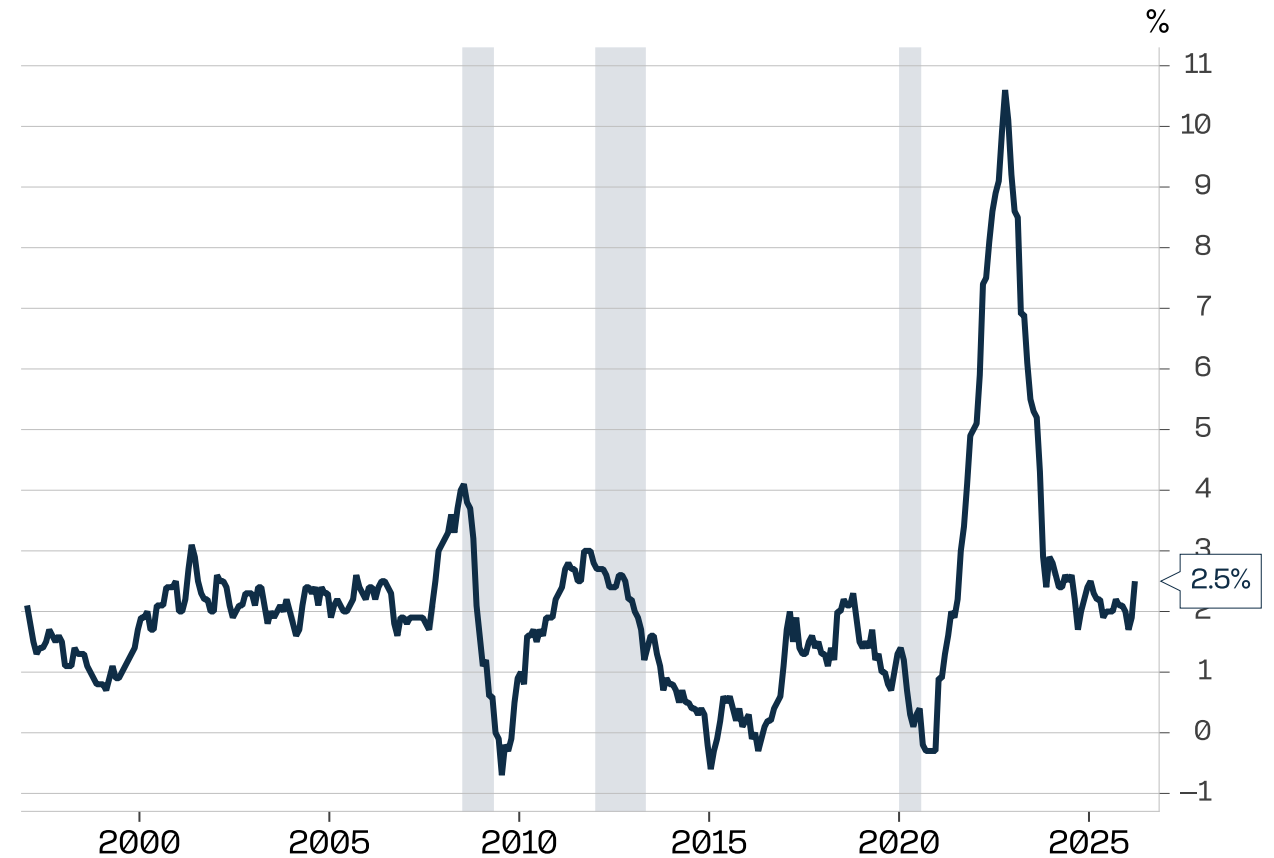


Source: Macrobond, Evli

The ECB's the decision to raise the deposit rate will depend on the impact of the Iran war

- Market pricing currently implies around a 40% probability of a rate hike at the April 30 meeting.
- According to preliminary data, euro area inflation accelerated to 2.5% in March from 1.9% in February.
- The Iran war is pushing inflation higher while weighing on economic growth.
- The economic impact of the war depends on how long the Strait of Hormuz remains closed and oil prices elevated.
- The ECB is also keen to avoid repeating the policy mistake made during the pandemic, when inflation was initially misjudged as transitory.

Euro Area inflation



Source: Macrobond, Evli, Eurostat

Information set above is not intended as investment recommendation.

This report is based on sources that Evli Plc considers to be correct and reliable. Evli Plc nor its employees give any guarantee concerning the correctness, accuracy or completeness of any information, views, opinions, estimates or forecasts presented in this review, nor are they liable for any damage caused by the use of this publication. Evli Plc is not responsible for any material or information produced or published by a third party that may be contained in this review.

This publication, or any part thereof, may not be copied, distributed or published in any form without Evli Plc's prior written consent. All rights reserved.