

EVLI

ALLOCATION VIEW APRIL 22, 2026



EVLI PLC

CONFIDENTIAL

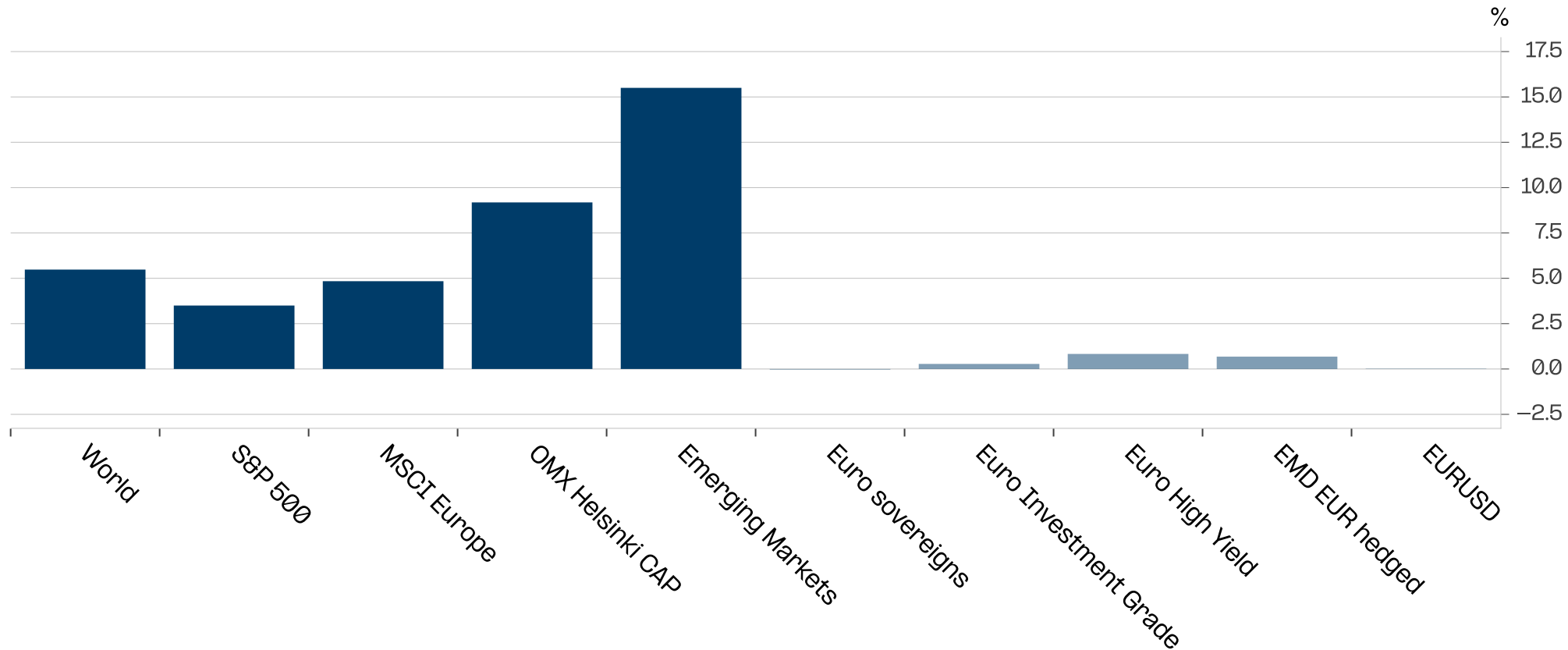
The main points of the allocation meeting

- **The United States has extended the Iran war ceasefire, but negotiations remain stalled.** Deep mutual distrust continues to impede negotiations. U.S. president Donald Trump has not honored previous agreements with Iran, which has significantly decreased his trustworthiness in Iran's eyes. Another challenge is the possible internal division within Iran between hardliners and more moderate factions, which may have manifested for instance in the opening and closing of the Straits. Iran has also made conflicting public statements. The conflict has nevertheless de-escalated with both sides opting not to recommence hostilities despite bluster. The strait remains closed as it serves as a source of leverage for both sides in the negotiations. Despite de-escalation, we recognize that the risk of a prolonged or escalating conflict remains significant, and we continue to monitor the situation closely.
- **The first-quarter earnings season has started off strong especially in the U.S and in emerging markets.** Major banks kicked off the reporting season last week with solid results, posting earnings growth of around 15 percent. In both the U.S. and emerging markets, technology companies are driving earnings growth, while in Europe the strongest growth is seen in the energy sector. In the United States, first-quarter earnings are expected to grow by 13 percent year-over-year, whereas in Europe growth is projected to remain around three percent. In emerging markets, earnings growth for 2026 is expected to exceed 40 percent, largely due to three semiconductor companies: SK Hynix, Samsung Electronics, and TSMC.
- **Equity markets have largely recovered to pre-war levels, while bond yields have not.** The MSCI AC World Index declined by nearly ten percent due to the war in Iran, but equities have since regained most of those losses. Bond yields, however, have not returned to their initial levels, reflecting a more cautious view. The U.S. 10-year government bond yield was around 4.00 percent at the start of the war, rose to nearly 4.45 percent at the end of March, and has since declined to around 4.30 percent. Brent crude oil has remained below 100 dollars per barrel, after reaching nearly 120 dollars in March.
- **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

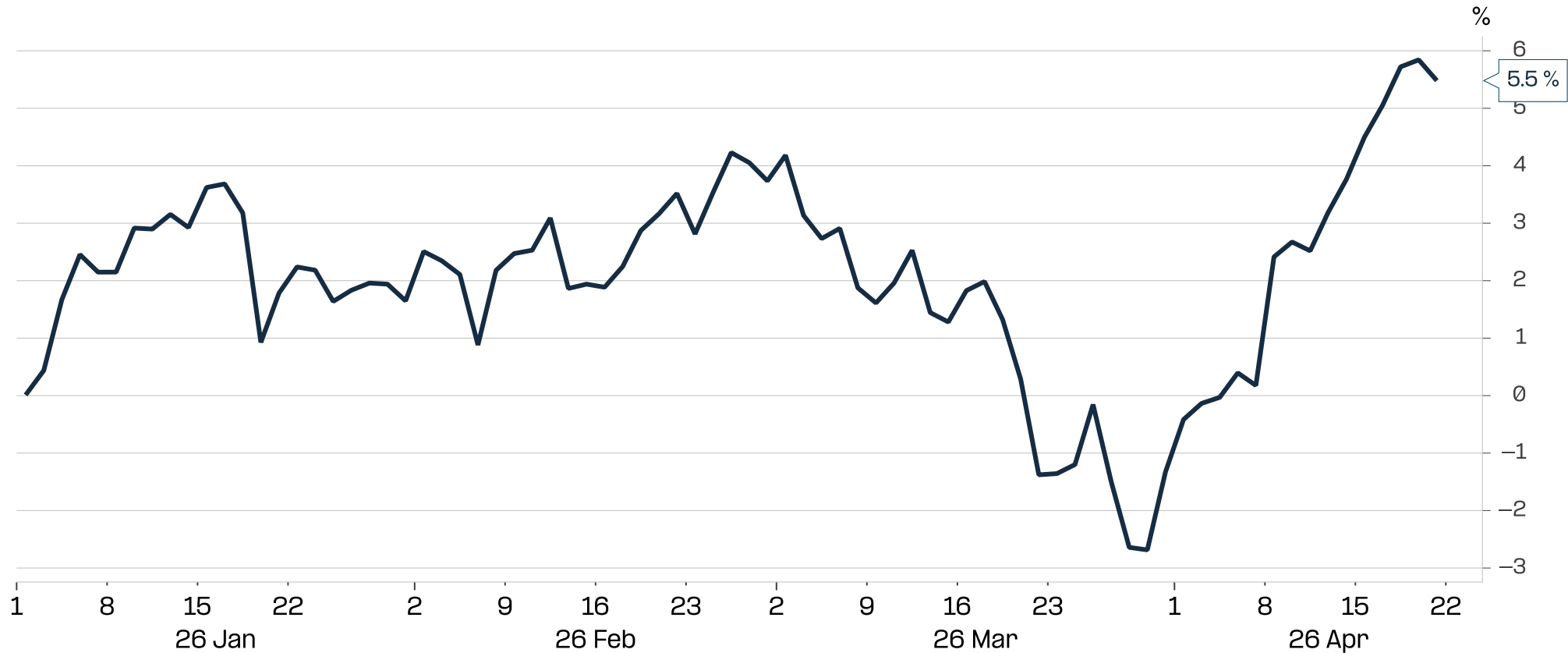
Total return indices in eur or eur hedged in the case of EMD. World is ACWI.



Global stock market return year to date in EUR

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

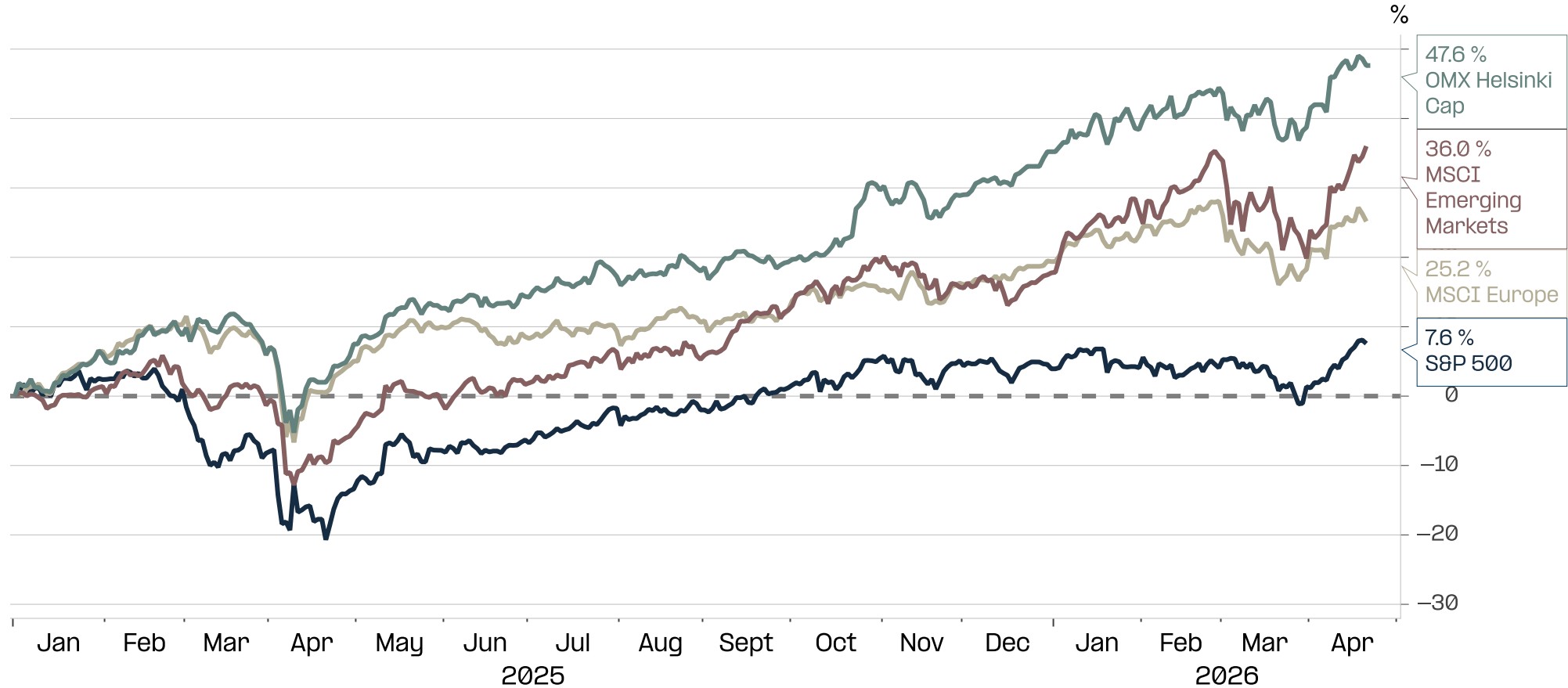
MSCI ACWI Net Total Return EUR Index



Source: Macrobond, Evli

Equity returns from the beginning of 2025 (EUR)

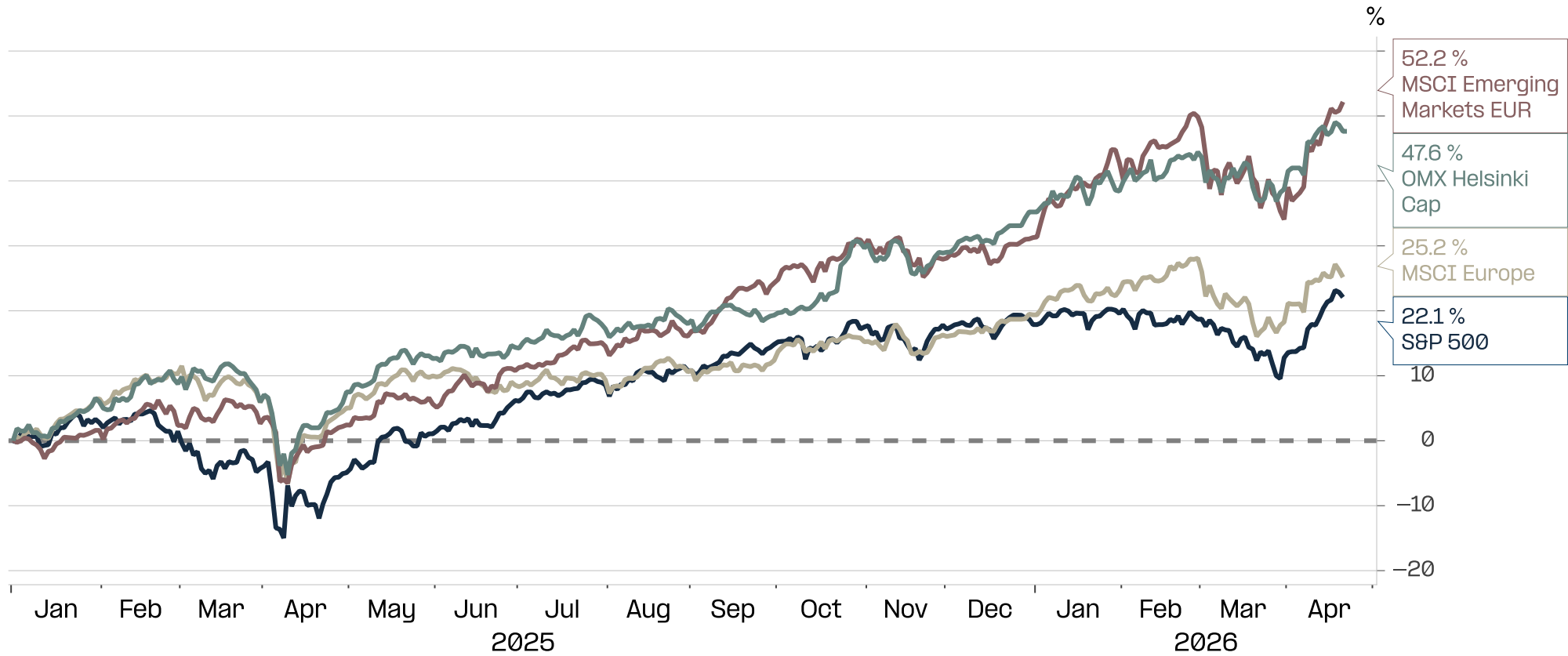
Equity market returns in EUR



Equity returns from the beginning of 2025 (local FX)

Stock market returns from beginning of 2025

Local currency total market returns

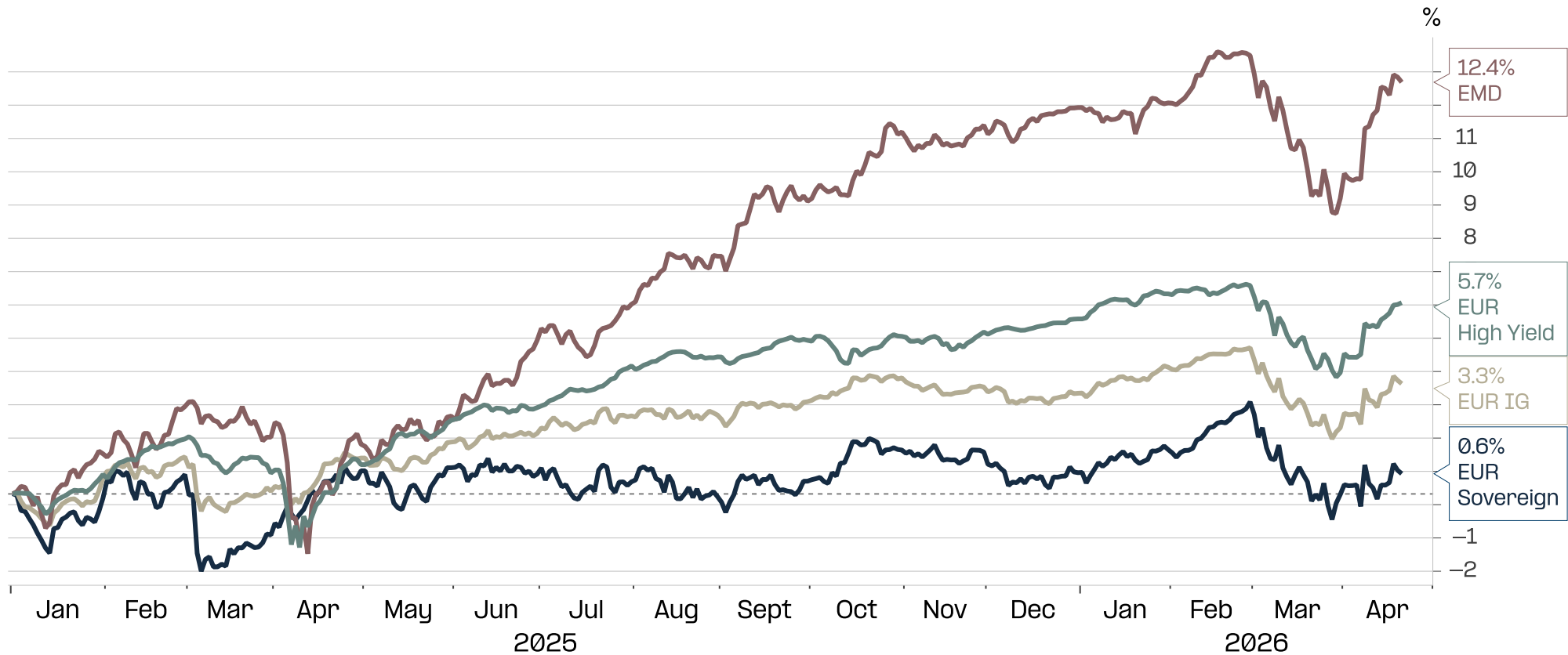


Source: Macrobond, Bloomberg, Evli

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



The United States has extended the Iran war ceasefire, but negotiations remain stalled

- Deep mutual distrust continues to impede negotiations. U.S. president Donald Trump has not honored previous agreements with Iran, which has significantly decreased his trustworthiness in Iran's eyes.
- Another challenge is the possible internal division within Iran between hardliners and more moderate factions, which may have manifested for instance in the opening and closing of the Straits.
- Iran has also made conflicting public statements. The conflict has nevertheless de-escalated with both sides opting not to recommence hostilities despite bluster.
- The strait remains closed as it serves as a source of leverage for both sides in the negotiations.

Retail gasoline prices in the United States have increased sharply due to the Iran war

National average in USD



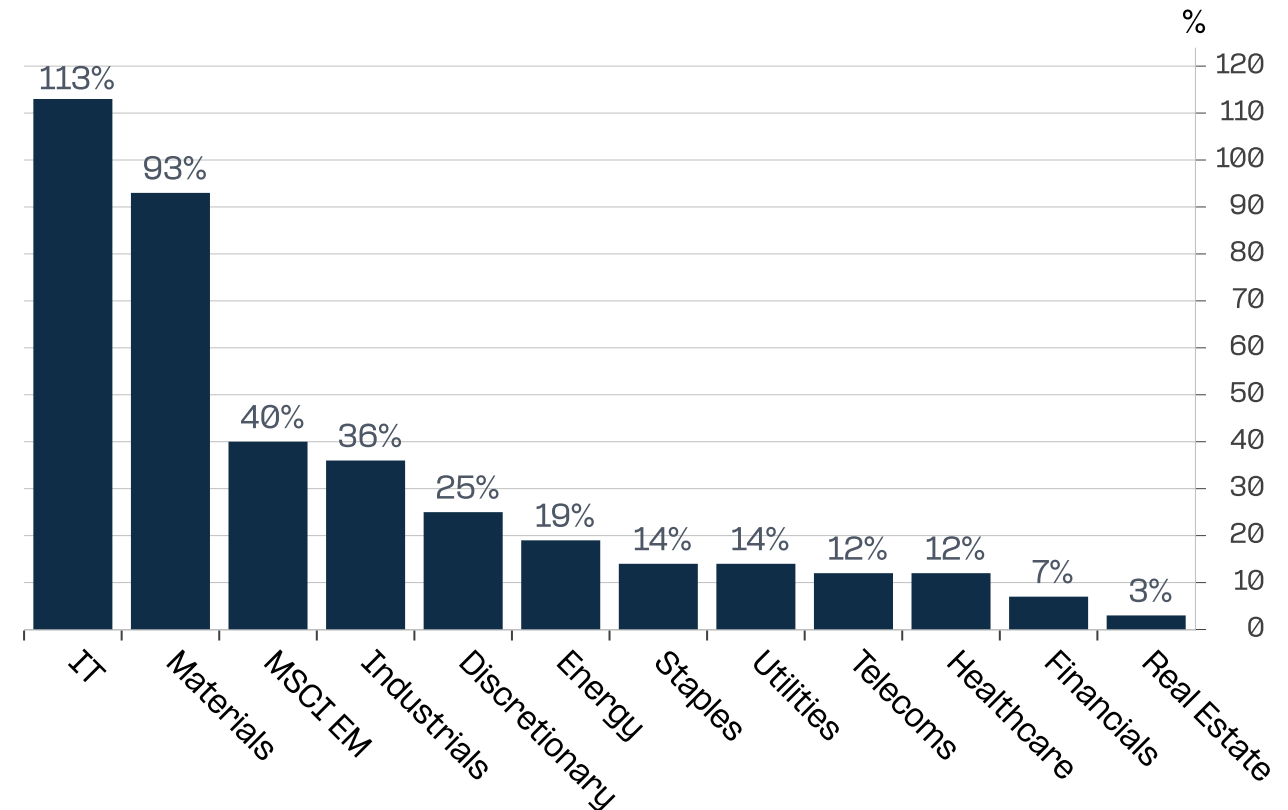
Source: Macrobond, Evli, EIA

The first-quarter earnings season has been strong

- Major banks kicked off the reporting season last week with solid results, posting earnings growth of around 15 percent.
- In both the U.S. and emerging markets, technology companies are driving earnings growth, while in Europe the strongest growth is seen in the energy sector.
- In the United States, first-quarter earnings are expected to grow by 13 percent year-over-year, whereas in Europe growth is projected to remain around three percent.
- In emerging markets, earnings growth for 2026 is expected to exceed 40 percent, largely due to three semiconductor companies: SK Hynix, Samsung Electronics, and TSMC.

Emerging markets 2026e EPS growth

YoY % change

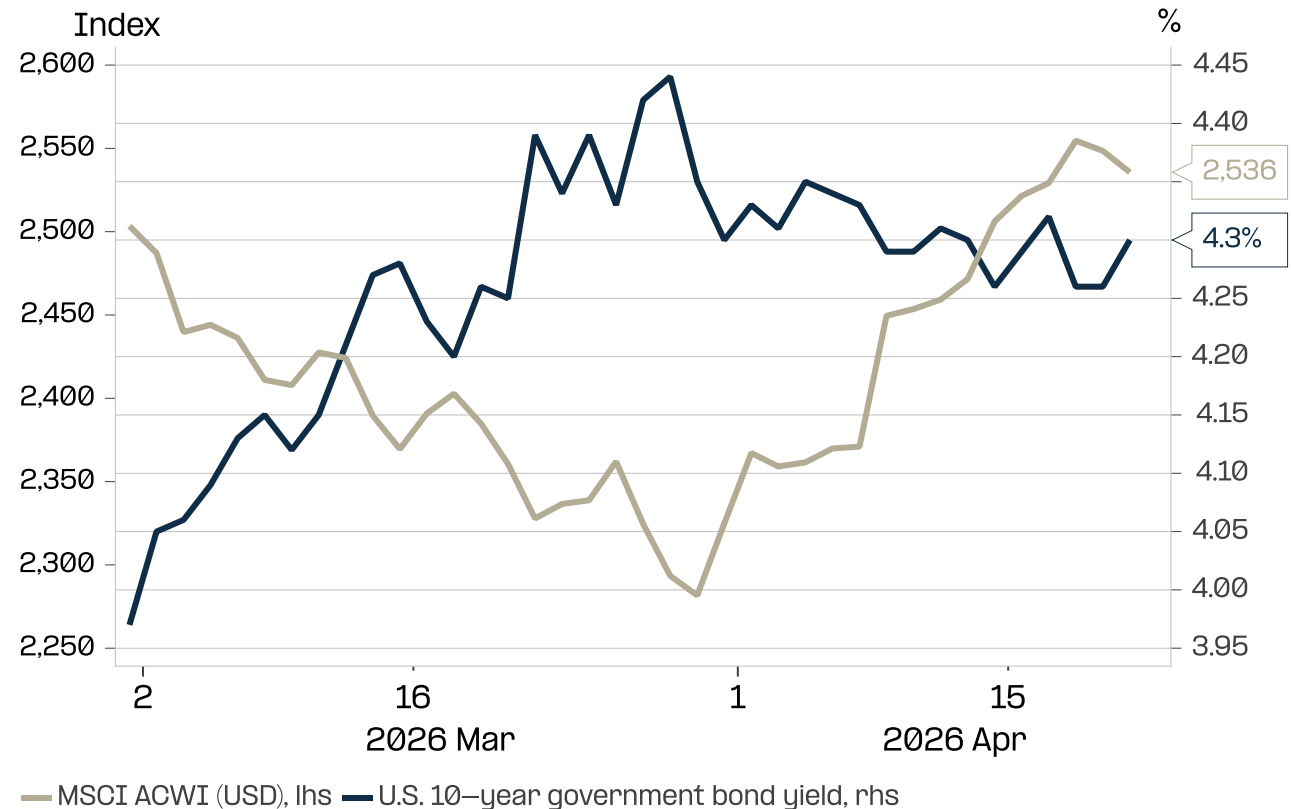


Source: Macrobond, Evli, J.P.Morgan Equity Strategy (13.04.2026)

Equity markets have largely recovered to pre-war levels, while bond yields have not

- The MSCI AC World Index declined by nearly ten percent due to the war in Iran, but equities have since regained most of those losses.
- Bond yields, however, have not returned to their initial levels, reflecting a more cautious view on the outlook for the conflict.
- The U.S. 10-year government bond yield was around 4.00 percent at the start of the war, rose to nearly 4.45 percent at the end of March, and has since declined to around 4.30 percent.
- Brent crude oil has remained below 100 dollars per barrel, after reaching nearly 120 dollars in March.

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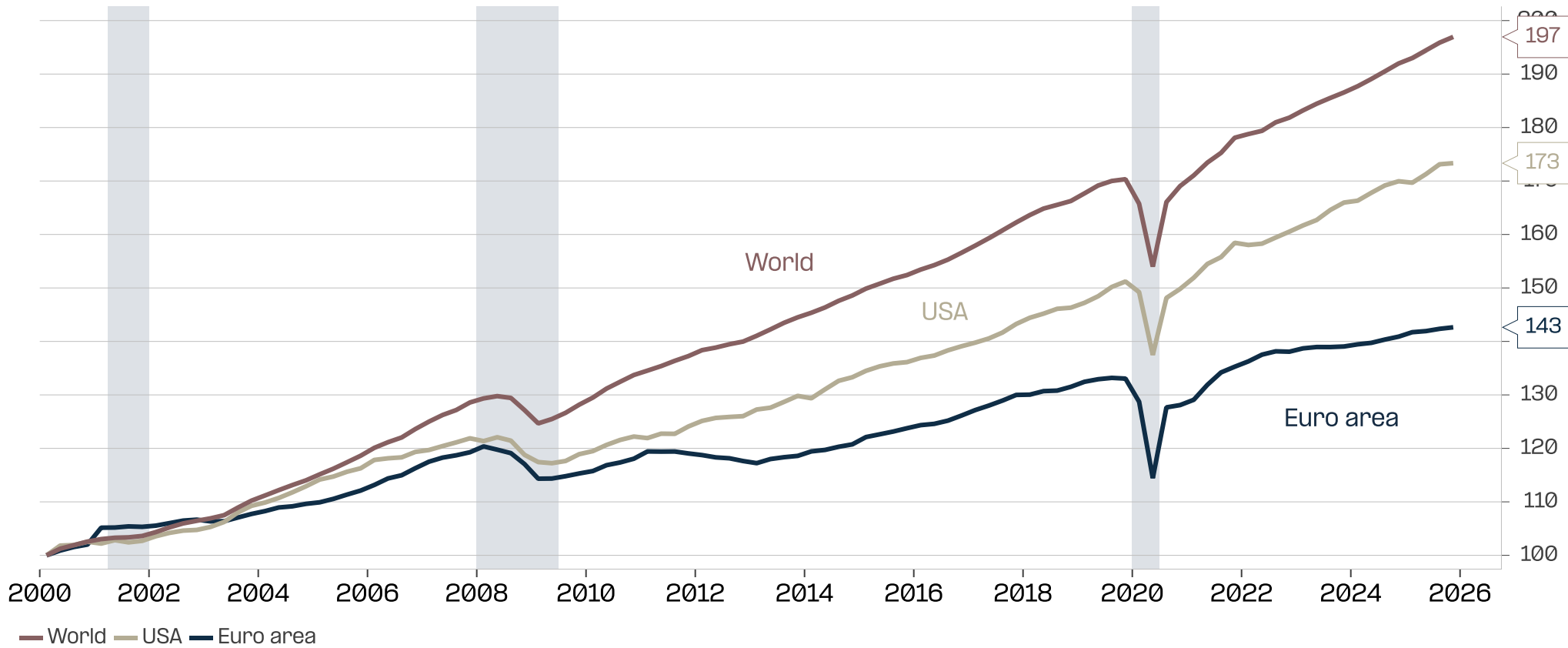


Lähde: Macrobond, Evli

Growth

Real GDP

Normalized to 100 = 1/2000

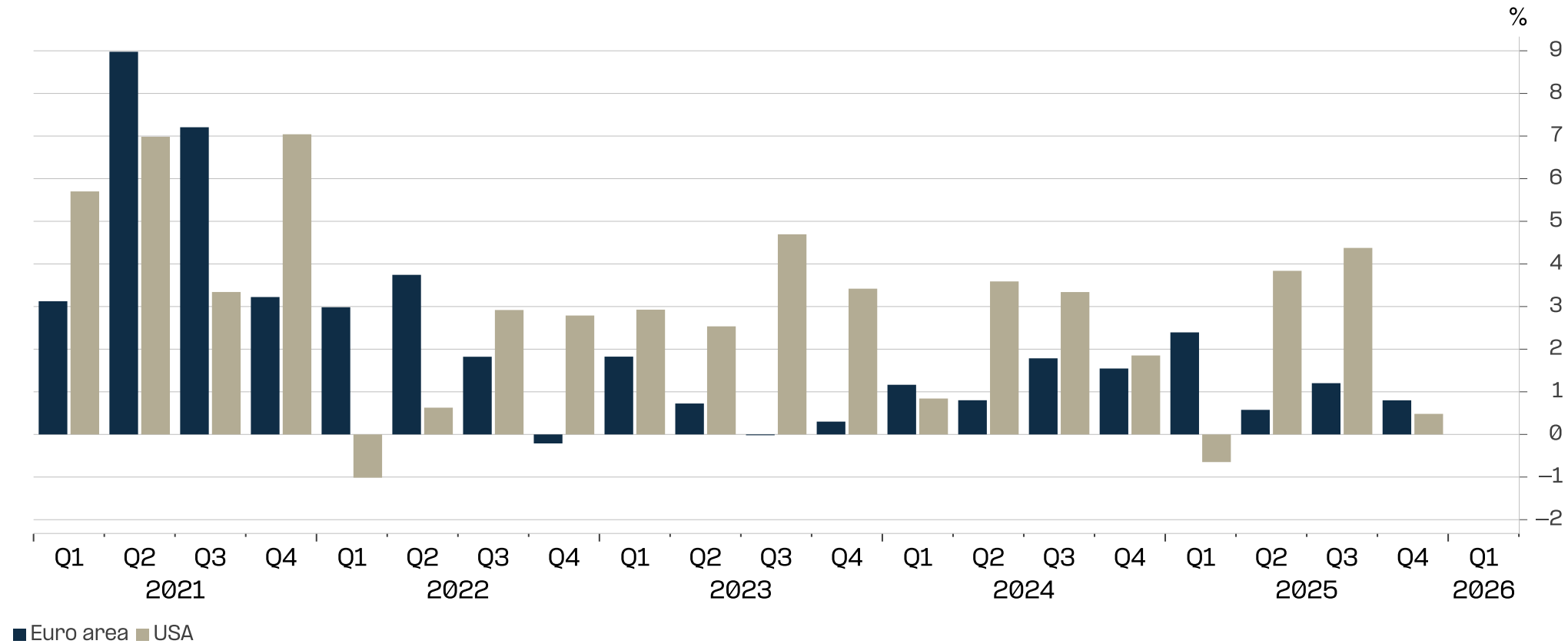


Source: Macrobond, Evli, Eurostat, BEA, World Bank

Growth

Real GDP growth

QoQ annualized



■ Euro area ■ USA

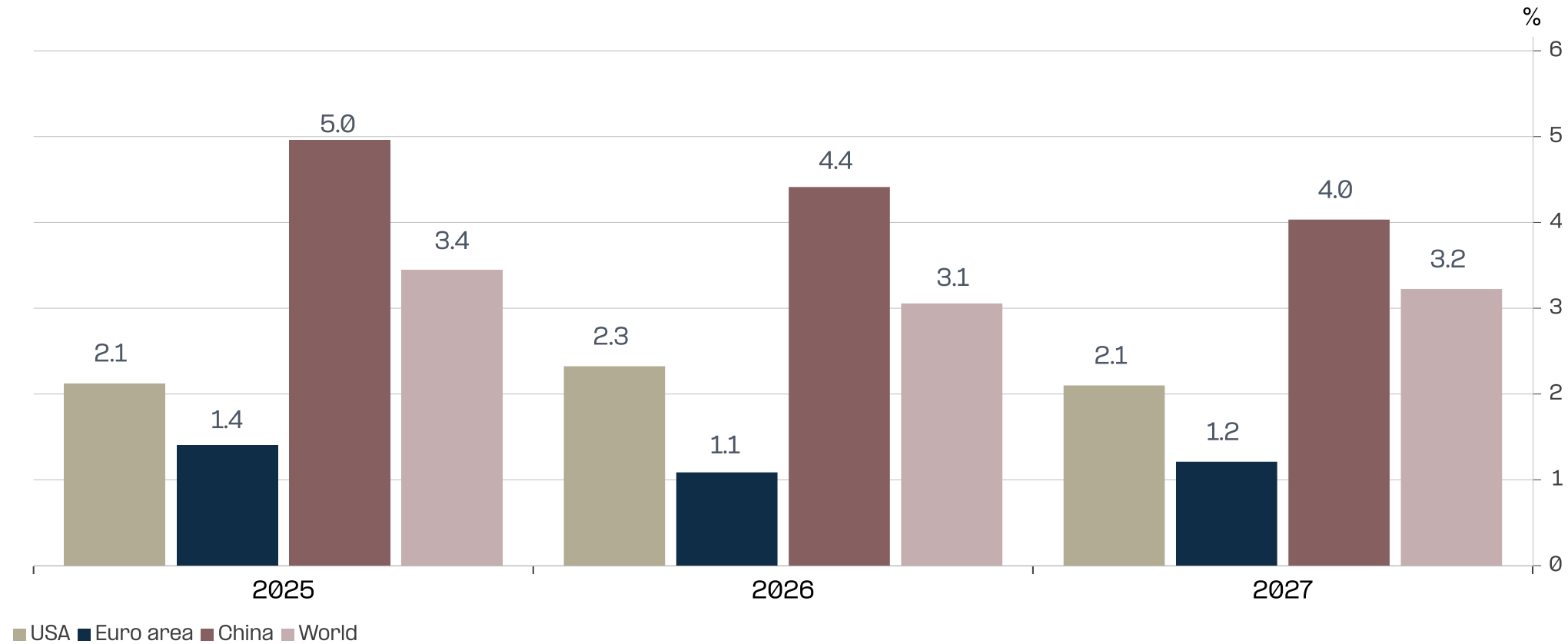
Source: Macrobond, Evli, Eurostat, BEA

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GDP growth expectations

IMF GDP growth estimates

Year-over-year % change

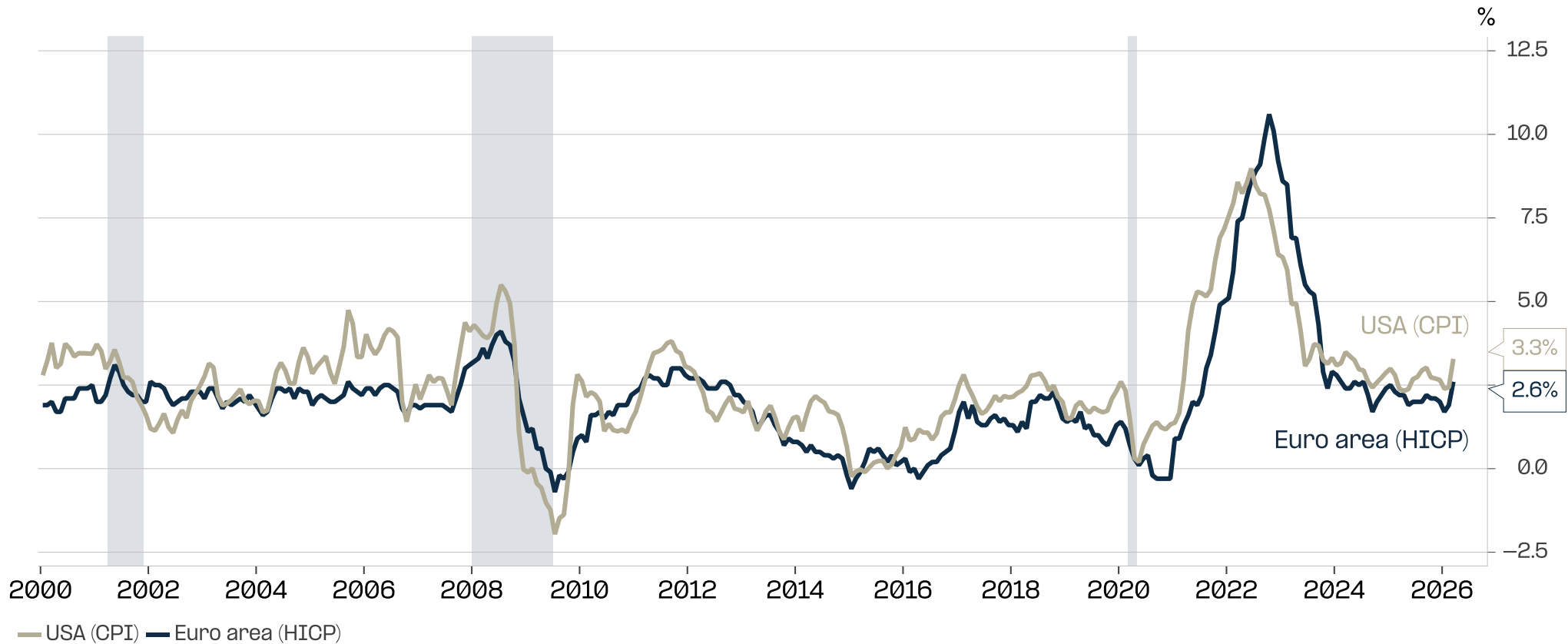


Source: Macrobond, Evli, IMF

Inflation

Inflation

Year-over-year change in consumer prices (U.S. CPI and euro area HICP)

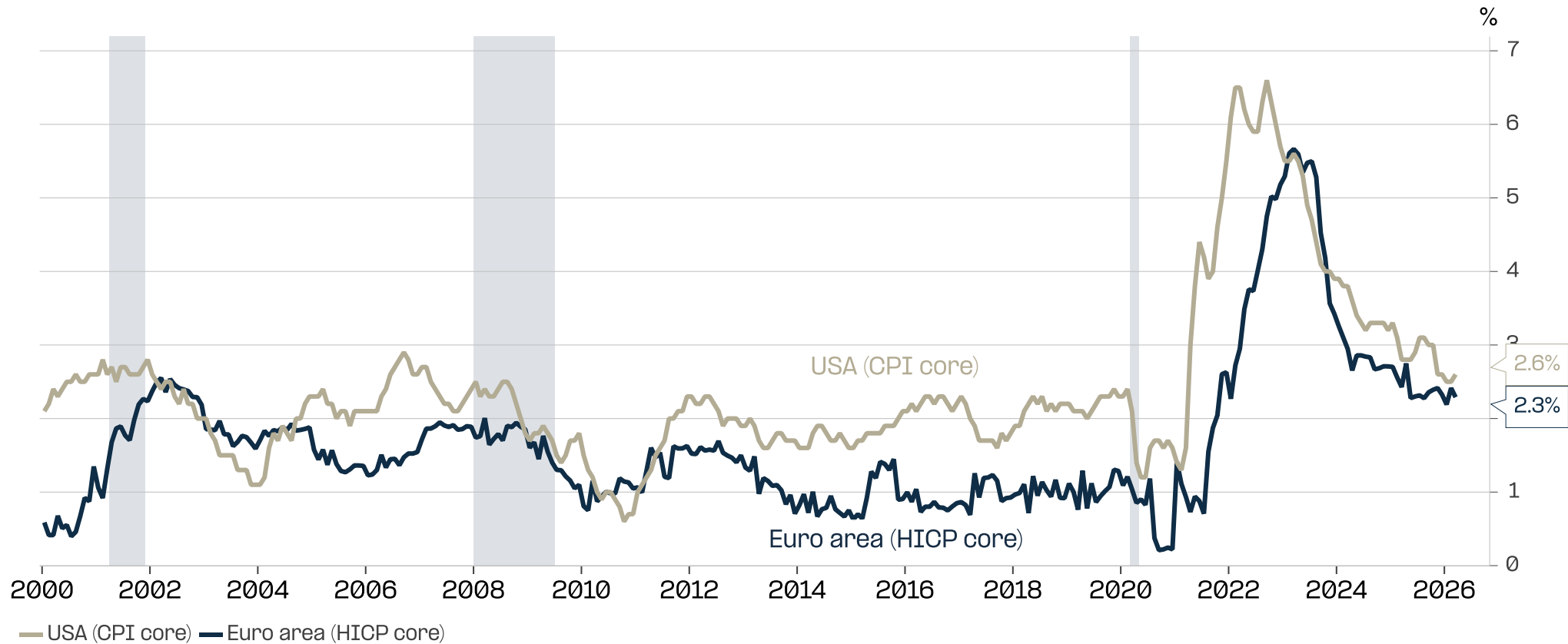


Source: Macrobond, Evli, ECB, BLS

Core inflation

Core inflation

Inflation excluding energy and food (U.S. core CPI and euro area core HICP)



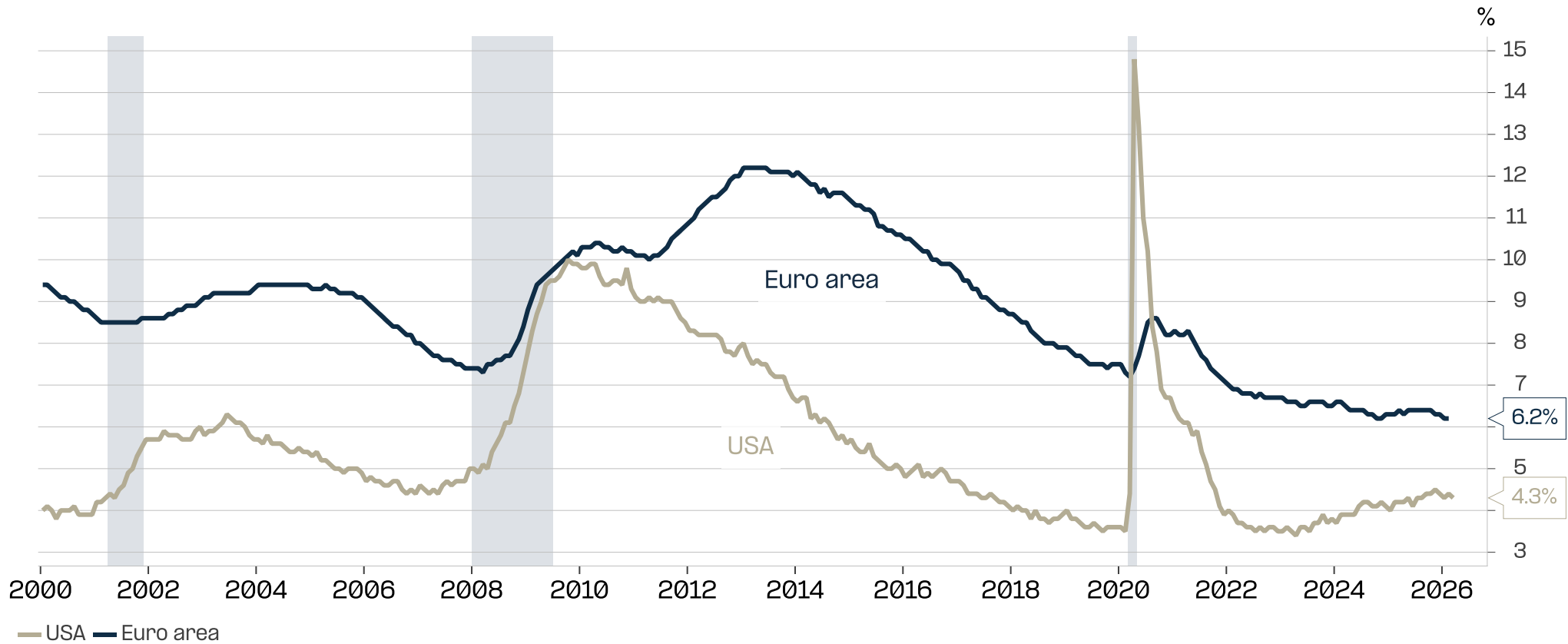
— USA (CPI core) — Euro area (HICP core)

Source: Macrobond, Evli, BLS, Eurostat

Unemployment

Unemployment rate

Unemployment rates in the United States (age 16 and over, seasonally adjusted) and the euro area (harmonised)

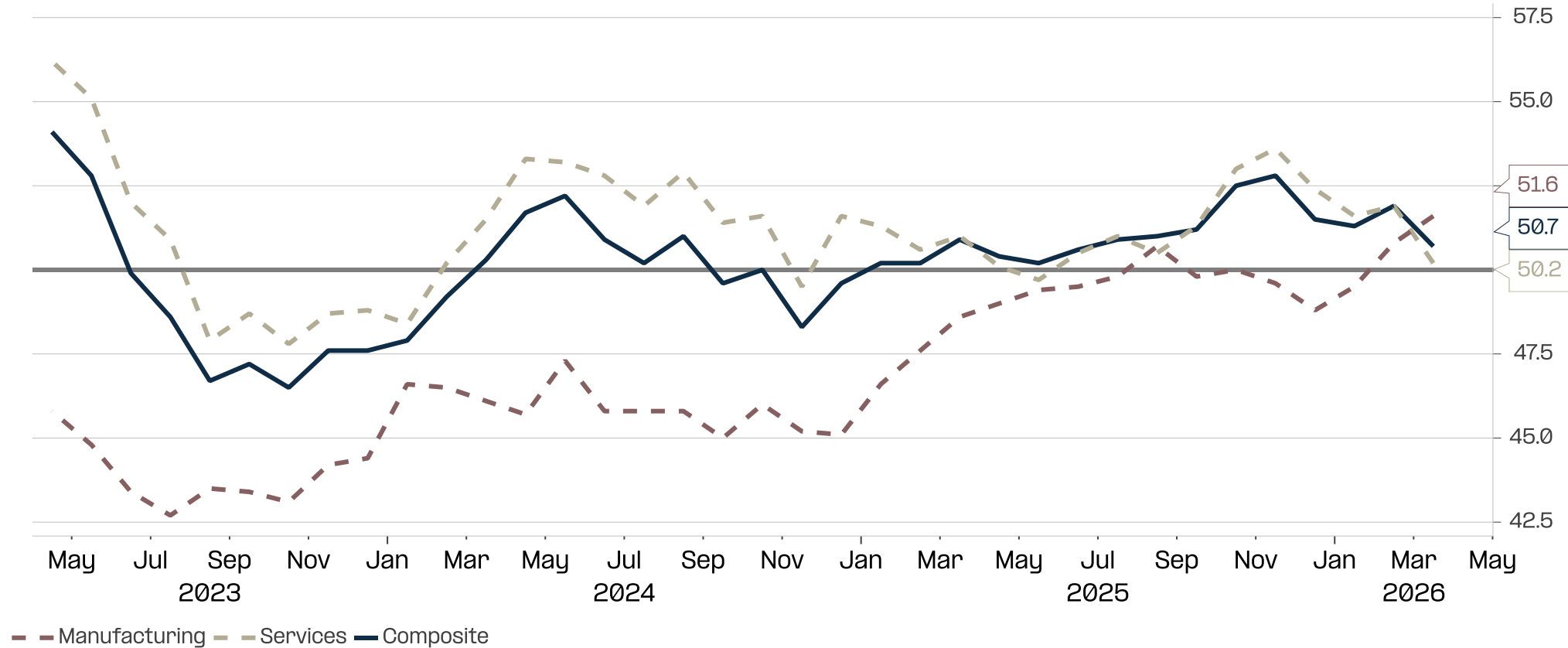


Source: Macrobond, Evli, Eurostat, BLS

Euro area PMIs

Euro area PMIs

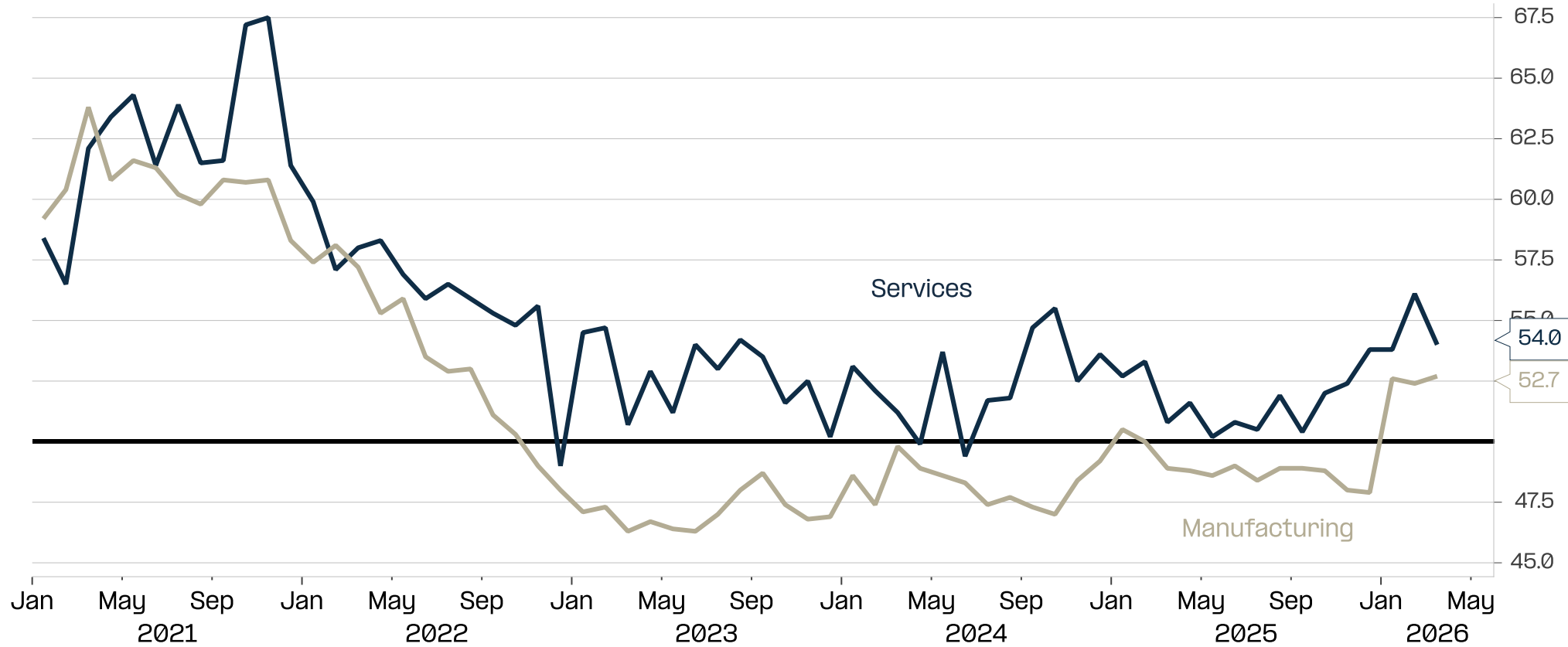
S&P Global PMI



Source: Macrobond, Evli, S&P Global

US PMIs

US PMIs
ISM Report On Business

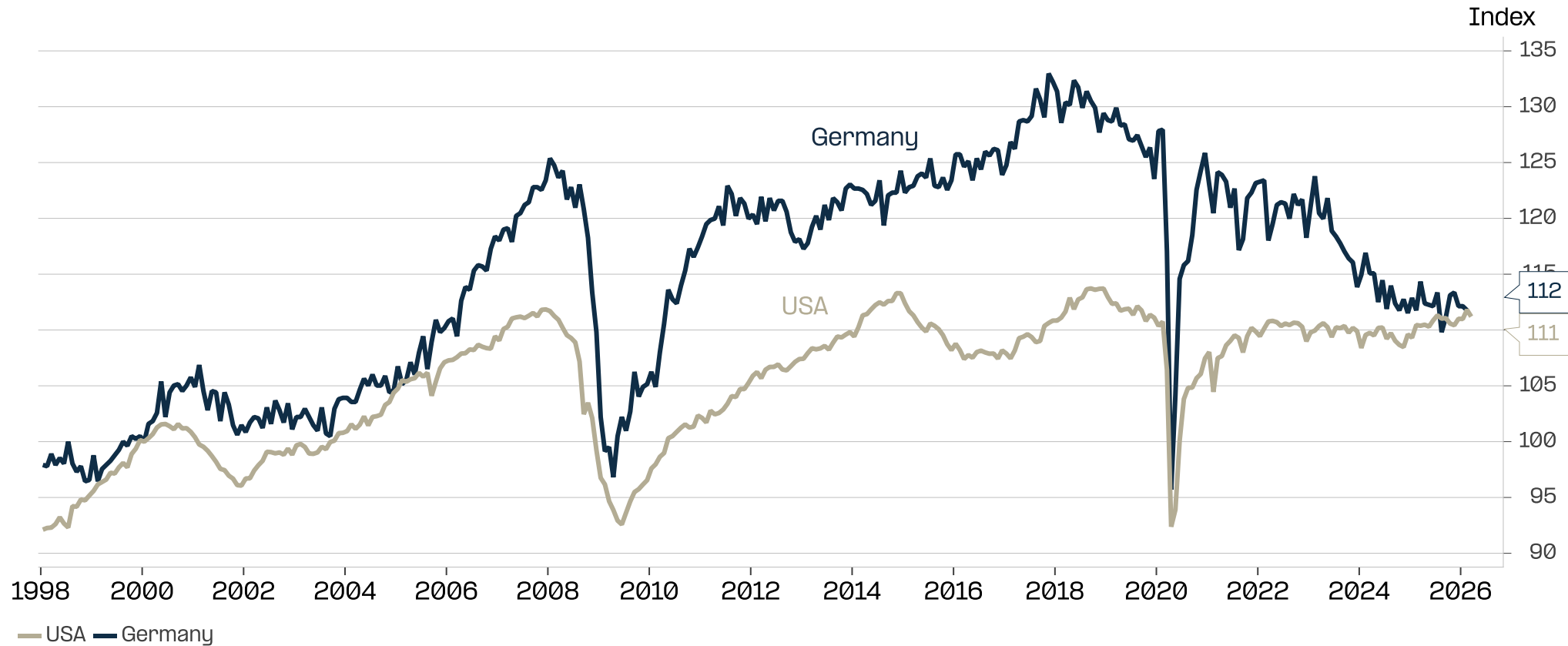


Source: Macrobond, Evli, ISM

Industrial production

Industrial production

Inflation and seasonally adjusted, rebased to year 2000

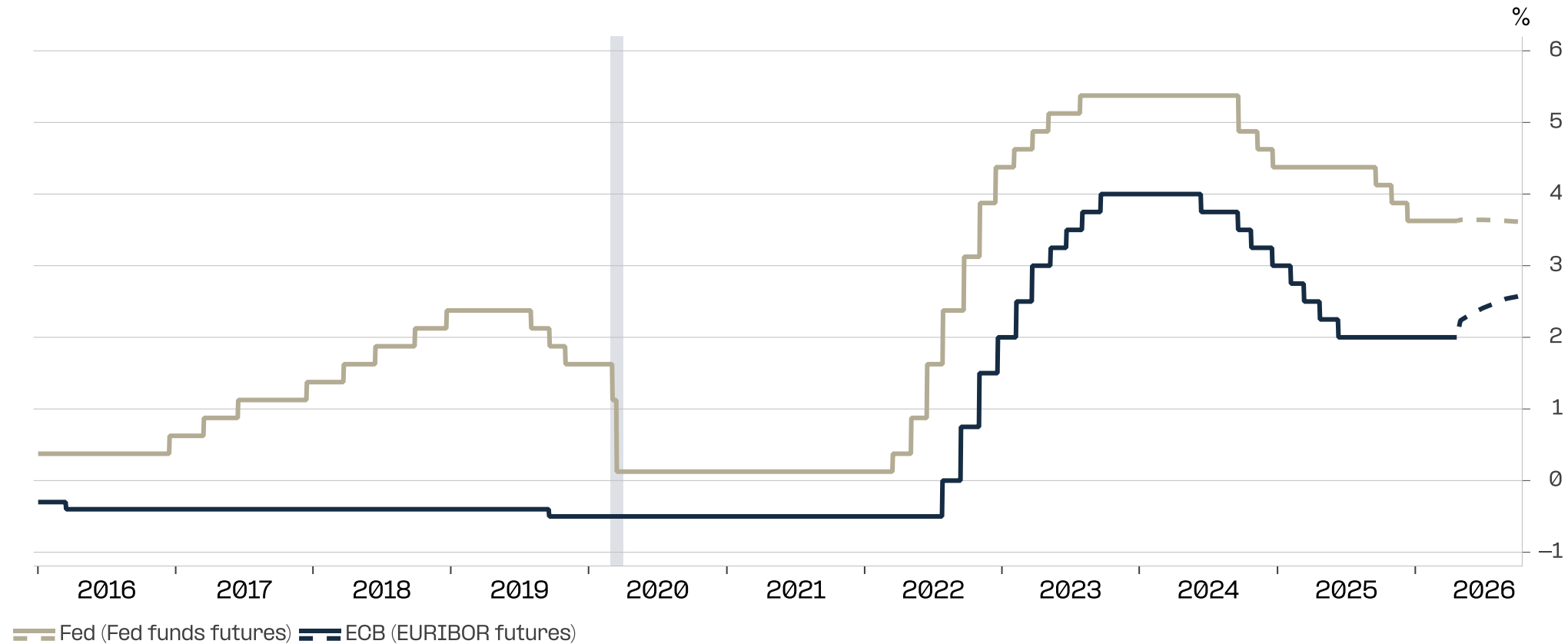


Source: Macrobond, Evli, Federal Reserve, German Federal Statistical Office

Fed and ECB rates

Fed and ECB implied rate hike paths

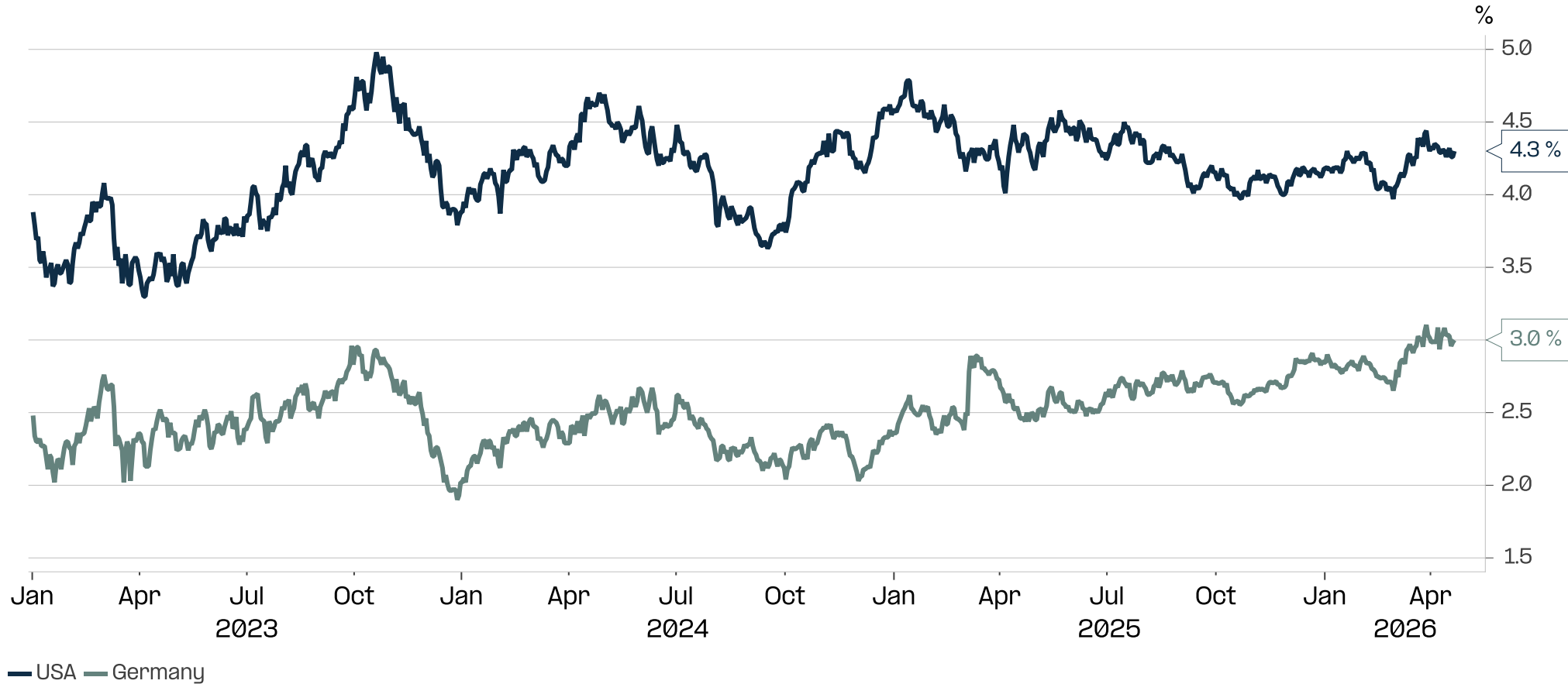
The dashed line represents market expectations for policy rates based on Fed funds and EURIBOR futures



Source: Macrobond, Evli, Eurex Exchange, CME Group

Bond yields

US and Germany 10 year bond yields



Source: Macrobond, Evli, Deutsche Bundesbank, U.S. Department of Treasury

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