QUARTERLY REVIEW SUMMER 2026

MARKET OVERVIEW – QUARTER TWO 2026

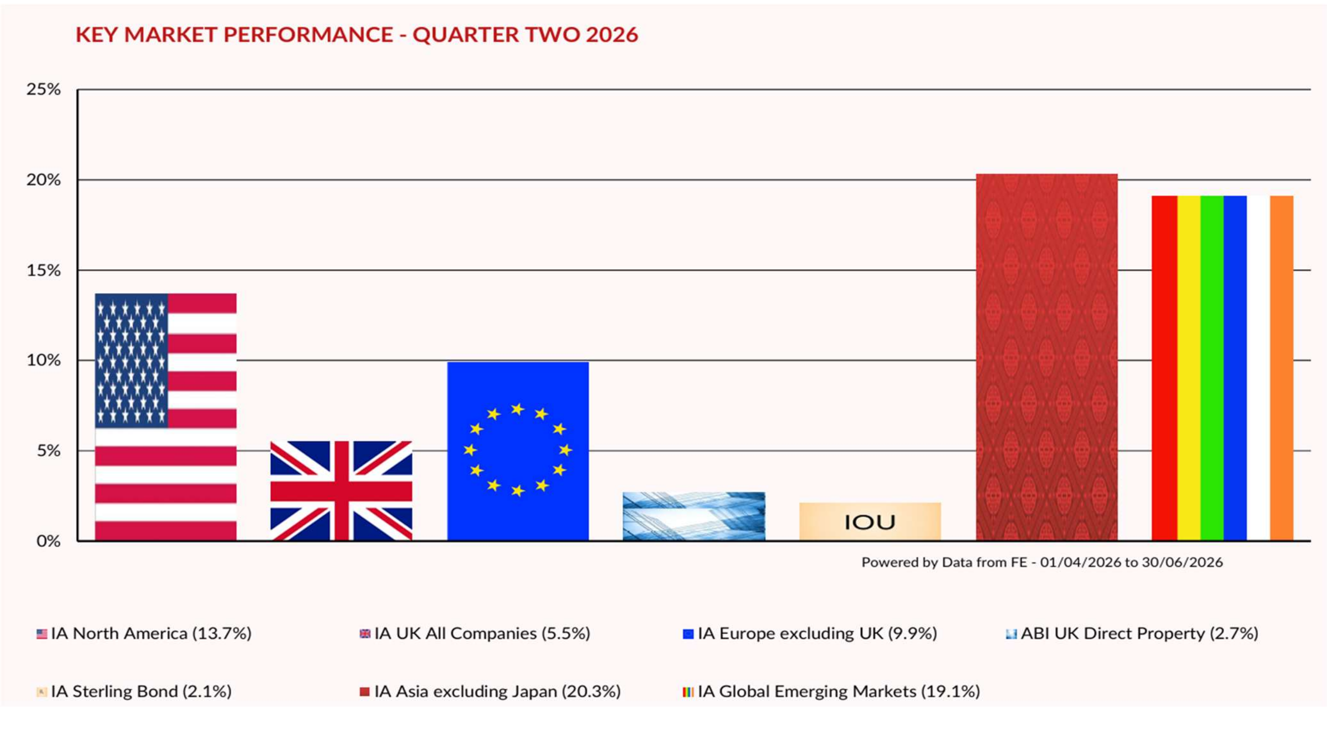
The second quarter was a much stronger one for global markets, driven by a de-escalation of tensions between Iran and the US after a ceasefire framework was agreed in principle. This allowed oil prices to fall sharply, alleviating concerns around inflation and the potential need for further interest rate increases. A second factor supporting markets was strong corporate earnings, led by technology companies benefiting from continued investment in artificial intelligence. Unsurprisingly, the US was the strongest performer among developed markets, although Taiwan and South Korea outperformed globally due to their concentrated exposure to semiconductor manufacturers.

In the UK, inflation remained above the Bank of England's target. Although headline inflation was stable in May, services inflation rose again, suggesting underlying price pressures remain difficult to control. As a result, the Bank of England kept rates unchanged in June but signalled that interest rates may need to stay higher for longer. UK economic growth remained modestly positive despite some signs of weakening. GDP expanded over the three months to April, although the latest monthly data showed a slight contraction. Inflation continued to be influenced by rising transport and services costs, particularly fuel prices and airfares, highlighting that underlying pressures remain persistent.

Elsewhere, Europe faced a similar combination of rising inflation and slowing growth. The European Central Bank raised rates in June in response to energy-related inflation concerns. In the US, the Federal Reserve left rates unchanged, noting that growth remains resilient while inflation continues to run above target.

Bond markets experienced a volatile quarter. Early concerns about slowing growth pushed yields lower, but this trend later reversed as investors adjusted expectations for the path of interest rates. UK government bonds faced pressure from inflation concerns and political uncertainty, although falling oil prices later in the quarter helped stabilise returns. Corporate bonds delivered more consistent performance, supported by strong investor demand and generally healthy company balance sheets.

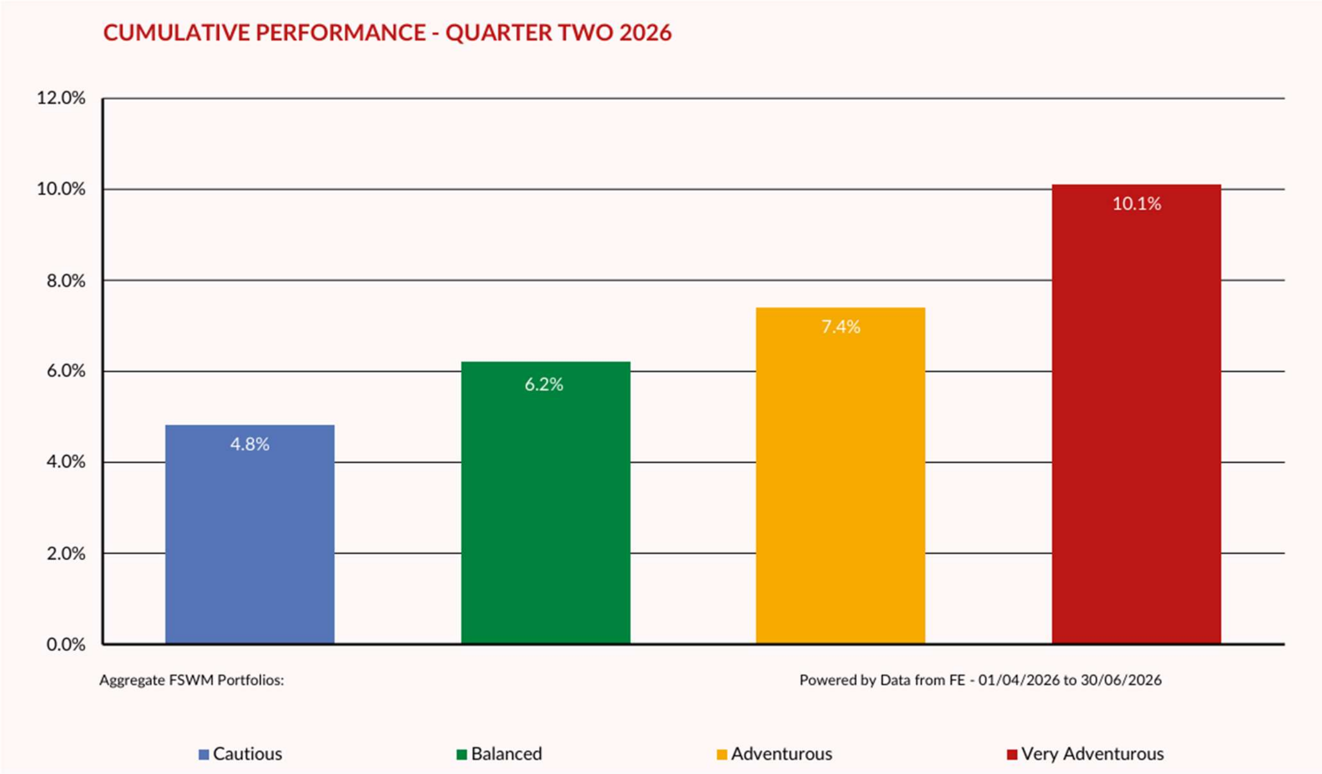
Looking ahead through the summer and beyond, investors will continue to focus on developments in Iran, energy prices, inflation and interest rate expectations. In the shorter term, however, corporate earnings—particularly from technology companies—are likely to remain the primary driver of market sentiment. While conditions have stabilised, uncertainty remains. In this environment, diversification, quality investments and balanced portfolio construction remain key to managing risk and capturing opportunities.

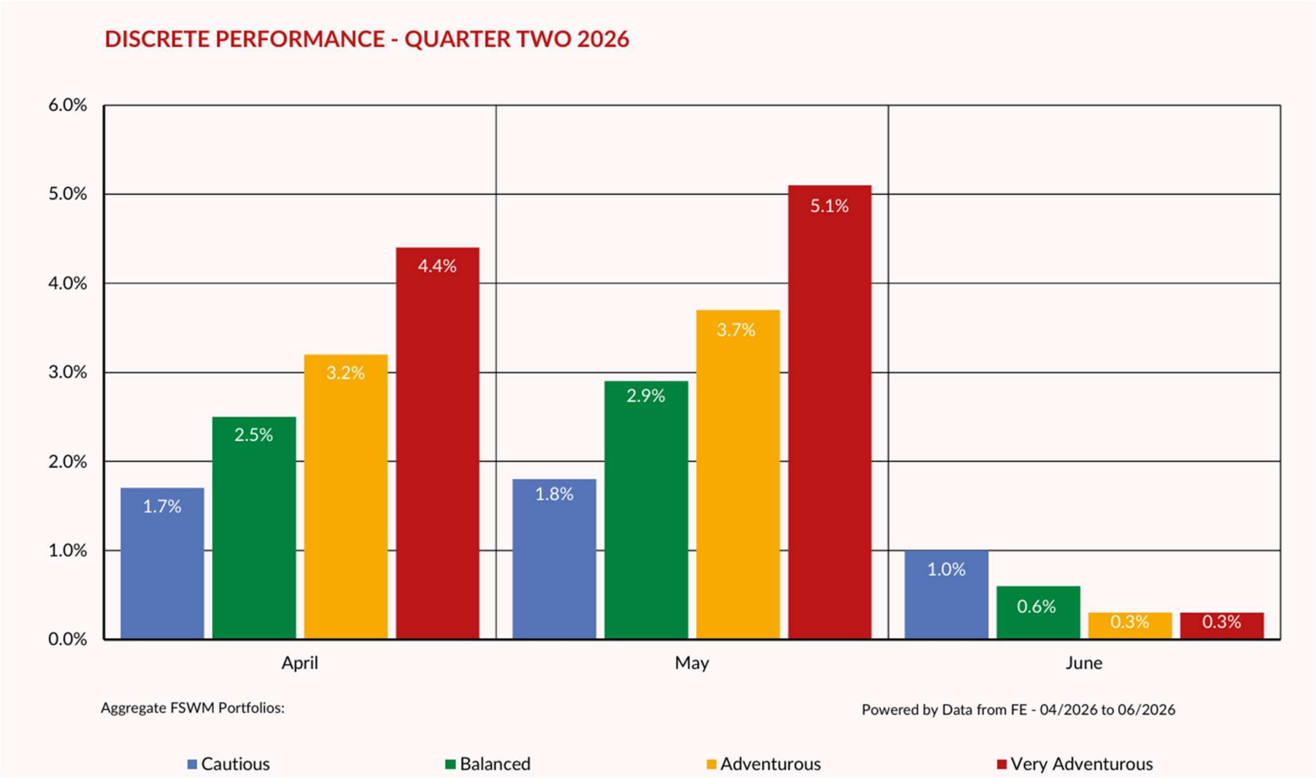


PORTFOLIOS – QUARTER TWO 2026 PERFORMANCE

The graphs below show how the portfolios within the four Finance Shop risk categories have behaved over the last three months. The first graph shows the total return for the quarter whereas the second graph illustrates the "month by month" performance. The performance figures are aggregated so, for example, the green bar is made up of all the Multi-Asset Balanced portfolios across all product types.

If you require specific performance figures for your plan, please contact your adviser.



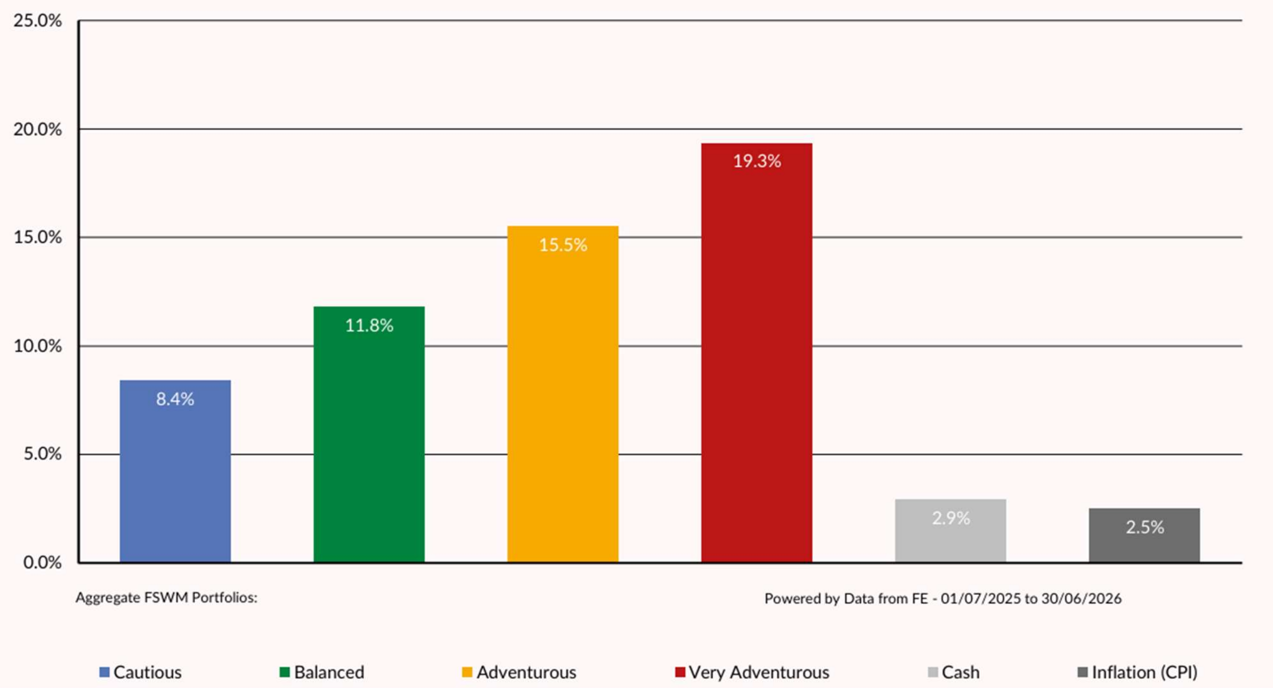


PORTFOLIOS – LONGER TERM PERFORMANCE

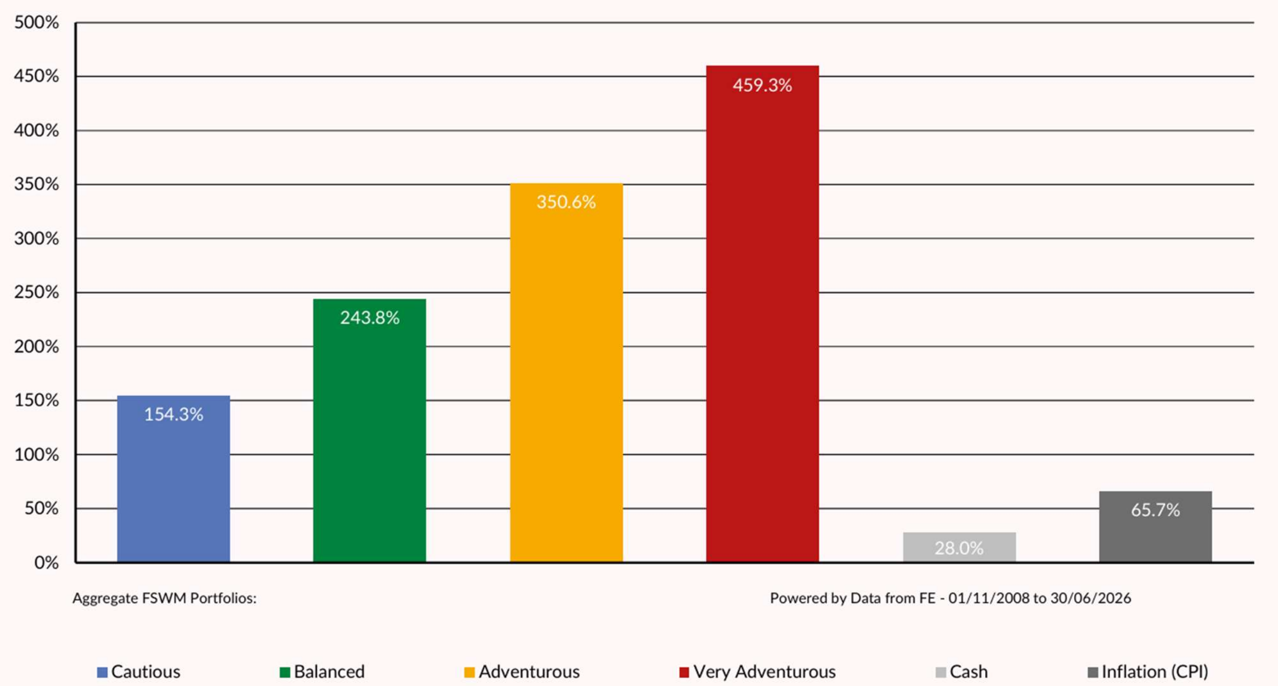
The first graph below shows how the portfolios have performed over 12 months. For comparison, the returns of cash (MoneyFacts 90 days' notice 10K) and inflation (UK Consumer Price Index) are also shown. The second graph illustrates how the portfolios have performed since launch (1st November 2008).

As with the graphs on the previous page, the figures for each category are aggregated.

LONGER TERM PERFORMANCE - 1 YEAR



LONGER TERM PERFORMANCE - FROM LAUNCH



PERFORMANCE REVIEW

The quarter delivered strong returns across all portfolios as markets recovered, supported by easing tensions in the Middle East, falling energy prices and expectations that shipping through the Strait of Hormuz would recover. April and May were particularly strong months, with portfolios recovering the losses experienced during the first quarter and moving back into positive territory on a year-to-date basis. As expected, the more adventurous portfolios generated the strongest returns, as their higher equity allocations benefited most from the market rebound.

IMPORTANT INFORMATION

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