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# The State of the Market

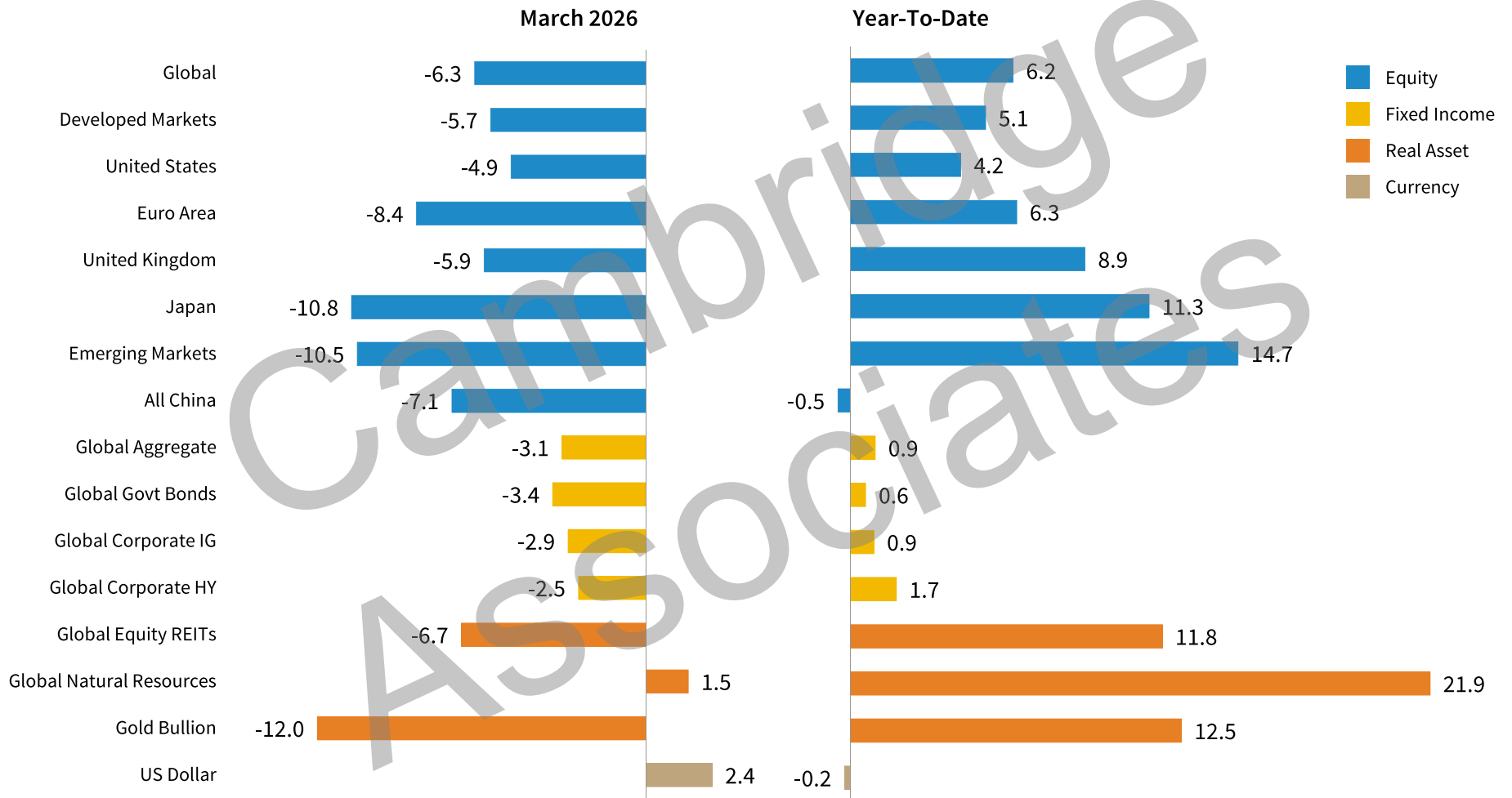
Aaron Costello

April 2026

# March was bad, but YTD returns are fine

## Global asset class performance

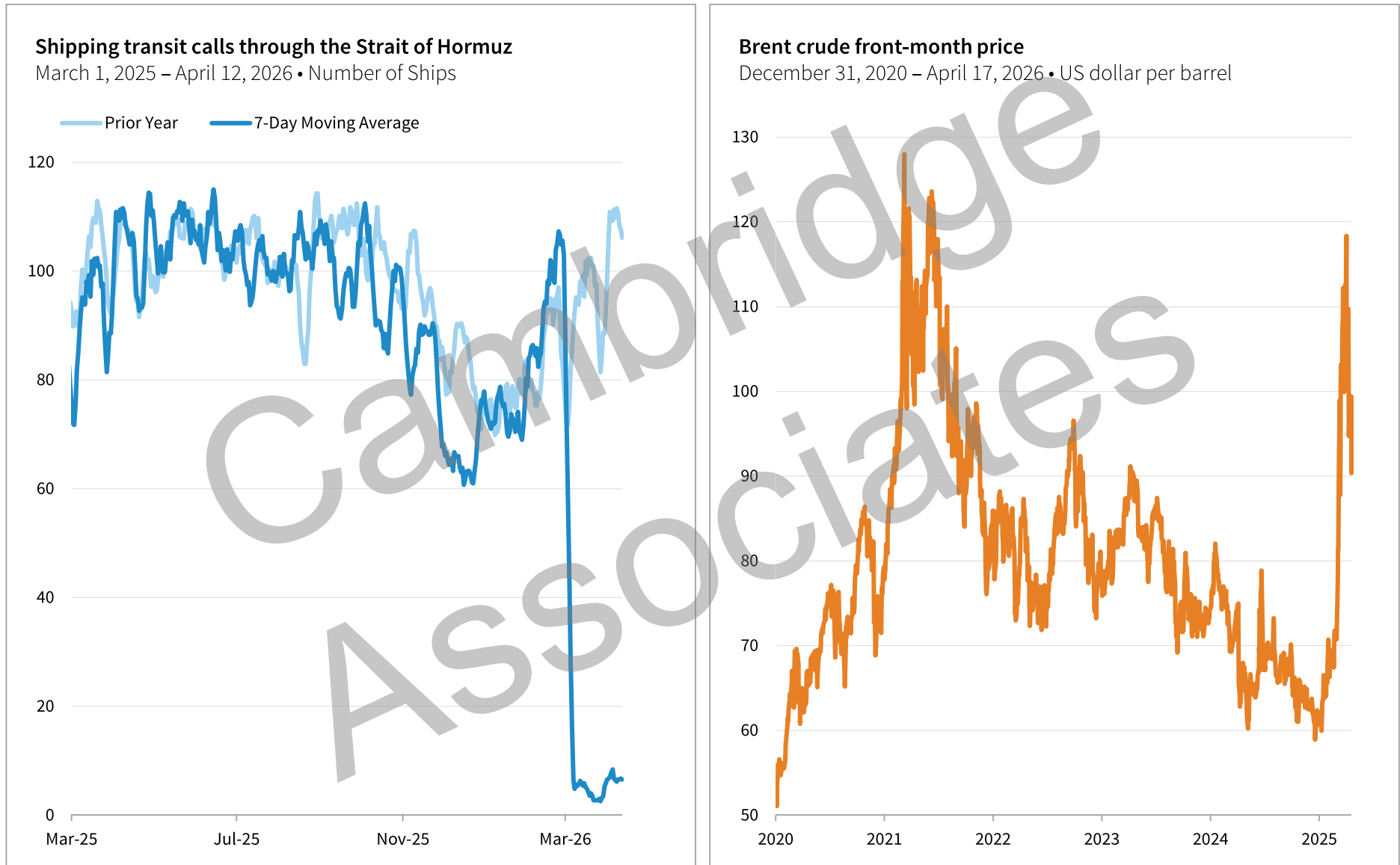
As of April 17, 2026 • Local Currency • Percent (%)



Sources: Bloomberg Index Services Limited, FTSE International Limited, ICE Benchmark Administration Ltd., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited. Equity data are shown in local currency and represent total returns net of dividend taxes of MSCI indexes. Fixed income data are total returns of Bloomberg indexes shown in US dollars. The MSCI Global Equity REIT Index, the MSCI ACWI Commodity Producers Index, and LBMA gold prices are used to calculate real asset performances and shown in US dollars. Dollar performance is the DXY index.

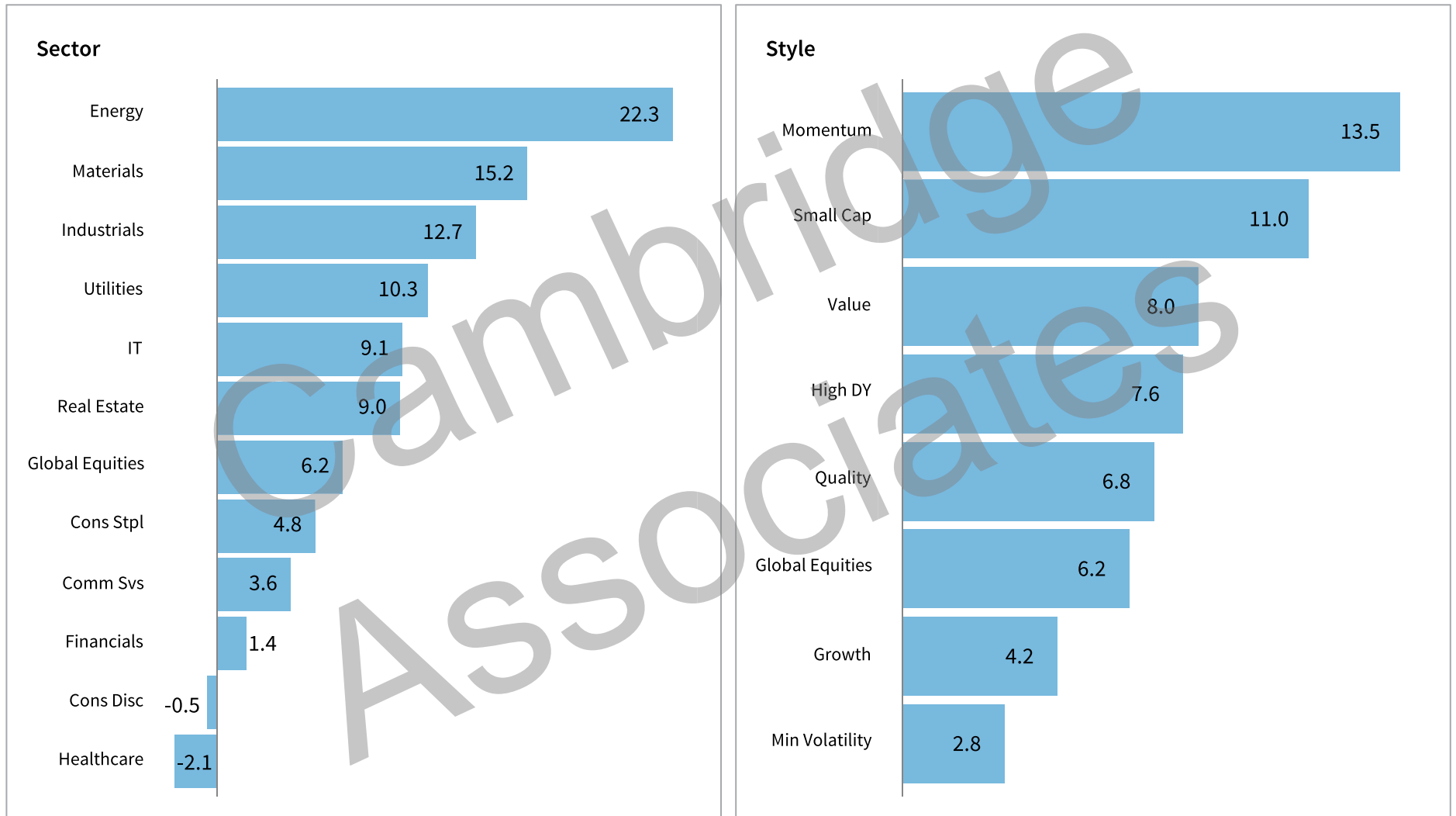
## But we are not back to “normal” yet



Sources: IMF PortWatch, Intercontinental Exchange, and Thomson Reuters Datastream.

## We expect continued rotation away from tech/growth given potential for a global capex cycle

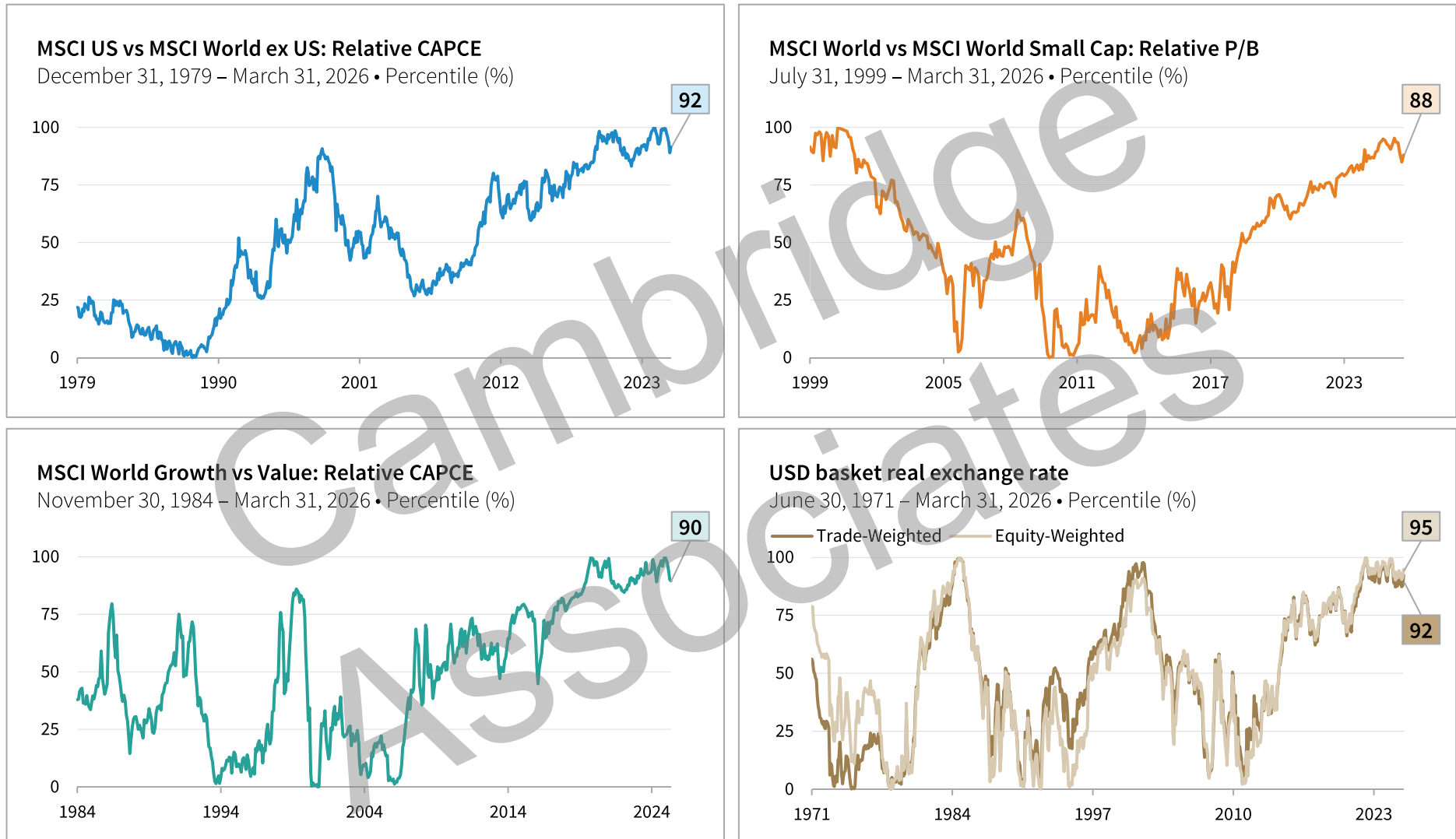
YTD global equity performance by style/factor and GICS sector As of April 17, 2026 • Local currency • Percent (%)



Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited. Total return data for all MSCI Indexes are net of dividend taxes. "Global equities" represent the MSCI All Country World (ACWI) Index. Sector and style indexes are with respect to the MSCI ACWI.

# Valuations still favour non-US, small-cap, and value equities, and underweighting the USD

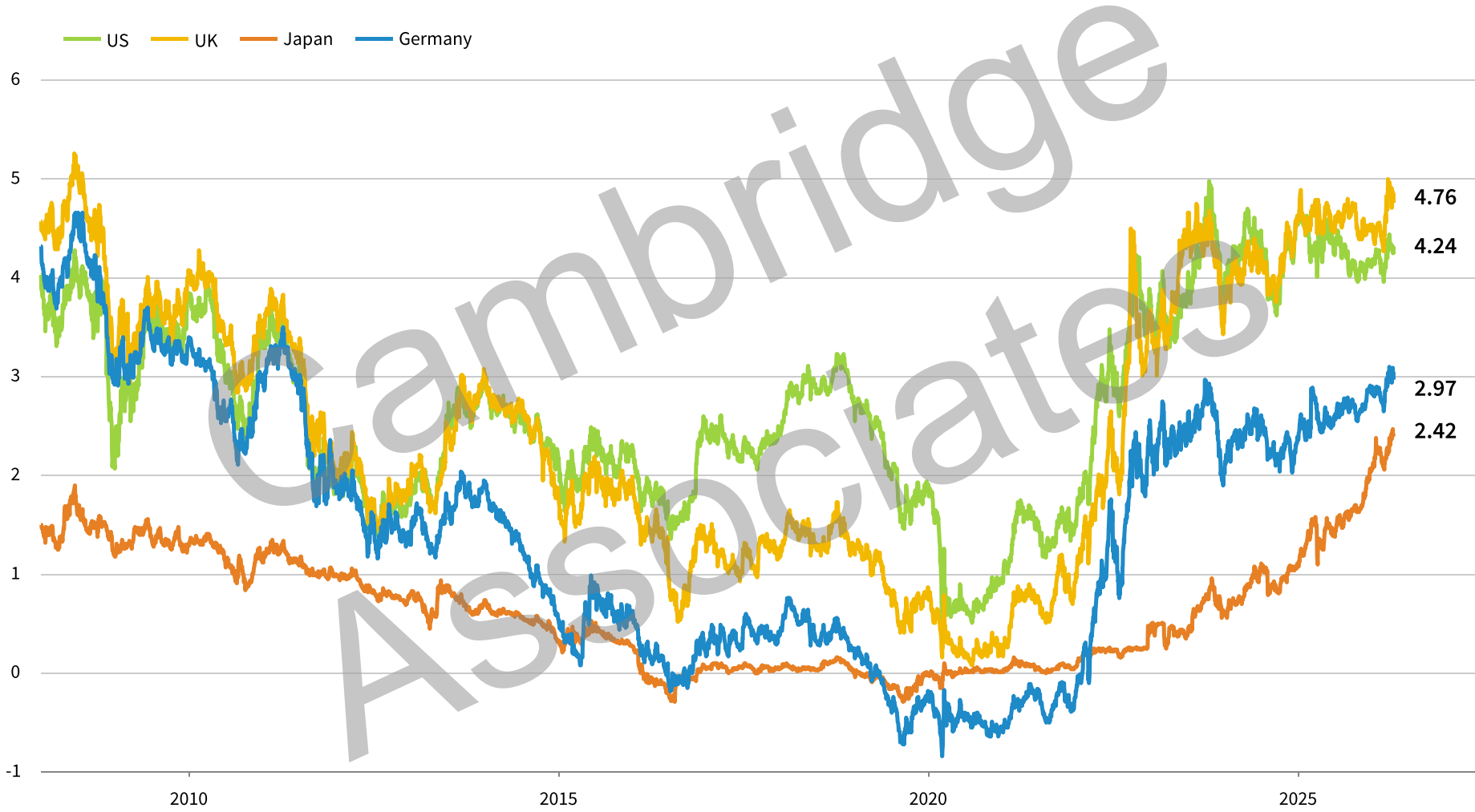


Sources: MSCI Inc., National Sources, OECD, and Thomson Reuters Datastream. MSCI data provided “as is” without any express or implied warranties.  
 Notes: Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited. The cyclically adjusted price-to-cash earnings (CAPCE) ratio is calculated by dividing the inflation-adjusted index price by trailing ten-year average inflation-adjusted cash earnings. Cash earnings are defined as net income from continuing operations plus depreciation and amortization expense. MSCI does not publish cash earnings for banks and insurance companies and therefore excludes these two industry groups from index-level cash earnings.

# We expect the USD to resume weakening as rising global bond yields undermine the US yield advantage

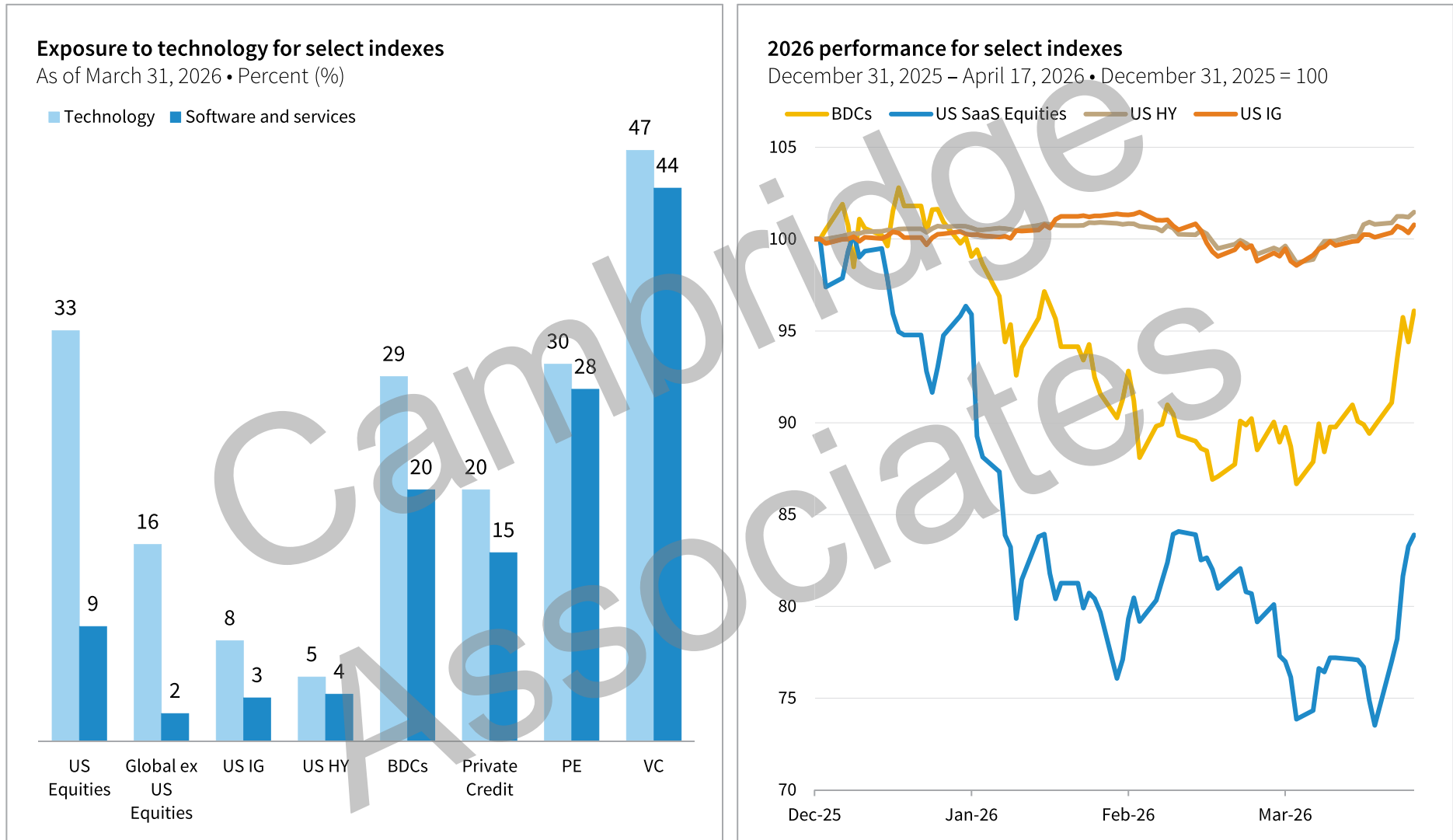
## Ten-year sovereign bond yields

December 31, 2007 – April 17, 2026 • Percent (%)



Source: Thomson Reuters Datastream.  
Note: Data are daily.

# There will be tech/AI winners and losers; private credit stress is not systemic



Sources: Cambridge Associates LLC, Bloomberg L.P., MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties. Notes: Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited. Technology exposure data for private credit are best-estimate figures. Asset classes are represented by the following indexes: US equities, MSCI US Index; global ex US equities, MSCI ACWI ex US Index; US investment-grade bonds, Bloomberg US Corporate Investment Grade Index; US high-yield bonds, Bloomberg US Corporate High Yield Index; public BDCs, S&P BDC Index; and private equity/venture capital, Cambridge Associates benchmarks. Public market data are as of March 31, 2026; PE/VC data are as of September 30, 2025.

# We expect the current environment to benefit hedge fund returns going forward

## Hedge fund performance during periods of equity market stress

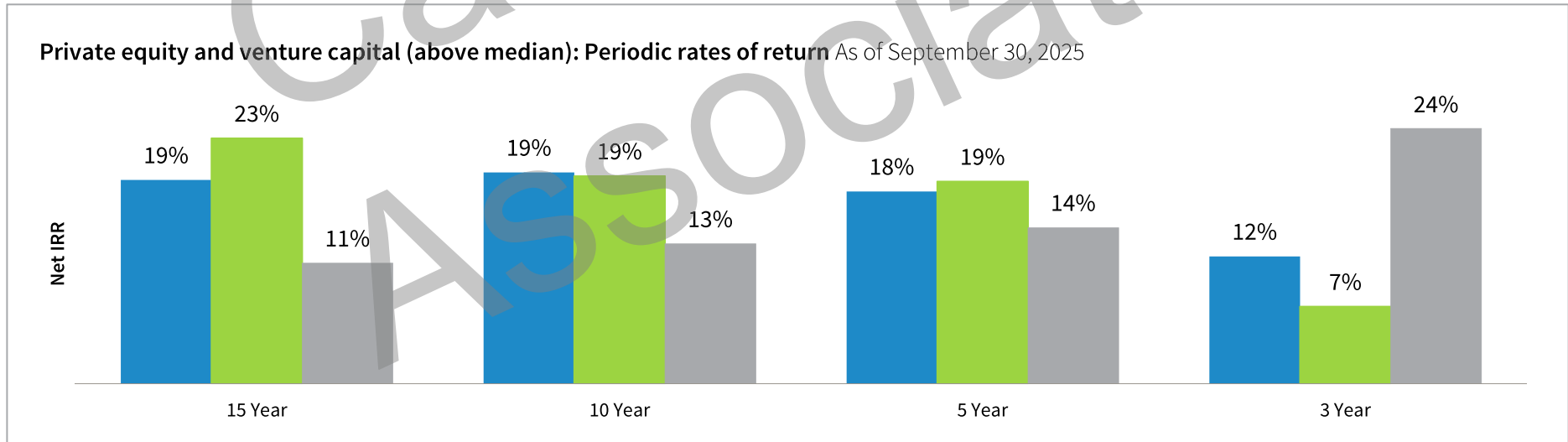
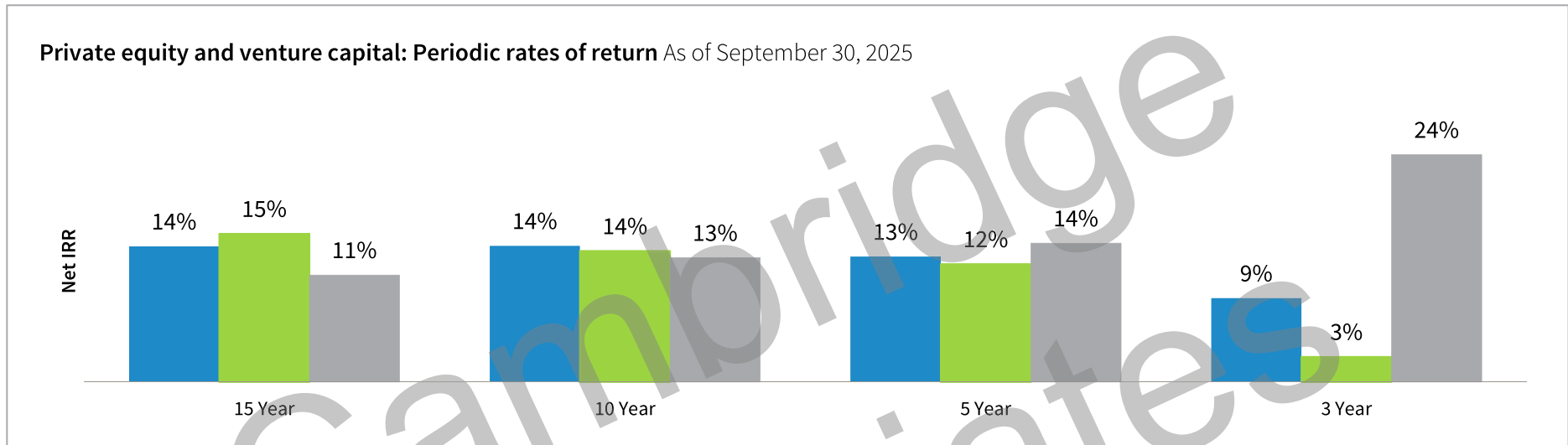
As of March 31, 2026 • Percent (%) • US dollars



Sources: FactSet Research Systems Inc., Hedge Fund Research, Inc., MSCI Inc., BarclayHedge, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited. Asset classes are represented by the following indexes: MSCI ACWI Index (Net) (Global equities); HFRI Equity Hedge (Total) Index (long/short hedge funds); HFRI Macro (Total) Index (global macro hedge funds); and Barclay BTOP50 Index (trend following). Crisis periods reflect cumulative returns during three episodes when global equities declined at least 20% (peak-to-trough, monthly data). Last 20 years shows annualized returns.

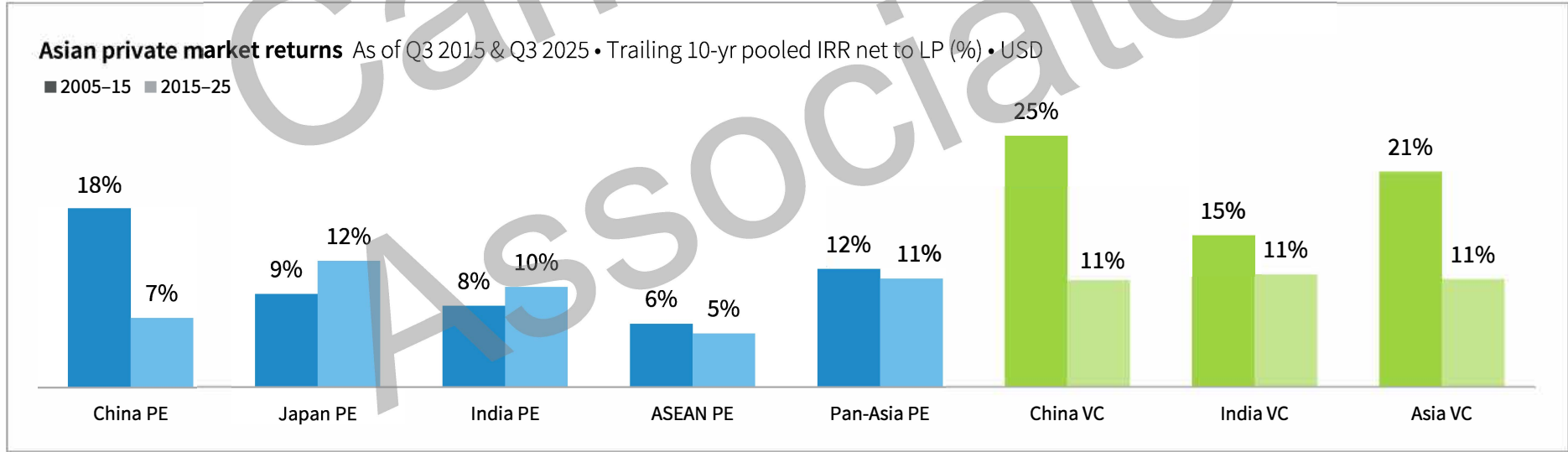
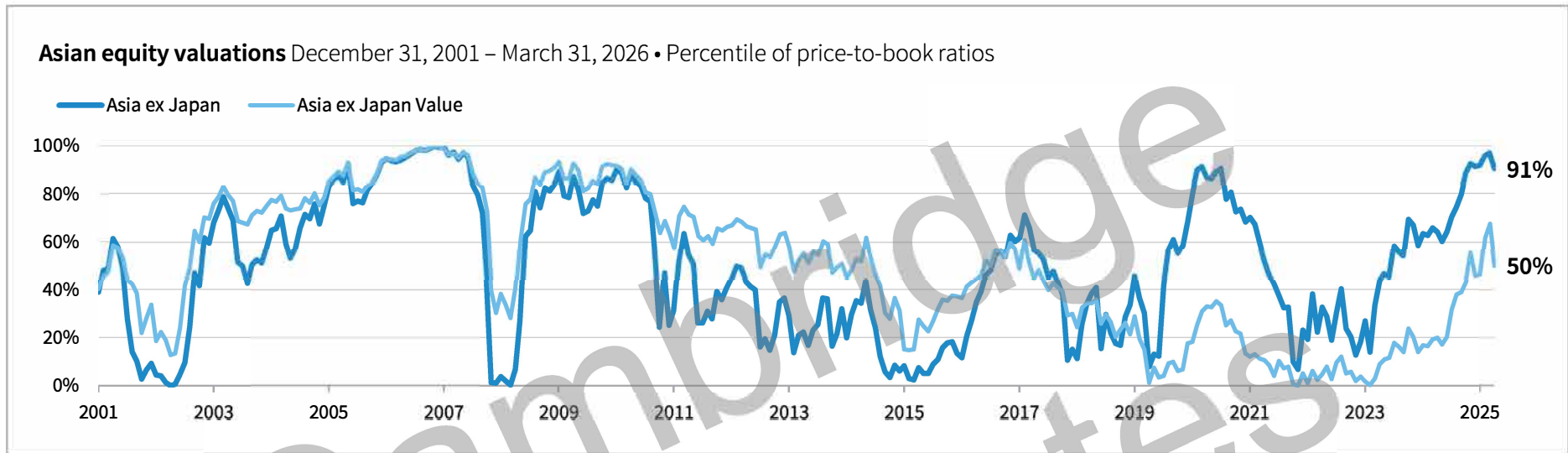
# We expect private equity and venture capital distributions and returns to improve, but investors need to be selective

■ Private Equity 
 ■ Venture Capital 
 ■ MSCI ACWI mPME



Sources: Cambridge Associates LLC and MSCI Inc. MSCI data provided "as is" without any express or implied warranties.  
 Notes: Pooled private investment periodic returns are net of fees, expenses, and carried interest. Private investment returns in bottom chart include funds in the top two quartiles. Private equity includes buyouts and growth equity. Multi-year annualized returns are generated for time periods ending on the as of date for this analysis.

## We see increased alpha opportunities in Asia, in both public and private markets



Sources: Cambridge Associates LLC, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.  
 Note: **Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investments, losses can be unlimited.** Asia ex Japan Value is represented by a blend of the MSCI Asia ex Japan Value Index (December 2001 to December 2011) and the MSCI Asia ex Japan Value Weighted Index (January 2012 to present), reflecting the shorter historical record of the value weighted index. Private market returns are shown for Q4 2005 to Q3 2015 and Q4 2015 to Q3 2025. Includes funds with vintage years beginning prior to the end date of each respective period. "Asia VC" comprises China, India, Southeast Asia, and Pan-Asia funds.

## The Investment Leaders Exchange Singapore: Key Themes

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We expect the global economy to weather the energy shock, provided the Strait of Hormuz re-opens in the near term

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We expect the rotation away from US tech to continue, given better valuations elsewhere amid a potential global capex cycle

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We expect the USD to resume weakening, benefiting non-US assets

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We expect private credit stress to remain idiosyncratic, creating opportunities for nimble managers

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We expect AI hype to create both winners and losers; investors need to be thoughtful about exposures

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We expect the current environment to benefit hedge fund strategies and help diversify portfolios

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We expect private equity / venture capital distributions and returns to improve, but investors need to be selective

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We expect increased alpha opportunities in Asia, in both public and private markets

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