INVESTMENT MANAGEMENT

Asset Allocation Outlook

February 2026

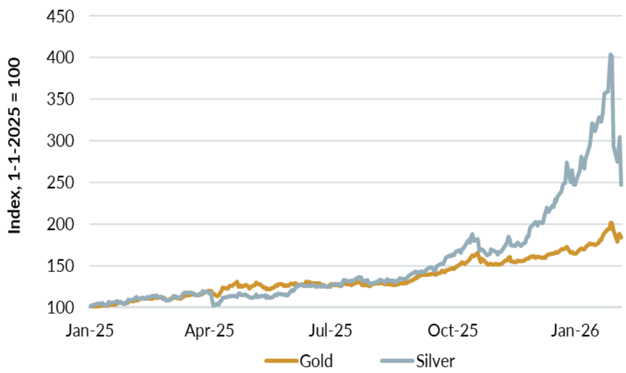
- Turbulent geopolitical landscape no reason to adjust investment policy
- Warsh's proposed appointment as Fed chair triggers gold price volatility
- Positive opinion of IT and financial services sectors

Geopolitically speaking, 2026 got off to a tumultuous start with the US incursion into Venezuela, widespread concern at US intentions regarding Greenland and mounting tensions between the US and Iran. The turmoil was only visible to a minor extent on the financial markets. The VIX index, which measures volatility in the S&P 500, briefly displayed a small peak but as of the start of February stands at a level that points to little anxiety. Equities noted positive results in January, with the strong performance of emerging market equities standing out. Yet measured in euros European equities also outperformed their US counterparts for the third consecutive month.

Yields on US government bonds climbed marginally, while those on German government bonds declined slightly. The marked upturns in Japanese yields were again striking. Spreads tightened on bonds issued by European countries, credits and emerging market debt, another sign that investors are unconcerned about geopolitical events.

Rising tensions between the US and Iran, which produces more oil than Venezuela and occupies a much more strategic geographic position, pushed oil prices up slightly. Yet at 66 US dollar per barrel at the start of February, oil prices are still far below the average of the past few years. In contrast, gold was exceedingly volatile. In January, the rally in the gold price accelerated by increasing 16% to a peak of 5,285 US dollars per troy ounce on 28 January. However, after President Trump nominated Kevin Warsh to be the new chair of the Fed, the price fell by 11%, which triggered a rapid recovery. We believe that the price of gold has been strongly driven by speculative investors in recent months.

High volatility in gold and silver



Source: LSEG, Van Lanschot Kempen

We've made no alterations to our investment policy. We believe economic growth will remain robust enough to generate earnings growth, which is positive for equities. In this respect, we're slightly more persuaded of the potential for earnings growth in the US than in Europe. Moreover, we expect interest rates to come down in the US.

Geopolitics no reason for an adjustment

In our outlook for 2026, we work on the basis that it's better to ignore white noise and instead concentrate on what's important. This was nicely demonstrated by the US incursion into Venezuela. Although it involved multiple issues from the perspective of international law and geopolitics, the response from the financial markets was one of indifference. Venezuela has the largest proven oil reserves in the world but only produces a small amount. Furthermore, Venezuela's (oil) infrastructure wasn't targeted in the incursion. In fact, President Trump would prefer to see Venezuela's oil production increase, under the supervision of the US. In short, there was no reaction in oil prices and mainly white noise from an investor perspective.

The situation surrounding Greenland was much more tense. Trump kept open the option of a military intervention and threatened to impose fresh import tariffs if the US wasn't given Greenland. During this episode, we considered three scenarios. Given the response from European countries, we think that the scenario in which Europe is pressured into giving Greenland to the US is extremely unlikely. The military option, which could have significant repercussions for the survival of NATO and unleash a trade war, is too risky even for Trump in our opinion. We think the most probable is a variant somewhere between the two, whereby the US is given greater capacity for building military positions and perhaps mining concessions. As this scenario would have little effect on the financial markets, we found no reason to adjust our investment policy and make it more defensive. This ultimately proved to be the right strategy.

Oil prices react modestly to geopolitical developments

Source: LSEG, Van Lanschot Kempen

A war between the US and Iran could have major repercussions. Iran accounts for about 3% of global oil production. If this production is removed from the market, other producers have capacity to increase production, but it would still lead to higher oil prices. In addition, Iran could blockade the Straits of Hormuz. About 20% of the world's oil and gas production is transported via this waterway. This could have an enormous impact on energy prices. Yet the US is fully aware of this too. There's widespread dissatisfaction about inflation and purchasing power in the US. As a result, it's very much in Trump's interest to keep oil and petrol prices low. It's impossible to rule out US air strikes on Iran though. In 2025, targeted strikes by Israel and the US on nuclear installations had few repercussions for the global economy and financial markets. We assume this type of scenario for the time being.

In short, we're closely monitoring geopolitical tensions and in doing so attempting to separate what matters from more trivial concerns.

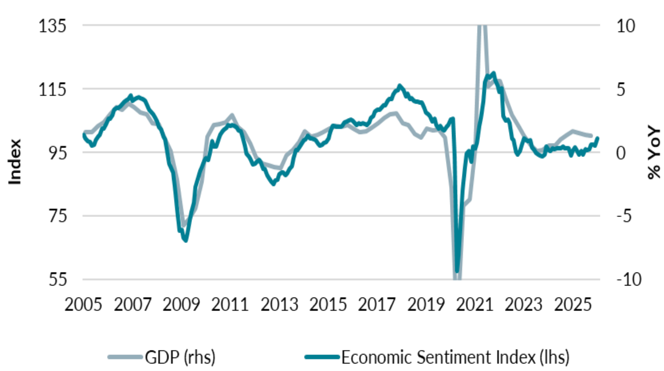
Growth holding up

In our outlook for 2026, we also said that we expect economic growth to remain at the same level. Recent indicators are indeed pointing to this happening.

In industry, January's purchasing manager indices (PMIs) are sketching a more positive picture than they have in previous months. The global index climbed to its highest level since August 2025, with slightly more robust data for industrialised nations than for emerging markets. Indices in both regions are pointing to growth though. Of the 35 countries for which the index is available, it was up in 22 countries and is pointing to growth in 20 countries. In the US, the upturn in the PMI for industry was confirmed by the ISM index for industry, which has a longer history. The index for the global service sector was likewise up, both in industrialised nations and emerging markets. The US index moved sideways, while a minor downturn was visible in de Eurozone. The indices in both regions continue to point to growth.

In the fourth quarter of 2025, the Eurozone economy grew by 0.3% versus the previous quarter. This brings growth over the whole of 2025 to 1.5%, a sound result for the Eurozone. We estimate that potential growth will be slightly lower in the long term. After the lean years of 2023 and 2024, however, in which growth was just 0.6% and 0.8% respectively, there was certainly some capacity for higher growth. The broad Economic Sentiment Index for the Eurozone climbed to its highest level in three years in January.

Eurozone leading indicator points at improving momemtum



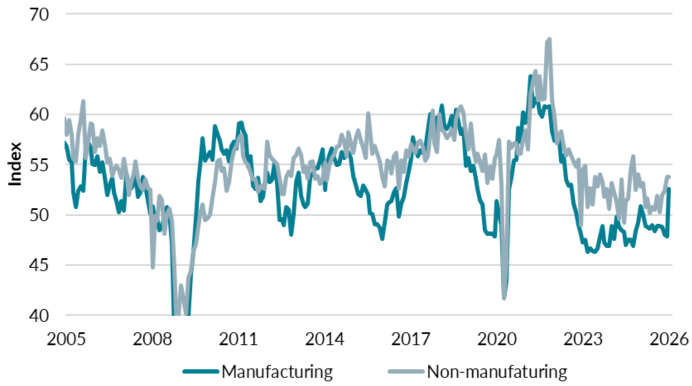
Source: LSEG, Van Lanschot Kempen

With improvements in industry, retail, the service sector and consumer confidence, this points to a trend rate of growth in the Eurozone, precisely what we expect in 2026.

On the positive side, there are favourable financial conditions, in which the full impact of the ECB's cuts to interest rates has yet to reach the economy, and fiscal stimulation in Germany. The strong growth in orders for German industrial companies shows that government spending on infrastructure and defence is starting to gather pace. If the job market remains stable and unemployment low, families - who continue to save large amounts - could also contribute slightly more to growth.

US growth data for the fourth quarter haven't been published yet. However, an estimate from the Federal Reserve of Atlanta based on all the economic data published so far points to growth of 1% versus the third quarter. Even for the US this is a solid rate of growth and would mean that the US economy hasn't slowed down at all in the past three quarters. Whether the fourth quarter did indeed note growth of 1% remains to be seen. Yet the consensus among economists of 0.3% growth is perhaps rather too pessimistic. It would fit the picture that US economic data have been exceeding expectations for some time now. For example, orders for capital goods are up, aided by the robust growth in AI.

Improved confidence among US producers

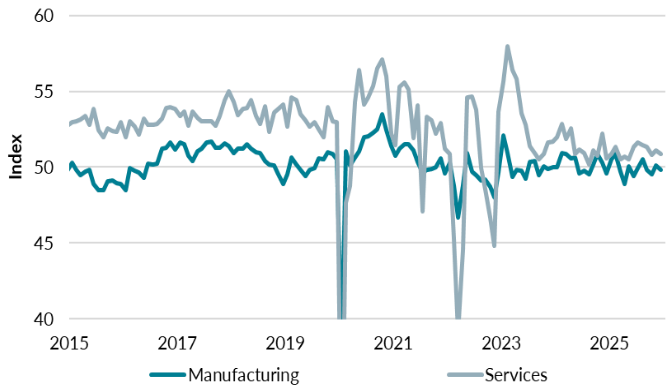


Source: LSEG, Van Lanschot Kempen

And despite the low level of consumer confidence and declining growth in real incomes, families continue to spend more. This is untenable, but inflation coming down marginally and tax cuts could support consumers. The developments on the job market are crucial and there's either reason for optimism or reason for concern, depending on what you look at. The low number of jobless claims and reduction in the number of compulsory redundancies are positive, for instance. On the other hand, the low employment growth and low level of consumer confidence in the job market are causes for concern. The government recently estimated that the population had barely grown in 2025. This means that few new jobs are required to absorb the labour supply. Yet low dynamics on the job market are leading to low income growth. The discrepancy between the robust economic growth and low employment growth can largely be traced back to AI. It's not so much that AI is replacing existing jobs as there are still few signs of this happening, but that investment in AI is high and therefore goes hand in hand with strong growth, while the number of jobs involved is small. Incidentally, this also means that labour productivity is rising sharply across the entire economy. It's difficult to predict how this will work out but for now tax cuts, lower inflation and positive financial conditions are helping.

The economic data coming from emerging markets vary. In China, the PMIs for industry and the service sector published by the government dropped below 50 in January. This officially points to contraction but in practice indicates less rapid growth. The unofficial indices for industry and the service sector, published by a private party just as they are in other countries, rose marginally. On balance, however, the impression continues to be one of an economy struggling to reach its government target of 5% growth.

Chinese purchasing managers indices point at modest growth



Source: LSEG, Van Lanschot Kempen

The decrease in lending growth of the past few months, the almost total absence of growth in retail sales and declining investment all point to weak domestic dynamics. The lower level of investment has partly been orchestrated by the government to combat excessive competition but also derives from the ongoing difficulties in the real estate sector. At the same time, growth in industrial production and exports has accelerated recently. Overall, we anticipate a small drop in Chinese growth this year.

AI plays an important role in the positive side for emerging markets. In Taiwan, one of the world's foremost manufacturers of chips, the economy grew by no less than 12.7% in the fourth quarter of 2025 versus the fourth quarter a year earlier. More than 90% of this growth was driven by exports, with chips playing a big part here. The economies of India, Indonesia and Vietnam are also growing fast, partly due to the shift in trade from China to the US. In Brazil and Mexico, growth slowed over the course of 2025. In Eastern Europe, Poland experienced the fastest growth, while the Hungarian economy is ailing.

Trump appoints new Fed chair

Months of uncertainty and speculation have finally come to an end: Trump has chosen Kevin Warsh to be the new chair of the Fed. A much less radical choice than some of the other candidates, given that Warsh was a policymaker at the Fed between 2006 and 2011. He was initially one of the most hawkish policymakers. Although he frequently drew attention to the risk of inflation in the run-up to the 2008 financial crisis, he also proved to be pragmatic. Warsh was one of the architects of the emergency programmes set up during the crisis to stabilise the financial system. After the financial crisis, when the US economy struggled to recover, Warsh turned against the Fed's purchase of government bonds to keep down long-term bond yields and thereby stimulate the economy. Even after his departure from the Fed, Warsh continued to criticise quantitative easing. He has recently shown himself to be a proponent of lower policy interest rates, which aligns with Trump's own views. Warsh still considers the Fed's balance sheet to be too large. This could at first sight point to a trade-off: a smaller balance sheet (quantitative tightening) and lower policy interest rates (quantitative easing). However, it does involve risks. Such a policy would remove liquidity from the financial system. There have already been signs of tight liquidity since the Fed drastically reduced the size of its balance sheet. This could disrupt the smooth functioning of the market. Lower policy interest rates and a further reduction to the balance sheet could, via higher capital market yields, also lead to an unwanted steepening of the yield curve. A simple trade-off is therefore not necessarily possible. Incidentally, the decision to appoint Warsh, an experienced candidate with a background at the Fed, means that the Senate is unlikely to block the appointment.

News of Warsh's appointment didn't go unnoticed on the financial markets. The price of gold was especially affected. In three days, the gold price fell by 11%, although this is nothing compared to the price almost having doubled in the past year. All kinds of arguments have been suggested for the increase in the price of gold in recent years. We think the upturn has long been driven by purchases by central banks, which increased after the assets of the Russian central bank were frozen following the invasion of Ukraine. Investors have gradually shifted towards gold for strategic, tactical or speculative reasons. Geopolitical turmoil is often cited as well, but this is only visible in the gold (and silver) market, while other general asset classes take little notice. Yet the uncertainty surrounding US monetary policy with the possibility of a new Fed chair who would slash interest rates, resulting in higher inflation, has also pushed investors towards gold. Warsh's appointment doesn't mean there will be no cuts to interest rates, but an excessively expansionary monetary policy with out-of-control inflation no longer looks likely. All the more so as Warsh is just one of the twelve policymakers who vote on interest rate policy. The gold price therefore declined, while the US dollar appreciated, signs that investors are confident about the decision to appoint Warsh. Speculation in gold continues apace though, because after falling for three days the price climbed again by 6%. There was briefly a small amount of movement in the market for Fed fund futures, but two interest rate cuts are still priced in up to December. We continue to believe that persistent growth and inflation gradually coming down could also result in a single cut to interest rates this year.

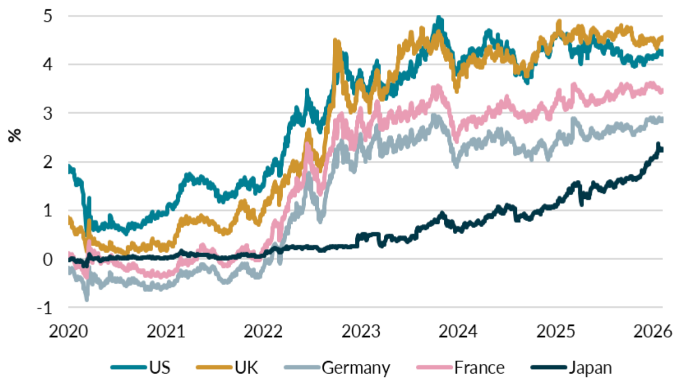
Truss moment in Japan?

In the autumn of 2022, UK Prime Minister Truss surprised the financial markets by announcing an expansionary government budget in which additional spending wasn't covered by higher taxes. Markets reacted with shock: the GB pound plummeted and bond yields soared. The Bank of England was forced to intervene to stabilise the markets. Ever since, occasions when bond yields climb following comments by politicians about expansionary budget policies tend to be labelled Truss moments.

Capital market yields have risen sharply in Japan in recent months. Ten-year bond yields have climbed to their highest level since 1999 and 30-year yields to record highs. Comments by new Prime Minister Takaichi on lower taxes on food and higher defence spending prompted markets to fear a Truss moment. Things haven't reached that stage yet though. Firstly, yields have been rising in Japan for some time. This is mostly due to the transition from deflation to inflation and the response to this from the Bank of Japan. It's busy scaling back the bond-buying programme and has raised policy interest rates four times since March 2024, from -0.1% to 0.75%. At inflation of 2.4%, real policy interest rates are still sharply negative. Inflation in Japan is strongly driven by rice prices, which nearly doubled between the end of 2023 and May this year. The increase in prices has decreased sharply in the last few months. Excluding food and energy, inflation stood at 1.5% in December, still a level that matches slightly higher policy interest rates. Markets expect two more interest rate hikes of 0.25 percentage points in Japan this year. Capital market yields are already anticipating these. In this sense, a portion of the upturn in bond yields in Japan is simply healthy normalisation.

And the prime minister's remarks? They recently fanned the flames but not to the extent of jeopardising the functioning of the financial markets. Extremely low interest rates only have a minor impact on the economy. An additional argument against it being a Truss moment is that the Japanese government's finances aren't in a precarious state. Gross national debt is more than twice the size of the GDP, making Japan the undisputed leader among industrialised nations. Yet the higher nominal growth means that the debt ratio has decreased by nearly 20 percentage points in the last few years. Moreover, net debt is significantly lower. The primary deficit (i.e. excluding interest payments) is relatively low at 2 to 3% in the coming years. At this type of deficit and average interest rates for the government that are lower than nominal growth, the debt ratio could decrease further over the coming years. Reckless fiscal plans could of course distort this picture, but financial markets can still have a disciplinary effect.

Rise in Japanese yields mostly normalisation



Source: LSEG, Van Lanschot Kempen

Incidentally, the upturn in Japanese bond yields could have repercussions for yields in other countries. Japanese investors have for many years sought refuge outside Japan because of the low or negative interest rates. If Japanese investors withdraw their money, this could push up bond yields in the US and Europe, especially if governments there have high borrowing requirements.

Another strong US earnings season

The earnings season over the fourth quarter of 2025 is well under way in the US. Over 40% of the companies in the S&P 500 have already published results and they are again solid. So far, earnings growth stands at more than 15%, the strongest growth since the fourth quarter of 2024. Underlying this earnings growth is sound revenue growth of over 7%. Earnings growth is widespread too: 73% of the companies have noted earnings growth. Negative or weak earnings growth can be found in the consumer discretionary, consumer staples and healthcare sectors. For those sectors that target consumers, this matches the picture of declining income growth, low consumer confidence and weak job growth. The biggest upturns are in the basic industrial and industrial sectors, which fits with the recovery in the PMIs for industry. Above-average earnings growth is also visible in the IT and financial services sectors. An indication of strength is that more than 80% of the companies are reporting higher-than-expected earnings. In total, reported earnings are almost 10% higher than expectations. This is the most that expectations have been exceeded since the second quarter of 2021. Companies from the industrial and basic industrial sectors are causing the biggest positive surprises, but on balance the surprises are positive in all the sectors. Continuing earnings growth is an important reason for our overweight in US equities. This is due not just to the outlook but also the fact that US companies have succeeded in realising earnings growth for the past three years. Further confirmation of this came this quarter.

Consistent earnings growth in the US

Source: LSEG, Van Lanschot Kempen

Just below 30% of companies in Europe have already reported results. Earnings growth so far stands at 25%, 3 percentage points higher than expected. Yet this is distorted by a handful of companies that had extremely low earnings per share a year ago and have since recovered. Revenue growth is marginally negative to date, which points to earnings growth deriving mainly from cost savings. It's also telling that only 53% of the companies that have so far reported results are displaying earnings growth. Earnings are down at 42% of the companies. We hold a neutral position in European equities. Although we do anticipate growth in earnings, the European equity index anticipated this with its strong performance in 2025. The difficulties European companies are experiencing in realising earnings growth, again visible to an extent this season, likewise prevent us from holding an overweight.

Investment policy: launch of sector policy

As of this year, we've expanded our tactical investment policy to include sectors. We believe that sector selection can further boost performance. Sectors don't all move in the same way within the equity market: some profit from strong economic growth, while others perform better in a more defensive climate. By deliberately slightly increasing or decreasing the weight of sectors, we can better position the portfolio for different market conditions. In doing so, we allocate mostly according to opportunities, whereby specific sectors are given an overweight.

Our sector policy is driven by a scorecard, in which sectors are compared based on macro-factors and market factors. Sectors react in different ways to the macro-factors of growth, interest rates and inflation. This is why we incorporate our expectations for these factors into the scorecard. When no change is anticipated for a factor, this doesn’t count towards the allocation decisions. In addition, sector returns are strongly driven by market factors such as earnings expectations, price momentum and valuations. Earnings expectations are allocated the biggest weight. Momentum is included due to trends in market dynamics.

We’re commencing our sector policy with the IT and financial services sectors. We anticipate a minor impact from macro-economic factors on the development of equity sectors. We expect growth to be persistent but not to accelerate or slow. Nor do we foresee any major changes at the level of inflation. A small upturn in US interest rates would be positive for the financial services sector but a risk for IT. We think that the positive market factors outweigh the interest rate risk for this sector. The IT sector obtains by far the highest score on our market factors. Strong price and earnings momentum and upward revisions to earnings by analysts are accompanied by average valuations versus the past five years. Price momentum in the financial services sector is slightly lower than that of the overall market, but earnings momentum is slightly higher. Net revisions to earnings by analysts for this sector are the highest out of all the sectors. Together with the positive interest rate effect, these offset the higher valuations.

Tactical outlook

Asset class	
Equities	Overweight
Despite the turbulent geopolitical landscape, equities started the year positively. In January, the MSCI global equity index noted a gain of 2.9% in US dollars. A depreciation in the US dollar meant that a return of 1.6% remained for investors in euros. Emerging markets continued their robust performance of last year. And when measured in euros European equities outperformed US equities for the third consecutive month. We've retained our overweight in equities. This is concentrated in the US. In the other regions, we've kept our exposure to equities at the same level as the strategic weight. US equities are expensive, but US companies are also more profitable than companies in other regions. This is largely being driven by the big tech companies, but we don't think they are overvalued. Over the course of 2026 we anticipate US growth picking up, in part thanks to the expansionary financial conditions and tax cuts. Earnings dynamics are strong in the US. Equities in Europe, the Pacific region and emerging markets are less expensive than in the US, but the tech sector is also less dominant in these regions. In Europe, we expect growth to pick up marginally but for it to be lower than in the US. Earnings dynamics are weaker than in the US, especially in Europe.	
Equity sectors	Overweight in IT Overweight in financial services
In our macro-economic outlook, we expect growth to be persistent but not to accelerate or slow. As we focus in the sector policy on the direction of the macro-factors and don't anticipate any change to growth, we expect this factor to have little impact on the relative sector performance. Nor do we expect any major changes at the level of inflation. A small upturn in US interest rates would be positive for the financial services sector but would pose a risk for the IT sector. We think that the positive market factors outweigh the interest rate risk for this sector. The IT sector obtains by far the highest score on our market factors. Strong price and earnings momentum and upward revisions to earnings by analysts are accompanied by average valuations versus the past five years. Price momentum in the financial services sector is slightly lower than that of the overall market, but earnings momentum is slightly higher. Net revisions to earnings by analysts for this sector are the highest out of all the sectors. Together with the positive interest rate effect, these offset the higher valuations.	
Government bonds	Neutral
Both short and long-term bond yields climbed in the US, UK and Japan in January. The smallest upturns were in the US and the biggest in Japan. Yields fell in Germany but by very little. The increase in long-term yields in Japan captured the market's attention and raised questions about the tenability of government finances. We view the upturn mostly as a normalisation after many years of deflation and low or even negative interest rates. The new government's biggest fiscal plans could exert further upward pressure on yields. In the US, the proposed nomination of Kevin Warsh has dissipated the main concerns about excessive cuts to interest rates. Not much has changed in the expectations, as markets still assume the Fed will make two cuts to interest rates this year. With persistent growth and inflation that's only gradually dropping to the target rate of 2%, the Fed could also restrict itself to a single interest rate cut. Given the high government deficits and sound growth, 10-year bond yields could rise further this year. For Germany we hold a neutral outlook. Reasonable growth but low inflation could prompt the ECB to make an additional cut to interest rates. Yet the large supply of bonds and declining demand from pension funds will restrict the downward potential of long-term yields in the Eurozone.	
Investment grade credits	Underweight
Things were quiet on the market for investment grade credits in January. Spreads tightened by a few basis points. In the US, the difference between the widest and tightest spreads was no more than 6 basis points in January; in the Eurozone it was 9 basis points. From our economic outlook we anticipate little change to spreads on credits, but rising government bond yields do pose a risk to the total return, especially in the US. We think spreads on credits in US dollars in particular are too tight and have therefore retained our underweight in the US. In the US, we prefer equities to investment grade credits. In the Eurozone, spreads are less tight in relative terms and on top of this they account for a larger portion of the total interest compensation. Moreover, balance sheets at companies are slightly more robust in the Eurozone and have also improved in the European banking sector. This is why we still prefer investment grade credits to government bonds in the Eurozone. Our underweight in the US is bigger than the overweight in the Eurozone and we therefore hold an underweight overall in this asset class.	
High yield credits	Neutral
Spreads on high yield credits remained unchanged in the US in January and contracted by 7 basis points in the Eurozone; they therefore remain historically extremely tight. We've nevertheless increased our outlook for this asset class to neutral. At reasonable economic growth in the US and Europe, we don't expect spreads to widen. The spreads generate a reasonable additional return versus government bonds. The tight spreads lead us to believe that there's less upward potential for high yield credits than for equities.	
Emerging market debt	Neutral
Spreads on emerging market debt issued in US dollars tightened further in December. Yields on bonds issued in local currency remained largely unchanged. Emerging market debt offers an attractive rate of return, although spreads on bonds listed in US dollars are tight. We view rising yields in the US as a risk to this asset class. The desire for a weaker US dollar isn't negative. Bonds listed in local currency have profited from interest rate cuts by central banks, but we think these are coming to an end. On balance, we retain our neutral outlook for this asset class.	

Listed real estate	Neutral
Listed real estate climbed worldwide and in all regions. As with equities, the upturn was biggest in emerging markets. We hold a neutral outlook for this asset class. Vacancy levels have risen slightly, especially in the US. In the long term, however, rental growth in real estate will be boosted by a smaller supply of new properties. In both the US and Europe, we see little potential for yields coming down from present levels. In the US this is because multiple cuts to interest rates by the Fed in 2026 are already forecast and in Europe this is due to the more expansionary German budgetary policy with high levels of investment in 2026. We think global developed listed real estate valuations are expensive compared to interest rates, while Europe has a neutral valuation.	
Commodities	**Neutral**
The Bloomberg general commodity index was up by a robust 10% in January. Oil prices and the price of gold both climbed by 16%, metals by 5.6%. The higher oil prices were mostly driven by rising tensions between the US and Iran. Tensions appeared to be easing marginally as of the start of February, and oil prices calmed down again somewhat. A large-scale US military operation in Iran would have major repercussions for oil prices, but we think the risk of this happening is small. Given the ample supply of oil in the world, we don't expect an upward trend in oil prices. The price of gold reached a new record of 5,285 US dollar per troy ounce on 28 January. The acceleration in the gold price rally leads us to conclude that these upturns are increasingly speculative in nature. Three days after the record, the price of gold stood 11% lower. The reason for this was the proposed appointment of Kevin Warsh as chair of the Fed. This reduces the risk of excessive interest rate cuts and a sharply weaker US dollar. However, three days after the downturn, the gold price again rose by 5%, undoing nearly half of the correction. We believe the market still contains a sizeable speculative element. Although in the shorter term a slowdown in (Chinese) economic growth will have a downward effect on demand for metals and on prices, copper looks especially well positioned in the longer term for structural trends such as the energy transition and AI.	
US dollar – euro	Neutral
The US dollar came under pressure versus the euro in the first few months of 2025. President Trump's aggressive trade policy and high budget deficits caused investors to doubt the status of the US dollar as a key global currency and safe haven. At the start of the year, one euro cost 1.04 US dollars; in July this had risen to 1.18. Since then, the exchange rate has moved sideways. The US dollar again dropped in value at the beginning of this year and reached 1.20. This time it was due to, among other things, uncertainty about the independence of the Fed that caused the US dollar to fall. The proposed appointment of Kevin Warsh, a former policymaker at the Fed, soothed the markets and the US dollar subsequently appreciated to 1.18 US dollar per euro. Especially in the first half of last year, the US dollar rate deviated from the difference between the level implied by US and German short-term bond yields. The difference in the two yields declined, but the US dollar weakened sooner and by more than the difference in yields. Only at the start of this year did the two realign. In the recent period of US dollar weakness, we again saw the rate deviate from the difference in yields. However, based on the current difference in yields the US dollar should be trading at about 1.14 dollars per euro, only a marginal difference from the current rate. We believe that interest rate cuts by the Fed have already been priced in and are having little effect on the rate. The US dollar isn't particularly cheap in fundamental terms, despite the recent drop in value. We continue to see enough capital flowing towards the US in the shape of short-term and long-term investments to keep the US dollar at the same level. On balance, we anticipate a sideways movement in the rate.	

Market review

Equities

	Index	Past month	Past 3 months	From 31-12-2025
Global (MSCI AC)	1044	2.9%	3.9%	2.9%
Developed markets (MSCI World)	4528	2.2%	3.3%	2.2%
Emerging markets (MSCI EM)	1528	8.8%	8.2%	8.8%
United States (S&P 500)	6939	1.4%	1.7%	1.4%
Eurozone (EURO STOXX 50)	611	3.2%	6.3%	3.2%
United Kingdom (FTSE 100)	10224	2.9%	4.7%	2.9%
Japan (Topix)	3566	4.6%	8.0%	4.6%
Netherlands (AEX)	1002	5.3%	2.0%	5.3%

Government bonds (10-year)

	Yield (%)	Past month (bp)	Past 3 months (bp)	From 31-12-2025 (bp)
United States	4.26	10	17	10
Japan	2.25	18	60	18
Germany	2.84	-1	21	-1
France	3.43	-13	2	-13
Italy	3.47	-4	7	-4
Netherlands	2.92	-5	13	-5
United Kingdom	4.52	5	10	5

Investment grade credit

	Risk premium (bp)	Past month (bp)	Past 3 months (bp)	From 31-12-2025 (bp)
United States	74	-5	-3	-5
Eurozone	71	-7	-4	-7

High yield bonds

	Risk premium (bp)	Past month (bp)	Past 3 months (bp)	From 31-12-2025 (bp)
United States	280	-1	-5	-1
Eurozone	263	-7	-16	-7
Emerging markets (USD)	245	-8	-21	-8
Emerging markets (Local currency)	205	-10	-12	-10

Real estate

		Past month	Past 3 months	From 31-12-2025
Global		3.9%	4.1%	3.9%
North-America		3.0%	2.4%	3.0%
Europe		3.4%	2.9%	3.4%

Commodities

		Past month	Past 3 months	From 31-12-2025
Bloomberg index		10.0%	13.0%	10.0%
Base metals		5.3%	12.1%	5.3%
Brent oil (USD per barrel)	70.73	16.2%	9.1%	16.2%
Gold (USD per troy ounce)	5030	16.3%	25.9%	16.3%

Returns in local currency
bp = basis point (0.01%)
Data as of 31 January 2025
Source: LSEG, Van Lanschot Kempen

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