

Investment Strategy *Outlook*

Q3 2026 · Tightening Into Turbulence

The Federal Reserve's first hike in three years, an oil shock in its seventh month, and equity markets a few per cent from a record. What the Committee sees, where it agrees, where it does not — and how that compares with the world's largest managers.

3.75–4.00%

FED FUNDS · FIRST HIKE
SINCE 2023

+74%

BRENT CRUDE · YEAR TO DATE

5.01%

US 10-YEAR · HIGHEST SINCE
2007

THE HIKE

A unanimous 25bp and a median path that stays at 4.1% through 2027 — the Fed has chosen inflation over the labour market.

THE OIL SHOCK

Hormuz at a tenth of normal traffic, Saudi's East-West pipeline hit, the US strategic reserve at a 44-year low.

THE ENGINE

S&P 500 earnings grew 52% in Q2 on \$720bn of AI capex; the market is cheaper than in June at a higher level.

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HOW TO READ THIS REPORT

- 01 **Horizon.** Views are tactical, six to twelve months forward, set against the strategic allocation bands in each client's Investment Policy Statement. They are not price targets.
- 02 **Conviction, not just direction.** Every view carries one of three tiers. **HIGH CONVICTION** — the Committee was unanimous. **HOUSE VIEW** — a consensus with no member opposed. **DIVIDED** — members disagreed; we show the lean and summarise the debate rather than manufacture a view.
- 03 **Data.** Market data as at the close of Tuesday 16 September 2026 — the first close after the Federal Reserve's decision — unless stated. Index, fund and portfolio returns are at the 31 August 2026 month-end, total return in USD, from index providers and fund issuers. Every figure carries its source.
- 04 **Process.** The views are those of Vault's Investment Committee — five voting members, including two independent external experts — recorded in a structured poll before the quarterly meeting on 7 September and debated in it. Page 32 sets out the method.

WHY WE PUBLISH OUR DISAGREEMENTS

"A house view that hides its dissent is a poll, not a view. We would rather show you where we are uncertain than pretend we are not."

THE INVESTMENT COMMITTEE

LETTER FROM THE INVESTMENT COMMITTEE

The quarter the Fed stopped waiting — *and the market did not flinch.*

On 16 September the Federal Reserve raised interest rates for the first time since July 2023, unanimously, and told us that it expects to stay at 4.1 per cent through the end of next year. Its new Chair put the reasoning plainly: inflation is too high and has been for too long, financial conditions are not restrictive, and so a dose of accommodation was removed. Sixteen of eighteen participants pencilled in another hike this year.

In May we gave our base case — higher for longer, no cuts, growth near 1½ per cent, no recession — a fifty-five per cent weight. The economy has delivered most of it and then some: payrolls re-accelerated, purchasing-manager indices sit comfortably above fifty, and the Fed has tightened rather than merely held. What we did not have in the base case was Brent at \$106 seven months into a war, the Saudi East-West pipeline out of service, and the US strategic reserve at its lowest since 1982.

Markets have absorbed all of this with a composure that is either impressive or alarming. The S&P 500 is within three per cent of a record set in August. High-yield spreads sit at 276 basis points. The VIX closed the Fed decision at 17.7. Equity investors are pricing an earnings machine — second-quarter profits grew 52 per cent, the fastest since 2021 — and, on the numbers, they are right to. Bond investors are pricing a Fed that means what it says: the ten-year closed above 5 per cent for the first time since 2007.

We owe you an account of our own record, and it is on page 8. Of the ten assessments we recorded in May, five played out as expected — two of them emphatically: emerging-market equities, which we overweighted and which have returned 24 per cent, and the view that the rates regime had shifted. Two of the five could not be held because the shelf offered no vehicle — industrial metals and listed infrastructure — and fixing that is our first priority. Three played out only in part. Two did not: we overweighted investment-grade credit into rising yields, and precious metals, where gold is lower. The supply-side view on gold recorded in the May minutes has been borne out.

Three things distinguish this edition. We show conviction as well as direction — where all five of us agree, where a consensus holds, and where, on eight of thirteen asset classes, we are divided. We set our views beside those of nine of the world's largest managers and against the evidence of where family offices, sovereign funds and central banks are actually moving money. And we have re-specified the benchmarks against which we judge our own portfolios to match what each sleeve actually holds.

THE COMMITTEE'S VIEW

“Near-term volatility is likely to remain elevated.”

THE INVESTMENT COMMITTEE, 7 SEPTEMBER 2026

The Investment Committee

Vault Wealth · Abu Dhabi · 17 September 2026

FIVE THINGS TO KNOW

The Fed has chosen inflation over the labour market. *Position for a longer plateau, not a pivot.*

- 01 The hike is a regime statement, not a one-off.** A 12–0 vote, a median dot at 4.1% for both 2026 and 2027, and “inflation risks to the upside.” Futures price a December hike at roughly 88%. Cash and the front end now yield more than most bond indices have returned this year.
- 02 Markets are pricing an earnings machine, not an economy.** S&P 500 profits grew 52% in Q2 and are forecast +32% for 2026, driven by \$720–745bn of hyperscaler capex. The forward multiple has *fallen* to 19.1x while the index rose — the market is cheaper than in June at a higher level. That is also the concentration risk: ten stocks are 38% of the index.
- 03 The oil shock is the inflation problem.** Brent is up 74% this year; gasoline is up 27% year on year; the IEA sees demand falling 2.5mb/d in 2026 — the largest supply disruption in the oil market’s history, in Goldman Sachs’s words. It is why the ECB hiked to 2.50% and why the Fed sees no path back to 2% without acting.
- 04 Our highest convictions are unanimous and unchanged: emerging-market equities and infrastructure.** Both played out as assessed in May. BlackRock returned to an EM overweight on 14 September; State Street bought real assets a day later. Our clearest underweight is high-yield and private credit, where PIMCO now says “the credit loss cycle is upon us.”
- 05 Where we are divided, so is the field.** US equities, duration and investment-grade credit split our Committee two-two-one — and split the nine houses the same way. Gold divided us in May; it no longer does. We show you all of it on pages 24–25.

THE HOUSE VIEW AT A GLANCE · THIRTEEN ASSET CLASSES · SIX TO TWELVE MONTHS

ASSET CLASS	STANCE	CONVICTION	ASSET CLASS	STANCE	CONVICTION
US Equities	Neutral	DIVIDED	Duration	Neutral	DIVIDED
Dev. ex-US Equities	Neutral	CONSENSUS	HY & Private Credit	Underweight	CONSENSUS
EM Equities	Overweight	UNANIMOUS	Private Equity	Neutral	DIVIDED
GCC / MENA	Underweight	DIVIDED	Infrastructure	Overweight	UNANIMOUS
Gold & Precious Metals	Overweight	CONSENSUS	Digital Assets	Underweight	DIVIDED
Industrial Metals	Overweight	DIVIDED	Cash	Neutral	DIVIDED
IG Fixed Income	Neutral	DIVIDED			

UNANIMOUS all five members **CONSENSUS** a majority, none opposed **DIVIDED** members disagreed; the lean is shown, outlined

Six-to-twelve-month stance versus policy weights · full table on pages 24–25

Sources: Federal Reserve (statement, SEP and press conference, 16 Sep 2026); CME FedWatch (17 Sep); FactSet Earnings Insight (11 Sep); IEA Oil Market Report (11 Sep); BLS CPI (11 Sep); BlackRock Investment Institute weekly (14 Sep); State Street ISG TAA (15 Sep); PIMCO Secular Outlook (June 2026); Vault Investment Committee poll, 7–16 Sep 2026.



PART I · THE YEAR SO FAR

The year so far.

A January record, a war, an oil shock, a recovery to new highs — and, since August, central banks tightening into it. Three acts in nine months, and a scorecard we publish on ourselves.

+32.1%

BLOOMBERG COMMODITY INDEX, YEAR TO DATE

The best-performing major asset class of 2026. Long Treasuries were the worst, at -2.9%. Everything with duration sits at the bottom of the table.

IN THIS PART

06 2026 in fourteen moments — three acts

08 Our May assessments, reviewed

07 Cross-asset scorecard

2026 IN FOURTEEN MOMENTS • THREE ACTS

A war, a rate-hiking cycle and a record high — *in the same nine months.*

The year divides into three acts. A January peak and a war-driven correction; a ceasefire that let equities recover to records on an earnings boom; and, since mid-August, the lapse of that ceasefire, a re-acceleration in labour, and central banks tightening into an oil shock.

FIGURE 1 • MARKET-MOVING EVENTS, JANUARY TO 16 SEPTEMBER 2026

ACT I

Peak, then war

January – March

- 27 JAN**
S&P 500 pre-war record
Gold ATH ~\$5,590 next day
- 20 FEB**
Supreme Court voids IEEPA tariffs
10% Section 122 surcharge follows within days
- 28 FEB**
US-Israel strikes on Iran
Hormuz closed 2 Mar; insurance cover withdrawn
- 8–13 MAR**
Brent through \$100; Saudi cuts 20%
Dubai crude \$166 on 19 Mar
- 30 MAR**
Equity trough
S&P 500 –8.9% from peak; VIX above 30

ACT II

Ceasefire and recovery

April – July

- 8 APR**
Ceasefire, Pakistan-mediated
Extended indefinitely 21 Apr; US blockade 13 Apr
- 30 APR**
Brent peaks at \$126.41
Highest in four years
- 22 MAY**
Warsh sworn in as Fed Chair
First meeting 17 Jun: hold, 12–0, short-form statement
- 17 JUN**
Islamabad memorandum signed
60-day window to negotiate final terms
- 29 JUL**
Fed holds 9–3; three want a hike
Guidance dropped; 30y 5.2%

ACT III

Tightening into turbulence

August – September

- 17 AUG**
Memorandum lapses; no deal
Fighting resumes 30 Aug
- 4 SEP**
Payrolls +162k vs +53k
Hike odds jump to 65%
- 10–11 SEP**
ECB hikes; Saudi pipeline struck
Deposit 2.50%; Yanbu suspended
- 16 SEP**
Fed hikes to 3.75–4.00%
12–0; dots 4.1% to 2027

■ Geopolitics & energy ■ Central banks ■ Markets ■ Trade policy

–8.9%

LARGEST S&P 500 DRAWDOWN

Peak 27 Jan to trough 30 Mar. Nasdaq–100 fell 11.7%; the semiconductor index lost 20.6% in July alone.

\$61→\$126

BRENT, JANUARY LOW TO APRIL PEAK

Largest real quarterly rise since 1988 in Q1. \$105.83 on 16 September, up 74% on the year.

+83_{bp}

US 10-YEAR YIELD, BASIS POINTS YTD

4.18% to 5.01%. The two-year rose 127bp; the curve flattened from 71bp to 27bp.

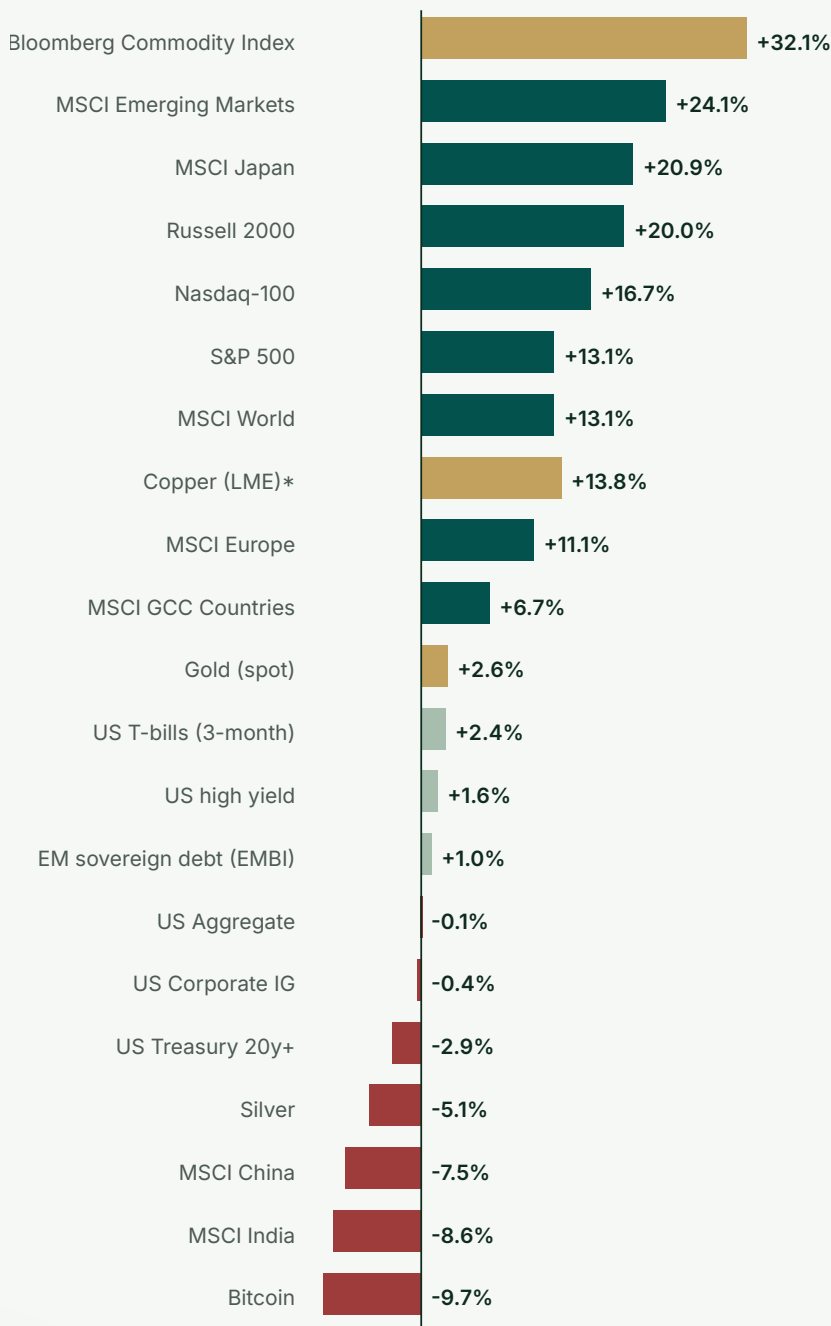
Sources: Federal Reserve statements (28 Jan, 18 Mar, 29 Apr, 17 Jun, 29 Jul, 16 Sep 2026); Supreme Court opinion 24–1287 (20 Feb); EIA Today in Energy; IEA; CNN, Reuters, Al Jazeera, CNBC dated reports; BLS Employment Situation (4 Sep); ECB (10 Sep); US Treasury par yield curve. Drawdowns: SPY/QQQ total-return proxies.

CROSS-ASSET SCORECARD

Commodities and emerging markets carried the year. *Bonds did not.*

Total return in US dollars, 1 January to 31 August 2026. The ranking is the story: everything that benefited from a supply shock or the AI supply chain sits at the top; everything with duration sits at the bottom.

FIGURE 2 • YEAR-TO-DATE TOTAL RETURN, 31 AUGUST 2026 (USD)



+52%

S&P 500 Q2 EPS GROWTH

Fastest since Q2 2021; 86% of companies beat. Q3 is estimated at +28.7%.

11pts

EM LEAD OVER DEVELOPED MARKETS

Percentage points, YTD net. Korea +88% and Taiwan +62% — the AI supply chain — did most of the work.

-1.3%

GOLD, YEAR TO DATE

Down from a \$5,590 January spike despite record central-bank buying and a record ETF month in August.

WHAT THE RANKING TELLS US

The 60/40 diversifier failed in the direction that hurts: bonds fell while equities rose, because the shock was inflationary. Real assets were the hedge that worked. That is the case for the Committee's unanimous infrastructure view and its overweight in industrial metals — and the reason gold's underperformance is a puzzle we address on page 28.

Sources: MSCI index factsheets (net USD) 31 Aug 2026; Bloomberg BCOM factsheet; ICE BofA via J.P. Morgan AM factsheet (3-month T-bill); Bloomberg US Corporate via J.P. Morgan AM; S&P 500, Nasdaq-100 and Russell 2000 via SPY/QQQ/IWM total-return proxies; US Aggregate and Treasury 20y+ via AGG/TLT proxies; US high yield and EMBI via J.P. Morgan Guide to the Markets (parsed); gold and silver from spot/SLV; Bitcoin from Nasdaq index scorecard. *Copper YTD at 16 Sep (LME cash \$14,227/t vs \$12,504 at 31 Dec 2025). Past performance is not a reliable indicator of future results.

OUR MAY ASSESSMENTS, REVIEWED

May's assessments, reviewed — *five held, three in part, two did not.*

Each assessment the Committee recorded on 19 May, set against the returns of the funds held at 31 August and market levels at 16 September. We publish this review because a house view is only worth reading if its author keeps score.

ASSET CLASS	MAY ASSESSMENT	WHAT OCCURRED	OUTCOME
Emerging Market Equities	OW	MSCI EM +24.1% YTD net vs World +13.1%; JREM +26.8%, ISDE +49.4%.	AS ASSESSED • STRONGEST
Developed ex-US Equities	OW	MSCI World +13.1%; Japan +20.9%, Europe +11.1%. JPGL +15.6%, VHVE +14.5%.	AS ASSESSED
Rates & inflation regime	Higher for longer	The Fed did not cut; it hiked. Ten-year from 4.67% to 5.01%; the base case delivered and then some.	AS ASSESSED
Industrial Metals	OW+	Copper \$14,227/t, +13.8% YTD, record \$14,850 in August. No vehicle on the shelf to hold it.	AS ASSESSED • NOT HELD
Infrastructure & Real Assets	OW+	Hyperscaler capex guided to \$720–745bn for 2026; infrastructure 9% of sovereign-fund assets. One private fund held; no listed access.	AS ASSESSED • NOT HELD
US Equities	NEU	S&P 500 +13.1% to 31 Aug; forward P/E fell to 19.1×. The outcome exceeded a neutral assessment.	PARTLY AS ASSESSED
High Yield & Private Credit	UW	HY OAS tightened to 276bp; the asset class returned +1.6%. Carry foregone for now; the credit view is unchanged.	PARTLY AS ASSESSED
IG Fixed Income	OW	US Corporate –0.4%; JRUB –0.2%, FLUC –0.9% as the ten-year rose 83bp: duration, not credit.	NOT AS ASSESSED
Cash	OW	T-bills +2.4% against equities +13%. Lagged risk assets; the only positive fixed-income return of the year.	PARTLY AS ASSESSED
Gold & Precious Metals	OW	Gold \$4,570 → \$4,264 (–6.7% since May); silver –15%. The supply-side view recorded in the May minutes has been borne out.	NOT AS ASSESSED

WHAT WE ARE DOING ABOUT IT

The Committee's two highest-conviction assessments of May played out but were not held in portfolios. Closing the gap between conviction and holdings — a listed infrastructure vehicle and an industrial-metals exposure — is the Committee's first operational priority for Q4 (Action A-14).

ON GOLD

"Gold prices often fall when the USD strengthens during geopolitical shocks. The Iran war has been no exception — especially as gold had become a crowded trade."

JULIUS BAER, MID-YEAR OUTLOOK 2026

Sources: Vault Investment Committee minutes, 19 May 2026 (VHL-IC-2026-Q2-01) and 7 Sep 2026 (VHL-IC-2026-Q3-01); issuer NAV total returns at 31 Aug 2026 (Vanguard, J.P. Morgan AM, Franklin Templeton, iShares); MSCI; LME/Westmetall; FRED (ICE BofA OAS); US Treasury; FactSet; Julius Baer Market Outlook Mid-Year 2026.

II

PART II · WHERE WE ARE

Where we are.

The Federal Reserve has raised rates into a full-employment, supply-shock economy and told us it intends to hold there through 2027. Every market page in this part starts from that fact.

3.75–4.00%

FEDERAL FUNDS TARGET RANGE, 16 SEPTEMBER

The first increase since July 2023, on a 12–0 vote. The median projection holds 4.1% through the end of 2027; futures price a second hike in December.

IN THIS PART

- 10 The Fed's September hike — what it means
- 12 Inflation and labour
- 14 Geopolitics and energy — the map
- 16 Where we are in the cycle

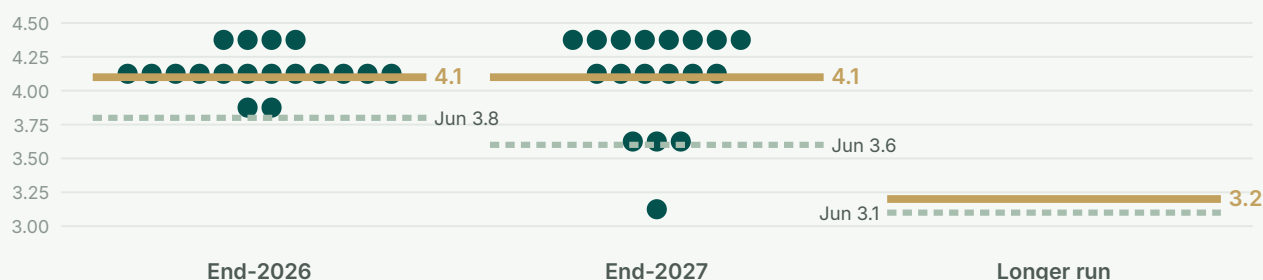
- 11 Rates and curves
- 13 Growth and earnings
- 15 The Gulf lens

THE FED'S SEPTEMBER HIKE

A dose of accommodation removed — *and a plateau, not a peak.*

The target range rose to 3.75–4.00%, unanimously, with projections that keep policy at 4.1% through 2027. The statement dropped its reference to supply shocks and said the action “will support a timelier return” to 2%. The Fed no longer regards oil-driven inflation as something to look through.

FIGURE 3 · FOMC PARTICIPANTS' PROJECTIONS FOR THE FEDERAL FUNDS RATE, % — SEPTEMBER DOTS; SEPTEMBER MEDIAN (GOLD) VS JUNE MEDIAN (DASHED)



What changed in the dots. End-2026 from 3.8% to 4.1%; end-2027 from 3.6% to 4.1% — every cut pencilled for next year removed. Sixteen of eighteen see at least one more hike this year; four see two. Longer-run 3.2%.

What the market did. Two-year +7bp to 4.74%; ten-year above 5%; the dollar's best day since June. Gold -0.7%, Brent -2.7%. S&P 500 -0.45%, Dow -1.2%, Nasdaq flat. Futures: 51% for October, ~88% for at least one more by December.

SEP MEDIAN	2026	2027	LONGER RUN
Fed funds	4.1 Jun 3.8	4.1 Jun 3.6	3.2 Jun 3.1
Core PCE	3.4	2.5	—
Unemployment	4.1	4.1	4.2
Real GDP	2.3	2.4	2.0

CHAIR WARSH, 16 SEPTEMBER

“The plain fact is that inflation is too high and has been for too long.”

“I would be hard-pressed to describe broad financial conditions as restrictive... So we removed a dose of accommodation.”

“Inflation risks are to the upside while labor risks are roughly balanced.”

PRESS CONFERENCE OPENING STATEMENT

IMPLICATION 1 · CASH AND THE FRONT END

The Fed has said it is not cutting next year. A 4.1% plateau makes T-bills and one-to-three-year quality paper the highest-yielding, lowest-risk instruments in the portfolio.

IMPLICATION 2 · DURATION

Do not chase the long end on the hike. Warsh cited growth, competition for capital and geopolitics as the reasons yields are high — none of which 25bp fixes. The term premium is the release valve.

IMPLICATION 3 · RISK ASSETS

Equities can live with 4% while profits grow 30%. What they cannot live with is a hiking *cycle*. December — after two CPI prints and the mid-terms — is the first real test.

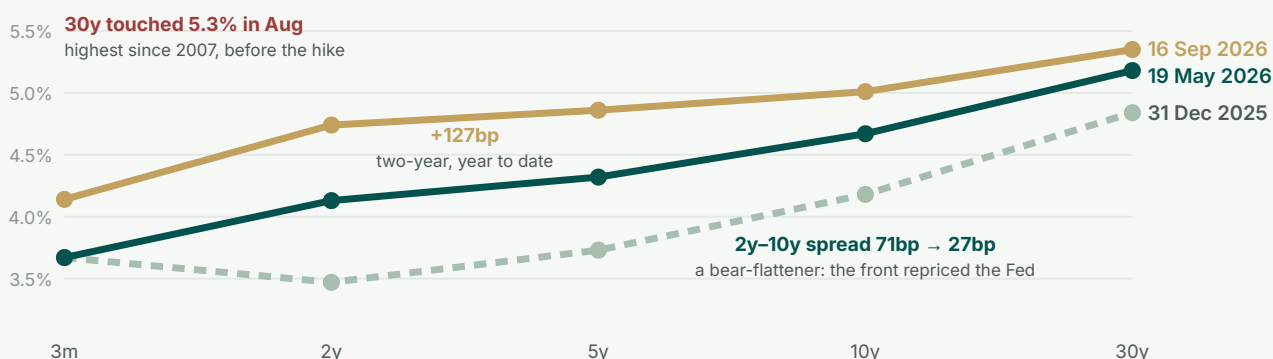
Sources: Federal Reserve press release and Summary of Economic Projections, 16 Sep 2026; preliminary transcript of the Chair's opening statement (federalreserve.gov); US Treasury par yield curve, 15–16 Sep; CME FedWatch, 17 Sep 02:28 CT (Oct hold 49.1% / hike 50.9%; Dec 400–425 49.5%, 425–450 38.3%); index closes via financial press; Reuters (GSAM's Kay Haigh: “One more hike this year in December is our base case”).

RATES AND CURVES

The whole curve moved up — *and the front moved most.*

Three snapshots of the US Treasury curve: year-end, the May meeting, and the close after the September decision. The two-year has risen 127 basis points this year; the thirty-year 51. A curve that was 71bp steep in December is 27bp steep today.

FIGURE 4 · US TREASURY PAR YIELD CURVE — THREE DATES, %



Why the bear-flattener matters. The front end is repricing the Fed; the long end is pricing a term premium that has been rebuilding all year — the thirty-year touched 5.3% in August, its highest since 2007, before the Fed had moved at all. Treasury doubled its long-dated buybacks on 19 August in response.

The real yield is the story. Ten-year TIPS yield 2.62% — a real return on the risk-free asset that most of this decade did not offer. That is the number that drives gold's weakness, the dollar's strength and the equity multiple's ceiling.

INVESTMENT IMPLICATION

A 4.7% two-year and a 5.0% ten-year, with the Fed on a plateau, argue for a barbell: cash and one-to-three-year quality paper for income and optionality, with intermediate duration added only as inflation prints roll over. The Committee split evenly on duration and investment-grade credit — the same divide as the nine houses on page 22.

TABLE 1 · POLICY RATES, 17 SEPTEMBER 2026

CENTRAL BANK	RATE	LATEST
US Fed	3.75–4.00%	+25bp 16 Sep
ECB deposit	2.50%	+25bp 10 Sep
Bank of England	3.75%	held Jul 6–3
Bank of Japan	~1.00%	held Jul 8–1
Swiss National Bank	0.00%	since Jun 2025
PBoC 7-day	1.40%	unchanged
SAMA repo	4.50%	+25bp 16 Sep
CBUAE base	3.90%	+25bp 17 Sep
RBI repo	5.25%	held Aug
Brazil Selic	13.75%	–25bp 16 Sep

The Gulf follows the Fed by construction: SAMA and the CBUAE matched the hike within a day, taking the Saudi repo to 4.50% and the UAE base rate to 3.90%. For dollar-pegged economies running an oil windfall, that is a tightening at the wrong moment for domestic credit — and a reason GCC equities divided the Committee. Brazil, by contrast, is cutting.

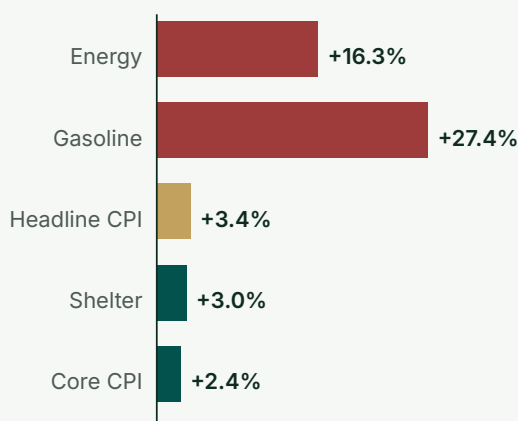
Sources: US Treasury daily par yield curve (31 Dec 2025, 19 May 2026, 16 Sep 2026); FRED DFII10 (15 Sep); Federal Reserve; ECB (10 Sep); Bank of England (30 Jul); Bank of Japan (31 Jul); SNB; SAMA and CBUAE via Maaal / Gulf News (16–17 Sep); Reserve Bank of India (5 Aug); Banco Central do Brasil (16 Sep); US Treasury buyback schedule (19 Aug). BoE and BoJ decisions of 17–18 Sep were pending at time of writing.

INFLATION AND LABOUR

Supply-shock inflation with a full-employment labour market. *That is why the Fed moved.*

August CPI printed 3.4% headline and 2.4% core. Strip out energy and the picture is close to target; include it and the Fed is a full point off. The Chair's judgement is that a shock in its seventh month, with unemployment at 4.1% and payrolls re-accelerating, has stopped being a shock and started being an inflation rate.

FIGURE 5 · US CPI, AUGUST 2026, YEAR ON YEAR



3.3%

CORE PCE, JULY

The Fed's gauge; Warsh estimates ~3.2% for August

4.1%

UNEMPLOYMENT

Down from 4.3% a year ago; participation 61.6%

+162k

PAYROLLS, AUGUST

vs +53k expected; twelve-month average +31k

4.6%

1-YR INFLATION EXPECTATIONS

Michigan, Sep prelim; sentiment 47.8

01 The energy pass-through is broadening. Warsh: "Too many categories are still posting increases above 3 percent, on both a 6- and 12-month basis." Airline fares rose 2.7% in the month; shelter is still running 3%. The Fed's fear is the second-round effect, not the first.

02 Labour has re-accelerated, not softened. The 28 August benchmark revision (-79k) was widely expected to confirm a weakening trend. A week later payrolls beat consensus three times over, with upward revisions. Job openings and hours are rising; claims are at full-employment levels.

03 Europe faces the same shock with less cushion. The ECB raised its deposit rate to 2.50% on 10 September — "a no-brainer," in Lagarde's word — with staff seeing inflation "well above target for an extended period": 3.0% this year, 2.5% next. Euro-area growth is forecast at 0.9%.

04 The household is the weak link. Consumer sentiment at 47.8 is recession-level while the hard data is not. Real wages are barely positive (earnings +3.1% against 3.4% inflation) and the saving rate is 3.0%. This is where a hiking cycle would bite first.

INVESTMENT IMPLICATION

Inflation-sensitive assets have earned their place: the Committee's unanimous infrastructure view and its overweight in industrial metals are, in part, an inflation hedge that has worked when gold has not. Within fixed income, the case is for quality and short maturity until core PCE is convincingly below 3%.

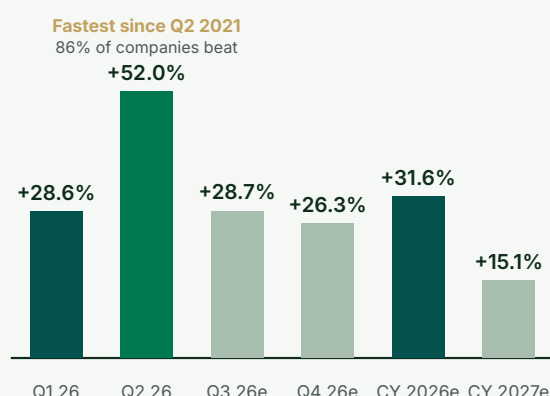
Sources: BLS Consumer Price Index, August 2026 (11 Sep); BLS Employment Situation, August 2026 (4 Sep) and preliminary benchmark revision (28 Aug); BEA Personal Income and Outlays, July 2026 (26 Aug); University of Michigan Surveys of Consumers, September preliminary (11 Sep); Federal Reserve Chair's opening statement (16 Sep); ECB monetary policy statement and press conference (10 Sep 2026); ECB staff projections September 2026.

GROWTH AND EARNINGS

The market is cheaper than it was in June, *at a higher price.*

S&P 500 earnings grew 52% in the second quarter — the fastest since 2021 — and are forecast to grow 32% for the year. The forward multiple has fallen from 20.4× to 19.1×, below its five-year average, while the index rose. The world economy is doing something quite different: the IMF cut 2026 global growth to 3.0%, with Saudi Arabia at 1.7% on production cuts.

FIGURE 6 · S&P 500 EARNINGS GROWTH, YEAR ON YEAR

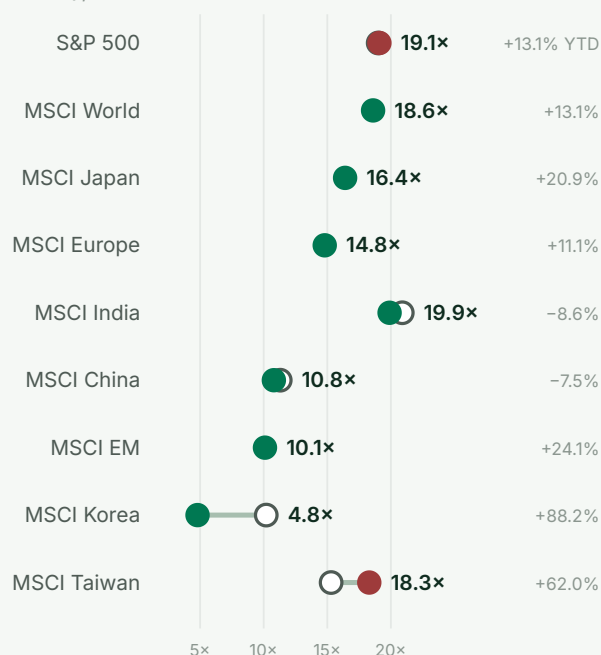


Second-quarter growth included exceptional investment gains at Alphabet and Amazon; excluding them it was +32%, with net margins at a record 17.0%. Guidance is unusually strong — 63% of companies guided up against a five-year average of 41%. Energy earnings are forecast to double in Q3 on \$100 oil.

TABLE 2 · IMF REAL GDP GROWTH, JULY 2026 UPDATE (%)

	2025	2026	2027
World	3.5	3.0	3.4
United States	2.1	2.3	2.2
Euro area	1.4	0.9	1.2
China	5.0	4.6	4.1
India	7.7	6.4	6.7
Saudi Arabia	4.6	1.7	5.5

FIGURE 7 · FORWARD P/E (FILLED) VS 10-YEAR AVERAGE (HOLLOW), WITH YTD RETURN



38%

TOP-10 SHARE OF S&P 500

Nvidia 7.5%, Apple 7.1%, Microsoft 5.3%. Mega-cap 22× vs 17.8× for the rest.

\$720_{bn}+

HYPERSCALER CAPEX, 2026

Amazon ~\$220bn, Alphabet \$195–205bn, Microsoft ~\$175bn, Meta \$130–145bn — vs ~\$410bn in 2025

INVESTMENT IMPLICATION

Earnings, not the economy, are holding equities up — J.P. Morgan's phrase. That is a reason to stay invested and a reason to diversify the concentration: the AI supply chain outside the US (Korea at 4.8× forward, Taiwan) and the equal-weight US market at 17.8× are where the earnings growth is cheapest.

Sources: FactSet Earnings Insight, 11 Sep 2026 (Q2 actual +52.0%; Q3e +28.7%; Q4e +26.3%; CY26e +31.6%; CY27e +15.1%; forward P/E 19.1× vs 5-yr 19.8×, 10-yr 19.0×); MSCI index factsheets, 31 Aug 2026 (forward P/E, net USD returns); J.P. Morgan Asset Management Guide to the Markets Asia, 15 Sep 2026 (Korea, Taiwan, China, India averages); Slickcharts index weights, 16 Sep; company earnings releases Jul–Aug 2026; IMF World Economic Outlook Update, July 2026.

GEOPOLITICS AND ENERGY — THE MAP

The largest supply disruption in the history of the oil market — *and the Gulf is inside it.*

Seven months in, the Strait of Hormuz runs at roughly nine per cent of its normal traffic and more than ten million barrels a day of Gulf production is shut in. The ceasefire lapsed on 17 August, fighting resumed on the 30th, and on 10–11 September drones struck Saudi Arabia's East-West pipeline — the route around the Strait — halting loadings at Yanbu. Two chokepoints and the land route between them are now contested at once.

FIGURE 8 · THE GULF'S EXPORT ROUTES AND CHOKPOINTS, 16 SEPTEMBER 2026



~9%

HORMUZ THROUGHPUT VS BASELINE
Eight transits on 13 Sep against ~85 a day pre-crisis; Macquarie estimates 7.5mb/d of oil flowing since 30 Aug

5.97mb/d

SAUDI OUTPUT, AUGUST
Against capacity of 12.1mb/d; Gulf exports around 13mb/d, half the pre-war level

285mb

US STRATEGIC PETROLEUM RESERVE
Lowest since November 1982 after the 172mb release authorised in March

–2.5mb/d

IEA 2026 DEMAND CHANGE
Demand destruction on a scale seen only in 2009 and 2020; +2.6mb/d pencilled for 2027

FIGURE 9 · BRENT CRUDE, US\$/BBL — MONTH-END AND KEY POINTS, 2026



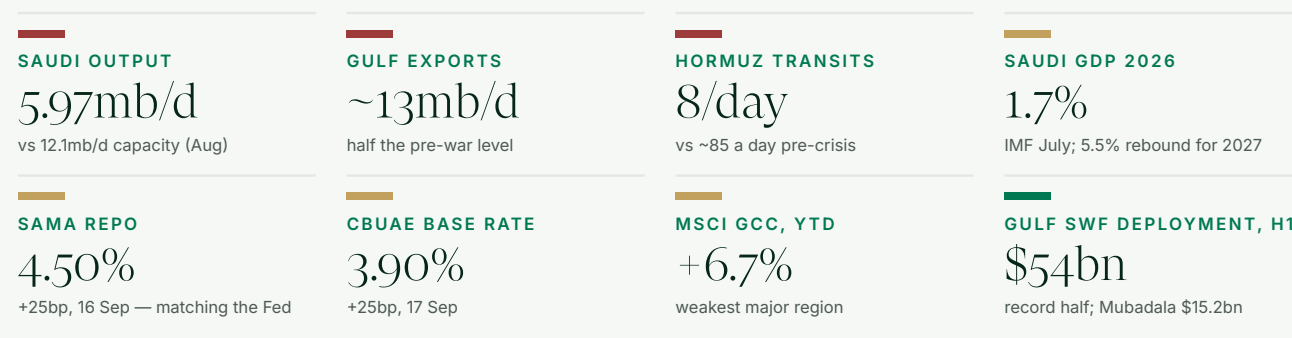
Sources: Natural Earth (base map, 1:110m; schematic — pipeline routes indicative); IEA Oil Market Report, 11 Sep 2026; EIA (SPR week to 11 Sep; Brent path); Al Jazeera / USNI / IMF PortWatch (Hormuz transits, 13 Sep and baseline); Reuters, CNBC (East-West pipeline, 10–16 Sep; Perim Island, 15 Sep; Macquarie estimate, 16 Sep); Goldman Sachs Asset Management Market Know-How 3Q26. Past performance is not a reliable indicator of future results.

THE GULF LENS

The region's assets are less exposed than its economies — *and its capital has never been more global.*

What the war means for investors based in the Gulf, as distinct from investors in oil. Production is cut, the pegs import the Fed's hike, and two chokepoints are contested — yet sovereign balance sheets are strong, regional funds are deploying record sums abroad, and the Committee's regional equity stance is a mild underweight, not an exit.

FIGURE 10 · THE GULF DASHBOARD, 16 SEPTEMBER 2026



SUPPLY

Saudi output was 5.97mb/d in August against capacity of 12.1; Gulf exports run at half the pre-war level and products and LPG are down 60%. OECD stocks have drawn 507 million barrels since February; the US strategic reserve is at its lowest since 1982.

DEMAND

The IEA sees 2026 demand falling 2.5mb/d — destruction on a scale seen only in 2009 and 2020 — and recovering 2.6mb/d in 2027 on a reopening it does not forecast. The macro scarring, in Goldman Sachs's words, "looks manageable. That tells you how much the world has changed."

WHAT IT MEANS FOR GULF-BASED INVESTORS

Hormuz and, since the Houthi seizure of Perim Island, Bab al-Mandeb are contested at once; the pipeline attack shows land routes are not immune. The GCC's dollar pegs import the Fed's hike at the moment production is cut — SAMA and the CBUAE matched the move within a day. Against that, sovereign balance sheets are strong, Gulf funds deployed a record \$54bn abroad in the first half, and regional equity valuations already discount much of the damage. The Committee's reading is that the region's *assets* are less exposed than its *economies*: GCC equities divided us, leaning underweight (1.1-3); Gulf infrastructure and credit did not.

INVESTMENT IMPLICATION

Energy is the inflation variable that decides whether the Fed's plateau becomes a cycle. Carry explicit inflation and real-asset exposure — infrastructure, industrial metals, broad commodities — rather than rely on gold alone, which has not behaved as a war hedge this year. For regional clients, diversification away from home-market equity beta matters more this quarter than in any since 2020.

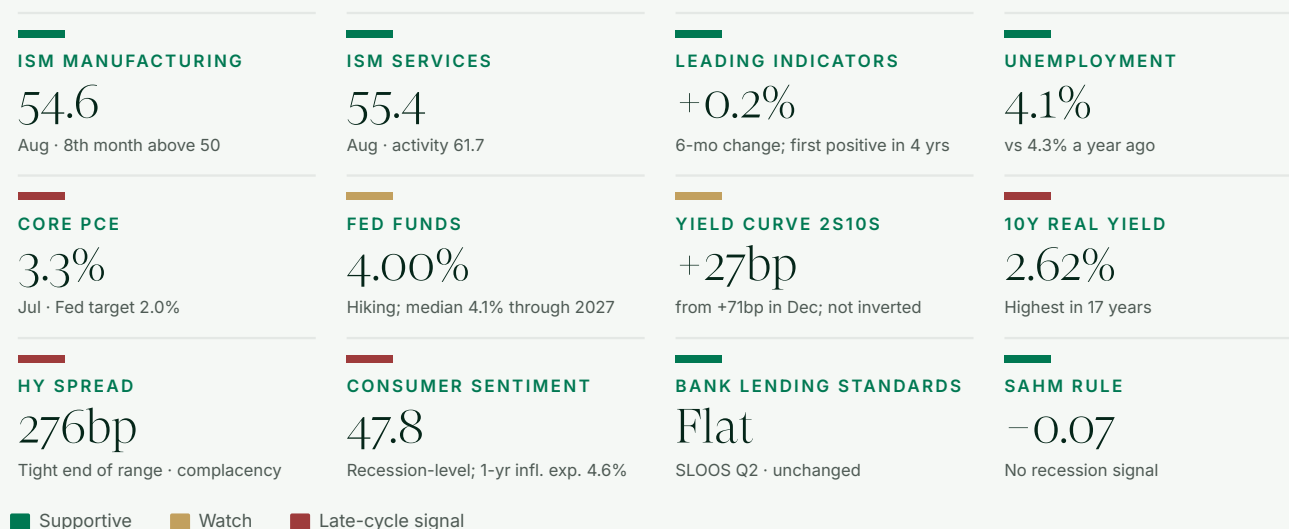
Sources: IEA Oil Market Report, 11 Sep 2026; EIA (SPR week to 11 Sep); JODI / Saudi Ministry of Energy (August output); Al Jazeera / USNI / IMF PortWatch (Hormuz transits); SAMA and CBUAE rate announcements (16–17 Sep); MSCI GCC Countries factsheet (31 Aug); IMF WEO Update July 2026; Global SWF via The National (1 Jul); Goldman Sachs Asset Management Market Know-How 3Q26 (Gambarini); Vault Investment Committee poll, 7–16 Sep 2026.

WHERE WE ARE IN THE CYCLE

Late-cycle prices, mid-cycle activity — *an expansion the Fed is now leaning against.*

Twelve indicators the Committee watches, coloured for where they sit. The pattern is unusual: the real economy reads mid-expansion — PMIs above 50, leading indicators turning up, unemployment falling — while prices read late-cycle — spreads at the tight, real yields at seventeen-year highs, a central bank tightening. That combination has a name: an inflationary boom.

FIGURE 9 · CYCLE DASHBOARD, LATEST READINGS



THE COMMITTEE'S READING

This is not the late cycle of 2007 or 2019, where activity was rolling over into an inverted curve. Growth is re-accelerating on a capex boom, credit is flowing, and the curve is flat but positive. What makes it late-cycle is the *price* of everything: an equity risk premium near zero, credit spreads that PIMCO calls “complacency rather than strength,” and a Fed that has begun to withdraw the accommodation that got us here. Historically, expansions do not die of old age; they are ended by central banks responding to inflation. That process has started. It usually takes twelve to eighteen months to matter for earnings — which is why the Committee's twelve-month view remains constructive on growth assets while its three-year concern is rising.

THE ONE-LINE VERSION

“The economy is drifting toward the bear-case map while markets live in the bull-case one. We are being paid to hold growth assets and paid to hold cash. We are not being paid to hold credit risk or long duration.”

THE INVESTMENT COMMITTEE

INVESTMENT IMPLICATION

Cycle position argues for quality across every sleeve: quality earnings in equities, quality issuers in credit, quality (short) duration in bonds. The Committee's underweight in high-yield and private credit is the purest expression of that. Its overweight in emerging markets and real assets is the growth exposure that is still cheap.

Sources: ISM Manufacturing and Services PMI, August 2026; The Conference Board LEI, July 2026 (20 Aug); BLS (4 Sep); BEA (26 Aug); Federal Reserve (16 Sep); FRED T10Y2Y, DFI10, BAMLH0A0HYM2 (15–16 Sep); University of Michigan (11 Sep); Federal Reserve Senior Loan Officer Survey, July 2026; FRED SAHMRALTIME (Aug); PIMCO Secular Outlook, June 2026.

III

PART III · WHAT WE BELIEVE

What we believe.

Scenarios, themes and the evidence of where the world's largest pools of capital are actually moving — set beside what nine houses say, so you can see where we converge with the field and where we have chosen not to.

60%

FAMILY OFFICES PLANNING TO CHANGE THEIR STRATEGIC ALLOCATION

A record share (UBS Global Family Office Report 2026). Infrastructure, gold and emerging markets are the destinations; real estate is the source.

IN THIS PART

18 Three scenarios for the twelve months ahead

20 Where the money is going

22 Consensus and contrarians

19 Eight themes, marked to market

21 What the world's largest managers are saying

THREE SCENARIOS FOR THE TWELVE MONTHS AHEAD

The base case has hardened. *The tails have widened.*

The Committee's May probabilities carried forward, with the scenarios re-cut after the hike. What changed: "Fed holds" is no longer the base case — "Fed at a plateau" is. What did not change: the market is priced for the bull case and the macro is drifting toward the bear one.

25% BEAR · STAGFLATIONARY SQUEEZE

Mechanics. Hormuz stays shut through Q1; the pipeline outage lengthens; Brent holds above \$120. Energy pass-through lifts core PCE back toward 3.5%. The Fed delivers two more hikes into a consumer already at recession-level sentiment; the curve inverts; credit reprices from 276bp toward 500.

Markets. Equities -15 to -25% led by the concentration; high yield and direct lending bear the losses PIMCO anticipates; the dollar strengthens; gold finally works. Cash and T-bills are the only positive asset.

Triggers to watch. Brent >\$120 sustained · core PCE >3.5% · October hike *and* December hike · HY >400bp · UMich <45.

55% BASE · PLATEAU, NOT PIVOT

Mechanics. One more hike in December, then a hold at 4.1% through 2027, as the dots say. Brent in a \$90–110 band as flows around Hormuz stabilise near 7–8mb/d. Core inflation drifts to 2.5–3.0% by mid-2027. Growth 2–2.5%, held up by capex; unemployment stays near 4%.

Markets. Equities grind higher on earnings, with rotation from the ten to the four hundred and ninety; the ten-year ranges 4.6–5.2%; credit stays tight but earns its carry; EM outperforms on growth differentials and a dollar that peaks in Q4.

Triggers. Core PCE ≤3.0% by Q1 · Brent <\$110 · a December hike priced but not followed by more · Q3 EPS ≥+25%.

20% BULL · DE-ESCALATION AND DISINFLATION

Mechanics. A settlement reopens Hormuz by Q1; Brent falls toward \$80; the energy component of CPI turns negative by spring. The Fed stops at 4.00%, and the market prices cuts for late 2027. Productivity from the AI build-out shows up in unit labour costs — Vanguard's 3% US growth call for 2027 comes into view.

Markets. Equities +10–15% with breadth; the long end rallies; the dollar falls; gold underperforms as real yields stay high. EM and Gulf equities are the biggest beneficiaries.

Triggers. Hormuz transits >40/day · Brent <\$85 · US–Iran talks formalised · US–China truce extended past 10 Nov.

WHY THE PROBABILITIES ARE UNCHANGED

"The hike did not move the odds; it confirmed the base case and narrowed the bull one. What has widened is the distance between the scenarios — the bear case now includes a policy error, and the bull case now requires a peace."

THE INVESTMENT COMMITTEE

READING NOTE

Probabilities are the Committee's May weights, carried forward pending the December meeting; the scenario descriptions are updated to 16 September. A 55% base case with a 25% bear tail argues for holding growth exposure while owning explicit protection — cash, quality duration in modest size, and real assets — rather than reaching for the last leg of the credit cycle.

Sources: Vault Investment Committee scenario framework, 19 May 2026, probabilities carried forward at the 7 Sep meeting; triggers re-set to data at 16 Sep 2026 (Federal Reserve SEP; IEA; BLS; FRED; CME FedWatch). Vanguard Midyear Outlook 2026 (3% US GDP call for 2027). Scenario market outcomes are illustrative, not forecasts.

EIGHT THEMES, MARKED TO MARKET

Five intensifying, one delivered, two diverging. *None has faded.*

The structural themes the Committee adopted in May, each marked to the 16 September close, with the investment implication the Committee draws from it.

01 AI transformation

INTENSIFYING

Q2 EPS +52%; 2026 hyperscaler capex \$720–745bn; Oracle FY27 \$90–95bn. The forward multiple *fell* as earnings outran price. Semiconductors are the most crowded trade in the BofA survey (53%).

IMPLICATION Own the supply chain, not just the ten: Korea, Taiwan, US equal-weight. Watch the credit: 42% of managers name AI capex the likeliest source of a credit event.

02 Deglobalisation

INTENSIFYING

Section 122 tariffs expired 24 Jul; Section 301 duties of 10–12.5% on 60 economies replaced them. The US–China truce expires 10 Nov; Bessent–He talks 20 Sep, a Trump–Xi summit pencilled for 24 Sep.

IMPLICATION Supply-chain and industrial-policy beneficiaries: industrials, defence, domestic infrastructure. A truce extension is the bull-case trigger.

03 Multipolar world

INTENSIFYING

Iran–Oman channel excludes the US; Araghchi in Beijing on 16 Sep; Gulf states mediating. 74% of central banks expect the dollar's reserve share to fall in five years; 65% of family offices expect its status to weaken.

IMPLICATION Currency diversification is now an allocator theme, not a fringe view. Gold's structural bid comes from here.

04 Militarisation

INTENSIFYING

Direct IRGC–US naval exchanges; “tanker-for-tanker” strikes; Houthis take Perim Island at Bab al-Mandeb; drones reach Saudi infrastructure. CBO puts US war costs at \$38bn to August.

IMPLICATION Defence and security capex is a decade-long earnings tailwind. Regional infrastructure needs hardening — a Gulf investment theme.

05 Rates & inflation regime

AS CALLED — THEN SOME

The Fed hiked; the ECB hiked twice; the dots hold 4.1% through 2027. Real yields 2.6%. The Fed's new statement no longer treats energy as transitory.

IMPLICATION Cash and the front end are an asset class again. The 60/40 is more attractive than in years — a point one member pressed on the Committee.

06 Iran war · Hormuz

INTENSIFYING

Ceasefire lapsed 17 Aug; fighting resumed 30 Aug; Hormuz at ~9% of baseline; East-West pipeline struck; Brent +74% YTD; SPR at a 44-year low.

IMPLICATION Energy is the swing variable for every scenario. Explicit real-asset and commodity exposure; traditional energy is still a shelf gap.

07 Liquidity & risk appetite

DIVERGING

VIX 17.7 on Fed day against naval warfare; HY 276bp; BofA Bull & Bear indicator at 9.5 — a sell signal; cash at 3.9%. Yet MMF assets are a record \$7.97tn and bonds took \$641bn of inflows.

IMPLICATION Complacency in credit, not in equities. The asymmetry favours quality and liquidity over spread.

08 USD, commodities, regional

MIXED

DXY 100.3, seven-week high on the hike; copper +14% YTD near records; gold –1% YTD despite record central-bank and ETF demand; Gulf funds deploy a record \$54bn in H1.

IMPLICATION The industrial metal beat the monetary one. Gulf capital is a global force even as Gulf equities lag.

Sources: FactSet (11 Sep); company earnings releases; BofA Global Fund Manager Survey, September 2026 (via Investing.com, Benzinga, 15 Sep); US trade actions (White House, 24 Jul); Bloomberg / FT (US–China talks, 15 Sep); WGC Central Bank Gold Reserves Survey 2026; UBS Global Family Office Report 2026; USNI, Reuters, Al Jazeera (Sep); CBO (15 Sep); Federal Reserve; ECB; FRED; ICI (MMF assets, 10 Sep); BofA flows via Finvaulta (3 Sep); LME; The National / Global SWF.

WHERE THE MONEY IS GOING

Allocators are buying gold, infrastructure and emerging markets — *and selling real estate and the dollar.*

What the largest pools of private and sovereign capital say they are doing, from their own 2026 surveys. The direction of travel matches the Committee's two unanimous views — and runs against the asset class it has never owned.

FIGURE 11 · PLANNED FAMILY-OFFICE REALLOCATION, PERCENTAGE POINTS OF PORTFOLIO (UBS GLOBAL FAMILY OFFICE REPORT 2026)

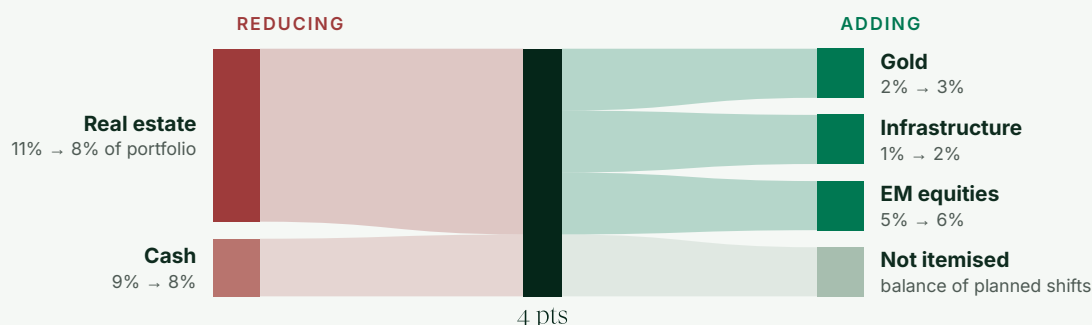


TABLE 2A · THE DIRECTION OF TRAVEL, BY ALLOCATOR

ALLOCATOR · SOURCE	REDUCING	ADDING	THE NUMBER
Family offices UBS · 307 offices · May 2026	Real estate, cash	→ Gold, infrastructure, EM equities	60% plan to change strategic allocation — a record; 82% in the Middle East
Sovereign wealth funds Invesco · 90 funds · Jun 2026	Real estate, cash	→ Infrastructure, hedge funds	4.9% → 9.0% infrastructure share of assets, 2022 to 2026 — the fastest-growing alternative
Central banks World Gold Council · Jun 2026	US-dollar reserve share (74% expect it to fall)	→ Gold	45% plan to add in the next year — a record; 289t bought in Q2
Global fund managers BofA survey · Sep 2026	Bonds (net 48% underweight, most since May 2022)	→ Equities (net 49% overweight); semiconductors	3.9% cash — “risk-on” until 4–5%; Bull & Bear 9.5, a sell signal

THE READ-ACROSS

“The largest allocators are moving toward the two things this Committee is unanimous on — infrastructure and emerging markets — and away from what it has never owned, real estate. Where we differ is private credit: the flows are still going in; the sharpest voices say the losses are coming.”

THE INVESTMENT COMMITTEE

INVESTMENT IMPLICATION

Positioning is stretched in equities and semiconductors, light in bonds and — relative to stated intent — in gold. That argues for patience on US equity beta, and for treating gold weakness on a strong dollar as an accumulation point: the structural buyers have told us what they intend to do.

Sources: UBS Global Family Office Report 2026 (28 May 2026; 307 family offices; planned shifts via The Edge / Mr Family Office summaries; the four itemised categories net to 3pts against 4pts reduced — the balance is not itemised); Invesco Global Sovereign Asset Management Study 2026 (29 Jun 2026; 90 SWFs and 54 central banks; allocation intentions from the full study); World Gold Council Central Bank Gold Reserves Survey 2026 (16 Jun) and Gold Demand Trends Q2 2026 (30 Jul); WGC gold ETF flows (9 Sep); BofA Global Fund Manager Survey September 2026 via Investing.com / Benzinga / Finvaulta (15 Sep); ICI (10 Sep). Ribbons show totals reduced and added, not pairwise flows.

WHAT THE WORLD'S LARGEST MANAGERS ARE SAYING

Nine houses, in their own words — *the field we were standing in when we voted.*

The Committee read each firm's most recent publication before forming its own view; every quotation was read at source. Where a house moved in September — BlackRock on emerging markets, State Street on gold and duration — we show the later position.

BlackRock

Midyear Outlook, 30 Jun · Weekly, 14 Sep 2026

"We see higher interest rates as a defining feature of the new regime. With yields steadily resetting higher around the world, income is an opportunity again."

Overweight US equities on AI earnings; EM upgraded to overweight on 14 Sep; long Treasuries "a risk that needs to be sized deliberately rather than treated as a default hedge."

US equities OW EM equities OW
Long duration UW Infra favoured

Goldman Sachs AM

Market Know-How 3Q26 — "The Geo Paradigm", 6 Jul; Reuters, 16 Sep

"Investors can no longer treat geopolitical shocks as temporary, cyclical disruptions."

Constructive on risk assets, neutral on duration; base case "a reflationary backdrop that supports risk assets." Its fixed-income CIO expects "one more hike this year in December."

US & EM equities OW Duration N
Private infra

UBS

CIO Weekly, 14 Sep · Monthly letter, 21 Aug 2026

"We continue to favor quality bonds: higher yields are now creating increasingly attractive entry points further out the curve."

Called the September and December hikes in advance. "Attractive" on global equities; put cash to work; broad commodities as the inflation diversifier.

Global equities OW Quality bonds OW
Commodities OW Cash UW

Julius Baer

Market Outlook Mid-Year 2026 — "From glut to grab"

"We have a preference for gold, which remains supported by structural central bank demand and safe-haven buying."

From a savings "glut" to a savings "grab": yields stay structurally higher. Constructive on US and Asian equities; overweight duration; investment-grade focus; silver "richly priced."

Equities OW Duration OW IG credit OW
Gold OW

Vanguard

Midyear Outlook, 24 Jun · VCMM, 22 Jul 2026

"Our most notable call now is for 3% U.S. GDP growth in 2027, well above consensus forecasts."

Ten-year US equity returns cut to 4.2–6.2%, EM to 2–4%; favours US value and developed ex-US; fixed income "essential... given its strong risk-return profile today."

US equities UW DM ex-US OW
Fixed income OW EM UW

J.P. Morgan AM

Mid-Year Investment Outlook 2026 — "Enough fuel in the engine"

"Stocks are supported by strong earnings due to the AI capex buildout, not by a strong economy."

Constructive on risk; prefers the front end and steepeners; EM equities "another way to invest in the global AI theme"; real assets as the inflation hedge. "Concentrate on the concentration."

Equities OW EM OW Front end OW
Real assets OW Cash UW

Amundi

Mid-Year Outlook — "The Power of Endurance", 29 Jun · GIV, 9 Sep 2026

"Building portfolios for a world where money is political, inflation is more volatile, and concentration is more expensive will be key."

Cautious on US equities on valuation and concentration; constructive on Europe and EM; positive on global IG; subordinated over high yield; "we have increased our exposure to gold."

US equities UW EM OW IG credit OW
HY UW Gold OW

PIMCO

Cyclical Outlook, Mar · Secular Outlook — "Rupture and Resilience", Jun 2026

"The credit loss cycle is upon us... we expect significantly higher losses in lower-quality credit such as leveraged and private direct lending."

Overweight 5–10-year duration; quality bonds "compare favorably with equities for the first time in many years"; tight spreads are "complacency rather than strength"; BDCs at "significant discounts to their net asset values."

US equities UW Duration OW
IG credit OW Direct lending UW
Gold OW

State Street

ISG Tactical Asset Allocation, 15 Sep 2026

"Our quantitative outlook remains most constructive on real assets, with expected returns for commodities and gold continuing to stand out."

In September added to equities and gold, funded from aggregate bonds; cut US, large to small caps, trimmed Europe, added Pacific; EM overweight restored in August.

Equities OW Gold & commodities OW
Duration UW EM OW REITs UW

Sources, all read at source 17 Sep 2026: BlackRock Investment Institute, 2026 Midyear Global Outlook (30 Jun) and Weekly Market Commentary "EM equities: back to overweight" (14 Sep); Goldman Sachs Asset Management, Market Know-How 3Q 2026 (6 Jul) and Kay Haigh via Reuters (16 Sep); UBS GWM CIO Weekly (14 Sep) and monthly letter "On the ball" (21 Aug); Julius Baer, Market Outlook Mid-Year 2026; Vanguard, Midyear Economic and Market Outlook (24 Jun) and VCMM forecasts (22 Jul); J.P. Morgan Asset Management, Mid-Year Investment Outlook 2026 (17 Jun); Amundi Investment Institute, Mid-Year Outlook (29 Jun) and Global Investment Views September (9 Sep); PIMCO, Cyclical Outlook (Mar) and Secular Outlook (Jun); State Street Investment Management, ISG TAA September (15 Sep). These are the views of the named firms, not of Vault Wealth Limited.

CONSENSUS AND CONTRARIANS

Where we sit with the field — *and where we have chosen not to.*

The nine houses condensed to one view per asset class from the publications on the previous page, with the Committee in the final column. Reading across a row shows the field; reading down the last column shows us. A filled marker is a consensus view; an outlined marker is the lean where the Committee was divided.

ASSET CLASS	BLACKROCK	GSAM	UBS	JULIUS BAER	VANGUARD	JPMAM	AMUNDI	PIMCO	STATE ST	OW·N·UW	VAULT
US equities	●	●	●	●	●	●	●	●	●	6·0·3	N
Developed ex-US equities	●	●	●	●	●	●	●	●	●	5·3·0	N
EM equities	●	●	●	●	●	●	●	●	●	6·0·1	OW unanimous
Duration	●	●	●	●	●	●	●	●	●	4·3·2	N
IG credit	●	●	●	●	●	●	●	●	●	4·4·0	N
HY / private credit	●	●	●	●	●	●	●	●	●	0·6·2	UW
Gold / commodities	●	●	●	●	●	●	●	●	●	5·0·0	OW
Infrastructure / real assets	●	●	●	●	●	●	●	●	●	5·1·1	OW unanimous
Cash	●	●	●	●	●	●	●	●	●	0·0·2	N

● Overweight / favoured ● Neutral ● Underweight / cautious ● No view expressed

WITH THE CONSENSUS

Emerging markets: six of nine houses are overweight, BlackRock having rejoined on 14 September — and we are unanimous. Gold: five houses favour it, including two that added in September; we are overweight. High yield and private credit: nobody is overweight, and the two most explicit voices — Amundi and PIMCO — are underweight, as we are.

AGAINST IT, OR AHEAD OF IT

Infrastructure is where we hold the strongest view in the field: unanimous, against one house underweight and several silent. On US equities six houses are overweight; we are divided, which we regard as the honest reading of a 19× multiple set against a hiking Fed. On duration the field splits four-three-two — and so do we, two-one-two.

THE SHARPEST READ-ACROSS

"PIMCO's warning that 'the credit loss cycle is upon us' lands directly on our own shelf, where private credit is the deepest alternatives sleeve. The Committee's underweight is the response — and the reason the Q4 shelf work prioritises infrastructure and real assets over more credit."

READ-ACROSS TO VAULT'S PORTFOLIOS

Sources: as page 21. Condensation rules: "constructive / favour / attractive / overweight" → overweight; "cautious / underweight / reduced" → underweight; explicit neutral → neutral; no statement → no view. State Street "infrastructure" reflects its REIT underweight; Vanguard positions are valuation-based ten-year return expectations rather than tactical calls. Vault column: Investment Committee conviction poll, five members, 7–16 September 2026 — unanimous = all five; consensus = none opposed; divided = at least one overweight and one underweight, shown as the lean. Tactical, six to twelve months; not a recommendation to any individual client.

IV

PART IV · OUR VIEWS

Our views.

Thirteen asset classes, five members, one structured poll. Where all five agree we say so. Where we are divided we show the split and the lean rather than manufacture a view.

13

ASSET CLASSES POLLED, SIX TO TWELVE MONTHS FORWARD

Five convictions — two unanimous, three consensus — and eight debates, where the Committee was divided and the lean is shown with the tally.

IN THIS PART

24 The House View · equities, metals and real assets

26 Equities

28 Real assets, commodities and alternatives

25 The House View · fixed income, credit, private markets, cash

27 Fixed income and credit

THE HOUSE VIEW · 1 OF 2

Thirteen asset classes. *Five convictions, eight debates.*

Six to twelve months forward. Filled markers are consensus views; outlined markers show the lean where the Committee was divided, with the tally (overweight · neutral · underweight).

EQUITIES · PRECIOUS AND INDUSTRIAL METALS · REAL ASSETS

ASSET CLASS · STANCE · CONVICTION	WHY	WHAT WOULD CHANGE IT	WHERE THE FIELD IS
US Equities Neutral DIVIDED	Forward P/E 19.1× — at its ten-year average — because Q2 earnings grew 52% while price gained 13%. Against a Fed plateau at 4.1% and ten stocks at 38% of the index, the Committee split evenly (1-3-1).	A hiking <i>cycle</i> — two more moves — would compress the multiple; earnings breadth beyond the ten would upgrade the view.	BlackRock, GSAM, UBS, JB, JPMAM, SSGA overweight; Vanguard, Amundi, PIMCO cautious
Developed ex-US Equities Neutral HOUSE VIEW	MSCI World +13.1%, Japan +20.9%, Europe +11.1% YTD. Overweight in May, neutral now: the relative case against EM has weakened and the ECB is tightening into 0.9% growth. Four of five neutral.	A euro-area growth surprise or an ECB pause; Japan's AI-supply-chain earnings sustaining.	Five houses favour ex-US developed; Vanguard prefers it to the US outright
Emerging Market Equities Overweight HIGH CONVICTION	MSCI EM +24.1% YTD, eleven points ahead of developed markets; Korea +88% at 4.8× forward, Taiwan +62%. Our best May call and strongest conviction — five of five. BlackRock rejoined on 14 Sep.	A dollar rally on a US hiking cycle; failure of the US-China truce on 10 November; a Korea/Taiwan supply-chain reversal.	Six of nine houses overweight; Vanguard cautious on ten-year returns
GCC / MENA Equities Underweight DIVIDED	MSCI GCC +6.7% YTD, the weakest major region; Saudi growth cut to 1.7%; SAMA hiked with the Fed. Not on the core shelf. One overweight on valuation, three underweight (1-1-3).	A durable Hormuz reopening; Brent sustained above \$100 with output restored; the 2027 rebound the IMF pencils at 5.5%.	No house expresses a GCC view
Gold & Precious Metals Overweight HOUSE VIEW	\$4,264, -1.3% YTD from a \$5,590 January spike; -6.7% since May, against our May assessment. Yet central banks bought a record 289t in Q2, ETFs \$18bn in August, and 45% of reserve managers plan to buy. The May split resolved to overweight (2-3-0).	Real yields rising further on a hiking cycle; a visible mine-supply response; a settlement that removes the geopolitical bid.	Five houses favour gold; Amundi and State Street added in September
Industrial Metals Overweight DIVIDED	Copper \$14,227/t, +13.8% YTD, a record \$14,850 in August on AI, grid and defence capex — as assessed in May, still not held. Three overweight, one against (3-1-1).	A China demand shock; inventories rebuilding; a listed vehicle being sourced changes expression, not view.	Commodities favoured by UBS, State Street; “supershock rather than supercycle” — Julius Baer
Infrastructure & Real Assets Overweight HIGH CONVICTION	The capex cycle — \$720bn of AI infrastructure, grid, energy security — is intact; infrastructure is 9% of sovereign-fund assets and family offices' fastest-growing allocation. Unanimous, three highly so. One private fund held, no listed access — the Q4 priority.	A capex stall; an AI-capex credit event (the fund managers' most-cited risk); a listed vehicle would change expression, not view.	Five houses favour real assets; State Street underweight REITs

Source: Vault Investment Committee conviction poll, five members, five-point scale, 7–16 September 2026. High conviction = unanimous; House view = consensus with no member opposed; Divided = at least one overweight and one underweight, shown as the lean. Market data 16 Sep 2026 close; index returns 31 Aug 2026 (MSCI, net USD); FactSet; LME; WGC; Invesco; UBS; BlackRock (14 Sep). Not a recommendation to any individual client; see Important information.

THE HOUSE VIEW · 2 OF 2

Fixed income, credit, private markets *and cash*.

Where the debate is sharpest. The Committee mirrors the institutional divide on duration and investment-grade credit, is clearest of all on high yield and private credit, and is most polarised on digital assets.

FIXED INCOME · CREDIT · PRIVATE EQUITY · DIGITAL ASSETS · CASH

ASSET CLASS · STANCE · CONVICTION	WHY	WHAT WOULD CHANGE IT	WHERE THE FIELD IS
IG Fixed Income Neutral DIVIDED	Spreads 80bp; ten-year 5.01%; US Corporate -0.4% YTD as yields rose. Every house with a bond view favours quality credit; the Committee split (2·1·2) on adding duration risk into a hike.	Spreads through 100bp; a December hike followed by a pause — the “plateau” signal — would tilt the Committee toward adding.	UBS, JB, Amundi, PIMCO overweight; BlackRock neutral short / underweight long
Duration Neutral DIVIDED	Thirty-year 5.35%; curve 27bp; a December hike ~88% priced; real yields 2.62%. Overweight at UBS, Julius Baer, Vanguard, PIMCO; underweight at BlackRock, State Street. The Committee mirrors the field (2·1·2).	Core PCE trending below 3%; term premium normalising; evidence the Fed has finished.	The field splits four-three-two
High Yield & Private Credit Underweight HOUSE VIEW	276bp — the tight end of the cycle — offers little compensation for late-cycle risk. PIMCO: “the credit loss cycle is upon us”; BDCs at discounts to NAV; rising payment-in-kind. Four of five underweight; private credit is our deepest alternatives sleeve.	Spreads wider than 400bp; a default cycle that has reprised the asset class; PIMCO’s shadow-default signals reversing.	Nobody overweight; Amundi and PIMCO underweight
Private Equity Neutral DIVIDED	Fundraising in a fifth annual decline; exits down; \$5tn of NAV in funds seven years or older. Two funds on the shelf; structurally endorsed, selective on entry (1·3·1). Family offices plan to add (39%).	A valuation reset; exit markets reopening; secondaries pricing improving.	No house takes a tactical PE view
Digital Assets Underweight DIVIDED	Bitcoin -13.6% YTD at \$75,800 — neither a risk asset nor an inflation hedge this year. A sized diversifier, not a conviction. Two overweight, three underweight, none neutral (2·0·3) — the most polarised row.	Regulatory clarity; a change in correlation regime; sovereign or institutional adoption at scale.	No house view
Cash Neutral DIVIDED	3.75–4.00% and a fifth of client assets, with the Fed holding through 2027 — cash is an asset class again. Three houses call it a drag to redeploy into short bonds; the Committee leans the same way, one member overweight on the record (1·2·2).	Front-end yields falling on a pivot; or, conversely, a bear scenario in which cash is the only positive asset.	UBS, JPMAM: deploy into short bonds

READING THE DIVIDES

“Duration and investment-grade credit split the Committee exactly as they split the nine houses. That is not indecision; it is a 5 per cent ten-year set against a Fed that has just started hiking.”

THE INVESTMENT COMMITTEE

CHANGES SINCE MAY

Developed ex-US: overweight to neutral. EM: strengthened to unanimous. High yield and private credit: hardened to underweight. Gold: the May split resolved to overweight. Industrial metals, IG credit, cash and digital assets held a stance in May and are now divided. Duration and GCC equities are polled for the first time.

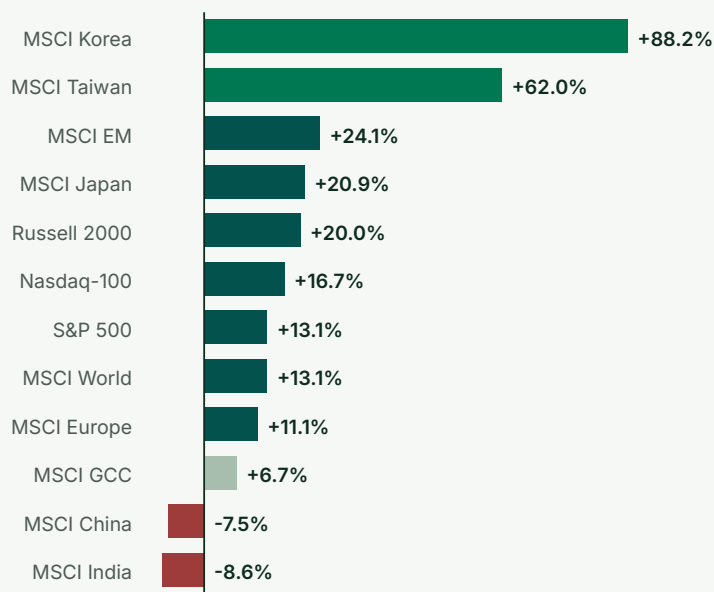
Source: as page 24. FRED ICE BofA OAS (15 Sep); US Treasury (16 Sep); PIMCO Cyclical Outlook (Mar 2026) and Secular Outlook (Jun 2026); PitchBook Q2 2026 fundraising report (3 Sep); Goldman Sachs Family Office Investment Insights 2025; CME FedWatch (17 Sep). Digital assets: 2 overweight · 0 neutral · 3 underweight.

EQUITIES

Own the earnings, diversify the concentration — *and follow the supply chain east.*

The equity story of 2026 is a single theme — the AI capital-expenditure cycle — expressed very unevenly across regions. It made Korea the best-performing major market in the world at under five times earnings and left India and China negative on the year.

FIGURE 12 · EQUITY INDICES, YTD TOTAL RETURN, 31 AUGUST 2026 (USD; KOREA AND TAIWAN TO 15 SEP)



19.1×

S&P 500 FORWARD P/E

Below its five-year average (19.8×); ex-mega-cap 17.8×

4.8×

MSCI KOREA FORWARD P/E

Against a ten-year average of 10.2×, on 2026 EPS growth estimated at +328%

\$9,252

BOTTOM-UP S&P 500 TARGET

Analysts' 12-month aggregate, +22%; 59% of ratings are Buy

THE COMMITTEE'S POSITION

Emerging markets — overweight, unanimous. Eleven points ahead of developed markets, driven by exactly the earnings the US market is paying 22× for, at a fraction of the price. The risks are a stronger dollar on a Fed cycle and the 10 November truce deadline; both are watched. **US — neutral, divided.** The bull case is earnings: +32% this year, 63% of companies guiding up. The bear case is 38% of the index in ten names, an equity risk premium near zero, and a Fed that has started tightening. Equal-weight exposure at 17.8× is the Committee's compromise. **Developed ex-US — neutral.** Japan is the AI supply chain's developed-market expression; Europe faces the same oil shock as the US with a third of the growth. **GCC — divided, leaning underweight.** The dollar peg imports the hike; production cuts take 2026 growth to 1.7%. Regional assets are stronger than regional equities.

IN THE FIELD'S WORDS

"Stocks are supported by strong earnings due to the AI capex buildout, not by a strong economy."

J.P. MORGAN ASSET MANAGEMENT, MID-YEAR OUTLOOK 2026

INVESTMENT IMPLICATION

Hold equity exposure at strategic weight, not above it: positioning is stretched (Bull & Bear 9.5; semiconductors the most crowded trade). Within the sleeve, tilt to where earnings growth is cheapest — emerging Asia's supply chain, US equal-weight, Japan — and away from the ten. The core portfolios express this through the fixed 90/10 developed/emerging rule and active multi-factor layers, which put the equity-holding profiles 16–126bp ahead of benchmark this year.

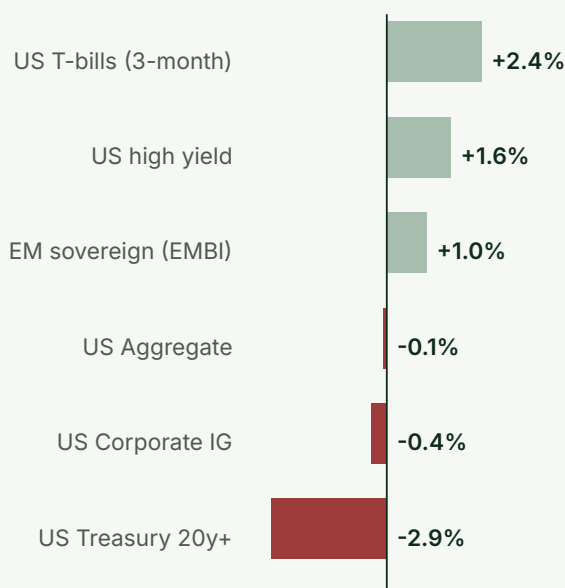
Sources: MSCI index factsheets, 31 Aug 2026 (net USD); J.P. Morgan Asset Management Guide to the Markets Asia, 15 Sep 2026 (Korea, Taiwan YTD and forward P/E); FactSet Earnings Insight, 11 Sep 2026; Slickcharts (index weights, 16 Sep); BofA Global Fund Manager Survey, September 2026; IMF WEO Update, July 2026; SPY/QQQ/IWM total-return proxies. Past performance is not a reliable indicator of future results.

FIXED INCOME AND CREDIT

Paid to wait, not paid to reach. *Income is back; the risk premium is not.*

Yields are the highest in a generation and spreads are among the tightest. That combination — a 5% ten-year, 80bp of investment-grade spread, 276bp of high yield — means the return on offer is almost entirely the risk-free rate. The Committee's response is to take the rate and decline the spread.

FIGURE 13 · FIXED-INCOME SECTORS, YTD TOTAL RETURN, 31 AUGUST 2026 (USD)



4.74%

2-YEAR TREASURY

+127bp YTD; the market's Fed path

2.62%

10-YEAR REAL YIELD

TIPS, 15 Sep; drives gold and the dollar

80_{bp}

IG SPREAD (OAS)

2026 range 73–94bp

276_{bp}

HY SPREAD (OAS)

YTD low 260bp on 28 Aug; high 346bp on 30 Mar

THE COMMITTEE'S POSITION

Cash and the front end. Neutral on cash as a headline, but with a clear lean: the Fed has told you it holds at 4.1% through 2027, so one-to-three-year quality paper earns close to the policy rate with almost no duration risk. It was the only positive bond return of the year. **Duration — divided, 2-1-2.** The case for: a 5% ten-year and 2.6% real yield are the best entry points in seventeen years, and UBS, Julius Baer, Vanguard and PIMCO are all extending. The case against: the Fed is hiking, the term premium is rebuilding, and duration failed as a diversifier this year — BlackRock's point. The Committee did not resolve it and says so. **Investment grade — divided, 2-1-2.** Quality is the one thing every house agrees on; the argument is over how much duration comes with it. **High yield and private credit — underweight, house view.** 276bp is the tight end of a twenty-year range; PIMCO's shadow-default and payment-in-kind signals are the late-cycle markers; BDCs trade at discounts to NAV. We hold three private-credit funds and regard the sleeve as full.

IN THE FIELD'S WORDS

"The prospective Sharpe ratio of high quality fixed income now compares favorably with equities for the first time in many years."

PIMCO, SECULAR OUTLOOK, JUNE 2026

INVESTMENT IMPLICATION

Barbell the bond sleeve: T-bills and one-to-three-year quality credit as the core, intermediate Treasuries added in modest size as inflation prints roll over, no reach into high yield or new direct-lending commitments. For Shariah portfolios the same logic applies to sukuk: the two funds held returned +0.6% and -0.3% YTD as global sukuk indices were flat — duration, not credit, was the drag.

Sources: US Treasury par yield curve (16 Sep 2026); FRED DFII10, BAMLC0A0CM, BAMLH0A0HYM2 (15 Sep); Bloomberg US Corporate and ICE BofA 3-month T-bill via J.P. Morgan AM factsheets (31 Aug); AGG/TLT total-return proxies; US high yield and EMBI via J.P. Morgan Guide to the Markets (parsed, 31 Aug); PIMCO Cyclical Outlook (Mar 2026) and Secular Outlook (Jun 2026); BlackRock Midyear Outlook (Jun 2026); HSBC and iShares sukuk fund pages (31 Jul / 31 Aug). Past performance is not a reliable indicator of future results.

REAL ASSETS, COMMODITIES AND ALTERNATIVES

The industrial metal beat the monetary one. *The hedge that worked was the one that builds things.*

Gold has record structural demand and a negative year. Copper has a record price on capex. Infrastructure is the fastest-growing allocation among sovereign funds and the Committee's highest conviction. The common thread: in an inflationary boom, real assets tied to production have outperformed real assets tied to fear.

FIGURE 14 · GOLD, US\$/OZ — THE JANUARY SPIKE AND THE YEAR SINCE



The gold paradox. Central banks bought 289t in Q2, a record for a second quarter; ETFs added \$18bn in August, the second-largest month ever, taking holdings to a record 4,189t; 45% of reserve managers say they will buy more. And the price is down 1% on the year and 24% from its January high. The explanation is on page 11: a 2.6% real yield and a dollar at seven-week highs. The Committee's overweight is a view that the structural bid outlasts the cyclical headwind — held with more humility than in May.

\$14,227

COPPER, LME CASH
+13.8% YTD; record \$14,850 on 17 Aug

289t

CENTRAL-BANK GOLD, Q2
Record Q2; Poland +51t, China +33t

9.0%

INFRASTRUCTURE, SHARE OF SWF ASSETS
From 4.9% in 2022 (Invesco)

+27%

PRIVATE-CREDIT FUNDRAISING, H1
Only private strategy growing; RE slowest since 2012

THE COMMITTEE'S POSITION

Infrastructure — overweight, unanimous. Three members highly so. The AI, grid and energy-security capex cycle is the most durable earnings stream in the market and the allocation of choice for sovereign funds and family offices alike. Our constraint is expression: one private fund and no listed vehicle. **Industrial metals — overweight, divided 3·1·1.** As assessed since May; not held, for the same reason. **Gold — overweight, house view.** Held for what it does in a crisis, which this year it has not yet been asked to do. **Private equity — neutral, divided.** Structurally endorsed; tactically patient while exits are shut. **Digital assets — underweight, divided.** Bitcoin -14% YTD; neither a risk asset nor a hedge in 2026.

INVESTMENT IMPLICATION

Real-asset exposure should be explicit and diversified — infrastructure, industrial metals and broad commodities, with gold as the crisis reserve rather than the whole hedge. The shelf work for Q4 (Action A-14: KKR, Brookfield, GFH, Kamco) is aimed squarely at the infrastructure and real-estate sleeves; digital assets are deliberately excluded from expansion.

Sources: gold spot — goldprice.org (31 Aug), financial press (16 Sep), Bloomberg / Al Jazeera (28–30 Jan spike; monthly points approximate from GLD monthly returns); LME via Westmetall (16 Sep); World Gold Council Gold Demand Trends Q2 2026 (30 Jul), gold ETF flows (9 Sep), Central Bank Gold Reserves Survey 2026 (16 Jun); Invesco Global Sovereign Asset Management Study 2026; PitchBook Q2 2026 fundraising report (3 Sep); FRED DFII10; Nasdaq Bitcoin index / ChartRow (15 Sep); Vault IC minutes 7 Sep 2026 (Action A-14, Decision D-13).



PART V · IN PRACTICE

In practice.

What the views mean in the portfolios we run, the signposts that would change them, and how the House View is made — so that you can hold us to it.

+126_{bp}

EQUITY-ONLY PROFILE AGAINST ITS BENCHMARK, YEAR TO DATE

Five of six conventional profiles beat their benchmarks this year, by more the higher the equity weight. The all-bond profile trailed by 12 basis points.

IN THIS PART

30 In our portfolios

32 Methodology and process

31 What would change our view · Q4 calendar

33 Important information

IN OUR PORTFOLIOS

Five of six conventional profiles beat their benchmarks this year. *The Shariah profiles finished narrowly behind theirs.*

Composite returns of Vault's twelve core profiles — VHVE, JPGL, JREG, JREM, JRUB, FLUC and JPJA (conventional); ISDW, SPUS, SPWO, ISDE, HBKU and SKUK (Shariah) — at policy weights, from verified issuer NAV total returns, measured against the stated benchmarks.

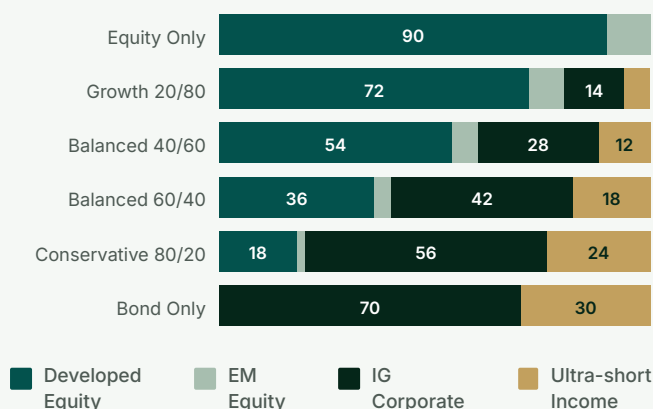
TABLE 3 · CONVENTIONAL PROFILES VS STATED BENCHMARKS — RETURN, BENCHMARK AND EXCESS (PP). SLEEVES: CB CONVENTIONAL BOND, CE CONVENTIONAL EQUITY

PROFILE · BOND / EQUITY	YTD 2026			1 YEAR			3 YEARS, ANNUALISED		
	RETURN	BENCH.	EXCESS	RETURN	BENCH.	EXCESS	RETURN	BENCH.	EXCESS
100/0 · Bond Only	0.3%	0.4%	-0.12	2.7%	2.5%	+0.21	4.8%	4.9%	-0.12
80/20 · Conservative	3.3%	3.2%	+0.16	6.8%	6.4%	+0.33	8.1%	8.0%	+0.10
60/40 · Balanced Bond	6.4%	5.9%	+0.43	10.8%	10.4%	+0.46	11.2%	11.1%	+0.13
40/60 · Balanced Equity	9.4%	8.7%	+0.71	14.9%	14.3%	+0.59	14.2%	14.2%	+0.00
20/80 · Growth	12.4%	11.4%	+0.99	19.0%	18.3%	+0.72	17.0%	17.3%	-0.29
0/100 · Equity Only	15.5%	14.2%	+1.26	23.1%	22.3%	+0.84	19.7%	20.4%	-0.70

TABLE 4 · SHARIAH-COMPLIANT PROFILES — SLEEVES SB SUKUK, SE SHARIAH EQUITY

PROFILE · BOND / EQUITY	YTD 2026			1 YEAR			3 YEARS, ANNUALISED		
	RETURN	BENCH.	EXCESS	RETURN	BENCH.	EXCESS	RETURN	BENCH.	EXCESS
100/0 · Sukuk Only	0.1%	0.4%	-0.29	2.4%	2.9%	-0.46	no three-year record		
80/20 · Conservative	4.4%	4.9%	-0.55	8.6%	9.1%	-0.55	no three-year record		
60/40 · Balanced Sukuk	8.6%	9.4%	-0.81	14.7%	15.3%	-0.64	no three-year record		
40/60 · Balanced Equity	12.9%	13.9%	-1.06	20.8%	21.6%	-0.73	no three-year record		
20/80 · Growth	17.1%	18.4%	-1.32	27.0%	27.8%	-0.82	no three-year record		
0/100 · Equity Only	21.4%	22.9%	-1.58	33.1%	34.0%	-0.92	no three-year record		

FIGURE 15 · CONVENTIONAL ALLOCATIONS, % OF POLICY WEIGHTS



READING THE TABLES

Outperformance widens with equity weight this year and over one year — the active and multi-factor layers are earning their fee — and inverts over three years at the equity end, so this year repairs a deficit rather than extending a lead. The Shariah profiles finished narrowly behind at both horizons: they are fully passive, and one holding tracks a 50/50 ex-US/EM index, so true EM exposure is ~15% against a 5% policy.

WHAT CHANGES

No allocation changes. Q4 work is on expression, not weights: a listed infrastructure vehicle and an industrial-metals exposure so the two unanimous views can be held, and a review of the Shariah sleeve's EM weight and passive construction.

Benchmarks: CB = 70% Bloomberg US Corporate · 30% ICE BofA 3-month T-bill; CE = 90% MSCI World · 10% MSCI EM; SB = 50% J.P. Morgan EM Aggregate Sukuk · 50% FTSE IdealRatings Sukuk; SE = 95% MSCI World Islamic · 5% MSCI EM Islamic. Sources: issuer NAV total returns at 31 Aug 2026 (Vanguard, J.P. Morgan AM, Franklin Templeton [31 Jul], iShares, HSBC AM [31 Jul], SP Funds); index returns MSCI, Bloomberg, ICE, J.P. Morgan, FTSE Russell at 31 Aug; Vault IC minutes 7 Sep 2026, Decision D-09 and Appendix A. Composites at static policy weights, gross of Vault's advisory fee; client returns will differ. Past performance is not a reliable indicator of future results.

WHAT WOULD CHANGE OUR VIEW

Signposts for the quarter — *and the dates on which they will be set.*

A view is only as good as the conditions under which its author would abandon it. These are ours, mapped to the calendar.

UPGRADE RISK — WHAT WOULD MAKE US MORE CONSTRUCTIVE

- 01 **A Hormuz settlement.** Transits above 40 a day and Brent below \$85 would remove the inflation impulse the Fed is fighting and lift GCC equities and duration together.
- 02 **A December skip.** A hike that signals a genuine plateau — or a skip on softer core PCE — resolves the divided duration and IG rows toward adding.
- 03 **A US-China extension** past 10 November removes the largest single risk to the unanimous emerging-market view.

DOWNGRADE RISK — WHAT WOULD MAKE US MORE DEFENSIVE

- 01 **Two more hikes.** October *and* December would turn a plateau into a cycle; equities at 19× with a near-zero risk premium have not historically survived that.
- 02 **Credit cracking.** High yield through 400bp, or a named private-credit vehicle gating, would validate PIMCO and bring the bear case forward. We would add cash and quality duration.
- 03 **An AI-capex pause.** Any hyperscaler cutting 2026 guidance — 79% of managers say none will — punctures the earnings engine and the crowded semiconductor trade.

TABLE 5 · Q4 2026 CALENDAR

18 Sep	Bank of Japan decision Held at ~1.0% in July, 8–1; a hike would tighten global liquidity further
20 Sep	Bessent–He Lifeng talks, New York Tariff cuts on energy, agriculture and manufacturing inputs under discussion
24 Sep	Trump–Xi summit, Washington (China unconfirmed) A truce extension past 10 Nov is the bull-case trigger
25 Sep	Swiss National Bank At 0.00% since June 2025
4 Oct	OPEC+ meeting Core-7 held October output on 6 Sep; Saudi producing 6mb/d against 12 capacity
~10 Oct	September CPI First print after the hike; core 2.4% in August
28–29 Oct	FOMC Hike priced at 51%; GSAM expects a skip for the mid-terms
3 Nov	US mid-term elections Fund managers see a split Congress; a Democratic sweep read as “yields up, stocks down”
10 Nov	US–China trade truce expires Section 301 duties of 10–12.5% would escalate without extension
9–10 Dec	FOMC Second hike ~88% priced; new SEP; the first test of “plateau vs cycle”
Dec	Vault Investment Committee Q4 meeting; probabilities re-weighted; House View refreshed

Sources: central bank calendars (Federal Reserve, BoJ, SNB, ECB); CME FedWatch (17 Sep); Bloomberg / FT via The Spokesman-Review (US–China talks, 15 Sep); OPEC+ (6 Sep); BofA Global Fund Manager Survey September 2026; White House fact sheet on the US–China arrangement (Nov 2025); Vault Investment Committee.

METHODOLOGY AND PROCESS

How the House View is made — *and how you can hold us to it.*

THE COMMITTEE

Vault's Investment Committee is constituted at Vault Wealth Holdings Limited and serves the group's regulated operating companies. It has five voting members: the Chief Executive (Chair), the Chief Operating Officer, the Investment Strategy Manager (Secretary), and two independent external experts — a former bank chief investment officer and the co-founder of a Paris asset manager. It meets quarterly; minutes are signed by the Chair and retained permanently.

THE POLL

Before each meeting every member records a view on thirteen asset classes on a five-point scale — highly overweight, overweight, neutral, underweight, highly underweight — relative to a representative allocation within the strategic bands of the Investment Policy Statement. Duration and credit quality are polled separately from headline fixed income. Responses are collected through a structured form, aggregated by the Secretary, and debated in the meeting; the debate can change a member's recorded view.

CONVICTION TIERS

HIGH CONVICTION — all five members on the same side. **HOUSE VIEW** — a consensus with no member on the opposite side. **DIVIDED** — at least one member overweight and at least one underweight; we publish the lean and the tally rather than manufacture a view. The published stance for a divided row is neutral where the split is even, and the majority's lean otherwise.

SCOREKEEPING

Every stance is recorded in the minutes with the date and the market level at the time. At the following meeting each is reviewed against actual outcomes — using the returns of the funds actually held wherever possible, not index proxies — and the review is published (page 8). An assessment that played out but could not be held is recorded as such; it is an operational gap, not a forecasting success.

BENCHMARKS

Core portfolios are measured against fixed-weight composites of each sleeve's stated index — the bond sleeve against 70% Bloomberg US Corporate and 30% ICE BofA 3-month T-bills, matching its actual duration; the equity sleeve against a fixed 90/10 MSCI World/EM blend, matching policy. Composites are computed at static policy weights from issuer-reported NAV total returns and are gross of Vault's advisory fee. The framework was re-specified in September 2026 so that each sleeve is measured against a composite matching its actual composition.

INSTITUTIONAL BENCHMARKING

The nine houses are chosen for scale and for publishing a dated, attributable house view. Positions are condensed from the most recent publication by rule — “constructive / favour / attractive” to overweight, “cautious / reduce” to underweight — and every quotation is read at the source document before it is used. Where a house has not expressed a view, none is inferred.

DATA

Market data as at the close of 16 September 2026 unless stated; index and fund returns at the 31 August 2026 month-end. Primary sources throughout: central banks, statistical agencies, index providers, fund issuers, the IEA, IMF and World Gold Council, and the publishing institutions of the surveys cited. Every page carries its sources.



IMPORTANT INFORMATION

This document has been prepared by Vault Wealth Limited ("Vault"), a company incorporated in the Abu Dhabi Global Market ("ADGM") and regulated by the Financial Services Regulatory Authority ("FSRA") with a Category 4 licence for advising on investments and credit, and arranging deals with retail endorsement (ADGM registration 000009540). It is intended for informational purposes only. It reflects the views of Vault's Investment Committee as at the date shown and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any security, fund or financial instrument. It should not be relied upon for making investment decisions.

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DATA SOURCES

Federal Reserve · European Central Bank · Bank of England · Bank of Japan · SAMA · CBUAE · US Bureau of Labor Statistics · Bureau of Economic Analysis · US Treasury · FRED · CME Group · FactSet · MSCI · Bloomberg · ICE Data Indices · J.P. Morgan · FTSE Russell · LME · IEA · EIA · IMF · World Gold Council · Invesco · UBS · Goldman Sachs · PitchBook · Bank of America · ICI · issuer factsheets and fund pages (Vanguard, J.P. Morgan Asset Management, Franklin Templeton, iShares, HSBC Asset Management, SP Funds) · the published outlooks of the nine asset managers named on page 21.

CONTACT

Vault Wealth Limited
14-108, 14th Floor, Al Khatem Tower
Abu Dhabi Global Market Square, Al Maryah Island
Abu Dhabi, United Arab Emirates
support@vaultwealth.com · +971 54 338 4774
vaultwealth.com

NEXT PUBLICATION

Q4 2026 Investment Strategy Outlook — following the Investment Committee's December meeting.