

The Multi-Asset Monthly Brief

Markets and Keyridge positioning in one page

Market mood



- Markets have looked through all the noise of the Middle East situation and priced in a calmer outcome. Equities are back to pre-Iran levels.
- Asia Pacific ex-Japan and emerging market equities have rallied over 10 percent since April began.
- Upcoming central bank actions remain unclear. Energy price hikes have resulted in higher UK rate expectations.

Challenges

- White House diktats remain unpredictable but are increasingly gaining less traction
- Gulf tensions (and energy prices) are structurally higher – equities have already priced in normality
- Equities remain exposed to extended AI valuations

Opportunities

- World equities ex-US are continuing to outperform, led by emerging markets
- The structural reset in the US attitude towards the rest of the world creates opportunities around security of supply in sectors such as energy, basic materials and defence

Asset Class Signals

Equities	●	Earnings momentum remained strong through the recent oil crisis, resulting in cheaper valuations despite the recent rally.
Fixed Income	●	Oil price spike structurally has driven inflation fears and higher yields – bonds more attractive now. Credit spreads helped by earnings momentum.
Alternatives	● ●	Precious and industrial metals resuming uptrend Fears around specific open-ended private credit fund writedowns and redemptions are growing

What we're watching

- April 28-30:** Federal Reserve, Bank of England and European Central Bank rate decisions
- Ongoing:** Peace negotiations with Iran
- May:** New Federal Reserve Chair
- Now-November** Mid term elections – will Trump lose both Houses?

Strategy

We are overweight risk via assets such as equities and high yield bonds. We remain invested in **long-term growth themes**, but with greater emphasis on valuation discipline and portfolio balance.

We favour **healthcare, emerging markets, and diversified income strategies** as attractively priced **complements to core equity exposure**.

Action points

We continue to trim US equity exposure, reallocating towards healthcare and emerging markets.

Within fixed income, we increase investment grade credit duration towards benchmark while further reducing long-dated sovereign exposure.

We introduce emerging market debt and increase allocations to gold and listed closed-ended private credit vehicles to improve diversification and manage portfolio volatility.

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