



ALTUS

INVESTMENT

Quarterly Investor Report

First Quarter 2026

Macro Commentary

As we entered 2026, the global macroeconomic picture was characterized by moderate but resilient growth and gradually declining inflation. Global economic growth remained steady through 2025 with the IMF reporting an estimated 3.3% expansion rate.

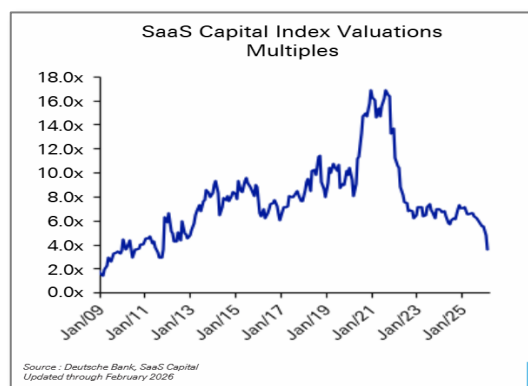
In 2025, the US especially, demonstrated strength, despite the tariff war and retreat of globalization, and has seen its economy grow 2.2% in real terms, with inflation falling to 2.6% to 2.7% for the year; down roughly 30bps relative to 2024. The Eurozone started showing signs of recovery, achieving a modest growth rate of 1.4%, with prices rising 2.1%, bringing the inflation rate well within reach of the ECB's target. Meanwhile, growth in emerging markets and developing economies reached 4.4% in 2025, fuelled by strong exports and robust services sectors.

Never has one man been able to shape the global investment landscape the way Donald Trump has. However, in the first quarter of 2026 we have moved on from rhetoric and flip-flopping to a full-scale war in the Middle East, the full implications of which are yet to be felt globally. We discuss the implications of this below, but at a high level this will in our opinion permanently reshape how the US is perceived globally and ultimately see new alliances forged with China from both Europe and the Middle East. This has come at a time where the world is trying to keep up with the implications of AI and

robotics, which may have taken a back seat in terms of market focus, but remains the most significant technology advancement since the advent of the internet. Except this is happening at a startling pace, that governments will inevitably struggle to keep up with.

Q1'26 witnessed a brutal and rapid repricing of technology equities, particularly in the Software-as-a-Service business model, colloquially dubbed the "SaaSocalypse." The catalyst was a series of breakthroughs in the field of AI, particularly Anthropic's release of Claude co-work plugins that target high-value enterprise workflows. This innovation sparked widespread institutional fear that AI agents would cannibalize core SaaS revenue streams and erode traditional per-seat pricing models. In the first week of February alone, aggressive selling erased over \$1 trillion in market capitalization from software stocks. Investors rapidly concluded that seat-based pricing becomes obsolete when a single user equipped with AI agents can accomplish the work of multiple human employees.

While it took a couple days for markets to reassess their theses after the release of Claude Cowork, the reaction was brutal once it had occurred. ServiceNow, Salesforce, and Adobe each saw roughly 6-7% single day drops at the height of the initial selloff. Thomson Reuters dropped a whopping ~16% in a single session, followed by ~13% decline of RELX market cap, and mid- to low-teens drops



Macro Commentary (continued)

for LegalZoom and DocuSign.

These steep declines in turn had a snowball effect on Private Credit and Private Equity markets, which we discuss later in our quarterly report. In short, retail investors got spooked by the repricing of SaaS equities and rushed to request redemptions from private credit funds. Naturally, due to liquidity mismatch, those funds had to activate their gating mechanisms as outlined in their prospectuses. Please see more details in the "Private Credit" case study.

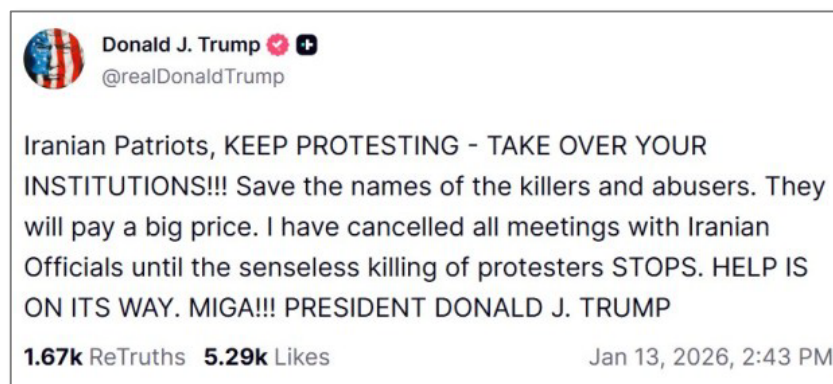
Right before the SaaSocalypse unfolded, Iran had seen the height of its protests. Just before New Year's celebrations at the onset of 2026, massive unrest began in Tehran driven by significant domestic currency depreciation, paired with rising gasoline prices and high food inflation. Demonstrations quickly spread to other cities and university campuses within days, followed by a sequence of events: central bank governor Mohammad Reza Farzin resigned, security forces used tear gas in Tehran, and President Masoud Pezeshkian met business leaders amid mounting anger over economic hardship.

As uprisings continued, the Iranian government escalated the situation and began widespread live fire on January 8th, which continued the following day. Massive casualties were reported by both the official side and the

NGOs; ranging from ~3,000 people (Iranian government) to north of ~36,000 people (international news agencies). On January 13th, President Trump posted on Truth Social: "Iranian Patriots, KEEP PROTESTING – TAKE OVER YOUR INSTITUTIONS!!!... HELP IS ON ITS WAY".

Whether it was much help or not remains to be seen, but Trump did proceed with what he had promised. On February 28th, United States and Israel launched a massive joint military operation targeting Iranian military infrastructure and nuclear assets. They eliminated many of senior government and military officials, including Supreme Leader Ayatollah Ali Khamenei. IRGC retaliated by launching missile and drone attacks against Israel as well as across the Persian Gulf region, including Bahrain, Kuwait, Qatar, and the UAE. More crucially for the global economy and markets, Iran effectively shut down the Strait of Hormuz, severely disrupting the vital transit route for approximately 20% of global seaborne oil.

The sudden de-facto closure of the Strait of Hormuz triggered the largest supply shock in the history of the global oil market. Crude oil prices surged exponentially throughout March as an enormous geopolitical fear premium was priced into the commodity complex. Brent crude briefly spiked to approximately \$120 per barrel during the height of the panic, nearly doubling its price from the start of the year.



Macro Commentary (continued)

This massive energy shock immediately spilled over into global inflation expectations, fundamentally altering the macroeconomic narrative from a "Goldilocks" environment to an acute stagflationary threat. Consequently, consumer sentiment indices deteriorated globally, and long-term inflation forecasts were aggressively revised upward across major economies.

Unlike traditional geopolitical shocks that typically drive capital into safe-haven government bonds, the Iran conflict caused a synchronized selloff in both equities and sovereigns due to soaring inflation fears. Policymakers rapidly shifted from a synchronized easing bias toward a cautious, hawkish holding pattern to combat the threat of stagflation.

The Federal Reserve maintained the federal funds target range at 3.50% to 3.75% during its March meeting. Federal Reserve Chair Jerome Powell acknowledged that the geopolitical conflict introduced significant uncertainty, stressing that the central bank would wait for clearer evidence of sustained disinflation before initiating cuts. Furthermore, the Federal Reserve revised its 2026 growth forecast upward to 2.4% and increased its PCE inflation projection to 2.7%.

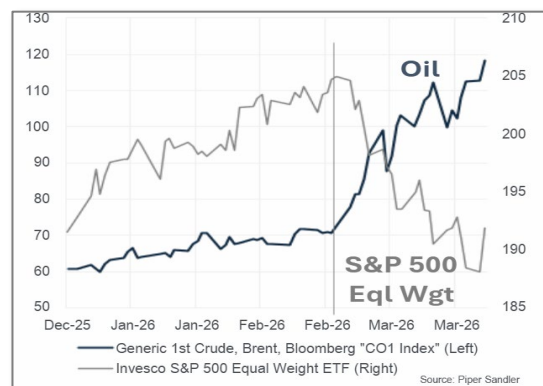
The European Central Bank also maintained its deposit facility rate at 2.0% during its March meeting. President Christine Lagarde warned that the conflict made the

macroeconomic outlook significantly more uncertain, explicitly highlighting upside risks to inflation. Consequently, the European Central Bank raised its 2026 inflation forecast from 1.9% to 2.6% while simultaneously cutting its growth projection to 0.9%.

The Bank of England delivered the sharpest rhetorical pivot among major developed market central banks due to the United Kingdom's high exposure to imported energy. The Monetary Policy Committee voted unanimously (9-0) to hold the Bank Rate at 3.75%, completely erasing the dovish dissent seen earlier in the year. Committee members stated they were "ready to act" as necessary to contain second-round inflation effects.

Global capital flows experienced severe dislocations during the first quarter of 2026 as investors rapidly de-risked portfolios in response to the Middle East conflict and shifting interest rate expectations. North American equity flows collapsed from a December 2025 peak of approximately \$130 billion to highly subdued levels by February.

EPFR data confirmed that March witnessed aggressive net outflows from both European and United States equity markets as the Iran war weighed heavily on global risk sentiment. However, late-quarter data revealed a sharp reversal in favour of domestic assets. United States



Macro Commentary (continued)

equity funds captured \$27.7 billion in a single week in March, driven by the country's relative insulation as a net energy exporter and the strengthening of the United States Dollar.

Beneath the surface, systematic and discretionary managers actively reduced market exposure. Discretionary investors cut their equity exposure to the lowest percentile in nine months, reflecting deep concerns over war escalation, artificial intelligence disruption, and a gloomy growth outlook.

Conversely, the aerospace and defence sector experienced a massive rally as global defence budgets were universally slated for structural increases. Unmanned aerial systems and counter-drone technology firms emerged as primary beneficiaries due to the high consumption of interceptors and drones in the Middle East. Among the most profound structural re-ratings were European defence stocks, whose EV/EBITDA multiple expanded from 5x prior to 2022 to 14x by Q1'26. We believe this is likely due to a combination of factors – overall inflows to global defence names, further supported by cracks showing within the NATO structure and ongoing Russian threat from the East. European politicians are slowly coming to realization the Union needs to be more self-sufficient, and investors seem to believe the funding will follow.

At the time of writing, the US has begun a 'blockade of the blockade' in the straits of Hormuz, clearly designed to influence China who has still been able to purchase Iranian oil. It would be a fool who tried to predict where this goes with any certainty, however our best bet would be that Iranians know that the tipping point for Trump will be gas prices at the pump for US consumers, whilst they are up to 40% higher already, we expect prices to go even higher and for a sustained period of time. This will likely be the point at which large parts of the Republican

party will turn on Trump, and it will be impossible for him to continue the rhetoric that this war has been successful. From our perspective it remains clear that asset prices have lots more downside should matters in the Middle East get worse, but not much upside in the event that there is a messy off-ramp for the US.

Asset Class Review

Fixed Income

Q1 marked a decisive shift in fixed income markets, driven by the speed and scale of yield moves rather than a gradual change in narrative. The “soft landing” consensus at the start of the year was challenged when inflation risks re-emerged, exposing stagflationary concerns.

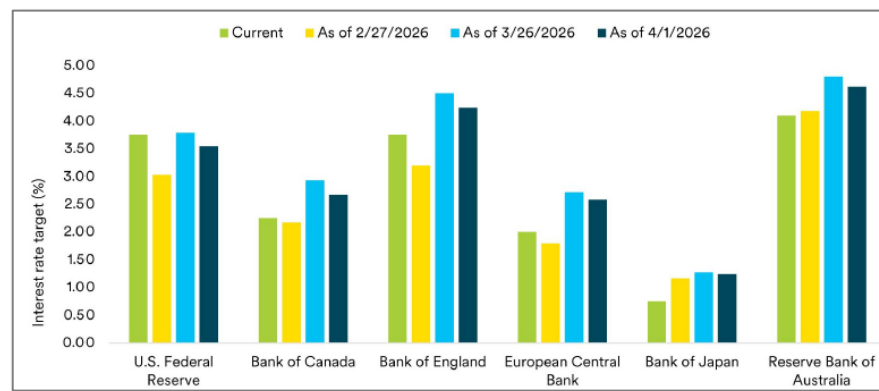
Inflation proved stickier than expected and, critically, more sensitive to energy dynamics. Core PCE in the US remained elevated at around 3% year-on-year, underpinned by resilient labour markets and wage growth. In Europe, rising energy prices pushed inflation expectations higher, with 2026 forecasts moving towards 2.6%. This combination of persistent inflation and weakening growth momentum sharpened concerns that central banks may be constrained in their ability to ease policy.

Central bank messaging shifted accordingly, reinforcing the “higher for longer” rate narrative. The Fed held rates at 3.50%-3.75% range signalling limited scope for cuts, while the ECB maintained its deposit rate at 2.00% and adopted a more explicitly hawkish stance. The BoE held at 3.75% as inflation risks complicated policy outlook.

Markets rapidly repriced the expected path of rates, with cuts pushed further out and terminal rate expectations revised higher.

This repricing drove a sharp and rapid steepening of yield curves. Yields rose aggressively through March as front-end expectations adjusted, and long-end term premia rebuilt. The 10-year US Treasury yield climbed to 4.32%, while the 2-year moved to 3.90%. The pace of this move, rather than the absolute level, was the defining feature of the quarter. German Bund yields rose to around 3.00%, while UK gilt yields approached 5.00% as markets priced a more persistent inflation regime and a slower policy response. The steepening in curves reflected growing concern around fiscal pressures and energy-driven inflation persistence.

By quarter-end, fixed income markets transitioned to a regime characterised by rapid yield adjustments and rising stagflation risks. The key shift was not simply higher yields, but the speed at which markets moved to price a more constrained policy environment, where central banks are forced to balance inflation persistence against weakening growth.



Asset Class Review

Credit

The key development in credit this quarter was the repricing in leveraged loans, which set the tone for the rest of the market. Loans have seen elevated sell-off activity through February and March, driven in part by weakness in software credits and elevated leverage, a disproportionately large driver of market stress, with several large issuers trading down materially pulling indices lower. GoldenTree Asset Management highlights the speed of this move, with the share of loans trading below 90 rising significantly and distressed exchanges becoming more prevalent.

More broadly, the asset class is adjusting to a more challenging fundamental backdrop. Floating-rate structures continue to expose issuers to elevated interest costs, and while top-line growth has held up in parts of the market, interest coverage is deteriorating. Default rates in US loans have risen to the mid-3% range, but more importantly, the pipeline of stressed credits has expanded. This is increasingly visible not just in secondary pricing but also in the behaviour of borrowers, with amend-and-extend activity and liability management exercises picking up.

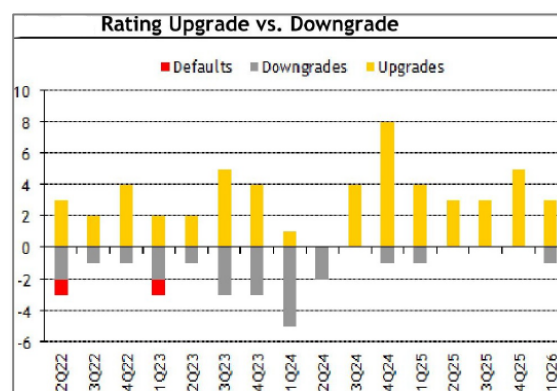
The shift in loans has had knock-on effects across CLOs, seeing spreads widen as collateral values declined. However, this widening is better understood as a

transmission mechanism rather than the root cause of weakness. Liability spreads moved out, particularly in mezzanine tranches, while the proportion of underlying collateral trading above par fell sharply over the quarter. The market remains functional but clearing levels have adjusted higher and investor selectivity has increased.

An additional dynamic worth highlighting is the behaviour of BDCs, as large holders of middle-market loans, have begun to reflect similar pressures through declining NAVs and wider trading discounts. Credit quality trends are softening, and the market is starting to price in a more adverse forward environment for directly originated loans.

Against this backdrop, broader credit spreads also moved wider, though in a more orderly fashion. High yield repriced alongside loans, while investment grade saw only modest weakness. Primary markets have remained open, but investors are demanding higher yields and stronger structures, particularly in leveraged finance.

Overall, the quarter marks a clear inflection point led by loans. What began as sector-specific weakness, has broadened into a more general repricing of leveraged credit risk. Conditions remain far from distressed, but the market is transitioning away from the unusually benign environment of recent years.



Asset Class Review

Equities

Q1 across equity markets was unusually volatile, with the most notable development being the sell-off in SaaS and broader underperformance of mega-cap tech stocks, which had dominated returns into year-end of 2025. Positioning in this sector had become stretched, with modest changes in expectations triggering disproportionate downward moves.

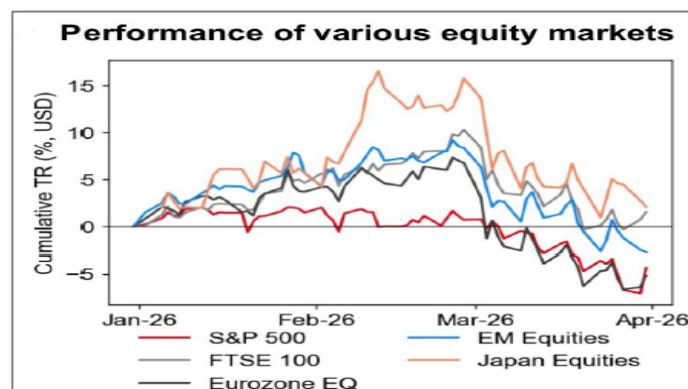
Energy equities were a key area of relative strength throughout the quarter. Initially supported by structural demand linked to AI infrastructure and electrification themes, they later benefited from the sharp move in oil prices following geopolitical developments. Unlike previous cycles, ownership in the sector remained relatively light, which amplified the incremental inflows.

Flow dynamics more broadly played a central role in shaping outcomes. Systematic and passive strategies exacerbated moves, contributing to increased dispersion across sectors and regions. The shift in ownership, away from concentrated growth exposures toward more balanced and cyclical allocations, became a defining feature of the period.

These dynamics impact Asian markets, with the continent seeing an exceptionally strong start in equities which subsequently reversed. Flows into the region accelerated in January, driven by a combination of improving domestic narratives and relative valuation appeal versus developed markets. This strength proved fragile following the geopolitical tensions in the Middle East, with March seeing ~\$67bn exit Asia excluding China, marking the largest monthly outflow on record for the region. In India specifically, foreign portfolio investors offloaded a record \$12.7bn in March, reversing the highest monthly inflow seen in 17 months during February.

Companies with longer-duration cash flows and higher reliance on subscription growth were particularly impacted, while areas with clearer near-term earnings visibility held up better. The heavy index weight of tech stocks meant that even modest declines had a significant impact on broader benchmarks.

By quarter-end, the equity landscape had changed materially, with returns increasingly driven by positioning, flows, and ownership rather than broad directional trends.



Asset Class Review

Absolute Return

Q1 was a challenging environment for absolute return strategies, defined by a sharp reversal in the macro narrative and rising dispersion across asset classes. While hedge fund assets exceeded \$5tn, the more significant shift was toward manager-specific alpha, which reached its highest level in over a decade. Volatility, policy divergence, and geopolitical shocks disrupted broad market trends, creating a more favourable backdrop for active management.

Performance dispersion widened significantly across strategies. Global macro funds benefited most, capturing opportunities in policy divergence, currencies, and commodities, though some were wrong-footed on European rates. Long/short equity results were mixed but improved as dispersion increased, allowing managers to exploit stock-specific opportunities despite earlier headwinds from concentrated technology exposure. Net exposure remained cautious at around 54%. However, the escalation of conflict in the Middle East caused huge swings in nearly all core assets of macro funds. Most managers had to cut risk due to the leverage they run and failed to capitalise on the price movements in March.

Systematic strategies also struggled with sharp momentum reversals, leading to significant whipsaw and a \$55bn equity sell-off in March as funds shifted to being significantly underweight. Market neutral strategies performed more consistently, benefiting from higher

single-stock dispersion. Event-driven strategies stood out, supported by a strong rebound in M&A, with North American deal volumes up (in USD value) >130% year-on-year. Credit strategies were more muted due to tight spreads, though stress began to emerge, particularly in private credit, where a \$162 billion maturity wall and potential default rates near 15% highlighted growing risks.

Industry positioning reflected cautious opportunism. While overall exposures were stable, managers rotated into energy, financials, and defensives, reducing consumer and communication exposure. Crowded tech and Treasury basis trades began to unwind, whilst derivative usage remained elevated as hedging demand persisted.

Investor preferences continued to shift toward diversification, with 68% prioritizing uncorrelated returns, while demand for outright returns declined. Capital flows remained selective, favouring multi-strategy and quantitative funds over private credit.

Looking ahead, elevated volatility driven by geopolitical risk, reflation, and tighter policy is expected to persist. While this raises risks around liquidity and credit, it also strengthens the case for active management, with returns increasingly dependent on manager skill and concentrated in macro, relative value, and event-driven opportunities rather than broad market direction.

Asset Class Review

Commodities - Oil

Oil markets shifted from a position of oversupply to acute geopolitical risk. Early in the quarter, strong non-OPEC production, led by the United States and key Atlantic basin producers, kept Brent anchored above \$60 per barrel despite subdued demand. This balance was overturned by the Middle East conflict, which effectively disrupted flows through the Strait of Hormuz and forced a repricing of oil as a security-sensitive asset rather than a purely cyclical one. Prices surged above \$100 per barrel, briefly approaching \$120, as the market moved to reflect constrained physical availability and heightened uncertainty around supply continuity.

While inventories remain ample in many countries, the disruption has exposed an accessibility vulnerability in the global oil system, with rerouted trade flows and constrained refining capacity limiting both commercial and strategic reserves to offset supply shocks. At the same time, supply responsiveness has remained muted, with U.S. shale producers keeping output neutral despite higher prices while OPEC+ has maintained a cautious stance, reinforcing a near-term deficit and sustaining elevated prices.

Looking ahead, in the absence of a ceasefire, the implications extend well beyond the oil market itself. A prolonged disruption would entrench higher energy, with downstream effects most pronounced across energy-importing regions, particularly Europe and Asia. Sustained high oil and gas prices risk further eroding competitiveness on the continent, deepening deindustrialisation pressures, and complicating the path

to disinflation. Policymakers may be forced to balance renewed inflationary pressures against fragile growth, limiting the scope for monetary easing and prolonging economic stagnation.

In Asia, major importers such as India and Japan face higher energy costs feeding into inflation and current account pressures. China, while more insulated due to diversified supply and strategic stockpiling, would still face margin compression in its industrial base and weaker external demand if global growth slows. Across the region, elevated oil prices also increase fiscal strain, particularly where governments subsidise fuel consumption, potentially constraining policy flexibility.

More broadly, a sustained period of disruption would reinforce structural shifts in global energy flows. Trade routes are likely to become longer and less efficient, increasing transportation costs and embedding a higher baseline for oil prices. Strategic stockpiling behaviour may intensify, further tightening prompt markets, while geopolitical alignment could play a larger role in determining energy access. The net effect is a more fragmented and less efficient global energy system, with higher embedded risk premia.

In this context, oil is likely to remain supported at elevated levels, not solely due to physical scarcity but due to persistent geopolitical risk. The key dynamic is the reliability and security of the supply, which is an uncertainty that, if prolonged, has meaningful implications for global growth, inflation, and policy across both developed and emerging markets.

Asset Class Review

Commodities – Ex-Oil

Commodities, like most other assets in Q1, were caught up in a pretty unsettled macro environment. Tensions in the Middle East picked up, and the U.S. brought in a wide range of tariffs, which ended up disrupting trade, supply chains, and expectations around inflation. Investors leant into real assets; especially commodities as a way to hedge against inflation and preserve value while policy direction remained unclear.

Gold emerged as the primary beneficiary of this shift, breaking above \$5,000 per troy ounce. The move was underpinned by sustained central bank accumulation and strong institutional demand for non-sovereign stores of value, reinforcing gold’s role as the clearest expression of risk aversion in a fragmented global system. While silver also rallied sharply to \$121 per troy ounce, supported by a structural deficit of roughly 120 million ounces and growing industrial demand, gold remained the dominant macro hedge.

Elsewhere, commodity markets reflected a mix of supply disruption and uneven demand. Copper reached a record over \$13,500 per tonne, driven by constrained mine supply and rising consumption linked to electrification and artificial intelligence infrastructure. Aluminum markets tightened as Middle Eastern smelter disruptions

removed ~9% of global capacity, while export controls in China and quota systems in countries such as the DR Congo reinforced broader supply rigidity.

Agricultural markets were comparatively balanced, with record wheat and corn production weighing on grain prices. However, fertilizer disruptions, removing around 30% of global urea exports and pushing prices above \$660 per tonne, introduced input cost volatility. Bulk materials diverged, with metallurgical coal supported by supply constraints, while iron ore remained capped near \$105 per tonne due to continued weakness in Chinese real estate.

Across asset classes, the dominant theme was increasingly inelastic supply rather than broad-based demand strength. Shipping disruptions extended transit times and reduced effective capacity, while export restrictions further constrained availability. At the same time, demand showed signs of stabilization, particularly in manufacturing and technology-driven sectors.

Looking ahead, volatility is likely to persist. While tighter monetary policy may weigh on cyclical demand, structural and geopolitical forces continue to support commodities, most notably gold, which remains uniquely positioned at the intersection of macro uncertainty, monetary instability, and sustained official demand.



Asset Class Review

Private Equity

Q1 2026 marked a clear rebound in private equity, with global M&A reaching \$438 billion, up 155% year-on-year and the strongest level in five years. However, the recovery was highly concentrated, with just twelve deals exceeding \$10 billion, most of which were in the AI space, highlighting a market driven by large-cap transactions, while mid-market activity remained relatively subdued.

The defining feature of the quarter was the surge in capital flowing into artificial intelligence. A series of multi-billion-dollar “mega rounds” into AI companies and infrastructure accounted for a disproportionate share of activity, making up roughly 90% of US tech investment. These financings targeted model developers, data centre buildouts, and compute platforms, all of which require significantly more capital than traditional software businesses.

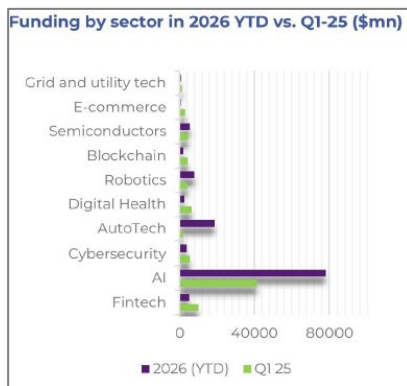
The scale of these rounds reflects both the capital intensity of AI and a strong conviction that a small number of category leaders will dominate the market. Investors are increasingly willing to deploy large amounts upfront to secure exposure, and deal structures are

evolving accordingly, with more buyout and hybrid approaches being used alongside traditional growth equity.

This concentration is also evident in fundraising. The largest managers continue to capture the majority of capital, with the top ten funds expected to raise over 40% of total inflows, positioning them to lead these AI mega rounds. Smaller and mid-sized firms are facing longer fundraising cycles and more limited access to deals of this scale.

Despite the pickup in deal activity, liquidity remains constrained. Exit values improved to around \$717 billion, but volumes are still low, leaving a backlog of roughly 32,000 unsold companies valued at \$3.8 trillion. Holding periods have stretched to about seven years, and many firms are turning to secondaries and continuation vehicles to return capital while maintaining exposure to high-growth assets, particularly in AI.

Overall, the market is recovering, but unevenly. A small number of very large AI-driven transactions are accounting for a significant share of activity, and access to these mega rounds is increasingly shaping performance across the asset class.



Case Study – Soft Commodities

There are moments in markets when a theme shifts from interesting to unavoidable. Soft commodities appear to be crossing that line, not because of a single catalyst, but due to a convergence of pressures that are increasingly difficult to reverse.

What stands out is the fragility of the global agricultural system beneath the surface. For years, it relied on abundant inputs, stable trade flows, and predictable costs. That foundation is now being challenged. Disruptions in fertilizer markets, driven by geopolitical tensions and concentrated supply, have exposed how dependent crop production is on a narrow set of regions and inputs. When the Strait of Hormuz effectively seized up, it wasn't just a logistical issue; it triggered a structural shock. Fertilizer availability tightened almost immediately, with prices jumping roughly 50% in weeks.

Treating this as temporary misses the more important dynamic: how farmers respond. Agriculture is inherently inflexible in the short term. Faced with higher input costs, farmers adjust, reducing fertilizer use, switching crops, or delaying purchases. Because yields are highly sensitive to these inputs, even modest reductions can lead to disproportionately large declines in output. The relationship is nonlinear, and that's where pressure builds.

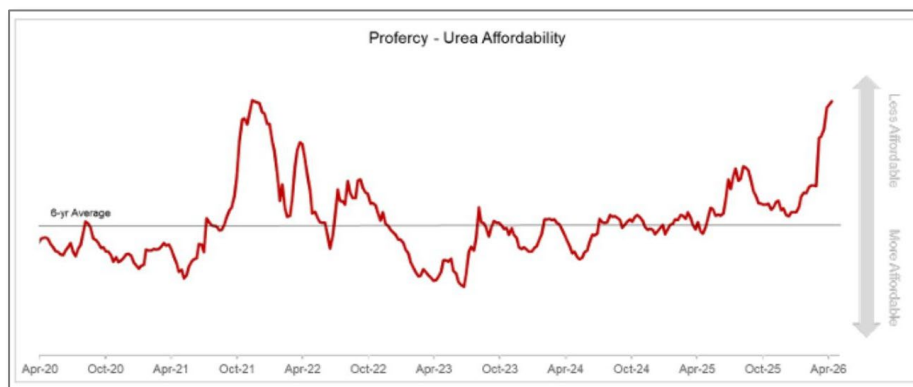
Energy markets are reinforcing rather than offsetting the

issue. Agriculture is deeply energy-intensive: natural gas underpins fertilizer production, diesel fuels machinery and transport, and oil prices affect logistics across the chain. As energy prices rise, farming doesn't just become marginally more expensive, it becomes structurally costlier at every stage. With natural gas dominating ammonia costs and diesel prices climbing, the entire cost base is shifting upward.

These forces don't operate in isolation, they create a feedback loop. Higher energy prices raise fertilizer costs; higher fertilizer costs reduce usage; lower usage reduces yields; reduced yields tighten supply; tighter supply pushes prices higher. Once in motion, this chain tends to persist because each link reinforces the next.

Commodity markets are beginning to reflect this. Prices for wheat, corn, soybeans, and sugar are moving higher, but not in a way that suggests exhaustion. If anything, the market is still absorbing upstream pressures. The lag between rising input costs and final food prices implies that much of the adjustment is still ahead, historically, this is where more sustained moves develop.

The broader macro backdrop adds weight. After years of subdued inflation and financial asset dominance, real assets are regaining relevance. Commodities tied to essential demand, like food, are increasingly attractive as inflation hedges, and institutional allocations are starting



Case Study – Soft Commodities (Continued)

to reflect that shift.

None of this implies a smooth trajectory. Soft commodities remain volatile, weather, policy, and localized supply shifts can disrupt the narrative. Coffee and cocoa have already demonstrated how quickly conditions can change. There will be false starts and corrections.

But zooming out, the direction matters more than the noise. The system is under strain, and those pressures are not easily resolved. Fertilizer supply can't be rebuilt quickly, energy costs are unlikely to revert sustainably, and farmer behavior unfolds over multiple planting cycles.

From an investment standpoint, the implication is less about predicting specific crop prices and more about recognizing a broader repricing. Supply constraints, rising input costs, and structural dependencies are all aligned.

That raises the question of implementation. Targeting individual commodities or upstream equities introduces precision risk in a complex, path-dependent system. A more robust approach is to own the broader agricultural complex itself.

That points to the Invesco DB Agriculture ETF. It offers diversified exposure across key agricultural commodities, capturing the shared drivers, tightening supply and rising costs, while mitigating single-crop volatility.

In an environment defined by interconnected risks and delayed feedback loops, broad exposure is a feature, not a compromise. Rather than trying to outmaneuver the system, it aligns with it.

The opportunity in soft commodities is real, but diffuse. It spans crops, regions, and supply chains. Isolating the single best trade risks missing the structural shift underway.

The more coherent approach is to recognize that shift, and own the theme as a whole.

This presentation has been prepared by Altus Investment Management Limited (Altus) and contains general background information about the company's activities at the date of this presentation. The information in this presentation is provided in summary form only and does not purport to be complete. This presentation does not contain all the information that is or may be material to investors or potential investors and should not be considered as advice or a recommendation to investors or potential investors in respect of the holding, purchasing or selling of securities or other financial instruments and does not take into account any investor's particular objectives, financial situation or needs.

This presentation and its contents are confidential and proprietary to Altus, and no part of it or its subject matter may be reproduced, redistributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person or published in whole or in part for any purpose without the prior written consent of Altus. If this presentation has been received in error, it must be returned immediately to Altus. The communication of this presentation may be restricted by law; it is not intended for distribution to, or use by any person in, any jurisdiction where such distribution or use would be contrary to local law or regulation.

No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the presentation and the information contained in it and no reliance should be placed on it. Information in this presentation (including market data and statistical information) has been obtained from various sources (including third party sources) and Altus does not guarantee the accuracy or completeness of such information. All projections, valuations and statistical analyses are provided for information purposes only; they may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and to the extent they are based on historical information, any they should not be relied upon as an accurate prediction of future performance.

Any financial data in this presentation is solely for your information, as background to Altus and may not be relied upon for the purpose of entering into any transaction whatsoever. The financial information set out in this presentation is based on certain important assumptions and adjustments and does not purport to represent what our results of operations are on an audited basis. No representation is made as to the reasonableness of the assumptions made in this presentation or the accuracy or completeness of any modelling, scenario analysis or back-testing.

The information in this presentation is not intended to predict actual results and no assurances are given in this respect. Altus, its Directors, connected persons or any other person accepts no liability whatsoever for any loss howsoever arising, directly or indirectly, from this presentation or its contents. All information, opinions and estimates are subject to change without notice.

24 Grosvenor Street, London W1K 4QN

T | +44 (0)20 7183 1200

E | contact@altusinvestment.com

W | altusinvestment.com

ALTUS
I N V E S T M E N T