NORMAN K.

MONTHLY NEWSLETTER – February 2026

Jean-Philippe PETIT
Founder – CIO

"January was marked by a moderate increase in volatility, against a backdrop of heightened geopolitical tensions (US–Venezuela–Greenland), without undermining investors' overall risk appetite. Global equities advanced, supported by better-than-expected macroeconomic data. The earnings season has also started on a solid footing, initially driven by technology stocks but increasingly benefiting a broader range of sectors.

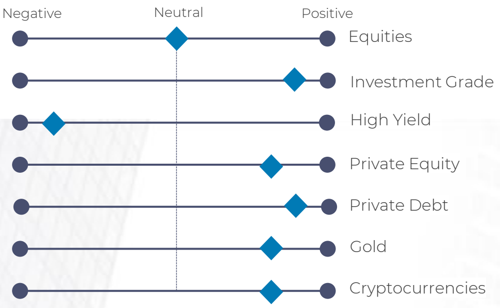
Within equity markets, the dominant theme in January was the broadening of performance, with positive momentum extending beyond large-cap stocks to small caps, emerging markets and the Japanese market. Commodities enjoyed a strong start to the year, supported by higher energy prices linked to weather conditions and geopolitical risks.

In this environment, assets perceived as geopolitical hedges reacted strongly, with gold gaining more than 10%. In response to these risks, European defence stocks also recorded a significant increase.

In fixed income markets, improving growth prospects combined with persistent concerns over public deficits weighed on bond prices. US Treasury yields moved higher, particularly at the short end of the curve, as investors pushed back expectations for Federal Reserve rate cuts. In Japan, government bonds experienced their worst start to the year since 1994, amid fiscal concerns, leading to a sharp steepening of the yield curve and a depreciation of the yen.

As highlighted in our previous edition, the global economy is undergoing a transition towards a multi-bloc model (United States, China, Russia and Europe), with each region seeking greater autonomy. This environment reinforces the need for diversification across geographies, currencies and commodities."

OUR MARKET VIEWS



POTENTIAL MARKET CATALYST

- Strong macroeconomic data
- Abundant liquidity in financial market
- Positive corporate earnings
- Contained geopolitical risks

KEY INDICATORS

Equities (%)	Level	Dec. 25	Jan. 2026
S&P 500	6 939	-0.05	**1.37**
Nasdaq 100	25 552	-0.73	**1.20**
Eurostoxx 50	5 948	2.17	**2.70**
FTSE 100	10 224	2.17	**2.94**
China SI 300	4 706	2.28	**1.65**
Emerging markets	1 528	2.74	**8.81**

Bonds (rate spreads)	Level	Dec. 25	Jan 2026
		Spread change level	
10 year government bonds			
US	4,24	0,15	**0,07**
Europe	2,84	0,17	**-0,01**
Corporate – 5 years spread (change level)			
Investment Grade US	49,40	-1,11	**-0,61**
Investment Grade Europe	92,67	-1,87	**1,42**
High Yield US	296,24	-5,98	**-20,26**
High Yield Europe	247,32	-11,28	**3,08**

Currencies (%)	Level	Dec. 25	Jan. 2026
EUR / USD	1.1851	1.3	**0.89**
GPB / USD	1.3686	1.8	**1.57**
CHF / USD	1.2936	1.4	**2.54**

Commodities (%)	Level	Dec. 25	Jan. 2026
Gold	4,894	1.9	**13.31**
Brent	71	-3.7	**16.17**
Copper	592	7.8	**4.26**
Aluminium	3,129	4.4	**5.04**

Volatility	Level	November	2025
Euro Stoxx 50	19.99	-14.0	**35.84**
Nasdaq 100	17.44	-8.6	**16.66**

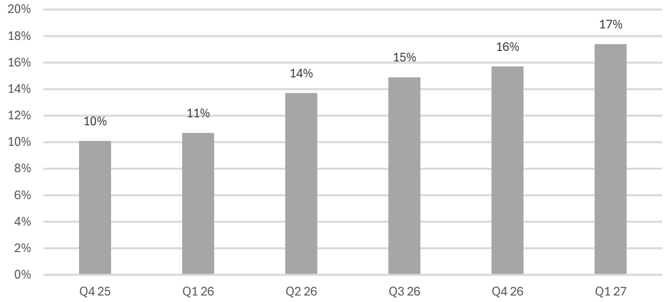
Cryptos (%)	Level	November	2025
Bitcoin	78,197	-3.9	**-10.78**
Etherum	2,418	-1.5	**-18.81**

Sources: Bloomberg, Norman K. - Data as of January 30, 2025. Past performance is not a reliable indication of future performance. Non-contractual information.

CHART OF THE MONTH

SOLID EARNINGS ESTIMATES FOR 2026 ET 2027

S&P 500 Earnings Growth Estimates



Source: FactSet.
Past performance is not indicative of future results.

January: Markets begin the year on a positive note amid geopolitical tensions

In January, US **economic data** came in **stronger than expected**, supported by resilient consumer spending, continued momentum around artificial intelligence, and solid corporate earnings. While the labour market is showing early signs of softening and tariffs are weighing on activity, economic growth is expected to **remain positive** in the near term. **Inflation**, particularly in light of the impact of tariffs, will remain a **key focus for the Federal Reserve**, as it continues to run above the Fed's target. The Federal Reserve is therefore expected to keep policy **rates unchanged** at upcoming meetings, with a **potential shift towards lower rates** later in the year, possibly following the appointment of Jerome **Powell's successor** in May.

Geopolitical risks resurfaced following the US intervention in Venezuela, although the market impact has remained contained, given Venezuela's relatively limited share of global oil production.

In **Europe**, **fiscal stimulus measures** and a renewed **focus on strategic autonomy** from the United States could create investment **opportunities**, particularly if China stabilises its economy through targeted policy measures that may support domestic consumption and a recovery in European tourism. On the monetary policy front, the **ECB** is **unlikely to cut rates**, as inflation has reached its target, although the **strength of the euro raises concerns** about potential headwinds for **export-oriented economies**.

On both sides of the Atlantic, **first-quarter corporate earnings** are expected to **underpin investor sentiment**, with earnings growth forecasts being revised higher for each quarter ahead.

In fixed income markets, stronger growth expectations and ongoing fiscal concerns put upward **pressure on yields**. US Treasury yields rose as investors delayed expectations for Federal Reserve rate cuts. In Japan, government bonds recorded their weakest start to the year since 1994, driven by fiscal concerns, resulting in a steeper yield curve and a weaker yen.

NK VIEWS

Corporate earnings should continue to **drive markets**, although **elevated valuations and concentration** risks linked to AI call for caution and diversification. Caution is warranted regarding **geopolitical risks**, (Latin America, Greenland, tariffs threats) particularly ahead of the upcoming **US midterm elections**.

In this environment, our positioning remains balanced and selective. Within equities, we **remain neutral and favour diversification** beyond US mega-cap technology. The global economy is moving towards a **multi-bloc structure**, calling for **greater diversification across regions and currencies**, including **gold**. In fixed income, we continue to favour **investment-grade bonds** in both the US and Europe, which offer an attractive risk-adjusted return profile. We integrate **private debt** into our portfolios as a substitute for high-yield exposure, focusing on carefully selected deals.

Private markets play an important role in portfolio diversification and decorrelation, while **gold** remains a **strategic hedge**. **Cryptocurrencies** are approached selectively, given their high volatility.

RISKS AND OPPORTUNITIES

AI bubble risk and potential market and market concentration

- In-depth analysis and selectivity
- Focus on assets with reasonable valuations

Geopolitical uncertainty & Midterm elections in the US

- Anticipate impacts on portfolios
- Currency diversification

Inflation risks & interest rate policies

- Alternative investments
- Pre-IPO segment / private debt
- Real estate opportunities

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LOCATIONS