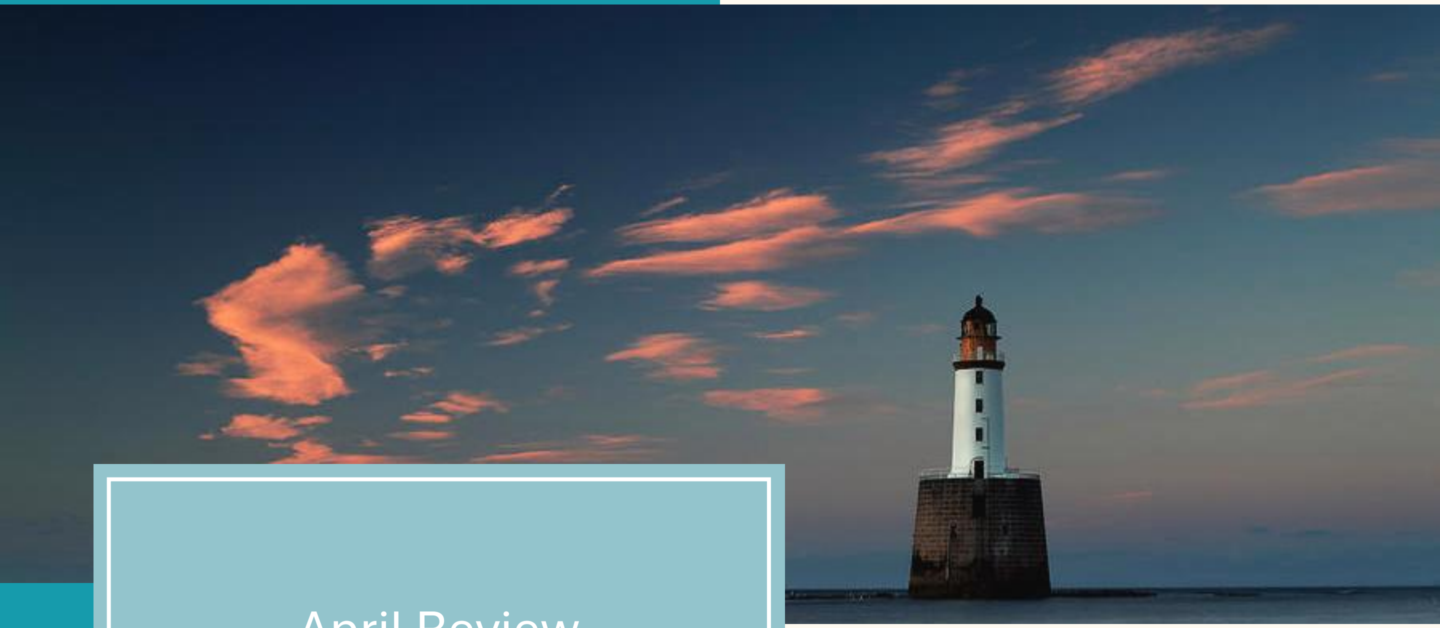
SGM CAPITAL

MONTHLY UPDATES

APRIL 2026



April Review

A summary of key events and market trends during the month of April

Stalemate in the Middle East

After a severe kinetic campaign over Iran the recent ‘peace talks’ and ceasefire have seen military activity take a back seat

Seemingly diametrically opposed negotiating positions will not be closed rapidly

The price of oil continues to trade high and availability continues to be a concern

HIGHLIGHTS

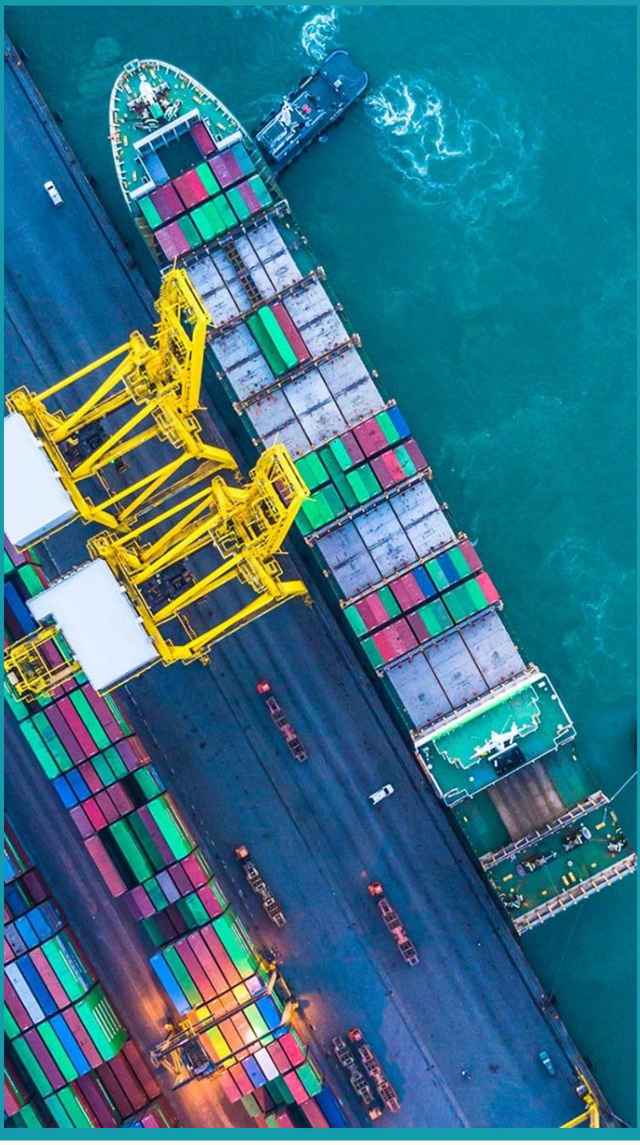
1. Among these headlines US equity markets and especially Tech sector names that continue display strong growth have scaled new all-time highs.

2. The demand for high end compute and with it all ancillary chips and power requirements supports growth at firms that can deliver into this reality.

3. The earnings season is just getting into gear but the early announcements that we have seen confirm our belief that the juggernaut of the Tech / AI theme is nowhere near being fully played out.

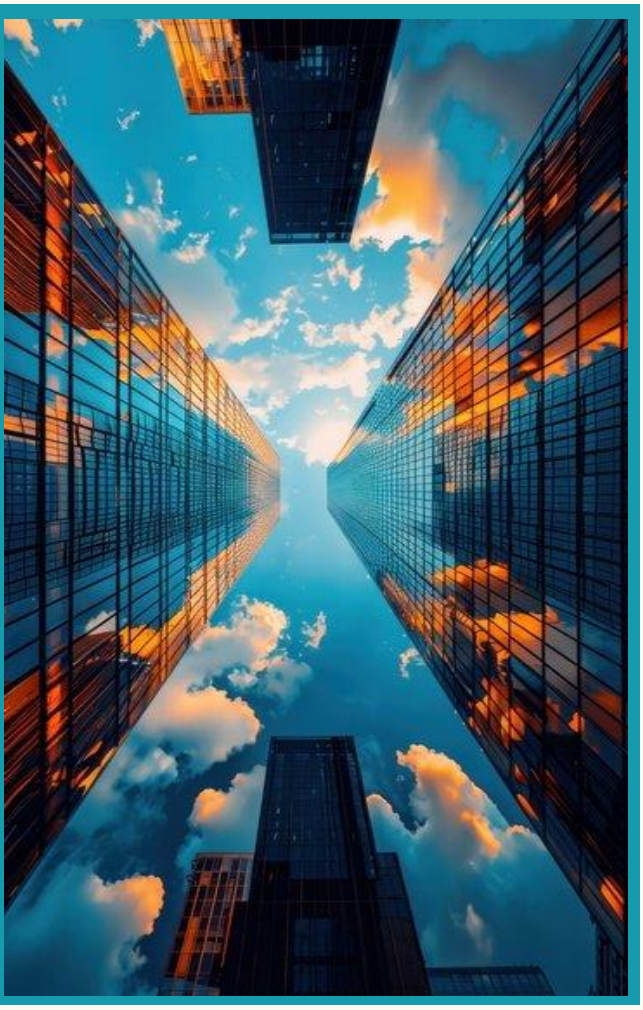
4. While the Volatility Index (VIX) spiked through most of March it has since settled down below the pivot level of 20 which indicates a lesser need to hedge extended positions and is usually a sign that the downside is floored in the short term.

Global Markets Update



- **Big Tech earnings reinforce the AI capex cycle**
  April's hyperscaler earnings broadly supported the view that AI demand is translating into real cloud growth, not just narrative momentum. Amazon, Alphabet, Microsoft, and Meta all remained committed to very large AI infrastructure programs, with combined 2026 capex estimates around $600–650 billion. The key investment message is that AI is now a full-scale industrial buildout: data centers, accelerators, networking, memory, power, and cooling. The near-term tension remains free cash flow pressure, but the revenue signal from cloud and AI workloads is strong enough that management teams are still leaning in rather than slowing down.

- **Software stocks weaken as AI disruption fears intensify**
  April also showed a sharper divide between AI infrastructure winners and traditional software names. Software stocks sold off after IBM and ServiceNow results reignited concerns that AI could compress software pricing, reduce seat-based demand, or change how enterprise workflows are automated. IBM's software growth slowed, including pressure around Red Hat, while broader software multiples were hit by the fear that some applications may become features inside larger AI platforms rather than durable standalone products. This does not mean software is broadly impaired, but it does suggest investors are becoming more selective: mission-critical platforms should hold up better than workflow tools with weak differentiation.

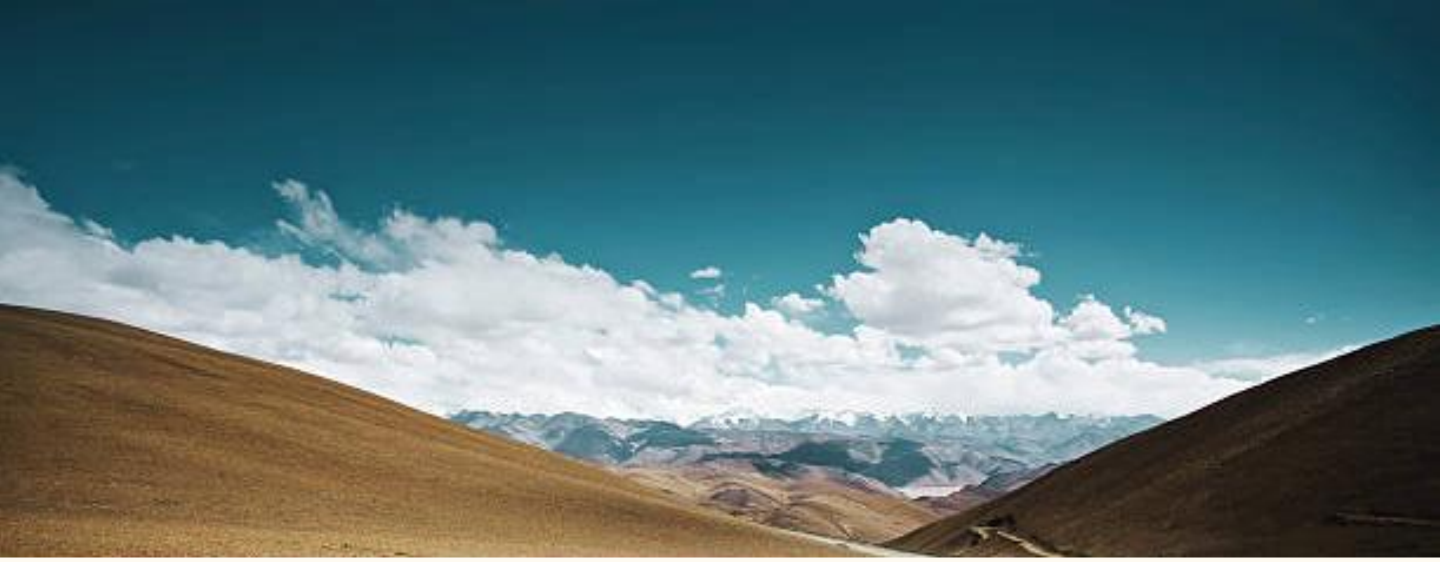


- **Nvidia extends AI leadership into quantum computing**
  Nvidia's April launch of Ising, a family of open AI models for quantum computing development, was strategically important. The models are designed to help with quantum processor calibration and error-correction decoding, two major bottlenecks in the path toward more useful quantum systems. This is not a near-term quantum revenue story; it is more about Nvidia positioning itself as the compute and software layer across emerging scientific computing domains. The broader point is that Nvidia is not only selling GPUs into today's AI cycle, but also trying to become the default infrastructure partner for future compute paradigms.

- **Kevin Warsh clears key hurdle toward Fed chair confirmation**
  Kevin Warsh moved closer to becoming the next Federal Reserve Chair after the Senate Banking Committee advanced his nomination on April 29. Full Senate confirmation was still pending, but the committee vote was an important procedural step. For markets, the significance is twofold. First, Warsh is viewed as more open to reforming Fed communications and balance-sheet policy than Chair Powell. Second, his nomination comes amid heightened debate about central-bank independence, especially given President Trump's public preference for lower rates. Clients should expect markets to focus closely on any shift in Fed reaction function, inflation tolerance, and rate-cut timing.

Key markets

Index	Month to Date (%)	Year to Date (%)
Topix	6.56	9.34
Hang Seng China Enterprises	3.67	-2.60
Dax	7.11	-0.81
Euro Stoxx 50	5.60	1.56
S&P 500	10.42	5.31
Dow Jones	7.14	3.31
Nasdaq 100	15.64	8.72
US 10 Year Treasury	1.25	4.89
Bloomberg Barclays Global Corporate Bond Index	1.25	0.16
Bloomberg Barclays Global Corporate Bond High Yield Index	2.58	1.23
EUR USD	1.54	-0.13
USD JPY	-1.34	-0.08
Gold	-1.08	6.91
MSCI WORLD	9.45	5.20



SGMC Forward Views Highlights

SGMC Forward Views						
Asset Class	**Avoid**	**Reduce**	**Hold**	**Add On**	**High Convinction**	**Notes**
Equities						
US Equities						We see opportunities in the market within our preferred indsustries after the recent correctios,even though these come with a heightened level of volatility
EU Equities						European equities are likely to continue being under pressure due to the energy supply and price shock due to Middle Eastern conflict. We remain netural at the moment mostly due to the cheaper valuations after the strong declines
Chinese Equities						Cheap in relative and absolute terms, a catalyst is required to meaningfully move and maintain valuations higher
Emerging Market Equities						We remain positive on the area but exteremely selective. Our top picks include **India, Indonesia and Brazil**.
Bonds						
High Yield						Happy to continue selectively adding to lock in yields but only with short duration
Investment Grade						Inflationary shocks and rising inflation expectations due to Middle Eastern conflict will weigh on longer dated corporate bonds. The still relatively tight credit spreads do not offe much cushion either - we downgrade and advise to reduce duration across portfolios
Government Bonds						While most developed Central Banks are not in a rush to raise rates, inlfationary shocks due to the Middle Eastern conflict put dupward pressures on rates
FX & Alternative Asset Classes						
US Dollar Index						Rangebound trading likely to continue in the short term with peaks in voaltility linked to headlines risk
Commodities						The Iran conflict is likely to have an inflationary effect on commodities, both due to a lower supply and harder and more expensive transportation of them
Private Equity / Hedge Funds						We remain relatively underweight this sector
Real Estate						We see good potential for this sector over the coming months
Collectibles						Uncorrelated with markets

- No changes to our forward views this month

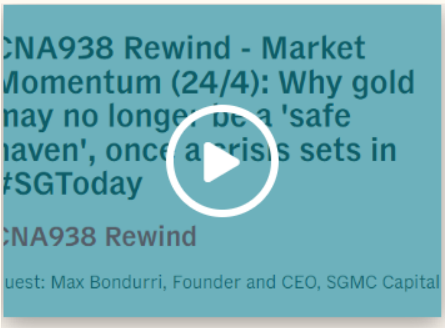
SGMC Media

IN A RECENT BLOOMBERG ARTICLE, OUR CEO, MASSIMILIA...

April 15, 2026 | Bloomberg

ON RTHK'S MONEY TALK PODCAST, MASSIMILIANO BONDURR...

April 16, 2026 | RTHK Money Talk podcast



TUNE IN TO CNA938 REWIND RADIO, WHERE OUR CEO DISC...

April 24, 2026 | Channel News Asia

SGMC Capital Funds update

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