Q2 | April - June 2026

Market Review & Outlook

US & TT Perspectives

ANSA
WEALTH MANAGEMENT

Navigating Economic Dynamism by Anchoring on Quality

The U.S. economy demonstrated continued resilience throughout the second quarter of 2026, despite persistent uncertainty surrounding inflation, monetary policy, and geopolitical developments. Economic growth remained positive, supported by a stable labour market, healthy consumer activity, and continued corporate investment, particularly within areas linked to artificial intelligence and digital infrastructure. Following a softer start to the year, economic activity showed signs of stabilization during the quarter. Real GDP growth was estimated at approximately 2.22% annualized, reflecting continued consumer spending and a recovery in business investment. While the pace of expansion has moderated relative to prior years, the economy has continued to avoid a more meaningful slowdown despite the cumulative impact of higher interest rates.

ECONOMIC INDICATORS

	Q3 2025$_{A}$	Q4 2025$_{A}$	Q1 2026$_{A}$	Q2 2026$_{P}$	CY 2025$_{A}$	CY 2026$_{P}$
Real GDP (YoY%)	2.30	2.00	2.70	2.22	2.10	2.10
CPI (YoY%)	2.90	2.70	2.70	3.90	2.70	3.40
Housing Starts ('000s monthly avg.)	1,347	1,323	1,418	1,378	1,356	1,379
Unemployment (%)	4.30	4.50	4.30	4.30	4.30	4.30
Interest Rate - Fed Res. (%)	4.25	3.75	3.75	3.75	3.75	3.74

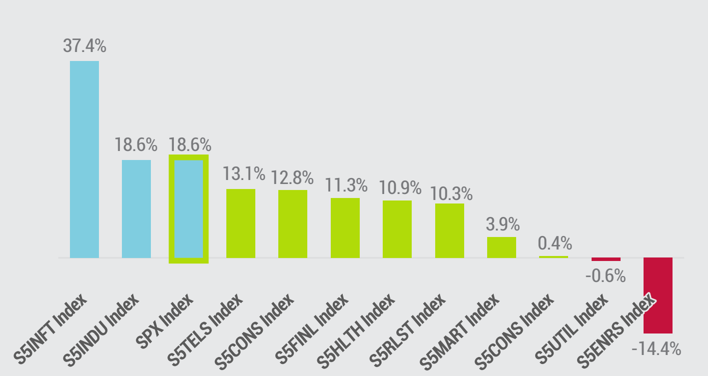
(A) Actual (P) Preliminary (F) Forecast

Inflation remained a key focus for policymakers and investors. Headline CPI moderated to approximately 2.7% year-over- year, while core inflation remained more persistent at approximately 2.9%, highlighting that the final phase of returning inflation toward the Federal Reserve's target remains challenging. Services inflation, wage pressures, and renewed volatility in energy markets continued to represent potential risks to the inflation outlook. The labour market remained a significant source of economic support. The unemployment rate averaged approximately 4.3% during the quarter, remaining low by historical standards, while job creation continued at a healthy pace. Although hiring conditions have gradually normalized from the exceptionally strong levels seen in prior years, employment data continued to suggest underlying economic momentum remained intact.

The resilience of the labour market, combined with inflation remaining above target, reduced expectations for near-term monetary easing. The Federal Reserve maintained the Federal Funds target range at 3.50%–3.75% throughout the quarter, emphasizing a patient approach as policymakers assessed whether inflation pressures were sustainably returning toward target. Notably, the combination of steady growth and firm employment conditions suggested the threshold for aggressive rate cuts remained relatively high.

Housing activity continued to face challenges from elevated borrowing costs. Mortgage rates remained above pre- pandemic levels, weighing on affordability and transaction activity. Housing starts averaged approximately 1.35–1.40 million annualized units, supported by limited housing supply but constrained by higher financing costs.

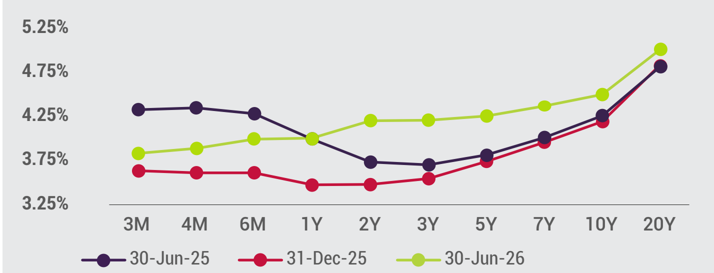
TOTAL RETURN Q2 2026 BY SECTOR: S&P 500



Equity markets rebounded strongly during the second quarter following the volatility experienced earlier in the year. Improving earnings expectations, resilient economic data, and renewed enthusiasm surrounding artificial intelligence contributed to stronger investor sentiment. The S&P 500 advanced approximately 10% during the quarter, recovering much of the weakness experienced in Q1. Market leadership was once again driven by technology-related sectors, but the composition of performance continued to evolve. Investors increasingly differentiated between companies broadly associated with artificial intelligence and those directly enabling the AI infrastructure buildout. The strongest performers were concentrated among semiconductor manufacturers, networking companies, data center infrastructure providers, power solutions, and other businesses positioned to benefit from rising AI-related capital expenditure.

The Technology sector was among the strongest performers during the quarter, supported by AI demand, improving earnings expectations, and continued investment in cloud and computing infrastructure. Industrials and Communication Services also delivered strong performance, benefiting from exposure to automation, digital transformation, infrastructure spending, and resilient corporate demand. Conversely, more defensive sectors such as Consumer Staples and Health Care generally lagged, as improving risk appetite encouraged investors to rotate toward higher-growth areas of the market. Energy performance was more mixed, as geopolitical tensions provided support while uncertainty around global demand limited broader sector gains. The continued strength of AI-related equities reinforced the importance of the theme but also highlighted increasing concentration risk within equity markets. A relatively small group of companies continued to account for a significant portion of index returns, increasing investor sensitivity to earnings results and future expectations around AI adoption.

US TREASURY YIELDS



Fixed income markets remained relatively stable during the quarter as investors balanced resilient economic activity against expectations for eventual monetary easing. The 10-year U.S. Treasury yield traded largely within the 4.0%–4.3% range, reflecting uncertainty around inflation trends, fiscal dynamics, and the timing of future Federal Reserve policy adjustments. Credit markets remained constructive, supported by healthy corporate balance sheets and continued demand for income-generating assets. Investment-grade corporate spreads remained near historically tight levels, reflecting investor confidence in high-quality issuers. High- yield spreads widened modestly during periods of volatility but remained well below levels typically associated with economic stress, indicating that investors continued to view corporate fundamentals as broadly supportive.

Overall, the second quarter of 2026 highlighted the durability of the U.S. economy and financial markets. While higher interest rates, geopolitical uncertainty, and valuation concerns remain important risks, resilient employment conditions, solid corporate earnings, and continued investment in transformational technologies provided a strong foundation for market performance. The quarter also reinforced a key shift in the investment landscape: future returns may increasingly depend less on broad market exposure and more on identifying companies capable of converting structural growth opportunities into sustainable earnings and long-term value creation.

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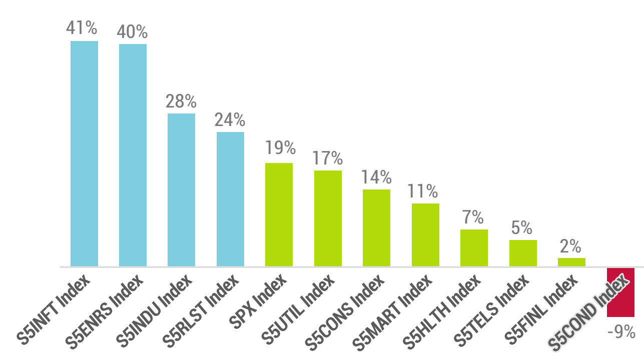
As we enter the second half of 2026, investors are navigating a market environment defined by a powerful tension between structural optimism and increasing selectivity. Economic growth has moderated from the elevated levels of recent years, but the underlying foundation remains resilient. Corporate earnings continue to exceed expectations, labour market conditions remain supportive, and investment linked to artificial intelligence continues to provide a meaningful source of economic momentum.

This resilience, however, has also changed the monetary policy outlook. Expectations for aggressive interest rate cuts have moderated as incoming economic data continues to suggest that the economy does not require immediate policy support. Employment conditions remain healthy, with hiring activity continuing and unemployment remaining low by historical standards. While inflation has improved significantly from previous peaks, persistent service-sector inflation, wage pressures, and potential energy market volatility suggest that the final stage of returning inflation toward target may prove more challenging.

TOTAL RETURN YTD 2026 BY SECTOR: S&P 500



As a result, the Federal Reserve may have limited incentive to move quickly toward significant easing. A stronger-than-expected economy is positive for corporate fundamentals, but it also increases the likelihood that interest rates remain elevated for longer. For investors, the key consideration is whether earnings growth can continue to offset a higher cost of capital.

Artificial intelligence remains the defining investment theme of this cycle. Importantly, market leadership has evolved beyond the initial enthusiasm surrounding the largest technology platforms. Increasingly, investors are rewarding the companies enabling the AI ecosystem, including semiconductors, memory, networking infrastructure, data centers, power generation, cooling systems, and industrial suppliers required to support the expansion of computing capacity. This evolution suggests that AI is developing into a broader capital investment cycle rather than simply a technology trend. Similar to previous periods of major infrastructure development, the early beneficiaries are often the companies building the foundation required for future adoption.

However, the strength of AI-related equities also creates new challenges. Market concentration has increased significantly, with a relatively small group of companies accounting for a disproportionate share of overall market returns. While strong fundamentals have supported this leadership, valuations now incorporate substantial expectations around future growth. The next phase of the AI cycle will likely require evidence that the significant investment being deployed can translate into measurable productivity improvements, revenue opportunities, and sustainable profitability. The risk for investors is not necessarily that AI fails to transform the economy, but rather that expectations move ahead of the timing and magnitude of financial returns.

Beyond public markets, private market activity appears positioned for improvement after a period of slower transaction volumes. Stabilizing interest rate expectations, stronger equity markets, and pressure to deploy capital could support increased deal activity into the second half of the year. However, the drivers of private equity returns are changing. The previous cycle benefited significantly from low interest rates, inexpensive financing, and valuation expansion. Going forward, value creation will likely depend more heavily on operational improvements, revenue growth, strategic repositioning, and identifying businesses aligned with long-term structural trends. Opportunities may emerge across areas such as AI infrastructure, digital transformation, energy security, automation, and specialized industrial businesses. Additionally, Private Investment in Public Equity (PIPE) transactions may become increasingly attractive as companies seek flexible capital solutions to fund growth initiatives, acquisitions, or balance sheet optimization while navigating a more selective financing environment.

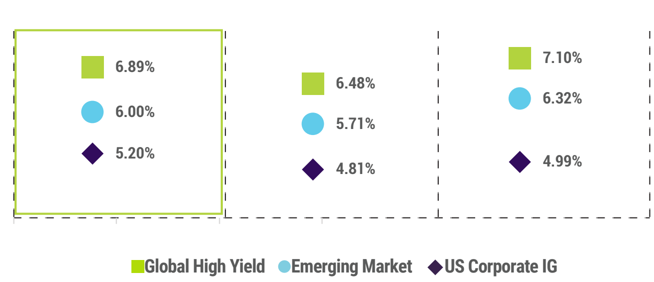
Credit markets remain stable, but investors should remain attentive to risks developing beneath the surface. Private credit has grown rapidly over the past decade and now represents a major component of corporate financing. The expansion of the asset class has provided companies with valuable alternative sources of capital, but the sector is experiencing its first extended period of higher interest rates. Higher financing costs, upcoming refinancing needs, and slower economic growth could place pressure on weaker borrowers. Given that private credit markets typically have less frequent valuation adjustments and lower liquidity than public markets, stress may emerge gradually rather than immediately. While broad systemic risks appear contained, disciplined underwriting and manager selection remain critical.

Geopolitical developments also remain an important source of uncertainty. The conflict involving Iran highlights the continued vulnerability of global energy markets and supply chains. While markets often recover quickly from initial geopolitical shocks, the longer-term consequences can be more significant if conflicts extend beyond initial expectations.

The experience of the Russia-Ukraine war demonstrated that geopolitical events can reshape trade relationships, energy markets, defence spending, and inflation dynamics for years. A prolonged period of instability in the Middle East could similarly create lasting implications, particularly through energy prices and global supply chains.

Overall, the investment environment entering the third quarter remains constructive but increasingly selective. Strong corporate earnings, resilient employment, and transformative investment themes continue to support risk assets. However, elevated valuations, concentrated market leadership, geopolitical uncertainty, and evolving credit risks suggest that investors should avoid complacency. The next phase of the cycle is unlikely to reward broad exposure equally. Instead, performance may increasingly depend on identifying companies and asset classes with durable earnings, strong balance sheets, and exposure to structural growth trends capable of creating value beyond the current economic cycle.

TOTAL QUARTERLY RETURNS: HY, IG & EM



Progress in Energy Meets an Increasingly Complex Landscape

Economic growth remained positive but modest. Updated projections from international agencies indicate Trinidad and Tobago's economy is expected to expand by approximately 1.5%–2.0% in 2026, supported by continued resilience in non-energy activity and expectations of improving energy production over the medium term.

The non-energy economy remained an important stabilizing force, with activity supported by financial services, distribution, construction-related activity, and other service industries. However, growth remained below the levels required to meaningfully accelerate employment creation and investment.

Inflation remained relatively contained throughout the quarter. Headline inflation continued to trend near historical lows, remaining around 1%–2% year-over-year, supported by easing global supply pressures and stable domestic demand.

This allowed monetary conditions to remain relatively supportive as policymakers balanced the need for economic growth with maintaining external stability.

ECONOMIC STATISTICS

	Q4 2024$_A$	Q1 2025$_A$	Q2 2025$_A$	Q3 2025$_P$	CY 2025$_F$	CY 2026$_P$
Real GDP (YoY%)	2.0%	3.4%	-2.1%	2.6%	1.0%	1.2%
CPI (YoY%)	0.50%	0.2%	0.5%	1.3%	1.0%	2.3%
Debt/GDP	82.6%	83.5%	85.1%	84.5%	86.2%	85%
Unemployment (%)	5.50%	4.90%	3.80%	4.80%	4.3%	5.0%
Labour Participation	55.9%	54.3%	55.1%	54.6%	55.1%	N/A

(A) Actual (P) Preliminary (F) Forecast

Foreign exchange availability continued to represent one of the country's most significant economic constraints. While international reserves remained adequate by international standards, persistent demand for foreign currency continued to exceed market supply. Businesses reliant on imported product inputs continued to experience challenges, reinforcing the importance of restoring stronger energy exports and attracting sustainable foreign investment inflows.

Domestic confidence remained mixed during the quarter. The continuation of the State of Emergency, while introduced as a response to national security concerns, created uncertainty for some sectors of the economy, particularly businesses dependent on consumer activity, entertainment, and extended operating hours.

Although improving, national security remains critical for long-term economic stability, maintaining investor confidence and ensuring a predictable business environment remain paramount to supporting private sector expansion.

Several corporate developments also highlighted the challenges facing the economy. Companies operating in energy-intensive sectors continued to face pressure from inconsistent gas supply, higher operating costs, and global competition. Recent announcements regarding plant closures or operational reviews reinforced the need to restore Trinidad's competitiveness as an industrial hub.

Additionally, Nestlé's decision to review its Trinidad operations highlighted broader concerns around cost structures, market conditions, and regional competitiveness. While Trinidad continues to possess significant advantages including skilled labour, energy infrastructure, and geographic positioning, continued reform will be necessary to retain and attract investment.

The construction sector experienced a slower-than-expected start to 2026, partly due to the review and temporary halt of the approximately TT$3.4 billion Housing Development Corporation (HDC) housing programme, which had previously been expected to provide a meaningful boost to domestic activity. Large-scale housing projects traditionally generate significant economic benefits across multiple sectors. Beyond direct construction employment, these projects stimulate demand for building materials, manufacturing, transportation, professional services, banking, and retail activity. As a result, delays in the execution of major housing initiatives likely contributed to softer momentum across parts of the domestic economy during the first half of the year.

However, recent announcements regarding the awarding of contracts under the government's housing revitalization programme represent a positive development. If effectively executed, renewed housing activity could provide an important catalyst for economic growth in the second half of 2026.

A notable positive development during the period was the improvement in Trinidad and Tobago's sovereign outlook by S&P Global Ratings, which revised the country's outlook to "Positive".

The improved outlook reflects expectations of strengthening economic fundamentals, improving energy prospects, and continued institutional stability. While the country continues to face fiscal and structural challenges, the revision represents an important signal that international observers recognize the potential benefits from upcoming energy investments.

Maintaining this positive momentum will depend on execution, particularly around fiscal management, energy project delivery, and improving the overall investment environment.

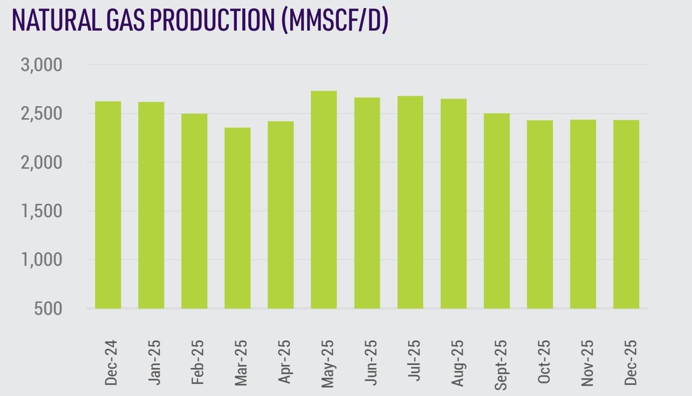
The most significant source of optimism continues to come from Trinidad and Tobago's energy sector. After several years of declining natural gas production, the country appears positioned for a potential recovery as several major upstream developments progress.

The Dragon gas project, located offshore Venezuela, remains one of the most important opportunities. The field contains approximately 4–4.5 trillion cubic feet of natural gas reserves and could initially deliver approximately 300–350 million cubic feet per day of natural gas to Trinidad for processing.

The Manatee gas project, operated by Shell, represents another major catalyst. Manatee contains approximately 2.7 trillion cubic feet of natural gas reserves and is expected to eventually produce approximately 600 million cubic feet per day once fully developed.

Additional domestic developments, including Mento, Ginger, and Aphrodite, are expected to provide incremental supply and support greater stability in domestic gas production. Meanwhile, ExxonMobil's entry into Trinidad's deep-water exploration sector represents another important vote of confidence. Although commercial production would be several years away, Exxon's participation signals renewed international interest in Trinidad's offshore potential.

NATURAL GAS PRODUCTION (MMSCF/D)



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Investor Outlook

The outlook for Trinidad and Tobago entering the second half of 2026 is cautiously optimistic. While challenges remain, several developments suggest that the economy could be approaching an important turning point over the next 12–24 months.

Notably, the energy sector remains the most important driver of Trinidad's medium-term outlook.

For much of the last decade, Trinidad's challenge was not a lack of infrastructure but a shortage of natural gas supply. LNG facilities, petrochemical plants, and downstream assets were already established but have operated below capacity due to declining production.

The upcoming wave of projects could begin reversing this trend. Combined production from Dragon and Manatee alone could eventually approach 900 million to 1 billion cubic feet per day, providing a significant improvement in feedstock availability.

The impact could include:

- increased LNG exports
- improved petrochemical production
- higher foreign exchange inflows
- stronger government energy revenues
- renewed industrial investment

While this may not immediately replicate the energy boom experienced in the early 2000s, there are similarities. During that period, rising gas production supported major investment, fiscal surpluses, and stronger economic growth. Today, Trinidad already possesses significant LNG and petrochemical infrastructure, meaning additional gas supply could generate meaningful economic benefits.

Despite the improving outlook, execution remains the most important factor. Projects such as Dragon require continued cooperation between Trinidad and Venezuela. Maintaining constructive diplomatic relations will be essential to ensuring project timelines remain intact.

Recent earthquake activity in Venezuela will need to be monitored, particularly for any potential impact on infrastructure or project development. At present, there has been no confirmed material disruption to planned energy projects, but it highlights the importance of managing operational risks.

At the same time, Trinidad appears to maintain a constructive relationship with the United States. Continued U.S. support remains important, particularly given the role of approvals and sanctions exemptions in enabling cross-border energy cooperation. Balancing relationships with both Venezuela and the United States will therefore be a key strategic. While energy provides the largest upside opportunity, broader economic recovery will require stronger non-energy growth.

The potential restart of major housing and infrastructure initiatives provides an additional source of optimism. The government's housing revitalization programme could stimulate domestic demand, employment, and private sector activity.

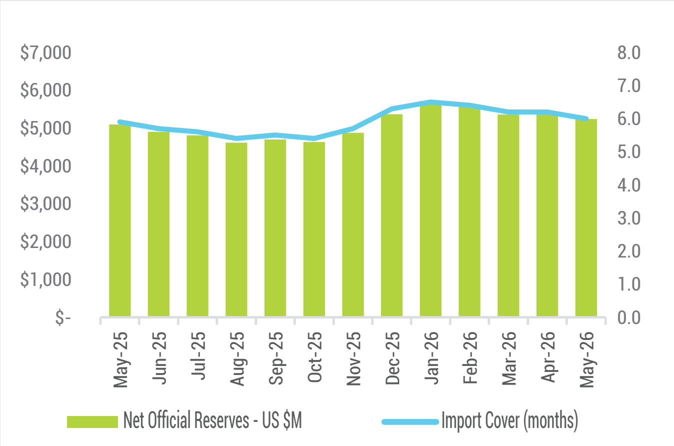
The outlook for Trinidad and Tobago has improved, but the road ahead will not be easy.

The country still faces important challenges, such as:

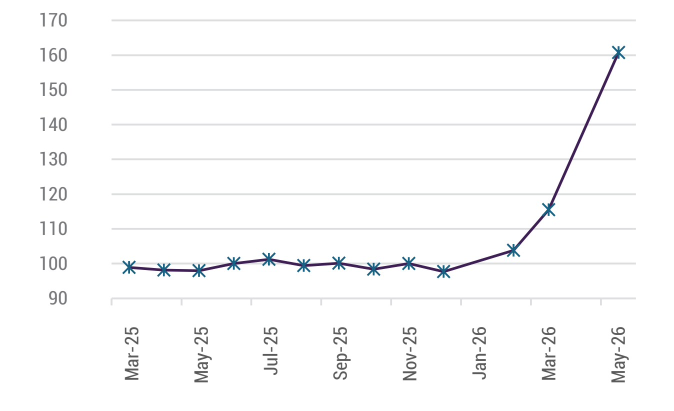
- persistent foreign exchange shortages
- improving business competitiveness
- attracting foreign investment
- increasing productivity

The opportunity ahead is significant, but capturing it will require doing things differently. Stronger execution, faster decision-making, improved efficiency, and a more investment-friendly environment will determine whether current opportunities translate into sustainable growth.

NET OFFICIAL RESERVES AND IMPORT COVER



ENERGY COMMODITY PRICE INDEX



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