

Monthly Investment Update

April 2026

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Performance Update

Global stock markets fell in March amid concerns about the war in Iran, with the FTSE 100, FTSE 250, S&P 500, Euro Stoxx and Nikkei 225 falling 6.18%, 10.49%, 4.98%, 8.35% and 12.76%, respectively. Our portfolios fell between 4.36% and 8.26%.

March saw the portfolios give back the previous month's gains following a sharp escalation in geopolitical tensions involving the war in Iran. This drove a notable rise in oil prices, which in turn has increased inflationary pressures at a time when markets had been expecting interest rate cuts. Instead, the move higher in oil has shifted expectations, with central banks now more likely to hold rates higher for longer or even consider further increases.

This change in the macroeconomic backdrop has had a direct impact on financial markets. Higher interest rates typically lead to falling bond prices, while equities can also come under pressure as borrowing becomes more expensive for companies and consumers spend less due to higher mortgage rates. In fact, every asset class other than commodities fell in March due to higher oil prices.

There are parallels between the current environment and the short, sharp correction last year following Donald Trump's trade and tariff announcements, in which markets initially fell before recovering strongly once uncertainty eased. It is possible that a similar pattern emerges, with a de-escalation of tensions allowing markets to rebound.

In line with our investment philosophy, our Trend Following portfolios responded to these conditions in a disciplined and systematic way. As certain equity markets fell below their trend levels, exposure was reduced accordingly. Similarly, where bond holdings weakened and broke trend, these positions were also scaled back, with proceeds moved into cash. However, most markets still remain above trend and began to rebound toward the end of the month.

The performance of the portfolios over the last month, six months and one year is shown below:

Portfolio	Performance % 1 month	Performance % 6 months	Performance % 1 year
Foundation	-4.36	4.80	11.13
Cautious	-6.14	3.11	11.25
Balanced	-6.74	3.00	12.69
Adventurous	-8.03	5.30	19.04
Dynamic Equity	-8.26	7.34	25.10
Income Generating	-6.05	4.31	11.24
Fourth Industrial Revolution	-4.34	2.35	25.74
Retirement Investment Solution 1	-6.89	4.69	15.31
Retirement Investment Solution 2	-7.20	5.07	16.87
Retirement Investment Solution 3	-7.47	5.41	18.28

Trend Following Signals

The table below shows whether the asset class has a positive trend (✓) or a negative trend (x). A positive trend occurs when the market price exceeds the average price over the previous 200 days. The portfolios will have more exposure to asset classes with a positive trend and less (if any) to those with a negative trend. These are the main asset classes we monitor:

Asset Class	Trend Signal		Trend Signal
Global Equity	x	Emerging Market Equity	✓
UK Equity	✓	Commodities	✓
Europe ex UK Equity	✓	UK Corporate Bonds	x
US Equity	x	UK Corporate Bonds (Short dated)	x
Japan Equity	✓	UK Index-Linked Bonds	✓
Pacific Equity	✓	Global Bonds	x
Gold	✓	UK Gilts	✓
Global Property	✓	Emerging Market Bonds	✓
Global Infrastructure	✓	Overseas Corporate Bonds	✓

Of the leading 23 markets we monitor, 8 fell below trend.

Cautious, Balanced and Adventurous portfolios

The Portfolios increased their cash positions, with cash levels at 22% in the Cautious portfolio, 15% in the Balanced portfolio, and 7.5% in the Adventurous portfolio. They had been nearly fully invested for most of the last year. Further deterioration in equity markets could mean a significant amount in cash next month as many markets are close to their trend lines.

Dynamic Equity portfolio

Despite significant volatility in global markets, there were no changes to the Portfolio again, as the momentum strategy has remained unchanged since 1st November 2025. The Portfolio fell 8.26% in March but is still up 25.1% over the last year, as the momentum investment philosophy has worked exceptionally well, particularly through its holdings in mining companies.

Foundation portfolio

The Portfolio has increased its cash position to 13.5% as some bond and equity markets broke below trend. It was previously fully invested. The diversified nature of this portfolio helped it reduce losses, particularly through the commodity fund, which benefited from higher oil prices. The three-year annualised return is now 7.39% per annum, achieved with lower volatility (i.e., a smoother journey) than its benchmark.

Income Generating portfolio

The potential for interest rates to rise rather than fall, as previously expected, meant the Income Generating portfolio was not immune to the global sell-off in March. Every underlying holding fell. The holding in Global Infrastructure performed the best as it has some exposure to energy. The war in Iran has focused minds on ensuring the energy supply and infrastructure are as robust as possible.

The Portfolio's dividend yield is 3.32%, which remains attractive, especially when held within an ISA or pension, as this income is tax-free. However, during periods of interest rate rises (or expectations of such rises), this Portfolio should underperform. An end to the war and a falling oil price should support the Portfolio, though.

[Fourth Industrial Revolution portfolio](#)

The Portfolio was our best-performing one in March, which is unusual given that it is also the highest-risk one. The Portfolio benefited from the investments in Cyber Security (up 3.78%) and Clean energy (down just 2.21%). Once again, the difference between the best- and worst-performing underlying holding was extreme at 15.32%. This demonstrates the diversified nature of the Portfolio, and whilst it invests in higher-risk funds, it is currently benefiting from many of them being uncorrelated. As you can see from the chart below, the Portfolio has significantly outperformed a typical higher risk portfolio (red line) over the last year:



[Retirement Investment Solutions](#)

The Retirement Investment Solutions have been fully or nearly fully invested over the last year, benefiting from rising asset prices. The downside is that when a trend reverses suddenly, it will absorb those losses until markets fall below the trend. This month, eight markets fell below trend, and the portfolios have increased their cash positions. If we suffer a prolonged period of negative returns, the Trend Following underlying investment philosophy will hopefully help protect your wealth from significant declines as cash positions will increase further.

[Summary of Portfolios](#)

March saw the Portfolios erase the previous gains this year, and they are now more or less flat for the year. Cash positions have increased somewhat, but the upward trend persists across the majority of asset classes. A swift end to the war, in which Donald Trump can claim victory and the Iranian leadership allows oil to flow again, would result in asset classes bouncing higher. However, a prolonged war could see further falls. We are thus in a pivotal moment.

Looking beyond these short-term geopolitical events, the underlying economic backdrop remains relatively supportive. Inflation has moderated, interest rates have been cut, and economic growth remains positive. However, the trajectory of oil prices will be a key determinant over the coming months. A sustained rise in oil could reintroduce inflationary pressures, which in turn may delay or reverse expected interest rate cuts and weigh on both bond and equity markets.

From a portfolio perspective, the key question is whether this represents a temporary disruption or the beginning of a more sustained shift in market conditions. History shows that sharp geopolitical events often lead to short, volatile corrections rather than prolonged downturns—provided economic fundamentals remain intact. That said, energy-driven inflation has historically been a precursor to more challenging economic environments.

Asset Class Review

This section will give you an insight into our current thinking. This month, we look at how the war in Iran has affected different markets.

Gilt Yields up- the UK is suffering.

The cost of borrowing for the UK government has risen to nearly 5%. This is the highest level since 2008. Whilst the yield on most bonds has risen, the US equivalent yield is lower at 4.31%. The reason for the rise in yields is that higher oil prices lead to higher inflation, which in turn drives up interest rates and, by default, bond yields. The UK is particularly hard hit, as we are a net energy importer, whilst the US is a net exporter.



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Oil – surges higher (but not too much)

The oil price broke above \$100 as the flow of oil around the Strait of Hormuz has virtually stopped. However, it has not reached the same levels as 2022 and is nowhere near the level reached on an inflation-adjusted level seen in 2008. This chart is now one of the most important ones that is being monitored by Donald Trump. If it goes higher, expect him to talk down the war; if it goes lower, he may prolong it.



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S&P 500 – another short, sharp shock?

The S&P 500 fell sharply around the same time last year, when Trump imposed tariffs. However, just as the S&P 500 was entering a second leg down, he rowed back and signed trade deals. The stock market then recovered and hit all-time highs. This time, it appears to be a similar pattern: the S&P 500 initially fell but has begun to recover as Trump is now talking about peace. Could we be about to reach new all-time highs in a few months, or have we got another leg downwards before peace is achieved?



FTSE 100 – remains in an upward trend

Whilst the FTSE 100 fell 6.18% in March, it remains on an upward trend, above 10,000 and is above the level at the start of the year.



In Summary

We are at a pivotal moment in which we could see a short, sharp correction followed by a strong recovery, or economic conditions could deteriorate, leading to a global recession and further falls in global equities. The one thing we know about Donald Trump is that he wants to be remembered as the greatest President ever, with stock market growth among his main measures of success. He therefore wants your wealth to go up!

Oil Price Recession?

Oil is one of the most important inputs in the global economy. It affects almost everything — from the cost of filling up your car to the price of goods on supermarket shelves. When oil prices rise sharply, it acts like an invisible tax. Households have less to spend, businesses face higher costs, and economic growth can begin to slow. Higher inflation, higher interest rates and less disposable income can lead to a recession.

2008 — A Clear Example

Ahead of the Global Financial Crisis, oil prices surged to nearly \$150 per barrel. This added significant pressure at a time when households were already stretched, and interest rates were relatively high. While oil was not the root cause of the crisis, it intensified the strain on the system, helping to tip the global economy into recession.

A Pattern We've Seen Before

History shows a consistent pattern across multiple economic downturns:

1970s — OPEC supply restrictions led to soaring prices and a global recession

Early 1980s — High oil and aggressive rate rises triggered a deep downturn

1990 — The Gulf War caused a price spike and a short recession

2008 — Oil peaked just before the financial crisis unfolded

2011–12 — Elevated prices contributed to weaker growth during the Eurozone Debt Crisis

The common theme is not that oil causes recessions on its own, but that it consistently appears just before or during periods of economic stress.

What This Means Today

The war in Iran has pushed oil prices higher, but at around \$100, they are far off the 2008 spike, especially when inflation is factored in. Trump is undoubtedly monitoring oil prices and reduced hostilities when oil prices breached \$110. Iran knows that an oil price shock will severely damage the global economy, hence the Strait of Hormuz is key. Every President since Jimmy Carter has probably been presented with a plan to oust the Ayatollahs from governing Iran. None of them chose to pursue it because the USA was the world's largest energy importer. Now that the USA is a net oil exporter and benefits from higher prices, the calculus has changed. Trump's goals are regime change, or at least displacement, and that has not yet been achieved. Will he settle for destroying the ability for Iran to build nuclear arms and destroying much of the missile manufacturing infrastructure, or will he continue and hold out for regime change? The markets believe that we are close to the end of the war, with the oil price dropping and stock markets beginning to recover.



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How This Links to Our Investment Approach

Rather than trying to predict the next downturn, we build portfolios designed to navigate a range of conditions through Diversification and Multiple investment philosophies — momentum, trend, and quality. For example, if rising oil prices begin to slow markets, our trend-following approach is designed to reduce exposure when markets weaken — helping to protect some of the portfolios during more difficult periods.

Final Comment

The key factor to monitor remains the oil price and how far it rises from here. Energy markets have reacted to the conflict, and any sustained increase could feed through into higher inflation and renewed pressure on interest rates. Whilst some disruption had been anticipated, the duration and extent of the conflict will ultimately determine the impact on financial markets.

Despite ongoing geopolitical uncertainty, the global economy continues to show resilience. Growth remains positive, and inflation has generally moderated compared to recent years. As such, 2026 still has the potential to deliver strong returns; however, investors should expect a less smooth journey, with periods of heightened volatility likely as markets react to both economic data and geopolitical developments.

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