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Asset Class	Negative	Mixed	Positive
<b>Equities:</b>			
U.S.		→	
Europe	■		
Dev. Asia		→	
EM/China		■	
India	■		
<b>Fixed Income:</b>			
Rates		■	
Credit	■		
Short Term Fixed Income & Cash			■
<b>Real Assets:</b>			
Gold		■	
Commodities		■ ←	■

**About 3EDGE**

3EDGE Asset Management is a multi-asset investment management firm serving institutional investors and private clients. 3EDGE strategies act as tactical diversifiers, seeking to generate consistent, long-term investment returns, regardless of market conditions, while managing downside risks.

The primary investment vehicles utilized in portfolio construction are index Exchange Traded Funds (ETFs). The investment research process is driven by the firm's proprietary global capital markets model. The model is stress-tested over 150 years of market history and translates decades of research and investment experience into a system of causal rules and algorithms to describe global capital market behavior. 3EDGE offers a full suite of solutions, each with a target rate of return and risk parameters, to meet investors' different objectives.

# View From the EDGE® A Two-Week Ceasefire, But Uncertainty Remains

The current ceasefire between Iran and the U.S. sparked a relief rally in global equity markets. However, many questions remain, given the difficult negotiating period ahead and the fragile nature of the ceasefire. Investor behavioral signals from our model research indicate the prospect for a rebound in U.S. and Japanese equities as well as a degree of profit-taking in commodities, at least in the short term.

**Equities:**

- ▶ **U.S. Equities:** Investor behavioral signals from our model research indicate a potential rebound in U.S. equities, at least in the short term. However, given the overvalued nature of the S&P 500 Index and emerging signs of a potential credit contraction, U.S. equities remain vulnerable to extended geopolitical conflict, exogenous shocks and tightening liquidity.
- ▶ **European Equities:** European equities also participated in the global equity market rally driven by the ceasefire. However, the outlook for European equities remains negative due to the potential for continued anemic growth in the region. Should the current ceasefire lead to a more permanent end to hostilities and a commensurate decrease in the cost of oil and natural gas, the European Central Bank (ECB) may be able to avoid tightening monetary policy, and European equities could experience a more durable rally.
- ▶ **Japanese Equities:** Investor behavioral signals from our model research indicate a potential rebound in Japanese equities, at least in the short term. Japan is severely affected by the closure of the Strait of Hormuz, as it imports 90-95% of its oil from the Middle East. Therefore, should the current ceasefire lead to an opening of the Strait of Hormuz, Japan may be well positioned to rebound.
- ▶ **Emerging Market / Chinese Equities:** Chinese and Emerging Market equities also participated in a ceasefire-induced global equity market rally. Although China is not as directly exposed to Middle Eastern oil as Japan (importing about 50% of its oil from the region), the increase in energy prices impacts all global participants regardless of a country's net import/export position. The long-awaited Trump-Xi summit was postponed due to the war in Iran and is now scheduled for mid-May in South Korea. Both countries will continue to jockey for negotiating leverage prior to the summit, and the outcome will impact both countries' economic prospects.
- ▶ **Indian Equities:** Like many other countries, India suffered from the Middle East conflict, with energy prices rising and supplies tightening. After the bounce from the ceasefire announcement, it remains to be seen whether negative investor psychology and widening credit spread measures will continue to hold back Indian equities. For now, the outlook remains negative.

**Fixed Income:**

- ▶ **Rates:** With the outbreak of war in Iran, inflation expectations continued to rise in March to over 5% as measured by the one-year breakeven inflation rate, which started the year at just over 2%. Even with the ceasefire, the potential for rising inflation and, therefore, rising yields more broadly remains

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a risk we continue to monitor, supporting our decision to concentrate fixed-income investments in shorter-term maturities and higher-quality issues. The Fed is in a tough position with its dual mandate of full employment and price stability, as its crude tool of short-term interest rates must be used in opposite ways to address both in the current state, i.e., lowering rates to boost employment versus raising rates to combat inflation.

- ▶ **Credit:** We maintain that corporate credit spreads remain historically tight, making the additional yield over and above so-called "risk-free" U.S. Treasuries unappealing at this time, given the risks of rising inflation as well as the potential for slowing economic growth due to the lagged effects from the Middle East conflict, which could potentially harm credit as well.

## Hard Assets:

- ▶ **Gold:** We maintain a longer-term favorable outlook for gold, which is predicated on profligate government spending. The strong performance of gold last year and the continued run-up in the first months of 2026 actually fueled a correction with the outbreak of the war in Iran, as investors and central banks alike took profits from their gold holdings to generate liquidity during the conflict. Post-conflict, longer-term, we expect central banks around the globe to continue to diversify away dollar-based holdings, e.g., U.S. dollars, U.S. government debt, etc., while increasing their gold holdings. Should the Federal Reserve focus more on the weakening job numbers than on the threat of rising inflation and lower rates, gold could see additional upside as well.
- ▶ **Commodities:** Investor behavioral signals from our model research indicate the prospect for a degree of profit-taking in commodities, at least in the short term.

*For more information about 3EDGE Asset Management or our offerings, please visit our website at [3edgeam.com](https://3edgeam.com)*

# 3EDGE Solutions Designed to Smooth the Ride

Seeking to manage volatility and downside risk while providing the potential to be additive to investment returns



3EDGE Strategies	Risk Intensity	Asset Class Ranges <sup>^</sup>				Potential Use Case
		Equities	Fixed Income	Hard Assets	Short-Term Fixed Inc / Cash	
<b>Tactical Core Solutions</b>						
<b>Conservative Strategy</b> Typical time horizon: 1-3 years		6–30%	10–88%	4–22%	2–80%	Fixed income, core bond, or annuity replacement
<b>Total Return Strategy</b> Typical time horizon: >3 years		13–60%	10–81%	4–35%	2–73%	Traditional 60/40 portfolio replacement
<b>Growth Strategy</b> Typical time horizon: >5 years		20–80%	10–81%	4–35%	2–73%	Growth replacement with an emphasis on minimizing volatility
<b>Tactical Income Solution</b>						
<b>Income Plus Strategy</b> Typical time horizon: >3 years		Equity Income Sources 0–40%	Fixed Income Sources 55–90%	Non-Traditional Fixed Income 5–25%		Income replacement strategy targeting a high yield with emphasis on minimizing drawdowns
<b>Tactical Equity-Focused Solutions</b>						
<b>Aggressive Strategy</b> Typical time horizon: >10 years		60–100%	0%	0–60%	0–60%	Equity complement or outright replacement of equity holdings
<b>Global Equity Strategy</b> Typical time horizon: >10 years		98%	0%	0%	2%	Global equity complement or outright replacement of ACWI holdings
<b>International Equity Strategy</b> Typical time horizon: >10 years		98%	0%	0%	2%	International equity (ex U.S.) complement or outright replacement
<b>U.S. Equity Strategy</b> Typical time horizon: >10 years		98%	0%	0%	2%	U.S. equity complement or outright replacement of S&P 500 holdings
<b>Tactical Crypto Solution</b>						
<b>CryptoPlus Strategy</b> Typical time horizon: >10 years		0%	0%	98%** **crypto ETFs	2%	Alternative store of value (i.e. cryptocurrency holdings in place of gold/real assets)

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