

# Q1 Market Commentary 2026



## The Market Backdrop for 2026

As we move into 2026, the market backdrop looks remarkably similar to that of recent years. Much like 2023, 2024 and 2025, volatility and sentiment are likely to continue driving short term market movements, while long term investment opportunities remain firmly in place.

Markets remain highly sensitive to changes in expectations, whether around interest rates, economic growth or geopolitical developments. This creates periods of heightened volatility, but also opens opportunities across asset classes, regions and styles that are often overlooked during more narrowly led market cycles. In this environment, diversification is essential, both to manage risk and to access a wider range of return drivers.

Being global and truly multi asset is increasingly important. Concentrated exposures and reliance on a small number of dominant assets or regions can leave portfolios vulnerable when market leadership shifts, as it has done in recent years from a narrow group of growth focused, predominantly US technology stocks to a broader set of regions, sectors and styles.

The team believes that the backdrop for 2026 will continue to be one where volatility is elevated, but where opportunities are broader and more varied than many investors are positioned for. This is the type of market environment in which MAIA's investment approach is positioned to work well.

## Portfolio Positioning for 2026

Portfolio positioning for 2026 remains very much aligned with the approach taken through 2023, 2024 and 2025. Portfolios are globally diversified and genuinely multi asset, with a strong focus on balancing risk and opportunity across different market environments.

### Equity exposure

Within equities, MAIA's portfolios maintain a clear value tilt while investing across market capitalisations.

This does not mean we do not invest in the growth style. We have specific growth style funds in our portfolios; however, these are lower in number compared to the value style funds we allocate to.



We prefer value style equities currently due to the large differential in underlying valuations between growth and value. Growth has been the dominant investment factor over the decade so far, and many investors have continued to invest in growth companies even though the backdrop of investing in many of these companies has recently become more challenging with higher interest rates, the lessening of global supply chains and the increased risks of inflation and politics over time.

We believe value is under owned, under researched and less dominant in markets, so there is a large opportunity to outperform. With less investors looking at these types of stocks, good companies are easier to identify, as well as having the opportunity to outperform the market and their peers. This is what we are focusing on.

The risk with growth as a style is that companies are often already more expensive than the market and so if these companies' future growth potential is lessening, the valuation of these businesses will fall. This is a risk that we have been warning about over the past few years and recently this has started to occur.

Not all growth stocks will be impacted by this to the same degree, and we do still invest in growth style companies, but we think you need to be selective in which growth assets to invest in.







## What is value and where are we overweight?

There are many ways of valuing a company including focusing on its growth, its earnings or its sales. Many of the value managers we invest into use a combination of different valuation metrics to identify value stocks to invest in.

Areas where we continue to hold specific value fund managers include Emerging Markets and Japan.

Delving deeper into Emerging Markets, we currently hold an overweight position, and the team believe there's long term potential for Emerging Market equities to continue their strong performance of 2024 & 2025, moving through 2026 and beyond. Our underlying exposure in Emerging Markets is focused on large cap companies that fit within the value style. These are companies where valuations are cheaper than the general market or their peers, but their fundamentals are improving.

It's not just Emerging Markets and Japan where we have a value tilt though. Within Europe we also invest in large cap value, but we blend this exposure of value with a holding of smaller companies that are more growth orientated, aiming to capture opportunities across different stages of the economic cycle. In the US we do something similar and blend our large cap exposure with small cap growth exposure. In these two regions we believe that there's opportunities for all sizes of companies. However, the specific styles of growth and value being linked with different sized companies is to help maximise return opportunities whilst reducing risks.

## Fixed Income exposure

In fixed income, portfolios continue to employ a more neutral duration stance with a barbell approach. This combines longer duration exposure in government debt with shorter duration exposure in corporate credit. Duration and credit risk are actively managed, particularly in an environment where credit spreads are relatively tight. While yields remain positive, selectivity is critical, as some areas of the credit market appear well priced while others carry increased risk. The team believes opportunities remain through active management, with the potential for future price appreciation in longer duration assets alongside continued income generation from shorter duration corporate credit.

## Alternatives exposure

Alternatives remain an important component of portfolio construction, helping to smooth returns, diversify away from traditional equities and bonds, and add additional sources of return.

One area within our alternative exposure where we continue to be overweight is in gold & silver miners. Despite recent price appreciation, the outlook remains positive in gold and silver due to supply constraints, rising demand from the global economy, and increasing purchases by central banks seeking to diversify away from traditional bond holdings and the US dollar. This trend is expected to persist. With other investors also looking to buy these metals, the demand will clearly outpace supply which will further increase the price of the underlying asset moving forward.

For gold & silver miners, even after the recent gains, valuations in the mining sector remain attractive, supported by improving profitability and increased merger and acquisition activity. More investors are researching the space and due to the limited supply of metals and demand rising, the direct correlation to the underlying mining company will provide profitability increases leading to higher share prices over time.

## Conclusion

2026 is best viewed as a continuation of recent years; an environment where volatility and shifting sentiment remain elevated, yet where long-term opportunities across asset classes, regions and styles are both accessible and diverse for genuinely diversified portfolios like MAIA's.

Our approach of global in scope, truly multi-asset and consciously aware of concentration in a narrow set of dominant markets or factors is designed to turn a volatile backdrop into an advantage by drawing on multiple return drivers rather than relying on a single source of performance.

The team continues to take a disciplined, forward-looking approach to portfolio construction and believes this philosophy will remain effective as markets evolve through 2026 and beyond.



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