



Navigate Safely Forward

Global Liquidity Is the Dominant Driver of Market Behaviour Today

Philip Short

2026

MEET THE
Managers





Global liquidity driving market behaviour

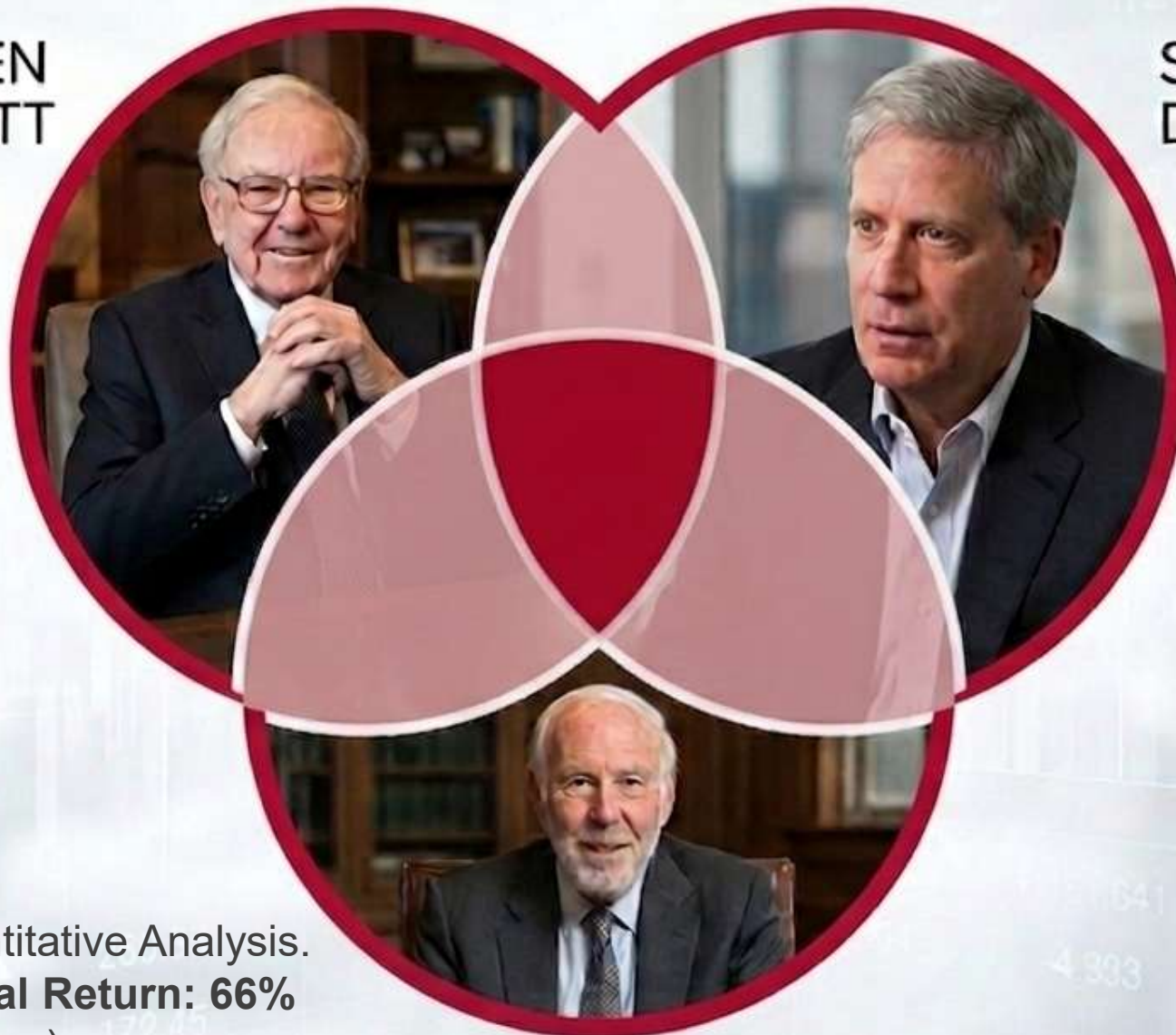
INVESTMENT PHILOSOPHIES

WARREN
BUFFETT

The Compounder

Strategy: High-conviction value investing.

Compounded Annual Return: 20%



STANLEY
DRUCKENMILLER

The Macro Maestro

Strategy: Top-down global macro, as well as technical analysis.

Compounded Annual Return: 30%. Has had zero down years over 30 years.

The Quant King

Strategy: Pure Quantitative Analysis.

Compounded Annual Return: 66%

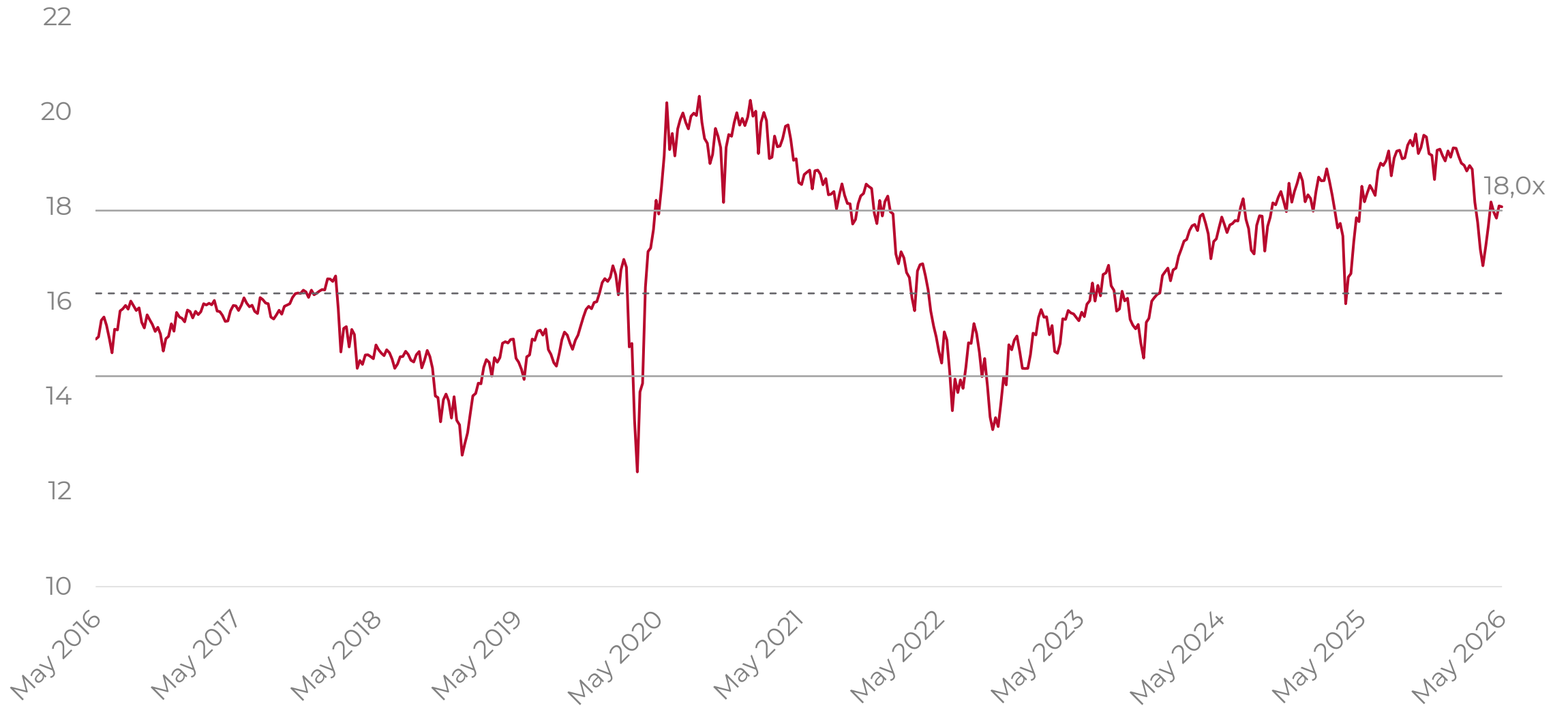
Gross (39% net of fees)

JIM SIMONS

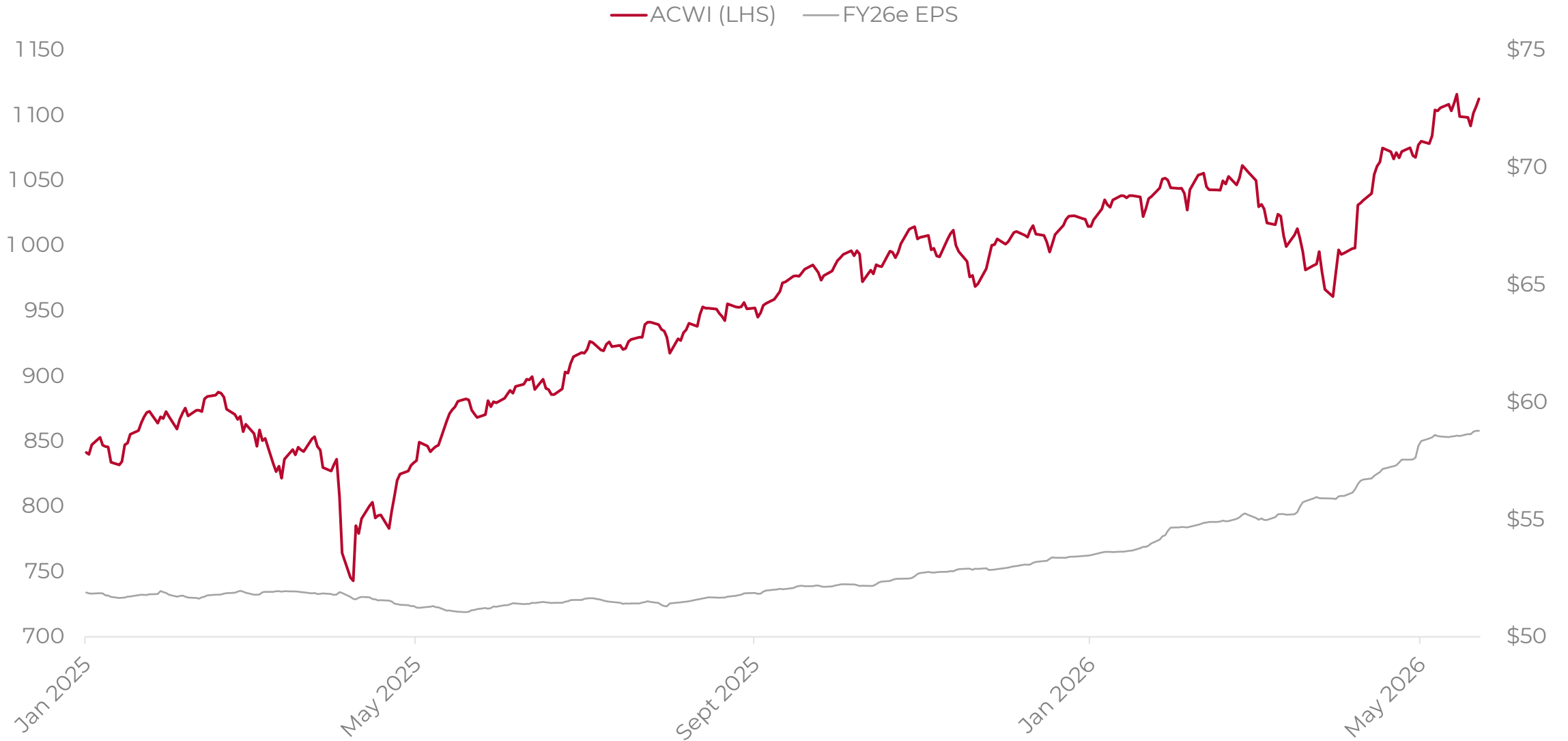


Markets are somewhat expensive

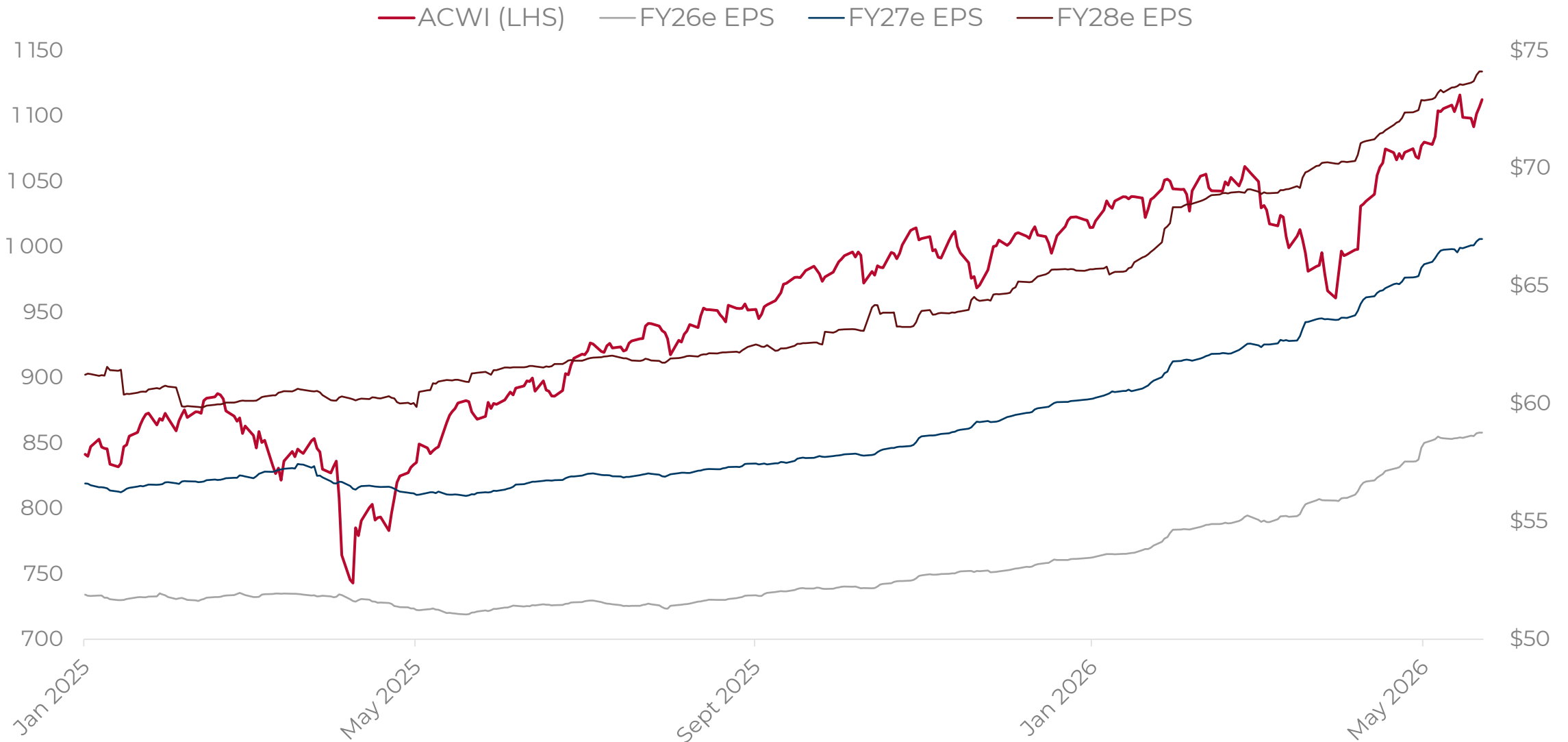
MSCI ACWI Forward PE



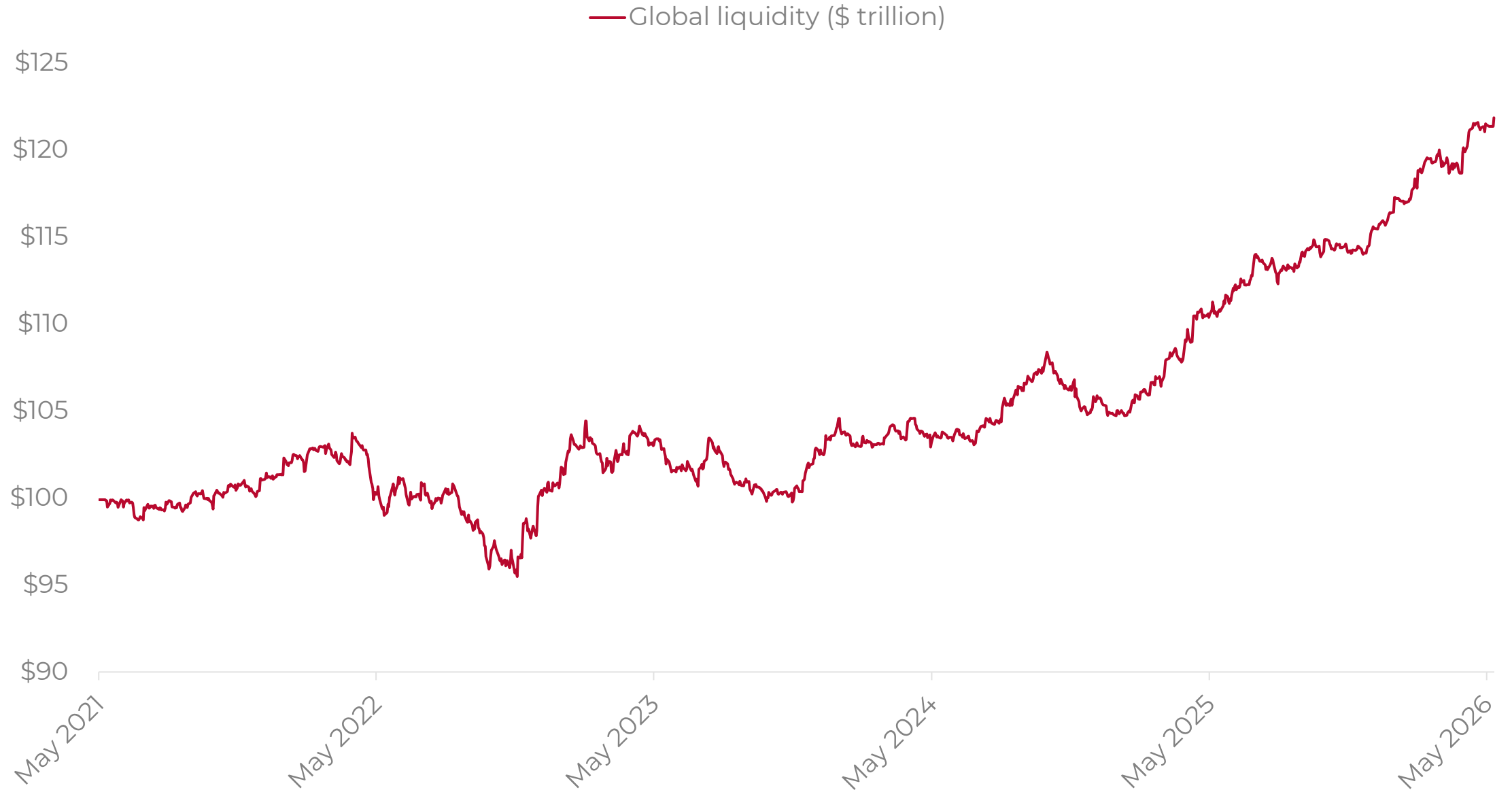
ACWI's price has been supported by earnings upgrades



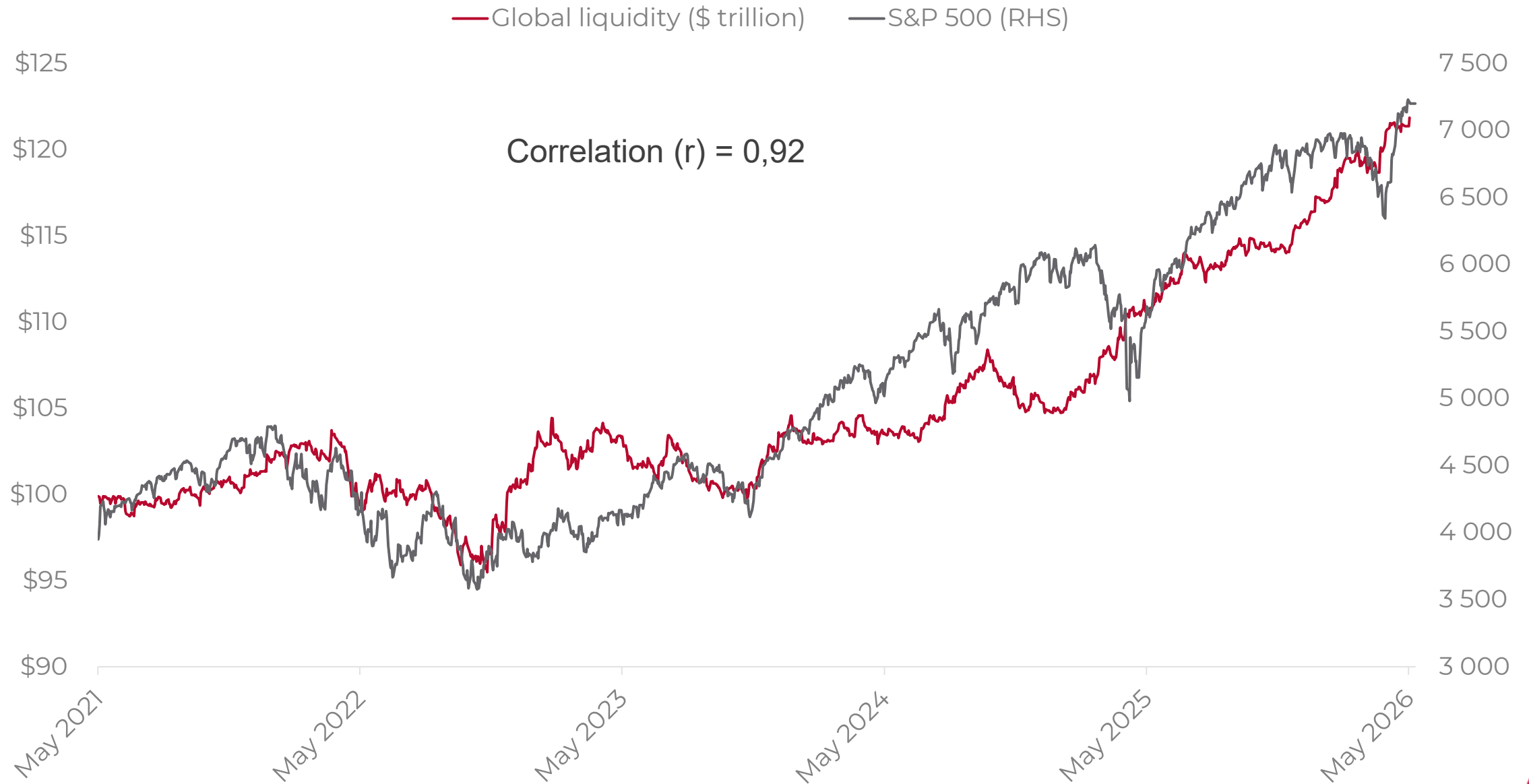
ACWI has been supported by earnings upgrades



Global liquidity has gone up



The S&P 500 is closely correlated to global liquidity



The main drivers of liquidity



Central banks via interest rates and QE/QT



Commercial bank credit requirements



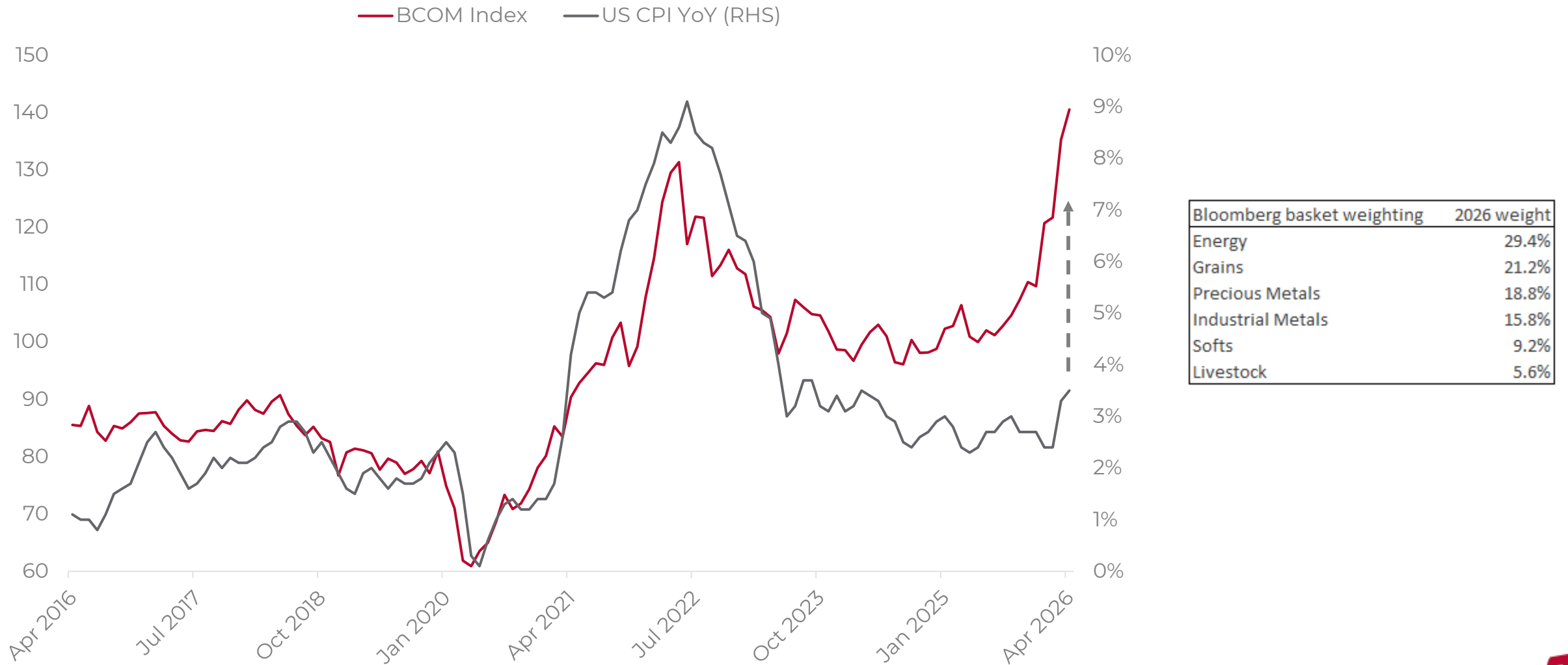
Private credit



USD



Commodities going up, not good for inflation



Lessons from the past

US Inflation %

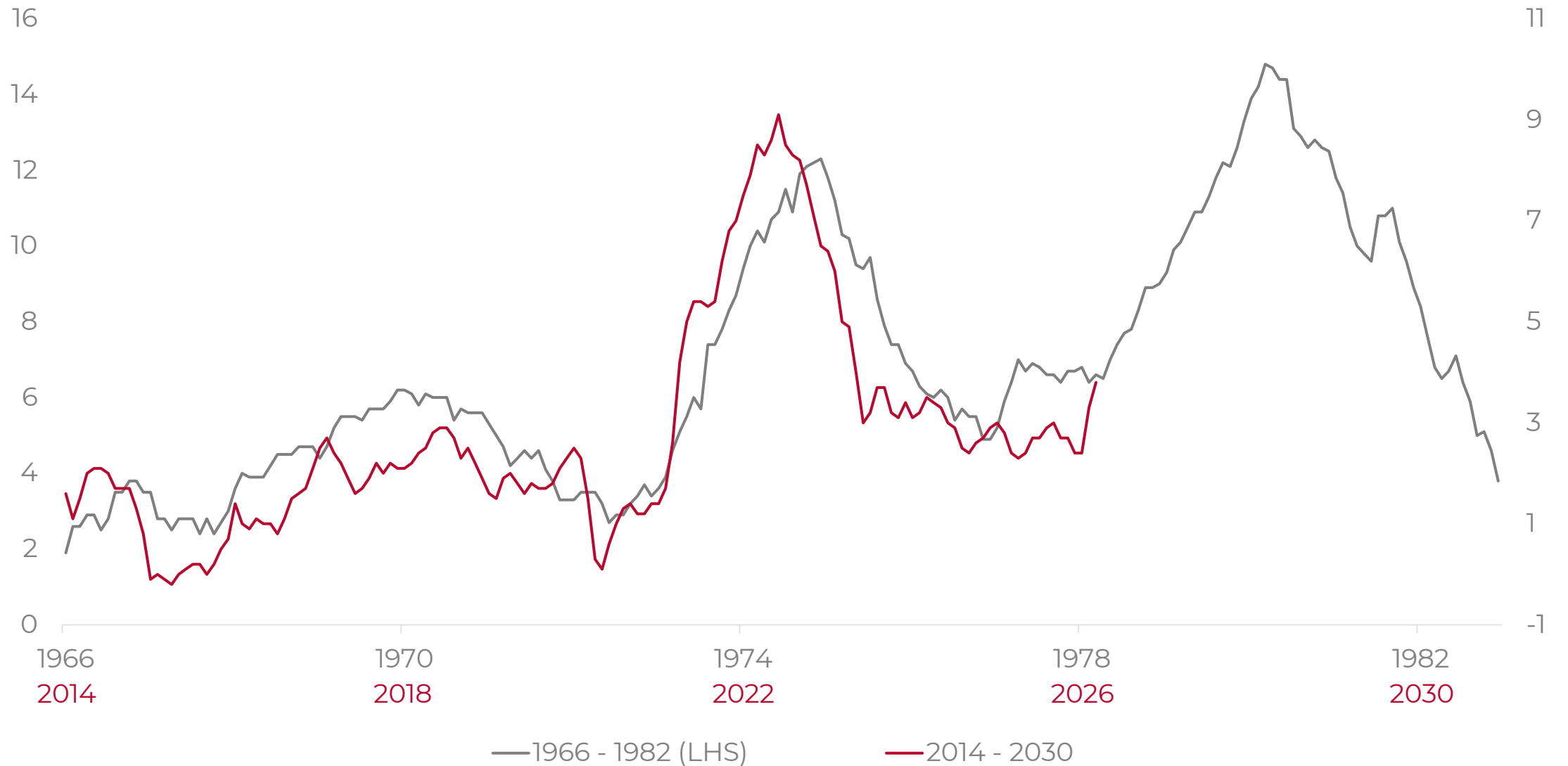


—1966 - 1982 (LHS)

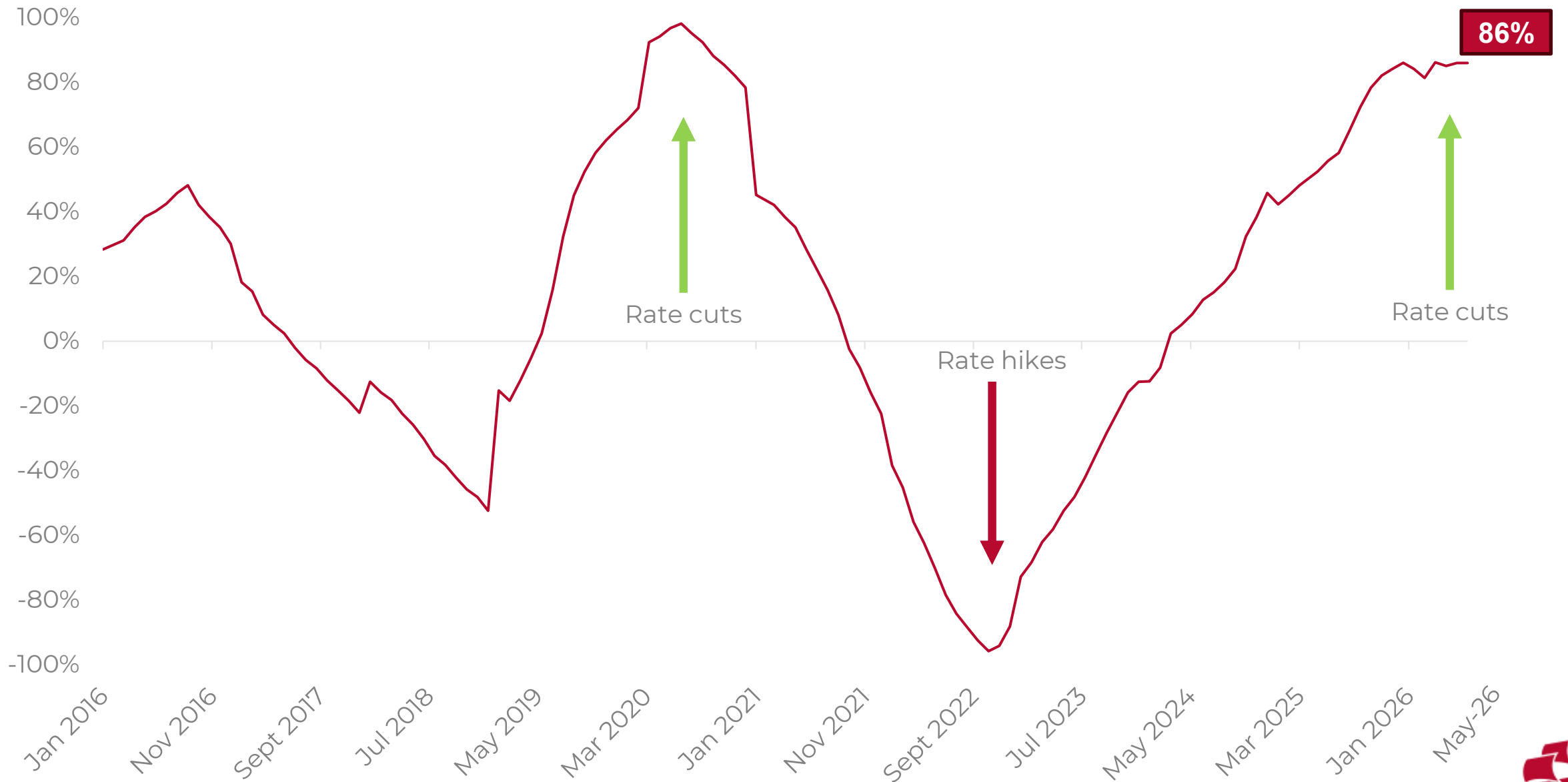


Lessons from the past

US Inflation %



Net proportion of global Central Banks whose last move was a rate CUT



FEDERAL RESERVE

BOARD OF GOVERNORS

“AI WILL BE A SIGNIFICANT DISINFLATIONARY FORCE, INCREASING PRODUCTIVITY AND BOLSTERING AMERICAN COMPETITIVENESS... AI IS GOING TO MAKE ALMOST EVERYTHING COST LESS.”

KEVIN WARSH

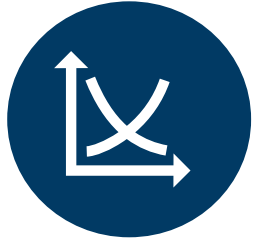
ECONOMY

JOBS

AI?



Conclusion



Markets, in general, are somewhat expensive but supported by earnings growth and market liquidity.



Higher commodity prices are supporting higher inflation (in the short term).



If inflation continues to rise, so will interest rates, and liquidity will fall; negative for markets.



If AI is indeed disinflationary, liquidity will keep markets up.



Flagship's investment signature



Risk Mitigation



Unconstrained



Truly Global



Equity Centric



Nimble



Experience

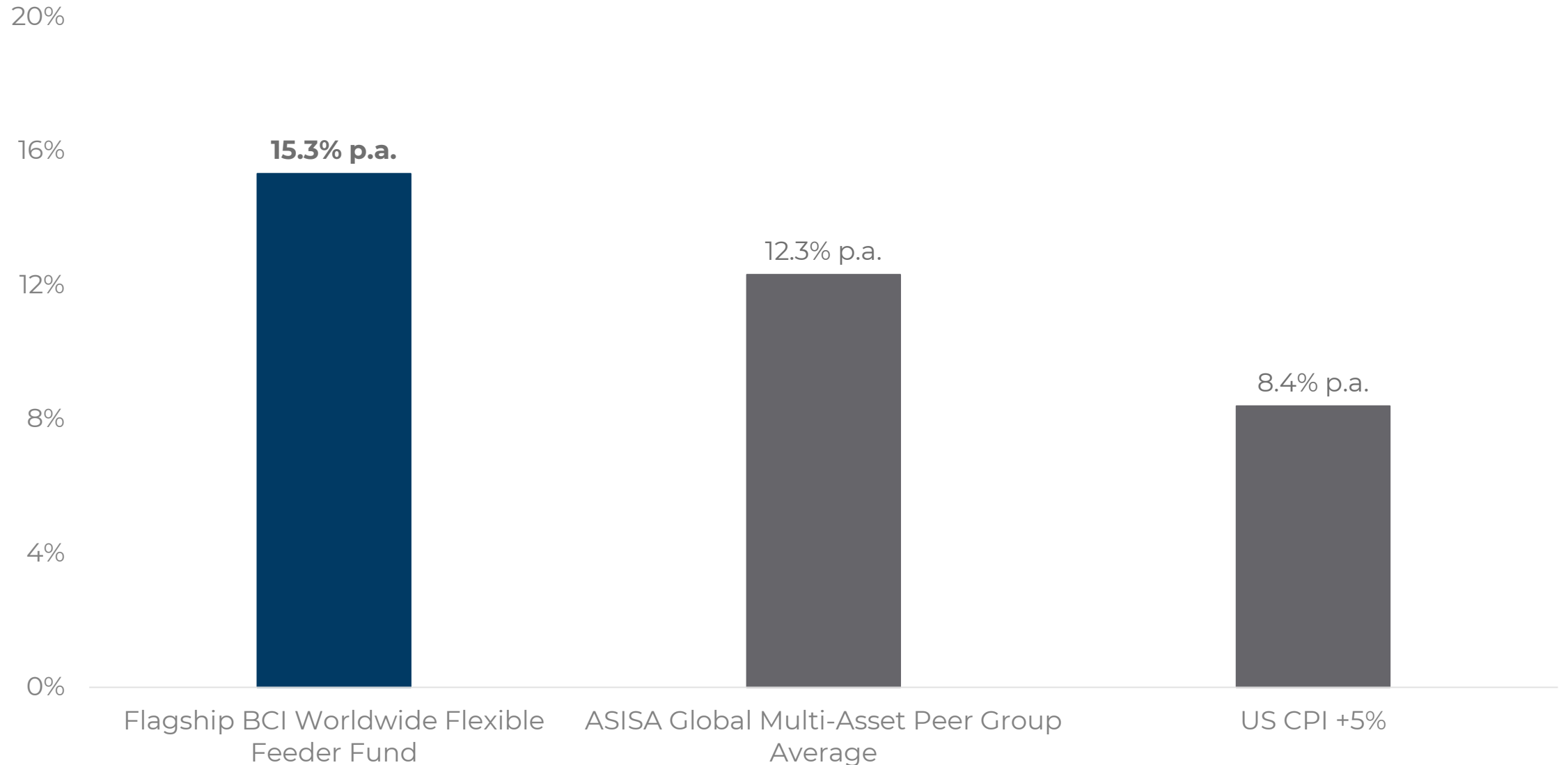


A World of Opportunity



Flexible Worldwide Strategy Performance (USD)

Under new stewardship (Jul 2023 - May 2026)



Global Equity Strategy Performance (USD)

Under new stewardship (Jul 2024 - May 2026)





FLAGSHIP

ASSET MANAGEMENT

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