

Staying the Course Despite Everything

Financial markets are navigating an environment with multiple challenges: adjustments in global interest rates, increased volatility in equities, some recent weakness in the U.S. dollar, and a significant geopolitical escalation in the Middle East.

Naturally, questions arise.

During March and April 2025, markets experienced a downturn associated with tariff announcements. More recently, the volatility of the past few weeks has once again reminded us that short-term market movements can be intense. Added to this is the military tension involving Iran, which has raised global uncertainty.

Source: Reuters / *Le Monde*

Events like these influence growth expectations, risk perception, and commodity dynamics. However, it is important to distinguish between short-term adjustments and structural changes.

In the case of the U.S. dollar, there is no evidence of a massive capital outflow from the United States. International investors continue to allocate to U.S. assets, albeit with increased currency hedging. This can generate technical pressure on the currency without implying a loss of structural confidence. Likewise, adjustments in interest rate differentials are part of normal cyclical dynamics.

Many analysts anticipate more moderate equity market growth in 2026 compared to prior years. Markets move through cycles of expansion, consolidation, and rebalancing. Projections are subject to change and do not constitute a guarantee of future results.

In aviation, there is a very clear concept: crosswinds. They do not force a landing, but they do require technique and small adjustments to stay on course. That is what we are seeing today—not a change in destination, but variable conditions that demand discipline.

A diversified portfolio is designed precisely for environments like this. Diversification does not eliminate risk or guarantee results, but it helps manage exposure across multiple variables: currency, interest rates, geopolitics, and market cycles.

Beyond public analysis, real value happens behind the scenes. In times like these, we review sector exposure, interest-rate sensitivity, currency impact, strategic liquidity, and multiple macroeconomic scenarios. This review is part of the daily work we do for our clients—not only when markets move, but always.

If you are receiving this analysis today, but your portfolio is being managed under a different framework, this may be a good moment to compare approaches. Evaluating how your current exposure is being analyzed can make a meaningful difference over time.

As in flight, the goal is not to avoid every gust, but to remain clear about the destination and disciplined in execution.

We review the environment closely.

Fine-tuning when appropriate.

A steady course when the plan is well designed.

I remain at your disposal to speak whenever you deem it appropriate.

Kind regards,

Fernando

The infographic is divided into three vertical panels. The left panel features a winged airplane icon and the headline "STAYING ON COURSE takes you further". Below it, a quote reads: "In aviation and in life, direction changes everything." At the bottom, a compass icon is followed by the text "COURSE = PURPOSE + DECISION + ACTION" and "Every small adjustment, keeps us on the right path." The middle panel is titled "IN AVIATION, STAYING ON COURSE MEANS:" and lists four key principles: "NAVIGATE WITH PRECISION" (using instruments and technology), "TRUST THE PLAN" (following discipline), "MAKE SMART DECISIONS" (evaluating and adjusting), and "STAY DISCIPLINED AND FOCUSED" (small, consistent actions). The right panel features the "SAFE COURSE FLY WITH CONFIDENCE" logo, an airplane in flight, and the headline "STAYING ON COURSE is our best altitude". It includes three icons labeled "PURPOSE", "FOCUS", and "DESTINATION", a quote: "It's not about flying faster, but about never losing sight of where we're going.", and the text "STAY ON COURSE. YOUR DESTINATION IS WORTH IT." At the bottom of the infographic, a section titled "AI HELPS US FLY BETTER" states that AI analyzes data in real time and supports smarter decisions, with the formula "Technology + Human Experience = Safe Course".

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