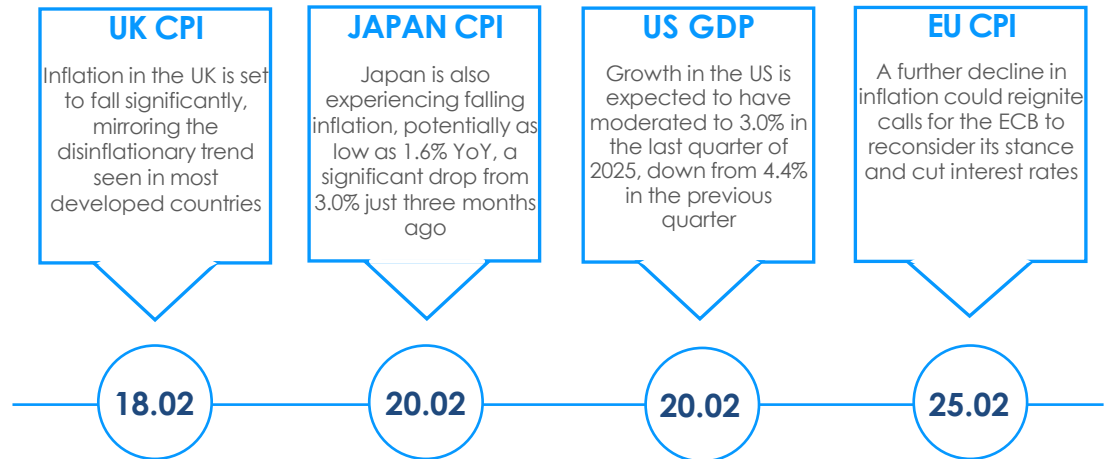


Main Events

Azimut Global Network

- * Milan
- * Abu Dhabi
- * Austin
- * Cairo
- * Chicago
- * Dubai
- * Dublin
- * Hong Kong
- * Estoril
- * Istanbul
- * Lugano
- * Luxembourg
- * Mexico City
- * Miami
- * Monaco
- * New York
- * Santiago
- * São Paulo
- * Shanghai
- * Singapore
- * St Louis
- * Sydney
- * Taipei



Developed Markets Equity: Q4.2025 Earnings Season

- Earnings growth is tracking above consensus expectations in all main regions, with positive EPS surprise factors varying from +3% in Europe to +8% in Japan
- Cyclical in the US are delivering stronger earnings growth than defensives for the second quarter in a row, supporting a broadening of market leadership
- In Europe, commodity and consumer sectors have been particularly weak, with Energy, Materials, Discretionary, and Staples all printing negative EPS growth. Excluding the strong 25% EPS growth reported by Financials, European EPS growth would be -1% y/y

As of this writing, 66% of companies in the US, 45% in Europe, and 88% in Japan have reported earnings. Overall, earnings growth is tracking above consensus expectations. Reported EPS growth stands at +12% YoY in the US and +4% YoY in Europe, implying EPS surprise factors of +7% and +3%, respectively.

In the US, 77% of reporting companies have beaten EPS estimates, with the bulk of growth driven by Materials, Industrials, Financials, Technology, and Communication Services, while Health Care has lagged. In Europe, 57% of companies have exceeded EPS estimates; performance is mixed, with several sectors reporting negative EPS growth, while Financials are delivering robust double-digit earnings growth. In Japan, 63% of companies have beaten EPS estimates; aggregate EPS growth is -2% YoY but represents a positive surprise of 8%. It is worth noting that cyclicals in the US are delivering stronger earnings growth than defensives for the second consecutive quarter, supporting a broadening of market leadership.

United States (S&P 500)

For the October - December quarter, US companies have reported 9% sales growth and a 12% increase in EPS. Notably, 65% of companies have beaten sales estimates, with an overall sales surprise of 2%. All sectors, apart from Materials (flat), are delivering positive sales growth.

On the earnings side, 77% of companies have exceeded consensus estimates, with a positive surprise of 7%. The bulk of EPS growth is being driven by Information Technology, Industrials, and Financials, while the consumer sectors, both Discretionary and Staples, are seeing broadly flat earnings growth this quarter.

(continued)

S&P500: Q4 2025 summary

	No. of cos reported / Total	% reported	% cos beating EPS estimates	% cos Missing EPS estimates	EPS surprise	%yoy EPS growth	% cos beating Sales estimates	% cos Missing Sales estimates	Sales surprise	%yoy Sales growth
S&P500	328 / 498	66%	77%	19%	7%	12%	65%	19%	2%	9%
Energy	11 / 22	50%	82%	18%	8%	6%	100%	0%	5%	-1%
Materials	21 / 26	81%	52%	43%	21%	20%	52%	33%	0%	2%
Industrials	61 / 80	76%	75%	18%	21%	15%	51%	30%	2%	8%
Discretionary	23 / 48	48%	61%	35%	2%	1%	74%	9%	2%	7%
Staples	19 / 34	56%	84%	16%	3%	2%	47%	21%	0%	6%
Healthcare	44 / 60	73%	84%	11%	5%	-1%	80%	11%	1%	11%
Financials	68 / 76	89%	76%	21%	7%	18%	57%	24%	1%	10%
IT	41 / 70	59%	93%	7%	6%	20%	80%	5%	3%	16%
Com. Services	14 / 20	70%	93%	7%	7%	13%	86%	7%	2%	12%
Utilities	8 / 31	26%	88%	0%	1%	3%	63%	38%	4%	12%
Real Estate	18 / 31	58%	50%	28%	-1%	1%	67%	17%	3%	6%
Ex-Financials & Real Estate	242 / 391	62%	79%	17%	8%	10%	68%	17%	2%	9%
Ex-Energy	317 / 476	67%	77%	19%	7%	12%	64%	19%	2%	10%
Cyclicals	146 / 224	65%	75%	21%	9%	15%	63%	20%	2%	10%
Defensives	85 / 145	59%	86%	11%	6%	6%	72%	15%	1%	10%

Source: J.P. Morgan

Stock price reactions have been positive overall: companies that beat estimates recorded a median gain of +170 bps, while misses were penalized with a median decline of -150 bps. Following a steady decline through mid-2025 and a trough in October (excluding April), consensus EPS estimates for both 2025 and 2026 have inflected and moved higher.

Big Tech

Except for Nvidia, which reports next week, all major US technology companies have released Q4 results.

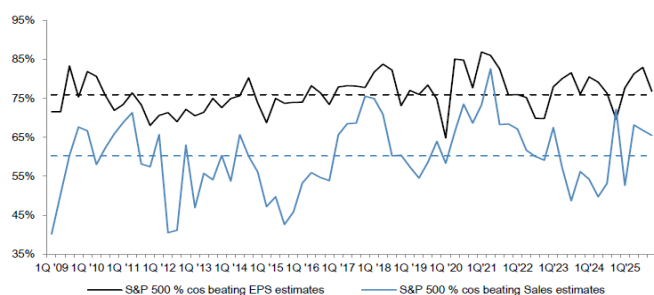
Alphabet delivered a top-line beat, with 4Q25 revenue of USD 113.8bn (2.2% above consensus) and diluted EPS of USD 2.82 (vs. USD 2.65 consensus). Google Cloud revenue was USD 17.7bn, 9.1% above consensus, and Cloud operating margin was 30.1% (vs. 23.7% in the prior quarter). Management guided 2026 capex to USD 175–185bn (well above the USD 119.5bn consensus heading into the quarter) and reported Cloud backlog of USD 240bn (+55% YoY).

Meta's 1Q outlook implies top-end revenue growth of 33.5% YoY, the fastest growth since 3Q21. The acceleration reflects machine learning-driven engagement and monetization improvements and highlights that internal AI tools contributed to a 30% increase in output per engineer in 2025 (with some users seeing higher gains).

Microsoft reported Azure constant-currency growth of 38% (vs. buy-side expectations of 39%). Revenue grew 17% YoY (15% in constant currency) to USD 81.3bn, and GAAP operating margin was 47.1% (vs. 45.5% consensus). Cash capex (excluding leases) was USD 30bn (vs. USD 23.8bn consensus). Commercial remaining performance obligation (RPO) climbed to USD 625bn (+110% YoY; +USD 227bn q/q), reflecting the new USD 250bn OpenAI commitment to Azure.

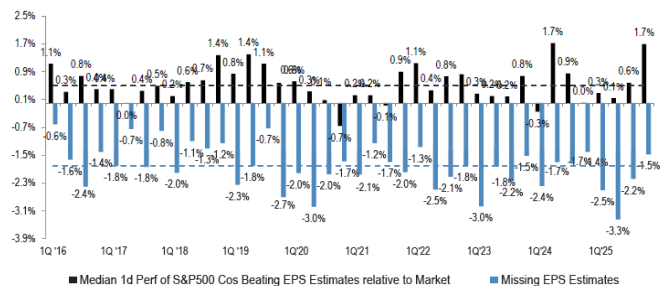
Apple reported December-quarter revenue of USD 143.8bn (+16% YoY) and gross margin of 48.2%, both ahead of consensus. EPS was USD 2.84 (vs. USD 2.67 consensus). For the March quarter, Apple guided gross margin to 48–49%, described as well ahead of expectations, while noting a rising headwind to gross margin from memory costs.

S&P: % of companies beating quarterly EPS / SALES



Source: J.P. Morgan

S&P: price reaction to beats and misses



Source: J.P. Morgan

(continued)

STOXX 600: Q4 2025 summary

	No. of cos reported / Total			% reported	% cos beating EPS estimates	% cos Missing EPS estimates	EPS surprise	%yoy EPS growth	% cos beating Sales estimates	% cos Missing Sales estimates	Sales surprise	%yoy Sales growth
Stoxx600	188	/	416	45%	57%	43%	3%	4%	48%	33%	2%	-3%
Energy	8	/	19	42%	13%	88%	-9%	-26%	50%	38%	9%	-15%
Materials	16	/	34	47%	43%	57%	11%	-2%	25%	63%	-1%	-2%
Industrials	40	/	93	43%	47%	53%	1%	1%	40%	48%	0%	2%
Discretionary	14	/	42	33%	50%	50%	14%	-27%	50%	25%	-1%	-7%
Staples	15	/	31	48%	60%	40%	5%	-1%	29%	43%	1%	1%
Healthcare	15	/	36	42%	77%	23%	3%	-5%	47%	40%	1%	-1%
Financials	48	/	80	60%	67%	33%	7%	25%	69%	16%	2%	3%
IT	13	/	22	59%	75%	25%	4%	4%	69%	15%	1%	2%
Com. Services	8	/	24	33%	71%	29%	-21%	-3%	50%	25%	1%	3%
Utilities	2	/	19	11%	50%	50%	-	-	50%	50%	11%	7%
Real Estate	7	/	16	44%	0%	100%	-9%	6%	0%	0%	0%	8%
Ex-Financials & Real Estate	131	/	320	41%	54%	48%	1%	-7%	43%	41%	2%	-5%
Ex-Energy	178	/	397	45%	60%	40%	5%	9%	48%	33%	1%	0%
Cyclicals	83	/	191	43%	51%	49%	4%	-2%	43%	42%	0%	-1%
Defensives	40	/	110	36%	68%	31%	3%	-3%	41%	38%	1%	0%

Source: J.P. Morgan

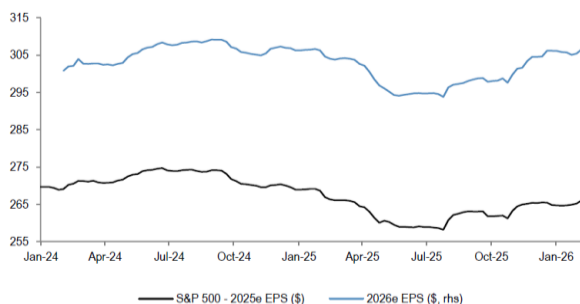
Amazon reported 4Q25 total revenue of USD213.4bn (+13.6% YoY), 1% above consensus, with operating income of USD25.0bn (1% above consensus). AWS revenue was USD35.58bn (+23.6% YoY), 2% above consensus, and AWS operating income was USD12.47bn (35.0% margin). For 1Q, Amazon guided net sales of USD173.5–178.5bn (in line with expectations) but operating income of USD16.5–21.5bn (15% below consensus at the midpoint). Management guided 2026 capex at USD200bn (vs. USD148.5bn consensus heading into the quarter) and reported AWS backlog of USD244bn (+22% q/q).

Europe (STOXX 600)

With 54% of companies reported, Q4 earnings show low single digit growth. STOXX 600 companies reported a -3% revenue decline, though this was 2% ahead of estimates. On the top line, 48% of companies are beating sales estimates, but 4 out of 11 sectors are down on a year-over-year basis. On the earnings side, EPS growth is at +4% YoY, with a positive surprise of 3%. 57% of companies have beaten EPS estimates. Commodity and consumer sectors have been particularly weak, with Energy, Materials, Discretionary, and Staples all printing negative EPS growth. Excluding the strong 25% EPS growth reported by Financials, European EPS growth would be -1% y/y.

Stock price reactions in Europe have been notably weak. On average, companies that beat estimates declined by 70bps, while misses were penalized more sharply, with an average decline of 120bps. As in the US, consensus EPS expectations for European equities troughed in October 2025 and have since seen only modest upgrades, confined to a limited number of sectors, notably Financials and Materials.

S&P500: 2025 and 2026 EPS estimates evolution



Source: J.P. Morgan

STOXX 600: 2025 and 2026 EPS estimates evolution



Source: J.P. Morgan

Japan (Topix)

With 88% of Topix companies having reported Q3 FY26 results (for the October-December quarter), 63% are beating EPS estimates. Aggregate EPS growth stands at -2% YoY, with auto and energy negatively impacting the index. On revenues, 58% of companies have beaten estimates, delivering overall sales growth of +4% YoY, with almost every sector delivering positive growth. 2026 EPS estimates for Japan appear to have flattened after a sudden rebound in October.

(continued)

TOPIX: Q3 2026 summary (October- December quarter)

	No. of cos reported / Total	% reported	% cos beating NP estimates	% cos Missing NP estimates	NP surprise	%yoy NP growth	% cos beating Sales estimates	% cos Missing Sales estimates	Sales surprise	%yoy Sales growth
TSE Prime comp.	1023 / 1168	88%	63%	37%	8%	-2%	58%	42%	1%	4%
Elec/Appl. & Prec.	111 / 121	92%	59%	41%	5%	2%	63%	37%	2%	3%
Autos & Trans.	41 / 44	93%	72%	28%	20%	-36%	72%	28%	3%	4%
Machinery	60 / 79	76%	52%	48%	4%	5%	56%	44%	1%	5%
Steel & Nonfer	35 / 38	92%	88%	12%	33%	28%	68%	32%	2%	7%
Raw. & Chem.	96 / 109	88%	52%	48%	3%	-8%	49%	51%	-1%	-1%
Pharmaceutical	22 / 24	92%	80%	20%	19%	145%	81%	19%	3%	7%
Const. & Mater.	83 / 96	86%	78%	22%	25%	30%	53%	47%	0%	4%
IT & Service	167 / 197	85%	58%	42%	6%	12%	49%	51%	0%	9%
Retail Trade	84 / 92	91%	44%	56%	-3%	41%	52%	48%	0%	-2%
Foods	47 / 53	89%	68%	32%	5%	10%	56%	44%	0%	3%
Transprt. & Logi.	46 / 51	90%	58%	42%	5%	-19%	56%	44%	0%	6%
Elec. Pwr. & Gas	20 / 21	95%	92%	8%	21%	-4%	38%	62%	-5%	-6%
Real Estate	26 / 28	93%	69%	31%	18%	24%	50%	50%	0%	8%
Comm. & Whole.	85 / 95	89%	54%	46%	3%	-9%	69%	31%	1%	5%
Energy Reso.	5 / 7	71%	33%	67%	-24%	-63%	100%	0%	20%	-8%
Banks	62 / 68	91%	90%	10%	19%	16%	81%	19%	7%	22%
Fin ex Bank	33 / 45	73%	60%	40%	7%	43%	75%	25%	3%	22%
Overseas demand	247 / 282	88%	64%	36%	16%	-17%	64%	36%	2%	4%
Domestic demand	591 / 671	88%	62%	38%	11%	10%	52%	48%	0%	3%
Defensive	219 / 241	91%	62%	38%	10%	9%	56%	44%	0%	1%
Cyclical	458 / 525	87%	65%	35%	9%	-7%	65%	35%	4%	5%

Source: J.P. Morgan

Transcript Analysis, Capital return and Guidance

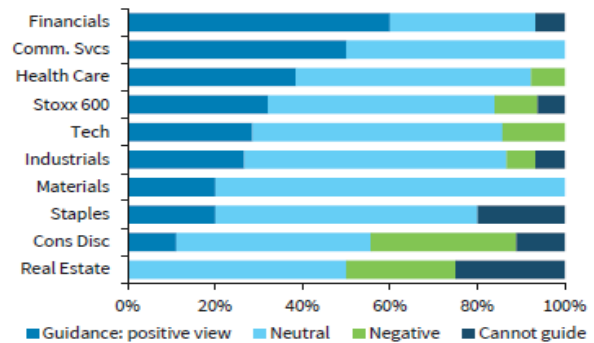
Earnings call transcripts for Q4 2025 indicate that margins, FX, AI, and demand remain prominent themes. Margin commentary skewed positive, with 67% of mentions favorable. FX continued to represent a significant headwind, with 86% of mentions negative. Artificial Intelligence commentary was overwhelmingly positive (85% positive mentions). Demand sentiment also skewed positive, with 62% favorable mentions, while economy-related commentary improved but remained net negative (19% positive vs. 44% negative). Tariff-related commentary was predominantly negative (53% negative, with no positive mentions).

Transcripts takeaways

Q4 2025	Positive	Neutral	Negative	mentions as % of total
Margins	67%	12%	21%	72%
Dividends	100%	0%	0%	63%
Guidance/Outlook	32%	58%	10%	60%
FX	5%	9%	86%	47%
Economy	19%	37%	44%	40%
Demand	62%	12%	27%	39%
Capex	49%	35%	16%	38%
Artificial Intelligence	85%	15%	0%	35%
Inflation	52%	26%	22%	34%
Buybacks	92%	5%	3%	29%
Tariffs	0%	47%	53%	27%
Inventory	27%	53%	20%	22%
China	36%	14%	50%	21%
Layoff	0%	38%	63%	6%

Source: Alphasense, Barclays research

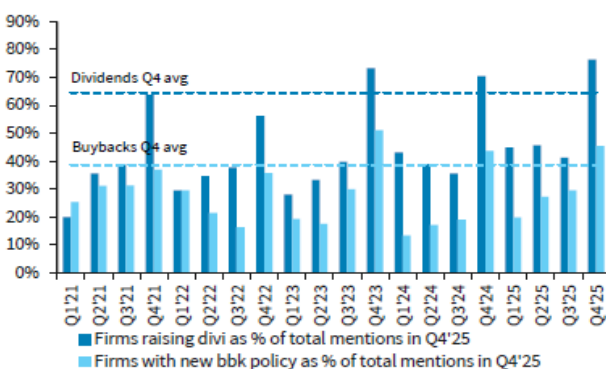
Guidance



Source: Alphasense, Barclays research

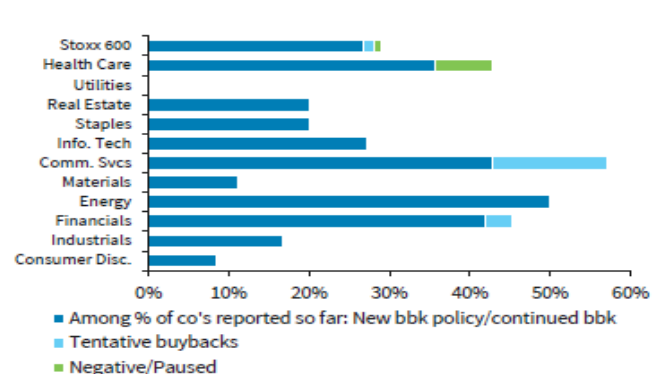
Guidance sentiment was predominantly neutral, accounting for 58% of mentions, with 32% positive and 10% negative. Capex commentary was generally constructive: 49% positive, 35% neutral, and 16% negative, consistent with indications that nearly half of the firms discussing capex are planning to increase investment levels. Capital return messaging was also supportive. Buyback commentary was 92% positive and dividend commentary 100% positive, with the share of firms raising payouts running above historical averages.

Dividends



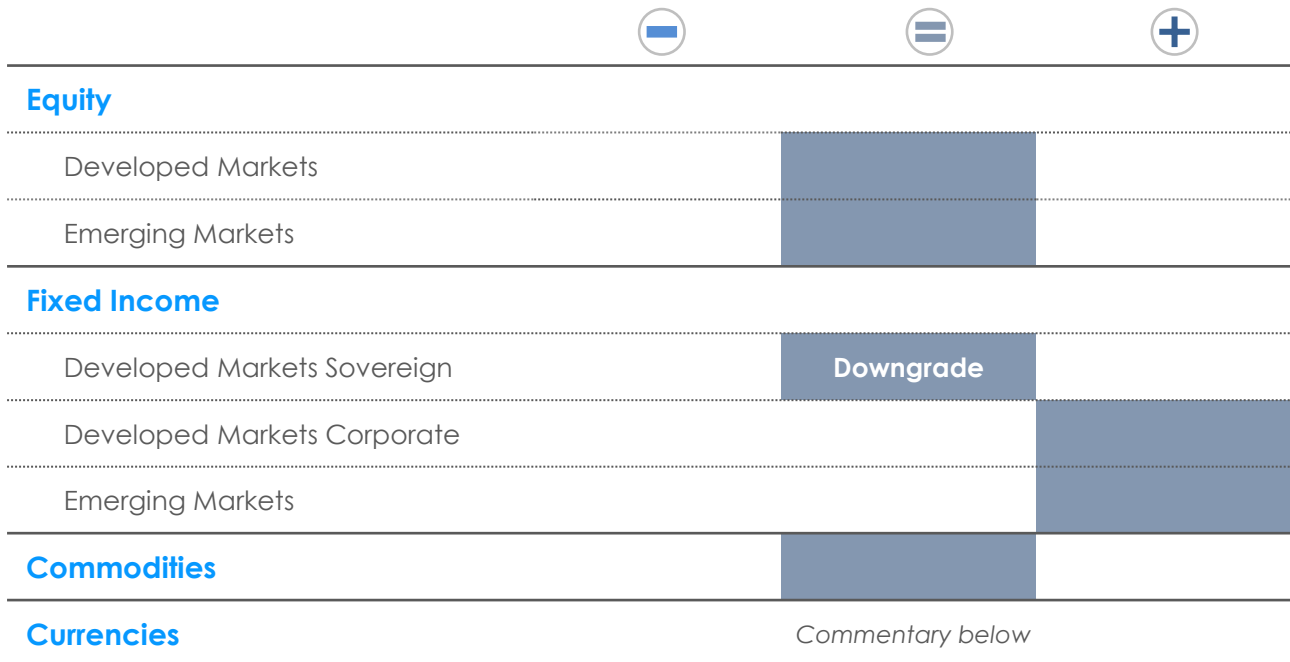
Source: Alphasense, Barclays research

Buybacks



Source: Alphasense, Barclays research

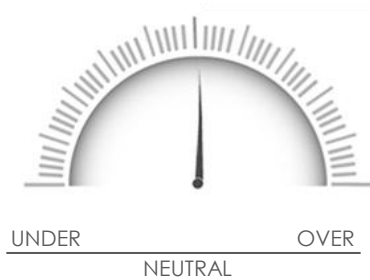
Asset Allocation View



⊖ UNDER = NEUTRAL ⊕ OVER

Equity

Developed Markets



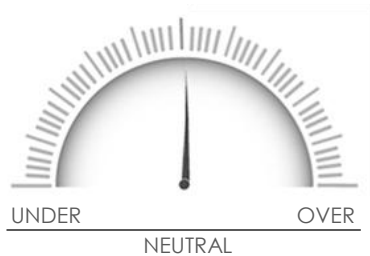
We maintained our **Neutral** recommendation on Developed Market equities. The recent weakness of the Magnificent 7, despite solid financial results, the sharp corrections in certain sectors (particularly software, but also financials and transportation) following the release of AI innovations that threaten existing business models, and the pullback in some retail-favored trades (cryptocurrencies, precious metals, etc.) suggest that a broader correction may unfold. However, with economic growth still solid, any retracement should be viewed as a buying opportunity. We continue to recommend broad diversification across styles, sectors, and regions.

US ⊖

Europe =

Japan =

Emerging Markets



We confirm our **Neutral** stance on Emerging Market equities. Although emerging market valuations remain inexpensive relative to developed markets, the sharp rally in certain markets in recent months has reduced their relative attractiveness and increased the risk of a near-term correction. However, expectations of continued US dollar weakness over the medium term, together with strong positive momentum across emerging markets, suggest that the current uptrend may still have further room to run.

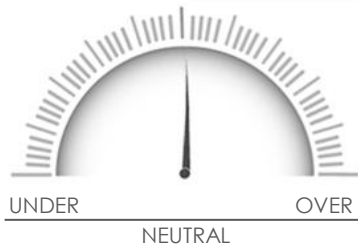
Asia ex-Japan =

EEMEA ⊖

LATAM ⊕

Fixed Income

Developed Markets Sovereign



We have tactically reduced our recommendation on Developed Market sovereign bonds to **Neutral**. Following the meaningful retracement in yields since their peak at the end of January, we are tactically moving to a neutral stance, as rates now appear to be consistent with fairly strong economic growth and central banks that are unlikely to cut rates in the near term. Our preference remains for segments of the curve up to seven years, while we are more cautious on longer tenors.

EU Core



EU Periphery



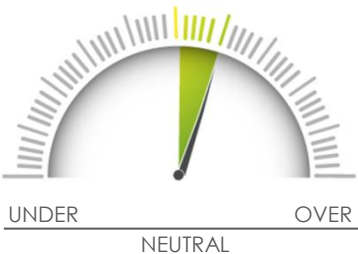
US Treasury



Japanese JGB



Developed Markets Corporate



We maintain our **Slightly Overweight** recommendation on Developed Market corporate bonds. Demand for credit remains robust, even if spreads have tightened to record lows. With no major drivers on the horizon to materially increase volatility, near-term market moves are expected to remain contained given the continued resilience of the US and European economies. We continue to recommend a focus on high-quality issuers, while avoiding excessive exposure to high-yield instruments.

IG Europe



IG US



HY Europe



HY US



Emerging Markets



We continue to maintain our **Slightly Overweight** recommendation on Emerging Market Bonds. The outperformance of emerging market debt in recent months has led to a meaningful tightening of spreads across emerging market bonds, suggesting that greater caution is warranted. However, expectations of continued US dollar weakness, together with ongoing portfolio diversification by international investors, should continue to support the asset class over the medium term.

Local Currency



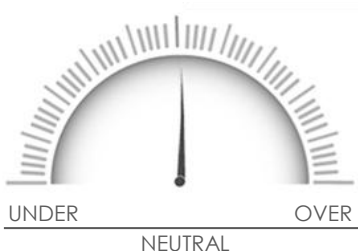
Hard Currency IG



Hard Currency HY



Commodities



We maintain a **Neutral** recommendation on Commodities. Precious metals continue to be subject to heightened volatility. Until volatility returns to more normal levels, we suggest maintaining a cautious stance on them. Nevertheless, our medium-term view remains constructive: precious metals still have room to grow, and can continue to serve as a portfolio hedge. As for other commodities, industrial metals and energy may have further room to extend their recent rally.

Precious



Energy



Industrial



Agricultural



Currencies

We maintained our **Neutral** recommendation on the US Dollar. Volatility in the FX market is declining, suggesting that major currency pairs are close to their fair value. This is the case also for the greenback, whose exchange rates against other major currencies are in line with the short-term interest rate differentials.

For the very same reason, the view on the Euro remains **Neutral** as well.

We have upgraded our recommendation on the **Chinese Renminbi** to **Neutral with a bullish bias**, aligning it with the recommendation for the other emerging market currencies.

The outlook for other **emerging market currencies** has been confirmed as **Neutral with a bullish bias**. The recent outperformance of emerging debt strategies continue to show a strong momentum.

Euro	=	USD	=	CNY	=	Other EM	+
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