

Source: Raiffeisenbank a.s., Asset Management, data valid as of 9 January 2026.

Dear Client,

The year 2025 confirmed a positive trend and became the third consecutive year in which major equity markets generated double-digit returns in US dollar terms. This growth was achieved despite a temporary spring correction triggered by escalating trade disputes and tariff policies. The global equity index MSCI AC World strengthened by 20.6% over the past year. For domestic investors, the overall performance of foreign assets was influenced by currency developments. Unlike in 2024, the Czech koruna significantly appreciated against the US dollar by 18.3%, which reduced the MSCI AC World index's return to 2% in koruna terms. In the bond markets, the Czech government bond index achieved a 3.7% return, while their European equivalents in EUR yielded 2.5%. US government bonds in the 3-5 year maturity segment rose by 6.9%, supported by a renewed cycle of monetary easing in the US and a broad decline in yields across the curve. A contrasting development was visible in Europe, where longer maturities saw rising yields accompanied by falling bond market prices. The Czech economy in 2025 demonstrated accelerated growth even without direct fiscal stimulus. The primary driver of economic recovery was household consumption. Despite a slight increase, unemployment remains at historically low levels, while the average nominal wage has maintained a stable growth of around 7% for the third consecutive year. Given that inflation stabilized within the Czech National Bank's tolerance band (below 3%), real purchasing power increased, reflected in the highest level of consumer confidence in the past six years. Other components also contributed positively to GDP, especially government spending linked to record investment activity. The new government's program statement further emphasizes growth-supporting measures, even at the cost of increased public finance deficits. The domestic yield curve correlated with German rate developments, but the dominant factor remained the domestic monetary policy outlook. Although the end of the CNB's rate easing was indicated at the end of 2025, current disinflation trends toward 2% increase the likelihood that the central bank will rather cut interest rates during 2026, which is reflected in the current rise in bond prices.

The eurozone economy exceeded original conservative expectations last year. However, divergence persists within the region: while Germany, Austria, and Italy exhibit structural weakness, Spain and newly France act as growth engines of the monetary union. The outlook for 2026 is influenced by predicted US tariffs, which could reduce European exports by up to 12%. This negative impulse should be offset by increased investments in defense and infrastructure, maintaining GDP growth at 1.4%. Average inflation in the eurozone is expected to fall to 1.8% in 2026 from last year's 2.2% (data source: Raiffeisen Research), with the ECB likely to keep rates at current levels for an extended period.

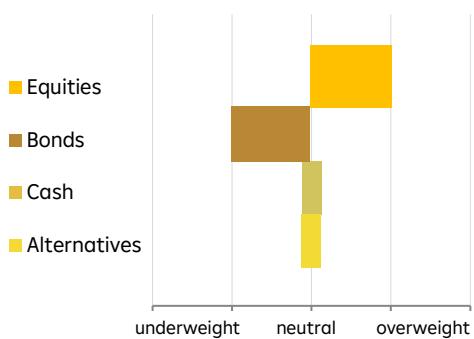
In the US, economic activity in 2025 was defined by the administration of Donald Trump, the implementation of tariffs, and the longest government shutdown in history. Despite these influences, the US economy maintained solid performance, supported by the so-called wealth effect from rising equity markets. Risks remain from a potential asset price correction and high concentration of investments in the artificial intelligence (AI) segment. Although inflation in the US approached the 3% threshold, its dynamics were lower than the market predicted. It is expected that under new leadership, the Fed will proceed more aggressively with rate cuts, especially as the current chairman Powell's term ends in May and he is replaced by someone more aligned with Donald Trump's economic views.

Capital markets will remain a key source of financing for infrastructure projects in 2026. Our strategy continues to rely on key megatrends with an emphasis on overweight exposure in equities, especially in the US, where global leaders most effectively capitalize on AI development. Although we do not expect a repeat of the extreme 20% annual returns, the consensus among investment strategists still anticipates an average return of around 8% for US equities; some company analysts even project a potential 15% appreciation of the S&P 500 index (data source: Bloomberg). We also expect a more stable currency environment without significant impacts on koruna returns. Within sector allocation, we prefer technology, communication services, industry, finance, defense, and quality dividend stocks. In the bond portion of portfolios, we maintain neutral duration and combine high-quality government bonds with corporate issues and higher-yield bond funds. Our asset management strictly adheres to the principles of optimal portfolio construction, diversification, liquidity, and focus on proven business models of leading global corporations.

Thank you for your trust, and we wish you much personal and professional success, good health, and satisfaction in 2026. Thank you for being with us, and we look forward to further cooperation!

Mr. Miroslav Padera, CFA, Head of Asset Management

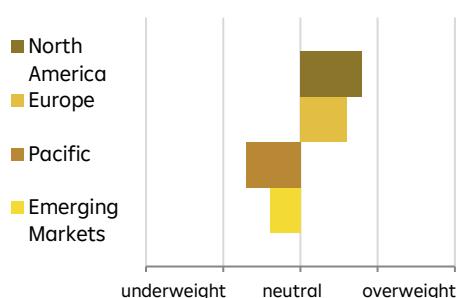
Tactical Asset Allocation – Asset Classes



Within the managed portfolios, we continue to apply a tactical overweighting of the equity component relative to fixed income instruments. The trend of breaking historical highs in equity markets confirms the effectiveness of this approach, which reflects the robust performance of global economies and the dynamic growth of corporate earnings. The investment process places fundamental emphasis on identifying secular megatrends. Artificial intelligence is perceived as a key technology with transformational potential that surpasses previous technological cycles. In line with this strategy, we allocate a significant portion of capital to global technology leaders headquartered in the USA, who exhibit the highest degree of adaptation to these new trends. We actively monitor and prepare

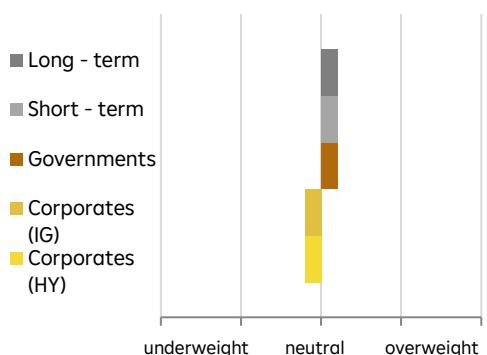
for selective integration of high value-added segments into portfolios, such as humanoid robotics, autonomous driving, critical data infrastructure, and quantum computing technologies. Given that the long-term expected returns of bonds lag behind the equity market, these instruments primarily serve a stabilizing function in portfolios and are used to effectively reduce risks in the short term. In the currency area, we do not expect a repeat of the significant volatility of the USD exchange rate to the detriment of investors to the same extent as in the previous period. Although the current economic and geopolitical environment exhibits high dynamics and associated probability of unpredictable events, we view any market corrections as opportunities to buy at more attractive valuations. In summary, the continuing momentum of technological disruption and the integration of AI into the real economy remain the main determinants of future growth.

Tactical Asset Allocation – Equity Regions



In regional asset allocation, we have made no changes and remain close to the MSCI AC World benchmark. We are slightly overweight in the USA and Europe and underweight in the Pacific and emerging markets. Our exposure to the US equity markets represents approximately 66% of the risk portion of the portfolios. In European equity markets, we hold about 15%. In the Pacific region, including Japan, we have 6%, and in emerging markets, we hold approximately 13%. We remain overweight in the technology, industrial, and financial sectors, and we also maintain exposure to dividend stocks and the defense sector.

Tactical Asset Allocation – Bonds

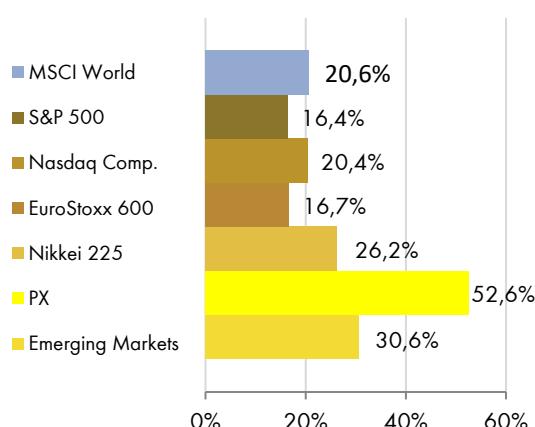


The FED, which began cutting interest rates already in 2024, paused in the first half of 2025. The reason was concern about a renewed rise in inflation, further strengthened by uncertainty regarding the new tariff policy. Additionally, a strong labor market did not pressure the FED to act hastily. On the contrary, there was significant pressure from the President to reduce rates. It remains a question whether the new series of three cuts in the final phase of the year (to the 3.5–3.75% range) was more of a preventive strike against a recession, enabled by falling inflation and responding to rising unemployment, or whether personnel changes favoring the President had a greater influence. Further rate cuts are expected in 2026, but the FED itself is not unified on where rates should

stabilize. In contrast, the ECB has kept rates stable since the June cut, and stability is expected throughout 2026. The Czech National Bank (CNB) is holding rates steady but has softened its hawkish rhetoric, and a slight downward movement in rates is not excluded. Thanks to the shift in rhetoric and, in the case of the FED, an actual move toward lower rates, prices of CZK and USD bonds have risen, benefiting the bonds in our managed portfolios. The core of our bond investments lies in Czech government bonds and, in foreign currencies, also Polish, US, German, Croatian, and other sovereign bonds. To a lesser extent, portfolios are supplemented with quality corporate bonds and higher-yield bond funds. We currently maintain duration close to the duration of the benchmarks.

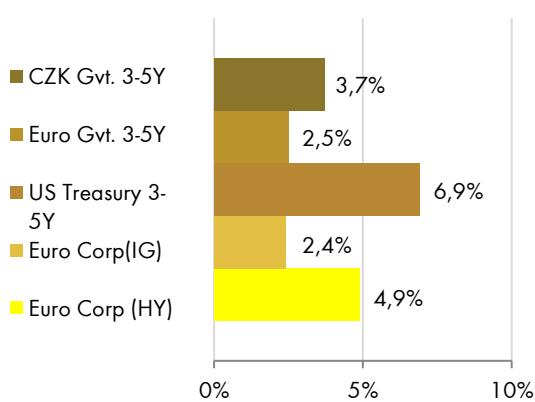
Source of data in charts: Raiffeisenbank a.s., Asset Management, data valid as of 9 January 2026.

Economic Situation and Market Trends in 2025



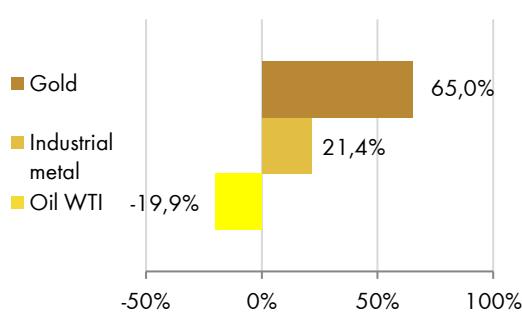
Equities

The year 2025 was successful for equity markets but also full of volatility. After a positive start to the year, the global equity index dropped by as much as 16% in April (due to the threat of trade wars and geopolitical tensions), only to finish 2025 up by 20.6%. Similarly, the US indices performed well, with the S&P 500 gaining 16.4% and the Nasdaq rising 20.4%. The emerging markets index also performed excellently, gaining 30.6%. The European equity index STOXX Europe 600 added 16.7%, the Japanese Nikkei rose by 26.2%, and the Prague Stock Exchange excelled with a 52.6% increase. It is important to note that these values are in the index currency, and especially dollar-denominated investments were significantly affected in CZK terms by the sharply weakening US dollar.



Bonds

Bond markets also experienced a fairly volatile period last year. Bonds with longer maturities were particularly under pressure during the year due to concerns related to government budget deficits and persistently elevated inflation. However, the end of the year was successful for bonds. US government bonds with maturities of 3-5 years gained 6.9%, European government bonds with the same maturities gained 2.5%, and Czech government bonds returned 3.7%. European corporate bonds also performed well, strengthening by 2.4%, while European high-yield bonds increased by 4.9%.



Commodities

On commodity markets, gold dominated, experiencing a significant rally with a 65% increase over the year (measured in US dollars). The rise in gold prices was mainly driven by fears of geopolitical tensions, a sharply weakening dollar, and the general perception of gold as a store of value in turbulent times. Industrial metals also performed well, gaining 21.4%. Conversely, oil struggled, declining by 19.9% due to significantly higher supply on global markets.

Currencies

The US dollar became the proverbial underdog in currency markets in 2025. It lost over 13.4% against the euro. The dollar was mainly influenced by the FED's interest rate cuts, geopolitical factors, and the impacts of Donald Trump's tariff policies. The Czech koruna strengthened by 4% against the euro and, correspondingly, appreciated by 15.5% against the US dollar.

Source of data in charts: Bloomberg. Performances of individual assets are measured in the primary currency of the given instrument in the period from 31 December 2024 until 31 December 2025. The currencies table shows the rates as of the date as indicated. Values contained in the graphs have been rounded to one decimal place.

Future Outlook

For the upcoming period, the corporate earnings season for the fourth quarter of last year and the outlook of individual companies for this year will be particularly important for the development of equity markets. For the entire year, aggregate earnings growth of S&P 500 companies is expected to be 15%, with revenue growth of 7.2% (source: FactSet).

American banks will be among the first corporations to start publishing their financial results, beginning in mid-January. Comments from CEOs of companies in the AI segment (e.g., Nvidia, Alphabet, Microsoft, Meta, etc.) will certainly be interesting, as there was speculation at the end of last year that a stock bubble could be forming in this segment due to their high investments and uncertain profitability of these investments.

Strategists and sector analysts from various Wall Street banks are positive about the development of the US equity market and expect further growth this year (source: Bloomberg). The anticipated growth in corporate earnings, together with the cycle of interest rate cuts in the US, should be the driving forces behind the equity markets. Another positive factor could be a large tax rebate resulting from Donald Trump's "Great Beautiful Law," which could support increased consumption by American households.

The FED will meet on January 27-28, and the market expects (source: Bloomberg) that the FED will likely keep the rate at 3.75% p.a. in January. However, analysts expect the FED to cut the base interest rate to around 3.25% p.a. during this year (source: Bloomberg). The next ECB meeting is scheduled for February 5. The market expects the ECB to maintain the deposit rate unchanged at 2% p.a. throughout this year. RBI analysts anticipate an increase in this rate only in 2027. The Czech National Bank (CNB) holds the repo rate at 3.50% p.a., and it is expected that the CNB will keep the rate unchanged at its next meeting, also scheduled for February 5. Analysts generally expect the CNB not to change the repo rate during this year. However, recent statements by the CNB governor do not exclude a rate cut, as inflation remains relatively low for now.

The yield on the US 10-year Treasury bond was slightly above 4.1% p.a. at the beginning of January. Analysts (source: Bloomberg) expect it to remain stable during this year. For the 10-year German bund, currently trading at around 2.8% yield, a slight increase is expected. However, if inflation in the US does not ease, bond yields could rise again. For longer-dated German government bonds, there is a risk of yield increases due to planned higher German borrowing related to investments in the defense industry and infrastructure, as well as ongoing ECB quantitative tightening. The Czech yield curve is and will be significantly influenced by foreign developments, especially movements in German bund and US Treasury yields, but the main determinant will be domestic developments and CNB policy.

Currently, our portfolios are overweight in equities, with the largest exposure in the US equity market. Regionally, we are roughly aligned with the global equity benchmark with minor deviations. In the bond portion, we maintain a neutral duration (average maturity), as it remains very uncertain which direction CNB interest rates will take this year if any changes occur.

The war in Ukraine and other geopolitical factors (e.g., the Middle East, Greenland, Venezuela, Iran), including fears of a return to higher inflation (after the introduction of tariffs), remain among the main risks for capital markets.

Outlook by: Raiffeisenbank a.s., Asset Management, individual asset classes in 1Q/2026:

EQUITIES	BONDS	CASH	ALTERNATIVES
U.S.A.	Bonds < 3Y	Cash, Term Deposits, Savings accounts	Energy, Oil
Technologies, Finance, Industrials, Defence, Dividend-paying shares segment	Bonds > 3Y		Real Property
	Credit		
KEY:	POSITIVE EXPECT.	NEUTRAL EXPECT.	NEGATIVE EXPECT.

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Information about Raiffeisenbank a.s.

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Officer in charge: Mr. Miroslav Paděra, Head of Asset Management.