Twelve month report ending December 2025

GEOPOLITICAL UNCERTAINTY AND STRONG RETURNS

GEOPOLITICAL UNCERTAINTY

In recent years, the phrase “unprecedented times” has become a common theme, and 2026 began with another reminder: reports emerged regarding significant political developments in Venezuela. Venezuela, one of the world’s most resource-rich nations, saw its regime nationalize foreign projects under Maduro. The transition of power and US co-management of Venezuelan operations could trigger a supply-side shock in the oil market. This marks a reversal of previous disruptions caused by Russian oil sanctions, which removed heating oil critical to Europe’s energy needs. The evolving situation underscores the volatility of global energy markets and the geopolitical forces shaping them.

COMMODITIES

Experienced notable movements over the past year, with precious metals among the strongest performers. Gold and silver saw significant gains, supported by factors such as inflationary pressures, geopolitical uncertainty, and steady central bank purchases. Silver also benefited from industrial demand linked to renewable energy and electric vehicle production. Broader commodity markets showed mixed trends: energy prices fluctuated as supply disruptions eased, while industrial metals like copper and aluminum were influenced by infrastructure spending and clean-energy initiatives. Overall, 2025 reflected a dynamic environment across commodity sectors, shaped by macroeconomic conditions and shifting global demand patterns.

2025 STRONG MARKET

The fourth quarter of 2025 delivered an end-of-year rally in the US stock market, topping off a very strong year, and extending the bull run for a third consecutive year. Lower inflation numbers and the potential for future interest rate cuts have excited investors. We have yet to see technology and AI infrastructure slow down, and it continues to be a major source of investment returns, extending to related industries like power generation and material extraction.

WHAT THIS MEANS

Global diversification
Geopolitical uncertainty increases the need for a diversified portfolio to help alleviate concerns. A focus on global diversification should help lower the specific risk associated with uncertainty in individual markets while still allowing the benefits of the upside.

Elevated valuations
The strong investment performance of the past few years has raised current valuations, especially in the US. The higher valuations have cast doubt on future stock market returns, as much of the expected growth is assumed to be priced into current levels.

IMPACT ON PORTFOLIOS

Strong returns and investment allocation
Equity markets have had strong years since the COVID market recovery which has benefitted our higher risk-based portfolios. Investors, especially those nearing retirement, should review their current portfolio allocation to ensure it remains appropriate for their selected risk profile, time horizon, and overall financial objectives.

Market outlook
We expect positive but modest returns for 2026, with diversification remaining key as many investors are somewhat nervous due to the extreme gains of the past three years stretching valuations. Geopolitical uncertainty will likely be a key driver of volatility throughout the coming year.

ARGUS SELECT FUNDS

The Funds rounded out the year with positive results in the fourth quarter – with returns ranging from 1.4% in the Conservative Fund to 2.9% in the Aggressive Fund. These returns represent past performance for the specific period indicated and should not be considered indicative of future results.

The US Fed cut interest rates twice (totaling 50 bps) during Q4, pushing yields lower and supporting both equities and bonds. Rate cuts improved financial conditions by lowering borrowing costs and boosting expectations for continued easing into 2026. Additionally, robust corporate earnings continued to fuel positive investor sentiment throughout the quarter. For the year, all strategies recorded positive performance with a similar story reflected over the trailing 5-year period.

GUARANTEED INTEREST ACCOUNT (GIA)

As was previously communicated to members, effective December 1, 2025, our Interest Accumulator product has been updated and replaced with the Guaranteed Interest Account (GIA). Our GIA provides for:

Continued downside protection

Guaranteed principal and protection of accrued interest to the account.

Greater upside potential

Flexibility to capture market improvements without being locked into long-term fixed terms.

Improved transparency

A single credit rate will now apply across all contributions, replacing multiple rates based on term and contribution dates. This simplifies how members view and understand their investments, but also means returns will vary over time based on the prevailing credit rate rather than fixed rates for individual tranches.

Under the GIA, the crediting interest rate is only guaranteed for three months at a time. After each review, the rate may go up, down, or stay the same thereby impacting the amount of interest you earn. There is no guarantee that future rates will be equal to or higher than prior rates. The December 31, 2025 crediting interest rate stood at 3.25%. Investors should consider the return after pension administration fees and should also consider inflation risk, opportunity cost, and their individual investment objectives and time horizon before selecting this investment option. If you would like to learn more about investment options or make changes to your investment selection, please visit **argus.bm** for additional information or consult with a qualified financial advisor. Investment decisions should be based on your individual circumstances, risk tolerance, time horizon and financial goals.

FUND DETAILS

FUND	YTD	5YR
Conservative	9.1%	1.4%
Moderate	11.7%	4.0%
Balanced	13.4%	5.8%
Growth	16.4%	7.9%
Aggressive	18.2%	9.4%

FACT SHEETS

Fact sheets containing trailing performance and benchmark comparisons are updated monthly and are available on the Argus website: **argus.bm**. Members may also contact Argus directly to request copies or obtain additional information.