Marketing Communication

The new world order under Trump 2.0

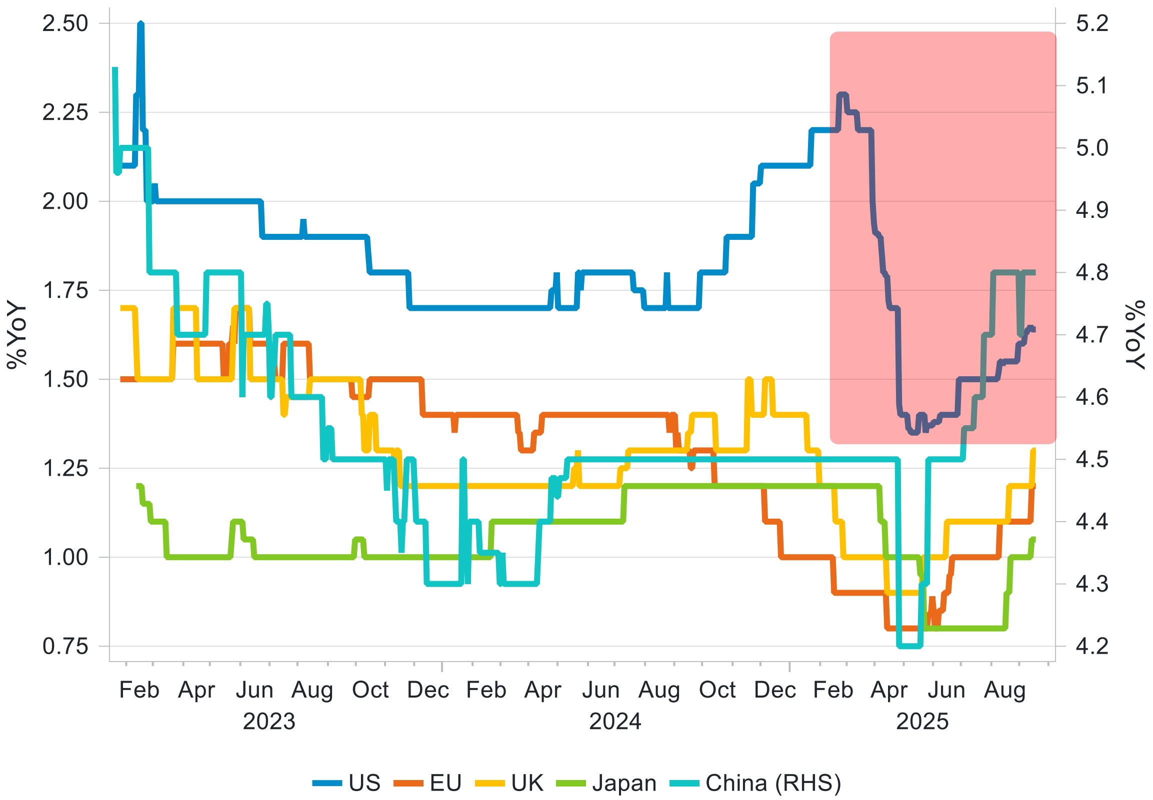
Carsten Roemheld
Capital Market Strategist

October 2025

This material is for investment professionals only, and should not be relied upon by private investors

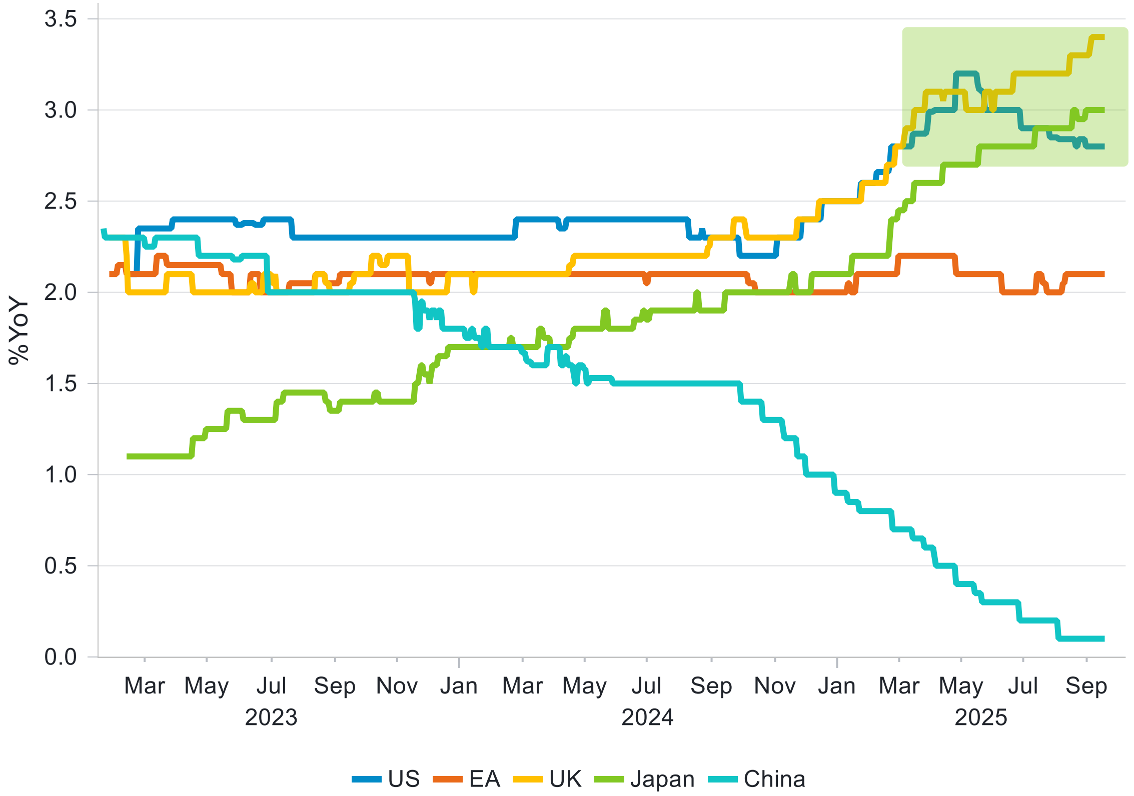
Change 1: Global growth and inflation consensus forecasts for 2025

2025 real GDP growth Bloomberg consensus forecast



Source: Fidelity International, Macrobond, Bloomberg, September 2025. For illustrative purpose only.

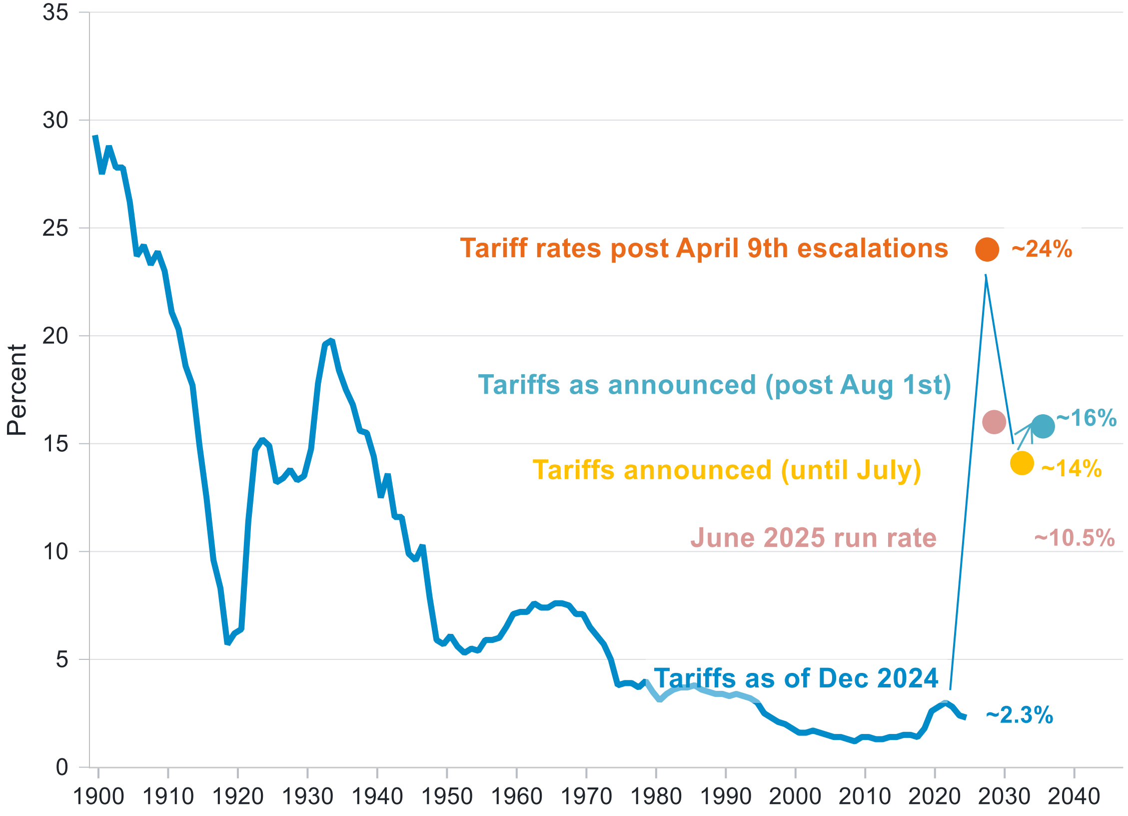
2025 CPI inflation Bloomberg consensus forecast



Source: Fidelity International, Macrobond, Bloomberg, September 2025. For illustrative purpose only.

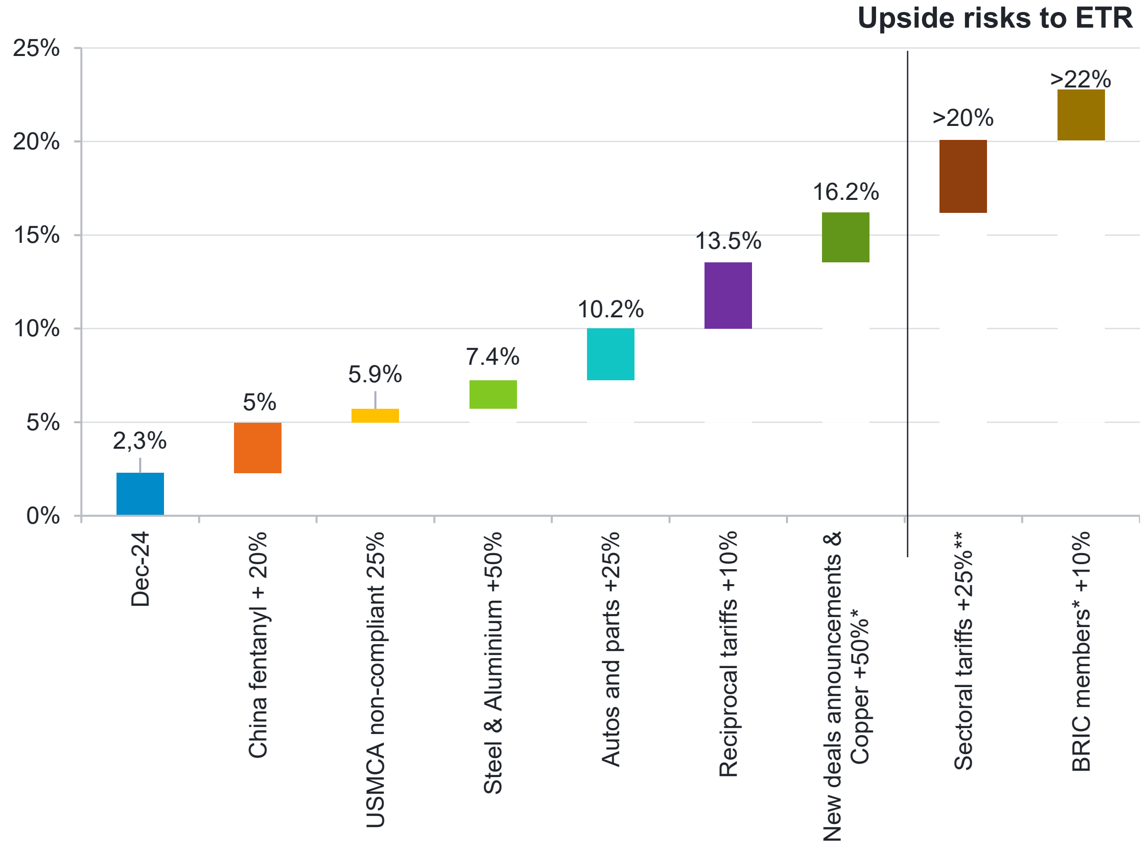
Change 2: US effective tariff rates expected to settle at least in the 15-16% range…

US effective tariff rates



Source: Fidelity International, FIL Global Macro Team calculations, Macrobond, USITC, August 2025.

US Effective tariff rates (ETR)



Note:*New deal announcements include 50% tariffs on India.** Sectoral tariff assumes 25% tariffs on pharmaceuticals, semiconductors/electronics, agriculture products. BRIC members include Brasil, Russia, India, China, South Africa, Egypt, United Arab Emirates, Ethiopia, Indonesia, and Iran. BRIC partners include Belarus, Bolivia, Cuba, Kazakhstan, Malaysia, Nigeria, Thailand, Uganda, Uzbekistan and Vietnam.
Source: Fidelity International, USIT, July 2025. For illustrative purpose only.

Change 3: The three R's of the US' grand geoeconomic strategy

Retrench, rebuild, and repair

Retrench to a more prescribed 'sphere of influence'

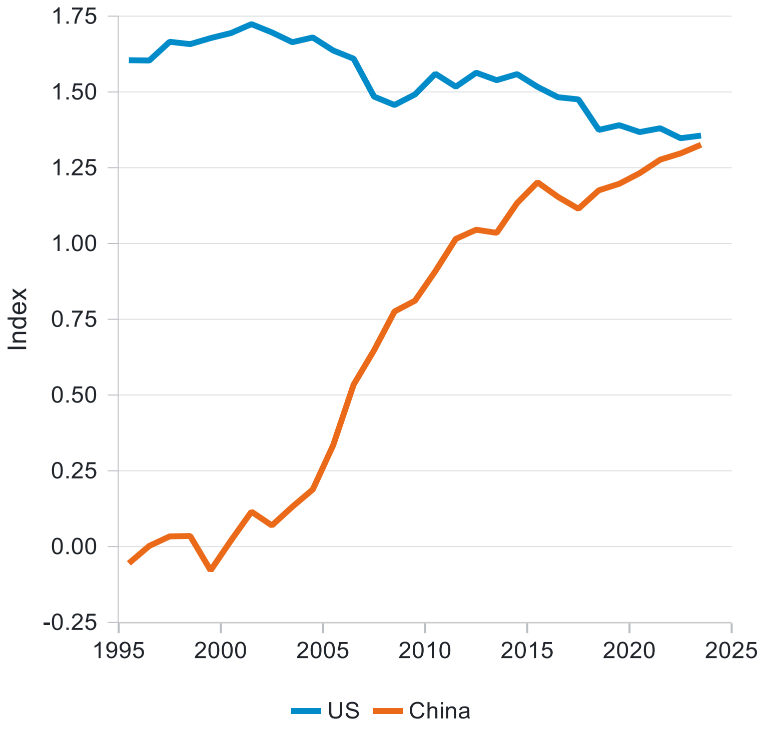
- **Core**: North America
- **Near abroad:** the Latin Americas + UK
- **Peripheral "client states":** EU + Pacific Rim (Japan, South Korea, Taiwan)
- **Discarded allies:** Ukraine, India, Australia (??)

Source: Fidelity International, September 2025. For illustrative purpose only.

Rebuild a manufacturing industrial base

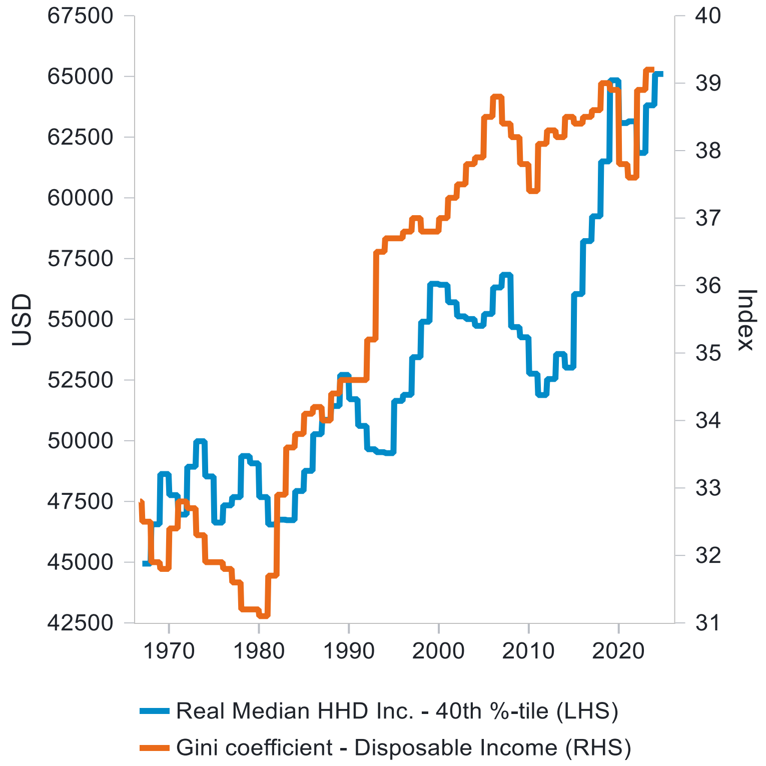
Key industries: chips, ships & arms

Economic Complexity Indices



Source: Fidelity International, Macrobond, OEC, September 2025.

Repair a left behind the middle class



Source: Fidelity International, Macrobond, BLS, USCB, NAR, FSOLT, September 2025.

Change 4: Reaction function - Other forces are aligning in the Developing World

Modi’s actions at the SCO, were, at the very least, optionality building

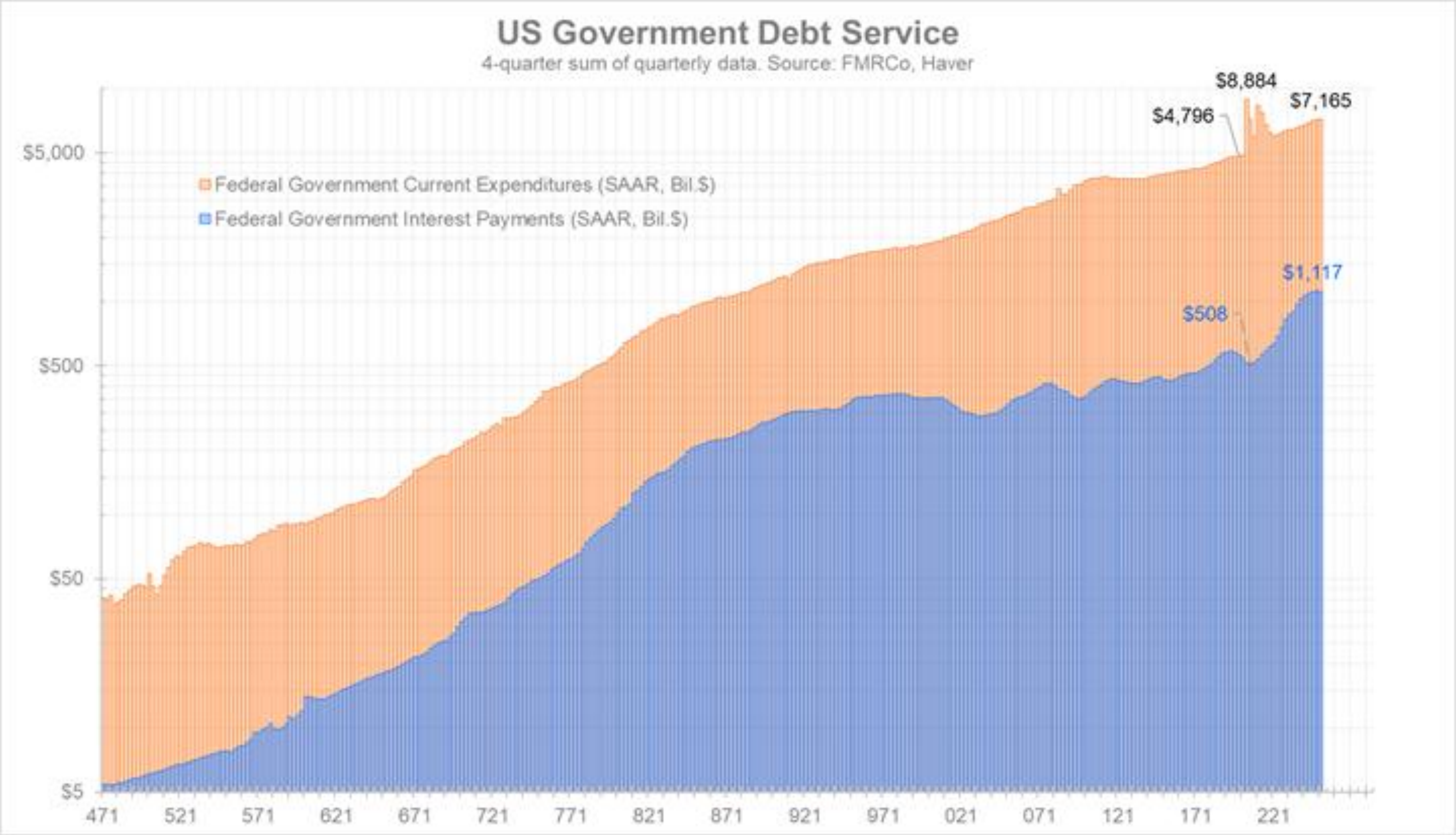
In this pool photograph distributed by the Russian state agency Sputnik, Putin, from left, with Modi and Xi during the Shanghai Cooperation Organisation (SCO) Summit in Tianjin, on Sept.

Source: Fidelity International, Bloomberg, AFP/Getty Images, September 2025. For illustrative purpose only.

Saudi Arabia signs a mutual defence pact with nuclear-armed Pakistan

Source: Fidelity International, Saudi Press Agency via AP, September 2025. For illustrative purpose only.

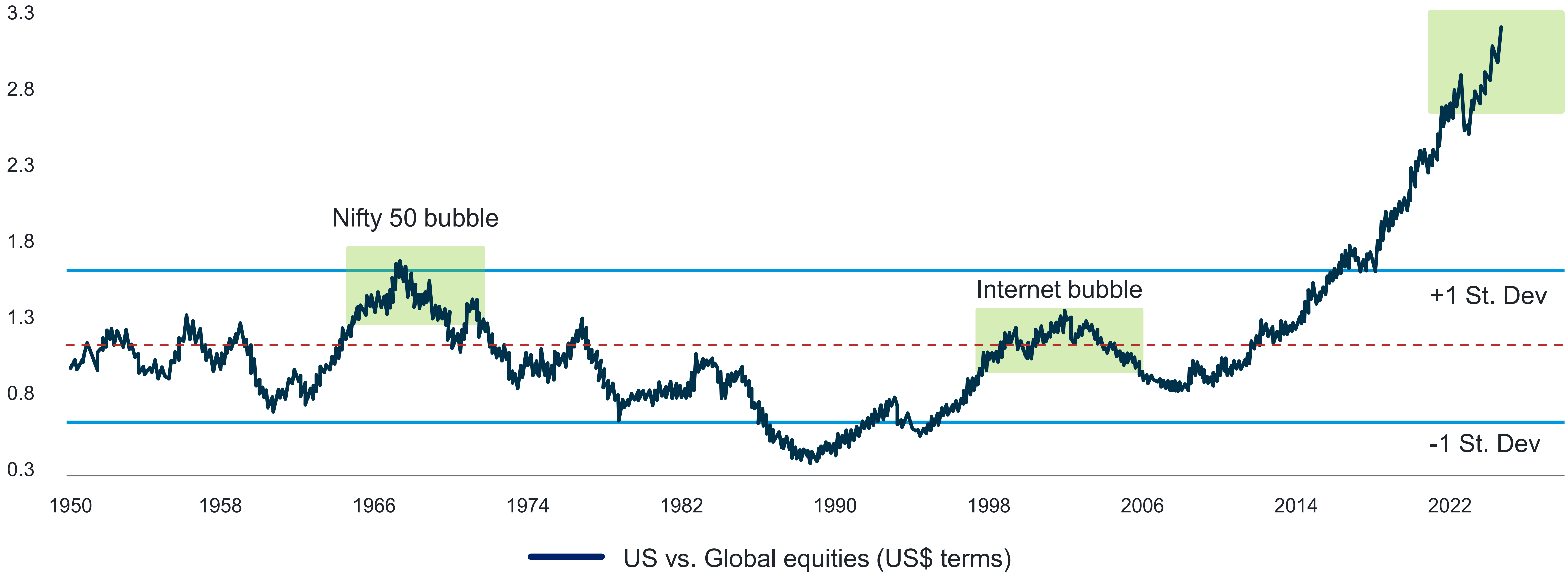
Change 5: The U.S. government's interest expenditure is now nearly $1.2 trillion p.a.



Source: FMRCo, Haver, July 2025. For illustrative purpose only.

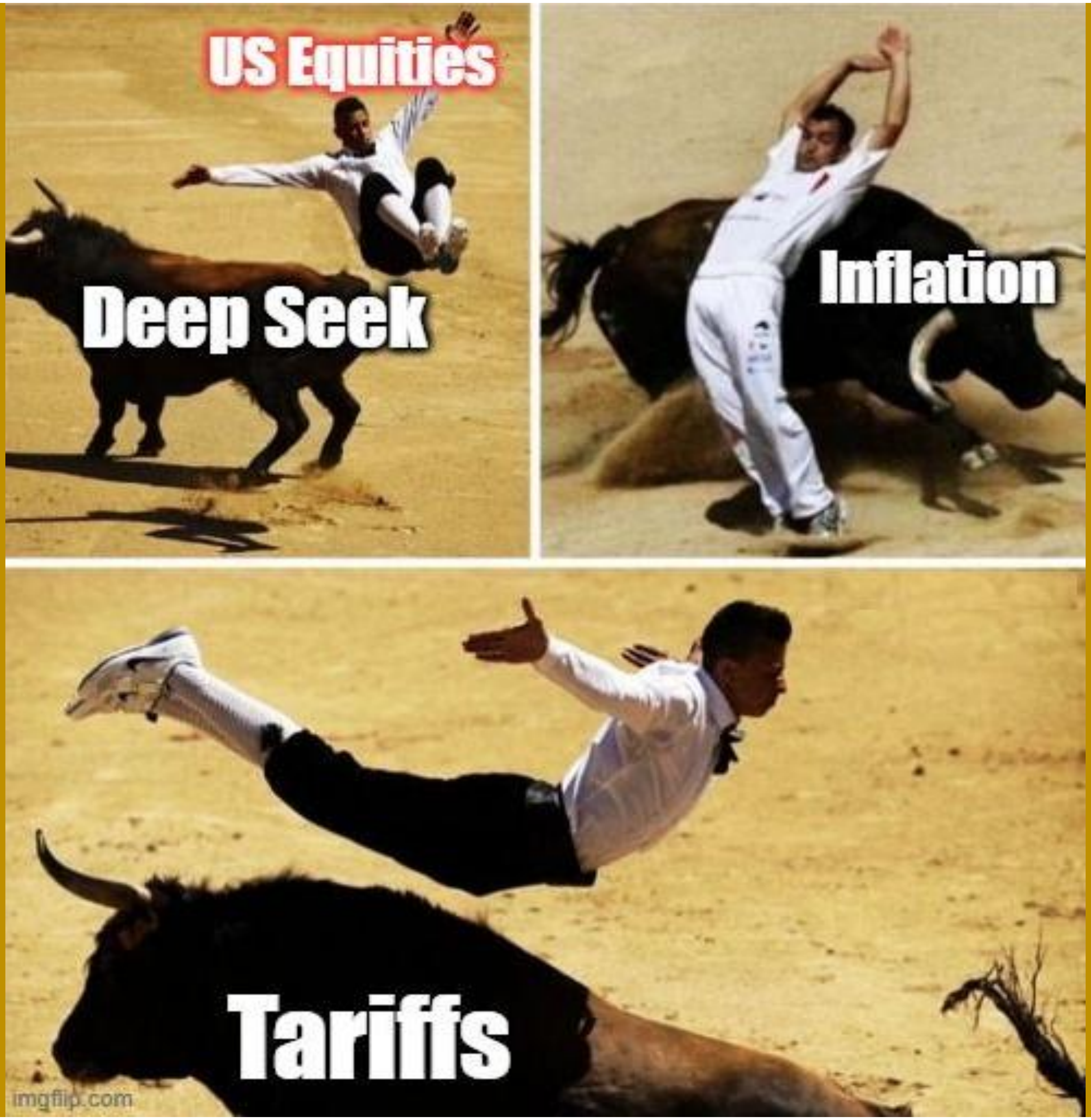
Change 6: U.S. stock markets <u>were</u> at a 75-year high against the rest of the world in January

Note: **Past performance does not predict future returns. The returns may increase or decrease as a result of currency fluctuations.**



Source: Fidelity International. BofA Global Investment Strategy, GFD Finaeon, Bloomberg, January 2025

So far, it seems the US stock market has shown a high level of resilience



Source: imgflip.com. For illustrative purpose only.

… but the S&P 500 YTD performance lags significantly behind in relative terms

Note: Past performance does not predict future returns. The returns may increase or decrease as a result of currency fluctuations.

Source: Bloomberg, 10/21/25

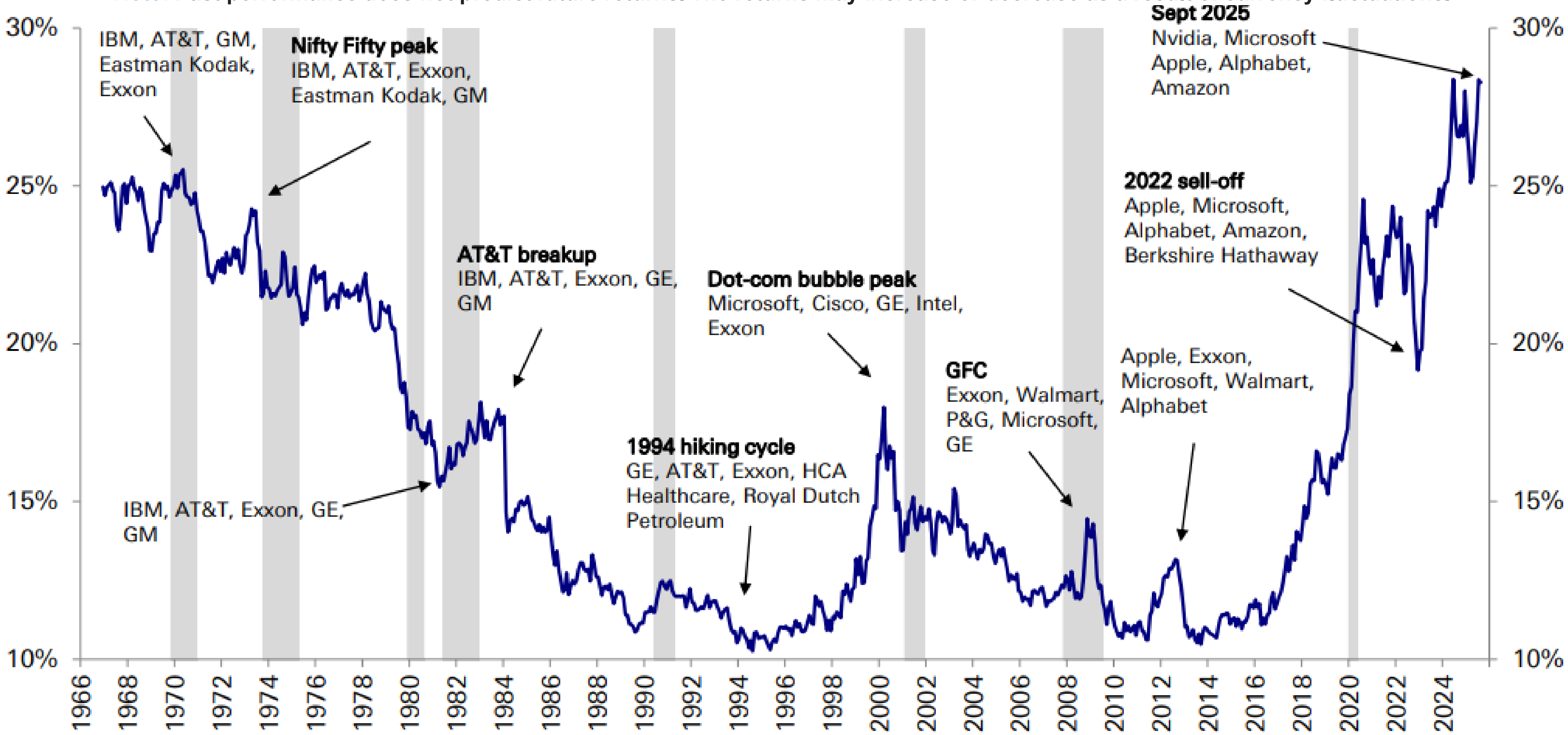
… and it is a lot worse from a European investor's perspective

Note: Past performance does not predict future returns. The returns may increase or decrease as a result of currency fluctuations.

Source: Bloomberg, 21.10.25

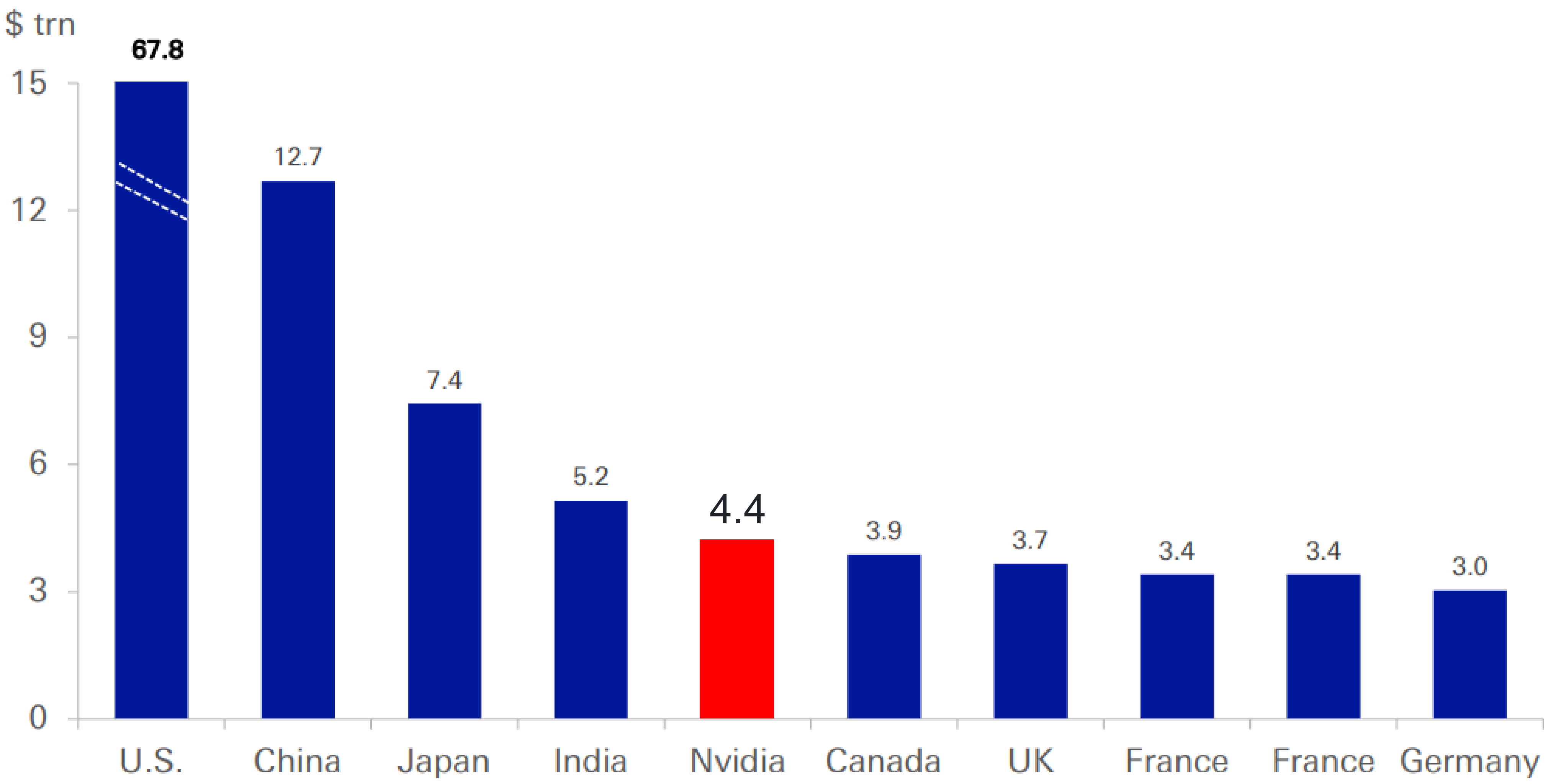
Narrow markets: New record for the top 5 stocks in the S&P 500

Note: Past performance does not predict future returns. The returns may increase or decrease as a result of currency fluctuations.



Source: DB Asset Allocation, Bloomberg, Deutsche Bank, Reporting Date: 15/08/25

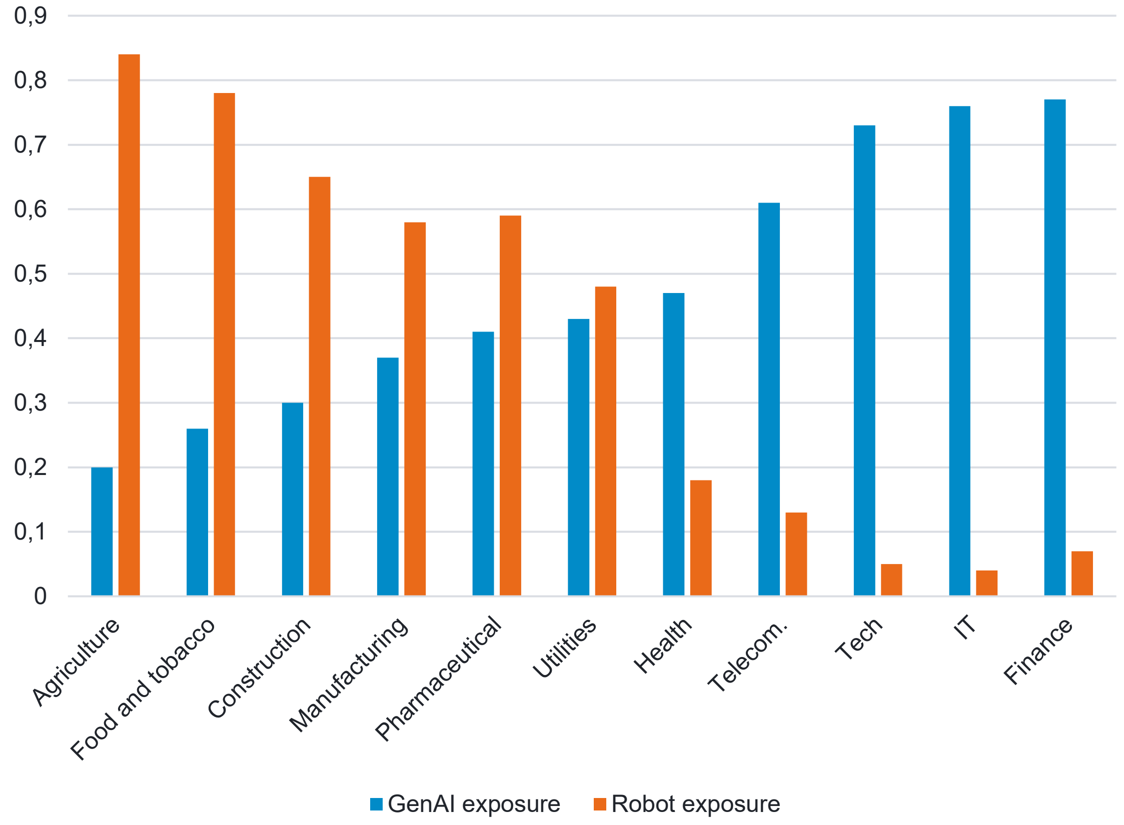
New forces: Market capitalization stock markets vs. Nvidia (in US$)



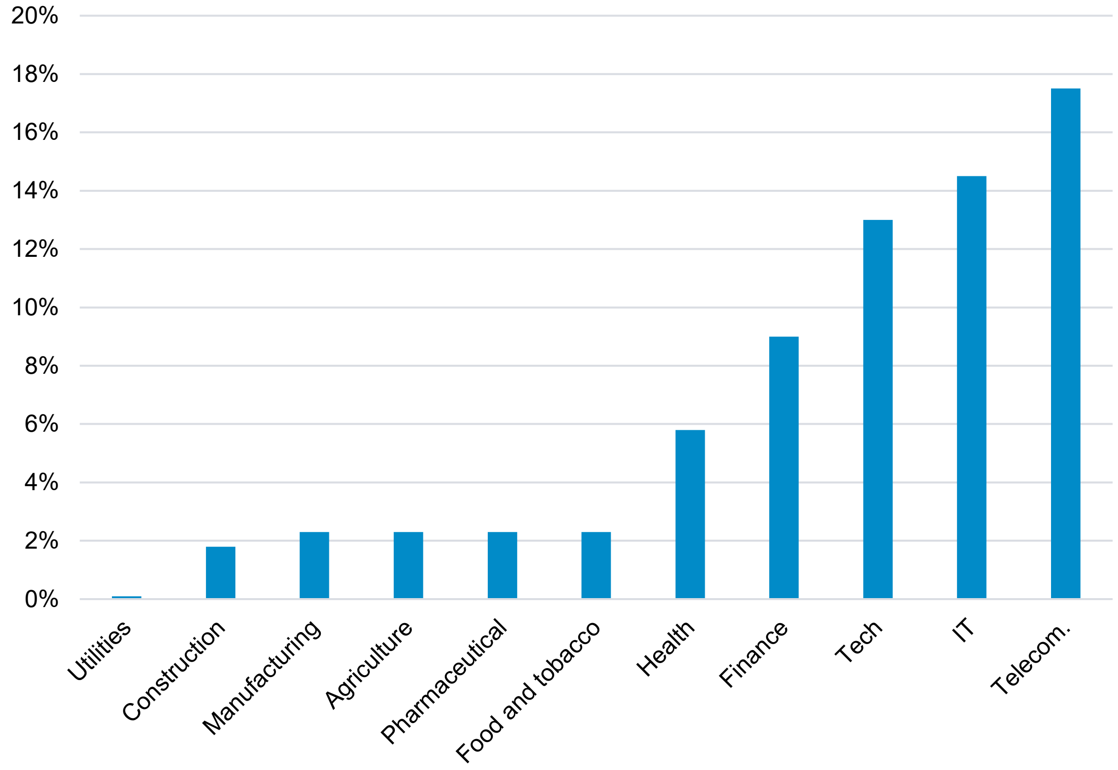
Source: Bloomberg, Deutsche Bank, October 2025. For illustrative purpose only.

Adoption rates for AI and Robotics are uneven, but still low

US sectors exposure to GenAI and Robotics



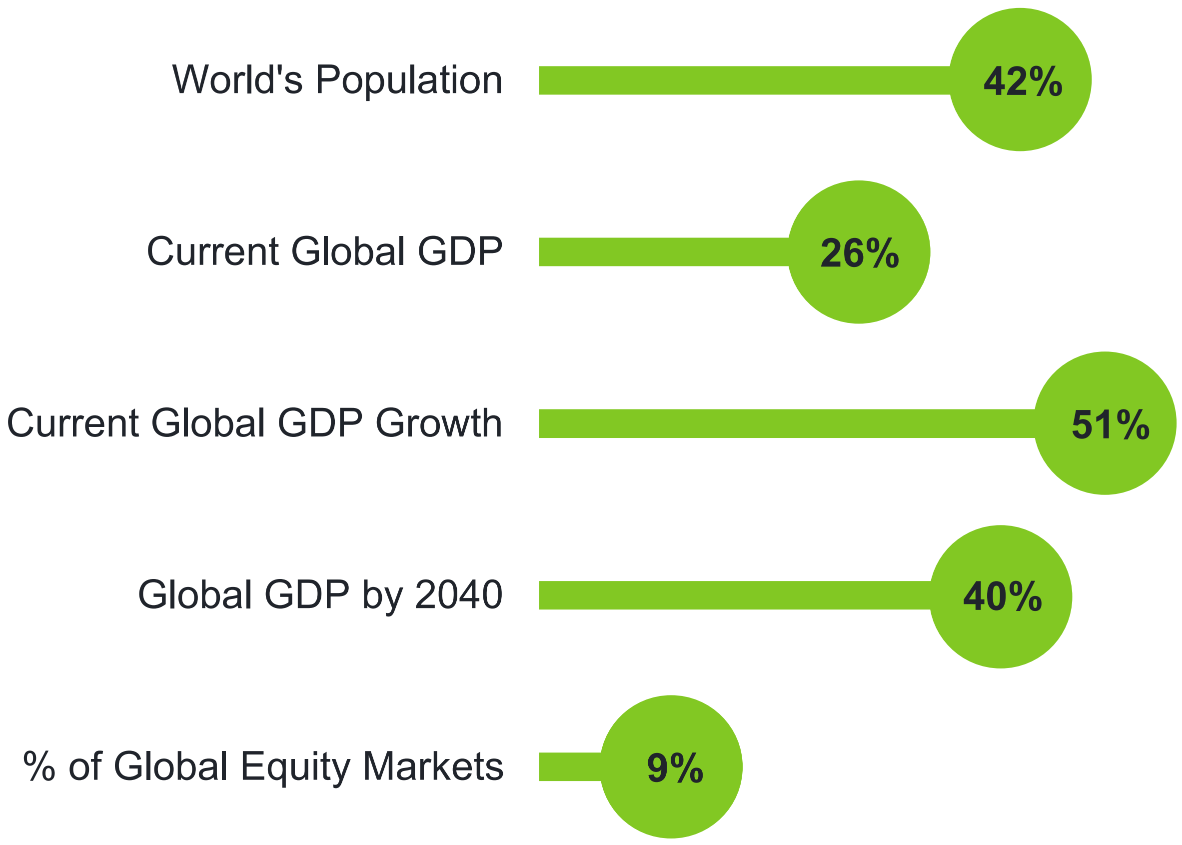
Current adoption rate of AI across US sectors



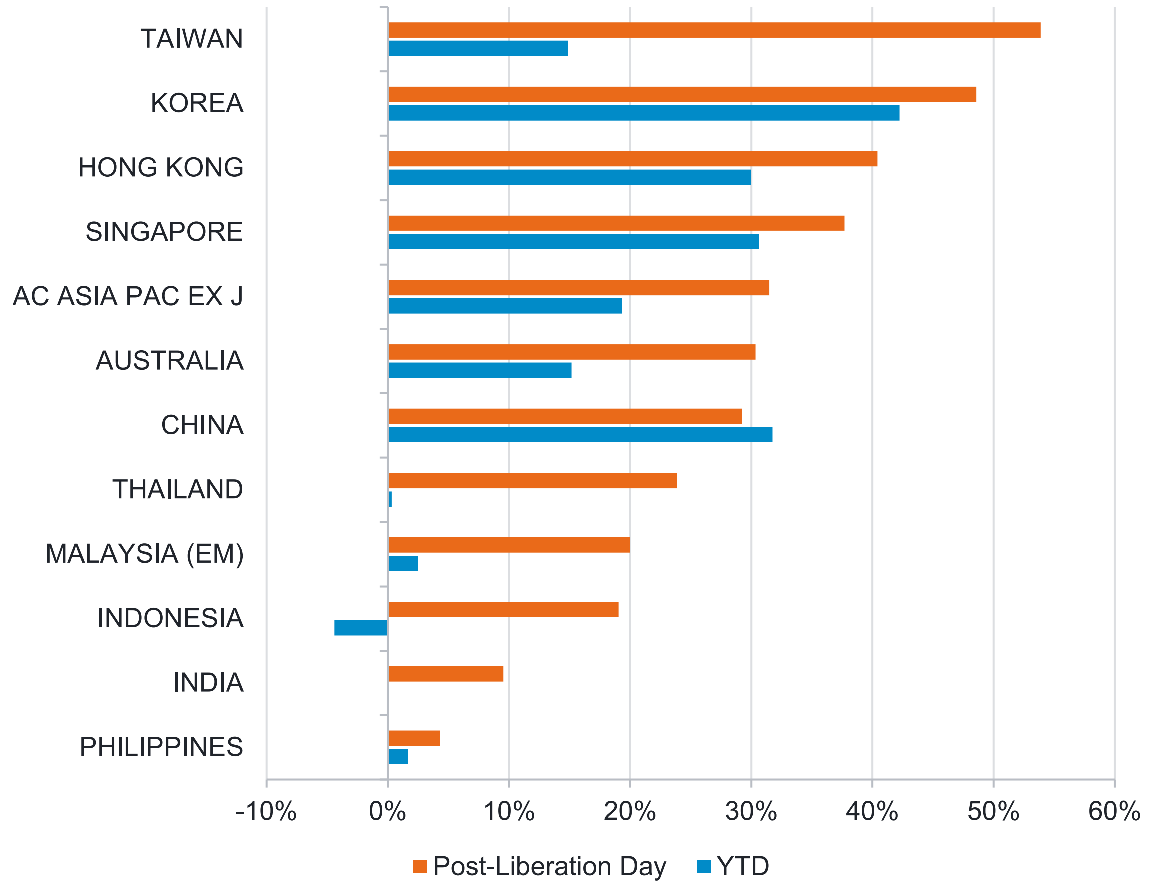
Source: OECD, Fidelity International, 2025. For illustrative purposes only. Data retrieved from “Miracle or Myth? Assessing the macroeconomic productivity gains from Artificial Intelligence” OECD AI papers, November 2024. For illustrative purpose only.

Asia: plenty of opportunities, but under-rated and under-owned

Asia's global standing: Long-term opportunity for markets



Asia's return dispersion = fertile ground for stock pickers



Source: Market returns are total returns for MSCI indices from LSEG as at 9 Sept 2025 in AUD term. Population data from UN WPP, 2024. GDP data from IMF WEO, April 2025. Equity market weight data from MSCI, August 2025. For illustrative purpose only.

Current investment themes

Globally diversified portfolios: Regional allocations become more important as U.S. assets are exposed to increased volatility and deplete valuation premiums. The USD no longer offers a safe haven.

Emerging market equities: Valuations are comparatively cheap. Better fundamental situation in China; India, Korea and Latin America also offer good opportunities.

Income as a stabilizer: Stability and defensive qualities should be a good basis in the portfolio against the backdrop of turbulent and politically shaped markets.

Emerging market bonds in local currency: Biggest beneficiaries of a weak US dollar, low correlations to traditional bonds, often very cheaply valued and with attractive yields, e.g. for Brazilian and Mexican bonds.

Gold: Traditional role as a store of value in the event of further debasement trade of the US dollar.
Other commodities are also interesting due to interesting demand dynamics and as an inflation hedge.

Source: Fidelity International, October 2025

Important Information

This information must not be reproduced or circulated without prior permission

Fidelity only offers information on products and services and does not provide investment advice based on individual circumstances, other than when specifically stipulated by an appropriately authorised firm, in a formal communication with the client. This information does not constitute investment advice unless specifically agreed in a formal communication. Fidelity International refers to the group of companies which form the global investment management organisation that provides information on products and services in designated jurisdictions outside of North America. Fidelity, Fidelity International, the Fidelity International logo and F symbol are registered trademarks of FIL Limited. FIL Limited and FMR LLC are separate companies with some shareholders in common. No statements or representations made in this document are legally binding on Fidelity or the recipient. Any proposal is subject to contract terms being agreed. FIL Limited assets and resources as at 31/03/2025 - data is unaudited. No statements or representations made in this document are legally binding on Fidelity or the recipient. Any proposal is subject to contract terms being agreed. This communication is not directed at and must not be acted upon by persons inside the United States and is otherwise only directed at persons residing in jurisdictions where the relevant strategies are authorised for distribution or where no such authorisation is required. It is your responsibility to ensure that any service, security, investment, strategy or product outlined is available in your jurisdiction before any approach is made to Fidelity International. Third party trademark, copyright and other intellectual property rights are and remain the property of their respective owners. Unless otherwise stated all products and services are provided by Fidelity International, and all views expressed are those of either Fidelity International, or Fidelity Institutional Asset Management. This information is provided by Fidelity Institutional Asset Management (FIAM), formerly known as Pyramis Global Advisors (PGA), on the basis that FIAM will be appointed sub-advisor to any mandates in this strategy. FDIL and FIAM disclaim affiliation, but their respective parent companies have certain indirect shareholders in common. Under the Agreement, FDIL will be compensated for introducing you to FIAM, if you should become a client of FIAM or invest in a fund or account managed by FIAM. As compensation, FDIL and FIAM will each share a percentage of the investment management fees and any performance fees (or performance allocations, as applicable) received with respect to your investment, which shall be paid to FDIL from time to time. Because of common indirect shareholders, FDIL may have an incentive for you to become a client of FIAM or invest in a fund or account managed by FIAM, as FDIL and the common owners of both FDIL and FIAM will benefit from increased assets under management and investment management fees paid to and retained by FIAM, a proportion of which is paid back to FDIL by FIAM in accordance with the Agreement. You will not pay any additional advisory or other fees to FIAM as a consequence of the Agreement. The Firm claims compliance with the Global Investment Performance Standards (GIPS®). The firm has been independently verified for the periods January 1, 1990 through December 31, 2023. The Firm's list of composite descriptions and verifications reports are available upon request. Definition of the "Firm": For GIPS standards purposes, the "Firm" includes all portfolios managed by the following Fidelity Investments entities: (1) FIAM LLC; (2) Fidelity Institutional Asset Management Trust Company (together, “FIAM”); (3) Fidelity Management & Research Company LLC and its subsidiaries (FMRCO); (4) Fidelity Management Trust Company (FMTC); and (5) Fidelity Diversifying Solutions LLC (FDS). The firm excludes certain portfolios managed by those entities that primarily invest in real property; collateralized loan obligation (“CLO”) portfolios; taxable wealth management accounts for which FMRCO provides sub-advisory services, and portfolios managed by the Private Equity Multi-Strategy team. Changes to Definition of the "Firm": Effective January 1, 2024, the firm was redefined to exclude collateralized loan obligation (“CLO”) portfolios. Effective January 1, 2022, the firm was redefined to include all portfolios managed by FMRCO, FMTC, and FDS in addition to FIAM as described in the Definition of the Firm, excluding taxable wealth management accounts for which FMRCO provides sub-advisory services and portfolios managed by the Private Equity Multi-Strategy team. Effective January 1, 2021 the firm was redefined to exclude FIAM’s management of certain portfolios that primarily invest in real property. Effective January 1, 2020, certain Fidelity investment advisers were re-organized, however, there was no impact to firm or composite assets. Effective January 1, 2016, the definition of the Firm was revised to include substantially similar fixed income investment strategies managed by FMTC and the same portfolio management team. Effective November 20, 2015, the Firm name was changed from Pyramis Global Advisors to Fidelity Institutional Asset Management (FIAM).

UK: The Key Investor Information Document (KIID) is available in English and can be obtained from our website at www.fidelityinternational.com. The Prospectus may also be obtained from Fidelity. Issued by FIL Pensions Management. Authorised and regulated by the Financial Conduct Authority.

France: Prospectus, KID and Complaints policy in French on www.fidelity.fr. This document is available in French upon request. If you do not wish to receive documents in English dedicated to Professional, please contact your Fidelity contact. Issued in France by FIL Gestion, authorised and supervised by the AMF (Autorité des Marchés Financiers) N°GP03-004, 21 Avenue Kléber, 75116 Paris.

Germany: Prospectus in English, KID and Complaints policy in German on www.fidelity.de/anlegerinformationen, www.fidelity.de/beschwerdemanagement/ and www.fidelity.lu/complaints-handling-policy. Any performance disclosure is not compliant with German regulations regarding retail clients and must therefore not be handed out to these. Issued for German Wholesale clients by FIL Investments Services GmbH / for German Pension clients by FIL Finance Services GmbH (Kastanienhöhe 1, 61476 Kronberg im Taunus). Issued for German Institutional clients by FIL (Luxembourg) S.A., 2a, rue Albert Borschette BP 2174 L-1021 Luxembourg.

SD0643