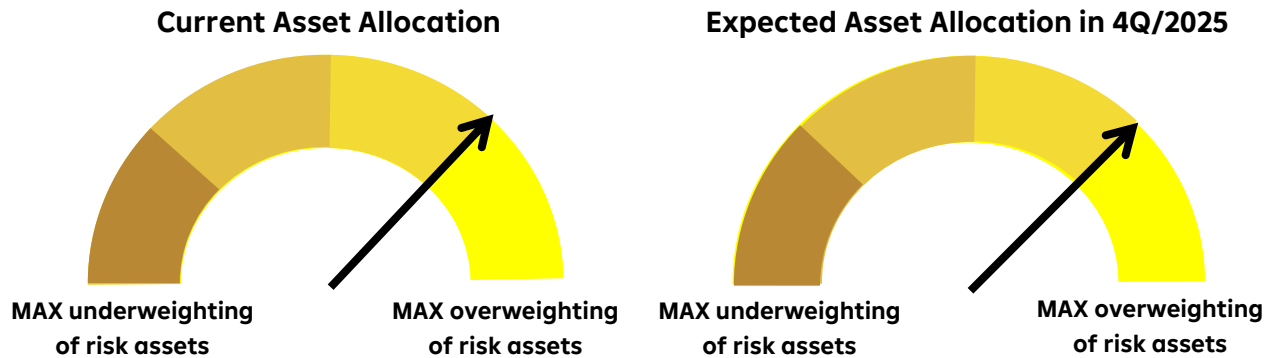


Asset Allocation

RB Asset Management 4Q/2025



Source: Raiffeisenbank a.s., Asset Management, data valid as of 10 October 2025.

Dear Client,

Global equity markets measured by the MSCI AC World index rose by 7.3% in the third quarter. Emerging markets performed well with a 10.1% increase, and Japanese stocks (Nikkei 225) gained 12.6%. U.S. equities grew by 7.8%, while European stocks strengthened by only 3.1%. Investments in foreign currency for a CZK investor (contrary to 2024) showed weaker results due to the weakening of the dollar against the CZK by approximately 1% in the third quarter. Index of Czech government bonds with maturities of 3-5 years rose by 0.3% in the third quarter, and a similar index of government bonds in EUR appreciated by 0.2%. Index of U.S. Treasuries maturing in 3-5 years rose by 1.2% thanks to the renewed cycle of interest rate cuts in the U.S.

The Czech economy performed relatively well in the first half of the year, with GDP growing by 0.7% in the first quarter and 0.5% in the second. The main driver of growth was household consumption expenditures. Retail sales for the entire year 2025 are expected to increase by more than 4% year-on-year (source: Raiffeisen Research, RR). Retail could perform even better, although the savings rate remains historically above average, with households building a financial cushion for tougher times. According to the Czech National Bank (CNB), the main risks for the Czech Republic are high core inflation and a tight labor market with rapid wage growth. These factors may continue to push prices upward. Other significant risks include real estate prices and fiscal impulses in the post-election period, which may increase public spending, as well as the impact of emission allowances that could affect corporate costs. The biggest long-term risk is the persistent deficit in the government sector, which could threaten fiscal stability. On the other hand, a stronger koruna exchange rate is considered an anti-inflationary factor, although according to the CNB it is slightly overvalued, limiting its effectiveness. According to the minutes from the CNB meeting in September 2025, the strong exchange rate provides sufficient restriction against inflationary pressures. The next interest rate move could go either way, with a rate hike currently not on the agenda. For the entire year, we expect economic growth of 2.2% (source: RR), which is sufficient to maintain stability and growth. The European economy is influenced by U.S. trade policy, which limits growth opportunities, and Germany faces a decline in industrial production, mainly due to concerns about insufficient fiscal stimuli and competition in the electric vehicle segment. The outlook is uncertain, with risks related to trade policy, inflation, and structural labor market issues that may affect long-term stability and growth prospects both in the Czech Republic and in the broader European context. The U.S. labor market is changing. The Federal Reserve (FED) has resumed cutting rates, expecting further reductions by the end of the year, reflecting slowing employment growth and a slightly higher unemployment rate, which so far does not pose a serious problem. Inflation in the U.S. is on an upward trajectory and is expected to be around 3% in the coming years, possibly due to rising corporate costs that will be passed on to consumer prices. In its latest forecast, the Federal Reserve raised estimates for economic growth and inflation, while lowering estimates for unemployment and interest rates in the U.S. Equity markets reacted positively to this pro-growth macroeconomic outlook.

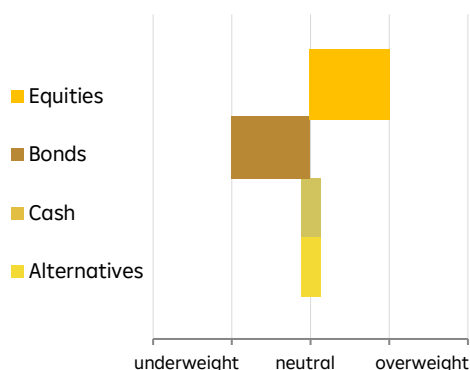
Our tactical investment strategy remains overweight in risk asset class. After nine months, the FED resumed the rate-cutting cycle at its September meeting, which according to FED representatives could end with rates about 1.25% lower

in the coming years (around the 3% level), further supporting corporate profits and the U.S. economy. Therefore, we continue to tactically prefer equities over bonds. Higher government debt is a risk for rising yields on longer-term bonds, not only in the U.S., or for inflation that does not decline. We view the yields of selected bonds as attractive, with bond allocation in portfolios helping to spread the risk of possible equity market corrections. We maintain bond duration at a neutral level relative to benchmarks. The regional allocation of the equity component remains roughly balanced according to market capitalization. Among sector themes, the positive impact of artificial intelligence (AI) as a key technology for further economic growth is confirmed. We continue to select and hold AI sector stocks in managed portfolios. We also maintain holdings in companies representing the European defense sector, dividend stocks, and the industrial and financial sectors. Our portfolios include securities from the world's best companies, whose business models have been tested through multiple economic cycles.

In portfolio management, we adhere to principles of optimal portfolio construction and diversification. We believe that careful selection of investment instruments and a long-term proven investment strategy help us withstand market corrections and ensure stability and long-term growth of our clients' portfolios. Thank you for being with us, and we look forward to further cooperation!

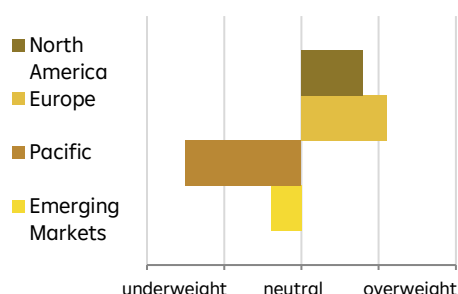
Mr. Miroslav Padera, CFA, Head of Asset Management

Tactical Asset Allocation – Asset Classes



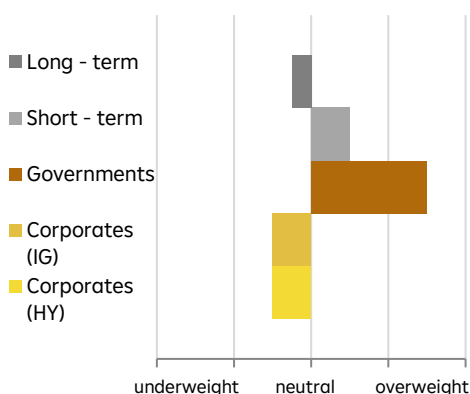
In the previous period, we did not change the proportions of risk and risk-free asset classes. The recent all time highs reached in equity markets have confirmed that this approach was correct. The ongoing cycle of interest rate cuts and the artificial intelligence boom will support the expected growth of equity indices. The rise in stock prices aligns with corporate earnings growth, while recession fears are receding into the background. Investors can therefore expect a continued positive sentiment that will drive demand for equities. Nevertheless, it is important to monitor macroeconomic indicators, trade policies, and geopolitical developments to be able to respond promptly to any market changes.

Tactical Asset Allocation – Equity Regions



We have not made significant changes to our regional asset allocation and remain close to the benchmark. Due to market movements, we are slightly overweight in the U.S. and Europe and underweight in the Pacific and emerging markets. Our exposure to U.S. equity markets represents approximately 66% of the risk portion of the portfolios. We hold about 15% in European equity markets. In the Pacific region, including Japan, we have 6%, and in emerging markets, we hold approximately 13%. We are overweight in the technology, industrial, and financial sectors, and we also have exposure to dividend stocks and shares in the European defense industry.

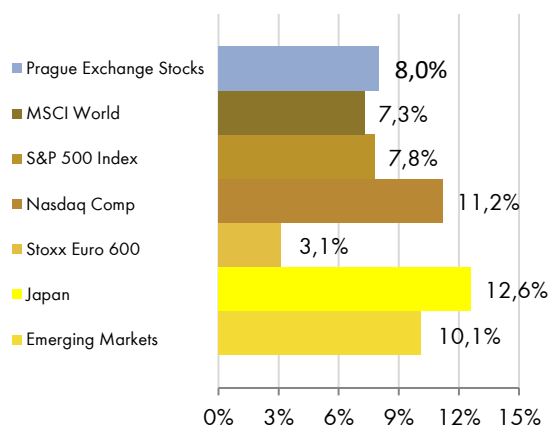
Tactical Asset Allocation – Bonds



In September, the Federal Reserve (FED) lowered the benchmark interest rate to the range of 4.25–4.50%. Deteriorating labor market indicators were among the main reasons for this move. This cut is likely not the last one this year; the prevailing expectation is for two more reductions of a quarter percentage point each before the end of the year. In contrast, the European Central Bank (ECB) kept rates unchanged at two percent, with no change expected by year-end. The same applies to the Czech National Bank (CNB), which also held rates steady with no changes anticipated until the end of the year. Bond markets evolved in line with the expected and actual interest rate developments, with the largest gains seen in USD bonds—the Bloomberg U.S. Treasury 3-5 Year index rose by 1.2% over the quarter. Movements in CZK and EUR bond indices were smaller. The focus of bond investments remained on safe government bonds. When opportunities arose, we also purchased attractive corporate bonds.

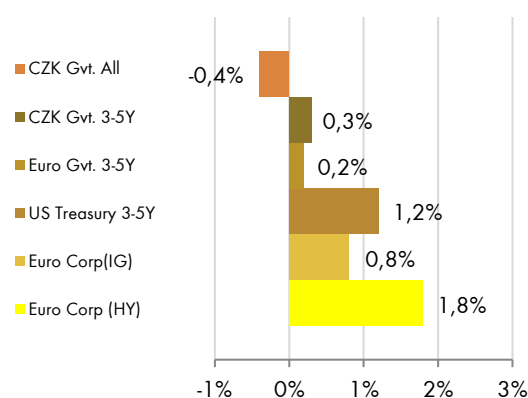
Source of data in charts: Raiffeisenbank a.s., Asset Management, data valid as of 10 October 2025.

Economic Situation and Market Trends in 3Q/2025



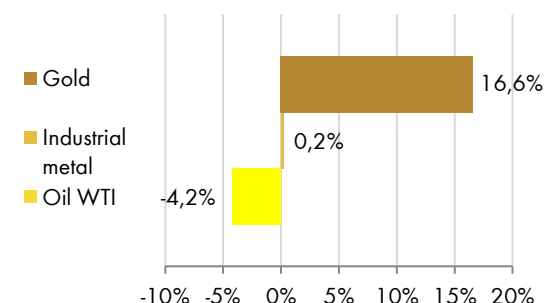
Equities

Equity markets enjoyed a wave of euphoria throughout the third quarter. The MSCI AC World equity index gained 7.3%. The broad U.S. equity index S&P 500 increased by 7.8% over three months. Expectations regarding AI and its impact on corporate profitability helped the U.S. technology index Nasdaq grow by 11.2%. The European index Stoxx Europe 600 performed relatively less well, rising by 3.1%. However, emerging market equities did well, gaining 10.1%. Stocks on the Prague Stock Exchange also performed very strongly, increasing by 8.0%.



Bonds

Bonds stagnated during the observed period, with increased market nervousness leading to greater volatility. The situation was mainly driven by concerns about future inflation and fiscal deficits. Index of Czech government bonds with maturities of 3-5 years rose by 0.3%, while European government bond index with similar maturities increased by 0.2%. U.S. government bonds with maturities of 3-5 years performed relatively well, gaining 1.2%. The index of European high-yield bonds recorded the highest growth, rising by 1.8%.



Commodities

From the commodity markets, gold is important to monitor from our perspective. The precious metal is in a strong upward trend, having gained 16.6% during the third quarter alone. Gold is driven by increased demand due to concerns about fiscal deficits, rising inflation, and geopolitical tensions. The opposite trend is seen in oil, where increased production by OPEC pushed prices down by 4.2%. The industrial metals index was nearly unchanged, rising by 0.2%.

	30/6/25	30/09/25
EUR/CZK	24.73	24.32
USD/CZK	20.98	20.73
EUR/USD	1.1787	1.1734

Currencies

In the currency markets, the Czech koruna performed relatively well, strengthening by 1.6% against the euro. It also appreciated against the dollar by 1.2%. Similarly, the dollar gained 0.5% against the euro.

Source of data in charts: Bloomberg. Performances of individual assets are measured in the primary currency of the given instrument in the period from 30 June 2025 until 30 September 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

The U.S. equity index S&P 500 gained 7.8% during the third quarter, while the more diversified MSCI AC World increased by 7.3%. Stock market volatility, measured by the VIX index, remained below its long-term average during the second quarter, indicating a calming of equity markets and potential for further growth. Equity markets were positively influenced by the Federal Reserve's (FED) reduction of the benchmark interest rate from 4.5% to 4.25%, strong corporate earnings results for the second quarter, and improved earnings forecasts for upcoming periods. The outlook for the U.S. economy also improved, with the FED raising its year-on-year GDP growth estimate by 0.2 percentage points for this year and next year, to 1.6% and 1.8% respectively, while lowering its forecast for interest rates, which benefits equity markets.

The market expects the FED to cut interest rates by 0.5% (source: Bloomberg) to 3.75% by the end of 2025. Rate cuts are expected due to a weakening U.S. labor market. However, tariffs could pose a problem for rate reductions as they may further increase inflation.

The European Central Bank (ECB) is maintaining the deposit rate at 2.0% and is unlikely to reduce it by the end of this year. The Czech National Bank (CNB) has set the repo rate at 3.50%, and further cuts before year-end are unlikely. On the contrary, there is speculation that the CNB might raise rates in the future (in 2027), depending on the new government's composition and its willingness to spend or its ability to limit ETS2 allowance prices or negotiate their cancellation.

The yield on the German 10-year government bond has hovered around 2.7% in recent months. A comparable Czech government bond trades at approximately 4.5%, with prices of Czech government bonds having declined in August and September due to concerns about higher inflation (e.g., wage growth, introduction of gas and gasoline allowances from 2027) in coming years. The CNB has also signaled that interest rates may not fall this year. The outlook for Czech government bond yields is less certain due to the likely new government with higher budgetary demands.

Corporate earnings results for U.S. and European companies for the third quarter of this year, which will be released in the coming days, will be important and may indicate whether forecasts for the next quarter are realistic. Analysts raised their estimates in September for aggregate earnings and revenues of S&P 500 companies for this year and next. They now forecast a 10.9% aggregate earnings increase and a 6.1% revenue increase for S&P 500 companies in 2025 (source: FactSet, 3 October 2025). For next year, they expect earnings growth of 13.8% and revenue growth of 6.6%. Earnings growth and the expected cycle of interest rate cuts could support equity markets in the coming months.

The S&P 500 trades at a P/E ratio of approximately 22.8, which is higher than the five-year average of 19.9 and the ten-year average of 18.6 (source: FactSet, 5 October 2025).

Risks to further equity market development include possible inflation increases and rising debt levels that could weaken future economic growth. Another risk is a prolonged U.S. government shutdown.

Outlook by: Raiffeisenbank a.s., Asset Management, individual asset classes in 4Q/2025:

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.

The document has been drafted by Raiffeisenbank a.s., with registered office at Hvězdova 1716/2b, Praha 4, Registration number (IČO): 49240901, incorporated in the Companies Register administered by the Municipal Court in Prague, Section B, File no. 2051. Raiffeisenbank a.s. has been supervised by the Czech National Bank.

The information has been valid as of 10 September 2025. This information may be modified in future and RB shall not be required to inform any recipients of the present document about such modifications.

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