3D Financial Planning
Independent Financial Advisors

Newsletter
February 2026

Market Update

Markets started the year on a generally positive note, with shares rising across most major regions. While there were moments of volatility, particularly around trade and political headlines, the overall tone was constructive.

Global Equities

Global stock markets delivered gains in January, supported by strength in technology, materials and energy companies. Emerging markets performed particularly well, helped by a weaker US dollar and strong returns from Asian technology stocks.

US Equities

US markets ended the month higher, with the S&P 500 rising by 1.5%. Markets rallied strongly toward the end of the month, briefly pushing the index above 7,000 for the first time. However, gains were driven by a relatively small group of companies, and there were bouts of volatility along the way, including a sharp one-day fall linked to renewed tariff concerns.

Late in the month, it was announced that former Federal Reserve Governor Kevin Warsh would succeed Jerome Powell as Chair of the US central bank. Political and policy developments continue to influence investor sentiment.

Eurozone Equities

European markets also delivered positive returns. Technology, energy and utilities companies performed well. Economic data was modestly encouraging, with eurozone growth of 0.3% in the final quarter of 2025, slightly ahead of expectations.

UK Equities

UK shares performed well during the month, supported by rising commodity prices and improving sentiment toward more traditionally valued companies. Corporate earnings have remained resilient, and the broader economic backdrop has been relatively stable.

Emerging Market Equities

Emerging markets outperformed developed markets in January. A weaker US dollar provided support, and technology-focused markets such as Korea and Taiwan saw particularly strong returns. Some countries, including India and Indonesia, experienced weaker performance due to softer earnings and investor outflows.

Japanese and Asia Equities

Japanese equities continued to rise, supported by optimism around demand for artificial intelligence technologies and rising bond yields, which benefited financial companies. Across the wider Asian region, performance was strong overall, although China delivered more modest gains compared to some of its regional peers.

Global Bonds

Bond markets were mixed. In the US and Japan, government bond yields rose, which meant bond prices came under some pressure. In contrast, eurozone government bonds performed better. Corporate bonds delivered positive returns overall, reflecting relatively steady economic conditions.

Commodities

Commodity markets were broadly strong, led by energy prices amid ongoing geopolitical developments. Precious metals were more volatile. Gold and silver rose earlier in the month but fell sharply toward the end, with gold experiencing its largest one-day decline in over 40 years on 30 January. This highlights how quickly sentiment can shift, even in traditionally defensive areas of the market.

Source: Schroder Investment Solutions – January 2026 Update

In the Spotlight

Is the UK being underestimated?

If you read the headlines, you could be forgiven for thinking the UK economy is permanently struggling.

Yet one of the clearest indicators of long-term economic confidence tells a different story. Every year, billions of pounds are invested into young, fast-growing British companies. These are not established giants, but early-stage businesses backed by **venture capital** investors who are willing to take long-term risks in pursuit of significant growth.

When we look at that data, the UK's position is far stronger than the broader narrative might suggest.

What is Venture Capital?

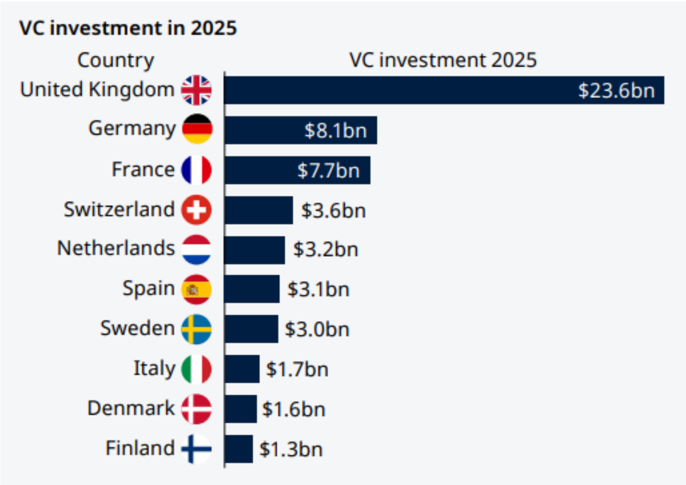
Venture capital (VC) is money invested into early-stage, fast-growing private companies. These are often technology or innovation-led businesses that are not yet listed on the stock market. Venture capital helps them grow, hire, expand internationally and develop new products.

It is one of the clearest indicators of how much innovation and entrepreneurial activity is happening inside an economy.

The UK leads Europe

According to HSBC Innovation Banking and Dealroom data, UK start-ups raised around $24 billion in venture capital in 2024.

That was more than France and Germany combined.



Source: HSBC Innovation Banking, Dealroom, 2026

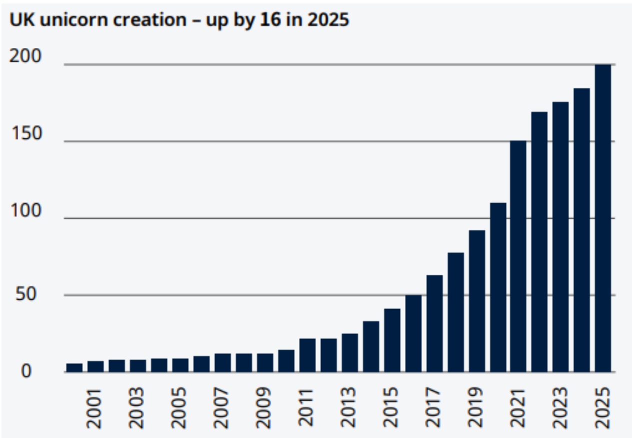
The visual is powerful because it shows the UK clearly ahead of other European economies.

Whatever the broader economic debate, investors globally are still allocating significant capital to British growth companies.

The rise of the UK Unicorn

The UK has now produced more than 200 unicorn companies, crossing that milestone in early 2026. Six years ago, it had just passed 100.

In 2025 alone, 16 new unicorns were created.



Source: HSBC Innovation Banking, Dealroom, 2026

That places the UK:

- First in Europe
- Fourth globally for unicorn creation, behind only the US, China and India

At this point, it is worth pausing to explain what that term actually means.

What is a "Unicorn"

In investing terms, a unicorn is a privately owned company valued at more than $1 billion. The term was originally used because such companies were extremely rare.

Today, they remain difficult to build, but the UK is producing them at a rate that challenges the idea of a stagnant economy.

The table below shows the top 10 UK Unicorns, the names of some you may recognise:

Company	Valuation ($bn)	Investors
Revolut	$75bn	Index Ventures, DST Global, Ribbit Capital
Checkout	$40bn	Franklin Resources, Tiger Global Management, Ribbit Capital, Insight Partners, DST Global
Eleven Labs	$11.1bn	Sequoia, Andreessen Horowitz, Lightspeed Venture Partners
Rapyd	$8.8bn	Target Global, General Catalyst, Durable Capital Partners
Kraken Technologies	$8.7bn	D1 Capital Partners, Ontario Teachers' Pension Plan, Fidelity International, British Business Bank
SumUp	$8.5bn	American Express Ventures, Goldman Sachs, Bain Capital Credit
Wayve	$8.0bn	Microsoft, Softbank, Nvidia
Monzo	$5.2bn	GV, CapitalG, Accel, Ribbit, ICONIQ, Hedosophia
World Remit (Zepz)	$5.0bn	Accel, TCV, Hedosophia
Fuse Energy	$4.2bn	Balderton Capital, Lowercarbon Capital, Lakestar, Ribbit, Creandum

Source: PitchBook, 2026

Many of these companies were founded within the last 10–15 years. They operate globally. They attract international investors. And they were built here.

Why this matters

Markets are heavily influenced by mood.

When sentiment is negative, it can colour how we view an entire economy. Yet long-term value creation is rarely linear, and it rarely follows headlines.

The UK's innovation story may not dominate the news cycle, but it is quietly compounding in the background.

For long-term investors, it is worth remembering that perception and structural reality are not always the same thing.

Planning in Practice

Recency Bias and Looking Beyond the Headlines

The Story We Hear

In this month's Spotlight section, we explored a contrast.

Recent headlines around the UK economy have often been cautious or negative. Yet the data on venture capital investment and the creation of new high-growth companies suggests something more constructive is happening beneath the surface.

This gap between sentiment and structure is a good example of recency bias.

Weather and Climate

A helpful way to think about this is the difference between weather and climate.
Weather changes daily. It can be stormy, unsettled or unexpectedly bright. It dominates the conversation because it is immediate.

Climate, however, reflects long-term patterns. It changes slowly and is only visible when viewed over many years.

Markets behave in a similar way.

Headlines, quarterly data and political developments are the weather. They are important, but they are short term.

Innovation, productivity, capital investment and demographic trends are the climate. They shape outcomes over decades.

When we allow today's "weather" to define our expectations, we risk missing the longer-term climate trends that truly drive returns.

Planning Beyond the Present Moment

The UK innovation data discussed earlier does not guarantee strong short-term performance. Markets never move in straight lines.

But it does remind us that structural drivers often evolve quietly, even when sentiment feels unsettled.

Good financial planning is built around climate, not weather.

It accepts that storms will pass through. It does not rebuild the house every time it rains.
Recognising recency bias helps us pause before reacting to short-term noise and refocus on long-term fundamentals.

Over time, that discipline is what allows wealth to compound steadily.

Looking Ahead

Tax Year End Deadlines and Good Planning

We have recently been in touch regarding end-of-tax-year planning ahead of 5 April.

Deadlines can create a sense of urgency, but good financial planning is rarely about rushing decisions. If there is anything you are considering, early conversations allow us to ensure any action fits properly within your wider plan.

As always, if you are unsure whether something applies to you, a brief conversation is often all that is needed.
