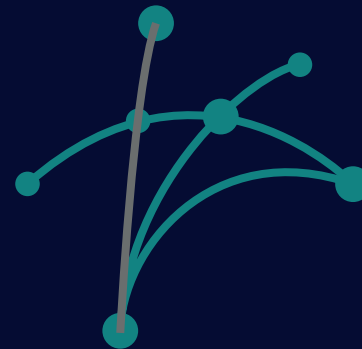


# Omnis Agility



## Strong earnings, AI investment and positive investor sentiment continued to support global equity markets

### Market-moving events

**Strong earnings support markets.** Global equities performed strongly throughout May, building on their April rebound and supported by robust corporate earnings. As of 21 May, 94% of S&P 500 companies had reported their Q1 earnings, with 84% beating consensus forecasts. Even more interestingly, the year-on-year earnings growth rate for the S&P 500 in Q1 was 28.4%, the highest since Q4 2021, according to FactSet.

**AI investment surge.** AI-exposed companies rallied throughout May, particularly those benefiting from the substantial capital expenditure plans of Amazon, Microsoft, Google and Meta. These four companies alone are projecting more than US\$700bn in capital spending for 2026. AI hardware, semiconductor and data-centre supply chains are benefiting from a significant tailwind as a result, while the rally has also begun to extend into AI software as companies start to generate meaningful revenues from these technologies.

**Risk appetite returns.** Investor sentiment has been bolstered by the highly anticipated SpaceX initial public offering (IPO). The expected market value of more than US\$1.5 trillion, which would make it the largest IPO in history, has helped create a strong risk-on environment and fuelled investment in innovative technology companies. The company is due to list on 12 June 2026.

### Investment highlights

**No portfolio changes.** There were no changes to the portfolio, following April's decision to increase exposure to Japanese bonds and, subsequently, the Japanese yen.

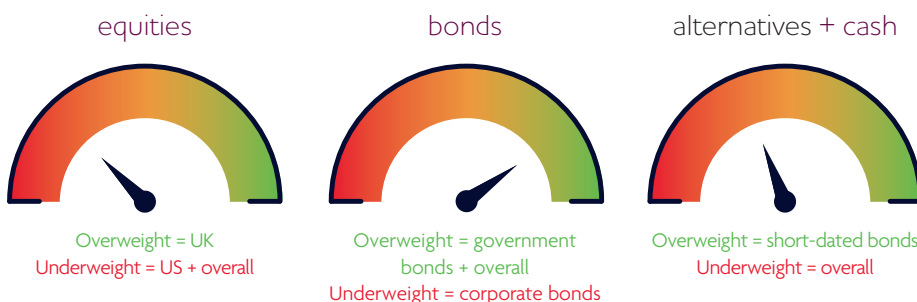
**Asset allocation detracts.** Tactical asset allocation was broadly negative for the month, affected by our modest underweight positions in US and Asia-Pacific equities, which performed strongly on the back of robust corporate earnings and continued momentum in the AI space.

**Cautious positioning maintained.** The portfolio remains cautiously positioned as a result of increased market concentration and valuations that are expensive relative to historical levels, particularly in the US. We are modestly underweight equities and slightly overweight bonds.

### Asset allocation

Red = underweight  
Amber = neutral weighting  
Green = overweight

If you'd like more detail on our asset allocation views then please visit our [online dashboard](#).



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