August 2026 | Monthly update

Omnis Agility

Geopolitical tensions and shifting market leadership shaped investment decisions during a volatile month

Market-moving events

Energy markets. Brent crude rose more than 23% in July as disruption to shipping through the Strait of Hormuz renewed concerns over global energy supplies, helping energy stocks outperform the broader market.

Market rotation. The AI trade reversed sharply following the July Federal Reserve meeting and the collapse of the highly leveraged Situational Awareness Fund, prompting investors to rotate from mega-cap technology stocks into more defensive sectors.

Yen rebound. The Japanese yen recovered after Japan intervened to support its currency, reinforcing expectations that the Bank of Japan will continue to normalise monetary policy.

Investment highlights

Portfolio repositioning. We made several tactical changes during July in response to evolving market conditions. Within fixed income, we reduced exposure to long-dated US Treasuries and increased allocations to US inflation-linked bonds to provide greater protection against persistent inflation. We also switched our Global Aggregate Bond exposure from the hedged to unhedged share class, improving currency diversification while maintaining the same underlying bond exposure. In the UK, we rotated from long-dated to short-dated gilts to reduce interest rate sensitivity while maintaining attractive income.

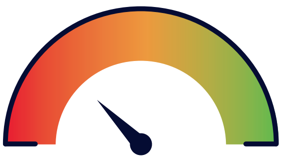
Equity allocation. Within equities, we took profits from US smaller companies following strong performance and increased exposure to the energy and healthcare sectors. This reduced overall portfolio volatility while maintaining exposure to areas supported by resilient demand and favourable fundamentals.

Positive contribution. Overall, Tactical Asset Allocation (TAA) was a positive contributor during the month. July was characterised by higher energy prices, increased volatility following the Federal Reserve meeting, and a sharp reversal in AI, semiconductor and technology stocks. Against this backdrop, our defensive tactical positioning added value.

Asset allocation

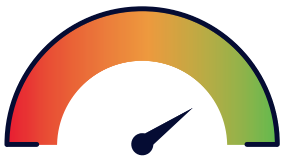
Red = underweight
Amber = neutral weighting
Green = overweight

equities



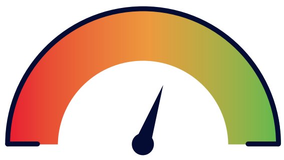
Overweight = US small caps
Underweight = US + overall

bonds



Overweight = government bonds + overall
Underweight = corporate bonds

alternatives + cash



Overweight = short-dated bonds + overall

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Approved by Omnis Investments on 3 August 2026