

Omnis Managed Portfolio Service



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 during the period, following April's increase in exposure to the Omnis Short-Dated Bond Fund.

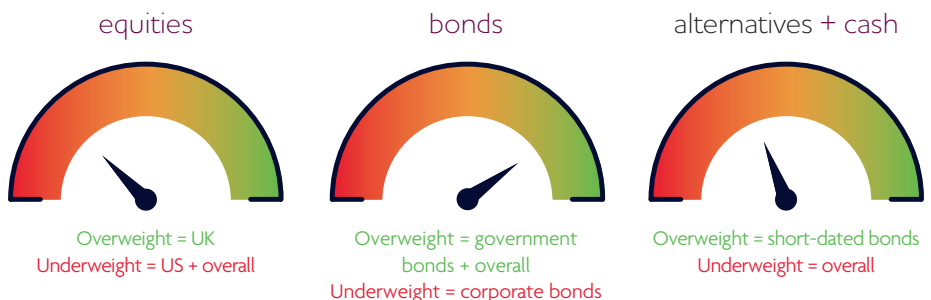
Asset allocation detracts. Tactical asset allocation was broadly negative for the month, affected by our modest underweight positions in US and Asia-Pacific equities, which performed strongly for the reasons outlined above.

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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