August 2026 | Monthly update

Omnis Managed Portfolio Service

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

Market-moving events

Energy markets. Oil prices surged as disruption to shipping through the Strait of Hormuz renewed concerns over global supplies, helping energy stocks outperform the broader market.

Market rotation. The AI trade reversed sharply following the July Federal Reserve meeting, 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 changes. We made several tactical changes during the month. Following strong performance, we took profits and reduced our allocation to US Smaller Companies, reallocating the proceeds to the US Equity Leaders Fund. This reflects our preference for higher-quality businesses in an environment where persistent inflation and geopolitical uncertainty may prove less supportive for smaller companies.

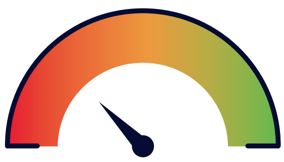
Fixed income positioning. Within fixed income, we reduced exposure to the Strategic Bond Fund and increased our allocation to the Global Bond Fund. This broadens currency diversification beyond sterling, with greater exposure to G10 currencies, particularly the US dollar. The fund's allocation to inflation-linked bonds also provides greater protection if inflation remains more persistent than expected. We also reduced our allocation to the UK Gilt Fund following the recent rally and ongoing political uncertainty, reallocating proceeds to the Short Dated Bond Fund to reduce interest rate sensitivity while maintaining attractive income.

Positive contribution. Tactical Asset Allocation (TAA) was also a positive contributor to performance. Market leadership broadened during the month, with energy stocks benefiting from higher oil prices while some AI-driven technology winners gave back recent gains. Our diversified positioning and increased exposure to fixed income helped portfolios navigate a more volatile market environment.

Asset allocation

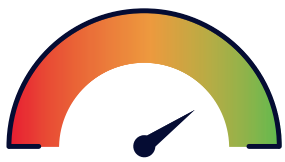
Red = underweight
Amber = neutral weighting
Green = overweight

equities



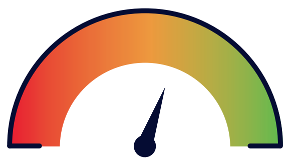
Overweight = US small caps
Underweight = US + overall

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