

Omnis Managed Portfolio Service



Sector rotation, a high-profile IPO and geopolitical uncertainty shaped markets during the month

Market-moving events

Rotation from tech. The Nasdaq fell by as much as 7% from its record high during the month as investors rotated into small caps, industrials, healthcare and financials. It recovered much of those losses as investors refocused on the beneficiaries of AI investment. The Magnificent 7 technology stocks underperformed as investors' appetite for mega-cap stocks weakened.

Strong IPO debut. SpaceX shares soared 19% on their first day of trading and climbed a further 20% on the second. However, after briefly rising above US\$200 (from an IPO price of US\$135), the shares retraced sharply, wiping more than US\$600bn from the company's market value. Despite this, the stock finished the month up 27%, with demand remaining strong.

Fragile ceasefire. A lasting peace agreement between the US and Iran remains elusive. Although the two nations signed an interim peace agreement during the month, both launched further attacks towards month end, reigniting tensions. However, both sides subsequently agreed to a ceasefire before negotiations resumed.

Investment highlights

No portfolio changes. There were no trades conducted during June. We expect to trade and rebalance the OMPS portfolios during the week commencing 6 July.

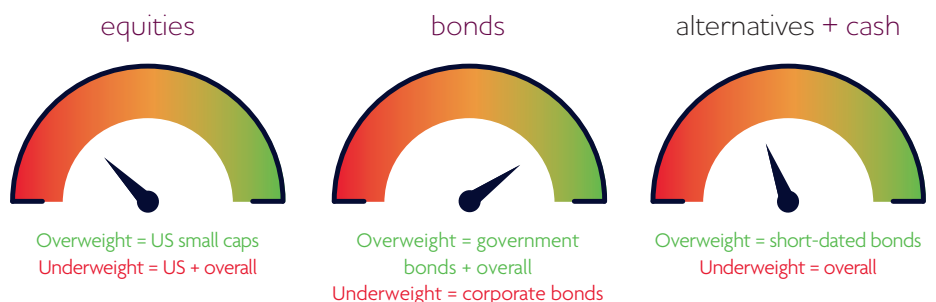
TAA adds value. Tactical Asset Allocation (TAA) was a positive driver of returns during the month. Relative value opportunities within equity markets were the main contributor to performance. An overweight position in US small caps added value as technology-concentrated large caps came under pressure.

Cautious positioning. The portfolios remain cautiously positioned. We continue to be underweight US large caps due to concerns over stretched valuations and excessive market concentration. The portfolios also maintain an overweight position in fixed income, reflecting its attractive yields and more favourable risk-return profile.

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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