

# Global Balanced UCITS ETF – Q1 2026 Update



Goshawk  
Asset Management

Goshawk Asset Management is a trading name of North Atlantic Investment Services Limited (FCA no. 969870) with company no. 13800256

## Performance Overview

- Global equities had a solid start in January and February, but struggled in March following US and Israeli military action against Iran. This has prompted fears of supply-side disruption to oil and other vital commodities.
- Meanwhile, the artificial intelligence revolution has continued to drive market trends, including a dramatic fall in the prices of software-as-a-service stocks known as the ‘SaaSocalypse’.
- Over the quarter, the global equity market declined by just under 2% in Sterling. Over the same period, the Goshawk Global Balanced UCITS ETF (ROE LN) declined by 2.37% in USD and the Goshawk Global Balanced UCITS ETF (ROES LN) declined by 0.59% in GBP.
- For the prior twelve month period, the global equity market rose 16.12% in Sterling. Over the same period, the Goshawk Global Balanced UCITS ETF (ROE LN) rose by 11.65% in USD and the Goshawk Global Balanced UCITS ETF (ROES LN) increased 9.20% in GBP.

## Market Highlights

- **US:** after cutting interest rates three times in late 2025, the Federal Reserve left interest rates unchanged in the first quarter. Kevin Warsh was named as new Chair, and outgoing Chair Jerome Powell has said that the Fed is in “wait and see” mode and that it is too soon to assess the economic impact of the current oil shock.
- **Japan:** equities performed strongly after Sanae Takaichi’s strong re-election results gave her a mandate for pro-growth reforms, but lost these gains in March due to the oil crisis.
- **Europe and the UK:** early hopes of interest rate cuts have been dashed in the wake of the Iranian conflict due to inflation concerns.

## Portfolio Adjustments

- Increased our exposure to energy markets before attacks on Iran, introducing EQT, Ithaca Energy and Ørsted into the portfolio alongside Cameco, Exxon Mobil, SLB and YPF.
- Reduced our exposure to software and related sectors due to the threat from AI by selling our positions in Salesforce and SAP while reducing Microsoft and trimming Accenture and IBM.
- De-risked our Japanese weightings via the sale of SMC and some profit-taking in physical AI robotics company Yaskawa, but stayed overweight in Japan and China overall.



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### Stock Performance

- **Ithaca Energy:** detailed a solid financial performance at its full-year results with free cash flow from operations of £683million versus just £260million in the prior year. Management has outlined a capital allocation framework targeting 20-35% shareholder returns of post-tax cash flow from operations, up from 15-30%.
- **Mitsubishi Electric:** remains our largest position in Japan and delivered good results as it continues to re-shape its business portfolio to improve returns, with its share price climbing around 100% in the last twelve months.
- **SLB:** struggled for most of 2025 but performed strongly in recent months, rising from a low of around \$30 to above \$50 following strong quarterly results.
- **Rolls-Royce:** produced another excellent set of results and a set of impressive new targets, pushing the shares to all-time highs.
- **Intel:** shares have had an excellent run as new management reinvigorates investor confidence, bolstered by investments from both Nvidia and the US government, though the CEO recently sought to rein in unrealistic expectations from analysts.

### Outlook

- Expect supply disruptions, rising inflation and a slowing consumer economy to continue through the summer due to the ongoing Gulf conflict.
- Note that most of our holdings coped well with the pandemic and the start of the Ukraine war, and feel confident that they will cope with current geopolitical unrest.
- Continue to monitor the news with caution, but still believe that the fund will produce attractive returns ahead of inflation.

Data source: Goshawk Asset Management, Bloomberg

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