Global Balanced UCITS ETF – Q2 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 enjoyed a strong start to 2026.
- The US economy has remained resilient despite the conflict with Iran and resulting disruptions to oil supply, gaining around 10% in H1 2026. This was helped by an incredible rally in the semiconductor space as the Philadelphia Semiconductor Index gained over 100%, adding $2 trillion in value over the period.
- Over the quarter, the global equity market rose 13.5% in Sterling. Over the same period, the Goshawk Global Balanced UCITS ETF (ROE LN) increased 6.3% in USD and the Goshawk Global Balanced UCITS ETF (ROES LN) rose 5.8% in GBP.
- Over the first half of the year, the global equity market rose 11.4% in Sterling. Over the same period, the Goshawk Global Balanced UCITS ETF (ROE LN) rose by 3.7% in USD and the Goshawk Global Balanced UCITS ETF (ROES LN) increased 5.2% in GBP.

Market Highlights

- **US:** Kevin Warsh chaired his first FOMC meeting in June, leaving interest rates on hold as inflationary pressures persist. It was noted that prices were "too high" and that inflation has been running ahead of the Fed's 2% goal.
- **Japan:** enjoyed a strong H1 with the Nikkei 225 rising over 40%.
- **Europe:** faced a difficult period, particularly for financials where pricing has become more competitive.

Portfolio Adjustments

- Closed our position in Ithaca Energy, but otherwise broadly maintained our energy sector weighting.
- Maintained our positions in Alphabet and Amazon despite high capex spending on data centres and chip development on the basis that they both have strong franchises and remain well-positioned for growth.
- Reduced our position in Intel after it rose around 280% to reflect the company's high valuation.
- Added Truist Financial to the portfolio as improving regulatory backdrop and good industry "stress test" results suggested a strong outlook for the US banking industry and a potential rise in interest rates.

Stock Performance

- **Trane:** shares rose 26% in H1 as inventories in US residential HVAC bottomed out and data centre investment rose.
- **Fortinet:** rose around 93% in H1, surviving the 'SaaSpocalypse' after recent results reaffirmed its importance in countering the cybersecurity risks presented by AI.

- **Yaskawa and Keyence:** both rose more than 40% in H1.
- **SMFG:** rose almost 30% following Japanese policy makers' response to the need for higher interest rates at the BoJ.

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Outlook

- See equity markets and our fund at new highs, but do not think that this reflects excess valuations.
- Think many large stocks are overvalued and have continued to reduce our exposure to these, selling Microsoft and Broadcom in Q2.
- Bonds have behaved poorly, inflation remains high, and challenges will likely persist in H2 despite oil prices falling.
- While facing increasingly difficult equity markets, focus continues to be on finding stocks on fair valuations which are growing well.

Data source: Goshawk Asset Management, Bloomberg

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