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eden park
INVESTMENT MANAGEMENT

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Tailored Discretionary Managed Portfolios

Q2 2026 Update

Market Commentary – Q1 2026

In the three months to the end of June, global markets were shaped by challenging geopolitics, surging energy prices and shifting central bank expectations. However, sentiment improved markedly during the latter part of the period, prompting a rebound in risk appetite. Investor enthusiasm for equities was led by the major technology stocks, with June seeing Elon Musk's SpaceX complete what was billed as "the largest IPO in history", propelling the company into public markets with a valuation of roughly $1.8tn at listing.

The constructive tone from earlier in the year was abruptly disrupted after US and Israeli strikes on Iran marked the start of a major conflict, resetting market expectations almost immediately. However, by April, the sell-off had found a bottom and a rebound in risk appetite began.

Fears that the conflict would escalate into a prolonged regional war, disrupting energy supplies, damaging infrastructure and threatening shipping through the Strait of Hormuz gradually eased. Oil prices remained elevated after spiking higher, while energy stocks and defence contractors significantly outperformed. Investor focus narrowed almost entirely to oil, which was viewed as the primary transmission mechanism through which geopolitical tensions could affect inflation, economic growth and monetary policy. Nevertheless, markets staged a powerful relief rally, supported by evidence of resilience in the US economy and the start of the first-quarter earnings season.

Over the period, government bond yields rose as inflation expectations increased, but were off their earlier peaks by the end of June. Higher fuel prices were feeding through to consumer prices and reinforcing expectations that central banks would need to keep interest rates higher for longer. Even so, investors increasingly looked through these risks and focused on company fundamentals, particularly in the technology sector.

That shift in sentiment gathered momentum through late April and into May, led by the so-called Magnificent Seven. Strong results from Alphabet, Amazon, Microsoft and Meta underlined continued demand for cloud computing, digital advertising and AI infrastructure, helping to drive US equity indices higher.

By May, however, the rally was showing signs of fatigue, with gains becoming increasingly concentrated in a small group of mega-cap stocks while broader market participation lagged. At the same time, geopolitical tensions eased somewhat following ceasefire efforts, prompting a partial retreat in oil prices and a rotation back into risk assets, although investors remained wary of renewed disruption.

Outside technology, the picture was more mixed. Banks delivered solid results, benefiting from higher interest rates while warning of rising credit risks should energy-driven inflation persist. Consumer-facing companies struck a more cautious tone, citing pressure on household budgets from elevated fuel and food costs. That theme remained evident through May as demand showed signs of softening.

As hopes grew that the fragile ceasefire could evolve into something more lasting, oil prices retreated sharply from their conflict-driven highs. This should provide some relief to central banks concerned about second-round inflation effects. While the rebound in equities reflects investor confidence in corporate profitability – particularly among the leading US technology companies – broader market performance remains heavily dependent on developments in the Middle East and the durability of the recent improvement in sentiment. The outlook therefore remains finely balanced and uncertain, albeit somewhat brighter than it appeared a month ago.

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	TDM 1	TDM 2	TDM 3	TDM 4
Fixed Income	**47%**	**31%**	**14%**	**5%**
Government Bond	10%	9%	6%	2%
Inflation Linked Bond	6%	3%	2%	2%
Investment Grade Bond	21%	13%	2%	0%
High Yield Bond	5%	5%	2%	1%
Emerging Market Bond	5%	2%	2%	0%
Equity	**28%**	**47%**	**65%**	**76%**
North America	14%	24%	31%	40%
Japan	3%	4%	5%	4%
Europe	3%	4%	4%	3%
UK	2%	1%	3%	2%
Asia Pacific ex-Japan	5%	8%	13%	15%
Global Emerging Market	1%	4%	7%	7%
Global Equity / Thematics	0%	2%	3%	6%
Alternatives	**14%**	**15%**	**17%**	**16%**
Property	2%	3%	4%	5%
Absolute Return / Multi Asset	3%	3%	3%	2%
Infrastructure	7%	7%	7%	6%
Commodities	2%	3%	3%	3%
Cash & Equivalent	**11%**	**6%**	**4%**	**3%**

Table 1. Source: Charles Stanley as of 30 June 2026. Figures subject to rounding.

Portfolio Positioning

During the quarter, we reviewed portfolios following our latest asset allocation review to maintain alignment with our long-term strategic framework after a period of strong equity market performance. Changes have been focused at the client level on managing portfolio drift while preserving a balanced mix of return drivers.

We have seen drift across North American and Asian equity exposures that had appreciated following continued strength in artificial intelligence and semiconductor-related companies. Where necessary, these have been trimmed proceeds were reinvested across fixed income and infrastructure assets, restoring strategic portfolio weights and enhancing diversification.

These were not driven by a change in our long-term outlook for equities, but rather reflected disciplined portfolio management designed to reduce concentration risk and maintain appropriate exposure across asset classes. Overall, we believe the current positioning offers diversification while ensuring portfolios remained aligned with their long-term investment objectives.

More information regarding recent changes can be found in the latest rebalance rationale document.

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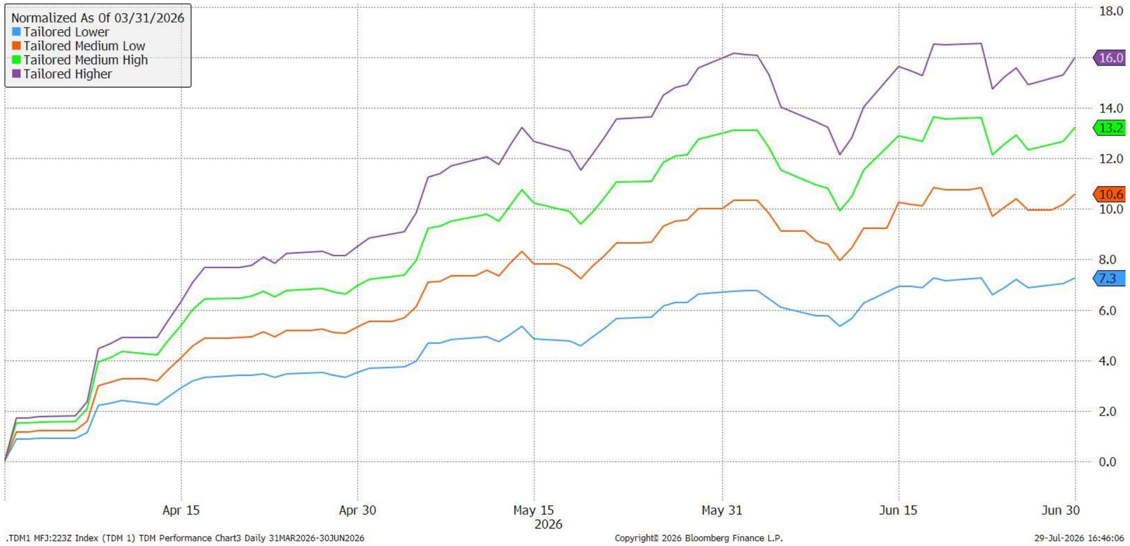
Figure 1: Rolling Quarterly Performance



Source: Bloomberg, gross performance figures. Past Performance is not a reliable indicator of future returns. As at 30 June 2026.

Tailored Lower: -+7.3%; Tailored Medium Low: +10.6%; Tailored Medium High: +13.2%; Tailored Higher: +16.0%

Quarterly Performance

Portfolios delivered strong positive returns over the quarter, with performance increasing across the risk spectrum as higher equity allocations benefited from continued strength in global equity markets.

Market conditions remained supportive, underpinned by resilient economic data, easing geopolitical tensions and continued enthusiasm for artificial intelligence and technology-related companies. Although markets experienced periods of volatility during June, investor sentiment remained constructive and global equities finished the quarter at new highs.

Market leadership remained concentrated amongst a relatively small number of technology and semiconductor-related companies, particularly in North America, providing a significant tailwind for portfolios with higher equity allocations. Fixed income also generated positive returns as expectations for further interest rate cuts improved, although returns remained more modest than those achieved by equities.

Tailored Discretionary Medium High Risk (DT6)	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	**18.6**	**4.5**	**0.9**
Government Bond	7.8	3.0	0.3
Inflation Linked Bond	2.8	3.6	0.1
Investment Grade Bond	4.0	4.9	0.2
High Yield Bond	3.4	7.1	0.3
Emerging Market Bond	0.6	3.9	0.1
Equity	**65.2**	**34.9**	**21.6**
North America	31.3	31.2	9.4
Japan	6.5	38.2	2.3
Europe	4.8	27.6	1.2
UK	5.4	3.1	0.2
Asia Pacific ex-Japan	9.8	42.4	4.0
Global Emerging Market	6.5	79.0	4.1
Global Equity / Thematics	0.9	14.5	0.5
Alternatives	**13.6**	**7.4**	**1.1**
Property	3.8	9.7	0.4
Absolute Return / Multi Asset	0.9	4.8	0.1
Infrastructure	6.7	8.4	0.6
Commodities	0.9	-6.2	-0.2
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	**2.5**	**1.8**	**0.1**

Table 2. Source: Bloomberg, gross performance figures as of 30 June 2026.
Figures subject to rounding.

Performance Attribution

The medium high-risk portfolio delivered a strong return over the past year, driven primarily by robust equity market performance across global regions.

Equities were the dominant contributor to returns, with North America making the largest contribution owing to its significant portfolio weighting. Asia Pacific ex-Japan and Global Emerging Markets also delivered particularly strong returns, while Japan continued its positive momentum over the period. Europe contributed positively, although UK equities produced more modest returns, reflecting a more challenging domestic market backdrop.

Notable direct equity performance came from Micron (+870%), ASML (+160%), Alphabet (+110%), and Palo Alto (+104%) – accounting for 5.6% of overall portfolio performance – on the back of AI-driven upswings.

Fixed income provided a steady positive contribution, with High Yield Bonds leading performance within the allocation, supported by Investment Grade, Government and Inflation Linked Bonds. Emerging Market Debt also added modestly to returns. Within alternatives, Infrastructure remained the strongest contributor, complemented by positive contributions from Property and Absolute Return strategies, although the commodities allocation detracted slightly over the period.

Overall, performance was well diversified, with strong equity gains complemented by positive contributions from fixed income and alternatives, demonstrating the benefits of maintaining a diversified multi-asset portfolio.

Performance Attribution – Other Risk Profiles last 12 months

Tailored Discretionary Lower Risk (DT4)	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	**33.0**	**4.6**	**1.6**
Government Bond	10.6	3.1	0.3
Inflation Linked Bond	2.9	3.6	0.1
Investment Grade Bond	14.2	4.9	0.7
High Yield Bond	4.8	7.1	0.4
Emerging Market Bond	0.6	3.9	0.1
Equity	**47.5**	**36.5**	**15.9**
North America	24.3	32.5	7.4
Japan	4.8	38.6	1.7
Europe	4.9	28.6	1.3
UK	3.6	3.3	0.1
Asia Pacific ex-Japan	5.7	57.6	3.0
Global Emerging Market	3.5	76.9	2.2
Global Equity / Thematics	0.6	14.5	0.3
Alternatives	**12.7**	**8.0**	**1.0**
Property	3.0	8.7	0.3
Absolute Return / Multi Asset	0.9	4.8	0.1
Infrastructure	6.7	10.3	0.7
Commodities	0.9	-6.2	-0.2
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	**6.9**	**3.4**	**0.3**

Tailored Discretionary Medium Low Risk (DT5)	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	**33.0**	**4.6**	**1.6**
Government Bond	10.6	3.1	0.3
Inflation Linked Bond	2.9	3.6	0.1
Investment Grade Bond	14.2	4.9	0.7
High Yield Bond	4.8	7.1	0.4
Emerging Market Bond	0.6	3.9	0.1
Equity	**47.5**	**36.5**	**15.9**
North America	24.3	32.5	7.4
Japan	4.8	38.6	1.7
Europe	4.9	28.6	1.3
UK	3.6	3.3	0.1
Asia Pacific ex-Japan	5.7	57.6	3.0
Global Emerging Market	3.5	76.9	2.2
Global Equity / Thematics	0.6	14.5	0.3
Alternatives	**12.7**	**8.0**	**1.0**
Property	3.0	8.7	0.3
Absolute Return / Multi Asset	0.9	4.8	0.1
Infrastructure	6.7	10.3	0.7
Commodities	0.9	-6.2	-0.2
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	**6.9**	**3.4**	**0.3**

Tailored Discretionary Higher Risk (DT7)	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Fixed Income	**6.4**	**4.3**	**0.3**
Government Bond	3.0	3.1	0.1
Inflation Linked Bond	1.7	3.6	0.1
Investment Grade Bond	0.0	0.0	0.0
High Yield Bond	1.7	7.1	0.1
Emerging Market Bond	0.0	0.0	0.0
Equity	**78.0**	**36.4**	**27.3**
North America	40.7	31.7	12.7
Japan	6.4	38.8	2.3
Europe	5.8	33.7	1.5
UK	4.6	4.1	0.2
Asia Pacific ex-Japan	11.0	43.6	4.8
Global Emerging Market	7.9	78.7	4.9
Global Equity / Thematics	1.7	14.5	0.9
Alternatives	**13.8**	**7.0**	**1.1**
Property	4.6	7.7	0.4
Absolute Return / Multi Asset	0.6	4.8	0.1
Infrastructure	6.4	9.1	0.6
Commodities	0.9	-6.2	-0.2
Private Equity / Debt	0.0	0.0	0.0
Cash & Equivalent	**1.7**	**1.0**	**0.0**

Source: Bloomberg, gross performance figures as of 30 June 2026. Figures subject to rounding.

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Top and Bottom Contributors – 1 year

	Positive Contributors				Negative Contributors			
	Description	Avg. Weight (%)	Return (%)	CTR (%)	Description	Avg. Weight (%)	Return (%)	CTR (%)
Tailored Lower Risk	Micron Technology	0.4	869.4	0.9	The Renewables Infrastructure Group	1.0	-18.7	-0.3
	L&G US Index	3.8	25.5	0.9	Accenture	0.2	-55.9	-0.1
	Schroder Asian Total Return	1.8	45.4	0.8	Microsoft	0.6	-21.9	-0.1

	Positive Contributors				Negative Contributors			
	Description	Avg. Weight (%)	Return (%)	CTR (%)	Description	Avg. Weight (%)	Return (%)	CTR (%)
Tailored Medium Low Risk	Templeton Emerging Markets	3.1	68.5	2.1	The Renewables Infrastructure Group	1.1	-18.7	-0.3
	L&G Pacific Index	2.4	77.9	1.7	Microsoft	0.9	-21.9	-0.2
	Micron Technology	0.6	869.4	1.6	Accenture	0.3	-55.9	-0.2

	Positive Contributors				Negative Contributors			
	Description	Avg. Weight (%)	Return (%)	CTR (%)	Description	Avg. Weight (%)	Return (%)	CTR (%)
Tailored Medium High Risk	Templeton Emerging Markets	7.3	80.9	4.7	The Renewables Infrastructure Group	1.2	-18.7	-0.4
	L&G Pacific Index	3.5	77.9	2.0	Accenture	0.4	-55.9	-0.3
	Micron Technology	1.0	869.4	2.6	Microsoft	1.3	-21.9	-0.3

	Positive Contributors				Negative Contributors			
	Description	Avg. Weight (%)	Return (%)	CTR (%)	Description	Avg. Weight (%)	Return (%)	CTR (%)
Tailored Higher Risk	Templeton Emerging Markets	7.3	80.9	4.7	The Renewables Infrastructure Group	1.2	-18.7	-0.4
	L&G Pacific Index	3.5	77.9	2.0	Accenture	0.4	-55.9	-0.3
	Micron Technology	1.0	869.4	2.6	Microsoft	1.3	-21.9	-0.3

Source: Bloomberg, gross performance figures as of 30 June 2026. Figures subject to rounding.

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