
August 2026

Umbra Capital

Monthly Market Commentary



Asset Management

Key points from the month

Private & Confidential

- Umbra's MPS broadly delivered strong absolute and relative returns over the course of August with the equity and liquid-alternatives components driving outperformance. Our higher-risk MPS portfolios finished significantly ahead of the ARC index, and in some cases delivered roughly double the return delivered by the ARC benchmark for the month.
- Within equities, exceptional active regional equity manager selection was a major driver of outperformance. In Asia, the Arcus Fund (Japan, value-driven) beat its benchmark by 3%, whilst the Man Asia Fund (growth-tilted, South Korea/Taiwan exposure) beat by ~2%. In Europe, the BlackRock European Dynamic Fund benefited from banks and tech holdings like ASML, whilst in the UK, our exposure to mid-caps returned + 4.6%, aided by heavy UK buyback activity and M&A which now stands at ~£110bn of announced activity year-to-date. The TB Evenlode UK Income Fund also finished ~1.7% ahead its respective index.
- The year so far has highlighted the importance of truly diversified multi asset portfolios. We believe we are in a new world which continues to be challenged by geopolitical tensions, indebtedness, and productivity challenges. These challenges are being particularly felt here in the UK. Bonds are not providing investors with their usual degree of return or capital preservation attributes in a period of structurally higher inflation. The role of bonds arguably changed immediately post COVID in 2020. Admittedly valuations today are materially more attractive than what they were during the immediate aftermath of COVID, however stubbornly high inflation, alongside chronic budget deficits within the G7 and rising geopolitical tensions have remained headwinds against the asset class.
- On the liquid alternatives side, Gold had a strong month in August, up 12.8% as it appears that central bank buying from the developing world is now back at full throttle. In a period when bonds are really struggling, our liquid alternatives exposure within our MPS is really coming to the fore for clients. These targeted expressions provide a level of yield alongside secular growth which continues to underpin expressions such as infrastructure and global real estate.

Market Comment

Private & Confidential

- August delivered one of the stronger months of the year for risk assets. Global equities gained 2.6%, technology reasserted its leadership following July's AI-driven correction, and commodity markets performed well, with gold posting an exceptional 12.8% rise as the currency debasement narrative regained momentum. Against this constructive backdrop, government bonds remained under pressure - a pattern that continues to reinforce the case for a broader multi-asset approach beyond the traditional 60/40 framework.
- The Federal Reserve left rates unchanged at 3.50%–3.75%, with Chair Warsh delivering a hawkish message at the Jackson Hole symposium. He reaffirmed the Fed's 2% inflation target and warned that unless progress was clear, "we have work to do" - offering no forward guidance and making plain that the era of central bank hand-holding is over.
- The US economic backdrop nonetheless remained solid: non-farm payrolls rose 127,000 against a consensus of around 50,000, manufacturing PMI was 53.9 and services 56.5, while wage growth of 3.1% was contained enough to keep the Fed comfortably on hold. There is, however, an increasingly visible split between the technology and AI economy - which continues to expand rapidly - and the broader consumer and industrial economy, where momentum is more subdued.
- In Europe, the ECB struck a similarly hawkish tone, with August CPI printing at 3.3% in line with expectations and markets continuing to price a rate hike at the September meeting.
- UK domestic data was mixed - manufacturing modestly exceeded expectations, while services and construction disappointed. Markets remain cautious on new Prime Minister Andy Burnham, particularly around policies that could weaken fiscal discipline.
- In China, economic data remained soft, prompting the government to announce approximately USD 45 billion of support for state-owned banks to encourage lending and stimulate domestic demand.

Equities

Private & Confidential

- The MSCI World returned 2.6% for the month, with emerging markets slightly ahead at 3.4%, partly flattered by a softer US dollar.
- Nvidia delivered results that beat expectations on both revenue and earnings and provided robust forward guidance, sustaining confidence across the broader semiconductor and AI ecosystem. The positive read-through was particularly visible in the markets most exposed to that supply chain - Japan's TOPIX gained 3.9%, while Taiwan and South Korea contributed positively to the emerging market index. The 2026 global EPS growth estimate rose to approximately 34% year-on-year following a strong second-quarter reporting season, with encouraging signs of earnings broadening beyond the technology sector.
- The sector picture was striking as Technology returned 6.2% at the MSCI World level and 6.3% within the S&P 500, while MSCI World Materials gained an exceptional 9.7% as rising commodity prices fed through to mining and industrial materials equities. Energy was also strong, up 4.6% globally and 7.0% within the S&P 500, as elevated oil prices and a spike in European natural gas prices supported the sector. On the other side of the ledger, utilities fell 3.2% and real estate declined 3.4%, as higher bond yields reduced the attractiveness of rate-sensitive, income-oriented sectors.
- Healthcare was the standout defensive performer, gaining +3.7% at the world level. Positive developments around Moderna's personalised mRNA cancer vaccines generated meaningful earnings upgrades across the wider healthcare ecosystem, and the sector demonstrated that it can deliver strong absolute returns in a risk-on environment as well as providing resilience when sentiment deteriorates.
- Stylistically, growth and value converged at the global level - MSCI World Growth and Value both return +2.6% - reflecting the breadth of August's gains across sectors. Within the US, growth modestly outperformed (3.3% versus 2.1% for large-cap value), while in Europe the picture reversed, with growth lagging value given the more muted performance of European technology stocks.
- Within the UK, headline index performance was modest - the FTSE 100 gained just 0.2%, held back by weakness in consumer staples and healthcare - but smaller companies fared considerably better. MSCI UK Mid Cap returned 2.9% and MSCI UK Small Cap 4.2%, supported by continued share buybacks and significant M&A activity, with approximately £110 billion of UK corporate transactions announced since the beginning of the year.
- Within emerging markets, the broader index performed well, but China (-0.4% on the MSCI China Index) and India (-1.3%) were notable underperformers. China continued to struggle with weak domestic demand and subdued internet sector sentiment, while India was held back by elevated oil price volatility, higher global rate expectations and relatively demanding valuations.

Umbra MPS

Managing assets with
discipline and alignment
across multiple strategies



MPS Performance

Summary versus Primary ARC Benchmark



Private & Confidential

Source: Umbra Capital Partners LLP.

Umbra MPS Portfolio	Aug 2026	YTD	1 Year	3 Year Annualised	5 Year Annualised
Umbra MPS Passive Defensive	0.50	2.97	6.29	6.43	1.69
Umbra MPS Dynamic Defensive	0.68	3.29	6.61	6.59	2.17
Umbra MPS Blended Defensive	0.56	3.13	6.39	6.67	2.53
mbra MPS Active Defensive	0.56	3.45	7.07	7.28	3.41
Umbra MPS Income Defensive	0.23	3.77	7.43	7.57	3.86
ARC Cautious PCI TR GBP	0.70	3.18	6.37	5.89	2.08
Umbra MPS Passive Cautious	1.06	5.94	10.51	9.39	4.49
Umbra MPS Dynamic Cautious	1.22	5.70	10.30	9.02	4.14
Umbra MPS Blended Cautious	1.08	5.41	9.77	8.81	4.76
Umbra MPS Active Cautious	0.97	5.39	9.95	9.35	5.60
Umbra MPS Income Cautious	0.38	6.12	10.60	9.78	6.28
ARC Cautious PCI TR GBP	0.70	3.18	6.37	5.89	2.08
Umbra MPS Passive Moderate	1.45	7.47	12.80	10.88	5.69
Umbra MPS Dynamic Moderate	1.57	6.93	12.51	10.41	5.39
Umbra MPS Blended Moderate	1.42	6.51	11.67	9.95	5.78
Umbra MPS Active Moderate	1.25	6.28	11.33	10.16	6.36
Umbra MPS Income Moderate	0.57	7.15	12.11	10.68	7.23
ARC Balanced Asset PCI TR GBP	1.10	6.22	11.06	8.75	3.64
Umbra MPS Passive Balanced	1.83	9.02	15.06	12.33	6.93
Umbra MPS Dynamic Balanced	1.93	8.23	14.68	11.89	6.64
Umbra MPS Blended Balanced	1.77	7.64	13.63	11.23	6.78
Umbra MPS Active Balanced	1.58	7.23	12.96	11.20	7.23
ARC Balanced Asset PCI TR GBP	1.10	6.22	11.06	8.75	3.64
Umbra MPS Passive Growth	2.07	10.36	17.09	13.67	8.11
Umbra MPS Dynamic Growth	2.17	9.40	16.52	13.08	7.67
Umbra MPS Blended Growth	2.04	8.49	15.00	12.02	7.55
Umbra MPS Active Growth	1.84	8.22	14.42	12.20	7.94
ARC Steady Growth PCI TR GBP	1.20	7.84	13.30	10.15	4.45
Umbra MPS Passive Adventurous	2.57	11.98	19.45	15.11	9.36
Umbra MPS Dynamic Adventurous	2.60	10.29	18.49	14.46	9.03
Umbra MPS Blended Adventurous	2.43	9.38	16.67	13.10	8.42
Umbra MPS Active Adventurous	2.24	8.97	15.90	13.11	8.97
ARC Steady Growth PCI TR GBP	1.20	7.84	13.30	10.15	4.45
Umbra MPS Passive Equity	2.72	14.33	23.26	17.89	11.70
Umbra MPS Dynamic Equity	2.90	13.30	22.26	16.71	10.90
Umbra MPS Blended Equity	2.70	12.06	20.19	15.03	10.08
Umbra MPS Active Equity	2.56	11.37	18.73	14.24	10.12
ARC Equity Risk PCI TR GBP	1.50	9.67	15.47	11.47	5.06

All performance figures are shown in percentage terms in GBP and are net of underlying fund OCF's and Net of Umbra's AMC. Returns are Gross of any platform fee. From May 2022, performance reflects actual portfolio returns and reflects portfolio drift in line with market movements, with rebalances carried out on an ad-hoc basis, and informed by prevailing market conditions and portfolio positioning. Performance from July 2019 to April 2022 is based on back-tested data, using simulated past performance derived from the actual historical performance of the underlying investments.

Fixed Income

Private & Confidential

- Government bonds remained under pressure. The Citigroup World Government Bond Index returned just 0.4% for the month and the Bloomberg Global Aggregate 0.5%. The UK 10-year Gilt yield ended August at 5.20%, the US 10-year at 4.75% and the German 10-year Bund at 3.32% - levels not seen in over a decade in several cases.
- The 30-year US Treasury yield briefly hit 5.31%, its highest level in almost two decades, before an announcement by the US Treasury to at least double the pace of longer-dated bond buybacks helped it retrace to 5.25% at month-end. Rather than reassuring markets, however, the move prompted questions about whether actively suppressing long-term yields could undermine Fed credibility - adding to rather than resolving the uncertainty facing fixed income investors. Chair Warsh's Jackson Hole remarks effectively confirmed that the Fed will not ride to the rescue of bond markets, and that price discovery must be allowed to function. The implications for long-duration assets are significant.
- Higher-beta fixed income areas held up considerably better. The Bloomberg Global High Yield Index returned 1.0%, benefiting from shorter duration and higher carry, and emerging market local currency bonds returned 1.1%, aided by the softer dollar. Investment grade credit lagged given its greater duration sensitivity, with the Bloomberg US IG Bond Index returning 0.4% and EUR IG declining modestly.
- The broader message from fixed income is one we have been highlighting for some time. Bonds no longer provide the same degree of capital preservation in risk-off episodes, and with long-end yields at multi-decade highs across the major markets, the risk of further upward pressure on yields remains real. This reinforces the importance of supplementing traditional fixed income with liquid alternatives, infrastructure and systematic return strategies that offer genuine diversification.

Alternatives

- Gold's 12.8% gain was the most striking development in alternatives and commodities during the month. The US Treasury's expansion of long-dated bond buybacks reignited the currency debasement narrative, and persistent central bank buying reinforced the view that structural fiscal imbalances in major developed economies present a medium-term risk to the value of paper money.
- Rising long-term yields weighed on real assets through the month, with infrastructure and property facing higher discount rates. The MSCI World Real Estate index fell 3.4%, illustrating the sensitivity of these asset classes to the current yield environment.

Disclaimer



Private & Confidential

Past performance is not a guide to future performance. The value of investments and any income from them can fall, and you may get back less than you invested. From May 2022, performance reflects actual returns and reflects portfolio drift in line with market movements, with rebalances carried out on an ad-hoc basis, and informed by prevailing market conditions and portfolio positioning. Performance from July 2019 to April 2022 is based on back-tested data, using simulated past performance derived from the actual historical performance of the underlying investments. The simulated past performance assumes monthly rebalancing to the target asset or fund allocation. Performance is shown net of underlying fund charges and Umbra's investment management charge, and gross of any platform or product fees and assumes all income is reinvested. No investment decisions should be made solely based on these returns. The performance figures are calculated based on a standard model and may not reflect the performance of individual client portfolios.

This document has been prepared and published by Umbra Capital Partners LLP ("Umbra"). The information and opinions contained herein are based upon sources believed by to be reliable, but which may not have been independently verified and no guarantees, representations or warranties are made as to its accuracy, completeness or suitability for any purpose. Any opinion or estimate expressed in this publication is Umbra's current opinion as of the date of this publication and is subject to change without notice.

The value of investments and any income from them is not guaranteed and may go down as well as up; you may get back less than the amount invested. Higher volatility investments are subject to sudden and large falls in value and could result in a loss equal to the sum invested. Certain investments are not readily realisable and investors may experience difficulty in realising the investments or in obtaining reliable information on the value or associated risks. Changes in rates of exchange may have an adverse effect on the value, price or income of investments denominated in currencies other than Sterling.

Any references to the impact of taxation are made in the context of current legislation and may not be valid should levels and/or bases of taxation change. Umbra, its employees or a connected company may trade in the investments referred to herein and may also perform investment or other banking services

for any companies. This document is not intended as an offer or solicitation for the purchase or sale of any investment or any other action. This material is for the use of intended recipients only and is not directed at you if Umbra is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. This document is being supplied to you solely for your information and may not be re-produced, redistributed or passed to any other person or published in whole or in part for any purpose. Whilst every effort is made to ensure that this information is accurate, we are reliant on data provided by third parties therefore there may be errors or omissions that could have an effect on the collective funds charge.

Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request. Past performance is not a guide to future performance. The value of investments and any income from them can fall, and you may get back less than you invested. From May 2022, performance reflects actual returns and reflects portfolio drift in line with market movements, with rebalances carried out on an ad-hoc basis, and informed by prevailing market conditions and portfolio positioning. Performance from July 2019 to April 2022 is based on back-tested data, using simulated past performance derived from the actual historical performance of the underlying investments. The simulated past performance assumes monthly rebalancing to the target asset or fund allocation. Performance is shown net of underlying fund charges and Umbra's investment management charge, and gross of any platform or product fees and assumes all income is reinvested. No investment decisions should be made solely based on these returns. The performance figures are calculated based on a standard model and may not reflect the performance of individual client portfolios.

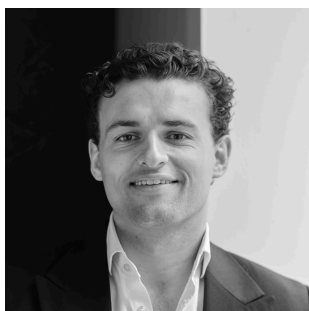
Umbra Capital Partners LLP, Registration number: OC425068 Address: 10 Lower James Street, London, UK, W1F 9EL. Telephone number: +44 (0) 207 460 1030. Authorised and regulated by the UK Financial Conduct Authority.
Website: www.umbracapital.com

**Marcus Szemruk**

CIO

Marcus joined Umbra in 2021 and is the firm's CIO.

Prior to joining the firm, he was the sole Senior Portfolio Manager of the UBAM MF Flexible Allocation Fund from January 2020 to June 2021, having been named the ACPI Balanced Fund prior to that from 2008 to 2020. He was a Partner and Head of Fund Research whilst at ACPI. From 2005 to 2008 he covered active long only and hedge fund strategies whilst at Stonehage Fleming. Marcus began his investment career in 1999 as an analyst at Phillips & Drew, UBS Global Asset Management. Marcus holds a BSc. in Banking and Finance from Loughborough University and holds the Securities Institute Certificate in Investment Management (CertIM).

**Laurence Harper**

Analyst

Laurence is an Investment Analyst in Umbra's investment team.

Prior to Umbra, he was a part of the investment consulting team for a London based IFA for HNW and UHNW individuals. Laurence holds a BSc in Economics from the University of Liverpool and has passed level one of the Chartered Financial Analyst (CFA) qualification and holds the Investment Management Certificate (IMC).

August 2026

Umbra Capital



Contact Us

+44 (0) 207 460 1030

info@umbracapital.com

Address

10 Lower James Street London
W1F 9EL, United Kingdom