

Monthly Investment Letter

August 2026

The numbers

Strategy	Return MTD	Benchmark
USD Conservative	+1.5%	+1.6%
USD Balanced	+5.0%	+3.8%
USD Offensive	+2.0%	+2.4%

What was wrong

The July reduction in technology was directionally right but too small — we took the sector to the bottom of the band and the sector kept de-rating into the August weakness. The band rule capped the damage; a discretionary overcut would have violated our own discipline for no measurable edge. Lesson recorded: when the rotation framework and the bands disagree, the bands win, and the framework signal should be reflected in the NEXT calibration, not in an in-band override.

Positioning

Equities at the lower half of the band, fixed income core untouched, cash above floor after two position trims (concentration rule). No factor bets.

Thematic section

AI capex is dividing the index into funded and unfunded growth — our quality gate already excludes the most fragile names, which is why the book’s tech sleeve is

Outlook

September: watching sector rotation for the broadening signal; if it confirms, the October calibration adds to cyclical within bands. What would change our mind: breadth deterioration with credit spreads confirming.

Performance figures are time-weighted (TWR), computed monthly from the transaction ledger. Benchmarks are index total-return baskets as defined per strategy (see methodology note). Simulated portfolios reflect engine rebalancing at same-day prices without transaction cost or slippage; income is estimated. Not a track record.

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