



QUARTERLY POSITIONING NOTE · 2026 · PUBLIC

# January 2026 Positioning

*Resilience over concentration: where consensus is right, where we lean against it, and what we are doing with the portfolios.*

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Global markets entered 2026 with strong momentum, led by a narrow group of US mega-cap technology names. Leadership is more concentrated, valuations more stretched, and positioning more crowded than at any point since the dot-com era. Our response is to remain structurally invested while deliberately broadening — not a tactical call against AI, but a refusal to depend entirely on it.

This note draws on the 2026 outlooks from **JPMorgan** (“Fuel in the engine”), **Goldman Sachs** (“Seeking catalysts amid complexity”), **BlackRock** (“Pushing limits”) and **HSBC** (“Role reversal”). We reference them where they corroborate our stance and where we have chosen to take a different view.

## Broadening beyond US mega-cap concentration

US equities remain the highest-quality global market, but valuations in several areas are historically elevated and the top ten S&P names now represent roughly 40% of the index. We maintain strategic US exposure while gradually emphasising international developed markets, EM and value-oriented equities.

**JPMorgan** argues regional diversification “does not just mitigate risk; it can also be return enhancing.” **HSBC’s** “*Broadening Out*” makes the same case as US growth converges with the rest of the world. **Goldman** reaches the same conclusion via concentration.

**BlackRock** dissents, describing diversification away from US AI as a “diversification mirage” — arguing the buildout is now so macro-significant that broadening away is itself a high-conviction active bet. We respect the analysis but disagree. A portfolio that broadens out is not making a directional call against AI; it is choosing to be paid for a wider opportunity set rather than for a single regime continuing indefinitely. That, in our view, is the more durable bet.

## US resilience, with eyes open

The underlying US economy remains fundamentally resilient. Corporate earnings are constructive, labour markets comparatively strong, and AI capex continues to add meaningfully to growth. We have not adopted a defensive recessionary stance.

Consensus is aligned. **JPMorgan** describes 2026 as a year in which “monetary and fiscal fuel is powering expansion.” **BlackRock** expects the US investment contribution to growth to run at three times its historical average. **HSBC** has US growth holding near 2%. **Goldman** expects the consumer to underpin growth despite a softer labour backdrop.

We share the diagnosis. We also share **JPMorgan’s** warning in “*Protect against derailment*” that “excessive stimulus can prove problematic if it feeds either rising consumer prices or asset bubbles.” Our broadening is structural rather than tactical for exactly this reason.

## Emerging markets and a softer dollar

We maintain a constructive view on EM. A stabilising or weakening dollar typically improves financial conditions, and valuations remain materially below US equities despite improving structural growth. We prefer diversified EM exposure with selective structural tilts rather than concentrated country bets.

All four houses see the EM backdrop improving but emphasise different vehicles. **HSBC** is the most outspoken on EM resilience. **BlackRock** is overweight EM hard-currency debt. **Goldman** is the most concentrated, with its EM view largely an India view. **JPMorgan** is more selective, noting North Asia “tends to perform well when the Fed is cutting rates.” Our preference for diversified exposure sits comfortably within this consensus.

## Japan and Korea: structural, not cyclical

Our constructive view rests on structural factors: corporate governance reform, shareholder returns, and strategic positioning in semiconductor and AI supply chains. This is the strongest agreement across the four outlooks. **Goldman** sees Japan supported by “positive tailwinds heading into 2026.” **JPMorgan** flags Japanese banks and defence names. **BlackRock** lists Japan among its preferred tactical and strategic overweights. **HSBC** emphasises the Asian tech supply chain, including Korea.

We express these views through broader international and EM allocations rather than narrow country-specific trades.

## Higher rates, shorter duration

We maintain a cautious view on long-duration government bonds. Resilient growth, persistent fiscal deficits, elevated inflation uncertainty and structurally higher capital spending all suggest rates can remain higher for longer. Fixed income within the portfolios is doing the job we want it to do — stability, income, dry powder — not reaching for capital gains from a duration rally we do not expect.

This is the strongest consensus across the four houses. **BlackRock** is tactically underweight long Treasuries. **HSBC** argues that “diversification can no longer rely on duration alone.” **Goldman** expects only two further Fed cuts in 2026 and recommends income strategies in credit. **JPMorgan** is most nuanced, viewing long-duration bonds as effective hedges only against a tech-led growth shock.

## Gold as portfolio anchor

Geopolitical uncertainty, fiscal stress and shifting monetary conditions reinforce the case for genuine diversifiers — assets whose return drivers do not collapse into the same regime as equities and credit. We hold gold structurally rather than tactically. We do not expect it to lead returns; we expect it to do work the bond market may no longer reliably do.

The four houses diverge here. **HSBC** makes the strongest structural case, arguing gold now “hedges sovereign-credibility, fiscal-deterioration and reserve-weaponisation risks simultaneously, without counterparty exposure.” **JPMorgan** agrees in the case of chronic inflation. **Goldman** stresses the need for a “broader set of hedging instruments.” **BlackRock** is the most cautious, treating gold as a tactical play.

Our positioning sits closer to HSBC and JPMorgan. Structurally higher fiscal deficits, sticky inflation floors and politically constrained central banks justify gold as a portfolio anchor rather than an opportunistic position. We hold 5% in Balanced, Growth and High Growth, and 10% in Defensive.

## Two positions we considered, and chose not to do

**Extending duration in the Balanced bond sleeve.** Current long-end yields arguably compensate adequately for fiscal and inflation risk. Rejected: our broader view — sticky inflation, persistent fiscal expansion, structurally higher rates — argues against being the marginal buyer of duration. The right environment is a confirmed disinflation regime; we do not have one.

**A higher emerging-markets weight.** The dollar-weakness consensus supports a case for moving EM 2-3 points higher across the portfolios. Rejected: Chinese exposure is structurally entangled with EM benchmark weights, and the portfolios reflect a more cautious position on Chinese equity exposure than benchmark weights imply, given our reading of growth and capital-flow conditions.

## Portfolio implications

Full sleeve weights and ETF detail for the four Vestaris portfolios are published on the portfolios page. The architectural decisions worth flagging in this note:

- **US equity is held below market-cap-weight in every portfolio.** Balanced sits at 35% on a look-through basis versus roughly 62% in a market-cap-weighted global benchmark.
- **Value and Quality are held as structural tilts from Balanced upward.** 4% Value and 3% Quality in Balanced, scaling up in Growth and High Growth with Small Cap Value added.
- **Defensive avoids factor tilts entirely.** 30% core equity, 60% bonds, 10% gold — the lowest-risk portfolio is the most architecturally simple.
- **Infrastructure / AI grid is the only thematic position.** GRID + V9N, roughly 60/40, at 5% in Growth and 7% in High Growth.

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*The titles of the bank outlooks differ — “Fuel in the engine,” “Pushing limits,” “Seeking catalysts amid complexity,” “Role reversal” — but the underlying message is the same: abundant liquidity is propelling markets through a moment of unusually concentrated leadership, stretched valuations and fragile policy anchors. Our response is to remain strategically invested, deliberately broadened, and prepared for the expansion to continue while ensuring the portfolios are built to absorb the moments when it does not.*

*Vestaris quarterly notes are published in the first week of each quarter. Monthly all-clears confirm subscriber portfolio status between scheduled notes. Bulletins are published only when a market event reaches a threshold we believe warrants direct communication.*