



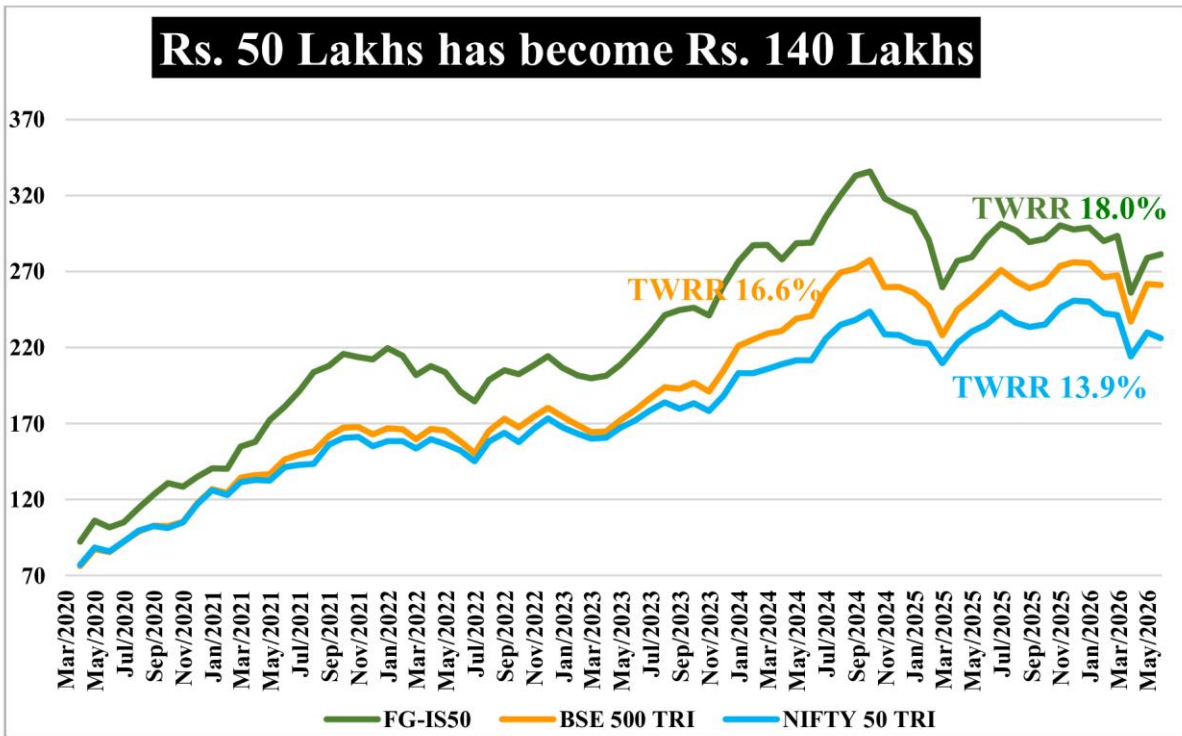
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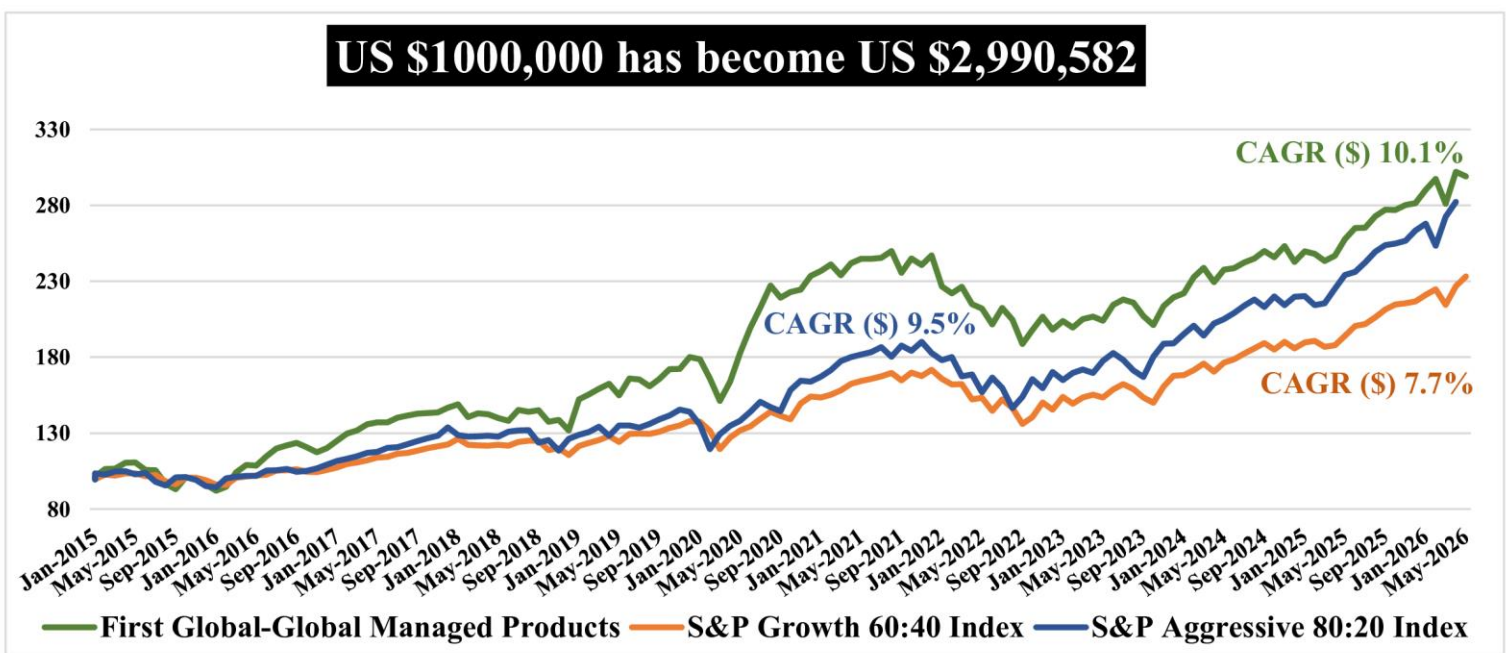
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## Our May '26 Performance

### The First Global - India Super 50 (IS50) PMS Scheme



### Performance of First Global - Global Managed Products vs. Benchmark Indices



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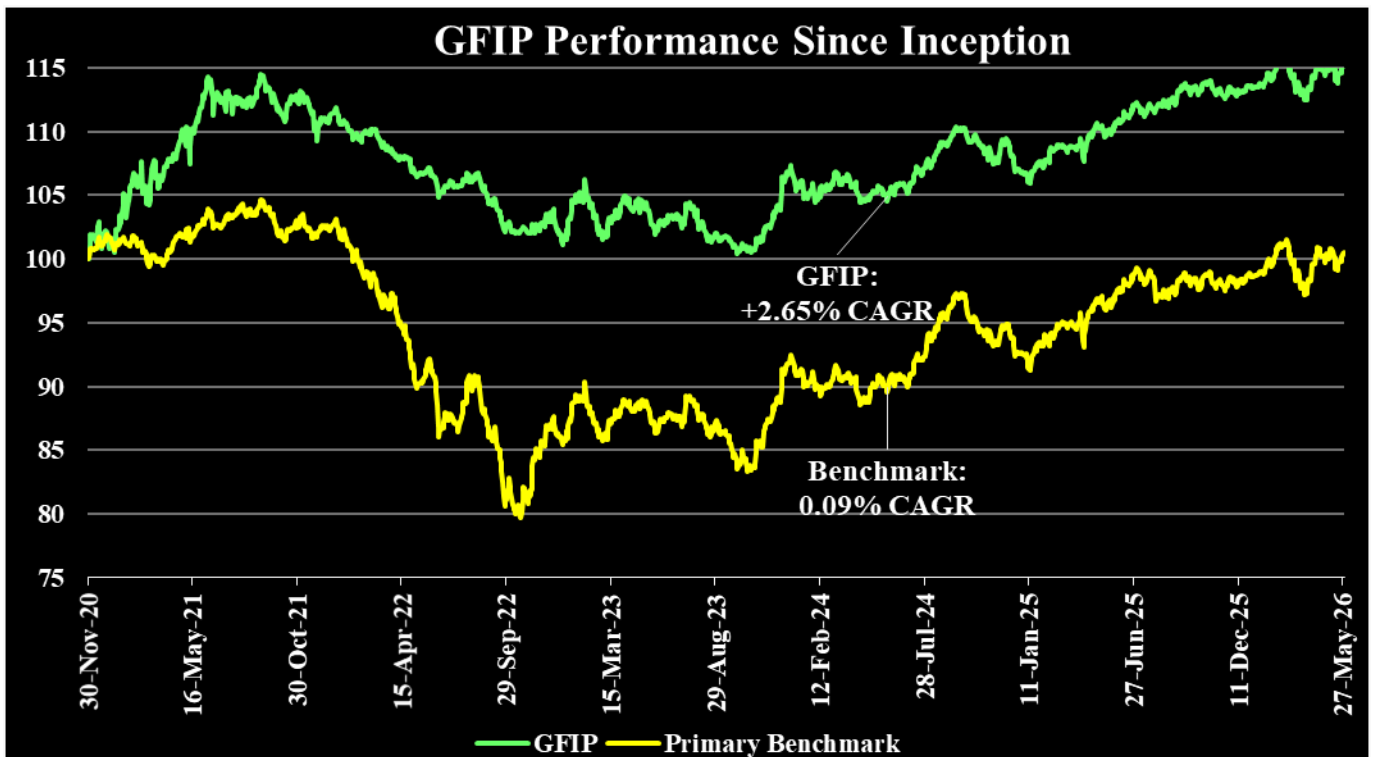


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### Global Fixed Income Portfolio: May '26



### Equities rallied, crude crashed and the AI craze continued in May

Global markets in May 2026 experienced broad-based equity rallies, a sharp correction in oil prices, and strong capital flows into AI-linked assets. Markets were primarily driven by strong corporate earnings and expectations of bringing the conflict between Iran and US to a close (a roller coaster for months) appeared reasonably high.

Oil prices fell sharply, dropping below \$100 per barrel, having remained above \$110 per barrel for much of the month. How quickly energy markets can return to more “normal” conditions will depend on the time needed to fully restore operations in the Strait of Hormuz.

All asset classes, except Commodities and REITs had a strong move in May 2026.

The US Dollar index DXY was up 0.9% in May 2026 and turned positive for the year.

It was a good month for equities. The MSCI World Index rose 5.0%, while the S&P 500 Index and Nasdaq were up 5.3% and 10.6%, respectively in May 2026.

The Technology-heavy markets continue to lead global gains, with the NASDAQ, Taiwan and South Korea up 10.6-25.6% in May 2026. Thus, CYTD (calendar year today), South Korea, Taiwan and the NASDAQ are up 92%, 54% and 20.5%, respectively. This is over and above the 20-79% return give in 2025.

Many have been very concentrated moves: South Korea’s total return of 253% from 2025 till May 2026 is led by only 2 stocks Hynix and Samsung, up 1241% and 510%, respectively. Even, Taiwan is up 99% from 2025 till May 2026, led by TSMC, up 161% during the same period.

Reminder to all those who have come into these markets only recently, semiconductor and semiconductor equipment are both highly capital intensive and highly cyclical industries.

Mostly thanks to the Tech rally, *Emerging Markets (EMs), up 7.2% outperformed the Developed markets, which were up only 4.6% in May 2026. In 2026, the EM markets are up 25.4% as against the Developed markets, which are up just 10.5%.*

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Oil prices fell sharply, dropping below \$100 per barrel, having remained above \$110 per barrel for much of the month. The prospect of relief from the most acute phase of the energy crisis helped drive fixed income yields lower, following the sharp rise earlier in the month.

The Bloomberg Global Aggregate Bond index, AGG ended the month with a small gain of 0.3%. Nonetheless, the EM bonds were up 0.7-1.1%, while the Global High yield bonds were up 0.5%, the trade seems to be moving to a risk-on one. The Bloomberg Global Aggregate bond Index is now slightly up, 0.3% for the 2026 CYTD.

The Commodities Index, which was up 29% in CY26 till April 2026 went down 3.6% in May 2026, but is still up 25% in 2026 CYTD. The fall in May 2026 was on account of the 8.9% fall witnessed in the Energy sub-index (as against being up 72% in CY26 till April 2026), while Precious metals and the Agri sub-index were down 0.4-1.1%. Within Commodities, only the Industrial Metal sub-index was positive with a return of 5.1% in May 2026. Within the Energy sub-index, Oil prices corrected sharply, with Brent crude falling by 17% in May 2026 as against the strong move of 76% seen from Feb end to April 2026. The Industrial Metals sub-index was driven by Copper and Steel, which were up 11-14%.

REITs were down in May 2026. Global REITs were down 0.3%, while the Global ex-US REITs were down 2.6%.

The Tech space and especially the Magnificent 7 stocks (Apple, Microsoft, Amazon, Alphabet, Meta, Nvidia, and Tesla), which were down 8-23% in 2026 till March 2026, recovered a bit in April-May 2026, up 11-32%, thus covering up some of the fall seen from Jan-March 2026.

Nonetheless, the Mag 7 stocks, which contributed to 43% of S&P 500's return in CY25, have contributed to just 30% of S&P 500 Index's return of 10.9% in 2026.

Both in the US and Globally, we are seeing that Leadership has shifted from Big Tech to broader markets and old-economy sectors, especially small caps. Within the text and AI space, gains are concentrated in suppliers like semiconductors and infrastructure, not the AI megascalers, signalling a deeper market rotation and changing drivers of global equity performance.

In the first five months of 2026, the Russell 2000 generated a return of 18%, as against a return of 11% for the S&P500.

### Sector-wise returns in S&P 500 Index Versus Russell 2000

Sector	S&P500 2026* YTD Return%	Russell 2000 2026* YTD Return%
<b>Index Returns</b>	<b>11.0%</b>	<b>17.9%</b>
<b>Energy</b>	<b>26.1%</b>	<b>32.3%</b>
<b>Information Technology</b>	<b>23.5%</b>	<b>45.3%</b>
<b>Materials</b>	<b>11.9%</b>	<b>16.7%</b>
<b>Industrials</b>	<b>11.7%</b>	<b>31.1%</b>
<b>Real Estate</b>	<b>10.6%</b>	<b>11.2%</b>
<b>Communication Services</b>	<b>9.2%</b>	<b>15.9%</b>
<b>Consumer Staples</b>	<b>7.5%</b>	<b>5.4%</b>
<b>Utilities</b>	<b>4.9%</b>	<b>5.7%</b>
<b>Consumer Discretionary</b>	<b>4.1%</b>	<b>2.2%</b>
<b>Health Care</b>	<b>-3.2%</b>	<b>3.8%</b>
<b>Financials</b>	<b>-5.3%</b>	<b>7.2%</b>

\*Analysis based on S&P500, ACWI ETF holdings data. Data Source: LSEG, YTD-31<sup>st</sup> Dec 2025 till 29<sup>th</sup> May 2026

In both the S&P 500 as well as the Russell 2000, the IT sector has gone up by 23.5% and 45.3%, respectively in the last 5 months. But, the interesting fact is that the IT has not been driven by the Mag 7 stocks but primarily by Semiconductors, Hardware, and Electronic Equipment sub sectors. As can be seen from the below table, we can observe an **interesting divergence within the IT Services sub-sector of IT for the S&P 500 and Russell 2000 Index. When the IT Services sub-sector was up 73.5% for the Russell 2000, it was down 11% for the S&P 500.** Meanwhile, strong performance from Semiconductors, Communication Equipment, Hardware & Storage segments added to the performance of the IT sector.

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### Sub-sector moves of the Information Technology Sector in May 2026

	S&P 500		Russell 2000	
	Return	Contribution	Return	Contribution
<b>Information Technology</b>	<b>23.5%</b>	<b>8.0%</b>	<b>45.3%</b>	<b>6.6%</b>
- IT Services	-10.8%	-0.1%	73.5%	0.5%
- Software	-5.3%	-0.7%	9.4%	0.5%
- Communications Equipment	41.7%	0.4%	104.1%	0.9%
- Technology Hardware, Storage & Peripherals	28.0%	2.0%	46.0%	0.3%
- Electronic Equipment, Instruments & Components	31.1%	0.2%	43.7%	1.5%
- Semiconductors & Semi Equip	42.9%	6.2%	85.5%	2.9%

The same pattern is visible not just in the US markets but in the Global markets. **When the ACWI Index, which largely covers the Global large and midcap stocks is up 11% in 2026 CYTD, the MSCI Global Small cap Index is up almost 15%.** Plus, there too the apparent outperformance of the IT sector is confined to the suppliers of various kinds for the data centres.

In May 2026, 14 out of the 42 countries were down i.e. 67% of the top 42 countries still gave a positive return. **Emerging markets were up 7.2%, outperforming the developed markets, which were UP 4.6% over the month.** Among the Emerging markets, the top performing markets were South Korea and Taiwan while among the developed markets, the best performing markets were US, Japan and Israel.

**European equities, which outperformed the US in CY25, January 2026 and February 2026, underperformed the US in March 2026, April 2026 as well as in May 2026 - they are UP 3.2% in May 2026 as compared to a strong up move of 5.3-10.6% in the US markets. The Eurozone, up 7.3% CYTD is now underperforming the US (up 10.9-20.5% CYTD) by 4-13 percentage points.**

The Global Tech Sector, which contributed to 30% of ACWI's overall returns in 2025, was down in 2026 till March 2026. However, in April-May 2026, it witnessed a strong recovery and hence, CYTD till May 2026, the Global tech sector is up 31% and contributed to 69% of ACWI's 2026 CYTD.

**The Indian markets, which delivered a pretty terrible performance in 2026 till March 2026, down 13.3% made a strong recovery in April 2026 and was up 5.5-6.3% in dollar terms. In rupee terms, Indian markets were up 7.5-10.4% in April 2026. However, in May 2026, the Indian markets were once again down, 1.7-2.6% in Dollar terms. Hence, CYTD, till May 2026, Indian markets are down 10-17% in dollar terms and down 5-10% in rupee terms.**

**In May 2026, 50% of the Indian stocks gave a positive return with 51% outperforming the markets. In May 2026, while large caps were down 1.7%, the small caps and midcaps were up 1.6-2.5%. In May 2026, only Industrials, Materials and Healthcare were UP, while all other sectors were down.**

In May 2026, our equity PMS scheme, India Super 50 (IS50) was up 0.9%, outperforming the BSE 500 Index as well as the Nifty 50 Index which were down 0.2-1.7% by 1.1 percentage points and 2.6 percentage points, respectively. We were ahead of both the benchmarks as our positions in Consumer staples and Industrials performed far better than that for the BSE 500 and Nifty 50 Index sectors. Also, we being overweight Consumer Discretionary added strong performance points to our portfolio. Plus, we being underweight Energy helped us as the Energy sector was down 7-7.8% for the benchmarks. In FY27 till May 2026, IS50 is up almost 10%, in line with the BSE 500 Index return and beating the NIFTY 50 Index return by 4 percentage points.

In May 2026, our well-diversified Global portfolios were behind the benchmarks as the market move turned out to be a bit narrow led by the Tech sector. Our Global Multi-Asset fund and portfolios were down 0.2-1.0% in May 2026, as against the benchmarks which were UP 2.8-3.6%. **Our positions in European banks, Commodities like Base metals and exposure to countries like Japan, Taiwan, South Africa, Sweden and Germany added strong performance points to the portfolio though this was offset by our underweight position in the Tech space.**

**For 2026 CYTD, our global portfolios are up 6.2-7.5%, largely in line with the benchmark return of 7.6-9.9%.**

In May 2026, the Global market once again turned extremely narrow, with the Tech sector contributing to almost 98% of ACWI's return of 5%. Our well diversified, risk-contained portfolios do well in broader market conditions and hence were below the benchmarks.

**Our Global Fixed Income Portfolio (GFIP) was UP 0.5%, outperforming the benchmark, which was up 0.3%. We are underweight, interest rate and credit risk and even underweight REITs, which led to our outperformance in**

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*May 2026 as Global REITs were down 0.3%, while the high yield bonds were up just 0.4% and led to difference against the benchmark.*

**In both Indian and Global equity markets, our advice remains to stay invested, emphasizing the significance of not missing good trading days, which can substantially impact returns.**

In any event, when things look uncertain, we do buy hedges - as was done for our Indian PMS portfolios more than once during CY24. However currently we are not hedged as our systems. We are evaluating the possibility of hedges for our global, especially US equity exposure, even though we are now significantly underweight relative to the benchmarks.

In keeping with our philosophy that investing is a Loser's Game we always err on the side of caution. However, since our medium term outlook on equity (excluding certain frothy areas of the market) remain positive, we are almost fully invested - the cost of missing out on unexpected up moves is substantial.

Now for the details...

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### Country wise-performance in May 2026, CYTD, CY25 and CY24

#### MAJOR GLOBAL INDICES PERFORMANCE (as of 29<sup>th</sup> May 2026)

YTD Rank	Indices	Country	Region	May' 26 (%)	YTD (%)	2025 (%)	2024 (%)
1	KOSPI INDEX	South Korea	Emerging	25.6%	92.0%	79.4%	-19.9%
2	TAIWAN TAIEX INDEX	Taiwan	Emerging	15.5%	54.1%	31.6%	22.8%
3	TA-35 Index	Israel	Developed	6.4%	38.5%	73.3%	28.6%
4	BUDAPEST STOCK EXCH INDX	Hungary	Emerging	3.0%	31.3%	68.4%	14.3%
5	NIKKEI 225	Japan	Developed	10.0%	29.4%	26.5%	8.7%
6	STOCK EXCH OF THAI INDEX	Thailand	Emerging	5.0%	20.6%	-2.0%	2.2%
7	NASDAQ-100 INDEX	United States	Developed	10.5%	20.1%	20.2%	25.9%
8	BRAZIL IBOVESPA INDEX	Brazil	Emerging	-8.7%	17.3%	51.1%	-29.6%
9	EGX 30 INDEX	Egypt	Emerging	4.5%	15.0%	49.9%	-24.8%
10	WIG 20	Poland	Emerging	5.7%	14.7%	66.1%	-5.6%
11	BIST 100 INDEX	Turkey	Emerging	-6.8%	13.6%	-5.8%	13.1%
12	OMX HELSINKI 25 INDEX	Finland	Emerging	1.6%	12.6%	49.2%	-5.8%
<b>13</b>	<b>MSCI ACWI</b>	<b>Global</b>	<b>Global</b>	<b>5.0%</b>	<b>11.4%</b>	<b>20.6%</b>	<b>18.0%</b>
14	S&P/BMV IPC	Mexico	Emerging	1.8%	10.7%	50.2%	-27.8%
15	S&P 500 INDEX	United States	Developed	5.1%	10.7%	16.4%	25.0%
16	AEX-Index	Netherlands	Developed	3.3%	10.7%	22.8%	7.2%
17	FTSE MIB INDEX	Italy	Developed	3.1%	10.5%	48.4%	11.7%
18	Straits Times Index STI	Singapore	Developed	2.2%	9.2%	30.3%	19.2%
19	BEL 20 INDEX	Belgium	Developed	3.7%	9.1%	35.1%	10.8%
20	S&P/TSX COMPOSITE INDEX	Canada	Developed	0.8%	9.1%	34.4%	11.7%
21	OMX STOCKHOLM 30 INDEX	Sweden	Developed	2.6%	8.5%	39.1%	-2.2%
22	MSCI COLCAP INDEX	Colombia	Emerging	-0.2%	8.3%		9.6%
23	S&P/ASX 200 INDEX	Australia	Developed	0.5%	7.9%	15.2%	2.0%
24	SHANGHAI SE COMPOSITE	China	Emerging	-0.2%	6.0%	23.6%	13.0%
25	IBEX 35 INDEX	Spain	Developed	2.6%	5.3%	69.3%	12.3%
26	TADAWUL ALL SHARE INDEX	Saudi Arabia	Emerging	-1.5%	5.1%	-12.7%	3.4%
27	FTSE 100 INDEX	United Kingdom	Developed	-0.7%	4.7%	30.9%	7.5%
28	HO CHI MINH STOCK INDEX	Vietnam	Emerging	0.9%	4.6%	36.5%	8.8%
29	S&P/CLX IPSA (CLP) TR	Chile	Emerging	0.0%	4.3%	72.4%	-3.9%
30	SWISS MARKET INDEX	Switzerland	Developed	3.1%	3.4%	30.9%	-0.3%
31	FTSE Bursa Malaysia KLCI	Malaysia	Emerging	-2.2%	2.5%	12.7%	20.7%
32	S&P/NZX 50 Index Gross	New Zealand	Developed	4.1%	1.7%	6.3%	-1.8%
33	FTSE/JSE AFRICA ALL SHR	South Africa	Emerging	2.2%	1.0%	56.9%	9.7%
34	CAC 40 INDEX	France	Developed	0.2%	-0.3%	25.3%	-5.6%
35	DAX INDEX	Germany	Developed	1.3%	-0.8%	36.4%	11.7%
36	HANG SENG INDEX	Hong Kong	Developed	-2.4%	-2.4%	27.5%	23.6%
37	OMX COPENHAGEN 20 INDEX	Denmark	Developed	3.3%	-4.7%	-13.8%	-12.3%
38	DFM GENERAL INDEX	UAE	Emerging	-0.1%	-4.8%	17.2%	34.5%
39	SRI LANKA COLOMBO ALL SH	Srilanka	Emerging	-4.2%	-7.4%	34.2%	70.8%
40	PSEi - PHILIPPINE SE IDX	Philippines	Emerging	-1.5%	-8.9%	-8.7%	-0.5%
<b>41</b>	<b>S&amp;P BSE SENSEX INDEX</b>	<b>India</b>	<b>Emerging</b>	<b>-2.9%</b>	<b>-17.0%</b>	<b>3.8%</b>	<b>6.6%</b>
42	JAKARTA COMPOSITE INDEX	Indonesia	Emerging	-14.7%	-33.5%	17.9%	-3.7%

Source: LSEG Workspace

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### Our May '26 Performance

### India Performance Analysis

The Indian markets had started 2026 on a negative note, down 13.3-19.6% in dollar terms and down 13.9-14.4% in rupee terms till March 2026. In fact till March 2026, India was among the worst performing markets globally. In April 2026, the Indian markets made a strong recovery and were up 5.5-6.3% in dollar terms and up 7.5-10.4% in rupee terms. However, in May 2026, it once again went down and was down 0.2-1.7% in rupee terms. Thus, CYTD as on May 2026, Indian markets are down 10-17% in dollar terms and down 5-10% in rupee terms.

The overall move in May 2026 was moderately broad-based. In May 2026, the Large-caps were down 1.7%, while the mid-caps and small-caps were up 1.6-2.5% at the index level.

In May 2026, about 50% of the stocks gave positive returns, while 51% outperformed the markets- a big change from 2025 where while headline indices were up, the average stock was down.

BSE 500 Index	May 2026	2026 CYTD
% Return	-0.2%	-5.1%
Outperforming Stocks	50.7%	55.7%
Underperforming Stocks	49.3%	44.3%
Negative Stocks	50.5%	55.1%

Source: LSEG Workspace

In CY25, the markets had been very narrow with the median stock down more than 4%, even as the BSE 500 Index was up 7%. 57% of the stocks were down for the year, in contrast to the index's upward move. A full 40% declined by more than 10%.

In 2026 CYTD, the overall move is largely broad-based with 56% of the stock down while only 35% were down more than 10%. Thus, over half the stocks outperformed the index.

BSE 500 Breadth Stats*	2024		2025		2026 YTD	
	Number	%	Number	%	Number	%
Index Total Returns	-	15.5%	-	6.9%	-	-5.1%
Stocks Return > Index returns	276	56.2%	185	37.0%	276	55.4%
Stocks Up > 10%	303	61.7%	171	34.2%	126	25.3%
Stocks Up > 20%	253	51.5%	128	25.6%	77	15.5%
Stocks Up > 30%	204	41.5%	79	15.8%	43	8.6%
Stocks with Positive Returns	363	73.9%	228	43.0%	218	43.8%
Stocks with Negative Returns	128	26.1%	272	57.0%	280	56.2%
Stocks down > 10%	72	14.5%	202	40.5%	175	35.1%
Stocks down > 20%	31	6.2%	118	23.6%	76	15.3%
Stocks down > 30%	14	2.8%	59	11.8%	12	2.4%
Median Stock Return	18.7%		-4.1%		-2.7%	

\*Analysis is done using current ICICI Prudential BSE500 ETF as a Proxy, Data Source: LSEG

In 2023, out of the 41 top Equity markets by market cap, India was ranked No.21 and its rank fell to No.25 by the end of CY24 and further down to No. 36 in CY25. In January 2026, it fell almost to the bottom, though it improved a bit in February 2026 to No.39. In May 2026, its rank is at No.41. In 2026 CYTD, India's return is way below the global average and it is currently still among the worst performing Global markets.

Our Pure Equity portfolio, the India Super 50 (IS50) was UP 0.9% in May 2026 as against the benchmark, the BSE 500 TR Index as well as the Nifty 50 index which were down 0.2-1.7%. We were able to beat the Nifty 50 Index by 1.1-2.6 percentage points as our positions in sectors like Consumer Staples and Industrials delivered higher returns than the BSE 500 and Nifty 50 Index returns from these sectors. Also, we being underweight the Energy sector helped us as this sector was down 7-7.8% in May 2026.

In CY26 till May 2026, IS50 is down 5.8%, better than the Nifty Index fall of 9.6% in the same period.

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Here is the year-wise performance of the IS50 strategy since inception, i.e., from 18th February 2020, versus the Nifty TRI:

### India Super 50 (IS-50) PMS – Year-wise Performance (Post Fees)

	FG-IS50	NIFTY 50 TRI	BSE 500 TRI
FY 2019-20 <sup>#</sup>	-14.2%	-28.8%	-28.6%
FY 2020-21	71.4%	72.5%	78.6%
FY 2021-22	31.4%	20.3%	22.3%
FY 2022-23	-3.0%	0.6%	-0.9%
FY 2023-24	38.0%	30.1%	40.2%
FY 2024-25	-0.4%	6.7%	6.0%
FY 2025-26	-7.5%	-4.0%	-3.1%
FY 2026-27*	9.9%	5.6%	10.2%
<b>Total Return since Inception*</b>	<b>162.0%</b>	<b>109.2%</b>	<b>144.8%</b>
<b>TWRR since Inception<sup>#</sup></b>	<b>16.5%</b>	<b>12.4%</b>	<b>15.1%</b>

\*As on 31<sup>st</sup> May 2026 and net of fees and expenses

# Since inception i.e. from Feb 18 2020

As can be seen from the above table, IS50 has more than made up whichever year it underperformed with stronger outperformance in the other years. In FY25 and FY26, the difference against the markets were on account of the markets behaving peculiarly. The 15-18 months from September 2024 had been unusually challenging for equity investors. While headline indices may not reflect the full extent of the stress, the underlying market breadth was extremely weak until recently.

As we have detailed above, though the Indices like the Nifty 50 and BSE 500 gave returns of 7-12% in 2025, there was considerable pain in the market with more than 57% of the stocks declining, with 40% down more than 10% for the BSE 500.

Hence, for the BSE 500, in CY25, the median stock was down 4% as compared to the benchmark return of 7%. Even in terms of sectors, as seen from the below table, the market move in CY25 was extremely narrow, led by Financials and within that, the PSU banks and the Energy sector to some extent led by Reliance, BPCL, HPCL etc. This is unlike the broader across sectors move witnessed in CY24.

### Sector-wise contribution to returns (%) in CY24, CY25 and 2026 CYTD

Sector	Nifty 50			BSE 500		
	CY24	CY25	CY26 (YTD)*	CY24	CY25	CY26 (YTD)*
ETF Return	10.0	12.3	-9.6	15.8	7.7	-5.1
Energy	0.2	2.7	-1.2	0.5	1.7	-0.9
Materials	-0.3	1.4	0.6	0.5	1.4	0.7
Industrials	0.2	1.1	0.3	2.6	0.2	0.9
Consumer Discretionary	1.6	1.5	-0.9	3.3	0.5	-0.8
Consumer Staples	-0.3	0.4	-0.8	0.1	0.1	-0.6
Health Care	1.5	-0.3	0.1	2.2	-0.2	0.4
Financials	2.3	6.4	-4.8	2.7	5.2	-3.1
Information Technology	2.7	-2.1	-2.5	2.1	-1.7	-1.9
Communication Services	1.5	1.4	-0.6	1.0	0.7	-0.4
Utilities	0.6	-0.1	0.3	0.5	-0.1	0.7

Source: LSEG Workspace

\*Till 31<sup>st</sup> May 2026

That said, our investment philosophy is designed for the long term. Risk management and broad participation are key pillars of our approach, and history shows that once market breadth improves, portfolios like IS50 tend to capture the upside effectively.

Looking ahead, we remain optimistic that as the rally broadens beyond this very narrow leadership, IS50 is well-positioned to benefit.

We believe in a **data-led, disciplined strategy** focused on risk-adjusted returns and long-term wealth creation—not momentum chasing. Hence, on a risk adjusted return basis, we remain among the top in the market **with a wide gap with most other providers.** (Please see the table given below).

Our diversified portfolio has stood us in good stead.

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### Our Winners in May '26

Name	Return	Name	Return	Name	Return
MAYUR UNIQUOTERS	35.3%	AIA ENGG	14.4%	GRANULES IN	9.8%
BAJAJ CONSUMER	19.8%	KIRLOSKAR OIL	13.5%	NLC INDIA LTD	9.2%
ENDURANCE TECHNOLOGIES	17.0%	CUMMINS INDIA	11.2%	FRONTIER SPRINGS	9.1%
POLYCAB INDIA	16.3%	BAJAJ AUTO	11.2%	KENNBMETBL	8.8%
INDIA NIPPON ELE	14.7%	CG POWER	11.1%	DATAMATICS	6.5%

### Global Performance Analysis

In May 2026, 67% of the top most Equity markets were UP with Emerging markets (EM) outperforming the Developed markets.

*The EMs were up 7.2% as compared to the 4.6% move in the Developed markets. The Tech space and especially the Magnificent 7 stocks which were down in 2026 till March 2026, recovered strongly in April-May 2026. The Tech driven countries like South Korea and Taiwan were the top performing markets in May 2026.*

Among the developed markets, US markets which were down 4.6-6.0% till March 2026, rallied 16-26% in April-May 2026 itself. MSCI Japan was up 4.3%, while the Eurozone was up 3.2%. Thus, in May 2026, the US markets outperformed the Eurozone. Even for 2026 CYTD, *the US is still outperforming the Eurozone by 1.4 percentage points.*

In May 2026, while the S&P 500 was up 5.3% the NASDAQ was up 10.6%. *Overall, the Global market Index, ACWI was up 5.0% in May 2026 and is up 11.4% CYTD.*

In May 2026, the technology sector, which was a major contributor to ACWI's return in CY24 and CY25, was UP and contributed to 98% of ACWI's return of 5%, offsetting the negative returns that came from the Energy, Consumer staples, Communication services and Utilities. In 2026 till March 2026, the Tech sector was the worst performing sector, while on account of the strong move witnessed in April-May 2026, for 2026 CYTD, till May 2026, the Tech sector contributed to 69% of ACWI's return of 10.2%.

For the S&P 500 Index also, the tech sector, which contributed to more than 44% of S&P 500's return in CY25, was actually down in Jan- March 2026 and contributed to 72% of S&P 500 Index's fall of 4.6%. However, on account of the strong rally seen in April-May 2026, the tech sector contributed to 40% of S&P 500's return of 11% in 2026 CYTD till May 2026.

The Mag 7 stocks, which contributed to 43% of S&P 500's return in CY25, have contributed to just 30% of S&P 500 Index's return of 11% in 2026 CYTD. Both in the US and Globally, we are seeing that Leadership has shifted from Big Tech to broader markets and old-economy sectors, especially small caps. While AI spending remains strong, gains are concentrated in suppliers like semiconductors and infrastructure, not tech giants, signalling a deeper market rotation and changing drivers of global equity performance. The current trend indicates a clear rotation from large caps to small caps, as well as a recovery in old economy stocks.

The same pattern is visible not just in the US markets but in the Global markets.

*Bond markets were UP, with the Global Aggregate Index UP 0.3% in May 2026. Commodities were down 3.6% in May 2026, primarily due to the 8.9% fall seen in the Energy sub index.*

*Out of the top 3000 Global companies/stocks in terms of market cap, almost 48% of the stocks were UP, though 74% underperformed the ACWI Index. Thus, the market move in May 2026 was pretty much narrow.*

	May-CY26			CY26		
	MSCI ACWI Index	S&P 500 Index	Nasdaq 100 Index	MSCI ACWI Index	S&P 500 Index	Nasdaq 100 Index
% Return	5.2%	5.3%	10.6%	12.2%	11.0%	20.6%
Top 10 Stocks Contribution	1.7%	2.5%	6.6%	3.3%	4.0%	9.0%
% of 10 stocks to total move	33.4%	47.7%	62.3%	26.7%	36.3%	43.9%
Outperforming Stocks	26.4%	25.6%	27.5%	32.2%	36.3%	30.4%
Underperforming Stocks	73.6%	74.4%	72.5%	67.8%	63.7%	69.6%
Negative Stocks	52.0%	56.7%	47.1%	41.8%	39.9%	43.1%

Source: LSEG Workspace

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For our benchmarks, the S&P Aggressive 80:20 and 60:40 Indices, the key sector move was led by the Tech sector and Consumer Discretionary. Most sectors were UP in May 2026 except Energy which was marginally down.

The US Dollar Index, DXY was up 0.9% in May 2026 and is UP 0.6% CYTD.

### Cross-Asset Performance for May 2026 and CYTD

Cross-Asset Performance	May '26	2026 CYTD	Cross-Asset Performance	May '26	2026 CYTD
<b>Equities</b>			<b>Bonds</b>		
MSCI Japan	4.3%	15.1%	VanEck EM High Yield ETF	0.4%	3.1%
S&P 500	5.3%	10.9%	Bloomberg Global High Yield	0.5%	1.2%
NASDAQ 100	10.6%	20.5%	Bloomberg Pan European High Yield	1.1%	1.6%
MSCI ACWI	5.0%	11.4%	Bloomberg EM USD Aggregate	0.7%	1.5%
MSCI Eurozone	3.2%	7.3%	Bloomberg Pan European Aggregate	0.9%	0.7%
MSCI India	-1.7%	-10.2%	Bloomberg Global Aggregate	0.3%	0.3%
Core MSCI International Developed Markets	2.3%	9.6%			
EM ex-China	11.0%	39.0%			
MSCI Emerging Markets	7.2%	25.4%			
MSCI Asia ex-Japan	7.6%	22.3%			
MSCI China	-4.3%	-8.3%			
Bloomberg Latin America Index	-3.1%	16.3%			
<b>REITs</b>	<b>May '26</b>	<b>2026 CYTD</b>	<b>Commodities</b>	<b>May '26</b>	<b>2026 CYTD</b>
S&P Global REIT	-0.3%	8.3%	Bloomberg Livestock Subindex	-4.6%	1.6%
Vanguard Global ex-US REITs ETF	-2.6%	0.4%	Bloomberg Precious Metals Subindex	-0.4%	7.1%
Vanguard US REITs ETF	-0.7%	9.3%	Bloomberg Energy Subindex	-8.9%	57.1%
			Bloomberg Commodity Index	-3.6%	25.0%
			Bloomberg Industrial Metal Subindex	5.1%	15.4%
			Bloomberg Agriculture Subindex	-1.8%	8.7%

Source: LSEG, Trading Economics

In May 2026, our well-diversified Global portfolios were behind the benchmarks as the market move turned out to be a bit narrow led by the Tech sector. Our Global Multi-Asset fund and portfolios were down 0.2-1.0% in May 2026, as against the benchmarks which were UP 2.8-3.6%. *Our positions in European banks, Commodities like Base metals and exposure to countries like Japan, Taiwan, South Africa, Sweden and Germany added strong performance points to the portfolio though this was offset by our underweight position in the Tech space.*

*For 2026 CYTD, our global portfolios are up 6.2-7.5%, largely in line with the benchmark return of 7.6-9.9%.*

*Our well-diversified portfolio, though it may seem a bit conservative now and then, generates steady, consistent returns over a period, without major drawdowns.*

That is indeed what we aim to do and our systems are designed that way!

As the table below shows our winners are diversified across sectors and geographies.

## Our Winners in May '26

Name	Country	Return	Name	Country	Return	Name	Country	Return
Eli Lilly & Co	US	40.7%	Ituran Location & Control	US	18.3%	Apple Inc	US	15.6%
Davita Inc.	US	35.1%	iShares MSCI Taiwan	Taiwan	17.9%	Texas Roadhouse Inc.	US	13.0%
Kakaku.com Inc.	Japan	33.2%	Belimo Holding AG	Switzerland	17.9%	PriceSmart Inc.	US	10.5%
Proto Labs Inc.	US	31.9%	Corpay Inc.	US	17.9%	iShares MSCI Global Metals & Mining	US	10.0%

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### FG-GFIP Performance Analysis

In May 2026, the Barclays Bloomberg Global Aggregate Index, which tracks investment grade bonds across major developed market economies, was up 0.3%. On the other hand, the Global High yield bonds were up 0.5%, EM high yield bonds were up 0.4%, while the EM bonds were up 0.7-1.1% in May 2026. **Fixed Income markets in the US were up for the month, as the short-term yields fell, with the 2-yr bond falling around 10 basis points, to end the month at 3.9%.**

May 2026 saw a return to more pronounced moves in global government bond markets, with most 10-year benchmark yields declining by double-digit basis points amid evolving growth and inflation expectations.

Italy's 10-year government bond yield recorded the largest move of the month, dropping by more than 22 basis points to 3.64%. Economic data – including PMIs from S&P Global for Italian manufacturing and services - pointed to resilient activity. Furthermore, revised ISTAT figures showed growth of 0.3% in the first quarter, matching the Q4 2025 figure.

Following closely its Italian equivalent, the Greek 10-year bond yield fell by nearly 22 basis points to 3.48%. The S&P Global Manufacturing PMI for Greece climbed to 53.3 in May, rebounding from a seven-month low of 52.4 in April.

Across the euro area, 10-year benchmark yields moved lower throughout May, with those for Germany finishing the month 10 basis points lower at 2.93%. Data from Destatis showed GDP growth of 0.3% in Q1 2026, in sharp contrast to a decline of 0.3% in Q4 2025. Business activity fell for a second straight month across the services sector; manufacturing stalled, as uncertainty and soaring costs associated with the war in the Middle East acted as headwinds to demand.

The European Commission's Spring Forecast lowered growth expectations and raised inflation projections across several member states, highlighting the continued challenges facing policymakers. Market participants and economists anticipate a rate hike at June's monetary policy meeting, although some policymakers, like ECB Governing Council member Peter Kažimír, have emphasized there's no fixed path and policy will be data dependent.

Outside the euro area, the yield on the UK 10-year Gilt fell nearly 21 basis points to 4.81%. Data from the Office for National Statistics showed Q1 2026 GDP growth increasing by 0.6%, up from 0.2% in Q4 2025. Both the spring forecast from the European Commission and the comparable HM Treasury forecast, which summarizes professional economists' views, highlighted estimates for lower growth and higher inflation.

In Asia Pacific, Australia's 10-year bond yield declined 19 basis points to 4.82%. Unlike other central banks, the RBA held a May meeting, where it hiked its cash rate for the third time in a row, up 25 basis points to 4.35%. The latest PMIs for manufacturing and services in the country from S&P Global showed an increase that moved the sector back into expansion territory, but with notable price and supply disruption.

Bucking the broader trend, Japan's 10-year bond yield climbed nearly 14 basis points to 2.66%. The country's Q1 2026 GDP data came in higher than expected at 0.5%, up from 0.3% in Q4 2025. The S&P Global Manufacturing PMI slipped from April's 51-month high of 55.1 to 54.5 in May. Updated outlooks from the Bank of Japan and the government's cabinet pointed to lower economic growth and higher inflation.

Similarly, the yield on the U.S. 10-year Treasury increased 4.5 basis points to 4.44%, the smallest move in either direction recorded during the month. U.S. economic data remained resilient, with both manufacturing and services activity expanding and first-quarter GDP growth remaining positive. The economy also added 172,000 jobs in May, beating expectations. Meanwhile, the U.S. Senate confirmed Kevin Warsh as the new Fed Chair with 54 votes in favour and 45 against.

In May 2026, our GFIP portfolio was up 0.5%, beating the benchmark, which was up 0.3%. ***The difference from the benchmark was due to GFIP's lower allocation to REITs, as well as the cash equivalents held by us as the position was taken considering the highly volatile and uncertain scenario regarding future rate cuts, especially as concerns around war have not yet settled*** The total return since inception for GFIP still highly outperforms the benchmark as it delivered an impressive return of almost 15%, as against the benchmark which is up only 0.5% since inception.

As our portfolio was unchanged in the month, the investment strategy still under-weights interest rate risk, with a duration of 4.23 versus the 5.43 for the benchmark. The **yield-to-maturity (YTM)** for the GFIP portfolio is at **4.35%**,

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as against 3.84% for the benchmark. The focus remains on high quality investment grades, while monitoring and assessing the conditions in markets where yields are on a rally, after the central banks had initiated lowering the rates.

### Looking ahead

Given that a global easing cycle has been continued by major central banks, we recommend clients with short investment horizons (less than 3 years) to consider our lower-duration active fixed income product called **GARP**. Those with a longer-term investment horizon should prefer the **GFIP**, which is usually more sensitive to interest rates. In a scenario of rates coming down, the GFIP is poised to perform better. *In GFIP, we remain neutral in the interest rate risk, as the portfolio was unchanged in the month, and our duration is just slightly less than the benchmark. We expect the **Investment Grade** category to do better in the coming months. Fixed income markets are likely to experience further volatility, until the path for rate cuts become clearer, though historically, bonds have provided good returns in months succeeding the first rate cut. With the inflation data being inconsistent, and worries of resurgence in inflation arising from the potential tariffs from Trump's policies, markets remain cautious and uncertain of the future rates scenario. The worsening outlook on the economy is also adding to the concerns.*

We are focusing on high-quality income with our fixed income products, GFIP and GARP, offering a gross yield-to-maturity of 4.35% (3.84% for the benchmark) and 7.31%, respectively. A higher yield helps cushion against losses in case yields rise materially.

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### Our Investing Mantras

Avoid the Big Losses

Be the "House", not the "Gambler"

Protect in Down Markets  
Participate in Up Markets

Play for Singles. Not for Home Runs

Play Everything. Believe Nothing

Not Bullish. Not Bearish. Be Hare-ish

Great trades are like buses  
There's always one coming

No Storification. Just Datafication

Rigidity Kills. In Arteries. And in Investing

And our Human+Machine delivers these Returns with the lowest possible risk.

As we've said before:

**We do not run "High Conviction" risk.**

**We do not run "Storification" risk.**

**We do not run "High Concentration" risk.**

Being neutral and systematic in investing, will absolutely make us win, barring the occasional pullback patches.

That's what our unique Human + Machine Model delivers.

Consistency. Not stomach churning yo-yos.

For those who aren't invested with us, but want in, just drop us a line on <http://tinyurl.com/4xrnrh6> or [info@firstglobalsec.com](mailto:info@firstglobalsec.com) and we will respond quick.

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