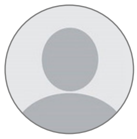
Get Rich Slowly: Out of the frying pan

Find out if our investment specialists have taken advantage of the AI boom.

Update
31 July 2026

Analysts:



Jo Groves and David Brenchley
jo@keplerpartners.com;
david.b@keplerpartners.com

With the office half empty thanks to a combination of summer holidays and the stifling weather, this week has been a good time to sit back and take stock of the year so far.

In all honesty, it feels like we've been actively trying to avoid the heat this summer, not helped by the office aircon choosing to clock off on the hottest day of the year. Still, for Jo and me it's back into the furnace that is our portfolio recap – always done with slight trepidation.

So let's find out below who has taken advantage of the AI boom and who has missed out...

Our top-performing investments

We'll start with the investments that had us leaning back on our sunbeds and sipping mojitos, dreaming of early retirement:

JO'S TOP PERFORMERS	DAVID'S TOP PERFORMERS
1. iShares MSCI Global Semiconductors ETF (SEMI), 117%	1. Raspberry Pi (RPI), 174%
2. Denali Therapeutics (DNLI), 58%	2. Pacific Horizon (PHI), 50%
3. Pictet Clean Energy Transition, 40%	3. Computacenter (CCC), 48%

Chips, cures and clean energy (Jo)

It's fair to say my portfolio has never quite hit peak thematic discipline, being more of a jumble sale of sectors catching my eye, though technological innovation underpins much of the recent outperformance.

Top honours went to the **iShares MSCI Global Semiconductors ETF (SEMI)** which more than doubled over the six months. It's a familiar growth story thanks to soaring AI demand, billion-dollar data centre capex and government focus on chip sovereignty.

SEMI spans the whole value chain from designers to manufacturers but the real fireworks came from the memory names, with Micron Technology serving up a stellar 260% year-to-date rise. Pricing should (hopefully) hold while the capex tap stays open, but it's probably time to lock in some of the gain.

Denali Therapeutics (DNLI) took silver with a 58% gain. It's one of the more credible pioneers of treatments designed to cross the blood-brain barrier, which are a potential gamechanger for Alzheimer's, Parkinson's and ALS. Biotech M&A remains brisk as big pharma stares down its looming patent cliff, and neurodegeneration offers a vast market to tap. That said, Denali has lurched from red to black repeatedly in the three years I've owned it, so my vote goes to the broader brush **International Biotechnology Trust (IBT)** which is also my **fund pick for 2026**.

Rounding out the group is Pictet Clean Energy which is riding the energy transition, not in terms of solar panels and wind turbines, but the enabling technologies and infrastructure behind it. As always, the devil is in the detail and, surprise surprise, six of the top ten holdings are currently semiconductor-related, providing much of the heavy lifting behind its 40% return. Given I also own NVIDIA (NVID), it's going to be a one-in-one-out strategy for any further semiconductor holdings.

A rollercoaster ride (David)

My investment in **Raspberry Pi (RPI)** has certainly been up and down. Since we started writing these reviews, it's been my best-performing stock, then my worst-performing stock, and now it's back to being top of the charts. Good job it's not a big enough position to cause sleepless nights.

In typical fashion for the company that makes cheap, miniature computers for hobbyists, the period in which the breathtaking return of 174% came included a c. 35% fall from late February until early March, and since early June, shares have sunk c. 40%.

Shares jumped almost 50% on one single day in February, although the catalyst for the share price surge wasn't completely clear, according to Reuters at the time. It came not long after chief executive Eben Upton had bought around £13,224 worth of shares, suggesting confidence from management but surely not a big enough bet to move the needle that much.

Reuters also highlighted an apparently viral post on the platform formerly known as Twitter highlighting that RPI's computers are low-cost and suggesting they may have uses in AI functions as another catalyst that may have turned RPI into a meme stock briefly, although the tweet (or whatever they're called these days) got just 89 reposts, which I'm not sure counts as viral these days.

Shares in new FTSE 100 constituent **Computacenter (CCC)** have been on a good run this year and are currently trading at an all-time high. The firm has benefitted from the data centre boom to fuel AI growth, with half-year profits expected to double as the hyperscalers building the AI plumbing infrastructure have been snapping up CCC's hardware.

The rest of my top-performers have been emerging market related funds and trusts, as the AI boom has helped light a rocket under the Taiwanese and Korean markets where TSMC, Samsung Electronics and SK Hynix have become globally relevant.

Pacific Horizon (PHI) was the standout performer here, up 50%, but the likes of **Fidelity Emerging Markets (FEML)**, **JPMorgan Asia Growth & Income (JAGI)** and **Jupiter Asian Income** weren't far behind. I took some profits earlier in the year here, as I worry that the EM story is now more correlated to the semiconductor bubble, but if the current reversal continues, it could provide an opportunity to top up somewhere down the line.

Our bottom-performing investments

And finally, those that brought any hopes of quitting the rat race any time soon to an abrupt end:

JO'S BOTTOM PERFORMERS	DAVID'S BOTTOM PERFORMERS
1. Capita (CPI), -32%	1. Lululemon (LULU), -45%
2. Pershing Square Holdings (PSH), -23%	2. Zoetis (ZTS), -42%
3. iShares Listed Private Equity ETF (IPRV), -16%	3. Adobe (ADBE), -41%

A dressing down (David)

As you can see, my list of worst-performers is heavily tilted towards my very small ISA that is focused on individual shares. This particular account is just 2.5% of my overall portfolio, but the returns have been worse than my main accounts and I seem to be stuck in a few poor investments.

As is often the case, I understand that cutting your losses is generally a better idea than hanging on in the hope that things start to go right and share prices recover to a level where I can get out at least at break-even, but I'm currently waiting for the latter.

While the stock market remains buoyant, consumers have been tightening their belts recently, with confidence having been dented by still-high consumer prices and mortgage rates, leaving less room to buy the more discretionary items sold by the likes of **Lululemon (LULU)** and **Zoetis (ZTS)**.

Adobe (ADBE), meanwhile, faces real threats from AI with competitor brands offering simpler and cheaper editing programmes. Turmoil in ADBE's C-suite hasn't helped, despite the firm reporting solid underlying revenue.

I take heart in the fact that hedge fund manager Michael Burry, of The Big Short fame, recently added all three firms to his portfolio, while Morningstar highlighted ZTS as a high-quality value stock it likes, with shares currently c. 50% undervalued.

The problem children (Jo)

The flipside of backing some more speculative plays is a willingness to grit your teeth through the losses, and thus it proved for a few of my holdings.

Outsourcer **Capita (CPI)** was ticking along nicely until it was hit with a hefty fine for failing to protect personal data in its 2023 cyber-attack. Things deteriorated from there, with the company swinging into an annual loss, prompting fresh questions about its ability to service a sizeable debt pile, and then lost its Royal Mail pension contract for good measure. Here's hoping the arrival of activist investor Oasis Management on the board brings better news for shareholders.

Pershing Square Holdings (PSH) also misfired, and it's the only one of the three where I'm sitting on an overall loss. Its highly concentrated portfolio of US large-caps can deliver useful idiosyncratic returns during market downturns, but the trust remains on a fairly chunky discount so it's going on the sell list as soon as it crawls back to breakeven.

And, once again, third place goes to the **iShares Listed Private Equity ETF (IPRV)**, down another 16%. The SpaceX IPO may be one of private equity's brighter stories but investors remain sceptical of private company valuations, not helped by the lack of clarity around interest rates. I'm giving it a temporary stay of execution until year-end, at which point it might be time to (in the words of Elsa) let it go.

The final reckoning

Jo: I ended the six-month period with a 17% gain, helped as much by a rising tide lifting all boats as any pretence of elite stock-picking, though I'd be delighted if the second half of the year served up more of the same. I still think the better returns sit outside the US, so I've upped my emerging markets exposure and added some infrastructure ballast. And in a moment of pure FOMO, I've taken a little detour into actual space with the Seraphim fund, which shot up by 80% in my first six weeks before gravity reasserted itself.

David: I may lag Jo, but a 9% gain for my main SIPP and ISA rank as a decent result, considering I still have a c. 8.5% cash buffer and the Vanguard FTSE All-World ETF (VWRP) returned c. 12.5%. I hope that the current plateauing out of AI enthusiasm might continue and let me drip-feed some of that dry powder into the markets in the six months until we return. In the meantime, I'll keep an eye on my direct stock ISA, which returned a rather disappointing 6% and assess whether the money in there could be used for a better purpose (namely, a kitchen extension for our new house).

In the final scores on the doors, David takes the 100 metres in his Raspberry Pi blaze of glory, while Jo's overall portfolio goes the distance in the marathon. We'll line up again in six months' time to see whether we can finally outperform a global equity tracker fund.

All numbers based on the six months ending 30/06/2026 unless stated otherwise, based on share price total returns.

Disclaimer

Past performance is not a reliable indicator of future results. The value of investments can fall as well as rise and you may get back less than you invested when you decide to sell your investments. It is strongly recommended that if you are a private investor independent financial advice should be taken before making any investment or financial decision.

Kepler Partners is not authorised to make recommendations to retail clients. This report has been issued by Kepler Partners LLP, is based on factual information only, is solely for information purposes only and any views contained in it must not be construed as investment or tax advice or a recommendation to buy, sell or take any action in relation to any investment.

The information provided on this website is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Kepler Partners LLP to any registration requirement within such jurisdiction or country. In particular, this website is exclusively for non-US Persons. Persons who access this information are required to inform themselves and to comply with any such restrictions.

The information contained in this website is not intended to constitute, and should not be construed as, investment advice. No representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information, for any errors, omissions or misstatements, negligent or otherwise. Any views and opinions, whilst given in good faith, are subject to change without notice.

This is not an official confirmation of terms and is not a recommendation, offer or solicitation to buy or sell or take any action in relation to any investment mentioned herein. Any prices or quotations contained herein are indicative only.

Kepler Partners LLP (including its partners, employees and representatives) or a connected person may have positions in or options on the securities detailed in this report, and may buy, sell or offer to purchase or sell such securities from time to time, but will at all times be subject to restrictions imposed by the firm's internal rules. A copy of the firm's Conflict of Interest policy is available on request.

PLEASE SEE ALSO OUR TERMS AND CONDITIONS

Kepler Partners LLP is authorised and regulated by the Financial Conduct Authority (FRN 480590), registered in England and Wales at 70 Conduit Street, London W1S 2GF with registered number OC334771.