



# Hi-de-Hi!

Our writers pick their top stories of the year so far.

Update  
19 June 2026

With the KTI team having spent the second week of June enjoying various strategy discussions by the sea, accompanied by traditional British entertainment and refreshments, we thought it a good time to look back and reflect on a year that has gone far too fast. Some of the wildest swings in the tech sectors, outrageous performance from the Korean stock market and a war started and – touch wood – finished in three months have all somehow been ticked off. There was a time once when markets were boring, but we have long since forgotten when it was. Our writers have spoken to dozens of fund managers already, giving us a ring-side seat to these events as they have unfolded. Investment trusts are invested heavily in precisely the most exciting, the most controversial and most volatile segments of the market, and here our team pick one of their favourite discussions so far.

## David Brenchley

This week, I've been writing a lot about the opportunities within the UK small and mid-cap segment of the stock market. In short, these companies are being left behind amid AI-mania and a preference for large and liquid investments. Yet, there are clear reasons for optimism here, not least the depressed valuations, which are tempting overseas companies to snap up UK plc at an ever-quickenning clip.

As my **Market Matters podcast with Alexandra Jackson**, the manager of the Rathbone UK Opportunities fund, earlier this year demonstrated, large parts of the mid-cap market in the UK are world beaters – one of the reasons why private equity firms and trade buyers alike are so enamoured.

Alexandra shared her experiences of both European and US equity fund managers becoming more interested in UK companies through the course of 2025, suggesting momentum was building. She also revealed which sector she thinks provides the UK stock market's stardust, where a cluster of world-class, West Country-based firms are making mission-critical products for companies around the world.



David Brenchley  
david.b@keplerpartners.com

David is an investment specialist for Kepler Trust Intelligence and joined Kepler Partners in June 2024. Before joining, he worked as money reporter for The Times and The Sunday Times

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where he wrote about all facets of investment for retail investors. He has previously worked for Money Observer magazine, Interactive Investor, Morningstar and Investment Week. He graduated from the University of Huddersfield with a degree in Media and Sports Journalism.

## Jo Groves

We've all been consumed by AI mania but the more interesting question is whether investors back the winners of the software arms race, or the second-wave beneficiaries at the other end of the supply chain.

It's easy to lose perspective when there are so many zeroes involved but it's estimated that four of the largest hyperscalers will plough \$700bn into data centre build-outs alone in 2026. There's also mounting concerns that these supposedly asset-light operating models are starting to consume serious quantities of free cash flow in the process.

And that brings us to the physical side of the AI roll-out. Data centres need vast quantities of industrial metals, with copper top of the list. In **my favourite piece of the year so far**, published in February, I looked at the supply and demand dynamics for copper, driven not just by AI but by other structural mega-trends including the energy transition. With rising demand and continued supply constraints, commodities offer an alternative, and often underappreciated, lens on the AI growth story.





**Jo Groves**  
[Jo@keplerpartners.com](mailto:Jo@keplerpartners.com)

[Click here to register for our Rated by Kepler 2026 event 22nd - 26th June](#)

Jo is an investment specialist for Kepler Trust Intelligence. Prior to joining Kepler Partners, she worked as an investment writer at Forbes Advisor and The Motley Fool. Jo started her career as an auditor at Arthur Andersen, before joining the corporate finance department at Close Brothers where she advised corporate and private equity clients on acquisitions, disposals and other strategic issues. Jo has a BSc in Geography from Durham University and is a Chartered Accountant (ACA).

## Thomas McMahon

David Brenchley's article from May on pensions might prove to be the most important story we've covered in the coming months and years. As David highlighted, some dogged campaigners won the battle to see investment trusts included in the Pension Schemes Bill, which sets pension funds targets for their weightings to private assets, in particular UK-based projects. This isn't something that will move markets in the short term, as pension funds are more supertanker than racing yacht, but in the long-term could be highly meaningful for investors in trusts owning private assets.

Discounts on equity investment trusts are more or less back at sensible levels, bouncing around below 10%, closer to par when risk appetite is high, and wider when investors turn turtle. Meanwhile the occasional special case is on a premium and issuing new shares. Fixed income trusts, meanwhile, have been trading at premiums for the most part. It is the real asset and private asset portfolios that have continued to trade on wide discounts. Renewed investment by institutions into these assets should help narrow discounts one way or the other. Either they will buy the trusts directly, or be on the lookout for cheap assets which would provide buyers to any boards looking to offload them to close their discounts. David's article **highlights a few trusts** which could benefit.



**Thomas McMahon**  
[thomas.m@keplerpartners.com](mailto:thomas.m@keplerpartners.com)

Thomas is Head of Investment Companies Research and joined Kepler in April 2018. Previously he was senior analyst at FE Invest, where he was responsible for fund selection for a range of model portfolios. He covered all asset classes over time, but has particular experience with emerging markets and fixed income as well as UK smaller companies funds. He has a degree in Philosophy from Warwick University and is a CFA charterholder.



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