



Scores on the doors

We give an update on our 2026 stock pick competition.

Update
23 June 2026

There are two major sporting events this year: the football world cup and the Kepler Trust Intelligence stock pick competition. Apart from some rowdiness in the local bars and some two-footed tackles it's been a good-natured competition so far, but at the halfway stage it's time to check in with how our picks are faring. It turns out to have been a good start to the summer for Ryan Lightfoot-Aminoff, who is enjoying paternity leave with his choice sitting at the top of the pile: Molten Ventures (GROW) is up 23.4% year-to-date in share price terms. Promisingly for shareholders, the NAV doesn't yet incorporate the significant write-up of key holding ICEYE, which we **reported on last week**. We'll let Ryan crow about this when he's back, if there isn't a shake up of the leaderboard by then! Below the rest of the team reviews the performance of their picks and looks forward to the remainder of the year.

Stock Pick Returns To 12/06/2026

	SHARE PRICE RETURN	NAV TOTAL RETURN
Molten Ventures	23.4	5
Schroder Japan Trust	20.1	18.4
Greencoat UK Wind	11.3	4.5
JPMorgan US Smaller Companies	7.7	12.3
Geiger Counter	6	10.8
Fidelity Special Values	4.9	3.5
International Biotechnology	-0.8	4.9
Fidelity China Special Situations	-9.1	-13.6

Source: Morningstar

Past performance is not a reliable indicator of future results

Jean-Baptiste Andrieux – Schroder Japan (SJG)

Japanese equities have performed rather well since the beginning of the year and **Schroder Japan (SJG)**, my pick for 2026, has done even better, propelling me into second place in our contest for now. Just for the sake of anecdote, this is also the position I found myself in at this point last year. I then slipped one place over the second half of the year and ultimately finished with the bronze medal. The point I am trying to make is that there are still six months to go, and plenty can happen between now and year-end, both positive and negative.

Analysts:

Alan Ray
alan@keplerpartners.com



Kepler Partners is not authorised to make recommendations to Retail Clients. This report is based on factual information only.

The material contained on this site is factual and provided for general informational purposes only. It is not an invitation or inducement to buy, sell or subscribe to any product described, nor is it a statement as to the suitability or otherwise of any investments for any person. The material on this site does not constitute a financial promotion within the meaning of the FCA rules or the financial promotions order. Persons wishing to invest in any of the securities discussed in the website should take their own independent advice with regard to the suitability of such investments and the tax consequences of such investment.

In any case, the strong performance of Japanese equities and SJG is perhaps somewhat counterintuitive given the energy shock caused by the closure of the Strait of Hormuz and Japan's sensitivity to oil prices. Although SJG initially sold off following the outbreak of the conflict in Iran, it has since rebounded strongly, benefiting in particular from its exposure to companies linked to the AI theme. Many of these are relatively under-the-radar businesses that provide critical components for AI infrastructure, such as Fujikura, a manufacturer of optical cables and connectors.

Looking ahead to the second half of the year, I believe my original investment thesis remains intact. This includes the continuation of the corporate governance reforms, which could drive further improvements, particularly in the small- and mid-cap (SMID) segment, where many companies still have under-optimised balance sheets. Given its overweight exposure to SMID businesses, SJG could be well positioned to benefit from this theme. In addition, the higher inflation environment could encourage Japanese households to deploy some of their substantial cash savings into investments, including equities.



Finally, discussions regarding a peace agreement and the reopening of the Strait of Hormuz were under way at the time of writing. A successful outcome could help ease concerns about tight oil supplies and elevated energy prices, providing further support for Japanese equities, including companies that do not necessarily benefit directly from the AI tailwind.



Jean-Baptiste Andrieux
Jean-Baptiste@keplerpartners.com

Jean-Baptiste joined Kepler in August 2024 as an investment trust research analyst. Prior to this, he worked as a reporter for Money Marketing and Trustnet where he wrote news, features and opinion pieces. He graduated from the University of Vienna with a BA in History and from City, University of London with an MA in Newspaper Journalism. He also holds the Investment Management Certificate.

William Heathcoat Amory – Greencoat UK Wind (UKW)

My choice for 2026 is **Greencoat UK Wind (UKW)**, which has performed adequately year to date, being +11.3% in share price total return terms, and +4.1% in NAV terms. At the close of last year, I had observed that picking stocks on a macro-view was very hard, given the unpredictability of the US president, as well as the difficulties of predicting where the AI-led stock market would end up. As such, I chose to pick a stock which I thought had solid fundamentals and offered the prospect of decent returns (a yield at the time of 10.75%) come what may, with the share price upside of a discount that at the time looked like it was 30%.

Since then, the renewables sector has been both a beneficiary and a victim of politics. Trump's war with Iran has pushed up energy prices, which means that UKW will likely be a beneficiary of higher energy prices. The trust has a structurally high dividend cover in any event, but higher energy prices should lead to greater excess capital over the short term to either buy shares back, repay debt, or reinvest.

Set against this, the renewables sector in the UK has seemingly been under a constant barrage of political tinkering, likely a result of higher energy prices and the Labour party feeling under the cosh from the electorate. The headlines are perhaps more concerning than the reality, but in April the government increased the electricity generator levy (EGL) which rises from 45% to 55% of electricity revenues above £82.61 per MWh in July 2026. The government has also published a Reformed National

Pricing Delivery Plan, and the removal of the Carbon Price Support (CPS) from April 2028, both of which are aiming to structurally reduce energy prices (and unfortunately, UKW's NAV). At the same time, in the background the likelihood of Reform winning the next general election, seemingly only increases over time. Reform have stated that they will "scrap net-zero and related subsidies".

Time will tell, but political headlines are often just that. With energy security at the forefront of minds, a sensible long-term solution must involve renewable energy at scale. Without low-cost energy, the UK will fall behind on AI and datacentres, and renewables (in particular, wind in the UK, of which we have plenty) provides an important contribution to this. UKW provides 2% of the UK's energy, which puts the trust in an important strategic spot. The managers are advocating for a pragmatic solution to elevated energy prices currently, that of a wholesale CfD mechanism, which would be a "win-win" for both consumers and owners of renewable energy assets. I am confident that the current discount to NAV gives plenty of margin for error, and if the market is allowed to focus on the attractive dividend stream, there is clear potential for the discount to narrow.



William Heathcoat Amory
william@keplerpartners.com

William Heathcoat Amory is a co-founding partner of Kepler Partners LLP and leads the Kepler investment trust research team. William has over 20 years of experience as an investment company analyst. Prior to co-founding Kepler Partners in 2008, he was part of the Extel number 1 rated research team at JPMorgan Cazenove.

Josef Liesauer – JPMorgan US Smaller Companies

Going back-to-back with the same pick takes either conviction or stubbornness. Probably both. But so far in 2026, **JPMorgan US Smaller Companies (JUSC)** is holding its own, delivering a share price return of 7.7% and a NAV return of 12.3% to 12/06/2026, placing it fourth out of the eight picks this year.

In my opinion, much of the original case remains intact, though I think it's fair to say that 2026 has tested parts of it. Where the year has been more challenging is on sentiment. Rate cut expectations have been repeatedly pushed out, and smaller companies tend to need a degree of confidence in the economic outlook that has been harder to come by amid persistent geopolitical noise. Tariffs have also thrown up volatility and uncertainty at points,



but US smaller companies derive the vast majority of their revenues domestically, making them more naturally insulated from trade disruption than their large-cap peers.

Something new, at least to my original investment case, has arisen and that's concentration. The Magnificent 7 accounts for over 30% of the US market, and on 12/06/2026, SpaceX made its Nasdaq debut, climbing to almost \$200 a share in the first few days and touching a market cap of \$2.66 trillion. This comes despite two of its major divisions not yet actually turning a profit. For investors uneasy with that level of concentration, US small caps offer a natural counterweight. The asset class spans thousands of companies, tied to the enormous growth potential of the US, but across a far broader range of sectors and end markets, whilst also providing support to many larger firms through their niche but essential products and services.

Overall, I think the risks are clear from ongoing geopolitical uncertainty to the pace of Federal Reserve easing and JUSC's quality-growth discipline, which limits exposure to the speculative AI-linked names that have driven index returns. But with valuations still attractive and the fundamental backdrop gradually improving, the underlying case feels more relevant than it did twelve months ago.



Josef Licsauer
josef@keplerpartners.com

Josef is an Investment Trust Research Analyst and joined Kepler in September 2023. Prior to this, he was an Investment Analyst at Hargreaves Lansdown, where he was responsible for fund research across a number of sectors including Japan, Europe and Alternatives. He obtained a first-class degree in Business and Management from the University of the West of England. He also holds the Investment Management certificate.

Thomas McMahon – Geiger Counter (GCL)

Some of the heat has come out of the nuclear energy trade this year, although that hasn't stopped **Geiger Counter (GCL)** from posting an 11% NAV total return. This would have placed me third if the competition wasn't on share price. However, GCL's managers, Keith Watson and Robert Crayford, resigned from Manulife CQS in March, leaving some uncertainty around the management arrangements, and the discount to NAV has widened. In May, the board announced that the trust would be managed by a new team at Manulife CQS for the time being, Diana Racanelli and Craig Bethune. They manage \$544m in metals and

mining and energy assets out of their Canadian offices. We don't yet know if this temporary arrangement will be made permanent: GCL has served 12 months' protective notice on CQS Manulife to seek to give it the option of changing management arrangements prior to the end of this term, and is considering its options.

This isn't really ideal in the short term for GCL shareholders, but could be an opportunity to add more to shares trading on a 13% discount at the time of writing. The nuclear energy story remains very well supported by the huge power requirements of the AI industry. In fact, the past year has seen some major steps forward by the major LLMs which require greater data processing and therefore greater power. Nuclear takes time to get to market, but I think a massive expansion of its use is absolutely necessary to meet our growing power needs. However the management arrangements are resolved, I think GCL still looks an attractive trust to own.



Thomas McMahon
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.

Alan Ray – Fidelity Special Values (FSV)

There are really two factors at play in the almost flat performance for **Fidelity Special Values (FSV)** at the halfway stage. One of those I could have anticipated, and one was a surprise to most. First, and setting aside any personal views one way or the other, the market views the current UK government as weak and is anticipating more borrowing to compensate for low growth. This narrative has developed over the year, but it's not exactly new news. This is written into the high cost of borrowing the UK currently suffers from and, of course, the slow motion but inexorable move to challenge for the role of prime minister. Second, the US-Iran war exposed the UK as very exposed to higher oil and gas prices. The UK made, in my view at least, the right move in not joining the war, but unfortunately found itself in an admittedly difficult position which has left it looking less credible to both sides of the argument. One could simply choose to look at the market's performance



as all part of a 'risk off' phase, but the UK's bounce has been less impressive than elsewhere. And I also worry that international investors will be diverted by the improving outlook in some other European economies.

But all that said, we started the year with UK equities still at very attractive valuation levels, but with some momentum behind them after a good year for the market. So, there's a good chance that investors will start to look through the issues above. As the previous paragraph illustrates, it is all too easy to paint a very negative picture for the UK, and recoveries often start when the mood is dark, so I think there's a good chance that FSV can capture some decent upside in the second half.



Alan Ray
alan@keplerpartners.com

Alan joined Kepler in October 2022. He has worked in the investment funds industry for over 25 years. The first half of his career was as an investment trust analyst, leading a highly-rated sell-side research team. More recently he has worked in corporate advisory and investment banking roles, with a focus on alternative asset classes.

Jo Groves – International Biotechnology Trust (IBT)

I picked International Biotechnology Trust (IBT) for 2026, though with the caveat that it's always a gamble picking a trust after a stellar run. I'd also predicated my choice on rates drifting lower and political clarity improving - neither of which have really played out.

Biotech has historically traded inversely to interest rates and the Iran conflict has raised the possibility of higher-for-longer rates. Competition on the growth play front from the chip makers and emerging markets hasn't helped either, leaving IBT around the breakeven point at the halfway stage.

But the fundamentals haven't changed and the third factor I flagged was M&A. Big pharma still needs to buy biotech firms to plug the looming patent cliff and deal activity already looks set for a bumper year. Managers Ailsa and Marek have an impressive track record of finding the most attractive targets, with over 15% of the portfolio by value already acquired in 2026.

Biotech has always been a sector where active management is a key determinant of returns, so I'm trusting the managers to position the portfolio to weather any headwinds in the second half of the year.



Jo Groves
jo@keplerpartners.com

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).

David Brenchley – Fidelity China Special Situations (FCSS)

After a couple of very brief wobbles so far this year, stock markets are back in buoyant mood, so it's almost inevitable that I sit here reflecting on my pick for 2026 that has delivered a share price total return of c. minus 9% and a NAV total return of c. minus 14% and landed me at the bottom of the pile.

Fidelity China Special Situations (FCSS) almost fired me to glory last year and I was hoping that the nascent rally had still been underestimating the technological innovation we'd been seeing there in letting my (near-)winner run.

That's not played out, as AI-mania has engulfed the likes of TSMC, Samsung Electronics and SK Hynix to the detriment of pretty much everything else in emerging markets (if those three companies were a country, they would be the largest in the EM index with a c. 29% weight).

Still, now is no time to back down and I've decided to use the dip as an opportunity to add to my holding in my PA account, so I'll stick with FCSS in the hope that the rally broadens and lifts Chinese tech and innovation, too.



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 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.



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.

