

Weekly Portfolio Posture

Friday, August 28, 2026 | First Edition

General asset-class and sector posture derived from the Market Intelligence process

Executive posture

This week's evidence supports a more defensive posture toward expensive/high-duration growth without abandoning the AI/industrial investment theme. Nvidia confirmed that AI infrastructure demand remains extraordinarily strong, while the post-Jackson Hole policy reaction reinforced that long-term and policy-sensitive rates remain a valuation constraint. The result is a market where real earnings, cash flow, liquidity and physical investment beneficiaries deserve more weight than indiscriminate exposure to long-duration growth.

Portfolio posture

Category	Posture	Why
Cash / money markets	CONSIDER INCREASING	Higher short rates improve the return on liquidity while reducing the opportunity cost of holding cash.
Broad U.S. equities	MAINTAIN / HOLD	Earnings and capital investment remain supportive, but higher-rate risk limits near-term multiple expansion.
High-growth / expensive technology	REDUCE IF OVERWEIGHT	AI fundamentals remain strong, but higher Treasury yields increase valuation risk and concentration sensitivity.
AI infrastructure / semiconductors	MAINTAIN SELECTIVELY	Nvidia strongly validated demand. Trimming excessive valuation exposure is not the same as abandoning the AI investment cycle.
Industrials / electrical / power infrastructure	CONSIDER INCREASING	AI, data centers, grid investment and capital formation increasingly connect technology spending to equipment, power and construction.
Small caps / rate-sensitive companies	WATCH / UNDERWEIGHT BIAS	Higher financing costs remain a meaningful headwind for smaller and more leveraged businesses.
Long-duration bonds	CAUTION	Inflation uncertainty and tightening risk remain uncomfortable for long-duration fixed income.
Short-duration Treasuries / high-quality fixed income	ATTRACTIVE DEFENSIVE ALLOCATION	Current yields provide income without assuming as much duration risk.
Energy	MAINTAIN / WATCH	Energy remains both an inflation variable and an increasingly important constraint/enabler of AI and industrial expansion.

What changed this week

The biggest change is not that AI weakened. The evidence supporting AI strengthened while the monetary environment became less friendly to expensive assets. Nvidia's results reinforced the physical-capex thesis, while Jackson Hole strengthened the price-of-money risk. That combination favors real earnings and physical investment beneficiaries over businesses whose valuations depend primarily on distant future growth.

Institutional cross-check

Fidelity's weekly market framework had already identified Nvidia earnings and Jackson Hole as the week's major catalysts. Both have now occurred, and they effectively pulled in opposite directions: Nvidia strengthened the growth/capex argument while Jackson Hole strengthened the monetary-risk argument. The appropriate posture is therefore balanced rather than binary.

First weekly recommendation baseline

Consider Increasing: Cash/money markets; short-duration high-quality fixed income; selective industrial/power infrastructure exposure.

Maintain/Hold: Broad diversified U.S. equities; selective AI infrastructure/semiconductors; energy; modest defensive diversification.

Consider Reducing if Overweight: Concentrated high-valuation technology/growth exposure.

Watch Closely: Small caps, long-duration bonds, Treasury yields, consumer deterioration, September Fed pricing, and whether AI strength broadens beyond a narrow group of mega-cap companies.

Bottom line

The week's message is not "get out of technology." It is "separate the AI economic thesis from the valuation thesis." AI investment looks increasingly real and increasingly physical, but the price investors should pay for future earnings becomes more important when the risk-free rate rises.

Preferred posture for the coming weeks: raise liquidity gradually -> preserve diversified equity exposure -> skim excessive high-growth concentration -> retain selective AI exposure -> broaden toward infrastructure/industrial beneficiaries -> avoid reaching for duration while Fed risk remains elevated.

Sources

- [NVIDIA Investor Relations - Q2 Fiscal 2027 Results](#)
- [Fidelity - Weekly Market Update](#)
- [Associated Press - Jackson Hole / market reaction](#)
- [Yahoo Finance - Aug. 28 market coverage](#)

Important: This report is general market intelligence, not individualized financial advice. It is intentionally independent of any specific personal portfolio; portfolio-specific decisions should be evaluated separately against goals, tax considerations, liquidity needs and risk tolerance.