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AB American Income Portfolio (SGD and USD)

Investment and Market Review

Market Overview

- Fixed-income government bond market yields were volatile as investors reacted to tariff announcements and economic data, with yields falling until the end of February when the conflict in the Middle East started. Yields rose and government bond returns fell until mid-May, when investors factored in that a peace deal could be signed between the US and Iran.
- Government bond returns were modestly positive in aggregate over the period. Returns were the highest in New Zealand and Sweden, rose the least in the US, were flat in the UK and fell in Japan.
- Overall, developed-market (DM) investment-grade corporate bonds outperformed government bonds. Investment-grade corporates in the US advanced and outperformed US Treasuries, while eurozone investment-grade corporates rose and outperformed benchmark German Bunds and the gain in eurozone treasuries.
- DM high-yield corporate bonds had positive results and outperformed treasury markets, particularly in the US and eurozone.
- Emerging-market (EM) hard-currency sovereign bonds solidly outperformed DM treasuries, while EM hard-currency corporate bonds performed well overall. In both EM hard-currency indices, returns were supported by the relative outperformance of high-yield debt. EM local-currency bonds increased, even as the US dollar rose against most currencies during the period.

Fund Highlights

- We adjusted the Portfolio's duration based on Treasury valuations, adding duration as yields moved higher and taking some profits (reducing duration) as they moved lower. Overall, the Portfolio's duration ended the six-month period longer. We also added some exposure to Treasury Inflation-Protected Securities towards the end of the period as real yields moved higher. Our government bond exposure is designed to protect the Portfolio in times of stress. The bulk of our yield curve exposure is focused on the intermediate and shorter parts of the curve, which historically tends to offer the best protection per unit of duration during spread widening periods. Though we have reduced our steepener positions throughout the last year given they performed well, we still have some curve steepeners in place. We believe this may benefit the Portfolio if longer yields remain volatile.
- Throughout the six-month period, we took some profits on our high-yield allocation while also taking advantage of the opportunities in the new issue market. The rally in risk assets that occurred early in the second quarter faded in June. Despite positive developments around potential peace in the Middle East and supportive labor data in the US, lingering uncertainty weighed on markets. Spreads were modestly wider at the index level, though lower-quality high-yield spreads widened more, underperforming higher-quality high yield. Still, today's yield levels were able to absorb the impact of that widening, as higher-quality high yield posted positive returns. US growth is expected to track long-term averages, supporting corporate fundamentals and keeping default rates contained, barring prolonged conflict or oil shocks. Current fundamentals across the high yield market are roughly around long-term averages in terms of leverage and interest coverage. Throughout recent macro uncertainty and recent volatility, credit spreads have generally remained well supported by solid technicals, as demand for corporate bonds have mostly

backstopped the move in spreads. Long-term valuations, as defined by yields, remain attractive, with yield-to-worst (YTW) being considered a strong predictor of future returns. YTW (as measured by the Bloomberg US High Yield Index) ended June at 7.2% and has historically been a good predictor of future returns. Given today's higher yields, spreads would need to widen significantly to offset the return provided by the yield.

- We increased our allocation to investment-grade corporates during the period. Towards the end of the period, we reduced our allocation in favor of agency mortgages. Though spreads modestly widened in June, they have tightened overall so far this year. Yields have pushed higher as well so far this year, which indicates the potential for even more attractive future returns. Our investment-grade allocation is focused in BBB-rated bonds, where we have found the spread gap between BBB-rated and BB-rated bonds to be below average levels, with many BBBs offering similar (or better) yields than BB-rated bonds, but with less credit risk. Additionally, rating agency activity has recently skewed to the downside, as downgrades have outpaced upgrades for the first time since 2020. As a result, there is a greater emphasis on understanding a bond's range of potential outcomes and the resulting implications.

- Though we took some profits on our EM corporate allocation throughout the first half of 2026, the bulk of our allocation remains focused in corporates and quasi-sovereigns. Relative to some of their developed market counterparts, EM corporates have attractive risk-adjusted returns as well as strong fundamentals. We favor companies with multi-national exposure, or those in defensive sectors with growth potential. We also see value in quasi-sovereigns which may trade at levels similar to corporates but come with government support. We caution against concentrated/idiosyncratic bets and maintain diversification across over 30 countries.

- We increased our exposure to agency mortgage-backed securities (MBS) throughout the period. Agency MBS help to diversify our duration exposure. We believe an allocation to both US Treasuries and agency MBS is critical for optimal duration management. Agency MBS offers a yield pick up over US Treasuries, but US Treasuries tend to outperform agency MBS when yields fall or credit spreads widen. While agency MBS spreads could move wider, we don't expect material spread widening given the strong backstop from the government-sponsored entity purchase program, more stable demand from banks, and the potential for other supportive housing-related policy announcements.

- Towards the end of the six-month period, we rotated some holdings into our non-agency MBS allocation based on relative valuations. These securities are primarily newer-issue, post-global financial crisis residential MBS that fall outside qualified mortgage standards due to loan size, or documentation characteristics. We focus on higher-quality tranches that offer attractive relative value versus agency MBS while maintaining meaningful credit protection. We believe these holdings should be relatively insulated from geopolitical volatility and could benefit from housing-related policies that support home prices. While housing activity may remain subdued, we expect home prices to be broadly stable to modestly higher over the next year, with outcomes varying by region and market segment. Still, we expect the housing market to remain resilient, though not as strong as previous years. Finally, rising Treasury yields and oil prices could also keep mortgage rates elevated, reinforcing the housing market's "lock-in" effect and could be supportive of home prices.

- Within collateralized loan obligations (CLOs), we remain focused on the highest-rated tranches (AAA), where we added throughout the first half of this year. Our allocation benefits from the spread pick-up they offer over similarly rated corporates. CLOs have credit enhancements, coverage tests that ensure

sufficient funds to meet debt obligations on debt tranches, and several restrictions on asset holdings. We remain cautious on loan fundamentals, but maintain a higher-quality bias, preferring lower-risk managers that are focused on higher-quality collateral. While there is uncertainty around how AI will impact the software sector, we expect most CLO tranches to remain well insulated from losses given the asset class's structural protection.

- The Portfolio Management Team remains committed to the American Income Portfolio's dynamic multi-sector approach that balances allocations to rates and credit, which we believe has proven resilient through the market dislocations and periods of stress in the more than 30 years since its inception.

Source: AllianceBernstein (Luxembourg) S.à.r.l.

AB International Healthcare Portfolio (SGD and USD)

Investment and Market Review

- The MSCI1 All Country World Index2 (ACWI), 11.25% for the six-month period ending 30 June 2026, in US-dollar terms.
- Global healthcare equities underperformed the broader market despite a strong finish to the recent quarter. Healthcare lagged meaningfully in April and May as investors rotated aggressively into AI, semiconductors and other higher-beta growth areas.
- Sentiment improved in June, however, as a pause in AI leadership and a rotation back into defensive and value-oriented sectors drove a sharp rebound across healthcare stocks.
- For the six-month period, international healthcare stocks, as measured by the MSCI World Health Care Index, rose 1.84%. Sub-sector performance was mixed; healthcare providers & services outperformed, while healthcare equipment & supplies underperformed.

Market Outlook and Investment Strategy

- Looking ahead, we believe the setup for healthcare is improving. Unlike 2025, when performance was dominated by regulatory concerns, 2026 is increasingly being shaped by what healthcare is not: AI-related technology. That matters because healthcare can provide diversification from crowded AI exposure while still offering low double-digit earnings growth, strong cash generation and long-term structural demand driven by demographics and innovation.
- After a prolonged period of relative underperformance, we believe market leadership is likely to broaden, whether through AI benefits diffusing beyond the initial beneficiaries or a macroeconomic slowdown that increases demand for quality compounders. We believe healthcare is well positioned in either scenario, combining resilient earnings growth, lower volatility and durable demand tailwinds. While we do not pretend to know exactly when sentiment will shift, we believe the conditions for improved relative performance continue to fall into place.
- Ultimately, we remain confident in our long-held philosophy and process, with the goal of seeking to deliver consistent exposure to profitability and growth, which together have proven successful for investors in the past.

AB Sustainable Global Thematic Portfolio (SGD and USD)

Investment and Market Review

- Global equities, as measured by the MSCI1 All Country World Index2 (ACWI), rose 11.25% for the six-month period ending 30 June 2026, in US-dollar terms.
- Concerns over technology stock valuations weighed on US markets early in the year, and investors rotated into value-oriented sectors and non-US markets to diversify from large-cap technology, sending many international and EM equity indices to all-time highs.
- That changed in March as the conflict with Iran sent energy prices sharply higher and global stocks lower. Equity markets rebounded in April and May as investors looked past surging inflationary pressures and ongoing geopolitical uncertainty, but declined in June as performance among tech stocks diverged.
- As the period ended, rising inflation pressures increased expectations for monetary policy tightening among global central banks.
- Sector performance within the MSCI ACWI was generally positive during the period, with only consumer discretionary and communication services posting negative returns. Technology and energy outperformed, while healthcare and financials lagged.

Market Outlook and Investment Strategy

- Looking beyond the first quarter, the market environment has evolved in a way that reinforces our longer-term positioning while improving the near-term opportunity set. Much of the uncertainty tied to early-year geopolitical shocks and AI-driven disruption has begun to normalize, with equities recovering as earnings growth and underlying economic activity remained intact.
- Market leadership has continued to broaden in certain regards, with the Magnificent Seven is essentially flat year to date versus the S&P 493, which is up 16%. Late in the second quarter, tech's leadership gave way to industrials, healthcare and financials, reflecting a more balanced backdrop where earnings durability, margin resilience and exposure to structural growth drivers matter more than ties to a single trade.
- Energy Transformation and Infrastructure Development are moving from thematic constructs to tangible investment cycles as accelerating AI adoption drives a step change in electricity demand and prompts a broad-based response across the utility and industrial ecosystem. US utilities alone are expected to deploy over US\$1 trillion in capex through the end of the decade to support grid modernization and capacity expansion. Coupled with the multitrillion-dollar policy backdrop from the One Big Beautiful Bill Act, this creates a sustained runway for investment across power generation, transmission, electrification and energy efficiency. One risk headed into US midterm elections is the growing politics around data center build-outs—a dynamic we'll be paying close attention to in the coming months.

- Beyond the market environment, since the start of the year, we've been focused on improving our execution in three key areas: first, achieving a better balance of long-term stock views with short-term catalysts, improved sell discipline and having a more productive new stock research effort. We've seen progress in each of these areas. Mindful of near-term catalysts and improving our sell discipline, we've exited a number of detracting positions, of which over 85% went on to underperform the market through midyear. We've also initiated over 20 new positions year to date, demonstrating a more productive research effort.
- A combination of broader market leadership, expanding thematic opportunities beyond AI and improved investment execution supports a constructive outlook. Our focus remains on disciplined, theme-driven stock selection and high-quality businesses benefiting from secular growth trends.

Source: AllianceBernstein (Luxembourg) S.à.r.l.

abrdn Pacific Equity Fund (SGD and USD)

Investment and Market Review

Asian equities performed strongly in the 12 months to end June, with the index rising more than 40%. A sustained technology rally led regional gains, as South Korea benefited from record semiconductor exports, while Taiwan rallied on robust demand for AI hardware. Chinese equities lagged, as lacklustre consumer demand and a sluggish property market overshadowed improving industrial activity and rising exports. That said, markets were volatile in February amid the US-Israel-Iran conflict and disruption to the Strait of Hormuz. However, sentiment recovered quickly with extraordinary gains in South Korea and Taiwan in the final quarter.

The Fund returned 47.59% in Singapore dollar terms, ahead of the benchmark's 43.50%. The largest contributor to relative performance was our exposure to the AI value chain across Taiwan and South Korea. This was driven by the hardware-intensive buildout of global AI infrastructure alongside an accelerating shift toward energy security, resulting in strong demand for semiconductors, specialised testing, and critical materials.

In Taiwan, **Chroma ATE** benefited from rising chip-testing complexity as AI workloads increased. **MediaTek** delivered solid earnings on accelerating demand for AI and connectivity chipsets. ASE Technology gained on AI-driven demand for advanced packaging and improved growth expectations for its LEAP testing platform. **Accton Technology** also contributed as AI-related capital expenditure and order momentum remained robust.

Elsewhere, our Korean memory holdings **Samsung Electronics** and **SK Hynix** added significantly to returns. Tight supply, rising AI-related demand and improving pricing supported earnings upgrades, with their results exceeding market expectations. These positions reinforced our view that AI adoption is increasing demand across the semiconductor supply chain, from memory and testing to packaging and networking infrastructure.

In China, solid performers included memory interface chip leader **Montage Technology** and semiconductor equipment provider **Naura Technology Group**.

Conversely, the key detractor was the Fund's overweight to **Tencent**, as the stock sold off on concerns over aggressive promotions and weaker China tech sentiment as attention shifted to newer AI players. We view the headwinds faced by Tencent as transient, and we have done the work and remain convinced that Tencent will benefit from AI rather than being disrupted by AI.

India's **HDFC Bank** also detracted. Although earnings exceeded expectations, investors remained focused on its elevated loan-to-deposit ratio and the potential impact on future growth. Our discussions with management suggest deposit trends are improving, supporting continued profitability growth.

Elsewhere, Australia's Cochlear weakened following disappointing results and operational delays.

In portfolio activity, we continued to focus on companies with strong earnings visibility, resilient cash flows and attractive long-term return potential.

In Australia, we initiated positions in **Pro Medicus**, a global provider of medical imaging software, and increased exposure to resources through **Northern Star Resources** and **Santos**. We also added **Commonwealth Bank of Australia**, attracted by its market-leading deposit franchise, scale advantages and resilient profitability. We exited Mirvac Group and Cochlear.

Across the region, we found several attractive names in the technology sector. In China, we participated in the H-share IPO of Montage Technology, which ranks among the country's highest-quality provider of high-performance semiconductor solutions. In Taiwan, we invested in **Grand Process Technology Corp**, a beneficiary of rising semiconductor packaging complexity and industry capital expenditure, and **Hon Hai Precision Industry (Foxconn)**, where we see substantial upside from AI server demand and diversification beyond consumer electronics. In South Korea, we initiated a position in Samsung Electronics' ordinary shares alongside our existing preference-share holding, reflecting a material improvement in its fundamentals. We exited ASE Technology following strong share-price performance.

Across other sectors, we added **Chuangxin Industries**, a cost-competitive aluminium producer with attractive growth prospects. In financials, we invested in **Standard Chartered**, which provides attractive exposure to Asian wealth creation and cross-border banking flows at a compelling valuation. In the consumer segment, we added Korean carmaker **Hyundai Motor's** preference shares at attractive valuations following some market volatility.

Against this, we exited Giant Biogene, Meituan, Trip.com, Shenzhou International, Bank Central Asia, Telkom Indonesia and Midea Group, recycling capital into higher-conviction opportunities.

Market Outlook and Investment Strategy

Global markets remain sensitive to geopolitical developments, particularly in the Middle East, and higher oil prices remain a risk for energy-importing economies such as India. Even so, the outlook for Asian equities remains supportive. Economic growth has proved resilient, supported by technology spending, strong North Asian exports and policy support in China. The AI investment cycle continues to drive earnings across semiconductor, memory and digital infrastructure supply chains, while China offers opportunities in AI, advanced manufacturing and selected consumer segments.

We remain focused on high-quality businesses with strong earnings visibility, competitive advantages and disciplined capital allocation. Market volatility continues to create opportunities to add to high-conviction

holdings. We believe company fundamentals, rather than macroeconomic factors, will increasingly drive returns, with stock selection remaining particularly important in China and North Asia.

Source: abrdrn Asia Limited.

Allianz China A-Shares (SGD and USD)

Investment and Market Review

The Fund outperformed the benchmark in Q2. Positive stock selection in the Information Technology and Industrials sectors was the main contributor.

At a stock level, a key contributor during the quarter was Shengyi Technology, a producer of copper clad laminates (CCL) and other materials used in multilayer printed circuit boards. The company reported strong results at the end of April. Demand has been supported by the rising CCL intensity of artificial intelligence (AI) related applications such as servers and network equipment, keeping pricing firm. At the same time, ongoing specification upgrades have strengthened Shengyi's technology leadership, driving a more favourable product mix and supporting margin expansion.

Conversely, a detractor was Zijin Mining, one of China's largest producers of gold and copper. The share price weakened as investors took profits following the previous period of strong performance and some moderation in commodity price momentum. We believe Zijin is well positioned to benefit from structurally growing demand for copper, in particular driven by electrification, power infrastructure investment and the expansion of AI-related data centre capacity.

Market Outlook and Investment Strategy

The last three months was another period where China A-shares outperformed offshore markets. Indeed, one of the most striking features of China equities over the past year has been the sustained strength of A-shares, in stark contrast to the much weaker performance in Hong Kong. Over this period, the MSCI China A Onshore Index has delivered returns of more than 40%, while the offshore-dominated MSCI China Index is in negative territory.

While periods of divergence between onshore and offshore markets are not uncommon, the magnitude of the current gap is notable and represents the widest dispersion in close to a decade. In our view, the reasons lie primarily in a combination of shifting fundamentals as well as the direction of fund flows.

In terms of fundamentals, the structure of the A-share market has changed materially over the past decade. Historically, China A-shares were widely regarded as a proxy for the domestic economy. However, this characterisation has become less relevant as the market has evolved. The weight of the Technology sector has more than tripled during this period and now exceeds the combined weight of the Financials, Consumer and Real Estate sectors.

While the China A-shares market does not yet have globally recognised "flagship" names comparable to TSMC or Samsung Electronics, China's push for technological self-sufficiency has provided a sustained tailwind to its domestic ecosystem. Notably, the Tech universe within China A-shares is heavily skewed towards hardware and enabling technologies. This includes the semiconductor supply chain and the "picks

and shovels” of the AI investment cycle. These stocks have experienced – and continue to benefit from – a significant improvement in earnings expectations, supported by valuation re-ratings as investors increasingly factor in the scale of the long-term AI opportunity.

In contrast, offshore China indices have a very different composition. They remain dominated by internet platforms and ecommerce companies, where earnings trends have been weaker and, in many cases, subject to downward revisions. This reflects a combination of soft domestic consumption in China, intense competitive pressures, and rising capital expenditure (capex) linked to AI deployment. Overall, we see internet platforms having moved from being a primary engine of China tech growth to a more mature, capital-intensive segment.

At the same time, the resurgence in initial public offering (IPO) activity in Hong Kong has introduced an additional headwind. There have been more than 80 IPOs year-to-date in Hong Kong focused mainly on Tech-related areas. These new listings have acted as a magnet for capital, with incumbent large-cap Technology names being a funding source for the AI trade, further weighing on index-level performance.

In our view, from a longer-term perspective, the current divergence between onshore and offshore China equities reflects more than cyclical dynamics. It also signals a structural shift in market composition and earnings drivers. In particular, we see China’s national AI strategy creating a self-sustaining growth cycle independent of global tech cycles. This is supported by clear policy direction, rapid infrastructure buildout (compute, data centres, power), and accelerating adoption across industrial and consumer end markets.

In recent months, we have used periods of market weakness, driven largely by events in the Middle East, to build exposure to long-term growth areas such as AI and electrification. For example, we initiated positions related to semiconductor testing equipment, semiconductor materials, and chip testing and packaging. These companies are well positioned to benefit from China’s push for enhanced technological self-sufficiency. Conversely, we have reduced exposure in areas where domestic demand weakness and policy headwinds are putting earnings at risk – the white liquor space, for example.

Overall, we maintain a preference for innovative companies with strong research and development (R&D) capabilities and an ability to expand market share in structurally growing industries.

The portfolio remains broadly balanced, with sector allocations kept within +/-5% of the benchmark. As a result, stock selection, rather than sector positioning, continues to be the primary driver of relative performance. At quarter-end, the largest sector overweight is Industrials (+4.3%), while the biggest underweight is Information Technology (-4.0%).

Source: Allianz Global Investors

Allianz Global Artificial Intelligence (SGD and USD)

Investment and Market Review

Global equities advanced over Q2, rebounding from elevated volatility earlier in the year. Performance was supported by resilient corporate earnings and renewed investor enthusiasm surrounding artificial intelligence (AI) related capital expenditure (capex), which continued to benefit Technology and semiconductor-linked sectors. At the same time, geopolitical tensions in the Middle East, which had driven

energy price spikes and risk aversion in Q1, began to ease following a ceasefire framework, contributing to improved market sentiment. In addition, capital markets activity was lifted by the high-profile initial public offering (IPO) of SpaceX, which became the largest IPO on record. From a sector perspective within the MSCI ACWI, Information Technology was the strongest performer helped by renewed optimism surrounding AI infrastructure investing. Industrials was another outperformer over the period. In contrast, Energy was the only sector with negative absolute returns. Materials also underperformed as gold fell over the quarter.

From a macroeconomic perspective, the US economic data continues to be healthy. Labour market releases remained resilient, with non-farm payrolls data showing that the U.S. economy added 178,000 jobs in March, 179,000 jobs in April and 172,000 jobs in May, while the unemployment rate held steady at 4.3% over the quarter. The annualised Q1 gross domestic product (GDP) print was revised up to 2.1% from 1.6%, marking a significant uptick from growth of 0.5% the previous quarter. On the monetary policy front, the US Federal Reserve (Fed) maintained the federal funds rate at 3.50%-3.75% in Chair Kevin Warsh's inaugural policy meeting. The Bank of England (BoE) also left the base rate unchanged over the period, while the European Central Bank (ECB) and Bank of Japan (BoJ) raised rates by 25 basis points (bps) over the quarter.

Oil prices fell over the quarter, with Brent crude reversing gains and broadly reverting to pre-war levels following the mid-June announcement of a US-Iran peace deal and the resumption of normalised tanker traffic through the Strait of Hormuz. Gold prices also fell sharply over the quarter, with investors rotating into the US dollar as the Fed commentary fuelled fears that policymakers could keep interest rates higher amid near-term inflation risks. The precious metal closed the quarter just above USD 4,000 an ounce as investors rotated into the US dollar.

Portfolio Review

During the quarter, the Fund in US dollar terms outperformed on a net-of-fees basis versus the custom benchmark (50% MSCI All Country World Index/50% MSCI World Information Technology Index). The Fund continues to outperform over the year-to-date period, spanning the period before the Iran conflict, through the escalation and recent de-escalation recovery that started in April.

From a sector perspective, Information Technology and Industrials were the largest contributors. There were no sector detractors over the quarter. Overall portfolio outperformance was driven by AI infrastructure, with notable strength from our positions in memory, optical networking, and semiconductor manufacturing equipment companies. AI-enabled industries slightly outperformed the blended reference index, helped by positive stock selection in the Industrials and Health Care sectors. On balance, AI applications generated positive absolute returns but slightly underperformed due to our edge computing platform holdings.

Market Outlook and Investment Strategy

Despite recent volatility, we maintain a constructive longer-term outlook for equities. Ongoing negotiations with Iran have helped provide some additional visibility on the potential path towards a full reopening of the Strait of Hormuz, although the timing and outlook remains uncertain. The recent supply chain headwinds from the conflict have prompted central banks to pay closer attention to near-term inflation risks, contributing to market expectations for some additional monetary tightening. At the same

time, markets have recently demonstrated a willingness to look through geopolitical uncertainty and refocus on corporate fundamental factors, supported in part by healthy Q1 earnings results. Within this context, we continue to maintain a balanced portfolio of companies benefitting from innovation and favour those better positioned to navigate a more complex environment. There may be opportunities to upgrade select names and add to high conviction ideas amid any market volatility to better position the portfolio for improved performance.

Over the intermediate term, an improved economic and earnings growth backdrop across more sectors should drive a broadening out effect in the equity market. We believe central banks globally should return to an easing bias as inflation risks abate. In the US, the Trump administration's pro-business agenda also provides tailwinds through tax cuts, deregulation, domestic investments, and manufacturing reshoring. These efforts should help stimulate growth for both consumers and corporations across more areas of the economy as the conflict with Iran eases.

While the Technology sector may continue to perform well, we expect improved earnings growth from a wider set of companies across other sectors. This should lead to broader equity market participation, creating a healthier and more balanced environment compared to one dominated by a concentrated group of mega cap stocks. The Fund is designed to invest across a broad spectrum of technologies and industries embracing the disruptive power of AI. This includes sectors such as Financials, Health Care, Consumer, and Industrials that are beginning to see early benefits from AI. As earnings re-accelerate across more companies and sectors, we believe this creates compelling stock selection opportunities for our diversified AI investing approach.

From an innovation perspective, progress with AI development is accelerating as more powerful capabilities become readily available from this robust infrastructure buildout wave. We are beginning to enter the next wave, where AI pilots go into production. The advancements of AI-enhanced products or services can drive new levels of productivity, cost savings and revenue opportunities across industries. Given the transformative potential of AI investments, we believe profit margins may not simply hold steady but could in fact grow, supporting valuations for innovative companies that are investing now to disrupt the status quo.

AI infrastructure: The ongoing expansion of global AI data centres remains stronger than many investors appreciate, and concerns about capital spending are likely to persist as we climb the wall of worry. There are many bottlenecks to this new AI industrial revolution buildout, which continues to provide many compelling opportunities. Some key areas include accelerated computing chips, semiconductor manufacturing equipment, power production and power efficiency, and advanced networking.

AI applications: Over the next few years, AI applications and software will evolve from being helpful tools to a partner that acts on our behalf. We are moving away from the era of "static apps" toward a future of "collaborative autonomous agents" that can reliably act, remember context over time, and adapt to any situation. This new wave of intelligent applications should drive more automation, deliver significant efficiency gains, and open new monetisation opportunities. While the 2025 software spending environment has been mixed, we believe the backdrop could stabilise and improve in 2026.

AI-enabled industries: We are still in early stages of true AI adoption across industries. Innovative companies that have been early AI adopters are moving more pilot projects into production, accelerating financial and competitive benefits compared to their peers. We believe leading AI adopters in the Financial

Services, Health Care, Industrials and Consumer sectors are beginning to see the early benefits of AI driving better financial results. These opportunities remain underappreciated by investors and represent an attractive area for alpha generation in our view.

The AI revolution is only beginning, and its trajectory promises to dramatically reshape the global economy. Recent advancements in AI demonstrated its potential, yet we are only in the early chapters of a much larger transformation that will gain momentum as innovation brings us closer to artificial general intelligence – potentially within the next decade. AI is rapidly redefining processes and competitive dynamics in every sector. In the next decade of AI, we believe more alpha generation may come from the companies that help enable AI transformation. The innovators in each industry will be ones that truly embrace AI to significantly boost productivity, reduce costs, and launch new products or services. Stockpicking will be essential to capturing the benefits of this opportunity, especially in an environment characterised by disruption and change. As we have done since the launch of the Fund almost a decade ago, our focus remains on identifying the innovative companies best positioned to leverage AI to deliver the most shareholder value creation over the long term.

Source: Allianz Global Investors

Allianz Income and Growth (SGD and USD)

Investment and Market Review

Equities, convertible securities, and high yield bonds advanced in Q2 as geopolitical tensions eased, helping stabilise energy prices and temper macro uncertainty. Corporate results during the period were strong, with the S&P 500 delivering its highest earnings growth and surprise rates since 2021, supported by robust capital expenditure (capex) and strong hyperscaler demand. On the economic front, employment was steady and the manufacturing sector expanded alongside the services sector, while inflation accelerated and consumer confidence remained subdued. The US Federal Reserve (Fed) left interest rates unchanged with new Fed Chair Kevin Warsh removing forward guidance and emphasising price stability at the June Federal Open Market Committee (FOMC) meeting. Against this backdrop, the probability of a rate hike increased, and the 10-year US Treasury yield rose.

Equities Market Environment

The S&P 500 Index returned +15.20% for the quarter, bringing year-to-date performance to +10.21%.*

Technology, Industrials, and Consumer Discretionary were the top performing sectors in the period, while Energy, Utilities, and Consumer Staples were the bottom performing sectors.

Equity volatility was lower quarter-to-quarter at 16.45.*.

Convertible Securities Market Environment

The ICE BofA US Convertible Index returned +16.78% for the quarter, bringing year-to-date performance to +21.12%.^

Sector performance was mixed with Technology, Transportation, and Telecoms outperforming, while Materials, Utilities, and Energy underperformed.

Investment grade issues outperformed below-investment grade issues. Equity sensitive issues outperformed yield-oriented (busted) and total return (balanced) issues.

Quarterly new issuance saw 55 issues priced raising USD 62.7 billion in proceeds, the largest quarterly total on record.^

High-Yield Bond Market Environment

The ICE BofA US High Yield Index returned +2.46% for the quarter, bringing year-to-date performance to +1.89%.^

Credit-quality subsector returns for the quarter^:

- BB rated bonds: +2.23%
- B rated bonds: +2.84%
- CCC rated bonds: +2.40%

Spreads narrowed to 275 basis points (bps) from 328 bps, the average bond price rose to 97.11, and the market's yield fell to 7.45%.^

Most industries finished higher with Packaging/Paper, Services, and Real Estate outperforming, while Cable, Transportation, and Energy underperformed.

Trailing 12-month default rates finished the period at 2.67% (par) and 1.76% (issues).**

Quarterly new issuance saw 125 issues priced, raising USD 106.0 billion in proceeds.**

Market Outlook and Investment Strategy

The economic outlook is positive for H2, supported by the AI buildout, high-income consumer, and downstream effects of pro-growth domestic policies as well as sustained labour market stability and easing geopolitical tensions. Conversely, persistent inflation would be a key economic risk.

The earnings outlook is also positive. Bottom-up estimates continue to trend higher, driven by better-than-expected results, earnings breadth expansion, robust AI spend, broadening investment, productivity gains, and durable margins. On the other hand, rising expenses and input costs are profitability headwinds.

Convertible securities' outperformance of equities could expand over the remainder of the year, and high yield bonds are pacing for a positive but below-coupon annual return. Given their defensive characteristics, these asset classes can mitigate market volatility better than equities, which historically average a mid-teens intra-year decline even in annual periods of positive returns.

US convertible securities have an attractive asymmetric return profile, providing upside participation potential when stock prices rise and downside mitigation when stock prices fall. The asset class is on pace to outperform the broad equity market again in 2026, helped by solid earnings growth, expanding market breadth, stable credit spreads, and robust new issuance. After record new issuance in 2025, primary market activity is trending for another unprecedented year with 2026 estimates residing around USD 130-135 billion.# Aside from diversification benefits, new issuance expands the opportunity set of investments with attractive terms and the desired risk/reward characteristics.

The US high yield market, yielding more than 7%^{^^}, offers equity-like returns but with less volatility. The asset class is expected to deliver a positive, but below-coupon return for 2026. The market's attractive total return potential is a function of its discount to face value and higher coupon, which also serves to cushion downside volatility. Credit fundamentals are stable, near-term refinancing obligations remain low, and the market's credit quality composition has improved. In this environment, new issuance is expected to remain steady, spreads can stay tight, and the default rate should continue to reside below the historical average.

A covered call options strategy can be utilised to generate premium income. In periods of elevated or rising equity volatility, premiums collected may translate into more attractive annualised yields.

Collectively, these three asset classes can provide a steady source of income and a compelling "participate and protect" return profile.

The Fund is a client solution designed to provide high monthly income, the potential for capital appreciation, and less volatility than an equity-only fund.

* Source: FactSet, as at 30 June 2026

^ Source: BofA Merrill Lynch, as at 30 June 2026

** Source: J.P. Morgan, as at 30 June 2026

^^ Source: ICE Data Services, as at 30 June 2026

Source: BofA Research, as at 30 June 2026

Source: Allianz Global Investors

BlackRock Asian Tiger Bond Fund (SGD and USD)

Investment and Market Review

Asian credit, represented by the JPM Asian Credit Index (JACI), returned 0.42% in June 2026. Chair Warsh's first FOMC meeting saw the Fed hold rates while striking a hawkish tone, leading markets to price in a rate hike by year-end. Separately, the U.S.-Iran memorandum of understanding (MOU) reduced near-term tail risks around Hormuz supply disruption, easing pressure on oil prices and inflation expectations.

Over the month, central banks across the region deployed policy tools to address inflationary pressures stemming from the Middle East conflict. The Bank of Japan raised its policy rate by 25bps to 1.0%, its highest level since 1995. The Reuters Tankan survey showed manufacturing sentiment improving on continued strength in the semiconductor cycle, supporting the case for further policy normalization. The Reserve Bank of Australia held rates at 4.35% in a hawkish pause, flagging emerging signs of demand softening but keeping focus on persistent energy-driven inflation risks. In Southeast Asia, tightening continued; notably Bank Indonesia, which raised rates by 25bps to 5.75%, bringing cumulative tightening to 100bps since the onset of Middle East tensions to support the rupiah and anchor imported inflation.

India has taken a different approach, deploying targeted FX measures to stabilize the rupee while preserving monetary policy flexibility. Rather than relying on outright rate hikes, policymakers have leaned on a combination of intervention, liquidity operations and macroprudential adjustments to

manage external volatility, allowing the RBI to keep its policy rate anchored amid still-manageable domestic inflation.

In China, policy remained unchanged, with the PBOC maintaining an accommodative stance but refraining from additional easing. The June Lujiazui Forum provided an important structural signal on the direction of financial reforms, signaling a shift toward a more price-based framework, tighter control of short-term rates around the policy corridor, and greater reliance on market benchmarks such as DR001. More broadly, policymakers made it clear that weaker loan growth should no longer be interpreted as tightening, reflecting a structural shift away from credit-intensive sectors toward capital-market financing. This was reinforced by renewed efforts to deepen RMB market infrastructure and advance internationalization. Taken together, the message was that policy remains accommodative but is evolving toward a more market-driven and transparent framework.

Despite external volatility, manufacturing data and credit fundamentals remain resilient across the region. June Asian PMIs still indicate solid expansion. The median PMI remained near cycle highs at 52.0 and new export orders rebounded, helped by easing concerns around the Hormuz disruption after the U.S.-Iran MOU. Regional divergence remains, with tech-heavy economies (particularly China-related supply chains) continuing to outperform.

Early and credible policy action by central banks is effectively acting as a circuit breaker, helping to anchor inflation expectations and contain spillover risks. In this environment, returns continue to be shaped by navigating duration and volatility, with selective positioning and relative value opportunities more important than broad-based spread compression.

Market Outlook and Investment Strategy

Changes in Positioning

Over the month we added convertible bonds in Japan, diversified new issues, and smaller additions elsewhere. Reductions were small and diversified.

On the rates front, we reduced both USD and non-USD duration (we added a short JPY position) over the month, bringing total duration from about 5 years to about 4.5 years.

Positioning

- **Duration:** 4.47 years total duration as of end June 2026, with 4.54 years from USD duration and -0.07 years from non-USD duration (tactical opportunities in currencies like AUD, EUR, CNH, INR, SGD, HKD, JPY, IDR, CNY). USD duration exposure is mostly in the short-to-belly parts of the curve which we continue to favor for its balance of yield and volatility, remaining cautious on the long-end which we see as more vulnerable to term premium repricing and associated rates volatility.

- **Average IG credit quality:** The fund's average rating is firmly IG at BBB, with 61% in IG and cash as of end June. The APAC IG segment, which makes up the largest part of the portfolio, remains a resilient source of carry with a strong presence of sovereign/quasi sovereign issuers, shorter duration than global IG counterparts, and an absorbable issuance pipeline. We have identified many attractive IG opportunities outside the traditional IG market. These include non-USD credit markets diversified across currencies, AUD securitized assets, convertible bonds and more bespoke financing structures that offer superior spreads and structural seniority versus USD bonds.

- **Shorter-dated carry:** Portfolio yield is 6.40% as of end June 2026, compared to the benchmark's yield of 5.26%. The portfolio has an overweight in non-IG, majority in the higher quality BB-rated and short-dated bucket. This approach focuses on high-conviction names nearing maturity to minimize default risk. Asia high yield continues to offer a compelling risk reward profile, supported by strong fundamentals, improved credit quality, attractive valuations, and low expected default rates (default rates in Asia HY are expected to fall to 1.9% in 2026, their lowest levels since 2019 and well below Europe and EM HY defaults).
- **Diversified geographical and sectoral exposures:** The largest countries as of end June 2026 are India and Australia, which are 19% and 14% respectively. We find attractive bottom-up opportunities across the full set of countries in the investment universe. We use underweight positions in sovereigns (primarily Indonesia and the Philippines) and in China, Korea and Hong Kong IG where valuations are tighter, to fund overweight positions in securities with more attractive valuations. Key buckets include our overweight in India HY (supported by a resilient domestic growth story, attractive valuations and strong fundamentals in select renewables, steel companies, infrastructure credits, and non-bank financing companies) and off-benchmark exposure in broader APAC (i.e. Australia and Japan which are mostly in high quality financials with attractive carry) and the Middle East (in high quality issuers offering diversification with attractive carry). Across the APAC region, bank capital stands out as well-capitalized, supported by robust regulatory regimes and benign NPL trends; broadly, we like capital securities over bank seniors for relative value. Finally, it is worth noting that China property is now an immaterial component of the benchmark and fund at ~1%.
- **Capturing relative value through emerging sectors:** our platform's breadth and depth allow us to uncover opportunities that go beyond the constraints of a pure JACI-style strategy.
 - **Local currency credit:** The portfolio invests across currencies, with ~25% across AUD, INR, EUR, CNH, SGD, HKD, JPY and IDR credit where relative valuations are more attractive – all our FX exposures are hedged back to the base currency of USD, picking up additional yield from FX hedging in the process.
 - **Securitized assets:** The portfolio also allocates to AUD securitized assets, which are predominantly AAA-rated floating rate instruments offering a yield pickup versus other IG credit, as well as securitized assets in other regions.
 - **Convertible bonds:** Allows us to capture equity upside from attractive Asian equities and the AI capex theme, while limiting downside with a bond floor.
 - **Bespoke financing solutions:** Non-flow proprietary-sourced financing solutions to large Asian corporates, which offer a significant yield pickup with superior risk-reward: the bonds often come with higher seniority and stronger covenants.
- **Focus on credit selection to optimize reward against risk:** The team seeks to allocate to the most attractive opportunities at the security level, even where it concerns the same sector or issuer. The fund also allocates across both straight bonds and convertible bonds, depending on which securities we find the most undervalued. For example, we partnered with a counterparty to create an exchangeable bond that allowed us to capture the equity upside from the issuer's stock while retaining the credit floor of the counterparty. This is a clear case of us leveraging our expertise to deliver both growth potential and downside protection, and this unique structuring deal was only possible with the depth of our capabilities

and strength of relationships with counterparties. This flexibility—combining local market access and rigorous credit selection—underscores our differentiated approach to Asia Fixed Income.

Source: BlackRock (Luxembourg) S.A.

BlackRock European Equity Income Fund (SGD and USD)

Investment and Market Review

European equity markets continued to move higher in June, with the MSCI Europe Index returning +3.0% (EUR).

Markets remained firmly risk-on throughout the month, although leadership evolved over the period. The first half continued to be dominated by the AI theme, with technology and semiconductor names leading returns. As geopolitical tensions in the Middle East eased and energy prices fell, market leadership broadened during the second half of the month, with financials, consumer staples and civil aerospace companies also performing strongly.

June conference season provided a constructive read-across for the portfolio. Across industrials, technology and logistics, companies generally reported that demand remains more resilient than expected despite the uncertain macro backdrop. Margins continue to hold up well, supported by disciplined cost control, while AI is increasingly becoming a tangible earnings driver for European companies through semiconductors and infrastructure. Consumer discretionary remains the principal area of weakness.

The fund outperformed its benchmark, driven primarily by strong stock selection.

Sectors:

- The fund benefited from an underweight position to the energy sector, as oil prices declined amid improving expectations for a de-escalation of tensions in the Middle East. An overweight to utilities was positive.
- The fund's underweight to consumer discretionary, particularly the automotive sector, contributed positively to relative performance, as the sector was dragged down after BMW issued a profit warning highlighting weaker demand and increasing pricing pressure in China.
- The portfolio's lower weight to communication services also added value, particularly through not owning Deutsche Telekom. The shares came under pressure as investors became increasingly concerned that SpaceX/Starlink's expanding US ambitions could increase competitive pressure on T-Mobile US, Deutsche Telekom's largest business and primary earnings driver.
- Conversely, an underweight to technology detracted as AI-related semiconductor companies continued to outperform, reflecting the fund's more conservative positioning towards the theme.

Stocks:

- Danone was the strongest contributor during the month. Management struck a constructive tone at industry conferences, reinforcing confidence in the underlying business momentum, while also ruling out

a potential acquisition of Reckitt's Mead Johnson infant nutrition business, removing concerns that Danone could inherit significant legal liabilities. The shares, having previously underperformed, responded positively.

- The financials sector was another significant source of positive performance. Generali was among the strongest contributors, alongside ABN AMRO, Lloyds, AXA, Erste Group and Poste Italiane, as the sector benefited from the continued risk-on market environment. Lloyds also benefited following some clarity on a new potential UK chancellor, reducing uncertainty around political uncertainty. On the negative side, not owning Banco Santander detracted from relative performance.
- Materials also contributed positively, led by Novonesis. Management provided encouraging commentary around demand within its ingredients business, reinforcing confidence that underlying growth is continuing to improve.
- Overall, technology detracted from relative performance. An underweight to ASML was the largest detractor as AI-related semiconductor names continued to outperform. This was partially offset by not owning SAP, which weakened during the month following more cautious commentary around enterprise software demand.
- Within industrials, Kone and Knorr-Bremse both detracted despite little company-specific news. Both companies continue to execute well operationally but lacked near-term catalysts in a market increasingly focused on AI beneficiaries and cyclical recovery opportunities.
- Finally, Thales detracted as the defence sector remained under pressure. Not owning Rheinmetall was a positive offset, with the shares falling after the German government cancelled the F126 frigate programme rather than transferring it to Rheinmetall's newly acquired naval business, disappointing expectations for future order growth. More broadly, the sector has been weak for several months as investors reassess the pace of European defence spending, execution risks at certain companies and the evolving nature of modern warfare, including the increasing importance of drones relative to more traditional defence platforms. We have reduced our exposure to the sector in recent months to reflect these uncertainties. That said, we continue to see a supportive longer-term backdrop, with defence budgets across Europe undergoing a structural step-up and the earnings benefits from higher spending still likely to emerge only gradually given the typical lag between budget announcements and contract awards.

Changes:

- Within energy and utilities, we repositioned the portfolio by participating in RWE's capital raise, which is increasing its exposure to electricity transmission infrastructure through the acquisition of a larger stake in Amprion. We believe this improves the RWE's earnings visibility and provides upside to medium-term expectations as power demand and grid investment accelerate. We funded this by reducing TotalEnergies, exiting Shell and trimming E.ON and Iberdrola, while initiating a position in Saipem, where we see an increasingly attractive industry backdrop following years of supply consolidation, strengthening offshore demand and the combination with Subsea7.
- We also built a position in Poste Italiane, where we see upside from the acquisition of a stake in Telecom Italia through both revenue and cost synergies.

- We also initiated a position in Givaudan, where we see improving momentum in the ingredients business following a period of weaker demand. As volumes recover, we expect earnings growth to accelerate, supported by the company's high-quality portfolio, strong pricing power and attractive long-term dividend profile.

Market Outlook and Investment Strategy

At the end of the month, the largest portfolio overweights were in industrials, utilities and banks, while the most significant underweights were healthcare, consumer staples and IT.

Source: BlackRock (Luxembourg) S.A.

BlackRock Global Allocations Fund (SGD and USD)

Investment and Market Review

- Global equities declined modestly from recent all-time highs during June, but the more important story was the rotation occurring underneath the index level. Broad market performance was relatively calm compared with the activity taking place across sectors, styles, and individual stocks, as low index-level volatility masked much higher volatility at the security level. Regionally, U.S. equities continued to be supported by stable economic data and still-intact earnings expectations, while international markets reflected a wider range of outcomes tied to sharply lower oil prices – which benefited Europe and China – and some AI-pullbacks following otherwise strong YTD performance in regions such as Japan and Emerging Asia. Sector leadership shifted away from the most crowded Technology and AI-linked areas and toward a broader mix of Healthcare, Financials, other defensive sectors, small caps, and rate-sensitive areas such as homebuilders. This was not a universal rejection of the Technology theme. Semiconductor exposure was still positive for the month at roughly +2%, while a basket of U.S. memory-related stocks rose considerably. However, other AI-linked exposures, particularly hyperscalers, were down approximately -18% in June, marking their weakest month since 2012. Importantly, the rotation did not appear to be driven by a deterioration in earnings fundamentals. Technology earnings expectations remained strong, with expected earnings growth of approximately +44% for 2026 and +27% for 2027, while semiconductor earnings expectations were even stronger at approximately +95% for 2026 and +51% for 2027.

- Fixed income markets generally advanced during the month as sharply lower oil prices, easing interest-rate volatility, and resilient U.S. growth improved the backdrop for bonds. Long-term Treasury Treasuries were a key beneficiary of the improved inflation outlook, which created a supportive backdrop for income-oriented assets, even as uncertainty around near-term Fed policy remained a constraint at the front-end of the Treasury curve. U.S. investment grade and high yield bonds benefited from healthy economic growth and robust corporate earnings. During June, municipal bonds were the bond market's strongest performing sector, due to much more favourable supply/demand dynamics relative to U.S. Treasuries. A strong economic backdrop across much of the U.S. has also supported the balance sheets of a meaningful percentage of states and municipalities. Meanwhile, international sovereign bonds were generally a laggard, weighed down by a rising U.S. dollar.

- Equity exposure was reduced to 62% from 68%, while remaining overweight relative to the benchmark. The backdrop remained supportive for risk assets, but the market became more uneven as a narrow earnings-led rally began to broaden and the rate of change in growth and capital spending started to normalize. Against that backdrop, we trimmed some of the most crowded exposure, reduced beta, and leaned more heavily on selectivity, while continuing to favour areas with durable cash-flow growth and structural earnings support.
- The investment environment became more balanced beneath the surface. While the AI investment cycle remained real and durable, market leadership started to widen into financials, health care, defensives and selected cyclicals, even as elevated positioning and heavy issuance argued for greater precision in portfolio construction. That reinforced our preference for staying invested, but with a sharper focus on resilience, diversification and risk compensation rather than relying on broad beta alone.
- Industrials exposure had the largest increase overall as the team made selective additions. We continue to favour capital goods, electrification, grid investment, power infrastructure and other beneficiaries of the physical AI build-out, where demand remains supported by long-duration investment needs and a broader infrastructure cycle. The industrials sector remains a meaningful overweight in the portfolio, and an important expression of our view that leadership can broaden beyond the narrowest part of the technology complex.
- Information Technology exposure saw the largest reduction, driven by both active trimming and market effects. Our conviction in the structural AI cycle remains high, particularly across semiconductors, memory, software, cybersecurity, networking and broader infrastructure, but heightened crowding, speculative activity and elevated single-name volatility led us to reduce some exposure and manage risks across the sector more carefully. We remain constructive on the sector's earnings power, but the path forward is likely to be less linear, which argues for keeping more selective in areas where growth and cash-flow durability remain strongest.
- Consumer Discretionary exposure moved lower, and the decline was trade-led. Within the sector, we rotated selectively toward areas where positioning had become washed out and fundamentals were beginning to stabilize, including housing related activity, travel and value-oriented consumer cyclicals, while remaining cautious to areas where spending trends and fundamentals looked less dependable. That reflects a still-bifurcated consumer backdrop, where aggregate demand has held up better than underlying breadth, making selectivity particularly important across the sector.
- Consumer Staples exposure declined modestly over the month, largely reflecting market-driven underperformance as investor preference remained tilted toward growth and cyclical sectors, even amid rising volatility. Fundamentally, the team maintains a cautious and selective view, noting resilient demand but ongoing margin pressure and limited pricing power across parts of the sector. Within the portfolio, Consumer Staples serves primarily as a diversification and risk-balancing allocation but remains a lower-conviction exposure in an environment where higher real rates continue to weigh on income oriented equities and capital is being allocated toward areas with stronger earnings momentum and more attractive risk reward profiles.
- Regional positioning remained anchored in a clear U.S. overweight, complemented by selective exposure outside the U.S.

- United States (Overweight): We continue to favour the U.S. market for its stronger earnings base, deeper exposure to AI-linked growth and more durable corporate fundamentals, while acknowledging that concentration and elevated positioning require a more risk-managed implementation.
 - Developed Europe (Underweight): We remain underweight at the regional level, but our conviction improved in selective financial and industrial opportunities, supported by reform momentum, improved restructuring stories and themes tied to investment, infrastructure and strategic independence.
 - Developed Asia (Underweight): We remain selective across Asia, with the strongest conviction in areas linked to Japanese financial reform and parts of the regional AI supply chain, including robotics, electronics and semiconductor related activity.
 - Emerging Markets (Overweight): Positioning remains more modest and opportunistic, with selective country exposures rather than a broad regional call, reflecting the wider dispersion in fundamentals and opportunity across EM.
- We maintained an underweight to duration, while keeping fixed income positioned primarily around income generation rather than broad interest-rate exposure. The portfolio finished the month with duration below the benchmark, reflecting our view that policy remained restrictive in the near term even as yields had become more compelling and rates were approaching fair value. That left the team prepared to add risk selectively on weakness but not yet positioned for a full duration shift.
 - Regional rates positioning remained selective, with our strongest conviction outside the United States centred on Europe and the UK front end. The opportunity there was grounded in attractive carry and a view that market pricing for further tightening had become too aggressive relative to the likely path of growth and inflation. In the United States, real yields became increasingly attractive, but we remained measured overall given the heavy supply backdrop and the need to manage overall rate exposure carefully. We also remained constructive on selected emerging market local rates, where high real yields and country-specific catalysts continued to create differentiated opportunities.
 - Our broader fixed income stance remained anchored in the idea that income, rather than spread compression or outright duration, is the most reliable source of return in the current regime. Higher nominal and real yields continue to provide a meaningful cushion, while slower growth, moderating inflation and more episodic correlations argue for building portfolios around carry, flexibility and active security selection. In that environment, we continue to favour a diversified set of income streams over a narrow reliance on benchmark-style government bond exposure.
 - Within credit, we remained overweight corporate risk, with a preference for areas where carry and issuer selection still offer adequate compensation despite tight spreads. The higher-quality end of investment grade looked less compelling on simple spread terms, but demand remained strong and selected long-dated, high-quality issuers still offered value when paired with disciplined security selection. In high yield, we continued to see a more selective income opportunity, with yields still attractive and better value in segments where dispersion remained high, rather than in lower-quality beta exposure. That preference for selective carry also supported our allocations to convertibles, which broaden the portfolio's income sources while preserving flexibility across the capital structure.
 - Securitized assets remained one of our highest-conviction areas and an important diversifier within fixed income. We continue to favour the space because collateral quality, structural protections, and carry

remain attractive relative to many traditional spread sectors, particularly where underwriting and deal structure can be selected carefully. Within the allocation, our strongest conviction was in higher-quality commercial mortgage exposure, senior non-agency residential structures, while we stayed more selective in areas where issuance was heavy or dispersion was widening. That emphasis on structure, collateral and seniority is central to how we are seeking to enhance income without taking uncompensated risk.

- Emerging market fixed income remained an area of selective opportunity rather than a broad directional call. We continued to find value in local duration and country-specific positions where real yields, technicals and domestic fundamentals were supportive, while staying attentive to the influence of Fed pricing, oil and the dollar on the opportunity set. Overall, the role of fixed income in the portfolio remained clear: harvest income, stay flexible, and be increasingly precise in where we take rate and spread risk as the cycle matures.
- The fund's exposure to gold-related securities was at 3.3% in June, marginally increased from the prior month. We continue to view gold as a strategic diversifier and store of value, supported by structural drivers such as supply constraints and concerns around deficits and currency debasement, but not as a reliable near-term hedge to equity volatility. In the current environment, higher real rates and a stronger dollar have reduced its effectiveness with gold unlikely to provide meaningful protection in the near-term relative to alternatives such as energy.
- Cash exposure increased to 11.1% in June as the team reduced exposure to equities and fixed income. The portfolio continues to rely on a combination of cash, income, derivatives, gold, and FX positioning to manage overall risk and enhance portfolio resilience.
- Portfolio activity within currencies was minimal, reflecting our intention to remain closely aligned with the benchmark. Changes were largely muted with any adjustments driven primarily by the objective of maintaining consistency with benchmark exposures.
- The largest currency overweight remains in the Japanese Yen. Conversely, the largest underweights are to the Euro, Chinese yuan and Hong Kong dollar.
- Across June, derivative positioning shifted toward a more disciplined and risk-aware framework, with reduced directional gamma and a greater focus on tactical volatility harvesting and convexity, reflecting a more mature stage of the cycle and a desire to manage risk after recent volatility.
- Equity derivatives activity focused on managing beta and extracting single-name volatility premium, with the team reducing index gamma exposure, using option overlays and index hedges to lower equity delta, while continuing to harvest elevated implied volatility in high-volatility names, particularly within semiconductors and AI-linked sectors.
- In gold derivatives, positioning remained tactical, with exposure broadly stable and implemented through option structures including short puts, with options used to manage carry and preserve convexity while viewing gold more through a correlation and risk lens rather than a pure diversifier.
- Within fixed income derivatives, activity remained selective, with the portfolio continuing to run underweight duration, while volatility monetization and tactical payer/receiver positioning were used opportunistically, and credit options primarily served as a tool for income generation and risk management rather than expressing directional views.

Market Outlook and Investment Strategy

Asset allocation (as % of net assets*): Equity: 62%, Fixed Income: 24% Precious Metals: 3%, Cash Equivalents: 11%.

Source: BlackRock (Luxembourg) S.A.

BlackRock Global Equity Income Fund (SGD and USD)

Investment and Market Review

Global equity markets were notably volatile through June, as a strong start to the month gave way to a sharp mid-month correction before settling into month-end. Markets entered June on the back of an extended rally, but with positioning heavily concentrated in technology and semiconductors, leadership had narrowed and conditions were ripe for a pullback.

The macro narrative took centre stage in early June. US economic data remained firm, with the strongest manufacturing reading in four years accompanied by a resilient labour market. For the Federal Reserve, however, the combination of strong employment data and persistent inflation challenged expectations for further rate cuts, prompting markets to price a more hawkish policy path and triggering a sharp equity sell-off, particularly across technology and semiconductor stocks. At the June FOMC meeting, rates were held for a fourth consecutive meeting, but projections remained hawkish, with around half of policymakers signalling at least one further hike this year. Geopolitically, conditions improved mid-month following a US–Iran agreement that helped ease immediate supply concerns, though shipping normalisation remained uneven. The subsequent moderation in oil prices may support a gradual shift back towards more dovish market pricing over time.

Against this backdrop, US headline indices masked a clear shift in market leadership. Technology and AI themes remained in focus, though dispersion within the sector was the defining feature of the month. Investor scrutiny of AI returns, monetisation and hyperscalers spending intensified, with Alphabet's decision to raise fresh capital to support its AI buildout adding to concerns around the scale and timing of expected returns. As a result, mega-cap technology stocks pulled back sharply, with the Magnificent Seven posting their worst month of relative performance against the S&P 500 since October 2022, while the Nasdaq experienced a sharp drawdown before recovering into month-end. In contrast, parts of the AI infrastructure chain where bottlenecks remain tight, notably memory, outperformed. Beneath the surface, market leadership broadened, with small caps outperforming as the Russell 2000 rose on rotation away from mega-cap AI winners. While AI adoption continues to accelerate, earnings impacts remain uneven, highlighting an early-cycle environment with increasing differentiation between beneficiaries and laggards.

European equities edged modestly higher, as resilient corporate earnings and softer UK inflation helped underpin sentiment and supported the Bank of England's decision to hold rates. UK political headlines also took center stage late in the month, with Prime Minister Keir Starmer announcing his resignation, paving the way for a Labour leadership contest and the UK's seventh prime minister in a decade.

Asia and Emerging Markets were more mixed. Japan continued to outperform, with the Nikkei hitting fresh record highs, supported by ongoing policy accommodation and fiscal measures. The Bank of Japan

also raised rates to 1%, the highest level since 1995. South Korea moved the other way, with the KOSPI experiencing several sharp swings as a heavily retail-driven market and euphoric sentiment fuelled volatility in large AI-chip names that account for a significant share of the index. Chinese equities remained under pressure, with domestic AI names weak. Weaknesses across domestic demand, particularly in property and consumption, left growth increasingly reliant on exports.

Commodity markets reflected the broader macro and geopolitical shift. Brent crude fell sharply back toward pre-conflict levels as the war premium unwound following the US–Iran Memorandum of Understanding (MoU) signed on 17 June, allowing shipping flows to begin recovering. Precious metals also came under pressure, as easing geopolitical risk, a more hawkish Fed and a firmer US dollar weighed on safe-haven demand.

Market Outlook and Investment Strategy

Global equity markets delivered strong gains over the second quarter, supported by continued momentum in technology-related areas linked to artificial intelligence. Fund performance was positive in absolute terms but lagged the benchmark through most of the quarter, with relative performance challenged earlier in the period as growth-oriented sectors like Information Technology led while traditionally higher-yielding sectors such as Consumer Staples lagged. The narrowness of performance remains a challenge, specifically for dividend funds, but for active management in general.

The key debate for investors is no longer whether AI spending remains robust, but where incremental alpha can be generated as expectations rise. While data-centre investment continues to expand, markets are increasingly discounting both volume growth and pricing power. As a result, we believe future excess returns are more likely to come from identifying bottlenecks and second order beneficiaries rather than simply owning the most obvious winners. With expectations elevated, we continue to participate in the theme in a deliberate and diversified way rather than rely on a single expression of AI. The evolving shareholder return profile of some beneficiaries has also broadened the investable universe for income-oriented strategies. Beyond the largest US heavyweights, we are finding opportunities across the global AI infrastructure ecosystem, including in Emerging Markets, where selected companies provide exposure to semiconductors, batteries and other critical components of the build-out.

Whilst AI continues to be a big driver behind the infrastructure value chain, more broadly Industrial activity has been picking up as evident by improving indicators such as PMIs rebounding. The market response here has been somewhat uneven, and we do expect the recovery will remain as such and accompanied by bouts of volatility, particularly given the concentration of market leadership and the sensitivity of AI-related areas to changes in capex expectations. This drives us to have a prudent approach in how we're expressing conviction within Industrials, preferring companies with the strong quality attributes which we expect to drive outperformance, especially where there are other structural tailwinds such as increased defence spending.

Geopolitical risk and fragmentation remain central to the outlook, with implications for how we build regional diversification into the portfolio. This last quarter has once again shown incredibly volatile returns, particularly in Asian Emerging Markets which reinforces our prudent approach, leaning into key bottlenecks such as memory but balancing this with lower beta of the market which have lagged and provide some portfolio ballast in the case of a momentum reversal. On the geopolitical front, tensions in the Middle East have reinforced our view that energy is increasingly being viewed through the lens of

national security, supporting our belief that exposure to the sector should remain deliberate and appropriately sized. Fragmentation is also increasingly visible in trade and supply-chain decisions, as companies seek to reduce dependence on single regions or routes. US policy risk remains relevant, as we expect further volatility into 2026 and see the United States-Mexico-Canada Agreement as a potential renewed focus for negotiation by the Trump administration. More broadly, recent developments in the Middle East highlight what we see as a more multipolar global landscape and a weakening US influence on the international stage. Against this backdrop, we continue to view Mexico as attractive; labour costs remain significantly below those of the US, while geopolitical fragmentation and supply-chain diversification continue to support nearshoring activity. moderate capex growth require careful management. At the same time, earnings resilience, improving manufacturing indicators and broader regional opportunities suggest there may be more for investors to do beyond the narrowest parts of the market. We continue to emphasise quality, balance sheet strength, valuation awareness and deliberate risk sizing as we navigate a market shaped by technological innovation, geopolitical fragmentation and elevated uncertainty.

Source: BlackRock (Luxembourg) S.A.

BlackRock Global High Yield Bond Fund (SGD and USD)

Investment and Market Review

- Per J. P. Morgan, the Global HY market returned +0.26% on a month-to-date basis. High-yield bond spreads were somewhat stable in June as progress was made on ending the US-Iran conflict alongside a much more hawkish than expected Fed outcome, resilient macro data, accelerating inflows, and an active capital market. High-yield bond yields and spreads rose 15bp and 1bp in June to 7.25% and 306bp, which are up 47bp and down 8bp YTD.
- From a rating perspective, BBs outperformed Single Bs and CCCs over the month.
- Global high yield risk premiums widened 3 bps in June, representing a final period-end spread of T+280 bps, a yield-to-worst of 6.89%, and an average market-weighted price of \$96.59.

Market Outlook and Investment Strategy

- The fund's core issuer/credit biases remain centered on cash-flow views, determination of a specific catalyst, and/or idiosyncratic characteristics; top issuer overweight include Level 3 Financing (Wirelines), Allied Universal (Consumer Cyclical Services), and Hub International (Property & Casualty).
- From a credit standpoint, we remain underweight BB-rated credits and overweight BBB rated, B-rated and select CCC-rated names with improving credit positions or attractive yields.
- In addition to credit, we've favored positions in equity and equity-like (preferred and convertible) instruments to enhance the fund's total return profile but will tactically implement hedges to mitigate this risk when markets warrant. We also hold a tactical allocation to CLOs.
- Generally, the portfolio remained well-diversified with 600+ issuers, an average issuer-level position of roughly 15bps, with the top 25 names constituting 21.95% of the portfolio.

Source: BlackRock (Luxembourg) S.A.

BlackRock World Gold Fund (SGD and USD)

Investment and Market Review

Gold was volatile in June, falling 12.1% to finish the month at US\$4,036/oz. The main drivers behind the pressure were continued U.S. dollar strength, higher bond yields and persistent market expectations that interest rates could remain higher for longer. These pressures were reinforced by stronger-than-expected U.S. payrolls data early in the month and a hawkish Federal Reserve tone later in June.

While geopolitical developments around the Middle East conflict drove several sharp intra-month swings, these moves proved temporary and were insufficient to offset the broader macro headwinds facing gold. Weakness was further amplified by technical selling after bullion broke through a number of key support levels and moving averages, prompting additional systematic and trend-following outflows. Overall, the month was characterized by the market's continued focus on the U.S. dollar and rates, which kept pressure on gold amidst an elevated geopolitical risk backdrop.

Against the challenging environment for gold, gold equities showed relative resilience due to significant easing concerns around operating cost inflation, as the oil price fell 22.6% during the month.

Physically backed gold ETFs recorded modest outflows, with total holdings decreasing slightly from 3,072 tonnes to 3,028 tonnes. Net length in COMEX gold futures rose from 17.2 Moz to 17.4 Moz.

Looking at key macro indicators for gold, the U.S. dollar strengthened by 2.3% during the month, while the U.S. 10-year real interest rate rose from 2.1% at the end of May to 2.2% at the end of June. Among other precious metals, silver fell 22.4%, while platinum and palladium fell 18.6% and 11.8%, respectively.

Market Outlook and Investment Strategy

Our outlook for gold remains constructive over the medium term, but we are more measured on the near-term setup. With rates still elevated, a hawkish Fed tone and inflation concerns lingering, we believe gold could remain range-bound over the next three to six months. In that environment, we think it is prudent to remain selective rather than position for a broad-based re-rating across the sector.

Over the longer term, however, we continue to see a supportive backdrop for gold. The structural forces underpinning the metal remain firmly in place, including elevated government debt burdens, rising fiscal outlays and the associated currency-aversion trade, alongside a persistently high level of geopolitical risk. In our view, these conditions should continue to support strategic demand for gold, particularly if growth weakens and interest-rate expectations begin to reverse.

Within equities, our focus is increasingly on margin resilience and company-specific execution. We believe cost inflation is becoming a more important risk for producers, particularly as higher energy prices begin to filter through not only diesel, but also reagents, transport, contractor and labour costs. That leaves us more cautious on parts of the producer universe where margins could compress if gold remains flat, and more constructive on royalty and streaming businesses, which are better insulated from these pressures.

This continues to support our preference for companies with disciplined capital allocation, strong asset quality and better protection against rising costs.

Source: BlackRock (Luxembourg) S.A.

Capital Group Global High Income Opportunities (LUX) (SGD and USD)

Investment and Market Review

- Within emerging markets (EM) debt, US dollar-denominated debt returned 10.6% as measured by the JPMorgan EMBI Global Index. Local-currency debt, as represented by the JPMorgan GBI-EM Global Diversified Index, returned 7.0% in local currency terms and 7.8% in US dollar terms.
- US high yield corporate bonds returned 5.9% over the period. Spreads tightened by 20 bps to end at 270 bps (as measured by the option-adjusted spread).

Market Outlook and Investment Strategy

- Global growth remains positive but increasingly fragile. AI-related capital expenditure and high-income consumers are driving much of the positive momentum, but Fed policy uncertainty and conflict in the Middle East continue to cloud the outlook.
- A lack of transparency from the Fed could lead to higher interest rate volatility, particularly at the front end of the yield curve. While markets are pricing in a higher policy rate, we believe the extent of expected tightening may be overstated, leaving US duration attractive relative to current market expectations.
- Importantly, all-in yields remain elevated relative to levels seen during the decade following the global financial crisis, pointing to solid return potential and providing a strong buffer against potential interest rate or credit volatility. We remain watchful of developments in the labour market, Fed policy and the conflict in the Middle East.
- High yield fundamentals have improved significantly over the past two decades. Average credit quality has increased, with more than 55% of the market now rated BB, defaults have remained low, and balance sheet management and leverage levels have generally remained in check. While spreads continue to hover near historical tight, much of the historical spread premium reflects a market that was less liquid, lower quality and higher duration than today's high yield market. Spread dispersion remains elevated, making security selection crucial for capturing dislocations. Remaining invested in high yield throughout the cycle has historically been rewarded through the asset class's high carry, and it continues to offer attractive risk-adjusted return potential.
- Sentiment towards emerging markets debt has improved following the easing of Middle East tensions and the recent decline in oil prices, although positioning remains selective given lingering macroeconomic and geopolitical risks. Beyond geopolitics, the broader backdrop remains supportive but increasingly differentiated. Global growth is expected to moderate while remaining positive, with AI-related investment continuing to underpin external demand, particularly for technology-linked economies and upstream commodity producers. Emerging market fundamentals remain broadly resilient, supported by improved policy credibility and healthier external balances, while monetary easing cycles are well

advanced following substantial rate cuts in 2025. As a result, further easing potential is concentrated in a smaller subset of markets where real rates remain elevated. Local-currency debt continues to offer compelling income opportunities, with high nominal and real yields across Latin America and CEEMEA providing attractive carry and a degree of protection against volatility. By contrast, hard-currency debt warrants a selective approach given compressed valuations, with opportunities concentrated in idiosyncratic reform stories, markets supported by external anchors, and shorter-dated investment-grade corporates. Frontier market exposure remains attractive from a carry perspective but requires disciplined position sizing given liquidity constraints and the potential for binary outcomes.

Source: Capital Group

Capital Group New Perspective Fund (LUX) (SGD and USD)

Investment and Market Review

Global stocks delivered strong gains over the 12-month period, with the MSCI All Country World Index rising 23.7%. Investor optimism was supported by resilient economic growth, easing concerns around inflation and continued enthusiasm for artificial intelligence (AI), which drove demand across the technology ecosystem.

All sectors of the MSCI ACWI posted positive returns. Information technology led the market higher as investors focused on companies benefiting from rising AI-related spending and demand for advanced semiconductor technologies. Consumer discretionary, consumer staples and real estate were among the weaker-performing sectors, although they still generated positive returns over the period. Emerging markets led regional returns, followed by Japan, while most major markets also recorded solid gains.

Market Outlook and Investment Strategy

- Since the beginning of the year, equity markets have been characterised less by a steady broadening of leadership and more by periodic, extreme style and factor driven rotations. Portfolio managers view this as reflective of an early and unsettled phase of a new economic and market regime, rather than a mature leadership transition. While near-term market performance remains concentrated, the team believes the opportunity set is significantly broader, supported by structural shifts in trade, geopolitics and capital investment, as well as the attractive long-term earnings growth prospects of many portfolio holdings. Together, these factors could drive a wider set of earnings winners over time.
- Portfolio managers remain constructive on the long-term opportunities presented by artificial intelligence, which they view as one of the most important technological developments of this decade. While the market has focused heavily on infrastructure build-out and semiconductor demand, they continue to assess opportunities across the broader AI ecosystem, including businesses that can successfully embed AI into products, services and operating processes. Accordingly, they remain disciplined in position sizing and vigilant on valuations and momentum dynamics.
- The global economy is also experiencing a rare confluence of major structural changes in addition to AI, which could drive earnings growth across a wider range of companies. These structural changes include innovation in health care, changing patterns of the global consumer, and an industrial renaissance that could set the stage for a multi-year capital expenditure supercycle. The portfolio remains focused on

identifying companies with durable competitive advantages well positioned to benefit from new and evolving long-term trends.

- More broadly, the portfolio has maintained a balanced and diversified positioning that is not dependent on any single outcome, theme, or market narrative. There have not been sizeable changes made to its overall positioning in response to the recent market developments or to chase near-term factor leadership. We continue to carefully assess the nuanced implications of these changing conditions to distinguish between structural and cyclical leadership, focusing on identifying high-quality businesses and allowing fundamentals - rather than short-term market narratives - to drive long-term outcomes.

Source: Capital Group

First Sentier Bridge Fund (SGD)

Investment and Market Review

Asian equities rose over the six-month period. South Korea and Taiwan were the best performing markets, driven by the enthusiasm for semiconductors and technology hardware firms, as they benefited from artificial intelligence (AI) related capital expenditures. On the negative side, Indonesia weakened after MSCI threatened to downgrade the country to frontier status, and India declined on concerns about its energy dependence on the Middle East, mixed corporate earnings results and a weakening rupee.

Asian U.S. dollar bond markets remained resilient during the first half of 2026 despite volatility caused by the Iran conflict, higher oil prices and concerns about global growth. Credit spreads widened briefly but recovered as geopolitical tensions eased. Indonesia and the Philippines faced rating outlook downgrades, while Sri Lanka and Pakistan benefited from improving economic conditions and strengthening credit profiles. Corporate fundamentals remained broadly stable, supported by healthy balance sheets and continued demand for income-generating assets.

Market Outlook and Investment Strategy

From an Asian equities' perspective, while the Middle East conflict has led to short-term market volatility, the Fund's quality bias means that its underlying holdings should remain resilient. Although Asia is heavily dependent on the Middle East for its energy needs, Asian countries have historically operated in a more inflationary environment, and this has been taken into account in the stock selection process. In the long run, Asia should benefit from the shift towards higher value services-led growth, digital transformation and increased access to banking services. Valuations look attractive in comparison to developed markets, while low ownership of Asian equities in global portfolios provides a good backdrop for absolute returns.

Credit markets have recovered from earlier weakness, but geopolitical risks remain elevated and could lead to renewed volatility. In this environment, the Fund remains focused on issuers with strong financial positions and resilient business models. While bond income should continue to support returns, a selective approach remains important given the uncertain economic and market outlook.

Source: First Sentier Investors

Franklin Biotechnology Discovery Fund (SGD and USD)

Investment and Market Review

Markets: Global equities delivered robust gains during the second quarter of 2026 (2Q26), buoyed by improving corporate earnings and a decisive rotation into technology-driven growth themes. Health care stocks returned 6.7% (per MSCI All Country World Index in US dollar terms) and ranked fourth among the 11 major equity sectors. Five out of six health care industries appreciated, led by health care providers and services (+22.9%) and health care technology (+10.4%), while biotechnology, pharmaceuticals, and life sciences tool and services industry returns were in the 6% to 8% range. This contrasted with an 8.4% decline in health care equipment and supplies.

Contributors: Strong security selection in the biotechnology industry and an overweighting in pharmaceuticals.

Detractors: Unfavourable stock selection and a significant underweighting in the life sciences tools and services industry, plus overall declines for several off-index or overweighted biotech holdings.

The fund (Class A, net of fees, in USD) outperformed the Nasdaq Biotechnology Index in 2Q26 based on a combination of effective stock selection and, to a much lesser extent, allocation choices across industries. While some positions faced setbacks from failed clinical trials or disappointing data readouts, the overall impact of successful drug development programmes and strategic transactions more than offset these headwinds.

In many cases, positive trial readouts and regulatory milestones were the primary differentiators in the fund's results versus the index. Key examples included major rallies for off-benchmark or overweighted positions in Achieve Life Sciences, Oruka Therapeutics, Spyre Therapeutics, Jazz Pharmaceuticals, Guardant Health and uniQure—each benefitting from positive trial data, US Food and Drug Administration (FDA) approvals, stronger-than-expected 1Q26 earnings and/or upwardly-revised 2026 guidance. Top overall contributor Achieve is a late stage specialty pharma company whose core asset, cytisinicline for nicotine dependence, reached an FDA decision point supported by positive Phase 3 clinical trial data (in terms of efficacy and safety). The stock's more than 200% move reflected the run up to this binary event, a major financing round, and manufacturing de-risking as it moved to a potentially more reliable and FDA-friendly partner. Pivotal clinical trial catalysts were also evident in Oruka, which rallied on a positive update for its psoriasis drug, and Spyre, which announced strong Phase 2 results for SPY001 in ulcerative colitis.

Soleno Therapeutics (not an index component) gained 56% and was one of the fund's top M&A beneficiaries of 2Q26, having secured a lucrative acquisition deal with Neurocrine Biosciences (also held by the fund).

Substantial underweightings in large biotech firms such as Gilead Sciences, Regeneron Pharmaceuticals and Alnylam Pharmaceuticals also provided a relative-return boost as their stocks declined, while underweight contributor Amgen posted a lagging 2Q26 gain of less than 4%. Gilead, Regeneron and Alnylam were still important fund holdings (covering about 10% of total net assets when combined), and they were also among the portfolio's major detractors in absolute, standalone terms. The fund was further aided by a strategic lack of investment in various index component stocks that fared poorly; the key "contributors by omission" in this regard were United Therapeutics and Summit Therapeutics.

Conversely, most of the major individual detractors hindered the fund's otherwise strong results in biotech, while off-index Context Therapeutics and AstraZeneca pressured returns in pharma. The main detractors included Insmed's expense-driven selloff, AstraZeneca's regulatory headwinds around camizestrant and Alecoglipron, and Context's sharp decline despite encouraging early-stage oncology data. Other overweighted or off-benchmark detractors included Inventiva, Olema Pharmaceuticals, Syndax Pharmaceuticals, Mineralys Therapeutics and Oric Pharmaceuticals, all of which failed to advance. The fund's lack of exposure to Moderna, Twist Bioscience, Roivant Sciences and several other rallying index component companies further dented relative performance.

Much smaller portfolio positions in oncology-focused enGene Therapeutics (-77%; sold by quarter-end) and Sensei Biotherapeutics (-53%) illustrated the asymmetric risk inherent in clinical-stage biotech exposure, where binary trial outcomes (enGene) and earnings misses (Sensei) can produce sharp drawdowns.

In life sciences tools and services, results versus the index would have been better if not for the portfolio's lack of exposure to Illumina, 10X Genomics, Tempus AI and a handful of other index component stocks that posted strong quarterly returns. This industry benefitted from a gradual normalisation in bioprocessing demand and clinical trial activity after prior inventory destocking and capital expenditure (capex) deferrals, allowing leading platforms to re-leverage their fixed cost bases and begin expanding profit margins.

Market Outlook and Investment Strategy

The fund continues to be overweighted in mid-, small- and micro-cap biotech stocks as these market-cap tiers are where we see some of the best value. We believe the fund is well positioned through its emphasis on companies with validated platforms, upcoming catalysts and strong balance sheets. We also continue to emphasise selectivity, favouring what we believe to be clinically or commercially "derisked" assets, with a focus on companies developing first-in-class, best-in-class or only-in-class therapies that address significant unmet medical needs.

Source: Franklin Templeton

Franklin Technology Fund (SGD and USD)

Investment and Market Review

Markets: Global equities delivered robust gains during the second quarter of 2026 (2Q26), buoyed by improving corporate earnings and a decisive rotation into technology-driven growth themes. The de-escalation of geopolitical tensions in the Middle East and the subsequent decline in energy prices provided a constructive backdrop for risk assets, while the AI-driven capital expenditure cycle remained a dominant force, underpinning earnings revisions across sectors.

Contributors: Effective security selection across several core industry allocations, including semiconductors, systems software, tech hardware, application software, and electronic components.

Detractors: A mix of declines or lagging gains in 12 out of 16 off-benchmark industries, with relative returns hindered foremost by interactive media and services, broadline retail, and movies/entertainment holdings.

The fund's (Class A, net of fees) 2Q26 outperformance versus the MSCI World Information Technology Index was driven almost entirely by security selection, while asset allocation was a minor headwind that reflected the cost of holding non-benchmark sector and industry exposures. A key factor was an overweighting in leading semiconductor and AI infrastructure companies and underweighting in slower-growing legacy IT constituents in the benchmark.

Semiconductor holdings covered 39% of the portfolio and combined for a 66% gain, with results versus the index aided by impressive rallies for overweight or off-benchmark contributors such as Arm Holdings (+133%), Micron Technology (+242%), Marvell Technology (+202%), SK Hynix (+63%; purchased during the period) and Advanced Micro Devices (+185%). Keeping less than half the index's 19.5% exposure to chipmaking giant NVIDIA further lifted relative returns as NVIDIA's 15% gain trailed the benchmark. Chip stocks notched their best quarter on record despite intermittent selloffs. Aside from robust financial metrics and momentum during the 1Q26 earnings season, AI data centre buildout remained the dominant narrative, with NVIDIA, AMD, Broadcom (also held by the fund) and other GPU/network names setting new highs as hyperscale capex and AI infrastructure orders remained solid. At the same time, the "old economy" side of semis inflected: earnings from analogue and power management names showed evidence that a roughly two-year industrial destocking phase had ended and demand was re-accelerating, especially for industrial and automotive chips.

The fund's limited exposures to mega-capitalisation laggards such as Microsoft (up only 1% in 2Q26) in systems software, and Apple (+14%) in the tech hardware industry, were helpful. When combined, they covered just over 8% of the portfolio while representing more than 28% of the cap-weighted index. Apple and Microsoft still delivered strong earnings and robust forward guidance, even as both navigated supply chain and investor sentiment headwinds.

Other pockets of relative and absolute strength included electronic components, where off-index Samsung Electro-Mechanics (purchased during the period) more than quadrupled in value; and semi materials and equipment, as overweight positions in Applied Materials and Lam Research more than doubled. Samsung reported a sharp earnings inflection and guidance upgrade tied to exploding demand for high-value multilayer ceramic capacitors (MLCCs) and advanced package substrates used in AI servers and accelerators. Anticipation of double-digit MLCC price hikes, alongside structurally tighter supply conditions down the AI hardware supply chain, helped fuel the rally.

Despite a solid combined gain of more than 71% for the fund's pre- and post-initial public offering (IPO) investments in Space Exploration Technologies (SpaceX), communication services sector stocks (comprising about 10% of the portfolio) were the largest single source of allocation underperformance. Off-benchmark interactive media and services industry investments in Meta Platforms and China-based Tencent Holdings failed to advance, while the roughly 23% gain for Alphabet (Google) trailed the benchmark. In contrast to the sharp rally in AI infrastructure and "picks-and-shovels" stocks, all three companies sat on the disadvantaged side of this phase of the AI trade: large, ad-driven platforms with heavy but noisy AI capex, less visible incremental monetisation and persistent regulatory overhangs.

Tech-adjacent e-commerce detractors Amazon.com, Alibaba Group Holding and MercadoLibre posted mixed and relatively weak returns. Investors treated them more as cyclical, macro-sensitive consumer and fintech platforms than as pure AI or infrastructure beneficiaries, making them natural funding sources during the AI-led rally. Ongoing investment in logistics, cloud and fintech, together with regulatory overhangs (notably in China) and near-term margin and valuation concerns, further tempered appetite even as underlying revenue growth remained robust.

Market Outlook and Investment Strategy

We remain positive on technology sector fundamentals heading into July. While the macroeconomic backdrop is not without risk, we see a relatively stable environment ahead as oil prices decline on the expectation of a US-Iran resolution. This, combined with the ongoing AI investment cycle, should support continued positive earnings revisions for the tech sector. Year-to-date, we've seen a 19% increase in 2026 earnings expectations for companies tracked by the MSCI World IT Index, driven largely by semiconductor and data centre hardware companies tied to AI capital investment. We expect strong fundamental performance in these industries to continue into the 2Q26 corporate earnings season (which starts in mid-July), as the demand backdrop for AI compute capacity remains robust. We're also finding opportunities beyond semiconductors, particularly in companies that are enabling or using AI and showing improved growth and/or profitability as a result.

Source: Franklin Templeton

Franklin Templeton Investment Funds – Franklin Income Fund (SGD and USD)

Investment and Market Review

Markets: US equities, as measured by the S&P 500 Index, rebounded strongly during the second quarter of 2026, recovering from a weak start to the year as investor confidence improved despite ongoing geopolitical uncertainty. Sentiment was supported by robust corporate earnings, particularly from companies exposed to artificial intelligence (AI) infrastructure, with continued increases in capital expenditure reinforcing confidence that the AI investment cycle remained intact.

Contributors: Both the fixed income and equity sides of the portfolio contributed to the fund's absolute returns. On a relative basis, underweight positioning and selection within fixed income assisted results, as did an overweight allocation to equities.

Detractors: Stock selection detracted from relative equity performance.

Franklin Income Fund — A (Mdis) USD shares without sales charges — underperformed its benchmark, the Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index, for the quarter ended June 30, 2026.

Over the course of the quarter, the fund increased its fixed income allocation and decreased its equity exposure.

Fixed income allocations to health care, industrials and consumer discretionary securities had a positive effect on absolute fund performance. Meanwhile, no sectors hindered results during the period.

On an individual issuer basis, Community Health Systems, Organon & Co. and US Treasuries were leading contributors within the fund's fixed income positioning. In contrast, Tronox Holdings detracted from returns.

In terms of equities, the fund benefitted from positions within the information technology, health care and financials sectors. This positive performance was partially offset by energy, materials and communication services stocks, which detracted from absolute results.

UnitedHealth Group, Cisco Systems and Microchip Technology added value to the fund's equity holdings. However, Accenture, ExxonMobil Holdings and Chevron detracted from returns during the period.

Market Outlook and Investment Strategy

Economy: The outlook for economic growth and inflation continues to be a major area of focus for the fund. The US economy remains resilient, but ongoing uncertainty in monetary and fiscal policy, as well as trade and geopolitical risks, remain sources of volatility. Moreover, while the labour market has incrementally cooled, unemployment levels are still low on a historical basis. We continue to monitor financial conditions as a leading indicator of future economic performance and Fed policy.

Equities: The start of 2026 saw elevated equity market dispersion after an extended period of very narrow market breadth. Amid the recent return to more narrow market leadership, we have found select opportunities within the communication services and financials sectors. Ultimately, given current valuations, we remain selective in engaging with equities and continue to focus on broad diversification across sectors while maintaining flexibility to capitalise on potential dislocations.

Treasuries/Government-Backed Bonds: Government securities continue to provide a compelling investment opportunity, in our view, as yields remain elevated based on recent history. We believe they continue to offer good diversification potential and can serve as a ballast to help hedge portfolios during market volatility.

Investment-Grade Corporate Bonds: Absolute yield levels remain compelling for an income-generating strategy, but credit spreads remain near cycle lows, despite some recent widening. With credit spreads at current levels, we believe future returns may be driven by interest-rate moves and carry rather than from meaningful spread compression.

High-Yield Corporate Bonds: Although we think the high-yield market offers compelling yields, we remain balanced and selective with a focus on strong company fundamentals. We maintain a vigilant approach to security selection within our high-yield portfolio, with our preference for companies that have a greater degree of flexibility to address upcoming maturities.

Source: Franklin Templeton

Franklin U.S. Opportunities Fund (SGD and USD)

Investment and Market Review

Markets: US equities rebounded strongly during the second quarter of 2026, recovering from a weak start to the year as investor confidence improved despite ongoing geopolitical uncertainty. Sentiment was supported by robust corporate earnings, particularly from companies exposed to AI infrastructure, with continued increases in capital expenditure reinforcing confidence that the AI investment cycle remained intact. At its two meetings during the quarter, the US Federal Reserve left interest rates on hold. The easing of Middle East tensions and a decline in oil prices helped alleviate inflation concerns, encouraging a broad recovery in risk assets. The Nasdaq Composite Index outperformed the S&P 500 Index and Dow Jones Industrial Average. By investment style, growth investing surpassed value in each cap segment, while across the overall market, small-cap stocks performed better than their large- and mid-cap counterparts.

Contributors: The fund fared better than its benchmark in the second quarter, with stock selection in the information technology (IT) sector being the overwhelming leading contributor to relative returns. Selection in the communications services and consumer staples sectors was also additive.

Detractors: Conversely, allocation decisions had a negative impact on relative returns. Underweights in the IT, health care and materials sectors all held back relative performance.

The fund's A (acc) USD shares outperformed the Russell 3000 Growth Index benchmark in the second quarter. In the IT sector, Micron Technology was a leading contributor to outperformance. Shares of the memory chipmaker continued to rise sharply during the period as their products are in high demand to support AI applications. The company passed \$1 trillion in market capitalisation during the quarter, supported by long-term chip supply agreements with their customers.

In the communication services sector, an off-benchmark holding in Space Exploration Technologies (SpaceX) contributed positively to relative returns. Our privately-held shares increased in value following the company's IPO, reflecting strong investor demand and optimism regarding the company's future growth potential.

Conversely, Insmed, a commercial-stage biotech focused on rare diseases, held back relative returns in the health care sector. The company's shares fell after narrowly missing revenue projections. Investors have also raised concerns about the launch visibility of Insmed's new lung inflammation drug BRINSUPRI.

Market Outlook and Investment Strategy

Overall, our view on US equities remains positive despite heightened geopolitical risks. The US economy is relatively insulated from rising energy prices, but we are monitoring its potential impact on inflation and consumer spending. In an environment where investors should be selective, our focus is on owning high-quality franchises with durable competitive advantages, often supported by secular tailwinds.

US economic growth and year-to-date market performance has been supported by strong profit margins and corporate earnings growth. We expect earnings growth to remain robust through year-end providing support to valuations and the overall market.

We are closely monitoring the evolving conflict in Iran. While hostilities appear to have settled, the Strait of Hormuz remains a key variable, with any significant disruption to energy supplies potentially impacting the global growth and inflation outlook. We have limited direct exposure to the energy sector but are monitoring how a sustained rise in energy prices could impact the portfolio and impact the broader US economy.

The US Opportunities strategy has an active, fundamentally driven quality bias and employs a multi-cap approach to maintain a diversified portfolio. While we own many mega-cap leaders, we remain underweight relative to highly concentrated benchmarks. We view this positioning as balanced and complimentary to many of the concentrated passive indexes.

In 2026, we are focused on structural themes shaped by AI, and automation, which are now producing measurable productivity gains not only in the IT sector but in the health care, financials, industrials and consumer sectors. We are also monitoring potential risks for the US economy, including inflation, regulatory pressures, geopolitical friction, infrastructure bottlenecks and unfavourable policy shifts. We expect to see an innovation-led expansion underpinned by quality fundamentals in an environment where we believe disciplined, active management has an advantage.

Source: Franklin Templeton

FSSA Dividend Advantage Fund (SGD and USD)

Investment and Market Review

Performance

Key contributors to performance included **Samsung Electronics**, as it continued to benefit from strong demand for memory chips. Given the supply shortages, prices are on an up-trend which bodes well for Samsung's profitability. **Taiwan Semiconductor Manufacturing ("TSMC")** also rose. A chip supply shortage should support higher prices and feed into gross margins and profitability.

On the negative side, **Bank Central Asia ("BCA")** declined on concerns about Indonesia's economic weakness. However, BCA's recent earnings results were resilient, and the bank's long-term investment case hasn't changed. **Tencent** fell on concerns about its slow monetisation of artificial intelligence ("AI"). Nevertheless, its WeChat ecosystem should provide it with strong advantages in the AI era.

Portfolio Changes

The Fund bought shares in **Sunny Optical Technology**, a leading Chinese supplier of optical components. The company is gaining market share in camera modules for the automotive industry and sees growth opportunities in areas like augmented-reality glasses and industrial cameras for warehouse management.

The Fund also purchased **Contemporary Amperex Technology ("CATL")**, a leading manufacturer of electric vehicle batteries and energy storage systems, and a technology and cost leader in its field.

The Fund sold **China Mengniu Dairy** due to lowered conviction in its risk-reward. The company has faced a challenging environment over the past few years, which has affected growth and revenues. The Fund also sold **Shenzhou International** to switch to **Sunny Optical**.

Market Outlook and Investment Strategy

While the Middle East conflict has led to short-term market volatility, the Fund's quality bias means that its underlying holdings should remain resilient. Although Asia is heavily dependent on the Middle East for its energy needs, Asian countries have historically operated in a more inflationary environment, and this has been taken into account in the stock selection process.

In the long run, Asia should benefit from the shift towards higher value services-led growth, digital transformation and increased access to banking services. Valuations look attractive in comparison to developed markets, while low ownership of Asian equities in global portfolios provides a good backdrop for absolute returns.

Source: First Sentier Investors

FSSA Regional China Fund (SGD and USD)

Investment and Market Review

Performance

Key contributors to performance included **MediaTek**, which rose amid optimism surrounding its partnerships with Google and other major technology firms to create custom chips for artificial intelligence ("AI") applications. **Silergy** also rose after reporting better-than-expected earnings results, thanks in part to strong AI-related demand for its power-management chips.

On the negative side, **PDD** fell after reporting disappointing earnings results, with revenue growth lagging analyst expectations. **Tencent** also declined as concerns persisted about the pace of its commercialisation of AI technology.

Portfolio Changes

New purchases included **SG Micro**, a leading analogue chip designer in China, which is seeing rising data-centre demand for its products. Another addition to the Fund was **Voltronic Power Technology**, a Taiwanese manufacturer of uninterruptible power supply ("UPS") and inverter equipment.

The Investment Manager sold **Shenzhou International** due to concerns over its growth outlook, and **AirTac International** as its valuation had risen to expensive levels.

Market Outlook and Investment Strategy

The Investment Manager focuses on high-quality companies with strong market positions, capable management teams and good growth prospects. Many of the businesses owned in the Fund are aligned with the longer-term themes shaping the Chinese economy.

Consumer spending patterns in China are evolving, but demand for experiences such as travel, leisure and tourism remains resilient, while government measures to support employment and the property market should help strengthen confidence over time.

Chinese companies are also becoming increasingly competitive globally, supported by ongoing investment in innovation and technology. Despite near-term uncertainties, the Investment Manager remains optimistic about the long-term outlook for China and believes many portfolio holdings continue to offer attractive valuations relative to their growth potential.

Source: First Sentier Investors

HGIF - Asia Pacific ex Japan Equity High Dividend (SGD and USD) / S48M2SGD

Investment and Market Review

MSCI AC Asia Pacific ex Japan gained 43.19% over 1 year end June 2026 (SGD term). In terms of geography, Korea and Taiwan were the best performing countries while Indonesia was the worst performing country. In terms of sectors, information technology was the top performing one while consumer discretionary underperformed.

The fund underperformed against the benchmark on a 1 year basis. Positive stock selection effect in Mainland China and communication services positively contributed to performance, partially offset by the unfavourable stock selection effect in Korea as well and information technology.

In terms of positioning, we are most overweight to Singapore and financials. On the other hand, we are most underweight to Australia and information technology as of end June 2026.

Market Outlook and Investment Strategy

Rising energy prices have increased concerns around inflation and growth across Asia. We're closely monitoring Middle East developments for their duration and implications for oil, inflation and portfolio risk.

We remain constructive on the AI theme, but strong tech-led performance in North Asia in 1H26 makes second-half leadership less certain. We're selective and mindful of volatility as the trade becomes crowded, staying anchored on earnings as the key driver of equity returns.

Governance and capital market reforms are an important tailwind: Korea has led and could see further support in 2026, while China and Singapore are also progressing in shareholder-return initiatives. Regional valuations have de-rated (12.1x end-June from 13.1x end-May; ~-1.2sd vs the 10-year average), and dispersion across markets reinforces the case for alpha over beta.

Earnings growth should drive 2026 returns - some markets (e.g., India) saw cuts after geopolitical shocks, while Korea benefits from the tech cycle; consensus expects a sharp 2026 pickup led by AI and a China profit recovery. Light foreign positioning could amplify upside once headwinds fade. We're positive on medium-term growth in India and ASEAN, while watching USD strength and geopolitics.

Source: HSBC Global Asset Management

HGIF - Global Equity Climate Change (SGD and USD)

Investment and Market Review

The HGIF Climate Solutions fund returned 14.1% over the 12 months to 30 June 2026, in line with the broader climate theme. Global equities were supported by enthusiasm for AI, but markets clearly differentiated between winners and losers. Industrial and IT companies supplying equipment and hardware to data centres performed strongly, as rising AI-related energy and computing needs increased demand for solutions that improve energy efficiency and reduce energy losses. This backdrop particularly supported the fund's Energy Efficiency eco-sector holdings, including Vertiv (+161%), TSMC (+113%) and Infineon (+122%). In contrast, software and information services companies faced greater disruption risk from AI, which weighed on share prices. The fund has limited exposure to software, focused mainly on vertical solutions with strong domain expertise or proprietary data that is hard to replicate. Even so, holdings such as Verisk Analytics, SAP and Autodesk were impacted. Over the past year, we have made several adjustments to the portfolio —exiting stocks more exposed to AI disruption (Verisk Analytics, Accenture) and macro sensitivity (Ecolab, Smurfit WestRock), and adding companies with accelerating growth, including Delta Electronics, Amphenol, Quanta Services, Siemens Energy and GE Vernova.

Market Outlook and Investment Strategy

The world is undergoing a substantial technological transformation brought about by AI. Its growth however may be challenged by energy bottlenecks. Climate Equities offer innovative solutions to these energy challenges and can be a key enabler to the sustainable advancement of AI. This is why we are optimistic about the role that the Energy Efficiency eco-sector can play, whether that's providing efficient cooling solutions for data centers or automation solutions in factories. Our optimism transcends the energy efficiency space and reaches the grid infrastructure sector within Renewable Energies. Upgrading and expanding electric networks is critical to support the acceleration in power demand and energy regulators are aligned with investors to bolster these necessary investments. Therefore, we have positioned our fund to take advantage of these opportunities. Another attractive opportunity is solutions to provide climate resiliency. The negative effects of climate change are being felt by a growing number of people and we see the urgency of governments and regulators to respond to these impacts. That is why we are investing significantly in water infrastructure enablers who help build systems that protect communities from extreme weather events. In the near-term, we see macro headwinds from policy uncertainty and tariff volatility, which may impact cyclical areas of the Climate Equities universe such as Renewable Energies. However, the Climate Equities universe offers a vast spectrum of solutions, and this diversity enables us to navigate dynamic macro environments and adjust the portfolio flexibly.

Source: HSBC Global Asset Management

HGIF - Global High Income Bond Fund (SGD and USD)

Investment and Market Review

The last 12 months saw markets shaped by shifting trade policy, central bank expectations and geopolitics. A rally through late summer 2025 followed volatility triggered by April tariff announcements, supported by resilient growth and stabilising risk appetite. Sentiment turned more cautious in autumn as trade

tensions resurfaced, default headlines increased, concerns grew around the scale of AI investment, and a more hawkish Federal Reserve pushed volatility higher. Late 2025 improved as delayed US data releases proved broadly benign and the Fed delivered its third 25bp cut, supporting risk assets into year-end. From Feb 2026, Middle East tensions lifted oil prices, adding to inflation pressure and reinforcing “higher for longer” rates. Despite this, global credit was resilient, with spreads recovering after risk-off episodes.

Although initially falling in the second half of 2025 rates have risen in 2026 as a result of the conflict in Iran. Over the 12 month period the 2, 5, 10 and 30 year saw yields rise by 0.45%, 0.43%, 0.24% and 0.18% respectively while Global IG and HY spreads are tighter by 11 and 31 bps respectively.

Overall the fund saw positive contribution to return from all asset class segments of the portfolio. EM was the best performer strongly outperforming the other regions on a asset classes basis. This was followed by Euro Credit while ABS and US Credit lagged. On a relative basis ABS was again the strongest performer followed by EM while US Credit saw the weakest performance underperforming the reference universe.

Market Outlook and Investment Strategy

Looking through the short-term volatility caused by headlines regarding the Iran conflict, underlying credit fundamentals remain broadly stable. This is supported by resilient corporate earnings, and global credit yields that are still attractive by historical standards—helping to sustain investor demand. At the same time, credit spreads remain near their tights of the year. As market sentiment around the Iran situation has generally improved, we’re returning to our medium-term view that any inflationary impact should ease as energy prices fall—while continuing to stay alert to the risk of renewed escalation. We’re also keeping a close eye on company updates for signs of margin pressure, whether from higher input costs, tariffs, or softer demand in sectors outside those benefiting from AI-related growth. Our central expectation remains a “soft landing” over the next 12 months.

The fund continues to be moderately overweight credit risk with a beta of 1.06 vs the investment universe. The portfolio sits at BBB- from an average credit ratings perspective with a IG/HY breakdown of 57%/43%. Portfolio duration sits at 4.55% marginally above that of the investment universe. Looking further into performance factors, what is interesting is the continued strength in industrial and manufacturing complex, especially in the US. Some of the best performing sectors recently have been metals mining, capital goods and technology. This is part of the flow through effect from the AI data center build and capital expenditure in the economy.

Source: HSBC Global Asset Management

HGIF - Global Short Duration Bond (SGD and USD)

Investment and Market Review

Over the year, the fund’s value rose by 4.68%, outperforming the benchmark by 1.03% (gross).

Our overweight to credit contributed to performance over the year as credit spreads generally tightened, despite a sharp risk-off episode in March as oil prices and inflation expectations repriced following the Gulf conflict. The positive impact from Asset Allocation and Security Selection was mainly driven by

Corporate Financials and Corporate Non-Financials, with additional support from Securitised Credit and selective Emerging Markets exposure (notably Brazil) and High Yield later in the period.

Rates positioning detracted over the year overall, despite some helpful periods. In Q3 2025 and Q4 2025, rates performance was mixed but negative overall, as gains from long-duration positions were later reversed (e.g., UK/Germany duration helped in October but detracted in November; US duration helped in November but detracted in December, with Australia also detracting). In Q1 2026, our duration overweight contributed in January and February, but March more than offset this as yields rose sharply on the repricing of oil and inflation expectations following the Gulf conflict. Although duration added in Q2 2026 as yields fell across Europe, the UK and Australia amid easing geopolitical tensions and declining inflation expectations, it wasn't enough to fully offset earlier headwinds.

FX detracted overall. Currency performance was slightly negative in the second half of 2025 and remained a headwind through 2026, with defensive positioning only partially offsetting broader negative contributions.

Market Outlook and Investment Strategy

The Fund maintained an overweight duration position, actively rebalancing as relative value and the macro backdrop evolved. In Q3 2025, we added Canada duration funded by reducing European, US and UK overweights, then trimmed UK risk and switched the Canada position into Australia. In Q4 2025, we kept the overall overweight, cutting Germany/UK/Australia early, then selectively adding back to Australia and the UK; we also rotated part of the Euro 5-year exposure into US 5-year duration. In Q1 2026, we reduced duration in January–February and held it flat in March despite a sharp rise in yields; we closed China duration, reduced Australian and US overweights and closed the US steepener. In Q2 2026, we modestly increased duration by adding to the 3–5 year European curve, ending at 2.6 years.

Our credit overweight remained a core theme, with ongoing rotation within shorter-dated, higher-quality holdings. We sold more fully valued securities and reinvested into positions with better upside or defensive characteristics. In early Q1 2026, we diversified via HY and EMD local, then trimmed corporate credit and EMD in March and early Q2 2026, while maintaining an overall credit overweight.

In FX, we adjusted our USD view versus EUR and JPY in Q3 2025, closed long EUR and GBP versus USD in Q4 2025, stayed long JPY in Q1 2026, and in Q2 2026 remained long JPY and EUR versus USD while adding long NZD versus AUD in June on valuation.

Source: HSBC Global Asset Management

HGIF – India Equity Fund (SGD and USD)

Investment and Market Review

The MSCI Indian Net Index fell -11.24% over the 1 year end June 2026 (SGD term). In terms of sectors, industrials was the top performing one while information technology underperformed.

India underperformed the region during this period on the back of a softer relative earnings, foreign outflows and tighter macro constraints (oil/imported inflation and rates), while North Asia/parts of ASEAN benefited more from cheaper valuations and tech/export-led tailwinds.

The fund outperformed the benchmark on a 1 year basis. Positive stock selection effect in financials and healthcare were the largest contributors to performance. On the other hand, unfavourable allocation effect from our overweight in real estate was the largest detractor to strategy performance.

The largest stock contributor over the 1Y period was Multi Commodity Exchange India while the largest stock detractor was DLF Ltd.

In terms of sector positioning, we are most overweight to consumer discretionary and real estate, and most underweight to materials as of June 2026.

Market Outlook and Investment Strategy

Overall India's relative returns to regional markets in 1H26 were the weakest in 30 years. As we look ahead into the second half, we see an opportunity for India to recover as lower energy prices have improved growth and earnings prospects, while pressure on INR has eased following RBI's recent measures. Geopolitical events remain a key risk for Indian equities. The duration of the Middle East conflict and the path of energy prices will be central in gauging the impact on inflation, the current account and market sentiment. Despite near-term volatility, we see risk/reward as attractive for investors with a medium- to long-term horizon.

Flows could turn more supportive if macro overhangs ease, with active global fund exposure to India near a two-decade low and domestic institutional inflows continuing. Earnings may face headwinds from higher energy costs via input inflation and softer sentiment; delivery versus expectations will be key for re-rating. Valuations look more balanced, with the Asia premium at ~67% (end-June) and a P/E of 20.3x. We remain constructive on India's structural growth drivers, reforms, and stronger corporate and banking balance sheets.

Source: HSBC Global Asset Management

HGIF - Managed Solutions – Asia Focused Income (SGD and USD)

Investment and Market Review

The fund delivered a positive return over the 1-year period despite a volatile market backdrop, driven primarily by core Asia ex-Japan equity exposures, followed by credit positions across investment-grade and high-yield bonds. Within equities, tactical trades were broadly additive, with positive contributions from exposures to Korea, Taiwan, Japan, emerging markets and Hong Kong, partially offset by positions in Thailand and Malaysia equities. In fixed income, overall contribution was positive, though partly offset by core exposures to Asian local-currency bonds.

Market Outlook and Investment Strategy

Looking ahead, our base case is for global growth to become more evenly distributed as the US cools towards trend and becomes more balanced, bringing it closer to other major economies. The interim US–

Iran MOU has eased near-term tail risks by lowering oil prices and relieving some non-oil commodity supply constraints, supporting consumers and helping inflation risks moderate—though the geopolitical backdrop remains fluid. Markets still look set for a “higher for longer” rate environment, with central banks retaining optionality (Fed more inflation-focused, ECB open to another hike, BoE on hold), but lower energy prices could create scope for modest US cuts in 2027. With China supported by macro policy and strong tech/industrial competitiveness (despite ongoing imbalances), we expect profit growth to broaden beyond mega-cap tech—creating catch-up potential across overlooked equities and maintaining a constructive backdrop for attractively valued emerging markets as AI-led capex continues to underpin activity into 2026.

Source: HSBC Global Asset Management

HGIF - Singapore Dollar Income Bond (SGD and USD)

Investment and Market Review

In Q3 2025, the Singapore economy experienced steady growth on a year-on-year basis, driven primarily by the manufacturing, wholesale trade, and finance & insurance sectors. Unemployment rates remained stable overall. Total employment increased from the previous quarter, while there was a slight moderation in the number of retrenchments. Inflation, as measured by the Consumer Price Index-All Items (CPI-All Items), eased compared to the preceding quarter. In Q4 2025, Singapore’s economy recorded a stronger year-on-year expansion, with growth supported by broad-based improvements led by manufacturing, wholesale trade, and finance & insurance. Unemployment was largely steady overall and total employment grew, while retrenchments declined slightly. CPI-All Items inflation increased year-on-year and accelerated. In Q1 2026, Singapore’s economy continued to grow year-on-year, driven primarily by wholesale trade, manufacturing, and finance & insurance. Unemployment edged up slightly at the overall level and total employment expanded, while retrenchments were broadly stable. CPI-All Items inflation rose year-on-year and picked up pace further, mainly led by health and transport. In April, core inflation eased and undershot expectations, as service prices surprised lower. Meanwhile, headline inflation held steady. In May, core inflation held steady and came in below expectations, indicating broadly stable inflationary conditions. Year-ago headline inflation also remained stable and undershot expectations. During this period, the Monetary Authority of Singapore (MAS) tightened its monetary policy settings in April 2026 by slightly increasing the slope of the Singapore dollar nominal effective exchange rate (S\$NEER) policy band. Meanwhile, the Singapore sovereign yield curve generally shifted lower over the period.

Market Outlook and Investment Strategy

Singapore’s macro environment remains broadly supportive for Singapore Government Securities (SGS), with growth expected to stay firm but gradually moderate as the AI-driven electronics surge meets a higher base and more cautious global financial conditions. Softer-than-expected recent inflation readings and easing energy prices have reduced the urgency for further near-term MAS tightening, even as the policy stance stays relatively firm and focused on guarding against upside risks from imported costs and supply-chain disruptions. This combination of resilient activity, contained inflation and a disciplined fiscal framework—where borrowing is not used to fund day-to-day spending— reinforces Singapore’s

safe-haven status, supporting steady demand for SGS and keeping them relatively attractive versus regional peers as high-quality duration.

SGS yields have outperformed US Treasuries so far in 2026, helped by safe-haven flows and flexible auction sizing, and are likely to remain relatively low and stable with a gentle upward bias at the belly and long end as global rates stay elevated. Against this backdrop of compressed risk premia and elevated rates volatility, SGD credit continues to offer attractive all-in yields and defensive carry, with demand supported by low default risks and quality carry over broad beta.

The fund holds a meaningful proportion of SGD denominated investment grade bonds. At the same time, it also diversifies into the USD Asian credit market which offers a wider selection of bonds across the credit rating spectrum than the SGD bond market. As of June, we maintained a short duration stance via US Treasury futures amid the Fed's hawkish message. Meanwhile, the fund maintains a long duration bias in Singapore dollar bonds, as we see the SGD yield curve as one of the most resilient in Asia. From a sectoral standpoint, the fund prefers corporates over agency bonds. The fund has an overweight position in financials, where the overweight is predominantly driven by the exposure to Hong Kong and Japanese insurers' subordinated debt. The fund also favors selective bank subordinated debt in Europe and the broader Asia Pacific region given their relatively defensive nature and attractive yields. Additionally, the fund has a meaningful allocation to Singapore REITs. In the meantime, it holds a certain exposure to high quality quasi-sovereign names in Singapore for yield carry.

Source: HSBC Global Asset Management

HSBC Portfolios - World Selection 1 (SGD and USD)

Investment and Market Review

Despite volatility driven by geopolitical tensions, both equity and bond markets performed strongly over the period. Further rate cuts by the Fed in the second half of 2025 were supportive of risk assets. However, returns were hit by a surge in oil prices in March 2026, from the escalating Middle East conflict. Markets recovered in Q2 2026, after an interim US-Iran cease-fire eased oil prices and moved towards restoring supply disruptions from the closure of Strait of Hormuz. Global equities delivered 24.2% over the period. Emerging markets outperformed developed markets, fuelled by a surge in AI-driven demand for high-bandwidth memory and advanced chips produced in Asia. The UK, Japan and the US also posted strong gains. The US dollar and gold rose on safe-haven demand from geopolitical uncertainty. Global bonds also performed positively, supported by the rate cuts and easing inflation concerns.

As a result of the market performance, all five World Selection Portfolios delivered strong positive absolute returns over the period.

Market Outlook and Investment Strategy

Cautious optimism: Shipping through the Strait of Hormuz is slowly normalising and oil prices have fallen sharply. Strong corporate profits, ongoing AI investment, government spending and deregulation all remain supportive for markets. As a result, we increased equity exposure to move overweight.

We balance portfolio risk by holding a reduced exposure to credit, as well as a lower property allocation. We also maintain a higher allocation to infrastructure and commodities.

Selective cyclical strength: In Europe, we tilt towards higher-profitability sectors, such as banks, insurance and European technology and telecommunications and we are tilted away from weaker areas such as chemicals, industrials and automobiles. In the US, we lean into sector neutral value factor, small caps, quality, energy and communication services. We also added short exposures in healthcare and materials. We remain tilted towards Japan and Japanese banks. Within emerging markets, we favour Brazil and Korean equities. We favour Hong Kong Technology relative to Hong Kong equities, and are tilted away from Australia, South Africa and India.

Navigating the rate cycle: We continue to prefer a diversified government bonds exposure, with tilts towards Gilts, Bunds, Japanese bonds, Canadian bonds and Treasuries. On a relative value basis, we focus our long bond exposure on UK, Australia, France and Canada, and we hold reduced exposure to Japanese and Korean bonds. In currencies, we favour Brazilian Real, Hungarian Forint within emerging markets and Canadian dollar, Norwegian krona relative to short Sterling in developed markets.

Source: HSBC Global Asset Management

HSBC Portfolios - World Selection 2 (SGD and USD)

Investment and Market Review

Despite volatility driven by geopolitical tensions, both equity and bond markets performed strongly over the period. Further rate cuts by the Fed in the second half of 2025 were supportive of risk assets. However, returns were hit by a surge in oil prices in March 2026, from the escalating Middle East conflict. Markets recovered in Q2 2026, after an interim US-Iran cease-fire eased oil prices and moved towards restoring supply disruptions from the closure of Strait of Hormuz. Global equities delivered 24.2% over the period. Emerging markets outperformed developed markets, fuelled by a surge in AI-driven demand for high-bandwidth memory and advanced chips produced in Asia. The UK, Japan and the US also posted strong gains. The US dollar and gold rose on safe-haven demand from geopolitical uncertainty. Global bonds also performed positively, supported by the rate cuts and easing inflation concerns.

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Market Outlook and Investment Strategy

Cautious optimism: Shipping through the Strait of Hormuz is slowly normalising and oil prices have fallen sharply. Strong corporate profits, ongoing AI investment, government spending and deregulation all remain supportive for markets. As a result, we increased equity exposure to move overweight.

We balance portfolio risk by holding a reduced exposure to credit, as well as a lower property allocation. We also maintain a higher allocation to infrastructure and commodities.

Selective cyclical strength: In Europe, we tilt towards higher-profitability sectors, such as banks, insurance and European technology and telecommunications and we are tilted away from weaker areas such as

chemicals, industrials and automobiles. In the US, we lean into sector neutral value factor, small caps, quality, energy and communication services. We also added short exposures in healthcare and materials. We remain tilted towards Japan and Japanese banks. Within emerging markets, we favour Brazil and Korean equities. We favour Hong Kong Technology relative to Hong Kong equities, and are tilted away from Australia, South Africa and India.

Navigating the rate cycle: We continue to prefer a diversified government bonds exposure, with tilts towards Gilts, Bunds, Japanese bonds, Canadian bonds and Treasuries. On a relative value basis, we focus our long bond exposure on UK, Australia, France and Canada, and we hold reduced exposure to Japanese and Korean bonds. In currencies, we favour Brazilian Real, Hungarian Forint within emerging markets and Canadian dollar, Norwegian krona relative to short Sterling in developed markets.

Source: HSBC Global Asset Management

HSBC Portfolios - World Selection 3 (SGD and USD)

Investment and Market Review

Despite volatility driven by geopolitical tensions, both equity and bond markets performed strongly over the period. Further rate cuts by the Fed in the second half of 2025 were supportive of risk assets. However, returns were hit by a surge in oil prices in March 2026, from the escalating Middle East conflict. Markets recovered in Q2 2026, after an interim US-Iran cease-fire eased oil prices and moved towards restoring supply disruptions from the closure of Strait of Hormuz. Global equities delivered 24.2% over the period. Emerging markets outperformed developed markets, fuelled by a surge in AI-driven demand for high-bandwidth memory and advanced chips produced in Asia. The UK, Japan and the US also posted strong gains. The US dollar and gold rose on safe-haven demand from geopolitical uncertainty. Global bonds also performed positively, supported by the rate cuts and easing inflation concerns.

As a result of the market performance, all five World Selection Portfolios delivered strong positive absolute returns over the period.

Market Outlook and Investment Strategy

Cautious optimism: Shipping through the Strait of Hormuz is slowly normalising and oil prices have fallen sharply. Strong corporate profits, ongoing AI investment, government spending and deregulation all remain supportive for markets. As a result, we increased equity exposure to move overweight.

We balance portfolio risk by holding a reduced exposure to credit, as well as a lower property allocation. We also maintain a higher allocation to infrastructure and commodities.

Selective cyclical strength: In Europe, we tilt towards higher-profitability sectors, such as banks, insurance and European technology and telecommunications and we are tilted away from weaker areas such as chemicals, industrials and automobiles. In the US, we lean into sector neutral value factor, small caps, quality, energy and communication services. We also added short exposures in healthcare and materials. We remain tilted towards Japan and Japanese banks. Within emerging markets, we favour Brazil and Korean equities. We favour Hong Kong Technology relative to Hong Kong equities, and are tilted away from Australia, South Africa and India.

Navigating the rate cycle: We continue to prefer a diversified government bonds exposure, with tilts towards Gilts, Bunds, Japanese bonds, Canadian bonds and Treasuries. On a relative value basis, we focus our long bond exposure on UK, Australia, France and Canada, and we hold reduced exposure to Japanese and Korean bonds. In currencies, we favour Brazilian Real, Hungarian Forint within emerging markets and Canadian dollar, Norwegian krona relative to short Sterling in developed markets.

Source: HSBC Global Asset Management

HSBC Portfolios - World Selection 4 (SGD and USD)

Investment and Market Review

Despite volatility driven by geopolitical tensions, both equity and bond markets performed strongly over the period. Further rate cuts by the Fed in the second half of 2025 were supportive of risk assets. However, returns were hit by a surge in oil prices in March 2026, from the escalating Middle East conflict. Markets recovered in Q2 2026, after an interim US-Iran cease-fire eased oil prices and moved towards restoring supply disruptions from the closure of Strait of Hormuz. Global equities delivered 24.2% over the period. Emerging markets outperformed developed markets, fuelled by a surge in AI-driven demand for high-bandwidth memory and advanced chips produced in Asia. The UK, Japan and the US also posted strong gains. The US dollar and gold rose on safe-haven demand from geopolitical uncertainty. Global bonds also performed positively, supported by the rate cuts and easing inflation concerns.

As a result of the market performance, all five World Selection Portfolios delivered strong positive absolute returns over the period.

Market Outlook and Investment Strategy

Cautious optimism: Shipping through the Strait of Hormuz is slowly normalising and oil prices have fallen sharply. Strong corporate profits, ongoing AI investment, government spending and deregulation all remain supportive for markets. As a result, we increased equity exposure to move overweight.

We balance portfolio risk by holding a reduced exposure to credit, as well as a lower property allocation. We also maintain a higher allocation to infrastructure and commodities.

Selective cyclical strength: In Europe, we tilt towards higher-profitability sectors, such as banks, insurance and European technology and telecommunications and we are tilted away from weaker areas such as chemicals, industrials and automobiles. In the US, we lean into sector neutral value factor, small caps, quality, energy and communication services. We also added short exposures in healthcare and materials. We remain tilted towards Japan and Japanese banks. Within emerging markets, we favour Brazil and Korean equities. We favour Hong Kong Technology relative to Hong Kong equities, and are tilted away from Australia, South Africa and India.

Navigating the rate cycle: We continue to prefer a diversified government bonds exposure, with tilts towards Gilts, Bunds, Japanese bonds, Canadian bonds and Treasuries. On a relative value basis, we focus our long bond exposure on UK, Australia, France and Canada, and we hold reduced exposure to Japanese and Korean bonds. In currencies, we favour Brazilian Real, Hungarian Forint within emerging markets and Canadian dollar, Norwegian krona relative to short Sterling in developed markets.

Source: HSBC Global Asset Management

HSBC Portfolios - World Selection 5 (SGD and USD)

Investment and Market Review

Despite volatility driven by geopolitical tensions, both equity and bond markets performed strongly over the period. Further rate cuts by the Fed in the second half of 2025 were supportive of risk assets. However, returns were hit by a surge in oil prices in March 2026, from the escalating Middle East conflict. Markets recovered in Q2 2026, after an interim US-Iran cease-fire eased oil prices and moved towards restoring supply disruptions from the closure of Strait of Hormuz. Global equities delivered 24.2% over the period. Emerging markets outperformed developed markets, fuelled by a surge in AI-driven demand for high-bandwidth memory and advanced chips produced in Asia. The UK, Japan and the US also posted strong gains. The US dollar and gold rose on safe-haven demand from geopolitical uncertainty. Global bonds also performed positively, supported by the rate cuts and easing inflation concerns.

As a result of the market performance, all five World Selection Portfolios delivered strong positive absolute returns over the period.

Market Outlook and Investment Strategy

Cautious optimism: Shipping through the Strait of Hormuz is slowly normalising and oil prices have fallen sharply. Strong corporate profits, ongoing AI investment, government spending and deregulation all remain supportive for markets. As a result, we increased equity exposure to move overweight.

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Navigating the rate cycle: We continue to prefer a diversified government bonds exposure, with tilts towards Gilts, Bunds, Japanese bonds, Canadian bonds and Treasuries. On a relative value basis, we focus our long bond exposure on UK, Australia, France and Canada, and we hold reduced exposure to Japanese and Korean bonds. In currencies, we favour Brazilian Real, Hungarian Forint within emerging markets and Canadian dollar, Norwegian krona relative to short Sterling in developed markets.

Source: HSBC Global Asset Management

Janus Henderson Discovering New Alpha Fund (SGD and USD)

Investment and Market Review

The period from inception to the end of June 2026 was volatile due to geopolitics, artificial intelligence (AI) disruption and a new US Federal Reserve chairman. A growth-to-value rotation, given uncertainty about interest rates, energy price increases that stoked inflation worries and the 'SaaSocalypse' of software AI disruption fears, drove market lows in late March as the US/Iran conflict escalated regionally. However, a move towards a ceasefire that resulted in a memorandum of understanding to negotiate a more lasting peace, along with a reopening of the Strait of Hormuz, spurred a rebound in markets in April and May, led by the US, technology and, notably, semiconductors.

While this was a period full of headlines and market noise, we believe many of our key themes remained inexorable through this volatility, such as Longevity and Biotechnology. We think agentic AI progress only accelerates our Smarter Automation, Mobility and Lifestyle 2.0 themes, while recent geopolitical events have put more focus on the desire for greater security and energy independence, benefiting our Sovereignty and New Zero 2.0 themes.

At a stock level, technology companies, notably semiconductor businesses, continued to provide strong positive contributions. Applied Materials was a standout performer as it benefited from the semiconductor industry's accelerated spending plans to meet growing AI demand, particularly from memory companies. Another strong performer, Taiwan Semiconductor Manufacturing Company, has a near monopoly on the manufacture of advanced microchips, with industry shortages and customers' desire to diversify production globally allowing the company to increase its pricing and margins. Sandisk was buoyed by higher memory prices, along with the industry's drive to sign multiyear contracts locking in higher prices and margins, as well as financial guarantees. Cognex, which was also a strong contributor, is a leader in computing vision and has benefited from the deglobalisation of manufacturing following US tariff increases. This shift has driven higher returns on investment in industrial automation as companies have built new factories in higher-cost locations.

AI disruption concerns and memory price inflation risks impacted our key detractors, such as Prosus, whose key exposure is its investment in Chinese internet company Tencent. Nintendo weighed on returns as it was forced to raise console prices to offset increases in memory prices. Other detractors included Arthur J Gallagher, due to a perceived agentic AI risk to insurance broking, and ServiceNow, which was the only software company held in the portfolio that suffered during the AI disruption SaaSocalypse.

Beyond our standard practice of incorporating the best ideas from the underlying investment teams into the portfolio, our technology experience has allowed us to avoid key areas of real AI disruption. We addressed some volatility in mid-February to be even more draconian in removing stocks more at risk from AI disruption. As a result, the fund exited Ares Management, Shopify and Iqvia, as well as Nintendo and Universal Display, which were exposed to consumer electronics and memory cost inflation.

We participated in the initial public offering (IPO) of Cerebras Systems as a differentiated AI semiconductor architecture. The share price significantly exceeded our target price on its first day of trading and we exited the position. We re-entered the stock later in the period, when the share price fell below its initial IPO price.

Market Outlook and Investment Strategy

Global markets remain complex, volatile and noisy. We believe that trying to navigate this through the traditional lens of geography, sector or market capitalisation is a somewhat antiquated view and has proved inadequate in recent years. We think a more dynamic approach is required to embrace higher levels of concentration of returns. By harnessing our strongest ideas from experienced thematic stock pickers through disciplined portfolio optimisation, which can help dampen the natural biases of more growth-orientated investors, we seek the best of both worlds. That is, to benefit from the concentration of high-conviction ideas while aiming to maintain diversification by style, factor, geography and sector.

The innovation of AI, deglobalisation, increasingly scarce resources, the return of the cost of capital and an ageing population may create opportunities for companies that can provide solutions to these challenges. By identifying companies in these areas across a diversified range of themes, we believe we are well placed to target long-term capital appreciation and, over time, to seek to outperform global equities.

Source: Janus Henderson

Janus Henderson Global Technology Leaders Fund (SGD and USD)

Investment and Market Review

The reporting year was another strong one for the technology sector, despite significant volatility. While concerns about the scale and sustainability of capital expenditure (capex) on artificial intelligence (AI) emerged towards the end of 2025, these were followed in early 2026 by geopolitical tensions, higher-for-longer interest rate concerns and fears that AI companies such as Anthropic and OpenAI could disrupt established software business models. Despite these headwinds, technology equities recovered strongly during the second quarter of 2026, outperforming broader equity markets and ending the reporting year with robust absolute returns.

AI infrastructure remained the dominant investment theme throughout the year. Continued increases in large-scale data centre operators' capex, favourable demand/supply dynamics across memory semiconductors and growing evidence of AI adoption beyond model training reinforced confidence that the AI investment cycle remained durable. As a result, semiconductor businesses, memory manufacturers, semiconductor capital equipment companies and connectivity providers were among the strongest performers. More broadly, increased stock dispersion, rapidly evolving competitive dynamics and differentiated earnings outcomes created a favourable environment for active stock selection.

At a stock level, performance was led by AI infrastructure beneficiaries, particularly within semiconductors, memory and connectivity. Micron Technology was the largest contributor as favourable supply/demand dynamics, limited industry capacity and growing demand for AI-related memory products drove significant earnings upgrades and share price appreciation. Sandisk performed strongly as investors became increasingly positive about memory industry fundamentals, pricing trends and the durability of AI-driven demand. Taiwan Semiconductor Manufacturing Company continued to benefit from robust demand for advanced semiconductor manufacturing, while Applied Materials performed strongly as

increased AI-related investment highlighted the need for additional semiconductor manufacturing and advanced packaging capacity.

Connectivity and infrastructure-related holdings were also significant contributors. Ciena benefited from growing demand for AI networking solutions, while Flex delivered strong results as investors increasingly recognised its exposure to AI server and power infrastructure. Teradyne contributed positively as demand remained robust for semiconductor testing solutions. Infineon Technologies and Lattice Semiconductor added value as investors increasingly recognised the breadth of AI-related demand extending beyond data centres into power management, industrial and so-called edge-computing applications.

ServiceNow and Guidewire Software detracted as software stocks came under pressure amid concerns that AI competitors could disrupt traditional software business models. Spotify Technology and MercadoLibre underperformed despite continued operational progress, while investor concerns about growth, margins and capital allocation weighed on sentiment.

We remained active throughout the year, using periods of market volatility and changing investor sentiment to refine the fund's positioning. As technology leadership continued to evolve, we selectively added to our highest-conviction opportunities, took profits where valuations had become more demanding and reallocated capital towards beneficiaries of the next phase of AI adoption. We increased exposure to areas of the market that we believed were best positioned to benefit from the continued expansion of AI infrastructure. New positions included Sandisk, Applied Materials, Teradyne, Advanced Micro Devices, Qualcomm, Synopsys, SK Hynix, Tokyo Electron, ASML, Hon Hai Precision Industry, Halma, F5 and Cerebras Systems.

We also actively recycled capital from positions that had become less attractive or where we identified stronger opportunities elsewhere. Sales included Marvell Technology, Ciena, Shopify, Zscaler, Roku, Nintendo and Alibaba, while the fund continued to reduce exposure to software businesses most at risk from AI-driven disruption.

Market Outlook and Investment Strategy

We remain positive about the outlook for the technology sector as investment in AI infrastructure continues to scale, platforms emerge and applications develop. Large-scale data centre operators' capex continues to expand to meet the strength of demand. AI monetisation is progressing faster than in previous technology cycles, and demand visibility across the physical AI infrastructure layer now extends into 2028 and beyond. In our view, this remains an earnings-driven cycle rather than one reliant on multiple expansion.

The AI opportunity continues to broaden, although we are mindful that positioning can and has become crowded in some segments. With higher returns in major technology waves, higher volatility is typical. This increases the importance of applying valuation discipline and taking profits where share prices have moved ahead of fundamentals. Our experience of past waves and deep technology sector specialism helps us to navigate hype cycles and focus on emerging leadership and those companies with the most underappreciated earnings power within the sector.

Source: Janus Henderson

JPMorgan ASEAN Equity Fund (SGD and USD)

Investment and Market Review

The fund underperformed the benchmark in June. Stock selection in industrials and Singapore weighed on performance. On the flip side, stock selection in communication services and the underweight allocation to Indonesia aided performance.

On the negative side, at the stock level, in Singapore, off-benchmark exposure to Jardine Cycle & Carriage and Jardine Matheson detracted from performance as it was announced that Jardine Cycle & Carriage would be replaced in Straits Times Index, Singapore's blue-chip index, triggering a passive institutional sell-off. The underweight position in United Overseas Bank was also among detractors. We are underweight the name as we prefer DBS and OCBC. The underweight to Singapore Airlines had a negative impact as the stock did well amid easing Middle-East tension and increased seasonal demand.

On the positive side, Airports of Thailand (operates and manages Thailand's principal international and domestic airports) was the most significant contributor, benefiting from the broad-based recovery across tourism-exposed sectors and the implementation of the passenger service charge hike in June to fund future infrastructure upgrades. International Container Terminal Services (a Philippines-based global port operator) also contributed meaningfully, supported by its resilient earnings outlook. In Indonesia, the underweight position in Telkom Indonesia added value as ongoing macro weakness and policy uncertainty continued to weigh on the broader Indonesian market. In Singapore, Singapore Exchange contributed on the back of its steady dividend increase of 0.25 cents quarterly through FY28 and new product initiatives.

Market Outlook and Investment Strategy

The ASEAN regional outlook remains cautiously mixed, shaped by divergent monetary policy trajectories, geopolitical risks, and external demand uncertainty. Middle East tensions create uneven headwinds across commodity-importing economies: net energy importers such as the Philippines, Thailand, and Vietnam bear the heaviest burden through rising inflation, fiscal strain, and weakening growth momentum, while Malaysia and, to a lesser extent, Singapore are better positioned given commodity export buffers and fiscal headroom. The direction of oil prices will continue to dominate sentiment until greater visibility emerges. Meanwhile, the global AI-driven capex cycle, FDI and infrastructure spending are supportive of growth in select ASEAN economies.

Despite these near-term headwinds, ASEAN as a bloc has demonstrated relative resiliency amid global volatilities. The region stands to benefit from robust FDI, supply chain diversification, and AI-driven tech investment. A potentially lower USD would also provide support into 2026. The domestic forces driving ASEAN's structural growth remain evident, including favourable demographics, a growing middle class, and a consumption upgrade—all fueled by increasing financial and digital penetration. Both traditional sectors and emerging industries offer investment opportunities for stock pickers.

Active bottom-up picking remains crucial given the wide dispersion in stock fundamentals across ASEAN. The fund is now overweight Singapore, as it continues to show a promising outlook, supported by the MAS rolling out its Equity Market Development Programme and its relative resilience to energy shocks. Vietnam is our off benchmark overweight as macro remains strong. In Thailand, exposure is more selective, as structurally slow growth, political uncertainty, and inflationary pressures persist. In Malaysia, we have significantly narrowed our underweight, focusing on widening bottom-up opportunities and the country's

defensiveness as a net oil exporter. In Indonesia, our underweight reflects increasing growth concerns, policy direction, and political instability. Across ASEAN, we believe a barbell approach to long-term growth and yield opportunities will help generate alpha.

Source: J.P. Morgan Asset Management

PIMCO Emerging Markets Bond Fund (SGD and USD)

Investment and Market Review

The primary contributors to performance over the month were the exposure to Colombian corporate and quasi-sovereign debt, the underweight exposure to Saudi Arabian sovereign debt, and the tactical exposure to EM local duration. Exposure to Colombian corporate and quasi-sovereign debt contributed to performance, as spreads on select off-benchmark corporate and quasi-sovereign issues outperformed the broader market. Underweight exposure to Saudi Arabian sovereign debt contributed to performance, as spreads underperformed during the start of the month due to ongoing geopolitical uncertainty in the Middle East. Tactical exposure to EM local duration contributed to performance, particularly the overweight exposure to Colombian local duration, as yields rallied following the presidential election win by the market-friendly candidate.

Detractors from performance included the overweight exposure Venezuelan quasi-sovereign debt, overweight exposure to the Republic of Congo sovereign debt, and the overweight exposure to Angolan sovereign debt. Overweight exposure to Venezuelan quasi-sovereign debt detracted from performance, as bonds underperformed towards the end of the month following a series of devastating earthquakes that heightened concerns over the country's economic recovery and debt restructuring outlook. Overweight exposure to the Republic of Congo sovereign debt detracted from performance, as spreads widened in line with the broader market. Overweight exposure to Angolan sovereign debt detracted from performance, as spreads underperformed the broader market amid softer oil prices given the country's dependence on oil exports.

Market Outlook and Investment Strategy

Emerging markets have continued to outperform US assets despite geopolitical headwinds and a generally stronger US dollar. This resilience reflects a steady convergence in EM and DM volatility, allowing emerging markets to play a stabilising role within portfolios. Increasingly, markets are repricing individual countries based on their own fundamentals rather than the traditional EM-DM divide – a shift that is gradually recasting the asset class from a source of portfolio risk into a tool for managing it.

The external vulnerabilities that defined earlier crises have given way to more domestic and fiscal risks, which typically evolve gradually rather than erupting abruptly and, in many cases, are underpinned by stronger fiscal positions than those of developed markets. Deep local-rates markets, often funded by domestic savings, have largely removed the currency-mismatch fragilities of the late 1990s, while many central banks reinforced their credibility after COVID by hiking ahead of the Fed and engineering soft landings. Taken together, these shifts argue for structurally lower risk premia than history would imply and support a durable role for EM fixed income in multi-asset portfolios.

Our secular view is that the global economy is being reshaped by two powerful structural forces: a headwind from reconfigured energy markets and a tailwind from AI-driven investment. Crucially, these forces are asymmetric, creating clear winners and losers across both developed and emerging economies. Korea and Taiwan, for instance, have benefited from their AI exposure despite relative energy dependence, while Brazil and many frontier issuers, such as Nigeria, have been supported by commodities. For investors, this widening dispersion is precisely what makes active management the preferred means of improving risk-adjusted returns.

External spreads have reached new five-year tights, leaving limited room for further compression across both EM investment grade and high yield. Nevertheless, underlying fundamentals remain robust, particularly for commodity exporters, and IG sovereigns have retained a spread premium over US IG corporates. The election calendar has so far been constructive, with results generally delivering market-friendly outcomes. Looking ahead, we are watching a handful of catalysts that could reintroduce dispersion and volatility, including the continued US-Iran conflict and Brazil's general election in October.

We remain most bullish on local markets. EM duration is supported by prudent central banks and by currency strength that has helped cushion the external inflation shock, even as policy paths diverge – hikes, holds and cuts are all expected across the cyclical horizon. High starting yields, in both real and forward-nominal terms, continue to underpin EM currencies, most visibly among the terms-of-trade beneficiaries such as Brazil, Kazakhstan, Nigeria and Colombia. As global macro uncertainty persists, we expect EM's carry and diversification benefits – and its growing utility as a risk-management tool – to become even more valuable in the years to come.

Source: PIMCO

PIMCO GIS Income Fund (SGD and USD)

Investment and Market Review

Risk assets were mixed in June, as developments surrounding the conflict in the Middle East and subsequent ceasefire announcements drove market sentiment. Following a ceasefire between the U.S. and Iran, oil prices fell sharply, reversing much of the risk premium that had built earlier in the quarter. In the U.S., headline CPI rose to 4.2% year-over-year in May, marking its highest reading since April 2023, while the unemployment rate held steady at 4.3%.

Fixed income markets were mixed globally in June, as the decline in energy prices was counterbalanced by stronger-than-expected economic data and expectations that policy rates may remain restrictive for longer. In the U.S., firm labor market conditions and continued economic resilience pushed the 10-year Treasury yield 3 bps higher to 4.47%. Elsewhere, yields generally moved lower, with the U.K. 10-year Gilt declining 6 bps to 4.76% and Germany's 10-year Bund falling 8 bps to 2.86%, despite a 25 bps rate hike from the European Central Bank. By contrast, in Japan, the 10-year government bond yield rose 2 bps to 2.68% as the Bank of Japan increased its policy rate to 1.00%, its highest level since 1995.

Large-cap equities were weaker over the month, pressured by a late-month selloff in technology and semiconductor stocks. The MSCI World Index declined 0.7%, while the S&P 500 fell 1.0% as investors reassessed AI-related earnings expectations and elevated valuations across large-cap technology

companies. Within credit, investment grade spreads widened modestly, with U.S. spreads widening 2 bps to 76 bps while remaining unchanged in Europe at 78 bps. High yield spreads were mixed, with U.S. spreads widening 1 bp to 275 bps and Euro high yield spreads tightening 9 bps to 279 bps.

Market Outlook and Investment Strategy

Strategic Liquidity – The Fund continues to focus on maintaining high levels of liquidity (cash, Treasuries and Agency MBS) to provide additional flexibility and potentially deploy capital opportunistically.

Interest Rate Strategies – The Fund has remained tactical on duration exposure in recent months, with a preference for US rates. The exposure focuses on the front and intermediate segments of the yield curve where we see the most attractive opportunities. We maintain a long exposure to US TIPS to protect the portfolio against elevated inflation risks. Elsewhere, the Fund maintains a modest long position in UK duration and Australian duration.

Mortgage-Backed Exposures – We continue to like non-Agency mortgage-backed securities due to their attractive yields and risk profile. Our exposure is mainly in senior tranches of legacy, well seasoned deals, with very solid underlying fundamentals that should be resilient even in very distressed house price scenarios. We also continue to hold select higher coupon Agency MBS and senior AAA-rated tranches of CMBS indices. Both sectors provide "safe spread" along with an attractive risk profile in the event of a flight to quality. We remain focused on maintaining flexibility and ensuring a high level of liquidity in the portfolio.

Corporates – Within investment grade corporates we continue to like systemically important banks with strong capital positions and direct support from central banks, with a focus on the most senior parts of banks' capital structures. Outside of financials, sector exposure is a function of bottom-up credit selection rather than any specific sector views. The Fund is highly selective in cash High Yield bonds, with a focus on short dated senior and secured bonds, while also maintaining an allocation to high yield CDX, which benefit from superior liquidity versus cash bonds.

Emerging Markets – Exposure to emerging markets remains modest. We still believe that EM assets can be a good source of carry and diversification, but we keep individual country exposures small. We are focused on select regions which provide higher yields and what we perceive is limited potential for long-term financial loss. We are generally focused on sovereigns and quasi-sovereigns, specifically on organizations that have close government ties.

Currency – We remain tactical in our currency positioning, holding long exposure to a basket of higher carry EM currencies, with short positions in select lower carry EM currencies. We also have long exposure to a number of DM currencies we believe are attractively valued while maintaining short positions in other DM currencies where macro momentum is sluggish.

Source: PIMCO

Schroder Asian Growth Fund (SGD and USD)

Investment and Market Review

2025 marked one of the strongest years of performance for Asian markets, notwithstanding significant volatility. The region has been a principal beneficiary of AI capex, with consolidated industry structures in Taiwan and Korea enjoying attractive returns. These markets dominate foundry, memory, server assembly, power systems and chip testing required for AI to flourish. The region is also seeing improving corporate governance, with Korea the standout market in the region as it also re-rated amid improved dividend payout ratios and minority shareholder protection. Meanwhile, India and select ASEAN markets lagged as economic momentum was more subdued.

In China, with growth in the first nine months of 2025 close to the official 5% target, there appears to be less urgency for more fiscal measures currently. However, the broader bottom-up growth picture on the ground in China feels a lot more challenging. Activity levels and pricing in the residential property market have deteriorated again recently, and the sector remains a significant drag on household confidence and broader consumer spending. The employment picture remains weak (particularly for younger workers), wage growth has slowed, and continued anti-corruption crackdowns are putting pressure on areas of discretionary spending. In our view, the economic backdrop in China therefore remains fragile and deflationary, the earnings picture is very mixed, and an export slowdown going into 2026 could exacerbate deflationary forces. However, the government's efforts to tackle deflationary problems and excess capacity are being viewed positively at the margin and feeding a healthier narrative on the equity market outlook. The local A-share market also has a history of developing its own strong momentum, sucking in domestic fund flows once it starts to break out on the upside. We have started to see signs of this in recent months, with increased retail trading activity, account openings and margin finance balances.

The North Asian markets of Korea and Taiwan have been very strong in recent months, led by the technology sector. Confidence has continued to improve in recent weeks on the outlook for AI-related capex and new data centre infrastructure around the world. Earnings revisions for key large-cap technology stocks across these two markets remain positive, and valuations are at marked discounts to US peers, which is helping stock price performance.

The Indian market continued to underperform the broader regional index in 2025, coming off a very high base after its relative strength in 2023 and 2024. Domestic fund flows remain very robust, supporting valuations, but foreigners have been net sellers as attention has turned to other regional markets, and high headline multiples remain a headwind. Sentiment has been further undermined recently by the surprise imposition of 50% import duties in the US market due to a falling-out between the two countries over the issue of Indian purchases of Russian oil. Although the listed equity market has very limited direct export exposure, these tariffs, if sustained, could impact employment in certain sectors, while weaker export revenues could also pressure the local currency.

With the recent strength in markets, aggregate price-to-earnings multiples for regional equities are approaching one standard deviation above long-term average levels. In our view, they are not pricing in any real downside risk from a global growth slowdown or more serious tariff impacts. Market performance this year has become increasingly tied to AI, and continued momentum in AI-related capex spending globally therefore remains key to the future performance of Asian equities. Although the macroeconomic backdrop for markets remains volatile and the range of outcomes is wide, we continue

to see attractive longer-term opportunities across Asian equities. Despite the strength of the rally this year, global investor participation in China and the broader region remains fairly limited. Continued positive performance, alongside stabilising US-China relations, could help improve perceptions of risk and attract more flows.

Source: Schroder Investment Management Limited

Schroder ISF Emerging Multi-Asset (SGD and USD)

Investment and Market Review

2025 was a notably strong year for EM assets, delivering some of the most robust returns we've seen in years and comfortably ahead of developed markets. The MSCI Emerging Markets Index returned 34% (USD) for the year, nearly double the S&P 500's 18% return and comfortably ahead of the MSCI World Index, which gained just over 20%.

Several structural shifts converged to drive this outperformance, including a weakening US dollar, attractive starting valuations, improving corporate earnings, and a broadening of positive policy momentum across key EM economies.

EM fixed income delivered robust returns across both hard and local currency segments. EM local currency bonds were among the standout performers in the global fixed income space, supported by high real yields, strong EM currencies, and improved policy credibility among EM central banks. Hard currency corporate bonds also benefited from attractive yields and spread tightening, while convertible bonds delivered exceptional returns, driven by falling interest rates and booming technology sector.

Looking ahead, we see a broadly constructive backdrop for emerging markets in 2026, supported by a weaker dollar, supportive global liquidity, and resilient US demand.

The technology cycle especially powerful for EM: AI-driven capex remains a major demand engine, and we expect it to stay strong into 2026 and potentially into 2027. This underpins our preference for Asia tech, given the region's central role in semiconductors, hardware, and AI-linked supply chains.

We also see policy and trade dynamics moving in EM's favour. The re-routing of global trade continues, tariff risk appears skewed positively, and the incremental thawing of US-China relations, at least for now, reducing a key overhang. We think this creates a more stable operating environment for EM assets even if the macro data in China remains soft.

On the rates and currency side, we continue to see meaningful opportunity in South African and Latin American local markets, supported by high real yields, improving inflation dynamics, and credible easing cycles. These markets offer both attractive carry and currency optionality at a time when global investors remain under-allocated to EM local.

Finally, we continue to hold a material allocation to convertibles which fit well with the environment: benefitting from upside participation linked to tech and growth-oriented sectors while still providing a degree of downside cushioning if volatility picks up.

Source: Schroder Investment Management Limited

Schroder ISF Global Emerging Market Opportunities (SGD and USD)

Investment and Market Review

Emerging market (EM) equities delivered strong double-digit gains over 2025, ending comfortably ahead of the MSCI World. The first half of the year was characterised by ongoing trade tariff and US policy uncertainty, with significant, albeit relatively short-lived, volatility caused by President Trump's "Liberation Day" tariffs announced on 2 April. The remainder of the year saw various countries progress towards broad trade deals with the US. While there is ongoing uncertainty on end-state tariffs for many countries, tariff risk may have a positive skew. Meanwhile, investor enthusiasm for technology-oriented stocks – driven by artificial intelligence (AI) capital spending – boosted many of the tech-heavy index markets, including Korea and Taiwan, but also China. In addition, monetary policy easing in some EM economies as well as in the US, where the Federal Reserve cut its policy rates three times over the period, as well as a notably weaker US dollar over the year supported EM returns in general.

Colombia was the top-performing index market over the year, on the back of robust returns from index heavyweight Bancolombia. Korea was also notably strong and benefited from the demand for AI related technologies and an improving political environment.

Rising metals prices contributed to the South African index market's returns, as did a weaker US dollar and monetary policy easing as the central bank cut interest rates four times over the year. Greece, Poland, Peru, Chile and Czech Republic also delivered high double-digit returns in US dollar terms. The Mexican index market outperformed against a backdrop of improving terms of trade with the US, ongoing strength in the US economy (which Mexico is closely economically linked to) and a number of interest rate cuts.

The Brazilian market gained, helped by dollar weakness. The central bank raised the policy rate four times in the first half of the year — reaching 15% by mid-June — responding to inflationary pressure. Political uncertainty created some market volatility in the second half of the year.

Taiwan outperformed, driven by the rally in AI-related stocks, although uncertainty about tariffs on the technology sector weighed on the market earlier in the period. China ended the period just behind the EM index. The market performed well for most of 2025, owing largely to investor optimism about its AI capabilities and progress on trade talks with the US. However, the final quarter of the year saw the market give back some gains as investors took profits with softer macro data, limited new policy support and heightened concerns about ongoing weakness in the property market, weighing on sentiment towards the end of the year.

The UAE, Kuwait and Qatar underperformed, against a backdrop of weaker energy prices, while India lagged the EM index by some margin owing largely to ongoing growth concerns, earnings disappointments, high market valuations and uncertainty relating to US trade tariffs.

The Philippines, Turkey, Indonesia and Saudi Arabia all declined in US dollar terms over the year with US-dollar pegged Saudi Arabia particularly hard hit by the combination of weaker energy prices and heightened geopolitical tensions in the Middle East.

Global markets appear to have shrugged off the geopolitical disruption caused by President Trump's military action in Venezuela in early January and continue to advance as the supportive themes of 2025

remain in play. These include ongoing progress towards broad global trade deals, investor enthusiasm for technology stocks - driven by AI capex - and monetary policy loosening in some economies.

Ongoing US policy uncertainty and the economy's large twin deficits have contributed to weakness in the US dollar, from richly valued levels. This, together with increased global liquidity, is a tailwind for EM in general – not only should a weaker dollar create a deflationary impulse on domestic inflation, which will allow some loosening of monetary policy in certain economies, but it should also support capital inflows, lower debt-servicing costs and boost corporate earnings. While it is difficult to predict short-term currency moves, our view remains that the dollar will weaken over the medium-term.

Meanwhile, global trade should be supported by ongoing resilience in US demand, and the re-routing of Chinese trade is underway. There is ongoing uncertainty on end-state tariffs for many countries, but tariff risk may have a positive skew.

The technology cycle should provide further support as we expect AI-related capex demand to remain strong during 2026, driven by capex commitments by US hyperscalers. However, markets anticipate this and increased visibility on 2027 capex will be important.

In China, the equity market performed well for much of 2025 helped by improved sentiment, although the final quarter of the year saw some of these gains reverse as investors took profits. The macroeconomic backdrop remains soft, but not weak enough to prompt meaningful policy action. We continue to expect policy support to be incremental and reactive, with the focus on achieving the 5% growth target, and execution will be key. However, the improvement in trade relations with the US has removed a key geopolitical overhang for Chinese assets which, together with China's leading tech and AI development position, should be supportive of the equity market.

Headline EM valuations are expensive across a range of metrics, but the underlying country picture is more nuanced. After strong rallies in north Asia, all the large Asian markets are now expensive; however, parts of Latin America and Emerging Europe remain undervalued. Positive earnings revisions are coming through in market leading areas but need to broaden out to provide a fundamental basis for sustained performance this year. Easier monetary policy should provide space for this to happen.

Near term, the key risks for EM continue to be the policy uncertainty associated with the Trump administration, and its implications for global growth, policy developments in China, and a sooner-than-expected slowdown in AI demand. Geopolitics is a further area to monitor, both in terms of US-China relations, as well as the ongoing conflicts in Ukraine and the Middle East, and US ambitions elsewhere.

Source: Schroder Investment Management Limited

Schroder Singapore Trust (SGD and USD)

Investment and Market Review

Singapore's stock market ended 2025 with its strongest performance in over a decade, as the Straits Times Index (STI) delivered a total return of +28.55% (SGD terms). This outpaced most Asian peers, though it trailed market leaders such as South Korea. The rally was underpinned by resilient blue-chip stocks, supportive policy measures, and Singapore's safe-haven appeal.

Within sectors, industrials led the gains, highlighted by ST Engineering, which benefited from increased defence and aerospace demand and a record order book of S\$32.6 billion. Financials followed, as banks like DBS and OCBC reached all-time highs due to robust earnings and attractive dividend yields. Property (UOL, CDL) and telecoms (Singtel) also performed well, supported by asset sales, lower interest rates, and regional recovery, while mid- and small-cap names such as First Resources added breadth to the overall market.

The revitalisation of Singapore's equity market was driven by MAS's major reforms and the staged injection of S\$5 billion through the EQDP, which boosted liquidity, IPO activity, and investor interest—leading to strong gains in both the main index and overall trading volumes.

Fund Performance:

The Fund outperformed its benchmark in CY2025, primarily driven by positive sector allocations—namely, an underweight position in Consumer Discretionary, an overweight in Telecom, and strong stock selection within Consumer Staples. This outperformance was somewhat offset by an underweight allocation in Industrials.

At the stock level, several key decisions contributed positively to performance. Our underweight position in UOB benefited the portfolio, following the bank's announcement of a surprise reserve increase for stressed property exposures, which led the market to anticipate slower earnings and dividend growth. In the telecommunications sector, our overweight in Singtel was advantageous, supported by robust third-quarter results, consistent delivery on its shareholder return policy, and optimism regarding a potential data centre acquisition. Within Consumer Discretionary, the underweight in Singapore Airlines added value, as the airline underperformed due to weaker earnings, particularly from losses at its Air India associate.

Conversely, some positions detracted from returns. Our allocation within Industrials was a headwind to performance. Specifically, the underweight in Jardine Matheson weighed on returns as it executed on its restructuring plan. Additionally, the overweight in Yangzijiang Shipbuilding detracted, as concerns around Trump's tariffs and implications for cargo volumes weighed on share price. Furthermore, an overweight position in Mapletree Logistics weighed on performance, reflecting ongoing headwinds in the REIT sector—including foreign exchange depreciation and weaker contributions from China.

In terms of portfolio activity made in 2025, we initiated a position in Keppel DC REIT, recognising its strong potential for sustained rental reversions within the domestic data centre segment. We also initiated exposure in iFAST, supported by ongoing earnings recovery and positive developments across its business lines. We continued to increase our holdings in Mapletree Pan Asian Commercial Trust, driven by signs of stabilisation in the Hong Kong retail market and expectations that a lower interest rate environment would further support earnings. Similarly, we increased our allocation to City Developments, reflecting the company's improving residential sales momentum and proactive capital recycling efforts, both of which are expected to enhance dividend payouts and support a re-rating of the stock. Meanwhile, we exited our position in Genting Singapore in light of increased economic uncertainty and its impact on discretionary spending.

Market Outlook:

Singapore Equities market has had a stellar run over the past two years, as the combination of economic growth post Covid, and the decision by MAS to revitalize the Singapore Equities market has brought attention back to the local bourse.

Stepping into 2026, we are now entering the main phase of deployment for the remaining c.S\$3.9bn by MAS' Equity markets Development Program (EQDP). To recap, MAS announced in Nov'25 that six fund managers will be allocated S\$2.85bn to invest in the Singapore Equities market. MAS is expected to review the remaining submissions and expect the next phase of appointments for the remaining S\$1.05bn will be announced in Q2 2026. We expect actual cash deployment for S\$2.85bn allocation will happen in 1Q 2026 at the earliest, and in 2H 2026 for the remaining S\$1.05bn.

An important feature of the EQDP is the expectation that selected fund managers will raise additional third-party capital to complement MAS's allocations. This has the potential to significantly enhance market liquidity and drive greater interest in Singapore equities. The programme's ultimate goal is to attract high-quality, new economy companies to list locally, reversing the decline in listings seen over the past decade. If successful, this will further solidify Singapore's reputation as a preferred listing venue for regional players and reinforce its status as a financial and wealth management hub in Asia.

Despite the phased rollout of the EQDP, the market has already witnessed a notable increase in trading activity. In 2025, SGX daily traded value grew +21% YoY to S\$366bn, or an average daily trade value of S\$1.51bn. This is the highest turnover achieved in the Singapore Equities market since 2010. There has also been renewed IPO momentum, with seven new mainboard listings in 2025 and more anticipated in the years ahead.

Looking ahead, investor attention is firmly focused on the US interest rate outlook this year, particularly given the upcoming appointment of a new Federal Reserve Chair in May 2026. There is significant market speculation regarding whether the new Chair will adopt a more accommodative stance towards rate cuts than the current Chair, Jerome Powell. President Donald Trump has been vocal in advocating for lower rates to alleviate the burden of fiscal debt interest payments, and should his appointee share this perspective, there may be scope for greater policy easing than the two rate cuts currently anticipated by the market.

In Singapore, the prospect of declining interest rates has already led to a marked decrease in benchmark rates: the 3-month SORA has dropped to 1.18% (from 3.07% at end-2024), and the 10-year government bond yield stands at 2.16% (down from a high of 3.09% in January 2025). At the same time, continued inflows of deposits have reinforced the perceived stability of the Singapore dollar, increasing local liquidity and exerting further downward pressure on rates.

This environment has begun to compress net interest margins (NIMs) for domestic banks, though some have proactively hedged their rate exposures. Importantly, lower interest rates and the upturn in equity market activity create a more favourable backdrop for loan growth and market-making, placing the onus on management teams to adapt strategically to these evolving conditions.

Broadening the view to the overall economy, Singapore posted stronger-than-expected GDP growth of 4.8% in 2025, driven by a rebound in industrial activity. As borrowing costs fall, previously delayed corporate investment plans are being put back on the table. Improvements in earnings and returns on

equity among non-financial sectors over the past year further support optimism that a declining rate environment will sustain the current growth trajectory.

Given these developments, our portfolio remains tilted towards companies poised to benefit from lower interest rates, such as property companies and select industrials. We continue to seek out businesses demonstrating robust growth potential and strong fundamentals in this evolving landscape. With additional capital from the EQDP expected to flow into the market, we anticipate better price realisation for well-managed local companies. Our ongoing focus is to identify and add high quality stocks that offer a compelling combination of asset quality and attractive valuations as opportunities arise.

Source: Schroder Investment Management Limited