



- As of 31 March 2024, UOBAM Megatrends portfolio returned 6.1% for the first quarter of 2024.

Portfolio returns (% in SGD terms) and ETF weight (%)
31 December 2023 – 31 March 2024

	Return (%)	Weight (%)
Changing Demographics		
iShares Global Healthcare ETF	9.9	15.7
Global X Millennial Consumer ETF	12.8	7.1
Columbia Emerging Markets Consumer ETF*	-3.0	1.7
Invesco Biotechnology & Genome ETF	0.5	4.0
Total	-	28.4
Environmental		
Invesco MSCI Sustainable Future ETF*	-11.3	3.4
Vaneck Low Carbon Energy ETF	-9.1	5.4
First Trust Water ETF	10.3	15.3

First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index	12.4	11.0
Total	-	35.0
Digital		
Amplify Online Retail ETF*	-4.2	2.7
First Trust Nasdaq Cybersecurity ETF	6.6	12.4
Global X Artificial Intelligence and Technology ETF	11.5	9.7
First Trust Indxx Innovative Transaction & Process ETF	6.5	9.8
Total	-	34.7
Overall Portfolio Returns		
3 months (31 Dec 2023 – 31 Mar 2024)	6.1	-
One year as of 31 Mar 2024	18.4	-

Source: Factset/Bloomberg/UOBAM. Portfolio holding period returns as at 31 March 2024. Exchange Traded Fund (ETF) average weights from 31 December 2023 – 31 March 2024, cash remains at approximately 2.0%.

*The ETFs exited the portfolio on 31 January 2024 as part of our annual review.

The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Returns are calculated on a single pricing basis.

BREAKDOWN BY THEME

1) Changing Demographics

Performance

	Return (%)	Weight (%)
iShares Global Healthcare ETF	9.9	15.7
Global X Millennial Consumer ETF	12.8	7.1
Columbia Emerging Markets Consumer ETF*	-3.0	1.7
Invesco Biotechnology & Genome ETF	0.5	4.0
Total	-	28.4

Source: Factset/Bloomberg/UOBAM. Holding period returns as at 31 March 2024. ETF average weights from 31 December 2023 – 31 March 2024

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Market Development

Equities market had a strong first quarter. Growth stocks were buoyed by rate cut expectations and artificial intelligence (AI) optimism. This benefited the Global X Millennial Consumer ETF that holds growth-oriented stocks such as Uber and Meta. The iShares Global Healthcare ETF also rose as market breadth broadened and investors looked towards other parts of the market that did not rally as much. The ETF also benefitted from weight-loss drugs breakthrough as share price of Eli Lilly and Novo Nordisk soared due to demands for the companies' obesity drugs. On the other hand, the performance of Invesco Biotechnology & Genome ETF remains muted due to a lack of significant catalyst and tailwind for the biotechnology sector.

Outlook

The outlook of the healthcare sector remains positive. Valuation remains attractive, company fundamentals such as sales and earnings growth are strong, and innovation remains robust, with continued developments in areas such as Alzheimer's disease, metabolic diseases and cancer. An aging population and the use of innovative technologies would provide a strong tailwind for the sector. Likewise for the biotechnology sector. We see tailwinds as rate cuts are on the horizon and acquisitions are being announced at a rapid pace. US Food and Drug Administration (FDA) has also increased its pace of drug approval, which could boost the biotechnology sector. For the consumer discretionary sector, moderating inflation in the US has helped to ease the worries of consumers. Backed by a strong economy and receding recession fears, US consumer confidence remains high. Their spending continues to support the US economy, underpinned by a resilient labour market.

2) Environmental

	Return (%)	Weight (%)
Invesco MSCI Sustainable Future ETF*	-11.3	3.4
Vaneck Low Carbon Energy ETF	-9.1	5.4
First Trust Water ETF	10.3	15.3
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index	12.4	11.0
Total	-	35.0

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Market Development

The Van Eck Low Carbon Energy ETF continues to remain under pressure as the impact of high interest rates and labour wages continue to hit the clean energy sector. Clean energy projects have become less attractive due to rising input costs and more expensive debt. Competition from China is another reason for the lacklustre performance of the clean energy sector. On the other hand, the First Trust Water ETF has performed well as it benefited from a broadening of market breadth to more defensive sectors while the First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index continues to benefit from the Inflation Reduction Act focusing on clean energy infrastructure.

Outlook

Despite these near-term headwinds, we continue to see the environmental theme having strong growth as the world moves towards net-zero. The demand for renewable energy continues to soar, yet global investment in clean energy is still far below where it needs to be. Enterprises and government agencies have been trying to close the supply and demand gap and are directing funding towards achieving new energy sources and lower carbon footprints. The US is also taking steps to protect its clean energy industries and grow US supply chains for electric vehicles, solar panels and other key products. With rate cuts on the horizon, concerns about weakening corporate earnings due to elevated interest rates should subside and we should see investor sentiments on the clean energy sector improving.

3) Digital

Performance

	Return (%)	Weight (%)
Amplify Online Retail ETF*	-4.2	2.7
First Trust Nasdaq Cybersecurity ETF	6.6	12.4
Global X Artificial Intelligence and Technology ETF	11.5	9.7
First Trust Indxx Innovative Transaction & Process ETF	6.5	9.8
Total	-	34.7

Source: Factset/Bloomberg/UOBAM. Holding period returns as at 31 March 2024. ETF average weights from 31 December 2023 – 31 March 2024

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Market Development

Growth stocks continue to perform well on the back of rate cut expectation and AI optimism. Developments in AI continue to boost technology stocks, with semiconductor names such as Nvidia rising more than 80% in the first quarter. Nvidia's highly anticipated new processor was unveiled in March, helping to boost other technology stocks as it announced new partnerships. The First Trust Nasdaq Cybersecurity ETF also rose as companies continue to allocate budget to ward off cyber-attacks. Developments in AI is expected to help enhance detection and responses to cyber threats.

Outlook

We continue to see strong structural growth in the digital space as innovation technologies come to the fore in areas such as AI, blockchain and cybersecurity. Advancement in AI continues to improve our lives, powering everything from our smartphones and autonomous-driving features on cars, to disease detection and discovery of new drugs. As digital transformation accelerates across industries, so does the risk of cybersecurity threats, leading to companies increasing spending to enhance security which AI and automation are playing an increasingly large role. The digital economy presents enormous opportunities, and we believe that new and exciting products will be created from these technologies for the global economy, and we are at the beginning of the journey to harness their power and capabilities.

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