



- As of 31 March 2026, UOBAM Megatrends portfolio returned -2.1% for the first quarter of 2026.

Portfolio returns (% in SGD terms) and ETF weight (%)
31 December 2025 – 31 March 2026

	Return (%)	Weight (%)
Changing Demographics		
iShares Global Healthcare ETF	-3.4	15.0
Global X Millennial Consumer ETF	-13.0	16.6
Total	-	31.6
Environmental		
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	7.0	18.4
First Trust Water ETF	-4.6	17.7
Total	-	36.1
Digital Economy		
VanEck Semiconductor ETF	6.8	18.2

First Trust Nasdaq Cybersecurity ETF	-12.3	12.1
Total	-	30.3
Overall Portfolio Returns		
3 months (31 December 2025 – 31 March 2026)	-2.1	-
1 year (31 March 2025 – 31 March 2026)	17.4	-

Source: Factset/Bloomberg/UOBAM. Portfolio holding period returns and Exchange Traded Fund (ETF) average weights are for the period from 31 December 2025 to 31 March 2026, cash remains at approximately 2.0%.

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BREAKDOWN BY THEME

1) Changing Demographics

Performance

	Return (%)	Weight (%)
iShares Global Healthcare ETF	-3.4	15.0
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Market Development

Global equities declined in Q1 2026 as the escalation of the Iran war in late February triggered higher energy prices, renewed inflation concerns and a broad risk-off shift in market sentiment. Consumer oriented segments were particularly affected, with discretionary spending pressured by rising cost of living concerns and weaker consumer confidence amid volatile macro conditions.

The Global X Millennial Consumer ETF underperformed, as higher energy prices weighed on consumer demand, while elevated yields further pressured valuation multiples in consumer discretionary stocks. In contrast, healthcare equities demonstrated relative defensiveness, benefiting from less sensitivity to economic cycles. Although healthcare was not immune to broader market weakness, its defensive profile helped limit downside in an otherwise challenging quarter for growth-oriented themes.

Outlook

Looking into Q2 2026, healthcare remains a comparatively resilient segment within the changing demographics theme, supported by innovation pipelines, structural demand from ageing populations and a defensively oriented earnings profile. Consumer discretionary exposure, however, faces a more uncertain near-term outlook as higher energy prices, inflation risks and cautious consumer behaviour may continue to weigh on spending. While easing geopolitical tensions could support a rebound, volatility is likely to persist.

2) Environmental

	Return (%)	Weight (%)
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	7.0	18.4
First Trust Water ETF	-4.6	17.7
Total	-	36.1

Source: Factset/Bloomberg/UOBAM. Holding period returns and ETF average weights are for the period from 31 December 2025 to 31 March 2026

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Market Development

The environmental theme delivered mixed performance in Q1 2026 amid heightened volatility following the Iran war. The surge in oil prices reinforced the strategic importance of energy security, grid resilience and efficiency, benefiting segments linked to power infrastructure and grid modernisation. The First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund outperformed as demand for grid upgrades and energy storage remained supported by AI driven data centre expansion and electrification trends. However, capital intensive segments such as water infrastructure faced headwinds. The First Trust Water ETF declined, as higher bond yields reduced investor appetite for rate sensitive and regulated utility-style assets.

Outlook

The medium-term outlook for the environmental theme remains constructive, underpinned by decarbonisation goals, energy security priorities and long-term infrastructure investment needs. In the near term, however, performance is likely to remain uneven as elevated yields and geopolitical risks continue to influence capital allocation. Grid infrastructure and efficiency related investments are better positioned, while rate sensitive areas such as water infrastructure may see continued volatility until conditions stabilise.

3) Digital Economy

Performance

	Return (%)	Weight (%)
VanEck Semiconductor ETF	6.8	18.2
First Trust Nasdaq Cybersecurity ETF	-12.3	12.1
Total	-	30.3

Source: Factset/Bloomberg/UOBAM. Holding period returns ETF average weights are for the period from 31 December 2025 to 31 March 2026

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Market Development

The digital economy theme experienced pronounced dispersion in Q1 2026, reflecting the contrasting effects of structural AI demand and rising valuation pressure amid a higher rate environment. Semiconductor equities demonstrated resilience, with the VanEck Semiconductor ETF delivering positive returns as demand for AI chips and data centre infrastructure remained robust despite broader market weakness. Continued capital expenditure by hyperscalers helped support revenue visibility for leading chip manufacturers.

In contrast, cybersecurity equities underperformed as investors rotated away from higher beta technology and Software as a Service (SaaS) stock amid rising bond yields and risk-off sentiment. There were concerns that AI could commoditise parts of traditional SaaS offerings or reduce seat-based pricing power. This led to a decline in the performance of the First Trust Nasdaq Cybersecurity ETF, despite cybersecurity remaining a critical area of enterprise spending.

Outlook

The long-term outlook for the digital economy remains positive, supported by sustained AI adoption, automation and cloud transformation. Semiconductor demand is expected to remain robust, underpinned by expanding AI use cases and data centre investment. However, elevated valuations and macro uncertainty are likely to drive continued volatility, particularly for higher multiple technology segments such as cybersecurity. Despite the near-term volatility, cybersecurity continues to be a critical investment area, supported by escalating global threats and regulatory requirements. Overall, long term fundamentals for both semiconductors and cybersecurity remain strong.

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