



PORTFOLIO PERFORMANCE

- As of 30 June 2025, UOBAM Megatrends portfolio returned 8.5% for Q2 2025

Portfolio returns (% in SGD terms) and ETF weight (%)
31 March 2025 – 30 June 2025

	Return (%)	Weight (%)
Changing Demographics		
iShares Global Healthcare ETF	-9.6	13.9
Global X Millennial Consumer ETF	7.2	22.9
Total	-	36.8
Environmental		
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	16.0	12.8
First Trust Water ETF	1.7	21.8
Total	-	34.7

Digital Economy		
VanEck Semiconductor ETF	25.1	23.4
First Trust Nasdaq Cybersecurity ETF	13.5	3.1
Total	-	26.6
Overall Portfolio Returns		
3 months (31 March 2025 – 30 June 2025)	8.5	-
1 year (30 June 2024 – 30 June 2025)	8.8	-

Source: Factset/Bloomberg/UOBAM. Portfolio holding period returns and Exchange Traded Fund (ETF) average weights from 31 March 2025 to 30 June 2025, cash remains at approximately 2.0%.

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 (%)
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Market Development

Global equities experienced a volatile but ultimately positive second quarter of 2025. Markets initially sold off sharply following the Liberation Day tariffs announced by the Trump administration on April 2. However, investor sentiment rebounded as the administration paused reciprocal tariffs for 90 days and initiated trade negotiations with China and other key partners.

The consumer discretionary and information technology sectors, which had lagged in Q1, staged a strong recovery in Q2. Renewed investor confidence and robust Q1 earnings helped to boost mega-cap tech stocks to significantly outperform the broader market. This rebound positively impacted the Global X Millennial Consumer ETF, which benefited from the resurgence in tech and AI-related optimism. In contrast, the healthcare sector underperformed during the quarter, as ongoing policy efforts by the Trump administration to lower drug prices weighed on healthcare stocks.

Outlook

The outlook for the healthcare sector remains positive. Innovation in biopharma continues to accelerate, particularly in areas such as next-generation metabolic therapies and antibody-drug conjugates for oncology. Despite headwinds such as the ongoing drug pricing reform efforts by the Trump administration, the sector benefits from strong fundamentals and defensive characteristics. Small and mid-cap biopharma companies remain well positioned for the successful development of new drugs which should continue to drive value creation across the subsector.

The consumer discretionary sector faces a more cautious outlook. Although the US economy showed resilience in Q2, with solid labour market data and a rebound in consumer spending, uncertainty around trade policy and persistent inflation expectations continue to weigh on

consumer sentiment. The temporary pause in tariffs provided some relief, but the threat of renewed trade tensions remains a risk. While employment remains strong, discretionary spending may be constrained by elevated costs and economic uncertainty.

2) Environmental

	Return (%)	Weight (%)
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	16.0	12.8
First Trust Water ETF	1.7	21.8
Total	-	34.7

Source: Factset/Bloomberg/UOBAM. Holding period returns and ETF average weights from 31 March 2025 to 30 June 2025

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Market Development

The First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund performed strongly, driven by sustained investment in smart grid infrastructure and electrification. The rapid expansion of AI and data centers further increased the need for scalable and reliable energy solutions. Despite tariff uncertainties, the fund maintained robust performance, reflecting investor confidence in the long-term clean energy transition. On the other hand, First Trust Water ETF, with its significant exposure to utilities, tends to be more defensive and participated less in the AI-driven rally.

Outlook

The outlook for the clean energy sector remains optimistic, despite ongoing macroeconomic and policy-related headwinds. While Q2 saw continued volatility in renewable energy equities due to uncertainty around federal energy policy and interest rates, long-term structural drivers remain intact. Corporate backing and state-level initiatives continued to support clean energy projects, particularly in solar, wind, and energy storage. The temporary pause in tariffs provided a window of relief for clean tech supply chains, helping stabilise sentiment and enabling progress on key infrastructure projects.

Global demand for renewable energy remains robust, driven by international climate commitments and rising energy security concerns. Investments in battery storage, grid modernisation, and green hydrogen are also expected to accelerate. The integration of AI and advanced analytics into energy systems is gaining momentum, enhancing efficiency and enabling

smarter grid management. These innovations are expected to play a pivotal role in scaling sustainable energy solutions and improving resilience.

3) Digital Economy

Performance

	Return (%)	Weight (%)
VanEck Semiconductor ETF	25.1	23.4
First Trust Nasdaq Cybersecurity ETF	13.5	3.1
Total	-	26.6

Source: Factset/Bloomberg/UOBAM. Holding period returns and ETF average weights from 31 March 2025 to 30 June 2025

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Market Development

The digital economy theme saw a strong recovery in Q2 2025, driven by renewed investor enthusiasm for AI and tech innovation. The VanEck Semiconductor ETF, which had declined sharply in Q1 due to the disruptive emergence of DeepSeek, rebounded significantly as trade tensions eased and demand for AI chips rose higher than expected. Semiconductor stocks benefited from strong earnings and increased investment in AI infrastructure. The First Trust Nasdaq Cybersecurity ETF also posted gains, supported by strong demand for cybersecurity solutions amid rising global cyber threats and increased digital infrastructure spending.

Outlook

The outlook for the digital economy remains strong, driven by a broad-based recovery in technology sectors and accelerating adoption of transformative innovations. The semiconductor industry continues to be supported by growing demand for generative AI, data center expansion, and edge computing, while easing trade tensions helped stabilise supply chains. Cybersecurity continues to be a critical investment area, with AI and automation enhancing threat detection and response amid rising global cyber threats. Across industries, digital transformation initiatives continue to gain momentum, particularly in finance, healthcare, and logistics, as companies embraced cloud technologies, AI-powered analytics, and automation to boost efficiency and resilience.

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