



UOBAM Invest Megatrends Portfolio Performance: Q3 2025

Q3 2025 Portfolio Performance

- As of 30 September 2025, UOBAM Megatrends portfolio returned 7.9% for the third quarter of 2025.

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

	Return (%)	Weight (%)
Changing Demographics		
iShares Global Healthcare ETF	4.4	14.5
Global X Millennial Consumer ETF	2.6	22.3
Total	-	36.8
Environmental		
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	10.2	12.4
First Trust Water ETF	5.3	21.6

Total	-	34.0
Digital Economy		
VanEck Semiconductor ETF	18.5	24.5
First Trust Nasdaq Cybersecurity ETF	2.0	2.9
Total	-	27.3
Overall Portfolio Returns		
3 months (30 June 2025 – 30 September 2025)	7.9	-
1 year (30 September 2024 – 30 September 2025)	14.9	-

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

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BREAKDOWN BY THEME

1) Changing Demographics

Performance

	Return (%)	Weight (%)
iShares Global Healthcare ETF	4.4	14.5
Global X Millennial Consumer ETF	2.6	22.3
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Market Development

Global equities continued their rally in Q3 2025, with major U.S. indices reaching record highs amid strong corporate earnings and optimism around potential Fed rate cuts. Small-cap stocks posted their best quarterly performance since 2023, indicating broader market participation. However, the Global X Millennial Consumer ETF delivered a modest return of 2.6%, reflecting mixed performance across consumer and tech-related holdings. While AI optimism supported selected names, broader consumer discretionary exposure faced headwinds from tariffs concerns and uneven spending trends. The healthcare sector saw moderate gains, supported by defensive positioning and innovation momentum, though policy uncertainty around drug pricing persisted.

Outlook

The outlook for healthcare remains constructive, driven by continued innovation in biopharma and oncology treatments, despite ongoing regulatory headwinds. Defensive characteristics and strong fundamentals support the sector's resilience. For consumer discretionary, the outlook is more cautious. While Q3 saw robust spending and improving sentiment, elevated valuations, inflation risks, and unresolved trade tensions may constrain discretionary demand. The Fed's dovish tone and potential rate cuts could provide support, but volatility may rise in Q4 as delayed tariff effects begin to impact consumption.

2) Environmental

	Return (%)	Weight (%)
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	10.2	12.4
First Trust Water ETF	5.3	21.6
Total	-	34.0

Source: Factset/Bloomberg/UOBAM. Holding period returns and ETF average weights are for the period from 30 June 2025 to 30 September 2025

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Market Development

Environmental-themed ETFs posted solid performance in Q3 2025, supported by continued momentum in clean infrastructure and water-related investments. The First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund rose 10.2%, driven by strong demand for grid modernization and energy storage solutions, especially as AI and data center expansion increased pressure on power systems. The First Trust Water ETF gained 5.3%, reflecting steady investor interest in water infrastructure and utilities amid rising climate-related risks and global drought concerns. Both ETFs benefited from supportive fiscal policies and easing trade tensions, which helped stabilize sentiment across the clean tech space.

Outlook

The outlook for environmental investments remains constructive. Clean energy infrastructure is expected to benefit from accelerating global climate commitments, increased AI-related energy demand, and supportive policy frameworks. Investments in smart grids, battery storage, and water resilience are accelerating, with corporates and governments prioritising sustainability and energy security. While interest rates are projected to decline, uncertainty around the pace and extent of future cuts, alongside inflation and geopolitical risks, may still contribute to market volatility. Nonetheless, long-term structural drivers such as decarbonization, resource efficiency, and climate adaptation continue to underpin growth in the sector.

3) Digital Economy

Performance

	Return (%)	Weight (%)
VanEck Semiconductor ETF	18.5	24.5
First Trust Nasdaq Cybersecurity ETF	2.0	2.9
Total	-	27.3

Source: Factset/Bloomberg/UOBAM. Holding period returns ETF average weights are for the period from 30 June 2025 to 30 September 2025

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Market Development

The digital economy theme delivered mixed performance in Q3 2025. The VanEck Semiconductor ETF surged 18.5%, driven by strong earnings from AI chipmakers and continued investment in data center infrastructure. Optimism around generative AI remained a key tailwind for the semiconductor sector. In contrast, the First Trust Nasdaq Cybersecurity ETF posted a modest gain of 2.0%, reflecting more subdued momentum in cybersecurity stocks despite persistent global cyber threats. While demand for digital infrastructure remains robust, investor rotation into high-growth AI names led to narrower gains in other tech segments.

Outlook

The outlook for the digital economy remains positive, supported by structural demand for AI, cloud computing, and automation. The semiconductor sector continues to benefit from expanding AI applications, rising capex in data centers, and improving supply chain stability. Cybersecurity remains a critical area of investment, supported by persistent global threats and growing demand for advanced digital protection across sectors. As interest rates trend lower and fiscal support for digital infrastructure grows, technology adoption across industries is expected to accelerate. However, elevated valuations in certain AI segments and geopolitical risks may introduce volatility, especially as markets adjust to shifting macro conditions.

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