



Q4 2025 Portfolio Performance

- As of 31 December 2025, UOBAM Megatrends portfolio returned 1.9% for the fourth quarter of 2025.

Portfolio returns (% in SGD terms) and ETF weight (%)
30 September 2025 – 31 December 2025

	Return (%)	Weight (%)
Changing Demographics		
iShares Global Healthcare ETF	10.0	16.0
Global X Millennial Consumer ETF	-5.2	21.7
Total	-	37.6
Environmental		
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	1.5	12.2
First Trust Water ETF	-3.3	21.7
Total	-	33.9
Digital Economy		

VanEck Semiconductor ETF	10.4	23.6
First Trust Nasdaq Cybersecurity ETF	-6.1	2.9
Total	-	26.5
Overall Portfolio Returns		
3 months (30 September 2025 – 31 December 2025)	1.9	-
1 year (31 December 2024 – 31 December 2025)	14.0	-

Source: Factset/Bloomberg/UOBAM. Portfolio holding period returns and Exchange Traded Fund (ETF) average weights are for the period from 30 September 2025 to 31 December 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

	Return (%)	Weight (%)
iShares Global Healthcare ETF	10.0	16.0
Global X Millennial Consumer ETF	-5.2	21.7
Total	-	37.6

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Market Development

Global equities maintained their upward momentum in Q4 2025, rising approximately 3%, supported by strong corporate earnings, resilient growth, and optimism around Fed rate cuts. However, the Global X Millennial Consumer ETF declined 5.2% in Q4, under pressure from sluggish consumer discretionary demand, tariff-related cost pressures, and rising shopper caution during the holiday season. Meanwhile, the iShares Global Healthcare ETF rebounded strongly with a 10% return as investors rotated into defensives, buoyed by resolution of U.S. drug-pricing policy uncertainty and continued innovation momentum.

Outlook

The outlook for healthcare remains positive. With drug-price policy clarity in place and innovation pipelines strengthening, the sector appears well positioned even amid cost pressures. However, the consumer discretionary sector faces a more cautious path. Although holiday spending held up better than feared, shoppers remained price-sensitive, leaning toward value, and headwinds from tariffs and inflation persist. Volatility is set to remain elevated into Q1 2026 as trade policy effects continue to unfold. However, the Fed's dovish tilt and anticipated rate cuts may offer some support.

2) Environmental

	Return (%)	Weight (%)
First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund	1.5	12.2
First Trust Water ETF	-3.3	21.7
Total	-	33.9

Source: Factset/Bloomberg/UOBAM. Holding period returns and ETF average weights are for the period from 30 September 2025 to 31 December 2025

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Market Development

Environmental-themed ETFs delivered mixed results in Q4 2025. The First Trust Nasdaq Clean Edge Smart GRID Infrastructure Index Fund gained 1.5%, supported by ongoing investment in grid modernisation and energy storage as AI-driven data center expansion continued to strain power systems. In contrast, the First Trust Water ETF declined 3.3%, reflecting softer demand for water infrastructure and utilities amid fiscal tightening and cautious municipal spending. While clean-tech sentiment remained broadly positive, volatility increased as investors weighed macroeconomic uncertainties.

Outlook

The outlook for environmental investments remains constructive, anchored by structural drivers such as decarbonization, resource efficiency, and climate adaptation. Smart-grid and clean infrastructure are expected to benefit from accelerating global climate commitments and rising energy demand linked to AI and digitalization. Water resilience remains a long-term priority, though near-term performance may be constrained by funding challenges and inflationary pressures. While anticipated rate cuts could provide support, uncertainty around timing and geopolitical risks may sustain volatility into early 2026.

3) Digital Economy

	Return (%)	Weight (%)
VanEck Semiconductor ETF	10.4	23.6
First Trust Nasdaq Cybersecurity ETF	-6.1	2.9
Total	-	26.5

Source: Factset/Bloomberg/UOBAM. Holding period returns ETF average weights are for the period from 30 September 2025 to 31 December 2025

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Market Development

The digital economy theme posted mixed results in Q4 2025. The VanEck Semiconductor ETF advanced 10.4%, supported by sustained demand for AI chips and continued investment in data center infrastructure. Strong earnings from leading semiconductor firms and optimism around generative AI remained key tailwinds for the sector. In contrast, the First Trust Nasdaq Cybersecurity ETF declined 6.1%, reflecting weaker sentiment in cybersecurity stocks despite persistent global cyber threats. Investor rotation into high-growth AI and semiconductor names overshadowed other tech segments, contributing to the divergence in performance.

Outlook

The outlook for the digital economy remains positive, underpinned by structural drivers such as AI adoption, cloud computing, and automation. Semiconductor demand is expected to stay robust, fuelled by expanding AI applications, rising data center capex, and improving supply chain conditions. Cybersecurity continues to be a critical investment area, supported by escalating global threats and regulatory requirements, though near-term performance may remain volatile as valuations adjust. While anticipated rate cuts and fiscal support for digital infrastructure could provide a tailwind, elevated valuations in certain AI segments and geopolitical risks may introduce short-term uncertainty. Overall, long-term fundamentals for both semiconductors and cybersecurity remain strong.

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