UOB Asset Management

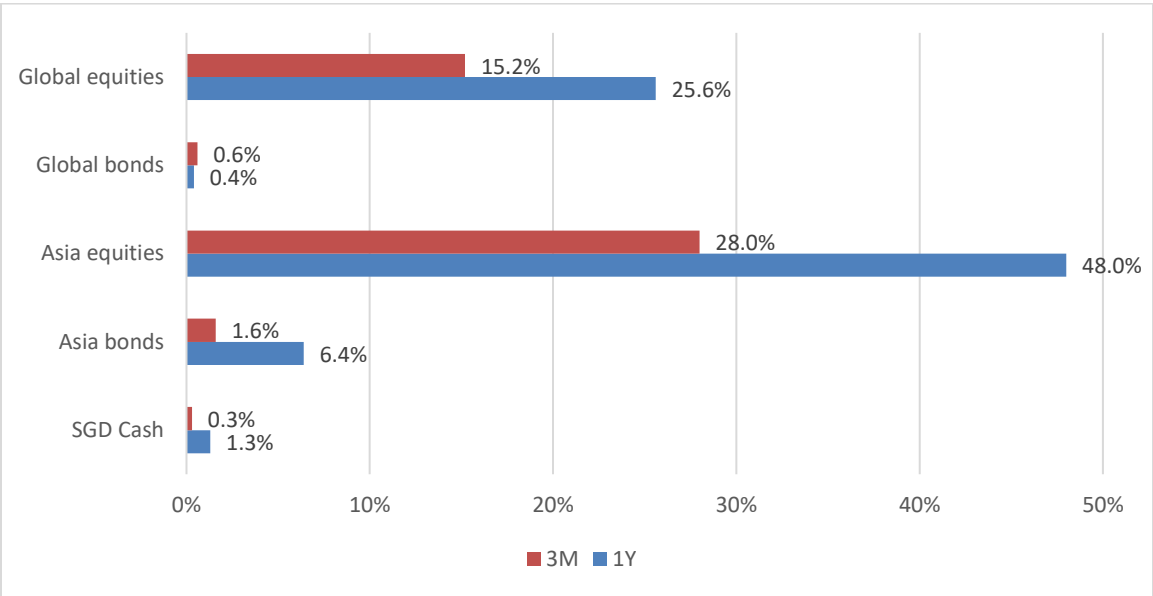
UOBAM Invest Corporate

UOBAM Invest Q2 2026 Market Review

Q2 2026 Market Developments

- Global equities rebounded strongly over the quarter as easing Middle East tensions, falling oil prices, and enthusiasm around artificial intelligence (AI) improved risk appetite and supported corporate earnings expectations.
- Asian equities outperformed global peers, led by the technology sector as investors rotated back into growth assets amid continued strength in the AI supply chain.
- Global bond markets delivered modest positive returns as declining energy prices helped ease inflation concerns, although yields remained volatile as investors reassessed the outlook for growth, inflation and monetary policy.

RESTRICTED



Source: FactSet/Bloomberg. Performance as at 30 June 2026.

Indices used as follows:

Global Equities	MSCI All Country World Index (ACWI);
Global Bonds	Bloomberg Global Aggregate Index;
Asian Equities	MSCI AC Asia ex Japan Index; and
Asian Bonds	J.P.Morgan Asia Credit (JACI) Investment Grade Index on a Net Asset Value basis;
SGD Cash	3M Singapore Overnight Rate Average (SORA)

Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes. The historical performance presented should not be used as a proxy for the future or likely performance.

U.S. equities performed strongly in Q2 2026, recovering from the weakness seen in the previous quarter. Market sentiment improved as tensions in the Middle East eased and oil prices fell from earlier highs, reducing concerns that higher energy costs would keep inflation elevated. Investors increasingly focused on resilient economic activity and healthy corporate earnings, while continued spending on AI-related infrastructure provided further support to the technology sector. Strong earnings momentum and continued confidence in long-term growth themes helped sustain market gains through quarter end.

Asian equities delivered exceptionally strong returns during the quarter, outperforming most major markets. The decline in oil prices provided relief to energy importing economies across the region, while robust demand seen by technology and semiconductor companies supported markets such as Taiwan and South Korea. In particular, Samsung Electronics and SK Hynix benefitted from continued strength in high-bandwidth memory (HBM) and advanced memory demand, reflecting ongoing investment in AI infrastructure globally. Interest in AI-related themes remained a key driver of performance across the region's technology supply chain, supporting large-cap technology leaders. Improving global market sentiment underpinned a broader recovery in Asian equities, although investor confidence toward China remained relatively cautious compared with other parts of the region.

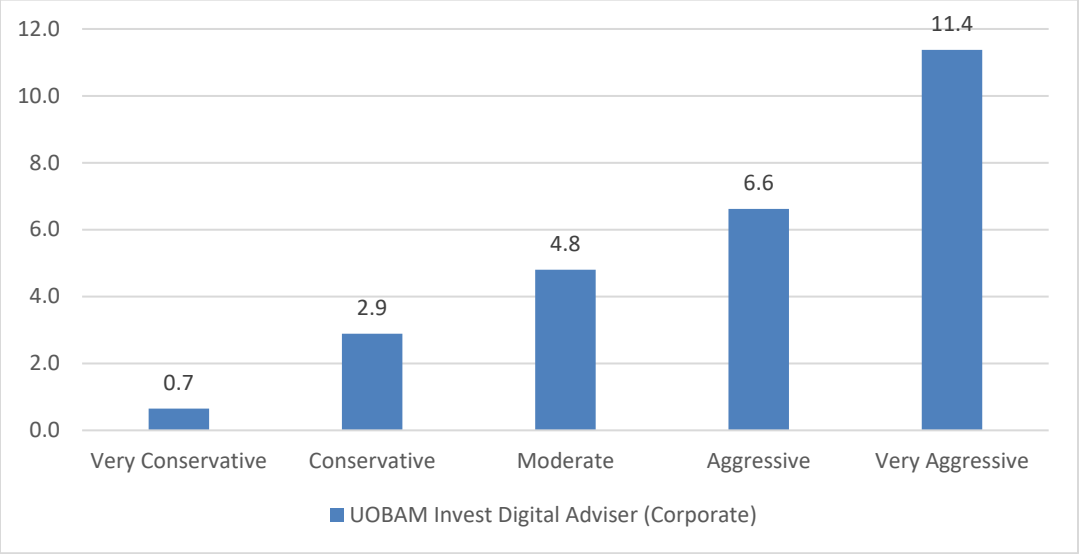
Global bond markets generated modest positive returns in Q2 2026 as the moderation in oil prices helped alleviate fears of a prolonged inflation shock. This provided support for fixed income markets after a challenging first quarter. Bond yields remained volatile as investors continued to assess the outlook for growth, inflation and monetary policy, but overall market conditions were more supportive than earlier in the year. Corporate bonds also benefited from improving risk sentiment and resilient corporate fundamentals, adding to positive returns across credit markets.

RESTRICTED

PORTFOLIO PERFORMANCE

- As of 30 June 2026, UOBAM Invest portfolio returns for the second quarter, ranged between 0.7 percent and 11.4 percent.

Portfolio returns (% in SGD terms) 31 March 2026 – 30 June 2026

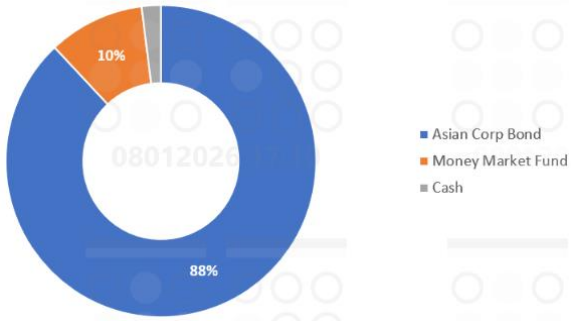


Source: Factset / UOBAM. Portfolio returns as at 30 June 2026.

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. Portfolio returns on the scheme is calculated on a single pricing basis.

1. Very Conservative portfolio

Period	Portfolio Return (%)
3 months	0.7
6 months	0.7
1 year	2.1



Source: UOBAM as of 30 June 2026

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.

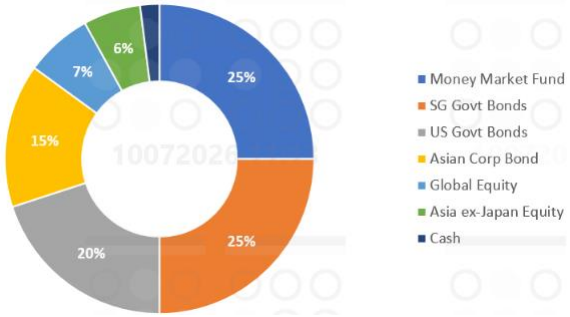
For the three-month period ending 30 June 2026, this portfolio was up 0.7%. Asia investment grade bonds contributed to the bulk of the returns.

Over the one-year period, the portfolio gained 2.1%. Asia investment grade bonds contributed to the bulk of the returns.

RESTRICTED

2. Conservative portfolio

Period	Portfolio Return (%)
3 months	2.9
6 months	2.9
1 year	6.4



Source: UOBAM as of 30 June 2026

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.

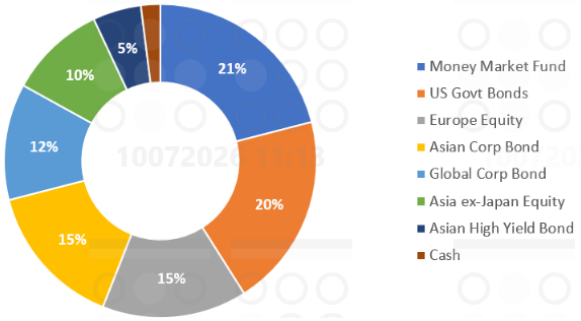
For the three-month period ending 30 June 2026, this portfolio was up 2.9%. The largest contributor was Asia equities while global investment grade bonds was the smallest contributor.

Over the one-year period, the portfolio gained 6.4%. The largest contributor was Asia equities while global investment grade bonds was the smallest contributor.

RESTRICTED

3. Moderate portfolio

Period	Portfolio Return (%)
3 months	4.8
6 months	4.5
1 year	9.5



Source: UOBAM as of 30 June 2026

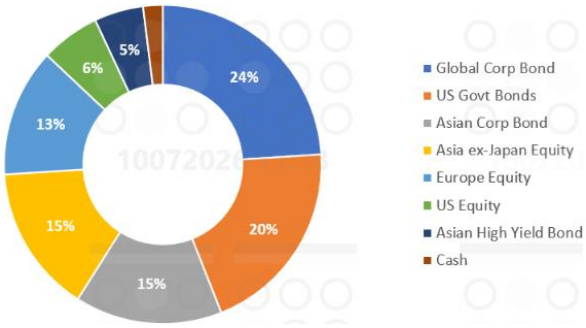
The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future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

For the three-month period ending 30 June 2026, the portfolio was up by 4.9%. The largest contributor was Asia equities while money market fund was the smallest contributor.

Over the one-year period, the portfolio gained 9.6%. The largest contributor was Asia equities while money market fund was the smallest contributor.

4. Aggressive portfolio

Period	Portfolio Return (%)
3 months	6.6
6 months	6.4
1 year	13.9



Source: UOBAM as of 30 June 2026

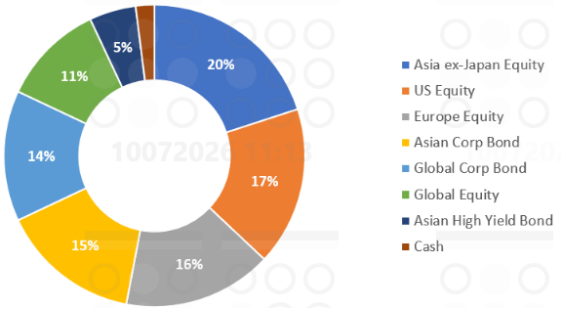
The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future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

For the three-month period ending 30 June 2026, this portfolio was up by 6.6%. The largest contributor was Asia equities while Asia investment grade bonds was the smallest contributor.

Over the one-year period, the portfolio gained 13.9%. The largest contributor was Asia equities while money market fund was the smallest contributor.

5. Very Aggressive portfolio

Period	Portfolio Return (%)
3 months	11.4
6 months	10.4
1 year	20.9



Source: UOBAM as of 30 June 2026

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.

For the three-month period ending 30 June 2026, the portfolio was up by 11.4%. The largest contributor was Asia equities while global investment grade bonds was the smallest contributor.

Over the one-year period, the portfolio gained 20.9%. The largest contributor was Asia equities while Asia investment grade bonds was the smallest contributor.

RESTRICTED

LOOKING AHEAD

- Global markets enter Q3 2026 on a firmer footing as easing geopolitical tensions, resilient economic growth and strong earnings momentum improve the investment outlook
- Equities remain supported by ongoing AI-driven investment, healthy corporate fundamentals and resilient earnings growth, while fixed income continues to play an important diversification role
- Structural growth drivers such as AI, digitalisation and infrastructure investment continue to support medium-term growth and productivity gains

As we enter the third quarter of 2026, the global investment backdrop has become increasingly constructive as many of the risks that weighed on markets earlier in the year have begun to recede. Besides the de-escalation of tensions in the Middle East, tariff-related headwinds are also fading and fiscal support in the United States continues to provide a cushion for economic activity. Structural growth drivers such as artificial intelligence, digital infrastructure and industrial investment remain firmly in place and continue to support medium-term growth and productivity gains. Taken together, these developments provide a more supportive backdrop for investors heading into the second half of the year.

Equities remain our preferred asset class given healthy earnings growth and resilient corporate balance sheets. We remain constructive on Asia given its attractive valuations relative to the US market, favourable growth outlook and important role in global technology and manufacturing supply chains. More broadly, global equities continue to benefit from structural growth themes which remain supportive of longer-term returns. Although market volatility is likely to reemerge from time to time, we believe the combination of resilient growth, supportive earnings trends and improving investor confidence provides a favourable backdrop for equities over the medium term.

Within fixed income, we continue to see value in high-quality bonds given attractive yield levels and their role in providing portfolio diversification. While inflation remains an area of focus for investors, moderating energy prices and easing price pressures should help limit the risk of materially higher interest rates. We continue to favour investment-grade credit, supported by resilient corporate fundamentals and attractive income opportunities. We will continue to monitor inflation trends, labour market conditions and geopolitical developments closely, and adjust portfolio positioning as conditions evolve.

RESTRICTED

Important Notice and Disclaimers

MSCI Data are exclusive property of MSCI. MSCI Data are provided “as is”, MSCI bears no liability for or in connection with MSCI Data. Please see complete MSCI disclaimer here.

This document is for your general information only. It does not constitute investment advice, recommendation or an offer or solicitation to deal in Exchange Traded Funds ("ETFs") or in units in any Unit Trusts ("Unit Trusts", ETFs and Unit Trusts shall together be referred to as "Fund(s)") nor does it constitute any offer to take part in any particular trading or investment strategy.

This document was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. The information is based on certain assumptions, information and conditions available as at the date of this document and may be subject to change at any time without notice. If any information herein becomes inaccurate or out of date, we are not obliged to update it. No representation or promise as to the performance of the Fund or the return on your investment is made. **Past performance of any Fund or UOB Asset Management Ltd ("UOBAM") and any past performance, prediction, projection or forecast of the economic trends or securities market are not necessarily indicative of the future or likely performance of the Fund or UOBAM.** The value of any Fund and the income from them, if any, may fall as well as rise, and may have high volatility due to the investment policies and/or portfolio management techniques employed by the Fund. Investments in any Fund involve risks, including the possible loss of the principal amount invested, and are not obligations of, deposits in, or guaranteed or insured by United Overseas Bank Limited ("UOB"), UOBAM, or any of their subsidiary, associate or affiliate ("UOB Group") or distributors of the Fund. Market conditions may limit the ability of the platform to trade and investments in non-Singapore markets may be subject to exchange rate fluctuations. The Fund may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the respective Fund’s prospectus. The UOB Group may have interests in the Funds and may also perform or seek to perform brokering and other investment or securities-related services for the Fund. Investors should read the Fund’s prospectus, which is available and may be obtained from UOBAM or any of its appointed agents or distributors, before investing. **You may wish to seek advice from a financial adviser before making a commitment to invest in any Funds, and in the event that you choose not to do so, you should consider carefully whether the Fund is suitable for you.** Any reference to any specific country, financial product or asset class is used for illustration or information purposes only and you should not rely on it for any purpose. We will not be responsible for any loss or damage arising directly or indirectly in connection with, or as a result of, any person acting on any information provided in this document. Services offered by UOBAM Invest are subject to the UOBAM Invest Terms and Conditions.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

UOB Asset Management Ltd Co. Reg. No. 198600120Z