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INVESTMENT COMMENTARY

Portfolio Manager Perspectives



October 2026

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SINGAPORE EQUITY YIELD COMMENTARY



Simon Wang, CFA
Senior Portfolio Manager
Investment Solutions

COMPOSITE PERFORMANCE (%) as of 31 October 2026[1,2]



	YTD	1 Mth	3 Mths	6 Mths	1 Yr	Annualised 3 Yrs	Annualised 5 Yrs	Annualised 10 Yrs	Since Incep.
Composite (%)	0.8	-4.4	-4.9	-6.2	-1.4	15.4	5.1	4.2	3.2

Market Review

Singapore's real economy ran hot on the global AI capex cycle while its equity market de-rated through October. September non-oil domestic exports rose 68.4% year on year, the fastest since 1980. The manufacturing PMI stood at 51.7; the electronics PMI reached 52.9, its highest since 2018. Q3 GDP was tracking close to 5.6%, and the September MAS survey lifted the 2026 growth consensus to 5.0% from 3.5%.

MAS flagged upside risks from energy and food, citing the severity of the super El Niño and the risk of escalation in the Middle East. It had been supplying liquidity through net redemptions of MAS bills since mid-June, which helped push SORA to a low near 1.05% in mid-2026; that liquidity is now normalising. Three-month compounded SORA stood at 1.2683% on 28 October, up from roughly 1.19%–1.23% in early October and from the mid-year trough, with one-month SORA at 1.3253% and the overnight rate at 1.0571%. Banks nudged fixed mortgage rates higher in October, a sign that funding costs are edging up at the margin.

Index earnings revisions remained positive, but sentiment deteriorated sharply and breadth was poor. The performance split over the past month and quarter suggested some market anxiety. The STI lost 5.3% from end-September to end-October and 4.5% over three months, while the Next 50 lost 6.9% and 11.1%; the mid-cap index underperformed the large-cap benchmark by roughly 6.6 percentage points over three months. Within the indices, the laggards were the expensive growth and cyclical names. AEM fell 24.0%, Sea 23.3%, Grab 13.0% and Keppel 10.6%.

Portfolio Performance

For the month of October, the Singapore Equity Yield service declined 4.44%. The service was positioned more cautiously as we entered October and benefited from high cash buffers. Nevertheless, our equity exposure, which tilted towards SMIDs, was punished as market sentiment reversed against them amid diminished liquidity.

Portfolio Activity

During the month, we worked to rebalance the Singapore Equity Yield more deliberately towards quality, and to reduce liquidity risk present in our SMID exposure.

Going forward, Singapore Equity Yield will be structured around core blue-chip holdings aligned with Singapore's primary growth catalysts, particularly wealth management and financial services, data centre and power infrastructure, semiconductor demand, and compelling consumer opportunities. The Singapore Equity Yield service will then be complemented with deliberate exposures to high-conviction SMID opportunities in line with their mandate characteristics.

Outlook

The macroeconomic read is strong and the October drawdown has improved entry points in quality names. Nevertheless, the AI-led earnings upgrade cycle is maturing, and the global rate-hike cycle could extend into mid-2027. The right posture is to own the earnings growth that are visible and reasonably priced, and to avoid the names that need multiple expansion to work.

For Singapore investors, we should recognize the nuance that is the divergence within the economy, between the export engine and the domestic consumer. High-frequency economic data suggest that the domestic-facing segments and the job market are cooling, while Singapore's position as a leveraged proxy on the global AI capex cycle has its NODX, PMI and GDP booming. For now, this is a global cycle story landing on a small, open economy, not a domestic-demand story.

The "strong economy" headline therefore masks a K-shaped reality. Where the domestic and global narrative converge on the up-leg is demand for financing and construction of data centres and the supporting infrastructure. The down-leg, where caution is warranted, is consumer-facing industry, as job security and the cost-of-living crisis continue to bite.

PERFORMANCE DRIVERS

Top Contributors

Karin Technology Holdings

+10.9%

Karin Technology was the portfolio's strongest performer in October, gaining 10.86%. Its relatively small market capitalisation and limited trading liquidity may also have contributed to the magnitude of its share-price movement.

BRC Asia

+3.68%

BRC Asia gained 3.68% during the month, supported by its exposure to Singapore's construction and infrastructure sector. The company also went ex-dividend for S$0.08 per share in October.

Top Detractors

Banyan Tree Holdings

-26.3%

Banyan Tree declined 26.32% in October. The stock experienced significant selling pressure. Its exposure to the cyclical hospitality and property development sectors, coupled with relatively thin trading liquidity, may have amplified the decline.

First Resources

-23.1%

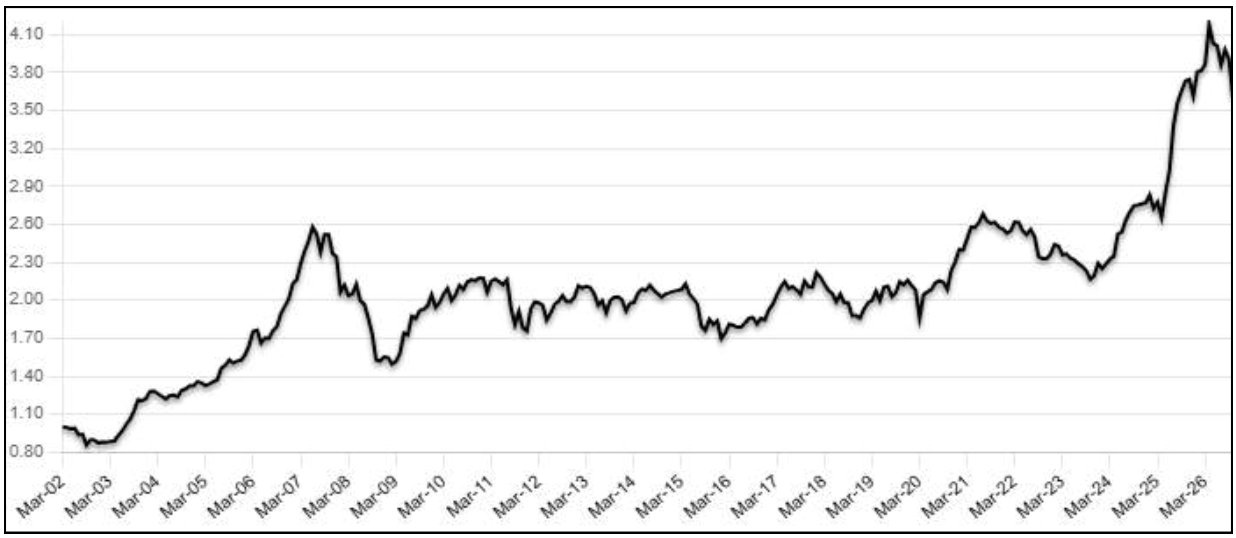
First Resources declined 23.13%. The company faced heightened scrutiny following reports of forest and peatland fires in Indonesia, raising concerns over potential regulatory and reputational risks. While First Resources reaffirmed its zero-burning policy, the uncertainty may have contributed to negative investor sentiment.

SINGAPORE EQUITY GROWTH COMMENTARY



Simon Wang, CFA
Senior Portfolio Manager
Investment Solutions

COMPOSITE PERFORMANCE (%) as of 31 October 2026[1,2]



	YTD	1 Mth	3 Mths	6 Mths	1 Yr	Annualised 3 Yrs	Annualised 5 Yrs	Annualised 10 Yrs	Since Incep.
Composite (%)	-0.3	-7.7	-6.7	-13.7	-3.4	18.5	6.6	7.1	5.4

Market Review

Singapore's real economy ran hot on the global AI capex cycle while its equity market de-rated through October. September non-oil domestic exports rose 68.4% year on year, the fastest since 1980. The manufacturing PMI stood at 51.7; the electronics PMI reached 52.9, its highest since 2018. Q3 GDP was tracking close to 5.6%, and the September MAS survey lifted the 2026 growth consensus to 5.0% from 3.5%.

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Index earnings revisions remained positive, but sentiment deteriorated sharply and breadth was poor. The performance split over the past month and quarter suggested some market anxiety. The STI lost 5.3% from end-September to end-October and 4.5% over three months, while the Next 50 lost 6.9% and 11.1%; the mid-cap index underperformed the large-cap benchmark by roughly 6.6 percentage points over three months. Within the indices, the laggards were the expensive growth and cyclical names. AEM fell 24.0%, Sea 23.3%, Grab 13.0% and Keppel 10.6%.

Portfolio Performance

For the month of October, the Singapore Equity Growth service declined 7.68%. The service was positioned more cautiously as we entered October and benefited from high cash buffers. Nevertheless, our equity exposure, which tilted towards SMIDs, was punished as market sentiment reversed against them amid diminished liquidity.

Portfolio Activity

During the month, we worked to rebalance the Singapore Equity Growth more deliberately towards quality, and to reduce liquidity risk present in our SMID exposure.

Going forward, Singapore Equity Growth will be structured around core blue-chip holdings aligned with Singapore's primary growth catalysts, particularly wealth management and financial services, data centre and power infrastructure, semiconductor demand, and compelling consumer opportunities. The Singapore Equity Growth service will then be complemented with deliberate exposures to high-conviction SMID opportunities in line with their mandate characteristics.

Outlook

The macroeconomic read is strong and the October drawdown has improved entry points in quality names. Nevertheless, the AI-led earnings upgrade cycle is maturing, and the global rate-hike cycle could extend into mid-2027. The right posture is to own the earnings growth that are visible and reasonably priced, and to avoid the names that need multiple expansion to work.

For Singapore investors, we should recognize the nuance that is the divergence within the economy, between the export engine and the domestic consumer. High-frequency economic data suggest that the domestic-facing segments and the job market are cooling, while Singapore's position as a leveraged proxy on the global AI capex cycle has its NODX, PMI and GDP booming. For now, this is a global cycle story landing on a small, open economy, not a domestic-demand story.

The "strong economy" headline therefore masks a K-shaped reality. Where the domestic and global narrative converge on the up-leg is demand for financing and construction of data centres and the supporting infrastructure. The down-leg, where caution is warranted, is consumer-facing industry, as job security and the cost-of-living crisis continue to bite.

PERFORMANCE DRIVERS

Top Detractors

Banyan Tree

-26.3%

Shares declined amid weakening tourism sentiment across ASEAN, particularly Thailand, where international visitor arrivals fell 11.7% YoY between 4 and 24 October. Elevated airfares, weaker short-haul travel demand and recent flooding in Phuket may have weighed on investor sentiment towards the group's Thai hospitality operations

Bumitama Agri

-23.2%

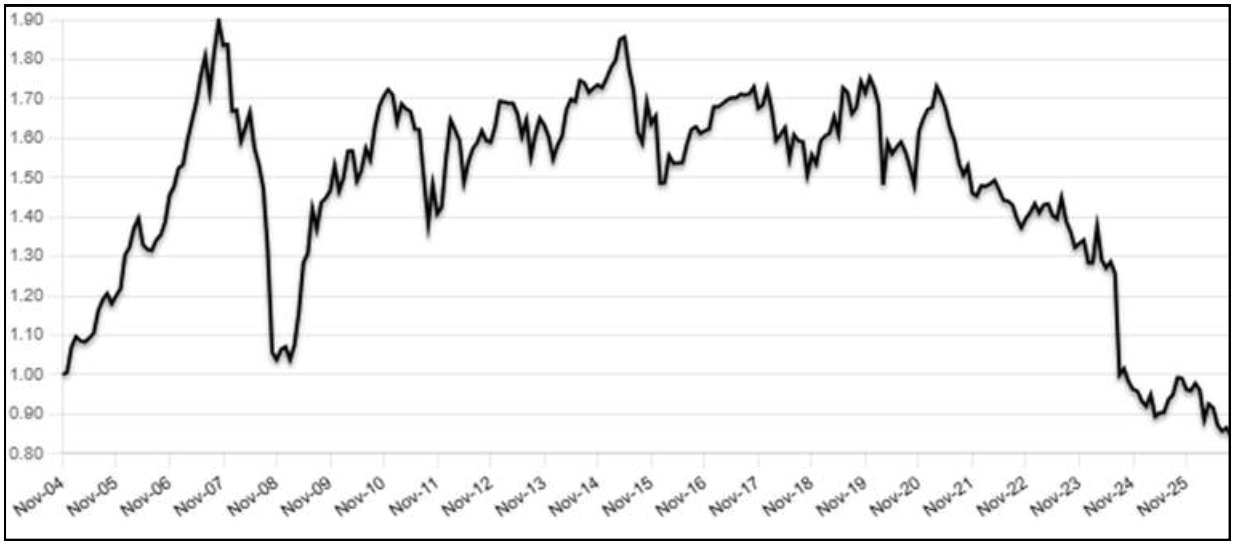
Shares declined amid market concerns surrounding the Indonesian forest fires and resulting transboundary haze affecting Singapore. The National Environment Agency (NEA) subsequently requested information from Bumitama under the Transboundary Haze Pollution Act, while the company maintained that preliminary investigations had found no evidence linking its operations to the fires.

ASIAN OPPORTUNITIES COMMENTARY



Wong Kwek Yong, CFA
Co-Chief Investment Officer
Investment Solutions

COMPOSITE PERFORMANCE (%) as of 31 October 2026[1,2]



	YTD	1 Mth	3 Mths	6 Mths	1 Yr	Annualised 3 Yrs	Annualised 5 Yrs	Annualised 10 Yrs	Since Incep.
Composite (%)	-17.1	-6.0	-7.1	-14.1	-19.7	-15.6	-12.3	-6.8	-1.0

Market Review

Asian equities experienced a significant correction during October following strong gains earlier in 2026. Weakness was particularly evident across technology-oriented markets such as Korea and Taiwan, reversing some of their earlier strong performance.

The MSCI AC Asia ex Japan Index declined 6.85% in SGD terms during the month. This reflected a broad reversal in regional equity momentum, with technology-oriented markets experiencing notable weakness.

Portfolio Performance

The service declined 6.03% in October, outperforming the MSCI AC Asia ex Japan Index by approximately 0.82 percentage points. Both the service and benchmark returns are stated in SGD.

Weakness was concentrated across several Korean, Taiwanese and Chinese equity exposures. Fixed-income exposures were comparatively resilient and provided some cushioning against the broader decline in Asian equities.

Portfolio Activity

There were no equity purchases, full sales or partial sales during October. The portfolio therefore remained positioned through the market correction without adding to or reducing individual holdings. Small redemptions from the money market fund were used to meet account expenses and did not represent a change in the underlying investment strategy.

Outlook

October's correction highlights the risks associated with concentrated market leadership following a period of strong performance. We remain mindful of valuation, earnings delivery and concentration risks, particularly across Asian technology-related exposures.

At the same time, the service retains fixed-income and liquid holdings that provide diversification and flexibility. With no portfolio trading undertaken during October, existing exposures were maintained through the correction. We will continue to assess positioning against developments in corporate earnings, valuations and the regional macroeconomic environment, while retaining flexibility to respond where volatility creates more attractive opportunities.

PERFORMANCE DRIVERS

Top Contributors

ABF PAIF

1.1%

ABF PAIF recorded positive underlying performance during the month. It's relative resilience helped offset a portion of the broader equity weakness.

AMV SGD IG CP BD

0.41%

AMV SGD IG CP BD recorded positive underlying performance during the month. It's relative resilience helped offset a portion of the broader equity weakness.

Top Detractors

Hanwha Ocean

-35.5%

Hanwha Ocean recorded the weakest underlying return. The concentration of the principal detractors in Korea and growth-oriented equities coincided with the broader reversal across technology-oriented Asian markets during October.

GDS Holdings

-30.3%

GDS Holdings was the largest detractor by contribution.

EBI PORTFOLIOS COMMENTARY



Wong Kwek Yong, CFA
Co-Chief Investment Officer
Investment Solutions

Market Review

October saw mixed performance across equity markets and investment segments. Developed-market equities, particularly US and European equities, generally performed positively, alongside global value-oriented equities. In contrast, emerging-market equities and smaller companies in the Pacific region experienced weaker performance.

Fixed income also contributed positively to portfolio returns, providing an additional source of gains alongside equities. These differences in performance across regions, investment styles and asset classes highlighted the importance of maintaining diversified investment exposures.

Portfolio Performance

All three EBI portfolios recorded positive returns in October, with performance varying according to their respective asset allocations.

Portfolio	Strategic Allocation	October's Performance Return
EBI Aggressive	100% equity / 0% bonds	1.20%
EBI Growth	80% equity / 20% bonds	0.90%
EBI Balanced	50% equity / 50% bonds	0.70%

The performance drivers were broadly consistent across the three services.

Developed-market equities contributed positively across all three portfolios, supported by underlying funds such as US Core Equity, European Value and Global Targeted Value. These gains were partially offset by weaker performance from funds investing in emerging-market equities and Pacific Basin smaller companies.

While equities were the principal positive drivers for EBI Aggressive and EBI Growth, EBI Balanced also benefited from its greater fixed-income allocation, with Global Core Fixed Income emerging as its largest individual positive contributor.

Portfolio Activity

No transactions were recorded across the three services during October.

Portfolio allocations remained broadly consistent with the respective strategic mandates. EBI Aggressive remained effectively fully invested in equities, while EBI Growth held approximately 79.6% in equities and 20.0% in bonds. EBI Balanced maintained approximately 49.7% in equities and 49.9% in bonds, with small residual cash allocations.

Reflections and Ongoing strategy

October's results demonstrated how diversification across different investment exposures can influence overall portfolio performance. Positive contributions from developed-market equities helped offset weaker performance in emerging markets and Pacific Basin smaller companies, while fixed income provided an additional source of returns for EBI Growth and EBI Balanced.

Each EBI portfolio continues to maintain an asset allocation aligned with its intended investment objective and risk profile. EBI Aggressive, with its full equity allocation, has the greatest exposure to equity-market movements. EBI Growth maintains a strong equity focus alongside a measured allocation to fixed income, while EBI Balanced provides a more even allocation between equities and bonds.

The investment approach remains centered on maintaining disciplined, diversified allocations across geographical regions, investment styles and asset classes. Rather than reacting to short-term performance differences, the portfolios continue to follow their respective strategic allocations in pursuit of their long-term investment objectives.

Key Performers

Developed-market equities were the main positive contributors across the EBI portfolios, supported by underlying funds investing in US and European equities, as well as global value-oriented equities.

Global Targeted Value (+4.66%) was the largest contributor, followed by US Core Equity (+2.57%), and European Value (+2.01%) respectively.

Portfolio	Top 3 Contributors	Oct 2026 Performance	Contribution
EBI Aggressive	1. US Core Equity 2. Global Targeted Value 3. European Value	+2.57% +4.66% +2.01%	+1.30% +0.78% +0.72%
EBI Growth	1. US Core Equity 2. European Value 3. Global Targeted Value	+2.57% +2.01% +4.66%	+0.30% +0.30% +0.27%
EBI Balanced	1. Global Core Fixed Income 2. European Value 3. Global Targeted Value	+1.46% +2.01% +4.66%	+0.27% +0.22% +0.17%

Key Detractors

Emerging-market equities and smaller companies in the Pacific region were the main sources of negative contributions during October. In particular, the Emerging Markets Large Cap Core and Pacific Basin Small Companies funds were the two largest detractors across all three EBI portfolios.

Emerging Markets Large Cap Core (-5.30%) was the largest detractor in each portfolio, followed by Pacific Basin Small Companies (-3.57%).

Portfolio	Top 3 Detractors	Oct 2026 Performance	Contribution
EBI Aggressive	1. Emerging Markets Large Cap Core 2. Pacific Basin Small Companies 3. World Equity Enhanced Index*	-5.30% -3.57% +0.29%	-1.05% -0.38% +0.08%
EBI Growth	1. Emerging Markets Large Cap Core 2. Pacific Basin Small Companies 3. Global Short Fixed Income*	-5.30% -3.57% +0.52%	-0.57% -0.18% +0.01%
EBI Balanced	1. Emerging Markets Large Cap Core 2. Pacific Basin Small Companies 3. World Equity Enhanced Index*	-5.30% -3.57% +0.29%	-0.26% -0.07% +0.01%

**Positive figures marked with an asterisk represent the lowest positive contributors, rather than actual detractors*

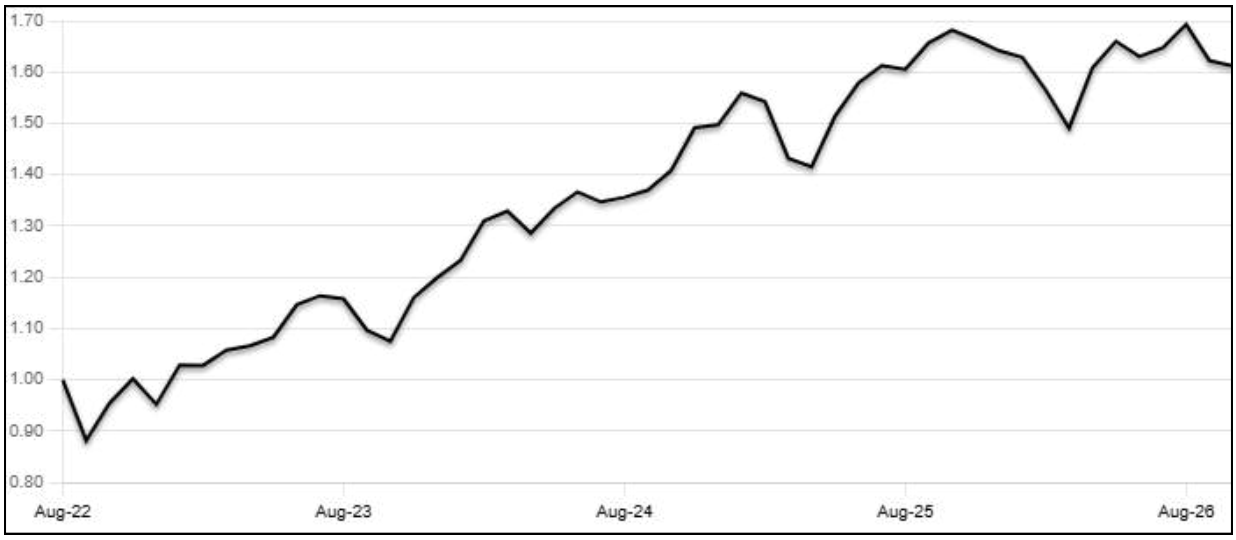
The impact of these underperforming funds was most pronounced in EBI Aggressive, reflecting its higher equity allocation. Their negative contributions were smaller in EBI Growth and EBI Balanced, where lower equity exposures helped moderate their impact on overall portfolio performance.

GLOBAL GROWTH LEADER COMMENTARY



Kenneth Gan Kim Yu
Investment Analyst
Investment Solutions

COMPOSITE PERFORMANCE (%) as of 31 October 2026[1,2]



	YTD	1 Mth	3 Mths	6 Mths	1 Yr	Annualised 3 Yrs	Since Incep.
Composite (%)	-1.8	-0.6	-2.1	0.2	-4.1	14.5	12.1

Market Review

Global equity markets delivered mixed returns in October as the market weighed persistent inflation pressures, diverging sector performance and ongoing geopolitical risks. The technology sector experienced a broad pullback, particularly across semiconductor-related companies, following a prolonged period of strong performance. As a result, the Nasdaq and the S&P500 declined 5.30% and 0.93% respectively during the month. In contrast, more defensive and economically sensitive segments of the market demonstrated relative resilience, with the Dow Jones Industrial Average and Russell 2000 Index advancing 1.70% and 0.54% respectively.

The macroeconomic backdrop remained challenging. While the US Federal Reserve left interest rates unchanged, inflation data came in firmer than expected. Both Core Consumer Price Index (CPI) and Producer Price Index (PPI) exceeded consensus forecasts as shelter and transportation inflation reaccelerated during September. These readings reinforced concerns that inflation may prove more persistent than previously anticipated and reduced expectations for a near-term shift toward monetary easing.

Despite the stronger inflation prints, the US 10-year Treasury yield declined below the 5% threshold to 4.94%, providing some support for long-duration growth assets. Nevertheless, sentiment remained cautious as markets assessed the implications of higher-for-longer interest rates and slowing economic momentum.

Geopolitical developments also remained a significant focus. Brent crude oil rose sharply to an intra-day high of US$119.22 per barrel, reaching its highest level of the year amid escalating concerns surrounding the Middle East conflict and diminishing hopes for a near-term resolution. The increase in energy prices further contributed to inflation concerns and heightened uncertainty regarding the global economic outlook.

Portfolio Performance

Global Growth Leaders declined 0.59% in SGD terms during October. The portfolio's performance reflected a combination of strength among healthcare and information-services holdings, offset by weakness across selected technology and China-related positions. Currency movements had a limited impact on returns as the Singapore dollar remained broadly stable against the US dollar during the month.

The portfolio continued to benefit from exposure to businesses with strong competitive positions, recurring revenue characteristics and long-term structural growth drivers. However, market volatility and increased caution towards certain growth-oriented sectors weighed on several holdings despite generally resilient underlying business fundamentals.

Portfolio Activity

The portfolio exited its position in Hyundai Rotem during the month. While the company remains exposed to favourable long-term defence spending trends, conviction weakened as visibility on the timing and magnitude of future higher-margin military contract awards became less certain. Given the increasingly balanced risk-reward profile, capital was reallocated to opportunities offering greater near-term certainty and more attractive return potential.

The portfolio also reduced its position in Microsoft. Following a period of strong share-price performance and significant market enthusiasm surrounding AI infrastructure spending, the trim helped moderate the portfolio's exposure to the broader AI and semiconductor ecosystem.

Proceeds were partially redeployed into Nu Holdings. Despite continued macroeconomic concerns affecting sentiment toward Latin American financial institutions, the team believes the weakness largely reflects cyclical and macroeconomic headwinds rather than any deterioration in the company's competitive position, customer growth trajectory or long-term earnings potential.

Outlook

Looking ahead, markets are likely to remain influenced by the interaction between inflation, monetary policy and geopolitical developments. Recent upside surprises in Core CPI and PPI suggest that inflationary pressures may remain more persistent than previously expected, potentially extending the period of restrictive monetary policy. Higher energy prices and ongoing geopolitical tensions further contribute to this uncertainty.

While near-term volatility may persist, the portfolio remains focused on identifying high-quality businesses with durable competitive advantages, strong balance sheets and attractive long-term growth prospects. Core areas of conviction continue to include healthcare innovation, information services, data and analytics, digital transformation and financial inclusion. The team remains disciplined in balancing long-term structural growth opportunities with prudent risk management and valuation considerations as market conditions evolve.

PERFORMANCE DRIVERS

Top Contributors

Eli Lilly

+22.5%

Eli Lilly was the portfolio's strongest contributor during the month. The company continued to benefit from exceptionally strong demand for its obesity and diabetes franchises, particularly Zepbound and Mounjaro, which grew 49% and 65% year-on-year respectively. Combined Q3 sales reached US$16.1 billion, reinforcing expectations that the market opportunity for incretin-based therapies remains substantial.

RELX

+19.9%

RELX delivered strong returns after reporting continued success in commercialising AI-enhanced products across its various segments. Year-to-date sales increased across all major segments, led by Legal (+10% YoY), Risk (+8% YoY) and Scientific (+6% YoY), while Exhibitions grew a more modest 4% amid disruption related to the US-Iran war. Overall, the firm is gradually proving itself to be a beneficiary of growing demand for trusted data, content, and analytics powered by AI.

Top Detractors

Naura Technology

-22.3%

Naura Technology was the portfolio's largest detractor during the month, declining alongside broader weakness in Chinese equities, with the CSI 300 Index falling 8.54% in October. While the company subsequently reported third-quarter results on 30 October showing sequential improvements in revenue and operating profit, sentiment remained pressured by concerns over China's economic outlook and the pace of recovery in semiconductor capital expenditure. Despite the near-term headwinds, the company's strategic position within China's domestic semiconductor equipment industry continues to support the long-term

Alphabet

-18.4%

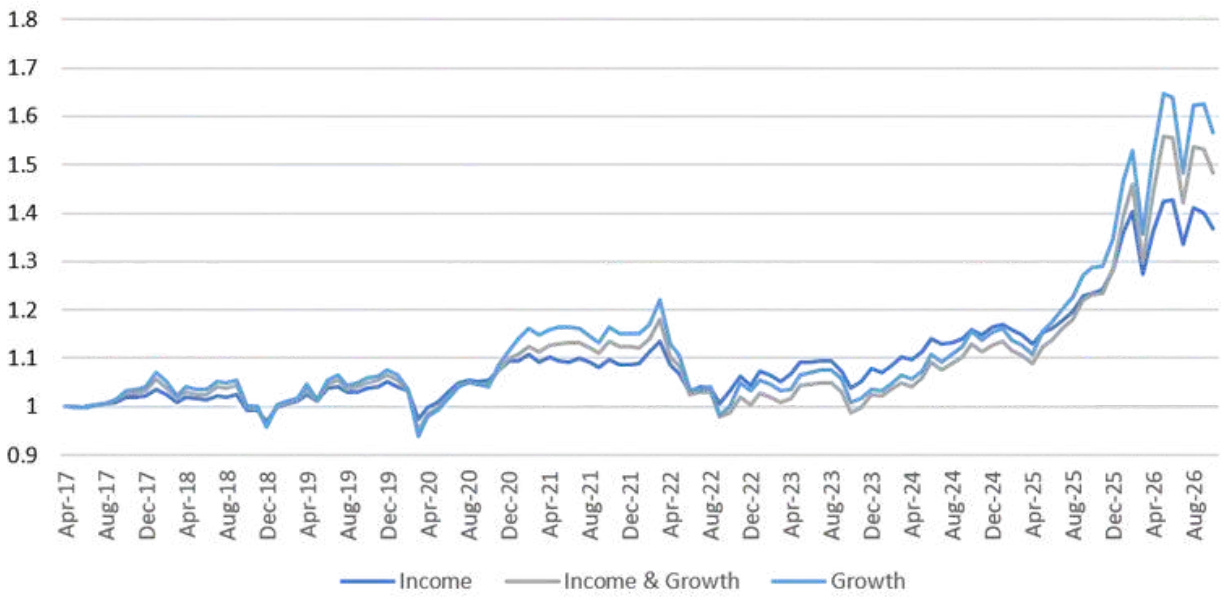
Alphabet detracted from performance despite delivering a strong operational quarter. However, focus remained on the continued deceleration in Google Services, where revenue growth slowed to 10.6% year-on-year, raising concerns about the sustainability of growth in the company's core search and advertising franchise amid evolving AI-enabled search experiences and increasing competition.

SMART PORTFOLIO (UNIT TRUST)



Benjamin Tan Hong Wei
Investment Analyst
Investment Solutions

COMPOSITE PERFORMANCE (%) as of 31 October 2026[1,2]



	YTD	1 Month	3 Months	6 Months	1 Year	3 Year Annualised	5 Year Annualised
Income	6.6%	-2.3%	2.3%	0.3%	10.9%	9.6%	4.5%
Income & Growth	15.3%	-3.3%	4.3%	2.8%	20.5%	14.5%	5.5%
Growth	16.3%	-3.5%	5.7%	2.9%	21.7%	15.8%	6.1%

SMART Income, Income & Growth, and Growth declined -2.29%, -3.28% and -3.53% respectively in October, bringing year-to-date returns to +6.61%, +15.29% and +16.29%. The pullback was driven primarily by weakness across Asian technology markets, as investors reassessed the sustainability and funding of large-scale AI infrastructure investment.

Our South Korea and Taiwan equity allocations were the largest detractors, declining -16.84% and -13.99% respectively. Both markets had delivered exceptionally strong gains earlier in the year, with the Korea and Taiwan funds still up approximately +69% year-to-date. The October correction reflected growing investor concerns over whether the pace of AI infrastructure investment can be sustainably financed and maintained, which in turn raised questions around the durability of future orders for memory, advanced semiconductors and related hardware.

US equities declined -1.86% during the month as weakness in large technology companies offset strength across other areas of the market. Investor attention increasingly shifted from the pace of AI investment toward whether the significant capital being committed by major technology companies could generate sufficient returns.

The Biotechnology allocation was comparatively resilient, with the Franklin Biotechnology Discovery Fund declining only -0.13% in October. The sector continues to benefit from long-term structural themes including pharmaceutical innovation, ageing populations, new treatment modalities and continued strategic interest from larger pharmaceutical companies seeking to strengthen their drug pipelines.

Fixed income provided an important stabilising effect during the equity market correction. Emerging Market Government Bonds gained +1.87%, while the Singapore Dollar Income Bond allocation returned +0.04%. Asia High Yield declined modestly by -0.68%. Overall, bond allocations experienced substantially lower volatility than the portfolio's equity exposures during the month, helping cushion the impact of the correction in Taiwan and South Korea. The Federal Reserve's decision to leave rates unchanged at 3.75%–4.00% on 28th October 2026 reduced concerns surrounding an immediate further tightening of monetary policy, although inflation remains sufficiently elevated for interest-rate volatility to remain an important portfolio consideration.

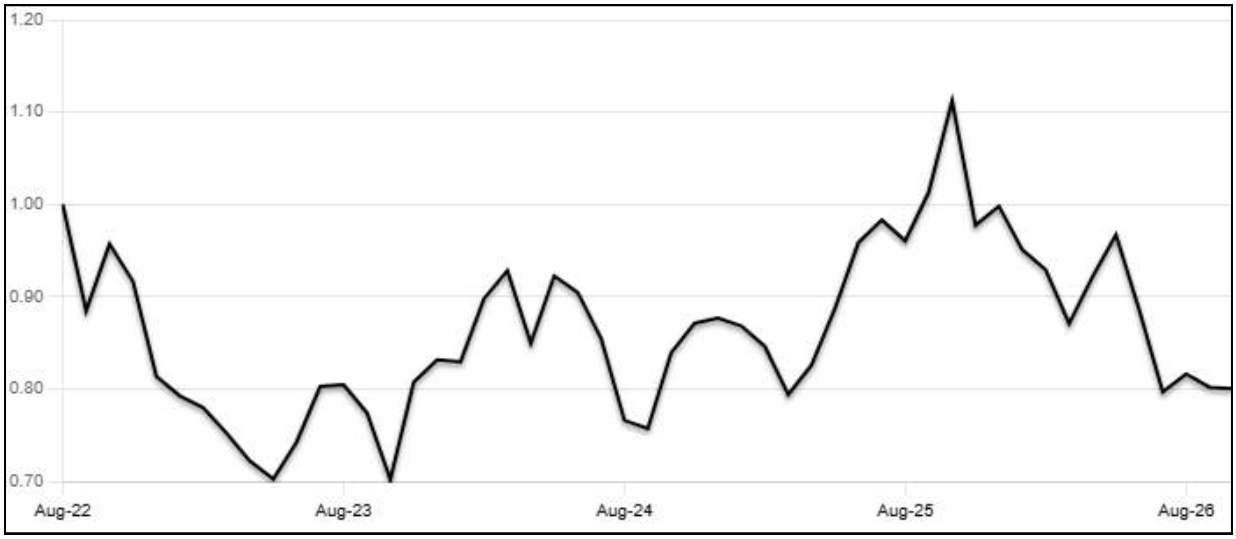
Looking ahead, the portfolios remain diversified across regional equities, biotechnology and fixed income. Despite the correction in the AI and Semiconductor industry, the underlying structural demand for AI infrastructure has not disappeared, and major technology companies continue to commit significant capital towards developing AI capabilities. October's market volatility reinforces the importance of following the SMART signals systematically, enabling the portfolios to adjust their exposures as relative opportunities and risks evolve while maintaining a disciplined long-term investment framework.

SMART PORTFOLIO (US)



Kenneth Gan Kim Yu
Investment Analyst
Investment Solutions

COMPOSITE PERFORMANCE (%) as of 31 October 2026[1,2]



	YTD	1 Mth	3 Mths	6 Mths	1 Yr	Annualised 3 Yrs	Since Incep.
Composite (%)	-19.8	-0.2	0.5	-13.1	-28.0	4.5	-5.2

Market Review

US equities delivered mixed performance in October as investors assessed resilient economic data, inflation trends and the outlook for monetary policy. The S&P 500 declined 0.93%, while the Nasdaq Composite fell 5.3%, reflecting weakness in growth-oriented sectors. In contrast, the Dow Jones Industrial Average gained 1.7% and the Russell 2000 rose 0.54%, supported by stronger performance from value and cyclical sectors.

Both CPI and PPI readings exceeded market expectations during the month. Despite the firmer inflation data, the 10-year US Treasury yield declined 35 basis points, suggesting moderating growth expectations. The Federal Reserve left interest rates unchanged ahead of the US midterm elections, while futures markets continued to price approximately a 75% probability of another rate hike at the December FOMC meeting.

Portfolio Performance

The SMART US Portfolio declined 0.16% during October.

Strong contributions from selected energy, chemicals and healthcare holdings were offset by weakness among several technology and growth-oriented positions.

Market Outlook

The Federal Reserve remains focused on returning inflation to target while balancing risks to economic growth. Inflation remains above target, although falling Treasury yields suggest markets are increasingly focused on moderating growth expectations.

The portfolio remains invested in companies with strong competitive positions, attractive valuations and identifiable earnings growth drivers. We continue to favour businesses that can grow earnings through company-specific execution rather than relying solely on a favourable macroeconomic environment, and believe the portfolio remains well positioned to navigate changing market conditions.

PERFORMANCE DRIVERS

Top Contributors

SM Energy

+19.5%

SM Energy was the portfolio's strongest contributor as an improving production outlook following the integration of its Civitas Resources acquisition and stronger oil prices supported earnings expectations. The acquisition significantly expanded the company's scale across the Permian and DJ Basins and is expected to drive substantial production growth over the coming year.

LyondellBasell

+19.4%

LyondellBasell gained after reporting solid free cash flow generation, improving profitability and continued progress on its cost-reduction initiatives. The company also continued to optimise its portfolio through the divestment of non-core assets and disciplined capital allocation.

Top Detractors

Viavi Solutions

-28.6%

Viavi Solutions was the portfolio's largest detractor despite announcing continued product innovation and contract activity during the month. The share price weakness followed strong gains earlier in the year and reflected increased volatility across technology-related holdings.

Planet Labs

-17.8%

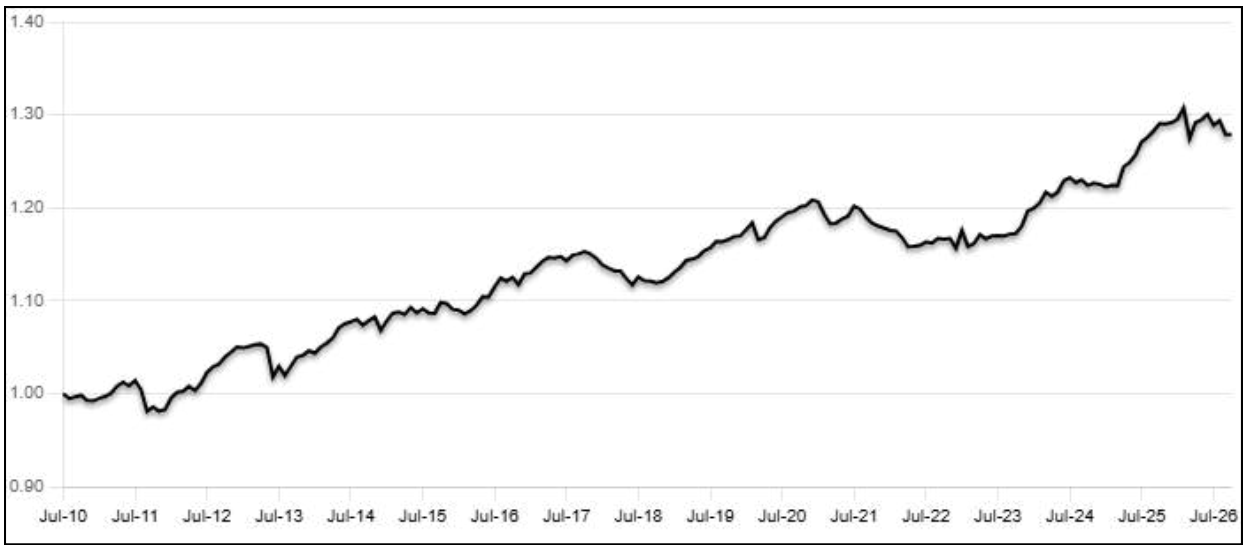
Planet Labs declined despite announcing new contract awards and satellite launches during the month. The company continues to expand its Earth observation and geospatial intelligence capabilities, although broader weakness across higher-growth technology and space-related companies weighed on performance.

PHILLIP RETURNS ENHANCER



Dexter Tan
Portfolio Manager
Investment Solutions

COMPOSITE PERFORMANCE (%) as of 31 October 2026[1,2]



	YTD	1 Mth	3 Mths	6 Mths	1 Yr	Annualised 3 Yrs	Annualised 5 Yrs	Annualised 10 Yrs	Since Incep.
Composite (%)	-1.0	0.0	-0.8	-1.0	-0.9	2.9	1.6	1.3	1.5

October was a positive month for fixed income markets as bond yields declined across the curve. Investment grade bonds outperformed high yield. US Treasuries rallied, while emerging market issues also recorded gains.

The Monetary Authority of Singapore (MAS) kept the slope, width and centre of the S$NEER policy band unchanged in October after two consecutive tightening moves in April and July. Advance estimates indicated that Singapore's GDP grew 5.4% year-on-year in Q3 2026, which was slower than the 6.2% growth recorded in the preceding quarter. MAS expects an average core inflation of 1.5%–2.0% in 2026, and 1.5%–2.5% in 2027.

Elsewhere, the Federal Reserve held the Federal Funds rate unchanged at a target range of 3.75%–4.00% at its October meeting. Two FOMC members dissented in favour of a rate hike while Chairman Warsh signalled that the Fed would remain vigilant on inflation. US Treasury yields declined over the month, with the 2-year and 10-year yields falling by 30bps and 36bps to 4.59% and 4.93%, respectively.

The Singapore dollar weakened marginally against the US dollar over the month, as the USD/SGD pair increased from 1.273 to 1.278. Asian currencies broadly faced headwinds from the stronger dollar, although the Malaysian Ringgit and Chinese Yuan both appreciated modestly against the Greenback.

Performance was broadly unchanged for the month (+0.00%), as positive contributions from China bonds and US high yield were offset by weakness in emerging markets. We initiated an allocation to the PIMCO emerging market bond fund early in the month, taking advantage of improving market sentiment.

The recent decline in government bond yields has supported valuations and demonstrated the diversification benefits that bonds can offer should interest rates move lower. At the current level, today's yield environment still offers an attractive entry point for investors seeking both income and diversification within their portfolios.

SGD ALL-WEATHER



Dexter Tan
Portfolio Manager
Investment Solutions

October was a positive month for fixed income markets as bond yields declined across the curve. The Singapore government bond curve bull-steepened, as the 2-year, 5-year and 10-year SGS yields decreased by 12 bps, 21 bps and 23 bps to 1.848%, 2.017% and 2.227%, respectively. Meanwhile, the 3-month SORA rate climbed 4 bps to 1.2748% and the 6-month SORA increased by 6 bps to 1.217%.

The Monetary Authority of Singapore (MAS) kept the slope, width and centre of the S$NEER policy band unchanged in October after two consecutive tightening moves in April and July. Advance estimates indicated that Singapore's GDP grew 5.4% year-on-year in Q3 2026, which was slower than the 6.2% growth recorded in the preceding quarter. MAS expects an average core inflation of 1.5%–2.0% in 2026, and 1.5%–2.5% in 2027.

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The portfolio returned -0.98% in October, as our positions in Brazil government bonds detracted. Brazilian markets sold off following President Lula’s victory in the late-October runoff election, reversing the positive market reaction following Flavio Bolsonaro’s first-round win. We exited our Brazil position but initiated a position in emerging market bonds early in the month as sentiment improved.

The recent decline in government bond yields has supported valuations and demonstrated the diversification benefits that bonds can offer should interest rates move lower. At the current level, today's yield environment still offers an attractive entry point for investors seeking both income and diversification within their portfolios.

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Notes:

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