



CIO Office

Global Markets Weekly Kickstart

Sector Rotation

2 March 2026

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The Top 10% Matters in the US

► Top Focused Economic Policy In The US

The economic prospect of the economy is heavily relying on the top corporates and individual. Despite the negative social impact, the investments and spending for the top are starting to filter through into the broader economy, at least on the corporate side. As evidenced in the narrowing earnings growth gap between the M7 and the S&P 493, we believe this will also continue to drive a broader rotation into a broader base of the index. While the top 10% of the income earners are driving 49% of the domestic consumption, we also expect this will be positively multiplied into the broader economy.

► Increasing Volatility Before Mid-term Election

While there are merits in the current economic policy, this is eroding into the political capital of the current administration especially when the mid-term election is scheduled in Nov this year. We expect further market volatility before than and recommend investors to continue their diversifications: 1) from AI-centric names to the traditional industry; 2) from US to Asia when US domestic volatility is expected to rise.

Mag-7 Earnings Growth minus S&P 493

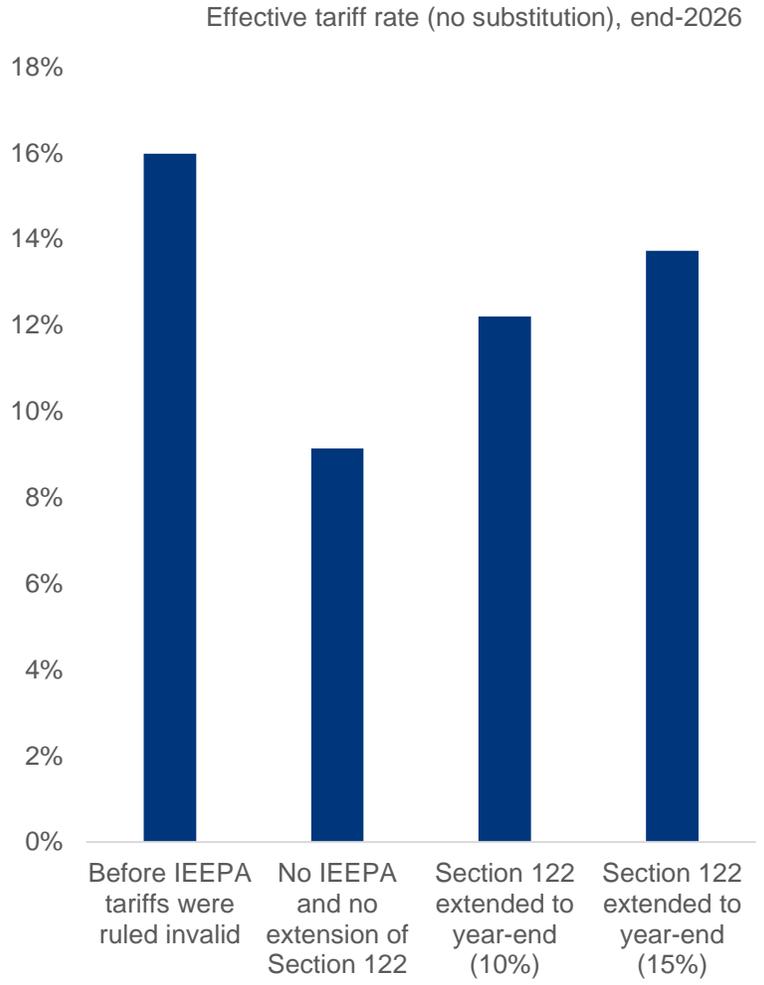


Chart of the Week

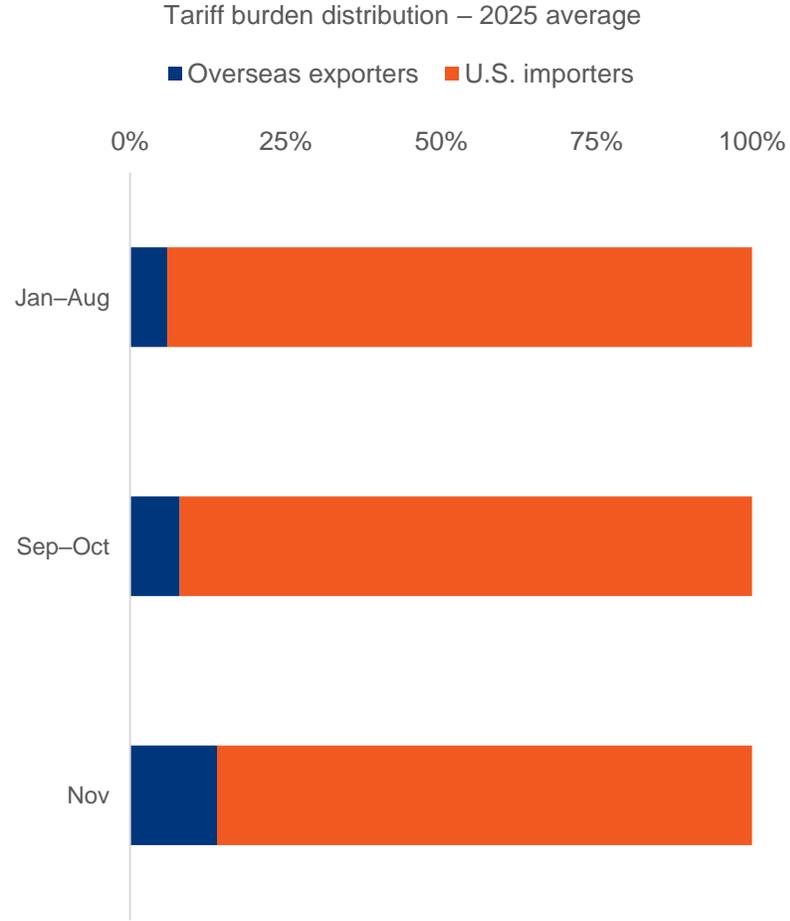
U.S. IEEPA Tariffs Voided – Effective Rates Fall, Policy Uncertainty Rises

- ▶ According to The Budget Lab, the effective U.S. tariff rate was 16% before the IEEPA ruling. After the decision, it fell to 9.1%. Trump then invoked Section 122, lifting the rate to an estimated 13.7%. As Section 122 tariffs may face legal challenges and expire after 150 days, the effective rate could drop back to 9.1%. For importers, uncertainty remains—such as whether to delay shipments until potential expiry—while some exporters (e.g., the EU) have paused trade talks.
- ▶ A positive development for U.S. importers is that exporters are absorbing more tariff costs. New York Fed estimates show the exporter burden rose from 6% initially to 14% by November 2025.
- ▶ On fiscal impact, tariffs accounted for 4% of U.S. government revenue in 2025, up from 2% in 2024. Given their still modest share, the effect on overall fiscal conditions—and Treasury yields—should be limited.

IEEPA and Section 122 Tariffs – Potential Impact



Tariff Burden Mainly Borne by U.S. Importers



Source: The Budget Lab, Federal Reserve Bank of New York

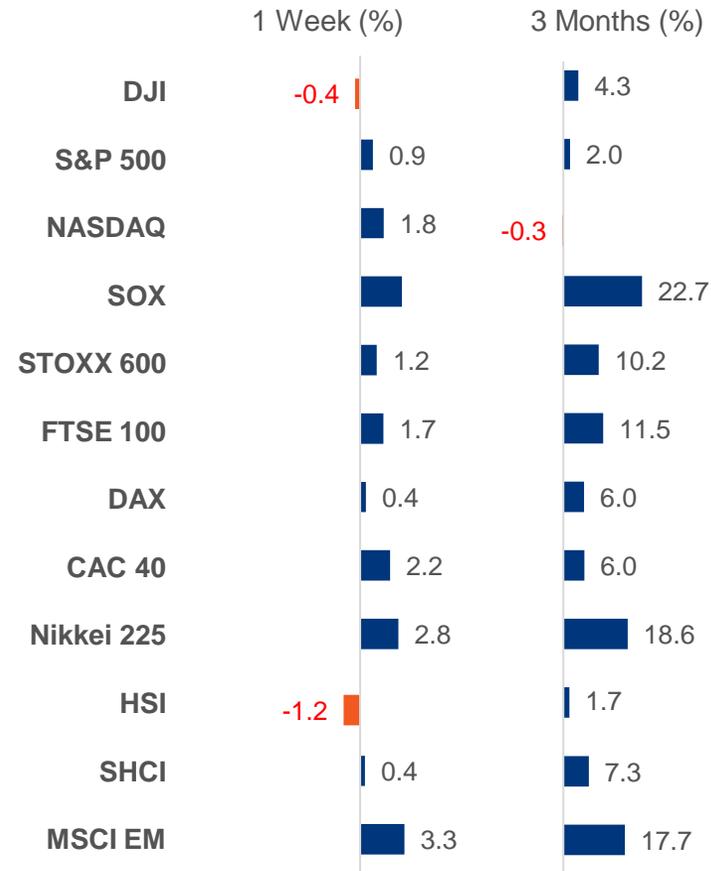


Market Recap

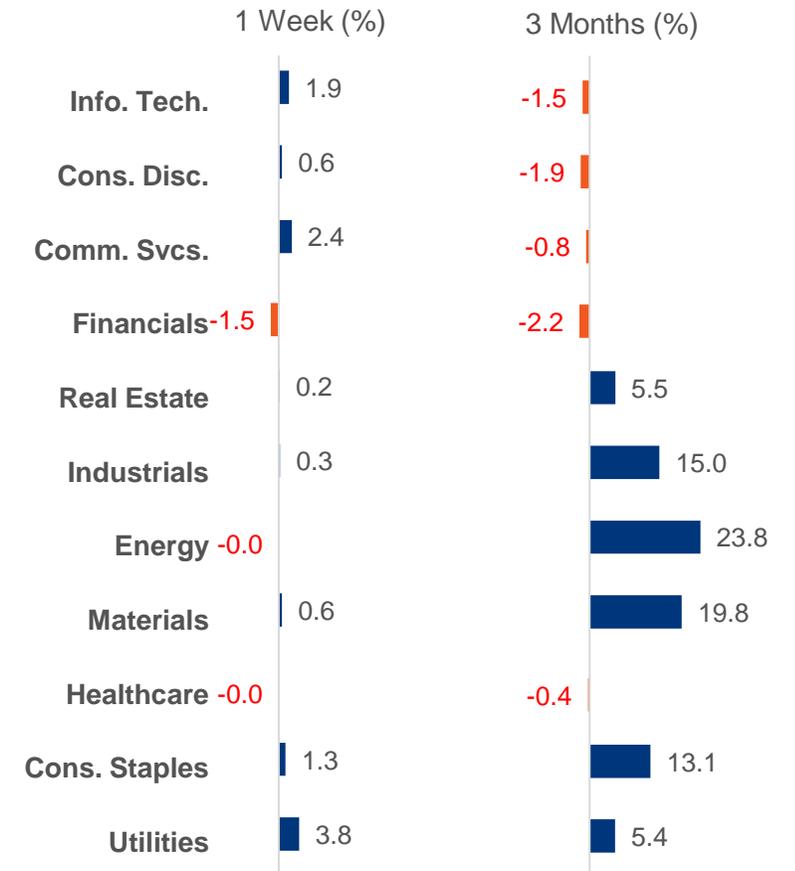
Tech Giants Deliver Positive Updates; Tech Stocks Stabilize

- ▶ U.S. tech, semiconductor, and software stocks rebounded this week. Anthropic announced new partners for its Claude Cowork platform, easing AI-related concerns.
- ▶ The Conference Board's February consumer confidence index rose to 91.2, above expectations of 87.1, signaling improved sentiment. However, labor market perceptions remained soft: the share of respondents saying jobs are "hard to get" climbed to 20.6%, the highest since February 2021, while those viewing jobs as "plentiful" rose to 28%. Median 12-month inflation expectations held at 4.4%, indicating persistent price concerns.
- ▶ Meta signed a multi-year agreement with AMD to deploy AMD chips in its AI data centers, alongside warrants for up to 160 million AMD shares. AMD surged 8.8% on the news, while Meta gained 0.32%.
- ▶ In Japan, a dovish new BOJ board member delayed rate hike expectations, weighing on the yen and lifting sentiment. Combined with the Takaichi administration's pro-AI stance, Japanese equities performed well this week.

Regional Index Performance (%)



U.S. Sector Index Performance (%)



Source: Bloomberg

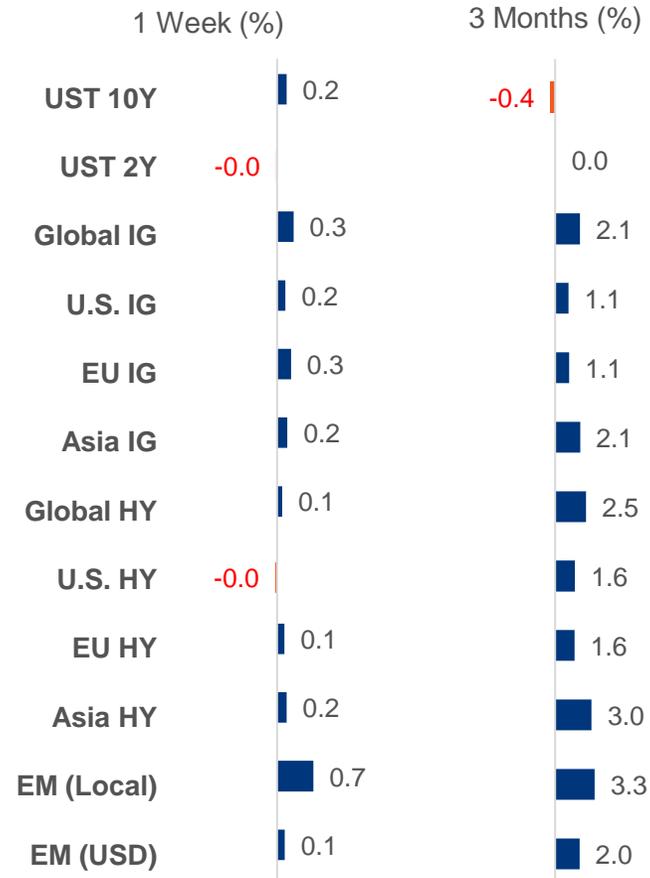
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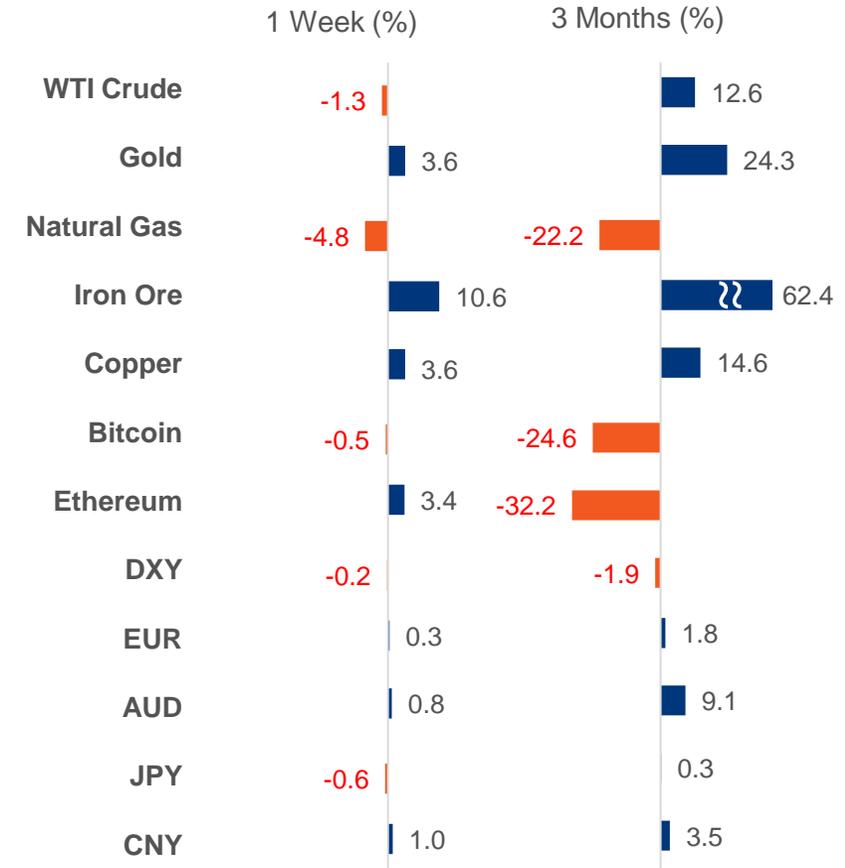
Limited Impact from Tariffs on U.S. Revenue; BOJ's New Member Leans Dovish

- ▶ This week, the overturning of IEEPA tariffs heightened policy uncertainty. Trump raised global tariffs to 10% under Section 122 and warned of additional levies on countries revisiting trade agreements, adding to uncertainty. However, as tariffs account for only about 4% of U.S. government revenue, the impact on Treasury prices has been limited.
- ▶ Cryptocurrencies stabilized alongside tech stocks. Bitcoin edged lower over the past week, while Ethereum posted gains, though both remain below levels seen three months ago.
- ▶ On January 25, the Bank of Japan announced new policy board appointments. The two new members favor monetary easing and fiscal support, reducing rate hike expectations. The yen weakened against the dollar, supporting Japanese equities.

Performance of Bonds (%)



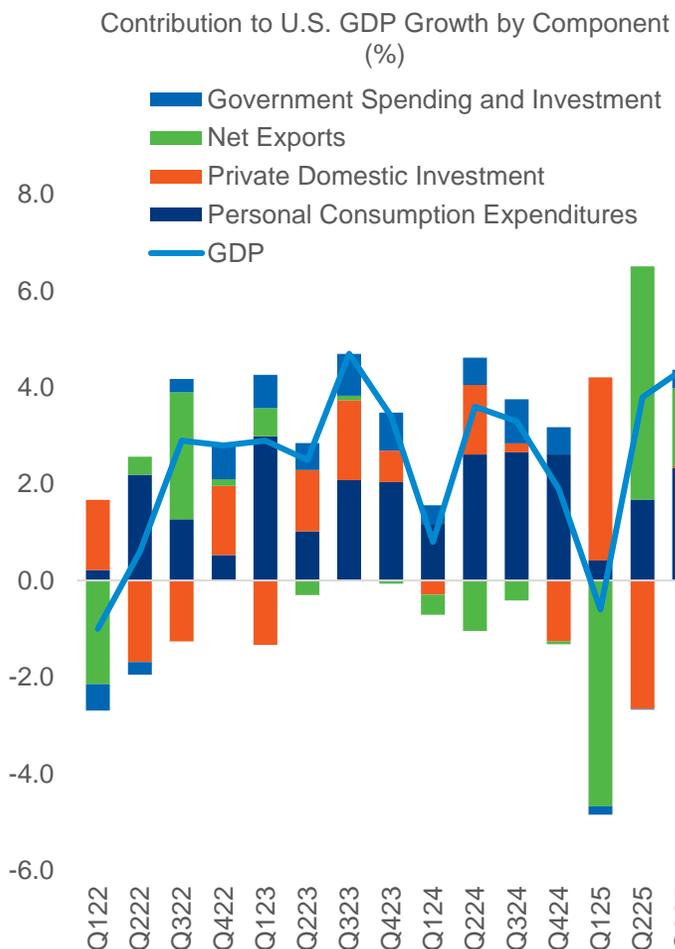
Performance of Commodities and Currencies (%)



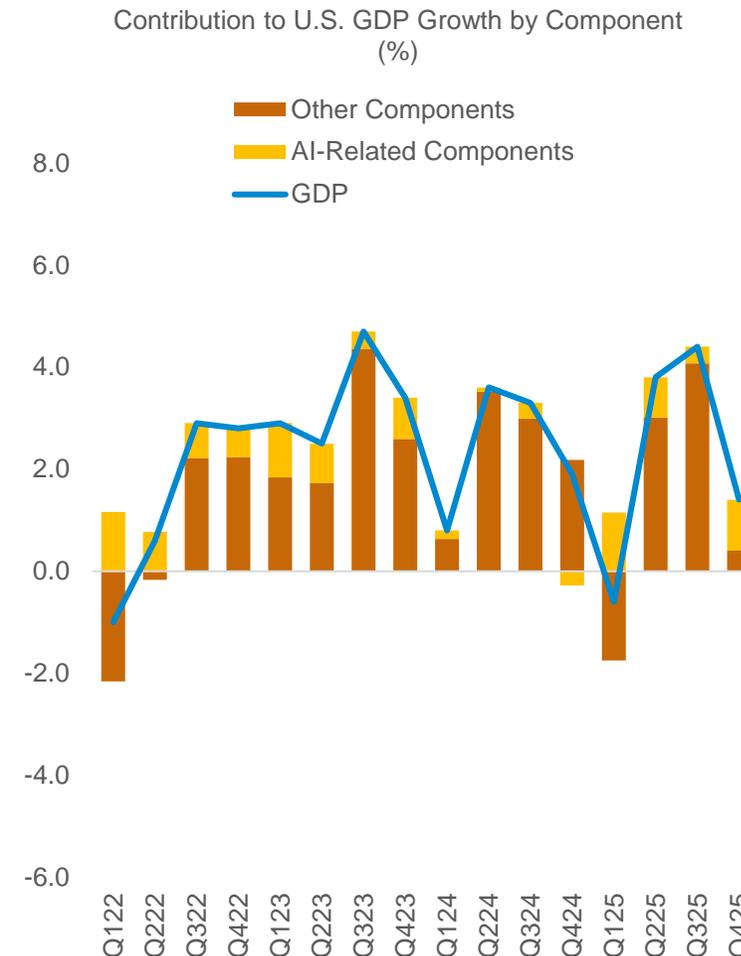
U.S. Government Shutdown Weighs on Growth; AI Not the Sole Driver

- ▶ U.S. Q4 GDP grew at an annualized 1.4%, down from 4.4% in Q3 and below the 3% forecast. Slower goods consumption contributed, but the main drag came from government spending and investment, which fell 5.1% after rising 2.2% in Q3, subtracting 0.9 percentage points from GDP due to the shutdown.
- ▶ AI-related investment remains significant but not dominant. In Q4, non-residential structures, IT equipment, software, and R&D together contributed 1.0 percentage point to GDP growth, while personal consumption added 1.6 points. For the full year, AI-related items contributed 0.5 points, versus 1.7 points from consumption, with total GDP growth at 2.2%. AI is important, but consumer spending remains the larger driver.
- ▶ Growth is steady, and inflation remains resilient. Core PCE rose to 3% in February, the highest since February 2025, suggesting limited room for Fed rate cuts.

Government Shutdown Drags on Economic Growth



AI-Related Share Is Significant, but Not the Sole Growth Driver

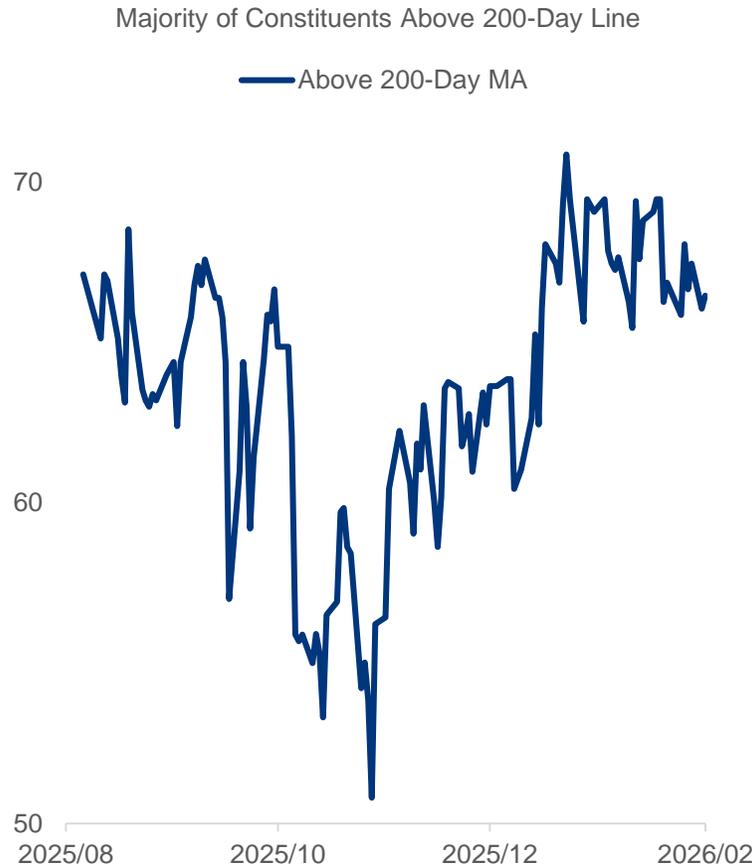


Source: BEA

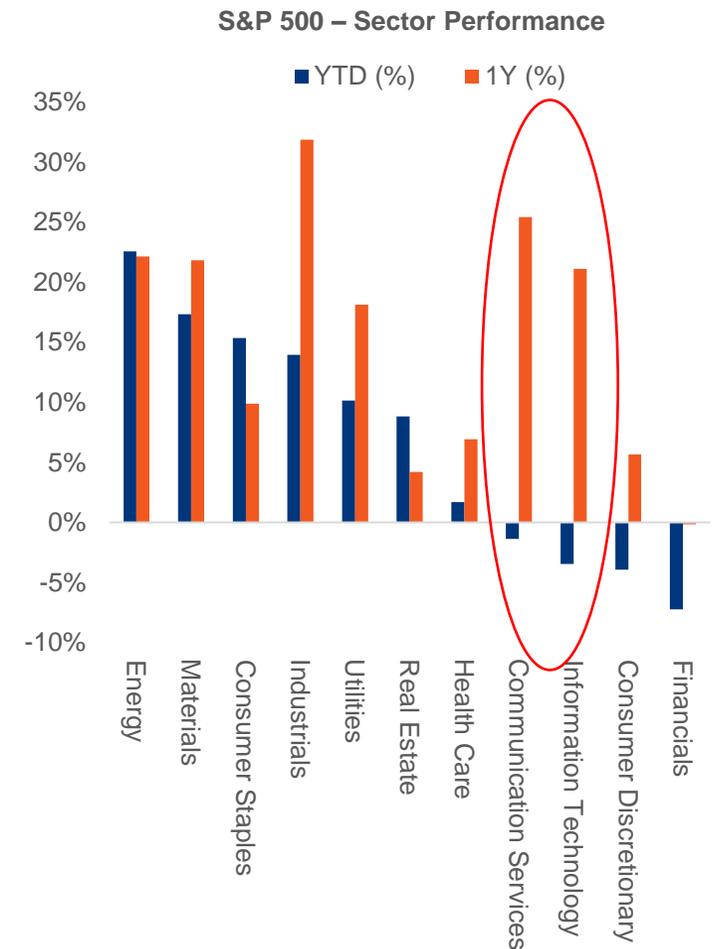
Rotation in Leadership – Last Year’s Tech and Communication Winners Lag This Year

- ▶ Over the past year, technology and communication services led the market, but both sectors have underperformed this year. Rising capital expenditure and elevated valuations are key reasons. Consumer discretionary and financials have also lagged, while energy, materials, and even consumer staples are among the top performers year to date.
- ▶ Major cloud providers—such as Microsoft, Meta, Amazon, Google, and Oracle—are aggressively investing in data centers. Market estimates suggest their combined 2026 capex will rise 64% year over year. As spending increases, these firms are shifting from asset-light tech models toward capital-intensive businesses focused on AI chips and servers, resembling traditional resource companies.
- ▶ Meanwhile, traditional sectors appear more attractive, particularly energy and materials, which supply critical inputs such as power, copper, and steel for data centers. This dynamic has driven sector rotation. Currently, about 65% of S&P 500 constituents trade above their 200-day moving average, indicating gains are not yet broad-based.

Approximately 65% of Constituents Above 200-Day Moving Average



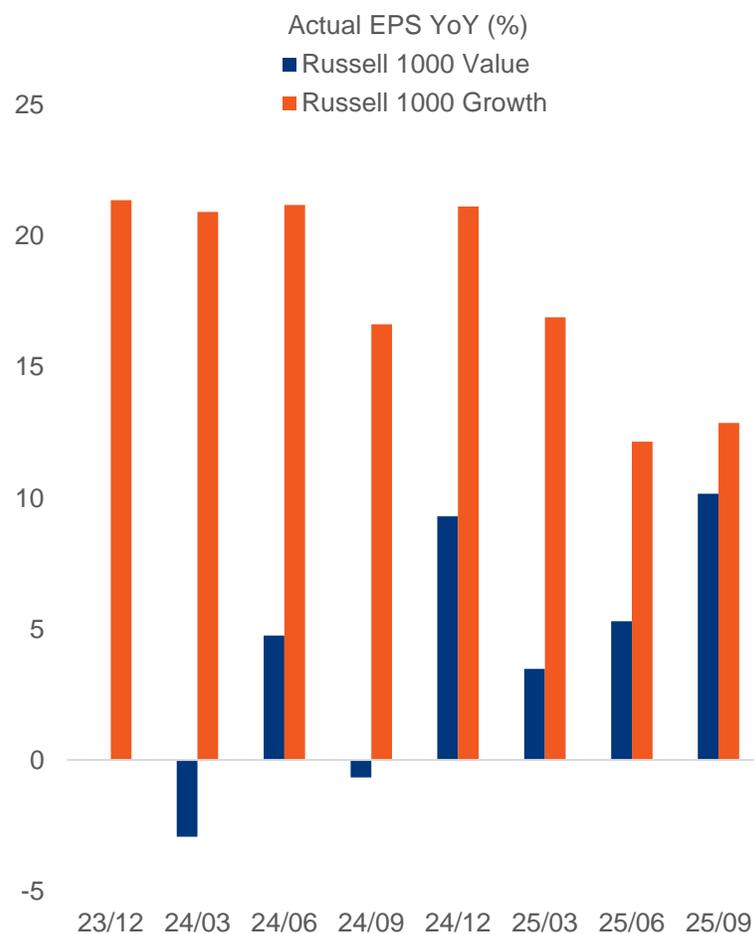
Tech and Communication Stocks Falter After Strong 2024



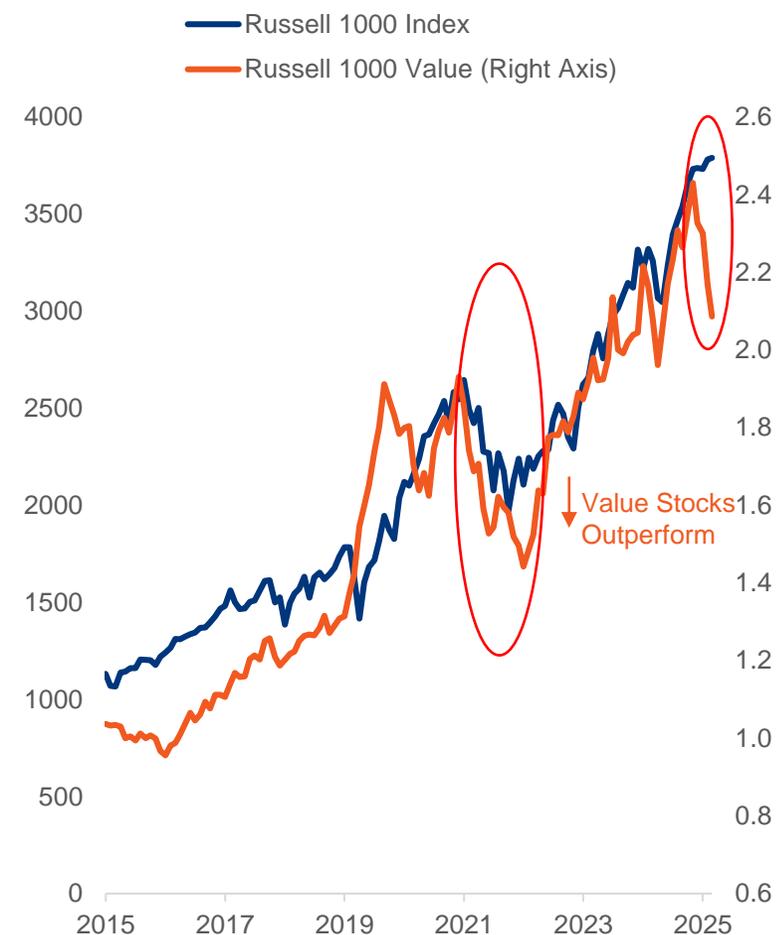
Narrowing Earnings Gap Suggests Sector Rotation Not Purely Defensive

- ▶ Value stocks, typically traditional sectors, tend to feature lower valuations (P/E, P/B), lower beta, and more mature, stable businesses.
- ▶ In market pullbacks, their steadier earnings often attract flows. Since last October, Russell 1000 value has outperformed growth. Unlike past risk-off episodes—such as Liberation Day or the pandemic—markets have not shown broad panic, and indices have reached new highs. Recent consolidation at elevated levels has seen value stocks contribute more meaningfully.
- ▶ This rotation is not purely a defensive shift. Since 3Q last year, value earnings growth has been catching up with growth stocks, narrowing the gap while valuations remain lower. Value indices also have less exposure to the “M7” and face fewer concerns over heavy capex. Strategically, investors may consider rotating part of U.S. equity exposure into value or adopting equal-weight strategies.

Value Stock Earnings Growth Has Caught Up With Growth Stocks



the Advantage of Value Stocks and Equal-Weight Indices Has Emerged In Past Three Months



Source: Bloomberg

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Asset Strategy

Asset Type	Market View	Preferred Assets
Equities	<ul style="list-style-type: none"> ◆ Major cloud providers are shifting from asset-light tech models to capital-intensive businesses as capex rises, prompting closer scrutiny of profitability and semiconductor supply chain opportunities. ◆ Europe and Japan continue expansionary fiscal paths, supporting non-U.S. equities. In Europe, we favor Germany (fiscal stimulus and improving growth), the U.K. (attractive valuations and rate-cut tailwinds), and Spain (strong fundamentals, high financial weight). Preferred sectors include financials with stronger balance sheets and defense supported by policy. In Japan, we favor domestic demand, banks, and semiconductors. 	<p>Strategy: Core allocation to large-cap quality names. Long-term positioning in AI themes (technology, semiconductors, utilities, machinery). Outside AI, aerospace, defense, and value stocks are preferred.</p> <p>Regions: Germany, Spain, Japanese banks, Japanese semiconductors.</p>
Bonds	<ul style="list-style-type: none"> ◆ Tariff revenue uncertainty has had limited impact on bonds, as tariffs account for a small share of government revenue. Corporate fundamentals remain stable, though spreads have edged wider, more notably in high yield. We favor locking in yields via Treasuries and investment-grade bonds with solid cash flow. Preferred sectors include financials, utilities, and industrials. ◆ Given long-term USD depreciation risks, investors may diversify into non-USD bonds, such as euro- or AUD-denominated investment-grade debt. Improving EM fundamentals also support selective high-yield EM exposure. 	<p>Duration: Treasuries and high-quality IG; preferred sectors are financials, industrials, utilities.</p> <p>Types: Non-USD bonds for diversification</p>
Forex	<ul style="list-style-type: none"> ◆ Fed policy divisions suggest a near-term pause. The USD has limited downside short term but a mild depreciation bias longer term. ◆ With ECB easing nearing an end, the euro is likely range-bound. A dovish new BOJ member has delayed rate hike expectations, keeping the yen soft. 	<p>USD: Mild depreciation bias</p> <p>JPY: Short-term weakness</p> <p>EUR: Range-bound</p>
Commodity	<ul style="list-style-type: none"> ◆ Gold shows signs of bottoming. Geopolitical risks, strategic resource competition, and tariff uncertainty support its allocation value. Silver remains more speculative; the gold-silver ratio should mean-revert over time. 	<p>Gold: Constructive medium to long term</p> <p>Silver: High volatility</p>

Lithium: Policy Drivers and Demand Recovery

► U.S. “Project Vault” Fuels Strategic Resource Reserves

Recently, the United States launched the USD 12 billion “Project Vault,” a public–private initiative to establish strategic reserves of critical minerals and rare earths. Designed to provide a 60-day buffer of raw materials for the EV and defense industries, the program underscores lithium’s national strategic importance. In the near term, U.S. strategic procurement in international markets is expected to significantly boost demand for critical minerals, providing macro-policy support for global lithium carbonate prices and related company valuations.

► China Tightens Export Controls on Lithium Products and Technology

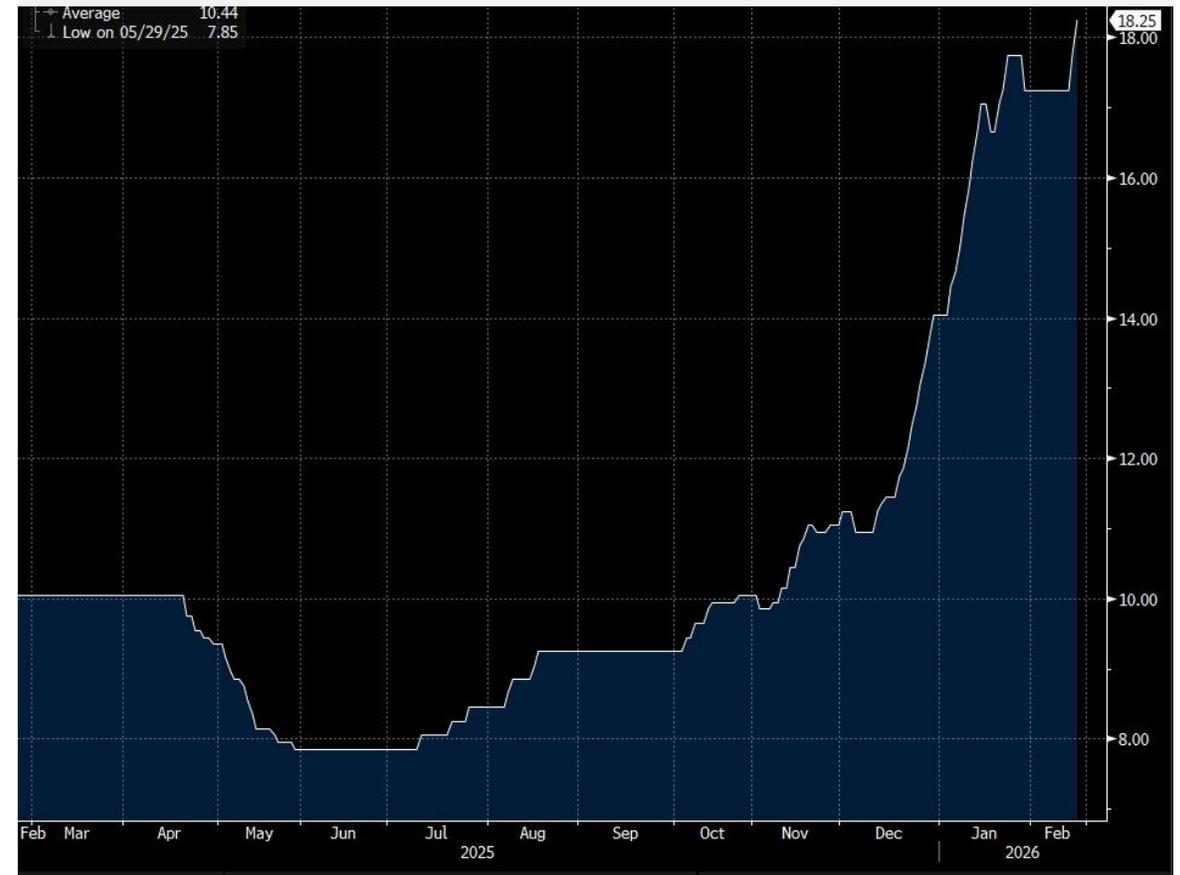
At the same time, China has gradually included certain high-end lithium batteries, graphite anode materials, and production equipment under export controls, highlighting lithium’s role as a geopolitical lever. Increasingly stringent approval mechanisms add uncertainty to global supply chains, prompting overseas battery makers and multinational automakers to accelerate stockpiling to mitigate supply disruption risks. This is expected to stimulate short-term hedging demand for Chinese lithium carbonate products.

► End-Market Lithium Demand Rebounds as Restocking Cycle Begins

With global EV penetration rising and large-scale energy storage installations expanding, lithium carbonate demand is recovering rapidly. Following an extended destocking phase, downstream battery and cathode material producers now hold relatively low inventories. As the traditional peak season approaches, the industry is entering a new round of rigid restocking. The improved supply–demand balance and renewed procurement momentum are anticipated to provide solid fundamental support for a rebound in lithium carbonate prices.

Source: Bloomberg

99.5% CIF Lithium Carbonate Price (USD/kg)



Tianqi Lithium (9696)

Closing Price HK \$47.5

Target Price HK \$63

Engaged in lithium resource development, mining, processing, and sales of concentrates and lithium compounds.

Global Lithium Inflection; Storage Drives Recovery

Global lithium demand is set for double-digit growth in 2026, led by energy storage (up ~60% YoY). With downstream inventories low, restocking is accelerating. The market is expected to move into deficit, with lithium carbonate prices projected around RMB 190,000/tonne in 2026 and potentially higher in 2027, supporting a strong recovery outlook.

Unique 100% Ore Self-Sufficiency: Profit Flexibility and Strong Moat

During a clear upward cycle in lithium prices, Tianqi Lithium leverages its irreplaceable resource endowment with 100% lithium ore self-sufficiency, making it the only Chinese producer fully independent in raw material supply. The company holds equity in Australia's Greenbushes mine, globally recognized as the lowest-cost source of spodumene. This ensures that when lithium carbonate prices surge, Tianqi is shielded from external high concentrate costs, efficiently converting price premiums into net profit. The result is industry-leading profit elasticity. Supported by extreme cost advantages and a robust balance sheet, the company maintains a strong margin of safety.

Lithium Price Upside Supports Earnings Re-Rating

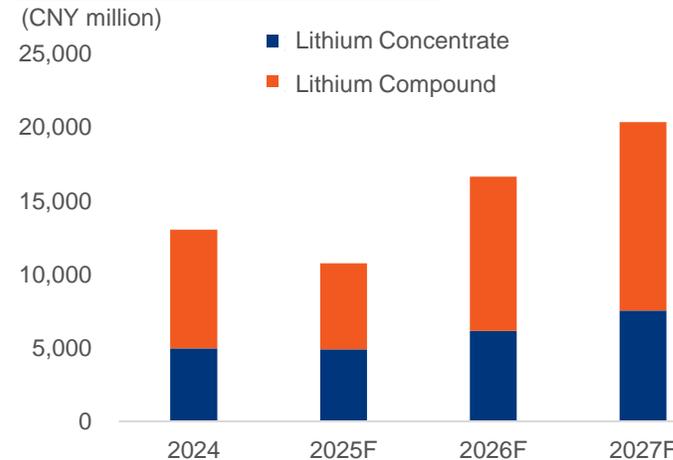
Backed by the strategic reserve value of lithium resources and emerging demand, lithium prices are expected to remain supported with further upside potential. This creates room for earnings upgrades across lithium-related equities. We assign a target price of HKD 63.

Source: Bloomberg

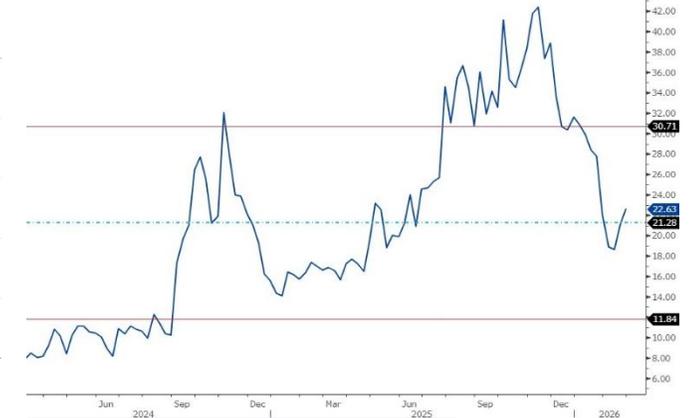
Financials

	2022	2023	2024	2025F	2026F
Revenue (CNY b)	40.1	40.4	13.0	11.3	18.8
Revenue YoY	424	0.7	-68	-13	66
EPS (CNY)	15.4	4.4	-5.3	0.4	1.75
EPS YoY	993	-71	-219	108	313
ROE(%)	74.23	14.1	-18.2	1.6	6

Revenue Source



Forward P/E Ratio



Gross Margin Change



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AI Shock: Value Takes the Lead

- ▶ U.S. January PPI rose 0.5% MoM, above the 0.3% forecast and December's revised 0.4%. Headline PPI increased 2.9% YoY, above expectations of 2.6% but slightly below the prior 3.0%. Core PPI climbed 0.8% MoM, well above the 0.3% forecast and December's revised 0.6%, while core PPI rose 3.6% YoY, exceeding both expectations (3.0%) and the prior 3.3%.
- ▶ Year to date, AI-related sectors have diverged. Software stocks have seen sharp sell-offs, while hardware and infrastructure names remain elevated, with some reaching record highs. Amid uncertainty over AI's broader economic impact, investors have adopted a "sell first, assess later" approach. Ongoing caution has driven flows into traditional and value sectors with lower AI exposure. The Dow Jones Industrial Average reached a record high, briefly surpassing 50,000, while the Nasdaq traded sideways. Industrials outperformed, supported by order growth and AI-driven efficiency gains, with benefits outweighing substitution concerns.

S&P 500 Growth vs. Value Index Comparison



General Electric Company (GE)

Closing Price US \$342.26

Target Price US \$400

Operating under the name GE Aerospace, the company is a leading supplier of aircraft engines. It manufactures jet and turbine engines, Colibrium additives, and propellers, while providing integrated systems for commercial, military, business, and general aviation aircraft. GE Aerospace serves customers worldwide.

\$190 Billion Backlog and Narrowbody Engine Dominance Support Multi-Year Growth

GE enters fiscal year 2026 with a backlog of approximately USD 190 billion, following FY2025 revenue growth of 21%, EPS growth of 38%, and free cash flow conversion exceeding 100%. Its dominance in the narrowbody engine market—through the CFM platform powering Boeing and Airbus fleets—positions the company to capture high-margin aftermarket service revenue as global flight hours normalize and airlines prioritize fleet renewal. Accelerated equipment deliveries combined with long-term service contracts create robust cash generation and strong earnings visibility into FY2026 and beyond.

U.S. Defense Contracts and Next-Generation Propulsion Expand Growth Runway

GE is strengthening its defense portfolio through digitalized maintenance and next-generation propulsion systems. Its AI-driven TrueChoice Defense contract for the J85 engine (supporting the U.S. Air Force T-38 fleet) integrates data from over 6,000 engine parts to enhance readiness and optimize supply. Additionally, GE and Kratos secured a USD 12.4 million U.S. Air Force contract to design the GEK1500 engine for Collaborative Combat Aircraft (CCA), building on GEK800 testing progress. As the U.S. prioritizes affordable autonomous combat systems and logistics modernization, GE is well-positioned to benefit from structurally higher defense spending and digital fleet management demand.

Q4 FY2025 Results Beat Expectations

Non-GAAP EPS came in at USD 1.57, beating estimates by USD 0.14; revenue reached USD 11.9 billion, up 20.4% year-over-year. Total orders surged to USD 27 billion, a 74% increase. Looking ahead to FY2026, management guides for low double-digit revenue growth, broadly in line with consensus at 11.3%. Adjusted EPS is expected in the range of USD 7.10–7.40, consistent with the consensus midpoint of USD 7.12.

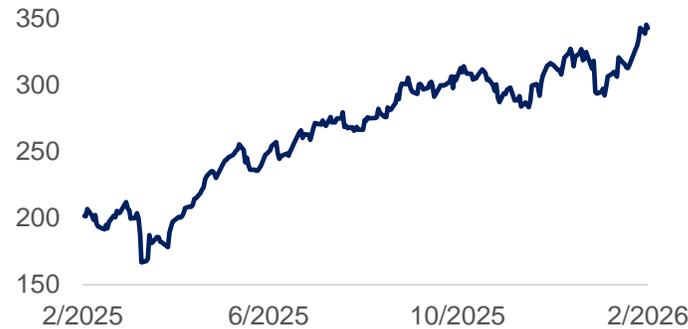
Valuation Consensus

Bloomberg’s 12-month average target price stands at USD 352.24, with a high of USD 425 and a low of USD 255.

Source: Bloomberg

1-Year Price

(USD)

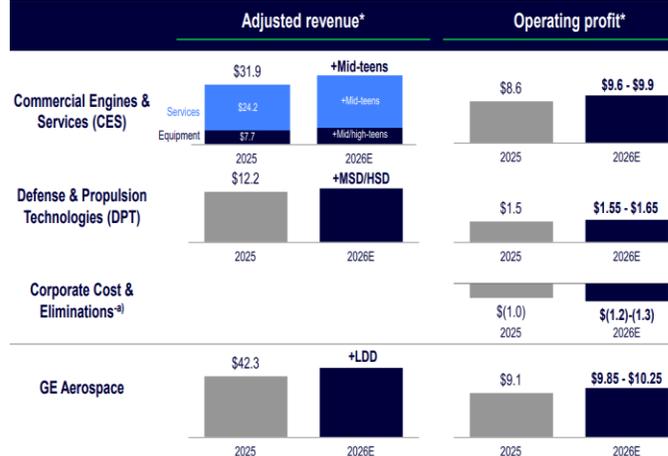


Financials

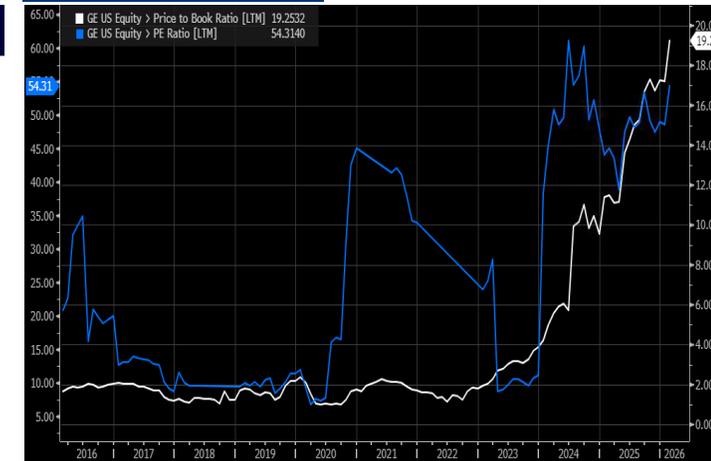
	2023	2024	2025	2026F	2027F
Revenue Growth(%)	-53.8	9.5	18.5	5.1	9.7
EBITDA (%)	19.6	18.2	20.1	24.0	24.7
EPS(USD)	3.35	4.60	6.31	7.41	8.50
Net Profit Margin(%)	10.6	13.0	14.7	16.1	16.6

Source: Bloomberg; 2026/27F are market estimates

2026 Guidance



P/E & P/B



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Caterpillar (CAT)

Closing Price US \$742.83

Target Price US \$850

Manufactures construction and mining equipment, engines, turbines, and power systems, serving customers globally.

\$51.2bn Backlog Supports Revenue Visibility

Caterpillar ended 4Q25 with a record \$51.2bn backlog, after posting record full-year sales and \$19.1bn in quarterly revenue. Mining capex—driven by electrification, infrastructure, and energy transition—continues to support its Resource Industries segment. The strong backlog provides solid 2026 visibility and buffers macro volatility.

AI, Autonomy, and Software Drive Transformation

CAT is accelerating digital and autonomous solutions, investing \$30bn in R&D over two decades and planning to further scale tech spending by 2030. Its AI assistant, NVIDIA integration, and autonomous mining fleet (over 11bn tonnes moved) strengthen its tech edge. The RPMGlobal acquisition enhances its mining software ecosystem, supporting margins and long-term competitiveness.

4Q25 Beat; Positive 2026 Outlook

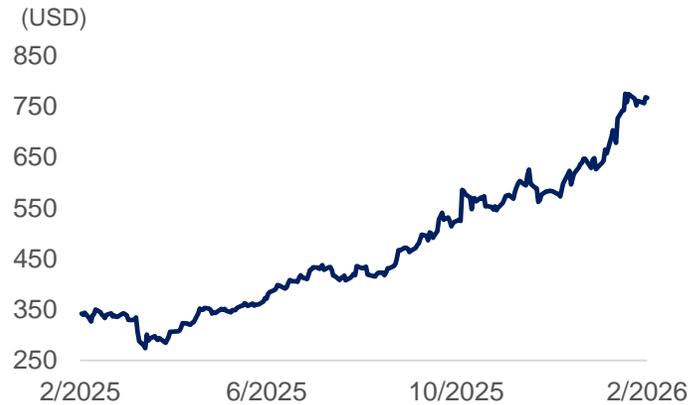
4Q25 adjusted EPS was \$5.16 (+\$0.45 beat) on revenue of \$19.1bn (+17.9% YoY). FY25 revenue reached \$67.6bn (+4%), with EPS at \$18.81. For 2026, management expects sales growth near the upper end of its 5–7% target range, supported by the record backlog.

Valuation Consensus

Bloomberg 12-month average target: \$701.05 (high \$878; low \$425).

Source: Bloomberg

1-Year Price



2030 Targets

ENTERPRISE	2025 ACTUALS	2030 TARGETS ¹
Sales & Revenues	4%	5–7% CAGR ² Through 2030
Adjusted Operating Profit Margin ³	17.2% Within the Target Range	15–19% to 21–25% at \$60B at \$100B
Services Revenues ⁴	\$24B	\$30B
MP&E Free Cash Flow ⁵	\$9.5B	\$6B to \$15B
Shareholder Return	84%	Substantially all MP&E FCF ⁵ over time
Dividend Increases	7%	High single-digit percent

Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	12.8	-3.4	4.3	4.2	9.6
EBITDA (%)	24.0	24.3	20.8	22.2	23.7
EPS(USD)	21.20	21.89	19.11	22.67	27.38
Net Profit Margin(%)	16.2	16.5	13.4	15.0	16.2

Source: Bloomberg; 2026/27F are market estimates

P/E & P/B



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Taiwan Stocks Set for Catch-Up Rally; Medium-Term Target 39,000

TSMC Leads to New Highs; Short-Term Momentum Intact

TSMC surged past TWD 2,000 last week, driving the TAIEX to a new record above 35,000. Moving averages remain in a bullish alignment, and post-holiday turnover has stayed above the 20-day average for three consecutive sessions, supporting continued upside. Market leadership comes from large-cap tech names. Key sectors include semiconductor equipment, AI-related power and cooling, ABF substrates, fiberglass cloth, CCL, optical communications, semiconductor materials, and servers. Outside tech, watch heavy electrical equipment, plastics, and bulk shipping.

Earnings Upgrades and AI Capex Support 39,000 Target

This earnings season continues to see upward revisions in AI capex and corporate profits, underpinning a medium- to long-term 39,000 target. Taiwan's 2026 earnings growth has been revised up from 20% to 31%, while S&P 500 growth rose from 15% to 16%. The top five U.S. CSPs raised 2026 capex from US\$521bn to US\$676bn, with growth accelerating from 34% to 64%, reflecting sustained AI demand.

During the Lunar New Year, memory, semiconductors, semiconductor equipment, oil, and bulk shipping led global gains, while software lagged. In Taiwan, focus on memory and semiconductor equipment for catch-up potential, and avoid software amid weaker fundamentals. Longer term, core positioning should center on AI server supply chains and low-earth-orbit satellites to capture structural growth.

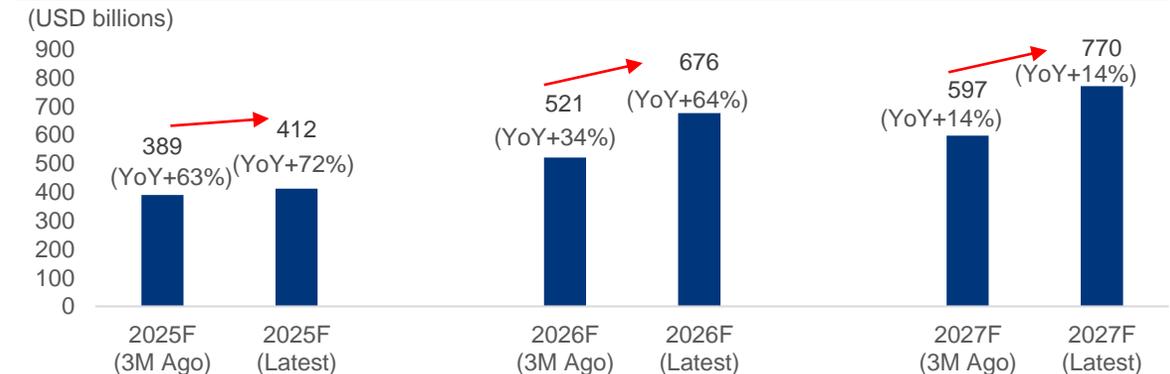
Source: Bloomberg

TAIEX Index and Taiwan Electronics Sector Trends

Index, 25 Feb 2025 = 100



Annual Capital Expenditure of Top 5 U.S. CSPs



(Top 5 U.S. CSPs: Google, Meta, Amazon, Microsoft, Oracle)



Chenbro Micom Co., Ltd (8210 TT)

Manufactures and distributes server chassis and systems, including rackmount edge servers, tower high-performance storage servers, and rackmount subsystems.

Key Features

Stronger AI Server Outlook; Diversified Client Base

Amazon guided 2026 capex up 52% YoY to US\$200bn, above expectations. We expect Chenbro's HGX chassis shipments to Amazon to grow double digits, with GB chassis also rising, where Chenbro is a key supplier. Demand from other tier-1 CSPs and enterprise clients should further boost GB shipments.

New Projects Support Long-Term Growth

Chenbro will launch multiple new rack projects in 2026, including next-gen noise-reduction racks, power racks, and ORW racks. Beyond its existing three tier-1 CSP clients, we expect shipments to a new tier-1 CSP this year, supporting future chassis penetration.

Financials

	2023	2024	2025F	2026F	2027F
EPS (NTD)	9.03	16.05	29.56	45.75	57.45
EPS Growth (%)	8.5	77.7	84.2	54.8	25.6
P/E Ratio	103.1	58.0	31.5	20.3	16.2
ROE (%)	20.8	30.4	44.9	54.9	52.9

Source: Company data, estimates of KGI analyst

Valuations

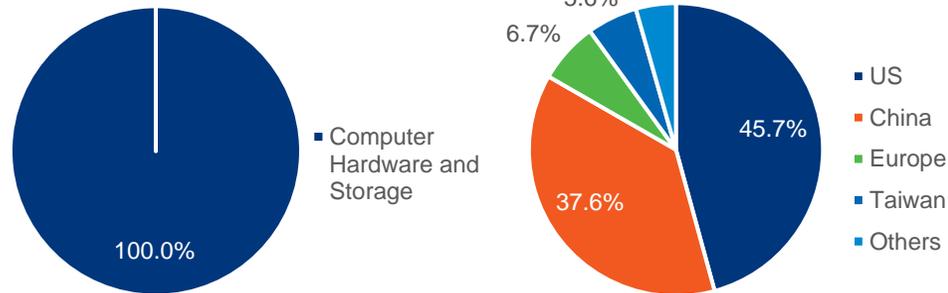


1-Year Price



As of 26 Feb 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	-2.36	-6.19	2.02	51.75	-9.55	208.14

Revenue Sources and Regions



Source: Bloomberg

Zhen Ding Technology Holding Limited (4958 TT)

Manufactures and sells PCBs, including HDI, flexible, and rigid boards, primarily in China.

Key Features

AI Servers, Smart Glasses, and Optical Modules Driving Growth

The company has secured Nvidia Rubin computing PCBs (5-stage HDI, 26L), AWS Trainium3 OAM boards (3-stage HDI, 24L), and 400G switch boards (22L), with Google TPU V8 entering mass production in 4Q26. We expect server revenue contribution to reach 5.7%/7.1% in 2026/27. AI glasses (benefiting from strong Meta demand) and optical modules (400G/800G) are projected to contribute 3.3%/3.7% and 3.2%/4.3%, respectively.

2026–2027 Revenue CAGR 15%; Earnings CAGR 54.5%

Rising AI-related mix should drive 15% average revenue growth and over 54% earnings growth in 2026–2027, supporting potential valuation re-rating.

Financials

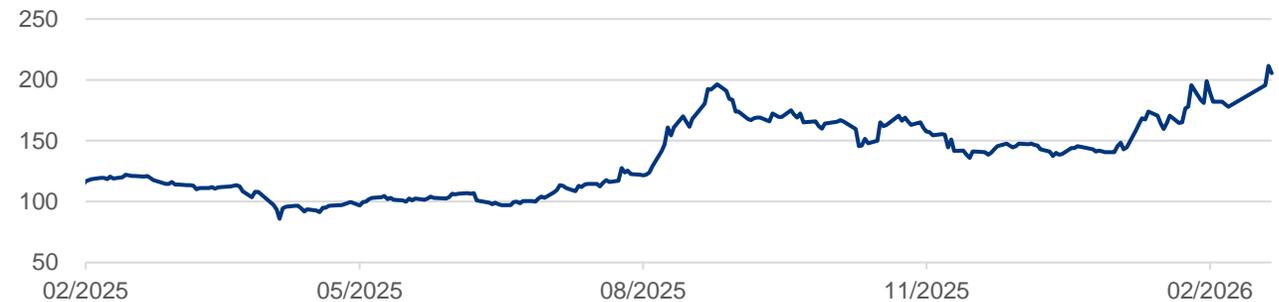
	2023	2024	2025	2026F	2027F
EPS (NTD)	6.55	9.67	6.92	12.18	16.23
EPS Growth (%)	-56.4	47.6	-28.5	76.1	33.2
P/E Ratio	27.6	18.7	26.2	14.9	11.2
ROE (%)	6.4	9.0	6.6	11.4	14.1

Source: Company data, estimates of KGI analyst

Valuations

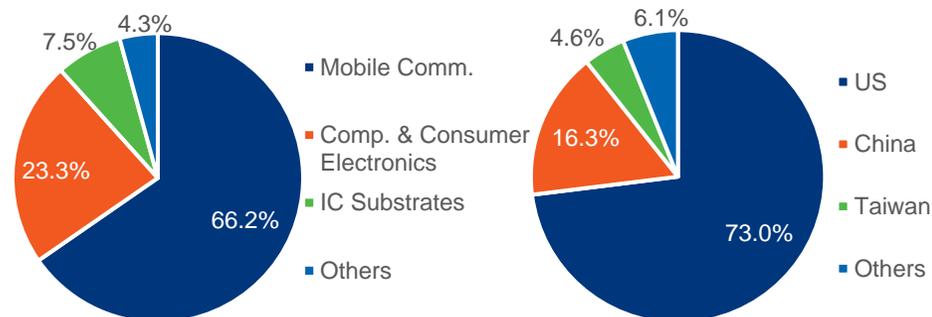
	5年平均位置	当前位置
Price	85.80	211.50
P/E	6.71	25.41
P/B	0.76	1.96

1-Year Price



As of 25 Feb 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	12.91	20.53	48.38	13.85	44.72	69.83

Revenue Sources and Regions



Source: Bloomberg

Narrowing Earnings Gap Supports Broader U.S. Market; Sector Rotation Continues

► BlackRock Global Fund - US Basic Value Fund

- Launched in January 1997, the fund focuses on U.S. large-cap value stocks and is among the few with a dedicated large-cap value mandate.
- It applies a disciplined value strategy to identify undervalued companies with recovery potential.
- The portfolio emphasizes defensive sectors such as financials and healthcare to help balance growth exposure in volatile markets.
- With a P/E of 13.8x, it trades at a significant discount to the S&P 500's 25x+.

Product	BlackRock Global Fund - US Basic Value Fund	
Features	<ul style="list-style-type: none"> ■ The fund focuses on a value-investing strategy, emphasizing companies that are undervalued yet possess intrinsic investment potential. ■ Investments are diversified, with exposure to any single sector capped at 25% of the portfolio. 	
AUM	USD 912 million	
3M/YTD Return	8.88% / 3.45%	
Top 5 Sectors (%)	Financials Health Care Industrials Information Technology Communication Services	19.80 14.10 13.62 11.63 7.81
Top 5 Regions (%)	US	100
Top 5 Holdings (%)	Wells Fargo Citigroup Intercontinental Exchange Amazon Samsung Electronics	3.02 2.77 2.54 2.50 2.50

Source: Bloomberg

BlackRock Global Fund - US Basic Value Fund

Profile

The fund seeks to maximize total return by investing at least 70% of its assets in equities of companies incorporated or primarily operating in the United States.

Value-Oriented Strategy

Adopts a disciplined value approach, focusing on undervalued companies with strong fundamentals and intrinsic value. Suitable for investors seeking stable long-term returns.

Large-Cap Quality Exposure

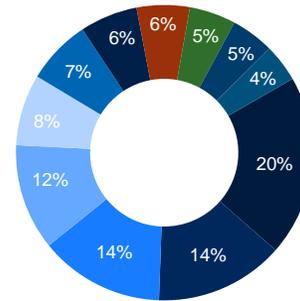
Invests mainly in large-cap stocks across sectors. At least 65% of the portfolio is covered by MSCI ESG Research, supporting ESG transparency.

Diversified Portfolio

No single sector exceeds 25% of the portfolio; the top 10 holdings account for approximately 27.49%.

Inception	1997/1/8	AUM	USD 912 mn
Morningstar Category	US Large Cap Value	Fund Type	Equities
Morningstar Rating	★★★	3Y SD (Ann.)	11.03%

Sectors

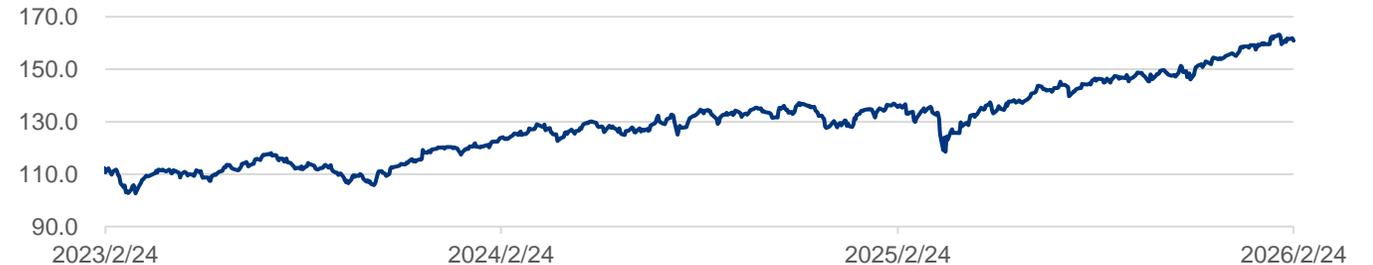


- Financials
- Health Care
- Industrials
- Info Tech
- Comm Services
- Staples
- Materials
- Others
- Energy
- Discretionary
- Utilities

Top-5 Holdings (%)

Wells Fargo	3.02
Citigroup	2.77
Intercontinental Exchange	2.54
Amazon	2.50
Samsung Electronics	2.50

Price Trend (Past 1 Year)



As of 24 Feb 2026	1M	3M	YTD	1Y	3Y	5Y
Cumulative Return(%)	1.21	8.88	3.45	18.64	30.02	45.41
Similar Fund Quartile Ranking	1	2	3	1	2	2

Source: Bloomberg

Rising Cloud Capex Supports Asia Supply Chain

► Wellington Asia Technology Fund

- A differentiated strategy investing across Asian technology markets, including Japan, with strong medium- and long-term outperformance versus peers.
- The fund seeks opportunities beyond global mega-cap tech names, allocating flexibly across software and hardware (currently roughly 50/50) to capture the full AI value chain. It also adjusts country exposure dynamically to seize opportunities and manage downside risk.
- Managed by Yash Patodia, a former Microsoft software engineer with over 10 years of technology experience, supported by regional and global tech research teams.

Product	Wellington Asia Technology Fund	
Features	<ul style="list-style-type: none"> ■ Focused on core Asian technology, emphasizing fast-innovating, high-growth tech companies. ■ Manager Background: Former software design engineer at Microsoft, with over 10 years of experience in the technology sector. 	
AUM	USD 522 million	
3M/YTD Return	16.05% / 13.12%	
Top 5 Sectors (%)	Semiconductors & Semiconductor Equipment	37.30
	Media & Entertainment	12.00
	Consumer Discretionary Distribution & Retail	11.40
	Technology Hardware & Equipment	9.90
	Capital Goods	5.40
Top 5 Regions (%)	Japan	33.10
	China	24.60
	Taiwan	23.20
	South Korea	11.30
	Netherlands	2.40
Top 5 Holdings (%)	TSMC	9.9
	Tencent	8.5
	Alibaba	8.1
	SK Hynix	7.3
	Sony	4.9

Source: Bloomberg

Wellington Asia Technology Fund

Profile

The fund aims to outperform the MSCI AC Asia Pacific Information Technology Custom Index over the long term by investing primarily in equity securities of technology and technology-related companies listed or operating in Asia.

Focused on Asia's Core Tech Supply Chain

One of the few funds dedicated to Asian technology, including Japan, with exposure to semiconductors, semiconductor equipment, electronics, software, and tech services. It emphasizes Asia's critical role in the global tech supply chain.

Experienced Management Team

Managed by Yash Patodia, a former Microsoft software engineer with over 10 years of technology experience, supported by regional and global tech research teams.

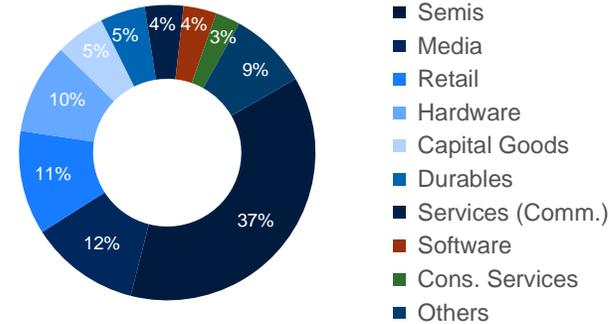
Differentiated Tech Exposure

Unlike global mega-cap-heavy strategies, the fund targets high-growth, innovative, and emerging tech companies, adopting a long-term approach to capture structural growth cycles.

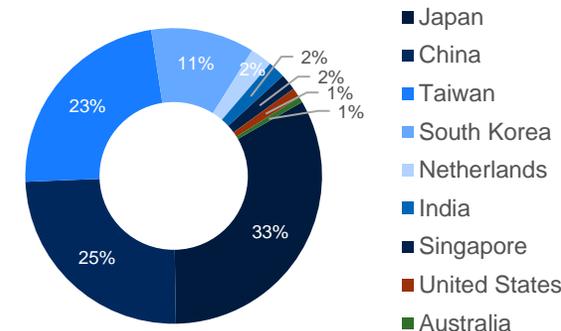
Inception	2025/2/20	AUM	USD 522 mn
Morningstar Category	Sector - Tech	Fund Type	Equities
Morningstar Rating	-	3Y SD (Ann.)	-

Source: Bloomberg

Sectors



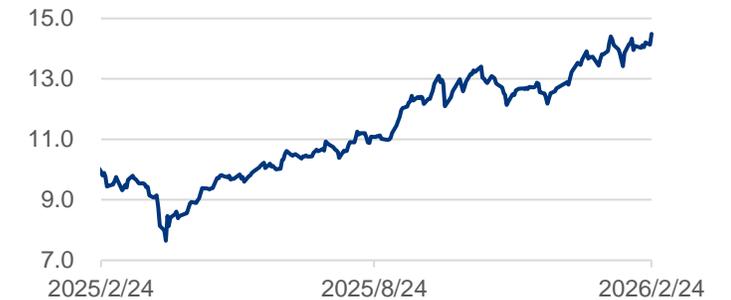
Regions



Top-5 Holdings (%)

TSMC	9.9
Tencent	8.5
Alibaba	8.1
SK Hynix	7.3
Sony	4.9

NAV Since Inception



As of 24 Feb 2026	1M	3M	YTD	1Y	3Y	5Y
Cumulative Return(%)	5.01	16.05	13.12	45.71	-	-
Similar Fund Quartile Ranking	1	1	1	1	-	-

Rising Global Power Demand with Defensive Appeal; Lock in Yields via Short-to-Medium-Term Bonds

► GEV 4.25 02/04/2031 (GE Vernova Inc.) (USD)

- GE Vernova designs and services equipment for power generation, transmission, conversion, and storage. It operates across Power, Wind, and Electrification, with an installed base of ~7,000 gas turbines and over 2,000GW of total capacity across gas, nuclear, hydro, and steam.
- Supported by rising global power demand, data center expansion, digitalization, and grid modernization, the company is positioned for multi-year growth.
- In 4Q25, GE Vernova acquired the remaining 50% stake in Prolec GE, strengthening vertical integration in the high-margin transformer market and supporting margin expansion.
- S&P upgraded the company to BBB with a positive outlook in December 2025.

Product	GEV 4.25 02/04/2031 (GE Vernova Inc.) (USD)
ISIN	US36828AAA97
Features	In 4Q25, GE Vernova acquired the remaining 50% stake in Prolec GE, strengthening vertical integration in the high-margin transformer market and supporting margin expansion.
Maturity Date	2031/2/4
Next Call Date	2031/1/4
Coupon (%)	Fixed/4.25/Semi-annual
Currency	USD
Years to Maturity	4.94
Credit Rating (Moody's/Fitch/S&P)	-/BBB+/BBB
Seniority	Senior Unsecured
YTM/YTC (%)	3.93/3.93

Source: Bloomberg

GEV 4.25 02/04/2031 (GE Vernova Inc.) (USD)

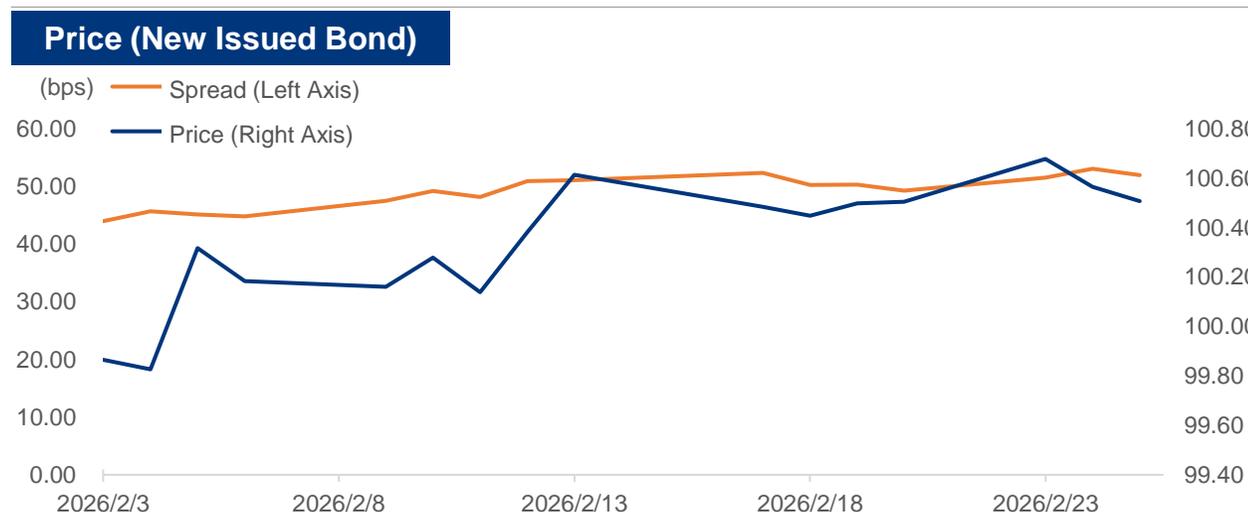
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- Supported by rising global power demand, data center expansion, digitalization, and grid modernization, the company is positioned for multi-year growth.
- In 4Q25, GE Vernova acquired the remaining 50% stake in Prolec GE, strengthening vertical integration in the high-margin transformer market and supporting margin expansion.
- S&P upgraded the company to BBB with a positive outlook in December 2025.

Financials	2025Q2	2025Q3	2025Q4
Gross Margin (%)	20.26	19.03	21.19
Free Cash Flow (USD M)	194.0	732.0	1,809.0
Return on Assets (%)	2.29	3.24	8.53

Source: Bloomberg

Overview			
Name	GEV 4.25 02/04/31	ISIN	US36828AAA97
Maturity Date	2031/2/4	Remaining Maturity	4.94
Coupon(%)	Fixed/4.25/Semi-annual	YTM/YTC(%)	3.93/3.93
Currency	USD	Min. Subscription/ Increment	2,000/1,000
Ratings (Moody's/Fitch/S&P)	-/BBB+/BBB	Seniority	Senior Unsecured



Appendix

Key Economic Data / Events

► FEB 2026

23

Monday

- U.S. Dec Durable Goods Orders MoM (Act:-1.4% Est:-1.4% Prev:5.4%)

24

Tuesday

- U.S. Feb Conference Board Consumer Confidence (Act:91.2 Est:87.1 Prev:89.0)

25

Wednesday

- Eurozone Jan CPI YoY (Act:1.7% Est:1.7% Prev:2.0%)

26

Thursday

- U.S. Weekly Initial Jobless Claims (Act:212k Est:216k Prev:208k)
- Japan Jan Machine Tool Orders YoY (Act:25.3% Prev:10.9%)

27

Friday

- U.S. Jan PPI YoY (Act:2.9% Est:2.6% Prev:3.0%)
- Japan Feb Tokyo CPI YoY (Act:1.6% Est:1.4% Prev:1.5%)
- Japan Jan Industrial Production MoM (Act:2.2% Est:5.5% Prev:-0.1%)
- Japan Jan Retail Sales MoM (Act:4.1% Est:1.5% Prev:-2.0%)

► MAR 2026

2

Monday

- U.S. Feb ISM Manufacturing PMI (Est:51.8 Prev:52.6)
- U.S. Feb S&P Global Manufacturing PMI (Prev:52.4)
- Japan Feb S&P Global Manufacturing PMI (Prev:51.5)
- Eurozone Feb HCOB Manufacturing PMI (Prev:49.5)

3

Tuesday

- Japan Jan Unemployment Rate (Est:2.6% Prev:2.6%)
- Japan Jobs-to-Aplicants Ratio (Est:1.20 Prev:1.19)

4

Wednesday

- U.S. Feb ADP Employment Change (Est:43k Prev:22k)
- U.S. Feb ISM Services PMI (Est:53.9 Prev:53.8)
- Eurozone Jan Unemployment Rate (Prev:6.2%)
- Taiwan Jan Export Orders YoY (Prev:43.8%)
- China Feb Mfg PMI (Est:49.1 Prev:49.3)
- China Feb Services PMI (Est:49.6 Prev:49.4)
- Chinese People's Political Consultative Conference (CPPCC)

5

Thursday

- U.S. Weekly Initial Jobless Claims (Prev:212k)
- National People's Congress (NPC)

6

Friday

- U.S. Feb Nonfarm Payrolls (Est:60k Prev:130k)
- U.S. Feb Unemployment Rate (Est:4.4% Prev:4.3%)
- U.S. Jan Retail Sales MoM (Prev:0.0%)
- Eurozone Q4 GDP YoY (Prev:1.4%)
- COST, AVGO Earnings

Source: Bloomberg

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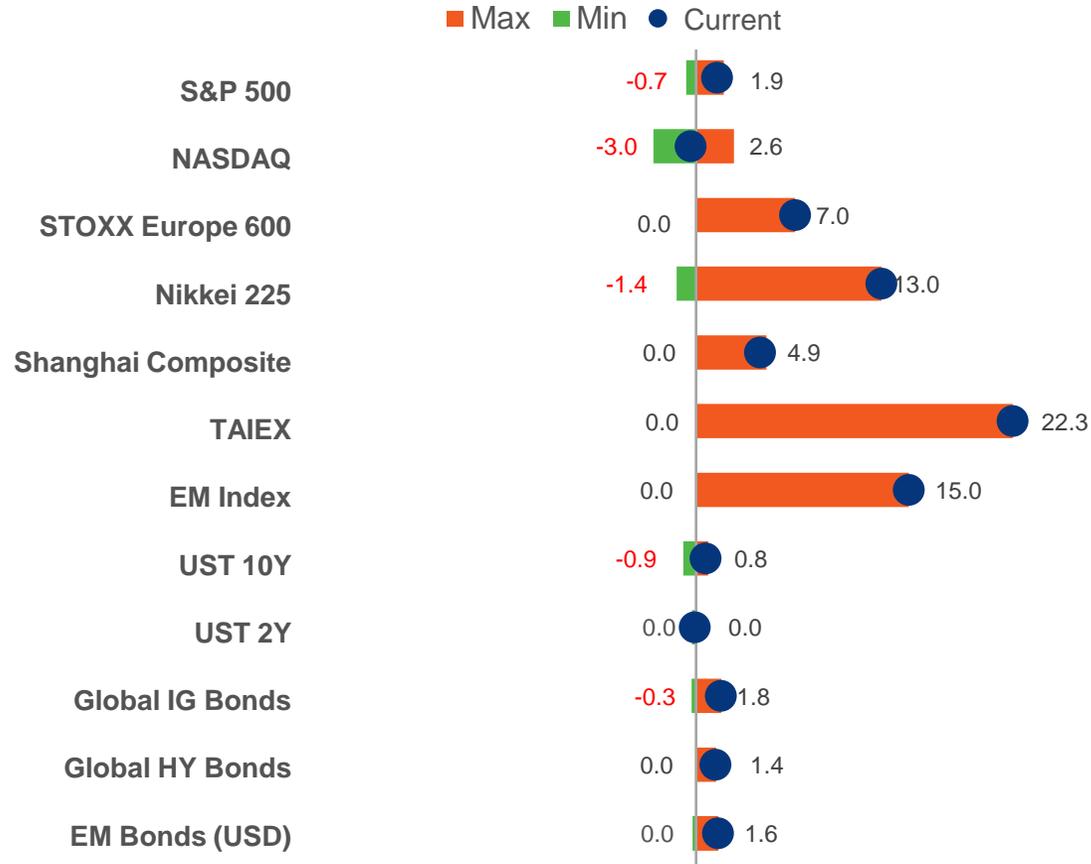
25

Key Earnings Releases

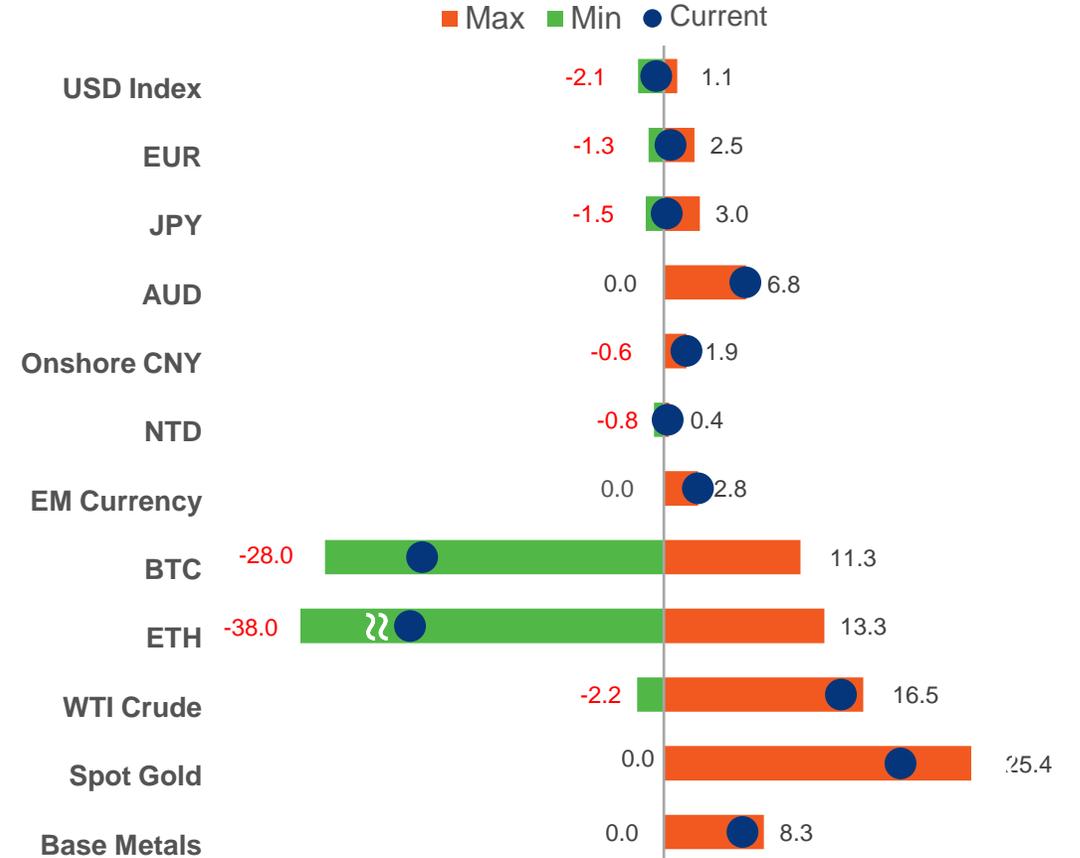
Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation Revenue	Exceed Expectation EPS
2026/2/24	The Home Depot, Inc (HD)	38.14B	38.20B	2.54	2.72	V	V
2026/2/26	NVIDIA Corp (NVDA)	65.56B	68.10B	1.52	1.62	V	V
2026/2/26	Salesforce, Inc. (CRM)	11.18B	11.20B	3.05	3.81	V	V

Major Market / Asset YTD Performance

Equities & Bond Markets 2025 Performance (%)

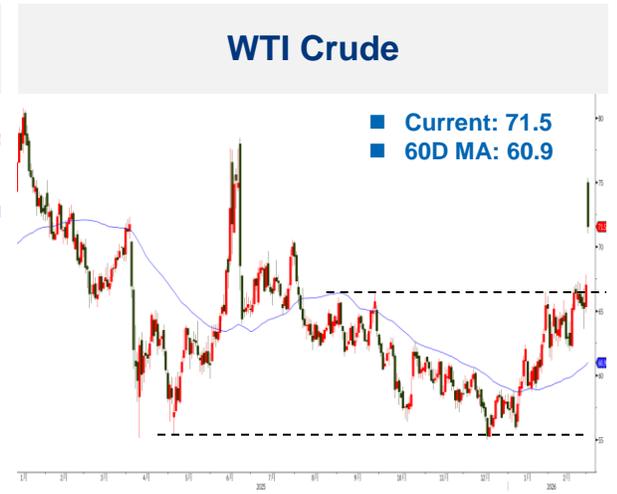
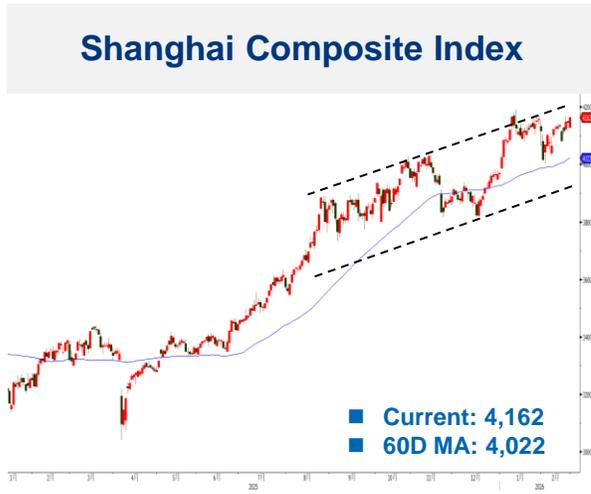


Currencies and Commodities Market 2025 Performance (%)



Source: Bloomberg

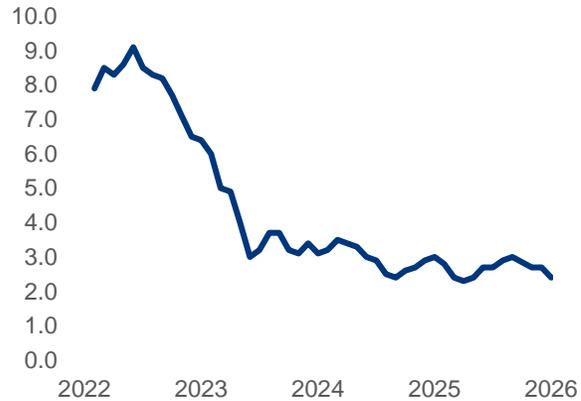
Technical Analysis



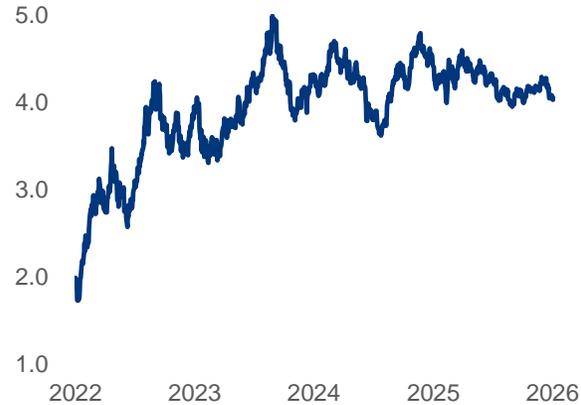
Source: Bloomberg

Market Monitor

U.S. CPI YoY (%)



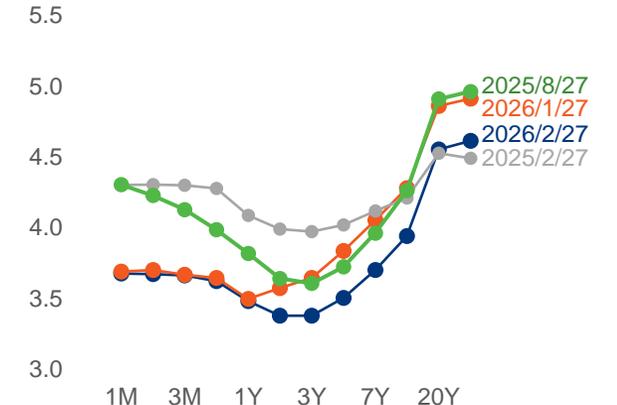
U.S. 10-Year Treasury Yield (%)



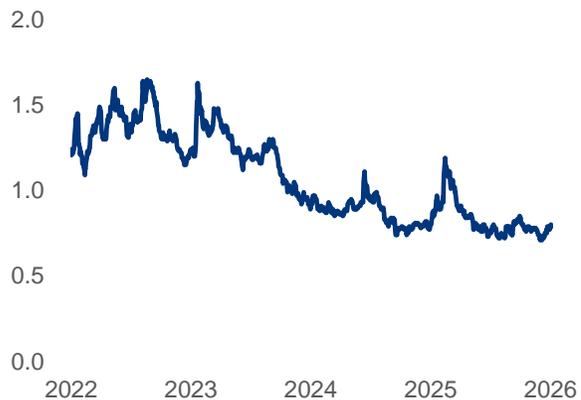
U.S. Treasury Yield Spread (bps)



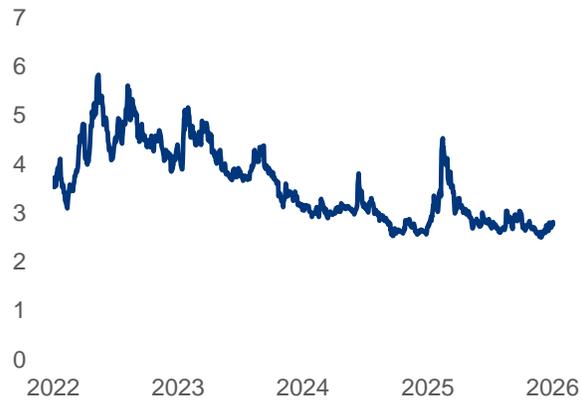
U.S. Treasury Yield Curve (%)



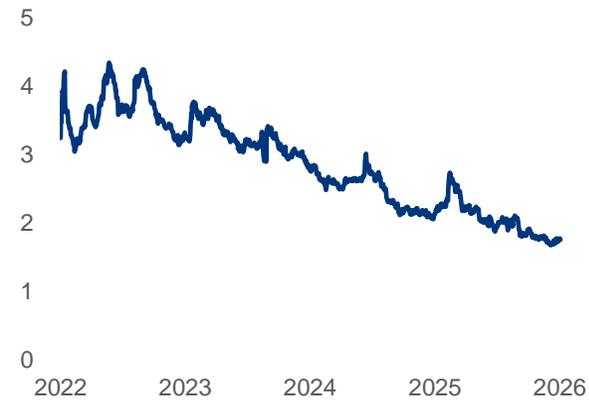
USD IG Credit Spread (%)



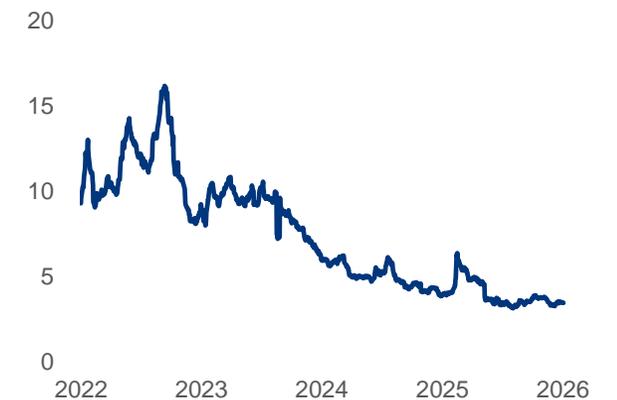
USD HY Credit Spread (%)



USD EM Credit Spread (%)



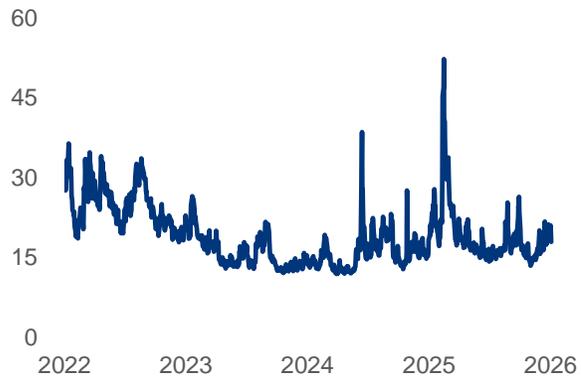
USD Asia Credit Spread (%)



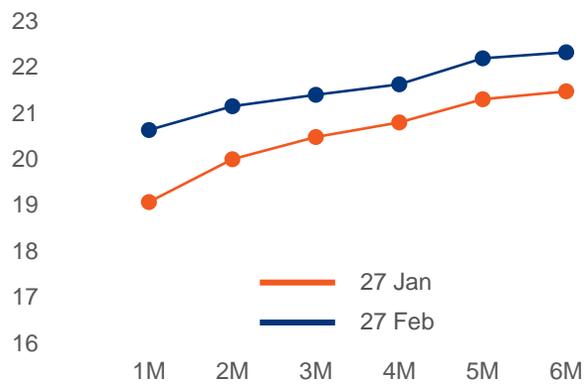
Source: Bloomberg

Market Monitor

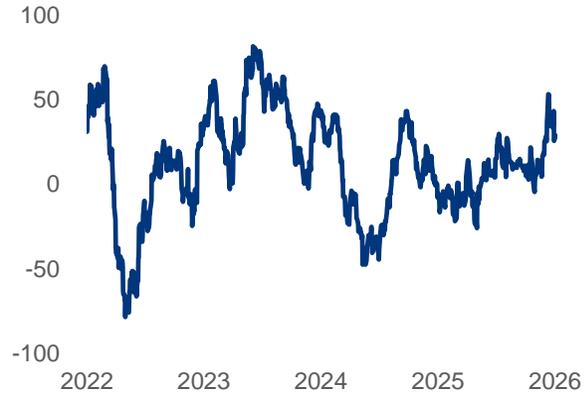
VIX Index



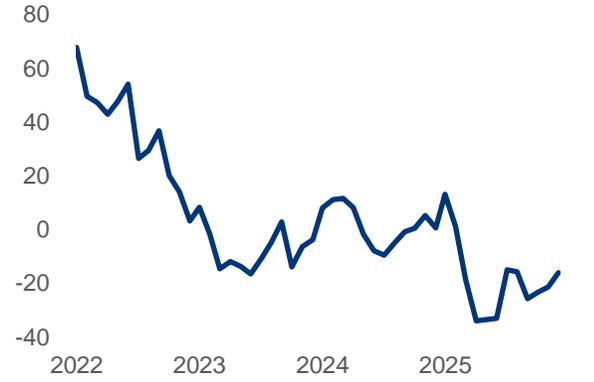
VIX Term Structure



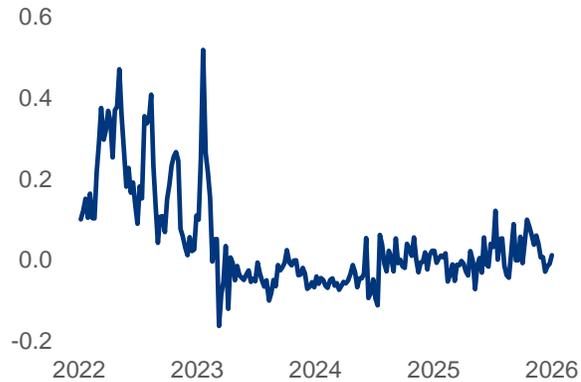
U.S. Citi Economic Surprise Index*



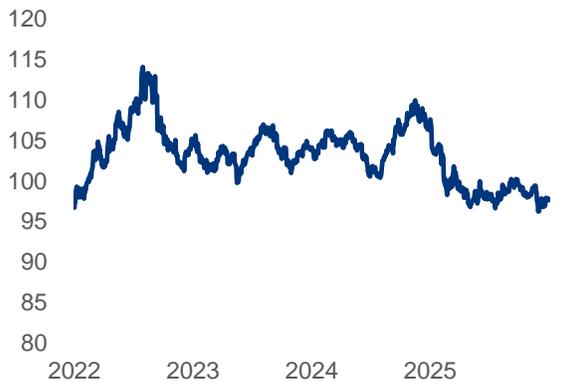
U.S. Citi Inflation Surprise Index*



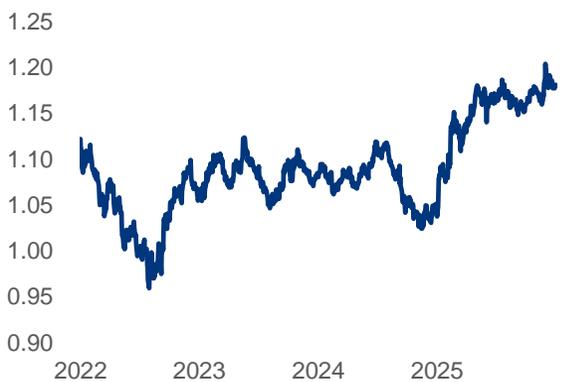
TED Spread (bps)



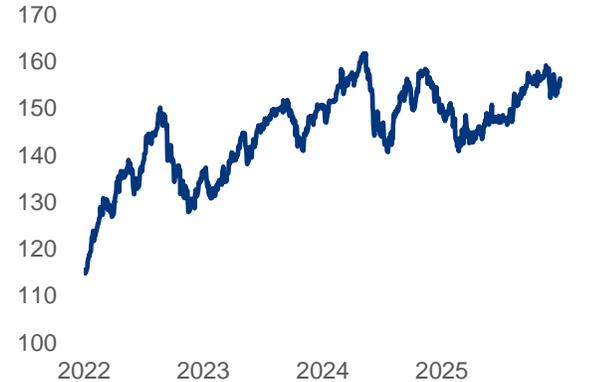
U.S. Dollar Index



EUR to USD



USD to JPY



Source: Bloomberg, *The Citi Economic/Inflation Surprise Index measures the deviation between economic data/actual inflation and market expectations. A rising index indicates economic improvement/inflation exceeding market expectations.

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