



CIO Office Global Markets Weekly Kickstart

Rotation Deepens: Dow and Nasdaq Converge

3 August 2026

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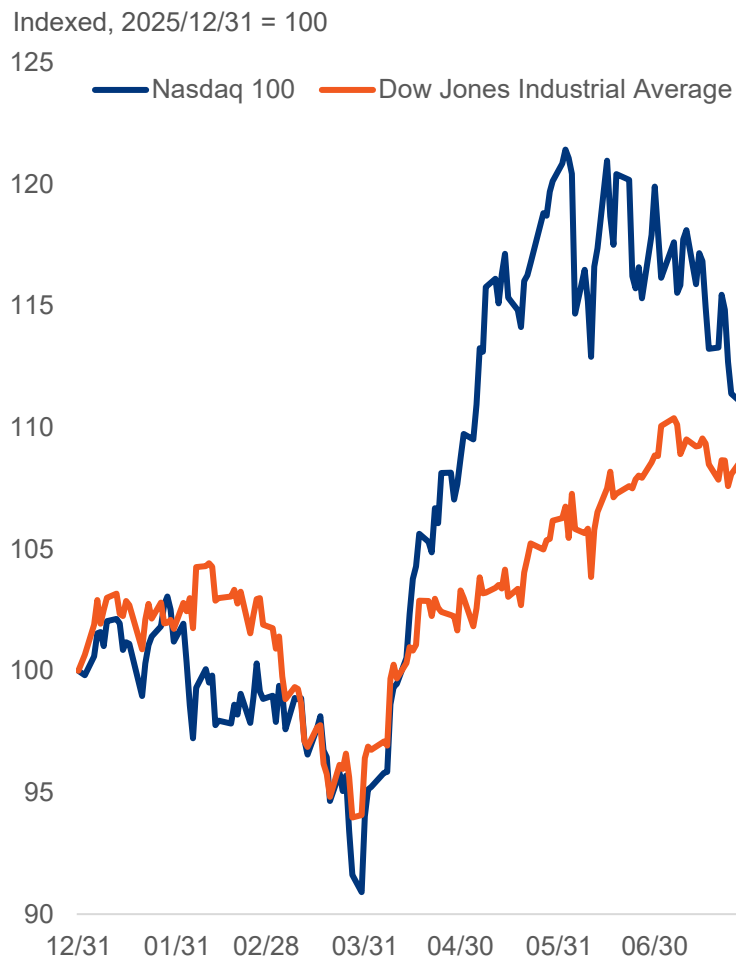
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Selection of Equities, Bonds, Funds/ETFs

U.S. Market Rotation Accelerates as Investors Reduce Concentration Risk

- ▶ Following the Fed meeting and the start of the U.S. “Super Earnings Week,” major tech firms are set to report results. With expectations running high, investors are focusing not only on earnings but also on financing and capex, prompting a more cautious tone and continued rotation into traditional sectors.
- ▶ Concentration risk in U.S. equities remains elevated. The top 25 companies now account for more than 50% of the market-cap-weighted S&P 500, compared with nearly 30 companies at the peak of the dot-com era. Despite years of discussion, concentration risk has continued to rise.
- ▶ While mega-cap tech firms keep raising investment, markets remain cautious about the returns on those investments. Given their heavy index weighting, capital has increasingly rotated from technology into traditional sectors. Year to date, the Dow Jones Industrial Average has nearly caught up with the Nasdaq 100, while the equal-weight S&P 500 has outperformed its market-cap-weighted counterpart.
- ▶ Technology still represents a significant share of the S&P 500. Investors should diversify into traditional sectors and companies with lower exposure to the AI investment cycle.

The Dow and Nasdaq Have Delivered Similar Returns Year-to-Date



Tech Dominates the Market-Cap-Weighted S&P 500



Top 5 Sectors Composition

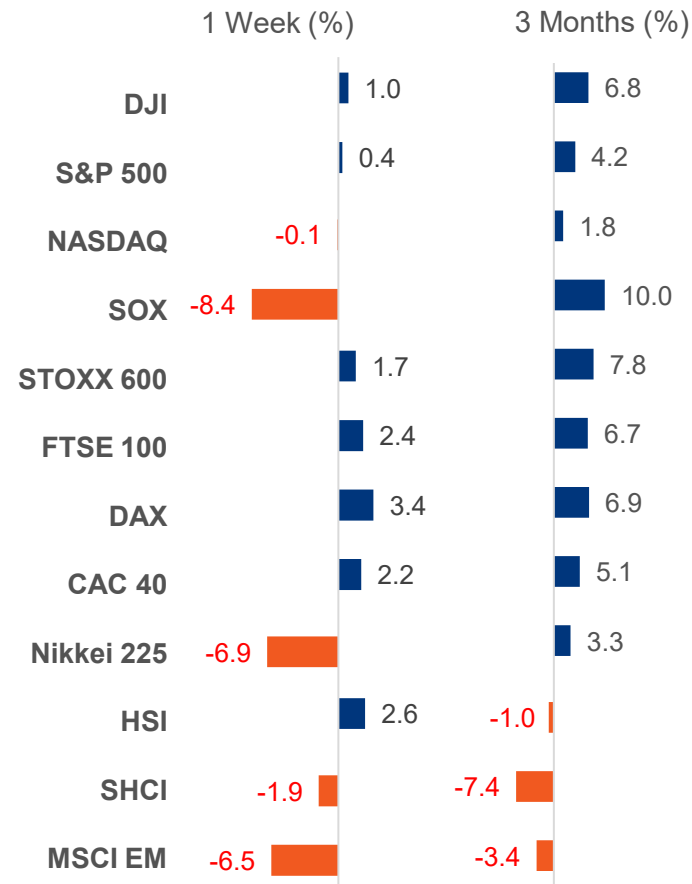
Market-Cap-Weighted		Equal-Weight	
Information Tech	36.8	Industrials	16.4
Financials	12.6	Financials	16.1
Comms Services	9.5	Information Tech	13.6
Healthcare	9.2	Healthcare	12.4
Industrials	8.9	Discretionary	9.5

Market Recap

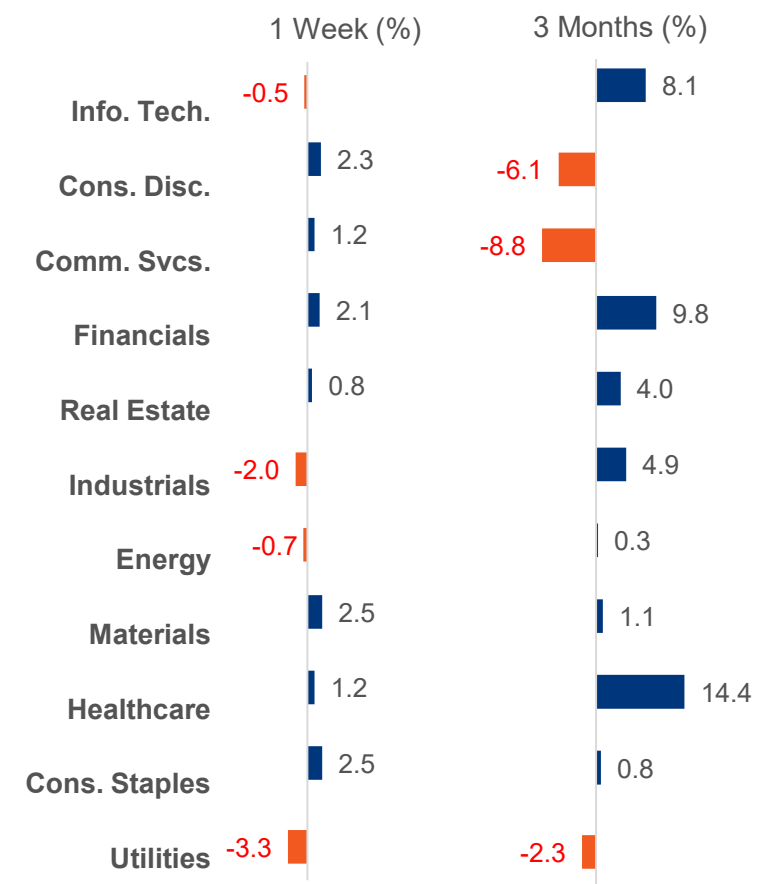
Tech Earnings Diverge as Hong Kong Stocks Extend Gains

- Major U.S. tech firms reported earnings this week, with markets focused on whether AI investment is translating into revenue. Results were mixed. Meta (META) fell more than 7% after missing earnings expectations, reporting a sharp decline in free cash flow and maintaining elevated full-year capex. Amazon (AMZN) beat estimates on both revenue and earnings, while AWS posted its fastest growth since 2021, sending the stock up more than 9% after hours. Microsoft (MSFT) exceeded expectations on fiscal 4Q revenue, earnings and Azure growth, driving a 15.5% share price rally. Apple (AAPL) beat overall revenue forecasts in fiscal 3Q, but weaker-than-expected Services and Greater China revenue weighed on sentiment, with the stock falling 5.9% after hours.
- In China, ChangXin Memory Technologies (688825) surged 470% on its STAR Market debut. Meanwhile, the Politburo called for a “more proactive” fiscal policy but stopped short of announcing large-scale stimulus. Hong Kong’s Hang Seng Index rose for a fourth straight session, reaching a nearly two-month high.

Regional Index Performance (%)



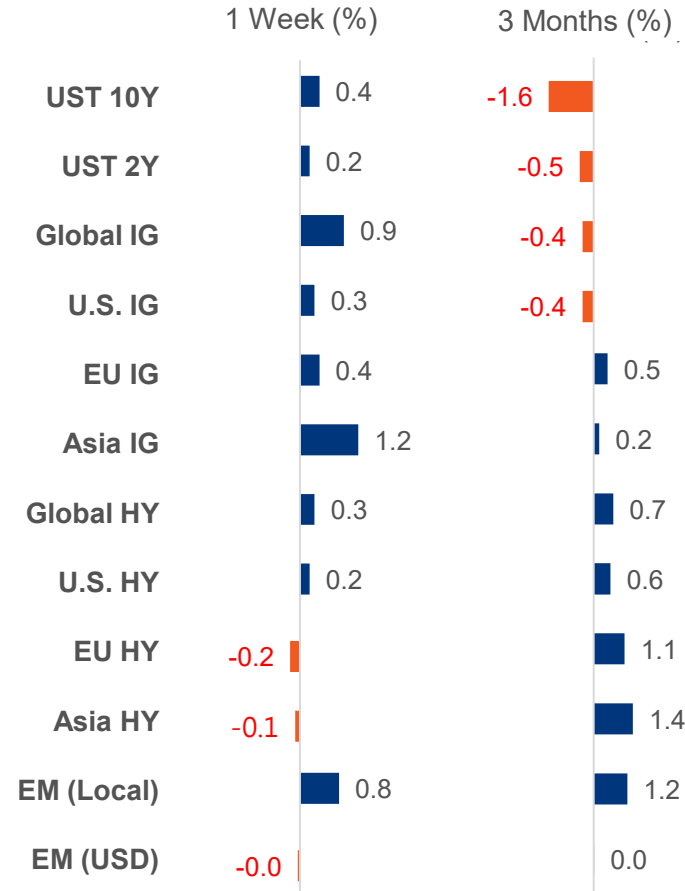
U.S. Sector Index Performance (%)



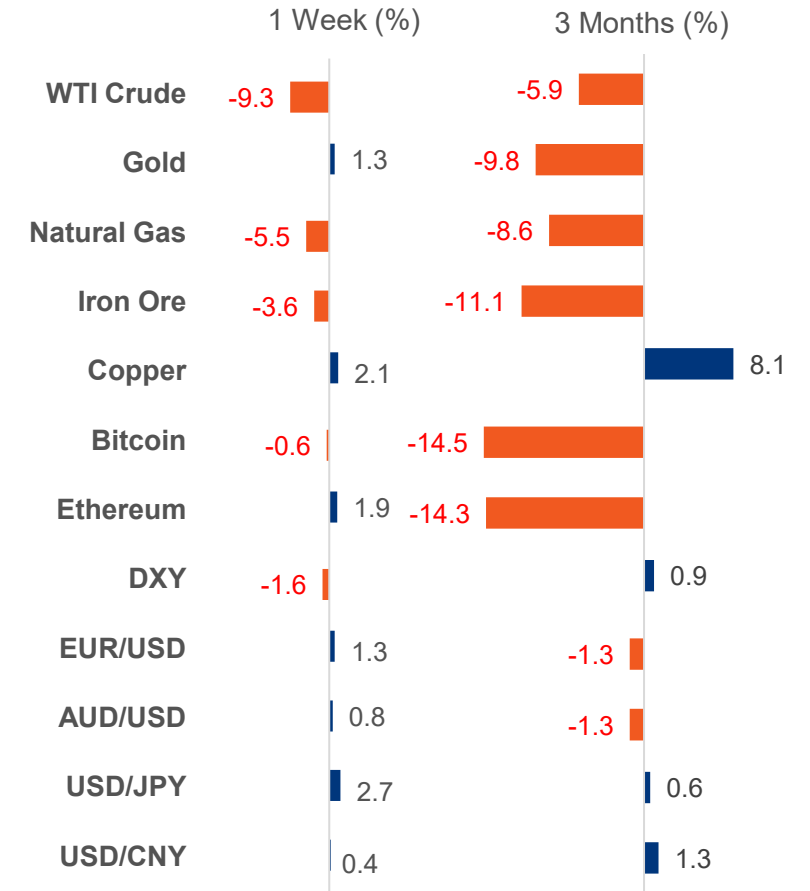
U.S. 2Q GDP Slows; BoJ Intervention May Support a Stronger JPY

- ▶ The Fed kept rates unchanged at its July meeting, with three officials voting for a rate hike. U.S. 2Q GDP growth slowed to an annualized 1.5% from 2.1% in 1Q, missing expectations. The slowdown was mainly driven by AI infrastructure imports and front-loaded inventory building, which reduced net exports and shaved about 1.0 ppt off GDP, while ongoing inventory normalization also weighed on growth. Still, consumer spending rose 3.2% QoQ annualized, supported by Trump's tax cuts, wealth effects among high-income households, and continued AI investment.
- ▶ The BoJ left its policy rate unchanged at 1.0% and lowered its FY2026 inflation forecast to 2.5% due to government subsidies, while maintaining that upside inflation risks remain. It also slightly raised GDP forecasts for this year and next. Markets believe Japanese authorities intervened by buying JPY and selling USD ahead of the policy meeting, marking the first intervention in three months. After hovering near 163.8 per dollar—its weakest level in nearly 40 years—the yen rebounded to around 160.3, gaining about 2.7% for the week.

Performance of Bonds (%)



Performance of Commodities and Currencies (%)



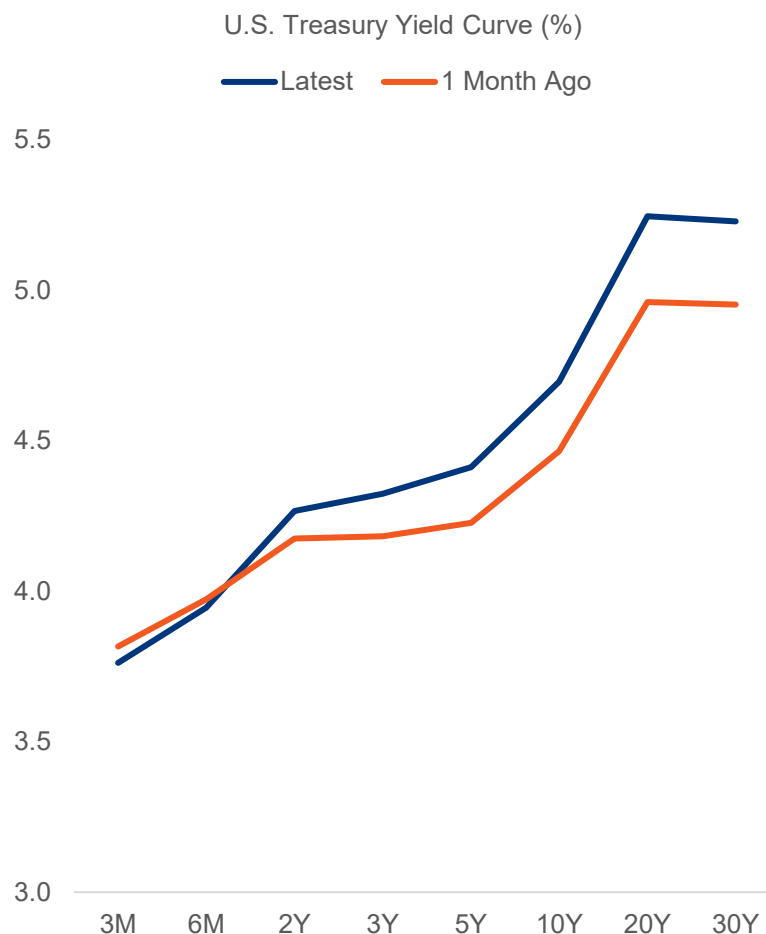
What's Trending

Fed Holds Rates Steady as Expected; Press Conference Reinforces Hawkish Stance

- ▶ The Fed left the federal funds rate unchanged at 3.50–3.75% at its July FOMC meeting, in line with expectations. The meeting saw the unusual outcome of three regional Fed presidents dissenting in favor of a 25 bps rate hike. Even previously neutral officials adopted a more hawkish tone, suggesting the Fed's patience with above-target inflation is wearing thin.
- ▶ At the post-meeting press conference, Kevin Warsh struck a hawkish tone, emphasizing that the Fed has only one inflation target—2%—and that persistent inflation would warrant further rate hikes. He also highlighted AI-driven investment as an important source of support for the U.S. economy and a key consideration in policymaking.
- ▶ We expect the Fed to deliver one additional 25 bps rate hike in 2H26. Sticky core inflation and renewed strength in services prices continue to pose upside inflation risks. We also expect the Fed to begin balance sheet reduction as early as next year. While the impact on the Treasury market should be manageable, tighter liquidity could weigh on broader financial markets.
- ▶ Given higher volatility at the long end of the curve, we continue to favor short- to intermediate-duration bonds.

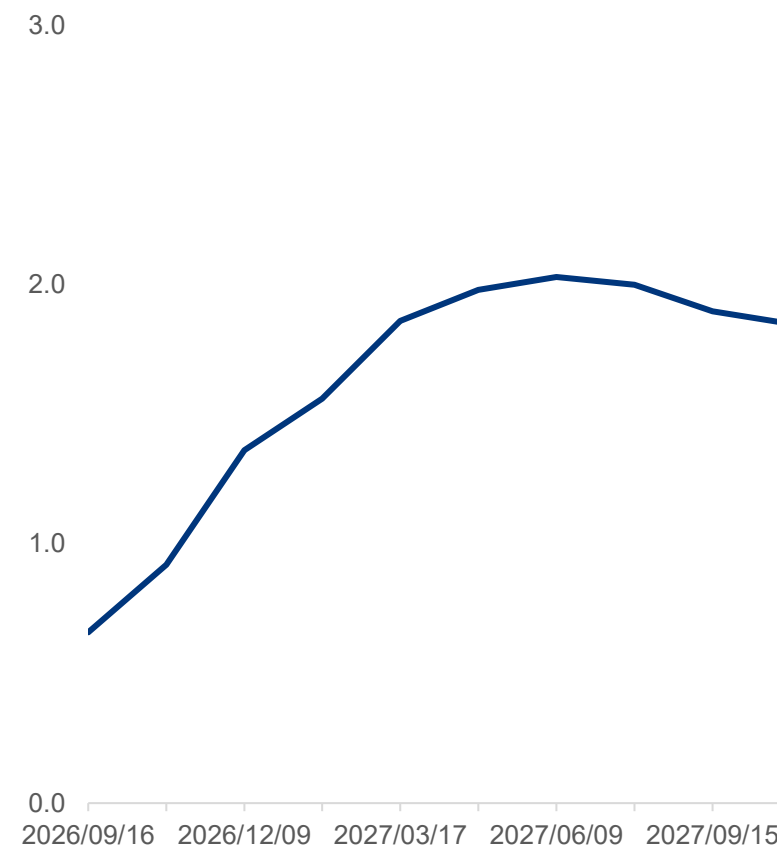
Source: Bloomberg, Visible Alpha

Yield Curve Steepens Further from a Month Ago



Markets Price In Two More Rate Hikes Over the Next Year

Implied Cumulative Rate Hikes by FOMC (25 bps each)

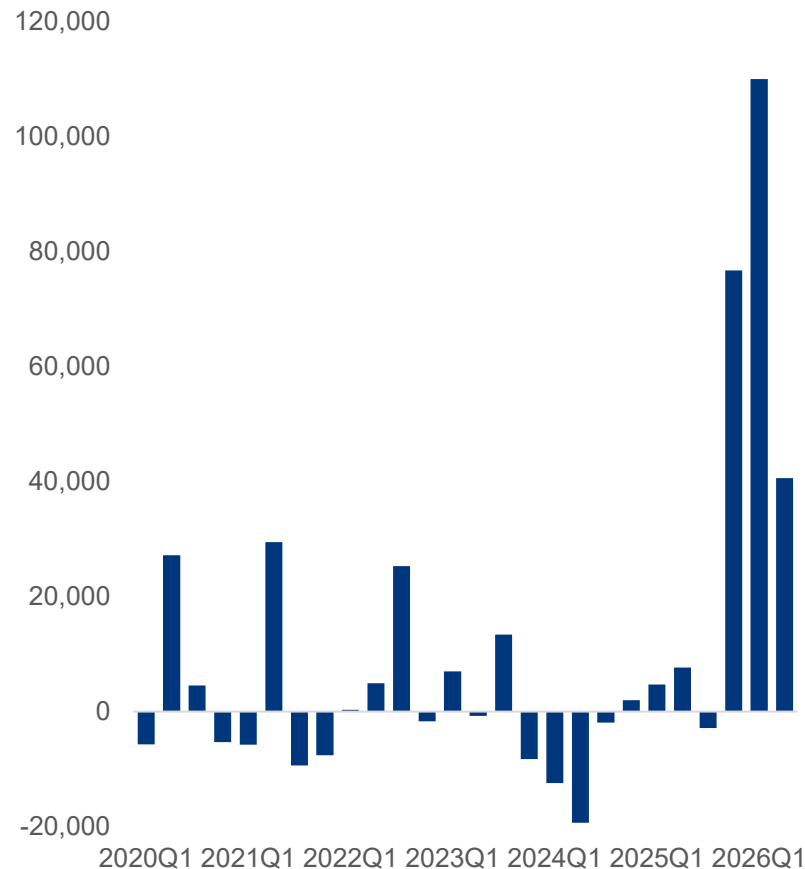


Major CSPs Turn to External Funding as Interest Costs Rise

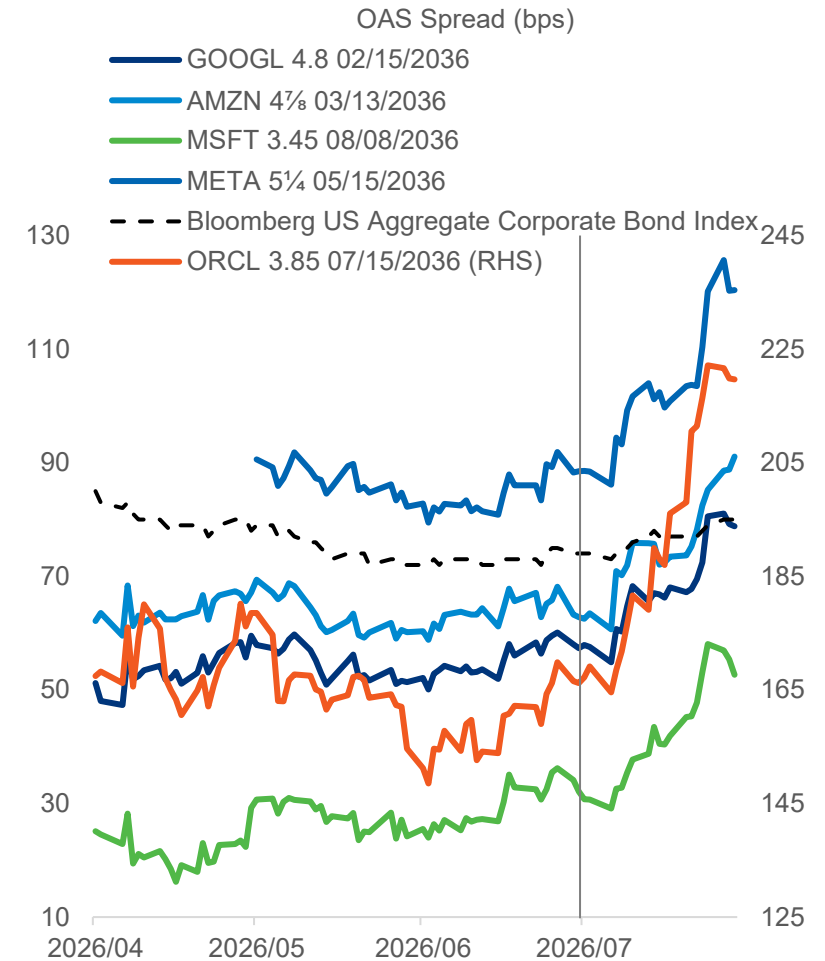
- ▶ Surging demand for AI infrastructure continues to drive higher capex at the five major cloud service providers (CSPs)—Microsoft, Amazon, Alphabet, Meta, and Oracle. However, AI monetization remains uncertain, while operating cash flow growth has lagged investment needs. As a result, the major CSPs are shifting from self-funded expansion to raising external capital.
- ▶ In early June, Alphabet completed a US\$84.75bn equity offering, partly prompted by negative free cash flow in 2Q. The deal was comparable in size to SpaceX's IPO fundraising. Although modest relative to Alphabet's market capitalization of more than US\$4tn, the proceeds would still cover less than half of its projected FY2026 capex.
- ▶ The five CSPs are all investment-grade issuers. Following several years of stable or negative net borrowing after the pandemic, debt issuance accelerated sharply from late 2025 into early 2026. Combined quarterly net borrowing by the five companies briefly approached US\$110bn, suggesting their funding needs are likely to remain structurally elevated rather than temporary.

Five Major CSPs Accelerate Debt Issuance

Net Borrowing by Five Major CSPs (US\$ mn)



Markets Demand Higher Yields to Compensate for Rising Credit Risk



Source: Bloomberg

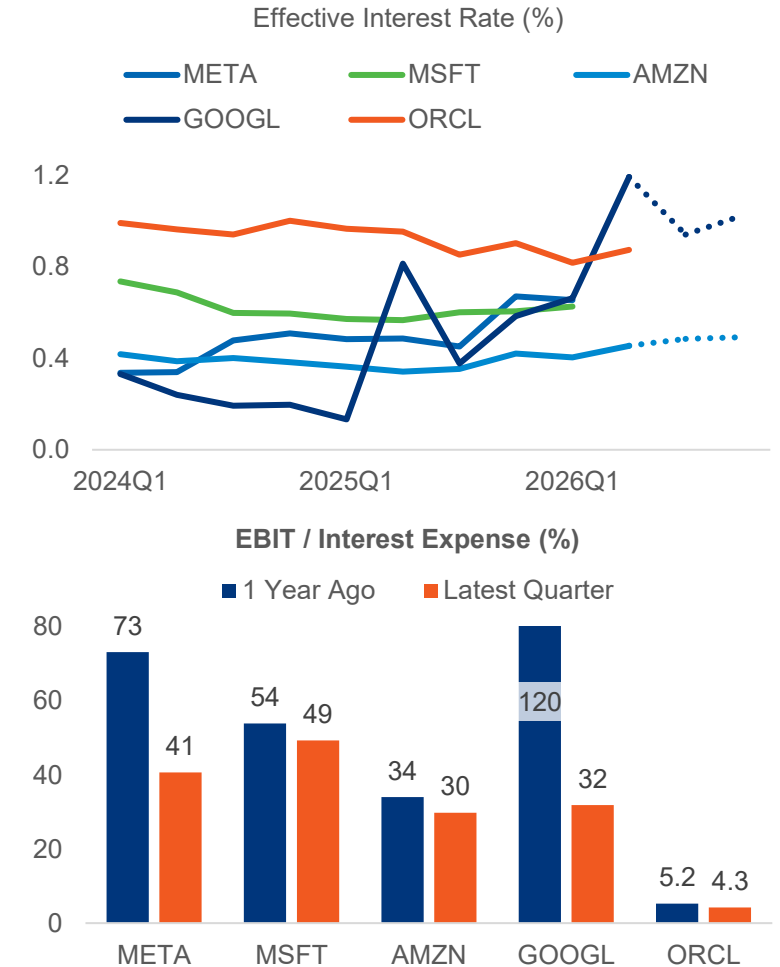
Strong Financial Buffers; AI Upside Favors Equities

- ▶ A surge in bond issuance has lifted yields as investors demand higher compensation for both increased supply and potential credit risk. In July, bond spreads widened sharply across the five major CSPs, while investment-grade corporate spreads remained broadly stable, indicating the move was company-specific rather than a broader IG trend.
- ▶ Credit default swap (CDS) spreads also rose in tandem with OAS across all five CSPs during July. Although CDS markets do not capture all outstanding debt, the synchronized move points to rising market concerns over credit risk.
- ▶ Interest coverage remains a key metric. Oracle has the weakest financial cushion among the five CSPs, while the other four still maintain ample buffers, though these have begun to narrow.
- ▶ In a bullish scenario, successful AI monetization would significantly boost profitability, offering greater upside for equity investors. If AI monetization is delayed, however, rising funding needs could pressure both equities and bonds. Continued debt issuance would also amplify the impact of tighter Fed policy on financial markets.

CDS Prices Signal Rising Credit Risk



Interest Costs Expected to Continue Rising



Source: Bloomberg, BofA

Asset Strategy

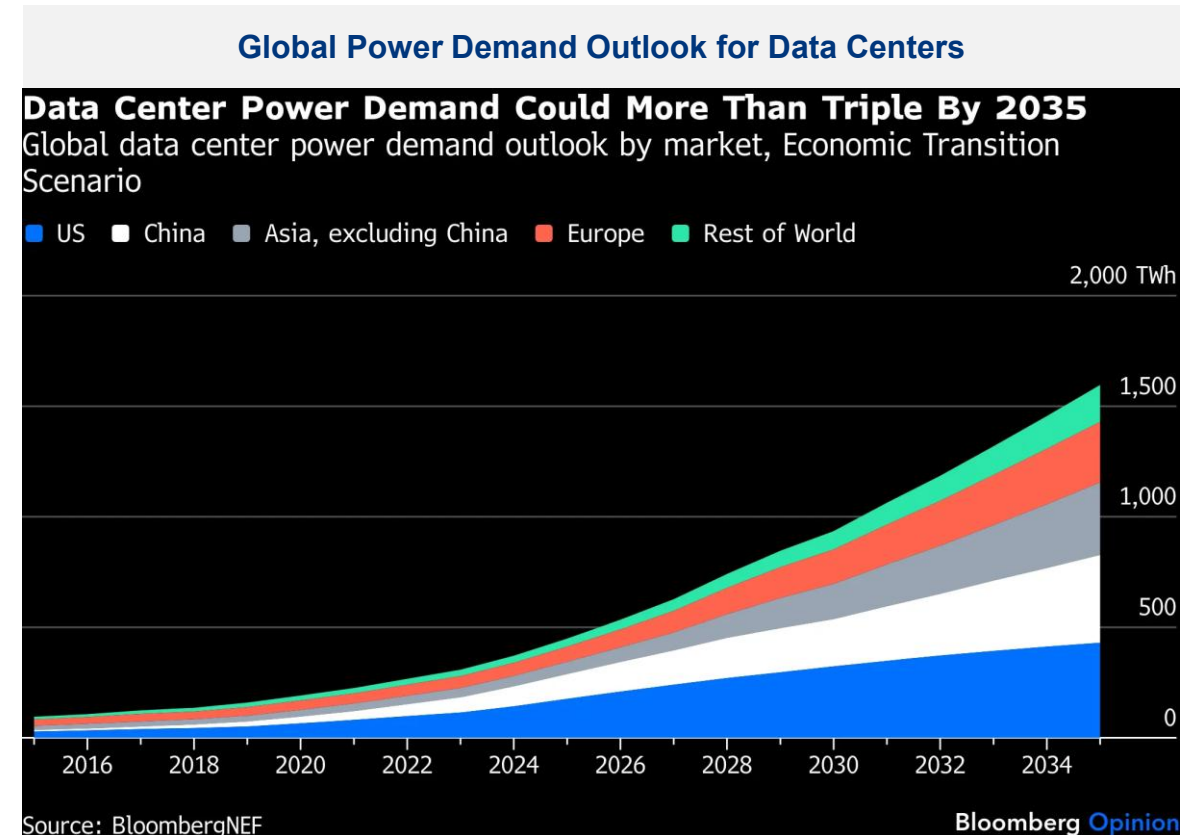
Asset Type	Market View	Preferred Assets
Equities	◆ Corporate earnings remain solid, but markets are increasingly focused on returns from capex. Signs of negative free cash flow at major tech firms have raised concerns over funding needs. Near-term profit-taking pressure may persist, favoring a more defensive stance. ◆ Elevated concentration risk in U.S. equities supports rotating into defensive sectors such as health care and utilities. Longer term, AI leaders remain attractive, but investors should build positions on pullbacks while diversifying across sectors and regions. ◆ Europe and Japan remain key diversification opportunities. Higher global yields support banks, while Japan's semiconductor sector continues to benefit from AI demand. European defense stocks also remain attractive.	Strategy: Short term: defensive sectors. Medium to long term: AI infrastructures and semiconductors; while favoring cyclical sectors outside AI. Regions: Japanese banks, Japanese semiconductor stocks, European defense, European financials
Bonds	◆ Higher oil prices have pushed U.S. 30-year Treasury yields to new highs this year. Avoid extending duration in the near term and focus on short- to intermediate-duration investment-grade bonds. Higher-quality issuers should better withstand spread widening, with opportunities emerging in financials, technology, communication services, and utilities. ◆ A stronger U.S. dollar also supports diversifying into non-USD bonds, including euro- and RMB-denominated investment-grade debt.	Types: Short/ Intermediate term IG bonds, with a preference for financials, technology, communication services, and utilities. Satellite : Non-USD IG bonds for diversification.
Forex	◆ The Fed remains hawkish, with rate hike expectations rising alongside oil prices. Near-term USD strength should persist. ◆ Japan's expansionary fiscal policy should keep the JPY under pressure, while the RMB is expected to appreciate modestly amid PBOC policy support.	USD: Near-term strength remains supported. Gradual JPY appreciation; modest RMB appreciation.
Commodity	◆ Renewed U.S.-Iran tensions have lifted oil prices and Treasury yields, with a stronger U.S. dollar weighing on gold in the near term. ◆ The Strait of Hormuz remains partially disrupted, while strong U.S. summer travel demand and low gasoline and distillate inventories should keep oil prices elevated.	Gold: Near-term headwinds from higher U.S. yields and a stronger dollar. Oil: Supported by Middle East tensions and tight inventories.



AI-Driven Data Center Expansion Fuels Global Insurance Premium Growth

- ▶ The Federal Reserve voted 9-3 to keep the federal funds rate at 3.50%-3.75%, with three officials favoring a 25bp hike, signaling rising hawkish sentiment. The statement noted resilient U.S. growth and capex, balanced labor supply and demand, but inflation remains above target with energy and supply shocks adding pressure. Chair Walsh reaffirmed the 2% inflation goal, downplaying single-month data. Overall, the meeting conveyed a pause in hikes but retained a hawkish bias, with reduced forward guidance and focus on market rates, financial conditions, and inflation trends; further hikes remain possible if price pressures persist.
- ▶ June core PCE rose 0.1% m/m (vs. 0.2% expected, 0.3% prior) and 3.3% y/y (in line, vs. 3.4% prior).
- ▶ Q2 GDP grew 1.5% annualized (vs. 2.0% expected, 2.1% prior).
- ▶ June durable goods orders rose 0.3% m/m (vs. 1.8% expected, prior revised -4.0%).
- ▶ July Michigan consumer sentiment final was 55.2 (vs. 54.0 expected, 49.5 prior).
- ▶ Generative AI, cloud computing, and sovereign AI initiatives are driving a long expansion cycle in global data centers. Despite rising supply, grid capacity, land availability, and cooling infrastructure remain constrained, keeping supply tight through 2030. For insurers, large data centers expand premium pools across engineering, property, business interruption, cyber, and liability lines. While increased underwriting capacity may stabilize or lower rates for high-quality projects, complex risks tied to natural disasters, power outages, overheating, and cyber threats will sustain higher premiums and stricter terms.

Source: Bloomberg, BloombergNEF



Aon plc (AON US)

Closing Price	US\$360.55	Target Price	US\$400
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Aon plc is a global insurance brokerage and consulting firm. It specializes in helping clients manage risk by negotiating and arranging coverage with insurers, while also providing advisory services in health and benefits, retirement, compensation, strategic human capital, and HR outsourcing. With a worldwide client base.

Expanded Data Center Platform Supports Fee-Driven Growth

Aon plc has expanded its data center lifecycle insurance program from USD 3.5bn to USD 5bn, covering construction through long-term operations across property damage, business interruption, cyber, and cargo risks. Its brokerage and consulting model allows Aon to earn commissions and advisory fees while transferring most underwriting risk to insurers and reinsurers, giving it light-asset exposure to the AI infrastructure boom.

Larger and More Complex Data Centers Drive Risk Arrangement Demand

By 2027, annual global data center investment may exceed USD 300bn, with rising protection needs expected to generate ~USD 10bn in new premiums by 2026. Given total insurable values of USD 10–30bn for some hyperscale projects, limited underwriting capacity is pushing the market toward co-insurance and reinsurance structures, sharply increasing demand for Aon’s expertise in risk modeling, program design, and placement.

Strong Q2 Results and Ongoing Capital Returns to Shareholders

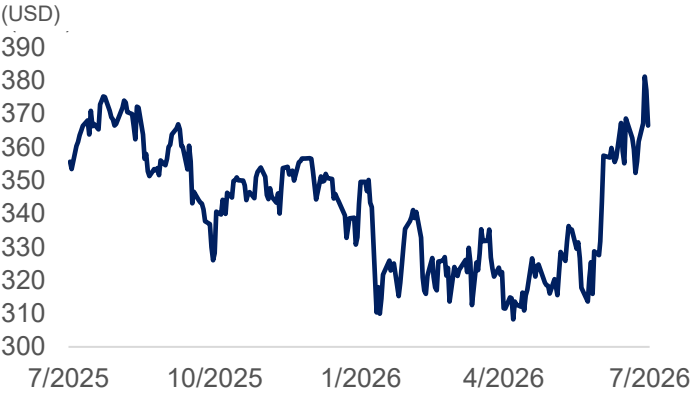
Q2 FY2026 results were solid: revenue USD 4.25bn (+2.2% y/y, USD 20m below consensus), Non-GAAP EPS USD 3.81 (USD 0.01 beat). The company declared a quarterly dividend of USD 0.82 per share, unchanged. Full-year guidance was reaffirmed: mid-single-digit or higher organic revenue growth, 70–80bps adjusted margin expansion, strong adjusted EPS growth, and double-digit free cash flow growth.

Valuation Consensus

Bloomberg 12-month average target price USD 395.25, with a high of USD 436 and low of USD 375.

Source: Bloomberg, Company

1-Year Price



FY2026 Guidance

	Financial Guidance
Organic Revenue	Mid-Single-Digit or Greater Growth
Adjusted Operating Margin	70-80bps Expansion ⁽¹⁾
Adjusted EPS	Strong Growth
Free Cash Flow	Double-Digit Growth

Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	7.2	17.4	9.4	4.4	6.2
EBITDA (%)	33.9	31.9	27.8	33.7	34.8
EPS(USD)	13.77	13.47	14.25	19.08	21.33
Net Profit Margin(%)	21.1	18.2	18.0	22.7	23.5

Source: Bloomberg; 2026/27F are market estimates

P/E & P/B



Chubb Limited (CB US)

Closing Price	US\$350.68	Target Price	US\$390		
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Chubb Limited is a global property and casualty insurer. The company provides commercial and personal property insurance, liability coverage, accident and supplemental health insurance, reinsurance, and life insurance to a diversified client base.

Broad Underwriting Capacity Enables End-to-End Solutions

Chubb Limited is among the few global insurers able to cover the entire lifecycle of data centers, spanning construction engineering, property, engineering, marine, surety, liability, professional liability, cyber, and utility/energy infrastructure insurance. As projects grow larger and more complex, its strong capital base and underwriting expertise provide clear advantages. This discipline is reflected in Q2 FY2026 core operating income of USD 2.84bn (+14.6% y/y) and a robust 83.8% P&C combined ratio.

AI Infrastructure Expands Commercial Insurance Premium Pools

The AI data center boom is creating demand beyond physical property insurance, including risks from construction delays, equipment damage, power outages, cyberattacks, supply chain disruptions, and operational downtime. With single-site insurable values rising to USD 20–30bn, Chubb stands to benefit from higher specialty premium volumes and a growing investment asset base. However, concentrated and accumulative risks make strict underwriting discipline essential.

Q2 Results Highlight Diversified Portfolio and Long-Term Compounding Power

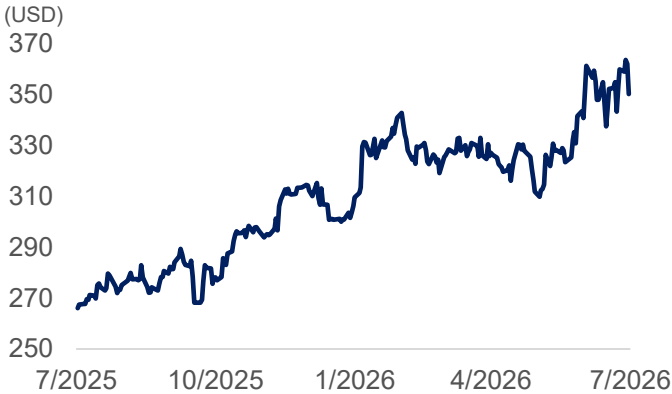
In Q2 FY2026, Chubb reported net income of USD 2.85bn, core operating income of USD 2.84bn, and Non-GAAP EPS of USD 7.26, beating consensus by USD 0.52.

Valuation Consensus

Bloomberg 12-month average target price is USD 371.75, with a high of USD 425 and a low of USD 315.

Source: Bloomberg, Company

1-Year Price



H1 2026 Results

	2026	2025	Change
Net income	\$5,174	\$4,299	20.4%
Adjusted net realized (gains) losses and other, net of tax	296	(480)	NM
Integration expenses and severance, net of tax	13	2	NM
Market risk benefits (gains) losses, net of tax	(16)	93	NM
Amortization of deferred tax asset from Bermuda law	64	55	16.4%
Core operating income, net of tax	\$5,531	\$3,969	39.4%
Annualized return on equity (ROE)	13.9%	12.9%	
Core operating return on tangible equity (ROTE)	20.9%	16.9%	
Core operating ROE	14.3%	11.2%	

Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	14.8	10.1	6.6	6.1	5.2
Operating Margin(%)	21.5	21.7	23.0	18.4	17.7
EPS(USD)	21.80	22.20	23.87	27.70	29.10
Net Profit Margin(%)	17.8	16.3	16.1	17.1	16.6

Source: Bloomberg; 2026/27F are market estimates

P/E & P/B





Sell-Off Pressure Weighs on Short Term, Fundamentals Support Long-Term Bullish Trend

Weak Sectors Face High Short-Term Risk, Financials Show Relative Resilience

Taiwan equities fell sharply early last week but rebounded over 1,000 points on Friday, trimming losses. Electronics rebounded after steep declines, yet passive components, discrete devices, silicon wafers, substrates, and memory makers remain under heavy selling since mid-July, keeping short-term risk elevated. Financials held steady amid volatility, serving as a safe haven. In industrials, plastics retreated on lower oil prices, while bicycle makers proved more resilient as fundamentals improved, offering range-bound trading opportunities.

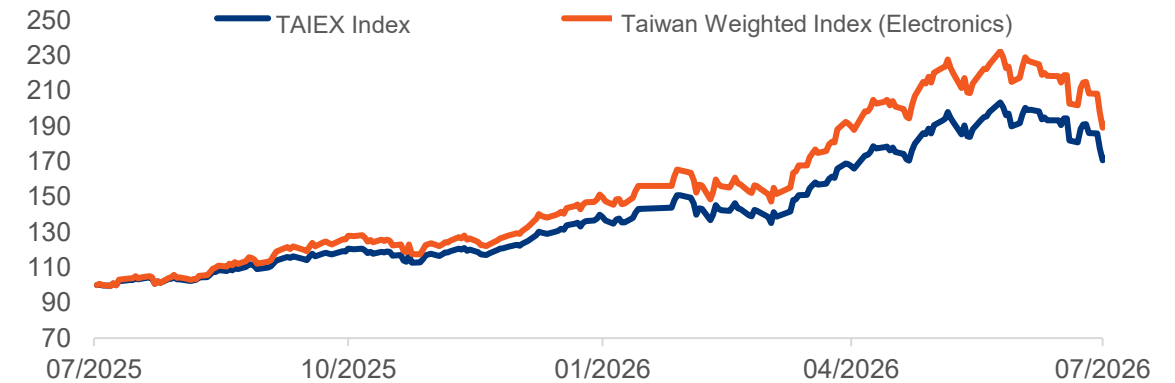
Sell-Offs Pressure Taiwan Market, Fundamentals Anchor Long-Term Bullish Trend

Influenced by Philadelphia Semiconductor Index and Korean equity sell-offs, plus yield volatility weighing on valuations, the index faces short-term resistance. Medium- to long-term, we maintain its view of Taiwan equities reaching 50,000 by year-end and 55,000 within a year. This outlook is supported by TSMC's upgraded guidance and sustained AI demand. Earnings growth forecasts for Taiwan equities were raised from 40% to 48% in 2026, and adjusted from 25% to 23% in 2027; tech earnings growth was lifted from 48% to 55% in 2026, with 30% growth maintained for 2027.

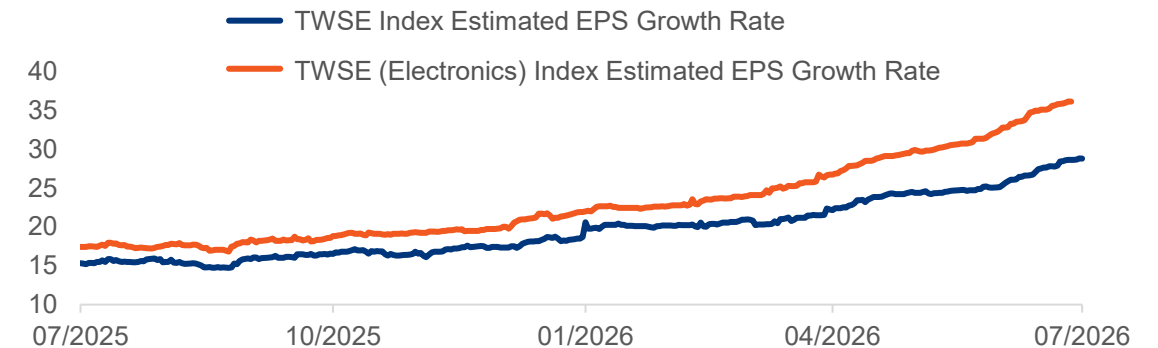
Source: Bloomberg

TAIEX Index and Taiwan Electronics Sector Trends

Index, 30 July 2025 = 100



Earnings Growth Continues to Be Revised Higher, Index Maintains Strong Growth Trajectory



TSMC (2330 TT)

Taiwan Semiconductor Manufacturing Co., Ltd. is primarily engaged in the manufacturing and sales of integrated circuits. The company provides wafer and photomask production and design services, as well as testing and packaging services for integrated circuits

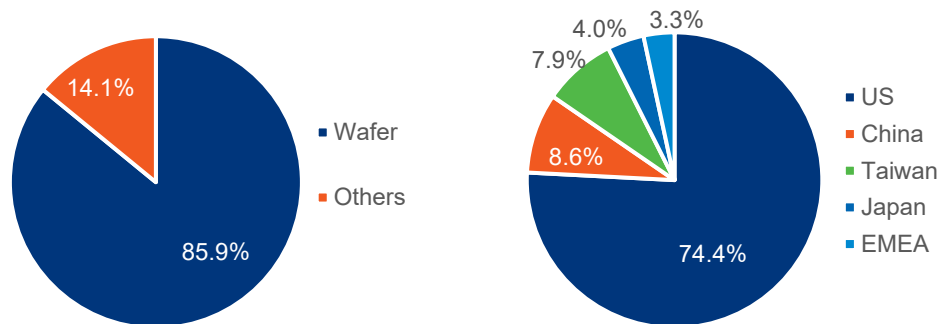
Upgraded 2026 Outlook and Capex Guidance

TSMC projects Q3 FY2026 revenue of USD 44.6–45.8bn, with the midpoint implying ~12% q/q growth, driven by strong HPC demand and accelerated N2 ramp-up. The company raised its 2026 revenue outlook from ~30% y/y growth to above 40%, and lifted capex guidance from USD 52–56bn to USD 60–64bn, signaling robust growth momentum.

No Shortcuts in Foundry

Technology leadership, scale in volume production, and customer trust remain the three pillars of foundry competitiveness. The capex upgrade reflects both stronger AI demand and rising costs. Considering (1) the revised 2026 revenue outlook, (2) 2027 ASP increases (estimated +5–10% for advanced nodes, +3–5% for mature nodes), and (3) higher-than-expected capacity expansion, we raised EPS forecasts by +4.9% for 2026, +6.0% for 2027, and +9.9% for 2028.

Revenue Sources and Regions



Source: Bloomberg

Financials

	2024	2026	2026F	2027F	2028F
EPS (NTD)	45.25	66.26	108.25	139.22	181.32
EPS Growth (%)	45.25	66.26	108.25	139.22	181.32
P/E Ratio	54.6	37.3	22.8	17.7	13.6
ROE (%)	30.3	35.4	43.0	39.9	38.0

Source: Company data, estimates of KGI analyst

Valuations

		5Y Avg.	Current	
Price	371.00			2,510
P/E	10.84			33.74
P/B	3.51			11.04

1-Year Price



As of 30 July 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	-8.32	-8.51	3.28	24.23	42.26	90.91

United Microelectronics Corp. (2303 TT)

United Microelectronics Corp. (UMC) is the world's third-largest semiconductor foundry, specializing in the manufacturing and sales of integrated circuits (ICs). The company offers wafer fabrication, wafer probing, packaging and testing, photomask production, and design services.

2Q26 Results Beat Expectations; 3Q26 Outlook In Line

Benefiting from improved mature-node demand, UMC's Q2 FY2026 revenue rose 12.6% q/q to TWD 68.7bn, in line with estimates. Utilization increased from 79% to 85%, driving gross margin up 3.3ppt to 32.5%, above the company's prior 30% guidance. Investment and dividend income of ~TWD 30bn lifted EPS more than 200% above our and market forecasts. For Q3 FY2026, wafer shipments are expected to grow high single digits q/q, led by PMIC, sensors, and MCUs. Utilization should exceed 90%, with ASP stable, supporting gross margin at 35%..

Capex Raised to Meet AI Demand

UMC raised 2026 capex by 33% to USD 2bn (+25% y/y), while the board approved USD 5bn in capex for 2026–2027. Given fab construction timelines exceeding 20 months, new capacity is expected to contribute revenue starting 2028–2029.

Financials

	2024	2025	2026F	2027F	2028F
EPS (NTD)	3.80	3.34	7.86	7.33	7.30
EPS Growth (%)	-23.0	-12.0	135.1	-6.7	-0.3
P/E Ratio	27.0	30.0	13.0	14.0	14.0
ROE (%)	12.8	11.0	23.5	19.0	17.0

Source: Company data, estimates of KGI analyst

Valuations

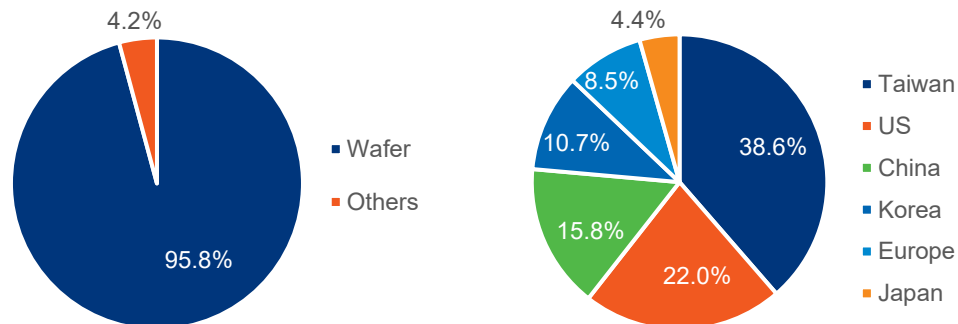
		5Y Avg.	Current	
Price	35.35			178.50
P/E	5.16			44.56
P/B	1.28			5.52

1-Year Price



As of 30 July 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	-20.58	-33.13	42.30	76.28	123.35	158.52

Revenue Sources and Regions



Source: Bloomberg

Tech Stock Correction: Diversify Across Sectors to Seek Value Opportunities

► BlackRock Global Fund – US Basic Value Fund

- Established in January 1997, the fund is one of the few in the market focused on concentrated investments in large-cap U.S. value stocks.
- Through a disciplined value-investing strategy, it seeks to uncover undervalued opportunities among major U.S. companies.
- Adding value exposure in volatile markets can help balance risks from growth-oriented assets.
- Beyond technology, its top three sector allocations lean toward defensive industries such as healthcare and financials.

Product	BlackRock Global Fund – US Basic Value Fund	
Features	■ Focus on Value Strategy — The fund emphasizes companies with low valuations and intrinsic investment potential. ■ Diversified Allocation — No single industry accounts for more than 25% of the portfolio.	
AUM	USD 961 million	
3M/YTD Return	9.45% / 13.98%	
Top 5 Sector Allocation(%)	Information Technology	16.33
	Healthcare	15.60
	Financials	15.36
	Industrials	11.80
	Consumer Discretionary	11.06
Top 5 Country Allocation (%)	US	100
Top 5 Holdings (%)	AMAZON.COM INC	6.51
	MICROSOFT CORP	5.72
	APPLE INC	4.63
	CVS HEALTH CORP	3.71
	CITIGROUP INC	3.15

Source: Bloomberg, KGI

BlackRock Global Fund – US Basic Value Fund

Profile

The fund aims to enhance total return. At least 70% of its total assets are invested in equity securities of companies that are either registered in the United States or conduct the majority of their economic activities there.

Value Investing Strategy

The fund adopts a value investing approach, focusing on companies with low valuations and intrinsic investment potential. Managers aim to buy quality and stable stocks at appropriate price levels, making it suitable for investors seeking long-term stable returns.

Large-Cap Quality Stocks

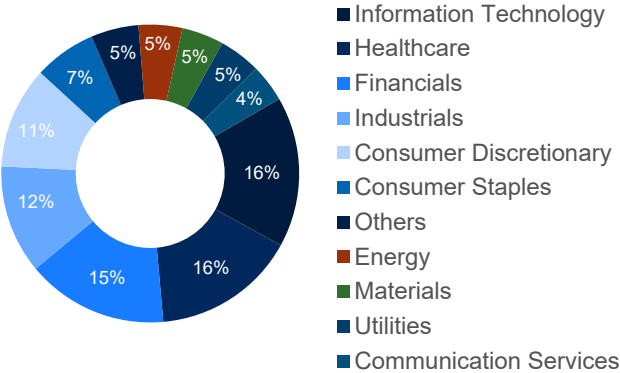
It primarily invests in large-cap stocks across multiple industries, with at least 65% of the portfolio composed of securities covered by MSCI ESG Research. This enables investors to evaluate performance in environmental, social, and governance (ESG) aspects.

Diversified Portfolio

The portfolio is diversified, with no single industry accounting for more than 25% of total holdings. The top ten positions represent about 35.40% of the portfolio.

Inception	1997/1/8	AUM	USD 961 mn
Morningstar Category	US Large-Cap Value Stocks	Fund Type	Equities
Morningstar Rating	★★★	3Y SD (Ann.)	11.03%

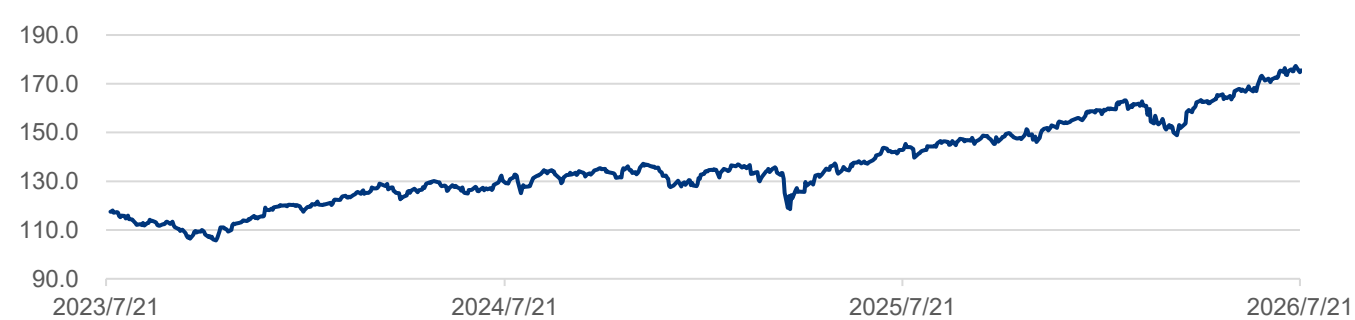
Sectors



Top-5 Holdings (%)

AMAZON.COM INC	6.51
MICROSOFT CORP	5.72
APPLE INC	4.63
CVS HEALTH CORP	3.71
CITIGROUP INC	3.15

3Y NAV



As of 28 July 2026	1M	3M	YTD	1Y	2Y	3Y
Cumulative Return(%)	3.10	9.45	13.98	23.09	35.40	51.44
Ranking	3	2	2	1	1	1

Sources: BlackRock Asset Management Fund Monthly Report, Morningstar. Performance data as of July 28, 2026; monthly report as of June 30, 2026.Data share class: A2 USD.

Bonds

Strong 2Q26 Results; Operating Income and Pre-Tax Profit Beat Expectations, CET1 at 14.2%

► **STANLN 5.005 10/15/2030 (Standard Chartered PLC) (USD)**

- Standard Chartered Group delivered solid results in Q2 FY2026, with operating income of USD 5.7bn (+3% y/y) and pre-tax profit of USD 2.3bn (+2% y/y), exceeding the market consensus of USD 2.08bn. Return on tangible equity (RoTE) reached 17.9%. Strong performances came from Wealth Solutions (+43% revenue growth) and Global Banking (+18%), both ahead of expectations.
- Key indicators showed CET1 ratio at 14.2% as of June 2026, up 77bps q/q, driven by profit generation and lower risk-weighted assets, partially offset by higher dividends. The ratio remains comfortably within the 13–14% target range. Moody's upgraded the group's credit outlook from "Stable" to "Positive" in September 2024.
- Profitability has steadily improved in recent years, supported by recurring revenue growth in core businesses and ongoing cost optimization initiatives.

Bond	STANLN 5.005 10/15/2030 (Standard Chartered PLC) (USD)
ISIN	XS2914003533
Features	Standard Chartered's profitability has steadily improved in recent years, driven primarily by recurring revenue growth across key business segments and the group's ongoing cost-optimization initiatives.
Maturity	2030/10/15
Next Call Date	2029/10/15
Coupon(%)	Float/5.005/Semi-Annual
Currency	USD
Years to Maturity	4.21
Credit Rating (Moody's/Fitch/S&P)	A3/A/BBB+
Seniority	Senior Unsecured
YTM/YTC (%)	4.91/4.83

Source: Bloomberg

STANLN 5.005 10/15/2030 (Standard Chartered PLC) (USD)

Standard Chartered PLC, as an international banking group focused on Asia, Africa, and the Middle East, has in recent years strengthened its cross-border business and wealth management footprint while simultaneously advancing digital finance and strategic transformation.

- Standard Chartered Group delivered solid results in Q2 FY2026, with operating income of USD 5.7bn (+3% y/y) and pre-tax profit of USD 2.3bn (+2% y/y), exceeding the market consensus of USD 2.08bn. Return on tangible equity (RoTE) reached 17.9%. Strong performances came from Wealth Solutions (+43% revenue growth) and Global Banking (+18%), both ahead of expectations.
- Key indicators showed CET1 ratio at 14.2% as of June 2026, up 77bps q/q, driven by profit generation and lower risk-weighted assets, partially offset by higher dividends. The ratio remains comfortably within the 13–14% target range. Moody’s upgraded the group’s credit outlook from “Stable” to “Positive” in September 2024.
- Profitability has steadily improved in recent years, supported by recurring revenue growth in core businesses and ongoing cost optimization initiatives.

Financials	2023	2024	2025
CET1 Ratio (%)	14.10	14.20	14.10
Return on Assets (%)	0.42	0.48	0.57
Liquidity Coverage Ratio (%)	160.40	150.30	155.00

Source: Bloomberg

Overview			
Name	STANLN 5.005 10/15/2030	ISIN	XS2914003533
Maturity Date	2030/10/15	Remaining Maturity	4.21
Coupon(%)	Float/5.005/Semi-Annual	YTM/YTC(%)	4.91/4.83
Currency	USD	Min. Subscription /Increment	200,000/1,000
Ratings (Moody's/Fitch/S&P)	A3/A/BBB+	Seniority	Senior Unsecured



Appendix

Key Economic Data / Events

► JUL 2026

27

Monday

- US Jun Durable Goods Orders (Prelim.) (Act:0.3% Est:1.8% Prev:-4.0%)

28

Tuesday

- US Jul Conference Board Consumer Confidence (Act:90.8 Est:92.4 Prev:92.2)

29

Wednesday

- Japan Jul Machine Tool Orders YoY (Final) (Act:52.7% Prev:37.5%)

30

Thursday

- US Jul Federal Funds Rate (Act:3.75% Est:3.75% Prev:3.75%)
- US Jun PCE YoY (Act:3.7% Est:3.7% Prev:4.1%)
- US Jun Core PCE YoY (Act:3.3% Est:3.3% Prev:3.4%)
- US Q2 GDP QoQ SAAR (Prelim.) (Act:1.5% Est:2.0% Prev:2.1%)
- UK Jul BoE Bank Rate (Act:3.75% Est:3.75% Prev:3.75%)

31

Friday

- US Jul Univ. of Michigan Consumer Sentiment (Final) (Est:54.0 Prev:49.5)
- Japan Jul BoJ Unsecured Overnight Call Rate (Est:1.00% Prev:1.00%)
- China Jul Manufacturing PMI (Act:49.2 Est:50.1 Prev:50.3)
- China Jul Non-Manufacturing PMI (Act:49.0 Est:50.0 Prev:50.2)

► AUG 2026

3

Monday

- US Jul S&P Global Manufacturing PMI (Final) (Prev:53.9)
- US Jul ISM Manufacturing PMI (Est:54.0 Prev:53.3)
- Japan Jul S&P Global Manufacturing PMI (Final) (Prev:54.8)
- Eurozone Jul S&P Global Manufacturing PMI (Final) (Prev:51.4)
- Earnings: BRK/A US

4

Tuesday

- US Jun JOLTS Job Openings (Est:7,250k Prev:7,594k)
- US Jun Durable Goods Orders MoM (Final) (Prev:-4.0%)
- Earnings: PLTR US, PFE US, MRK US, MCD US, CAT US

5

Wednesday

- US Jul ADP Employment Change (Est:75k Prev:98k)
- US Jul S&P Global Services PMI (Final) (Prev:51.2)
- US Jul ISM Services PMI (Est:54.3 Prev:54.0)
- Earnings: BKNG US, AMGN US, AMD US, GILD US, ANET US, UBER US, DIS US, LLY US

6

Thursday

- US Weekly Initial Jobless Claims (Prev:197k)
- Eurozone Jun Retail Sales MoM (Est:0.1% Prev:0.2%)
- Earnings: SNDK US, WDC US, APP US, PH US, COP US

7

Friday

- US Jul Nonfarm Payrolls (Est:88k Prev:57k)
- US Jul Unemployment Rate (Est:4.2% Prev:4.2%)
- China Jul Exports YoY (Est:24.5% Prev:27.0%)

Source: Bloomberg

Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation Revenue	EPS
2026/7/28	Welltower Inc. (WELL US)	3.43B	3.54B	1.55	1.60	V	V
2026/7/28	The Coca-Cola Company (KO US)	13.16B	13.37B	0.93	0.97	V	V
2026/7/28	Corning Inc. (GLW US)	4.65B	4.74B	0.76	0.78	V	V
2026/7/28	S&P Global Inc. (SPGI US)	4B	4.15B	4.91	4.83	V	
2026/7/28	Boeing Co. (BA US)	24.26B	24.56B	-0.28	-0.76	V	
2026/7/29	KLA Corp. (KLAC US)	3.6B	3.66B	1.00	1.05	V	V
2026/7/29	Visa Inc. (V US)	11.4B	11.63B	3.23	3.32	V	V
2026/7/29	Procter & Gamble Co. (PG US)	21.34B	21.2B	1.41	1.43		V
2026/7/29	Amphenol Corp. (APH US)	8.31B	8.76B	1.18	1.35	V	V
2026/7/30	Qualcomm Inc. (QCOM US)	9.62B	9.95B	2.22	2.21	V	
2026/7/30	Meta Platforms Inc. (META US)	60.24B	60.8B	7.15	6.18	V	
2026/7/30	Lam Research Corp. (LRCX US)	6.68B	6.72B	1.70	1.82	V	V
2026/7/30	Microsoft Corp. (MSFT US)	87.72B	90.01B	4.25	4.74	V	V
2026/7/30	Bristol-Myers Squibb Co. (BMJ US)	11.74B	12.97B	1.60	2.04	V	V
2026/7/30	Stryker Corp. (SYK US)	6.57B	6.59B	3.48	3.69	V	V

Source: Investing.com

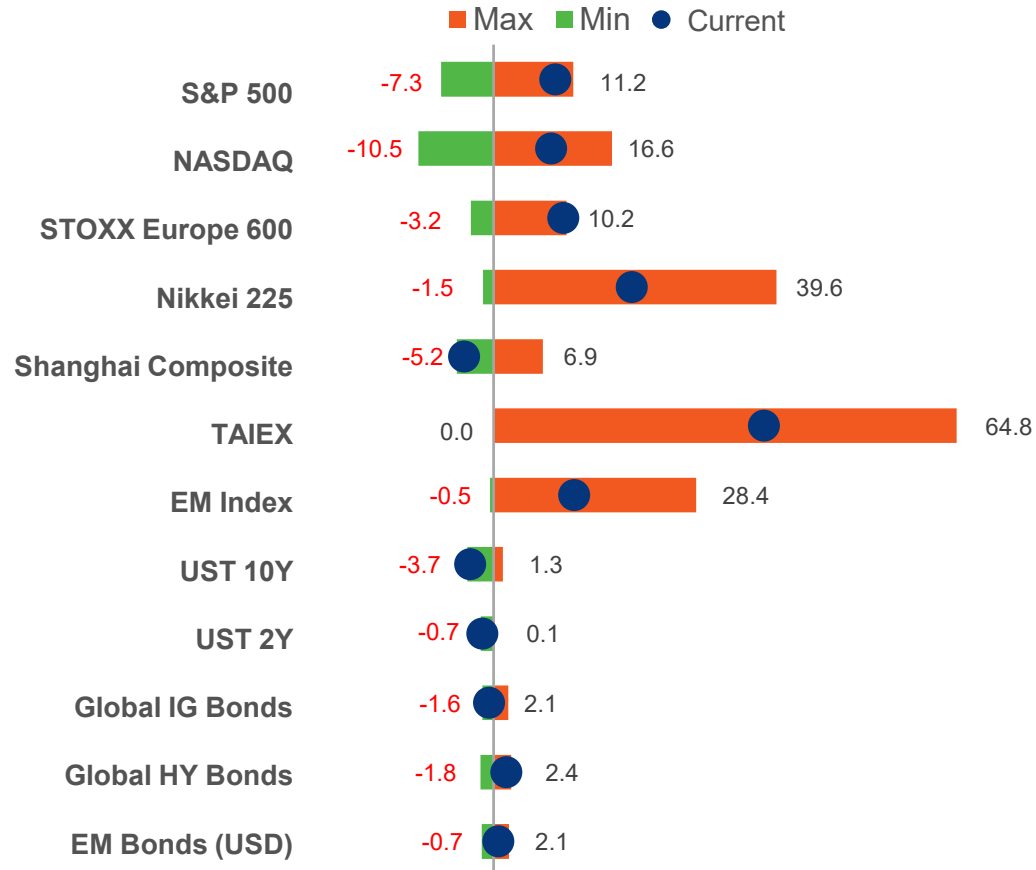
Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation Revenue	Exceed Expectation EPS
2026/7/30	Mastercard Inc. (MA US)	9.08B	9.28B	4.77	5.04	V	V
2026/7/31	Amazon.com Inc. (AMZN US)	197.01B	200.61B	1.83	5.75	V	V
2026/7/31	Apple Inc. (AAPL US)	108.85B	109.42B	1.89	2.02	V	V

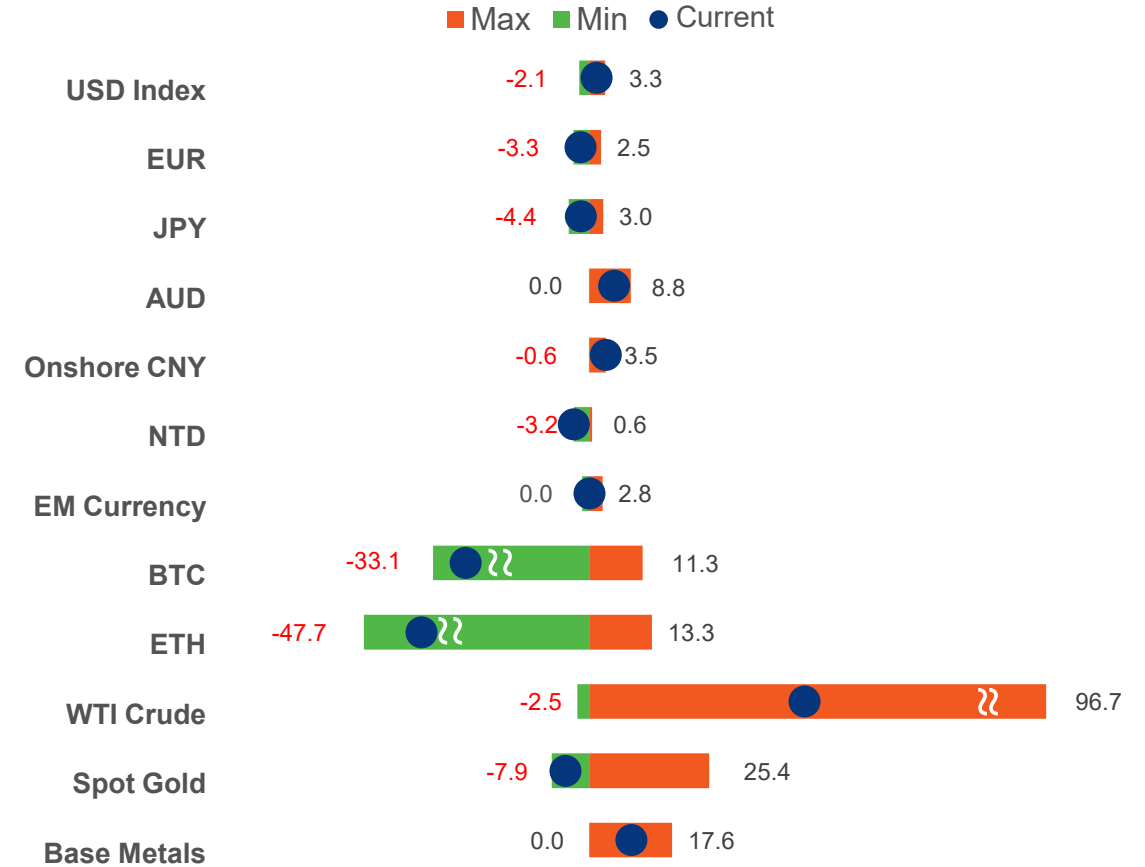
Source: Investing.com

Major Market / Asset YTD Performance

Equities & Bond Markets YTD Performance (%)

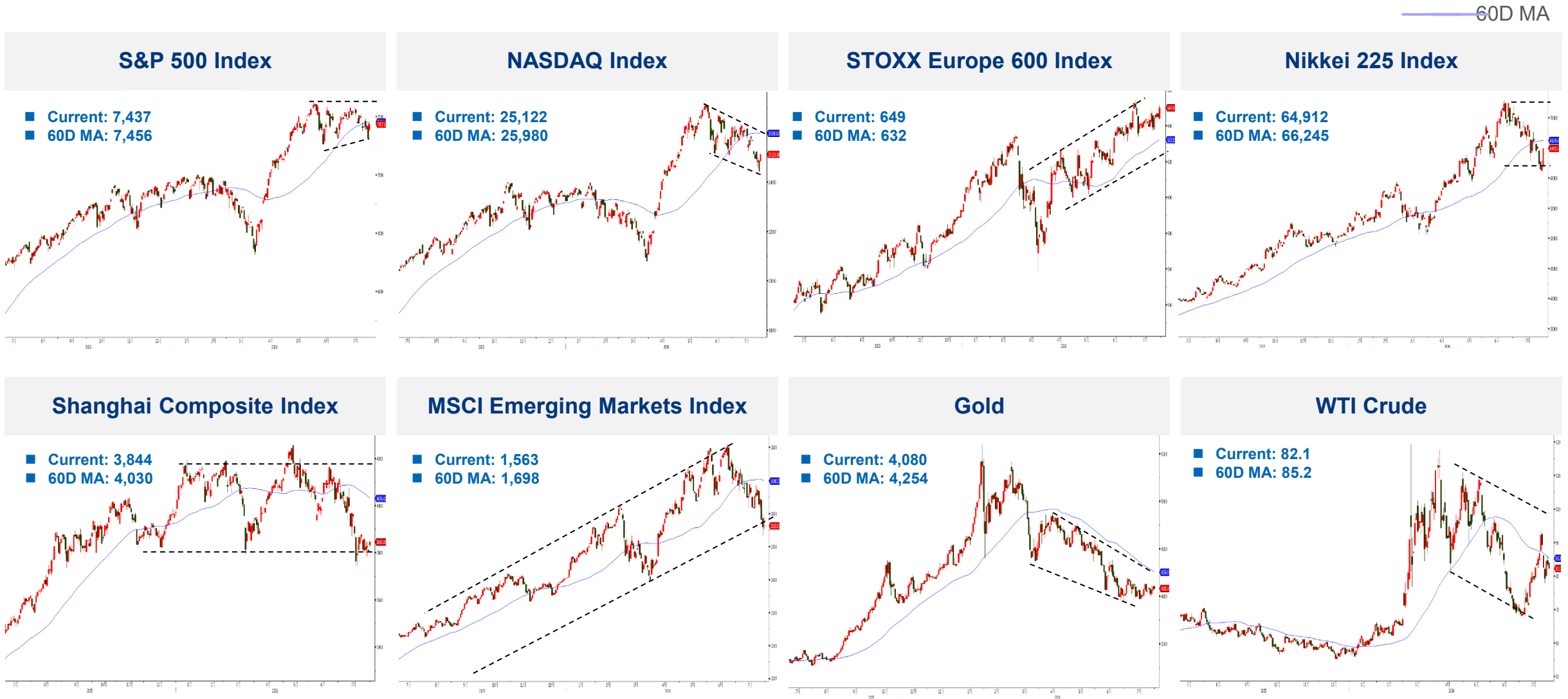


Currencies and Commodities Market YTD Performance (%)



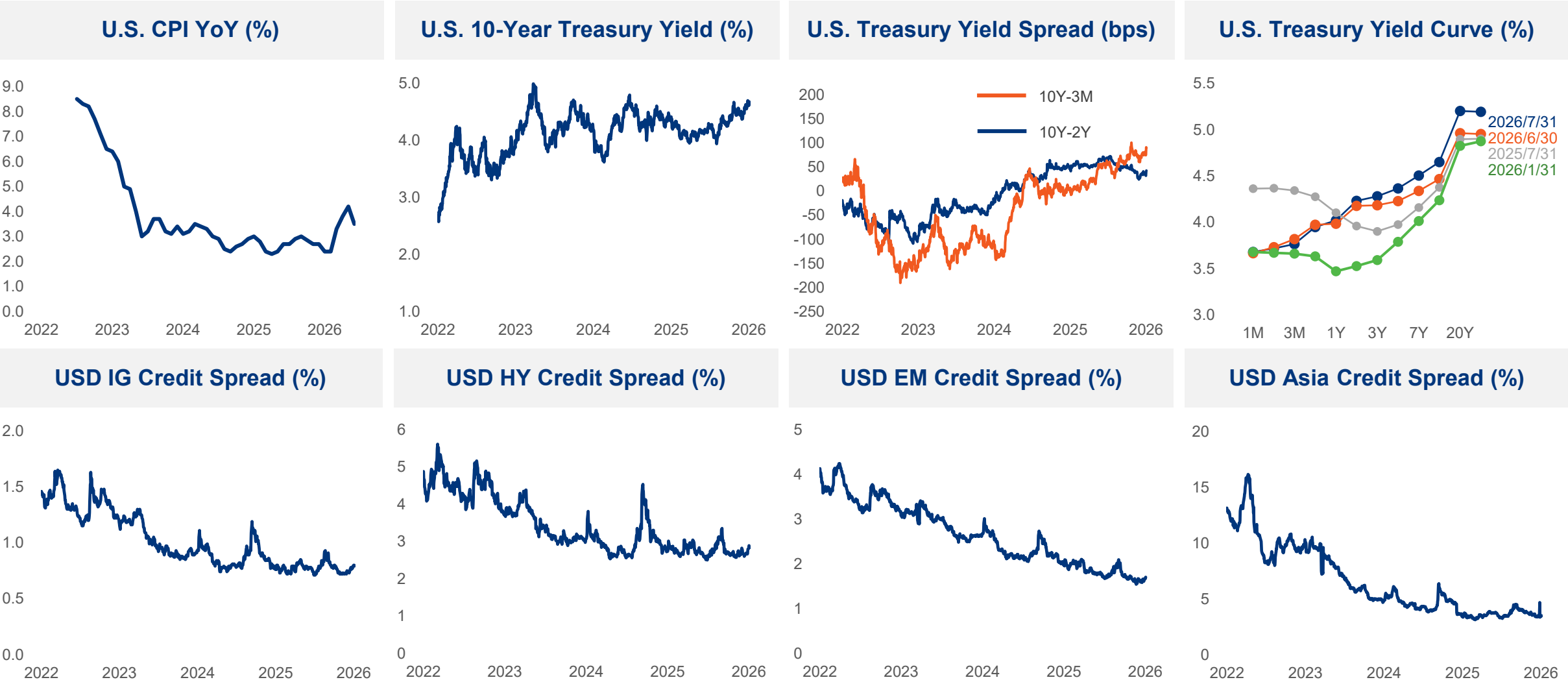
Source: Bloomberg

Technical Analysis



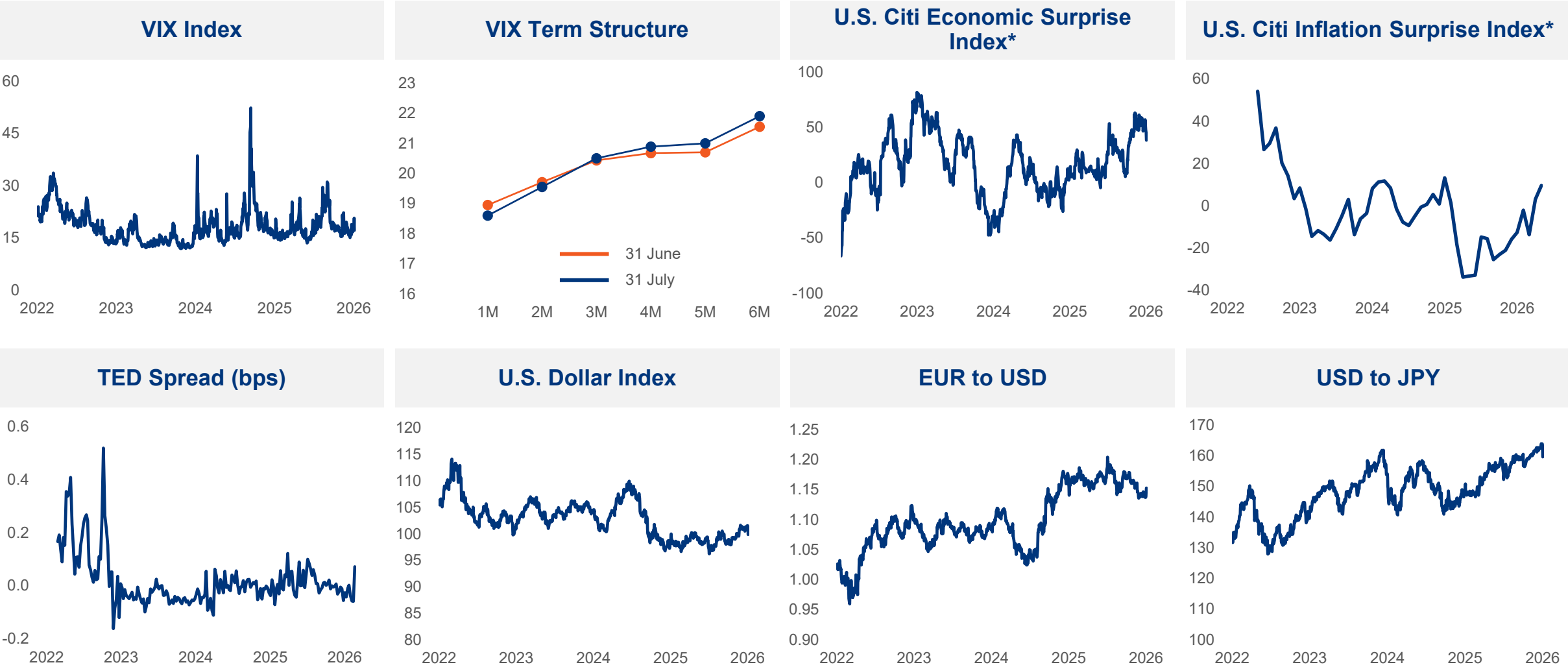
Source: Bloomberg

Market Monitor



Source: Bloomberg

Market Monitor



Source: Bloomberg

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