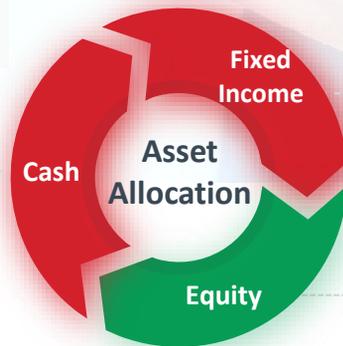


Monthly Investment Insights

- On 28th Feb 2026, tensions in the Middle East escalated sharply after the U.S. and Israel struck Iran and members of its senior leadership, prompting retaliatory attacks across Israel and parts of the Gulf, just days after U.S.–Iran nuclear talks ended without progress. This marks the most serious flare-up since the brief June 2025 conflict and underscores how geopolitical fragmentation remains a key supply-side risk shaping today’s global landscape.
- These developments raise tail risks of a sustained energy supply shock—particularly through the Strait of Hormuz, a critical chokepoint for global oil and LNG flows. Drawing lessons from June 2025, geopolitical shocks can reprice markets quickly but tend to fade if escalation is contained, with energy infrastructure the key swing factor. For now, the situation is viewed primarily as a volatility shock rather than a structural disruption, although the range of outcome has widened.
- In a 6-3 ruling, the U.S. supreme court invalidated U.S. President Trump’s tariffs-setting power under the International Emergency Economic Powers Act (IEEPA), although the decision does not dismantle the entire tariff architecture. Sector-specific duties imposed under other statutes – such as Sections 232 and 301 remain intact, and the specific law that he is relying on – Section 122 of the Trade Act of 1974, explicitly caps presidential tariff authority at 15% for no more than 150 days, subject to extension by Congress.
- U.S. Q4 Gross Domestic Production (GDP) weakness at 1.4% quarter-on-quarter growth was largely temporary and distorted by government shutdown. While households became more cautious, demand did not “fall off a cliff”, and we expect a sequential re-acceleration of GDP growth in 1Q26 and beyond.

Underweight (UW) Neutral (N) Overweight (OW)

Cash: Maintain UW in favor of risk assets that offer better return potential in the current easing environment.



Fixed Income: Maintain UW

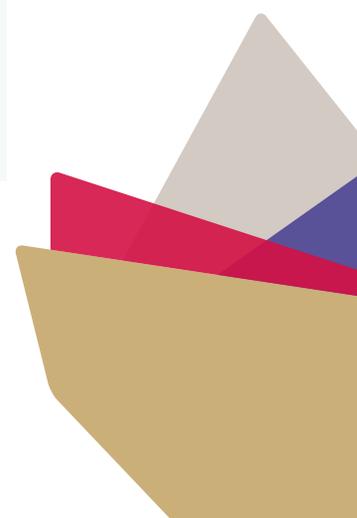
- Significant bond issuance linked to AI-related capex and refinancing needs may add supply pressure. While demand remains stable, rising supply could widen credit spread marginally, particularly in Investment Grade and High Yield segments.
- At this stage, equities offer stronger upside opportunities relative to Fixed Income.

Global Equities: Maintain Moderate OW

- Growth remains steady, recession risks are contained, and inflation gradually eases. Corporate fundamentals are healthy, allowing companies to navigate volatility while sustaining earnings expansion.
- Equity performance is broadening beyond mega-cap technology stocks. Industrials, Financials, HealthCare, and select regions including Asia and Europe, are contributing, reducing concentration risk and strengthening overall market resilience.

Asia Ex-Japan Equities: Maintain OW

- Asian equities trade at meaningful discounts to U.S. markets despite improving earnings outlook. Lower valuations provide a cushion against volatility and offer stronger upside potential if growth stabilizes, or sentiment improves. Asia remains central to global AI supply chains production and provides manufacturing diversification. Ongoing supply chain realignment and regional trade integration continues to attract capital, strengthening its long-term growth.



Disclaimer

AIA Investment Management Pte. Ltd.

This document/presentation has been prepared for information purposes only and does not have regard to the specific investment objectives, financial situation and particular needs of any persons. Neither should this document be construed as an offer or the solicitation of an offer, recommendation or solicitation to enter into any transaction or adopt any hedging, trading or investment strategy, in relation to any securities or other financial instruments issued or managed by AIA Investment Management Private Limited (“AIAIM”) or its affiliates (collectively the “AIA Group”) in any jurisdiction in which such offer is not authorised to be made to any person. Nothing in this document/presentation should be construed as investment, tax, legal or other advice. References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered as recommendation by the AIA Group.

The information herein should not be used as the basis of any investment decision. This document/presentation is not research material and it has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All views expressed and references to specific securities are included for illustrations only and does not necessarily represent the views of every function within the AIA Group. No representations or warranties are given as to the reliability, accuracy and completeness of the information. Opinions, projections, estimates and other information presented in this document/presentation are solely those of AIA Group as at the date of this document/presentation and subject to change without notice. The AIA Group may have interests in the securities or instruments mentioned in this document/presentation.

Past performance figures, and any economic and market trends or forecast, are not necessarily indicative of future performance of any strategy or portfolio. Investment is subject to investment risk, including the possible loss of the principal amount invested.

AIAIM and the AIA Group, their respective officers and employees, accept no liability for any damage or loss, including loss of profit, whether direct or indirect or consequential in respect of the use or reliance of any information contained herein and whether arising as a result of AIAIM’s negligence or otherwise.

You may wish to seek advice from a financial adviser before making a commitment to invest. You should consider carefully whether an investment is suitable for you in light of your own circumstances, financial resources and entire investment programme.

The information presented cannot be reproduced, amended or circulated in whole or in part to anyone, including policyholders and potential prospects, for whatever purpose or reason without prior consent of AIAIM.

This document/presentation may only be used and/or received in accordance with the applicable laws in your jurisdiction.

AIA Investment Management Private Limited (UEN Registration No. 201616304H).