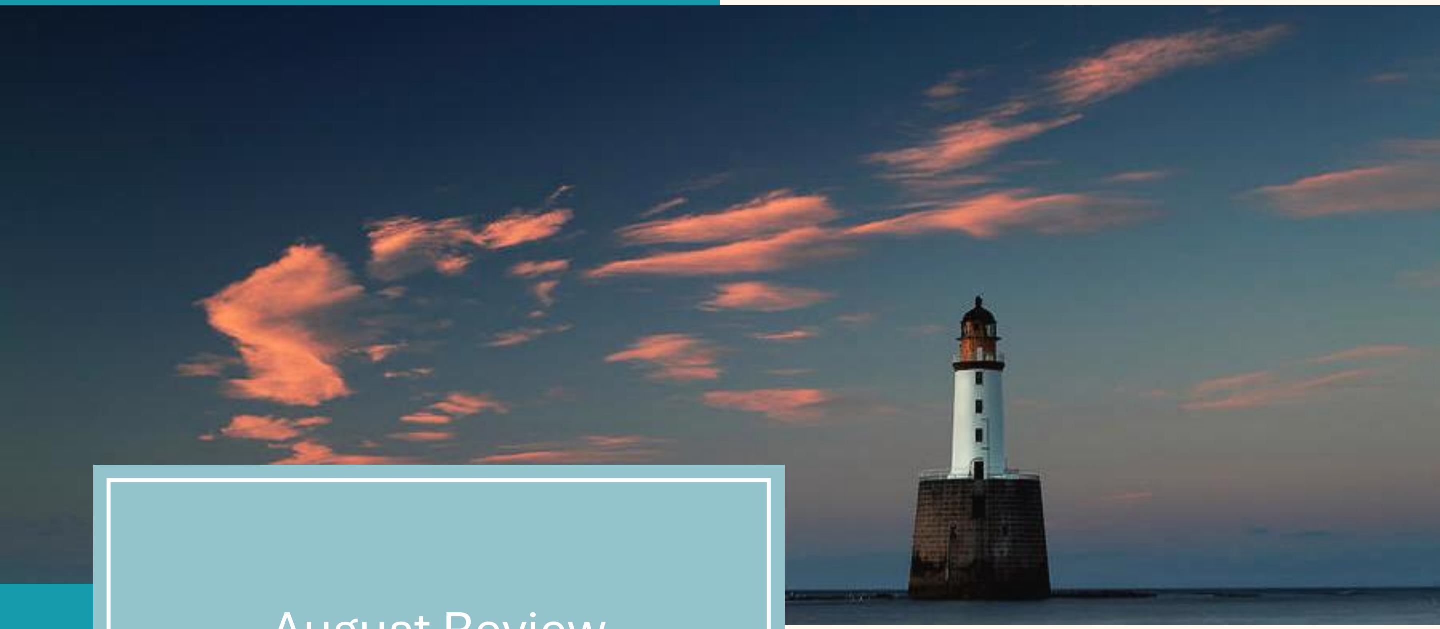
SGMC CAPITAL

MONTHLY UPDATES

AUGUST 2026



August Review

A summary of key events and market trends during the month of August.

IS THIS TIME DIFFERENT ??

The pace of change and progress in the world of AI is surprising even us.

While the cycle of human greed and fear likely remains the same everything else about this wave of tech feels genuinely different.

HIGHLIGHTS

1. **Past waves of technological progress have aided the dissemination of information and knowledge**. That, in itself, provided a strong impetus to further development.

2. **Today's technological progress is powering intelligence** and that is possibly even an order of magnitude more powerful. The feedback loops from attempting an improvement (in any work process / workflow) to actually delivering an improvement is getting shorter.

3. **June and July provided levered investors some painful lessons**, both in the "sophisticated" hedge fund space as well as among retail investors.

4. Having said that the price volatility that ensued will have **no lasting impact on the long-term growth and profitability** of the companies at the forefront of this AI Revolution.

Global Markets Update

- July's **Korean retail** unwind and the failure of **Situational Awareness** were the same accident in different clothing. Leopold Aschenbrenner's fund — up 439 percent in the first half and running roughly four times leverage — held concentrated positions in SK Hynix, CoreWeave and Nebius, having been a cornerstone buyer of SK Hynix's Nasdaq listing only weeks earlier. It lost 67 percent in July and sold the bulk of its public book to Citadel at a discount, shrinking from $45 billion toward $10 billion. In Seoul, 1.2 million retail accounts were margin-called and some 350,000 liquidated. August brought the aftermath: SEC subpoenas to four prime brokers, and a caution from Bank of America's chief executive on leverage. Both SK Hynix and CoreWeave have since recovered.

- **Nvidia**'s fiscal Q2 revenue reached $96.2 billion, up 106 percent year on year, with data centre revenue of $89.0 billion, up 117 percent. Adjusted EPS of $2.22 beat a $2.09 consensus. Third-quarter guidance of $108 billion, plus or minus two percent, comfortably exceeded the $104.2 billion consensus and assumes no data centre compute revenue from China, with gross margin guided modestly lower to 74 percent. Two details matter more than the headline: supply commitments have swelled to $279 billion, largely memory for Vera Rubin, and management now expects top-five hyperscaler capex of $1.3 trillion next year against $800 billion in 2026.

- Blended **second-quarter earnings growth** for the S&P 500 reached 50.4 percent — a record — with 86 percent of companies beating on EPS. Stripping out Alphabet and Amazon still leaves 32 percent growth. The more instructive story is dispersion in share price reactions. Microsoft and Amazon each gained roughly 8–9 percent, while Meta fell 9–10 percent, Apple 4–8 percent and Alphabet around 5 percent — the dividing line being whether AI spending maps to the revenue line. No one is guiding capex lower, and Alphabet turned free-cash-flow negative for the first time.

- **Federal Reserve Chair Warsh** delivered his first Jackson Hole keynote on 28 August, marking his hundredth day in office. He declined to offer either forward guidance or an explicit reaction function, arguing the Fed should not be the market's primary reference point for the next trade. He reaffirmed the two percent PCE objective and described July's 3.7 percent reading as concerning, and characterised financial conditions as not broadly restrictive — a firmer stance than in July. Bond markets responded: pricing for a September hike moved from roughly a third to 55 percent. We would treat two-way rate risk as live again

- After a spike in July the **Volatility Index (VIX)** traded most of the month below 16; indicating a low desire to hedge equity exposures. Coming after 2 months of negative price action we see investors adding risk back to portfolios here.

SGMC Capital Funds

SGMC Global Dynamic FX Fund

ISIN: LI0471005640

Inception: 13/05/2019

Performance

NAV	**$1,246.90**
YTD	**3.99%**
Since inception	**24.69%**

Updated as of 31 August 2026

SGMC Nusantara Opportunities Fund

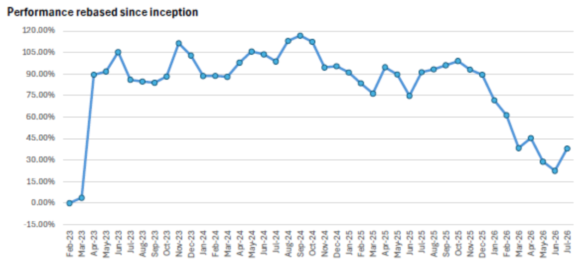
ISIN: SGXZ63154108

Inception: 02/02/2023

Performance

NAV	**$1,380.43**
YTD	**-27.15%**
Since inception	**38.04%**

Updated as of 31 July 2026



SGMC AI Revolution Portfolio

ISIN: XS2644235207

Inception: 07/07/2023

Performance

NAV	**$32,100.20**
YTD	**45.55%**
Since inception	**221%**

Updated as of 31 August 2026

Key Markets

Index	Month to Date (%)	Year to Date (%)
Topix	3.82	21.92
Hang Seng China Enterprises	-1.15	-4.49
Dax	2.45	7.22
Euro Stoxx 50	0.98	10.86
S&P 500	2.62	12.28
Dow Jones	1.34	10.66
Nasdaq 100	4.18	16.66
US 10 Year Treasury	0.02	0.58
Bloomberg Barclays Global Corporate Bond Index	0.45	-0.30
Bloomberg Barclays Global Corporate Bond High Yield Index	1.04	2.91
EUR USD	0.79	-1.09
USD JPY	1.49	1.93
Gold	9.67	2.73
MSCI WORLD	2.48	12.13

SGMC Forward Views Highlights

SGMC Forward Views						
Asset Class	**Avoid**	**Reduce**	**Hold**	**Add On**	**High Convinction**	**Notes**
Equities						
US Equities						We have taken advantage of the recent bounce in US equities, but after the strong recent returns we slightly downgrade the sector to "Neutral" from "Outperform", not because of longer term worries, but mostly because tactically the move now looks a relatively stretched
EU Equities						European equities are likely to continue being under pressure due to the energy supply and price shock due to Middle Eastern conflict. We remain neutral at the moment mostly due to the cheaper valuations after the strong declines
Chinese Equities						Cheap in relative and absolute terms, a catalyst is required to meaningfully move and maintain valuations higher
Emerging Market Equities						We remain positive on the area but extremely selective. Our top picks include **India** and **Brazil**.
Bonds						
High Yield						Happy to continue selectively adding to lock in yields but only with short duration
Investment Grade						Inflationary shocks and rising inflation expectations due to Middle Eastern conflict will weigh on longer dated corporate bonds. The still relatively tight credit spreads do not offer much cushion either - we downgrade and advise to reduce duration across portfolios
Government Bonds						While most developed Central Banks are not in a rush to raise rates, inflationary shocks due to the Middle Eastern conflict put upward pressures on rates
FX & Alternative Asset Classes						
US Dollar Index						Rangebound trading likely to continue in the short term with peaks in volatility linked to headlines risk
Commodities						The Iran conflict is likely to have an inflationary effect on commodities, both due to a lower supply and harder and more expensive transportation of them
Private Equity / Hedge Funds						We remain relatively underweight this sector
Real Estate						We see good potential for this sector over the coming months
Collectibles						Uncorrelated with markets

- No changes to our forward views this month

SGMC Media

ON FRIDAY EVENING, CNA938 REWIND WELCOMED MAX BOND...

August 28, 2026 | Channel News Asia

THIS MORNING, MASSIMILIANO BONDURRI, OUR FOUNDER A...

August 26, 2026 | RTHK Money Talk podcast

ED GOMES, OUR CIO JOINED INVESTOPS ASIA 2026 DISCU...

August 20, 2026 | InvestOps Asia

MAX BONDURRI, FOUNDER AND CEO OF SGMC CAPITAL JOIN...

August 21, 2026 | Channel News Asia

THIS MORNING, ED GOMES, CIO OF SGMC CAPITAL JOINS ...

August 12, 2026 | RTHK Money Talk podcast

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