

MONTHLY UPDATES

September Review

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

US MIDTERM ELECTIONS
UPCOMING

The US election cycle inevitably leads to some volatility around the event, and we expect this time to be no different.

Key among policy debates will be developments in the world of Artificial Intelligence from the construction of data centers to safety and core alignment issues.

SEPTEMBER 2026

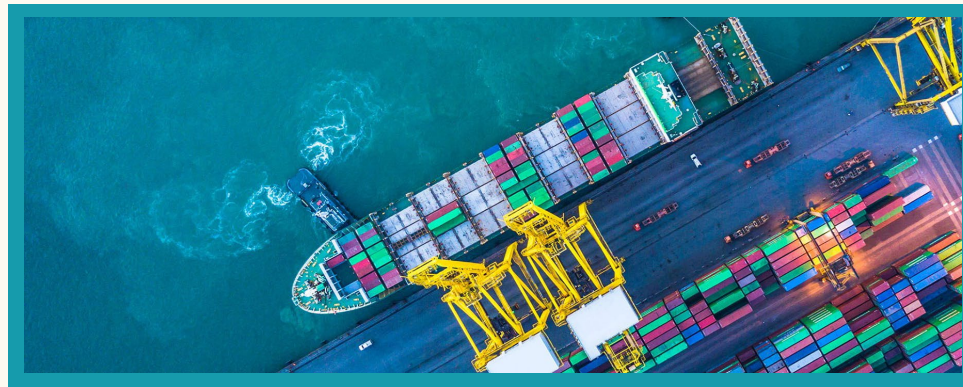


HIGHLIGHTS

1. **September saw markets trade well initially while giving up all or most of the gains toward the end of the month.** Corporate earnings continue to be strong, and this is especially true for the Technology sector.
2. **While the Nasdaq managed to close in the green for the month most other indices we track closely lost some value.** After a strong year in 2025, lackluster trading in China sees the HSCEI down some 8% for this year.
3. The strong debt issuance pipeline, a relatively healthy economy and nagging inflation is forcing the Federal Reserve down **a more hawkish path** than one would have expected at the time Kevin Warsh took the reins at the US Federal Reserve.
4. **The rates markets now price in one hike in December and potentially another 2 - 3 hikes in 2027.**

Global Markets Update

- The **US midterm elections** on 3 November will determine control of Congress and could bring increased market volatility as investors assess the implications for taxation, spending and regulation. A Republican hold would leave a clearer path for the administration's legislative agenda, while Democratic control of either chamber would introduce greater constraints. Neither outcome should be treated as automatically positive or negative for equities. One issue we are watching closely is the buildout of AI data centres. Concerns about electricity and water bills, alongside local disruption, extend across party lines, making state and local decisions important alongside the congressional result. For investors, the practical question is whether these pressures delay projects or raise their costs.
- Results released during July–September, largely covering the second quarter, offered an encouraging picture of corporate profitability. By mid-September, **more than 80% of reporting S&P 500 companies had exceeded earnings expectations**. Technology remained an important driver, but positive surprises also extended to energy, financials, industrials and materials. Some headline profits benefited from investment gains, however, making it important to distinguish operating progress from accounting effects. For the July–September operating quarter itself, most results are still ahead. **Analysts currently expect approximately 29% year-on-year growth in S&P 500 earnings**, although that remains a forecast rather than a reported outcome.



- The latest **AI developments** point towards systems designed to complete complex work, rather than simply answer questions. On 30 September, **Google announced Gemini 4 Argon**, targeting software engineering, financial and legal workflows, and cybersecurity. Initial access is restricted to selected cyber defenders while the company continues safety testing. Also this week, **Synopsys and OpenAI** announced a partnership to develop GPT-Synopsys, a specialised model intended to operate chip-design software and help engineers optimise and verify semiconductor designs. This is a development programme, rather than an already-proven commercial product, but it illustrates how AI could become embedded in highly valuable professional workflows.
- The **US IPO pipeline** remains substantial, but the timetable has become less predictable. Anthropic is a prominent prospective listing, with recent reporting pointing to a possible November debut rather than earlier autumn plans. OpenAI has pushed its offering into at least 2027, with management saying it wants greater confidence in safety before proceeding. Other names worth monitoring include AI cloud provider NScale and data-centre developer SB Energy, although SB Energy has delayed its offering and NScale's timing remains uncertain. For investors, a more selective market can be constructive if it encourages realistic pricing. We will assess new offerings on revenue quality, funding requirements, governance and valuation, rather than brand recognition or first-day enthusiasm. Patience remains appropriate while terms and financial disclosures develop.

SGMC Capital Funds

SGMC Global Dynamic FX Fund

ISIN: LI0471005640

Inception: 13/05/2019

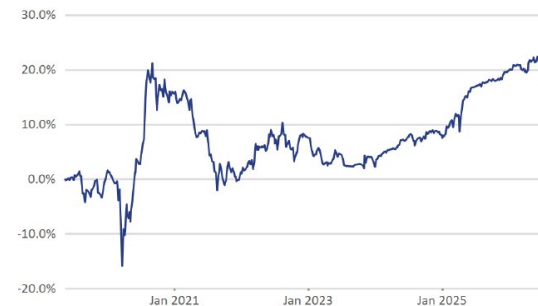
Performance

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

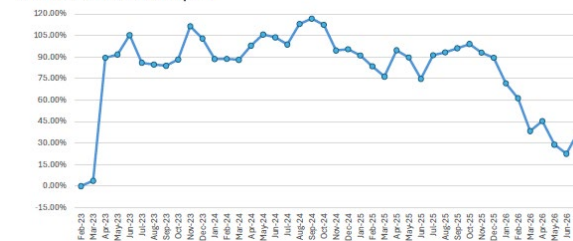
NAV **\$1,380.43**

YTD **-27.15%**

Since inception **38.04%**

Updated as of 31 July 2026

Performance rebased since inception



SGMC AI Revolution Portfolio

ISIN: XS2644235207

Inception: 07/07/2023

Performance

NAV **\$34,111.99**

YTD **54.67%**

Since inception **241.12%**

Updated as of 30 September 2026



Key Markets

Index	Month to Date (%)	Year to Date (%)
Topix	-1.15	20.52
Hang Seng China Enterprises	-3.44	-7.78
Dax	-4.03	2.89
Euro Stoxx 50	-2.35	8.25
S&P 500	-0.45	11.77
Dow Jones	-4.29	5.91
Nasdaq 100	3.23	20.43
US 10 Year Treasury	0.53	1.12
Bloomberg Barclays Global Corporate Bond Index	-2.38	-2.67
Bloomberg Barclays Global Corporate Bond High Yield Index	-2.96	-0.14
EUR USD	-2.48	-3.54
USD JPY	-1.46	0.45
Gold	-6.31	-3.75
MSCI WORLD	-1.31	10.66



SGMC Forward Views Highlights

Asset Class	Avoid	Reduce	Hold	Add On	High Conviction	Notes
Equities						
US Equities						We remain "Neutral" on US equities, not because of longer term worries, but mostly because a number of risk factors remain present, namely Middle Eastern tensions and the upcoming US mid term elections.
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.
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						Upgraded to "Hold" : the market has finally started pricing in the inflationary environment we are living in. After the recent rapid and meaningful increase in longer term rates coupled with some credit spread widening, investment grade bonds now look more attractive.
Government Bonds						Central Banks throughout the globe are on a hiking cycle to face inflationary pressures. Remain on "hold", but yields now look more attractive than what they were just a few weeks ago.
FX & Alternative Asset Classes						
US Dollar Index						Meaningful increase in US rates and consequent improvement in interest rate differential to continue benefiting the Greenback.
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						Downgraded to "Hold" : the rise in rates and consequent mortgage costs will weigh on the sector.
Collectibles						Uncorrelated with markets.

- **Upgraded Investment Grade Bonds from Reduce to Hold**: the market has finally started pricing in the inflationary environment we are living in. After the recent rapid and meaningful increase in longer term rates coupled with some credit spread widening, investment grade bonds now look more attractive.
- **Downgraded Real Estate from Add On to Hold**: the rise in rates and consequent mortgage costs will weigh on the sector.



**SPEAKING ON BLOOMBERG TV
ABOUT AI TRENDS AND RATE ...**

📅 September 7, 2026 | Bloomberg



**DISCUSSING ASIAN MARKETS AND
THE RISE IN OIL PRICE...**

📅 September 11, 2026 | Channel News Asia



**ON CNA938 REWIND, SGMC CEO,
MAX BONDURRI DISCUSSED...**

📅 September 16, 2026 | Channel News Asia

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