November 2026

Monthly Investment Insights

Macro Commentary

- Global markets softened in October as enthusiasm around AI was tempered by growing scrutiny over valuations, funding needs and the returns from significant AI investment. Technology stocks bore the brunt of the repricing, while defensive sectors held up better. U.S. equities followed a similar pattern, with investors increasingly questioning whether large investments in chips, data centers and AI infrastructure can deliver sufficient returns to justify current valuations, given the higher-for-longer narratives.
- The modest headline decline in the benchmarks masked the sharp underlying rotation in market leadership and significant broadening of breadth, with Energy and defensive sectors outperforming as Technology-related areas came under pressure, reinforcing that opportunities remain across the broader market even as concerns around AI investment weigh on parts of the Technology sector.
- The 2026 U.S. midterm elections marked a significant political shift, with Democrats securing control of both the House and Senate, although several races remain unresolved. The change in congressional leadership is likely to increase legislative gridlock and scrutiny of the Trump administration, while executive-led priorities may continue. For investors, attention will increasingly turn to the implications for fiscal policy, interest rates, trade and key growth areas such as AI and digital assets.
- Government bonds rallied across most developed markets in October as rising market volatility drove investors towards higher-quality assets and yields retreated from recent highs. U.S. Treasuries led the gains, while France was a notable exception as fiscal and political concerns intensified. Major central banks largely kept rates unchanged amid persistent inflation pressures, as concerns around AI financing, geopolitical risks and European sovereign stress weighed on sentiment.

Performance

(US$, As of 30 October 2026)		Oct – 26	YTD	2025
Equity	MSCI World Total Net Return Index	-0.77	10.89	21.09
	MSCI All Country Asia (ex. Japan) Index	-8.20	15.70	33.04
Fixed Income	Bloomberg Global Aggregate Corporate Total Return	1.29	-1.95	10.30

Source: Bloomberg. All the data represents total return. Past performance is not necessarily indicative of future performance.

AIA Asset Allocation View

		- -	-	=	+	+ +	House View
Equities	United States				■		We remain constructive on risk assets but are becoming incrementally more cautious given a growing set of risks, including political uncertainty in Europe and a gridlock U.S. government. Energy cost remained persistently high, coupled with increasing AI regulatory developments, late-cycle dynamics, and rising interest rate volatility. Market leadership has been volatile, rotating between AI beneficiaries and reflationary sectors amid growing skepticism on continued AI spending. We therefore favour a diversified portfolio approach and greater tactical flexibility.
	Europe		■				
	Japan			■			
	Asia ex Japan (AxJ)			■			
Fixed Income	U.S. Investment Grade (IG)		■				Maintain slight UW in U.S. IG due to large amount of supply and weakening credit metrics.
	U.S. High Yield (HY)			■			Maintain Neutral on the back of improving credit quality, manageable supply and stable spreads.
Cash	Cash			■			Remain invested, using cash to add to longer term structural opportunities.

-- : Underweight
- : Moderate Underweight
= : Neutral
+ : Moderate Overweight
++ : Overweight

Top 3
AIA ILP Sub-Fund Performance

AIA Investments

As of 31 October 2026

No.	ILP Sub-Fund Name	YTD Absolute Return
1	**AIA Global Technology**	+15.05%
2	**AIA International Health Care**	+14.19%
3	**AIA Japan Equity**	+14.02%

Notes

Performance of the fund is in SGD on a bid-to-bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units.

Past performance is not necessarily indicative of future performance.

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