



Monthly Perspective

“Markets are never wrong, opinions often are” – Jesse Livermore

Markets entered July with a sense of anticipation and tension. Strong equity performance has priced in optimism around economic resilience and potential Fed cuts, yet investor positioning appears increasingly stretched. The challenge now is balancing upside risk from policy easing with downside risk from high valuations and geopolitical headwinds.

Equity Market Recap: June Performance Snapshot

The global equity rally broadened in June:

- Nasdaq and MSCI Korea delivered stellar YTD returns of over 25%, fueled by tech momentum and export-driven optimism.
- India, Singapore, and the MSCI Emerging Markets Index continued to show resilience, while the Hang Seng Index posted a strong June rebound.
- China CSI 300 lagged despite positive momentum in other Asian markets, reflecting lingering concerns over FDI outflows and regulatory unpredictability.
- Weakness was observed in MSCI Thailand and global REITs, weighed down by macro headwinds, subdued capital flows and high Fed fund rates.

Fixed Income and Yield Strategy

The softening in bond yields opens a window for reintegrating long-duration assets. However, with real yields still positive, our preference remains with quality income-generating equities, high-dividend ETFs, and selective exposure to short-term credit. As rate cuts begin, fixed income valuations may reprice swiftly. We are monitoring this space closely, with a focus on capital preservation and cash-flow visibility.

Portfolio Positioning: Stay Balanced, Stay Selective

- Overweight: US financials and industrials with strong dividend history and resilient earnings
- Neutral: Technology (especially Magnificent 7) — avoid over chasing stretched valuations
- Underweight: China domestic exposure and rate-sensitive real estate/REITs
- Cash buffer: Maintain liquidity to take advantage of market corrections or dislocations

The second half of 2025 begins with momentum, but the path forward requires prudence. Markets have priced in optimism — not certainty. A sudden Fed rate cut may ignite a temporary euphoria, but as history has shown, the quality of that rally depends on timing, earnings support, and underlying fundamentals. We remain focused on delivering stable income, capital preservation, and selective growth, while keeping a close eye on macro policy shifts.



From the News Desk to the Investment Team

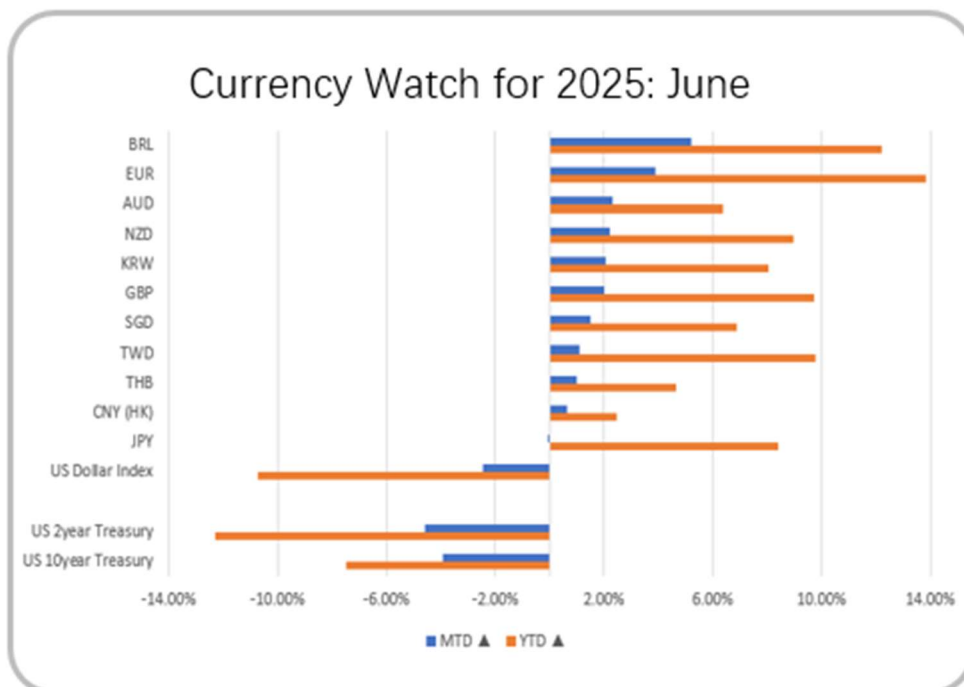
- Bank of Canada holds key interest rates at 2.75%, as tariff negotiations are highly uncertain -5th Jun
- ECB cut rates by 25bps to 2% but hints at pause – 6th Jun
- BOJ Ueda: Will raise rates if we have enough confidence that underlying inflation nears 2% - 10th Jun
- US and China agree on plan to ease export controls after trade talk in London – 11th Jun
- US CPI increased 0.1% in May to 2.4%, less than expected – 11th Jun
- Fed keeps rate steady; FOMC projects 2 cuts this year; Powell calls economy ‘solid’- 18^h Jun
- Bank of England holds interest rates but hints at future cuts – 19th Jun
- Trump can pull the plug on the internet, and Europe can’t do anything about it – 23rd Jun
- Canada, EU sign defense pact amid strained US relationships – 23rd Jun
- Powell reaffirms wait-and-see posture on rate cuts – 24th Jun
- Macron urges Trump to end trade war after NATO deal to boost defense spending – 25th Jun
- US reaches deal with China to speed up rare-earth shipments, White House says – 27th Jun
- Nike plans to cut reliance on China-made goods for US sales – 27th Jun
- Europe leaders try to out-bully Trump, floating world trade club without US – 27th Jun
- Trump ends trade talk with Canada over digital services tax, threatens to set tariff – 28th Jun
- President Trump’s \$4.5 trillion tax-cut bill heading to Senate – 28th Jun



Market Overview



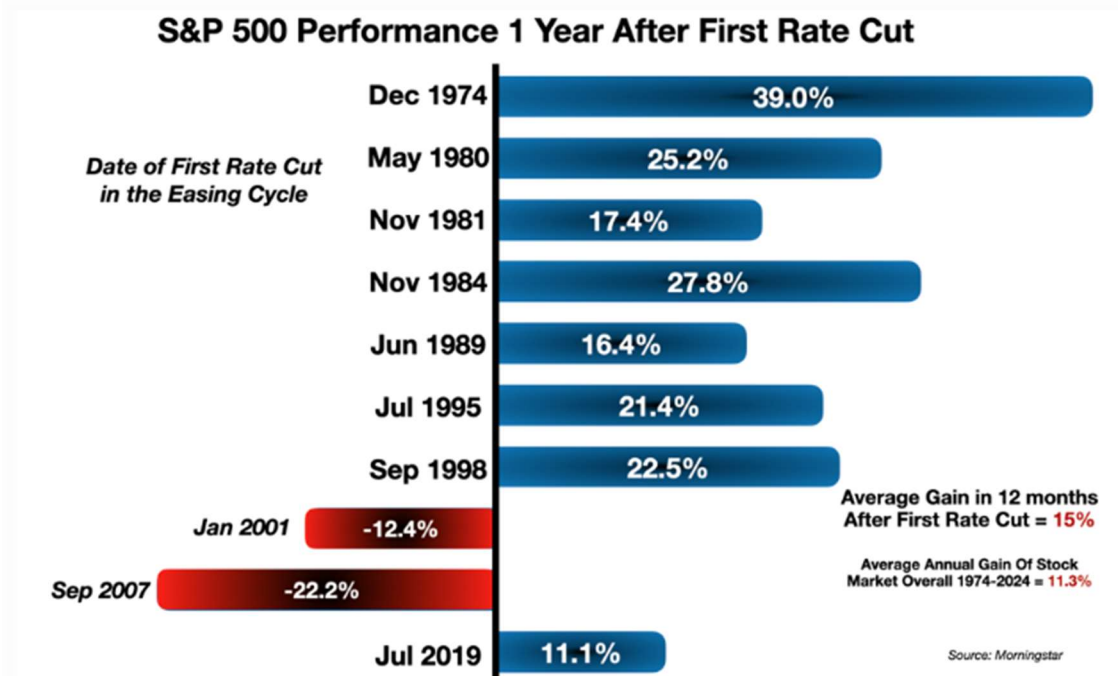
Tech stocks in Nasdaq shows strong monthly performance along with South Korea and Taiwan. For YTD, South Korea and Hong Kong show strong gains while Thailand and Real Estate REIT perform below par.



US dollar continue to weaken on a monthly basis and YTD while EUR, AUD leading gains among the G7 while BRL outperform among the EM currencies. The sharp decline in the 2-year Treasury yield suggests the market is pricing in more aggressive near-term Fed easing.



Chart of the Month



With Wall Street rekindling hopes for a Fed rate cut, the chart below serves as a helpful guide to how the market has historically priced forward expectations.

Historically, the S&P 500 has delivered an average gain of 15% in the 12 months following the first Fed cut in an easing cycle. While the index is currently trading at all-time highs, a surprise Fed cut could fuel a sentiment-driven rally, potentially creating a short-term bubble.

Furthermore, if paired with fiscal tailwinds such as the "Big Beautiful Bill," the market could see a double boost in liquidity and confidence, pushing equities another 15% higher than the current levels.

We believe there is an upside risk scenario of a further 15% gain if both Fed easing and fiscal stimulus align in the second half of 2025.



New Dimensions Capital

New Team, New Momentum at New Dimensions Capital

We are proud to introduce the newly strengthened team at New Dimensions Capital — a group of experienced professionals united by a common vision: to protect and grow our clients' wealth through disciplined investing, structural insight, and client-first values.

As we enter the second half of 2025, our Stable Income Fund continues to deliver improving performance, recovering steadily with consistent quarterly dividends. Behind this progress is not just strategy, but the strength of our people — each bringing deep expertise in investment management, portfolio structuring, and client advisory.



With the increasing demand for flexible and tax-efficient investment vehicles, our team is also actively bringing the benefits of Singapore's Variable Capital Company (VCC) structure to more clients. Whether it's wealth continuity, asset protection, or cross-border investment efficiency, we are helping families and business owners unlock the full potential of the VCC platform.

We look forward to partnering with you on this journey — with a clear commitment to performance, protection, and purpose.

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