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WEALTH PARTNERS

RESEARCH UPDATE

MARKET watch

SEPTEMBER 2026

Global equity markets mostly advanced in August, with the situation in the Middle East relatively unchanged throughout the month. Instead, economic data and corporate earnings were the main market drivers. The S&P 500 and the Nasdaq Composite gained 2.6% and 3.9% respectively, with a rebound in sentiment for artificial intelligence (AI) and semiconductor chip companies following strong earnings results from Nvidia and other major technology companies. The Hang Seng index underperformed, falling 1.2% on a sell-off of insurers after China's tax crackdown on offshore insurance income and the HK$80 billion share placement by technology giant Alibaba at a large discount. The S&P/ASX 200 rose 1.2%, with strength in the Healthcare and Materials sectors offset by rate-sensitive shares and banks due to weakness in the housing market.

S&P/ASX 200 Sector Performance

Healthcare continued its rally, up 18.7% as sentiment improved on better-than-expected earnings results. CSL Limited was the main contributor, with its share price rebounding 39.4% despite reporting a net loss after tax of US$2.6 billion due to impairment and restructuring costs. The company's revenue and underlying net profit, excluding one-off costs, was better than expected and management signalled a return to growth for Financial Year 2027, with net profit after tax (NPAT) expected to rise 5% on a constant currency basis. Ansell Limited jumped 24.3% after recording a 108.9% increase in statutory earnings per share (EPS), driven by sales growth, wider margin and significant items, including tariff refunds. Ramsay Health Care Limited climbed 15.7% after reporting a 22.9% increase in NPAT and a 27% increase in underlying EPS on the prior corresponding period (PCP). The company still intends to separate its European Ramsay Sante business, simplifying its portfolio to focus on its core Australian hospitals business.

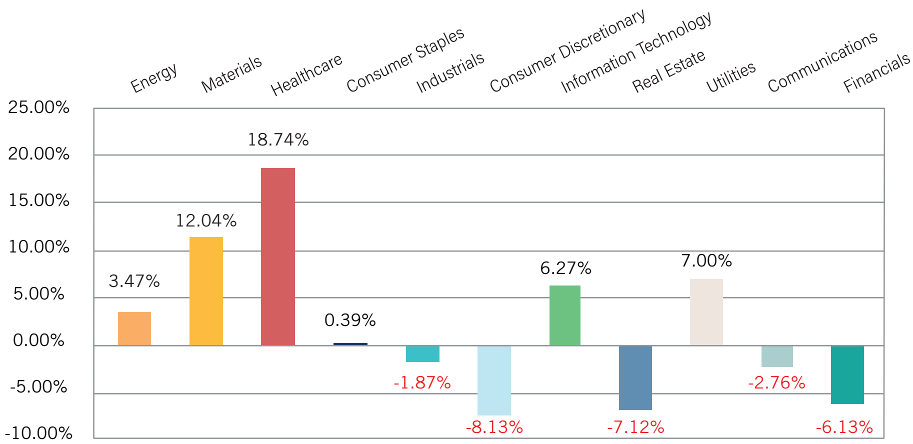
The Materials sector returned 12.0% in August, supported by strong commodity prices. EQ Resources Limited led gains, with a 66.7% rise after generating record revenue driven by the price of tungsten, which has risen dramatically over 2026 due to a supply shortage, with the metal used in defence, manufacturing equipment and semiconductors.

Gold producers rallied on a rebound in the gold price, which hit a three-month high as the US dollar weakened. Minerals 260 Limited (48.3%), Resolute Mining Limited (47.3%), Genesis Minerals Limited (44.0%) Alkane Resources Limited (42.9%), and Vault Minerals Limited (39.8%) led their peers higher.

Consumer Discretionary was the major laggard of the index, down 8.1% for the month, with concerns of a slowdown in consumer spending amid expectations of another rate hike. Despite record total sales of $11.1 billion and a 6.0% increase in net profit after tax on the PCP, JB Hi-Fi fell 18.3% on its weaker outlook, noting that sales in July 2026 were below July 2025 levels. Harvey Norman Holdings Limited (-13.0%), Wesfarmers Limited (-11.1%) and Flight Centre Travel Group Limited (-10.8%), also dragged on sector performance.

Real Estate fell 7.1% in August on growing rate hike expectations. Charter Hall Group fell 17.2% with the announcement that its chief investment officer would be leaving, and despite recording a 26.8% increase in operating earnings per security. Meanwhile, Centuria Capital Group (-17.1%) sold off due to its credit funds having exposure to Sydney property developer Bathla, which went into voluntary administration.

S&P/ASX 200 Sector Performance



Data Source: Desktop Broker, 1 September 2026

Highlights

Australia: The Australian Bureau of Statistics published the 'Counts of Australian Businesses' data release for the period of July 2022 to June 2026. There were 2,814,778 actively trading businesses at 30 June 2026, a 3.1% net increase compared to the start of the year. There were 460,461 new entries and 375,331 exits throughout the year, with the largest increase in businesses in Health Care and Social Assistance, and Transport, Postal and Warehousing, while the largest decrease was in Agriculture, Forestry and Fishing.

Ernst & Young (EY) released a report delving into the economic upside of AI for Australia. EY estimates that Australia's gross domestic product could grow by $95 billion to $116 billion, or 2.6% to 3.2%, with AI creating between 36,000 and 44,000 jobs. The report also suggests that multifactor productivity could rise by 2.0%-2.4% as efficiency from labour and capital improves.

US: US national debt has reached US$40 trillion for the first time, having passed US$39 trillion in March. Debt accumulation continues to increase in speed due to growing interest payments and a rise in government spending, with the deficit likely to further increase with Trump's tax cuts. Growing concern around the debt burden has seen long-dated US government bond yields rise to near 19-year highs.

The US agricultural sector is facing its worst crisis in decades following the spike in diesel and fertiliser costs due to the Middle East conflict. For example, a phosphorous-rich fertiliser known as 11-52-0 has seen its price almost double from a decade ago. The rise in input costs comes on top of drought and poor weather conditions, trade wars and falling grain prices.

Canada: Prime Minister Mark Carney has announced retaliatory tariffs on goods from the US after trade negotiations broke down. In response to the Trump administration placing 50% tariffs on a list of Canadian goods, including wine, cement, honey, and seeds, Canada will place tariffs on US dairy, farm equipment and steel.

United Kingdom: Reform Party leader Nigel Farage has won the by-election for the Clacton constituency. Farage vacated the seat in July amid investigations into his financial interests, including undeclared gifts, but had declared that he would re-contest. Other major parties did not contest the by-election, with Farage re-winning the seat with 63.3% of the vote, ahead of Count Binface, a novelty candidate.

France: French media companies have gone to the French antitrust authority with complaints regarding Google's AI-generated summaries of their articles. The media organisations want compensation for Google's AI summaries taking away traffic to their websites, most likely similar to a previous ruling against Meta (the owner of Facebook, Instagram and more) where a payment framework was required between Meta and the media.

South Korea: A South Korean container ship named PanStar Acro is currently sailing the country's first commercial trip to Europe via the Arctic. The route follows Russia's eastern coastline before crossing the Bering Sea and running along Russia's Arctic coast and will stop in the UK, the Netherlands, and Poland.

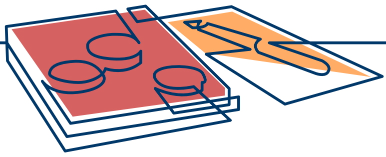
China: The People's Bank of China has maintained its loan prime rates for a 15th consecutive month. The one-year loan prime rate, used for most corporate and household loans, was kept at 3.0% while the five-year loan prime rate used for mortgages was held at 3.5%. The rates remain at record lows as China seeks to spur economic growth.

Japan: Car maker Toyota will buy back ¥1 trillion worth of shares after raising its outlook for the current financial year. Toyota is forecasting operating profit of ¥3.4 trillion, ¥400 billion more than its last estimate due to a weaker yen, strong hybrid sales and the establishment of alternative supply chain routes to replace those impacted by the Middle East conflict.

What to watch out for

The 18th annual BRICS Summit will be held in New Delhi. Originally comprised of just Brazil, Russia, India, China and South Africa, membership has been increased to include Egypt, Ethiopia, Indonesia, Iran and the United Arab Emirates. Leaders from the member countries will meet to discuss economic cooperation and global governance.

Conclusion



Global equity markets were higher in August, primarily driven by corporate earnings results and a rebound in sentiment for technology and semiconductor companies. Despite more oil passing through the Strait of Hormuz, it remains significantly below pre-war levels. Higher oil prices are expected to accelerate inflation globally as its effects flow through to other parts of the economy. Most Central Banks are shifting towards a more hawkish stance as they await the impacts of the conflict on inflation.

During periods of uncertainty, clients should:

- **Stick to the plan:** Focus on your long-term goals. Our investment approach is focused on the long term and designed so that your portfolio can ride out any downturns – including this one. Staying the course, despite how uncomfortable it may feel right now, will prove to be the better option when looking back five years from now.
  Investors who stayed the course while equity markets declined in the depths of the COVID-19 pandemic in early 2020 have benefited from one of the fastest market turnarounds with equity markets. Investors who sold equities during the downturn and waited until economies started to show recovery before buying back into the market missed a large part of the recovery.

- **Maintain a buffer of safety:** Holding a buffer of cash and term deposits has been a key strategy to provide a cushion against market downturns and to protect capital.
- **Take advantage of the weakness:** Market downturns provide buying opportunities to invest in long-term, quality investments.
- **Focus on quality investments:** Invest in companies that generate stable cash flows to support distributions, which are not connected to the movements in asset prices, and partner with fund managers who share the same investment philosophy and objectives.
- **Diversify:** Spread investments across asset classes, industries, sectors and geographies.
- **Regularly rebalance the portfolio back to your risk profile:** Ensure the portfolio is not exposed to unwanted risks to lock in profits.
- **Remain calm and speak to your Apt adviser:** It is important that you speak to your Apt adviser before making any financial moves. Your adviser understands your long- and short-term goals and will have been planning for these types of scenarios already, so they are best placed to explain any impact and discuss the best options and opportunities for you personally.

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