

SINGAPORE HAS BEATEN THE US

Total return comparison

2025 Total Return

STI **+28.6%**

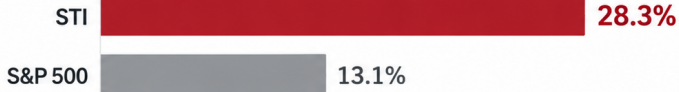
S&P 500 **+17.9%**



2026 YTD to 31 Aug

STI **+28.3%**

S&P 500 **+13.1%**



WHERE DOES THE NEXT DOLLAR GO?

Source basis: total return includes dividends

2026 figures shown through 31 Aug

SINGAPORE IS CHEAPER – BUT NO LONGER CHEAP

Selected valuation measures

Trailing P/E

STI ~17.8x

S&P 500 ~25.9x

Trailing P/E

STI 17.8x

S&P 500 25.9x

US long-term valuation context

Shiller CAPE ~41x

Dot-com peak ~44x

S&P 500 forward P/E ~21.7x (separate measure)

CAPE is a different metric from trailing P/E.

High valuation does not automatically imply an imminent crash.

Singapore has rerated. The US remains much more demanding.

Source basis: State Street and Shiller data, Sep 2026

DON'T FIGHT THE FED – BUT SINGAPORE IS DIFFERENT

Different rate backdrops, different valuation pressures

United States

Fed funds target

3.75%–4.00%

US 10Y Treasury

~5.0%

Higher hurdle for expensive equities

Singapore

Singapore 10Y SGS

~2.4%

MAS uses exchange-rate framework

Relatively easier SGD rate environment

Singapore does not run the same conventional rate-setting framework as the Fed.

Different rates → different discount-rate pressure

HIGHER RATES: WHAT I WATCH MORE CLOSELY

A more selective approach to yield and leverage

1 Gearing
How much debt is actually being carried?

2 Interest coverage
How much buffer exists?

3 Fixed / hedged debt
How quickly do higher rates feed through?

4 Refinancing schedule
When does debt actually need replacing?

5 Rental / earnings growth
Can operations offset financing pressure?

High yield alone isn't enough

SINGAPORE ≠ JUST THE STI

The opportunity set is broader than the headline index

01
STI



30 large caps

Highly concentrated
in the banks

02

**Singapore
Next 50**



>\$107B
market-cap universe

Mid-cap companies
beyond the STI

03

**Broader
Singapore market**



Smaller and less-covered
businesses

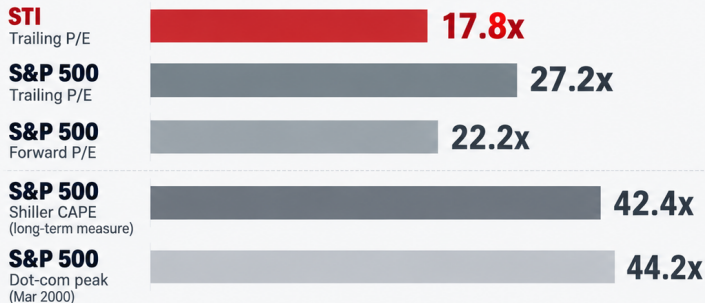
**What matters more
further down the market**

- 1** Valuation
- 2** Balance sheet
- 3** Cash generation
- 4** Dividend sustainability
- 5** Real catalyst

Smaller doesn't mean better. Less covered means more work.

SINGAPORE IS CHEAPER – BUT NO LONGER CHEAP

Valuation comparison (as at latest available data)



WHAT THIS MEANS

- Singapore offers **relatively lower valuations**, but is no longer cheap.
- US valuations **remain high**, with the S&P 500 above its long-term average.
- Higher valuations increase the importance of **earnings, interest rates** and **growth delivery**.

KEY POINTS

- 1 STI vs S&P 500 (trailing P/E)**
 - STI: ~17.8x
 - S&P 500: ~27.2x
 - Singapore is cheaper, but the gap is smaller than in past years.
- 2 S&P 500 forward P/E**
 - ~22.2x
 - Still above the STI and its own long-term average.
- 3 Shiller CAPE**
 - ~42.4x
 - Dot-com peak (Mar 2000): ~44.2x
 - Valuations are elevated compared with history, though not yet at dot-com extremes.
- 4 High valuation ≠ guaranteed crash**
 - Elevated valuations can persist, but they also mean lower expected future returns and higher sensitivity to earnings and interest rates.

DATA SOURCE & NOTES

- STI: State Street ES3, trailing P/E 17.83 (as at 7 Aug 2026).
- S&P 500: State Street SPY, trailing P/E 27.19, forward P/E 22.23 (as at 9 Jun 2026).
- Shiller CAPE: Multpl, 42.39 (as at 7 Aug 2026).
- Total return comparison earlier in the video uses index returns, in local currencies, and includes dividends.

VALUATIONS MATTER – BUT THEY ARE NOT THE ONLY THING

HOW I'M THINKING ABOUT THE NEXT DOLLAR

Different roles. Higher selectivity.

US / GLOBAL GROWTH

Still important

- Structural growth exposure
- Technology & innovation
- Businesses Singapore cannot replicate

Be more demanding

- High valuations
- ~5% US 10Y Treasury
- Earnings must justify the multiple

SINGAPORE LARGE CAPS & INCOME

Still useful

- Dividends
- SGD exposure
- Relatively lower SGD rates

Be more selective

- Large-cap rerating
- Watch leverage
- Don't reach blindly for yield

SINGAPORE MID & SMALL CAPS

Worth deeper research

- Often less analyst coverage
- Different earnings drivers
- Outside STI concentration

But demand quality

- Balance sheet
- Cash flow
- Sustainable dividends
- Genuine catalysts

4 QUESTIONS FOR THE NEXT DOLLAR

INCOME

What am I getting paid?

GROWTH

What can compound?

VALUATION

What am I paying?

PORTFOLIO ROLE

What does this add?