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CGS Fullgoal Singapore Next 50 Active ETF

Singapore's Next 50 at the core, actively managed.

Benchmark: iEdge Singapore Next 50 Index

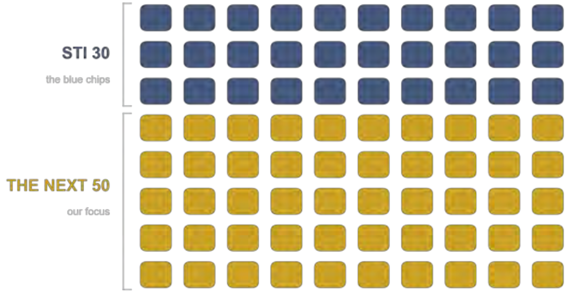
Structure: Authorised (Retail) VCC

Investment Manager: CGS International Securities Singapore Pte. Ltd.

Investment Advisor: Fullgoal Asset Management (HK) Limited

Expected SGX listing: 3 September 2026

WHERE WE INVEST



Systematic, active exposure to Singapore's mid- and small-cap tier — at least 80% in the next 50 companies by market value after the STI 30, with up to 20% in other SGX-listed names.

SGX CODE · Q50

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STI 10,000?

Can the STI Hit 10,000?

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DBS modelled three scenarios in Oct 2025. Since then the STI has run +36% to ~5,200 at 30 June 2026 — already at the Slow-case 2030 level, four years early.

DBS's three paths to 2040

STI 2040 = earnings × forward P/E.

≈ the 10,000 path

SLOW	STEADY	ACCELERATED
DRIVERS	DRIVERS	DRIVERS
3.8% earnings growth p.a.	3.8% earnings growth p.a.	5.0% earnings growth p.a.
13.2× forward P/E	13.8× forward P/E	14.5× forward P/E
7,336	**7,718**	**9,620**
STI by 2040	STI by 2040	STI by 2040
~7% p.a.	**~7.4% p.a.**	**~9% p.a.**
total return, incl. ~4% dividend	total return, incl. ~4% dividend	total return, incl. ~4% dividend
2.6× cumulative	**2.7× cumulative**	**3.3× cumulative**
total return over ~14 yrs	total return over ~14 yrs	total return over ~14 yrs

The STI has already reached DBS's Slow-case 2030 level (~5,200 at 30 June 2026), four years early — the multiple has already re-rated past DBS's bull case. From here, the path to 10,000 turns on earnings and on breadth: the mid-caps growing up toward the top 30. That is the Next 50 story.

Our Assessment

✓ **Liquidity thesis is strong**

Equity Market Cap to Money Supply 0.98x vs 1.15x mean.

✓ **EQDP provides structural demand**

S$6.5B; MAS selection emphasises SMID-inclusive strategies (Jul 2025) — demand beyond the top 30.

⚠ **14.5x PE already exceeded**

Now 16.1x (Bloomberg, 30 Jun 2026) after the rally — above DBS's 14.5x bull case. The re-rating has happened; earnings must now do the heavy lifting.

Source: DBS 'Singapore 2040' (Oct 2025), scenarios and 2040 targets; FTSE Russell and Bloomberg, 30 Jun 2026 (money supply 31 May 2026). Total returns: CGSI calculations, STI plus the ~4% dividend shown; scenarios assume EPS growth 3.8–5.0% p.a., P/E 13.2–14.5x. The DBS scenarios are projections for the Straits Times Index and are not necessarily indicative of the future or likely performance of the Fund.

02

Next 50 Index – Uncovering alpha and tomorrow's blue chip

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The Next 50: Singapore's SMID-Cap Segment

The next 50 SGX-listed stocks after the STI 30 — the mid/small-cap tier below the large-cap index, S$109B total market cap.

Sector Composition: STI 30 vs Next 50

Sector	STI 30	Next 50
Financials / Banks	58.3%	5.6%
Real Estate / REITs	14.3%	**39.4%**
Industrials	15.5%	12.0%
Consumer Staples	2.3%	**12.6%**
Telecoms	6.8%	6.0%
Technology	0.9%	**10.6%**
Materials & Energy	0.0%	**5.4%**
Healthcare	0.0%	**8.2%**

Average company size: *Next 50 is ~12× smaller — room to grow into tomorrow's blue chips*

Why This Segment Matters

Structural Diversification

Financials fall from 58% to 6%. REITs become the largest sector (~39%), alongside the following sectors which have limited penetration in the STI - technology, staples, materials and healthcare.

SMID-Cap Alpha Opportunity

Bloomberg consensus EPS growth +9% (Next 50 aggregate). Thinner analyst coverage and wider stock dispersion create more opportunities for systematic factor strategies to add value vs. heavily-covered STI names.

EQDP-Aligned Liquidity

50 liquidity-screened constituents. S$6.5B EQDP (MAS, Feb 2026); manager selection emphasises strategies including small- and mid-caps (MAS, Jul 2025).

Global Revenue Reach

51% of collective Next 50 revenue originates outside Singapore — diversified exposure to ASEAN and global growth through operationally focused mid-caps.

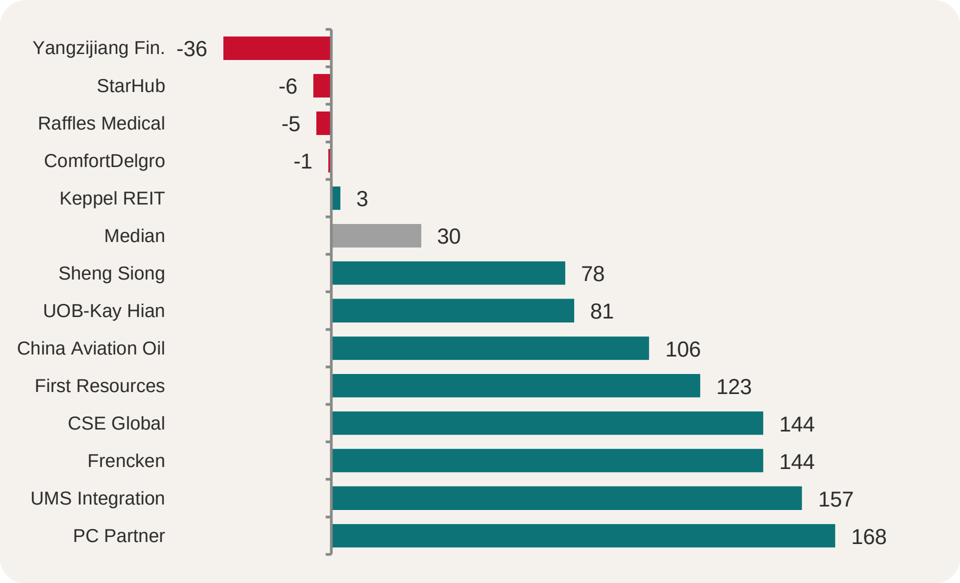
How the index is built: market-cap weighted, capped at 5% per stock (no single name dominates), ≥ S$100M market cap, liquidity-screened, and reviewed quarterly — a diversified, rules-based index, not a basket of penny stocks.

Source: Bloomberg / iEdge, GICS sectors, 30 Jun 2026; Golden Section Capital and company reports (revenue geography). Index methodology: sgx.com/indices/products/sgn50n.

The Next 50: A 200% Gap Between Winners and Losers

85% positive, median +30% — yet even excluding AEM (an exceptional +610%), returns ran from +168% to –36%, far wider than the STI's spread. In a segment this dispersed, which stocks you own matters far more than the index.

1-Year Returns by Stock (%)



What Kind of Companies Are These?

S$109B
Total market cap

50 stocks, avg S$2.2B each.
Not penny stocks — real businesses.

0.85
Average beta to STI

Individual stocks avg 30% vol, but the 50-stock basket diversifies to just 12% — lower than both STI (14%) and S&P (18%).*

4.2%
Average dividend yield

Median fwd PE: 16.4x.
Paying you to wait. Reasonable valuations.

S$337M
Daily liquidity

Median 6M ADV: S$4.2M per stock.

A 200% gap between winners and losers = stock selection is everything. 1 in 6 of these stocks fell. The question is: how do you systematically identify the winners and avoid the traps before the returns play out? That is what a multi-factor process is designed to do.

*Source: Bloomberg / iEdge; all statistics on a 30 Jun 2026 basis (CGSI calculations). AEM (+610%) excluded from the chart for scale; 4 constituents listed within the year lack a full-year return. *Annualised 360-day volatility, index-level.*

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03

Manager & Advisor pedigree – CGS International Securities Singapore as Investment Manager, Fullgoal AM (HK) as Investment Advisor

The Partnership: Investment Manager & Investment Advisor

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CGS International, as Investment Manager, undertakes the fund management of the ETF — portfolio management, implementation and risk oversight. Fullgoal Asset Management (HK), as non-discretionary Investment Advisor, contributes quantitative research and model portfolio recommendations.

CGS International — Investment Manager

Role: Investment oversight, portfolio execution, and fund governance

Entity	CGS International Securities Singapore Pte. Ltd.
Headquarters	Singapore
Parent Group	China Galaxy Securities (Top 10 PRC broker)
MAS Licence	Capital Markets Services (CMS) Licence
Capabilities	Brokerage, Asset Management, Research, M&A Advisory
SG Equity Footprint	89 SGX-listed companies covered (47% SMIDs)
Oversight Role	VCC Board including an independent director; compliance and risk monitoring

Why CGSI as Investment Manager?

- Fund management undertaken as Investment Manager — portfolio management, implementation and risk oversight by the investment team
- Deep SGX market experience since 1979 — institutional execution capability and long-standing familiarity with SMID-cap trading and liquidity conditions.
- MAS CMS-licensed manager of an authorised retail VCC, with independent-director governance — institutional-grade oversight for a public fund

Fullgoal Asset Management (HK) Limited — Investment Advisor

Role: Quantitative research, factor model development, and model portfolio recommendations

Entity	Fullgoal Asset Management (HK) Limited
Founded	Parent group (Fullgoal Fund Management) est. 1999, Shanghai | 26-year track record
Public Fund AUM (ex-MMF)	RMB 888.52bn / ~US$123bn public funds ex-MMF (Dec 2025); 4th largest China mutual fund house
Quant Strategy AUM	US$50bn (1st quant team in China's mutual fund industry, est. 2009)
Quant Team	42 dedicated professionals (17 PMs, 14 researchers, 4 algo traders)
Key Clients	China NSSF ("Outstanding Manager*"), Middle East SWF, EU insurers & pensions
Regulatory	CSRC-licensed | QDII / QDLP / QFII / RQFII | UNPRI signatory

Why Fullgoal as Investment Advisor?

- 1st Quant Team in China's Mutual Fund Industry (since 2009)
- AUM #1 of Quantitative Enhanced Index Mutual Funds in China
AUM #1 among China NSSF's Quant Strategies Managers
- Live track record: CSI 300 Enhanced +4.61% alpha / IR 1.58 since 2009
- Trusted by global SWFs, European insurers, Italian pension, Saudi Arabia AM

*Source: Fullgoal Asset Management (HK). *Quant Equity awards: Three Years Contribution (2016, 2022); Five Years Contribution (2018); Excellent Investment Manager (2022); Ten Years Contribution (2023).*

Fullgoal's Track Record: Bringing Quant Expertise to SGX

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Fullgoal operates four live quantitative enhanced index funds across China A-shares, MSCI, and HK Stock Connect — all using similar multi-factor frameworks as proposed for this strategy, but adapted for each market. Combined quant AUM exceeds US$50bn.

Why These Track Records Are Relevant

SMID-Cap Edge

CSI 1000 Enhanced (Small-Cap) +9.52% alpha, IR 1.78

Applied to a small-capitalisation universe since 2018. The Q50 is likewise a SMID mandate — a similarity of size segment.

Overseas Application

HK Stock Connect +3.89% alpha, IR 0.65 (3Y: +6.08%, IR 1.10)

Validates the framework outside mainland China, in a market with international investor participation and thinner liquidity — structurally closer to Singapore's market dynamics.

Cycle Durability

CSI 300 Enhanced since 2009, IR 1.58

Alpha generation since 2009 across multiple market cycles, regime changes, and regulatory shifts — the strongest evidence of model durability and adaptability. Winner of The China Securities Journal Golden Bull Awards in 2011, 2015, 2018.

Fund	Benchmark*	Live Since	Ann. Alpha (Since Incep.)	Tracking Error	Info Ratio	Ann. Alpha (3Y)	IR (3Y)
CSI 300 Enhanced	CSI 300	2009	**+4.61%**	2.91%	**1.58**	**+3.00%**	0.83
CSI 1000 Enhanced (Small-Cap)	CSI 1000	2018	**+9.52%**	5.35%	**1.78**	**+6.08%**	**1.39**
MSCI China A Enhanced	MSCI China A	2019	**+7.39%**	3.46%	**2.14**	**+7.38%**	**2.07**
HK Stock Connect Quant	HK Connect	2018	+3.89%	5.96%	0.65	+6.08%	**1.10**

Annual Alpha by Fund (Calendar Year; 2026 YTD as of 30 Jun 2026)

Fund	2019	2020	2021	2022	2023	2024	2025	2026 YTD
CSI 300	+4.72%	-2.55%	+4.63%	+0.89%	+4.68%	-0.09%	+2.45%	+3.43%
CSI 1000 (Small-Cap)	+16.90%	+21.64%	+7.83%	+6.10%	+5.78%	+4.67%	+8.56%	+1.70%
MSCI China A	+0.80%	+12.91%	+13.00%	+5.09%	+7.93%	+3.26%	+8.33%	+7.24%
HK Connect	+0.38%	+4.22%	+1.34%	+0.13%	+5.83%	+9.55%	+5.29%	+0.21%

*Source: Fullgoal Asset Management (HK). *As at 30 Jun 2026. China and HK benchmarks reflect 95% of the reference index (enhanced index fund convention). Past performance is not indicative of future results.*

Key Investment Personnel

CGS International is the Investment Manager, providing oversight, execution and governance; Fullgoal Asset Management (HK) is the Investment Advisor, contributing the proprietary six-factor quantitative model and its ongoing calibration.

CGS International — Investment Manager

Chia Tse Chern

Group Head of Investment

A seasoned investment professional with over two decades in portfolio management and global markets.

As a portfolio manager of the Nomura Global Technology Multi-Asset Fund, he made allocation and security-selection decisions across equities, fixed income and other asset classes — with prior senior roles at Nomura, UOB Asset Management and Credit Suisse.

An award-winning fund manager: multiple Lipper Awards, Morningstar Singapore's Best Asia Bond Fund, and Asia Asset Management's Best Asian Bonds.

Fullgoal Asset Management (HK) Limited — Investment Advisor

Cai Ka'er

Head of Quantitative Investment Research Department

13 years of industry experience. Joined Fullgoal in August 2013.

Progressed from quantitative research to Quantitative Fund Manager and subsequently Director of Quantitative Investments.

Leads day-to-day model management, factor calibration and the monthly rebalance proposals for the Singapore Multi-Factor Equity strategy.

04

Active Investment Strategy - Systematic stock selection designed for risk-adjusted returns with controlled drawdown

Backtest Performance

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Backtest performance for the 80% constituent / 20% off-benchmark portfolio, nett of estimated transaction costs (brokerage, spreads, market impact). Fund management fees (target TER ~1.2%, capped at 1.50% p.a., inclusive of management fee, trustee, admin, and other operating costs) not deducted. Monthly rebalancing with ≤10% ADV participation constraint.

7.99%
Portfolio Return (Ann.)

4.60%
Benchmark Return (Ann.)

+3.39%
Annualised Alpha

0.82
Information Ratio

3.97%
Tracking Error

+23.2%
Cumulative Alpha

Backtest performance period is Apr 2021 – Jun 2026

Annual Performance Breakdown

	2021*	2022	2023	2024	2025	2026 YTD**	Cumulative
Portfolio	5.5%	-9.9%	14.2%	6.1%	28.2%	1.5%	49.9%
Benchmark	4.5%	-11.2%	4.6%	-0.9%	26.7%	4.0%	26.7%
Alpha	+1.0%	+1.3%	+9.6%	+7.0%	+1.5%	-2.4%	+23.2%

Performance Commentary

Annualised alpha of +3.39% after transaction costs and market impact (~+2.2% after further deducting target TER). Positive alpha in five of the six annual periods — every year from 2021 to 2025; the exception was 2026 year-to-date (Jan–Jun), at –2.4%. Alpha varies by year — the strategy is designed to compound value over multi-year horizons.

*Source: Fullgoal Asset Management (HK); Apr 2021 – Jun 2026. Backtested and hypothetical; not achieved in live trading; inherent limitations including hindsight bias. Past performance is not indicative of future results. *2021 Apr–Dec; **2026 Jan–Jun.*

Backtest Performance: Cumulative Return & Drawdown

Growth of S$100 invested at inception. Over the backtested period, the portfolio delivered higher returns with shallower drawdowns. Benchmark: iEdge Singapore Next 50 Index.

Cumulative Total Return: Portfolio vs Benchmark

Drawdown Profile: Portfolio vs Benchmark

+23.2% Cumulative Excess Return	**−18.0% vs −22.1%** Max Drawdown (Port. vs BM)	**0.82** Information Ratio	**3.97%** Tracking Error

Source: Fullgoal Asset Management (HK). Apr 2021 – Jun 2026. Past performance is simulated and not indicative of future results.
IMPORTANT: Performance shown is based on backtested/simulated results, is hypothetical, was not achieved in live trading, and has inherent limitations including hindsight bias.

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05

Rigorous and systematic stock selection

The Alpha Model: Six Factors, Six Economic Drivers

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Each factor captures a distinct, economically motivated source of equity returns — grounded in decades of academic evidence and calibrated to Singapore's market structure through signal weights and screens estimated on SGX data.

Valuation

Economic rationale: Stocks trading below intrinsic value tend to outperform — the "value premium" (Fama & French, 1993). Mean-reversion in pricing rewards patient, contrarian positioning.

Signals: *PE, Forward PE, PB, PS, Price-to-Cash-Flow*

Expected Growth

Economic rationale: Companies with rising earnings expectations attract capital inflows. Forward-looking growth captures earnings momentum before it is fully reflected in prices.

Signals: *Consensus revenue growth, net profit growth, PEG ratio*

Earnings Surprise

Economic rationale: When actual earnings beat expectations, prices adjust gradually — post-earnings announcement drift (Bernard & Thomas, 1989). Information asymmetry is particularly pronounced in under-covered SMID stocks.

Signals: *Earnings guidance, net profit surprise vs. historical volatility*

Analyst Sentiment

Economic rationale: Changes in analyst forecasts and ratings signal informed expectation shifts. In low-coverage markets, a single analyst upgrade can be a powerful signal.

Signals: *Rating changes, target price revisions, EPS forecast revisions*

Earnings Quality

Economic rationale: Companies with high-quality, cash-backed earnings outperform those with accrual-driven earnings (Sloan, 1996). Identifies sustainable businesses vs. accounting artefacts.

Signals: Operating cash flow ratio, ROE, accruals

Market

Economic rationale: Turnover, liquidity, and stock-specific risk capture trading dynamics. In SMID markets, these factors help avoid liquidity traps and identify genuine price discovery.

Signals: Turnover, liquidity, stock-specific risk

References: Fama, E. & French, K. (1993), Journal of Financial Economics 33(1); Bernard, V. & Thomas, J. (1989), Journal of Accounting Research 27 (Supplement); Sloan, R. (1996), The Accounting Review 71(3).

How We Select Stocks: A Systematic Scorecard

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An illustrative example of how the six-factor composite scores and ranks stocks — showing why breadth across multiple signals matters.

Factor	The Question	What We Measure	Stock A	Stock B
Valuation	Is it cheap?	P/E, P/B, P/CF multiples	✓ Undervalued	✗ Expensive
Growth	Is it growing?	Consensus earnings & revenue growth	✓ Rising forecasts	✓ Rising forecasts
Earnings Surprise	Did it beat consensus?	Reported vs. consensus EPS	✓ Beat by 12%	✗ Missed
Analyst Sentiment	Is sentiment improving?	Estimate revisions, rating changes	✓ Estimates raised	— No revisions
Earnings Quality	Are the earnings real?	Cash flow vs. reported earnings, ROE	✓ High cash conversion	✗ Accrual-heavy
Market	Is the market confirming?	Momentum, volume, volatility	✓ Strong momentum	✗ Weakening trend
COMPOSITE SCORE			**6 / 6 → HIGHER RANK**	**1 / 6 → LOWER RANK**

Why combine six factors instead of using just one?

Stock B looks like a growth stock — rising forecasts — but the model catches what a single-factor approach would miss: it's expensive, it missed earnings, its profits are driven by accounting rather than cash, and its price action is weakening. The multi-factor composite filters out these potential single factor triggers.

The point is structural: factor returns are imperfectly correlated, so combining six of them raises the model's information coefficient and reduces dependence on any single style regime.

How We Build the Portfolio

Each factor captures a distinct source of equity returns. Combining six into a composite score means more ways to be right and fewer ways to be wrong — the optimiser then translates these views into a risk-controlled, cost-efficient portfolio.

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Alpha Model

Six factors score each stock

Valuation
PE, P/B, P/CF

Expected Growth
Forecast revenue and earnings growth

Earnings Surprise
Earnings guidance, net profit surprise

Analyst Sentiment
Estimate revisions, rating changes

Earnings Quality
Operating cash flow, ROE, accruals

Market
Turnover, liquidity, idiosyncratic risk

COMPOSITE ALPHA SCORE → Expected Return per Stock

PORTFOLIO OPTIMISER

Alpha Model
Expected returns from factor scores

Risk Model
Third-party equity risk model
Exposure constraints

Transaction Cost
Spread + market impact estimates

MODEL PORTFOLIO

Objective
Maximise risk-adjusted alpha vs. benchmark

Stock Weights
Optimised positions across ~30-50 names

Risk Controls
Sector, style & stock deviation limits

Turnover
Transaction cost-aware rebalancing

Portfolio Construction & Risk Framework

1		2		3		4
Universe	▶	**Factor Score**	▶	**Optimise**	▶	**Active ETF**
~80 -100 SGX stocks from MSCI SG IMI + Next 50		6-factor model ranks all stocks		≥80% Next 50 / ≤20% off-benchmark Risk constraints		30–50 holdings Monthly rebalance

Key Parameters

Benchmark	iEdge Singapore Next 50 Index
Holdings	30-50
Investment Objective	Outperform the benchmark over the medium term, net of fees
Target Tracking Error †	4% ex-ante (working range 3–6%)
Max Stock Weight	10% absolute; avg. 3–4%
Max Stock Deviation Target †	±8% active weight vs. benchmark
Max Industry Deviation Target †	±5% vs. benchmark
Rebalance	Monthly; up to ~20% one-way turnover
Trading Participation †	≤10% of daily volume per stock

The 80/20 Design

≥80%

Next 50 Core
Systematic factor-tilted positions across Next 50 constituents, capturing multi-factor signals within the benchmark

≤20%

Off-Benchmark Overlay
5–8 high-conviction names from the MSCI Singapore IMI universe where the factor model identifies the strongest signals

Why allow off-benchmark exposure? The Next 50 universe excludes Singapore's largest and most liquid names. The ≤20% sleeve lets the portfolio act on the model's strongest signals across the broader investable universe — SGX listed constituents beyond the Next 50 — while keeping tracking error within the defined risk budget.

Why up to 20%? Backtested sensitivity analysis (Apr 2021 - Jun 2026) shows the 80/20 mix best balances the alpha-to-tracking-error trade-off, delivering +3.39% annualised alpha (IR 0.82).*

*Past performance is not indicative of future results. Targets are objectives, not guarantees. *Backtest assumes ~S$20M for capacity and market impact. † Internal parameters in the Manager's risk-management process, adjustable over time. Benchmark, 30–50 holdings, 10% single-stock cap, ≥80%/≤20% structure and monthly rebalancing (~20% max one-way turnover) are per the Prospectus.*

06

Illustrative Model Portfolio & Fund Structure

Illustrative Model Portfolio

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Latest holdings as of 17 July 2026

≥80%	SMID-Cap Exposure (Next 50)
≤20%	Off-Benchmark Overlay (STI names)

Sector Diversification

Real Estate	**37.2%**
Financials	**15.1%**
Industrials	**14.9%**
Consumer Staples	**12.4%**
Materials	**9.2%**
Communication Services	**3.1%**
Information Technology	**3.0%**
Health Care	**2.6%**
Utilities	**1.8%**
Consumer Discretionary	**0.7%**

Top 15 Holdings (~77% of Portfolio)

Stock	Ticker	Weight	Universe
Keppel Infrastructure Trust	A7RU	**9.15%**	*Next 50*
iFAST Corporation	AIY	**8.64%**	*Next 50*
Keppel REIT	K71U	**8.11%**	*Next 50*
Parkway Life REIT	C2PU	**7.19%**	*Next 50*
Sheng Siong Group	OV8	**6.09%**	*Next 50*
Keppel Ltd	BN4	**5.65%**	*STI Overlay*
CapitaLand Ascott Trust	HMN	**5.07%**	*Next 50*
Starhill Global REIT	P40U	**4.27%**	*Next 50*
DBS Group	D05	**4.01%**	*STI Overlay*
CapitaLand India Trust	CY6U	**4.00%**	*Next 50*
CDL Hospitality Trusts	J85	**3.34%**	*Next 50*
StarHub	CC3	**3.14%**	*Next 50*
Venture Corp	V03	**3.01%**	*STI Overlay*
First Resources	EB5	**2.83%**	*Next 50*
Haw Par Corporation	H02	**2.62%**	*Next 50*

Portfolio Composition: 80% of portfolio weight is in Next 50 constituents — **anchored in SGX's SMID-cap segment**. Larger STI names such as DBS, Sembcorp and Keppel appear only within the ≤20% off-benchmark overlay, where the model identifies the strongest signals; the ≥80% core stays in Next 50 SMID constituents.

Holdings are illustrative based on the model portfolio as of 17 July 2026. Actual holdings at launch may differ following final portfolio construction.

The Next 50: What the Forward Indicators Say

The 1Y returns are backward-looking. Analyst conviction and consensus targets suggest the story is far from over.

Forward Indicators

73%

BUY Share of Recommendations

317 recommendations across all 50 constituents, 230 of them Buy; on a stock level 41 of the 50 carry a Buy consensus. Coverage is universal but thin: a median of 6 analysts per stock, versus 16 for STI names.

+21%

Consensus Upside, and How Unusual It Is

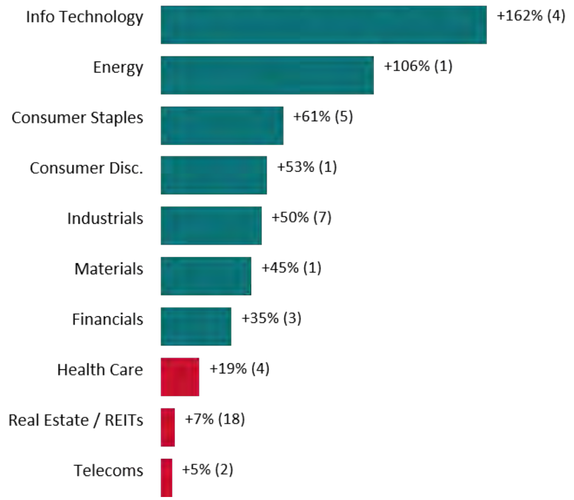
Bottom-up 12M targets sit ~21% above the index, against ~6% for the STI. Measured against their own histories the two are stretched unusually far apart: the Next 50 sits above +1 standard deviation vs mean, the STI below –1 vs mean.

+25%

Median Upside to Target

46 of the 48 covered names with targets trade below consensus; 31 offer more than 20% upside.

Where Has the Rally Been? (1Y by Sector)



The rally has been led by technology, energy and staples, while REITs, at 40% of the index, returned just +7%. That gap is the open question: **rate stability could drive a catch-up,** persistent inflation would prolong the lag. A systematic process adapts to either outcome.

Source: Bloomberg, refreshed 30 June 2026 basis (CGSI calculations). Sector bars are the median 1Y total return of constituents in each sector; counts in brackets are the constituents with a full year of returns (46 of 50; four listed within the year). Consensus and target data as at 30 June 2026.

Fund Structure & Terms

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Key structure, dealing and listing terms for the Initial Offer Period.

ETF Name	CGS Fullgoal Singapore Next 50 Active ETF
Legal Structure	Authorised (Retail) VCC — Singapore-domiciled, SGX-listed
Investment Manager	CGS International Securities Singapore Pte. Ltd.
Investment Advisor	Fullgoal Asset Management (HK) Limited
Benchmark	iEdge Singapore Next 50 Index
Issue Price (IOP)	S$1.00 per Share
Initial Offer Period	6 August 2026 to 26 August 2026
Listing Date	Expected: 3 September 2026 (subject to regulatory approval)
Base / Trading Currency	SGD
SGX Stock Code	Q50
Trading Board Lot Size	1 Share
Management Fee	0.65% p.a. (target TER ~1.2%, capped at 1.50%)
Creation / Redemption (Participating Dealers)	100,000 Shares (in multiples of 50,000)
Distribution	Semi-annual (around June & December), at the Company's discretion
Classification Status	Excluded Investment Product (EIP)

Issue price, board lot and creation/redemption terms per Prospectus Appendix I.

07

Key takeaways

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Key Takeaways

1. The Singapore market is under-owned, structurally backed, and still valued at a discount to global peers
2. The Next 50 is where alpha is uncovered and tomorrow's blue chip could be discovered
3. Manager & Advisor pedigree – CGS International as Investment Manager, advised by one of China's largest and longest-established quant teams
4. Active Investment Strategy – Designed for risk-adjusted returns with controlled drawdown
5. Rigorous and systematic multi factor stock selection

08

Appendix

Why CGS Fullgoal Singapore Next 50 Active ETF: Summary

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1 A Differentiated SG Equity Exposure

Next 50

≥80% weight in Next 50 constituents

Benchmarked to iEdge Singapore Next 50.

Systematic quantitative multi-factor process targeting the SMID segment where analyst coverage is lighter than STI constituents and stock dispersion is wide.

Complements STI-heavy Singapore equity allocations.

2 Backtested Return Profile

+3.39%

backtested alpha p.a. (IR 0.82)

Absolute portfolio return: +13.3% p.a. (3Y), +7.4% p.a. (5Y).

+3.39% p.a. alpha over iEdge Next 50 (net of market impact), IR 0.82, TE 3.97%.

Positive alpha in five of six annual periods (2021–25 + 2026 YTD).

3 Controlled Downside

3.97%

backtested tracking error (3–6% range)

Max drawdown –18.0% vs benchmark –22.1%.

Hard constraints: max 10% single-stock weight, ±8% active weight, ±5% sector deviation, ≤10% ADV participation.

Model-optimised risk budget with monthly rebalancing.

4 Institutional Manager & Advisor Pedigree

16 yrs

Fullgoal flagship track record

CGS International Securities Singapore (CMS-licensed, MAS-regulated) is the Investment Manager — portfolio management, implementation and risk oversight.

Fullgoal AM (HK) (~US$123bn public-fund AUM ex-MMF; 1st quant team in China's mutual fund industry, est. 2009) advises on the factor model.

Past performance is not indicative of future results. Return and alpha figures are backtested and simulated. See Section 04 (Active Investment Strategy) for methodology and limitations.

Why This Works: Six Reasons the Model Generates Alpha

Signal Breadth Over Signal Strength

Six independent factors composited into a single score. No single signal needs to be exceptional. Because factor returns are imperfectly correlated, combining them raises the information coefficient and **reduces reliance on any single style regime**.

Grounded in Economic Logic

Each of the six factors targets an economically motivated source of equity returns — relative valuation, expected growth, earnings surprise, analyst revisions, earnings quality, and trading characteristics. **These are well-known drivers of cross-sectional return that Fullgoal has implemented across multiple live strategies.**

SMID Is Where Signals Pay Off

Next 50 stocks have thinner analyst coverage and wider cross-sectional dispersion than STI heavyweights. The 1Y return spread across Next 50 names is ~200% versus ~75% for the STI — nearly three times wider. **This is precisely where systematic signals have the most to exploit.**

Cross-Market Validation

The same framework runs live in HK Stock Connect (2018, +3.89% alpha, IR 0.65; 3Y IR 1.10) — a market structurally similar to Singapore: international investors, offshore listing format, thinner liquidity than mainland China. **Transferring the framework to SGX is a calibration exercise, not a speculative new model.**

Risk-Aware Portfolio Construction

A third-party risk model and optimiser translate alpha scores into a portfolio subject to hard risk constraints: max 10% single-stock weight, ±8% active weight, ±5% sector deviation, ≤10% ADV participation. **The optimiser is transaction-cost-aware — it rebalances only when expected alpha exceeds estimated cost.**

Live Model, Not Static Backtest

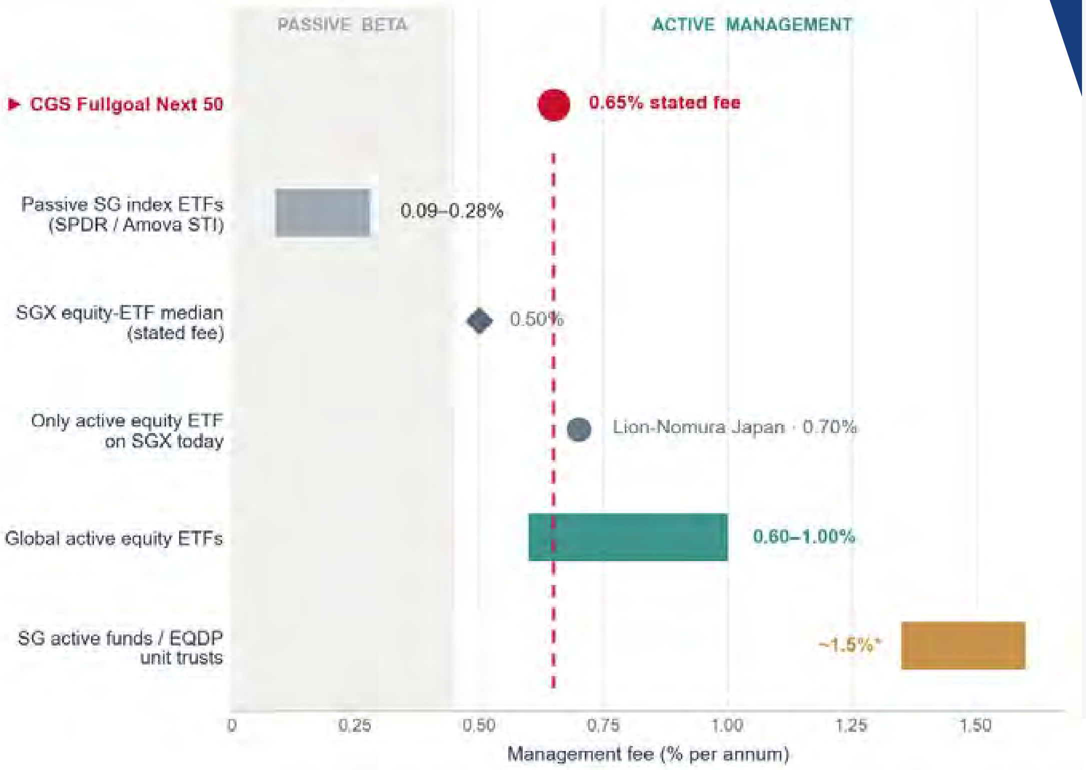
28

Factor weights evolve as market structure shifts. Fullgoal has built industry-specific sub-models (TMT in 2013), tightened risk limits during shocks (COVID), and recalibrated factor weights around durable regime changes (Sept 2024 China policy pivot). **This is a governed process — not a one-off backtest fitted to history.**

Sources: Academic factor literature (Fama & French 1993; Bernard & Thomas 1989; Sloan 1996); live-strategy records and process history per Fullgoal Asset Management (HK).

Putting the 0.65% Management Fee in Context

Passive STI trackers cost 0.23–0.28% because index beta is a commodity. This ETF is active, systematic and SMID-focused, so the fair yardstick is other active products — and against those, 0.65% sits at the floor on stated fee.



How the fee compares

01 Active, not beta

Passive STI ETFs track an index for 0.23–0.28%. This runs a systematic six-factor model — and at 0.65% is priced below the only active equity ETF on SGX today (Lion-Nomura Japan, 0.70%).

02 SMID, and harder to access

Smaller, less-liquid names cost more to run, and no passive fund offers this exposure. SGX equity ETFs under US$20m run expense ratios of 0.95–3.12% (median 1.45%) because fixed costs dominate. Here the total expense ratio is capped at 1.50% (target ~1.20%), and the ratio falls as assets grow.

03 An ETF, at half the unit-trust management fee

Singapore's EQDP active equity funds are unit trusts charging 1.5–1.6% on their retail classes, with initial sales charges of up to 5%. The Q50 delivers active management in a tradeable wrapper at under half that management fee — intraday, and with no sales charge.

Source: Bloomberg, 22 Jul 2026; CGSI calculations across 31 SGX-listed equity and REIT ETFs (median 0.50% stated fee; TER 0.72%, disclosed for 25).
**EQDP fund fees per each fund's Product Highlights Sheet or factsheet, Feb–May 2026. Fund TER targeted ~1.20%, capped 1.50%.*

Adding a Next 50 Sleeve to an STI Portfolio

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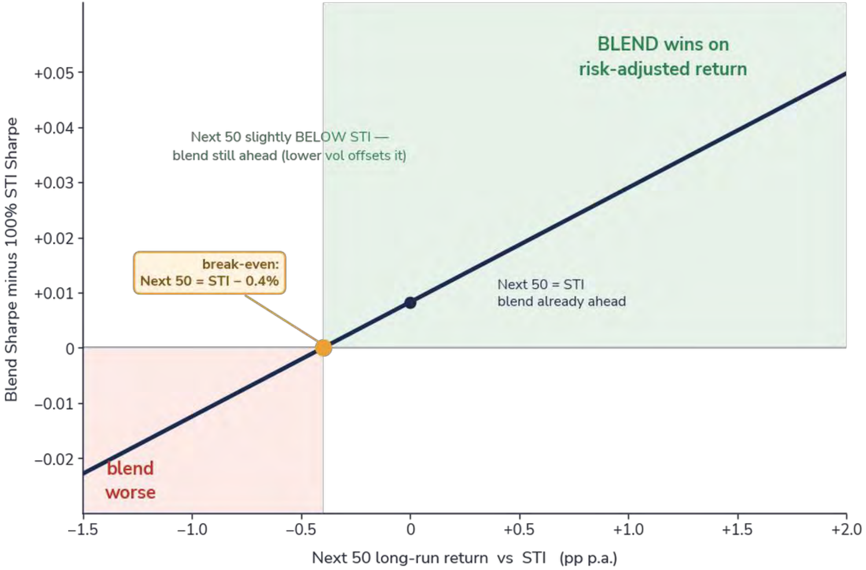
Measured, not forecast: at ~0.73 correlation a ~20% Next 50 sleeve lowers an STI book's volatility in every scenario. Across an illustrative 6–10% range of long-term returns the blend keeps its risk-adjusted profile — and de-concentrates a book that is 54% banks. Blend = 80% STI / 20% Next 50; indices: FTSE STI (FSSTITR) and iEdge Next 50 (SGN50N), total return.



Next 50 long-run	Blend vol	Blend return	Blend Sharpe
6%	9.6%	7.6%	0.48
7%	9.6%	7.8%	0.50
8%	9.6%	8.0%	**0.52**
9%	9.6%	8.2%	**0.54**
10%	9.6%	8.4%	**0.56**

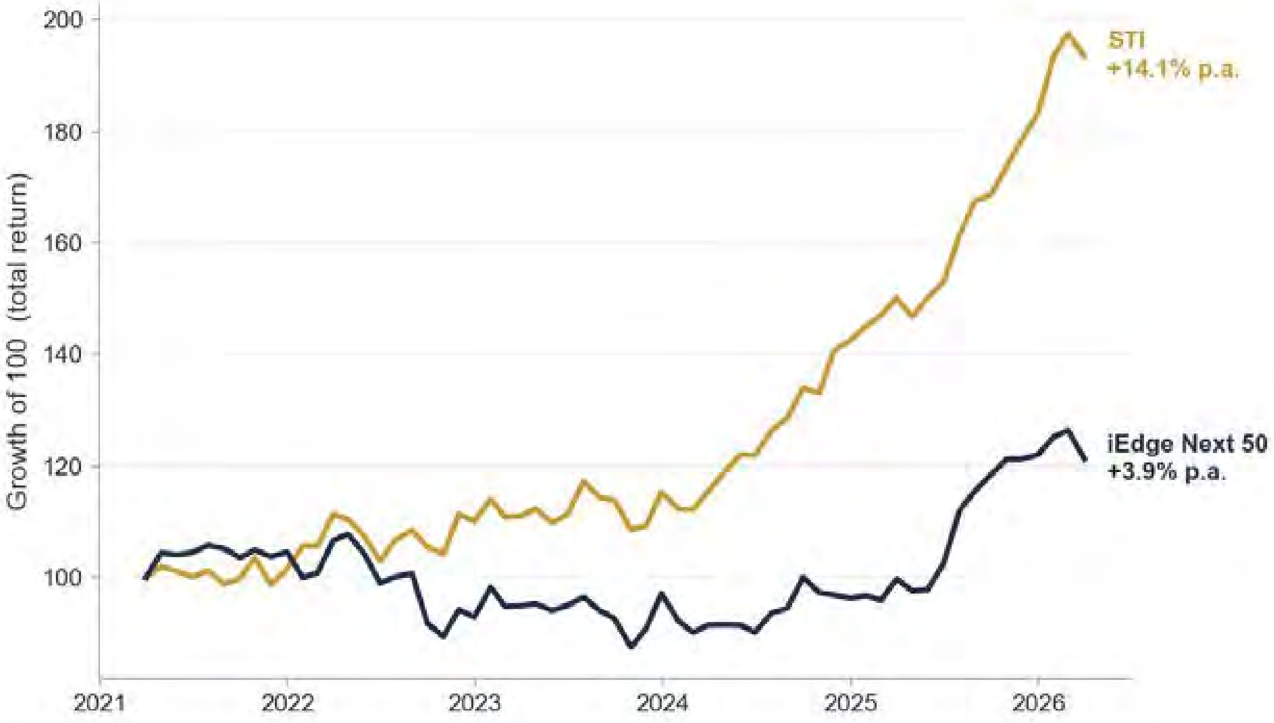
100% STI (illustrative): 9.8% vol · 8.0% return · 0.51 Sharpe

- You only give up risk-adjusted return if the Next 50 trails the STI by more than ~0.4% p.a.
- Lower volatility in every scenario — measured (corr 0.73), not a forecast.
- De-concentrates a book that is 54% banks; the active strategy adds the return.

Source: Bloomberg (FSSTITR, SGN50N), monthly total returns, Mar 2021 – Mar 2026. Sharpe computed at a 3% risk-free rate. Expected returns are illustrative assumptions, not forecasts.

Next 50 vs STI — The Honest Picture

Between 2021–26, Singapore's large-cap index was driven by a concentrated bank rally; the Next 50 lagged. That divergence is precisely why the two are only ~0.73 correlated — and why a sleeve diversifies rather than duplicates.



- A concentrated large-cap / bank rally — the Next 50 (the rest of Singapore) sat it out.
- The divergence IS the diversification: the two are only ~0.73 correlated.
- The passive gap is the active opportunity — the backtested active strategy returned ~8% p.a. vs the index's ~4%.

Source: Bloomberg (FSSTITR, SGN50N), total returns rebased to 100, Mar 2021 – Mar 2026 (realised index performance). Active-strategy return is backtested/simulated, hypothetical — not achieved in live trading. Past performance is not indicative of future results.

Model Portfolio Characteristics vs Benchmark

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As of 17 July 2026, the model portfolio is cheaper on earnings, higher-quality, higher-yielding and faster-growing than the iEdge Singapore Next 50 benchmark — the six-factor process expressed as portfolio characteristics.

Characteristic	Portfolio	Benchmark (Next 50)
Dividend yield	**4.1%**	3.8%
Return on equity	9.5%	6.7%
P/E	**14.7x**	18.0x
EPS growth (2027)	**19.0%**	16.0%
EPS growth (long-term)	13.0%	8.3%

Cheaper, and higher quality

The portfolio trades at 14.7x trailing earnings versus 18.0x for the benchmark, yet earns a materially higher ROE (9.5% versus 6.7%) — the model buys stronger earnings power at a lower multiple.

A genuine income edge

A 4.1% trailing dividend yield versus 3.8%, from cash-generative businesses — not the distressed or thinly-covered names that inflate the benchmark's forward-yield estimates.

Value with growth

Consensus EPS growth of 19% (FY2) and 13% long-term, versus 16% and 8% for the benchmark — a tilt toward companies that are both cheaper and growing faster.

Source: Fullgoal Asset Management (HK) / Bloomberg, as of 17 July 2026. Portfolio = Fullgoal model portfolio (market-value weighted); Benchmark = iEdge Singapore Next 50 (SGN50N). Trailing valuation and dividend-yield metrics; EPS growth is consensus estimate (FY2 and long-term). Forward dividend-yield and P/E fields are excluded: several benchmark constituents have unreliable consensus coverage that distorts those aggregates. Price-to-book (1.3x vs 1.1x) is modestly higher, consistent with higher ROE.
Past performance is not indicative of future results.

Important Information — Fund Offer

The CGS Fullgoal Singapore Next 50 Active ETF (the "Fund"), is a sub-fund of CGSI Public Markets Solutions VCC (UEN: T26VC0066G).

The Fund is an exchange-traded fund. Its shares may be bought and sold on the Singapore Exchange Securities Trading Limited, at market prices that may differ from the net asset value per share, and listing does not guarantee a liquid or continuous secondary market. Investors cannot redeem shares directly with the Manager; shares may only be redeemed with the Manager through participating dealers in accordance with the Prospectus, and creation and redemption may be suspended in certain circumstances. There is no assurance that the Fund will achieve its investment objective.

Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. The value of shares and the income from them may rise as well as fall. Shares are not obligations of, deposits in, or guaranteed by CGS International Securities Singapore Pte. Ltd. (UEN: 198701621D) ("CGS SG"), Fullgoal Asset Management (HK) Limited, or any of their respective affiliates.

Any performance figures shown are simulated or backtested, are hypothetical, were not achieved in live trading, and have inherent limitations including hindsight bias. Past performance and simulated performance are not indicative of future performance.

Before deciding whether to invest, investors should read the Fund's Prospectus and Product Highlights Sheet, available from CGS SG at www.cgsi.com.sg. You may wish to seek advice from a financial adviser before making a commitment to purchase shares of the Fund. In the event that you choose not to seek advice from a financial adviser, you should consider whether the Fund is suitable for you.

This material has not been reviewed by the Monetary Authority of Singapore.

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