

June 2026 (covering May 2026)

| Index | May (%) | YTD (%) |
|--|----------|---------|
| MSCI World | USD 4.6 | 10.7 |
| S&P 500 | USD 5.3 | 11.2 |
| MSCI Europe | EUR 3.3 | 8.0 |
| MSCI Asia Pac ex Japan | USD 10.0 | 25.9 |
| Hong Kong Hang Seng | HKD -1.7 | -0.8 |
| Hang Seng China Enterprises (H-shares) | HKD -2.6 | -5.0 |
| Topix | JPY 6.2 | 17.4 |

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated. Data as of May 31, 2026. YTD refers to year-to-date.

Global Outlook

US equity markets continued to perform strongly, with major indices reaching new highs, supported by robust AI driven earnings and improving sentiment as geopolitical tensions eased. S&P 500 and NASDAQ index returned 5.3% and 8.4% respectively within the month.

European equity markets edged higher, MSCI Europe Index returned 3.3% which supported by falling oil prices and easing geopolitical concerns. Gains were led by technology stocks amid continued AI-driven optimism, while energy and utilities lagged as oil prices declined.

Asia equity markets delivered strong gains in May, outperforming developed markets, although performance remained highly concentrated in a small number of technology and semiconductor stocks.

United States

- US equity markets built on the previous month's strong performance, delivering positive returns for May broadly in line with global equities. The S&P 500 and Nasdaq reached fresh record highs. However, sector performance was uneven, with index gains concentrated heavily in information technology, consumer discretionary, and healthcare.
- The inflation rate increased in April from 3.3% to 3.8%, largely driven by higher energy prices linked to the conflict in the Middle East.

Europe (including UK)

- European equity markets continue to tick higher, with the technology sector (up over 15%) the dominant driver amid ongoing AI euphoria.
- At the same time, the growth outlook weakened, with the European Commission downgrading its GDP forecasts, highlighting the ongoing economic impact of recent energy shocks.

Asia Pacific (ex Hong Kong ex China ex Japan)

- Asia Pacific equity markets delivered strong gains in May, though breadth remained narrow.
- Korea and Taiwan were the clear standouts, driven by demand linked to artificial intelligence and the semiconductor cycle, while returns elsewhere were more mixed.

Hong Kong and Mainland China (H-shares)

- The Hang Seng Index dropped by 1.7% in May, largely reflecting a consolidation after earlier gains amid a more uncertain external backdrop.
- Hang Seng China Enterprises index is also down by 2.6%, as markets navigated evolving geopolitical developments, and a still uneven domestic recovery.

Japan

- Japan also delivered strong gains, led by semiconductor and technology-related stocks as global enthusiasm around AI investment continued to build.
- First-quarter GDP growth of 2.1% annualised beat expectations, underpinned by domestic demand and net exports, providing a supportive economic backdrop.

Fixed Income

- Global bond markets recovered in May as improving sentiment and easing geopolitical risks supported demand.
- Government bond performance was led by UK gilts, which delivered a return of 1.98% in May. Euro area sovereign bonds also posted positive returns, with bunds returning 0.83%. In contrast, Japanese government bonds (JGBs) underperformed significantly in May, as surging wholesale price inflation and an impending Bank of Japan interest rate hike triggered a sharp sell-off.

Emerging Markets

- Emerging market equities moved higher overall. Gains were driven primarily by North Asian markets, particularly Korea and Taiwan, where semiconductor demand remained strong.
- Across ASEAN, performance was more modest and mixed. Thailand led, supported by improving domestic sentiment and strength in financials. Singapore also advanced, while Indonesia lagged as tighter monetary policy weighed on risk appetite, though currency stability provided some offset.

June 2026 (covering May 2026)

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange-rate fluctuations), and investors may not get back the full amount invested.

Important Information

This document is intended only for investors in Hong Kong for informational purposes only.

This document is not an offering of a financial product and should not be distributed to retail clients who are resident in jurisdiction where its distribution is not authorized or is unlawful. Circulation, disclosure, or dissemination of all or any part of this document to any unauthorized person is prohibited.

This document may contain statements that are not purely historical in nature but are “forward-looking statements,” which are based on certain assumptions of future events. Forward-looking statements are based on information available on the date hereof, and Invesco does not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. Investment involves risk. Please review all financial material carefully before investing. The opinions expressed are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

The distribution and offering of this document in certain jurisdictions may be restricted by law. Persons into whose possession this marketing material may come are required to inform themselves about and to comply with any relevant restrictions. This does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

All data as of June 17, 2026, unless otherwise stated. This document is issued in:

Hong Kong

This document is issued in Hong Kong by Invesco Hong Kong Limited 景順投資管理有限公司, 45/F, Jardine House, 1 Connaught Place, Central, Hong Kong.

This document has not been reviewed by the Securities and Futures Commission.