

HERITAGE AND STABILISATION FUND (HSF)

QUARTERLY INVESTMENT REPORT

OCTOBER TO DECEMBER 2025

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¹ This section includes economic data available as at 23-January-2026

EXECUTIVE SUMMARY

- Economic growth was uneven across the developed economies during the quarter ended September 2025. Gross Domestic Product (GDP) in the United States (US) surged to an annualised rate of 4.4 per cent and was underpinned by strong consumer spending. Meanwhile, economic activity in Europe was sluggish. The United Kingdom (UK) economy grew marginally by 0.1 per cent quarter-on-quarter in the three months to September while, the Eurozone (EZ) expanded at a modest 0.3 per cent. In contrast, Japan's economy contracted by 0.6 per cent amid weak business investment and exports.
- The latest economic indicators for the fourth quarter of 2025 pointed to the US maintaining its position as the growth leader relative to the other major economies. US GDP is likely to remain robust, notwithstanding headwinds from its Government shutdown. Elsewhere, in the UK, EZ and Japan, economic activity was subdued given ongoing trade uncertainty as well as heightened political and policy risks.
- Inflation pressures moderated over the quarter. The US Consumer Price Index (CPI) rose by 2.7 per cent in December compared with an increase of 3.0 per cent in September. Meanwhile, the inflation rate in the UK declined to 3.2 per cent, from 3.8 per cent three months prior. Similarly, in the EZ, prices increased by 1.9 per cent in December, down from 2.2 per cent in September.
- Most key developed central banks either maintained or eased monetary policy, except for the Bank of Japan (BoJ). In the US, the Federal Reserve (Fed) lowered interest rates twice during the quarter, to bring its federal funds rate to 3.50 per cent – 3.75 per cent. The Federal Open Market Committee (FOMC) also ended its quantitative tightening programme in December, indicating plans to maintain the size of its balance sheet going forward. The Bank of England (BOE) reduced its Bank rate once over the quarter. At its December meeting, the committee cut interest rates by 25 basis points to 3.75 per cent, citing further progress on the inflation front. Meanwhile, the European Central Bank (ECB) kept its key interest rates unchanged with the deposit facility and marginal lending rate at 2.0 per cent and 2.4 per cent, respectively. The Governing Council conveyed the importance of a cautious data dependent approach given the improving

but still subdued growth outlook. Conversely, the BoJ continued to gradually normalise its monetary policy stance. The Bank raised its interest rate by 25 basis points in December 2025 to 0.75 per cent.

- In the US fixed income market, the US Treasury yield curve steepened over the quarter as yields at the longer end of the curve rose while those at the shorter end declined. The 2-year yield fell by 14 basis points to 3.47 per cent, while the 10-year and the 30-year rose by 2 basis points and 11 basis points, respectively. Meanwhile, the Bloomberg Barclays US Aggregate Bond Index, which represents the broader US fixed income market, returned 1.10 per cent in the three months to December 2025.
- US equity markets gained for a third consecutive quarter, with the US Standard and Poor's (S&P) 500 index returning 2.65 per cent. At the sector level, eight of the eleven sectors delivered positive returns. The Health Care and Communication Services sectors were the best performing sectors while, Real Estate and Utilities lagged the broader market. The MSCI EAFE index, representing non-US developed markets, returned 4.89 per cent when measured in US dollars.
- The Heritage and Stabilisation Fund (HSF) returned 2.69 per cent for the quarter ended December 31, 2025. At the mandate level, the Non US Core International Equity and the US Core Domestic Equity mandates contributed 1.44 percentage points and 0.70 percentage points, respectively, while the fixed income mandates added 0.53 percentage points (see Tables 1 and 2)².
- Compared to its strategic asset allocation (SAA) benchmark, the Fund outperformed by 0.70 percentage points (see Table 2 and Appendix 1). Excess returns arose from the Fund's relative asset positions. In aggregate, the HSF's overweight allocation to its equity mandates and the corresponding underweight to its fixed income investments were positive for performance. Additionally, active external manager decisions, particularly

² The residual 0.02 percentage points represent the effect of geometrically linking monthly returns of assets classes with changing weights.

within the Non US Core International Equity mandate further enhanced the Fund's return.

- The total net asset value of the HSF as at December 31, 2025, was **US\$6,254.9 million**, approximately US\$86.40 million lower than the previous quarter's closing value of US\$6,341.3 million. In accordance with Section 15 of the HSF Act (2007), US\$250.0 million was withdrawn from the Fund during the quarter, and assets from the US Short Duration mandate were sold to meet the obligation.

Table 1
Absolute Quarterly Returns
For the period Oct-Dec 2025
/per cent/

	Absolute Return HSF	Absolute Return Benchmark
Composite Portfolio	2.69%	1.99%
US Short Duration Fixed Income	1.21%	1.12%
US Core Domestic Fixed Income	1.12%	1.10%
US Core Domestic Equity	2.59%	2.43%
Non-US Core International Equity	5.41%	4.83%

Table 2
Contributions to Quarterly Returns
For the period Oct-Dec 2025
/per cent/

	3 Months Portfolio Weighted Return to 31-Dec-25	
	HSF	Benchmark
Composite Portfolio	2.69%	1.99%
US Short Duration Fixed Income	0.20%	0.28%
US Core Domestic Fixed Income	0.33%	0.44%
US Core Domestic Equity	0.70%	0.43%
Non-US Core International Equity	1.44%	0.84%

NB: Differences in totals are due to rounding.

SECTION 1 – INTERNATIONAL ECONOMIC ENVIRONMENT

Preliminary data for the three months to December 2025 suggest that the US economy expanded at a slower pace when compared with growth of 4.4 per cent annualised in the third quarter of 2025. This outturn reflected in part, the effects of the 43 days US government shutdown. Nonetheless, consumer spending, which accounts for approximately 70 per cent of US GDP, remained resilient. The latest data for November showed a 2.6 per cent increase in household expenditures. Meanwhile, business activity moderated with the S&P US Composite Purchasing Managers' Index (PMI) declining to 52.7 points in December, from 53.9 points three months earlier. There were signs of additional weakness in the labour market, as companies reduced hiring efforts amid higher import tariffs and investments in Artificial Intelligence (AI). Quarter-on-quarter, the unemployment rate was steady at 4.4 per cent in December 2025 however, a broader gauge, represented by the underemployment rate, increased to 8.4 per cent in December from 8.1 per cent in September. Wage growth slowed further as average hourly earnings rose by 3.6 per cent in December, down from 3.8 per cent in September 2025. On the inflation front, the Consumer Price Index (CPI) increased by 2.7 per cent in the twelve months to December 2025 compared to a year-on-year increase of 3.0 per cent in September 2025. The decline in the inflation rate was due to lower energy costs, which helped to offset an uptick in food prices over the period.

In the UK, the economy showed signs of tepid growth in the fourth quarter of 2025, following a 0.10 per cent expansion during the prior quarter. The S&P Global UK Composite PMI increased to 51.4 points in December 2025 from 50.1 points three months earlier. The manufacturing sector returned to expansionary territory, supported by a recovery in the automotive sector. This sector experienced production disruptions in September 2025 due to a cyberattack on Jaguar Land Rover. Meanwhile, service sector companies reported lacklustre demand arising from domestic factors, including a weak economic outlook and heightened political uncertainty. Labour market conditions continued to deteriorate as employers contended with even higher wage costs, given the Government's plans to further increase national insurance contributions and the national living wage. The latest jobs data showed the unemployment rate rose to 5.1 per cent in November, up from 5.0 per cent in September

2025. Meanwhile, price pressures eased with November's inflation rate measuring 3.2 per cent, down from 3.8 per cent in September 2025.

Similarly, the EZ remained in a slow-growth environment, hindered by the performance of its largest member states. Economic data thus far suggest that GDP improved modestly during the fourth quarter when compared to 0.3 per cent in the third quarter of 2025. The HCOB Eurozone Composite PMI increased to 51.5 points in December, from 51.2 points in September 2025. The services sector continued to be a key driver of growth, while the manufacturing activity remained challenged as Germany's large industrial sector fell to a 10-month low in December 2025 given ongoing headwinds from US tariffs. The region's unemployment rate declined to 6.3 per cent in November 2025 from 6.4 per cent in September. Meanwhile, the inflation rate moved below the ECB's 2.0 per cent target to 1.9 per cent in December 2025, down from 2.2 per cent three months earlier.

Elsewhere, Japan's economy contracted by 0.6 per cent quarter-on-quarter in September 2025, reversing a downwardly revised 0.5 per cent expansion reported three months earlier. The main drivers of the decline were weaker business investments, reduced government spending and a deterioration in net trade. For the fourth quarter of 2025, business surveys were mixed. PMI data showed a slowdown in service sector activity, while manufacturing conditions modestly improved amid an increase in demand. The au Jibun Services PMI fell to 51.6 points in December, from 53.3 points at the end of the previous quarter, whereas the au Jibun Manufacturing PMI moved to 50.0 points from 48.5 points over the same period. The latest unemployment data reflected stable labour market conditions as the jobless rate remained unchanged at 2.6 per cent in November, the same rate recorded in September 2025. Meanwhile, the inflation rate decelerated to 2.1 per cent in the twelve months to December 2025 compared with 2.9 per cent three months earlier. During the quarter, newly elected Prime Minister Sanae Takaichi announced a ¥21.3 trillion stimulus package aimed at promoting economic growth and mitigating the effects of inflation on households.

Most key developed central banks either maintained or eased monetary policy except for the BoJ. In the US, the Fed lowered interest rates at its October and December meetings by 25 basis points each, bringing the federal funds rate to 3.50 per cent – 3.75 per cent. The Federal Open Market Committee (FOMC) also ended its quantitative tightening

programme in December, indicating plans to maintain the size of its balance sheet going forward. The BOE reduced its Bank rate once over the quarter. At its December meeting, the committee cut interest rates by 25 basis points to 3.75 per cent, citing further progress on the inflation front. Meanwhile, the ECB kept its key interest rates unchanged with the deposit facility and marginal lending rate at 2.0 per cent and 2.4 per cent, respectively. The Governing Council conveyed the importance of a cautious data dependent approach given the improving but still subdued growth outlook. Conversely, the BoJ raised its interest rate by 25 basis points in December 2025 to 0.75 per cent. This marked the second rate increase for the year.

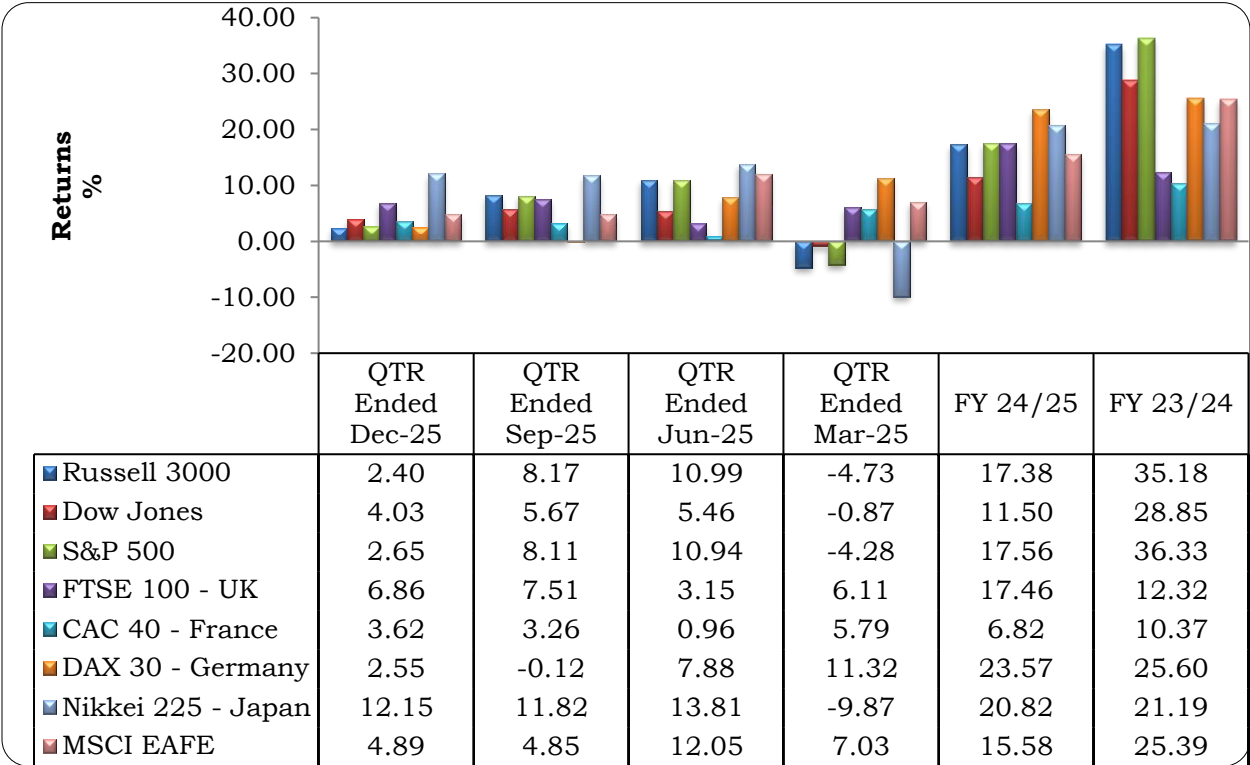
SECTION 2 – CAPITAL AND MONEY MARKET REVIEW

Financial market volatility increased early in the fourth quarter, driven in part by the longest US government shutdown in history. The closure, which started on October 1st, led to increased anxiety around the impact to economic growth and the potential for policy missteps given economic data delays. However, by the quarter's end, the passage of a new funding bill, positive corporate earnings results and a one-year US-China tariff truce helped to improve market sentiment. The Chicago Board Options Exchange Volatility Index (VIX) declined over the period to 14.95 points from 16.28 points three months earlier. Similarly, the Euro Stoxx 50 Volatility Index (VSTOXX), a gauge of sentiment in the Eurozone market, closed the quarter lower at 14.71 points from 16.68 points.

US equity markets continued to move higher over the quarter. The US Standard and Poor's (S&P) 500 index increased by 2.65 per cent, with overall gains tempered by heightened caution around a potential AI "bubble". For the period, health care and communication services were the best performing sectors, returning 11.68 per cent and 7.26 per cent, respectively. Several key pharmaceutical companies successfully negotiated a reprieve from trade tariffs with the US government, which helped to boost the outlook for the industry. Meanwhile, real estate and utilities were the worst performing sectors at -2.86 per cent and -1.40 per cent, respectively.

The MSCI EAFE index, representing non-US developed markets, returned 4.89 per cent when measured in US dollars (see Figure 1). In the UK, the FTSE 100 index earned 6.86 per cent over the quarter. Hopes for additional monetary policy easing, strong earnings expectations bolstered by rising commodity prices, and relatively attractive valuation levels, all helped to drive UK stocks higher. Elsewhere, European equities benefitted from better-than-expected economic data and optimism over Germany’s substantial fiscal package. France’s CAC 40 index and Germany’s DAX index returned 3.62 per cent and 2.55 per cent over the period. In Asia, the Japanese equity market delivered double-digit gains for a third successive quarter, as the Nikkei 225 index surged 12.15 per cent over the three months to December 2025. Expectations for more accommodative fiscal policies under newly elected Prime Minister Sanae Takaichi supported risk sentiment over the quarter.

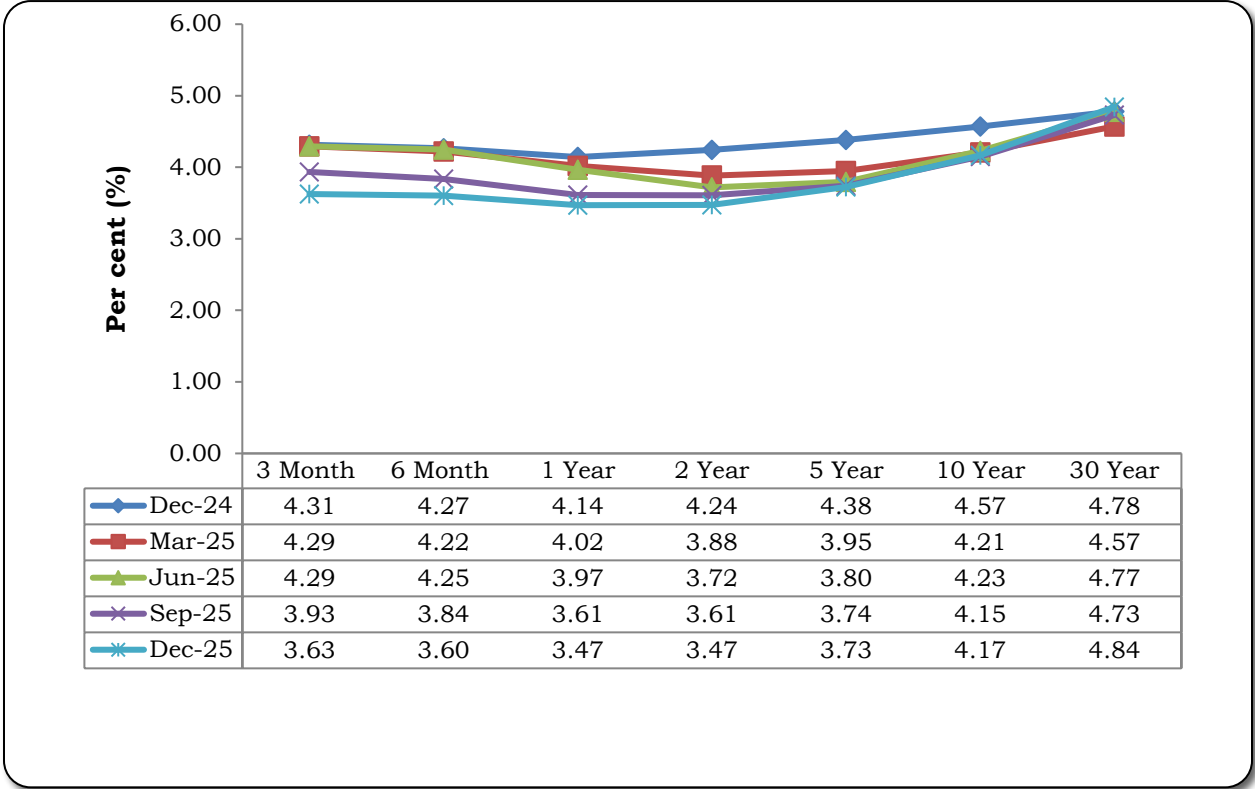
Figure 1
Total Returns on Selected Equity Indices



Source: Bloomberg.

The US Treasury yield movements varied across the curve. Shorter-dated yields declined as the Fed continued its rate cutting cycle. The 2-year yield fell by 14 basis points to 3.47 per cent. Meanwhile, yields on the longer end of the curve rose, reflecting investors' concerns about rising fiscal deficits, Fed independence and long-term inflation risks. The 10-year and the 30-year yields rose by 2 basis points and 11 basis points, respectively. For the quarter, the 2-year to 10-year portion of the curve steepened by 15 basis points to 69 basis points (see Figure 2).

Figure 2
US Treasury Yield Curve

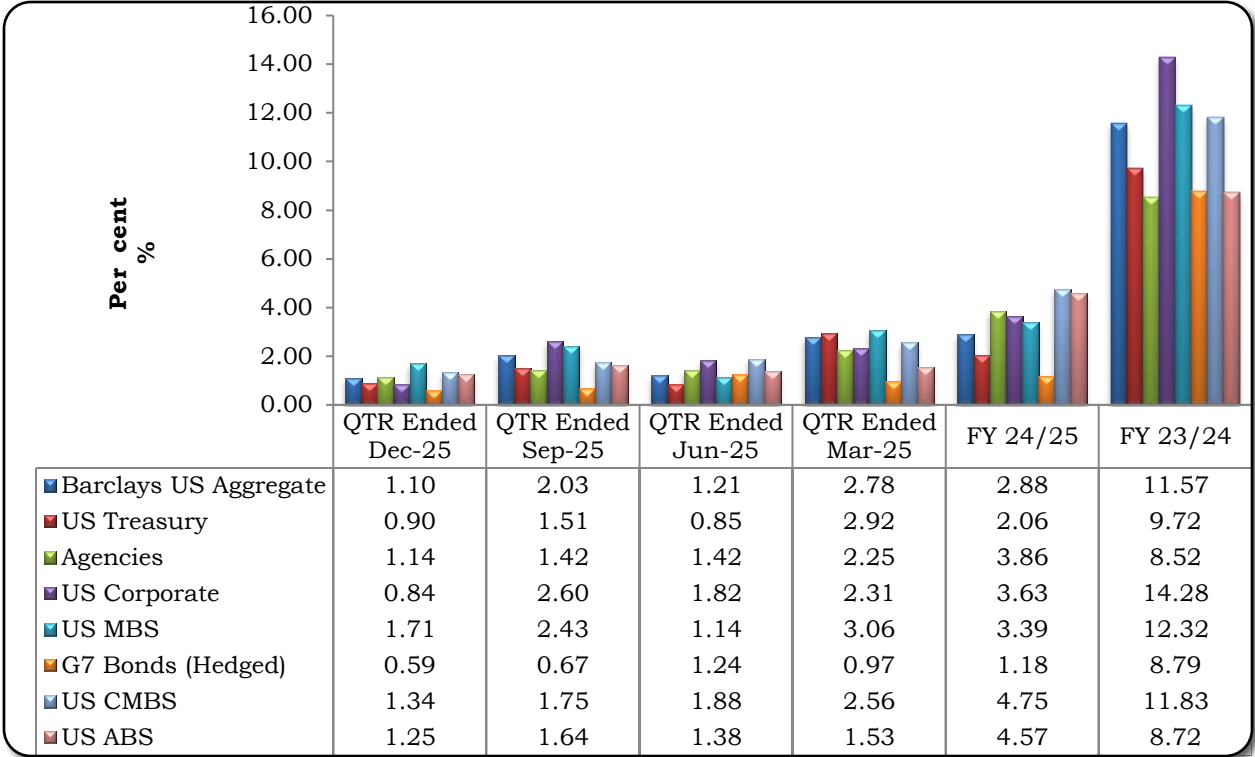


Source: Bloomberg.

The broader US fixed income market, as represented by the Bloomberg Barclays US Aggregate Bond Index, returned 1.10 per cent for the quarter ended December 31, 2025 (see Figure 3). Relatively high interest income levels drove performance over the quarter. Interest rate movements were also net positive for returns, as the decline in yields on the shorter-end of the curve counterbalanced the rise in longer-dated yields. At the

sector level, US Mortgage-Backed Securities performed the best, earning 1.71 per cent as credit spreads tightened. Meanwhile, US Corporate bonds advanced 0.81 per cent, underperforming the broader index due to its longer duration exposure, and modestly wider credit spreads over the period.

Figure 3
Returns on Selected Fixed Income Indices

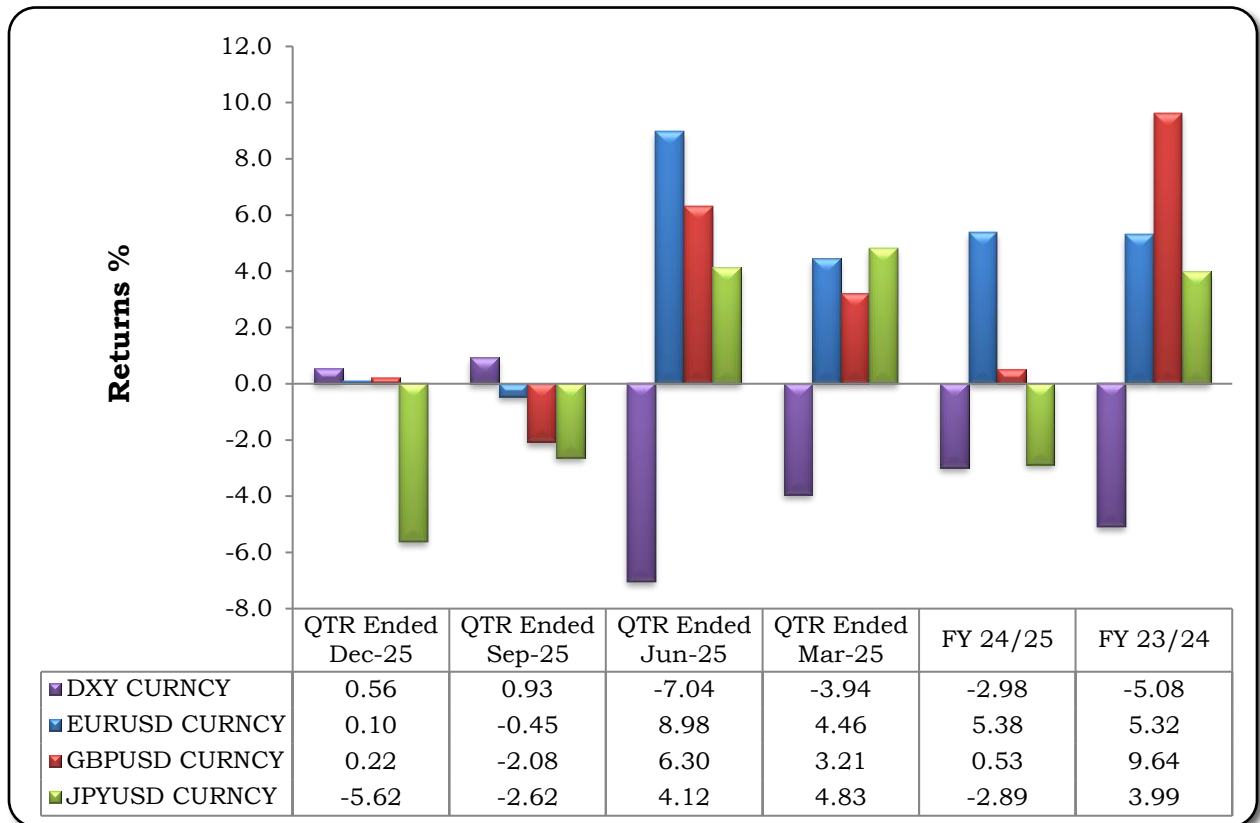


Source: Bloomberg.

The US Dollar ended the quarter incrementally higher, with the ICE US Dollar index increasing by 0.56 per cent. Meanwhile, both the British Pound and the Euro resumed their upward trend relative to the US Dollar, appreciating by 0.22 per cent and 0.10 per cent, respectively. In contrast, the Japanese Yen extended its decline, further depreciating by 5.62 per cent vis-à-vis the US Dollar over the quarter (see Figure 4). The Yen’s weakness was driven by the new administration’s expansionary fiscal policies, which fuelled significant concerns around the country’s already high debt burden.

Figure 4

Foreign Exchange Returns for Major Currency Pairs



Source: Bloomberg.

SECTION 3 – PORTFOLIO PERFORMANCE

Strategic Asset Allocation

Table 3 reports the HSF’s Investment Portfolio mandate weights relative to its approved SAA for the quarter ended December 31, 2025 and the previous three quarters.

Table 3
Portfolio Composition relative to the Approved SAA³
/per cent/

Portfolio Weights	Asset Class					
		Target Weight SAA	Mar-25 Actual % of Fund	Jun-25 Actual % of Fund	Sep-25 Actual % of Fund	Dec-25 Actual % of Fund
	US Short Duration Fixed Income	25.00	18.23	17.26	17.42	13.86
	US Core Domestic Fixed Income	40.00	30.28	28.61	29.16	29.89
	US Core Domestic Equity	17.50	28.07	29.22	27.22	28.30
	Non-US Core International Equity	17.50	23.42	24.90	26.19	27.95

Totals may not sum to 100 due to rounding.

During the fourth quarter of 2025, changes in the mandates’ weights reflected the combined effect of market value movements of the HSF’s assets and withdrawal activity. Taken together, this resulted in a higher underweight allocation to fixed income securities with a corresponding increase to the Fund’s overweight exposure to equities. Relative to the strategic asset allocation (SAA), the US Short Duration Fixed Income mandate held the largest underweight at 11.14 per cent, while the US Core Domestic Equity mandate maintained the highest overweight position at 10.80 per cent (see Table 3). With the Fund’s asset allocation deviations above the approved +/- 5.0 per cent limit,

³ The Board’s approved investment policy allow the mandate weights to deviate from the approved SAA weights by +/- 5 per cent.

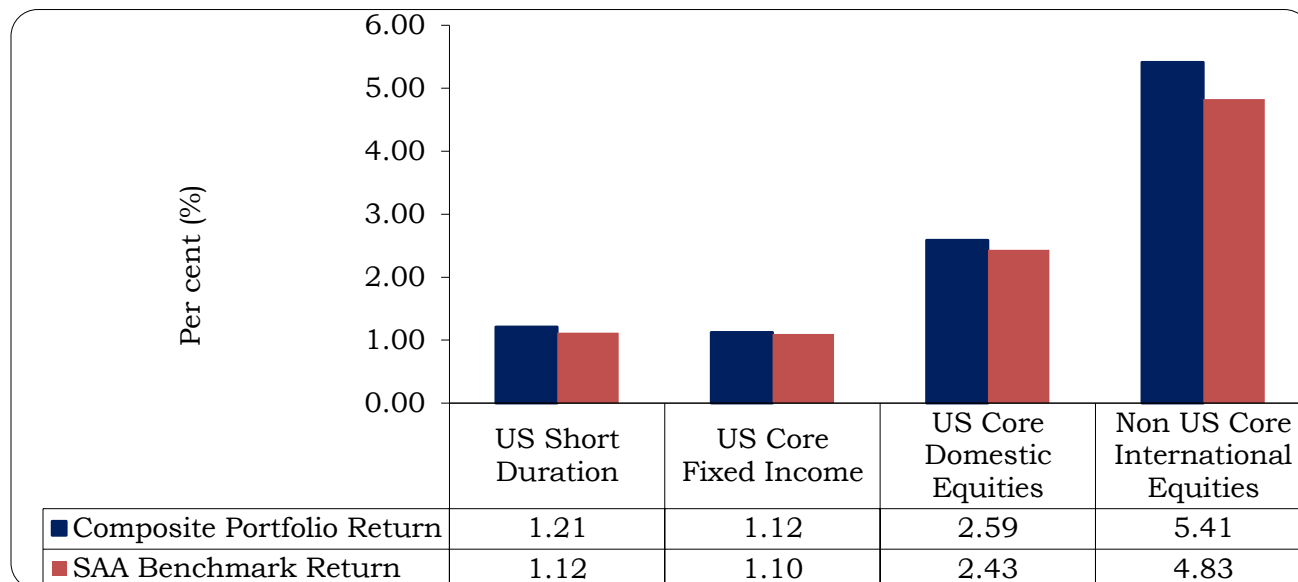
the Central Bank continues to monitor the Fund's asset exposures and provide regular updates to the HSF Board of Governors.

The total net asset value of the Fund as at December 31, 2025 was **US\$6,254.9 million**, approximately \$86.4 million lower than its net asset value of US\$6,341.3 million as at September 30, 2025. Of this total, the Investment Portfolio was valued at US\$6,253.6 million, while the remaining portion was held in operating cash accounts to cover the day-to-day expenses that arise from the management of the Fund. In accordance with Section 15 of the HSF Act (2007), \$250.0 million was withdrawn from the Fund during the quarter. Assets from the US Short Duration Fixed income mandate were liquidated to meet this obligation.

Performance of the Investment Portfolio

The HSF's Investment Portfolio returned 2.69 per cent for the quarter ended December 2025, outperforming its benchmark, which rose by 1.99 per cent. The Fund's performance was driven by continued strength in global developed equity markets, which was further augmented by positive contributions from the HSF's fixed income investments.

Figure 5
Absolute Returns by Investment Mandate for the period Oct-Dec 2025
 /per cent/



Compared to its strategic asset allocation (SAA) benchmark, the Fund outperformed by 70 basis points (see Table 2 and Appendix 1). In aggregate, the HSF benefitted from the Composite Portfolio’s relative asset positioning while, active investment strategies, most notably in the Non US Core International Equity mandate, incrementally added to excess returns.

The **Non-US Core International Equity** mandate gained 5.41 per cent, surpassing its benchmark, the MSCI EAFE ex-Energy, which rose by 4.83 per cent. Strong security selection particularly in Europe ex UK and Asia drove excess returns while, the combined effects of country and currency allocation decisions were also incrementally positive. The mandate’s net asset value ended the quarter higher at **US\$1,747.8 million**, from US\$1,660.3 million as at September 30, 2025.

The **US Core Domestic Equity** mandate returned 2.59 per cent over the fourth quarter of 2025, outperforming its benchmark, the Russell 3000 ex-Energy index, by 0.16 percentage points (see Figure 5). Positive stock selection decisions in Financial Services, Banks and Brokers, and Retailers helped to offset negative relative positioning decisions

in Basic Materials and Pharmaceuticals. The mandate's net asset value increased to **US\$1,769.9 million** as at the end of December 2025, from US\$1,726.0 million as at September 30, 2025.

The **US Short Duration Fixed Income** mandate earned 1.21 per cent, while its benchmark, the ICE Bank of America 1-5 year US Treasury index, returned 1.12 per cent. Exposure to high credit quality sectors such as agency mortgage-backed securities added to portfolio performance, while yield curve strategies also contributed to returns. The mandate's net asset value was **US\$866.9 million** as at December 31, 2025, down from US\$1,104.6 million as at the end of September 2025. The decline resulted from the US\$250.0 million withdrawal during the quarter.

The longer duration **US Core Domestic Fixed Income** mandate returned 1.12 per cent, modestly outperforming its benchmark, the Bloomberg US Aggregate Bond index, by two basis points. Excess allocations to the securitised sectors benefitted performance but were largely offset by negative security selection effects in the mortgage-backed securities and investment-grade corporate bond sectors. The net asset value of the mandate increased from US\$1,848.9 million as at September 30, 2025 to **US\$1,869.0 million** as at the end of December 2025.

SECTION 4 – COMPLIANCE AND PORTFOLIO RISKS

Compliance

Over the quarter, the mandates’ weights relative to the approved SAA remained above the allowable +/- 5.0 per cent deviation (see Table 3). The Central Bank continues to monitor the Fund’s asset class allocations and provide regular updates to the Board.

Portfolio Risks

The main risks for the HSF portfolio are credit, concentration, interest rate, and currency risks. The following paragraphs describe how these risks are mitigated.

Credit Risk

Within the **money market portion** of the Fund, credit risk is minimised by the strict adherence to the following standards: (i) all counterparties must have a minimum credit rating of either A-1 from the Standard and Poor’s rating agency or P-1 from Moody’s Investors Services; and (ii) a maximum exposure limit for counterparties of no more than 5.0 per cent of the market value of the portfolio.

For **fixed-income instruments**, credit risk is mitigated by the use of credit concentration limits as well as minimum credit quality ratings. Bonds must have an investment grade rating as defined by Standard and Poor’s, Moody’s Investors Services or Fitch Ratings Incorporated. Should the required ratings on an existing fixed-income security fall below the minimum standards, the security must be sold within an agreed upon timeframe. Table 4 below shows the average credit quality of the US Short Duration and US Core Fixed Income Portfolios as at December 31, 2025.

**Table 4
Average Credit Rating**

Mandate	Portfolio	Benchmark
US Short Duration	AA+	AA+
US Core Fixed Income	AA-	AA

Concentration Risk

Concentration or diversification risk is minimised by investing across various asset types and holding a large number of positions within an asset class. The aim is to minimise risk and/or maximise return by investing in a wide cross-section of asset classes and positions that would each react differently to the same market event. As such, it is likely that when one has strong returns, another may have lower returns to the same market event.

The portfolio is invested across four (4) asset groups as follows: US Short Duration Fixed Income; US Core Domestic Fixed Income; US Core Domestic Equity and Non-US Core International Equity. Concentration risk is also minimised within asset groups by approved market exposure and issuer holding limits.

For the **equity portfolios**, this risk is managed by imposing a maximum percentage holding of 3.0 per cent of any security's outstanding shares, as well as a maximum sector deviation relative to the benchmark of 5.0 per cent.

Interest Rate Risk

Interest rate risk is managed using a weighted average effective duration limit on the respective portfolios. For the US Short Duration Fixed Income mandate, the allowable range is six months longer or shorter than the weighted average duration of its respective benchmark. While the US Core Domestic Fixed Income mandate has an allowable range of 12 months longer or shorter than the weighted average duration of its respective benchmark. Table 5 shows the weighted average duration for the US Short Duration and US Core Domestic Fixed Income portfolios as at December 31, 2025.

Table 5
Weighted Average Duration
/Years/

Mandate	Portfolio	Benchmark
US Short Duration	2.58	2.54
US Core Domestic Fixed Income	5.61	5.98

Currency Risk

Currency risk is managed by containing and managing the exposure to non-US dollar instruments. For the fixed income mandates, no more than 10 per cent of the market value of the portfolio can be invested in securities denominated in currencies other than the US Dollar. For these mandates, non-US dollar currency exposure is fully hedged into the US Dollar. However, the effectiveness of the hedge may vary depending on market conditions.

For the US Core Domestic Equity mandate, no more than 5 per cent of the market value of the portfolio can be invested in securities denominated in currencies other than the US Dollar. The performance benchmark for the Non-US Core International Equity portfolio is the custom MSCI EAFE ex-energy Index. The index comprises of equity securities of issuers domiciled in developed market countries, excluding the US and Canada. Where benchmark securities are quoted in currencies other than the US dollar, the Fund accepts the currency risk. For this mandate, however, managers can hedge up to 15 per cent of the market value of their currency exposure into the US dollar, the base reporting currency for the HSF. At the end of December 2025, the currency exposure for this portfolio was 98 per cent of its market value. During the quarter, all the portfolios were within their respective limits.

Appendix I

HSF Portfolio - Historical Performance

Quarter End	Current Returns			Financial YTD			Annualised Return Since Inception		
	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess
	%	%	bps	%	%	bps	%	%	bps
FY 2010									
December	0.96	0.89	6.65	0.96	0.89	6.65	3.72	3.78	-6.16
March	1.61	1.68	-6.20	2.59	2.58	0.49	3.95	4.03	-7.76
June	-1.83	-1.89	6.05	0.71	0.64	6.69	3.07	3.12	-5.18
September	5.33	5.08	24.73	6.07	5.75	31.93	4.37	4.35	2.06
FY 2011									
December	2.29	2.21	8.15	2.29	2.21	8.15	4.70	4.65	4.13
March	1.62	1.54	7.24	3.94	3.79	15.68	4.81	4.76	5.72
June	1.88	1.81	6.68	5.89	5.67	22.91	4.98	4.91	7.00
September	-4.82	-4.28	-53.66	0.79	1.14	-34.89	3.57	3.63	-6.29
FY 2012									
December	2.74	3.03	-28.52	2.74	3.03	-28.52	3.97	4.08	-12.00
March	5.04	4.46	57.50	7.92	7.63	29.29	4.78	4.78	-0.08
June	-0.90	-0.60	-30.42	6.95	6.98	-3.72	4.37	4.43	-6.13
September	3.53	2.98	55.03	10.73	10.18	55.02	4.68	4.65	2.07
FY 2013									
December	1.49	1.45	4.11	1.49	1.45	4.11	4.88	4.83	4.76
March	3.29	2.90	39.19	4.82	4.38	44.01	5.23	5.12	11.20
June	-0.30	-0.69	39.05	4.51	3.66	84.64	4.97	4.80	17.26
September	3.95	3.47	47.35	8.63	7.26	137.06	5.40	5.16	24.01
FY 2014									
December	3.95	2.66	129.38	3.95	2.66	129.38	5.80	5.37	42.67
March	1.46	1.30	16.28	5.47	4.00	147.73	5.80	5.37	43.52
June	2.56	2.30	25.90	8.17	6.38	178.44	5.96	5.51	45.76
September	-0.48	-0.73	25.31	7.65	5.60	204.51	5.69	5.22	47.69
FY 2015									
December	2.25	1.63	62.27	2.25	1.63	62.27	5.81	5.26	54.46
March	2.29	2.25	3.95	4.60	3.92	67.71	5.92	5.39	53.34
June	-0.02	-0.51	49.43	4.58	3.39	119.07	5.74	5.16	57.93
September	-2.02	-2.19	16.83	2.47	1.13	134.06	5.31	4.73	58.12

Quarter End	Current Returns			Financial YTD			Annualised Return Since Inception		
	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess
	%	%	bps	%	%	bps	%	%	bps
FY 2016									
December	1.68	1.67	0.22	1.68	1.67	0.22	5.36	4.79	56.52
March	0.80	1.26	-46.14	2.48	2.95	-46.70	5.30	4.80	49.64
June	0.80	1.11	-30.92	3.30	4.09	-78.90	5.24	4.79	44.83
September	2.45	2.12	32.85	5.83	6.29	-45.72	5.37	4.89	47.33
FY 2017									
December	-0.46	-0.98	51.92	-0.46	-0.98	51.92	5.17	4.66	51.64
March	3.17	2.92	24.41	2.69	1.91	77.74	5.37	4.84	52.92
June	2.74	2.44	30.00	5.50	4.40	110.45	5.51	4.97	54.69
September	2.61	2.06	54.78	8.25	6.55	170.48	5.64	5.05	58.79
FY 2018									
December	2.24	1.83	40.22	2.24	1.83	40.22	5.72	5.11	61.32
March	-0.55	-0.94	38.21	1.67	0.88	78.91	5.53	4.90	63.49
June	0.26	0.21	5.36	1.94	1.09	84.52	5.43	4.81	62.52
September	1.81	1.54	27.02	3.79	2.65	113.37	5.47	4.84	63.61
FY 2019									
December	-4.69	-3.54	-114.99	-4.69	-3.54	-114.99	4.93	4.41	51.33
March	5.93	5.61	31.25	0.96	1.88	-91.66	5.33	4.79	53.03
June	3.01	3.26	-25.10	4.00	5.20	-119.99	5.47	4.97	49.95
September	1.05	1.27	-21.70	5.10	6.54	-144.08	5.44	4.97	47.15
FY 2020									
December	3.62	3.20	41.90	3.62	3.20	41.90	5.63	5.13	49.64
March	-7.33	-5.51	-182.43	-3.98	-2.48	-149.43	4.90	4.58	32.73
June	8.62	7.57	104.53	4.30	4.90	-60.38	5.46	5.06	39.94
September	3.74	2.98	76.36	8.20	8.03	17.42	5.65	5.20	45.01
FY 2021									
December	6.43	5.50	93.52	6.43	5.50	93.52	6.02	5.51	51.10
March	1.28	0.08	119.45	7.79	5.58	220.73	6.00	5.41	59.10
June	4.00	3.09	90.18	12.10	8.85	324.76	6.19	5.54	64.60
September	-0.31	-0.09	-22.00	11.75	8.75	299.80	6.05	5.44	61.82

Quarter End	Current Returns			Financial YTD			Annualised Return Since Inception		
	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess
	%	%	bps	%	%	bps	%	%	bps
FY 2022									
December	2.97	1.98	99.31	2.97	1.98	99.31	6.16	5.48	67.75
March	-5.69	-5.44	-25.12	-2.89	-3.57	68.04	5.64	5.00	64.44
June	-9.91	-7.81	-209.37	-12.51	-11.10	-140.61	4.83	4.36	47.24
September	-4.59	-4.93	34.58	-16.52	-15.49	-103.41	4.43	3.95	48.73
FY 2023									
December	5.27	5.13	14.43	5.27	5.13	14.43	4.70	4.21	48.99
March	4.74	4.57	16.93	10.27	9.94	32.92	4.93	4.44	49.39
June	2.75	1.53	121.88	13.30	11.62	167.81	5.03	4.46	56.33
September	-2.39	-2.74	34.84	10.59	8.56	202.68	4.80	4.22	57.61
FY 2024									
December	8.08	7.71	36.30	8.08	7.71	36.30	5.21	4.62	59.08
March	4.28	2.42	185.78	12.70	10.32	237.96	5.39	4.69	69.36
June	1.38	0.77	61.16	14.26	11.17	308.72	5.39	4.67	72.03
September	5.74	5.44	29.37	20.81	17.22	359.08	5.65	4.92	72.84
FY 2025									
December	-1.80	-2.36	56.19	-1.80	-2.36	56.19	5.46	4.71	75.07
March	1.27	1.86	-58.69	-0.56	-0.55	-0.40	5.46	4.75	70.68
June	7.30	4.97	232.12	6.70	4.40	230.41	5.79	4.96	82.49
September	4.54	3.35	118.55	11.54	7.90	364.63	5.96	5.08	87.98
FY 2026									
December	2.69	1.99	69.77	2.69	1.99	69.77	6.03	5.12	90.69

Notes:

- (1) Differences in totals are due to rounding.
- (2) In August 2009, International Equities and Fixed Income Securities were added to the HSF portfolio. The performance benchmark for the HSF portfolio became a blended benchmark which comprise, Bank of America/Merrill Lynch US Treasury 1-5 Years Index, US One-month LIBID Index, Barclays US Aggregate, Russell 3000 ex Energy, and MSCI EAFE ex Energy.
- (3) In January 2011, the HSF Portfolio achieved its Strategic Asset Allocation where the portfolio was invested in four assets classes. US Short Duration Fixed Income (25), US Core Fixed Income (40), US Equity (17.5) and Non-US International Equity (17.5).
- (4) With effect from the quarter ended December 2012, the Annualised Returns Since Inception were computed using a geometric average and not the previously used arithmetic average. For comparative purposes, prior period annualized returns since inception shown above were computing using a geometric average.

Appendix II
Heritage and Stabilisation Fund
Portfolio Valuation (USD)

Valuation Date	Net Asset Value	Total Comprehensive Income	Accumulated Surplus & Unrealized Capital Gains/Losses	Contributions / (Withdrawals)
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Annual Portfolio Valuation

September 30,2007	1,766,200,701	41,966,361	41,966,361	321,706,043
September 30,2008	2,888,421,556	68,412,770	110,379,131	1,054,174,457
September 30,2009	2,964,686,478	76,248,691	186,755,766	-
September 30,2010	3,621,984,041	177,645,460	364,361,226	477,344,263
September 30,2011	4,084,016,158	9,715,841	374,074,067	451,400,519
September 30,2012	4,712,376,278	420,693,705	794,770,772	207,550,846
September 30,2013	5,154,027,747	399,007,950	1,193,778,722	42,414,251
September 30,2014	5,533,425,248	379,167,024	1,572,945,746	-
September 30,2015	5,655,143,565	120,639,605	1,693,585,351	-
September 30,2016	5,584,246,290	305,452,096	1,999,037,447	(375,050,860)
September 30, 2017	5,762,544,777	429,475,446	2,428,512,893	(252,548,048)
September 30, 2018	5,965,847,092	203,717,910	2,632,230,803	-
September 30, 2019	6,255,349,599	288,837,111	2,921,067,914	-
September 30, 2020	5,731,799,397	457,090,777	3,378,158,691	(979,853,158)
September 30, 2021	5,463,893,835	624,178,449	4,002,337,140	(892,714,533)
September 30, 2022	4,712,444,758	(913,456,918)	3,088,880,222	163,994,499
September 30, 2023	5,390,162,369	494,627,143	3,583,507,365	182,213,278
September 30, 2024	6,087,864,395	1,066,041,442	4,649,548,807	(369,946,835)
September 30, 2025	6,341,323,772	663,959,048	5,313,507,855	(410,775,703)

Quarterly Portfolio Valuation

September 30, 2016	5,584,246,290	129,645,559	1,999,037,447	-
December 31, 2016	5,555,039,859	(29,605,256)	1,969,432,191	-
March 31, 2017	5,473,047,983	170,609,885	2,140,042,076	(252,548,048)
June 30, 2017	5,619,311,033	146,006,897	2,286,048,973	-
September 30, 2017	5,762,544,777	142,463,920	2,428,512,893	-
December 31, 2017	5,888,599,170	124,900,387	2,553,413,280	-
March 31, 2018	5,852,789,288	(36,468,342)	2,516,944,938	-
June 30, 2018	5,863,070,206	12,336,541	2,529,281,479	-
September 30,2018	5,965,847,092	102,949,324	2,632,230,803	-

Appendix II
Heritage and Stabilisation Fund
Portfolio Valuation (USD)

Valuation Date	Net Asset Value	Total Comprehensive Income	Accumulated Surplus & Unrealized Capital Gains/Losses	Contributions / (Withdrawals)
Quarterly Portfolio Valuation				
December 31, 2018	5,683,219,683	(486,810,763)	2,349,137,950	-
March 31, 2019	6,016,429,263	333,123,750	2,682,261,700	-
June 30, 2019	6,194,328,757	177,424,921	2,859,686,621	-
September 30, 2019	6,255,349,599	61,381,293	2,921,067,914	-
December 31, 2019	6,478,340,872	222,180,512	3,143,248,426	-
March 31, 2020	5,925,283,653	(473,394,404)	2,669,854,022	(79,853,158)
June 30, 2020	5,817,072,795	493,393,358	3,163,247,380	(600,000,000)
September 30, 2020	5,731,799,397	214,911,311	3,378,158,691	(300,000,000)
December 31, 2020	5,888,114,410	355,398,920	3,733,557,611	(198,943,283)
March 31, 2021	5,661,689,420	67,788,202	3,801,345,814	(293,771,250)
June 30, 2021	5,583,193,276	220,867,117	4,022,212,931	(300,000,000)
September 30, 2021	5,463,893,835	(19,875,791)	4,002,337,140	(100,000,000)
December 31, 2021	5,623,159,544	158,986,912	4,161,324,052	-
March 31, 2022	5,299,527,705	(323,446,707)	3,837,877,345	-
June 30, 2022	4,771,488,412	(527,955,978)	3,309,921,367	-
September 30, 2022	4,712,444,758	(221,041,145)	3,088,880,222	163,994,499
December 31, 2022	5,139,740,767	245,008,297	3,333,888,519	182,213,278
March 31, 2023	5,380,057,262	240,193,741	3,574,082,260	-
June 30, 2023	5,525,021,764	144,766,607	3,718,848,867	-
September 30, 2023	5,390,162,369	(135,341,502)	3,583,507,365	-
December 31, 2023	5,658,630,256	429,165,650	4,012,673,015	(160,383,699)
March 31, 2024	5,897,953,874	238,314,454	4,250,987,469	-
June 30, 2024	5,761,305,038	71,938,586	4,322,926,055	(209,563,136)
September 30, 2024	6,087,864,395	326,622,752	4,649,548,807	-
December 31, 2024	5,826,240,228	(111,281,442)	4,538,267,365	(150,000,000)
March 31, 2025	5,896,583,736	70,178,311	4,608,445,676	-
June 30, 2025	6,322,918,847	425,928,646	5,034,374,322	-
September 30, 2025	6,341,323,772	279,133,533	5,313,507,855	(260,775,703)
December 31, 2025	6,254,941,887	164,210,954	5,477,718,809	(250,000,000)

Appendix III

Summary Characteristics of Composite Benchmarks

Fixed Income Benchmarks

Key Characteristics	Bloomberg US Aggregate Bond Index	ICE Bank of America 1-5 Year US Treasury Index
Total Holdings	13940	155
Coupon (%)	3.65	3.05
Duration (Years)	5.98	2.54
Average Life (Years)	8.20	2.71
Yield to Maturity (%)	4.32	3.56
Option Adjusted Spread (bps)	27	-2
Average Rating (S&P)	AA	AA+
Minimum Rating (S&P)	BBB	AA+

Equity Benchmarks

Key Characteristics	Russell 3000 (ex-Energy)	MSCI EAFE (ex-Energy)
Total Holdings	2,821	670
Earnings Per Share (EPS Growth 3-5yr fwd.)	13.1	6.73
Price Earnings (P/E fwd.)	24.2	17.16
Price / Book (P/B)	4.8	2.20
Weighted Average Market Capitalisation* (Bn)	1,293.6	105.4

*Market capitalisation is a measurement of the size of a company (share price x the number of outstanding shares). The weighted average market capitalisation of a stock market index represents the average size of the firms comprising the index where each is weighted according to its market capitalisation.

Appendix IV

Summary of the Fund's Net Asset Value by Mandate

/US\$ Million/

	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Total Fund Value	5,826	5,897	6,323	6,341	6,255
Total Value of Equity	3,032	3,036	3,421	3,386	3,518
US Core Domestic Equity	1,747	1,655	1,847	1,726	1,770
Non-US Core International Equity	1,285	1,381	1,574	1,660	1,748
Total Value of Fixed Income	2,794	2,860	2,900	2,953	2,736
US Short Duration Fixed Income	1,053	1,075	1,091	1,104	867
US Core Domestic Fixed Income	1,740	1,785	1,809	1,849	1,869
Total Value of Operating Cash	1	0.4	2	2	1

NB: Differences in totals are due to rounding.

Appendix V
HSF Portfolio and SAA Benchmark Quarterly Returns
/per cent/

