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Singapore Equity Market Development Programme (EQDP) Research Dossier

Capital Flow Analysis & Beneficiary Identification

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Institutional-grade research dossier covering Singapore's landmark S$6.5 billion EQDP programme — the largest coordinated effort to revitalize Singapore's equity market in the exchange's history.

Disclaimer: This report is for informational purposes and reflects analysis based on publicly available information. It does not constitute investment advice. All data is sourced from MAS, SGX, company filings, and reputable financial media. No financial data has been fabricated. Readers should conduct their own due diligence.

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Executive Summary

This dossier relies exclusively on primary sources (MAS announcements, SGX filings, company reports) and reputable financial media. All data points are sourced and cited. Where data is unavailable or varies across sources, this is explicitly flagged. Cross-check all figures with Bloomberg/Capital IQ before investment decisions.

1.1 The Thesis

The Monetary Authority of Singapore (MAS) has committed **S$6.5 billion** to the Equity Market Development Programme (EQDP), a first-of-its-kind initiative that channels government capital through nine appointed asset managers to invest in Singapore-listed equities, with an **explicit preference for small and mid-cap (SMID-cap) stocks**. This is the largest coordinated effort to revitalize Singapore's equity market in the exchange's history.

The EQDP creates a structural demand shock in a market segment — SGX SMID-caps — that has historically suffered from chronic underinvestment, thin liquidity, and limited analyst coverage. The capital injection triggers a virtuous flywheel:

EQDP Capital $\rightarrow$ **Improved Liquidity** $\rightarrow$ **Institutional Discovery** $\rightarrow$ **Analyst Coverage** $\rightarrow$ **Valuation Re-rating** $\rightarrow$ **Further Capital Inflows**

This dynamic is most powerful in the SMID-cap segment, where lower free float means incremental buying has outsized price impact, institutional ownership was historically low, and limited analyst coverage meant many quality companies were invisible to global investors.

1.2 Programme Status (as of 20 February 2026)

Metric	Value
Total programme size	**S$6.5 billion**
Capital allocated to date (9 asset managers, 2 batches)	**S$3.95 billion**
Capital remaining	**S$2.55 billion**
Third batch expected	**Mid-2026**
STI performance in 2025	+23%
iEdge Singapore Next 50 performance in 2025	**+25%**
SMID-cap institutional inflows (Jan–Aug 2025)	**S$425 million net**
SMID-cap turnover growth (Q3 2025 QoQ)	**+88%**
Consecutive months of positive net institutional inflows	**9 months**

1.3 Key Findings

1. **The EQDP is already working.** Nine consecutive months of positive net institutional inflows into SMID-caps since the February 2025 announcement, with aggregate inflows of S$425 million. Average daily SMID-cap turnover is up 50% YoY.
2. **The SMID-cap universe has begun to outperform.** The iEdge Singapore Next 50 Index rose ~25% in 2025, beating the STI's 21% gain, after gaining only 7% from 2020–2024.
3. **S$2.55 billion of dry powder remains.** With the Budget 2026 expansion from S$5B to S$6.5B and a third batch of managers expected mid-2026, the deployment cycle has significant runway.
4. **Fund manager mandates explicitly favor SMID-caps.** Allocations range from 30–50% in SMID-caps across managers, with Amova launching a dedicated SMID-cap-only fund.
5. **Global precedents suggest multi-year impact.** Japan's GPIF shift (2014) took 10+ years to fully play out; Korea's Value-Up (2024) is still in early innings.
6. **Risks are real.** Citi has warned of a "liquidity trap" — sustainability of flows is uncertain once funds are fully deployed. Some EQDP beneficiaries are already trading at stretched valuations.

1.4 Top 15 Ranked SMID-Cap Beneficiaries

Tier	#	Stock	Ticker	Key Signal	P/E	Yield
1	1	ComfortDelGro	C52	3 research house picks; 5.1% Next 50 weight	14.6x	5.4%
1	2	iFAST Corp	AIY	Inst. ownership 35%→52%; fintech play	34.3x	0.9%
1	3	CSE Global	544	2 house picks; 63% profit growth	12.2x	2.7%
1	4	Frencken Group	E28	2 house picks; ASML/semiconductor exposure	14.5x	2.1%
1	5	Food Empire	F03	+93% in 1H25; 7.2x P/E with 19.3% ROE	7.2x	5.1%
2	6	Valuetronics	BN2	S$180M inst. inflows Q3 2025; 2.6x EV/EBITDA	9.3x	5.1%
2	7	StarHub	CC3	3 research house picks; 5.4% dividend yield	13.1x	5.4%
2	8	YZJ Financial	YF8	S$154M inst. inflows; ADT up 6.6x; 5x P/E	5–7x	5.9%
2	9	UMS Integration	558	AI/semiconductor play; 4.5% liquidity weight	23x	3.7%
2	10	SIA Engineering	S59	+31.2% in 1H25; strongest mid-cap performer	26.1x	3.1%
3	11	Parkway Life REIT	C2PU	Defensive healthcare; 15+ yrs DPU growth	26.0x	3.7%
3	12	Centurion Corp	OU8	+65% 1H25; niche accommodation play	3.5x	2.2%
3	13	Sheng Siong	OV8	Consumer staple; 25% ROE	23.0x	3.1%
3	14	Riverstone	AP4	Cleanroom glove leader; 7%+ yield	17x	8.5%
3	15	Marco Polo Marine	5LY	Offshore wind pivot; Lion Global holds 3.56%	9x	1.2%

EQDP Programme Overview

2.1 What Is the EQDP?

Full Name: Equity Market Development Programme (EQDP)

Administering Body: Monetary Authority of Singapore (MAS), funded by MAS and the Financial Sector Development Fund (FSDF). GIC and Temasek are **not** involved in administering the EQDP.

Mandate: To strengthen Singapore's local fund management ecosystem, increase investor participation in Singapore-listed equities (particularly SMID-caps), improve liquidity and research coverage, and catalyze third-party capital flows into Singapore equities alongside government seeding.

Source: MAS — EQDP Official Page

2.2 Timeline of Key Events

Date	Event
2 Aug 2024	MAS sets up Equities Market Review Group, chaired by Minister Chee Hong Tat
Aug 2024	Review Group convenes inaugural meeting; identifies priority workstreams
21 Feb 2025	Review Group announces first set of measures, including **S$5 billion EQDP** launch
21 Jul 2025	MAS appoints **first batch of 3 EQDP managers** with **S$1.1 billion** allocation
Sep 2025	SGX launches **iEdge Singapore Next 50 Index** to broaden SMID-cap visibility
Oct 2025	Avanda Singapore Discovery Fund launches (first EQDP fund to go live)
19 Nov 2025	Review Group completes final report. MAS appoints **second batch of 6 managers** with **S$2.85 billion**. SGX-Nasdaq Dual Listing Bridge and S$30M Value Unlock Programme announced
9 Jan 2026	Inaugural Singapore Equities Forum 2026. MAS Board Member Alvin Tan delivers "EQDP Reawakening 2026" speech

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Date	Event
12 Feb 2026	PM Lawrence Wong announces in **Budget 2026** expansion of EQDP from S$5B to **S$6.5B** (+S$1.5B)

Sources: MAS — Review Group (Aug 2024) | MAS — First Batch (Jul 2025) | MAS — Final Report (Nov 2025) | MAS — Expansion (Feb 2026)

2.3 Capital Committed and Deployment Status

Metric	Amount
Original programme size (Feb 2025)	S$5.0 billion
Budget 2026 expansion (Feb 2026)	+S$1.5 billion
Total programme size	**S$6.5 billion**
Batch 1 allocation (Jul 2025, 3 managers)	S$1.10 billion
Batch 2 allocation (Nov 2025, 6 managers)	S$2.85 billion
Total allocated	**S$3.95 billion**
Remaining unallocated	**S$2.55 billion**
Third batch expected	Mid-2026

Note: Per-manager allocation amounts within each batch have NOT been publicly disclosed by MAS.

2.4 Eligibility Criteria for Fund Managers

Based on MAS disclosures, the selection criteria include:

1. **Singapore-based:** Must be based in Singapore or have substantial Singapore operations
2. **Strong track record:** Proven investment track record and capabilities in Singapore equities
3. **Strategy alignment:** Proposed strategies must focus on improving liquidity and broadening participation, with significant allocation to SMID-cap stocks
4. **Third-party capital attraction:** Must demonstrate ability to crowd in commercial investor capital

alongside EQDP seeding

5. **Developmental commitment:** Must commit to expanding asset management and research capabilities in Singapore
6. **Actively managed only:** Passive or index-tracking strategies are explicitly ineligible

2.5 Investment Guidelines

Official MAS Guidance:

- Strategies must invest fully or substantially in Singapore public equities
- Strategies with a higher allocation or tilt towards SMID-cap stocks are preferred (no minimum % mandated)
- Must be actively managed
- MAS does not make day-to-day investment decisions; managers have full discretion

Market Cap Definitions (SGX convention):

- Small-cap: S$100 million to S$1 billion
- Mid-cap: S$1 billion to S$3 billion

ASEAN Allocation: Macquarie Equity Research (citing industry contacts) reports EQDP mandates may hold ASEAN ex-Singapore stocks up to approximately 40%. This is *not* confirmed in official MAS documents.

Fund Manager Ecosystem

3.1 Batch 1 — July 2025 (S$1.1 Billion Combined)

3.1.1 Avanda Investment Management

Attribute	Detail
Fund	Avanda Singapore Discovery Fund
Launch	October 2025
Style	Active, fundamental, bottom-up
Themes	Value-Up, Local Champions, Turnaround
Cap Focus	~50% mid-cap (US$500M–US$5B); remainder large-cap with smaller small-cap allocation
Holdings	25–35 stocks
Return Target	~15% absolute over 3–5 years
Availability	Accredited/institutional investors only
Leadership	Ng Kok Song (ex-GIC CIO, 42 years at GIC); PMs: Richard Chan, Sherman Lim
Disclosure	**Holdings not disclosed.** Avanda has explicitly declined to reveal holdings

3.1.2 Fullerton Fund Management

Attribute	Detail
Fund	Fullerton Singapore Value-Up (FSGV)
Launch	Q4 2025
Style	Active, high-conviction, catalyst-driven value engagement
Approach	Engages companies on restructuring, divestments, buybacks, dividends

Holdings	20–40 stocks; benchmark: FTSE Straits Times All-Share Total Return Index
Cap Focus	~30% in SMID-cap (market cap below S$10 billion)
Availability	**First retail fund** under EQDP

Disclosed Top 5 Holdings:

Stock	Weight
DBS Group Holdings	21.9%
OCBC	11.7%
UOB	8.3%
Singapore Telecommunications	7.4%
CapitaLand Integrated Commercial Trust	4.9%

Also acquired 219,300 shares in **iFAST Corporation** (SGX filing, 2 October 2025).

3.1.3 JP Morgan Asset Management

Attribute	Detail
Fund	JPMorgan Singapore & Asia Equity Income Fund
Launch	January 2026
Style	Equity income with options overlay
Geographic Split	~50% Singapore equities (all caps), ~50% Asia ex-Japan
Themes	China/India recovery, Asia Pacific tech

3.2 Batch 2 — November 2025 (S$2.85 Billion Combined)

3.2.1 Amova Asset Management (formerly Nikko AM)

Attribute	Detail
Funds	**TWO strategies** (only EQDP manager with two): 1) Singapore All Share Strategy; 2) Singapore Small Mid Cap Strategy
Launch	Q1 2026
Style	Bottom-up, value-oriented, fundamental research
Approach	Hidden assets, non-core divestment potential, ROE improvement; 3-year horizon
SMID Fund	30–50 stocks, pure-play SMID-cap
Sector Focus	“New Singapore” theme: technology, data, logistics, renewable energy, new services

3.2.2 Other Batch 2 Managers

Manager	SMID %	Key Detail
AR Capital	Not disclosed	Growth/secular trends; founded by Leong Wah Kheong (ex-Schroders CIO Asia Pacific)
BlackRock	Not disclosed	**Least information disclosed** of all 9 managers; fund name and strategy TBD
Eastspring Investments	Not disclosed	Prudential plc arm (~US$286B AUM); income and growth focused
Lion Global Investors	~40%	OCBC-linked; 5-star Morningstar rating (Nov 2025)
Manulife IM	~40%	Benchmark-agnostic, bottom-up; ~60% large-cap, ~40% SMID

3.2.3 Lion Global — Disclosed Top 10 Holdings

Stock	Ticker	Weight
DBS Group Holdings	D05	16.61%
Sea Limited	SE	11.61%
OCBC	O39	5.82%
Singtel	Z74	4.94%

Grab Holdings	GRAB	4.44%
CSE Global	544	3.72%
Marco Polo Marine	5LY	3.56%
Keppel	BN4	3.02%
Riverstone Holdings	AP4	2.32%
Yangzijiang Shipbuilding	BS6	2.28%

Highlighted rows indicate SMID-cap names in our Top 15 ranking.

3.3 Implied SMID-Cap Capital Deployment

Conservative estimate: Approximately **S$1.2–1.8 billion** of the S$3.95 billion already allocated is likely earmarked for SMID-cap deployment, with additional SMID-cap capital from the S$2.55 billion yet to be allocated.

This is an analytical estimate based on disclosed percentages. Actual deployment depends on manager discretion, market conditions, and available opportunities.

Multi-Factor Scoring Framework

4.1 Methodology

The ranking framework uses five factors, weighted to reflect the EQDP-driven investment thesis:

Factor	Weight	Rationale
EQDP Flow Sensitivity	30%	How much would incremental EQDP buying move this stock? Liquidity weight vs. market-cap weight; average daily turnover; institutional ownership gap
Research House Consensus	20%	Number of houses identifying the stock as EQDP beneficiary (out of 6 surveyed); confirmed EQDP fund holdings
Fundamental Quality	25%	Revenue/earnings growth trajectory; ROE; balance sheet strength
Index Membership	15%	Next 50 constituent (Y/N); Next 50 weight; FTSE ST Mid/Small Cap member
Theme Alignment	10%	Alignment with “New Singapore” themes (technology, data, logistics, renewables); corporate governance quality

4.2 Thematic Clusters

4.2.1 Value Plays (Low P/E, Strong Fundamentals)

- **Food Empire** (7.2x P/E, 19.3% ROE) — Russia risk discount
- **Valuetronics** (9.3x P/E, 12.0% ROE) — China manufacturing discount
- **Yangzijiang Financial** (5–7x P/E, zero debt) — opacity/governance discount

4.2.2 Income Plays (High Yield, Stable Cash Flows)

- **Riverstone Holdings** (7%+ yield, cleanroom glove niche)

- **ComfortDelGro** (5.4% yield, essential transport)
- **StarHub** (5.4% yield, telco + enterprise)

4.2.3 Growth Plays (Earnings Momentum)

- **iFAST Corporation** (135.7% profit growth, fintech platform)
- **CSE Global** (63.2% profit growth, energy sector)
- **SIA Engineering** (44% profit growth, aviation MRO)

4.2.4 Semiconductor / Technology Plays

- **Frencken Group** (ASML/EUV supplier)
- **UMS Integration** (Applied Materials supplier) — *valuation stretched*
- **Valuetronics** (AI electronics manufacturing)
- **Riverstone Holdings** (cleanroom gloves for semiconductor fabs)

Individual Stock Deep-Dives (Top 15)

5.1 Rank 1: ComfortDelGro (SGX: C52)

Business: One of the world's largest land transport companies, operating 40,000+ buses, taxis, and rental vehicles across seven countries. Key operations in Singapore (SBS Transit, ComfortDelGro taxis, Downtown Line), Australia (A2B acquisition, CDC buses), and UK (Addison Lee).

Metric	FY2024	FY2023	Change
Revenue	S$4.48B	S$3.90B	+15%
Net Profit	S$210.5M	S$180.0M	+17%
ROE	8.70%	—	—
Dividend Yield	~5.4%	—	—
Trailing P/E	14.6x	—	Below 10-yr avg of 17–18x
EV/EBITDA	6.15x	—	—

EQDP Thesis: 3 of 6 research houses picked C52 (tied for most). At 5.1% of the Next 50 Index, any passive or index-aligned EQDP buying is heavily weighted. The ~5.4% dividend yield combined with mid-teens earnings growth makes it attractive to income-oriented EQDP mandates (e.g., JPMorgan's Equity Income Fund).

Key Risks: Regulatory risk in public transport contracts; taxi/private-hire structural decline (Grab/Gojek); A2B Australia integration risk; AV disruption; multi-currency exposure (AUD, GBP, CNY).

5.2 Rank 2: iFAST Corporation (SGX: AIY)

Business: Asia's largest independent digital wealth management platform with AUA of S$31.98B (end-2025). Operations in Singapore, HK, Malaysia, China, UK. Won HK Government ePension platform contract. UK digital bank turned profitable Q4 2024.

Metric	FY2024	FY2023	Change
Net Revenue	S$248.4M	S$161.7M	+53.6%
Net Profit	S$66.6M	S$28.3M	+135.7%
AUA	S$25.01B	S$19.82B	+26.2%
ROE	24.45%	—	Record-high
Trailing P/E	34.3x	—	Mid-range for its history
Forward P/E	25.0x	—	—

EQDP Thesis: Quintessential "New Singapore" fintech story. Institutional ownership surged from 35% to 52% in 6 months — direct evidence of EQDP accumulation. Fullerton confirmed holding (SGX filing). Macquarie + DBS picks. 5.3% liquidity weight in Next 50.

Key Risks: Premium valuation (34x P/E); HK ePension execution risk; UK digital bank competition; market-dependent AUA revenue model; multi-jurisdictional regulatory exposure.

5.3 Rank 3: CSE Global (SGX: 544)

Business: Leading systems integrator providing mission-critical communication, SCADA, process automation, and cybersecurity solutions for oil & gas, mining, infrastructure, and industrial sectors globally. FY2024 revenue crossed S$800M for the first time.

Metric	FY2024	FY2023	Change
Revenue	S$861.2M	S$725.1M	+18.8%
Net Profit (pre-exceptional)	S$36.8M	S$22.5M	+63.2%
Trailing P/E	~12.2x	—	—
Analyst Target	S$0.85	—	~28% upside

EQDP Thesis: UOB Kay Hian + RHB picks. Lion Global confirmed holding (3.72%). Liquidity weight (2.7%) is 2.25x market-cap weight (1.2%) — very actively traded. Strong earnings momentum with record revenue.

Key Risks: Project-based revenue lumpiness; oil & gas cyclicality; thin margins (4.3% net); litigation risk (FY2024 arbitration); M&A integration.

5.4 Rank 4: Frencken Group (SGX: E28)

Business: Technology manufacturer and Tier-1 supplier to ASML (EUV lithography systems). Also serves analytical & life sciences, medical, automotive, and industrial automation. Semiconductor segment grew 29.4% YoY. Net cash of S$71.8M.

Metric	FY2024	FY2023	Change
Revenue	S$794.3M	S$743.0M	+6.9%
Net Profit	S$37.1M	S$32.5M	+14.3%
Trailing P/E	~14.5x	—	Up from 11.6x
Net Cash	S$71.8M	—	—
Analyst Target	S$1.77	—	~25% upside

EQDP Thesis: UOB Kay Hian + RHB picks. Liquidity weight (3.6%) is 4x market-cap weight (0.9%) — extremely liquid for its size. ASML/EUV structural growth story aligns with Amova's "New Singapore" technology theme.

Key Risks: ASML customer concentration; semiconductor cyclicality (2H FY2024 declined 7%); thin margins; geopolitical risk (Dutch/US export controls to China).

5.5 Rank 5: Food Empire Holdings (SGX: F03)

Business: Global F&B manufacturing and distribution company. Market leader in instant coffee ("MacCoffee," "Klassno") across Russia/CIS (~50% of revenue), Southeast Asia, and the Middle East. Operations in 60+ countries.

Metric	FY2024	FY2023	Change
Revenue	US$476.3M	US$425.5M	+11.9% (record)
Normalised NPAT	US$50.0M	US$56.5M	-11.4%
Trailing P/E	7.18x	—	Extremely cheap
EV/EBITDA	4.54x	—	—
ROE	19.28%	—	Strong
Cash	US$130.9M	—	—

EQDP Thesis: UOB Kay Hian pick. **Best-performing FTSE ST Small Cap stock in 1H25 (+93%).** At 7.2x P/E with 19.3% ROE and 4.5x EV/EBITDA, offers extraordinary value-growth combination. Fortune SE Asia 500 recognition raised international profile.

Key Risks: Russia/CIS geopolitical risk (~50% of revenue — single biggest risk factor); RUB/VND/MYR currency exposure; rising input costs; post-re-rating risk after +93% surge.

5.6 Tier 2 Stocks: Ranks 6–10

5.6.1 Rank 6: Valuetronics (SGX: BN2)

EMS/ODM company shifting to higher-margin AI electronics and automotive. S$180 million in Q3 2025 institutional inflows — among strongest EQDP flow signals. 9.3x P/E, 1.07x P/B, 2.6x EV/EBITDA. FY2025 profit +6.8% with margin expansion (15.6%→16.8%).

Risk: China manufacturing exposure (Shenzhen); customer concentration; small market cap.

5.6.2 Rank 7: StarHub (SGX: CC3)

Singapore's #2 telco with growing enterprise ICT/cybersecurity business. 3 of 6 research house picks (tied with ComfortDelGro). 5.4% dividend yield; ROE 18.6%; profit +7.7%. Attractive to income-oriented EQDP mandates.

Risk: Mature telco market; high leverage (D/E 1.80x); pay-TV secular decline; 5G capex uncertainty.

5.6.3 Rank 8: Yangzijiang Financial (SGX: YF8)

Financial holding company with maritime investment portfolio. Highest net institutional inflow in small-cap universe (S$154.3M); ADT surged 6.6x. Zero debt; ~5x P/E; ~1x P/B.

Risk: Opaque investment portfolio; China VC fund exposure; governance concerns; low ROE (6.9%); fair value gain sustainability.

5.6.4 Rank 9: UMS Integration (SGX: 558)

Precision engineering supplier to Applied Materials. AI/semiconductor play with 4.5% liquidity weight. UOB KH + DBS picks.

Risk Warning

Valuation Concern: Trading at ~23x trailing P/E vs. 10-year average of ~11.5x — more than double historical. Citi has flagged this as a "liquidity trap" risk. Investors are paying peak multiples on trough earnings.

5.6.5 Rank 10: SIA Engineering (SGX: S59)

Leading Asia-Pacific aviation MRO provider. Top-performing FTSE ST Mid Cap in 1H25 (+31.2%). Revenue +13.8%, profit +44%; margin expansion 9.2%→12.0%. DBS pick.

Risk: Premium valuation (26x P/E, 15.5x EV/EBITDA); SIA parent dependency; cyclical aviation demand.

5.7 Tier 3 Stocks: Ranks 11–15

#	Stock	Ticker	P/E	ROE	Yield	EQDP Thesis
11	Parkway Life REIT	C2PU	26x	5.5%	3.7%	Defensive healthcare anchor; 15+ years DPU growth; 3.8% Next 50 weight. Macquarie + DBS picks.
12	Centurion Corp	OU8	3.5x	26%	2.2%	RHB pick; +65% 1H25; niche accommodation. Headline P/E misleading (fair value gains). Below book value.
13	Sheng Siong	OV8	23x	25%	3.1%	Consumer staple; 3.7% Next 50 weight. UOB KH pick. Premium valuation limits upside (~4% analyst upside).
14	Riverstone	AP4	17x	17.6%	8.5%	Cleanroom glove niche; semiconductor supply chain. Lion Global holds 2.32%. Exceptional yield.
15	Marco Polo Marine	5LY	9x	10.5%	1.2%	Offshore wind pivot (CSOV); Lion Global holds 3.56%. UOB KH pick. Micro-cap; FY2025 +170% profit includes one-offs.

Global Comparable Programs

6.1 Comparative Summary

Dimension	Japan (GPIF + BOJ)	S. Korea (Value-Up)	China (National Team)	HK (Stock Connect)	Singapore (EQDP)
Type	Pension reallocation + central bank ETF buying	Governance reform + tax incentives	Sovereign fund stabilization	Cross-border market infrastructure	Central bank-funded manager mandates
Capital	GPIF: USD 1.87T; BOJ: JPY 37T in ETFs	No direct capital; regulatory reform	~RMB 6T (Sep 2025)	HK$5T+ cumulative southbound	S$6.5B
Impact	Nikkei broke 1989 high (Feb 2024); TOPIX ~14% CAGR since 2012	KOSPI +76% in 2025 (best global)	Short-term vol reduction; long-term distortion	HSI near-record; 1/3 of HK turnover	Early stage; Next 50 +25% in 2025
SMID Impact	BOJ heavily favored large caps	Samsung/SK Hynix dominated	Primarily CSI 300 (large-cap)	Concentrated in large-cap tech	**Explicitly targets SMID segment**
Exit Risk	BOJ: 100+ year divestment timeline	Voluntary; chaebol resistance	Net seller Jan 2026 for first time	Market-driven; sustainable	Manager mandates; cleaner exit

6.2 Key Lessons for Singapore

1. **The SMID-cap gap is universal.** Every program studied has had its impact concentrated in large caps. Singapore's EQDP is unique in explicitly targeting SMID-caps.
2. **Capital injection + governance reform produces the most durable results.** Japan's transformation combined GPIF capital with governance codes. Singapore's EQDP + Value Unlock + GEMS mirrors this dual approach.
3. **Exit strategy matters.** The BOJ faces 100+ year divestment. China's National Team disrupted markets when it became a net seller. EQDP's asset manager mandate structure has cleaner exit mechanisms.
4. **Time horizons are long.** Japan: 10+ years from GPIF shift to Nikkei all-time high. Korea: still early innings. Investors should approach EQDP as a 3–5 year thesis minimum.

5. **Smaller scale reduces distortion risk.** EQDP is <1% of SGX market cap vs. BOJ at 7% and China at 6%. However, concentration on SMID-caps means effective penetration within the target segment is materially higher.

Regulatory Tailwinds & Adjacent Programs

7.1 Complementary Programs

Programme	Amount	Purpose	Status
GEMS (Grant for Equity Market SG)	S$50M	Boost equity research coverage; subsidies for research reports	Launched Jul 2025
Value Unlock Programme	S$30M	Help listed companies enhance IR, strategy, capital optimisation	Launched Nov 2025
SGX-Nasdaq Dual Listing Bridge	N/A	Simultaneous dual listings (companies >S$2B) via new Global Listing Board	Expected mid-2026
Market Maker Incentives	TBD	Improve liquidity in SMID-cap stocks	Details Q1 2026
Custody Modernisation	N/A	Move to global-standard custodian model to reduce friction for foreign institutions	In progress

7.2 Board Lot Size Reduction

Consultation published: 23 January 2026 | **Implementation:** Mid-2026

Security Price	Current Lot	Proposed Lot
Above S$10 but $\leq$ S$100	100 units	**10 units**
Above S$100	100 units	**1 unit**

A stock trading at S$15 currently requires S$1,500 for 1 lot; the new size brings this to S$150, dramatically broadening retail participation.

7.3 The iEdge Singapore Next 50 Index

Launched September 2025. The 50 next-largest companies after the top 30 (STI), with eligibility criteria of minimum 15% free float, S$100M+ market cap, and S$100K+ median daily traded value.

Performance: +25% in 2025, outperforming the STI's +21%, after gaining only +7% from 2020–2024.
This represents a dramatic acceleration tied to the EQDP launch.
S-REITs account for 15 of the 50 constituents (~44% by weight).

7.4 IPO Pipeline

SGX had 13 new listings in 2025 (highest value since 2019), raising ~US$2.5 billion. Notable EQDP-relevant IPOs: Centurion Accommodation REIT (8C8U) and NTT DC REIT (NTDU), both now in the Next 50.

Up to 20 IPOs expected in 2026, supported by EQDP-driven enthusiasm and the SGX-Nasdaq bridge.

Comprehensive Risk Analysis

8.1 Programme Risk

Risk	Prob.	Impact	Mitigants
EQDP scaled back or paused	Low	High	Bipartisan support; expanded in Budget 2026; 100+ manager expressions of interest
Third batch delayed	Mod	Mod	S$3.95B already deployed provides baseline
EQDP funds underperform	Mod	Mod	Multiple managers with diverse strategies reduce concentration risk
Programme objectives not met	Mod	High	If SMID-cap liquidity does not sustain post-deployment, thesis weakens materially

8.2 Citi's "Liquidity Trap" Warning

Risk Warning

Citi analysts have explicitly warned investors to **"beware [of entering into] a liquidity trap."** Key concerns:

1. **Sustainability:** "What is uncertain is if such liquidity will be maintained over the longer-term so as to facilitate eventual exits, especially once the funds are fully deployed"
2. **Thailand precedent:** Citi points to Thailand's Vayupak fund as a comparable where pre-positioning was evident and subsequent liquidity did not persist
3. **Quality dilution:** Risk of chasing lower-quality SMID-caps "at the risk of being left holding the proverbial bag if or when the liquidity party ends"

8.3 Valuation Stretch Risk

Stock	Current P/E	Historical Avg	Premium
UMS Integration	~23x	~11.5x (10-year)	~2.0x
Frencken Group	~14.5x	~11.6x	~1.25x
SIA Engineering	~26.1x	N/A	Premium to sector
Sheng Siong	~23.0x	~20x	~1.15x

8.4 Scenario Analysis

8.4.1 Bull Case: EQDP Flywheel Fully Engages

Third batch deployed on schedule with full S$2.55B. Third-party capital follows (3–5x multiplier, as seen in Japan/Korea). SMID-cap liquidity sustains and attracts global institutional capital. SGX-Nasdaq bridge attracts new listings.

Outcome: Next 50 Index up 30–50% over 18 months; multiple SMID-caps re-rate to regional peer valuations.

8.4.2 Base Case: Gradual, Steady Deployment

Third batch partially deployed. Some third-party capital follows, but more slowly than hoped. Select SMID-caps re-rate, but not broad-based.

Outcome: Next 50 Index up 10–20% over 18 months; top-ranked beneficiaries outperform.

8.4.3 Bear Case: Liquidity Trap Materializes

EQDP capital fully deployed but fails to attract sustained third-party capital. Global risk-off event causes withdrawal. Citi's Thailand Vayupak precedent plays out.

Outcome: Next 50 Index flat to -10% over 18 months; highest-risk names (micro-caps, one-off earners) drop 20–30%.

8.5 Stock-Specific Risk Exposure Matrix

Risk Category	Stocks Most Exposed
Valuation stretch	UMS Integration, SIA Engineering, Sheng Siong
Geopolitical (Russia)	Food Empire (~50% Russia/CIS revenue)
China exposure	Valuetronics, Centurion, YZJ Financial
Semiconductor cyclicality	UMS Integration, Frencken Group
Earnings quality (one-offs)	Centurion Corp, Marco Polo Marine, YZJ Financial
High leverage	StarHub (D/E 1.80x)
Low yield	iFAST (0.9%), Marco Polo Marine (~1.2%)

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