

# Fullerton Dynamic Strategies Fund - Balanced

July 2020

## Investment Objective

The Fund aims to generate medium to long term capital appreciation for investors by investing into various asset classes.

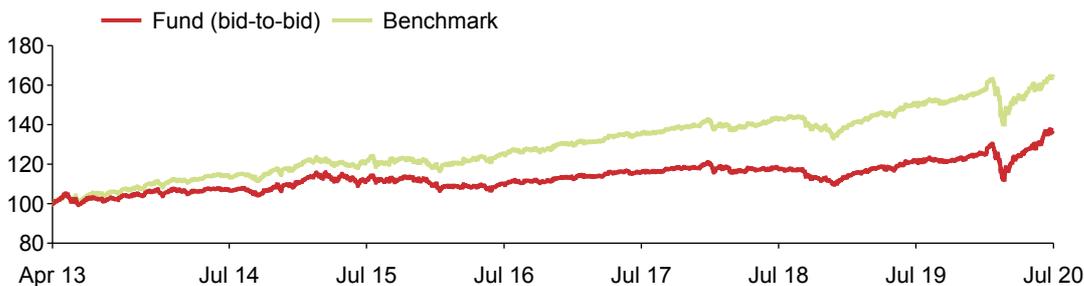
## Investment Focus and Approach

The Fund will invest primarily in collective investment schemes and other investment funds (including exchange traded funds ("ETFs"), real estate investment trusts ("REITs") and other permissible investments), whether actively or passively managed, for exposure to various asset classes, including equities, fixed income, money market, cash, commodities and alternatives (including, without limitation, listed and OTC financial derivative instruments).

The Fund may also invest directly in securities (including but not limited to equities, units of business trusts, bonds and convertible bonds) in accordance with its investment objective and asset allocation strategy, as the Managers deem appropriate.

The long-term strategic percentage mix (or neutral asset allocation) for the Fund is 50% fixed income and 50% equities. The Managers may, from time to time and at their sole discretion, vary the percentage of the Net Asset Value of the Fund that is exposed to the various underlying investments, including the percentage allocation stated above.

## Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
<b>Fund (bid-to-bid)</b>	4.36	10.32	10.03	13.05	5.81	4.20	4.43	5.50
<b>Fund (offer-to-bid)</b>	-0.60	5.06	4.79	7.67	4.11	3.19	3.74	NA
<b>Benchmark</b>	2.68	6.07	3.91	9.08	6.56	6.15	6.98	5.28

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in SGD with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 5% which may or may not be charged to investors.

Benchmark: Composite Benchmark (SGD) - FDSB (50% GBL EQ & 50% GBL FI)

Source : Fullerton Fund Management Company Ltd, Citigroup, MSCI Inc. and Bloomberg.

## Market Review

The DXY or US Dollar Index fell 4.2% in July, although this was largely concentrated against the euro and this was the main catalyst for a risk assets rally. Measured in dollars, the MSCI World Index rose 4.7% in the month, led by gains in emerging markets, while MSCI Asia ex-Japan Index rose 8.0% catalysed by strong performance from onshore Chinese equities at the start of the month. The S&P 500 Index, on the other hand, rose 5.5%. Global bond markets also held up well, as US Treasury yields remained anchored and Asian credit markets gained across both investment grade and high yield space by 2.1% and 2.4% respectively (JPMorgan Asia Credit Index, in US Dollars terms). The weakness in dollar catalysed strong gains in Gold, which rose 10.9% in July.

The Fund continued to deliver positive returns in July, with almost all the asset classes contributing to returns. Equities contributed the most as we remain overweight equities, and increased allocation to Asia markets. Our USD hedge added value as the USD continue to depreciate over the month. Elsewhere, our gold position benefit from the price rally. On the other hand, cash dragged on performance.

## Inception date

17 Apr 2013

## Fund size

SGD 7.89 million

## Base Currency

SGD

## Pricing Date

31 Jul 2020

## NAV\*

SGD 1.37

## Management fee

Currently 1.2% p.a.

## Expense Ratio

2.39% p.a. (For financial year ended 31 Mar 2020)

## Minimum Initial Investment

None

## Minimum Subsequent Investment

None

## Preliminary Charge

Up to 5%

## Dealing day

Daily, up to 5pm (Singapore time)

## Bloomberg Code

FULDSBA SP

## ISIN Code

SG9999010136

The Fund is available for SRS subscription.

## For additional information on Fullerton and its funds, please contact:

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UEN: 200312672W

\* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

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## Investment Strategy

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Looking forward, we remain positive on risk assets, and increasingly tilt towards selective Asian equity markets. Global data continue to rebound, and still surprise market expectations positively. With central banks committing to an extended period of ultra-low or zero interest rate policy due to high unemployment rate and below target inflation rate, low interest rate volatility and an improving credit environment should continue. Notwithstanding our positive stance on risk assets, we are strongly focused on risk management. We continue to be selective in our equity market positioning, in terms of exposure to geographies, sectors and risk factors. We expect such diversification, in addition to investment in other asset classes, to offer additional downside risk protection for the Fund.

## Asset Allocation

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Equities	61%
Fixed Income	28%
Cash and cash equivalents	6%
Commodities	5%

## Top 5 Holdings (Equities, as % of NAV)

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Invesco QQQ Trust Series 1	9.1%
iShares MSCI World UCITS ETF	6.6%
Lyxor MSCI World UCITS ETF	4.4%
iShares MSCI Taiwan ETF	3.1%
Technology Select	3.0%

## Top 5 Holdings (Fixed Income, as % of NAV)

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iShares Global Government Bond	12.7%
iShares Core Glb Agg Bond	9.0%
iShares Asia High Yield Bond	5.8%

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