

Fullerton Asia Income Return Fund - Class C (SGD)

February 2026

Investment Objective

The investment objective of the Fund is to generate regular income and long term capital appreciation for investors by investing in equities, fixed income, cash and other permissible investments.

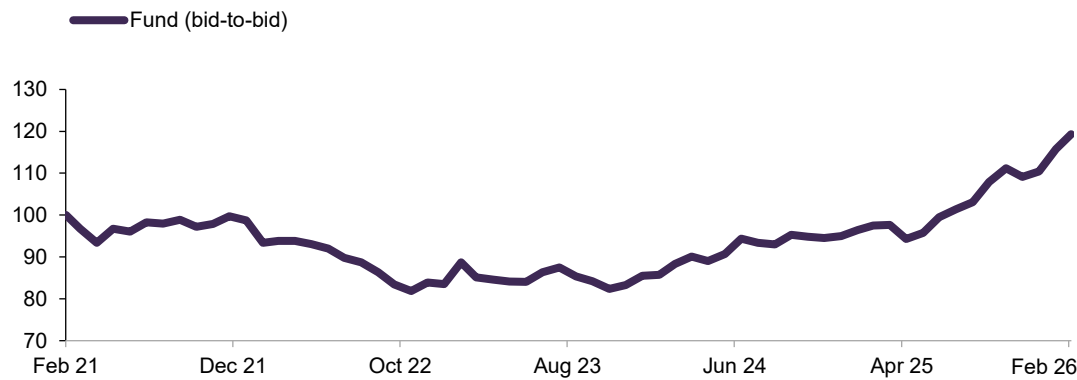
Investment Focus and Approach

The Fund may invest in collective investment schemes and other investment funds (including exchange traded funds ("ETFs")), securities and/or hold cash, in accordance with its investment objective and asset allocation strategy, as we deem appropriate.

We may use Financial Derivative Instruments (FDIs), including, without limitation, treasury, bond or equities futures, interest rate swaps and foreign exchange forwards for hedging, efficient portfolio management, optimising returns or a combination of all three objectives.

The Fund may also invest in other Authorised Investments.

Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	SI. Ann. Ret.	SI. Ann. Vol.
Fund (bid-to-bid)	2.98	9.14	15.41	21.63	11.22	3.63	2.89	8.34
Fund (offer-to-bid)	-0.98	4.94	10.97	16.95	9.77	2.82	2.09	NA

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 4% which may or may not be charged to investors.

Fullerton Total Return Fund (FTRF) updated its name to Fullerton Asia Income Return (FAIR) on 21 December 2017.

Source: Fullerton Fund Management Company Ltd.

Inception date

02 Feb 2021

Fund size

SGD 778.10 million

Base Currency

USD

Pricing Date

28 Feb 2026

NAV*

SGD 1.16

Management fee

Currently 0.60% p.a.

Expense Ratio

0.79% p.a. (For financial year ended 31 Mar 2025)

Minimum Initial Investment

SGD 1 Million

Minimum Subsequent Investment

SGD 1 Million

Preliminary Charge

Up to 4%

Dealing day

Daily, up to 5pm (Singapore time)

Bloomberg Code

FULFTRC SP

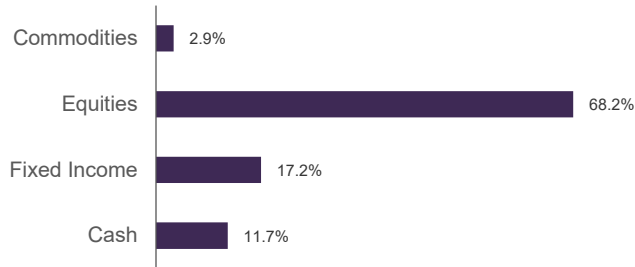
ISIN Code

SG9999010227

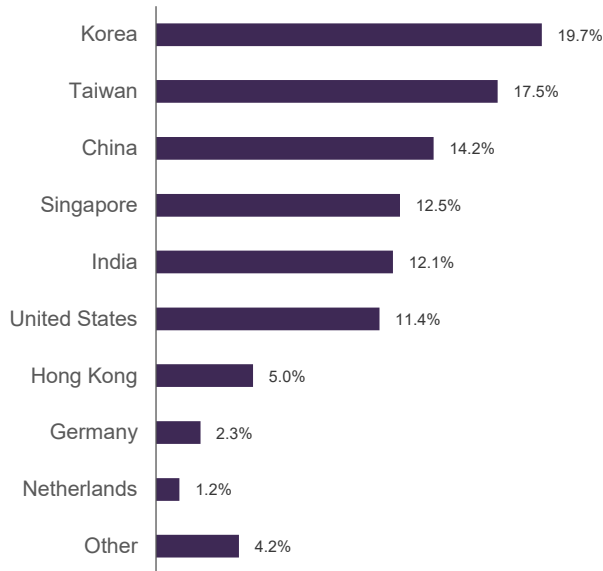
The Fund is available for SRS subscription.

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

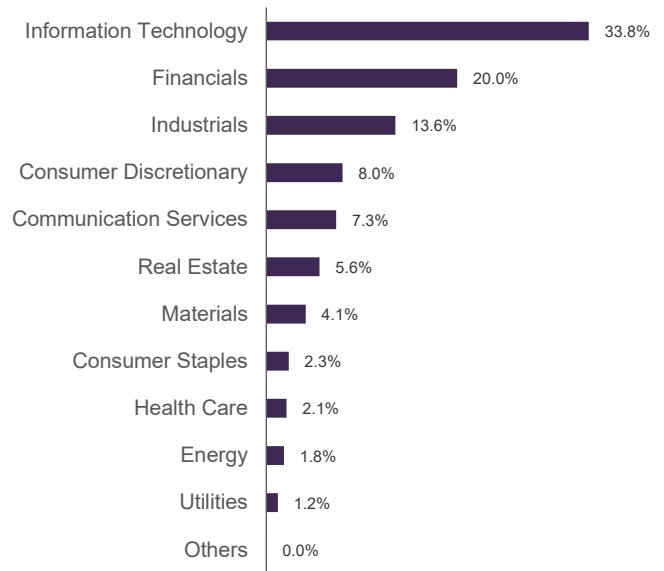
Asset Allocation



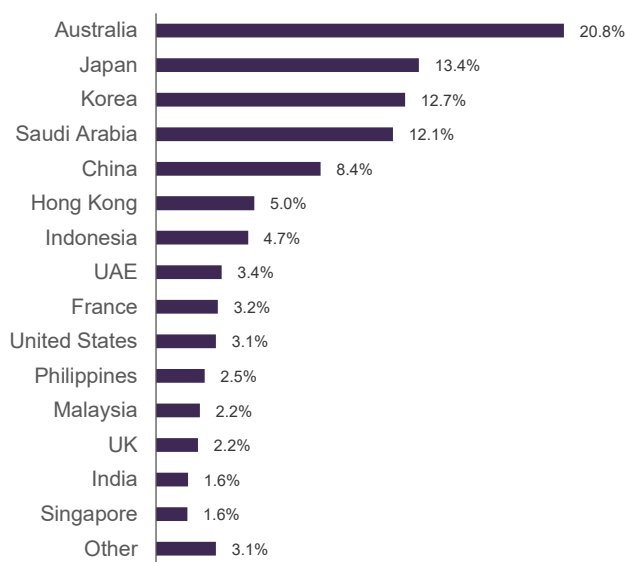
Geographical Breakdown (Equities)



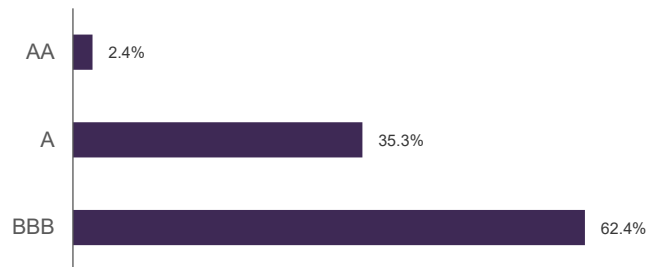
Sector Breakdown (Equities)



Geographical Breakdown (Fixed Income)



Rating Breakdown



Top 5 Holdings (Equities, as % of NAV)

iShares Core MSCI Asia ex Japan ETF	12.9%
Samsung Electronics Co Ltd	3.3%
Taiwan Semiconductor Manufacturing Co Ltd	2.9%
State Street SPDR Straits Times Index ETF	2.3%
Lion-Phillip S-REIT ETF	1.7%

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

SNB Funding Ltd 6.000 Jun 2035	0.5%
Meiji Yasuda Life Insurance Co 6.100 Jun 2055	0.5%
Riyad Sukuk Ltd 6.209 Jul 2035	0.4%
Credit Agricole SA 6.447 Feb 2041	0.4%
Dai-ichi Life Insurance Co Ltd/The 6.200 PERP	0.4%

Country breakdown does not include Cash and Cash equivalents.

Sector breakdown (Equities) does not include derivatives and Cash and Cash equivalents.

Credit Rating : Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.

Market Review

Global risk assets navigated February in a relatively range-bound but constructive fashion, as investors weighed a still-supportive macro backdrop against pockets of softer data, lingering inflation pressures and ongoing geopolitical and policy uncertainty. Growth expectations for 2026 remained broadly resilient, underpinned by fiscal support, improving labour markets and robust corporate balance sheets, while markets continued to focus on the durability of the AI-driven investment cycle and its implications for earnings, margins and regional leadership.

Equities were modestly firmer overall, with performance becoming increasingly dispersed across regions, sectors and styles rather than being driven by a narrow cohort of large-cap technology names. The MSCI AC World Index returned 1.3% in dollar terms, driven by Japan (8.6%) and Europe (3.3%), while US lagged (-0.9%).

The S&P 500 declined by 0.8% due to a rotation away from technology amid a risk-off repricing of AI names, and financials due to stress in private credit and banks. The tech-heavy NASDAQ declined by 3.4% as the 'AI scare trade' continued to be in play, causing a sharp de-rating of AI-linked tech and software names. While the US economy is still expected to have positive growth in 2026, some business and labour data indicated a soft patch, posing as headwinds together with sticky inflation. A notable political development was the US Supreme Court's 20 February ruling which struck down the Trump administration's use of emergency powers under the International Emergency Economic Powers Act (IEEPA) to impose sweeping tariffs, reinforcing Congress's primary authority over tax and tariff policy. This added a new layer of uncertainty around the future path of US trade measures and prompted a brief bout of volatility as investors reassessed the inflation and growth implications for US and global risk assets.

The euro area was supported by improving earnings expectations and fiscal support in areas such as defence and infrastructure, although the impact of tariff policy changes on export-oriented sectors remains uncertain and continued to weigh on the region's medium-term growth outlook. Japanese equities rallied further even as investors are closely monitoring the interplay between supportive "Sanaenomics" fiscal policies, ongoing corporate governance reforms and the Bank of Japan's gradual policy normalisation, which had already seen policy rates rise to their highest level in decades.

The MSCI Asia ex-Japan Index was also up 5.9% in dollar terms, where MSCI Korea extended gains by 22% due to surging demand for AI-related semiconductors, while the structural catalysts of the South Korean government's Value-Up program and robust export performance also provided a supportive backdrop. MSCI China bucked the trend and declined 5.8%, dragged down by communication and internet services sector derating and continued weakness in China's property market, alongside softer domestic activity data that sustained concerns about demand and earnings momentum.

Fixed income markets were relatively subdued, with government bond yields broadly range-bound. The US 10-year Treasury yields traded modestly above 4% before ending the month at 3.97%, reflecting a flight-to-safety move amid geopolitical uncertainty and increasing expectations for potential Fed rate cuts.

Broad global bond returns were modest, with the Bloomberg Global Aggregate Index returning 1.1% in US dollar terms on an unhedged basis (1.4% on a hedged basis), while Asian investment-grade credit, as measured by the J.P. Morgan JACI Investment Grade Index, returned 1.1% in dollar terms. Credit spreads in investment-grade markets generally stayed tight versus history, consistent with solid corporate fundamentals and an absence of widespread default stress, but leaving limited buffer should term premia rise or growth disappoint.

Closer to home, the 10 year Singapore Government bond yield was about 1.95% at month-end, reflecting a modest compression over the month. MSCI Singapore gained 0.3% in SGD terms (0.8% in dollar terms), lagging the broader equity market due to its defensive composition. Singapore REITs were broadly flat, contributing to the subdued overall performance as investors wait for clearer earnings recovery and refinancing benefits to materialise, keeping price movements muted.

Geopolitical risk also rose sharply at month-end as US and Israel launched large-scale strikes on Iran on 28 February, killing Supreme Leader Ali Khamenei and triggering Iranian missile attacks across the region, raising concerns about a broader Middle East conflict and potential disruptions to energy markets. On the back of this development, the US dollar index rose 0.6% in a flight-to-safety bid. Gold gained 7.9%, supported by continued central bank buying and investors seeking safe-haven assets in the wake of elevated geopolitical risk. Unsurprisingly, Brent crude spiked 5.7% as concerns over energy disruption raised risk premiums.

Overall, February was characterised by relatively modest headline moves masking meaningful dispersion across regions, sectors and asset classes. Markets continued to focus on the interplay between fiscal expansion, evolving central-bank reaction functions, the scale and sustainability of AI-related capital spending and an increasingly fragile geopolitical backdrop.

Outlook and Strategy

We maintain our baseline view that resilient earnings coupled with moderating inflation and gradual global rate easing can sustain growth and support risk assets going into 2026, albeit with sporadic volatility as markets recalibrate to policy guidance, trade developments, and more recently, geopolitical headlines. All in all, the macro backdrop remains supportive for risk assets as liquidity conditions ease, with the expectation of further rate cuts in 2026.

We maintain a constructive yet selective stance on equities, and will continue to diversify allocations across regions and sectors nimbly to mitigate idiosyncratic and geopolitical risks. While we see scope for further upside in AI-led productivity, we are also cognisant of stretched valuations and vulnerability from the interconnectedness of the AI ecosystem. We are focused on identifying durable winners, while keeping a close watch on indicators which may suggest a pullback is imminent. We have also diversified our investment thesis in other broad themes, and continue to identify regional and thematic opportunities as they arise.

Within fixed income, we maintain broad diversification and balanced duration, prioritising high quality carry and selective credit where spread compensation aligns with fundamentals and liquidity. Based on our view that DM government bonds, especially at the ultra-long end, are most exposed to higher term premia risk, we continue to favour credit over long-duration government bonds. We remain positive on Asian investment grade credit, especially high-quality issuers in sectors with resilient cash flows and robust fundamentals.

Prior to the current conflict in the Middle East, we have been actively managing risk exposures via more defensive, diversified positioning. We significantly reduced equity risk across portfolios after assessing that the probability of tail risk events had risen due to rising Middle East tensions, AI disruption among software companies, and renewed private credit concerns. As such, the portfolios were well-positioned heading into this latest conflict.

On 2 March, the first trading day after the weekend conflict, we further de-risked the portfolios as part of our risk management approach. With the Israel-Iran conflict still unfolding, the situation remains fluid with many possible outcomes, some of which will have drastic market impacts like the closure of the Strait of Hormuz disrupting energy supply. We will continue to monitor developments closely, with a focus on capital preservation and will not hesitate to reduce risk further should the situation escalate. We are also mindful that it is not in the US interest for Israel-US to launch prolonged and extensive military attacks on Iran. We remain open-minded to re-risking opportunities should developments move towards a sustained reopening of the Strait of Hormuz and alleviate the oil supply chain disruption. The impact of the conflict will be nuanced for different asset classes, which underscores the importance of continuously updating our market views and portfolio positioning as the narrative evolves.

We are keeping a close watch on incoming economic data and policy signals, including the evolution of global growth and inflation, the pace and breadth of global monetary easing, and developments in trade and fiscal policy. Against the current macro and geopolitical backdrop, we continue to place emphasis on a more dynamic approach to portfolio construction, diversification and nimbleness in reallocating capital while maintaining attention to robust tail risk management.

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

Fullerton Fund Management Company Ltd (UEN: 200312672W)

3 Fraser Street
#09-28 DUO Tower
Singapore 189352

T +65 6808 4688 | F +65 6820 6878
www.fullertonfund.com

Disclaimer: This publication is for information only and your specific investment objectives, financial situation and needs are not considered here. The value of units in the Fund and any accruing income from the units may fall or rise. Any past performance, prediction or forecast is not indicative of future or likely performance. Any past payout yields and payments are not indicative of future payout yields and payments. Distributions (if any) may be declared at the absolute discretion of Fullerton Fund Management Company Ltd (UEN: 200312672W) ("Fullerton") and are not guaranteed. Distribution may be declared out of income and/or capital of the Fund, in accordance with the prospectus. Where distributions (if any) are declared in accordance with the prospectus, this may result in an immediate reduction of the net asset value per unit in the Fund. Applications must be made on the application form accompanying the prospectus, which can be obtained from Fullerton or its approved distributors. You should read the prospectus and seek advice from a financial adviser before investing. If you choose not to seek advice, you should consider whether the Fund is suitable for you. The Fund may use or invest in financial derivative instruments. Please refer to the prospectus of the Fund for more information.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Please refer to <https://www.fullertonfund.com/use-of-third-party-data-information/> for disclaimers on use of data from third parties.

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.