Fullerton Lux Fund - Asia Absolute Alpha Class A (USD) Acc

May 2022

Investment Objective

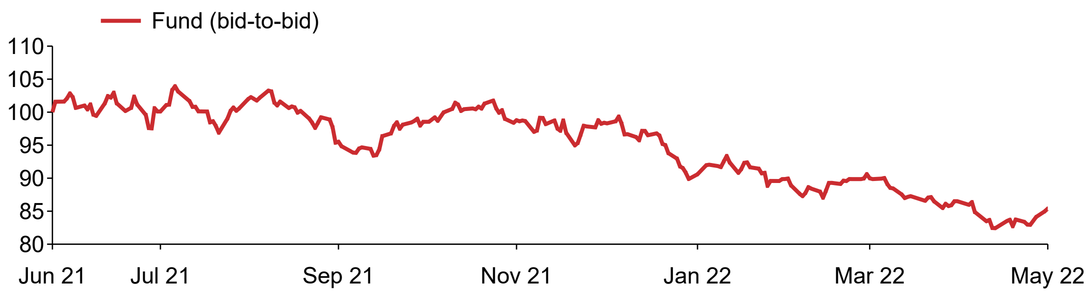
The investment objective of the Fund is to generate long term positive return, which include both capital appreciation and income.

Investment Focus and Approach

The Investment Manager seeks to achieve the objective of the Fund by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. The Investment Manager may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above). The Fund's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of the Fund's net asset value.

SFDR Classification:
Article 8 fund.
In line with its ESG methodology, the fund promotes environmental characteristics but does not commit to make environmentally sustainable investments as defined in the taxonomy regulation.

Performance (%)



Performance Statistics

2022 YTD Return	**-13.12%**	**Sharpe Ratio***	**-**
		Sortino Ratio*	**-**
		Maximum Drawdown*	**-16.97%**

	1 mth	3 mths	6 mths	SI. Ret.
Fund (bid-to-bid)	-1.28	-4.65	-13.55	-14.60
Fund (offer-to-bid)	-5.98	-9.19	-17.67	-18.67

*Since Inception
Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in USD 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. Past performance is not indicative of future returns.
Source: Fullerton Fund Management Company Ltd and Bloomberg.

Market Review

Global Equity markets ended the month of May largely flat, however the monthly performance hides significant volatility faced by the market during the month with inflation concerns continuing to dominate the narrative. Markets sold of sharply during the earlier part of the month before staging a strong recovery towards the end. MSCI Asia ex Japan marginally outperformed its developed market peers ending the month up 0.5% (in USD terms), posting its first positive monthly return in 2022.

Within Asia, China A and Taiwan were the best performing markets while India and Indonesia and India were the key underperformers. Both China A as well as the broader MSCI China Indices outperformed as market was enthused by a raft of announcement indicating policy support and indications that lockdowns may ease towards the end of the month. By sector, Information Technology and Industrial sectors led the

Inception date
24 Jun 2021

Fund size
USD 185.71 million

Base Currency
USD

Pricing Date
31 May 2022

NAV*
USD 8.54

Management fee
Up to 1.50% p.a.

Preliminary Charge
Up to 5% of subscription amount (equivalent to a max. of 5.26315% of the Net Asset Value per share)

Dealing day
Daily

Deadline
1pm (CET); 5pm (Singapore time) on each Business Day

Bloomberg Code
FUAAAAU LX

ISIN Code
LU0979878070

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

Investment Strategy

We have a cautious view on Asian Equities due to risks emanating from Covid induced slowdown in China, weakening external demand environment, inflationary concerns and geopolitics. However, strong policy support from China, improvement in regulatory environment for the internet companies and inexpensive valuations should lend downside support to markets.

Covid related lockdowns in China has translated to a slowdown in Chinese consumption as well as supply shortages. Further to this, high inflation is starting to squeeze corporate margins. Our concern remains that earnings estimates do not yet fully reflect above concerns.

Geopolitical risk continues to be elevated and China-US relations will be closely watched. Further, second degree impacts of a prolonged Russia – Ukraine war such as higher oil and food prices could also translate to stagflation risks.

Conversely, lockdowns in China are easing and government has indicated strong policy support as reflected in the recent announcement of 33 pro-growth measures by the State Council. In addition, regulatory problem which have plagued the large internet companies over the year have also improved at the margins. Thus, growth in China could potentially accelerate in 2H22. Ex-China, however, inflation remains a key concern which is translating to hawkish monetary policy environment across rest of the region.

Valuations are near trough levels on both price-book and remain almost 1 standard deviation below mean on price-earnings. Thus, risk of further de-rating is further limited. However, earnings recovery will be key to drive a re-rating.

Geographical Breakdown

Australia	1.9%
China	8.5%
India	11.2%
Indonesia	10.0%
Singapore	15.5%
Taiwan	7.3%
Thailand	4.9%
Other	0.3%
Cash and cash equivalents	40.4%

Sector Breakdown

Communication Services	20.8%
Consumer Discretionary	5.2%
Consumer Staples	1.0%
Energy	8.4%
Financials	8.3%
Industrial	6.0%
Information Technology	9.5%
Others	0.3%
Cash and cash equivalents	40.4%

Top 5 Holdings

Singapore Telecommunications	7.1%
Bharti Airtel Ltd	6.9%
PT Telkom Indonesia (Persero) Tbk	4.8%
Taiwan Semiconductor Manufacturing	4.3%
United Overseas Bank Ltd	4.2%