

Fullerton Lux Funds - Asian Currency Bonds - Class I (USD)

April 2025

Investment Objective

The investment objective of the Fund is to generate long term capital appreciation for investors.

Investment Focus and Approach

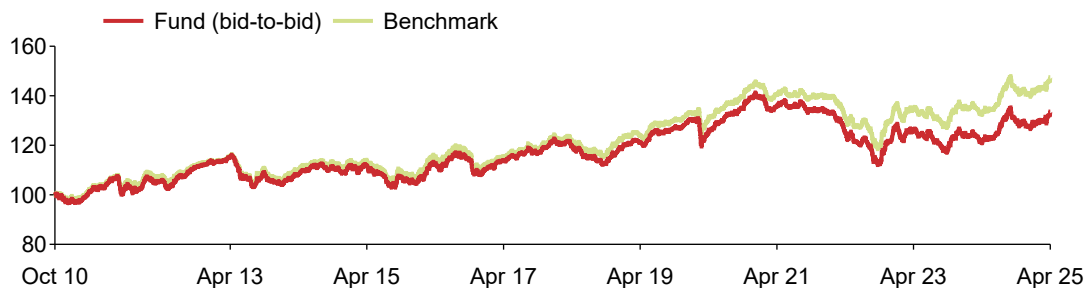
The Fund seeks to achieve its objective by investing in fixed income or debt securities, including convertibles, denominated primarily in Asian currencies and primarily issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. These countries may include, but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines and Vietnam. The Investment Manager seeks to generate alpha through interest rate, credit and currency strategies by evaluating the relative value across markets and the outlook for credit. These views form the basis for formulating their duration, bond market allocation, currency and credit strategies. The Fund will be permitted to invest in fixed income or debt securities which are unrated or rated non-investment grade.

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 (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	2.90	3.90	2.94	10.60	2.11	1.14	1.79	2.01	6.99
Fund (offer-to-bid)	-2.00	-1.04	-1.96	5.33	0.47	0.15	1.30	1.67	NA
Benchmark	2.97	4.00	3.36	11.54	3.91	2.31	2.63	2.70	6.76

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.

Benchmark: Markit iBoxx ALBI (USD Unhedged) Index

With effect from 1 May 2016, the benchmark has been changed to Markit iBoxx ALBI (USD Unhedged) Index.

Prior to 1 May 2016, the index was HSBC Asian Local Bond Index.

Source: Fullerton Fund Management Company Ltd and Markit.

Market Review

Volatility in global rates markets was a defining feature in April, driven by geopolitical developments in the United States. The announcement of sweeping U.S. tariffs under President Trump's "Liberation Day" policy on April 2 triggered a sharp flight to safety environment, sending Treasury yields to year-to-date lows by April 4. That however, subsequently gave way to rising yields as elevated market volatility triggered an exodus from crowded trades. Despite the mid-month turbulence, softer economic data toward month-end shifted sentiment back toward policy easing. The 10-year US Treasury yield ultimately closed the month slightly lower at 4.16%, down from 4.21% in March, having traded in a wide 72 basis point range in April.

In contrast, the Asian local markets, as indicated by the iBoxx Asian Local Bond Index (ALBI), recorded a gain of 2.8% in unhedged USD terms. The increases were fuelled by growth across all local (duration) markets, along with foreign exchange gains against the U.S. dollar in most regions, with the exception of the Indonesian rupiah and the renminbi. In the local currency bond markets, India maintained its position as the top performer, while South Korea followed closely. In contrast, the Philippines and China Offshore were the weakest performers, even though they still recorded modest gains. Currency-wise, almost all Asian currencies appreciated against the US dollar, led by the Taiwanese dollar, Korean won and the Malaysian ringgit.

Inception date

06 Oct 2010

Fund size

USD 48.94 million

Base Currency

USD

Pricing Date

30 Apr 2025

NAV*

USD 13.36

Management fee**

Up to 0.6% p.a.

Management company^ fee**

Up to 0.04% p.a. subject to a minimum monthly fee of EUR 750.00 per Fund per month applied at the Company level

Expense Ratio**

0.86% p.a. (For financial year ended 31 Mar 2024)

Preliminary Charge**

Up to 5% 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

ACBIUSA LX

ISIN Code

LU0543883143

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Market Review (Cont'd)

Asia USD credit markets posted mixed results in April, reflecting a bifurcation between the investment-grade and high-yield segments. Investment-grade credits delivered modest gains, supported by duration gains, even as average credit spreads widened. In contrast, high-yield names came under pressure, with broader spread widening more than offsetting the positive impact from declining yields, resulting in underperformance relative to their investment-grade counterparts.

Investment Strategy

Global markets are showing tentative signs of stabilisation following the partial de-escalation of U.S.-China trade tensions. The announcement of a 90-day pause on reciprocal tariffs, alongside renewed bilateral negotiations, has helped alleviate near-term recession fears in the U.S. and dampened volatility across global risk assets. In this environment, the U.S. Federal Reserve is expected to maintain its data-dependent stance, with a clear easing bias should systemic risks re-emerge, or growth conditions deteriorate meaningfully.

Importantly, the more constructive trade rhetoric has reduced the urgency for additional fiscal stimulus from China. Expectations for new policy measures at the upcoming July Politburo meeting have been tempered, as authorities evaluate the cumulative impact of prior stimulus and the evolving external backdrop. The macro outlook remains finely balanced, with policy flexibility continuing to serve as a critical stabilising force amid persistent global uncertainty.

Against this backdrop, we continue to express portfolio risk primarily through interest rate duration, where conviction is higher relative to currency markets. We maintain an overweight bias toward local currency duration in markets where rate cuts remain on the table, or where real yields are still compelling. This includes Korea (KRW), the Philippines (PHP), India (INR), Thailand (THB), and Malaysia (MYR), where inflation prints are also within the respective central bank's targets.

In the currency space, we retain a structurally negative bias on the U.S. dollar. This view reflects rising concerns over fiscal slippage, weakening institutional credibility, and waning foreign demand for U.S. assets. Rather than expressing broad directional views, we are focused on relative value opportunities within Asia FX.

Specifically, we favour long positions in INR, PHP, and MYR—currencies supported by resilient macro fundamentals, attractive carry, and a relatively resilient domestic demand—versus short positions in RMB, SGD, and THB, which are more vulnerable to trade frictions and constrained by lower yield differentials. This approach allows us to capture regional divergences while maintaining a disciplined risk framework in a fluid policy environment.

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

**The list of cost is not exhaustive and the fund may incur other expenses. Please refer to the Prospectus/KIID for more information.

^Management Company of the Fund is Lemanik Asset Management S.A.

Geographical Breakdown

China	13.3%
Hong Kong	3.9%
India	9.3%
Indonesia	10.4%
Korea	14.3%
Malaysia	10.1%
Philippines	9.4%
Singapore	10.7%
Supranational	7.9%
Thailand	7.6%
Others	2.4%
Cash and cash equivalents	0.8%

Top 5 Holdings

IBRD 6.5% Apr 2030	3.8%
Republic Of Philippines 6.25% Jan 2036	3.3%
China Development Bank 1.85% Jul 2029	3.2%
Inter-American Development Bank 7.05% Apr 2029	3.1%
Korea Treasury Bond 3.5% Sep 2028	2.7%

Rating Breakdown

AAA	16.7%
AA	17.8%
A	16.4%
BBB	47.1%
BB	1.3%
Cash and cash equivalents	0.8%

Fund Characteristics

Average duration (years)	8.3
Yield to Worst	4.5%

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

Yield to Worst (YTW): Refers to YTW in base currency. Not guaranteed. Past performance is not necessarily indicative of future performance.

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For EU investors:

This is a marketing communication. The investment which is promoted concerns the acquisition of shares in a fund. The Fund is actively managed with reference to the benchmark, "Markit iBoxx ALBI (USD Unhedged) Index", for performance comparison purpose. You should read the prospectus and the key investor information before making any final investment decision. A summary of investor rights can be found in English at <https://www.lemanikgroup.com/governance-asset-management/>. A copy of the prospectus and the key investor information is available in English and other languages (as applicable), and can be obtained from the registered office of the Fund or at www.fullertonfund.com. Please also refer to https://www.fullertonfund.com/literature/fullerton-lux-funds/?_sft_registered=luxembourg for the sustainability-related disclosures of the Fund. The Management Company of the Fund is Lemanik Asset Management S.A. ("Lemanik"). Please note that Lemanik may terminate the marketing arrangements of the Fund in accordance with Article 93a of Directive 2009/65/EC.

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