FULLERTON
FUND MANAGEMENT

Fullerton SGD Heritage Balanced

July 2025

Investment Objective

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

The Fund will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts ("REITs"), money market instruments and cash as deemed appropriate by us in accordance with its investment objective. In normal market conditions, the Fund aims to invest around 50% of the Fund's NAV in Singapore securities (defined by country of risk) and/or SGD denominated securities, cash and cash equivalents, and/or non-SGD fixed income securities hedged back to SGD. The Fund may also invest in developed market equities (ex-Asia) for diversification reason.

Fund Information

Fund Size	SGD 37.93 million
Base Currency	SGD
Preliminary Charge	Currently up to 3%
Dealing Frequency	Every Business Day
Subscription Mode	Cash, SRS

Manager's Commentary

Market Review

Global equity markets continued their upward trend in July, supported by supported by a robust corporate earnings season that outweighed ongoing geopolitical and economic developments. Consequently, the S&P 500 rose 2.2% and reached new all-time highs as a large majority of S&P 500 companies surpassed earnings estimates. Mega-cap tech stocks led the pack, driven by strong earnings and investor enthusiasm in Artificial Intelligence (AI). Consequently, the Nasdaq outperformed the broader market with a 3.7% gain and also notched new records.

Towards the end of the month, markets paid close attention to trade policy and tariff negotiations. The US administration announced significant trade deals with the EU and countries like Japan and South Korea, while certain sectors and goods were subject to specific tariff rates. These tariff negotiations and expansions added to uncertainty, with unexpected tariff rate increases weighing on countries like Brazil and India, and investors were cautious heading into the tariff deadline of 1 August.

US economic data painted a mixed picture of moderate growth amid ongoing trade policy uncertainty. While the broader economic landscape featured cautious optimism as unemployment remained low and consumer confidence recovered somewhat, ongoing tariff developments continued to cast uncertainty on supply chains and corporate planning. The Federal Reserve kept rates steady at 4.25% to 4.50% during its July meeting, while the Treasury yields stayed steep, reflecting a balancing act between inflationary concerns and growth expectations. Meanwhile, most other central banks also maintained their interest rates steady and continued to adopt a cautious data-driven approach, albeit indications of gradual easing to come depending on how economic conditions unfold.

In Asia, inflation rates remained generally within central bank targets, allowing for accommodative monetary policy as several central banks are expected to continue rate cuts through 2025 to support growth. China's economic growth slowed slightly in Q2 as the effects of the tariff-drive export surge in Q1 diminished, but this was somewhat offset by substantial policy stimulus. Japan's general election saw the ruling coalition lose their majority in the upper house for the first time in 70 years, reflecting voter frustration on insufficient measures by the government to address surging inflation and improve wages. The economy showed signs of moderation amid slower export growth, while monetary policy remained accommodative.

The MSCI AC World Index returned 1.4% in dollar terms, mainly driven by gains in the US (+2.3%), while Europe (-1.7%) and Japan (-1.4%) lagged. The MSCI Asia ex-Japan Index gained 2.6% in dollar terms, supported by a 3.7% gain in the MSCI China Index and 2.0% gain in the MSCI Singapore Index. The benchmark for REITs, the iSTOXX Developed S-REITs index delivered 2.3% in SGD terms.

US Treasury yields rose marginally, with 10-year and 30-year yields ending July at 4.37% and 4.90% respectively. The Bloomberg Global Aggregate Index returned -1.5% unhedged in dollar terms (-0.1% hedged), while the J.P. Morgan JACI Investment Grade Index returned 0.5% in dollar terms. The US dollar index (DXY) rose 3% in a reversal of a broader downtrend over the past few months, due to increased safe-haven demand driven by escalating tariff concerns and better-than-expected US economic data.

Commodity markets experienced a divergence in July. Gold posted its first monthly decline of -0.4% since December 2024, as trade tensions eased towards the end of the month. In contrast, Brent crude gained 8.1% as the global oil market continues to navigate a complex web of supply pressures and geopolitical developments.

Investment Outlook and Strategy

Our baseline outlook is that earnings can be resilient, allowing global growth to hold up. While tariff policies have increased inflationary pressures, our expectation is that inflation will moderate relatively quickly. We are positive on investment themes like the growth of AI monetisation and increase in associated infrastructure and a global convergence in risk asset returns as re-globalisation takes place and supply chains are reconfigured.

Fundamentals for Singapore REITs remain supportive against the backdrop of resilient domestic demand and a stabilising interest rate environment. Most sectors continue to record positive rental growth, with scope for further increases, albeit at a moderating pace. Asset values are generally firm, with overseas portfolios having largely bottomed. Importantly, the sector is approaching an inflection point in funding costs, which should support a gradual pickup in acquisition and divestment activity in the coming quarters.

Within this context, we maintain targeted exposure to structural growth segments such as Data Centre REITs, Healthcare, and selected Industrial names. In fixed income, we continue to harvest carry from Asian credits as dovish central banks in this region provide liquidity support. SGD credits remain in the favour given strong capital inflow for safer assets.

However, we are also closely monitoring economic data and market signals, as well as other developments including the impact of new tariff policies on economic growth and inflation as well as potential Fed rate cuts on the horizon. In this climate of optimism surrounded by policy and geopolitical uncertainty, we will continue to be selective in identifying winners and capturing regional and thematic opportunities as they arise, while paying close attention to tail-risk events.

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Performance (%)

	1 mth	3 mths	6 mths	1 year	3 years	5 years	Since Inception
A-SGD (bid-to-bid)	2.19	6.58	3.35	3.68	0.44	-0.60	0.98
A-SGD (offer-to-bid)	-0.79	3.48	0.34	0.66	-0.55	-1.19	0.50
B-SGD (bid-to-bid)	2.19	6.58	3.35	3.68	0.44	-0.60	0.98
B-SGD (offer-to-bid)	-0.79	3.48	0.34	0.66	-0.55	-1.19	0.50
B1-USD (bid-to-bid)	2.40	7.29	4.27	5.56	1.88	0.23	1.13
B1-USD (offer-to-bid)	-0.58	4.16	1.23	2.48	0.88	-0.36	0.54

Returns are calculated on a single pricing basis with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 3% which may or may not be charged to investors. Returns more than a year are annualised.

Asset Allocation (%)[1]

Equities	36.8
REITs	27.6
Fixed Income	33.7
Cash and cash equivalents	1.8

Country Exposure (%)[1,2]

Singapore	42.2
Developed Markets	17.5
China	14.9
India	5.2
Korea	5.0
Taiwan	4.8
Japan	4.2
Hong Kong	3.5
Others	2.7

Top 5 Holdings (Equities, % of NAV)

TSMC	2.7
TENCENT HOLDINGS LTD	1.9
Hanwha Aerospace Co Ltd	1.2
SK HYNIX INC	1.0
Delta Electronics Inc	0.7

Top 5 Holdings (Fixed Income, % of NAV)

SINGAPORE GOVERNMENT 3.375% SEP 2033	2.2
BPCE SA 5% MAR 2034	1.4
DEUTSCHE BANK AG 4.4% APR 2028	1.4
BNP PARIBAS 3.125% FEB 2032	1.4
SINGAPORE LIFE HLDG 3.375% FEB 2031	1.3

Sector Exposure (%)[1,2]

Real Estate	34.5
Financials	26.8
Information Technology	8.3
Communication Services	8.2
Industrials	7.5
Consumer Discretionary	6.6
Sovereigns & Supranational	3.7
Materials	2.1
Energy	1.2
Health Care	0.7
Utilities	0.2
Consumer Staples	0.1

Top 5 Holdings (REITs, % of NAV)

CapitaLand Integrated Commercial Trust	6.9
CapitaLand Ascendas REIT	5.6
Mapletree Logistics Trust	2.5
Keppel DC REIT	2.4
Mapletree Industrial Trust	2.1

Fund Statistics

Fixed Income	
Duration	4.6 years
Average Credit Rating[3]	BBB+
Yield-to-Worst[4]	3.8%
Equities	
Dividend Yield	1.8%
Price to Book	2.3x
Price to Earnings	16.7x
S-REITs	
Dividend Yield	5.3%
Price to Book	1.0x
Price to Earnings	18.3x

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Dividend History[5]

	Dividend / share	Record Date
Class B	SGD 0.0026	30 Jun 2025
Class B	SGD 0.0027	31 Jul 2025
Class B1	USD 0.0027	30 Jun 2025
Class B1	USD 0.0028	31 Jul 2025

Fund Details

	Class A	Class B (Distribution)
Inception Date	21 May 2019	21 May 2019
NAV per Unit[6]	SGD 1.06	SGD 0.84
Management Fee	Currently 0.88% p.a.	Currently 0.88% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ83598466	SGXZ62136783
Bloomberg Code	FULSHBA SP	FULSHBB SP

	Class B1 (Distribution)	Class B2 (Distribution)
Inception Date	29 June 2020	To be incepted
NAV per Unit[6]	USD 0.87	To be incepted
Management Fee	Currently 0.88% p.a.	Currently 0.45% p.a.
Initial Investment	None	USD 1 million
Subsequent Investment	None	USD 1 million
ISIN Code	SGXZ55074637	SGXZ54897970
Bloomberg Code	FULSH1B SP	FULSHBU SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 31 July 2025, unless otherwise stated.
1. Numbers might not add due to rounding.
2. Country and Sector exposures exclude derivatives, cash and cash equivalents.
3. Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.
4. Refers to Yield-to-Worst in base currency, before hedging.
5. Please refer to our website for more details on the dividend payouts.
6. Figures are truncated to 2 decimal places. Please refer to Fullerton's website for official price.

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