FULLERTON FUND MANAGEMENT

A member of Seviora Group

Fullerton SGD Heritage Balanced

May 2026

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

Manager’s Commentary

Market Review

(All returns are quoted in US dollar terms unless otherwise stated)

Global risk assets extended April’s rebound through May, as resilient macro data, a positive earnings season and growing optimism that negotiations could reduce Middle East tensions supported sentiment, even as markets remained sensitive to swings in oil prices, inflation expectations and bond-market volatility. While the geopolitical backdrop remained an important source of uncertainty, the market increasingly focused on the view that the energy shock may prove manageable rather than sufficiently severe to derail global growth.

Against this backdrop, global equities delivered another positive month, with the MSCI AC World Index returning 5.2% in May. Within this, US equities remained firm, with the S&P 500 gaining 5.2% and the Nasdaq advancing 8.4%, supported by strong earnings growth led by technology and continued investor confidence in the AI investment cycle, even as market leadership became more selective within the large-cap technology complex. European equities also moved higher, with MSCI Europe up 2.6%, as the region benefited from hopes that easing geopolitical tensions could reduce pressure from energy prices, even though macro data remained relatively soft. Japanese equities delivered another solid month, with MSCI Japan returning 5.0%, supported by still-constructive earnings and ongoing confidence in domestic corporate and policy dynamics.

Asian equities outperformed, with the MSCI AC Asia ex-Japan Index gaining 11.3%. Performance within the region remained highly dispersed. MSCI Korea surged 35.3%, extending its rally as the region continues to benefit from a strong memory upcycle riding on the global semiconductor and AI wave, while MSCI China declined 3.0% as persistent domestic weakness and uneven cyclical data continued to weigh on sentiment despite a more constructive external backdrop.

Closer to home, Singapore equities also advanced, with MSCI Singapore rising 3.9% in US dollar terms and 3.4% in SGD terms. Singapore REITs, however, underperformed the broader equity market and fell 0.9% in SGD terms, reflecting the sector’s continued sensitivity to interest rate volatility.

In fixed income, returns were modest but positive, although the path through the month was far from smooth as bond markets reacted quickly to shifts in the geopolitical narrative and to concerns that the energy shock could keep inflation elevated for longer. The US 10-year Treasury yield moved higher over the month and briefly breached 4.6% in mid-May before it retraced towards 4.4% by month-end as hopes for a US-Iran deal improved and oil prices eased. The 10-year Singapore government bond yield was steadier by comparison, with a modest decline ending the month around 2.0%. Overall, May highlighted that government bonds can still provide ballast, but that duration outcomes remain more sensitive than usual to energy, inflation and fiscal narratives.

The Bloomberg Global Aggregate Index returned 0.3% on an unhedged basis (0.6% on a hedged basis), while the J.P. Morgan JACI Investment Grade Index returned 0.4%. Credit markets remained supported by solid corporate fundamentals, which helped limit the negative spillover from higher bond volatility.

Commodity and currency markets reflected the same swing in the geopolitical narrative. Gold declined 1.7%, extending its recent consolidation, while Brent crude fell 17.5% as the market reduced the risk premium on expectations that tensions could ease and supply disruptions may prove less persistent than previously feared. The US dollar, as measured by the DXY index, rose 0.9%, reflecting a partial recovery in safe-haven demand and a firmer rates backdrop through much of the month.

Investment Outlook and Strategy

Our baseline view remains constructive on risk assets, but with greater emphasis on selectivity, liquidity awareness and active risk management. US activity has remained reasonably firm, with earnings growth still driven disproportionately by AI-linked sectors, although inflation, liquidity and market concentration warrant close monitoring for a trend reversal. The ongoing Middle East conflict, with its implications on energy prices and inflation, remains a key tail-risk that we continue to watch closely, alongside broader geopolitical developments and their potential to generate further bouts of risk-off sentiment.

Against this backdrop, we retain a constructive yet selective stance on equities, supported by technology and industrials which remain important drivers of the global rally. We continue to diversify equity exposure across regions, styles and sectors, with a particular focus on identifying durable beneficiaries of AI-related investment and productivity gains, while being cautious on areas where expectations and positioning appear stretched. While technology should remain a key performance driver into the second half of the year, we are monitoring inflation trends and bond yields closely given the potential for a broader repricing of risk assets.

Within fixed income, we continue to emphasise broad diversification and balanced duration, prioritising high-quality carry and selective credit where spread compensation aligns with fundamentals and liquidity. We remain cautious on the longer-term duration given its sensitivity to inflation dynamics and term premia risk, and will continue to manage duration dynamically, maintaining quality carry and selective credit exposure while waiting for more attractive entry levels in duration if yields back up further.

Regarding the Middle East conflict, we continue to refine our positioning as the situation evolves. Our strategy remains focused on selective and prudent risk-taking – staying constructive on growth assets where earnings and structural themes remain supportive, while emphasising downside protection, close monitoring of geopolitical developments and inflation trends to respond nimbly if macro conditions deteriorate.

Performance (%)

	1 mth	3 mths	6 mths	1 year	3 years	5 years	Since Inception
A-SGD (bid-to-bid)	3.82	3.18	10.15	24.41	9.35	1.11	3.21
A-SGD (offer-to-bid)	0.79	0.17	6.94	20.78	8.28	0.51	2.78
B-SGD (bid-to-bid)	3.82	3.18	10.15	24.41	9.35	1.11	3.21
B-SGD (offer-to-bid)	0.79	0.17	6.94	20.78	8.28	0.51	2.77
B1-USD (bid-to-bid)	4.04	3.94	11.68	27.90	11.56	2.41	4.16
B1-USD (offer-to-bid)	1.01	0.92	8.43	24.17	10.46	1.81	3.64

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	42.4
REITs	19.5
Fixed Income	31.6
Commodities	2.0
Cash and cash equivalents	4.6

Geographical Exposure (%)[1,2]

Singapore	31.7
China	15.3
Korea	10.7
Taiwan	8.4
Japan	5.2
India	4.2
Hong Kong	4.1
Indonesia	1.2
Developed Markets	18.3
Others	1.0

Top 5 Holdings (Equities, % of NAV)

Samsung Electronics Co Ltd	3.7
TSMC	3.6
SK HYNIX INC	2.9
Delta Electronics Inc	1.2
OVERSEA-CHINESE BANKING CORP	1.1

Top 5 Holdings (Fixed Income, % of NAV)

US TREASURY N/B 4.125% FEB 2036	2.2
BNP PARIBAS 3.125% FEB 2032	1.7
MAPLETREE LOGISTICS TRUST 3.725% PERP	1.7
US TREASURY N/B 3.5% FEB 2031	1.7
AIA GROUP LTD 2.9% PERP	1.7

Sector Exposure (%)[1,2]

Financials	26.2
Real Estate	24.8
Information Technology	20.4
Industrials	8.8
Communication Services	6.0
Consumer Discretionary	5.1
Sovereigns & Supranational	5.1
Materials	1.8
Health Care	0.8
Energy	0.5
Consumer Staples	0.4
Utilities	0.0

Top 5 Holdings (REITs, % of NAV)

CapitaLand Integrated Commercial Trust	4.6
CapitaLand Ascendas REIT	3.4
Keppel DC REIT	1.8
Mapletree Logistics Trust	1.7
Mapletree Pan Asia Commercial Trust	1.3

Fund Statistics

Fixed Income	
Duration	5.1 years
Average Credit Rating[3]	A-
Yield-to-Worst[4]	4.3%
Equities	
Dividend Yield	1.2%
Price to Book	3.6x
Price to Earnings	24.0x
S-REITs	
Dividend Yield	5.3%
Price to Book	1.0x
Price to Earnings	19.1x

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Dividend History[5]

	Dividend / share	Record Date
Class B	SGD 0.0030	30 Apr 2026
Class B	SGD 0.0031	29 May 2026
Class B1	USD 0.0032	30 Apr 2026
Class B1	USD 0.0033	29 May 2026

Fund Details

	Class A	Class B (Distribution)
Inception Date	21 May 2019	21 May 2019
NAV per Unit[6]	SGD 1.25	SGD 0.95
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 1.01	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 May 2026, unless otherwise stated.
1. Numbers might not add due to rounding.
2. Geographical 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. Distribution amount is not guaranteed. 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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