

# Fullerton SGD Heritage Growth

# December 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

<b>Fund Size</b>	SGD 20.38 million
<b>Base Currency</b>	SGD
<b>Preliminary Charge</b>	Currently up to 3%
<b>Dealing Frequency</b>	Every Business Day
<b>Subscription Mode</b>	Cash, SRS

## Manager's Commentary

### Market Review

Global equity markets ended 2025 on a firm footing, with risk assets broadly higher over Q4 despite bouts of volatility as investors digested shifting macro signals and central bank movements. Major developed market benchmarks extended their gains, supported by resilient earnings and growing confidence that inflation is on a sustainable downward path. The month of December was characterised by choppy trading in the run up to the US Federal Reserve's final meeting of the year, followed by a renewed rally as the Fed delivered another 25-basis point rate cut.

December saw Europe and Asian markets leading, while Chinese equity market and the technology sector exhibited softer performance. The S&P 500 ended the month up 0.5% (2.6% in Q4), while the Nasdaq Composite recorded a slight decline of -0.1% (up 2.6% in Q4) as concerns over the sustainability of heavy AI capital expenditure continued to drive profit-taking. The MSCI AC World Index was up 1.4% in dollar terms (3.3% in Q4), mostly driven by Europe's 3.9% contribution (6.2% in Q4), while Japan was up 1.2% (3.2% in Q4). Europe's performance was supported by easing energy prices and ongoing disinflation, but lingering pressure from US tariffs and uncertainty over global trade remains a shadow over the euro area's future growth trajectory. The MSCI Asia ex-Japan Index was also up 2.7% in dollar terms (4.3% in Q4), although China's -2.2% (-7.4% in Q4) continued to be a drag.

In 2025, the US market benefitted from a combination of strong nominal growth, disinflation and lower policy rates, albeit at the cost of rising worries about fiscal sustainability as investors focused on the implications of large deficits and the growing debt servicing costs. Longer dated US Treasury yields surged to multi year highs earlier in 2025 as markets digested the administration's expansive spending plans, before stabilising later in the year as the Fed's easing cycle gained traction. Against this backdrop, December saw a sharp initial back up in developed market yields amid speculation that central banks outside the US might adopt a more hawkish tone, followed by a retracement after the Fed's December cut and the announcement of earlier than expected Treasury bill purchases. This was interpreted as an additional source of liquidity support, reinforcing the perception that the policy stance had turned more accommodative. Even so, the US 10-year Treasury yield rose to 4.17% at year-end, as the longer-end remains sensitive to the fact that the Fed's policy path might not ease as fast as hoped.

Broad global bond returns were generally range-bound over the month. The Bloomberg Global Aggregate Index returned 0.5% unhedged in dollar terms (0.1% hedged), while the J.P. Morgan JACI Investment Grade Index returned 0.3% in dollar terms (1.2% in Q4). Investment grade spreads stayed compressed relative to historical levels, reflecting strong corporate balance sheets and an absence of broad-based default stress. The US dollar, which had already weakened materially over 2025, drifted 1.1% lower through the month from further pressure following the December Fed cut and announcement of bill purchases. This caused the US dollar index to close the year 9.4% lower as investors continue to reassess the dollar's safe-haven role given the fiscal deficits and tariff policy.

Across Asia, equity performance in Q4 was mixed. North Asian markets that are closely linked to the global technology and semiconductor cycle generally participated in the late year rally. However, Chinese equities continued to grapple with a challenging domestic backdrop, where property sector stress, an ageing population and uneven consumption weighed on the macro outlook even as policymakers maintained a supportive stance through targeted fiscal measures and incremental monetary easing. Closer to home, the 10 year Singapore Government bond yield was about 2.2% at month-end, reflecting a marginal increase over the month. Nonetheless, the 10-year yield still ended 2025 74bps lower than where it started. In December, Singapore REITs moved up by 1.3% (2.5% in Q4) as the sector consolidated earlier gains, without experiencing much impact from the modest uptick in yields.

Commodity markets exhibited meaningful divergence throughout 2025. Gold gained 2.1% over the month (11.9% in Q4) and rounded off the year delivering 64.6%, its best annual return since the late 1970s as investors sought safe-haven assets to hedge against policy and geopolitical uncertainties, while the softer US dollar also supported the advance in gold. In contrast, Brent crude fell 4.2% in December (-7.9% in Q4) and ended the year 18.5% lower as the global oil market continues to navigate dynamics of surplus supply and concerns over global demand.

**Investment 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 and trade headlines. With the Fed's December rate cut bringing the total to three cuts in 2025, the policy backdrop remains supportive for risk assets as liquidity conditions ease, with the expectation of more rate cuts in 2026.

The Fund remain firmly positive on risky assets. We are positive on Singapore REITs into 2026 with potential the first DPU increase in four years, with lower interest rate as strong tailwind as the majority of Singapore REITs have hit peak rates. Rental revisions remain healthy at low to mid single digit growth rate. We are also positive on selective developers as higher beta play. The value up scheme from MAS is supportive to the sector as they pursue non-core assets sales with proceeds used to pare debt and returned to shareholders via special dividends and/or share buybacks. We prefer data center REITs, and being selective in industrial and retail names. Elsewhere, Asia equities continued to offer compelling earnings story thanks to the AI theme in North Asia, while fiscal momentum is strengthening growth visibility in India. We also like global equities with resilient growth outlook and accommodative monetary policies.

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. SGD credits remain in the favour given strong capital inflow for safer assets.

At the same time, we are closely monitoring 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. Our observation is that traditional diversification via long-dated government bonds is becoming less reliable in a world where fiscal dynamics, debt sustainability concerns and changes in the safe-haven nature of US Treasuries and USD become more dominant drivers. In recognition of this phenomenon, we continue to place emphasis on a more dynamic approach to portfolio construction, diversification and nimbleness in reallocating capital as the macro narrative evolves. In this climate of optimism tempered by policy and geopolitical uncertainty, we remain selective, focused on identifying durable winners and capturing regional and thematic opportunities as they arise, while maintaining attention to robust tail risk management.

**Performance (%)**

	1 month	3 months	6 months	1 year	3 years	5 years	Since Inception
<b>A-SGD</b> (bid-to-bid)	1.75	3.21	13.86	16.56	7.47	0.18	3.08
<b>A-SGD</b> (offer-to-bid)	-1.21	0.21	10.54	13.16	6.42	-0.41	2.62
<b>B-SGD</b> (bid-to-bid)	1.75	3.22	13.86	16.56	7.48	0.18	3.08
<b>B-SGD</b> (offer-to-bid)	-1.21	0.21	10.54	13.16	6.42	-0.41	2.62
<b>B1-USD</b> (bid-to-bid)	2.01	3.91	15.25	19.13	9.41	1.29	2.11
<b>B1-USD</b> (offer-to-bid)	-0.96	0.88	11.90	15.66	8.34	0.70	1.52

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 3% which may or may not be charged to investors. Returns more than a year are annualised.

**Asset Allocation (%)<sup>1</sup>**

Equities	49.0
REITs	40.4
Fixed Income	3.6
Cash and cash equivalents	7.0

**Geographical Exposure (%)<sup>1,2</sup>**

Singapore	46.4
China	15.3
Korea	9.6
Taiwan	9.2
India	7.0
Hong Kong	1.5
Developed Markets	9.2
Others	1.8

**Top 5 Holdings (Equities, % of NAV)**

TSMC	4.3
Samsung Electronics Co Ltd	3.6
TENCENT HOLDINGS LTD	2.5
ALIBABA GROUP HOLDING	2.1
SK HYNIX INC	1.7

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

US TREASURY N/B 4.625% FEB 2035	0.1
US TREASURY N/B 4.25% AUG 2035	0.1
SNB FUNDING LTD 6% JUN 2035	0.1
RIYAD SUKUK 6.209% JUL 2035	0.1
DAI-ICHI LIFE INSURANCE 6.2% PERP	0.1

**Sector Exposure (%)<sup>1,2</sup>**

Real Estate	45.4
Information Technology	16.7
Financials	11.5
Industrials	8.7
Consumer Discretionary	8.0
Communication Services	4.7
Materials	2.2
Energy	1.2
Health Care	0.8
Sovereigns & Supranational	0.4
Consumer Staples	0.3
Utilities	0.2

**Top 5 Holdings (REITs, % of NAV)**

CapitaLand Integrated Commercial Trust	10.2
CapitaLand Ascendas REIT	7.6
Mapletree Logistics Trust	3.7
Keppel DC REIT	3.5
Mapletree Pan Asia Commercial Trust	2.9

**Fund Statistics**

<b>Fixed Income</b>	
Duration	4.7 years
Average Credit Rating <sup>3</sup>	BBB+
Yield-to-Worst <sup>4</sup>	4.6%
<b>Equities</b>	
Dividend Yield	1.3%
Price to Book	3.0x
Price to Earnings	21.2x
<b>S-REITs</b>	
Dividend Yield	5.0%
Price to Book	1.0x
Price to Earnings	18.6x

**Dividend History<sup>5</sup>**

	<b>Dividend / share</b>	<b>Record Date</b>
Class B	SGD 0.0017	28 Nov 2025
Class B	SGD 0.0017	31 Dec 2025
Class B1	USD 0.0016	28 Nov 2025
Class B1	USD 0.0016	31 Dec 2025

**Fund Details**

	<b>Class A</b>	<b>Class B (Distribution)</b>
<b>Inception Date</b>	21 May 2019	21 May 2019
<b>NAV per Unit<sup>6</sup></b>	SGD 1.22	SGD 1.08
<b>Management Fee</b>	Currently 0.98% p.a.	Currently 0.98% p.a.
<b>Initial Investment</b>	None	None
<b>Subsequent Investment</b>	None	None
<b>ISIN Code</b>	SGXZ46560496	SGXZ95987400
<b>Bloomberg Code</b>	FULSHGA SP	FULSHGB SP

	<b>Class B1 (Distribution)</b>	<b>Class B2 (Distribution)</b>
<b>Inception Date</b>	26 Nov 2020	To be inceptioned
<b>NAV per Unit<sup>6</sup></b>	USD 1.01	To be inceptioned
<b>Management Fee</b>	Currently 0.98% p.a.	Currently 0.50% p.a.
<b>Initial Investment</b>	None	USD 1 million
<b>Subsequent Investment</b>	None	USD 1 million
<b>ISIN Code</b>	SGXZ63766596	SGXZ92251610
<b>Bloomberg Code</b>	FULSHG1 SP	FULSHGU SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 31 December 2025, 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. 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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