

Fullerton SGD Heritage Income

June 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 246.92 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 risk sentiment proved resilient in June. Equities continued their rally into June, supported by easing geopolitical tensions, notably the ceasefire between Israel and Iran, and a recovery in risk appetite. The S&P 500 rose 5.0% in June and reached new all-time highs while Nasdaq outperformed with a 6.6% gain, driven by strong earnings and investor enthusiasm for AI-related technology stocks.

US economic data painted a mixed picture of moderate growth amid ongoing challenges. As widely expected by the market, the Federal Reserve kept rates steady at 4.25% to 4.50% during its June meeting, although the Fed is perceived to be more dovish post the meeting. Meanwhile, most other central banks also maintained their interest rates steady and continued to adopt a cautious data-driven approach, except for the European Central Bank which cut rates by 25 basis points, reflecting its easing monetary policy stance.

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. In general, the economy was characterised by a transition from export-driven growth to a more domestically supported expansion, with resilient consumption and policy easing providing a buffer against the impact of tariffs and trade tensions dampening external demand. Substantial progress in US-China trade negotiations raised optimism for China's GDP growth, as ongoing trade uncertainties are balanced out by strong policy support and improving consumer confidence. However, Japan's economy faced challenges in surging inflation, driven by sharp increases in food prices, especially rice. Growth was modest with a cautious outlook amid slower export growth, while monetary policy remained accommodative.

On 13 June, Israel conducted multiple airstrikes targeting Iran's nuclear facilities and military bases, sharply escalating longstanding geopolitical tensions between the two nations. This triggered an immediate spike in oil prices on fears of supply disruptions, which fuelled inflation concerns and caused markets to react negatively initially. However, global stock markets stabilised quickly and even showed modest gains, which indicated that investors were not overly concerned despite the continued exchange of attacks. Safe-haven assets like gold rose close to record highs reflecting flight-to-safety demand, while US Treasury yields rose temporarily on the back of inflation fears. Oil experienced volatility as investor sentiment swung between fears of sustained supply disruptions and reassurance of OPEC's spare capacity.

After the US intervened by striking Iranian nuclear sites and intense diplomatic efforts by the US and Qatar, a ceasefire was reached after 12 days of military confrontation. With the easing of geopolitical tensions, oil prices stabilised, and global risk assets rebounded, delivering positive results across the board.

The MSCI AC World Index returned 4.5% in US dollar terms in June, driven by strong gains in the US market (+5.1%). Meanwhile, the MSCI Asia ex-Japan Index rose 6.1% in dollar terms over the same period, supported by a 3.7% gain in the MSCI China Index in USD terms. In Singapore, the MSCI Singapore Index gained 0.8% in SGD terms, while the benchmark for REITs, the iSTOXX Developed S-REITs Index, rose 4.8% over the month of June.

US Treasury yields exhibited relative stability, with 10-year and 30-year yields ending June at 4.23% and 4.77% respectively, reflecting a slight decline from May. The Bloomberg Global Aggregate Index returned 1.9% unhedged in dollars (1.0% hedged), while the J.P. Morgan JACI Investment Grade Index returned 1.2% in USD terms. The US dollar index (DXY) continued its broader downtrend that began in early 2025, driven by longer-term uncertainties around trade policy and fiscal sustainability.

The movements in commodity markets were largely shaped by geopolitical and trade concerns in June. Gold ended the month relatively unchanged despite notable intra-month volatility driven by geopolitical uncertainty. In contrast, Brent crude gained 7.0% as oil prices retreated partially after its initial spike.

Investment Outlook and Strategy

Our baseline outlook is that earnings can be resilient, with modest stagflation risk that should not be a threat to markets. With a weakening US dollar, global central banks now have the flexibility to adopt more accommodative policies which also give rise to interesting opportunities in European and Asian equities. Fundamentally, we expect that earnings in both developed markets and Asia are on track to achieve single-digit growth.

We have modestly increased our exposure to risky assets in Singapore and Asia, supported by ample liquidity, a softer USD, and more dovish central banks. Singapore REITs remain fundamentally resilient, with steady rent growth, stabilizing asset values, and signs that interest rates are peaking. We anticipate a pickup in acquisitions and capital market activity, and are currently positioned in Data Centre, Healthcare, and selected Industrial REITs.

However, we are also closely monitoring economic data and market signals, as well as other developments including Trump's upcoming tariff announcement as the 9 July end of the 90-day tariff pause looms, the "Big Beautiful Bill" passage through the House and its implication on debt sustainability, and dedollarisation risk. We continue to see an environment shaped by tactical opportunities within a volatile macro backdrop. In this environment 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.

Performance (%)

	1 month	3 months	6 months	1 year	3 years	5 years	Since Inception
A-SGD (bid-to-bid)	2.27	1.87	3.38	5.53	-1.27	-2.45	-1.38
A-SGD (offer-to-bid)	-0.71	-1.10	0.37	2.46	-2.24	-3.03	-1.86
B-SGD (bid-to-bid)	2.27	1.87	3.38	5.53	-1.27	-2.45	-1.38
B-SGD (offer-to-bid)	-0.71	-1.10	0.37	2.46	-2.24	-3.02	-1.86
C-SGD (bid-to-bid)	2.27	1.87	3.38	5.53	-1.27	-2.45	-1.38
C-SGD (offer-to-bid)	-0.71	-1.10	0.37	2.46	-2.24	-3.03	-1.86
B1-USD (bid-to-bid)	2.43	2.50	4.32	7.61	0.16	-1.60	-1.39
B1-USD (offer-to-bid)	-0.55	-0.48	1.28	4.48	-0.82	-2.18	-1.90

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	11.9
REITs	20.5
Fixed Income	63.9
Cash and cash equivalents	3.7

Country Exposure (%)^{1,2}

Singapore	38.9
Developed Markets	25.8
China	7.5
Hong Kong	5.6
Indonesia	5.5
Japan	5.3
India	3.1
Korea	2.8
Saudi Arabia	2.2
Others	3.3

Top 5 Holdings (Equities, % of NAV)

Netflix Inc	0.5
Siemens Energy AG	0.4
JPMORGAN CHASE & CO	0.4
NVIDIA Corp	0.4
Heidelberg Materials AG	0.4

Top 5 Holdings (Fixed Income, % of NAV)

SINGAPORE GOVERNMENT 3.375% MAY 2034	1.8
MIZUHO FINANCIAL GROUP 5.754% MAY 2034	1.4
SINGAPORE GOVERNMENT 3.375% SEP 2033	1.3
STANDARD CHARTERED PLC 4% JAN 2030	1.3
LENDLEASE FINANCE LTD 3.9% APR 2027	1.2

Sector Exposure (%)^{1,2}

Financials	34.1
Real Estate	33.0
Consumer Discretionary	8.8
Industrials	4.1
Sovereigns & Supranational	3.9
Utilities	3.3
Information Technology	3.2
Communication Services	3.0
Materials	2.9
Energy	2.5
Consumer Staples	1.0
Health Care	0.1

Top 5 Holdings (REITs, % of NAV)

CapitaLand Integrated Commercial Trust	5.1
CapitaLand Ascendas REIT	4.1
Keppel DC REIT	2.1
Mapletree Logistics Trust	2.0
Mapletree Industrial Trust	1.9

Fund Statistics

Fixed Income	
Duration	4.3 years
Average Credit Rating ³	BBB+
Yield-to-Worst ⁴	4.2%
Equities	
Dividend Yield	1.1%
Price to Book	4.1x
Price to Earnings	26.8x
S-REITs	
Dividend Yield	5.5%
Price to Book	1.0x
Price to Earnings	18.0x

Dividend History⁵

	Dividend / share	Record Date
Class B	SGD 0.0027	30 May 2025
Class B	SGD 0.0027	30 Jun 2025
Class C	SGD 0.0038	30 May 2025
Class C	SGD 0.0039	30 Jun 2025
Class B1	USD 0.0028	30 May 2025
Class B1	USD 0.0028	30 Jun 2025

Fund Details

	Class A	Class B (Distribution)	Class C (Distribution)
Inception Date	21 May 2019	21 May 2019	21 May 2019
NAV per Unit⁶	SGD 0.92	SGD 0.68	SGD 0.54
Management Fee	Currently 0.80% p.a.	Currently 0.80% p.a.	Currently 0.80% p.a.
Initial Investment	None	None	None
Subsequent Investment	None	None	None
ISIN Code	SGXZ28681005	SGXZ51694974	SGXZ70176466
Bloomberg Code	FULSHIA SP	FULSHIB SP	FULSHIC SP

	Class B1 (Distribution)
Inception Date	21 Oct 2019
NAV per Unit⁶	USD 0.69
Management Fee	Currently 0.80% p.a.
Initial Investment	None
Subsequent Investment	None
ISIN Code	SGXZ92431121
Bloomberg Code	FULSHB1 SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 30 June 2025, unless otherwise stated.

- Numbers might not add due to rounding.
- Country and Sector exposures exclude derivatives, cash and cash equivalents.
- Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.
- Refers to Yield-to-Worst in base currency, before hedging.
- Please refer to our website for more details on the dividend payouts.
- Figures are truncated to 2 decimal places. Please refer to Fullerton's website for official price.

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