

Fullerton SGD Heritage Income

August 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 238.60 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 maintained their upward trend in August, supported by a robust corporate earnings season and optimistic economic data. Major companies reported strong sales and earnings above expectations, supporting positive investor sentiment. Consequently, the S&P 500 rose 2.0% and reached new all-time highs, driven by gains in healthcare and materials. In particular, US small-cap stocks experienced renewed strength, with the Russell 2000 Index surging 7.0%. Tech stocks showed some sector weakness and mixed results, and the Nasdaq advanced 1.6%, trailing behind the broader market.

Over the month, US labour market data came into focus, with weak job growth numbers falling below expectations. On the other end of the balance scale, US Core Consumer Price Index (CPI) rose 3.1% Year-on-Year, indicating moderate but persistent inflation. In Fed Chair Powell's Jackson Hole speech on 22 August, he made concessions that the current monetary policy remains restrictive and signalled openness to rate cuts. This led to increased expectations by markets for a 25 basis point (bps) rate cut as early as the next Federal Open Market Committee (FOMC) meeting on 18 September. Consequently, the bond market rallied while global stocks rose in anticipation of an upcoming rate cut. Meanwhile, the Bank of England cut its benchmark interest rate by 25 bps due to softening economic outlook and weaker labour market conditions, while the Reserve Bank of Australia also lowered its cash rate by 25 bps, reflecting a global shift towards easing monetary policy.

On 1 August, the US administration implemented new tariff rates against multiple trading partners which came into effect from 7 August, while certain sectors and goods were subject to specific tariff rates. Additional tariffs of 25% on Indian imports were also levied, targeting India for its imports of Russian oil. Towards the end of the month, the US Court of Appeals challenged President Trump's imposition of these tariffs but left them in place as legal proceedings are currently taking place.

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. Despite macroeconomic weakness in China, Chinese equities rallied, fuelled by domestic investor confidence and supportive government policies. Japan upgraded its growth forecast slightly based on domestic demand recovery, though export headwinds persist and inflation is projected to remain high before easing in 2026.

The MSCI AC World Index returned 2.5% in dollar terms, mainly driven by gains in Japan (7.0%), Europe (3.4%) and the US (1.9%). The MSCI Asia ex-Japan Index gained 1.1% in dollar terms, supported by a 4.9% gain in the MSCI China Index and 7.1% gain in the MSCI Singapore Index. The benchmark for REITs, the iSTOXX Developed S-REITs index delivered 4.0% in SGD terms.

10 Year US Treasury yields declined by 15 bps, ending August at 4.23%. The Bloomberg Global Aggregate Index returned 1.5% unhedged in dollar terms (0.6% hedged), while the J.P. Morgan JACI Investment Grade Index returned 1.2% in dollar terms. The US dollar index (DXY) fell 2% on growing optimism around the possibility of a Fed rate cut in September 2025, as well as ongoing trade and political concerns. Closer to home, the 10 Year Singapore government bond yield also declined by 28 bps, driven by heightened demand for safe-haven assets and influenced by a downward movement in US Treasury yields.

Commodity markets experienced a divergence in August. Gold gained 4.8% over the month. In contrast, Brent crude fell 6.67% 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.

Within this context, the Fund's strategy remained positive on risky assets. We have increased the beta of our REITs portfolio to benefit from the tailwinds of lower interest costs. The sector is seeing inflection on interest cost, which is expected to be the main driver for the sector re-rating going forward. Most sectors continue to report positive rent growth, with potential for further rental increases over time albeit slowing growth. Asset values are generally firm with overseas assets largely bottomed. Elsewhere, the strong earnings revision and rising liquidity is also positive for global and Asian equities. In terms of 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 upcoming Fed rate cuts. 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.

Performance (%)

	1 month	3 months	6 months	1 year	3 years	5 years	Since Inception
A-SGD (bid-to-bid)	1.75	5.60	5.87	5.66	-0.01	-2.37	-0.84
A-SGD (offer-to-bid)	-1.21	2.52	2.78	2.59	-0.99	-2.94	-1.31
B-SGD (bid-to-bid)	1.75	5.60	5.87	5.66	-0.01	-2.37	-0.84
B-SGD (offer-to-bid)	-1.21	2.52	2.78	2.59	-0.99	-2.94	-1.31
C-SGD (bid-to-bid)	1.75	5.60	5.87	5.66	-0.01	-2.37	-0.84
C-SGD (offer-to-bid)	-1.21	2.52	2.78	2.59	-0.99	-2.94	-1.31
B1-USD (bid-to-bid)	1.98	6.19	7.12	7.83	1.57	-1.45	-0.74
B1-USD (offer-to-bid)	-0.99	3.10	4.00	4.69	0.58	-2.03	-1.24

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	11.4
REITs	22.4
Fixed Income	64.4
Cash and cash equivalents	1.8

Country Exposure (%)^{1,2}

Singapore	39.0
China	8.0
Japan	6.2
Hong Kong	5.7
Saudi Arabia	4.0
Indonesia	3.9
Korea	3.0
India	1.9
Developed Markets	25.0
Others	3.2

Top 5 Holdings (Equities, % of NAV)

NVIDIA Corp	0.5
JPMORGAN CHASE & CO	0.4
ROBLOX Corp	0.4
Siemens Energy AG	0.4
Bloom Energy Corp	0.4

Top 5 Holdings (Fixed Income, % of NAV)

SINGAPORE GOVERNMENT 3.375% MAY 2034	1.9
MIZUHO FINANCIAL GROUP 5.754% MAY 2034	1.5
STANDARD CHARTERED PLC 4% JAN 2030	1.3
SHANGRI-LA HOTEL LIMITED 3.5% JAN 2030	1.3
HK LAND TREASURY SG 3.45% DEC 2039	1.3

Sector Exposure (%)^{1,2}

Financials	33.8
Real Estate	33.4
Consumer Discretionary	9.1
Industrials	4.6
Communication Services	3.9
Information Technology	3.6
Sovereigns & Supranational	3.0
Materials	3.0
Utilities	2.9
Energy	2.6
Health Care	0.1
Consumer Staples	0.0

Top 5 Holdings (REITs, % of NAV)

CapitaLand Integrated Commercial Trust	5.7
CapitaLand Ascendas REIT	4.3
Mapletree Logistics Trust	2.1
Keppel DC REIT	2.0
Mapletree Industrial Trust	1.6

Fund Statistics

Fixed Income	
Duration	4.5 years
Average Credit Rating ³	BBB+
Yield-to-Worst ⁴	3.8%
Equities	
Dividend Yield	1.2%
Price to Book	3.7x
Price to Earnings	22.4x
S-REITs	
Dividend Yield	5.4%
Price to Book	1.0x
Price to Earnings	19.6x

Dividend History⁵

	Dividend / share	Record Date
Class B	SGD 0.0028	31 Jul 2025
Class B	SGD 0.0028	29 Aug 2025
Class C	SGD 0.0040	31 Jul 2025
Class C	SGD 0.0040	29 Aug 2025
Class B1	USD 0.0029	31 Jul 2025
Class B1	USD 0.0029	29 Aug 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 0.95	SGD 0.69	SGD 0.55
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 0.71
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 31 August 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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