FULLERTON FUND MANAGEMENT
A member of Seviora Group

Fullerton SGD Heritage Income

July 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 168.66 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 had a more challenging month in July, as markets shifted from the strong, broad-based gains of the second quarter into a period of increased volatility and rotation. The key drivers were renewed concern about the higher-for-longer interest-rate backdrop following the latest Federal Reserve meeting, a sharp unwind in crowded AI- and technology-linked positions, particularly in North Asia, and renewed geopolitical tension around the US–Iran conflict and shipping routes in the Middle East. While headline global equity returns were close to flat, the dispersion across regions and sectors was substantial.

Global equities were mixed over the month. The MSCI AC World Index rose 0.1% in July, but this masked a divergence between markets: the S&P 500 fell 0.1% and Nasdaq declined 3.2%, as investors took profits in US growth and AI names after strong year-to-date gains. In contrast, MSCI Europe gained 1.6%, helped by less concentrated exposure to the US technology complex and somewhat more supportive valuations, while MSCI Japan rose 1.0%, supported by ongoing corporate reforms and still-constructive domestic dynamics.

Asian equities underperformed global peers, with performance highly dispersed across markets. The MSCI AC Asia ex-Japan Index fell 3.2% in July, dragged down by a sharp 17.1% decline in MSCI Korea, where leveraged and retail flows reversed in AI- and semiconductor-linked stocks following an exceptionally strong first half. By contrast, MSCI China rebounded 9.0%, helped by a combination of policy-support signals and short-covering after prior underperformance. MSCI Singapore returned 10.3% in USD terms and 9.3% in SGD terms, reflecting its more defensive, income-oriented profile which held up better than the broad equity market in July; Singapore REITs also gained 3.5% in SGD, as stabilising rate expectations and attractive yields supported the sector.

Fixed income delivered modestly negative returns in July as markets absorbed the Fed's message that policy is likely to stay restrictive for longer. The Bloomberg Global Aggregate Index returned -0.5% unhedged and -1.0% on a hedged basis, as higher-for-longer rate expectations and ongoing supply concerns kept upward pressure on core yields and limited the ballast provided by duration. Asian investment-grade credit was somewhat more resilient but still soft, with the J.P. Morgan JACI Investment Grade Index down 0.9% in USD and 1.2% in SGD, reflecting the drag from rates more than from spreads, which remained broadly contained against still-solid corporate fundamentals.

Commodities and currencies also reflected the evolving macro and geopolitical narrative. Brent crude rallied 21.8% in July on renewed tension around the Middle East conflict and associated supply fears, while gold rose 1.0%, as a partial hedge against geopolitical risk and rate uncertainty even as higher real yields capped the upside. The DXY dollar index fell 1.3%, as shifting rate-cut expectations at the margin and moves in risk sentiment prompted some give-back of earlier US dollar strength, though the overall level of the dollar remained relatively firm compared with recent years.

Investment Outlook and Strategy

Our baseline view remains constructive but more selective on risk assets. We continue to see global growth supported by resilient consumption and investment and by AI-related productivity gains, but July's experience underscores that returns are likely to be more uneven and more idiosyncratic from here, particularly in segments where valuations and positioning have become stretched. Policy rates and long-end yields are expected to stay higher for longer than in the previous cycle, which is expected to impact US dollar, liquidity and market sentiment rather than simply the level of the policy rate.

Against this backdrop, our multi-asset strategy remains focused on quality, diversification and flexibility. In equities, we are staying invested in structural themes such as AI infrastructure and adoption, and selected industrial and financial names, but with reduced concentration in the most crowded North Asian technology exposures and greater emphasis on earnings visibility and valuation discipline. In fixed income, we continue to favour high-quality carry and selective Asian investment-grade credit over longer-end rates, while managing duration dynamically as yields move and as the balance between inflation, growth and term premia evolves. From a multi-asset perspective, we maintain meaningful allocations to cash and short-dated instruments so that we can navigate further bouts of volatility or geopolitical stress and remain ready to deploy risk selectively when better entry points emerge.

Risk management remains an integral part of our portfolio management strategy. We are placing greater weight on concentration and liquidity risk, trimming exposure where flows and leverage have built up (for example in some AI-linked trades) and favouring names and instruments where we can adjust positions quickly as conditions change. Where relevant, we continue to use protection strategies to protect against large drawdowns. We continue to monitor various indicators and scenarios – including renewed energy shocks, stickier inflation, AI-related volatility, and market dynamics – to ensure that the current positioning is robust across different scenarios for the rest of 2026 and into 2027.

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Performance (%)

	1 month	3 months	6 months	1 year	3 years	5 years	Since Inception
A-SGD (bid-to-bid)	0.17	0.50	-0.66	4.80	2.88	-2.27	-0.33
A-SGD (offer-to-bid)	-2.75	-2.42	-3.55	1.75	1.87	-2.85	-0.74
B-SGD (bid-to-bid)	0.17	0.50	-0.66	4.81	2.88	-2.27	-0.33
B-SGD (offer-to-bid)	-2.75	-2.42	-3.55	1.75	1.87	-2.85	-0.74
C-SGD (bid-to-bid)	0.17	0.51	-0.66	4.81	2.88	-2.27	-0.33
C-SGD (offer-to-bid)	-2.75	-2.42	-3.55	1.76	1.87	-2.85	-0.74
B1-USD (bid-to-bid)	0.37	1.09	0.52	7.55	5.06	-0.89	0.14
B1-USD (offer-to-bid)	-2.55	-1.86	-2.41	4.42	4.03	-1.48	-0.30

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	7.5
REITs	14.6
Fixed Income	67.6
Commodities	0.0
Cash and cash equivalents	10.3

Geographical Exposure (%)[1,2]

Singapore	36.2
Hong Kong	8.7
China	7.8
Japan	5.0
Saudi Arabia	4.0
Korea	3.1
Indonesia	2.6
India	1.8
Thailand	1.3
Macau	1.1
Developed Markets	26.1
Others	2.4

Top 5 Holdings (Equities, % of NAV)

DBS GROUP HOLDINGS LTD	0.9
OVERSEA-CHINESE BANKING CORP	0.9
ALPHABET INC	0.4
SINGAPORE TELECOMMUNICAT	0.4
UNITED OVERSEAS BANK LTD	0.3

Top 5 Holdings (Fixed Income, % of NAV)

US TREASURY N/B 4.25% JUN 2031	2.1
HK LAND TREASURY SG 3.45% DEC 2039	1.9
BPCE SA 5% MAR 2034	1.7
NIPPON LIFE INSURANCE 6.25% SEP 2053	1.7
CREDIT AGRICOLE SA 4.25% JAN 2035	1.5

Sector Exposure (%)[1,2]

Financials	36.1
Real Estate	27.2
Consumer Discretionary	8.0
Materials	6.0
Industrials	5.1
Utilities	4.5
Communication Services	4.0
Sovereigns & Supranational	3.9
Information Technology	2.8
Energy	1.7
Health Care	0.3
Consumer Staples	0.3

Top 5 Holdings (REITs, % of NAV)

CapitaLand Integrated Commercial Trust	4.0
CapitaLand Ascendas REIT	2.5
Mapletree Logistics Trust	1.2
Keppel DC REIT	1.2
Mapletree Pan Asia Commercial Trust	1.0

Fund Statistics

Fixed Income	
Duration	5.0 years
Average Credit Rating[3]	BBB+
Yield-to-Worst[4]	4.3%
Equities	
Dividend Yield	2.2%
Price to Book	2.9x
Price to Earnings	20.3x
S-REITs	
Dividend Yield	5.0%
Price to Book	1.0x
Price to Earnings	19.7x

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Dividend History[5]

	Dividend / share	Record Date
Class B	SGD 0.0028	30 Jun 2026
Class B	SGD 0.0028	31 Jul 2026
Class C	SGD 0.0038	30 Jun 2026
Class C	SGD 0.0038	31 Jul 2026
Class B1	USD 0.0030	30 Jun 2026
Class B1	USD 0.0029	31 Jul 2026

Fund Details

	Class A	Class B (Distribution)	Class C (Distribution)
Inception Date	21 May 2019	21 May 2019	21 May 2019
NAV per Unit[6]	SGD 0.98	SGD 0.68	SGD 0.53
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 Unit[6]	USD 0.72
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 July 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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