FULLERTON FUND MANAGEMENT

A member of Seviora Group

Fullerton SGD Heritage Income

October 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 148.3 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)

October brought a sharp deterioration in risk appetite, amid escalating US-Iran tensions and pronounced regional dispersion. Attacks on commercial shipping in the Strait of Hormuz intensified, while Iran threatened to restrict transit routes. US naval escorts and rerouting helped keep crude moving, but flows remained volatile and shipping costs rose sharply. These developments sustained an oil-supply risk premium. At the same time, scrutiny of AI investment and funding needs drove a reversal in crowded technology and semiconductor positions. Global equities fell, while government bonds rallied into month-end and fixed-income indices posted positive returns; gold declined and the US dollar edged higher.

The MSCI AC World Index fell 1.6%. In the US, the S&P 500 declined 0.9% and the Nasdaq fell 5.3%. Resilient earnings provided some support, but high borrowing costs and scrutiny of AI capital expenditure, funding needs and monetisation weighed on valuations; the Nasdaq's heavier technology concentration amplified the decline. MSCI Europe rose 0.4%, with less exposure to the concentrated AI trade and pockets of earnings resilience, although fiscal concerns and higher funding costs remained headwinds. MSCI Japan fell 4.2% as the global unwind in technology and semiconductor positions outweighed support from corporate earnings and ongoing reforms.

Asian equities underperformed global counterparts, with the MSCI AC Asia ex-Japan Index down 8.2% as the regional semiconductor sell-off and weakness in US technology shares weighed on sentiment. MSCI Korea fell 15.6%; its concentrated exposure to semiconductors and AI-linked names left it especially vulnerable to profit-taking and the reversal of crowded positions. MSCI China also declined 7.0% as weak domestic demand and consumption, together with disappointing signals on the pace of recovery, offset policy support. MSCI Singapore fell 7.9% in US dollar terms (7.9% in Singapore dollars), tracking the regional weakness. By contrast, Singapore REITs were down 0.5% in Singapore dollar terms, outperforming the broader market.

The US 10-year Treasury yield fell 35 bps over October, from 5.28% to 4.93% by month-end. It climbed above 5.3% early in the month as oil-related inflation concerns, Treasury supply and expectations of a more restrictive Fed path lifted yields. As the month progressed, strong auction demand and softer inflation and labour signals eased upward pressure. The technology-led equity sell-off and heightened geopolitical uncertainty further prompted safe-haven demand, driving yields lower despite persistent energy risks. This supported fixed income indices which delivered positive returns - the Bloomberg Global Aggregate Index returned 1.4% unhedged and 1.7% hedged, while the J.P. Morgan JACI Investment Grade Index returned 1.1%.

Gold fell 6.8%, while the DXY dollar index gained 0.4%. Bullion was pressured by higher US yields and dollar strength and weakened further amid a broader commodity pullback and consolidation, even as Treasury yields eased into month-end. Brent crude rose 14.4% as Middle East supply concerns lifted prices. Overall, October was marked by sharp swings and weak equity returns, with losses concentrated in Asia and technology; positive fixed-income returns provided some positive offsets.

Investment Outlook and Strategy

While our medium-term outlook remains constructive, we recognize that the near-term environment is more fragile. The late-cycle backdrop can still support positive returns, though with greater volatility; risk appetite has weakened and earnings growth is expected to moderate, particularly in Asia. With uncertainty around the US-Iran conflict, oil supply, inflation and the AI investment cycle, we have moderated our risk stance further while awaiting more clarity. We are also monitoring the US midterm elections as a near-term policy and market risk event. We favour selective exposure over broad beta, actively managing volatility and paying attention to concentration and liquidity.

AI remains a structural growth theme, but returns are likely to be less evenly distributed as funding requirements and capital intensity attract greater scrutiny. We remain positive on the broad AI cycle, while extending attention beyond hardware to infrastructure and adoption beneficiaries where demand visibility and productivity gains are credible. Diversification across sectors and sources of earnings growth remains important. Industrials and defence-related businesses may also benefit from higher national and energy-security spending.

In fixed income, elevated yields offer selective opportunities, but inflation, heavy issuance and energy disruption still warrant caution, especially at the long end. We retain flexibility to add duration as compensation improves rather than a broad extension of duration risk. Carry remains supportive, particularly in investment grade, but tight spreads and funding uncertainty favour discipline on quality and liquidity to generate stable income.

Geopolitical escalation or renewed oil-supply disruption remains a material tail risk: a sustained energy shock could revive inflation pressure, keep yields elevated and delay policy easing. Our strategy therefore is to monitor the interaction between yields, equity concentration and credit spreads and remain nimble as market conditions evolve.

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Performance (%)

	1 month	3 months	6 months	1 year	3 years	5 years	Since Inception
A-SGD (bid-to-bid)	-1.81	-4.22	-3.73	-3.81	3.54	-2.44	-0.89
A-SGD (offer-to-bid)	-4.67	-7.01	-6.54	-6.61	2.52	-3.01	-1.28
B-SGD (bid-to-bid)	-1.82	-4.22	-3.73	-3.81	3.54	-2.44	-0.89
B-SGD (offer-to-bid)	-4.67	-7.01	-6.54	-6.61	2.52	-3.01	-1.28
C-SGD (bid-to-bid)	-1.81	-4.22	-3.73	-3.80	3.54	-2.44	-0.89
C-SGD (offer-to-bid)	-4.67	-7.01	-6.53	-6.61	2.53	-3.01	-1.28
B1-USD (bid-to-bid)	-1.62	-3.63	-2.58	-1.40	5.81	-0.94	-0.39
B1-USD (offer-to-bid)	-4.48	-6.44	-5.42	-4.27	4.77	-1.52	-0.81

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	23.9
Fixed Income	69.7
Commodities	0.0
Cash and cash equivalents	6.4

Geographical Exposure (%)[1,2]

Singapore	34.7
Developed Markets	27.4
Hong Kong	8.1
China	7.3
Japan	6.3
Korea	3.8
India	3.4
Indonesia	2.6
Saudi Arabia	2.2
Taiwan	1.3
Macau	1.2
Others	1.8

Top 5 Holdings (Equities, % of NAV)

State Street SPDR Straits Times Index ETF	7.8
DBS Group Holdings Ltd	2.8
Oversea-Chinese Banking Corp Ltd	2.1
United Overseas Bank Ltd	1.1
Singapore Telecommunications Ltd	0.9

Top 5 Holdings (Fixed Income, % of NAV)

Nippon Life Insurance Co 6.25% Sept 2053	1.8
United States Treasury Note/Bond 4.125% Oct 2031	1.8
Credit Agricole SA 4.25% Jan 2035	1.7
Keppel Ltd 4% Sept 2042	1.6
Shangri-La Hotel Ltd 3.5% Jan 2030	1.5

Sector Exposure (%)[1,2]

Financials	40.1
Real Estate	12.0
Consumer Discretionary	8.9
Industrials	5.9
Sovereigns & Supranational	5.8
Utilities	4.9
Materials	4.7
Communication Services	4.5
Information Technology	2.0
Energy	1.9
Consumer Staples	0.5
Health Care	0.4
Others	8.3

Fund Statistics

Fixed Income	
Duration	4.6 years
Average Credit Rating[3]	BBB+
Yield-to-Worst[4]	4.9%
Equities	
Dividend Yield	1.4%
Price to Book	3.4x
Price to Earnings	18.9x

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Dividend History[5]

	Dividend / share	Record Date
Class B	SGD 0.0027	30 Sep 2026
Class B	SGD 0.0026	30 Oct 2026
Class C	SGD 0.0037	30 Sep 2026
Class C	SGD 0.0036	30 Oct 2026
Class B1	USD 0.0029	30 Sep 2026
Class B1	USD 0.0028	30 Oct 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 0.94	SGD 0.64	SGD 0.49
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 0.68
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 October 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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