Fullerton SGD Income Fund - Class B

September 2025

Investment Objective

The investment objective of the Fund is to generate long term capital appreciation and/or income for investors in SGD terms by investing primarily in fixed income or debt securities.

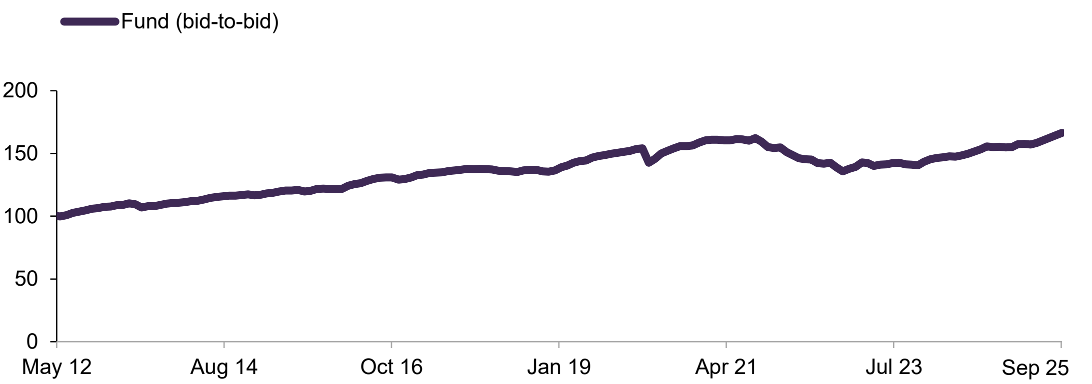
Investment Focus and Approach

The Managers seek to add value from interest rate accruals, selection of bonds and/or credits and duration management (optimisation of bond returns by selecting bonds with different terms to maturity). The Fund will invest in a diversified portfolio of primarily investment grade fixed income or debt securities having a minimum long term credit rating of BBB- by Fitch, Baa3 by Moody's or BBB- by Standard & Poor's (or their respective equivalents) and cash.

The Fund may also invest in non-investment grade bonds (i.e. bonds with a long term credit rating of less than BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)) of up to 30% of its Net Asset Value.

The Fund may invest in Singapore Dollar and foreign currency denominated bonds including but not limited to US Dollar, Euro, Japanese Yen and Australian Dollar. The foreign currency denominated bonds will be fully hedged back to the Singapore Dollar except for a 5% frictional currency limit.

Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	SI. Ann. Ret.	SI. Ann. Vol.
Fund (bid-to-bid)	1.06	3.44	4.94	5.92	5.11	0.27	2.24	2.80	3.89
Fund (offer-to-bid)	-1.88	0.42	1.89	2.83	4.08	-0.32	1.94	2.57	NA

Returns of more than 1 year are annualised. 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.
Source: Fullerton Fund Management Company Ltd.

Inception date
14 May 2012

Fund size
SGD 842.85 million

Base Currency
SGD

Pricing Date
30 Sep 2025

NAV*
SGD 0.84

Management fee
Currently 1.00% p.a.

Expense Ratio
1.03% p.a. (For financial year ended 31 Mar 2025)

Minimum Initial Investment
None

Minimum Subsequent Investment
None

Preliminary Charge
Up to 3%

Dealing day
Daily, up to 5pm (Singapore time)

Bloomberg Code
FULSGIB SP

ISIN Code
SG9999008932

Distributions paid per unit#

Jun 2024	:	SGD 0.010
Sep 2024	:	SGD 0.010
Dec 2024	:	SGD 0.010
Mar 2025	:	SGD 0.010
Jun 2025	:	SGD 0.010
Sep 2025	:	SGD 0.010

The Fund is available for SRS subscription.

* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

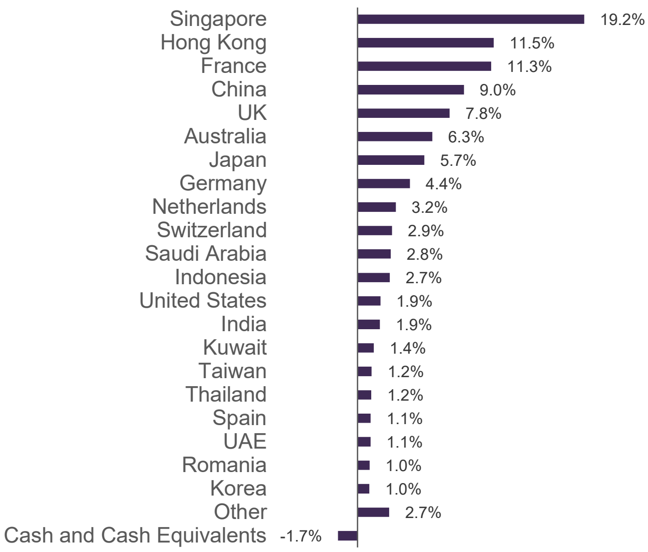
Please refer to our website for more details

FULLERTON FUND MANAGEMENT

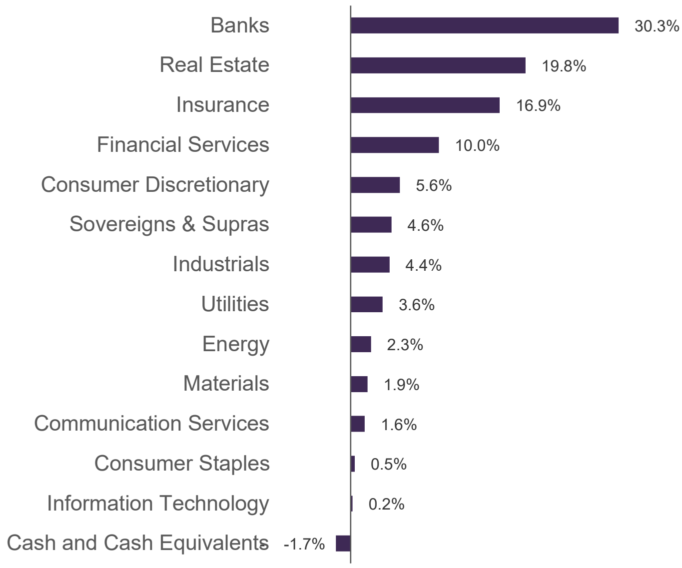
A member of Seviora Group

Portfolio

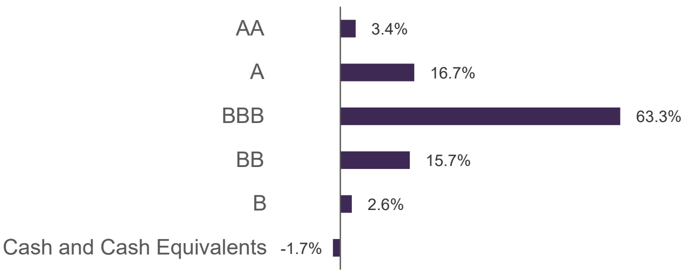
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.9%
Average credit rating	BBB
Number of holdings	210
Average duration (years)	4.8
Yield to Worst (before hedging)	4.0%
Yield to Worst (after hedging)	2.8%

Top 5 Holdings

AIA Group Ltd 2.900 PERP	2.3%
Credit Agricole SA 3.800 Apr 2031	2.3%
ABN AMRO Bank NV 5.500 Oct 2032	2.1%
ESR-REIT 6.000 PERP	1.7%
CFAMC III Co Ltd 3.800 Nov 2025	1.6%

Credit Rating : Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.
Yield to Worst (YTW): Refers to YTW in base currency taking into account the hedging cost. Not guaranteed. Past performance is not necessarily indicative of future performance.
Negative balances are due to cross month trades, and subscriptions/redemptions.

Market Review

In September, the US Federal Reserve (Fed) delivered its first rate cut of 2025, lowering the policy rate by 25 basis points as expected. The updated dot plots signalled two additional cuts for the rest of this year but with a wide dispersion of views among policymakers. Chair Powell described the move as a 'risk management' cut rather than the start of a sustained easing cycle, tempering expectations of aggressive follow-through.

In Singapore, inflation stayed subdued, with August headline CPI at 0.5% y/y and core at 0.3%, the lowest since early 2021. However, industrial production fell 7.8% y/y, underscoring broad manufacturing weakness, while NODX declined 11.3% y/y as front-loading effects unwound amid tariff headwinds.

Against this backdrop, and reversing the earlier trend, SGS yields rose across the curve and underperformed US Treasuries, with the 10-year closing September at 1.9%, 7 basis points higher month-on-month, and the 2-year at 1.5%, up 3 basis points. US Treasury yields, by contrast, were volatile but ended the month at 4.1%, around 8 basis points lower than end-August. Meanwhile, Singapore non-government bonds posted gains, as reflected in the Markit iBoxx ALBI Singapore Non-Government Index, and outperformed SGS over the month.

The Asian credit market posted positive returns in September, as reflected by the JP Morgan Asian Credit Index, supported by gains from both US Treasury duration and spread tightening. Both investment grade and high yield bonds delivered gains, with high yield outperforming on the back of more pronounced spread compression.

Investment Strategy

Global fixed income markets are at an important juncture, with the Federal Reserve (Fed) pivoting toward easing as softening labour data builds the case for rate cuts. For Asia, renewed Fed easing is supportive: it gives regional central banks room to ease without risking destabilising capital outflows, at a time when inflation remains well within target ranges. Fiscal policy is also stepping up across parts of Asia, as governments respond to still-sluggish domestic demand with greater fiscal support. In Singapore, recent inflation has continued to undershoot, while MAS appears less pessimistic on the growth outlook compared to earlier in the year. That said, risks remain tilted toward further easing, given lingering downside growth risks and contained inflation.

In China, activity data has been lacklustre with retail sales softening as trade-in subsidies faded, consumer confidence remaining subdued, and fixed asset investment weighed down by anti-involution policies and a weak property sector. That said, year-on-year growth is still tracking close to the 5% target, reducing the urgency for large-scale policy action. Looking forward, further moderation in growth is likely to be met with more targeted fiscal and policy support, including a tactical pause in anti-involution measures, helping to anchor downside risks.

In terms of portfolio strategy, we remain constructive on duration, with portfolio duration positioned near the upper end of the 5-year limit. While SGS has significantly outperformed US Treasuries year-to-date, we expect this trend to reverse as the Fed resumes easing, with Treasuries likely to outperform going forward. Credit markets should stay supported by strong demand for yield, manageable supply, and the absence of major negative catalysts, all within a low-volatility backdrop. We continue to hold a positive view on the high-yield sector, while actively rotating exposures, such as taking profits on credits that have rallied meaningfully and redeploying into relative laggards offering better value. At the same time, USD/SGD hedging costs have eased modestly, further improving the relative appeal of USD assets. Taken together, these factors tilt our current preference towards USD credits. That said, SGD credit spreads remain tight, leaving limited room for further compression, although spreads are likely to remain well-anchored in the absence of negative catalysts.

FULLERTON FUND MANAGEMENT

A member of Seviora Group

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