

Fullerton SGD Income Fund - Class B

January 2026

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.

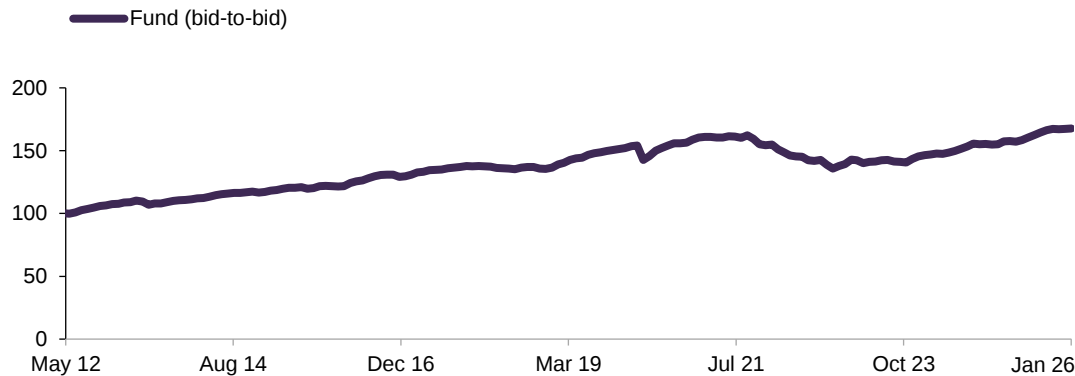
Investment Focus and Approach

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	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.15	-0.10	2.56	7.01	4.38	-0.22	2.20	2.76	3.85
Fund (offer-to-bid)	-2.76	-3.01	-0.42	3.90	3.36	-0.80	1.90	2.54	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 856.93 million

Base Currency

SGD

Pricing Date

31 Jan 2026

NAV*

SGD 0.82

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[#]

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
Dec 2025	: SGD 0.010

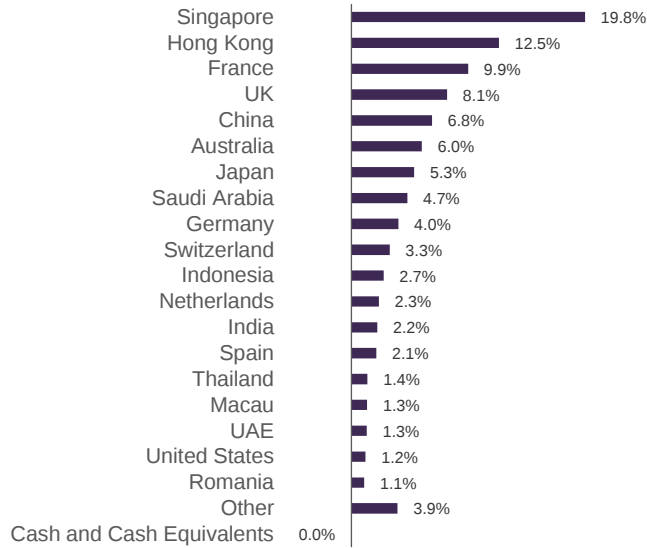
The Fund is available for SRS subscription.

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

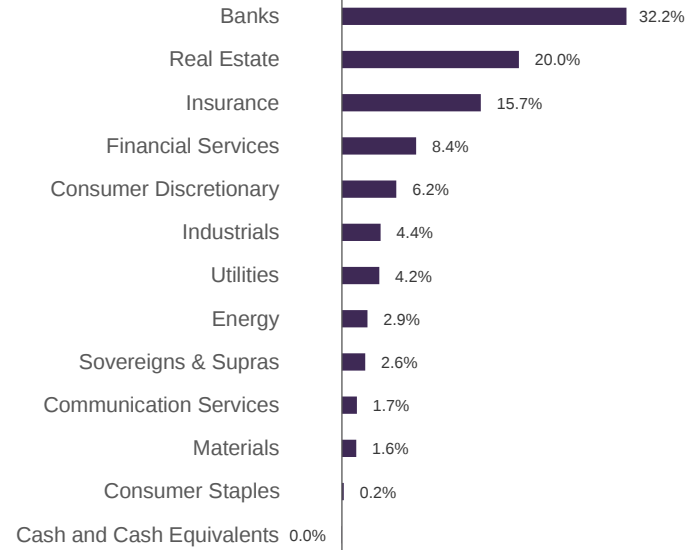
[#] Distribution amount is not guaranteed. Please refer to our website for more details.

■ Portfolio

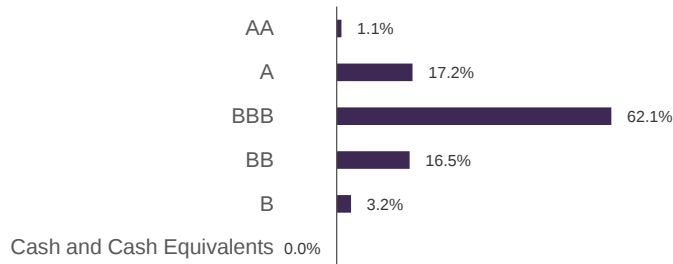
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.9%
Average credit rating	BBB
Number of holdings	221
Average duration (years)	4.7
Yield to Worst (before hedging)	4.2%
Yield to Worst (after hedging)	3.1%

Top 5 Holdings

AIA Group Ltd 2.900 PERP	2.3%
ABN AMRO Bank NV 5.500 Oct 2032	2.0%
ESR-REIT 6.000 PERP	1.7%
BPCE SA 5.000 Mar 2034	1.5%
BNP Paribas SA 5.250 Jul 2032	1.5%

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.

Market Review

In January, the Singapore fixed income market was supported by strong domestic macroeconomic data from late 2025 alongside a key policy decision by the Monetary Authority of Singapore (MAS). Advance estimates from the Ministry of Trade and Industry showed that Singapore's economy expanded by 1.9% quarter-on-quarter (seasonally adjusted) in the fourth quarter of 2025. For the whole of 2025, the economy expanded by 4.8 per cent, extending the 4.4 per cent growth in 2024, driven primarily by technology-linked manufacturing benefiting from the global AI capex cycle. Looking ahead, official projections point to a moderation in growth to a 1–3% range in 2026, implying a still-positive output gap as activity normalises from the robust 2025 outturn. Inflation data released during the month showed headline and core CPI holding at 1.2% year-on-year in December 2025, leaving MAS Core Inflation at just 0.7% for the full year. Nevertheless, MAS raised its inflation forecast ranges for 2026 to 1.0–2.0% for both headline and core inflation, reflecting expectations of a gradual normalisation as domestic demand and wage pressures firm. Against this backdrop, MAS kept its exchange-rate-based monetary policy unchanged at its January review, maintaining the S\$ Nominal Effective Exchange Rate (S\$NEER) policy band on a modest appreciation path and signalling confidence that current settings remain appropriate while preserving flexibility amid upside risks to growth and inflation.

Globally, attention was focused on the U.S. Federal Reserve (Fed) and incoming labour market data. The Fed held policy rates steady at its January meeting, with Chair Powell noting a "clear improvement" in the U.S. outlook and signs of stabilisation in labour market conditions. Against this backdrop, U.S. Treasury yields ended the month modestly higher, with the 10-year U.S. Treasury yield rising by around 7 basis points over the month. In contrast, Singapore Government Securities (SGS) yields declined across much of the curve and outperformed U.S. Treasuries, with the 10-year SGS yield falling by about 4 basis points by month-end. The non-government SGD bond sector also recorded modest gains, as measured by the Markit iBoxx ALBI Singapore Non-government Index, although performance lagged that of SGS.

Elsewhere, Asian credit markets delivered a modestly positive performance during the month, led by the high yield segment, which outperformed investment grade peers. High yield returns were driven primarily by credit spread tightening and lower sensitivity to interest rate movements, allowing them to weather the rise in global yields more effectively. In contrast, investment grade credits were more exposed to duration-related headwinds, while credit spreads were broadly flat to slightly wider on average, resulting in more muted overall performance.

Investment Strategy

The global macro backdrop remains broadly supportive: US growth is running above trend with moderating inflation and still supportive liquidity, which underpins risk sentiment and carry trades. At the same time, ongoing debate around US fiscal sustainability and the Fed's balance sheet plans raises the risk of further curve steepening, even though the cyclical backdrop remains positive for credit.

Domestically, the Monetary Authority of Singapore (MAS) kept the S\$NEER slope at about 0.5% p.a. but raised its 2026 headline and core inflation forecasts to 1–2% and highlighted that risks to both growth and inflation are tilted to the upside, with the output gap likely to stay positive. Barring an external shock, this sets the stage for a hawkish tilt or tightening at the April MPS, with markets likely to start pre-pricing this in the months ahead.

Against this backdrop, we are inclined to manage duration conservatively. With portfolio duration relatively close to the 5 year limit, the risk-reward for adding duration at current levels appears less compelling, particularly against a backdrop of resilient growth and curve-steepening pressures. Within credits, we continue to focus on identifying attractively priced issues and rotating out of lower-yielding bonds where valuations have become less compelling. Credits remain relatively attractive, with all-in yields still offering a meaningful buffer in a slower-but-positive growth environment. As such, we expect carry and relative-value opportunities, rather than large directional duration positions to be the primary drivers of returns. We also maintain a positive bias toward selective high-yield exposure, particularly shorter-dated bonds with attractive carry, where fundamentals are sound and spreads continue to provide a reasonable cushion against volatility. As long as liquidity does not deteriorate and growth remains healthy, the credit market should continue to hold up even through periods of heightened macro volatility.

For additional information on Fullerton and its funds, please contact:

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