Fullerton Fund Management

A member of Seviora Group

Fullerton SGD Income Fund - Class B

July 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.

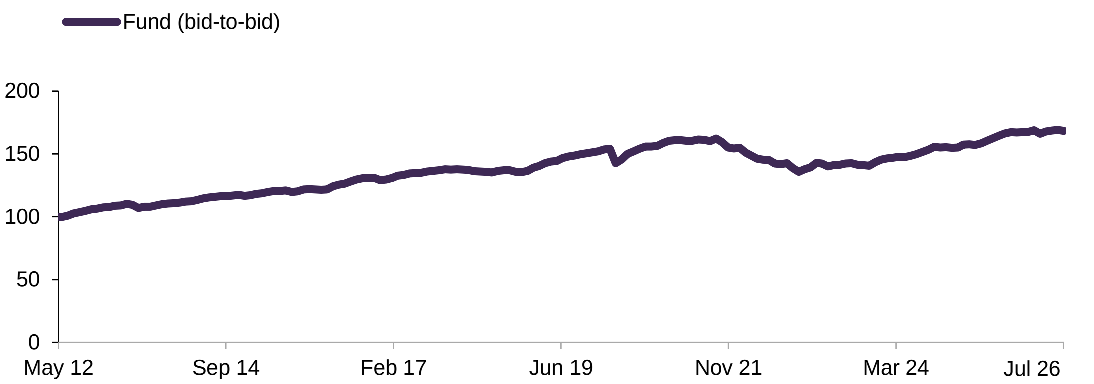
Investment Focus and Approach

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	SI. Ann. Ret.	SI. Ann. Vol.
Fund (bid-to-bid)	-0.49	0.03	-0.06	2.50	4.60	-0.03	1.58	2.66	3.83
Fund (offer-to-bid)	-3.39	-2.89	-2.97	-0.48	3.57	-0.61	1.28	2.45	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 793.94 million

Base Currency
SGD

Pricing Date
31 Jul 2026

NAV*
SGD 0.80

Management fee
Currently 1.00% p.a.

Expense Ratio
1.07% p.a. (For financial year ended 31 Mar 2026)

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#

Mar 2025	: SGD 0.010
Jun 2025	: SGD 0.010
Sep 2025	: SGD 0.010
Dec 2025	: SGD 0.010
Mar 2026	: SGD 0.010
Jun 2026	: 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.

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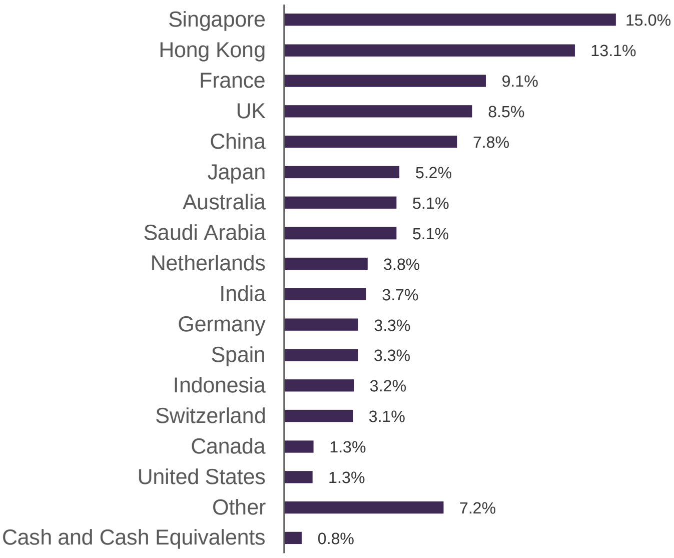
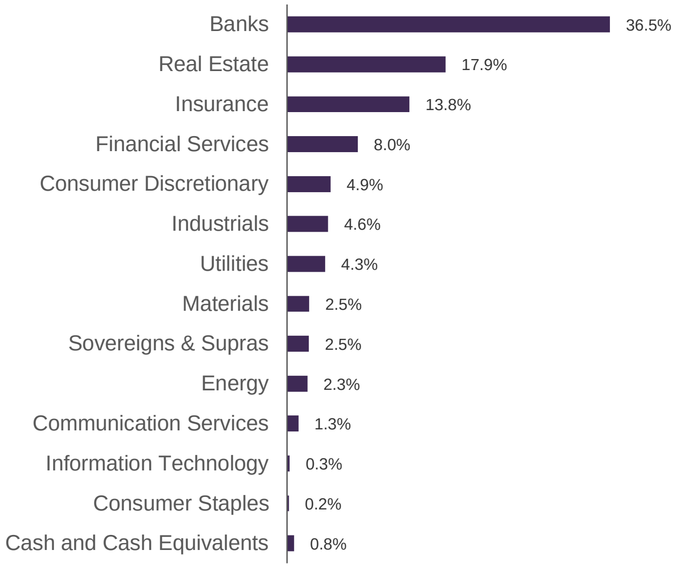
Portfolio

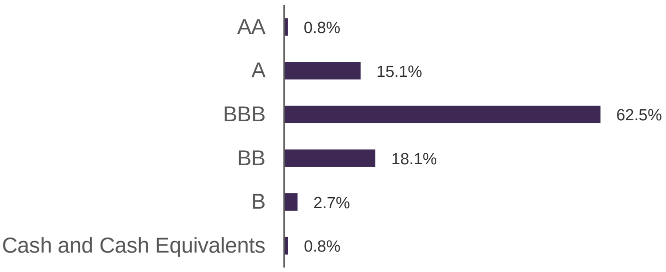
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	5.0%
Average credit rating	BBB
Number of holdings	215
Average duration (years)	4.4
Yield to Worst (before hedging)	4.5%
Yield to Worst (after hedging)	3.3%

Top 5 Holdings

AIA Group Ltd 2.900 PERP	2.5%
ABN AMRO Bank NV 5.500 Oct 2032	2.1%
ESR-REIT 6.000 PERP	1.8%
BPCE SA 5.000 Mar 2034	1.6%
BNP Paribas SA 5.250 Jul 2032	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.

Market Review

July saw global bond markets influenced by evolving monetary policy expectations alongside geopolitical developments. Escalating Middle East tensions and ongoing Russia-Ukraine energy supply concerns drove oil prices higher during much of the month, while new US tariffs added another layer of trade policy uncertainty. Following the Fed's decision to leave policy rates unchanged, short-dated yields initially declined while longer-dated yields rose as markets generally interpreted the decision as delaying rather than eliminating future tightening. Economic data also contributed to volatility during the month, with softer June CPI and PPI releases temporarily pulling yields lower, while hawkish comments from Fed officials, and further oil price gains subsequently pushed yields higher. By month-end, US Treasury yields moved higher, with the yield curve bear steepening. The 2,10 and 30year Treasury yields rose by 12bps, 27bps and 32bps, respectively.

In Singapore, the fixed income market was underpinned by resilient economic growth and a modest further tightening in monetary policy. Advance estimates showed Q2 2026 GDP expanding 5.7% y/y and 1.1% q/q (sa), with manufacturing up 12.2% on robust AI-related electronics demand, reinforcing a widening positive output gap and expectations of firm growth into H2 2026. On 27 July, MAS responded by tightening for the second meeting in a row, increasing the slope of the Singapore dollar nominal effective exchange rate (S$NEER) policy band "very slightly" (smaller than April's move) while keeping the band's width and centre unchanged, citing persistent imported cost pressures, higher fuel and input costs.

Inflation data released during the month were consistent with this narrative of gradually firming but contained price pressures. The joint MAS-MTI release for June showed core inflation rising to 1.6% y/y (from 1.4% in May), while headline CPI-All Items edged up to 1.9% y/y, with food and services the main drivers and overall prices flat on a month-on-month basis. The Singapore authorities reiterated a 2026 full-year forecast of 1.5–2.5% for both core and headline and flagged that higher global energy prices from April to mid-June would start to lift regulated electricity tariffs from July.

Against this backdrop and alongside higher global yields, SGS moved higher over the month: the 10-year SGS yield rose from about 2.0% at the start of the month, before ending July at 2.3%. The non-government sector also declined but held up better than the SGS peers, according to the Markit ALBI Singapore non-government index. In the realm of Asian credit, the Asian US dollar credit markets posted a negative return over the month due primarily to the sharp rise in US Treasury yields more than offset coupon income and spread performance. Investment grade bonds underperformed the high yield peers, reflecting their higher duration and therefore greater sensitivity to the sell-off in US Treasuries. In contrast, the high yield segment proved more resilient, benefiting from stronger spread performance and its lower interest rate sensitivity.

Investment Strategy

Global credit markets are being driven by a mix of resilient US growth, elevated but contained inflation and higher all-in yields. The US economy continues to hold up despite renewed geopolitical tensions, supported in part by AI-related capital expenditure even as uncertainties around Federal Reserve (Fed) policy have contributed to a steeper US yield curve and bouts of rate volatility. At the same time, Middle East developments keep oil as an important short-term driver for inflation expectations.

Within this global context, Asian and SGD credit remain relatively well-positioned. Asian credit markets have, on the whole, been relatively stable, supported by stronger balance sheets and more conservative leverage profiles. The global capex cycle is favourable for Asia: the AI investment upcycle is underpinning export demand across key manufacturing hubs, even as Asian inflation-targeting central banks have turned more hawkish to anchor inflation expectations and safeguard financial stability. For Singapore, MAS's calibrated tightening and still-moderate inflation forecasts provide a constructive framework for SGD rates, while the domestic corporate sector remains fundamentally robust.

Against this backdrop, we are maintaining our current duration positioning but may selectively reduce duration should yields decline meaningfully, crystallising gains and rebuilding dry powder for redeployment at more attractive levels. We also expect to maintain our high yield allocation at around the low-20% level, where attractive carry and spread cushion provide a degree of resilience against interest rate volatility. We continue to see a favourable environment for earning carry from the credit market while remaining selective across issuers and sectors, participating actively in primary market issues offering attractive new issue concessions and solid credit fundamentals, while taking advantage of secondary market dislocations to add quality names at attractive valuations. Given elevated SGD hedging costs, we remain selective in non-SGD credit, investing only where expected total returns remain attractive after hedging while benefiting from the broader opportunity set available beyond the SGD credit market.

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

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