FULLERTON FUND MANAGEMENT

Fullerton SGD Income Fund - Class C

May 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.

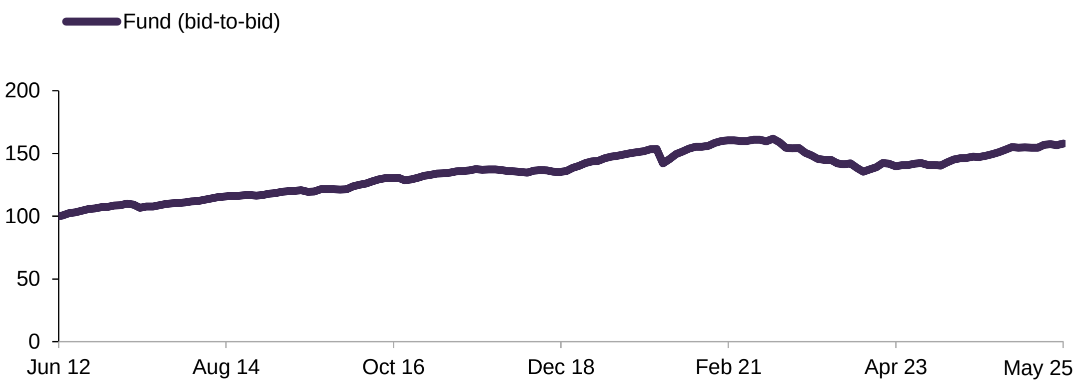
Investment Focus and Approach

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)	0.79	0.56	1.70	6.09	2.39	0.55	2.23	3.03	3.92
Fund (offer-to-bid)	-2.15	-2.37	-1.26	3.00	1.39	-0.04	1.93	2.80	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
13 Jun 2012

Fund size
SGD 833.11 million

Base Currency
SGD

Pricing Date
31 May 2025

NAV*
SGD 0.88

Management fee
Currently 0.50% p.a.

Expense Ratio
0.59% p.a. (For financial year ended 31 Mar 2024)

Minimum Initial Investment
SGD 10 million

Minimum Subsequent Investment
SGD 10 million

Preliminary Charge
Up to 3%

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

Bloomberg Code
FULSGIC SP

ISIN Code
SG9999009088

Distributions paid per unit#

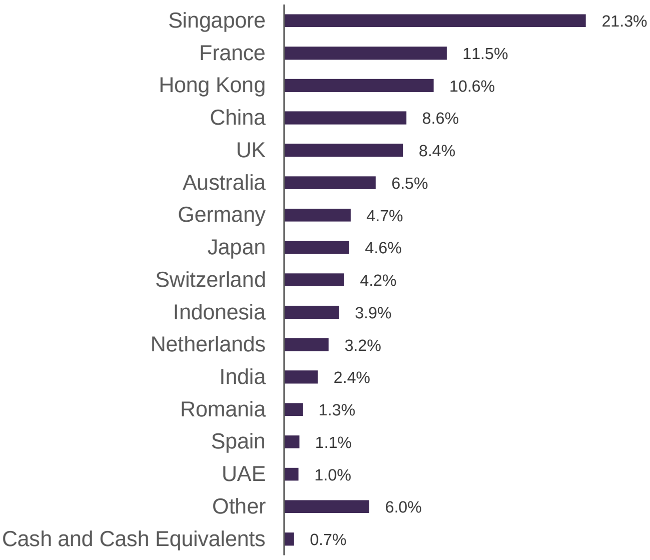
December 2023	: SGD 0.011
March 2024	: SGD 0.011
June 2024	: SGD 0.011
September 2024	: SGD 0.011
December 2024	: SGD 0.011
March 2025	: SGD 0.011

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

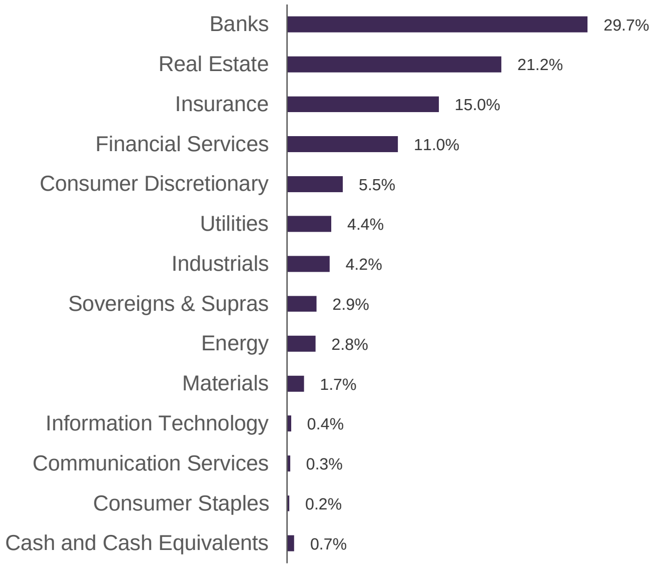
\# Please refer to our website for more details

■ Portfolio

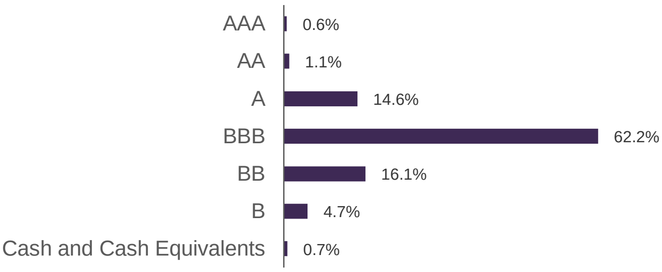
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.8%
Average credit rating	BBB
Number of holdings	200
Average duration (years)	4.4
Yield to Worst	3.9%

Top 5 Holdings

Credit Agricole SA 3.800 Apr 2031	2.3%
AIA Group Ltd 2.900 PERP	2.3%
ABN AMRO Bank NV 5.500 Oct 2032	2.0%
Deutsche Bank AG 4.400 Apr 2028	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.

Market Review

Global fixed income markets in May were heavily shaped by developments in the United States. Hopes of easing trade tensions lifted sentiment after the U.S. reached a trade framework with the UK and made significant concessions to China to advance negotiations. Meanwhile, political attention remained centered on the proposed "One Big Beautiful Bill," a broad fiscal package with implications for U.S. budget deficits. The Federal Reserve left its policy rate unchanged at 4.25–4.50%, with Chair Powell maintaining a hawkish tone despite acknowledging employment risks. U.S. Treasury yields rose across the curve on strong early-month activity data, with the 10-year yield peaking above 4.50% before retreating to close May at 4.4% on softer macroeconomic prints.

In Singapore, the Ministry of Trade and Industry retained its full-year GDP growth forecast at 0.0% to 2.0%. Final Q1 data showed a year-on-year expansion of 3.9%, slightly above prior estimates, though the economy contracted by 0.6% on a quarter-on-quarter seasonally adjusted basis. Inflation remained subdued, with core CPI rising 0.7% year-on-year in April, driven by higher services and food prices, while broader price pressures remained contained.

In this environment, Singapore Government Securities (SGS) rallied, led by the short end of the curve, and outperformed their U.S. counterparts. The 10-year SGS yield declined modestly by 4bps over the month to 2.4%, contrasting with the 24bps rise in the U.S. 10-year Treasury yield. Singapore's non-government bond segment also delivered positive returns, modestly outperforming government bonds as reflected in the performance of the iBoxx ALBI indices.

Elsewhere, the Asian credit markets posted modestly positive returns in May, supported by favourable moves in credit spreads despite the uptick in U.S. yields. Both investment-grade and high-yield segments saw gains, with high yield outperforming due to more pronounced tightening in spreads. Improved risk sentiment, following signs of a tariff truce in the U.S. contributed to this outperformance, particularly in the higher-beta segments of the market.

Investment Strategy

The current investment landscape is defined more by macro volatility than micro stress. Despite heightened geopolitical and policy-driven uncertainty—particularly from U.S. tariff escalations—micro credit fundamentals remain resilient. Corporate balance sheets are generally sound, banking system liquidity is ample, and there is limited evidence of stress stemming from financial imbalances.

Policy clarity however, remains elusive. The path of trade tariffs, particularly between the U.S. and China, continues to be the most critical macro driver. China's response has so far been relatively contained. Instead of a broad stimulus rollout, Chinese authorities appear to be preserving their policy flexibility and waiting for greater clarity before initiating a more comprehensive response.

We maintain a moderate duration stance, reflecting our view that while front-end rates may be anchored by expectations of policy easing, the risk of long-end rates increasing remains. Fiscal deficit concerns in the U.S. are likely to persist and dominate rate dynamics, especially in the long end of the curve. Given this, we are comfortable holding current duration levels and will be cautious in adding long exposure until the fiscal trajectory becomes clearer.

On the credit front, we continue to identify value in selectively increasing exposure to the high yield segment, targeting a low-20% allocation. Our focus is on short-dated bonds offering attractive carry and medium-term return potential, as well as issuers with low refinancing risk and resilient business models—particularly those well-positioned to navigate trade-related uncertainty. Recent market dislocations have created compelling idiosyncratic opportunities. The reopening of the primary market following the tariff truce has further broadened our investable universe.

The outlook remains dynamic, and we continue to actively monitor incoming data and policy signals. Flexibility, liquidity, and disciplined credit underwriting are essential to navigating this evolving environment.

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

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