FULLERTON FUND MANAGEMENT

A member of Seviora Group

Fullerton SGD Income Fund - Class C

September 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.

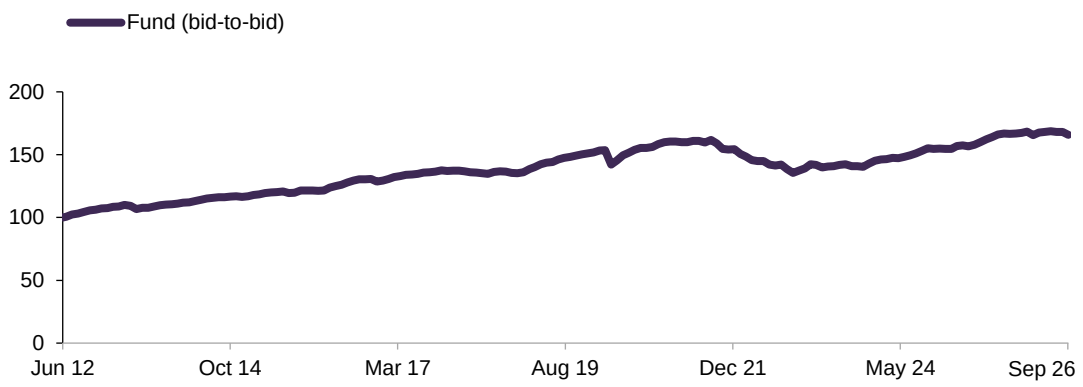
Investment Focus and Approach

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)	-1.41	-1.82	-0.14	-0.63	5.05	0.31	1.87	3.04	3.84
Fund (offer-to-bid)	-4.28	-4.68	-3.05	-3.53	4.02	-0.28	1.57	2.83	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 756.54 million

Base Currency
SGD

Pricing Date
30 Sep 2026

NAV*
SGD 0.86

Management fee
Currently 0.50% p.a.

Expense Ratio
0.57% p.a. (For financial year ended 31 Mar 2026)

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#

Jun 2025	: SGD 0.011
Sep 2025	: SGD 0.011
Dec 2025	: SGD 0.011
Mar 2026	: SGD 0.011
Jun 2026	: SGD 0.011
Sep 2026	: SGD 0.011

* 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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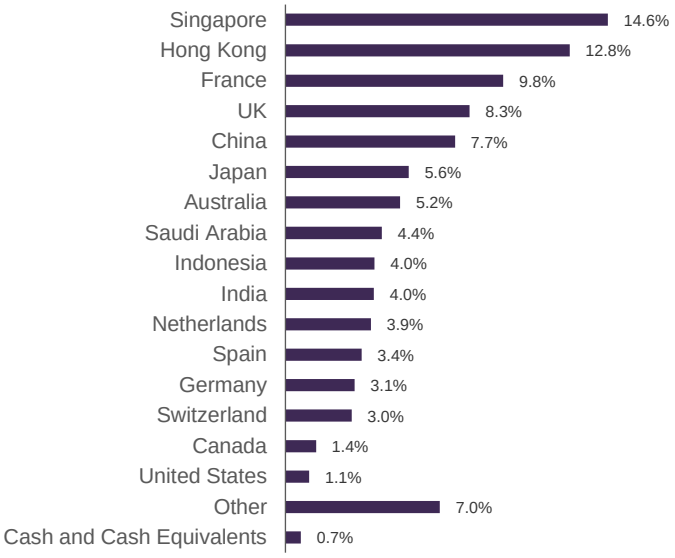
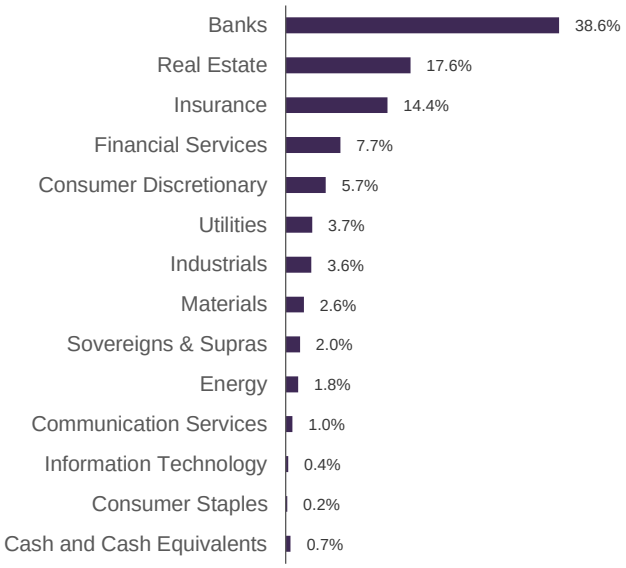
■ Portfolio

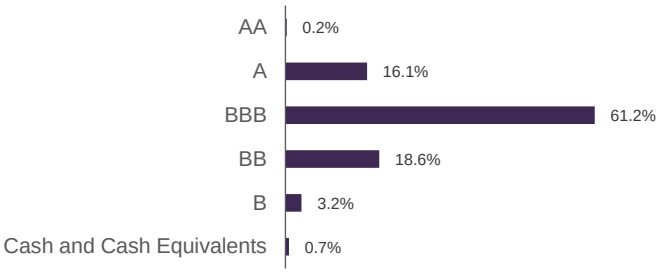
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	5.0%
Average credit rating	BBB
Number of holdings	203
Average duration (years)	4.3
Yield to Worst (before hedging)	5.0%
Yield to Worst (after hedging)	3.8%

Top 5 Holdings

AIA Group Ltd 2.900 PERP	2.6%
ABN AMRO Bank NV 5.500 Oct 2032	2.2%
ESR-REIT 6.000 PERP	1.8%
BNP Paribas SA 5.250 Jul 2032	1.6%
BPCE SA 5.000 Mar 2034	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

Singapore government bonds weakened in September amid the broader rise in global government bond yields, although SGS outperformed US Treasuries. Yields rose across the SGS curve, led by shorter and intermediate maturities, with the 2-year yield increasing 29bps to 2.0% and the 10-year yield rising a more modest 11bps. The domestic macroeconomic backdrop remained firm: August non-oil domestic exports surged 46.2% year-on-year, led by electronics, while manufacturing output increased 15.4%. The MAS Survey of Professional Forecasters released during the month raised its median 2026 GDP growth forecast to 5.0% from 3.5%, while August MAS core and headline inflation edged higher to 2.2% and 2.3% year-on-year, respectively. There was no MAS monetary policy review in September, with the next review scheduled for October.

Global rates nevertheless provided a challenging backdrop, as US Treasuries sold off sharply following a 25bp Fed rate hike, stronger economic data and higher oil prices, alongside concerns over inflation and increased US government borrowing. The US Treasury curve bear-flattened, with 2-year and 10-year yields rising 55bps and 53bps respectively, compared with a 39bp increase in the 30-year yield; the 10-year yield reached levels last seen in 2007.

Against this backdrop, Singapore non-government bonds also declined over the month and underperformed SGS, as measured by the Markit iBoxx ALBI Singapore Non-Government Index in SGD terms. Elsewhere, Asian US dollar credit markets also posted negative returns, as measured by the J.P. Morgan Asia Credit Index, primarily reflecting the sharp rise in US Treasury yields. Investment-grade bonds underperformed their high-yield counterparts given their longer duration and greater sensitivity to the rise in underlying government bond yields. High-yield credits proved relatively more resilient, supported by stronger spread performance and their lower duration profile.

Investment Strategy

Globally, we view the Fed's latest rate hike to form part of a relatively shallow tightening cycle rather than the start of a prolonged period of rate increases. Further measured tightening should help reinforce the Fed's policy credibility and anchor inflation expectations, providing greater stability to long-end Treasury yields. This is particularly important given the greater transmission of long-term borrowing costs to interest-rate-sensitive areas of the economy, including housing.

The US economy also remains relatively well positioned to absorb some additional policy tightening. Growth remains resilient, unemployment is low, corporate interest burdens are manageable, and investment and consumer spending remain solid. Robust productivity growth is supporting corporate earnings, while longer-term market-based inflation expectations remain relatively contained. Together, these factors reduce the risk that a limited amount of further tightening translates into significant stress for the broader economy or credit markets.

In Singapore, inflation remains in the upper half of the forecast range while growth continues to hold up well. Against this backdrop, we expect MAS to increase the rate of appreciation of the S$NEER policy band slightly again in October. While near-term rate volatility may remain elevated, the rise in yields has created increasingly attractive opportunities in SGD bonds for investors able to take a longer-term perspective. Higher starting yields provide a stronger income cushion and more attractive entry points to gradually add duration, leaving us cautious in the near term but more constructive over a 12-month horizon.

Within the portfolio, we continue to favour SGD credit over USD credit, with a greater contribution to portfolio duration coming from SGD exposure. This reflects the more supportive technical backdrop for the domestic bond market, with limited SGS supply heading into year-end, structural domestic demand and Singapore's AAA sovereign credit rating continuing to underpin SGD bonds. The relative value of SGD credit is further supported by the relatively high cost of hedging USD exposure back into SGD, which can materially erode the incremental yield offered by USD credit.

Within the high-yield allocation, however, we continue to find selective opportunities in USD-denominated credits, where the investment universe is significantly broader than in the SGD high-yield market. This provides greater scope for security selection and relative-value opportunities. USD high-yield credits also offer attractive carry and are generally shorter duration, providing income with lower sensitivity to movements in underlying US Treasury yields. We have maintained high-yield exposure in the low-20% range and expect to keep the allocation broadly around 20–25%, within the portfolio's 30% limit.

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