FULLERTON FUND MANAGEMENT

Fullerton SGD Income Fund - Class D (USD Hedged)

July 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.

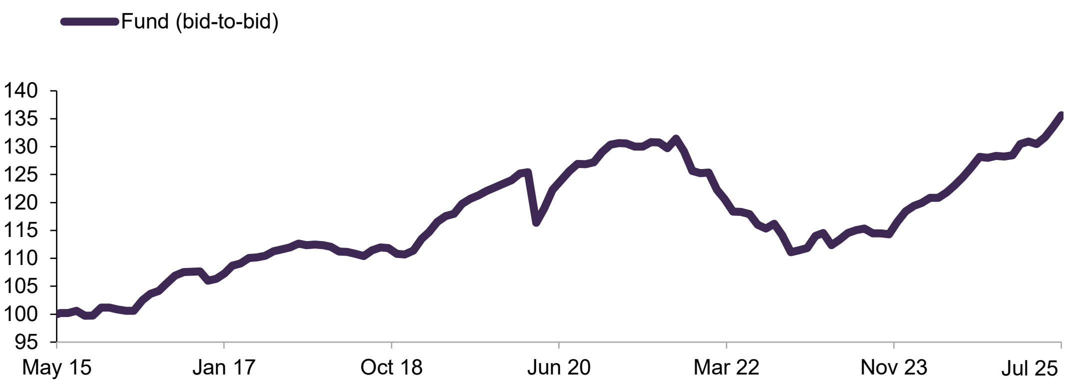
Investment Focus and Approach

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)	1.49	3.75	5.16	7.99	4.66	0.82	2.66	2.67	4.15
Fund (offer-to-bid)	-1.46	0.73	2.10	4.85	3.63	0.22	2.36	2.37	NA

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in USD 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
19 May 2015

Fund size
USD 643.25 million

Base Currency
SGD

Pricing Date
31 Jul 2025

NAV*
USD 0.86

Management fee
Currently 0.80% p.a.

Expense Ratio
0.83% p.a. (For financial year ended 31 Mar 2025)

Minimum Initial Investment
USD 100,000

Minimum Subsequent Investment
USD 100,000

Preliminary Charge
Up to 3%

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

Bloomberg Code
FULSGID SP

ISIN Code
SG9999013387

Distributions paid per unit#

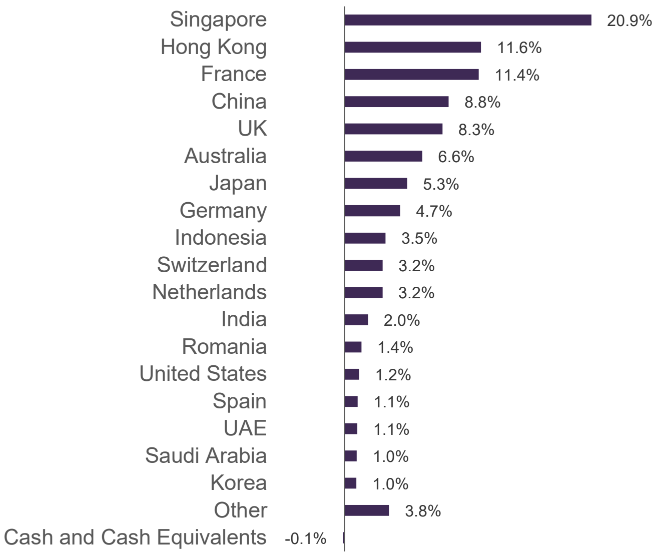
Mar 2024	:	USD 0.010
Jun 2024	:	USD 0.010
Sep 2024	:	USD 0.011
Dec 2024	:	USD 0.011
Mar 2025	:	USD 0.011
Jun 2025	:	USD 0.011

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

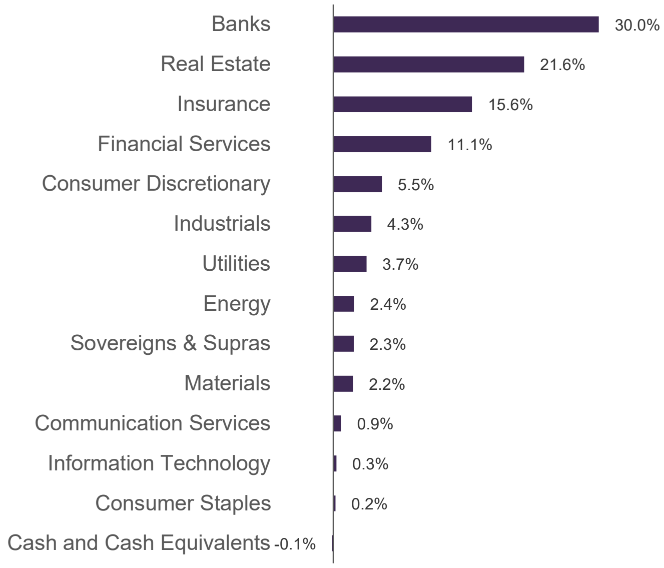
\# Please refer to our website for more details

■ Portfolio

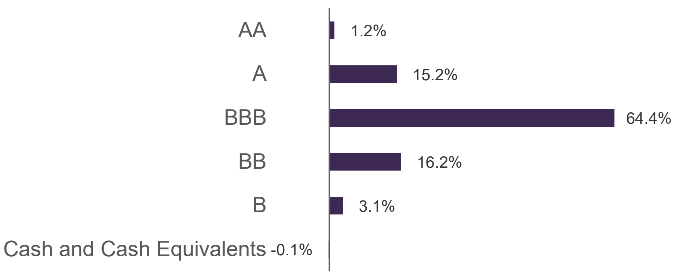
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.9%
Average credit rating	BBB
Number of holdings	207
Average duration (years)	4.3
Yield to Worst	3.1%

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%
Deutsche Bank AG 4.400 Apr 2028	1.8%
ESR-REIT 6.000 PERP	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.

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Market Review

In Singapore, the MAS maintained its current monetary policy stance, keeping the SGD nominal effective exchange rate (S$NEER) policy band unchanged following two earlier rounds of slope reduction in January and April. In its July statement, the Committee noted that inflation risks are now balanced, with no material upside pressures in recent data. Unlike the April meeting, where the focus was on downside growth risks and the need for policy support, cited recent improvements in economic activity and ongoing stability in the domestic environment. The 2025 core inflation forecast remains at 0.5–1.5%, with no change in policy guidance.

On the macroeconomic front, Singapore's advance Q2 2025 GDP estimate showed year-on-year growth of 4.3%, up from 4.1% in Q1, supported by a rebound in manufacturing and continued resilience in services. Seasonally adjusted, GDP grew 1.4% quarter-on-quarter, reversing a 0.5% contraction in the first quarter. Headline inflation continued to ease through July, with no significant increase in underlying price pressures. Meanwhile, the US Federal Reserve held its policy rate steady at 4.25–4.50%, as widely expected, but Chair Powell delivered a firm message in the post-FOMC press conference, amidst the uncertain impact of tariffs.

Against such a backdrop, SGS rallied across the curve and outperformed US Treasuries, with the 10-year SGS yield falling 10 bps to end the month at 2.1%. In contrast, the US Treasury yield curve bear-flattened modestly, amid resilient economic data and shifting rate expectations. The 2-year yield rose 24bps and the 10-year climbed 15bps, closing the month near 4.4%. Meanwhile, Singapore non-government bonds rebounded after a softer showing in June—the Markit iBoxx ALBI Singapore Non-Government Index rose 1.1% for the month, outpacing the broader SGS complex.

Asian USD credit, as measured by the JPMorgan Asian Credit Index, delivered positive returns in July. Performance was primarily driven by modest spread tightening across both investment-grade and high-yield segments, which more than offset the drag from rising U.S. Treasury yields. High-yield bonds outperformed, as spread compression played a more dominant role versus the investment grade peers.

Investment Strategy

At its July policy meeting, the Monetary Authority of Singapore (MAS) maintained the SGD NEER slope, keeping monetary policy unchanged after easing earlier this year. The accompanying statement was less dovish than anticipated. MAS noted that inflation risks have become more balanced and struck a relatively more constructive tone on the growth outlook compared to April. Nevertheless, with GDP growth expected to slow sharply to 0%–2% in 2025 (from 4.4% in 2024), the risk of further easing in Q4 remains on the table, particularly if external demand weakens further. Domestic inflation pressures remain subdued, with both headline and core inflation projected to average between 0.5% and 1.5% for the year.

Singapore Government Securities (SGS) delivered strong gains relative to US Treasuries in 1H 2025, supported by a stable policy backdrop and resilient demand. However, following this period of strong outperformance, the scope for further relative gains may moderate. While SGS could lag in a US Treasury-led rally, they remain well-positioned to outperform in bear steepening scenarios or during periods of rising global yields, anchored by Singapore's sound fiscal fundamentals and muted supply headwinds.

In terms of portfolio positioning, the fund is likely to maintain overall duration at around current levels. Looking ahead to the second half, we expect performance to be driven mostly by income, with duration playing a more limited role following the strong SGS rally in 1H. We continue to seek opportunities to enhance carry through selective credit additions.

Credit markets remain resilient, supported by relatively stable spreads despite ongoing macro uncertainty. Favourable market technicals anchored by steady investor demand and manageable new bond supply have helped credit spreads hold firm, especially compared to the heightened volatility observed in interest rate and FX markets. Against this backdrop, we retain a constructive view on credit, including an allocation of around 20% to the high-yield sector to enhance portfolio carry.

That said, we remain vigilant of idiosyncratic risks and are prepared to adjust exposures as macroeconomic and geopolitical developments evolve. Portfolio agility and disciplined credit selection remain key to managing downside risks while capturing income opportunities.

FULLERTON
FUND MANAGEMENT

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