

Fullerton SGD Income Fund - Class D (USD Hedged)

December 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.

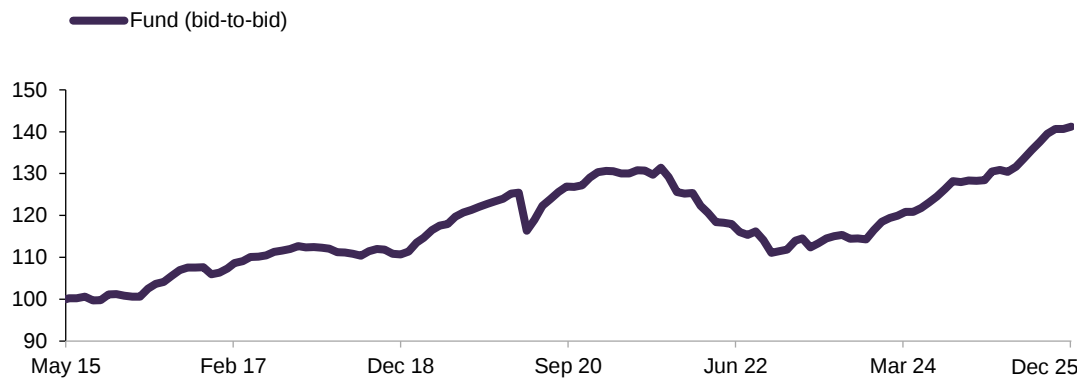
Investment Focus and Approach

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	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.29	1.02	5.30	9.19	7.17	0.81	3.01	2.92	4.10
Fund (offer-to-bid)	-2.63	-1.92	2.23	6.01	6.12	0.22	2.71	2.63	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 668.23 million

Base Currency

SGD

Pricing Date

31 Dec 2025

NAV*

USD 0.88

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[#]

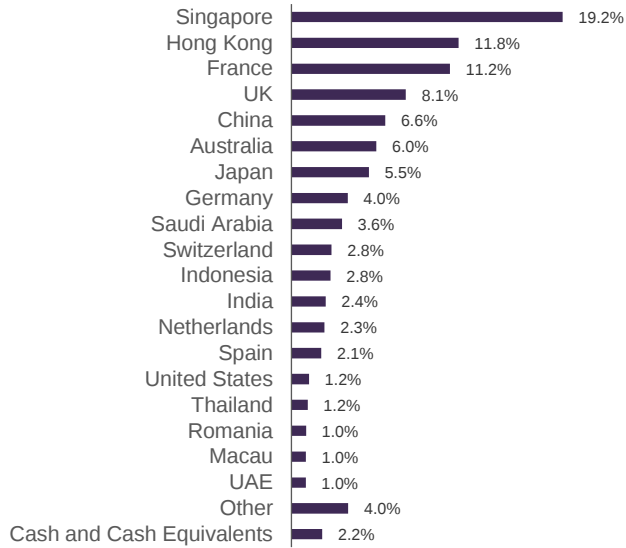
Sep 2024	: USD 0.011
Dec 2024	: USD 0.011
Mar 2025	: USD 0.011
Jun 2025	: USD 0.011
Sep 2025	: USD 0.011
Dec 2025	: USD 0.011

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

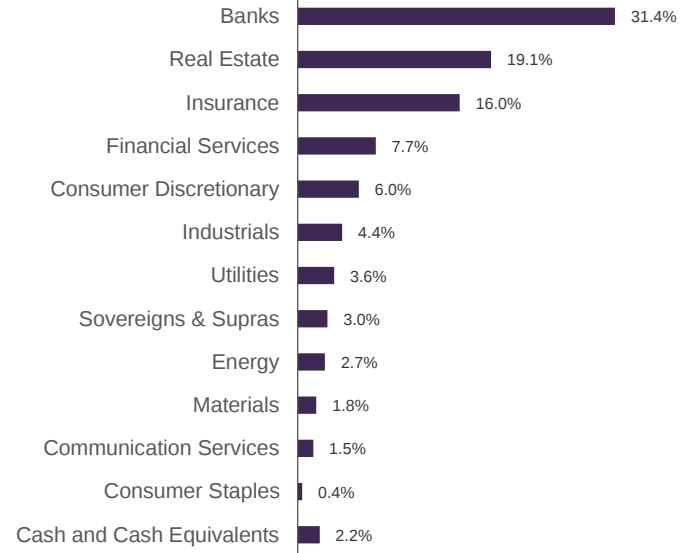
[#] Please refer to our website for more details

■ Portfolio

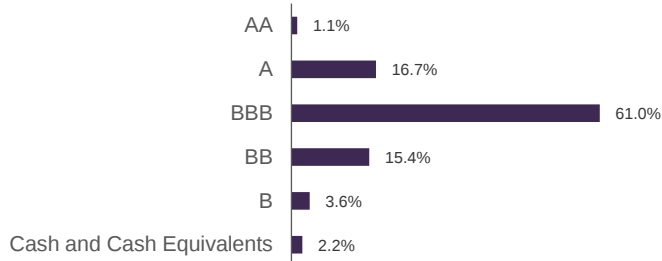
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.8%
Average credit rating	BBB
Number of holdings	211
Average duration (years)	4.6
Yield to Worst (before hedging)	4.0%
Yield to Worst (after hedging)	3.0%

Top 5 Holdings

AIA Group Ltd 2.900 PERP	2.2%
Credit Agricole SA 3.800 Apr 2031	2.2%
ABN AMRO Bank NV 5.500 Oct 2032	2.0%
ESR-REIT 6.000 PERP	1.6%
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 December, Singapore macro-economic releases pointed to steady growth conditions alongside moderate inflation. November CPI data, released during the month, showed both headline CPI-All-Items and MAS Core Inflation holding at 1.2% year-on-year, unchanged from October. External trade momentum remained firm, with non-oil domestic exports rising 11.6%, reflecting broad-based growth across both electronics and non-electronics segments, supported by stronger shipments to key markets and firmer demand for semiconductors.

Against this backdrop, Singapore Government Securities (SGS) yields rose across the curve, with the 10-year SGS yield increasing by around 8bps over December, broadly tracking the upward move in U.S. Treasury yields. Over in the U.S., Treasuries were shaped by a mix of policy signals, data releases, and global spillovers, resulting in a modest steepening of the yield curve. While the Federal Reserve delivered its third rate cut of the year, this was offset by evidence of continued economic resilience, rising government bond yields in Europe and Japan, and heavy corporate issuance early in the month.

Elsewhere, Singapore non-government bonds posted a modest decline but outperformed SGS, according to the Markit iBoxx ALBI Singapore indices. More broadly, Asian credit markets delivered positive returns, as measured by the J.P. Morgan Asia Credit Index, with performance supported primarily by favourable spread-related returns that more than offset the drag from higher rates. While duration-related returns were negative as U.S. Treasury yields rose, spread compression driven by resilient demand and stable market technicals underpinned overall performance across the Asian credit space.

Investment Strategy

A useful way to frame 2026 is as a year of two halves. The first half is likely to be characterised by firmer growth, supported by fiscal stimulus across major economies including the U.S., China, Japan and Germany, reduced tariff uncertainty, and the ongoing effects of monetary easing. As the year progresses, growth momentum is expected to moderate as easing cycles mature and fiscal support gradually fades. In the U.S., we expect growth to exceed consensus expectations, underpinned by healthy private-sector balance sheets and continued fiscal stimulus, even as labour-market conditions gradually normalise. Following earlier 'insurance cuts' to cushion labour-market softness, the Federal Reserve (Fed) is likely to remain data-dependent, balancing the need to sustain growth with ensuring a durable decline in inflation.

In Singapore, economic growth is expected to moderate in 2026 following the exceptionally strong performance in 2025. While core inflation has edged up modestly in recent months, it is likely to remain manageable, with the output gap expected to stay positive. Against this backdrop, we expect the Monetary Authority of Singapore (MAS) to maintain its current policy stance in January.

The macro backdrop points to a more range-bound global rates environment, with carry expected to play a larger role in fixed income returns. From a portfolio perspective, duration is maintained at current levels. Market conditions remain supportive of SGD credits. 2025 was an active year for SGD bond issuance, partly reflecting issuers bringing forward funding plans. As a result, issuance is expected to normalise in 2026, particularly in the first half, which should be supportive of SGD bond market technicals. Foreign issuers, including those from the Middle East and Europe, are also expected to continue accessing the SGD bond market, contributing to market depth and liquidity.

The outlook for Asian USD credits remains constructive, supported by a stable macro environment and improving bottom-up fundamentals. Market technicals are expected to stay firm in the first half of 2026, underpinned by resilient demand and manageable supply. Investment-grade spreads are likely to remain broadly unchanged on a year-on-year basis, reflecting already tight valuations, while high-yield spreads retain scope to grind tighter particularly in the first half, supported by carry and selective credit improvements. Given elevated credit dispersion, we continue to favour a selective, bottom-up approach to high yield rather than a structural overweight through the year.

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