

Fullerton SGD Income Fund - Class D (USD Hedged)

February 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.

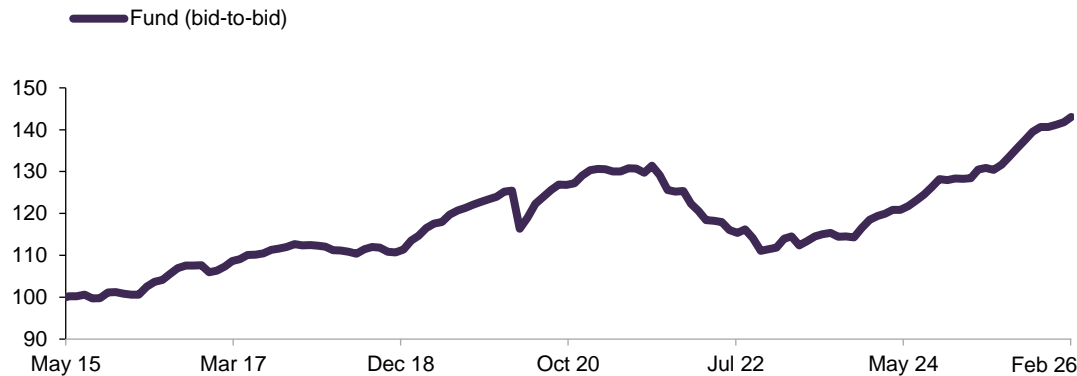
Investment Focus and Approach

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)	0.81	1.46	3.56	8.73	6.79	1.01	3.16	2.98	4.07
Fund (offer-to-bid)	-2.13	-1.49	0.55	5.56	5.75	0.41	2.85	2.70	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 677.69 million

Base Currency

SGD

Pricing Date

28 Feb 2026

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

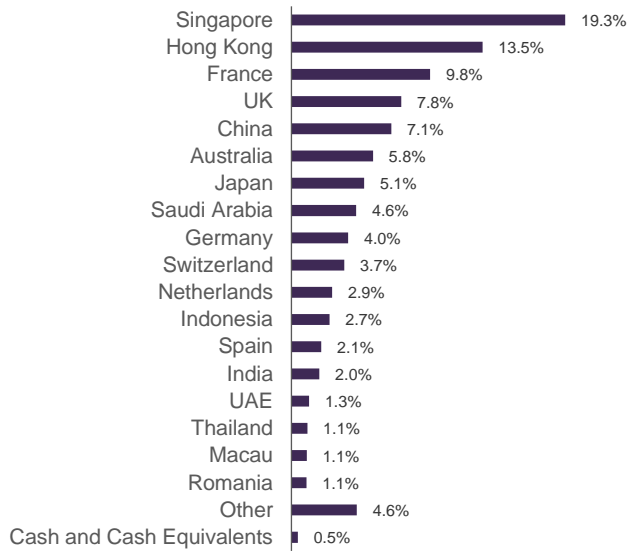
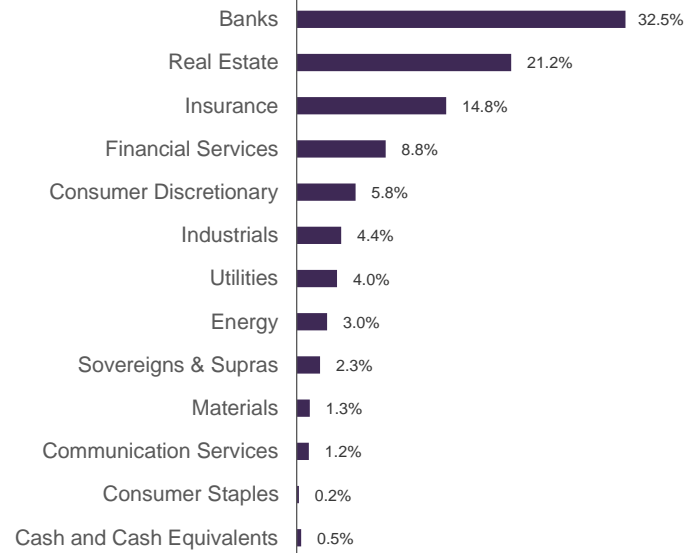
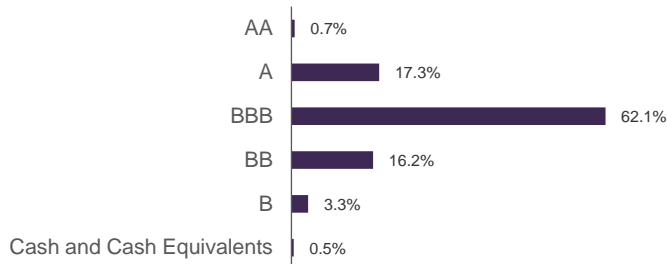
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Distributions paid per unit[#]

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.

[#] Distribution amount is not guaranteed. 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	215
Average duration (years)	4.7
Yield to Worst (before hedging)	4.1%
Yield to Worst (after hedging)	3.0%

Top 5 Holdings

AIA Group Ltd 2.900 PERP	2.3%
ABN AMRO Bank NV 5.500 Oct 2032	2.0%
ESR-REIT 6.000 PERP	1.6%
BPCE SA 5.000 Mar 2034	1.5%
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

Major bond markets rallied early in the month amid a risk-off episode, as rapid advances in artificial intelligence prompted investors to reassess the sustainability of parts of the technology sector, particularly software companies, supporting demand for duration assets. U.S. inflation data showed headline CPI softer than expected while core inflation was broadly in line, reinforcing the disinflation trend. However, stronger-than-expected labour market data later in the month underscored the resilience of economic activity and put some upward pressure on Treasury yields after the initial rally. Overall, U.S. Treasuries ended the month firmer, with the 10-year yield falling about 30 bps to around 3.9%.

Over in Singapore, revised data showed the economy grew 6.9% y/y (2.1% q/q SA) in Q4 2025, lifting full-year 2025 growth to 5.0% and prompting MTI to raise its 2026 GDP forecast to 2–4%, supported by AI-related external demand. Official CPI data for January, released on 23 February, showed MAS Core Inflation easing to 1.0%/y/y (-0.3% m/m), while CPI-All Items edged up to 1.4% y/y (-0.5% m/m), and MAS–MTI reiterated that both core and headline inflation are projected to average 1.0–2.0% in 2026. Against this backdrop, Singapore Government Securities extended their rally, with the 10-year SGS yield falling to around 1.9%, roughly 12 bps lower over the month. SGD non-government bonds also delivered positive performance and outperformed SGS, as reflected in the Markit iBoxx Singapore Non-Government Index.

Asian USD credit markets also delivered a positive performance over the month, according to the JP Morgan Asian Credit Index, with returns largely driven by U.S. Treasury duration gains, while spread returns were modestly negative, reflecting some risk premium adjustment amid evolving macro conditions. The investment grade sector posted gains and outperformed the high yield peers, supported by stronger duration sensitivity and stability in higher-quality credits. The high yield segment also generated positive returns but lagged investment grade peers, as spread widening partially offset the benefit from the rally in U.S. Treasuries.

Investment Strategy

The key focus is on the geopolitical situation in the Middle East which has escalated following significant military developments in late February, raising concerns about broader regional spillovers and potential disruptions to global energy supply. Market attention is largely centred on the Strait of Hormuz, a critical oil transit route, as any sustained disruption could lead to higher energy prices and renewed inflation pressures. While geopolitical shocks historically tend to fade over time, uncertainty around the duration and scope of this episode remains elevated, with the situation evolving rapidly.

Against the backdrop of heightened tensions in the Middle East, we expect Singapore Government Securities (SGS) to remain relatively resilient, supported by safe-haven demand. Thus far, the impact on SGD credit markets has been well contained, underpinned by limited primary supply and strong market technicals. Looking ahead, we see a reasonable likelihood that the Monetary Authority of Singapore (MAS) may steepen the SGD nominal effective exchange rate (SGD NEER) policy slope at one of the upcoming policy reviews; empirically, such a shift in policy stance has tended to be constructive for SGS performance.

While the Fund has exposure to Middle East issuers, these holdings are predominantly investment-grade in quality and are largely concentrated in high-quality sovereigns, quasi-sovereigns and financial institutions, with many of the latter having strong government links or ownership. Middle East banks with close sovereign linkages continue to be viewed as fundamentally sound, supported by robust government balance sheets and strong systemic backing. At this stage, we do not see any immediate liquidity or credit concerns for these issuers.

Looking ahead, we will continue to monitor both the downside and upside scenarios surrounding developments in the Middle East situation. Risks include broader regional escalation, sustained energy supply disruptions, or spillovers into broader financial markets. However, history suggests that geopolitical shocks often normalise once the extent of disruption becomes clearer. If the conflict remains contained and energy flows continue largely uninterrupted, risk premia could gradually retrace and allow markets to refocus on underlying economic fundamentals.

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