

# Fullerton SGD Income Fund - Class R

August 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.

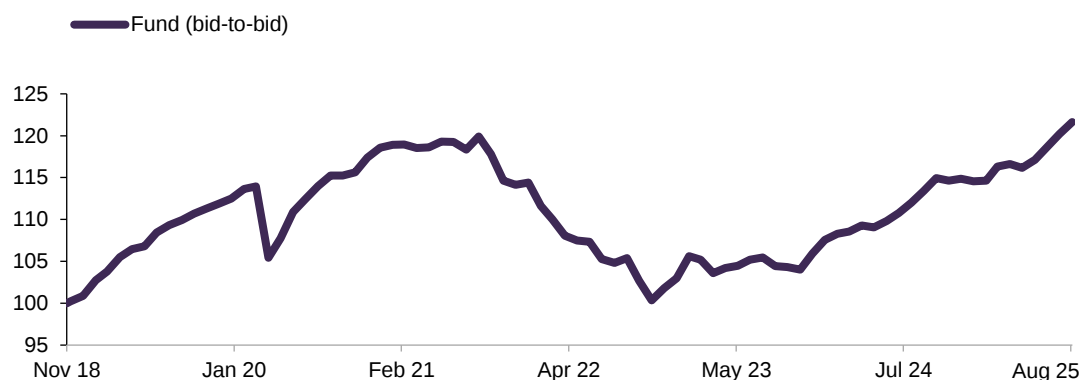
## Investment Focus and Approach

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 | Sl. Ann. Ret. | Sl. Ann. Vol. |
|--------------------------|-------|--------|--------|------|-------|-------|---------------|---------------|
| <b>Fund (bid-to-bid)</b> | 1.13  | 3.70   | 4.28   | 6.66 | 4.33  | 0.54  | 2.37          | 4.91          |

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.

Source: Fullerton Fund Management Company Ltd.

## Inception date

21 Nov 2018

## Fund size

SGD 840.67 million

## Base Currency

SGD

## Pricing Date

31 Aug 2025

## NAV\*

SGD 0.89

## Management fee

Currently 0.50% p.a.

## Expense Ratio

0.53% p.a. (For financial year ended 31 Mar 2025)

## Minimum Initial Investment

SGD 100,000

## Minimum Subsequent Investment

None

## Preliminary Charge

Not applicable for Class R

## Dealing day

Daily, up to 5pm (Singapore time)

## Bloomberg Code

FULSGIR SP

## ISIN Code

SG9999014641

## Distributions paid per unit<sup>#</sup>

|          |             |
|----------|-------------|
| Mar 2024 | : SGD 0.011 |
| Jun 2024 | : SGD 0.011 |
| Sep 2024 | : SGD 0.011 |
| Dec 2024 | : SGD 0.011 |
| Mar 2025 | : SGD 0.011 |
| Jun 2025 | : SGD 0.011 |

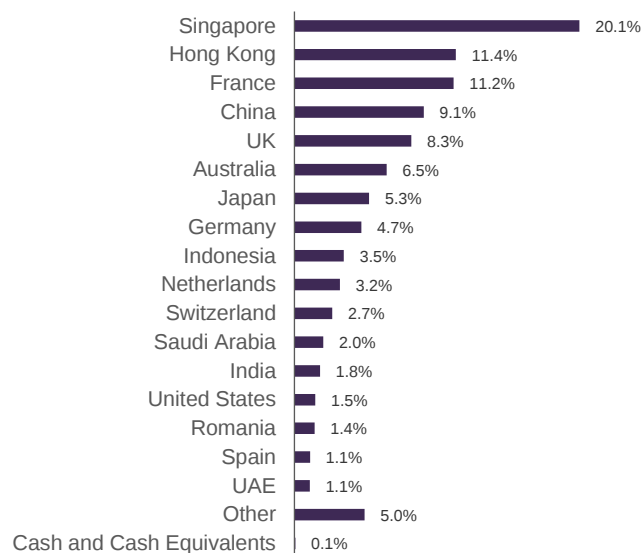
The Fund is available for SRS subscription.

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

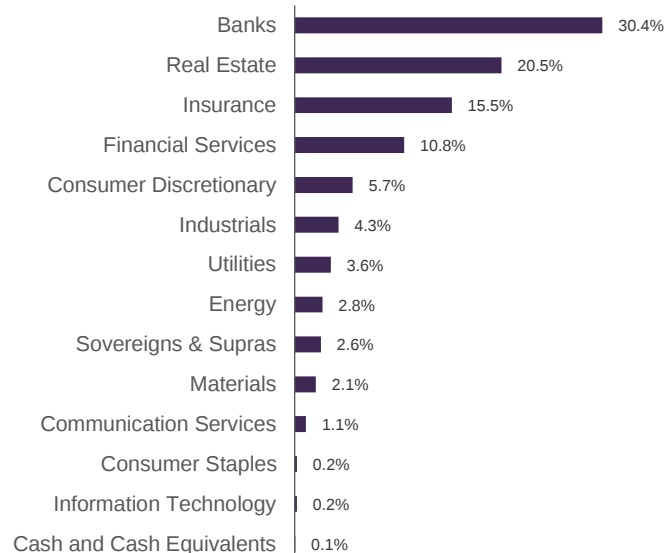
<sup>#</sup> Please refer to our website for more details

## Portfolio

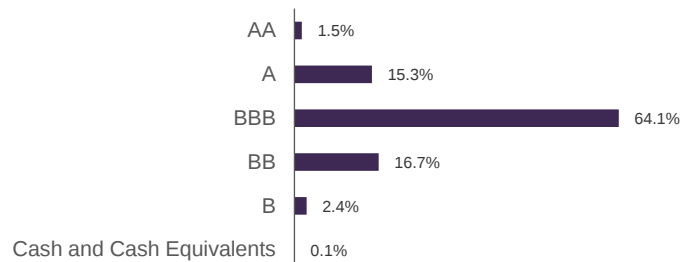
### Geographical Breakdown



### Sector Breakdown



### Rating Breakdown



### Fund Characteristics

|                          |      |
|--------------------------|------|
| Average coupon           | 4.8% |
| Average credit rating    | BBB  |
| Number of holdings       | 205  |
| Average duration (years) | 4.5  |
| Yield to Worst           | 2.9% |

### 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% |
| 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

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In August, global bond markets were driven by shifting expectations around US monetary policy. A weaker US payrolls report early in the month altered the employment outlook, prompting a decline in US Treasury yields as markets moved to price in a September Federal Reserve rate cut. The US 10-year yield traded within a 4.18–4.40% range and ended the month at 4.2%, 14bps lower than July's close. Fed Chair Powell noted labour market softness at Jackson Hole, while political developments, including the dismissal of the Bureau of Labor Statistics head and Fed Governor Cook, coincided with a steepening of the US yield curve.

In Singapore, real GDP expanded by 4.4% year-on-year in Q2 2025 and rose 1.4% quarter-on-quarter, following a contraction in Q1. On the back of this stronger performance, the Ministry of Trade and Industry raised its full-year GDP forecast to 1.5%–2.5% from 0.0%–2.0%. Core inflation eased to 0.5% year-on-year in July, well below the elevated levels seen in 2023. Singapore Government Securities (SGS) rallied alongside US Treasuries, with notable outperformance at the long end of the curve, where the 10-year yield declined to 1.8% from 2.1% in July. The SGD non-government bond segment, as measured by the Markit iBoxx ALBI Singapore Non-Government Index, also delivered positive returns, though performance lagged the SGS market. Investor demand remained steady, supporting overall credit market sentiment.

Meanwhile, Asian credit delivered positive returns in August, as measured by the JPM Asian Credit Index in USD, with gains supported by both duration-related returns and tighter credit spreads. Investment grade and high yield segments both advanced, with high yield outperforming on the back of more pronounced spread compression.

## Investment Strategy

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Singapore's SGD bond market enters the final months of 2025 on resilient footing despite ongoing global uncertainties. Inflation risks are now viewed as more balanced and the growth outlook has improved, with full-year GDP revised higher to 1.5–2.5%, even if this remains slower than 2024's pace. The MAS recalibrated policy earlier in the year by reducing the slope of SGD NEER appreciation but has since paused, with risks still tilted towards further easing if global headwinds intensify. After a strong run of outperformance versus US Treasuries in the first half of the year, Singapore Government Securities may lag in a Treasury rally but should hold up better in bear steepening scenarios. SGS bond supply remains well managed, with long-dated auctions spaced to support market stability.

SGD credits present compelling opportunities heading into the last quarter of the year. Having underperformed SGS earlier, they are now poised to benefit from stable corporate fundamentals, limited new issuance, and attractive yield carry. Favorable market technicals, supported by strong investor demand in the search for yield, should help spreads remain resilient and provide a buffer against rate volatility.

In terms of positioning, we have progressively extended duration and are now close to the upper bound, with a tilt towards US duration to capture the benefits of anticipated Fed rate cuts. We remain comfortable with this profile, while continuing to redeploy maturing bonds into new issues and selectively taking profits in names where valuations have tightened, keeping the portfolio balanced between resilience and income generation. The Fund has around 20% allocation to high yield with some room to add further. While valuations are rich and the risk-reward profile is less compelling, we remain invested given strong technicals supported by the search for yield and limited supply. Over time, the expected moderation of USDSGD hedging costs should also enhance the relative appeal of USD-denominated credits, broadening opportunities for yield enhancement and diversification.

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

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