FULLERTON FUND MANAGEMENT
A member of Seviora Group

Fullerton Short Term Interest Rate - Class B (SGD) - Brunei

August 2026

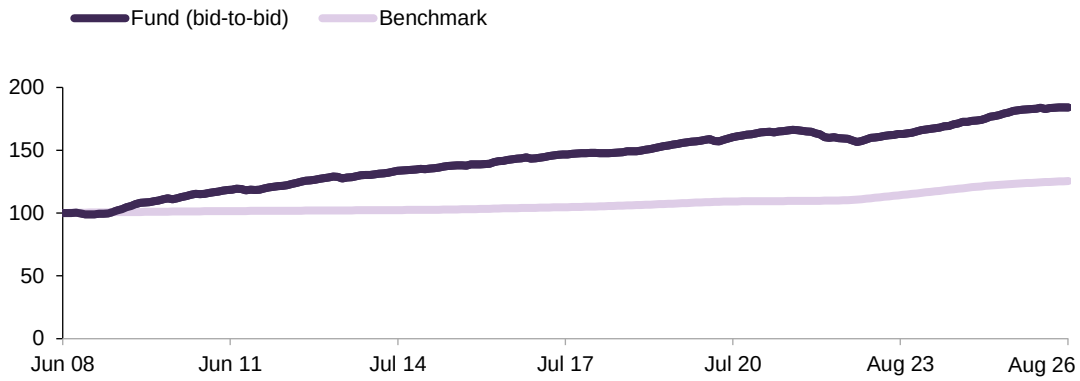
Investment Objective

The investment objective of the Fund is to achieve medium-term capital appreciation for investors. The investments of the Fund will be broadly diversified with no specific industry or sectoral emphasis.

Investment Focus and Approach

The Fund is primarily focused on fixed income securities and money market instruments. The Fund may invest in futures and derivatives for hedging purposes. The maturity limit of underlying securities is 5 years and all foreign currency denominated bonds are fully hedged back to SGD 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)	0.03	0.05	0.03	1.31	3.90	1.82	2.31	3.17	1.41
Fund (offer-to-bid)	-2.89	-2.87	-2.88	-1.64	2.88	1.22	2.01	3.01	NA
Benchmark	0.15	0.43	0.85	1.79	3.12	2.74	1.90	1.25	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.
Benchmark: 3M SORA + 0.60% p.a.
With effect from 1 August 2023, the benchmark is 3M SORA + 0.60% p.a. From inception till 31 July 2023, the benchmark was 3M SIBID.
Source: Fullerton Fund Management Company Ltd and Bloomberg.

Inception date
04 Jun 2008

Fund size
SGD 1,123.93 million

Base Currency
SGD

Pricing Date
31 Aug 2026

NAV*
SGD 1.77

Management fee
Currently 0.20% p.a.

Expense Ratio
0.24% p.a. (For financial year ended 31 Mar 2026)

Minimum Initial Investment
SGD 1,000,000

Minimum Subsequent Investment
SGD 100,000

Preliminary Charge
Up to 3%

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

Bloomberg Code
FULSTIB SP

ISIN Code
SG9999005508

The Fund is available for SRS subscription.

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

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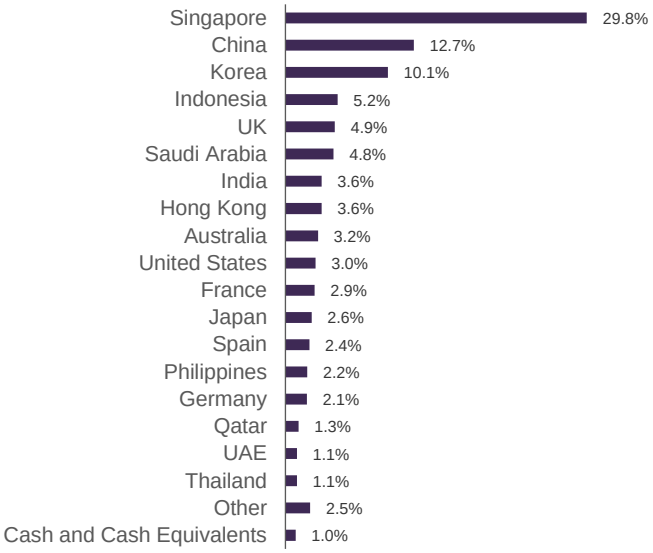
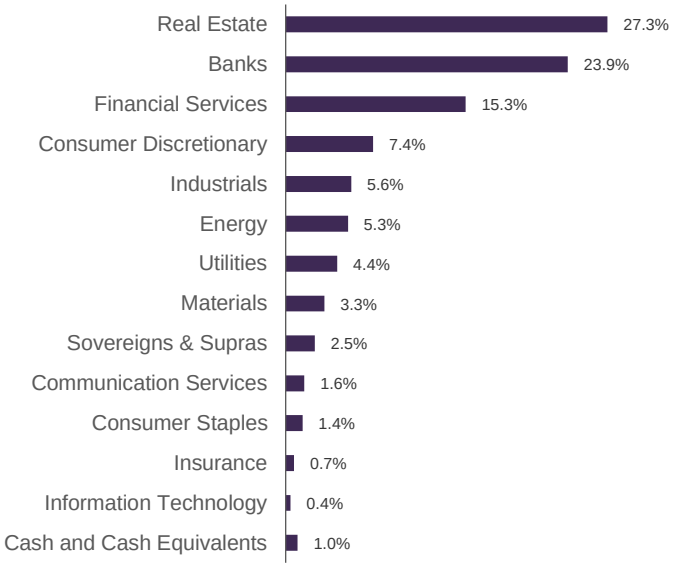
Portfolio

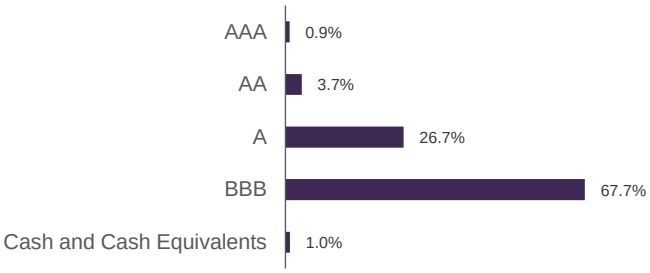
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.0%
Average credit rating	BBB
Number of holdings	170
Average duration (years)	2.1
Yield to Worst (before hedging)	3.6%
Yield to Worst (after hedging)	2.4%

Top 5 Holdings

Deutsche Bank AG 4.400 Apr 2028	2.1%
Seatrium Financial Services Pte Ltd 2.950 Apr 2031	2.1%
HSBC Holdings PLC 4.500 Jun 2029	2.0%
UOL Treasury Services Pte Ltd 2.330 Aug 2028	1.8%
Banco Santander SA 3.600 Oct 2030	1.7%

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.

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Market Review

Singapore's fixed income market entered August against a firmer domestic growth backdrop. MTI revised second-quarter GDP growth higher to 5.9% year on year and 1.4% quarter on quarter on a seasonally adjusted basis, bringing first-half growth to 6.1%. Reflecting the economy's stronger-than-expected performance, Singapore's 2026 growth forecast was raised to 4.5–5.5% from 2.0–4.0%, supported in part by resilient electronics- and AI-related demand. Price pressures also picked up modestly, with MAS and MTI reporting that July core inflation rose to 2.0% year on year from 1.6% in June, while headline inflation increased to 2.2% from 1.9%. Nevertheless, both measures remained within the authorities' 2026 forecast range of 1.5–2.5%.

In global rates, US Treasury yields generally ended August higher, led by the front end. The US Treasury's announcement that it would double the size of its liquidity-support buybacks initially triggered a sharp but short-lived bull-flattening move. This subsequently reversed following Federal Reserve Chair Kevin Warsh's inflation-focused remarks at Jackson Hole, which reinforced expectations that monetary policy could remain restrictive and prompted markets to price a greater probability of rate hikes in the coming months.

Against this backdrop, the US Treasury curve flattened over the month. Two- and five-year yields rose by around 5 bps each, while the 10-year yield increased by around 2 bps and the 30-year yield declined by 3 bps. The 10-year yield peaked on the final trading day of the month following the Jackson Hole speech, while the 30-year yield had earlier risen above 5.33% on 18 August, its highest level since 2007.

Singapore Government Securities (SGS) similarly bear-flattened over the month, with front-end yields rising more than longer-dated yields. The five-year SGS yield rose by 11 bps, while the 10-year yield was broadly unchanged at 2.3% and the 30-year yield declined by 1 bp. Elsewhere, the Singapore non-government bond sector declined and underperformed SGS over the month, as measured by the Markit ALBI Singapore Non-Government Index.

In Asian credit, performance was positive in August, as measured by the J.P. Morgan Asia Credit Index (JACI) in US dollar terms. Both investment-grade and high-yield credits posted gains, with high yield outperforming as stronger spread compression provided an additional boost to returns.

Investment Strategy

Looking ahead, global growth is expected to remain above trend, supported by resilient corporate earnings and healthy fundamentals. Inflation remains elevated across several major economies and may take time to normalise, but contained inflation expectations and services inflation should limit the risk of a more disruptive inflation shock to risk assets in our base case. Nevertheless, a more data-dependent Fed, geopolitical uncertainty and elevated fiscal supply are likely to keep global interest rate volatility high in the near term.

Against this backdrop, our credit outlook remains cautiously constructive. Healthy corporate fundamentals, supportive technicals and continued investor demand should underpin credit markets. However, valuations are tight across several segments, leaving limited scope for broad-based spread compression. We therefore expect credit returns to be driven primarily by coupon carry, relative-value opportunities and disciplined security selection.

In Singapore, Singapore Government Securities (SGS) should remain relatively well supported by their safe-haven characteristics and favourable supply-demand dynamics. MAS policy is expected to remain data dependent, with any further tightening likely requiring evidence that inflation pressures are becoming broader and more persistent.

In terms of investment strategy, we continue to maintain portfolio duration at around two years, consistent with the Fund's relatively short-duration profile and average duration cap of 2.5 years. This should provide greater resilience against sharp increases in bond yields while allowing the portfolio to capture attractive carry. We continue to favour SGD credit over USD credit, given the greater volatility in US Treasury yields and the relatively high cost of hedging US dollar exposure back into Singapore dollars, which can erode the incremental yield offered by USD credit. Within SGD credit, we remain active in the primary market, selectively participating in new issues where attractive concessions provide opportunities to enhance portfolio yield.

Overall, with valuations relatively tight and rate volatility likely to remain elevated in the near-term, we remain focused on preserving the portfolio's defensive characteristics while capturing attractive carry and selectively adding risk where valuations offer compelling risk-adjusted opportunities.

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