FULLERTON FUND MANAGEMENT

A member of Seviora Group

Fullerton Short Term Interest Rate - Class B (SGD)

October 2025

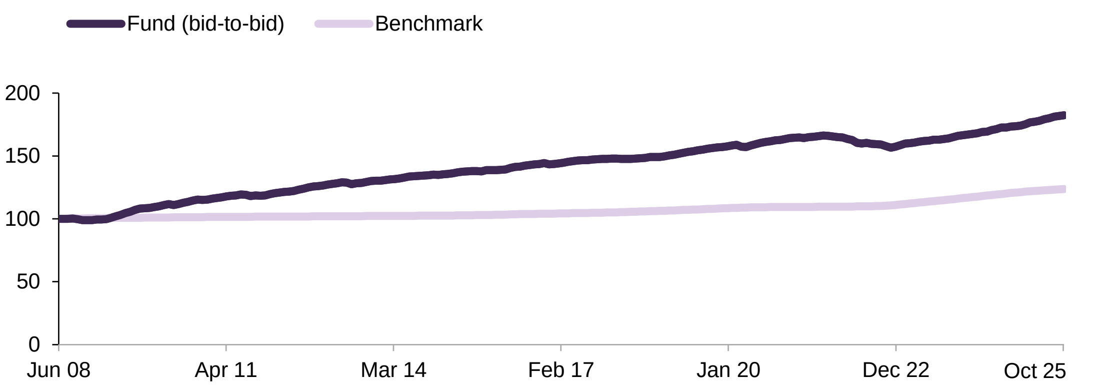
Investment Objective

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	SI. Ann. Ret.	SI. Ann. Vol.
Fund (bid-to-bid)	0.27	1.22	2.80	5.34	4.97	2.13	2.56	3.28	1.42
Fund (offer-to-bid)	-2.65	-1.72	-0.20	2.27	3.94	1.53	2.25	3.11	NA
Benchmark	0.17	0.54	1.23	2.96	3.75	2.50	1.84	1.23	0.36

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 1,058.22 million

Base Currency
SGD

Pricing Date
31 Oct 2025

NAV*
SGD 1.76

Management fee
Currently 0.20% p.a.

Expense Ratio
0.23% p.a. (For financial year ended 31 Mar 2025)

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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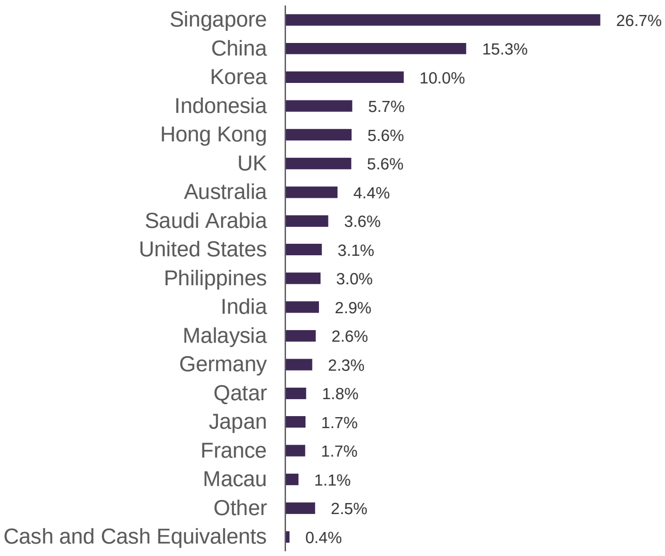
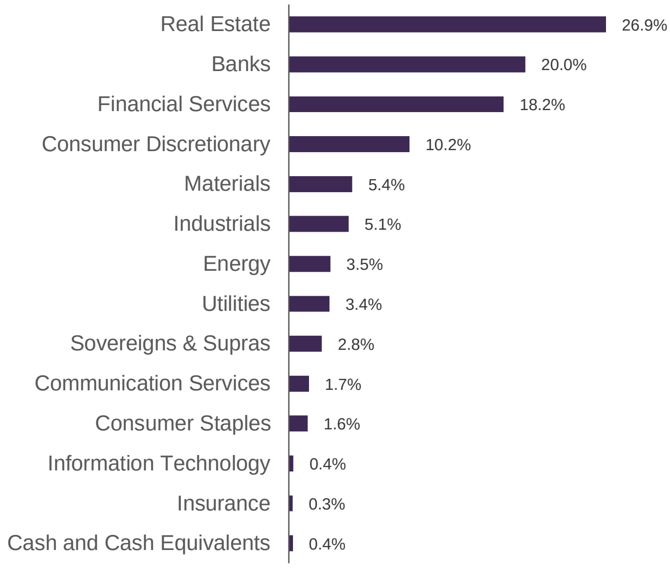
■ Portfolio

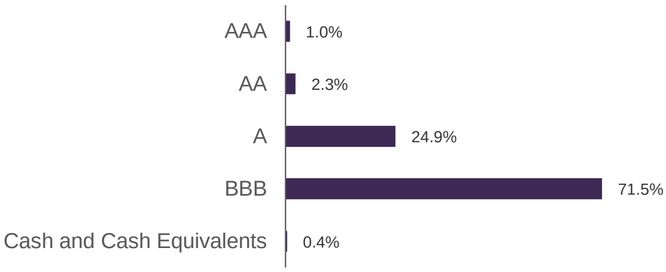
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.0%
Average credit rating	BBB
Number of holdings	152
Average duration (years)	2.3
Yield to Worst (before hedging)	3.2%
Yield to Worst (after hedging)	1.9%

Top 5 Holdings

Deutsche Bank AG 4.400 Apr 2028	2.3%
HSBC Holdings PLC 4.500 Jun 2029	2.2%
Meituan 4.625 Oct 2029	1.9%
Santos Finance Ltd 5.250 Mar 2029	1.9%
UOL Treasury Services Pte Ltd 2.330 Aug 2028	1.9%

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

Global bond markets were steady in October as investors balanced softer inflation readings against hawkish central bank guidance. The Federal Reserve (Fed) delivered a widely expected 25bp rate cut, lowering the Fed Funds policy rate range to 3.75–4.00%. However, Chair Powell's hawkish tone, emphasising that further cuts were "not a foregone conclusion". This shift prompted a modest repricing of rate expectations, leading US Treasury yields to end the month slightly higher from mid-month lows. The U.S. 10-year Treasury yield traded within a 3.9–4.2% range, closing at 4.1%, about 7bps lower than September's close.

In Singapore, the Monetary Authority of Singapore (MAS) kept its monetary policy stance unchanged, maintaining the S$NEER band and reiterating that current settings remain "appropriate." Inflation stayed subdued, with MAS Core Inflation rising modestly and headline CPI-All Items holding below 1% y/y. On the growth front, advance estimates showed Q3 2025 GDP expanding by 2.9% y/y (1.3% q/q SA), underpinned by resilient manufacturing and consumer-facing sectors even as overall momentum softened.

Against this backdrop, the SGS 10-year yield was broadly steady at around 1.9%. The Markit iBoxx ALBI Singapore Government Index posted modest gains, while the Non-Government Index edged slightly lower. Broader Asian credit markets advanced, according to the J.P. Morgan Asian Credit Index, as duration gains and moderate spread tightening lifted both investment-grade and high-yield segments, with the latter outperforming.

Investment Strategy

Recent macroeconomic indicators point to a gradual softening of the U.S. labour market, while inflation has largely remained in line with expectations. The Federal Reserve (Fed) is expected to stay data-dependent and could consider additional "insurance" cuts should labour market weakness persist. In Asia, China's economy remains bifurcated: industrial production and exports are resilient, but domestic demand continues to lag. Growth momentum is expected to firm as policy support intensifies and tariffs de-escalate, with the faster-than-anticipated rollout of the RMB 500 billion policy-bank tool likely to lift activity into year-end. Across the rest of the Asian region, central banks broadly retain an easing bias, though improving exports and targeted fiscal measures have reduced the urgency for near-term rate cuts. Inflation is not a binding constraint, having moderated to or below many central banks' targets.

In Singapore, the October MAS policy statement reiterated the July message, reflecting greater confidence in the growth outlook compared with 1H 2025, while acknowledging that inflation risks are now more balanced. Core inflation is projected to average around 0.5% for 2025 and between 0.5%–1.5% in 2026. The MAS expects the output gap to remain positive through 2025, though the balance of risks still leans toward further policy easing should growth momentum soften and inflation stay contained. Singapore Government Securities (SGS) have delivered strong outperformance versus U.S. Treasuries year-to-date, though they may lag in a US Treasury-led rally while outperforming in bear-steepening scenarios. SGD credits, which have underperformed SGS for most of 2025, should benefit from stable fundamentals, limited supply, and attractive carry in the coming months as market sentiment stabilises and volatility remains low.

In terms of investment strategy, we remain constructive on duration and continue to keep the Fund's duration close to its 2.5-year limit. Credit fundamentals remain sound, and although spreads are tight relative to historical averages, all-in-yields are appealing and should sustain investor demand amid manageable new issue supply. The strategy aims to maintain a healthy income profile while selectively adding credits that offer attractive yields or improving fundamentals. With the portfolio's duration already near its upper limit, we are taking a more measured approach to new issues, especially in the five-year corporate segment. This ensures we stay flexible and well-positioned to capture opportunities and deliver steady, risk-adjusted returns.

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