FULLERTON FUND MANAGEMENT

Fullerton Short Term Interest Rate - Class C1 (SGD)

May 2025

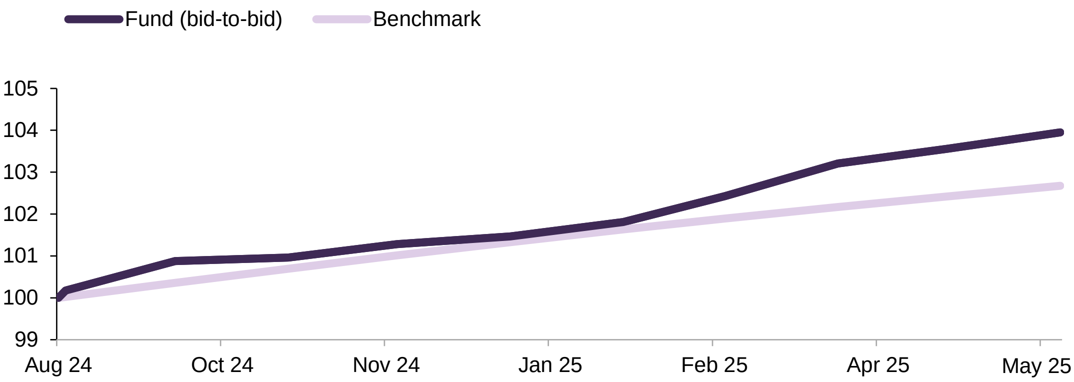
Investment Objective

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	SI. Ret.
Fund (bid-to-bid)	0.33	1.35	2.37	3.55
Fund (offer-to-bid)	-2.59	-1.60	-0.61	0.53
Benchmark	0.24	0.77	1.65	2.68

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
29 Aug 2024

Fund size
SGD 967.95 million

Base Currency
SGD

Pricing Date
31 May 2025

NAV*
SGD 1.01

Management fee
Currently 0.50% p.a.

Minimum Initial Investment
None

Minimum Subsequent Investment
None

Preliminary Charge
Up to 3%

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

Bloomberg Code
FULSTC1 SP

ISIN Code
SGXZ39435318

Distributions paid per unit#

December 2024	:	SGD 0.014
March 2025	:	SGD 0.010

The Fund is available for SRS subscription.

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

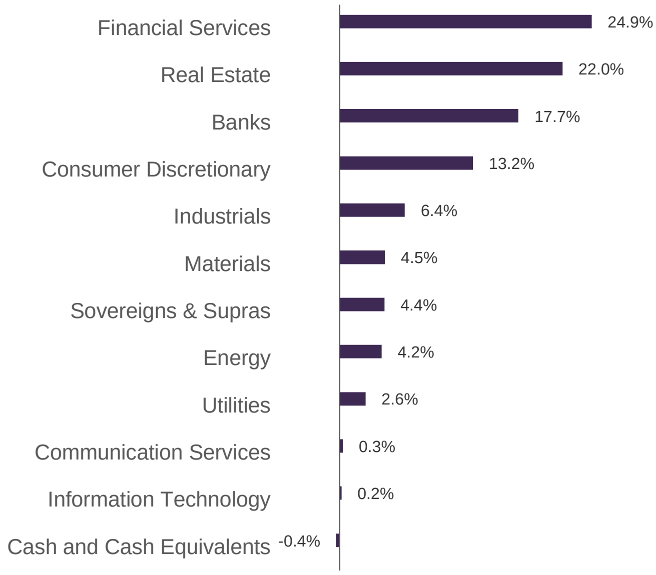
\# Please refer to our website for more details

FULLERTON FUND MANAGEMENT

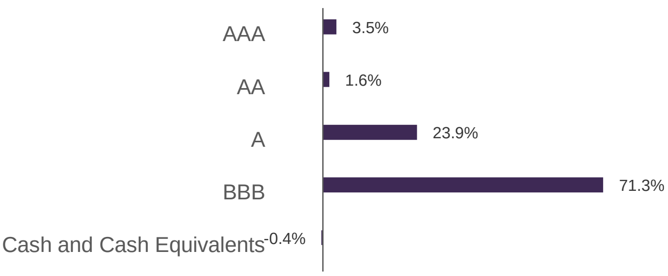
Portfolio

Geographical Breakdown

Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.0%
Average credit rating	BBB
Number of holdings	148
Average duration (years)	2.0
Yield to Worst	2.9%

Top 5 Holdings

Woori Bank 5.125 Aug 2028	2.4%
Hotel Properties Ltd 3.800 Jun 2025	2.2%
Macquarie Group Ltd 4.500 Aug 2026	2.2%
Monetary Authority of Singapore Bill Jun 2025	2.1%
Deutsche Bank AG 4.400 Apr 2028	2.0%

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.

FULLERTON FUND MANAGEMENT

Market Review

Global fixed income markets in May were heavily shaped by developments in the United States. Hopes of easing trade tensions lifted sentiment after the U.S. reached a trade framework with the UK and made significant concessions to China to advance negotiations. Meanwhile, political attention remained centered on the proposed "One Big Beautiful Bill," a broad fiscal package with implications for U.S. budget deficits. The Federal Reserve left its policy rate unchanged at 4.25–4.50%, with Chair Powell maintaining a hawkish tone despite acknowledging employment risks. U.S. Treasury yields rose across the curve on strong early-month activity data, with the 10-year yield peaking above 4.50% before retreating to close May at 4.4% on softer macroeconomic prints.

In Singapore, the Ministry of Trade and Industry retained its full-year GDP growth forecast at 0.0% to 2.0%. Final Q1 data showed a year-on-year expansion of 3.9%, slightly above prior estimates, though the economy contracted by 0.6% on a quarter-on-quarter seasonally adjusted basis. Inflation remained subdued, with core CPI rising 0.7% year-on-year in April, driven by higher services and food prices, while broader price pressures remained contained.

In this environment, Singapore Government Securities (SGS) rallied, led by the short end of the curve, and outperformed their U.S. counterparts. The 10-year SGS yield declined modestly by 4bps over the month to 2.4%, contrasting with the 24bps rise in the U.S. 10-year Treasury yield. Singapore's non-government bond segment also delivered positive returns, modestly outperforming government bonds as reflected in the performance of the iBoxx ALBI indices.

Elsewhere, the Asian credit markets posted modestly positive returns in May, supported by favourable moves in credit spreads despite the uptick in U.S. yields. Both investment-grade and high-yield segments saw gains, with high yield outperforming due to more pronounced tightening in spreads. Improved risk sentiment, following signs of a tariff truce in the U.S. contributed to this outperformance, particularly in the higher-beta segments of the market.

Investment Strategy

The current investment landscape is defined more by macro volatility than micro stress. Despite heightened geopolitical and policy-driven uncertainty—particularly from U.S. tariff escalations—micro credit fundamentals remain resilient. Corporate balance sheets are generally sound, banking system liquidity is ample, and there is limited evidence of stress stemming from financial imbalances.

Policy clarity however, remains elusive. The path of trade tariffs, particularly between the U.S. and China, continues to be the most critical macro driver. China's response has so far been relatively contained. Instead of a broad stimulus rollout, Chinese authorities appear to be preserving their policy flexibility and waiting for greater clarity before initiating a more comprehensive response.

In this environment, we maintain a moderate duration stance, reflecting our view that front-end yields are likely to remain anchored amid expectations of continued monetary easing. From a credit allocation perspective, we continue to favour high-quality carry opportunities supported by strong fundamentals and low refinancing risk. Within this framework, we currently prefer SGD credit over USD credit. Elevated FX hedging costs have diminished the relative appeal of USD-denominated exposures for SGD-based investors, tilting the balance in favour of local currency credit. In addition, Singapore Government Securities (SGS) are likely to demonstrate greater resilience than U.S. Treasuries in the event of a rising yield environment. Domestic technicals in Singapore remain constructive, underpinned by a stable institutional investor base, a defensively structured market, and limited spread volatility despite global macro headwinds. Nonetheless, we remain flexible and are prepared to selectively allocate into USD credit should compelling opportunities arise in the primary market, valuation dislocations emerge, or hedging costs normalise.

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

Fullerton Fund Management Company Ltd (UEN: 200312672W)
3 Fraser Street
#09-28 DUO Tower
Singapore 189352

T +65 6808 4688 | F +65 6820 6878
www.fullertonfund.com

Disclaimer: This publication is for information only and your specific investment objectives, financial situation and needs are not considered here. The value of units in the Fund and any accruing income from the units may fall or rise. Any past performance, prediction or forecast is not indicative of future or likely performance. Any past payout yields and payments are not indicative of future payout yields and payments. Distributions (if any) may be declared at the absolute discretion of Fullerton Fund Management Company Ltd (UEN: 200312672W) ("Fullerton") and are not guaranteed. Distribution may be declared out of income and/or capital of the Fund, in accordance with the prospectus. Where distributions (if any) are declared in accordance with the prospectus, this may result in an immediate reduction of the net asset value per unit in the Fund. Applications must be made on the application form accompanying the prospectus, which can be obtained from Fullerton or its approved distributors. You should read the prospectus and seek advice from a financial adviser before investing. If you choose not to seek advice, you should consider whether the Fund is suitable for you. The Fund may use or invest in financial derivative instruments. Please refer to the prospectus of the Fund for more information.

All information provided herein regarding JPMorgan Chase & Co. ("JPMorgan") index products (referred to herein as "Index" or "Indices"), is provided for informational purposes only and does not constitute, or form part of, an offer or solicitation for the purchase or sale of any financial instrument, or an official confirmation of any transaction, or a valuation or price for any product referencing the Indices (the "Product"). Nor should anything herein be construed as a recommendation to adopt any investment strategy or as legal, tax or accounting advice. All market prices, data and other information contained herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. The information contained herein is subject to change without notice. Past performance is not indicative of future returns, which will vary. No one may reproduce or disseminate the information, whether in whole or in part, relating to the Indices contained herein without the prior written consent of JPMorgan.

J.P. Morgan Securities LLC (the "Index Sponsor") does not sponsor, endorse or otherwise promote any Product referencing any of the Indices. The Index Sponsor makes no representation or warranty, express or implied, regarding the advisability of investing in securities or financial products generally, or in the Product particularly, or the advisability of any of the Indices to track investment opportunities in the financial markets or otherwise achieve their objective. The Index Sponsor has no obligation or liability in connection with the administration, marketing or trading of any Product. The Index Sponsor does not warrant the completeness or accuracy or any other information furnished in connection with the Index. The Index is the exclusive property of the Index Sponsor and the Index Sponsor retains all property rights therein.

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.