

Fullerton Short Term Interest Rate - Class C1 (SGD)

March 2026

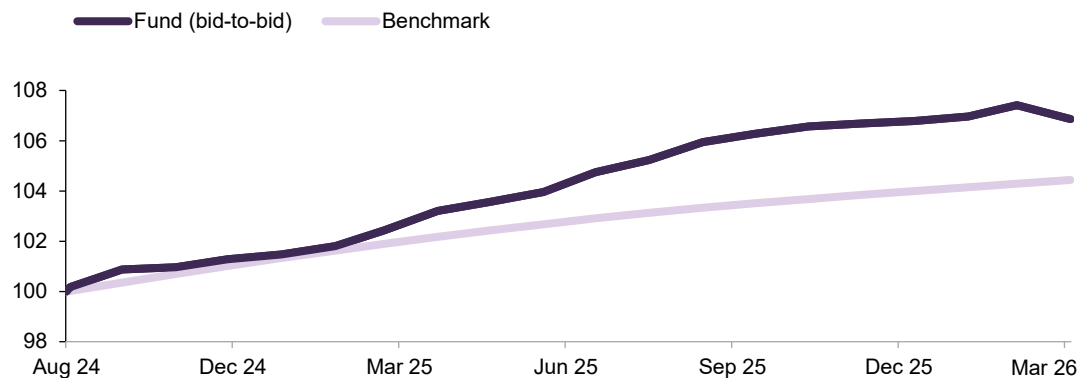
Investment Objective

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 | Sl. Ann. Ret. | Sl. Ann. Vol. |
|----------------------------|-------|--------|--------|------|---------------|---------------|
| Fund (bid-to-bid) | -0.56 | -0.06 | 0.29 | 3.00 | 3.73 | 1.04 |
| Fund (offer-to-bid) | -3.46 | -2.97 | -2.63 | 0.00 | 1.82 | NA |
| Benchmark | 0.14 | 0.42 | 0.90 | 2.22 | 2.77 | 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

29 Aug 2024

Fund size

SGD 1,157.59 million

Base Currency

SGD

Pricing Date

31 Mar 2026

NAV*

SGD 1.00

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

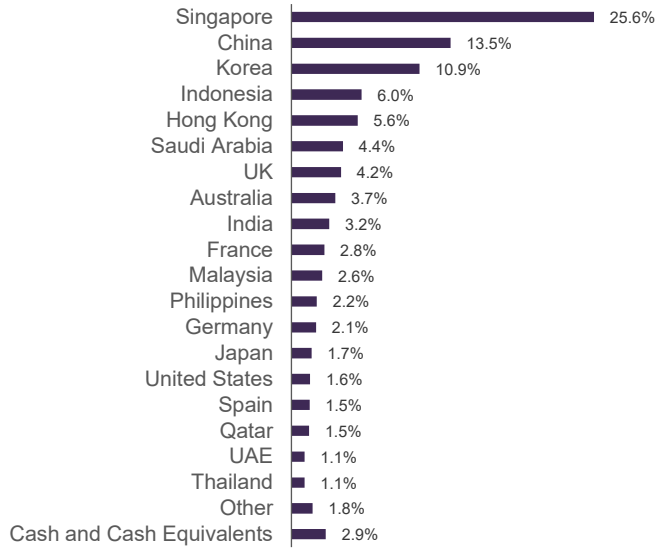
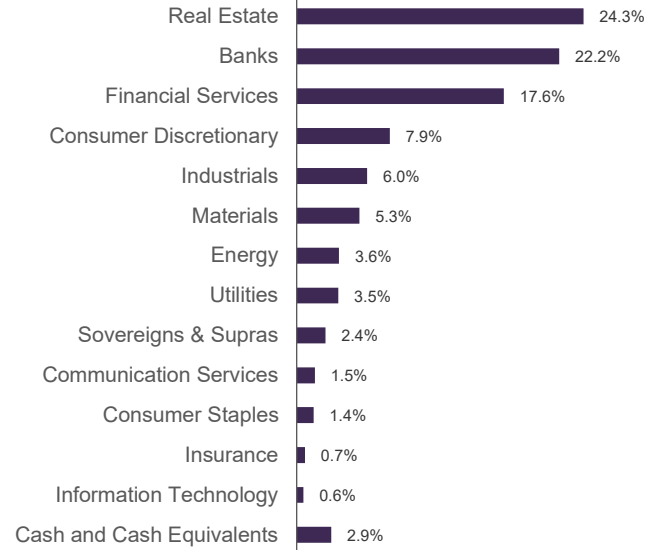
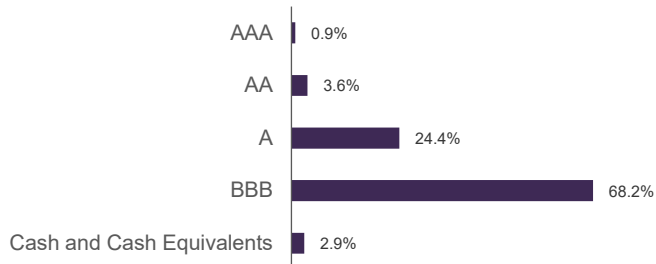
Distributions paid per unit#

| | |
|----------|-------------|
| Dec 2024 | : SGD 0.014 |
| Mar 2025 | : SGD 0.010 |
| Jun 2025 | : SGD 0.010 |
| Sep 2025 | : SGD 0.010 |
| Dec 2025 | : SGD 0.010 |
| Mar 2026 | : 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.

Distribution amount is not guaranteed. Please refer to our website for more details.

■ Portfolio
Geographical Breakdown

Sector Breakdown

Rating Breakdown

Fund Characteristics

| | |
|---------------------------------|------|
| Average coupon | 3.9% |
| Average credit rating | BBB |
| Number of holdings | 167 |
| Average duration (years) | 2.0 |
| Yield to Worst (before hedging) | 3.6% |
| Yield to Worst (after hedging) | 2.3% |

Top 5 Holdings

| | |
|--|------|
| Deutsche Bank AG 4.400 Apr 2028 | 2.1% |
| HSBC Holdings PLC 4.500 Jun 2029 | 2.0% |
| UOL Treasury Services Pte Ltd 2.330 Aug 2028 | 1.7% |
| Santos Finance Ltd 5.250 Mar 2029 | 1.7% |
| Credit Agricole London 4.400 Jul 2027 | 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

Bond markets in March were dominated by a sharp repricing of inflation risks following the escalation of the US–Israel–Iran conflict, which drove a surge in oil prices and brought stagflation concerns to the forefront. Central bank expectations shifted materially, with markets scaling back prior expectations of rate cuts and, in some cases, repricing towards a more hawkish path. Against this backdrop, US Treasury yields moved significantly higher, with the 10-year yield rising by around 38bps over the month to approximately 4.3%.

Over in Singapore, MAS core inflation edged up to 1.4% y/y in February, while headline inflation eased to 1.2% on softer accommodation and transport costs. Growth signals were mixed: Non-Oil Domestic Exports (NODX) extended its expansion but moderated, industrial production dipped slightly after a strong prior month, while retail sales were weaker year-on-year due to seasonal effects but remained firm on a sequential basis, pointing to resilient underlying consumption.

Against this backdrop, Singapore Government Securities (SGS) yields also moved higher but outperformed US Treasuries on a relative basis, with the 10-year yield rising by around 34bps to approximately 2.9%. SGD non-government bonds also registered negative returns over the period, reflecting the broader rates-driven sell-off. However, they outperformed SGS, as reflected in the Markit iBoxx Singapore Non-Government Index. Elsewhere, the Asian credit markets, as represented by the JPM Morgan Asian Credit Index in USD, delivered negative returns over the month, driven primarily by adverse duration-related returns as US Treasury yields moved higher. While coupon income provided some offset, both US Treasury returns and spread returns detracted, with the former being the dominant driver. Within the index, investment grade proved relatively more resilient, with more contained spread widening, while the high yield segment underperformed due to significantly wider spreads.

Investment Strategy

The geopolitical situation in the Middle East remains fluid, and we are monitoring developments closely. The macro impact will depend on how prolonged and severe the disruption becomes, particularly with respect to energy supply and key shipping routes. A more extended episode could lead to higher inflation and, over time, lead to demand destruction, ultimately weighing on global growth. In this context, the direction of US Treasury yields is less straightforward, as markets balance opposing forces: higher inflation pushing yields up, versus growth concerns driving yields lower.

Against a 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, SGD credit has held up better than USD credit, underpinned by limited primary supply and supportive market technicals. Looking ahead, the Singapore policy outlook remains finely balanced between growth and inflation. On balance, MAS may still opt to modestly steepen the Singapore Dollar Nominal Effective Exchange Rate Index (S\$NEER) slope in April, allowing a stronger SGD to help offset higher imported costs and anchor inflation expectations.

In terms of investment strategies, capital preservation remains a top priority. On that note, we are holding higher level of cash which helps to mitigate near-term drawdowns and preserve capital, while keeping us nimble and ready to re-risk when there is better visibility or if the situation de-escalates. We also reduced duration to lower sensitivity to rate volatility. Beyond the Middle East, we are closely monitoring the broader impact on supply chains and energy markets, as any prolonged disruption could affect companies across regions and sectors. Our credit analysts are stress-testing issuers that could be more vulnerable if the situation drags on, with particular attention to funding needs and liquidity profiles. Overall, the portfolio remains well diversified across countries, sectors and issuers, and we are maintaining a defensive but nimble stance, focused on capital preservation while staying ready to deploy risk selectively as opportunities arise.

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.

Please refer to <https://www.fullertonfund.com/use-of-third-party-data-information/> for disclaimers on use of data from third parties.

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