FULLERTON FUND MANAGEMENT

A member of Seviora Group

# Fullerton Short Term Interest Rate - Class C (SGD)

May 2026

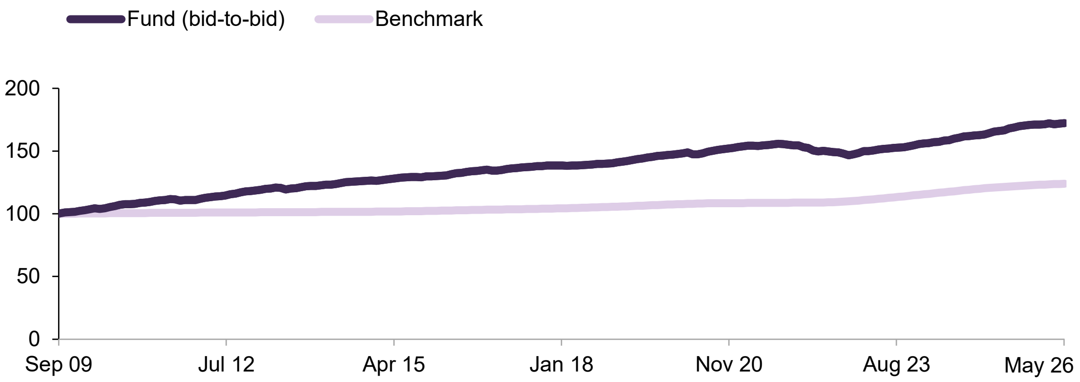
## Investment Objective

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 | SI. Ann. Ret. | SI. Ann. Vol. |
|---|---|---|---|---|---|---|---|---|---|
| **Fund (bid-to-bid)** | 0.16 | -0.09 | 0.47 | 2.84 | 3.79 | 1.67 | 2.12 | 2.76 | 1.30 |
| **Fund (offer-to-bid)** | -2.75 | -3.00 | -2.46 | -0.15 | 2.78 | 1.08 | 1.82 | 2.57 | NA |
| **Benchmark** | 0.14 | 0.42 | 0.85 | 2.00 | 3.33 | 2.67 | 1.88 | 1.29 | 0.37 |

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**
25 Sep 2009

**Fund size**
SGD 1,180.53 million

**Base Currency**
SGD

**Pricing Date**
31 May 2026

**NAV***
SGD 1.57

**Management fee**
Currently 0.50% p.a.

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

**Minimum Initial Investment**
None (effective 1 Apr 2010)

**Minimum Subsequent Investment**
None (effective 1 Apr 2010)

**Preliminary Charge**
Up to 3%

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

**Bloomberg Code**
FULSTIC SP

**ISIN Code**
SG9999006225

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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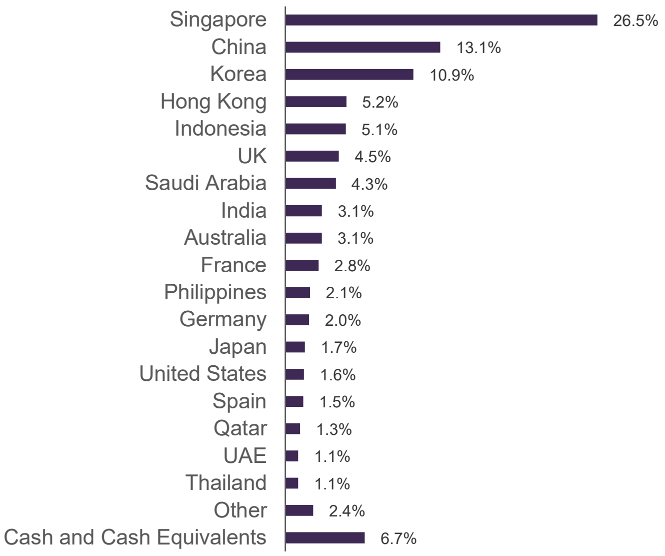
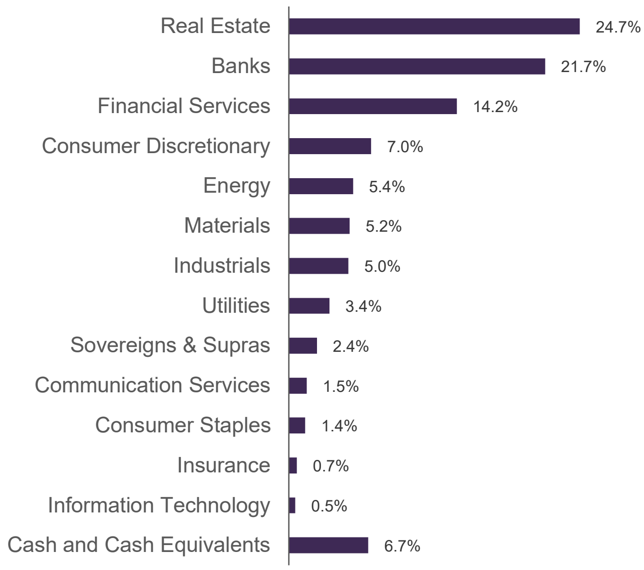
■ Portfolio

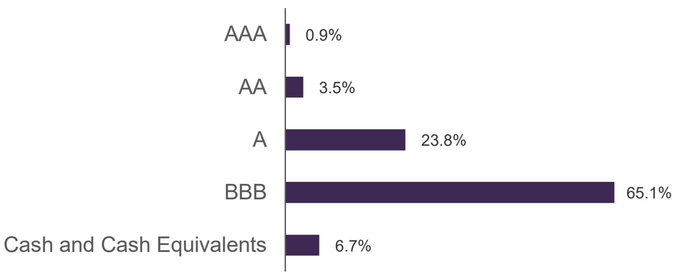
## Geographical Breakdown




## Sector Breakdown




## Rating Breakdown




## Fund Characteristics

| | |
|---|---|
| Average coupon | 3.7% |
| Average credit rating | A |
| Number of holdings | 165 |
| Average duration (years) | 2.0 |
| Yield to Worst (before hedging) | 3.3% |
| Yield to Worst (after hedging) | 2.0% |

## Top 5 Holdings

| | |
|---|---|
| Deutsche Bank AG 4.400 Apr 2028 | 2.0% |
| Seatrium Financial Services Pte Ltd 2.950 Apr 2031 | 2.0% |
| HSBC Holdings PLC 4.500 Jun 2029 | 1.9% |
| UOL Treasury Services Pte Ltd 2.330 Aug 2028 | 1.8% |
| Santos Finance Ltd 5.250 Mar 2029 | 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

Market sentiment during the month was shaped by developments surrounding the Iran–US conflict, with fluctuations in oil prices and shifting expectations around ceasefire negotiations contributing to bouts of volatility across global rates markets. In the US, Treasury yields moved higher amid stronger-than-expected economic data, persistent inflation pressures and a more hawkish reassessment of the Federal Reserve policy outlook. Yields rose sharply in the first half of the month, with the 30-year Treasury yield reaching its highest level since 2007 and the 10-year Treasury yield briefly approaching 4.7%. However, part of the move reversed later in the month as oil prices declined on growing expectations of a diplomatic resolution to the conflict and market-implied inflation expectations moderated. Overall, the Treasury yield curve bear-flattened, with front-end yields rising more than longer-dated maturities as markets priced a lower probability of near-term Fed easing.

In Singapore, economic data released during the month continued to point to resilient growth momentum. Revised first-quarter GDP data showed the economy expanding by 6.0% year-on-year and 1.0% quarter-on-quarter on a seasonally adjusted basis, while retail sales and industrial production also remained firm. At the same time, inflation remained well contained, with April headline CPI steady at 1.8% year-on-year and core inflation easing to 1.4%. Against this backdrop, Singapore government bonds outperformed US Treasuries, with yields declining across the curve, led by the long end. The combination of resilient growth, contained inflation and the absence of significant domestic price pressures helped support the market despite higher global yields earlier in the month. The 10-year SGS yield ended the month at 2.0%, down from 2.1% a month earlier, while the 10-year US Treasury yield finished at 4.4% after reaching nearly 4.7% intra-month. SGD non-government bonds also generated positive returns over the period, although they modestly lagged SGS as reflected by the Markit iBoxx Singapore Non-Government Index.

Asian USD credit markets, as represented by the J.P. Morgan Asia Credit Index, delivered a positive performance over the month, with returns supported mostly by spread tightening. Within the index, investment grade and non-investment grade both advanced, but the latter outperformed as stronger spread compression added meaningfully to carry.

## Investment Strategy

Looking ahead, the absence of a more severe escalation in the Middle East has helped sustain risk appetite and support broader market sentiment, although sustained elevated energy prices and lingering inflationary pressures remain key risks. At the same time, US economic growth has remained relatively resilient, while inflation continues to exhibit sufficient persistence to keep the Federal Reserve cautious. As a result, the Fed is likely to remain data dependent, with the policy outlook continuing to be shaped by the balance between inflation persistence and any emerging signs of softer economic activity.

In Asia, the near-term impact of higher energy prices and supply chain disruptions has been partly mitigated by substitution effects, alternative sourcing channels and some moderation in demand.Nevertheless, inflation-targeting central banks may still need to maintain a relatively hawkish bias to anchor inflation expectations and safeguard financial stability, while remaining data dependent. Fiscal policy, including targeted subsidies and support measures, should continue to provide a degree of counter-cyclical support against downside growth risks. In Singapore, relatively resilient economic activity and stable inflation dynamics provide the Monetary Authority of Singapore (MAS) with the flexibility to remain patient and data dependent, particularly given the country's open economy and sensitivity to external developments.

Against this backdrop, we are comfortable with the current duration stance of around two years, which sits broadly within the neutral range. On credit, we continue to see merit in maintaining an overweight to credit beta. Credit spreads have demonstrated notable resilience and, in many cases, have retraced to levels seen prior to the recent geopolitical tensions, reflecting the strength of underlying corporate fundamentals. More broadly, Asian credit continues to benefit from relatively low net supply, attractive all-in-yields and a shorter duration profile than US investment grade credit. Within SGD credit, resilient fundamentals, softer supply technicals and continued investor demand remain supportive. At the same time, SGS has held up relatively better than US Treasuries in the recent environment, supported by haven demand and a more limited supply backdrop.

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