

Fullerton Short Term Interest Rate - Class D (USD Hedged)

September 2025

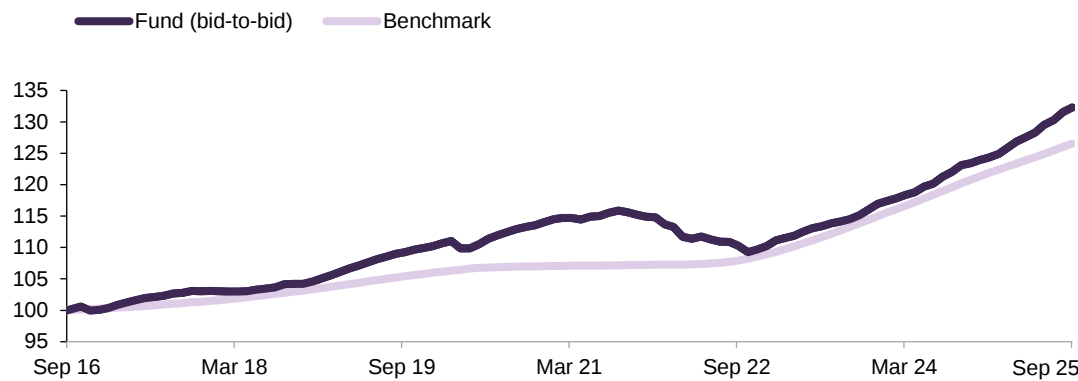
Investment Objective

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	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.52	1.99	3.98	6.90	5.71	2.73	2.87	1.42
Fund (offer-to-bid)	-2.41	-0.98	0.95	3.79	4.68	2.13	2.54	NA
Benchmark	0.41	1.31	2.58	5.28	5.44	3.42	2.64	0.60

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in USD 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

15 Sep 2016

Fund size

USD 799.61 million

Base Currency

SGD

Pricing Date

30 Sep 2025

NAV*

USD 1.29

Management fee

Currently 0.50% p.a.

Expense Ratio

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

Minimum Initial Investment

None

Minimum Subsequent Investment

None

Preliminary Charge

Up to 3%

Dealing day

Daily, up to 5pm (Singapore time)

Bloomberg Code

FULSTID SP

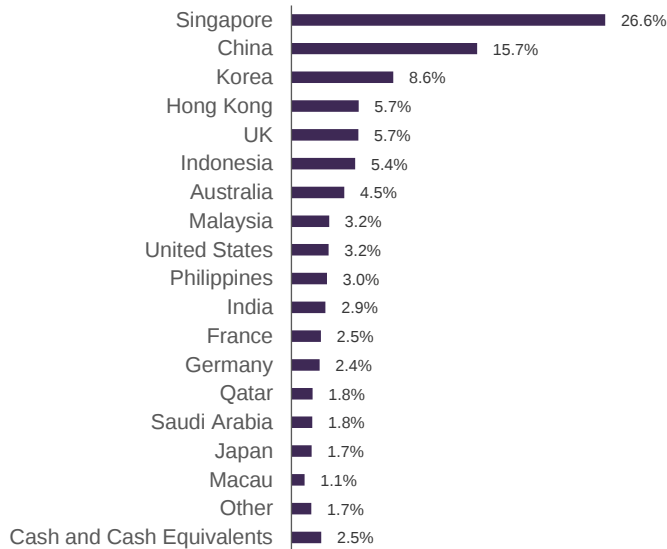
ISIN Code

SG9999015671

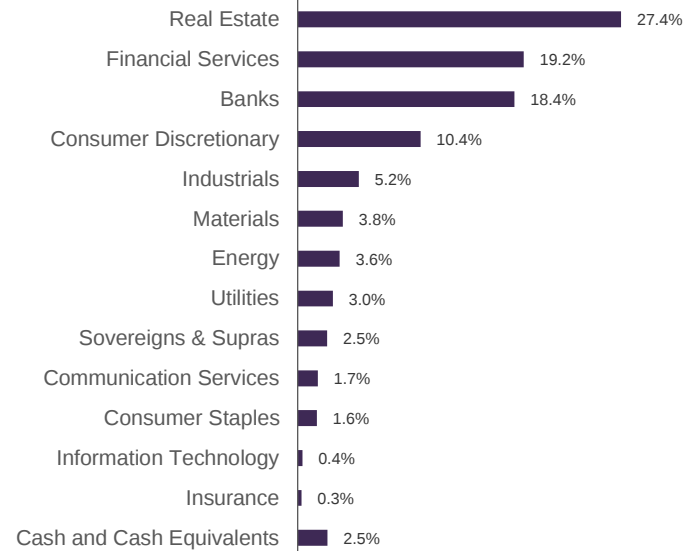
* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

■ Portfolio

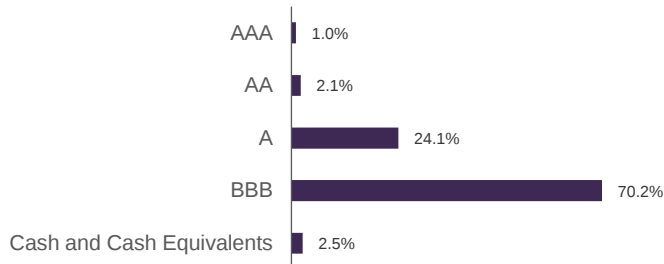
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.0%
Average credit rating	BBB
Number of holdings	149
Average duration (years)	2.3
Yield to Worst (before hedging)	3.3%
Yield to Worst (after hedging)	2.0%

Top 5 Holdings

Deutsche Bank AG 4.400 Apr 2028	2.4%
HSBC Holdings PLC 4.500 Jun 2029	2.2%
Meituan 4.625 Oct 2029	2.0%
UOL Treasury Services Pte Ltd 2.330 Aug 2028	1.9%
Equinix Asia Financing Corp Pte Ltd 3.500 Mar 2030	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.

Market Review

In September, the US Federal Reserve (Fed) delivered its first rate cut of 2025, lowering the policy rate by 25 basis points as expected. The updated dot plots signalled two additional cuts for the rest of this year but with a wide dispersion of views among policymakers. Chair Powell described the move as a 'risk management' cut rather than the start of a sustained easing cycle, tempering expectations of aggressive follow-through.

In Singapore, inflation stayed subdued, with August headline CPI at 0.5% y/y and core at 0.3%, the lowest since early 2021. However, industrial production fell 7.8% y/y, underscoring broad manufacturing weakness, while NODX declined 11.3% y/y as front-loading effects unwound amid tariff headwinds.

Against this backdrop, and reversing the earlier trend, SGS yields rose across the curve and underperformed US Treasuries, with the 10-year closing September at 1.9%, 7 basis points higher month-on-month, and the 2-year at 1.5%, up 3 basis points. US Treasury yields, by contrast, were volatile but ended the month at 4.1%, around 8 basis points lower than end-August. Meanwhile, Singapore non-government bonds posted gains, as reflected in the Markit iBoxx ALBI Singapore Non-Government Index, and outperformed SGS over the month.

The Asian credit market posted positive returns in September, as reflected by the JP Morgan Asian Credit Index, supported by gains from both US Treasury duration and spread tightening. Both investment grade and high yield bonds delivered gains, with high yield outperforming on the back of more pronounced spread compression.

Investment Strategy

Global fixed income markets are at an important juncture, with the Federal Reserve (Fed) pivoting toward easing as softening labour data builds the case for rate cuts. For Asia, renewed Fed easing is supportive: it gives regional central banks room to ease without risking destabilising capital outflows, at a time when inflation remains well within target ranges. Fiscal policy is also stepping up across parts of Asia, as governments respond to still-sluggish domestic demand with greater fiscal support. In Singapore, recent inflation has continued to undershoot, while MAS appears less pessimistic on the growth outlook compared to earlier in the year. That said, risks remain tilted toward further easing, given lingering downside growth risks and contained inflation.

In China, activity data has been lacklustre, with retail sales softening as trade-in subsidies faded, consumer confidence remaining subdued, and fixed asset investment weighed down by anti-involution policies and a weak property sector. That said, year-on-year growth is still tracking close to the 5% target, reducing the urgency for large-scale policy action. Looking forward, further moderation in growth is likely to be met with more targeted fiscal and policy support, including a tactical pause in anti-involution measures, helping to anchor downside risks.

In terms of portfolio positioning, we remain constructive on duration, keeping exposure close to the 2.5-year limit. SGS has significantly outperformed US Treasuries year-to-date, and we expect this trend to reverse as the Fed resumes easing, with US Treasuries likely to outperform going forward. At the same time, USD/SGD hedging costs have eased modestly, further improving the relative appeal of USD assets. Taken together, these factors tilt our current preference towards USD credits. In addition, SGD credit spreads remain tight, leaving limited room for further compression, although spreads are likely to remain well-anchored in the absence of negative catalysts.

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.