FULLERTON FUND MANAGEMENT
A member of Seviora Group

Fullerton Short Term Interest Rate - Class R1 (SGD)

January 2026

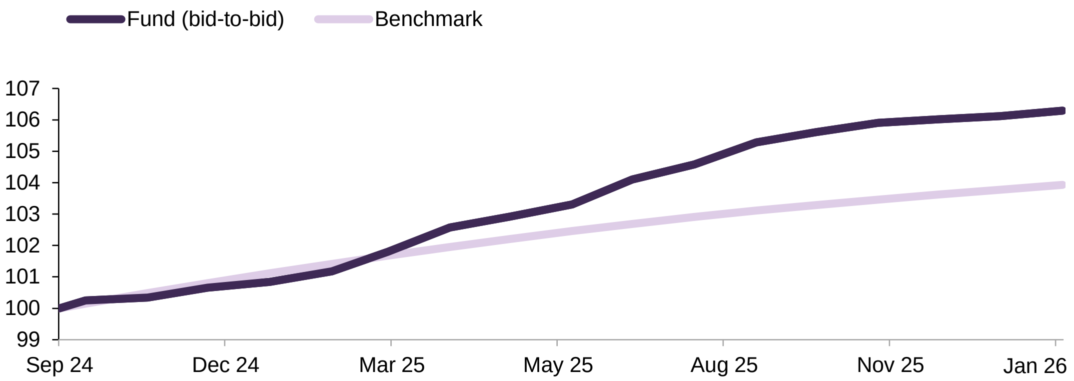
Investment Objective

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	SI. Ann. Ret.	SI. Ann. Vol.
Fund (bid-to-bid)	0.14	0.29	1.50	4.77	4.27	0.78
Benchmark	0.15	0.45	0.99	2.48	2.85	0.23

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.
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
17 Sep 2024

Fund size
SGD 1,062.36 million

Base Currency
SGD

Pricing Date
31 Jan 2026

NAV*
SGD 1.06

Management fee
Currently 0.25% p.a.

Minimum Initial Investment
SGD 25 million

Minimum Subsequent Investment
None

Preliminary Charge
Not applicable for Class R1

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

Bloomberg Code
FULSTR1 SP

ISIN Code
SGXZ25895699

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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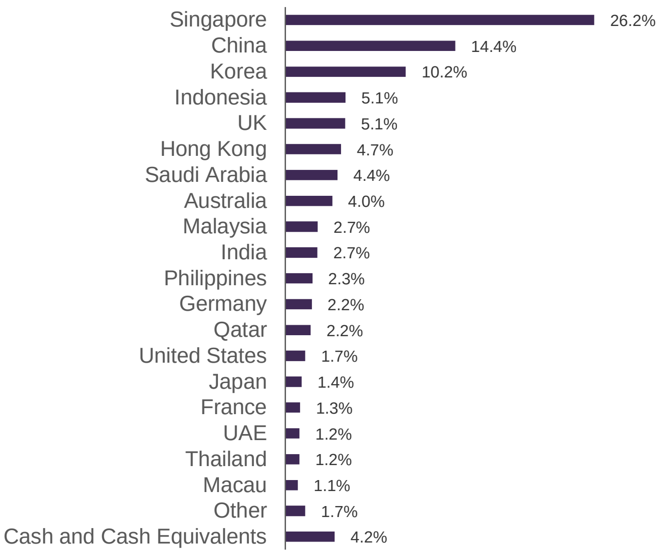
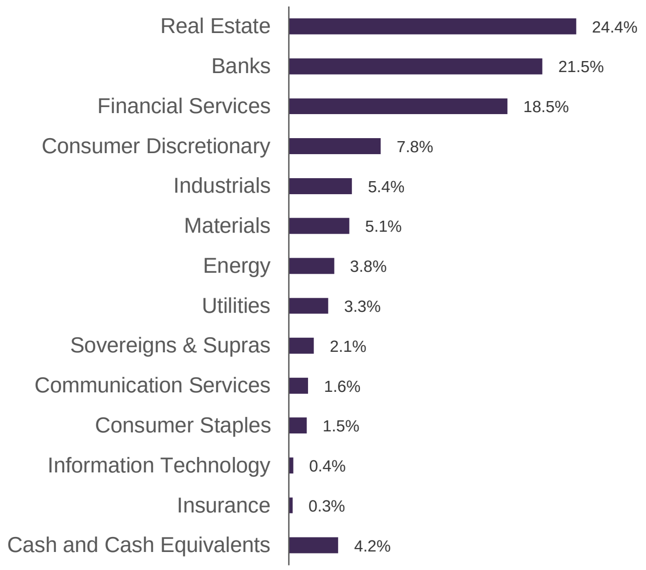
Portfolio

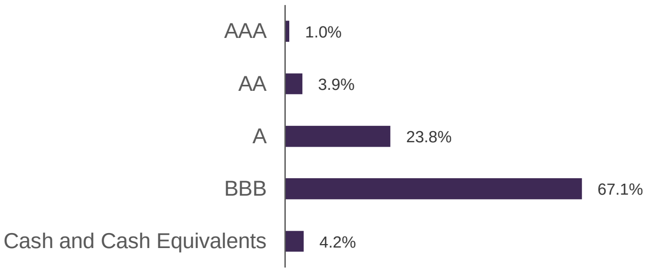
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	3.8%
Average credit rating	A
Number of holdings	155
Average duration (years)	2.1
Yield to Worst (before hedging)	3.2%
Yield to Worst (after hedging)	2.0%

Top 5 Holdings

Deutsche Bank AG 4.400 Apr 2028	2.2%
HSBC Holdings PLC 4.500 Jun 2029	2.1%
UOL Treasury Services Pte Ltd 2.330 Aug 2028	1.8%
Santos Finance Ltd 5.250 Mar 2029	1.8%
FLCT Treasury Pte Ltd 3.830 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.

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Market Review

In January, the Singapore fixed income market was supported by strong domestic macroeconomic data from late 2025 alongside a key policy decision by the Monetary Authority of Singapore (MAS). Advance estimates from the Ministry of Trade and Industry showed that Singapore's economy expanded by 1.9% quarter-on-quarter (seasonally adjusted) in the fourth quarter of 2025. For the whole of 2025, the economy expanded by 4.8 per cent, extending the 4.4 per cent growth in 2024, driven primarily by technology-linked manufacturing benefiting from the global AI capex cycle. Looking ahead, official projections point to a moderation in growth to a 1–3% range in 2026, implying a still-positive output gap as activity normalises from the robust 2025 outturn. Inflation data released during the month showed headline and core CPI holding at 1.2% year-on-year in December 2025, leaving MAS Core Inflation at just 0.7% for the full year. Nevertheless, MAS raised its inflation forecast ranges for 2026 to 1.0–2.0% for both headline and core inflation, reflecting expectations of a gradual normalisation as domestic demand and wage pressures firm. Against this backdrop, MAS kept its exchange-rate-based monetary policy unchanged at its January review, maintaining the S$ Nominal Effective Exchange Rate (S$NEER) policy band on a modest appreciation path and signalling confidence that current settings remain appropriate while preserving flexibility amid upside risks to growth and inflation.

Globally, attention was focused on the U.S. Federal Reserve (Fed) and incoming labour market data. The Fed held policy rates steady at its January meeting, with Chair Powell noting a "clear improvement" in the U.S. outlook and signs of stabilisation in labour market conditions. Against this backdrop, U.S. Treasury yields ended the month modestly higher, with the 10-year U.S. Treasury yield rising by around 7 basis points over the month. In contrast, Singapore Government Securities (SGS) yields declined across much of the curve and outperformed U.S. Treasuries, with the 10-year SGS yield falling by about 4 basis points by month-end. The non-government SGD bond sector also recorded modest gains, as measured by the Markit iBoxx ALBI Singapore Non-government Index, although performance lagged that of SGS.

Elsewhere, Asian credit markets delivered a modestly positive performance during the month, led by the high yield segment, which outperformed investment grade peers. High yield returns were driven primarily by credit spread tightening and lower sensitivity to interest rate movements, allowing them to weather the rise in global yields more effectively. In contrast, investment grade credits were more exposed to duration-related headwinds, while credit spreads were broadly flat to slightly wider on average, resulting in more muted overall performance.

Investment Strategy

The global macro backdrop remains broadly supportive: US growth is running above trend with moderating inflation and still supportive liquidity, which underpins risk sentiment and carry trades. At the same time, ongoing debate around US fiscal sustainability and the Fed's balance sheet plans raises the risk of further curve steepening, even though the cyclical backdrop remains positive for credit.

Domestically, the Monetary Authority of Singapore (MAS) kept the S$NEER slope at about 0.5% p.a. but raised its 2026 headline and core inflation forecasts to 1–2% and highlighted that risks to both growth and inflation are tilted to the upside, with the output gap likely to stay positive. Barring an external shock, this sets the stage for a hawkish tilt or tightening at the April MPS, with markets likely to start pre-pricing this in the months ahead.

Against this backdrop, we are inclined to manage duration conservatively. With portfolio duration relatively close to the 2.5 year limit, the risk-reward for adding duration at current levels appears less compelling, particularly against a backdrop of resilient growth and curve-steepening pressures. Within credits, we continue to look for attractively priced issues and to switch out of lower-yielding bonds. Credit remains relatively attractive: all-in yields are still compelling in a slower-but-positive growth environment, and we expect carry and relative-value opportunities to be the main drivers of returns rather than large directional duration calls. As long as liquidity does not deteriorate and growth remains healthy, the credit market should continue to hold up even through periods of heightened macro volatility.

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