

Fullerton Short Term Interest Rate - Class R1 (SGD)

June 2026

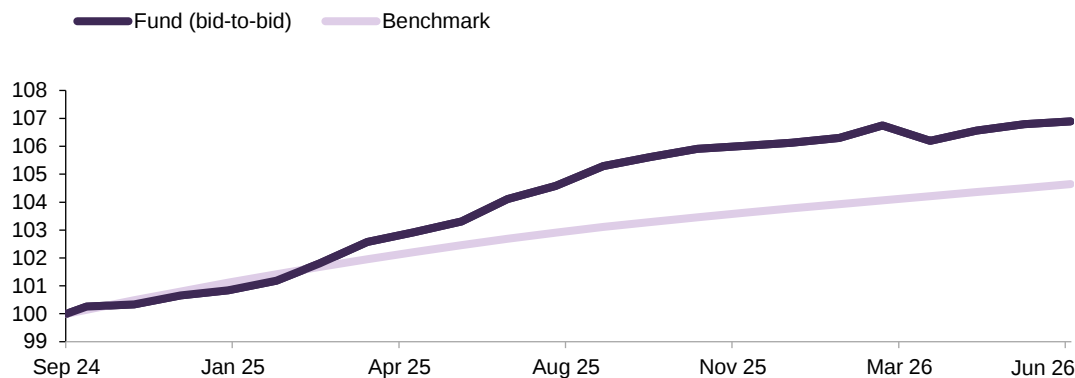
Investment Objective

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)	0.08	0.59	0.59	2.41	3.53	0.96
Benchmark	0.14	0.41	0.84	1.91	2.58	0.24

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 1,133.09 million

Base Currency

SGD

Pricing Date

30 Jun 2026

NAV*

SGD 1.06

Management fee

Currently 0.25% p.a.

Expense Ratio

0.31% p.a. (For financial year ended 31 Mar 2026)

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

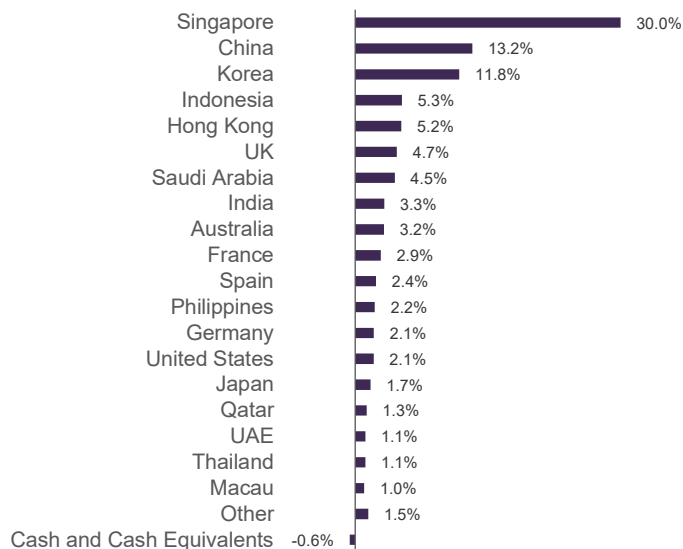
The Fund is available for SRS subscription.

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

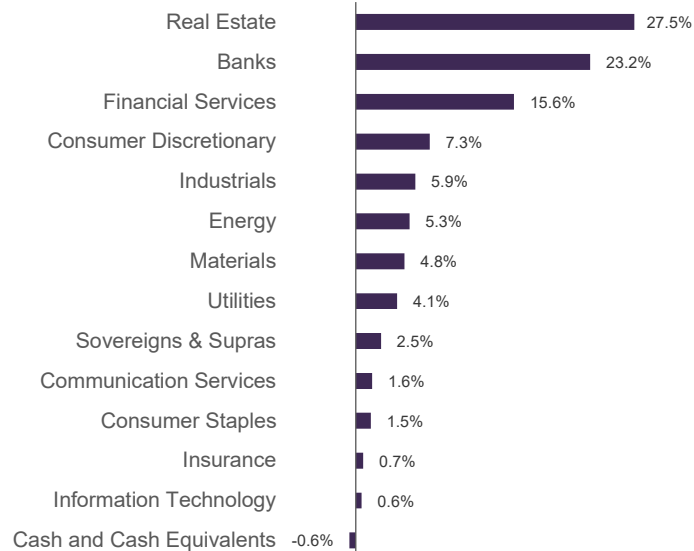


■ Portfolio

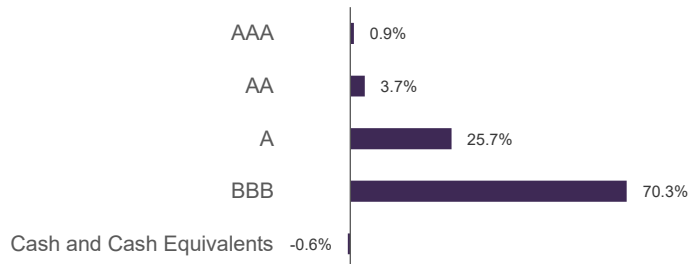
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.0%
Average credit rating	BBB
Number of holdings	170
Average duration (years)	2.1
Yield to Worst (before hedging)	3.5%
Yield to Worst (after hedging)	2.3%

Top 5 Holdings

Deutsche Bank AG 4.400 Apr 2028	2.1%
Seatrium Financial Services Pte Ltd 2.950 Apr 2031	2.0%
HSBC Holdings PLC 4.500 Jun 2029	2.0%
UOL Treasury Services Pte Ltd 2.330 Aug 2028	1.8%
Banco Santander SA 3.600 Oct 2030	1.7%

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.

Negative balances are due to cross month trades, and subscription/redemption.

Market Review

Developed market fixed income was influenced by easing geopolitical tensions, a more hawkishly interpreted Federal Reserve (Fed) and lower oil prices during June. Stronger-than-expected US economic data, particularly the May employment report, together with a hawkish outcome from the June FOMC meeting under new Chair Kevin Warsh, reinforced expectations that the Fed would keep monetary policy restrictive for longer, pushing front-end Treasury yields higher. Meanwhile, progress towards a ceasefire between the US and Iran led to a sharp decline in oil prices, easing inflation expectations and supporting demand for longer-dated government bonds. As a result, the US Treasury yield curve bear-flattened over the month, with the 2-year yield rising 17 basis points, the 10-year yield increasing only 3 basis points and the 30-year yield declining 2 basis points.

In Singapore, economic fundamentals remained resilient. May headline and core CPI stayed benign at 1.8% and 1.4% year-on-year, respectively, while strong merchandise exports and robust electronics demand continued to support external growth. Manufacturing activity remained healthy, with industrial production rising 13.0% year-on-year, and first-quarter GDP growth was revised higher to 6.0% year-on-year, prompting the Ministry of Trade and Industry to maintain its 2026 growth forecast of 2%–4%. Against this backdrop, the Singapore Government Securities (SGS) yield curve steepened modestly, in contrast to the bear-flattening seen in US Treasuries. Front-end SGS yields moved slightly higher, with the 2-year yield rising 3 basis points, while the 10-year SGS yield was broadly unchanged at around 2.0% by month-end while the 30-year yields rose 9bps over the month. Singapore non-government markets remained resilient, with non-government bonds delivering positive returns and outperforming SGS.

In the realms of Asian USD credit markets, the JP Morgan Asia Credit Index (JACI) was supported primarily by duration-related gains, while spread performance was a modest headwind as credit spreads widened slightly overall. Within the market, investment grade credits posted positive returns as gains from US duration more than offset modest spread widening. The high yield sector materially outperformed the investment grade peers, benefiting from both duration-related gains and spread tightening as investor demand for higher-yielding assets remained supportive.

Investment Strategy

The broader global backdrop has become more supportive in recent weeks. Tail risks from a further escalation in the US-Iran conflict have receded, while global growth remains robust, positive economic surprises continue to emerge, and liquidity conditions appear to be keeping pace with nominal growth. At the same time, inflation expectations are sliding, and oil prices have retraced to around pre-conflict levels, helping to reduce concerns over a renewed external inflation shock.

This backdrop should allow the disinflation process to continue, in our view. With production costs still relatively contained, including softer labour and capital cost pressures, the risk of a sustained re-acceleration in inflation appears limited for now. Market pricing is also consistent with a calmer energy outlook: prices across oil blends have normalised and the Brent forward curve is broadly back to where it was a year ago, which should continue to support risk appetite if macro data remains resilient.

In Singapore, the growth outlook remains constructive, underpinned by continued strength in the technology and electronics sectors. That said, the expansion remains uneven, with the strongest momentum concentrated in more capital-intensive industries while parts of the broader domestic economy remain comparatively subdued. In our view, this points to an economy that continues to expand at a healthy pace without exhibiting signs of broad-based overheating, supporting a favourable backdrop for Singapore fixed income.

On monetary policy, we think the Monetary Authority of Singapore (MAS) is likely to remain data dependent. Recent core inflation readings have been softer than expected, although the latest utility tariff increase could lift inflation in the near term. At the same time, firmer growth and a still-positive output gap mean the MAS is unlikely to turn dovish quickly. The central bank is likely to retain a modest tightening bias, but any further move will depend on whether upcoming growth and inflation data point to more persistent and broad-based price pressures rather than temporary cost effects alone.

Against this backdrop, we intend to maintain portfolio duration at around two years on average, while remaining prepared to extend duration opportunistically should valuations become more attractive or the risk-reward improve. We also expect to continue deploying cash and maturing bond proceeds into primary and secondary credit opportunities as the improving macro environment supports investor risk appetite. We continue to favour Singapore dollar-denominated credits, supported by healthy demand for yield, and limited supply. While we remain selective in USD denominated credit given the still-high cost of USDSGD hedging, the broader opportunity set, particularly in the primary market, continues to provide attractive security selection opportunities.

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

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