

Fullerton Singapore Bond Fund - Class A (SGD)

January 2026

Investment Objective

The investment objective of the Fund is to generate long term capital appreciation for investors by investing primarily in fixed income or debt securities denominated in Singapore Dollars. These securities will primarily be issued by the Singapore government, government agencies, quasi-government institutions, statutory boards and corporations.

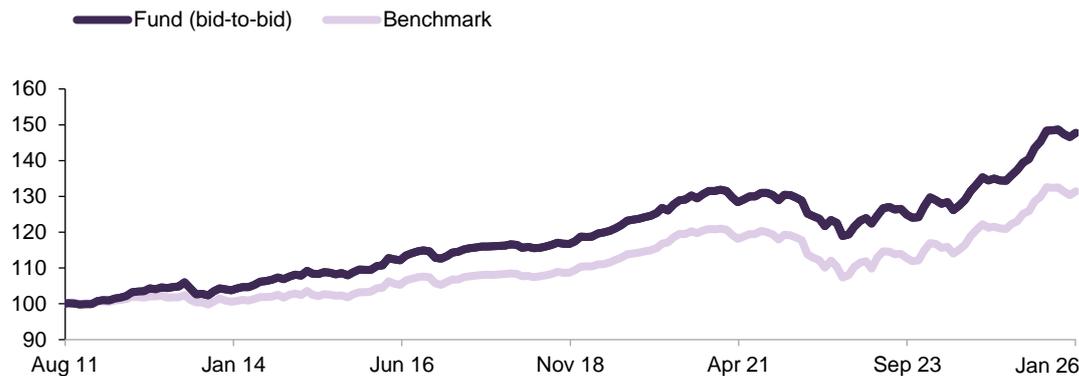
Investment Focus and Approach

The Managers seek to add value from the following sources: interest rate accrual, credit selection and yield curve positioning (duration management).

The Managers' investment process is a combination of top-down macro research and bottom-up analysis. Economic research and monetary policy analysis is the basis for arriving at the interest rate outlook and bottom-up analysis forms the basis for credit selection and yield curve positioning. Within this framework, the Managers will evaluate fixed income and debt securities to determine their fair value and formulate the duration and credit strategies for the Fund.

The Fund will primarily invest in investment grade issues having a minimum long term credit rating of BBB- by Fitch, Baa3 by Moody's or BBB- by Standard & Poor's. However, non-rated SGD corporate issues are permitted if they meet the Managers' internal equivalent rating of investment grade. The Managers may use Financial Derivative Instruments ("FDIs") for hedging and efficient portfolio management purposes.

Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.75	-0.72	1.50	9.54	5.66	2.00	2.58	2.37	2.91
Fund (offer-to-bid)	-2.18	-3.61	-1.46	6.35	4.63	1.40	2.28	2.17	NA
Benchmark	0.79	-0.83	1.12	8.64	5.51	1.71	2.33	1.90	2.97

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: Markit iBoxx ALBI Singapore.

With effect from 19 October 2021, the benchmark is Markit iBoxx ALBI Singapore TR Index. From inception till 31 May 2017, the benchmark was 50% UOB SGS Bond All and 50% UOB SGS Bond Short Index. The benchmark was changed to a composite of 50% TR/SGX Singapore Fixed Income Index and 50% TR/SGX Singapore Fixed Income 1-3Y Index with effect from 1 June 2017. Subsequently, it was changed to 50% Thomson Reuters / iEdge Singapore Fixed Income and 50% Thomson Reuters / iEdge Singapore Fixed Income 1Y-3Y Index with effect from 3 September 2018.

Source: Fullerton Fund Management Company Ltd and Bloomberg.

Inception date

16 Aug 2011

Fund size

SGD 206.73 million

Base Currency

SGD

Pricing Date

31 Jan 2026

NAV*

SGD 1.40

Management fee

 Currently 0.30% p.a.,
 Maximum 0.50% p.a.

Expense Ratio

0.38% p.a. (For financial year ended 31 Mar 2025)

Minimum Initial Investment

SGD 50 million

Minimum Subsequent Investment

SGD 10 million

Preliminary Charge

Up to 3%

Dealing day

Daily, up to 5pm (Singapore time)

Bloomberg Code

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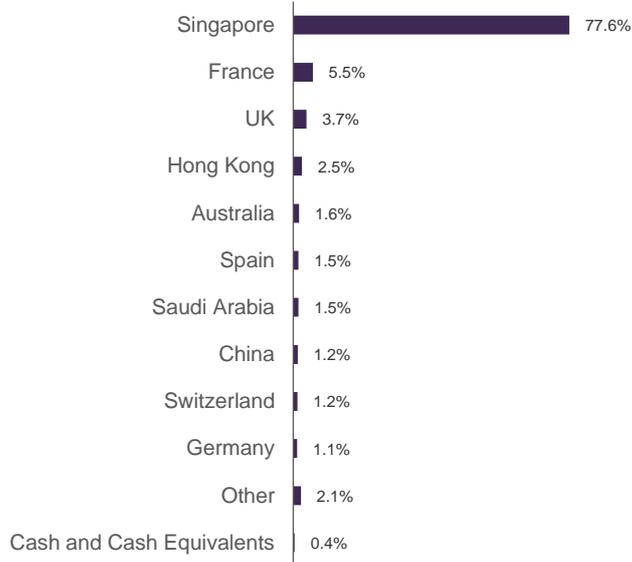
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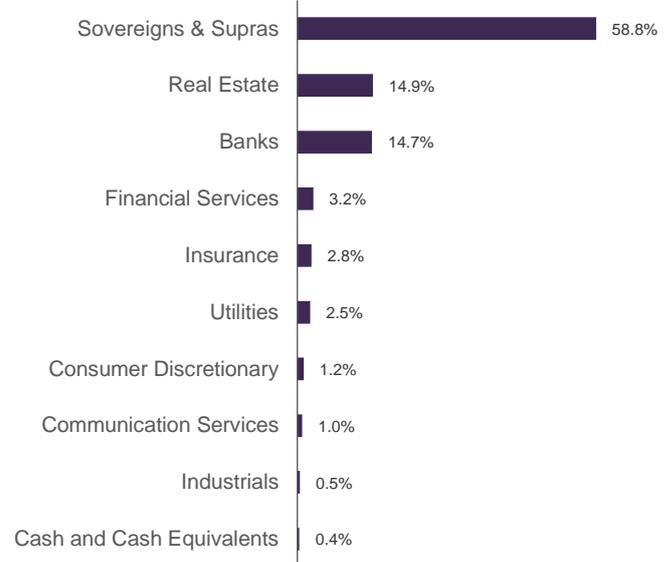
* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

■ Portfolio

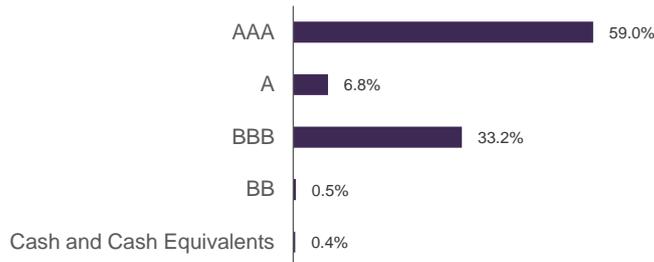
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average duration (years)	8.3
Yield to Worst	2.2%
Yield to Maturity	2.4%

Top 5 Holdings

Singapore Government Bond 2.250 Aug 2036	10.7%
Singapore Government Bond 2.875 Sep 2030	6.9%
Singapore Government Bond 2.625 Aug 2032	5.9%
Singapore Government Bond 1.875 Mar 2050	5.5%
Singapore Government Bond 3.000 Aug 2072	4.6%

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. Not guaranteed. Past performance is not necessarily indicative of future performance.

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 sector also posted modest gains over the month, as measured by the Markit iBoxx ALBI Singapore Non-government Index, although performance lagged that of SGS.

Investment Strategy

The global macro backdrop remains constructive but increasingly differentiated. The U.S. economy continues to expand at a pace above expectations, supported by stronger productivity, resilient aggregate consumption and gradual cooling in the labour market. Outside the U.S., several large economies including Germany, Japan and China are stepping up fiscal support, adding another layer of growth impulse into 2026. At the same time, major central banks are transitioning toward more neutral policy stances, with some potentially turning incrementally hawkish this year should growth and inflation remain resilient.

In Singapore, the Monetary Authority of Singapore (MAS) kept the S\$NEER policy unchanged in January 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. More recently, Singapore authorities also upgraded its GDP growth forecast for 2026 to 2–4% from 1–3% previously, citing stronger-than-expected global momentum, driven in large part by an ongoing boom in artificial intelligence investments. Barring an external shock, these set the stage for a hawkish tilt or tightening at the April MPS meeting.

From a portfolio strategy perspective, we retained duration at around neutral to the benchmark. In our view, SGS should remain relatively resilient compared to US Treasuries in a rising yield environment, given the stronger domestic technicals and policy backdrop. However, in a more dovish repricing scenario, where yields decline more meaningfully, SGS could lag US Treasuries given their typically lower beta to global rate rallies. Elsewhere, we continue to overweight credits over statutory board bonds. While credit spreads are acknowledged to be tight, all-in yields remain compelling in a slower-but-positive growth environment. We continue to look for attractively priced issues and to rotate out of lower-yielding bonds, with carry and relative-value opportunities expected to be the primary drivers of returns rather than large directional duration calls. As long as liquidity conditions remain supportive and growth does not deteriorate meaningfully, the credit market should continue to hold up even through periods of heightened macro volatility.

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