

Fullerton Singapore Bond Fund - Class A (SGD)

May 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.

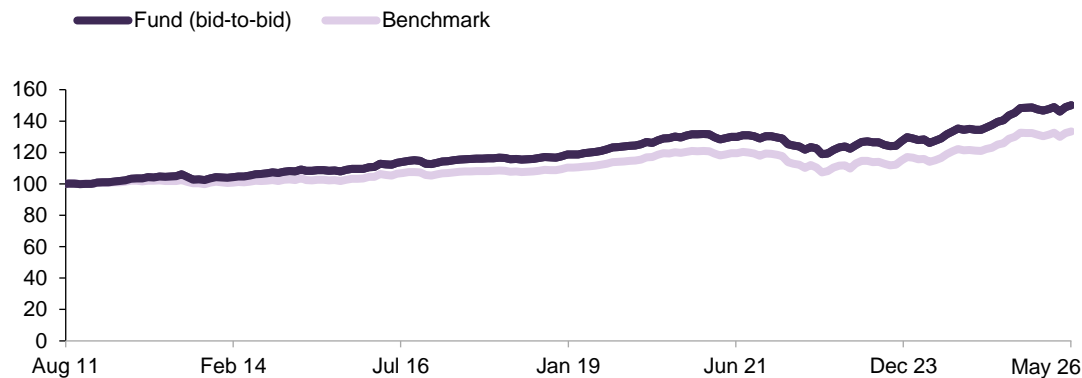
Investment Focus and Approach

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	0.67	1.65	6.47	5.34	2.56	2.60	2.42	2.98
Fund (offer-to-bid)	-2.18	-2.26	-1.32	3.37	4.30	1.95	2.30	2.22	NA
Benchmark	0.74	0.65	1.56	5.95	5.20	2.23	2.40	1.97	3.04

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 209.79 million

Base Currency

SGD

Pricing Date

31 May 2026

NAV*

SGD 1.43

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)

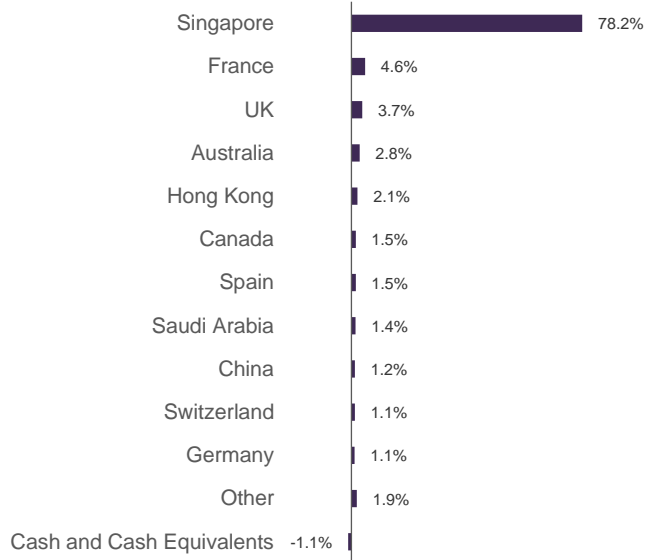
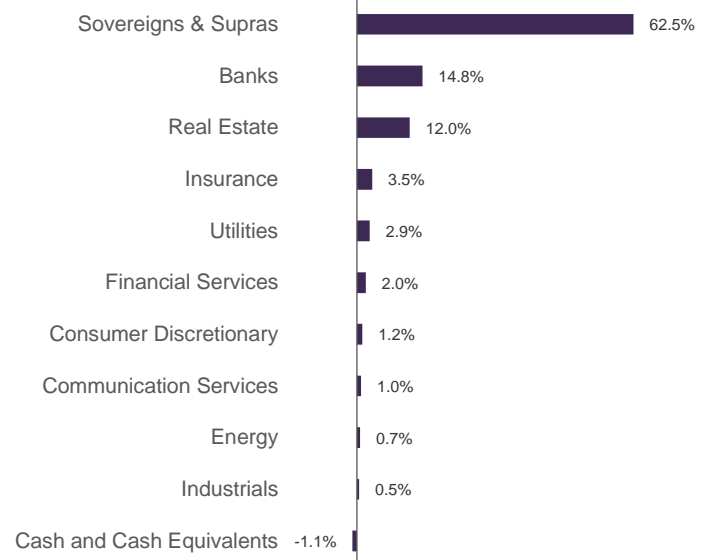
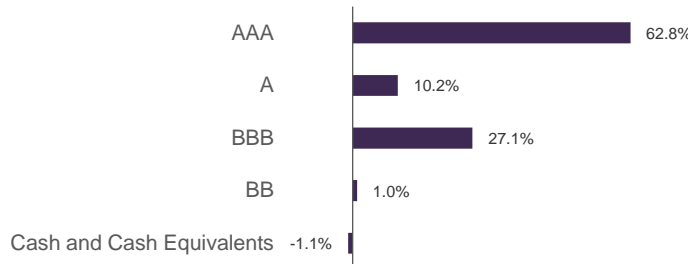
Bloomberg Code

FSINGBA SP

ISIN Code

SG9999007785

* 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)	8.8
Yield to Worst	2.3%
Yield to Maturity	2.4%

Top 5 Holdings

Singapore Government Bond 2.250 Aug 2036	10.6%
Singapore Government Bond 2.875 Sep 2030	6.8%
Singapore Government Bond 2.625 Aug 2032	5.8%
Singapore Government Bond 1.875 Mar 2050	5.5%
Singapore Government Bond 3.000 Aug 2072	4.7%

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

Negative balances are due to cross month trades.

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.

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 (Fed) 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 maintained duration broadly neutral relative to the benchmark. The recent outperformance of SGS relative to US Treasuries has reduced the attractiveness of extending duration aggressively at current levels. At the same time, the outlook for rates remained finely balanced, with inflation concerns and higher energy prices posing upside risks to bond yields, while demand destruction and slower growth could ultimately limit the extent of any further rise in yields.

On credit, we continue to see merit in maintaining an overweight to credit beta relative to statutory board bonds. Credit spreads have demonstrated notable resilience and, in many cases, have retraced to levels prevailing prior to the recent geopolitical tensions, reflecting the strength of underlying corporate fundamentals. More broadly, resilient corporate balance sheets, manageable downgrade risks, supportive supply-demand dynamics and continued investor demand remain constructive for SGD credit. Against this backdrop, we actively participated in selected new SGD credit issuances while taking profits on holdings that had performed well and where valuations had become less compelling. This allowed us to enhance portfolio carry while maintaining a disciplined approach to relative value and risk management.

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