

Investment Objective

The investment objective of the Fund is to generate regular income and long term capital appreciation for investors by investing in equities, fixed income, cash and other permissible investments.

The Fund will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, exchange traded funds ("ETFs") (including but not limited to gold ETFs), securities and/or hold cash, as deemed appropriate by us in accordance with its investment objective.

Fixed income securities and/or collective investment schemes invested by the fund may be denominated in SGD and/or foreign currencies. Prior to 5 March 2025, foreign currency denominated fixed income securities and/or collective investment schemes will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge). From 5 March 2025, a portion of the foreign currency denominated fixed income securities and/or collective investment schemes will generally be hedged back to the SGD (base currency of the fund) at our discretion according to investment views.

The fund may use Financial Derivative Instruments ("FDIs"), including, without limitation, treasury futures, interest rate futures, equity futures, gold futures, options, interest rate swaps and foreign exchange forwards for hedging and efficient portfolio management purposes.

Manager's Commentary

Market Review

Global risk assets began 2026 on a firm but more measured footing, extending the late-2025 rally as investors balanced easing inflation and still-supportive liquidity against elevated valuations and persistent policy uncertainty. Equities were broadly higher, with Asia and Japan outperforming, while US and European markets advanced more modestly.

US equities edged up, with the S&P 500 Index gaining 1.4% on the month amid a solid start to the earnings season. Results continued to highlight resilient corporate balance sheets and compressed investment-grade spreads. Technology and artificial intelligence (AI) related stocks lagged as a sector, as seen in Nasdaq Composite Index's 1.0% return. Dispersion was evident between index constituents as investors become more discriminating of companies on higher valuation and capex spending sustainability. Market leadership showed signs of broadening as more cyclical and mid-cap stocks intermittently outperformed.

The MSCI All Countries World Index was up 3.0% in dollar, mostly driven by strong returns from MSCI Japan (6.6%), Europe (4.5%) and to a smaller extent Asia ex-Japan (8.2%). For reference, the total return of Dow Jones Islamic Market World Index was 3.2% on the month.

Equities in euro area was supported by continued improvement in corporate earnings and positive re-rating. Japanese equities remain investors' preferred hedging instrument in the current climate of a weak yen that has supported exporters. Optimism around corporate reforms, even as uncertainty over the Bank of Japan's normalisation path contributed to volatility in the currency and longer-dated Japanese Government Bond (JGB) yields.

In Asia ex-Japan, MSCI Korea delivered a stellar 28% in dollar due to surging demand for AI-related semiconductors. The structural catalysts of the South Korean government's Value-Up program and robust export performance also provided a supportive backdrop. MSCI Taiwan also delivered a strong 11%. More broadly, emerging markets (EM) entered 2026 from a position of relative strength after significantly outperforming developed markets (DM) in 2025, helped by AI-related hardware demand in North Asia, a softer US dollar and improving fundamentals in several large EM economies. Chinese equities also rebounded on the back of renewed investor confidence in corporate earnings growth and the expectation of further targeted policy support.

Fixed income returns were more muted. The Federal Reserve left the federal funds rate unchanged at 3.5–3.75% in January as expected. Inflation, although lower, remains somewhat above the 2% target and the labour market is soft but stabilising. The US 10-year Treasury yield ended the month 7 bps higher at 4.24% as investors weighed resilient growth against still-sticky inflation and the prospect of further but more gradual Fed cuts. While 10-year German Bund yield was flat on the month, the 10-year JGB yield shot up another 19 bps on the month to close at 2.25%, a level last seen in early 1999, on expectation of policy normalisation.

Fund Information

Fund Size	SGD 221.73 million
Base Currency	SGD
Preliminary Charge	Currently up to 5%
Dealing Frequency	Every Business Day
Subscription Mode	Cash, SRS

The Bloomberg Global Aggregate Index returned 0.9% unhedged in dollar (0.2% USD-hedged), while the J.P. Morgan JACI Investment Grade Index returned -0.1% on the month and Dow Jones Sukuk Index was flat. Global investment-grade credit spreads remained tight versus history, reflecting strong corporate fundamentals and an absence of broad default stress. Government bond markets experienced sporadic volatility, largely driven by fiscal and term-premium concerns, with investors paying more nuanced attention to the pace of easing.

The US dollar extended its 2025 decline and ended January 1.4% lower, reinforcing the de-dollarisation trend amid heightened fiscal concerns and geopolitical uncertainty. Gold surged 13.3% and pushed to new record highs, building on an exceptional 2025, as investors sought hedges against policy uncertainty, fiscal strains and elevated geopolitical risk, and as the softer dollar underpinned demand. Central banks maintained robust purchase programmes, further highlighting gold's role as a strategic reserve asset. Against a backdrop of heightened US-Iran tensions, Brent crude saw a sharp reversal of 2025's declining trend and gained 16% in January. Risk premiums from Middle East uncertainty and a weaker US dollar supported the gains, but supply-demand imbalances continue to remain a headwind in the longer-term.

Notably, the nomination of Kevin Warsh as the next Federal Reserve Chair on 30 January drove volatility and cross-asset rotation as investors assessed how policy might shift and the resulting impact on different asset classes. The US technology sector, especially the software subsector, led a sharp equity drawdown in a risk-off rotation, while cyclical sectors held up relatively better on the back of still-constructive global growth expectations. Gold and other metals, which surged sharply on geopolitical concerns earlier in the week, reversed violently from record highs as extreme safe-haven hedges were unwound. Despite the sharp decline at month-end, most risk assets still ended January positive after seeing strong gains made in the first three weeks.

Investment Outlook and Strategy

We maintain our baseline view that resilient earnings coupled with moderating inflation and gradual global rate easing can sustain growth and support risk assets going into 2026, albeit with sporadic volatility as markets recalibrate to policy guidance and trade headlines. The macro backdrop remains supportive for risk assets as liquidity conditions ease, with the expectation of further, albeit more gradual, rate cuts in 2026. While the nomination of Kevin Warsh as the next Fed chair does not alter our constructive near-term outlook, we acknowledge the increased prospects of a regime change in the longer term. The impact will be nuanced for different asset classes, which underscores the importance of continuously updating our market views and portfolio positioning as the narrative evolves.

We maintain a constructive yet selective stance on equities, and will continue to diversify allocations across regions and sectors nimbly to mitigate idiosyncratic and geopolitical risks. While we see scope for further upside in drivers such as AI and automation, we are also cognisant of stretched valuations and vulnerability from the interconnectedness of the AI ecosystem. We are keeping a close watch on indicators which may suggest a pullback is imminent. We have also diversified our investment thesis in other broad themes, such as policy shifts and the reconfiguration of supply chains as re-globalisation takes place.

Within fixed income, we maintain broad diversification and balanced duration, prioritising high-quality carry and selective credit where spread compensation aligns with fundamentals and liquidity. Based on our view that DM government bonds, especially at the ultra-long end, are most exposed to higher term premia risk, we continue to favour credit over long-duration government bonds. We remain positive on Asian investment grade credit, especially high-quality issuers in sectors with resilient cash flows and robust fundamentals.

At the same time, we are closely monitoring incoming economic data and policy signals, including the evolution of global growth and inflation, the pace and breadth of global monetary easing, and developments in trade and fiscal policy. Our observation is that traditional diversification via long-dated government bonds is becoming less reliable in a world where fiscal dynamics, debt sustainability concerns, and changes in the safe-haven nature of US Treasuries and dollar become more dominant drivers. In recognition of this phenomenon, we continue to place emphasis on a more dynamic approach to portfolio construction, diversification and nimbleness in reallocating capital as the macro narrative evolves. We remain selective, focused on identifying durable winners and capturing regional and thematic opportunities as they arise, while maintaining attention to robust tail-risk management.

Performance (%)

	1 mth	3 mths	YTD	1 year	3 years	5 years	Since Inception	Volatility
A-SGD (bid-to-bid)	5.74	6.36	5.74	17.24	14.46	-	6.22	9.62
A-SGD (offer-to-bid)	0.71	1.29	0.71	11.65	12.62	-	5.11	NA
B-SGD (bid-to-bid)	5.74	6.36	5.74	17.24	14.46	-	6.22	9.62
B-SGD (offer-to-bid)	0.71	1.29	0.71	11.65	12.62	-	5.11	NA
B1-USD (bid-to-bid)	6.92	8.67	6.92	24.22	16.18	-	7.19	10.99
B1-USD (offer-to-bid)	1.83	3.50	1.83	18.30	14.30	-	6.07	NA
C-SGD (bid-to-bid)	5.74	6.36	5.74	17.24	14.46	-	6.22	9.62
C-SGD (offer-to-bid)	0.71	1.29	0.71	11.65	12.62	-	5.11	NA
C1-USD (bid-to-bid)	6.91	8.65	6.91	24.16	16.18	-	7.14	11.03
C1-USD (offer-to-bid)	1.82	3.47	1.82	18.25	14.30	-	6.02	NA

Returns are calculated on a single pricing basis with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 5% which may or may not be charged to investors. Returns more than a year are annualised.

Asset Allocation (%)¹

Equities	65.0
Fixed Income	20.5
Cash and cash equivalents*	10.1
Commodities	4.3

Note: *Cash and cash equivalents included short-term US Treasury Bills.

Geographical Exposure (%)¹

US	41.2
China	9.8
Korea	8.5
Germany	7.9
Canada	4.8
Singapore	4.0
Japan	4.0
Taiwan	3.1
Saudi Arabia	2.7
Italy	2.2
Others (Developed Markets)	7.1
Others	4.7

Top 5 Holdings (Fixed Income, % of NAV)

SNB FUNDING LTD 6% JUN 2035	0.8
MEIJI YASUDA LIFE INSURA 6.1% JUN 2055	0.6
NH INVESTMENT & SECS 4.625% JUL 2028	0.5
RIYAD SUKUK LIMITED 6.209% JUL 2035	0.5
MTR CORP CI LTD 5.625% PERP	0.5

Sector Exposure (%)¹

Financials	23.3
Information Technology	21.6
Industrials	15.2
Materials	8.7
Communication Services	8.2
Consumer Discretionary	7.0
Energy	4.9
Consumer Staples	3.7
Sovereigns & Supranational	1.6
Utilities	1.6
Health Care	1.3
Real Estate	0.6
Others	2.3

Top 5 Holdings (Equities, % of NAV)

Alphabet Inc	5.4
Samsung Electronics Co Ltd	3.8
Siemens Energy AG	3.0
S&P GLOBAL INC	2.9
Cameco Corp	2.6

Fund Statistic

Fixed Income	
Duration	5.5 years
Average Credit Rating ²	A-
Yield-to-Worst ³	4.8%
Equities⁴	
Dividend Yield	1.5%
Price to Book	3.3x
Price to Earnings	18.2x

Dividend History⁵

	Dividend / share	Record Date	Annualised Dividend (%)
Class B	SGD 0.0038	31 Dec 2025	4.53
Class B	SGD 0.0040	30 Jan 2026	4.53
Class B1	USD 0.0039	31 Dec 2025	4.51
Class B1	USD 0.0041	30 Jan 2026	4.45
Class C	SGD 0.0052	31 Dec 2025	6.97
Class C	SGD 0.0055	30 Jan 2026	7.02
Class C1	USD 0.0053	31 Dec 2025	6.90
Class C1	USD 0.0057	30 Jan 2026	6.98

Fund Details

	Class A	Class A1
Inception Date	16 June 2021	To be incepted
NAV per Unit⁶	SGD 1.32	To be incepted
Management Fee	Currently 1.00% p.a.	Currently 1.00% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ43030667	SGXZ70708284
Bloomberg Code	FULTRMA SP	FULTMA1 SP

	Class B (Distribution)	Class B1 (Distribution)
Inception Date	16 June 2021	16 June 2021
NAV per Unit⁶	SGD 1.08	USD 1.13
Management Fee	Currently 1.00% p.a.	Currently 1.00% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ89799159	SGXZ86998101
Bloomberg Code	FULTRMB SP	FULTMB1 SP

	Class C (Distribution)	Class C1 (Distribution)
Inception Date	16 June 2021	16 June 2021
NAV per Unit⁶	SGD 0.97	USD 1.01
Management Fee	Currently 1.00% p.a.	Currently 1.00% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ13306394	SGXZ69984508
Bloomberg Code	FULTRMC SP	FULTMC1 SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 31 January 2026, unless otherwise stated.

1. Numbers might not add due to rounding. Countries that are below 2% are classified under Others (Developed Market) and Others. ETFs with no sector classification are classified under Others. Geographical and Sector exposures exclude derivatives, Gold, cash and cash equivalents but include ETFs.

2. Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.

3. Refers to Yield-to-Worst in base currency, before hedging.

4. This represent the underlying holdings in Fullerton Lux Funds.

5. Distribution amount is not guaranteed. Please refer to our website for more details on the dividend payouts.

6. Figures are truncated to 2 decimal places. Please refer to Fullerton's website for official price.

For further information on Fullerton and its funds:

Fullerton Fund Management Company Ltd

3 Fraser Street #09-28
DUO Tower
Singapore 189352

T +65 6808 4688

F +65 6417 6805

fullertonfund.com

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