

**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 navigated through February in a relatively range-bound but constructive fashion, as investors weighed a still-supportive macro backdrop against pockets of softer data, lingering inflation pressures and ongoing geopolitical and policy uncertainty. Growth expectations for 2026 remained broadly resilient, underpinned by fiscal support, improving labour markets and robust corporate balance sheets, while markets continued to focus on the durability of the AI-driven investment cycle and its implications for earnings, margins and regional leadership.

Equities were modestly firmer overall, with performance becoming increasingly dispersed across regions, sectors and styles rather than being driven by a narrow cohort of large-cap technology names. Measured in dollar, the MSCI AC World Index returned 1.3%, aided by strong returns in MSCI Japan (8.6%) and Europe (3.3%), while US lagged (-0.9%). For reference, the total return of Dow Jones Islamic Market World Index was 0.7% on the month.

The S&P 500 Index declined -0.8% in dollar terms due to a rotation away from technology, amid a risk-off repricing of AI names, and financials, due to stress in private credit and banks. The tech-heavy NASDAQ fell -3.4% in dollar terms as the 'AI scare trade' continued to be in play, causing a sharp de-rating of AI-linked tech and software names. While the US economy is still expected to have positive growth in 2026, some business and labour data indicate we have hit a soft patch, posing as headwinds and sticky inflation.

A notable political development is the US Supreme Court's 20 February ruling which struck down Trump Administration's use of emergency powers under the International Emergency Economic Powers Act (IEEPA) to impose sweeping tariffs, reinforcing Congress's primary authority over tax and tariff policy. This added a new layer of uncertainty around the future path of US trade policy. A brief bout of volatility followed as investors reassessed the inflation and growth implications for US and global risk assets.

The euro area was supported by improving earnings expectations and fiscal support in areas such as defence and infrastructure. The impact of tariff policy changes on export-oriented sectors remains uncertain and continued to weigh on the region's medium-term growth outlook. Japanese equities rallied further even as investors are closely monitoring the interplay between supportive "Sanaenomics" fiscal policies, ongoing corporate governance reforms and the Bank of Japan's gradual policy normalisation.

In dollar terms, the MSCI Asia ex-Japan Index was also up 5.9%, where MSCI Korea extended gains by another 22% 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 China bucked the trend and fell -5.8%, dragged down by communication and internet services sector derating and continued weakness in China's property market. Softer domestic activity data raised concerns about demand and earnings momentum.

Fixed income markets were relatively subdued, with government bond yields broadly range-bound. The US 10-year Treasury yields traded modestly above 4% before ending the month at 3.94%, or 30 bps lower on the month, reflecting a flight-to-safety move amid geopolitical uncertainty and increasing expectations for potential Fed rate cuts.

**Fund Information**

<b>Fund Size</b>	SGD 216.49 million
<b>Base Currency</b>	SGD
<b>Preliminary Charge</b>	Currently up to 5%
<b>Dealing Frequency</b>	Every Business Day
<b>Subscription Mode</b>	Cash, SRS

Returns of broad market global bond indices were modest, with the Bloomberg Global Aggregate Index returning 1.1% in dollar on an unhedged basis (1.4% on a hedged basis), while Asian investment-grade credit, as measured by the J.P. Morgan JACI Investment Grade Index, returned 1.1% in dollar terms. The Dow Jones Sukuk Index was up 1.0% in dollar terms on total return basis. Credit spreads in investment-grade markets generally stayed tight versus history, consistent with solid corporate fundamentals and an absence of widespread default stress, but leaving limited buffer should term premia rise or growth disappoint.

Geopolitical risk also rose sharply at month-end as US and Israel launched large-scale strikes on Iran on 28 February, killing Supreme Leader Ali Khamenei and triggering Iranian missile attacks across the region, raising concerns about a broader Middle East conflict and potential disruptions to energy markets. On the back of this development, the US dollar index rose 0.6% in a flight-to-safety bid. Gold gained 7.9%, supported by continued central bank buying and investors seeking safe-haven assets in the wake of elevated geopolitical risk. Unsurprisingly, Brent crude spiked 5.7% as concerns over energy disruption raised risk premiums.

Overall, February was characterised by relatively modest headline moves masking meaningful dispersion across regions, sectors and asset classes. Markets continued to focus on the interplay between fiscal expansion, evolving central-bank reaction functions, the scale and sustainability of AI-related capital spending and an increasingly fragile geopolitical backdrop.

### **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, trade developments, and more recently, geopolitical headlines. All in all, the macro backdrop remains supportive for risk assets as liquidity conditions ease, with the expectation of further rate cuts in 2026.

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 AI-led productivity, we are also cognisant of stretched valuations and vulnerability from the interconnectedness of the AI ecosystem. We are focused on identifying durable winners, while keeping a close watch on indicators which may suggest a pullback is imminent. We have also diversified our investment thesis in other broad themes, and continue to identify regional and thematic opportunities as they arise.

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.

Prior to the current conflict in the Middle East, we have been actively managing risk exposures via more defensive, diversified positioning. We significantly reduced equity risk across portfolios after assessing that the probability of tail risk events had risen due to rising Middle East tensions, AI disruption among software companies, and renewed private credit concerns. As such, the portfolios were well-positioned heading into this latest conflict.

On 2 March, the first trading day after the weekend conflict, we further de-risked the portfolios as part of our risk management approach. With the Israel-Iran conflict still unfolding, the situation remains fluid with many possible outcomes, some of which will have drastic market impacts like the closure of the Strait of Hormuz disrupting energy supply. We will continue to monitor developments closely, with a focus on capital preservation and will not hesitate to reduce risk further should the situation escalate. We are also mindful that it is not in the US interest for Israel-US to launch prolonged and extensive military attacks on Iran.

We remain open-minded to re-risking opportunities should developments move towards a sustained reopening of the Strait of Hormuz and alleviate the oil supply chain disruption. The impact of the conflict 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 are keeping a close watch on 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. Against the current macro and geopolitical backdrop, we continue to place emphasis on a more dynamic approach to portfolio construction, diversification and nimbleness in reallocating capital while maintaining attention to robust tail risk management.

**Performance (%)**

	1 mth	3 mths	YTD	1 year	3 years	5 years	Since Inception	Volatility
<b>A-SGD</b> (bid-to-bid)	0.53	7.92	6.31	22.16	15.38	-	6.24	9.53
<b>A-SGD</b> (offer-to-bid)	-4.26	2.78	1.24	16.34	13.52	-	5.14	NA
<b>B-SGD</b> (bid-to-bid)	0.53	7.92	6.31	22.16	15.38	-	6.24	9.53
<b>B-SGD</b> (offer-to-bid)	-4.26	2.78	1.24	16.34	13.52	-	5.14	NA
<b>B1-USD</b> (bid-to-bid)	0.80	10.09	7.78	29.24	17.68	-	7.25	10.89
<b>B1-USD</b> (offer-to-bid)	-4.00	4.85	2.64	23.08	15.78	-	6.15	NA
<b>C-SGD</b> (bid-to-bid)	0.53	7.92	6.31	22.16	15.38	-	6.24	9.53
<b>C-SGD</b> (offer-to-bid)	-4.26	2.78	1.24	16.34	13.52	-	5.14	NA
<b>C1-USD</b> (bid-to-bid)	0.83	10.10	7.79	29.16	17.72	-	7.21	10.94
<b>C1-USD</b> (offer-to-bid)	-3.98	4.86	2.66	23.01	15.82	-	6.10	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 (%)<sup>1</sup>**

Equities	62.6
Fixed Income	20.2
Cash and cash equivalents*	12.4
Commodities	4.8

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

**Geographical Exposure (%)<sup>1</sup>**

US	37.9
Korea	13.2
Germany	7.7
China	7.1
Singapore	4.5
Japan	4.1
Taiwan	3.5
Canada	3.2
Saudi Arabia	2.7
Hong Kong	2.5
Netherlands	2.4
Italy	2.2
Australia	2.1
Others (Developed Markets)	1.8
Others	5.0

**Top 5 Holdings (Fixed Income, % of NAV)**

SNB FUNDING LTD 6% JUN 2035	0.8
MEIJI YASUDA LIFE INSURA 6.1% JUN 2055	0.7
NH INVESTMENT & SECS 4.625% JUL 2028	0.5
RIYAD SUKUK 6.209% JUL 2035	0.5
BANK MANDIRI PT 4.9% MAR 2028	0.5

**Sector Exposure (%)<sup>1</sup>**

Financials	23.4
Information Technology	21.8
Industrials	13.9
Communication Services	7.8
Materials	7.8
Consumer Discretionary	7.0
Consumer Staples	4.5
Utilities	3.8
Energy	3.6
Health Care	1.4
Sovereigns & Supranational	0.7
Real Estate	0.5
Others	3.7

**Top 5 Holdings (Equities, % of NAV)**

Alphabet Inc	5.5
Samsung Electronics Co Ltd	5.1
Siemens Energy AG	3.4
TSMC	2.6
3M Co	2.5

**Fund Statistic**

<b>Fixed Income</b>	
Duration	5.4 years
Average Credit Rating <sup>2</sup>	A-
Yield-to-Worst <sup>3</sup>	4.8%
<b>Equities<sup>4</sup></b>	
Dividend Yield	1.6%
Price to Book	2.7x
Price to Earnings	15.3x

**Dividend History<sup>5</sup>**

	Dividend / share	Record Date	Annualised Dividend (%)
Class B	SGD 0.0040	30 Jan 2026	4.53
Class B	SGD 0.0040	27 Feb 2026	4.52
Class B1	USD 0.0041	30 Jan 2026	4.45
Class B1	USD 0.0041	27 Feb 2026	4.43
Class C	SGD 0.0055	30 Jan 2026	7.02
Class C	SGD 0.0054	27 Feb 2026	6.89
Class C1	USD 0.0057	30 Jan 2026	6.98
Class C1	USD 0.0057	27 Feb 2026	6.97

**Fund Details**

	Class A	Class A1
<b>Inception Date</b>	16 June 2021	To be incepted
<b>NAV per Unit<sup>6</sup></b>	SGD 1.33	To be incepted
<b>Management Fee</b>	Currently 1.00% p.a.	Currently 1.00% p.a.
<b>Initial Investment</b>	None	None
<b>Subsequent Investment</b>	None	None
<b>ISIN Code</b>	SGXZ43030667	SGXZ70708284
<b>Bloomberg Code</b>	FULTRMA SP	FULTMA1 SP

	Class B (Distribution)	Class B1 (Distribution)
<b>Inception Date</b>	16 June 2021	16 June 2021
<b>NAV per Unit<sup>6</sup></b>	SGD 1.08	USD 1.13
<b>Management Fee</b>	Currently 1.00% p.a.	Currently 1.00% p.a.
<b>Initial Investment</b>	None	None
<b>Subsequent Investment</b>	None	None
<b>ISIN Code</b>	SGXZ89799159	SGXZ86998101
<b>Bloomberg Code</b>	FULTRMB SP	FULTMB1 SP

	Class C (Distribution)	Class C1 (Distribution)
<b>Inception Date</b>	16 June 2021	16 June 2021
<b>NAV per Unit<sup>6</sup></b>	SGD 0.97	USD 1.01
<b>Management Fee</b>	Currently 1.00% p.a.	Currently 1.00% p.a.
<b>Initial Investment</b>	None	None
<b>Subsequent Investment</b>	None	None
<b>ISIN Code</b>	SGXZ13306394	SGXZ69984508
<b>Bloomberg Code</b>	FULTRMC SP	FULTMC1 SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 28 February 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.

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