Fullerton USD Income Fund - Class B (USD)

July 2025

Investment Objective

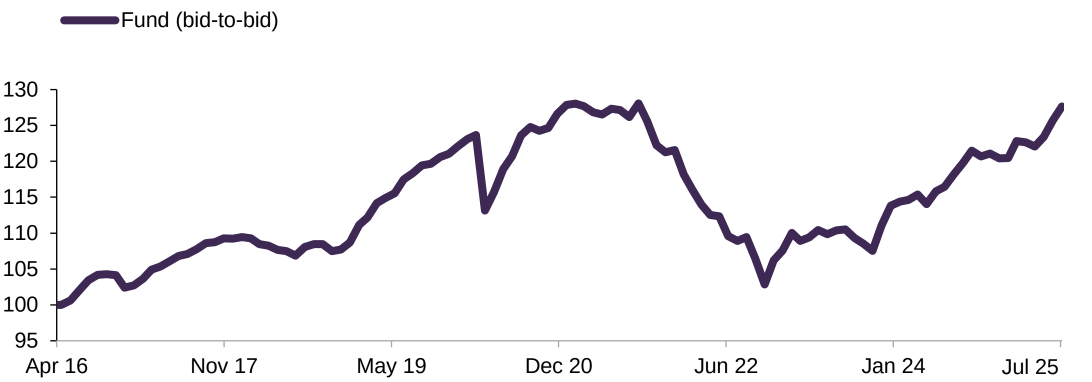
The investment objective of the Fund is to generate long term capital appreciation and/or income for investors by investing primarily in fixed income or debt securities.

Investment Focus and Approach

The Fund will invest in a diversified portfolio of primarily investment grade fixed income securities having a minimum long-term credit rating of BBB- by Fitch, Baa3 by Moody's or BBB- by Standard & Poor's (or their respective equivalents) and cash. The Fund may also invest in non-investment grade bonds of up to 30% of its Net Asset Value. Non-rated bonds are permitted if they meet the Managers' internal equivalent rating of investment grade. The Fund aims to invest at least 50% of its Net Asset Value in USD denominated bonds. The Fund will be broadly diversified with no specific geographical or sectoral emphasis.

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	SI. Ann. Ret.	SI. Ann. Vol.
Fund (bid-to-bid)	1.48	4.35	5.52	7.11	4.54	-0.20	1.80	5.14
Fund (offer-to-bid)	-1.47	1.31	2.44	3.99	3.51	-0.79	1.47	NA

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in USD 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.
Source: Fullerton Fund Management Company Ltd

Inception date
15 Apr 2016

Fund size
USD 222.80 million

Base Currency
USD

Pricing Date
31 Jul 2025

NAV*
USD 0.81

Management fee
Currently 0.8% p.a.,
Maximum 1%p.a.

Expense Ratio
0.85% p.a. (For financial year ended 31 Mar 2025)

Minimum Initial Investment
None

Minimum Subsequent Investment
None

Preliminary Charge
Up to 3%

Dealing day
Daily, up to 5pm (Singapore time)

Deadline
1pm (CET); 5pm (Singapore time) on each Business Day

Bloomberg Code
FULUSIB SP

ISIN Code
SG9999015176

Distributions paid per unit#

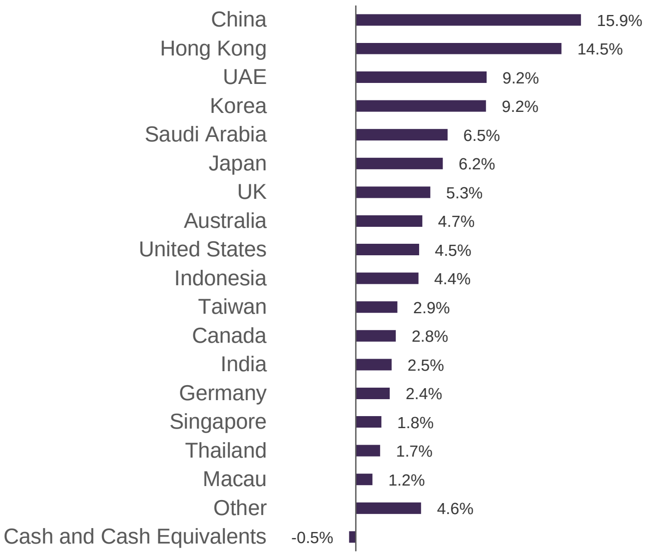
Mar 2024	:	USD 0.010
Jun 2024	:	USD 0.010
Sep 2024	:	USD 0.010
Dec 2024	:	USD 0.010
Mar 2025	:	USD 0.011
Jun 2025	:	USD 0.011

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

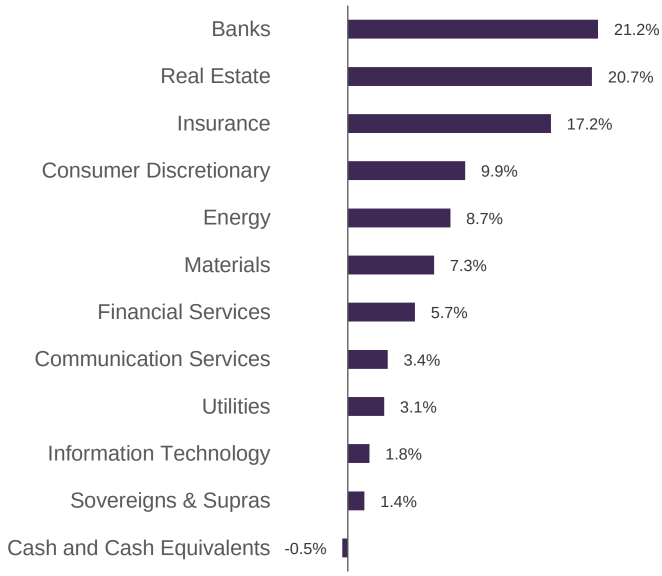
Please refer to our website for more details

Portfolio

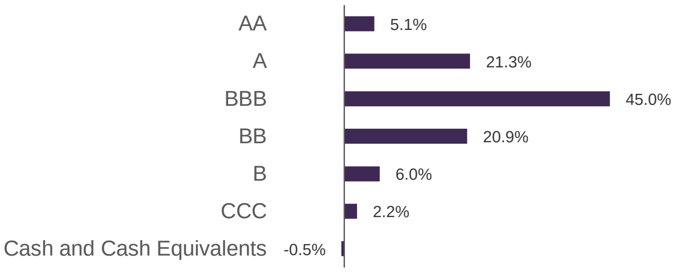
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	5.2%
Average credit rating	BBB
Number of holdings	94
Average duration (years)	4.9
Yield to Worst	5.6%

Top 5 Holdings

Elect Global Investments Ltd 7.200 PERP	3.9%
Hanwha Life Insurance Co Ltd 6.300 Jun 2055	3.2%
Abu Dhabi Crude Oil Pipeline LLC 4.600 Nov 2047	2.9%
SNB Funding Ltd 6.000 Jun 2035	2.5%
Rakuten Group Inc 11.250 Feb 2027	2.3%

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, and subscriptions/redemptions.

Market Review

Asian USD credit markets posted positive returns in July, supported by modest spread tightening across both investment grade and high yield segments. This credit spread compression more than offset the drag from higher U.S. Treasury yields, which rose following resilient economic data and hawkish signals from the Federal Reserve. The US Federal Reserve held its policy rate steady at 4.25–4.50%, as widely expected, but Chair Powell delivered a firm message in the post-FOMC press conference, that tempered market expectations for near-term rate cuts. Against such a backdrop, the 2-year US Treasury yield rose 24bps and the 10-year climbed 15bps, closing the month near 4.4%.

High yield bonds outperformed, as spread compression played a more dominant role versus the investment grade peers. Within countries, Pakistan was the standout performer, as its long-term foreign currency debt rating was upgraded by S&P to B-from CCC+. High yield dominated countries such as Sri Lanka, and Mongolia also led in terms of returns. In contrast, the country laggards were Singapore, Korea and China. In sectors, the key leaders were high yield dominated sectors such as consumer, while investment grade dominated sectors such as financials, utilities, and infrastructure lagged.

Investment Strategy

We expect growth in the US to moderate in the second half of the year, which should be supportive of US duration, even if inflation remains sticky. The Federal Reserve is likely to focus more on signs of weakening in the labour market than on temporary overshoots in inflation. However, concerns around rising fiscal deficits and elevated Treasury supply may keep long-term yields under pressure, increasing the risk of a steeper US Treasury curve. While markets are grappling with macro uncertainty, we do not see broad signs of financial stress. Corporate balance sheets remain healthy and banking system liquidity is still ample.

In this environment, we are positioning the portfolio more cautiously. Some segments, such as high yield credit, have performed well this year and are now looking less attractive in terms of valuation. We have taken profits on bonds that have rallied and are rotating into areas with stronger relative value. We are also gradually building a cash buffer to provide flexibility should market volatility rise in the coming months. Key risks include uncertainty over the Fed's next rate decision in September, whether recent soft economic data proves temporary, and potential inflationary effects from new trade tariffs.

Despite these risks, we remain constructive on the broader credit market. Investor demand for income remains strong, bond supply is manageable, and credit spreads have been stable. That said, current tight valuations call for a more selective approach. We continue to focus on issuers and structures that offer a good balance of yield, liquidity, and credit quality, positioning the fund to weather short-term volatility while capturing attractive income opportunities.

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

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