FULLERTON FUND MANAGEMENT

A member of Seviora Group

# Fullerton USD Income Fund - Class C (AUD Hedged)

**September 2026**

## Investment Objective

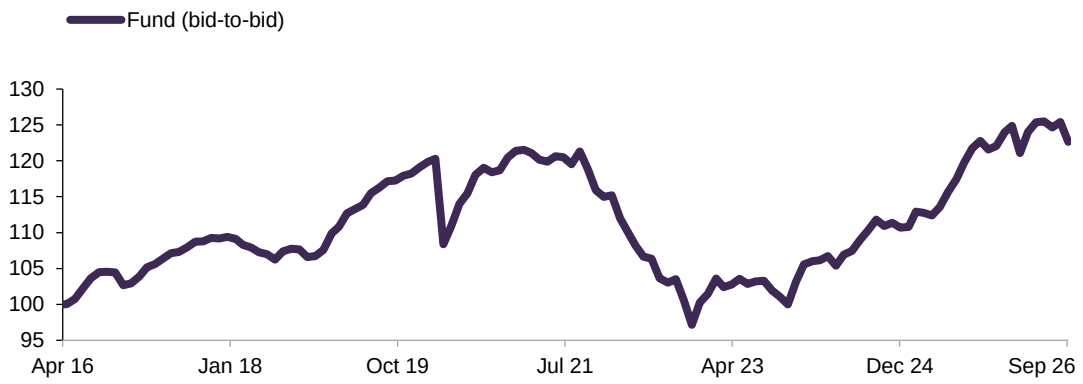
The investment objective of the Fund is to generate long term capital appreciation and/or income for investors by investing primarily in fixed income or debt securities.

## 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 | 10 yrs | Sl. Ann. Ret. | Sl. Ann. Vol. |
|---|---|---|---|---|---|---|---|---|---|
| **Fund (bid-to-bid)** | -2.27 | -2.46 | 0.87 | -0.10 | 5.77 | -0.22 | 1.14 | 1.52 | 5.37 |
| **Fund (offer-to-bid)** | -5.12 | -5.30 | -2.07 | -3.01 | 4.73 | -0.81 | 0.84 | 1.23 | NA |

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in AUD 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**
AUD 265.64 million

**Base Currency**
USD

**Pricing Date**
30 Sep 2026

**NAV***
AUD 0.77

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

**Expense Ratio**
0.90% p.a. (For financial year ended 31 Mar 2026)

**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**
FULUSIC SP

**ISIN Code**
SG9999015184

**Distributions paid per unit#**

| | |
|---|---|
| Jun 2025 | : AUD 0.011 |
| Sep 2025 | : AUD 0.011 |
| Dec 2025 | : AUD 0.011 |
| Mar 2026 | : AUD 0.011 |
| Jun 2026 | : AUD 0.011 |
| Sep 2026 | : AUD 0.011 |

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

\# Distribution amount is not guaranteed. Please refer to our website for more details.

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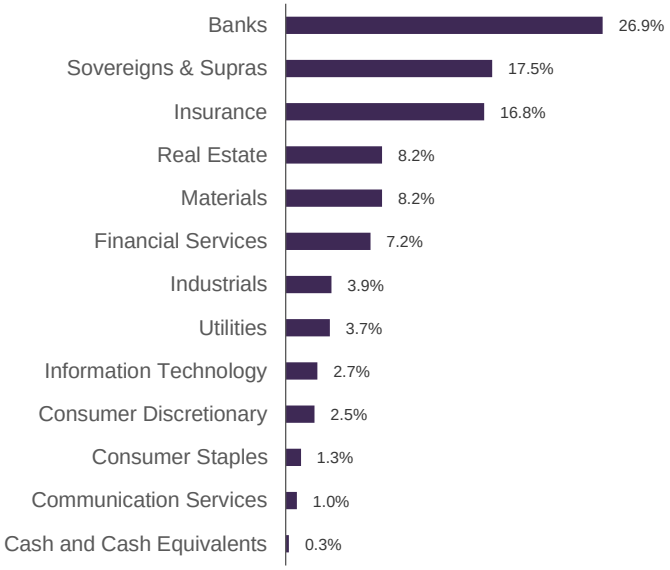
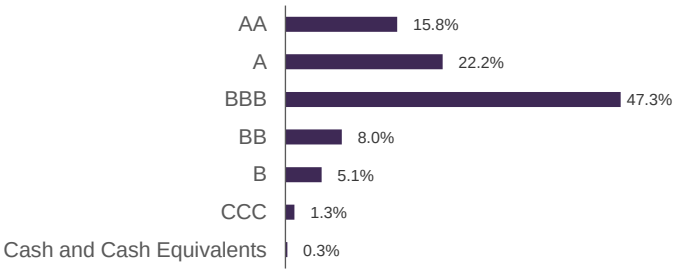
## Portfolio

### Geographical Breakdown

### Sector Breakdown




### Rating Breakdown




### Fund Characteristics

| | |
|---|---|
| Average coupon | 4.6% |
| Average credit rating | BBB |
| Number of holdings | 79 |
| Average duration (years) | 4.5 |
| Yield to Worst | 5.7% |

### Top 5 Holdings

| | |
|---|---|
| United States Treasury Bill Oct 2026 | 6.6% |
| United States Treasury Bill Oct 2026 | 4.5% |
| Allianz SE 3.200 PERP | 3.1% |
| Bank of Nova Scotia/The 3.625 Oct 2081 | 2.7% |
| Sony Life Insurance Co Ltd 7.125 Sep 2056 | 2.7% |

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.

## Market Review

Asian US dollar credit markets delivered negative returns over the month, as measured by the JP Morgan Asia Credit Index in USD, which was mostly due to the sharp rise in US Treasury yields. US Treasuries sold off sharply following a 25bp Fed rate hike, stronger economic data and higher oil prices, alongside concerns over inflation and increased US government borrowing. The US Treasury curve bear-flattened, with 2-year and 10-year yields rising 55bps and 53bps respectively, compared with a 39bp increase in the 30-year yield; the 10-year yield reached levels last seen in 2007.

Against this backdrop, investment grade bonds underperformed their high yield counterparts, reflecting their longer duration and greater sensitivity to rising government bond yields. High yield bonds were comparatively resilient, supported by stronger credit spread performance and lower duration. At the country level, Korea , China were among the strongest performers, while the Philippines, Indonesia and Malaysia lagged. Across sectors, corporates outperformed sovereigns and quasi-sovereigns. Within corporates, financials, infrastructure and utilities were among the stronger-performing sectors, whereas oil and gas, Technology, Media and Telecommunications (TMT), and real estate were among the weaker-performing sectors.

## Investment Strategy

The medium-term outlook for credit remains supported by resilient US economic growth, healthy corporate fundamentals and solid earnings. While the broader macroeconomic environment remains uncertain, higher all-in yields continue to offer attractive income opportunities and provide a meaningful carry cushion against market volatility. We therefore remain constructive on credit over the medium term, with upcoming US corporate earnings providing an important gauge of the breadth and durability of the current growth backdrop.

In the near term, we expect market volatility to remain elevated as investors navigate higher Treasury yields, persistent inflationary pressures and ongoing geopolitical and fiscal uncertainties. A further meaningful rise in Treasury yields could weigh on broader risk sentiment and credit spreads. Conversely, healthy corporate balance sheets, low default risks and attractive starting yields should provide support to credit markets. We therefore believe the current environment favours carry and security selection rather than taking significant directional market risk.

Against this backdrop, we are maintaining a balanced and selective approach. The Fund retains healthy liquidity and a measured allocation to the high yield credit, providing flexibility to take advantage of opportunities that may emerge during periods of market weakness. We continue to focus on income generation and security selection, while actively managing duration as market conditions evolve.

We remain disciplined in managing portfolio risk and selectively taking profits where valuations become less compelling, while any meaningful market weakness could provide opportunities to deploy liquidity into attractively valued credits. Overall, we believe the combination of attractive carry, resilient fundamentals and disciplined portfolio management should support returns over the medium term.

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