

Fullerton USD Income Fund - Class D (EUR Hedged)

May 2025

Investment Objective

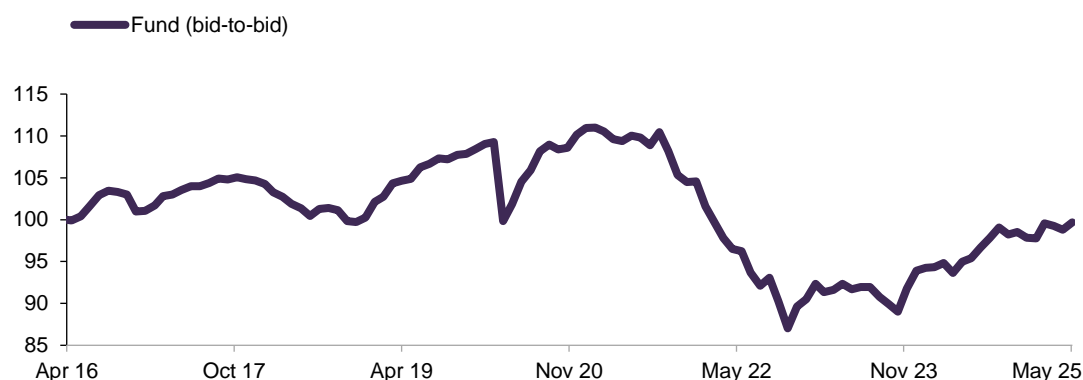
The investment objective of the Fund is to generate long term capital appreciation and/or income for investors by investing primarily in fixed income or debt securities.

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	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.81	-0.10	0.73	4.08	0.33	-1.64	-0.42	5.12
Fund (offer-to-bid)	-2.13	-3.01	-2.20	1.05	-0.65	-2.22	-0.74	NA

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in EUR 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

EUR 185.76 million

Base Currency

USD

Pricing Date

31 May 2025

NAV*

EUR 0.75

Management fee

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

Expense Ratio

0.90% p.a. (For financial year ended 31 Mar 2024)

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

FULUSID SP

ISIN Code

SG9999015192

Distributions paid per unit#

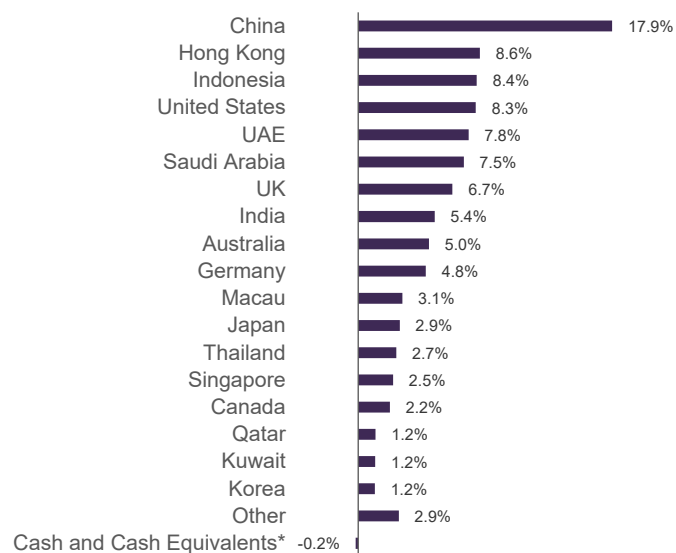
Dec 2023 : EUR 0.010
Mar 2024 : EUR 0.010
Jun 2024 : EUR 0.010
Sep 2024 : EUR 0.010
Dec 2024 : EUR 0.010
Mar 2025 : EUR 0.011

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

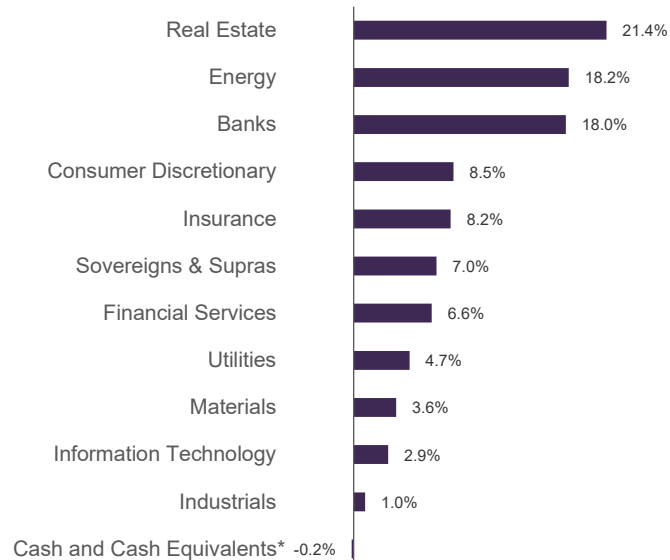
Please refer to our website for more details

Portfolio

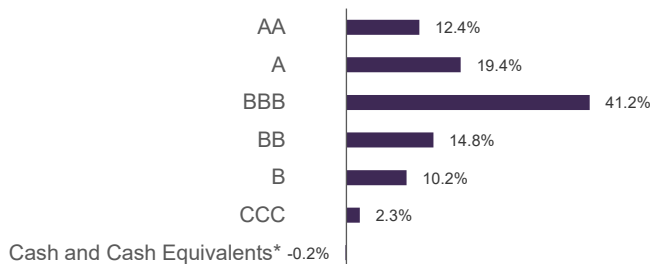
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	4.8%
Average credit rating	BBB
Number of holdings	90
Average duration (years)	5.0
Yield to Worst	5.5%

Top 5 Holdings

Elect Global Investments Ltd 7.200 PERP	4.1%
United States Treasury Bill Jun 2025	2.9%
United States Treasury Note/Bond 4.250 Jan 2030	2.5%
Rakuten Group Inc 11.250 Feb 2027	2.4%
Greensaif Pipelines Bidco Sarl 6.103 Aug 2042	2.4%

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 subscription/redemption.

Market Review

Global fixed income markets in May were heavily shaped by developments in the United States. Hopes of easing trade tensions lifted sentiment after the U.S. reached a trade framework with the UK and made significant concessions to China to advance negotiations. Meanwhile, political attention remained centered on the proposed "One Big Beautiful Bill," a broad fiscal package with implications for U.S. budget deficits. The Federal Reserve left its policy rate unchanged at 4.25–4.50%, with Chair Powell maintaining a hawkish tone despite acknowledging employment risks. U.S. Treasury yields rose across the curve on strong early-month activity data, with the 10-year yield peaking above 4.50% before retreating to close May at 4.4% on softer macroeconomic prints.

In Asia, credit markets delivered modestly positive returns despite upward pressure on U.S. yields. Credit spreads broadly tightened, supported by improved risk sentiment following signs of a temporary tariff truce. High yield outperformed investment-grade credits, driven by stronger spread compression, particularly in higher-beta names.

At the country level, Pakistan, Sri Lanka, and Mongolia were the top performers in May, benefitting from significant spread tightening and improved investor sentiment. However, gains in these markets were partially offset by negative contributions from duration. Conversely, Malaysia, Singapore, and Taiwan underperformed on a relative basis, as duration-related losses weighed on returns despite some spread compression.

Sector-wise, metals and mining, and consumer-related credits led performance, reflecting their high-yield tilt and favourable spread dynamics. In contrast, the oil and gas sector, along with real estate, lagged. The real estate sector, in particular, was affected by widening credit spreads among Hong Kong developers which detracted from overall returns.

Investment Strategy

The current investment landscape is defined more by macro volatility than micro stress. Despite heightened geopolitical and policy-driven uncertainty—particularly from U.S. tariff escalations—micro credit fundamentals remain resilient. Corporate balance sheets are generally sound, banking system liquidity is ample, and there is limited evidence of stress stemming from financial imbalances.

That said, policy visibility from the US remains low, with the evolving trajectory of trade tariffs emerging as the key macro risk. In this environment, our strategy remains anchored in balance and selectivity. We are focused on maximising carry from diversified sources, while maintaining structural defensiveness to navigate potential market dislocations.

Broadly, we maintain a moderate duration profile, with a cautious stance on the long end of the yield curve, reflecting concerns over rising term premia and growing fiscal uncertainties. Consistent with this view, we hold a less constructive outlook on sovereign and quasi-sovereign bonds, where increased supply, and potentially steeper curve reinforce our defensive positioning.

Our high yield allocation remains near the strategic cap of 30%, reflecting our constructive view on credit and focus on maximising carry. Within this space, we emphasise shorter-duration high yield names that offer attractive risk-adjusted income opportunities and greater price stability in volatile markets.

Portfolio activity has been proactive and selective. We have taken profits in positions where valuations have become stretched, particularly where technical support may be fading. This has allowed us to free up capacity and maintain flexibility to deploy into new opportunities should market volatility or policy disappointments create attractive entry points. In addition, we continue to participate in new issues, guided by strong analyst conviction and favourable risk-reward dynamics.

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

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