

Fullerton USD Income Fund - Class F (USD)

January 2026

Investment Objective

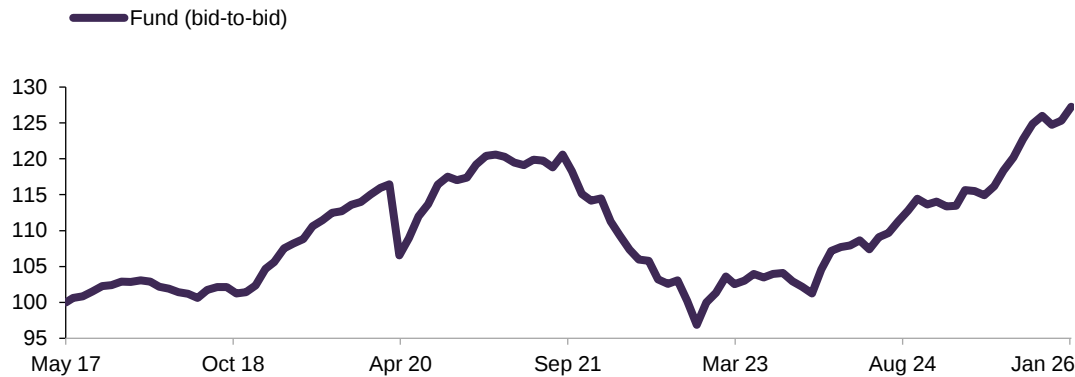
The investment objective of the Fund is to generate long term capital appreciation and/or income for investors by investing primarily in fixed income or debt securities.

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	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	1.50	0.85	5.52	11.46	6.40	0.43	2.14	5.32
Fund (offer-to-bid)	-1.46	-2.09	2.45	8.21	5.36	-0.16	1.79	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

08 May 2017

Fund size

USD 215.65 million

Base Currency

USD

Pricing Date

31 Jan 2026

NAV*

USD 0.84

Management fee

Currently 0.6% p.a.,
Maximum 1% p.a.

Expense Ratio

0.65% p.a. (For financial year ended 31 Mar 2025)

Minimum Initial Investment

USD 30 million

Minimum Subsequent Investment

USD 10 million

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

FULUSIF SP

ISIN Code

SG9999015663

Distributions paid per unit[#]

Sep 2024 : USD 0.010
Dec 2024 : USD 0.010
Mar 2025 : USD 0.011
Jun 2025 : USD 0.011
Sep 2025 : USD 0.012
Dec 2025 : USD 0.011

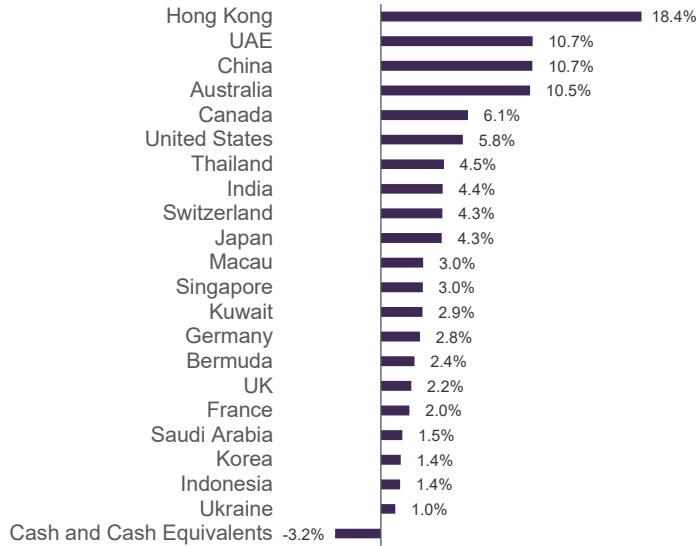
* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

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

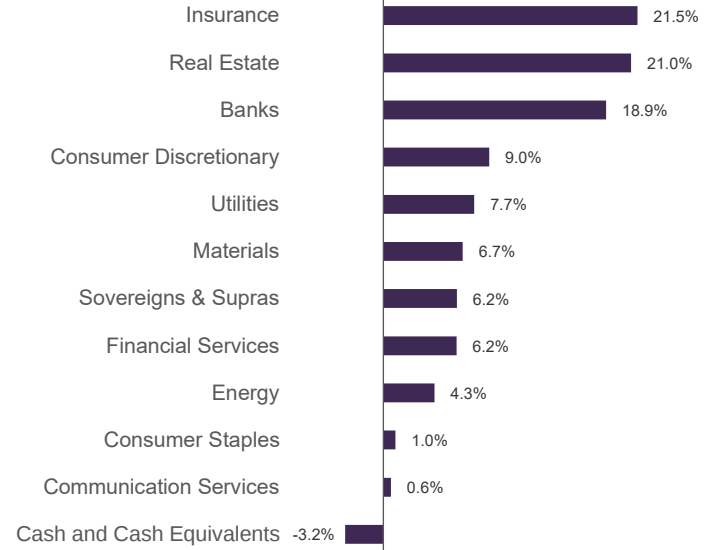


■ Portfolio

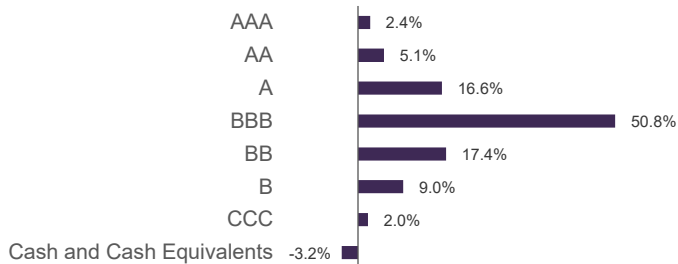
Geographical Breakdown



Sector Breakdown



Rating Breakdown



Fund Characteristics

Average coupon	5.7%
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	4.5%
Allianz SE 3.200 PERP	2.8%
Dhafrah Pv2 Energy Co LLC 5.794 Jun 2053	2.4%
Convex Group Ltd 6.500 Jan 2046	2.4%
QBE Insurance Group Ltd 5.239 Nov 2037	2.2%

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 credit markets delivered a modestly positive performance according to the JP Morgan Asian Credit Index during the month, led by the high yield segment, which outperformed investment grade peers. High yield returns were driven primarily by credit spread tightening and lower sensitivity to interest rate movements, allowing them to weather the rise in global yields more effectively. In contrast, investment grade credits were more exposed to duration-related headwinds, while credit spreads were broadly flat to slightly wider on average, resulting in more muted overall performance.

Global rate developments remained an important backdrop. In the US, the Fed held policy rates steady at its January meeting, with Chair Powell noting a "clear improvement" in the U.S. outlook and signs of stabilisation in labour market conditions. Against this backdrop, U.S. Treasury yields ended the month modestly higher, with the 10-year U.S. Treasury yield rising by around 7 basis points over the month.

At the country level, performance dispersion was evident. Sri Lanka emerged as the strongest performer, with gains driven primarily by credit spread tightening that more than offset modest duration-related losses. Pakistan, Mongolia, India also featured among the better-performing markets, benefiting from supportive spread moves. On the other hand, Indonesia, the Philippines and Malaysia lagged over the month, as wider credit spreads compounded the negative impact from duration-related losses.

Sector performance broadly mirrored these dynamics. Non-investment-grade-dominated sectors, such as real estate and commodities, outperformed as spread compression supported returns. Conversely, investment-grade-heavy sectors, including oil and gas, were among the weaker performers, with returns weighed down by duration-related headwinds, even as credit spreads remained largely stable.

Investment Strategy

The global macro backdrop remains broadly constructive for USD credit, underpinned by resilient growth, moderating inflation and still-supportive liquidity conditions. Risk appetite remains intact and default expectations are contained, providing a supportive environment for carry-driven strategies. That said, the start of the year has been marked by elevated event risks and policy uncertainty, which could trigger bouts of volatility even within an otherwise constructive cycle.

Against this backdrop, we remain positive on credit but are proceeding with measured caution. Our focus is on striking the right balance between capturing alpha and managing potential drawdowns. While the fundamental backdrop supports risk assets, we are mindful that sharp market dislocations, particularly those driven by rates volatility or geopolitical developments, can quickly erode mark-to-market performance if beta exposure is not actively managed.

From a portfolio construction perspective, we have reduced pure beta exposure where downside risks appeared asymmetrical, including trimming positions in Middle East names. This reflects a deliberate effort to moderate drawdown risk and preserve flexibility. Instead, we expect alpha generation and tactical trading to be the primary drivers of returns in the near term, capitalising on relative value opportunities and market dislocations rather than relying on broad spread compression.

We retain a lower conviction in investment grade credits at current levels. In the present environment, a significant portion of total return in investment grade segment is driven by duration, and rates remain subject to fiscal, policy and term-premium uncertainty. As such, we prefer selectively adding short-dated high yield exposures, where carry remains attractive and spread buffers provide a more compelling risk-reward profile. Shorter-duration high yield offers a cleaner carry story with less reliance on directional rate calls, aligning well with our objective of maintaining constructive credit exposure while limiting volatility.

Overall, our base case remains supportive for USD credit, but returns are likely to be more carry and alpha-driven rather than driven by broad beta expansion. Discipline in risk budgeting and active position management remain central to our approach.

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

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