FULLERTON FUND MANAGEMENT

A member of Seviora Group

# Fullerton Wise Income

June 2026

## Investment Objective

The investment objective of FWI is to generate regular income and long-term capital appreciation for investors.

The Fund will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, exchange traded funds (“ETFs”), securities, including but not limited to fixed income securities, equities, real estate investment trusts (“REITs”), money market instruments and cash as deemed appropriate by us in accordance with its investment objective.

## Fund Information

| | |
|---|---|
| **Fund Size** | SGD 52.12 million |
| **Base Currency** | SGD |
| **Preliminary Charge** | Class A - Currently up to 5%<br>Class R / R1 - Currently 0% |
| **Dealing Frequency** | Every Business Day |
| **Subscription Mode** | Cash, SRS |

## Manager’s Commentary

### Market Review

*(All returns are quoted in US dollar terms unless otherwise stated)*

Global markets recovered over Q2 2026 from the sharp dislocation seen at the end of Q1, as the initial Middle East energy shock became more manageable, macro data remained resilient and investors regained confidence that global growth could continue despite higher volatility and still-elevated geopolitical risk. By June, however, market performance became more mixed as investors balanced still-firm growth and AI-led earnings support against tighter excess liquidity, elevated valuations and a higher inflation backdrop, even as fears surrounding the Middle East conflict eased further.

Global equities ended the quarter strongly despite a softer final month. The MSCI AC World Index declined 0.8% in June but gained 14.9% over Q2, as strong performance earlier in the quarter was driven by resilient global growth, firm earnings and enthusiasm around AI-related capex, even though tighter liquidity and elevated valuations prompted some consolidation in June. In the US, the S&P 500 fell 1.0% in June but returned 15.1% over the quarter, supported by continued earnings resilience and leadership from large-cap growth and communication services, while the Nasdaq declined 2.8% in June and rose 21.4% over Q2, reflecting both the strength of the AI and semiconductor trade over the quarter and some late-quarter profit-taking after an exceptionally strong rally. Europe was comparatively firmer, with MSCI Europe up 0.9% in June and 10.9% over Q2, helped by a more supportive energy backdrop and improving confidence that lower geopolitical stress could reduce pressure on growth. MSCI Japan slipped 0.3% in June but still returned 14.2% for the quarter, as solid corporate earnings, continued shareholder-friendly reforms and yen-related support to exporters offset some late-quarter consolidation.

Across Asia, market movements in Q2 highlighted both the region’s leverage to the global technology and semiconductor cycle and the wide divergence in underlying fundamentals. The MSCI AC Asia ex-Japan Index declined 1.3% in June but advanced 27.7% over Q2, supported by strong earnings revisions, broader margin expansion and investor preference for markets tied more directly to AI hardware and export momentum. Within this, MSCI Korea rose 0.3% in June and surged 87.6% over Q2, driven by its high sensitivity to semiconductors and the AI supply chain, while MSCI China fell 7.1% in June and declined 6.6% over the quarter as softer domestic demand, uneven policy traction and still-fragile sentiment continued to weigh on the market.

Closer to home, MSCI Singapore gained 2.7% in US dollar terms and 4.2% in Singapore dollar terms in June, bringing Q2 returns to 10.0% and 8.2% respectively, supported by the defensive financials exposure, resilient domestic conditions and ongoing shareholder-value themes, while Singapore REITs rose 0.5% in June and 3.0% over Q2 as steadier local yields and improving risk sentiment provided some support after a weaker earlier period.

In fixed income, returns were positive over Q2 overall but more mixed in June, as long-end yields remained exposed to inflation risk, aggressive fiscal spending and term-premia concerns. The Bloomberg Global Aggregate Index declined 0.7% in June on an unhedged basis but returned 0.9% over Q2, while the hedged index rose 0.4% in June and 1.3% over the quarter. Asian investment grade credit was steadier, with the J.P. Morgan JACI Investment Grade Index returning 0.3% in US dollar terms and 0.1% in Singapore dollar terms in June, bringing Q2 gains to 1.3% and 0.7% respectively. US Treasury 10-year yield rose by 3 bps in June and 15 bps over Q2, ending the quarter at 4.47%, underscoring continued pressure from inflation and term-premia concerns, while 10-year Singapore government bonds outperformed, with a 25-bps decline over the first two months of Q2, and remaining relatively unchanged to end the quarter at 2.04%.

Commodity and currency markets remained central to the quarter’s macro narrative. Gold fell 11.7% in June and 14.1% over Q2, while Brent crude declined 18.4% in June and 27.2% for the quarter as the war-related energy risk premium continued to unwind. Gold was also pressured by the easing of geopolitical fears, a firmer US dollar and a rotation back into risk assets as investor confidence improved through the quarter. The US dollar, as measured by the DXY index, rose 2.3% in June and 1.2% over Q2, consistent with a backdrop of still-firm US activity and tighter excess liquidity.

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**Investment Outlook and Strategy**

Our baseline view remains constructive on risk assets, but with greater emphasis on selectivity, liquidity awareness and active risk management. US activity has remained reasonably firm, with earnings growth still driven disproportionately by AI-linked sectors, although inflation, liquidity and market concentration warrant close monitoring for a trend reversal. While the US and Iran have signed a peace agreement, the path to a full resolution remains unclear and continues to be a tail-risk that we are watching closely, alongside broader geopolitical developments and their potential to generate further bouts of risk-off sentiment.

Against this backdrop, we retain a constructive yet selective stance on equities, supported by technology and industrials which remain important drivers of the global rally. We continue to diversify equity exposure across regions and thematic drivers, with a particular focus on identifying durable beneficiaries of AI-related investment and productivity gains, while being cautious on areas where expectations and positioning appear stretched. While technology should remain a key performance driver into the second half of the year, we are monitoring inflation trends and bond yields closely given the potential for a broader repricing of risk assets.

Within fixed income, we continue to emphasise broad diversification and a modest duration underweight, prioritising high quality carry and selective credit where spread compensation aligns with fundamentals and liquidity. We remain cautious on the longer-term duration given its sensitivity to inflation dynamics and term premia risk, and will continue to manage duration dynamically, maintaining quality carry and selective credit exposure while waiting for more attractive entry levels in duration if yields back up further.

Our strategy remains focused on selective and prudent risk-taking – staying constructive on growth assets where earnings and structural themes remain supportive, while emphasising risk management, close monitoring of geopolitical developments and inflation trends to respond nimbly and refine our positioning as the macro environment evolves.

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**Performance (%)**

| | 1 mth | 3 mths | 6 mths | 1 year | 3 years | 5 years | Since Inception |
|---|---|---|---|---|---|---|---|
| **A-SGD** (bid-to-bid) | 0.23 | 7.31 | 2.99 | 11.52 | - | - | 9.17 |
| **R-SGD** (bid-to-bid) | 0.26 | 7.41 | 3.19 | 11.97 | 8.01 | 3.15 | 3.35 |
| **R1-SGD** (bid-to-bid) | 0.26 | 7.41 | 3.19 | 11.97 | 8.01 | 3.15 | 3.35 |

Returns are calculated on a single pricing basis with net dividends and distributions (if any) reinvested. Returns more than a year are annualised. Preliminary charge is currently waived.

**Asset Allocation (%)**[1]

| | |
|---|---|
| Equities | 30.8 |
| REITs | 29.5 |
| Fixed Income | 35.4 |
| Cash and cash equivalents | 4.2 |

**Regional Exposure (%)**[1]

| | |
|---|---|
| Singapore | 45.1 |
| Developed Markets | 42.3 |
| Emerging Markets | 12.6 |

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

| | |
|---|---|
| Amundi Prime Global UCITS ETF | 17.4 |
| State Street SPDR MSCI All Country World UCITS ETF | 11.2 |
| CapitaLand Integrated Commercial Trust | 7.3 |
| CapitaLand Ascendas REIT | 5.2 |
| Keppel DC REIT | 2.7 |

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

| | |
|---|---|
| ISHARES USD ASIA HIGH YIELD BOND ETF | 4.7 |
| SINGAPORE GOVERNMENT 3.375% MAY 2034 | 4.5 |
| SINGAPORE GOVERNMENT 2.75% MAR 2035 | 4.4 |
| FIRST ABU DHABI BANK PJS 5.804% JAN 2035 | 0.8 |
| SNB FUNDING LTD 6% JUN 2035 | 0.7 |

**Fixed Income Sector Exposure (%)**[1]

| | |
|---|---|
| Financials | 36.0 |
| Sovereigns & Supranational | 25.8 |
| Materials | 6.0 |
| Consumer Discretionary | 5.7 |
| Energy | 4.6 |
| Utilities | 2.9 |
| Communication Services | 2.5 |
| Industrials | 1.4 |
| Real Estate | 1.3 |
| Health Care | 0.7 |
| Consumer Staples | 0.1 |
| Others | 13.1 |

**Fund Statistics**

| | |
|---|---|
| **Fixed Income** | |
| Duration | 5.4 years |
| Average Credit Rating[3] | BBB+ |
| Yield-to-Worst[4] | 3.8% |
| **S-REITs** | |
| Dividend Yield | 5.3% |
| Price to Book | 1.0x |
| Price to Earnings | 19.0x |

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**Dividend History[5]**

| | Dividend / share | Record Date |
|---|---|---|
| Class A | SGD 0.0117 | 31 Mar 2026 |
| Class A | SGD 0.0123 | 30 Jun 2026 |
| Class R | SGD 0.0101 | 31 Mar 2026 |
| Class R | SGD 0.0106 | 30 Jun 2026 |
| Class R1 | SGD 0.0152 | 31 Mar 2026 |
| Class R1 | SGD 0.0159 | 30 Jun 2026 |

**Fund Details**

| | Class A (Distribution) | Class R (Distribution) | Class R1 (Distribution) |
|---|---|---|---|
| **Inception Date** | 8 Jul 2024 | 31 March 2021 | 31 March 2021 |
| **NAV per Unit[6]** | SGD 1.10 | SGD 0.95 | SGD 0.80 |
| **Management Fee** | Currently 0.80% p.a. | Currently 0.40% p.a. | Currently 0.40% p.a. |
| **Initial Investment** | None | None | None |
| **Subsequent Investment** | None | None | None |
| **ISIN Code** | SGXZ97897235 | SGXZ55613715 | SGXZ44316438 |
| **Bloomberg Code** | FULFWIA SP | FULFMWR SP | FULFMR1 SP |

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 30 June 2026, unless otherwise stated.

1. Numbers might not add due to rounding.
2. Others include ETFs
3. Where the security is not rated by external rating agencies, Fullerton’s internal rating methodology will apply.
4. Refers to Yield-to-Worst in base currency, before hedging.
5. Dividends are declared on a quarterly basis (i.e. March, June, September, December). 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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For further information on Fullerton and its funds:

**Fullerton Fund Management Company Ltd**
3 Fraser Street #18-28
DUO Tower
Singapore 189352

T +65 6808 4688
F +65 6417 6805
fullertonfund.com

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