

### 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.

### Manager's Commentary

#### Market Review

The first quarter of 2025 was a tumultuous period for financial markets, marked by a complex interplay of economic indicators, trade policies, and monetary decisions. Initially, optimism surrounding the Trump Administration's pro-growth policies had buoyed market sentiment, but by March, concerns about tariffs and their potential impact on economic growth took center stage. This shift in sentiment was further complicated by significant technological disruptions, notably the release of DeepSeek's AI model in late January. This breakthrough raised questions about the valuations of major tech companies, causing a temporary stir in the market before being overshadowed by unfolding trade tensions.

The Trump Administration's aggressive trade policies, including tariffs on imports from major trading partners like Canada and Mexico, dominated market sentiment from February onwards. The fear of retaliation and economic contraction led to a notable shift in investor focus towards potential economic slowdowns. This anxiety prompted market participants to take profits from their U.S. equity investments in March and redirect their funds towards European equities. The impact of this reallocation was evident in the performance of the U.S. equity market, where the S&P 500 Index ended the quarter -4.4% lower, effectively reversing the gains made in the first two months. This decline was also reflected in the global equity index MSCI AC World, which fell -4.0% in March and ended the quarter down -1.3% in dollars.

In contrast, European equities experienced a robust performance, with the MSCI Europe Index returning a significant 10.5% for the quarter in dollars. This out-performance was bolstered by positive developments in Europe, particularly in Germany. The new German coalition government announced plans to establish a €500 billion infrastructure fund and lift constraints on defense spending, contributing to an upbeat equity sentiment in the region.

In Asia, the picture was more mixed. Perceived as a defensive market, MSCI Singapore Index returned 7.9% in Singapore dollars over the quarter and iStoxx Singapore Developed REITs Index posting a 4.8% return over the same period as interest rates inched lower. MSCI China equities saw a substantial gain of 15.1% for the quarter in U.S. dollars, driven by expectations of stimulus announcements following China's Two Sessions. However, equities from other export-reliant Asian countries were negatively impacted by the uncertainty surrounding impending tariffs, leading to declines in March. Despite these challenges, the MSCI Asia ex-Japan Index managed to post a modest gain of 1.8% for the quarter. In Japan, a hawkish stance by the Bank of Japan, coupled with an appreciating yen, largely erased the gains made earlier in the quarter, resulting in a meager return of 0.4% in dollars for the MSCI Japan Index.

The month of March 2025 was marked by significant monetary policy adjustments across major economies. The European Central Bank, the Bank of Canada, and the Bank of Mexico all eased monetary policy by cutting their policy rates by 25 basis points. This move was aimed at stimulating economic growth amidst rising global uncertainties. In contrast, the Federal Reserve (Fed) maintained its interest rates but announced an indirect easing measure by reducing the monthly redemption cap on Treasury securities by \$20 billion. This decision signalled a cautious approach to monetary policy, reflecting concerns about economic growth and inflationary pressures.

Weak economic data releases from the Institute of Supply Management's surveys on both manufacturing and services, following the Fed's meeting in March, suggested that further easing measures might be necessary. These indicators pointed to a slowdown in economic activity, which could necessitate additional support from central banks to maintain growth momentum.

In fixed income markets, the benchmark 10-year U.S. Treasury yield closed at 4.21% at end March, marking a decrease of 36 basis points (bps) since the end of 2024. This decline reflected a combination of factors, including the Fed's cautious stance and broader economic uncertainties. In contrast, the German Bund yield rose to 2.74%, an increase of 37 bps, largely due to market reactions to Germany's planned spending boost funded by a higher budget deficit. This fiscal expansion was expected to have lasting impacts on global bond markets, as it increased the supply of German government debt and pushed yields higher.

In Japan, the 10-year government bond yield ended the quarter at 1.49%, up 39 bps. This rise was partly a response to shifts in monetary policy, as the Bank of Japan had discontinued its negative interest rates and yield curve control policy since March 2024. The move towards more conventional monetary policy settings reflected a changing economic landscape in Japan. In Singapore, the easing of global rates led the 10-year benchmark yield to close the quarter at 2.69%, or 17 bps lower since end 2024.

### Fund Information

|                           |   |
|---------------------------|---|
| <b>Fund Size</b>          | SGD 31.28 million   |
| <b>Base Currency</b>      | SGD   |
| <b>Preliminary Charge</b> | Class A - Currently up to 5%<br>Class R / R1 - Currently 0% |
| <b>Dealing Frequency</b>  | Every Business Day  |
| <b>Subscription Mode</b>  | Cash, SRS   |

Despite these challenges, fixed income assets generally performed well during the quarter. Markit iBoxx ALBI Singapore Non-Government Index returned 1.3% in Singapore dollars over the quarter. The JACI Investment Grade Index returned 2.2%, while the longer-duration Bloomberg Global Aggregate Index returned 2.6% on an unhedged basis, benefiting from a depreciating U.S. dollar. However, when hedged against currency fluctuations, the return was more modest at 1.2% in dollar.

Commodity markets also saw positive trends in March, largely due to a weaker U.S. dollar. Copper prices rose significantly on concerns about potential tariffs on U.S. copper imports, given that the U.S. relies heavily on imported copper. Gold continued to reach record highs, driven by fears about U.S. deficits and ongoing geopolitical and trade tensions. Crude oil prices rebounded from oversold levels, despite concerns about lower demand due to a slowing economy, reflecting the tightness of the oil market.

Overall, the calendar quarter highlighted the complex interplay between economic indicators, trade policies, and monetary policy decisions, influencing market dynamics and investor sentiment.

#### **Investment Outlook and Strategy**

Looking ahead, the investment landscape is becoming increasingly complex. The risks to current growth forecasts are biased to the downside, primarily due to U.S. reciprocal tariffs to be implemented in April and potential retaliation from trading partners. This environment necessitates a more agile investment strategy, with a focus on tactical asset allocation shifts. Key areas to monitor include updates to U.S. trade policy, Germany's economic rejuvenation, and China's economic policies emerging from its Two Sessions.

Despite the short-term risks, equities are expected to continue delivering superior returns in the long term. However, in the near term, downside risk management strategies will be necessary to protect investments. This could involve shifting away from equities and towards safe assets to mitigate potential losses.

**Performance (%)**

|                            | 1 mth | 3 mths | 6 mths | 1 year | 3 years | 5 years | Since Inception |
|----------------------------|-------|--------|--------|--------|---------|---------|-----------------|
| <b>A-SGD</b> (bid-to-bid)  | 0.24  | 0.76   | -1.33  | -      | -       | -       | -               |
| <b>R-SGD</b> (bid-to-bid)  | 0.27  | 0.86   | -1.13  | 4.56   | 1.18    | -       | 0.83            |
| <b>R1-SGD</b> (bid-to-bid) | 0.27  | 0.86   | -1.13  | 4.56   | 1.18    | -       | 0.83            |

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 (%)<sup>1</sup>**

|                           |      |
|---------------------------|------|
| Equities                  | 33.0 |
| REITs                     | 32.0 |
| Fixed Income              | 32.2 |
| Cash and cash equivalents | 2.8  |

**Regional Exposure (%)<sup>1</sup>**

|                   |      |
|-------------------|------|
| Singapore         | 45.1 |
| Developed Markets | 42.1 |
| Emerging Markets  | 12.8 |

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

|  |      |
|--|------|
| iShares Core MSCI World UCITS ETF      | 20.2 |
| Amundi Prime Global UCITS ETF          | 11.8 |
| CapitaLand Integrated Commercial Trust | 8.1  |
| CapitaLand Ascendas REIT               | 6.0  |
| Mapletree Logistics Trust              | 3.4  |

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

|   |     |
|---|-----|
| SINGAPORE GOVERNMENT 3.375% SEP 2033    | 3.5 |
| SINGAPORE GOVERNMENT 2.625% AUG 2032    | 3.2 |
| ISHARES USD ASIA HIGH YIELD BOND ETF    | 3.1 |
| SINGAPORE GOVERNMENT 3.375% MAY 2034    | 1.8 |
| AUST & NZ BANKING GROUP 5.204% SEP 2035 | 0.7 |

**Fixed Income Sector Exposure (%)<sup>1</sup>**

|                            |       |
|----------------------------|-------|
| Financials                 | 34.3% |
| Sovereigns & Supranational | 26.9% |
| Consumer Discretionary     | 12.6% |
| Utilities                  | 5.3%  |
| Energy                     | 3.7%  |
| Materials                  | 2.8%  |
| Industrials                | 2.1%  |
| Communication Services     | 1.3%  |
| Information Technology     | 1.2%  |
| Consumer Staples           | 0.3%  |
| Real Estate                | 0.1%  |
| Others                     | 9.4%  |

**Fund Statistics**

|                                    |           |
|------------------------------------|-----------|
| <b>Fixed Income</b>                |           |
| Duration                           | 5.4 years |
| Average Credit Rating <sup>3</sup> | A-        |
| Yield-to-Worst <sup>4</sup>        | 4.8%      |
| <b>S-REITs</b>                     |           |
| Dividend Yield                     | 5.9%      |
| Price to Book                      | 1.0x      |
| Price to Earnings                  | 19.2x     |

### Dividend History<sup>5</sup>

|          | Dividend / share | Record Date |
|----------|------------------|-------------|
| Class A  | SGD 0.0114       | 31 Dec 2024 |
| Class A  | SGD 0.0114       | 28 Mar 2024 |
| Class R  | SGD 0.0098       | 31 Dec 2024 |
| Class R  | SGD 0.0098       | 28 Mar 2024 |
| Class R1 | SGD 0.0154       | 31 Dec 2024 |
| Class R1 | SGD 0.0153       | 28 Mar 2024 |

### Fund Details

|                                 | Class A (Distribution) | Class R (Distribution) | Class R1 (Distribution) |
|---------------------------------|------------------------|------------------------|-------------------------|
| <b>Inception Date</b>           | 8 Jul 2024             | 31 March 2021          | 31 March 2021           |
| <b>NAV per Unit<sup>6</sup></b> | SGD 1.02               | SGD 0.87               | SGD 0.76                |
| <b>Management Fee</b>           | Currently 0.80% p.a.   | Currently 0.40% p.a.   | Currently 0.40% p.a.    |
| <b>Initial Investment</b>       | None                   | None                   | None                    |
| <b>Subsequent Investment</b>    | None                   | None                   | None                    |
| <b>ISIN Code</b>                | SGXZ97897235           | SGXZ55613715           | SGXZ44316438            |
| <b>Bloomberg Code</b>           | FULFWIA SP             | FULFMWR SP             | FULFMR1 SP              |

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 31 March 2025, 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). 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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