

Fullerton USD Income Fund - Class R (USD)

November 2024

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 for hedging and efficient portfolio management purposes.

Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.31	0.96	4.26	8.46	-0.59	-0.55	6.49

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.

Market Review

Asian credit markets had a mixed performance in November. The Investment Grade (IG) segment performed well, driven by duration-related gains. However, returns in the non-Investment Grade (non-IG) segment underperformed due to headwinds arising from widening credit spread action.

On a country level, in November, Sri Lanka emerged again as a strong performer delivering substantial positive returns as the country's debt restructuring efforts seemed to have made further progress. Taiwan and Malaysia also performed positively supported by favourable US treasury returns. On the flipside, Pakistan was the weakest performer, while India was dragged down by Adani's bribery allegation charges by the US SEC.

Sector wise, the Oil & Gas, Industrial and Diversified sectors all registered strong performance, supported by a combination of favourable US treasury returns and spread tightening actions. Conversely, the Real Estate sector underperformed the most, due to idiosyncratic events around Hong Kong credit. The Infrastructure and Utilities sectors also faced challenges, directly in reflection to the sell-off in bond prices within the Adani complex.

Inception date

10 Dec 2019

Fund size

USD 234.32 million

Base Currency

USD

Pricing Date

30 Nov 2024

NAV*

USD 0.80

Management fee

Currently 0.5% p.a., Maximum 1% p.a.

Expense Ratio

0.61% p.a. (For financial year ended 31 Mar 2024)

Distributions paid per unit

Jun 2023: USD 0.010

Sep 2023: USD 0.010

Dec 2023: USD 0.010

Mar 2024: USD 0.010

Jun 2024: USD 0.010

Sep 2024: USD 0.010

Minimum Initial Investment

None

Minimum Subsequent Investment

None

Preliminary Charge

Not applicable for Class R

Dealing day

Daily, up to 5pm (Singapore time)

Deadline

1pm (CET); 5pm (Singapore time) on each Business Day

Bloomberg Code

FULUSIR SP

ISIN Code

SG9999016083

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

Fullerton Fund Management Company Ltd

3 Fraser Street

#09-28 DUO Tower

Singapore 189352

T +65 6808 4688

F +65 6820 6878

www.fullertonfund.com

UEN: 200312672W

* 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.

Investment Strategy

Our 2025 outlook envisions a resilient global economy, driven by robust U.S. growth that contrasts with ongoing challenges in China. Regional divergence in growth and inflation dynamics is likely to result in greater variation in central bank actions, leading to a less synchronised global monetary policy environment. Europe is expected to implement significant easing measures, while the Federal Reserve (Fed) maintains a measured approach, supported by strong U.S. economic momentum. In China, policymakers are likely to continue fiscal and monetary support, complemented by a gradual RMB depreciation, as they work to stabilise growth and mitigate downside risks.

Strategically, we remain bullish, maintaining a buy-the-dip approach that reflects our confidence in underlying market resilience. This strategy will only shift if we encounter significant changes such as quantitative tightening, rate hikes, or unexpected policy shifts from the incoming U.S. administration. Tactically, we are taking a cautious pause, acknowledging that markets may consolidate and remain directionless as investors await clarity on the Trump administration's policy agenda.

The risk-reward profile for long-end rates remains unattractive, leading us to adopt a tactical approach focused on swift profit-taking or disciplined loss-cutting for positions in this segment. In credit markets, while some idiosyncratic risks have emerged, we do not foresee major selloffs before year-end, supported by stable technicals and solid fundamentals. Elsewhere, we continue to focus on short-dated, yield-efficient securities to optimise carry while maintaining flexibility.

Looking ahead to 2025, we will remain vigilant, closely monitoring shifts in U.S. fiscal, trade, and monetary policies as the Trump administration's agenda takes shape. These developments could significantly influence market dynamics, and we are prepared to proactively adjust our portfolio to align with emerging risks and opportunities. This disciplined and adaptive approach ensures that our portfolio remains resilient and well-positioned to navigate market volatility while capturing value in the evolving macroeconomic landscape.

Geographical Breakdown

Australia	6.2%
Bahrain	1.5%
China	10.3%
France	2.5%
Germany	2.5%
Hong Kong	5.3%
India	10.0%
Indonesia	7.9%
Japan	5.2%
Korea	3.8%
Kuwait	1.1%
Macau	1.6%
Malaysia	2.0%
Philippines	1.1%
Qatar	1.1%
Saudi Arabia	5.5%
Singapore	6.4%
Supranational	2.6%
Taiwan	1.1%
UAE	7.7%
UK	7.9%
US	7.4%
Others	0.9%
Cash and cash equivalents*	-1.5%

Top 5 Holdings

Treasury Bill 0% Dec 2024	4.8%
Greensaif Pipelines Bidc 6.1027% Aug 2042	2.2%
Qbe Insurance Group Ltd 5.25% Dec 2199	2.1%
GLP Pte Ltd 3.875% Jun 2025	2.0%
Scentre Group Trust 2 5.125% Sep 2080	1.7%

Rating Breakdown

AAA	2.6%
AA	14.6%
A	18.9%
BBB	37.1%
BB	21.6%
B	6.0%
CCC	0.7%
Cash and cash equivalents*	-1.5%

Fund Characteristics

Average coupon	4.9%
Average credit rating	BBB
Number of holdings	110
Average duration (years)	3.6
Yield to Worst	6.1%

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.

Disclaimer: This publication is for information only and your specific investment objectives, financial situation and needs are not considered here. The value of units in the Fund and any accruing income from the units may fall or rise. Any past performance, prediction or forecast is not indicative of future or likely performance. Any past payout yields and payments are not indicative of future payout yields and payments. Distributions (if any) may be declared at the absolute discretion of Fullerton Fund Management Company Ltd (UEN: 200312672W) ("Fullerton") and are not guaranteed. Distribution may be declared out of income and/or capital of the Fund, in accordance with the prospectus. Where distributions (if any) are declared in accordance with the prospectus, this may result in an immediate reduction of the net asset value per unit in the Fund. Applications must be made on the application form accompanying the prospectus, which can be obtained from Fullerton or its approved distributors. You should read the prospectus and seek advice from a financial adviser before investing. If you choose not to seek advice, you should consider whether the Fund is suitable for you. The Fund may use or invest in financial derivative instruments. Please refer to the prospectus of the Fund for more information.

All information provided herein regarding JPMorgan Chase & Co. ("JPMorgan") index products (referred to herein as "Index" or "Indices"), is provided for informational purposes only and does not constitute, or form part of, an offer or solicitation for the purchase or sale of any financial instrument, or an official confirmation of any transaction, or a valuation or price for any product referencing the Indices (the "Product"). Nor should anything herein be construed as a recommendation to adopt any investment strategy or as legal, tax or accounting advice. All market prices, data and other information contained herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. The information contained herein is subject to change without notice. Past performance is not indicative of future returns, which will vary. No one may reproduce or disseminate the information, whether in whole or in part, relating to the Indices contained herein without the prior written consent of JPMorgan.

J.P. Morgan Securities LLC (the "Index Sponsor") does not sponsor, endorse or otherwise promote any Product referencing any of the Indices. The Index Sponsor makes no representation or warranty, express or implied, regarding the advisability of investing in securities or financial products generally, or in the Product particularly, or the advisability of any of the Indices to track investment opportunities in the financial markets or otherwise achieve their objective. The Index Sponsor has no obligation or liability in connection with the administration, marketing or trading of any Product. The Index Sponsor does not warrant the completeness or accuracy or any other information furnished in connection with the Index. The Index is the exclusive property of the Index Sponsor and the Index Sponsor retains all property rights therein.

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.