

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## FULLERTON USD INCOME FUND

(the "Sub-Fund"), a sub-fund of Fullerton Fund

|                    |   |   |   |
|--------------------|---|---|---|
| Product Type       | Unit Trust  | Launch Date   | 15 April 2016 <sup>2</sup>                            |
| Managers           | Fullerton Fund Management Company Ltd                 | Custodian   | The Hongkong and Shanghai Banking Corporation Limited |
| Trustee            | HSBC Institutional Trust Services (Singapore) Limited | Dealing Frequency                                       | Every Business Day                                    |
| Capital Guaranteed | No  | Expense Ratio for year ended 31 March 2022 <sup>3</sup> | 0.47% - 0.88%   |

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

- The Sub-Fund is only suitable for investors who:
  - seek long-term capital appreciation and/or income; and
  - are comfortable with the risks of a fund which invests in a diversified portfolio comprising primarily of investment grade fixed income or debt securities.

#### Further information

Refer to Annex 7 (A and M) of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a sub-fund of an umbrella unit trust constituted in Singapore. The Sub-Fund aims to provide you with returns through long-term capital appreciation and/or income by investing primarily in fixed income or debt securities.
- Income of accumulating classes will be reinvested and not distributed. For distributing classes<sup>4</sup>, we currently intend to declare quarterly distributions out of income and/or capital of the Sub-Fund. This is not guaranteed (but in our absolute discretion) and may reduce the Sub-Fund's NAV.

Refer to the "Basic Information" section and Annex 7 (A and E) of the Prospectus for further information on features of the product.

### Investment Strategy

- We seek to add value from interest rate accruals, selection of bonds and/or credits and duration management (optimisation of bond returns by selecting bonds with different terms to maturity).
- The Sub-Fund will invest in a diversified portfolio of primarily investment grade fixed income or debt securities and cash, with no specific geographical or sectoral emphasis.
- The Sub-Fund may also invest in non-investment grade bonds of up to 30% of its NAV. Non-rated bonds will be subject to our internal rating process and internal equivalent rating of investment grade or non-investment grade accordingly.
- In normal market conditions, we aim to invest at least 50% of the Sub-Fund's NAV in US Dollar denominated bonds. We may, where we deem is in the interest of the Sub-Fund, invest less than 50% of the Sub-

Refer to Annex 7 (B) of the Prospectus for further information on the investment strategy of the product.

<sup>1</sup> The Prospectus is available from us or the appointed agents or distributors, or accessible at <http://www.fullertonfund.com>.

<sup>2</sup> This refers to the earliest launched class that is offered under the Prospectus.

<sup>3</sup> Figures relate to classes that have been incepted as at 31 March 2022.

<sup>4</sup> Classes G (US\$) and H (HK\$) are accumulating classes. All other classes are distributing classes.

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| <p>Fund's NAV in US Dollar denominated bonds.</p> <ul style="list-style-type: none"> <li>• The Sub-Fund may also invest in foreign currency denominated bonds including but not limited to Singapore Dollar, Euro, Japanese Yen and Australian Dollar.</li> <li>• We may use FDIs for hedging and EPM purposes.</li> <li>• We may also invest in other Authorised Investments.</li> </ul>  |   |
| <b>Parties Involved</b>  |   |
| <p><b>WHO ARE YOU INVESTING WITH?</b></p> <ul style="list-style-type: none"> <li>• The Managers are Fullerton Fund Management Company Ltd.</li> <li>• The Trustee is HSBC Institutional Trust Services (Singapore) Limited.</li> <li>• The Custodian is The Hongkong and Shanghai Banking Corporation Limited.</li> </ul>  | <p>Refer to the "The Managers" and "The Trustee and Custodian" sections of the Prospectus for further information on their roles and responsibilities, and what happens if they become insolvent.</p> |
| <b>KEY RISKS</b>   |   |
| <p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b><br/> <b>The value of the product and its distributions may rise or fall. These risk factors may cause you to lose some or all of your investment (including initial principal investment). You should note that the NAV of the Sub-Fund has potential for high volatility due to its investment policies or portfolio management techniques.</b></p>  | <p>Refer to the "Risks" section and Annex 7 (J) of the Prospectus for further information on risks of the product.</p>  |
| <b>Market and Credit Risks</b>   |   |
| <ul style="list-style-type: none"> <li>• <b>You are exposed to the risk of interest rate fluctuations.</b> <ul style="list-style-type: none"> <li>○ Generally, the price of fixed income securities rises when interest rate falls and vice versa. The longer the term of a fixed income instrument, the more sensitive it will be to interest rate fluctuations.</li> </ul> </li> <li>• <b>You are exposed to credit risk.</b> <ul style="list-style-type: none"> <li>○ The issuer of securities, counterparties and custodians to transactions may default on their obligations.</li> </ul> </li> <li>• <b>You are exposed to currency risk.</b> <ul style="list-style-type: none"> <li>○ Changes in currencies and exchange control regulations may affect your investment. Changes in foreign exchange rates, which may not be fully hedged, may affect the Sub-Fund's income. Hedging will not eliminate all the risk of loss due to currency fluctuations.</li> <li>○ Classes which are not expressed in the Sub-Fund's base currency are also subject to exchange rate fluctuations between the class and base currencies. For Classes A (S\$-Hedged), C (AUD-Hedged), D (EUR-Hedged), E (GBP-Hedged) and R (S\$-Hedged), we intend to hedge the respective class currencies against the base currency of US\$ but this may not be fully hedged.</li> </ul> </li> <li>• <b>You are exposed to political, regulatory and legal risks.</b> <ul style="list-style-type: none"> <li>○ The Sub-Fund may be affected by international political developments, changes in government and taxation policies, restrictions on foreign investment and currency repatriation, and other developments in the laws and regulations of countries in which it may invest.</li> </ul> </li> </ul> |   |
| <b>Liquidity Risks</b>   |   |
| <ul style="list-style-type: none"> <li>• <b>The Sub-Fund is not listed and you can redeem only on Dealing Days through us or the appointed agents or distributors.</b></li> <li>• The size of the Sub-Fund's portfolio may make it less easy for the Sub-Fund to buy or sell securities in the fixed income markets.</li> </ul>  |   |
| <b>Product-Specific Risks</b>  |   |
| <ul style="list-style-type: none"> <li>• <b>You are exposed to derivatives risk.</b> <ul style="list-style-type: none"> <li>○ The Sub-Fund may use FDIs. It may be negatively impacted if the FDIs do not work as anticipated. It may suffer greater losses than if FDIs are not used. FDIs are exposed to counterparty, regulatory and</li> </ul> </li> </ul>   |   |

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| <p>other risks.</p> <ul style="list-style-type: none"> <li>● <b>You are exposed to the risks of investing in non-investment grade bonds.</b> <ul style="list-style-type: none"> <li>○ Issuers face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to inability to make timely interest and principal payments. Compared to investment-grade securities, non-investment grade securities tend to be more sensitive to economic conditions, and its market thinner and less active, which can adversely affect its prices.</li> </ul> </li> <li>● <b>You are exposed to risks from distributions out of capital.</b> <ul style="list-style-type: none"> <li>○ The Sub-Fund may make distributions out of its capital (if income is insufficient). This may cause its NAV to fall, and amount to a partial return of your original investment and reduced future returns.</li> </ul> </li> </ul> |  |
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**FEES AND CHARGES**

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| <b>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</b>   |  | Refer to the "Fees and Charges" section and Annex 7 (I) of the Prospectus for further information on fees and charges. |
| Payable directly by you (as a percentage of your gross investment amount):   |  |  |
| <b>Preliminary Charge</b>  | Currently up to 3%, Maximum 5%   |  |
| <b>Realisation Charge</b>  | Currently 0%, Maximum 2%   |  |
| <b>Switching Fee</b>   | Currently up to 2%, Maximum 2%   |  |
| Payable by the Sub-Fund from invested proceeds to us, the Trustee and other parties (as a percentage of the Sub-Fund's NAV):   |  |  |
| <b>Management Fee</b><br>Class A (S\$-Hedged), B (US\$), C (AUD-Hedged), D (EUR-Hedged), E (GBP-Hedged) and H (HK\$):<br>Class F (US\$):<br>Class G (US\$):<br>Class R (S\$-Hedged) and R (US\$) : | Currently 0.8% p.a., Maximum 1% p.a.<br><br>Currently 0.6% p.a., Maximum 1% p.a.<br>Currently 0.4% p.a., Maximum 1% p.a.<br>Currently 0.5% p.a., Maximum 1% p.a. |  |
| <b>Out of the Management Fee:</b>  | <i>Retained by us: 40% to 100%.<br/>Paid by us to agents or distributors (trailer fee): 0% to 60%<sup>5</sup>.</i>   |  |
| <b>Trustee Fee</b>   | Currently not more than 0.1% p.a., Maximum 0.25% p.a., Minimum S\$15,000 p.a..   |  |
| <b>Other fees and charges</b>  | Each of the registrar fee, valuation fee, audit fee, custody and transaction fees and other fees and charges may amount to or exceed 0.1% p.a..                  |  |

**VALUATIONS AND EXITING FROM THIS INVESTMENT**

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| <p><b>HOW OFTEN ARE VALUATIONS AVAILABLE?</b></p> <p>The Sub-Fund is valued on each Dealing Day. To counter dilution and protect investors' interest, the Sub-Fund may apply a technique known as swing pricing or dilution adjustment as part of its valuation policy. The issue and realisation prices of Units are quoted on a forward pricing basis and will generally be available within 2 Business Days after the relevant Dealing Day from us or our authorised agents, and may also be published on Bloomberg daily.</p> <p><b>HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?</b></p> <ul style="list-style-type: none"> <li>● You can exit the Sub-Fund on any Dealing Day by submitting a realisation form to us, either directly or through the agent or distributor from whom you subscribed for your Units.</li> <li>● First-time investors may cancel subscription of Units within 7 calendar</li> </ul> | Refer to the "Realisation of Units" and "Obtaining Prices of Units" sections of the Prospectus for further information on valuation and exiting from the product. |
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<sup>5</sup> Your agent or distributor is required to disclose to you the amount of trailer fee it receives from us.

|  |             |                    |             |                            |              |                          |   |                   |   |                            |              |  |          |   |              |                            |   |                    |   |                          |  |
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| <p>days from date of subscription by submitting the Notice on Cancellation Form. You may do so without incurring the preliminary charge and fees stated above. However, you will be exposed to price changes in the NAV of the Sub-Fund since your subscription and will need to pay any bank charges, administrative or other fee imposed by the agent or distributor.</p> <ul style="list-style-type: none"> <li>You will usually receive the realisation proceeds within 7 Business Days after your realisation request is received and accepted by us.</li> <li>If you submit the realisation form by 5pm on a Dealing Day, you will be paid a price based on the NAV per Unit of the relevant class as at the Valuation Point. If submitted after 5pm on a Dealing Day, your form will be treated as having been received on the next Dealing Day.</li> <li>Net realisation proceeds that you will receive will be realisation price multiplied by number of Units realised, less any charges. For example:</li> </ul> <table style="margin-left: 40px;"> <tr> <td>1,000 Units</td> <td></td> <td>US\$1.05000</td> <td>=</td> <td>US\$1,050.00</td> </tr> <tr> <td>Number of Units realised</td> <td>x</td> <td>Realisation Price</td> <td>=</td> <td>Gross realisation proceeds</td> </tr> <tr> <td>US\$1,050.00</td> <td></td> <td>US\$0.00</td> <td>=</td> <td>US\$1,050.00</td> </tr> <tr> <td>Gross realisation proceeds</td> <td>-</td> <td>Realisation Charge</td> <td>=</td> <td>Net realisation proceeds</td> </tr> </table> | 1,000 Units |                    | US\$1.05000 | =                          | US\$1,050.00 | Number of Units realised | x | Realisation Price | = | Gross realisation proceeds | US\$1,050.00 |  | US\$0.00 | = | US\$1,050.00 | Gross realisation proceeds | - | Realisation Charge | = | Net realisation proceeds |  |
| 1,000 Units  |             | US\$1.05000        | =           | US\$1,050.00               |              |                          |   |                   |   |                            |              |  |          |   |              |                            |   |                    |   |                          |  |
| Number of Units realised   | x           | Realisation Price  | =           | Gross realisation proceeds |              |                          |   |                   |   |                            |              |  |          |   |              |                            |   |                    |   |                          |  |
| US\$1,050.00   |             | US\$0.00           | =           | US\$1,050.00               |              |                          |   |                   |   |                            |              |  |          |   |              |                            |   |                    |   |                          |  |
| Gross realisation proceeds   | -           | Realisation Charge | =           | Net realisation proceeds   |              |                          |   |                   |   |                            |              |  |          |   |              |                            |   |                    |   |                          |  |

**CONTACT INFORMATION**

**HOW DO YOU CONTACT US?**

If you have any queries or feedback, you may contact us at:

Telephone No : 6808 4688

Email : [info@fullerton.com.sg](mailto:info@fullerton.com.sg)

**APPENDIX: GLOSSARY OF TERMS**

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| <b>Authorised Investments</b> | The definition of Authorised Investments is set out in Clause 1.1 of the trust deed relating to the Sub-Fund. Relating to this, you should also consider the definitions of Quoted Investment, Unquoted Investment, Investment and Cash as stated in that clause.  |
| <b>Business Day</b>           | Every day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore or any other day as the Managers and the Trustee may agree in writing.  |
| <b>Dealing Day</b>            | In connection with the issuance, cancellation and realisation of Units means every Business Day in Singapore.  |
| <b>EPM</b>                    | Efficient portfolio management.  |
| <b>FDIs</b>                   | Financial derivative instruments, which may include (but not limited to) options on securities, over-the-counter options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes.  |
| <b>Holder</b>                 | Holder of Units.   |
| <b>investment grade</b>       | In respect of fixed investment or debt securities, means a security with a minimum long term credit rating of BBB- by Fitch, Baa3 by Moody's or BBB- by Standard & Poor's (or their respective equivalents).   |
| <b>NAV</b>                    | In relation to the Sub-Fund, the value of all assets of the Sub-Fund less liabilities or, as the context may require, of a Unit of the Sub-Fund, determined in accordance with the provisions of the trust deed relating to the Sub-Fund. The NAV will be computed after taking into account any dilution adjustment (which may adjust the NAV upwards or downwards in certain circumstances). Please refer to the Prospectus for details. |
| <b>non-investment grade</b>   | In respect of fixed investment or debt securities, means a security with a long term credit rating of less than BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents).   |
| <b>p.a.</b>                   | per annum.   |
| <b>Units</b>                  | Units in the Sub-Fund.   |
| <b>Valuation Day</b>          | The relevant Dealing Day or such other day as we may determine (with the prior approval of the Trustee) upon one month's prior notice of the change being given to the Holders.  |

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| <b>Valuation Point</b> | The close of business of the last relevant market to close on the relevant Valuation Day on which the NAV of the Sub-Fund or class of its Units is to be determined for a Dealing Day (or such other time as we may determine), subject to the Trustee's prior approval and (if required by the Trustee) providing notice to the Holders. |
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