

Investment Objective

The investment objective of the Fund is to generate long term capital appreciation for investors.

Investment Focus and Approach

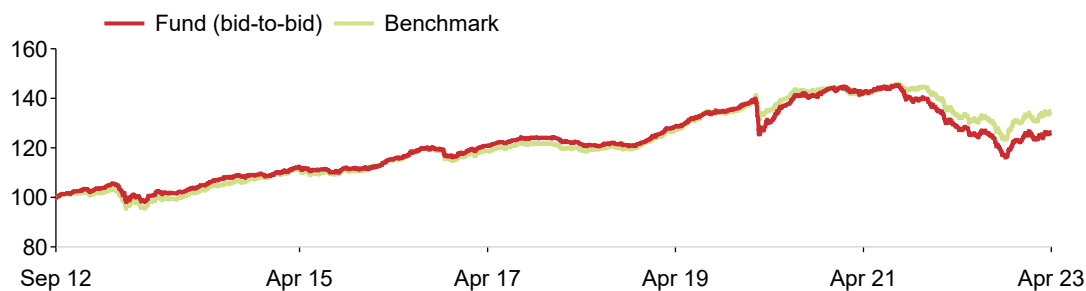
The Investment Manager seeks to achieve the objective of the Fund by investing in fixed income or debt securities denominated primarily in USD and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.

The Asian countries include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

SFDR Classification:

Article 8 fund.

In line with its ESG methodology, the fund promotes environmental characteristics but does not commit to make environmentally sustainable investments as defined in the taxonomy regulation.

Performance (%)


	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.96	0.37	7.73	-1.88	-1.15	0.74	1.81	2.21	4.86
Fund (offer-to-bid)	-3.84	-4.41	2.60	-6.55	-2.74	-0.24	1.31	1.74	NA
Benchmark	1.19	1.39	8.53	1.10	-0.17	2.45	2.69	2.84	4.21

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 5% which may or may not be charged to investors. Past performance is not indicative of future returns.

Benchmark: JACI Investment Grade Total Return Index.

Source: Fullerton Fund Management Company Ltd, J.P. Morgan Securities LLC and Bloomberg

Market Review

Across the Atlantic, US Treasury yields have traded at a tighter range over April following the large moves in March. Risk sentiment remains skittish amid fears of a tightening in US regional bank lending. Key US data prints have been mixed. Inflation and wage data remain reflective of sticky inflation while the US labour market remains tight. The US Treasury 10-year yield ended the month at 3.4%, 4bps below the prior month. The US Treasury 2-year yield was mostly flat at 4% as of end April, around the same level as a month earlier.

The rally in bonds was also evident in the Asian credit market, which advanced in April, according to the JP Morgan Asian Credit indices. The investment grade sector gained and outperformed the high yield sector. Both sectors benefitted from US duration gains. In contrast, the relative outperformance was driven by tighter spreads in investment grade and wider spreads in the high yield market. From a sector standpoint, Chinese property bonds were the worst performer and fell, reversing some of the earlier gains made after the government announced easing COVID-19 restrictions in November. Otherwise, the rest of the sectors delivered gains, led by the metal and mining, consumer, as well as the oil and gas sectors. Among countries, China, Singapore, and Korea were among the laggards, while Mongolia, Thailand, India, and Macau led the gains.

Inception date

25 Sep 2012

Fund size

USD 243.51 million

Base Currency

USD

Pricing Date

30 Apr 2023

NAV*

USD 8.46

Management fee

Up to 1.0% p.a.

Distributions paid per unit #

Dec 2021: USD 0.100

Mar 2022: USD 0.090

Jun 2022: USD 0.080

Sep 2022: USD 0.080

Dec 2022: USD 0.083

Mar 2023: USD 0.083

Preliminary Charge

Up to 5% subscription amount (equivalent to a max of 5.26315% of the Net Asset Value per share)

Dealing day

Daily

Deadline

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

Bloomberg Code

FASBAUD LX

ISIN Code

LU0830378658

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* 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

The beginning of the year has been more positive for the global economy than many had feared, with first-quarter GDP reports validating this view. The resurgence of China's economy has also contributed to the strong growth in Q1 2023. Consumption spending, service sector and construction activities continued to recover, amid an ongoing post-COVID demand bounce and front-loading of policy support. Looking ahead, we believe that the risk of an early policy exit in China is low, based on our readings of the recent Politburo meeting. As a result, we expect policy support and economic recovery to continue in the current quarter. China's pro-growth policy stance should have positive spillover effects for the rest of the Asian region, supporting continued economic expansion and providing new opportunities for investors.

Our portfolio strategy maintains a favorable medium-term outlook on duration, given the rising downside risks to growth and inflation, and anticipated end of the US rate hike cycle. However, in the short term, US Treasuries may appear overbought due to the flight to quality stemming from banking sector stress and potential credit tightening. Broadly, we favour investment-grade exposure but retain selective overweight in the high yield sector. Within the investment-grade sector, we have an overweight position in Indonesia and the Philippines. We also like non-China financials, especially for their valuations, and Korean technology. In terms of the China property sector, we are invested in developers with sound fundamentals and our positions in the high yield developers are more tactical in nature. We also have an overweight position in consumer, reflected by the relatively higher weighting of the Macau Gaming sector. Lastly, we continue to actively manage credit risks, particularly in the high yield sector, to ensure that our portfolios remain well-balanced and aligned with our investment goals, which are to generate strong returns for our clients while managing risk effectively.

Geographical Breakdown

Australia	2.4%
China	29.6%
Hong Kong	9.2%
India	7.8%
Indonesia	13.0%
Japan	2.8%
Korea	10.3%
Macau	1.7%
Malaysia	3.0%
Mixed	1.4%
Philippines	5.1%
Singapore	5.2%
Taiwan	1.2%
Thailand	1.2%
UK	1.3%
Others	1.1%
Cash and cash equivalents	3.6%

Top 5 Holdings

Shinhan Financial Group 3.34% Feb 2030	1.6%
CNAC HK Finbridge Co Ltd 5.125% Mar 2028	1.2%
Shinhan Bank 3.75% Sep 2027	1.1%
Tencent Holdings Ltd 2.39% Jun 2030	1.1%
Busan Bank 3.625% Jul 2026	1.1%

Rating Breakdown

AA	2.7%
A	23.4%
BBB	58.2%
BB	9.1%
B	3.1%
Cash and cash equivalents	3.6%

Fund Characteristics

Average duration (years)	4.7
Yield to Worst	6.0%

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.

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For EU investors:

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