

Fullerton Asian Bond Fund - Class B (SGD)

January 2016

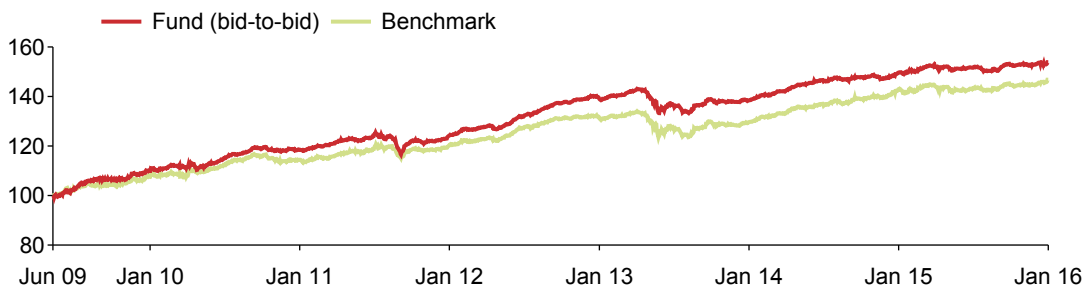
Investment Objective

The investment objective of the Fund is to generate long term capital appreciation for investors by investing all or substantially all of its assets in Fullerton Lux Funds – Asian Bonds (the “Underlying Fund”), a sub-fund of Fullerton Lux Funds.

Investment Focus and Approach

The Managers intend to invest in the Class I - USD share class of the Underlying Fund, which is denominated in US\$. The investment objective of the Underlying Fund is to generate long term capital appreciation for investors. The Managers, who also act as the investment manager of the Underlying Fund, seek to achieve the objective of the Underlying 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.

Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	0.64	0.77	1.49	2.84	3.44	5.36	6.69	4.08
Fund (offer-to-bid)	-2.29	-2.17	-1.46	-0.16	2.43	4.74	6.22	NA
Benchmark	1.52	1.47	2.58	2.76	3.78	5.10	5.94	3.86

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in SGD with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 3% which may or may not be charged to investors.

Benchmark: JACI Investment Grade Total Return – SGD Hedged Index*, with effect from 8 May 2010.

Note: The Fund will accrue management fee rebates on a daily basis with effect from 4 September 2012.
 Source: Fullerton Fund Management Company Ltd, J.P. Morgan Securities LLC and Bloomberg.

Market Review

The year got off to a rocky start for global risk assets, after the equities rout in China A and rising credit risk spreads in high yield bonds sharply dampened sentiment. Investors worried over China's economy and the RMB's decline, while tumbling crude oil prices raised global growth concerns. Nonetheless, accommodative central bank rhetoric and policy actions from Europe, China and Japan helped support the bond market. The US Federal Reserve left interest rates unchanged at its first meeting and US Treasuries rallied over the month – the ten-year yield fell 37bps, while USD credit spreads widened. Asian credits generally benefited from a flight to quality, with investment grade sovereigns leading gains. By country, Philippine, Malaysian and Korean names outperformed within the region.

Investment Strategy

Over the month, the portfolio sold bonds of Lippo Karawaci on the company's attempt to push out the maturity of its bonds. The fund bought newly issued bonds of CNMC International Capital and China Communications Construction Co over the month. With the global economic environment expected to be challenging in 2016, we will focus on opportunities in reasonably good corporate bonds with commensurate valuations. The portfolio will also maintain a shorter duration stance.

Inception date

08 Jun 2009

Fund size

SGD 44.65 million

Base Currency

USD

Pricing Date

31 Jan 2016

NAV*

SGD 1.54

Management fee

0.9% p.a.

Expense Ratio

1.07% p.a. (For financial year ended 31 Mar 2015)

Minimum Initial Investment

None (effective 1 Apr 2010)

Minimum Subsequent Investment

None (effective 1 Apr 2010)

Preliminary Charge

Up to 3%

Dealing day

Daily, up to 5pm (Singapore time)

Bloomberg Code

FULLABB SP

ISIN Code

SG9999006118

The Fund is available for SRS subscription.

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* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

Country Breakdown

Australia	3.3%
China	22.0%
Hong Kong	20.6%
India	10.1%
Indonesia	11.9%
Japan	2.1%
Kazakhstan	1.5%
Korea	4.4%
Malaysia	4.4%
Philippines	1.7%
Singapore	9.1%
Sri Lanka	1.3%
Thailand	3.9%
UK	1.9%
Others	1.3%
Cash	0.6%

Rating Breakdown

AA	2.1%
A	16.8%
BBB	56.5%
BB	18.8%
B	5.2%
Cash	0.6%

Top 5 Holdings

India Government Bond 7.28% Jun 2019	2.1%
Malayan Banking Bhd 3.25% Sep 2022	2.0%
Pccw Capital No 4 Ltd 5.75% Apr 2022	1.7%
Pertamina Persero Pt 4.875% May 2022	1.7%
China Taiping Capital 4.125% Nov 2022	1.4%

Fund Characteristics

Average duration (years)	4.4
Yield to maturity	4.4%

Credit Rating : Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.
Yield to Maturity: Not guaranteed. Past performance is not necessarily indicative of future performance.

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