

Investment Objective

The investment objective of FMWI 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

After a strong start to 2023, risk assets reversed part of these gains in February with commodities, equities and fixed income falling while the US dollar strengthened.

In fixed income, global bonds (Bloomberg Global Aggregate Index) fell 1.6% while Asia credits (JACI Investment Grade Index) fell 1.3% in dollar terms. The Federal reserve hike rates by 25bps in February as telegraphed and the bond market losses were driven primarily by market reaction to stronger-than-expected data from the US. Employment and retail sales figures were strong, inflation remained high and several FOMC members also made hawkish comments during the month. This led to renewed fears of more rate hikes to come, pushing 10-year US treasury 41bps higher for the month. In Asia credits, Indian issuer Adani attracted investors’ concerns on reports critical about its governance structure and management practices.

Measured in dollar, global equities (MSCI World Index) fell 2.9%, mainly led by Asia (MSCI Asia ex-Japan) and the US (S&P500). The fear of a more aggressive Fed was one of the key reasons for the weaker equities markets while the UK equities (FTSE UK 100) had a better month relative to the rest following the announcement of a Brexit deal between the UK and EU.

Gold, often seen as a hedge against recession, sold off 5.3% in February due to the strengthening of the US dollar and the stronger US economic data reducing the probability of a recession.

Oil prices remain volatile for the month. Oil prices fell 2.1% for the month on US oil inventories rising to a high (since June 2021) and fears of further tightening of monetary policies. The decline was slightly offset by supply issues where Russia threatened to cut oil production, and supply disruptions in Turkey, Norway and Kazakhstan.

Investment Outlook

Global growth has stabilised on the back of stronger economic data from Europe and US. The risk of a global recession is still present, although the likelihood is diminishing. The recent US-China balloon incident and the Russia-Ukraine conflict marking its first anniversary continues to highlight the heightened geopolitical risks.

Inflation expectations have been moving lower but is slower than what central banks are hoping for. Meanwhile, Japan wage growth has accelerated while wage growth in countries such as US, Canada and Australia remain high. As a result, the risk to growth could also come from central banks overtightening to rein in inflation.

Our base case is that the global growth has stabilised and there could still be an outside chance of a global recession. We continue to believe that Federal Reserve is unlikely to cut rates in 2023.

Investment Strategy

Asset Allocation

The Fund is positive on risk assets. We think both emerging market equities and credits will continue to benefit from both China’s reopening and improving global growth. In fixed income, the recent rise in interest rise makes Asian credits more attractive.

Fixed Income

In fixed income, the Fund is positive on Asia credits, given China’s re-opening and property support. We have taken advantage of the recent pullback to add to higher yielding credits in the portfolio.

SREITs

Portfolio is focused on bottom-up selection on REITs in re-opening plays as well as defensive names. We will continue to look for names that have acquisition or growth potential, strong fundamentals, coupled with valuations that remain attractive.

Equities

Within the equities sub-portfolio, we remain positive on global and emerging market equities despite the recent pullback.

Fund Information

Fund Size	SGD 34.08 million
Base Currency	SGD
Preliminary Charge	Currently 0%
Dealing Frequency	Every Business Day
Subscription Mode	Cash, SRS

Performance (%)

	1 mth	3 mths	6 mths	1 year	3 years	5 years	Since Inception
R-SGD (bid-to-bid)	-1.40	1.11	-1.89	-6.94	-	-	-4.45
R1-SGD (bid-to-bid)	-1.40	1.11	-1.89	-6.94	-	-	-4.45

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 (%)¹

Equities	32.3
REITs	30.2
Fixed Income	34.2
Cash and cash equivalents	3.3

Regional Exposure (%)¹

Singapore	40.8
Developed Markets	34.1
Emerging Markets	25.1

Fixed Income Sector Exposure (%)¹

Financials	28.3%
Government	25.9%
Communication Services	5.9%
Consumer Discretionary	5.2%
Real Estate	5.1%
Materials	4.3%
Energy	4.2%
Industrials	3.9%
Information Technology	2.4%
Utilities	2.2%
Consumer Staples	1.5%
Others ²	11.2%

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

Amundi Prime Global ETF	9.7
iShares Core MSCI World UCITS ETF	9.6
Vanguard FTSE Developed World ETF	9.6
CapitaLand Integrated Commercial Trust	6.8
CapitaLand Ascendas REIT	6.4

Top 5 Holdings (Fixed Income, % of NAV)

Singapore Government 2.875% Sep 2030	4.4
iShares USD Asia High Yield Bond ETF	3.8
Singapore Government 1.625% Jul 2031	2.6
Singapore Government 2.625% Aug 2032	0.6
Meituan 3.05% October 2030	0.5

Fund Statistics

Fixed Income	
Duration	4.5 years
Average Credit Rating ³	BBB+
Yield-to-Worst ⁴	4.8%
S-REITs	
Dividend Yield	5.8%
Price to Book	1.0x
Price to Earnings	13.7x

Dividend History⁵

	Dividend / share	Record Date
Class R	SGD 0.0096	30 Sep 2022
Class R	SGD 0.0093	30 Dec 2022
Class R1	SGD 0.0163	30 Sep 2022
Class R1	SGD 0.0157	30 Dec 2022

Fund Details

	Class R (Distribution)	Class R1 (Distribution)
Inception Date	31 March 2021	31 March 2021
NAV per Unit⁶	SGD 0.85	SGD 0.80
Management Fee	Currently 0.40% p.a.	Currently 0.40% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ55613715	SGXZ44316438
Bloomberg Code	FULFMWR SP	FULFMR1 SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 28 February 2023, 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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