

Nomura i-Income Fund

April 2020

Fund Manager's Commentary

In April, the local bond market posted a strong rally on expectations of an aggressive rate cut in the upcoming Monetary Policy Committee meeting. GII yields declined across the curve with the belly of the curve outperforming. Yields across 7Y-15Y fell by 52-66 bps MoM. Meanwhile, short-end and long-end of the curve plunged circa 40 bps MoM.

During the month, it was the first time in history the price of futures contract for oil fell into negative territory to a record low of -\$37.6 per barrel. Concerns revolving Malaysia's fiscal position arise as the country's economy is highly dependent on the oil industry. Budget 2020 was designed with a forecast price of \$62 per barrel. Low global oil prices heightened the risk of government's ability to maintain its revised budget deficit of 4.7% of GDP after taking into account the economic stimulus package worth RM 260 bil. For every \$1 per barrel drop in oil prices, it will translate into a RM 300 mil of budget shortfall.

Investment Objective

The Fund seeks to provide Sophisticated Investors with regular income distributions through investments in Shariah-based deposits, Islamic money market instruments and Sukuk.

Investment Strategy

The Manager will constantly manage the allocation among the permitted investments and actively manage the duration and maturity structure of the investments in the Fund.

Distribution Policy

The Fund will distribute income at least on a monthly basis, subject to availability of income.

Benchmark

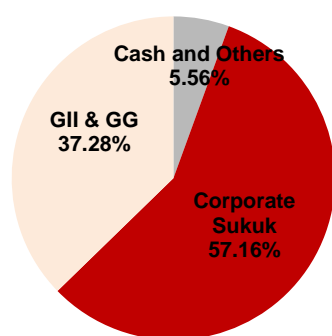
12-Month Malayan Banking Berhad General Investment Account Rate

Key Facts

| | |
|--------------------------|----------------------------------|
| Launch Date | 7 Nov 2012 |
| Fund Type | Wholesale – Islamic Fixed Income |
| Year End | 31 December |
| Fund Size* | MYR 386.02 million |
| Units in Circulation* | 340.60 million |
| NAV per Unit* | MYR1.1333 |
| Transaction cut-off time | Daily; 4:00 pm |
| Redemption Period | T + 3 business day |

* As at 30 April 2020

Asset Allocation*



Included in 'Cash and Others' are cash in hand and Islamic deposits and other net current assets/liabilities.

Top Holdings*

| | |
|--------------------|--------|
| GII & GG | 37.28% |
| Zamarad Assets Bhd | 5.51% |
| Ambank Islamic Bhd | 4.40% |

Rating Profile (GII and Sukuk only)*

| Rating | % Holdings |
|---------------|------------|
| NR (GII & GG) | 37.28% |
| AAA | 2.76% |
| AA2 | 7.14% |
| AA3 | 28.09% |
| A1 | 11.11% |
| A2 | 3.99% |
| A3 | 4.07% |

* presented as a percentage of the NAV as at 30 April 2020

Cumulative Fund Performance against Benchmark (%) – as at 30 April 2020

| | YTD | 1 Mth | 3 Mths | 6 Mths | 1 Yr | Since |
|------------------|------------|------------|------------|------------|------------|------------|
| | 01/01/2020 | 31/03/2020 | 31/01/2020 | 31/10/2019 | 30/04/2019 | Inception# |
| | to | to | to | to | to | |
| | 30/04/2020 | 30/04/2020 | 30/04/2020 | 30/04/2020 | 30/04/2020 | |
| Fund | 4.56 | 4.05 | 1.59 | 5.69 | 11.19 | 29.11 |
| Benchmark | 1.01 | 0.23 | 0.73 | 1.58 | 3.29 | 11.79 |

Since 5 January 2017

Annual Fund Performance against Benchmark (%) – as at 30 April 2020

| | 2020 | 2019 | 2018 | 2017 |
|------------------|------|-------|------|------|
| Fund | 4.56 | 10.35 | 6.07 | 5.49 |
| Benchmark | 1.01 | 3.44 | 3.56 | 3.30 |

Source: Novagni Analytics and Advisory Sdn. Bhd.

Notes:

Fund performances include reinvestment of income distributions into the Fund. Performance figures above 1 year are presented in cumulative basis, unless indicated otherwise.

Nomura i-Income Fund was launched on 7 November 2012. However, there were no units in circulation for the period between 21 March 2016 and 4 January 2017. As such, the Fund's performance figures are only available from 5 January 2017 onwards.

Disclaimer

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