

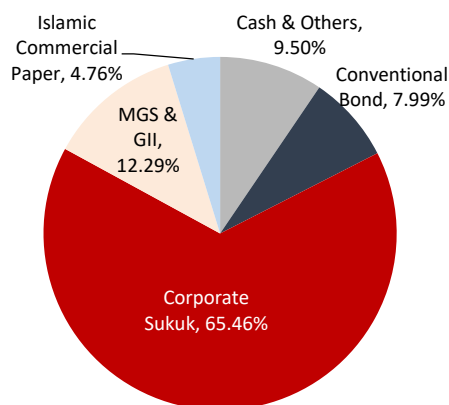
**Fund Manager's Commentary**

Tracking global yield movements, Malaysian Government Securities (MGS) yield curve flattened in June. This was amidst a hawkish surprise from the US Federal Reserve, the implementation of a nationwide Full Movement Control Order (FMCO), and the announcement of an additional MYR 150 billion economic stimulus package, known as PEMULIH, which involves a direct fiscal injection of MYR 10 billion. In particular, long-end of the curve outperformed with yields declining 9-16 bps MoM while front-end of the curve fell 2-6 bps MoM.

S&P Global Ratings reaffirmed Malaysia's foreign currency and local currency long-term issuer ratings at A- and A, respectively, and reiterated negative watch on the ratings. It has also revised its GDP forecast for Malaysia to 4.1% from 6.2% previously to account for the impact of MCO 3.0 since June 1.

As global yield curves flattened following the Federal Reserve's Federal Open Market Committee meeting, we continued investing our cash position into government and corporate bonds at the 5-10y portion of the curve. As we maintain our view that the domestic yield curve is unjustifiably steep, coupled with a fairly wide credit spread, we continue to express our investment strategy through buying corporate bonds at the belly of the curve. Over the medium term, we believe that the wide credit spreads and steep roll-down of corporate bonds will provide sufficient buffers against volatility of the underlying yield curve as major central banks edge towards winding down their very easy monetary policy. On a more tactical basis, we have added holdings of MGS and Government Investment Issues in anticipation of a potential Overnight Policy Rate cut by Bank Negara Malaysia due to the economic drag of the ongoing lockdown. We continue to be mindful of the credit quality of corporate bonds given the uncertain domestic environment in light of the ongoing lockdowns.

**Asset Allocation\***



\*Presented as a % of NAV as at 30 Jun 2021

Included in 'Cash & Others' are cash on hand and other net current assets/liabilities

**Top Holdings\***

Government of Malaysia	12.29%
Cash & Others	9.50%
Bank Pembangunan Malaysia	4.32%

**Rating Profile\***

MGS & GII	12.29%
AAA	20.11%
AA1	3.89%
AA2	8.14%
AA3	41.31%
P1	4.76%

**Investment Objective**

The Fund seeks to optimize returns to its investors by mainly investing in fixed income securities denominated in Ringgit Malaysia.

**Investment Strategy**

The Fund shall invest primarily in fixed income securities with sound and quality credit fundamentals. The Fund would largely maintain a buy and hold strategy for its core holdings.

**Distribution Policy**

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

**Benchmark**

12-Month Malayan Banking Berhad Fixed Deposit Account Rate

**Key facts as at 30 June 21**

Launch Date	01-Jul-19
Fund Type	Wholesale – Fixed Income
Year End	31-Dec
Fund Size	MYR 418.43 million
Units in Circulation	400.89 million
NAV per Unit	MYR 1.0438
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business day

**Disclaimer**

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**Nomura Ringgit Bond Fund 1**
**30 June 2021**
**Cumulative Fund Performance against Benchmark (%) - as at 30 Jun 2021**

	YTD 31/12/2020 To 30/6/2021	1 Month 31/5/2021 To 30/6/2021	3 Months 31/3/2021 To 30/6/2021	6 Months 31/12/2020 To 30/6/2021
<b>Fund</b>	-0.19	0.36	1.54	-0.19
<b>Benchmark</b>	0.92	0.15	0.46	0.92

	1 Year 30/6/2020 To 30/6/2021	Since Launch 1/7/2019 To 30/6/2021
<b>Fund</b>	2.51	9.28
<b>Benchmark</b>	1.86	4.74

**Annual Fund Performance against Benchmark (%) - as at 30 Jun 2021**

	2020	2019*
<b>Fund</b>	6.47	2.83
<b>Benchmark</b>	2.21	1.55

Source: Refinitiv Lipper

**Notes:**

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

\*2019 annual performance starts from Launch Date on 1st July 2019.

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