

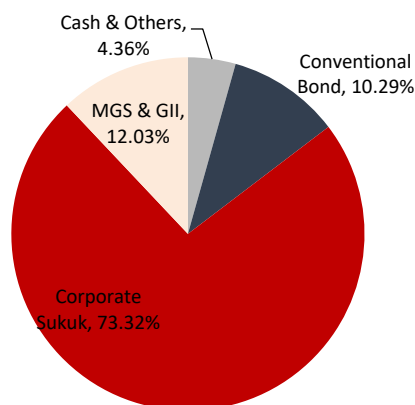
Fund Manager's Commentary

Yield curve bear-steepened following the strong rally seen over the past few months, on the back of rising yields globally as the US Federal Reserve inched closer towards tapering its ongoing Quantitative Easing by year end. Notably, 3Y and 10Y Malaysian Government Securities rose by 12 bps and 20 bps respectively over the month. Corporate bond yields also rose in sympathy, partially reversing the strong gains seen in prior months.

As widely expected, Bank Negara Malaysia (BNM) kept its Overnight Policy Rate unchanged at 1.75% and maintained its neutral stance in its statement. BNM noted the continued, but unsynchronized, recovery of the global economy, while it remained cautious on the global growth outlook stemming from the emergence of Covid-19 variants of concern and potential risk of heightened market volatility amid policy normalization in major economies. Domestically, BNM sounded optimistic on the domestic growth momentum going into 2022, supported by the further easing of containment measures, positive vaccination progress, and continued global growth recovery. Though BNM considered the current monetary policy stance to be appropriate and accommodative, it kept the door open for any policies needed to ensure a sustainable economic recovery as it reiterated that future monetary policy would continue to be data dependent.

We note that the steepness of the belly of the curve, particularly the 5Y-7Y portion remains very steep, making for an attractive rolldown play. In light of the nation's steady progress in reopening the economy following the prolonged lockdowns over the past half year, we expect the business environment to continue improving. This is expected to be supportive of credit quality and should result in credit spread narrowing. As such we continued to deploy our cash by opportunistically adding better yielding corporate bonds as yields rose.

Asset Allocation*



*Presented as a % of NAV as at 30 Sep 2021

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

Top Holdings*

Government of Malaysia	12.03%
UEM Sunrise Berhad	4.87%
Press Metal Aluminium Holding	4.59%

Rating Profile*

MGS & GII	12.03%
AAA	20.88%
AA1	3.81%
AA2	9.36%
AA3	49.56%

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 September 21

Launch Date	01-Jul-19
Fund Type	Wholesale – Fixed Income
Year End	31-Dec
Fund Size	MYR 420.71 million
Units in Circulation	403.36 million
NAV per Unit	MYR 1.043
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 September 2021

Cumulative Fund Performance against Benchmark (%) - as at 30 Sep 2021

	YTD 31/12/2020 To 30/9/2021	1 Month 31/8/2021 To 30/9/2021	3 Months 30/6/2021 To 30/9/2021	6 Months 31/3/2021 To 30/9/2021
Fund	0.33	-0.49	0.52	2.07
Benchmark	1.38	0.15	0.47	0.93

	1 Year 30/9/2020 To 30/9/2021	Since Launch 1/7/2019 To 30/9/2021
Fund	0.73	9.85
Benchmark	1.85	5.22

Annual Fund Performance against Benchmark (%)

	2020	2019
Fund	6.47	2.83
Benchmark	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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