

Fund Manager's Commentary

Yield curve bear-flattened 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, front-end of the curve spiked 20-35 bps MoM while belly of the curve surged 7-15 bps MoM. Corporate sukuk 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 took profit on some of our corporate sukuk, while capitalizing on rising yields to opportunistically replace those holdings with better yielding corporate sukuk. 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.

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.

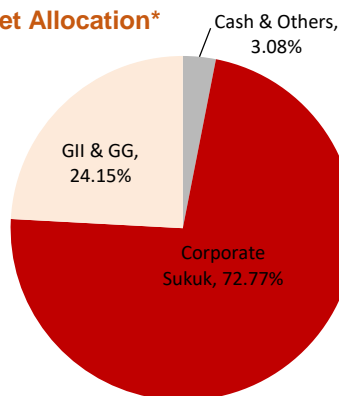
Benchmark

12-Month Malayan Banking Berhad General Investment Account Rate

Key facts as at 30 September 21

Launch Date	07-Nov-12
Fund Type	Wholesale – Islamic Fixed Income
Year End	31-Dec
Fund Size	MYR 752.5 million
Units in Circulation	681.18 million
NAV per Unit	MYR 1.1047
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business day

Asset Allocation*



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

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

Top Holdings*

Government of Malaysia	22.04%
Infracap Resources Sdn Bhd	7.75%
UEM Sunrise Berhad	6.09%

Rating Profile*

NR (GII & GG)	24.15%
AAA	13.85%
AA2	11.23%
AA3	37.40%
A1	6.12%
A2	2.04%
A3	2.12%

Disclaimer

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Nomura i-Income Fund
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	0.42	-0.33	0.94	3.11
Benchmark	1.46	0.16	0.49	0.98

	1 Year 30/9/2020 To 30/9/2021	3 Years 30/9/2018 To 30/9/2021	Since Inception 5/1/2017 To 30/9/2021
Fund	1.15	20.66	32.70
Benchmark	1.95	8.54	15.09

Annual Fund Performance against Benchmark (%)

	2020	2019	2018	2017
Fund	7.01	10.35	6.07	5.49
Benchmark	2.50	3.45	3.54	3.32

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.

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.

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