

**Nomura Ringgit Bond Fund 1**
**31 December 2021**
**Fund Manager's Commentary**

Heading towards the end of the year, Malaysian Government Securities ("MGS") yield curve flattened mildly amid thin liquidity. Front-end of the curve underperformed on the back of US Federal Reserve's hawkish tilt and faster pace of quantitative easing tapering. The very long-end of the curve bull-flattened while the short-end experienced a bear-flattening. In particular, 3Y MGS 06/24 surged 15 bps MoM while yields across 5Y-15Y rose circa 5 bps MoM. Conversely, long-end of the curve was well supported with yields falling 2-4 bps MoM. We note that this reaction stemmed from rising expectations of tighter monetary policy as global inflationary pressure remains elevated. However, uncertainty on the growth outlook stemming from renewed waves of Covid-19 globally continues to be supportive of the longer end of the yield curve.

Strategy-wise, we see value in the present steepness of the belly of the credit curve, particularly as the 3Y-7Y portion remains very steep, making for an attractive rolldown play. As such, we continue to add corporate bonds in that portion of the curve. We took advantage of primary issuances over the month to add corporate bonds that were attractively priced while disposing of lower yielding bonds.

**Investment Objective**

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

**Investment Strategy**

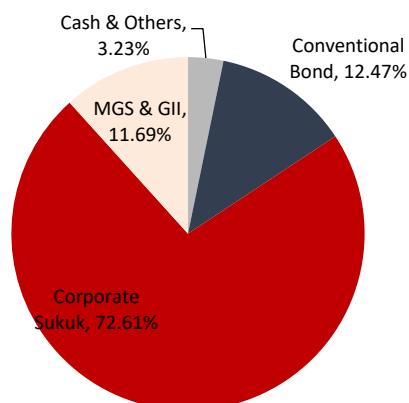
The Fund shall invest primarily in fixed income securities with sound and quality credit fundamentals. The Fund would largely maintain a buy and hold strategy for its core holdings.

**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

**Asset Allocation\***


\*Presented as a % of NAV as at 31 Dec 2021

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

**Top Holdings\***

Government of Malaysia	11.69%
Edra Energy Sdn Berhad	4.67%
Bank Pembangunan Malaysia	4.18%

**Rating Profile\***

MGS & GII	11.69%
AAA	21.48%
AA1	4.27%
AA2	9.60%
AA3	49.73%

**Key facts as at 31 December 21**

Launch Date	01-Jul-19
Fund Type	Wholesale – Fixed Income
Year End	31-Dec
Fund Size	MYR 430.09 million
Units in Circulation	415.18 million
NAV per Unit	MYR 1.0359
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business day

**Disclaimer**

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# Nomura Ringgit Bond Fund 1

31 December 2021

## Cumulative Fund Performance against Benchmark (%) - as at 31 Dec 2021

	YTD 31/12/2020 To 31/12/2021	1 Month 30/11/2021 To 31/12/2021	3 Months 30/9/2021 To 31/12/2021	6 Months 30/6/2021 To 31/12/2021
<b>Fund</b>	0.25	0.22	-0.08	0.45
<b>Benchmark</b>	1.85	0.16	0.47	0.93

	1 Year 31/12/2020 To 31/12/2021	Since Launch 1/7/2019 To 31/12/2021
<b>Fund</b>	0.25	9.76
<b>Benchmark</b>	1.85	5.71

## Annual Fund Performance against Benchmark (%)

	2021	2020	2019
<b>Fund</b>	0.25	6.47	2.83
<b>Benchmark</b>	1.85	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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