

Nomura i-Income Fund
31 December 2021
Fund Manager's Commentary

Heading towards the end of the year, Government Investment Issue ("GII") 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, GII yields across 3Y-5Y surged 10-16 bps MoM while long-end of the curve fell 3-10 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 sukuk in that portion of the curve. We took advantage of primary issuances over the month to add corporate sukuk that were attractively priced while disposing of lower yielding sukuk.

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

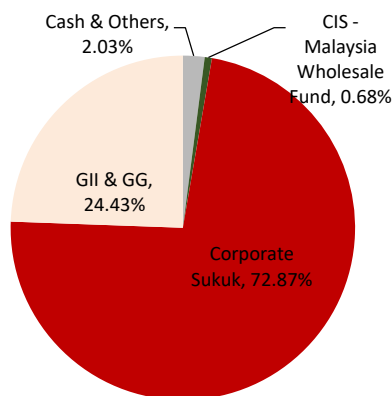
The Manager will constantly manage the allocation among the permitted investments and actively manage the duration and maturity structure of the investments in the Fund.

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

Asset Allocation*


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

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

Top Holdings*

| | |
|----------------------------|--------|
| Government of Malaysia | 22.23% |
| Infracap Resources Sdn Bhd | 7.64% |
| Country Garden Real Estate | 5.33% |

Rating Profile*

| | |
|---------------|--------|
| NR (GII & GG) | 24.43% |
| AAA | 13.73% |
| AA1 | 0.70% |
| AA2 | 10.56% |
| AA3 | 34.16% |
| A1 | 9.53% |
| A2 | 2.08% |
| A3 | 2.11% |

Key facts as at 31 December 21

| | |
|--------------------------|----------------------------------|
| Launch Date | 07-Nov-12 |
| Fund Category | Wholesale – Islamic Fixed Income |
| Year End | 31-Dec |
| Fund Size | MYR 742.88 million |
| Units in Circulation | 678.93 million |
| NAV per Unit | MYR 1.0942 |
| Transaction cut-off time | Daily; 4:00 pm |
| Redemption Period | T + 3 business day |

Disclaimer

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Nomura i-Income Fund

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 |
|------------------|---------------------------------------|---|---|--|
| Fund | 0.83 | 0.45 | 0.41 | 1.35 |
| Benchmark | 1.95 | 0.17 | 0.49 | 0.98 |

| | 1 Year 31/12/2020 To 31/12/2021 | 3 Years 31/12/2018 To 31/12/2021 | Since Inception 5/1/2017 To 31/12/2021 |
|------------------|--|---|---|
| Fund | 0.83 | 19.08 | 33.24 |
| Benchmark | 1.95 | 8.10 | 15.65 |

Annual Fund Performance against Benchmark (%)

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------|------|------|-------|------|------|
| Fund | 0.83 | 7.01 | 10.35 | 6.07 | 5.49 |
| Benchmark | 1.95 | 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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