

### Fund Manager's Commentary

In May-22, the domestic bond market found its footing following the relentless sell-off in the prior months. Tentative signs of peaking inflation pressure in the US, coupled with rising recessionary fears gave the US Treasury bond market some reprieve which led to yields declining. Overall, yields fell 11-39 bps MoM across the Malaysian Government Securities curve. This rally in the domestic bond market occurred in spite of a 50 bps rate hike by the US Federal Reserve and 25 bps Overnight Policy Rate ("OPR") hike by Bank Negara Malaysia ("BNM"), indicating that those hikes have been to a large extent, been priced in. We note that the domestic yield curve has to a certain degree priced in multiple OPR hikes.

In its May Monetary Policy Committee meeting, BNM increased its OPR by 25 bps to 2.00%. BNM sounded more upbeat on both the domestic and global economic recovery prospects, as it believed that the sustained reopening of the global economy, improvement in labour market conditions, and strengthening domestic demand would continue to support the recovery of economic activity. Nevertheless, BNM reiterated that risks to growth remains. As economic activity picked up amid cost pressures, BNM expected core inflation to trend higher, but partly cushioned by existing price controls and the continued spare capacity in the economy. Overall, we note that BNM had formally pivoted from its neutral approach to a hawkish stance by stating that the OPR hike was just the beginning of its monetary policy normalization cycle and it will reduce the degree of monetary accommodation as the domestic economy continues to improve.

On another note, Malaysia's economy strengthened further in 1Q2022 as the domestic economy continued to reopen. Malaysia's Gross Domestic Product registered a stronger-than-expected growth at +5.0% in 1Q2022 (4Q2021: +3.6%). This was driven by a more robust growth in the services sector (+6.5%) as well as sustained positive growth in the manufacturing (+6.6%) and agriculture sectors (+0.2%), which offset the persistent weakness in the mining (-1.1%) and construction sectors (-6.2%). On the demand side, private consumption (+5.5%) was the key driver of Malaysia's economic growth amid improved labour market conditions and higher consumer spending.

Strategy-wise, we see value in the present steepness of the belly of the credit curve, particularly as the 3-7 year portion remains fairly steep, making for an attractive rolldown play.

### Cumulative Fund Returns (%)

	YTD 31/12/2021 To 31/5/2022	1 Month 30/4/2022 To 31/5/2022	3 Months 28/2/2022 To 31/5/2022	6 Months 30/11/2021 To 31/5/2022
<b>Fund</b>	-0.85	0.46	-1.28	-0.63
<b>Benchmark</b>	0.78	0.17	0.48	0.94

### Cumulative Fund Returns (%)

	1 Year 31/5/2021 To 31/5/2022	Since Commencement 2/7/2019 To 31/5/2022
<b>Fund</b>	-0.05	8.83
<b>Benchmark</b>	1.86	6.53

Source: Refinitiv Lipper

#### Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

**FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE**

### Investment Objective

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

### Benchmark

12-Month Malayan Banking Berhad Fixed Deposit Account Rate

### Distribution Policy

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

### Key Facts

Launch Date	01-Jul-19
Fund Type	Wholesale – Fixed Income
Year End	31 December
Fund Size	MYR 426.26 million
Units in Circulation	423.24 million
NAV per Unit	MYR 1.0071
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business days

### Sales charge

Nil

### Management fee

Up to 0.20% per annum of the NAV of the Fund.

### Trustee fee

Up to 0.03% per annum of the NAV of the Fund with a minimum of RM9,000.00 per annum.

### Calendar Year Returns (%)

	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:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Calendar year returns for 2019 are measured from its commencement date of 2 July 2019.

**FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE**

### Top Holdings\*

Government of Malaysia	5.37%
UEM Sunrise Berhad	4.68%
MMC Port Holdings Sdn Berhad	4.61%

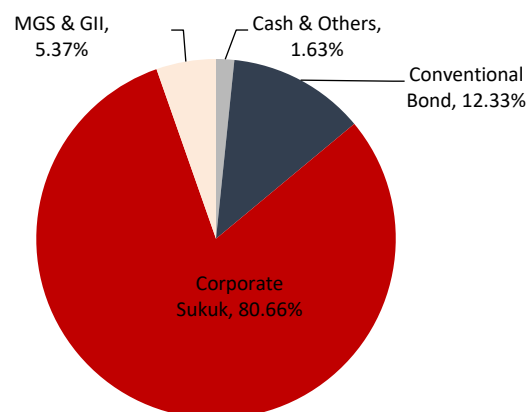
### Sector Breakdown\*

INFRASTRUCTURES AND UTILITIES	35.06%
FINANCIAL SERVICES	28.93%
PUBLIC FINANCE	9.97%
PROPERTY AND REAL ESTATE	8.16%
CONSTRUCTION AND ENGINEERING	7.82%
INDUSTRIAL PRODUCTS	3.42%
DIVERSIFIED HOLDINGS	2.73%
MINING & PETROLEUM	1.15%
PLANTATION AND AGRICULTURE	1.13%

### Distribution By Financial Year

	2021	2020	2019
Distribution (Sen)	0.0296	0.0263	0.0046
Distribution Yield (%)	2.86	2.47	0.45

### Asset Allocation\*



\*Presented as a % of NAV as at 31 May 2022

Percentages may not add up to 100% due to rounding.

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

### Rating Profile\*

MGS & GII	5.37%
AAA	22.22%
AA1	5.41%
AA2	10.51%
AA3	54.85%

#### Disclaimer:

This marketing material was prepared by Nomura Asset Management Malaysia Sdn. Bhd. (Registration No. 200601028939 (748695-A)) ("NAMM") based on data available to NAMM as of 31 May 2022 for information purposes only and is not intended as an offer, solicitation or recommendation with respect to the purchase or sale of any particular investment. This marketing material has not been reviewed by the Securities Commission Malaysia ("SC"). Nomura Ringgit Bond Fund 1 ("Fund") is a wholesale fund offered to Sophisticated Investors based on the definition as set out in the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework. Before investing in the Fund, investors are advised to read and understand the contents of the Fund's Information Memorandum dated 1 July 2019 ("IM") and Product Highlights Sheet ("PHS") which highlights the key features and risks of the Fund. Both the IM and PHS have been lodged with the SC but it should not be taken to indicate that SC recommends the Fund. SC takes no responsibility for the contents of the IM, the PHS and this marketing material; makes no representations as to their accuracy or completeness; and expressly disclaims all liability arising from, or in reliance upon the whole or any part of their contents. Though the information contained herein has been obtained from sources believed in good faith to be reliable upon the issuance date, NAMM reserves the right to make changes or corrections to the information herein at any time without notice. Copies of the IM and PHS can be obtained from our office and application for units can only be made on receipt of an application form referred to and accompanying a copy of the IM. Among others, investors should be aware: i) of the risks and costs involved in investing in the Fund; ii) that the price of units (in the Fund) and distributions payable (if any) may go down as well as up; and iii) that past performance of the Fund and target fund (if any) should not be taken as an indication of its future performance. Investors should make their own risk assessment and seek professional advice, where necessary.