

Fund Manager's Commentary

In February, the domestic government bond market experienced a partial reversal of the previous month's strong rally, attributed to weaker signs of global inflation abating and major central banks potentially remaining hawkish for a longer period. The Malaysian Government Securities (MGS) yield curve flattened as front-end to belly of the curve surged 10-13 bps MoM while long-end of the curve was better supported. However, corporate sukuk performed better, resulting in narrower credit spreads as domestic real money investors sought higher yields.

Malaysia's gross domestic product ("GDP") continued to expand in 4Q2022, albeit at a slower rate than the previous quarter, by 7.0% (3Q2022: +14.2%) due to dissipating low base effects. The services sector (+8.9%) drove broad-based growth amid robust domestic demand and resilient labour market conditions, while sustained expansion was also observed in the manufacturing (+3.9%), mining & quarrying (+6.8%), agriculture (+1.1%), and construction sectors (+10.1%). Private consumption (+7.4%) remained the main driver of Malaysia's economic growth, with total investments, government spending, and net trade also contributing positively to the headline GDP.

The long-awaited Budget 2023 was retabled by Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, presenting a narrower fiscal deficit of 5.0% of GDP for 2023, down from the initial 5.5% of GDP tabled in October 2022, mainly attributed to higher nominal GDP and revenue targets. The government forecasts a GDP growth of 4.5% and inflation of 2.8-3.8% for 2023. From a rates perspective, Budget 2023 is viewed as mildly positive for the domestic bond market, with the lower fiscal deficit target, absence of EPF special withdrawal programmes, and no significant changes in subsidy policies.

In terms of strategy, the current steepness of the belly of the credit curve presents value, particularly as the 3-7 year portion remains fairly steep, making for an attractive rolldown play.

Cumulative Fund Returns (%)

	YTD 31/12/2022 To 28/2/2023	1 Month 31/1/2023 To 28/2/2023	3 Months 30/11/2022 To 28/2/2023	6 Months 2 31/8/2022 To 28/2/2023
Fund	1.67	0.44	2.62	2.73
Benchmark	0.46	0.22	0.70	1.36

Cumulative Fund Returns (%)

	1 Year 28/2/2022 To 28/2/2023	3 Year 29/2/2020 To 28/2/2023	Since Commencement 02/07/2019 To 28/2/2023
Fund	3.22	7.91	13.79
Benchmark	2.41	6.42	8.58

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 486.74 million
Units in Circulation	469.21 million
NAV per Unit	MYR 1.0373
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 (%)

	2022	2021	2020	2019
Fund	1.97	0.25	6.47	2.83
Benchmark	2.24	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*

Petroleum Sarawak Exploration & Production Sdn Berhad	4.56%
Infracap Resources Sdn Berhad	4.35%
MMC Port Holdings Sdn Berhad	4.17%

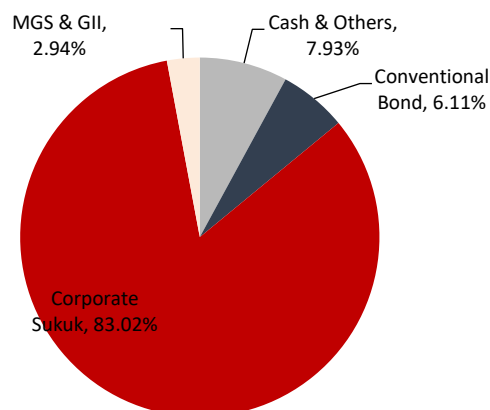
Sector Breakdown*

Energy and Utilities	23.16%
Financial	21.05%
Transportation and Storage	15.56%
Real Estate	11.24%
Public Administration	7.30%
Consumer Staples	7.15%
Communications Services	3.11%
Industrials	2.03%
Basic Materials	1.48%

Distribution By Financial Year

	2022	2021	2020
Distribution (RM)	0.0355	0.0296	0.0263
Distribution Yield (%)	3.48	2.86	2.47

Asset Allocation*



*Presented as a % of NAV as at 28 Feb 2023

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	2.94%
AAA	24.93%
AA1	6.44%
AA2	8.02%
AA3	49.75%

Disclaimer:

Based on the Fund's portfolio returns as at 31 January 2023, the Volatility Factor (VF) for the Fund is 3.3 and is classified as "Very Low" (Source: Refinitiv Lipper). "Very Low" includes funds with VF that are above 0.00 but not more than 4.875. The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Refinitiv Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

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 28 February 2023 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.