

Nomura Ringgit Bond Fund 1

February 2024

Fund Manager's Commentary

In tandem with rising global yields, though at a smaller quantum, MGS yield curve bear-flattened over the month as markets trimmed back US rate cut bets. Notably, 3Y benchmark MGS and belly of the curve led the underperformance with yields surging 11 bps MoM and 7 bps MoM respectively while long-end of the curve remained well supported.

Malaysia's Gross Domestic Product (GDP) moderated to +3.0% in 4Q23 (3Q23: +3.3%) amid year-ago high base effects and weak external demand. Continued contraction in the manufacturing sector (-0.3%) as well as slower growth in services (+4.2%) and construction (+3.6%) sectors offset the strong improvement in agriculture (+1.9%) and mining (+3.8%) sectors. On the demand side, private consumption (+4.2%), though moderated marginally, continued to contribute positively to the headline GDP. Meanwhile, acceleration in government spending and total investments fully offset the decline in net trade. As such, the domestic economy grew at a slower rate of 3.7% for the full year 2023 (2022: +8.7%).

Strategy-wise, we would remain cautious of the potential volatility in the yield curve especially on the longer end. We will try to increase our participation in the primary and secondary corporate bond market.

Investment Objective

The Fund seeks to optimise 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

Subject to availability of income, distribution will be on quarterly basis.

Cumulative Fund Returns (%)

	YTD 31/12/2023 To 29/2/2024	1 Month 31/1/2024 To 29/2/2024	3 Months 30/11/2023 To 29/2/2024	6 Months 31/8/2023 To 29/2/2024
Fund	0.99	0.44	1.82	1.93
Benchmark	0.51	0.25	0.77	1.54

Cumulative Fund Returns (%)

	1 Year 28/2/2023 To 29/2/2024	3 Year 28/2/2021 To 29/2/2024	Since Commencement 02/07/2019 To 29/2/2024
Fund	5.62	9.76	20.19
Benchmark	3.06	7.49	11.90

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

Key Facts

Launch Date	01-Jul-19
Fund Type	Wholesale – Fixed Income
Year End	31 December
Fund Size	MYR 654.99 million
Units in Circulation	622.3 million
NAV per Unit	MYR 1.0525
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 (%)

	2023	2022	2021	2020
Fund	6.33	1.97	0.25	6.47
Benchmark	3.01	2.24	1.85	2.21

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.

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Top Holdings*

Government of Malaysia	4.75%
Infracap Resources Sdn Berhad	3.98%
AZRB Capital Sdn Berhad	3.70%

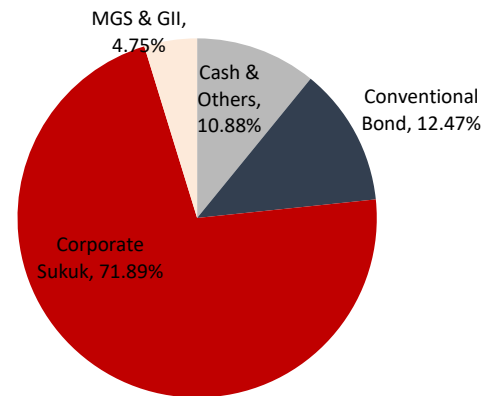
Sector Breakdown*

Financial	24.50%
Energy and Utilities	24.06%
Transportation and Storage	12.24%
Public Administration	8.73%
Real Estate	6.98%
Consumer Staples	4.67%
Basic Materials	3.16%
Consumer Discretionary	2.35%
Health Care and Social Work	1.64%
Communications Services	0.78%

Distribution By Financial Year

	2023	2022	2021	2020
Distribution (RM)	0.0418	0.0355	0.0296	0.0296
Distribution Yield (%)	4.01	3.48	2.86	2.47

Asset Allocation*



*Presented as a % of NAV as at 29 Feb 2024

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	4.75%
AAA	22.41%
AA1	12.51%
AA2	14.33%
AA3	35.08%
B3	0.03%

Disclaimer:

Based on the Fund's portfolio returns as at 31 January 2024 the Volatility Factor (VF) for the Fund is 2.5 and is classified as "Very Low" (Source: Refinitiv Lipper). "Very Low" includes funds with VF that are above 0.00 but not more than 4.11. 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.

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