

Nomura Ringgit Bond Fund 2

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 note the rally in the curve in the long end and short end of the curve. We remain cautious on the longer dated papers. We would slowly increase duration as value in the curve shows itself.

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	0.93	0.42	1.64	2.68
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 29/07/2020 To 29/2/2024
Fund	5.46	9.07	8.66
Benchmark	3.06	7.49	8.67

Calendar Year Returns (%)

	2023	2022	2021	2020
Fund	6.06	1.83	-1.02	0.71
Benchmark	3.01	2.24	1.85	0.79

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. Calendar year returns for 2020 are measured from its commencement date of 29 July 2020.

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

Investment Objective

The Fund seeks to generate regular income by investing in fixed income securities whilst carefully considering capital preservation on behalf of its investors.

Benchmark

12-month Malayan Banking Berhad Fixed Deposit Account Rate

Distribution Policy

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

Key Facts

Launch Date	28-Jul-20
Fund Type	Wholesale – Fixed Income
Year End	31 March
Fund Size	MYR 270.56 million
Units in Circulation	272.01 million
NAV per Unit	MYR 0.9947
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business days

Sales charge

Nil

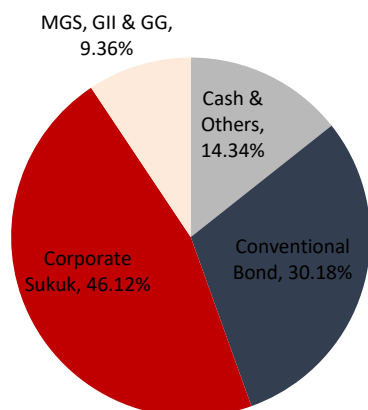
Management fee

Up to 0.25% 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 RM12,000.00 per annum.

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.

Top Holdings*

GENM Capital Berhad	13.27%
Malayan Banking Berhad	9.21%
Government of Malaysia	7.51%

Rating Profile*

NR (MGS, GII & GG)	9.36%
AAA	7.53%
AA1	47.25%
AA2	3.78%
AA3	17.73%

Sector Breakdown*

Financial	35.47%
Consumer Discretionary	15.15%
Public Administration	11.36%
Real Estate	10.19%
Transportation and Storage	9.62%
Energy and Utilities	3.88%
Grand Total	85.66%

Distribution By Financial Year

	2023	2022
Distribution (RM)	0.0290	0.0326
Distribution Yield (%)	2.98	3.39

Disclaimer:

Based on the Fund's portfolio returns as at 31 January 2024, the Volatility Factor (VF) for the Fund is 2.6 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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