

Nomura Ringgit Bond Fund 2

Quarterly Report For The Period Ended 31 December 2025

MANAGER:

NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD
Business Registration No.: 200601028939 (748695-A)

TRUSTEE:

DEUTSCHE TRUSTEES MALAYSIA BERHAD
Business Registration No. : 200701005591 (763590-H)

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MANAGER'S REPORT

Category, Objective and Distribution Policy

Nomura Ringgit Bond Fund 2 (the “Fund”) is a wholesale fixed income fund which seeks to generate regular income by investing in fixed income securities whilst carefully considering capital preservation* on behalf of its investors.

Note:

* The Fund is not a capital guaranteed or capital protected fund and the returns are not guaranteed.

The Fund will distribute income on a monthly basis, subject to availability of income.

Fund Type

Income

Benchmark

12-month Malayan Banking Berhad Fixed Deposit Account Rate.

Performance as at 31 December 2025

For the period under review from 1 October 2025 to 31 December 2025, the Fund has registered a 0.80% return. Compared to the Benchmark return of 0.52%, the Fund outperformed its Benchmark by 0.28%. The last published Net Asset Value (“NAV”) per unit of the Fund as at 30 September 2025 was RM 1.0120 as compared to the NAV per unit as at 31 December 2025 of RM 1.0128. On the total NAV basis, the Fund’s NAV stood at RM 502.20 million as at 31 December 2025.

Performance as at 31 December 2025 (%)

	3 months (01/10/2025- 31/12/2025)	6 Months (01/07/2025- 31/12/2025)	1 Year (01/01/2025- 31/12/2025)	3 Years (01/01/2023- 31/12/2025)	5 Years (01/01/2021- 31/12/2025)	Since Commencement (29/07/2020- 31/12/2025)
Fund	0.80	1.97	4.74	15.92	16.83	17.66
Benchmark	0.52	1.10	2.35	8.25	12.73	13.62
Outperformance/ (Underperformance)	0.28	0.87	2.39	7.67	4.10	4.04

Source of Fund and Benchmark Returns: LSEG Lipper

Volatility as at 31 December 2025

	3-Year
Fund	0.92

Source: LSEG Lipper

This information is prepared by Nomura Asset Management Malaysia Sdn Bhd (“NAMM”) for information purposes only. Past earnings of the Fund’s distribution record is not a guarantee or reflection of the Fund’s future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up.

Strategies Employed (1 October 2025 to 31 December 2025)

From a strategic standpoint, the portfolio's cash allocation rose due to inflows in the month of December, given the current low interest rate environment and limited trading activity in the intermediate segment of the yield curve. We have endeavored to enhance portfolio returns by expanding our corporate bond holdings and continue to pursue this strategy. Currently, we identify superior value opportunities through roll-down strategies in the intermediate portion of the curve and positioning toward the longer end of the yield curve. We anticipate continued support for the bond market from Bank Negara Malaysia's dovish monetary policy stance. We have maintained adequate liquidity reserves to capitalize on more favorable market entry points as opportunities arise.

Summary of Asset Allocation

	<u>31 December 2025</u>	<u>30 September 2024</u>
Government Investment Issues	1.00%	5.42%
Corporate Bonds / Sukuk	83.97%	92.65%
Cash and other net current assets / liabilities	15.03%	1.94%
Total	100.00%	100.00%

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

Review of Market (1 October 2025 to 31 December 2025)

In contrast to the bull-steepening of the front-end of the UST curve, the MGS yield curve remained largely supported on reduced govvnies supply. As widely expected, in its final Monetary Policy Committee meeting in November, Bank Negara Malaysia (BNM) kept its Overnight Policy Rate (OPR) unchanged at 2.75%. BNM retained its neutral tone with a balanced outlook for both global and domestic economies. Global growth is expected to continue to be supported by less restrictive monetary policy, supportive fiscal policy, and easing global trade uncertainties, while downside risks remain, on the back of escalation in geopolitical tensions and concerns over elevated valuations in financial markets. On the domestic front, while resilient domestic demand and measures under Budget 2026 are projected to continue to support economic growth going into 2026, BNM indicated that domestic growth outlook remains subject to downside risks from slower global trade and lower-than-expected commodity production. Meanwhile, both domestic headline and core inflation are forecasted to remain stable and moderate in 2026 amid the absence of excessive demand pressures. All in all, BNM reiterated that the current monetary policy stance remains supportive of the economy amid price stability.

Malaysia's gross domestic product (GDP) surprised on the upside, recording at +5.2% in 3Q25 (2Q25: +4.4%). Robust economic growth was driven by a turnaround in the mining and quarrying sector (+9.7%), further expansion in the manufacturing sector (+4.1%), and solid services (+5.0%) and construction (+11.8%) sectors. On the demand side, private consumption (+5.0%) remained as the key driver of Malaysia's economic growth. Total investments, government spending, and net trade also contributed positively to the headline GDP.

In December, global bond market weakened on the back of forward expectations on US Federal Reserve's rate cuts. In contrast to the bear-steepening of the UST yield curve, the domestic bond market ended the month mixed amid weaker liquidity as we head into year-end.

TRANSACTIONS WITH FINANCIAL INSTITUTIONS AND BROKERS/DEALERS

Cross Trades (1 October 2025 to 31 December 2025)

During the financial period under review, three (3) cross trades were conducted between the Fund and an account managed by the Manager.

	<u>Total Value of trades (RM)</u>
Nomura Ringgit Bond Fund 1	15,174,000
Total	15,174,000

All transactions were in the best interest of the Fund and executed through Hong Leong Investment Bank Berhad on an arm's length and fair value basis.

SOFT COMMISSIONS RECEIVED FROM BROKERS

Soft commissions received from brokers/dealers are retained by the Manager only if the goods and services provided are of demonstrable benefit to unit holders of the Fund.

During the financial period under review, the Manager did not receive any soft commission.

INCOME DISTRIBUTION

The Fund distributed a gross total of RM 0.0073 per unit to investors of the Fund over the period under review.

The Net Asset Value per Unit prior and subsequent to the distributions were as follows:

Cum-Distribution Date	Cum-Distribution (RM)	Ex-Distribution Date	Ex-Distribution (RM)	Distribution per Unit (RM)
17-Dec-25	1.0181	18-Dec-25	1.0111	0.0073

Income Distribution Breakdown

Ex-Distribution Date	Distribution per Unit (RM)	Income (%)	Capital per Unit (RM)	Capital (%)
18-Dec-25	0.0073	100.00%	-	-

FUND PERFORMANCE DATA

	As at <u>31 December 2025</u>	As at <u>30 September 2025</u>
Total NAV (RM)	502,199,199	365,184,342
NAV per Unit (RM)	1.0128	1.0120
Unit in Circulation	495,834,063	360,868,600
Highest NAV (RM)	1.0181	1.0193
Lowest NAV (RM)	1.0111	1.0084

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

NOMURA RINGGIT BOND FUND 2

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2025
TO 31 DECEMBER 2025**

NOMURA RINGGIT BOND FUND 2

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2025 TO 31 DECEMBER 2025

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NOMURA RINGGIT BOND FUND 2

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 01 OCTOBER 2025 TO 31 DECEMBER 2025
(UNAUDITED)

	<u>01.10.2025</u> to <u>31.12.2025</u> RM	<u>01.10.2024</u> to <u>31.12.2024</u> RM
INVESTMENT INCOME		
Interest income from financial assets at fair value through profit or loss ("FVTPL")	3,328,318	2,558,237
Interest income from deposits with licensed financial institutions	657,543	46,889
Net loss on financial assets at FVPTL	<u>(66,638)</u>	<u>(595,580)</u>
	<u>3,919,223</u>	<u>2,009,546</u>
EXPENSES		
Management fee	(220,767)	(137,777)
Trustee's fee	(33,115)	(20,667)
Audit fee	(2,668)	(2,525)
Tax agent's fee	(1,388)	(1,229)
Other expenses	<u>(26,839)</u>	<u>(433)</u>
	<u>(284,777)</u>	<u>(162,631)</u>
PROFIT BEFORE TAXATION	3,634,446	1,846,915
TAXATION	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>3,634,446</u>	<u>1,846,915</u>
Profit after taxation is made up of the following:		
Realised amount	3,657,626	2,810,616
Unrealised amount	<u>(23,180)</u>	<u>(963,701)</u>
	<u>3,634,446</u>	<u>1,846,915</u>
Distributions for the financial period:		
Net distributions	<u>3,619,589</u>	<u>2,992,087</u>
Gross/net distributions per unit	<u>0.0073</u>	<u>0.0110</u>

NOMURA RINGGIT BOND FUND 2

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (UNAUDITED)

	<u>31.12.2025</u>	<u>31.12.2024</u>
	RM	RM
ASSETS		
Financial assets at fair value through profit or loss ("FVTPL")	426,712,168	266,544,539
Cash and cash equivalents	80,875,185	5,329,627
TOTAL ASSETS	<u>507,587,353</u>	<u>271,874,166</u>
LIABILITIES		
Amount due to broker	5,267,507	-
Accrued management fee	85,477	46,429
Amount due to Trustee	12,822	6,964
Other payables and accruals	22,348	16,664
TOTAL LIABILITIES	<u>5,388,154</u>	<u>70,057</u>
NET ASSET VALUE ("NAV") OF THE FUND	<u>502,199,199</u>	<u>271,804,109</u>
UNITHOLDER'S FUNDS		
Unitholders' capital	499,450,000	272,450,000
Retained earning/(Accumulated losses)	2,749,199	(645,891)
NET ASSET ATTRIBUTABLE TO UNITHOLDERS	<u>502,199,199</u>	<u>271,804,109</u>
UNITS IN CIRCULATION (UNITS)	<u>495,834,063</u>	<u>272,007,887</u>
NET ASSET VALUE PER UNIT (RM) (EX DISTRIBUTION)	<u>1.0128</u>	<u>0.9993</u>

NOMURA RINGGIT BOND FUND 2

STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD FROM 01 OCTOBER 2025 TO 31 DECEMBER 2025
(UNAUDITED)

	Unitholders' capital RM	Retained Earnings/ (Accumulated losses) RM	Total RM
Balance as at 1 October 2025	362,450,000	2,734,342	365,184,342
Total comprehensive income for the financial period	-	3,634,446	3,634,446
Creation of Units	137,000,000	-	137,000,000
Distribution	-	(3,619,589)	(3,619,589)
Balance as at 31 December 2025	<u>499,450,000</u>	<u>2,749,199</u>	<u>502,199,199</u>
Balance as at 1 October 2024	272,450,000	499,281	272,949,281
Total comprehensive income for the financial period	-	-	-
Distribution	-	(2,992,087)	(2,992,087)
Balance as at 31 December 2024	<u>272,450,000</u>	<u>(2,492,806)</u>	<u>269,957,194</u>

NOMURA RINGGIT BOND FUND 2

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 01 OCTOBER 2025 TO 31 DECEMBER 2025
(UNAUDITED)

	<u>01.10.2025</u> to <u>31.12.2025</u> RM	<u>01.10.2024</u> to <u>31.12.2024</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	29,990,000	20,584,120
Purchase of investments	(131,333,446)	(22,803,750)
Interest income from unquoted fixed income investments	3,403,020	2,607,591
Interest income from deposits with licensed financial institutions	657,543	46,889
Management fee paid	(190,693)	(136,315)
Trustee's fee paid	(28,603)	(20,448)
Tax agent's fee paid	(4,000)	-
Payment for other fees and expenses	(18,665)	(433)
Net cash (used in)/generated from operating activities	<u>(97,524,844)</u>	<u>277,654</u>
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from creation of units	137,000,000	-
Distribution paid	(3,619,589)	(2,992,087)
Net cash generated from/(used in) financing activities	<u>133,380,411</u>	<u>(2,992,087)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	35,855,567	(2,714,433)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>45,019,618</u>	<u>8,044,060</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>80,875,185</u>	<u>5,329,627</u>
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	80,865,184	5,319,452
Cash at bank	10,001	10,175
	<u>80,875,185</u>	<u>5,329,627</u>