

Nomura Ringgit Bond Fund 1

May 2026

Fund Manager's Commentary

In May, persistently high energy prices stemming from prolonged geopolitical tensions in the Middle East reignited inflation concerns. In line with global yield movements, though at a smaller quantum, the MGS yield curve flattened over the month. In particular, yields across 3Y-7Y led the underperformance, with yields rising 3-8 bps MoM, while the belly to long-end of the curve were better supported, with yields ending the month between -2 to +1 bps MoM.

In its May Monetary Policy Committee meeting, Bank Negara Malaysia (BNM) kept its Overnight Policy Rate (OPR) unchanged at 2.75%, consistent with market expectations following the pre-emptive adjustment in July 2025. In its monetary policy statement, while maintaining its neutral tone, BNM sounded cautious, acknowledging the heightened uncertainty stemming from volatile energy and commodity prices, alongside supply chain disruptions linked to Middle East geopolitical tensions, which pose downside risks to growth through potential tightening of global financial conditions and elevated asset valuation concerns. Despite these headwinds, domestic growth momentum in 1Q26 remained robust, underpinned by resilient domestic demand—with household consumption supported by wage growth and targeted fiscal measures, and investment activity bolstered by public infrastructure projects and materialization of approved FDI commitments. BNM anticipates a modest uptick in inflation through 2026, though both headline and core measures are projected to remain contained, reflecting effective domestic policy interventions and stable aggregate demand conditions. All in all, BNM assesses the current monetary policy stance as appropriately calibrated to balance price stability with sustainable growth objectives.

Malaysia's gross domestic product (GDP) remained robust, though moderated, recording at +5.4% in 1Q26 *4Q25: +6.2%). Domestic economic growth showed sustained strength, driven by services (+5.6%), manufacturing (+5.9%), and construction (+7.7%) sectors, albeit at a moderate pace. On the demand side, private consumption (4.7%) persisted as the key driver of Malaysia's economic growth. Total investments, government spending, and net trade also contributed positively to the headline GDP.

Heightened volatility in domestic fixed income markets, stemming from global bond market movements and volatile emerging market capital flows, has underscored the critical importance of liquidity management. We are actively optimizing the deployment of maturing securities while maintaining strategic cash buffers to capitalize on emerging opportunities, particularly in light of the strong issuance calendar expected in coming months. Our investment focus remains centered on roll-down strategies in the short-to-intermediate yield curve segments, where risk-adjusted returns remain compelling. Long-dated deposit allocations have contributed positively to performance, while we anticipate government securities will deliver moderate returns over the medium term.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Months	6 Months
	31/12/2025	30/04/2026	28/02/2026	30/11/2025
	To	To	To	To
	31/05/2026	31/05/2026	31/05/2026	31/05/2026
Fund	1.36	0.22	0.76	1.74
Benchmark	1.21	0.20	0.66	1.55

Cumulative Fund Returns (%)

	1 Year	3 Year	5 Year	Since Commencement
	31/05/2025	31/05/2023	31/05/2021	2/7/2019
	To	To	To	To
	31/05/2026	31/05/2026	31/05/2026	31/05/2026
Fund	3.79	14.77	22.44	33.32
Benchmark	3.48	10.77	15.89	20.94

Source: LSEG Lipper, NAMM

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.

With effect from 31 January 2025, the performance benchmark has been changed from 12-month Malayan Banking Berhad Fixed Deposit Account Rate to 40% FTSE BPAM Corporate 3Y – 7Y All Bond Index + 20% FTSE BPAM Corporate 1Y – 3Y All Bond Index + 20% FTSE BPAM Government 3Y – 7Y All Bond Index + 20% FTSE BPAM Government 1Y – 3Y All Bond Index.

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

Investment Objective

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

Benchmark

40% FTSE BPAM Corporate 3Y – 7Y All Bond Index + 20% FTSE BPAM Corporate 1Y – 3Y All Bond Index + 20% FTSE BPAM Government 3Y – 7Y All Bond Index + 20% FTSE BPAM Government 1Y – 3Y All Bond Index

Distribution Policy

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

Key Facts

Launch Date	01-Jul-19
Fund Type	Wholesale – Fixed Income
Year End	31 December
Fund Size	MYR 675.28 million
Units in Circulation	630.96 million
NAV per Unit	MYR 1.0702
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.

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Calendar Year Returns (%)

	2025	2024	2023	2022
Fund	5.82	4.45	6.33	1.97
Benchmark	4.72	2.67	3.01	2.24

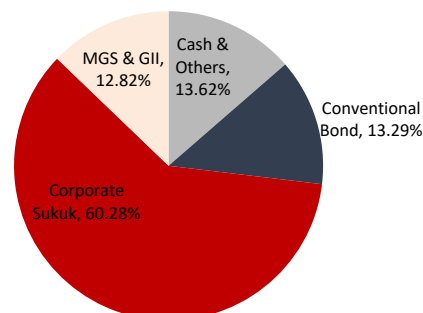
Source: LSEG Lipper

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Asset Allocation*



*Presented as a % of NAV as at 31 May 2026

Percentages may not add up to 100% due to rounding. Included in 'Cash & Others' are cash on hand and other net current assets/liabilities.

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Top Holdings*

Government of Malaysia	12.82%
RPF*MYR*PBK	5.41%
Yinson Holdings Berhad	5.35%

Sector Breakdown*

Energy and Utilities	21.37%
Financial	20.99%
Cash & Others	13.62%
Public Administration	12.82%
Transportation and Storage	6.10%
Industrials	6.05%
Consumer Discretionary	5.86%
Real Estate	5.18%
Health Care and Social Work	3.01%
Consumer Staples	2.28%
Basic Materials	1.98%
Communications Services	0.76%

Rating Profile*

MGS & GII	12.82%
AAA	9.93%
AA1	13.39%
AA2	9.60%
AA3	28.53%
A1	8.40%
A2	0.74%
A3	2.97%
Cash & Others	13.62%

Distribution By Financial Year

	2025	2024	2023	2022	2021
Distribution (RM)	0.0472	0.0367	0.0418	0.0355	0.0296
Distribution Yield (%)	4.44	3.49	4.01	3.48	2.86

Disclaimer:

Based on the Fund's portfolio returns as at 30 April 2026, the Volatility Factor (VF) for the Fund is 1.29 and is classified as "Very Low" (Source: LSEG Lipper). "Very Low" includes funds with VF that are above 0.00 but not more than 4.635. 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 LSEG 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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