

**Nomura i-Income Fund 2 - Class S**
**July 2026**
**Fund Manager's Commentary**

Global yields continued their weakening trend in July, on the back of renewed geopolitical tensions in the Middle East and inflation fears. In tandem with global yield movements, though on a smaller quantum, GII yield curve bear-flattened over the month. Notably, front-end to belly of the curve led the selloff with yields surging 7-12 bps MoM while the long-end of the curve was better supported.

In its July Monetary Policy Committee meeting, Bank Negara Malaysia (BNM) kept its Overnight Policy Rate (OPR) unchanged at 2.75%. While maintaining its neutral tone, BNM struck a more constructive note on the external backdrop, pointing to broadly resilient global growth underpinned by strong tech expansion and improving supply conditions and commodity prices, with a deescalation of the Middle East conflict seen as a catalyst for further easing of supply chain frictions – though it continued to flag downside risks from lingering geopolitical uncertainty, tighter global financial conditions, and elevated asset valuation concerns. Domestically, growth momentum in 2Q26 remained resilient, driven by sustained domestic demand and a stronger-than-expected export performance, with household spending supported by employment and wage growth, and investment activity underpinned by multi-year private and public projects and continued high realisation of approved investments. Meantime, while elevated global commodity prices pose upside price risks, BNM expects the impact on both headline and core inflation to remain contained in 2026, reflecting domestic policy measures and stable demand conditions. All in all, BNM assesses the current monetary policy stance as appropriate and consistent with the outlook for continued price stability and sustainable growth.

Recent subscriptions have enhanced our capacity to reposition the portfolio strategically in response to pronounced volatility across global fixed income markets. We are maintaining tactical liquidity to exploit value opportunities in intermediate and long-dated maturities as market conditions evolve. Cash holdings are currently allocated to competitive money market placements. We anticipate the ongoing repricing of the yield curve will present superior risk-adjusted entry points within the next several months.

**Cumulative Fund Returns (%)**

|                  | YTD        | 1 Month    | 3 Month    | 6 Month    |
|------------------|------------|------------|------------|------------|
|                  | 31/12/2025 | 30/06/2026 | 30/04/2026 | 31/01/2026 |
|                  | To         | To         | To         | To         |
|                  | 31/07/2026 | 31/07/2026 | 31/07/2026 | 31/07/2026 |
| <b>Fund</b>      | 1.55       | 0.06       | 0.53       | 1.33       |
| <b>Benchmark</b> | 1.09       | 0.15       | 0.45       | 0.92       |

**Cumulative Fund Returns (%)**

|                  | 1 Year     | 3 Year     | Since Commencement |
|------------------|------------|------------|--------------------|
|                  | 31/07/2025 | 31/07/2023 | 21/7/2021          |
|                  | To         | To         | To                 |
|                  | 31/07/2026 | 31/07/2026 | 31/07/2026         |
| <b>Fund</b>      | 2.86       | 11.46      | 16.06              |
| <b>Benchmark</b> | 1.94       | 7.35       | 12.25              |

Source: LSEG 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 provide investors with recurring income on its investments.

**Benchmark**

Maybank 3-month Islamic Fixed Deposit Rate

**Distribution Policy**

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

**Key Facts**

|                                |                      |
|--------------------------------|----------------------|
| Launch Date                    | 30-Jun-21            |
| Fund Category                  | Islamic Fixed Income |
| Year End                       | 31 October           |
| Fund Size                      | MYR 285.92 million   |
| Class Size                     | MYR 253.18 million   |
| Units in Circulation (Class S) | 247.12 million       |
| NAV per Unit (Class S)         | MYR 1.0245           |
| Transaction cut-off time       | Daily; 4:00 pm       |
| Redemption Period              | T + 2 business days  |

**Sales charge**

Nil

**Management fee**

Up to 0.15% per annum of the NAV of the Class.

**Trustee fee**

Up to 0.03% per annum of the NAV of the Fund subject to a minimum of RM12,000.00 per annum (excluding foreign custodian fees and charges).

## ADVERTISEMENT

## Nomura i-Income Fund 2 - Class S

July 2026

## Calendar Year Returns (%)

|                  | 2025 | 2024 | 2023 | 2022 | 2021  |
|------------------|------|------|------|------|-------|
| <b>Fund</b>      | 4.20 | 3.77 | 4.25 | 1.41 | -0.01 |
| <b>Benchmark</b> | 2.23 | 2.61 | 2.89 | 2.11 | 0.77  |

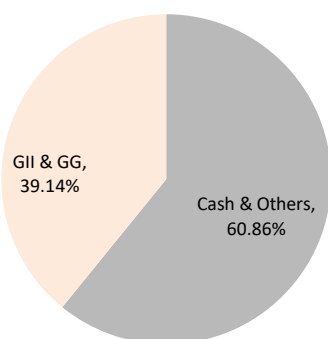
Source: LSEG Lipper

## 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 2021 are measured from its commencement date of 21 July 2021.

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## Asset Allocation\*



## Top Holdings\*

|                        |        |
|------------------------|--------|
| Cash & Others          | 60.86% |
| Government of Malaysia | 39.14% |

## Sector Breakdown\*

|                       |        |
|-----------------------|--------|
| Public Administration | 39.14% |
|-----------------------|--------|

\*Presented as a % of NAV as at 31 Jul 2026

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

Included in 'Cash & Others' are cash on hand and Islamic deposits and other net current assets/liabilities.

## Distribution By Financial Year

|                               | 2025   | 2024   | 2023   | 2022   |
|-------------------------------|--------|--------|--------|--------|
| <b>Distribution (RM)</b>      | 0.0267 | 0.0272 | 0.0328 | 0.0167 |
| <b>Distribution Yield (%)</b> | 2.61   | 2.70   | 3.30   | 1.70   |

## Disclaimer:

Based on the Fund's portfolio returns as at 30 June 2026, the Volatility Factor (VF) for the Fund is 0.74 and is classified as "Very Low" (Source: LSEG Lipper). "Very Low" includes funds with VF that are above 0.00 but not more than 4.57. 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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