

Nomura i-Income Fund

February 2018

Fund Manager's Commentary and Strategy

Over the month, the GII yield curve bear flattened in line with rising global yields as the Federal Reserve maintained its hawkish stance. Also, rising supply of US Treasuries on the back of wider fiscal deficit weighed on market sentiments during the period. However, GII spread to MGS remains attractive, with the spread ranging between 14 to 28 bps.

Primary market in February was relatively quiet owing to Chinese New Year festivities. In the coming month, we expect the primary market to pick up as sukuk issuers who remained on the sidelines in the first two months of the year return to the market. As the fund was overweight duration, the fund mildly underperformed the benchmark due to rising yields but was largely cushioned by the fund's relatively high carry.

Investment Objectives

The Fund seeks to provide investors with regular income distributions through investments in Shariah-based deposits, Islamic money market instrument and Sukuk.

Investment Strategy

The Manager will constantly manage the allocation among the permitted investments and actively manage the duration and maturity structure of the investments in the Fund

Distribution Policy

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

Benchmark

12-Month Malayan Banking Berhad General Investment Account Rate

Key Facts

Launch Date	7 Nov 2012
Fund Type	Wholesale – Islamic Fixed Income
Year End	31 December
Fund Size	MYR 83.06 million
Units in Circulation	80.47 million
NAV per Unit	MYR 1.0322
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business day

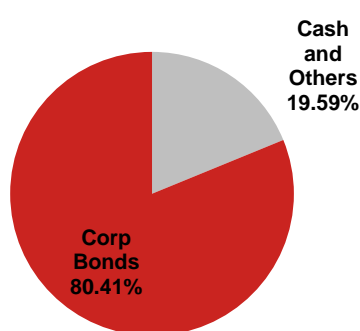
Fund Average Duration

7.17 years

Fund Average Yield

4.83%

Asset Allocation*



*Included in 'Cash and Others' are cash on hand and other net current assets/liabilities

Top Holdings*

Lebuhraya DUKE Fasa 3 Sdn Berhad	13.36%
SPR Energy (M) Sdn Berhad	12.40%
Prasarana Malaysia Berhad	12.26%

Rating Profile*

Rating	% Holdings
NR (GG)	18.23%
AAA	8.66%
AA1	12.30%
AA2	0.00%
AA3	32.13%
A1	8.84%

*presented as a percentage of the NAV as at 28 February 2018

Cumulative Fund Performance against Benchmark (%)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	Since Inception*
Fund	0.22	1.33	2.00	5.01	-	6.19
Benchmark	0.24	0.76	1.53	3.11	-	3.59

* Since 5 January 2017

Annual Fund Performance against Benchmark (%)

	2018 YTD	2017
Fund	0.66	5.49
Benchmark	0.49	3.06

Source: Novgni Analytics and Advisory Sdn. Bhd.

Fund performances include reinvestment of income distributions into the Fund. Performance figures above 1 year are presented in cumulative basis, unless indicated otherwise.

Nomura i-Income Fund was launched on 7 November 2012. However, there were no units in circulation for the period between 21 March 2016 and 4 January 2017. As such, the Fund's performance figures are only available from 5 January 2017 onwards.

Disclaimer

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