



NOMURA

Nomura Ringgit Bond Fund 1

Quarterly Report For The Period Ended 30 June 2024

MANAGER:

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

TRUSTEE:

CIMB COMMERCE TRUSTEE BERHAD
Business Registration No.: 199401027349 (313031-A)

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MANAGER'S REPORT

Category, Objective and Distribution Policy

Nomura Ringgit Bond Fund 1 (the "Fund") is a wholesale fixed income fund which seeks to optimise returns to its investors by mainly investing in fixed income securities denominated in Ringgit Malaysia.

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

Fund Type

Income

Benchmark

12-month Malayan Banking Berhad Fixed Deposit Account Rate.

Performance as at 30 June 2024

For the period under review from 1 April 2024 to 30 June 2024, the Fund has registered a 1.05% return. Compared to the Benchmark return of 0.66%, the Fund has outperformed its Benchmark by 0.39%. The last published Net Asset Value ("NAV") per unit of the Fund as at 31 March 2024 was RM1.0527 as compared to the NAV per unit as at 30 June 2024 of RM 1.0518. On the total NAV basis, the Fund's NAV stood at RM 685.13 million as at 30 June 2024.

Performance as at 30 June 2024 (%)

	3 months (01/04/2024- 30/06/2024)	6 Months (01/01/2024- 30/06/2024)	1 Year (01/07/2022- 30/06/2024)	3 Years (01/07/2020- 30/06/2024)	Since Commencement (02/07/2019- 30/06/2024)
Fund	1.05	2.49	4.67	11.62	21.98
Benchmark	0.66	1.37	2.94	7.75	12.86
Outperformance/ (Underperformance)	0.39	1.12	1.73	3.87	9.12

Source of Fund and Benchmark Returns: Refinitiv Lipper

Volatility as at 30 June 2024

	3-Year
Fund	2.16

Source: Refinitiv 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 April 2024 to 30 June 2024)

The rally in the corporate space, especially in the belly of the credit curve, has benefitted the portfolio. We continue to favour holding corporate bonds in the 5-10 year portion of the curve, owing to the steepness of the credit curve there. Aside from that, we view Bank Negara Malaysia (“**BNM**”) likely to delay hiking rates as domestic inflation remains comfortable within the government’s projected range.

Summary of Asset Allocation

	<u>30 June 2024</u>	<u>31 March 2024</u>
Government Investment Issue	3.04%	4.61%
Corporate Bonds	90.83%	89.85%
Cash and other net current assets / liabilities	6.13%	5.54%
Total	100.0%	100.0%

Review of Market (1 April 2024 to 30 June 2024)

Malaysian Government Securities (“**MGS**”) yield curve shifted upwards marginally amid a volatile quarter. The domestic government bond market bear-flattened going into 2Q24 driven by an unwinding of US Federal Reserve rate cut pricing before rallying towards the end of the quarter as US data released showed signs of a cooling economy. All in all, MGS yields rose 1-6 bps MoM across the curve. Meanwhile, corporate bonds maintained its outperformance as domestic real money investors reached for yield especially on the longer end of the credit curves.

As widely expected, BNM maintained its Overnight Policy Rate (“**OPR**”) unchanged at 3.00% in its May Monetary Policy Committee meeting. In its statement, BNM sounded neutral with risks assessed to be balanced. Global growth is expected to be sustained, supported by resilient labour market conditions and slowing inflation, amid lingering downside risks from geopolitical tensions, slower-than-expected pace for disinflation, and volatile global financial markets. Meanwhile, on the domestic front, growth outlook is anticipated to continue to be driven by robust domestic spending, improvements in tourist arrivals, sustained investment momentum, and further recovery in global trade. Nevertheless, domestic inflation outlook continues to be susceptible to the implementation of subsidy rationalisation measures. Separately, BNM reiterated that the ringgit does not reflect Malaysia’s economic fundamentals and growth prospects and that the Government and BNM are taking actions to provide support to a firmer ringgit. All in all, BNM restated that the current OPR level remains conducive to the economy and is consistent with the current assessment of the inflation and growth prospects.

Exceeding market expectations, Malaysia’s Gross Domestic Product (GDP) registered at +4.2% in 1Q24 (4Q23: +2.9% YoY). Growth was largely broad-based as all sectors recorded positive growth momentum, led by construction (+11.9%), mining (+5.7%), and services (+4.7%) sectors. On the demand side, domestic demand remained the key contributor to the domestic economy growth. Stronger expansion in private consumption (+4.7%), government consumption (+9.6%), and investment growth (+7.3%) fully offset the decline in net trade.

TRANSACTIONS WITH FINANCIAL INSTITUTIONS AND BROKERS/DEALERS

Cross Trades (1 April 2024 to 30 June 2024)

There were no cross trades conducted during the financial period under review.

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 0.0119 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)
18-Jun-2024	1.0618	19-Jun-2024	1.0502	0.0119

FUND PERFORMANCE DATA

	As at 30 June 2024	As at 31 March 2024
Total NAV (RM)	685,126,364	678,044,737
NAV per Unit (RM)	1.0518	1.0527
Units in Circulation	651,389,326	644,114,310
Highest NAV (RM)	1.0618	1.0552
Lowest NAV (RM)	1.0427	1.0427

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 1

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 01 APRIL 2024 TO 30 JUNE 2024

NOMURA RINGGIT BOND FUND 1
FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 01 APRIL 2024 TO 30 JUNE 2024

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NOMURA RINGGIT BOND FUND 1

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 01 APRIL 2024 TO 30 JUNE 2024

	<u>01.04.2024</u> to <u>30.06.2024</u> RM	<u>01.04.2023</u> to <u>30.06.2023</u> RM
INVESTMENT INCOME		
Interest income from financial assets at fair value through profit or loss ("FVPTL")	6,905,233	5,310,217
Interest income from deposits with licensed financial institutions	316,652	102,555
Net gain on financial assets at FVPTL	<u>275,594</u>	<u>3,152,024</u>
	<u>7,497,479</u>	<u>8,564,796</u>
EXPENSES		
Management fee	(338,381)	(209,731)
Trustee's fee	(50,757)	(37,011)
Audit fee	(2,899)	(2,907)
Tax agent's fee	(1,147)	(1,084)
Other expenses	(211)	(171)
	<u>(393,395)</u>	<u>(250,904)</u>
PROFIT BEFORE TAXATION	7,104,084	8,313,892
TAXATION	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>7,104,084</u>	<u>8,313,892</u>
Profit after taxation is made up of the following:		
Realised income	6,826,629	5,000,819
Unrealised gain	277,455	3,313,073
	<u>7,104,084</u>	<u>8,313,892</u>
Distributions for the financial period:		
Net distributions	<u>7,664,575</u>	<u>5,513,653</u>
Gross/net distributions per unit	<u>0.0119</u>	<u>0.0116</u>

NOMURA RINGGIT BOND FUND 1

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	<u>30.06.2024</u>	<u>30.06.2023</u>
	RM	RM
ASSETS		
Financial assets at fair value through profit or loss ("FVTPL")	643,171,805	485,922,109
Cash at bank	662,912	314,268
Deposit with licensed financial institution	41,434,000	12,484,000
Interest receivable	10,557	1,009
TOTAL ASSETS	<u>685,279,274</u>	<u>498,721,386</u>
LIABILITIES		
Amount due to Manager	112,011	69,499
Amount due to Trustee	16,802	12,265
Other payables and accruals	24,097	22,777
TOTAL LIABILITIES	<u>152,910</u>	<u>104,541</u>
NET ASSET VALUE ("NAV") OF THE FUND	<u>685,126,364</u>	<u>498,616,845</u>
EQUITY		
Unitholders' capital	670,628,296	493,319,200
Retained earnings	14,498,068	5,297,645
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>685,126,364</u>	<u>498,616,845</u>
UNITS IN CIRCULATION	<u>651,389,326</u>	<u>480,654,134</u>
NAV PER UNIT (RM) (EX-DISTRIBUTION)	<u>1.0518</u>	<u>1.0374</u>

NOMURA RINGGIT BOND FUND 1

STATEMENT OF CHANGES IN NET ASSETS VALUE FOR THE FINANCIAL PERIOD FROM 01 APRIL 2024 TO 30 JUNE 2024

	<u>Unitholders' capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Balance as at 1 April 2024	662,986,178	15,058,559	678,044,737
Total comprehensive income for the financial period	-	7,104,084	7,104,084
Creation of units	206,692	-	206,692
Reinvestment of distributions	7,664,575	-	7,664,575
Cancellation of units	(229,149)	-	(229,149)
Distributions	-	(7,664,575)	(7,664,575)
Balance as at 30 June 2024	<u>670,628,296</u>	<u>14,498,068</u>	<u>685,126,364</u>

	<u>Unitholders' capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Balance as at 1 April 2023	487,674,122	2,497,406	490,171,528
Total comprehensive income for the financial period	-	8,313,892	8,313,892
Creation of units	152,576	-	152,576
Reinvestment of distributions	5,513,653	-	5,513,653
Cancellation of units	(21,151)	-	(21,151)
Distributions	-	(5,513,653)	(5,513,653)
Balance as at 30 June 2023	<u>493,319,200</u>	<u>5,297,645</u>	<u>498,616,845</u>

NOMURA RINGGIT BOND FUND 1

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 01 APRIL 2024 TO 30 JUNE 2024

	<u>01.04.2024</u> to <u>30.06.2024</u> RM	<u>01.04.2023</u> to <u>30.06.2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of financial assets	10,540,000	38,079,000
Purchase of financial assets	(15,035,500)	(33,103,225)
Interest income from financial assets	8,964,253	6,960,824
Interest income from deposit with licensed financial institution	315,614	101,598
Manager's fee paid	(340,286)	(210,660)
Trustee's fee paid	(51,043)	(37,176)
Payment for other fees and expenses	(211)	(171)
Net cash generated from operating activities and investing activities	<u>4,392,827</u>	<u>11,790,190</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	206,692	218,630
Cash paid for units cancelled	(229,149)	(21,151)
Net cash (used in)/generated from financing activities	<u>(22,457)</u>	<u>197,479</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,370,370	11,987,669
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	37,726,542	810,599
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>42,096,912</u>	<u>12,798,268</u>
Cash and cash equivalents comprise of:		
Cash at bank	662,912	314,268
Deposit with licensed financial institution	41,434,000	12,484,000
	<u>42,096,912</u>	<u>12,798,268</u>