

Nomura Ringgit Bond Fund 1

September 2024

Fund Manager's Commentary

In tandem with falling global yields, though at a smaller quantum, MGS yield curve shifted lower marginally as US Fed began its highly-anticipated rate cut cycle. In particular, yields fell 2-6 bps MoM across the curve.

As widely expected, in its September Monetary Policy Committee meeting, Bank Negara Malaysia (BNM) maintained its Overnight Policy Rate (OPR) unchanged at 3.00%. BNM retained its neutral tone with a balanced outlook for both global and domestic economies. Global growth is expected to be sustained, supported by positive labour market conditions, continued recovery in global trade, moderating inflation, and less restrictive monetary policy, amid lingering downside risks. On the domestic front, economic activity continued to be driven by resilient domestic demand and higher export activity. Domestic inflation for the full year is expected to remain within the earlier projected ranges as the spillovers from the diesel price adjustment to broader prices have been contained. Separately, BNM indicated that the recent recovery in the ringgit is attributed by the expectations of lower interest rates in major economies as well as Malaysia's domestic economic strength. All in all, BNM reiterated that the current monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects.

Strategy-wise, we are comfortable with the investment plans done into credit. We would slowly increase the duration, as the yield curve inches higher. We continue to see value in the roll down in the belly to the short-end of the curve.

Investment Objective

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

Benchmark

12-month Malayan Banking Berhad Fixed Deposit Account Rate

Distribution Policy

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

Cumulative Fund Returns (%)

	YTD 31/12/2023 To 30/9/2024	1 Month 31/8/2024 To 30/9/2024	3 Months 30/6/2024 To 30/9/2024	6 Months 31/3/2024 To 30/9/2024
Fund	3.87	0.35	1.34	2.40
Benchmark	2.03	0.21	0.66	1.32

Cumulative Fund Returns (%)

	1 Year 30/9/2023 To 30/9/2024	3 Year 30/9/2021 To 30/9/2024	5 Year 30/9/2019 To 30/9/2024	Since Commencement 02/7/2019 To 30/9/2024
Fund	4.63	12.53	21.37	23.62
Benchmark	2.82	7.96	12.74	13.60

Source: Refinitiv 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

Key Facts

Launch Date	01-Jul-19
Fund Type	Wholesale – Fixed Income
Year End	31 December
Fund Size	MYR 695.1 million
Units in Circulation	657.68 million
NAV per Unit	MYR 1.0569
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.

Calendar Year Returns (%)

	2023	2022	2021	2020
Fund	6.33	1.97	0.25	6.47
Benchmark	3.01	2.24	1.85	2.21

Source: Refinitiv 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 2019 are measured from its commencement date of 2 July 2019.

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Top Holdings*

Malayan Cement Berhad (fka Lafarge Malaysia Berhad)	4.40%
Petroleum Sarawak Exploration & Production Sdn Berhad	3.97%
Infracap Resources Sdn Berhad	3.78%

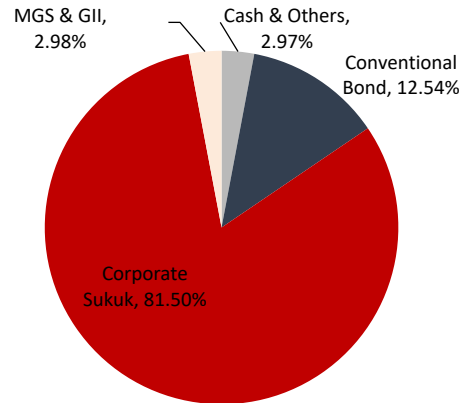
Sector Breakdown*

Financial	26.79%
Energy and Utilities	23.10%
Transportation and Storage	11.60%
Real Estate	8.79%
Public Administration	6.76%
Industrials	6.58%
Consumer Staples	5.15%
Consumer Discretionary	3.01%
Basic Materials	3.00%
Cash & Others	2.97%
Health Care and Social Work	1.54%
Communications Services	0.73%

Distribution By Financial Year

	2023	2022	2021	2020
Distribution (RM)	0.0418	0.0355	0.0296	0.0296
Distribution Yield (%)	4.01	3.48	2.86	2.47

Asset Allocation*



*Presented as a % of NAV as at 30 Sep 2024

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

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

Rating Profile*

MGS & GII	2.98%
AAA	24.46%
AA1	11.81%
AA2	15.75%
AA3	42.01%
B3	0.01%

Disclaimer:

Based on the Fund's portfolio returns as at 31 August 2024 the Volatility Factor (VF) for the Fund is 2.15 and is classified as "Very Low" (Source: Refinitiv Lipper). "Very Low" includes funds with VF that are above 0.00 but not more than 4.91. 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 Refinitiv 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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