



NOMURA

Nomura Ringgit Bond Fund 1

Quarterly Report For The Period Ended 30 September 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 September 2024

For the period under review from 1 July 2024 to 30 Sep 2024, the Fund has registered a 1.34% return. Compared to the Benchmark return of 0.66%, the Fund has outperformed its Benchmark by 0.68%. The last published Net Asset Value ("NAV") per unit of the Fund as at 30 September 2024 was RM 1.0569 as compared to the NAV per unit as at 30 June 2024 of RM1.0431. On the total NAV basis, the Fund's NAV stood at RM 657.68 million as at 30 September 2024.

Performance as at 30 September 2024 (%)

	3 months (01/07/2024 - 30/09/2024)	6 Months (01/04/2024 - 30/09/2024)	1 Year (01/10/2023 - 30/09/2024)	3 Years (01/10/2021 - 30/09/2024)	Since Commencement (02/07/2019- 30/09/2024)
Fund	1.34	2.40	4.63	12.53	23.62
Benchmark	0.66	1.32	2.82	7.96	13.60
Outperformance/ (Underperformance)	0.68	1.08	1.81	4.57	10.02

Source of Fund and Benchmark Returns: Refinitiv Lipper

Volatility as at 30 Sep 2024

	3-Year
Fund	2.10

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 July 2024 to 30 September 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. We are however concerned on strong rallies seen in the Malaysian bond space and would allocate some into cash and govvnies to diversify risk. 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 September 2024</u>	<u>30 June 2024</u>
Government Investment Issue	2.98%	3.04%
Corporate Bonds	94.05%	90.83%
Cash and other net current assets / liabilities	2.97%	6.13%
Total	100.0%	100.0%

Review of Market (1 July 2024 to 30 September 2024)

Tracking global yield movements, though at a smaller quantum, Malaysian Government Securities (MGS) yield curve bull-steepened over the quarter as the US Federal Reserve began its highly-anticipated monetary easing cycle with an outsized 50 bps rate cut. In particular, yields across 3Y-20Y declined by 9-19 bps QoQ while 30Y MGS fell marginally by 3 bps QoQ. Despite this, corporate bonds maintained its outperformance as credit spreads continued to see a tightening over the quarter.

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.

Malaysia’s Gross Domestic Product (GDP) surprised on the upside, recording at +5.9% in 2Q24 (1Q24: +4.2%) on the back of favourable year-ago base effects as well as continuous supportive government initiatives. Robust growth in the services (+5.9%), manufacturing (+4.7%), agriculture (+7.2%), and construction (+17.3%) sectors offset the moderation in mining & quarrying sector (+2.7%). On the demand side, private consumption (+6.0%) remained as the key driver of Malaysia’s economic growth, driven by resilient domestic labour market condition, festive demand, and the introduction of flexible withdrawals from EPF account 3.

TRANSACTIONS WITH FINANCIAL INSTITUTIONS AND BROKERS/DEALERS

Cross Trades (1 July 2024 to 30 September 2024)

During the financial period under review, no cross trades were conducted between the Fund and other fund / accounts managed by the Manager and the Manager's related company.

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 0.0087 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)
17-Sep-2024	1.0640	18-Sep-2024	1.0553	0.0087

FUND PERFORMANCE DATA

	As at 30 September 2024	As at 30 June 2024
Total NAV (RM)	695,104,129	685,126,364
NAV per Unit (RM)	1.0569	1.0518
Units in Circulation	657,679,913	651,389,326
Highest NAV (RM)	1.0640	1.0618
Lowest NAV (RM)	1.0518	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 JULY 2024 TO 30 SEPTEMBER 2024

NOMURA RINGGIT BOND FUND 1

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 01 JULY 2024 TO 30 SEPTEMBER 2024

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**NOMURA RINGGIT BOND FUND 1
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 01 JULY 2024 TO 30 SEPTEMBER 2024**

	<u>01.07.2024</u> to <u>30.09.2024</u> RM	<u>01.07.2023</u> to <u>30.09.2023</u> RM
INVESTMENT INCOME		
Interest income from financial assets at fair value through profit or loss ("FVPTL")	7,360,262	5,442,831
Interest income from deposits with licensed financial institutions	146,229	129,271
Net gain on financial assets at FVPTL	<u>1,910,491</u>	<u>1,676,477</u>
	<u>9,416,982</u>	<u>7,248,579</u>
EXPENSES		
Management fee	(347,264)	(216,810)
Trustee's fee	(52,090)	(38,261)
Audit fee	(2,931)	(3,949)
Tax agent's fee	(1,159)	(1,095)
Other expenses	(107)	(963)
	<u>(403,551)</u>	<u>(261,078)</u>
PROFIT BEFORE TAXATION	9,013,431	6,987,501
TAXATION	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>9,013,431</u>	<u>6,987,501</u>
Profit after taxation is made up of the following:		
Realised income	7,251,440	5,965,024
Unrealised gain	<u>1,761,991</u>	<u>1,022,477</u>
	<u>9,013,431</u>	<u>6,987,501</u>
Distributions for the financial period:		
Net distributions	<u>5,675,132</u>	<u>4,393,294</u>
Gross/net distributions per unit	<u>0.0087</u>	<u>0.0088</u>

NOMURA RINGGIT BOND FUND 1
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	<u>30.09.2024</u>	<u>30.09.2023</u>
	RM	RM
ASSETS		
Financial assets at fair value through profit or loss ("FVTPL")	674,456,260	493,412,682
Cash at bank	368,566	366,772
Deposit with licensed financial institution	20,577,000	31,599,000
Interest receivable	1,792	5,281
Amount due from Manager	-	20,048
TOTAL ASSETS	<u>695,403,618</u>	<u>525,403,783</u>
LIABILITIES		
Amount due to Manager	5,793	-
Accrued management fee	230,877	71,991
Amount due to Trustee	34,632	12,704
Other payables and accruals	28,187	16,212
TOTAL LIABILITIES	<u>299,489</u>	<u>100,907</u>
NET ASSET VALUE ("NAV") OF THE FUND	<u>695,104,129</u>	<u>525,302,876</u>
EQUITY		
Unitholders' capital	677,267,762	517,411,024
Retained earnings	17,836,367	7,891,852
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>695,104,129</u>	<u>525,302,876</u>
UNITS IN CIRCULATION	<u>657,679,913</u>	<u>503,580,959</u>
NAV PER UNIT (RM) (EX-DISTRIBUTION)	<u>1.0569</u>	<u>1.0431</u>

**NOMURA RINGGIT BOND FUND 1
STATEMENT OF CHANGES IN NET ASSETS VALUE
FOR THE FINANCIAL PERIOD FROM 01 JULY 2024 TO 30 SEPTEMBER 2024**

	<u>Unitholders' capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Balance as at 1 July 2024	670,628,296	14,498,068	685,126,364
Total comprehensive income for the financial period	-	9,013,431	9,013,431
Creation of units	1,529,148	-	1,529,148
Reinvestment of distributions	5,675,132	-	5,675,132
Cancellation of units	(564,814)	-	(564,814)
Distribution	-	(5,675,132)	(5,675,132)
Balance as at 30 September 2024	<u>677,267,762</u>	<u>17,836,367</u>	<u>695,104,129</u>

	<u>Unitholders' capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Balance as at 1 July 2023	493,319,200	5,297,645	498,616,845
Total comprehensive income for the financial period	-	6,987,501	6,987,501
Creation of units	20,106,446	-	20,106,446
Reinvestment of distributions	4,393,294	-	4,393,294
Cancellation of units	(407,916)	-	(407,916)
Distribution	-	(4,393,294)	(4,393,294)
Balance as at 30 September 2023	<u>517,411,024</u>	<u>7,891,852</u>	<u>525,302,876</u>

**NOMURA RINGGIT BOND FUND 1
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 01 JULY 2024 TO 30 SEPTEMBER 2024**

	<u>01.07.2024</u> to <u>30.09.2024</u> RM	<u>01.07.2023</u> to <u>30.09.2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of financial assets	2,648,500	15,654,000
Purchase of financial assets	(30,061,500)	(20,026,000)
Interest income from financial assets	5,399,298	4,000,735
Interest income from deposit with licensed financial institution	154,994	125,000
Management fee paid	(228,398)	(214,319)
Trustee's fee paid	(34,260)	(37,821)
Payment for other fees and expenses	(107)	(12,573)
Net cash used in operating activities	<u>(22,121,473)</u>	<u>(510,978)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	1,529,148	20,086,398
Cash paid for units cancelled	(559,021)	(407,916)
Net cash generated from financing activities	<u>970,127</u>	<u>19,678,482</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(21,151,346)	19,167,504
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	42,096,912	12,798,268
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>20,945,566</u>	<u>31,965,772</u>
Cash and cash equivalents comprise of:		
Cash at bank	368,566	366,772
Deposit with licensed financial institution	20,577,000	31,599,000
	<u>20,945,566</u>	<u>31,965,772</u>