

Nomura i-Income Fund 2 - Class I

December 2024

Fund Manager's Commentary

Global bond market experienced yet another volatile month amid a hawkish US Federal Reserve's interest rate cut. In tandem with global yield movements, GII yields rose before turning around to end the month broadly unchanged. All in all, GII yields ended the month between -3 to +3 bps MoM.

Malaysia's headline inflation unexpectedly eased to +1.8% YoY in November (Oct-24: +1.9% YoY). Stronger price growth in food & beverages (+2.6% YoY) and housing, water, electricity, gas & other fuels (+3.2% YoY) components were fully offset by the smaller price growth in clothing & footwear (-0.3% YoY), health (+1.2% YoY), transport (+0.4% YoY), and information & communication (-3.9% YoY) components. Nevertheless, core inflation remained steady at +1.8% YoY in November (Oct-24: +1.8% YoY).

Strategy-wise, we have taken a little bit of risk off the table with the rally in the current yield curve. We would remain invested in cash and sukuks, awaiting a better yield in the govvie space to increase our sukuk holdings.

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 75.23 million
Class Size	MYR 31.20 million
Units in Circulation (Class I)	31.03 million
NAV per Unit (Class I)	MYR 1.0057
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 2 business days

Cumulative Fund Returns (%)

	YTD 31/12/2023 To 31/12/2024	1 Month 30/11/2024 To 31/12/2024	3 Month 30/9/2024 To 31/12/2024	6 Month 30/6/2024 To 31/12/2024
Fund	3.66	0.25	0.67	1.91
Benchmark	2.61	0.21	0.62	1.26

Cumulative Fund Returns (%)

	1 Year 31/12/2023 To 31/12/2024	3 Year 31/12/2021 To 31/12/2024	Since Commencement 21/7/2021 To 31/12/2024
Fund	3.66	9.36	9.24
Benchmark	2.61	7.80	8.63

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

Sales charge

Nil

Management fee

Up to 0.25% 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).

Calendar Year Returns (%)

	2024	2023	2022	2021
Fund	3.66	4.14	1.31	-0.11
Benchmark	2.61	2.89	2.11	0.77

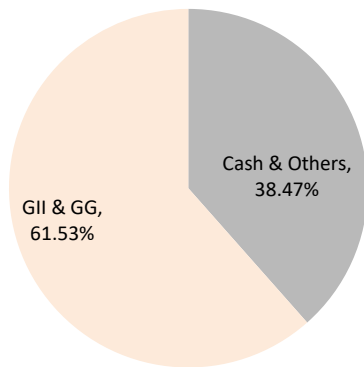
Source: Refinitiv Lipper

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

FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

Asset Allocation*



Top Holdings*

Government of Malaysia	61.53%
Cash & Others	38.47%

Sector Breakdown*

Public Administration	61.53%
-----------------------	--------

*Presented as a % of NAV as at 31 Dec 2024

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

	2024	2023	2022
Distribution (RM)	0.0272	0.0328	0.0167
Distribution Yield (%)	2.71	3.31	1.70

Disclaimer:

Based on the Fund's portfolio returns as at 30 November 2024, the Volatility Factor (VF) for the Fund is 1.70 and is classified as "Very Low" (Source: Refinitiv Lipper). "Very Low" includes funds with VF that are above 0.00 but not more than 5.095. 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.

This marketing material was prepared by Nomura Asset Management Malaysia Sdn. Bhd. (Registration No. 200601028939 (748695-A)) ("NAMM") based on data available to NAMM as of 31 December 2024 for information purposes only and is not intended as an offer, solicitation or recommendation with respect to the purchase or sale of any particular investment. This marketing material has not been reviewed by the Securities Commission Malaysia ("SC"). Before investing in Nomura i-Income Fund 2 ("Fund"), investors are advised to read and understand the contents of the Fund's Prospectus dated 1 December 2022, the First Supplementary Prospectus dated 1 May 2023 and the Second Supplementary Prospectus dated 25 March 2024 ("Prospectuses") and Product Highlights Sheet ("PHS") which highlights the key features and risks of the Fund. Both the Prospectuses and PHS have been registered/lodged with the SC. The authorisation of the Fund and the registration/lodgement of the Prospectuses and the PHS should not be taken to indicate that SC recommends the Fund. SC takes no responsibility for the contents of the Prospectuses, the PHS and this marketing material; makes no representations as to their accuracy or completeness; and expressly disclaims all liability arising from, or in reliance upon the whole or any part of their contents. Though the information contained herein has been obtained from sources believed in good faith to be reliable upon the issuance date, NAMM reserves the right to make changes or corrections to the information herein at any time without notice. Copies of the Prospectuses and PHS can be obtained from our office and application for units can only be made on receipt of an application form referred to and accompanying a copy of the Prospectuses. Among others, investors should be aware: i) of the risks and costs involved in investing in the Fund; ii) that the price of units (in the Fund) and distributions payable (if any) may go down as well as up; and iii) that past performance of the Fund and target fund (if any) should not be taken as an indication of its future performance. Investors should make their own risk assessment and seek professional advice, where necessary.