BOS WEALTH MANAGEMENT

A subsidiary of Bank of Singapore

BOSWM EMERGING MARKET BOND FUND

ANNUAL REPORT

For the financial year ended 31 December 2025

CONTENTS

FUND INFORMATION
As at 31 December 2025

Name of Fund (Feeder)	:	BOSWM Emerging Market Bond Fund
Manager of Fund	:	BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Name of Target Fund	:	Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund
Investment Manager of Target Fund	:	Lion Global Investors Limited (198601745D)
Sub-Investment Manager of Target Fund	:	Bank of Singapore Limited (197700866R)
Launch Date	:	Class MYR – 26 January 2016 Class MYR BOS – 12 September 2019 Class USD BOS – 12 September 2019 The Fund will continue its operations until terminated as provided under Part 11 of the Deed.
Category of Fund	:	Fixed income – feeder fund (wholesale)
Type of Fund	:	Growth and income□
Investment Objective	:	BOSWM Emerging Market Bond Fund aims to provide capital growth and income□ in the medium* to long term* by investing in the Target Fund. □ *Income is in reference to the Fund's distribution, which could be in the form of cash or units.* * *Medium term is defined as a period of one to three years, and long term is a period of more than three years.*
Performance Benchmark	:	Nil – The Fund does not have a performance benchmark assigned.
Distribution Policy	:	Subject to the availability of income, distribution of income will be on a quarterly basis.
Fund Size	:	Class MYR – 7.91 million units Class MYR BOS - Nil Class USD BOS - Nil

FUND PERFORMANCE

Financial Highlights

Category	**As At 31.12.2025**	**As At 31.12.2024**	**As At 31.12.2023**
	%	%	%
Collective Investment Scheme	94.29	100.45	94.86
Cash And Liquid Assets	5.71	(0.45)	5.14
Total	100.00	100.00	100.00

	Class MYR	**Class MYR**	**Class MYR**
Net Asset Value (RM'000)	7,446	8,515	9,182
Number Of Units In Circulation (Units '000)	7,909	9,477	10,600
Net Asset Value Per Unit (RM)	0.9415	0.8985	0.8663
Total Expense Ratio ("TER")	1.44%	1.07%	0.92%
Portfolio Turnover Ratio (times)	0.47	0.04	0.10

	Class MYR BOS	**Class MYR BOS**	**Class MYR BOS**
Net Asset Value (RM'000)	-	10,306	9,899
Number Of Units In Circulation (Units '000)	-	12,677	12,677
Net Asset Value Per Unit (RM)	-	0.8130	0.7809
Total Expense Ratio ("TER")	0.65%	0.67%	0.55%
Portfolio Turnover Ratio (times)	0.47	0.04	0.10

	Class USD BOS	**Class USD BOS**	**Class USD BOS**
Net Asset Value (RM'000)	-	-	11
Number Of Units In Circulation (Units '000)	-	-	3
Net Asset Value Per Unit (RM)	-	-	4.3918
Net Asset Value Per Unit (USD)	-	-	0.9569
Total Expense Ratio ("TER")	-	0.54%	0.54%
Portfolio Turnover Ratio (times)	-	0.04	0.10

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial year calculated on a daily basis. The TER of MYR class for the current financial year is higher due to a lower percentage of decrease in expenses compared with the decrease in average NAV attributable to unitholders. The TER of MYR BOS class remained consistent with that of the previous financial year. The Fund does not charge performance fee.

The Portfolio Turnover Ratio for the current financial year is higher due to increase in investing activities.

Notes:

The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

FUND PERFORMANCE
For the Financial Year Ended 31 December 2025

Market and Fund Review
Review of the Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund (Target Fund of BOSWM Emerging Market Bond Fund)

<u>January 2025</u>

Year-to-Date (YTD) Contributors:
- The target fund marginally underperformed the benchmark (2 basis points (bps)) in USD terms, on gross basis in YTD. On a net return basis, the target fund was up 0.65% in USD terms in January 2025.
- The Investment Manager of Target Fund allocation to Brazil, Egypt and Indonesia contributed positively on a relative basis in January 2025. They Underweight position in Hong Kong also contributed to positive relative performance.
- On the duration positioning, they Overweight in the 7-10 year segment of the market benefited the portfolio.
- Sector wise, they Underweight in Real Estate and Overweight in the Sovereign and Supernational contributed positively to portfolio performance.

Year-to-Date (YTD) Detractors:
- The duration positioning was a key detractor to portfolio performance in January 2025. Their duration positioning in the long end of the curve detracted from the performance in January 2025.
- The allocation, to United Arab Emirates, Bahrain and Mexico detracted the relative performance owing the negative selection effect.
- Sector wise, Financial and Communication Services were the major detractors from the portfolio.

US Treasury (UST) yields had a volatile month in January 2025; yields touched high of 4.79% in mid-January 2025 before ending the month at 4.53%. UST yields marched higher initially in January 2025; however, benign inflation report and as well as less-than feared tariff announcements led to rally in UST yields. Volatility in UST remains a key driver of risks and returns in the fixed income markets, while credit spreads have remained largely stable. During January 2025, The Investment Manager of Target Fund have reduced exposure to Indonesia, United Arab Emirates (UAE) and Hong Kong. They have increased their allocation to Brazil, the United Kingdom (UK) and Chile. They have actively participated in the new issue market in January 2025.

Emerging Market (EM) hard currency bonds have shown resilience amid strong USD and tariff related uncertainties. The Investment Manager of Target Fund remain constructive on the outlook for EM bonds, as they see fundamental strength of EM economies to offset the challenges stemming from the uncertain policy environment in US. Country allocation and credit selection remains key drivers of the returns. They have continued to improve the diversification of the portfolio with the objective of enhancing the risk/reward proposition of the target fund.

<u>February 2025</u>

Year-to-Date (YTD) Contributors:
- The Fund underperformed the benchmark by 54 basis points (bps) on Gross basis. Net of Fees, the Fund has returned 1.67% YTD (in USD terms) to end February 2025.
- The Investment Manager of Target Fund Overweight the allocation in Indonesia, especially to the short dated bonds contributed positively to relative performance. Their out of benchmark allocation to Egypt and Japan also contributed to relative performance.

- On absolute return basis, their holdings in Brazil contributed mostly to the performance.
- Sector wise, their allocation to Sovereigns and Information Technology were the key contributors to relative performance.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight their position in the higher beta credits in China and Hong Kong were the key driver of underperformance in 2025. They remain quality bias within the High Yield space, resulting in an Underweight position in higher beta credits, as reflected by their lower exposure to Non-Rated segment.
- Their duration positioning also detracted from the relative performance, particularly in the 3-5year segment of the curve.
- Sector wise, their allocation to Energy and Underweight in Communication Services adversely impacted the relative performance.

US Treasury (UST) yields had a volatile year so far; yields touched high of 4.79% in January 2025 and touched a low of 4.2% at the end of February 2025. Since then, yields have moved higher in March 2025 towards 4.34% mark. The Investment Manager of Target Fund have taken advantage of rally in UST to reduce duration in the portfolio, especially in the long end of the curve. During February 2025, they have reduced allocation to Indonesia, Turkey and Hong Kong. They have increased allocation to Brazil, China, India and UK.

Emerging Market (EM) hard currency bonds have shown resilience in the midst of strong USD and tariff related uncertainties. The Investment Manager of Target Fund remain constructive on the outlook for EM bonds, as they see fundamental strength of EM economies to offset the challenges stemming from the uncertain policy environment in US. Country allocation and credit selection remains key drivers of the returns, as evident from the volatility they have seen in countries such as Turkey and Indonesia in March 2025. They have continued to improve the diversification of the portfolio with the objective of enhancing the risk/reward proposition of the fund. Improved diversification is likely to enhance the resilience of the portfolio amidst rising risks stemming from tariffs and other idiosyncratic country risks.

<u>March 2025</u>

Year-to-Date (YTD) Contributors:

- On a net return basis, the YTD of the target fund is up 1.28% in USD terms as of 31st March 2025.
- The Investment Manager of Target Fund allocation to Indonesia, UAE and Supranational contributed positively to both relative and absolute performance.
- Their allocation to BBB and BB segments contributed positively to relative performance.

Year-to Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to Hong Kong and China, in particular to higher beta credits was a major contributor to relative performance.
- Rating wise, their Underweight position in the Non-Rated segment as well as Underweight in the A segment detracted from relative performance.
- On duration, their Underweight position in Short and Intermediate segments of the curve contributed negatively to relative performance.

Month-to-Date (MTD) Contributors:

- On a net return basis, the MTD of the target fund was down 0.39% in USD terms in March 2025.
- The Investment Manager of Target Fund allocation to Mexico, Turkey and Colombia contributed positively to relative performance in March 2025, mainly coming from selection effect.

- On the duration, their positioning in the short and intermediate part of the curve contributed positively to both relative and absolute performance.

Month-to-Date (MTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to Hong Kong and Real Estate sector detracted from relative performance in March 2025. Their Overweight allocation in Indonesia and Egypt also detracted from relative performance.
- The positioning in the 7 to 10-year and 10-year+ segment was negative impacted by the steepening of the yield curve in March 2025, detracting both relative and absolute performance.
- Sector wise, their Overweight position in Sovereigns detracted from performance.

Volatility in US Treasury (UST) yields have risen significantly in April 2025, following the uncertainties over the tariff announcements. The 10-year yields briefly traded below 3.9%, before bouncing higher towards 4.4% to 4.5% mark The Investment Manager of Target Fund expect to see deceleration in US growth outlook driven by the tariff related uncertainties; however, they expect US economy to avoid a recession. They expect UST yields to remain volatile and 10-year yields may reach the 5% mark.

The sell off in UST yields and widening of credit spreads have not spared the Emerging Market hard currency bonds. Credits spreads across fixed income markets have widened in recent weeks, in line with the volatility in the equity markets. During March 2025, the Investment Manager of Target Fund have lowered allocation to Indonesia, Brazil and South Africa. On the other hand, they increased allocation to India, China, Malaysia and Saudi Arabia. They have continued to improve the diversification of the portfolio to improve the risk / reward proposition of the portfolio. Going forward, they aim to improve the portfolio resilience through careful country allocation and security selection. While tariffs may adversely impact growth outlook and test the resilience of the Emerging Market economies, they continue to see country allocation and defensive positioning in credit ratings as key drivers in mitigating the current volatile environment.

April 2025

Year-to-Date (YTD) Contributors:

- On a net return basis, the YTD of the target fund was up 0.84% in USD terms as of April 2025.
- The Investment Manager of Target Fund out of benchmark position in Egypt and Overweight allocation to Indonesia and Mexico contributed positively to both relative and absolute performance in 2025.
- The Investment Manager of Target Fund allocation to BBB segment contributed most to the absolute performance in YTD 2025.
- On duration, the Investment Manager of Target Fund Overweight allocation to short end of the curve and 7 to 10-year part of the yield curve contributed to performance.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to China was a key detractor of performance. In addition, their selection within Hong Kong also contributed negatively to performance.
- Rating wise, the Investment Manager of Target Fund Underweight position in the Non-Rated segment as well as Underweight in the A segment detracted from relative performance.
- On duration, the Investment Manager of Target Fund Overweight position in the longer end of the curve detracted from performance.

Month-to-Date (YTD) Contributors:

- On a net return basis, the MTD of the target fund was down 0.44% in USD terms in April 2025 amidst the volatility in the global risk assets.

- The Investment Manager of Target Fund out of benchmark allocation to Egypt contributed most to both absolute and relative performance in April 2025, while their allocation to Indonesia and Turkey also contributed positively.
- On the rating, the Investment Manager of Target Fund defensive positioning was a major contributor to positive performance. Underweight allocation to B+ and below as well as Unrated segments contributed to relative performance.
- Overweight position in 7 to 10-year maturity bucket benefited the portfolio in April 2025.

Month-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund allocation to Hong Kong, mainly towards the long end of the curve was a key detractor in April 2025, both absolute and relative basis. Their higher beta positioning within India also detracted from performance.
- Overweight position in the BBB rating bucket detracted from performance owing to higher spread volatility.
- The Investment Manager of Target Fund positioning in the longer dated part of the yield curve was a key detractor of performance this month.

The positive news surrounding trade negotiations has enabled the equity markets as well as High Yield (HY) segments to recoup most of the drawdown experienced in April 2025. 10-year yields reached a low of 4.15% in early May 2025 but inched towards the 4.5% mark in mid-May 2025. The trade truce has eased recession risk in the United States (US); however, higher tariffs may lift US core inflation to 3% to 4%, limiting the Federal Reserve's easing options. The Investment Manager of Target Fund see upside risks to 10-year yield as a result and yields may reach 5% mark. They continued to adjust the yield curve positioning in the portfolio in April 2025, by reducing exposure to the long end of the curve to the rally in US Treasury (UST) yields. They have reduced their Overweight position in Indonesia and increased allocation to Mexico and Philippines in April 2025.

Credit spreads in Emerging Market (EM) hard currency have tightened in May 2025 in line with the risk on sentiment in global assets. The volatility surrounding the news flow on tariff negotiations and volatility in UST yields remains as two key near term drivers of the returns in Emerging Market (EM) bonds. While the fundamentals of major EM economies have improved over the last decade or so, they are not immune to the volatility in the global markets. The Investment Manager of Target Fund continue to see value in EM hard currency bonds supported by good fundamentals, lower duration in the market relative to developed market peers and higher yields. They have continued to improve the diversification of the portfolio to improve the risk/reward proposition of the portfolio. Going forward, they aim to improve the portfolio resilience through careful country allocation and security selection.

May 2025

Year-to-Date (YTD) Contributors:

- The Investment Manager of Target Fund Overweight allocation to Indonesia and Mexico, and an out-of-benchmark exposure to Egypt, contributed to both relative and absolute performance year-to-date.
- Ratings-wise, their Overweight allocation to BB segment contributed most to both relative and absolute performance year-to-date.
- On duration, their Overweight allocation to 0 to 1-year and 7 to 10-year maturity buckets contributed year-to-date.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocations to China and Israel were key detractors of performance. In addition, their selection within Hong Kong also detracted from performance.
- Ratings-wise, their Underweight allocation to Unrated and single A segments detracted from performance.

- On duration, their Underweight allocation to 5 to 7-year and Overweight allocation to 10-year+ maturity buckets detracted from performance.

Month-to-Date (YTD) Contributors:

- The Investment Manager of Target Fund Underweight allocation to Hong Kong and Overweight allocation to India contributed in May.
- Ratings-wise, their Overweight allocation to BB segment contributed most to both relative and absolute performance in May.
- On duration, their Underweight allocation to 1 to 3-year maturity bucket contributed in May 2025.

Month-to-Date (MTD) Detractors:

- The Investment Manager of Target Fund Overweight allocations to longer maturities in UAE and Chile were key detractors of performance. In addition, their Underweight allocation to Israel and their selection within Turkey also detracted from performance.
- Ratings-wise, their Underweight allocation to Unrated segment detracted from performance owing to better performance in riskier assets.
- On duration, their Overweight allocation to 10-year+ maturity bucket detracted from performance.

Positive developments on the United States (US) tariffs front headlined by United Kingdom and China deals lifted investor sentiments and drove risk assets higher and spreads tighter. Higher beta segments such as High Yield outperformed Investment Grade bonds, while the US Treasury (UST) curve moved higher by 25 to 30 bps as investors moved to price 2 less rate cuts for 2025. 10-year and 30-year Treasury yields hit highs of 4.60% and 5.09% before rallying to close the month lower at 4.40% and 4.93%, respectively. April 2025's US Consumer Price Index (CPI) showed little evidence yet of upward pressure from steep tariff hikes. The Investment Manager of Target Fund think steep US tariffs will feed into higher inflation in May and June 2025 while also weighing on consumer spending. They continue to expect higher US inflation, rising fiscal debt and geopolitical tensions to pressure UST yields. They see room for 10-year yields to reach 5% over next 12 months with steeper yield curve.

The Investment Manager of Target Fund expect Emerging Market hard currency bonds to perform well, supported by resilient economic fundamentals in emerging markets, stable or improving fiscal and debt dynamics, and a global environment increasingly conducive to fixed income. Attractive yields persist due to higher UST yields, though credit spreads are less compelling than in previous years. The volatility surrounding news flow on tariff negotiations and volatility in UST yields remains key drivers of near-term returns. They have increased diversification to improve portfolio risk/reward and moving forward, they aim for portfolio resilience through careful country allocation and security selection.

June 2025

Year-to-Date (YTD) Contributors:

- YTD the target fund returned 3.11% in USD terms as of June 2025, lagging the benchmark by 83bps on a net basis.
- The Investment Manager of Target Fund Overweight allocation to Mexico and India were a major contributor to relative performance as their positions in Adani Group and Vedanta benefited from improving credit spreads. In Mexico, spread tightening in their investment grade positions as well as holding in Pemex benefited the portfolio returns. In addition, their out of benchmark positions in Egypt and South Africa sovereign contributed positively to performance.
- Their allocation to BBB segment contributed most to the absolute performance in YTD 2025, aided by positions in Mexico and Indonesia.
- On duration, their Overweight allocation to 7-10years, part of the yield curve contributed to performance.

Year-to Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to China was a key detractor of performance YTD. They are Underweight higher beta segments of China, especially Real Estate which detracted from performance. In addition, their duration positioning in Hong Kong credits contributed negatively to relative performance.
- Rating wise, their Underweight position in the Non-Rated segment as well as Underweight in the A segment detracted from relative performance.
- On duration, their Underweight positions in 3-7year segment was a key detractor of performance. Furthermore, their Overweight allocation in the long end of the curve detracted due to steepening of the yield curve.

Month-to-Date (MTD) Contributors:

- MTD, the target fund returned 1.45% in USD terms in June 2025, outperforming the benchmark by 8bps on a net basis and 18bps on a gross basis.
- The Investment Manager of Target Fund out of benchmark allocation to Egypt continue to be a key contributor performance. The improvement in fundamentals Egypt driven by improving external position and progress in reform agenda has led to tightening credit spreads within the Egypt curve. They remain constructive on the near-term outlook and maintain the Overweight allocation the sovereign. On the other hand, their allocation Sharjah Sovereign delivered positive returns. They continue to see the sovereign as an attractive way to obtain exposure to UAE.
- The Investment Manager of Target Fund Overweight position in BBB segment of the market was a key contributor to both relative and absolute performance in June 2025. In the Single B segment their credit selection in Egypt, Vedanta and Rakuten contributed to positive performance. They see these names as improving credit stories which should continue to drive the spreads in the near term.
- The Investment Manager of Target Fund duration positioning contributed positively to performance in June 2025. The overweight allocation to long duration bonds benefited from the rally in US Treasury (UST) yields.

Month-to-Date (MTD) Detractors:

- The Investment Manager of Target Fund Underweight position in higher beta Hong Kong Real Estate sector was a key detractor, as New World Development completed its refinancing program. In addition, their Underweight position in long duration segments in Saudi Arabia was another detractor of performance on account of rally in UST yields.
- The Investment Manager of Target Fund Underweight position in higher quality segments in the Investment Grade market (A and above) detracted from performance owing to duration.
- The Investment Manager of Target Fund relative underweight in the 3-5year segment of the curve detracted from performance owing to limited allocation to certain higher beta credits.

Equity markets (particularly US and Asia) sustained their post "Liberation Day" rally through June 2025, as tariff negotiations progressed and Middle Eastern geopolitical tensions eased into the end of the month. The risk on sentiment coupled with the rally in UST yields drove the returns in Emerging Market (EM) credits in June 2025. The Investment Manager of Target Fund continue to see inflation to remain sticky and above the Fed’s 2% target, limiting committee’s ability to materially ease the monetary policy. They foresee one rate cut from the Fed in 2025. On the other hand, the policies of the new US administration is likely to result in elevated fiscal spending and may put pressure on UST yields. They expect 10-year UST to reach 5% mark over the next 12 months. They did not make major changes to the portfolio in June 2025 as they were positioned to benefit from the rally in UST yields and recovery in EM credits.

The volatility surrounding news flow on tariff negotiations and volatility in US Treasury yields remains two key near-term drivers of the returns in EM bonds. While the fundamentals of major EM economies have improved over the last decade or so, they are not immune to the volatility in the global markets. The USD weakness could potentially be a tailwind for fundamentals and external position of EM corporates and sovereigns. In addition, the Investment Manager of Target Fund have seen the opening up of the new issue markets allowing EM Corporate and Sovereign issuers to refinance near-term maturities. This bodes well for the default outlook. They have further reduced our long end duration positions in July 2025 with the intention reposition towards 7-10year segment. They may also look to increase the High Yield allocation through new issues. They continue to see value in Emerging Market hard currency bonds supported by good fundamentals, lower duration in the market relative to developed market peers and higher yields. They have continued to improve the diversification of the portfolio to improve the risk / reward proposition of the portfolio. Going forward, they aim to improve the portfolio resilience through careful country allocation and security selection.

July 2025

Year-to-Date (YTD) Contributors:

- YTD the target fund returned 3.98% lagging the benchmark by 85 basis points (bps) on a net basis.
- The Investment Manager of Target Fund allocation to Emerging Market (EM) sovereigns, especially to Egypt was a key contributor to both relative and absolute performance. Moreover, their Overweight position in Mexico contributed positively on account of strong performance in post announcement of government plan to aid Pemex to repair the balance sheet. Their allocation to Supranational was another contributor to performance.
- The Investment Manager of Target Fund Underweight allocation to A rated segment and Overweight position in BB/B segment benefitted the portfolio. In the A rated segment their selection effect, mainly to capital structure of highly rated entities contributed most to the relative performance. In the B-rated segment their Underweight position in higher beta credits benefitted the portfolio.
- On duration, the Investment Manager of Target Fund Overweight allocation to 7-10yr part of the yield curve contributed to performance.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to China was a key detractor of performance YTD. They are Underweight higher beta segments of China, especially Real Estate which detracted from performance. In addition, their Underweight position in Israel and South Korea contributed negatively to relative performance.
- Rating wise, the Investment Manager of Target Fund Underweight position in the Non-Rated segment was a key detractor due to their cautious defensive positioning within the credit curve. Their Underweight position in AAA-AA segment also detracted from relative performance.
- On duration, the Investment Manager of Target Fund Underweight position in 3-7yr segment was a key detractor of performance. Furthermore, their Overweight allocation in the long end of the curve detracted due to steepening of the yield curve.

Month-to-Date (MTD) Contributors:

- The target fund returned 0.85% in July 2025 on net basis largely in line with the benchmark. On a gross basis the target fund outperformed the benchmark by 10bps.
- The Investment Manager of Target Fund selection effect in Hong Kong contributed positively to relative performance. Their positioning in FWD group benefitted from rating upgrade Investment Grade levels and their Underweight positioning in higher beta names in Hong Kong aided the relative performance. In addition, recovery in Taiwan Life Insurance sector contributed positively as well. Their allocation to Egypt continued to contribute positively in July 2025.
- The Investment Manager of Target Fund Overweight position in BB and BBB segment contributed positively to relative performance. Within BB segment their positioning in Ecopetrol and Macau gaming benefitted the portfolio. In the BBB segment their

longer duration positioning and exposure to Adani group of companies were key contributors to relative performance.
- The Investment Manager of Target Fund duration positioning contributed positively to performance in July 2025. The Overweight allocation in the 7-10yr segment was a key contributor to performance.

Month-to-Date (MTD) Detractors:
- The Investment Manager of Target Fund Underweight allocation to Turkey and lower credit risk within Turkish credit complex detracted from performance. In addition, selection effect in Singapore detracted from relative performance. Their Underweight positioning in Saudi Arabia contributed negatively to relative performance.
- The Investment Manager of Target Fund conservative credit selection in the B+ and below segment detracted from relative performance as some of the higher beta credits rallied in July 2025 owing to idiosyncratic reasons.
- The Investment Manager of Target Fund Underweight allocation in Energy and Communication Services detracted from relative performance in July 2025.

Risk assets have continued to march higher on strong earnings and dissipating uncertainty over the tariff policies. Emerging Markets (EM) assets have had a strong year so far. The relative weakness in the United States dollar (USD) has been a tailwind for EM economies. The Investment Manager of Target Fund continue to see tariffs as a demand for shock for EM economies over the near term which may subdue growth prospects. They expect the Federal Reserve to cut one time in 2025 as inflation remains relatively sticky in US. As a result, they have a more cautious view on duration and may see 10yr US Treasury (UST) yields marching higher in the near term.

The Investment Manager of Target Fund remain constructive on EM corporate bonds underpinned by favourable default outlook, stable fundamentals and strong technicals. The opening up of the new issue market has allowed both EM sovereigns and Corporates to improve their debt maturity profiles. They have reduced their low coupon long duration positions to the rally in UST yields in July 2025. They redeployed the proceeds into subordinate debt of high-quality companies as these bonds provide attractive spread pick up over their senior bonds. They have also lowered allocation to United Arab Emirates (UAE) and Indonesia, while increasing allocation Mexico and supranationals. Looking ahead, they will continue to add value accretive new issues to the portfolio. they aim to improve the portfolio resilience through careful country allocation and security selection.

August 2025

Year-to-Date (YTD) Contributors:
- YTD target fund returned 5.34% on a net of fee basis, lagging the benchmark by 93 basis points (bps). The Investment Manager of Target Fund key Overweight in the Emerging Market (EM) sovereign space, Egypt and South Africa were key contributors to both absolute and relative performance in 2025. EM sovereigns have benefitted from spread tightening as well as improvements in credit fundamentals. Their Overweight in Mexico benefitted from both duration and credit spread tightening; the tender offer by Pemex supported returns in their Overweight position in the credit. Their key Overweight in Brazil contributed positively to performance thanks to positioning in Protein sector.
- The Investment Manager of Target Fund Overweight allocation to 7-10yr part of the duration segment contributed positively owing to the favourable movement in the yield curve.
- The Investment Manager of Target Fund Overweight allocation to A segment as well as Overweight positioning within the higher beta segments in the Investment Grade sector benefitted the portfolio due to tightening in credit spreads.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to China was a key detractor of performance YTD. They are Underweight higher beta segments of China, especially Real Estate which detracted from performance. In addition, their Underweight position in Israel and South Korea contributed negatively to relative performance.
- The Investment Manager of Target Fund Underweight position in the higher beta segments of the credit curve, especially to the Unrated segment detracted from performance.
- On duration the Investment Manager of Target Fund Underweight in the short end of the curve and relative Overweight in the longer end of the curve detracted owing to steepening of the US Treasury (UST) yield curve.

Month-to-Date (MTD) Contributors:

- The target fund returned 1.3% in August 2025 on net of fees basis, marginally behind (7bps) the benchmark. The Investment Manager of Target Fund key Overweight position in Egypt, where improvements in the macroeconomic and external position has supported bond prices was a key contributor to the performance in August. Furthermore, their tactical allocation to Japan benefitted from the strong performance of Japanese lifers and tech companies.
- Selection effect contributed positively in Brazil, as the Investment Manager of Target Fund key Overweight positions in Protein and Oil & Gas performed well in August 2025.
- The Investment Manager of Target Fund duration positioning ahead of the potential rate cut by the Federal Reserve (Fed) in September 2025 benefitted the portfolio. Going into August 2025, they were Overweight 10+year segment and 7-10yr segment which benefitted from the movement in the UST curve.
- The Investment Manager of Target Fund Overweight positioning in the BB segment in High Yield and higher beta segments within the Investment Grade space contributed positively as these segments benefitted from both duration and spread tightening.

Month-to-Date (MTD) Detractors:

- The relative Underweight positioning in the higher beta segments of the market detracted from the performance in August 2025. In turkey and Colombia the Investment Manager of Target Fund defensive positioning detracted from relative performance as some of the higher beta names outperformed. Argentina was another detractor from performance due to recent adverse developments in the political and economic front. While they are Underweight Argentina on a relative basis, their selection effect contributed negatively.
- On the duration front, the Investment Manager of Target Fund Underweight positioning in the shorter end of the maturity segment detracted from relative performance.
- The Investment Manager of Target Fund Underweight allocation to Real Estate sector, especially to Hong Kong higher beta segment detracted from performance due to idiosyncratic events.

Risk assets continued to generate strong returns in August as weak employment data has fuelled expectations of September rate cut by the Fed. The Investment Manager of Target Fund now expect 3 rates cuts from the Fed in 2025 as the policy makers give priority to the weakening labour market data in the near term. The expected rate cut cycle should bring in favourable tail winds for the Emerging Market (EM) economies, as it will help to lower borrowing costs and improve the funding environment. They already see strong technical in the new issue market with higher yielding new issues receiving strong demand from the investors.

The portfolio has benefitted from the Investment Manager of Target Fund selection and allocation to EM sovereign bonds in 2025. While they remain constructive on the sector, recent spread tightening limits further alpha opportunities in the sector. In August we increased allocation to Saudi Arabia through ARAMCO curve, to take advantage of the steep spread curve in the long end. They also increased allocation to Macau gaming sector as well as to Thailand and Mexico during the month, preferring longer end of the curve ahead of the Fed easing cycle. They remain constructive on the outlook for the EM Corporates, supported by stable fundamentals, improving default outlook and strong technical. They will continue to participate in value accretive new issues in the market while remaining defensive on their credit selection.

September 2025

Year-to-Date (YTD) Contributors:

- YTD, the target fund has returned 6.69%, behind the benchmark by 41 basis points (bps) on a net of fee basis. The Investment Manager of Target Fund Overweight positions in Emerging Market (EM) Sovereigns (Egypt, South Africa) were the key drivers of returns in 2025. In addition, their duration positioning aided the portfolio returns, owing to favourable move in the yield curve. Their allocation to Indonesia, Mexico and India were key contributors to relative performance. In Indonesia, longer duration allocation PLN aided performance, while in Mexico, allocation to Pemex and credit selection effect benefitted the portfolio. In India, their positioning in Adani group and Vedanta were key contributors; the dissipation of headline risk benefitted Adani credit spreads while Vedanta continue to benefit from the improvement in the credit fundamentals.
- The Investment Manager of Target Fund Overweight allocation to the belly of the curve (3-10yr part) contributed positively to the relative performance of the target fund.
- The Investment Manager of Target Fund Overweight positioning within the higher beta segments in the Investment Grade sector benefitted the portfolio due to tightening in credit spreads.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to higher beta credits was a key detractor of performance in 2025, as these segments benefitted from the risk-on environment and certain idiosyncratic credit events. Their Underweight position in China and Hong Kong, especially in the real estate sector detracted from performance. In addition, their limited exposure to Israel credits detracted from performance as credit spread tightened with the recent progress in peace process. Similarly, their limited credit risk exposure to Peru was another source of detraction. Furthermore, their allocation to Braskem, which surprised the market by hiring advisors adversely impacted the portfolio performance.
- The Investment Manager of Target Fund Underweight position in the higher beta segments of the credit curve, especially to the Unrated segment detracted from performance.
- On duration the Investment Manager of Target Fund Underweight in the 3-7yr part of the curve detracted from performance mainly owing to negative selection effect.

Month-to-Date (MTD) Contributors:

- The target fund returned 1.28% in September 2025 on net of fee basis, ahead of the benchmark return of 0.5%. The Investment Manager of Target Fund key Overweight positions in Egypt and relatively longer duration of the Fund were key drivers of the performance in September 2025.
- The Investment Manager of Target Fund positioning in the EM Sovereigns such as South Africa and Sharjah were key contributors to both absolute and relative returns in September 2025. In Mexico, Pemex and their selection effect was beneficial to the portfolio. Similarly, in Turkey, their limited exposure some of the idiosyncratic credits such as WESODA contributed to relative performance.
- The Investment Manager of Target Fund duration positioning was a key contributor to the performance; they have preferred to take duration risk over credit risk in 2025, as evident from their Overweight in duration and Underweight in the some of the higher

beta segments of the high yield market. They are Overweight 10+yr segment in the yield curve and Underweight 1-3yr segment, which was beneficial to the portfolio owing to the favourable move in the yield curve.
- The Investment Manager of Target Fund Overweight positioning in the BB segment in High Yield and higher beta segments within the Investment Grade space contributed positively as these segments benefitted from both duration and spread tightening.

Month-to-Date (MTD) Detractors:
- The Investment Manager of Target Fund relative underweight positioning in the higher beta property segment in China and Hong Kong detracted from performance in September. In addition, their Underweight position in Israel detracted owing to positive progress made on the peace process. Their duration underweight in Saudi Arabia was a source of negative relative returns due to the rally in United States Treasury (UST) yields.
- The Underweight position in higher quality segments of the market (AAA to A) detracted from performance due to the movement in the yield curve.
- The Investment Manager of Target Fund underweight allocation to Real Estate sector, especially to Hong Kong higher beta segment detracted from performance due to idiosyncratic events.

September 2025 was another good month for risk assets as both equities and fixed income ended the month in positive territory. As expected, the Federal Reserve cut interest rates in September 2025 and the Investment Manager of Target Fund expect two more rate cuts in 2025 as policy makers continue to focus on the weaknesses in the labour market. This coupled with stable inflation numbers have led to sharp rally in the UST yields in recent months – 10yr yields are touching 4%-mark vs 4.6% level in June 2025. The 30yr yields, which had underperformed in earlier parts of the year, have now started to perform as well. They continue to expect long end yields to resume climbing given as fiscal related concerns may resurface in the near term.

The portfolio has benefitted from the Investment Manager of Target Fund selection and allocation to EM sovereign bonds in 2025; in addition, their preference to take duration risk over credit risk has benefitted the portfolio thanks to the favourable move in the shape of yield curve. They have increased exposure to Thailand via new PTTGC perpetual bond and participated in some of the new Tier 2 bonds Saudi bank which came at attractive levels for strong Investment Grade rating. They have also taken the opportunity to pare down some of the long duration bonds in the portfolio to the rally in UST yields, while recycling the proceeds into 5-7yr part of the curve. They remain constructive on the outlook for the EM Corporates, supported by stable fundamentals, improving default outlook and strong technical. They will continue to participate in value accretive new issues in the market while remaining defensive on their credit selection.

October 2025

Yields across United States Treasury (UST) curve declined in October, aiding performance across fixed income markets, with Emerging Market (EM) bonds outperforming the Developed Market peers. As expected, the Federal Reserve (Fed)lowered interest rates by 25bps in the October meeting but provided a less certain outlook for the potential move in December. The Investment Manager of Target Fund expect another rate cut from the Fed for 2025 as an insurance cut against the potential weakness in the labour market. They continue to see UST yields in the 10yr segment to trade in the 4-5% range in the coming months and look to actively alter the duration position within the portfolio.

The portfolio has benefitted from the Investment Manager of Target Fund selection and allocation to EM sovereign bonds in 2025. In addition, their preference to take duration risk over credit risk has benefitted the portfolio thanks to the favourable move in the shape of yield curve. In October, they continued to pare down their duration positioning in the long end of the curve, by exiting positions in the Investment Grade (IG) segment. They reallocated the proceeds to short dated High Yield (HY) bonds to benefit from higher carry. They also increased exposure to Saudi Tier 2 names which provides an attractive spread level for the rating levels. They remain constructive on the outlook for the EM Corporates, supported by stable fundamentals, improving default outlook and strong technical. They will continue to participate in value accretive new issues in the market while remaining defensive on their credit selection.

Year-to-Date (YTD) Contributors:

- YTD, the target fund has returned 7.2%, behind the benchmark by 51 basis points (bps) on a net of fee basis. The Investment Manager of Target Fund Overweight positions in EM Sovereigns (Egypt, South Africa) were the key drivers of returns in 2025. In addition, their duration positioning aided the portfolio returns, owing to favourable move in the yield curve. Their Overweight allocation to Indonesia was a key driver of relative returns as our credit selection as well as duration positioning benefitted the portfolio. Their Overweight position in Supranational credits, particularly BOAD, contributed positively to performance. In Mexico, their long duration positioning and credit selection (Pemex) contributed positively to relative performance.
- The Investment Manager of Target Fund Overweight allocation to long end of the curve (10+ year part) and 7-10yr segment was a key contributor to performance owing to the favourable move in the yield curve.
- The Investment Manager of Target Fund Overweight positioning within the higher beta segments in the Investment Grade (IG) sector and Overweight position in the BB segment within High Yield (HY) benefitted the portfolio due to tightening in credit spreads.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund Underweight allocation to higher beta credits was a key detractor of performance in 2025, as these segments benefitted from the risk-on environment and certain idiosyncratic credit events. Their Underweight position in China and Hong Kong, especially in the real estate (RE) sector detracted from performance. In addition, their limited exposure to Israel credits detracted from performance as credit spread tightened with the recent progress in peace process. Their Underweight position in the long end of curve in Saudi Arabia, especially in Saudi Aramco curve detracted from performance due to the move in the yield curve. Further negative selection effect in Brazil owing to idiosyncratic events surrounding Braskem was a key detractor of relative performance.
- The Investment Manager of Target Fund Underweight position in the higher beta segments of the credit curve, especially to the Unrated segment detracted from performance.
- On duration, the Investment Manager of Target Fund Underweight in the 3-7yr part of the curve detracted from performance mainly owing to negative selection effect.

Month-to-Date (MTD) Contributors:

- The target fund returned 0.48% in October 2025, marginally behind the benchmark return of 0.57% on net of fee basis. The Investment Manager of Target Fund allocation to EM sovereigns, in particular, Egypt and South Africa continued to drive the performance in October.
- Egypt was a key contributor in October, as the fundamental improvements coupled with favourable movement in the yield curve aided bond performance. Similarly, the Investment Manager of Target Fund long duration positioning in South Africa outperformed on a relative basis. EM Sovereign bonds have performed well in 2025, owing to both fundamental improvements and supportive technical factors. Their positioning within utility sector in Indonesia was another contributor to relative performance in October.
- The Investment Manager of Target Fund duration positioning was a key contributor to the performance. Favourable move in the yield curve, where long end yield

outperformed aided the portfolio in October. They have an Overweight position in the 10yr+ segment in the portfolio.

- The Investment Manager of Target Fund Overweight positioning in the BB segment in HY and higher beta segments within the IG space contributed positively as these segments benefitted from both duration and spread tightening.

Month-to-Date (MTD) Detractors:

- The Investment Manager of Target Fund Overweight position in Brazil detracted from relative performance owing to negative selection effect. Certain higher beta credits continued to face pressure in the aftermath of Braskem event. Their Underweight position in Hong Kong real estate, especially in the New World Development (NWD) curve was a negative contributor as company's proposal to exchange the perpetual bonds was perceived positively by the market.
- The Investment Manager of Target Fund Underweight position in Non-Rated segment was a key detractor of performance due to negative selection effect. The Underweight position in higher quality segments of the market (AAA to A) detracted from performance due to the movement in the yield curve.
- The Investment Manager of Target Fund Underweight allocation to Energy and RE sectors, especially in Brazil and Hong Kong detracted from performance due to idiosyncratic events and negative selection effect.

November 2025

Year-to-Date (YTD) Contributors:

- YTD, the target fund has returned 7.33%, behind the benchmark by 53 basis points (bps) on a net of fee basis. On an absolute basis, the Investment Manager of Target Fund allocation Mexico, India and Egypt contributed the most to the portfolio performance. In Mexico, their allocation to longer dated bonds as well as to Pemex contributed to positive performance. Their allocation to Adani group of companies and Vedanta, which benefited from favourable commodity prices as well supportive refinancing exercises benefited the portfolio performance.
- On a relative basis, the Investment Manager of Target Fund allocation in Emerging Market (EM) Sovereigns were a key contributor to performance in 2025. The credit spread tightening in Egypt and South Africa owing to improvement in fundamentals benefited the relative performance of the portfolio. In addition, their preference to take duration risk benefited the portfolio through favourable move in the yield curve.
- The Investment Manager of Target Fund Overweight positioning within the higher beta segments in the Investment Grade (IG) sector and Overweight position in BB segment benefited the portfolio due to tightening in credit spreads.

Year-to-Date (YTD) Detractors:

- On absolute basis, the Investment Manager of Target Fund allocation to Bahrain sovereign was a negative contributor to performance. On a relative basis, their lower beta exposure in China detracted from performance, as some of the higher beta credits outperformed in 2025. Similarly, their limited exposure to New World Development (NWD) complex resulted in underperformance vs the benchmark. Their underweight position in Saudi Arabia, especially to the higher duration parts of the Saudi Aramco curve detracted from performance.
- The Investment Manager of Target Fund Underweight position in the higher beta segments of the credit curve, especially to the Unrated segment detracted from performance.
- On duration the Investment Manager of Target Fund Underweight in the 3–7-year part of the curve detracted from performance mainly owing to negative selection effect.

Month-to-Date (MTD) Contributors:

- The target fund returned 0.13% in October 2025, marginally behind the benchmark return of 0.15% on net of fee basis. The Investment Manager of Target Fund allocation to Egypt and Brazil contributed most to the performance in November 2025.

- Egypt continues to be a key contributor to both absolute and relative performance in November 2025 as fundamental improvement drove credit spread tightening. In Brazil, the Investment Manager of Target Fund selection effect contributed to performance. Improved set of results and potential takeover from Petrobras drove credit spreads of MC Brazil tighter during the month. Their defensive credit selection in China and underweight in the real estate sector benefited the relative performance of the portfolio in November 2025. In particular, they did not have exposure to Vanke, which sought an extension of local bond maturing in December 2025, resulting in sharp drop in the bond prices.
- The Investment Manager of Target Fund Overweight positioning in the BB segment in High Yield and higher beta segments within the Investment Grade space contributed positively as these segments benefited from both duration and spread tightening.

Month-to-Date (MTD) Detractors:

- Negative selection effect in Hong Kong was a key detractor of relative performance in November 2025. The Investment Manager of Target Fund limited exposure to NWD complex detracted from performance as bond prices improved post successful tender offer for certain bonds. Similarly, their defensive credit positioning in Turkey detracted from relative performance. In addition, their out of benchmark position in Japan via Rakuten contributed negatively to performance.
- The Investment Manager of Target Fund Underweight position in Non-Rated segment was a key detractor of performance due to negative selection effect.
- The Investment Manager of Target Fund underweight allocation to Financials and Industrial sectors underperformed on a relative basis.

The United States Treasury (UST) yield curve steepened in November 2025 with 30-year yields underperforming compared to the short and intermediary part of the curve. Yields across 2-10-year segment declined, driving positive returns across the credit markets. The Federal Reserve (Fed), in line with the Investment Manager of Target Fund expectations, lowered interest rates by 25bps in the December 2025 meeting. They may not see further rate cuts in the first half of 2026 ahead of the appointment of new Fed Chair. They expect steeper yield curve in 2026 and see 10-year UST yields to trade in the 4%-5% range.

The portfolio has benefited from the Investment Manager of Target Fund selection and allocation to Emerging Market (EM) sovereign bonds in 2025; in addition, their preference to take duration risk over credit risk has benefited the portfolio thanks to the favourable move in the shape of yield curve. They did pare down some of their duration exposure to the rally in UST yields in October 2025. With 30-year yields moving higher once again, they may look to add duration from high quality corporates in the near term. They did limited re-positioning of the portfolio in November 2025 and marginally increased the high yield exposure in early December 2025. The Fed rate cuts and relative stability in EM Local currencies coupled with improvements in the external position of Emerging economies continue to underpin their sanguine outlook for EM corporates. The opening up of local funding markets have reduced the refinancing pressure on both sovereign and corporate issuers. That said, the idiosyncratic events in names such as Vanke and Braskem highlight the importance of credit selection in EM credit market. They remain relatively defensive in their credit selection with preference towards higher quality issuers in the high yield segment.

December 2025

Year-to-Date (YTD) Contributors:

- The target fund returned 8.02% in 2025, marginally behind the benchmark by 40 basis points (bps) on a net of fee basis. The Investment Manager of Target Fund positioning in Emerging Market (EM) sovereigns were a key contributor to both absolute and relative performance in 2025. EM sovereign bonds outperformed corporate bonds in 2025 owing to improvements in credit fundamentals. Their positioning in Egypt and South Africa sovereign bonds were key contributors to performance during the year.

- The Investment Manager of Target Fund credit selection in Indonesia was another contributor owing to their Overweight position in Utility sector. Their Overweight position in Mexico contributed positively on account of both duration positioning and credit selection. In India, their credit selection was a key contributor to performance; their Overweight position in Vedanta and Adani Group provided strong absolute and relative performance.
- Throughout the year, the Investment Manager of Target Fund have actively managed duration and preferred duration risk over credit risk. their Overweight position in 10+ year segment of the curve was a key contributor to performance owing to favourable move in the yield curve.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund relative Underweight position in China, especially towards higher beta credits and Tech sector was a key detractor of performance. Furthermore their limited exposure to Israeli credits was a detractor during the year. Saudi Arabia remained a detractor due to our Underweight allocation as well as lower duration in the country relative to the benchmark. Their Underweight position in higher beta Hong Kong property sector was a detractor mainly due to strong recovery in the New World Development complex.
- Their Investment Manager of Target Fund Underweight position in the higher beta segments of the credit curve, especially to the Unrated segment detracted from performance.
- On duration the Investment Manager of Target Fund Underweight in the 3-7year part of the curve detracted from performance mainly owing to negative selection effect.

Month-to-Date (MTD) Contributors:

- The target fund returned 0.64% in December 2025, outperforming the benchmark by 13bps on a net of fee basis. The Investment Manager of Target Fund Overweight position in Egypt, Mexico and India contributed most to the relative performance in December. In Egypt, their long standing exposure to sovereign continue to contribute positively on the back of improving credit fundamentals. In India, their Overweight position in Vedanta benefited the portfolio as strong commodity prices, especially silver would contribute towards improved credit fundamentals. In Mexico, their favourable credit selection contributed towards relative performance.
- The Investment Manager of Target Fund Overweight position in Macau gaming sector was a key contributor to performance as the sector continue to post strong revenue numbers.
- The Investment Manager of Target Fund preference to take duration risk over credit risk benefited the portfolio owing to favourable move in the yield curve. They have a Overweight position in the 7-10 year and 10 year+ segment.
- The Investment Manager of Target Fund Overweight positioning in the BB segment in High Yield and higher beta segments within the Investment Grade space contributed positively.

Month-to-Date (MTD) Detractors:

- The Investment Manager of Target Fund positioning in United Arab Emirates (UAE) detracted from performance; they have an Overweight position in Sharjah and DP World long end, which underperformed due to the unfavourable move in the long end yields. Furthermore, their Underweight position in Turkey detracted from relative performance, as Turkish credits performed well.
- The Investment Manager of Target Fund Underweight position in Non-Rated segment was a key detractor of performance due to negative selection effect.
- The Investment Manager of Target Fund underweight allocation to Industrial and Materials sectors underperformed on a relative basis.

2025 was a strong year for EM credit complex; EM Sovereigns outperformed Corporates as default risks in the Sovereign space declined considerably. Credit spreads tightened across the curves in 2025 and returns were aided by favourable move in the United States Treasury (UST) yields. The Investment Manager of Target Fund remain sanguine on the global growth outlook for 2026, which should anchor performance of EM assets. They see one more rate cut from the Federal Reserve (Fed) and 10 year yields to move towards 3.95% over the coming 12 months. The fundamentals of EM corporates remains stable; JP Morgan forecast default rates in High Yield to decline to 3%, lowest level since 2019. Moreover they have noted improvement in credit rating trajectory in EM corporates with upgrades outpacing downgrades in 2025, another indicator of improving credit fundamentals. Technically, there is anecdotal evidence of fund flows returning to EM bonds and bond supply remains muted relative to coupons and maturities. These fundamentals coupled with stability in local currencies provide a favourable backdrop for the EM hard currency bonds for 2026. They acknowledge that current credit spreads price in most of this good news, which highlight the importance of credit selection and country allocation in the portfolios.

The portfolio has benefitted from the Investment Manager of Target Fund selection and allocation to EM sovereign bonds in 2025; in addition, their preference to take duration risk over credit risk has benefited the portfolio thanks to the favourable move in the shape of yield curve. They did pare down some of their duration exposure to the rally in UST yields in October 2025. With 30 year yields moving higher once again, they may look to add duration from high quality corporates in the near term. They remain relatively defensive in their credit selection with preference towards higher quality issuers in the high yield segment.

Fund Returns

	Total Returns
	Class MYR
1.1.2025 To 31.3.2025	0.81%
1.4.2025 To 30.6.2025	0.93%
1.7.2025 To 30.9.2025	2.68%
1.10.2025 To 31.12.2025	0.30%
1 Year's Period (1.1.2025 To 31.12.2025)	4.79%
3 Years' Period (1.1.2023 To 31.12.2025)	2.84%
5 Years' Period (1.1.2021 To 31.12.2025)	-15.61%
Financial Year-To-Date (1.1.2025 To 31.12.2025)	4.79%
Since Investing Date To 31.12.2025	4.78%

Note:
- BOSWM Emerging Market Bond Fund Class MYR – Launch date: 26.1.2016; Investing date: 2.3.2016
- BOSWM Emerging Market Bond Fund Class MYR BOS – Launch date: 12.9.2019; Investing date: 12.9.2019
- BOSWM Emerging Market Bond Fund Class USD BOS – Launch date: 12.9.2019; Investing date: 12.9.2019

Past performance figures shown are only a guide and should not be taken as indicative of future performance, and that unit prices and investment returns may go down, as well as up.

Source: BOS Wealth Management Malaysia Berhad

Asset Allocation

	As at 31 December 2025
Collective Investment Scheme: Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund USD Class C (Distribution) and/or USD Class C (Accumulation)	94.29%
Cash and Liquid Assets	5.71%
	100.00%

Income Distribution

Nil

Net Asset Value (NAV) Per Unit

(as at 31 December 2025)

Class MYR	RM0.9415
Class MYR BOS	-
Class USD BOS	-

Significant Changes in the State of Affairs of the Fund

Nil

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS OF BOSWM EMERGING MARKET BOND FUND

To the unit holders of BOSWM Emerging Market Bond Fund ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **BOS Wealth Management Malaysia Berhad** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;

2. Valuation and pricing is carried out in accordance with the deed; and

3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB COMMERCE TRUSTEE BERHAD

Tok Puan Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
23 February 2026

BOSWM EMERGING MARKET BOND FUND

STATEMENT BY THE MANAGER

We, **Najmuddin bin Mohd Lutfi** and **Tong Hon Keong**, being two of the directors of **BOS Wealth Management Malaysia Berhad**, do hereby declare that, in the opinion of the Manager, the accompanying financial statements set out on pages 28 to 50 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia so as to give a true and fair view of the financial position of **BOSWM Emerging Market Bond Fund** as at 31 December 2025 and of its results, changes in net asset value and cash flows for the financial year then ended.

Signed on behalf of the Manager in accordance with a resolution of the directors.

NAJMUDDIN BIN MOHD LUTFI **TONG HON KEONG**

Petaling Jaya, Malaysia
23 February 2026

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF BOSWM EMERGING MARKET BOND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of BOSWM EMERGING MARKET BOND FUND ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 7 to 29.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors’ report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS(CONTINUED)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF BOSWM EMERGING MARKET BOND FUND(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS(CONTINUED)

As part of an audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

d) Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF BOSWM EMERGING MARKET BOND FUND(CONTINUED)

OTHER MATTERS

This report is made solely to the unit holders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(LLP0014401-LCA & AF 1146)
Chartered Accountants

Kuala Lumpur
23 February 2026

BOSWM EMERGING MARKET BOND FUND

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 RM	2024 RM
ASSETS			
Investments	3	7,020,409	18,905,686
Tax recoverable		6,612	-
Financial derivatives	7	245,471	-
Other receivables		9,061	32,051
Cash and cash equivalents	5	204,512	665,723
TOTAL ASSETS		7,486,065	19,603,460
LIABILITIES			
Financial derivatives		-	755,860
Amount due to Manager	6	6,054	9,297
Other payables		34,467	17,165
TOTAL LIABILITIES		40,521	782,322
NET ASSET VALUE ("NAV") OF THE FUND		7,445,544	18,821,138
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:	13		
Unit holders' capital		13,272,628	25,162,191
Accumulated losses		(5,827,084)	(6,341,053)
		7,445,544	18,821,138
NET ASSET VALUE			
- Class MYR		7,445,544	8,515,422
- Class MYR BOS		-	10,305,716
- Class USD BOS		-	-
		7,445,544	18,821,138
NUMBER OF UNITS IN CIRCULATION (UNITS)	14		
- Class MYR		7,908,586	9,477,401
- Class MYR BOS		-	12,676,839
- Class USD BOS		-	-

The accompanying notes form an integral part of the financial statements.

BOSWM EMERGING MARKET BOND FUND

STATEMENT OF FINANCIAL POSITION (CONT'D.)
AS AT 31 DECEMBER 2025

	2025 RM	2024 RM
NAV PER UNIT IN RINGGIT MALAYSIA		
- Class MYR	0.9415	0.8985
- Class MYR BOS	-	0.8130
- Class USD BOS	-	-
NAV PER UNIT IN RESPECTIVE CURRENCY		
- Class MYR	0.9415	0.8985
- Class MYR BOS	-	0.8130
- Class USD BOS	-	-

The accompanying notes form an integral part of the financial statements.

BOSWM EMERGING MARKET BOND FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
INVESTMENT INCOME/(LOSS)			
Interest income		7,478	14,455
Net gains on investments			
- Financial assets at FVTPL		647,258	(21,421)
- Foreign exchange		(254,283)	50,844
- Financial derivatives		(43,576)	1,193,843
Net unrealised gain/(loss) on foreign exchange		1,001,331	(1,158,688)
Net unrealised (loss)/gain on changes in the value of financial assets at FVTPL		(700,914)	821,417
		657,294	900,450
EXPENSES			
Audit fee		8,592	8,424
Tax agent's fee		5,700	6,050
Manager's fee	8	99,698	117,248
Trustee's fee	9	12,000	12,000
Administration expenses		23,289	18,672
		149,279	162,394
Net income before taxation		508,015	738,056
Less: taxation	12	5,954	(1,316)
Net income after taxation, representing total comprehensive income for the financial year		513,969	736,740
		513,969	736,740
Total comprehensive income comprises the following:			
Realised Income		213,552	1,074,011
Unrealised Income/(Loss)		300,417	(337,271)
		513,969	736,740

The accompanying notes form an integral part of the financial statements.

BOSWM EMERGING MARKET BOND FUND

STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Unit holders' capital RM	Accumulated losses RM	NAV attributable to unit holders RM
At 1 January 2024		26,169,414	(7,077,793)	19,091,621
Net income after taxation		-	736,740	736,740
Cancellation of units				
- Class MYR		(996,812)	-	(996,812)
- Class USD BOS		(10,411)	-	(10,411)
At 31 December 2024		25,162,191	(6,341,053)	18,821,138
At 1 January 2025		25,162,191	(6,341,053)	18,821,138
Net income after taxation		-	513,969	513,969
Cancellation of units	14			
- Class MYR		(1,421,835)	-	(1,421,835)
- Class USD BOS		(10,467,728)	-	(10,467,728)
At 31 December 2025		13,272,628	(5,827,084)	7,445,544

The accompanying notes form an integral part of the financial statements.

BOSWM EMERGING MARKET BOND FUND

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	12,172,160	807,585
Purchase of investments	(593,670)	(731,765)
Settlement of forward contracts	(43,576)	1,193,843
Interest received	7,478	14,591
Manager's fee paid	(79,951)	(118,699)
Trustee's fee paid	(9,865)	(11,018)
Payment for other fees and expenses	(22,415)	(40,912)
Tax (paid)/refunded	(658)	-
Net cash generated from operating activities	11,429,503	1,113,625
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on units cancelled	(11,889,563)	(1,007,223)
Net cash used in financing activities	(11,889,563)	(1,007,223)
Net (decrease)/increase in cash and cash equivalents	(460,060)	106,402
Effect of exchange rate changes	(1,151)	(13,846)
Cash and cash equivalents at beginning of financial year	665,723	573,167
Cash and cash equivalents at end of financial year	204,512	665,723
Cash and cash equivalents comprise:		
Cash at banks	14,498	65,422
Deposits with financial institutions	190,014	600,301
	204,512	665,723

The accompanying notes form an integral part of the financial statements.

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

BOSWM EMERGING MARKET BOND FUND (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 20 November 2015 as amended by the First Supplemental Master Deed dated 18 April 2016, Second Supplemental Master Deed dated 22 December 2016, Third Supplemental Master Deed dated 17 January 2017, Fourth Supplemental Master Deed dated 17 July 2019 and its Fifth Supplemental Master Deed dated 19 May 2020 (hereinafter referred to as "the Deeds") made between the Manager, BOS Wealth Management Malaysia Berhad and the Trustee, CIMB Commerce Trustee Berhad for the registered holders of the Fund.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Deeds, which include the USD Class of the Lion Capital Funds II Lion-Bank of Singapore Emerging Market Bond Fund (Target Fund), or a Collective Investment Scheme having a similar objective, strategy and policy with the Fund, liquid assets, and any other form of investment as may be agreed by the Manager and the Trustee from time to time that are in line with the Fund's objective. The Fund was launched on 26 January 2016 and will continue its operations until terminated as provided in the Deeds.

The Fund previously offered one class of units i.e. Class MYR which was the sole and unnamed class of units established before 12 September 2019. On 12 September 2019, the Fund added two new classes of units i.e. Class MYR BOS and Class USD BOS.

The Manager is a wholly owned subsidiary of Bank of Singapore Limited, a private bank based in Singapore. The ultimate holding company is Oversea-Chinese Banking Corporation Limited, a public listed company incorporated in Singapore.

The principal activities of the Manager are the establishment and management of unit trust funds as well as the management of private investment mandates. The Manager received approval from the Securities Commission Malaysia to include the regulated activity of investment advice under the variation of its Capital Markets Services License on 25 October 2019. The Manager registered to be an Institutional Unit Trust Adviser with the Federation of Investment Managers Malaysia on 13 November 2019. The Manager has not commenced activities relating to investment advise and marketing and distribution of third party funds as of the end of the financial year.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The material accounting policies adopted are consistent with those applied in the previous financial year end except for the adoption of new MFRSs and Amendments to MFRSs which are effective for the financial year beginning on or after 1 January 2025. These new MFRSs and Amendments to MFRSs did not give rise to any significant effect on the financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation (cont'd.)

The Fund will adopt the following Amendments to MFRSs when they become effective in the respective financial periods and these Amendments to MFRSs are not expected to have any material impact to the financial statements of the Fund upon initial application.

Standards issued but not yet effective:

(i) Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)

- The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition.).

- There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;

- The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;

- There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

- The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

(ii) MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'

- The new MFRS introduces a new structure of profit or loss statement.

  a) Income and expenses are classified into 3 new main categories:
     - 'Operating category which typically includes results from the main business activities;
     - Investing category that presents the results of investments in associates and joint ventures and other assets that generate return largely independently of other resources; and
     - Financing category that presents income and expenses from financing liabilities.

  b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(a) Basis of preparation (cont'd.)

Standards issued but not yet effective: (cont'd.)

(ii) MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements' (cont'd.)

- Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

- Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

(b) Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

(c) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into RM at rates of exchange prevailing at the reporting date.

Transactions in foreign currencies are translated into RM at the rates of exchange ruling on the dates of transactions. Exchange differences arising are included in profit or loss.

(d) Financial instruments

The Fund recognises financial assets and financial liabilities in the statement of financial position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value with gain and loss recognised in profit or loss. Transaction costs are recognised in profit or loss as incurred. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

The fair value of collective investment scheme is determined from last published repurchase price at the reporting date as reported by the management company of such funds and as agreed by the Trustee and the Manager so as to reflect its fair value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(d) Financial instruments (cont'd.)

Financial assets (cont'd.)

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(i) *Financial assets at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include cash and cash equivalents, amount due from Manager, brokers/dealers and other receivables.

(ii) *Financial assets at FVTPL*

A financial asset is measured at FVTPL if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or

(b) It is held within a business model whose objective is to sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The contractual cash flows of the Fund’s deposits with licensed financial institutions and debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are recognised initially at fair value i.e. the consideration for goods and services received and subsequently stated at amortised cost. These include amounts due to Manager, brokers/dealers, Trustee and other payables. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(e) Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liability is derecognised, and through the amortisation process.

(f) Impairment of financial assets

Credit losses are recognised based on the expected credit loss ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL, either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund's financial statements. For balances which are short-term in nature and with no financing component (e.g. interest receivable, dividend receivable and amount due from brokers/dealers), full impairment will be recognised on uncollected balances after the grace period is exceeded.

(g) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Dividend income is recognised when the Fund's right to receive payment is established.

Interest income, accretion of discount and amortisation of premium are recognised using the effective interest method on an accrual basis.

(h) Unrealised reserves/(deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted investments at their fair value and are recognised in the statement of comprehensive income.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits with licensed financial institutions with original maturities of 90 days or less which have an insignificant risk of changes in value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(j) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(l) Distribution

Distributions made by the Fund are accounted for as a deduction from realised reserves except where distributions are sourced out of distribution equalisation which are accounted for as a deduction from Unit holders' Capital. Distributions are recognised in the statement of comprehensive income, as the Unit holders' contribution are classified as financial liability as per Note 2 (m) when they are approved by the Manager and the Trustee. Distribution is either reinvested or paid in cash to the Unit holders' on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

(m) Unit holders' Capital

Unit holders' Capital meets the conditions for the definition of puttable instruments classified as liability instruments under the requirements of MFRS 132 Financial Instruments: Presentation ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of Unit holders is classified as Equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as Liability.

The Fund issues cancellable units in three classes on which further details are disclosed in Notes 14 and 15.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(n) Critical accounting estimates and judgments

The preparation of financial statements in accordance with MFRS and IFRS requires the use of certain accounting estimates and exercise of judgments. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(n) Critical accounting estimates and judgments (cont'd.)

No major estimates or judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at the reporting date.

3. INVESTMENTS

	2025 RM	2024 RM
Financial assets At FVTPL		
Quoted investments		
- Collective investment scheme	7,020,409	18,905,686
Total Investments	7,020,409	18,905,686

(a) Quoted investments at the reporting date is as detailed below.

COLLECTIVE INVESTMENT SCHEME

2025 Quantity	Name of fund	Cost RM	Fair value RM	Fair value as a % of NAV %
	Singapore			
1,418,047	Lion Capital Funds II - Lion - Bank of Singapore Emerging Market Bond Fund	6,796,420	7,020,409	94.29
TOTAL QUOTED INVESTMENTS		6,796,420	7,020,409	94.29
UNREALISED GAIN FROM QUOTED INVESTMENTS			223,989	

2024 Quantity	Name of fund	Cost RM	Fair value RM	Fair value as a % of NAV %
	Singapore			
3,759,941	Lion Capital Funds II - Lion - Bank of Singapore Emerging Market Bond Fund	17,980,783	18,905,686	100.45
TOTAL QUOTED INVESTMENTS		17,980,783	18,905,686	100.45
UNREALISED GAIN FROM QUOTED INVESTMENTS			924,903	

** Managed by a related party of the Manager.*

3. INVESTMENTS (CONT'D.)

(b) The Target Fund's top 10 holdings as at 31 December 2025 is as detailed below.

	Percentage of Target Fund's NAV %
FWD LTD (REG) (REG S) 5.5% PERP	2.66
EGYPT (ARAB REPUBLIC OF) (REG S) (REG) 6.875% 30/04/2020	2.52
MINERVA LUXEMBOURG SA (SER REGS) 4.375% 18/03/2031	2.27
SOUTH AFRICA (REP OF) (REG) 5.375% 24/07/2044	1.81
STANDARD CHARTERED PLC (SER REGS) (REG) (REGS) VAR PERP 31/12/2049	1.70
BANQUE OUEST AFRICAINE D SER REGS (REG) 5% 27/07/2027	1.58
LLPL CAPITAL PTE LTD (SER REGS) (RE G) (REG S) 6.875% 04/02/2039	1.55
ECOPETROL SA (REG) 7.75% 01/02/2032	1.42
MC BRAZIL DWNSTRM (SER REGS) (REG) (REG S) 7.25% 30/06/2031	1.28
STANDARD CHARTERED PLC (SER REGS) (REG) (REGS) VAR PERP 31/12/2049	1.14
Total	17.93

4. FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2025 **Financial assets at FVTPL**	**Level 1** **RM**	**Level 2** **RM**	**Level 3** **RM**	**Total** **RM**
Collective investment schemes	7,020,409	-	-	7,020,409
Financial derivatives		245,471		245,471
	7,020,409	245,471	-	7,265,880

4. FAIR VALUE HIERARCHY

2024	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Financial assets at FVTPL				
Collective investment schemes	18,905,686	-	-	18,905,686
Financial derivatives	-	-	-	-
	18,905,686	-	-	18,905,686
Financial liabilities at FVTPL				
Financial derivatives	-	(755,860)	-	(755,860)
	-	(755,860)	-	(755,860)

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short term maturities of these financial instruments.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at banks and deposits with licensed financial institutions.

	2025 RM	**2024 RM**
Cash at banks	14,498	65,422
Deposits with licensed financial institutions:		
- Commercial bank	190,000	600,000
- Interest receivable	14	301
(with maturities of 90 days or less)	190,014	600,301
Cash and cash equivalents	204,512	665,723

6. AMOUNT DUE TO MANAGER

The amount due to Manager represents amount payable for management fee.

Mangement fee is payable on monthly basis.

7. FINANCIAL DERIVATIVES

Financial derivatives contracts comprise forward foreign currency contracts due for settlement within 3 months from the reporting date. The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in Target Fund which is denominated in US Dollar. The contract amounts and their corresponding gross fair values at the reporting date were as follows:

	Maturity date	Contracts or underlying principal amounts RM	Contract value at the reporting date RM	Unrealised (loss)/gain from forward foreign currency contracts RM
2025				
	20/01/2026	6,819,228	6,573,757	245,471
		6,819,228	6,573,757	245,471
2024				
	17/01/2025	7,663,706	7,999,101	(335,395)
	17/01/2025	257,190	268,126	(10,936)
	17/01/2025	8,691,242	9,071,607	(380,365)
	17/01/2025	685,840	715,004	(29,164)
		17,297,978	18,053,838	(755,860)

8. MANAGER'S FEE

The Manager's fee provided in the financial statements is calculated on a daily basis based on NAV attributable to unit holders of the Fund for the respective class of units at the following rates:-

Class	Rate p.a.
MYR	1.50%
MYR BOS	1.10%
USD BOS	1.10%

The Manager’s fee provided in the financial statements is net of the Target Fund Manager's fee rebate on the collective investment scheme as agreed by the Trustee and the Manager as follows:-

Name of Fund	Rate p.a.
Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund	0.70%

9. TRUSTEE'S FEE

The Trustee's fee provided in the financial statements is computed at 0.04% (2024: 0.04%) per annum of the NAV attributable to unit holders of the Fund, calculated on a daily basis, subject to a minimum fee of RM12,000 per annum.

10. PORTFOLIO TURNOVER RATIO ("PTR")

	2025	2024
Portfolio turnover ratio ("PTR")	0.47 times	0.04 times

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year over the average NAV attributable to unit holders of the Fund calculated on a daily basis. The PTR for the current financial year is higher due to increase in investing activities.

11. TOTAL EXPENSE RATIO ("TER")

	2025	2024
Class		
MYR	1.44%	1.07%
MYR BOS	0.65%	0.67%
USD BOS	0.00%	0.00%

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unit holders of the Fund for the financial year calculated on a daily basis. The TER of MYR class for the current financial year is higher due to a lower percentage of decrease in expenses compared with the decrease in average NAV attributable to unit holders. The TER of MYR BOS class remained consistent with that of the previous financial year. The Fund does not charge performance fee.

12. TAXATION

	2025 RM	2024 RM
Malaysian income tax:		
Current year's provision	(5,954)	1,316

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2024: 24%) of the estimated assessable income for the financial year.

A reconciliation of income tax expense applicable to net income before taxation at the statutory rate of taxation to income tax expense at the effective rate of taxation is as follows:

12. TAXATION (CONT'D.)

	2025 RM	2024 RM
Net income before taxation	508,015	738,056
Taxation at Malaysian statutory rate of 24%	121,924	177,133
Tax effects of:		
Income not subject to tax	(397,456)	(499,403)
Losses not subject to tax	239,706	283,296
Expenses not deductible for tax purpose	8,539	7,356
Restriction on tax deductible expenses for wholesale funds	27,287	31,618
Overprovision in prior years	(5,954)	1,316
Tax (credit)/expense for the financial year	(5,954)	1,316

13. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

	2025 RM	2024 RM
Unit holders' contribution		
- Class MYR	10,545,010	11,966,845
- Class MYR BOS	2,727,618	13,195,346
- Class USD BOS	-	-
	13,272,628	25,162,191
Accumulated losses		
- Realised deficits	(6,289,872)	(6,503,424)
- Unrealised reserves	462,788	162,371
NAV attributable to unit holders	7,445,544	18,821,138

The NAV per unit is rounded up to four decimal places.

The Fund issues cancellable units in three classes. The following are the features of each class:-

Features	**Class MYR**	**Class MYR BOS**	**Class USD BOS**
Management fee rate	1.50% of Class NAV	1.10% of Class NAV	1.10% of Class NAV
Sales charge	Up to 3.0% of Class NAV	Up to 1.0% of Class NAV	Up to 1.0% of Class NAV
Distribution policy	Subject to the availability of income and distibution is on a quarterly basis.		

14. NUMBER OF UNITS IN CIRCULATION

	2025 No. of units	2025 RM	2024 No. of units	2024 RM
Class MYR				
1 January	9,477,401	11,966,845	10,599,700	12,963,657
Creation	-	-	-	-
Cancellation	(1,568,816)	(1,421,835)	(1,122,298)	(996,812)
31 December	7,908,585	10,545,010	9,477,402	11,966,845
Class MYR BOS				
1 January	12,676,839	13,195,346	12,676,839	13,195,346
Cancellation	(12,676,839)	(10,467,728)	-	-
31 December	-	2,727,618	12,676,839	13,195,346
Class USD BOS				
1 January	-	10,411	2,500	10,411
Cancellation	-	(10,411)	(2,500)	(10,411)
31 December	-	-	-	-

15. UNITS HELD BY THE MANAGER AND ITS RELATED PARTIES

The related parties and their relationships with the Fund are as follows:

Related parties	**Relationships**
BOS Wealth Management Malaysia Berhad	The Manager
Bank of Singapore Limited	Holding company of the Manager
Oversea-Chinese Banking Corporation Limited	Ultimate holding company of the Manager

	2025 No. of units^	2025 RM	2024 No. of units^	2024 RM
Holding Company of the Manager				
Class MYR BOS	-	-	11,603,374	9,433,543

There were no units held by other related parties.

^ *All units are held legally by the Manager as per the unit holders' register.*

16. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers/dealers for the financial year are as follows:

Brokers/Dealers	Value of trade RM	% of total trades %
2025		
Lion Global Investors Limited*	12,712,455	100.00
2024		
Lion Global Investors Limited*	1,540,625	100.00

* The Fund is a feeder fund into the Target Fund, Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund, hence transactions were made wholly with the foreign fund manager of the Target Fund, Lion Global Investors Limited (formerly known as Lion Capital Management Limited), a subsidiary of Oversea-Chinese Banking Corporation Limited, the ultimate holding company of the Manager.

The directors of the Manager are of the opinion that the transactions with the related party have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk and target fund risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia.

(i) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

The Fund’s market risk is affected primarily by the following risks:

(a) Price risk

The Manager manages this risk by monitoring the performance of the investment portfolio. The price risk exposure arises from the Fund's investment in collective investment scheme.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(i) Market risk (cont'd.)

(a) Price risk (cont'd.)

The table below summarises the effect on the net losses before tax and NAV attributable to the unit holders of the Fund at the reporting date due to possible changes in prices, with all other variables held constant:

Change in price (%)	Effect on net losses before tax and NAV attributable to unit holders Decrease/ (Increase) 2025 RM	Increase/ (Decrease) 2024 RM
+5	351,020	945,284
-5	(351,020)	(945,284)

(b) Interest rate risk

This risk refers to the effect of interest rate changes on the returns of deposits with licensed financial institutions. In the event of reduction in interest rates, the returns on deposits with licensed financial institutions will decrease, thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of the deposits with licensed financial institutions.

The Fund’s market risk is affected primarily by the following risks:

(c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

The Fund Manager employs forward foreign currency contracts to reduce the Fund's exposure to foreign exchange fluctuations of the Target Fund as part of its currency risk management.

The table below indicates the currency to which the Fund had significant exposure at the reporting date on its NAV. The analysis shows the currency risk concentration and calculates the effect on net income before tax and NAV attributable to unit holders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(i) Market risk (cont'd.)

(c) Currency risk (cont'd.)

Changes in currency rate %	Currency risk concentration for USD		Effect on net income before tax and NAV attributable to unit holders	
			Increase/ (Decrease)	Increase/ (Decrease)
	2025 RM	2024 RM	2025 RM	2024 RM
+5	7,020,409	18,905,686	351,020	945,284
-5	7,020,409	18,905,686	(351,020)	(945,284)

An equivalent decrease in the currency rate shown above would have resulted in an equivalent, but opposite impact.

(ii) Credit risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, interest and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's asset value and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

Credit risk generally arises from investments, financial derivatives, cash and cash equivalents and other receivables. The maximum exposure to credit risk is presented in the Statement of Financial Position. None of these balances are impaired. Financial derivatives and cash and cash equivalents are placed in licensed financial institutions with strong credit ratings.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(ii) Credit risk (cont'd.)

The following table sets of the credit risk concentration of the Fund at the end of each reporting year:

	Financial Derivatives RM	Cash and Cash Equivalents RM	Total RM
2025			
Credit rating			
AAA	245,471	204,512	449,983
2024			
Credit rating			
AAA	(755,860)	665,723	(90,137)

(iii) Liquidity risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

The maturity of the Fund's financial liabilities fall due within three months while the NAV attributable to unit holders are repayable on demand.

The table below summarises the Fund's financial liabilities into the relevant maturity groupings based on remaining period as at end of each reporting period to the contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows.

	2025 RM	2024 RM
Less than 1 month		
Amount due to manager	6,054	9,297
Net asset value attributable to unit holders	7,445,544	18,821,138
Total	7,451,598	18,830,435
1 month to 1 year		
Financial Derivatives	-	755,860
Other payables	34,467	17,165
Total	34,467	773,025

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(iv) Target fund risk

The Fund is exposed to target fund risk as it feeds into a single target fund. This risk may occur when there is an underperformance or non-performance due to less optimal investment management at the target fund level in terms of securities selection and market, sector and economic analysis. This risk is mitigated by selecting a target fund which has a long track record and managed by a reputable investment manager.

18. OPERATING SEGMENT

The Fund is a feeder fund whose assets are primarily invested in the Target Fund, Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund. The Target Fund is domiciled in Singapore and managed by Lion Global Investors Limited (formerly known as Lion Capital Management Limited), a subsidiary of Oversea-Chinese Banking Corporation Limited, the ultimate holding company of the Manager.

As the Fund is a feeder fund it only has one business segment.

19. CAPITAL MANAGEMENT

The Fund's capital comprises unit holders subscription to the Fund. The capital fluctuates according to the daily subscription and redemption of units at the discretion of unit holders. The Fund aims to achieve its investment objective and at the same time maintain sufficient

The Fund aims to achieve its investment objective and at the same time maintain sufficient liquidity to meet unit holders redemptions.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 23 February 2026.

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INSTITUTIONAL UNIT TRUST ADVISERS (IUTA)
For more details on the list of appointed IUTA (if any), please contact the Manager. Our IUTA may not carry the complete set of our funds. Investments made via our IUTA may be subject to different terms and conditions.

IMPORTANT NOTICES

Beware of phishing scams
Kindly be alert of any email or SMS that requires you to provide your personal information and/or to login to your account via an unsolicited link. Do not click on email links or URLs without verifying the sender of the email. Please ensure the actual internet address is displayed i.e. www.boswm.com.my.

If you suspect your account may be compromised and/or would like to seek clarification, please contact us as above.

Update of particulars
Investors are advised to furnish us updated personal details on a timely basis. You may do so by downloading and completing the Update of Particulars Form available at www.boswm.com.my, and e-mail to ContactUs@boswm.com. Alternatively, you may call or email us as above.