

BOSWM EMERGING MARKET BOND FUND

QUARTERLY REPORT
For the financial period from
1 January 2025 to 31 March 2025

CONTENTS

Fund Information	2
Fund Performance	3
Market And Fund Review	
Fund Returns	
Asset Allocation	
Income Distribution	
Net Asset Value (NAV) Per Unit	
Significant Changes In The State Of Affairs Of The Fund	
Financial Statements	
Unaudited Statement Of Financial Position	9
Unaudited Statement Of Comprehensive Income	11

FUND INFORMATION**As At 31 March 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 - 8.74 million units Class MYR BOS - 12.68 million units Class USD BOS - Nil

FUND PERFORMANCE**For The Financial Period From 1 January 2025 To 31 March 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)

January 2025

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.

February 2025

Year-to-Date (YTD) Contributors:

- The target fund underperformed the benchmark by 54 basis points (bps) on Gross basis. Net of Fees, the target 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 target fund. Improved diversification is likely to enhance the resilience of the portfolio amidst rising risks stemming from tariffs and other idiosyncratic country risks.

March 2025

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. Credit 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.

Fund Returns

	Total Returns	
	Class MYR	Class MYR BOS
1.1.2025 To 31.3.2025	0.81%	0.82%
1 Year's Period (1.4.2024 To 31.3.2025)	2.78%	3.06%
3 Years' Period (1.4.2022 To 31.3.2025)	-7.99%	-7.97%
5 Years' Period (1.4.2020 To 31.3.2025)	-4.34%	-5.46%
Financial Year-To-Date (1.1.2025 To 31.3.2025)	0.81%	0.82%
Since Investing Date To 31.3.2025	0.81%	-15.41%

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

Source: Lipper, Bloomberg

Asset Allocation**As At 31 March 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)	96.58%
Cash And Liquid Assets	3.42%
	<u>100.00%</u>

Income Distribution

Nil

Net Asset Value (NAV) Per Unit

(as at 31 March 2025)

Class MYR	RM0.9055
Class MYR BOS	RM0.8196
Class USD BOS	-

Significant Changes In The State Of Affairs Of The Fund

Nil

UNAUDITED STATEMENT OF FINANCIAL POSITION
As At 31 March 2025

	31.3.2025
	RM
Assets	
Investments	17,672,362
Interest receivable	132
Other receivables	31,097
Tax recoverable	5,954
Financial derivatives	208,645
Cash and cash equivalents	404,368
Total Assets	<u>18,322,558</u>
Liabilities	
Amount due to Manager	9,312
Other payables	14,795
Total Liabilities	<u>24,107</u>
Net Asset Value Of The Fund	<u>18,298,451</u>
Equity	
Unitholders' capital	24,494,708
Accumulated losses	(6,196,257)
Net Asset Value Attributable To Unitholders	<u>18,298,451</u>
Total Equity And Liabilities	<u>18,322,558</u>

UNAUDITED STATEMENT OF FINANCIAL POSITION (continuation)
As At 31 March 2025

	31.3.2025
	RM
Net Asset Value Attributable To Unitholders	
- Class MYR	7,909,768
- Class MYR BOS	10,388,683
	<u>18,298,451</u>
Number Of Units In Circulation (Units)	
- Class MYR	8,735,360
- Class MYR BOS	12,676,839
Net Asset Value Per Unit (MYR)	
- Class MYR	0.9055
- Class MYR BOS	0.8196

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Period From 1 January 2025 To 31 March 2025

	1.1.2025 to 31.3.2025 RM
Investment Income	
Interest income	2,307
Net loss on investments	
- Financial derivatives	33,646
- Foreign exchange	34,387
- Financial derivatives	(898,429)
Net unrealised gain on changes in value of financial assets at fair value through profit or loss	1,001,947
	<u>173,858</u>
Expenses	
Audit fee	1,935
Tax agent's fee	712
Manager's fee	26,393
Trustee's fee	1,818
Administration expenses	3,970
	<u>34,828</u>
Net Income Before Taxation	139,030
Taxation	<u>5,766</u>
Net Income After Taxation, Representing Total Comprehensive Income for the Period	<u>144,796</u>
Total Comprehensive Income	<u>144,796</u>
Total Comprehensive Income Is Made Up As Follows:	
Realised loss	(857,151)
Unrealised income	1,001,947
	<u>144,796</u>

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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 with 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 email to ContactUs@boswm.com. Alternatively, you may call us as above.