



**BOS WEALTH  
MANAGEMENT**

*A subsidiary of Bank of Singapore*

# **BOSWM EMERGING MARKET BOND FUND**

**QUARTERLY REPORT**

**For the financial period from  
1 January 2026 to 31 March 2026**

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**FUND INFORMATION**  
**As at 31 March 2026**

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 <sup>□</sup>
Investment Objective	: BOSWM Emerging Market Bond Fund aims to provide capital growth and income <sup>□</sup> in the medium* to long term* by investing in the Target Fund.
	<sup>□</sup> <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i>
	<sup>*</sup> <i>Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i>
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 – 7.43 million units Class MYR BOS - Nil Class USD BOS - Nil

## **FUND PERFORMANCE**

**For the Financial Period From 1 January 2026 to 31 March 2026**

### **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 2026**

Month-to-Date (MTD) / Year-to-Date (YTD) Contributors:

- The target fund returned 0.49% in January 2026 on a net of fee basis. On a relative basis the target fund was 43 basis points (bps) behind the benchmark owing to unfavourable move in the yield curve and underweight position in the higher beta segments of the market.
- The Investment Manager of Target Fund Overweight position in India, specifically to Vedanta complex was a key contributor to performance as the company continue to benefit from the rally in commodity prices. Furthermore, their positioning in Suprationals such as BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (BOAD) contributed positively to performance. Their credit selection Malaysia, via Genting group also contributed to performance.
- On rating, the Investment Manager of Target Fund Overweight in BBB segment continue to contribute most to performance, mainly owing to credit selection effect.

Month-to-Date (MTD) / Year-to-Date (YTD) Detractors:

- US Treasury (UST) yields moved marginally higher in January 2026 across all maturities, which unfavourably impacted the portfolio on a relative basis owing to the Investment Manager of Target Fund Overweight position in duration. In particular their positioning in 10+ year segment detracted from performance.
- The Investment Manager of Target Fund underweight in Hong Kong property sector was a key detractor due to some positive developments across the NWD complex. Furthermore, spread widening and duration positioning within South Africa sovereign curve also detracted from performance. Brazil was another detractor of performance owing to negative selection effect.
- The Investment Manager of Target Fund underweight Unrated segment and negative selection in B segment detracted from performance in January 2026.

Emerging Market (EM) bonds have started 2026 in a strong note, with credit spread tightening more than offsetting the higher UST yields. The lower rated segments within the EM Corporate market has driven the returns with CCC and Unrated segments outperforming the BBB and BB part of the market. The rally in equity markets and favourable technical picture coupled with positive developments in certain idiosyncratic credits have driven the EM Corporate performance in January 2026. Target funds flow to EM bond funds remain positive YTD, led by the local currency funds.

The Investment Manager of Target Fund have started to pare back some of the long duration positioning within the target fund, preferring to take more credit risks over duration risk. The improvement in sentiment towards EM debt as evidenced by the target fund flows and still favourable supply dynamics in the High Yield segment

could continue to support the current spread levels. They have added into their positioning in Turkey and China as well as India during the year so far. They remain constructive on the EM Corporate debt supported by favourable macro set up backed by weakening USD, supportive fundamentals and manageable new bond supply.

## **February 2026**

### MTD Contributors:

- The target fund returned 0.51% in February bringing YTD returns to 1% net of fees. On a relative basis, the target fund was down 31 basis points (bps) versus the benchmark in February owing to the Investment Manager of Target Fund negative selection effect in Brazil as well as their Underweight position in the higher beta segments of the market.
- The Investment Manager of Target Fund Overweight position in Supranational continue to contribute to both relative and absolute performance aided by positioning in West African Development Bank (BOAD) and CAF subordinated bonds. Their Overweight position in Indonesia contributed to performance on account of their positioning in the Utilities sector (PLN and LLP Capital). Furthermore, their Overweight allocation to India provided positive returns thanks to positioning in Vedanta and Adani bonds.
- On rating, the Investment Manager of Target Fund Overweight in BB segment continue to contribute most to performance, mainly owing to credit selection effect. In duration, their positioning in 5-7year part of the curve contributed positively.

### MTD Detractors:

- The Investment Manager of Target Fund negative selection effect in Brazil was a key detractor of performance in February owing to positioning in Raizen which decided to embark on a surprising reorganizing plan for its capital structure. In addition, their Underweight in China and their limited exposure to high beta property names in China and Hong Kong detracted from relative performance. Positive developments in Vanke and NWD complex detracted from performance due to their Underweight position in this complex.
- The Investment Manager of Target Fund underweight Unrated and Single A segment detracted from performance in February.

### YTD Contributors:

- The Investment Manager of Target Fund Overweight position in India was a key contributor to performance, aided by the holding in Vedanta complex which continue to benefit from the positive momentum in commodity prices. Furthermore, their holdings in Supranationals such as BOAD and CAF contributed to relative performance. Their Overweight position in Indonesia was another contributor to performance thanks to their positioning in Utilities and Oil & Gas sector.
- On rating, the Investment Manager of Target Fund Overweight in BB segment contribute to performance, mainly owing to credit selection effect. In duration, their positioning in 5-7year part of the curve contributed positively.
- Sector wise, the Investment Manager of Target Fund Overweight exposure to Consumer Discretionary and Consumer Staples contributed positively to relative performance.

#### YTD Detractors:

- The Investment Manager of Target Fund allocation to Brazil, in particular negative selection effect was a key detractor of relative performance. In addition, their Underweight position in China detracted from performance, owing to lack of exposure to higher beta Real Estate sector. Similarly, their limited exposure to NWD complex in Hong Kong detracted from performance as the issuer benefited from news surrounding potential injection of equity capital.
- The Investment Manager of Target Fund underweight Unrated segment (NWD exposure in particular) and Single A segment detracted from performance.
- The Investment Manager of Target Fund Underweight position in 1-3yr segment and positioning in 10+yr segment detracted from performance.

Emerging Market (EM) bonds started the year in a strong note with tightening of credit spreads and outperformance of higher beta segments. However, the developing situation in Middle East has not spared the EM bond markets with spreads widening across the market in response to this global risk event. The strength of USD and rising US Treasury (UST) yields have put further pressure on the EM bonds. While the Investment Manager of Target Fund see spread widening across the market, the impact of Middle East conflict on EM countries is not uniform. The oil exporters and Latin America are likely to be relative beneficiaries from the conflict partially owing to their lower energy dependence on Middle East. The energy exporters such as India, Egypt and Indonesia are likely to face some pressure in terms of weaker currency, higher inflation, and weaker current accounts. On the positive front, regular adjustments to fuel prices should enable these countries to limit the impact of oil prices on the fiscal account and Debt levels.

Going into March, the Investment Manager of Target Fund had a relative Underweight position to Middle East and wider region (UAE, Saudi Arabia, Israel, Turkey). Their exposure in the region is largely to the high-quality Government Related Entities such as leading banks. They have taken opportunity to rebalance the portfolio in March by further reducing exposure to Middle East and duration in the portfolio. On the other hand, they have increased exposure to oil exporters and to lower beta names from countries such as Indonesia, Hong Kong and Chile to improve overall defensiveness of the portfolio. Despite the rising level of uncertainty, they remain constructive on EM bonds supported by structural reforms, strength in the external positions and gradually decreasing external vulnerabilities. The current crisis is likely to test the resilience of EM fundamentals and limited near term funding needs should enable the healthy corporates to withstand the current volatility levels. they may look to extend the duration given the recent uptick in UST yields to take advantage of attractive yield levels in the long end of the curve. This will also enable us to increase exposure to higher rated EM countries.

#### **March 2026**

#### Month-to-Date (MTD) Contributors:

- The target fund was down 2.67% in March as the spread widening coupled with higher US Treasury yields in response to conflict in Middle East unfavourably impacted the global credit market as well as the portfolio. The sharp increase in oil price has fuelled concerns over inflation risk and led to increase in global government bond yields. On a relative basis, the

Investment Manager of Target Fund positioning in Turkey, Saudi Arabia and Peru aided the portfolio.

- In Turkey, the Investment Manager of Target Fund Underweight in higher beta credits aided the portfolio on a relative basis. Their positioning in Turkey is predominately in financials and telecom sectors which performed relatively better in this sell off. Their Underweight position in Saudi Arabia was another relative contributor; currently they have a 2% underweight in Saudi Arabia relatively. Their selection in Peru aided the portfolio on a relative basis as they had underweight position in the long dated bonds from Peruvian issuers. they have been cautious in Peru risk owing to ongoing election related uncertainties.
- On rating, the Investment Manager of Target Fund Underweight in A+/A-segment contributed positively on a relative basis owing to duration effect.

Year-to-Date (YTD) Contributors:

- YTD, the target fund was down 1.69%, mainly due to the drawdown in March. On a relative basis, the duration positioning and selection effect adversely impacted the portfolio, partly owing to unfavourable move in the yield curve.
- On relative basis, the Investment Manager of Target Fund Underweight in Turkey (2% Underweight) contributed positively to relative performance, in particular their limited exposure to higher beta Turkish credits added the portfolio. Their Overweight position in Supranationals (BOAD, CAF, African Finance Corp) aided the portfolio as these credits outperformed the market in March. Their Underweight in Saudi Arabia also contributed positively to relative performance.
- Sector wise, The Investment Manager of Target Fund Overweight exposure to Consumer Cyclical aided performance with positive contribution from Macau gaming names as well as Peruvian credits.

Month-to-Date (MTD) Detractors:

- The Investment Manager of Target Fund positioning in Egypt was a major detractor in March owing to the higher beta nature of the credit and indirect impact from the Middle East conflict. In addition, their Overweight position in India detracted from performance, especially Vedanta complex owing to higher beta nature of the credit, despite fundamentally beneficial commodity price environment for the company. Similarly, their Overweight position in Indonesia detracted from relative performance, owing to negative duration effect.
- On duration, the Investment Manager of Target Fund positioning in 10+ years and 7-10 years was a source of detraction due to the increase in US Treasury (UST) yields during the month.
- The Investment Manager of Target Fund Overweight position in BBB segment underperformed due to adverse move in credit spreads in the risk-off environment.

Year-to-Date (YTD) Detractors:

- The Investment Manager of Target Fund allocation to Brazil, in particular negative selection effect was a key detractor of relative performance in 1Q26; the negative news surrounding Raizen has led to widening of credit spreads in higher beta names in Brazil. In addition, their allocation to Egypt was a detractor of performance. Their Underweight in China was a detractor of relative performance, mainly due to their limited exposure to higher beta Real Estate credits and overall negative allocation effect.

- The Investment Manager of Target Fund allocation to Single B and below detracted from performance due to exposure to Egypt and Underweight position in some of the distress names in Brazil.
- The Investment Manager of Target Fund allocation to longer duration bonds (7+ years) was a detractor of performance owing to adverse move in the UST yields.

March was a difficult month for bonds globally, as the sharp increase in oil prices brought in concerns over inflation and potential tightening monetary policy from the central banks. As a result, there was a sharp increase in US Treasury yields with increasing level of volatility in UST yields. UST yield curve steepened and shifted upwards in March with 2yr yields rising by 20 basis points (bps) and 10yr yields moving 37bps higher. The potential inflationary impact from oil prices may force the Fed to pause further rate cuts in 2026. The sharp increase in oil prices and supply disruptions will have an uneven impact across various Emerging Market (EM) economies. Oil exporters and countries with strong external positions are likely to be better positioned to withstand current situation. Despite the rising level of uncertainty, the Investment Manager of Target Fund remain constructive on EM bonds supported by structural reforms, strength in the external positions and gradually decreasing external vulnerabilities. They are yet to see current crisis leading to wave of credit events as they saw during COVID period, which is a testimony to the improved resilience of EM economies since emerging from COVID crisis.

During March, the Investment Manager of Target Fund have taken actions to increase exposure to Oil & Gas producers as these could continue to benefit from elevated oil price environment. They have also increased exposure to Indonesia via Bank Negara AT1 which are callable next year (the bank is looking to tender the bonds in April). They have reduced exposure to certain Indian credits owing to tight valuation levels as well as took actions to lower exposure to 10yr duration segment. The new issue market has re-opened for EM issuers and they see attractive new issues to reposition the portfolio in the current environment.

## Fund Returns

	Total Returns
	Class MYR
1.1.2026 To 31.3.2026	-2.17%
1 Year's Period (1.4.2025 To 31.3.2026)	1.69%
3 Years' Period (1.4.2023 To 31.3.2026)	1.51%
5 Years' Period (1.4.2021 To 31.3.2026)	-16.39%
Year-To-Date (1.1.2026 To 31.3.2026)	-2.17%
Since Investing Date To 31.3.2026	2.51%

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

	<b><u>As at 31 March 2026</u></b>
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)	97.72%
Cash and Liquid Assets	<u>2.28%</u>
	<u>100.00%</u>

## Income Distribution

Nil

## Net Asset Value (NAV) Per Unit

(as at 31 March 2026)

Class MYR	RM0.9211
Class MYR BOS	-
Class USD BOS	-

## Significant Changes in the State of Affairs of the Fund

Nil

**BOSWM EMERGING MARKET BOND FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2026**

	<b>31.03.2026</b>
	<b>RM</b>
<b>Assets</b>	
Investments	6,688,884
Interest receivable	23
Other receivables	7,643
Tax recoverable	6,847
Financial derivatives	5,565
Cash and cash equivalents	165,611
<b>Total Assets</b>	<u>6,874,573</u>
<b>Liabilities</b>	
Amount due to Manager	5,612
Other payables	24,332
<b>Total Liabilities</b>	<u>29,944</u>
<b>Net Asset Value of the Fund</b>	<u>6,844,629</u>
<b>Equity</b>	
Unitholders' capital	12,823,005
Accumulated losses	(5,978,376)
<b>Net Asset Value Attributable to Unitholders</b>	<u>6,844,629</u>
<b>Total Equity and Liabilities</b>	<u>6,874,573</u>

**BOSWM EMERGING MARKET BOND FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION (CONT'D.)  
AS AT 31 MARCH 2026**

	<b>31.03.2026</b>
	<b>RM</b>
<b>Net Asset Value Attributable to Unitholders</b>	
- Class MYR	6,844,629
- Class MYR BOS	-
	<u>6,844,629</u>
<b>Number of Units in Circulation (Units)</b>	
- Class MYR	7,431,415
- Class MYR BOS	-
<b>Net Asset Value Per Unit (MYR)</b>	
- Class MYR	0.9211
- Class MYR BOS	-
- Class USD BOS	-
<b>Net Asset Value Per Unit in Respective Currencies</b>	
- Class MYR	RM0.9211
- Class MYR BOS	-

**BOSWM EMERGING MARKET BOND FUND****UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2026 TO 31 MARCH 2026**

	<b>01.01.2026 to 31.03.2026 RM</b>
<b>Investment Loss</b>	
Interest income	1,346
Net gains on investments	
- Financial assets at fair value through profit or loss	19,529
- Foreign exchange	(13,474)
- Financial derivatives	242,028
Net unrealised loss on changes in value of financial assets at fair value through profit or loss	<u>(375,486)</u>
	<u>(126,057)</u>
<b>Expenses</b>	
Audit fee	2,119
Tax agent's fee	814
Manager's fee	15,395
Trustee's fee	700
Administration expenses	6,208
	<u>25,236</u>
<b>Net Loss Before Taxation</b>	(151,293)
<b>Taxation</b>	-
<b>Net Loss After Taxation, Representing Total Comprehensive Loss for the Period</b>	<u>(151,293)</u>
<b>Total Comprehensive Loss</b>	<u>(151,293)</u>
<b>Total Comprehensive Loss Is Made Up as Follows:</b>	
Realised Income	224,193
Unrealised Loss	<u>(375,486)</u>
	<u>(151,293)</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](http://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](http://www.boswm.com.my), and e-mail to [ContactUs@boswm.com](mailto:ContactUs@boswm.com). Alternatively, you may call or email us as above.