

BOSWM GLOBAL OPTIMAL INCOME FUND

QUARTERLY REPORT
For the financial period from
1 October 2024 to 31 December 2024

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FUND INFORMATION

As At 31 December 2024

Name Of Fund (Feeder)	: BOSWM Global Optimal Income Fund
Manager Of Fund	: BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Name Of Target Fund	: M&G (Lux) Optimal Income Fund
Investment Manager Of Target Fund	: M&G Investment Management Limited
Manager Of Target Fund	: M&G Luxembourg S.A.
Launch Date	: 15 July 2024
Category Of Fund	: Feeder fund (wholesale)
Type Of Fund	: Growth and income [□]
Investment Objective	: The Fund aims to provide long-term capital growth and/or income [□] return by investing into a collective investment scheme.
	[□] Income is in reference to the Fund's distribution, which could be in the form of cash or unit.
Performance Benchmark	: Nil – The Fund does not have a performance benchmark assigned.
Distribution Policy	: Subject to the Manager's discretion, the Fund aims to distribute on a semi-annual basis.
Fund Size	: Class MYR – 45.33 million units Class MYR-Hedged – 55.03 million units Class INS MYR – Nil Class INS MYR-Hedged – Nil Class USD – 1.99 million units Class SGD – 2.64 million units Class AUD – 7.29 million units

FUND PERFORMANCE**For The Financial Period From 1 October 2024 To 31 December 2024****Market And Fund Review***Review Of M&G (Lux) Optimal Income Fund (Target Fund Of BOSWM Global Optimal Income Fund)***October 2024**

The target fund aims to provide a combination of capital growth and income to deliver a return based on exposure to optimal income streams in investment markets, while applying environmental, social and governance (ESG) criteria. It seeks to make these investments using an exclusionary approach, as described in the prospectus. Typically, at least 50% of the portfolio is invested in a broad range of fixed income securities of any credit quality and from any country, including emerging markets, and denominated in any currency. The investment manager of target fund selects investments wherever they sees the greatest opportunities, based on their assessment of a combination of macroeconomic, asset, sector and stock-level factors. The manager may also hold up to 20% of the portfolio in company shares when they believes they offer better value than bonds. The target fund's recommended holding period is five years. In normal market conditions, the target fund's expected average leverage – how much it can increase its investment position by borrowing money or using derivatives – is 200% of its net asset value.

It was only a few months ago that investors were pricing in significant rate cuts from central banks due to a weaker-than-expected US employment report. However, better-than expected economic data in October have since alleviated fears of an imminent slowdown, prompting investors to recalibrate their expectations for future rate cuts. While investor sentiment has been highly volatile this year, the overall economy does not appear to have changed significantly.

Investment manager of target fund remain in a normalisation phase, with risks predominantly tilted to the downside. Consequently, this month they increased duration, mainly using US Treasuries (UST) and partially UK Gilts, as these two markets underperformed due to increasing fiscal concerns.

In terms of credit, investment manager of target fund maintain a cautious stance with a neutral position in investment-grade corporate bonds and an underweight position in the high-yield market. During the month, they added US agency mortgage-backed securities (MBS) for the first time, as this area of the market is highly influenced by bond volatility and has significantly underperformed compared to most other asset classes.

November 2024

The target fund aims to provide a combination of capital growth and income to deliver a return based on exposure to optimal income streams in investment markets, while applying environmental, social and governance (ESG) criteria. It seeks to make these investments using an exclusionary approach, as described in the prospectus. Typically, at least 50% of the portfolio is invested in a broad range of fixed income securities of any credit quality and from any country, including emerging markets, and denominated in any currency. The investment manager of target fund selects investments wherever they sees the greatest opportunities, based on their assessment of a combination of macroeconomic, asset, sector and stock-level factors. The investment manager of target fund may also hold up to 20% of the portfolio in company shares when they believes they offer better value than bonds. The target fund's recommended holding period is five years. In normal market conditions, the target fund's expected average leverage – how much it can increase its investment position by borrowing money or using derivatives – is 200% of its net asset value.

November was an eventful month, marked by bond volatility following the US election results. Initially, a Trump victory was seen as stimulative to growth and inflation, driving bond yields higher. However, investors reassessed their expectations, causing yields to decline.

Investment manager of target fund underweight exposure to corporate bonds, and particularly high yield debt, was detrimental to relative performance. On the other hand, their overweight duration positioning proved to be beneficial in offsetting the losses from corporate debt.

Investment manager of target fund believe that interest rates are unlikely to rise significantly given the prevailing macroeconomic conditions, but could decrease substantially in the event of an economic slowdown or recession. Consequently, they are continuing to increase their duration exposure through the addition of 5 to 10 year US Treasuries (UST) as these have underperformed recently. They have also marginally increased their exposure to long-dated Australian and Japanese government bonds. They maintain their cautious approach to investment grade and high yield credit and have further reduced their exposure.

December 2024

The target fund aims to provide a combination of capital growth and income to deliver a return based on exposure to optimal income streams in investment markets, while applying environmental, social and governance (ESG) criteria. It seeks to make these investments using an exclusionary approach, as described in the prospectus. Typically, at least 50% of the portfolio is invested in a broad range of fixed income securities of any credit quality and from any country, including emerging markets, and denominated in any currency. The investment manager of target fund selects investments wherever he sees the greatest opportunities, based on his assessment of a combination of macroeconomic, asset, sector and stock-level factors. The manager may also hold up to 20% of the portfolio in company shares when he believes they offer better value than bonds. The target fund's recommended holding period is five years. In normal market conditions, the target fund's expected average leverage – how much it can increase its investment position by borrowing money or using derivatives – is 200% of its net asset value.

December was not a favourable month for fixed income assets, although 2024 as a whole was marked by declining inflation and resilient economic growth, particularly in the US. This resilience has facilitated tighter credit spreads while maintaining relatively elevated interest rates. In this environment, the target fund's absolute return has benefited from credit exposure, with investment-grade bonds and financials contributing the most. Limited exposure to equities also contributed marginally to overall performance, while investment manager of target fund duration positioning had a negative impact as bond yields ended the year generally higher.

During the month of December investment manager of target fund particularly focused on taking profits from investment grade bonds that had performed exceptionally well such as Annington Funding, which benefited from a tender offer, and UK water companies like Severn Trent and Yorkshire Water. They engaged in relative value trades such as shifting from an 8-year WarnerMedia bond into its 38-year equivalent.

Investment manager of target fund limited their activity within high yield bonds, maintaining an underweight exposure. In government bonds they decided to close their short position in Brazilian bonds and realized some profits.

Fund Returns

	Total Returns
	Since Launch*
Class MYR	-7.37%
Class MYR-Hedged	-3.02%
Class INS MYR	-
Class INS MYR-Hedged	-
Class USD	-5.14%
Class SGD	-3.89%
Class AUD	2.54%

* Since last business day of initial offer period: 2 August 2024

Notes:

- BOSWM Global Optimal Income Fund Class MYR
Launch date: 15.7.2024;
Investing date: 5.8.2024
- BOSWM Global Optimal Income Fund Class MYR-Hedged
Launch date: 15.7.2024;
Investing date: 5.8.2024
- BOSWM Global Optimal Income Fund Class INS MYR
Launch date: 15.7.2024;
Investing date: -
- BOSWM Global Optimal Income Fund Class INS MYR-Hedged
Launch date: 15.7.2024;
Investing date: -
- BOSWM Global Optimal Income Fund Class USD
Launch date: 15.7.2024;
Investing date: 5.8.2024
- BOSWM Global Optimal Income Fund Class SGD
Launch date: 15.7.2024;
Investing date: 5.8.2024
- BOSWM Global Optimal Income Fund Class AUD
Launch date: 15.7.2024;
Investing date: 5.8.2024

Source: Lipper, Bloomberg

Asset Allocation

As At 31 December 2024

Collective Investment Scheme: M&G (Lux) Optimal Income Fund (EUR Class A - Accumulation shares)	92.87%
Cash And Liquid Assets	7.13%
	<u>100.00%</u>

Income Distribution

Gross Distribution Per Unit (sen)

	1.10.2024 - 31.12.2024	
Class MYR	31.12.2024	0.093
Class MYR-Hedged	31.12.2024	0.931
Class USD	31.12.2024	0.417
Class SGD	31.12.2024	0.142
Class AUD	31.12.2024	1.005

Net Distribution Per Unit (sen)

	1.10.2024 - 31.12.2024	
Class MYR	31.12.2024	0.093
Class MYR-Hedged	31.12.2024	0.931
Class USD	31.12.2024	0.417
Class SGD	31.12.2024	0.142
Class AUD	31.12.2024	1.005

Net Asset Value (NAV) Per Unit

(as at 31 December 2024)

Class MYR	RM0.9254
Class MYR-Hedged	RM0.9605
Class INS MYR	-
Class INS MYR-Hedged	-
Class USD	USD0.9444
Class SGD	SGD0.9597
Class AUD	AUD1.0153

Significant Changes In The State Of Affairs Of The Fund

Nil

UNAUDITED STATEMENT OF FINANCIAL POSITION
As At 31 December 2024

	31.12.2024
	EUR
Assets	
Investments	26,347,683
Interest receivable	155
Amount due from Manager	-
Financial derivatives	169,457
Cash and cash equivalents	2,065,386
Total Assets	<u>28,582,681</u>
Liabilities	
Amount due to Manager	36,035
Distribution payable	173,458
Other payables	2,787
Total Liabilities	<u>212,280</u>
Net Asset Value Of The Fund	<u>28,370,401</u>
Equity	
Unitholders' capital	28,616,597
Retained earnings	(246,196)
Net Asset Value Attributable To Unitholders	<u>28,370,401</u>
Total Equity And Liabilities	<u>28,582,681</u>
Net Asset Value Attributable To Unitholders	
- Class MYR Hedged	11,351,957
- Class MYR	9,010,529
- Class AUD	4,418,327
- Class SGD	1,788,378
- Class USD	1,801,210
	<u>28,370,401</u>
Number Of Units In Circulation (Units)	
- Class MYR Hedged	55,029,057
- Class MYR	45,334,948
- Class AUD	7,290,538
- Class SGD	2,642,393
- Class USD	1,986,765
	<u>112,283,701</u>

UNAUDITED STATEMENT OF FINANCIAL POSITION (continuation)
As At 31 December 2024

	31.12.2024
	EUR
Net Asset Value Per Unit (EUR) (Ex-distribution)	
- Class MYR Hedged	0.2063
- Class MYR	0.1988
- Class AUD	0.6061
- Class SGD	0.6769
- Class USD	0.9067
Net Asset Value Per Unit In Respective Currency	
- Class MYR Hedged	RM0.9605
- Class MYR	RM0.9254
- Class AUD	AUD1.0153
- Class SGD	SGD0.9597
- Class USD	USD0.9444

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Period From 1 October 2024 To 31 December 2024

	1.10.2024 to 31.12.2024 EUR
Investment Loss	
Interest income	14,913
Net gain on investments	
- Foreign exchange	(24,054)
- Financial derivatives	131,498
Net unrealised loss on changes in value of financial assets at fair value through profit or loss	(955,744)
	<u>(833,387)</u>
Expenses	
Manager's fee	107,077
Trustee's fee	2,876
Administration expenses	1,982
	<u>111,935</u>
Net Loss Before Taxation	(945,322)
Taxation	-
Net Loss After Taxation, Representing Total Comprehensive Loss For The Period	<u>(945,322)</u>
Total Comprehensive Loss	<u>(945,322)</u>
Total Comprehensive Loss Is Made Up As Follows:	
Realised income	10,422
Unrealised loss	(955,744)
	<u>(945,322)</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.