

BOSWM Dynamic Islamic Income Fund Class BOS MYR

Investment objective

The Fund aims to deliver total return.

Notes:

- Any material change to the investment objective of the Fund would require Unit Holders' approval.
- 'total return' refers to a combination of income (in the form of income distribution) and potential capital growth.

Performance

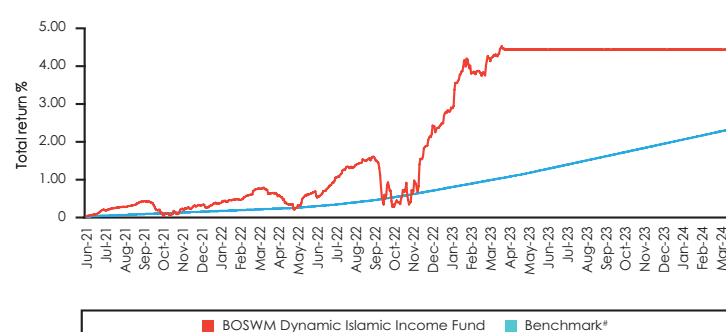
	1 Mth	6 Mths	1 Yr	Since Launch [▲]
Fund*	0.00% [^]	0.00% [^]	0.11%	4.46%
Benchmark#	0.11%	0.65%	1.29%	2.31%

* Source: Lipper for Investment Management, 31 March 2024. Fund sector: Money Market MYR

Benchmark: Maybank Islamic Overnight Deposit Rate, source: Maybank www.maybank2u.com.my, 31 March 2024

▲ Since start investing date: 10 June 2021

^ The unavailability of performance figures may be due to various factors, including but not limited to the following: - (a) historical data is less than 1 year; (b) non-existence of historical data for a given period; (c) a given share class yet to have any subscriber; (d) a given share class without unit in circulation following the exit of all subscriber(s); etc. You are encouraged to speak to our relationship manager(s) should you need greater details.



Note: There are no units in circulation and investment activities effective 10 April 2023.

Asset allocation

Nil

Country allocation

Nil

Fund details

Fund category/type	Islamic (wholesale fund) / Growth and income	
Launch date	1 June 2021	
Financial year end	30 June	
Fund size	Nil	
NAV per unit	RM1.0000 (as at 29 March 2024)	
Highest/Lowest NAV per unit (12-month rolling back)	Highest 5 Apr 2023	RM1.0434
	Lowest 11 Apr 2023	RM1.0000
Income distribution	Once a year, if any.	
Specific risk	Interest rate risk, credit & default risk, early termination of placement in Islamic deposit(s) and investment accounts, Shariah status reclassification risk and liquidity risk.	
Sales charge	Up to 2.00% of the NAV per unit of the Class	
Annual management fee	Up to 0.50% p.a. of the NAV of the Class	
Fund manager	Oh Jo Ann	
Sales office	BOS Wealth Management Malaysia Berhad 199501006861 (336059-U) ContactUs@boswm.com	

Income distribution[°]

Year	2021	2022	2023 [^]
Gross distribution (sen)	-	0.20	-
Distribution yield (%)	-	0.20	-

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Month	Jun 2023
Gross distribution (sen)	-
Distribution yield (%)	-

[°] Distribution yield is calculated based on the most recent income distribution and divided by NAV per unit on the distribution date.

Fund Commentary

- The Fund exited its fixed income holdings as liquidity requirements prompted full liquidation of investments during the month of April 2023.

Equity

Sticky inflation and market expectations of fewer rate cuts did not dent risk sentiments. Most regional equities continued to advance in March, on the back of strong corporate earnings and resilient macro data. Market movements in March (in local currency terms): US (+3.1%), Eurozone (+3.7%), Hong Kong (+0.2%), Shanghai (+0.1%), Japan (+2.6%), Taiwan (+6.2%), Singapore (+2.6%), Thailand (0.0%), and Malaysia (-1.3%).

The S&P 500 Index has continued to ascend over month of March, reaching new highs. Gains were mostly led by the Magnificent Seven names as they enjoy multiple tailwinds such as higher demand for Artificial Intelligence (AI) training and inference solutions, strong network effects and solid fundamentals. In addition, the Federal Reserve's new forecasts showed that the bar for interest rate cuts is now lower, with Gross Domestic Product (GDP) forecasts for 2024 raised from 1.4% to 2.1% and core inflation forecast raised to 2.6% from 2.4%, to the benefit of risk assets.

Optimisms surrounding global equity markets has been followed by interest in Europe as a diversification play given that European equities have trailed the global rally and valuations are undemanding. Like the US, advance in European equities has been confined to mostly large-cap companies but there have been signs of broadening. This was despite data showing that the UK and Germany fell into technical recessions in the second half of 2023 after higher inflation, higher interest rates and the energy shock from the war in Ukraine had all dampened economic activities.

MSCI China Index continued to see a recovery for the month with the pendulum slowly shifting in favour of investors. MSCI China Index constituents listed in A-share/HK that reported buybacks on a high frequency basis repurchased USD4.9b/USD5.6b of shares, which translates to 3.2x/1.9x of the same period average over 2021-2023. This suggests that regulations calling for higher payouts to shareholders are working. That being said, as with the ongoing rollout of other measures and policies to support the economy and markets, time will be required for implementation and execution.

Bank of Japan (BOJ) made the historic move by making its first rate hike in 17 years after it judged that its 2% inflation target was likely to be achieved on a sustained basis. The BOJ eliminated negative interest rates by raising its deposit rate from -0.10% and set its overnight call rate at 0.00-0.10%. It also scrapped its cap on 10-year yields and ended purchases of exchange-traded funds, real estate investment trusts, commercial paper and corporate bonds. Importantly the Japanese central bank kept its outlook dovish still and deemed that financial conditions would stay accommodative and gave no signal for further hikes which had supported Japanese equities.

FBMKLCI ended its run of five consecutive months of gains as it fell 1.3% MoM in March. Foreign investors turned net sellers after four consecutive months of net buying, bringing a cumulative net flows of -RM0.9b for the year up until March. Newsflow was more centred on infrastructure but the property sector took center stage with a 9.3% gain followed by construction sector's +5.6%. Meanwhile, Bank Negara Malaysia (BNM) kept Overnight Policy Rate (OPR) at 3% following its second meeting for 2024 in which BNM stated that Malaysia's monetary stance would remain accommodative and is consistent with its current assessment of growth and inflation trajectory.

The sharp risk-on rally since November 2023 and choppy inflation path point to heightened risks of short-term market volatility. Although we are mindful of overbought conditions after a sharp rally of this nature, we believe that the larger positive tailwinds behind the bull market remain broadly intact. We maintain a moderately risk-on stance in our asset allocation and view any pullbacks as opportunities to add risk exposure.

Fixed Income

The US bond yield curve remained inverted, albeit less steeply, following signals from the Fed. As widely expected, the central bank kept its fed funds rate in a target range of 5.25%-5.50% for the fifth meeting in a row. The Fed's new dot plot continued to project three rate cuts in 2024 despite raising its growth and inflation expectations for this year. This development has fostered a positive sentiment in the bond market, as ongoing speculation about rate cuts by the Fed could create an opportunity for investors, leading to further declines in bond yields. Although US inflation may still encounter challenges, it appears to be on a downward trend, which indicates progress. Our view remains that we anticipate the first cut in June. Over the month, the 10-year Treasury yield rose by 2bps to 4.20% while the 2-year rose 9bps to 4.62%.

Local government bond closed mixed, initially trading lower in the early part of the month but regaining ground as the month went by on a constructive tone in global bonds. Pockets of buying flow emerged amid tentative signs of stabilization in US rates following several weeks of hawkish repricing in February. BNM kept the OPR at 3% as widely expected for a 5th straight meeting since the last 25bps hike in May 2023. The monetary policy stance remains neutral and supportive of the economy, consistent with current assessment of the country's growth prospects and inflation. In its Annual Report for 2023, BNM expects the economy to keep on path of steady growth, with GDP ranging between 4.0% - 5.0% in 2024, sustained by expansion in domestic demand and recovery in exports while headline inflation is expected to average between 2.0% and 3.5% in 2024. BNM held three auctions in March with bid-to-cover (BTC) of 1.79x -3.18x. Despite persistent foreign outflows since December 2023, domestic demand for bonds has been strong judging from high auction BTC especially for long durations. Foreign shareholding of Malaysia Government Securities (MGS) saw a marginal decline from 33.80% to 33.30% in February. The 3-year and 10-year yield saw a near parallel move, declining by 2bps to 3.50% and 3.87% respectively.

Disclaimer

This publication has not been reviewed by the Securities Commission of Malaysia (SC). This leaflet provides general information and does not have regard to any specific investment objective, financial situation or particular personal need. The fund performance is calculated on an NAV-NAV basis including any capital gains and reinvested income distributions. Replacement information memorandum dated 15 January 2024 and Product Highlights Sheet ("PHS") are obtainable at our office and you have the right to request for a copy. They have been lodged with the SC who takes no responsibility for their contents. The lodgement does not amount to nor indicate that the SC has recommended or endorsed the fund. Units will only be issued when we receive the official account application form, investment form and declaration form. You should study the replacement information memorandum and PHS, and consider the fees and charges involved before investing. You should also note that distributions and net asset value per unit do go up and down. Past performance is not an indication of future performance. The specific risks of BOSWM Dynamic Islamic Income Fund are interest rate risk, credit & default risk, early termination of placement in Islamic deposit(s) and investment accounts, Shariah status reclassification risk and liquidity risk. Description of the specific risks can be obtained from the replacement information memorandum dated 15 January 2024. Where a distribution is declared, you are advised that following the distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV.