BOS WEALTH MANAGEMENT
A subsidiary of Bank of Singapore

BOSWM CORE GROWTH FUND

ANNUAL REPORT
For the financial year ended 31 December 2024

CONTENTS

FUND INFORMATION
As At 31 December 2024

Name Of Fund (Feeder)	:	BOSWM Core Growth Fund
Manager Of Fund	:	BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Name Of Target Fund	:	BOS International Fund – Growth
Investment Manager Of Target Fund	:	Bank of Singapore Limited (197700866R)
Manager Of Target Fund	:	UBS Fund Management (Luxembourg) S.A. (B 154.210)
Launch Date	:	Class MYR-Hedged BOS – 30 April 2020 Class USD BOS – 30 April 2020 Class PP USD – 16 December 2021 Class PP MYR Non-Hedged – 16 December 2021 As at 31 December 2024, only units in Class MYR-Hedged BOS have been issued. The Fund will continue its operations until terminated as provided under Clause 25 of the Deed.
Category Of Fund	:	Feeder fund (wholesale)
Type Of Fund	:	Growth and income
Investment Objective	:	BOSWM Core Growth 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	:	Incidental, subject to Manager's discretion.
Fund Size	:	Class MYR-Hedged BOS – 5.42 million units Class USD BOS – Nil Class PP USD – Nil Class PP MYR Non-Hedged – Nil

FINANCIAL HIGHLIGHTS

Category	As At 31.12.2024	As At 31.12.2023	As At 31.12.2022
	%	%	%
Collective Investment Scheme	100.65	94.31	92.03
Cash And Islamic Money Market Instruments	(0.65)	5.69	7.97
Total	100.00	100.00	100.00
Class MYR-Hedged BOS			
Net Asset Value (USD'000)	1,164	1,022	997
Number Of Units In Circulation (Units '000)	5,424	5,424	5,424
Net Asset Value Per Unit (USD)	0.2146	0.1885	0.1838
Net Asset Value Per Unit (RM)	0.9588	0.8648	0.8088
Total Expense Ratio ("TER")	2.28%	2.31 %	1.65%
Portfolio Turnover Ratio (times)	0.05	0.09	0.97

The TER for the current financial year is lower due to a lower percentage of increase in expenses compared with the average NAV attributable to unitholders. The Fund does not charge performance fee.

The Portfolio Turnover Ratio for the current financial year is lower due to decrease 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 2024

Market And Fund Review
Review Of BOS International Fund – Growth (Target Fund Of BOSWM Core Growth Fund)

January 2024

General:
The BOS International Growth Fund returned 1.19% in January.

Falling yields saw risk assets well bid again in January, with dovish comments from US Federal Reserve representatives consolidating consensus expectations toward multiple interest rate cuts in 2024.

Equities:
Equities were mixed in January. The US (+1.56%) and Japan (+4.38%) were both higher for the month, while Europe (-0.36%) and Far East Asia-ex Japan (-7.35%) both ended January in negative territory. (Source: Bloomberg; in USD terms).

Stabilizing inflation numbers around the globe suggest that the war on inflation is being won, and with employment data remaining healthy, the "soft-landing" scenario is looking increasingly possible.

The December moves had varied impacts on valuations, with the US and Europe broadly unchanged with forward price to earnings multiples of 20.2x and 13.4x respectively. Japan re-rated to around 15.9x forward earnings, while Far East Asia ex-Japan de-rated to around 10.5x - below the five-year average.

In the US, Growth outperformed value in January with the MSCI US Growth Index (+5.97%) leading the MSCI US Value Index (+1.03%) for the month. The Dow Jones Industrial Average Index (+2.22%) underperformed the S&P 500 Index (+3.54%), while the tech heavy NASDAQ Composite Index (+4.06%) outperformed for the month of January (Source: Bloomberg; in USD terms). The best performing sectors for January were communication services, information technology and health care while consumer discretionary, materials and materials were the laggards. The annual inflation rate in the US went up to 3.4% in December 2023 from a five-month low of 3.1% in November, higher than market forecasts of 3.2%, as energy prices went down at a slower pace. Energy costs dropped 2% (vs -5.4% in November), with gasoline declining 1.9% (vs -8.9%), utility (piped) gas service falling 13.8% (vs -10.4%) and fuel oil sinking 14.7% (vs -24.8%).

In Europe, the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Managers' Index (PMI) rose to 46.6 in January 2024, the highest in ten months and in line with preliminary estimates. New orders and output indices, accounting for 55% of the PMI, both increased by over two points at the start of the year, indicating further contractions but at the slowest rates in nine months. New orders from external sources also declined at the weakest margin since April. The inflation rate in the Euro Area went down to 2.8% year-on-year in January 2024 from 2.9% in the previous month, in line with market expectations, a preliminary estimate showed. Meanwhile, the core rate, which excludes volatile food and energy prices, continued to ease to 3.3%, above forecasts of 3.2% but still reaching its lowest level since March 2022. The best performing sectors for January were information technology, communication services and health care while the laggards were real estate, materials and utilities.

Asian equities struggled at the start of 2024 ending the month down -7.35%, led mostly by Chinese equities. China's lack of growth, falling inflation and population did not help confidence as investors seek a stronger policy response to help the slowing economy. China's midmonth market support helped pushed a somewhat awkward market recovery. The government offered more targeted stimulus by lowering the Reserve Ratio Requirements and potential stock market rescue package said to be as large as 2 Trillion yuan. Elsewhere, manufacturing activity picked up in January outside of China. South Korea showed a turnaround as its PMI improved to 51.2 indicating expansion. Taiwan had a similar improvement but remained below 50 at 48.8. Thematically, the growth in artificial intelligence has had a positive effect on their target fund as both Taiwan and South Korea benefitted from the strong demand for both Random Access Memory (RAM) and high-end semiconductors. Investment manager of target fund continue to see this a positive trend for the immediate future.

Fixed income:
US 10Y yield rose slightly in January from 3.88% to 3.91%, reaching 4.19% high at one point. Several Fed officials pushed back against imminent cuts, stating that Fed can cut this year if inflation doesn't rebound, but cuts should be "carefully calibrated and not rushed". This triggered higher US bond yields alongside a firmer US dollar as markets reduced price-implied probabilities for March Fed rate cut.

Global fixed income returns were mixed across the month, with higher duration sectors underperforming the others. Emerging Market High Yield (EMHY) returns were 1.46%, Emerging Market Investment Grade (EMIG) returns were 0.17% and Developed Market Investment Grade (DMIG) returns were -0.36%. Coupon carry and tightening in credit spreads helped EMIG and EMHY to overcome duration losses respectively, with EMHY spreads tightening 23 bps as riskier assets outperformed across the month. Bank of Singapore's 10Y UST forecast remains 3.25% over a 12-month period as their base case is for a mild US recession in mid-2024.

DMIG bond returns were slightly down in January at -0.36%. Losses came from interest rates rising during the month (US 10Y yield rose by 3 bps) while credit spreads tightened by 2 bps. Fed officials pushed back against market's pricing of a Fed rate cut in March while the latest economic data added to a positive picture of the economy. Most sectors delivered negative returns, with underperformers being consumer non-cyclicals and communications while financials was the only sector that delivered positive returns. Pharmaceuticals such as Bristol-Myers Squibb, Pfizer and Johnson & Johnson had more long bonds which suffered greater duration losses while bank bonds benefitted from greater credit spread tightening. Investment manager of target fund continue to advocate an overweight on high-quality DM corporate bonds as all-in yields remain high and this asset class continues to benefit from expectations for interest rate cuts.

EMIG delivered positive returns of +0.2% for January with spreads widening by +2bps over the same period. Technicals remained broadly supportive for high grade credit but market participants were cautious ahead of Federal Open Market Committee (FOMC) following the strong rally going into the end of 2023. By country, the top performers were Panama, Mauritius and Morocco. The bottom performers were Saudi Arabia, Kazakhstan and UAE. The longer duration segments performed relatively weaker during the month. Looking ahead, the focus will be on upcoming elections in coming months including Indonesia and India within Asia credit markets. Investment manager of target fund favour a Neutral positioning in EMIG given expectations of more balanced risk-reward. Regionally they have a preference for Latin America (LATAM) and are Neutral Asia and Central & Easter Europe, Middle East and Africa (CEEMEA). Their focus is credit selection with issuers with relatively stronger fundamentals.

EMHY had a strong start to the year and it was the best performing segment in the global credit market in January. EMHY returned 1.5% outperforming EMIG as well as USHY. The performance was driven mainly by 23bps of spread tightening. Returns in EMHY was led by the lower rated segments in the market, with CCC segment delivering 4.5% return. The BB rated segment underperformed relatively with 0.8% return. Asia and Africa outperformed in January with 2.4% return. Middle East was the worst performer with 0.5% return, while Latin America returned 1.1%. Performance in Asia was underpinned by 4.3% gain in China HY. Chile and India performed strongly with 4% and 3.3%. Metals & Mining was the best performing industry in January (4.1%), while Pulp & Paper was the worst performer with -0.2%. Investment manager of target fund are Neutral in EMHY and within, they are OW Latam HY and Neutral on Asia and CEEMEA.

Investment manager of target fund continue to see some volatility in US Treasury (UST) yields, driven by Fed officials pushing back against market expectations of a March rate cut, troubles surfacing for New York Community Bancorp, and resilient economic data which so far have not suggested the need for rapid rate cuts. Bank of Singapore expects the Fed to cut 75 bps from mid-2024 onwards and such an easing cycle should provide a solid backdrop for fixed income in 2024. Historically, bonds have done well leading up to the first rate cut and they expect US 10Y yield to settle around 3.25% over the ensuing 12 months. Their expectations of lower UST yields underpins their OW in longer duration markets such as DMIG and UST. The higher starting yields in HY segments provides a buffer against modest spread widening in a mild recession scenario. They are Neutral on both DM and EMHY segments.

<u>February 2024</u>

General:
The BOS International Growth Fund returned 3.17% in February.

A strong 4Q reporting season lent credence to the ongoing rally in risk assets, helping to offset macroeconomic uncertainty and rates cut expectations which have been pushed out.

Equities:
Equities markets were strong in February, led by Far East Asia-ex Japan (+6.38%) and the US (+5.37%). Japan (+2.91%) and Europe (+1.49%) were both higher for the month also. (Source: Bloomberg; in USD terms).

Stabilising inflation numbers around the globe suggest that the war on inflation is being won, and with employment data remaining healthy, the "soft-landing" scenario is looking increasingly possible.

While earnings delivery and expectations remain healthy, the February moves saw valuations creep higher. The US and Japan trade on forward price to earnings multiples of 21.1x and 16.9x respectively - both above their five-year averages. Europe and Far East Asia ex-Japan trade on 13.9x and 11.2x - both below their five-year average.

In the US, Growth outperformed value again in February with the MSCI US Growth Index (+7.18%) leading the MSCI US Value Index (+3.39%) for the month. The Dow Jones Industrial Average Index (+2.50%) underperformed the S&P 500 Index (+5.34%), while the tech heavy NASDAQ Composite Index (+6.22%) outperformed for the month of February (Source: Bloomberg; in USD terms). All sectors were positive for February, with best performing sectors being consumer discretionary, industrials and materials, while consumer staples, real estate and utilities were the laggards. The annual inflation rate in the US fell back to 3.1% in January 2024 following a brief increase to 3.4% in December but came higher than forecasts of 2.9%. Energy costs dropped 4.6% (vs -2% in December), with gasoline declining 6.4% (vs -1.9%), utility (piped) gas service falling 17.8% (vs -13.8%) and fuel oil sinking 14.2% (vs -14.7%).

In Europe, the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) was revised higher to 46.5 in February 2024, up from a preliminary estimate of 46.1 and compared with January's 10-month high of 46.6. The latest reading signalled the second-slowest deterioration in manufacturing sector conditions since March 2023, with Germany driving the overall deterioration and contracting the most in four months. The consumer price inflation rate in the Euro Area declined to 2.6% year-on-year in February 2024, down from 2.8% in the previous month, but remaining slightly above market expectations of 2.5%, a preliminary estimate showed. It was the lowest rate in three months but still exceeded the European Central Bank's (ECB's) target of 2%. The best performing sectors for February were consumer discretionary, information technology and industrials while the laggards were consumer staples, utilities and real estate.

Asian Equities recovered strongly in February, led by China. Stronger consumption data such as improving travel and spending during the Chinese New Year period kickstarted the rally and supported by a slew of measures, including restrictions on short selling. Hong Kong relaxed its property curbs during its latest budget and implemented measures to attract investments and talent. Taiwan's January export numbers were stronger than expected with demand for hardware related to Artificial Intelligence (AI) remaining strong. Singapore’s inflation in January came in slightly weaker, giving the central bank scope to loosen policy stance in the future. Some challenges remain with deflation a risk for China. Asia ex Japan equity valuations are at one of its lowest it has been historically. Given that it is a beneficiary of the global march into AI with majority of semiconductors manufacturers located in the region, investment manager of target fund see risk reward remaining very favourable.

Fixed income:
US 10Y yield rose significantly in February from 3.91% to 4.25%. January non-farm payrolls unexpectedly rose by 353k versus consensus of 185k, while Fed's Bowman highlighted the "pick-up in wage inflation in recent months". US inflation jumped in January, dashing hopes for Fed easing in the first half of the year. Consumer Price Index (CPI) topped forecasts on both a monthly and annual basis, with core rising 3.9% year on year, as shelter costs contributed more than two-thirds of the overall increase.

Global fixed income returns were mixed across the month, with higher duration sectors underperforming the others. Emerging Market High Yield (EMHY) returns were 1.46%, Emerging Market Investment Grade (EMIG) returns were 0.17% and Developed Market Investment Grade (DMIG) returns were -0.36%. Coupon carry and tightening in credit spreads helped EMIG and EMHY to overcome duration losses respectively, with EMHY spreads tightening 23 bps as riskier assets outperformed across the month. Bank of Singapore's 10Y US Treasury (UST) forecast remains 3.25% over a 12-month period as their base case is for a mild US recession in mid-2024.

DMIG bond returns were down in February at -1.93%. Losses came from interest rates rising during the month (US 10Y yield rose by 34 bps) while credit spreads widened by 2 bps. US inflation jumped in January, dashing hopes for Fed easing in the first half of the year while employment data was stronger than expected. All sectors delivered negative returns, with underperformers being communications and industrials while financials lost lesser than the other sectors. Media companies such as Paramount and Disney suffered as investors had concerns about the challenges facing the streaming industry. Railway companies such Union Pacific and Burlington Northern Sante Fe underperformed too as the harsh winter had impacts on the rail network, resulting in shipment delays. Investment manager of target fund continue to advocate an overweight on high-quality Developed Market (DM) corporate bonds as all-in yields remain high and this asset class continues to benefit from expectations for interest rate cuts.

EMIG delivered flat absolute returns in February together with spread tightening of 22 bps. Year to date returns are +0.2% with 20 bps of spread tightening. Geographically, the top relative performers were Mauritius, Colombia, and Morocco and the laggards are South Africa, Kazakhstan and Panama. By sectors, Health Care and Insurance were the relative positive contributors while laggards include Telecommunications, Consumer Staples and Technology. Technicals across the Emerging Market (EM) hard currency space continue to be weighed in by outflows totalling USD 4.9bn on a year-to-date basis. Overall, Investment manager of target fund are Neutral EMIG and favour positioning in Latin America while being Neutral Asia and Central and Eastern Europe, the Middle East and Africa (CEEMEA). They prefer a quality approach for issuer selection and focus on more defensive credits within the asset class.

EMHY continued its strong performance in February and outperformed US High Yield (USHY) as well as EMIG and US Investment Grade (USIG) markets. EMHY returned 1.8% in February, bringing Year-to-date returns to 3.3%. The 38bps of spread tightening coupled with carry more than offset the adverse move in UST yields. Once again, the lower quality segments drove the performance in February. Single-B and CCC segments outperformed with 2.3% and 2.9% return respectively. CCC segment has delivered an impressive 7.5% return so far in 2024 compared to 2% gain in BB segment. Latin America was the performer with 2% gain, while Middle East underperformed on a relative basis. Performance in Latin America was supported by strong returns in Chile (3.6%) and Mexico (2.3%). Metals and Mining and Real Estate were the best performing industries with 3.7% and 3.6% return respectively. Investment manager of target fund are Neutral in EMHY and within, they are OW Latam HY and Neutral on Asia and CEEMEA.

The continued strength in the US economy has forced the market to recalibrate the overly optimistic rate cut expectations for 2024. Presently, the market is expecting 3-4 rate cuts vs 7 in early in January. The recalibration of rate cuts have introduced a level of asymmetry to UST yield moves ahead; investment manager of target fund see potential for UST yields to be more sensitive to weakness in economic data vis-a-vis strength. Bank of Singapore expects 3 rate cuts in 2024 and UST 10yr yields around 3.25% over 12 months. Their base case scenario of mild recession in US argues well for OW in long duration markets within fixed income, i.e., DMIG. They are also constructive on the High Yield (HY) markets, where the higher starting yields provides an attractive entry point as well as buffer against the defaults in a mild recession scenario. They have a Neutral allocation to both DM and EMHY segments.

March 2024

General:
The BOS International Fund - Growth returned 3.03% in March.

The US Federal Open Market Committee (FOMC) meeting in March entailed dovish signals which added legs to the ongoing rally in risk assets. This lends credence to investment manager of target fund base case scenario of a soft landing and three rate cuts in the second half this year.

Equities:
Equities performed well in March on the back of strong corporate earnings. The Europe (+4.0%) and the US (+3.2%) led the gains while Japan and Far East Asia ex Japan returned 2.8% and 2.6% respectively. (Source: Bloomberg; in USD terms). Dovish commentary from the US Federal Reserve continues to signal potential rate cuts ahead, and with employment data remaining healthy, the “soft landing” scenario is looking increasingly possible.

The US market trades on 21.3x forward price-to-earnings price-to-earnings (P/E) ratio. Japan has re-rated to around 16.6x forward earnings, while Asia ex-Japan and Europe trade on 11.5x and 14.2x respectively. In the US, Value outperformed Growth in March with the MSCI US Value Index (+4.79%) leading the MSCI US Growth Index (+1.62%) for the month. The Dow Jones Industrial Average Index (+2.21%) underperformed the S&P 500 Index (+3.22%), while the tech heavy NASDAQ Composite Index (+1.85%) underperformed for the month of March (Source: Bloomberg; in USD terms). The best performing sectors for March were Energy, Utilities and Materials, while Information Technology, Real Estate and Consumer Discretionary were the laggards (albeit all sectors were positive for the month). Annual inflation rate in the US unexpectedly edged up to 3.2% in February 2024, compared to 3.1% in January and above forecasts of 3.1%. Energy costs dropped much less than expected (-1.9% vs -4.6% in January), with gasoline declining 3.9% (vs -6.4%), utility gas service falling 8.8% (vs -17.8%) and fuel oil going down 5.4% (vs -14.2%).

In Europe, The Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) fell to a three-month low of 45.7 in March 2024 from 46.5 in February, and well below market forecasts of 47, preliminary estimates showed. The reading pointed to another worsening of manufacturing conditions, with job losses falling at the joint-largest pace since August 2020 while the rate of output and new orders decline softened a bit. The consumer price inflation rate in the Euro Area was confirmed at 2.6% year-on-year in February 2024, the lowest rate in three months but still exceeding the European Central Bank's (ECB's) target of 2%. Energy prices saw a decline of 3.7% (vs -6.1% in January), while the pace of price rises moderated for both food, alcohol & tobacco (3.9% vs 5.6%) and non-energy industrial goods (1.6% vs 2.0%). The best performing sectors for March were Real Estate, Financials and Energy, while the laggards were Consumer Discretionary, Information Technology and Consumer Staples.

Asian markets delivered positive returns for the second consecutive month, led by Taiwan and Korea. Information Technology as a sector did the heavy lifting as artificial intelligence (AI)-related names in both Taiwan and South Korea outperformed on positive news flow relating to their rising share of AI chip orders. ASEAN markets were generally flat with the exception of Singapore which saw Financials outperform as they approach their cum-dividend dates. Hong Kong was the worst performing market, dragged by weaker-than expected FY23 numbers from Financials and Real Estate. On the other hand, China held firm, supported by earnings beats and improving shareholder returns of leading Internet names. While China's path forward remains bumpy, multi-year low valuations allow us to be selective in investment manager of target fund portfolio exposure. Their strategy is to stay invested in quality names with long, structural growth runways.

Fixed income:
10Y US Treasury (UST) yield fell from 4.25% to 4.20% in March but was volatile intra-month with lows of 4.03% and highs of 4.34%. The Fed's preferred gauge of underlying inflation rose in January at the fastest pace in almost a year, supporting a patient approach to start lowering interest rates. Core Personal Consumption Expenditures (PCE) gained 0.4% month on month and the headline figure climbed 0.3%, both matching forecasts. February Producer Price Index (PPI) report surprised to the upside, with the headline gauge jumping by 0.6% (consensus +0.3%) and the core PPI rising by 0.4% (consensus +0.3%). Nonfarm payrolls rose a solid 275,000 (consensus 200,0000) in February. However, there were sizable revisions to the prior two months (-167,000 jobs).

Jerome Powell said it will probably be appropriate to start rate cuts this year, adding that the FOMC will probably begin slowing QT relatively "soon." Inflation has eased "notably" but is still too high, the Fed chair added. The Fed reiterated its outlook for three 25-bp rate cuts this year while awaiting more confidence on inflation. Japan raised rates to 0-0.1%, officially ending the negative interest rate policy in place since 2013. The target ceiling of 1% for 10Y JGB yields was also abolished. However, the Bank of Japan (BOJ) gave dovish forward guidance, stating that accommodative financial conditions will be maintained for the time being.

Global fixed income markets delivered positive returns during the month. Emerging Market High Yield (EMHY) and Emerging Market Investment Grade (EMIG) returned +1.11% and +0.86% respectively while Developed Market Investment Grade (DMIG) outperformed at +1.52%. Bank of Singapore expects 3 rate cuts in 2024 and UST 10yr yields around 3.25% over 12 months.

DMIG bond returns were positive in March at +1.52%. Gains came from interest rates falling during the month while credit spreads tightened by 7bps. All sectors delivered positive returns, with top performers being Communications and Energy while Financials and Industrials underperformed the rest. Media companies (Warner Bros Discovery) and real estate services (CBRE) did well while aircraft manufacturer Boeing was affected by negative headlines from aircraft malfunctions. Investment manager of target fund continue to advocate an Overweight on high-quality Developed Market (DM) corporate bonds as all-in yields remain high and this asset class continues to benefit from expectations for interest rate cuts.

EMIG delivered 0.9% in March bringing total return to 1.1% on a year to date (YTD) basis. Spreads tightened by 6bps over the course of the month and tightened 26bps on a YTD basis. The asset class delivered broad based positive returns across countries. Panama, Kazakhstan and Indonesia delivered strong relative performance while laggards were Czech Republic, India and Philippines. The longer duration segments performed relatively better with the outperformer being the 10+ years segment. Investment manager of target fund are Neutral EMIG given their view of balanced risk reward for the asset class. Geographically they favour Latin America and positioning with the fundamentally stronger credits in that region. Credit selection remains key and they are cautious on credits with stretched balance sheets or weak liquidity, preferring to focus on a higher quality tilt.

EMHY had another solid month in March with 1.1% return. EMHY outperformed EMIG but underperformed DMIG and US High Yield (USHY) on a relative basis. EMHY remains the best performing credit market in 1Q24 with 4.4% return. The returns in EMHY were driven by stable UST Yields as well as 16bps tightening in credit spreads. EMHY credit spreads have tightened 78bps in 1Q24. The lower quality segment once again outperformed in March with CCC segment delivering 2.2% compared to 1% in BB segment. Single-B and CCC segments have delivered 9.8% and 5.3% return in 1Q24 versus 3% gain in BB segment. Africa (2.4%) and Latin America (1.4%) outperformed in March. Mexico (2.7%) and Hong Kong (2.4%) were the best performing countries in March, while India (0.2%) and China (0.2%) underperformed. Investment manager of target fund have upgraded EMHY to Overweight underpinned by favourable default rate outlook supportive structural changes within the asset class and reasonable valuation levels.

March FOMC meeting had a dovish tilted message as it reinforced forecast of 3 rate cuts for 2024. The market has gradually priced-in the need for higher level of Neutral Rate, potentially capping the upper bound of UST 10yr yield range to 4.3%-4.5% in the near term. The incoming data will be pivotal in determining the trajectory of UST yields as Investment manager of target fund get closer to expected first rate cut in June. They upgrade EMHY to Overweight backed by improving default outlook and favourable structural changes in the segment. They are Underweight in EMIG, on valuation grounds. They remain OW in DMIG.

April 2024

General:
The BOS International Fund - Growth returned -1.55% in April.

Risk assets delivered negative performance in April as sticky inflation along with resilient US macroeconomic data led markets to price in fewer interest cuts by the US Federal Reserve (the Fed) this year.

Equities:
Equity markets demonstrated mixed fortunes in April as prior rate cut expectations where challenged. The US (-3.9%) and Japan (-3.0%) led the declines while Europe was also negative (-1.3%). Asian Far East Ex. Japan bucked the broader trend, returning +1.1% for the month. (Source: Bloomberg; in USD terms).

Consecutive inflation prints above expectations has delayed the expected timing of interest rate cuts from the Fed, as well as reduced the expected magnitude of expected cuts.

The US market de-rated to a forward price-to-earnings ratio of 20.0x in April, while Japan, Europe and Asia ex-Japan trade on 16.4x, 13.8x and 11.5x respectively.

In the US, Growth underperformed Value in April with the MSCI US Growth Index (+4.09%) lagging the MSCI US Value Index (-3.79%) for the month. The Dow Jones Industrial Average Index (-4.34%) underperformed the S&P 500 Index (-3.89%) for April, as did the tech heavy NASDAQ Composite Index (-4.48%) as higher growth segments of the market felt the effects of lower rate cut expectations (Source: Bloomberg; in USD terms). The best performing sectors for April were Utilities (the only positive sector for the month), Energy and Consumer Staples, while Health Care, Information Technology and Real Estate were the laggards. The annual inflation rate in the US accelerated for a second straight month to 3.5% in March 2024, the highest since September, compared to 3.2% in February and forecasts of 3.4%. Energy costs rose 2.1% (vs -1.9% in February), with gasoline increasing 1.3% (vs -3.9%) while utility gas service (-3.2% vs -8.8%) and fuel oil (-3.7% vs -5.4%) fell less.

In Europe, The Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) came in at 45.7 in April 2024, little changed from the preliminary estimate of 45.6 and below March's final figure of 46.1. The latest reading signaled a slightly faster rate of deterioration in euro area manufacturing business conditions, as the inflow of new orders declined at a steeper pace, the sharpest in the year-to-date (YTD). The annual inflation rate in the Euro Area remained at 2.4 percent in April 2024, in line with market expectations, preliminary estimates showed. Inflation slowed for non-energy industrial goods (0.9 percent vs 1.1 percent in March) and services (3.7 percent vs 4 percent). On the other hand, prices rose faster for food, alcohol, and tobacco inflation (2.8 percent vs 2.6 percent). Meanwhile, energy prices decreased at a slower pace (-0.6 percent vs -1.8 percent). The best performing sectors for April were Energy, Health Care and Materials, while the laggards were Industrials, Consumer Discretionary and Information Technology.

Asian markets delivered positive returns in April, led by China and Hong Kong. The announcement of shareholder-friendly initiatives by the Internet sector as well as the anticipation of further property support at the 30-April politburo meeting saw a strong rebound in China and Hong Kong equities. While China's path forward remains bumpy, multi-year low valuations allow investment manager of target fund to be selective in their portfolio exposure. US inflation data in March surprised to the upside although the reduced number of rate cuts priced in by markets was to the benefit of Financials and Value stocks. Along the same vein, Singapore outperformed, driven by the banks as their net interest margins are expected to remain supported in a higher-for-longer interest rate environment. On the other hand, Korea and Taiwan underperformed as Artificial Intelligence (AI)- related stocks globally retreated post the strong YTD performance. Within ASEAN, Indonesia was a key detractor as the IDR weakness throughout the month led Bank Indonesia to unexpectedly hike rates.

A new position in Kimberly-Clark Corp was established during the month, while holdings in General Motors Co and Organon & Co were exited. Key contributions came from Kimberly Clark, Tencent, Alphabet Inc and Veralto Corp, while detractors included Salesforce Inc, Brambles Limited, Waters Corp, Microsoft Corp and ASML Holding.

Fixed income:
10Y US Treasury (UST) yield rose from 4.20% to 4.68% in April amidst resilience of US economy and robust consumer spending, with traders weighing fresh inflation data amidst fears that the market rally could slow down. Jerome Powell signalled the Fed has time to assess data and needs clearer signs of lower inflation, with other Fed speakers cautioning that there is no rush to cut interest rates.

Global fixed income markets delivered negative returns during the month. Emerging Market High Yield (EMHY) and Emerging Market Investment Grade (EMIG) returned -0.49% and -1.23% respectively while Developed Market Investment Grade (DMIG) underperformed at -3.18%. Bank of Singapore Limited sees US 10Y yield falling to 3.75% over a 12-month period.

DMIG bond returns were negative in April at -3.18%, contributing most of YTD losses at -3.95%. Losses came from interest rates rising during the month (10Y UST yield rose by 48bps) while credit spreads tightened by 2bps. All sectors delivered negative returns, with underperformers being Cable/Satellite and Software companies while Home Construction and Steel companies held up better. Long-end bonds issued by Microsoft maturing between 2057 2060 suffered from rising interest rates and longer duration while Comcast's credit spreads widened on a massive 2.5 bio deal for NBA games. Investment manager of target fund is Overweight (OW) DMIG bonds as all-in yields remain high and this asset class can benefit when interest rate cuts begin.

EMIG bond returns were negative in April at -1.23%, bringing YTD returns to negative at -0.18%. Credit spreads tightened by 14bps which helped to buffer some of the duration losses. Nearly all countries delivered negative returns, with Czech Republic, Kazakhstan and Mexico faring worse than the others while Mauritius alone had positive returns. MCB, Mauritius' biggest lender by market share, will increase exposure to gas and move into funding the mining of metals needed for clean energy technologies. Czech's integrated energy services provider CEZ had its Baa1 rating affirmed by Moody's but its outlook was changed to negative from stable, following the company's announcement that it would acquire a 55.21% stake in GasNet for EUR 846.5 mio. Investment manager of target fund is Neutral EMIG bonds, given their view of balanced risk-reward for the asset class. Geographically, they favour Latin America and fundamentally stronger credits in that region, cautioning against credits with stretched balance sheets or weak liquidity.

EMHY returns were adversely impacted by the movement in UST yields in April. Nonetheless, EMHY remained the best performing credit market in April and outperformed EMIG, DMIG as well as US High Yield (USHY). EMHY was down -0.49% in April compared to -1.23% in EMIG and -0.8% in USHY. Credit spreads in EMHY narrowed 14bps which partially offset the impact of higher UST yields. Once again, the lower quality segments of the market outperformed with CCC and Single-B generating positive returns in April. More defensive segments such as BB generated -0.8%. Country wise, Chile (1.3%), China (1.1%) and Turkey (0.4%) were the best performers in April. Meanwhile, Hong Kong (-2.7%) and Brazil (-1%) were the key underperformers. Pulp and Paper was the worst performing sector in April with -2.5%. Metals and Mining sector outperformed with 0.5%. Investment manager of target fund is constructive on EMHY and have a OW position in the asset class. Within EMHY, they are OW across all three regions (Latam, CEEMEA and Asia).

As expected, the Fed signalled delays in rate cuts but pushed back against the need for rate hikes in the April Federal Open Market Committee (FOMC) meeting. The market is now pricing in 1-2 rate cuts for 2024, down from 6-7 cuts in January. The recalibration of rate cut expectations should limit further increase in 10yr yields. At current levels (4.6%-4.7%), the yields are pricing-in uptick in inflation data as well as strength of US economy. Investment manager of target fund retains preference towards longer duration markets (DMIG). They are Underweight in EMIG on valuation grounds. They are OW in EMHY given decent valuation levels and structural improvements.

May 2024

General:
The BOS International Fund - Growth returned 2.80% in May.

The popular adage "Sell in May and go away" did not materialise with both bonds and equities delivering positive performance. Benign US macroeconomic data eased investors' concerns regarding the US Federal Reserve's policy path while another earnings beat and guidance upgrade from Nvidia supported overall risk appetite.

Equities:
May was a positive month for equities led by the US (+4.78%) and Europe (+5.05%). Asian Far East Ex. Japan and Japan were also positive for the month returning 1.79% and 1.32% respectively. (Source: Bloomberg; in USD terms).

The S&P500 had its best May since 2009, helped by another set of stellar earnings from Nvidia. Most of the gains could be attributed to mega-cap tech, with an equally weighted S&P500 index returning 1% for the month.

The US market re-rated to a forward price-to-earnings ratio of 20.8x in May, while Japan, Europe and Asia ex-Japan trade on 16.3x, 14.0x and 11.5x respectively.

In the US, Growth outperformed Value in May with the MSCI US Growth Index (+6.56%) leading the MSCI US Value Index (+2.82%) for the month. The Dow Jones Industrial Average Index (+2.58%) underperformed the S&P 500 Index (+4.96%) for May, while the tech heavy NASDAQ Composite Index (+6.98%) outperformed, in part due to the knock-on effects from another stellar set of results from Nvidia (Source: Bloomberg; in USD terms). The best performing sectors for April were Information Technology, Utilities and Communication Services, while Industrials, Consumer Discretionary and Energy were the laggards. Annual inflation rate in the US eased to 3.4% in April 2024 from 3.5% in March which was the highest reading since September, in line with market forecasts. Inflation steadied for food (2.2%) and slowed for shelter (5.5% vs 5.7%). Meanwhile, core inflation slowed to 3.6% annually, be the lowest reading since April 2021, down from 3.8% in both March and February.

In Europe, the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) increased to 47.4 in May 2024, the highest in 15 months, up from 45.7 in April and above market expectations of 46.2, according to flash estimates. Manufacturing production remained on a downward trend for the 14th consecutive month, but the rate of decline was minimal, signalling a potential stabilization. New business also saw a decrease, the smallest in two years, with employment trends continuing to decline. Annual inflation rate in the Euro Area rose for the first time in five months to 2.6% in May 2024 from 2.4% in each of the previous two months, and above forecasts of 2.5%, preliminary estimates showed. Prices rebounded for energy (0.3% vs -0.6%) and rose faster for services (4.1% vs 3.7%) but sowed for food, alcohol and tobacco (2.6% vs 2.8%) and nonenergy industrial goods (0.8% vs 0.9%). The best performing sectors for May were Financials, Industrials and Communication Services, while the laggards were Materials, Consumer Discretionary and Energy.

Asian markets delivered positive returns in May as stabilising US policy rate expectations took pressure off major Asian currencies. Taiwan was the best performing market as the Artificial Intelligence (AI) momentum continued, buoyed by Nvidia’s guidance upgrade and stronger-than-expected export orders in April. China and Hong Kong also ended the month higher but substantially off the peak due to profit taking after the strong rally since mid-April. While China’s path forward remains bumpy, multi-year low valuations allow investment manager of target fund to be selective via quality growth market leaders and companies which are committed to increasing shareholder returns. They now await further macroeconomic data points to confirm if the recently announced policy measures have set China’s recovery in motion. Indonesia and the Philippines were the worst performing markets, dragged by negative earnings revisions post a softer-than expected 1Q24 earnings season. The Bank of Singapore International (BOSI) funds remain invested in Association of Southeast Asian Nations (ASEAN) and India, attracted by its relatively stable macro conditions and structural growth story.

Investment manager of target fund sold long-held positions in Thermo Fisher Scientific Inc during May. There were no outright purchases for the month. Key contributions came from Nvidia Corp, Booking Holdings, Microsoft Corp, Amcor plc and Enel SpA, while detractors included Deere & Co, Walt Disney Co, Mitsui Fudosan, Agilent Technologies Inc and Salesforce Inc.

Fixed income:
10Y US Treasury (UST) yield fell from 4.68% to 4.50% in May. Federal Reserve Chair Jerome Powell largely ruled out that the central bank’s next move could be a hike, easing investor worries that it was losing control of sticky inflation. US Core Consumer Price Index (CPI) eased in April for the first time in six months, while retail sales stagnated and April jobs report was softer-than-expected.

Global fixed income markets delivered positive returns during the month. Emerging Market High Yield (EMHY) and Emerging Market Investment Grade (EMIG) returned 1.75% and 1.45% respectively while Developed Market Investment Grade (DMIG) outperformed at 2.17%. Bank of Singapore Limited (BOS) sees US 10Y yield falling to 3.75% over a 12-month period.

DMIG bond returns were positive in May at 2.17%. Gains came from interest rates falling during the month (10Y UST yield fell by 18bps) while credit spreads tightened by 3bps. All sectors delivered positive returns, with outperformers being auto parts suppliers and media/entertainment while home builders and paper products underperformed. Auto parts supplier Aptiv raised its year profit outlook and announced credit positive changes in its joint venture with Hyundai. Media company Charter Communications reached a new multi-year distribution agreement with Paramount Global, covering cable, broadcast and streaming services. Home builders (such as Lennar) were affected as higher mortgage rates dented sales. Investment manager of target fund is Overweight DMIG bonds as all-in yields remain high and this asset class can benefit when interest rate cuts begin.

EMIG bond returns were positive in May at 1.45%. Credit spreads were unchanged while gains came from interest rates falling during the month (10Y UST yield fell by 18bps). Nearly all countries delivered positive returns, with Czech Republic, Kazakhstan and Indonesia faring better than the others while Morocco alone had negative returns. Moroccan petroleum products supplier, Vivo Energy, completes purchase of Engen stake with Petronas selling its 74% shareholding. Czech integrated energy services company, CEZ, should see income remain well above pre-2022 level as distribution earnings are supported by planned 8% annual asset-base growth, cost cuts and stable regulatory context. Investment manager of target fund is Neutral EMIG bonds, given their view of balanced risk-reward for the asset class. Geographically, they favour Latin America and fundamentally stronger credits in that region, cautioning against credits with stretched balance sheets or weak liquidity.

The favourable move in the UST yields as well as tightening in credit spreads drove returns in EMHY segment in May. EMHY generated 1.75% return in May, outperforming both EMIG and US High Yield (USHY). EMHY underperformed higher duration markets such as DMIG. EMHY remains the best performing credit market in 2024 with 5.7% year-to-date (YTD) return. The lower quality segments continued to outperform in May with CCC and Single-Bs returning 2.2% and 1.7% respectively compared to 1.5% gain the BB segment. Country wise, China led the performance in May with 5.5% return driven by the significant outperformance in the real estate sector. The policy announcement fuelled a sharp rally in the China property sector in May. Hong Kong benefited from the improved sentiment towards China and returned 2.9%. India outperformed marginally with 1.8% gain. IInvestment manager of target fund is constructive on EMHY and have an Overweight (OW) position in the asset class. Within EMHY, they are OW across all three regions (Latam, Asia and CEEMEA).

Deceleration in the April inflation data provided much needed relief to UST markets. This coupled with weaker 1Q growth supported rally in UST yields. The Fed will want to see further moderation in inflation data to support the first rate cut. UST yields will remain highly sensitive to the upcoming data in June. At 4.5%, 10yr Yields may be closer to the upper bound of range and may react positively to weaker data. Investment manager of target fund retains preference towards longer duration markets (DMIG). They are Underweight in EMIG on valuation grounds. They are OW in EMHY given decent valuation levels and structural improvements.

June 2024

General:
The BOS International Fund - Growth returned 1.53% in June.

June was another positive month for risk assets with both bonds and equities delivering positive performance. May's in-line Core Personal Consumption Expenditure (PCE) print points to continued disinflation while the Federal Reserve's annual stress test results suggest a robust financial system - positives as investment manager of target fund head into the 2Q earnings season.

Equities:
June was a mixed month for equities with the US (+3.58%) and Asian Far East Ex. Japan (+3.51%) delivering healthy returns. Japan (-0.67%) and Europe (-2.16%) both lagged and delivered negative returns for June. (Source: Bloomberg; in USD terms).

Information Technology and higher growth segments of the market propelled the US (and global) bourses to new highs during the month of June.

The US and Asia ex Japan re-rated to forward price-to-earnings (P/E) ratios of 21.3x and 11.6x respectively in June, while Japan and Europe de-rated to 16.0x and 13.6x respectively.

In the US, Growth significantly outperformed Value in June with the MSCI US Growth Index (+6.99%) leading the MSCI US Value Index (-0.06%) for the month. The Dow Jones Industrial Average Index (+1.23%) underperformed the S&P 500 Index (+3.65%) for June, while the tech heavy NASDAQ Composite Index (+6.03%) outperformed again for the month of June (Source: Bloomberg; in USD terms). The best performing sectors for June were Information Technology, Communication Services and Consumer Discretionary, while Energy, Materials and Utilities were the laggards. The annual inflation rate in the US unexpectedly slowed to 3.3% in May 2024, the lowest in three months, compared to 3.4% in April and forecasts of 3.4%. Inflation eased for food (2.1% vs 2.2%), shelter (5.4% vs 5.5%), transportation (10.5% vs 11.2%) and apparel (0.8% vs 1.3%) and prices continued to decline for new vehicles (-0.8% vs -0.4%) and used cars and trucks (-9.3% vs -6.9%).

In Europe, the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) was revised higher to 45.8 in June 2024 from a preliminary estimate of 45.6. Still, the PMI remains well below the survey average of 51.6, with output contracting at the fastest rate so far this year. New orders, purchasing activity, and employment all declined more rapidly. On the price front, input costs rose for the first time since February 2023, leading factories to reduce discounts. Annual inflation rate in the Euro Area eased to 2.5% in June 2024 after briefly accelerating to 2.6% in May, and matching market forecasts, preliminary estimates showed. Prices rose at a slower pace for food, alcohol and tobacco (2.5% vs 2.6%) and energy (0.2% vs 0.3%) while inflation was steady for non-energy industrial goods (at 0.7%) and services (at 4.1%). The best performing sectors for June were Information Technology, Health Care and Communication Services, while the laggards were Utilities, Industrials and Real Estate.

Asian markets delivered positive returns in June, driven by continued flows into markets with structural themes. Taiwan and Korea were the top performing markets on earnings estimates upgrades as the Artificial Intelligence (AI) momentum continued. India also outperformed, rebounding strongly after the election results as investors refocused on the country’s growth tailwinds. Hong Kong and China were the worst performing markets, dragged by weaker macroeconomic data points such as inflation and property sales. While China’s path forward remains bumpy, multi-year low valuations allow investment manager of target fund to be selective via quality growth market leaders and companies which are committed to increasing shareholder returns. The best performing sectors for June were Information Technology, Energy and Financials, while Real Estate, Materials and Consumer Discretionary were the laggards.

Investment manager of target fund bought a new position in Illumina Inc during June as a special situation play in the US Health Care space. There were no outright sales for the month. Key contributions came from technology names such as Taiwan Semiconductor - ADR, Nvidia Corp, ASML Holding NV, Microsoft Corp, and Alphabet Inc, while detractors included Kellanova, Veralto Corp, General Mills Inc, Waters Corp and AIA Group.

Fixed income:
10Y UST yield fell further from 4.50% to 4.40% in June. The Fed pencilled in a sole rate cut for 2024 but now foresees four reductions instead of three in 2025. Policymakers held the key rate steady, but their dot plot suggests it will end this year and the next a little higher than forecast. The meeting highlighted that US inflation slowed more than expected in May.

Global fixed income markets delivered positive returns during the month. EMHY, EMIG and DMIG returned +1.03%, +0.82% and +0.67% respectively. Bank of Singapore Limited sees 10Y UST yield falling to 4.25% over a 12-month period.

DMIG bond returns were positive in June at +0.67%. Gains came from interest rates falling during the month (10Y UST yield fell by 10ps), which was offset by credit spreads widening 9bps. Most sectors delivered positive returns, with outperformers being Packaging & Containers and Forest Products & Paper while Entertainment and Private Equity underperformed. Packaging supplier Smurfit Kappa Group's proposed merger with WestRock was approved by the Irish High Court, while paper company Suzano walked away from talks to acquire International Paper. Warner Bros Discovery expressed interest in a deal to merge its streaming service with Paramount Global. Investment manager of target fund is neutral DMIG bonds as they see the potential for interest rate curve steepening going into US elections.

EMIG bond returns were positive in June at +0.82%. Credit spreads widened 6bps while gains came from interest rates falling during the month (10Y UST yield fell by 10bps). All countries delivered positive returns, with Czech Republic and Panama faring better than the others while Israel underperformed. Czech power provider CEZ's solid free cash implies there's room to boost clean-energy spending and the potential overhaul of the 70% state-owned utility could be a sentiment catalyst ahead. The Bank of Israel's banking regulator says the level of risk facing domestic lenders increased in 2023 and remained high in the first months of this year. Investment manager of target fund is underweight EMIG bonds on valuation grounds.

The decline in UST yields anchored the returns in EMHY segment in June. EMHY credit spreads widened by 3bps which was more than offset by the rally in UST yields. EMHY returned 1%, outperforming USHY (0.9%) and EMIG (0.8%). CCC segment continue its strong performance in June with 2.5% return. BB and Single B segments returned 0.8%. In 2024 the riskier segments of the market have outperformed by significant margin with CCC rating segment generating 16% return compared to 4.6% in the BB segment. Region wise, Latin America was the best performer with 1.4% return, driven by 5% gain in Chile and 1.5% return in Colombia. Asia returned 1.2% thanks to 2.2% gain in Hong Kong. Turkey underperformed in June with 0.5% return. TMT and Real Estate were the best performing industries. Investment manager of target fund is constructive on EMHY and have a OW position in the asset class. Within EMHY, they are OW across all three regions (Latam, Asia and CEEMEA).

The election-related uncertainties are likely to be the key driver of UST yields in the near term and may overshadow the expected softening in economic data. Investment manager of target fund expects the Fed to cut twice in 2024. However, a Trump win scenario in November could force the market to recalibrate rate cut expectations. Trump's policies on fiscal spending and tariffs are anticipated to set off upward pressure on inflation and yields on longer dated bonds.

July 2024

General:
The BOS International Fund – Growth returned 1.45% in July.

July was another positive month for risk assets with both bonds and equities delivering positive performance. The continued disinflation theme and weaker-than-expected unemployment data raised market hopes for a first interest cut by the US Federal Reserve in September.

Equities:
July was generally a good month for equities. Other than Asia Far East Japan (-1.20%), all regions delivered positive returns with Japan (+5.72%) leading the charge, followed by Europe (+2.09%) and the US (+1.26%) (Source: Bloomberg; in USD terms).

After stellar recent performance, the Information Technology sector came under pressure as investors started questioning valuations and the longevity of positive earnings upgrades in the Artificial Intelligence (AI) space.

Valuations were broadly unchanged for the month. The US and Europe trade of forward price-to-earnings (P/E) ratios of 20.9x and 13.7x respectively, while Japan and Asia ex-Japan trade at 15.7x and 11.0x respectively.

In the US, Value outperformed Growth in July with the MSCI US Growth Index (-1.87%) lagging the MSCI US Value Index (+4.76%) for the month. The Dow Jones Industrial Average Index (+4.51%) outperformed the S&P 500 Index (+1.22%) for July, while the tech heavy NASDAQ Composite Index (-1.68%) underperformed for the month of July (Source: Bloomberg; in USD terms). The best performing sectors for July were Real Estate, Utilities and Financials while Consumer Staples, Information Technology and Communication Services were the laggards. The annual inflation rate in the US fell for a third straight month to 3% in June 2024, the lowest since June 2023, compared to 3.3% in May and below forecasts of 3.1%. Energy costs rose at a slower pace (1% vs 3.7%), due to gasoline (-2.5% vs 2.2%) and fuel oil (0.8% vs 3.6%) while utility gas service (3.7% vs 0.2%) accelerated. Inflation also eased for shelter (5.2% vs 5.4%) and transportation (9.4% vs 10.5%) and steadied for apparel (0.8%).

In Europe, the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) dropped to 45.6 in July 2024, down from 45.8 in June and below expectations of 46.1, according to preliminary data. Manufacturing output continued to decrease, marking the 16th consecutive month of contraction. Moreover, the pace of reduction was marked, having accelerated to the fastest in 2024 so far. New business fell and workforce numbers decreased to the largest extent in 2024 so far. Annual inflation rate in the Euro Area unexpectedly edged up to 2.6% in July 2024 (vs. June 2.5%), missing market forecasts of 2.4%, preliminary estimates showed. Both cost of energy and non-energy industrial goods accelerated to 1.3% (vs. June 0.2%) and 0.8% (vs. June 0.7%) respectively. The best performing sectors for July were Utilities, Real Estate and Financials, while Energy, Consumer Discretionary and Information Technology were the laggards.

July was a mixed month for Asian markets amidst global economic uncertainty and heightened trade tensions. Rising conviction for a September rate cut and the rotation from Information Technology to traditionally defensive sectors were the key themes behind overall market performance. While domestic-driven countries like India and ASEAN delivered positive returns as the USD weakened, Taiwan and China were the worst performing markets as the AI momentum cooled. Positives out from China’s third plenum and politburo meeting include boosting domestic consumption, increasing urbanisation and addressing overcapacity. This is in-line with expectations and aligned with China’s long term economic vision. While China’s path forward remains bumpy, multi-year low valuations allow investment manager of target fund to be selective via quality growth market leaders and companies which are committed to increasing shareholder returns. The best performing sectors for July were Health Care, Financials and Utilities, while Energy, Materials and Information Technology were the laggards.

Investment manager of target fund sold positions in Grail Inc (recent spin-off from Illumina Inc) and Mitsui Fudosan Co Ltd during July. There were no outright purchases for the month. Key contributors are Illumina Inc, Smith & Nephew, Veralto Corp, Bunzl plc & Agilent Technologies, while detractors included Taiwan Semiconductor - ADR, Microsoft Corp, Alphabet Inc, Nvidia Corp, and ASML Holding NV.

Fixed income:
10Y US Treasury (UST) yield fell further from 4.40% to 4.03% in July. Disappointing US data on manufacturing and jobless claims prompted traders to fully price in three Fed rate cuts for 2024. US new home sales unexpectedly fell in June amid high asking prices and costly mortgages while the US economy grew at a slight pace with some signs of cooling inflation, the central bank's Beige Book survey showed. Policymakers left rates unchanged after July's Federal Open Market Committee (FOMC) meeting, but articulated that a rate cut is highly probable at the next meeting in September. The Fed's focus shifted from higher inflation to an equal consideration of both inflation and employment risks.

Global fixed income markets delivered positive returns during the month. Emerging Market High Yield (EMHY), Emerging Market Investment Grade (EMIG) and Developed Market Investment Grade (DMIG) returned +1.62%, +1.58% and +2.66% respectively. Bank of Singapore (BoS) sees 10Y UST yield being at 4.25% over a 12-month period.

DMIG bond returns were positive in June at +2.66%. Gains came from interest rates falling during the month, while the average credit spread remained unchanged. Most sectors delivered positive returns, with outperformers being Real Estate (CBRE Services), Machinery (Caterpillar) and Water Companies (American Water Capital). In contrast, Entertainment (Warner Brothers Discovery) was the only sector giving negative returns while airlines (United Airways) and auto manufacturers (Ford) underperformed as well. CBRE Group reported a successful second quarter with revenue, profitability and cash flow exceeding expectations, and outperformance across all three business segments. Investment manager of target fund are neutral DMIG bonds as they see the potential for interest rate curve steepening going into US elections.

EMIG bond returns were positive in June at +1.58%. Credit spreads widened 16bps while gains came from interest rates falling during the month. The continued disinflation theme and weaker-than-expected unemployment data raised market hopes for a first interest cut by the US Federal Reserve in September, while traders fully price in three Fed rate cuts for 2024. All countries delivered positive returns, with outperformers being Panama (Banco General), Thailand (PTT Treasury) and South Africa (Anglo American) faring better than the others while Hungary (OTP Bank), Macau (ICBC) and Qatar (Ras Laffan) underperformed. Investment manager of target fund are underweight EMIG bonds as credit spreads are tight for the asset class.

EMHY returned 1.62%, in line with the performance of EMIG. However EMHY underperformed DMIG (2.7%) and US High Yield (USHY) (2%). The rally in UST yields anchored the returns in EMHY in July. EMHY credit spreads declined marginally by 2bps. CCC segment once again outperformed the lower beta segments with 2.8% return. BB segment returned 1.5% in July. CCC segment in EMHY has returned 19% in 2024. Region wise, Asia was the best performer aided by Hong Kong and China HY that rallied 2.1% and 2.9% respectively. Latin America gained 1.6% thanks to performance in Mexico (1.9%) and Colombia (1.6%). Middle East region underperformed in July with 1.1% return as the regional tension weighed on the market. Real Estate sector gained 2.6% driven by the recovery in the China. Pulp & Paper underperformed with 1.1% gain. Investment manager of target fund are constructive on EMHY and have a OW position in the asset class. Within EMHY, they are Overweight (OW) across all three regions (Latam, Asia and CEEMEA).

Recent deceleration in inflation and increase in unemployment rate pave way for the Fed to commence cutting cycle in September. The favourable quarterly funding announcement by Treasury has further embolden the rally in UST yields. However volatility in UST could pick up as the US presidential elections draws near. As such investment manager of target fund are cautious on long end yields and prefer to position with in short to intermediate segment of the duration curve.

August 2024

General:
The BOS International Fund – Growth returned 3.46% in August.

August was another positive month for risk assets with both bonds and equities delivering positive performance. Despite the initial drawdown triggered by the unwind of the Japanese Yen carry trade, risk assets recovered strongly on the back of easing recession fears and moderating inflation, paving the path for the first Federal Reserve interest rate cut.

Equities:
Despite volatility early in the month, equity markets delivered strong returns in August. Europe led the way returning +3.89%, followed by the US (+2.41%) and Asia (Far East ex- Japan) (+2.23%). Japan (+0.14%) was the relative laggard, although still generated positive returns for the month. (Source: Bloomberg; in USD terms).

There were signs of the rally broadening out beyond technology, with sectors including Health Care, Real Estate and Consumer Staples among the leading sectors for August.

US and Europe markets trade on forward price-to-earnings ratios of 21.6x and 14.0x respectively, while Japan and Asia ex-Japan de-rated slightly to 15.1x and 10.9x respectively.

In the US, Value outperformed Growth again in August with the MSCI US Growth Index (+1.95%) lagging the MSCI US Value Index (+2.82%) for the month. The Dow Jones Industrial Average Index (+2.03%) underperformed the S&P 500 Index (+2.43%) for August, while the tech heavy NASDAQ Composite Index (+0.74%) also underperformed for the month (Source: Bloomberg; in USD terms). The best performing sectors for August were Consumer Staples, Real Estate and Health Care while Communication Services, Consumer Discretionary and Energy were the laggards. The annual inflation rate in the US slowed for a fourth consecutive month to 2.9% in July 2024, the lowest since March 2021, compared to 3% in June and below forecasts of 3%. Inflation eased for shelter (5.1% vs 5.2%), transportation (8.8% vs 9.4%) and apparel (0.2 vs 0.8%). Also, prices continued to decline for new vehicles (-1% vs -0.9%) and used cars and trucks (-10.9% vs -10.1%) and food inflation steadied at 2.2%.

In Europe, the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) was 45.8 in August of 2024, holding unchanged from the two prior months, and revised higher from the preliminary estimate of 45.6. The result pointed to more than two consecutive years of monthly contractions in the currency bloc’s manufacturing sector, reflecting the impact of tighter financial conditions by the European Central Bank (ECB) and the fallout of energy price spikes earlier in the stretch. The annual inflation rate in the Eurozone fell to 2.2% in August of 2024 from 2.6% in the prior month, consistent with market expectations to mark the softest increase in consumer prices since July of 2021, according to a flash estimate. The result contrasted from a series of months with stickier inflation above the 2.5% threshold, indicating some progress towards the ECB’s 2% target. The best performing sectors for August were Real Estate, Health Care and Communication Services, while Materials, Information Technology and Energy were the laggards.

Asian markets recovered steep losses in the first week of August to end the month in positive territory. Rising conviction for a September rate cut, a weakening US Dollar (USD) and the ongoing rotation from Information Technology to traditionally defensive sectors were the key themes behind overall market performance. As the USD weakened on anticipated rate cuts and growth concerns, emerging markets like ASEAN benefitted, with the Philippines and Indonesia outperforming Korea and China. Most Asian markets saw consensus earnings upgrades during the month, led by Korea, Thailand & the Philippines. The best performing sectors for August were Health Care, Real Estate and Communication Services, while Materials, Utilities and Information Technology were the laggards.

There were no outright purchases or sales during August. Key contributors included Kellanova, Brambles Ltd, Ecolab Inc, Veralto Corp and Kimberly-Clark Corp, while detractors included ASML Holding NV, Walt Disney Co, China Reserve Land, Citigroup Inc and Alphabet Inc – A.

Fixed income:
10Y yield fell from 4.03% to 3.90% in August. Investors' fears of a recession surfaced over a much weaker-than-anticipated jobs report for July, as the unemployment rate rose to 4.3% from 4.1% in June. Subsequently, risk assets recovered as two key U.S. inflation reports (PPI and CPI) were generally softer than expected, re-establishing a disinflationary trend. US core inflation cooled for a fourth month on an annual basis in July, supporting bets that the Fed will ease by a quarter point in September. Federal Open Market Committee (FOMC) minutes also showed that several Fed officials acknowledged there was a plausible case for cutting rates at their July 30-31 meeting. A "vast majority" considered a move next month as likely appropriate, while some observed a risk of more serious labour-market deterioration. At the Kansas City's Fed's annual conference in Jackson Hole, Chair Jerome Powell said the time has come for the Federal Reserve to cut its key policy rate, affirming expectations that officials will begin lowering borrowing costs next month and making clear his intention to prevent further cooling in the labour market.

Global fixed income markets delivered positive returns, with Developed Market Investment Grade (DMIG), Emerging Market Investment Grade (EMIG) and Emerging Market High Yield (EMHY) returning +1.72%, +1.61% and +1.53% respectively. Bank of Singapore (BoS) sees 10Y yield being at 4.25% over a 12-month period.

DMIG bond returns were positive in August at +1.72%. Gains came from interest rates falling during the month (10Y yield fell from 4.03% to 3.90%), while average credit spread tightened by 1bps. All sectors delivered positive returns, with outperformers being Utilities and Basic Materials, while Technology and Energy underperformed. Burlington Northern and Santa Fe (BNSF) railway benefitted from reaching tentative collective agreements with two additional labour unions while DuPont had a strong 2Q24 beat and a 3Q24 guidance that was above expectations. Intel suffered from negative headlines with restructuring plans to trim assets and curtail costs, while Suncor's growing buybacks pressured its credit quality. Investment manager of target fund are neutral DMIG bonds as they see the potential for interest rate curve steepening going into US elections.

EMIG bond returns were positive in August at +1.61%. Credit spreads tightened 6bps while interest rates fell during the month (10Y yield fell by 13bps). All countries delivered positive returns, with outperformers being Kazakhstan and Chile, while Mauritius and Hungary underperformed. KazMunajGaz is in advanced talks with Spanish engineering company Tecnicas Reunidas to sign a contract for the construction of a new gas conversion plant in Kazakhstan, with an aim to convert gas into petrochemical derivatives to export them, and to modernize Tengiz oil field, one of the country's three largest. Investment manager of target fund are Underweight (UW) EMIG bonds as credit spreads are tight for the asset class.

EMHY returned 1.53% in August with credit spreads tightening by 22bps. EMHY marginally underperformed EMIG and USHY in August. Diverging from the trend in 2024, BB outperformed the lower quality segments in August with 1.8% return. B and CCC segments returned 1.3% and 1.7% respectively. Latin America and Africa outperformed with 1.9% return. The returns in Latin America were driven by strong performance in Colombia (2.8%) and Mexico (1.9%). Asia underperformed with 1% return due to lacklustre performance in China (-0.4%). Pulp & Paper and Oil & Gas were the best performers with 2.3% and 2% gain. Real Estate sector underperformed with 0.1% return. Investment manager of target fund are constructive on EMHY and have a Overweight (OW) position in the asset class. Within EMHY, they are OW in Asia and in Latin America. They have downgraded CEEMEA HY to Neutral due to ongoing geo-political situation in the region.

The deceleration in the employment data and in inflation provides a strong base for the Fed to cut rates by 25bps in September. Investment manager of target fund expect 2 rate cuts for 2024. Despite the expected dovish pivot from the Fed, they remain Neutral on duration due to election related uncertainties. The election outcome determines the fiscal policy trajectory in 2025; an expansionary fiscal outlook may complicate Fed policy decisions and lead to steepening in yield curve.

September 2024

General:
The BOS International Fund - Growth returned 3.17% in September.

September was a strong month for risk assets. The US Federal Reserve kicked started its rate cut cycle with a 50bps reduction as it shifts its focus to safeguarding the labour market and a soft-landing outcome. China then followed up with a set of coordinated stimulus measures, leading to a late surge in Hong Kong & China securities.

Equities:
Equity markets delivered strong returns in September, led by Asia (Far East ex-Japan) which delivered 10.36% for the month. The US and Europe returned 2.15% and 0.46% respectively, while Japan was the relative laggard returning -0.17% for September. (Source: Bloomberg; in USD terms).

Much of the rally can be attributed to the 50bp rate cut from the US Federal Reserve, as well as the coordinated stimulus package announced by China in late September. US and Europe markets trade on forward price-to-earnings ratios of 21.9x and 14.0x respectively, while Japan de-rated slightly to 14.9x. Asia (Far-East ex-Japan) rerated to 11.9x after the rally.

In the US, Value underperformed Growth in September with the MSCI US Growth Index (+2.53%) leading the MSCI US Value Index (+1.68%) for the month. The Dow Jones Industrial Average Index (+1.96%) underperformed the S&P 500 Index (+2.14%) for September, while the tech heavy NASDAQ Composite Index (+2.76%) outperformed for the month (Source: Bloomberg; in USD terms). The best performing sectors for September were Consumer Discretionary, Utilities and Communication Services while Financials, Health Care and Energy were the laggards. The annual inflation rate in the US slowed for a fifth consecutive month to 2.5% in August 2024, the lowest since February 2021, from 2.9% in July, and below forecasts of 2.6%. Energy costs declined (-4% vs 1.1% in July), mainly due to gasoline (-10.3% vs -2.2%), fuel oil (-12.1% vs -0.3%) and natural gas (-0.1% vs 1.5%). Inflation for food (2.1% vs 2.2%) and transportation (7.9% vs 8.8%) also eased and prices continued to fall for new vehicles (-1.2% vs -1%).

In Europe, The Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) was revised slightly higher to 45 in September 2024 from a preliminary of 44.8 and compared to 45.8 in the previous two months. However, it remains the lowest reading so far this year, as the manufacturing sector slid deeper into contraction. Production contracted the most year-to-date. Lower output volumes were a response to the prevailing demand environment, which deteriorated further. Annual inflation rate in the Eurozone fell to 1.8% in September 2024, the lowest since April 2021, compared to 2.2% in August and forecasts of 1.9%, preliminary estimates showed. Inflation is now below the European Central Bank (ECB) target of 2%. Prices fell much more for energy (-6% vs -3%) and inflation slowed for services (4% vs 4.1%) while prices for food, alcohol and tobacco increased slightly more (2.4% vs 2.3%). The best performing sectors for September were Materials, Real Estate and Utilities, while Information Technology, Health Care and Energy were the laggards.

Asian markets saw an extremely strong second half, led by Hong Kong and China equities. The sharp rally was triggered by arguably the most coordinated set of stimulus measures out from China involving rate cuts and new lending facilities to target fund equity purchases and corporate buybacks. Further housing support ensued with Tier 1 cities removing purchase restrictions by varying degrees. There are now expectations of fiscal stimulus. Korea was the worst performing market, dragged by Samsung Electronics on weaker-than-expected fundamentals. As the US Dollar (USD) weakened further post the first rate cut from the Fed, emerging markets including ASEAN benefitted. Most Asian markets saw consensus earnings upgrades during the month, led by Malaysia and Thailand. The best performing sectors for September were Consumer Discretionary, Consumer Staples and Real Estate, while Information Technology, Energy and Utilities were the laggards.

There were no outright purchases or sales during September. Key contributors included Hong Kong Exchanges & Clearing Ltd, Tencent Holdings Ltd, Brambles Ltd, China Reserve Land and Booking Holdings, while detractors included Veralto Corp, Kimberly-Clark Corp, Xylem Inc, TE Connectivity and ASML Holding NV.

Fixed income:
10Y yield fell from 3.90% to 3.78% in September. The Federal Reserve cut an outsized 50bps which was cheered initially by traders, though it did raise concerns the Fed was trying to get ahead of potential economic weakness. Jerome Powell said this would can bolster the labour market while more than half of the policymakers favoured at least another 50bps of easing over the next two meetings.

Global fixed income markets delivered positive returns, with Developed Market Investment Grade (DMIG), Emerging Market Investment Grade (EMIG) and Emerging Market High Yield (EMHY) returning +2.01%, +1.16% and +1.31% respectively. Bank of Singapore (BoS) sees 10Y yield being at 4.25% over a 12-month period.

DMIG bond returns were positive in September at +2.01%. Gains came from interest rates falling (10Y yield fell from 3.90% to 3.78%), while average credit spread tightened by 5bps. All sectors delivered positive returns, with Utilities outperforming and Energy underperforming. Utilities company PG&E Co's proposal to bury 10,000 miles of power lines would reduce wildfire risks and may contribute about $1.7 billion to earnings, driven by an estimated capital spending of $33 billion. Energy company Occidental Petroleum's cashflows could be weaker with oil prices dropping from $90 to $70 per barrel, with free-cash-flow per barrel of oil production at roughly $11. Investment manager of target fund are neutral DMIG bonds as they see the potential for interest rate curve steepening into US elections.

EMIG bond returns were positive in September at +1.16%. Credit spreads tightened 1bps while interest rates fell during the month (10Y yield fell by 12bps). All countries delivered positive returns, with outperformers being Kazakhstan and Brazil, while Jordan and Panama underperformed. Moody's Ratings upgraded KazMunayGas' credit rating from "Baa2" to "Baa1" with a "stable" outlook. The upgrade is driven by an upgrade of the sovereign rating of the Republic of Kazakhstan, the company's strategic importance to the state, stable indicators of the company's own creditworthiness, with an acceptable repayment schedule for loans and a sufficient level of liquidity. Investment manager of target fund are Underweight (UW) EMIG bonds as credit spreads are tight for the asset class.

The rally in US Treasury (UST) yields and tighter credit spreads drove positive returns in EMHY in September. EMHY generated 1.3% return, bringing total return for 2024 to 10.2%. EMHY, however, underperformed both US Investment Grade (USIG) (2%) and US High Yield (USHY) (1.6%). EMHY outperformed EMIG which returned 1.2%. The lower quality segments continued to outperform in September, with Single-B and CCC segments returning 1.4% and 1.9% respectively. Region wise, Emerging Europe outperformed (1.6%) while Asia and Latin American generated 1.4% return. Among major countries, China was the best performer with 2.4% gain driven by the favourable policy announcement. On the other hand, Pulp & Paper and Telecom were the best performers with 2.2% and 1.8% gain. Real Estate sector underperformed with 0.1% return. Investment manager of target fund are constructive on EMHY and have a Overweight (OW) position in the asset class. Within EMHY, they are OW in Asia and in Latin America. They have downgraded CEEMEA HY to Neutral due to on going geo-political situation in the region.

The Fed delivered larger than expected 50bps rate cut in September and updated forecasts indicate that committee expect to bring interest towards the neutral 3% mark by 2026. Investment manager of target fund expect 2 more rate cuts in 2024, followed by another 2 in 1Q25, which may be contingent upon the November election outcome. The underlying strength in economy and election uncertainties may result in gradual easing cycle and steeper yield curve. They favour short end and belly of the curve over the long end.

October 2024

General:
The BOS International Fund – Growth returned -1.60% in October.

Rising yields, ongoing geopolitical concerns in the Middle East and a US election result that seems too close to call, led to market consolidation in both bonds and equities in October. China and Asia gave up some of the September gains for equities as further details regarding previously announced stimulus measures were not enough to sustain the rally.

Equities:
The market rally showed signs of fatigue in October as the US election approached. The US was the strongest market relatively, down 0.74% for the month. Asia (Far East ex-Japan) and Japan were down 3.55% and 3.75% respectively, while Europe was the laggard, returning -5.72%. (Source: Bloomberg; in USD terms).

In general, equity markets dislike uncertainty which made the market volatility understandable, given US election outcome appears too close to call.

The US market trades on forward price-to-earnings ratios of 21.6x. Japan trades at 14.7x, while Europe and Asia (Far-East ex-Japan) trade at 13.8x and 11.6x respectively.

In the US, Growth outperformed Value again in October with the MSCI US Growth Index (0.33%) leading the MSCI US Value Index (-1.22%) for the month. The Dow Jones Industrial Average Index (-1.34%) underperformed the S&P 500 Index (-0.92%) for October, while the tech heavy NASDAQ Composite Index (-0.49%) outperformed for the month (Source: Bloomberg; in USD terms). The best performing sectors for October were Financials, Communication Services and Energy, while Materials, Real Estate and Health Care were the laggards. The annual inflation rate in the US slowed for a sixth consecutive month to 2.4% in September 2024, the lowest since February 2021, from 2.5% in August. However, figures came above forecasts of 2.3%. Prices rose less for shelter (4.9% vs 5.2%) and energy costs declined more (-6.8% vs -4% in August), mainly due to gasoline (-15.3% vs -10.3%) and fuel oil (-22.4% vs -12.1%) while natural gas prices rebounded (2% vs -0.1%).

In Europe, the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) rose to 45.9 in October 2024, a five-month high, up from 45.0 in September and above expectations of 45.3, preliminary data showed. Despite this, manufacturing output continued to decline for the 19th consecutive month, though at a slightly slower pace than in September. New business also fell, with firms reducing purchases and lowering stocks of materials and finished goods. Annual inflation in the Euro Area accelerated to 2% in October 2024, up from 1.7% in September which was the lowest level since April 2021, and slightly above forecasts of 1.9%, according to preliminary estimates. This year-end increase was largely expected due to base effects, as last year's sharp declines in energy prices are no longer factored into annual rates. All sectors were negative for October. The best performing sectors were Energy, Financials and Communication Services, while Consumer Staples, Materials and Information Technology were the laggards.

Asian markets corrected in the month of October, after a robust performance in the previous month. A slew of policy announcements by China led to some swings in the market as expectations moved from upside surprise to disappointment. Still, the shift in policy stance and direction is positive to the country and the region overall. Taiwan market was the best performing country in October. This was led by better-than-expected results from Taiwan Semiconductor as Artificial Intelligence (AI) demand for chips continue to grow strongly. Sales beat expectations strongly and led to stronger price action. China data points have been relatively weak with domestic demand still struggling, while Emerging Markets have had a better set of economic data. Indonesia's inflation has eased to threeyear lows, giving the government more room to move concentrating on domestic requirements. Asia still offers one of the best economic growth rates globally for the next few years and valuations are mostly attractive.

There were no outright purchases during October, while investment manager of target fund sold holdings in ABB Ltd and Deere & Co. Key contributors included Nvidia Corp, Booking Holdings, TSMC, Illumina Inc and Salesforce Inc, while detractors included Intertek Group, Veralto Corp, Brambles Ltd, Agilent Technologies and ASML Holding NV.

Fixed income:
10Y yield rose from 3.78% to 4.28% in October. US data remained strong across the board. US payrolls overshot estimates, while Consumer Price Index (CPI) rose more than forecast. Retail sales also indicate a resilient consumer. Federal Open Market Committee (FOMC) minutes showed Powell had some pushback for the 50 basis-point cut last month, with some favouring a smaller reduction. Investors debated over whether the Fed will opt for a smaller rate reduction in November or even pause.

Global fixed income markets were down, with Developed Market Investment Grade (DMIG), Emerging Market Investment Grade (EMIG) and Emerging Market High Yield (EMHY) returning -2.98%, -1.29% and -0.14% respectively. Bank of Singapore (BoS) sees 10Y yield at 4.25% over a 12-month period.

DMIG bond returns were negative in October at -2.98%. Losses came from interest rates rising (10Y yield rose from 3.78% to 4.28%), while credit spreads tightened by 4bps. All sectors delivered negative returns, with consumer cyclicals and financials outperforming while technology underperformed. Under consumer cyclicals, United Airlines benefitted from Industry-wide plans to cut back on unprofitable routes over the summer, while the Chicago based carrier reported third-quarter profit in mid-October that beat Wall Street's projections. Technology names such as Apple and Microsoft have more long-end issuances which were hurt by the recent rise in long-end Treasury yields. Investment manager of target fund are neutral DMIG bonds as they see the potential for interest rate curve steepening into US elections.

EMIG bond returns were negative in October at -1.29%. Credit spreads tightened 29bps, partially offsetting losses from interest rates rising (10Y yield rose by 50bps). Most countries delivered negative returns, with outperformers being Hungary and quasi-sovereign entities while Czech Republic underperformed. Hungary-based OTP Bank is forecast to report further profit growth from its Russian business, even as its European peers pare back their operations in the sanctioned country. Rolls-Royce sold a minority stake in its small nuclear reactor business to Czech utility CEZ as part of a wider strategic partnership between the two companies to deploy the nascent technology. Investment manager of target fund are underweight EMIG bonds as credit spreads are tight for the asset class.

EMHY outperformed in October with -0.1% return compared to -0.6% in US High Yield (USHY) and -1.3% in EMIG. Once again, the lower rated segments of EMHY drove the returns in October. CCC returned +1.8% while Single-Bs gained 0.2%. On the other hand, lower beta segments underperformed with BB segment losing 0.8%. Region-wise, Emerging Europe and Asia were the best performers with 0.4% and 0.3% return respectively. Latin America was the worst performing region in October (-0.5%). Among major countries, China with 2% gain outperformed driven by the stimulus announcements. Brazil, Mexico, and South Africa declined 0.8%. Investment manager of target fund are constructive on EMHY and have a OW position in the asset class. Within EMHY, they are Overweight (OW) in Asia and in Latin America. They have downgraded CEEMEA HY to Neutral due to on-going geo-political situation in the region.

Bond yields have increased sharply in October, reflecting election related uncertainties as well as strong US economic data. With the unexpected 50bps rate cut in the rear-view mirror, strong economic data has forced the market to adjust overly optimistic rate cut expectations. Investment manager of target fund maintain their view of 4 rate cuts till 1Q25 and steeper yield curve owing to election uncertainties. They see room for long end yield to remain elevated and continue prefer short to belly of the curve.

November 2024

General:
The BOS International Fund – Growth returned 0.83% in November.

President-elect Trump's decisive US election victory had wide ranging market implications. US equities (which Bank of Singapore upgraded to overweight during November) were well bid, while Asian equities were pressured due to tariff concerns. Bond markets were relatively calm in the aftermath of the US election, which led to positive performance across the segment.

Equities:
Equity market returns diverged in November, largely on the back of the Trump election win in the US. The US was the strongest market for the month, up 6.26%. Japan was also positive (+0.91%), while Asia (Far East ex-Japan) and Europe were down 4.05% and 1.66% respectively. (Source: Bloomberg; in USD terms).

US markets priced in more business-friendly policies on the back of Trump's election win, while trade fears weighed on other markets globally.

The US market trades on forward price-to-earnings ratios of 22.6x. Japan trades at 15.2x, while Europe and Asia (Far- East ex-Japan) trade at 13.7x and 11.1x respectively.

In the US, Growth outperformed Value again in November with the MSCI US Growth Index (+7.03%) leading the MSCI US Value Index (+5.37%) for the month. The Dow Jones Industrial Average Index (7.74%) outperformed the S&P 500 Index (+5.87%) for November, while the tech heavy NASDAQ Composite Index (+6.30%) also outperformed for the month (Source: Bloomberg; in USD terms). The best performing sectors for November were Consumer Discretionary, Financials, and Industrials, while Communication Services, Materials and Health Care were the laggards (albeit all positive for the month). The annual inflation rate in the US accelerated to 2.6% in October 2024, up from 2.4% in September which was the lowest rate since February 2021, and in line with market expectations. It marks the first increase in inflation in seven months, as energy costs declined less (-4.9% vs -6.8%), mainly due to gasoline (-12.2% vs -15.3%) and fuel oil (-20.8% vs -22.4%) while natural gas prices rose 2%, the same as in September.

In Europe, the Euro Area's manufacturing sector deteriorated further in November, with the Hamburg Commercial Bank (HCOB) Eurozone Manufacturing Purchasing Manager's Index (PMI) dropping to 45.2, indicating sharper contractions in production, new orders, purchasing, and inventories. Employment saw its steepest decline since August 2020, led by Germany and Austria. Weak demand drove aggressive price discounts, while operating costs fell slightly for the third month. Key economies, including Germany, France, and Italy, faced significant downturns, while Spain and Greece showed slower improvements. The annual inflation rate in the Eurozone accelerated for a second month to 2.3% in November 2024 from 2% in October, matching market expectations, preliminary estimates showed. This year-end increase was largely expected due to base effects, as last year's sharp declines in energy prices are no longer factored into annual rates. Prices of energy decreased 1.9%, less than a 4.6% fall in October. The best performing sectors were Information Technology, Communication Services and Industrials, while Health Care, Consumer Discretionary and Materials were the laggards.

Asian markets turned negative in the month of November following election results in the US. Geopolitical tensions increased along with the risk of an increased blanket import tariffs threatened by the elected President. The most targeted is China but also spread across the region. China stocks took the brunt within the region, represented by MSCI Far East ex Japan, which fell 4.54% for the month. Not all was negative as perceived safe haven countries had a boost to investments, Singapore market was up 5.7%, helped by excellent set of results from the banks and attractive valuation. Several countries have also reacted quickly by lowering rates to boost the economy. Korea and Thailand led the way. Asian equity markets experienced a mixed performance in November 2024, as investors navigated a complex landscape of economic data, monetary policy developments, and geopolitical tensions. Investment manager of target fund continue to remain overweight in Singapore and EM Asia as they remain constructive in the region.

There were no outright purchases or sales during November. Key contributors included Waters Corp, Booking Holdings, Salesforce Inc, Citigroup and Nvidia Corp, while detractors included Alphabet Inc, AIA Group, Enel SPA, TSMC and China Resources Land Limited.

Fixed income:
10Y yield fell from 4.28% to 4.17% in November. The Fed cut rates by 25 basis points in a unanimous decision. Fed Chair Jerome Powell signalled that economic strength could warrant some patience with future rate cuts. Core Personal Consumption Expenditures (PCE) accelerated in October, lending support to policymakers' call for caution in lowering interest rates. Trump's return is expected to bring significant changes to the US economy, including higher inflation and slower growth.

Global fixed income markets were up, with Developed Market Investment Grade (DMIG), Emerging Market Investment Grade (EMIG) and Emerging Market High Yield (EMHY) returning 1.54%, 0.63% and 0.36% respectively. Bank of Singapore (BoS) sees 10Y yield at 5.00% over a 12-month period. DMIG bond returns were positive in November at 1.54%. Gains came from interest rates falling (10Y yield fell from 4.28% to 4.17%), while credit spreads tightened by 6bps. All sectors delivered positive returns, with energy and communications outperforming while financials underperformed. Credit spreads on bonds issued by midstream energy companies such as Williams, Kinder Morgan, Energy Transfer, ONEOK and Western Midstream hit historically tight levels after a fall rally. Credit metrics may show modest improvement in 2025 as growth projects come online. Investment manager of target fund are neutral DMIG bonds as they see the potential for interest rate curve steepening into gradual release of Trump's policies.

EMIG bond returns were positive in November at 0.63%. Credit spreads was unchanged while US 10Y yield fell by 11bps. Most countries delivered positive returns, with outperformers being Israel and South Africa while India underperformed. Anglo American has been cutting capital expenditure to preserve cash and reduce net debt. The rating agencies have taken some negative rating actions on Adani Energy and Adani Ports following the news of charges made by US prosecutors. Investment manager of target fund are neutral in EMIG as risk-rewards appear more balanced with tighter spreads but higher overall yields.

EMHY returned 0.4% in November, aided by the carry and the decline in US Treasury (UST) yields. Credit spreads in EMHY widened 9bps which was more than offset by the favourable move in UST. EMHY underperformed longer duration markets as well as US High Yield (USHY) (+1.1%) in November. Region wise, Emerging Europe and CEEMEA were the best performers with 1.4% and 0.8% gain respectively. Latin America also performed well November. Asia on the other hand had a difficult month with -0.3%. Country wise, Colombia and Chile outperformed with 1.2% and 1.1% return respectively. Hong Kong underperformed in November and was down 2.1%. Industry wise, Real Estate was the worst performer and was down 2.2%. They are Neutral in EMHY owing to valuation levels, which they consider as fair post the recent rally. Within EMHY, they are Neutral across all 3 regions (Asia, Latin America and CEEMEA).

US economy is set to face major change in policy environment in 2025. Potential tariff increases and tax cuts by the new administration may complicate the Fed's effort to bring inflation towards 2% target. Investment manager of target fund expect 3 more rate cuts from Fed until 1Q25. However, the upward pressure on inflation could push longer end of UST yields higher; hence, they expect 10yr yields to increase to 5% over the coming 12 months.

December 2024

General:
The BOS International Fund – Growth returned 1.73% in December.

The equity rally stalled in December with concerns including the inflation outlook; the US Federal Reserve's likely response (fewer interest rate cuts) and concerns about how President-elect Trump's pro-growth policies will impact federal finances. Asia equities delivered positive returns. The hawkish tilted message from the Fed and sharp increase in UST yields adversely impacted the returns in the bond market.

Equities:
Equity markets were generally weaker in December, as the year-to-date rally stalled into year-end. The US (-2.54%), Europe (-2.53%) and Japan (-0.85%) all fell for the month. Asia (Far East ex-Japan) defied the broader trend, rising 1.04%. (Source: Bloomberg; in USD terms).

US Federal Reserve Chair Powell signaled potentially fewer interest rate cuts going forward in response to the inflation outlook. This, along with concerns over the financing of President elect Trump's election promises weighed on markets.

The US market trades on forward price-to-earnings ratio of 21.9x. Japan trades at 15.6x, while Europe and Asia (Far-East ex-Japan) trade at 13.5x and 11.3x respectively. In the US, Growth significantly outperformed Value in December with the MSCI US Growth Index (+1.65%) leading the MSCI US Value Index (-7.01%) for the month. The Dow Jones Industrial Average Index (-5.13%) underperformed the S&P 500 Index (-2.39%) for December, while the tech heavy NASDAQ Composite Index (+0.56%) also outperformed for the month (Source: Bloomberg; in USD terms). The best performing sectors for December were Communication Services, Consumer Discretionary and Information Technology, while Real Estate, Energy and Materials were the laggards. The annual inflation rate in the US rose for a 2nd consecutive month to 2.7% in November 2024 from 2.6% in October, in line with expectations. The rise is partly influenced by low base effects from last year. Energy costs declined less (-3.2% vs -4.9% in October), mainly due to gasoline (-8.1% vs -12.2%) and fuel oil (-19.5% vs -20.8%) while natural gas prices rose 1.8%, compared to 2%.

In Europe, the HCOB Eurozone Manufacturing PMI was at 45.2 in December of 2024, remaining unchanged from the prior month and firmly below market expectations of 45.3 to extend the ongoing two-year streak of monthly contractions in the currency bloc's manufacturing activity. New orders continued to decline at a sustained pace, driving factories to drop output the most since the corresponding period of the previous year. The decline in output took place despite a fresh decrease in work backlogs. The annual inflation rate in the Eurozone increased to 2.2% in November 2024 from 2% in October, but below 2.3% in the preliminary estimate. This year-end increase was largely expected due to base effects, as last year's sharp declines in energy prices are no longer factored into annual rates. The best performing sectors were Information Technology, Consumer Discretionary, and Financials, while Communication Services, Health Care, and Real Estate were the laggards.

Asian equities rose 1% in the month, significantly outperforming global equities, which was weighed down by declines in US and European equities. Considering the strengthening of the US dollar over the period – as potential trade tariffs looms under a Trump administration, this was a strong outcome. Chinese equities led the Asian region in the month, due to expectations that more encouraging economic guidance will emerge from the annual Central Economic Work Conference that took place over 11-12 December. Though this did not happen, the Conference outcome nevertheless confirmed the central government's economic policy shift in its approach to China's entrenched economic challenges. With possible trade tensions just round the corner, this is a significant turning point. Hong Kong and Taiwan are two other markets with strong returns. Hong Kong benefited from the outperformance of the regional financial sector as US long yields surged in December, while Taiwan coasted on the back of the technology sector's outperformance globally.

Teradyne Inc was a new purchase in December, while investment manager of target fund sold China Resources Land Ltd. Key contributors for December included TSMC, Alphabet Inc, Teradyne Inc, Tencent and ASML Holding NV, while detractors included, Veralto Corp, Amcor plc, ServiceNow Inc, Illumina Inc and Adobe Inc.

Fixed income:
The US Treasury curve bear steepened in December as the long-end underperformed. 10y yields moved up by 40bps to 4.56% while 2y/10y spreads rallied to 32bps, a level not seen since the curve inverted in 2022. The Fed cut rates by 25bps but Powell's conference leaned hawkish with projections of just two quarter point cuts in 2025. US CPI and PCE data came in largely in line with estimates as core PCE remained sticky at 2.8% yoy while short-term inflation expectations ticked up in both UMich and NY Fed surveys. The US government narrowly averted shutdown ahead of the holiday season as congress passed the third version of the spending bill. Elsewhere, the SNB and BOC delivered outsized 50bps cuts while the ECB cut rates by 25bps and left the door open to further cuts. In EM, BSP delivered its third cut in the row while the BCB hiked its Selic rate by a greater-than-expected 100bps after President Lula's spending cuts underwhelmed investors.

Spreads widened and with the sharp move in rates, major bond indices were down for the month with EMHY -0.35%, JACI -0.80%, EMIG -0.90%, DMIG - 1.61%.

DMIG bonds were down 1.6% in December as the sharp steepening move in rates led to longer exposures underperforming. The hawkish tilt in the Fed's Dec meeting despite delivering a 25bps cut exacerbated the steepening move seen earlier in the month. Spreads widened slightly across all sectors as risk assets sold off post FOMC. Supply was understandably front-loaded for the month headlined by insurance broker Arthur J Gallagher's $5bn 5-part offering issued for its all-cash acquisition of broker AssuredPartners. Looking ahead, investment manager of target fund remain tactically underweight DMIG bonds due to valuations and relative value elsewhere in fixed income but remain constructive on credit fundamentals within the space.

EMIG bond returns were negative in December at -0.90%. Credit spreads fell by 9bps while US 10Y yield rose by 40bps. Most countries delivered negative returns, with outperformers being Jordan and Hungary while Czech Republic, Thailand and Kazakhstan underperformed. Hikma Pharmaceuticals (Jordan) was cleared to launch generic form of Novo Nordisk's diabetes injection by US FDA. OTP Bank (Hungary) said that the National Bank of Hungary set additional capital requirements after a group-wide Supervisory Review and Evaluation Process. Thai Oil (Thailand)'s BBB credit quality could come under pressure as a delay in the Clean Fuel Project puts a hold on an anticipated debt reduction. An estimated $1.8 billion increase in project costs is expected to keep leverage in the mid to high single-digits. We are neutral in EMIG as risk-rewards appear more balanced with tighter spreads but higher overall yields.

EMHY lost 0.35% as 5bps of spread tightening was insufficient to offset the move in UST yields. However, EMHY outperformed both EMIG (-0.9%) and US High Yield (USHY) (-0.41%). Higher beta segments continued their robust performance in December; CCC and Single B segments were up 0.7% and 0.2% respectively, while BB segment lost 0.4%. For 2024, EMHY returned 11.9% ahead of both EMIG (5.4%) and USHY (8.7%). Region wise, Asia and Latin America underperformed in December, while Emerging Europe and Middle East generated positive returns. Hong Kong dropped 4.1% due to weakness in the Real Estate industry. Brazil lost 1.6% owing to the volatility in the currency and broader macro-economic environment. India on the other hand outperformed with +1.1%. We are Neutral on EMHY on account of valuation levels. Within EMHY, we are Neutral across all three regions (Asia, Latin America and CEEMEA).

Fund Returns

	Total Returns			
	Class MYR-Hedged BOS	**Class USD BOS**	**Class PP USD**	**Class PP MYR Non-Hedged**
1.1.2024 To 31.3.2024	6.34%	-	-	-
1.4.2024 To 30.6.2024	1.68%	-	-	-
1.7.2024 To 30.9.2024	5.18%	-	-	-
1.10.2024 To 31.12.2024	-2.76%	-	-	-
1 Year's Period (1.1.2024 To 31.12.2024)	10.60%	-	-	-
3 Years' Period (1.1.2022 To 31.12.2024)	-1.73%	-	-	-
Financial Year-To-Date (1.1.2024 To 31.12.2024)	10.60%	-	-	-
Since Investing Date To 31.12.2024	-4.12%	-	-	-

Notes:
- BOSWM Core Growth Fund Class MYR-Hedged BOS – Launch date: 30.4.2020; Investing date: 14.6.2021
- BOSWM Core Growth Fund Class USD BOS – Launch date: 30.4.2020; Investing date: -
- BOSWM Core Growth Fund Class PP USD – Launch date: 16.12.2021; Investing date: -
- BOSWM Core Growth Fund Class PP MYR – Launch date: 16.12.2021; Investing date: -
- 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: Lipper, Bloomberg

Asset Allocation

	As At 31 December 2024
Collective Investment Scheme:	
BOS International Fund – Growth (Class Retail C USD)	100.65%
Cash And Liquid Assets	-0.65%
	100.00%

Income Distribution
Nil

Net Asset Value (NAV) Per Unit
(as at 31 December 2024)

Class MYR-Hedged BOS	RM0.9588
Class USD BOS	-
Class PP USD	-
Class PP MYR Non-Hedged	-

Significant Changes In The State Of Affairs Of The Fund
Nil

REPORT OF THE TRUSTEE

To the **UNIT HOLDERS** of **BOSWM CORE GROWTH FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 December 2024 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

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
17 February 2025

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 50 to 76 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 CORE GROWTH FUND** as at 31 December 2024 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
17 February 2025

INDEPENDENT AUDITORS' REPORT

To the Unitholders of **BOSWM CORE GROWTH FUND**

Report On The Audit Of The Financial Statements

Our Opinion
In our opinion, the financial statements of **BOSWM CORE GROWTH FUND** ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2024, 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 2024, 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 50 to 76.

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 Report of the Trustee, 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.

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.

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.

Other Matters

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

PRICEWATERHOUSECOOPERS PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants

Kuala Lumpur
17 February 2025

STATEMENT OF FINANCIAL POSITION
As At 31 December 2024

	Note	2024 USD	2023 USD
Assets			
Investments	3	1,171,147	963,777
Interest receivable		18	8
Financial derivatives	7	-	21,373
Other receivables		219	8,190
Cash and cash equivalents	5	45,760	35,344
Total Assets		1,217,144	1,028,692
Liabilities			
Financial derivatives		47,643	-
Amount due to Manager	6	1,307	1,176
Other payables		4,601	5,586
Total Liabilities		53,551	6,762
Net Asset Value ("NAV") Of The Fund		1,163,593	1,021,930
Net Assets Attributable To Unitholders Of The Fund Comprise:	13		
Unitholders' capital		1,300,508	1,300,508
Accumulated losses		(136,915)	(278,578)
		1,163,593	1,021,930
Net Asset Value			
Class MYR-Hedged BOS		1,163,593	1,021,930
Class USD BOS		-	-
Class PP USD		-	-
Class PP MYR		-	-
Number Of Units In Circulation (Units)	14		
Class MYR-Hedged BOS		5,424,242	5,424,242
Class USD BOS		-	-
Class PP USD		-	-
Class PP MYR		-	-

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

	2024 USD	2023 USD
NAV Per Unit In Ringgit Malaysia		
Class MYR-Hedged BOS	0.9588	0.8648
Class USD BOS	-	-
Class PP USD	-	-
Class PP MYR	-	-
NAV Per Unit In Respective Currency		
Class MYR-Hedged BOS	0.2146	0.1885
Class USD BOS	-	-
Class PP USD	-	-
Class PP MYR	-	-

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

STATEMENT OF COMPREHENSIVE INCOME
For The Financial Year Ended 31 December 2024

	Note	2024 USD	2023 USD
Investment Income			
Interest income		1,159	858
Net gain/(loss) on investments			
- Financial assets at FVTPL		4,867	4,860
- Foreign exchange		1,749	(3,417)
- Financial derivatives		75,695	(27,267)
Net unrealised losses on foreign exchange		(68,870)	(33,447)
Net unrealised gains on changes in fair value of financial assets at FVTPL		152,470	106,580
		167,070	48,167
Expenses			
Audit fee		1,846	1,668
Tax agent's fee		770	355
Manager's fee	**8**	15,587	13,950
Trustee's fee	**9**	2,676	2,618
Administration expenses		4,528	4,380
		25,407	22,971
Net income before taxation		141,663	25,196
Less: Taxation	**12**	-	-
Net Income After Taxation, Representing Total Comprehensive Income For The Financial Year		141,663	25,196
Total Comprehensive Income Comprises The Following:			
Realised income/(loss)		58,063	(47,937)
Unrealised income		83,600	73,133
		141,663	25,196

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

STATEMENT OF CHANGES IN NET ASSET VALUE
For The Financial Year Ended 31 December 2024

	Note	Unitholders' Capital USD	Accumulated Losses USD	NAV Attributable To Unitholders USD
At 1 January 2023		1,300,508	(303,774)	996,734
Net income after taxation		-	25,196	25,196
At 31 December 2023		1,300,508	(278,578)	1,021,930
At 1 January 2024		1,300,508	(278,578)	1,021,930
Net income after taxation		-	141,663	141,663
At 31 December 2024		1,300,508	(136,915)	1,163,593

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

STATEMENT OF CASH FLOWS
For The Financial Year Ended 31 December 2024

	2024 USD	2023 USD
Cash Flows From Operating Activities		
Proceeds from sale of investments	30,000	125,000
Purchase of investments	(80,000)	(60,000)
Settlement of forward contracts	75,442	(27,267)
Interest received	1,149	853
Manager's fee paid	(7,266)	(13,971)
Trustee's fee paid	(2,621)	(2,700)
Payment for other fees and expenses	(8,183)	(7,823)
Net cash generated from operating activities	8,521	14,092
Net Increases In Cash And Cash Equivalents	8,521	14,092
Effect Of Exchange Rate Changes	1,895	(3,089)
Cash And Cash Equivalents At Beginning Of Financial Year	35,344	24,341
Cash And Cash Equivalents At End Of Financial Year	45,760	35,344
Cash And Cash Equivalents Comprise:		
Cash at banks	9,962	2,664
Deposits with financial institutions	35,798	32,680
	45,760	35,344

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. **The Fund, The Manager And Their Principal Activities**

BOSWM Core Growth Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 20 April 2020 as amended by the First Supplemental Master Deed dated 3 December 2021 and the Second Supplemental Master Deed dated 22 April 2022 (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 Inst C USD and/or Inst D USD Share Class of the BOS International Fund - Growth, financial derivatives, money market instruments and any other form of investments as may be determined by the Management Company and Trustee from time to time that is in line with the Fund's objective. The Fund was launched on 30 April 2020 and will continue its operations until terminated as provided in the Deeds.

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.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 17 February 2025.

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"), International Financial Reporting Standards ("IFRS"), and the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia.

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 2024. These new MFRSs and Amendments to MFRSs did not give rise to any material effect on the financial statements.

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 121 "Lack of Exchangeability" (effective 1 January 2025)

- The amendments clarify that currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated, i.e. to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

- The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective of estimating the spot exchange rate set out in the amendments.

(ii) 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”).

(iii) 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’.

- 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 United States Dollar ("USD"), which is also the Fund's functional currency.

(c) Foreign Currency Translation
Assets and liabilities denominated in foreign currencies are translated into USD at rates of exchange prevailing at the reporting date.

Transactions in foreign currencies are translated into USD 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.

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 Fund includes in this category its Permitted Investments and financial derivative assets. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

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.

(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 3 months or less which have an insignificant risk of changes in value.

(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) Unitholders' Capital

Unitholders' 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 Unitholders 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 four classes on which further details are disclosed in Notes 13 and 14.

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.

(m) 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.

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

	2024 USD	2023 USD
Financial Assets At FVTPL		
Quoted investments		
- Collective investment scheme	1,171,147	963,777
Total Investments	1,171,147	963,777

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

COLLECTIVE INVESTMENT SCHEME

2024 Quantity	Name Of Fund	Cost USD	Fair Value USD	Fair Value As A % Of NAV %
	Luxembourg			
8,971	BOS International Fund - Growth - INST B USD (LU)*	919,275	1,171,147	100.65
	TOTAL QUOTED INVESTMENTS	919,275	1,171,147	100.65
	UNREALISED GAIN FROM QUOTED INVESTMENTS		251,872	

2023 Quantity	Name Of Fund	Cost USD	Fair Value USD	Fair Value As A % Of NAV %
	Luxembourg			
8,621	BOS International Fund - Growth - INST B USD (LU)*	864,409	963,777	94.31
	TOTAL QUOTED INVESTMENTS	864,409	963,777	94.31
	UNREALISED GAIN FROM QUOTED INVESTMENTS		99,368	

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

(b) The Target Fund's top 10 holdings as at 31 December 2024 is as detailed below.

	Percentage Of Target Fund's NAV %
Nvidia Corporation	4.41
ServiceNow	3.42
Alphabet Inc - Class A	3.39
Brambles Ltd	2.84
Taiwan Semiconductor Manufacturing	2.77
Booking	2.67
Kellanova Rg	2.62
Microsoft Corporation	2.52
Salesforce Inc.	2.35
Teradyne	2.24
Total	29.23

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).

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2024				
Financial Assets At FVTPL				
Collective investment schemes	1,171,147	-	-	1,171,147
	1,171,147	-	-	1,171,147
Financial Liabilities At FVTPL				
Financial derivatives	-	(47,643)	-	(47,643)
	-	(47,643)	-	(47,643)
2023				
Financial Assets At FVTPL				
Collective investment schemes	963,777	-	-	963,777
Financial derivatives	-	21,373	-	21,373
	963,777	21,373	-	985,150

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.

	2024 USD	2023 USD
Cash at banks	9,962	2,664
Deposits with licensed financial institutions:		
- Commercial bank	35,798	32,680
- Investment banks	-	-
	35,798	32,680
Cash and cash equivalents	45,760	35,344

The weighted average effective interest rate and remaining maturity of deposits with licensed financial institutions at the reporting date were as follows:

	Weighted Average Effective Interest Rate (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	2024	2023	2024	2023
Deposits with licensed financial institutions:				
- Commercial bank	3.05	3.00	2	3

6. Amount Due To Manager

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

Management fee is payable on a 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 USD	Contract Value At The Reporting Date USD	Unrealised (Loss)/Gain From Forward Foreign Currency Contracts USD
2024				
	17.1.2025	967,494	1,009,835	42,341
	17.1.2025	124,677	129,979	5,302
		1,092,171	1,139,814	47,643
2023				
	17.1.2024	870,463	849,681	20,782
	17.1.2024	40,576	39,895	591
		911,039	889,666	21,373

8. Manager's Fee

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

Class	Rate p.a.
Class MYR-Hedged BOS	1.40%

9. Trustee's Fee

The Trustee's fee provided in the financial statements is computed at 0.04% (2023: 0.04%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM12,000 per annum.

10. Portfolio Turnover Ratio ("PTR")

	2024	2023
Portfolio Turnover Ratio ("PTR")	0.05 times	0.09 times

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period over the average NAV attributable to unitholders of the Fund calculated on a daily basis. The PTR for the current financial year is lower due to decrease in investing activities.

11. Total Expense Ratio ("TER")

	2024	2023
Class		
MYR-Hedged BOS	2.28%	2.31%

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 period calculated on a daily basis. The TER for the current financial year is lower due to a lower percentage of increase in expenses compared with the average NAV attributable to unitholders. The Fund does not charge performance fee.

12. Taxation

	2024 USD	2023 USD
Malaysian income tax:		
Current year's provision	-	-

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2023:24%) of the estimated assessable income for the financial year.

There was no taxation charge for the current financial year due to tax exempt income received.

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:

	2024 USD	2023 USD
Net income before taxation	141,663	25,196
Taxation at Malaysian statutory rate of 24%	33,999	6,047
Tax effects of:		
Income not subject to tax	(56,625)	(26,952)
Losses not deductible for tax purpose	16,529	15,391
Expenses not deductible for tax purpose	1,442	1,222
Restriction on tax deductible expenses for wholesale funds	4,655	4,292
Tax expense for the financial year	-	-

13. Net Asset Attributable To Unitholders

	2024 USD	2023 USD
Unitholders' contribution		
- Class MYR-Hedged BOS	1,300,508	1,300,508
Accumulated loss		
- Realised deficits	(334,313)	(392,376)
- Unrealised reserves	197,398	113,798
NAV attributable to unitholders	1,163,593	1,021,930

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:

<table>
<tr><th>Features</th><th>Class MYR-Hedged BOS</th><th>Class USD BOS</th><th>Class PP USD</th><th>Class PP MYR Non-Hedged</th></tr>
<tr><td>Management fee rate</td><td colspan="4">1.40% p.a. of Class NAV</td></tr>
<tr><td>Sales charge</td><td colspan="4">Up to 2.00% of Class NAV</td></tr>
<tr><td>Distribution policy</td><td colspan="4">Incidental, subject to the Manager's discretion</td></tr>
<tr><td>Minimum Initial Investment</td><td>RM500,000</td><td>USD100,000</td><td>USD500,000</td><td>RM500,000</td></tr>
<tr><td>Minimum Additional Investment</td><td>RM250,000</td><td>USD100,000</td><td>USD100,000</td><td>RM250,000</td></tr>
<tr><td rowspan="2">Class Characteristics</td><td>MYR</td><td>USD</td><td>USD</td><td>MYR</td></tr>
<tr><td>To minimize the effect of exchange rate fluctuations between the base currency of the Fund and MYR.</td><td>Denominated in United States Dollar ("USD").</td><td colspan="2">For investments made via specific IUTA channel(s).</td></tr>
</table>

As at 31 December 2023 and 31 December 2024, only units in Class MYR-Hedged BOS have been issued.

14. Number Of Units In Circulation

	2024		2023	
	No. Of Units	USD	No. Of Units	USD
Class MYR-Hedged BOS				
1 January	5,424,242	1,300,508	5,424,242	1,300,508
31 December	5,424,242	1,300,508	5,424,242	1,300,508

There were no units in circulation other than Class MYR-Hedged BOS for the current and previous financial years.

15. Units Held By The Manager And Its Related Parties

	2024		2023	
	No. Of Units^	USD	No. Of Units^	USD
Holding Company Of The Manager				
Class MYR-Hedged BOS	5,424,242	1,163,593	5,424,242	1,021,930

There were no units held by other related parties.

^ *All units are held legally by the Manager as per the unitholders' 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 USD	% Of Total Trades %
UBS Fund Management (Luxembourg) S.A.	110,000	100.00

The Fund is a feeder fund into the Target Fund, BOS International Fund - Growth, hence transactions were made wholly with the appointed fund manager of the target fund, UBS Fund Management (Luxembourg) S.A. The Investment Manager of the target fund is Bank of Singapore Limited, the 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.

The table below summarises the effect on the net income before tax and NAV attributable to the unitholders 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 Unitholders	
	Increase/(Decrease) 2024 USD	**Increase/(Decrease) 2023 USD**
+5	58,557	48,189
-5	(58,557)	(48,189)

(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.

(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 unitholders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

Change In Currency Rate %	Currency Risk Concentration For USD		Effect On Net Income Before Tax And NAV Attributable To Unitholders	
			Increase/ (Decrease)	Increase/ (Decrease)
	2024 USD	2023 USD	2024 USD	2023 USD
+5	1,171,147	971,968	58,557	48,598
-5	1,171,147	971,968	(58,557)	(48,598)

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.

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

	Financial Derivatives USD	Cash And Cash Equivalents USD	Total USD
2024			
Credit rating			
AAA	(47,643)	45,760	(1,883)
2023			
Credit rating			
AAA	21,373	35,344	56,717

(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 unitholders 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.

	Within 1 Month USD	**Total USD**
2024		
Amount due to manager	1,307	1,307
Other payables	52,244	52,244
Net asset value attributable to unitholders	1,163,593	1,163,593
	1,217,144	1,217,144
2023		
Amount due to manager	1,176	1,176
Other payables	5,586	5,586
Net asset value attributable to unitholders	1,021,930	1,021,930
	1,028,692	1,028,692

(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, BOS International Fund - Growth. The target fund is domiciled in Luxembourg and the investment of the target fund is managed by Bank of Singapore 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 unitholders' subscription to the Fund. The unitholders' capital fluctuates according to the daily subscription and redemption of units at the discretion of unitholders.

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

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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.