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# MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

Quarter report

For the financial period from 1 November 2020 to 31 July 2021

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
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### **EXTERNAL INVESTMENT MANAGER**

Maybank Islamic Asset Management Sdn Bhd (201301012623) (10424610K)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia

### **TRUSTEE**

PB Trustees Bhd (196801000374) (573019-U)  
17th Floor, Menara Public Bank  
146 Jalan Ampang  
50450 Kuala Lumpur  
Telephone +603 2177 3127  
Facsimile +603 2164 3285

### **SHARIAH ADVISER**

Amanie Advisors Sdn Bhd (200501007003) (684050-H)  
Level 13A-2, Menara Tokio Marine Life  
No. 189, Jalan Tun Razak  
50400 Kuala Lumpur  
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## **MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**

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## MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 November 2020 to 31 July 2021

#### A. Fund Information

**1. Name of Fund**

Maybank Institutional Income Management-I Fund (the "Fund")

**2. Type of Fund**

Wholesale

**3. Category of Fund**

Mixed Assets

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date / commencement date**

9 March 2020 /1 April 2020

**6. Fund's investment objective**

The Fund aims to provide unitholders with consistent income stream through investments in a diversified portfolio of Sukuk.

**7. Fund distribution policy**

Distribution, if any, will be incidental for the first financial year. Thereafter, distribution, if any, shall be made on a quarterly basis (subject to the availability of income).

**8. Fund's performance benchmark**

Maybank 1 month Islamic deposit rate.

**9. The Fund's investment policy and principal investment strategy**

The Fund invests a minimum of 60% of the Fund's NAV in MYR-denominated Sukuk and/or similar securities. Up to 40% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits. The Fund will invest in MYR-denominated sukuk with a minimum rating of "AA3" by RAM or its equivalent rating by MARC at the point of purchase.

## MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

### Manager's report

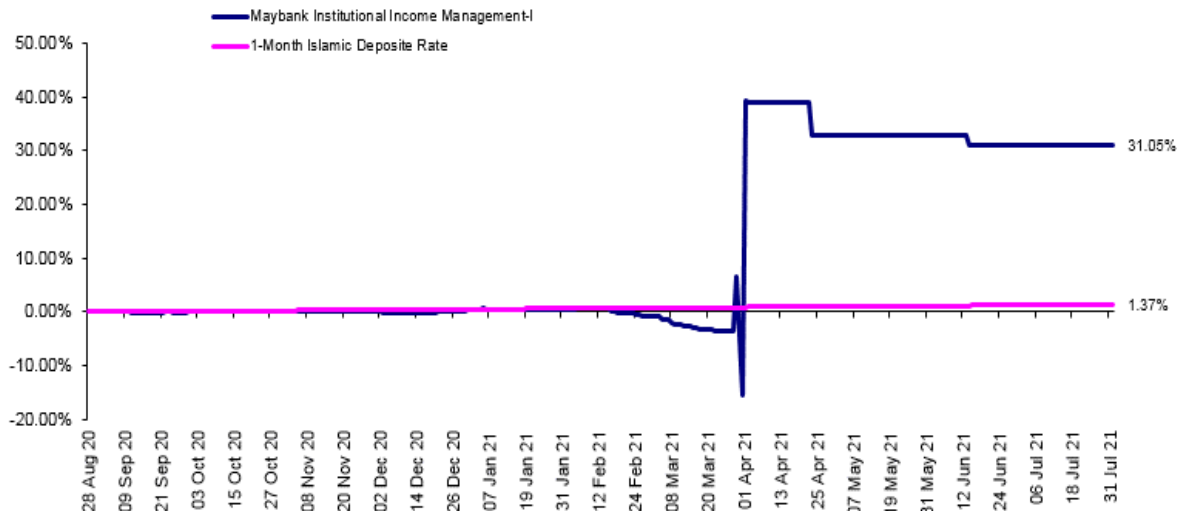
For the financial period from 1 November 2020 to 31 July 2021 (cont'd)

#### B. Performance Review

Returns of the Fund and its benchmark for the financial period from 1 November 2020 to 31 July 2021 is as follows:

Financial period	The Fund (%)	Benchmark (%)
1 November 2020 to 31 July 2021	31.05	1.37

Performance of the Fund for the financial period from 1 November 2020 to 31 July 2021



Source: Lipper, as at 31 July 2021

*Investors are reminded that past performance of the Fund is not necessarily indicative of its future performance and that unit prices and investment returns may fluctuate.*

#### C. Market Review

After four Overnight Policy Rate (“OPR”) cuts by Bank Negara Malaysia (“BNM”) between January 2020 and July 2020, the market saw a pause in the country’s monetary policy as BNM maintained its OPR at 1.75% throughout the period. This saw some unwinding of dovish positioning and profit taking in the market leading to some consolidation in the local bond market. However, the main driver for volatilities during the period was the rising United States Treasury (“UST”) yields. The global market saw the UST yields rose 11 basis points (“bps”) to 83 bps between the 3 year and 30 year maturities during the period which drove a selloff in the emerging market bonds (including Malaysia) as profit taking took hold. The rise in UST yields gathered momentum on positive news on the rollout of Coronavirus Disease 2019 (“COVID-19”) vaccinations worldwide that raised expectations of a start in global economic recovery. This peaked in mid-March 2021 for the Malaysian bond market, with 10-year Malaysian Government Securiteis (“MGS”) reaching a high of 3.485% before recovering to 3.17% at end-July 2021. At the beginning of the period under review, it was at 2.70%. Buying interest returned in early April 2021 following Financial Times Stock Exchange (“FTSE”) Russell’s surprise decision to retain Malaysia in the World Government Bond Index (“WGBI”) while removing Malaysia from the watch list for possible exclusion. Support continued to be seen as elevated Covid-19 cases prompted a full national lockdown announcement at end-May 2021, which has lowered Gross Domestic Product (“GDP”) growth expectations.

## MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 November 2020 to 31 July 2021 (cont'd)

#### D. Market Outlook & Strategy

The Malaysian fixed income market would continue to see some support with the reinstatement of Movement Control Order ("MCO") beginning June 2021 due to the surge in COVID-19 cases, given lowered GDP growth expectation. So far, there are no new forecasts announced, with 2021 forecast remains at 6.0%-7.5%. However, the fall in yields could be limited as economic optimism and inflation concerns continue to play out in other foreign markets, with UST yields expected to rise. Economic recovery trajectory is expected to remain intact, with the pace of vaccinations picking up globally, albeit unevenly. On monetary policy, following the 125 bps of cumulative OPR cuts in 2020 and having stayed on hold at the four Monetary Policy Committee ("MPC") meetings for the year, we view BNM will likely stand on hold with OPR at 1.75% through 2021 unless the current COVID-19 condition continue to adversely impact the domestic economy. In such event, there could be another potential reduction OPR cut by BNM.

#### E. Asset Allocation

Asset allocation	31.07.2021		31.10.2020	
	RM	%	RM	%
Financial assets at FVTPL	-	-	12,634,640	70.05
Cash and cash equivalents, and other net assets	1,200	100.00	5,402,913	29.95
<b>Total NAV</b>	<b>1,200</b>	<b>100.00</b>	<b>18,037,553</b>	<b>100.00</b>

#### F. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions and rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial period from 1 November 2020 to 31 July 2021, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

## **REPORT OF THE SHARIAH ADVISER**

### **TO THE UNITHOLDERS OF MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2020 TO 31 JULY 2021**

We hereby confirm the following: .

1. To the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed Maybank Institutional Income Management-I Fund ("the Fund") during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For and on behalf of  
**Amanie Advisors Sdn Bhd**

**Datuk Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur, Malaysia  
23 September 2021

**MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2020 TO 31 JULY 2021**

	<b>01.11.2020</b>	<b>09.03.2020</b>
	<b>to</b>	<b>(date of</b>
	<b>31.07.2021</b>	<b>launch)</b>
	<b>RM</b>	<b>to</b>
		<b>31.10.2020</b>
		<b>RM</b>
<b>INVESTMENT (LOSS)/INCOME</b>		
Profit income	50,091	69,640
Net loss on financial assets at fair value through profit or loss ("FVTPL")		
- Realised loss	(99,331)	-
- Unrealised gain/(loss)	10,215	(10,287)
	<u>(39,025)</u>	<u>59,353</u>
<b>EXPENSES</b>		
Manager's fee	4,871	9,505
Trustee's fee	4,833	2,860
Auditors' remuneration	3,826	1,372
Tax agent's fee	1,410	2,458
Shariah advisory fee	6,042	3,561
Administrative expenses	1,551	3,044
	<u>22,533</u>	<u>22,800</u>
<b>Net (loss)/income before taxation</b>	(61,558)	36,553
Taxation	-	-
<b>Net (loss)/income after taxation and total comprehensive (loss)/income for the financial period</b>	<u>(61,558)</u>	<u>36,553</u>
<b>Net (loss)/income after taxation is made up of the following:</b>		
Net realised (loss)/income	(99,331)	46,840
Net unrealised income/(loss)	37,773	(10,287)
	<u>(61,558)</u>	<u>36,553</u>



**MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2021**

	<b>31.07.2021</b>	<b>31.10.2020</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
Financial assets at FVTPL	-	12,634,640
Shariah-compliant deposits with licensed Islamic financial institutions	-	6,319,545
Profit income receivables	-	94,425
Amount due from Manager	13,809	20,137
Cash at bank	13,525	3,264
<b>TOTAL ASSETS</b>	<u>27,334</u>	<u>19,072,011</u>
<b>LIABILITIES</b>		
Amount due to Manager	-	5,363
Amount due to Trustee	4,011	1,742
Amount due to broker	-	1,001,795
Other payables and accruals	22,123	25,558
<b>TOTAL LIABILITIES</b>	<u>26,134</u>	<u>1,034,458</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>	<u>1,200</u>	<u>18,037,553</u>
<b>EQUITY</b>		
Unitholders' capital	26,205	18,001,000
(Accumulated loss)/Retained earnings	(25,005)	36,553
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>1,200</u>	<u>18,037,553</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	<u>1,000</u>	<u>18,013,014</u>
<b>NAV PER UNIT (RM)</b>	<u>1.2009</u>	<u>1.0014</u>

**MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2020 TO 31 JULY 2021**

	<b>Unitholders' capital RM</b>	<b>(Accumulated loss)/ Retained earnings RM</b>	<b>Total equity RM</b>
At 1 November 2020	18,001,000	36,553	18,037,553
Total comprehensive loss for the financial period	-	(61,558)	(61,558)
Creation of units	3,000,000	-	3,000,000
Cancellation of units	(20,974,795)	-	(20,974,795)
At 31 July 2021	<u>26,205</u>	<u>(25,005)</u>	<u>1,200</u>
At 9 March 2020 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	36,553	36,553
Creation of units	18,001,000	-	18,001,000
At 31 October 2020	<u>18,001,000</u>	<u>36,553</u>	<u>18,037,553</u>

**MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2020 TO 31 JULY 2021**

	<b>01.11.2020</b>	<b>09.03.2020</b>
	<b>to</b>	<b>(date of</b>
	<b>31.07.2021</b>	<b>launch)</b>
	<b>RM</b>	<b>to</b>
		<b>31.10.2020</b>
		<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(2,723,579)	(11,721,475)
Net proceeds from sale of financial assets at FVTPL	14,387,210	-
Profit income received	44,747	53,558
Manager's fee paid	(10,233)	(4,142)
Trustee's fee paid	(6,706)	(6,050)
Payment of other fees and expenses	(25,928)	(82)
Net cash generated from/(used in) operating and investing activities	<u>11,665,511</u>	<u>(11,678,191)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	5,942,963	18,001,000
Cash paid on units cancelled	(23,917,758)	-
Net cash (used in)/generated from financing activities	<u>(17,974,795)</u>	<u>18,001,000</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>		
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	(6,309,284)	6,322,809
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>6,322,809</u>	<u>-</u>
	<u>13,525</u>	<u>6,322,809</u>
Cash and cash equivalents comprise:		
Cash at bank	13,525	3,264
Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months	-	6,319,545
	<u>13,525</u>	<u>6,322,809</u>