

## PRODUCT HIGHLIGHTS SHEET

# MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND ("the Fund")

Date of Issuance: 8 May 2023

## RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

## STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Maybank Financial Institutions Income Asia Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Maybank Financial Institutions Income Asia Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Financial Institutions Income Asia Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Maybank Asset Management Sdn Bhd responsible for the Maybank Financial Institutions Income Asia Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**This Product Highlights Sheet only highlights the key features and risks of the Maybank Financial Institutions Income Asia Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.**

### 1. What is Maybank Financial Institutions Income Asia Fund?

The Fund is Maybank Asset Management Sdn Bhd's fixed income fund. The Fund aims to provide unit holders income through investing in a portfolio of fixed income securities issued by financial institutions.

### 2. Fund Suitability

The Fund is suitable for investors:

- with a moderate risk appetite;
- with a medium term\* investment horizon;
- who seek semi-annual income by investing in the Fund; and
- who seek exposure in Ringgit Malaysia ("RM") denominated and/or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/or located in the Asian region.

*Note:*

\* Medium term means a period between three (3) to five (5) years.

### 3. Investment Objective

The Fund aims to provide unit holders income\* through investing in a portfolio of fixed income securities issued by financial institutions.

\* Income will be reinvested in the form of units only. For further details, please refer to section 3 of the prospectus on distribution policy and mode of distribution of the Fund.

### 4. Key Product Features

<b>Fund Type</b>	Income.
<b>Fund Category</b>	Fixed income.
<b>Performance Benchmark</b>	<p>12-month Maybank fixed deposit rate + 1.5% per annum.  12-month Maybank fixed deposit rate can be obtained from <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a></p> <p><i>Note: For the purpose of the Fund, the benchmark is used as a yardstick to assess the performance of the Fund only. It is not an indication of the risk profile of the Fund's investment. The risk profile of the Fund is different from the risk profile of the benchmark.</i></p>
<b>Launch Date</b>	26 August 2014.
<b>Investment Policy &amp; Strategy</b>	<p>To achieve the investment objective, the Fund will invest between 70% - 98% of the Fund's net asset value ("NAV") in a portfolio of RM denominated and/or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/or located in the Asian region.</p> <p>The Manager will also invest between 2% - 30% of the Fund's NAV in liquid assets and any other RM denominated and/or non-RM denominated fixed income securities.</p> <p>The Fund will invest in RM denominated fixed income securities with a minimum rating of 'A' by RAM Rating Services Berhad or its equivalent rating by Malaysian Rating Corporation Berhad.</p> <p>The Fund will invest in non-RM denominated fixed income securities with a minimum rating of "Ba3" by Moody's Investors Service ("Moody's") or its equivalent rating by other international rating agencies. Should the ratings be different amongst the international rating agencies, the second highest rating shall be applicable. When</p>

	<p>there are only two (2) ratings available, the lower rating shall be applicable.</p> <p>The Fund may invest not more than 40% of the Fund's NAV in non-RM denominated fixed income securities rated below "Baa3" by Moody's or its equivalent rating by other international rating agencies.</p> <p>In the event that the non-RM denominated fixed income securities are not rated, the issuer's rating or the financial institution's rating shall be applicable. If the Manager invests in unrated non-RM denominated fixed income securities, the Manager will invest not more than 15% of the Fund's NAV in the unrated non-RM denominated fixed income securities.</p> <p>If any of the fixed income securities held in the Fund has been downgraded to a lower rating than the applicable minimum rating, the Manager may choose to dispose of the downgraded fixed income securities as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold the downgraded fixed income securities for up to 90 days. If the hybrid securities are converted into equities, the Manager will dispose of the said equities as soon as practicable, i.e. within 90 days from the date of the conversion. However, the ability to dispose of the said equities will be subject to market conditions.</p> <p>The investments held in the Fund are expected to provide coupons, part of which will be distributed to unit holders in the form of income. The Fund will be actively managed to meet its investment objective. However, the frequency of its trading activities will depend on market opportunities and the assessment of the Manager.</p> <p>The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure into the base currency of the Fund, i.e., RM to manage currency risk. Furthermore, the Fund may also employ interest rate futures to fully or partially hedge the interest rate risk inherent in the fixed income exposure.</p>
<b>Manager</b>	Maybank Asset Management Sdn Bhd.
<b>Management Fee</b>	Up to 1.00% per annum of the NAV of the Fund. The management fee is calculated and accrued daily and payable monthly to the Manager.
<b>Sales Charge</b>	<p>Up to 3.00% of the NAV per unit of the Fund.</p> <p>Notes:</p> <p>(a) <i>Investors may negotiate for a lower sales charge.</i></p> <p>(b) <i>All sales charge will be rounded up to 2 decimal places.</i></p> <p>(c) <i>Sales charge will be retained by the Manager.</i></p>
<b>Redemption Charge</b>	The Manager will not impose a redemption charge.
<b>Switching Fee</b>	<p>RM10.00 per switch.</p> <p>Notes:</p> <p>(a) <i>The Manager reserves the right to waive the switching fee.</i></p> <p>(b) <i>In addition to the switching fee, unit holder will also have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.</i></p>
<b>Transfer Fee</b>	<p>RM10.00 per transfer.</p> <p>Notes:</p> <p>(a) <i>The Manager reserves the right to waive the transfer fee.</i></p> <p>(b) <i>The Manager reserves the right to decline any transfer request if such transfer will expose the Manager to any liability and/or will contravene any law or regulatory requirements, whether or not having the force of law.</i></p>

<b>Trustee</b>	TMF Trustees Malaysia Berhad.
<b>Trustee Fee</b>	Up to 0.04% per annum of the NAV of the Fund, subject to a minimum fee of RM15,000.00 per annum and a maximum fee of RM150,000.00 per annum. The trustee fee is calculated and accrued daily and payable monthly to the Trustee.
<b>Minimum Initial Investment</b>	RM1,000.00 or such other lower amount as may be determined by the Manager from time to time.
<b>Minimum Additional Investment</b>	RM100.00 or such other lower amount as may be determined by the Manager from time to time.
<i>Note: The Manager's distributors may set a lower minimum initial and/or additional investments than the above for investments made via the distributors subject to their terms and conditions for investment.</i>	
<b>Minimum Holdings</b>	100 units or such other lower number of units as may be determined by the Manager from time to time.
<b>Distribution Policy</b>	<p>Subject to availability of income, distribution shall be at least on a semi-annual basis.</p> <p>The Fund may distribute from realised income, realised gains and/or capital to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund and meet the investment objective of the Fund to provide income to unit holders. For avoidance of doubt, "capital" refers to unrealised income and/or unrealised gains. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.</p> <p><b>Distribution out of the Fund's capital has a risk of eroding the capital of the Fund. It may reduce the Fund's capital available for future investment and the Fund's potential for future income generation; it may also cause the NAV of the Fund to fall over time. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</b></p>

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

## 5. Asset Allocation

LIMITS	INVESTMENT INSTRUMENTS
Between 70% - 98% of the Fund's NAV	<ul style="list-style-type: none"> <li>RM denominated and/or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/or located in the Asian region.</li> </ul>
Between 2% - 30% of the Fund's NAV	<ul style="list-style-type: none"> <li>Liquid assets; and</li> <li>Any other RM denominated and/or non-RM denominated fixed income securities.</li> </ul>

## 6. Key Risks

### Specific Risks

#### a) Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income securities. When interest rates rise, fixed income securities prices generally decline and this may lower the market value of the Fund's investment in fixed income securities. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, the Manager will need to manage the fixed income securities taking into account the coupon rate and time to maturity of the fixed income securities.

b) Credit and Default risk

Credit risk relates to the creditworthiness of the issuers of the fixed income securities and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income securities. In the case of rated fixed income securities, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a fixed income security either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income securities. This could adversely affect the value of the Fund.

c) Country Risk

Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.

d) Currency Risk

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, i.e., RM, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

e) Emerging Markets Risk

The Fund may invest in emerging markets which exhibit lower levels of capital market development when compared to those of developed markets. Given the fast-changing investment landscape of emerging markets, areas such as accounting standards, legal and business environment in emerging markets may be less organised when compared to developed markets, increasing the risks of investing in emerging markets. Generally, investment returns in emerging markets are expected to be more volatile than those in developed markets, resulting in potentially higher investment risk that may affect the Fund's returns. In addition to conducting investment research, such emerging markets risks may be mitigated by diversifying the Fund's exposures across various markets and geographic regions.

f) Concentration Risk

Investors should be aware of the Fund's possible concentration in exposure to a particular sector when investing in this Fund. The Fund will focus a greater portion of its assets in fixed income securities issued by financial institutions, exposing it to concentration risk in the sector of financial institutions. Given that, the Fund's value and/or performance may be heavily dependent on the performance of the financial institutions.

g) Counterparty Risk

Counterparty risk refers to a risk that relates to the credit standing of counterparties when over-the-counter transactions are carried out and is not applicable to transactions performed through exchanges. In the event where the counterparty of a contract fails to meet its contractual obligations, the Fund will suffer from financial losses. The Fund seeks to mitigate this risk through careful selection of counterparties including but not limited to the assessment of the credit strength of the counterparties. Should there be a downgrade in the credit rating of the over-the-counter derivatives' counterparty, the Manager will evaluate the situation and reassess the creditworthiness of the counterparty. The Manager will take the necessary steps in the best interest of the Fund.

h) Hedging Risk

The Manager will use derivatives to hedge the Fund's portfolio from certain anticipated losses such as those resulting from unfavourable exchange rate and interest rate movements. However, every hedge comes with a cost. In a move to mitigate the risk of uncertainty; the Fund is now exposed to the risk of opportunity loss. Once hedged, the Fund cannot take full advantage of favourable exchange rate and interest rate movements. If the exposure which the Fund is

hedging against makes money, the act of hedging would have typically reduced the potential returns of the Fund. On the other hand, if the exposure which the Fund is hedging against losses money, the act of hedging would have reduced the loss, if successfully hedged.

i) Convertible Securities Risk

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time at a specified conversion price. Investment in convertible securities encompasses risk characteristics of fixed income & options of the underlying (i.e., equity), where its performance may be impacted by (including but not limited to) the performance and volatility of the underlying. Also, certain convertible securities may be embedded with distinctive features i.e., the issuer reserves the right to recall the convertible securities at certain stipulated time. The Manager seeks to mitigate this risk by disposing of the convertible securities which are converted into equities as soon as practicable, i.e. within 90 days from the date of the conversion, subject to market conditions.

j) Distribution Out of Capital Risk

The Fund may distribute income out of its capital. The declaration and payment of distribution may have the effect of lowering the NAV of the Fund. In addition, distribution out of the Fund's capital may reduce part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders.

***Investors are reminded that the above list of risks may not be exhaustive and if necessary, they should consult their adviser(s), e.g. bankers, lawyers, stockbrokers or independent professional advisers for a better understanding of the risks.***

*For more details, please refer to section 3 in the prospectus for the general and specific risks of investing in the Fund.*

*Note: If your investments are made through an institutional unit trust scheme adviser ("Distributor") which adopts the nominee system of ownership, you would not be deemed to be a unit holder under the deed and as a result, your rights as an investor may be limited. Accordingly, the Manager will only recognise the Distributor as a unit holder of the Fund and the Distributor shall be entitled to all the rights conferred to it under the deed.*

## 7. Valuation of Investment

The Fund is valued once every business day after the close of the market in which the portfolio of the Fund is invested for the relevant day but not later than the end of the next business day.

As such, the daily price of the Fund for a particular business day will not be published on the next business day but will instead be published 2 business days later (i.e., the price will be 2 days old).

Investors will be able to obtain the unit price of the Fund from [www.maybank-am.com.my](http://www.maybank-am.com.my). Alternatively, the Manager's client servicing personnel can be contacted at 03-2297 7888.

## 8. Exiting from Investment

Submission of Redemption Request	The cut-off time for redemption of units shall be at <b>4.00 p.m.</b> on a business day. <i>Note: The Manager's distributors may set an earlier cut-off time for receiving applications in respect of any dealing in units. Please check with the respective distributors for their respective cut-off time.</i>
Payment of Redemption Proceeds	Redemption proceeds will be paid within seven (7) business days from the date the redemption request is received by the Manager.
Remittance of Redemption Proceeds	The Manager shall remit the redemption proceeds to the account held in the name of the unit holder(s).

## 9. Fund Performance

### Average total return of the Fund for the financial year ended 31 May

	1-Year	3-Year	5-Year	Since Inception
<b>The Fund (%)</b>	-3.35	3.09	3.13	4.85
<b>Benchmark (%)</b>	3.38	3.73	4.14	4.35

The average total return of the Fund is based on the following calculation:

$$\text{Performance return} = \frac{\text{NAV } t - \text{NAV } t-1}{\text{NAV } t-1}$$

$$\text{Annualised performance return} = (1 + \text{performance return})^{\left(\frac{\text{number of period per year}}{\text{total no. of periods}}\right)} - 1$$

NAV *t* refers to NAV at the end of the period.

NAV *t-1* refers to NAV at the beginning of the period.

### Annual total return for the financial years ended 31 May

	2022	2021	2020	2019	2018	2017	2016	2015	Since Inception
<b>The Fund (%)</b>	-3.35	9.59	3.44	6.89	-0.36	7.58	7.15	7.40	49.49
<b>Benchmark (%)</b>	3.38	3.38	4.47	4.88	4.73	4.67	4.85	3.32	34.20

The total return of the Fund is based on the following calculation:

$$\begin{aligned} \text{Capital return} &= \frac{\text{NAV per unit at the end of the period} - \text{NAV per unit at the beginning of the period}}{\text{NAV per unit at the beginning of the period}} \\ \text{Income return} &= \frac{\text{Income distribution per unit}}{\text{NAV per unit on ex-date}} \\ \text{Total return} &= (1 + \text{Capital return}) \times (1 + \text{Income return}) - 1 \end{aligned}$$

### 1-Year Fund performance review

The Fund registered a total return of -3.35% against its benchmark's return of 3.38%, thus underperformed the benchmark by 6.73%.

### Portfolio Turnover Ratio (PTR) as at 31 May

	2022	2021	2020
<b>PTR (times)</b>	0.23*	0.64	0.91

\*The PTR is lower than the previous financial year due to decreased trading activities.

### Distribution as at 31 May

	2022	2021	2020
Gross distribution per Unit (Sen)	1.00	5.00	4.50
Net distribution per Unit (Sen)	1.00	5.00	4.50

Distribution was in the form of cash and reinvestment of Units.

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE**

## 10. Contact Information

1. For internal dispute resolution, you may contact:

### Clients Servicing Personnel

Tel : 03-2297 7888

Fax : 03-2715 0071



Email : [mamcs@maybank.com.my](mailto:mamcs@maybank.com.my)  
Website : [www.maybank-am.com](http://www.maybank-am.com)

**II. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):**

- a. via phone to : 03-2282 2280
- b. via fax to : 03-2282 3855
- c. via email to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- d. via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

**III. You can also direct your complaint to the Securities Commission Malaysia ("SC") even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:**

- a. via phone to : 03-6204 8999
- b. via fax to : 03-6204 8991
- c. via email to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- d. via the online complaint form available at [www.sc.com.my](http://www.sc.com.my)
- e. via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

**IV. Federation of Investment Managers Malaysia ("FIMM")'s Complaints Bureau:**

- a. via phone to : 03-7890 4242
- b. via email to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- c. via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
- d. via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor, Wisma Tune  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur