

PRODUCT HIGHLIGHTS SHEET

# MAYBANK INCOME MANAGEMENT-I 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 Income Management-I Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Maybank Income Management-I Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Income Management-I 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 the Maybank Asset Management Sdn Bhd responsible for the Maybank Income Management-I 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 Income Management-I Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.**

### 1. What is Maybank Income Management-I Fund?

The Fund is Maybank Asset Management Sdn Bhd's fixed income fund. The Fund aims to generate a consistent stream of income through investments in a diversified portfolio of sukuk.

### 2. Fund Suitability

The Fund is suitable for investors:

- with a medium to high risk appetite;
- who have medium to long term investment horizon; and
- who seek income distribution.

### 3. Investment Objective

The Fund aims to generate a consistent stream of income through investments in a diversified portfolio of sukuk.

### 4. Key Product Features

<b>Fund Type</b>	Income.
<b>Fund Category</b>	Fixed income.
<b>Performance Benchmark</b>	<p>Maybank 12-months Islamic deposit rate + 0.50% per annum.</p> <p>The aforementioned customised benchmark has been selected as the external investment manager ("EIM") believes that it reflects the additional performance from investment opportunities relating to sukuk on top of the Maybank 12-months Islamic deposit.</p> <p><i>(Maybank 12-months Islamic deposit rate can be obtained from <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a>)</i></p> <p><i>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</i></p>
<b>Investment Strategy</b>	<p>The Fund seeks to achieve its investment objective by investing a minimum of 70% of the Fund's net asset value ("NAV") in MYR-denominated sukuk.</p> <p>Up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits.</p> <p>The Fund may invest up to 30% of its NAV investment in non-MYR denominated sukuk should the EIM deems the investments to be in line with the objective of the Fund.</p> <p>The EIM may hedge the foreign currency exposure of the Fund in part or in full by investing in Islamic currency forwards.</p> <p><u>MYR-Denominated Sukuk</u></p> <p>The Fund will invest in MYR-denominated sukuk with a minimum rating of "A<sub>3</sub>" by RAM Rating Services Berhad ("RAM") or its equivalent rating by Malaysian Rating Corporation Berhad ("MARC") at the point of purchase.</p>

	<p>If the MYR-denominated sukuk are downgraded to a rating lower than “A<sub>3</sub>” by RAM or its equivalent rating by MARC, the EIM shall dispose of the downgraded sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, the EIM may continue to hold the downgraded sukuk for up to ninety (90) days. This treatment shall be applicable to issuer rating when there is no rating for a sukuk.</p> <p>The Fund’s investment in MYR-denominated sukuk which are issued by government and/or government-linked agencies need not be rated.</p> <p><u>Non-MYR Denominated Sukuk</u></p> <p>The Fund will invest in non-MYR denominated sukuk with a minimum rating of “Baa3” by 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 there are only two (2) ratings available, the lower rating shall be applicable.</p> <p>If the non-MYR denominated sukuk are downgraded to a rating lower than “Baa3” by Moody’s or its equivalent rating by other international rating agencies as determined using the second highest or lower rating methodology, the EIM shall dispose of the downgraded non-MYR denominated sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, the EIM may continue to hold the downgraded non-MYR denominated sukuk for up to ninety (90) days. The treatment shall be applicable for issuer rating when there is no issue rating for a sukuk.</p> <p>In determining the applicable rating for the respective MYR-denominated sukuk and non-MYR denominated sukuk, the issuer rating assigned by a relevant rating agency may be used instead when there is no rating assigned by the same rating agency to the sukuk and the EIM is of the opinion that the issuer’s rating is a representation of the sukuk’s rating, i.e. in the event of any insolvency of the issuer, the sukuk of that issuer shall rank in equal seniority in rights of payment or claim with all other non-secured and non-guaranteed obligations of that issuer.</p> <p>The Fund’s investments in unrated sukuk is limited to a maximum of 15% of the Fund’s NAV. In such instances, the EIM shall conduct its own internal credit assessment to assess the eligibility of the sukuk.</p> <p>The Fund would be actively managed, however, how active or frequent the EIM’s trading strategy will depend very much on market opportunities.</p>
<b>Launch Date</b>	8 January 2020.
<b>Manager</b>	Maybank Asset Management Sdn Bhd.
<b>Management Fee</b>	Up to 0.40% per annum of the NAV of the Fund, accrued daily and paid monthly to the Manager.
<b>Sales Charge</b>	<p>Up to 0.50% of the NAV per unit*.</p> <p><i>* Investors may negotiate for a lower sales charge. All sales charge will be rounded up to 2 decimal places. Sales charge will be retained by the Manager.</i></p>
<b>Redemption Charge</b>	Nil.

<b>Switching Fee</b>	RM10.00 per switch. <i>Notes:</i> (1) <i>The Manager reserves the right to waive or reduce the switching fee.</i> (2) <i>In addition to the switching fee, unit holders will also have to pay the difference in sales charge when switching from a fund with a lower sales charge to a fund with higher sales charge.</i>
<b>Transfer Fee</b>	RM10.00 per transfer. <i>Notes:</i> (1) <i>The Manager reserves the right to waive or reduce the transfer fee.</i> (2) <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>
<b>Trustee</b>	PB Trustee Services Berhad.
<b>Trustee Fee</b>	Up to 0.04% per annum of the NAV of the Fund, (excluding foreign custodian fees and charges), subject to a minimum of RM12,000 per annum, accrued daily and paid monthly to the Trustee.
<b>Shariah Adviser</b>	Amanie Advisors Sdn Bhd.
<b>External Investment Manager</b>	Maybank Islamic Asset Management Sdn Bhd.
<b>Minimum Initial Investment</b>	RM5,000 or such other amount as determined by the Manager from time to time.
<b>Minimum Additional Investment</b>	RM1,000 or such other amount as 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>	5,000 units or such other lower number of units as determined by the Manager from time to time.
<b>Distribution Policy</b>	Distribution will be made on a semi-annual basis (subject to availability of income) and at the discretion of the Manager. Distribution, if any, will be made from the realised income of the Fund. Additional distribution, if any, shall be incidental and shall be made from the realised income of the Fund. <i>Note: The Fund's income distributions are not guaranteed and subject to the continuing abilities of the issuers of the Fund's investments to meet their respective financial obligations.</i>

**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

<b>Asset Type</b>	<b>% of the Fund's NAV</b>
Sukuk	70% - 95%
Islamic liquid assets	5% - 30%

**Notes:**

- Up to 15% of the Fund's NAV may be invested in unrated sukuk.
- Up to 30% of the Fund's NAV may be invested in non-MYR denominated sukuk.

## 6. Key Risks

### Specific Risks of the Fund

#### Credit and Default Risk

Credit risk relates to the creditworthiness of the issuers of the sukuk and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the sukuk. In the case of rated sukuk, this may lead to a credit downgrade. Default risk refers to the possibility that the issuer of the sukuk is unable to make timely or full payments of principal and/or profit when due. In the event of a default in payment of principal and/or profit, this may cause a reduction in the value of the Fund. The Manager will endeavour to take the necessary steps to deal with the investments in the best interest of the unit holders including to dispose of the defaulted investments within a time frame deemed reasonable by the Manager.

#### Currency Risk

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, 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. In order to reduce this risk, the Manager intends to use derivatives to hedge the foreign currency exposure. However, investors should be aware that the Fund may not enjoy the upside of the exchange rate movement once it is hedged.

#### Profit Rate Risk

Profit rate risk refers to the impact of profit rate changes on the valuation of sukuk. When profit rates rise, sukuk prices generally decline and this may lower the market value of the Fund's investment in sukuk. The reverse may apply when profit rates fall.

In order to mitigate profit rate risk, the Manager will need to manage the sukuk portfolio by taking into account the profit rate and time to maturity of the sukuk.

#### 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.

#### Islamic Derivatives Risk

Islamic derivatives, if any, will only be used for the purpose of hedging the Fund's portfolio from certain anticipated losses such as those resulting from unfavourable exchange rate and profit 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 profit 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.

### Company Specific Risk

This risk arises when a company is exposed to adverse conditions or negative sentiments such as management issues, deteriorating business fundamentals or loss of competitiveness which is specific to a single company. As a consequence, the price of sukuk issued by such company might fall and subsequently affects the Fund's performance. The impact of a specific company may be reduced as the Fund invests in a wide portfolio of investments consisting of sukuk issued by different companies thereby spreading the element of this risk through diversification.

### 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 generally not applicable to transactions performed through exchanges. In the event where counterparties of a contract fail to live up to its contractual obligations, the Fund will suffer from financial losses. The Fund seeks to reduce this risk by performing fundamental credit research and analysis to determine the creditworthiness of the counterparties, prior to commencement of the investment.

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.

### Shariah Non-Compliance Risk

This is the risk of the Fund not conforming to Shariah Investment Guidelines\*. The Manager and EIM would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah investment guidelines. Note that as the Fund can only invest in Shariah-compliant instruments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

*\* Please refer to pages 12 to 14 of the prospectus for more details.*

### Unrated Sukuk Risk

The Fund may invest up to 15% of its NAV in unrated sukuk. Investors should be aware that unrated sukuk are considered non-investment grade sukuk and are generally considered to be speculative and more sensitive to adverse changes in market condition. The aforementioned sukuk are generally being subject to greater levels of profit rate risk and default risk as compared to investment-grade sukuk. Such sukuk generally experiences greater price volatility and usually lacks liquidity in the secondary market in comparison to those of higher credit quality, which in turn may adversely affect the value of these sukuk and the value of the Fund.

***Investors are reminded that the risks listed above may not be exhaustive and if necessary, they should consult their adviser(s), e.g. bankers, lawyers, Shariah advisers, 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 a unit holder's investments are made through an institutional unit trust scheme adviser ("Distributor") which adopts the nominee system of ownership, the unit holder would not be deemed to be a unit holder under the deed and as a result, the unit holder's rights as an investor may be limited. Accordingly, the Manager will only recognize 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 5.00 p.m. on 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 out 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

### *I. The average total returns of the Fund*

Note: Basis of calculation and assumption made in calculating the returns:

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

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

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

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

As at 31 August	1-Year	Since Inception
Fund	0.77%	2.04%
Benchmark	2.48%	2.51%

### *II. The annual total return of the Fund*

	Year ended 31 August 2021	Year ended 31 August 2022
Fund	1.25%	0.77%
Benchmark	2.36%	2.48%

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

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

### 1-Year Fund performance review

The Fund registered a total return of 0.77% against its benchmark's return of 2.48%, thus underperformed the benchmark by 1.71%.

### III. Portfolio turnover ratio ("PTR")

PTR for the financial year ended 31 August 2021	PTR for the financial year ended 31 August 2022
0.43	0.34*

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

### IV. Distribution

	Year ended 31 August 2021	Year ended 31 August 2022
Gross distribution per Unit	RM0.03	RM0.02
Net distribution per Unit	RM0.03	RM0.02
Cash or Units	Units	Units

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

## 10. Contact Information

### I. For internal dispute resolution, you may contact:

#### Clients Servicing Personnel

Tel : 03-2297 7888  
 Fax : 03-2715 0071  
 Email : mamcs@maybank.com.my  
 Website : 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
- 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 the 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