

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

Quarter report
For the financial period from 1 November 2021 to 31 July 2022

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
Telephone +603 2297 7888
Facsimile +603 2715 0071
www.maybank-am.com.my

EXTERNAL INVESTMENT MANAGER ("EIM")

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
Telephone +603 2161 0260
Facsimile +603 2161 0262

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 2021 to 31 July 2022

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

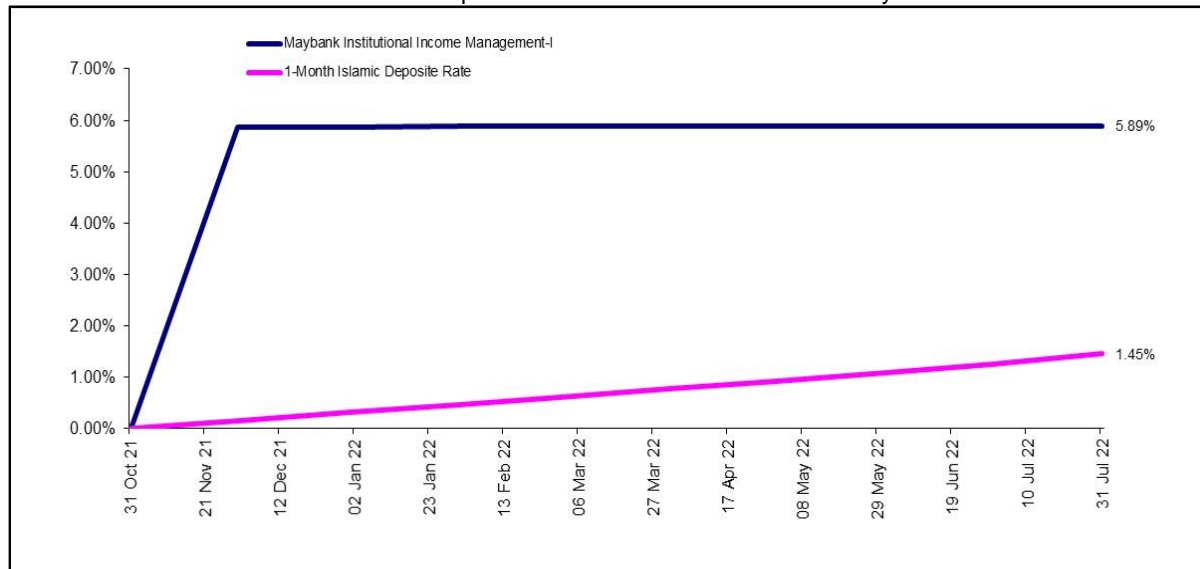
For the financial period from 1 November 2021 to 31 July 2022 (cont'd)

B. Performance Review

Returns of the Fund and its benchmark for the financial period from 1 November 2021 to 31 July 2022 is as follows:

Financial period	The Fund (%)	Benchmark (%)
1 November 2021 to 31 July 2022	5.89	1.45

Performance of the Fund for the financial period from 1 November 2021 to 31 July 2022



Source: Lipper, as at 31 July 2022

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.

The Fund has stopped its Sukuk investment since 26 March 2021 with the redemption by the last remaining client in the Fund. Therefore, the performance of the Fund during the period is not reflective of the investment returns in accordance to the Fund stated investment objective.

C. Market Review

The 6 months period to July 2022 saw the start of interest rates normalization by countries worldwide in effort to tame inflation. After nearly 2 years of low interest rate following four Overnight Policy Rate ("OPR") cuts by Bank Negara Malaysia ("BNM") between January 2020 and July 2020 to a low of 1.75% to ease the impact of Coronavirus Disease 2019 ("Covid-19"), BNM commenced its interest rate normalization in May 2020 with a 25 basis points ("bps") hike followed by another similar hike in July 2022 to increase OPR to 2.25%. In its statement, BNM also reiterated that its rate normalization will be continued at a measured and gradual pace to ensure continuous support to sustainable economic growth in the country. The United States ("US") Federal Reserve ("Feds") started its interest rates hike earlier in March 2022 with a 25 bps hike followed by a 50 bps hike in May 2025 and a higher 75 bps hikes each in June 2022 and July 2022.

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

Manager's report

For the financial period from 1 November 2021 to 31 July 2022 (cont'd)

C. Market Review (cont'd)

At the beginning of the period, the local bond market went through a significant sell-off between mid-March 2022 and beginning May 2022. This was largely driven by global rise in bond yields due to rising US Treasury yields as market started to account in the start of interest rate hikes by the US Feds. The 10-year Malaysian Government Securities ("MGS") reached a high of 4.45% in May 2022, an 89 bps increase from end-December 2021. The rise saw similar adjustments in corporate Sukuk yields leading to weakening valuations of the asset. However, sentiment towards bond market turned in mid-June 2022 to see the US Treasury yields rallied 22 to 58 bps lower after the US Feds has hiked interest rates by a total of 150 bps and market started to show recession concerns. The 10-year MGS rallied to a low of 4.12% on healthier inflows and driving the recovery in local corporate Sukuk valuations toward the end of the period.

D. Market Outlook & Strategy

We expect the local bond market to continue to see some strengthening in the next 6 months as market adjusted to a less hawkish hikes by BNM than initially expected and recession concerns grow over the US and other developed market economies. Supply and energy disruptions from the Ukraine-Russian war and China zero-Covid lockdowns measures in major industrious regions continue to hamper economic activities in developed economies while fuelling inflation despite rate hikes by its central banks. Recession concerns have seen the long-end US Treasury yields dropped while short-end yields rise on interest rates hikes to see an inversion on the curve which is normally taken as an indicator of rising market expectations of a potential recession in the US.

On monetary policy, following the 50bps of cumulative OPR hike in May 2022 and July 2022, we expect just one more 25 bps hike by BNM in September to bring OPR to 2.50% for the rest of the year. The emphasis on a measured and gradual pace of OPR increases by BNM is an indication that the central bank is likely to adopt a more accommodative hike in 2022 to ensure it does not derailed the domestic economic recovery amidst a volatile global economic scenarios.

E. Asset Allocation

Asset allocation	31.07.2022		31.10.2021	
	RM	%	RM	%
Financial assets at FVTPL	-	-	-	-
Cash and cash equivalents, and other net assets	1,163	100.00	1,376	100.00
Total NAV	1,163	100.00	1,376	100.00

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 2021 to 31 July 2022, 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 2021 TO 31 JULY 2022

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 Shariah matters; and
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

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
19 September 2022

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2021 TO 31 JULY 2022**

	01.11.2021 to 31.07.2022 RM	01.11.2020 to 31.07.2021 RM
INVESTMENT LOSS		
Profit income	-	50,091
Net loss on financial assets at fair value through profit or loss ("FVTPL")		
- Realised loss	-	(99,331)
- Unrealised gain	-	10,215
	<u>-</u>	<u>(39,025)</u>
EXPENSES		
Manager's fee	3	4,871
Trustee's fee	66	4,833
Auditors' remuneration	44	3,826
Tax agent's fee	19	1,410
Shariah advisory fee	81	6,042
Administrative expenses	-	1,551
	<u>213</u>	<u>22,533</u>
Net loss before taxation	(213)	(61,558)
Taxation	-	-
Net loss after taxation and total comprehensive loss for the financial period	<u>(213)</u>	<u>(61,558)</u>
Net loss after taxation is made up of the following:		
Net realised loss	-	(99,331)
Net unrealised (loss)/income	(213)	37,773
	<u>(213)</u>	<u>(61,558)</u>

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022**

	31.07.2022	31.10.2021
	RM	RM
ASSETS		
Amount due from Manager	53,603	25,015
Cash at bank	9,541	9,541
TOTAL ASSETS	63,144	34,556
LIABILITIES		
Amount due to Manager	5	2
Amount due to Trustee	16,013	7,036
Other payables and accruals	45,963	26,142
TOTAL LIABILITIES	61,981	33,180
NET ASSET VALUE ("NAV") OF THE FUND	1,163	1,376
EQUITY		
Unitholders' capital	26,205	26,205
Accumulated losses	(25,042)	(24,829)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	1,163	1,376
NUMBER OF UNITS IN CIRCULATION (UNITS)	1,000	1,000
NAV PER UNIT (RM)	1.2009	1.3760

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2021 TO 31 JULY 2022

	Unitholders' capital RM	Accumulated losses RM	Total equity RM
At 1 November 2021	26,205	(24,829)	1,376
Total comprehensive loss for the financial period	-	(213)	(213)
At 31 July 2022	<u>26,205</u>	<u>(25,042)</u>	<u>1,163</u>
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	(20,974,794)	-	(20,974,794)
At 31 July 2021	<u>26,206</u>	<u>(25,005)</u>	<u>1,201</u>

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2021 TO 31 JULY 2022

	01.11.2021 to 31.07.2022 RM	01.11.2020 to 31.07.2021 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net payment for purchase of financial assets at FVTPL	-	(2,723,580)
Net proceeds from sale of financial assets at FVTPL	-	14,387,213
Profit income received	-	44,750
Manager's fee paid	-	(10,233)
Trustee's fee paid	-	(6,707)
Payment of other fees and expenses	-	(25,933)
Net cash generated from operating and investing activities	<u>-</u>	<u>11,665,510</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	-	3,000,000
Cash paid on units cancelled	-	(20,974,794)
Net cash used in financing activities	<u>-</u>	<u>(17,974,794)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD	-	(6,309,284)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>9,541</u>	<u>6,322,809</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>9,541</u>	<u>13,525</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>9,541</u>	<u>13,525</u>