

**Asset Management**

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# MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

Quarter report

For the financial period from 1 November 2022 to 31 January  
2023

## **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 2022 to 31 January 2023

#### 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

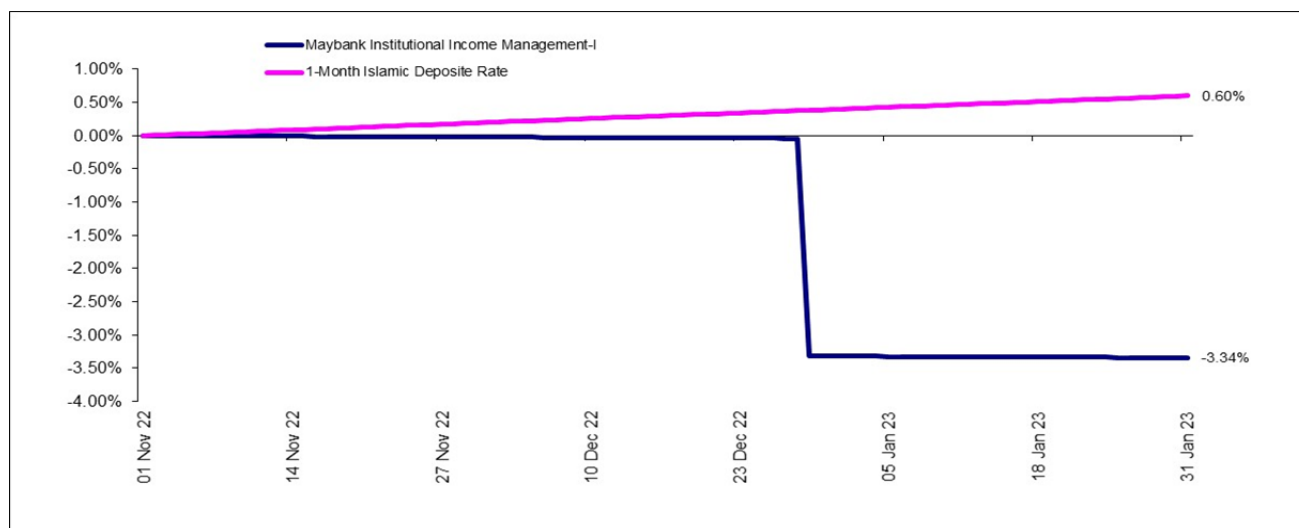
For the financial period from 1 November 2022 to 31 January 2023 (cont'd)

#### B. Performance Review

Returns of the Fund and its benchmark for the financial period from 1 November 2022 to 31 January 2023 is as follows:

Financial period	The Fund (%)	Benchmark (%)
1 November 2022 to 31 January 2023	(3.34)	0.60

Performance of the Fund for the financial period from 1 November 2022 to 31 January 2023



Source: Lipper, as at 31 January 2023

*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

The recovery in local bond led by growing expectations of the tail-end of interest rates hikes cycle worldwide and a more moderate growth outlook in 2023 continued into November to January. After the 10-year Malaysian Government Securities ("MGS") reached a high of 4.57% in October, sentiment towards the bond market changed shortly after as market started to show recession concerns in the United States ("US") following the United States Federal Reserves ("US Fed") aggressive Fed Fund rate hikes. The 10-year MGS rallied to a low of 3.72% on healthier demand before closing at 3.80% end-January for a 77 basis points ("bps") decline from the high. The rally in govies saw similar adjustments in corporate Sukuk yields leading to improved valuations. Meanwhile, after the four consecutive 25 bps Overnight Policy Rate ("OPR") hikes to 2.75% by Bank Negara Malaysia ("BNM"), the central bank surprised the market with its decision to maintain its OPR at 2.75% in its January meeting. The accompanying statement supported the surprise decision to allow the body to assess the impact of previous hikes to the economy before deciding if a further adjustment is needed.

## MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 November 2022 to 31 January 2023 (cont'd)

#### D. Market Outlook & Strategy

Looking ahead, we expect the local bond market to continue to see some recovery 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. 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.

For fixed income, in a recession, we will see overall interest rates to fall as a weak economy and increase in job losses may force the Fed to reverse the tight monetary policy and ease by cutting interest rates. Therefore, we will see short-end rates falling faster than long-end rates resulting the yield curve to steepen. Credit spreads will also widen in a recession. On local monetary policy, following the 100 bps of cumulative OPR hike in May, July, September and November 2022 to 2.75%, we expect a maximum of one more 25 bps hike by BNM in the next 12 months to bring OPR back to 3.00%. The emphasis on a measured and gradual pace of OPR increases by BNM is an indication that the central bank is likely to continue to adopt a more accommodative hike going forward to ensure it does not derail the domestic economic recovery amidst a volatile global economic scenarios.

#### E. Asset Allocation

Asset allocation	31.01.2023		31.10.2022	
	RM	%	RM	%
Cash and cash equivalents, and other net assets	1,326	100.00	1,372	100.00
<b>Total NAV</b>	<b>1,326</b>	<b>100.00</b>	<b>1,372</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 2022 to 31 January 2023, 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 2022 TO 31 JANUARY 2023**

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  
13 March 2023

# MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2022 TO 31 JANUARY 2023

	01.11.2022 to 31.01.2023 RM	01.11.2021 to 31.01.2022 RM
<b>INVESTMENT INCOME</b>		
Profit income	-	-
Net loss on financial assets at fair value through profit or loss ("FVTPL")		
- Realised loss	-	-
- Unrealised gain	-	-
	<u>-</u>	<u>-</u>
<b>EXPENSES</b>		
Manager's fee	1	-
Trustee's fee	-	-
Auditors' remuneration	-	-
Tax agent's fee	-	-
Shariah advisory fee	-	-
Administrative expenses	45	-
	<u>46</u>	<u>-</u>
<b>Net loss before taxation</b>	(46)	-
Taxation	-	-
<b>Net loss after taxation and total comprehensive loss for financial period</b>	<u>(46)</u>	<u>-</u>
<b>Net loss after taxation is made up of the following:</b>		
Net realised loss	<u>(46)</u>	<u>-</u>



**MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JANUARY 2023**

	<b>31.01.2023</b> <b>RM</b>	<b>31.10.2022</b> <b>RM</b>
<b>ASSETS</b>		
Amount due from Manager	75,930	66,220
Cash at bank	9,496	9,541
<b>TOTAL ASSETS</b>	<b>85,426</b>	<b>75,761</b>
<b>LIABILITIES</b>		
Amount due to Manager	7	6
Amount due to Trustee	22,062	19,038
Other payables and accruals	62,031	55,345
<b>TOTAL LIABILITIES</b>	<b>84,100</b>	<b>74,389</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>	<b>1,326</b>	<b>1,372</b>
<b>EQUITY</b>		
Unitholders' capital	26,205	26,205
Accumulated loss	(24,879)	(24,833)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>1,326</b>	<b>1,372</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	<b>1,000</b>	<b>1,000</b>
<b>NAV PER UNIT (RM)</b>	<b>1.326</b>	<b>1.372</b>

**MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2022 TO 31 JANUARY 2023**

	<b>Unitholders' capital RM</b>	<b>(Accumulated loss)/ Retained earnings RM</b>	<b>Total equity RM</b>
At 1 November 2022	26,205	(24,833)	1,372
Total comprehensive loss for the financial year	-	(46)	(46)
At 31 January 2023	<u>26,205</u>	<u>(24,879)</u>	<u>1,326</u>
At 1 November 2021	<u>26,205</u>	<u>(24,829)</u>	<u>1,376</u>
At 31 January 2022	<u>26,205</u>	<u>(24,829)</u>	<u>1,376</u>

**MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2022 TO 31 JANUARY 2023**

	<b>01.11.2022 to 31.01.2023 RM</b>	<b>01.11.2021 to 31.01.2022 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Manager's fee paid	(1)	-
Payment of other fees and expenses	(44)	-
Net cash used in operating and investing activities	(45)	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>	(45)	-
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	9,541	9,541
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	9,496	9,541
Cash and cash equivalents comprise:		
Cash at bank	9,496	9,541