

Asset Management

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MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

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

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)
Level 12 Tower C
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No.1 Jalan Maarof
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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
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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 2021 to 31 January 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

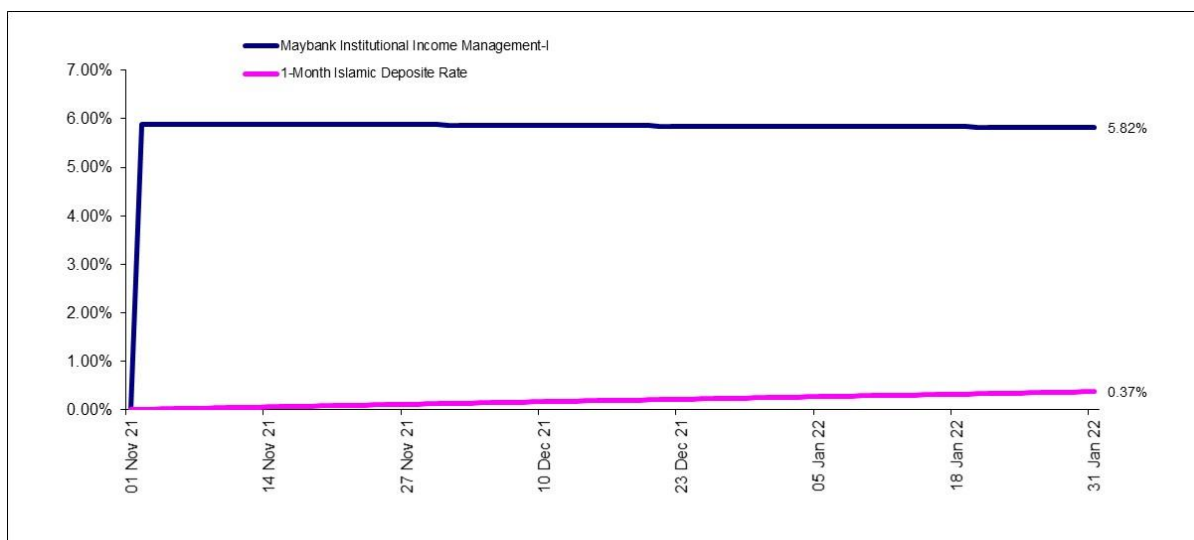
For the financial period from 1 November 2021 to 31 January 2022 (cont'd)

B. Performance Review

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

Financial period	The Fund (%)	Benchmark (%)
1 November 2021 to 31 January 2022	5.82	0.37

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



Source: Lipper, as at 31 January 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.

C. Market Review

After four Overnight Policy Rate ("OPR") cuts by Bank Negara Malaysia ("BNM") between January 2020 and July 2020, the market saw BNM maintained its OPR at 1.75% throughout the period. Amidst the stable domestic monetary policy by BNM, the local fixed income market was more affected by the rise in United States Treasury ("UST") yields that affected the global bond market. The global market saw the UST yields rose 24 basis points ("bps") to 120 bps between the 2 year and 30 year maturities during the period as expectations on the Federal Reserve ("Feds") to raise its interest rates gathered pace throughout the period under review as US economy showed signs of recovery and its inflation creeping up. Selloffs in global yields in 1Q 2021 and September 2021 to October 2021 saw local government bonds yields rose 27-108 bps with the 10-year Malaysia Government Securities ("MGS") reaching a high of 3.68% or 98 bps increase from a year before. This led to similar adjustment in corporate bonds as the market adjusted to the movement in government bonds.

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

Manager's report

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

D. Market Outlook & Strategy

We expect local bond market to be well supported on economic recovery and still lower yields from fixed deposits and money market funds. Similar with equities, we expect the recovery momentum to sustain into 2022 as Malaysia almost fully reopened its economic activities, supported by very high vaccination rates among all Malaysians. For Malaysia fixed income, our investment thesis for economic recovery and reflation trades will continue in 2022, i.e. to seek value from high quality corporate bonds in the primary and secondary market and remain slightly negative on having long duration. We foresee that Malaysia will keep its OPR level at 1.75% for 1Q2022 as economic recovery progresses steadily, and as an insurance to protect against potential negative surprises from new Coronavirus Diseases 2019 ("COVID-19") variants and other unforeseen headwinds. BNM is likely to make the first interest rate hike in the 2H2022. Given the flush liquidity in the banking system, this will continue to lend support to the local bond market as yield pickup remains decent as compared to the low yielding fixed deposits and money market funds.

We continue to maintain our neutral duration relative to the The Refinitiv Bond Pricing Agency Malaysia ("TRBPAM") Sukuk Index as we assume a more defensive stance given our expectation of a steepening yield curve on the back of more robust economic activities in 2022. We expect the flush liquidity in domestic capital market will provide support the local bond market as yield pickup remains decent as compared to the low yielding fixed deposits and money market instruments due to the current low interest rate environment. We continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields as economy starts to recover. We prefer strong AA-rated papers (A financial institution rated AA has a strong capacity to meet its financial obligations) for yield pickup and potential long term upgrade as economic activities accelerate.

E. Asset Allocation

Asset allocation	31.01.2022		31.10.2021	
	RM	%	RM	%
Cash and cash equivalents, and other net assets	1,376	100.00	1,376	100.00
Total NAV	1,376	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 January 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 JANUARY 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
15 March 2022

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

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

	01.11.2021 to 31.01.2022 RM	01.11.2020 to 31.01.2021 RM
INVESTMENT INCOME		
Profit income	-	41,470
Net loss on financial assets at fair value through profit or loss ("FVTPL")		
- Realised loss	-	(32,218)
- Unrealised gain	-	6,632
	<u>-</u>	<u>15,884</u>
EXPENSES		
Manager's fee	-	4,116
Trustee's fee	-	3,025
Auditors' remuneration	-	2,395
Tax agent's fee	-	882
Shariah advisory fee	-	4456
Administrative expenses	-	532
	<u>-</u>	<u>15,406</u>
Net (loss)/income before taxation	-	478
Taxation	-	-
Net (loss)/income after taxation and total comprehensive (loss)/income for the financial period	<u>-</u>	<u>478</u>
Net (loss)/income after taxation is made up of the following:		
Net realised loss	-	(6,154)
Net unrealised income	-	6,632
	<u>-</u>	<u>478</u>

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

	31.01.2022	31.10.2021
	RM	RM
ASSETS		
Amount due from Manager	34,717	25,013
Cash at bank	9,541	9,541
TOTAL ASSETS	<u>44,258</u>	<u>34,554</u>
LIABILITIES		
Amount due to Trustee	10,061	7,036
Other payables and accruals	32,821	26,142
TOTAL LIABILITIES	<u>42,882</u>	<u>33,178</u>
NET ASSET VALUE ("NAV") OF THE FUND	<u>1,376</u>	<u>1,376</u>
EQUITY		
Unitholders' capital	26,205	26,205
Accumulated loss	(24,829)	(24,829)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>1,376</u>	<u>1,376</u>
NUMBER OF UNITS IN CIRCULATION (UNIT)	<u>1,000</u>	<u>1,000</u>
NAV PER UNIT (RM)	<u>1.3760</u>	<u>1.3760</u>

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2021 TO 31 JANUARY 2022**

	Unitholders' capital RM	(Accumulated loss)/ Retained earnings RM	Total equity RM
At 1 November 2021	26,205	(24,829)	1,376
At 31 January 2022	<u>26,205</u>	<u>(24,829)</u>	<u>1,376</u>
At 1 November 2020	18,001,000	36,553	18,037,553
Total comprehensive income for the financial period	-	478	478
Creation of units	3,000,000	-	3,000,000
Cancellation of units	(19,531,832)	-	(19,531,832)
At 31 January 2021	<u>1,469,168</u>	<u>37,031</u>	<u>1,506,199</u>

MAYBANK INSTITUTIONAL INCOME MANAGEMENT-I FUND

UNAUDITED STATEMENT OF CASH FLOWS

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

	01.11.2021	01.11.2020
	to	to
	31.01.2022	31.01.2021
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net payment for purchase of financial assets at FVTPL	-	(2,454,380)
Net proceeds from sale of financial assets at FVTPL	-	13,050,027
Profit income received	-	8,181
Manager's fee paid	-	(9,031)
Trustee's fee paid	-	(3,748)
Payment of other fees and expenses	-	(21,838)
Net cash generated from operating and investing activities	<u>-</u>	<u>10,569,211</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	-	3,000,000
Cash paid on units cancelled	-	(19,531,832)
Net cash used in financing activities	<u>-</u>	<u>(16,531,832)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD		
	-	(5,962,621)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>#REF!</u>	<u>6,322,809</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>#REF!</u>	<u>360,188</u>
Cash and cash equivalents comprise:		
Cash at bank	9,541	947
Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months	<u>#REF!</u>	<u>359,241</u>
	<u>#REF!</u>	<u>360,188</u>