

## MUDARABAH INVESTMENT ACCOUNT - TERM FUND-i

### Fund Performance Report for the Quarter Ended 31 March 2016

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following fund performance report for the quarter-ended 31 March 2016.

#### FUND INFORMATION

##### Type of Product

- This is an unrestricted investment account known as Mudarabah Investment Account under the Term Fund-i, where the customers provide the Bank with the mandate to invest in the Bank's selected portfolio of Shariah compliant assets, which may provide customers with potentially higher returns

##### Applicable Product

- General Investment Account-i (GIA-i)

##### Type of Investors

- Individual
- Small & Medium Enterprises (SME)
- Business Banking (BB)
- Global Banking (GB)

##### Fund Inception

- 16 July 2015

##### Fund Investment Objectives

- The Fund's objective is to preserve capital while providing stable returns through low to moderate risk investments

##### Fund Investment Strategy

- The Fund will be invested in a blended portfolio of the Bank's assets
- This is a low to moderate risk investment to achieve capital preservation and steady returns

##### Profit Distribution Frequency

- Monthly

##### Valuation

- The Bank will perform valuation of the underlying assets of the Fund in accordance with the Malaysian Financial Reporting Standards ("MFRS") which will be carried out on a monthly basis

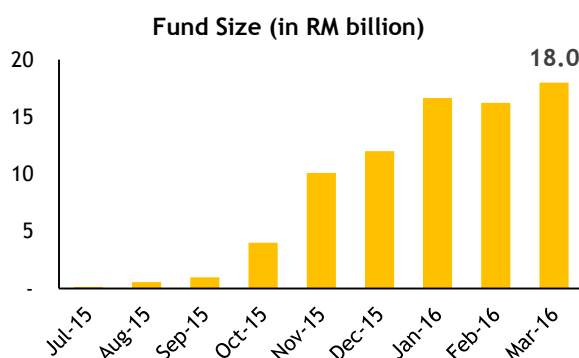
##### Other Information

- For fees, charges and other details on the product, please refer to [www.maybank2u.com.my](http://www.maybank2u.com.my)

#### FUND PERFORMANCE

##### Fund Size and Growth

As at March 2016, the Term Fund-i balance was recorded at RM 18.0 billion, 50% year-to-date growth from RM12 billion in December 2015.



#### FUND PERFORMANCE

##### Asset Allocation

The fund is invested in a portfolio of the Bank's retail and non-retail assets<sup>1</sup> and the asset allocation for the past two quarters is as per the table below. The asset allocation is within the stated investment objective and strategy.

Type of Assets	GIA-i		GIA-i 12 Campaign	
	Dec 2015	Mar 2016	Dec 2015	Mar 2016
Retail Financing	100%	78%	97%	78%
Non-Retail Financing	-	22%	3%	22%
Marketable Securities	-	-	-	-
	100%	100%	100%	100%

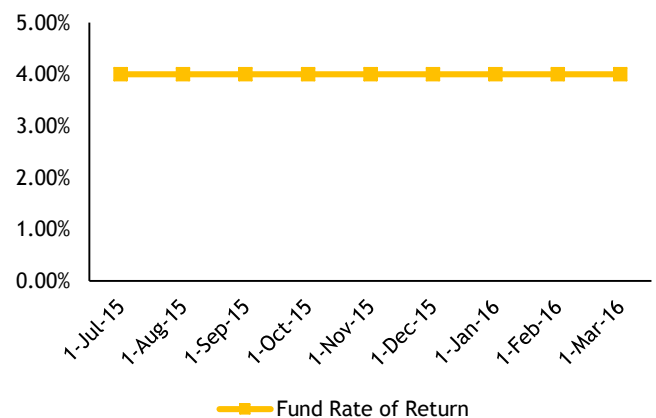
Notes:

<sup>1</sup>Retail assets consist of Unit Trust, Automobile, Home, Personal and Credit Card Financing while non-retail assets consists of SME Term and BB Term Financing

##### Rate of Return of GIA-i

Based on the performance of the underlying assets, the rate of return to customers recorded an average of 4.00% p.a. per month since the Fund's inception and for 1Q 2016. The Bank foresees the asset performance to remain stable during the 2Q 2016. This is in line with the Bank's Net Impaired Financing ratio which recorded a healthy ratio of 0.74% as at 31 March 2016 (31 December 2015: 0.65%).

GIA-i Historical Rate of Return



Period	16 January 2016 to 15 February 2016	16 February 2016 to 15 March 2016	16 March 2016 to 15 April 2016
Fund Rate of Return to IAH	4.00% p.a.	4.00% p.a.	4.00% p.a.
Profit Sharing Ratio (PSR) (IAH: Bank)	70:30	70:30	70:30

Notes:

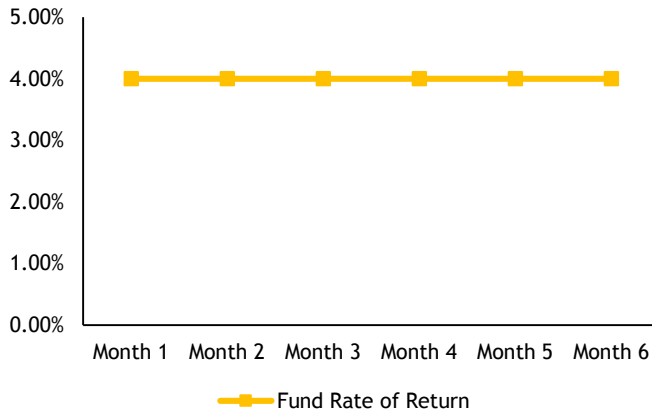
- The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula:  
Rate of Return = (Total Income - Impairment Allowances) \* PSR
- Past performance is not reflective of future performance

## FUND PERFORMANCE

### Rate of Return of GIA-i 12-month Campaign (“GIA-i 12”)

This section is applicable for customers who have made placement under the GIA-i 12 campaign from 1st October 2015 until 15th January 2016.

GIA-i 12 Campaign Historical Rate of Return



Period	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Fund Rate of Return to IAH	4.00% p.a.	4.00% p.a.	4.00% p.a.	4.00% p.a.	4.00% p.a.	4.00% p.a.
PSR (IAH: Bank)	70:30	70:30	70:30	70:30	70:30	70:30

#### Notes:

- The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula:  
Rate of Return = (Total Income - Impairment Allowances) \* PSR
- Past performance is not reflective of future performance

## MARKET OUTLOOK

Malaysia’s real GDP growth is expected to ease to 4.3% (2015: 5.0%) on slower domestic demand from moderating consumer spending and private investment. However, public investment is expected to be sustained on the continuation of existing and rollout of new major infrastructure and investment projects notwithstanding a revision of the Budget 2016 in response to the fall in crude oil price.

Meanwhile, there is the possibility of the Overnight Policy Rate (“OPR”) being cut by 25bps from current 3.25% despite higher inflation at 3.0%-3.5% (2015: 2.1%) as Bank Negara Malaysia leans towards supporting growth. Loans and financing growth in Malaysia is likely to moderate further in 2016 to about 6%-7% from 7%-8% in 2015, as household loans and financing growth continues to ease. Maybank Malaysia loans and financing growth is expected to track industry growth and continue expansion of fee-income generating activities.

The Bank’s strategic priorities for 2016 will be to strengthen its balance sheet by managing liquidity and safeguarding asset quality while continued focus will be placed on preserving margins. The Bank also seeks to maintain strong capital levels, well above regulatory requirements. Barring any unforeseen circumstances, the Bank expects its financial performance for 2016 to be satisfactory in a more challenging regional environment.

Source: Maybank Islamic Berhad Financial Statements for the quarter ended 31 March 2016