

## MUDARABAH INVESTMENT ACCOUNT - DAILY FUND-i (GB)\*

### Fund Performance Report for the Quarter Ended 30 June 2018

Dear Valued Investment Account Holder (“IAH”),

We are pleased to present the following fund performance report for the quarter-ended 30 June 2018.

#### FUND INFORMATION

##### Type of Product

- This is an unrestricted investment account known as Mudarabah Investment Account under the Daily Fund-i (GB), 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

- Premier Mudarabah Account-i (“PMA-i”)

##### Type of Investors

- Corporate Customers

##### Fund Inception

- 16 July 2015

##### Fund Investment Objectives

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

##### Fund Investment Strategy

- The Fund will be invested in a blended portfolio of the Bank’s assets
- This is a low 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

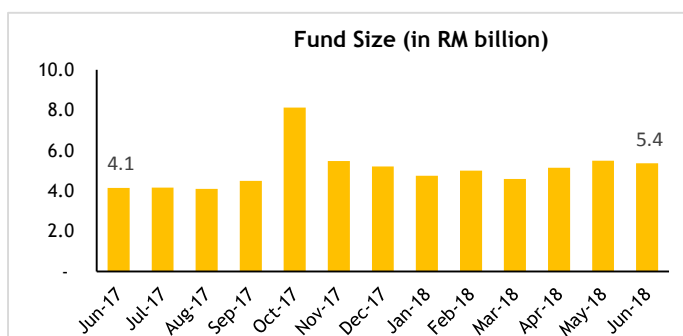
##### Other Information

- 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 of Daily Fund-i (GB)

As at June 2018, the Daily Fund-i (GB) balance was recorded at RM 5.4 billion, 29% year-on-year growth from RM 4.1 billion in June 2017.



\*GB refers to the Global Banking / Corporate customers of the bank.

#### FUND PERFORMANCE

##### Asset Allocation of Daily Fund-i (GB)

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.

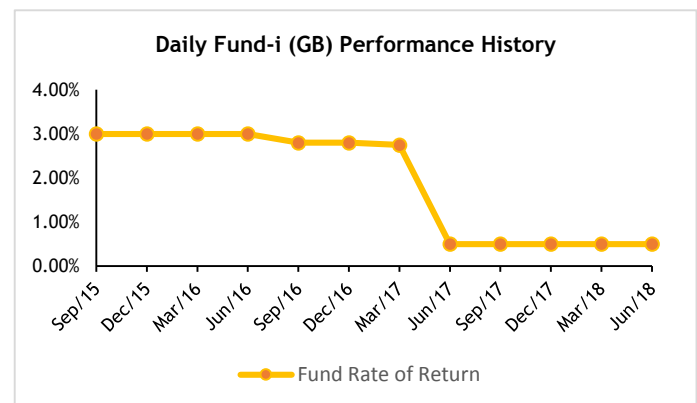
Type of Assets	Mar 2018	Jun 2018
Retail Financing	100%	91%
Non-Retail Financing	-	9%
Marketable Securities	-	-
	100%	100%

Notes:

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

##### Profit Rate of Daily Fund-i (GB)

Based on the performance of the underlying assets, the profit rate to customers recorded an average of 2.03% p.a. since the Fund’s inception and an average of 0.5% for 2Q 2018.



Period	16 Apr 2018 to 15 May 2018	16 May 2018 to 15 Jun 2018	16 Jun 2018 to 15 Jul 2018
Fund Profit Rate to IAH (p.a.)	0.50% p.a.	0.50% p.a.	0.50% p.a.
Profit Sharing Ratio (“PSR”) (IAH: Bank)	10:90	10:90	10:90

Notes:

1. The fund profit rate represents the net profit rate to the IAH and is computed based on the following formula:

$$\text{Profit Rate} = (\text{Total Income} - \text{Impairment Allowances}) * \text{PSR}$$

2. Past performance is not reflective of future performance.

## MARKET OUTLOOK

The global economy continues to expand albeit with some divergence across economies while global trade sustained its growth momentum. In the advanced economies, rising income and policy support, particularly in the US, will continue to drive growth. Growth in Asia will be supported by sustained domestic activity and external demand. However, the balance of risks to the outlook has tilted to the downside. The intensification of global trade tensions could affect sentiments and weigh on trade, investment and consumption. Coupled with ongoing monetary policy normalisation in the advanced economies, shifting investor expectations and sentiments could lead to further capital outflows and financial market adjustments in some emerging economies.

The Malaysian economy continued to expand in the first half of 2018, supported by private sector activity with additional impetus from net exports. The positive growth performance is expected to be sustained, driven by both domestic and external demand. Private consumption will be underpinned by continued wage and employment growth, with an additional lift from higher household spending due to the tax holiday. Investment activity is projected to be supported by capacity expansion mainly in the export-oriented industries and ongoing infrastructure projects, particularly in the transport and utilities sub-sectors. The external sector will continue to benefit from the sustained global growth momentum. The growth outlook will be further supported with greater certainty in domestic policy in the coming months. Overall, the Malaysian economy is expected to remain on a steady growth path.

Headline inflation for 2018 is projected to be lower than earlier forecast taking into consideration the impact of recent policy measures on domestic cost factors. The impact of these measures on inflation, however, is transitory. Headline inflation is likely to turn negative in some months and remain low in the first half of 2019 before trending upwards as these transitory effects lapse. Core inflation is nevertheless expected to remain relatively stable in line with sustained domestic demand.

The positive domestic economic outlook, sound financial sector and improving current account surplus of the balance of payments will continue to support Malaysia's fundamentals. Domestic financial markets have remained resilient despite non-resident portfolio outflows. The ringgit exchange rate would be more reflective of the underlying fundamentals of the economy when the external and domestic uncertainties recede. Notwithstanding the heightened financial market volatility, the domestic monetary and financial conditions remain supportive of economic growth. Bank Negara Malaysia's monetary operations continue to ensure sufficient liquidity to support the orderly functioning of money and foreign exchange markets and intermediation activity.

At the current level of the OPR, the degree of monetary accommodativeness is consistent with the intended policy stance. The MPC will continue to monitor and assess the balance of risks surrounding the outlook for domestic growth and inflation.

Source: BNM Monetary Policy Statements 11<sup>th</sup> Jul 2018