

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

Fund Performance Report for the Quarter Ended 31 March 2022

Dear Valued Investment Account Holder (“IAH”),

We are pleased to present the following fund performance report for the quarter-ended 31 March 2022.

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.

Applicable Product

- Premier Mudharabah Account-i (“PMA-i”) for Global Banking

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

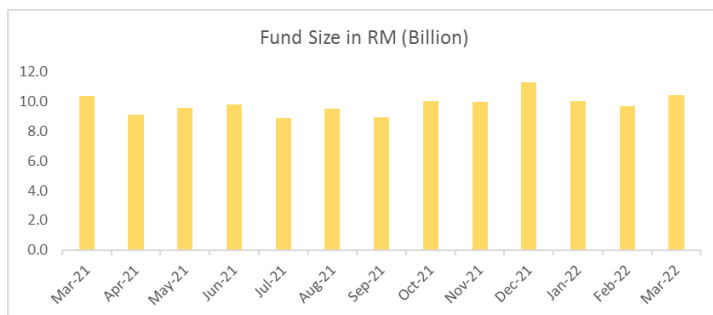
Other Information

- For fees, charges and other details on the product, please refer to www.maybank2u.com.my

FUND PERFORMANCE

Fund Size and Growth of Daily Fund-i (GB)

As at March 2022, the Daily Fund-i (GB) balance was recorded at RM 10.44 billion, which is a 0.5% year-on-year increase from RM 10.39 billion in March 2021.



FUND PERFORMANCE

Asset Allocation of Daily Fund-i (GB)

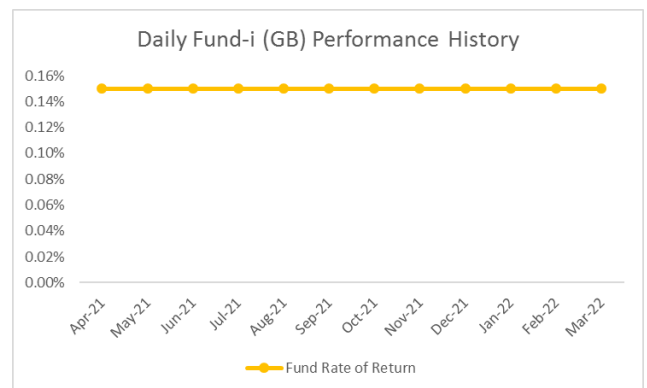
The fund is invested in a portfolio of the Bank’s retail and non-retail assets¹ and the asset allocation for the past two quarters is per the table below. The asset allocation is within the stated investment objective and strategy.

Type of Assets	December 2021	March 2022
Retail Financing	94%	94%
Non-Retail Financing	6%	6%
Marketable Securities	-	-
	100%	100%

Notes:

¹Retail 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 rate of 0.15% p.a. for the past 12 months and an average rate of 0.15% p.a. for Q1 2022.

Period	16 Jan 2022 to 15 Feb 2022	16 Feb 2022 to 15 Mar 2022	16 Mar 2022 to 15 Apr 2022
Fund Profit Rate to IAH (p.a.)	0.15% p.a.	0.15% p.a.	0.15% p.a.
Profit Sharing Ratio (“PSR”) (IAH: Bank)	4:96	4:96	4:96

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

OPR kept at record low 1.75% at the 2-3 March 2022 BNM's Monetary Policy Committee (MPC) meeting i.e. for the tenth consecutive MPC meeting and since July 2020. Monetary Policy Statement (MPS) acknowledged downsides from Ukraine Russia military conflict. Maintain our call of unchanged OPR for much of 2022 before a +25bps rise in 4Q 2022 i.e. 2-3 Nov 2022 MPC meeting. BNM Annual Report 2021 will be out on 30 Mar 2022, which comes with reviews of official 2022 macro forecasts.

For 2022, BNM still expect firmer real GDP growth of +5.3% to +6.3% range (2022F previous: +5.5% to +6.5%; 2021: +3.1%). Real GDP value for 2022 is MYR1,466.6b i.e. +5.8% growth or midpoint of the current forecast range and vs Budget 2022's +6.0% (midpoint of previous forecast range). Growth will be driven by expansions in all economic sectors and demand aggregates. By sectors, services accelerates to +6.9% (2022F previous: +7.0%; 2021: +1.9%) as manufacturing growth moderates to +5.2% (2022F previous: +4.7%; 2021: +9.5%) amid rebounds in mining (2022F: +2.5%; 2022F previous: 0.3%; 2021: +0.7%), agriculture (2022F: +1.5%; 2022F previous: +3.9%; 2021: 0.2%) and construction (2022F: +6.1%; 2022F previous: +11.5%; 2021: +5.2%).

In Jan 2022, Industrial Production Index (IPI) eased to +4.3% YoY (Dec 2021: +5.9% YoY) while Distributive Trade Index (DTI) and Crude Palm Oil (CPO) output growth picked up to +3.6% YoY (Dec 2021: +0.8% YoY) and +11.3% YoY (Nov 2021: +8.8% YoY) respectively. Inputting these indicators into our monthly GDP tracker spreadsheet, we estimated the economy grew by a faster +3.4% YoY in Jan 2022 (Dec 2021: +2.6% YoY).

Double digit monthly external trade growth continued in Feb 2022 but on easing trend as exports and imports moderated +16.8% YoY (Jan 2022: +23.9% YoY) and +18.4% YoY (Jan 2022: +26.7% YoY). Trade surplus widened slightly to of +MYR19.8b (Jan 2022: +MYR18.6b). In the wake of Russia Ukraine war, Malaysia's external trade outlook now is a "battle" between the upside to high commodity prices and the downside to global economic outlook.

CPI eased to +2.2% YoY in Feb 2022 (Jan 2022: +2.3% YoY) as diminishing base effect of transport cost offset higher food & non-alcoholic beverages (FNAB) cost. Core inflation inched up to +1.8% YoY (Jan 2022: +1.6% YoY; 2021: +0.7%) amid pent up discretionary spending and services demand following economic opening. We maintain our full-year 2022 inflation at +2.7% (2021: +2.5%) but acknowledged the upside risks going forward from elevated commodity prices and risk of fuel subsidies review.

References:

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (2022). BNM Monetary Policy, No OPR change as geopolitical risk escalates.

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Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (2022). Malaysia Monthly GDP Estimate Economy picked up in Jan 2022.

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