

## MUDARABAH INVESTMENT ACCOUNT - TERM FUND-i

### Fund Performance Report for the Quarter Ended 31 March 2019

Dear Valued Investment Account Holder (“IAH”),

We are pleased to present the following fund performance report for the quarter-ended 31 March 2019.

#### 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

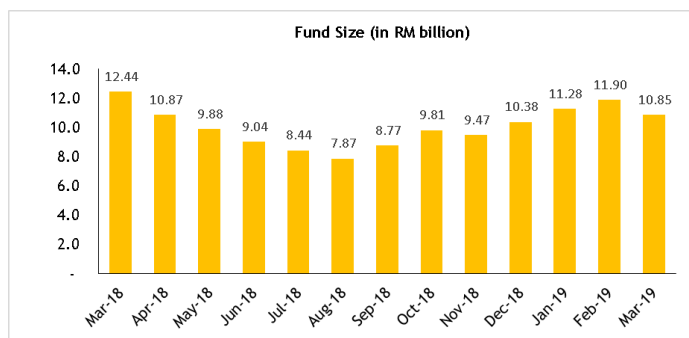
##### Other Information

- 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 2019, the Term Fund-i balance was recorded at RM 10.9 billion, 13% reduction year-on-year from RM 12.4 billion in March 2018.



#### 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.

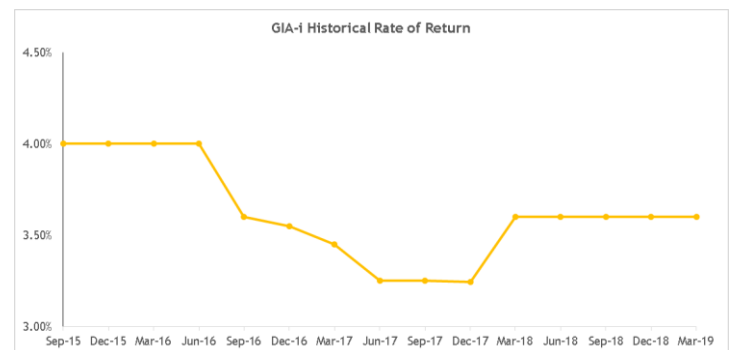
Type of Assets	GIA-i		GIA-i Campaign	
	Dec 2018	Mar 2019	Dec 2018	Mar 2019
Retail Financing	91%	90%	100%	100%
Non-Retail Financing	9%	10%	-	-
Marketable Securities	-	-	-	-
	100%	100%	100%	100%

Notes:

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

##### Profit Rate of GIA-i

Based on the performance of the underlying assets, the profit rate to customers for 12 months tenure recorded an average of 3.63% p.a. since the Fund’s inception and an average of 3.60% p.a. for 1Q 2019.



Period	16 Jan 2019 to 15 Feb 2019		16 Feb 2019 to 15 Mar 2019		16 Mar 2018 to 15 Apr 2019	
	Fund Profit Rate to IAH (p.a.)	Profit Sharing Ratio (“PSR”) (IAH : Bank)	Fund Profit Rate to IAH (p.a.)	Profit Sharing Ratio (“PSR”) (IAH : Bank)	Fund Profit Rate to IAH (p.a.)	Profit Sharing Ratio (“PSR”) (IAH : Bank)
1 mth	2.50%	50:50	2.50%	50:50	2.50%	50:50
2 - 5 mths	3.30%	66:34	3.30%	66:34	3.30%	66:34
6 - 11 mths	3.40%	68:32	3.40%	68:32	3.40%	68:32
12 - 35 mths	3.60%	72:28	3.60%	72:28	3.60%	72:28
36 mths	3.65%	73:27	3.65%	73:27	3.65%	73:27
48 mths	3.65%	73:27	3.65%	73:27	3.65%	73:27
60 mths	3.75%	75:25	3.75%	75:25	3.75%	75:25

Notes:

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

## FUND PERFORMANCE

### Profit rate of GIA-i 6-month Campaign ("GIA-i 6")

This section is applicable for customers who have made fresh fund placement under the GIA-i 6 campaign from 1<sup>st</sup> January 2019 until 31<sup>st</sup> March 2019.

#### GIA-6 Campaign

##### a. Fresh Fund Placement

Month	Fund Profit Rate to IAH (p.a.)	Profit Sharing Ratio ("PSR") (IAH : Bank)
1	3.90%	50% or more
2	3.90%	50% or more
3	3.90%	50% or more

##### b. Non- Fresh Fund Placement

Month	Fund Profit Rate to IAH (p.a.)	Profit Sharing Ratio ("PSR") (IAH : Bank)
1	4.00%	50% or more
2	4.00%	50% or more
3	4.00%	50% or more

#### GIA-12 Campaign

##### a. Fresh Fund Placement

Month	Fund Profit Rate to IAH (p.a.)	Profit Sharing Ratio ("PSR") (IAH : Bank)
1	4.28%	50% or more
2	4.28%	50% or more
3	4.28%	50% or more

##### b. Non- Fresh Fund Placement

Month	Fund Profit Rate to IAH (p.a.)	Profit Sharing Ratio ("PSR") (IAH : Bank)
1	4.18%	50% or more
2	4.18%	50% or more
3	4.18%	50% or more

#### Notes:

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

## MARKET OUTLOOK

The global economy continues to expand moderately. While growth outcomes for several major economies were better than expected during the first quarter, underlying economic conditions continue to suggest moderation going forward. Considerable downside risks to global growth remain, stemming from unresolved trade tensions and prolonged country-specific weaknesses in the major economies, further dampening global trade and investment activities. Although the tightening in global financial conditions has eased somewhat, heightened policy uncertainties could lead to sharp financial market adjustments, further weighing on the overall outlook.

For Malaysia, latest developments point towards moderate economic activity in the first quarter of 2019. Looking ahead, slowing global demand conditions and subdued growth of key trading partners will continue to weigh on the external sector.

Domestically, stable labour market conditions and capacity expansion in key sectors will continue to drive household and capital spending. The baseline projection is for the Malaysian economy to grow within the projected range of 4.3% - 4.8%. However, there are downside risks to growth from heightened uncertainties in the global and domestic environment, trade tensions and extended weakness in commodity-related sectors.

Headline inflation increased to 0.2% in March 2019 (February: -0.4%), due mainly to the less negative transport inflation at -3.0% (February: -6.8%). Underlying inflation, as measured by core inflation[1], remained stable at 1.6% in March 2019. In the immediate term, inflation is expected to remain low mainly due to policy measures. These include the price ceiling on domestic retail fuel prices until mid-2019 and the impact of the changes in consumption tax policy on headline inflation. For 2019 as a whole, average headline inflation is expected to be broadly stable compared to 2018. The trajectory of headline inflation will continue to be dependent on global oil prices. Underlying inflation is expected to remain stable, supported by the continued expansion in economic activity and in the absence of strong demand pressures.

The domestic financial markets have remained resilient, despite periods of volatility primarily due to global developments. While domestic monetary and financial conditions remain supportive of economic growth, there are some signs of tightening of financial conditions. The adjustment to the OPR is therefore intended to preserve the degree of monetary accommodativeness. This is consistent with the monetary policy stance of supporting a steady growth path amid price stability. The MPC will continue to monitor and assess the balance of risks surrounding the outlook for domestic growth and inflation.

Source: BNM Monetary Policy Statement 7th May 2019