

MUDARABAH INVESTMENT ACCOUNT - TERM FUND-i

Fund Performance Report for the Quarter Ended 31st December 2024

Dear Valued Investment Account Holder ("IAH"),

We are pleased to present the following fund performance report for the quarter ended 31st December 2024

FUND INFORMATION

Type of Product

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

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

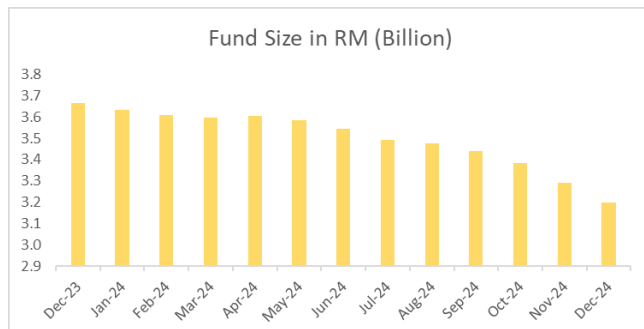
Other Information

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

FUND PERFORMANCE

Fund Size and Growth

As at December 2024, the Term Fund-i balance was recorded at RM 3.20 billion, which is at 12.72% year-on-year declined from RM 3.67 billion in December 2023.



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FUND PERFORMANCE

Asset Allocation

The fund is invested in a portfolio comprising the Bank's retail and non-retail assets. The asset allocation for the past two quarters is outlined in the table below. This allocation adheres to the approved investment objective and strategy.

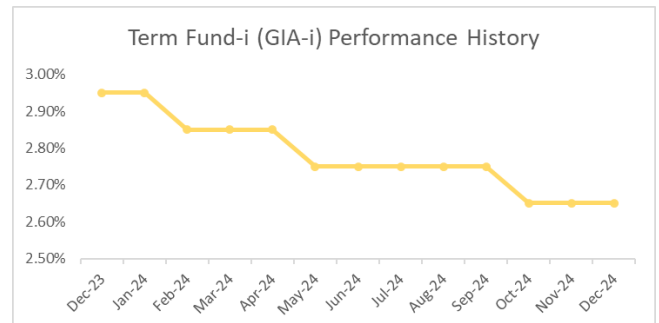
Type of Assets	GIA-i	
	September 2024	December 2024
Retail Financing	93.1%	93.2%
Non-Retail Financing	6.9%	6.8%
Marketable Securities	-	-
	100%	100%

Notes:

*Retail assets consist of Unit Trust, Automobile, Home, Personal and Credit Card Financing while non-retail assets consists of Commercial Banking and Corporate Banking Financing

Profit Rate of GIA-i

Based on the performance of the underlying assets, the profit rate to customers taking 12 months tenure period recorded an average rate of 2.77% p.a. for the past 12 months, and an average rate of 2.65% p.a. for Q4 2024.



Period	16 October 2024 to 15 November 2024		16 November 2024 to 15 December 2024		16 December 2024 to 15 January 2025	
	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 months	1.80%	42:58	1.80%	42:58	1.80%	42:58
2 months	2.45%	57:43	2.45%	57:43	2.45%	57:43
3 - 5 months	2.55%	59:41	2.55%	59:41	2.55%	59:41
6 - 11 months	2.60%	60:40	2.60%	60:40	2.60%	60:40
12 - 17 months	2.65%	61:39	2.65%	61:39	2.65%	61:39
18 - 24 months	2.65%	61:39	2.65%	61:39	2.65%	61:39
25 - 35 months	2.65%	61:39	2.65%	61:39	2.65%	61:39
36 - 47 months	2.70%	62:38	2.70%	62:38	2.70%	62:38
48 - 59 months	2.70%	62:38	2.70%	62:38	2.70%	62:38
60 months	2.70%	62:38	2.70%	62:38	2.70%	62:38

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

MARKET OUTLOOK

Bank Negara Malaysia (BNM) has maintained the Overnight Policy Rate (OPR) at 3.00% for the ninth consecutive Monetary Policy Committee (MPC) meeting, held on 6 November 2024. BNM believes that the current monetary policy is adequately accommodative to support domestic economy, particularly given the moderation in domestic inflation.

Headline inflation eased slightly to +1.8% YoY in November 2024 (October 2024: +1.9% YoY; 11M 2024: +1.8% YoY), while core inflation remained at +1.8% YoY (October 2024: +1.8% YoY). We maintain the headline inflation estimate for 2024 at +1.9% and the forecast for 2025 at +3.0%, factoring in the impact of Budget 2025 measures, such as expected rationalization of the RON95 petrol subsidy and higher labor costs (including the minimum wage hike, foreign workers' multi-tier levies, and mandatory EPF contributions for non-citizen employee).

In November 2024, Industrial Production picked up (+3.6% YoY; October 2024: +2.0% YoY). However, Distributive Trade slowed (+3.9% YoY; October 2024: +5.1% YoY), and Crude Palm Oil output fell further (-9.4% YoY; October 2024: -7.2% YoY). We estimate GDP growth at +4.3% YoY in November 2024 (October 2024 estimate: +3.8% YoY) and +4.0% YoY for October-November 2024. Our monthly GDP estimates are typically -1.0ppt lower than actual GDP. Even adjusted for this, the signal indicates that GDP growth eased in 4Q 2024 (3Q 2024: +5.3% YoY).

The unemployment rate remained steady at 3.2% in November 2024 (October 2024: 3.2%). We expect the unemployment rate to average 3.3% in 2024 and 3.2% in 2025 (11M 2024: 3.3%; 2023: 3.4%). This state of "full employment" is accompanied by firmer income growth, driven by Phase 1 of the civil service pay increase on December 1, 2024, and the monthly minimum wage hike to MYR 1,700 (from MYR 1,500) on February 1, 2025, which is positive for consumer spending. We expect real private consumption to grow at a faster pace of +5.8% in 2025 (2024 estimate: +5.2%).

With expectation of moderated inflation, a resilient domestic economy along with stable labor market, the current monetary policy is accommodative enough and we maintain our view for OPR to remain unchanged at 3.00% for 2025.

References:

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (Jan, 2025) - Malaysia Monthly GDP Estimate, Nov 2024

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (Jan, 2025) - Malaysia Labour Statistics, Nov 2024

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (Dec, 2024) - Malaysia CPI, Nov 2024