

PRODUCT HIGHLIGHTS SHEET

# MAYBANK MALAYSIA SUKUK FUND

Date of Issuance: 8 January 2024

## RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in the Product Highlights Sheet false or misleading.

## STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Maybank Malaysia Sukuk Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Maybank Malaysia Sukuk Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Malaysia Sukuk Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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This Product Highlights Sheet only highlights the key features and risks of the Maybank Malaysia Sukuk Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

### Maybank Malaysia Sukuk Fund

#### 1. What is Maybank Malaysia Sukuk Fund?

The Fund is Maybank Asset Management Sdn Bhd's first local sukuk fund. The Fund aims to provide investors with annual income through investing in a portfolio of sukuk.

#### 2. Product Suitability

The Fund is suitable for investors:

- with a conservative risk appetite;
- with a medium to long-term investment horizon; and
- who seek annual income through investing in sukuk.

*\* Medium to long-term means a period of 3 years and above.*

#### 3. Investment Objective

The Fund aims to provide investors with annual income through investing in a portfolio of sukuk.

*Any material changes to the investment objective of the Fund would require the Unit Holders' approval.*

#### 4. Key Product Features

Fund Type	Income.
Fund Category	Sukuk.
Benchmark	12-months Islamic Fixed Deposit-i rate. <i>Source: <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a></i>
Investment Strategy	To achieve the Fund's objective, the Fund will invest between 70% - 98% of the Fund's NAV in a portfolio of Ringgit Malaysia denominated sukuk issued and/or offered in Malaysia with a minimum sukuk rating of 'AA-' by RAM or equivalent rating by MARC. However, if any of the sukuk held in the Fund has been downgraded to a rating of "BBB+" or lower by RAM or equivalent rating by MARC, the Manager may choose to dispose the sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold onto the downgraded sukuk for up to 90 days. The Manager will also invest between 2% - 30% of the Fund's NAV in Islamic liquid assets including Islamic money market instruments and placement in Islamic deposits.  <i>Note: Please refer to section 3.5 in the prospectus for further details.</i>
Launch Date	8 January 2014.
Manager	Maybank Asset Management Sdn Bhd.
Trustee	TMF Trustees Malaysia Berhad.
Shariah Adviser	Maybank Islamic Berhad.
Minimum Initial Investment	RM1,000 or such other lower amount as determined by the Manager from time to time.
Minimum Additional Investment	RM100 or such other lower amount as determined by the Manager from time to time.

*Note: The Manager's distributors may set a lower minimum initial and/or additional investments than the above for investments made via the distributors subject to their terms and conditions for investment.*

<b>Minimum Units Held</b>	500 Units or such other lower number of Units as determined by the Manager from time to time.
<b>Distribution of Income</b>	<p>Distribution, if any, shall be on an annual basis.</p> <p>Subject to the provisions of the deed of the Fund, the Fund may distribute from realised income, realised gains and/or capital to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.</p> <p>Distribution out of the Fund's capital has a risk of eroding the capital of the Fund. It may reduce the Fund's capital available for future investment and the Fund's potential for future income generation; it may also cause the NAV of the Fund to fall over time. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</p>

## 5. Asset Allocation

LIMITS	INVESTMENT INSTRUMENTS
Between 70% - 98% of the Fund's NAV	<ul style="list-style-type: none"> <li>• Ringgit Malaysia denominated sukuk issued and/or offered in Malaysia</li> </ul>
Between 2% - 30% of the Fund's NAV	<ul style="list-style-type: none"> <li>• Islamic liquid assets including Islamic money market instruments and placement in Islamic deposits</li> </ul>

## 6. Key Risks

### Specific Risks

#### Company specific risk

Specific risks to Shariah-compliant securities issued by a company apply as there are adverse conditions or negative sentiments which a company can be uniquely exposed to, be it from the view of management issues, deteriorating business fundamentals or losing competitiveness. As a consequence, the price of Shariah-compliant securities issued by such company might fall and subsequently affect the Fund's performance. The impact of a specific company may be reduced as the Fund invests in a wide portfolio of investments thereby spreading the element of this risk through diversification.

#### Profit rate risk

This refers to the risk that the investment value of the Fund may generally be reduced due to a rise in future profit rates. Profit rate risk is particularly borne by profit-bearing assets, such as Islamic money market instruments or sukuk. In the event that a sukuk is held till maturity, the profit rate changes will not affect the yields of the sukuk. However, investors should be aware that whether the Fund will hold any sukuk until maturity will depend on actual and expected changes in profit rates.

Profit rates in Islamic money market instruments will fluctuate according to the overnight policy rate determined by Bank Negara Malaysia. On the other hand, sukuk are tradable and therefore, profit rates will be determined by supply and demand for such investments in the trading market. Islamic money market instruments and sukuk prices generally moves inversely with profit rates, the prices will decline when profit rate rises or are expected to rise. The price volatility is normally greater for longer-tenure profit-bearing asset rather than shorter-tenure profit-bearing asset as they are more sensitive to profit rate changes.

The Manager attempts to mitigate the profit rate risk of the Fund by managing the duration structure of the profit-bearing assets according to the Manager's view of the future profit rate trend. When profit rates are expected to increase, the Fund will switch to profit-bearing assets with shorter duration and are less sensitive to profit rate changes.

Default Risk

This risk will arise when the issuer of a sukuk fails to make timely payments of the profits and/or principal on the maturity date. Islamic deposits that the Fund has placed with financial institutions are also exposed to default risk. If the issuer or financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and profit foregone, causing the performance of the Fund to be adversely affected.

Distribution Out of Capital Risk

The Fund may distribute income out of its capital. The declaration and payment of distribution may have the effect of lowering the NAV of the Fund. In addition, distribution out of the Fund's capital may reduce part of the unit holders' original investment and may also result in reduced future returns to unit holders.

*Investors are reminded that the risks listed above may not be exhaustive and if necessary, they should consult their adviser(s), e.g. bankers, lawyers, Shariah advisers, stockbrokers or independent professional advisers for a better understanding of the risks.*

*For more details, please refer to Chapter 3.6 in the prospectus for the general and specific risks of investing in the Fund.*

*Note: If your investments are made through an IUTA ("Distributor") which adopts the nominee system of ownership, you would not be deemed to be a Unit Holder under the deed and as a result, your rights as an investor may be limited. Accordingly, we will only recognise the Distributor as a Unit Holder of the Fund and the Distributor shall be entitled to all the rights conferred to it under the deed.*

**7. Fees and Charges**

This table describes the charges that you may directly incur when you buy or sell the Units of the Fund:

<u>Charges</u>	<u>%/RM</u>
Sales Charge*	: Up to 2.00% of the NAV per Unit of the Fund will be imposed by the Manager.
Redemption Charge	: Nil.
Switching Fee**	: A switching fee of RM10.00 per switch will be imposed on Unit Holders.
Transfer Fee***	: A transfer fee of RM10.00 per transfer will be imposed on Unit Holders.

*Notes:*

\* *The Manager reserves the right to waive or reduce the sales charge from time to time at its absolute discretion. Investors may also negotiate for a lower sales charge. All sales charges will be rounded up to two (2) decimal places and will be retained by the Manager.*

\*\* *The Manager reserves the right to waive the switching fee. In addition to the switching fee, the Unit Holder will have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.*

\*\*\* The Manager reserves the right to waive the transfer fee. The Manager reserves the right to decline any transfer request if such transfer will expose the Manager to any liability and/or will contravene any law or regulatory requirements, whether or not having the force of law.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

This table describes the charges that you may indirectly incur when you buy or sell the Units of the Fund:

Charges	%/RM
Management Fee	: Up to 1.00% per annum of the NAV of the Fund, accrued daily and paid monthly to the Manager.
Trustee Fee	: 0.05% per annum of the NAV of the Fund, accrued daily and paid monthly to the Trustee.

*Note: All fees, charges and expenses stated herein are exclusive of any taxes or duties as may be imposed by the government or other authorities from time to time. The Unit Holder and/or the Fund (as the case may be) are responsible to pay the applicable amount of tax in addition to the fees, charges and expenses stated herein.*

## 8. Valuation of Investment

The Fund will be valued once at the end of every Business Day.

Unit Holders will be able to obtain the Unit price of the Fund from [www.maybank-am.com.my](http://www.maybank-am.com.my). Alternatively, the Manager's client servicing personnel can be contacted at 03-2297 7888.

## 9. Exiting from Investment

Submission of Redemption Request	The cut-off time for redemption request shall be at 4.00 p.m. on a Business Day. <i>Note:</i> <i>The Manager's distributors may set an earlier cut-off time for receiving applications in respect of any dealing in Units. Please check with the respective distributors for their respective cut-off time.</i>
Payment of Redemption Proceeds	Redemption proceeds will be paid within seven (7) Business Days from the date the redemption request is received by the Manager.
Remittance of Redemption Proceeds	The Manager shall remit redemption proceeds to the account held in the name of the Unit Holder(s).

## 10. FUND PERFORMANCE

### i. The average total returns of the Fund

Note: Basis of calculation and assumption made in calculating the returns:

$$\text{Performance return} = \frac{\text{NAV } t - \text{NAV } t-1}{\text{NAV } t-1}$$

$$\text{Annualised performance return} = \left[ \frac{(1 + \text{performance return})^{\text{number of period per year}}}{\text{total no. of periods}} \right] - 1$$

*NAV t refers to NAV at the end of the period.*

*NAV t-1 refers to NAV at the beginning of the period.*

As at 31 January	5 years	3 years	1 year	Since Inception
Fund	4.26%	2.08%	2.34%	4.00%
Benchmark	2.56%	2.10%	2.32%	2.85%

II. The annual total return of the Fund

	11- months period ended 31 January 2015*	Year ended 31 January 2016	Year ended 31 January 2017	Year ended 31 January 2018	Year ended 31 January 2019	Year ended 31 January 2020	Year ended 31 January 2021	Year ended 31 January 2022	Year ended 31 January 2023
Fund	3.46%	3.29%	3.87%	4.32%	5.37%	9.93%	4.81%	(0.82%)	2.34%
Benchmark	3.02%	3.30%	3.25%	3.13%	3.35%	3.16%	2.13%	1.85%	2.32%

Note: \*Period from 24 February 2014 (commencement date)

The total return of the Fund is based on the following calculation:

Capital return =	$\frac{\text{NAV per unit at the end of the period}}{\text{NAV per unit at the beginning of the period}} - 1$
Income return =	$\frac{\text{Income distribution per unit}}{\text{NAV per unit on ex-date}}$
Total return =	$(1 + \text{Capital return}) \times (1 + \text{Income return}) - 1$

1-Year Fund performance review

The Fund registered a total return of 2.34% against its benchmark's return of 2.32%, thus outperformed the benchmark by 0.02%.

III. Portfolio turnover ratio ("PTR")

Portfolio turnover is a measure of the volume of trading undertaken by a fund in relation to the fund's size.

PTR for the financial year ended 31 January 2021	PTR for the financial year ended 31 January 2022	PTR for the financial year ended 31 January 2023
0.45	0.31	0.16*

\* The PTR is lower than the previous financial year due to the decrease in trading activities during the period under review.

IV. Distribution

	Year ended 31 January 2021	Year ended 31 January 2022	Year ended 31 January 2023
Gross distribution per Unit	RM0.039	RM0.035	RM0.031

Net distribution per Unit	RM0.039	RM0.035	RM0.031
Cash or Units	Cash and units	Cash and units	Cash and units

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

## 11. Contact Information

### I. For internal dispute resolution, you may contact:

#### *Clients Servicing Personnel*

Tel : 03-2297 7888  
Fax : 03-2715 0071  
Email : [mamcs@maybank.com.my](mailto:mamcs@maybank.com.my)  
Website : [www.maybank-am.com](http://www.maybank-am.com)

### II. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

- a. via phone to : 03-2282 2280
- b. via fax to : 03-2282 3855
- c. via email to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- d. via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

### III. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- a. via phone to the Aduan Hotline at : 03-6204 8999
- b. via fax to : 03-6204 8991
- c. via email to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- d. via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
- e. via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

### IV. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- a. via phone to : 03-7890 4242
- b. via email to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- c. via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
- d. via letter to : Legal & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-01, 6<sup>th</sup> Floor Wisma Tune  
No. 19 Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

## 12. Appendix: Glossary

“Business Day”	means a day on which Bursa Malaysia Securities Berhad is open for trading.
“Fund”	means the Maybank Malaysia Sukuk Fund.
“IUTA”	means a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
“MARC”	means Malaysian Rating Corporation Berhad.
“NAV”	means Net Asset Value.
“RAM”	means RAM Rating Services Berhad.
“SC”	means the Securities Commission Malaysia.
“Unit or Units”	means an undivided share in the beneficial interest or right in the Fund and a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund.
“Unit Holder”	means the person for the time being who is registered pursuant to the deed as a holder of Units including a jointholder.