

**Maybank****Asset Management****Sharia Advisor****SUSTAINALYTICS**

a Morningstar company

**ESG Research**

FUND FACT SHEET DECEMBER 2022

## Maybank Asian Growth and Income-I Fund

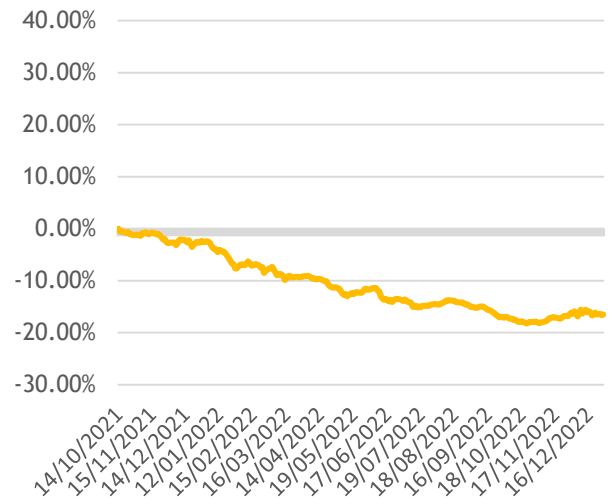
### INVESTMENT OBJECTIVE

The investment objective of the Maybank Asian Growth and Income-I Fund is to provide capital growth and income through investments in a portfolio of Shariah-compliant equities and sukuk.

### FUND FACTS

<b>Fund Manager</b>	Rachana Mehta/ Mark Chua
<b>Fund Inception Date</b>	Retail: 14 October 2021 Institutional: 8 September 2021
<b>Subscription Mode</b>	Cash/SRS
<b>Fund Size (AUM)</b>	USD 97.6 Million (As of 31 <sup>st</sup> December 2022)
<b>Minimum Investment</b>	SGD 1,000/USD 1,000
<b>Management Fee</b>	Retail: 1.25% p.a.
<b>Sales Charge</b>	Up to 5%
<b>Dealing Frequency</b>	Daily
<b>Target Dividend Distribution</b>	5.0% p.a.
<b>Dividend Distribution</b>	Monthly (1 <sup>st</sup> distribution 30 Dec 2021) <b>Class I (Acc) - USD (Insti)</b> SGXZ91933911 / MGIIINS SP <b>Class A (Acc) - SGD</b> SGXZ62798434 / MGIIAAS SP <b>Class A (Dist) - SGD</b> SGXZ86797644 / MGIIADS SP
<b>ISIN Codes/Bloomberg Tickers</b>	

### FUND PERFORMANCE (CUMULATIVE)



Source: Bloomberg as of 31<sup>st</sup> December 2022  
Performance based on Class A (Acc) - SGD

### PERFORMANCE Class A (Acc) SGD

Returns %	Portfolio
1 month	-0.08%
3 months	0.59%
6 months	-3.26%
Year-to-date (YTD)	-14.48%
1 year	-14.48%
Since inception p.a (Incepted on 14 October 2021)	-13.50%

DIVIDEND HISTORY - Class A (Dist) SGD	Record Date	Payment Date	Amount (SGD)
Jul 2022	28/07/22	10/08/22	0.0042
Aug 2022	30/08/22	09/09/22	0.0042
Sep 2022	29/09/22	11/10/22	0.0042

### STATISTICS

### SUKUK

Average Yield to Maturity	4.79%
Average Duration	3.09 Years

Average Credit Rating	BBB-
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DIVIDEND HISTORY - Class A (Dist) SGD	Record Date	Payment Date	Amount (SGD)
Oct 2022	28/10/22	09/11/22	0.0042
Nov 2022	29/11/22	09/12/22	0.0042
Dec 2022	29/12/22	11/01/23	0.0042

Source: Data as of 31<sup>st</sup> December 2022. Maybank Asset Management Singapore Pte Ltd, BNP Paribas Securities Services, Singapore Branch. Past performance is not an indication of future performance. Returns are calculated on a NAV-NAV basis, net of fees and assuming all dividends and distributions are reinvested, if any. Credit ratings are based on based on issue/issuer's rating or internal rating where applicable. Monthly distributions will be paid from Class A (Dist) SGD share class. The dividend amount and rate are not guaranteed and could vary according to prevailing market conditions and at the discretion of the Investment Manager. Underlying portfolio yield is an annualised percentage measure of interest and dividend income earned by the portfolio net of fees and expenses.

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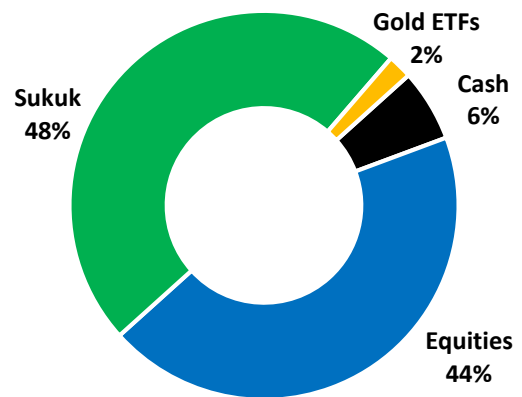
### FUND ALLOCATION

# Neutral

### CURRENT ASSET MIX

### Current Strategy

- On asset allocation, our models are indicating “Risk on” and we have increased our equity exposure back to the strategic allocation of 50/50 for fixed income and equities.
- Our active asset allocation (from a previous low of 5% in equities to 44%) allow our investors to position themselves to benefit from the upside of China’s re-opening.
- For sukuk, we prefer to position in the investment grade space over high yield and prefer selected names in the UAE and sovereign/quasi-sovereign names in Saudi Arabia.



### SUKUK EXPOSURES

TOP 5 HOLDINGS	%
OMANGS 4 ⅞ 06/15/30	3.80%
SNBAB 2.342 01/19/27	3.40%
DPWDU 6 PERP	3.30%
ADIBUH 7 ⅞ PERP	2.50%
DIBUH 2.95 02/20/25	2.50%

### EQUITY EXPOSURES

TOP 5 HOLDINGS	%
WHARF REAL ESTATE INVESTMENT	1.00%
SUN HUNG KAI PROPERTIES	0.90%
SWIRE PACIFIC LTD - CL A	0.90%
HENDERSON LAND DEVELOPMENT	0.90%
CHINA RESOURCES MIXC LIFESTY	0.90%

Source: Data as of 31<sup>st</sup> December 2022. Maybank Asset Management Singapore Pte Ltd, BNP Paribas Securities Services, Singapore Branch. Past performance is not an indication of future performance.

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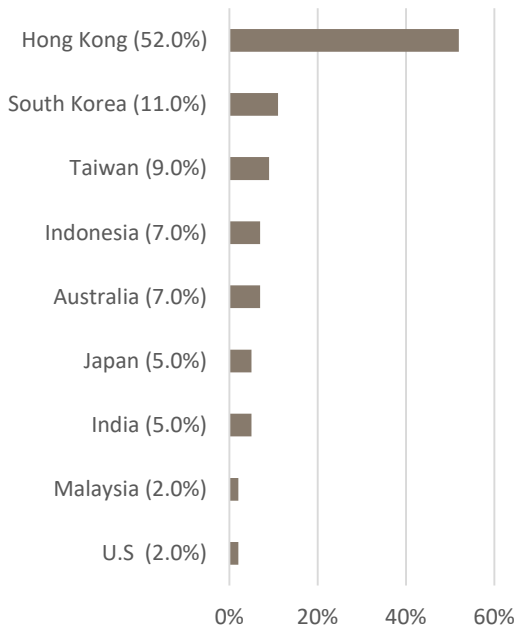
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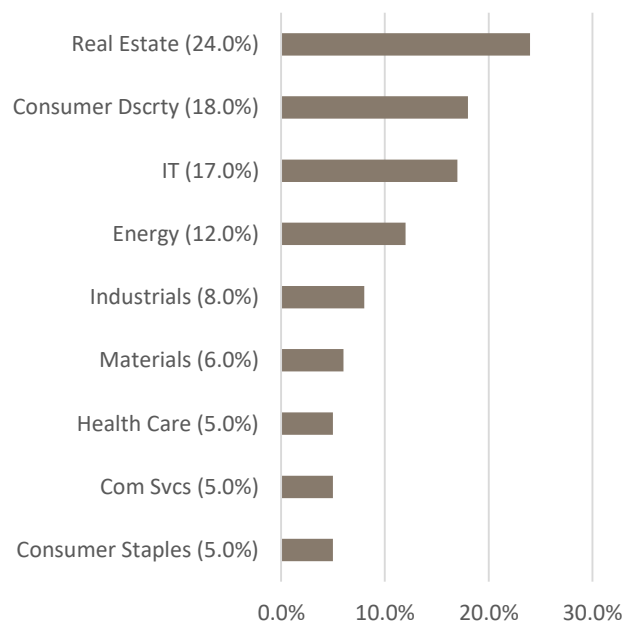
## Maybank Asian Growth and Income-I Fund

### EQUITY EXPOSURES

#### COUNTRY ALLOCATION

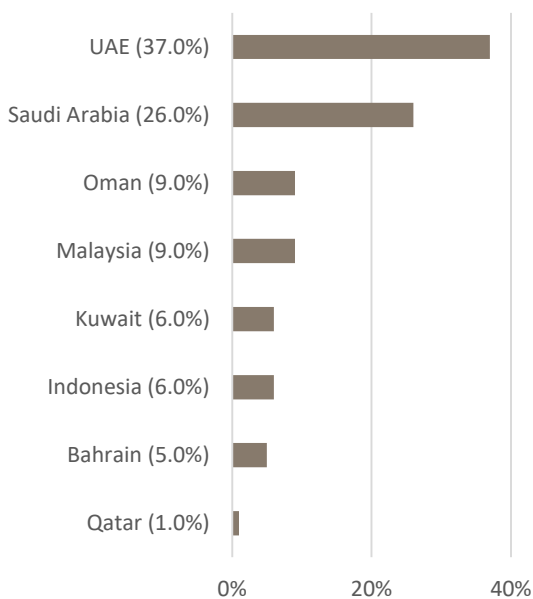


#### SECTOR ALLOCATION

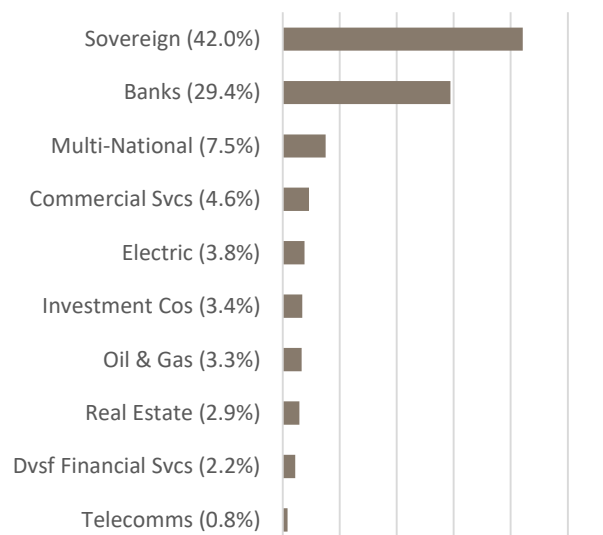


### SUKUK EXPOSURES

#### COUNTRY ALLOCATION



#### SECTOR ALLOCATION



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## Maybank Asian Growth and Income-I Fund

### FUND MANAGER'S COMMENTARY

#### Equities

Asian equities increased by 0.4% in December as concerns on the Fed rate hike cycle outweighed the boost from China's re-opening. India, Taiwan and Korea underperformed on concerns of higher interest rates and a cyclical downturn, while China and Hong Kong outperformed on the boost from economic re-opening.

Sector returns reflected the same story with re-opening beneficiaries such as Communications and Staples outperforming cyclicals such as IT, Energy and Industrials.

Value was the best performing style in November, notably in Taiwan, India and Singapore. Momentum was the worst performing style with the largest under-performance in China, Korea and ASEAN.

The fund is positioned to benefit from China's economic re-opening with over half of equities exposure allocated to Hong Kong equities. By sector, our largest exposures are in Real Estate, Consumer Discretionary and Information Technology.

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### FUND MANAGER'S COMMENTARY

#### Sukuk

US 10 year treasury yields fell by 27 basis points month-on-month to reach 3.87% as of end December but on a year-to-date basis, went down by 2.36%. US treasuries firmed up and narrowed its losses in the 4<sup>th</sup> quarter of 2022 as markets observed back to back moderating Consumer Price Index (CPI) figures in October and November, which fueled markets expectations that Fed will slow down its pace of rate hikes.

Meanwhile, the 3 month/10 year US Treasury curve saw an inversion trend of -53 basis points as markets priced in a higher recession probability.

We see a divergent story in the non-oil sector in the Middle East, with Egypt Purchasing Managers' Index staying below 50 while UAE & Saudi Arabia eased in December, and Qatar recovered due the benefits from hosting the World Cup. Consumer spending in Saudi Arabia continued to rapidly grow (+8.7% year-on-year) in November, primarily due to the spillover effects of the World Cup. On inflation, UAE's CPI rose to 6.8% in November on the back of rising transportation and service related sectors.

According to Qatar Tourism, international visitors into Qatar rose to 600k (1.5mil total) in November, with ticket sales exceeding that of 2018 Russia World Cup. Similarly, Dubai received 1.4mil visitors.

Oil prices came under pressure in December, primarily a result of slowing demand, and continue to be vulnerable. That said, we believe the following reasons will keep oil prices in our target range of US\$85: (i) OPEC+ production cuts; (ii) US commitment to replenish its Strategic Petroleum Reserve in 1st quarter of 2023; and (iii) full reopening of China.

Sukuk performance, as measured by Bloomberg GCC USD Sukuk Index (investment grade and high-yield), ended the year with slightly positive returns of 0.86% month-on-month as markets positioned for a Fed pivot given signs of moderating hikes. Within the Sukuk space, investment grade credits (as measured by Dow Jones Sukuk Index) returned 2.49% month-on-month; broadly underperforming high yield Sukuk (as measured by S&P Global HY Sukuk Index), which returned 3.03% month-on-month.

Meanwhile, sukuk portion of the fund returned -6.49% year-to-date. The fund has outperformed the Dow Jones Sukuk (DJSUKUK) index by 1.32% YTD, which returned -7.81%.

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### FUND MANAGER'S COMMENTARY

#### Outlook and Strategy

The final FOMC meeting of 2022 saw Fed delivering another 50 basis points hike as expected, from a step down of back-to-back 75 basis points hikes. However, as there is still upside risk to inflation (given the stickiness in the services component and robust US labour market data), we think Fed is unlikely to tilt to a premature easing in financial conditions and reverse into rate cuts.

We believe that excess returns on investments will likely come from currency appreciation in Malaysian Ringgit and Indonesian Rupiah, as the strength of the US dollar wanes. As such, we intend to add exposure in local currency Malaysia and Indonesia sovereign bonds in the near term.

We also intend to trim the exposure of Sukuks trading at tight credit spreads compared to historical levels and hold onto Gulf Cooperation Council bank AT1 perpetual bonds for their carry.

Within the Sukuk rating bucket, we prefer to position in investment grade Sukuk over high yield and prefer to position in selected names in UAE and sovereign or quasi-sovereign names in Saudi Arabia.

Within the high yield space, we prefer Oman issues to Bahrain for a long term perspective given their fiscal reforms and liability management practice; and will look to add more exposure in the event of a selloff.

On equities, we have turned positive on Asian equities. Valuations are at attractive levels and there is a catalyst effect from China's re-opening. We expect to lower our exposure to stocks with Value factor and build up a more balanced exposure to stocks in the Revisions and Momentum phase.

For Japan, we have turned Neutral as the positive effects from the currency stabilization is balanced by potential negative effects from the expected winding down of yield-curve control and higher interest rates.

We maintain our negative view on China A shares until we see more resilient consumption data over the Lunar New Year, which could be the next catalyst for turning more bullish in our views.

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For more information or to obtain a copy of the prospectus:

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