

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

a Morningstar company

**ESG Research**

FUND FACT SHEET MARCH 2023

## Maybank Asian Growth and Income-I Fund

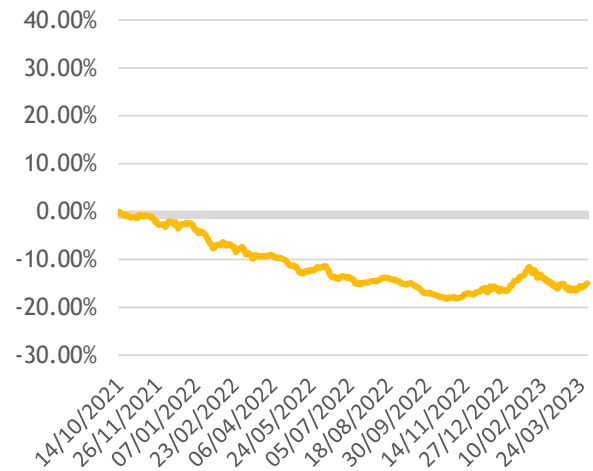
### INVESTMENT OBJECTIVE

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 98.7 Million (As of 31 <sup>st</sup> March 2023)
<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)



### PERFORMANCE Class A (Acc) SGD

Returns %	Portfolio
1 month	1.32%
3 months	1.87%
6 months	2.47%
Year-to-date (YTD)	1.87%
1 year	-6.35%
Since inception p.a (Incepted on 14 October 2021)	-10.19%

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

### STATISTICS

### SUKUK

Average Yield to Maturity	4.42%
Average Duration	2.75 Years

Average Credit Rating	BBB-
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DIVIDEND HISTORY - Class A (Dist) SGD	Record Date	Payment Date	Amount (SGD)
Jan 2023	30/01/23	09/02/23	0.0042
Feb 2023	27/02/23	09/03/23	0.0042
Mar 2023	30/03/23	12/04/23	0.0042

Source: Data as of 31<sup>st</sup> March 2023. 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. Please refer to Share Class Overview for more information on the dividend distribution. 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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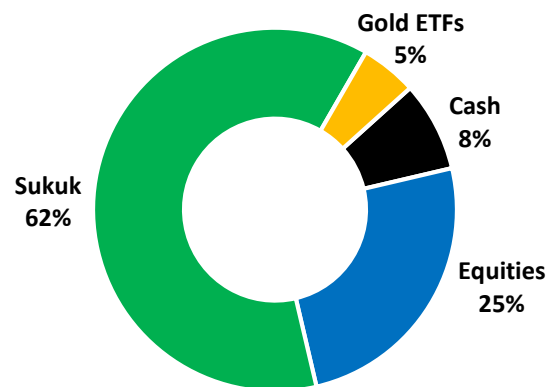
### FUND ALLOCATION

## Defensive

### CURRENT ASSET MIX

### Current Strategy

- On asset allocation, we have reduced our equity exposure (from 43% to 25%) following the banking failures in the US.
- While the fund does not invest in the US, Asian equities will be affected by the contagion in the event of a US banking crisis.
- We took profit in China and Hong Kong and partially allocated to Taiwan and Korea.
- For Sukuk, we continue to favour investment grade space over high yield and prefer GCC sovereign bonds and certain quasi sovereign credits.



### SUKUK EXPOSURES

TOP 5 HOLDINGS	%
IILM 4.9 04/06/23	8.00%
OMANGS 4 7/8 06/15/30	4.10%
DPWDU 6 PERP	3.50%
IILM 5.1 05/08/23	3.30%
DIBUH 2.95 02/20/25	2.60%

### EQUITY EXPOSURES

TOP 5 HOLDINGS	%
ALIBABA GROUP HOLDING LTD	2.35%
TAIWAN SEMICONDUTOR MANUFAC	0.90%
PETROCHINA CO LTD-H	0.70%
CONTEMPORARY AMPEREX TECHN-A	0.70%
UNITED MICROELECTRONICS CORP	0.60%

Source: Data as of 31<sup>st</sup> March 2023. 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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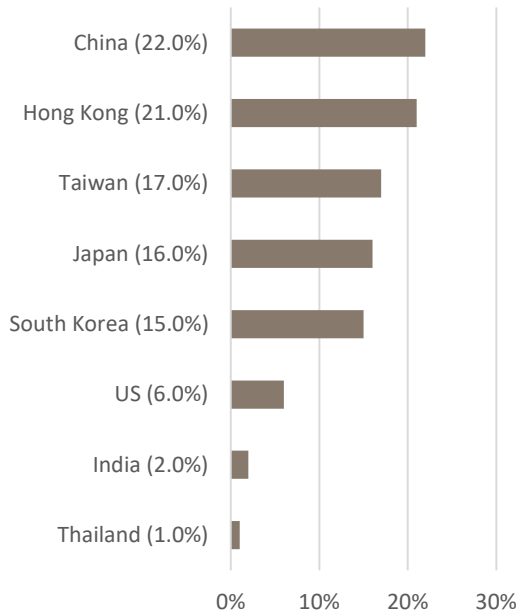
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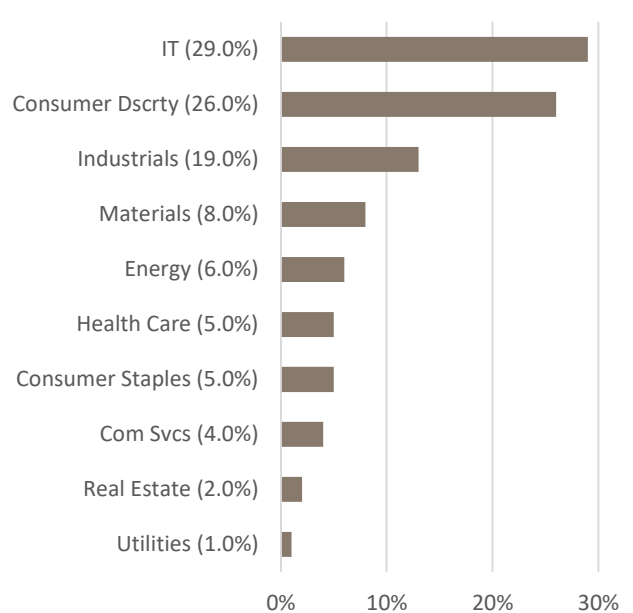
## Maybank Asian Growth and Income-I Fund

### EQUITY EXPOSURES

#### COUNTRY ALLOCATION

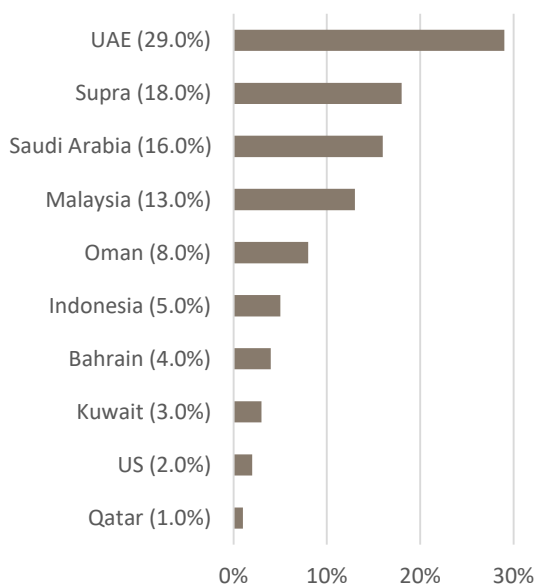


#### SECTOR ALLOCATION

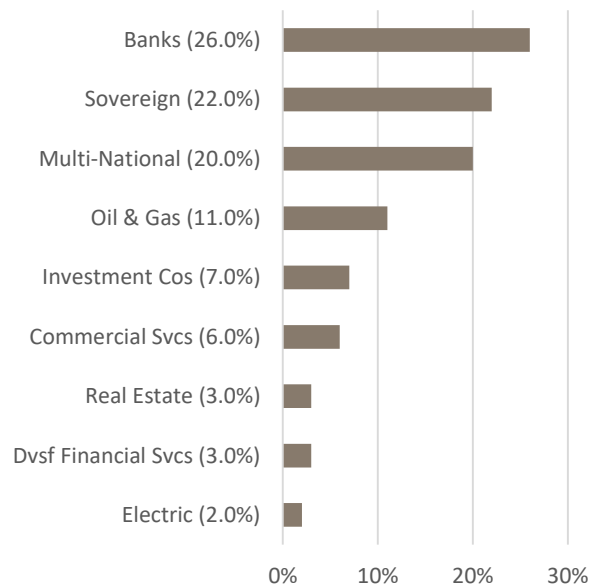


### SUKUK EXPOSURES

#### COUNTRY ALLOCATION



#### SECTOR ALLOCATION



Source: Data as of 31<sup>st</sup> March 2023. 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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## Maybank Asian Growth and Income-I Fund

### FUND MANAGER'S COMMENTARY

#### Equities

Asian equities increased by 3.5% in March despite the failures of several regional US banks as the impact of cumulative interest rate hikes took its toll. While Asian equities responded by moving lower, the decisive response by the Federal Reserve to provide liquidity to the banking sector helped to calm the situation. Subsequently, equities reversed course and rose as investors started to price in a Federal Reserve policy cut within the next 12 months.

In Asia, Internet and Electric Vehicle materials outperformed. Singapore and China led the rally as Alibaba Group announced a restructuring plan to split up the group into smaller and more nimble entities. The Financial and Real Estate sectors were the worst performing sectors.

Stocks with Growth factor outperformed while Value stocks corrected as markets rotated their positioning from a higher interest rate environment to one with lower interest rate futures.

In China, Value and Quality factors performed well as they were driven by China's state-owned entity reforms. There was a flight to quality as smaller sized companies underperformed the larger sized companies.

The fund is positioned to benefit from China's economic re-opening with 43% of equities exposure to China and Hong Kong. By sector, our largest exposures are in Information Technology, Consumer Discretionary and Industrials.



## Maybank Asian Growth and Income-I Fund

### FUND MANAGER'S COMMENTARY

#### Sukuk

Despite increased stress in the banking sector from the US regional banks' fallout, the Federal Reserve (Fed) raised interest rates by 25 basis points in March's FOMC meeting, bring the Federal Fund rate to 4.75% - 5.0%. This underscores the Fed's priority in reining in inflation over looming financial stability risks.

However, Fed has acknowledged that tighter financial conditions stemming from banking stress may feed into economic and inflation outlook. Similarly, markets have also priced in the lower implied Fed fund terminal rate of 4.75% - 5.0% (from as high as 6% in February last month) subsequent to the banking saga.

Consequently, short end US Treasuries rallied as markets factored in the narrative of rates peaking. This resulted in Treasuries US 2-year/10-year curve to steepen to -90 basis points as of end February.

US dollar global sukuk performance was fairly stable amidst the market volatility. Dow Jones Sukuk Index (investment grade only) returned 1.29% in March while S&P Global High Yield Sukuk Index yielded monthly returns of 0.06%.

US dollar performance, as measured by the US Dollar Index, weakened by 2.25% as probability of rate hikes waned.

Oil price (as measured by Brent crude futures) closed the month lower by 4.9% to US\$79.77 per barrel in view of higher recession risk and market sentiment weakness.

In March, the portfolio increased its allocation to Islamic money market funds to 11%. As a result, overall fixed income allocation went up to around 62%. Meanwhile, Sukuk portion of the fund returned approximately 1.62% year-to-date.



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## FUND MANAGER'S COMMENTARY

### Outlook and Strategy

The US labour market data is showing some signs of moderation. Notably, non-farm payroll decelerated to 236,000 which may pave the way for the probability of lower rate hikes in May's FOMC meeting.

Notwithstanding that, we believe Fed may bring the terminal rate to 5.0% to 5.25% level, before looking into rate cuts in the 2<sup>nd</sup> half of 2023, as funding stress in the US banking sector may eventually convert into credit tightness and lead to economic slowdown.

We intend to gradually add duration to the sukuk portion of the portfolio to take advantage of flattening trend as markets priced in higher recession probability. We have participated in recent Sukuk long end issuances, which had performed well given the lack of supply in long end sukuk.

Within the Sukuk rating bucket, we continue to favour investment grade (IG) Sukuk over high yield, in particular high grade GCC (Gulf Cooperation Council) sovereign bonds and certain quasi sovereign credits. Amongst the IG GCC credits, we prefer to position towards UAE and Saudi Arabia. The recent OPEC+ production cuts may improve the fiscal strengths of Saudi Arabia and other GCC economies.

On equities, we reduced our equity exposure following the bank failures in the US. Even though we do not invest in US equities, Asian equities will be affected by the contagion in the event of a US banking crisis.

We took profit in China and Hong Kong, and raised cash with a partial allocation going to Taiwan and Korea.

Although central banks made the correct decisions and averted a banking crisis, we still have to contend with a looming US recession and its potential drag to Asian economic growth. This is likely to offset some of the positives from China's economic re-opening.

The outlook for Asian equities depends critically on upcoming decisions on US interest rates, as it is clear that rates have reached a level that is affecting global financial stability.

As we are near a potential inflexion point in the market, our quant signals may change quickly. We will be following these signals very closely in order to better protect the fund on the downside. In the near term we will be adding equities exposure as market technical have improved and the imminent danger of a banking crisis has passed. However, we will be nimble and react accordingly when the environment changes.

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### SHARE CLASS OVERVIEW

Share Class	Currency	Distribution Frequency	Dividend Per Share	Annualized Dividend Yield
Class A (Acc) SGD	SGD	N.A.	N.A.	N.A
Class A (Dist) SGD	SGD	Monthly	0.0042	6.35%
Class I (Acc) USD	USD	N.A.	N.A.	N.A

The dividend amount and rate are not guaranteed and could vary according to prevailing market conditions and the discretion of the Investment Manager. We reserve the right to vary the frequency and/or amount of distributions. Distributions from the fund may be paid out of distributable income, capital or both. Past dividend payout yields and payments do not represent future payout yields and payments. Any distributions made from the Fund's capital will result in an immediate reduction of the net asset value per share.

"N.A" means that this share class does not distribute dividends.

Annualized Dividend Yield = (Dividend per share x Dividend Frequency\*) / Month End NAV#

\*Dividend Frequency: Annual = 1; Semi-annual = 2; Quarterly = 4; Monthly = 12

# Where the last calendar day falls on a non-business day, the reference NAV used for the dividend yield calculation will be that of the last business day of the month.

### IMPORTANT INFORMATION

This document has been prepared solely for informational purposes with no consideration given to the specific investment objective, financial situation and particular needs of any specific person and should not be used as a basis for making any specific investment, business or commercial decisions. This document does not constitute (1) an offer to buy or sell or a solicitation of an offer to buy or sell any security or financial instrument mentioned in this document and (2) any investment advice or recommendation. Investors should seek financial or any relevant professional advice regarding the suitability of investing in any securities or investments based on their own particular circumstances before making any investments and not on the basis of any recommendation in this document.

Past performance is not an indication of future performance. The Fund or any underlying fund may use or invest in financial derivative instruments. Investors should note that the value of units and income from them, if any, may rise or fall. Accordingly, investors may receive less than originally invested. Investors should be aware of the risks involved when investing. Please seek clarification on the potential risks that may arise prior to any decision made to invest in any investments. Investments in fund are not deposits in, obligations of, or guaranteed or insured by Maybank Asset Management Singapore Pte Ltd. A copy of the prospectus or offering document is available and may be obtained from Maybank Asset Management Singapore Pte Ltd and its appointed distributors or our website ([www.maybank-am.com.sg](http://www.maybank-am.com.sg)). Investors should read the prospectus/offering document (including risk warnings) before deciding to invest.

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

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