

FUND FACT SHEET AUGUST 2021

# Maybank Asian Income Fund



Morningstar Rating  
as of 31-08-21



REFINITIV LIPPER  
FUND AWARDS  
2021 WINNER  
SINGAPORE

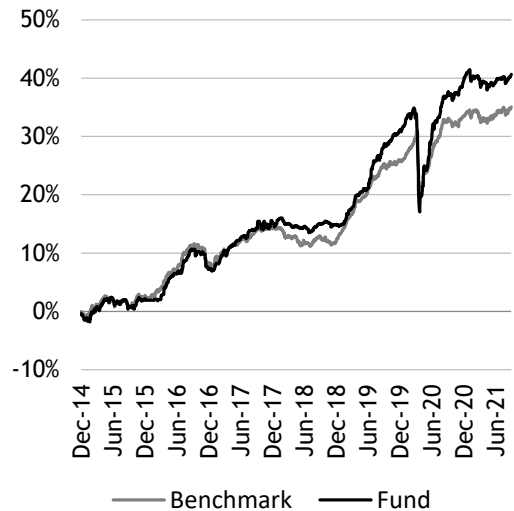
## INVESTMENT OBJECTIVE

The investment objective of the Maybank Asian Income Fund is to provide investors with capital growth and income primarily through investing in a portfolio of Asian fixed income securities and U.S. government debt.

## FUND FACTS

<b>Fund Manager</b>	Judy Leong
<b>Fund Inception Date</b>	24 November 2014
<b>Subscription Mode</b>	Cash/SRS
<b>Minimum Investment</b>	Retail: SGD1,000/ USD1,000 Institutional: USD100,000
<b>Sales Charge</b>	Up to 5%
<b>Management Fee</b>	Retail: 1.0% p.a. Institutional: 0.4% p.a.
<b>Benchmark</b>	JP Morgan Asian Credit Index
<b>Dealing Frequency</b>	Daily
<b>Fund Size (AUM)</b>	SGD 217.2 Million (as of 31 <sup>st</sup> August 2021)
<b>Target Dividend</b>	4.0-4.5% p.a.
<b>Dividend Distribution</b>	Monthly
<b>ISIN Codes</b>	<b>Class A - Accumulation:</b> USD Acc: SG9999012504 SGD Acc: SG9999012496 <b>Class A - Distribution</b> USD Dist: SG9999015713 SGD Dist: SG9999015705
<b>Bloomberg Tickers</b>	MFFMAFU (USD Acc) MFFMAFS (SGD Acc) MAIFADU (USD Dist) MAIFADS (SGD Dist)

## Fund Performance (Cumulative)



Source: Bloomberg as of 31<sup>st</sup> August 2021  
Performance based on Class A (Acc) USD

## PERFORMANCE: Class A (Acc) - USD

Returns %	Portfolio	Benchmark	Alpha	Sharpe Ratio
1 month	1.14%	1.08%	0.06%	
3 months	1.00%	1.09%	-0.10%	
6 months	0.64%	1.34%	-0.70%	
Year-to-date	-0.42%	0.54%	-0.95%	
1 year	2.57%	1.87%	0.70%	1.24
3 years p.a.	6.91%	6.16%	0.75%	1.55
5 years p.a.	4.96%	3.96%	1.00%	1.13
Since inception p.a.	5.20%	4.61%	0.58%	1.25

## PERFORMANCE: Class A (Acc) - SGD

Returns %	Portfolio	Benchmark	Alpha	Sharpe Ratio
1 month	1.11%	1.08%	0.03%	
3 months	0.99%	1.10%	-0.11%	
6 months	0.70%	1.37%	-0.68%	
Year-to-date	-0.40%	0.57%	-0.97%	
1 year	2.55%	1.87%	0.67%	1.08
3 years p.a.	6.17%	5.78%	0.39%	1.35
5 years p.a.	4.07%	3.54%	0.53%	0.75
Since inception p.a.	5.25%	4.97%	0.28%	0.61

## TOP HOLDINGS

TOP HOLDINGS	%
SCENTRE TRUST 2 20-24/09/2080 FRN	2.38%
PEAK RE BVI HLDN 20-31/12/2060 FRN	1.99%
PHOENIX GRP 20-04/09/2031 FRN	1.93%
ZHONGAN ONLINE 3.5% 20-08/03/2026	1.89%
SOCIETE GENERALE 21-31/12/2061 FRN	1.75%

STATISTICS SUMMARY	Fixed Income	Fixed Income + Cash + Hedging
<b>Average Yield to Maturity</b>	4.16%	4.04%
<b>Average Duration</b>	4.53 Years	4.39 Years
<b>Average Credit Rating</b>	BBB- / BB+	

## DIVIDEND HISTORY

DIVIDEND HISTORY	Record Date	Payment Date	Amount (SGD)
September 2020	29/09/20	09/10/20	0.0034
October 2020	29/10/20	10/11/20	0.0034
November 2020	27/11/20	09/12/20	0.0034
December 2020	30/12/20	12/01/21	0.0034
January 2021	28/01/21	09/02/21	0.0035
February 2021	25/02/21	09/03/21	0.0035
March 2021	30/03/21	12/04/21	0.0035
April 2021	29/04/21	12/05/21	0.0035
May 2021	28/05/21	09/06/21	0.0035
June 2021	29/06/21	09/07/21	0.0035
July 2021	29/07/21	11/08/21	0.0035
August 2021	30/08/21	09/09/21	0.0035

Source: Data as of 31<sup>st</sup> August 2021. 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. 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.

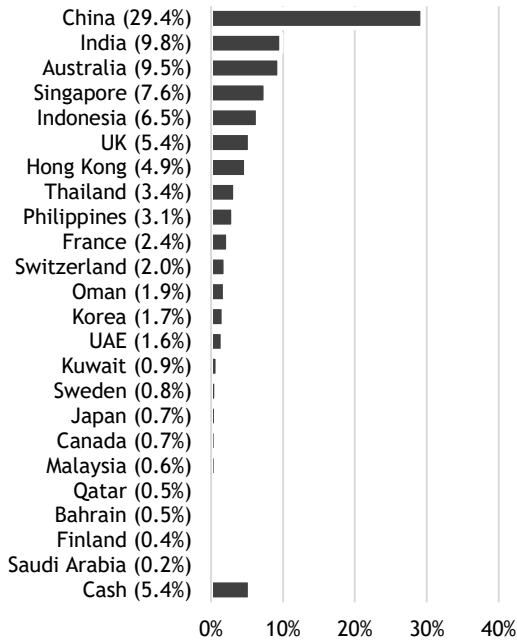
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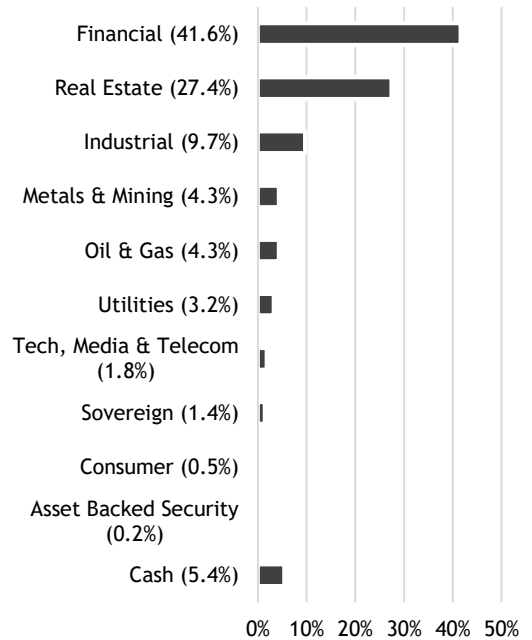
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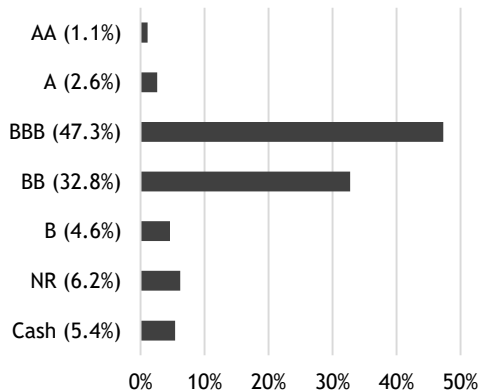
### COUNTRY ALLOCATION



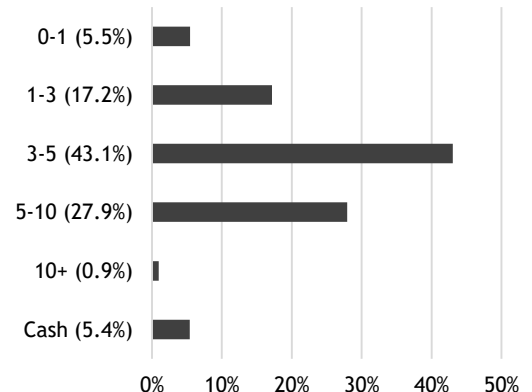
### SECTOR ALLOCATION



### CREDIT RATING ALLOCATION



### DURATION ALLOCATION



## Maybank Asian Income Fund

### FUND MANAGER'S COMMENTARY

#### **Bond Market & Bond Portfolio Review for August**

August was essentially a strong month for risk assets despite the summer lull. In Asia, investors took advantage of beaten down valuations in equities and deployed capital back, especially in the technology sector. Meanwhile, for developed markets equities “buy-on-dip” mode continued despite the delta variant. Besides abundant liquidity and battered valuations, the Jackson Hole symposium also surprised on the dovish side with Powell separating decision to taper down asset purchases from the normalisation of Fed funds rate. Hence, Asian Equities rebounded strongly for the month, with China’s Shanghai composite index returning 4.43%. USD initially headed stronger in the first half of August but broadly gave back ground post Jackson Hole’s message. On the commodities front, gold mirrored USDs movement while Brent crude underperformed from OPEC+’s decision to increase production by 400k barrels/day despite COVID-19.

Following the risk-on mode, US Treasury yield has rebounded from the recent low in August, with 10-year rate increased from 1.18% to 1.30% despite the dovish Powell’s speech on asset purchase tapering. July’s US jobs report that was announced in August was strong, with non-farm payroll up +943k. In addition, there were signs of progress on Biden’s infrastructure package approval. Concerns on delta variant seems to be short lived, as major economy continue to roll out their vaccination rate.

Returns in the Asia credit space was positive for the calendar month of August. The JP Morgan Asia Credit Index (JACI) came at 1.08% (IG: 0.80%, HY 2.07%), as credit spreads recovered from previous month’s sell-off in the IG and HY sub segments. HY outperformed with relatively better quality Chinese property developers recovered from the contagious sell-off triggered by Evergrande’s crisis earlier. In the IG space, risk sentiment improved as China Huarong is on the right track of publishing result and receiving capital support.

The Maybank Asian Income Fund USD retail class returned 1.14% and SGD retail class returned 1.11% in August, outperforming the benchmark JACI by 6bps and 3bps respectively. During the month, portfolio benefitted from the strong rebound of Huarong bonds and better quality China property developers bonds. Within the remaining holdings, investment grade bonds with around 10-year maturity underperformed on the back of higher US Treasury yield.

#### **Bond Market & Bond Portfolio Outlook**

The Asian USD market continues to be dragged by Evergrande headlines. Early September Evergrande dollar bonds fell to fresh lows after a report that the firm plans to suspend loan interest payments to banks. This was followed by news that several of its subsidiaries failed to repay wealth management products and that Evergrande has hired restructuring advisors as the liquidity crisis escalates. The issuer has been downgraded to CCC/CC since August and the bonds are trading in the mid 20s. Weaker property developers are dragged lower as sentiment deteriorates. Year to date end 14 Sep 2021 the JPMorgan China High Yield is down 8% and the 3% bounce in August has all been eroded within the first week of September.

Currently, the portfolio is underweight China versus JP Morgan Asia Credit Index (JACI). After the Chinese property sector selloff in the third quarter, some property bonds are starting to look attractive. However, we decided to remain more defensive for now as the technicals remain weak. There are more bond sellers versus buyers currently and there are heavy refinancing needs for Chinese property in FY2022. We have added some property bonds in the short end 1 to 2 years mainly for portfolio carry. We look for some stabilization before adding risk in the 5 year property high yield bonds. We continue to overweight AT1 bank paper, Middle East quasi and corporates and Indian renewables.

We expect volatility to continue this month as the Evergrande saga unfolds. As we enter into 4Q21 where US Fed is expected to start tapering, volatile US rates, higher inflation and runaway equity price concerns will continue to weigh in on markets. We continue to maintain portfolio duration around 4 years and target to position the portfolio more defensively for carry during this uncertain period.

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## Maybank Asian Income Fund

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