

FUND FACT SHEET MARCH 2022

# Maybank Asian Income Fund



Morningstar Rating  
as of 31-03-22



REFINITIV LIPPER  
FUND AWARDS  
2021 WINNER  
SINGAPORE

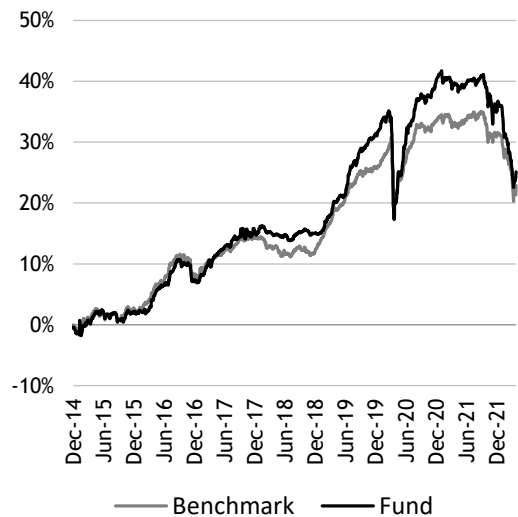
## INVESTMENT OBJECTIVE

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 204.5 Million (as of 31 <sup>st</sup> March 2022)
<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> March 2022  
Performance based on Class A (Acc) USD

## PERFORMANCE: Class A (Acc) - USD

Returns %	Portfolio	Benchmark	Alpha	Sharpe Ratio
1 month	-1.38%	-2.03%	0.65%	
3 months	-7.97%	-6.29%	-1.68%	
6 months	-10.00%	-7.56%	-2.44%	
Year-to-date	-7.97%	-6.29%	-1.68%	
1 year	-10.24%	-7.49%	-2.75%	(2.81)
3 years p.a.	1.35%	1.05%	0.30%	0.12
5 years p.a.	2.43%	2.07%	0.36%	0.32
Since inception p.a.	3.10%	2.90%	0.20%	0.60

## PERFORMANCE: Class A (Acc) - SGD

Returns %	Portfolio	Benchmark	Alpha	Sharpe Ratio
1 month	-1.62%	-2.01%	0.39%	
3 months	-8.01%	-6.25%	-1.76%	
6 months	-9.92%	-7.48%	-2.45%	
Year-to-date	-8.01%	-6.25%	-1.76%	
1 year	-10.17%	-7.39%	-2.79%	(2.76)
3 years p.a.	0.99%	0.86%	0.13%	0.02
5 years p.a.	0.93%	1.16%	-0.23%	(0.05)
Since inception p.a.	3.16%	3.24%	-0.08%	0.31

## TOP HOLDINGS

TOP HOLDINGS	%
CIFI HOLDINGS 5.5% 18-23/01/2023	2.18%
MACQUARIE BK LON 17-31/12/2059 FRN	1.99%
PHOENIX GRP 20-04/09/2031 FRN	1.85%
LONGFOR PROPRTI 4.5% 18-16/01/2028	1.85%
GLOBAL PRIME CAP 5.95% 20-23/01/2025	1.85%

STATISTICS SUMMARY	Fixed Income	Fixed Income + Cash + Hedging
<b>Average Yield to Maturity</b>	7.04%	6.60%
<b>Average Duration</b>	3.82 Years	3.58 Years
<b>Average Credit Rating</b>	BBB- / BB+	

## DIVIDEND HISTORY

DIVIDEND HISTORY	Record Date	Payment Date	Amount (SGD)
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
September 2021	29/09/21	12/10/21	0.0035
October 2021	28/10/21	10/11/21	0.0035
November 2021	29/11/21	09/12/21	0.0035
December 2021	30/12/21	11/01/22	0.0035
January 2022	28/01/22	11/02/22	0.0032
February 2022	25/02/22	09/03/22	0.0032
March 2022	30/03/22	11/04/22	0.0032

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

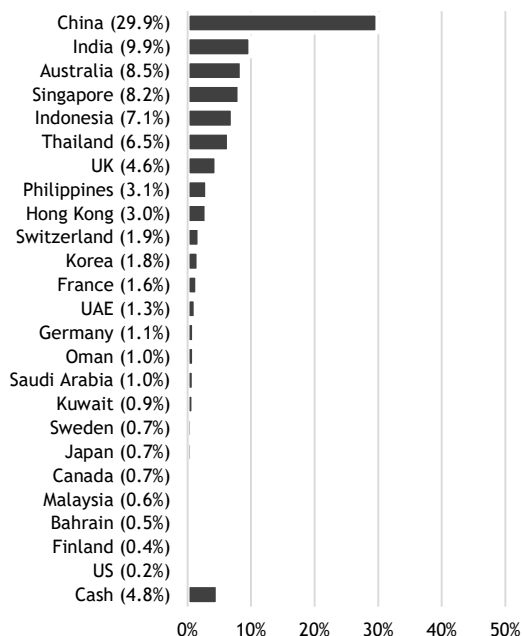
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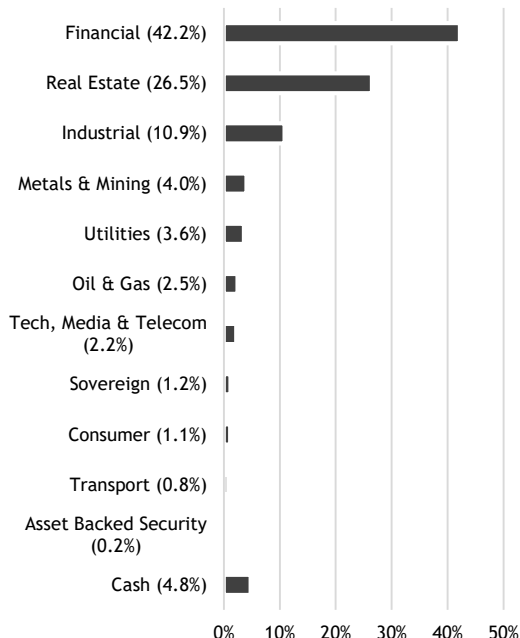
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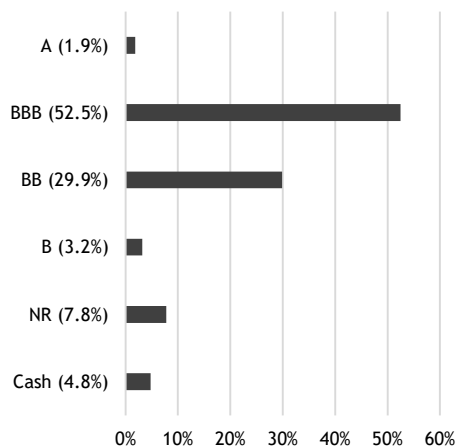
### COUNTRY ALLOCATION



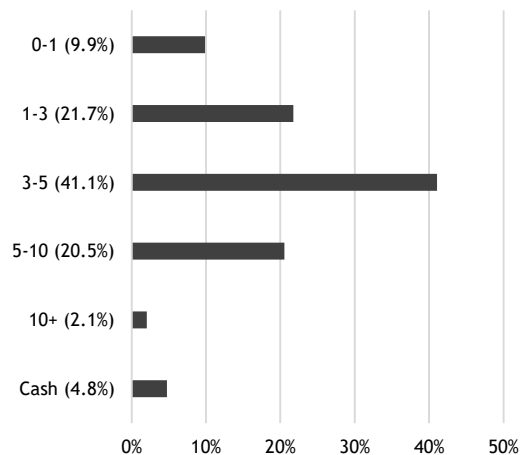
### SECTOR ALLOCATION



### CREDIT RATING ALLOCATION



### DURATION ALLOCATION



FUND FACT SHEET MARCH 2022

## Maybank Asian Income Fund

### FUND MANAGER'S COMMENTARY

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

In the month of March, geopolitical tension skewed inflation risk to the upside; evidently, US CPI rose 7.9% yoy while core CPI registered growth of 6.4% yoy. Following Fed's March FOMC meeting, front-end rates rose significantly (2Y UST yield rose c.160 bps YTD to 2.33%). This led to a flattening of the Treasury yield curve in a short time span. Notably, UST 10Y vs 2Y spread approached negative levels towards end of March. Similarly, heightened geopolitical tension coupled with concerns on inflation led to overall weaker equity market; MSCI World Index declined by 2.52% m-o-m.

Asia credit bonds (JACI Index) returned -2.03% during the month, with the investment grade sub-index outperformed the high yield sub-index with -1.91% and -2.60% return respectively. Investment grade bonds' negative return was mainly due to the sharp increase of UST rates, while credit spread tightened some in late March after risk sentiment returned. In the high-yield space, in addition to the geopolitical tension, China property developers reached new lows in middle of March because weak February contracted sales and more distressed developers opted for extension dragged down the risk sentiment. However, on 16th March 2022, Chinese Vice-Premier Liu He vows support for stabilise economy growth and capital markets, which change market's policy expectation and led to strong rebound for the remaining of March 2022.

The Maybank Asian Income Fund USD retail class returned -1.38% and SGD retail class returned -1.62% in March, outperforming the benchmark JACI by 65bps and 39bps respectively. Portfolio's outperformance was mainly due to its duration underweight and the overweight of selective China property names during the late March recovery. Within the holdings, top performers were the short tenor credit bonds from China and Indonesia that benefitted from the sentiment recovery in late March.

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

Following the release of Fed March minutes, markets repriced interest rates much higher. Fed funds futures are now indicating 2.5% end FY2022 and peaking at 3% in FY2023. Despite increasing growth risks due to the Russia-Ukraine war, inflation risks continue to overwhelm, with the latest US March CPI at 7.5% and PPI at 15%, breaching all-time highs again since the 1980s. Going forward, we expect US Fed to front load rate increases by a series of 50bps hikes in the upcoming meetings. In response to more aggressive future hikes for FY2022, the UST 2yr and UST 10yr have sold off massively of around 160bps and 120bp respectively year to date. At levels 2.5% for 2 year and 2.8% for 10 year, it does appear that majority of the current expected coming hikes have already been priced in for FY2022.

Nevertheless, persistent inflation headlines could continue to pressurize bond yields and the bond markets performance. The Bloomberg US Treasury index has already suffered a loss of 5.91% for 1Q22, which is the worst in over 50 years. Based on historical performance since 1973, Bloomberg has calculated that the odds of a repeat of the 1Q selloff is approximately one in 30,000. Hence, we are turning more positive on bonds but will add duration to portfolios when US 10 year trades closer to 3%, which was the last peak in 2018.

Given that we are still cautious on duration, we added exposures to mainly 5 year and shorter bonds during March. Half of the purchases were in financials and non-China property high yields. We also added some China property bonds, focusing on issuers that were able to access liquidity via issuing local bonds, receiving M&A bank loans or tapping via the Standby Letter of Credit structure. We also concentrated on property developers that were able to report audited FY2021 financials by end March 2022. Overall, we reduced cash equivalents from 30% end February to current 5%.

Amidst lower but continuing market volatility, we believe one has to be patient this year and earn back returns via bond carry. Current yields are attractive in the range of 5% for investment grade and 9% for stable high yield bonds. Trading opportunities may come in 2H22 when interest rates have peaked and stabilized. Portfolio duration is currently at 3.6 years versus index 4.7 years.

## Maybank Asian Income Fund

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