Maybank Asset Management

FUND FACT SHEET JUNE 2022

Maybank Asian Income Fund

MORNINGSTAR ★★★★ as of 30-06-22

CITYWIRE WINNER BEST FUND GROUP 2020 SINGAPORE BONDS - ASIA PACIFIC HARD CURRENCY MAYBANK ASSET MANAGEMENT

CITYWIRE WINNER BEST FUND MANAGER 2020 SINGAPORE BONDS - ASIA PACIFIC HARD CURRENCY JUDY LEONG MAYBANK ASSET MANAGEMENT

REFINITIV LIPPER FUND AWARDS 2021 WINNER SINGAPORE

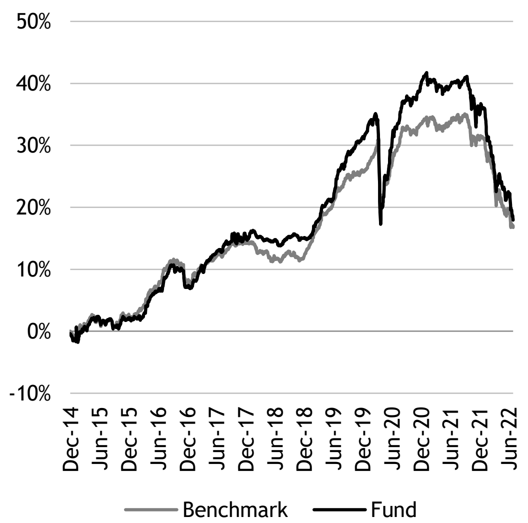
INVESTMENT OBJECTIVE

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

Fund Manager	Judy Leong
Fund Inception Date	24 November 2014
Subscription Mode	Cash/SRS
Minimum Investment	Retail: SGD1,000/ USD1,000 Institutional: USD100,000
Sales Charge	Up to 5%
Management Fee	Retail: 1.0% p.a. Institutional: 0.4% p.a.
Benchmark	JP Morgan Asian Credit Index
Dealing Frequency	Daily
Fund Size (AUM)	SGD 191.9 Million (as of 30th June 2022)
Target Dividend	4.0-4.5% p.a.
Dividend Distribution	Monthly
ISIN Codes	**Class A - Accumulation:** USD Acc: SG9999012504 SGD Acc: SG9999012496 **Class A - Distribution** USD Dist: SG9999015713 SGD Dist: SG9999015705
Bloomberg Tickers	MFFMAFU (USD Acc) MFFMAFS (SGD Acc) MAIFADU (USD Dist) MAIFADS (SGD Dist)

Fund Performance (Cumulative)



Source: Bloomberg as of 30th June 2022
Performance based on Class A (Acc) USD

PERFORMANCE: Class A (Acc) - USD

Returns %	Portfolio	Benchmark	Alpha	Sharpe Ratio
1 month	-3.68%	-2.28%	-1.40%	
3 months	-5.78%	-4.74%	-1.03%	
6 months	-13.29%	-10.73%	-2.55%	
Year-to-date	-13.29%	-10.73%	-2.55%	
1 year	-15.87%	-12.81%	-3.06%	(4.05)
3 years p.a.	-1.95%	-1.55%	-0.40%	(0.65)
5 years p.a.	0.89%	0.84%	0.06%	(0.12)
Since inception p.a.	2.19%	2.15%	0.04%	0.32

PERFORMANCE: Class A (Acc) - SGD

Returns %	Portfolio	Benchmark	Alpha	Sharpe Ratio
1 month	-3.56%	-2.31%	-1.24%	
3 months	-5.77%	-4.80%	-0.97%	
6 months	-13.32%	-10.75%	-2.57%	
Year-to-date	-13.32%	-10.75%	-2.57%	
1 year	-15.88%	-12.79%	-3.08%	(3.95)
3 years p.a.	-2.24%	-1.71%	-0.53%	(0.72)
5 years p.a.	-0.30%	0.21%	-0.51%	(0.38)
Since inception p.a.	2.25%	2.46%	-0.21%	0.18

TOP HOLDINGS	%
GLOBAL PRIME CAP 5.95% 20-23/01/2025	2.02%
MACQUARIE BK LON 17-31/12/2059 FRN	2.01%
PHOENIX GRP 20-04/09/2031 FRN	1.93%
SMC GLOBAL POWER 20-31/12/2060 FRN	1.90%
LONGFOR PROPERTI 4.5% 18-16/01/2028	1.81%

STATISTICS SUMMARY	Fixed Income	Fixed Income + Cash + Hedging
Average Yield to Maturity	8.20%	6.64%
Average Duration	3.68 Years	2.98 Years
Average Credit Rating	BBB- / BB+	

DIVIDEND HISTORY	Record Date	Payment Date	Amount (SGD)
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
April 2022	28/04/22	12/05/22	0.0032
May 2022	30/05/22	09/06/22	0.0032
June 2022	29/06/22	12/07/22	0.0032

Source: Data as of 30th June 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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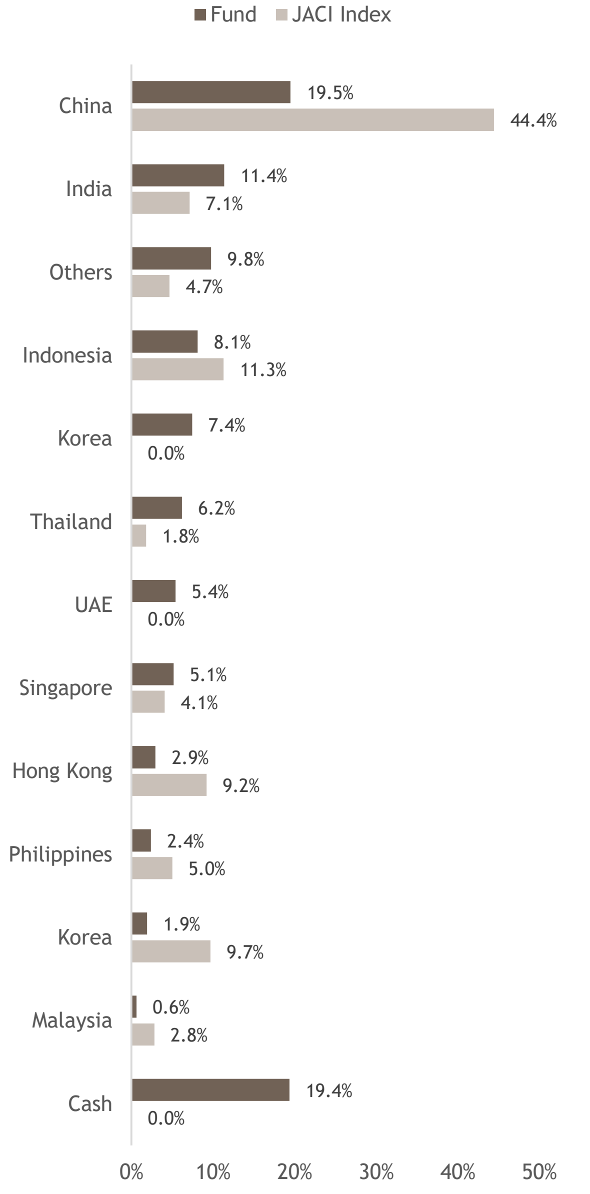
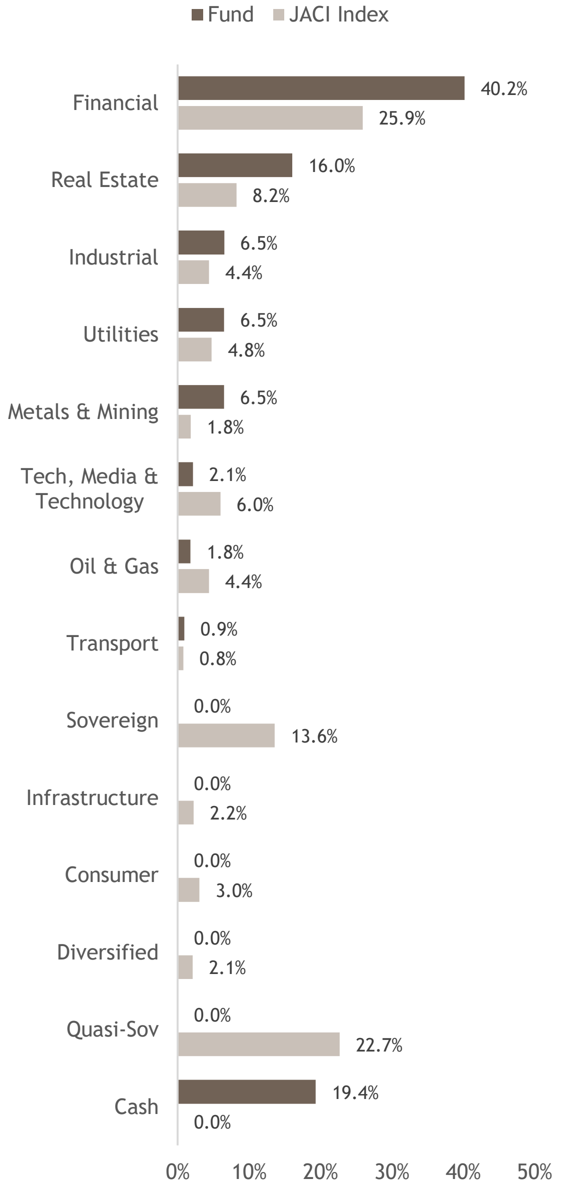
COUNTRY ALLOCATION



SECTOR ALLOCATION



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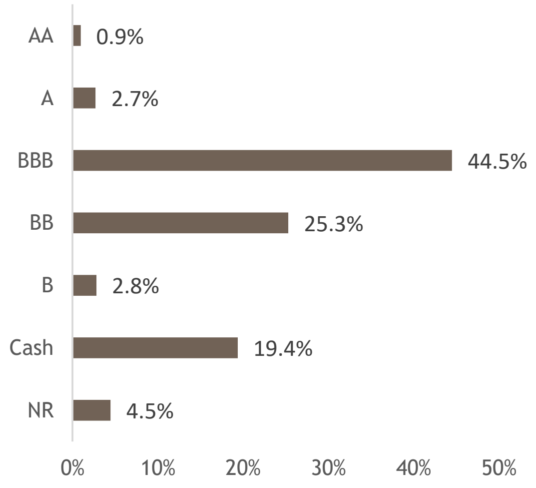
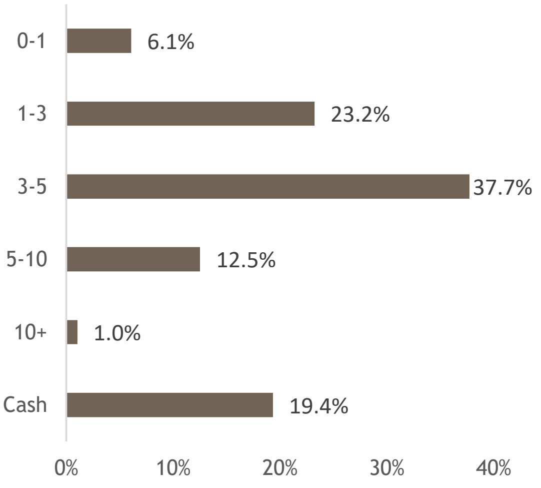
CREDIT RATING ALLOCATION



DURATION ALLOCATION



Source: Data as of 30th June 2022. Maybank Asset Management Singapore Pte Ltd, BNP Paribas Securities Services, Singapore Branch. Past performance is not an indication of future performance. Credit ratings are based on based on issue/issuer's rating or internal rating where applicable.

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FUND MANAGER'S COMMENTARY

Bond Market & Bond Portfolio Review for June

Recessionary fears underscoring central banks aggressive monetary policy to temper persistently hot inflation data weighed on the capital markets. Returns for both MSCI World Index and S&P 500 yielded negative m/m returns of 8.63% and 8.26%, respectively. S&P 500 posted its worst 1H performance in 50 years (-21% as of end June) as volatility gripped markets on concerns that a hawkish Fed may tip the economy into a recession. 10Y UST yields surged towards 3.47% as Fed raised rates by 75 bps at June's Federal Open Market Committee (FOMC) following June CPI data rising at a faster rate. The Fed readjusted upwards its median Federal Funds Rate (FFR) projection, where they expect the rate to land around 3.375% and 3.75% for end-22 and 23 respectively. However, UST saw a rally towards end of June as potential economic slowdown drove risk aversion sentiment, with 10Y UST yields closed the month at 3.01%.

Bloomberg US Treasury index saw negative return of 0.88% m/m for June. Overall, UST index saw dismal performance in 1st half with 6-month performance at -9.14%. Meanwhile, UST curve continued its flattening trend (2Y10Y spread 5.1 bps as of end June) as higher FFR were priced into the short end rates. Traditional havens such as Dollar (DXY) index climbed 2.88% m/m as overall surge in UST yields and volatile Russia-Ukraine conflict continue to boost USD strength. JP Morgan Asian Credit Index (JACI) posted returns of –2.5% in June, with both IG and HY returning -1.54% and -6.09% respectively. Overall spread to worst (measure of market's perception of credit risk) widened by 27bps m/m to 298 bps. On YTD basis, JACI was down by 10.60% dragged by both USTs (c.-6.22%) and spread widening (-4.67%).

The Maybank Asian Income Fund USD retail class returned -3.68% and SGD retail class returned -3.56% in June, underperforming the benchmark JACI by 140bps and 124bps respectively. Portfolio's negative return in June was mainly due to its holdings in China real estate developers, Indian high yield bonds and EU subordinated financial paper. High yield sector and subordinated financial bonds generally saw credit spread widening during the month given the economy recession concern, while China property sector remain heavy and contagion spread to better quality names.

Bond Market & Bond Portfolio Outlook

During 1H2022, the market was mainly focused on inflation risks. US Fed went on an aggressive rate hike path and raised rates by 150bps in the first half. Based on Fed fund futures, the US Fed is expected to hike another 175bps for rest of FY2022. However, beyond that Fed fund futures is pricing in rate cuts of 50bps for FY2023, signalling that market has switched from inflation fears to recession concerns. Moderating US economic data are also suggesting that rising interest rates are affecting consumer demand. Real personal spending have dropped from 0.7% to -0.3% in May. US mortgage applications for June are down to 0.7% from 4.2% previous month. Signs of inflationary pressures potentially abating is also evidenced in the overall decline in commodity prices as tracked by Bloomberg Commodity Index.

The latest US CPI for June came in at 9.1%, much higher versus previous month 8.6% and also higher than market expectations 8.9%. The US 10 year initially sold off but rallied back down to close unchanged. This is another indication that investors have turned more worried that continuous Fed tightening will lead to an upcoming US recession. Therefore, we have turned more positive on interest rates and more defensive on credit spreads. The strategy for 3Q22 is to overweight investment-grade credit and government bonds while underweight high yield bonds.

The situation in China remains very tricky as the government continues to persist on their zero COVID strategy. It is highly unlikely that they can achieve the 5.5% GDP growth target for FY2022 despite rolling out massive fiscal policies. In addition, the continued stress in the China property market is making the situation worse. China property sector as a whole accounts for 20% to 25% of China economy. We remain defensive in China and prefer to take positions in China SOEs.

Current yield of the portfolio is 6% with 30% cash equivalents and portfolio duration 2.4 years. Given our positive views on interest rates, we will look to add longer maturity investment-grade bonds while keeping high yield exposure to less than 3 years. We expect to turn more bullish in credits if we become more confident that a US recession could be avoided. While bonds look cheap given the recent drawdown, an improving investor sentiment is key to adding more risk for rest of FY2022.

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