

MUDARABAH INVESTMENT ACCOUNT - DAILY FUND-i (SME & BB)

Fund Performance Report for the Quarter Ended 30th September 2024

Dear Valued Investment Account Holder (“IAH”),

We are pleased to present the following fund performance report for the quarter ended 30th September 2024.

FUND INFORMATION

Type of Product

- This is an unrestricted investment account known as Mudarabah Investment Account under the Daily Fund-i (SME & BB), where customers provide the Bank with the mandate to invest in the Bank’s selected portfolio of Shariah-compliant assets.

Applicable Product

- Premier Mudharabah Account-i (“PMA-i”) for SME & BB
- SME First Investment Account-i (SME First IA-i”)

Type of Investors

- Small and Medium Enterprises (“SME”)
- Business Banking (“BB”)

Fund Inception

- 16 July 2015

Fund Investment Objectives

- The Fund’s objective is to preserve capital while providing stable returns through low risk investments

Fund Investment Strategy

- The Fund will be invested in a blended portfolio of the Bank’s assets
- This is a low risk investment to achieve capital preservation and steady returns

Profit Distribution Frequency

- Monthly

Valuation

The Bank will perform a valuation on the underlying assets of the Fund in accordance with the Malaysian Financial Reporting Standards (“MFRS”), which will be carried out on a monthly basis.

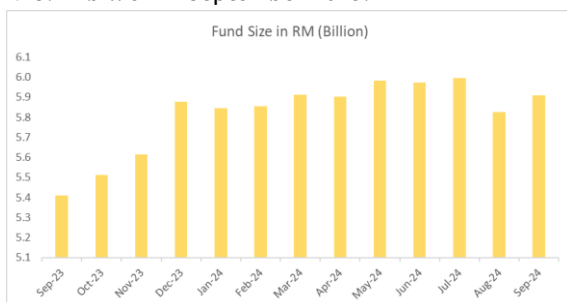
Other Information

- For fees, charges and other details of the product, please refer to www.maybank2u.com.my

FUND PERFORMANCE

Fund Size and Growth of Daily Fund-i (SME & BB)

As at September 2024, the Daily Fund-i (SME & BB) balance was recorded at RM 5.91 billion, which is a 9.25% growth year-on-year from RM 5.42 billion in September 2023.



*SME & BB refers to small and medium enterprises & business banking respectively

FUND PERFORMANCE

Asset Allocation of Daily Fund-i (SME & BB)

The fund is invested in a portfolio comprising the Bank’s retail and non-retail assets. The asset allocation for the past two quarters is outlined in the table below. This allocation adheres to the approved investment objective and strategy.

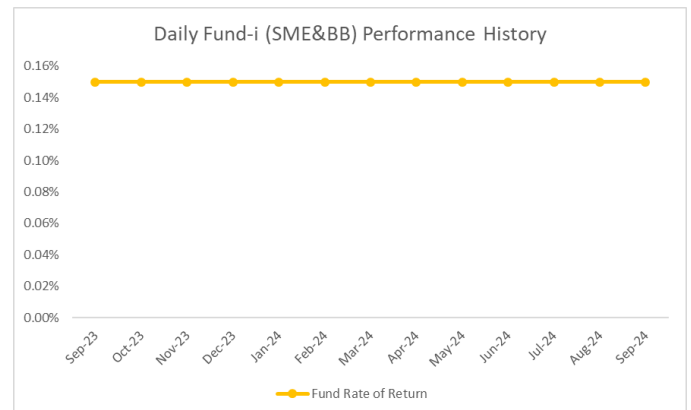
Type of Assets	June 2024	September 2024
Retail Financing	93.2%	93.1%
Non-Retail Financing	6.8%	6.9%
Marketable Securities	-	-
	100%	100%

Notes:

¹Retail assets consist of Unit Trust, Automobile, Home and Credit Card Financing while non-retail assets consist of Commercial Banking and Corporate Banking Financing

Profit Rate of Daily Fund-i (SME & BB)

Based on the performance of the underlying assets, the profit rate to customers recorded an average rate of 0.15% p.a. for the past 12 months and an average rate of 0.15% p.a. for Q3 2024.



Period	16 July 2024 to 15 August 2024	16 August 2024 to 15 September 2024	16 September 2024 to 15 October 2024
Fund Profit Rate to IAH (p.a.)	0.15% p.a.	0.15% p.a.	0.15% p.a.
Profit Sharing Ratio (“PSR”) (IAH: Bank)	3:97	3:97	3:97

Notes:

1. The fund profit rate represents the net profit rate to the IAH and is computed based on the following formula:
Profit Rate = (Total Income - Impairment Allowances) * PSR
2. Past performance is not reflective of future performance.

MARKET OUTLOOK

Bank Negara Malaysia (BNM) has maintained the Overnight Policy Rate (OPR) at 3.00% for the eighth consecutive Monetary Policy Committee (MPC) meeting, held on 4-5 September 2024. This decision despite the recent cut in the Fed Fund Rate by the US Federal Reserve. BNM believes that the current monetary policy is adequately accommodative to support domestic economy, particularly given the moderation in domestic inflation despite the recent rationalization of diesel subsidies.

Headline inflation rate moderated to +1.9% YoY in Aug 2024. The inflation number is well within targeted “core” and headline inflation target of 2-3%. Food & Beverages (F&B) price index remained at +1.6% YoY in Aug 2024 while Housing, Water, Electricity, Gas & Other Fuels (HWEGOF) inflation eased to +3.1% YoY (Jul 2024: +3.2% YoY).

After recorded +5.1% growth in 1H24, BNM remains cautiously optimistic about domestic economic growth, bolstered by a strong recovery in the job market (with a 1.7% YoY increase in labor market participation and stable unemployment at 3.3%) and resilient global trade in both Electrical & Electronic (E&E) and non-E&E sectors, evidenced by an August PMI increase of +4.0% YoY. However, BNM acknowledges potential risks stemming from geopolitical tensions and a potential economic slowdown particularly from developed economies.

Supported by resilient domestic employment and private consumption coupled with strong export and moderated inflation, BNM is expecting the economy to grow between 4-5% in 2024. This is supported by commendable GDP growth in 2Q 2024, +5.9% YoY. Meanwhile, inflation is expected to remain within the target range of 2-3% as recent impact on diesel subsidies rationalization have been contained.

With expectation of moderated inflation, a resilient domestic economy along with stable labor market and recent MYR stability against USD, the current monetary policy is accommodative enough and we maintain our view for OPR to remain unchanged at 3.00% for 2024.

References:

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (Sep, 2024) - Malaysia Monthly GDP Estimate, July 2024

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (Sep, 2024) - Malaysia Labour Statistics, July 2024

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (Sep, 2024) - Malaysia CPI, August 2024

Suhaimi Ilias, Dr Zamros Dzulkafli, Fatin Nabila Mohd Zaini (Sep, 2024) - BNM Monetary Policy.