

Fund Manager's Commentary

In February, the domestic government bond market experienced a partial reversal of the previous month's strong rally, attributed to weaker signs of global inflation abating and major central banks potentially remaining hawkish for a longer period. The Government Investment Issue ("GII") yield curve steepened as the belly to long-end of the curve rose by 6-15 bps MoM. However, corporate sukuk performed better, resulting in narrower credit spreads as domestic real money investors sought higher yields.

Malaysia's gross domestic product ("GDP") continued to expand in 4Q2022, albeit at a slower rate than the previous quarter, by 7.0% (3Q2022: +14.2%) due to dissipating low base effects. The services sector (+8.9%) drove broad-based growth amid robust domestic demand and resilient labour market conditions, while sustained expansion was also observed in the manufacturing (+3.9%), mining & quarrying (+6.8%), agriculture (+1.1%), and construction sectors (+10.1%). Private consumption (+7.4%) remained the main driver of Malaysia's economic growth, with total investments, government spending, and net trade also contributing positively to the headline GDP.

The long-awaited Budget 2023 was retabled by Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, presenting a narrower fiscal deficit of 5.0% of GDP for 2023, down from the initial 5.5% of GDP tabled in October 2022, mainly attributed to higher nominal GDP and revenue targets. The government forecasts a GDP growth of 4.5% and inflation of 2.8-3.8% for 2023. From a rates perspective, Budget 2023 is viewed as mildly positive for the domestic bond market, with the lower fiscal deficit target, absence of EPF special withdrawal programmes, and no significant changes in subsidy policies.

In terms of strategy, the current steepness of the belly of the GII yield curve presents value, particularly as the 3-7 year portion remains steep, making for an attractive rolldown play. If yields continue to rise to levels that are deemed to offer value, cash will be deployed into short-dated GII to better position the portfolio for the year ahead.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	6 Month
	31/12/2022	31/1/2023	30/11/2022	31/8/2022
	To	To	To	To
	28/2/2023	28/2/2023	28/2/2023	28/2/2023
Fund	1.01	0.07	1.58	1.96
Benchmark	0.44	0.21	0.67	1.29

Cumulative Fund Returns (%)

	1 Year	Since Commencement
	28/2/2022	21/07/2021
	To	To
	28/2/2023	28/2/2023
Fund	2.39	2.42
Benchmark	2.28	3.34

Source: Refinitiv Lipper

Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

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Investment Objective

The Fund seeks to provide investors with recurring income on its investments.

Benchmark

Maybank 3-month Islamic Fixed Deposit Rate

Distribution Policy

Depending on the level of income that the Fund generates, the Fund may provide distribution on a quarterly basis.

Key Facts

Launch Date	30-Jun-21
Fund Category	Islamic Fixed Income
Year End	31 October
Fund Size	MYR 82.16 million
Class Size	MYR 40.19 million
Units in Circulation (Class S)	40.19 million
NAV per Unit (Class S)	MYR 1
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 2 business days

Sales charge

Nil

Management fee

Up to 0.15% per annum of the NAV of the Class.

Trustee fee

Up to 0.03% per annum of the NAV of the Fund subject to a minimum of RM12,000.00 per annum (excluding foreign custodian fees and charges).

Calendar Year Returns (%)

	2022	2021
Fund	1.41	-0.01
Benchmark	2.11	0.77

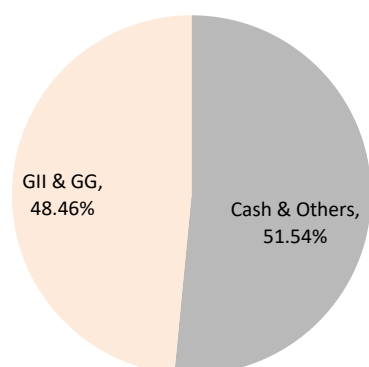
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Asset Allocation*



Top Holdings*

Cash & Others	51.54%
Government of Malaysia	48.46%

Sector Breakdown*

Public Administration	48.46%
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Distribution By Financial Year

	2022
Distribution (RM)	0.0167
Distribution Yield (%)	1.70

*Presented as a % of NAV as at 28 Feb 2023

Percentages may not add up to 100% due to rounding.

Included in 'Cash & Others' are cash on hand and Islamic deposits and other net current assets/liabilities.

Disclaimer

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