

# MAYBANK ASSET MANAGEMENT SDN BHD

Overcoming the rising interest rates and weakening credit profile.

Award Category	Winning Fund
Fixed Income - Global (Islamic)	MAMG Global Income-I Fund

**smartinvestor:** Congratulations, can you tell us a little bit about your winning funds in the FSMOne Recommended Unit Trust Awards 2022/2023?

**Syhiful Zamri:** Thank you for honouring MAMG Global Income-I Fund as one of the selected award-winning funds. We are humbled by this achievement as a reflection of recognition from the industry peers.

The Fund is a unique feeder fund, where it feeds into a target fund AZ Islamic – MAMG Global Sukuk, which is co-managed by Azimut Investments S.A. and our Maybank Asset Management Group’s investment teams. It combines the best of each team’s experience and geographical expertise when it comes to credit selection for the target fund. Thus, MAMG’s team focus was on Asia sukus while Azimut’s team focused on global sukuk outside Asia, mainly the MENA region.

Though we are committed to a semi-annual distribution to reflect the regular income distribution strategy as per the fund name suggests, currently the fund is distributed on a quarterly basis to match the consistent quarterly distribution by the target fund.

**SI: What are the challenges that you have faced in the past twelve months?**

**SZ:** The main challenges over the past year would be the rising interest rates environment and weakening credit profile of some of the high yield sukuk due to the prolonged COVID-19 pandemic and economic recovery.



Syhiful Zamri

Aggressive upward interest rate adjustments by the central bankers reduced the price of sukus massively, while credit downgrade or default on certain weaker credits will have a more permanent devaluation of the sukus.

**SI: What are the market trends that an investor should look out for in the near future?**

**SZ:** For fixed income or sukuk investors, they should be mindful that the

“Be on the lookout for potential recovery in the fixed income or sukuk market when the central banks start to become less hawkish due to the potential economic slowdown in the coming months.”

current high volatility may not last long as the central banks have already started their aggressive interest rate hiking action.

Therefore, we think that most of the hawkish posturing by the central banks have been priced in, especially when some of the treasury yields are already at above recent year’s pre-pandemic highs.

Hence, we should be on the lookout for potential

recovery in the fixed income or sukuk market when the central banks start to become less hawkish due to the potential economic slowdown in the coming months. 

Syhiful Zamri, chief investment officer, Maybank Asset Management Sdn Bhd