

Maybank Islamic Asset Management Sdn Bhd

201301012623

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

www.maybank-am.com/web/islamic

MAYBANK ISLAMIC STRATEGIC INCOME FUND

Quarterly report

**For the financial period from 4 November 2024 (Date of launch) to
31 March 2025**

CORPORATE INFORMATION

MANAGER

Maybank Islamic Asset Management Sdn Bhd (201301012623) (1042461-K)
Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
Telephone +603 2297 7888
Facsimile +603 2297 7898
www.maybank-am.com/web/islamic
mamcs@maybank.com.my

TRUSTEE

TMF Trustees Malaysia Berhad (200301008392) (610812-W)
Level 13, Menara 1 Sentrum
201, Jalan Tun Sambanthan
Brickfields, 50470 Kuala Lumpur
W.P. Kuala Lumpur
Telephone +603 2382 4288
Facsimile +603 2026 1451
www.tmf-group.com
malaysia@tmf-group.com

SHARIAH ADVISOR

Amanie Advisors Sdn Bhd (200501007003) (684050-H)
Level 13A-2
Menara Tokio Marine Life
189 Jalan Tun Razak
50400 Kuala Lumpur
Telephone +603 2161 0260
Facsimile +603 2161 0262

MAYBANK ISLAMIC STRATEGIC INCOME FUND

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MAYBANK ISLAMIC STRATEGIC INCOME FUND

Manager's report

For the financial period from 4 November 2024 (date of launch) to 31 March 2025

A. Fund Information

1. Name of Fund

Maybank Islamic Strategic Income Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Wholesale Sukuk

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund's launch date

4 November 2024

6. Fund's investment objective

The Fund aims to provide Unit Holders with income through investments in Sukuk (directly or via Islamic Collective Investments Scheme ("CIS")), Islamic money market instruments and Islamic deposits.

Note:

Any material change to the investment objective of the Fund would require Unit Holders' approval.

7. Fund's distribution policy

Distribution will be made on a monthly basis or at such other frequency as the Manager may decide in its absolute discretion. The Fund may distribute from realised income, realised gains, unrealised income and/ or unrealised gains to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.

8. Fund's performance benchmark

Maybank 1-month Islamic deposit rate.

Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

9. The Fund's investment policy and principal investment strategy

The Fund seeks to achieve its investment objective by investing a minimum of 30% of the Fund's NAV in MYR-denominated Sukuk and up to 70% of its NAV in Islamic money market instruments and Islamic deposits. The Fund may invest in MYR-denominated Sukuk directly or via Islamic CIS.

The Fund will invest in MYR-denominated Sukuk with a minimum credit rating of "AA3" by RAM or its equivalent rating by MARC at the point of purchase. If any of the Fund's investments in MYR-denominated Sukuk have been downgraded to a credit rating lower than "AA3" by RAM or its equivalent rating by MARC, we may dispose the downgraded Sukuk as soon as practicable.

MAYBANK ISLAMIC STRATEGIC INCOME FUND

Manager's report

For the financial period from 4 November 2024 (date of launch) to 31 March 2025 (cont'd)

A. Fund Information (cont'd)

9. The Fund's investment policy and principal investment strategy (cont'd)

However, if such prompt action may be detrimental to the Fund, or if we remain comfortable with the default risk after conducting our credit assessment by taking into consideration both the quantitative and qualitative factors and concluded that the probability of the default is low, we may, at our own discretion based on our understanding of the credit fundamentals of the issuer, continue to hold the downgraded MYR-denominated Sukuk for up to ninety (90) days. This treatment shall be applicable to issuer rating when there is no issue rating for a MYR denominated Sukuk. The Fund's investments in MYR-denominated Sukuk which are issued by government and/ or government-linked agencies need not be rated.

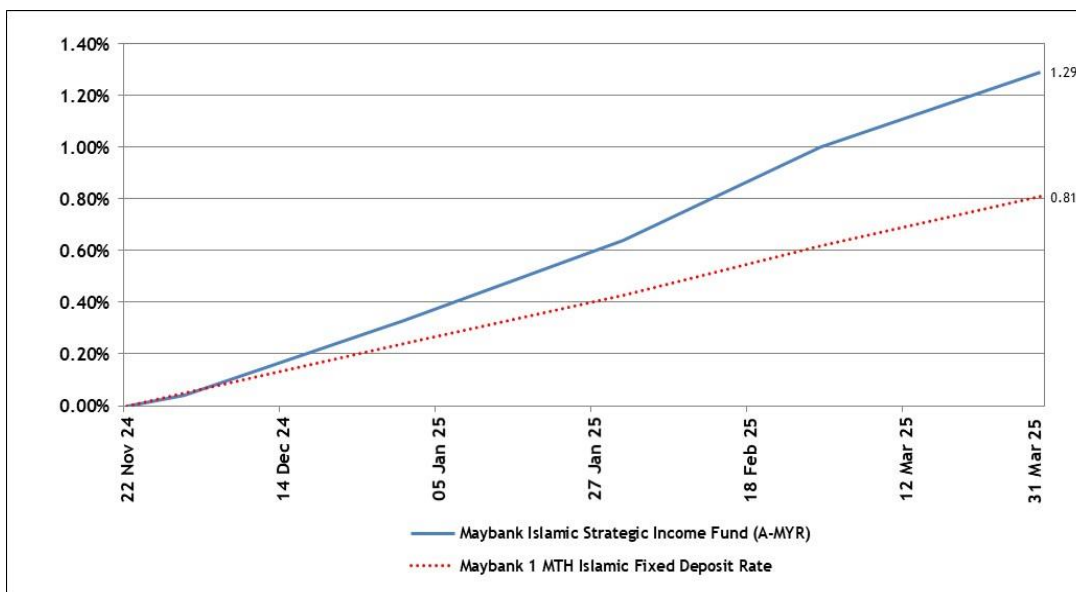
B. Performance Review

Returns of the Fund and its benchmark for the financial period from 4 November 2024 (date of launch) to 31 March 2025 for Class A and Class B are as follows:

Class A

Period	The Fund %	Benchmark %
Since inception to 31 March 2025	1.29	0.81

* The inception date for Class A is on 22 November 2024.



Source: Novagmi Analytics and Advisory Sdn Bhd, as at 31 March 2025

Investors are reminded that past performance of the Fund is not necessarily indicative of its future performance and that unit prices and investment returns may fluctuate.

MAYBANK ISLAMIC STRATEGIC INCOME FUND

Manager's report

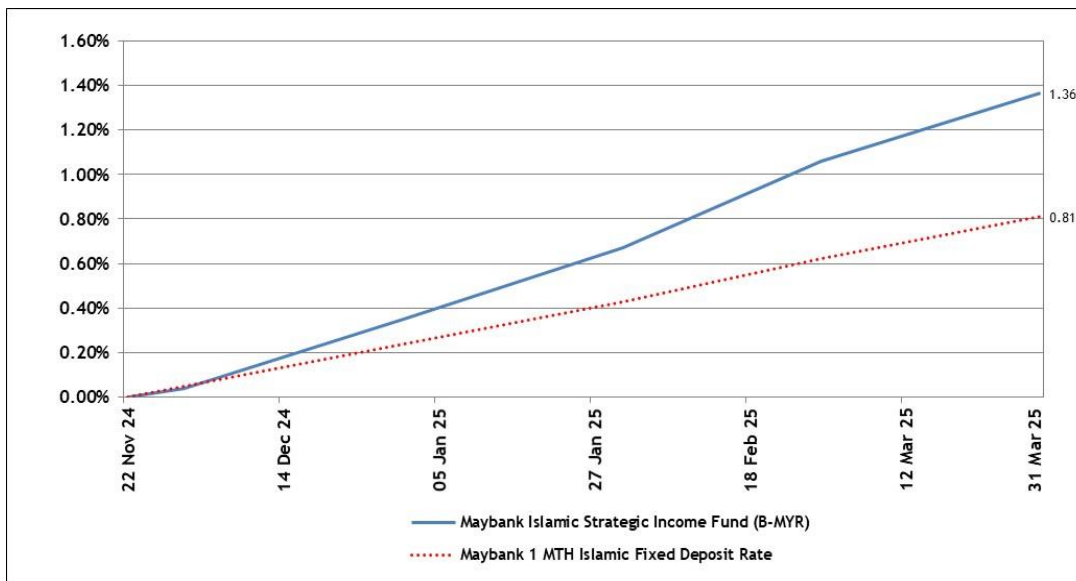
For the financial period from 4 November 2024 (date of launch) to 31 March 2025 (cont'd)

B. Performance Review (cont'd)

Class B

Period	The Fund %	Benchmark %
Since inception to 31 March 2025	1.36	0.81

* The inception date for Class B is on 22 November 2024.



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 March 2025

For the period under review, Fund posted a total return of 1.29% and 1.36% against the benchmark's 0.81%. This implies an outperformance of 0.48% and 0.55% for Class A and Class B respectively. The outperformance was driven by tightening credit spreads and income derived from the Sukuks held in the Fund, as well as due to better returns from its deposits with selective financial institutions.

C. Market Review

The local Sukuk market started off the review period at a 2H 2024 high following the United States ("US") elections risk sell-off in October 2024, as well as increased expectations of a less aggressive Federal Reserve ("Fed") on rate cut. The 10-year Malaysian Government Securities ("MGS") yield started off the review period at 3.93% but yields started coming down as market started digesting the reelection of Trump. The 10-year MGS closed at 3.81% at end-November 2024. Local Sukuk yields were also supported in November on reduced government bond ("govvies") supply as the 3-year Government Investment Issue ("GII") auction was scrapped from the auction calendar, and the 10-year MGS auction size was smaller than expected at 2 billion ("bln"). The 10-year MGS closed at 3.82% at year-end, as local supply-demand dynamics, and strong domestic macroeconomic condition continue to support the local Sukuk market, despite the external headwinds and uncertainties from the incoming Trump administration. Going into 2025, the local Sukuk market benefited towards the end of 1Q 2025, due to risk aversion on the back of Trump uncertainties. The 10-year MGS recorded a low of 3.73% sometime in March 2025 before closing the quarter at 3.77%, amidst heightened expectations of Fed rate cuts, with market pricing in 4-5 cuts in 2025, up from just 2-3 cuts previously.

MAYBANK ISLAMIC STRATEGIC INCOME FUND

Manager's report

For the financial period from 4 November 2024 (date of launch) to 31 March 2025 (cont'd)

C. Market Review (cont'd)

Meanwhile, on monetary policy front, at the Monetary Policy Committee ("MPC") meeting in March 2025, Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 3.00% for a eleventh straight meeting since the last 25 basis points ("bps") hike in May 2023. The current OPR level is viewed as "supportive of the economy and is consistent with the current assessment of inflation and growth prospects".

D. Market Outlook & Strategy

BNM maintained the OPR at 3.00% in its latest March 2025 meeting since the last hike in May 2023. The monetary policy remains neutral given the favorable combination of solid economic growth and anchored inflation trajectory that is expected to sustain in 2025. We expect the recovery in Malaysia's fixed income market to continue, as most central banks around the world have started embarking on rate cuts, shifting towards more accommodative monetary policy. The positive dynamic of yield movement globally could lead the local government yields to trend lower. Our view remains that BNM to maintain OPR at 3.00% in 2025 as Consumer Price Index ("CPI") numbers are relatively benign at the back of subsidy rationalization exercises.

However, we will watch for signs of demand-pulled pressure, as Malaysia Gross Domestic Product ("GDP") growth remained robust at 5.30% in 3Q 2024, and is projected to expand between 4.80% - 5.30% in 2024 (revised higher from 4.00% - 5.00%) and 4.50% - 5.00% in 2025. In addition, Malaysia is at full employment rate with a steady unemployment rate of 3.20%, and increase in minimum wage from MYR1,500 to MYR1,700, as well as civil servant salary increase; could lead to higher disposable income and increased consumption. We are also mindful of external factors such as US reflation risk and escalation of trade tensions under the Trump administration as well as China economic slowdown pose uncertainties.

Strategy wise, we will continue to look for attractive Sukuk investments to trade, as well as money market products from licensed financial institutions that provide better yields, namely GIA-i; in order to improve current portfolio yield. Aside from the Sukuk secondary market, we will also look into new primary issuances that offers us higher yields to deliver the required performance. We continue to overweight corporate Sukuks over sovereign Sukuks to anchor the Fund's income, as corporate Sukuks are less volatile and provide higher yields. We prefer strong AA-rated papers for yield pickup, while our holdings in AAAs will be primed for trading purposes.

E. Asset Allocation

The comparison of the Fund's asset allocation as at 31 March 2025 are as follows:

Asset allocation	31.03.2025	
	RM	%
Sukuk	29,910,592	38.63
Cash, Shariah-compliant deposits with licensed Islamic financial institutions and other net assets	47,517,135	61.37
TOTAL	77,427,727	100.00

The Fund did not invest in any Shariah-compliant equity securities during the financial period under review.

MAYBANK ISLAMIC STRATEGIC INCOME FUND

Manager's report

For the financial period from 4 November 2024 (date of launch) to 31 March 2025 (cont'd)

F. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions or rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the soft commissions received are retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commission in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDERS OF MAYBANK ISLAMIC STRATEGIC INCOME FUND FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 31 MARCH 2025

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Maybank Islamic Asset Management Sdn Bhd (the "Manager") has operated and managed Maybank Islamic Strategic Income Fund ("the Fund") during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For and on behalf of Amanie Advisors Sdn Bhd.

TAN SRI DR MOHD DAUD BAKAR
Executive Chairman

Kuala Lumpur, Malaysia
14 May 2025

MAYBANK ISLAMIC STRATEGIC INCOME FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 31 MARCH 2025

04.11.2024
(Date of launch)
to
31.03.2025
RM

INVESTMENT INCOME

Profit income	1,154,134
Net loss on financial assets at fair value through profit or loss ("FVTPL")	
- Realised gain	12,817
- Unrealised gain	98,587
	<u>1,265,538</u>

EXPENSES

Manager's fee	49,166
Trustee's fee	8,818
Shariah advisory fee	5,220
Tax agent's fee	1,218
Administrative expenses	3,968
	<u>68,390</u>

Net income before distribution and taxation	1,197,148
Distribution to unitholders	
Class A	(106,016)
Class B	(859,073)
Net income before taxation	<u>232,059</u>
Taxation	-
Net income after tax, and total comprehensive income for the financial period	<u>232,059</u>

Net income after tax is made up of the following :

Net realised income	133,472
Net unrealised income	98,587
	<u>232,059</u>

Distributions for the financial period:

Class A

Distribution date (ex-date)	26/12/2024, 24/01/2025, 25/02/2025 and 25/03/2025
Net distributions	<u>106,016</u>
Gross/ Net distributions per unit (RM sen)	<u>0.9400</u>

MAYBANK ISLAMIC STRATEGIC INCOME FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 31 MARCH
2025 (CONT'D)**

Distributions for the financial period: (cont'd)

Class B

Distribution date (ex-date)	26/12/2024, 24/01/2025, 25/02/2025 and 25/03/2025
Net distributions	<hr/> 859,073
Gross/ Net distributions per unit (RM sen)	<hr/> 0.9400

MAYBANK ISLAMIC STRATEGIC INCOME FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025****31.03.2025**
RM**ASSETS**

Financial assets at FVTPL	29,910,592
Shariah-compliant deposits with licensed Islamic financial institutions	47,189,429
Profit income receivables	672,681
Cash at bank	1,712
TOTAL ASSETS	77,774,414

LIABILITIES

Amount due to Manager	14,376
Amount due to Trustee	2,510
Other payables	9,918
Distribution payable	319,883
TOTAL LIABILITIES	346,687

NET ASSETS VALUE ("NAV") OF THE FUND **77,427,727****NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
OF THE FUND COMPRISE:**

Unitholders' capital	77,195,668
Retained earnings	232,059
	77,427,727

NET ASSET VALUE

Class A	11,764,923
Class B	65,662,804
	77,427,727

NUMBER OF UNITS IN CIRCULATION (UNITS)

Class A	11,709,266
Class B	65,422,495
	77,131,761

NAV PER UNIT

Class A (RM)	1.0048
Class B (RM)	1.0037

MAYBANK ISLAMIC STRATEGIC INCOME FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 31 MARCH 2025

	Unitholders' capital RM	Retained earnings RM	Net assets attributable to unitholders RM
At 4 November 2024 (Date of launch)	-	-	-
Total comprehensive income for the period	-	232,059	232,059
Creation of units	155,843,404	-	155,843,404
Reinvestment of units	645,205	-	645,205
Cancellation of units	(79,292,941)	-	(79,292,941)
At 31 March 2025	<u>77,195,668</u>	<u>232,059</u>	<u>77,427,727</u>

MAYBANK ISLAMIC STRATEGIC INCOME FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 31 MARCH 2025

04.11.2024
(Date of launch)
to
31.03.2025
RM

CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Placement in Shariah-compliant deposits with maturity more than 3 months	(45,100,000)
Net purchase of financial assets at FVTPL	(37,294,910)
Net proceeds from redemption of financial assets at FVTPL	7,495,721
Profit received	481,453
Manager's fee paid	(34,790)
Trustee's fee paid	(6,308)
Payment of other fees and expenses	(487)
Net cash used in operating and investing activities	<u>(74,459,321)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units created	155,843,404
Cash paid on units cancelled	<u>(79,292,941)</u>
Net cash generated from financing activities	<u>76,550,463</u>

NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD

CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH

CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD

2,091,141

-

2,091,141

Cash and cash equivalents comprise of:

Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months	2,089,429
Cash at bank	<u>1,712</u>
	<u>2,091,141</u>