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# **MAYBANK ISLAMIC STRATEGIC INCOME FUND**

**Quarterly report  
For the financial period from 4 November 2024 (Date of launch) to  
30 June 2025**

## **CORPORATE INFORMATION**

### **MANAGER**

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## **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 30 June 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 30 June 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.

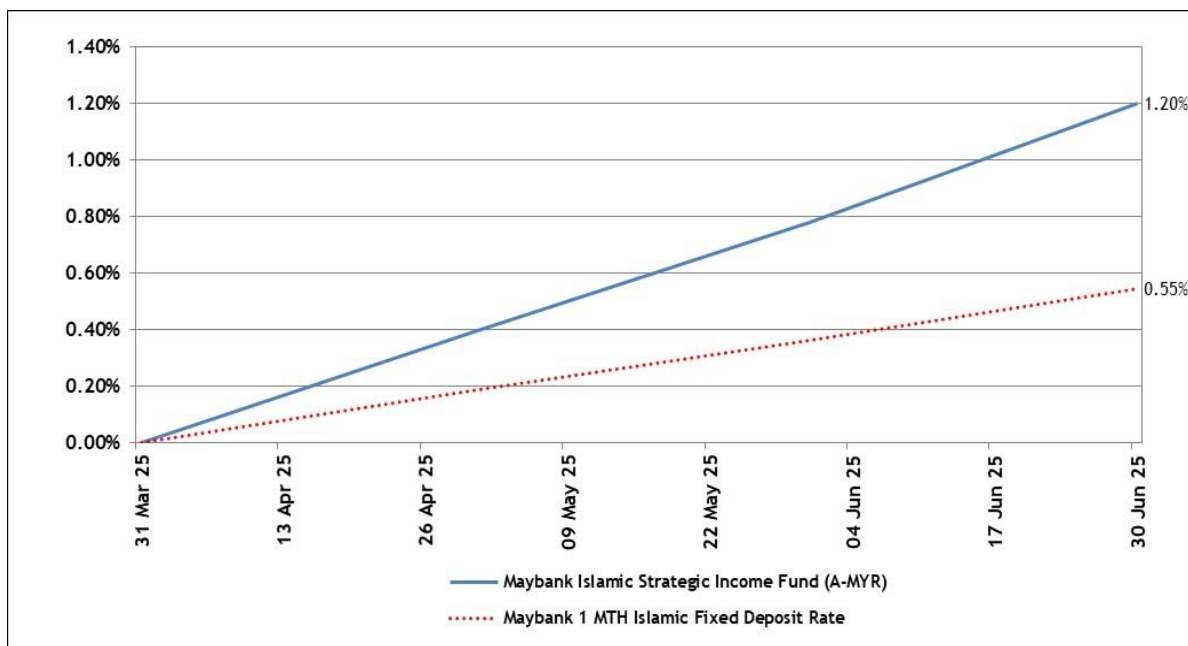
#### B. Performance Review

Returns of the Fund and its benchmark for the financial period from 4 November 2024 (date of launch) to 30 June 2025 for Class A and Class B are as follows:

##### Class A

Period	The Fund %	Benchmark %
Since inception to 30 June 2025	1.20	0.55

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



Source: Novagani Analytics and Advisory Sdn Bhd, as at 30 June 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

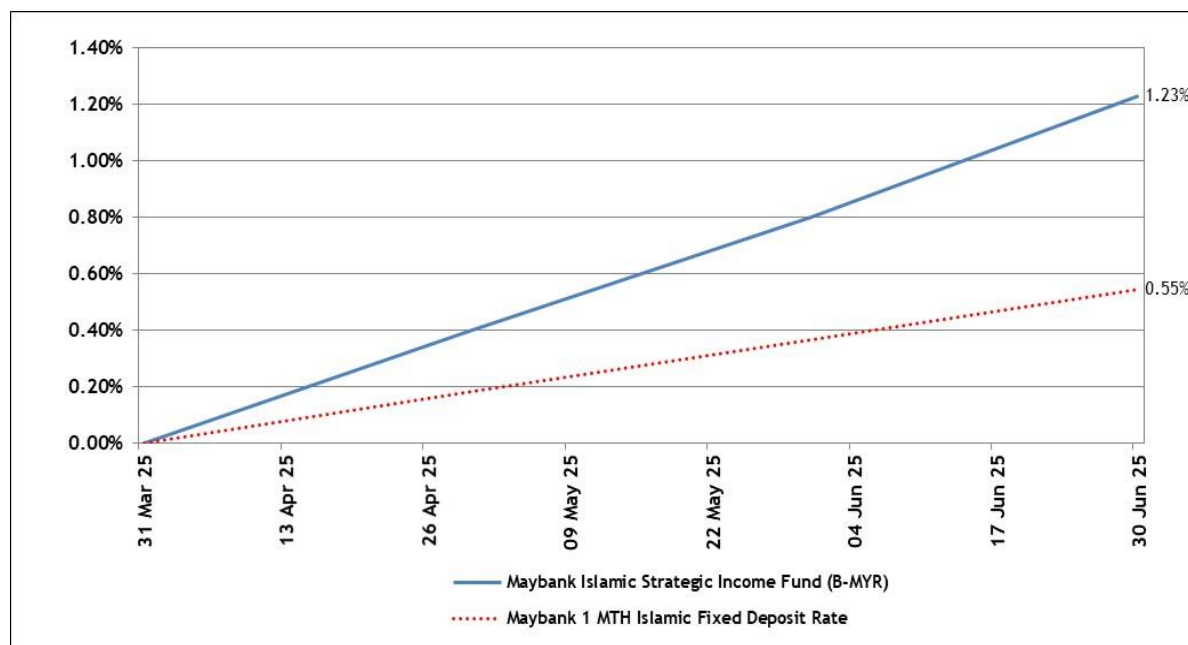
For the financial period from 4 November 2024 (date of launch) to 30 June 2025 (cont'd)

### B. Performance Review (cont'd)

#### Class B

Period	The Fund %	Benchmark %
Since inception to 30 June 2025	1.23	0.55

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



Source: Novagmi Analytics and Advisory Sdn Bhd, as at 30 June 2025

For the period from 4 November 2024 (launch date) to 30 June 2025, the Fund's Class A and Class B delivered total returns of 2.51% and 2.61%, respectively, outperforming their benchmark return of 1.35%. This represents an outperformance of 1.16% for Class A, and 1.26% for Class B. This performance was driven by favourable returns from the local Sukuk market rally, tightening credit spreads, and consistent carry income from Sukuk holdings within the Fund.

### C. Market Review

In June 2025, the United States ("US") Federal Reserve ("Fed") kept the federal funds rate unchanged at 4.25% to 4.50%, maintaining this range since December 2024. The Federal Open Market Committee ("FOMC") adopted a cautious stance, citing persistent inflationary pressures and signs of slowing economic activity, while indicating the potential for two rate cuts later in the year. The Fed's latest projections continued to reflect stagflation risks, with gross domestic product ("GDP") growth expected to moderate to 1.40%, and inflation forecast to remain elevated around 3.00% in 2025.

The US labour market remained stable, although job creation slowed, and the unemployment rate held steady at 4.20%. Consumer spending moderated following earlier front-loaded purchases ahead of tariff changes, while business investment remained subdued due to ongoing trade-related uncertainty.

## MAYBANK ISLAMIC STRATEGIC INCOME FUND

### Manager's report

For the financial period from 4 November 2024 (date of launch) to 30 June 2025 (cont'd)

#### C. Market Review (cont'd)

Fiscal conditions continued to be expansionary, with the federal deficit projected at 6.40% of GDP, driven by higher government expenditure and rising profit payments. These factors may place upward pressure on borrowing costs.

US Treasury ("UST") yields rose sharply in early June 2025 following stronger-than-expected Non-Farm Payroll ("NFP") data for May 2025, which showed job growth of 139,000, exceeding the forecast of 126,000. The upbeat labour market data triggered a 9.00 to 13.00 basis point increase in yields across the curve, with the 10-year UST reaching a high of 4.52%.

On the domestic front, the Malaysian economy expanded by 4.40% in Q1 2025, supported by firm domestic demand. However, growth moderated from previous quarters due to a broad-based slowdown across key sectors. While manufacturing, construction, and services continued to grow, the pace was slower, and a deeper decline in mining activity further weighed on overall performance.

Malaysia's inflation eased to a 51-month low, with the headline Consumer Price Index ("CPI") moderating to 1.20% year-on-year in May 2025 (April 2025: 1.40%), and core inflation easing to 1.80% (April 2025: 2.00%). The decline in headline inflation was mainly driven by lower commodity prices, while the softening in core inflation reflected reduced price pressures in categories such as rental and streaming services.

The Malaysian Sukuk market maintained its upward momentum into Q2 2025, supported by steady domestic demand and growing expectations of monetary easing by Bank Negara Malaysia ("BNM"). The 10-year Malaysian Government Securities ("MGS") yield declined to 3.52% by end-May 2025, as investors priced in a potential policy rate cut. Despite ongoing global market volatility and a weaker US dollar, ringgit Sukuks and Sukuk remained resilient throughout June 2025. Although some profit-taking emerged in medium-term tenures, sentiment improved toward the end of the month, resulting in marginal yield movements. By 30 June 2025, the 3-year and 10-year Government Investment Issues ("GII") closed at 3.17% and 3.51%, respectively.

In a notable policy move, BNM reduced the Overnight Policy Rate ("OPR") by 25.00 basis points to 2.75%—its first rate cut since July 2020, following twelve consecutive meetings holding the rate at 3.00%. The decision was described as a pre-emptive measure to support domestic growth amid rising external headwinds. BNM expects growth to remain underpinned by firm domestic demand, supported by employment and wage improvements in consumer-related sectors, targeted policy support, and continued implementation of investment and development initiatives.

#### D. Market Outlook & Strategy

We maintain a positive outlook on the domestic Sukuk market for 2025, supported by resilient credit fundamentals and a stable macroeconomic environment. Credit spreads are expected to remain steady, underpinned by manageable inflation, sustained economic growth, and healthy credit issuance, despite prevailing external uncertainties. With policy rates likely having peaked and global central banks anticipated to pivot toward a more accommodative stance, we see potential for mild compression in sovereign Sukuk yields.

## MAYBANK ISLAMIC STRATEGIC INCOME FUND

### Manager's report

For the financial period from 4 November 2024 (date of launch) to 30 June 2025 (cont'd)

#### D. Market Outlook & Strategy (cont'd)

Strategically, we will continue to seek attractive Sukuk investments to enhance the portfolio's current yield of 3.95%, while also pursuing trading opportunities to drive incremental returns. In addition to the secondary market, we will also explore new primary issuances offering higher yields to support overall fund performance.

As of 30 June 2025, the Fund was 35.81% invested in Ringgit Malaysia-denominated Sukuk. We continue to overweight corporate Sukuk relative to sovereign Sukuk to anchor the Fund's income, as corporate papers generally offer higher yields with lower volatility. Our portfolio remains biased toward strong AA-rated names to capture yield pick-up, while holdings in AAA-rated Sukuk and GIs are positioned primarily for tactical trading purposes.

#### E. Asset Allocation

The comparison of the Fund's asset allocation as at 30 June 2025 are as follows:

Asset allocation	30.06.2025	
	RM	%
Sukuk	28,063,482	35.81
Cash, Shariah-compliant deposits with licensed Islamic financial institutions and other net assets	50,302,243	64.19
<b>TOTAL</b>	<b>78,365,725</b>	<b>100.00</b>

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

#### 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 30 JUNE 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 August 2025

## MAYBANK ISLAMIC STRATEGIC INCOME FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 30 JUNE 2025

04.11.2024  
(Date of launch)  
to  
30.06.2025  
RM

#### INVESTMENT INCOME

Profit income	1,987,161
Net gain on financial assets at fair value through profit or loss ("FVTPL")	
- Realised gain	14,871
- Unrealised gain	289,104
	<u>2,291,136</u>

#### EXPENSES

Manager's fee	84,049
Trustee's fee	14,971
Shariah advisory fee	8,960
Tax agent's fee	5,091
Administrative expenses	9,517
	<u>122,588</u>

**Net income before distribution and taxation** 2,168,548

Distribution to unitholders	
Class A	(215,683)
Class B	(1,534,751)

**Net income before taxation** 418,114

Taxation -

**Net income after tax, and total comprehensive income for the financial period** 418,114

#### Net income after tax is made up of the following :

Net realised income	129,010
Net unrealised income	289,104
	<u>418,114</u>

#### Distributions for the financial period:

##### Class A

Distribution date (ex-date) 26/12/2024,  
24/01/2025,  
25/02/2025,  
25/03/2025,  
25/04/2025  
27/05/2025 and  
25/06/2025

Net distributions	215,683
Gross/ Net distributions per unit (RM sen)	<u>1.87</u>

**MAYBANK ISLAMIC STRATEGIC INCOME FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 30 JUNE  
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, 25/03/2025, 25/04/2025 27/05/2025 and 25/06/2025
Net distributions	<hr/> 1,534,751
Gross/ Net distributions per unit (RM sen)	<hr/> 1.91 <hr/>

**MAYBANK ISLAMIC STRATEGIC INCOME FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2025****30.06.2025  
RM****ASSETS**

Financial assets at FVTPL	28,063,482
Shariah-compliant deposits with licensed Islamic financial institutions	49,611,653
Profit income receivables	959,981
Cash at bank	787
<b>TOTAL ASSETS</b>	<b>78,635,903</b>

**LIABILITIES**

Amount due to Manager	10,939
Amount due to Trustee	1,933
Other payables	17,024
Distribution payable	240,282
<b>TOTAL LIABILITIES</b>	<b>270,178</b>

**NET ASSETS VALUE ("NAV") OF THE FUND** **78,365,725****NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
OF THE FUND COMPRISE:**

Unitholders' capital	77,947,611
Retained earnings	418,114
	<b>78,365,725</b>

**NET ASSET VALUE**

Class A	11,913,213
Class B	66,452,512
	<b>78,365,725</b>

**NUMBER OF UNITS IN CIRCULATION (UNITS)**

Class A	11,829,666
Class B	66,063,079
	<b>77,892,745</b>

**NAV PER UNIT**

Class A (RM)	1.0071
Class B (RM)	1.0059

## 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 30 JUNE 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	-	418,114	418,114
Creation of units	168,667,402	-	168,667,402
Reinvestment of units	1,510,149	-	1,510,149
Cancellation of units	(92,229,940)	-	(92,229,940)
At 30 June 2025	<u>77,947,611</u>	<u>418,114</u>	<u>78,365,725</u>

## MAYBANK ISLAMIC STRATEGIC INCOME FUND

### UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 4 NOVEMBER 2024 (DATE OF LAUNCH) TO 30 JUNE 2025

04.11.2024  
(Date of launch)  
to  
30.06.2025  
RM

#### CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Placement in Shariah-compliant deposits with maturity more than 3 months	(29,000,000)
Net purchase of financial assets at FVTPL	(37,269,407)
Net proceeds from redemption of financial assets at FVTPL	9,508,665
Profit received	1,027,180
Manager's fee paid	(73,110)
Trustee's fee paid	(13,038)
Payment of other fees and expenses	(5,312)
Net cash used in operating and investing activities	<u>(55,825,022)</u>

#### CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units created	168,667,402
Cash paid on units cancelled	(92,229,940)
Net cash generated from financing activities	<u>76,437,462</u>

#### NET CHANGES IN CASH AND CASH

##### EQUIVALENTS FOR THE FINANCIAL PERIOD

20,612,440

#### CASH AND CASH EQUIVALENTS AT THE

##### DATE OF LAUNCH

-

#### CASH AND CASH EQUIVALENTS AT THE END

##### OF THE FINANCIAL PERIOD

20,612,440

#### Cash and cash equivalents comprise of:

Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months	20,611,653
Cash at bank	787

20,612,440