

MAYBANK FINANCIAL INSTITUTIONS INCOME FUND ("the Fund")

Date of Issuance: 25 November 2024

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in this Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Maybank Financial Institutions Income Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Maybank Financial Institutions Income Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Financial Institutions Income Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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This Product Highlights Sheet only highlights the key features and risks of the Maybank Financial Institutions Income Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

1. What is Maybank Financial Institutions Income Fund?

The Fund is Maybank Asset Management Sdn Bhd's bond fund. The Fund seeks to achieve regular income stream which is deriving from the portfolio.

2. Fund Suitability

The Fund is suitable for investors who:

- seek regular income* stream;
- seek exposure in RM-denominated bonds issued by financial institutions and/or bank guaranteed bonds; and
- has a long term** investment horizon.

Notes:

* *Income could be in the form of cash or units.*

** *“long term” means a period of more than five (5) years.*

3. Investment Objective

The Fund seeks to achieve regular income stream which is deriving from the portfolio.

4. Key Product Features

Fund Type	Income.
Fund Category	Bond.
Performance Benchmark	12-month Maybank Fixed Deposit rate. <i>(Source: www.maybank2u.com.my)</i> <i>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</i>
Investment Strategy	<p>The Fund seeks to achieve its investment objective by investing a minimum of 70% of the Fund's net asset value (“NAV”) in bonds issued by financial institutions and/or bank guaranteed bonds. A minimum of 5% of the Fund's NAV may be invested in money placements with financial institutions ranging from overnight placement to a maximum tenure of one (1) year offered by the financial institutions (“Fixed Deposits”) and money market instruments.</p> <p>The Fund will be actively managed by investing in a diversified portfolio of bonds issued by financial institutions and/or bank guaranteed bonds and/or money market instruments and Fixed Deposits. The active management of the Fund aims to provide steady returns.</p> <p><u>Bonds</u></p> <p>The Fund will invest in RM-denominated bonds with a minimum rating of “A3” by RAM Rating Services Berhad (“RAM”) or its equivalent rating by Malaysian Rating Corporation Berhad (“MARC”) at the point of purchase.</p> <p>If any of the RM-denominated bonds have been downgraded to a rating lower than A3 by RAM or its equivalent rating by MARC, the Manager shall dispose of the downgraded bonds as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold the downgraded bonds for up to ninety (90) days. This treatment shall be applicable to issuer rating when there is no issue rating for a bond.</p> <p>In determining the applicable rating for the respective RM-denominated bonds, the issuer rating assigned by a relevant rating agency may be used instead when there is no rating assigned by the same rating agency to the bonds and the</p>

	Manager is of the opinion that the issuer's rating is a representation of the bond's rating, i.e. in the event of any insolvency of the issuer, the bond of that issuer shall rank in equal seniority in rights of payment or claim with all other non-secured and non-guaranteed obligations of that issuer.	
Launch Date	Class A	17 December 2009.
	Class B	25 November 2024.
Manager	Maybank Asset Management Sdn Bhd.	
Management Fee	Class A	Class B
	Up to 0.60% per annum of the NAV of each class of units ("Class(es)"). <i>Please refer to https://www.maybank-am.com.my/announcement for information on the current annual management fee charged to each Class.</i>	
Sales Charge	Class A	Class B
	Up to 3.00% of the NAV per unit.	Nil.
Notes: (1) Investors may negotiate for a lower sales charge. (2) The Manager reserves the right to waive or reduce the sales charge. (3) All sales charge will be rounded up to two (2) decimal places and will be retained by the Manager.		
Redemption Charge	Nil.	
Switching Fee	Class A	Class B
	RM10.00 per switch.	
Notes: (1) The Manager reserves the right to waive the switching fee. (2) In addition to the switching fee, the unit holder will also have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.		
Transfer Fee	Class A	Class B
	RM10.00 per transfer.	
Notes: (1) The Manager reserves the right to waive the transfer fee. (2) The Manager reserves the right to decline any transfer request if such transfer will expose the Manager to any liability and/or will contravene any law or regulatory requirements, whether or not having the force of law.		
Trustee	PB Trustee Services Berhad.	
Trustee Fee	0.05% per annum of the NAV of the Fund, subject to a minimum fee of RM18,000 per annum.	
Minimum Initial Investment[^]	Class A	Class B
	RM1,000	RM250,000
[^] or such other lower amount as determined by the Manager from time to time.		

Minimum Additional Investment[^]	Class A	Class B
	RM100	RM250,000
[^] or such other lower amount as determined by the Manager from time to time.		
Notes: (1) <i>The Manager's distributors may set a lower minimum initial and/or additional investment than the above for investment made via the Manager's distributors subject to their terms and conditions for investment.</i> (2) <i>Class B is only offered to institutional investors who are investing directly with the Manager and are not available to institutional investors who are investing in the Fund via the Manager's distributors.</i>		
Minimum Unit Holdings[^]	Class A	Class B
	1,000 units	50,000 units
[^] or such other lower number of units as determined by the Manager from time to time.		
Distribution Policy	<p>The Fund will distribute income, if any, at least half-yearly on best effort basis. However, the Manager reserve the right not to distribute income, at the Manager's absolute discretion.</p> <p>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 investment objective and distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.</p> <p>In addition, distribution out of the Fund's capital may amount to a reduction of part of the unit holders' original investment and may also result in reduced future returns to unit holders. When a substantial amount of the original investment is being returned to the unit holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</p>	

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

5. Asset Allocation

Asset Type	% of the Fund's NAV
Bonds issued by financial institutions and/or bank guaranteed bonds.	A minimum of 70%
Fixed Deposits and money market instruments.	A minimum of 5%

6. Key Risks

Credit and Default Risk

Credit risk relates to the creditworthiness of the issuers of the bonds or money market instruments, and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the bonds or money market instruments. In the case of rated bonds, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a bond or money market instrument either defaulting on payments or failing to make payments in a timely manner which will in turn

adversely affect the value of the bonds or money market instruments and the performance of the Fund.

This risk is mitigated by investing in bonds with credit rating of at least “A3” by RAM or an equivalent rating by MARC and carrying out due diligence in the credit assessments of the investments. In the absence of a credit rating for the bonds, the credit rating of the issuer issuing the bonds will be used instead.

Deposits that the Fund placed with financial institutions are also exposed to default risk. If the financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the Fund to be adversely affected. Placement of deposits with financial institutions will also be made based on prudent selection.

Concentration Risk

Investors should be aware of the Fund’s possible concentration in exposure to a particular sector when investing in this Fund. The Fund will focus a greater portion of its assets in bonds issued by financial institutions and/or bank guaranteed bonds, exposing it to concentration risk in the sector of financial institutions. Given that, the Fund’s value and/or performance may be heavily dependent on the performance of the financial institutions.

Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the valuation of bonds and money market instruments. When interest rates rise, bonds and money market instruments prices generally decline and this may lower the market value of the Fund’s investment in bonds and money market instruments. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, the Manager will manage the bonds and money market instruments taking into account the time to maturity of the bonds and money market instruments.

Interest rate fluctuations also affect the deposits’ returns of the Fund. Interest rates offered by the financial institutions will fluctuate according to the overnight rate policy determined by Bank Negara Malaysia and this has direct correlation with the Fund’s investment in deposits. The Fund’s future reinvestment in deposits will benefit from the higher interest rate and in the event of falling interest rates, the Fund’s future investment in deposits will be reinvested at lower interest rates which in turn will reduce the Fund’s potential returns.

Distribution Out of Capital Risk

The Fund may distribute income out of its capital. The declaration and payment of distribution may have the effect of lowering the NAV of the Fund. In addition, distribution out of the Fund’s capital may reduce part of the unit holders’ original investment and may also result in reduced future returns to unit holders.

Investors are reminded that the risks listed above may not be exhaustive and if necessary, they should consult their adviser(s), e.g., bankers, lawyers, stockbrokers or independent professional advisers for a better understanding of the risks.

For more details, please refer to section 3 in the prospectus for the general and specific risks of investing in the Fund.

Note: If your investments are made through an institutional unit trust scheme adviser (“Distributor”) which adopts the nominee system of ownership, you would not be deemed to be a unit holder under the deed and as a result, your rights as an investor may be limited. Accordingly, the Manager will only recognize the Distributor as a unit holder of the Fund and the Distributor shall be entitled to all the rights conferred to it under the deed.

7. Valuation of Investment

The Fund is valued once at the end of every business day.

As such, the daily price of the Fund for a particular business day will be published on the next business day.

Investors will be able to obtain the unit price of the Fund from <https://www.maybank-am.com.my>. Alternatively, the Manager's client servicing personnel can be contacted at 03-2297 7888.

8. Exiting from Investment

Submission of Redemption Request	The cut-off time for redemption of units shall be at 4.00 p.m. on a business day. <i>Note: The Manager's distributors may set an earlier cut-off time for receiving applications in respect of any dealing in units. Please check with the respective distributors for their respective cut-off time.</i>
Payment of Redemption Proceeds	The unit holders shall be paid within seven (7) business days from the date the redemption request is received by the Manager.
Remittance of Redemption Proceeds	The Manager shall remit the redemption proceeds to the account held in the name of the unit holder(s).

9. Fund Performance

Note: The performance for Class B is not available as Class B will launch on 25 November 2024.

I. The average total return of the Fund

Note: Basis of calculation and assumption made in calculating the returns:

$$\text{Performance return} = \frac{\text{NAV } t - \text{NAV } t-1}{\text{NAV } t-1}$$

$$\text{Annualised performance return} = (1 + \text{performance return})^{\left(\frac{\text{number of period per year}}{\text{total no. of periods}}\right)} - 1$$

NAV t refers to NAV at the end of the period.

NAV t-1 refers to NAV at the beginning of the period.

Average total return for the financial year ended 31 January

	1- Year	3- Year	5- Year	10-Year
Class A (%)	4.93%	3.02%	4.03%	4.04%
Benchmark (%)	2.85%	2.34%	2.45%	2.85%

II. The annual total return of the Fund for the financial year ended 31 January

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class A (%)	4.93%	2.42%	1.74%	4.71%	6.41%	4.27%	4.33%	4.32%	3.66%	3.74%
Benchmark (%)	2.85%	2.32%	1.85%	2.10%	3.15%	3.36%	3.11%	3.20%	3.30%	3.24%

The total return of the Fund is based on the following calculation:

Capital return =	$\frac{\text{NAV per unit at the end of the period}}{\text{NAV per unit at the beginning of the period}} - 1$
Income return =	$\frac{\text{Income distribution per unit}}{\text{NAV per unit on ex-date}}$
Total return =	$(1 + \text{Capital return}) \times (1 + \text{Income return}) - 1$

1-Year Fund performance review

Asset Management

Class A registered a total return of 4.93% against its benchmark's return of 2.85%, thus outperformed the benchmark by 2.08%.

III. Portfolio Turnover Ratio ("PTR") as at 31 January

	2024*	2023	2022
PTR (times)	0.53	0.30	0.34

* The PTR is higher than the previous financial year due to increase trading activities during the period under review.

IV. Distribution as at 31 January

Class A	2024	2023	2022
Gross distribution per unit (sen)	2.95	4.00	3.70
Net distribution per unit (sen)	2.95	4.00	3.70
Cash or units	Cash and units	Cash and units	Cash and units

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

10. Contact Information

I. For internal dispute resolution, you may contact:

Client Servicing Personnel

Tel : 03-2297 7888

Fax : 03-2715 0071

Email : mamcs@maybank.com.my

Website : www.maybank-am.com

II. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

a. via phone to : 03-2276 6969

b. via email to : info@sidrec.com.my

c. via letter to : Securities Industry Dispute Resolution Center (SIDREC)

Level 25, Menara Takaful Malaysia

No.4, Jalan Sultan Sulaiman

50000 Kuala Lumpur

III. You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

a. via phone to : 03-6204 8999

b. via fax to : 03-6204 8991

c. via email to : aduan@seccom.com.my

d. via the online complaint form available at www.sc.com.my

e. via letter to : Consumer & Investor Office

Securities Commission Malaysia

No 3, Persiaran Bukit Kiara

Bukit Kiara, 50490 Kuala Lumpur

IV. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

a. via phone to : 03-7890 4242

b. via email to : complaints@fimm.com.my

c. via the online complaint form available at www.fimm.com.my

d. via letter to : Legal & Regulatory Affairs

Federation of Investment Managers Malaysia

19-06-1, 6th Floor, Wisma Capital A

No. 19, Lorong Dungun

Damansara Heights, 50490 Kuala Lumpur