

INVESTMENT-i ACCOUNT RAKYAT MUDARABAH FUND 1

Fund Performance Report for the Quarter Ended 31st March 2025

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following Fund Performance Report of Investment-i Account RAKYAT MUDARABAH FUND 1 for the quarter ended 31st March 2025.

1.0 KEY FUND INFORMATION

<p>Type of Investment Account</p> <ul style="list-style-type: none"> Unrestricted Investment Account where the investor provides Bank Rakyat with the mandate to make ultimate investment decision without specifying any restrictions or conditions on the management of the funds. <p>Fund Investment Objective</p> <ul style="list-style-type: none"> To invest in low to medium risk investment which utilizing the Bank's stable retail financing asset. To provide capital stability and optimal return to the investors. The Bank's risk appetite is to invest into retail portfolio based on the Bank's expertise. <p>Fund Investment Strategies</p> <ul style="list-style-type: none"> The fund aims to give stable return to the investor mainly from profit distribution through diversified investment. 	<p>Type of Investor</p> <ul style="list-style-type: none"> Individual/ Joint/ Trustee <p>Profit Distribution Frequency</p> <ul style="list-style-type: none"> Profit will be paid on daily basis based on the profit rate which tentatively declared on every 15th of every month. <p>Valuation</p> <ul style="list-style-type: none"> The Bank will perform valuation of the underlying assets of the Fund in accordance with the Malaysia Financial Reporting Standards ("MFRS") which will be carried out on a monthly basis. <p>Statement on any changes</p> <ul style="list-style-type: none"> There have been no changes in the investment objectives, strategies, restrictions, and limitation during the quarter period.
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2.0 RISK STATEMENT

- Second Line of Defense Functions

The second line of defense functions assist the Bank in building and/or monitoring the first line of defense controls to ensure that the controls embedded in the operation processes are properly designed, in place, and functioning as intended.

- Risk Management Sector

Risk Management Sector performs independent assessment and monitoring of risk-taking activities and ensure the risk profile and policies remained accommodative for business growth without transgressing the Bank's Risk Appetite Statement.

In promoting sound implementation of risk management, the Bank has established relevant framework and policies in managing the risk-taking activities, for example, Group Risk Management Framework and dedicated policy for each type of risk (e.g., Credit Risk, Market Risk, Liquidity Risk, Operational Risk etc.).

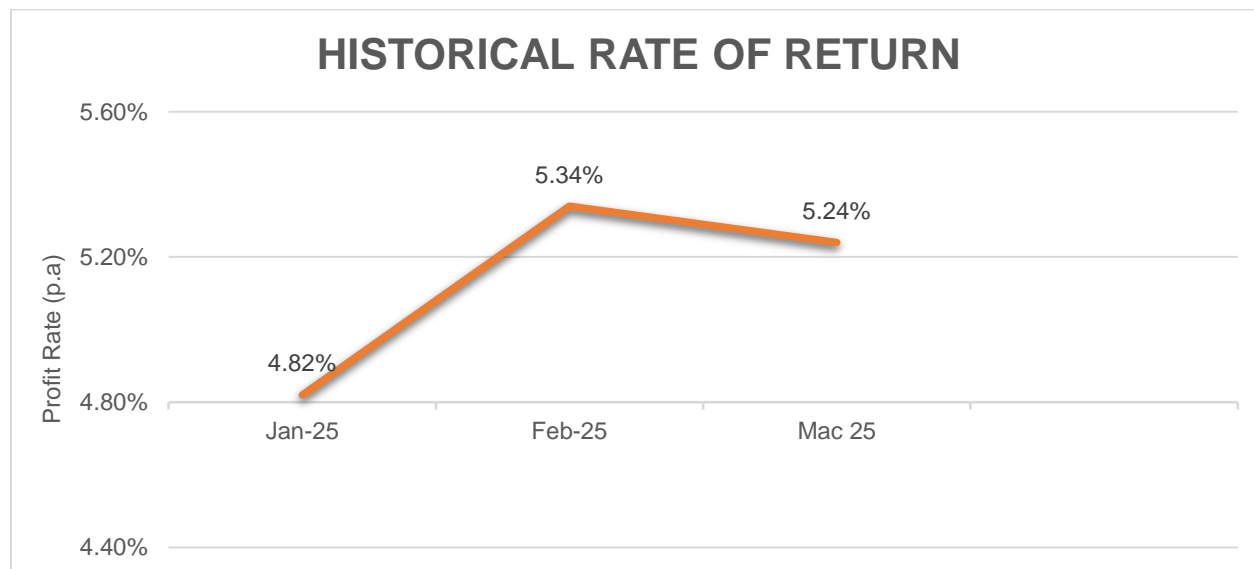
The framework and policies have been established in tandem with the relevant regulatory requirements issued by BNM.

3.0 FUND PERFORMANCE

- Investment-i Account Rizq Plus performance for the Quarter Ended 31/03/2025:

PERIOD	ACCUMULATED FUND SIZE	RETURN ON ASSET (ROA) % p.a	PROFIT SHARING RATIO (CUSTOMER: BANK)	RETURN ON INVESTMENT (ROI)
15/01/2025 – 14/02/2025	502,980,428	4.82%	0 – 4,999.99: 1:99 5,000 – 9,999.99: 2:98 10,000 – 49,999.99: 3:97 50,000 – 999,999.99: 21:79 1,000,000 and above: 51:49	0 – 4,999.99: 0.04% 5,000 – 9,999.99: 0.09% 10,000 – 49,999.99: 0.14% 50,000 – 999,999.99: 1.01% 1,000,000 and above: 2.45%
15/02/2025 – 14/03/2025	550,871,546	5.34%		0 – 4,999.99: 0.05% 5,000 – 9,999.99: 0.10% 10,000 – 49,999.99: 0.16% 50,000 – 999,999.99: 1.12% 1,000,000 and above: 2.72%
15/03/2025 – 31/03/2025	583,897,975	5.24%		0 – 4,999.99: 0.05% 5,000 – 9,999.99: 0.10% 10,000 – 49,999.99: 0.15% 50,000 – 999,999.99: 1.10% 1,000,000 and above: 2.67%

- Historical rate of return for Investment-i Account as at Quarter Ended 31/03/2025 are as follows:

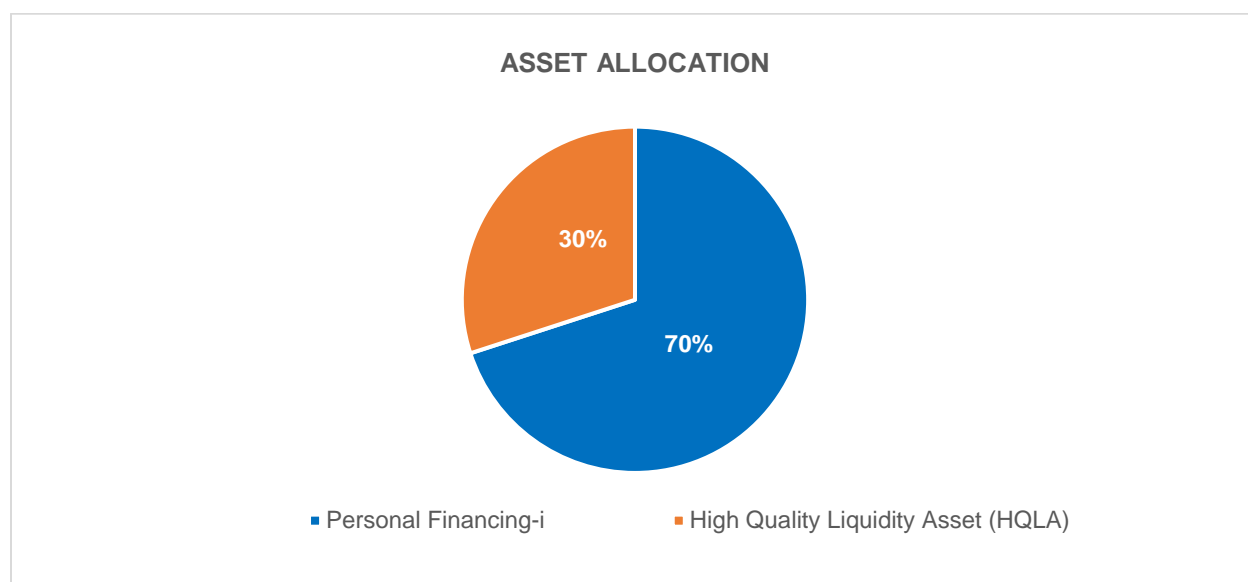


Note:

- The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula:

$$\text{Rate of Return} = (\text{Total Income} - \text{Impairment Allowances}) \times \text{PSR}$$
- Past performance is not reflective of future performance.

- Asset Allocation as at Quarter Ended 31/03/2025 are as follows:



4.0 MARKET OUTLOOK

Malaysia's advance GDP estimate by the Department of Statistics Malaysia (DOSM) indicated a growth of 4.4% YoY in 1Q25, extending its moderation for three quarters in a row (4Q24: 5.0%, 3Q24: 5.4% and 2Q24: 5.9%). This was primarily due to a larger decline in the mining & quarrying sector amid a softer expansion across services, manufacturing, and construction industries. Mining sector is expected to continue register contraction for the third consecutive quarter at a steeper pace of 4.9% YoY (4Q24: -0.9% YoY) which could also mark the biggest decline since 4Q20, as a result of lower production of both crude oil & condensate and natural gas. The performance was underpinned by growth in the services, manufacturing and construction sectors. Conversely, the mining & quarrying sector remained in contraction, acting as a drag on overall output.

Other economic indicators that showed positive momentum includes the unemployment rate that stayed at 3.1% in Feb'25 (Jan'25: 3.1%), which improved from its 3.2% level in Dec'24. The rate has stayed at its lowest level since Jan'20 for the fourth consecutive month. The economy was further supported by the domestic expenditure as the wholesale & retail trade grew by 5.1% YoY in Feb'25 (Jan'25: 4.6% YoY) to record a steady performance with a growth of 5.9% YoY or RM12.4 billion to RM223.9 billion as compared to RM211.5 billion in Feb'24. The performance was propelled by significant growth of 6.2% YoY in exports and 5.5% YoY in imports. This led to a trade surplus of RM12.6 billion, an increase of 12.2% YoY. The leading index that is used to measure the direction of Malaysia's economy, continues its expansion into the 13th month. It grew moderately by 0.27% YoY in Jan'25 (Dec'24: 3.36% YoY). These development and positive momentum will lead to a sustained growth in the foreseeable future.

Meanwhile, inflation in Mar'25 increased at a slower rate of 1.4% YoY against 1.5% YoY in Feb'25. This was due to a slower increase in main groups of inflation. Given the favourable economic conditions, Bank Negara Malaysia (BNM) has maintained the overnight policy rate (OPR) at 3.0% on 6 March.

Moving forward, Malaysia's economy is expected to sustain its growth trajectory, with GDP projected to expand between 4.5% and 5.5% YoY in 2025 (2024^e: 4.8% to 5.3% YoY). This outlook is underpinned by resilient domestic demand, rising approved investments including strategic developments such as the Johor-Singapore Special Economic Zone and a steady increase in tourist arrivals. In addition, the ongoing rollout of mega-infrastructure projects such as the East Coast Rail Link (ECRL), Pan Borneo Highway, and the Rapid Transit System (RTS) Link are expected to further support economic momentum. The labour market is anticipated to remain stable, reflecting the continued strength of domestic economic activity. Inflation is projected to stay manageable within the range of 2.0% to 3.5% in 2025 (2024^e: 1.5% to 2.5%) amidst stable OPR, although downside risks particularly from external pressure persist. These include potential escalations in geopolitical and trade tensions as well as a weaker-than-expected global demand environment.

Global Economy

The Organisation for Economic Co-operation and Development (OECD) projected global GDP to moderate to 3.1% YoY in 2025 (2024^e: 3.2% YoY) on the back of higher trade barriers in several G20 countries and increased geopolitical tensions and policy uncertainties. Inflation is projected to be higher than expected although still moderating as economic growth softens. On monetary policies, major central banks are expected to further cut interest rates to allow room for economic growth. On another note, Donald Trump, who took office as the President of the United States in Jan'25, has sparked uncertainties in the financial market during the quarter when he voiced out his intentions to raise tariffs.