

## INVESTMENT-i ACCOUNT RAKYAT MUDARABAH FUND 1

Fund Performance Report for the Quarter Ended 30<sup>th</sup> September 2024

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 30<sup>th</sup> September 2024.

### 1.0 KEY FUND INFORMATION

<p><b>Type of Investment Account</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Fund Investment Objective</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Fund Investment Strategies</b></p> <ul style="list-style-type: none"> <li>The fund aims to give stable return to the investor mainly from profit distribution through diversified investment.</li> </ul>	<p><b>Type of Investor</b></p> <ul style="list-style-type: none"> <li>Individual/ Joint/ Trustee</li> </ul> <p><b>Profit Distribution Frequency</b></p> <ul style="list-style-type: none"> <li>Profit will be paid on daily basis based on the profit rate which tentatively declared on every 15<sup>th</sup> of every month.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Statement on any changes</b></p> <ul style="list-style-type: none"> <li>There have been no changes in the investment objectives, strategies, restrictions, and limitation during the quarter period.</li> </ul>
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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.).

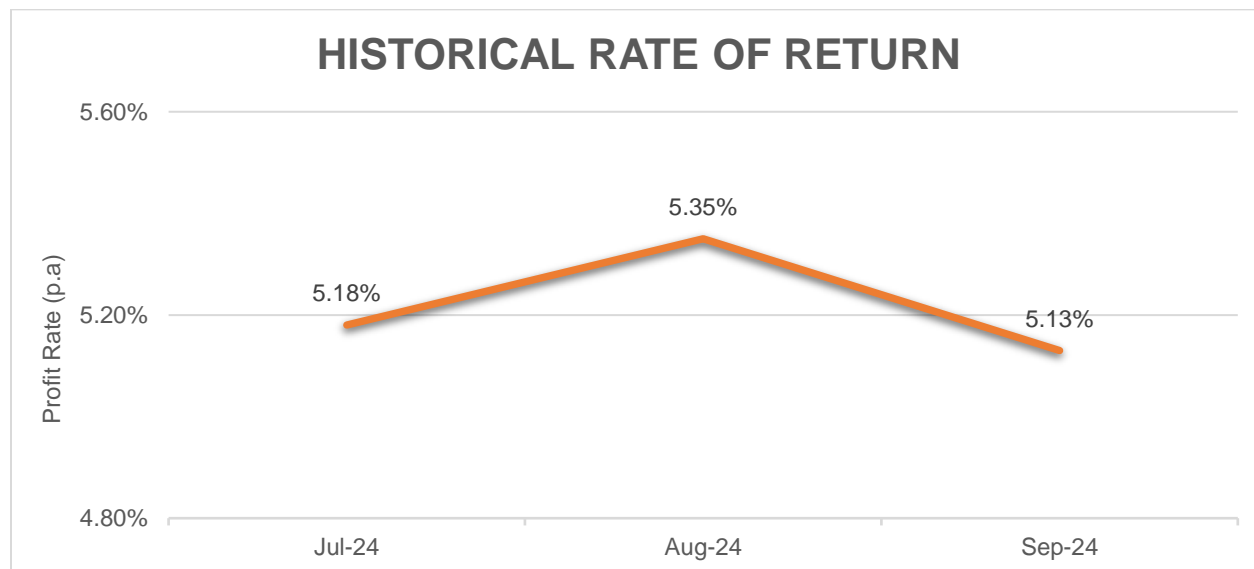
The framework and policies have been established in tandem with the relevant regulatory requirements issued by BNM.

### 3.0 FUND PERFORMANCE

- Investment-i Account Rizq Plus performance for the Quarter Ended 30/09/2024:

PERIOD	ACCUMULATED FUND SIZE	RETURN ON ASSET (ROA) % p.a	PROFIT SHARING RATIO (CUSTOMER: BANK)	RETURN ON INVESTMENT (ROI)
15/07/2024 – 14/08/2024	324,570,770	5.18%	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: 0.05% 5,000 – 9,999.99: 0.10% 10,000 – 49,999.99: 0.15% 50,000 – 999,999.99: 1.08% 1,000,000 and above: 2.64%
15/08/2024 – 14/09/2024	335,122,545	5.35%		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%
15/09/2024 – 30/09/2024	352,371,334	5.13%		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: 1.07% 1,000,000 and above: 2.61%

- Historical rate of return for Investment-i Account as at Quarter Ended 30/09/2024 are as follows:

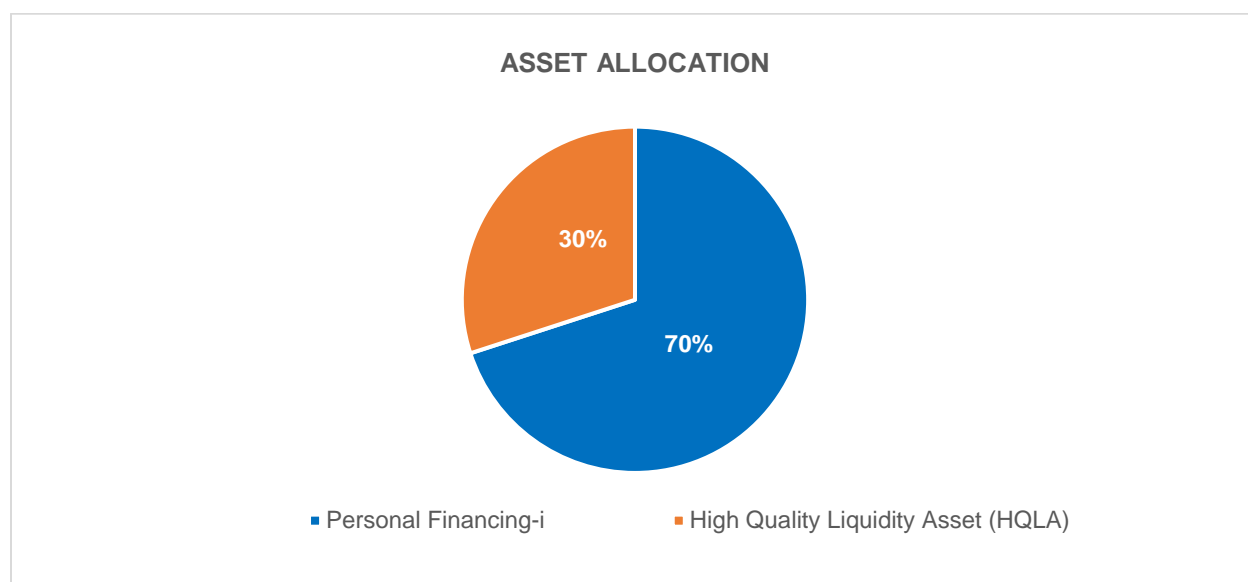


Note:

- 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 30/09/2024 are as follows:



## 4.0 MARKET OUTLOOK

### Malaysia Economic Review and Outlook

Following a robust 5.9% YoY gross domestic products (GDP) growth in 2Q'24, Malaysian economy is expected to continue its expansion by 5.3% YoY in 3Q'24, primarily attributed by growth in major sectors – services, manufacturing, and construction, according to the Department of Statistics Malaysia (DOSM). Further supporting the growth, economic indicators remain steady, with the unemployment rate improved to 3.2% in Aug'24 (Jul'24: 3.3%). The Leading Index (LI), which measures future economic direction, registered 5.2% YoY growth in Jul'24 (Jun'24: 3.5% YoY), boosted by increases in semiconductor imports, higher external trade, and gains in the Bursa Malaysia Industrial Index. The remarkable performance of the Malaysian Ringgit as Asia's best-performing currency was the key highlight of the 3Q'24, buoyed by an optimistic trade outlook and encouraging economic indicators, reflecting growing investor confidence. Trade performance has also been robust, growing by 18.6% YoY in Aug'24 (Jul'24 18.3% YoY), marking the fastest growth in 22 months. This upturn reflects a broad recovery in international demand with exports continuing to witness double-digit growth at 12.1% YoY in Aug'24 (Jul'24: 12.3% YoY) driven by the electrical and electronics (E&E) sector.

Inflation eased to 1.9% YoY in Aug'24 (Jul'24: 2.0% YoY), supported by various government measures. Malaysia's approved investments also up by 18% YoY in 1H24 (1H23: 7.5% YoY) to RM160 bil, driven by ongoing government initiatives to enhance the business environment and develop infrastructure, including data centres and cloud infrastructure. Given the favourable economic conditions, Bank Negara Malaysia has maintained the overnight policy rate (OPR) at 3% in Sep'24 amid manageable inflation.

Looking ahead, Malaysia's economy is well-positioned for continued expansion and is on track to achieve the upper growth target of 4%-5% YoY in 2024, supported by robust domestic demand, increased investments, rising tourist arrivals, and pick up in the external trade. Domestic demand will remain the anchor for this growth, supported by healthy labour market and ongoing multi-year infrastructure projects,

with many are already at circa 70% completion. With supportive economic conditions, the OPR is projected to remain at 3.0% in 2024 and 2025. The Ringgit's strengthening is expected to continue into 2025, driven by potential further interest rate reductions by the U.S. Federal Reserve after 50 basis points cut in Sep'24. Other advanced economies such as United Kingdom, Japan, Canada and Australia are also expected to lower interest rates in 2024, while the European Central Bank (ECB) has already implemented two policy rate reductions this year. Furthermore, Budget 2025 is set to continue fiscal reform initiatives to ensure sustainable economic growth, and the thirteenth Malaysia Plan (13MP), which is under development, is anticipated to further bolster economic initiatives. However, Malaysia's growth outlook may face challenges from weak growth in major economies, worsening geopolitical and trade tensions such as the U.S. and China, and renewed disruptions to the global supply chain and trade flow.

### **Global Economy**

The global economy is projected to stabilise at 2.6% YoY in 2024 (2023: 3.2% YoY), with a slight increase to 2.7% YoY in 2025, according to the World Bank. This outlook is supported by modest trade and investment growth despite ongoing geopolitical tensions. Global inflation is expected to moderate to 3.5% YoY in 2024 (2023: 6.8%), but at a slower pace than previously anticipated. Major economies are likely to maintain cautious monetary policies focused on price stability and support economic growth. However, growth outlook remains vulnerable to mainly from further escalation of geopolitical tensions, volatility in global financial markets, and slower growth momentum in major economies. Renewed disruptions to the global supply chain and trade flows could further exacerbate these challenges