

INVESTMENT-i ACCOUNT RAKYAT MUDARABAH FUND 1

Fund Performance Report for the Quarter Ended 30th September 2022

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 guarter ended 30th September 2022.

1.0 KEY FUND INFORMATION

Type of Investment Account

 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.

Fund Investment Objective

 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.

Fund Investment Strategies

 The fund aims to give stable return to the investor mainly from profit distribution through diversified investment.

Type of Investor

Individual/ Joint/ Trustee

Profit Distribution Frequency

 Profit will be paid on daily basis based on the profit rate which tentatively declared on every 15th of every month.

Valuation

 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.

Statement on any changes

 There have been no changes in the investment objectives, strategies, restrictions, and limitation during the quarter period.

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 30/9/2022:

PERIOD	ACCUMULATED FUND SIZE	RETURN ON ASSET (ROA) % p.a	PROFIT SHARING RATIO (CUSTOMER: BANK)	RETURN ON INVESTMENT (ROI)
15/6/2022 – 15/7/2022	963,910	4.41%	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: 0.08% 10,000 – 49,999.99: 0.13% 50,000 – 999,999.99: 0.92% 1,000,000 and above: 2.24%
15/7/2022 – 15/8/2022	2,209,883	4.80%		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: 1.00% 1,000,000 and above: 2.44%
15/8/2022 – 15/9/2022	5,136,884	4.78%		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: 1.00% 1,000,000 and above: 2.43%
15/9/2022 – 30/9/2022	7,241,209	4.82%		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%

• Historical rate of return for Investment-i Account as at Quarter Ended 30/9/2022 are as follows:

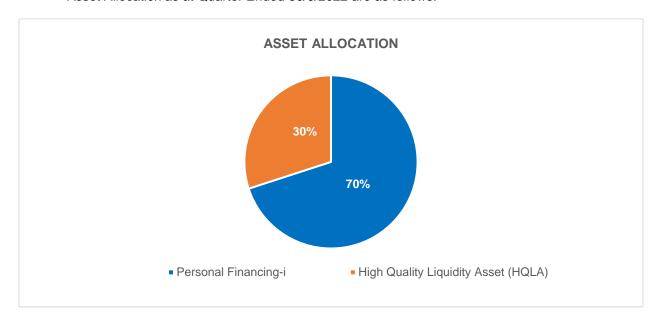


Note:

- The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula: Rate of Return = (Total Income – Impairment Allowances) x PSR
- 2. Past performance is not reflective of future performance.



Asset Allocation as at Quarter Ended 30/9/2022 are as follows:



4.0 MARKET OUTLOOK

Malaysia's Gross Domestic Product (GDP) accelerated to 8.9% YoY in 2Q 2022 (1Q 2022: 5.0% YoY) driven by robust growth in the services sector (2Q 2022: 12.0% YoY; 1Q 2022: 6.5% YoY) and sustained expansion in the manufacturing sector (2Q 2022: 9.2% YoY; 1Q 2022: 6.6% YoY). Growth was also attributable to a surge in private consumption (2Q 2022: 18.3% YoY; 1Q 2022: 5.5% YoY) bolstered by pent-up demand as Malaysia transitioned to endemicity with the removal of COVID-related restrictions and the reopening of international borders since April 2022. The improvement also reflects the recovery in the labor market in line with higher employment growth (2Q 2022: 3.2% YoY; 1Q 2022: 2.2% YoY), lower unemployment rate (2Q 2022: 3.9%; 1Q 2022: 4.1%) and improved wage growth (2Q 2022: 7.8% YoY; 1Q 2022: 4.7% YoY).

Meanwhile, the recent economic indicators point to continued growth. The leading index (LI) in July 2022 showed optimistic economic performance in the coming months with sustained positive annual growth at 4.1% in July 2022 (June 2022: 5.3% YoY). Similarly, exports surged 48.2% YoY (July 2022: 38.0% YoY), while imports soared to 67.6% YoY (June 2022: 41.9% YoY) in August 2022. Labor market conditions and income prospects are expected to remain positive coupled with the recovery in tourism-related sectors. Investment activity and prospects would be supported by the realization of multi-year projects (e.g., ECRL, LRT3, and Pan Borneo Highway). For 2022, Malaysia's economic growth may surpass the official estimates of between 5.3% - 6.3% YoY in 2022, as the country saw faster growth in the 2Q 2022 and expected strong performance in the 3Q 2022. The World Bank has recently revised Malaysia's GDP forecast upward to 6.4.% YoY in 2022 (previous: 5.5% YoY), which is at higher end of official forecast. However, the risks to Malaysia's growth prospects remain. These include moderation in global growth (recession risks), further escalation of geopolitical conflicts, renewed COVID-19 outbreaks, and heightened financial market volatility. Government is expected to continue with its expansionary fiscal policy under the upcoming Budget 2023, which will be tabled on 7 October 2022.

On the global front, the balance of risks to world growth remains tilted to the downside. The global growth is now expected to moderate as most international agencies have revised the global GDP forecasts



downward between 2.3% and 3.2% YoY in 2022 (2023f: 2.0% - 3.0% YoY) reflecting weaker outlook for the world's largest economies (i.e., China, Eurozone, China, Japan, and the United States). Additionally, high inflation in the United States has weighed on the global expansion and compounded with an aggressive monetary policy response. In September, the U.S. Federal Reserve (Fed) raised its benchmark interest rates third consecutive times by 75bps to a range of 3.00% - 3.25%, the highest since January 2008. Moving forward, the Fed also signaled that there will be more rate hikes in 2023 (2022f: 4.50%) to tame high inflation.