

INVESTMENT-i ACCOUNT RAKYAT MUDARABAH FUND 1

Fund Performance Report for the Quarter Ended 30th September 2023

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 30th September 2023.

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.).

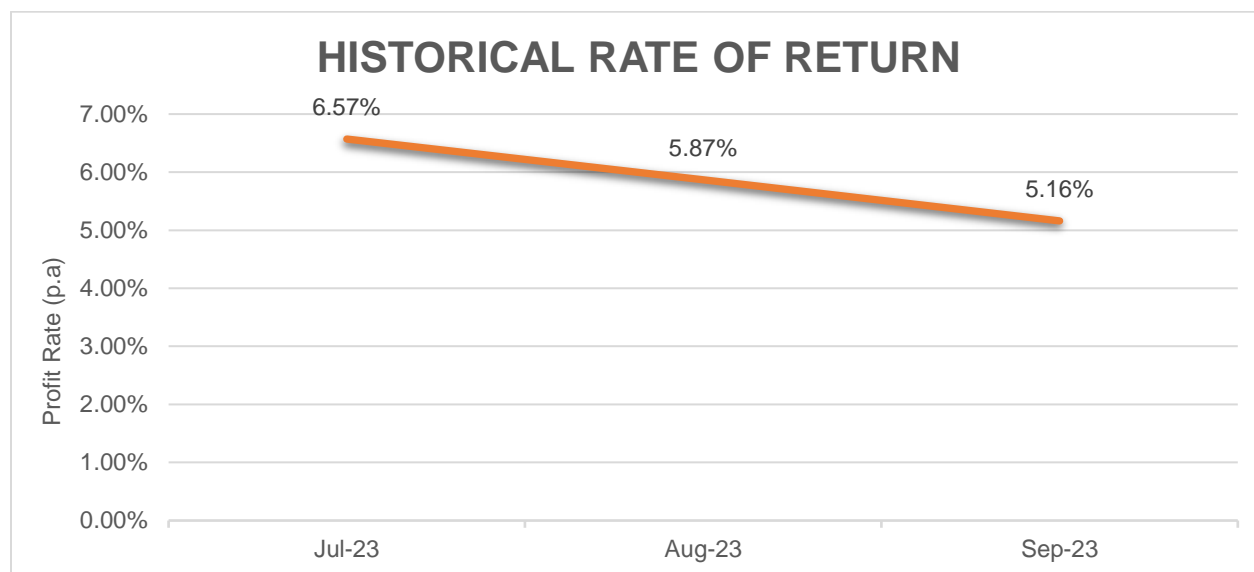
The framework and policies have been established in tandem with the relevant regulatory requirements issued by BNM.

3.0 FUND PERFORMANCE

- Investment-i Account Rizq Plus performance for the Quarter Ended 30/09/2023:

PERIOD	ACCUMULATED FUND SIZE	RETURN ON ASSET (ROA) % p.a	PROFIT SHARING RATIO (CUSTOMER: BANK)	RETURN ON INVESTMENT (ROI)
15/07/2023 – 14/08/2023	84,776,104	6.57%	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: 0.06% 5,000 - 9,999.99: 0.13% 10,000 – 49,999.99: 0.19% 50,000 – 999,999.99: 1.37% 1,000,000 and above: 3.35%
15/08/2023 – 14/09/2023	93,923,961	5.87%		0 – 4,999.99: 0.05% 5,000 - 9,999.99: 0.11% 10,000 – 49,999.99: 0.17% 50,000 – 999,999.99: 1.23% 1,000,000 and above: 2.99%
15/09/2023 – 30/09/2023	114,167,776	5.16%		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: 2.63%

- Historical rate of return for Investment-i Account as at Quarter Ended 30/09/2023 are as follows:

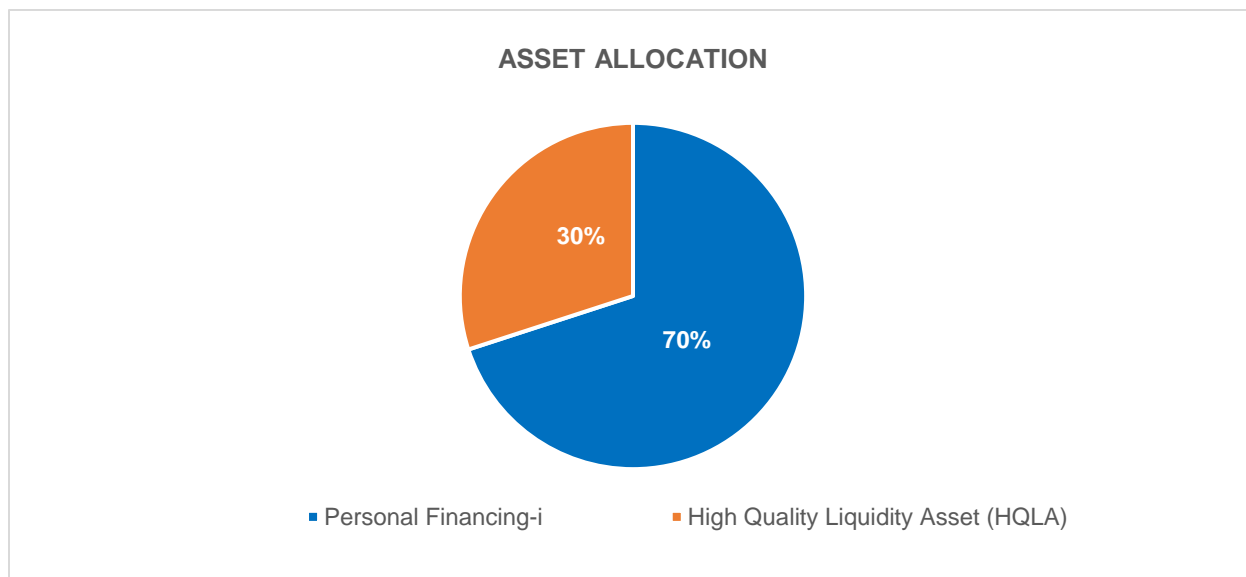


Note:

- 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 30/09/2023 are as follows:



4.0 MARKET OUTLOOK

Domestic Market

In Malaysia, the conclusion of the State Elections in August has set the stage for clear policy rollouts and removed political uncertainties. Looking ahead, BNM expects the Malaysian economy to expand closer to around 4% YoY this year supported by domestic demand amid improving employment and income as well as implementation of multi-year projects. Meanwhile, inflation in Malaysia has remained steady, with a reading of 2% YoY in both July and August 2023. In response, BNM has kept profit rates unchanged at 3.00% in September but reiterated that the decision on profit rate movement would still be data dependent.

On economic performance, Malaysia's economy grew lower-than-expected by 2.9% YoY in 2Q23 contributed by domestic demand as the key driver of growth and supported by private consumption and investment. Meanwhile, investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government.

On another note, the government had unveiled the New Industrial Master Plan (NIMP) 2030 on 1 September 2023, which aims to revolutionize Malaysia's manufacturing sector and transform the nation into an industrialized high-income country. Subsequently, on 11 September 2023, the Prime Minister tabled the Mid Term Review (MTR) of Twelfth Malaysia Plan (12MP) 2021 - 2025. The MTR highlighted that Malaysia has recorded GDP growth of 5.9% per annum during the first phase of 12MP in 2021 - 2022, with 31% of the 175 goals achieved and 59% progressing as planned. Malaysia's economy is expected to grow between 5.0% - 5.5% p.a. for the remaining period of 2023 - 2025. The implementation of catalytic initiatives under the government's new national policies which include MADANI economy, National Energy Transition Roadmap (NETR), and NIMP 2030, apart from 12MP would continue to stimulate the domestic economic activities and propel Malaysia's economy going forward.

The Prime Minister had on 13 October 2023 also tabled Budget 2024 with total allocation of RM393.8bil, the highest in history (Budget 2023: RM388.1bil) which to further benefit key sectors among other

sustainability, digital and green related businesses. The Budget 2024 proposed a further reduction in fiscal deficit-to-GDP ratio to 4.3% (2023e: 5.0%), robust real GDP growth target of 4.0% - 5.0% (2023e: ~4.0%) and stable inflation forecast of 2.1% - 3.6% in 2024 (2023e: 2.5% - 3.0%). This reflects the government's commitment to accelerate the pace of fiscal consolidation by resuming gradual fiscal reforms to strengthen its finance, broaden the revenue base, optimize expenditure, and enhance fiscal governance.

With the conducive economic and accommodative monetary environment, this will provide some support to banking operating landscape.

Global Market

2023 Outlook: The global economy would continue to grow albeit at smaller pace (2023f: 2.8% vs 2022: 3.4%), driven by resilient domestic demand supported by strong labor market conditions. However, the growth outlook remains subject to downside risks, mainly from a slower momentum in major economies, higher-than-anticipated inflation outturns, escalation of geopolitical tensions, and a sharp tightening in financial market conditions. China, the second biggest economy in the world has shown sign of slowing down in recent months as the central bank has decided to cut down the profit rates in May'23. Meanwhile, western economies continue to battle with the persistently high core inflation and rising profit rates which dragged down their growth momentum.