

## INVESTMENT-i ACCOUNT RAKYAT MUDARABAH FUND 1

Fund Performance Report for the Quarter Ended 31<sup>th</sup> December 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 31<sup>th</sup> December 2023.

### 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.).

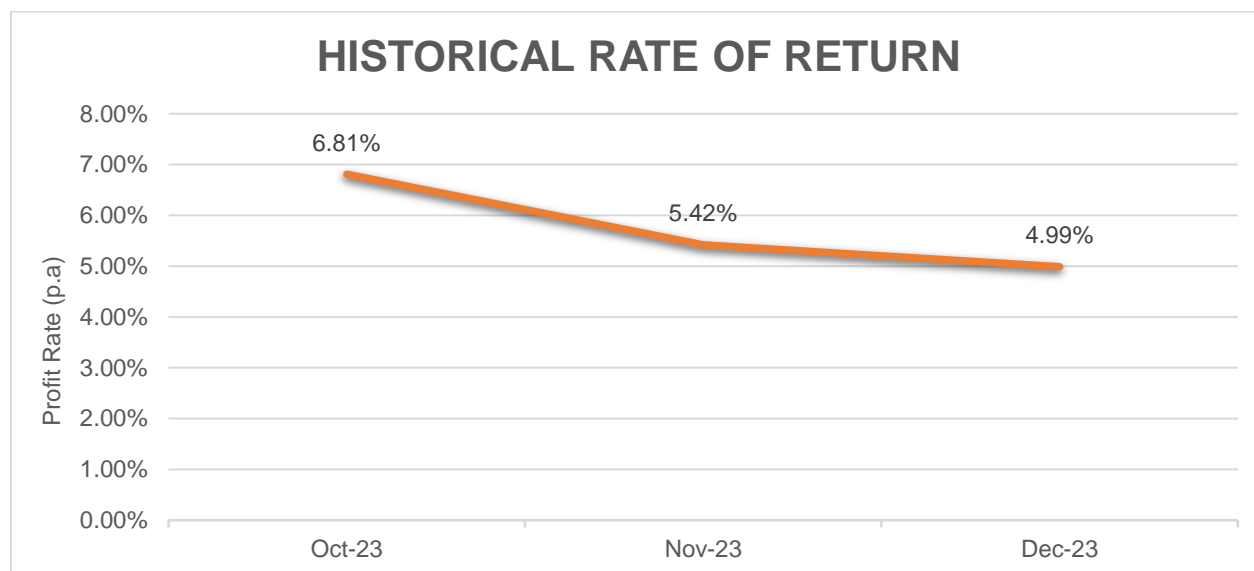
The framework and policies have been established in tandem with the relevant regulatory requirements issued by BNM.

### 3.0 FUND PERFORMANCE

- Investment-i Account Rizq Plus performance for the Quarter Ended 31/12/2023:

PERIOD	ACCUMULATED FUND SIZE	RETURN ON ASSET (ROA) % p.a	PROFIT SHARING RATIO (CUSTOMER: BANK)	RETURN ON INVESTMENT (ROI)
15/10/2023 – 14/11/2023	139,091,244	6.81%	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: 0.20% 50,000 – 999,999.99: 1.43% 1,000,000 and above: 3.47%
15/11/2023 – 14/12/2023	166,066,693	5.42%		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: 1.13% 1,000,000 and above: 2.76%
15/12/2023 – 31/12/2023	202,966,715	4.99%		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: 1.04% 1,000,000 and above: 2.54%

- Historical rate of return for Investment-i Account as at Quarter Ended 31/12/2023 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.
- Rate of ROR showed a slight decrease compared to previous months due to reclassification payment mode and delinquent of AKPK accounts.

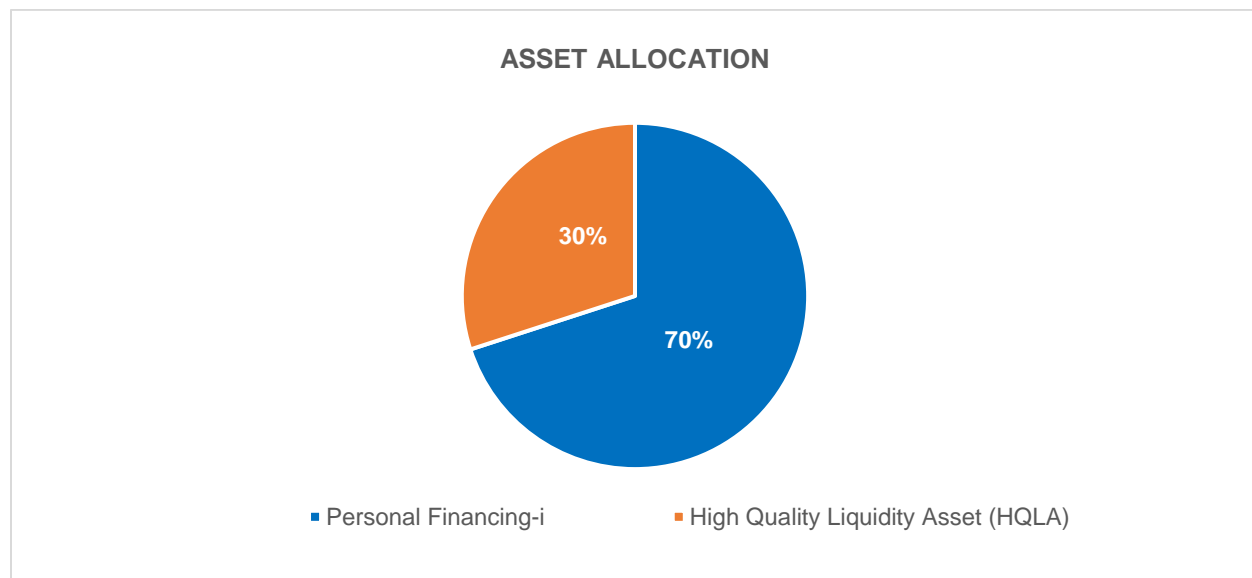
- Historical Rate of Return for year 2023

Range Bal	PSR	RATE(%)											
		JAN <small>(15 Jan 23 -14 Feb 23)</small>	FEB <small>(15 Feb 23 -14 Mac 23)</small>	MAR <small>(15 Mac 23 -14 Apr 23)</small>	APR <small>(15 Apr 23 -14 Mei 23)</small>	MAY <small>(15 Mei 23 -14 Jun 23)</small>	JUNE <small>(15 Jun 23 -14 Jul 23)</small>	JULY <small>(15 Jul 23 -14 Aug 23)</small>	AUG <small>(15 Aug 23 -14 Sept 23)</small>	SEPT <small>(15 Sept 23 -14 Oct 23)</small>	OCT <small>(15 Oct 23 -14 Nov 23)</small>	NOV <small>(15 Nov 23 -14 Dec 23)</small>	DEC <small>(15 Dec 23 -14 Jan 24)</small>
<b>Gross Rate</b>		3.22	5.21	5.12	7.15	4.88	5.25	6.57	5.87	5.16	6.81	5.42	4.99
0 - 4,999.99	1 : 99	0.03	0.05	0.05	0.07	0.04	0.05	0.06	0.05	0.05	0.06	0.05	0.04
5,000 – 9,999.99	2 : 98	0.06	0.10	0.10	0.14	0.09	0.10	0.13	0.11	0.10	0.13	0.10	0.09
10,000 – 49,999.99	3 : 97	0.09	0.15	0.15	0.21	0.14	0.15	0.19	0.17	0.15	0.20	0.16	0.14
50,000 – 999,999.99	21 : 79	0.67	1.09	1.07	1.50	1.02	1.10	1.37	1.23	1.08	1.43	1.13	1.04
1,000,000 dan ke atas	51 : 49	1.64	2.65	2.61	3.64	2.48	2.67	3.35	2.99	2.63	3.47	2.76	2.54

Note:

- From the table, it shows that the highest rate is in April which are 7.15%
- Bank offer 5 tiers for PSR according to the ending balance.
- The profit will be credited daily in customer's Investment Account

- Asset Allocation as at Quarter Ended 31/12/2023 are as follows:



## 4.0 MARKET OUTLOOK

### Malaysia Market Review and Outlook

Overall, Malaysia's economic trajectory in 2023 reflects its resilience, although it might fall short of the 4% - 5% YoY growth target. Advanced GDP estimates by the Department of Statistics Malaysia (DOSM) indicates that growth moderated at 3.8% YoY in 2023 after projection indicating a 3.4% YoY growth for 4Q2023. This was fuelled by robust domestic demand and strong performance in sectors like services, construction, and agriculture. Despite challenges in external trade with total global trade declining by 2.4% YoY in October due to global economic slowdown, recovering tourism sector and stable labour market with unemployment rate at 3.3% YoY helped to support the economy.

In addition, Bank Negara Malaysia's decision to maintain the overnight policy rate (OPR) at 3% in November 2023 aligns with market expectations given stable domestic inflation and growth outlook, aiming to sustain economic momentum. While global growth continues to expand driven by domestic demand, strong labour market, and recoveries in electrical and electronics sector, headwinds in the world's economy remain. Shifting consumer preferences towards services and ongoing trade restrictions dampen global trade, further weighed down by persistently high inflation and rising interest rates.

The economic outlook for Malaysia in 2024 is cautiously optimistic, with the government projecting a growth of 4% - 5% to be driven by robust domestic demand, stable employment, and promising income prospects. Anticipated improvements in tourist arrivals, sustained infrastructure investments, initiatives outlined in Budget 2024, and "Madani Economy" are poised to bolster the economic activities. This includes reducing cost of living through subsidy rationalization, progressive wage reforms, and increase affordable housing. However, certain government's measures, including new taxes and targeted fuel subsidy program may impact inflation, posing additional financial challenges for households, particularly those in the low-income bracket.

### Global Market

According to World Bank, global economic growth is forecasted to slow for the third consecutive year, reaching 2.4% YoY in 2024 down from 2.6% YoY in 2023 and significantly below the 2010s average of 3.2%. This could mark the weakest growth since the 2009 global financial crisis, attributed to factors such as the lingering impact of COVID-19, the Ukraine war's impact on energy and inflation, and high interest rate. This challenging economic climate, characterized by low growth and high inflation is further exacerbated by tightening monetary policy, geopolitical tensions, and uncertainties in the Middle East.

Additionally, potential developments, including future Organization of the Petroleum Exporting Countries (OPEC) output decisions and evolving global growth expectations are anticipated to disrupt the worldwide supply chain and impact commodity prices in 2024.