

**MAYBANK PHILIPPINES INCORPORATED – TRUST**  
**MAYBANK TIGER USD ASIAN INCOME FEEDER FUND**  
**A Unit Investment Trust Fund**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**



Quarter Ended **December 31, 2022**

**FUND FACTS**

<b>Classification:</b>	Medium Term Bond Fund	<b>Net Asset Value / Unit (NAVpu):</b>	0.952400
<b>Structure:</b>	Feeder Fund, Cash-Income Paying	<b>Total Fund Nav:</b>	USD 6,729.03
		<b>Launch Date:</b>	May 16, 2022
<b>Currency:</b>	USD	<b>Dealing Day and Cut-off:</b>	Any Banking Day–11:30 AM
<b>Minimum Investment:</b>	USD 1,000.00		
<b>Minimum Additional Investment:</b>	USD 100.00	<b>Minimum Redemption Amount:</b>	USD 100.00
		<b>Redemption Settlement*:</b>	T+7
<b>Minimum Holding Period:</b>	None	<b>Target Fund:</b>	Maybank Asian Income Fund
<b>Subscription Settlement:</b>	T+5		
<b>Early Redemption Charge:</b>	None		

\*The Trustee reserves the right to settle the redemptions before the 7<sup>th</sup> business day after the Trade Date.

**FEES<sup>1,2</sup>**

<b>Trustee Fee:</b>	<b>Custodianship Fee:</b>	<b>External Auditor Fee:</b>	<b>Other Fees:</b>
-	-	0.0547%	-

1. As a percentage of average daily NAV for the quarter valued at USD 6,559.41.

2. As the Target Fund is administered by its related party/ company, the trust/ management fee shall be charged only once at the Level of the Target Fund. Please refer to the General Information on the Target Fund for the fees with respect to the Target Fund.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund seeks to provide capital growth and income over the medium term, by investing all or substantially all its assets in a collective investment scheme that invests primarily in Asian fixed income securities and US government debts.

**CLIENT SUITABILITY**

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The Fund is suitable for investors with a medium to long-term investment horizon seeking to invest in Asian debt securities and have a moderate risk appetite.

**GENERAL RISKS AND RISK MANAGEMENT**

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

<b>Interest Rate Risk:</b>	The possibility of an investor to experience losses due to changes in interest rates.
<b>Market Risk:</b>	This is the possibility for an investor to experience losses due to changes in the market prices of securities.
<b>Liquidity Risk:</b>	This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.
<b>Inflation Risk:</b>	This is the risk that arises from the changes in purchasing power due to inflation.
<b>Credit / Default Risk:</b>	This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued.
<b>Reinvestment Risks:</b>	This is the possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.
<b>Foreign Exchange Risk:</b>	This is the possibility for an investor to experience losses due to fluctuations in foreign exchange rates.
<b>Country Risk:</b>	This is the possibility for an investor to experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

## **RISKS SPECIFIC TO THE TARGET FUND**

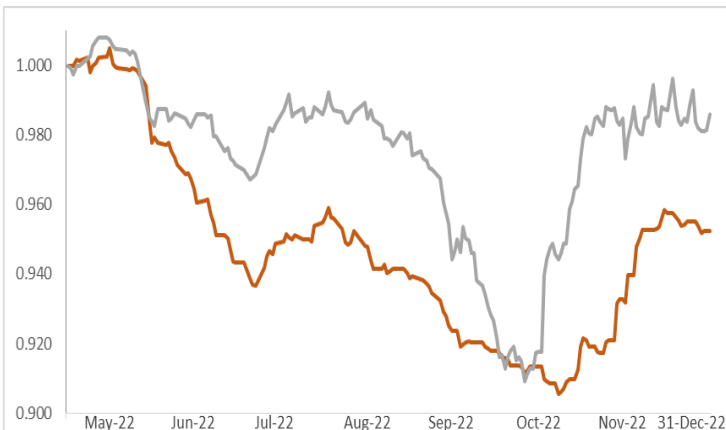
Further to the general risks above, the following risks are specific to the Target Fund:

- Emerging Markets Risk:** The Target Fund may invest in developing countries and emerging markets may involve increased risks including without limitation (i) investments and repatriation restrictions, (ii) currency fluctuations, (iii) the potential for unusual market volatility as compared to more industrialized nations, and (iv) certain local tax law considerations.
- Distribution Risk:** Dividend/interest income of the Target Fund may be adversely affected by investee entities suffering unexpected losses and/or paying lower than expected dividends, and adverse currency exchange rate fluctuations.
- Derivatives Risk:** The Target Fund may use Financial Derivatives Instruments including options, swaps, forwards and futures. Risks include default by the counterparty or the inability to close out a position because the trading market becomes illiquid.
- Currency Risk:** Fluctuation in foreign currency exchange rates will affect the value of the Fund's investments when converted into the currency of denomination of the Fund and subsequently the value of Holders' investments. The Target Fund may use foreign currency forwards to hedge the foreign currency exposure in full or partially, and may actively manage such exposure. The fund can buy USD or non-USD denominated bonds.
- Inflation Risk:** Inflation is a long term risk as it creates uncertainty over the future value of the investments. In an inflationary environment, a return on investment which is lower than the inflation rate will lead to a loss of purchasing power of the currency of the Units held by a Holder. For example, in fixed coupon that investors receive will be worth lesser in high inflation environment.
- Early Redemption Risk:** This Fund is not meant for short term investment. Early redemptions by investors may reduce the probability that the investment objectives of the Fund will be met.
- Large Redemption Risk:** The fund is an open ended fund. There can be periods when the Fund may receive large redemption notices from investors. The large size of redemption may lead to the possibility of selling the Fund's investments below the respective last marked to market prices especially during period of low market liquidity. Therefore, such events would be detrimental to the investors.
- Company Specific Risk:** Specific risks to securities issued by a company apply as there are adverse conditions or negative sentiments which a company can be uniquely exposed to, be it from the view of management issues, deteriorating business fundamentals or losing competitiveness. As a consequence, the price of securities issued by such company might fall and subsequently affect the Fund's performance.
- Counterparty Risk:** This fund invests into Asian bonds which are normally traded over-the-counter. It will expose the Fund to the risk that a counterparty may default on its obligations to perform under the relevant contract. If a counterparty becomes bankrupt or insolvent, the Fund could experience delays in liquidating an investment and may therefore incur significant losses, including losses resulting from a decline in the value of the investment during the period in which the Fund seeks to enforce its rights. The Fund may also be unable to realize any gains on the investment during such period and may incur fees and expenses to enforce its rights.
- Country Risk:** The investments of the Fund may be affected by risks specific to the country in which it invests. Such risks include changes in a country's economic, social and political environment. The value of the assets of the Fund may also be affected by uncertainties such as currency repatriation restrictions or other developments in the law or regulations of the country in which the Fund invests into.

- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

**FUND PERFORMANCE AND STATISTICS**  
**As of December 31, 2022**  
(Purely for reference purposes and is not a guarantee of future results)

**NAVPU GRAPH**



■ Maybank Tiger USD Asian Income Feeder Fund  
■ Benchmark: JP Morgan Asian Credit Index

**NAVPU over the past 12 months**

<b>HIGHEST</b>	1.005000
<b>LOWEST</b>	0.905400

**STATISTICS**

<b>Weighted Ave. Duration</b>	3.54 yrs
<b>Volatility, Past 1 Year*</b>	2.4643%
<b>Sharpe Ratio**</b>	(0.32)
<b>Information Ratio***</b>	2.29

\*Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

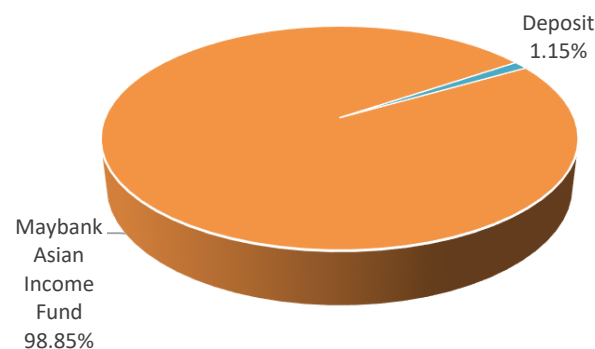
\*\*Sharpe Ratio is used to characterize how well the return of the Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures the risk-to-reward efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

**CUMULATIVE PERFORMANCE (%)**

	1 mo.	3 mos.	6 mos.	1 yr.	S.I.
<b>Fund</b>	2.22%	3.13%	-0.92%	-	-4.76%
<b>Benchmark</b>	1.66%	3.30%	-0.32%	-11.02%	118.96%

**PORTFOLIO COMPOSITION**



**TARGET FUND TOP HOLDINGS**

Name	% of Target Fund
COM BK AUSTRALIA 5.5% 22-14/11/2023	4.62%
CASH MGMT BILL 0% 22-03/01/2023	4.61%
KOREA DEV BANK 3.125% 22-07/06/2025	2.65%
INDIKA ENERGY IV 8.25% 20-22/10/2025	2.49%
GREENKO WIND 5.5% 22-06/04/2025	2.44%

**CASH INCOME DISTRIBUTION INFORMATION**

Cash Income Payment Date	Cash Income Rate	Annualized Distribution Yield
19-Jul-22	0.38%	4.59%
13-Oct-22	0.37%	4.44%

**GENERAL INFORMATION ON THE TARGET FUND as of December 31, 2022**

<b>Fund Name:</b>	Maybank Asian Income Fund	<b>Share Price:</b>	0.8663
<b>Fund Manager:</b>	Maybank Asset Management Singapore Pte Ltd.	<b>Management Fee:</b>	1.00% p.a.
<b>Fund Size:</b>	SGD 145.2 Million	<b>Early Redemption Fee:</b>	None
<b>Inception Date:</b>	November 24, 2014	<b>Custodian:</b>	BNP Paribas Securities Services, Singapore Branch
<b>Benchmark:</b>	JP Morgan Asian Credit Index	<b>Total Expense Ratio:</b>	1.15%
<b>Base Currency:</b>	USD	<b>ISIN:</b>	SG9999015713

The Prospectus, Fund Factsheet and other information about the Target Fund may be accessed at [www.maybank-am.com.sg](http://www.maybank-am.com.sg).

TOP COUNTRY ALLOCATION	% of Target Fund
China	28.60%
Australia	14.00%
India	10.60%
Korea	9.10%
Indonesia	6.20%

TOP SECTOR ALLOCATION	% of Target Fund
Financial	44.20%
Real Estate	12.20%
Tech, Media & Telecom	7.60%
Utilities	7.50%
Metals & Mining	6.40%

## OUTLOOK

US 10Y UST yields increased by 27 bps m/m to reach 3.87% as of end December. After the soft CPI print in October and November, UST had a strong rally in November which moderated near the year end. 10-year UST yield ended the quarter around flat at 3.87%, which is about 236bps higher compared to the start of the year. As recession concern continue to loom the market, 3m10yr UST curve remain inverted (-47 bps at year end) in December.

With news of China's changing its Zero-Covid policy and property easing policy, Asian US\$ fixed income space continued its positive trend where JP Morgan USD Asia Credit index ("JACI") returning +1.66% m/m for Dec. JACI High yield Index (+6.31% m/m) outperformed the Investment Grade Index (+0.84% m/m) as credit spread tightening was the main driver of return. China Property sector was the best performing sector in December, it continued November's recovery following government's supporting policy announcement.

The Maybank Asian Income Fund USD retail class returned 2.35 % and SGD retail class returned 2.09% in December, outperformed the benchmark JACI by 68bps and 47bps respectively. Portfolio's outperformance in December was mainly due to its overweight in China high yield and BBB bonds. The fund managers continued to deploy cash into bonds during the month and reduced cash from 23% to 10% of NAV as of end December 2022.

In 2022, fund's USD retail class returned -12.13% and SGD retail class returned -12.78%, underperformed the JACI index (-11.02%) by 1.11% and 1.46% respectively. Bond market has been extremely weak in the first 3 quarters due to both rapidly raising interest rates and credit spread widening, particularly in China property sector, until some recovery in the 4Q 2022.

Bond markets were selling off relentlessly throughout most of FY2022. However, in October, the bond selloff appeared to have plateaued and stabilised. In November, we saw first signs of life as there was healthy buying observed in the market from real money fund managers and institutional investors. For FY2023, we believe that there is good probability that bond returns should be positive 5% to 10%. We have three key supporting arguments. The first important supporting factor is that the main pressure points that drove the bond selloff in FY2022 has dissipated. During FY2022, persistent high inflation pressure resulted in central banks hiking interest rates aggressively throughout the year. In US, the Fed raised interest rates by 425bps in less than one year from 0.25% to 4.5%. This caused USD bond prices to drop dramatically. In the past few months, inflation appeared to have peaked and has been trending lower. The market is pricing in another 75 basis points hike in FY2023. We believe that we are approaching the peak of the current interest rate hiking cycle by 1H2023.

Another pressure point that drove bond selling in FY2022 was the negative investor sentiment resulting from the liquidity crisis and high default rate in China high yield property. However in November, the China government announced several significant policies, including the Three Arrows and the 16 financing support measures under policy document #254. We believe that these announcements signal a clear inflexion point on policy direction and the worst of China property liquidity stress should be over. Hence the current high default cycle in Asia due to China property is approaching an end and default risks in Asia should dissipate going forward. However we still need to see property sales improving before turning fully positive on China property. Hence we remain selective on high volatility bonds.

Second reason for positive bond returns is compelling valuation. Current bond yields at 5%-6% for investment grade and 9% for high yield definitely looks very attractive on a historical basis. If we believe that inflation should normalise to 3% handle eventually, locking in at current bond yields for the next 5 years to 10 years makes a lot of investment sense for institutional and retail investors.

The last supporting factor for positive bond performance in FY2023 is that the aggressive interest rate hikes in FY2022 have paved that way for a global economic slowdown or even recession, which would set the foundation for a bond market rally. Recent macro readings in the US, such as PMI and retail sales have showed signs of weakness with employment data as the remaining bright spot. Increasingly, various prediction tools are forecasting US to enter into a recession by FY2023 or FY2024. A slowing economy and even a mild recession would be a supportive environment for bonds as interest rates will be cut, driving bond prices to rally. Credit selection would be very important to manage increased recession risks.

For more information, you may also contact us at (02) 7739-1627/ 7739-1671/ 7739-1698 or email us at [ph.trust@maybank.com](mailto:ph.trust@maybank.com).