

**FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023**  
**SURIA ACCOUNT**

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following performance report for the quarter ended 30 November 2023.

**1. FUND INFORMATION**

This is an unrestricted investment account based on the concept of Mudarabah. Without any restrictions or conditions from IAH, the investment decision is the ultimate decision of Bank Muamalat Malaysia Berhad (BMMB).

**1.1 Investment Currency**

Ringgit Malaysia

**1.2 Fund Inception**

June 2021

**1.3 Investment Objectives**

To invest in a low-risk investment avenue with the privilege of taking part in the campaign for an opportunity to win prizes. This is a low-risk investment to achieve capital preservation and steady returns.

**1.4 Investment Strategy**

To invest in a secured and low-risk retail asset, the existing Home Financing is for the purpose of safeguarding the investment and generating a stable return for IAHS.

**1.5 Profit Distribution Frequency**

Profit will be distributed on a monthly basis, with daily calculation. The profit is based on the performance of Home Financing Portfolio.

**1.6 Valuation**

To be performed on a monthly basis for the determination of returns to IAH based on the valuation of the portfolio assets of the Fund in accordance with Malaysian Financial Reporting Standards (MFRS).

**1.7 Investor's Criteria**

- ◆ Individuals (Residents and Non-Residents)
- ◆ Investors who prefer low-risk investment
- ◆ Investors who are looking for Shariah-compliant investment.
- ◆ Investors who prefer short- or medium-term investment.

*Note: Investors are advised to really consider all risk factors before making any investment decision.*

**1.8 Statement of Changes**

There are no changes to the investment objectives, strategies, restriction, or limitations during the quarter period.

**1.9 Other Information**

For fees, charges and other details on the product, please refer to [www.muamalat.com.my](http://www.muamalat.com.my).

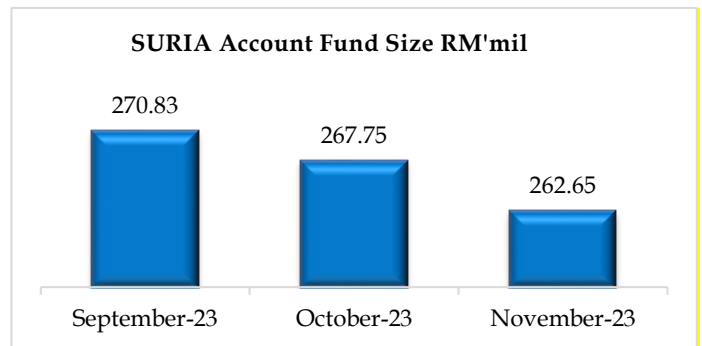
**2. RISK STATEMENT**

The Board of Directors of BMMB has the overall oversight on the management of risks related to its business strategy and operations by approving risk management policies and procedures, methodologies including risk appetite and risk tolerance limits that align with BMMB's strategic business objectives and stakeholders' expectations. BMMB shall ensure the oversight of various types of risks are consistent and effective through the development and establishment of a comprehensive risk management framework, policies, processes and infrastructure.

**3. FUND PERFORMANCE**

**3.1 Fund Size and Growth**

As at November 2023, SURIA account fund balance was recorded at RM262.65 mil.



**3.2 Asset Allocation**

The fund is invested in Home Financing-i.

**3.3 Rate of Return**

Based on the performance of the underlying asset, the rate of return to customers recorded an average of 0.09%p.a. for 2Q of 2023/2024 (Sept 2023 to Nov 2023). BMMB foresees the asset performance to remain stable during the 3Q of 2023/2024 (Dec 2023 to Feb 2024).

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**FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023**  
**SURIA ACCOUNT**

Albeit its net impaired financing ratio recorded a marginal increase ratio of 0.63% as at November 2023 (December 2022: 0.42%).

Period	Sept 2023	Oct 2023	Nov 2023
<b>Rate of Return for IAH</b>	0.09% p.a.	0.09% p.a.	0.09% p.a.
<b>Profit Sharing Ratio (PSR) (IAH: BMMB)</b>	2:98	2:98	2:98

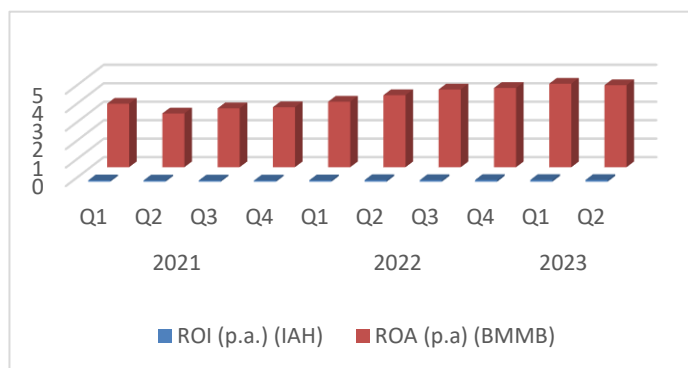
Notes:

1. The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula:

$$\text{Rate of Return} = (\text{Total Income} - \text{Impairment Allowances}) * \text{PSR}$$

2. Past performance is not reflective of future performance. Effective from the 16th of the month to the 15th of the following month

### 3.4 Historical Rate of Return



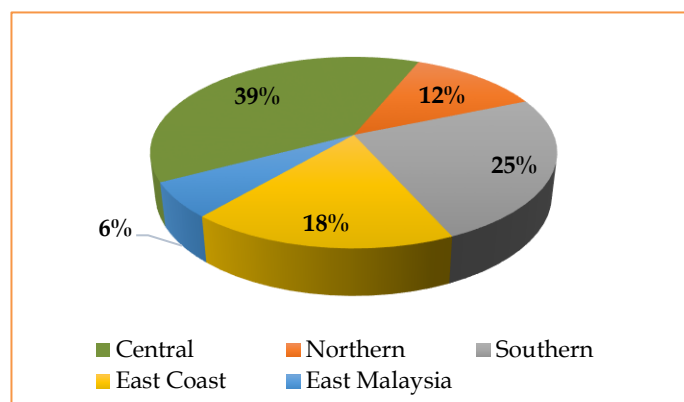
Period	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
ROI	0.07	0.06	0.06	0.06	0.07	0.08	0.08	0.09	0.09	0.09
ROA	3.44	2.91	3.19	3.25	3.55	3.90	4.21	4.29	4.52	4.44

Note: The rates above are average annual rate of return on quarterly basis in percentage (%).

### 3.5 Income Statement

Profit & Loss Statement for the Quarter ended 30 November 2023			
	Sept 2023 RM'000	Oct 2023 RM'000	Nov 2023 RM'000
Profit from financing	1,030	1,004	957
Direct expenses	0.00	0.00	0.00
Allowance for impairment on financing	(13)	(50)	(54)
<b>Total profit</b>	<b>1,017</b>	<b>954</b>	<b>903</b>
<b>Return on Asset (p.a.)</b>	<b>4.56%</b>	<b>4.39%</b>	<b>4.36%</b>
<b>Return on Investment (p.a.)</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.09%</b>

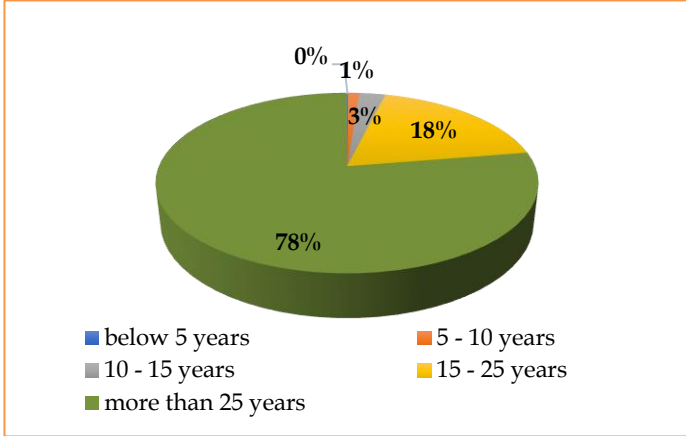
### 3.6 Home financing Portfolio by Geographical Location



A total of 39% from the total house financing portfolio originates from the central region. This reflects the concentration of the house financing portfolio to developed areas such as the Klang Valley.

**FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023**  
**SURIA ACCOUNT**

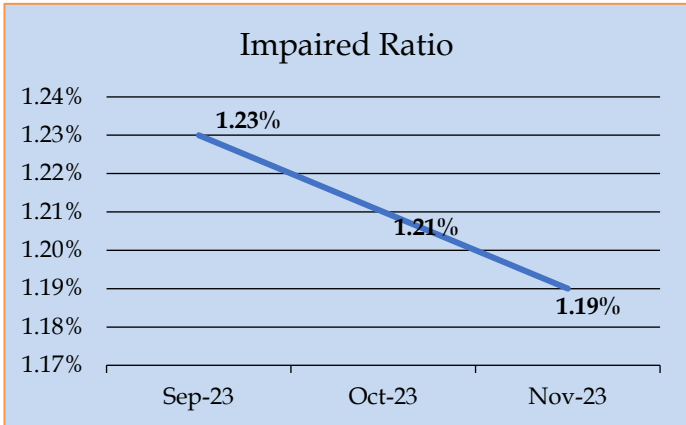
**3.7 Home Financing Portfolio by Remaining Maturity**



78% of total house financing portfolio with remaining tenure more than 25 years.

*Note: Maximum tenure allowed for home financing is 35 years*

**3.8 Asset Quality of Home Financing Portfolio**



House Financing impaired ratio is at 1.19% Nov 2023 deteriorated from 0.82% in December 2022 (1.18% @Dec 2021 and 1.87% @Dec2020). This reflects that the asset quality of HF portfolio is slightly deteriorated but well monitored. Nevertheless, it is still below industry's house financing impaired ratio of 1.36% as at October 2023.

**4 ECONOMIC REVIEW**

The Malaysian economy grew by 3.3% during the 3Q2023 which is slightly higher compared to 2.9% growth in the prior quarter. The main driver was domestic demand in particular the private consumption which expanded by 4.6% from 4.3% previously. This followed by 5.8% growth (2Q2023: 3.8%) in the public consumption as the government increase their spending on supplies and services. Investment activities were slightly lower with growth in private and public investment decelerated to 4.5% and 7.5% in 3Q2023 from 5.1% and 7.9% respectively in the previous quarter. Businesses appears to be maintaining their capacity expansion plans as they need to cope with the changing landscape and to stay competitive. Meanwhile, the continued expansion of government fixed assets spending and capital expenditure by the public corporations have been the main catalysts for public investment. Despite that, the weak external has taken a toll on the overall economy during the 3Q2023. The real exports and imports fell sharply by 12.0% and 11.0% respectively in the 3Q2023, leading to the 22.7% contraction in net exports. Exports to major trade partner such as Singapore, China, the US, the EU and Japan have been on negative growth during the most part of 2023. The sharp rise in the global interest rates have led to global liquidity tightening which has resulted in higher borrowing cost among households, firms and governments. Also, weaker China's economy as a result of the residential property fallout has caused their citizens to remain cautious in their spending.

The latest IMF World Economic Outlook published in the month of October showed that the global GDP growth is expected to trim down to 2.9% in 2024 from an estimated 3.0% in 2023. The IMF cited the global monetary tightening, the unwinding of the fiscal stimulus and geo economic fragmentation as the main reasons for the slower global economy in 2024. On this note, the Malaysian government has unveiled their Budget 2024 on 13 October 2023 which entails the largest spending allocation totaling RM393.8 billion. More importantly is the development expenditure which is anticipated to reach RM90 billion which is expected to have positive impact to the construction, manufacturing and services sector. All in all, the expansionary fiscal policies coupled with an accommodative monetary stance, the domestic economy is expected to record a healthy growth. Apart from that, the

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## FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2023

### SURIA ACCOUNT

expected improvement in the key sector such Semiconductor is likely to have spillover effects to Malaysia's trade performance. As such, the government is projecting Malaysia's GDP to grow between 4% and 5% in 2024 from an estimated 4% in 2023.

#### 5 PROPERTY MARKET REVIEW

Total property transaction in the 3Q2023 continues to accelerate to RM57.1 billion, representing 24.9% growth from the same period last year (3Q2022: RM45.7 billion). Residential Property which forms the bulk of the total property transaction of 50% grew by 16.3% to RM28.6 billion during the 3Q2023 (2Q2023: +5.8%, RM24.0 billion). Such trend is in tandem with the rise in the newly launched of residential property which has risen to 25,797 units in the 9M2023 compared to the same period last year of 23,684 units. Despite improved performance in property transaction, the House Price Index (HPI) continued to moderate to 0.1% year-on-year in the 3Q2023 from 4.3% previously. This indicates that the upside risks for house prices appears to be limited as households are likely to be cautious in their decision to purchase a house. Issues surrounding cost of living along with elevated level of financing rates would likely to keep house buyers to adopt a wait-and-see attitude when they look for houses. Having said that, the unsold units (completed) persistently on a downward trajectory to 25,311 units in the 3Q2023 from 26,286 units in the prior quarter. As such, there appears to be no imbalances in the residential property market as property developers have been mindful in their launching strategy. Furthermore, a steady Overnight Policy Rate (OPR) at 3.00% presently would be a conducive environment for the property markets.