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# **MAYBANK MALAYSIA SUKUK FUND**

**Unaudited interim report  
For the six months financial period from 1 February 2019 to 31  
July 2019**

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (421779-M)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
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### **EXTERNAL INVESTMENT MANAGER**

Maybank Islamic Asset Management Sdn Bhd (1042461-K)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia

### **TRUSTEE**

TMF Trustees Malaysia Bhd (610812-W)  
10th Floor, Menara Hap Seng  
No. 1 & 3 Jalan P. Ramlee  
50250 Kuala Lumpur  
Telephone +603 2382 4288  
Facsimile +603 2382 4170

### **SHARIAH ADVISER**

Maybank Islamic Bhd (787435-M)  
Level 15 Tower A  
Dataran Maybank  
No. 1 Jalan Maarof  
59000 Kuala Lumpur

## **MAYBANK MALAYSIA SUKUK FUND**

<b>CONTENT</b>	<b>PAGE</b>
Manager's report	1 - 6
Trustee's report	7
Statement by Manager	8
Report of the Shariah Adviser	9
Unaudited statement of comprehensive income	10
Unaudited statement of financial position	11
Unaudited statement of changes in equity	12
Unaudited statement of cash flows	13
Notes to the financial statements	14 - 43

## **MAYBANK MALAYSIA SUKUK FUND**

### **Manager's report**

**For the financial period from 1 February 2019 to 31 July 2019**

#### **A. Fund Information**

**1. Name of Fund**

Maybank Malaysia Sukuk Fund (the "Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Sukuk

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date / commencement date**

8 January 2014 / 24 February 2014

**6. Fund's investment objective**

The Fund aims to provide investors with annual income through investing in a portfolio of Sukuk.

**7. Fund distribution policy**

Distribution, if any, shall be on an annual basis and will be made from the realised income of the Fund.

**8. Fund's performance benchmark**

12-months Islamic Fixed Deposit-i rate

**9. The Fund's investment policy and principal investment strategy**

The Fund invests between 70% - 98% of the Fund's NAV in a portfolio of Ringgit Malaysia ("RM" or "MYR")-denominated sukuk issued and/or offered in Malaysia with a minimum sukuk rating of 'AA-' by RAM Holdings Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"). The Fund will also invest between 2% - 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

**10. Net income distribution for the financial period from 1 February 2019 to 31 July 2019**

The Fund did not declare any distribution to the unitholders for the financial period.

## MAYBANK MALAYSIA SUKUK FUND

### Manager's report

For the financial period from 1 February 2019 to 31 July 2019 (cont'd)

#### A. Fund Information (cont'd)

##### 11. Breakdown of unitholdings by size

###### Fund size

As at 31 July 2019, the size of the Fund was 887,754,428 units.

###### Breakdown of unitholdings as at 31 July 2019

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	2	9.09	* 3	0.00
5,001 to 10,000 units	-	-		-
10,001 to 50,000 units	3	13.64	85	0.01
50,001 to 500,000 units	3	13.64	638	0.07
500,001 units and above	14	63.64	887,028	99.92
<b>Total</b>	<b>22</b>	<b>100.00</b>	** <b>887,754</b>	<b>100.00</b>

\* Includes 1,202 units held by Maybank Asset Management Sdn Bhd (the "Manager")

\*\* Includes units held under an Institutional Unit Trust Scheme Advisers ("IUTA") and 21,736,395 units held by Malayan Banking Berhad, the ultimate holding company of the Manager

#### B. Performance Review

##### 1. Key performance data of the Fund

Category	01.02.2019 to 31.07.2019	01.02.2018 to 31.01.2019	01.02.2017 to 31.01.2018
Sukuk (%)	83.17	85.62	91.02
Cash and other net assets (%)	16.83	14.38	8.98
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	950,153	286,298	55,189
Units in circulation (units'000)	887,754	282,093	54,251
NAV per unit (RM)	1.0703	1.0149	1.0173
Highest NAV per unit (RM)	1.0718	1.0718	1.0675
Lowest NAV per unit (RM)	1.0154	1.0148	1.0235
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	5.47	(0.23)	(0.56)
- Income distribution (%)	-	5.62	4.91
Total return (%)	5.47	5.37	4.32
Distribution date	-	31.01.2019	31.01.2018
Gross/net distribution per unit (sen)	-	5.70	5.00

## MAYBANK MALAYSIA SUKUK FUND

### Manager's report

For the financial period from 1 February 2019 to 31 July 2019 (cont'd)

#### B. Performance Review (cont'd)

##### 1. Key performance data of the Fund (cont'd)

Category	01.02.2019 to 31.07.2019	01.02.2018 to 31.01.2019	01.02.2017 to 31.01.2018	01.02.2016 to 31.01.2017
----------	--------------------------------	--------------------------------	--------------------------------	--------------------------------

Management Expense Ratio ("MER") (%) <sup>(2)</sup>	0.20	0.44	0.75	1.18
Portfolio Turnover Ratio ("PTR") (times) <sup>(2)</sup>	0.41	1.20	0.98	0.52

**Note:**

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Manager and Trustee's fees.
- (2) The Fund's PTR increased to 0.41 times in the current financial period from the comparative period due to increased investing activities during the current financial period under review.

##### Fund performance for the last five financial years

Category	01.02.2019 to 31.07.2019 %	01.02.2018 to 31.01.2019 %	01.02.2017 to 31.01.2018 %	01.02.2016 to 31.01.2017 %	01.02.2015 to 31.01.2016 %
Annual total return	5.47	5.37	4.32	3.87	3.29
Benchmark	1.61	3.35	3.15	3.15	3.30

*Investors are reminded that past performance of the Fund is not necessarily an indicative of its future performance and that unit prices and investment returns may fluctuate.*

##### 2. Performance of the Fund up to 31 July 2019

Category	6 months to 31.01.2019 %	1 year to 31.01.2019 %	3 years to 31.01.2019 %	5 years to 31.01.2019 %
Capital growth	5.47	3.21	1.74	5.45
Income distribution	-	5.61	14.59	20.22
Total return of the Fund	5.47	9.00	16.59	26.77
Benchmark	1.61	3.30	10.02	17.40
Average total return	5.47	9.00	5.25	4.86

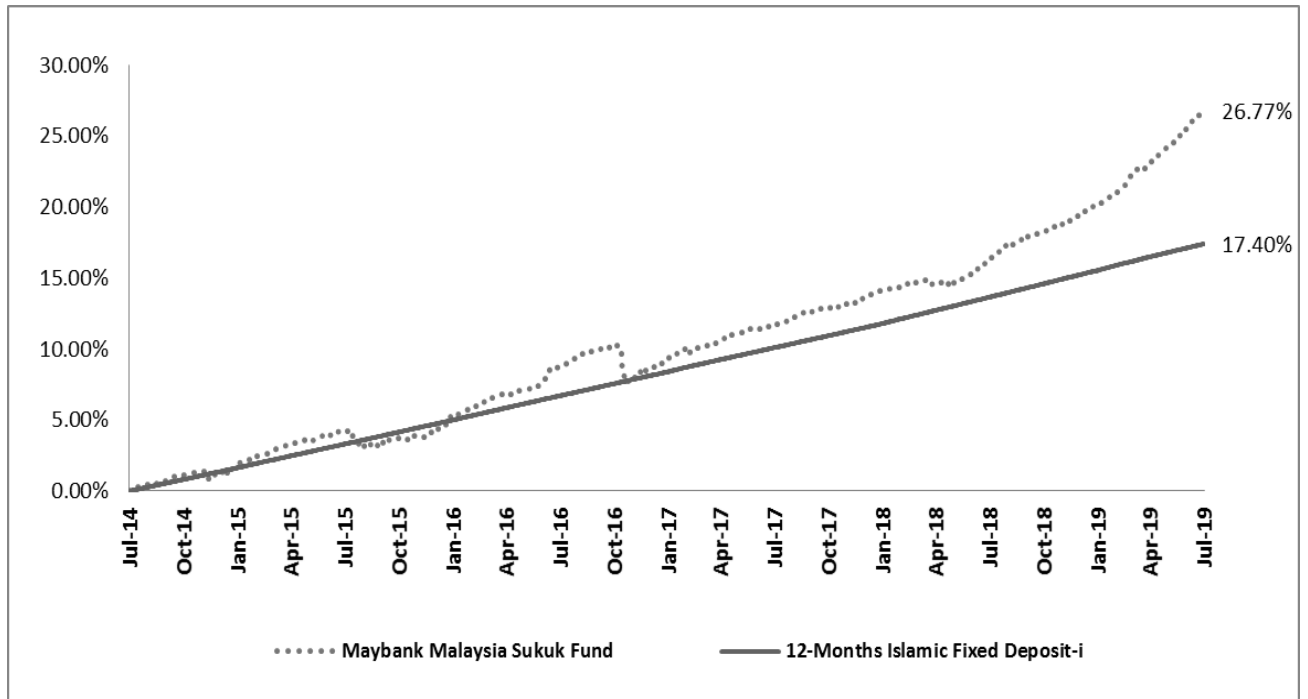
## MAYBANK MALAYSIA SUKUK FUND

### Manager's report

For the financial period from 1 February 2019 to 31 July 2019 (cont'd)

#### B. Performance Review (cont'd)

##### 2. Performance of the Fund up to 31 July 2019 (cont'd)



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 July 2019

The Fund recorded a total return of 26.77% for the 5-years period to 31 July 2019, compared to the benchmark return of 17.40% over the same period.

For the period under review, the Fund was up by 5.47%, outperforming the benchmark's total return of 1.61% by 386 basis points ("bps"). The outperformance was mainly due to the strong rally in the local sukuk markets during the period which saw yields dropped as prices appreciated across the government issued and guaranteed sukuku and corporate sukuku. The rally was largely driven by growing dovishness in the bond markets as central banks cut its policy rates and lack of new sukuk issuances during the period. Both factors provided a strong impetus for sukuk yields to rally as investors seek yields. The Fund performance was also driven by the income derived from the sukuku held during the period under review.

##### 3. Basis of calculation made in calculating the returns:

The performance figures are a comparison of the growth/decline in NAV after taking into account all the distributions payable (if any) during the stipulated period.

An illustration of the above would be as follows:

Capital return	=	(NAV per unit end / NAV per unit begin) - 1
Income return	=	Income distribution per unit / NAV per unit ex-date
Total return	=	(1+Capital return) x (1+Income return) - 1

## MAYBANK MALAYSIA SUKUK FUND

### Manager's report

For the financial period from 1 February 2019 to 31 July 2019 (cont'd)

#### C. Market Review

The Malaysian sovereign bond yields continued its rally into 2019 as the positive market sentiment was aided by concerns on slower global growth, rising expectation of a peaking United States ("US") Federal Reserve ("Fed") Fund Rate, and more dovish central banks globally. Central banks turned even more dovish in March 2019, with the US Fed signalled the likelihood of no hike in 2019 (down from expectation of 2 hikes) and indicated that it will conclude their balance sheet reduction in September 2019 instead of in December 2019 as generally expected. Bank Negara Malaysia ("BNM") also lowered their 2019 Gross Domestic Product ("GDP") growth projection to 4.3% - 4.8% from 4.9% previously, prompting market expectations of an Overnight Policy Rate ("OPR") cut in 2019. Malaysian Government Securities ("MGS") and Government Investment Issue ("GII") rallied further in March 2019, with yields down by 10-35 bps since the start of 2019.

In May 2019, BNM decided to cut the OPR by 25 bps to 3.00% on external risks to growth mainly due to escalating US-China trade tensions, as well as low inflation rate outlook. The cut was seen as pre-emptive in nature in order to maintain its accommodative monetary policy stance. The Malaysian government bonds rallied in May 2019 and in June 2019, in line with global bond markets on the back of safe haven flows as concerns grew over the trade war as well as dovish global central banks. Expectation of rate cuts increased as the US Fed indicated its openness to policy easing as US macro data softened while there were talks of possible stimulus by European Central Bank ("ECB"). Also supporting the rally was BNM's initiative to enhance market liquidity and accessibility announced in May 2019, which includes expansion of dynamic hedging programme and MYR liquidity beyond local trading hours. The initiative is to address the risk of the exclusion of MGS from the World Government Bond Index by FTSE Russell.

Malaysian bond market mostly extended gains in July 2019, as Malaysian govovies' yields were lower across the curve by 3-13 bps month-on-month ("m-o-m") except for belly of the curve which increased slightly by 0.3-1.5 bps m-o-m. Corporate bonds followed suit with yield lower by 9-28 bps on resilient investor demand, thus tightening credit spreads. Meanwhile the 10-year US Treasury yields dropped slightly by 0.9 bps to 2.0144% as at end-July 2019. As widely expected, OPR was maintained in July's 2019 Monetary Policy Committee ("MPC") meeting while the US Fed announced a cut in the Fed Fund Rate at end-July 2019, lowering the target range by 25 bps to 2% to 2.25%. However, while Federal Open Market Committee ("FOMC") signalled willingness to ease rates further if necessary, US Fed Chairman Jerome Powell commented that the rate cut is "not the beginning of a long series of rate cuts". Malaysian govovies corrected slightly but was short-lived as concerns on US-China trade tensions re-emerged on renewed tariff threats by the US on the remaining untaxed Chinese goods.

Foreigners remained as net buyers of local debt securities in June 2019 with net inflows totalling RM7.4 billion in both MGS and GII, resulting in foreign holdings in MGS to 38.3% and MGS + GII to 23.0%. The local bond market has seen higher rebounds in foreign inflows in June 2019 and July 2019 after 2 consecutive months of net outflows in April 2019 and May 2019.



## **MAYBANK MALAYSIA SUKUK FUND**

### **Manager's report**

**For the financial period from 1 February 2019 to 31 July 2019 (cont'd)**

#### **D. Market Outlook**

We expect BNM to maintain its OPR at 3.00% after the "insurance" cut in May 2019 on continued resilience in domestic growth outlook and subdued inflation rate in the country barring significant negative headwinds from escalating trade disputes between the US and China and heightened risk aversion in emerging markets. Local investors are instead speculating on a Statutory Reserve Requirement ("SRR") cut to increase liquidity in the market and to accommodate domestic economic growth. Meanwhile, expectations of a US Fed Fund rate cut has increased as uncertainties on the escalating US-China trade tension continue to weigh on risk sentiment and moderating growth prospect. We continue to believe that the local bond market will remain supported by demand from local institutional investors such as pension funds, banks and asset managers as supply of medium to long corporate bonds in the secondary market remain thin due to lack of replacements in a current dovish inclination by BNM.

#### **E. Investment Strategy**

We are neutral with our duration view given our expectations that OPR will be maintained in 2019, and continue to prefer corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields. We will continue to trade opportunistically and also look into new primary issuances that offer higher yields to deliver the required performance.

#### **F. Soft Commissions and Rebates**

The Manager and its delegates will not retain any form of soft commissions and rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial period from 1 February 2019 to 31 July 2019, the Manager and its delegates did not receive any soft commissions and rebates from the brokers or dealers.

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA SUKUK FUND**

**FOR THE FINANCIAL PERIOD 1 FEBRUARY 2019 TO 31 JULY 2019**

We have acted as Trustee of Maybank Malaysia Sukuk Fund (the "Fund") for the financial period from 1 February 2019 to 31 July 2019. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:-

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation and pricing were carried out in accordance with the Deeds and relevant regulatory requirements; and
- (c) Creation and cancellation of units were carried out in accordance with the Deeds and relevant regulatory requirements.

**For TMF Trustees Malaysia Berhad**  
(Company No.: 610812-W)

**NORHAYATI BINTI AZIT**  
**DIRECTOR - FUND SERVICES**

**Kuala Lumpur**  
13 September 2019

## **MAYBANK MALAYSIA SUKUK FUND**

### **STATEMENT BY MANAGER**

I, Ahmad Najib Bin Nazlan, being the Director of Maybank Asset Management Sdn Bhd do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Malaysia Sukuk Fund as at 31 July 2019 and of its results, changes in equity and cash flows for the financial period then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**

Director

Kuala Lumpur, Malaysia

13 September 2019

## **MAYBANK MALAYSIA SUKUK FUND**

### **REPORT OF THE SHARIAH ADVISER FOR THE FINANCIAL PERIOD 1 FEBRUARY 2019 TO 31 JULY 2019**

We have acted as the Shariah Adviser for Maybank Malaysia Sukuk Fund (the "Fund"). Our responsibility is to ensure that the procedures and the processes employed by Maybank Asset Management Sdn Bhd (the "Manager") is in accordance with the principles of Shariah.

In our opinion, the Manager has managed and administered the Fund in accordance with the principles of Shariah and comply with applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia on Shariah matters for the financial period from 1 February 2019 to 31 July 2019.

In addition, we also confirm that the investment portfolio of the Fund comprises securities, cash at bank and deposits which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC") and the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM"). Any unlisted securities which are not certified by the SACSC and SACBNM shall be determined in accordance with the ruling issued by the Shariah Adviser.

For and on behalf of the Shariah Adviser of the Fund

**Dr Aznan Bin Hasan**

Chairman of the Shariah Committee of Maybank Islamic Bhd

Kuala Lumpur, Malaysia  
13 September 2019

**MAYBANK MALAYSIA SUKUK FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2019 TO 31 JULY 2019**

		<b>01.02.2019 to 31.07.2019 RM</b>	<b>01.02.2018 to 31.07.2018 RM</b>
<b>INVESTMENT INCOME</b>			
Profit income	4	14,833,070	1,349,229
Net gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")	9(a)		
- Realised gain/(loss)		401,431	(73,691)
- Unrealised gain/(loss)		23,077,341	(32,666)
		<u>38,311,842</u>	<u>1,242,872</u>
<b>EXPENSES</b>			
Manager's fee	5	1,182,951	100,630
Trustee's fee	6	168,993	14,376
Auditors' remuneration		4,215	3,967
Tax agent's fee		1,736	2,090
Administrative expenses		9,987	7,297
		<u>1,367,882</u>	<u>128,360</u>
<b>Net income before taxation</b>		36,943,960	1,114,512
Taxation	7	-	-
<b>Net income after taxation and total comprehensive income for the financial period</b>		<u>36,943,960</u>	<u>1,114,512</u>
<b>Net income after taxation is made up of the following:</b>			
Net realised income		13,866,619	1,206,099
Net unrealised income/(loss)		23,077,341	(91,587)
		<u>36,943,960</u>	<u>1,114,512</u>

**MAYBANK MALAYSIA SUKUK FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2019**

	Note	31.07.2019 RM	31.01.2019 RM
<b>ASSETS</b>			
Financial assets at FVTPL	9	790,372,924	245,129,563
Shariah-compliant deposits with licensed Islamic financial institutions	8	146,347,111	47,834,488
Profit income receivable		9,758,171	2,830,132
Amount due from Manager	11	7,158,230	6,670,121
Cash at bank		8,430,734	45,626
<b>TOTAL ASSETS</b>		<u>962,067,170</u>	<u>302,509,930</u>
<b>LIABILITIES</b>			
Amount due to Manager	11	278,552	96,483
Amount due to Trustee		38,236	11,493
Amount due to brokers	10	11,568,288	-
Distributions payable		-	16,079,304
Other payables and accruals	12	29,014	25,110
<b>TOTAL LIABILITIES</b>		<u>11,914,090</u>	<u>16,212,390</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>950,153,080</u>	<u>286,297,540</u>
<b>EQUITY</b>			
Unitholders' capital	13(a)	911,400,518	284,488,938
Retained earnings	13(b) & (c)	38,752,562	1,808,602
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>950,153,080</u>	<u>286,297,540</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	13(a)	<u>887,754,428</u>	<u>282,093,045</u>
<b>NAV PER UNIT (RM)</b>		<u>1.0703</u>	<u>1.0149</u>

**MAYBANK MALAYSIA SUKUK FUND**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2019 TO 31 JULY 2019**

	<b>Unitholders' capital RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
At 1 February 2018	54,632,313	556,565	55,188,878
Total comprehensive income for the financial period	-	1,114,512	1,114,512
Creation of units	2,773,263	-	2,773,263
Cancellation of units	(573,832)	-	(573,832)
At 31 July 2018	<u>56,831,744</u>	<u>1,671,077</u>	<u>58,502,821</u>
At 1 February 2019	284,488,938	1,808,602	286,297,540
Total comprehensive income for the financial period	-	36,943,960	36,943,960
Creation of units	641,136,303	-	641,136,303
Cancellation of units	(14,224,723)	-	(14,224,723)
At 31 July 2019	<u>911,400,518</u>	<u>38,752,562</u>	<u>950,153,080</u>

**MAYBANK MALAYSIA SUKUK FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2019 TO 31 JULY 2019**

	<b>01.02.2019 to 31.07.2019 RM</b>	<b>01.02.2018 to 31.07.2018 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(534,715,855)	(12,646,646)
Net proceeds from sale of financial assets at FVTPL	18,144,537	16,916,225
Profit income received	14,280,047	1,384,680
Manager's fee paid	(995,752)	(101,081)
Trustee's fee paid	(142,250)	(14,441)
Payment of other fees and expenses	(12,036)	(20,182)
Increase in Shariah-compliant deposits with licensed financial institutions with original maturity of more than 3 months	(98,545,000)	-
Net cash (used in)/generated from operating and investing activities	<u>(601,986,309)</u>	<u>5,518,556</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash received from units created	626,262,620	2,773,263
Net cash paid from units cancelled	(14,229,856)	(624,497)
Distributions to unitholders	(1,693,724)	(2,712,550)
Net cash generated from/(used in) financing activities	<u>610,339,040</u>	<u>(563,784)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>		
	8,352,731	4,954,772
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		
	47,880,114	3,105,798
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		
	<u>56,232,845</u>	<u>8,060,570</u>
Cash and cash equivalents comprise:		
Cash at bank	8,430,734	1,926
Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months	47,802,111	8,058,644
	<u>56,232,845</u>	<u>8,060,570</u>



## **MAYBANK MALAYSIA SUKUK FUND**

### **NOTES TO THE FINANCIAL STATEMENT**

#### **FOR THE SIX MONTHS FINANCIAL PERIOD FROM 1 FEBRUARY 2019 TO 31 JULY 2019**

##### **1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

Maybank Malaysia Sukuk Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 14 December 2012, a First Supplementary Deed dated 9 July 2014, Second Supplementary Deed dated 20 March 2015 and a Third Supplementary Deed dated 10 December 2015 between the Manager, Maybank Asset Management Sdn Bhd ("Maybank AM") and the Trustee, TMF Trustees Malaysia Bhd.

The principal activity of the Fund is to invest between 70% to 98% of the Fund's NAV in a portfolio of Ringgit Malaysia ("RM")-denominated sukuk issued and/or offered in Malaysia with a minimum Sukuk rating of 'AA-' by RAM Holdings Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"). However, if any of the sukuk held in the Fund has been downgraded to a rating of "BBB+" or lower by RAM or equivalent rating by MARC, the Manager may choose to dispose the sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold onto the downgraded sukuk for up to 90 days.

The Manager will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

The Manager of the Fund is Maybank AM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence ("CMSL") with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA"). The principal place of business of Maybank AM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. Maybank AM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

Maybank AM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a wholly-owned subsidiary of MAMG and is a holder of CMSL to carry out Islamic fund management business pursuant to Section 61 of the CMSA.

The roles and responsibilities of MIAM include management of the investment portfolio in accordance with the investment objective, subject to the CMSA and the Guidelines on Unit Trust Funds issued by the Securities Commission of Malaysia ("SC") and any other relevant guidelines issued by the SC as well as the terms and conditions of the investment management agreement between MIAM and Maybank AM.

##### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

###### **2.1 Basis of preparation**

The financial statements from 1 February 2019 to 31 July 2019 have been prepared in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") and International Accounting Standards 34 Interim Financial Reporting.

## MAYBANK MALAYSIA SUKUK FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.1 Basis of preparation (cont'd)

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to Note 2.14.

The financial statements are presented in Ringgit Malaysia ("RM").

#### 2.2 Standards and amendments to standards issued but not yet effective

The following are standards, amendments to standards and interpretations issued by the MASB, but not yet effective, up to the date of issuance of the Fund's financial statements. The Fund intends to adopt the relevant standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS contained in the document entitled " <i>Annual Improvements to MFRS Standards document 2015 - 2017 Cycle</i> "	1 January 2019
Amendments to MFRS 3 and MFRS 11: <i>Previously Held Interest in a Joint Operation</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i> "	1 January 2019
Amendments to MFRS 112: <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i> "	1 January 2019
Amendments to MFRS 123: <i>Borrowing Costs Eligible for Capitalisation</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i> "	1 January 2019
MFRS 16: <i>Leases</i>	1 January 2019
Amendments to MFRS 9: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 119: <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

## MAYBANK MALAYSIA SUKUK FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 Standards and amendments to standards issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 128: <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23: <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 2: <i>Share-based Payment</i>	1 January 2020
Amendments to MFRS 3: <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 6: <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
Amendments to MFRS 14: <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101: <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Amendments to MFRS 101 & 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 134: <i>Interim Financial Reporting</i>	1 January 2020
Amendment to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendment to MFRS 138: <i>Intangible Assets</i>	1 January 2020
Amendments to IC Interpretation 12: <i>Service Concession Arrangements</i>	1 January 2020
Amendments to IC Interpretation 19: <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
Amendments to IC Interpretation 20: <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendments to IC Interpretation 22: <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
Amendments to IC Interpretation 132: <i>Intangible Assets - Web Site Costs</i>	1 January 2020
MFRS 17: <i>Insurance Contracts</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced by MASB

The Fund expects that the adoption of the above standards will not have any material impact on the financial statements in the period of initial application.

## **MAYBANK MALAYSIA SUKUK FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **2.3 Financial instruments**

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **2.4 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

##### **(i) Classification of financial assets**

Unless designated as at FVTPL on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the assets are held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that do not meet the criteria above are classified as either fair value through other comprehensive income ("FVTOCI") or FVTPL.

The Fund classifies cash and cash equivalents, profit income receivable and amount due from Manager as financing and receivables, and are subsequently measured at amortised cost.

## MAYBANK MALAYSIA SUKUK FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 Financial assets (cont'd)

##### (ii) Financial assets at FVTPL

Investments in Shariah-compliant unquoted fixed income securities is classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of the portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instruments or a financial

Debt instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Profit income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

The carrying cost of unquoted fixed income securities denominated in RM are revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency ("BPA") registered with the Securities Commission Malaysia ("SC"). Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- records its basis for using a non-BPA price;
- obtain necessary internal approvals to the use of non-BPA price; and
- keeps an audit trail of all decisions and basis for adopting the market yield.

## MAYBANK MALAYSIA SUKUK FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 Financial assets (cont'd)

##### (iii) Impairment of financial assets

Credit losses are recognised based on the 'Expected Credit Loss' ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL (financial assets that are debt instruments). The impairment model does not apply to equity investments.

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date:  
As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive);
- Financial assets that are credit-impaired at the reporting date:  
As the difference between the gross carrying amount and the present value of estimated future cash flows.

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or counterparty;
- Significant downgrade in credit rating of the instrument by a rating agency;
- A breach of contract such as a default or past due event; or
- The disappearance of an active market for a security because of financial difficulties.

For balances with short-term nature, full impairment will be recognised on uncollected balances after the grace period.

##### (iv) Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## MAYBANK MALAYSIA SUKUK FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 Financial assets (cont'd)

##### (iv) Derecognition of financial assets (cont'd)

On derecognition of equity instruments classified as FVTOCI, the cumulative gain or loss previously accumulated in unrealised reserve is not reclassified to profit or loss, but is reclassified to distributable realised reserve. However, on derecognition of debt instruments classified as FVTOCI, the cumulative gain or loss previously accumulated in unrealised reserve is reclassified to profit or loss.

On derecognition of financial asset classified as FVTPL, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

#### 2.5 Financial liabilities

##### Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to Manager, amount due to Trustee, amount due to brokers, distributions payable, and other payables and accruals as financial liabilities.

##### Recognition and measurement

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate method.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

## **MAYBANK MALAYSIA SUKUK FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **2.6 Fair value measurement**

The Fund measures its financial instruments at fair value, at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (c) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



## MAYBANK MALAYSIA SUKUK FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.7 Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in RM, which is also the Fund's functional currency.

#### 2.8 Unitholders' capital

The unitholders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 *Financial Instruments: Presentation*. Those criteria include:

- (i) the units entitle the holder to a proportionate share of the Fund's NAV;
- (ii) the units are the most subordinated class and class features are identical;
- (iii) there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- (iv) the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unitholder exercises the right to put the unit back to the Fund. Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

#### 2.9 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distributions is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the financial year in which it is approved.

## **MAYBANK MALAYSIA SUKUK FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **2.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and Shariah-compliant deposits with licensed Islamic financial institutions with original maturity of three months or less which have an insignificant risk of changes in value.

#### **2.11 Revenue / Income**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Profit income from Shariah-compliant unquoted fixed income securities includes amortisation of premium and accretion of discount, and is recognised using the effective profit rate method. Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on the accrual basis using the effective profit rate method.

Realised gain or loss on disposal of Shariah-compliant unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation of premium.

#### **2.12 Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial year.

No deferred tax is recognised as no temporary differences have been identified.

## MAYBANK MALAYSIA SUKUK FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.13 Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

#### 2.14 Critical accounting estimates and judgements

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgement have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

### 3. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund during the financial period from 1 February 2019 to 31 July 2019 is Shariah-compliant.

### 4. PROFIT INCOME

	<b>01.02.2019</b>	<b>01.02.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.07.2019</b>	<b>31.07.2018</b>
	<b>RM</b>	<b>RM</b>
Profit income from Shariah-compliant unquoted fixed income securities	13,702,364	1,311,055
Profit income from Shariah-compliant deposits	1,961,415	97,095
Amortisation of premium, net of accretion of discount	(830,709)	(58,921)
	<u>14,833,070</u>	<u>1,349,229</u>

## MAYBANK MALAYSIA SUKUK FUND

### 5. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 0.35% (01.02.2018 to 31.07.2018: 0.35%) per annum ("p.a.") on the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

### 6. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.05% (01.02.2018 to 31.07.2018: 0.05%) p.a. of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

### 7. TAXATION

	<b>01.02.2019</b>	<b>01.02.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.07.2019</b>	<b>31.07.2018</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial period:		
Income tax expense for the period	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.02.2018 to 31.07.2018: 24%) of the estimated assessable income for the financial period.

The tax charge for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, the profit income earned by the Fund from its investment in Shariah-compliant unquoted fixed income securities and Shariah-compliant deposits is exempted from tax.

A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	<b>01.02.2019</b>	<b>01.02.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.07.2019</b>	<b>31.07.2018</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	36,943,960	1,114,512
Tax at Malaysian statutory rate of 24% (01.02.2018 to 31.07.2018: 24%)	8,866,550	267,483
Effects of income not subject to tax	(9,194,842)	(323,815)
Effects of expenses not deductible for tax purposes	328,292	56,332
Tax expense for the financial period	-	-

## MAYBANK MALAYSIA SUKUK FUND

### 8. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS

	31.07.2019 RM	31.01.2019 RM
Shariah-compliant deposits with licensed Islamic financial institutions with maturity of:		
- less than 3 months	47,802,111	47,834,488
- more than 3 months	98,545,000	-
	<u>146,347,111</u>	<u>47,834,488</u>

The weighted average effective profit rates ("WAEPR") p.a. and average maturity of Shariah-compliant deposits with licensed Islamic financial institutions as at the reporting date are as follows:

	31.07.2019		31.01.2019	
	WAEPR % p.a.	Average maturity Days	WAEPR % p.a.	Average maturity Days
Shariah-compliant deposits with maturity of				
- less than 3 months	3.00	1	3.42	16
- more than 3 months	3.78	171	-	-

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL**

	<b>31.07.2019</b>	<b>31.01.2019</b>
	<b>RM</b>	<b>RM</b>
Shariah-compliant unquoted fixed income securities	<u>790,372,924</u>	<u>245,129,563</u>

The composition of financial assets at FVTPL as at 31 July 2019 are as follows:

<b>Unquoted fixed income securities</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.07.2019</b>				
Government of Malaysia - 4.72% / 15.06.2033	10,000,000	10,379,455	10,937,000	1.15
Aman Sukuk Bhd - 4.78% / 30.05.2024	5,000,000	5,070,570	5,236,250	0.55
Anih Bhd - 5.34% / 29.11.2023	3,000,000	3,095,696	3,155,340	0.33
- 5.70% / 27.11.2026	5,000,000	5,332,344	5,488,550	0.58
- 6.00% / 29.11.2028	15,000,000	16,467,199	17,045,850	1.79
- 5.85% / 29.11.2027	5,000,000	5,400,726	5,583,150	0.59
Besraya (M) Sdn Bhd - 5.36% / 28.07.2028	10,000,000	10,178,188	10,623,900	1.12
- 5.20% / 28.07.2026	1,000,000	1,012,856	1,045,230	0.11
- 5.04% / 26.07.2024	10,000,000	10,083,977	10,290,800	1.08
- 4.80% / 28.07.2021	3,500,000	3,504,559	3,540,075	0.37
BGSM Management Sdn Bhd - 5.60% / 27.12.2023	5,000,000	5,244,362	5,295,450	0.56
- 7.10% / 28.12.2022	5,000,000	5,438,093	5,480,500	0.58
- 5.35% / 09.03.2026	5,000,000	5,208,511	5,321,550	0.56
Bumitama Agri Ltd - 5.00% / 02.09.2019	15,000,000	15,008,882	15,015,600	1.58

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Unquoted fixed income securities (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.07.2019 (cont'd)</b>				
BEWG (M) Sdn Bhd - 5.10% / 17.07.2020	6,500,000	6,532,504	6,569,615	0.69
CIMB Islamic Bank Bhd - 5.85% / 25.09.2019	3,300,000	3,306,946	3,310,857	0.35
Country Garden Real Estate Sdn Bhd				
- 6.60% / 23.02.2023	1,700,000	1,702,637	1,703,944	0.18
- 6.40% / 18.03.2022	10,000,000	10,000,000	10,061,800	1.06
- 6.40% / 06.05.2022	12,000,000	12,000,000	12,050,160	1.27
Danajamin Nasional Bhd - 4.80% / 06.10.2027	9,300,000	9,384,713	9,519,294	1.00
DanaInfra Nasional Bhd - 4.84% / 11.02.2039	13,500,000	13,653,078	14,937,480	1.57
Edra Energy Sdn Bhd				
- 5.85% / 05.01.2026	5,000,000	5,164,812	5,340,650	0.56
- 5.88% / 03.07.2026	5,000,000	5,169,678	5,366,600	0.56
- 5.97% / 05.01.2028	10,000,000	10,355,181	10,896,600	1.15
- 6.31% / 05.01.2033	5,000,000	5,688,123	5,741,200	0.60
- 6.43% / 05.07.2034	5,000,000	5,695,111	5,809,350	0.61
- 6.15% / 03.01.2031	15,000,000	16,693,821	16,889,100	1.78
- 6.19% / 04.07.2031	5,000,000	5,642,852	5,663,650	0.60
Fortune Premiere Sdn Bhd				
- 5.05% / 31.10.2025	5,300,000	5,328,309	5,563,940	0.59
- 5.05% / 05.09.2025	12,000,000	12,290,086	12,617,880	1.33
- 4.85% / 07.09.2023	9,000,000	9,091,989	9,298,890	0.98
- 4.85% / 02.11.2023	10,000,000	10,107,249	10,339,300	1.09

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

<b>Unquoted fixed income securities (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.07.2019 (cont'd)</b>				
Gamuda Bhd				
- 4.79% / 16.03.2023	19,000,000	19,132,798	19,493,620	2.05
Gulf Investment Corporation				
- 5.10% / 16.03.2021	6,100,000	6,130,841	6,184,851	0.65
IJM Corporation Bhd				
- 5.05% / 18.08.2028	15,000,000	15,145,536	15,765,750	1.66
- 4.83% / 10.06.2022	7,400,000	7,477,772	7,544,522	0.79
Jimah East Power Sdn Bhd				
- 6.20% / 04.12.2031	5,000,000	5,596,868	5,901,000	0.62
- 5.59% / 04.06.2027	400,000	421,276	440,020	0.05
- 5.52% / 04.06.2026	4,300,000	4,529,747	4,670,402	0.49
- 5.68% / 04.12.2028	5,000,000	5,573,389	5,594,500	0.59
- 5.74% / 04.06.2029	5,000,000	5,560,247	5,634,500	0.59
- 5.78% / 04.12.2029	5,000,000	5,590,796	5,658,950	0.60
Konsortium Lebuhraya Utara Timur (KL) Sdn Bhd				
- 4.25% / 01.12.2023	5,000,000	4,949,699	5,022,950	0.53
- 4.75% / 01.12.2028	10,000,000	10,258,960	10,333,800	1.09
- 4.75% / 02.12.2024	5,000,000	5,118,444	5,139,100	0.54
- 4.75% / 30.11.2029	22,000,000	22,574,535	22,762,300	2.40
- 5.25% / 02.12.2030	5,000,000	5,271,229	5,391,600	0.57
Kimanis Power Sdn Bhd				
- 5.40% / 06.08.2027	2,000,000	2,088,754	2,169,160	0.23
Malakoff Power Bhd				
- 5.65% / 17.12.2025	5,000,000	5,288,819	5,463,000	0.57
- 5.35% / 16.12.2022	5,000,000	5,142,168	5,229,650	0.55
Malaysia Airports Capital Bhd				
- 4.15% / 27.12.2024	5,000,000	4,985,147	5,086,350	0.54



**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Unquoted fixed income securities (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.07.2019 (cont'd)</b>				
Manjung Island Energy Bhd				
- 4.90% / 25.11.2013	19,400,000	20,392,743	21,275,786	2.24
- 4.82% / 25.11.2030	10,000,000	10,760,566	10,855,600	1.14
MMC Corporation Bhd				
- 5.70% / 24.03.2028	13,600,000	13,710,942	14,245,048	1.50
- 5.29% / 26.04.2023	1,900,000	1,908,437	1,939,805	0.20
- 5.80% / 12.11.2025	7,500,000	7,665,725	7,875,675	0.83
- 5.95% / 12.11.2027	6,500,000	6,696,631	6,913,855	0.73
- 5.90% / 16.03.2029	5,000,000	5,404,296	5,696,600	0.60
Mumtaz Rakyat Sukuk Bhd				
- 4.95% / 19.06.2026	5,000,000	5,042,721	5,085,600	0.54
National Bank of Abu Dhabi				
- 4.75% / 09.12.2027	5,900,000	5,900,660	6,212,641	0.65
Projek Lebuhraya Usahasama Bhd				
- 5.15% / 12.01.2032	5,000,000	5,177,272	5,553,550	0.58
- 5.27% / 12.01.2033	5,000,000	5,220,357	5,619,250	0.59
- 5.00% / 11.01.2030	20,700,000	21,553,801	22,616,820	2.38
- 4.80% / 12.01.2027	5,000,000	5,249,190	5,324,150	0.56
- 5.07% / 10.01.2031	5,000,000	5,383,047	5,511,300	0.58
Pengurusan Air SPV Bhd				
- 4.54% / 23.02.2029	5,000,000	5,000,000	5,285,250	0.56
Prasarana Malaysia Bhd				
- 4.38% / 12.03.2031	5,000,000	5,000,000	5,270,500	0.55
- 4.53% / 10.03.2034	5,000,000	5,000,000	5,342,300	0.56

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Unquoted fixed income securities (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.07.2019 (cont'd)</b>				
Perbadanan Tabung Pendidikan Tinggi Nasional				
- 4.58% / 28.02.2034	5,000,000	5,000,000	5,354,050	0.56
- 4.80% / 01.03.2039	5,000,000	5,000,000	5,479,950	0.58
SAJ Capital Sdn Bhd				
- 5.19% / 26.01.2022	2,200,000	2,200,000	2,248,334	0.24
- 5.55% / 26.01.2028	1,000,000	1,023,820	1,068,710	0.11
- 5.31% / 26.01.2024	7,000,000	7,078,521	7,262,920	0.76
Sarawak Energy Bhd				
- 5.50% / 04.07.2029	7,700,000	8,190,547	8,605,982	0.91
- 5.32% / 03.12.2032	5,000,000	5,233,956	5,616,700	0.59
- 4.95% / 25.11.2033	11,500,000	12,032,117	12,509,470	1.32
- 5.18% / 25.04.2036	1,800,000	1,751,062	1,958,652	0.21
- 5.28% / 17.08.2035	3,200,000	3,312,801	3,537,600	0.37
Sarawak Hidro Sdn Bhd				
- 4.47% / 11.08.2027	5,100,000	5,092,975	5,339,598	0.56
Sabah Credit Corporation				
- 4.33% / 24.07.2029	5,000,000	5,011,931	5,012,800	0.53
- 4.45% / 19.06.2026	5,000,000	5,038,222	5,074,450	0.53
- 4.90% / 16.02.2022	4,500,000	4,555,559	4,593,825	0.48
Sime Darby Bhd				
- 5.65% / 24.03.2026	4,400,000	4,578,338	4,801,192	0.51
Southern Power Generation Sdn Bhd				
- 5.09% / 30.04.2029	5,000,000	5,291,674	5,447,750	0.57
- 5.37% / 29.10.2032	5,000,000	5,337,736	5,591,950	0.59
- 5.41% / 29.04.2033	5,000,000	5,479,002	5,592,600	0.59
- 5.45% / 31.10.2033	15,000,000	15,745,559	16,772,850	1.77

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Unquoted fixed income securities (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.07.2019 (cont'd)</b>				
Tanjung Bin Energy Issuer Bhd				
- 5.28% / 16.08.2027	4,500,000	4,726,077	4,840,560	0.51
- 6.20% / 16.03.2032	12,000,000	13,716,628	14,320,320	1.51
- 5.70% / 16.03.2027	4,500,000	4,807,091	4,980,015	0.52
- 5.85% / 15.09.2028	5,000,000	5,457,449	5,653,000	0.59
- 5.95% / 14.09.2029	5,000,000	5,601,411	5,738,900	0.60
- 6.00% / 15.03.2030	2,000,000	2,249,356	2,312,820	0.24
- 6.10% / 14.03.2031	5,000,000	5,614,079	5,872,000	0.62
Telekom Malaysia Bhd				
- 4.58% / 03.09.2027	3,900,000	3,931,092	4,109,976	0.43
Tenaga Nasional Bhd				
- 5.18% / 03.08.2037	17,000,000	18,444,645	19,401,590	2.04
TNB Northern Energy Bhd				
- 4.62% / 30.05.2033	5,000,000	5,066,501	5,318,350	0.56
UEM Sunrise Bhd				
- 5.00% / 19.05.2023	18,800,000	19,000,788	19,509,512	2.05
- 5.15% / 31.10.2025	5,000,000	5,087,106	5,306,750	0.56
- 4.75% / 22.03.2024	5,000,000	5,005,801	5,164,800	0.54
- 5.32% / 12.11.2024	5,000,000	5,152,808	5,318,050	0.56
YTL Power International Bhd				
- 5.05% / 03.05.2027	29,100,000	29,640,709	30,807,588	3.24
<b>Total Shariah-compliant unquoted fixed income securities</b>	<b>737,000,000</b>	<b>765,591,281</b>	<b>790,372,924</b>	<b>83.17</b>
Unrealised gain on financial assets at FVTPL			<b>24,781,643</b>	

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

<b>Unquoted fixed income securities (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.01.2019</b>				
Government of Malaysia				
- 3.99% / 15.10.2025	900,000	896,164	897,192	0.31
- 4.25% / 30.9.2030	500,000	490,445	496,330	0.17
Aman Sukuk Bhd				
- 4.780% / 30.05.2024	5,000,000	5,077,037	5,108,950	1.78
Anih Bhd				
- 5.34% / 29.11.2023	3,000,000	3,105,545	3,114,540	1.09
- 5.85% / 29.11.2027	5,000,000	5,420,082	5,428,400	1.90
Besraya (M) Sdn Bhd				
- 5.36% / 28.07.2028	10,000,000	10,186,701	10,226,600	3.57
- 5.20% / 28.07.2026	1,000,000	1,013,689	1,014,960	0.35
- 5.04% / 26.07.2024	10,000,000	10,091,823	10,091,700	3.52
- 4.80% / 28.07.2021	3,500,000	3,505,852	3,510,360	1.23
BEWG (M) Sdn Bhd				
- 5.10% / 17.7.2020	6,300,000	6,346,487	6,358,779	2.22
Celcom Network Sdn Bhd				
- 5.27% / 28.10.2026	2,300,000	2,371,879	2,397,451	0.84
CIMB Islamic Bank Bhd				
- 5.85% / 25.09.2019	3,300,000	3,330,658	3,334,782	1.16
Country Garden Real Estate Sdn Bhd				
- 6.60% / 23.02.2023	1,700,000	1,702,972	1,714,773	0.60
Danajamin Nasional Bhd				
- 4.80% / 6.10.2027	1,100,000	1,100,950	1,109,163	0.39

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Unquoted fixed income securities (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.01.2019 (cont'd)</b>				
Fortune Premiere Sdn Bhd				
- 5.05% / 31.10.2025	5,000,000	5,021,141	5,056,550	1.77
- 5.05% / 05.09.2025	5,800,000	5,829,729	5,881,780	2.05
- 4.85% / 07.09.2023	1,000,000	1,000,000	1,008,960	0.35
Gamuda Bhd				
- 4.79% / 16.03.2023	1,100,000	1,102,281	1,107,337	0.39
Gulf Investment Corporation				
- 5.10% / 16.03.2021	6,100,000	6,139,907	6,141,785	2.15
IJM Corporation Bhd				
- 5.05% / 18.08.2028	15,000,000	15,151,848	15,278,250	5.34
- 4.83% / 10.06.2022	1,900,000	1,919,868	1,922,933	0.67
Jimah East Power Sdn Bhd				
- 6.20% / 04.12.2031	5,000,000	5,614,187	5,621,450	1.96
- 5.59% / 04.06.2027	400,000	422,376	424,928	0.15
- 5.52% / 04.06.2026	400,000	400,000	421,532	0.15
Kimanis Power Sdn Bhd				
- 5.40% / 06.08.2027	2,000,000	2,093,231	2,109,940	0.74
Malakoff Power Bhd				
- 5.65% / 17.12.2025	5,000,000	5,307,964	5,310,900	1.86
Malaysia Airports Capital Bhd				
- 4.15% / 27.12.2024	3,000,000	2,963,370	2,979,750	1.04

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Unquoted fixed income securities (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.01.2019 (cont'd)</b>				
Manjung Island Energy Bhd - 4.90% / 25.11.2013	6,000,000	6,124,179	6,165,300	2.15
MMC Corporation Bhd - 5.70% / 24.03.2028	8,400,000	8,453,928	8,489,880	2.97
- 5.29% / 26.04.2023	1,600,000	1,606,242	1,606,704	0.56
- 5.80% / 12.11.2025	2,500,000	2,555,672	2,554,000	0.89
- 5.95% / 12.11.2027	1,500,000	1,550,962	1,543,905	0.54
- 5.90% / 16.03.2029	5,000,000	5,420,524	5,497,300	1.92
National Bank of Abu Dhabi - 4.75% / 09.12.2027	5,100,000	5,072,715	5,152,938	1.80
Projek Lebuhraya Usahasama Bhd - 5.15% / 12.01.2032	5,000,000	5,182,446	5,234,400	1.83
- 5.27% / 12.01.2033	5,000,000	5,226,130	5,285,150	1.85
- 5.00% / 11.01.2030	2,000,000	2,051,113	2,069,460	0.72
SAJ Capital Sdn Bhd - 5.19% / 26.01.2022	2,200,000	2,200,000	2,223,562	0.78
- 5.55% / 26.01.2028	1,000,000	1,024,926	1,035,200	0.36
- 5.31% / 26.01.2024	7,000,000	7,086,244	7,131,740	2.49
Sarawak Energy Bhd - 5.50% / 04.07.2029	2,700,000	2,805,849	2,899,422	1.01
- 5.32% / 03.12.2032	5,000,000	5,240,078	5,276,250	1.84
- 4.95% / 25.11.2033	5,000,000	5,010,805	5,062,600	1.77
- 5.18% / 25.04.2036	1,800,000	1,750,183	1,843,470	0.64
- 5.28% / 17.08.2035	5,500,000	5,697,817	5,717,085	2.00
Sarawak Hidro Sdn Bhd - 4.47% / 11.08.2027	4,600,000	4,581,978	4,604,186	1.61
Sime Darby Bhd - 5.65% / 24.03.2026	4,400,000	4,589,496	4,625,632	1.62
Southern Power Generation Sdn Bhd - 5.45% / 31.10.2033	15,000,000	15,763,336	15,849,900	5.54

**MAYBANK MALAYSIA SUKUK FUND**

**9. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Unquoted fixed income securities (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.01.2019 (cont'd)</b>				
Tanjung Bin Energy Issuer Bhd				
- 5.70% / 16.03.2027	1,400,000	1,484,016	1,502,928	0.52
- 6.20% / 16.03.2032	7,000,000	7,771,055	7,967,890	2.78
Telekom Malaysia Bhd				
- 4.58% / 03.09.2027	2,300,000	2,302,851	2,315,985	0.81
TNB Northern Energy Bhd				
- 4.62% / 30.05.2033	3,000,000	2,941,102	2,973,150	1.04
UEM Sunrise Bhd				
- 5.00% / 19.05.2023	3,800,000	3,826,252	3,844,270	1.34
- 5.15% / 31.10.2025	2,200,000	2,206,007	2,246,486	0.78
YTL Power International Bhd				
- 5.05% / 03.05.2027	16,100,000	16,293,170	16,340,695	5.71
<b>Total Shariah-compliant unquoted fixed income securities</b>	<b>237,400,000</b>	<b>243,425,259</b>	<b>245,129,563</b>	<b>85.62</b>
Unrealised gain on financial assets at FVTPL			<u>1,704,304</u>	

- (a) Changes in the fair value of FVTPL investments are recognised in 'unrealised gain/(loss) on FVTPL investments' in the profit and loss. Accumulated unrealised gains or losses are reclassified to 'realised gain/(loss) on FVTPL investments' in the profit or loss when the associated assets are sold. See accounting policy Note 2.4(ii) for details.

## MAYBANK MALAYSIA SUKUK FUND

### 10. AMOUNT DUE FROM BROKERS

Amount due from brokers relates to the amount receivable from a broker arising from the sale of Shariah-compliant unquoted fixed income securities. There was no amount due to broker as at reporting date. The settlement period in the previous financial year was 3 working days.

### 11. AMOUNT DUE FROM/TO MANAGER

	Note	31.07.2019 RM	31.01.2019 RM
<b>(a) Amount due from Manager</b>			
Subscription of units	(i)	<u>7,158,230</u>	<u>6,670,121</u>
<b>(b) Amount due to Manager</b>			
Redemption of units	(ii)	10,901	16,032
Manager's fee	(iii)	<u>267,651</u>	<u>80,451</u>
		<u>278,552</u>	<u>96,483</u>

(i) The amount represents amount receivable from the Manager for units subscribed.

(ii) The amount represents amount payable to the Manager for units redeemed.

(iii) The amount represents the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (01.02.2018 to 31.07.2018: 15 days).

### 12. OTHER PAYABLES AND ACCRUALS

Other payables and accruals comprise the following:

	31.07.2019 RM	31.01.2019 RM
Due to external auditors	12,874	8,500
Due to tax agent	6,188	3,500
Shariah advisory fee payables	9,952	12,000
Other payables & accruals	-	1,110
	<u>29,014</u>	<u>25,110</u>



## MAYBANK MALAYSIA SUKUK FUND

### 13. TOTAL EQUITY

	Note	31.07.2019 RM	31.01.2019 RM
Unitholders' capital	(a)	911,400,518	284,488,938
Accumulated realised income	(b)	14,052,386	185,767
Accumulated unrealised income	(c)	24,700,176	1,622,835
		<u>950,153,080</u>	<u>286,297,540</u>

#### (a) Unitholders' capital

	01.02.2019 to 31.07.2019		01.02.2018 to 31.01.2019	
	No. of units	RM	No. of units	RM
At the beginning of the financial period/year	282,093,045	284,488,938	54,251,007	54,632,313
Creation of units	605,291,256	626,750,723	227,092,972	240,543,744
Reinvestment of units	14,156,248	14,385,580	2,664,326	2,712,550
Cancellation of units	(13,786,122)	(14,224,723)	(1,915,260)	(2,011,269)
Distribution equalisation	-	-	-	(11,388,400)
At the end of the financial period/year	<u>887,754,427</u>	<u>911,400,518</u>	<u>282,093,045</u>	<u>284,488,938</u>

As at the end of the financial period/year, the total number and value of units held legally or beneficially by the Manager and its related party are as follows:

	31.07.2019		31.01.2019	
	No. of units	RM	No. of units	RM
The Manager	1,202	1,286	1,138	1,155
MBB, the ultimate holding company of the Manager	<u>21,736,395</u>	<u>23,264,463</u>	<u>27,971,367</u>	<u>28,388,270</u>
	<u>21,737,597</u>	<u>23,265,749</u>	<u>27,972,505</u>	<u>28,389,425</u>

In the opinion of the Manager, the above units were transacted at the prevailing market price. Other than the above, there were no other units held by the Manager or parties related to the Manager.

**MAYBANK MALAYSIA SUKUK FUND**

**13. TOTAL EQUITY (CONT'D)**

**(b) Accumulated realised income**

	<b>01.02.2019 to 31.07.2019 RM</b>	<b>01.02.2018 to 31.01.2019 RM</b>
At beginning of the financial period/year	185,767	644,982
Net realised income for the financial period/year	13,866,619	4,231,689
Distributions out of realised reserve	-	(4,690,904)
At end of the financial period/year	<u>14,052,386</u>	<u>185,767</u>

**(c) Accumulated unrealised income**

	<b>01.02.2019 to 31.07.2019 RM</b>	<b>01.02.2018 to 31.01.2019 RM</b>
At beginning of the financial period/year	1,622,835	(88,417)
Net unrealised income for the financial period/year	23,077,341	1,711,252
At end of the financial period/year	<u>24,700,176</u>	<u>1,622,835</u>

**MAYBANK MALAYSIA SUKUK FUND**

**14. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS**

Details of transactions with brokers/dealers for the financial period are as follows:

	<b>01.02.2019 to 31.07.2019</b>	<b>Percentage of total trade %</b>	<b>01.02.2018 to 31.07.2018</b>	<b>Percentage of total trade %</b>
	<b>Value of trade RM</b>		<b>Value of trade RM</b>	
Affin Hwang Investment Bank Bank Bhd	5,175,267	0.92	7,537,294	29.39
Alliance Bank Bhd	60,937,472	10.80	-	-
AmBank Bhd	5,039,000	0.89	-	-
Bank Islam Malaysia Bhd	-	-	2,778,182	10.83
CIMB Bank Bhd	80,458,355	14.25	2,999,422	11.70
CIMB Islamic Bank Bhd	1,420,684	0.25	5,362,507	20.91
Hong Leong Bank Bhd	87,455,946	15.49	-	-
MBB *	36,411,552	6.45	-	-
RHB Investment Bank Bhd	121,504,783	21.53	6,968,282	27.17
Standard Chartered Bank Bhd	24,700,000	4.38	-	-
Affin Investment Bank Bhd	139,297,196	24.68	-	-
Kenanga Investment Bank Bhd	2,028,425	0.36	-	-
	<b>564,428,680</b>	<b>100.00</b>	<b>25,645,687</b>	<b>100.00</b>

## MAYBANK MALAYSIA SUKUK FUND

### 14. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS (CONT'D)

Details of transactions, primarily Shariah-compliant deposits with licensed Islamic financial institutions for the financial period are as follows:

	01.02.2019 to 31.07.2019		01.02.2018 to 31.07.2018	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
CIMB Islamic Bank Bhd	-	-	96,199,630	12.70
Hong Leong Islamic Bank Bhd	3,702,926,988	61.53	-	-
Maybank Islamic Bhd ("MIB") **	2,201,890,407	36.59	-	-
Public Islamic Bank Bhd	113,256,732	1.88	-	-
RHB Islamic Bank Bhd	-	-	661,268,000	87.30
	<u>6,018,074,127</u>	<u>100.00</u>	<u>757,467,630</u>	<u>100.00</u>

\* MBB is the ultimate holding company of the Manager.

\*\* MIB is a wholly-owned subsidiary of MBB, the ultimate holding company of the Manager.

### 15. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Fund or the Manager if the Fund or the Manager has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Fund or the Manager and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, there is no other significant related party transaction and balances of the Fund during the six month financial period.

### 16. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial period from 1 February 2019 to 31 July 2019, the MER of the Fund stood at 0.20% (01.02.2018 to 31.07.2018: 0.22%).

## **MAYBANK MALAYSIA SUKUK FUND**

### **17. PORTFOLIO TURNOVER RATIO ("PTR")**

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the daily average NAV of the Fund. For the financial period from 1 February 2019 to 31 July 2019, the PTR of the Fund stood at 0.41 times (01.02.2018 to 31.07.2018: 0.22 times)

### **18. SEGMENT INFORMATION**

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker, makes the strategic decisions on the resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieves its targeted return with an acceptable level of risk within the portfolio.

The PMC is responsible for the performance of the Fund by investing between 70% to 98% of the Fund's NAV in a portfolio of RM-denominated sukuk issued by Malaysian issuers and Malaysian financial institutions with a minimum sukuk rating of 'AA-' by RAM or equivalent rating by MARC. The Manager will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

On this basis, the PMC considers the business of the Fund to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investments strategy and the Fund's performance is evaluated on an overall basis.

The internal reporting for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

There were no changes in the reportable operating segments during the financial period.

## MAYBANK MALAYSIA SUKUK FUND

### 19. FAIR VALUE HIERACHY

The Fund uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Level 1</b> <b>RM</b>	<b>Level 2</b> <b>RM</b>	<b>Level 3</b> <b>RM</b>	<b>Total</b> <b>RM</b>
<b>31.07.2019</b>				
Financial assets at FVTPL	-	790,372,924	-	790,372,924
	<hr/>	<hr/>	<hr/>	<hr/>
<b>31.01.2019</b>				
Financial assets at FVTPL	-	245,129,563	-	245,129,563
	<hr/>	<hr/>	<hr/>	<hr/>

### 20. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and generate higher returns the prescribed benchmark as indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to ensure that the operations of the Fund are cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial period.