

MAYBANK SHARIAH ENHANCED CASH FUND

Quarterly report

For the financial period from 1 December 2018 to 31 August 2019

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (421779-M)

BUSINESS OFFICE

Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
Telephone +603 2297 7888
Facsimile +603 2715 0071
www.maybank-am.com

EXTERNAL INVESTMENT MANAGER

Maybank Islamic Asset Management Sdn Bhd (1042461-K)
Level 12, Tower C, Dataran Maybank
No. 1 Jalan Maarof
59000 Kuala Lumpur
Tel. No.: 03 – 2297 7888
Fax No.: 03 – 2711 8588

TRUSTEE

AmanahRaya Trustees Berhad (766894-T)
Level 2, Wisma AmanahRaya II
No. 21
Jalan Melaka
50100 Kuala Lumpur
Tel No: 03 - 2036 5000/5129
Fax No: 03 -2072 0322

SHARIAH ADVISER

Maybank Islamic Berhad (78435-M)
Level 10, Tower A, Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur
Telephone +603 2297 2001
Facsimile +603 2297 2002

MAYBANK SHARIAH ENHANCED CASH FUND

CONTENT	PAGE
Manager's report	1 - 4
Report of the Shariah Adviser	5
Unaudited statement of comprehensive income	6
Unaudited statement of financial position	7
Unaudited statement of changes in equity	8
Unaudited statement of cash flows	9

MAYBANK SHARIAH ENHANCED CASH FUND

Manager's report

For the financial period from 1 December 2018 to 31 August 2019

A. Fund Information

1. Name of Fund

Maybank Shariah Enhanced Cash Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Wholesale money market fund

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund launch date

24 November 2008

6. Fund's investment objective

The Fund is a short-term money market fund that invests in instruments which generate tax-exempt income. The Fund aims to provide liquidity (T+1)* and regular income, while maintaining capital stability by investing in instruments that comply with the Shariah principles.

Note:

* T is the day where a request/application to redeem is received by the Manager, before the cut-off time.

7. Fund distribution policy

Distribution will be made on a monthly basis, subject to availability of income.

8. Fund's performance benchmark

Maybank Islamic overnight deposit rate.

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

The Fund seeks to invest up to 100% of its Net Asset Value ("NAV") in short-term Shariah-compliant money market instruments including Shariah-compliant fixed deposits.

MAYBANK SHARIAH ENHANCED CASH FUND

Manager's report

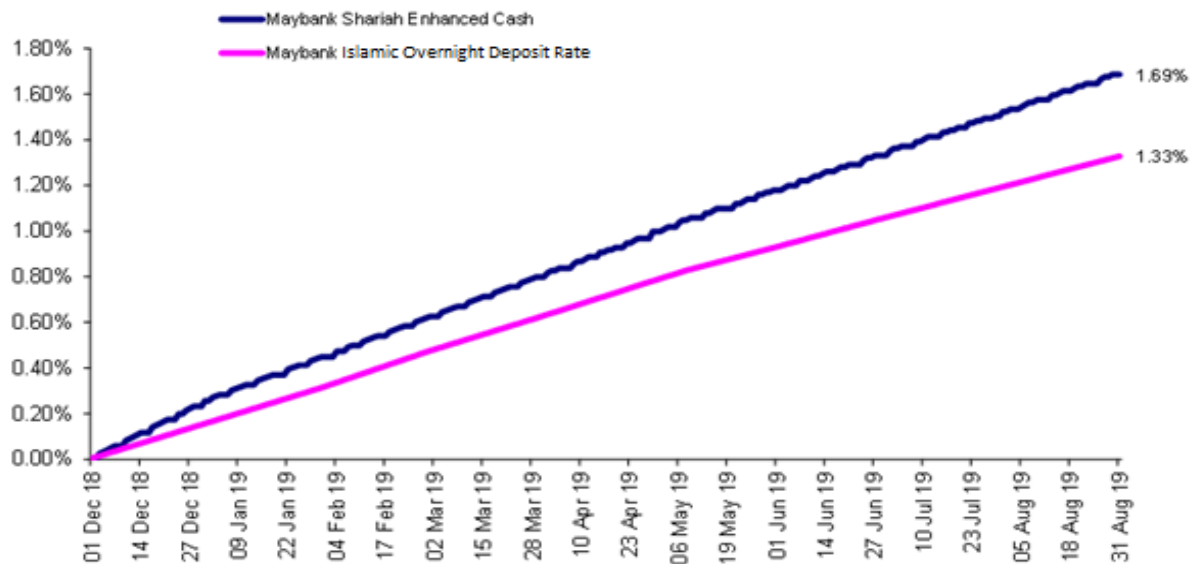
For the financial period from 1 December 2018 to 31 August 2019 (cont'd)

B. Performance Review

Returns of the Fund and its benchmark for the financial period from 1 December 2018 to 31 August 2019 are as follows:

Period	The Fund %	Benchmark %
1 December 2018 to 31 August 2019	1.69	1.33

Performance of the Fund for the financial period from 1 December 2018 to 31 August 2019:



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

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

MAYBANK SHARIAH ENHANCED CASH FUND

Manager's report

For the financial period from 1 December 2018 to 31 August 2019 (cont'd)

C. Market Review

The Monetary Policy Committee ("MPC") meeting in July 2019 saw Bank Negara Malaysia ("BNM") maintain the Overnight Policy Rate ("OPR") by at 3.00%, after a 25 basis points ("bps") cut in May 2019 earlier in the year. At the meeting, BNM reiterated on downside risks, largely due to weakening global financial conditions, deteriorating relations between the United States ("US") and China, and overall softer global growth. We note that the tone of BNM commentary in each of the recent meetings have been dovish, echoed by consensus highlighting further potential accommodation, especially in the face of lower rates in the US.

D. Market Outlook

BNM is viewed to still have sufficient monetary maneuverability in view of yet moderate inflation, although this will likely be tempered by the relative performance of the Malaysian Ringgit ("MYR"). Overall, volatility will continue to threaten in the backdrop, as BNM policy credibility and perhaps more importantly, correlation, remains uncertain, causing fluid capital flow and bouts of risk right-sizing. Nearer term drivers will likely be geopolitical in nature, with markets quick to react. In any case, Malaysia remains fairly positioned to navigate these various headwinds, following which we expect money market deposit rates to stay range-bound and conducive.

E. Investment Strategies

The Manager monitors the liquidity requirements closely in order to place money market deposits in appropriate tenures which will satisfy the liquidity requirements and also position of the Fund to capitalise on any profit rate movement. The Manager also actively looks for products from licensed financial institutions that provide better yields. Hence, the Manager has resorted to maintain the deposit placement on short tenure basis to cater possibility of redemption from investor in the nearest future.

F. Asset Allocation

As at 31 August 2019, 100% of the NAV of the Fund was invested in cash at bank and Shariah-compliant deposits with licensed Islamic financial institutions.

G. NAV as at 31 August 2019

Below is the summary of the NAV of the Fund:

	31.08.2019	30.11.2018	Changes (%)
NAV (RM)	286,480,534	3,068,435,379	-90.66
Units in circulation (unit)	286,210,501	3,079,994,912	-90.71
NAV per unit (RM)	1.0009	0.996247	0.47

* Effective 1 April 2019, the published NAV price of the Fund changed from 6 decimal places to 4 decimal places.

MAYBANK SHARIAH ENHANCED CASH FUND

Manager's report

For the financial period from 1 December 2018 to 31 August 2019 (cont'd)

H. 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 soft commissions received are 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 December 2018 to 31 August 2019, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDERS OF MAYBANK SHARIAH ENHANCED CASH FUND

We have acted as the Shariah Adviser of the Maybank Shariah Enhanced Cash Fund (the "Fund"). Our responsibility is to ensure that the procedures and the processes employed by Maybank Asset Management Sdn Bhd (the "Manager") are 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, ruling or decision issued by the Securities Commission Malaysia on Shariah matters for the financial period from 1 December 2018 to 31 August 2019.

In addition, we also confirm that the investment portfolio of the Fund comprises cash at bank, and Shariah-compliant deposits with licensed financial institutions 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").

For and on behalf of the Shariah Adviser of the Fund

Dr Aznan Bin Hasan

Chairman of the Shariah Committee of Maybank Islamic Berhad

Kuala Lumpur, Malaysia

MAYBANK SHARIAH ENHANCED CASH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2018 TO 31 AUGUST 2019

	01.12.2018 to 31.08.2019 RM	01.12.2017 to 31.08.2018 RM
INVESTMENT INCOME		
Profit income	<u>15,913,372</u>	<u>115,475,893</u>
EXPENSES		
Manager's fee	1,232,972	7,353,333
Trustee's fee	88,326	369,202
Auditors' remuneration	5,631	5,631
Tax agent's fee	1,877	1,877
Administrative expenses	<u>(8,713)</u>	<u>328,108</u>
	<u>1,320,093</u>	<u>8,058,151</u>
Net income before tax	14,593,279	107,417,742
Taxation	<u>(2,300,009)</u>	<u>-</u>
Net income after tax, total comprehensive income for the financial period	<u>12,293,270</u>	<u>107,417,742</u>
Net income after tax is made up of the following:		
Net realised income	<u>12,293,270</u>	<u>107,417,742</u>
	<u>12,293,270</u>	<u>107,417,742</u>
Distributions for the financial period:		
Net distribution	<u>4,157,517</u>	<u>106,083,711</u>
Gross distribution per unit (sen)	<u>1.82</u>	<u>2.74</u>
Net distribution per unit (sen)	<u>1.21</u>	<u>2.74</u>

MAYBANK SHARIAH ENHANCED CASH FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019**

	31.08.2019	30.11.2018
	RM	RM
ASSETS		
Shariah-compliant deposits with licensed financial institutions	289,304,148	3,067,864,212
Profit income receivables	47,551	1,423,354
Cash at bank	719	991
TOTAL ASSETS	289,352,418	3,069,288,557
LIABILITIES		
Amount due to Manager	61,852	764,792
Amount due to Trustee	4,948	38,811
Provision for taxation	2,300,009	-
Distributions payables	486,558	-
Other payables and accruals	18,517	49,575
TOTAL LIABILITIES	2,871,884	853,178
NET ASSET VALUE ("NAV") OF THE FUND	286,480,534	3,068,435,379
EQUITY		
Unitholders' capital	274,872,808	3,068,435,379
Retained earnings	11,607,726	-
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	286,480,534	3,068,435,379
NUMBER OF UNITS IN CIRCULATION (UNIT)	286,210,501	3,079,994,912
NAV PER UNIT (RM)	* 1.0009	0.996247

* Effective 1 April 2019, the published NAV price of the Fund changed from 6 decimal places to 4 decimal places.

MAYBANK SHARIAH ENHANCED CASH FUND

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2018 TO 31 AUGUST 2019**

	Unitholders' capital RM	Retained earnings RM	Total equity RM
At 1 December 2018	3,068,435,379	-	3,068,435,379
Total comprehensive income for the financial period	-	12,293,270	12,293,270
Creation of units	514,041,420	-	514,041,420
Reinvestment of units	3,363,786	-	3,363,786
Cancellation of units	(3,307,495,804)	-	(3,307,495,804)
Distributions	(3,471,973)	(685,544)	(4,157,517)
At 31 August 2019	<u>274,872,808</u>	<u>11,607,726</u>	<u>286,480,534</u>
At 1 December 2017	4,113,786,034	6,096,725	4,119,882,759
Total comprehensive income for the financial period	-	107,417,742	107,417,742
Creation of units	3,273,428,535	-	3,273,428,535
Reinvestment of units	99,112,910	-	99,112,910
Cancellation of units	(3,756,618,063)	-	(3,756,618,063)
Distributions	1,292,764	(107,376,475)	(106,083,711)
At 31 August 2018	<u>3,731,002,180</u>	<u>6,137,992</u>	<u>3,737,140,172</u>

MAYBANK SHARIAH ENHANCED CASH FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2018 TO 31 AUGUST 2019

	01.12.2018 to 31.08.2019 RM	01.12.2017 to 31.08.2018 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Profit income received	17,289,175	109,841,146
Manager's fee paid	(1,935,912)	(7,423,485)
Trustee's fee paid	(122,189)	(372,227)
Payment of other fees and expenses	(29,854)	(343,975)
Decrease in Shariah-compliant deposits with original maturity of more than 3 months	80,000,000	181,208,548
Net cash generated from operating and investing activities	<u>95,201,220</u>	<u>282,910,007</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	514,041,420	3,273,428,535
Cash paid on units cancelled	(3,307,495,804)	(3,756,618,063)
Distributions to unitholders	(307,172)	(7,372,426)
Net cash used in financing activities	<u>(2,793,761,556)</u>	<u>(490,561,954)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD	(2,698,560,336)	(207,651,947)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>2,987,865,203</u>	<u>588,973,797</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>289,304,867</u>	<u>381,321,850</u>
Cash and cash equivalents comprise:		
Cash at bank	719	1,206
Deposits with licensed financial institutions with maturity of less than 3 months	289,304,148	381,320,644
	<u>289,304,867</u>	<u>381,321,850</u>