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MAMG GLOBAL SHARIAH INCOME FUND

**Unaudited interim report
For the six month financial period ended 30 June 2019**

CORPORATE INFORMATION

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MAMG GLOBAL SHARIAH INCOME FUND

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MAMG GLOBAL SHARIAH INCOME FUND

Manager's report for the six month financial period ended 30 June 2019

A. Fund Information

1. Name of the Fund

MAMG Global Shariah Income Fund ("the Fund")

2. Type of Fund

Sukuk

3. Category of Fund

Feeder Fund

4. Duration of the Fund

The Fund is an open-ended fund.

5. Fund launch date

13 March 2018

6. Fund's investment objective

The investment objective of the Fund is to maximise investment returns by investing in the Target Fund, the AZ Multi Asset MAMG Global Sukuk.

7. Fund distribution policy

Distribution, if any, will be made from the realised income of the Fund. Distribution will be on a semi-annual basis (subject to availability of income).

8. Fund's performance benchmark

Total return performance of US Dollars ("USD") 5 years Treasury + 1.5%.

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

The Target Fund shall invest a minimum of 95% of the Fund's Net Asset Value ("NAV") in the ringgit ("RM") denominated class of the Target Fund, a sub-fund of the AZ Multi Asset managed by AZ Fund Management S.A. The remaining 2% - 5% of the Fund's NAV will be invested in Shariah-compliant liquid assets.

10. Net income distribution for the six month financial period ended 30 June 2019

There was no distribution declared by the Fund for the financial period from 1 January 2019 to 30 June 2019.

11. Breakdown of unitholdings by size

Fund size

As at 30 June 2019, the size of the Fund was 6,903,107 units.

MAMG GLOBAL SHARIAH INCOME FUND

Manager's report

for the six month financial period ended 30 June 2019 (cont'd)

A. Fund Information (cont'd)

11. Breakdown of unitholdings by size (cont'd)

Breakdown of unitholdings as at 30 June 2019

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	3	75.00	* 4	0.06
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	1	25.00	** 6,899	99.94
Total	4	100.00	6,903	100.00

* Included 1,000 units held by the Manager

** Included 6,899,390 units held by a Institutional Unit Trust Scheme Adviser ("IUTA")

B. Performance Review

1. Key performance data of the Fund

Category	01.01.2019 to 30.06.2019	13.03.2018 (date of launch) to 31.12.2018
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Portfolio composition

Investment in Target Fund (%)	96.10	97.60
Cash and other net assets (%)	3.90	2.40
Total (%)	100.00	100.00
NAV (RM'000)	7,658	8,160
Units in circulation - (units'000)	6,903	7,640
NAV per unit - (RM)	1.1094	1.0680
Highest NAV per unit - (RM)	1.1124	1.0766
Lowest NAV per unit - (RM)	1.0556	1.0000
Annual return (%) ⁽¹⁾		
- Capital growth (%)	3.88	6.86
- Income distribution (%)	-	0.28
Total return (%)	3.88	7.14
Benchmark	4.82	10.28
Gross/net distribution per unit (sen)	-	0.30
Distribution date	-	31/12/2018
Management Expense Ratio ("MER") (%)	0.66	1.09
Portfolio Turnover Ratio ("PTR") (times)	0.06	0.64

MAMG GLOBAL SHARIAH INCOME FUND

Manager's report

for the six month financial period ended 30 June 2019 (cont'd)

B. Performance Review (cont'd)

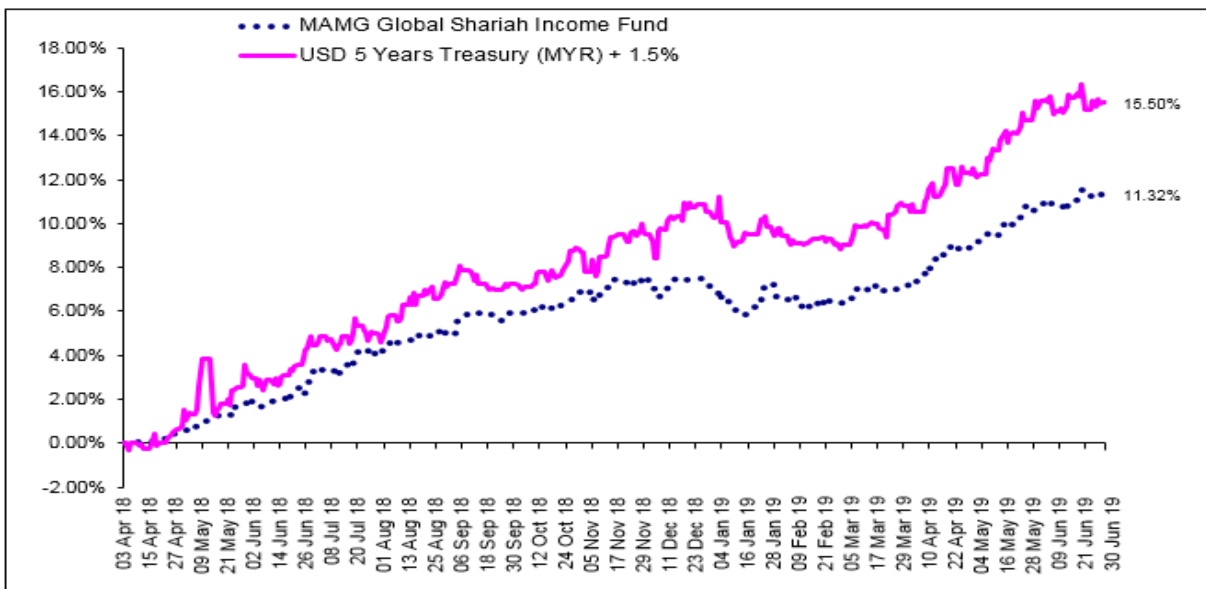
1. Key performance data of the Fund (cont'd)

Note:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of all fees.

2. Performance of the Fund for the financial period ended 30 June 2019

Category	6 months to 30.06.2019 %	1 year to 30.06.2019 %	Since launch to 30.06.2019 %
Capital growth	3.88	7.52	11.01
Income distribution	-	0.28	0.28
Total return of the Fund	3.88	7.82	11.32
Benchmark	4.82	10.73	15.50
Average total return	3.88	7.82	9.03



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 June 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.

Since inception, the Fund generated a total return of 11.32%, underperforming its benchmark's 15.50%. For the period under review, the total return was 3.88%, as compared to the benchmark of 4.82%. The underperformance was due mainly to bullish United States ("US") rates market as against the credit market on market expectations of interest rate cut by US Federal Reserve ("Fed") later this year and next year.

MAMG GLOBAL SHARIAH INCOME FUND

Manager's report

for the six month financial period ended 30 June 2019 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of the Fund

For the financial period ended	01.01.2019 to 30.06.2019 %	13.03.2018 (date of launch) to 31.12.2018 %
Capital growth	3.88	6.86
Income distribution	-	0.28
Total return	3.88	7.16
Benchmark	4.82	10.28

4. 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:

$$\begin{aligned}\text{Capital return} &= (\text{NAV per unit end} / \text{NAV per unit begin}) - 1 \\ \text{Income return} &= \text{Income distribution per unit} / \text{NAV per unit ex-date} \\ \text{Total return} &= (1 + \text{Capital return}) \times (1 + \text{Income return}) - 1\end{aligned}$$

C. Market Review

2019 opened with a vengeance after a poor 2018, as accounts put cash to work. United States Dollars ("USD") weakened broadly be it against Developed Markets ("DM") currencies or against Emerging Markets ("EM") currencies. Likewise, stock indices were in the green globally, with US indices returning 8 to 9%. Commodities also rebounded, with Brent Crude trading above USD60/barrel ("bbl") after staying in the low USD50/bbl range in December 2018. Risk-on sentiment got further boost as the official statement from January 2019's Federal Open Market Committee ("FOMC") meeting included the line "The Fed will be patient as it determines future adjustments to the target range", with United States Treasury ("UST") yields flattening 5-7 basis points ("bps") at the belly while the long end remained stable. Across Japan and Europe, the Bank of Japan ("BoJ") and European Central Bank ("ECB") met over the month and offered no surprises to policy given well known downbeat revisions to growth and inflation prospects.

Risk sentiment remained firm in February 2019 as investors continued to ride the momentum from January 2019. USD was broadly stronger in the month on positive data which gained precedence over still dovish Fed meeting. USD's strength was more prominent against developed currencies compared to Asian currencies which was mixed. UST yields widened 6 to 10 bps across the curve with a slight steepening bias. Stock and commodities continued to be in the green despite the USD strength.

MAMG GLOBAL SHARIAH INCOME FUND

Manager's report

for the six month financial period ended 30 June 2019 (cont'd)

C. Market Review (cont'd)

Risk sentiment was slightly impacted in March 2019 as global growth concerns came to the fore front after a spate of dovish central bank meetings and economic data. USD was broadly stronger in March 2019. March 2019 FOMC meeting surprised investors when the dot-plot estimates for rate rise in 2019 dropped from 2 hikes in December 2018 to 0 hikes. For ECB's meeting, rate hike expectations were pushed beyond the summer of 2019 to year end 2019. Even a new round of Targeted Longer-Term Refinancing Operations financing package for banks failed to improve sentiment. The weak sentiment in Europe gained more traction through the month post weaker than expected manufacturing Purchasing Manager Index ("PMI"), with 10-year bund yields moving below 0%. UST yields tightened 25-30 bps across the curve given the change in macro backdrop. However, Equities and commodities remained strong despite the firmer USD.

Markets gave back some of its pessimism about growth in March 2019 as DM's bond curves steepened in April 2019. However, as more central banks continue to sound dovish given the lack of inflation, the USD continued to remain strong. In commodities, Brent Crude increased by 6.3% to US\$73/bbl, driven by the expiration of US waiver of sanctions against countries that import Iranian oil. Equity indices globally also ended higher over the month. UST yields widened 3-10 bps across the curve with a clear steepening bias, which was felt across other DM bond curves like Bunds and Japanese Government Bond ("JGB").

Volatility returned to the markets in May 2019, following the US administration accusing its Chinese counterparts backpedalling on prior trade negotiations. As of May 2019, there remains another USD 300 billion of Chinese imports to be levied by late June 2019 at the earliest, which the US administration may impose. UST yields rallied 34-38 bps along the curve and bull-steepened as rate cuts start to be priced in. Likewise, in Eurozone and Japan, respective 10 year yields are at lows of -0.20%/-0.10% respectively with concerns of slowing growth lingering. USD strengthened against most currencies save for the Japanese Yen ("JPY") and Indian Rupee ("INR"), which was due to the ruling National Democratic Alliance coalition securing a new mandate. Commodities are generally lower – except for Iron ore at USD 100/tons on reduced supply, crude oil, copper and coal prices declined. Likewise for equity indices globally.

June 2019 FOMC meeting showed a dovish tilt as the committee signalled higher likelihood of rate cuts. Furthermore, 7 out of 17 members have also pencilled in a 50 bps cut by end of 2019. Meanwhile, US President Donald Trump had called a truce on the trade war by not imposing additional tariffs on Chinese imports and allowing US companies to selectively resume dealing with Huawei Technologies. The UST curve steepened in June 2019, with front end yields declined by 14-17 bps. This was on the back of 34-38 bps rally in yields over May 2019. Markets are currently pricing in about 2-3 rate cuts by 2019. Meanwhile, ECB President Mario Draghi has also called for "additional stimulus" given continuing weak growth and inflation, leading to speculation that policy rates will move further into negative territory. USD weakened broadly against DM and EM currencies. Commodities ended higher in response to the weaker USD and prospects of tighter crude oil supplies.

D. Market Outlook

Market volatility is expected to persist over the near term, due to uncertainties over major central banks' policies – particularly the magnitude of easing that the Fed will deliver in 2019, and trade risks as the US administration appears to opt for more protectionist policies. Worsening trade frictions between the US and China could significantly impact the growth prospects of the export-driven surplus economies, with open economies being the most exposed to a global trade war. US tariffs will have their first full-year impact on China's economy, which in turn will pressure credit spreads.

MAMG GLOBAL SHARIAH INCOME FUND

Manager's report

for the six month financial period ended 30 June 2019 (cont'd)

D. Market Outlook (cont'd)

Renewed concerns over contagion effects emanating from EM countries could also influence movement in bond yields across global markets, although such contagion effects remain contained for now.

On US monetary policy, we expect the Fed to cut rates 1 to 2 times in 2019, the BoJ to remain firmly attached to yield curve control and the ECB to finally halt Quantitative Easing ("QE") by the end of the year, although interest rates are likely to remain at present levels until second half of 2019. Other risks include heavy refinancing needs in the face of tightening financing conditions in China as well as sell-off in EM bonds and currencies. Overall, we believe markets will continue to move towards a new normal due to the factors mentioned above and accordingly the trend for spreads to reprice tighter is here to stay in the short term as investors are hungry for yield pick-up.

E. Investment strategy

Overall, the Target fund has stronger weightage in United Arab Emirates, Supranational, Indonesia, Turkey and Saudi Arabia. On sectors, most of the Target Fund's top 10 holdings are in financials and quasi sovereign. The portfolio duration remains low at 3.6 years with an average rating of BBB by international rating agencies and average portfolio yield of around 4.60%. As the Fund is a feeder fund, it will continue investing between 95% to 98% into Target Fund to achieve closer performance with its Target Fund (currency risk not hedged).

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 six month financial period ended 30 June 2019, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

**TRUSTEE'S REPORT
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2019**

**TO THE UNITHOLDERS OF
MAMG GLOBAL SHARIAH INCOME FUND**

We have acted as Trustee of MAMG Global Shariah Income Fund (the "Fund") for the six month financial period ended 30 June 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 Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 ("CMSA") and other applicable laws;
- (b) Valuation/pricing has been carried out in accordance with the Deeds and any regulatory requirements; and
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

For and on behalf of
SCBMB Trustee Berhad

Prasad A/L S Vijayasundram
Chief Executive Officer

Kuala Lumpur, Malaysia
29 August 2019

**STATEMENT BY MANAGER
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2019**

**TO THE UNITHOLDERS OF
MAMG GLOBAL SHARIAH INCOME FUND**

I, Ahmad Najib Bin Nazlan, being one of the Director of Maybank Asset Management Sdn Bhd (the "Manager") 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 Financial Reporting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of MAMG Global Shariah Income Fund as at 30 June 2019 and of its results, changes in equity and cash flows for the financial period then ended and comply with the requirements of the Deed.

For and on behalf of the Manager

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
29 August 2019

**REPORT OF THE SHARIAH ADVISER
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2019**

**TO THE UNITHOLDERS OF
MAMG GLOBAL SHARIAH INCOME FUND**

We have acted as the Shariah Adviser of the MAMG Global Shariah Income Fund (the "Fund") for the six month financial period ended 30 June 2019. 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 January 2019 to 30 June 2019.

In addition, we also confirm that the investment portfolio of the Fund comprises the investment in the Target Fund, cash at bank and deposits with licensed Islamic financial institutions which have been classified as Shariah-compliant by the following:

- (a) The Fund will only invest in a Shariah-compliant Target Fund.
- (b) The investment portfolio of the Fund will comprise instruments that have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC") or the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM").
- (c) For instruments that are not classified as Shariah-compliant by the SACSC or the SACBNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.

For and on behalf of the Shariah Adviser of the Fund

DATUK DR MOHD DAUD BAKAR
Executive Chairman

Kuala Lumpur, Malaysia
29 August 2019

MAMG GLOBAL SHARIAH INCOME FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019**

		01.01.2019 to 30.06.2019 RM	13.03.2018 (date of launch) to 31.12.2018 RM
INVESTMENT INCOME			
Profit income		4,596	10,712
Net gain on financial assets at fair value through profit or loss ("FVTPL")			
- Realised gain		105,662	124,617
- Unrealised gain		260,384	599,194
		<u>370,642</u>	<u>734,523</u>
EXPENSES			
Manager's fee	4	40,628	70,019
Trustee's fee	5	813	6,000
Auditor's remuneration		4,472	7,000
Tax agent's fee		2,436	3,500
Administrative expenses		5,941	12,864
		<u>54,290</u>	<u>99,383</u>
Net income before tax		316,352	635,140
Taxation	6	-	-
Net income after tax		<u>316,352</u>	<u>635,140</u>
Net income after tax is made up of the following:			
Net realised income		55,968	35,946
Net unrealised income		260,384	599,194
		<u>316,352</u>	<u>635,140</u>
Distributions for the financial period			
Net distributions	13	-	22,921
Gross/net distributions per unit (sen)	13	-	0.30

MAMG GLOBAL SHARIAH INCOME FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	30.06.2019 RM	31.12.2018 RM
ASSETS			
Financial asset at FVTPL	8	7,359,858	7,963,811
Deposit with a licensed Islamic financial institution	7	-	271,030
Profit income receivables		-	24
Cash at bank		645,504	9,292
TOTAL ASSETS		8,005,362	8,244,157
LIABILITIES			
Amount due to Manager	9	329,135	39,303
Amount due to Trustee	10	4,728	4,739
Distribution payable		-	22,921
Other payables and accruals	11	13,188	17,242
TOTAL LIABILITIES		347,051	84,205
NET ASSET VALUE ("NAV") OF THE FUND		7,658,311	8,159,952
EQUITY			
Unitholders' capital	12(a)	6,730,606	7,548,599
Retained earnings	12(b) & (c)	927,705	611,353
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		7,658,311	8,159,952
NUMBER OF UNITS IN CIRCULATION (UNIT)		6,903,107	7,640,464
NAV PER UNIT (RM)		1.1094	1.0680

MAMG GLOBAL SHARIAH INCOME FUND

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019**

	Unitholders' capital Note 12(a) RM	Retained earnings Note 12(b) and 12(c) RM	Total equity RM
At 13 March 2018 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	635,140	635,140
Creation of units	9,931,231	-	9,931,231
Cancellation of units	(2,383,498)	-	(2,383,498)
Distributions (Note 13)	866	(23,787)	(22,921)
At 31 December 2018	7,548,599	611,353	8,159,952
At 1 January 2019	7,548,599	611,353	8,159,952
Total comprehensive income for the financial period	-	316,352	316,352
Creation of units	301,924	-	301,924
Reinvestment of units	22,921	-	22,921
Cancellation of units	(1,142,838)	-	(1,142,838)
At 30 June 2019	6,730,606	927,705	7,658,311

MAMG GLOBAL SHARIAH INCOME FUND**UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019**

	01.01.2019 to 30.06.2019 RM	13.03.2018 (date of launch) to 31.12.2018 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale of investments	970,000	1,970,000
Net payment for purchase of investments	-	(9,210,000)
Profit income received	4,620	10,688
Manager's fee paid	(41,104)	(63,033)
Trustee's fee paid	(822)	(1,261)
Payment of other fees and expenses	(16,904)	(6,122)
Net cash generated from/(used in) operating and investing activities	<u>915,790</u>	<u>(7,299,728)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	301,924	9,931,231
Cash paid on units cancelled	(852,532)	(2,351,181)
Net cash (used in)/generated from financing activities	<u>(550,608)</u>	<u>7,580,050</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD	365,182	280,322
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>280,322</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>645,504</u>	<u>280,322</u>
Cash and cash equivalents comprise :		
Cash at bank	645,504	9,292
Deposit with licensed Islamic financial institution with maturity of less than 3 months (Note 7)	-	271,030
	<u>645,504</u>	<u>280,322</u>

MAMG GLOBAL SHARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MAMG Global Shariah Income Fund (the "Fund") was constituted pursuant to the execution of a Principal deed dated 4 December 2017 between the Manager, Maybank Asset Management Sdn Bhd ("Maybank AM") and the Trustee, SCBMB Trustee Berhad. The Fund was launched on 13 March 2018.

The Fund aims to maximise investment return by investing at least 95% of the Fund's NAV in the AZ Multi Asset MAMG Global Sukuk ("Target Fund"), a fund managed by AZ Fund Management S.A. ("Target Fund Manager"). The base currency of the Target Fund is in Euro, whereas the shares of the Target Fund in which the Fund invests in are denominated in Ringgit Malaysia ("RM").

The Target Fund is an open-ended collective investment scheme domiciled in the Grand Duchy of Luxembourg and was launched on 16 September 2013. The Target Fund is registered as an undertaking for collective investment under Part 1 of the Luxembourg law dated 17 December 2010 relating to undertakings for collective investment and subsequent amendments (the "2010 Law"). The AZ Multi Asset is subject in particular to the provisions of Part 1 of the 2010 Law, as established by the European directive 2014/91/EU of 23 July 2014, amending the directive 2009/65/EC co-ordinating the legislative, regulatory and administrative provisions relating to some undertakings for collective investment in transferable securities ("UCITS"), regarding the depositary function, the remuneration and penalties policies.

The Manager of the Fund is Maybank AM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services License 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").

The investment adviser of the Manager for the Target Fund is Maybank Asset Management Singapore Pte Ltd.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards 134: Interim Financial Reporting ("MFRS 134"), International Accounting Standards 34 Interim Financial Reporting, the Deed and any regulatory requirement.

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period. The adoption of the new pronouncements did not result in any material impact to the financial statements.

MAMG GLOBAL SHARIAH INCOME FUND

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

2.1 Basis of preparation (cont'd)

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

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 and amendments to standards 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 contained in the document entitled "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 contained in the document entitled "Annual Improvements to MFRS Standards 2015 - 2017 Cycle"</i>	1 January 2019
Amendments to MFRS 123: <i>Borrowing Costs Eligible for Capitalisation contained in the document entitled "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
Amendments to MFRS 128: Long-term Interests in <i>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

MAMG GLOBAL SHARIAH INCOME 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 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.

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.

MAMG GLOBAL SHARIAH INCOME FUND

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

2.4 Financial assets (cont'd)

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 and profit income receivables as financing and receivables, and are subsequently measured at amortised cost. Investments in collective investment scheme is classified as FVTPL.

(ii) Financial assets at FVTPL

Investments in collective investment scheme are 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 guarantee.

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.

MAMG GLOBAL SHARIAH INCOME FUND

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

2.4 Financial assets (cont'd)

(ii) Financial assets at FVTPL (cont'd)

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.

Dividend income on equity instruments as at FVTPL (i.e. investment in collective investment scheme) is disclosed separately in the profit or loss.

(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

- 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 (e.g. amount due from Manager), full impairment will be recognised on uncollected balances after the grace period.

MAMG GLOBAL SHARIAH INCOME FUND

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

2.4 Financial assets (cont'd)

(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.

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, provision for distribution and other payables and accruals as other 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 instruments.

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.

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.

MAMG GLOBAL SHARIAH INCOME 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 of the Fund. 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:

- (i) In the principal market for the asset or liability, or
- (ii) 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:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) 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.

MAMG GLOBAL SHARIAH INCOME FUND

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

2.7 Functional and foreign 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 Ringgit Malaysia, 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:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- 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 period 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. The amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

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 year in which it is approved.

2.9 Distributions

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

2.10 Cash and cash equivalents

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

MAMG GLOBAL SHARIAH INCOME FUND

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

2.11 Profit income

Profit income is recognised when control of the goods or services are transferred at an amount that reflects the consideration to be entitled in exchange for the goods or services. Profit income is measured at the fair value of consideration received or receivable. Profit income from debt instrument is recognised using the effective profit method.

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 period.

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

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 assumptions 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 judgements 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 within the next financial year.

3. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- i) Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC") and the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM"); and
- ii) Cash placement and liquid assets in local market, which are placed with licensed Islamic financial institutions.

MAMG GLOBAL SHARIAH INCOME FUND

4. MANAGER'S FEE

Manager's fee is computed daily based on 1.00% (13.03.2018 (date of launch) to 31.12.2018: 1.00%) per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fees for that particular day.

5. TRUSTEE'S FEE

Trustee's fee is computed daily based on 0.02% (13.03.2018 (date of launch) to 31.12.2018: 0.02%) p.a. of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for that particular day, subject to a minimum fee of RM6,000 p.a.

6. TAXATION

	13.03.2018 (date of launch)
01.01.2019	to
30.06.2019	31.12.2018
RM	RM

Tax expense for the financial period:

Current income tax expense	-	-
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Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial period.

The tax expense 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, profit income earned by the Fund and dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

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

	13.03.2018 (date of launch)	
01.01.2019	to	
30.06.2019	31.12.2018	
RM	RM	
Net income before tax	316,352	635,140
Tax at Malaysian statutory rate of 24% (13.03.2018 (date of launch) to 31.12.2018: 24%)	75,924	152,434
Effects of income not subject to tax	(88,954)	(176,286)
Effect of expenses not deductible for tax purposes	13,030	23,852
Income tax expense for the financial period	-	-

MAMG GLOBAL SHARIAH INCOME FUND

7. DEPOSIT WITH A LICENSED ISLAMIC FINANCIAL INSTITUTION

	30.06.2019 RM	31.12.2018 RM
Short-term placements with a licensed Islamic financial institution with maturity of:		
- less than 3 months	-	271,030

The weighted average effective profit rates ("WAEPR") per annum and average maturity of deposits with a licensed Islamic financial institution as at the reporting date was as follows:

	30.06.2019		31.12.2018	
	WAEPR % p.a.	Average maturity days	WAEPR % p.a.	Average maturity days
Short-term placement				
Licensed Islamic financial institution	-	-	3.25	2

8. FINANCIAL ASSET AT FVTPL

Financial asset at FVTPL comprise investment in a collective investment scheme.

30.06.2019

	Quantity unit	Aggregate cost RM	Market value RM	Percentage of NAV %
AZ Multi Asset MAMG Global Sukuk - MYR DIS class	6,484,456	6,500,280	7,359,858	96.10%
Unrealised gain on investment at FVTPL			859,578	

31.12.2018

	Quantity unit	Aggregate cost RM	Market value RM	Percentage of NAV %
AZ Multi Asset MAMG Global Sukuk - MYR DIS class	7,346,689	7,364,617	7,963,811	97.60%
Unrealised gain on investment at FVTPL			599,194	

MAMG GLOBAL SHARIAH INCOME FUND

9. AMOUNT DUE TO MANAGER

	30.06.2019	31.12.2018
	RM	RM
Manager's fee	6,511	6,986
Redemption of units *	322,624	32,317
	<u>329,135</u>	<u>39,303</u>

* The amount represents amount payable to the Manager for units redeemed.

Amount due to Manager relates to the amount payable to the Fund 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. (31.12.2018: 15 days).

10. AMOUNT DUE TO TRUSTEE

Amount due to Trustee relates to the amount payable to the Trustee arising from the accruals for Trustee's fee at the end of the financial period. The normal credit term for Trustee's fee is 15 days. (31.12.2018: 15 days).

11. OTHER PAYABLES AND ACCRUALS

Includes in other payables and accruals are:

	30.06.2019	31.12.2018
	RM	RM
Due to external auditor	3,472	7,000
Due to tax agent	4,757	3,500
Other payables and accruals	4,959	6,742
	<u>13,188</u>	<u>17,242</u>

12. TOTAL EQUITY

		30.06.2019	31.12.2018
	Note	RM	RM
Unitholders' capital	12 (a)	6,730,606	7,548,599
Accumulated realised income	12 (b)	68,127	12,159
Accumulated unrealised income	12 (c)	859,578	599,194
		<u>7,658,311</u>	<u>8,159,952</u>

MAMG GLOBAL SHARIAH INCOME FUND

12. TOTAL EQUITY (CONT'D)

(a) Unitholders' capital

	01.01.2019 to 30.06.2019		13.03.2018 launch) to 31.12.2018	
	No. of units	RM	No. of units	RM
At the beginning of the financial period	7,640,464	7,548,599	-	-
Creation of units	284,249	301,924	9,900,744	9,931,231
Reinvestment of units	21,571	22,921	-	-
Cancellation of units	(1,043,177)	(1,142,838)	(2,260,280)	(2,383,498)
Distributions (Note 13)	-	-	-	866
At the end of the financial period	<u>6,903,107</u>	<u>6,730,606</u>	<u>7,640,464</u>	<u>7,548,599</u>

As at end of financial period, the total number and value of units held by the Manager are as follows:

	30.06.2019		31.12.2018	
	No. of units	RM	No. of units	RM
The Manager	<u>1,003</u>	<u>1,113</u>	<u>1,000</u>	<u>1,068</u>

(b) Accumulated realised income

	01.01.2019 to 30.06.2019 RM		13.03.2018 (date of launch) to 31.12.2018 RM	
At beginning of the financial period		12,159		-
Net realised income for the financial period		55,968		35,946
Distributions out of realised reserve (Note 13)		-		(23,787)
At end of the financial period		<u>68,127</u>		<u>12,159</u>

MAMG GLOBAL SHARIAH INCOME FUND

12. TOTAL EQUITY (CONT'D)

(c) Accumulated unrealised income

	01.01.2019 to 30.06.2019 RM	13.03.2018 (date of launch) to 31.12.2018 RM
At beginning of the financial period	599,194	-
Net unrealised gain for the financial period	260,384	599,194
At end of the financial period	<u>859,578</u>	<u>599,194</u>

13. DISTRIBUTIONS

There was no distribution declared by the Fund for the financial period from 1 January 2019 to 30 June 2019.

Details of distributions declared to unitholders in the previous financial period from 13 March 2018 (date of launch) to 31 December 2018 is as follows:

	13.03.2018 (date of launch) to 31.12.2018 RM
Profit income	6,285
Realised gain on investment at FVTPL	73,111
Less: Expenses	<u>(55,609)</u>
Distributions out of retained earnings (Note 12(b))	23,787
Effects of distribution equalisation (Note 12(a))	<u>(866)</u>
Distributions for the financial period	<u>22,921</u>

The gross and net distributions declared in the previous financial period were as follows:

	Gross/net distribution per unit (sen)
2018	
Distribution date	
31 December 2018	<u>0.30</u>

MAMG GLOBAL SHARIAH INCOME FUND

14. TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTIONS

As the Fund bought and sold the units directly from the Manager of the Target Fund, there were no broker involved in the transactions made during the financial period.

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

	30.06.2019		31.12.2018	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Public Islamic Bank Berhad	8,848,642	24.77	77,758,480	90.94
Maybank Islamic Berhad *	26,878,780	75.23	7,742,987	9.06
	<u>35,727,422</u>	<u>100.00</u>	<u>85,501,467</u>	<u>100.00</u>

* Maybank Islamic Berhad is a subsidiary of Malayan Banking Berhad, the ultimate holding company of the Manager.

15. SIGNIFICANT RELATED PARTY TRANSACTION 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 maybe individuals or other entities. In addition to the related party information disclosed elsewhere in the financial statements, the following is the significant related party transaction and balances of the Fund during the financial period.

	01.01.2019 to 30.06.2019 RM	13.03.2018 (date of launch) to 31.12.2018 RM
(i) <u>Significant related party transaction</u>		
<u>Maybank Islamic Berhad</u>		
Profit income from deposits	3,451	1,054
	<u>3,451</u>	<u>1,054</u>

MAMG GLOBAL SHARIAH INCOME FUND

15. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES (CONT'D)

	30.06.2019	31.12.2018
	RM	RM
(ii) <u>Significant related party balances</u>		
<u>Maybank Islamic Berhad</u>		
Deposits with licensed Islamic financial institution	-	271,030
Profit income receivables	-	24
	<u>-</u>	<u>271,054</u>

The Manager is of the opinion that the transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

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. For the financial period 1 January 2019 to 30 June 2019 the MER of the Fund stood at 0.66%.

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 average NAV of the Fund calculated on a daily basis. For the financial period from 1 January 2019 to 30 June 2019, the PTR of the Fund stood at 0.06 times.

18. FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining and disclosing 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).

MAMG GLOBAL SHARIAH INCOME FUND

18. FAIR VALUE HIERARCHY (CONT'D)

	Level 1 RM	Level 2 RM	Level 3 RM
30.06.2019			
Financial assets at FVTPL	<u>7,359,858</u>	<u>-</u>	<u>-</u>
31.12.2018			
Financial assets at FVTPL	<u>7,963,811</u>	<u>-</u>	<u>-</u>

19. 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 achieve its targeted return with an acceptable level of risk within the portfolio.

The PMC of the Manager is responsible for the Fund's performance by investing at least 95% of the Fund's NAV in the ringgit denominated class of the Target Fund, and the remaining 2% - 5% of the Fund's NAV will be invested in Shariah-compliant liquid assets.

As the Fund is a feeder fund, the Target Fund Manager is the ultimate decision-maker on the investment strategy to ensure the Target Fund achieves its targeted return with an acceptable level of risk within the portfolio.

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