



Maybank
Asset Management

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MAYBANK MONEY MARKET FUND

Annual report

For the financial period from 1 March 2019 (date of launch) to
31 May 2020

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283 (421779-M))

BUSINESS OFFICE

Level 12 Tower C
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No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
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MAYBANK MONEY MARKET FUND

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MAYBANK MONEY MARKET FUND

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020

A. Fund Information

1. Name of Fund

Maybank Money Market Fund (the "Fund")

2. Type of Fund

Income Fund

3. Category of Fund

Money market fund

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund launch date / Commencement date

Class	Currency	Launch Date	Commencement Date
Class A	Malaysian Ringgit (MYR)	1 March 2019	2 April 2019
Class B	Malaysian Ringgit (MYR)	1 March 2019	2 April 2019
Class C	Malaysian Ringgit (MYR)	1 March 2019	2 April 2019

6. Fund's investment objectives

The Fund aims to provide regular income stream and high level of liquidity while maintaining capital preservation.

7. Fund distribution policy

Subject to availability of income, the Fund endeavours to distribute income on a monthly basis. Distribution will be made from realised income and/or gain.

8. Fund's performance benchmark

Maybank Overnight Deposit Rate

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

The Fund will invest a minimum of 90% of its NAV in fixed income securities, money market instruments and deposits which have a remaining maturity period of not more than 365 days. The remaining NAV of the Fund will be invested in fixed income securities, money market instruments and deposits which have a remaining maturity period of more than 365 days but fewer than 732 days.

MAYBANK MONEY MARKET FUND

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

A. Fund Information (cont'd)

10. Net income distribution for the financial period from 1 March 2019 (date of launch) to 31 May 2020

Distribution was declared only for Class A during the current financial period. The Fund distributed a total of RM84,474 to unitholders for the financial period from 1 March 2019 (date of launch) to 31 May 2020.

Below are details of distributions declared, and the impact of the distributions to the Fund's NAV:

Distribution dates	Gross/net distribution per unit (sen)	Before distribution (RM)	After distribution (RM)	Changes %
30 September 2019	0.04	1.0019	1.0015	-0.04
31 October 2019	0.22	1.0031	1.0009	-0.22
28 November 2019	0.16	1.0025	1.0009	-0.16
30 December 2019	0.15	1.0030	1.0015	-0.15
30 January 2020	0.20	1.0035	1.0015	-0.20
27 February 2020	0.15	1.0033	1.0018	-0.15
30 March 2020	0.20	1.0036	1.0016	-0.20

There was no distribution declared for Class B and Class C during the current financial period from 1 March 2019 (date of launch) to 31 May 2020.

11. Breakdown of unitholdings by size

Fund size

As at 31 May 2020, the size of the Fund was 9,666,925 units.

Units in circulation by Class of Units (units)	2020
Units in circulation - Class A	9,664,925
Units in circulation - Class B	1,000
Units in circulation - Class C	1,000
Total	9,666,925

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

A. Fund Information (cont'd)**11. Breakdown of unitholdings by size (cont'd)****Breakdown of unitholdings by Class of Units as at 31 May 2020****Class A**

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	50.00	* 1	0.01
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	1	50.00	** 9,664	99.99
Total	2	100.00	9,665	100.00

* Includes 1,014 units held under Manager.

** Includes 9,663,911 units held under Institutional Unit Trust Scheme Advisers ("IUTA")

Class B

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	100.00	* 1	100.00
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	-	-	-	-
Total	1	100.00	1	100.00

* Includes 1,000 units held under Manager.

Class C

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	100.00	* 1	100.00
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	-	-	-	-
Total	1	100.00	1	100.00

* Includes 1,000 units held under Manager.

MAYBANK MONEY MARKET FUND

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review (cont'd)

1. Key performance data of the Fund

Category	01.03.2019 (date of launch) to 31.05.2020
Deposits with financial institutions (%)	99.97
Cash and other net assets (%)	0.03
Total (%)	100.00
Annual return (%) ⁽¹⁾	
- Capital growth (%)	
- Income distribution (%)	
Total return (%)	
Please refer to B(2) for the return of share classes.	
<u>Class A</u>	
Units in circulation ('000)	9,665
NAV per unit (RM)	1.0013
Highest NAV per unit (RM)	1.0035
Lowest NAV per unit (RM)	0.9919
Net income distributed (RM)	84,474
Distribution date	9/30/2019
Gross/Net distribution per unit (sen)	0.04
Distribution date	10/31/2019
Gross/Net distribution per unit (sen)	0.22
Distribution date	11/28/2019
Gross/Net distribution per unit (sen)	0.16
Distribution date	12/31/2019
Gross/Net distribution per unit (sen)	0.15
Distribution date	1/30/2020
Gross/Net distribution per unit (sen)	0.2
Distribution date	2/27/2020
Gross/Net distribution per unit (sen)	0.15
Distribution date	3/30/2020
Gross/Net distribution per unit (sen)	0.2

MAYBANK MONEY MARKET FUND

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review (cont'd)

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

Category	01.03.2019 (date of launch) to 31.05.2020
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Class B

Units in circulation ('000)	1
NAV per unit (RM)	1.0112
Highest NAV per unit (RM)	1.0109
Lowest NAV per unit (RM)	0.9817

Class C

Units in circulation ('000)	1
NAV per unit (RM)	1.0112
Highest NAV per unit (RM)	1.0109
Lowest NAV per unit (RM)	0.9817

Management Expense Ratio ("MER") (%) ⁽²⁾	0.68
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	125.95

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.

Note:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's MER is 0.68% in the current financial period under review.
- (3) The Fund's PTR is 125.95 times in the current financial period under review.

MAYBANK MONEY MARKET FUND

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

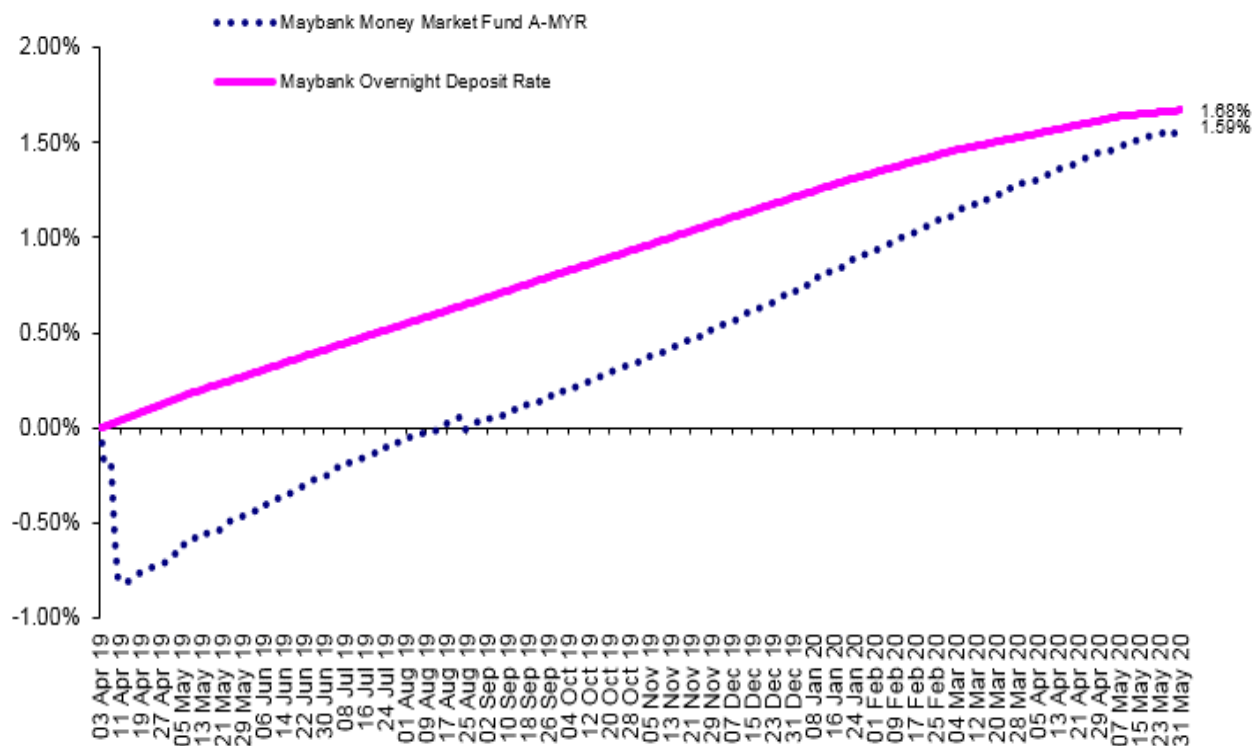
B. Performance Review (cont'd)

2. Performance of the Fund from inception to 31 May 2020

Returns of the different classes and its benchmark for the financial period from 1 March 2019 (date of launch) to 31 May 2020 are as follows:

(a) Class A

Category	01.03.2019 (date of launch) to 30.05.2020 %
Capital growth	0.11
Income distribution	1.48
Total return of the Fund	1.59
Benchmark	1.68
Average total return	-



Source: Lipper

MAYBANK MONEY MARKET FUND

Manager's report

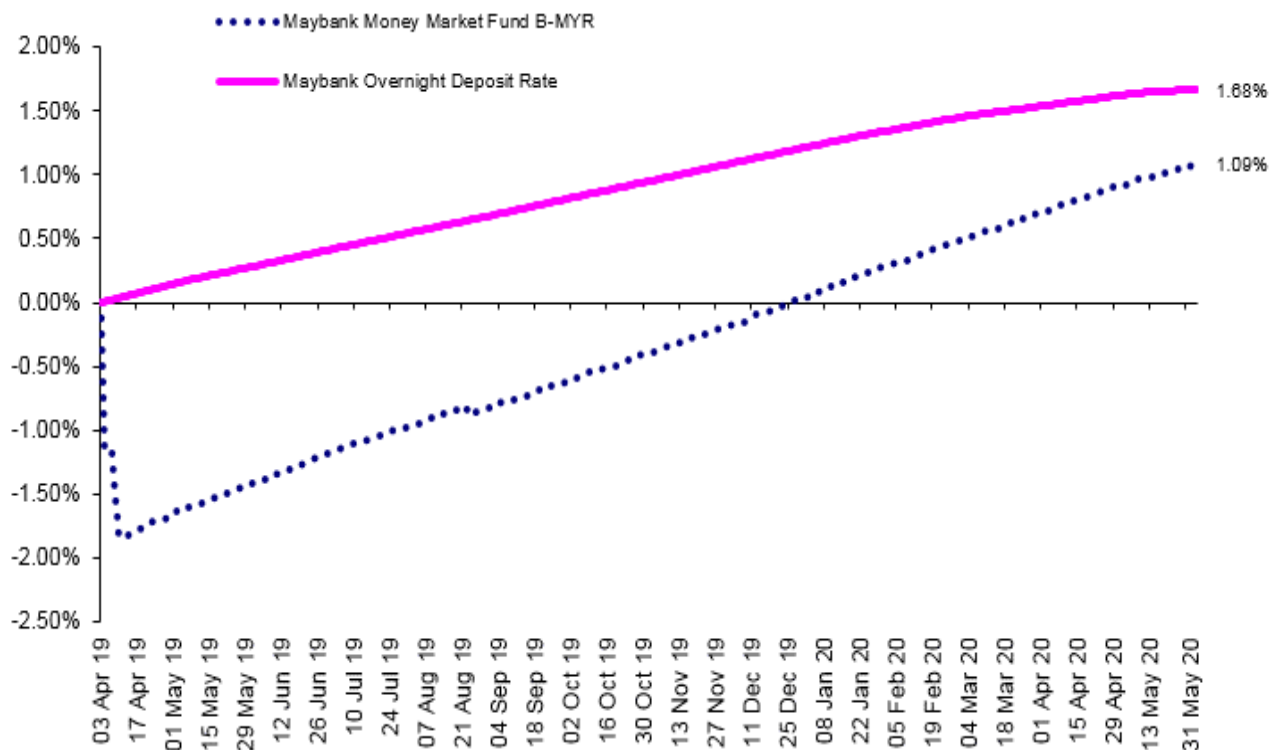
For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund from inception to 31 May 2020 (cont'd)

(b) Class B

Category	01.03.2019 (date of launch) to 31.05.2020 %
Capital growth	1.09
Income distribution	-
Total return of the Fund	1.09
Benchmark	1.68
Average total return	-



Source: Lipper

MAYBANK MONEY MARKET FUND

Manager's report

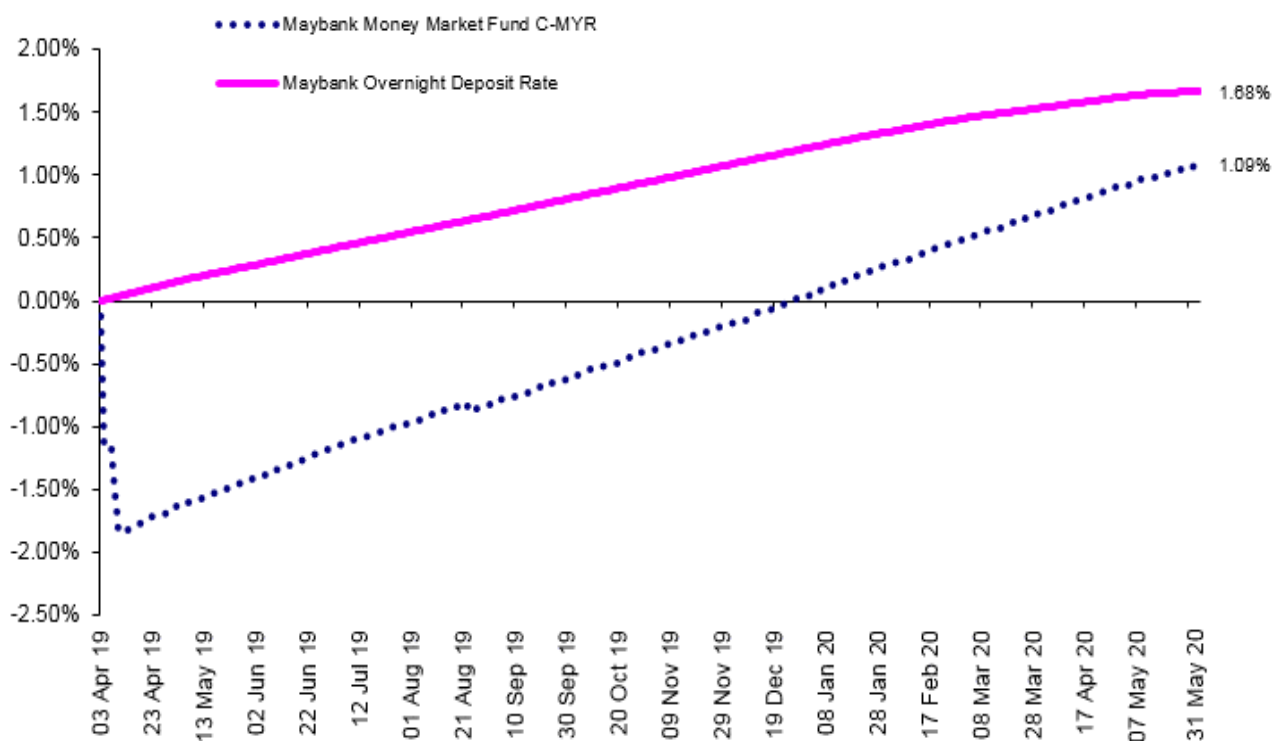
For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund from inception to 31 May 2020 (cont'd)

(c) Class C (cont'd)

Category	01.03.2019 (date of launch) to 31.05.2020 %
Capital growth	1.09
Income distribution	-
Total return of the Fund	1.09
Benchmark	1.68
Average total return	-



Source: Lipper

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.

The underperformance was mainly due to total payment of expenses are more than total income generated from the funds during the period.

MAYBANK MONEY MARKET FUND

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund from inception to 31 May 2020 (cont'd)

Has the Fund achieved its investment objective?

The Fund has met the investment objective of providing investors with regular income stream and high level of liquidity while maintaining capital preservation.

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

C. Market Review

Although Malaysia recorded positive economic growth in the first quarter of 2020, it is the weakest pace of expansion since 2009, reflecting the negative impact of both global and domestic measures to contain COVID-19 pandemic spread. Bank Negara Malaysia ("BNM") is projecting the full year 2020 growth to range between -2.00% to +0.50% and expecting contraction in the second quarter 2020 due to the extended lockdown measures domestically and globally. Nonetheless, BNM sees gradual improvement for the second half of 2020 and growth trajectory for 2021. Year-to-date, BNM had cut the Overnight Policy Rate ("OPR") three times, 25 basis points ("bps") in January 2020, 25bps in March 2020, and another 50bps in May 2020, resulting the rate to be 2.00% with the ceiling and floor OPR rates reduced to 2.25% and 1.75% respectively. Currently, the 2.00% OPR rate is the lowest in ten years, a level last seen during the global financial crisis.

Similarly, in the United States ("US"), the Federal Reserve ("Fed") continues to lower the rate by 100 bps, taking the range down to 0.00% - 0.25%, citing evolving risks to economic activity due to COVID-19. Fed's move was a dovish signal and is likely to maintain down rates and would use all appropriate tools if required to support the economy.

D. Market Outlook

Another possible OPR reduction may occur in June 2020/July 2020 to better align the risks in inflation and growth, potentially the fourth OPR rate cut for 2020. The Economic Recovery Plan ("ERP") is expected to circulate in June 2020 as policy shifts to recovery, focusing on three core areas, namely empowering people, propelling businesses, and further stimulating the economy. Meanwhile, in early May 2020, the Prime Minister announced the fourth extension of the Movement Control Order ("MCO"), however with eased restrictions under the conditional MCO period from 13 May 2020 to 9 June 2020.

MAYBANK MONEY MARKET FUND

Manager's report

For financial period from 1 March 2019 (date of launch) to 31 May 2020 (cont'd)

D. Market Outlook (cont'd)

While the MCO has constrained production capacity and spending, the decision to loosen the MCO is to restart the whole Malaysian economy as the non-essential businesses can open according to the given Standard Operating Procedure ("SOP"). Nevertheless, the major influence for the global economy is the duration of the Covid-19 pandemic as the longer the pandemic or lockdown, the greater the damage to the domestic and global economy.

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. 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 March 2019 (date of launch) to 31 May 2020, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK MONEY MARKET FUND

FOR THE FINANCIAL PERIOD FROM 1 MARCH 2019 (DATE OF LAUNCH) TO 31 MAY 2020

We have acted as Trustee of Maybank Money Market Fund (the "Fund") for the financial period from 1 March 2019 (date of launch) to 31 May 2020. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd, the Manager (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 is carried out in accordance with the Deed and any regulatory requirements;
- (c) Creation and cancellation of units of the Fund have been carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) The distributions to the unitholders during the financial period from 1 March 2019 (date of launch) to 31 May 2020 are consistent with the objectives of the Fund.

For and on behalf of
PB Trustee Services Berhad

Cheah Kuan Yoon
Chief Executive Officer

Kuala Lumpur, Malaysia
16 July 2020

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MONEY MARKET FUND**

FOR THE FINANCIAL PERIOD FROM 1 MARCH 2019 (DATE OF LAUNCH) TO 31 MAY 2020

We, Dr Hasnita Binti Dato' Hashim and Ahmad Najib Bin Nazlan, being two of the Directors 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 and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Money Market Fund as at 31 May 2020 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 1 March 2019 (date of launch) to 31 May 2020 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato Hashim
Director

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
16 July 2020

Independent auditors' report to the Unitholders of Maybank Money Market Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Money Market Fund (the "Fund"), which comprise the statement of financial position as at 31 May 2020 of the Fund, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the period from 1 March 2019 (date of launch) to 31 May 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 21 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2020, and of its financial performance and cash flows for the financial period from 1 March 2019 (date of launch) to 31 May 2020 then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

Maybank Asset Management Sdn Bhd, (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report to the Unitholders of Maybank Money Market Fund

Information other than the financial statements and auditors' report thereon (cont'd)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the Unitholders of Maybank Money Market Fund

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Unitholders of
Maybank Money Market Fund**

Other matters

This report is made solely to the Unit Holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
03013/10/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 July 2020

MAYBANK MONEY MARKET FUND

STATEMENT OF COMPREHENSIVE INCOME FOR FINANCIAL PERIOD FROM 1 MARCH 2019 (DATE OF LAUNCH) TO 31 MAY 2020

		01.03.2019 (date of launch) to 31.05.2020 RM
	Note	
INVESTMENT INCOME		
Interest income		309,088
EXPENSES		
Manager's fee	3	45,114
Trustee's fee	4	4,355
Auditors' remuneration		5,500
Tax agent's fee		4,850
Administrative expenses		4,063
		<u>63,882</u>
Net income before finance cost and taxation		245,206
Distribution to unitholders	2.8	
Class A	11(a)	(152,761)
Taxation	5	-
Net income after taxation, and total comprehensive income for the financial period		<u>92,445</u>
Net income after taxation is made up of the following:		
Net realised income		<u>92,445</u>
Distributions for the financial period:		
<u>Class A</u>		
Net distributions	11	<u>84,474</u>
Gross/net distribution per unit (sen)	11	<u>1.12</u>
Distribution dates (ex-date)		<u>Refer to Note 11</u>

MAYBANK MONEY MARKET FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020**

	Note	31.05.2020 RM
ASSETS		
Deposits with licensed financial institutions	6	9,676,899
Interest receivables		1,556
Amount due from Manager	7	10,399
Cash at bank		3,921
TOTAL ASSETS		<u>9,692,775</u>
LIABILITIES		
Amount due to Manager	7	2,031
Amount due to Trustee	8	325
Other payables and accruals	9	10,837
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTIUBUTABLE TO UNITHOLDERS)		<u>13,193</u>
NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND		<u>9,679,582</u>
NET ASSETS ATTIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:	2.7	
Unitholders' contribution	10 (a)	9,587,137
Retained earnings	10 (b)	92,445
		<u>9,679,582</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10 (a)	
- Class A		9,664,925
- Class B		1,000
- Class C		1,000
		<u>9,666,925</u>
NAV PER UNIT		
- Class A		<u>RM 1.0013</u>
- Class B		<u>RM 1.0112</u>
- Class C		<u>RM 1.0112</u>

MAYBANK MONEY MARKET FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR FINANCIAL PERIOD FROM 1 MARCH 2019 (DATE OF LAUNCH) TO 31 MAY 2020

	Unitholders' contributions Note 10 (a) RM	Retained earnings Note 10 (b) RM	Total RM
At 1 March 2019 (date of launch)	-	-	-
Total comprehensive income for the period	-	92,445	92,445
Creation of units	62,395,174	-	62,395,174
Reinvestment of units	84,474	-	84,474
Cancellation of units	(52,960,798)	-	(52,960,798)
Distributions (Note 11)	68,287	-	68,287
At 31 May 2020	<u>9,587,137</u>	<u>92,445</u>	<u>9,679,582</u>

MAYBANK MONEY MARKET FUND

STATEMENT OF CASH FLOWS

FOR FINANCIAL PERIOD FROM 1 MARCH 2019 (DATE OF LAUNCH) TO 31 MAY 2020

01.03.2019
(date of launch)
to
31.05.2020
RM

CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Interest income received	307,532
Manager's fee paid	(43,083)
Trustee's fee paid	(4,030)
Payment of other fees and expenses	(3,576)
Net cash generated from operating and investing activities	<u>256,843</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units created	62,384,775
Cash paid on units cancelled	(52,960,798)
Net cash generated from financing activities	<u>9,423,977</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD

9,680,820

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD

-

CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD

9,680,820

Cash and cash equivalents comprise of:

Deposits with licensed financial institutions (Note 6)	9,676,899
Cash at bank	3,921
	<u>9,680,820</u>

MAYBANK MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR FINANCIAL PERIOD FROM 1 MARCH 2019 (DATE OF LAUNCH) TO 31 MAY 2020

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Money Market Fund ("Fund") was constituted pursuant to the executed Deed dated 17 December 2018 between Maybank Asset Management ("MAM") as the Manager and PB Trustee Services Berhad as the Trustee and the Registered Holders of the Fund.

To achieve its objective, the Fund will invest a minimum of 90% of its NAV in fixed income securities, money market instruments and deposits which have a remaining maturity period of not more than 365 days. The remaining NAV of the Fund will be invested in fixed income securities, money market instruments and deposits which have a remaining maturity period of more than 365 days but fewer than 732 days.

As at 1 March 2019, the Fund launched three (3) Classes of units - Class A, Class B and Class C. These 3 Classes are denominated in RM with different rate of management fee for each Class.

The Manager of the Fund is MAM, 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 MAM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

The financial statements were authorised for issue by the Board of Directors of the Manager ("the Directors") on 16 July 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance to Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Deed and any regulatory requirements.

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial period from 1 March 2019 (date of launch) to 31 May 2020. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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").

MAYBANK MONEY MARKET FUND

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

2.2 Standards and amendments 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
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139: <i>Interest Rate Benchmark Reform</i>	1 January 2020
MFRS 17: <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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 FVTPL) 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 FVTPL 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.

MAYBANK MONEY MARKET FUND

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

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost

Unless designated 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 interest receivables as financial assets at amortised cost. These assets are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. The EIR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the interest income in profit or loss over the relevant period.

(ii) 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 are 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.

MAYBANK MONEY MARKET FUND

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

2.4 Financial assets (cont'd)

(ii) Impairment of financial assets (cont'd)

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 (e.g. interest receivable), full impairment will be recognised on uncollected balances after the grace period.

(iii) 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 financial asset at amortised cost, gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.5 Financial liabilities

(i) Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liabilities. The Fund classifies amount due to Trustee, amount due to Manager, and other payables and accruals as other financial liabilities.

(ii) Recognition and measurement

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 interest rate method.

MAYBANK MONEY MARKET FUND

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

2.5 Financial liabilities (cont'd)

(iii) 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.

2.6 Fair value measurement

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.

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.

MAYBANK MONEY MARKET FUND

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

2.7 Unitholders' contribution

The unitholders' contributions to the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation*, as they are puttable instruments whereby the unitholders have the right to redeem their units in the Fund at their option.

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. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

2.8 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves and recognised in statement of comprehensive income except where distribution is sourced out of distribution equalisation which is accounted for as an adjustment to the unitholders' contribution. A proposed distribution is recognised as a liability in the period in which it is approved.

Distribution is declared at the discretion of the Fund Manager based on the availability of distributable income.

Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

2.9 Cash and cash equivalents

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

2.10 Revenue / Income

Revenue is measured at the fair value of consideration received or receivable:

- Interest income from deposits with a licensed financial institution is recognised on the accruals basis using the effective interest rate method.
- Other revenue/income is generally recognised when the Fund satisfies a performance obligation by transferring a promised good or service or an asset to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

MAYBANK MONEY MARKET FUND

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

2.11 Segment reporting

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.

2.12 Taxation

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 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 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 Ringgit Malaysia ("RM") which is also the Fund's functional currency.

2.14 Critical accounting estimates and judgments

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 reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

MAYBANK MONEY MARKET FUND

3. MANAGER'S FEE

The Manager's fee is computed on a daily basis at the following rate per annum ("p.a") of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for the particular day.

Classes of units	Annual management
Class A	0.50%
Class B	0.35%
Class C	0.20%

4. TRUSTEE'S FEE

The Trustee's fee for the financial period is computed based on 0.04% p.a. of the NAV of the Fund, accrued daily and paid monthly to the Trustee.

5. TAXATION

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, interest income earned by the Fund is exempted from tax.

Income tax is calculated at the Malaysian statutory tax rate 24% of the estimated assessable income for the financial period. A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate expense at the effective income tax rate of the Fund is as follows:

	01.03.2019 (date of launch) to 31.05.2020
Net income before taxation	<u>245,206</u>
Tax at Malaysian statutory rate of 24%	58,849
Effects of income not subject to tax	(74,181)
Effects of expenses not deductible for tax purposes	<u>15,332</u>
Tax expense for the financial period	<u>-</u>

MAYBANK MONEY MARKET FUND

6. DEPOSITS WITH A LICENSED FINANCIAL INSTITUTIONS

31.05.2020
RM

Short-term placement with a maturity of less than 3 months 9,676,899

The weighted average effective interest rates ("WAEIR") and average maturity of deposits with a licensed financial institutions with maturity of less than 3 months as at the reporting date were as follows:

	31.05.2020	Average maturity
	WAEIR	Days
	% p.a.	
Deposits with licensed financial institutions	<u>1.96</u>	<u>3</u>

The carrying value of these deposits approximate its fair value due to the short term maturity, and is 99.97% of the total Fund's NAV.

7. AMOUNT DUE FROM/TO MANAGER

31.05.2020
RM

Amount due from Manager is in respect of:

Subscription of units (i) 10,399

Amount due to Manager is in respect of:

Management fee (ii) 2,031

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

(ii) The amount represents 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.

8. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accrual for Trustee's fee at the end of the financial period. The normal credit term for Trustee's fee is 15 days.

9. OTHER PAYABLES AND ACCRUALS

31.05.2020
RM

Due to external auditor 6,731
Due to tax agent 4,081
Other payables and accruals 25
10,837

MAYBANK MONEY MARKET FUND

10. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	01.03.2019 (date of launch) to 31.05.2020 RM
Unitholders' contribution	(a)	9,587,137
Accumulated realised income	(b)	92,445
		<u>9,679,582</u>

(a) Unitholders' contribution

The units are distributed based on the following share classes:

31.05.2020

	Units	RM
(i) Class A	9,664,925	9,585,137
(ii) Class B	1,000	1,000
(iii) Class C	1,000	1,000
	<u>9,666,925</u>	<u>9,587,137</u>

(i) Class A

31.05.2020

	Units	RM
As at beginning of the financial period	-	-
Creation of units	62,702,474	62,393,174
Reinvestment of units (Note 11)	84,354	84,474
Cancellation of units	(53,121,903)	(52,960,798)
Distribution equalisation (Note 11)	-	68,287
As at end of the financial period	<u>9,664,925</u>	<u>9,585,137</u>

(ii) Class B

31.05.2020

	Units	RM
As at beginning of the financial period	-	-
Creation of units	1,000	1,000
As at end of the financial period	<u>1,000</u>	<u>1,000</u>

(iii) Class C

31.05.2020

	Units	RM
As at beginning of the financial period	-	-
Creation of units	1,000	1,000
As at end of the financial period	<u>1,000</u>	<u>1,000</u>

MAYBANK MONEY MARKET FUND

10. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(a) Unitholders' contribution (cont'd)

As of the end of the financial period, the total number and value of units held legally or beneficially by the Manager is as follows:

	31.05.2020	
	No. of units	Valued at NAV RM
Manager (Class A)	1,004	1,005
Manager (Class B)	1,000	1,011
Manager (Class C)	1,000	1,011

The units are held beneficially by the Manager for booking purposes, and are within the prescribed limit allowed by the SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the directors or parties related to the Manager.

(b) Accumulated realised income

	01.03.2019 (date of launch) to 31.05.2020 RM
As at beginning of the financial period	-
Net realised income for the financial period	92,445
As at end of the financial period	<u>92,445</u>

11. DISTRIBUTION

Distribution was declared only for Class A units in the current financial period from 1 March 2019 (date of launch) to 31 May 2020. The sources of distribution declared are as follows:

	01.03.2019 (date of launch) to 31.05.2020 RM
Interest income	195,594
Less: Expenses	<u>(42,833)</u>
Distributions out of realised income (Note 10(b))	152,761
Distributions out of distribution equalisation (Note 10(a))	<u>(68,287)</u>
Net distributions for the financial period	<u>84,474</u>
Analysed by:	
Cash distribution	-
Reinvestment of units *	<u>84,474</u>
	<u>84,474</u>

* The portion of distribution declared that was settled in the form of units is presented as 'reinvestment of units' in Note 10(a) on payment date.

MAYBANK MONEY MARKET FUND

11. DISTRIBUTION (CONT'D)

The gross and net distributions per unit, and the distribution dates for the distribution declared in the current financial period are as follows:

Distribution dates	Gross/Net distribution per unit (sen)
01.03.2019 to 31.05.2020	
30 September 2019	0.04
31 October 2019	0.22
28 November 2019	0.16
30 December 2019	0.15
30 January 2020	0.20
27 February 2020	0.15
30 March 2020	0.20
	<hr/>
	1.12

12. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transaction, primarily deposits with licensed financial institutions for the current financial period is as follows:

	Value of trade RM	Percentage of trade %
Affin Hwang Investment Bank Bhd	295,050,528	11.40
CIMB Bank Bhd	153,951,557	5.95
CIMB Islamic Bank Bhd	97,871,958	3.78
Malayan Banking Bhd *	573,158,000	22.14
Maybank Islamic Bhd **	263,779,000	10.19
Public Bank Bhd	468,403,675	18.09
Public Investment Bank Bhd	297,456,888	11.49
Public Islamic Bank Bhd	438,957,718	16.96
	<hr/>	
	2,588,629,324	100.00

* Malayan Banking Bhd ("MBB") is the ultimate holding company of the Manager.

** Maybank Islamic Bhd ("MIB") is a subsidiary of MBB, the ultimate holding company of the Manager.

MAYBANK MONEY MARKET FUND

13. 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.

(i) Significant related party transaction

	01.03.2019 (date of launch) to 31.05.2020 RM
<u>MBB</u> Interest income from deposits	<u>67,297</u>
<u>MIB</u> Interest income from deposits	<u>29,471</u>

(ii) Significant related party balances

	31.05.2020 RM
<u>MBB:</u> Deposits with a licensed financial institution	<u>1,800,000</u>
Interest receivables	<u>288</u>
<u>MIB:</u> Deposits with a licensed financial institution	<u>1,715,000</u>
Interest receivables	<u>275</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.

14. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial period from 1 March 2019 (date of launch) to 31 May 2020, the MER of the Fund stood at 0.68%.

MAYBANK MONEY MARKET FUND

15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average placements and withdrawals of the Fund for the financial period to the daily average NAV of the Fund. For the financial period from 1 March 2019 (date of launch) to 31 May 2020, the PTR of the Fund stood at 125.95 times.

16. 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 is responsible for the performance of the Fund by investing a minimum of 90% of its NAV in fixed income securities, money market instruments and deposits which have a remaining maturity period of not more than 365 days. The remaining NAV of the Fund will be invested in fixed income securities, money market instruments and deposits which have a remaining maturity period of more than 365 days but fewer than 732 days.

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 provided 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.

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at amortised cost. The significant accounting policies in Note 2.3 to Note 2.14 describe how the classes of financial instruments are measured and how income and expenses are recognised.

The following table analyses the financial assets and liabilities (excluding tax-related matters and NAV attributable to unitholders) of the Fund in the statement of financial position as at the reporting date by the classes of financial instrument to which they are assigned and therefore by the measurement basis.

MAYBANK MONEY MARKET FUND

17. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

31.05.2020	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Assets			
Deposits with licensed financial institutions	9,676,899	-	9,676,899
Interest income receivables	1,556	-	1,556
Amount due from Manager	10,399	-	10,399
Cash at bank	3,921	-	3,921
Total financial assets	9,692,775	-	9,692,775
Liabilities			
Amount due to Manager	-	2,031	2,031
Amount due to Trustee	-	325	325
Other payables and accruals	-	10,837	10,837
Total financial liabilities	-	13,193	13,193

(b) Financial instruments that are carried at fair value

There were no financial assets of the Fund that are carried at fair value as at 31 May 2020.

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The Fund's financial instruments are not carried at fair value but their carrying amounts are reasonable approximations of fair value due to their short-term maturity. Accordingly there are no fair value hierarchy disclosures presented.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risks is inherent in the Fund's activities, but they are managed through a process of ongoing identification, measurement and monitoring of risks.

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deed, SC's Guidelines on Unit Trust Funds and CMSA.

MAYBANK MONEY MARKET FUND

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and security prices. However, the Fund is not exposed to equity price risk or currency risk as it does not hold any equity investments nor investments denominated in currencies other than RM as at reporting date.

Cash is particularly sensitive to movements in interest rates. When interest rates rise, the return on cash will rise while the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. The Fund's deposits with licensed financial institutions is short term and carry a fixed rate and therefore is not affected by the movements in market interest rates.

(c) Credit risk

Credit risk is the risk that the issuer/counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of an issuer/counterparty's inability or unwillingness to honour its contractual obligations to make timely repayments of principal and interest. These credit exposures exist within financing relationships and other transactions.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's other counterparties (e.g. brokers, custodian, banks, etc.) by reviewing their credit ratings and credit profile on a regular basis.

(i) Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

(ii) Credit quality of financial assets

The following table analyses the Fund's cash at bank, deposits with licensed financial institutions and interest receivables by rating categories. The rating is obtained from RAM Holdings Berhad.

MAYBANK MONEY MARKET FUND

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk

(ii) Credit quality of financial assets

	2020	As a percentage of NAV
	RM	%
Cash at bank, deposits with licensed financial institutions and interest receivables		
AAA	9,682,376	100.03

(d) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Deed of the Fund.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so and its overall liquidity risk by requiring unitholders to be paid within the same business day from the date when the redemption request is received by the Manager.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash at bank, deposits with licensed financial institutions and interest receivables which are capable of being converted into cash within 7 days.

MAYBANK MONEY MARKET FUND

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

The following table summarises the maturity profile of the Fund's financial assets, financial liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity:

31.05.2020	Less than 1 month RM	Total RM
Financial assets		
Deposits with licensed financial institutions	9,676,899	9,676,899
Interest receivables	1,556	1,556
Amount due from Manager	10,399	10,399
Cash at bank	3,921	3,921
Total undiscounted financial assets	<u>9,692,775</u>	<u>9,692,775</u>
Financial liabilities and net assets attributable to unitholders of the Fund		
Amount due to Manager	2,031	2,031
Amount due to Trustee	325	325
Other payables and accruals	10,837	10,837
Net assets attributable to unitholders of the Fund	<u>9,679,582</u>	<u>9,679,582</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>9,692,775</u>	<u>9,692,775</u>
Liquidity surplus	<u>-</u>	<u>-</u>

(i) Financial assets

Deposits are grouped based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised. Financial assets exclude tax-related matters such as tax recoverable, if any.

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting date to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to settle its financial obligation. Financial liabilities exclude tax-related matters such as provision for taxation, if any.

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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

(iii) Net assets attributable to unitholders of the Fund

As unitholders can request for redemption of their units within one business day from transaction date, the unitholder's total equity have been categorised as having a maturity of "less than 1 month".

The Fund believes that it would be able to liquidate its investments should the need arise to satisfy all the redemption requirements.

19. UNITHOLDERS' CONTRIBUTION MANAGEMENT

The unitholders' contribution can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing the unitholders' contribution are:

- (a) To invest in investments meeting the description, risk exposure and expected returns indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding the unitholders' contribution 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 financial period.

20. COMPARATIVE

There are no comparative figures presented as this is the Fund's first reporting period since the Fund was launched on 1 March 2019.