

# **MAYBANK MALAYSIA BALANCED-I FUND**

(Formerly known as MAYBANK DANA IKHLAS)

**Unaudited interim report**  
**For the the financial period from 1 December 2019 to**  
**31 May 2020**

## **CORPORATE INFORMATION**

### **MANAGER**

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### **EXTERNAL INVESTMENT MANAGER**

Maybank Islamic Asset Management Sdn Bhd (201301012623)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia

### **TRUSTEE**

AmanahRaya Trustees Berhad (200701008892) (766894-T)  
Tingkat 2,Wisma AmanahRaya II,  
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50100 Kuala Lumpur  
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### **SHARIAH ADVISER**

Maybank Islamic Berhad (200701029411)  
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No. 1 Jalan Maarof  
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**MAYBANK MALAYSIA BALANCED-I FUND**  
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**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

**Manager's report**  
**for the financial period from 1 December 2019 to 31 May 2020**

**A. Fund Information**

**1. Name of the Fund**

Maybank Malaysia Balanced-I Fund (formerly known as Maybank Dana Ikhlas) ("the Fund")

**2. Type of Fund**

Income and Growth fund (Shariah)

**3. Category of Fund**

Balanced fund

**4. Duration of the Fund**

The Fund is an open-ended Fund.

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

17 September 2002 / 8 October 2002

**6. Fund's investment objective**

The investment objective of the Fund is to attain a mix of regular income stream and possible capital growth via investments in Shariah-compliant listed equities, sukuk and other assets that are permissible under the Shariah Principles.

**7. Fund distribution policy**

Income distribution, if any, is declared at the end of the financial year of the Fund or for any specified period, as may be determined by the Manager subject to the approval from the trustee. Distribution declared, if any, will be reinvested as additional units without sales charge.

**8. Fund's performance benchmark**

A combination of:

- 50% of the FTSE Bursa Malaysia EMAS Shariah Index ("FBMS Index") and
- 50% of the Maybank 12 months General Investment Account-i ("GIA-i") tier 1 rate

Note:

Prior to 17 September 2017, the benchmark was a combination of 50% of the FBMS Index and 50% of the 12-month GIA rates of commercial banks.

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

The Fund invests in an optimal mix of assets comprising of Shariah-compliant equities, sukuk and Islamic money market instruments.

The principal activity of the Fund is to invest between 40% to 58% of the Fund's assets in Shariah-compliant equities, between 40% to 58% in sukuk and Shariah-compliant money market instruments and minimum of 2% in Shariah-compliant liquid assets.

**MAYBANK MALAYSIA BALANCED-I FUND**  
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**Manager's report**

for the financial period from 1 December 2019 to 31 May 2020 (cont'd)

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

**10. Net income distribution for the financial period from 1 December 2019 to 31 May 2020**

The Fund did not declare any income distribution for the financial period from 1 December 2019 to 31 May 2020.

**11. Breakdown of unitholdings by size**

**Fund size**

As at 31 May 2020, the size of the Fund was 48,694,539 units.

**Breakdown of unitholdings as at 31 May 2020**

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	661	49.11	1,657	3.40
5,001 to 10,000 units	198	14.71	1,484	3.05
10,001 to 50,000 units	385	28.60	9,127	18.74
50,001 to 500,000 units	97	7.21	10,933	22.45
500,001 units and above	5	0.38	25,494	52.36
<b>Total</b>	<b>1,346</b>	<b>100.01</b>	<b>* 48,695</b>	<b>100.00</b>

\* Included units held under an Institutional Unit Trust Scheme Advisers

**B. Performance Review**

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

Category	01.12.2019 to 31.05.2020	01.12.2018 to 30.11.2019	01.12.2017 to 30.11.2018
<b>Portfolio</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Quoted equities - local</b>			
Construction	1.49	2.58	2.67
Consumer Products	8.22	8.37	8.10
Energy	2.55	2.77	
Financial Services	2.63	1.85	2.07
Healthcare	5.51	2.84	-
Industrial Products & Services	2.80	0.69	7.23
Infrastructure	-	-	1.03
Plantations	4.46	4.70	4.30
Properties	0.36	0.51	2.06
Real Estate Investment Trust ("REITs")	3.96	4.72	-
Technology	2.70	2.44	-
Trading/Services	-	-	14.08
Telecommunication	1.47	-	1.02
Transportation & Logistics	2.38	3.08	-
Utilities	2.51	3.43	-
<b>Total quoted equities - local</b>	<b>41.04</b>	<b>37.98</b>	<b>42.56</b>

**MAYBANK MALAYSIA BALANCED-I FUND**  
(formerly known as MAYBANK DANA IKHLAS)

**Manager's report**

for the financial period from 1 December 2019 to 31 May 2020 (cont'd)

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

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

<b>Category</b>	<b>01.12.2019 to 31.05.2020</b>	<b>01.12.2018 to 30.11.2019</b>	<b>01.12.2017 to 30.11.2018</b>
<b>Unquoted fixed income securities - local</b>			
Construction	3.50	3.72	-
Consumer Products	3.55	-	-
Energy	4.07	3.55	-
Financial Services	9.49	16.55	-
Conglomerate	-	-	14.39
Properties	2.48	3.83	-
Plantations	-	-	4.82
Power	-	-	10.91
Real Estate	4.95	4.27	13.74
Transportation & Logistics	6.23	3.50	-
Utilities	12.85	10.73	-
<b>Total unquoted fixed income securities - local</b>	<b>47.12</b>	<b>46.15</b>	<b>43.86</b>
Cash and other net assets	11.84	15.87	13.58
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	25,998	24,849	22,886
Units in circulation (units'000)	48,695	47,051	44,679
NAV per unit (RM)	0.5339	0.5281	0.5122
Highest NAV per unit (RM)	0.5343	0.5491	0.5651
Lowest NAV per unit (RM)	0.4676	0.5042	0.5111
Net income distributed (RM)	-	461,956	-
Distribution date	-	28/11/2019	-
Gross distribution per unit (sen)	-	1.00	-
Net distribution per unit (sen)	-	1.00	-
Annual total return (%) (1)			
- Capital growth (%)	1.04	3.24	(5.69)
- Income distribution (%)	0.00	1.89	-
Total return (%)	1.04	5.20	(5.69)
Benchmark (%)	2.52	1.70	(3.19)
Management Expense Ratio ("MER") (%) (2)	0.74	1.53	1.58
Portfolio Turnover Ratio ("PTR") (times) (3)	0.45	0.82	0.57

**MAYBANK MALAYSIA BALANCED-I FUND**  
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**Manager's report**  
for the financial period from 1 December 2019 to 31 May 2020 (cont'd)

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

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

**Notes:**

- (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 decreased due to lower expenses incurred in the current financial period under review.
- (3) The Fund's PTR decreased due to lower trading activities in the current financial period under review.

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

**2. Performance of the Fund up to 31 May 2020**

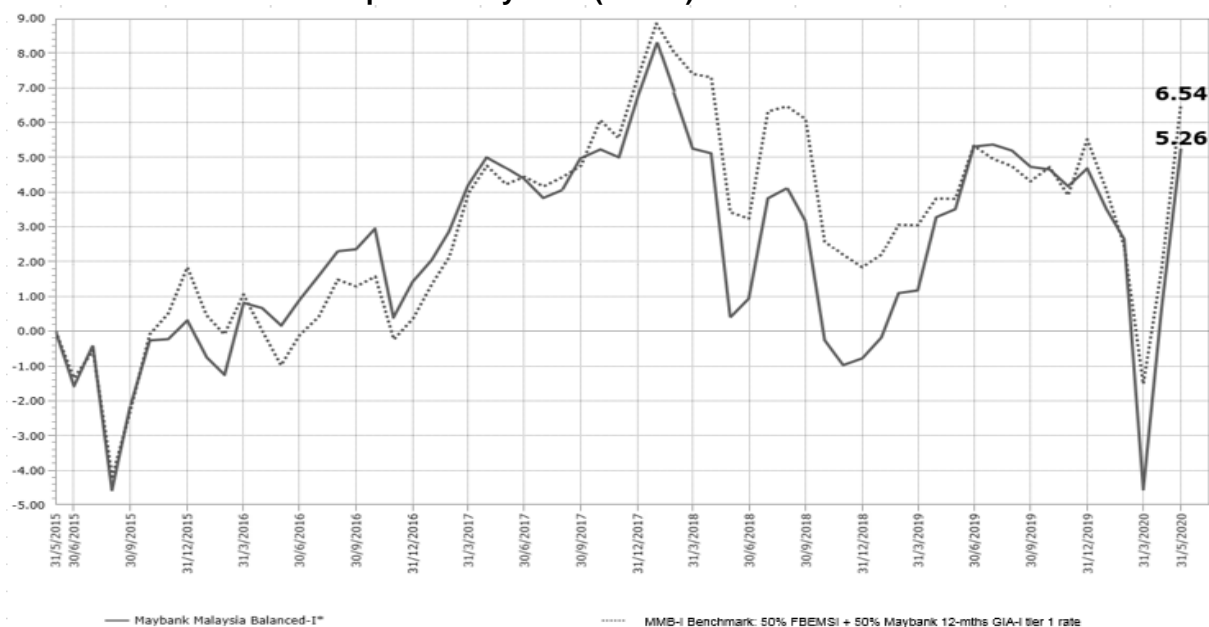
<b>Category</b>	<b>6 months to 31.05.2020 %</b>	<b>1 year to 31.05.2020 %</b>	<b>3 years to 31.05.2020 %</b>	<b>5 year to 31.05.2020 %</b>
Capital growth	1.04	(0.21)	(3.12)	(2.47)
Income distribution	-	1.89	3.77	7.93
Total return of the Fund	1.04	1.68	0.53	5.26
Benchmark	2.52	2.62	2.21	6.54
Average total return	-	1.68	0.18	1.03

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**Manager's report**  
for the financial period from 1 December 2019 to 31 May 2020 (cont'd)

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

**2. Performance of the Fund up to 31 May 2020 (cont'd)**



Source : Lipper

The Fund generated a return of 1.04% for the period under review, compared to the benchmark which registered a return of 2.52% over the same period.

For sukuk, the performance was due to a combination of stronger returns benefitting from the bond market rally and income derived from the sukuk held in the Fund during the period under review.

For equity, the performance was mainly driven by the healthcare (gloves) sector e.g. Top Glove and Kossan Rubber as demand for medical gloves surged amidst the pandemic but was offset by the underperformance of the oil gas sector e.g. Sapura Energy and Perdana Petroleum caused by the decline in oil prices.

**3. Annual total return of the Fund**

For the financial period/year ended	31.05.2020	30.11.2019	30.11.2018	30.11.2017	30.11.2016
	%	%	%	%	%
Capital growth	1.04	3.24	(5.69)	2.71	(1.23)
Income distribution	-	1.89	-	1.89	1.87
Total return	1.04	5.20	(5.69)	4.60	0.64
Benchmark	2.52	1.70	(3.19)	5.94	(1.85)



**MAYBANK MALAYSIA BALANCED-I FUND**  
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**Manager's report**  
**for the financial period from 1 December 2019 to 31 May 2020 (cont'd)**

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

**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:

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**

Fixed Income market review

The new year saw the Malaysian bond market supported by the surprise 25 basis points ("bps") Overnight Policy Rate ("OPR") cut on 22 January 2020, which was a pre-emptive measure to "secure the improving growth trajectory amid price stability". Bond yields further rallied on safe haven demand and concerns on impact of the coronavirus scare on global growth. The Malaysian bond market continued its rally in February 2020, despite the short sell-off in the final week of the month due to the domestic political drama that saw the resignation of the Prime Minister ("PM") and the dissolution of the cabinet. Yields quickly recovered on strong local support and expectations of another OPR cut in March 2020, as well as global risk-off mode amidst Coronavirus disease 2019 ("COVID-19") fears.

However, the Malaysian bond market sold off in March 2020, with yields for government bonds higher by up to 55bps month-on-month, amidst weak economic outlook due to COVID-19 pandemic as well as distressed oil prices. The sell-off was also across all other asset classes due to risk aversion as investors started to raise more cash. Central banks and governments globally introduced various monetary, financial and economic stimulus package to support the economy. In March 2020, Bank Negara Malaysia ("BNM") cut its OPR by another 25bps, bringing the current OPR level to 2.50% (i.e. a total of 50bps cut in 2020). In addition, the statutory reserve requirement ("SRR") was lowered to 2% (from 3% previously) effective 20 March 2020 and banks are now allowed to recognize up to RM1 billion ("bn") in Malaysian government bonds for SRR compliance purposes. These combined measures would inject some RM30bn worth of liquidity into the banking system and support the Malaysian capital markets.

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**Manager's report**  
**for the financial period from 1 December 2019 to 31 May 2020 (cont'd)**

**C. Market Review (cont'd)**

Fixed Income market review (cont'd)

Meanwhile, as at early April 2020, the Malaysian government have announced a total of RM260bn of economic stimulus package that is aimed to mitigate the impact of COVID-19 and avert a sharper contraction in economic activity.

The Malaysian bond market recovered in April 2020 and May 2020 following a 50bps OPR cut in the scheduled Monetary Policy Committee ("MPC") meeting in May 2020, in order to curb the negative impact of COVID-19 to the economy. The buying momentum was also buoyed by the expected improvements in COVID-19 statistics in Malaysia as the extended Movement Control Order ("MCO") begins to show positive results in flattening the COVID-19 curve. In addition to the OPR cut, BNM also allowed Banks to use Malaysia Government Securities ("MGS") and Government Investment Issue ("GII") to fully meet the SRR compliance effective 16 May 2020 and up to 31 May 2021. This measure will release approximately RM16bn in liquidity into the banking system. While there were some profit taking activities post-OPR cut, the bond market remained supported amidst weak economic data and global risk-off sentiment, coupled with the re-emergence of United States ("US")-China tensions.

On foreign shareholding, foreigners net sold RM12.3bn of Malaysian debt securities in March 2020, mostly in MGS, as heightened risk aversion saw flight to quality and cash. The outflow in March 2020 was the largest outflow in a single month since May 2008. Foreign share of MGS fell further to 36.8% (February 2020: 39.6%) and MGS + GII fell to 22.1% (January 2020: 23.9%). Foreign investors also withdrew funds from domestic equities, net selling RM5.6bn in March 2020. In April 2020, global risk sentiment stabilized and foreigners net sold a milder RM2.0bn of Malaysian debt securities, before turning net buyers again in May 2020 with an inflow of RM1.5bn. On a year-to-date basis though, foreign outflow is still sizeable at -RM17.4bn.

Equity market review

During the period under review, equity markets were in negative territory mired by the US-China trade tensions, geopolitical risks and perhaps the biggest cause, fears of the COVID-19 pandemic. Markets fell to its lowest point in March 2020 as investors sold-off positions, causing sharp declines triggering circuit breakers multiple times in many markets. Fears of global recession deepened as travel restrictions, lockdowns and social distancing measures took a toll on manufacturing supply chains, consumption and employment. In the commodity space, oil prices saw a shock drop as OPEC and Russia failed to agree on an extension of production cuts. Brent prices fell by c.50% to c.US\$26/bbl in the month of March 2020.

**MAYBANK MALAYSIA BALANCED-I FUND**  
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**Manager's report**  
**for the financial period from 1 December 2019 to 31 May 2020 (cont'd)**

**C. Market Review (cont'd)**

Equity market review (cont'd)

Although market has somewhat recovered since the low in March 2020, most markets are still in the red during the period. In local currency terms, Dow Jones and Standard & Poor's ("S&P500") registered declines of 9.5% and 3.1% respectively while Nasdaq (comprising of mostly of internet and tech stocks), was the only positive return, gained 9.5%. Euro Stoxx 50 and German Daxx fell 17.6% and 12.5% respectively for the period. Japan's Nikkei fell 6.1%, Taiwan fell 4.8%, Hong Kong fell 12.8%, Shanghai fell slightly by 0.7% and South Korea fell 2.8%. India and Asean performed relatively worse, India fell 20.5%, Indonesia fell 20.9%, Philippines fell 24.6%, Singapore fell 21.4%, Thailand fell 15.6% and Malaysia fell 5.7% during the period.

The end of 2019 was met with some market volatility as the trade deal between the US and China remains an impasse as any discussion on trade negotiations are subsequently followed by trade threats. President Trump signal further delay to the China deal in early December 2019 but agreed to 'Phase-One' deal just before the 15 December 2019 tariff hike. The optimism was carried into the start of the 2020 propelling equity markets up. Better macroeconomic data helped with many manufacturing indicators showing signs of bottoming. Generally good results from technology companies like Apple, Texas Instruments and Taiwan Semiconductor also provided a boost. Markets rose to as much as 5% up at one point. However, towards the end of the month there was a sharp reversal as the COVID-19, originating from the city of Wuhan in China started spreading. Global markets begun to plunge as the situation worsens and virus spreads globally. The World Health Organisation ("WHO") declared the COVID-19 a pandemic in March 2020 as infection rates reached 120,000 cases in over 110 countries. Since then, markets have rebounded from lows, on the back of collective measures by central banks and governments worldwide to supply liquidity and fiscal stimulus for the economy.

The large cap FBM Kuala Lumpur Composite Index ("KLCI") Index fell 5.7% during the period under review, but outperformed the regional markets led by strong gains in the healthcare (gloves) sector due to surge in demand for gloves amidst the pandemic. Domestically, the FBM Shariah and FBM ACE were the only two gainers, +3.7% and +18.2% respectively while FBM Small Cap, FBM 100 and FBM Emas fell 9.7%, 5.5% and 5.7% respectively.

Malaysia began the MCO in March 2020 to stem the rising COVID-19 cases and announced a stimulus package worth RM250bn (17% of GDP) to help cushion the blow from the pandemic. During the period under review, the BNM has cut the policy rate thrice (January 2020, March 2020 and May 2020) to 2.00% as well as other measures such as an automatic 6-month moratorium on loan repayments. For the period, foreign funds have taken out RM14.5bn net worth of equities with a massive outflow in the month of March 2020 amounting to RM5.5bn.

**MAYBANK MALAYSIA BALANCED-I FUND**  
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**Manager's report**  
**for the financial period from 1 December 2019 to 31 May 2020 (cont'd)**

**C. Market Review (cont'd)**

Equity market review (cont'd)

Earnings continue to see absolute downward revisions following the release of 2QCY2020 corporate results in May 2020, which was exacerbated by the closer of businesses due to the MCO as well the poorer outlook of the economy. Not surprising, earnings disappointment came from consumer discretionary, oil & gas, transportation (e.g. AirAsia, Malaysia Airports), retails and Gaming. On the other hand, positive earnings came from the glove sector and telecommunication amidst the strong demand in for both sectors amidst the current climate.

**D. Market Outlook and Strategy**

Fixed Income outlook & strategy

We believe the local bond market will remain supported by demand from local institutional investors such as pension funds, banks and asset managers. We continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields. Given our expectation that economy will recover in 2H2020 as efforts by central banks and governments globally to combat the negative impact of COVID-19 start to show results, we will continue to trade opportunistically and realize profit. We are looking to be neutral duration relative to the Thomas Reuters BPA Malaysia Bond ("TRBPAM") Sukuk Index and also look into new primary issuances that offer higher yields to deliver the required performance.

Equities Market Outlook & Strategy

Equities rebounded over the past 2 months buoyed by confidence in government and central bank stimulus measures and expectations of economies reopening. This is despite growth and corporate earnings expectations have been revised downwards. Hence, there appears to be a disconnect between financial markets and economic reality with markets rallying. Furthermore, we see the reigniting tension between US and China with Hong Kong's new security law providing fresh impetus. We see the near term rebound in Asian equities to be short-lived as we caution that bear markets (such as the one we are now in) may also see strong rallies occasionally. For a more sustained rally, we would need to see not only aggressive fiscal policy response from governments but also a peak in COVID-19 cases worldwide. While governments have begun to rollout their fiscal stimulus, we still have limited visibility as to when the virus outbreak might peak as the situation remains fluid. That said, we would expect a better 2H2020. While markets may not have troughed yet, value is emerging. The indiscriminate selling has now thrown up potential buying opportunities. While we would still hold a high amount of cash (as a buffer amidst the uncertainty) at present, we are looking to position our portfolios for the eventual recovery by redeploying the cash opportunistically.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

**Manager's report**  
**for the financial period from 1 December 2019 to 31 May 2020 (cont'd)**

**D. Market Outlook and Strategy (cont'd)**

Equities Market Outlook & Strategy (cont'd)

We maintain our targeted equity exposure to 85% of maximum equity portion with a trading band of +/- 10% from +/-5% for better flexibility to position portfolios in these volatile times. At point of writing, we are taking profit from recent relief rally and are tactically at around 82% invested for equity portion (or 41% of total portfolio). While we raise cash from defensives to reposition into bashed down stocks, we will still maintain some portion of our portfolios in these stocks to help anchor the portfolio. High cash level and higher dividend should cushion the portfolios against volatile market movements.

**E. Significant Changes in The State of Affairs of the Fund**

The name of the Fund has been changed to Maybank Malaysia Balanced-I Fund.

**F. Soft Commissions and Rebates**

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

During the financial period from 1 December 2019 to 31 May 2020, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assists in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to unitholders.

## **Trustee's Report**

For the Six Months Financial Period Ended 31 May 2020

To the Unit Holders of

### **MAYBANK MALAYSIA BALANCED-I FUND (formerly known as MAYBANK DANA IKHLAS)**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of MAYBANK MALAYSIA BALANCED-I FUND for the six months financial period ended 31 May 2020. In our opinion, MAYBANK ASSET MANAGEMENT SDN BHD, the Manager, has operated and managed MAYBANK MALAYSIA BALANCED-I FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 31 May 2020.

We are also of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement; and
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

Yours faithfully

**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Deputy Chief Executive Officer

Kuala Lumpur, Malaysia

16 July 2020

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED-I FUND  
(formerly known as MAYBANK DANA IKHLAS)  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2019 TO 31 MAY 2020**

I, Ahmad Najib Bin Nazlan, being the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Malaysia Balanced-I Fund (formerly known as Maybank Dana Ikhlas) as at 31 May 2020 and of its results, changes in equity and cash flows for the financial period from 1 December 2019 to 31 May 2020 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**

Director

Kuala Lumpur, Malaysia

16 July 2020

## **REPORT OF THE SHARIAH ADVISER**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED-I FUND (formerly known as MAYBANK DANA IKHLAS) FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2019 TO 31 MAY 2020**

We have acted as the Shariah Adviser of the Maybank Malaysia Balanced-I Fund (formerly known as Maybank Dana Ikhlas) (the "Fund"). Our responsibility is to ensure that the procedures and the processes employed by Maybank Asset Management Sdn Bhd (the "Manager") is in accordance with the principles of Shariah.

In our opinion, the Manager has managed and administered the Fund in accordance with the principles of Shariah and comply with applicable guidelines, ruling or decision issued by the Securities Commission on Shariah matters for the financial period from 1 December 2019 to 31 May 2020.

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

For and on behalf of the Shariah Adviser of the Fund.

**Dr Aznan Bin Hasan**

Chairman of the Shariah Committee of Maybank Islamic Berhad

Kuala Lumpur, Malaysia

16 July 2020



**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2019 TO 31 MAY 2020**

	Note	01.12.2019 to 31.05.2020 RM	01.12.2018 to 31.05.2019 RM
<b>INVESTMENT INCOME</b>			
Gross dividend income		184,143	187,568
Profit income	3	304,391	297,659
Net gain on fair value changes of fair value through profit or loss ("FVTPL") investments			
- Unrealised gain		559,694	1,115,144
- Realised loss		(539,415)	(377,829)
		<u>508,813</u>	<u>1,222,542</u>
<b>EXPENSES</b>			
Manager's fee	4	148,279	142,214
Trustee's fee	5	9,885	9,379
Auditors' remuneration		3,941	4,737
Tax agent's fee		1,749	2,244
Shariah Advisory		2,500	145
Brokerage and other transaction fees		22,797	26,160
Administrative expenses		17,443	(1,978)
		<u>206,594</u>	<u>182,901</u>
<b>Net income before tax</b>		302,219	1,039,641
Taxation	6	(889)	(9,917)
<b>Net income after tax, which is the total comprehensive income for the financial period</b>		<u>301,330</u>	<u>1,029,724</u>
<b>Net income after tax is made up of the following:</b>			
Net realised loss		(258,364)	(85,420)
Net unrealised income		559,694	1,115,144
		<u>301,330</u>	<u>1,029,724</u>

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

	Note	31.05.2020 RM	30.11.2019 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	22,595,986	20,906,237
Shariah-compliant deposits with a licensed Islamic financial institution	8	3,086,815	3,900,392
Dividend receivable		8,329	13,000
Profit income receivable		128,775	96,048
Amount due from Manager	9	87,000	-
Amount due from Brokers	10	238,467	-
Cash at bank		30,764	15,436
<b>TOTAL ASSETS</b>		<b>26,176,136</b>	<b>24,931,113</b>
<b>LIABILITIES</b>			
Amount due to Manager	9	25,619	34,325
Amount due to Trustee	11	1,708	1,641
Amount due to Brokers	10	112,853	-
Other payables and accruals	12	38,067	45,840
<b>TOTAL LIABILITIES</b>		<b>178,247</b>	<b>81,806</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>25,997,889</b>	<b>24,849,307</b>
<b>EQUITY</b>			
Unitholders' capital	13(a)	25,763,165	24,915,913
Retained earnings/(accumulated losses)	13(b)&(c)	234,724	(66,606)
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>		<b>25,997,889</b>	<b>24,849,307</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	13	<b>48,694,539</b>	<b>47,051,486</b>
<b>NAV PER UNIT (RM)</b>		<b>0.5339</b>	<b>0.5281</b>

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2019 TO 31 MAY 2020**

	<b>Unitholders' capital RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
At 1 December 2019	24,915,913	(66,606)	24,849,307
Total comprehensive loss for the financial year	-	301,330	301,330
Creation of units	1,340,659	-	1,340,659
Cancellation of units	(493,407)	-	(493,407)
At 31 May 2020	<u>25,763,165</u>	<u>234,724</u>	<u>25,997,889</u>
At 1 December 2018	23,662,564	(776,432)	22,886,132
Total comprehensive income for the financial period	-	1,029,724	1,029,724
Creation of units	997,694	-	997,694
Cancellation of units	(691,352)	-	(691,352)
At 31 May 2019	<u>23,968,906</u>	<u>253,292</u>	<u>24,222,198</u>

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2019 TO 31 MAY 2020**

	<b>01.12.2019</b>	<b>01.12.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.05.2020</b>	<b>31.05.2019</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of financial assets at FVTPL	10,173,193	9,226,761
Net payment of purchase of financial assets at FVTPL	(11,995,595)	(10,427,461)
Profit income received	275,396	321,459
Net dividend received	187,928	178,484
Manager's fee paid	(147,281)	(140,231)
Trustee's fee paid	(9,818)	(9,264)
Other expenses paid	(32,616)	(32,252)
Net cash used in operating and investing activities	<u>(1,548,793)</u>	<u>(882,504)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	1,253,657	997,694
Payments for cancellation of units	(503,113)	(696,470)
Net cash generated from financing activities	<u>750,544</u>	<u>301,224</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS OF THE FINANCIAL PERIOD</b>	<b>(798,249)</b>	<b>(581,280)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>3,915,828</b>	<b>3,164,146</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b><u>3,117,579</u></b>	<b><u>2,582,866</u></b>
Cash and cash equivalents comprise:		
Cash at bank	30,764	4,657
Shariah-compliant deposits with a licensed Islamic financial institution (Note 8)	3,086,815	2,578,209
	<u>3,117,579</u>	<u>2,582,866</u>

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2019 TO 31 MAY 2020**

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

Maybank Malaysia Balanced-I Fund (formerly known as Maybank Dana Ikhlas) (the "Fund") was constituted pursuant to the execution of a Deed dated 4 September 2002 ("Principal Deed") between Amanah Mutual Berhad as the Manager and AmanahRaya Trustees Berhad as the Trustee. The following Supplemental Deeds have been issued between AMB and the Trustee:

- First Supplemental deed dated 13 August 2008
- Second Supplemental deed dated 17 October 2014
- Third Supplemental deed dated 13 January 2017
- Fourth Supplemental deed dated 12 December 2017

Following the acquisition of AMB by Maybank Asset Management Sdn Bhd ("MAM"), the immediate and ultimate holding company of AMB has been changed to MAM and Malayan Banking Berhad ("MBB") respectively, effective 17 May 2018.

Subsequently, MAM and the Trustee has entered into the Fifth supplemental deed dated 4 September 2018 and Sixth supplemental deed dated 11 July 2019 to changed the name of the fund effective 17 January 2020 respectively. The Deed and Supplemental Deeds are subsequently referred to as 'Deeds'.

The principal activity of the Fund is to invest in a portfolio of investments that are permissible under Shariah principles with the objective to attain a mix of regular income stream and possible capital growth. The investments include shares of companies quoted on Bursa Malaysia Securities Berhad, Sukuk and short term deposits.

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a wholly-owned subsidiary of Maybank Asset Management Group Berhad and is a holder of Capital Markets Services Licence ("CMSL") to carry out Islamic fund management business pursuant to Section 61 of the Capital Markets and Services Act 2007 ("CMSA").

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

**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 ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and 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 December 2019 to 31 May 2020. The adoption of the new pronouncements did not result in any material impact to the financial statements.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

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

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to 2.15 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 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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 and amendments to 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.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

**2.4 Financial assets**

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

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

**(i) Financial assets at amortised cost**

Classification

The Fund classifies cash and cash equivalents, profit income receivables, dividend receivable and amount due from brokers as financing and receivables as financial assets at amortised cost. Investments in quoted equities and unquoted fixed income securities are classified as FVTPL.

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

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 profit 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.

**(ii) Financial assets at FVTPL**

Investments in equity and unquoted fixed income securities 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 instrument or a financial guarantee.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

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

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

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

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

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

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

Dividend income on investments in equity instruments at FVTPL is recognised when the Fund's right to receive the dividends is established, and 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

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 MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

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

**(iii) 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 full impairment will be recognised on uncollected balances after the grace period.

**(iv) Derecognition of financial assets**

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained profit 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 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.

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

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

**2.5 Financial liabilities**

**(ii) Recognition and measurement**

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate method.

**(iii) Derecognition of financial liabilities**

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 market participants would use when pricing the asset or liability, assuming that 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.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

**2.6 Fair value measurement (cont'd)**

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.

**2.7 Functional and presentation currency**

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

**2.8 Unitholders' capital**

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

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

The outstanding units are carried at the redemption amount that is payable at each financial 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 and 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.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

**2.9 Distributions**

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

**2.10 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.

**2.11 Revenue / Income**

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

Profit income from unquoted fixed income securities includes amortisation of premium and accretion of discount, and is recognised using the effective profit method. Profit income from short-term deposits is recognised on the accruals basis using the effective profit rate method.

Dividend income is recognised when the right to receive is established.

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

Realised gain or loss on disposal of investments are accounted for as the difference between net disposal proceeds and the carrying amounts of the investments.

Other income (e.g. consent fee) is recognised on an accrual basis when the right to receive is established.

**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.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

**2.12 Income tax (cont'd)**

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 assumption that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

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

**2.15 Purification of income**

The Fund is required to cleanse or purify any income or gains generated by Shariah non-compliant activities or sources. Such Shariah non-compliant gain or income may arise as follows.

(i) Shariah non-compliant investment

Shariah non-compliant investment made by the Manager will be disposed of or withdrawn as soon as possible. In the event the investment results in gain (through capital gain and/or dividend), the gains is to be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment results in losses to the Fund, the losses are to be borne by the Manager.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

**2.15 Purification of income**

(ii) Reclassification of Shariah Status of the Fund's investment

If a security is reclassified as Shariah non-compliant by the Shariah Adviser's advice, the said security shall be disposed of soonest practical, once the total amount of dividends received and the market value held equal the original investment costs.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to Baitulmal or any charitable bodies.

The purification exercise is done by channelling the purification amount to charitable bodies as advised by the Shariah Adviser and this exercise is performed by the Manager when relevant information has been obtained. The calculation of the purification amount must further be endorsed by the Shariah Adviser for verification before the purification is done.

**3. PROFIT INCOME**

	<b>01.12.2019</b>	<b>01.12.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.05.2020</b>	<b>31.05.2019</b>
	<b>RM</b>	<b>RM</b>
Profit income from unquoted fixed income securities	273,884	261,512
Profit income from short-term deposits	49,496	44,459
Amortisation of premium, net of accretion of discount	(18,989)	(8,312)
	<u>304,391</u>	<u>297,659</u>

**4. MANAGER'S FEE**

The Manager's fee is computed daily. The fee is based on 1.00% (01.12.2018 to 31.05.2019: 1.00%) per annum ("p.a.") on the bond and money market portion and 1.50% (01.12.2018 to 31.05.2019: 1.50%) p.a. on the equity portion of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

**5. TRUSTEE'S FEE**

The Trustee's fee is computed based on 0.08% (01.12.2018 to 31.05.2019: 0.08%) p.a. of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM18,000 p.a.

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

**6. TAXATION**

	<b>01.12.2019</b>	<b>01.12.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.05.2020</b>	<b>31.05.2019</b>
	<b>RM</b>	<b>RM</b>
Tax expense for the financial period:		
Current income tax expense	889	581
Under provision in prior financial years	-	9,336
	<u>889</u>	<u>9,917</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.12.2017 to 31.05.2018: 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, any profit income and dividend income earned by the Fund is exempted from tax.

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

	<b>01.12.2019</b>	<b>01.12.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.05.2020</b>	<b>31.05.2019</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>302,219</u>	<u>1,039,641</u>
Taxation at Malaysian statutory rate of 24% (31.05.2019: 24%)	72,533	249,514
Income not subject to tax	(122,115)	(116,454)
Effect of income tax at source	889	581
Expenses not deductible for tax purposes	49,582	(133,060)
Underprovision from prior period	-	9,336
Tax expense for the financial period	<u>889</u>	<u>9,917</u>

**MAYBANK MALAYSIA BALANCED-I FUND**  
(formerly known as MAYBANK DANA IKHLAS)

**7. FINANCIAL ASSETS AT FVTPL**

	Note	31.05.2020 RM	30.11.2019 RM
Quoted equities - Shariah-compliant	(a)	10,670,729	9,317,235
Quoted equities - Shariah non-compliant	(b)	-	120,960
Unquoted fixed income securities	(c)	11,925,257	11,468,042
		<u>22,595,986</u>	<u>20,906,237</u>

31.05.2020	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
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**(a) Quoted equities - Shariah-compliant**

**Construction**

Gabungan AQRS Bhd	219,500	182,668	208,525	0.80
Gamuda Bhd	12,000	46,537	46,800	0.18
Sunway Construction Group Bhd	70,900	140,225	133,292	0.51
	<u>302,400</u>	<u>369,430</u>	<u>388,617</u>	<u>1.49</u>

**Consumer Products & Services**

Ajinomoto (Malaysia) Bhd	28,000	491,577	397,600	1.53
Bermaz Auto Bhd	199,000	433,331	248,750	0.96
DRM-HICOM Bhd	90,000	253,917	148,500	0.57
Dutch Lady Milk Industries Bhd	10,600	564,423	475,728	1.83
Fraser & Neave Holdings Bhd	13,700	473,809	445,798	1.71
Guan Chong Bhd	16,800	40,654	49,392	0.19
Nestle (Malaysia) Bhd	2,000	273,850	278,000	1.07
UMW Holdings Bhd	45,300	279,200	94,677	0.36
	<u>405,400</u>	<u>2,810,761</u>	<u>2,138,445</u>	<u>8.22</u>

**Energy**

Dialog Group Bhd	110,000	378,124	438,900	1.69
Yinson Holdings Bhd	40,000	253,810	224,000	0.86
	<u>150,000</u>	<u>631,934</u>	<u>662,900</u>	<u>2.55</u>

**Financial Services**

Syarikat Takaful Malaysia Keluarga Bhd	62,000	278,437	266,600	1.03
BIMB Holdings Bhd	116,300	485,583	416,354	1.60
	<u>178,300</u>	<u>764,020</u>	<u>682,954</u>	<u>2.63</u>



**MAYBANK MALAYSIA BALANCED-I FUND**  
(formerly known as MAYBANK DANA IKHLAS)

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

31.05.2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - Shariah-compliant (cont'd)</b>				
<b>Healthcare</b>				
Kossan Rubber Industries Bhd	69,800	295,435	607,260	2.34
Top Glove Corporation Bhd	62,000	335,689	824,600	3.17
	131,800	631,124	1,431,860	5.51
<b>Industrial Products &amp; Services</b>				
SKP Resources Bhd	230,000	243,501	248,400	0.96
Thong Guan Industries Bhd	75,000	252,330	268,500	1.03
UEM Edgenta Bhd	105,300	231,720	209,547	0.81
	410,300	727,551	726,447	2.80
<b>Plantation</b>				
Batu Kawan Bhd	21,570	373,678	301,549	1.16
Kuala Lumpur Kepong Bhd	16,044	366,805	353,610	1.36
Sarawak Oil Palms Bhd	81,900	284,483	262,899	1.01
United Plantation Bhd	18,400	237,898	242,512	0.93
	137,914	1,262,864	1,160,570	4.46
<b>Properties</b>				
S P Setia Bhd	97,251	326,672	92,875	0.36
<b>REITs</b>				
Axis REIT	274,044	495,341	567,271	2.18
KLCC Property Holdings Bhd	60,000	473,402	462,600	1.78
	334,044	968,743	1,029,871	3.96
<b>Technology</b>				
Inari Amerton Bhd	45,000	62,303	67,050	0.26
Malaysian Pacific Industries Bhd	19,900	240,778	218,900	0.84
MY E.G Services Bhd	110,000	141,782	148,500	0.57
Vitrox Corp Bhd	31,000	277,879	266,600	1.03
	205,900	722,742	701,050	2.70
<b>Telecommunications &amp; Media</b>				
Telekom Malaysia Bhd	60,000	257,526	253,800	0.98
Time Dotcom Bhd	12,000	125,905	128,400	0.49
	72,000	383,431	382,200	1.47

**MAYBANK MALAYSIA BALANCED-I FUND**  
(formerly known as MAYBANK DANA IKHLAS)

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

31.05.2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - Shariah-compliant (cont'd)</b>				
<b>Transportation &amp; Logistic</b>				
Lingkar Trans Kota Holdings Bhd	40,300	187,379	159,990	0.62
Westports Holdings Bhd	115,000	482,135	458,850	1.76
	<u>155,300</u>	<u>669,514</u>	<u>618,840</u>	<u>2.38</u>
<b>Utilities</b>				
Mega First Corporation Bhd	50,000	262,505	334,000	1.28
Ranhill Holdings Bhd	330,000	392,331	320,100	1.23
	<u>380,000</u>	<u>654,836</u>	<u>654,100</u>	<u>2.51</u>
<b>Total quoted equities - Shariah-compliant</b>	<u>2,960,609</u>	<u>10,923,622</u>	<u>10,670,729</u>	<u>41.04</u>
<b>(c) Unquoted fixed income securities</b>				
<b>Construction</b>				
IJM Land Bhd				
- 4.73% / 17.03.2119	500,000	500,968	493,335	1.90
- 5.65% / 17.03.2119	400,000	400,000	416,792	1.60
	<u>900,000</u>	<u>900,968</u>	<u>910,127</u>	<u>3.50</u>
<b>Consumer Products</b>				
DRB-Hicom				
- 4.85% / 11.12.2026	600,000	600,000	597,474	3.55
<b>Energy</b>				
Sarawak Energy Bhd				
- 4.95% / 21.11.2033	300,000	300,624	346,116	1.33
- 5.32% / 03.12.2032	600,000	727,515	713,106	2.74
	<u>900,000</u>	<u>1,028,139</u>	<u>1,059,222</u>	<u>4.07</u>

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

31.05.2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(c) Unquoted fixed income securities (cont'd)</b>				
<b>Financial Services</b>				
Affin Islamic Bank Bhd - 5.05% / 23.10.2028	1,000,000	1,006,003	1,043,130	4.01
SME Bank - 3.30% / 23.04.2027	400,000	400,000	408,968	1.57
Gulf Investment Corporation - 5.10% / 16.03.2021	1,000,000	1,011,073	1,015,830	3.91
	<u>2,400,000</u>	<u>2,417,076</u>	<u>2,467,928</u>	<u>9.49</u>
<b>Property</b>				
Fortune Premier Sdn Bhd - 5.05% / 05.09.2025	100,000	105,462	107,540	0.41
- 5.05% / 31.10.2025	500,000	501,763	538,480	2.07
	<u>600,000</u>	<u>607,225</u>	<u>646,020</u>	<u>2.48</u>
<b>Real Estate</b>				
Country Garden Real Estate Sdn Bhd - 6.40% / 06.05.2022	400,000	400,000	421,196	1.62
- 6.40% / 18.03.2022	500,000	500,000	524,815	2.02
- 6.40% / 18.03.2022	200,000	200,000	212,468	0.82
Talam Transform Bhd - 0.00% / 28.06.2020	132,222	-	127,071	0.49
	<u>1,232,222</u>	<u>1,100,000</u>	<u>1,285,550</u>	<u>4.95</u>

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

31.05.2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(c) Unquoted fixed income securities (cont'd)</b>				
<b>Transportation &amp; Logistic</b>				
MMC Corporation Bhd - 5.70% / 24.03.2028	1,000,000	1,027,147	1,085,420	4.18
Penang Port Sdn Bhd - 4.48% / 27.12.2029	500,000	531,229	532,880	2.05
	<u>1,500,000</u>	<u>1,558,376</u>	<u>1,618,300</u>	<u>6.23</u>
<b>Utilities</b>				
Quantum Solar Park (Semenanjung) Sdn Bhd - 5.16% / 06.10.2022	500,000	506,928	512,435	1.97
Edra Power Holdings Sdn Bhd - 6.51% / 06.10.2022	700,000	865,275	867,076	3.34
Cypark Resources Bhd - 5.18% / 29.06.2029	500,000	508,942	521,050	2.00
TNB Northern Energy Bhd - 4.62% / 30.05.2033	1,300,000	1,417,139	1,440,075	5.54
	<u>3,000,000</u>	<u>3,298,284</u>	<u>3,340,636</u>	<u>12.85</u>
<b>Total unquoted fixed income securities</b>	<u>11,132,222</u>	<u>11,510,068</u>	<u>11,925,257</u>	<u>47.12</u>
<b>Total FVTPL investments</b>	<u>14,092,831</u>	<u>22,433,690</u>	<u>22,595,986</u>	<u>88.16</u>
<b>Unrealised loss on FVTPL investments</b>			<u>(162,296)</u>	

**MAYBANK MALAYSIA BALANCED-I FUND**  
(formerly known as MAYBANK DANA IKHLAS)

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

30.11.2019	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - Shariah-compliant</b>				
<b>Construction</b>				
Gabungan AQRS Bhd	172,000	248,832	208,120	0.84
IJM Corporation Bhd	112,100	248,952	234,289	0.94
Sunway Construction Group Bhd	109,700	227,936	199,654	0.80
	393,800	725,720	642,063	2.58
<b>Construction</b>				
Gabungan AQRS Bhd	172,000	248,832	208,120	0.84
IJM Corporation Bhd	112,100	248,952	234,289	0.94
Sunway Construction Group Bhd	109,700	227,936	199,654	0.80
	393,800	725,720	642,063	2.58
<b>Consumer Products</b>				
Ajinomoto (Malaysia) Bhd	17,600	352,037	268,928	1.08
Bermaz Auto Bhd	199,000	433,331	419,890	1.69
DRM-HICOM Bhd	90,000	253,917	207,900	0.84
Dutch Lady Milk Industries Bhd	3,800	243,180	212,040	0.85
Fraser & Neave Holdings Bhd	13,700	473,809	475,938	1.92
Power Root Bhd	122,000	256,250	295,240	1.19
UMW Holdings Bhd	45,300	279,200	197,961	0.80
	491,400	2,291,724	2,077,897	8.37
<b>Energy</b>				
Sapura Energy Bhd	1,528,600	473,866	420,365	1.69
Velesto Energy Bhd	700,000	240,835	269,500	1.08
	2,228,600	714,701	689,865	2.77
<b>Financial Services</b>				
Syarikat Takaful Malaysia Keluarga Bhd	40,000	262,250	231,600	0.93
BIMB Holdings Bhd	55,100	219,408	229,216	0.92
	95,100	481,658	460,816	1.85

**MAYBANK MALAYSIA BALANCED-I FUND**  
(formerly known as MAYBANK DANA IKHLAS)

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

30.11.2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - Shariah-compliant (cont'd)</b>				
<b>Healthcare</b>				
Kossan Rubber Industries Bhd	91,800	382,637	383,724	1.54
Top Glove Corporation Bhd	72,000	389,832	324,000	1.30
	163,800	772,469	707,724	2.84
<b>Industrial Products &amp; Services</b>				
Cahaya Mata Sarawak Bhd	71,000	238,588	170,400	0.69
<b>Plantation</b>				
Batu Kawan Bhd	21,000	364,245	328,440	1.32
Kuala Lumpur Kepong Bhd	15,800	361,279	368,772	1.48
Sime Darby Plantation Bhd	47,000	239,427	234,060	0.94
United Plantation Bhd	9,200	237,898	239,200	0.96
	93,000	1,202,849	1,170,472	4.70
<b>Properties</b>				
S P Setia Bhd	97,251	326,672	126,426	0.51
<b>REITs</b>				
Al-Aqar Healthcare REIT	132,200	197,011	193,012	0.78
Axis REIT	280,000	506,367	498,400	2.01
KLCC Property Holdings Bhd	60,000	473,402	480,000	1.93
	472,200	1,176,780	1,171,412	4.72
<b>Technology</b>				
Inari Amerton Bhd	150,000	253,950	273,000	1.10
MY E.G Services Bhd	180,000	250,200	212,400	0.85
	330,000	504,150	485,400	1.95
<b>Transportation &amp; Logistic</b>				
MISC Bhd	35,000	283,574	285,250	1.15
Westports Holdings Bhd	115,000	482,135	479,550	1.93
	150,000	765,709	764,800	3.08

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

30.11.2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - Shariah-compliant (cont'd)</b>				
<b>Utilities</b>				
Ranhill Holdings Bhd	330,000	392,331	376,200	1.51
Tenaga Nasional Bhd	36,000	530,089	473,760	1.92
	366,000	922,420	849,960	3.43
<b>Total quoted equities -Shariah-compliant</b>	4,952,151	10,123,440	9,317,235	37.49
<b>(b) Quoted equities - Shariah non-compliant</b>				
<b>Technology</b>				
Pentamaster Corporation Bhd *	27,000	126,465	120,960	0.49
<b>Total quoted equities Shariah non-compliant</b>	27,000	126,465	120,960	0.49
<b>Total quoted equities</b>	4,979,151	10,249,905	9,438,195	37.98
<p>* Pentamaster Corporation Berhad was reclassified to Shariah non-compliant based on the Shariah Adviser's approved list effective 29 November 2019. The Manager dispose the shares on 10 January 2020 upon recovery of the investment cost less dividend income that is received from the Shariah non-compliant equities. There is no dividend income received for this security during the period.</p>				
<b>(c) Unquoted fixed income securities</b>				
<b>Construction</b>				
IJM Land Bhd				
- 4.73% / 17.03.2119	500,000	500,968	502,400	2.02
- 5.65% / 17.03.2119	400,000	400,000	423,648	1.70
	900,000	900,968	926,048	3.72

**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

30.11.2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(c) Unquoted fixed income securities (cont'd)</b>				
<b>Energy</b>				
Sarawak Energy Bhd - 4.95% / 21.11.2033	800,000	801,707	881,680	3.55
<b>Financial Services</b>				
Affin Islamic Bank Bhd - 5.05% / 23.10.2028	1,000,000	1,006,757	1,036,420	4.17
Aman Sukuk Berhad - 4.25% / 20.10.2023	3,000,000	3,017,033	3,075,870	12.38
	4,000,000	4,023,790	4,112,290	16.55
<b>Construction</b>				
IJM Land Bhd - 4.73% / 17.03.2119	500,000	500,968	502,400	2.02
- 5.65% / 17.03.2119	400,000	400,000	423,648	1.70
	900,000	900,968	926,048	3.72
<b>Energy</b>				
Sarawak Energy Bhd - 4.95% / 21.11.2033	800,000	801,707	881,680	3.55
<b>Financial Services</b>				
Affin Islamic Bank Bhd - 5.05% / 23.10.2028	1,000,000	1,006,757	1,036,420	4.17
Aman Sukuk Berhad - 4.25% / 20.10.2023	3,000,000	3,017,033	3,075,870	12.38
	4,000,000	4,023,790	4,112,290	16.55



**MAYBANK MALAYSIA BALANCED-I FUND**  
**(formerly known as MAYBANK DANA IKHLAS)**

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

30.11.2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(c) Unquoted fixed income securities (cont'd)</b>				
<b>Property</b>				
Fortune Premier Sdn Bhd				
- 5.05% / 05.09.2025	400,000	423,779	423,564	1.70
- 5.05% / 31.10.2025	500,000	501,907	529,895	2.13
	<u>900,000</u>	<u>925,686</u>	<u>953,459</u>	<u>3.83</u>
<b>Real Estate</b>				
Country Garden				
Real Estate Sdn Bhd				
- 6.40% / 06.05.2022	400,000	400,000	413,240	1.66
- 6.40% / 18.03.2022	500,000	500,000	515,805	2.08
Talam Transform Bhd				
- 0.00% / 28.06.2020	142,111	-	130,503	0.53
	<u>1,042,111</u>	<u>900,000</u>	<u>1,059,548</u>	<u>4.27</u>
<b>Transportation &amp; Logistic</b>				
Anih Bhd				
- 6.00% / 29.11.2028	300,000	328,588	343,260	1.38
MMC Corporation Bhd				
- 5.70% / 24.03.2028	500,000	504,955	526,370	2.12
	<u>800,000</u>	<u>833,543</u>	<u>869,630</u>	<u>3.50</u>

**MAYBANK MALAYSIA BALANCED-I FUND**  
(formerly known as MAYBANK DANA IKHLAS)

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

30.11.2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(c) Unquoted fixed income securities (cont'd)</b>				
<b>Utilities</b>				
Quantum Solar Park (Semenanjung) Sdn Bhd - 5.16% / 06.10.2022	1,300,000	1,321,700	1,324,284	5.34
Edra Power Holdings Sdn Bhd - 6.39% / 05.01.2034	700,000	836,971	833,588	3.35
Cypark Resources Bhd - 5.18% / 29.06.2029	500,000	509,360	507,515	2.04
	<u>2,500,000</u>	<u>2,668,031</u>	<u>2,665,387</u>	<u>10.73</u>
<b>Total unquoted fixed income securities</b>	<u>10,942,111</u>	<u>11,053,725</u>	<u>11,468,042</u>	<u>46.15</u>
<b>Total FVTPL investments</b>	<u>15,921,262</u>	<u>21,303,630</u>	<u>20,906,237</u>	<u>84.13</u>
<b>Unrealised gain on FVTPL investments</b>			<u>397,393</u>	

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

**MAYBANK MALAYSIA BALANCED-I FUND**  
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**8. SHARIAH-COMPLIANT DEPOSIT WITH ISLAMIC LICENSED FINANCIAL INSTITUTION**

	<b>31.05.2020</b>	<b>30.11.2019</b>
	<b>RM</b>	<b>RM</b>
Deposit with maturity of less than 3 months	3,086,815	3,900,392

The weighted average effective profit rates ("WAEPR") of deposits and the average maturity of deposits as at the reporting date were as follows:

	<b>31.05.2020</b>		<b>30.11.2019</b>	
	<b>WAEPR</b>	<b>Average</b>	<b>WAEPR</b>	<b>Average</b>
	<b>% p.a.</b>	<b>maturity</b>	<b>% p.a.</b>	<b>maturity</b>
		<b>days</b>		<b>days</b>
Deposit with maturity of less than 3 months	1.98	3	3.00	2

**9. AMOUNT DUE FROM/(TO) MANAGER**

	<b>Note</b>	<b>31.05.2020</b>	<b>30.11.2019</b>
		<b>RM</b>	<b>RM</b>
Amount due from Manager is in respect of:			
Creation of units	(i)	87,000	-
Amount due to Manager is in respect of:			
Manager's fee	(ii)	25,619	24,621
Cancellation of units	(iii)	-	9,704
		<u>25,619</u>	<u>34,325</u>

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

(ii) 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 year. The normal credit term for Manager's fee is 15 days (30.11.2019: 15 days).

(iii) The amount represents amount payable to the Manager for units redeemed or cancelled.

**10. AMOUNT DUE FROM/(TO) BROKERS**

Amount due from/(to) brokers relates to the amount receivable from/(payable to) a broker arising from the sale/(purchase) of investments. The settlement period for these receivables/(payables) are within 3 working days from the deal date.

**MAYBANK MALAYSIA BALANCED-I FUND**  
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**11. AMOUNT DUE TO TRUSTEE**

The 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/year. The normal credit term for Trustee's fee is 15 days (30.11.2019: 15 days).

**12. OTHER PAYABLES AND ACCRUALS**

Other payables and accruals comprise the following:

	<b>31.05.2020</b>	<b>30.11.2019</b>
	<b>RM</b>	<b>RM</b>
Due to external auditors	4,500	11,000
Due to tax agent	6,254	4,505
Other payables	27,313	30,335
	<u>38,067</u>	<u>45,840</u>

**13. TOTAL EQUITY**

		<b>01.12.2019</b>	<b>01.12.2018</b>
		<b>to</b>	<b>to</b>
	<b>Note</b>	<b>31.05.2020</b>	<b>30.11.2019</b>
		<b>RM</b>	<b>RM</b>
Unitholders' capital	(a)	25,763,165	24,915,913
Accumulated realised income	(b)	72,424	330,788
Accumulated unrealised income	(c)	162,300	(397,394)
		<u>25,997,889</u>	<u>24,849,307</u>

**(a) Unitholders' capital**

	<b>01.12.2019</b>		<b>01.12.2018</b>	
	<b>to</b>		<b>to</b>	
	<b>31.05.2020</b>		<b>30.11.2019</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
As at beginning of the financial period	47,051,486	24,915,913	44,679,095	23,662,564
Creation of units	2,577,869	1,340,659	4,179,591	2,225,695
Reinvestment of units	-	-	874,256	461,956
Cancellation of units	(934,816)	(493,407)	(2,681,456)	(1,429,614)
Distribution equalisation (Note 14)	-	-	-	(4,688)
As at end of the financial period	<u>48,694,538</u>	<u>25,763,165</u>	<u>47,051,486</u>	<u>24,915,913</u>

As at the end of the financial period, there were no units held by the Manager or other parties related to the Manager (01.12.2019 to 30.11.2019: nil).

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

**(b) Accumulated realised income**

	<b>01.12.2019 to 31.05.2020 RM</b>	<b>01.12.2018 to 30.11.2019 RM</b>
As at beginning of the financial period	330,788	164,142
Net realised loss for the financial period	(258,364)	623,914
Distribution out of retained earnings (Note 14)	-	(457,268)
As at end of the financial period	<u>72,424</u>	<u>330,788</u>

**(c) Accumulated unrealised income**

	<b>01.12.2019 to 31.05.2020 RM</b>	<b>01.12.2018 to 30.11.2019 RM</b>
As at beginning of the financial period	(397,394)	(940,574)
Net unrealised income/(loss) for the financial period	559,694	543,180
As at end of the financial period	<u>162,300</u>	<u>(397,394)</u>

**14. DISTRIBUTION**

Details of distribution declared to unitholders in the previous financial year is as follows:

	<b>30.11.2019 RM</b>
Gross dividend income	178,234
Profit from Sukuk	282,284
Profit on Shariah-compliant deposits placement	48,359
Net realised gain on sale of investments	67,854
Previous year's net realised income*	164,142
Less: Expenses	(283,606)
Distribution out of realised reserve (Note 12(b))	<u>457,268</u>
Distribution out of distribution equalisation (Note 12(a))	<u>4,688</u>
Distribution for the financial year	<u>461,956</u>
Gross distribution per unit (sen)	<u>1.00</u>
Net distribution per unit (sen)	<u>1.00</u>
Distribution date	<u>28/11/2019</u>

\* Part of the distribution were made from previous year's net realised income.

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**14. DISTRIBUTION (CONT'D)**

The distribution declared are settled in the forms of units and presented as 'reinvestment of units' in Note 13(a) on payment date.

There was no distribution declared for the current financial period from 1 December 2019 to 31 May 2020.

**15. TRANSACTIONS WITH RELATED AND OTHER STOCKBROKING COMPANIES / BROKERS / DEALERS**

Transactions with top 10 stockbroking companies / brokers / dealers are as follows:

	<b>Value of trade RM</b>	<b>Percent of total trade %</b>	<b>Brokerage fees RM</b>	<b>Percent of brokerage fees %</b>
<b>01.12.2019 to 31.05.2020</b>				
Affin Investment Bank Bhd	3,865,636	17.44	1,240	10
JP Apex Securities Bhd	3,686,466	16.63	3,732	29
RHB Investment Bank Bhd	3,478,130	15.69	766	5.89
TA Securities Bhd	3,077,205	13.88	3,140	24.14
CIMB Islamic Bank Bhd	3,041,700	13.72	-	-
Maybank Investment Bank Bhd	1,565,277	7.06	3,135	24.10
Alliance Investment Bank Bhd	1,230,460	5.55	-	-
Malayan Banking Bhd	1,000,000	4.51	-	-
Hong Leong Bank Bhd	522,750	2.36	-	-
Hong Leong Investment Bank Bhd	255,115	1.15	510	4
Others	442,781	2.01	486	3.73
UOB Kay Hian Securities (M) Sdn Bhd	242,781	1.10	486	3.73
Standard Chartered Bank (M) Bhd	200,000	0.91	-	-
	<b>22,165,520</b>	<b>100.00</b>	<b>13,009</b>	<b>100.00</b>
<b>01.12.2018 to 31.05.2019</b>				
RHB Investment Bank Bhd	3,584,913	19.01	-	-
Alliance Bank Malaysia Bhd	2,316,171	12.28	-	-
CIMB Investment Bank Bhd	2,083,083	11.05	2,696	14.62
Nomura Securities Malaysia Sdn Bhd	1,652,654	8.76	3,311	17.96
Maybank Investment Bank Bhd ("MIBB")*	1,525,817	8.09	2,570	13.94
Affin Hwang Investment Bank Bhd	1,473,116	7.81	1,919	10.41
TA Securities Bhd	1,433,827	7.60	1,433	7.77
Macquarie (M) Sdn Bhd	1,258,120	6.67	2,521	13.68
Standard Chartered Bank	900,000	4.77	-	-
JF Apex Securities Bhd	863,363	4.58	2,041	11.07
Others	1,766,139	9.37	1,944	10.55
	<b>18,857,203</b>	<b>100.00</b>	<b>18,435</b>	<b>100.00</b>

\* MIBB is a subsidiary of Malayan Banking Bhd, the ultimate holding company of the Manager.

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**16. 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/year.

In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant related party transactions of the Fund during the financial period/year.

	<b>01.12.2019</b>	<b>01.12.2018</b>
	<b>to</b>	<b>to</b>
	<b>31.05.2020</b>	<b>31.05.2019</b>
	<b>RM</b>	<b>RM</b>
(i) <u>Significant related party transaction</u>		
<u>MIB</u>		
Profit income from deposits	17,144	-
	<hr/>	<hr/>
	<b>31.05.2020</b>	<b>30.11.2019</b>
(ii) <u>Significant related party balances</u>		
<u>MIB</u>		
Deposit with licensed financial institution	1,279,000	-
	<hr/>	<hr/>

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 with unrelated parties.

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**17. 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 from 1 December 2019 to 31 May 2020, the MER of the Fund stood at 0.74% (01.12.2018 to 31.05.2019: 0.67%).

**18. 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 December 2019 to 31 May 2020, the PTR of the Fund stood at 0.45 times (01.12.2018 to 31.05.2019: 0.41 times).

**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 is responsible for the performance of the Fund by investing between 40% to 58% of the Fund's NAV in Shariah-compliant equities, 40% to 58% in sukuk and Shariah-compliant money market instruments and minimum of 2% in Shariah-compliant liquid assets.

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 of 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.



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**20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

**(a) Classification of financial instruments**

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to 2.15 to the financial statements 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) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

<b>31.05.2020</b>	<b>Financial instruments at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Assets</b>				
Financial assets at FVTPL	22,595,986	-	-	22,595,986
Shariah-compliant deposit with a licensed Islamic financial institution	-	3,086,815	-	3,086,815
Dividend receivable	-	8,329	-	8,329
Profit income receivable	-	128,775	-	128,775
Amount due from brokers	-	-	-	-
Amount due from Manager	-	87,000	-	87,000
Amount due from Brokers	-	238,467	-	238,467
Cash at bank	-	30,764	-	30,764
<b>Total financial assets</b>	<b>22,595,986</b>	<b>3,580,150</b>	<b>-</b>	<b>26,176,136</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	25,619	25,619
Amount due to Trustee	-	-	1,708	1,708
Amount due to Brokers	-	-	112,853	-
Other payables and accruals	-	-	38,067	38,067
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>178,247</b>	<b>178,247</b>

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**20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)**

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

<b>30.11.2019</b>	<b>Financial instruments at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Assets</b>				
Financial assets at FVTPL	20,906,237	-	-	20,906,237
Shariah-compliant deposit with a licensed Islamic financial institution	-	3,900,392	-	3,900,392
Dividend receivable	-	13,000	-	13,000
Profit income receivable	-	96,048	-	96,048
Amount due from brokers	-	-	-	-
Cash at bank	-	15,436	-	15,436
<b>Total financial assets</b>	<b>20,906,237</b>	<b>4,024,876</b>	<b>-</b>	<b>24,931,113</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	34,325	34,325
Amount due to Trustee	-	-	1,641	1,641
Amount due to Brokers	-	-	-	-
Other payables and accruals	-	-	45,840	45,840
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>81,806</b>	<b>81,806</b>

**(b) Financial instruments that are carried at fair value**

The Fund's FVTPL are measured at fair value.

Quoted equities

The fair value of quoted investments in shares are determined by reference to the last bid price on Bursa Malaysia as at the statement of financial position date.

Unquoted fixed income equities

Local unquoted fixed income securities denominated in RM are revalued on a daily basis based on fair value prices quoted by BPA as per SC's Guidelines on Unit Trust Funds.

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**20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)**

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

Other than its investments at FVTPL, the Fund's financial instruments were not carried at fair value but their carrying amounts were reasonable approximations of fair value due to their short-term maturity.

There were no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximations of their respective fair values.

**21. 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).

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>31.05.2020</b>				
Quoted equities	10,670,729	-	-	10,670,729
Unquoted fixed income securities	-	11,925,257	-	11,925,257
<hr/>				
<b>30.11.2019</b>				
Quoted equities	9,438,195	-	-	9,438,195
Unquoted fixed income securities	-	11,468,042	-	11,468,042
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**22. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

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