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MAYBANK SINGAPORE REITS FUND

Annual Report
For the financial year ended 31 July 2020

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
Telephone: +603 2297 7888
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TRUSTEE

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Level 11 Tower Three
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Maybank Asset Management Singapore Pte Ltd
2 Battery Road
08-01 Maybank Tower
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MAYBANK SINGAPORE REITS FUND

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MAYBANK SINGAPORE REITS FUND

Manager's report

For financial year ended 31 July 2020

A. Fund Information

1. Name of Fund

Maybank Singapore REITs Fund (the "Fund")

2. Type of Fund

Income Fund

3. Category of Fund

Wholesale Real Estate Investment Trust

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund launch date / Commencement date

Class	Launch Date	Commencement Date
MYR	13 September 2018	4 October 2018
MYR (Hedged)	13 September 2018	4 October 2018
SGD	13 September 2018	4 October 2018

6. Fund's investment objectives

The Fund aims to provide income through investments in a portfolio of Singapore Real Estate Investment Trusts ("SREITs") listed on the Singapore stock exchange.

7. Fund distribution policy

Subject to availability of income, distribution will be made on a semi-annual basis. The source of income, if any, for the purpose of distribution shall be derived from the realised income and/or gain.

8. Fund's performance benchmark

Absolute return of 5% per annum (SGD) of the Funds' Net Asset Value ("NAV")

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

The Fund seeks to achieve its investment objective by investing a minimum of 70% of the Fund's NAV in listed SREITs, maximum of 30% of its NAV in liquid assets (not limited to fixed deposits and money market instruments), and a maximum of 20% of its NAV in real estate investment trusts ("REITs") listed on other stock exchanges.

MAYBANK SINGAPORE REITS FUND

Manager's report

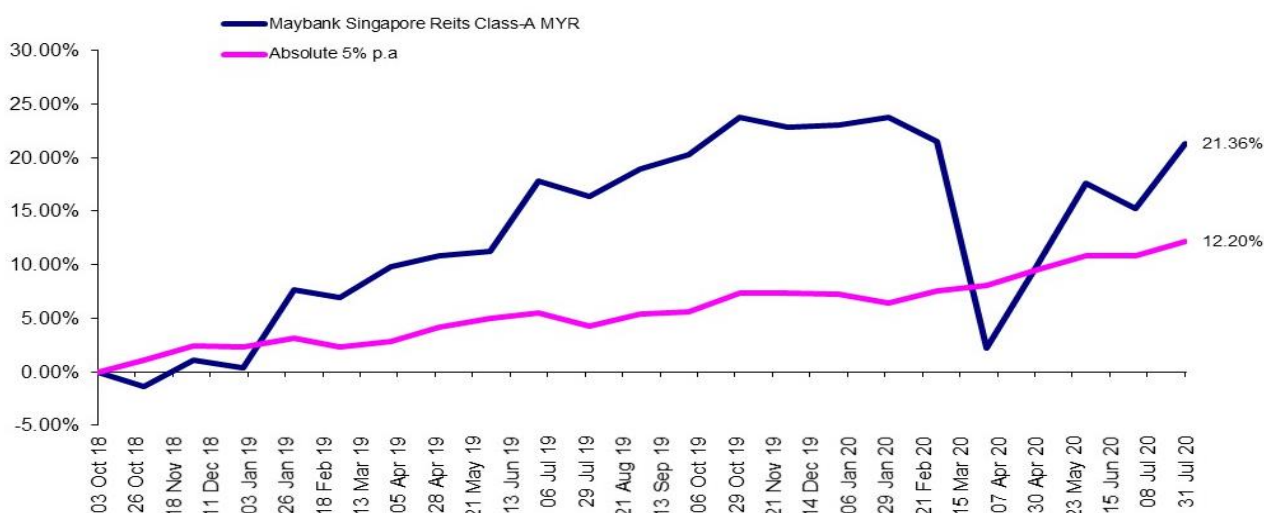
For financial year ended 31 July 2020 (cont'd)

B. Performance Review

Returns of the different classes and its benchmark for the financial year ended 31 July 2020 are as follows:

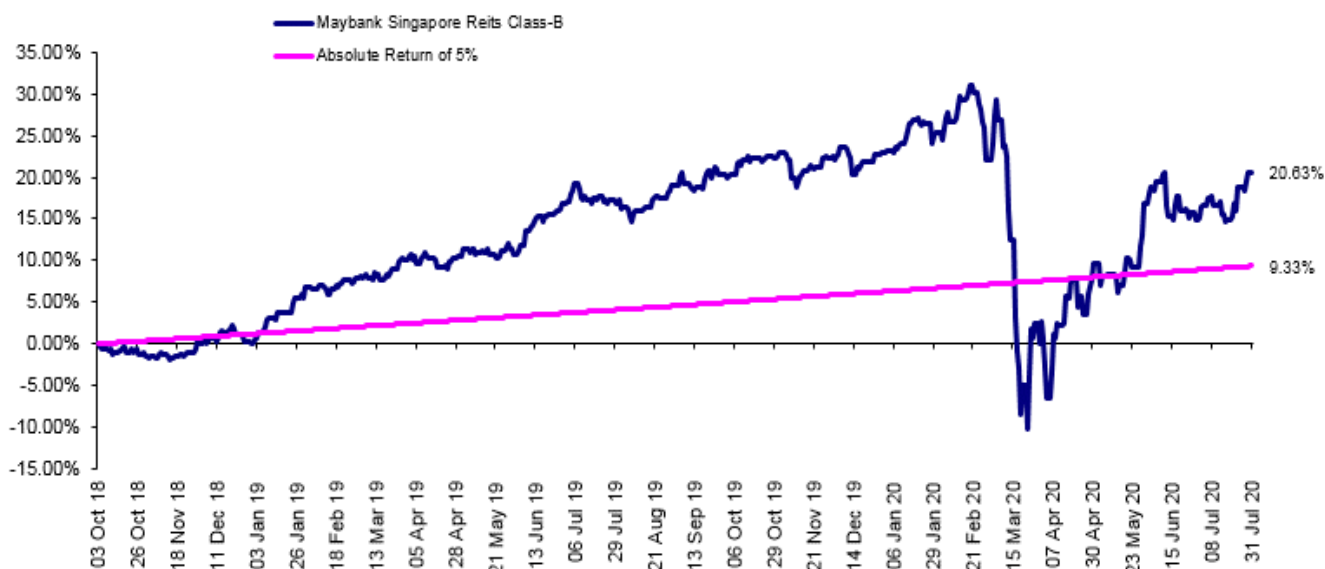
(a) MYR Class

Period	The Fund %	Benchmark %
1 August 2019 to 31 July 2020	4.29	7.65



(b) MYR (Hedged) Class

Period	The Fund %	Benchmark %
1 August 2019 to 31 July 2020	2.84	5.00



MAYBANK SINGAPORE REITS FUND

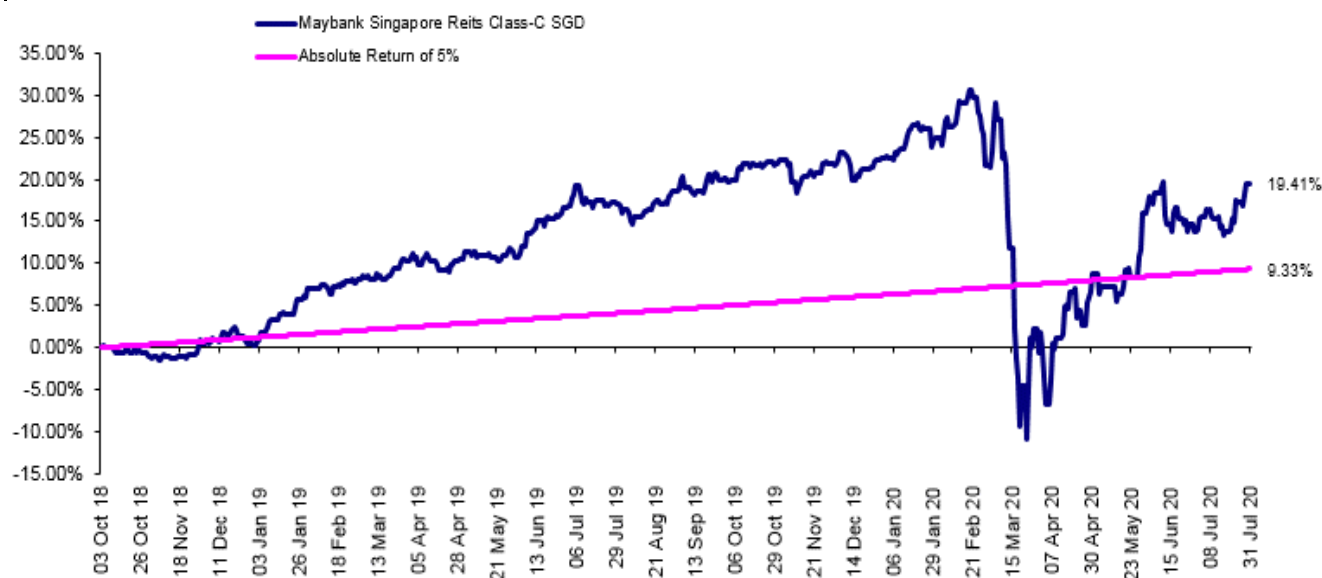
Manager's report

For financial year ended 31 July 2020 (cont'd)

B. Performance Review (cont'd)

(c) SGD Class

Period	The Fund %	Benchmark %
1 August 2019 to 31 July 2020	2.22	5.00



For the period under review from 1 Aug 2019 till 31 July 2020, the total return of Fund – Class A (MYR) was up 4.29% compared to the benchmark of 7.65%. Class B (MYR hedged) and Class C (SGD) were up by 2.84% and 2.22% respectively compared to the benchmark of 5.00%.

C. Market Review

For the year under review, SREITs moved steadily higher in the first half of the year since August 2019, but suffered a sharp market correction in March 2020 as the COVID-19 pandemic affected major financial markets. Many SREITs stock prices had found a bottom on 23 March 2020 and recovered back in the last week of March 2020. Market sentiment in April 2020 was lifted by news of more economies emerging from COVID-19 lockdown. Most SREITs held on to the gains. The Monetary Authority of Singapore ("MAS") announced two measures to help SREITs by allowing REIT managers more flexibility to manage their cash flows.

SREITs jumped higher by 6-7% in May 2020 as Singapore approaches end of the Circuit Breaker on 2 June 2020 and moves into Phase 1 of the re-opening of the economy. Singapore announced its 4th stimulus package to combat the COVID-19 called the Fortitude Budget. In June 2020, SREITs entered into a consolidation phase after market recovery phase from April 2020 to May 2020. Market conditions have improved significantly since March 2020, and in a turn of events, we are starting to see acquisitions coming back as refinancing concerns abate.

In July 2020, SREITs increased by 4-5% after reporting second quarter 2020 earnings that was better than expected. Generally Industrial REITs showed the best earnings report, followed by Office, Retail and Hospitality REITs.

MAYBANK SINGAPORE REITS FUND

Manager's report

For financial year ended 31 July 2020 (cont'd)

D. Market Outlook

In terms of market outlook, we saw many SREITs report their second quarter 2020 earnings in the month of July 2020. This gave us a glimpse of the impact of COVID-19 on their business. Second quarter 2020 coincides with the worst of the pandemic disruption and the circuit-breaker period in Singapore (7 April 2020 to 1 June 2020) when many businesses and tenants had to shut down operations.

Nearly all SREITs reported Year on Year ("YoY") declines in their distribution per unit ("DPU") with the steepest declines in the Hospitality segment (disrupted by border closures and flight cancellations) and Retail segment (affected by at least 2 months of rental rebates for affected tenants).

E. Investment Strategies

In terms of strategy, we lowered our exposure to Hospitality REITs as business operations were not as good as we expected. We also saw encouraging stability in the Office segment due to the longer-term nature of the leases, and in some cases, rental reversions were still in the positive territory. This led us to increase our exposure in Office REITs slightly through Keppel REIT. The Industrial segment had the best results, there was little impact to business and the segment saw good share price follow-through after results. This helped us to outperform as we were overweight Industrial REITs.

Overall, we maintain our preference for Industrial, followed by Retail and then Office REITs. We maintain a positive view on SREITs, as there are likely to be catalysts when restrictions on economic activity are lifted. For instance, Office REITs may benefit when office workers are allowed to return to their offices for work.

F. Asset Allocation

Asset allocation	2020		2019	
	SGD	%	SGD	%
FVTPL - SREITs	66,710,464	80.57	24,060,360	79.58
FVTPL - REITs on other stock exchanges	8,120,771	9.81	2,143,454	7.09
Cash, deposit with a licensed financial institution and other net assets	7,964,020	9.62	4,030,966	13.33
Total NAV	82,795,255	100.00	30,234,780	100.00

G. 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 year ended 31 July 2020, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

MAYBANK SINGAPORE REITS FUND

Manager's report

For financial year ended 31 July 2020 (cont'd)

H. Significant Financial Risk of the Fund

As the base currency of the Fund is denominated in SGD and the currency denomination of the Classes may be denominated in other than SGD, the Classes not denominated in SGD are exposed to currency risk. Any fluctuation in the exchange rates between SGD and the currency denomination of the Class (other than SGD Class) will affect the unitholder's investments in those Classes (other than SGD Class). The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the Class (other than SGD Class) may result in a depreciation of the unitholder's holdings as expressed in the base currency of the Fund.

In order to manage currency risk, the Manager may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Class not denominated in SGD. Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged (other than SGD Class) but it does not entirely eliminate currency risk between the Class and the base currency of the Fund. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK SINGAPORE REITS FUND FOR THE FINANCIAL YEAR ENDED 31 JULY 2020

We have acted as Trustee of Maybank Singapore REITs Fund (the "Fund") for the financial year ended 31 July 2020. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager"), has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, 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 year ended 31 July 2020 are consistent with the objectives of the Fund.

For and on behalf of
RHB TRUSTEES BERHAD

MOHD SOFIAN BIN KAMARUDDIN
Vice President

Kuala Lumpur, Malaysia
xx September 2020

LEE YIT CHENG
Head, Group International Operations Support
& Trustee Operations

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK SINGAPORE REITS FUND
FOR THE FINANCIAL YEAR ENDED 31 JULY 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 Singapore REITs Fund as at 31 July 2020 and of its results, changes in equity and cash flows for the financial year ended 31 July 2020 and comply with the requirements of the Deed.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Director

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
xx September 2020

Independent auditors' report to the Unitholders of Maybank Singapore REITs Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Singapore REITs Fund (the "Fund"), which comprise the statement of financial position as at 31 July 2020 of the Fund, and the statement of comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 17 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2020, and of its financial performance and cash flows for the year 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 Ethics Standards Board for Accountants' 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.

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 Singapore REITs Fund (cont'd)

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 Singapore REITs Fund (cont'd)

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 Singapore REITs Fund (cont'd)**

Other matters

This report is made solely to the Unitholders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Fund 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
20200600000 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
No. 03013/10/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
xx September 2020

MAYBANK SINGAPORE REITS FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL YEAR ENDED 31 JULY 2020**

		01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of launch) to 31.07.2019 SGD (Restated)
INVESTMENT INCOME			
Dividend income		2,441,807	664,873
Interest income		132,761	43,745
Net gain on financial assets at fair value through profit or loss ("FVTPL")	7(a)		
- Realised gain		1,008,955	1,434,818
- Unrealised gain		(1,667,673)	999,733
Net (loss)/gain on foreign exchange and forward currency contracts	3	(431,931)	287,952
		<u>1,483,919</u>	<u>3,431,121</u>
EXPENSES			
Manager's fee	4	736,405	167,112
Trustee's fee	5	12,273	2,784
Auditors' remuneration		2,955	2,966
Tax agent's fee		1,725	1,154
Brokerage and other transaction fees		239,398	103,063
Administrative expenses		15,259	1,217
		<u>1,008,015</u>	<u>278,296</u>
Net income before distribution and taxation		475,904	3,152,825
Distribution to unitholders			
MYR Class		(340,168)	(180,893)
MYR Hedged Class		(1,446,268)	(927,047)
SGD Class		(244,897)	(138,011)
		<u>(2,031,333)</u>	<u>(1,245,951)</u>
Net (loss)/income before taxation		(1,555,429)	1,906,874
Taxation	6	(157,748)	(45,133)
Net (loss)/income after taxation, and total comprehensive (loss)/income for the financial year/period		<u>(1,713,177)</u>	<u>1,861,741</u>
Net (loss)/income after tax is made up of the following:			
Net realised income		426,537	624,899
Net unrealised (loss)/income		(2,139,714)	1,236,842
		<u>(1,713,177)</u>	<u>1,861,741</u>

MAYBANK SINGAPORE REITS FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL YEAR ENDED 31 JULY 2020 (CONT'D)**

	Note	01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of launch) to 31.07.2019 SGD
Distributions for the financial year/period:	16		
<u>MYR Class</u>			
Net distributions		SGD 972,760	SGD 272,832
Gross distribution per unit (RM sen)		5.80	6.10
Net distribution per unit (RM sen)		5.80	6.00
Distribution date		28.07.2020	31.07.2019
<u>MYR (Hedged) Class</u>			
Net distributions		SGD 3,375,634	SGD 1,153,267
Gross distribution per unit (RM sen)		5.80	6.10
Net distribution per unit (RM sen)		5.80	6.00
Distribution date		28.07.2020	31.07.2019
<u>SGD Class</u>			
Net distributions		SGD 507,983	SGD 207,022
Gross distribution per unit (SGD cent)		5.80	6.10
Net distribution per unit (SGD cent)		5.80	6.00
Distribution date		28.07.2020	31.07.2019

Please see Note 16 for the distribution dates.

The accompanying notes form an integral part of the audited financial statements.

MAYBANK SINGAPORE REITS FUND

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

	Note	31.07.2020 SGD	31.07.2019 SGD
ASSETS			
Financial assets at FVTPL	7	74,831,235	26,203,814
Derivative assets	8	3,366	230,558
Deposit with a licensed financial institution	9	3,570,600	3,735,667
Dividend receivable		514,338	188,644
Interest receivable		323	297
Amount due from Manager	10	203,789	218,496
Cash at bank	11	4,537,909	2,407,229
TOTAL ASSETS		83,661,560	32,984,705
LIABILITIES			
Amount due to Manager	10	595,085	754,442
Amount due to Trustee	12	1,345	529
Derivative liabilities	8	253,982	-
Amount due to broker	13	-	357,042
Distributions payable		-	1,633,121
Other payables and accruals	14	15,893	4,791
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		866,305	2,749,925
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		82,795,255	30,234,780
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS:			
Unitholders' contribution	15 (a)	82,646,691	28,373,039
Retained earnings	15 (b) & (c)	148,564	1,861,741
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		82,795,255	30,234,780
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- MYR Class		52,841,083	13,718,334
- MYR (Hedged) Class		159,378,434	57,987,436
- SGD Class		7,247,990	3,450,365
		219,467,507	75,156,135
NET ASSET VALUE ("NAV") PER UNIT			
- MYR Class (RM)		RM 1.0932	RM 1.1037
- MYR (Hedged) Class (RM)		RM 1.0872	RM 1.1130
- SGD Class (SGD)		SGD 1.0756	SGD 1.1082

The accompanying notes form an integral part of the audited financial statements.

MAYBANK SINGAPORE REITS FUND

**STATEMENT OF CHANGES IN NET ASSET ATTRIBUTABLE TO UNITHOLDERS
FOR FINANCIAL YEAR ENDED 31 JULY 2020**

	Unitholders' contribution Note 15 (a) SGD	Retained earnings Note 15 (b) & (c) SGD	Total equity SGD
At 13 September 2018 (date of launch)	-	-	-
Total comprehensive income for the period	-	1,861,741	1,861,741
Creation of units	45,927,141	-	45,927,141
Cancellation of units	(17,166,932)	-	(17,166,932)
Distributions (Note 16)	(387,170)	-	(387,170)
At 31 July 2019	<u>28,373,039</u>	<u>1,861,741</u>	<u>30,234,780</u>
At 1 August 2019	28,373,039	1,861,741	30,234,780
Total comprehensive income for the year	-	(1,713,177)	(1,713,177)
Creation of units	87,318,899	-	87,318,899
Reinvestment of units	5,629,496	-	5,629,496
Cancellation of units	(36,714,862)	-	(36,714,862)
Distributions (Note 16)	(1,959,881)	-	(1,959,881)
At 31 July 2020	<u>82,646,691</u>	<u>148,564</u>	<u>82,795,255</u>

The accompanying notes form an integral part of the audited financial statements.

MAYBANK SINGAPORE REITS FUND

**STATEMENT OF CASH FLOWS
FOR FINANCIAL YEAR ENDED 31 JULY 2020**

	01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of launch) to 31.07.2019 SGD
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale of financial assets at FVTPL	53,190,568	19,367,334
Net purchase of financial assets at FVTPL	(103,116,133)	(42,904,705)
Realised gain on forward foreign exchange contracts	94,363	55,385
Interest received	67,437	60,500
Dividend received	1,964,278	430,870
Manager's fee paid	(686,132)	(135,493)
Trustee's fee paid	(11,457)	(2,257)
Payment of other fees and expenses	(8,790)	(546)
Net cash used in operating and investing activities	<u>(48,505,866)</u>	<u>(23,128,912)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	87,319,662	45,721,884
Cash paid on units cancelled	(36,845,754)	(16,459,778)
Distributions to unitholders	(456)	-
Net cash generated from financing activities	<u>50,473,452</u>	<u>29,262,106</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR/PERIOD	1,967,586	6,133,194
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	6,142,896	-
Effect on foreign exchange	(1,973)	9,702
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u>8,108,509</u>	<u>6,142,896</u>
Cash and cash equivalents comprise of:		
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 9)	3,570,600	3,735,667
Cash at bank (Note 11)	4,537,909	2,407,229
	<u>8,108,509</u>	<u>6,142,896</u>

The accompanying notes form an integral part of the audited financial statements.

MAYBANK SINGAPORE REITS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 JULY 2020

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Singapore REITs Fund ("the Fund") was constituted pursuant to the executed Deed dated 10 August 2018 between Maybank Asset Management Sdn Bhd ("MAM") as the Manager and RHB Trustee Berhad as the Trustee and the Registered Holders of the Fund.

To achieve its objective, the Fund will invest a minimum of 70% of its NAV into a basket of listed Singapore Real Estate Investment Trusts ("SREITs"). These includes but are not limited to initial public offer of SREITs which are to be listed on the Singapore stock exchange. The balance of 30% of the Fund's NAV will be invested in liquid asset which include but are not limited to fixed deposit and money market instruments. Also, up to 20% of the Fund's NAV may be invested in REIT listed on other stock exchanges.

As at 31 July 2020, the Fund launched three (3) Classes of units - MYR Class, MYR (Hedged) Class and SGD Class. MYR (Hedged) Class represents a Class denominated in MYR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of this Class. See Note 8 and Note 15 (a)(ii) for further details.

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") in accordance with a resolution of the Directors on XX September 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the financial year ended 31 July 2020 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Fund had adopted the MFRS, Amendments to Standards and IC Interpretations which have become effective during the financial year ended 31 July 2020. The adoption of the new pronouncements did not result in any material impact to the financial statements.

MAYBANK SINGAPORE REITS FUND

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

2.1 Basis of preparation (cont'd)

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

The financial statements are presented in Singapore Dollar ("SGD").

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.

MAYBANK SINGAPORE REITS FUND

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) Classification

Unless designated as 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.

The Fund classifies dividend receivable, interest receivable, amount due from Manager and cash and cash equivalents as loan and receivables, and are subsequently measured at amortised cost. Quoted equities and derivative assets are classified as FVTPL.

(ii) Financial assets at fair value through profit or loss ("FVTPL")

Investments in equity instruments 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;
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

MAYBANK SINGAPORE REITS FUND

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

2.4 Financial assets (cont'd)

(ii) Financial assets at fair value through profit or loss ("FVTPL") (cont'd)

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.

Dividend income on equity instruments and interest income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

(iii) Impairment of financial assets

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

ECL 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.

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.

MAYBANK SINGAPORE REITS FUND

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

2.4 Financial assets (cont'd)

(iv) Derecognition of financial assets

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

Classification

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

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 interest rate method.

Derecognition

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

MAYBANK SINGAPORE REITS FUND

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

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.

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

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

MAYBANK SINGAPORE REITS FUND

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

2.7 Functional and foreign currency

(a) 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 Singapore Dollar ("SGD"), which is also the Fund's functional currency.

(b) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

2.8 Unitholders' contribution

For the previous financial year ended 31 July 2019, unitholders' contributions to the Fund met certain criteria under MFRS 132 Financial Instruments: Presentation and, accordingly, have been classified as equity instruments.

The reclassification of the unitholders' contribution (and their retained earnings) from equity to liability did not give rise to any impact on the net income nor on the NAV of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

2.9 Distributions

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

MAYBANK SINGAPORE REITS FUND

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

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposits with licensed 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 measured at the fair value of consideration received or receivable.

- Dividend income is recognised when the right to receive is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.
- Profit income from deposits with a licensed financial institution is recognised on the accruals basis using the EIR method.
- Realised gain or loss on disposal of investments is accounted for as the difference between net disposal proceeds and the carrying amount of the investments.
- 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 that asset.

2.12 Income tax

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

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

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period. Tax on dividend income from foreign equities is based on the tax regime of the respective countries that the Fund invests in.

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

MAYBANK SINGAPORE REITS FUND

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

2.13 Segment information

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

2.14 Critical accounting estimates and judgments

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.

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.

3. NET (LOSS)/GAIN ON FOREIGN EXCHANGE AND FORWARD CURRENCY CONTRACTS

	01.08.2019	13.09.2018
	to	(date of
	31.07.2020	launch) to
	SGD	31.07.2019
		SGD
Realised foreign exchange (loss)/gain	(53,842)	5,616
Unrealised foreign exchange (loss)/gain	9,133	6,551
Realised gain on forward contracts	93,952	45,227
Unrealised (loss)/gain on forward contracts	(481,174)	230,558
	<u>(431,931)</u>	<u>287,952</u>

MAYBANK SINGAPORE REITS FUND

4. 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 fee (%)
MYR Class	1.20%
MYR (Hedged) Class	1.20%
SGD Class	1.20%

The Manager's fee is calculated and accrued daily in the Fund's base currency which is SGD, which is also the Fund's functional currency and paid monthly to the Manager. There was no change to the fee rate in the current financial year.

5. TRUSTEE'S FEE

The Trustee's fee is calculated and accrued daily based on 0.02% p.a. of the NAV of each class, subject to a minimum of RM6,000 p.a. before deducting Manager's fee and Trustee's fee for the day. There was no change to the fee rate in the current financial year.

6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial year/period. Dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

The taxation charge for the financial year/period is on taxable dividend income derived from countries including Singapore, United States and Europe calculated at the rates prevailing in these countries. In accordance with Schedule 6 of the Income Tax Act 1967, interest income and dividend income earned by the Fund is exempted from Malaysian tax.

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

	01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of launch) to 31.07.2019 SGD (Restated)
Net (loss)/income before taxation	(1,555,429)	1,906,874
Taxation at Malaysian statutory rate of 24%	(373,303)	457,650
Income not subject to tax	(356,141)	(823,469)
Income taxed at source	157,748	45,133
Expenses not deductible for tax purposes	729,444	365,819
Tax expense for the financial year/period	157,748	45,133

MAYBANK SINGAPORE REITS FUND

7. FINANCIAL ASSETS AT FVTPL

			31.07.2020 SGD	31.07.2019 SGD
Financial assets at FVTPL			74,831,235	26,203,814
31.07.2020	Quantity Unit	Aggregate cost SGD	Market value SGD	Percentage of NAV %
Singapore Dollar ("SGD")				
Ascendas India Trust	2,750,400	4,179,627	3,850,560	4.65
Ascendas Real Estate Investment Trust ("REIT")	2,064,872	6,348,730	7,309,647	8.83
Ascott Residence Trust	1,693,100	2,101,675	1,515,325	1.83
CapitaLand Mall Trust	2,013,500	4,812,791	3,805,515	4.60
CapitaLand Retail China Trust	1,256,916	1,638,303	1,546,007	1.87
FarEast Hospitality Trust	2,368,200	1,587,446	1,160,417	1.40
Frasers Logistics & Industrial Trust	4,355,200	5,207,720	5,879,520	7.10
Fraser Centrepoint Trust	1,878,065	4,862,564	4,469,795	5.40
Keppel DC REIT	2,656,107	6,276,828	7,915,199	9.56
Keppel REIT	4,815,300	5,541,649	5,296,829	6.40
Lendlease Global Commercial Trust	3,825,300	2,932,974	2,390,813	2.89
Mapletree Commercial Trust	987,473	2,159,473	1,816,950	2.19
Mapletree Industrial Trust	2,252,800	6,117,093	7,344,127	8.87
Mapletree Logistics Trust	3,209,300	6,033,585	6,835,809	8.26
Mapletree North Asia Commercial Trust	1,001,700	1,192,806	856,454	1.03
Parkway Life REIT	481,000	1,562,369	1,712,360	2.07
Sasseur REIT	1,985,800	1,472,577	1,538,995	1.86
SPH REIT	1,141,900	1,213,108	942,068	1.14

MAYBANK SINGAPORE REITS FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.07.2020	Quantity Unit	Aggregate cost SGD	Market value SGD	Percentage of NAV %
Suntec REIT	391,100	705,916	524,074	0.63
	<u>41,128,033</u>	<u>65,947,234</u>	<u>66,710,464</u>	<u>80.58</u>
United States Dollar ("USD")				
Keppel-KBS US REIT	2,104,900	2,221,731	2,115,098	2.55
Manulife US REIT	3,715,854	4,724,040	3,938,452	4.76
Prime US REIT	1,937,800	2,590,351	2,067,221	2.50
	<u>7,758,554</u>	<u>9,536,122</u>	<u>8,120,771</u>	<u>9.81</u>
Total investments	<u>48,886,587</u>	<u>75,483,356</u>	<u>74,831,235</u>	<u>90.39</u>
Unrealised gain on FVTPL investments *			<u>(652,121)</u>	
31.07.2019				
European Euro ("Euro")				
Cromwell European REIT	<u>694,500</u>	<u>516,363</u>	<u>539,510</u>	<u>1.78</u>
Singapore Dollar ("SGD")				
Ascendas India Trust	414,900	562,305	585,009	1.93
Ascendas Real Estate Investment Trust ("REIT")	610,900	1,800,026	1,869,354	6.18
Ascott Residence Trust	239,600	289,382	313,876	1.04
CapitaLand Commercial Trust	542,600	1,117,551	1,117,756	3.70
CapitaLand Mall Trust	719,600	1,813,733	1,885,352	6.24
CapitaLand Retail China Trust	184,100	267,950	292,719	0.97
Frasers Centrepoint Trust	720,565	1,786,168	1,880,675	6.22

MAYBANK SINGAPORE REITS FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.07.2019	Quantity Unit	Aggregate cost SGD	Market value SGD	Percentage of NAV %
Frasers Commercial Trust	533,900	816,851	859,579	2.84
Frasers Logistics & Industrial Trust	430,400	479,347	516,480	1.71
Keppel DC REIT	1,031,500	1,640,186	1,763,865	5.83
Keppel REIT	901,600	1,083,623	1,117,984	3.70
Mapletree Commercial Trust	1,142,900	2,297,552	2,365,803	7.82
Mapletree Industrial Trust	802,900	1,716,299	1,806,525	5.97
Mapletree Logistics Trust	793,700	1,218,845	1,222,298	4.04
Mapletree North Asia Commercial Trust	1,648,700	2,280,614	2,341,154	7.74
Parkway Life REIT	93,300	262,269	285,498	0.94
Sasseur REIT	727,200	554,327	581,760	1.92
SPH REIT	1,399,000	1,435,045	1,496,930	4.95
Starhill Global REIT	723,600	541,980	575,262	1.90
Suntec REIT	619,100	1,142,884	1,182,481	3.91
	<u>14,280,065</u>	<u>23,106,937</u>	<u>24,060,360</u>	<u>79.55</u>
United States Dollar ("USD")				
Keppel-KBS US REIT	263,500	287,589	284,832	0.94
Manulife US REIT	831,800	993,774	1,012,955	3.35
Prime US REIT	250,000	298,584	306,157	1.01
	<u>1,345,300</u>	<u>1,579,947</u>	<u>1,603,944</u>	<u>5.30</u>
Total investments	<u>16,319,865</u>	<u>25,203,247</u>	<u>26,203,814</u>	<u>86.63</u>
Unrealised gain on FVTPL investments *			<u>1,000,567</u>	

MAYBANK SINGAPORE REITS FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

* The unrealised gain on FVTPL investments comprise the amounts arising from changes in fair values and effects from foreign exchange.

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

8. DERIVATIVE ASSETS

	Principal amount SGD	<-----Fair Value----->	
		Assets SGD	Liabilities SGD
<u>Foreign exchange related contracts</u>			
31.07.2020			
Currency forwards:			
Less than 1 year	145,414,150	3,366	(253,982)
31.07.2019			
Less than 1 year	19,900,000	230,558	-

As at the reporting date, there were 28 (31.07.2019: 21) forward exchange contracts outstanding.

The Fund entered into forward currency contracts during the financial year/period to hedge the foreign currency exposure of the MYR (Hedged) Class based on the features of the Class as disclosed in the Information Memorandum. As the Fund has not adopted hedge accounting during the financial year/period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income, and borne solely by the respective Class (i.e. MYR (Hedged) Class).

MAYBANK SINGAPORE REITS FUND

9. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.07.2020 SGD	31.07.2019 SGD
Short-term placement with a maturity of less than 3 months	<u>3,570,600</u>	<u>3,735,667</u>

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

	31.07.2020		31.07.2019	
	WAEPR % p.a.	Average maturity Days	WAEPR % p.a.	Average maturity Days
Deposit with a licensed financial institution	<u>1.65</u>	<u>4</u>	<u>2.90</u>	<u>1</u>

10. AMOUNT DUE FROM/TO MANAGER

	Note	31.07.2020 SGD	31.07.2019 SGD
Amount due from Manager is in respect of:			
Creation of units	(i)	<u>203,789</u>	<u>218,496</u>
Amount due to Manager is in respect of:			
Cancellation of units	(ii)	514,388	722,756
Manager's fee	(iii)	80,697	31,686
		<u>595,085</u>	<u>754,442</u>

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

(ii) The amount represented amount payable to the Manager for units cancelled.

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

11. CASH AT BANK

The table below indicates the currencies that the Fund have in cash and bank as at the reporting date:

	31.07.2020 SGD	31.07.2019 SGD
Malaysian Ringgit ("RM")	2,490,699	41,446
SGD	<u>2,047,210</u>	<u>2,365,783</u>
	<u>4,537,909</u>	<u>2,407,229</u>

MAYBANK SINGAPORE REITS FUND

12. AMOUNT DUE TO TRUSTEE

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

13. AMOUNT DUE TO BROKER

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

14. OTHER PAYABLES AND ACCRUALS

	31.07.2020 SGD	31.07.2019 SGD
Due to external auditors	3,439	3,444
Due to tax agents	1,475	1,347
Other payables	10,979	-
	<u>15,893</u>	<u>4,791</u>

15. NET ASSET ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	31.07.2020 SGD	31.07.2019 SGD
Unitholders' contribution	(a)	82,646,691	28,373,039
Accumulated realised income	(b)	1,051,436	624,899
Accumulated unrealised (loss)/income	(c)	(902,872)	1,236,842
		<u>82,795,255</u>	<u>30,234,780</u>

(a) Unitholders' contribution

The units are distributed based on the following share classes:

	31.07.2020		31.07.2019	
	Units	SGD	Units	SGD
(i) MYR Class	52,841,083	18,623,104	13,718,334	4,826,924
(ii) MYR (Hedged) Class	159,378,433	56,087,267	57,987,436	19,911,137
(iii) SGD Class	7,247,990	7,936,320	3,450,365	3,634,978
	<u>219,467,506</u>	<u>82,646,691</u>	<u>75,156,135</u>	<u>28,373,039</u>

MAYBANK SINGAPORE REITS FUND

15. NET ASSET ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(a) Unitholders' contribution (cont'd)

(i) MYR Class

	01.08.2019 to 31.07.2020		13.09.2018 (date of launch) to 31.07.2019	
	Units	SGD	Units	SGD
As at beginning of the financial year/period	13,718,334	4,826,924	-	-
Creation of units	52,783,103	19,259,149	19,872,756	7,206,412
Reinvestment of units	2,946,487	1,079,635	-	-
Cancellation of units	(16,606,841)	(6,077,128)	(6,154,422)	(2,287,549)
Distribution equalisation (Note 16 (i))	-	(465,476)	-	(91,939)
As at end of the financial year/period	<u>52,841,083</u>	<u>18,623,104</u>	<u>13,718,334</u>	<u>4,826,924</u>

	01.08.2019 to 31.07.2020		13.09.2018 (date of launch) to 31.07.2019	
	Units	SGD	Units	SGD
(ii) MYR (Hedged) Class				
As at beginning of the financial year/period	57,987,436	19,911,137	-	-
Creation of units	164,248,676	61,166,585	94,834,370	33,805,546
Reinvestment of units	10,691,371	3,948,077	-	-
Cancellation of units	(73,549,050)	(27,593,993)	(36,846,934)	(13,668,189)
Distribution equalisation (Note 16 (ii))	-	(1,344,539)	-	(226,220)
As at end of the financial year/period	<u>159,378,433</u>	<u>56,087,267</u>	<u>57,987,436</u>	<u>19,911,137</u>

The Fund is a multi-class Fund. The impact of the exchange rate movement between the SGD and MYR may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in MYR. MYR (Hedged) Class represents a Class denominated in MYR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of this Class. See Note 8 of the financial statements for further details.

MAYBANK SINGAPORE REITS FUND

15. NET ASSET ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(a) Unitholders' contribution (cont'd)

(iii) SGD Class	01.08.2019		13.09.2018	
	to		(date of launch)	
	31.07.2020		to	
	Units	SGD	Units	SGD
As at beginning of the financial year/period	3,450,365	3,634,978	-	-
Creation of units	6,074,125	6,893,165	4,511,503	4,915,183
Reinvestment of units	540,645	601,784	-	-
Cancellation of units	(2,817,145)	(3,043,741)	(1,061,138)	(1,211,194)
Distribution equalisation (Note 16 (iii))	-	(149,866)	-	(69,011)
As at end of the financial year/period	<u>7,247,990</u>	<u>7,936,320</u>	<u>3,450,365</u>	<u>3,634,978</u>

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

	31.07.2020		31.07.2019	
	No of units	Valued at NAV	No of units	Valued at NAV
MYR Class	<u>1,000</u>	<u>RM 1,093</u>	<u>1,000</u>	<u>RM 1,103</u>
MYR (Hedged) Class	<u>1,000</u>	<u>RM 1,087</u>	<u>1,000</u>	<u>RM 1,113</u>
SGD Class	<u>1,000</u>	<u>SGD 1,076</u>	<u>1,000</u>	<u>RM 1,108</u>

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

	01.08.2019		13.09.2018	
	to		(date of launch) to	
	31.07.2020		31.07.2019	
	SGD		SGD	

(b) Accumulated realised income

As at beginning of the financial year/period	624,899	-
Net realised income for the financial year/period	<u>426,537</u>	<u>624,899</u>
As at end of the financial year/period	<u>1,051,436</u>	<u>624,899</u>

(c) Accumulated unrealised (loss)/income

As at beginning of the financial year/period	1,236,842	-
Net unrealised (loss)/gain for the financial year/period	<u>(2,139,714)</u>	<u>1,236,842</u>
As at end of the financial year/period	<u>(902,872)</u>	<u>1,236,842</u>

MAYBANK SINGAPORE REITS FUND

15. NET ASSET ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(d) Classes of shares

(i) Types of classes of units

The Fund issues cancellable units, in three classes of units as detailed below:

Classes of units	Currency denomination	Categories of investors	Distribution policy
MYR Class	RM	Institutional	Distribution of income
MYR (Hedged) Class	RM	Institutional	Distribution of income
SGD Class	SGD	Institutional	Distribution of income

There are different charges and features for each class as follows:

- (a) Initial investments for each class
- (b) Additional investments
- (c) Minimum holdings
- (d) Transfer, switching and conversion charges for each class
- (e) Hedging strategy (See Note 15 (a)(ii))

(ii) NAV computation

The computation of NAV of the Fund is based on the Fund's functional currency, SGD, irrespective of the multiple classes of units (denominated in other currencies). Due to multiple classes in this Fund, the non-class designated income and expenses incurred by the Fund are apportioned based on the multi-class ratio, which is the size of the respective class relative to the whole Fund. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

(iii) Redemption of units by unitholders

These units are redeemable at the unitholder's option. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

There is no restriction on the putting of the units back to the Fund (i.e. redemption), subject to the minimum redemption amount of units of each class and the minimum unit holding for each class. If the unit holdings of a unitholder are, after a redemption request, falls below the minimum unit holdings for the Fund, a request for full redemption is deemed to have been made.

MAYBANK SINGAPORE REITS FUND

16. DISTRIBUTION

The sources of distribution and the gross/net distribution rates declared for the various classes of units are as follows:

(a) MYR Class	01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of launch) to 31.07.2019 SGD
Dividend income	341,836	64,068
Interest income	18,586	4,215
Net realised gain on sale of investments	146,860	143,163
Less: Expenses	(158,886)	(26,089)
Less: Taxation	(8,228)	(4,464)
Distribution out of realised reserve	<u>340,168</u>	<u>180,893</u>
Distribution out of distribution equalisation (Note 15 (a) (i))	<u>465,476</u>	<u>91,939</u>
Distribution for the financial year/period	<u>805,644</u>	<u>272,832</u>
Distribution dates	Gross distribution per unit (RM sen)	Net distribution per unit (RM sen)
01.08.2019 to 31.07.2020		
30 January 2020	3.10	3.10
28 July 2020	2.70	2.70
	<u>5.80</u>	<u>5.80</u>
13.09.2018 (date of launch) to 31.07.2019		
7 July 2019	<u>6.10</u>	<u>6.00</u>
(b) MYR (Hedged) Class	01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of launch) to 31.07.2019 SGD
Dividend income	1,368,666	328,934
Interest income	74,414	21,642
Net realised gain on sale of investments	588,016	735,005
Less: Expenses	(551,526)	(136,555)
Less: Taxation	(33,302)	(21,979)
Distribution out of realised reserve	<u>1,446,268</u>	<u>927,047</u>
Distribution out of distribution equalisation (Note 15 (a) (ii))	<u>1,344,539</u>	<u>226,220</u>
Distribution for the financial year/period	<u>2,790,807</u>	<u>1,153,267</u>

MAYBANK SINGAPORE REITS FUND

16. DISTRIBUTION (CONT'D)

(b) MYR (Hedged) Class (cont'd)

Distribution dates	Gross distribution per unit (RM sen)	Net distribution per unit (RM sen)
01.08.2019 to 31.07.2020		
30 January 2020	3.10	3.10
28 July 2020	2.70	2.70
	<u>5.80</u>	<u>5.80</u>
13.09.2018 (date of launch) to 31.07.2019		
7 July 2019	<u>6.10</u>	<u>6.00</u>

(c) SGD Class

	01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of launch) to 31.07.2019 SGD
Dividend income	241,319	49,800
Interest income	13,121	3,277
Net realised gain on sale of investments	103,677	111,279
Less: Expenses	(106,779)	(22,724)
Less: Taxation	(6,441)	(3,621)
Distribution out of realised reserve	<u>244,897</u>	<u>138,011</u>
Distribution out of distribution equalisation (Note 15 (a) (iii))	<u>149,866</u>	<u>69,011</u>
Distribution for the financial year/period	<u>394,763</u>	<u>207,022</u>

Distribution dates	Gross distribution per unit (SGD cent)	Net distribution per unit (SGD cent)
01.08.2019 to 31.07.2020		
30 January 2020	3.10	3.10
28 July 2020	2.70	2.70
	<u>5.80</u>	<u>5.80</u>
13.09.2018 (date of launch) to 31.07.2019		
7 July 2019	<u>6.10</u>	<u>6.00</u>

MAYBANK SINGAPORE REITS FUND

17. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Transactions with the brokers/dealers in terms of trade values for the current and previous financial year and period are as follows:

	Value of trade SGD	Percentage of trade %	Brokerage fees SGD	Percentage of brokerage fees %
01.08.2019 to 31.07.2020				
Maybank Investment Bank Bhd ("MIBB")	150,989,294	97.54	181,187	95.97
CLSA Ltd	3,807,788	2.46	7,616	4.03
	<u>154,797,082</u>	<u>100.00</u>	<u>188,803</u>	<u>100.00</u>
13.09.2018 (date of launch) to 31.07.2019				
MIBB	56,272,585	90.41	67,494	84.99
CLSA Ltd	5,971,927	9.59	11,919	15.01
	<u>62,244,512</u>	<u>100.00</u>	<u>79,413</u>	<u>100.00</u>

* MIBB is a subsidiary of MBB, the ultimate holding company of the Manager.

Transactions with the financial institution in terms of trade values are as follows:

	01.08.2019 to 31.07.2020	Percentage of total placements %	13.09.2018 (date of launch) to 31.07.2019	Percentage of total placements %
Financial institution	Value of placements SGD		Value of placements SGD	
Malayan Banking Bhd ("MBB")**	<u>1,259,814,510</u>	<u>100.00</u>	<u>344,158,747</u>	<u>100.00</u>

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

MAYBANK SINGAPORE REITS FUND

18. 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 year/period.

(i) Significant related party transaction

	01.08.2019 to 31.07.2020 SGD	13.09.2018 (date of to 31.07.2019 SGD
<u>MBB:</u> Interest income from deposits	<u>133,434</u>	<u>43,745</u>

(ii) Significant related party balances

	31.07.2020 SGD	31.07.2019 SGD
<u>MBB:</u> Deposits with a licensed financial institution	<u>3,570,600</u>	<u>3,735,667</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.

19. MANAGEMENT EXPENSE RATIO

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditor's remuneration, tax agent's fee and other administrative expenses. For the financial year ended 31 July 2020 the MER of the Fund stood at 1.25% (13.09.2018 (date of launch) to 31.07.2019: 1.09%).

20. PORTFOLIO TURNOVER RATIO

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 year ended 31 July 2020, the PTR of the Fund stood at 1.27 times (13.09.2018 (date of launch) to 31.07.2019: 1.94 times).

MAYBANK SINGAPORE REITS FUND

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

(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 Note 2.14 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.

	Financial assets at FVTPL SGD	Financial assets at amortised cost SGD	Financial liabilities at amortised cost SGD	Total SGD
31.07.2020				
Financial assets				
Financial assets at FVTPL	74,831,235	-	-	74,831,235
Derivative assets	3,366	-	-	3,366
Deposit with a licensed financial institution	-	3,570,600	-	3,570,600
Dividend receivable	-	514,338	-	514,338
Interest receivable	-	323	-	323
Amount due from Manager	-	203,789	-	203,789
Cash at bank	-	4,537,909	-	4,537,909
Total financial assets	74,834,601	8,826,959	-	83,661,560
Financial liabilities				
Amount due to Manager	-	-	595,085	595,085
Amount due to Trustee	-	-	1,345	1,345
Derivative liabilities	-	-	253,982	253,982
Other payables and accruals	-	-	15,893	15,893
Total financial liabilities	-	-	866,305	866,305

MAYBANK SINGAPORE REITS FUND

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

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

31.07.2019	Financial assets at FVTPL SGD	Financial assets at amortised cost SGD	Financial liabilities at amortised cost SGD	Total SGD
Financial assets				
Financial assets at FVTPL	26,203,814	-	-	26,203,814
Derivative assets	230,558	-	-	230,558
Dividend receivable	-	188,644	-	188,644
Interest receivable	-	297	-	297
Dividend receivable	-	188,644	-	-
Amount due from managers	-	218,496	-	218,496
Deposit with a licensed financial institution	-	3,735,667	-	3,735,667
Cash at bank	-	2,407,229	-	2,407,229
Total financial assets	26,434,372	6,738,977	-	32,984,705
Financial liabilities				
Amount due to Manager	-	-	754,442	754,442
Amount due to Trustee	-	-	529	529
Amount due to brokers	-	-	357,042	357,042
Distributions payable	-	-	1,633,121	1,633,121
Other payables and accruals	-	-	4,791	4,791
Total financial liabilities	-	-	2,749,925	2,749,925

(b) Financial instruments that are carried at fair value

The fair value of quoted investments in REITs are determined by reference to the last bid price on the relevant stock exchanges (e.g. Singapore Exchange and New York Stock Exchange) as at the statement of financial position date.

(c) 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: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

MAYBANK SINGAPORE REITS FUND

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

(c) Fair value hierarchy (cont'd)

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value:

	Level 1 SGD	Level 2 SGD	Level 3 SGD	Total SGD
31.07.2020				
Financial assets at FVTPL	74,831,235	-	-	74,831,235
Derivative assets	-	3,366	-	3,366
Derivative liabilities	-	253,982	-	253,982
31.07.2019				
Financial assets at FVTPL	26,203,814	-	-	26,203,814
Derivative assets	-	230,558	-	230,558

(d) 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.

22. SEGMENTAL REPORTING

The chief operating decision-maker of the Manager 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 chief operating decision-maker is responsible for the performance of the Fund by investing a minimum of 70% of its NAV into a basket of listed SREITs. These includes but are not limited to initial public offer of SREITs which are to be listed on the Singapore stock exchange. The balance of 30% of the Fund's NAV will be invested in liquid asset which include but are not limited to fixed deposit and money market instruments. Also, up to 20% of the Fund's NAV may be invested in REIT listed on other stock exchanges.

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

MAYBANK SINGAPORE REITS FUND

23. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is 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 Unlisted Capital Market Products under the Lodge and Launch Framework and CMSA.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices. The maximum risk resulting from financial instruments equals their fair value. The market risk is managed through consistent monitoring and swift response to various factors that may adversely affect the Fund.

(i) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Fund's investments in quoted equity securities. This risk can be minimised through investing in a wide range of companies in different sectors, which function independently from one another.

Equity price risk concentration

The Fund's exposure to equity price risk based on its portfolio of investments as at the reporting date is disclosed in Note 7 to the financial statements.

Equity price risk sensitivity

Management's best estimate of the effect on the Fund's NAV due to a reasonable change in equity index, with all other variables held constant is indicated in the table below. The impact to NAV and net loss after taxation is expected to be the same.

	31.07.2020		31.07.2019	
	Changes in equity price %	Effects on NAV Increase/ (decrease) SGD	Changes in equity price %	Effects on NAV Increase/ (decrease) SGD
Quoted equities	+ 5	3,741,562	+ 5	1,310,191
	- 5	(3,741,562)	- 5	(1,310,191)

MAYBANK SINGAPORE REITS FUND

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

(c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The base currency of the Fund is SGD. As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between SGD and the currencies in which the Fund's investments are denominated in may have an impact on the fair value of the Fund's quoted equities. If the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment and of the Fund.

The table below analyses the net positions of the Fund's financial assets and financial liabilities (excluding derivative assets and liabilities) which are exposed to foreign exchange risk as at the reporting date. As the Fund's functional currency is SGD, the financial assets and financial liabilities (excluding derivative assets and liabilities) in other currencies are exposed to the movement of foreign exchange rates. The exposure might lead to the appreciation or depreciation of the financial assets and financial liabilities of the Fund that may affect the value of the NAV attributable to unitholders.

	MYR SGD	USD SGD	EUR SGD	TOTAL SGD
31.07.2020				
Financial assets				
Financial assets at FVTPL	-	8,120,771	-	8,120,771
Dividend receivables	-	89,819	-	89,819
Cash at bank	2,490,699	-	-	2,490,699
Total financial assets	2,490,699	8,210,590	-	10,701,289
Net on-balance sheet open position	2,490,699	8,210,590	-	2,215,262
31.07.2019				
Financial assets				
Financial assets at FVTPL	-	1,603,944	539,510	2,143,454
Dividend receivables	-	8,676	21,686	30,362
Cash at bank	41,446	-	-	41,446
Total financial assets	41,446	1,612,620	561,196	2,215,262
Net on-balance sheet open position	41,446	1,612,620	561,196	2,215,262

The Fund did not hedge its exposure to financial assets and financial liabilities denominated in foreign currencies.

MAYBANK SINGAPORE REITS FUND

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

(c) Currency risk (cont'd)

The table below summarises the sensitivity of the Fund's net on-balance sheet open position (excluding derivative assets and derivative liabilities) to movements in exchange rates. The analysis is based on the assumptions that the exchange rates will increase or decrease by 5% with all other variables held constant.

	31.07.2020		31.07.2019	
	Changes in price %	Effects on NAV Increase/ (Decrease) SGD	Changes in price %	Effects on NAV Increase/ (Decrease) SGD
MYR/SGD	+5	124,535	+5	2,072
	-5	(124,535)	-5	(2,072)
USD/SGD	+5	410,530	+5	80,631
	-5	(410,530)	-5	(80,631)
EUR/SGD	+5	-	+5	28,060
	-5	-	-5	(28,060)

(d) 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 interest, principal and proceeds from realisation of investments. 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 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.

MAYBANK SINGAPORE REITS FUND

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

(d) Credit risk (cont'd)

(ii) Credit quality of financial assets

The Fund maintains its cash at bank, deposit with a licensed financial institutions and interest receivables with a financial institution with 'AAA' rating. The rating is obtained from RAM Holdings Bhd's official website.

(e) 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 assets. 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 Fund's Deed.

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 of cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

The following table summarises the maturity profile of the Fund's financial liabilities. Balances due within twelve months equal their carrying amounts, as the impact of discounting is insignificant.

MAYBANK SINGAPORE REITS FUND

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

(e) Liquidity risk (cont'd)

31.07.2020	Less than 1 month SGD	More than 1 month SGD	Total SGD
Financial assets			
Financial assets at FVTPL	74,831,235	-	74,831,235
Derivative assets	-	3,366	3,366
Deposits with a licensed financial institution	3,570,600	-	3,570,600
Dividend receivable	514,338	-	514,338
Interest receivable	323	-	323
Amount due from Manager	203,789	-	203,789
Cash at bank	4,537,909	-	4,537,909
Total undiscounted financial assets	<u>83,658,194</u>	<u>3,366</u>	<u>83,661,560</u>
Financial liabilities and unitholders' equity			
Amount due to Manager	595,085	-	595,085
Amount due to Trustee	1,345	-	1,345
Derivative liabilities	7,472	246,510	253,982
Other payables and accruals	15,893	-	15,893
Net assets attributable to unitholders of the Fund	<u>82,795,255</u>	<u>-</u>	<u>82,795,255</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>83,415,050</u>	<u>246,510</u>	<u>83,661,560</u>
Liquidity surplus/(gap)	<u>243,144</u>	<u>(243,144)</u>	<u>-</u>
31.07.2019			
Financial assets			
Financial assets at FVTPL	26,203,814	-	26,203,814
Derivative assets	-	230,558	230,558
Deposits with a licensed financial institution	3,735,667	-	3,735,667
Dividend receivable	168,275	20,369	188,644
Interest receivable	297	-	297
Amount due from Manager	218,496	-	218,496
Cash at bank	2,407,229	-	2,407,229
Total undiscounted financial assets	<u>32,733,778</u>	<u>250,927</u>	<u>32,984,705</u>

MAYBANK SINGAPORE REITS FUND

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

(e) Liquidity risk (cont'd)

31.07.2019 (cont'd)	Less than 1 month SGD	More than 1 month SGD	Total SGD
Financial liabilities and unitholders' equity			
Amount due to Manager	754,442	-	754,442
Amount due to Trustee	529	-	529
Amount due to broker	357,042	-	357,042
Distributions payable	1,633,121	-	1,633,121
Other payables and accruals	4,791	-	4,791
Net assets attributable to unitholders of the Fund	30,234,780	-	30,234,780
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	32,984,705	-	32,984,705
Liquidity (gap)/surplus	(250,927)	250,927	-

Notes:

(i) Financial assets

Analysis of financial assets at FVTPL and deposits into maturity groupings is based on the expected date on which these assets will be realised. The Fund's quoted equities have been included in the "less than 1 month" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's unitholders' capital be required to be redeemed. The other assets shall not comprise of tax recoverable in view that it is not a financial asset. 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.

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period 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 can be required to pay.

(iii) Unitholder's contribution

The unitholders can request for redemption on their units by giving the Manager a T + 7 calendar day notice period, the unitholders' capital have been categorised as having a maturity of "less than 1 month".

MAYBANK SINGAPORE REITS FUND

24. UNITHOLDERS' CONTRIBUTION 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 indicated in its Information Memorandum;
- (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.

25. RECLASSIFICATION OF COMPARATIVES

As disclosed in Note 2.8, unitholders' contribution to the Fund are classified as liabilities under the requirement of MFRS 132 *Financial Instruments: Presentation*. In the previous financial year, unitholders' contributions were classified as equity.

This reclassification of unitholders' contribution (and their retained earnings) did not give rise to any impact on the Net Asset Value Attributable to Unitholders of the Fund.

No restatements were made to the comparative financial statements except for the following:

Statement of Comprehensive Income:

	As previously disclosed	Reclassification	As restated
Net income before finance cost and taxation	3,152,825	-	3,152,825
Distribution to unitholders	-	(1,245,951)	(1,245,951)
Net income before taxation	3,152,825	(1,245,951)	1,906,874
Net income after tax, and total comprehensive income for the financial period	3,152,825	(1,245,951)	1,906,874

Statement of Changes in Net Asset Attributable to Unitholders

	As previously disclosed	Reclassification	As restated
Movement in retained earnings:			
Total comprehensive income for the period	3,107,692	(1,245,951)	1,861,741
Distributions out of realised reserve	(1,245,951)	1,245,951	-