

# **MAYBANK MALAYSIA INCOME-I FUND**

(Formerly known as MAYBANK DANA ARIF)

**Interim report**  
**For the financial period from 1 June 2020 to 30**  
**November 2020**

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
Telephone +603 2297 7888  
Facsimile +603 2715 0071  
[www.maybank-am.com](http://www.maybank-am.com)

### **EXTERNAL INVESTMENT MANAGER**

Maybank Islamic Asset Management Sdn Bhd (201301012623) (1042461-K)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
Telephone +603 2297 7872  
Facsimile +603 2297 7898

### **TRUSTEE**

AmanahRaya Trustees Berhad (200701008892) (766894-T)  
Tingkat 14, Wisma AmanahRaya  
No.2 Jalan Ampang  
50508 Kuala Lumpur  
Telephone +603 2036 5129/5000  
Facsimile +603 2072 0321

### **SHARIAH ADVISER**

Maybank Islamic Berhad (200701029411) (787435-M)  
Level 10, Tower A, Dataran Maybank  
No. 1 Jalan Maarof  
59000 Kuala Lumpur  
Telephone +603 2297 2001  
Facsimile +603 2297 2002

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

<b>CONTENTS</b>	<b>PAGE</b>
Manager's report	1 - 13
Trustee's report	14
Statement by Manager	15
Report of the Shariah Adviser	16
Statement of comprehensive income	17 - 18
Statement of financial position	19 - 20
Statement of changes in net assets attributable to unitholders	21
Statement of cash flows	22
Notes to the financial statements	23 - 47

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020**

**A. Fund Information**

**1. Name of the Fund**

Maybank Malaysia Income-I Fund (Formerly known as Maybank Dana Arif) (the "Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Sukuk (Shariah)

**4. Classes of units**

<b>Classes of units</b>	<b>Currency denomination</b>	<b>Categories of investors</b>	<b>Distribution policy</b>	<b>Country availability</b>
A-MYR	MYR/RM (Ringgit Malaysia)	Retail	Distribution of income	Malaysia & Singapore
C-MYR	MYR/RM (Ringgit Malaysia)	Institutional	Distribution of income	Malaysia
C-USD	USD (United States Dollar)	Institutional	Distribution of income	Malaysia
A-SGD *	SGD (Singapore Dollar)	Retail	Distribution of income	Malaysia & Singapore

\* Class A-SGD was terminated on 30 September 2019.

**5. Duration of the Fund**

The Fund is an open-ended Fund.

**6. Launch date / Commencement date / Termination date**

<b>Share Class</b>	<b>Launch date</b>	<b>Commencement date</b>	<b>Termination date</b>
Class A-MYR	27 April 2004	18 May 2004	N/A
Class C-MYR	21 August 2013	11 September 2013	N/A
Class C-USD	17 September 2014	8 October 2014	N/A
Class A-SGD	4 September 2013	25 September 2013	30 September 2019

\* Class A-SGD was terminated on 30 September 2019. The audited report following the terminated of the share class (i.e. from 1 June 2019 to 30 November 2019) have been distributed to the unitholders in February 2020.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020 (cont'd)**

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

**7. Fund's investment objective**

The Fund aims to provide a steady appreciation of the NAV of the Fund with a regular flow of income to the unitholders through investments in Sukuk.

**8. Fund distribution policy**

Income distribution, if any, is declared at the end of the financial period of the Fund or for any specified period at the Manager's discretion, subject to Trustee's approval.

**9. Fund's performance benchmark**

Maybank 12-months General Investment Account ("GIA") tier 1 rate

**10. The Fund's asset allocation policy**

The Fund will invest a minimum of 70% in Sukuk and Shariah-compliant money market instruments, and a minimum of 2% in Shariah-compliant liquid assets.

**11. Net income distribution for the financial period from 1 June 2020 to 30 November 2020**

The Fund distributed a total of RM 5,067,014 to unitholders for the financial period from 1 June 2020 to 30 November 2020. Only Class A-MYR and Class C-MYR declared distribution for the financial period.

Below are details of distributions made during the financial year:

Class of units	Distribution dates	Gross/net distribution per unit (sen)
Class A-MYR	26 August 2020	0.80
	23 November 2020	0.63
		<u>1.43</u>
Class C-MYR	26 August 2020	<u>0.80</u>
Class C-USD	26 August 2020	<u>1.25</u>

Below is the impact of the distributions to the Fund's NAV:

Class of units	Distribution dates	Before distribution (RM)	After distribution (RM)	Changes %
Class A-MYR	26 August 2020	0.6331	0.6251	(1.26)
	23 November 2020	0.6367	0.6304	(0.99)
Class C-MYR	26 August 2020	0.5393	0.5313	(1.48)
Class C-USD	26 August 2020	1.0380	1.0255	(1.20)

**MAYBANK MALAYSIA INCOME-I FUND**  
(Formerly known as MAYBANK DANA ARIF)

**Manager's report**

For the financial period from 1 June 2020 to 30 November 2020 (cont'd)

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

**12. Breakdown of unitholdings by size**

**Fund size**

As at 30 November 2020, the size of the Fund was 164,477,643 units.

<b>Units in circulation by Class of Units (units)</b>	<b>30.11.2020</b>
Units in circulation - Class A-MYR	88,750,430
Units in circulation - Class C-MYR	75,706,464
Units in circulation - Class C-USD	20,749
<b>Total</b>	<b>164,477,643</b>

**Breakdown of unitholdings by Class of Units as at 30 November 2020**

**Class A-MYR**

<b>Unitholdings</b>	<b>No. of unitholders</b>	<b>%</b>	<b>No. of units ('000)</b>	<b>%</b>
5,000 units and below	207	20.78	647	0.73
5,001 to 10,000 units	132	13.25	970	1.08
10,001 to 50,000 units	396	39.76	9,866	11.12
50,001 to 500,000 units	128	12.85	31,524	35.52
500,001 units and above	133	13.36	45,743	51.55
<b>Total</b>	<b>996</b>	<b>100.00</b>	<b>* 88,750</b>	<b>100.00</b>

\* Included units held under Institutional Unit Trust Scheme Advisers

**Class C-MYR**

<b>Unitholdings</b>	<b>No. of unitholders</b>	<b>%</b>	<b>No. of units ('000)</b>	<b>%</b>
5,000 units and below	-	-	-	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	6	100.00	75,706	100.00
<b>Total</b>	<b>6</b>	<b>100.00</b>	<b>75,706</b>	<b>100.00</b>

**Class C-USD**

<b>Unitholdings</b>	<b>No. of unitholders</b>	<b>%</b>	<b>No. of units ('000)</b>	<b>%</b>
5,000 units and below	-	-	-	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	1	100.00	* 21	100.00
50,001 to 500,000 units	-	-	-	-
500,001 units and above	-	-	-	-
<b>Total</b>	<b>1</b>	<b>100.00</b>	<b>21</b>	<b>100.00</b>

\* Included 20,500 units held by the Manager

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020 (cont'd)**

**B. Performance Review**

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

Category	FPE2020	FY2020	FY2019
<b>Portfolio</b>			
Unquoted sukuk (%)			
Automobile Manufacturing	2.64	1.35	1.04
Banks	2.48	3.20	5.18
Commercial Finance	0.65	0.84	1.35
Financial Services	2.22	11.15	11.69
Government Agency	4.90	-	-
Industrial Other	15.25	15.72	16.19
Power Generation	17.32	18.25	17.22
Real Estate	18.56	14.52	12.06
Transportation & Logistics	16.97	14.17	15.75
Utilities	9.88	11.26	9.85
Cash and other net assets (%)	9.12	9.53	9.67
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Class A-MYR

NAV (RM)	55,248,828	33,748,039	51,411,876
Units in circulation (units)	88,750,430	54,423,244	81,201,357
NAV per unit (RM)	0.6225	0.6201	0.6331
Highest NAV per unit (RM)	0.6354	0.6566	0.6331
Lowest NAV per unit (RM)	0.6197	0.6125	0.5922
Net income distributed (RM)	1,184,978	3,619,296	-
Distribution dates	26/08/2020 & 23/11/2020	30/06/2019 & 28/05/2020	-
Gross/net distribution per unit (sen)	1.43	5.65	-
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	0.40	(2.07)	6.94
- Income distribution (%)	2.30	9.37	-
Total return (%)	2.71	7.10	6.94
Benchmark (%)	1.08	3.20	3.60

Class C-MYR

NAV (RM)	40,466,414	39,723,458	66,368,371
Units in circulation (units)	75,706,464	75,192,388	121,356,504
NAV per unit (RM)	0.5345	0.5283	0.5469
Highest NAV per unit (RM)	0.5413	0.5592	0.5469
Lowest NAV per unit (RM)	0.5279	0.5200	0.5103
Net income distributed (RM)	597,788	5,600,690	-

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020 (cont'd)**

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

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

Category	FPE2020	FY2020	FY2019
<u>Class C-MYR (cont'd)</u>			
Distribution dates	26/08/2020	30/06/2019 & 28/05/2020	-
Gross/net distribution per unit (sen)	0.80	5.75	-
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	1.19	(3.42)	7.24
- Income distribution (%)	1.50	11.28	-
Total return (%)	2.71	7.47	7.24
Benchmark (%)	1.08	3.20	3.60
<u>Class C-USD</u>			
NAV (RM)	87,592	85,292	79,915
Units in circulation (units)	20,749	20,500	20,500
NAV per unit (USD)	1.0618	0.9786	0.9324
Highest NAV per unit (USD)	1.0618	1.0074	0.9483
Lowest NAV per unit (USD)	0.9957	0.9038	0.8850
Net income distributed (USD)	1,044	-	-
Distribution dates	26/08/2020	-	-
Gross/net distribution per unit (sen)	1.25	-	-
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	8.52	4.93	1.07
- Income distribution (%)	1.21	-	-
Total return (%)	9.84	4.93	1.07
Benchmark (%)	7.87	(0.52)	(1.60)
Management Expense Ratio ("MER") (%) <sup>(2)</sup>	0.22	1.29	0.98
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.28	0.67	0.85

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

**Note:**

- (1) Actual return of the Fund for the financial year is computed based on daily average NAV per unit, net of Manager's fee and Trustee's fee.
- (2) The Fund's MER decreased to 0.22% due to the change in basis of Manager's fee in the current financial period under review.
- (3) The Fund's PTR decreased to 0.28 times due to decreased trading activities in the current financial period under review.



**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

For the financial period from 1 June 2020 to 30 November 2020 (cont'd)

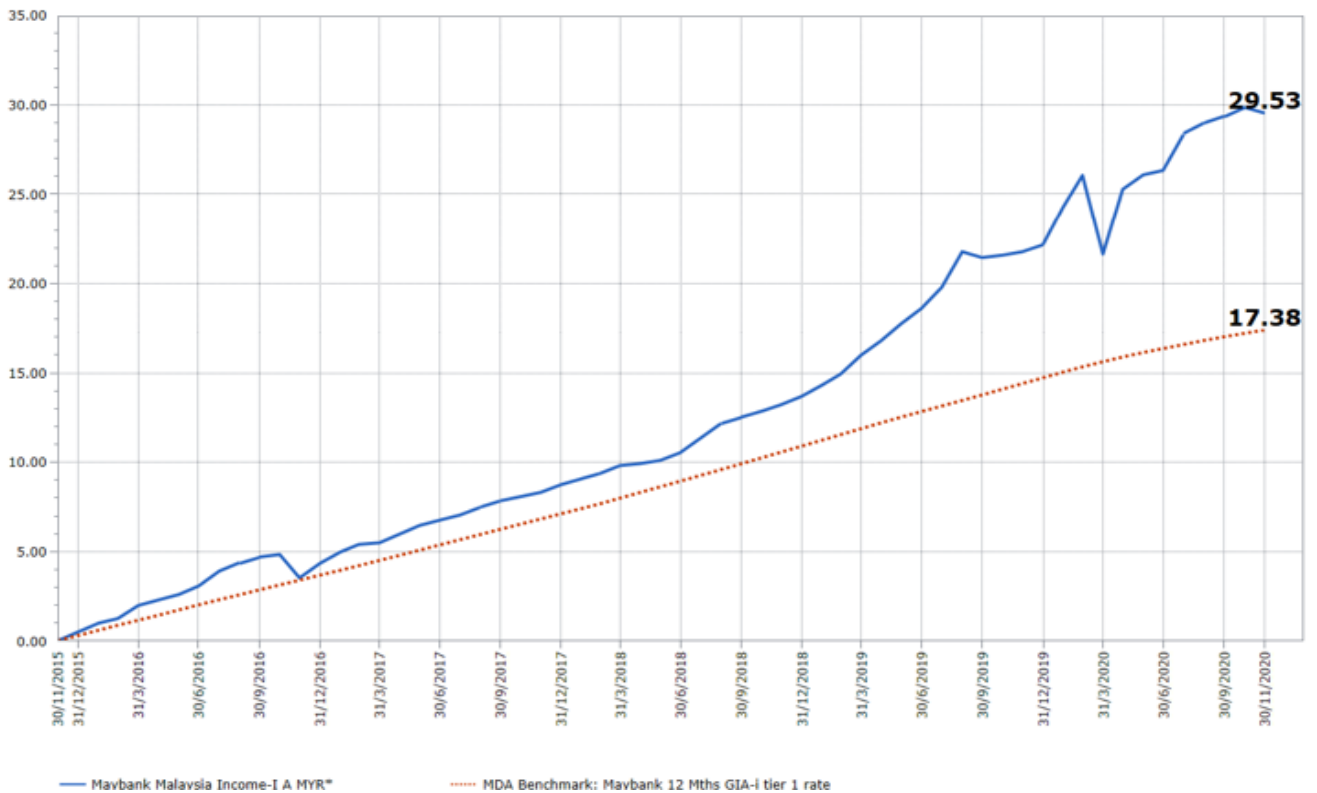
**B. Performance Review (cont'd)**

**2. Performance of the Fund**

Performance of Class A-MYR of the Fund up to 30 November 2020

**Class A-MYR**

Category	6 months to 30.11.2020 %	1 year to 30.11.2020 %	3 years to 30.11.2020 %	5 years to 30.11.2020 %
Capital growth	0.40	(1.19)	4.25	5.85
Income distribution	2.30	7.66	14.71	22.37
Total return of the Fund	2.71	6.38	19.59	29.53
Benchmark	1.08	2.61	9.90	17.38
Average total return	-	6.38	6.14	5.30



Source: Lipper

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

For the financial period from 1 June 2020 to 30 November 2020 (cont'd)

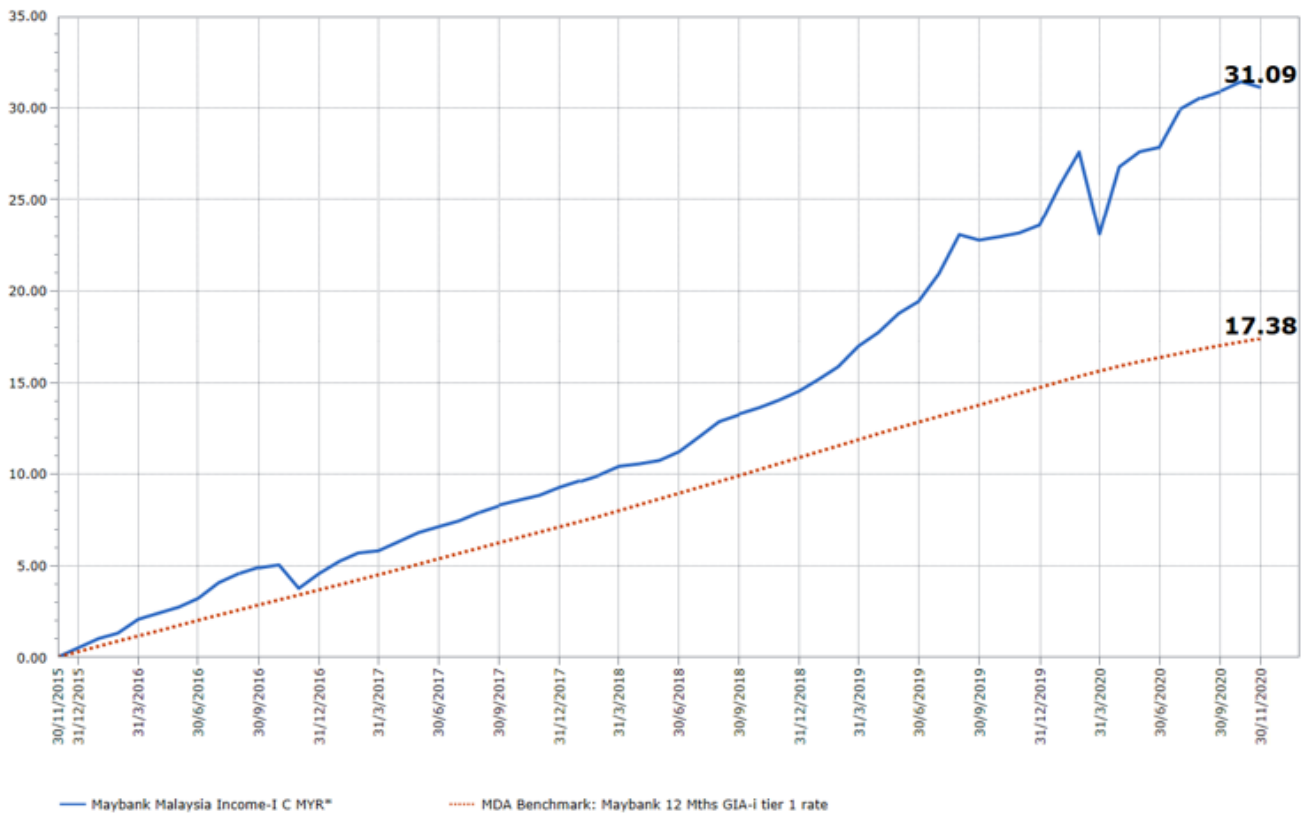
**B. Performance Review (cont'd)**

**2. Performance of the Fund (cont'd)**

Performance of Class C-MYR of the Fund up to 30 November 2020

**Class C-MYR**

Category	6 months to 30.11.2020 %	1 year to 30.11.2020 %	3 years to 30.11.2020 %	5 years to 30.11.2020 %
Capital growth	1.19	(0.32)	3.61	3.77
Income distribution	1.50	6.79	16.27	26.33
Total return of the Fund	2.71	6.45	20.46	31.09
Benchmark	1.08	2.61	9.90	17.38
Average total return	-	6.45	6.40	5.56



Source: Lipper

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

For the financial period from 1 June 2020 to 30 November 2020 (cont'd)

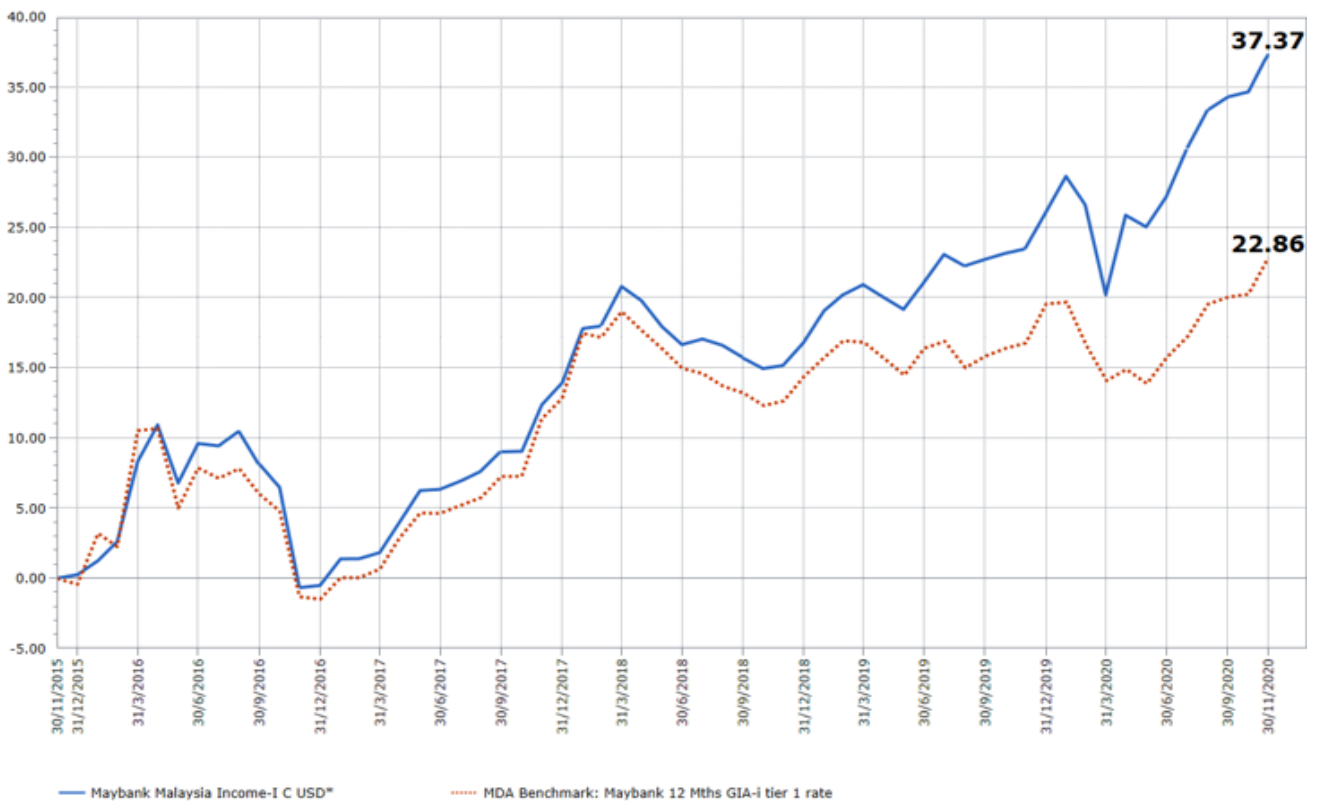
**B. Performance Review (cont'd)**

**2. Performance of the Fund (cont'd)**

Performance of Class C-USD of the Fund up to 30 November 2020

**Class C-USD**

Category	6 months to 30.11.2020 %	1 year to 30.11.2020 %	3 years to 30.11.2020 %	5 years to 30.11.2020 %
Capital growth	8.52	9.91	20.80	32.94
Income distribution	1.21	1.21	1.21	3.33
Total return of the Fund	9.84	11.24	22.26	37.37
Benchmark	7.87	5.20	10.32	22.86
Average total return	-	11.24	6.92	6.55



Source: Lipper

\* Class A-SGD was terminated on 30 September 2019. The audited report following the terminated of the share class (i.e. from 1 June 2019 to 30 November 2019) have been distributed to the unitholders in November 2019.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020 (cont'd)**

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

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

**Class A-MYR**

<b>For the financial year ended</b>	<b>30.11.2020</b> %	<b>31.05.2020</b> %	<b>31.05.2019</b> %	<b>31.05.2018</b> %	<b>31.05.2017</b> %
Capital growth	0.40	(2.07)	6.94	0.85	1.21
Income distribution	2.30	9.37	-	2.56	2.59
Total return of the Share Class	2.71	7.10	6.94	3.41	3.80
Benchmark	1.08	3.20	3.60	3.40	3.27

**Class C-MYR**

<b>For the financial year ended</b>	<b>30.11.2020</b> %	<b>31.05.2020</b> %	<b>31.05.2019</b> %	<b>31.05.2018</b> %	<b>31.05.2017</b> %
Capital growth	1.19	(3.42)	7.24	0.69	0.06
Income distribution	1.50	11.28	-	2.97	3.95
Total return of the Share Class	2.71	7.47	7.24	3.65	4.01
Benchmark	1.08	3.20	3.60	3.40	3.27

**Class C-USD**

<b>For the financial year ended</b>	<b>30.11.2020</b> %	<b>31.05.2020</b> %	<b>31.05.2019</b> %	<b>31.05.2018</b> %	<b>31.05.2017</b> %
Capital growth	8.52	4.93	1.07	5.78	(0.53)
Income distribution	1.21	-	-	-	-
Total return of the Share Class	9.84	4.93	1.07	5.78	(0.53)
Benchmark	7.87	(0.52)	(1.60)	0.39	(0.38)

**4. Basis of calculation made in calculating the returns:**

The performance figures are a comparison of the growth/decline in NAV after taking into account all the distributions payable (if any) during the stipulated period.

An illustration of the above would be as follows:

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

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020 (cont'd)**

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

**C. Market Review**

The Malaysian bond market rallied over the period under review, dominated by risk-off mode amidst COVID-19 fears globally. Prior to the period under review, central banks and governments globally introduced various unprecedented monetary, financial and economic stimulus package to support the economy from the impact of COVID-19 pandemic, as well as implementing containment measures; or Movement Control Order ("MCO") in Malaysia; that temporarily halted economic activities. Bank Negara Malaysia ("BNM") initially forecasted Malaysia Gross Domestic Product ("GDP") to drop lower in between 0.5% to -2% for the year 2020 but revised it lower to between -3.5% to -5.5%, following a very weak 2Q 2020 GDP number of contraction of -17.1% year-on-year. Meanwhile, 3Q 2020 GDP showed a slower decrease of -2.7% following the reopening of the economy after the relaxation of MCO. BNM also cut Overnight Policy Rate ("OPR") by 100 basis points ("bps") in total in meetings prior to period under review (January 2020: -25bps, March 2020: -25bps, May 2020: 50bps), and further cut another 25bps in its July 2020 meeting, bringing total OPR cut of 125bps in 2020 and the OPR level to 1.75%.

In addition, the statutory reserve requirement ("SRR") was lowered to 2% (from 3% previously) effective 20 March 2020 and banks are now allowed to use Malaysian 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 released approximately RM16 billion ("bln") in liquidity into the banking system. A total stimulus package of RM295 bln was announced to help individuals and SME during this hardship period. The government also implemented moratorium on bank loans for up to 6 months to ease people's financial commitment.

As economies started to gradually reopen in May 2020 after containment measures imposed in March 2020 that temporarily halted economic activities, optimism on economic recovery increased and global sentiment on bond market turned softer. Investors were also wary of increasing bond supply to fund the expected increase in fiscal deficit from the economic stimulus package announced by the government. In addition, the federal government's move to raise its debt limit to 60% of GDP from the current 55% (until 31 December 2022) triggered some profit taking activities. Other headwinds include FTSE Russell's decision on Malaysia bond weightage in the World Global Bond Index ("WGBI"); in which it announced it retained Malaysia under its Watch List for possible reclassification from Market Accessibility Level 2 to 1; as well as Budget 2021 and political noises. However, the re-emergence of concerns of another wave of COVID-19 globally has prompted the implementation of Targeted Enhanced Movement Control Order ("TEMCO") and Conditional Movement Control Order ("CMCO") in red zone areas in Malaysia in October 2020, and thus, increased concerns on downside risk to growth. In November 2020, however, the Malaysian bond market went through a period of consolidation following rising global bond yields amidst positive vaccine developments that saw heightened profit taking during the month.

Meanwhile, foreign holdings have recorded inflows for 7 consecutive months after the sell-off in February 2020 to April 2020 amounting to -RM22.4 bln. The cumulative inflows from May 2020 to November 2020 has offset the outflows and resulted in a YTD inflow of RM14.8 bln as at November 2020 and foreign share in MGS and MGS+GII at 40.1% and 24.6% respectively from a low of 35.8% and 21.7% respectively in April 2020. This is on the back of improved global risk sentiment as emerging market debts look more attractive amidst low yield environment and extended USD weakness.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020 (cont'd)**

**D. Market Outlook & Investment Strategy**

Now as we are going into 2021, with the vaccines to be made available to support the economic activities with less disruptions due to current lockdowns, economic recoveries are looking better and sentiments will improve accordingly. Hence, in absolute term, we may see risk assets like equities to perform better than the bond in 2021. Hence, we are neutral with defensive positioning for bond funds. Nevertheless, we expect the uneven economic recoveries globally will provide support to the bond market where low interest rates will be maintained for longer by central bankers to ensure accommodative environment to their economies. Hence, the risk of higher interest rate in 2021 may not be significant for the bond market and with abundant liquidity, both from the local and foreign investors, the bond market will still be a good alternative for yield pickup from the low yielding fixed deposits and money market funds. With tax-exemption status on the money market funds for corporates to end in June 2021, more liquidity may end up in the bond funds.

Ongoing quantitative easing by central banks has resulted yields in the developed markets like the US and Europe to be very low or even negative. Even yields for nations that were almost bankrupt nearly a decade ago are fast reaching 0%. As an example, Portugal's 10-year yield fell below 0% for the first time in December 2020, while Italy's 10-year yield is less than 0.6%. Considering higher economic growth in the emerging markets, investors may switch to emerging markets' bonds as local currency bonds are still providing good spread against the United State Treasuries ("UST"). Coupled this with expectation of weakening USD, local currency bonds like MGS will provide a good home for some of these liquidity.

After the two pauses of OPR in September 2020 and November 2020, we believe BNM is reserving the bullet for 2021 if needed to ease further when economic recoveries are less than desired or current second wave of COVID-19 poses renewed concerns. The winter season in the West may heighten the spread of the virus and the vaccines availability may become too complicated to reach the masses, be it on logistic or supply issues. Hence, our base case is for the BNM to maintain OPR at this 1.75% for the whole of 2021, and we think that government's expectation of 2.5% inflation is too bullish considering uneven recoveries in global economies and mild increase in oil prices.

Fitch Ratings downgraded Malaysia to BBB+, with a Stable outlook. The downgrade was primarily caused by weakened key credit metrics due to COVID-19 crisis, as well as political uncertainties. There were no major sell off in the bond market, as S&P and Moody's still have A3 rating for Malaysia. Any volatilities present an opportunity for investors to utilize abundant liquidity to buy on weakness. In summary, the strong economic recoveries may actually cause the yield curve to steepen with the expectation that the 10-year MGS could move to above 3.00% level in 2021. Therefore, we are cautious to take on any more bond duration risk and would favour to position ourselves defensively, preferring short term credit bonds for an affordable yield pickup.

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. We will continue to be more aggressive and overweight on corporate credits especially on strong A and AA, especially primary issuances for yield pickup and potential long term upgrade as economic activities accelerate. Furthermore, the relative valuation for AAA and government bonds are no longer attractive with their low yields. We also expect more issuance of Private Debt Securities ("PDS") in 2021 as economic activities escalate and issuers need to lock in good long-term rates. We are looking to be neutral to underweight duration relative to the TRBPAM Sukuk Index given our expectation that yields will stay low for longer, as global growth outlook remains challenging. We will continue to trade opportunistically and look into new primary issuances that offer higher yields to deliver the required performance.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**Manager's report**

**For the financial period from 1 June 2020 to 30 November 2020 (cont'd)**

**E. Significant financial risk of the Fund**

The Manager did not enter into any hedging instruments (e.g. forward currency contracts) to hedge the foreign currency exposure of the Fund as disclosed in the Fund's Prospectus dated 1 November 2018.

If the currencies in which the unitholders' contribution are denominated appreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa.

The impact of the exchange rate movement between the MYR and the currency of Class C-USD may result in appreciation/depreciation of the unitholders' investment in the Fund as expressed in MYR.

**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 June 2020 to 30 November 2020, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

## **Trustee's Report**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA INCOME-I FUND  
(Formerly known as MAYBANK DANA ARIF)  
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of MAYBANK MALAYSIA INCOME-I FUND (Formerly known as MAYBANK DANA ARIF) for the financial period from 1 June 2020 to 30 November 2020. In our opinion, MAYBANK ASSET MANAGEMENT SDN BHD, the Manager, has operated and managed MAYBANK MALAYSIA INCOME-I FUND (Formerly known as MAYBANK DANA ARIF) in accordance with the limitations imposed on the investment powers of the management company under the Deeds, securities laws and the applicable Guidelines on Unit Trust Funds during the financial period then ended.

We are also of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deeds and any regulatory requirement;
- (b) Creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement; and
- (c) The distributions of income made by MAYBANK MALAYSIA INCOME-I FUND (Formerly known as MAYBANK DANA ARIF) as declared by the Manager is appropriate and reflects the investment objective of MAYBANK MALAYSIA INCOME-I FUND (Formerly known as MAYBANK DANA ARIF).

Yours faithfully  
**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
18 January 2021



**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA INCOME-I FUND  
(Formerly known as MAYBANK DANA ARIF)  
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020**

I, Ahmad Najib Bin Nazlan, being Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Malaysia Income-I Fund (formerly known as Maybank Dana Arif) as at 30 November 2020 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**  
Director

Kuala Lumpur, Malaysia  
22 January 2021

**REPORT OF THE SHARIAH ADVISER**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA INCOME-I FUND  
(Formerly known as MAYBANK DANA ARIF)  
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020**

We hereby confirm the following: .

1. To the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed Maybank Malaysia Income-I Fund ("the Fund") during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For and on behalf of  
**Maybank Islamic Berhad**

**Dr Aznan Bin Hasan**  
Chairman of the Shariah Committee of Maybank Islamic Berhad

Kuala Lumpur, Malaysia  
22 January 2021

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020**

		<b>01.06.2020</b>	<b>01.06.2019</b>
		<b>to</b>	<b>to</b>
	<b>Note</b>	<b>30.11.2020</b>	<b>30.11.2019</b>
		<b>RM</b>	<b>RM</b>
<b>INVESTMENT INCOME</b>			
Profit income	3	1,905,604	2,412,005
Net gain on fair value changes of fair value through profit or loss ("FVTPL") investments:	7		
- Realised gain		523,286	1,652,516
- Unrealised gain		87,218	518,463
Other income		-	12,750
		<u>2,516,108</u>	<u>4,595,734</u>
<b>EXPENSES</b>			
Manager's fee	4	156,750	746,483
Trustee's fee	5	31,350	35,662
Auditors' remuneration		5,265	14,949
Tax agent's fee		-	2,500
Shariah advisory fee		4,513	4,500
Administrative expenses		781	16,932
		<u>198,659</u>	<u>821,026</u>
<b>Net income before distribution and taxation</b>		<b>2,317,449</b>	<b>3,774,708</b>
Distribution to unitholders	2.12		
Class A-MYR	14(a)	(3,265,326)	-
Class C-MYR	14(b)	(3,584,454)	-
Class C-USD	14(c)	(1,044)	-
<b>Net (loss)/income before taxation</b>		<u>(4,533,376)</u>	<u>3,774,708</u>
Taxation	6	-	-
<b>Net (loss)/income after taxation, which is the total comprehensive (loss)/income for the financial period</b>		<u>(4,533,376)</u>	<u>3,774,708</u>
<b>Net (loss)/income after taxation is made up of the following:</b>			
Net realised (loss)/income		(4,620,594)	3,256,245
Net unrealised income		87,218	518,463
		<u>(4,533,376)</u>	<u>3,774,708</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020 (CONT'D)**

	Note	01.06.2020 to 30.11.2020 RM	01.06.2019 to 30.11.2019 RM
<b>Distributions for the financial period:</b>	14		
<b>CLASS A-MYR</b>			
Net distributions for the year		1,184,978	1,940,809
Gross/net distributions per unit (RM sen)		<u>1.43</u>	<u>2.40</u>
Distribution dates (ex-date)		26 August 2020 & 23 November 2020	30 June 2019
<b>CLASS C-MYR</b>			
Net distribution for the year		597,788	3,635,229
Gross/net distribution per unit (RM sen)		<u>0.80</u>	<u>3.00</u>
Distribution dates (ex-date)		<u>26 August 2020</u>	<u>30 June 2019</u>
<b>CLASS C-USD</b>			
Net distribution for the year		1,045	-
Gross/net distribution per unit (USD cent)		<u>1.25</u>	<u>-</u>
Distribution dates (ex-date)		<u>26 August 2020</u>	<u>-</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2020**

	Note	30.11.2020 RM	31.05.2020 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	87,066,437	66,548,388
Shariah-compliant deposits with licensed Islamic financial institutions	8	6,684,332	5,143,352
Amount due from brokers	9	1,044,979	-
Amount due from Manager	10	57,342	1,159,821
Profit income receivables		989,863	786,811
Cash at bank		92,272	46,743
<b>TOTAL ASSETS</b>		<b>95,935,225</b>	<b>73,685,115</b>
<b>LIABILITIES</b>			
Amount due to brokers	9	-	-
Amount due to Manager	10	38,398	26,724
Amount due to Trustee	11	5,503	4,281
Other payables and accruals	12	88,490	97,321
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<b>132,391</b>	<b>128,326</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND</b>		<b>95,802,834</b>	<b>73,556,789</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
	2.6		
Unitholders' contribution	13(a)	94,793,708	68,014,287
Retained earnings	13(b) & (c)	1,009,126	5,542,502
		<b>95,802,834</b>	<b>73,556,789</b>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2020 (CONT'D)**

	Note	30.11.2020	31.05.2020
<b>NET ASSET VALUE</b>			
- Class A-MYR		55,248,828	33,748,039
- Class C-MYR		40,466,414	39,723,458
- Class C-USD		87,592	85,292
		<u>95,802,834</u>	<u>73,556,789</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
<b>(UNITS)</b>	13 (a)		
- Class A-MYR		88,750,430	54,423,244
- Class C-MYR		75,706,464	75,192,388
- Class C-USD		20,749	20,500
		<u>164,477,643</u>	<u>129,636,132</u>
<b>NAV PER UNIT</b>			
- Class A-MYR (RM)		<u>RM 0.6225</u>	<u>RM 0.6201</u>
- Class C-MYR (RM)		<u>RM 0.5345</u>	<u>RM 0.5283</u>
- Class C-USD (USD)		<u>USD 1.0618</u>	<u>USD 0.9786</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF  
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020**

	<b>Unitholders' contribution RM</b>	<b>Retained earnings RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 June 2020	68,014,287	5,542,502	73,556,789
Total comprehensive income for the financial period	-	(4,533,376)	(4,533,376)
Creation of units	23,184,103	-	23,184,103
Reinvestment of units	1,783,811	-	1,783,811
Cancellation of units	(3,255,507)	-	(3,255,507)
Distributions (Note 14)	5,067,014	-	5,067,014
At 30 November 2020	<u>94,793,708</u>	<u>1,009,126</u>	<u>95,802,834</u>
At 1 June 2019	102,286,601	15,578,596	117,865,197
Total comprehensive income for the financial period	-	3,774,708	3,774,708
Creation of units	2,396,197	-	2,396,197
Reinvestment of units	5,576,038	-	5,576,038
Cancellation of units	(32,539,669)	-	(32,539,669)
Distributions (Note 14)	2,074,033	(7,650,071)	(5,576,038)
Transferred from retained earnings to unitholders' capital upon termination of Class A-SGD	4,615	(4,615)	-
At 30 November 2019	<u>79,797,815</u>	<u>11,698,618</u>	<u>91,496,433</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020**

<b>01.06.2020</b>	<b>01.06.2019</b>
<b>to</b>	<b>to</b>
<b>30.11.2020</b>	<b>30.11.2019</b>
<b>RM</b>	<b>RM</b>

**CASH FLOW FROM OPERATING AND INVESTING  
ACTIVITIES**

Net proceeds from sale and redemption of investments	14,529,402	52,008,521
Net purchase of investments	(35,453,293)	(16,343,848)
Profit from sukuk received	-	2,556,599
Profit from Islamic deposits received	1,673,921	112,878
Other income received	-	12,750
Manager's fee paid	(155,785)	(849,699)
Trustee's fee paid	(24,983)	(37,423)
Other expenses paid	(19,393)	(29,044)
Net cash (used in)/generated from operating and investing activities	<u>(19,450,131)</u>	<u>37,430,734</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from creation of units	24,286,582	2,396,197
Payments for cancellation of units	<u>(3,249,942)</u>	<u>(32,742,261)</u>
Net cash (used in)/generated in financing activities	<u>21,036,640</u>	<u>(30,346,064)</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

1,586,509	7,084,670
-----------	-----------

**CASH AND CASH EQUIVALENTS AT BEGINNING  
OF THE FINANCIAL YEAR**

<u>5,190,095</u>	<u>11,480,764</u>
------------------	-------------------

**CASH AND CASH EQUIVALENTS AT END  
OF THE FINANCIAL YEAR**

<u>6,776,604</u>	<u>18,565,434</u>
------------------	-------------------

**CASH AND CASH EQUIVALENTS COMPRISE:**

Cash at bank	92,272	179,179
Shariah-compliant deposits with licensed Islamic financial institutions (Note 8)	<u>6,684,332</u>	<u>18,386,255</u>
	<u>6,776,604</u>	<u>18,565,434</u>



**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020**

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

Maybank Malaysia Income-I Fund (formerly known as Maybank Dana Arif) (the "Fund") was constituted pursuant to the executed Deed dated 29 March 2004 between Amanah Mutual Berhad ("AMB") as the Manager and AmanahRaya Trustee Berhad as the Trustee and the Registered Holders of the Fund. The following Supplemental deeds have been issued between AMB and the Trustee:

- First supplemental deed dated 26 May 2005
- Second supplemental deed dated 13 August 2008
- Third supplemental deed dated 14 March 2013
- Fourth supplemental deed dated 27 January 2016
- Fifth 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 Sixth supplemental deed dated 4 September 2018 and Seventh supplemental deed dated 20 August 2019. The Deed and Supplemental Deeds are subsequently referred to as 'Deeds'.

Prior to 30 September 2019, the Fund had 4 Classes of Units namely A-MYR, C-MYR, A-SGD and C-USD. As disclosed in the First Supplementary Master Prospectus dated 18 October 2019, Class A-SGD was terminated on 30 September 2019 as the last redemption was performed on 21 August 2019.

The principal activity of the Fund is to invest in a portfolio of investments that are permissible under Shariah principles with the objective of providing a steady appreciation of the NAV of the Fund with a regular flow of income to investors. The investments include Sukuk and short term Islamic money market instruments.

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a 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.

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 MBB.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**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 Deeds and any regulatory requirements.

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 1 June 2020 to 30 November 2020. The adoption of the above did not result in material impact to the financial statements.

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

All amounts are stated in Ringgit Malaysia ("RM") except for the NAV per unit for non-MYR classes which are stated in US Dollar ("USD").

**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 7, MFRS 9 and MFRS 139: <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendment to MFRS 16: <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform Phase 2</i>	1 January 2021
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
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.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

**2.3 Financial instruments**

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**2.4 Financial assets**

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

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**

Unless designated as at fair value through profit or loss ("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 cash and cash equivalents, amount due from brokers, amount due from Manager and profit income receivables as financing and receivables, and are subsequently measured at amortised cost. 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 assets and of allocating and recognising the profit income in profit or loss over the relevant period.

**(ii) Financial assets at FVTPL**

Investments in unquoted sukuk are classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of the portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instruments or a financial guarantee.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**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 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.

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.

Changes in fair value of FVTPL investments are recognised in 'unrealised gain on FVTPL investments' in profit and loss. Accumulated unrealised gains or losses are reclassified to 'realised gain on FVTPL investments' in profit and loss when the associated assets are sold.

**(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. The impairment model does not apply to equity investments.

ECL are a probability-weighted estimate of credit losses. It is 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 MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

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

**(iv) Derecognition of financial assets (cont'd)**

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, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

**2.5 Financial liabilities**

Classification

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

Recognition and measurement

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EPR method.

The EPR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the profit expense in profit or loss over the relevant period.

Derecognition of financial liabilities

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.

**2.6 Unitholders' contribution**

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

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

**2.6 Unitholders' contribution (cont'd)**

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholder exercises the right to put the unit back to the Fund. Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

**2.7 Revenue / Income**

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

Profit income from sukuk and Shariah-compliant deposits with licensed Islamic financial institutions are recognised on the accruals basis using the EPR method.

Realised gain or loss on disposal of sukuk is measured as the difference between the net proceeds and its carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation of premium.

Other income such as consent fee payment from sukuk issuer are recognised on an accrual basis when the right to receive has been established.

**2.8 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, deposit at call and highly liquid instruments with maturities of 3 months or less, which have an insignificant risk of changes in value.

**2.9 Taxation**

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

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

Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial year.

No deferred tax is recognised as there are no material temporary differences.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

**2.10 Purification of income**

The Fund is required to cleanse or purify any income or gains generated by Shariah non-compliant activities or sources, based on the method of purification which has been approved by the Shariah Adviser.

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.

**2.11 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 or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- 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 to 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.

All assets 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:

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.

For assets 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 MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

**2.12 Distributions**

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

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

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

**2.13 Functional and presentation currency**

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

**2.14 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 the allocating resources and assessing performance of the operating segments.

**2.15 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 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.



**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**3. PROFIT INCOME**

	<b>01.06.2020 to 30.11.2020 RM</b>	<b>01.06.2019 to 30.11.2019 RM</b>
Profit from Sukuk	1,905,114	2,382,119
Profit from Shariah-compliant deposits placed with licensed Islamic financial institutions	50,381	114,957
Amortisation of premium, net accretion of discount	(49,891)	(85,071)
	<u>1,905,604</u>	<u>2,412,005</u>

**4. MANAGER'S FEE**

The Manager's fee is computed and accrued daily.

The Manager's fee was revised twice during the financial period. Effective 18 January 2020, the Manager's fee is charged at 1.00% per annum ("p.a.") of the NAV of the respective class. The Manager's fee is revised again, effective 1 March 2020, to 0.35% p.a. of the NAV of the respective class.

Prior to 18 January 2020, the Manager's fee was computed based on a profit sharing scheme with the unitholders of the Fund, in the ratio of the respective Classes of Units, of net investment income of the Fund less Trustee fee and all permitted expenses under the Deeds.

Classes of Units	Profit Sharing Ratio (%)	Minimum value
A-MYR	15:85	RM 0.4950
C-MYR	10:90	RM 0.4950
C-USD	20:80	USD 0.4950

**5. TRUSTEE'S FEE**

The Trustee fee is computed based on 0.07% (2019: 0.07%) per annum ("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., accrued daily in the Fund's base currency, RM. The fee is apportioned to each share class based on the multi class ratio ("MCR"), and paid monthly to the Trustee.

\* Class A-SGD was terminated on 30 September 2019.

**6. TAXATION**

Income tax is calculated at the Malaysian statutory tax rate of 24% (31.05.2020: 24%) of the estimated assessable income for the financial year.

The tax charge for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned by the Fund is exempted from tax.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**6. TAXATION (CONT'D)**

A reconciliation of income tax expense applicable to net (loss)/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>01.06.2020</b> <b>to</b> <b>30.11.2020</b> <b>RM</b>	<b>01.06.2019</b> <b>to</b> <b>30.11.2019</b> <b>RM</b>
Net (loss)/income before taxation	<u>(4,533,376)</u>	<u>3,774,708</u>
Taxation at Malaysian statutory rate of 24% (31.05.2020: 24%)	(1,088,010)	905,930
Income not subject to tax	(603,866)	(1,102,976)
Expenses not deductible for tax purposes	<u>1,691,876</u>	<u>197,046</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

**7. FINANCIAL ASSETS AT FVTPL**

	<b>30.11.2020</b> <b>RM</b>	<b>31.05.2020</b> <b>RM</b>
Sukuk	<u>87,066,437</u>	<u>66,548,388</u>

<b>30.11.2020</b>	<b>Quantity</b> <b>Unit</b>	<b>Aggregate</b> <b>Cost</b> <b>RM</b>	<b>Market</b> <b>Value</b> <b>RM</b>	<b>Percentage</b> <b>of NAV</b> <b>%</b>
<b>Automobile Manufacturing</b>				
DRB-HICOM Bhd - 4.85% / 11.12.2026	1,000,000	1,031,373	1,019,710	1.06
DRB-HICOM Bhd - 5.08% / 30.08.2030	<u>1,500,000</u>	<u>1,506,795</u>	<u>1,512,735</u>	<u>1.58</u>
	<u>2,500,000</u>	<u>2,538,168</u>	<u>2,532,445</u>	<u>2.64</u>
<b>Bank</b>				
Small Medium Enterprise Development Bank Malaysia Bhd - 3.30% / 23.04.2027	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,375,578</u>	<u>2.48</u>
<b>Commercial Finance</b>				
MNRB Holdings Bhd - 5.20% / 22.03.2029	<u>600,000</u>	<u>618,111</u>	<u>623,616</u>	<u>0.65</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

30.11.2020 (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Financial Services</b>				
Fortune Premiere Sdn Bhd				
- 5.05% / 05.09.2025	300,000	303,793	324,675	0.34
- 5.05% / 31.10.2025	1,800,000	1,800,000	1,804,158	1.88
	2,100,000	2,103,793	2,128,833	2.22
<b>Industrial-Other</b>				
Ahmad Zaki Resources Bhd				
- 4.85% / 26.12.2024	5,000,000	5,000,000	5,174,450	5.40
Cypark Ref Sdn Bhd				
- 5.18% / 29.06.2029	2,100,000	2,135,883	2,291,478	2.39
Pengerang LNG (Two) Bhd				
- 2.98% / 21.10.2030	2,500,000	2,500,000	2,456,775	2.56
TG Excellence Bhd				
- 3.95% / 27.02.2120	2,600,000	2,600,000	2,688,894	2.81
UMW Holdings Bhd				
- 3.03% / 05.11.2025	2,000,000	2,000,000	1,999,420	2.09
	14,200,000	14,235,883	14,611,017	15.25
<b>Power Generation</b>				
Sarawak Energy Bhd				
- 3.30% / 14.06.2030	1,800,000	1,800,000	1,823,400	1.90
Abu Dhabi National Energy Company PJSC (TAQA)				
- 4.65% / 03.03.2022	5,000,000	5,023,615	5,104,050	5.33
Quantum Solar Park (Semenanjung) Sdn Bhd				
- 5.16% / 06.10.2022	2,100,000	2,135,328	2,149,371	2.24
YTL Power International Bhd				
- 5.05% / 03.05.2027	6,900,000	7,175,072	7,513,617	7.84
	15,800,000	16,134,015	16,590,438	17.32

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

30.11.2020 (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Real Estate</b>				
Country Garden				
Real Estate Sdn Bhd				
- 6.40% / 06.05.2022	2,200,000	2,200,000	2,299,814	2.40
- 6.40% / 18.03.2022	2,900,000	2,900,000	3,020,640	3.15
IJM Land Bhd				
- 5.65% / 19.03.2026	2,400,000	2,400,000	2,510,832	2.62
- 4.73% / 17.03.2119	1,700,000	1,703,145	1,693,030	1.77
Malaysian Resources Corporation Bhd				
- 4.25% / 13.08.2027	1,200,000	1,217,584	1,217,976	1.27
- 4.45% / 14.08.2030	1,700,000	1,713,175	1,725,891	1.80
Talam Transform Bhd				
- 0.00% / 28.06.2020	1,190,000	-	1,184,966	1.24
Tropicana Corporation Bhd				
- 5.00% / 30.06.2023	1,600,000	1,600,000	1,624,768	1.70
UEM Sunrise Bhd				
- 3.90% / 21.09.2023	1,400,000	1,403,618	1,400,126	1.46
- 4.00% / 09.06.2023	1,100,000	1,100,000	1,103,498	1.15
	<u>17,390,000</u>	<u>16,237,522</u>	<u>17,781,541</u>	<u>18.56</u>
<b>Transportation &amp; Logistics</b>				
Penang Port Sdn Bhd				
- 4.30% / 24.12.2026	3,200,000	3,200,000	3,409,568	3.56
Malaysia Airports Holdings Bhd				
- 3.30% / 05.11.2027	2,000,000	2,000,000	1,991,140	2.08
Malaysia Rail Link				
- 3.58% / 06.07.2035	2,500,000	2,500,000	2,486,425	2.60
MMC Corp Bhd				
- 5.70% / 24.03.2028	6,500,000	6,557,847	7,229,560	7.55
Pelabuhan Tanjung Pelepas				
- 3.95% / 18.06.2027	1,100,000	1,100,000	1,144,264	1.19
	<u>15,300,000</u>	<u>15,357,847</u>	<u>16,260,957</u>	<u>16.97</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

30.11.2020 (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Utilities</b>				
Edra Energy Sdn Bhd				
- 6.39% / 05.01.2034	1,000,000	1,240,676	1,234,880	1.29
- 6.43% / 05.07.2034	1,000,000	1,130,338	1,240,430	1.29
Tenaga Nasional Bhd				
- 4.98% / 27.08.2038	5,000,000	5,000,000	5,759,500	6.01
Pengurusan Air SPV Bhd				
- 3.32% / 04.06.2027	1,200,000	1,200,000	1,229,688	1.28
	<u>8,200,000</u>	<u>8,571,014</u>	<u>9,464,498</u>	<u>9.88</u>
<b>Government Agency</b>				
Khazanah Nasional Bhd				
- 4.68% / 14.02.2034	1,800,000	2,051,832	1,997,946	2.09
Perbadanan Kemajuan Pertanian Pahang				
- 4.11% / 30.10.2025	2,700,000	2,704,878	2,699,568	2.82
	<u>4,500,000</u>	<u>4,756,710</u>	<u>4,697,514</u>	<u>4.90</u>
<b>Total sukuk</b>	<u>82,890,000</u>	<u>82,853,063</u>	<u>87,066,437</u>	<u>90.88</u>
Unrealised gain on unquoted fixed income securities			<u>4,213,374</u>	

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

31.05.2020	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Automobile Manufacturing</b>				
DRB-HICOM Bhd - 4.85% / 11.12.2026	1,000,000	1,033,641	995,790	1.35
<b>Banks</b>				
Small Medium Enterprise Development Bank Malaysia Bhd - 3.30% / 23.04.2027	2,300,000	2,300,000	2,351,566	3.20
<b>Commercial Finance</b>				
MNRB Holdings Bhd - 5.20% / 22.03.2029	600,000	620,650	620,862	0.84
<b>Financial Services</b>				
Fortune Premiere Sdn Bhd - 5.05% / 05.09.2025	300,000	304,148	322,620	0.44
- 5.05% / 31.10.2025	2,600,000	2,609,171	2,800,096	3.81
Gulf Investment Corp - 5.10% / 16.03.2021	5,000,000	5,003,442	5,079,150	6.91
	<u>7,900,000</u>	<u>7,916,761</u>	<u>8,201,866</u>	<u>11.15</u>
<b>Industrial-Other</b>				
Ahmad Zaki Resources Bhd - 4.85% / 26.12.2024	5,000,000	5,000,000	5,096,150	6.93
Cypark Ref Sdn Bhd - 5.18% / 29.06.2029	2,100,000	2,137,555	2,188,410	2.98
Konsortium Lebuhraya Utara-Timur Sdn Bhd - 4.25% / 01.12.2023	1,600,000	1,586,835	1,638,416	2.23
TG Excellence Bhd - 3.95% / 27.02.2120	2,600,000	2,600,000	2,643,628	3.59
	<u>11,300,000</u>	<u>11,324,390</u>	<u>11,566,604</u>	<u>15.72</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

31.05.2020 (cont'd)	Quantity RM	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Power Generation</b>				
Sarawak Energy Bhd - 4.95% / 25.11.2033	900,000	1,041,532	1,038,348	1.41
Abu Dhabi National Energy Company PJSC (TAQA) - 4.65% / 03.03.2022	5,000,000	5,023,615	5,107,650	6.94
Quantum Solar Park (Semenanjung) Sdn Bhd - 5.16% / 06.10.2022	2,100,000	2,144,492	2,152,227	2.93
YTL Power International Bhd - 5.05% / 03.05.2027	4,700,000	4,785,449	5,129,110	6.97
	<u>12,700,000</u>	<u>12,995,088</u>	<u>13,427,335</u>	<u>18.25</u>
<b>Real Estate</b>				
Country Garden Real Estate Sdn Bhd - 6.40% / 06.05.2022	2,200,000	2,200,000	2,316,578	3.15
- 6.40% / 18.03.2022	2,900,000	2,900,000	3,043,927	4.14
IJM Land Bhd - 5.65% / 19.03.2026	2,400,000	2,400,000	2,500,752	3.40
- 4.73% / 17.03.2119	1,700,000	1,703,288	1,677,339	2.28
Talam Transform Bhd - 0.00% / 28.06.2020	1,190,000	-	1,143,637	1.55
	<u>10,390,000</u>	<u>9,203,288</u>	<u>10,682,233</u>	<u>14.52</u>
<b>Transportation &amp; Logistics</b>				
Penang Port Sdn Bhd - 4.30% / 24.12.2026	3,200,000	3,200,000	3,364,192	4.57
MMC Corp Bhd - 5.70% / 24.03.2028	6,500,000	6,561,053	7,055,230	9.59
	<u>9,700,000</u>	<u>9,761,053</u>	<u>10,419,422</u>	<u>14.17</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
(Formerly known as MAYBANK DANA ARIF)

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

31.05.2020 (cont'd)	Quantity RM	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Utilities</b>				
Edra Energy Sdn Bhd - 6.43% / 05.07.2034	2,000,000	2,267,363	2,456,260	3.34
Tenaga Nasional Bhd - 4.98% / 27.08.2038	5,000,000	5,000,000	5,826,450	7.92
	<u>7,000,000</u>	<u>7,267,363</u>	<u>8,282,710</u>	<u>11.26</u>
<b>Total sukuk</b>	<u>62,890,000</u>	<u>62,422,234</u>	<u>66,548,388</u>	<u>90.47</u>
Unrealised gain on unquoted fixed income securities			<u>4,126,154</u>	

**8. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS**

	30.11.2020 RM	31.05.2020 RM
Shariah-compliant deposits with maturity of less than 3 months	<u>6,684,332</u>	<u>5,143,352</u>

The weighted average effective profit rates ("WAEPR") and average maturity of Shariah-compliant deposits with licensed financial institutions as at the reporting date was as follows:

	30.11.2020		31.05.2020	
	WAEPR % p.a.	Average maturity days	WAEPR % p.a.	Average maturity days
Shariah-compliant deposits with maturity of less than 3 months	<u>1.63</u>	<u>1</u>	<u>1.97</u>	<u>3</u>

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

The amount due from/(to) brokers relates to the amount to be received from/(paid to) a broker arising from the sale/(purchase) of Shariah-compliant unquoted fixed income securities. The settlement period for these receivables/(payables) are within 3 working days from the deal date.



**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

		<b>30.11.2020</b>	<b>31.05.2020</b>
		<b>RM</b>	<b>RM</b>
Amount due from Manager is in respect of:			
Subscription of units	(i)	57,342	1,159,821
Amount due to Manager is in respect of:			
Management fee	(ii)	27,516	21,407
Cancellation of units	(iii)	10,882	5,317
		38,398	26,724

- (i) The amount represent amount receivable from the Manager for units subscribed.
- (ii) The amount represents amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (2019: 15 days).
- (iii) The amount represents amount payable to the Manager for units cancelled.

**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 year. The normal credit term for Trustee's fee is 15 days (31.05.2020: 15 days).

**12. OTHER PAYABLES AND ACCRUALS**

Other payables and accruals comprise the following:

	<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>RM</b>	<b>RM</b>
Due to external auditors	5,265	12,083
Due to tax agent	13,148	17,600
Shariah advisory fee payable	10,873	6,360
Other payables	59,202	61,728
	88,488	97,771

**13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND**

		<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
Unitholders' contribution	(a)	94,793,708	68,014,287
Accumulated realised income	(b)	(3,204,246)	1,416,348
Accumulated unrealised income	(c)	4,213,372	4,126,154
		95,802,834	73,556,789

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

**(a) Unitholders' contribution**

The units are distributed based on the following classes:

	30.11.2020		31.05.2020	
	Units	RM	Units	RM
(i) Class A-MYR	88,750,430	51,387,072	54,423,244	27,867,859
(ii) Class C-MYR	75,706,464	43,338,907	75,192,388	40,079,744
(iii) Class C-USD	20,749	67,729	20,500	66,684
	<u>164,477,643</u>	<u>94,793,708</u>	<u>129,636,132</u>	<u>68,014,287</u>

**(i) CLASS A-MYR**

	30.11.2020		31.05.2020	
	Units	RM	Units	RM
As at beginning of the financial period/year	54,423,244	27,867,859	81,201,357	44,903,950
Creation of units	37,097,596	23,184,103	8,006,020	5,095,662
Reinvestment of units	1,896,330	1,184,978	5,875,906	3,619,296
Cancellation of units	(4,666,740)	(2,930,216)	(40,660,039)	(25,609,673)
Distribution equalisation (Note 14(a))	-	2,080,348	-	(141,376)
As at end of the financial period/year	<u>88,750,430</u>	<u>51,387,072</u>	<u>54,423,244</u>	<u>27,867,859</u>

**(ii) CLASS C-MYR**

	30.11.2020		31.05.2020	
	Units	RM	Units	RM
As at beginning of the financial period/year	75,192,388	40,079,744	121,356,504	57,315,367
Reinvestment of units	1,123,239	597,788	10,711,880	5,600,690
Cancellation of units	(609,163)	(325,291)	(56,875,996)	(30,088,951)
Distribution equalisation (Note 14(b))	-	2,986,666	-	7,252,638
As at end of the financial period/year	<u>75,706,464</u>	<u>43,338,907</u>	<u>75,192,388</u>	<u>40,079,744</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

**(a) Unitholders' contribution (cont'd)**

**(iii) CLASS C-USD**

	30.11.2020		31.05.2020	
	Units	RM	Units	RM
As at beginning of the financial period/year	20,500	66,684	20,500	66,684
Reinvestment of units	249	1,045	-	-
As at end of the financial period/year	20,749	67,729	20,500	66,684

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

	30.11.2020		31.05.2020	
	No. of Units	Valued at NAV	No. of Units	Valued at NAV
Manager - Class C-USD (USD)	20,500	21,767	20,500	20,061

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

**(b) Accumulated realised (loss)/income**

	30.11.2020	31.05.2020
	RM	RM
At beginning of the financial period/year	1,416,348	11,985,126
Net realised loss for the financial period/year	(4,620,594)	(10,564,163)
Transferred to unitholders contribution upon termination	-	(4,615)
At end of the financial period/year	(3,204,246)	1,416,348

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

**(c) Accumulated unrealised income**

	<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period/year	4,126,154	3,593,470
Net unrealised income for the financial period/year	87,218	532,684
At end of the financial period/year	<u>4,213,372</u>	<u>4,126,154</u>

**(d) Classes of shares**

**(i) Types of classes of units**

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

<b>Classes of units</b>	<b>Currency</b>	<b>Categories of</b>	<b>Distribution Policy</b>
A-MYR	RM	Retail	Distribution of income
C-MYR	RM	Institutional	Distribution of income
C-USD	USD	Institutional	Accumulation of units

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

- (a) Initial investments for each class
- (b) Additional minimum investment
- (c) Transfer, switching and conversion charges for each class

**(ii) NAV computation**

The computation of NAV of the Fund is based on the Fund's functional currency, RM, irrespective of the multiple classes of units (denominated in other currencies). Due to multiple classes in this Fund, the expenses of the Fund are apportioned based on the MCR, 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/cancellation of units by unitholders**

These units are cancellable at the unitholder's option. Cancellable 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 MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**14. DISTRIBUTIONS**

The sources of distribution to the unitholder in the current financial year are as follow:

<b>(a) CLASS A-MYR</b>	<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>RM</b>	<b>RM</b>
Profit income	5,710,488	9,201,117
Net realised gain on sale of investments	1,568,122	2,946,403
Less : Expenses	<u>(4,013,284)</u>	<u>(8,669,600)</u>
Distribution out of realised reserve (Note 13(b)) *	3,265,326	3,477,920
Distribution out of distribution equalisation (Note 13(a))	<u>(2,080,348)</u>	<u>141,376</u>
Distribution for the financial year	<u>1,184,978</u>	<u>3,619,296</u>
		<b>Gross/net distribution per unit (sen)</b>
<b>Distribution dates</b>		
<b><u>30.11.2020</u></b>		
26 August 2020		0.80
23 November 2020		<u>0.63</u>
		<u>1.43</u>
		<b>Gross/net distribution per unit (sen)</b>
<b>Distribution dates</b>		
<b><u>31.05.2020</u></b>		
30 June 2019		2.40
28 May 2020		<u>3.25</u>
		<u>5.65</u>
		<b>Gross/net distribution per unit (sen)</b>
<b>(b) CLASS C-MYR</b>	<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>RM</b>	<b>RM</b>
Profit income	3,630,901	10,837,668
Net realised gain on sale of investments	997,059	4,563,897
Less : Expenses	<u>(1,043,506)</u>	<u>(2,548,237)</u>
Distribution out of realised reserve (Note 13(b)) *	3,584,454	12,853,328
Distribution out of distribution equalisation (Note 13(a))	<u>(2,986,666)</u>	<u>(7,252,638)</u>
Distribution for the financial year	<u>597,788</u>	<u>5,600,690</u>
		<b>Gross/net distribution per unit (sen)</b>
<b>Distribution dates</b>		
<b><u>30.11.2020</u></b>		
26 August 2020		<u>0.80</u>
<b><u>31.05.2020</u></b>		
30 June 2019		3.00
28 May 2020		<u>2.75</u>
		<u>5.75</u>

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

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

<b>(b) CLASS C-USD</b>	<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>RM</b>	<b>RM</b>
Profit income	1,328	-
Less : Expenses	(284)	-
Distribution for the financial year	<u>1,044</u>	<u>-</u>
		<b>Gross/net</b>
		<b>distribution</b>
<b>Distribution dates</b>		<b>per unit (sen)</b>
<b><u>30.11.2020</u></b>		
26 August 2020		<u>1.25</u>

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

\* Part of the distributions in the current financial year were made from previous year's net realised income.

There was no distribution declared during the previous financial year.

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**15. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES**

For the purpose of these financial statements, parties are considered to be related to the Fund or the Manager if the Fund or the Manager has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Fund or the Manager and the party are subject to common control or common significant influence. Related parties maybe individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant related party transaction and balances of the Fund during the financial year.

	<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>RM</b>	<b>RM</b>
(i) <u>Significant related party transaction</u>		
Maybank Islamic Bhd:		
Profit income from Shariah-compliant deposits	24,518	36,044
(ii) <u>Significant related party balances</u>	<b>30.11.2020</b>	<b>31.05.2020</b>
	<b>RM</b>	<b>RM</b>
Maybank Islamic Bhd:		
Shariah-compliant deposit with a licensed Islamic financial institution	3,154,000	3,228,000

**16. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS**

Details of transactions with brokers/dealers for the current and previous financial year are as follows:

<b>Brokers</b>	<b>30.11.2020</b>		<b>30.11.2019</b>	
	<b>Value of trade</b>	<b>Percent of total trade</b>	<b>Value of trade</b>	<b>Percent of total trade</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Ambank Berhad	1,700,000	3.46	-	-
Affin Hwang Investment Bank Bhd	2,500,000	5.08	31,074,163	50.95
Alliance Bank Malaysia Bhd	-	-	1,046,000	1.71
CIMB Bank Bhd	-	-	3,982,800	6.53
Hong Leong Bank Bhd	5,900,000	11.99	14,328,450	23.49
Malayan Banking Bhd ("MBB") *	23,800,000	48.37	2,139,900	3.51
RHB Investment Bank Bhd	15,300,000	31.10	8,420,406	13.81
	<u>49,200,000</u>	<u>100.00</u>	<u>60,991,719</u>	<u>100.00</u>

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

**MAYBANK MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**16. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS (CONT'D)**

Details of transactions, primarily cash placements with financial institutions are as follows:

Financial institutions	30.11.2020		31.05.2020	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Maybank Islamic Bhd **	347,964,402	48.59	342,422,000	18.08
Public Islamic Bank Bhd	368,135,551	51.41	1,547,134,394	81.68
RHB Islamic Bank Bhd	-	-	4,500,000	0.24
	<u>716,099,953</u>	<u>100.00</u>	<u>1,894,056,394</u>	<u>100.00</u>

\*\* Maybank Islamic Bhd is a subsidiary of MBB, the ultimate holding company of the Manager.

**17. MANAGEMENT EXPENSE RATIO ("MER")**

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund, and recovered expenses to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee and other administrative expenses. For the financial period from 1 June 2020 to 30 November 2020, the MER of the Fund stood at 0.22% (31.05.2020: 1.29%).

**18. PORTFOLIO TURNOVER RATIO ("PTR")**

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 June 2020 to 30 November 2020, the PTR of the Fund stood at 0.28 times (31.05.2020: 0.67 times).

**19. SEGMENT INFORMATION**

The Portfolio Management Committee (the "PMC") of the Manager, being 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 the Fund's NAV in Sukuk and Shariah-compliant money market instruments, and a minimum of 2% in Shariah-compliant liquid assets.

The remaining balance of the Fund's NAV will be invested in 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 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 MALAYSIA INCOME-I FUND**  
**(Formerly known as MAYBANK DANA ARIF)**

**20. 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).

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>30.11.2020</b>				
Financial assets at FVTPL	-	87,066,437	-	87,066,437
<b>31.05.2020</b>				
Financial assets at FVTPL	-	66,548,388	-	66,548,388

**21. UNITHOLDERS' CONTRIBUTION MANAGEMENT**

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

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

- (a) To invest in investments meeting the description, risk exposure and generate higher returns than the prescribed benchmark 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 unitholders' contribution management objectives, policies or processes during the current financial period.