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# **MAYBANK INCOME MANAGEMENT-I FUND**

**Unaudited Interim Report  
For the financial period from 1 September 2020 to  
28 February 2021**

## **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  
Facsimile +603 2715 0071  
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### **EXTERNAL INVESTMENT MANAGER ("EIM")**

Maybank Islamic Asset Management Sdn Bhd (201301012623 (1042461-K))  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia

### **TRUSTEE**

PB Trustees Berhad (196801000374 (573019-U))  
17th Floor, Menara Public Bank  
146 Jalan Ampang  
50450 Kuala Lumpur  
Telephone +603 2177 3127  
Facsimile +603 2164 3285

### **SHARIAH ADVISER**

Amanie Advisors Sdn Bhd (200501007003 (684050-H))  
Level 13A-2, Menara Tokio Marine Life  
189 Jalan Tun Razak  
50400 Kuala Lumpur

## **MAYBANK INCOME MANAGEMENT-I FUND**

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## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021

#### A. Fund Information

**1. Name of Fund**

Maybank Income Management-I Fund (the "Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Fixed Income

**4. Duration of Fund**

The Fund is an open-ended fund.

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

8 January 2020 / 28 January 2020

**6. Fund's investment objective**

The Fund aims to provide investors with a consistent stream of income through investments in a diversified portfolio of Sukuk.

**7. Fund distribution policy**

Distribution will be made on a semi-annual basis (subject to availability of income) and at the discretion of the Manager. Distribution, if any, will be made from the realised income of the Fund. Additional distribution, if any, shall be incidental and shall be made from the realised income of the Fund.

**8. Fund's performance benchmark**

Maybank 12-months Islamic deposit rate +0.50% per annum

**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 MYR-denominated Sukuk. Up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits. The Fund may invest up to 30% of its NAV investment in non-MYR denominated Sukuk should the External Investment Manager ("EIM") deems the investments to be in line with the objective of the Fund.

**10. Breakdown of unitholdings by size**

**Fund size**

As at 28 February 2021, the size of the Fund was 209,513,313 units.

**Breakdown of unitholdings as at 28 February 2021**

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	50.00	* 1	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	1	50.00	** 209,512	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>209,513</b>	<b>100.00</b>

## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021

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

##### 10. Breakdown of unitholdings by size

###### Breakdown of unitholdings as at 28 February 2021 (cont'd)

\* Represents 1,022 units held by Maybank Asset Management Sdn Bhd (the "Manager")

\*\* Includes units held under an Institutional Unit Trust Scheme Advisers ("IUTA")

##### 11. Net income distribution for the financial period from 1 September 2020 to 28 February 2021

The Fund declared a distribution of RM2,478,271 for the financial period from 1 September 2020 to 28 February 2021. Below are details of distribution declared and the impact of the distribution to the Fund's NAV:

Distribution date	Gross/net distribution per unit (sen)	Before distribution (RM)	After distribution (RM)	Changes %
23 February 2021	1.00	1.0266	1.0166	-0.97%

#### B. Performance Review

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

Category	01.09.2020 to 28.02.2021	08.01.2020 (date of launch) to 31.08.2020
Sukuk (%)	84.03	80.63
Cash and other net assets (%)	15.97	19.37
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	212,430	190,037
Units in circulation (units'000)	209,513	185,755
NAV per unit (RM)	1.0139	1.0230
Highest NAV per unit (RM)	1.0339	1.0349
Lowest NAV per unit (RM)	1.0137	0.9677
Annual return (%) <sup>(1)</sup>		
- Capital growth (%)	(0.89)	2.28
- Income distribution (%)	1.18	0.98
Total return (%)	0.28	3.28

## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021

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

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

Category	01.09.2020 to 28.02.2021	08.01.2020 (date of launch) to 31.08.2020
Benchmark (%)	1.17	1.67
Management Expense Ratio ("MER") (%)	0.13	0.16
Portfolio Turnover Ratio ("PTR") (times)	0.25	0.61

#### Note:

(1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager and Trustee's fees.

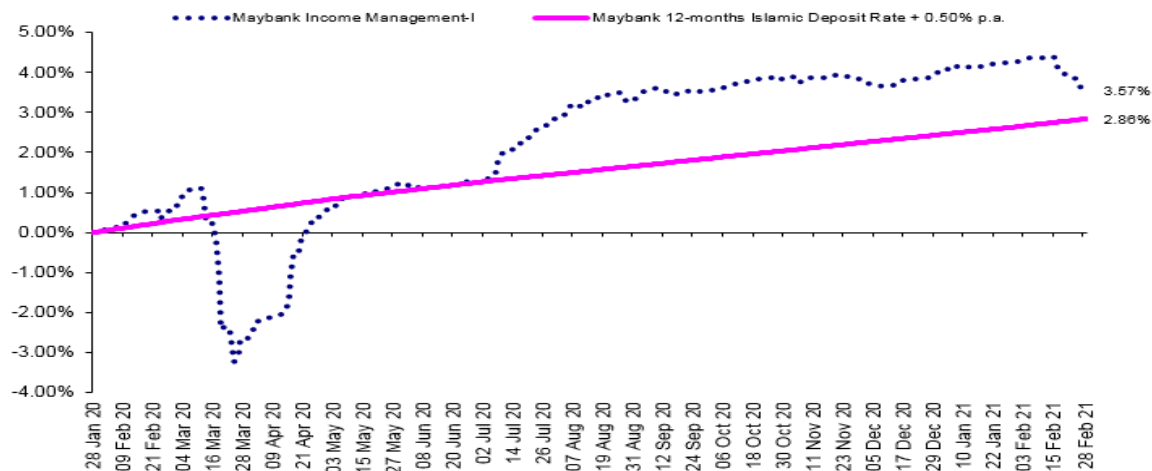
(2) The MER is 0.13 during the current financial period under review.

(3) The PTR is 0.25 times during the current financial period under review.

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

##### 2. Performance of the Fund up to 28 February 2021

Category	6 months to 28.02.2021 %	1 year to 28.02.2021 %	Since inception to 28.02.2021 %
Capital growth	(0.89)	0.72	1.37
Income distribution	1.18	2.17	2.17
Total return of the Fund	0.28	2.90	3.57
Benchmark	1.17	2.55	2.86
Average total return	-	2.90	3.12



Source: Lipper, as at 28 February 2021

## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021

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

##### 2. Performance of the Fund up to 28 February 2021 (cont'd)

Maybank Income Management-I Fund recorded a return of 0.28% for the period under review, underperforming the benchmark return of 1.17% over the corresponding period. The underperformance was due to sell-off in February 2021 following a global rout in fixed income market caused by rising US Treasury yields. For the 1 year period to 28 February 2021, the Fund recorded a return of 2.90% compared to the benchmark return of 2.55%.

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

Category	28.02.2021 %	31.08.2020 %
Annual total return	0.28	3.28
Benchmark	1.17	1.67

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

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

An illustration of the above would be as follows:

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

#### C. Market Review

After four Overnight Policy Rate ("OPR") cuts by Bank Negara Malaysia ("BNM") between January 2020 and July 2020, the market saw a pause in the country's monetary policy as BNM maintained its OPR at 1.75% throughout the period. This saw some unwinding of dovish positioning and profit taking in the market leading to some consolidation in the local bond market. After the early scare of FTSE Russell's decision on Malaysia bond weightage in the World Global Bond Index ("WGBI") in September 2020, the local bond market saw Fitch downgrading Malaysia rating to 'BBB+' from 'A-' on 4th December 2020 citing Malaysia's weakened key credit metrics due to COVID-19 ("Coronavirus") crisis, as well as political uncertainties. After the initial reaction from the market, local bonds saw some support to recover as S&P and Moody's still retained their 'A3' rating for Malaysia.

## **MAYBANK INCOME MANAGEMENT-I FUND**

### **Manager's report**

**For the financial period from 1 September 2020 to 28 February 2021**

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

These factors provided some volatilities in the local bond market. However, the main driver for volatilities during the period was the rising US Treasury ("UST") yields. The global market saw the UST yields rose 15 basis points ("bps") to 82 bps between the 3 year and 30 year maturities during the period which drove a selloff in the emerging market bonds as profit taking took hold. The rise in UST yields gathered momentum on positive news on developments of vaccines for COVID-19 and the start of vaccinations worldwide that raise expectations on a global economic recovery to start soon. This peaked in February 2021 after signs that the US Federal Reserve ("Fed") would not intervene in the rising UST yields leading to its biggest jump in over a year and causing a major selloff in emerging market bonds.

Consequently, the selloff in Malaysian Government Securities ("MGS") and Government Investment Issue ("GII") yields saw the local corporate bonds and sukuks yields rose as well especially in the Government Guaranteed ("GG") and AAA-rated bonds and sukuks. This saw buying interests waned as market waited for a floor in the selloff leading to the steep adjustment in local bonds prices in February 2021.

#### **D. Market Outlook**

The Malaysian bond market are on a similar trajectory with other regional markets with yields currently rising and curves seen to be steepening for the time being. The government's outlook on the Malaysian economy for 2021 remained positive with expectations that Gross Domestic Product ("GDP") will between 6.5% and 7.5% in 2021 despite the second movement control order ("MCO") enforcement which affect the major economic zones such as Selangor, Penang, Johor and Kuala Lumpur. We view that economic activities would pick up with fewer disruptions once forthcoming vaccines are made available in Malaysia which we expect only in second half of 2021 at the earliest. Following the 125 bps of cumulative OPR cuts in 2020 and having stayed on hold at the last two MPC meetings for the year, we view BNM will likely stand on hold with OPR at 1.75% through 2021 unless the current COVID-19 condition continue to adversely impact the domestic economy to a worse level relative to 2020. In such event, there could be another potential reduction OPR cut by BNM.

After a strong fixed income performance in 2020, the asset class may see a more tapered returns as yields have dropped to low levels as a result of the rally last year. We do not see a similar compression in yields that would push up bond prices in 2021. Additionally, globally interest rates are already at or close to record lows with investment grade bonds yielding close to its all-time lows. A rising UST yields in 2021 will likely drive a similar upward trends in emerging market yields including Malaysia. Therefore, we are expecting a more modest return of around 3.5% to 4.0% for 2021.

#### **E. Investment Strategy**

We will continue to look for attractive sukuk investments to trade and also improve the portfolio current yield of 3.47% with the cash available. Aside from the sukuk secondary market, we will also look into new primary issuances that offers us higher yields to deliver the required performance. As of 28 Feb 2021, the Fund was 84.03% invested in Ringgit Malaysia denominated sukuk investments.



## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021

#### F. Significant Changes in the State of Affairs of the Fund

Subsequent to the issuance of the First Supplementary Prospectus dated 22 February 2021, the following changes were updated in the latest Prospectus:

No	Item	Prior to 22 February 2021	Effective from 22 February 2021
1	Change of Board of Directors	<ul style="list-style-type: none"> <li>- Dr Hasnita binti Dato' Hashim (chairman/ independent non-executive director)</li> <li>- Goh Ching Yin (independent non-executive director)</li> <li>- Badrul Hisyam bin Abu Bakar (non-independent non-executive director)</li> <li>- Ahmad Najib bin Nazlan (non-independent executive director / chief executive)</li> </ul>	<ul style="list-style-type: none"> <li>- Dato Idris Kechot (chairman / independent non-executive director)</li> <li>- Goh Ching Yin (independent non-executive director)</li> <li>- Loh Lee Soon (independent non-executive director)</li> <li>- Badrul Hisyam bin Abu Bakar (non-independent non-executive director)</li> <li>- Ahmad Najib bin Nazlan (non-independent executive director / chief executive)</li> </ul>
2	Unit Trust Financing Risk Statement	- Disclosed under Chapter 15	Removed
3	Different cut-off times between distributors for switching and dealing of units	- Nil	Included
4	Changes in approvals and conditions and Bases of Valuation of Investments	- There is no exemption and/or variation to the Guidelines for this Fund and other unlisted fixed income securities will be valued based on fair value by reference to the average indicative yield quoted by 3 independent and reputable institutions	<ul style="list-style-type: none"> <li>- Chapter 3 has been amended to disclose variation granted on 28 October 2020 to the valuation basis in Schedule C of the Guidelines for investments in non-MYR unlisted sukuk.</li> <li>- Chapter 5 has been amended to disclose that investments in other unlisted sukuk will be valued based using the Bloomberg Generic Price ("BGN"). In the case where the Manager is unable to obtain quotation from the BGN, such unlisted sukuk will be valued at fair value by reference to the average indicative yield quoted by 3 independent and reputable institutions. If the BGN is not available and the Manager is unable to obtain quotation from 3 independent and reputable institutions, such unlisted sukuk will be valued at fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee</li> </ul>

## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021

#### F. Significant Changes in the State of Affairs of the Fund (cont'd)

No	Item	Prior to 22 February 2021	Effective from 22 February 2021
5	Information of the Trustee	- Disclosed under Chapter 2	- Amended to include the old company number of the Trustee and to update the contact details of the Trustee
6	Changes in investment strategy and investment limits and restrictions	- Disclosed under Chapter 3	- Ratings reference of foreign currency denominated sukuk was replaced from S&P to Moody's
7	Information on switching	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.

#### 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 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 September 2020 to 28 February 2021, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDER'S OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

We have acted as Trustee of Maybank Income Management-I Fund (the "Fund") for the financial period from 1 September 2020 to 28 February 2021. 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 Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation and pricing were carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units were carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of returns for the period were tied to and reflect the objective of the Fund.

For and on behalf of  
**PB Trustee Services Berhad**

**Cheah Kuan Yoon**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
8 April 2021

**STATEMENT BY MANAGER**

**TO THE UNITHOLDER'S OF  
MAYBANK INCOME MANAGEMENT-I FUND  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

I, Ahmad Najib Bin Nazlan, being the Director of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying the unaudited financial statements as set out on page 14 to 43 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 Income Management-I Fund as at 28 February 2021 and of its results, changes in equity and cash flows for the financial period from 1 September 2020 to 28 February 2021 and complied with the requirements of the Deed.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**  
Director

Kuala Lumpur, Malaysia  
13 April 2021

**REPORT OF THE SHARIAH ADVISER**

**TO THE UNITHOLDER'S OF  
MAYBANK INCOME MANAGEMENT-I FUND  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

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 Income Management-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 comprise instruments that have been classified as Shariah compliant.

For and on behalf of  
**Amanie Advisors Sdn Bhd**

**Datuk Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur, Malaysia  
8 April 2021

**MAYBANK INCOME MANAGEMENT-I FUND****UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

		<b>01.09.2020 to 28.02.2021 RM</b>
<b>INVESTMENT INCOME</b>		
Profit income	4	3,265,832
Net loss on financial assets at fair value through profit or loss ("FVTPL")		
- Realised gain		800,389
- Unrealised loss		<u>(3,314,189)</u>
		<u>752,032</u>
<b>EXPENSES</b>		
Manager's fee	5	197,788
Trustee's fee	6	39,558
Auditors' remuneration		4,959
Tax agent's fee		1,736
Shariah advisory fee		7,439
Administrative expenses		<u>7,172</u>
		<u>258,652</u>
<b>Net income before taxation</b>		493,380
Taxation	7	<u>-</u>
<b>Net income after taxation and total comprehensive income for the financial period</b>		<u>493,380</u>
<b>Net income after taxation is made up of the following:</b>		
Net realised income		3,807,569
Net unrealised loss		<u>(3,314,189)</u>
		<u>493,380</u>
<b>Distributions for the financial period:</b>	14	
Net distribution for the year		<u>2,478,271</u>
Gross/Net distribution for per unit (sen)		<u>1.00</u>
Distribution date (ex-date)		<u>23 February 2021</u>

**MAYBANK INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2021**

		<b>01.09.2020</b>	<b>08.01.2020</b>
		<b>to</b>	<b>(date of</b>
		<b>28.02.2021</b>	<b>launch)</b>
		<b>RM</b>	<b>to</b>
	<b>Note</b>	<b>RM</b>	<b>31.08.2020</b>
			<b>RM</b>
<b>ASSETS</b>			
Financial assets at FVTPL	8	178,499,628	153,217,067
Shariah-compliant deposits with licensed Islamic financial institutions	9	31,085,151	42,928,469
Profit income receivable		1,909,837	1,476,869
Amount due from Manager	10	897,756	69,825
Cash at bank		309,172	125,237
<b>TOTAL ASSETS</b>		<b>212,701,544</b>	<b>197,817,467</b>
<b>LIABILITIES</b>			
Amount due to Manager	10	237,081	712,419
Amount due to Trustee	11	6,773	6,091
Amount due to broker	12	-	7,032,900
Other payables and accruals		27,990	29,471
<b>TOTAL LIABILITIES</b>		<b>271,844</b>	<b>7,780,881</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>212,429,700</b>	<b>190,036,586</b>
<b>EQUITY</b>			
Unitholders' capital	13(a)	210,843,131	186,904,767
Retained earnings	13(b) & (c)	1,586,569	3,131,819
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>212,429,700</b>	<b>190,036,586</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	13(a)	<b>209,513,313</b>	<b>185,754,993</b>
<b>NAV PER UNIT (RM)</b>		<b>1.0139</b>	<b>1.0230</b>

**MAYBANK INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY**

**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

	<b>Unitholders' capital Note 13(a) RM</b>	<b>Retained earnings Note 13(b) &amp; Note 13(c) RM</b>	<b>Total equity RM</b>
At 1 September 2020	186,904,767	3,131,819	190,036,586
Total comprehensive income for the financial period	-	493,380	493,380
Creation of units	131,731,939	-	131,731,939
Reinvestment of units	2,478,271	-	2,478,271
Cancellation of units	(109,832,205)	-	(109,832,205)
Distributions (Note 15)	(439,641)	(2,038,630)	(2,478,271)
At 28 February 2021	<u>210,843,131</u>	<u>1,586,569</u>	<u>212,429,700</u>



**MAYBANK INCOME MANAGEMENT-I FUND**

**UNAUDITED STATEMENT OF CASH FLOWS**

**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

**01.09.2020  
to  
28.02.2021  
RM**

**CASH FLOWS FROM OPERATING AND INVESTING  
ACTIVITIES**

Net payment for purchase of financial assets at FVTPL	(68,293,092)
Net proceeds from sale of financial assets at FVTPL	33,130,905
Profit income received	3,165,787
Manager's fee paid	(194,377)
Trustee's fee paid	(38,876)
Payment of other fees and expenses	(22,786)
Net cash used in operating and investing activities	<u>(32,252,439)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from creation of units	135,860,551
Payment for redemption of units	(112,789,224)
Net cash generated from financing activities	<u>20,593,056</u>

**NET CHANGE IN CASH AND CASH  
EQUIVALENTS FOR THE FINANCIAL PERIOD**

(11,659,383)

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

43,053,706

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

31,394,323

Cash and cash equivalents comprise:

Cash at bank 309,172

Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months (Note 9) 31,085,151

31,394,323

## **MAYBANK INCOME MANAGEMENT-I FUND**

### **NOTES TO THE UNAUDITED FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

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

Maybank Income Management-I Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 3 December 2019 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, PB Trustee Services Bhd.

The principal activity of the Fund is to invest a minimum of 70% of the Fund's NAV in MYR-denominated sukuk issued and/or offered in Malaysia with a minimum Sukuk rating of 'A3' by RAM Holdings Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"). However, if any of the sukuk held in the Fund has been downgraded to a rating lower than 'A3', the Manager may choose to dispose the sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold onto the downgraded sukuk for up to ninety (90) days.

The Manager will also invest up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence ("CMSL") 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").

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a subsidiary of MAMG and is a holder of CMSL to carry out Islamic fund management business pursuant to Section 61 of the 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.

## MAYBANK INCOME MANAGEMENT-I FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance to Malaysian Financial Reporting Standards 134 Interim Financial Reporting ("MFRS 134") and International Accounting Standards 34 Interim Financial Reporting.

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

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

#### 2.2 Standards and amendments to standards 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
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.

#### 2.3 Financial instruments

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

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

## MAYBANK INCOME MANAGEMENT-I 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) Financial assets at amortised cost

Unless designated as at FVTPL on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the assets are held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Debt instruments that do not meet the criteria above are classified as either fair value through other comprehensive income ("FVTOCI") or FVTPL.

The Fund classifies cash and cash equivalents, profit income receivables and amount due from Manager as financial assets at amortised cost, 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 Sukuk is 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

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 INCOME MANAGEMENT-I FUND**

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

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

##### **(ii) Financial assets at 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. Profit income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

The carrying cost of unquoted fixed income securities denominated in RM are revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency ("BPA") registered with the Securities Commission Malaysia ("SC"). Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- records its basis for using a non-BPA price;
- obtain necessary internal approvals to the use of non-BPA price; and
- keeps an audit trail of all decisions and basis for adopting the market yield.

Changes in the fair value of FVTPL investments are recognised in 'unrealised gain on FVTPL investments' in profit or loss. Accumulated unrealised gains or losses are reclassified to 'realised gain on FVTPL investments' in profit or 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 (financial assets that are debt instruments). The impairment model does not apply to equity investments.

ECL is 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.

## **MAYBANK INCOME MANAGEMENT-I FUND**

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

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

##### **(iii) Impairment of financial assets (cont'd)**

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or counterparty;
- Significant downgrade in credit rating of the instrument by a rating agency;
- A breach of contract such as a default or past due event; or
- The disappearance of an active market for a security because of financial difficulties.

For balances with short-term nature, full impairment will be recognised on uncollected balances after the grace period.

##### **(iv) Derecognition of financial assets**

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset 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, gain or losses are recognised in profit or loss when the asset is derecognised, modified and impaired.

#### **2.5 Financial liabilities**

##### **(i) Classification**

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

##### **(ii) Recognition and measurement**

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

## **MAYBANK INCOME MANAGEMENT-I FUND**

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

#### **2.5 Financial liabilities (cont'd)**

##### **(iii) Derecognition**

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### **2.6 Fair value measurement**

The Fund measures its financial instruments at fair value, at each reporting date. 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:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (c) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## **MAYBANK INCOME MANAGEMENT-I FUND**

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

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

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

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

#### **2.7 Functional and presentation currency**

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

#### **2.8 Unitholders' capital**

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

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

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

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



## **MAYBANK INCOME MANAGEMENT-I FUND**

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

#### **2.9 Distributions**

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

#### **2.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and Shariah-compliant deposits with licensed Islamic financial institutions 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.

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.

Other revenue 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 Taxation**

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

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

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

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

## MAYBANK INCOME MANAGEMENT-I 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 judgements

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

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

### 3. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund during the financial period from 1 September 2020 to 28 February 2021 is Shariah-compliant.

### 4. PROFIT INCOME

	<b>01.09.2020 to 28.02.2021 RM</b>
Profit income from Sukuk	3,293,264
Profit income from Shariah-compliant deposits	391,156
Amortisation of premium, net of accretion of discount	<u>(418,588)</u>
	<u><b>3,265,832</b></u>

### 5. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 0.40% per annum ("p.a.") on the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

## MAYBANK INCOME MANAGEMENT-I FUND

### 6. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.04% p.a. of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

### 7. TAXATION

**01.09.2020**  
**to**  
**28.02.2021**  
**RM**

Tax charge for the financial period:

Current income tax expense

-

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

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, the profit income earned by the Fund from its investment in Sukuk and Shariah-compliant deposits is exempted from tax.

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

**01.09.2020**  
**to**  
**28.02.2021**  
**RM**

Net income before taxation

493,380

Tax at Malaysian statutory rate of 24%

118,411

Income not subject to tax

(180,488)

Expenses not deductible for tax purposes

62,077

Tax expense for the financial period

-

**MAYBANK INCOME MANAGEMENT-I FUND**

**8. FINANCIAL ASSETS AT FVTPL**

		<b>28.02.2021</b>	<b>31.08.2020</b>	
		<b>RM</b>	<b>RM</b>	
Sukuk		178,499,628	153,217,067	
<b>Sukuk</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>28.02.2021</b>				
Aeon Credit Service (M) Bhd - 3.85% / 10.02.2027	5,000,000	5,000,000	5,089,100	2.40
Bumitama Agri Ltd - 4.20% / 22.07.2026	5,000,000	5,175,741	5,231,450	2.46
Country Garden Real Estate Sdn Bhd - 6.40% / 06.05.2022	5,000,000	5,112,001	5,197,000	2.45
Cypark Ref Sdn Bhd - 6.40% / 30.06.2025	5,000,000	5,107,824	5,272,800	2.48
DRB-Hicom Sdn Bhd - 4.55% / 12.12.2024	5,000,000	4,931,999	5,067,500	2.39
- 5.08% / 30.08.2030	7,000,000	7,031,605	7,040,880	3.31
Edra Energy Sdn Bhd - 6.35% / 05.07.2033	5,000,000	6,105,791	5,975,400	2.81
- 6.47% / 05.01.2035	5,000,000	6,195,013	6,065,100	2.86
Evyap Sabun Malaysia Sdn Bhd - 4.05% / 30.12.2025	5,000,000	5,000,000	4,994,550	2.35
Fortune Premiere Sdn Bhd - 5.05% / 05.09.2025	5,000,000	5,308,102	5,383,350	2.53
Gamuda Bhd - 4.26% / 16.11.2029	8,000,000	8,290,803	8,249,360	3.88
Gamuda Land Bhd - 3.75% / 12.08.2027	5,000,000	5,000,000	4,990,250	2.35

**MAYBANK INCOME MANAGEMENT-I FUND**

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

<b>Sukuk</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>28.02.2021 (cont'd)</b>				
IJM Corporation Bhd - 4.76% / 10.04.2029	5,000,000	5,329,222	5,312,800	2.50
Malaysia Airports Holdings Bhd - 3.30% / 05.11.2027	5,000,000	5,000,000	4,972,250	2.34
Manjung Island Energy Bhd - 4.90% / 25.11.2013	5,000,000	5,725,909	5,549,850	2.61
MMC Corporation Bhd - 5.70% / 24.03.2028	7,000,000	7,607,093	7,677,320	3.61
- 5.95% / 12.11.2027	5,000,000	5,448,503	5,549,850	2.61
MRCB Bhd - 3.85% / 14.08.2023	5,000,000	5,011,519	5,049,050	2.38
- 4.45% / 14.08.2030	1,000,000	1,010,111	999,600	0.47
Bank Muamalat Malaysia Bhd - 5.80% / 15.06.2026	5,000,000	5,024,581	5,029,650	2.37
Mumtaz Rakyat Sukuk Bhd - 4.95% / 19.06.2026	5,000,000	5,023,138	5,035,850	2.37
Pengurusan Air SPV Bhd - 1.00% / 05.02.2036	4,600,000	3,100,645	3,003,432	1.41
Penang Port Sdn Bhd - 4.68% / 26.12.2031	1,000,000	1,075,490	1,074,590	0.51
Perbadanan Kemajuan Pertanian Negeri Pahang - 3.96% / 30.10.2024	2,000,000	2,002,637	2,006,140	0.94
Pengerang LNG (TWO) Sdn Bhd - 3.31% / 21.10.2034	1,000,000	1,000,000	919,740	0.43
Prasarana Malaysia Bhd - 3.75% / 23.03.2040	5,000,000	5,000,000	4,671,150	2.20

**MAYBANK INCOME MANAGEMENT-I FUND**

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

<b>Sukuk</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>28.02.2021 (cont'd)</b>				
Perbadanan Tabung Pendidikan Tinggi Nasional - 3.40% / 28.08.2030	5,000,000	5,000,000	4,891,000	2.30
Sime Darby Property Bhd - 3.42% / 03.12.2027	5,000,000	5,000,000	4,976,800	2.34
Sarawak Energy Bhd - 4.70% / 24.11.2028	4,500,000	4,972,228	4,953,510	2.33
Tanjung Bin Energy Issuer Bhd - 6.20% / 16.03.2032	5,000,000	6,165,935	6,079,650	2.86
Tenaga Nasional Bhd - 4.98% / 27.08.2038	5,000,000	5,933,540	5,471,300	2.58
- 3.25% / 10.08.2035	5,000,000	4,744,744	4,558,450	2.15
TG Excellence Bhd - 3.95% / 26.02.2021	5,000,000	5,000,000	5,171,050	2.43
Tropicana Corporation Bhd - 5.50% / 30.06.2023	3,400,000	3,400,000	3,451,306	1.62
UEM Sunrise Bhd - 3.90% / 21.09.2023	3,000,000	3,007,166	3,004,350	1.41
- 5.22% / 16.02.2026	5,000,000	5,022,315	5,007,450	2.36
UMW Holdings Bhd - 5.22% / 02.10.2026	5,000,000	5,452,499	5,526,750	2.60
<b>Total Sukuk</b>	<b>172,500,000</b>	<b>179,316,154</b>	<b>178,499,628</b>	<b>84.03</b>
Unrealised loss on financial assets at FVTPL			<b>-816,526</b>	

**MAYBANK INCOME MANAGEMENT-I FUND**

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

<b>Sukuk</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.08.2020</b>				
Aeon Credit Service (M) Bhd - 3.85% / 10.02.2027	5,000,000	5,000,000	5,127,200	2.70
Anih Bhd - 5.34% / 29.11.2023	2,000,000	2,121,474	2,149,760	1.13
Bank Muamalat (M) Bhd - 5.80% / 15.06.2026	5,000,000	5,066,031	5,069,450	2.67
Bumitama Agri Ltd - 4.20% / 22.07.2026	5,000,000	5,190,310	5,255,800	2.77
Country Garden Real Estate Sdn Bhd - 6.40% / 06.05.2022	5,000,000	5,157,495	5,258,900	2.77
Cypark Ref Sdn Bhd - 6.40% / 30.06.2025	5,000,000	5,118,957	5,249,350	2.76
DRB-Hicom Sdn Bhd - 4.55% / 12.12.2024 - 5.08% / 30.08.2030	5,000,000 7,000,000	4,924,037 7,032,900	5,064,050 7,032,900	2.66 3.70
Edra Energy Sdn Bhd - 6.35% / 5.072033	5,000,000	6,139,738	6,208,350	3.27
Fortune Premiere Sdn Bhd - 4.85% / 07.09.2023 - 5.05% / 05.09.2025	1,000,000 5,000,000	1,040,600 5,339,037	1,053,820 5,423,350	0.55 2.85
Gamuda Bhd - 4.26% / 16.11.2029	8,000,000	8,304,679	8,369,280	4.40

**MAYBANK INCOME MANAGEMENT-I FUND**

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

<b>Sukuk (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.08.2020 (cont'd)</b>				
Gamuda Land Bhd - 3.75% / 12.08.2027	5,000,000	5,000,000	5,008,400	2.64
Kuala Lumpur Kepong Bhd - 3.75% / 27.09.2029	5,000,000	5,152,429	5,255,100	2.77
MMC Corporation Bhd - 5.70% / 24.03.2028	2,200,000	2,296,160	2,446,686	1.29
- 5.95% / 12.11.2027	5,000,000	5,476,796	5,628,200	2.96
MRCB Bhd - 3.85% / 14.08.2023	5,000,000	5,013,703	5,023,600	2.64
Mumtaz Rakyat Sukuk Bhd - 4.95% / 19.06.2026	5,000,000	5,061,442	5,088,300	2.68
Penang Port Sdn Bhd - 4.68% / 26.12.2031	5,000,000	5,392,523	5,551,150	2.92
PLUS Bhd - 4.72% / 12.01.2026	5,000,000	5,318,721	5,482,950	2.89
Prasarana Malaysia Bhd - 3.75% / 23.03.2040	5,000,000	5,000,000	5,150,050	2.71
Perbadanan Tabung Pendidikan Tinggi Nasional - 3.40% / 28.08.2030	5,000,000	5,000,000	5,000,000	2.63
Sarawak Energy Bhd - 3.65% / 15.06.2030	5,000,000	5,000,000	5,168,900	2.72
- 3.65% / 15.06.2030	9,500,000	10,553,628	10,760,175	5.66
- 3.65% / 15.06.2030	3,000,000	3,437,003	3,543,960	1.86
Tanjung Bin Energy Issuer Bhd - 6.20% / 16.03.2032	2,200,000	2,740,550	2,750,550	1.45
Tenaga Nasional Bhd - 4.98% / 27.08.2038	5,000,000	5,952,529	5,947,450	3.13



**MAYBANK INCOME MANAGEMENT-I FUND**

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

<b>Sukuk (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.08.2020 (cont'd)</b>				
TG Excellence Bhd - 3.95% / 26.02.2021	5,000,000	5,000,000	5,175,650	2.72
Tropicana Corporation Bhd - 5.50% / 30.06.2023	3,400,000	3,400,000	3,413,736	1.80
UMW Holdings Bhd - 5.22% / 02.10.2026	5,000,000	5,488,663	5,560,000	2.93
<b>Total Sukuk</b>	<b>143,300,000</b>	<b>150,719,405</b>	<b>153,217,067</b>	<b>80.63</b>
Unrealised gain on financial assets at FVTPL			<u>2,497,662</u>	

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

	<b>28.02.2021 RM</b>	<b>31.08.2020 RM</b>
Shariah-compliant deposits with licensed Islamic financial institutions	<u>31,085,151</u>	<u>42,928,469</u>

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

	<b>28.02.2021</b>		<b>31.08.2020</b>	
	<b>WAEPR % p.a.</b>	<b>Average maturity Days</b>	<b>WAEPR % p.a.</b>	<b>Average maturity Days</b>
Shariah-compliant deposits with maturity of - less than 3 months	<u>1.70</u>	<u>3</u>	<u>1.57</u>	<u>4</u>

## MAYBANK INCOME MANAGEMENT-I FUND

### 10. AMOUNT DUE FROM/TO MANAGER

	Note	28.02.2021 RM	31.08.2020 RM
<b>(a) Amount due from Manager</b>			
Subscription of units	(i)	897,756	69,825
<b>(b) Amount due to Manager</b>			
Redemption of units	(ii)	203,216	681,964
Manager's fee	(iii)	33,865	30,455
		<u>237,081</u>	<u>712,419</u>

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

(ii) The amount represents amount payable to the Manager for units redeemed.

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

### 11. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accruals for Trustee's fee at the reporting date. The normal credit term for the Trustee's fee is 15 days.

### 12. AMOUNT DUE TO BROKERS

Amount due to brokers relate to the amount to be paid to the brokers arising from the purchase of investments. The settlement period for these payables are within 3 working days from the deal date.

## MAYBANK INCOME MANAGEMENT-I FUND

### 13. TOTAL EQUITY

	Note	28.02.2021 RM	31.08.2020 RM
Unitholders' capital	(a)	210,843,131	186,904,767
Accumulated realised income	(b)	2,403,096	634,157
Accumulated unrealised (loss)/income	(c)	(816,527)	2,497,662
		<u>212,429,700</u>	<u>190,036,586</u>

#### (a) Unitholders' capital

	01.09.2020 to 28.02.2021		08.01.2020 (date of launch) to 31.08.2020	
	No. of units	RM	No. of units	RM
At the beginning of the financial period/year	185,754,993	186,904,767	-	-
Creation of units	128,057,290	131,731,939	276,793,047	278,471,639
Reinvestment of units	2,444,778	2,478,271	1,804,352	1,845,492
Cancellation of units	(106,743,748)	(109,832,205)	(92,842,406)	(93,064,642)
Distribution equalisation (Note 15)	-	(439,641)	-	(347,722)
At the end of the financial period	<u>209,513,313</u>	<u>210,843,131</u>	<u>185,754,993</u>	<u>186,904,767</u>

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

	28.02.2021		31.08.2020	
	No. of units	RM	No. of units	RM
The Manager	<u>1,022</u>	<u>1,036</u>	<u>1,010</u>	<u>1,033</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.

#### (b) Accumulated realised income

	08.01.2020 01.09.2020 date of launch) to 28.02.2021		31.08.2020 to 31.08.2020	
	RM		RM	
At beginning of financial period/date of launch	634,157		-	
Net realised income for the financial period	3,807,569		2,131,927	
Distributions out of realised reserve (Note 14)	(2,038,630)		(1,497,770)	
At end of the financial period	<u>2,403,096</u>		<u>634,157</u>	

## MAYBANK INCOME MANAGEMENT-I FUND

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

#### (c) Accumulated unrealised (loss)/income

	<b>01.09.2020</b>	<b>08.01.2020</b>
	to	(date of
	28.02.2021	launch)
	RM	to
		31.08.2020
		RM
At beginning of the financial period/date of launch	2,497,662	-
Net unrealised (loss)/income for the financial period	<u>(3,314,189)</u>	<u>2,497,662</u>
At end of the financial period	<u>(816,527)</u>	<u>2,497,662</u>

### 14. DISTRIBUTIONS

Net distributions to unitholders are from the following sources:

	<b>01.09.2020</b>
	to
	<b>28.02.2021</b>
	RM
Profit income	2,196,821
Less: Expenses	<u>(158,191)</u>
Distributions out of realised reserve (Note 14(b))	2,038,630
Distributions out of distribution equalisation (Note 14(a))	<u>(439,641)</u>
Distributions for the financial period	<u>1,598,989</u>
	<b>Gross/Net</b>
	<b>distribution</b>
<b>Distribution date (ex-date)</b>	<b>per unit (sen)</b>
<b>28.02.2021</b>	
23 February 2021	<u>1.00</u>

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

## MAYBANK INCOME MANAGEMENT-I FUND

### 15. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with brokers/dealers for the financial period are as follows:

	01.09.2020 to 28.02.2021		08.01.2020 (date of launch) to 31.08.2020	
	Value of trade RM	Percentage of total trade %	Value of trade RM	Percentage of total trade %
Affin Hwang Investment Bank Bhd	8,378,372	8.88	34,000,000	18.06
Alliance Bank Bhd	-	-	7,000,000	3.72
CIMB Bank Bhd	11,233,090	11.90	20,000,000	10.62
CIMB Islamic Bank Bhd	-	-	20,000,000	10.62
Hong Leong Investment Bank Bhd	-	-	5,000,000	2.66
Hong Leong Bank Bhd	11,146,634	11.81	17,200,000	9.13
MBB *	20,121,583	21.32	33,400,000	17.74
RHB Bank Bhd	-	-	51,700,000	27.46
RHB Investment Bank Bhd	38,693,567	40.99	-	-
Standard Chartered Bank Bhd	4,817,849	5.10	-	-
	<b>94,391,095</b>	<b>100.00</b>	<b>188,300,000</b>	<b>100.00</b>

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

	28.02.2021		31.08.2020	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
CIMB Islamic Bank Bhd	2,727,449,337	46.74	1,227,981,445	20.00
Maybank Islamic Bhd ("MIB") **	248,668,946	4.26	2,315,426,000	37.71
Hong Leong Islamic Bank Bhd	2,858,742,993	48.99	2,595,995,860	42.28
	<b>5,834,861,276</b>	<b>100.00</b>	<b>6,139,403,305</b>	<b>100.00</b>

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

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

## MAYBANK INCOME MANAGEMENT-I FUND

### 16. SIGNIFICANT RELATED PARTY TRANSACTIONS 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 may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, below are the significant related party transactions and balances of the Fund.

#### (a) Significant related party transactions

	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>RM</b>
<u>MIB:</u>		
Profit Income	14,148	200,074

#### (b) Significant related party balances

	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>RM</b>
<u>MIB:</u>		
Cash at bank	309,172	125,237
Shariah-compliant deposits	-	15,006,000
	<u>309,172</u>	<u>15,131,237</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.

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

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial period from 1 September 2020 to 28 February 2021, the MER of the Fund stood at 0.13%.

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

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 September 2020 to 28 February 2021, the PTR of the Fund stood at 0.25 times.

## MAYBANK INCOME MANAGEMENT-I FUND

### 19. SEGMENT INFORMATION

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker, makes the strategic decisions on resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieves its targeted return with an acceptable level of risk within the portfolio.

The PMC is responsible for the performance of the Fund by investing a minimum of 70% of the Fund's NAV in MYR-denominated Sukuk. Up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits. The Fund may also invest up to 30% of its NAV investment in non-MYR denominated Sukuk should the EIM deems the investments to be in line with the objective of the Fund.

On this basis, the PMC considers the business of the Fund to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investments strategy and the Fund's performance is evaluated on an overall basis.

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

There were no changes in the reportable operating segments during the financial period from 1 September 2020 to 28 February 2021.

### 20. FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>28.02.2021</b>			
Financial assets at FVTPL	-	178,499,628	-
<b>31.08.2020</b>			
Financial assets at FVTPL	-	153,217,067	-

## **MAYBANK INCOME MANAGEMENT-I FUND**

### **21. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

### **22. COMPARATIVE**

The comparative figures for Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows were not disclosed as the Fund was exempted under paragraph 12.02 of the SC Guidelines, as the previous interim reporting period was less than 12 months.