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# MAYBANK MALAYSIA INCOME-I FUND

Annual report  
For the financial year ended 31 May 2021

## **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  
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### **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  
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## **MAYBANK MALAYSIA INCOME-I FUND**

<b>CONTENTS</b>	<b>PAGE</b>
Manager's report	1 - 12
Trustee's report	13
Statement by Manager	14
Report of the Shariah Adviser	15
Independent auditors' report	16 - 19
Statement of comprehensive income	20 - 21
Statement of financial position	22 - 23
Statement of changes in net assets attributable to unitholders	24
Statement of cash flows	25
Notes to the financial statements	26 - 54

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021

#### A. Fund Information

**1. Name of the Fund**

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

**2. Type of Fund**

Income

**3. Category of Fund**

Sukuk

**4. Classes of units**

Classes of units	Currency denomination	Categories of investors	Distribution policy	Country availability
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

**5. Duration of the Fund**

The Fund is an open-ended Fund.

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

Share Class	Launch date	Commencement date	Termination date
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

**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 Classes of the Fund or for any specified period at the Manager's discretion, subject to Trustee's approval.

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

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

##### 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 Islamic money market instruments, and a minimum of 2% in Islamic liquid assets.

##### 11. Net income distribution for the financial year ended 31 May 2021

The Fund distributed a net income of RM2,416,721 from Class A-MYR, RM1,583,050 from Class C-MYR and RM3,539 from Class C-USD to unitholders for the financial year ended 31 May 2021. Below is the impact of the distributions to the Fund's NAV:

Entitlement date	Before distribution	After distribution	Gross/net distribution sen	Changes %
<b>Class A-MYR (RM)</b>				
27 August 2020	0.6340	0.6260	0.80	(1.26)
24 November 2020	0.6299	0.6236	0.63	(1.00)
24 February 2021	0.6202	0.6158	0.44	(0.71)
27 May 2021	0.6124	0.6064	0.60	(0.98)
			<u>2.47</u>	
<b>Class C-MYR (RM)</b>				
27 August 2020	0.5402	0.5322	0.80	(1.48)
24 February 2021	0.5325	0.5245	0.80	(1.50)
27 May 2021	0.5217	0.5167	0.50	(0.96)
			<u>2.10</u>	
<b>Class C-USD (USD)</b>				
27 August 2020	1.0432	1.0307	1.25	(1.20)
24 February 2021	1.0588	1.0388	2.00	(1.89)
27 May 2021	1.0128	1.0028	1.00	(0.99)
			<u>4.25</u>	

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

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

##### 12. Breakdown of unitholdings by size

###### Fund size

As at 31 May 2021, the size of the Fund was 194,377,932 units.

Units in circulation by Class of Units (units)	2021
Units in circulation - Class A-MYR	117,276,799
Units in circulation - Class C-MYR	77,079,774
Units in circulation - Class C-USD	21,359
<b>Total</b>	<b>194,377,932</b>

##### Breakdown of unitholdings by Class of Units as at 31 May 2021

###### Class A-MYR

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	201	21.59	616	0.53
5,001 to 10,000 units	119	12.78	878	0.74
10,001 to 50,000 units	350	37.59	8,782	7.49
50,001 to 500,000 units	245	26.32	33,519	28.58
500,001 units and above	16	1.72	73,481	62.66
<b>Total</b>	<b>931</b>	<b>100.00</b>	<b>*117,276</b>	<b>100.00</b>

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

###### Class C-MYR

Unitholdings	No. of unitholders	%	No. of units ('000)	%
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	77,080	100.00
<b>Total</b>	<b>6</b>	<b>100.00</b>	<b>77,080</b>	<b>100.00</b>

###### Class C-USD

Unitholdings	No. of unitholders	%	No. of units ('000)	%
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>

\* Comprise of 21,359 units held by the Manager

## MAYBANK MALAYSIA INCOME-I FUND

### B. Performance Review

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

Category	FY2021	FY2020	FY2019
<b>Portfolio</b>			
Unquoted sukuk (%)			
Automobile Manufacturing	4.07	1.35	1.04
Commercial Finance	1.94	0.84	1.35
Financial Services	6.93	14.36	16.87
Industrial	24.40	25.32	16.19
Infrastructure	6.51	-	-
Plantation and Agriculture	2.41	-	-
Power Generation	17.78	18.25	17.22
Real Estate	17.62	14.52	12.06
Trading & Services	2.30	-	-
Transportation & Logistics	2.10	4.57	15.75
Utilities	9.42	11.26	9.85
Cash and other net assets (%)	4.52	9.53	9.67
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b><u>Class A-MYR</u></b>			
NAV (RM)	71,121,135	33,748,039	51,411,876
Units in circulation (units)	117,276,799	54,423,244	81,201,357
NAV per unit (RM)	0.6064	0.6201	0.6331
Highest NAV per unit (RM)	0.6354	0.6566	0.6331
Lowest NAV per unit (RM)	0.6031	0.6125	0.5922
Net income distributed (RM)	2,416,721	3,619,296	N/A
Distribution dates	27/08/2020 24/11/2020 24/02/2021 27/05/2021	30/06/2019 28/05/2020	N/A
Gross/net distribution per unit (sen)	2.47	5.65	N/A
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	(2.19)	(2.07)	6.94
- Income distribution (%)	4.05	9.37	-
Total return (%)	1.77	7.10	6.94
Benchmark (%)	2.06	3.20	3.60
<b><u>Class C-MYR</u></b>			
NAV (RM)	39,825,422	39,723,458	66,368,371
Units in circulation (units)	77,079,774	75,192,388	121,356,504
NAV per unit (RM)	0.5167	0.5283	0.5469
Highest NAV per unit (RM)	0.5413	0.5592	0.5469
Lowest NAV per unit (RM)	0.5137	0.5200	0.5103

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

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

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

Category	FY2021	FY2020	FY2019
<b><u>Class C-MYR (cont'd)</u></b>			
Net income distributed (RM)	1,583,050	5,600,690	N/A
Distribution dates	27/08/2020 24/02/2021 27/05/2021	30/06/2019 28/05/2020	N/A
Gross/net distribution per unit (sen)	2.10	5.75	N/A
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	(2.18)	(3.42)	7.24
- Income distribution (%)	4.04	11.28	-
Total return (%)	1.78	7.47	7.24
Benchmark (%)	2.06	3.20	3.60
<b><u>Class C-USD</u></b>			
NAV (RM)	86,818	85,292	79,915
Units in circulation (units)	21,359	20,500	20,500
NAV per unit (USD)	1.0028	0.9786	0.9324
Highest NAV per unit (USD)	1.0792	1.0074	0.9483
Lowest NAV per unit (USD)	0.9973	0.9038	0.8850
Net income distributed (RM)	3,539	N/A	N/A
Distribution dates	27/08/2020 24/02/2021 27/05/2021	N/A	N/A
Gross/net distribution per unit (sen)	4.25	N/A	N/A
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	2.49	4.93	1.07
- Income distribution (%)	4.17	-	-
Total return (%)	6.77	4.93	1.07
Benchmark (%)	7.58	(0.52)	(1.60)
Management Expense Ratio ("MER") (%) <sup>(2)</sup>	0.45	1.29	0.98
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.50	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.*



## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

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

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

**Note:**

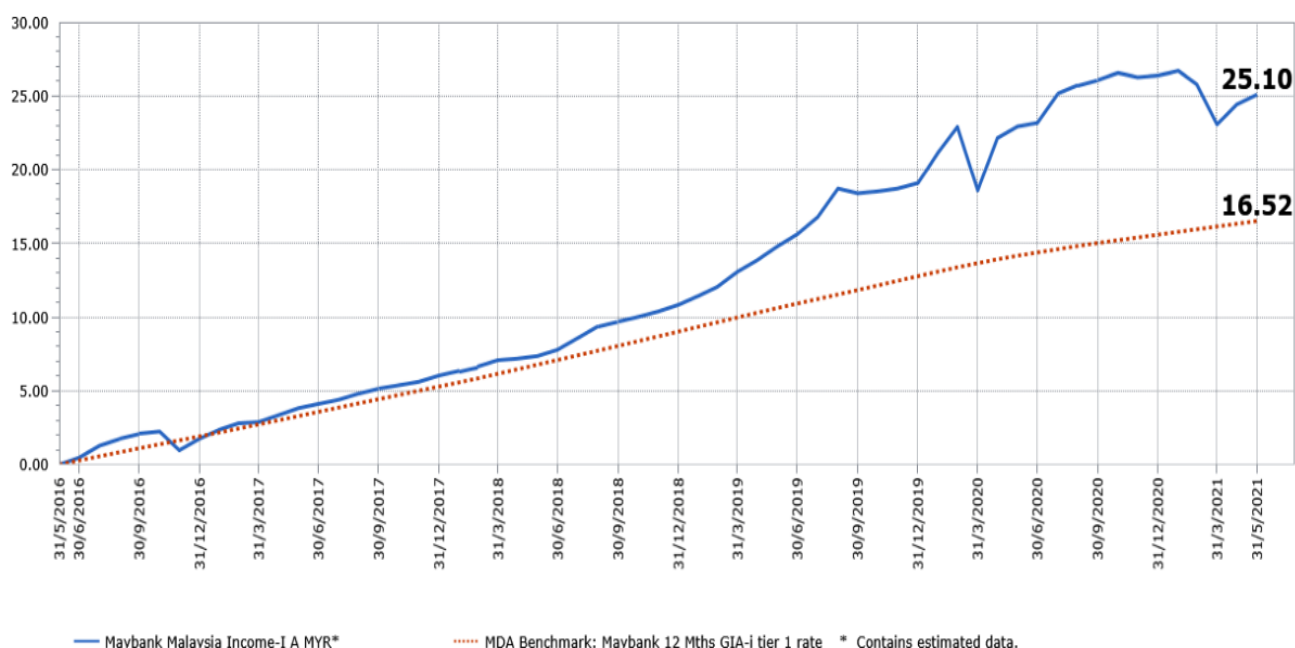
- (1) Actual return of the Fund for the financial year is computed based on daily average NAV per unit, net of Manager's fee and Trustee's fee.
- (2) The Fund's MER decreased to 0.45% due to decrease in expenses in the current financial year under review.
- (3) The Fund's PTR decreased to 0.50 times due to decrease in trading activities in the current financial year under review.

#### 2. Performance of the Fund

##### Performance of Class A-MYR of the Fund up to 31 May 2021

##### Class A-MYR

Category	1 year to 31.05.2021 %	3 years to 31.05.2021 %	5 years to 31.05.2021 %
Capital growth	(2.19)	(0.10)	0.51
Income distribution	4.05	16.68	24.46
Total return of the Fund	1.77	16.56	25.10
Benchmark	2.06	9.16	16.52
Average total return	1.77	5.24	4.58



Source: Lipper

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

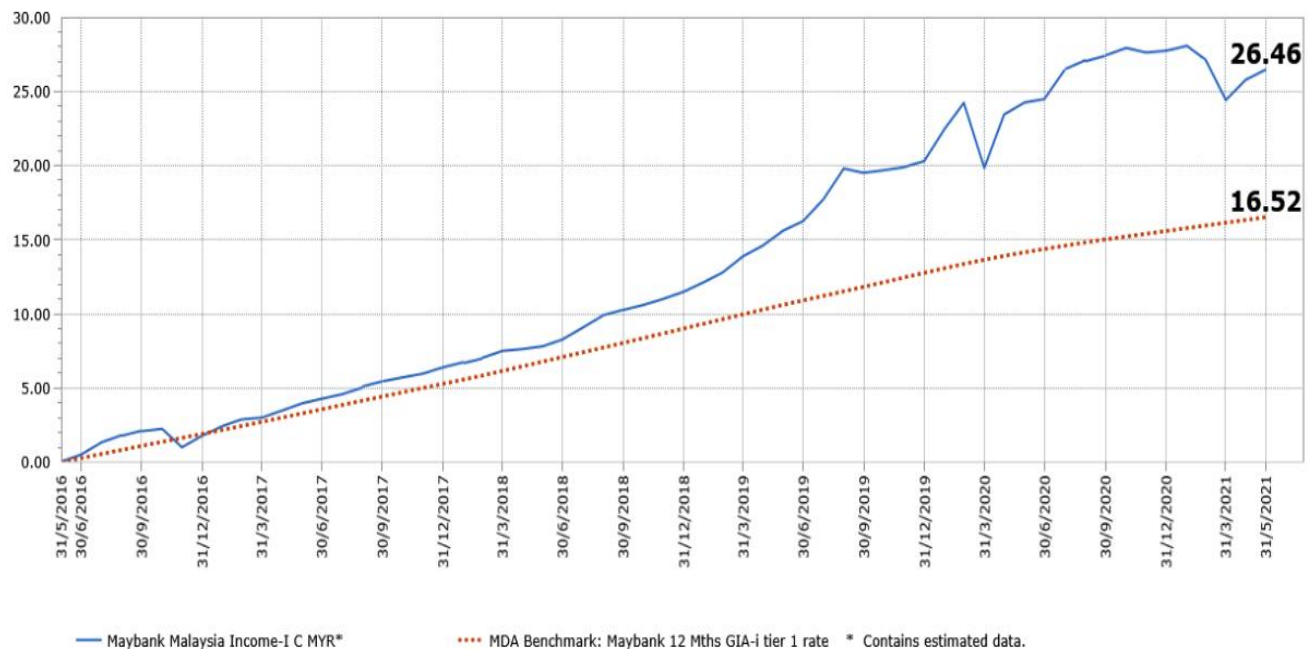
### B. Performance Review (cont'd)

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

Performance of Class C-MYR of the Fund up to 31 May 2021

#### Class C-MYR

Category	1 year to 31.05.2021 %	3 years to 31.05.2021 %	5 years to 31.05.2021 %
Capital growth	(2.18)	1.31	2.07
Income distribution	4.04	15.78	23.89
Total return of the Fund	1.78	17.30	26.46
Benchmark	2.06	9.16	16.52
Average total return	1.78	5.46	4.81



Source: Lipper

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

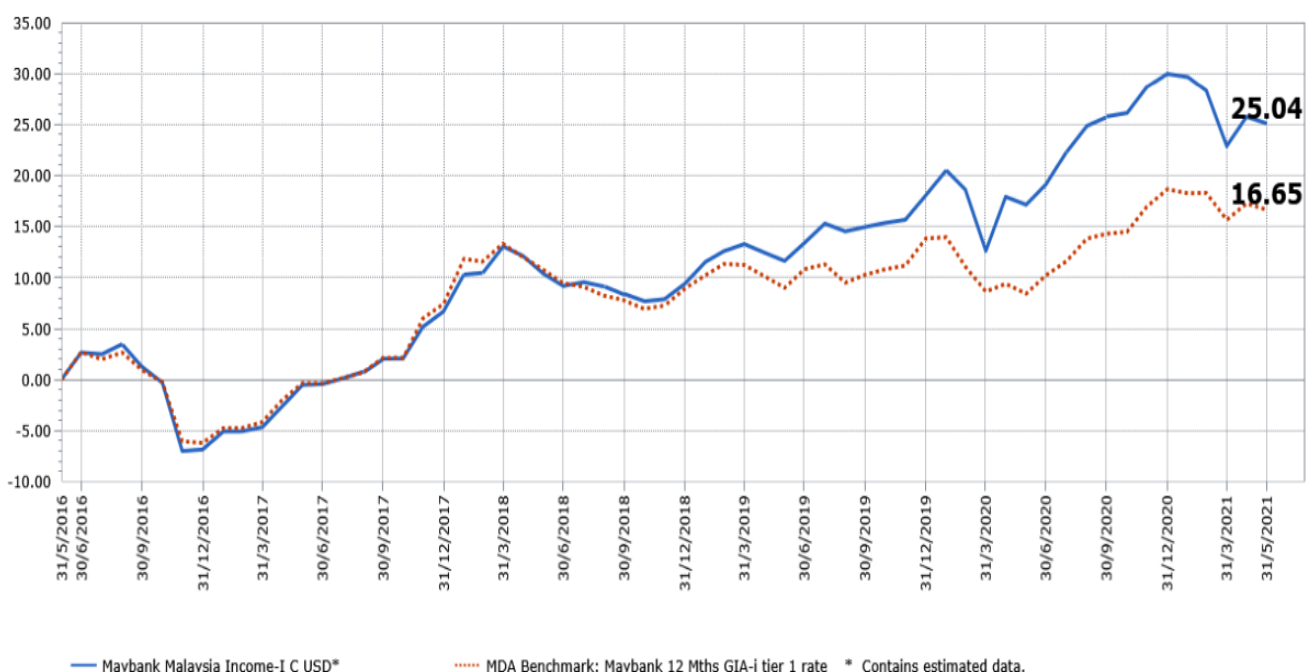
### B. Performance Review (cont'd)

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

#### Performance of Class C-USD of the Fund up to 31 May 2021

##### Class C-USD

Category	1 year to 31.05.2021 %	3 years to 31.05.2021 %	5 years to 31.05.2021 %
Capital growth	2.49	8.70	20.04
Income distribution	4.17	4.17	4.17
Total return of the Fund	6.77	13.24	25.04
Benchmark	7.58	5.33	16.65
Average total return	6.77	4.23	4.57



Source: Lipper

#### Has the Fund achieved its objective?

For the period under review, the Fund generated a return of 1.77%, 1.78% and 6.77% for Class A-MYR, Class C-MYR and Class C-USD respectively, compared to the benchmark of 2.06%, 2.06% and 7.58% for the respective classes over the corresponding period. The underperformance of the Fund was due to sell-off in 2021 following a global rout in fixed income markets caused by rising United States Treasury (“UST”) yields on the back of economic recovery optimism and inflation concerns.

As the Fund continued to pay distribution on a consistent basis, the Fund has achieved its investment objective.

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

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

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

##### Class A-MYR

For the financial year ended	31.05.2021 %	31.05.2020 %	31.05.2019 %	31.05.2018 %	31.05.2017 %
Capital growth	(2.19)	(2.07)	6.94	0.85	1.21
Income return	4.05	9.37	-	2.56	2.59
Total return	1.77	7.10	6.94	3.41	3.80
Benchmark	2.06	3.20	3.60	3.40	3.27

##### Class C-MYR

For the financial year ended	31.05.2021 %	31.05.2020 %	31.05.2019 %	31.05.2018 %	31.05.2017 %
Capital growth	(2.18)	(3.42)	7.24	0.69	0.06
Income return	4.04	11.28	-	2.97	3.95
Total return	1.78	7.47	7.24	3.65	4.01
Benchmark	2.06	3.20	3.60	3.40	3.27

##### Class C-USD

For the financial year ended	31.05.2021 %	31.05.2020 %	31.05.2019 %	31.05.2018 %	31.05.2017 %
Capital growth	2.49	4.93	1.07	5.78	(0.53)
Income return	4.17	-	-	-	-
Total return	6.77	4.93	1.07	5.78	(0.53)
Benchmark	7.58	(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:

Capital return (%)	=	(NAV per unit end / NAV per unit begin) - 1
Income return (%)	=	Gross income distribution per unit / NAV per unit begin
Total return (%)	=	Capital return (%) + Income return (%)

## **MAYBANK MALAYSIA INCOME-I FUND**

### **Manager's report**

**For the financial year ended 31 May 2021 (cont'd)**

#### **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 Financial Times Stock Exchange ("FTSE") Russell's decision on Malaysia bond weightage in the World Global Bond Index ("WGBI") in September 2020, the local bond market saw Fitch Ratings downgrading Malaysia rating to 'BBB+' from 'A-' on 4 December 2020 citing Malaysia's weakened key credit metrics due to Coronavirus Disease 2019 ("COVID-19") crisis, as well as political uncertainties. After the initial reaction from the market, local bonds saw some support to recover as Standard & Poor's 500 ("S&P 500") and Moody's still retained their 'A3' rating for Malaysia.

These factors provided some volatilities in the local bond market. However, the main driver for the volatilities during the period was the rising UST yields. The global market saw the UST yields rose 10 basis points ("bps") to 102 bps between the 3 year and 30 year maturities during the period which drove a selloff in the emerging market bonds (including Malaysia) as profit taking took hold. The rise in UST yields gathered momentum on positive news on the rollout of COVID-19 vaccinations worldwide that raised expectations of a start in global economic recovery. This peaked in mid-March 2021 for the Malaysian bond market, with 10-year Malaysian Government Securities ("MGS") reaching a high of 3.485% before recovering to 3.23% at end-May 2021. At the beginning of the period under review, it was at 2.81%. Buying interest was seen in early April 2021 following FTSE Russell's surprise decision to retain Malaysia in the WGBI while removing Malaysia from the watch list for possible exclusion. Support continued to be seen as elevated COVID-19 cases prompted a full national lockdown announcement at end-May 2021, which has lowered Gross Domestic Product ("GDP") growth expectations.

#### **D. Market Outlook & Investment Strategy**

The Malaysian fixed income market would continue to see some support with the reinstatement of Movement Control Order ("MCO") beginning June 2020 due to the surge in COVID-19 cases, given lowered GDP growth expectation. So far, there are no new forecasts announced, with 2021 forecast remains at 6.0%-7.5%. However, the fall in yields could be limited as economic optimism and inflation concerns continue to play out in other foreign markets, with UST yields expected to rise. Economic recovery trajectory is expected to remain intact, with the pace of vaccinations picking up globally, albeit unevenly. On monetary policy, following the 125 bps of cumulative OPR cuts in 2020 and having stayed on hold at the three Monetary Policy Committee ("MPC") meetings for the year, 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. In such event, there could be another potential reduction OPR cut by BNM.

We maintain our neutral to underweight duration relative to the Thomson Reuters ("TR") Bond Pricing Agency Malaysia ("BPAM") Sukuk Index as we assume a more defensive stance given our expectation of a steepening yield curve on the back of improvement in economic activities. Nevertheless, we expect the uneven global economic recoveries will provide support to the bond market where low interest rates will be maintained for longer by central banks to ensure an accommodative economic environment.

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

#### D. Market Outlook & Investment Strategy (cont'd)

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 as economy starts to recover. We prefer strong AA-rated and A-rated papers; for yield pickup and potential long term upgrade as economic activities accelerate. We will continue to trade opportunistically will also look into new primary issuances that offer higher yields to deliver the required performance.

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

Subsequent to the issuance of the First Supplementary Master Prospectus dated 22 February 2021, the following changes were updated in the Master Prospectus dated 17 January 2020.

No	Item	Previous Prospectus	Latest Prospectus
1.	Change of Board of Directors of the Manager	<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>- 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>	<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.	EPF disclosures	<ul style="list-style-type: none"><li>- Disclosed under Chapters 1, 4 and 5 (Investments via EPF-MIS)</li></ul>	Removed
3.	Manager's discretion to lower the minimum investment amounts and the minimum holdings	<ul style="list-style-type: none"><li>- Nil</li></ul>	Included

## MAYBANK MALAYSIA INCOME-I FUND

### Manager's report

For the financial year ended 31 May 2021 (cont'd)

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

No	Item	Previous Prospectus	Latest Prospectus
4.	Different cut-off times between distributors for switching and dealing of units	- Nil	Included
5.	Illustration for sales charge	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.
6.	Illustration for sale of units with sales charge	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.
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.
8.	Illustration on computation for purchase of Units	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.
9.	Information of the Trustee	- Disclosed under Chapter 2	- Amended to update the facsimile number of the Trustee
10.	Information of the Shariah Adviser	- Disclosed under Chapter 6	- Amended to update the profile of the members of the Shariah committee of Maybank Islamic Berhad

#### 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 year ended 31 May 2021, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were demonstrable benefits to the unitholders.

## **Trustee's Report**

For the Financial Year Ended 31 May 2021

To the Unit Holders of  
**MAYBANK MALAYSIA INCOME-I FUND**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of MAYBANK MALAYSIA INCOME-I FUND for the financial year ended 31 May 2021. In our opinion, MAYBANK ASSET MANAGEMENT SDN BHD, the Manager, has operated and managed MAYBANK MALAYSIA INCOME-I FUND 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 year 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 distribution of income made by MAYBANK MALAYSIA INCOME-I FUND as declared by the Manager is appropriate and reflects the investment objective of MAYBANK MALAYSIA INCOME-I FUND.

Yours faithfully  
**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
8 July 2021



**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA INCOME-I FUND  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021**

We, Dato' Idris bin Kechot and Ahmad Najib Bin Nazlan, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Malaysia Income-I Fund as at 31 May 2021 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

**Dato' Idris bin Kechot**  
Chairman

**Ahmad Najib Bin Nazlan**  
Director

Kuala Lumpur, Malaysia  
13 July 2021

## **REPORT OF THE SHARIAH ADVISER**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA INCOME-I FUND FOR THE FINANCIAL YEAR ENDED 31 MAY 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 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  
13 July 2021

## **Independent auditors' report to the Unitholders of Maybank Malaysia Income-I Fund**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Maybank Malaysia Income-I Fund (the "Fund"), which comprise the statement of financial position as at 31 May 2021 of the Fund, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 20 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2021 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

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

#### *Independence and other ethical responsibilities*

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

#### *Information other than the financial statements and auditors' report thereon*

The Manager of the Fund ("the Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

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

## **Independent auditors' report to the Unitholders of Maybank Malaysia Income-I Fund**

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

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

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

### *Responsibilities of the Manager and Trustee for the financial statements*

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

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

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

### *Auditors' responsibilities for the audit of the financial statements*

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

## **Independent auditors' report to the Unitholders of Maybank Malaysia Income-I Fund**

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

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

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

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

**Independent auditors' report to the Unitholders of  
Maybank Malaysia Income-I Fund**

Other matters

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

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

Yeo Beng Yean  
03013/10/2022 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
13 July 2021

## MAYBANK MALAYSIA INCOME-I FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	Note	2021 RM	2020 RM
<b>INVESTMENT INCOME</b>			
Profit income	3	4,173,862	4,359,557
Net (loss)/gain from financial assets at fair value through profit or loss ("FVTPL"):			
- Realised gain		646,978	2,600,355
- Unrealised (loss)/gain		(3,173,203)	532,684
Other income		-	12,750
		<u>1,647,637</u>	<u>7,505,346</u>
<b>EXPENSES</b>			
Manager's fee	4	349,854	1,084,448
Trustee's fee	5	69,971	65,285
Auditors' remuneration		10,500	8,000
Tax agent's fee		-	3,895
Shariah advisory fee		9,750	6,000
Administrative expenses		3,473	37,949
		<u>443,548</u>	<u>1,205,577</u>
<b>Net income before distribution and taxation</b>		1,204,089	6,299,769
Distribution to unitholders	2.12		
Class A-MYR	12(a)	(2,416,721)	(3,477,920)
Class C-MYR	12(b)	(1,583,050)	(12,853,328)
Class C-USD	12(c)	(3,539)	-
<b>Net results before taxation</b>		<u>(2,799,221)</u>	<u>(10,031,479)</u>
Taxation	6	-	-
<b>Net results after distribution and taxation, which is the total comprehensive loss for the financial year</b>		<u>(2,799,221)</u>	<u>(10,031,479)</u>
<b>Net results after distribution and taxation is made up of the following:</b>			
Net realised income/(loss)		373,982	(10,564,163)
Net unrealised (loss)/income		(3,173,203)	532,684
		<u>(2,799,221)</u>	<u>(10,031,479)</u>

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

**MAYBANK MALAYSIA INCOME-I FUND****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONT'D)**

	Note	2021 RM	2020 RM
<b>Distributions for the financial year:</b>	12		
<b>CLASS A-MYR</b>			
Net distribution for the year		<u>2,416,721</u>	<u>3,619,296</u>
Gross/net distribution per unit (sen)		<u>2.47</u>	<u>5.65</u>
Distribution dates (ex-date)		<u>Refer to Note 12</u>	<u>Refer to Note 12</u>
<b>CLASS C-MYR</b>			
Net distribution for the year		<u>1,583,050</u>	<u>5,600,690</u>
Gross/net distribution per unit (sen)		<u>2.10</u>	<u>5.75</u>
Distribution dates (ex-date)		<u>Refer to Note 12</u>	<u>Refer to Note 12</u>
<b>CLASS C-USD</b>			
Net distribution for the year		<u>3,539</u>	N/A
Gross/net distribution per unit (USD cent)		<u>4.25</u>	N/A
Distribution dates (ex-date)		<u>Refer to Note 12</u>	N/A

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



**MAYBANK MALAYSIA INCOME-I FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2021**

	Note	2021 RM	2020 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	106,060,580	66,548,388
Shariah-compliant deposits with licensed Islamic financial institutions	8	3,238,508	5,143,352
Amount due from Manager	9	597,848	1,159,821
Profit income receivables		1,370,434	786,811
Cash at bank		28,518	46,743
<b>TOTAL ASSETS</b>		<u>111,295,888</u>	<u>73,685,115</u>
<b>LIABILITIES</b>			
Amount due to Manager	9	177,527	26,724
Amount due to Trustee	10	6,549	4,281
Other payables and accruals		78,437	97,321
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>262,513</u>	<u>128,326</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND</b>		<u>111,033,375</u>	<u>73,556,789</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
	2.6		
Unitholders' contribution	11(a)	108,290,095	68,014,287
Retained earnings	11(b) & 11(c)	2,743,281	5,542,502
		<u>111,033,376</u>	<u>73,556,789</u>

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

**MAYBANK MALAYSIA INCOME-I FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2021 (CONT'D)**

	Note	2021	2020
<b>NET ASSET VALUE ("NAV")</b>			
- Class A-MYR		71,121,135	33,748,039
- Class C-MYR		39,825,422	39,723,458
- Class C-USD		86,818	85,292
		<u>111,033,375</u>	<u>73,556,789</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
	11 (a)		
- Class A-MYR		117,276,799	54,423,244
- Class C-MYR		77,079,774	75,192,388
- Class C-USD		21,359	20,500
		<u>194,377,932</u>	<u>129,636,132</u>
<b>NAV PER UNIT</b>			
- Class A-MYR		<u>RM 0.6064</u>	<u>RM 0.6201</u>
- Class C-MYR		<u>RM 0.5167</u>	<u>RM 0.5283</u>
- Class C-USD		<u>USD 1.0028</u>	<u>USD 0.9786</u>

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

## MAYBANK MALAYSIA INCOME-I FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	Unitholders' contribution Note 11(a) RM	Retained earnings Note 11(b) & Note 11(c) RM	Net assets attributable to unitholders Note 2.6 RM
At 1 June 2020	68,014,287	5,542,502	73,556,789
Total comprehensive loss for the financial year	-	(2,799,221)	(2,799,221)
Creation of units	50,210,005	-	50,210,005
Reinvestment of units	4,003,310	-	4,003,310
Cancellation of units	(13,937,507)	-	(13,937,507)
At 31 May 2021	<u>108,290,095</u>	<u>2,743,281</u>	<u>111,033,376</u>
At 1 June 2019	102,286,601	15,578,596	117,865,197
Total comprehensive loss for the financial year	-	(10,031,479)	(10,031,479)
Creation of units	5,095,662	-	5,095,662
Reinvestment of units	9,219,986	-	9,219,986
Cancellation of units	(55,703,839)	-	(55,703,839)
Distributions (Note 12)	7,111,262	-	7,111,262
Transferred from retained earnings to unitholders' contribution upon termination of Class A-SGD	4,615	(4,615)	-
At 31 May 2020	<u>68,014,287</u>	<u>5,542,502</u>	<u>73,556,789</u>

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

**MAYBANK MALAYSIA INCOME-I FUND****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2021**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale and redemption of investments	27,934,606	87,507,308
Net purchase of investments	(69,511,975)	(44,940,419)
Profit from sukuk received	3,022,561	4,180,556
Profit from Islamic deposits received	106,630	233,529
Other income received	-	12,750
Manager's fee paid	(338,516)	(1,203,208)
Trustee's fee paid	(67,703)	(68,000)
Payment of other fees and expenses	(42,607)	(47,909)
Net cash (used in)/generated from operating and investing activities	<u>(38,897,004)</u>	<u>45,674,607</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	50,771,978	3,935,839
Payments for cancellation of units	(13,798,043)	(55,901,115)
Net cash generated from/(used in) financing activities	<u>36,973,935</u>	<u>(51,965,276)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,923,069)</b>	<b>(6,290,669)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>5,190,095</b>	<b>11,480,764</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b><u>3,267,026</u></b>	<b><u>5,190,095</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	28,518	46,743
Shariah-compliant deposits with licensed Islamic financial institutions with maturity less than 3 months (Note 8)	3,238,508	5,143,352
	<u>3,267,026</u>	<u>5,190,095</u>

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

## **MAYBANK MALAYSIA INCOME-I FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021**

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

Maybank Malaysia Income-I Fund (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 wholly-owned subsidiary of Maybank Asset Management Group Berhad and is a holder of Capital Markets Services Licence ("CMSL") to carry out Islamic fund management business pursuant to Section 61 of the Capital Markets and Services Act 2007 ("CMSA").

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

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.

The financial statements were authorised for issue by the Board of Directors of the Manager (the "Directors") in accordance with a resolution of the Directors on 13 July 2021.

## MAYBANK MALAYSIA INCOME-I FUND

### 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 year ended 31 May 2021. 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.

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 MALAYSIA INCOME-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

The Fund classifies cash and cash equivalents, amount due from Manager and profit income receivables as financial assets 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.

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.

##### (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.

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.

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.

## MAYBANK MALAYSIA INCOME-I FUND

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

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

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

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 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

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**

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

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

##### **(iv) Derecognition**

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**

##### **(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 and other payables and accruals as other financial liabilities.

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

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

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

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

## **MAYBANK MALAYSIA INCOME-I FUND**

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

#### **2.6 Unitholders' contribution**

The unitholders' contributions to the Fund are classified as liabilities under MFRS 132 *Financial Instruments: Presentation*.

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 includes amortisation of premium and accretion of discount, and is recognised using the EPR method. Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on the accrual basis using the EPR method.

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

Other income is generally recognised when the Fund satisfies a performance obligation by transferring a promised good or service or an asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset

#### **2.8 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.

#### **2.9 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 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 there are no material temporary differences.

## **MAYBANK MALAYSIA INCOME-I FUND**

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

#### **2.10 Cleansing/Purification of profit**

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.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs, as disclosed in Note 19 to the financial statements.

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

### 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 income 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.

#### 2.13 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 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. PROFIT INCOME

	2021 RM	2020 RM
Profit from Sukuk	4,231,820	4,263,173
Profit from Shariah-compliant deposits placed with licensed Islamic financial institutions	105,947	233,417
Amortisation of premium, net accretion of discount	(163,905)	(137,033)
	<u>4,173,862</u>	<u>4,359,557</u>

## MAYBANK MALAYSIA INCOME-I FUND

### 4. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 0.35% per annum ("p.a.") of the NAV of the respective class for the financial year ended 31 May 2021.

In the previous financial year ended 31 May 2020, the Manager's fee is charged at 1.00% per annum ("p.a.") of the NAV of the respective class effective 18 January 2020. The Manager's fee is revised again, effective 1 March 2020, to 0.35% p.a. of the NAV of the respective class.

### 5. TRUSTEE'S FEE

The Trustee fee is computed based on 0.07% (2020: 0.07%) 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.

### 6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (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.

A reconciliation of income tax expense applicable to net results 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>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Net results before taxation	<u>(2,799,221)</u>	<u>(10,031,479)</u>
Taxation at Malaysian statutory rate of 24% (2020: 24%)	(671,813)	(2,407,555)
Income not subject to tax	(1,157,002)	(1,801,283)
Loss not deductible for tax purposes	761,569	-
Expenses not deductible for tax purposes	<u>1,067,246</u>	<u>4,208,838</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

**MAYBANK MALAYSIA INCOME-I FUND**

**7. FINANCIAL ASSETS AT FVTPL**

			<b>2021</b>	<b>2020</b>
			<b>RM</b>	<b>RM</b>
Sukuk			106,060,580	66,548,388
			<b>Market</b>	<b>Percentage</b>
<b>2021</b>	<b>Quantity</b>	<b>Aggregate</b>	<b>Value</b>	<b>of NAV</b>
	<b>Unit</b>	<b>Cost</b>	<b>RM</b>	<b>%</b>
		<b>RM</b>		
<b>Automobile Manufacturing</b>				
UMW Holdings Berhad - 3.03% / 05.11.2025	2,000,000	1,999,972	1,974,580	1.78
DRB-HICOM Bhd - 4.85% / 11.12.2026	1,000,000	1,029,053	1,025,260	0.92
- 5.08% / 30.08.2030	1,500,000	1,506,519	1,516,875	1.37
	<b>4,500,000</b>	<b>4,535,544</b>	<b>4,516,715</b>	<b>4.07</b>
<b>Commercial Finance</b>				
MNRB Holdings Bhd - 5.20% / 22.03.2029	600,000	607,019	618,942	0.56
Infracap Resources Sdn Bhd - 4.40% / 15.04.2031	1,500,000	1,499,932	1,537,515	1.38
	<b>2,100,000</b>	<b>2,106,951</b>	<b>2,156,457</b>	<b>1.94</b>
<b>Financial Services</b>				
Bank Muamalat Malaysia Bhd - 5.80% / 15.06.2026	3,500,000	3,500,128	3,502,975	3.15
Danum Capital Bhd - 4.68% / 14.02.2034	1,800,000	2,044,153	1,874,556	1.69
Small Medium Enterprise Development Bank Malaysia Bhd - 3.30% / 23.04.2027	2,300,000	2,299,951	2,324,173	2.09
	<b>7,600,000</b>	<b>7,844,232</b>	<b>7,701,704</b>	<b>6.93</b>
<b>Industrial</b>				
Ahmad Zaki Resources Bhd - 4.85% / 26.12.2024	5,000,000	5,000,110	5,123,700	4.61

## MAYBANK MALAYSIA INCOME-I FUND

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

2021 (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Industrial (cont'd)</b>				
Cypark Ref Sdn Bhd - 5.18% / 29.06.2029	2,100,000	2,134,168	2,213,820	1.99
Gamuda Land Sdn Bhd - 3.75% / 12.08.2027	1,800,000	1,799,993	1,767,762	1.59
Malaysian Resources Corporation Bhd - 4.25% / 13.08.2027	1,200,000	1,216,422	1,178,568	1.06
- 4.45% / 14.08.2027	1,700,000	1,712,617	1,630,351	1.47
MMC Corporation Bhd - 5.70% / 24.03.2028	8,300,000	8,525,731	8,987,904	8.09
OSK Rated Bond Sdn Bhd - 4.39% / 28.04.2028	1,200,000	1,199,984	1,212,216	1.09
Pengerang LNG (Two) Sdn Bhd - 2.98% / 21.10.2030	2,500,000	2,499,958	2,355,250	2.12
TG Excellence Bhd - 3.95% / Perpetual	2,600,000	2,599,890	2,646,540	2.38
	<b>26,400,000</b>	<b>26,688,873</b>	<b>27,116,111</b>	<b>24.40</b>
<b>Infrastructure</b>				
Malaysia Airport Holdings Bhd - 3.30% / 05.11.2027	2,000,000	1,999,967	1,951,440	1.76
Pengurusan Air SPV Berhad - 1.00% / 05.02.2036	3,300,000	2,237,985	2,077,614	1.87
- 3.30% / 05.11.2027	3,200,000	3,254,759	3,193,088	2.88
	<b>8,500,000</b>	<b>7,492,711</b>	<b>7,222,142</b>	<b>6.51</b>

**MAYBANK MALAYSIA INCOME-I FUND**

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

2021 (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Plantation and Agriculture</b>				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11% / 30.10.2025	2,700,000	2,704,417	2,676,294	2.41
<b>Power Generation</b>				
Quantum Solar Park (Semenanjung) Sdn Bhd - 5.16% / 06.10.2022	2,100,000	2,125,970	2,151,303	1.94
Sarawak Energy Bhd - 3.300% / 14.06.2030	4,900,000	4,938,091	4,708,557	4.24
Jimah East Power Sdn Bhd - 5.77% / 04.12.2029	5,000,000	5,787,167	5,565,100	5.01
YTL Power International Bhd - 5.05% / 03.05.2027	6,900,000	7,156,092	7,319,451	6.59
	<b>18,900,000</b>	<b>20,007,320</b>	<b>19,744,411</b>	<b>17.78</b>
<b>Real Estate</b>				
Country Garden Real Estate Sdn Bhd - 4.90% / 04.05.2026	1,700,000	1,699,937	1,702,958	1.53
- 6.40% / 18.03.2022	2,900,000	2,899,785	2,954,926	2.66
- 6.40% / 06.05.2022	2,200,000	2,199,928	2,247,476	2.02
IJM Land Bhd - 4.73% / Perpetual	1,700,000	1,700,747	1,683,765	1.52
- 5.65% / 19.03.2026	2,400,000	2,399,809	2,495,688	2.25
Sime Darby Property Bhd - 3.64% / 03.12.2030	900,000	899,998	870,633	0.78
Talam Transform Berhad - 0.00% / 28.06.2022	1,190,000	-	1,109,401	1.00
Tropicana Corporation Bhd - 5.50% / 30.06.2023	1,600,000	1,600,028	1,619,520	1.46
UEM Sunrise Bhd - 4.30% / 16.02.2026	2,400,000	2,412,818	2,382,000	2.15
- 4.00% / 09.06.2023	1,100,000	1,100,022	1,103,751	0.99
- 3.90% / 21.09.2023	1,400,000	1,402,988	1,400,644	1.26
	<b>19,490,000</b>	<b>18,316,060</b>	<b>19,570,762</b>	<b>17.62</b>



## MAYBANK MALAYSIA INCOME-I FUND

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

2021 (cont'd)	Quantity RM	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>Trading &amp; Services</b>				
Evyap Sabun Malaysia Sdn Bhd - 4.05% / 30.12.2025	1,500,000	1,499,959	1,480,410	1.33
Guan Chong Berhad - 3.84% / 03.12.2027	1,100,000	1,106,289	1,082,081	0.97
	<u>2,600,000</u>	<u>2,606,248</u>	<u>2,562,491</u>	<u>2.30</u>
<b>Transportation &amp; Logistics</b>				
Malaysia Rail Link Sdn Berhad - 3.58% / 06.07.2035	2,500,000	2,500,030	2,332,725	2.10
<b>Utilities</b>				
Edra Energy Sdn Berhad - 6.39% / 05.01.2034	1,000,000	1,233,582	1,160,070	1.04
- 6.43% / 05.07.2034	3,400,000	4,071,721	3,960,048	3.57
Tenaga Nasional Berhad - 4.98% / 27.08.2038	5,000,000	4,999,940	5,340,650	4.81
	<u>9,400,000</u>	<u>10,305,243</u>	<u>10,460,768</u>	<u>9.42</u>
<b>Total sukuk</b>	<u>104,690,000</u>	<u>105,107,629</u>	<u>106,060,580</u>	<u>95.48</u>
Unrealised gain on sukuk			<u>952,951</u>	
<b>2020</b>				
<b>Automobile Manufacturing</b>				
DRB-HICOM Bhd - 4.85% / 11.12.2026	1,000,000	1,033,641	995,790	1.35
<b>Commercial Finance</b>				
MNRB Holdings Bhd - 5.20% / 22.03.2029	600,000	620,650	620,862	0.84
<b>Financial Services</b>				
Small Medium Enterprise Development Bank Malaysia Bhd - 3.30% / 23.04.2027	2,300,000	2,300,000	2,351,566	3.20

**MAYBANK MALAYSIA INCOME-I FUND**

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

2020 (cont'd)	Quantity RM	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<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
	10,200,000	10,216,761	10,553,432	14.36
<b>Industrial</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
MMC Corporation Bhd				
- 5.70% / 24.03.2028	6,500,000	6,561,053	7,055,230	9.59
TG Excellence Bhd				
- 3.95% / Perpetual	2,600,000	2,600,000	2,643,628	3.59
	17,800,000	17,885,443	18,621,834	25.32
<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
	12,700,000	12,995,088	13,427,335	18.25

**MAYBANK MALAYSIA INCOME-I FUND**

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

2020 (cont'd)	Quantity RM	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	2,316,578	3.15
- 6.40% / 18.03.2022	2,900,000	2,900,000	3,043,927	4.14
IJM Land Bhd				
- 4.73% / Perpetual	1,700,000	1,703,288	1,677,339	2.28
- 5.65% / 19.03.2026	2,400,000	2,400,000	2,500,752	3.40
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
<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 sukuk			<u>4,126,154</u>	

## MAYBANK MALAYSIA INCOME-I FUND

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

	2021 RM	2020 RM
Shariah-compliant deposits with maturity of less than 3 months	3,238,508	5,143,352

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:

	2021		2020	
	WAEPR % p.a.	Average maturity days	WAEPR % p.a.	Average maturity days
Shariah-compliant deposits with maturity of less than 3 months	1.68	1	1.97	3

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

		2021 RM	2020 RM
Amount due from Manager is in respect of:			
Subscription of units	(i)	597,848	1,159,821
Amount due to Manager is in respect of:			
Management fee	(ii)	32,745	21,407
Cancellation of units	(iii)	144,782	5,317
		177,527	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 (2020: 15 days).

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

### 10. 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 (2020: 15 days).

## MAYBANK MALAYSIA INCOME-I FUND

### 11. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	2021 RM	2020 RM
Unitholders' contribution	(a)	108,290,095	68,014,287
Accumulated realised income	(b)	1,790,330	1,416,348
Accumulated unrealised income	(c)	952,951	4,126,154
		<u>111,033,376</u>	<u>73,556,789</u>

#### (a) Unitholders' contribution

The units are distributed based on the following classes:

	2021		2020	
	Units	RM	Units	RM
(i) Class A-MYR	117,276,799	67,154,568	54,423,244	27,867,859
(ii) Class C-MYR	77,079,774	41,065,304	75,192,388	40,079,744
(iii) Class C-USD	21,359	70,223	20,500	66,684
	<u>194,377,932</u>	<u>108,290,095</u>	<u>129,636,132</u>	<u>68,014,287</u>

#### (i) CLASS A-MYR

	2021		2020	
	Units	RM	Units	RM
As at beginning of the financial year	54,423,244	27,867,859	81,201,357	44,903,950
Creation of units	80,529,006	50,210,005	8,006,020	5,095,662
Reinvestment of units	3,913,992	2,416,721	5,875,906	3,619,296
Cancellation of units	(21,589,443)	(13,340,017)	(40,660,039)	(25,609,673)
Distribution equalisation (Note 12(a))	-	-	-	(141,376)
As at end of the financial year	<u>117,276,799</u>	<u>67,154,568</u>	<u>54,423,244</u>	<u>27,867,859</u>

#### (ii) CLASS C-MYR

	2021		2020	
	Units	RM	Units	RM
As at beginning of the financial year	75,192,388	40,079,744	121,356,504	57,315,367
Reinvestment of units	3,012,705	1,583,050	10,711,880	5,600,690
Cancellation of units	(1,125,319)	(597,490)	(56,875,996)	(30,088,951)
Distribution equalisation (Note 12(b))	-	-	-	7,252,638
As at end of the financial year	<u>77,079,774</u>	<u>41,065,304</u>	<u>75,192,388</u>	<u>40,079,744</u>

## MAYBANK MALAYSIA INCOME-I FUND

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

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

##### (iii) CLASS C-USD

	2021		2020	
	Units	RM	Units	RM
As at beginning of the financial year	20,500	66,684	20,500	66,684
Reinvestment of units	859	3,539	-	-
As at end of the financial year	21,359	70,223	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:

	2021		2020	
	No. of Units	Valued at NAV	No. of Units	Valued at NAV
Manager				
- Class C-USD (USD)	21,359	21,419	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 income

	2021 RM	2020 RM
At beginning of the financial year	1,416,348	11,985,126
Net realised income/(loss) for the financial year	373,982	(10,564,163)
Transferred to unitholders contribution upon termination	-	(4,615)
At end of the financial year	1,790,330	1,416,348

## MAYBANK MALAYSIA INCOME-I FUND

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

#### (c) Accumulated unrealised income

	2021 RM	2020 RM
At beginning of the financial year	4,126,154	3,593,470
Net unrealised (loss)/income for the financial year	(3,173,203)	532,684
At end of the financial year	<u>952,951</u>	<u>4,126,154</u>

#### (d) Classes of shares

##### (i) Types of classes of units

Prior 30 September 2019, the Fund issues cancellable units, in three classes of units as detailed below:

Classes of units	Currency	Categories of	Distribution Policy
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 unitholders' 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

### 12. DISTRIBUTIONS

The sources of distributions to the unitholder in the previous and current financial year are as follow:

#### (a) CLASS A-MYR

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Profit income	2,306,743	9,201,117
Net realised gain on sale of investments	357,561	2,946,403
Less: Expenses	(247,583)	(8,669,600)
Distribution out of realised income	2,416,721	3,477,920
Distribution out of distribution equalisation (Note 11(a))	-	141,376
Distribution for the financial year	<u>2,416,721</u>	<u>3,619,296</u>

	<b>Gross/net distribution (sen)</b>
<b>Distribution dates</b>	
<b>2021</b>	
27 August 2020	0.80
24 November 2020	0.63
24 February 2021	0.44
27 May 2021	0.60
	<u>2.47</u>
<b>2020</b>	
30 June 2019	2.40
28 May 2020	3.25
	<u>5.65</u>

#### (b) CLASS C-MYR

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Profit income	1,508,590	10,837,668
Net realised gain on sale of investments	233,842	4,563,897
Less: Expenses	(159,382)	(2,548,237)
Distribution out of realised income	1,583,050	12,853,328
Distribution out of distribution equalisation (Note 11(a))	-	(7,252,638)
Distribution for the financial year	<u>1,583,050</u>	<u>5,600,690</u>

	<b>Gross/net distribution (sen)</b>
<b>Distribution dates</b>	
<b>2021</b>	
27 August 2020	0.80
24 February 2021	0.80
27 May 2021	0.50
	<u>2.10</u>
<b>2020</b>	
30 June 2019	3.00
28 May 2020	2.75
	<u>5.75</u>



## MAYBANK MALAYSIA INCOME-I FUND

### 12. DISTRIBUTIONS (CONT'D)

#### (c) CLASS C-USD

	<b>2021 RM</b>
Profit income	3,374
Net realised gain on sale of investments	523
Less: Expenses	(358)
Distribution for the financial year	<u>3,539</u>
	<b>Gross/net distribution (USD cent)</b>
<b>Distribution dates</b>	
<b>2021</b>	
27 August 2020	1.25
24 February 2021	2.00
27 May 2021	1.00
	<u>4.25</u>

The distributions declared are settled in the form of units and presented as 'reinvestment of units' in Note 11(a) on payment date.

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

### 13. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Fund or the Manager if the Fund or the Manager has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Fund or the Manager and the party are subject to common control or common significant influence. Related parties may be 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>2021 RM</b>	<b>2020 RM</b>
(i) <u>Significant related party transaction</u>		
Maybank Islamic Bhd:		
Profit income from Shariah-compliant deposits	<u>44,337</u>	<u>36,044</u>
(ii) <u>Significant related party balances</u>		
Maybank Islamic Bhd:		
Shariah-compliant deposit with a licensed Islamic financial institution	2,132,000	3,228,000
Cash at Bank	28,518	46,743
	<u>2,160,518</u>	<u>3,274,743</u>

## MAYBANK MALAYSIA INCOME-I FUND

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

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

Brokers	2021		2020	
	Value of trade RM	Percent of total trade %	Value of trade RM	Percent of total trade %
RHB Investment Bank Bhd	42,291,151	44.99	36,700,000	32.24
Malayan Banking Bhd ("MBB") *	30,300,000	32.24	9,400,000	8.26
CIMB Bank Bhd	6,500,000	6.92	6,900,000	6.06
Hong Leong Bank Bhd	5,900,000	6.28	15,700,000	13.79
Standard Chartered Bank (M) Bhd	3,300,000	3.51	-	-
Affin Hwang Investment Bank Bhd	2,500,000	2.66	30,150,000	26.48
Alliance Bank Malaysia Bhd	-	-	12,400,000	10.89
AmBank Berhad	1,700,000	1.81	-	-
OCBC Bank (M) Bhd	1,500,000	1.59	-	-
Hong Leong Investment Bank Bhd	-	-	2,600,000	2.28
	<b>93,991,151</b>	<b>100.00</b>	<b>113,850,000</b>	<b>100.00</b>

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

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

Financial institutions	2021		2020	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Maybank Islamic Bhd **	669,178,000	46.13	342,422,000	18.08
Public Islamic Bank Bhd	613,272,810	42.27	1,547,134,394	81.68
CIMB Islamic Bank Bhd	168,245,299	11.60	-	-
RHB Islamic Bank Bhd	-	-	4,500,000	0.24
	<b>1,450,696,109</b>	<b>100.00</b>	<b>1,894,056,394</b>	<b>100.00</b>

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

### 15. 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 includes Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee, shariah advisory fee and other administrative expenses. For the financial year ended 31 May 2021, the MER of the Fund stood at 0.45% (2020: 1.29%).

MER for the financial year ended 31 May 2021 is 0.52% (2020: 0.91%) for Class A-MYR, 0.46% (2020: 0.90%) for Class C-MYR and 0.35% (2020: 0.84%) for Class C-USD.

## MAYBANK MALAYSIA INCOME-I FUND

### 16. 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 year ended, the PTR of the Fund stood at 0.50 times (2020: 0.67 times).

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

### 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to Note 2.15 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised. The following table analyses the financial assets and liabilities (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

2021	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Financial assets</b>				
Financial assets at FVTPL	106,060,580	-	-	106,060,580
Shariah-compliant deposits with licensed Islamic financial institutions	-	3,238,508	-	3,238,508
Amount due from Manager	-	597,848	-	597,848
Profit income receivables	-	1,370,434	-	1,370,434
Cash at bank	-	28,518	-	28,518
<b>Total financial assets</b>	<b>106,060,580</b>	<b>5,235,308</b>	<b>-</b>	<b>111,295,888</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	177,527	177,527
Amount due to Trustee	-	-	6,549	6,549
Other payables and accruals	-	-	78,437	78,437
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>262,513</b>	<b>262,513</b>

**MAYBANK MALAYSIA INCOME-I FUND**

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

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

<b>2020</b>	<b>Financial instruments at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Financial assets</b>				
Financial assets at FVTPL	66,548,388	-	-	66,548,388
Shariah-compliant deposits with licensed Islamic financial institutions	-	5,143,352	-	5,143,352
Profit income receivables	-	1,159,821	-	1,159,821
Cash at bank	-	786,811	-	786,811
<b>Total financial assets</b>	<b>66,548,388</b>	<b>7,136,727</b>	<b>-</b>	<b>73,685,115</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	26,724	26,724
Amount due to Trustee	-	-	4,281	4,281
Other payables and accruals	-	-	97,321	97,321
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>128,326</b>	<b>128,326</b>

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

The fair value of unquoted sukuk are based on the fair value prices quoted by Bond Pricing Agency Malaysia Sdn Bhd, a bond pricing agency registered with SC as at reporting date.

**(c) Fair value hierarchy**

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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>2021</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
Financial assets at FVTPL	-	106,060,580	-	106,060,580
<b>2020</b>				
Financial assets at FVTPL	-	66,548,388	-	66,548,388

## MAYBANK MALAYSIA INCOME-I FUND

### 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

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

Financial instruments with maturities of less than one year approximate their carrying values due to the relatively short-term maturity of these instruments.

### 19. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

**(a) Introduction**

The Fund maintains investment portfolios in a variety of listed and unlisted financial instruments as dictated by its Deeds and investment management strategy.

The Fund is exposed to a variety of risks including market risk (which includes profit rate risk and price risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Fund would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

**(b) Market Risk**

Market risk is the risk that the fair value or future cash flows of Shariah-compliant financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and security prices. However, the Fund is not exposed to currency risk as it does not hold Shariah-compliant investments denominated in currencies other than in RM as at the reporting date. The Fund is also not exposed to equity price risk as it does not hold any equity investments as at the reporting date.

**(i) Profit rate risk**

Sukuk are particularly sensitive to movements in market profit rates. When profit rates rise, the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. The sensitivity to market profit rate changes are normally greater for longer tenured securities when compared to shorter tenured securities.

The table below summarises the sensitivity of the Fund's NAV to movements in prices of sukuk held by the Fund as a result of movements in market profit rates. The analysis is based on the assumptions that the profit rates increased and decreased by 1% (100 basis points) with all other variables held constant.

	2021		2020	
	Changes in profit rates %	Effects on NAV (Decrease)/ Increase RM	Changes in profit rates %	Effects on NAV (Decrease)/ Increase RM
Sukuk	+1	(5,742,242)	+1	(3,451,231)
	-1	6,266,109	-1	3,888,785

The impact to net income after tax is expected to be the same as the effects on NAV.

The Fund's shariah-compliant deposit with licensed Islamic financial institutions carries profit rate and is short-term in nature, and therefore is not affected by movements in market profit rate.

## MAYBANK MALAYSIA INCOME-I FUND

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

#### (c) Credit risk

Credit risk is the risk that the issuer/counterparty to a financial instrument will default on its contractual obligation resulting in a financial loss to the Fund. The Fund is exposed to the risk of credit-related losses that can occur as a result of an issuer/counterparty's inability or unwillingness to honour its contractual obligations to make timely repayments of profit, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

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

#### (i) Credit risk exposure

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

#### (ii) Credit risk concentration

The following table analyses the Fund's investments in financial assets at FVTPL, cash at bank, Shariah-compliant deposit with licensed Islamic financial institutions, profit income receivables on sukuk and profit income receivable on Shariah-compliant deposit with licensed Islamic financial institutions by rating categories. The ratings for the Fund's investments in sukuk and profit income receivables on sukuk were obtained from RAM and MARC while the ratings for cash at bank, Shariah-compliant deposit with licensed Islamic financial institutions and profit income receivables on Shariah-compliant deposit with licensed Islamic financial institutions were obtained from RAM's official website.

Financial Assets	2021		2020	
	RM	Percentage of NAV %	RM	Percentage of NAV %
AAA	26,138,615	23.54	16,882,506	22.95
AA1	8,190,084	7.38	6,167,458	8.38
AA2	1,974,580	1.78	3,122,716	4.25
AA3	51,264,403	46.17	29,802,791	40.52
A1	5,415,025	4.88	3,768,879	5.12
A2	4,179,453	3.76	4,178,091	5.68
A3	3,502,975	3.15	-	-
C	1,109,401	1.00	1,143,637	1.55
Government securities	4,656,898	4.19	-	-
Not rated	4,266,606	3.84	7,459,216	10.14
	<b>110,698,040</b>	<b>99.69</b>	<b>72,525,294</b>	<b>98.60</b>

## MAYBANK MALAYSIA INCOME-I FUND

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

#### (d) Liquidity risk

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

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

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash at bank, Shariah-compliant deposit with a licensed Islamic financial institution and other instruments which are capable of being converted into cash within 7 days.

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

2021	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial assets</b>			
Financial assets at FVTPL	3,502,975	102,557,605	106,060,580
Shariah-compliant deposits with licensed Islamic financial institutions	3,238,508	-	3,238,508
Amount due from Manager	597,848	-	597,848
Profit income receivables	93,841	1,276,593	1,370,434
Cash at bank	28,518	-	28,518
Total undiscounted financial assets	7,461,690	103,834,198	111,295,888
<b>Financial liabilities and net assets attributable to unitholders of the Fund</b>			
Amount due to Manager	177,527	-	177,527
Amount due to Trustee	6,549	-	6,549
Other payables and accruals	78,437	-	78,437
Net assets attributable to unitholders of the Fund	111,033,375	-	111,033,375
Total undiscounted financial liabilities and net assets attributable to unitholders	111,295,888	-	111,295,888
<b>Liquidity (gap)/surplus</b>	(103,834,198)	103,834,198	-

## MAYBANK MALAYSIA INCOME-I FUND

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

#### (d) Liquidity risk (cont'd)

2020	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial asset</b>			
Financial assets at FVTPL	12,788,179	53,760,209	66,548,388
Shariah-compliant deposits with licensed Islamic financial institutions	5,143,352	-	5,143,352
Amount due from brokers	1,159,821	-	1,159,821
Profit income receivables	279,435	507,376	786,811
Cash at bank	46,743	-	46,743
Total undiscounted financial assets	<u>19,417,530</u>	<u>54,267,585</u>	<u>73,685,115</u>
<b>Financial liabilities and net assets attributable to unitholders of the Fund</b>			
Amount due to Manager	26,724	-	26,724
Amount due to Trustee	4,281	-	4,281
Other payables and accruals	97,321	-	97,321
Net assets attributable to unitholders of the Fund	<u>73,556,789</u>	<u>-</u>	<u>73,556,789</u>
Total undiscounted financial liabilities and net assets attributable to unitholders	<u>73,685,115</u>	<u>-</u>	<u>73,685,115</u>
<b>Liquidity (gap)/surplus</b>	<u>(54,267,585)</u>	<u>54,267,585</u>	<u>-</u>

#### Notes:

##### (i) Financial assets

Shariah-compliant deposits with a licensed Islamic financial institution are grouped based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting year to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

##### (ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting date to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to settle its financial obligation.

##### (iii) Net assets attributable to unitholders of the Fund

As unitholders can request for cancellation on their units by giving the Manager a 14-day notice period, the net assets attributable to unitholders of the Fund has been categorised as having a maturity of "less than 1 month".

As a result, it appears that the Fund has a liquidity gap within "less than 1 month". However, the Fund believes that it would be able to liquidate its investments should the need arise to satisfy all the redemption requirements.



## **MAYBANK MALAYSIA INCOME-I FUND**

### **20. 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 year.