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MAMG GLOBAL INCOME-I FUND

**Unaudited interim report
For the financial period from 1 January 2021 to 30 June 2021**

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

Level 12 Tower C
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No.1 Jalan Maarof
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TRUSTEE

SCBMB Trustee Berhad (201201021301) (1005793-T)
Level 23, Equatorial Plaza
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone +603 7682 9724

SHARIAH ADVISOR

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

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MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial period from 1 January 2021 to 30 June 2021

A. Fund Information

1. **Name of the Fund**
MAMG Global Income-I Fund ("the Fund")

2. **Type of Fund**
Income & growth

3. **Category of Fund**
Feeder Fund (Sukuk)

4. **Duration of the Fund**
The Fund is an open-ended fund.

5. **Launch date**

| Class | Currency denomination | Launch Date |
|-----------|------------------------------|---------------|
| MYR Class | Malaysian Ringgit ("MYR") | 13 March 2018 |
| USD Class | United States Dollar ("USD") | 8 July 2020 |

6. **Fund's investment objective**
The investment objective of the Fund is to maximise investment returns by investing in the Target Fund, the AZ Islamic - MAMG Global Sukuk.

7. **Fund distribution policy**
Distribution, if any, will be made from the realised income and/or realised gains of the Fund. Distribution will be on a semi-annual basis (subject to availability of income).

8. **Fund's performance benchmark**
Total return performance of US Dollars ("USD") 5 years Treasury + 1.5%.

9. **The Fund's investment policy and principal investment strategy**
The Fund aims to maximise investment returns by investing in the Target Fund, the AZ Islamic - MAMG Global Sukuk. The Fund seeks to achieve its investment objective by investing a minimum of 95% of the Fund's NAV in the MASTER (USD DIS) class of the Target Fund, a subfund of the AZ Multi Asset managed by Azimut Investment S.A.

10. **Net income distribution for the financial period from 1 January 2021 to 30 June 2021**

The Fund distributed a net income of RM598,684 from MYR Class to unitholders for the financial period from 1 January 2021 to 30 June 2021. Below is the impact of the distributions to the Fund's NAV:

| Entitlement date | Payment date | NAV per unit (before distribution) | NAV per unit (after distribution) | Gross/Net distribution per unit | Changes % |
|------------------|--------------|------------------------------------|-----------------------------------|---------------------------------|-----------|
| MYR Class | | | | | |
| 26.03.2021 | 31.03.2021 | 1.1407 | 1.1282 | 0.0125 | 1.10 |
| 25.06.2021 | 30.06.2021 | 1.1123 | 1.0998 | 0.0125 | 1.12 |

MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial year ended 30 June 2021 (cont'd)

A. Fund Information (cont'd)

11. Breakdown of unitholdings by size

Fund size

As at 30 June 2021, the size of the Fund was 28,769,489 units.

Breakdown of unitholdings by Class of Units as at 30 June 2021

MYR Class

| Unitholdings | No. of unitholders | % | No. of units ('000) | % |
|-------------------------|--------------------|---------------|---------------------|---------------|
| 5,000 units and below | 1 | 14.29 | * 1 | - |
| 5,001 to 10,000 units | 1 | 14.29 | 44 | 0.15 |
| 10,001 to 50,000 units | - | - | - | - |
| 50,001 to 500,000 units | 2 | 28.57 | 609 | 2.14 |
| 500,001 units and above | 3 | 42.86 | 27,922 | 97.71 |
| Total | 7 | 100.01 | ** 28,576 | 100.00 |

* Comprise 1,099 units held by the Manager

** Comprise 23,187,223 units held by a Institutional Unit Trust Scheme Adviser ("IUTA")

USD Class

| Unitholdings | No. of unitholders | % | No. of units ('000) | % |
|-------------------------|--------------------|--------------|---------------------|---------------|
| 5,000 units and below | 1 | 50.00 | * 1 | 0.52 |
| 5,001 to 10,000 units | - | - | - | - |
| 10,001 to 50,000 units | - | - | - | - |
| 50,001 to 500,000 units | 1 | 14.29 | 193 | 99.48 |
| 500,001 units and above | - | - | - | - |
| Total | 2 | 64.29 | ** 194 | 100.00 |

* Comprise 1,000 units held by the Manager

** Comprise 193,165 units held by a Institutional Unit Trust Scheme Adviser ("IUTA")

B. Performance Review

1. Key performance data of the Fund

| Category | 01.01.2021 to 30.06.2021 | 01.01.2020 to 31.12.2020 | 01.01.2019 to 31.12.2019 |
|----------|--------------------------------|--------------------------------|--------------------------------|
|----------|--------------------------------|--------------------------------|--------------------------------|

Portfolio composition

| | | | |
|-------------------------------|---------------|---------------|---------------|
| Investment in Target Fund (%) | 95.94 | 91.91 | 96.33 |
| Cash and other net assets (%) | 4.06 | 8.09 | 3.67 |
| Total (%) | 100.00 | 100.00 | 100.00 |

MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial period from 1 January 2021 to 30 June 2021 (cont'd)

B. Performance Review (cont'd)

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

| Category | 01.01.2021 to 30.06.2021 | 01.01.2020 to 31.12.2020 | 01.01.2019 to 31.12.2019 |
|----------|--------------------------------|--------------------------------|--------------------------------|
|----------|--------------------------------|--------------------------------|--------------------------------|

MYR Class

| | | | |
|---------------------------------------|------------|------------|------------|
| NAV (RM'000) | 32,131 | 10,235 | 8,721 |
| Units in circulation (units'000) | 28,576 | 9,007 | 7,762 |
| NAV per unit (RM) | 1.1244 | 1.1428 | 1.1236 |
| Highest NAV per unit (RM) | 1.1483 | 1.1695 | 1.1548 |
| Lowest NAV per unit (RM) | 1.1243 | 1.1272 | 1.0556 |
| Annual return (%) ⁽¹⁾ | | | |
| - Capital growth (%) | (1.05) | 1.08 | 4.91 |
| - Income distribution (%) | 2.23 | 5.81 | 1.62 |
| Total return (%) | 1.16 | 6.95 | 6.61 |
| Benchmark | 2.52 | 5.89 | 5.18 |
| Net income distributed (MYR) | 598,684 | 347,944 | 116,424 |
| Distribution date (ex-date) | | 7/7/2020, | |
| | 31/3/2021 | 28/09/2020 | |
| | and | and | |
| | 28/06/2021 | 28/12/2020 | 30/12/2019 |
| Gross/net distribution per unit (sen) | 0.03 | 0.65 | 0.15 |

USD Class

| | | | |
|---|--------|--------|------|
| NAV (RM'000) | 885 | 1,103 | - |
| Units in circulation (units) | 194 | 1,000 | - |
| NAV per unit (USD) | 1.0995 | 1.1031 | - |
| Highest NAV per unit (USD) | 1.1077 | 1.1031 | - |
| Lowest NAV per unit (USD) | 1.0940 | 1.0000 | - |
| Annual return (%) ⁽¹⁾ | | | |
| - Capital growth (%) | (0.33) | 10.31 | - |
| - Income distribution (%) | - | - | - |
| Total return (%) | (0.33) | 10.31 | - |
| Benchmark | (0.67) | 0.55 | - |
| Management Expense Ratio ("MER") (%) ⁽²⁾ | 1.89 | 1.58 | 1.38 |
| Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾ | 4.09 | 2.30 | 0.20 |

MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial period from 1 January 2021 to 30 June 2021 (cont'd)

B. Performance Review (cont'd)

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

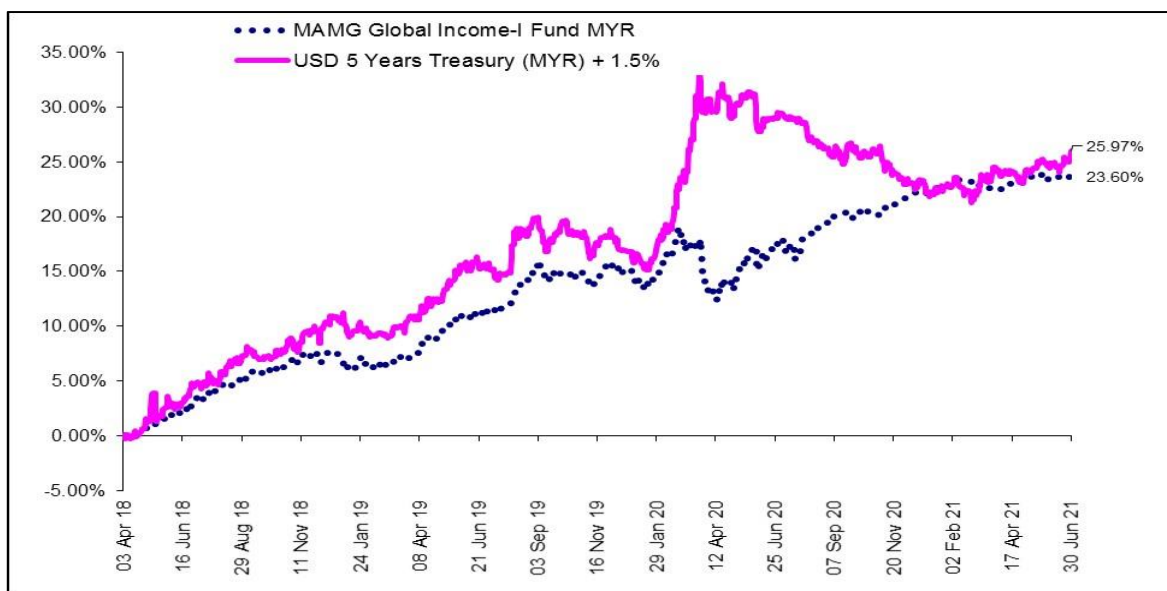
Note:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of all fees.
- (2) The Fund's MER increased from to 1.89% due to higher administrative expenses in the current financial period under review.
- (3) The Fund's PTR increased to 4.09 times due to higher trading activities in the current financial period under review.

2. Performance of the Fund for the financial period from 1 January 2021 to 30 June 2021

MYR Class

| Category | 6 months to 30.06.2021 % | 1 year to 30.06.2021 % | Since inception to 30.06.2021 % |
|--------------------------|-----------------------------------|---------------------------------|---|
| Capital growth | (1.05) | (2.87) | 12.44 |
| Income distribution | 2.23 | 8.17 | 9.92 |
| Total return of the Fund | 1.16 | 5.07 | 23.60 |
| Benchmark | 2.52 | (3.04) | 25.97 |
| Average total return | 1.16 | 5.07 | 6.74 |



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 December 2020

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

MAMG GLOBAL INCOME-I FUND

Manager's report

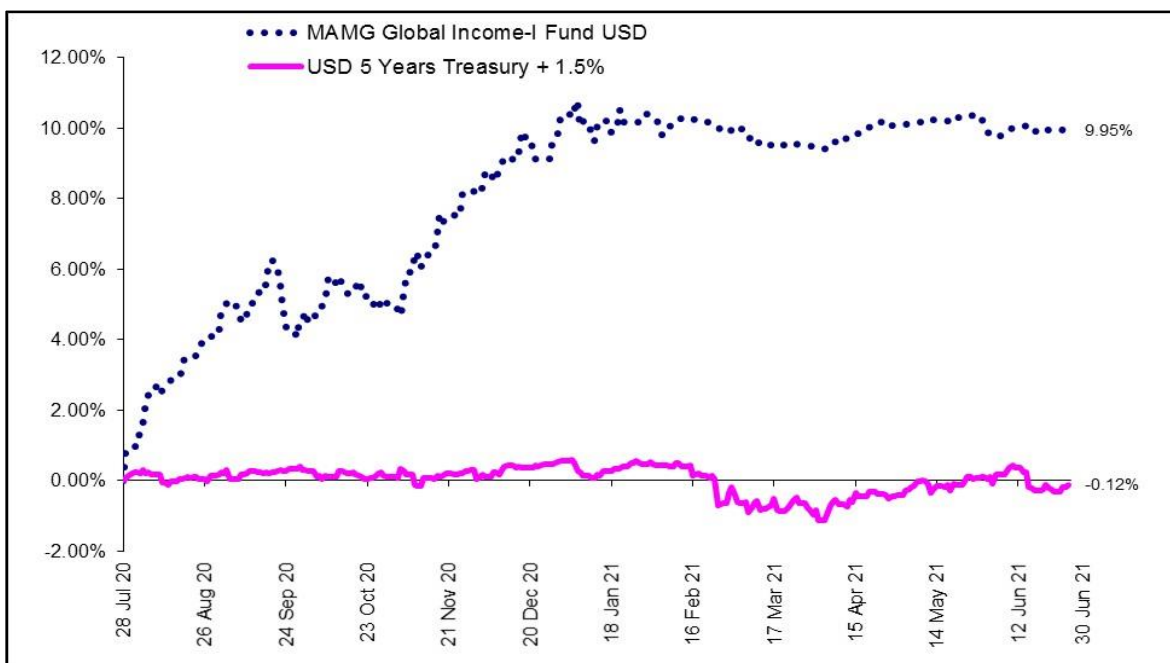
For the financial period from 1 January 2021 to 30 June 2021 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund for the financial period from 1 January 2021 to 30 June 2021 (cont'd)

USD Class

| Category | 6 months to 30.06.2021 % | Since inception to 30.06.2021 % |
|--------------------------|--------------------------|---------------------------------|
| Capital growth | (0.33) | 9.95 |
| Income distribution | - | - |
| Total return of the Fund | (0.33) | 9.95 |
| Benchmark | (0.67) | (0.12) |
| Average total return | (0.33) | |



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 December 2020

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

The Fund generated a return of 1.16% (USD class: -0.33%) for the period under review, underperforming absolute benchmark's 2.52% (USD class: -0.67%). The underperformance was due to improved investors' risk appetite towards risky assets and optimism about economic growth. The weaker performance was also due to the performance came largely from bond carry as well as weaker local currencies in the target fund during the period under review.

MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial period from 1 January 2021 to 30 June 2021 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of the Fund

MYR Class

| For the financial period | 01.01.2021 to 30.06.2021 % | 01.01.2020 to 31.12.2020 % | 01.01.2019 to 31.12.2019 % |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Capital growth | (1.05) | 1.08 | 4.91 |
| Income distribution | 2.23 | 5.81 | 1.62 |
| Total return | 1.16 | 6.95 | 6.61 |
| Benchmark | 2.52 | 5.89 | 5.18 |

USD Class

| For the financial period | 01.01.2021 to 30.06.2021 % | 08.07.2020 (date of launch) to 31.12.2020 % |
|--------------------------|-------------------------------------|---|
| Capital growth | (0.33) | 10.31 |
| Income distribution | - | - |
| Total return | (0.33) | 10.31 |
| Benchmark | (0.67) | 0.55 |

4. Basis of calculation made in calculating the returns:

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

An illustration of the above would be as follows:

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

C. Market Review

January 2021 overall saw quite a fair bit of volatility, overall summed up as a retracement of the short United States Dollars ("USD") trade that was a major theme since Q4 2020, prompted by Democrats winning the 2 senate seats in the Georgia run-off election. Market started to price in increasing odds of reflation theme, big fiscal stimulus and bond purchase tapering by the Federal Open Market Committee ("FOMC"). Else, equity markets also had a volatile ride unexpected surge in some beaten down stocks (GameStop, AMC) triggered a brief sell off as investors liquidated other positions to cover losses.

MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial period from 1 January 2021 to 30 June 2021 (cont'd)

C. Market Review (cont'd)

The United States Treasury ("UST") curve initially steepened on the Georgia election, with the 10 year and 30 year yields increased by 20-30 basis points ("bps") to 1.14% and 1.89% area by 12th January 2021 before turning range bound over the course of the month. USD as mentioned turned broadly stronger, save for certain high-beta currencies like Turkish Lira on idiosyncratic domestic factors (central bank rate hikes). Commodities returned mixed, with Brent crude remaining strong on Saudi's voluntary production cuts while gold dropped 4.5% on the stronger USD. Asian currencies generally held up better in January, moving within 1% appreciation or depreciation against the USD except for the Korean won ("KRW"), which underperformed.

Market turned more volatile in February 2021, as interest rates in the United States ("US") went up by 20-40 bps resulting in steepening of the US curve due to the reflation and growth optimism. Short term inflation in the US went up due to low base and supply side pressure on commodities. Central bankers currently remain in the "wait and see" mode but with increased vigilance in their remarks. Global equity markets finally caught up on the volatility in February even they remain in the green year to date. USD turned neutral to slightly stronger, except against the antipodeans on improved outlook. Commodities like Brent crude, copper and iron were firm while gold dropped 6.5% on rising yields. Asian currencies were generally weaker against the USD in February 2021.

Global Markets continued to remain volatile over March 2021 as the UST curve steepened over the month, with the 2 year and 10 year part of the curve widening over 30 bps to 158 bps. March's FOMC meeting notes were overall dovish with no rise in median dot plots even as projections of economic data were being upgraded in light of the latest Coronavirus Disease 2019 ("COVID-19") stimulus. USD was broadly stronger in March 2021, given the lead from higher UST yields. In Asia, currencies like Thai Baht ("THB") and Taiwan Dollar ("TWD") underperformed with depreciation of over 2% against the USD on weak vaccine roll out. Other currencies like Australian Dollar ("AUD"), Singaporean Dollar ("SGD") and Chinese Yuan ("CNY") also weakened about 0.90 to 1.1%.

Global markets consolidated in April 2021 with Q1 2021's theme of "USA exceptionalism" having played out for now. The UST curve steepening vs other developed markets drew in foreign investors, especially Japanese lifers. Besides foreign demand for USTs, a rethink on inflation trajectory also led to the retracement of US Treasuries' yields. Although COVID-19 raised its ugly head in April 2021, with India badly impacted, it did not spark a meaningful sell off in the global asset markets. USD turned weaker in April 2021 in line with falling UST yields though the impact was felt more towards Developed Market ("DM") currencies, with DXY dropping 2.1% over the month as the outlook for Europe turned brighter with COVID vaccination gaining momentum. In Asia, the impact of USD weakness was felt less with JP Morgan's Asia dollar index appreciating only 0.81%. SGD, TWD and CNY outperformed while THB and Indian Rupee ("INR") underperformed.

MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial period from 1 January 2021 to 30 June 2021 (cont'd)

C. Market Review (cont'd)

The "Sell in May and go away" adage did not happen this time around as risk sentiment remained buoyed, helped by the broad softening of the USD and very stable rate environment. Equities recorded stable to positive returns while US Treasury yields were range bound, with both the 10-year and 30-year US Treasury trading around the 1.65% and 2.35% range. As the market remained undecided whether the current inflation trajectory was transitory, economic data was also not favourable. USD continued to weaken in May. Among DM currencies, Pound Sterling ("GBP") outperformed and gained 2.8% against the greenback while the Euro ("EUR") gained 1.7%. Among Emerging Market ("EM") Asian currencies CNY and INR outperformed. While USDCNY went below 6.40 on strong Chinese economic data, the Indian Rupee benefitted from falling infection rates. Gold gained 7.3% in the month on USD weakness while Brent crude rallied by about 3%.

The main event surrounding June 2021 was the FOMC meeting, which delivered a hawkish surprise to the markets. In a span of 3 months, the median dot plots for rate hikes moved up from 0 hikes to 2 hikes by 2023. In addition, the FOMC also signalled their intention to talk about tapering of asset purchases. Interestingly, the market accepted the Federal reserves' ("FED") rhetoric of transitory inflation, with the spread between 2 year and 10 year UST yields tightened from 145 bps to 133 bps, with similar flattening shown at the long end of the UST curve. Equity markets were generally stable while USD was broadly stronger against both DM and EM currencies, with US Dollar Index ("DXY") strengthening by 2.9% to 92.436. Commodities were mixed - gold weakened by 7% but crude continued to advance on prospects of supply constraints and Organization of the Petroleum Exporting Countries ("OPEC") meeting. Brent crude traded +8.4% over June to USD 75/barrel despite broad USD strength.

D. Market Outlook and Investment Strategy

We remain cautious on risk going into 2H2021. Tightening credit conditions caused by increased regulations in China, such as the "three red lines" as well as increased scrutiny by banks when rolling over existing debt as in the case of Sritex, has resulted in increased credit headlines risks. In the past six months, we have seen more occurrences of idiosyncratic risks hitting individual issuers than we have seen in previous years. Therefore, we are more cautious on credit risks and prefer to diversify across more issuers and hold stronger names even if these bonds offer lower yields. As for duration risk, we think the worst could be over. Surprisingly, the Fed turned more hawkish during the FOMC meeting on 16th June 2021. The dot plot now shows two rate hikes by end 2023 versus zero hikes by end 2023 during the March 2021 meeting, causing the long end Treasuries to rally. Historically, the long end yield curve usually flattens as we start to enter into a tightening cycle. With the Fed now signalling that they are prepared to tighten in the near future, we think that long end bonds could stabilise from here, thus, we are comfortable to add long end duration bonds to our fixed income portfolios.

As the fund is a feeder fund, it will continue investing between 95% to 98% into target fund to achieve closer performance with its target fund. The target fund has stronger weightage in United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Bahrain and Indonesia. On sectors, most of the target fund's major holdings are in financial, sovereign and real estate bonds. As at June 2021, the portfolio duration remains low at 3.60 years with an average rating of BBB- by international rating agencies.

MAMG GLOBAL INCOME-I FUND

Manager's report

For the financial period from 1 January 2021 to 30 June 2021 (cont'd)

E. Soft Commissions and Rebates

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

During the financial period from 1 January 2021 to 30 June 2021, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that 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 of demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAMG GLOBAL INCOME-I FUND FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

We have acted as Trustee of MAMG Global Income-I Fund (the "Fund") for the financial period from 1 January 2021 to 30 June 2021. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd, (the "Manager"), has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 ("CMSA") and other applicable laws;
- (b) Valuation/pricing has been carried out in accordance with the Deeds and any regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distributions to the unitholders during the financial period from 1 January 2021 to 30 June 2021 are consistent with the objectives of the Fund.

For and on behalf of
SCBMB Trustee Berhad

Prasad A/L S Vijayasundram
Chief Executive Officer

Kuala Lumpur, Malaysia
11 August 2021

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAMG GLOBAL INCOME-I FUND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

I, Ahmad Najib Bin Nazlan, being the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of MAMG Global Income-I Fund as at 30 June 2021 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 1 January 2021 to 30 June 2021 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
11 August 2021

REPORT OF THE SHARIAH ADVISER

**TO THE UNITHOLDERS OF
MAMG GLOBAL INCOME-I FUND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 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 MAMG Global Income-I Fund ("the Fund") during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For and on behalf of Amanie Advisors Sdn Bhd.

DATUK DR MOHD DAUD BAKAR
Executive Chairman

Kuala Lumpur, Malaysia
11 August 2021

MAMG GLOBAL INCOME-I FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

| | | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|--|----|--|--|
| INVESTMENT INCOME | | | |
| Profit income | | 9,472 | 1,476 |
| Dividend income | | 394,557 | - |
| Net gain on financial assets at fair value through profit or loss ("FVTPL") | | | |
| - Realised gain | | 8,463 | 777,029 |
| - Unrealised gain/(loss) | | 364,983 | (478,438) |
| Net loss on foreign exchange and forward currency contracts | 3 | (361,171) | - |
| | | <u>416,304</u> | <u>300,067</u> |
| EXPENSES | | | |
| Manager's fee | 4 | 117,687 | 30,287 |
| Trustee's fee | 5 | 3,163 | 606 |
| Auditor's remuneration | | 3,472 | 3,482 |
| Tax agent's fee | | 1,736 | 1,740 |
| Administrative expenses | | 5,482 | 4,605 |
| | | <u>131,540</u> | <u>40,720</u> |
| Net income before distribution and taxation | | 284,764 | 259,347 |
| Distribution to unitholders | | | |
| MYR Class | | (52,906) | - |
| Net results before taxation | | <u>231,858</u> | <u>259,347</u> |
| Taxation | 6 | - | - |
| Net results after distribution and taxation, representing total comprehensive income for the financial period | | <u>231,858</u> | <u>259,347</u> |
| Net results after distribution and taxation is made up of the following: | | | |
| Net realised income | | 687,380 | 737,785 |
| Net unrealised loss | | (455,522) | (478,438) |
| | | <u>231,858</u> | <u>259,347</u> |
| Distributions for the financial period: | | | |
| MYR Class | | | |
| Net distributions | 13 | 598,684 | - |
| Gross/net distributions per unit (sen) | 13 | 2.50 | - |
| Distribution date (ex-date) | 13 | Refer to Note 13 | |

MAMG GLOBAL INCOME-I FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

| | Note | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|--|-------------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Financial asset at FVTPL | 7 | 31,675,708 | 9,407,032 |
| Deposit with a licensed Islamic financial institution | 8 | 1,265,026 | 229,603 |
| Profit income receivable | | 61 | 11 |
| Derivative assets | 9 | 4,379 | 248,626 |
| Amount due from Manager | 10 | 21,703 | 4,990 |
| Amount due from Investment Manager of the Target Fund | | 1,493,244 | - |
| Cash at bank | | 167,973 | 372,924 |
| TOTAL ASSETS | | <u>34,628,094</u> | <u>10,263,186</u> |
| LIABILITIES | | | |
| Derivative liabilities | 9 | 213,046 | - |
| Amount due to Manager | 10 | 1,384,749 | 7,407 |
| Amount due to Trustee | 11 | 558 | 5,106 |
| Other payables and accruals | | 12,760 | 16,164 |
| TOTAL LIABILITIES | | <u>1,611,113</u> | <u>28,677</u> |
| NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND | | <u>33,016,981</u> | <u>10,234,509</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE: | | | |
| Unitholders' contribution | 12(a) | 31,935,174 | 9,389,191 |
| Retained earnings | 12(b) & (c) | 1,081,807 | 845,318 |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>33,016,981</u> | <u>10,234,509</u> |

MAMG GLOBAL INCOME-I FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 30 JUNE 2021**

| | | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|---|-------|--|--|
| NET ASSET VALUE | 12(a) | | |
| MYR Class | | 32,131,491 | 10,230,077 |
| USD Class | | 885,490 | 4,432 |
| | | <u>33,016,981</u> | <u>10,234,509</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | 12(a) | | |
| MYR Class | | 28,575,324 | 9,006,724 |
| USD Class | | 194,165 | 1,000 |
| | | <u>28,769,489</u> | <u>9,007,724</u> |
| NAV PER UNIT | | | |
| MYR Class | | RM 1.1244 | RM 1.1428 |
| USD Class | | <u>USD 1.0995</u> | <u>USD 1.1031</u> |

MAMG GLOBAL INCOME-I FUND**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
OF THE FUND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

| | Unitholders' contribution Note 12(a) RM | Retained earnings Note 12(b) and 12(c) RM | Net assets attributable to unitholders RM |
|--|--|--|--|
| At 1 January 2021 | 9,389,191 | 849,949 | 10,239,140 |
| Total comprehensive income for the financial period | - | 231,858 | 231,858 |
| Creation of units | 27,606,436 | - | 27,606,436 |
| Reinvestment of units | 597,594 | - | 597,594 |
| Cancellation of units | (5,112,269) | - | (5,112,269) |
| Distributions | (545,778) | - | (545,778) |
| At 30 June 2021 | 31,935,174 | 1,081,807 | 33,016,981 |
| At 1 January 2020 | 7,709,295 | 1,011,790 | 8,721,085 |
| Total comprehensive income for the financial period | - | 259,347 | 259,347 |
| Creation of units | 675,701 | - | 675,701 |
| Reinvestment of units | 116,424 | - | 116,424 |
| Cancellation of units | (5,874,473) | - | (5,874,473) |
| At 30 June 2020 | 2,626,947 | 1,271,137 | 3,898,084 |

MAMG GLOBAL INCOME-I FUND**UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

| | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|---|--|--|
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Net proceeds from sale of financial assets at FVTPL | 16,694,299 | 5,631,000 |
| Net payment for purchase of financial assets at FVTPL | (40,087,811) | (755,000) |
| Profit income received | 9,423 | 1,517 |
| Dividend income received | 393,801 | - |
| Realised gain on forward foreign exchange contracts | 74,100 | - |
| Manager's fee paid | (97,211) | (34,636) |
| Trustee's fee paid | (3,080) | (5,082) |
| Payment of other fees and expenses | (14,094) | (11,249) |
| Net cash (used in)/generated from operating and investing activities | <u>(23,030,573)</u> | <u>4,826,550</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash received from units created | 27,588,914 | 675,701 |
| Cash paid on units cancelled | (3,755,404) | (5,869,651) |
| Distribution paid to unitholders | (1,090) | - |
| Net cash generated/(used) from financing activities | <u>23,832,420</u> | <u>(5,193,950)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD | 801,847 | (367,400) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 602,527 | 498,178 |
| Effect on foreign exchange | 28,625 | - |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | <u>1,432,999</u> | <u>130,778</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 167,973 | 130,778 |
| Deposit with a licensed Islamic financial institution with maturity of less than 3 months | 1,265,026 | - |
| | <u>1,432,999</u> | <u>130,778</u> |

MAMG GLOBAL INCOME-I FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MAMG Global Income-I Fund (the "Fund") was constituted pursuant to the execution of a deed dated 4 December 2017 between Maybank Asset Management Sdn Bhd ("MAM") as the Manager and SCBMB Trustee Berhad as the Trustee. The First Supplemental Deed has been issued between MAM and the Trustee dated 13 April 2020. The Deed and Supplemental Deed are hereinafter referred to as "Deeds".

As at the date of this report, the Fund has 2 classes of units - MYR Class and USD Class. The Fund aims to maximise investment return by investing at least 95% of the Fund's NAV in the AZ Islamic MAMG Global Sukuk (previously was AZ Multi Asset MAMG Global Sukuk) ("Target Fund"), a fund managed by Azimut Investments S.A. (previously was AZ Fund Management S.A.) ("Target Fund Manager") and the investment management of the Target Fund has been delegated to Azimut (DIFC) Ltd. The base currency of the Target Fund is in United States Dollar ("USD") (2019: Euro), and the shares of the Target Fund in which the Fund invests in are denominated in USD.

The Target Fund is a sub fund of the AZ Multi Asset UCITS V compliant umbrella mutual investment fund established and domiciled in Luxembourg and was launched on 16 September 2013.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services License with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA"). The principal place of business of MAM is at Level 12, Tower C Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

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 134 *Interim Financial Reporting* ("MFRS 134"), and International Accounting Standards 34 *Interim Financial Reporting*.

The Interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 December 2020.

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 1 January 2021 to 30 June 2021. The adoption of the new pronouncements did not result in any material impact to the financial statements.

MAMG GLOBAL INCOME-I FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation (cont'd)

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

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Standards and amendments to standards issued but not yet effective

The following are Standards and Amendments to Standards 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 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.

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.

MAMG GLOBAL INCOME-I FUND

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

2.4 Financial assets (cont'd)

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 amount due from Manager, amount due from Investment Manager of the Target Fund, cash and cash equivalents 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 financial asset and of allocating and recognising the profit income in profit or loss of the relevant period.

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

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

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

(ii) Financial assets at FVTPL

Investments in collective investment scheme and derivatives 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.

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.

MAMG GLOBAL INCOME-I FUND

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

2.4 Financial assets (cont'd)

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

Dividend income on equity instruments as at FVTPL (i.e. investment in collective investment scheme) is disclosed separately in the profit or loss.

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

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date:
As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to
- 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 (e.g. amount due from Manager), full impairment will be recognised on uncollected balances after the grace period.

(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.

MAMG GLOBAL INCOME-I FUND

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

2.4 Financial assets (cont'd)

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

On derecognition of financial asset classified as FVTPL, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

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

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

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

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

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

2.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

MAMG GLOBAL INCOME-I FUND

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

2.6 Fair value measurement (cont'd)

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

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

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

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

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

2.7 Functional and presentation currency

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

2.8 Unitholders' contribution

The unitholders' contribution to the Fund are classified as liabilities under the requirement of MFRS132 Financial Instruments: Presentation, as they are puttable instruments whereby the unitholders have the right to redeem their units in the Fund at their option.

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

MAMG GLOBAL INCOME-I FUND

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

2.8 Unitholders' contribution (cont'd)

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

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

2.9 Distributions

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

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

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and Shariah-compliant deposits with a licensed Islamic financial institution with original maturity of three months or less which have an insignificant risk of changes in value.

2.11 Revenue / Income

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

Profit income from short-term deposits is recognised on the accruals basis using the effective profit rate method.

Dividend income is recognised when the right to receive payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income

Realised gain on disposal of investments is measured as the difference between the net proceeds and its carrying amount.

MAMG GLOBAL INCOME-I FUND

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

2.11 Revenue / Income (cont'd)

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

2.12 Income tax

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

Current taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial period.

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

2.13 Cleansing/Purification of profit

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

(i) Shariah non-compliant investment

The Manager will immediately dispose-off any Shariah non-compliant investment inadvertently made in the Fund. If the disposal of the Shariah non-compliant investment results in losses to the Fund, the losses are to be borne by the Manager. The said investment will be disposed/withdrawn with immediate effect or within a month of knowing the status of the securities. Any capital gains or dividend received during or after disposal of the investment will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

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 allocating resources and assessing performance of the operating segments.

2.15 Critical accounting estimates and judgements

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumptions 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.

MAMG GLOBAL INCOME-I FUND

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

2.15 Critical accounting estimates and judgements (cont'd)

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

3. NET LOSS ON FOREIGN EXCHANGE AND FORWARD CONTRACTS

| | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Net realised foreign exchange gain | 7,693 | - |
| Unrealised foreign exchange gain | 1,771 | - |
| Realised gain on forward contracts | 86,658 | - |
| Unrealised loss on forward contracts | (457,293) | - |
| | <u>(361,171)</u> | <u>-</u> |

4. MANAGER'S FEE

Manager's fee is computed daily based on 1.00% (01.01.2020 to 30.06.2020: 1.00%) per annum ("p.a.") of the NAV of the each Class before deducting the Manager's fee and Trustee's fees for that particular day.

5. TRUSTEE'S FEE

Trustee's fee is computed daily based on 0.02% (01.01.2020 to 30.06.2020: 0.02%) p.a. of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for that particular day, subject to a minimum fee of RM6,000 p.a.

6. TAXATION

| | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Tax expense for the financial period: | | |
| Current income tax expense | <u>-</u> | <u>-</u> |

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.01.2020 to 30.06.2020: 24%) of the estimated assessable income for the financial period.

The tax expense for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned by the Fund and dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

MAMG GLOBAL INCOME-I FUND

6. TAXATION (CONT'D)

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 is as follows:

| | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|---|--|--|
| Net results before taxation | <u>231,858</u> | <u>259,347</u> |
| Tax at Malaysian statutory rate of 24% (01.01.2020 to 30.06.2020: 24%) | 55,646 | 62,243 |
| Income not subject to tax | (99,913) | (72,016) |
| Expenses not deductible for tax purposes | <u>44,267</u> | <u>9,773</u> |
| Income tax expense for the financial period | <u>-</u> | <u>-</u> |

7. FINANCIAL ASSET AT FVTPL

Financial asset at FVTPL comprise investment in a collective investment scheme.

| | Quantity unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|--------------------------|----------------------------------|--------------------------------|------------------------------------|
| 30.06.2021 | | | | |
| AZ Islamic - MAMG Global Sukuk MASTER (USD DIS) Class | <u>1,516,094</u> | <u>31,371,605</u> | <u>31,675,708</u> | <u>95.94%</u> |
| Unrealised gain on investment at FVTPL* | | | <u>304,103</u> | |
| 31.12.2020 | | | | |
| AZ Islamic - MAMG Global Sukuk MASTER (USD DIS) Class | <u>459,446</u> | <u>9,467,912</u> | <u>9,407,032</u> | <u>91.91%</u> |
| Unrealised loss on investment at FVTPL* | | | <u>(60,880)</u> | |

* The unrealised gain on collective investment scheme comprise the amounts arising from changes in fair values and effects from foreign exchange.

MAMG GLOBAL INCOME-I FUND

8. SHARIAH-COMPLIANT DEPOSIT WITH ISLAMIC LICENSED FINANCIAL INSTITUTION

Details of the outstanding Shariah-compliant deposit as at 30 June 2021 is as follows:

| | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 31.12.2020 RM |
|---|--------------------------------------|--------------------------------------|
| Short-term placements with a licensed Islamic financial institution with maturity of: | | |
| - less than 3 months | 1,265,026 | 229,603 |

The weighted average effective profit rates ("WAEPR") per annum and average maturity of deposits with a licensed Islamic financial institution as at the reporting date are as follows:

| | 01.01.2021 to 30.06.2021 | Average maturity days | 01.01.2020 to 31.12.2020 | Average maturity days |
|--|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | WAEPR % p.a. | | WAEPR % p.a. | |
| Short-term placement | | | | |
| Licensed Islamic financial institution | 1.75 | 1 | 1.75 | 3 |

9. DERIVATIVE ASSETS/LIABILITIES

| | Notional principal amount RM | Fair value | |
|--------------------|---------------------------------------|-------------|-------------------|
| | | Asset RM | Liabilities RM |
| 30.06.2021 | | | |
| Currency forwards: | | | |
| - Less than 1 year | 32,717,576 | 4,379 | 213,046 |
| 31.12.2020 | | | |
| Currency forwards: | | | |
| - Less than 1 year | 9,819,829 | 248,626 | - |

As at the reporting date, there were 14 forward exchange contracts outstanding.

The Fund entered into forward currency contracts during the financial period to hedge currency exposure in the Target Fund which is denominated in USD.

As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income.

MAMG GLOBAL INCOME-I FUND

10. AMOUNT DUE FROM/(TO) MANAGER

| | Note | 30.06.2021 RM | 31.12.2020 RM |
|---|-------|------------------|------------------|
| Amount due from Manager is in respect of: | | | |
| Subscription of units | (i) | <u>21,703</u> | <u>4,990</u> |
| Amount due to Manager is in respect of : | | | |
| Manager's fee | (ii) | 27,883 | 7,407 |
| Cancellation of units | (iii) | <u>1,356,866</u> | <u>-</u> |
| | | <u>1,384,749</u> | <u>7,407</u> |

- (i) The amount represents amount receivable from the Manager for units subscribed.
- (ii) Amount due to Manager relates to the amount payable to the Fund Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (31.12.2020: 15 days).
- (iii) The amount represents amount payable to the Manager for units redeemed.

11. AMOUNT DUE TO TRUSTEE

Amount due to Trustee relates to the amount payable to the Trustee arising from the accruals for Trustee's fee at the end of the financial period. The normal credit term for Trustee's fee is 15 days. (31.12.2020: 15 days).

12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

| | Note | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 31.12.2020 RM |
|--------------------------------------|--------|--------------------------------------|--------------------------------------|
| Unitholders' contribution | 12 (a) | 31,935,174 | 9,389,191 |
| Accumulated realised income | 12 (b) | 1,405,609 | 718,229 |
| Accumulated unrealised (loss) income | 12 (c) | <u>(328,433)</u> | <u>127,089</u> |
| | | <u>33,012,350</u> | <u>10,234,509</u> |

MAMG GLOBAL INCOME-I FUND

12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(a) Unitholders' contribution

MYR Class

| | 01.01.2021 to 30.06.2021 | | 01.01.2020 to 31.12.2020 | |
|---|---|-------------------|---|------------------|
| | No. of units | RM | No. of units | RM |
| At the beginning of the financial period/year | 9,006,725 | 9,384,920 | 7,761,589 | 7,709,295 |
| Creation of units | 23,745,813 | 26,976,830 | 11,564,438 | 12,775,581 |
| Reinvestment of units | 316,895 | 356,317 | 409,563 | 464,368 |
| Cancellation of units | (4,494,109) | (5,112,269) | (10,728,865) | (11,791,591) |
| Distributions (Note 13) | - | (545,778) | - | 227,267 |
| At the end of the financial period/year | <u>28,575,324</u> | <u>31,060,020</u> | <u>9,006,725</u> | <u>9,384,920</u> |

| | 2021 | | 2020 | |
|---|---------------------|----------------|---------------------|--------------|
| USD Class | No. of units | RM | No. of units | RM |
| At the beginning of the financial period/year | 1,000 | 4,271 | - | - |
| Creation of units | <u>193,165</u> | <u>870,883</u> | <u>1,000</u> | <u>4,271</u> |
| At the end of the financial period/year | <u>194,165</u> | <u>875,154</u> | <u>1,000</u> | <u>4,271</u> |

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

| | 30.06.2021 | | 31.12.2020 | |
|-------------------------|---------------------|------------------|---------------------|------------------|
| | No. of units | NAV | No. of units | NAV |
| The Manager (MYR Class) | <u>1,099</u> | <u>MYR 1,236</u> | <u>1,052</u> | <u>MYR 1,202</u> |
| The Manager (USD Class) | <u>1,000</u> | <u>USD 1,100</u> | <u>1,000</u> | <u>USD 1,103</u> |

(b) Accumulated realised income

| | 01.01.2021 to 30.06.2021 | | 01.01.2020 to 31.12.2020 | |
|---|---|----------------|---|-----------|
| | RM | RM | RM | RM |
| At beginning of the financial period/year | 718,229 | 9,630 | | |
| Net realised income for the financial period/year | 687,380 | 708,599 | | |
| At end of the financial period/year | <u>1,405,609</u> | <u>718,229</u> | | |

MAMG GLOBAL INCOME-I FUND

12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND/ EQUITY (CONT'D)

(c) Accumulated unrealised (loss)/income

| | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 31.12.2020 RM |
|---|--|--|
| At beginning of the financial period/year | 127,089 | 1,002,160 |
| Net unrealised loss for the financial period/year | <u>(455,522)</u> | <u>(875,071)</u> |
| At end of the financial period/year | <u>(328,433)</u> | <u>127,089</u> |

13. DISTRIBUTIONS

There were no distributions declared during the previous financial period.

Details of distributions declared to unitholders in the current financial period are as follows:

| | 01.01.2021 to 30.06.2021 RM |
|---|--|
| Profit income | 1,382 |
| Dividend income | 57,561 |
| Realised gain on financial assets at FVTPL | 1,234 |
| Less: Expenses | <u>(7,271)</u> |
| Distributions out of realised income | 52,906 |
| Effects of distribution equalisation (Note 12(a)) | <u>545,778</u> |
| Distributions for the financial period | <u>598,684</u> |

01.01.2021 to 30.06.2021

Analysed as:

| | |
|---------------------------------------|----------------|
| Cash distribution | 1,090 |
| Reinvestment of units | <u>597,594</u> |
| Distribution for the financial period | <u>598,684</u> |

The gross and net distributions declared in the current financial period are as follows:

| Distribution dates | Gross/net distribution per unit (RM sen) |
|---------------------------------|---|
| 01.01.2021 to 30.06.2021 | |
| 29 March 2021 | 1.25 |
| 28 June 2021 | <u>1.25</u> |
| | <u>2.50</u> |

MAMG GLOBAL INCOME-I FUND

14. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

As the Fund bought and sold the units directly from the Manager of the Target Fund, there were no broker involved in the transactions made during the financial period.

Details of transactions, primarily deposits placed with licensed Islamic institutions for the current financial period and previous financial period are as follows:

| | 01.01.2021 to 30.06.2021 | | 01.01.2020 to 30.06.2020 | |
|----------------------------|--------------------------------|---|--------------------------------|---|
| | Value of placements RM | Percentage of total placements % | Value of placements RM | Percentage of total placements % |
| Public Islamic Bank Berhad | 131,162,512 | 100.00 | 12,560,927 | 100.00 |

15. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

| | 01.01.2021 to 30.06.2021 RM | 01.01.2020 to 30.06.2020 RM |
|--|--------------------------------------|--------------------------------------|
| (i) <u>Significant related party transaction</u> | | |
| <u>Maybank Islamic Berhad</u> | | |
| Profit income from deposits | - | 1,476 |

The Manager is of the opinion that the transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

MAMG GLOBAL INCOME-I FUND

16. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 January 2021 to 30 June 2021 the MER of the Fund stood at 1.89% (01.01.2020 to 30.06.2020: 0.67%).

17. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 January 2021 to 30 June 2021, the PTR of the Fund stood at 4.09 times (01.01.2020 to 30.06.2020: 0.4 times).

18. SEGMENT INFORMATION

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

The PMC of the Manager is responsible for the Fund's performance by investing at least 95% of the Fund's NAV in the ringgit denominated class of the Target Fund, and the remaining 2% - 5% of the Fund's NAV will be invested in Shariah-compliant liquid assets.

As the Fund is a feeder fund, the Target Fund Manager is the ultimate decision-maker on the investment strategy to ensure the Target Fund achieves its targeted return with an acceptable level of risk within the portfolio.

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

19. 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). |

MAMG GLOBAL INCOME-I FUND

19. FAIR VALUE HIERARCHY (CONT'D)

| | Level 1 | Level 2 | Level 3 |
|---------------------------|-------------------|----------------|----------|
| | RM | RM | RM |
| 30.06.2021 | | | |
| Financial assets at FVTPL | 31,675,708 | - | - |
| Derivative assets | - | 4,379 | - |
| | <u>31,675,708</u> | <u>4,379</u> | <u>-</u> |
| Derivative liabilities | - | 213,046 | - |
| | <u>-</u> | <u>213,046</u> | <u>-</u> |
| 31.12.2020 | | | |
| Financial assets at FVTPL | 9,407,032 | - | - |
| Derivative assets | - | 248,626 | - |
| | <u>9,407,032</u> | <u>248,626</u> | <u>-</u> |

20. UNITHOLDER'S CONTRIBUTION MANAGEMENT

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

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

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