



Maybank
Asset Management

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MAYBANK MALAYSIA SMALLCAP FUND

Annual report
For the financial year ended 31 July 2021

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

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Dataran Maybank
No 1 Jalan Maarof
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TRUSTEE

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MAYBANK MALAYSIA SMALLCAP FUND

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MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial year ended 31 July 2021

A. Fund Information

1. Name of the Fund

Maybank Malaysia SmallCap Fund ("Fund")

2. Type of Fund

Growth Fund

3. Category of Fund

Equity Fund

4. Duration of the Fund

The Fund is an open-ended Fund.

5. Fund launch date / commencement date

3 March 2004 / 24 March 2004

6. Fund's investment objective

The Fund aims to achieve Medium to Long Term capital growth by primarily investing into securities of small and medium sized companies:

- (i) listed on the Bursa Malaysia's Main Market, ACE Market and/or any other boards approved by the Securities Commission Malaysia ("SC");
- (ii) with market capitalisation of not more than the limit considered by the SC to be appropriate for fund similar to this Fund; and
- (iii) which have the potential for capital appreciation over the Medium to Long Term.

7. Fund distribution policy

It is not the main objective of the Fund to distribute income as the main focus of the Fund is to secure capital growth in line with the performance of the Fund's benchmark. Any distribution is at the Manager's discretion, subject to Trustee's approval.

8. Fund's performance benchmark

FBM SmallCap Index.

9. The Fund's asset allocation policy

The Fund will be investing a minimum of 70% of the Fund's assets in stocks and shares of small and medium cap companies, and a minimum of 2% of the Fund's NAV will be invested in liquid assets and money market instruments.

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

A. Fund Information (cont'd)

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

The Fund invests in securities of companies which have obtained approval from the relevant authorities for listing on the Main Market or ACE Market of Bursa Malaysia. The Fund invests primarily in selected small and medium sized companies with market capitalisation of not more than Ringgit Malaysia ("RM") 3 billion at the point of purchase of stocks which have the potential for capital appreciation over the Medium to Long Term. The Fund may also invest in companies with market capitalisation exceeding RM3 billion in order to increase the benefit of diversification and enhance the stability of the Fund. The Fund may consider investment in unlisted equities. However, investment in unlisted equities is limited to a maximum of 10% of the NAV of the Fund.

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

The Fund made a distribution of RM4,338,086 for the financial year ended 31 July 2021.

Below are details of distribution made during the financial year:

Distribution date	Gross/net distribution per unit (sen)
28 July 2021	2.50

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

Distribution date	Before distribution (RM)	After distribution (RM)	Changes %
28 July 2021	0.7588	0.7563	(0.33)

12. Breakdown of unitholdings by size

Fund size

As at 31 July 2021, the size of the Fund was 180,131,020 units.

Breakdown of unitholdings as at 31 July 2021

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	397	39.46	902	0.50
5,001 to 10,000 units	158	15.71	1,061	0.59
10,001 to 50,000 units	310	30.82	6,424	3.57
50,001 to 500,000 units	135	13.42	14,353	7.97
500,001 units and above	6	0.59	* 157,391	87.37
Total	1,006	100.00	** 180,131	100.00

* Includes 141,743,161 units held by Malayan Banking Berhad

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

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

B. Performance Review

1. Key performance data of the Fund

Category	FY2021	FY2020	FY2019
Portfolio composition (%)			
Quoted equities - local			
Construction	4.77	2.34	6.18
Consumer Products	12.03	6.46	9.48
Energy	4.42	-	5.05
Finance	2.00	2.05	9.18
Healthcare	1.09	13.93	6.89
Industrial Products	23.16	20.83	17.92
Plantations	2.64	2.20	0.75
Properties	0.20	0.75	3.56
Real Estate Investment Trust ("REIT")	1.85	4.06	1.12
Technology	30.54	24.98	18.68
Telecommunication	-	0.63	5.35
Transportation	-	-	1.06
Utilities	1.63	2.62	4.33
Cash and other net assets	15.67	19.15	10.45
Total	100.00	100.00	100.00
NAV (RM'000)	135,546	162,579	114,307
Units in circulation (units'000)	180,131	234,993	232,216
NAV per unit (RM)	0.7525	0.6918	0.4922
Highest NAV per unit (RM)	0.9049	0.6972	0.5233
Lowest NAV per unit (RM)	0.6691	0.3401	0.4461
Net income distributed (RM'000)	4,318	3,449	-
Distribution date	28 July 2021	28 July 2020	-
Gross/net distribution per unit (sen)	2.50	1.50	-
Annual total return (%) ⁽¹⁾	12.34	43.59	(4.80)
Benchmark (%)	18.16	(3.59)	(5.41)
Management Expense Ratio ("MER") (%) ⁽²⁾	1.64	1.62	1.57
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.53	0.82	0.59

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

B. Performance Review (cont'd)

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

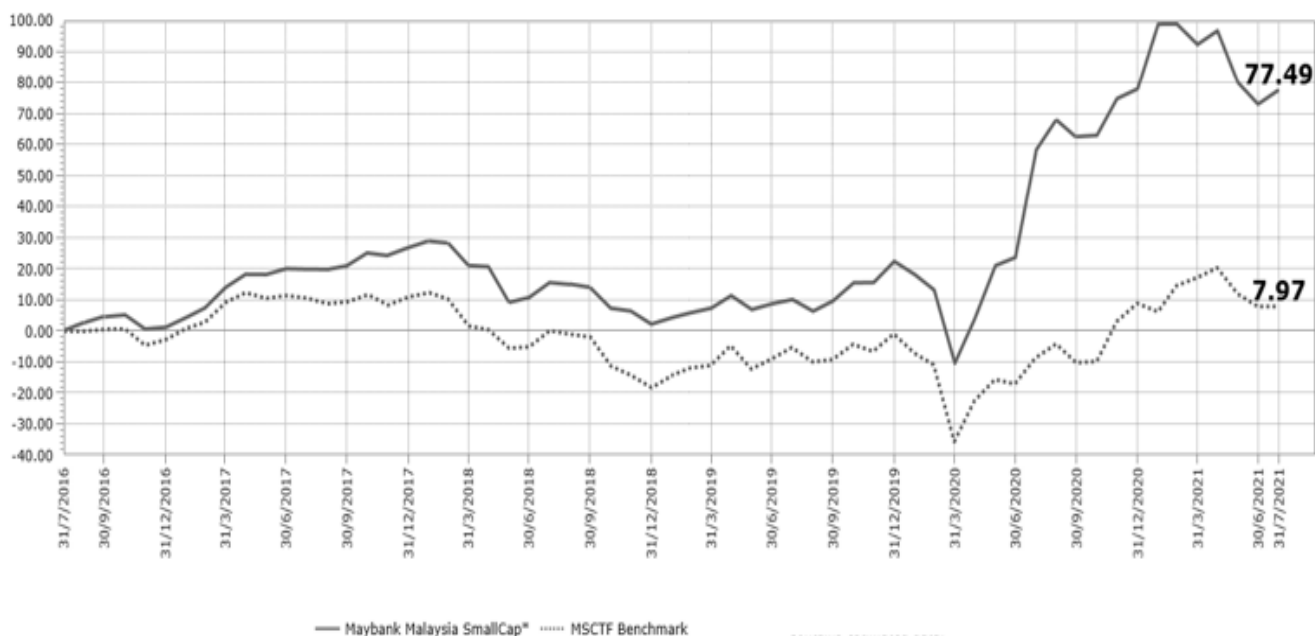
Notes:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's MER increased to 1.64 due to higher expenses during the current financial year.
- (3) The Fund's PTR decreased to 0.53 times due to lower investing activities during the current financial year

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

2. Performance of the Fund up to 31 July 2021

Category	1 year to 31.07.2021 %	3 years to 31.07.2021 %	5 years to 31.07.2021 %
Capital growth	8.74	45.52	56.51
Income distribution	3.31	5.53	13.40
Total return of the Fund	12.34	53.57	77.49
Benchmark	18.16	7.75	7.97
Average total return	12.34	15.36	12.15



Source: Lipper, as at 31 July 2021

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 July 2021 (cont'd)

Has the Fund met its objective?

During the 1-year period under review, the Fund's performance went up by +12.3%, underperforming the FTSE Bursa Malaysia Small Cap ("FBMSC") which saw a growth of +18.2%. The detraction relative to its benchmark was mainly due to overweight of the industrial and technology sector which saw a drag in the first half of 2021.

For 3 years and 5 years, the Fund's performance saw positive total returns of +53.6% and +77.5% respectively, outpacing the FBMSC which saw returns of +7.8% and +8.0% respectively over the same period. Overall the Fund met its objective of achieving capital growth in the medium to long term.

The biggest contributor to the Fund over period under review were: i) Technology sector which saw structural growth from the 5G proliferation, high-performance computing ("HPC") spurred by cloud demands and higher semicon demand from electric/autonomous vehicle; and ii) Healthcare: Overwhelming demand for gloves due to Coronavirus 2019 ("COVID-19") which led to strong order visibility, rising average selling prices and more spot orders (higher margins).

3. Annual total return of the Fund

For the financial year ended	31.07.2021 %	31.07.2020 %	31.07.2019 %	31.07.2018 %	31.07.2017 %
Capital growth	8.74	40.56	(4.80)	(3.60)	11.56
Income distribution	3.31	2.15	-	-	8.32
Total return	12.34	43.59	(4.80)	(3.60)	19.88
Benchmark	18.16	(3.59)	(5.41)	(9.47)	10.69

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	=	Income distribution per unit / NAV per unit ex-date
Total return	=	(1+Capital return) x (1+Income return) - 1

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

C. Market Review

During the financial year under review, equity markets posted remarkable performances. With the US markets hitting new highs, the Dow Jones and Standard & Poors 500 ("S&P500") registered stellar returns of 35.4% and 37.4% respectively for the period. Euro Stoxx 50 also did well, registering a gain of 30.6% for the period. Association of South East Asian Nations ("ASEAN") markets also recorded positive returns with Singapore, Indonesia, and Thailand being the biggest gainer, up 29.1%, 20.3%, and 18.7% respectively. Philippines gained 11.5% while Malaysia detracted -3.6%.

Markets saw a strong gain in the second half of 2020 despite a slight pullback in the month of September 2020 and October 2020. Massive fiscal stimulus by Governments around the world and the monetary measures by the US Federal Reserve ("Fed") continue to lift markets, coupled with the positive development on the Coronavirus 2019 ("COVID-19") vaccines. With a number of vaccines posting positive trial results and high efficacy, the prospect of activities returning more rapidly to pre-pandemic level boosted investors sentiment, making November the best month for the year 2020 in most markets.

January 2021 started a softer note going into 2021 with some developed markets closing lower for the month, but this was short-lived as most market started strong in the early weeks of February 2021. Value sectors, such as the financials, energy and travel related names outperformed, with the rapid vaccine rollouts boosting hopes on the reopening of economies and return to normalcy. For the second quarter of 2021, most markets closed positively, despite most of them posting a loss in June 2021, as global bond yields rose on higher inflation expectations and concerns due to the surge in COVID-19 cases.

Domestically, Malaysia underperformed the other markets, with FTSE Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("KLCI") saw a slight negative at -1.7% and the broader market FBM Emas Index posting gains of 0.3% for the one-year period ending 31 July 2021. Meanwhile, the FBM SmallCap Index managed to register a stellar gain of 18.5% for the period as retail participation continue to high amidst the low interest rate environment, supporting the performance for smaller cap companies. For the period, foreign funds have taken out RM12.5 billion net worth of equities despite a massive outflow of RM24.6 billion for the year 2020.

First quarter 2021 earnings (extended to end-June 2021) was fairly decent with "beats and inline" improving slightly. Not surprising, key earnings below expectations were gaming (interstate travel ban), media (lower adex spending), oil & gas (workforce disruption), construction (low work progress), Real Estate Investment Trusts ("REITs") (lower traffic in malls/hotels), consumer (lower demand) and transportation (lower traffic) as the movement control order ("MCO") resumed early part of the year. Positively, financials (earnings recovered on lower provisions and net interest margins ("NIM") expansion, plantation (higher Crude Palm Oil ("CPO")), petrochemicals (higher prices) and property (lower base) reported better if not within expectations.

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

D. Market Outlook and Strategy

The roll-out of mass COVID-19 vaccinations, albeit slow in certain countries has brought light to the economic and market outlook. The progress has been particularly swift in countries such as Israel and the UK. However, in many European countries as well as in Asia this has been considerably slower and infection rates have now started to rise. This has led to fears of another wave e.g. India registered high infection rates and prompted the re-imposition of lockdowns. Along with inflation concerns driven partly by the rising commodity prices, we remain optimistic as the recovery trajectory is still intact.

Strong recovery, fiscal stimulus and accommodative central banks should drive the economic growth in the near-term and hence result in improving fundamentals for equity. As evidenced by the recent reporting season, corporate earnings are recovering, albeit some sectors are still in the doldrums. The ongoing rollout of COVID-19 vaccinations worldwide, albeit patchy, will also allow further economic reopening. That said, we may still see bouts of volatility on tapering fears or surging COVID-19 cases (given more virulent variants) continue to undermine the speed of the recovery and investor sentiment. Already, the country has been hit with the reinstatement of MCO beginning June 2021 due to the surge in COVID-19 cases. If not contained, this may lead to lower earnings forecast while the reopening plays themes likely to be shifted. Having said that, the recovery trajectory should remain intact, as inoculation initiatives hit a significant level for herd immunity.

As we expect the market to be volatile in 2021, we may hold higher cash from time to time and will have some trading positions to take opportunity of the market volatility. We remain overweight on the technology sector as multiyear growth is supported by robust demands arising from 5G proliferation, high-performance computing ("HPC") spurred by cloud demands and higher semicon demand from electric/autonomous vehicle.

We also continue to keep steady in reopening of the economy theme and its related sectors. We pick selective consumer / retail play related as well as transportation for the said sectors.

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 year under review, 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 of demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK MALAYSIA SMALLCAP FUND FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

We, CIMB Commerce Trustee Berhad being the trustee of Maybank Malaysia SmallCap Fund (“the Fund”) are of the opinion that Maybank Asset Management Sdn Bhd (“the Manager”), acting in the capacity as Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 31 July 2021.

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deeds, the Securities Commission Malaysia’s Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- (b) Valuation and pricing for the Fund has been carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of income made by the Fund as declared by the Manager is appropriate and reflects the investment objective of the Fund.

For and on behalf of
CIMB Commerce Trustee Berhad

Ng Lai Peng
Authorised Signatory

Kuala Lumpur, Malaysia
14 September 2021

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MALAYSIA SMALLCAP FUND
FOR THE FINANCIAL YEAR ENDED 31 JULY 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 SmallCap Fund as at 31 July 2021 and of its results, changes in equity and cash flows for the financial year ended 31 July 2021 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
14 September 2021

Independent auditors' report to the Unitholders of MAYBANK MALAYSIA SMALLCAP FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Malaysia SmallCap Fund (the "Fund"), which comprise the statement of financial position as at 31 July 2021 of the Fund, and the statement of comprehensive income, statement of changes in equity 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 14 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 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 SMALLCAP 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 SMALLCAP 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 SMALLCAP 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
03103/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
14 September 2021

MAYBANK MALAYSIA SMALLCAP FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021**

	Note	2021 RM	2020 RM
INCOME			
Dividend income		2,468,551	2,144,050
Interest income		307,641	405,643
Net gain from financial assets at fair value through profit or loss ("FVTPL"):			
- Realised gain		33,357,954	16,483,264
- Unrealised (loss)/gain		(15,042,931)	32,656,450
		<u>21,091,215</u>	<u>51,689,407</u>
EXPENSES			
Manager's fee	3	2,159,023	1,779,331
Trustee's fee	4	100,754	83,035
Auditors' remuneration		10,650	10,000
Tax agent's fee		4,210	4,421
Brokerage and other transaction fees		240,860	397,023
Administrative expenses		80,576	46,431
		<u>2,596,073</u>	<u>2,320,241</u>
NET RESULTS BEFORE TAXATION		18,495,142	49,369,166
TAXATION	5	(14,549)	(11,623)
NET RESULTS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE RESULTS FOR THE FINANCIAL YEAR		<u>18,480,593</u>	<u>49,357,543</u>
Total comprehensive results for the financial year is made up of the following:			
Realised income		33,523,524	16,701,093
Unrealised (loss)/income		(15,042,931)	32,656,450
		<u>18,480,593</u>	<u>49,357,543</u>
Distributions for the financial year:			
	12		
Net distribution for the financial year		<u>4,338,086</u>	<u>3,449,451</u>
Gross/net distribution for per unit (sen)		<u>2.50</u>	<u>1.50</u>
Distribution date (ex-date)		<u>28 July 2021</u>	<u>28 July 2020</u>

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

MAYBANK MALAYSIA SMALLCAP FUND**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021**

	Note	2021 RM	2020 RM
ASSETS			
Investments at FVTPL	6	114,310,851	131,464,308
Deposits with licensed financial institutions	7	18,672,904	30,168,543
Dividend receivable		19,000	39,917
Interest receivable		1,688	2,728
Amount due from Manager	8	560,752	95,997
Amount due from brokers	9	1,977,358	758,585
Cash at bank		208,515	533,097
TOTAL ASSETS		135,751,068	163,063,175
LIABILITIES			
Amount due to Manager	8	169,781	249,888
Amount due to Trustee	10	7,849	8,820
Amount due to brokers	9	-	170,103
Other payables and accruals		27,794	54,967
TOTAL LIABILITIES		205,424	483,778
NET ASSET VALUE ("NAV") OF THE FUND		135,545,644	162,579,397
EQUITY			
Unitholders' capital	11(a)	95,689,098	136,865,358
Retained earnings	11(b)&(c)	39,856,546	25,714,039
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS		135,545,644	162,579,397
NUMBER OF UNITS IN CIRCULATION	11(a)	180,131,020	234,992,799
NAV PER UNIT		0.7525	0.6918

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

MAYBANK MALAYSIA SMALLCAP FUND

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021**

	Unitholders' capital Note 11(a) RM	Retained earnings Note 11(b) & 11(c) RM	Total equity RM
At 1 August 2020	136,865,358	25,714,039	162,579,397
Total comprehensive income for the financial year	-	18,480,593	18,480,593
Creation of units	30,803,646	-	30,803,646
Reinvestments of units	4,338,086	-	4,338,086
Cancellation of units	(76,317,992)	-	(76,317,992)
Distribution (Note 12)	-	(4,338,086)	(4,338,086)
At 31 July 2021	<u>95,689,098</u>	<u>39,856,546</u>	<u>135,545,644</u>
At 1 August 2019	134,501,140	(20,194,053)	114,307,087
Total comprehensive income for the financial year	-	49,357,543	49,357,543
Creation of units	2,098,617	-	2,098,617
Reinvestment of units	3,449,451	-	3,449,451
Cancellation of units	(3,183,850)	-	(3,183,850)
Distribution (Note 12)	-	(3,449,451)	(3,449,451)
At 31 July 2020	<u>136,865,358</u>	<u>25,714,039</u>	<u>162,579,397</u>

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

MAYBANK MALAYSIA SMALLCAP FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021**

	2021	2020
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from disposal of investments at FVTPL	92,104,512	106,308,508
Net payment for purchase of investments at FVTPL	(58,337,689)	(88,552,122)
Net dividend received	2,474,918	2,219,695
Interest received	308,681	403,970
Manager's fee paid	(2,179,835)	(1,736,931)
Trustee's fee paid	(101,726)	(81,056)
Other expenses paid	(50,686)	(41,589)
Net cash generated from operating and investing activities	<u>34,218,175</u>	<u>18,520,475</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	30,338,892	2,002,622
Payments for cancellation of units	(76,377,288)	(3,158,415)
Net cash used in financing activities	<u>(46,038,396)</u>	<u>(1,155,793)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(11,820,221)	17,364,682
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>30,701,640</u>	<u>13,336,958</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u><u>18,881,419</u></u>	<u><u>30,701,640</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	208,515	533,097
Deposits with licensed financial institutions with maturity of less than 3 months (Note 7)	18,672,904	30,168,543
	<u>18,881,419</u>	<u>30,701,640</u>

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

MAYBANK MALAYSIA SMALLCAP FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Malaysia SmallCap Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 11 February 2004 between Amanah Mutual Berhad as the Manager, and Malaysian Trustee Berhad as the Trustee and the Registered Holders of the Fund. A First Supplemental Deed dated 26 May 2005 and a Second Supplemental Deed dated 28 January 2014, which was entered into between the Manager, Malaysian Trustee Berhad and the new Trustee, CIMB Commerce Trustee Berhad, was issued to amend the principal Deed. Also, Third Supplemental Deed was also issued on 27 January 2016. The Fund commenced operations on 24 March 2004 and will continue to be in operations until terminated by the Trustee as provided under the Deeds.

The Manager, a company incorporated in Malaysia, is principally engaged in the management of unit trust funds. Amanah Saham Nasional Berhad ("ASNB") and Permodalan Nasional Berhad, companies incorporated in Malaysia, were the holding and ultimate holding company of the Manager until 16 May 2018.

Following the acquisition of AMB by Maybank Asset Management Sdn Bhd ("MAM"), the immediate and ultimate holding companies of the Manager has been changed to MAM and Malayan Banking Berhad ("MBB") respectively effective 17 May 2018.

MAM and CIMB Commerce Trustee Berhad as the Trustee had entered into a Fourth Supplemental Deed dated 4 September 2018 and Fifth Supplemental Deed dated 11 July 2019. The Deed and Supplemental Deeds are hereinafter referred to as 'Deeds'.

The principal activity of the Fund is to invest in a selected portfolio of investments in small and medium size companies listed on the Main Market of Bursa Malaysia Securities Berhad and other approved investments.

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

The financial statements were authorised for issue by the Board of Directors of the Manager (the "Directors") in accordance with a resolution of the Directors on 14 September 2021.

MAYBANK MALAYSIA SMALLCAP 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") Interpretations which have become effective for the financial year ended 31 July 2021. The adoption of the new pronouncements did not result in any material impact to the financial statements.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to 2.14 to the financial statements. The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Standards, amendments to standards and interpretations issued but not yet effective

The following are Standards, Amendments to Standards and Interpretations issued by the MASB, but not yet effective, up to the date of issuance of the Fund's financial statements. The Fund intends to adopt the relevant standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform Phase 2</i>	1 January 2021
Amendment to MFRS 16: <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 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 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Fund expects that the adoption of the above standards and amendments to standards will not have any material impact on the financial statements in the period of initial application.

MAYBANK MALAYSIA SMALLCAP FUND

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

2.3 Financial instruments

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

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

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

(i) Classification

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 interest on the principal amount outstanding.

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

The Fund classifies cash and cash equivalents, interest receivable, dividend receivable and amount due from brokers and amount due from Manager as loan and receivables, and are subsequently measured at amortised cost. These assets are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. The EIR is a method of calculating the amortised cost of the financial assets and of allocating and recognising the interest income in profit or loss over the relevant period.

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

2.4 Financial assets (cont'd)

(ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

Debt instruments that do not meet the amortised cost 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 year, with any gains or losses arising on remeasurement recognised in profit or loss.

Interest income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised when the Fund's right to receive the dividends is established in accordance with MFRS 9 and is disclosed separately in the profit or loss.

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

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

2.4 Financial assets (cont'd)

(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 SMALLCAP 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 interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of financial assets 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, amount due to brokers, 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 effective interest rate ("EIR") method. The EIR 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 of financial liabilities

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

MAYBANK MALAYSIA SMALLCAP FUND

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

2.6 Unitholders' capital

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

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

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

2.7 Revenue / Income

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

- Dividend income is recognised when the right to receive is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.
- Realised gain or loss on disposal of investments is accounted for as the difference between net disposal proceeds and the carrying amount of the investments.
- Other 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 include cash at bank and deposits with licensed financial institutions with maturities of 3 months or less, which have an insignificant risk of changes in value.

MAYBANK MALAYSIA SMALLCAP FUND

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

2.9 Distribution

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

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

2.10 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 rate based upon the taxable income earned during the financial year.

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

2.11 Fair value measurement

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

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

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

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

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

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

MAYBANK MALAYSIA SMALLCAP FUND

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

2.11 Fair value measurement (cont'd)

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 year.

2.12 Functional and foreign 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.

2.13 Segment reporting

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

2.14 Critical accounting estimates and judgements

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

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.

MAYBANK MALAYSIA SMALLCAP FUND

3. MANAGER'S FEE

The Manager's fee is computed daily based on 1.50% (2020: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

4. TRUSTEE'S FEE

The Trustee fee is calculated and accrued daily. 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 RM 18,000 p.a.

5. TAXATION

	2021	2020
	RM	RM
Tax charge for the financial year:		
Current income tax expense	<u>14,549</u>	<u>11,623</u>

Income tax is calculated at the Malaysian statutory rate of 24% (2020: 24%) of the estimated assessable income for the financial year.

The tax expense for the financial year 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, interest income and dividend 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:

	2021	2020
	RM	RM
Net results before taxation	<u>18,495,142</u>	<u>49,369,166</u>
Taxation at Malaysian statutory rate of 24% (2020: 24%)	4,438,834	11,848,600
Income not subject to tax	(8,672,195)	(12,405,458)
Loss not deductible for tax purpose	3,610,303	-
Income tax at source	14,549	11,623
Expenses not deductible for tax purposes	623,058	556,858
Tax expense for the financial year	<u>14,549</u>	<u>11,623</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL

			2021 RM	2020 RM
Quoted equities			114,310,851	131,464,308
2021	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Construction				
Econpile Holdings Berhad	4,450,800	2,819,834	1,735,812	1.28
Gabungan AQRS Bhd	2,490,100	2,686,009	1,294,852	0.96
JAKS Resources Bhd	7,000,000	3,325,000	3,430,000	2.53
	<u>13,940,900</u>	<u>8,830,843</u>	<u>6,460,664</u>	<u>4.77</u>
Consumer Products				
Cocoaland Holdings Bhd	704,200	1,315,637	1,302,770	0.95
Focus Point Holdings Bhd	9,241,350	3,630,442	6,838,599	5.04
Kim Teck Cheong Consolidated Bhd	7,078,300	1,344,877	1,132,528	0.84
Perak Transit Bhd	9,313,800	7,032,429	5,727,987	4.23
Perak Transit Bhd - Warrant	2,335,250	-	-	-
Power Root Bhd	1,000,000	2,100,000	1,310,000	0.97
	<u>29,672,900</u>	<u>15,423,385</u>	<u>16,311,884</u>	<u>12.03</u>
Energy				
Dayang Enterprise Holdings Bhd	1,986,300	2,803,609	2,125,341	1.57
KNM Group Bhd	16,000,000	3,186,600	2,800,000	2.06
Perdana Petroleum Bhd	7,900,000	1,427,530	1,066,500	0.79
	<u>25,886,300</u>	<u>7,417,739</u>	<u>5,991,841</u>	<u>4.42</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Finance				
Malayan Banking Bhd *	209,175	1,665,697	1,675,492	1.24
RHB Bank Bhd	203,318	1,055,381	1,038,955	0.76
	412,493	2,721,078	2,714,447	2.00
Healthcare				
Supermax Corporation Bhd	452,100	319,927	1,478,367	1.09
Industrial Products				
Asia Poly Holdings Bhd	3,000,000	1,245,000	705,000	0.52
Berjaya Corporation Bhd	11,000,000	4,774,900	3,025,000	2.23
Cahaya Mata Sarawak Bhd	1,500,000	3,189,150	1,680,000	1.24
Comfort Gloves Bhd	400,000	1,447,920	744,000	0.55
Destini Bhd	10,170,000	2,198,515	1,881,450	1.39
Dufu Technology Corporation Bhd	1,000,000	1,399,551	4,500,000	3.32
FoundPac Group Bhd	2,967,000	994,075	2,492,280	1.84
HPMT Holdings Bhd	2,000,000	1,120,000	1,020,000	0.75
HPP Holdings Bhd	1,400,000	504,000	700,000	0.52
Lion Industries Corp Bhd	5,285,500	4,170,004	2,854,170	2.10
Pestech International Bhd	1,300,000	1,864,363	1,150,500	0.85
RGT Bhd	2,000,000	908,550	700,000	0.52
SCGM Bhd	250,000	614,300	580,000	0.43
SLP Resources Bhd	1,062,300	1,367,659	1,014,496	0.75
Superlon Holdings Bhd	2,449,900	2,090,142	2,180,411	1.61

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Industrial Products (cont'd)				
TA Win Holdings Bhd	24,000,000	3,342,800	3,480,000	2.57
Thong Guan Industries Bhd	700,000	1,207,323	1,750,000	1.29
Uchi Technologies Bhd	300,000	911,744	930,000	0.68
	70,784,700	33,349,996	31,387,307	23.16
Plantation				
Hap Seng Plantations Holdings Bhd	1,000,000	1,802,571	1,850,000	1.36
Sarawak Oil Palms Bhd	500,000	1,572,538	1,735,000	1.28
	1,500,000	3,375,109	3,585,000	2.64
Property				
S P Setia Bhd	320,000	320,000	268,800	0.20
Real Estate Investment Trust ("REIT")				
Axis REIT	1,307,606	2,345,235	2,510,604	1.85
Technology				
D&O Green Technologies Bhd	1,500,000	947,778	7,950,000	5.87
Datasonic Group Bhd	3,000,000	1,694,125	1,380,000	1.02
Elsoft Research Bhd	1,879,100	1,441,427	1,634,817	1.21
Frontken Corp Bhd	2,625,000	1,761,858	8,531,250	6.29
GHL Systems Bhd	750,000	774,933	1,387,500	1.02
Globetronics Technology Bhd	500,000	1,003,625	1,060,000	0.78
Inari Amerton Bhd	1,000,000	3,100,000	3,330,000	2.46

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Technology (cont'd)				
Malaysian Pacific Industries Bhd	200,000	2,471,127	8,900,000	6.57
UWC Bhd	1,000,000	1,761,864	5,740,000	4.23
Visdynamics Holdings Bhd	1,261,500	1,533,633	1,179,502	0.87
Frontken Corp Bhd - Warrants	875,000	-	297,500	0.22
	14,590,600	16,490,370	41,390,569	30.54
Utilities				
Ranhill Utilities Bhd	1,987,399	2,360,153	1,361,368	1.00
Taliworks Corp Bhd	1,000,000	886,835	850,000	0.63
	2,987,399	3,246,988	2,211,368	1.63
Total FVTPL investments	161,854,998	93,840,670	114,310,851	84.33
Unrealised gain on FVTPL investments			20,470,181	

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL

2020	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Construction				
Econpile Holdings Berhad	3,000,000	2,223,050	1,890,000	1.16
Gabungan AQRS Bhd	2,254,800	2,592,174	1,916,580	1.18
Mitrajaya Holdings Bhd - WD	7	-	-	-
	5,254,807	4,815,224	3,806,580	2.34
Consumer Products				
Cocoaland Holdings Bhd	1,188,000	2,219,507	2,043,360	1.26
Kim Teck Cheong Consolidated Bhd	10,000,000	1,900,000	1,650,000	1.01
Kumpulan Powernet Bhd	1,076,000	2,046,839	2,797,600	1.72
myNEWS Holdings Bhd	2,006,900	2,182,738	1,364,692	0.84
Perak Transit Bhd	10,000,000	2,050,000	2,650,000	1.63
	24,270,900	10,399,084	10,505,652	6.46
Finance				
Malayan Banking Bhd *	276,804	2,208,852	2,123,087	1.31
RHB Banking Bhd	240,000	1,248,103	1,204,800	0.74
	516,804	3,456,955	3,327,887	2.05

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Healthcare				
Focus Point Holdings Bhd	5,390,000	3,146,709	2,263,800	1.39
Kossan Rubber Industries Bhd	300,000	1,137,560	5,280,000	3.25
Supermax Corporation Bhd	816,100	1,180,689	15,097,850	9.29
	<u>6,506,100</u>	<u>5,464,958</u>	<u>22,641,650</u>	<u>13.93</u>
Industrial Products				
Destini Bhd	10,200,000	2,205,000	2,601,000	1.60
Dufu Technology Corporation Bhd	998,900	2,796,023	6,922,377	4.26
FoundPac Group Bhd	4,000,000	1,340,175	4,240,000	2.61
HPMT Holdings Bhd	3,590,000	2,010,400	1,202,650	0.74
Pestech International Bhd	2,000,000	2,868,250	1,700,000	1.05
Sam Engineering & Equipment (M) Bhd	249,900	1,787,836	1,804,278	1.11
Sarawak Consolidated Industries Bhd	605,000	1,101,100	1,712,150	1.05
SKP Resources Bhd	2,500,000	3,071,810	3,525,000	2.17
SLP Resources Bhd	2,211,300	2,846,939	2,144,961	1.32
Superlon Holdings Bhd	3,149,800	2,752,006	2,173,362	1.34
Thong Guan Industries Bhd	785,900	2,710,958	3,693,730	2.27
Uchi Technologies Bhd	830,000	2,522,492	2,124,800	1.31
	<u>31,120,800</u>	<u>28,012,989</u>	<u>33,844,308</u>	<u>20.83</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Plantation				
Hap Seng Plantations Holdings Bhd	1,026,300	1,849,979	1,662,606	1.02
Sarawak Oil Palms Bhd	537,100	1,689,220	1,922,818	1.18
	1,563,400	3,539,199	3,585,424	2.20
Property				
Malaysian Resources Corporation Bhd	1,812,500	1,614,329	1,015,000	0.62
S P Setia Bhd - PA	320,000	320,000	216,000	0.13
	2,132,500	1,934,329	1,231,000	0.75
Real Estate Investment Trust ("REIT")				
Axis REIT	3,220,775	5,774,939	6,602,589	4.06
Technology				
D&O Green Technologies Bhd	4,966,100	3,137,841	4,270,846	2.63
Datasonic Group Bhd	3,000,000	3,388,250	4,200,000	2.58
Frontken Corp Bhd	2,312,500	2,328,169	8,093,750	4.98
Ghl Systems Bhd	864,800	1,340,325	1,746,896	1.07
Globetronics Technology Bhd	2,000,000	4,014,500	5,120,000	3.15
I-Stone Group Bhd	15,540,700	3,520,721	3,729,768	2.29
Malaysian Pacific Industries Bhd	141,000	1,418,453	1,861,200	1.14

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Technology (cont'd)				
Pentamaster Corporation Bhd	870,800	2,441,544	5,581,828	3.43
UWC Bhd	1,326,100	4,672,817	6,033,755	3.71
	<u>31,022,000</u>	<u>26,262,620</u>	<u>40,638,043</u>	<u>24.98</u>
Telecommunications				
OCK Group Bhd	2,000,000	1,200,000	1,030,000	0.63
Utilities				
Ranhill Holdings Bhd	2,882,200	3,491,580	2,709,268	1.67
Taliworks Corp Bhd	1,803,400	1,599,319	1,541,907	0.95
	<u>4,685,600</u>	<u>5,090,899</u>	<u>4,251,175</u>	<u>2.62</u>
Total FVTPL investments	<u>112,293,686</u>	<u>95,951,196</u>	<u>131,464,308</u>	<u>80.85</u>
Unrealised gain on FVTPL investments			<u>35,513,112</u>	

* Malayan Banking Bhd is the ultimate holding company of the Manager.

MAYBANK MALAYSIA SMALLCAP FUND

7. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2021 RM	2020 RM
Short term placement with licensed financial institution with maturity of:		
- less than 3 months	18,672,904	30,168,543

The weighted average effective interest rates ("WAEIR") of deposits and the average maturity of deposits as at the reporting date were as follows:

	2021		2020	
	WAEIR % p.a.	Average maturity Days	WAEIR % p.a.	Average maturity Days
Deposit with licensed financial institutions	1.65	3	1.65	2

8. AMOUNT DUE FROM/(TO) MANAGER

		2021 RM	2020 RM
Amount due from Manager is in respect of:			
Creation of units	(i)	560,752	95,997
Amount due to Manager is in respect of:			
Manager's fee	(ii)	168,189	189,000
Cancellation of units	(iii)	1,592	60,888
		169,781	249,888

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

(ii) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2020: 15 days)

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

9. AMOUNT DUE FROM/(TO) BROKERS

Amount due from/(due to) brokers relates to the amount receivable/(payable) from/to brokers arising from the sales/(purchase) of investments. The settlement period for this receivables/(payables) is within 2 working days (2020: 2 working days) from the deal date.

MAYBANK MALAYSIA SMALLCAP FUND

10. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accrual for Trustee's fee at the end of the financial year. The normal credit term is 15 days (2020: 15 days).

11. TOTAL EQUITY

	Note	2021 RM	2020 RM
Unitholders' capital	11 (a)	95,689,098	136,865,358
Accumulated realised gain/(loss)	11 (b)	19,386,367	(9,799,071)
Accumulated unrealised income	11 (c)	20,470,179	35,513,110
		<u>135,545,644</u>	<u>162,579,397</u>

(a) Unitholder's capital

	2021		2020	
	Units	RM	Units	RM
As at beginning of the financial year	234,992,799	136,865,358	232,215,726	134,501,140
Creation of units	39,649,304	30,803,646	3,637,194	2,098,617
Reinvestment of units	5,764,897	4,338,086	4,984,756	3,449,451
Cancellation of units	(100,275,980)	(76,317,992)	(5,844,877)	(3,183,850)
As at end of the financial year	<u>180,131,020</u>	<u>95,689,098</u>	<u>234,992,799</u>	<u>136,865,358</u>

MAYBANK MALAYSIA SMALLCAP FUND

11. TOTAL EQUITY (CONT'D)

(a) Unitholder's capital (cont'd)

As at the reporting date, the total number and value of units held legally or beneficially by the Manager are as follows:

	2021		2020	
	Units	RM	Units	RM
MBB, the ultimate holding of the Manager	141,743,161	106,659,408	210,181,510	145,413,746

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/(loss)

	2021 RM	2020 RM
At the beginning of the financial year	(9,799,071)	(23,050,713)
Net realised income for the financial year	33,523,524	16,701,093
Distribution out of retained earnings (Note 12)	(4,338,086)	(3,449,451)
At the end of the financial year	19,386,367	(9,799,071)

(c) Accumulated unrealised income

	2021 RM	2020 RM
At the beginning of the financial year	35,513,110	2,856,660
Net unrealised (loss)/income for the financial year	(15,042,931)	32,656,450
At the end of the financial year	20,470,179	35,513,110

MAYBANK MALAYSIA SMALLCAP FUND

12. DISTRIBUTION

The sources of distribution to the unitholder are as follow:

	2021	2020
	RM	RM
Dividend income	2,468,551	2,144,050
Interest income	307,641	405,643
Other income	2,588,589	1,391,457
Less: Expenses	(1,026,695)	(491,699)
Distributions for the financial year	<u>4,338,086</u>	<u>3,449,451</u>

The gross and net distribution per unit declared in the current and previous financial year are as follows:

Distribution date (ex-date)	Gross/Net distribution per unit (sen)
2021	
28 July 2021	<u>2.50</u>
2020	
28 July 2020	<u>1.50</u>

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

MAYBANK MALAYSIA SMALLCAP FUND

13. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

The transactions with top 10 brokers/dealers for the current and previous financial year are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
2021				
Nomura Securities Sdn Bhd	36,882,134	25.82	73,857	32.74
TA Securities Bhd	34,587,288	24.22	34,730	15.40
Kenanga Investment Bank Bhd	23,875,786	16.72	42,064	18.65
Hong Leong Investment Bank Bhd	17,369,788	12.16	25,695	11.39
CLSA Securities (M) Sdn Bhd	7,697,176	5.39	15,400	6.83
M&A Securities Sdn Bhd	5,695,748	3.99	5,951	2.64
RHB Investment Bank Bhd	4,528,835	3.17	9,080	4.03
JF Apex Securities Bhd	7,182,570	5.03	7,257	3.22
Affin Hwang Investment Bank Bhd	1,890,340	1.32	3,790	1.67
CIMB Investment Bank Bhd	3,108,215	2.18	7,750	3.43
	142,817,880	100.00	225,574	100.00
2020				
Hong Leong Investment Bank Bhd	50,466,061	27.42	86,372	30.18
Kenanga Investment Bank Bhd	40,992,247	22.27	76,116	26.60
TA Securities Bhd	28,667,049	15.57	28,959	10.12
JF Apex Securities Bhd	17,863,363	9.71	18,080	6.32
RHB Investment Bank Bhd	14,445,607	7.85	28,905	10.10
M&A Securities Sdn Bhd	7,897,836	4.29	7,929	2.77
CLSA Securities (M) Sdn Bhd	5,997,586	3.26	12,040	4.21
Maybank Investment Bank Bhd ("MIBB") *	5,868,205	3.19	10,411	3.64
MIDF Amanah Investment Bank Bhd	4,735,323	2.57	4,756	1.66
Nomura Securities Sdn Bhd	4,241,972	2.30	6,831	2.39
Others	2,885,010	1.57	5,799	2.01
	184,060,259	100.00	286,198	100.00

* MIBB is a wholly owned subsidiary of Malayan Banking Bhd ("MBB"), the ultimate holding company of the Manager.

MAYBANK MALAYSIA SMALLCAP FUND

14. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

Other than those disclosed elsewhere in the financial statements, the significant related party transactions and balances as at the reporting date are as below.

	2021 RM	2020 RM
(a) Significant related party transactions		
<u>MBB:</u>		
Interest income from deposits	182,686	184,967
<u>MIB:</u>		
Interest income from deposits	57,309	-
<u>MBB:</u>		
Dividend income	27,000	177,155
(b) Significant related party balances		
<u>MIB:</u>		
Deposit with a licensed financial institution	18,672,904	-
Interest income receivable	1,688	-
<u>MBB:</u>		
Deposit with a licensed financial institution	-	14,069,543
Interest income receivable	-	1,272

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15. MANAGEMENT EXPENSE RATIO ("MER")

MER is calculated based on the ratio of the total fees and recovered expenses for the year, to the average daily NAV of the Fund. For the financial year ended 31 July 2021, the MER of the Fund stood at 1.64% (2020: 1.62%).

16. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average of the total acquisitions and disposals of the investment in the Fund for the financial year to the daily average NAV of the Fund. For the financial year ended 31 July 2021, the PTR of the Fund stood at 0.53 times (2020: 0.82 times).

17. FINANCIAL INSTRUMENTS

(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 2.14 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised.

The following table analyses the financial assets and liabilities (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

2021	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Assets				
Investments at FVTPL	114,310,851	-	-	114,310,851
Deposits with licensed financial institutions	-	18,672,904	-	18,672,904
Dividend receivable	-	19,000	-	19,000
Interest receivable	-	1,688	-	1,688
Amount due from Manager	-	560,752	-	560,752
Amount due from brokers	-	1,977,358	-	1,977,358
Cash at bank	-	208,515	-	208,515
Total financial assets	114,310,851	21,440,217	-	135,751,068

MAYBANK MALAYSIA SMALLCAP FUND

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

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

2021 (cont'd)

Liabilities	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Amount due to Manager	-	-	169,781	169,781
Amount due to Trustee	-	-	7,849	7,849
Amount due to brokers	-	-	-	-
Other payables and accruals	-	-	27,794	27,794
Total financial liabilities	-	-	205,424	205,424

2020

Assets

Investments at FVTPL	131,464,308	-	-	131,464,308
Deposits with licensed financial institutions	-	30,168,543	-	30,168,543
Dividend receivable	-	39,917	-	39,917
Interest receivable	-	2,728	-	2,728
Cash at bank	-	533,097	-	533,097
Amount due from Manager	-	95,997	-	95,997
Amount due from brokers	-	758,585	-	758,585
Total financial assets	131,464,308	31,598,867	-	163,063,175

Liabilities

Amount due to Manager	-	-	249,888	249,888
Amount due to Trustee	-	-	8,820	8,820
Amount due to brokers	-	-	170,103	170,103
Other payables and accruals	-	-	54,967	54,967
Total financial liabilities	-	-	483,778	483,778

(b) Financial instruments that are carried at fair value

The fair value of quoted investments in shares, warrants and REITs are determined by reference to the last bid price on the Bursa Malaysia as at the statement of financial position date.

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

(c) Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Investments at FVTPL	114,310,851	-	-	114,310,851
2020				
Investments at FVTPL	131,464,308	-	-	131,464,308

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

Other than its investments at FVTPL, the Fund's financial instruments were not carried at fair value but their carrying amounts were reasonable approximations of fair value due to their short-term maturity.

18. SEGMENTAL REPORTING

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

The chief operating decision-maker is responsible for the performance of the Fund by investing a minimum of 70% of the Fund's assets in equities and equity-related securities, and a minimum of 2% of the Fund's NAV will be invested in liquid assets.

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

There were no changes in the reportable operating segments during the financial year.

19. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

(i) Equity price risk

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

Equity price risk sensitivity

Management's best estimate of the effect on profit for the year due to a reasonable change in equity index, with all other variables held constant is indicated in the table below:

	2021		2020	
	Changes in equity price %	Effects on profit for the year Increase/ (decrease) RM	Changes in equity price %	Effects on profit for the year Increase/ (decrease) RM
Quoted equities	+ 5	5,715,543	+ 5	6,573,215
	- 5	(5,715,543)	- 5	(6,573,215)

Equity price risk concentration

The Fund's exposure to equity price risk based on its portfolio of investments as at the reporting date is disclosed in Note 6 to the financial statements.

MAYBANK MALAYSIA SMALLCAP FUND

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

(c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's 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 of cash, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

2021	Less than 1 month RM	More than 1 month RM	Total RM
Financial assets:			
Investments at FVTPL	114,310,851	-	114,310,851
Deposits with licensed financial institutions	18,672,904	-	18,672,904
Dividend receivable	19,000	-	19,000
Interest receivable	1,688	-	1,688
Amount due from Manager	560,752	-	560,752
Amount due from brokers	1,977,358	-	1,977,358
Cash at bank	208,515	-	208,515
Total undiscounted financial assets	135,751,068	-	135,751,068
Financial liabilities:			
Amount due to Manager	169,781	-	169,781
Amount due to Trustee	7,849	-	7,849
Other payables and accruals	27,794	-	27,794
Unitholders' equity	135,545,644	-	135,545,644
Total undiscounted financial and unitholders' equity	135,751,068	-	135,751,068
Liquidity	-	-	-

MAYBANK MALAYSIA SMALLCAP FUND

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

(c) Liquidity risk (cont'd)

2020	Less than 1 month RM	More than 1 month RM	Total RM
Financial assets:			
Investments at FVTPL	131,464,308	-	131,464,308
Deposits with licensed financial institutions	30,168,543	-	30,168,543
Dividend receivable	39,917	-	39,917
Interest receivable	2,728	-	2,728
Cash at bank	533,097	-	533,097
Amount due from Manager	95,997	-	95,997
Amount due from brokers	758,585	-	758,585
Total undiscounted financial assets	<u>163,063,175</u>	<u>-</u>	<u>163,063,175</u>
Financial liabilities:			
Amount due to Manager	249,888	-	249,888
Amount due to Trustee	8,820	-	8,820
Amount due to brokers	170,103	-	170,103
Other payables and accruals	54,967	-	54,967
Unitholders' equity	162,579,397	-	162,579,397
Total undiscounted financial and unitholders' equity	<u>163,063,175</u>	<u>-</u>	<u>163,063,175</u>
Liquidity	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

(i) Financial assets

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

(ii) Financial liabilities

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

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

(c) Liquidity risk (cont'd)

(iii) Unitholders' capital

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

(d) 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 interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's 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 asset recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

(ii) Credit quality of financial assets

The following table analyses the Fund's deposits with licensed financial institutions, cash at bank and interest receivables from financial institutions by rating categories. The rating is obtained from RAM Holdings Bhd's official website.

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

(d) Credit risk (cont'd)

(ii) Credit quality of financial assets (cont'd)

Financial assets	2021		2020	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
AAA	18,883,107	13.93	30,704,368	18.89

20. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and 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 year.