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# MAYBANK INCOME MANAGEMENT-I FUND

Annual report  
For the financial year ended 31 August 2021

## **CORPORATE INFORMATION**

### **MANAGER**

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

### **BUSINESS OFFICE**

Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
Telephone +603 2297 7888  
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### **EXTERNAL INVESTMENT MANAGER ("EIM")**

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

### **TRUSTEE**

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

### **SHARIAH ADVISER**

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

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

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## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

For the financial year ended 31 August 2021

#### A. Fund Information

**1. Name of Fund**

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

**2. Type of Fund**

Income

**3. Category of Fund**

Fixed Income

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date / Commencement date**

8 January 2020 / 24 February 2020

**6. Fund's investment objective**

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

**7. Fund distribution policy**

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

**8. Fund's performance benchmark**

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

**9. The Fund's investment policy and principal investment strategy**

The Fund seeks to achieve its investment objective by investing a minimum of 70% of the Fund's NAV in MYR-denominated Sukuk. Up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits. The Fund may invest up to 30% of its NAV investment in non-MYR denominated Sukuk should the External Investment Manager ("EIM") deems the investments to be in line with the objective of the Fund.

**10. Breakdown of unitholdings by size**

**Fund size**

As at 31 August 2021, the size of the Fund was 220,928,383 units.

**Breakdown of unitholdings as at 31 August 2021**

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	50.00	* 1	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	1	50.00	** 220,927	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>220,928</b>	<b>100.00</b>

## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

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

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

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

###### Breakdown of unitholdings as at 31 August 2021 (cont'd)

\* Represents 1,202 units held by Maybank Asset Management Sdn Bhd (the "Manager")

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

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

The Fund declared a distribution of RM6,601,807 for the financial year ended 31 August 2021. Below are details of distribution declared and the impact of the distribution to the Fund's NAV:

Distribution date	Gross/net distribution per unit (sen)	Before distribution (RM)	After distribution (RM)	Changes %
23 February 2021	1.00	1.0266	1.0166	-0.97%
26 August 2021	1.90	1.0231	1.0041	-1.86%

#### B. Performance Review

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

Category	01.09.2020 to 31.08.2021	08.01.2020 (date of launch) to 31.08.2020
Sukuk (%)	74.36	80.63
Cash and other net assets (%)	25.64	19.37
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	221,938	190,037
Units in circulation (units'000)	220,928	185,755
NAV per unit (RM)	1.0046	1.0230
Highest NAV per unit (RM)	1.0339	1.0349
Lowest NAV per unit (RM)	0.9916	0.9677
Annual return (%) <sup>(1)</sup>		
- Capital growth (%)	(1.79)	2.28
- Income distribution (%)	3.10	0.98
Total return (%)	1.25	3.28

## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

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

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

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

Category	01.09.2020 to 31.08.2021	08.01.2020 (date of launch) to 31.08.2020
Benchmark (%)	2.36	1.67
Management Expense Ratio ("MER") (%)	0.26	0.16
Portfolio Turnover Ratio ("PTR") (times)	0.43	0.61

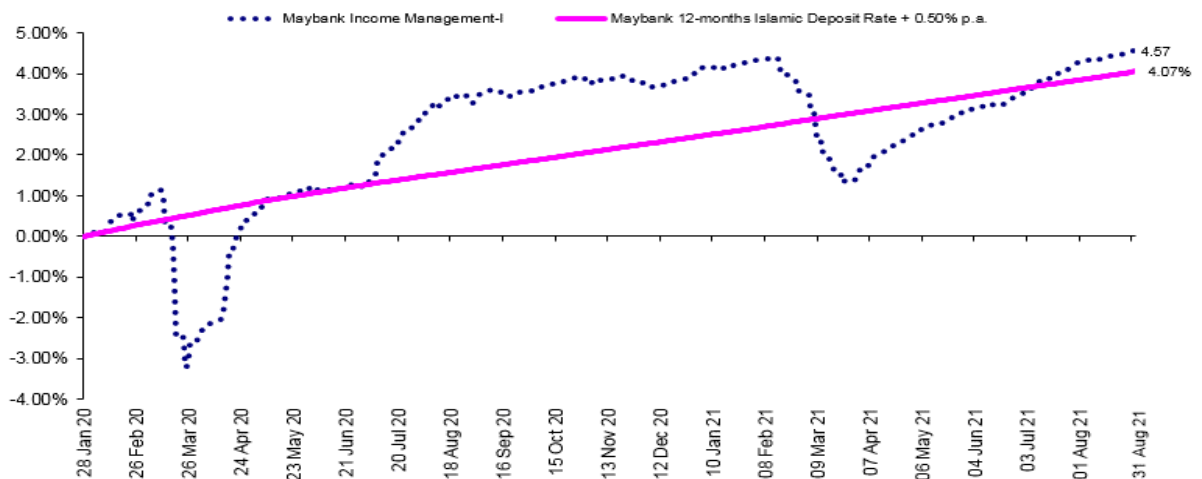
#### Note:

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

*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 August 2021

Category	1 year to 31.08.2021 %	Since inception to 31.08.2021 %
Capital growth	(1.79)	0.45
Income distribution	3.10	4.10
Total return of the Fund	1.25	4.57
Benchmark	2.36	4.07
Average total return	1.25	2.75



Source: Lipper, as at 31 August 2021

## MAYBANK INCOME MANAGEMENT-I FUND

### Manager's report

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

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

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

The Fund generated a return of 1.25% for the period under review, underperforming the benchmark return of 2.36% over the corresponding period. The underperformance was due to the selloff in the local bond market in February 2021 and March 2021 caused by rising United States Treasury ("UST") yields that led to a rout in global bond market. Since its inception in January 2020, the Fund generated a return of 4.55% to outperform the benchmark return of 4.01%.

##### Has the Fund achieved its objective?

Overall, the Fund has met its objective with the net income distributions made in the financial period under review.

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

Category	31.08.2021 %	31.08.2020 %
Annual total return	1.25	3.28
Benchmark	2.36	1.67

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

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

An illustration of the above would be as follows:

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

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

### **Manager's report**

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

#### **C. Market Review**

After four Overnight Policy Rate ("OPR") cuts by Bank Negara Malaysia ("BNM") between January 2020 and July 2020, the market saw a pause in the country's monetary policy as BNM maintained its OPR at 1.75% throughout the period. This saw some unwinding of dovish positioning and profit taking in the market leading to some consolidation in the local bond market. The local bond market saw Fitch downgrading Malaysia rating to 'BBB+' from 'A-' on 4th December 2020 citing Malaysia's weakened key credit metrics due to Coronavirus 2019 ("COVID-19") crisis, as well as political uncertainties. After the initial reaction from the market, local bonds saw some support to recover as S&P and Moody's still retained their 'A3' rating for Malaysia.

These factors provided some volatilities in the local bond market. However, the main driver for the volatilities during the period was the rising UST yields. The global market saw the UST yields rose 8 basis points ("bps") to 66 bps between the 2 year and 30 year maturities during the period which drove a selloff in the emerging market bonds including Malaysia as profit taking took hold. The rise in UST yields gathered momentum on positive news on the roll-out of COVID-19 vaccinations worldwide that raised expectations of a start in global economic recovery. This peaked in mid-March 2021 for the Malaysian bond market, with 10-year Malaysian Government Securities ("MGS") reaching a high of 3.485% before recovering to 3.19% at end-August as UST yield stabilizes. At the beginning of the period under review, it was at 2.57%.

After a major bond sell-off in first quarter of 2021, the Malaysian fixed income market recouped some losses as stabilising UST yields, weaker USD and resurging local COVID-19 cases kept demand for safer bonds in check. The reality checks on over optimism of full-fledged economic recovery in 2021 has also pared bets that the timing of interest rate hikes and withdrawal of liquidity support could further be pushed away. However, sentiment turned cautious due to heightened domestic political uncertainty in July 2021, but the risk eased as Former Deputy Prime Minister, Dato Seri Ismail Sabri Yaakob was subsequently appointed the 9th Prime Minister of Malaysia after garnering sufficient support from MPs.

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

Despite the high COVID-19 cases locally, most other countries have managed to contain the virus and saw their economies reopening or relaxing the restrictions. Again, there is a marked disparity between the developed and emerging countries in terms of the pace of mass vaccination, hence the speed of recovery could vary among countries. With stronger external demand and increasing investors' confidence, global economic activities are expected to pick up steam with less lockdowns and disruptions. As a result, risky assets and commodities are expected to do well for the remaining of 2021.

With that being said, given the flush liquidity in the banking system, this will continue to lend support to the local bond market as yield pickup remains decent as compared to the low yielding fixed deposits and money market funds. With tax-exemption status on the money market funds for corporates to end in December 2021, more liquidity could find its way into the local bond markets in the remaining of 2021. On the supply side, slower economic growth and potential fiscal slippage could widen the budget deficit in 2021 to more than initial targeted 6%, hence raising concerns about government bond supply. On the other hand, supply for corporate bonds will likely be within expectations and close to 2020 issuances.



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

### **Manager's report**

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

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

Improved growth and higher inflation prospects will likely to steepen the yield curve, rendering longer-end bonds less attractive. While Malaysia's 2021 Gross Domestic Product ("GDP") forecast has been revised down to between 3% and 4%, from the previous forecast of between 6% and 7.5% following re-imposition of nationwide containment measures in June 2021, growth is expected to accelerate in 2022 as economy reopens on favourable and rapid vaccination progress and on improving domestic political scenario. On monetary policy, following the 125bps of cumulative OPR cuts in 2020 and having stayed on hold at the previous Monetary Policy Committee ("MPC") meetings for the year, we view BNM will likely stand on hold with OPR at 1.75% through 2021, a level that BNM views as accommodative and appropriate, unless the current COVID-19 condition continues to adversely impact the domestic economy.

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

We continue to overweight corporate sukuks over sovereign sukuks to anchor the Fund's income as the former are less volatile and provide higher yields to buffer against potential selloff in sovereign bond yields. We will continue to look for attractive sukuk investments to trade and improve the portfolio current yield of 3.47%. Aside from the sukuk secondary market, we are also monitoring new primary issuances for offers of higher yields to deliver the required performance. As of 31 August 2021, the Fund was 74.36% invested in Ringgit Malaysia denominated sukuk investments.

#### **F. Soft Commissions and Rebates**

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

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

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDER'S OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021**

We have acted as Trustee of Maybank Income Management-I Fund (the "Fund") for the financial year ended 31 August 2021. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation and pricing were carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units were carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of returns for the period were tied to and reflect the objective of the Fund.

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

**Cheah Kuan Yoon**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
20 October 2021

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDER'S OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 Income Management-I Fund as at 31 August 2021 and of its results, changes in equity and cash flows for the financial year ended 31 August 2021 and complied 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  
20 October 2021

**REPORT OF THE SHARIAH ADVISER**

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

We hereby confirm the following:

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

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

**Datuk Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur, Malaysia  
20 October 2021

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

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

#### *Opinion*

We have audited the financial statements of Maybank Income Management-I Fund (the "Fund"), which comprise the statement of financial position as at 31 August 2021 of the Fund, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year ended 31 August 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 14 to 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2021, and of its financial performance and cash flows for the financial year ended 31 August 2021 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 Income Management-I Fund (cont'd)**

*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 Income Management-I Fund (cont'd)**

### *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 Income Management-I Fund (cont'd)**

**Other matters**

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

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

Yeo Beng Yean  
03013/10/2022 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
20 October 2021



**MAYBANK INCOME MANAGEMENT-I FUND**

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

		<b>01.09.2020</b>	<b>08.01.2020</b>
		<b>to</b>	<b>(date of</b>
		<b>31.08.2021</b>	<b>launch)</b>
		<b>to</b>	<b>to</b>
	<b>Note</b>	<b>31.08.2021</b>	<b>31.08.2020</b>
		<b>RM</b>	<b>RM</b>
<b>INVESTMENT INCOME</b>			
Profit income	4	7,187,133	3,040,100
Net (loss)/ gain from financial assets at fair value through profit or loss ("FVTPL")			
- Realised gain/(loss)		978,551	(651,528)
- Unrealised (loss)/gain		(4,937,373)	2,497,662
		<u>3,228,311</u>	<u>4,886,234</u>
<b>EXPENSES</b>			
Manager's fee	5	410,603	182,274
Trustee's fee	6	82,121	36,455
Auditors' remuneration		10,000	10,000
Tax agent's fee		4,402	4,900
Shariah advisory fee		15,000	9,718
Administrative expenses		9,713	13,298
		<u>531,839</u>	<u>256,645</u>
<b>Net income before taxation</b>		2,696,472	4,629,589
Taxation	7	-	-
<b>Net income after taxation and total comprehensive income for the financial year/period</b>		<u>2,696,472</u>	<u>4,629,589</u>
<b>Net income after taxation is made up of the following:</b>			
Net realised income		7,633,845	2,131,927
Net unrealised (loss)/income		(4,937,373)	2,497,662
		<u>2,696,472</u>	<u>4,629,589</u>
<b>Distributions for the financial year/period:</b>			
	14		
Net distribution for the financial year/period		6,601,807	1,845,492
Gross/net distribution for per unit (sen)		<u>2.90</u>	<u>1.00</u>
Distribution date (ex-date)		Refer to Note 14	

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

**MAYBANK INCOME MANAGEMENT-I FUND**

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

	Note	31.08.2021 RM	31.08.2020 RM
<b>ASSETS</b>			
Financial assets at FVTPL	8	165,039,402	153,217,067
Shariah-compliant deposits with licensed Islamic financial institutions	9	49,111,663	42,928,469
Profit income receivable		1,666,817	1,476,869
Amount due from Manager	10	-	69,825
Amount due from broker	11	6,179,427	-
Cash at bank		213,575	125,237
<b>TOTAL ASSETS</b>		<u>222,210,884</u>	<u>197,817,467</u>
<b>LIABILITIES</b>			
Amount due to Manager	10	238,335	712,419
Amount due to Trustee	12	7,487	6,091
Amount due to broker	11	-	7,032,900
Other payables and accruals		27,061	29,471
<b>TOTAL LIABILITIES</b>		<u>272,883</u>	<u>7,780,881</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>221,938,001</u>	<u>190,036,586</u>
<b>EQUITY</b>			
Unitholders' capital	13(a)	221,618,647	186,904,767
Retained earnings	13(b) & (c)	319,354	3,131,819
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>221,938,001</u>	<u>190,036,586</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	13(a)	<u>220,928,383</u>	<u>185,754,993</u>
<b>NAV PER UNIT (RM)</b>		<u>1.0046</u>	<u>1.0230</u>

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

**MAYBANK INCOME MANAGEMENT-I FUND**

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

	<b>Unitholders' capital Note 13(a) RM</b>	<b>Retained earning Note 13(b) &amp; Note 13(c) RM</b>	<b>Total equity RM</b>
At 1 September 2020	186,904,767	3,131,819	190,036,586
Total comprehensive income for the financial year	-	2,696,472	2,696,472
Creation of units	187,499,417	-	187,499,417
Reinvestment of units	6,601,807	-	6,601,807
Cancellation of units	(158,294,474)	-	(158,294,474)
Distributions (Note 14)	(1,092,870)	(5,508,937)	(6,601,807)
At 31 August 2021	<u>221,618,647</u>	<u>319,354</u>	<u>221,938,001</u>
At 8 January 2020 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	4,629,589	4,629,589
Creation of units	278,471,639	-	278,471,639
Reinvestment of units	1,845,492	-	1,845,492
Cancellation of units	(93,064,642)	-	(93,064,642)
Distributions (Note 14)	(347,722)	(1,497,770)	(1,845,492)
At 31 August 2020	<u>186,904,767</u>	<u>3,131,819</u>	<u>190,036,586</u>

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

**MAYBANK INCOME MANAGEMENT-I FUND**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021**

	<b>01.09.2020 to 31.08.2021 RM</b>	<b>08.01.2020 (date of launch) to 31.08.2020 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(98,920,932)	(171,274,989)
Net proceeds from sale of financial assets at FVTPL	69,579,241	25,153,987
Profit income received	7,345,392	3,346,202
Manager's fee paid	(403,623)	(151,820)
Trustee's fee paid	(80,725)	(30,364)
Payment of other fees and expenses	(41,525)	(8,446)
Net cash used in operating and investing activities	<u>(22,522,172)</u>	<u>(142,965,430)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	187,569,242	278,401,814
Payment for redemption of units	(158,775,538)	(92,382,678)
Net cash generated from financing activities	<u>28,793,704</u>	<u>186,019,136</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR/PERIOD</b>	<b>6,271,532</b>	<b>43,053,706</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR/PERIOD</b>	<b>43,053,706</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>	<b><u>49,325,238</u></b>	<b><u>43,053,706</u></b>
Cash and cash equivalents comprise:		
Cash at bank	213,575	125,237
Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months (Note 9)	49,111,663	42,928,469
	<u>49,325,238</u>	<u>43,053,706</u>

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

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

### **NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021**

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

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

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

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

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence ("CMSL") with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA").

The principal place of business of MAM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

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

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

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 20 October 2021.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

The financial statements of the Fund have been prepared in accordance to Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Deeds and any regulatory requirements.

## MAYBANK INCOME MANAGEMENT-I FUND

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

#### 2.1 Basis of preparation (cont'd)

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 31 August 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 in the financial statements.

#### 2.2 Standards and amendments to standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform Phase 2</i>	1 January 2021
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

#### 2.3 Financial instruments

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

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

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

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

#### **2.4 Financial assets**

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

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

##### **(i) Financial assets at amortised cost**

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

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

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

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

##### **(ii) Financial assets at FVTPL**

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

A financial asset is recognised at FVTPL if:

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

## MAYBANK INCOME MANAGEMENT-I FUND

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

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

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

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. Profit income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

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

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

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

##### (iii) Impairment

Credit losses are recognised based on the 'Expected Credit Loss' ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL (financial assets that are debt instruments). The impairment model does not apply to equity investments.

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

- Financial assets that are not credit-impaired at the reporting date:  
As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive);
- Financial assets that are credit-impaired at the reporting date:  
As the difference between the gross carrying amount and the present value of estimated future cash flows.

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



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

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

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

##### **(iii) Impairment (cont'd)**

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

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

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

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

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

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

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

#### **2.5 Financial liabilities**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **2.9 Distributions**

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distributions is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the financial year in which it is approved. Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

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

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

#### **2.11 Revenue / Income**

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

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

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

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

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

#### **2.12 Taxation**

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

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

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

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

## MAYBANK INCOME MANAGEMENT-I FUND

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

#### 2.13 Segment information

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

#### 2.14 Critical accounting estimates and judgements

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

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

### 3. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund during current financial year ended 31 August 2021 is Shariah-compliant.

### 4. PROFIT INCOME

	<b>01.09.2020</b> to <b>31.08.2021</b> RM	<b>08.01.2020</b> (date of launch) to <b>31.08.2020</b> RM
Profit income from Sukuk	7,344,536	3,005,239
Profit income from Shariah-compliant deposits	627,881	545,906
Amortisation of premium, net of accretion of discount	(785,284)	(511,045)
	<u>7,187,133</u>	<u>3,040,100</u>

### 5. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 0.20% per annum ("p.a.") (08.01.2020 (date of launch) to 31.08.2020: 0.20% p.a.) on the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

## MAYBANK INCOME MANAGEMENT-I FUND

### 6. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.04% p.a. (08.01.2020 (date of launch) to 31.08.2020: 0.04% p.a.) of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

### 7. TAXATION

	<b>01.09.2020</b> to <b>31.08.2021</b> RM	<b>08.01.2020</b> (date of launch) to <b>31.08.2020</b> RM
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Tax charge for the financial year/period:

Current income tax expense	-	-
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Income tax is calculated at the Malaysian statutory tax rate of 24% (08.01.2020 to 31.08.2020: 24%) of the estimated assessable income for the financial year/period.

The tax charge for the financial year/period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, the profit income earned by the Fund from its investment in Sukuk and Shariah-compliant deposits is exempted from tax.

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

	<b>01.09.2020</b> to <b>31.08.2021</b> RM	<b>08.01.2020</b> (date of launch) to <b>31.08.2020</b> RM
Net income before taxation	2,696,472	4,629,589
Tax at Malaysian statutory rate of 24%	647,153	1,111,101
Income not subject to tax	(1,959,764)	(1,329,064)
Loss not deductible for tax purposes	1,184,971	156,368
Expenses not deductible for tax purposes	127,640	61,595
Tax expense for the financial year/period	-	-

## MAYBANK INCOME MANAGEMENT-I FUND

### 8. FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL comprise investments in RM-denominated Sukuk as detailed below:

			<b>31.08.2021</b>	<b>31.08.2020</b>
			<b>RM</b>	<b>RM</b>
Sukuk			165,039,402	153,217,067
<b>Sukuk</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.08.2021</b>				
Aeon Credit Service (M) Bhd - 3.85% / 10.02.2027	5,000,000	5,000,039	5,005,850	2.26
Bumitama Agri Ltd - 4.20% / 22.07.2026	5,000,000	5,160,552	5,175,850	2.33
Country Garden Real Estate Sdn Bhd - 6.40% / 06.05.2022	5,000,000	5,064,757	5,091,250	2.29
Cypark Ref Sdn Bhd - 4.87% / 30.06.2025	5,000,000	5,096,160	5,208,500	2.35
DRB-Hicom Sdn Bhd - 4.55% / 12.12.2024	5,000,000	4,940,359	5,086,800	2.29
- 4.85% / 04.08.2028	5,000,000	5,014,213	5,017,000	2.26
- 5.05% / 06.08.2031	600,000	602,306	602,676	0.27
- 5.08% / 30.08.2030	7,000,000	7,030,311	7,076,090	3.18
Edra Energy Sdn Bhd - 6.35% / 5.07.2033	5,000,000	6,070,309	5,887,450	2.65
- 6.47% / 5.01.2035	5,000,000	6,162,255	5,928,050	2.67
Evyap Sabun Malaysia Sdn Bhd - 4.05% / 30.12.2025	5,000,000	4,999,771	4,957,900	2.23
Fortune Premiere Sdn Bhd - 5.05% / 05.09.2025	5,000,000	5,275,960	5,296,600	2.39
Gamuda Bhd - 4.26% / 16.11.2029	8,000,000	8,276,322	8,208,640	3.70
- 3.75% / 12.08.2027	5,000,000	5,000,044	4,952,850	2.23

## MAYBANK INCOME MANAGEMENT-I FUND

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

Sukuk (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.08.2021 (cont'd)</b>				
IJM Corporation Bhd - 4.76% / 10.04.2029	5,000,000	5,311,572	5,268,000	2.37
Malaysia Airports Holdings Bhd - 3.30% / 05.11.2027	5,000,000	4,999,845	4,851,300	2.19
Manjung Island Energy Bhd - 4.90% / 25.11.2031	5,000,000	5,697,136	5,493,850	2.48
MRCB Bhd - 3.85% / 14.08.2023	5,000,000	5,009,198	5,005,250	2.26
- 4.45% / 14.08.2030	1,000,000	1,009,684	971,780	0.44
Bank Muamalat (M) Bhd - 4.50% / 13.06.2031	5,000,000	4,999,694	5,027,100	2.27
Pengurusan Air SPV Bhd - 1.00% / 05.02.2036	4,600,000	3,138,686	3,005,042	1.35
Penang Port Sdn Bhd - 4.68% / 26.12.2031	-	-	-	-
Perbadanan Kemajuan Pertanian Negeri Pahang - 3.96% / 30.10.2024	2,000,000	2,002,286	1,997,920	0.90
Pengerang LNG (Two) Sdn Bhd - 3.31% / 20.10.2034	1,000,000	999,973	923,430	0.42
Pelabuhan Tanjung Pelepas Sdn Bhd - 3.40% / 28.08.2030	5,000,000	4,999,947	4,779,350	2.15
reNIKOLA Solar Sdn Bhd - 4.60% / 09.05.2031	5,000,000	4,999,690	5,049,600	2.28
Sime Darby Property Bhd - 3.42% / 03.12.2027	5,000,000	4,999,819	4,969,750	2.24



**MAYBANK INCOME MANAGEMENT-I FUND**

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

Sukuk (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.08.2021 (cont'd)</b>				
Sarawak Energy Bhd - 4.70% / 24.11.2028	4,500,000	4,944,629	4,859,820	2.19
Tanjung Bin Energy Bhd - 6.20% / 16.03.2032	5,000,000	6,171,403	5,771,000	2.60
Tenaga Nasional Bhd - 4.98% / 27.08.2038	5,000,000	5,913,747	5,426,350	2.44
- 3.25% / 10.08.2035	5,000,000	4,751,592	4,565,000	2.06
TG Excellence Bhd - 3.95% / 26.02.2022	5,000,000	4,999,988	5,087,200	2.29
Tropicana Corporation Bhd - 5.50% / 30.06.2023	3,400,000	3,399,924	3,425,704	1.54
UEM Sunrise Bhd - 4.30% / 16.02.2026	5,000,000	5,022,079	4,998,500	2.25
- 4.60% / 20.05.2026	-	-	-	-
UMW Holdings Bhd - 5.22% / 02.10.2026	5,000,000	5,414,931	5,411,700	2.44
Prasarana Malaysia Bhd - 3.75% / 23.03.2040	5,000,000	4,999,932	4,656,250	2.10
<b>Total Sukuk</b>	<b>162,100,000</b>	<b>167,479,113</b>	<b>165,039,402</b>	<b>74.36</b>
Unrealised loss on financial assets at FVTPL			<u>(2,439,711)</u>	

**MAYBANK INCOME MANAGEMENT-I FUND**

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

<b>Sukuk</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.08.2020</b>				
Aeon Credit Service (M) Bhd - 3.85% / 10.02.2027	5,000,000	5,000,000	5,127,200	2.70
Anih Bhd - 5.34% / 29.11.2023	2,000,000	2,121,474	2,149,760	1.13
Bank Muamalat (M) Bhd - 5.80% / 15.06.2026	5,000,000	5,066,031	5,069,450	2.67
Bumitama Agri Ltd - 4.20% / 22.07.2026	5,000,000	5,190,310	5,255,800	2.77
Country Garden Real Estate Sdn Bhd - 6.40% / 06.05.2022	5,000,000	5,157,495	5,258,900	2.77
Cypark Ref Sdn Bhd - 6.40% / 30.06.2025	5,000,000	5,118,957	5,249,350	2.76
DRB-Hicom Sdn Bhd - 4.55% / 12.12.2024 - 5.08% / 30.08.2030	5,000,000 7,000,000	4,924,037 7,032,900	5,064,050 7,032,900	2.66 3.70
Edra Energy Sdn Bhd - 6.35% / 5.07.2033	5,000,000	6,139,738	6,208,350	3.27
Fortune Premiere Sdn Bhd - 4.85% / 07.09.2023 - 5.05% / 05.09.2025	1,000,000 5,000,000	1,040,600 5,339,037	1,053,820 5,423,350	0.55 2.85
Gamuda Bhd - 4.26% / 16.11.2029	8,000,000	8,304,679	8,369,280	4.40

**MAYBANK INCOME MANAGEMENT-I FUND**

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

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

## MAYBANK INCOME MANAGEMENT-I FUND

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

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

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

	31.08.2021 RM	31.08.2020 RM
Shariah-compliant deposits with licensed Islamic financial institutions	49,111,663	42,928,469

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

	31.08.2021		31.08.2020	
	WAEPR % p.a.	Average maturity Days	WAEPR % p.a.	Average maturity Days
Shariah-compliant deposits with maturity of - less than 3 months	1.69	2	1.57	4

## MAYBANK INCOME MANAGEMENT-I FUND

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

	Note	31.08.2021 RM	31.08.2020 RM
<b>(a) Amount due from Manager</b>			
Subscription of units	(i)	-	69,825
<b>(b) Amount due to Manager</b>			
Redemption of units	(ii)	200,900	681,964
Manager's fee	(iii)	37,435	30,455
		<u>238,335</u>	<u>712,419</u>

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

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

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

### 11. AMOUNT DUE FROM/(TO) BROKER

Amount due from/(to) brokers relate to the amount receivable/(payable) to brokers arising from the sale/(purchase) of investments. The settlement period for these receivable/(payable) are within two (2) to three (3) working days from the deal date.

### 12. AMOUNT DUE TO TRUSTEE

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

## MAYBANK INCOME MANAGEMENT-I FUND

### 13. TOTAL EQUITY

	Note	31.08.2021 RM	31.08.2020 RM
Unitholders' capital	13 (a)	221,618,647	186,904,767
Accumulated realised income	13 (b)	2,759,065	634,157
Accumulated unrealised (loss)/income	13 (c)	(2,439,711)	2,497,662
		<u>221,938,001</u>	<u>190,036,586</u>

#### (a) Unitholders' capital

	01.09.2020 to 31.08.2021		08.01.2020 (date of launch) to 31.08.2020	
	No. of units	RM	No. of units	RM
At beginning of financial year/date of launch	185,754,993	186,904,767	-	-
Creation of units	183,487,079	187,499,417	276,793,047	278,471,639
Reinvestment of units	6,549,841	6,601,807	1,804,352	1,845,492
Cancellation of units	(154,863,530)	(158,294,474)	(92,842,406)	(93,064,642)
Distribution equalisation (Note 14)	-	(1,092,870)	-	(347,722)
At the end of financial year/date of launch	<u>220,928,383</u>	<u>221,618,647</u>	<u>185,754,993</u>	<u>186,904,767</u>

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

	31.08.2021		31.08.2020	
	No. of units	RM	No. of units	RM
The Manager	<u>1,041</u>	<u>1,046</u>	<u>1,010</u>	<u>1,033</u>

In the opinion of the Manager, the above units were transacted at the prevailing market price. Other than the above, there were no other units held by the Manager or parties related to the Manager.

#### (b) Accumulated realised income

	01.09.2020 to 31.08.2021		08.01.2020 (date of launch) to 31.08.2020	
	RM	RM	RM	RM
At beginning of financial year/date of launch		634,157		-
Net realised income for the financial year/period		7,633,845		2,131,927
Distributions out of realised reserve (Note 14)		(5,508,937)		(1,497,770)
At end of the financial year/date of launch		<u>2,759,065</u>		<u>634,157</u>

## MAYBANK INCOME MANAGEMENT-I FUND

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

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

	01.09.2020 to 31.08.2021 RM	08.01.2020 (date of launch) to 31.08.2020 RM
At beginning of financial year/date of launch	2,497,662	-
Net unrealised income for the financial year/period	(4,937,373)	2,497,662
At end of the financial year/date of launch	<u>(2,439,711)</u>	<u>2,497,662</u>

### 14. DISTRIBUTIONS

Net distributions to unitholders are from the following sources:

	01.09.2020 to 31.08.2021 RM	08.01.2020 (date of launch) to 31.08.2020 RM
Profit income	5,992,788	1,668,335
Less: Expenses	(483,851)	(170,565)
Distributions out of realised reserve (Note 13(b))	5,508,937	1,497,770
Distributions out of distribution equalisation (Note 13(a))	1,092,870	347,722
Distributions for the financial year/period	<u>6,601,807</u>	<u>1,845,492</u>

<b>Distribution date (ex-date)</b>	<b>Gross/Net distribution per unit (sen)</b>
<b>31.08.2021</b>	
23 February 2021	1.00
26 August 2021	1.90
	<u>2.90</u>
<b>31.08.2020</b>	
26 August 2020	<u>1.00</u>

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

## MAYBANK INCOME MANAGEMENT-I FUND

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

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

	01.09.2020 to 31.08.2021		08.01.2020 (date of launch) to 31.08.2020	
	Value of trade RM	Percentage of total trade %	Value of trade RM	Percentage of total trade %
Affin Hwang Investment Bank Bhd	7,800,000	5.17	34,000,000	18.06
Alliance Bank Bhd	-	-	7,000,000	3.72
Bank Islam Malaysia Bhd	5,000,000	3.32	-	-
CIMB Bank Bhd	15,000,000	9.95	20,000,000	10.62
CIMB Investment Bank Bhd	13,000,000	8.62	-	-
CIMB Islamic Bank Bhd	-	-	20,000,000	10.62
Hong Leong Investment Bank Bhd	-	-	5,000,000	2.66
Hong Leong Bank Bhd	10,000,000	6.63	17,200,000	9.13
MBB *	42,200,000	27.98	33,400,000	17.74
RHB Investment Bank Bhd	52,800,000	35.01	51,700,000	27.46
Standard Chartered Bank Bhd	5,000,000	3.32	-	-
	<b>150,800,000</b>	<b>100.00</b>	<b>188,300,000</b>	<b>100.00</b>

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

	01.09.2020 to 31.08.2021		08.01.2020 (date of launch) to 31.08.2020	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
CIMB Islamic Bank Bhd	1,850,141,274	20.07	1,227,981,445	20.00
Maybank Islamic Bhd ("MIB") **	213,062,000	2.31	2,315,426,000	37.71
Hong Leong Islamic Bank Bhd	7,156,244,579	77.62	2,595,995,860	42.28
	<b>9,219,447,853</b>	<b>100.00</b>	<b>6,139,403,305</b>	<b>100.00</b>

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

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



## MAYBANK INCOME MANAGEMENT-I FUND

### 16. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

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

#### (a) Significant related party transactions

	31.08.2021 RM	31.08.2020 RM
<u>MIB:</u>		
Profit Income	14,051	200,074

#### (b) Significant related party balances

	31.08.2021 RM	31.08.2020 RM
<u>MIB:</u>		
Cash at bank	213,575	125,237
Shariah-compliant deposits	10,260,000	15,006,000
Profit receivable	928	2,467
	<u>10,474,503</u>	<u>15,133,704</u>

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

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

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial year ended 31 August 2021, the MER of the Fund stood at 0.26% (08.01.2020 (date of launch) to 31.08.2020: 0.16%).

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

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year/period to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 August 2021, the PTR of the Fund stood at 0.43 times (08.01.2020 (date of launch) to 31.08.2020: 0.61 times).

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

### **19. SEGMENT INFORMATION**

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

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

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

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

There were no changes in the reportable operating segments during previous and current financial reporting period.

### **20. FINANCIAL INSTRUMENTS**

#### **(a) Classification of financial instruments**

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2 describe how the classes of financial instruments are measured and how income and expenses are recognised.

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

**MAYBANK INCOME MANAGEMENT-I FUND**

**20. FINANCIAL INSTRUMENTS (CONT'D)**

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

<b>31.08.2021</b>	<b>Financial assets at FVTPL RM</b>	<b>Financial assets amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Financial Assets</b>				
Financial assets at FVTPL	165,039,402	-	-	165,039,402
Shariah-compliant deposits with a licensed Islamic financial institutions	-	49,111,663	-	49,111,663
Profit income receivable	-	1,666,817	-	1,666,817
Amount due from broker	-	6,179,427	-	6,179,427
Cash at bank	-	213,575	-	213,575
<b>Total financial assets</b>	<b>165,039,402</b>	<b>57,171,482</b>	<b>-</b>	<b>222,210,884</b>
<b>Financial Liabilities</b>				
Amount due to Manager	-	-	238,335	238,335
Amount due to Trustee	-	-	7,487	7,487
Other payables and accruals	-	-	27,061	27,061
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>272,883</b>	<b>272,883</b>
<b>31.08.2020</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL	153,217,067	-	-	153,217,067
Shariah-compliant deposits with a licensed Islamic financial institution	-	42,928,469	-	42,928,469
Profit income receivable	-	1,476,869	-	1,476,869
Amount due from Manager	-	69,825	-	69,825
Cash at bank	-	125,237	-	125,237
<b>Total financial assets</b>	<b>153,217,067</b>	<b>44,600,400</b>	<b>-</b>	<b>197,817,467</b>
<b>Financial Liabilities</b>				
Amount due to Manager	-	-	712,419	712,419
Amount due to Trustee	-	-	6,091	6,091
Amount due to broker	-	-	7,032,900	7,032,900
Other payables and accruals	-	-	29,471	29,471
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,780,881</b>	<b>7,780,881</b>

## MAYBANK INCOME MANAGEMENT-I FUND

### 20. FINANCIAL INSTRUMENTS (CONT'D)

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

The Fund's financial assets at FVTPL are carried at fair value and revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency Malaysia Sdn Bhd.

#### (c) Fair value hierarchy

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

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

	Level 1 RM	Level 2 RM	Level 3 RM
<b>31.08.2021</b>			
Financial assets at FVTPL	-	165,039,402	-
	<hr/>	<hr/>	<hr/>
<b>31.08.2020</b>			
Financial assets at FVTPL	-	153,217,067	-
	<hr/>	<hr/>	<hr/>

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

Other than its financial assets 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.

There were no financial instruments which were not carried at fair value and whose carrying amounts were not reasonable approximations of their respective fair values.

## MAYBANK INCOME MANAGEMENT-I FUND

### 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' capital. Risks are inherent in the Fund's activities, but they are managed through a process of ongoing identification, measurement and monitoring of risks.

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deeds, the SC's Guidelines on Unit Trust Fund's and the CMSA.

#### (b) Market risk

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

#### (i) Profit rate risk

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

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

	31.08.2021		31.08.2020	
	Changes in profit rates %	Effect on NAV (Decrease)/ Increase RM	Changes in profit rates %	Effect on NAV (Decrease)/ Increase RM
Financial assets at FVTPL	+1	(9,892,586)	+1	(9,341,827)
	-1	10,848,337	-1	10,292,529

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

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

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

#### **(c) Credit risk**

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

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into Shariah-compliant 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.

## MAYBANK INCOME MANAGEMENT-I FUND

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

#### (c) Credit risk (cont'd)

##### (ii) Credit risk concentration

The following tables analyse the Fund's investments in financial assets at FVTPL, cash at bank, Shariah-compliant deposits with licensed Islamic financial institutions and profit income receivables by rating categories. The ratings are obtained from RAM.

	31.08.2021		31.08.2020	
		As a percentage of NAV		As a percentage of NAV
	RM	%	RM	%
<b>Financial assets</b>				
AAA	78,655,553	35.44	59,734,426	31.43
AA1	5,011,914	2.26	19,798,523	10.42
AA2	10,937,290	4.93	14,465,697	7.61
AA3	90,124,214	40.61	77,791,538	40.94
A1	5,639,108	2.54	15,593,449	8.21
A2	15,849,372	7.14	-	-
A3	5,075,051	2.29	10,364,009	5.45
Government Guaranteed	4,738,955	2.14	-	-
	<u>216,031,457</u>	<u>97.34</u>	<u>197,747,642</u>	<u>104.06</u>

#### (d) Liquidity risk

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

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

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

## MAYBANK INCOME MANAGEMENT-I FUND

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

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

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

	Less than 1 month RM	More than 1 month RM	Total RM
<b>31.08.2021</b>			
<b>Financial assets</b>			
Financial assets at FVTPL	-	165,039,402	165,039,402
Shariah-compliant deposits with licensed Islamic financial institutions	49,111,663	-	49,111,663
Profit income receivable	532,493	1,134,324	1,666,817
Amount due from broker	6,179,427	-	6,179,427
Cash at bank	213,575	-	213,575
Total undiscounted financial assets	<u>56,037,158</u>	<u>166,173,726</u>	<u>222,210,884</u>
<b>Financial liabilities and unitholders' equity</b>			
Amount due to Manager	238,335	-	238,335
Amount due to Trustee	7,487	-	7,487
Other payables and accruals	27,061	-	27,061
Unitholders' equity	221,938,001	-	221,938,001
Total undiscounted financial liabilities and unitholders' equity	<u>222,210,884</u>	<u>-</u>	<u>222,210,884</u>
<b>Liquidity (gap)/surplus</b>	<u>(166,173,726)</u>	<u>166,173,726</u>	<u>-</u>
<b>31.08.2020</b>			
<b>Financial assets</b>			
Financial assets at FVTPL	-	153,217,067	153,217,067
Shariah-compliant deposits with licensed Islamic financial institutions	42,928,469	-	42,928,469
Profit income receivable	965,334	511,535	1,476,869
Amount due from Manager	69,825	-	69,825
Cash at bank	125,237	-	125,237
Total undiscounted financial assets	<u>44,088,865</u>	<u>153,728,602</u>	<u>197,817,467</u>



## MAYBANK INCOME MANAGEMENT-I FUND

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

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

31.08.2020 (cont'd)	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial liabilities and unitholders' equity</b>			
Amount due to Manager	712,419	-	712,419
Amount due to Trustee	6,091	-	6,091
Amount due to broker	7,032,900	-	7,032,900
Other payables and accruals	29,471	-	29,471
Unitholders' equity	190,036,586	-	190,036,586
Total undiscounted financial liabilities and unitholders' equity	<u>197,817,467</u>	<u>-</u>	<u>197,817,467</u>
<b>Liquidity (gap)/surplus</b>	<u>(153,728,602)</u>	<u>153,728,602</u>	<u>-</u>

#### (i) Financial assets

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

#### (ii) Financial liabilities

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

#### (iii) Unitholders' equity

As unitholders could request for redemption of their units within ten calendar days from transaction date, unitholders' equity has been categorised as having a maturity of "less than 1 month".

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

### **22. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

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