



**Maybank**  
Asset Management

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# MAYBANK MALAYSIA BALANCED FUND

**Audited report  
For the financial year ended 30 September 2021**

## **CORPORATE INFORMATION**

### **MANAGER**

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

Level 12 Tower C

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### **TRUSTEE**

Universal Trustee (M) Berhad (197401000629) (17540-D)

No 1, 3rd Floor

Jalan Ampang

50450 Kuala Lumpur

## **MAYBANK MALAYSIA BALANCED FUND**

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## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

For the financial year ended 30 September 2021

#### A. Fund Information

**1. Name of the Fund**

Maybank Malaysia Balanced Fund ("Fund")

**2. Type of Fund**

Growth and income fund

**3. Category of Fund**

Balanced fund

**4. Duration of the Fund**

The Fund is an open-ended Fund.

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

19 September 1994 / 18 October 1994

**6. Fund's investment objective**

The Fund seeks to provide a balance between income and long term capital appreciation.

**7. Fund distribution policy**

Income distribution (if any) is declared at the end of the financial year of the Fund or for any specified period at the Manager's discretion, subject to Trustee's approval. Any distribution declared, will be reinvested as additional units. No sales charge is imposed on the reinvestment of income distribution.

**8. Fund's performance benchmark**

- 50% of the performance of the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI")
- 50% of Maybank 12 Months Fixed Deposit Rate

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

The principal activity of the Fund is to invest between 40% to 58% of the Fund's assets in equities, between 40% to 58% of the Fund's assets in fixed income securities and minimum of 2% of the Fund's assets in liquid assets.

**10. Net income distribution for the financial year ended 30 September 2021**

The Fund declared an income distribution of RM1,764,534 for the financial year ended 30 September 2021.

Below are details of distributions made during the financial year:

Distribution date (ex-date)	Before distribution	After distribution	Gross/Net distribution per unit (sen)	Changes (%)
27 September 2021	0.8048	0.7846	2.02	(2.57)

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

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

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

##### 11. Breakdown of unitholdings by size

###### Fund size

As at 30 September 2021, the size of the Fund was 89,526,876 units.

###### Breakdown of unitholdings as at 30 September 2021

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	3,707	52.20	7,812	8.73
5,001 to 10,000 units	1,473	20.74	9,496	10.61
10,001 to 50,000 units	1,686	23.74	31,956	35.69
50,001 to 500,000 units	232	3.27	22,097	24.68
500,001 units and above	3	0.05	18,166	20.29
<b>Total</b>	<b>*7,101</b>	<b>100.00</b>	<b>* 89,527</b>	<b>100.00</b>

\* Included units held under an Institutional Unit Trust Scheme Adviser

#### B. Performance Review

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

Category	2021	2020	2019
<b>Portfolio</b>			
<b>Quoted equities - local</b>			
Construction	1.74	1.79	3.82
Consumer Products	4.65	3.13	4.99
Energy	1.71	1.66	2.58
Finance	10.12	6.91	9.33
Healthcare	-	5.35	0.96
Industrial Products	7.87	5.95	3.15
Plantation	2.00	2.91	1.34
Property	-	-	0.78
Real Estate Investment Trust ("REIT")	2.64	2.41	3.92
Technology	8.09	8.07	0.57
Telecommunications	5.19	1.50	2.81
Transportation	1.64	1.34	4.11
Utilities	2.65	2.61	3.29
<b>Unquoted fixed income securities</b>	40.99	50.40	47.43
<b>Cash and other net assets</b>	10.71	5.97	10.92
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

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

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

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

Category	2021	2020	2019
NAV (RM'000)	69,858	57,591	61,317
Units in circulation (units'000)	89,527	76,344	83,732
NAV per unit (RM)	0.7803	0.7544	0.7323
Highest NAV per unit (RM)	0.8109	0.7644	0.7467
Lowest NAV per unit (RM)	0.7553	0.6256	0.6994
Net income distributed (RM'000)	1,765	-	-
Gross/Net distribution per unit (sen)	2.02	-	-
Distribution date (ex-date)	27/09/2021	-	-
Annual total return (%) <sup>(1)</sup>			
- Capital growth (%)	3.43	3.02	(0.02)
- Income distribution (%)	2.58	-	-
Total return (%)	6.10	3.02	(0.02)
Benchmark (%)	2.24	(0.88)	(4.09)
Management Expense Ratio ("MER") (%) <sup>(2)</sup>	1.96	1.95	1.76
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.43	0.59	0.48

#### Notes:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's MER increased due to higher administrative expense in the current financial year under review.
- (3) The Fund's PTR decreased due to lower trading activities in the current financial year under review.

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

##### 2. Performance of the Fund 5 years to 30 September 2021

Category	1 year to 30.09.2021 %	3 years to 30.09.2021 %	5 years to 30.09.2021 %
Capital growth	3.43	3.01	4.08
Income distribution	2.58	6.09	10.27
Total return of the Fund	6.10	9.28	14.77
Benchmark	2.24	(3.23)	4.27
Average total return	6.10	3.00	2.79

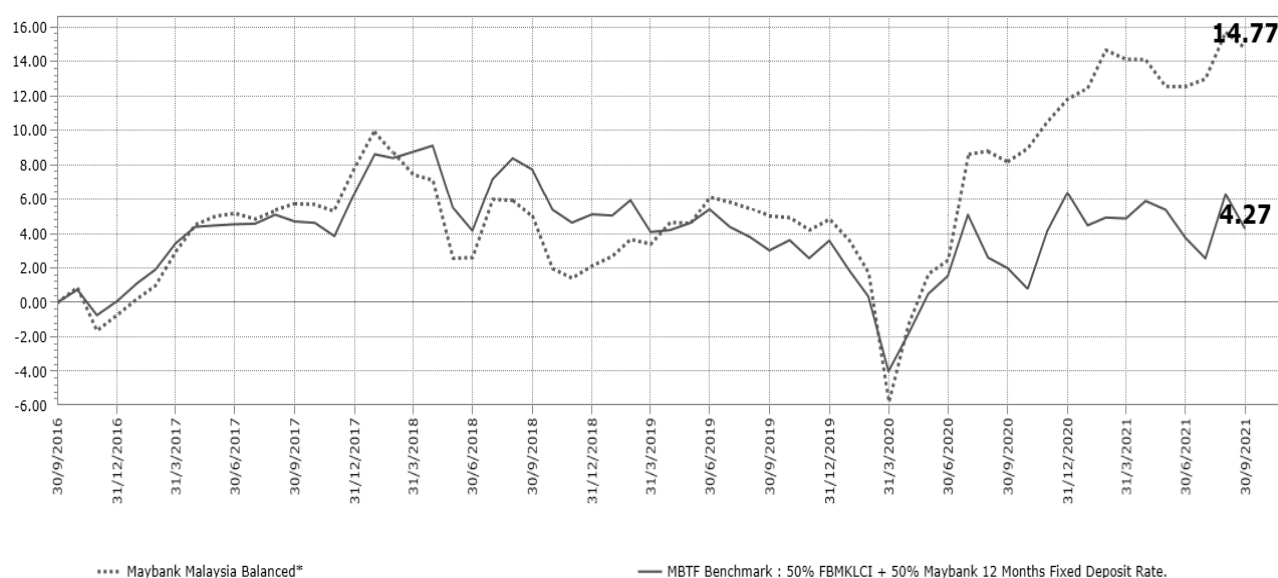
## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

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

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

#### 2. Performance of the Fund 5 years to 30 September 2021 (cont'd)



Source : Lipper

#### Has the Fund met its objective?

For the twelve-month period under review, the Fund registered a total return of 6.10%, outperforming its benchmark which gain of 2.24%. For equities, the outperformance is derived from the strategy of overweighting of the Fund in the technology sector. We are still quite positive on the longer-term outlook of these technology companies backed by new product launches including electric and autonomous vehicles, internet of things, artificial intelligence as well as the play on 5G. Besides that, the move to underweight the healthcare (gloves) sector also helped contribute to the outperformance.

The Fund aims to provide a balance between income and long term capital appreciation.

The Fund posted a gain of 14.77% over a 5-year period compared to its benchmark, which posted a gain of 4.27%. Distribution was made for the period. Therefore, the Fund has met its objective of a providing a balance between income and long-term capital appreciation.

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

For the financial year ended	2021 %	2020 %	2019 %	2018 %	2017 %
Capital growth	3.43	3.02	(0.02)	(3.96)	1.74
Income distribution	2.58	-	-	3.28	4.00
Total return	6.10	3.02	(0.02)	(0.68)	5.74
Benchmark	2.24	(0.88)	(4.09)	2.71	4.64

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

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

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

##### 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

#### C. Market Review

##### Equity Market Review

During the period under review, equity markets posted remarkable performances with the United States ("US") markets hitting new highs. The Dow Jones and Standard & Poor's 500 ("S&P 500") registered stellar returns of 21.8% and 28.1% respectively for the period. Euro Stoxx 50 also did well, registering a gain of 26.8% for the period. Regionally, North Asian markets were also up, with South Korea, Taiwan, Japan, Hong Kong and China (Shanghai) markets registering returns of 31.8%, 35.3%, 27.0%, 4.8% and 10.9% respectively. Association of Southeast Asian Nations ("ASEAN") markets also recorded positive returns with Thailand, Indonesia and Singapore being the biggest gainer, up 29.8%, 29.1%, and 25.1% respectively while Malaysia gained 2.2% and Philippines gained 18.6%.

Markets saw a strong gain in 2H2020 despite a slight pullback in the month of October 2021. Massive fiscal stimulus by Governments around the world and the monetary measures by the US Federal Reserve continue to lift markets, coupled with the positive development on the Coronavirus Disease ("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 2021 the best month for the year 2020 in most markets.

Going into 2021, January 2021 started a softer note 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. Markets were mixed in March 2021, but most markets continue to post positive returns in April 2021 and May 2021. June 2021 onwards, Asian markets took a turn and gave up some of their gains. This was mainly due to rising global bond yields on higher inflation expectations, concerns over the surge in COVID-19 cases and increasing policy risk/uncertainty in China after a series of regulatory tightening measures (targeting the Internet, healthcare, property and education sectors) were announced. In addition, the continued spread of the more infectious Delta variant remained a concern, especially in countries with slower vaccination rollout.



## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

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

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

##### Equity Market Review (cont'd)

Domestically, Malaysia underperformed the other markets, with FTSE Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("KLCI") and the broader market FBM Emas Index posting gains of 2.2% and 4.4% for the one-year period ending 30 September 2021. Meanwhile, the FBM SmallCap Index managed to register a stellar gain of 25.3% for the period as retail participation continue to be high amidst the low interest rate environment, supporting the performance for smaller cap companies. Year to date, foreign funds have taken out RM3.8 billion ("bln") from the equity market despite a massive outflow of RM24.6 bln for the year 2020.

2Q21 earnings were largely within expectations. Not surprising, weak earnings were from the gaming (interstate travel ban), construction (low work progress), Real estate investment trust ("REITs") (lower traffic in malls/hotels), consumer (lower demand) and transportation (lower traffic) given that the country is still battling the COVID-19 pandemic and lockdown measures were imposed in June 2021. Positively, financials (earnings recovered on lower provisions and strong net interest margins ("NIM")), plantation (higher Crude Palm Oil ("CPO") prices) and petrochemicals (higher prices) reported better if not within expectations.

##### Fixed income market review

After four Overnight Policy Rate ("OPR") cuts by Bank Negara Malaysia ("BNM") between January 2021 and July 2021, the market saw a pause in the country's monetary policy as BNM maintained its OPR at 1.75% throughout the period under review. 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 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 500 and Moody's still retained their 'A3' rating for Malaysia.

However, Malaysian bond market weakened in 1Q2021, driven mainly by the rising US Treasury ("UST") yields. The global market saw the UST yields rose 18 basis points ("bps") to 87 bps over the first quarter across the board, which drove a selloff in the emerging market bonds as profit taking took hold. Meanwhile, Malaysian Government Securities ("MGS") yields was seen rising between 27 bps and 72 bps over the first quarter. The rise in global bond yields gathered momentum on positive COVID-19 vaccines developments and the start of vaccinations worldwide that raised expectations of a global economic recovery. This peaked in mid-March 2021, with the 10-year MGS reaching a high of 3.485% before recovering to 3.237% at quarter-end. It started the year at 2.646%. Consequently, the selloff in MGS and Government Investment Issue ("GII") yields saw the local corporate bonds yields rose as well as it went through a massive Mark to Market ("MTM") repricing by Bond Pricing Agency Malaysia ("BPAM") over the month of March 2021.

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

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

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

##### Fixed income market review (cont'd)

In 2Q2021, we saw the emergence of delta variance that leads to higher new COVID-19 cases, given that the variance is more infectious as compared to other variants. In response to the widespread of the delta variant, the government took the initiative to vaccinate its population as fast as it could by establishing mega vaccine centres around the country. The elevated COVID-19 cases also prompted a full national lockdown at end-May 2021, which provided support to the bond market due to lowered Gross Domestic Product ("GDP") growth expectation. The bond market staged a recovery in 2Q2021, with sovereign bond yield curve flattened with yields mostly falling between 3-11 bps over the quarter.

3Q2021 saw sentiment turned cautious due to heightened domestic political uncertainty in July 2021. The risk, however, eased as Former Deputy Prime Minister, Dato Seri Ismail Sabri Yaakob was subsequently appointed the 9th Prime Minister of Malaysia in August 2021 after garnering sufficient support from Member of Parliament ("MPs"). The bond market sold off again in September 2021 amidst rising global yields as global central banks turned hawkish on monetary policy outlook, with US Fed signalled Quantitative Easing ("QE") tapering could begin as early as November 2021 and conclude by mid-2022. Locally, relaxed lockdown measures and proposal to raise debt-to-GDP ceiling by 5% to 65% which caused supply concerns; were also factors contributing to the sell-off in September. Govvies' yield were up between 7 bps to 38 bps in a bear flattening bias, with the 10-year MGS at 3.39% at quarter-end from previous quarter-end's 3.29%. Meanwhile, corporate bonds saw positive movement in most of 3Q2021 before MTM adjusted upwards in the last two weeks of September 2021 (by 2 bps to 14 bps), reflecting govvies' sell-off in a laggardly manner.

#### D. Market Outlook and Strategy

##### Equity outlook & strategy

We expect the COVID-19 situation to improve as vaccination levels rise. 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. In terms of policy risk, the Chinese government has historically been pragmatic about balancing the interests of society and business, and we remain hopeful that they will continue as such.

Strategy wise, for equities, as we are optimistic on economic recovery following accelerated vaccination programs in Malaysia and reopening of more economic activities, we are looking to deploy our cash holding. However, we may hold higher cash from time to time and will have some trading positions to take opportunity of the market volatility. In terms of positioning, we will continue to have exposure in high yielding companies to anchor the portfolio to weather market volatility while building positions in sectors that we are interested in. We favour banks, technology, electronic manufacturing services and selected recovery plays for a longer-term view.

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

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

#### D. Market Outlook and Strategy (cont'd)

##### Fixed income outlook & Strategy

We would expect the continuation of economy recovery in 4Q2021 as Malaysia opening up its economic activities in stages. We foresee that Malaysia will keep its OPR level at 1.75% for quite some time as economic recovery will progress slowly. We also believe the negative aspects that underpinned Malaysia economy may have bottomed out and we expect economy to rebound especially after the lockdown period has been phased out and economic activities started to open in stages.

We noted that the government's initiative in navigating through economic hardship by providing economic stimulus totalled around RM320 billion may put some strains on the 2021 budget deficit. The deficit is said to be more than 6% of the initial target and hence raising concerns on the higher government bond supply. Malaysia will also seek higher debt to GDP ceiling from 60% to 65%. Nevertheless, the risk of further credit downgrades due to higher borrowings remain low as S&P 500 has just affirmed its A3 rating with negative outlook recently while Moodys has also reaffirmed its A3 rating with stable outlook. We also note that Movement Control Order 3.0 ("MCO 3.0") that started in June and continue to be implemented in some states is likely to pose further downside risk to GDP growth expected in 2021.

Despite the negative outlook on the sovereign Malaysian Ringgit ("MYR") bond market in near term with expectation of the yield curve to move higher and to steepen further, the Malaysian market remains flush with liquidity and this will provide support to the local bond market as yield pickup remain decent as compared to the low yielding fixed deposits and money market funds. Hence, strategy wise, we will maintain our neutral to underweight duration bias as we assume a more defensive stance given our expectation of a steepening yield curve. We continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields as economy starts to recover. We prefer strong AA-rated and A-rated papers; for yield pickup and potential long term upgrade as economic activities accelerate. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields to deliver the required performance.

#### E. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions or rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the commissions received are 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 30 September 2021, the Manager and its delegates did not receive any rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to unitholders.

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED FUND FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

We have acted as Trustee for Maybank Malaysia Balanced Fund ("the Fund") for the financial year ended 30 September 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:

In our opinion:

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, Supplemental 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 during the financial year ended 30 September 2021;
- (b) Valuation/pricing of units of 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 by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of the Trustee

**UNIVERSAL TRUSTEE (M) BERHAD (197401000629) (17540-D)**

**ONG TEE VANN**

**Chief Executive Officer**

Kuala Lumpur, Malaysia

12 November 2021

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED FUND FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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 Balanced Fund (formerly known as Maybank Balanced Trust Fund) as at 30 September 2021 and of its results, changes in equity and cash flows for the financial year ended 30 September 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  
12 November 2021

## **Independent auditors' report to the Unitholders of Maybank Malaysia Balanced Fund**

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

#### *Opinion*

We have audited the financial statements of Maybank Malaysia Balanced Fund (the "Fund"), which comprise the statement of financial position as at 30 September 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 financial 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 15 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 September 2021, and of its financial performance and cash flows for the financial 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*

Maybank Asset Management Sdn Bhd, (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 which is expected to be made available to us after the date of this auditors' report.

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 Balanced 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 Malaysia Balanced 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 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 Balanced 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  
12 November 2021

## MAYBANK MALAYSIA BALANCED FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 RM	2020 RM
<b>INCOME</b>			
Interest income	3	1,375,916	1,378,916
Dividend income		950,923	800,199
Net gain on financial assets at fair value through profit or loss ("FVTPL") investments			
- Unrealised gain		1,391,079	3,085,078
- Realised gain/(loss)		1,444,093	(2,386,611)
		<u>5,162,011</u>	<u>2,877,582</u>
<b>EXPENSES</b>			
Manager's fee	4	1,022,906	856,485
Trustee's fee	5	32,427	28,826
Auditors' remuneration		10,650	10,000
Tax agent's fee		4,950	4,800
Brokerage and other transaction fees		52,156	90,308
Administrative expenses		265,991	212,338
		<u>1,389,080</u>	<u>1,202,757</u>
<b>NET INCOME BEFORE TAXATION</b>		3,772,931	1,674,825
Taxation	6	(6,422)	(7,293)
<b>NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>3,766,509</u>	<u>1,667,532</u>
Total comprehensive income for the financial year is made up of the following:			
Realised gain/(loss)		2,375,430	(1,417,546)
Unrealised gain		1,391,079	3,085,078
		<u>3,766,509</u>	<u>1,667,532</u>
<b>Distribution for the financial year:</b>			
Net distribution	12	1,764,534	-
Gross/Net distribution per unit (sen)	12	2.02	-
Distribution date (ex-date)	12	27 September 2021	-

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

**MAYBANK MALAYSIA BALANCED FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

	Note	2021 RM	2020 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	62,368,717	54,154,939
Deposit with a licensed financial institution	8	7,415,000	3,293,000
Interest receivable		340,462	336,747
Dividend receivable		123,771	43,449
Cash at bank		19,195	12,216
<b>TOTAL ASSETS</b>		<u>70,267,145</u>	<u>57,840,351</u>
<b>LIABILITIES</b>			
Amount due to Manager	9	155,202	86,667
Amount due to Trustee	10	2,720	2,381
Other payables and accruals		251,421	159,875
<b>TOTAL LIABILITIES</b>		<u>409,343</u>	<u>248,923</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>69,857,802</u>	<u>57,591,428</u>
<b>EQUITY</b>			
Unitholders' capital	11(a)	131,603,134	121,311,471
Accumulated losses	11(b)&(c)	(61,745,332)	(63,720,043)
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>		<u>69,857,802</u>	<u>57,591,428</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	11(a)	<u>89,526,876</u>	<u>76,343,650</u>
<b>NAV PER UNIT</b>		<u>0.7803</u>	<u>0.7544</u>

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

**MAYBANK MALAYSIA BALANCED FUND**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	<b>Unitholders' capital Note 11(a) RM</b>	<b>Accumulated losses Note 11(b) &amp; 11(c) RM</b>	<b>Total equity RM</b>
At 1 October 2020	121,311,471	(63,720,043)	57,591,428
Total comprehensive income for the financial year	-	3,766,509	3,766,509
Creation of units	12,006,508	-	12,006,508
Reinvestment of units	1,764,535	-	1,764,535
Cancellation of units	(3,506,643)	-	(3,506,643)
Distribution (Note 12)	27,263	(1,791,798)	(1,764,535)
At 30 September 2021	<u>131,603,134</u>	<u>(61,745,332)</u>	<u>69,857,802</u>
At 1 October 2019	126,704,802	(65,387,575)	61,317,227
Total comprehensive loss for the financial year	-	1,667,532	1,667,532
Creation of units	44,295	-	44,295
Cancellation of units	(5,437,626)	-	(5,437,626)
At 30 September 2020	<u>121,311,471</u>	<u>(63,720,043)</u>	<u>57,591,428</u>

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

**MAYBANK MALAYSIA BALANCED FUND****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of investments	26,774,764	34,464,439
Net purchase of investments	(31,545,920)	(33,422,641)
Interest received	683,914	1,296,712
Dividend received	864,185	877,217
Manager's fee paid	(1,007,066)	(864,149)
Trustee's fee paid	(32,088)	(26,507)
Payment of other fees and expenses	(161,361)	(36,052)
Net cash (used in)/generated from operating and investing activities	<u>(4,423,572)</u>	<u>2,289,019</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	12,006,499	44,295
Payments for cancellation of units	(3,453,948)	(5,443,693)
Net cash generated from/(used in) financing activities	<u>8,552,551</u>	<u>(5,399,398)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	4,128,979	(3,110,379)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	3,305,216	6,415,595
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>7,434,195</u>	<u>3,305,216</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	19,195	12,216
Deposits with a licensed financial institution (Note 8)	7,415,000	3,293,000
	<u>7,434,195</u>	<u>3,305,216</u>

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

## **MAYBANK MALAYSIA BALANCED FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

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

Maybank Malaysia Balanced Fund ("Fund") was constituted pursuant to the execution of a Deed dated 14 September 1994 ("Principal Deed") between Amanah Mutual Berhad as the Manager and Universal Trustee (Malaysia) Berhad as the Trustee. The following Supplemental Deeds have been issued between Amanah Mutual Berhad ("AMB") and the Trustee:

- First Supplemental deed dated 16 April 1999
- Second Supplemental deed dated 23 March 2000
- Third Supplemental deed dated 28 May 2001
- Forth Supplemental deed dated 8 February 2002
- Fifth Supplemental deed dated 12 September 2003
- Sixth Supplemental deed dated 26 May 2005
- Seventh Supplemental deed dated 26 July 2016
- Eighth Supplemental Deed dated 4 September 2018

The Fund commenced operations on 19 September 1994 and will continue to be in operation until terminated by the Trustee as provided under the Deeds. The Fund's strategy provides a careful selection between listed equities and listed/unlisted fixed income securities carrying a minimum short term credit rating of P2 or long term credit rating of A3 by RAM or equivalent rating by any other rating agencies.

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, the replacement Manager, and Universal Trustee (Malaysia) Berhad as the Trustee had entered into a Ninth Supplemental Deed dated 11 July 2019 to change the name of the Fund. The Deed and Supplemental Deeds are hereinafter referred to as "Deeds".

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 in accordance with a resolution of the directors on 12 November 2021.

#### **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 Accounting 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 during the financial year.

## MAYBANK MALAYSIA BALANCED FUND

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

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

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 and amendments to standards issued but not yet effective

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

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

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

#### 2.3 Financial instruments

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

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

## MAYBANK MALAYSIA BALANCED FUND

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

#### 2.4 Financial assets

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

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

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

The Fund classifies cash and cash equivalents, dividend receivable and interest receivables as financial assets 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 asset and of allocating and recognising the interest income in profit and loss over the relevant period.

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

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

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

Investments in quoted equities and unquoted fixed income securities are classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

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

Debt instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.



## MAYBANK MALAYSIA BALANCED 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. Accumulated unrealised gains or losses are reclassified to realised gains or losses when the associated assets are sold.

Interest income on debt instruments and dividend income on equity securities classified as FVTPL are disclosed separately in the profit or loss.

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

##### (iii) Impairment

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

ECL 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.

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 BALANCED 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 asset at amortised cost, gains and losses previously 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 Trustee, amount due to Manager, 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 interest rate method.

##### **(iii) Derecognition of financial liabilities**

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

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

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

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

## MAYBANK MALAYSIA BALANCED FUND

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

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

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 market participants would use when pricing the asset or liability, assuming that 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:

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

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

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

#### 2.7 Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in 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.

## **MAYBANK MALAYSIA BALANCED FUND**

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

#### **2.8 Unitholders' capital (cont'd)**

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.

#### **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 an adjustment 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 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 deposits with a licensed financial institution with original maturity of three months or less which have an insignificant risk of changes in value.

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

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

Interest income from unquoted fixed income securities includes amortisation of premium and accretion of discount, and is recognised using the EIR method.

Interest income from short-term deposits with a licensed financial institution is recognised on the accruals basis using the EIR method.

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 unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation or premium.

Realised gain or loss on disposal of investments are accounted for as the difference between net disposal proceeds and the carrying amounts of the investments.

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

## MAYBANK MALAYSIA BALANCED FUND

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

#### 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. Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

In some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant to the Fund. The Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income.

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

#### 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. INTEREST INCOME

	2021 RM	2020 RM
Interest income from unquoted fixed income securities	1,536,466	1,359,623
Interest income from short-term deposits	130,501	105,287
Amortisation of premium, net of accretion of discount	(291,051)	(85,994)
	<u>1,375,916</u>	<u>1,378,916</u>

## MAYBANK MALAYSIA BALANCED FUND

### 4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is 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.

### 5. TRUSTEE'S FEE

The Trustee's fee is computed daily based on the following table before deducting the Manager's fee and Trustee's fee for that particular day:

NAV of the Fund	Rate p.a. (%)	
	2021	2020
First RM20 million	0.06	0.06
Next RM20 million	0.05	0.05
Next RM20 million	0.04	0.04
Next RM20 million	0.03	0.03
Next RM20 million	0.02	0.02
Any amount in excess of RM100 million	0.01	0.01

### 6. TAXATION

	2021 RM	2020 RM
Tax expense for the financial year:		
Current income tax expense	6,422	7,293

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable income for the financial period. The tax expense for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income and dividend income earned by the Fund is exempted from tax. A reconciliation of income tax expense applicable to net income/(loss) 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 RM	2020 RM
Net income before taxation	3,772,931	1,674,825
Taxation at Malaysian statutory rate of 24% (2020: 24%)	905,503	401,958
Income not subject to tax	(1,238,883)	(1,263,406)
Loss not deductible for tax purposes	-	572,787
Expenses not deductible for tax purposes	333,380	288,661
Income tax at source	6,422	7,293
Tax expense for the financial year	6,422	7,293

## MAYBANK MALAYSIA BALANCED FUND

### 7. FINANCIAL ASSETS AT FVTPL

	Note	2021 RM	2020 RM
Quoted equities	(a)	33,738,010	25,126,456
Unquoted fixed income securities	(b)	28,630,707	29,028,483
		<u>62,368,717</u>	<u>54,154,939</u>

2021	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
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#### (a) Quoted equities

##### Construction

Econpile Holdings Bhd	1,591,100	872,823	620,528	0.89
Gamuda Bhd	196,623	639,321	591,835	0.85
	<u>1,787,723</u>	<u>1,512,144</u>	<u>1,212,363</u>	<u>1.74</u>

##### Consumer Products

Fraser & Neave Holdings Bhd	15,600	533,682	416,520	0.60
Genting Malaysia Bhd	903,500	2,689,778	2,710,500	3.88
Nestle (Malaysia) Bhd	900	123,558	119,790	0.17
	<u>920,000</u>	<u>3,347,018</u>	<u>3,246,810</u>	<u>4.65</u>

##### Energy

Dayang Enterprise Holdings Bhd	474,800	660,835	455,808	0.65
Dialog Group Bhd	309,800	994,073	740,422	1.06
	<u>784,600</u>	<u>1,654,908</u>	<u>1,196,230</u>	<u>1.71</u>

##### Finance

CIMB Group Holdings Bhd	331,342	1,605,966	1,583,815	2.27
Hong Leong Bank Bhd	74,500	1,394,276	1,408,050	2.02
Hong Leong Financial Group Bhd	10,000	190,916	183,000	0.26
Malayan Banking Bhd *	141,619	1,312,905	1,140,033	1.63
Public Bank Bhd	351,515	1,533,297	1,430,666	2.05
RHB Bank Bhd	241,441	1,311,724	1,318,268	1.89
	<u>1,150,417</u>	<u>7,349,084</u>	<u>7,063,832</u>	<u>10.12</u>

**MAYBANK MALAYSIA BALANCED FUND**

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

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Industrial Products</b>				
Ann Joo Resources Bhd	140,100	329,011	339,042	0.49
ATA IMS Bhd	231,700	406,981	611,688	0.88
Dufu Technology Corp. Bhd	242,800	791,216	1,024,616	1.47
Hiap Teck Venture Bhd	658,200	331,930	375,174	0.54
Press Metal Aluminium Holdings Bhd	103,800	263,830	595,812	0.85
Sam Engineering and Equipment (M) Bhd	7,900	56,158	159,580	0.23
Scientex Bhd	122,500	509,809	559,825	0.80
SKP Resources Bhd	242,375	448,762	443,546	0.63
SKP Resources Bhd - Warrant	38,780	-	9,113	0.01
Sunway Bhd	295,200	484,929	498,888	0.71
Sunway Bhd - Preference Shares	59,040	59,040	87,379	0.13
Thong Guan Industries Bhd	34,800	67,030	92,916	0.13
V.S. Industry Bhd	410,800	248,652	653,172	0.94
V.S. Industry Bhd - Warrant	82,160	-	45,188	0.06
	<u>2,670,155</u>	<u>3,997,348</u>	<u>5,495,939</u>	<u>7.87</u>
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	18,716	420,097	376,566	0.54
Sarawak Oil Palms Bhd	132,400	500,908	475,316	0.68
Sime Darby Plantation Bhd	59,708	305,040	213,755	0.31
TSH Resources Bhd	297,300	326,099	330,003	0.47
	<u>508,124</u>	<u>1,552,144</u>	<u>1,395,640</u>	<u>2.00</u>
<b>Real Estate Investment Trust ("REIT")</b>				
Axis REIT	513,743	947,628	976,112	1.40
IGB REIT	514,200	912,822	868,998	1.24
	<u>1,027,943</u>	<u>1,860,450</u>	<u>1,845,110</u>	<u>2.64</u>



**MAYBANK MALAYSIA BALANCED FUND**

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

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Technology</b>				
Frontken Corp Bhd	160,050	164,392	577,781	0.83
Frontken Corp Bhd - Warrant	53,350	-	31,210	0.04
Globetronics Technology Bhd	201,600	472,560	415,296	0.59
Inari Amerton Bhd	293,400	524,940	1,082,646	1.55
Malaysian Pacific Industries Bhd	23,900	229,198	1,085,060	1.55
Pentamaster Corporation Bhd	78,600	233,124	431,514	0.62
Unisem (M) Bhd	100,100	566,604	853,853	1.22
Vitrox Corp Bhd	59,200	522,815	1,184,000	1.69
	<u>970,200</u>	<u>2,713,633</u>	<u>5,661,360</u>	<u>8.09</u>
<b>Telecommunications</b>				
Axiata Group Bhd	275,917	1,270,729	1,078,835	1.54
Telekom (M) Bhd	257,100	1,385,376	1,465,470	2.10
TIME dotCom Bhd	237,600	1,065,493	1,081,080	1.55
	<u>770,617</u>	<u>3,721,598</u>	<u>3,625,385</u>	<u>5.19</u>
<b>Transportation</b>				
Lingkar Trans Kota Holdings Bhd	193,200	818,374	730,296	1.05
MISC Bhd	59,500	399,355	411,145	0.59
	<u>252,700</u>	<u>1,217,729</u>	<u>1,141,441</u>	<u>1.64</u>
<b>Utilities</b>				
Mega First Corporation Bhd	161,800	572,138	593,806	0.85
Tenaga Nasional Bhd	130,175	1,703,202	1,260,094	1.80
	<u>291,975</u>	<u>2,275,340</u>	<u>1,853,900</u>	<u>2.65</u>
<b>Total quoted equities</b>	<b><u>11,134,454</u></b>	<b><u>31,201,396</u></b>	<b><u>33,738,010</u></b>	<b><u>48.30</u></b>

**MAYBANK MALAYSIA BALANCED FUND**

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

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities</b>				
<b>Automotive</b>				
DRB-Hicom - 4.85% / 11.12.2026	900,000	899,993	912,510	1.31
<b>Bank</b>				
Affin Islamic Bank Bhd - 5.05% / 23.10.2028	450,000	450,724	461,313	0.66
Sabah Development Bank - 5.30% / 27.04.2023	700,000	700,500	715,771	1.02
MNRB Holding Bhd - 5.20% / 22.03.2029	400,000	404,250	411,124	0.59
	<u>1,550,000</u>	<u>1,555,474</u>	<u>1,588,208</u>	<u>2.27</u>
<b>Commodities</b>				
Pengurusan Air SPV Bhd - 3.9% / 30.10.2029	2,000,000	2,015,776	2,006,000	2.87
Malaysia Airport Holdings Bhd - 3.30% / 05.11.2027	1,400,000	1,399,970	1,338,092	1.92
Sarawak Energy Bhd - 3.30% / 14.06.2030	1,400,000	1,399,997	1,352,834	1.94
	<u>4,800,000</u>	<u>4,815,743</u>	<u>4,696,926</u>	<u>6.73</u>
<b>Conglomerate</b>				
MMC Corporation Bhd - 5.70% / 24.03.2028	2,000,000	2,076,854	2,179,300	3.12
Guan Chong Bhd - 3.84% / 03.12.2027	200,000	201,084	195,612	0.28
SP Setia Bhd - 4.30% / 23.06.2028	700,000	699,960	704,067	1.01
	<u>2,900,000</u>	<u>2,977,898</u>	<u>3,078,979</u>	<u>4.41</u>

**MAYBANK MALAYSIA BALANCED FUND**

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

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Industrial Products</b>				
OSK Rated Bond Sdn Bhd - 4.39% / 28.04.2028	800,000	800,056	809,176	1.16
<b>Plantation</b>				
Jabatan Pertanian Negeri Pahang - 4.11% / 30.10.2025	2,200,000	2,203,349	2,178,462	3.12
<b>Port</b>				
Penang Port Bhd - 4.48% / 27.12.2029	700,000	738,481	724,689	1.04
<b>Power</b>				
Cypark Ref Sdn Bhd - 5.32% / 30.06.2031	2,300,000	2,342,917	2,435,447	3.49
Tanjung Bin Power Sdn Bhd - 5.28% / 16.08.2027	500,000	511,839	541,370	0.77
Quantum Solar Park Malaysia - 5.16% / 06.10.2022	1,100,000	1,110,890	1,122,572	1.61
	<u>3,900,000</u>	<u>3,965,646</u>	<u>4,099,389</u>	<u>5.87</u>
<b>Property</b>				
Gamuda Land Bhd - 3.75% / 12.08.2027	700,000	699,993	687,715	0.98
IJM Land Bhd - 4.73% / Perpetual	1,350,000	1,350,659	1,334,543	1.91
- 5.65% / Perpetual	1,100,000	1,099,974	1,139,050	1.63
UEM Sunrise Bhd - 4.00% / 09.06.2023	800,000	799,988	803,352	1.15
- 4.30% / 16.02.2026	1,500,000	1,506,481	1,492,260	2.14
- 4.60% / 20.05.2026	800,000	807,919	803,872	1.15

**MAYBANK MALAYSIA BALANCED FUND**

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

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Property (cont'd)</b>				
Sunway Treasury Sukuk Sdn Bhd - 3.55% / 10.09.2024	600,000	600,638	599,958	0.86
	<u>6,850,000</u>	<u>6,865,652</u>	<u>6,860,750</u>	<u>9.82</u>
<b>Public Finance</b>				
Infracap Resources Sdn Bhd - 4.40% / 15.04.2031	1,600,000	1,599,973	1,650,944	2.36
	<u>1,600,000</u>	<u>1,599,973</u>	<u>1,650,944</u>	<u>2.36</u>
<b>Real Estate</b>				
Country Garden Real Estate Bhd - 6.40% / 06.05.2022	1,100,000	1,099,955	1,117,259	1.60
- 6.40% / 18.03.2022	500,000	499,983	506,235	0.72
- 5.25% / 27.03.2025	400,000	400,004	407,180	0.58
	<u>2,000,000</u>	<u>1,999,942</u>	<u>2,030,674</u>	<u>2.90</u>
<b>Total unquoted fixed income securities</b>	<u>28,200,000</u>	<u>28,422,207</u>	<u>28,630,707</u>	<u>40.99</u>
<b>Total FVTPL investments</b>	<u><b>39,334,454</b></u>	<u><b>59,623,603</b></u>	<u><b>62,368,717</b></u>	<u><b>89.29</b></u>
<b>Unrealised loss on FVTPL investments</b>			<u><b>2,745,114</b></u>	
<b>2020</b>				
<b>(a) Quoted equities</b>				
<b>Construction</b>				
Gamuda Bhd	196,623	639,321	686,214	1.19
IJM Corporation Bhd	240,800	528,948	346,752	0.60
	<u>437,423</u>	<u>1,168,269</u>	<u>1,032,966</u>	<u>1.79</u>

## MAYBANK MALAYSIA BALANCED FUND

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities</b>				
<b>Consumer Products</b>				
Ajinomoto (Malaysia) Bhd	6,500	104,591	105,300	0.18
DRB-Hicom Bhd	112,600	214,400	235,334	0.41
Dutch Lady Milk Industries Bhd	9,800	620,340	381,416	0.66
Fraser & Neave Holdings Bhd	17,800	608,945	571,380	0.99
Genting Malaysia Bhd	188,900	668,307	392,912	0.68
Magnum Bhd	57,267	145,142	120,261	0.21
	<u>392,867</u>	<u>2,361,725</u>	<u>1,806,603</u>	<u>3.13</u>
<b>Energy</b>				
Dialog Group Bhd	171,900	513,831	654,939	1.14
Serba Dinamik Holdings Bhd	63,400	146,727	103,976	0.18
Wah Seong Corporation Bhd	441,597	519,207	196,511	0.34
	<u>676,897</u>	<u>1,179,765</u>	<u>955,426</u>	<u>1.66</u>
<b>Finance</b>				
CIMB Group Holdings Bhd	172,825	927,926	532,301	0.92
Hong Leong Bank Bhd	53,300	994,967	801,632	1.39
Hong Leong Financial Group Bhd	10,000	190,916	142,800	0.25
Malayan Banking Bhd *	135,407	1,265,695	977,639	1.70
Public Bank Bhd	46,983	1,067,726	737,633	1.28
RHB Bank Bhd	172,600	908,789	788,782	1.37
	<u>591,115</u>	<u>5,356,019</u>	<u>3,980,787</u>	<u>6.91</u>
<b>Healthcare</b>				
Kossan Rubber Industries Bhd	110,200	803,052	1,507,536	2.62
Supermax Corporation Bhd	189,300	929,428	1,571,190	2.73
	<u>299,500</u>	<u>1,732,480</u>	<u>3,078,726</u>	<u>5.35</u>
<b>Industrial Products</b>				
ATA IMS Bhd	193,500	296,829	338,625	0.59
Cahaya Mata Sarawak Bhd	141,300	480,720	173,799	0.30
Dufu Technology Corp. Bhd	121,600	183,477	397,632	0.69
Press Metal Aluminium Holdings Bhd	114,200	580,528	586,988	1.02
Sam Engineering and Equipment (M) Bhd	12,900	91,700	88,365	0.15

**MAYBANK MALAYSIA BALANCED FUND**

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Industrial Products (cont'd)</b>				
Sunway Bhd	295,200	484,929	404,424	0.70
Thong Guan Industries Bhd	139,900	538,940	723,283	1.26
V.S. Industry Bhd	315,200	381,573	715,504	1.24
	1,333,800	3,038,696	3,428,620	5.95
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	25,016	561,506	570,365	0.99
Sarawak Oil Palms Bhd	156,900	593,599	558,564	0.97
Sime Darby Plantation Bhd	59,400	303,778	299,970	0.52
TSH Resources Bhd	260,200	294,000	247,190	0.43
	501,516	1,752,883	1,676,089	2.91
<b>Real Estate Investment Trust ("REIT")</b>				
Axis REIT	402,885	717,218	870,232	1.51
IGB REIT	283,900	526,241	516,698	0.90
	686,785	1,243,459	1,386,930	2.41
<b>Technology</b>				
Frontken Corp Bhd	221,900	341,881	803,278	1.39
Globetronics Technology Bhd	235,600	552,257	624,340	1.08
Inari Amerton Bhd	382,900	685,070	873,012	1.52
Malaysian Pacific Industries Bhd	45,900	440,176	862,920	1.50
Pentamaster Corporation Bhd	78,600	233,124	377,280	0.66
Vitrox Corp Bhd	90,500	799,236	1,104,100	1.92
	1,055,400	3,051,744	4,644,930	8.07
<b>Telecommunications</b>				
Axiata Group Bhd	185,817	933,224	548,160	0.95
Telekom (M) Bhd	76,990	446,331	317,969	0.55
	262,807	1,379,555	866,129	1.50
<b>Transportation</b>				
Lingkar Trans Kota Holdings Bhd	193,200	818,374	768,936	1.34

**MAYBANK MALAYSIA BALANCED FUND**

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Utilities</b>				
Taliworks Corporation Bhd	678,900	627,496	570,276	0.99
Tenaga Nasional Bhd	88,575	1,256,760	930,038	1.62
	<u>767,475</u>	<u>1,884,256</u>	<u>1,500,314</u>	<u>2.61</u>
<b>Total quoted equities</b>	<b><u>7,198,785</u></b>	<b><u>24,967,225</u></b>	<b><u>25,126,456</u></b>	<b><u>43.63</u></b>
<b>(b) Unquoted fixed income securities</b>				
<b>Automotive</b>				
DRB-Hicom - 4.85% / 11.12.2026	900,000	900,000	917,685	1.59
<b>Bank</b>				
Affin Islamic Bank Bhd - 5.05% / 23.10.2028	1,000,000	1,005,509	1,040,170	1.80
Sabah Development Bank - 5.30% / 27.04.2023	700,000	700,815	742,035	1.29
Public Islamic Bank Bhd - 3.75% / 31.10.2029	1,500,000	1,500,000	1,547,520	2.69
	<u>3,200,000</u>	<u>3,206,324</u>	<u>3,329,725</u>	<u>5.78</u>
<b>Commodities</b>				
Pengurusan Air SPV Bhd - 3.90% / 30.10.2029	1,700,000	1,700,000	1,821,329	3.16
Sarawak Energy Bhd - 3.30% / 14.06.2030	1,400,000	1,400,000	1,425,858	2.48
	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,247,187</u>	<u>5.64</u>
<b>Conglomerate</b>				
MNRB Holdings Bhd - 5.20% / 22.03.2029	400,000	412,662	416,532	0.72
MMC Corporation Bhd - 5.70% / 24.03.2028	2,500,000	2,608,373	2,793,650	4.85
	<u>2,900,000</u>	<u>3,021,035</u>	<u>3,210,182</u>	<u>5.57</u>

**MAYBANK MALAYSIA BALANCED FUND**

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Toll (cont'd)</b>				
ANIH Bhd - 5.22% / 29.11.2022	5,000,000	5,095,668	5,257,900	9.13
PLUS Bhd - 5.00% / 11.01.2030	1,000,000	1,034,549	1,149,050	1.99
	<u>6,000,000</u>	<u>6,130,217</u>	<u>6,406,950</u>	<u>11.12</u>
<b>Port</b>				
Penang Port Bhd - 4.48% / 27.12.2029	700,000	742,422	765,975	1.33
<b>Power</b>				
Cypark Ref Sdn Bhd - 5.32% / 30.06.2031	2,300,000	2,346,277	2,508,794	4.36
Tanjung Bin Power Sdn Bhd - 5.28% / 16.08.2027	500,000	513,551	562,745	0.98
Quantum Solar Park Malaysia - 5.16% / 06.10.2022	1,100,000	1,121,230	1,127,940	1.96
	<u>3,900,000</u>	<u>3,981,058</u>	<u>4,199,479</u>	<u>7.30</u>
<b>Property</b>				
Gamuda Land Bhd - 3.75% / 12.08.2027	700,000	700,000	704,403	1.22
IJM Land Bhd - 4.73% / Perpetual	1,350,000	1,352,623	1,343,075	2.33
- 5.65% / Perpetual	1,100,000	1,100,000	1,151,194	2.00
UEM Sunrise Bhd - 4.00% / 09.06.2023	800,000	800,000	809,384	1.41
	<u>3,950,000</u>	<u>3,952,623</u>	<u>4,008,056</u>	<u>6.96</u>
<b>Real Estate</b>				
Country Garden Real Estate Bhd - 6.40% / 18.03.2022	1,300,000	1,300,000	1,360,099	2.36
- 6.40% / 06.05.2022	1,100,000	1,100,000	1,154,834	2.01
- 5.25% / 27.03.2025	400,000	400,000	428,311	0.74
	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,943,244</u>	<u>5.11</u>



## MAYBANK MALAYSIA BALANCED FUND

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Total unquoted fixed income securities</b>	27,450,000	27,833,679	29,028,483	50.40
<b>Total FVTPL investments</b>	<b>34,648,785</b>	<b>52,800,904</b>	<b>54,154,939</b>	<b>94.03</b>
<b>Unrealised gain on FVTPL investments</b>			<b>1,354,035</b>	

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

### 8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2021 RM	2020 RM
Short-term placement with a licensed financial institution - less than 3 months	7,415,000	3,293,000

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
Deposits with maturity of: - less than 3 months	1.60	1	1.75	1

### 9. AMOUNT DUE TO MANAGER

	Note	2021 RM	2020 RM
Amount due to Manager is in respect of:			
Manager's fee	(i)	86,696	70,856
Cancellation of units	(ii)	68,506	15,811
		<b>155,202</b>	<b>86,667</b>

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

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

## MAYBANK MALAYSIA BALANCED FUND

### 10. AMOUNT DUE TO TRUSTEE

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

### 11. TOTAL EQUITY

	Note	2021 RM	2020 RM
Unitholders' capital	(a)	131,603,134	121,311,471
Accumulated realised losses	(b)	(54,109,640)	(54,693,272)
Accumulated unrealised losses	(c)	(7,635,692)	(9,026,771)
		<u>69,857,802</u>	<u>57,591,428</u>

#### (a) Unitholders' capital

	2021		2020	
	Units	RM	Units	RM
At the beginning of the financial year	76,343,650	121,311,471	83,731,532	126,704,802
Creation of units	15,382,991	12,006,508	59,097	44,295
Reinvestment of units	2,261,348	1,764,535	-	-
Cancellation of units	(4,461,113)	(3,506,643)	(7,446,979)	(5,437,626)
Distribution (Note 12)	-	27,263	-	-
At the end of the financial year	<u>89,526,876</u>	<u>131,603,134</u>	<u>76,343,650</u>	<u>121,311,471</u>

As at the end of the financial year, there were no units held by the Manager or other parties related to the Manager (2020: nil).

#### (b) Accumulated realised losses

	2021 RM	2020 RM
At the beginning of the financial year	(54,693,272)	(53,275,726)
Net realised income/(loss) for the financial year	2,375,430	(1,417,546)
Distribution out of realised reserve (Note 12)	(1,791,798)	-
At the end of the financial year	<u>(54,109,640)</u>	<u>(54,693,272)</u>

#### (c) Accumulated unrealised losses

	2021 RM	2020 RM
At the beginning of the financial year	(9,026,771)	(12,111,849)
Net unrealised income for the financial year	1,391,079	3,085,078
At the end of the financial year	<u>(7,635,692)</u>	<u>(9,026,771)</u>

## MAYBANK MALAYSIA BALANCED FUND

### 12. DISTRIBUTION

The sources of distribution to the unitholders in the current financial year are as follows:

	<b>2021</b>
	<b>RM</b>
Interest income	897,918
Dividend income	620,569
Net realised gains on sale of investments	942,409
Less: Expenses	(669,099)
Distributions out of realised income	<u>1,791,797</u>
Effects of distribution equalisation (Note 11(a))	(27,263)
Distributions for the financial year	<u>1,764,534</u>

The details of the distribution declared in the current financial year is as follows:

Gross/Net distribution per unit (sen)	2.02
Distribution date (ex-date)	27 September 2021

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

The Fund did not declare any distribution in the previous financial year ended 30 September 2020.

The Fund has unrealised losses brought forward and recognised unrealised loss for the current financial year as disclosed in Note 11(c) above.

### 13. TRANSACTIONS WITH BROKERS / DEALERS

Transactions of brokers/dealers for the current and previous financial year are as follows:

	<b>Value of</b>	<b>Percentage of</b>	<b>Brokerage</b>	<b>Percentage of</b>
	<b>Trade</b>	<b>Total Trade</b>	<b>Fees</b>	<b>Brokerage</b>
<b>2021</b>	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>Fees</b>
				<b>%</b>
Alliance Investment Bank Bhd	12,060,181	19.86	12,206	23.70
MBB *	9,500,000	15.65	-	-
Affin Hwang Investment Bank Bhd	9,329,853	15.37	5,360	10.41
CIMB Investment Bank Bhd	5,252,061	8.65	5,808	11.28
RHB Investment Bank Bhd	5,048,342	8.31	-	-
MIDF Amanah Investment Bank Bhd	3,617,365	5.96	3,710	7.20
Hong Leong Bank Bhd	3,571,396	5.88	5,253	10.20
TA Securities Holdings Bhd	2,994,403	4.93	2,994	5.81
Public Investment Bank Bhd	2,719,724	4.48	5,439	10.56
UOB Kay Hian Securities (M) Sdn Bhd	2,594,978	4.27	5,218	10.13
Others	4,030,992	6.64	5,515	10.71
	<u>60,719,295</u>	<u>100.00</u>	<u>51,503</u>	<u>100.00</u>

## MAYBANK MALAYSIA BALANCED FUND

### 13. TRANSACTIONS WITH BROKERS / DEALERS (CONT'D)

Transactions of brokers/dealers for the current and previous financial year are as follows: (cont'd)

	Value of Trade RM	Percentage of Total Trade %	Brokerage Fees RM	Percentage of Brokerage Fees %
<b>2020</b>				
RHB Investment Bank Bhd	16,400,000	24.55	-	-
MIBB**	7,700,000	11.53	-	-
UOB Kay Hian Securities (M) Sdn Bhd	4,339,797	6.50	8,707	14.22
TA Securities Bhd	4,274,385	6.40	4,324	7.06
Affin Hwang Investment Bank Bhd	4,090,697	6.12	8,214	13.41
Kenanga Investment Bank Bhd	3,760,428	5.63	7,562	12.35
Nomura Securities (M) Sdn Bhd	3,638,357	5.45	7,277	11.88
Public Investment Bank Bhd	3,023,080	4.53	6,046	9.87
Hong Leong Bank Bhd	2,500,000	3.74	-	-
CIMB Islamic Bank Bhd	2,000,000	2.99	-	-
Others	15,074,182	22.57	19,118	31.21
	<u>66,800,926</u>	<u>100.00</u>	<u>61,248</u>	<u>100.00</u>

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

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

### 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 following is the significant related party transaction and balances of the Fund during the financial year.

	2021 RM	2020 RM
(i) Significant related party transactions		
<u>MBB</u>		
Interest income from deposits	83,380	103,873
Dividend income	110,981	52,809
	<u>194,361</u>	<u>156,682</u>
<u>MIB</u>		
Interest income from deposits	<u>47,121</u>	<u>-</u>

## MAYBANK MALAYSIA BALANCED FUND

### 14. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES (CONT'D)

(ii) Significant related party balances

<u>MBB</u>		
Deposit with a licensed financial institution	7,415,000	3,293,000
Interest receivables	325	158
	<u>7,415,325</u>	<u>3,293,158</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 with unrelated parties.

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

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. For the financial year ended 30 September 2021, the MER of the Fund stood at 1.96% (2020: 1.95%).

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

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial year ended 30 September 2021, the PTR of the Fund stood at 0.43 times (2020: 0.59 times).

### 17. SEGMENT INFORMATION

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

The PMC is responsible for the performance of the Fund by investing between 40% to 58% of the Fund's assets in equities, 40% to 58% in fixed income securities and minimum of 2% of the Fund's assets in liquid assets.

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

The internal reporting 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.

## MAYBANK MALAYSIA BALANCED FUND

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

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to Note 2.14 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 assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Assets</b>				
Financial assets at FVTPL	62,368,717	-	-	62,368,717
Deposit with a licensed financial institution	-	7,415,000	-	7,415,000
Interest receivable	-	340,462	-	340,462
Dividend receivable	-	123,771	-	123,771
Cash at bank	-	19,195	-	19,195
<b>Total financial assets</b>	<b>62,368,717</b>	<b>7,898,428</b>	<b>-</b>	<b>70,267,145</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	155,202	155,202
Amount due to Trustee	-	-	2,720	2,720
Other payables and accruals	-	-	251,421	251,421
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>409,343</b>	<b>409,343</b>
<b>2020</b>				
<b>Assets</b>				
Financial assets at FVTPL	54,154,939	-	-	54,154,939
Deposit with a licensed financial institution	-	3,293,000	-	3,293,000
Interest receivable	-	336,747	-	336,747
Dividend receivable	-	43,449	-	43,449
Cash at bank	-	12,216	-	12,216
<b>Total financial assets</b>	<b>54,154,939</b>	<b>3,685,412</b>	<b>-</b>	<b>57,840,351</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	86,667	86,667
Amount due to Trustee	-	-	2,381	2,381
Other payables and accruals	-	-	159,875	159,875
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>248,923</b>	<b>248,923</b>

## MAYBANK MALAYSIA BALANCED FUND

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

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

The Fund's financial instruments at FVTPL are measured at fair value.

##### Quoted equities

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

##### Unquoted fixed income equities

Local unquoted fixed income securities denominated in RM are revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency ("BPA") as per SC's Guidelines on Unit Trust Funds.

#### (c) 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.

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

#### (d) 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
<b>2021</b>				
Quoted equities	33,738,010	-	-	33,738,010
Unquoted fixed income securities	-	28,630,707	-	28,630,707
<b>2020</b>				
Quoted equities	25,126,456	-	-	25,126,456
Unquoted fixed income securities	-	29,028,483	-	29,028,483

## MAYBANK MALAYSIA BALANCED FUND

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

#### (a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is 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, SC's Guidelines on Unit Trust Funds and CMSA.

#### (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 interest rates, foreign exchange rates and equity prices. The Fund is not exposed to foreign currency risk as it does not hold any financial assets denominated in foreign currency as at reporting date.

##### (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 and NAV 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 NAV Increase/ (Decrease) RM	Changes in equity price %	Effects on NAV Increase/ (Decrease) RM
Quoted equities	+ 5	1,686,901	+ 5	1,256,323
	- 5	(1,686,901)	- 5	(1,256,323)

The impact to the Fund's NAV and income/(loss) after taxation is expected to be the same.

##### 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 7 to the financial statements.



## MAYBANK MALAYSIA BALANCED FUND

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

#### (b) Market risk (cont'd)

##### (ii) Interest rate risk

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

##### Interest rate risk sensitivity

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

	2021		2020	
	Changes in interest rates %	Effects on NAV Increase/ (Decrease) RM	Changes in interest rates %	Effects on NAV Increase/ (Decrease) RM
Unquoted fixed	+1	(1,329,530)	+1	(1,314,924)
income securities	-1	1,423,568	-1	1,412,230

The impact to the Fund's NAV and income/(loss) after taxation is expected to be the same.

The Fund's deposits with licensed financial institutions carry a fixed rate and therefore is not affected by movements in market interest rates.

#### (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.

## MAYBANK MALAYSIA BALANCED FUND

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

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

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
<b>Financial assets</b>			
Financial assets at FVTPL	40,315,400	22,053,317	62,368,717
Deposit with a licensed financial institution	7,415,000	-	7,415,000
Interest receivable	7,080	333,382	340,462
Dividend receivable	123,771	-	123,771
Cash at bank	19,195	-	19,195
Total undiscounted financial assets	<u>47,880,446</u>	<u>22,386,699</u>	<u>70,267,145</u>
<b>Financial liabilities and unitholders' equity</b>			
Amount due to Manager	155,202	-	155,202
Amount due to Trustee	2,720	-	2,720
Other payables and accruals	251,421	-	251,421
Unitholders' equity	69,857,802	-	69,857,802
Total undiscounted financial liabilities and unitholders' equity	<u>70,267,145</u>	<u>-</u>	<u>70,267,145</u>
Liquidity (gap)/surplus	<u>(22,386,699)</u>	<u>22,386,699</u>	<u>-</u>
<b>2020</b>			
<b>Financial assets</b>			
Financial assets at FVTPL	25,126,456	29,028,483	54,154,939
Deposit with a licensed financial institution	3,293,000	-	3,293,000
Interest receivable	27,838	308,909	336,747
Dividend receivable	43,449	-	43,449
Cash at bank	12,216	-	12,216
Total undiscounted financial assets	<u>28,502,959</u>	<u>29,337,392</u>	<u>57,840,351</u>
<b>Financial liabilities and unitholders' equity</b>			
Amount due to Manager	86,667	-	86,667
Amount due to Trustee	2,381	-	2,381
Other payables and accruals	159,875	-	159,875
Unitholders' equity	57,591,428	-	57,591,428
Total undiscounted financial liabilities and unitholders' equity	<u>57,840,351</u>	<u>-</u>	<u>57,840,351</u>
Liquidity (gap)/surplus	<u>(29,337,392)</u>	<u>29,337,392</u>	<u>-</u>

## MAYBANK MALAYSIA BALANCED FUND

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

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

##### 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.

##### (iii) Unitholders' capital

The unitholders can request for redemption on their units by giving the Manager a T+10 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 cause a financial loss for the Fund by failing to discharge an obligation. 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 payments of interest and dividends, 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 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 MALAYSIA BALANCED FUND

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

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

##### (ii) Credit quality of financial assets

Besides investing in quoted equities, the Manager is also eligible to invest in liquid assets including money market instruments issued by Malaysian issuers and Malaysian financial institutions and placement in licensed financial institutions. There will be no minimum rating stipulated for the licensed financial institutions on the placement in deposits.

##### (iii) Credit risk concentration

The following table analyses the Fund's investment in unquoted fixed income securities, deposits with financial institutions, interest receivable and cash at bank by rating categories. The rating is obtained from RAM Holdings Bhd's official website.

	2021		2020	
	RM	Percentage of NAV %	RM	Percentage of NAV %
<b>Financial assets</b>				
AAA	13,880,300	19.87	7,754,212	12.65
AA	8,817,643	12.62	-	-
A	925,545	1.32	-	-
AA1	731,729	1.05	2,329,246	3.80
AA2	544,697	0.78	5,913,283	9.64
AA3	6,401,035	9.16	10,610,675	17.30
A1	411,637	0.59	3,566,009	5.82
A2	2,476,166	3.54	2,497,021	4.07
Non rated	2,216,612	3.17	-	-
	<u>36,405,364</u>	<u>52.10</u>	<u>32,670,446</u>	<u>53.28</u>

### 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:

- To invest in investments meeting the description, risk exposure and expected returns as indicated in its prospectus;
- To achieve consistent returns while safeguarding capital by using various investment strategies;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- 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 and previous financial year.