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# **MAYBANK MALAYSIA BALANCED-I FUND**

**Annual report**  
**For the financial year ended 30 November 2021**

## **CORPORATE INFORMATION**

### **MANAGER**

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

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### **EXTERNAL INVESTMENT MANAGER**

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Dataran Maybank

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### **TRUSTEE**

AmanahRaya Trustees Berhad (200701008892) (766894-T)

Tingkat 14, Wisma AmanahRaya

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### **SHARIAH ADVISER**

Maybank Islamic Berhad (200701029411)(787435-M)

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## **MAYBANK MALAYSIA BALANCED-I FUND**

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## **MAYBANK MALAYSIA BALANCED-I FUND**

### **Manager's report**

**For the financial year ended 30 November 2021**

#### **A. Fund Information**

**1. Name of the Fund**

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

**2. Type of Fund**

Income and Growth fund (Shariah)

**3. Category of Fund**

Balanced fund

**4. Duration of the Fund**

The Fund is an open-ended Fund.

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

17 September 2002 / 8 October 2002

**6. Fund's investment objective**

The investment objective of the Fund is to attain a mix of regular income stream and possible capital growth via investments in Shariah-compliant listed equities, sukuk and other assets that are permissible under the Shariah Principles.

**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, as may be determined by the Manager subject to the approval from the trustee. Distribution declared, if any, will be reinvested as additional units without sales charge.

**8. Fund's performance benchmark**

A combination of:

- 50% of the FTSE Bursa Malaysia EMAS Shariah Index ("FBMS Index") and
- 50% of the Maybank 12 months General Investment Account-i ("GIA-i") tier 1 rate

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

The Fund invests in an optimal mix of assets comprising of Islamic equities, sukuk and Islamic money market instruments.

The principal activity of the Fund is to invest between 40% to 58% of the Fund's assets in Shariah-compliant equities, between 40% to 58% in sukuk and Islamic money market instruments and minimum of 2% in Islamic liquid assets.

## MAYBANK MALAYSIA BALANCED-I FUND

### Manager's report

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

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

##### 10. Net income distribution for the financial year ended 30 November 2021

The Fund distributed a total net income of RM831,288 to unitholders for the financial year ended 30 November 2021.

Below are the details of distribution declared during the financial year:

Distribution date	Gross/Net distribution per unit (sen)
26 November 2021	1.43

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

Distribution date	Before distribution (RM)	After distribution (RM)	Changes %
26 November 2021	0.5503	0.5360	(2.60)

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

###### Fund size

As at 30 November 2021, the size of the Fund was 59,675,485 units.

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

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	589	56.10	1,498	2.51
5,001 to 10,000 units	139	13.24	1,095	1.83
10,001 to 50,000 units	242	23.05	5,755	9.64
50,001 to 500,000 units	74	7.05	8,529	14.29
500,001 units and above	6	0.56	42,798	71.73
<b>Total</b>	<b>1,050</b>	<b>100.00</b>	<b>* 59,675</b>	<b>100.00</b>

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

## MAYBANK MALAYSIA BALANCED-I FUND

### Manager's report

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

### B. Performance Review

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

Category	FY2021	FY2020	FY2019
<b>Portfolio</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Quoted equities - local</b>			
Construction	2.42	2.31	2.58
Consumer Products	2.61	3.22	8.37
Energy	2.71	1.87	2.77
Financial Services	5.20	0.85	1.85
Healthcare	1.23	4.63	2.84
Industrial Products & Services	8.98	2.78	0.69
Plantation	2.74	3.27	4.70
Properties	-	-	0.51
Real Estate Investment Trust ("REITs")	-	2.89	4.72
Technology	14.57	5.51	2.44
Telecommunication	6.26	2.59	-
Transportation & Logistics	3.35	2.46	3.08
Utilities	3.21	2.17	3.43
<b>Total quoted equities - local</b>	<b>53.28</b>	<b>34.55</b>	<b>37.98</b>
<b>Sukuk - local</b>			
Construction	2.83	3.18	3.72
Consumer Products	2.50	3.16	-
Energy	1.79	2.11	3.55
Financial Services	4.58	3.05	16.55
Plantation	2.46	2.78	-
Properties	8.41	3.86	3.83
Real Estate	4.82	4.46	4.27
Transportation & Logistics	3.28	7.87	3.50
Utilities	10.94	11.73	10.73
<b>Total sukuk - local</b>	<b>41.61</b>	<b>42.20</b>	<b>46.15</b>
Cash and other net assets	5.11	23.25	15.87
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## MAYBANK MALAYSIA BALANCED-I FUND

### Manager's report

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

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

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

Category	FY2021	FY2020	FY2019
NAV (RM'000)	31,984	28,817	24,849
Units in circulation (units'000)	59,675	50,493	47,051
NAV per unit (RM)	0.5360	0.5707	0.5281
Highest NAV per unit (RM)	0.5840	0.5882	0.5491
Lowest NAV per unit (RM)	0.5323	0.4676	0.5042
Net income distributed (RM)	831,288	713,870	461,956
Distribution date	26/11/2021	23/11/2020	28/11/2019
Gross/Net distribution per unit (sen)	1.43	1.00	1.00
Annual total return (%) <sup>(1)</sup>			
- Capital growth (%)	(6.08)	8.01	3.24
- Income distribution (%)	2.67	2.56	1.89
Total return (%)	(3.57)	10.77	5.20
Benchmark (%)	(2.70)	7.52	1.70
Management Expense Ratio ("MER") (%) <sup>(2)</sup>	1.44	1.47	1.53
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.48	0.76	0.82

#### Notes:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's MER decreased due to higher average NAV 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 is not necessarily an indicative of its future performance and that unit prices and investment returns may fluctuate.*

##### 2. Performance of the Fund up to 30 November 2021

Category	1 year to 30.11.2021 %	3 years to 30.11.2021 %	5 years to 30.11.2021 %
Capital growth	(6.08)	4.73	(0.45)
Income distribution	2.67	7.29	11.34
Total return of the Fund	(3.57)	12.37	10.84
Benchmark	(2.70)	6.39	8.99
Average total return	(3.57)	3.96	2.08

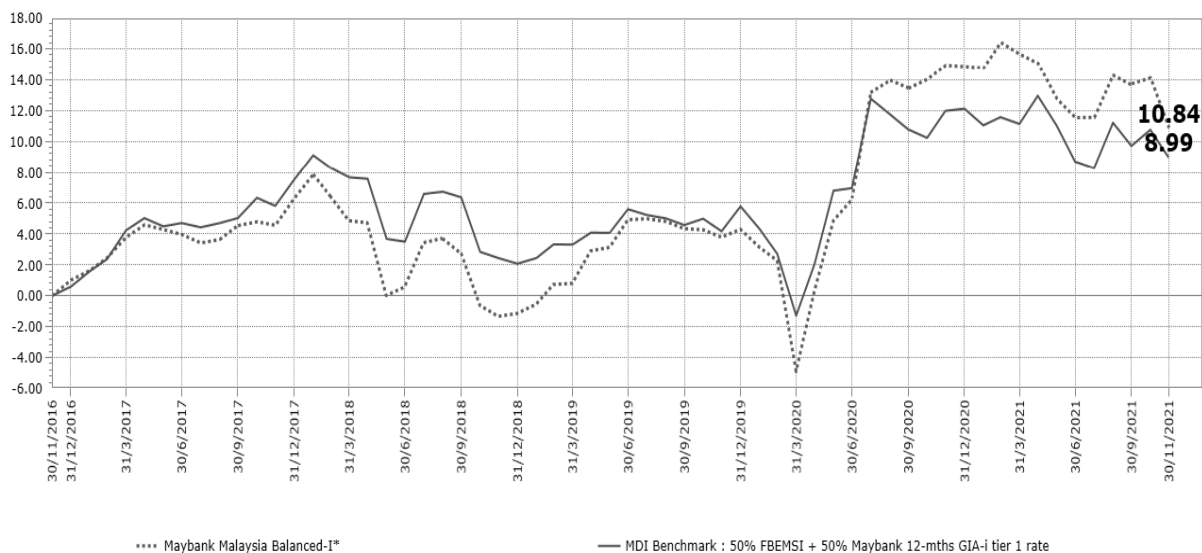
## MAYBANK MALAYSIA BALANCED-I FUND

### Manager's report

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

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

#### 2. Performance of the Fund up to 30 November 2021 (cont'd)



Source : Lipper, as at 30 November 2021

#### Has the Fund met its objective?

The Fund aims to provide a balance between income and long-term capital appreciation. The Fund posted a gain of 10.84% over a 5-year period compared to its benchmark, which posted a gain of 8.99%. 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	30.11.2021 %	30.11.2020 %	30.11.2019 %	30.11.2018 %	30.11.2017 %
Capital growth	(6.08)	8.01	3.24	(5.69)	2.71
Income distribution	2.67	2.56	1.89	-	1.89
Total return	(3.57)	10.77	5.20	(5.69)	4.60
Benchmark	(2.70)	7.52	1.70	(3.19)	5.94



## MAYBANK MALAYSIA BALANCED-I FUND

### Manager's report

For the financial year ended 30 November 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

#### Fixed Income market review

The Malaysian bond market started the period under review somewhat supported going into 2021 as Standard & Poor's ("S&P") and Moody's retained their 'A3' rating for Malaysia. However, Malaysian bond market weakened in 1Q2021, driven mainly by the rising United States 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 Coronavirus disease 2019 ("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 Issues ("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-I FUND

### Manager's report

For the financial year ended 30 November 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. 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 Parliaments ("MP"). The bond market sold off again in September 2021 amidst rising global yields as global central banks turned hawkish on monetary policy outlook, with United States ("US") Federal Reserves ("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 2021. The sell-off continued in October 2021 amidst sustained increase in global bond yields as major central banks signal monetary policy normalization, as well as high inflation outlook on pent-up demand. Corporate bonds also saw yields increasing as it laggardly adjusts to govies' yields.

Bond market recovered in November 2021 as yields were down between 2.3 bps to 19.6 basis points month-on-month in a flattening manner as market players reacted to the weaker than expected 3Q 2021 GDP numbers (-4.5% against consensus' -2.6%). The accompanying Bank Negara Malaysia ("BNM") statement on being mindful of any premature withdrawal of support to the market was seen as dovish, and bets for any OPR hikes during 1H2022 were pared. Demand for govies continued to be supported as risk-off mode took place due to concerns on the new Covid-19 variant, named Omicron, which was feared could impact the pace of economic recovery globally. Meanwhile, corporate bonds also traded firmer with yields down by between 1.0 to 15 bps month-on-month. Year to date ("YTD") as of 30 November 2021, the BPAM All Sukuk Index fell by -1.07%, which is the first time the index is posting negative returns in almost 15 years.

##### Equity market review

During the period under review, equity markets posted positive performances with the US markets hitting new highs. The Nasdaq, S&P 500 and the Dow Jones registered stellar gains of 27.4%, 26.1% and 16.3% respectively during the period. Over in Europe, the Stoxx 50 and the German Dax returned 16.3% and 13.6% respectively for the period. Within North Asia, Taiwan was the clear outperformer, gaining 27.0%, while South Korea, Nikkei, and Shanghai registered return of 9.6%, 5.3% and 5.1% respectively. Hong Kong equity performed poorly, declining 10.9% during the period due to the regulatory and geopolitical concerns. In Asia, India was the top performer, gaining 29.3%, followed by Indonesia's 16.4% return. Thailand, Singapore, and Philippines gained 11.4%, 8.4% and 6.0% respectively during the period. However, Malaysia declined 3.1% and joined Hong Kong as the only two decliners in Asia.

## MAYBANK MALAYSIA BALANCED-I FUND

### Manager's report

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

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

##### Equity market review (cont'd)

Domestically, Malaysia underperformed the other markets, with Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") and the broader market Financial Times Stock Exchange ("FTSE") Bursa Malaysia ("FBM") Emas Index posting loss of 3.1% and 2.2% for the period. Meanwhile, the FBM SmallCap Index managed to register a gain of 7.7% for the period as retail participation continue to be high amidst the low interest rate environment, supporting the performance for smaller cap companies. In the 11 months of the year, foreign funds have taken out RM2.0bln from the equity market despite a massive outflow of RM24.6bln for the year 2020.

Massive fiscal stimulus by Governments around the world and the monetary measures by the US Fed continue to lift markets, coupled with the positive development on the Covid-19 vaccines. By December 2020, a few vaccines had positive trial results and high efficacy. The prospect of activities returning more rapidly to pre-pandemic level boosted investors sentiment, closing the last month of 2020 positively in most markets. 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 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. Sentiment did not improve in the following month as equity markets fell as various issues impacted investor sentiment with the key concerns mainly on the slowdown in economic growth. Positively, corporate earnings during the August reporting season were encouraging which led equity markets higher, in addition to the Federal Reserve indicated hesitancy to tightened policy too soon.

By 3Q2021, equities broadly produced little gain the biggest correction seen in September 2021 that generally erased gains from earlier months as inflation and growth concerns hit the equity markets lower. This spilled over into the Asia which also was driven by the sell-off in China due to concerns over distressed property developer, Evergrande. This was aggravated with the investor sentiment weakened by the government's regulatory crackdown, economic slowdown, and the implications of the "Common Prosperity" policy. After a poor equity performance in the previous months, equity markets rebounded in October 2021. Corporate earnings results again were positive with encouraging guidance driven by recovery in demand. However, corporates were quick to highlight the current logistics and supply issue disruption as major risks while labour costs are rising. Economic data in the US also suggests a slowdown but did not change the Federal Reserve initial target to taper by mid of 2022 with the high inflation data are still considered transitory. Over in the Asia, shares also gained by positive earnings and the decline in Covid-19 cases broadly in the region. However, shares retraced from previous gains due to the weaker investor sentiment due to the higher inflation worries and re-escalation of geopolitical concerns between US and China. Just as the global economies re-opened beginning November 2021, it was emerged that a new coronavirus variant was discovered in South Africa. As a result, countries began to impose travel bans from the region. Equity markets were broadly sold-off as there is uncertainty on the new variant whether it has higher damaging effects of transmissible rates.

## MAYBANK MALAYSIA BALANCED-I FUND

### Manager's report

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

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

##### Fixed income market outlook & strategy

After a weaker than expected 3Q 2021 GDP growth (-4.5% against consensus' -2.60%), GDP growth is expected to rebound in 4Q 2021 onwards, as lockdown measures are relaxed, and economy sectors reopens. We expect bond yield curve to move higher on continued economic recovery. Central banks globally have also turned more hawkish on monetary policy outlook. Despite this, 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.

We expect a better year for fixed income returns in 2022, coming out of negative return in 2021. Absolute yields have now become more attractive after the sell-off, providing a good entry level for yield accretion for the fund. Hence, strategy wise, we believe our preference for corporate bonds (which they are less volatile and provide higher yields compared to govvsies) and strong credit selection will continue to protect our portfolio. We prefer strong AA-rated and A-rated papers for yield pickup and potential long-term upgrade. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields, as well as bonds in the secondary market that has oversold.

##### Equities Market Outlook and Strategy

While we do not expect another repeat of equity sell-down at the beginning of the pandemic (1Q2020), we have turned slightly less positive in the near-term. Notwithstanding the impact of the "prosperity" tax and political noises from the upcoming state elections, the uncertainty of the new omicron variant has clouded the outlook for the economic recovery. In any case, we believe the current downside risks may be limited to external risks (such as inflation, speed of tapering and potentially slower-than-expected global growth next year) and have reflected most of the domestic risks.

We remain focus on the recovery and the structural theme. For recovery theme, we position ourselves in cyclical sectors such as Financials and materials. We continue to look for stocks that will benefit from the economic recovery. For structural theme, we maintain our preference on technology sector as the prospects of 5G Infrastructure and accelerated digitalization post Covid-19 pandemic remains intact.

## **MAYBANK MALAYSIA BALANCED-I FUND**

### **Manager's report**

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

#### **E. Soft Commissions and Rebates**

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

During the financial year ended 30 November 2021, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assists 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-I FUND FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021**

We, Amanahraya Trustees Berhad, have acted as Trustee of Maybank Malaysia Balanced-I Fund ("the Fund") for the financial year ended 30 November 2021. In our opinion, Maybank Asset Management Sdn Bhd, the Manager, has operated and managed the Fund in accordance with the limitations imposed on the investment powers of the management company under the Deeds, securities laws and the applicable Guidelines on Unit Trust Funds for the financial year ended 30 November 2021.

We are also of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirements
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements; and
- (c) The distribution to the unitholders during the financial year ended 30 November 2020 are consistent with the objectives of the Fund.

Yours faithfully

**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Chief Executive Officer

Kuala Lumpur, Malaysia

14 January 2022

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED-I FUND FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 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-I Fund as at 30 November 2021 and of its results, changes in equity to unitholders and cash flows for the financial year ended 30 November 2021 and comply with the requirements of the Deed.

For and on behalf of the Manager

**Dato' Idris Bin Kechot**  
Chairman

**Ahmad Najib Bin Nazlan**  
Director

Kuala Lumpur, Malaysia  
20 January 2022

## **REPORT OF THE SHARIAH ADVISER**

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

We hereby confirm the following: .

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

For and on behalf of  
**Maybank Islamic Berhad**

**Dr Aznan Bin Hasan**  
Chairman of the Shariah Committee of Maybank Islamic Berhad

Kuala Lumpur, Malaysia  
20 January 2022



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

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

#### *Opinion*

We have audited the financial statements of Maybank Malaysia Balanced-I Fund ("the Fund"), which comprise the statement of financial position as at 30 November 2021 of the Fund, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 18 to 58.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2021, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

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

#### *Independence and other ethical responsibilities*

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

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

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-I Fund**

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

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

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

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

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

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

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

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

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

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

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

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

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

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

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

**Other matters**

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

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

Kuala Lumpur, Malaysia  
20 January 2022

Yeo Beng Yean  
03013/10/2022 J  
Chartered Accountant

# MAYBANK MALAYSIA BALANCED-I FUND

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

	Note	2021 RM	2020 RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		363,531	312,344
Profit income	3	634,841	623,009
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")			
- Unrealised (loss)/gain		(876,405)	1,716,754
- Realised (loss)/gain		(784,271)	615,456
		<u>(662,304)</u>	<u>3,267,563</u>
<b>EXPENSES</b>			
Manager's fee	4	383,458	315,872
Trustee's fee	5	25,564	21,058
Auditors' remuneration		9,385	8,441
Tax agent's fee		3,900	3,847
Shariah advisory fee		6,525	8,500
Brokerage and other transaction fees		65,564	49,557
Administrative expenses		31,643	27,941
		<u>526,039</u>	<u>435,216</u>
<b>Net (loss)/income before taxation</b>		(1,188,343)	2,832,347
Taxation	6	(933)	(2,652)
<b>Net (loss)/income after taxation, representing total comprehensive (loss)/income for the financial year</b>		<u>(1,189,276)</u>	<u>2,829,695</u>
<b>Net (loss)/income after taxation is made up of the following:</b>			
Net realised (loss)/income		(312,871)	1,112,941
Net unrealised (loss)/income		(876,405)	1,716,754
		<u>(1,189,276)</u>	<u>2,829,695</u>
<b>Distribution for the financial year:</b>			
Net distribution	13	831,288	713,870
Gross/Net distribution per unit (sen)		1.43	1.00
Distribution date (ex-date)		26/11/2021	23/11/2020

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

# MAYBANK MALAYSIA BALANCED-I FUND

## STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2021

	Note	2021 RM	2020 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	30,338,502	22,116,755
Shariah-compliant deposits with licensed Islamic financial institutions	8	1,481,880	6,254,016
Dividend receivable		5,453	16,247
Profit income receivable		140,587	130,536
Amount due from brokers	9	96,387	348,326
Cash at bank		1,121	35,076
<b>TOTAL ASSETS</b>		<b>32,063,930</b>	<b>28,900,956</b>
<b>LIABILITIES</b>			
Amount due to Manager	10	35,849	28,118
Amount due to Trustee	11	2,118	1,875
Other payables and accruals		41,870	54,082
<b>TOTAL LIABILITIES</b>		<b>79,837</b>	<b>84,075</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>31,984,093</b>	<b>28,816,881</b>
<b>EQUITY</b>			
Unitholders' capital	12(a)	32,228,744	26,776,499
(Accumulated losses)/Retained earnings	12(b)&(c)	(244,651)	2,040,382
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>		<b>31,984,093</b>	<b>28,816,881</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	12	<b>59,675,485</b>	<b>50,492,714</b>
<b>NAV PER UNIT (RM)</b>		<b>0.5360</b>	<b>0.5707</b>

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

**MAYBANK MALAYSIA BALANCED-I FUND**

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

	<b>Unitholders' capital Note 12 (a) RM</b>	<b>(Accumulated losses)/ Retained earnings Note 12(b) &amp;(c) RM</b>	<b>Total equity RM</b>
At 1 December 2020	26,776,499	2,040,382	28,816,881
Total comprehensive loss for the financial year	-	(1,189,276)	(1,189,276)
Creation of units	7,446,393	-	7,446,393
Reinvestment of units	831,288	-	831,288
Cancellation of units	(3,089,905)	-	(3,089,905)
Distribution (Note 13)	264,469	(1,095,757)	(831,288)
At 30 November 2021	<u>32,228,744</u>	<u>(244,651)</u>	<u>31,984,093</u>
At 1 December 2019	24,915,913	(66,606)	24,849,307
Total comprehensive income for the financial year	-	2,829,695	2,829,695
Creation of units	2,791,592	-	2,791,592
Reinvestment of units	713,870	-	713,870
Cancellation of units	(1,653,713)	-	(1,653,713)
Distribution (Note 13)	8,837	(722,707)	(713,870)
At 30 November 2020	<u>26,776,499</u>	<u>2,040,382</u>	<u>28,816,881</u>

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

**MAYBANK MALAYSIA BALANCED-I FUND**

**AUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021**

	<b>2021 RM</b>	<b>2020 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of financial assets at FVTPL	10,626,141	20,242,184
Net payment for purchase of financial assets at FVTPL	(19,934,357)	(19,514,786)
Profit income received	234,675	583,172
Net dividend received	373,397	306,451
Manager's fee paid	(379,808)	(312,375)
Trustee's fee paid	(25,320)	(20,852)
Other expenses paid	(61,387)	(38,726)
Net cash (used in)/generated from operating and investing activities	<u>(9,166,659)</u>	<u>1,245,095</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	7,446,393	2,791,589
Payments for cancellation of units	(3,085,825)	(1,663,420)
Net cash generated from financing activities	<u>4,360,568</u>	<u>1,128,169</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS OF THE FINANCIAL YEAR</b>	(4,806,091)	2,373,264
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>6,289,092</u>	<u>3,915,828</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>1,483,001</u>	<u>6,289,092</u>
Cash and cash equivalents comprise:		
Cash at bank	1,121	35,076
Shariah-compliant deposits with a licensed Islamic financial institution (Note 8)	<u>1,481,880</u>	<u>6,254,016</u>
	<u>1,483,001</u>	<u>6,289,092</u>

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



## **MAYBANK MALAYSIA BALANCED-I FUND**

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

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

Maybank Malaysia Balanced-I Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 4 September 2002 ("Principal Deed") between Amanah Mutual Berhad as the previous Manager and AmanahRaya Trustees Berhad as the Trustee. The following Supplemental Deeds have been issued between AMB and the Trustee:

- First Supplemental deed dated 13 August 2008
- Second Supplemental deed dated 17 October 2014
- Third Supplemental deed dated 13 January 2017
- Fourth Supplemental deed dated 12 December 2017

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

Subsequently, MAM, as the Manager, and the Trustee has entered into the Fifth supplemental deed dated 4 September 2018 and Sixth supplemental deed dated 11 July 2019 to changed the name of the fund effective 17 January 2020 respectively. The Deed and Supplemental Deeds are subsequently referred to as 'Deeds'.

The principal activity of the Fund is to invest in a portfolio of investments that are permissible under Shariah principles with the objective to attain a mix of regular income stream and possible capital growth. The investments include shares of companies quoted on Bursa Malaysia Securities Berhad, Sukuk and short term deposits.

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a wholly-owned subsidiary of Maybank Asset Management Group Berhad and is a holder of Capital Markets Services Licence ("CMSL") to carry out Islamic fund management business pursuant to Section 61 of the Capital Markets and Services Act 2007 ("CMSA").

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

The financial statements were authorised for issue by the Board of Directors (the "Directors") of the Manager in accordance with a resolution of the Directors on 20 January 2022.

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

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

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

## MAYBANK MALAYSIA BALANCED-I FUND

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

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

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 30 November 2021. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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

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

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

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

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

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

#### 2.3 Financial instruments

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

## **MAYBANK MALAYSIA BALANCED-I FUND**

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

#### **2.3 Financial instruments (cont'd)**

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

#### **2.4 Financial assets**

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

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

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

The Fund classifies cash and cash equivalents, profit income receivables, dividend receivable and amount due from brokers as financial assets at amortised cost.

These assets are subsequently measured using the effective profit rate ("EPR") method and are subject to impairment. The EPR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the profit income in profit or 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 profit on the principal amount outstanding.

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

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

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

A financial asset is recognised at FVTPL if:

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

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

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. Accumulated unrealised gains or losses are reclassified to realised gains or losses when the associated assets are sold. Profit income on debt instruments as at FVTPL is 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 are reclassified to 'realised loss on FVTPL investments' in profit and loss when the associated assets are sold.

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

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

**(iii) Impairment of financial assets**

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

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

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

## **MAYBANK MALAYSIA BALANCED-I FUND**

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

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

##### **(iii) Impairment of financial assets (cont'd)**

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.

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

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

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

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

#### **2.5 Financial liabilities**

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

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

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

### **2.5 Financial liabilities**

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

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate method.

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

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

### **2.6 Fair value measurement**

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

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

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

The fair value of an asset or a liability is measured using the assumptions that 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.

## **MAYBANK MALAYSIA BALANCED-I FUND**

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

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

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

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

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

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

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

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

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

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

## **MAYBANK MALAYSIA BALANCED-I FUND**

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

#### **2.9 Distributions**

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

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

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

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

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

Profit income from sukuk includes amortisation of premium and accretion of discount, and is recognised using the effective profit method. Profit income from short-term deposits is recognised on the accruals basis using the effective profit rate method.

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

Realised gain or loss on disposal of sukuk 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 of 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 that asset.

#### **2.12 Taxation**

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



## **MAYBANK MALAYSIA BALANCED-I FUND**

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

#### **2.12 Taxation (cont'd)**

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

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

#### **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.

#### **2.15 Cleansing/Purification of profit**

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

##### **(i) Shariah non-compliant investment**

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

## MAYBANK MALAYSIA BALANCED-I FUND

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

#### 2.15 Purification of income

##### (ii) Reclassification of Shariah Status of the Fund's investment

Equities which were earlier classified as Shariah-compliant equities may subsequently be reclassified as Shariah non-compliant due to certain reasons such as changes in the companies' operations.

If at the time the announcement/review is made, the value of the equities held exceeds the investment cost, such Shariah non-compliant equities will be liquidated. The Fund may keep any dividends received and capital gains arising from the disposal of the Shariah non-compliant equities made at the time of the announcement/review. However, any dividends received and excess capital gains made from the disposal after the announcement/review day at a market price that is higher than the closing price on the announcement/review day will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

If the market price of the said Shariah non-compliant equities is below the investment cost at the time the announcement/review is made, the Fund may hold the Shariah non-compliant equities and keep dividends received during the holding period until the total amount of dividends received and the market value of the Shariah non-compliant equities held equal the investment cost. At this stage, the Fund will dispose of the said Shariah non-compliant equities.

The purification exercise is done by channelling the purification amount to charitable purposes as advised by the Shariah Adviser and this exercise will be performed by the Investment Manager when relevant information has been obtained. The calculation of the purification amount must further be endorsed by the Shariah Adviser for verification before the purification is done. Any purification on income resulting from investments in Shariah non-compliant investments is disclosed as a reduction of the corresponding capital gain and/or dividend in the statement of profit or loss.

### 3. PROFIT INCOME

	2021 RM	2020 RM
Profit income from sukuk	600,269	585,996
Profit income from short-term deposits	37,503	75,754
Amortisation of premium, net of accretion of discount	(2,931)	(38,741)
	<u>634,841</u>	<u>623,009</u>

### 4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.20% per annum ("p.a.") of the NAV of the Fund for the financial year ended 30 November 2021.

In the previous financial year ended 31 November 2020, the Manager's fee is charged at 1.00% p.a. on the sukuk and money market portion and 1.50% p.a. on the equity portion of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

## MAYBANK MALAYSIA BALANCED-I FUND

### 5. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.08% (2020: 0.08%) p.a. of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM18,000 p.a.

### 6. TAXATION

	2021 RM	2020 RM
Tax expense for the financial year:		
Current income tax expense	933	2,652

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

In accordance with Schedule 6 of the Income Tax Act 1967, any profit income and dividend income earned by the Fund is exempted from tax.

A reconciliation of income tax expense applicable to net 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 (loss)/income before taxation	(1,188,343)	2,832,347
Taxation at Malaysian statutory rate of 24% (2020: 24%)	(285,202)	679,763
Income not subject to tax	(239,609)	(784,215)
Loss not deductible for tax purposes	398,562	-
Income tax at source	933	2,652
Expenses not deductible for tax purposes	126,249	104,452
Tax expense for the financial year	933	2,652

# MAYBANK MALAYSIA BALANCED-I FUND

## 7. FINANCIAL ASSETS AT FVTPL

	Note	2021 RM	2020 RM
Quoted equities - Shariah-compliant	(a)	17,034,404	9,958,966
Unquoted fixed income securities	(b)	13,304,098	12,157,789
		<u>30,338,502</u>	<u>22,116,755</u>

2021	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - Shariah-compliant</b>				
<b>Construction</b>				
Gamuda Bhd	128,400	466,521	376,212	1.18
Sunway Construction Group Bhd	241,900	469,972	396,716	1.24
	<u>370,300</u>	<u>936,493</u>	<u>772,928</u>	<u>2.42</u>
<b>Consumer Products &amp; Services</b>				
DRB-HICOM Bhd	302,000	580,510	465,080	1.45
Sime Darby Bhd	169,100	384,097	370,329	1.16
	<u>471,100</u>	<u>964,607</u>	<u>835,409</u>	<u>2.61</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	363,500	482,554	287,165	0.90
Dialog Group Bhd	226,000	721,239	578,560	1.81
	<u>589,500</u>	<u>1,203,793</u>	<u>865,725</u>	<u>2.71</u>
<b>Financial Services</b>				
Bank Islam Malaysia Bhd	306,000	1,188,375	896,580	2.80
Syarikat Takaful Malaysia Keluarga Bhd	211,095	694,028	768,386	2.40
	<u>517,095</u>	<u>1,882,403</u>	<u>1,664,966</u>	<u>5.20</u>
<b>Healthcare</b>				
IHH Healthcare Bhd	60,000	394,662	394,800	1.23
<b>Industrial Products &amp; Services</b>				
Hiap Teck Venture Bhd	1,028,500	605,980	488,538	1.53
Petronas Chemicals Group	99,000	786,299	841,500	2.63
Press Metal Aluminium Holdings Bhd	178,200	791,171	953,370	2.98
SKP Resources Bhd	312,875	427,742	588,205	1.84
	<u>1,618,575</u>	<u>2,611,192</u>	<u>2,871,613</u>	<u>8.98</u>

# MAYBANK MALAYSIA BALANCED-I 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 - Shariah-compliant (cont'd)</b>				
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	23,044	532,985	484,846	1.52
Sarawak Oil Palms Bhd	111,100	411,840	388,850	1.22
	134,144	944,825	873,696	2.74
<b>Technology</b>				
Frontken Corporation Bhd	154,500	502,485	580,920	1.82
Inari Amertron Bhd	231,000	682,257	967,890	3.03
Malaysian Pacific industries Bhd	8,800	217,688	444,400	1.39
MY EG Services Bhd	484,250	382,080	537,518	1.68
Pentamaster Corporation Bhd	68,000	390,041	387,600	1.21
Unisem (M) Bhd	140,000	572,916	588,000	1.84
UWC Bhd	91,000	519,607	536,900	1.68
Vitrox corporation Bhd	30,000	426,454	615,000	1.92
	1,207,550	3,693,528	4,658,228	14.57
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	150,000	553,690	585,000	1.83
Telekom Malaysia Bhd	130,900	650,813	727,804	2.28
Time Dotcom Bhd	151,500	619,531	686,295	2.15
	432,400	1,824,034	1,999,099	6.26
<b>Transportation &amp; Logistic</b>				
MISC Bhd	91,000	608,217	605,150	1.89
Westports Holdings Bhd	115,000	482,135	465,750	1.46
	206,000	1,090,352	1,070,900	3.35
<b>Utilities</b>				
Mega First Corporation Bhd	106,000	311,255	371,000	1.16
Tenaga Nasional Bhd	71,000	762,797	656,040	2.05
	177,000	1,074,052	1,027,040	3.21
<b>Total quoted equities -Shariah-compliant</b>	<b>5,783,664</b>	<b>16,619,941</b>	<b>17,034,404</b>	<b>53.28</b>

# MAYBANK MALAYSIA BALANCED-I 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>Construction</b>				
IJM Land Bhd				
- 4.73% / Perpetual	500,000	500,210	491,165	1.54
- 5.65% / Perpetual	400,000	399,962	411,800	1.29
	900,000	900,172	902,965	2.83
<b>Consumer Products</b>				
DRB-HICOM Berhad				
- 4.85% / 11.12.2026	600,000	600,026	604,302	1.89
Guan Chong Bhd				
- 3.84% / 03.12.2027	200,000	201,065	194,208	0.61
	800,000	801,091	798,510	2.50
<b>Energy</b>				
Sarawak Energy Bhd				
- 3.30% / 14.06.2030	600,000	600,012	572,016	1.79
<b>Financial Services</b>				
Affin Islamic Bank Bhd				
- 5.05% / 23.10.2028	450,000	450,658	460,742	1.44
Infracap Resources Sdn Bhd				
- 4.40% / 15.04.2031	600,000	599,973	608,310	1.90
Sunway Treasury Sukuk Sdn Bhd				
- 3.55% / 10.09.2024	400,000	400,393	398,196	1.24
	1,450,000	1,451,024	1,467,248	4.58

# MAYBANK MALAYSIA BALANCED-I 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>Plantation</b>				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11% / 30.10.2025	800,000	801,169	785,832	2.46
<b>Property</b>				
Fortune Premier Sdn Bhd - 5.05% / 05.09.2025	100,000	104,010	104,063	0.33
Gamuda Land (T12) Sdn Bhd - 3.75% / 12.08.2027	600,000	599,988	588,204	1.84
Malaysian Resources Corporation - 5.09% / 18.10.2028	200,000	200,560	201,512	0.63
S P Setia Berhad - 4.30% / 23.06.2028	300,000	299,992	302,124	0.94
UEM Sunrise Bhd - 4.00% / 09.06.2023	400,000	400,008	402,520	1.26
- 4.30% / 16.02.2026	900,000	903,747	891,045	2.79
- 4.60% / 20.05.2026	200,000	201,923	199,854	0.62
	2,700,000	2,710,228	2,689,322	8.41
<b>Real Estate</b>				
<b>Country Garden</b>				
Real Estate Sdn Bhd - 6.40% / 18.03.2022	500,000	499,939	504,250	1.58
- 6.40% / 06.05.2022	400,000	399,990	404,840	1.27
- 5.25% / 27.03.2025	200,000	199,987	202,180	0.63
Talam Transform Bhd - 0.00% / 28.06.2022	132,222	7,274	128,195	0.40
OSK Rated Bond Sdn Bhd - 4.39% / 28.04.2028	300,000	299,989	300,489	0.94
	1,532,222	1,407,179	1,539,954	4.82

**MAYBANK MALAYSIA BALANCED-I FUND**

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

<b>2021 (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Transportation &amp; Logistic</b>				
Malaysia Airport Holdings Bhd - 3.30% / 05.11.2027	200,000	199,997	189,274	0.59
MMC Corporation Bhd - 5.70% / 24.03.2028	800,000	818,184	860,472	2.69
	1,000,000	1,018,181	1,049,746	3.28
<b>Utilities</b>				
Pegurusan Air SPV Berhad - 3.90% / 30.10.2029	300,000	315,888	298,556	0.93
Quantum Solar Park Sdn Bhd - 5.16% / 06.10.2022	500,000	502,559	509,220	1.59
Edra Power Holdings Sdn Bhd - 6.51% / 05.07.2035	700,000	853,215	828,576	2.59
Cypark Resources Bhd - 5.18% / 29.06.2029	500,000	507,718	514,690	1.61
TNB Northern Energy Bhd - 4.62% / 30.05.2033	1,300,000	1,406,282	1,347,463	4.22
	3,300,000	3,585,662	3,498,505	10.94
<b>Total Sukuk</b>	13,082,222	13,274,718	13,304,098	41.61
<b>Total FVTPL investments</b>	<b>18,865,886</b>	<b>29,894,659</b>	<b>30,338,502</b>	<b>94.89</b>
<b>Unrealised gain on FVTPL investments</b>			<b>443,843</b>	



**MAYBANK MALAYSIA BALANCED-I FUND**

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

<b>2020</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>(a) Quoted equities - Shariah-compliant</b>				
<b>Construction</b>				
Gabungan AQRS Bhd	309,500	262,993	213,555	0.74
Gamuda Bhd	72,000	264,869	257,040	0.89
Sunway Construction Group Bhd	105,900	206,718	194,856	0.68
	<b>487,400</b>	<b>734,580</b>	<b>665,451</b>	<b>2.31</b>
<b>Consumer Products &amp; Services</b>				
Dutch Lady Milk Industries Bhd	5,900	314,160	216,530	0.75
Fraser & Neave Holdings Bhd	13,700	473,809	444,702	1.54
Nestle (Malaysia) Bhd	2,000	273,850	268,000	0.93
	<b>21,600</b>	<b>1,061,819</b>	<b>929,232</b>	<b>3.22</b>
<b>Energy</b>				
Dialog Group Bhd	92,000	316,249	331,200	1.15
Yinson Holdings Bhd	40,000	253,810	208,800	0.72
	<b>132,000</b>	<b>570,059</b>	<b>540,000</b>	<b>1.87</b>
<b>Financial Services</b>				
BIMB Holdings Bhd	66,300	276,820	245,310	0.85
<b>Healthcare</b>				
Hartalega Holdings Bhd	17,500	301,270	252,000	0.87
Kossan Rubber Industries Bhd	47,600	100,736	296,548	1.03
Supermax Corporation Bhd	58,000	584,118	527,800	1.83
Top Glove Corporation Bhd	36,500	65,874	259,880	0.90
	<b>159,600</b>	<b>1,051,998</b>	<b>1,336,228</b>	<b>4.63</b>
<b>Industrial Products &amp; Services</b>				
ATA IMS Bhd	62,000	105,822	137,020	0.48
Press Metal Aluminium Holdings Bhd	52,300	265,916	366,100	1.27
SKP Resources Bhd	106,500	112,752	217,260	0.75
Thong Guan Industries Bhd	31,100	52,316	81,793	0.28
	<b>251,900</b>	<b>536,806</b>	<b>802,173</b>	<b>2.78</b>
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	16,044	366,805	377,034	1.31
Sarawak Oil Palms Bhd	71,900	249,748	296,228	1.03
United Plantation Bhd	18,400	237,898	267,536	0.93
	<b>106,344</b>	<b>854,451</b>	<b>940,798</b>	<b>3.27</b>

# MAYBANK MALAYSIA BALANCED-I 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 - Shariah-compliant (cont'd)</b>				
<b>REITs</b>				
Axis REIT	199,044	359,776	425,954	1.48
KLCC Property Holdings Bhd	53,000	418,171	407,040	1.41
	252,044	777,947	832,994	2.89
<b>Technology</b>				
Globetronics Technology Bhd	99,800	265,860	297,404	1.03
Inari Amerton Bhd	100,000	167,933	268,000	0.93
Malaysian Pacific Industries Bhd	10,300	124,624	258,118	0.90
MY E.G Services Bhd	163,125	230,400	267,525	0.93
Pentamaster Corporation Bhd	60,000	270,330	297,000	1.03
Vitrox Corp Bhd	13,100	117,426	199,120	0.69
	446,325	1,176,573	1,587,167	5.51
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	40,000	133,600	142,000	0.49
Telekom Malaysia Bhd	60,000	257,526	302,400	1.05
Time Dotcom Bhd	22,000	234,861	301,400	1.05
	122,000	625,987	745,800	2.59
<b>Transportation &amp; Logistic</b>				
Lingkar Trans Kota Holdings Bhd	53,300	242,076	213,733	0.74
Westports Holdings Bhd	115,000	482,135	494,500	1.72
	168,300	724,211	708,233	2.46
<b>Utilities</b>				
Mega First Corporation Bhd	33,000	173,253	232,980	0.81
Ranhill Holdings Bhd	333,300	392,331	271,640	0.94
Tenaga Nasional Bhd	12,000	136,320	120,960	0.42
	378,300	701,904	625,580	2.17
<b>Total quoted equities -Shariah-compliant</b>	2,592,113	9,093,155	9,958,966	34.55

# MAYBANK MALAYSIA BALANCED-I 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</b>				
<b>Construction</b>				
IJM Land Bhd				
- 4.73% / Perpetual	500,000	500,927	497,950	1.73
- 5.65% / Perpetual	400,000	400,000	418,472	1.45
	900,000	900,927	916,422	3.18
<b>Consumer Products</b>				
DRB-HICOM Berhad				
- 4.85% / 11.12.2026	600,000	600,000	611,826	2.12
UMW Holdings Bhd				
- 3.03% / 05.11.2025	300,000	300,000	299,913	1.04
	900,000	900,000	911,739	3.16
<b>Energy</b>				
Sarawak Energy Bhd				
- 3.30% / 14.06.2030	600,000	600,000	607,800	2.11
<b>Financial Services</b>				
Affin Islamic Bank Bhd				
- 5.05% / 23.10.2028	450,000	452,334	466,916	1.62
SME Bank				
- 3.30% / 23.04.2027	400,000	400,000	413,144	1.43
	850,000	852,334	880,060	3.05
<b>Plantation</b>				
Perbadanan Kemajuan Pertanian Negeri Pahang				
- 4.11% / 30.10.2025	800,000	801,445	799,872	2.78

# MAYBANK MALAYSIA BALANCED-I 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>Property</b>				
Fortune Premier Sdn Bhd - 5.05% / 05.09.2025	100,000	104,987	108,225	0.38
Gamuda Land (T12) Sdn Bhd - 3.75% / 12.08.2027	600,000	600,000	601,386	2.09
UEM Sunrise Bhd - 4.00% / 09.06.2023	400,000	400,000	401,272	1.39
	1,100,000	1,104,987	1,110,883	3.86
<b>Real Estate</b>				
Country Garden Real Estate Sdn Bhd - 5.25% / 27.03.2025	200,000	200,000	213,650	0.74
- 6.40% / 06.05.2022	400,000	400,000	418,148	1.45
- 6.40% / 18.03.2022	500,000	500,000	520,800	1.81
Talam Transform Bhd - 0.00% / 28.06.2021	132,222	-	131,663	0.46
	1,232,222	1,100,000	1,284,261	4.46
<b>Transportation &amp; Logistic</b>				
Malaysia Airport Holdings Bhd - 3.30% / 05.11.2027	200,000	200,000	199,114	0.69
MMC Corporation Bhd - 5.70% / 24.03.2028	1,000,000	1,025,714	1,112,240	3.86
Pelabuhan Tanjung Pelepas - 3.95% / 18.06.2027	400,000	400,000	416,096	1.44
Penang Port Sdn Bhd - 4.48% / 27.12.2029	500,000	529,852	542,400	1.88
	2,100,000	2,155,566	2,269,850	7.87

**MAYBANK MALAYSIA BALANCED-I FUND**

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

<b>2020 (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Utilities</b>				
Quantum Solar Park (Semenanjung) Sdn Bhd - 5.16% / 06.10.2022	500,000	505,504	511,755	1.78
Edra Power Holdings Sdn Bhd - 6.51% / 05.07.2035	700,000	861,338	874,867	3.04
Cypark Resources Bhd - 5.18% / 29.06.2029	500,000	508,543	545,590	1.89
TNB Northern Energy Bhd - 4.62% / 30.05.2033	1,300,000	1,413,595	1,444,690	5.02
	3,000,000	3,288,980	3,376,902	11.73
<b>Total Sukuk</b>	11,482,222	11,704,239	12,157,789	42.20
<b>Total FVTPL investments</b>	<b>14,074,335</b>	<b>20,797,394</b>	<b>22,116,755</b>	<b>76.75</b>
<b>Unrealised gain on FVTPL investments</b>			<b>1,319,361</b>	

## MAYBANK MALAYSIA BALANCED-I FUND

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

	2021 RM	2020 RM
Shariah-compliant short-term placements with licensed Islamic financial institutions with maturity of:		
- Less than 3 months	1,481,880	6,254,016
Of the above, deposits with related party is:		
- MIB	776,000	994,000

The weighted average effective profit rate ("WAEPR") of deposit and the average maturity of deposits as at the reporting date was as follows:

	2021 WAEPR % p.a.	Average maturity days	2020 WAEPR % p.a.	Average maturity days
Shariah-compliant short-term placements with licensed Islamic financial institutions	1.67	1	1.63	1

### 9. AMOUNT DUE FROM BROKERS

The amount due from brokers relates to the amount receivable from brokers arising from the sale of investments. The settlement period for these receivables are within 3 working days from the deal date.

### 10. AMOUNT DUE TO MANAGER

	Note	2021 RM	2020 RM
Amount due to Manager is in respect of:			
Manager's fee	(i)	31,767	28,118
Cancellation of units	(ii)	4,082	-
		35,849	28,118

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

(i) The 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 year. 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-I FUND

### 11. AMOUNT DUE TO TRUSTEE

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

### 12. TOTAL EQUITY

	Note	2021 RM	2020 RM
Unitholders' capital	(a)	32,228,744	26,776,499
Accumulated realised (loss)/income	(b)	(687,606)	721,022
Accumulated unrealised income	(c)	442,955	1,319,360
		<u>31,984,093</u>	<u>28,816,881</u>

#### (a) Unitholders' capital

	2021		2020	
	Units	RM	Units	RM
As at beginning of the financial year	50,492,714	26,776,499	47,051,486	24,915,913
Creation of units	13,034,978	7,446,393	5,148,381	2,791,592
Reinvestment of units	1,550,912	831,288	1,260,143	713,870
Cancellation of units	(5,403,119)	(3,089,905)	(2,967,296)	(1,653,713)
Distribution equalisation (Note 13)	-	264,469	-	8,837
As at end of the financial year	<u>59,675,485</u>	<u>32,228,744</u>	<u>50,492,714</u>	<u>26,776,499</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).

## MAYBANK MALAYSIA BALANCED-I FUND

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

#### (b) Accumulated realised (loss)/income

	2021 RM	2020 RM
As at beginning of the financial year	721,022	330,788
Net realised (loss)/income for the financial year	(312,871)	1,112,941
Distribution out of retained earnings (Note 13)	(1,095,757)	(722,707)
As at end of the financial year	(687,606)	721,022

#### (c) Accumulated unrealised income

	2021 RM	2020 RM
As at beginning of the financial year	1,319,360	(397,394)
Net unrealised (loss)/income for the financial year	(876,405)	1,716,754
As at end of the financial year	442,955	1,319,360

### 13. DISTRIBUTION

Details of distribution declared to unitholders in the current and previous financial year is as follows:

	2021 RM	2020 RM
Gross dividend income	203,090	144,216
Profit from Sukuk	333,709	252,679
Profit on Shariah-compliant deposits placement	20,951	34,977
Net realised gain on sale of investments	-	284,169
Previous year's net realised income*	721,022	330,788
Less: Expenses	(183,015)	(324,122)
Distribution out of realised reserve (Note 12(b))	1,095,757	722,707
Distribution out of distribution equalisation (Note 12(a))	(264,469)	(8,837)
Distribution for the financial year**	831,288	713,870
Gross/Net distribution per unit (sen)	1.43	1.00
Distribution date (ex-date)	26/11/2021	23/11/2020

\* Part of the distribution were made from previous year's net realised income.

\*\* The distribution declared are settled in the forms of units and presented as 'reinvestment of units' in Note 12(a) on payment date.



## MAYBANK MALAYSIA BALANCED-I FUND

### 14. TRANSACTIONS WITH RELATED AND OTHER STOCKBROKING COMPANIES / BROKERS /

Transactions with top 10 stockbroking companies / brokers / dealers are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
<b>2021</b>				
TA Securities Bhd	7,502,255	24.10	574,840	31.60
JF Apex Securities Bhd	5,640,430	18.12	126,428	6.95
Affin Investment Bank Bhd	2,500,922	8.03	9,666	0.53
RHB Investment Bank Bhd	3,045,555	9.78	37,095	2.04
Malayan Banking Berhad ("MBB")*	800,000	2.57	-	-
CIMB Islamic Bank Bhd	2,182,399	7.01	791	0.04
Maybank Investment Bank Bhd ("MIBB")**	961,579	3.09	447,820	24.61
United Overseas Bank (M) Bhd	1,522,058	4.89	154,845	8.51
Hong Leong Bank Berhad	3,264,806	10.49	397,297	21.84
Others	3,711,217	11.91	70,545	3.87
	<b>31,131,221</b>	<b>100.00</b>	<b>1,819,327</b>	<b>100.00</b>
<b>2020</b>				
TA Securities Bhd	7,095,151	18.30	7,225	24.70
JF Apex Securities Bhd	6,233,141	16.08	6,304	21.55
Affin Investment Bank Bhd	6,166,223	15.91	4,443	15.19
RHB Investment Bank Bhd	5,383,095	13.89	766	2.62
Malayan Banking Berhad ("MBB")*	3,900,000	10.06	-	-
CIMB Islamic Bank Bhd	3,000,000	7.74	-	-
Maybank Investment Bank Bhd ("MIBB")**	1,565,277	4.04	3,135	10.72
Alliance Investment Bank Bhd	1,100,000	2.84	-	-
UOB Kay Hian Securities (M) Sdn Bhd	1,096,268	2.83	2,208	7.55
Hong Leong Bank Berhad	1,000,000	2.58	-	-
Others	2,224,711	5.73	5,172	17.67
	<b>38,763,867</b>	<b>100.00</b>	<b>29,252</b>	<b>100.00</b>

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

\*\* MIBB is a subsidiary of Malayan Banking Berhad, the ultimate holding company of the Manager.

## MAYBANK MALAYSIA BALANCED-I FUND

### 15. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant related party transactions of the Fund during the financial year.

	2021 RM	2020 RM
(i) <u>Significant related party transaction</u>		
<u>Maybank Islamic Berhad ("MIB")</u>		
Profit income from deposits	29,033	29,423
(ii) <u>Significant related party balances</u>		
<u>MIB</u>		
Cash at bank	1,121	35,076
Profit income receivable	34	120

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.

## **MAYBANK MALAYSIA BALANCED-I FUND**

### **16. MANAGEMENT EXPENSE RATIO ("MER")**

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. For the financial year ended 30 November 2021, the MER of the Fund stood at 1.44% (2020: 1.47%).

### **17. 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 Fund's daily average NAV. For the financial year ended 30 November 2021, the PTR of the Fund stood at 0.48 times (2020: 0.76 times).

### **18. SEGMENT INFORMATION**

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

The PMC is responsible for the performance of the Fund by investing between 40% to 58% of the Fund's NAV in Shariah-compliant equities, 40% to 58% in sukuk and Shariah-compliant money market instruments and minimum of 2% in Shariah-compliant liquid assets.

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

The internal reporting of the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. There were no changes in the reportable operating segments during the financial year.

## MAYBANK MALAYSIA BALANCED-I FUND

### 19. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to 2.15 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised.

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

2021	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Assets</b>				
Financial assets at FVTPL	30,338,502	-	-	30,338,502
Shariah-compliant deposits with licensed Islamic financial institutions	-	1,481,880	-	1,481,880
Dividend receivable	-	5,453	-	5,453
Profit income receivable	-	140,587	-	140,587
Amount due from brokers	-	96,387	-	96,387
Cash at bank	-	1,121	-	1,121
<b>Total financial assets</b>	<b>30,338,502</b>	<b>1,725,428</b>	<b>-</b>	<b>32,063,930</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	35,849	35,849
Amount due to Trustee	-	-	2,118	2,118
Other payables and accruals	-	-	41,870	41,870
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>79,837</b>	<b>79,837</b>

## MAYBANK MALAYSIA BALANCED-I FUND

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

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

2020	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Assets</b>				
Financial assets at FVTPL	22,116,755	-	-	22,116,755
Shariah-compliant deposits with licensed Islamic financial institutions	-	6,254,016	-	6,254,016
Dividend receivable	-	16,247	-	16,247
Profit income receivable	-	130,536	-	130,536
Amount due from brokers	-	348,326	-	348,326
Amount due from brokers	-	348,326	-	348,326
Cash at bank	-	35,076	-	35,076
<b>Total financial assets</b>	<b>22,116,755</b>	<b>6,784,201</b>	<b>-</b>	<b>28,900,956</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	28,118	28,118
Amount due to Trustee	-	-	1,875	1,875
Other payables and accruals	-	-	54,082	54,082
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>84,075</b>	<b>84,075</b>

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

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.

##### Sukuk

Local sukuk 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.

## MAYBANK MALAYSIA BALANCED-I FUND

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

**(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: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2021</b>				
Quoted equities	17,034,404	-	-	17,034,404
Unquoted fixed income securities	-	13,304,098	-	13,304,098
	<u>17,034,404</u>	<u>13,304,098</u>	<u>-</u>	<u>30,338,502</u>
<b>2020</b>				
Quoted equities	9,958,966	-	-	9,958,966
Unquoted fixed income securities	-	12,157,789	-	12,157,789
	<u>9,958,966</u>	<u>12,157,789</u>	<u>-</u>	<u>22,116,755</u>

**20. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES****(a) Introduction**

The Fund maintains its investment portfolio in a variety of listed financial instruments as dictated by its Trust Deeds and investment management strategy. The Fund is exposed to a variety of risks including market risk (which includes price risk and foreign exchange risk) and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

**(b) Market risk**

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

**(i) Equity price risk**

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

**Equity price risk sensitivity**

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

	<b>2021</b>		<b>2020</b>	
	<b>Changes in equity price</b>	<b>Effects on profit and NAV Increase/ (Decrease)</b>	<b>Changes in equity price</b>	<b>Effects on profit and NAV Increase/ (Decrease)</b>
	<b>%</b>	<b>RM</b>	<b>%</b>	<b>RM</b>
Quoted equities	+ 5	851,720	+ 5	497,948
	- 5	(851,720)	- 5	(497,948)

The impact to profit after taxation and NAV 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.

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

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

## (ii) Profit rate risk

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

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

	2021		2020	
	Changes in profit rates %	Effects on profit and NAV Increase/ (Decrease) RM	Changes in profit rates %	Effects on profit and NAV Increase/ (Decrease) RM
Unquoted fixed income securities	+1	(43,944)	+1	(40,683)
	-1	44,158	-1	40,888

The impact to profit after taxation and NAV is expected to be the same.

## (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, Shariah-compliant deposits with a licensed Islamic financial institutions and other instruments which are capable of being converted into cash within 7 days.



## MAYBANK MALAYSIA BALANCED-I FUND

### 20. 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	17,034,404	13,304,098	30,338,502
Shariah-compliant deposits with a licensed Islamic financial institution	1,481,880	-	1,481,880
Dividend receivable	5,453	-	5,453
Profit income receivable	73,537	67,050	140,587
Amount due from brokers	96,387	-	96,387
Cash at bank	1,121	-	1,121
Total undiscounted financial assets	18,692,782	13,371,148	32,063,930
<b>Financial liabilities and unitholders' equity:</b>			
Amount due to Manager	35,849	-	35,849
Amount due to Trustee	2,118	-	2,118
Other payables and accruals	41,870	-	41,870
Unitholders' equity	31,984,093	-	31,984,093
Total undiscounted financial liabilities and unitholders' equity	32,063,930	-	32,063,930
Liquidity (gap)/surplus	(13,371,148)	13,371,148	-

# MAYBANK MALAYSIA BALANCED-I FUND

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

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

2020	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial assets:</b>			
Financial assets at FVTPL	9,958,966	12,157,789	22,116,755
Shariah-compliant deposits with a licensed Islamic financial institution	6,254,016	-	6,254,016
Dividend receivable	16,247	-	16,247
Profit income receivable	63,486	67,050	130,536
Amount due from brokers	348,326	-	348,326
Cash at bank	35,076	-	35,076
Total undiscounted financial assets	16,676,117	12,224,839	28,900,956
<b>Financial liabilities and unitholders' equity:</b>			
Amount due to Manager	28,118	-	28,118
Amount due to Trustee	1,875	-	1,875
Other payables and accruals	54,082	-	54,082
Unitholders' equity	28,816,881	-	28,816,881
Total undiscounted financial liabilities and unitholders' equity	28,900,956	-	28,900,956
Liquidity (gap)/surplus	(12,224,839)	12,224,839	-

### (i) Financial assets

Analysis of financial assets at FVTPL and Shariah-compliant 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.

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

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

**(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 profit 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.

**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-I FUND

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

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

##### 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 Shariah-compliant deposits.

##### Credit risk concentration

The following table analyses the Fund's investment in sukuk, Shariah-compliant deposits with financial institutions, cash at bank and profit receivable from financial institutions by rating categories. The ratings were obtained from RAM Holdings Bhd and Malaysian Rating Corporation Berhad.

	2021		2020	
		Percentage of NAV		Percentage of NAV
	RM	%	RM	%
<b>Financial assets</b>				
AAA	4,498,689	14.07	8,550,760	29.67
AA3	3,828,572	11.97	4,023,315	13.96
AA	706,676	2.21	409,962	1.42
AA-	3,657,027	11.43	2,506,328	8.70
A1	460,742	1.44	1,610,603	5.59
A2	1,507,267	4.71	925,159	3.21
Not Rated	128,195	0.40	551,290	1.91
	14,787,167	46.23	18,577,417	64.46

## **MAYBANK MALAYSIA BALANCED-I FUND**

### **21. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

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