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MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Interim report
For the financial period from 1 June 2021 to 30
November 2021

CORPORATE INFORMATION

MANAGER

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

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

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TRUSTEE

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MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

A. Fund Information

1. Name of the Fund

Maybank Financial Institutions Income Asia Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Fixed income (open-ended)

4. Duration of the Fund

The Fund is an open-ended fund.

5. Fund launch date

26 August 2014

6. Fund's investment objective

The Fund aims to provide unitholders income through investing in a portfolio of fixed income securities issued by financial institutions.

7. Fund distribution policy

Subject to availability of income, distribution shall be at least on a semi-annual basis. Income distribution will be made from the realised income of the Fund.

8. Fund's performance benchmark

The benchmark of the Fund is the 12-month Maybank fixed deposit rate + 1.50% per annum.

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

To achieve the Fund's objective, the Fund will invest between 70% to 98% of its Net Asset Value ("NAV") in Ringgit Malaysia ("RM") denominated and/or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/or located in the Asian region whilst the balance of between 2% to 30% of its NAV will be invested in liquid assets and any other RM denominated and/or non-RM denominated fixed income securities.

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

The Fund distributed a total net income of RM450,591 to unitholders for the financial period from 1 June 2021 to 30 November 2021, detailed as below:

Payment date	NAV per unit before distribution	NAV per unit after distribution	Gross/net distribution per unit (sen)	Changes %
26 November 2021	1.0941	1.0841	1.00	(0.17)

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

A. Fund Information

11. Breakdown of unitholdings by size

Fund size

As at 30 November 2021, the size of the Fund was 45,677,651 units.

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	20.00	* 1	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	2	40.00	39	0.08
50,001 to 500,000 units	-	-	-	-
500,001 units and above	2	40.00	50,406	99.92
Total	5	100.00	**50,446	100.00

* Comprise of 1,390 units held under Manager

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

B. Performance Review

1. Key performance data of the Fund

Category	30.11.2021	31.05.2021	31.05.2020
Portfolio Composition			
Fixed income securities - local (%)	-	-	2.39
Fixed income securities - foreign (%)	81.88	91.03	89.39
- Australia	-	-	5.25
- British Virgin Islands	12.63	10.58	16.06
- Canada	-	3.99	3.18
- Cayman Islands	6.02	7.61	9.24
- China	-	-	2.65
- France	4.53	4.13	6.81
- Hong Kong	4.36	23.33	11.77
- India	6.39	3.89	9.46
- Indonesia	-	-	1.86
- Philippines	2.19	2.00	-
- Singapore	8.90	5.33	3.01
- South Korea	8.45	11.30	6.41
- Switzerland	3.18	-	5.38
- Thailand	12.06	10.82	3.32
- United Kingdom	8.85	8.05	4.99
- United States	4.32	-	-
Cash and other net assets	18.12	8.97	8.22
Total (%)	100.00	100.00	100.00

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

B. Performance Review

1. Key performance data of the Fund

Category	30.11.2021	31.05.2021	31.05.2020
NAV (RM'000)	49,504	54,719	65,457
Units in circulation (units'000)	45,678	50,446	63,199
NAV per unit (RM)	1.0838	1.0847	1.0357
Highest NAV per unit (RM)	1.1113	1.1294	1.1074
Lowest NAV per unit (RM)	1.0834	1.0378	0.9726
Annual return (%) ⁽¹⁾			
- Capital growth (%)	(0.08)	4.74	3.53
- Income distribution (%)	0.92	4.63	2.86
Total return	0.84	9.59	6.49
Benchmark (%)	1.67	3.38	3.75
Distribution date (ex-date)	26/11/2021	27/11/2020 and 25/5/2021	3/12/2019 and 28/5/2020
Gross distribution per unit (sen)	1.00	5.00	4.50
Net distribution per unit (sen)	1.00	5.00	4.50
Management Expense Ratio ("MER") (%) ⁽²⁾	0.55	1.10	1.11
Portfolio Turnover Ratio (times) ⁽³⁾	0.03	0.64	0.91

Note:

- (1) Actual return of the Fund for the financial period is computed on daily average NAV per unit, net of Manager's and Trustee's fee.
- (2) The Fund's MER decreased to 0.55 due to lower expenses for the current financial period.
- (3) The Fund's PTR decreased to 0.03 due to the decreased trading activities in the current financial period.

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

2. Performance of the Fund up to 30 November 2021

Category	6 months to 30.11.2021	1 year to 30.11.2021	3 years to 30.11.2021	5 years to 30.11.2021
Capital growth	(0.08)	(1.70)	4.58	(0.19)
Income distribution	0.92	4.65	16.07	27.96
Total return of the Fund	0.84	2.87	21.39	27.71
Benchmark	1.67	3.36	12.37	23.19
Average total return	-	2.87	6.67	5.01

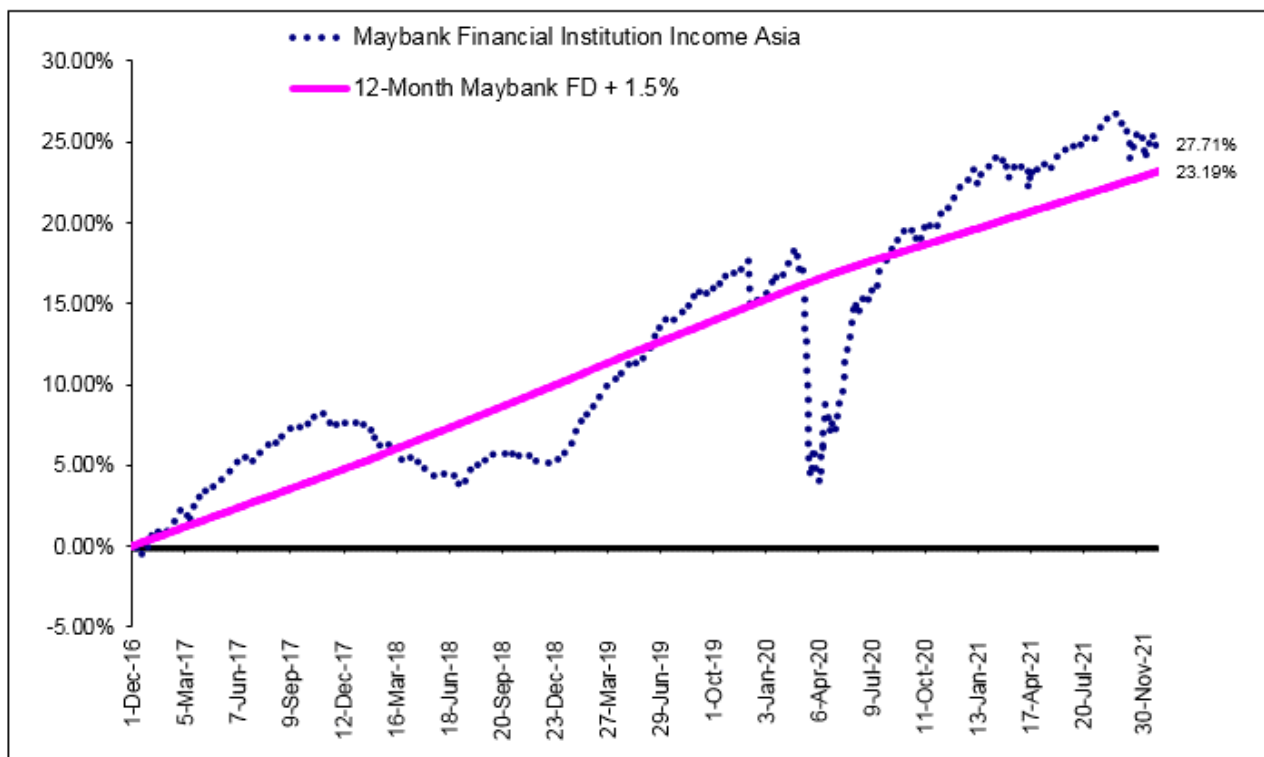
MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

B. Performance Review

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



Source: Lipper, as at 30 November 2021

For the period since fund's commencement under review, the Fund has generated a total return of 0.84%, as compared to the benchmark which registered a return of 1.67% over the same period. The Fund underperformed the benchmark (3-year Maybank fixed deposits rate) by 83 basis points ("bps") due to slow performances in United States Dollar ("USD") credit market. Although the fund consists of 72.5% in Financial sectors while real estate only consist of 10.6%. The ongoing negative outlook in China High Yield ("HY") bond are negatively impacting the whole credit curve resulting lower performance of the fund against the benchmark. Moreover we are also seeing inflation build up in US economy resulting weakness in the bond market world.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

3. Annual total return of the Fund

Category	01.06.2020 to 30.11.2021	01.06.2020 to 31.05.2021	01.06.2019 to 31.05.2020	01.06.2018 to 31.05.2019	01.06.2017 to 31.05.2018
Annual total return	0.84	9.59	1.09	6.89	(0.35)
Benchmark	1.67	3.38	4.47	4.73	4.73

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

In June 2021, the United States ("US") economy seen to remain in recovering mode after its Q1 growth domestic product ("GDP") numbers grew at 6.4% (qoq) but was lower than consensus at 6.7%. The US Purchasing Managers Index ("PMI") numbers for the month of June 2021 clocked at 63.9 signaling strong expansion in the US economy. In late June 2021 President Joe Biden also secured a deal on an infrastructure package worth about \$1 trillion to upgrade roads, bridges and broadband networks over the next eight years. The agreement fell short of the \$2.3 trillion infrastructure spending plan announced in March 2021, and did not address the social safety-net spending proposed in April 2021.

In July 2021, the 10-year ("10y") United States Treasury ("UST") level dropped lower from 1.47% to 1.23% at the back on concerns over the Coronavirus Disease 2019 ("COVID-19") Delta variant along with signs that global growth moderating caused investors to shift towards risk -off mode. In the July 2021 Federal Reserve ("Fed") meeting, the Fed acknowledge that the economy was making progress in line with its mandate but highlighted that tapering would require additional improvements especially in the labor market. They also acknowledge that there was upside risk to the inflation outlook but retained the view that this would be transitory. In the credit space, China names continues to remain volatile as Chinese government tighten its regulatory on tech sectors. Latest casualty saw Chinese government launched an investigation into ride hailing giant Didi citing national security and cyber security concerns.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

C. Market Review (cont'd)

In August 2021, Jerome Powell struck a cautious note in his statement at the Jackson Hole symposium, stating that while the US economy had made progress on some important targets – specifically on inflation - tapering too aggressively could derail progress at a sensitive time, reiterating a desire to see further progress in the labor market. The comments were consistent with expectations that tapering could begin this year, but were broadly perceived as dovish. The US 10-year yield was eight basis points ("bps") higher at 1.31%, having twice come close to 1.38% during the course of the month. Data showed still healthy levels of expansion, but with momentum moderating. US consumer price inflation remained elevated in July 2021, but rose more slowly.

In September 2021, the Fed stated that bond tapering will be announced at the November 2021 meeting, as expected, and will finish by mid-2022. Meanwhile, the Fed funds rate projections now show a faster rate hiking schedule than they did in June 2021. In United Kingdom ("UK") the 10yr gilts rise from 0.72% to 1.02% as policy makers among the Bank of England ("BOE") seen to become more hawkish suggesting that rate rise might warranted before the end of the year. In China, the Chinese property bond spark major concern among the investors over the ability of property group Evergrande to service its debts sending yield to move higher. Power outages in China and the rationing of energy also spooked investors, hurting production of key commodities. The downside risks in China have significantly increased against a backdrop of slowing economic activity and concerns that recent regulatory policies will further weigh on growth.

In October 2021, the 10yr UST yield continue to rise higher from 1.49% to 1.56% as Fed bond tapering draws near admit rising inflationary pressure. China property bond slightly recover in the mid of October 2021 but plunge back lower towards the month end as concern seen to build up over their abilities to raise fund to rollover their debt that due to mature with consideration that the sales on property market in china had significantly slow down during the pandemic time.

In November 2021, this month saw investors grappled with both a hawkish tilt on commentary from the Fed and the emergence of a new Coronavirus variant. The reappointed Fed chairman Jerome Powell pointed out the positive momentum growth of US economy along with threat from high inflation no and he will be looking at swifter tapering of asset purchases. The US unemployment data was also seen to have been on fallen trend from 4.8% in September to 4.6% in October 2021. Government yields fell and the US Dollar rallied, while stocks and high yield credit sold off. The oil price fell sharply due to concern over global demand after the emergence of nee COVID-19 variant named Omicron.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

D. Market Outlook & Strategy

The selling on China property bonds continued during the first week of November and the JP Morgan China High Yield Index was down -9.5% for the month ending 9th November. There was some recovery after positive headlines from the China Plenum meeting on 8th to 11th November. Media reports suggested that regulators will reopen the onshore ABS issuance while relaxing issuance restrictions on the onshore bond markets. In addition, more developers announced asset sales and share placements to raise funds in the current stressed liquidity backdrop. Property bonds recovered most of the selloff and the JP Morgan China High Yield Index ended the month down by just -1%.

For the full year, the JP Morgan China High Yield Index has sold off 23% end 7th December 2021, a mini-bounce up from the trough of -30% end 9th November 2021. At current credit spread levels, the implied default rate in the China property sector is estimated to be 40% which seems excessive and a potential systemic risk. The China real estate sector accounts for 25% to 30% of China GDP if we include in commodities, construction, property services and furnishing. Home ownership is high, averaging 90% in the past 10 years. Hence while the Chinese government wants to continue with the policy objective of reducing sector leverage, they also know that without any government easing or support, a hard landing in the property sector could potentially derail the overall social and economic stability that they have been trying so hard to sustain in the current fight against the global pandemic.

In the December 2021 Poliburo meeting, the underlying tone on the China real estate sector has eased. The government dropped the policy rhetoric of "houses are for living and not for speculation" and replaced with emphasis on promoting affordable housing, supporting commercial housing market to meet demands for living and promoting the healthy development and virtuous circle of the real estate industry. This suggests that China stands ready to fine tune their policies to avoid a undesirable hard landing.

Overall we are positive that the China property sector should recover in FY2022. At average yields of 20%, China property bonds offer the best value within Asia and possibly globally. However, the sector is also facing a lot of near-term headline risks given huge maturity wall of USD 30billion for offshore bonds in 1H2022 and more defaults. Property sales continue to disappoint with November 2021 down almost 40% year on year. Still we believe that there will be survivors in this downturn and the key is to sift out the wheat from chaff. The portfolio currently holds 6.15% exposure in China high yield property with 6.6% cash and we look to add more risk during 1Q2022. Other than China, we are turning more positive on India, Indonesia and Philippines as vaccination rates increase for emerging Asia and economies open fully in FY2022.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

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

E. Significant Changes in the State of Affairs of the Fund

The Fund has been converted to a Unit Trust Fund effective 4 January 2021.

F. Soft Commissions and Rebates

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

During the financial period from 1 June 2021 to 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 assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services which were of demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 30 NOVEMBER 2021

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

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

For and on behalf of
TMF TRUSTEES MALAYSIA BERHAD
(Company No.: 200301008392/610812-W)

NORHAYATI BINTI AZIT
Director - Fund Services

Kuala Lumpur, Malaysia
12 January 2022

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 30 NOVEMBER 2021**

I, Ahmad Najib Bin Nazlan, being Director 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 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Financial Institutions Income Asia Fund as at 30 November 2021 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

Ahmad Najib Bin Nazlan

Director

Kuala Lumpur, Malaysia

12 January 2022

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

	Note	01.06.2021 to 30.11.2021 RM	01.06.2020 to 30.11.2020 RM
INVESTMENT INCOME			
Interest income	3	1,117,455	1,453,467
Net (loss)/gain from financial assets at fair value through profit or loss ("FVTPL")			
- Realised gain/(loss)		188,842	(163,934)
- Unrealised (loss)/gain		(819,178)	3,415,784
Net gain on foreign exchange and derivatives	4	<u>262,790</u>	<u>381,947</u>
		<u>749,909</u>	<u>5,087,264</u>
EXPENSES			
Manager's fee	5	258,213	330,391
Trustee's fee	6	10,328	13,216
Auditors' remuneration		5,014	5,014
Tax agent's fee		1,755	1,755
Administrative expenses		<u>10,425</u>	<u>9,795</u>
		<u>285,735</u>	<u>360,171</u>
Net income before taxation		464,174	4,727,093
Taxation	7	<u>-</u>	<u>-</u>
Net income after taxation, and total comprehensive income for the financial period		<u>464,174</u>	<u>4,727,093</u>
Net income after taxation is made of the following:			
Realised income		553,927	607,191
Unrealised (loss)/income		<u>(89,753)</u>	<u>4,119,902</u>
		<u>464,174</u>	<u>4,727,093</u>
Distributions for the financial period			
Net distributions	16	<u>450,591</u>	<u>596,803</u>
Gross/net distribution per unit (sen)	16	<u>1.00</u>	<u>1.00</u>
Distribution dates (ex-date)	16	<u>Refer to Note 16</u>	<u>Refer to Note 16</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

	Note	30.11.2021 RM	31.05.2021 RM
ASSETS			
Financial assets at FVTPL	8	44,809,207	49,813,682
Derivative assets	9	112,446	60,281
Interest receivable		493,057	560,306
Deposit with a licensed financial institution	10	163,958	941,948
Amount due from brokers	11	2,101,000	-
Amount due from Manager	12	219,788	-
Cash at bank	13	2,765,980	3,700,921
TOTAL ASSETS		<u>50,665,436</u>	<u>55,077,138</u>
LIABILITIES			
Derivative liabilities	9	526,942	282,820
Amount due to Manager	12	621,383	56,254
Amount due to Trustee	14	1,623	1,850
Other payables and accruals		11,480	16,994
TOTAL LIABILITIES		<u>1,161,428</u>	<u>357,918</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>49,504,008</u>	<u>54,719,220</u>
EQUITY			
Unitholders' capital	15(a)	48,974,127	54,202,922
Retained earnings	15(b) & 15(c)	529,881	516,298
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>49,504,008</u>	<u>54,719,220</u>
NUMBER OF UNITS IN CIRCULATION (UNIT)	15(a)	<u>45,677,651</u>	<u>50,446,416</u>
NAV PER UNIT (RM)		<u>1.0838</u>	<u>1.0847</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 30 NOVEMBER 2021**

	Unitholders' capital Note 15(a) RM	Retained earnings Notes 15(b) & 15(c) RM	Total equity RM
At 1 June 2021	54,202,922	516,298	54,719,220
Total comprehensive income for the financial period	-	464,174	464,174
Creation of units	2,614,130	-	2,614,130
Reinvestment of units	450,591	-	450,591
Cancellation of units	(8,293,516)	-	(8,293,516)
Distributions (Note 16)	-	(450,591)	(450,591)
At 30 November 2021	<u>48,974,127</u>	<u>529,881</u>	<u>49,504,008</u>
At 1 June 2020	68,302,398	(2,845,688)	65,456,710
Total comprehensive income for the financial period	-	4,727,093	4,727,093
Creation of units	2,287,412	-	2,287,412
Reinvestment of units	1,860,775	-	1,860,775
Cancellation of units	(7,339,183)	-	(7,339,183)
Distributions (Note 16)	31,818	(628,621)	(596,803)
At 30 November 2020	<u>65,143,220</u>	<u>1,252,784</u>	<u>66,396,004</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 30 NOVEMBER 2021

	01.06.2021 to 30.11.2021 RM	01.06.2020 to 30.11.2020 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale and redemption of financial assets at FVTPL	10,221,389	28,926,626
Net payments for purchase of financial assets at FVTPL	(7,459,766)	(22,611,608)
Interest received	1,124,085	1,274,474
Net realised gain on derivatives	486	(514,541)
Manager's fee paid	(263,899)	(331,785)
Trustee's fee paid	(10,554)	(13,272)
Payment of other fees and expenses	(22,710)	(27,189)
Net cash generated from operating and investing activities	<u>3,589,031</u>	<u>6,702,705</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	2,394,341	2,287,412
Cash paid on units cancelled	(7,722,700)	(7,256,408)
Net cash used in financing activities	<u>(5,328,359)</u>	<u>(4,968,996)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD	(1,739,328)	1,733,709
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	4,642,869	7,113,631
Effects of foreign exchange	26,397	(314,065)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>2,929,938</u>	<u>8,533,275</u>
Cash and cash equivalents comprise:		
Cash at bank (Note 12)	2,765,980	5,941,877
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 10)	163,958	2,591,398
	<u>2,929,938</u>	<u>8,533,275</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Financial Institutions Income Asia Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 29 May 2014, First supplemental deed dated 30 March 2015 and a Second supplemental deed dated 10 August 2015 and a Third supplemental deed dated 21 August 2020 between the Manager, Maybank Asset Management Sdn Bhd ("MAM"), the Trustee, TMF Trustee Malaysia Berhad and the registered unitholders of the Fund. The Deed and Supplemental Deeds are collectively referred to as 'Deeds'. The Fund was launched on 26 August 2014. Effective 4 January 2021, the Fund has been converted to a Unit Trust Fund.

The Fund aims to provide unitholders income through investing in a portfolio of fixed income securities issued by financial institutions. The Fund will invest between 70% to 98% of its NAV in Ringgit Malaysia ("RM") denominated and/or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/or located in the Asian region whilst the balance of between 2% to 30% of its NAV will be invested in liquid assets and RM denominated and/or non-RM denominated fixed income securities issued by non-financial institutions which are domiciled and/or located in the Asian region.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 1 June 2021 to 30 November 2021. The adoption of the above did not result in 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 Note 2.14 to the financial statements.

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

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

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

2.4 Financial assets

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost

Unless designated as at fair value through profit or loss ("FVTPL") on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

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

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

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

(ii) Financial assets at FVTPL

Unquoted fixed income securities and derivatives are classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

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

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.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

2.4 Financial assets (cont'd)

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on measurement recognised in profit or loss.

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

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

(iii) Impairment

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

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

2.4 Financial assets (cont'd)

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

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

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

The EIR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the interest expense in profit or loss over the relevant period.

(iii) Derecognition

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

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.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

2.6 Fair value measurement (cont'd)

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

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

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

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

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

2.7 Functional and foreign currency

(a) 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.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

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.

2.9 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as a deduction from 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 deposit with a financial institution with original maturity of three (3) months or less which have an insignificant risk of changes in value.

2.11 Revenue

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

Interest income from unquoted fixed income securities and deposits with a licensed financial institution are recognised on the accruals basis using the effective interest rate method.

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

Other 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.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

2.12 Income tax

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

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

2.14 Critical accounting estimates and judgments

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

3. INTEREST INCOME

	01.06.2021 to 30.11.2021 RM	01.06.2020 to 30.11.2020 RM
Interest income from unquoted fixed income securities	1,126,099	1,475,664
Interest income from short-term deposits	4,977	9,617
Amortisation of premium, net of accretion of discount	(13,621)	(31,814)
	<u>1,117,455</u>	<u>1,453,467</u>

4. NET GAIN ON FOREIGN EXCHANGE AND DERIVATIVES

	01.06.2021 to 30.11.2021 RM	01.06.2020 to 30.11.2020 RM
Net realised (loss)/gain on foreign exchange	(541,112)	192,333
Net unrealised gain on foreign exchange	921,381	(4,192,683)
Net realised gain/(loss) on derivatives	74,478	(516,218)
Net unrealised (loss)/gain on derivatives	(191,957)	4,898,515
	<u>262,790</u>	<u>381,947</u>

5. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.00% (01.06.2020 to 30.11.2020: 1.00%) per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for that particular day.

6. TRUSTEE'S FEE

The Trustee's fee is computed daily based on 0.04% (01.06.2020 to 30.11.2020: 0.04%) p.a. of the NAV of the Fund, subject to a minimum fee of RM15,000 per annum ("p.a.") and a maximum fee of RM 150,000 p.a.. The trustee fee is calculated and accrued daily and payable monthly to the Trustee.

7. TAXATION

	01.06.2021 to 30.11.2021 RM	01.06.2020 to 30.11.2020 RM
Tax expense for the financial period:		
Current income tax expense	<u>-</u>	<u>-</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

7. TAXATION (CONT'D)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable income for the financial period. Interest income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from Malaysian tax. The tax charge for the financial period is in relation to the taxable income earned by the Fund after deducting the permitted expenses. A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	01.06.2021 to 30.11.2021 RM	01.06.2020 to 30.11.2020 RM
Net income before taxation	<u>464,174</u>	<u>1,000,827</u>
Tax at Malaysian statutory rate of 24% (2020: 24%)	111,402	240,198
Income not subject to tax	(376,581)	(1,005,204)
Loss not deductible for tax purposes	196,603	579,973
Expenses not deductible for tax purposes	<u>68,576</u>	<u>185,033</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

8. FINANCIAL ASSETS AT FVTPL

	30.11.2021 RM	30.11.2020 RM
Unquoted fixed income securities - foreign	<u>44,809,207</u>	<u>49,813,682</u>
	<u>44,809,207</u>	<u>49,813,682</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

30.11.2021	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
British Virgin Island ("BVI")				
Huarong Finance Corporation Ltd - 3.75% / 27.04.2022	500,000	2,100,804	2,095,811	4.23
Peak RE Bvi Holding Ltd - 5.35% / 28.10.2025	500,000	2,100,889	2,156,424	4.36
Wanda Properties Overseas Ltd - 6.95% / 05.12.2022	500,000	2,092,530	2,002,043	4.04
Total BVI	1,500,000	6,294,223	6,254,278	12.63
Cayman Islands				
Shimao Group Holdings - 5.20% / 16.09.2027	300,000	1,257,866	877,920	1.77
TMB Bank Public Co Ltd - 4.90% / 02.12.2024	500,000	2,100,898	2,102,996	4.25
	800,000	3,358,764	2,980,916	6.02
France				
BNP Paribas S.A. - 6.625% / 25.03.2024	500,000	2,121,017	2,241,263	4.53
Total France	500,000	2,121,017	2,241,263	4.53
Hong Kong				
AIA Group Ltd - 2.70% / 07.04.2026	500,000	2,100,960	2,090,306	4.22
Bank of East Asia Ltd - 5.825% / 21.10.2021	500,000	2,100,849	2,189,683	4.42

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2021 (cont'd)				
Unquoted fixed income securities - foreign (cont'd)				
Hong Kong (cont'd)				
Nanyang Commercial Bank Ltd - 3.80% / 20.11.2024	500,000	2,099,000	2,156,151	4.36
	<u>1,500,000</u>	<u>6,300,809</u>	<u>6,436,140</u>	<u>4.36</u>
India				
HDFC Bank Ltd - 3.70% / 25.08.2026	250,000	1,050,456	1,042,096	2.11
Renew Power Ltd - 6.45% / 27.09.2022	500,000	2,103,887	2,120,224	4.28
	<u>750,000</u>	<u>3,154,343</u>	<u>3,162,320</u>	<u>6.39</u>
Philippines				
SMC Global Power Holdings Corporation - 7.00% / 21.10.2025	250,000	1,056,387	1,082,446	2.19
Total Philippines	<u>250,000</u>	<u>1,056,387</u>	<u>1,082,446</u>	<u>2.19</u>
Singapore				
Aviva Singlife Holdings Pte Ltd - 3.38% / 24.02.2026	250,000	766,189	781,733	1.58
Global Prime Capital Pte Ltd - 5.50% / 01.07.2021	500,000	2,101,045	2,116,610	4.28
United Overseas - 2.50% / 22.06.2028	500,000	1,532,437	1,505,341	3.04
Total Singapore	<u>1,250,000</u>	<u>4,399,671</u>	<u>4,403,684</u>	<u>8.90</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

30.11.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities - foreign (cont'd)				
South Korea				
Heungkuk Life Insurance Co Ltd - 4.475% / 09.11.2022	500,000	2,099,952	2,111,568	4.27
Shinhan Financial Group Co Ltd - 2.88% / 12.05.2026	500,000	2,100,980	2,068,224	4.18
	<u>1,000,000</u>	<u>4,200,932</u>	<u>4,179,792</u>	<u>8.45</u>
Switzerland				
UBS Group AG - 4.85% / 04.09.2024	500,000	1,576,904	1,573,581	3.18
Total Switzerland	<u>500,000</u>	<u>1,576,904</u>	<u>1,573,581</u>	<u>3.18</u>
Thailand				
Bangkok Bank Pcl - 3.47% / 23.09.2036	300,000	1,260,556	1,262,856	2.55
Kasikorn Bank Pcl - 5.27% / 14.10.2025	500,000	2,101,991	2,187,162	4.42
Krung Thai Bank Plc - 4.66% / 04.12.2021	400,000	1,680,707	1,675,018	3.38
Muang Thai Life - 3.55% / 27.01.2037	200,000	840,289	848,552	1.71
Total Thailand	<u>1,400,000</u>	<u>5,883,543</u>	<u>5,973,588</u>	<u>12.06</u>
United Kingdom				
HSBC Holdings Ltd - 4.75% / 04.09.2031	200,000	840,382	822,701	1.66
Macquarie Bank Ltd - 5.375% / 03.10.2024	800,000	3,374,099	3,560,035	7.19
Total United Kingdom	<u>1,000,000</u>	<u>4,214,481</u>	<u>4,382,736</u>	<u>8.85</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2021 (cont'd)				
Unquoted fixed income securities - foreign (cont'd)				
United States				
Bank of Motreal - 4.80% / 25.08.2024	500,000	2,100,865	2,138,463	4.32
Total Switzerland	<u>500,000</u>	<u>2,100,865</u>	<u>2,138,463</u>	<u>4.32</u>
Total unquoted fixed income securities - foreign	<u>10,950,000</u>	<u>44,661,939</u>	<u>44,809,207</u>	<u>81.88</u>
Total unquoted fixed income securities	<u>10,950,000</u>	<u>44,661,939</u>	<u>44,809,207</u>	<u>81.88</u>
Unrealised gain on unquoted fixed income securities*			<u>147,268</u>	
	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
31.05.2021				
Unquoted fixed income securities - foreign				
British Virgin Island ("BVI")				
Huarong Finance Corporation Ltd - 3.75% / 27.04.2022	500,000	2,061,141	1,556,804	2.85
Peak RE Bvi Holding Ltd - 5.35% / 28.10.2025	500,000	2,061,391	2,173,543	3.97
Wanda Properties Overseas Ltd - 6.95% / 05.12.2022	500,000	2,049,312	2,057,397	3.76
Total BVI	<u>1,500,000</u>	<u>6,171,844</u>	<u>5,787,744</u>	<u>10.58</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.05.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities - foreign (cont'd)				
Canada				
Bank of Montreal - 4.80% / 25.08.2024	500,000	2,061,370	2,185,376	3.99
Total Canada	500,000	2,061,370	2,185,376	3.99
Cayman Islands				
TMB Bank Public Co Ltd - 4.90% / 02.12.2024	1,000,000	4,122,770	4,164,641	7.61
Total Cayman Islands	1,000,000	4,122,770	4,164,641	7.61
France				
BNP Paribas S.A. - 6.625% / 25.03.2024	500,000	2,085,077	2,261,218	4.13
Total France	500,000	2,085,077	2,261,218	4.13
Hong Kong				
AIA Group Ltd - 2.70% / 07.04.2026	500,000	2,061,461	2,082,610	3.81
Bank of East Asia Ltd - 5.825% / 21.10.2021	500,000	2,061,351	2,214,278	4.05
China Everbright Ltd - 3.80% / 27.10.2023	500,000	2,062,942	2,099,885	3.84
Chong Hing Bank Ltd - 5.825% / 21.10.2021	500,000	2,061,363	2,145,486	3.92
Dah Sing Bank Ltd - 4.25% / 30.11.2021	500,000	2,061,763	2,081,393	3.80
Nanyang Commercial Bank Ltd - 3.80% / 20.11.2024	500,000	2,059,232	2,137,631	3.91
Total Hong Kong	3,000,000	12,368,112	12,761,283	23.33

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities - foreign (cont'd)				
India				
Renew Power Ltd - 6.45% / 27.09.2022	500,000	2,066,731	2,130,540	3.89
Total India	<u>500,000</u>	<u>2,066,731</u>	<u>2,130,540</u>	<u>3.89</u>
Philippines				
SMC Global Power Holdings Corporation - 7.00% / 21.10.2025	250,000	1,037,176	1,096,707	2.00
Total Philippines	<u>250,000</u>	<u>1,037,176</u>	<u>1,096,707</u>	<u>2.00</u>
Singapore				
Aviva Singlife Holdings Pte Ltd - 3.38% / 24.02.2026	250,000	780,238	814,006	1.49
Global Prime Capital Pte Ltd - 5.50% / 01.07.2021	500,000	2,061,555	2,101,040	3.84
Total Singapore	<u>750,000</u>	<u>2,841,793</u>	<u>2,915,046</u>	<u>5.33</u>
South Korea				
Heungkuk Life Insurance Co Ltd - 4.475% / 09.11.2022	500,000	2,059,970	2,084,609	3.81
Shinhan Financial Group Co Ltd - 2.88% / 12.05.2026	1,000,000	4,122,960	4,099,622	7.49
Total South Korea	<u>1,500,000</u>	<u>6,182,930</u>	<u>6,184,231</u>	<u>11.30</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities - foreign (cont'd)				
Thailand				
Kasikorn Bank Pcl - 5.27% / 14.10.2025	500,000	2,062,601	2,174,326	3.97
Krung Thai Bank Plc - 3.55% / 27.01.2037	400,000	1,649,108	1,661,520	3.04
Minor International Pcl - 4.66% / 04.12.2021	500,000	2,061,472	2,083,620	3.81
Total Thailand	1,400,000	5,773,181	5,919,466	10.82
United Kingdom				
HSBC Holdings Ltd - 4.75% / 04.09.2031	200,000	824,582	844,696	1.54
Macquarie Bank Ltd - 5.375% / 03.10.2024	800,000	3,311,670	3,562,734	6.51
Total United Kingdom	1,000,000	4,136,252	4,407,430	8.05
Total unquoted fixed income securities - foreign	11,900,000	48,847,236	49,813,682	91.03
Total unquoted fixed income securities	11,900,000	48,847,236	49,813,682	91.03
Unrealised gain on unquoted fixed income securities*			966,446	

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

9. DERIVATIVE ASSETS/LIABILITIES

30.11.2021	Notional principal amount RM	<-----Fair Value----->	
		Assets RM	Liabilities RM
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	55,624,936	112,446	(526,942)

31.05.2021

Foreign exchange related contracts

Currency forwards:

Less than 1 year	57,717,985	60,281	(282,820)
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As at the reporting date, there were 9 (31.05.2021: 10) forward exchange contracts outstanding.

The forward currency contracts entered into during the financial year were for hedging against the currencies exposure arising mainly from investments in the foreign unquoted fixed income securities denominated in USD. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income.

10. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	30.11.2021 RM	31.05.2021 RM
Short-term placement with a maturity of less than 3 months	163,958	941,948

The weighted average effective interest rates ("WAEIR") p.a. and average maturity of deposit with a licensed financial institution with maturity of less than 3 months as at the reporting date were as follows:

	30.11.2021		31.05.2021	
	WAEIR % p.a.	Average maturity Days	WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	1.78	1	1.72	1

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

11. AMOUNT DUE FROM BROKERS

The amount due from/(due to) brokers relates to the amount receivable/(payable) from/to brokers arising from the sales/(purchase) of investments. The settlement period for this receivables/(payables) is within 3 working days from the deal date.

12. AMOUNT DUE FROM /(TO) MANAGER

	Note	30.11.2021 RM	31.05.2021 RM
Amount due from Manager			
Subscription of units	(i)	219,788	-
Amount due to Manager			
Manager's fee	(ii)	40,564	46,250
Redemption of units	(iii)	580,819	10,004
		<u>621,383</u>	<u>56,254</u>

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

(ii) The amount relates to the amount payable to the Manager arising from the accruals for Managers fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (31.05.2021: 15 days).

(iii) The amount represents amount payable to the Manager for units redeemed/cancelled.

13. CASH AT BANK

The table below indicates the currencies that the Fund have in cash at bank as at the reporting date:

	30.11.2021 RM	31.05.2021 RM
United States Dollar ("USD")	473,825	3,692,503
Singapore Dollar ("SGD")	4,808	4,532
Malaysian Ringgit ("RM")	<u>2,287,347</u>	<u>3,886</u>
	<u>2,765,980</u>	<u>3,700,921</u>

14. AMOUNT DUE TO TRUSTEE

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

15. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	30.11.2021 RM	31.05.2021 RM
Unitholders' capital	(a)	48,974,127	54,202,922
Accumulated realised income	(b)	430,373	327,037
Accumulated unrealised income	(c)	99,508	189,261
		<u>49,504,008</u>	<u>54,719,220</u>

(a) Unitholders' capital

	30.11.2021		31.05.2021	
	No. of units	RM	No. of units	RM
At the beginning of the financial period/year	50,446,416	54,202,922	63,198,566	68,302,398
Creation of units	2,387,750	2,614,130	4,872,726	5,295,712
Reinvestment of units	415,751	450,591	1,794,129	1,946,091
Cancellation of units	(7,572,266)	(8,293,516)	(19,419,005)	(21,409,658)
Distribution equalisation (Note 16)	-	-	-	68,379
At the end of the financial period/year	<u>45,677,651</u>	<u>48,974,127</u>	<u>50,446,416</u>	<u>54,202,922</u>

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

	30.11.2021		31.05.2021	
	No. of units	RM	No. of units	RM
The Manager	<u>1,390</u>	<u>1,507</u>	<u>1,328</u>	<u>1,158</u>

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

(b) Accumulated realised income

	30.11.2021 RM	31.05.2021 RM
At the beginning of the financial period/year	327,037	1,626,739
Net realised income for the financial year	553,927	1,311,572
Distributions out of retained earnings (Note 16)	(450,591)	(2,611,274)
At the end of the financial period/year	<u>430,373</u>	<u>327,037</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

15. TOTAL EQUITY (CONT'D)

(c) Accumulated unrealised income

	30.11.2021	31.05.2021
	RM	RM
At the beginning of financial period/year	189,261	(4,472,427)
Net unrealised (loss)/income for the financial period/year	(89,753)	4,661,688
At the end of the financial period/year	<u>99,508</u>	<u>189,261</u>

16. DISTRIBUTIONS

Details of distributions declared to unitholders in the previous and current financial period/year are as follows:

	30.11.2021	31.05.2021
	RM	RM
Interest income	108,654	1,028,449
Prior year's net realised income*	327,037	1,626,739
Other income	223,846	225,208
Less:		
Expenses	(208,946)	(269,122)
Distributions out of realised reserves (Note 15(b))	<u>450,591</u>	<u>2,611,274</u>
Effects of distribution equalisation (Note 15(a))	-	(68,379)
Distributions for the financial period/year	<u>450,591</u>	<u>2,542,895</u>
Analysed as:		
Cash distribution	-	596,804
Reinvestment of units	<u>450,591</u>	<u>1,946,091</u>
Distribution for the financial period/year	<u>450,591</u>	<u>2,542,895</u>

The distributions declared are settled in the form of units and presented as 'reinvestment of units' in Note 15(a) on payment date.

* Part of the distributions in the current financial period/year were made from prior year's net realised income.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

16. DISTRIBUTIONS (CONT'D)

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

Distribution dates (ex-date)	Gross/net distribution per unit (sen)
30.11.2021 26 November 2021	1.00
31.05.2021 27 November 2020 27 May 2021	1.00 4.00 5.00

17. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with brokers and dealers for the current financial period are as follows:

Brokers/dealers	01.06.2021 to 30.11.2021	Percentage of total trades
	Value of trades RM	%
HSBC Bank Malaysia Bhd	22,439,368	41.30
Morgan Stanley	11,698,113	21.53
Guotai Junan Securities (Hong Kong) Ltd	7,370,872	13.57
Anz Banking Group Ltd	6,559,649	12.07
Merill Lynch	6,258,225	11.52
	<u>54,326,227</u>	<u>99.99</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

17. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS (CONT'D)

Details of transactions with brokers and dealers for the previous financial period are as follows:

Brokers/dealers	31.05.2021	
	Value of trades RM	Percentage of total trades %
HSBC Bank Malaysia Bhd	11,090,480.00	22.28
Nomura Ltd	9,787,610.00	19.66
J.P. Morgan Chase Bank Bhd	6,297,205.00	12.65
Citibank Bhd	6,188,632.50	12.43
BNP Paribas Malaysia Bhd	5,537,197.50	11.12
Mizuho Securities Asia Ltd	4,994,335.00	10.03
Standard Chartered Bank London	3,707,550.00	7.45
DBS Bank	2,171,450.00	4.36
	<u>49,774,460</u>	<u>100.00</u>

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

Financial institution	30.11.2021		31.05.2021	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Malayan Banking Bhd ("MBB")*	<u>79,126,317</u>	<u>100.00</u>	<u>272,712,257</u>	<u>100.00</u>

* MBB is the ultimate holding company of the Manager.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

18. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

In addition to the related party information disclosed elsewhere in the financial statements, the following are the significant related party transactions of the Fund during the financial period:

(a) Significant related party transactions

	30.11.2021 RM	31.05.2021 RM
MBB:		
Interest income from deposit placement	4,977	19,967

(b) Significant related party balances

MBB:		
Deposit with a financial institution	163,958	941,948

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

19. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial period from 1 June 2021 to 30 November 2021, the MER of the Fund stood at 0.55% (31.05.2021: 1.10%).

20. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the daily average NAV of the Fund. For the financial period from 1 June 2021 to 30 November 2021, the PTR of the Fund stood at 0.03 times (31.05.2021: 0.64 times).

21. SEGMENT INFORMATION

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

The chief operating decision-maker is responsible for the performance of the Fund by investing between 70% to 98% of its NAV in RM denominated and/or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/or located in the Asian region whilst the balance of between 2% to 30% of its NAV will be invested in RM denominated and/or non-RM denominated fixed income securities issued by non-financial institutions which are domiciled and/or located in the Asian region.

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

22. 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).

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM
30.11.2021			
Financial assets			
Financial assets at FVTPL	-	44,809,207	-
Derivative assets	-	112,446	-
	-	44,921,653	-
Financial liabilities			
Derivative liabilities	-	526,942	-
31.05.2021			
Financial assets			
Financial assets at FVTPL	-	49,813,682	-
Derivative assets	-	60,281	-
	-	49,873,963	-
Financial liabilities			
Derivative liabilities	-	282,820	-

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

23. UNITHOLDERS' CONTRIBUTION MANAGEMENT

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

The Fund's objectives for managing the unitholders' contribution are:

- (a) To invest in investments meeting the description, risk exposure and generate higher returns than the prescribed benchmark as indicated in its information memorandum;
- (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 in the current financial period.