

Asset Management

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MAYBANK MALAYSIA SMALLCAP FUND

Unaudited Semi-annual report
For the financial period from 1 August 2022 to 31 January 2023

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

Level 12 Tower C
Dataran Maybank
No 1 Jalan Maarof
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TRUSTEE

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MAYBANK MALAYSIA SMALLCAP FUND

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MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2022 to 31 January 2023

A. Fund Information

1. Name of the Fund

Maybank Malaysia SmallCap Fund ("Fund")

2. Type of Fund

Growth Fund

3. Category of Fund

Equity Fund

4. Duration of the Fund

The Fund is an open-ended Fund.

5. Fund launch date/ commencement date

3 March 2004/ 24 March 2004

6. Fund's investment objective

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

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

7. Fund distribution policy

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

8. Fund's performance benchmark

The Fund's benchmark is 100% of the performance of the FTSE Bursa Malaysia ("FBM") SmallCap Index.

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

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

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2022 to 31 January 2023 (cont'd)

A. Fund Information (cont'd)

10. Breakdown of unitholdings by size

Fund size

As at 31 January 2023, the size of the Fund was 43,156,408 units.

Breakdown of unitholdings as at 31 January 2023

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	377	40.41	865	2.00
5,001 to 10,000 units	147	15.76	989	2.29
10,001 to 50,000 units	281	30.12	5,805	13.45
50,001 to 500,000 units	123	13.18	12,762	29.57
500,001 units and above	5	0.54	* 22,736	52.69
Total	933	100.00	** 43,156	100.00

* 9,604,104 units held by Malayan Banking Bhd

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

B. Performance Review

1. Key performance data of the Fund

Category	01.08.2022 to 31.01.2023	01.08.2021 to 31.07.2022	01.08.2020 to 31.07.2021
Portfolio composition (%)			
Quoted equities - local			
Construction	-	-	4.77
Consumer Products	14.52	22.50	12.03
Energy	10.25	8.28	4.42
Finance	3.67	7.03	2.00
Healthcare	7.67	22.03	1.09
Industrial Products	21.99	-	23.16
Networking	3.13	-	-
Plantations	4.08	6.89	2.64
Properties	-	-	0.20
Real Estate Investment Trust ("REIT")	5.60	6.79	1.85
Technology	20.68	19.00	30.54
Utilities	-	-	1.63
Cash and other net assets	8.41	7.48	15.67
Total	100.00	100.00	100.00

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2022 to 31 January 2023 (cont'd)

B. Performance Review (cont'd)

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

Category	01.08.2022 to 31.01.2023	01.08.2021 to 31.07.2022	01.08.2020 to 31.07.2021
NAV (RM'000)	29,724	28,914	135,546
Units in circulation (units'000)	43,156	47,104	180,131
NAV per unit (RM)	0.6888	0.6138	0.7525
Highest NAV per unit (RM)	0.6901	0.7794	0.9049
Lowest NAV per unit (RM)	0.5973	0.5552	0.6691
Net income distributed (RM'000)	-	-	4,318
Distribution date (ex-date)	-	-	28 July 2021
Gross/net distribution per unit (sen)	-	-	2.50
Annual total return (%) ⁽¹⁾	12.20	(18.42)	12.34
Benchmark (%)	12.96	(7.22)	18.16
Total Expense Ratio ("TER") (%) ⁽²⁾	0.96	1.89	1.64
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.18	1.43	0.53

Notes:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER decreased to 0.96% due to lower administrative expenses in the current financial period under review.
- (3) The Fund's PTR decreased to 0.18 times due to lower trading activities in the current financial period under review ended 31 January 2023.

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

2. Performance of the Fund up to 31 January 2023

Category	6 months to 31.01.2023 %	1 year to 31.01.2023 %	3 years to 31.01.2023 %	5 years to 31.01.2023 %
Capital growth	12.20	(0.88)	30.41	19.27
Income distribution	-	-	5.53	5.53
Total return of the Fund	12.20	(0.88)	37.62	25.87
Benchmark	12.96	4.22	21.75	0.66
Average total return	-	(0.88)	11.22	4.71

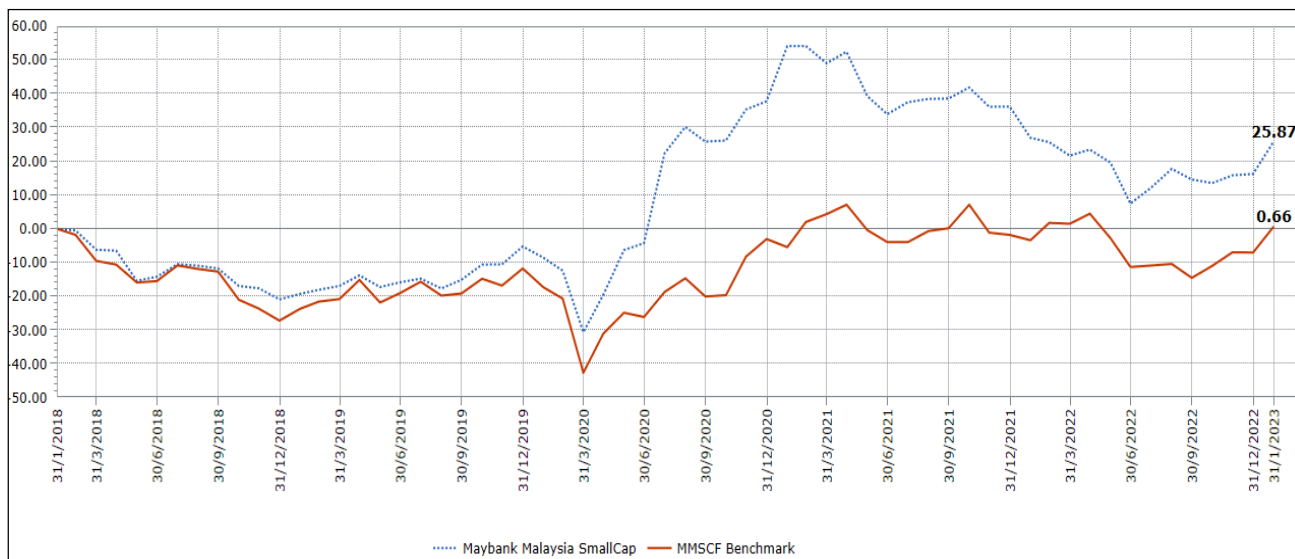
MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2022 to 31 January 2023 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 January 2023 (cont'd)



Source: Lipper as at 31 January 2023

During the 6 month period under review, the Fund's NAV per unit increased by 12.2%, underperforming the benchmark's gain of +13.0%. The negative performance was mainly due to Fund's higher exposure to the technology sector, which was negatively impacted by the market expectation of faster United States Federal Reserve ("US Fed") tapering activities and more hawkish views on interest rate hikes during the 1H22. The fund managed to close the performance gap especially towards the 2H22 as well as early January 2023 where the technology sector rebounded.

The fund did exceptionally well as it invested in newly listed companies with good future prospects. The fund also positioned itself in consumer related companies as well as healthcare related companies which helped the fund close the gap with the benchmark.

For a longer period of 5 years, the Fund's total return is 25.9% vs. the benchmark which recorded a return of 0.7%.

The Fund outperformed the benchmark index for the period under review.

3. Annual/ Semi-annual total return of the Fund

For the financial period/ year ended	31.01.2023 %	31.07.2022 %	31.07.2021 %	31.07.2020 %	31.07.2019 %
Capital growth	12.20	(18.42)	8.74	40.56	(4.80)
Income distribution	-	-	3.31	2.15	-
Total return	12.20	(18.42)	12.34	43.59	(4.80)
Benchmark	12.96	(7.22)	18.16	(3.59)	(5.41)

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2022 to 31 January 2023 (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

During the 6 month period, the overall sentiments of the market remains volatile due to concerns of United States ("US") recession risk, political uncertainties due to a hung parliament as well as continuous interest rate hike by the US. This impacted the overall sentiments of the market especially on the technology sector which saw decline as low -15.7% from August 2022 but eventually saw a steady recovery by January 2023.

The boarder FBM 100 Index saw a similar trend with some recovery towards the 2H22 before a blip during the 2022 General Elections in November 2022.

Sentiments continue to improve as most of the fear of global recession as well as higher inflation have been priced in towards the year end.

D. Market Outlook and Strategies

Strategy employed for the period under review, we started with a preference for technology and consumer sector which recovered gradually and then sharply in January 2023. We reduced the cash holdings by end of the period to add some beaten down technology counters as well as adding some newly listed companies to take advantage of highly anticipated companies with good prospects.

Going forward, we expect the volatility of the market to continue although business activities are normalizing. The choppy market is due to the recessionary fears in the US as well as fears of another trade war between the US and China.

We keep the Fund's cash position at a moderate level to take advantage of the beaten down counters as well as new listing potentials.

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2023 to 31 January 2023 (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 period ended 31 January 2023, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF MAYBANK MALAYSIA SMALLCAP FUND FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2022 TO 31 JANUARY 2023

We have acted as Trustee of the Fund for the financial period from 1 August 2022 to 31 January 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
- (b) Valuation and pricing is carried out in accordance with the deed; and
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB Commerce Trustee Berhad

Ezreen Eliza Zulkiplee
Chief Executive Officer
10 March 2023

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MALAYSIA SMALLCAP FUND
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2022 TO 31 JANUARY 2023**

I, Ahmed Muzni Bin Mohamed, being the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying unaudited 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 Malaysia SmallCap Fund as at 31 January 2023 and of its results, changes in equity and cash flows for the financial period from 1 August 2022 to 31 January 2023 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Ahmed Muzni Bin Mohamed
Director

Kuala Lumpur, Malaysia
10 March 2023

MAYBANK MALAYSIA SMALLCAP FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2022 TO 31 JANUARY 2023**

	Note	01.08.2022 to 31.01.2023 RM	01.08.2021 to 31.01.2022 RM
INVESTMENT INCOME/ (LOSS)			
Dividend income		376,668	468,286
Profit/ Interest income		32,410	92,397
Net gain/ (loss) on fair value changes of fair value through profit or loss ("FVTPL") investments			
- Unrealised gain/ (loss)		2,778,757	(15,820,228)
- Realised gain		640,209	14,517,278
		<u>3,828,044</u>	<u>(742,267)</u>
EXPENSES			
Manager's fee	3	219,832	387,384
Trustee's fee	4	10,259	18,078
Auditors' remuneration		5,746	5,042
Tax agent's fee		2,142	1,965
Brokerage and other transaction fees		22,338	162,249
Administrative expenses		17,953	92,922
		<u>278,270</u>	<u>667,640</u>
NET RESULTS BEFORE TAXATION		3,549,774	(1,409,907)
TAXATION	5	(5,368)	(5,641)
NET RESULTS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE RESULTS FOR THE FINANCIAL PERIOD		<u>3,544,406</u>	<u>(1,415,548)</u>
Total comprehensive results for the financial period is made up of the following:			
Realised income		765,649	14,404,680
Unrealised income/ (loss)		2,778,757	(15,820,228)
		<u>3,544,406</u>	<u>(1,415,548)</u>

MAYBANK MALAYSIA SMALLCAP FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2023**

	Note	31.01.2023 RM	31.07.2022 RM
ASSETS			
Investments at FVTPL	6	27,231,410	26,749,804
Deposit with a licensed financial institution	7	2,420,000	1,724,492
Profit/ Interest receivable		182	319
Amount due from Manager	8	142,345	19,564
Amount due from brokers	9	-	445,194
Cash at bank		5,595	48,610
TOTAL ASSETS		29,799,532	28,987,983
LIABILITIES			
Amount due to Manager	8	47,182	45,252
Amount due to Trustee	10	1,703	5,081
Other payables and accruals		26,230	23,222
TOTAL LIABILITIES		75,115	73,555
NET ASSET VALUE ("NAV") OF THE FUND		29,724,417	28,914,428
EQUITY			
Unitholders' capital	11(a)	(8,728,452)	(5,994,035)
Retained Earnings	11(b)&(c)	38,452,869	34,908,463
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS		29,724,417	28,914,428
NUMBER OF UNITS IN CIRCULATION	11(a)	43,156,408	47,104,046
NAV PER UNIT		0.6888	0.6138

MAYBANK MALAYSIA SMALLCAP FUND

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2022 TO 31 JANUARY 2023**

	Unitholders' capital Note 11(a) RM	Retained earnings Note 11(b) & 11(c) RM	Total equity RM
At 1 August 2022	(5,994,035)	34,908,463	28,914,428
Total comprehensive gain for the financial period	-	3,544,406	3,544,406
Creation of units	9,348,928	-	9,348,928
Cancellation of units	(12,083,345)	-	(12,083,345)
At 31 January 2023	<u>(8,728,452)</u>	<u>38,452,869</u>	<u>29,724,417</u>
At 1 August 2021	95,689,098	39,856,546	135,545,644
Total comprehensive loss for the financial period	-	(1,415,549)	(1,415,549)
Creation of units	8,932,648	-	8,932,648
Cancellation of units	(109,767,290)	-	(109,767,290)
At 31 January 2022	<u>(5,145,544)</u>	<u>38,440,997</u>	<u>33,295,453</u>

MAYBANK MALAYSIA SMALLCAP FUND**UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2022 TO 31 JANUARY 2023**

	01.08.2022 to 31.01.2023 RM	01.08.2021 to 31.01.2022 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net payment for purchase of investments at FVTPL	(3,579,471)	(6,655,992)
Net proceeds from disposal of investments at FVTPL	6,923,808	91,974,770
Net dividend received	371,299	481,644
Profit/ Interest received	32,547	93,903
Manager's fee paid	(218,845)	(316,831)
Trustee's fee paid	(13,637)	(14,785)
Other expenses paid	(6,951)	(235,557)
Net cash generated from operating and investing activities	<u>3,508,750</u>	<u>85,327,152</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	9,226,146	9,452,096
Payments for cancellation of units	(12,082,403)	(109,713,327)
Net cash used in financing activities	<u>(2,856,257)</u>	<u>(100,261,231)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	652,493	(14,934,079)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>1,773,102</u>	<u>18,881,419</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>2,425,595</u>	<u>3,947,340</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	5,595	141,400
Deposit with a licensed financial institution with maturity of less than 3 months (Note 7)	2,420,000	3,805,940
	<u>2,425,595</u>	<u>3,947,340</u>

MAYBANK MALAYSIA SMALLCAP FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2022 TO 31 JANUARY 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

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

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

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

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

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

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services License with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA"). The principal place of business of Maybank AM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Bhd ("MAMG"), which in turn is a subsidiary of 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 134 *Interim Financial Reporting* ("MFRS 134") and International Accounting Standards 134 *Interim Financial Reporting*.

The interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 July 2022.

MAYBANK MALAYSIA SMALLCAP FUND

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

2.1 Basis of preparation (cont'd)

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

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

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

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

Description	Effective for annual periods beginning on or after
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax Related to Assets and Liabilities arising</i>	1 January 2023
Amendments to IFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
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.

MAYBANK MALAYSIA SMALLCAP FUND

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

2.4 Financial assets

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

(i) Financial assets at amortised cost

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

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

The Fund classifies cash and cash equivalents, interest receivable, dividend receivable and amount due from brokers and amount due from Manager as loan and receivables, and are subsequently measured at amortised cost. Quoted equities is classified as FVTPL.

(ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

MAYBANK MALAYSIA SMALLCAP 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 year, with any gains or losses arising on remeasurement recognised in profit or loss.

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

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

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

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 (e.g. profit/ interest receivable), full impairment will be recognised on uncollected balances after the grace period.

MAYBANK MALAYSIA SMALLCAP FUND

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

2.4 Financial assets (cont'd)

(iv) Derecognition

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate ("EPR")/ effective interest rate ("EIR") method. The EPR/ EIR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the profit expense in profit or loss over the relevant period.

(iii) Derecognition of financial liabilities

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

MAYBANK MALAYSIA SMALLCAP FUND

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

2.6 Unitholders' capital

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

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

The outstanding units are carried at the redemption amount that is payable at each financial 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. The amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

2.7 Revenue/ Income

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

- Dividend income from unquoted fixed income securities and deposit with a licensed financial institution are recognised on the accruals basis using the effective profit rate method/ effective interest rate method.
- Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation of premium.
- Redemption fee income is charged to unitholders on cancellation of units before the maturity date and is recognised upon cancellation of units.
- Other income is generally recognised when the Fund satisfies a performance obligation by transferring a promised good or service or an Asset to a customer. An Asset is transferred when (or as) the customer obtains control of that asset.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank and deposit with a licensed financial institution with maturities of 3 months or less, which have an insignificant risk of changes in value.

2.9 Distribution

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

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

MAYBANK MALAYSIA SMALLCAP FUND

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

2.10 Taxation

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

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

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

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

2.11 Fair value measurement

The Fund measures its investments at FVTPL at fair value at each reporting date.

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

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

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

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

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

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

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

2.12 Functional and 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.

MAYBANK MALAYSIA SMALLCAP FUND

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

2.13 Segment reporting

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

2.14 Critical accounting estimates and judgements

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

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

3. MANAGER'S FEE

The Manager's fee is computed daily based on 1.50% per annum ("p.a.") (01.08.2021 to 31.01.2022 : 1.50% p.a.) of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

4. TRUSTEE'S FEE

The Trustee fee is calculated and accrued daily. The Trustee fee is computed based on 0.07% p.a. (01.08.2021 to 31.01.2022: 0.07% p.a.) of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM 18,000 p.a.

5. TAXATION

	01.08.2022	01.08.2021
	to	to
	31.01.2023	31.01.2022
	RM	RM
Tax charge for the financial period:		
Current income tax expense	<u>5,368</u>	<u>5,641</u>

Income tax is calculated at the Malaysian statutory rate of 24% (01.08.2021 to 31.01.2022: 24%) of the estimated assessable income for the financial period.

MAYBANK MALAYSIA SMALLCAP FUND

5. TAXATION (CONT'D)

The tax expense for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit/ interest income and dividend income earned by the Fund is exempted from tax.

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

	01.08.2022 to 31.01.2023 RM	01.08.2021 to 31.01.2022 RM
Net results before taxation	<u>3,549,774</u>	<u>(1,409,907)</u>
Taxation at Malaysian statutory rate of 24% (2022:24%)	851,946	(338,378)
Income not subject to tax	(918,731)	(3,618,711)
Loss not deductible for tax purposes	-	3,796,855
Income tax at source	5,368	5,641
Expenses not deductible for tax purposes	66,785	160,234
Tax expense for the financial period	<u>5,368</u>	<u>5,641</u>

6. INVESTMENTS AT FVTPL

	31.01.2023 RM	31.07.2022 RM
Quoted equities	<u>27,231,410</u>	<u>26,749,804</u>

	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2023				
Consumer Products				
Berjaya Sports Toto Bhd	605,000	1,136,717	974,050	3.28
Focus Point Holdings Bhd	2,000,000	785,695	2,440,000	8.21
Spring Art Holdings Bhd	4,500,000	1,376,172	900,000	3.03
	<u>7,105,000</u>	<u>3,298,584</u>	<u>4,314,050</u>	<u>14.52</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

31.01.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Energy				
Dayang Enterprise Holdings Bhd	744,900	922,892	1,095,003	3.68
Hibiscus Petroleum Bhd	900,000	871,904	1,026,000	3.45
Yinson Holdings Bhd	344,600	761,853	926,974	3.12
	<u>1,989,500</u>	<u>2,556,649</u>	<u>3,047,977</u>	<u>10.25</u>
Finance				
RHB Bank Bhd	<u>189,790</u>	<u>982,498</u>	<u>1,091,293</u>	<u>3.67</u>
Health Care				
Umedic Group Bhd	<u>3,000,000</u>	<u>960,000</u>	<u>2,280,000</u>	<u>7.67</u>
Industrial Products				
Destini Bhd	5,000,000	1,080,882	400,000	1.35
Farm Fresh Bhd	1,000,000	1,417,500	1,600,000	5.38
Nationgate Holdings Bhd	500,000	414,500	575,000	1.93
Pie Industrial Bhd	350,000	857,563	1,074,500	3.61
Press Metal Aluminium Holdings Bhd	70,000	354,067	362,600	1.22
RGT Bhd	2,000,000	900,000	740,000	2.49
Slp Resources Bhd	750,000	965,588	735,000	2.47
Superlon Holdings Bhd	500,000	426,577	315,000	1.06
TA Win Holdings Bhd	6,000,000	835,700	360,000	1.21
Texchem Resources Bhd	150,000	404,370	319,500	1.07
TA Win Holdings Bhd - Warrant	4,000,000	-	60,000	0.20
	<u>20,320,000</u>	<u>7,656,747</u>	<u>6,541,600</u>	<u>21.99</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

31.01.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Networking				
ITMAX System Bhd	600,000	642,000	930,000	3.13
Plantation				
Hap Seng Plantations Holdings Bhd	129,800	359,585	249,216	0.84
Sarawak Oil Palms Bhd	300,000	629,015	795,000	2.67
TA Ann Holdings Bhd	50,000	259,378	170,500	0.57
	<u>479,800</u>	<u>1,247,978</u>	<u>1,214,716</u>	<u>4.08</u>
Real Estate Investment Trust ("REIT")				
AXIS REIT	900,000	1,613,996	1,665,000	5.60
Technology				
Cnergenz Bhd	1,500,000	870,000	1,387,500	4.67
Elsoft Research Bhd	1,500,000	1,317,585	907,500	3.05
Frontken Corporation Bhd	300,000	201,355	987,000	3.32
Malaysian Pacific Industries Bhd	30,000	370,669	995,400	3.35
UWC Bhd	400,000	1,142,372	1,620,000	5.45
Frontken Corporation Bhd - Warrant	875,000	-	249,374	0.84
	<u>4,605,000</u>	<u>3,901,981</u>	<u>6,146,774</u>	<u>20.68</u>
Total FVTPL investments	<u>39,189,090</u>	<u>22,860,433</u>	<u>27,231,410</u>	<u>91.59</u>
Unrealised gain on FVTPL investments			<u>4,370,977</u>	

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

31.07.2022	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Consumer Products				
Berjaya Sports Toto Bhd	600,000	1,136,717	1,116,000	3.86
Focus Point Holdings Bhd	2,500,000	982,119	1,787,500	6.18
Salutica Bhd	1,000,000	558,275	370,000	1.28
Spring Art Holdings Bhd	4,780,000	1,461,800	1,027,700	3.55
Umedic Group Bhd	4,500,000	1,440,000	2,205,000	7.63
	<u>13,380,000</u>	<u>5,578,911</u>	<u>6,506,200</u>	<u>22.50</u>
Energy				
Dayang Enterprise Holdings Bhd	744,900	922,892	741,176	2.56
Hibiscus Petroleum Bhd	900,000	871,904	805,500	2.79
Yinson Holdings Bhd	393,600	870,184	826,560	2.86
Yinson Holdings Bhd (Warrants)	48,685	-	21,421	0.07
	<u>2,087,185</u>	<u>2,664,980</u>	<u>2,394,657</u>	<u>8.28</u>
Finance				
MBB *	104,693	833,373	927,580	3.21
RHB Bank Bhd	187,900	973,105	1,104,852	3.82
	<u>292,593</u>	<u>1,806,478</u>	<u>2,032,432</u>	<u>7.03</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

31.07.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Industrial Products				
Destini Bhd	5,000,000	1,080,882	550,000	1.90
Farm Fresh Bhd	700,000	945,000	1,176,000	4.07
HPMT Holdings Bhd	1,500,000	840,000	645,000	2.23
HPP Holdings Bhd	1,200,000	432,000	528,000	1.83
Press Metal Aluminium Holdings Bhd	150,000	758,715	729,000	2.52
RGT Bhd	2,000,000	900,000	670,000	2.32
SLP Resources Bhd	750,000	965,588	660,000	2.28
Superlon Holdings Bhd	500,000	426,577	335,000	1.16
TA Win Holdings Bhd	6,000,000	835,700	510,000	1.76
Texchem Resources Bhd	150,000	404,370	445,500	1.54
TA Win Holdings Bhd (Warrants)	4,000,000	-	120,000	0.42
	<u>21,950,000</u>	<u>7,588,832</u>	<u>6,368,500</u>	<u>22.03</u>
Plantation				
Hap Seng Plantations Holdings Bhd	300,000	831,090	705,000	2.44
Sarawak Oil Palms Bhd	300,000	629,015	828,000	2.86
TA Ann Holdings Bhd	120,000	622,506	460,800	1.59
	<u>720,000</u>	<u>2,082,611</u>	<u>1,993,800</u>	<u>6.89</u>
Real Estate Investment Trust (REIT)				
Axis REIT	1,006,136	1,804,333	1,961,965	6.79

MAYBANK MALAYSIA SMALLCAP FUND

6. INVESTMENTS AT FVTPL (CONT'D)

31.07.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Technology				
Cnenergiz Bhd	2,000,000	1,160,000	1,220,000	4.22
D&O Green Technologies Bhd	100,000	229,457	407,000	1.41
Elsoft Research Bhd	1,500,000	1,317,585	982,500	3.40
Frontken Corp Bhd	300,000	201,355	864,000	2.99
Malaysian Pacific Industries	30,000	370,669	969,000	3.35
UWC Bhd	200,000	352,373	796,000	2.75
Frontken Corp Bhd (Warrants)	875,000	-	253,750	0.88
	<u>5,005,000</u>	<u>3,631,439</u>	<u>5,492,250</u>	<u>19.00</u>
Total FVTPL investments	<u>44,440,914</u>	<u>25,157,584</u>	<u>26,749,804</u>	<u>92.52</u>
Unrealised gain on FVTPL investments			<u>1,592,220</u>	

* MBB is the ultimate holding company of the Manager.

7. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.01.2023 RM	31.07.2022 RM
Short term placement with a licensed financial institution with maturity of:		
- less than 3 months	<u>2,420,000</u>	<u>1,724,492</u>

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

	31.01.2023		31.07.2022	
	WAEPR/ WAEIR % p.a.	Average maturity Days	WAEPR/ WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	<u>2.75</u>	<u>2</u>	<u>2.25</u>	<u>3</u>

MAYBANK MALAYSIA SMALLCAP FUND

8. AMOUNT DUE FROM/ (TO) MANAGER

		31.01.2023	31.07.2022
		RM	RM
Amount due from Manager is in respect of:			
Creation of units	(i)	<u>142,345</u>	<u>19,564</u>
Amount due to Manager is in respect of:			
Manager's fee	(ii)	36,488	35,500
Cancellation of units	(iii)	<u>10,694</u>	<u>9,752</u>
		<u>47,182</u>	<u>45,252</u>

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

(ii) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (31.07.2022: 15 days).

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

9. AMOUNT DUE FROM BROKERS

The amount due from brokers relates to the amount receivable from brokers arising from the sales of investments. The settlement period for this receivables is within 2 working days (31.07.2022: 2 working days) from the deal date.

10. AMOUNT DUE TO TRUSTEE

Amount due to Trustee relates to the amount payable arising from the accrual for Trustee's fee at the end of the financial period. The normal credit term is 15 days (31.07.2022: 15 days).

11. TOTAL EQUITY

		01.08.2022	01.08.2021
		to	to
		31.01.2023	31.07.2022
	Note	RM	RM
Unitholders' capital	11 (a)	(8,728,452)	(5,994,035)
Accumulated realised income	11 (b)	34,081,894	33,316,245
Accumulated unrealised income	11 (c)	<u>4,370,975</u>	<u>1,592,218</u>
		<u>29,724,417</u>	<u>28,914,428</u>

MAYBANK MALAYSIA SMALLCAP FUND

11. TOTAL EQUITY (CONT'D)

(a) Unitholder's capital

	01.08.2022 to 31.01.2023		01.08.2021 to 31.07.2022	
	No. of Units	RM	No. of Units	RM
As at beginning of the financial period/ year	47,104,046	(5,994,035)	180,131,020	95,689,098
Creation of units	15,047,913	9,348,928	20,085,544	13,687,854
Cancellation of units	(18,995,551)	(12,083,345)	(153,112,518)	(115,370,987)
As at end of the financial period/ year	<u>43,156,408</u>	<u>(8,728,452)</u>	<u>47,104,046</u>	<u>(5,994,035)</u>

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

	31.01.2023		31.07.2022	
	No. of Units	Value at NAV RM	No. of Units	Value at NAV RM
MBB, the ultimate holding of the Manager	<u>9,604,104</u>	<u>6,614,925</u>	<u>9,835,056</u>	<u>6,037,741</u>

The units are held beneficially by the Manager for booking purposes, and are within the prescribed limit allowed by the SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the directors or parties related to the Manager.

(b) Accumulated realised income

	01.08.2022 to 31.01.2023 RM	01.08.2021 to 31.07.2022 RM
At the beginning of the financial period/ year	33,316,245	19,386,367
Net realised income for the financial period/ year	765,649	13,929,878
At the end of the financial period/ year	<u>34,081,894</u>	<u>33,316,245</u>

(c) Accumulated unrealised income

	01.08.2022 to 31.01.2023 RM	01.08.2021 to 31.07.2022 RM
At the beginning of the financial period/ year	1,592,218	20,470,179
Net unrealised gain/ (loss) for the financial period/ year	2,778,757	(18,877,961)
At the end of the financial period/ year	<u>4,370,975</u>	<u>1,592,218</u>

MAYBANK MALAYSIA SMALLCAP FUND

12. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

The transactions with top 6 brokers/ dealers/ financial institutions for the current and previous financial period are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
01.08.2022 to 31.01.2023				
TA Securities Bhd	3,881,538	38.58	3,909	17.92
Kenanga Investment Bank Bhd	1,963,876	19.52	3,928	18.00
Hong Leong Investment Bank Bhd	1,065,655	10.59	1,560	7.15
CLSA Securities (M) Sdn Bhd	1,001,944	9.96	2,004	9.19
Nomura Securities Sdn Bhd	790,000	7.85	790	3.62
United Overseas Bank (M) Bhd	472,500	4.70	945	4.33
Others	884,808	8.80	8,681	39.79
	<u>10,060,321</u>	<u>100.00</u>	<u>21,817</u>	<u>100.00</u>
01.08.2021 to 31.07.2022				
Nomura Securities Sdn Bhd	28,925,621	24.80	57,868	27.00
TA Securities Bhd	24,122,415	20.70	24,272	11.33
Hong Leong Investment Bank Bhd	20,733,572	17.80	24,581	11.48
Kenanga Investment Bank Bhd	16,764,992	14.40	30,258	14.13
Affin Hwang Investment Bank Bhd	7,911,431	6.80	15,823	7.39
CLSA Securities (M) Sdn Bhd	3,327,801	2.90	6,657	3.11
Others	14,632,266	12.60	54,749	25.56
	<u>116,418,098</u>	<u>100.00</u>	<u>214,208</u>	<u>100.00</u>

13. 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 period.

MAYBANK MALAYSIA SMALLCAP FUND

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

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

	01.08.2022 to 31.01.2023 RM	01.08.2021 to 31.07.2022 RM
(a) Significant related party transactions		
<u>MBB:</u>		
Interest income from deposits	31,947	35,883
Dividend income	29,314	89,695
	<hr/>	<hr/>
<u>MIB:</u>		
Profit income from deposits	-	39,359
	<hr/>	<hr/>
(b) Significant related party balances		
	31.01.2023 RM	31.07.2022 RM
<u>MBB:</u>		
Deposit with a licensed financial institution	2,420,000	1,724,492
Interest income receivable	182	319
	<hr/>	<hr/>

14. TOTAL EXPENSE RATIO ("TER")

TER is calculated based on the ratio of the total fees and recovered expenses for the year, to the average daily NAV of the Fund. For the financial period ended 1 August 2022 to 31 January 2023, the TER of the Fund stood at 0.96% (01.08.2021 to 31.01.2022: 0.99%).

15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average of the total acquisitions and disposals of the investment in the Fund for the financial period to the daily average NAV of the Fund. For the financial period ended 1 August 2022 to 31 January 2023, the PTR of the Fund stood at 0.18 times (01.08.2021 to 31.01.2022: 0.96 times).

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16. FAIR VALUE HIERARCHY

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.01.2023				
Investments at FVTPL	27,231,410	-	-	27,231,410
31.07.2022				
Investments at FVTPL	26,749,804	-	-	26,749,804

17. SEGMENTAL REPORTING

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

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

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

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

18. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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