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# **MAYBANK MALAYSIA SMALLCAP FUND**

**Unaudited interim report**

**For the financial period from 1 August 2021 to 31 January 2022**

## **CORPORATE INFORMATION**

### **MANAGER**

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

### **BUSINESS OFFICE**

Level 12 Tower C  
Dataran Maybank  
No 1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
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### **TRUSTEE**

CIMB Commerce Trustee Berhad (199401027349) (313031-A)  
Level 21 Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50100 Kuala Lumpur  
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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 2021 to 31 January 2022**

#### **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 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 2021 to 31 January 2022 (cont'd)

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

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

###### Fund size

As at 31 January 2022, the size of the Fund was 47,915,782 units.

###### Breakdown of unitholdings as at 31 January 2022

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	387	41.88	884	1.84
5,001 to 10,000 units	155	16.77	1,042	2.17
10,001 to 50,000 units	297	32.14	6,129	12.79
50,001 to 500,000 units	78	8.44	13,970	29.16
500,001 units and above	7	0.77	* 25,891	54.04
<b>Total</b>	<b>924</b>	<b>100.00</b>	** <b>47,916</b>	<b>100.00</b>

\* 8,002,907 units held by Malayan Banking Berhad

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

#### B. Performance Review

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

Category	01.08.2021 to 31.01.2022	01.08.2020 to 31.07.2021	01.08.2019 to 31.07.2020
<b>Portfolio composition (%)</b>			
<b>Quoted equities - local</b>			
Construction	4.33	4.77	2.34
Consumer Products	14.60	12.03	6.46
Energy	3.76	4.42	-
Finance	5.66	2.00	2.05
Healthcare	-	1.09	13.93
Industrial Products	21.43	23.16	20.83
Plantations	-	2.64	2.20
Properties	-	0.20	0.75
Real Estate Investment Trust ("REIT")	5.59	1.85	4.06
Technology	30.78	30.54	24.98
Telecommunication	-	-	0.63
Transportation	-	-	-
Utilities	-	1.63	2.62
Cash and other net assets	13.85	15.67	19.15
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## MAYBANK MALAYSIA SMALLCAP FUND

### Manager's report

For the financial period from 1 August 2021 to 31 January 2022 (cont'd)

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

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

Category	01.08.2021 to 31.01.2022	01.08.2020 to 31.07.2021	01.08.2019 to 31.07.2020
NAV (RM'000)	33,295	135,546	162,579
Units in circulation (units'000)	47,916	180,131	234,993
NAV per unit (RM)	0.6949	0.7525	0.6918
Highest NAV per unit (RM)	0.7794	0.9049	0.6972
Lowest NAV per unit (RM)	0.6808	0.6691	0.3401
Net income distributed (RM'000)	-	4,318	3,449
Distribution date	-	28 July 2021	28 July 2020
Gross/net distribution per unit (sen)	-	2.50	1.50
Annual total return (%) <sup>(1)</sup>	(7.65)	12.34	43.59
Benchmark (%)	0.56	18.16	(3.59)
Management Expense Ratio ("MER") (%) <sup>(2)</sup>	0.99	1.64	1.62
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.96	0.53	0.82

#### Notes:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's MER decreased to 0.99% due to lower administrative expenses in the current financial period under review.
- (3) The Fund's PTR increased to 0.96 times due to higher trading activities in the current financial period under review ended 31 January 2022.

*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 2022

Category	6 months to 31.01.2022 %	1 year to 31.01.2022 %	3 years to 31.01.2022 %	5 years to 31.01.2022 %
Capital growth	(7.65)	(20.24)	49.06	35.54
Income distribution	-	3.31	5.53	13.40
Total return of the Fund	(7.65)	(17.60)	57.30	57.10
Benchmark	0.56	2.16	26.59	7.57
Average total return	-	(17.60)	16.30	9.46

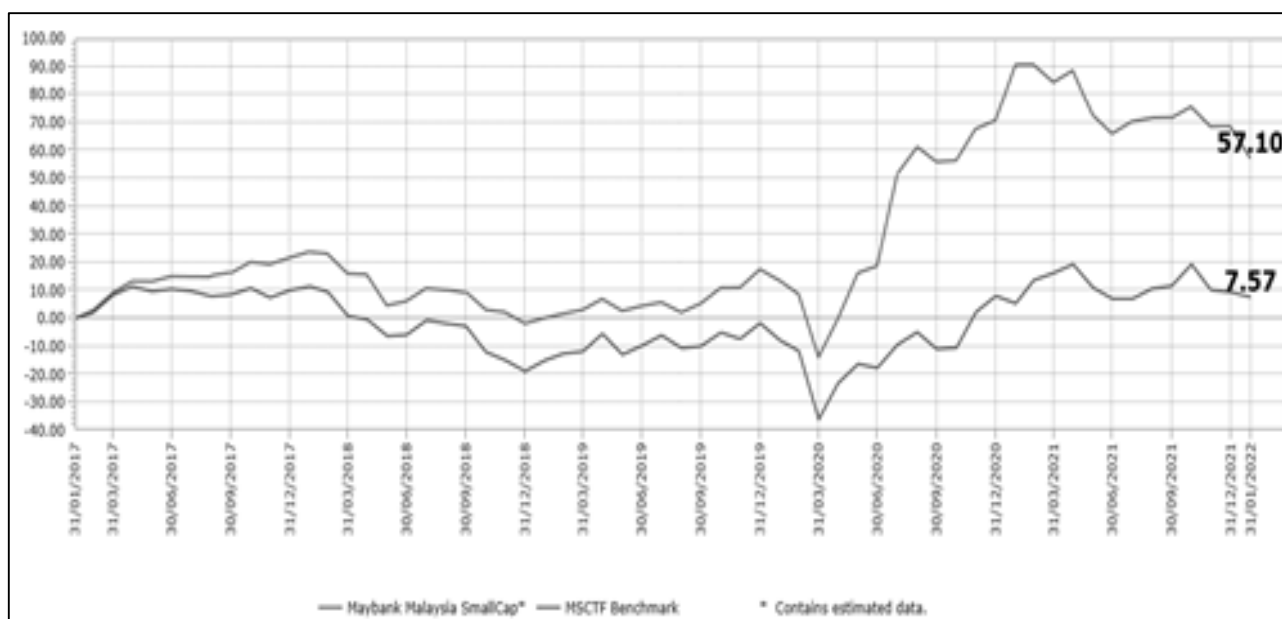
## MAYBANK MALAYSIA SMALLCAP FUND

### Manager's report

For the financial period from 1 August 2021 to 31 January 2022 (cont'd)

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

#### 2. Performance of the Fund up to 31 January 2022 (cont'd)



Source: Lipper

The fund recorded a negative return of -7.7% against the benchmark which recorded a return of +0.6%. For a longer period of 5 years, the fund recorded a return of 57.1% vs. the benchmark's return of +7.6%.

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

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

For the financial period ended	31.01.2022 %	31.01.2021 %	31.01.2020 %	31.07.2019 %	31.07.2018 %
Capital growth	(7.65)	25.90	7.29	(4.80)	(3.60)
Income distribution	-	-	-	-	-
Total return	(7.65)	25.90	7.29	(4.80)	(3.60)
Benchmark	0.56	16.31	(1.94)	(5.41)	(9.47)

## MAYBANK MALAYSIA SMALLCAP FUND

### Manager's report

For the financial period from 1 August 2021 to 31 January 2022 (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 six month period, the overall sentiments of the market remains volatile due to the uncertainty of economic re-opening prospect since new variants of Coronavirus diseases 2019 ("Covid-19") seems to be more infectious. Furthermore, escalating demands for goods since more people were still under lockdowns resulted in port congestion and logistical challenge across many sectors globally. The technology sector was hardest hit despite its high growth potential; The Bursa Malaysia Technology Index saw a decline of 7.40% for the period under review after the positive recovery seen up to the end of current year 2021 as the hawkish tone of the United States ("US") The Federal Reserve System ("Fed") on possibility of the much higher Fed rate hike.

The overall negative sentiments during the beginning of current year 2022 saw overall market retracing down.

#### D. Market Outlook and Strategies

Strategy employed for the period under review, we started with a preference for technology and industrial sector which proved to do well towards the end of current year 2021. We reduced the cash holdings by end of the period to add some beaten down technology counters as well as adding some furniture related counters to take advantage of a stronger United States Dollar ("USD") against the Malaysian Ringgit ("MYR").

Going forward, we expect the volatility of the market to continue although business activities are normalizing. The choppy market is due to the interest rate hike concerns in the US as well as logistical challenges which will impact business across all sectors.

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



## **MAYBANK MALAYSIA SMALLCAP FUND**

### **Manager's report**

**For the financial period from 1 August 2021 to 31 January 2022 (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 2022, 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 (“Fund”) FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2021 TO 31 JANUARY 2022**

We have acted as Trustee of the Fund for the financial period from 1 August 2021 to 31 January 2022 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  
22 March 2022

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDERS OF FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2021 TO 31 JANUARY 2022**

I, Ahmad Najib Bin Nazlan, 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 2022 and of its results, changes in equity and cash flows for the financial period from 1 August 2021 to 31 January 2022 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**

Director

Kuala Lumpur, Malaysia

22 March 2022

**MAYBANK MALAYSIA SMALLCAP FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2021 TO 31 JANUARY 2022**

	Note	01.08.2021 to 31.01.2022 RM	01.08.2020 to 31.01.2021 RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		468,286	1,302,241
Interest income		92,397	182,902
Net (loss)/gain on fair value changes of fair value through profit or loss ("FVTPL") investments			
- Unrealised (loss)/gain		(15,820,228)	21,831,051
- Realised gain		14,517,278	11,465,300
		<u>(742,268)</u>	<u>34,781,494</u>
<b>EXPENSES</b>			
Manager's fee	3	387,384	1,154,252
Trustee's fee	4	18,078	53,865
Auditors' remuneration		5,042	5,042
Tax agent's fee		1,965	1,965
Brokerage and other transaction fees		162,249	193,020
Administrative expenses		92,921	20,182
		<u>667,640</u>	<u>1,428,326</u>
<b>NET (LOSS)/INCOME BEFORE TAXATION</b>		(1,409,907)	33,353,168
<b>TAXATION</b>	5	(5,641)	(11,208)
<b>NET (LOSS)/INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u><b>(1,415,549)</b></u>	<u><b>33,341,960</b></u>
Total comprehensive (loss)/income for the financial period is made up of the following:			
Realised income		14,404,680	11,510,909
Unrealised (loss)/income		(15,820,228)	21,831,051
		<u><b>(1,415,549)</b></u>	<u><b>33,341,960</b></u>

**MAYBANK MALAYSIA SMALLCAP FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JANUARY 2022**

	Note	31.01.2022 RM	31.07.2021 RM
<b>ASSETS</b>			
Investments at FVTPL	6	29,429,592	114,310,851
Deposits with licensed financial institutions	7	3,805,940	18,672,904
Dividend receivable		-	19,000
Interest receivable		182	1,688
Amount due from Manager		41,303	560,752
Amount due from brokers		-	1,977,358
Cash at bank		141,400	208,515
<b>TOTAL ASSETS</b>		<b>33,418,418</b>	<b>135,751,068</b>
<b>LIABILITIES</b>			
Amount due to Manager	8	98,097	169,781
Amount due to Trustee	9	1,985	7,849
Other payables and accruals		22,883	27,794
<b>TOTAL LIABILITIES</b>		<b>122,964</b>	<b>205,424</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>33,295,453</b>	<b>135,545,644</b>
<b>EQUITY</b>			
Unitholders' capital	10(a)	(5,145,544)	95,689,098
Accumulated profit/(losses)	10(b)&(c)	38,440,997	39,856,546
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>		<b>33,295,453</b>	<b>135,545,644</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10(a)	<b>47,915,782</b>	<b>180,131,020</b>
<b>NAV PER UNIT</b>		<b>0.6949</b>	<b>0.7525</b>

**MAYBANK MALAYSIA SMALLCAP FUND**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2021 TO 31 JANUARY 2022**

	<b>Unitholders' capital Note 10(a)  RM</b>	<b>Retained earnings Note 10(b) &amp; 10(c)  RM</b>	<b>Total equity  RM</b>
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>
At 1 August 2020	136,885,288	25,714,039	162,599,327
Total comprehensive income for the financial period	-	33,341,960	33,341,960
Creation of units	6,413,386	-	6,413,386
Cancellation of units	(63,615,150)	-	(63,615,150)
At 31 January 2021	<u>79,683,524.15</u>	<u>59,055,999.00</u>	<u>138,739,523.15</u>

**MAYBANK MALAYSIA SMALLCAP FUND****UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2021 TO 31 JANUARY 2022**

	<b>01.08.2021 to 31.01.2022 RM</b>	<b>01.08.2020 to 31.01.2021 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from disposal of investments at FVTPL	91,974,770	67,084,795
Net payment for purchase of investments at FVTPL	(6,655,992)	(29,375,595)
Net dividend received	481,644	1,294,848
Interest received	93,903	184,018
Manager's fee paid	(316,831)	(1,186,020)
Trustee's fee paid	(14,785)	(46,116)
Other expenses paid	(235,557)	(34,516)
Net cash generated from operating and investing activities	<u>85,327,152</u>	<u>37,921,414</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	9,452,096	6,094,920
Payments for cancellation of units	(109,713,327)	(63,594,510)
Net cash used in financing activities	<u>(100,261,231)</u>	<u>(57,499,590)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(14,934,079)</b>	<b>(19,578,176)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>18,881,419</b>	<b>30,701,640</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>3,947,340</u></b>	<b><u>11,123,464</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	141,400	41,464
Deposits with licensed financial institutions with maturity of less than 3 months (Note 7)	3,805,940	11,082,000
	<u>3,947,340</u>	<u>11,123,464</u>

## MAYBANK MALAYSIA SMALLCAP FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2021 TO 31 JANUARY 2022

#### 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 Berhad as the Manager, and Malaysian Trustee Berhad 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 Berhad and the new Trustee, CIMB Commerce Trustee Berhad, 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 Berhad ("ASNB") and Permodalan Nasional Berhad, 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 Berhad ("MBB") respectively effective 17 May 2018.

MAM and CIMB Commerce Trustee Berhad 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 Berhad 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. 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 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 2021.



## 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
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.

## 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.

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

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

**(ii) Financial assets at FVTPL**

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.

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.

**(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. 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 interest rate ("EIR") method. The 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 deposits with licensed financial institutions are recognised on the accruals basis using the 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 deposits with licensed financial institutions with maturities of 3 months or less, which have an insignificant risk of changes in value.

## **MAYBANK MALAYSIA SMALLCAP FUND**

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

#### **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.

#### **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:

## **MAYBANK MALAYSIA SMALLCAP FUND**

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

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

- 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.

#### **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% (01.08.2021 to 31.01.2022 : 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

## MAYBANK MALAYSIA SMALLCAP FUND

### 4. TRUSTEE'S FEE

The Trustee fee is calculated and accrued daily. The Trustee fee is computed based on 0.07% p.a. (01.08.2020 to 31.01.2021: 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

	<b>01.08.2021</b>	<b>01.08.2020</b>
	<b>to</b>	<b>to</b>
	<b>31.01.2022</b>	<b>31.01.2021</b>
	<b>RM</b>	<b>RM</b>
Tax charge for the financial period:		
Current income tax expense	<u>5,641</u>	<u>11,208</u>

Income tax is calculated at the Malaysian statutory rate of 24% (01.08.2020 to 31.01.2021: 24%) of the estimated assessable income for the financial period.

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

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

	<b>01.08.2021</b>	<b>01.08.2020</b>
	<b>to</b>	<b>to</b>
	<b>31.01.2022</b>	<b>31.01.2021</b>
	<b>RM</b>	<b>RM</b>
Net (loss)/income before taxation	<u>(1,409,907)</u>	<u>33,353,168</u>
Taxation at Malaysian statutory rate of 24% (2021:24%)	(338,378)	8,004,760
Income not subject to tax	(3,618,711)	(8,347,559)
Loss not deductible for tax purposes	3,796,855	-
Income tax at source	5,641	11,208
Expenses not deductible for tax purposes	<u>160,234</u>	<u>342,798</u>
Tax expense for the financial period	<u>5,641</u>	<u>11,208</u>



## MAYBANK MALAYSIA SMALLCAP FUND

### 6. INVESTMENTS AT FVTPL

(a) The equities held by the Fund are categorised based on their principal business activities according to Bursa Malaysia sector classification as at reporting dates.

			31.01.2022 RM	31.07.2021 RM
Investments at FVTPL			29,429,592	114,310,851
<b>31.01.2022</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>Construction</b>				
Econpile Holdings Bhd	1,300,000	823,624	390,000	1.17
Gabungan AQRS Bhd	700,000	755,073	273,000	0.82
Jaks Resources Bhd	2,000,000	950,000	780,000	2.34
	<u>4,000,000</u>	<u>2,528,697</u>	<u>1,443,000</u>	<u>4.33</u>
<b>Consumer Products</b>				
Berjaya Sports Toto Bhd	600,000	1,136,717	1,140,000	3.42
Focus Point Holdings Bhd	2,650,000	1,041,046	1,828,500	5.49
Mynews Holdings Bhd	916,300	830,693	765,111	2.30
Salutica Bhd	1,000,000	558,275	490,000	1.47
Spring Art Holdings Bhd	2,000,000	600,000	640,000	1.92
	<u>7,166,300</u>	<u>4,166,731</u>	<u>4,863,611</u>	<u>14.60</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	486,300	686,399	442,533	1.33
Hibiscus Petroleum Bhd	800,000	711,120	808,000	2.43
	<u>1,286,300</u>	<u>1,397,519</u>	<u>1,250,533</u>	<u>3.76</u>
<b>Finance</b>				
Malayan Banking Bhd **	103,754	825,599	858,046	2.58
RHB Bank Bhd	184,335	954,674	1,024,903	3.08
	<u>288,089</u>	<u>1,780,273</u>	<u>1,882,949</u>	<u>5.66</u>

**MAYBANK MALAYSIA SMALLCAP FUND**

**6. INVESTMENTS AT FVTPL (CONT'D)**

31.01.2022	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Industrial Products</b>				
Destini Berhad	5,000,000	1,080,882	1,000,000	3.00
HPMT Holdings Bhd	1,500,000	840,000	997,500	3.00
HPP Holdings Bhd	1,400,000	504,000	672,000	2.02
RGT Bhd	2,000,000	900,000	1,150,000	3.45
SLP Resources Bhd	1,000,000	1,287,451	935,000	2.81
Superlon Holdings Bhd	800,000	682,523	632,000	1.90
TA Win Holdings Bhd	6,000,000	835,700	750,000	2.25
Thong Guan Industries Bhd	300,000	517,424	798,000	2.40
TA Win Hld Bhd - Warrants B	4,000,000	-	200,000	0.60
	<u>22,000,000</u>	<u>6,647,980</u>	<u>7,134,500</u>	<u>21.43</u>
<b>Plantation</b>				
Sarawak Oil Palms Bhd	<u>200,000</u>	<u>629,015</u>	<u>750,000</u>	<u>2.25</u>

**MAYBANK MALAYSIA SMALLCAP FUND**

**6. INVESTMENTS AT FVTPL (CONT'D)**

31.01.2022	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Real Estate Investment Trust ("REIT")</b>				
AXIS REIT	1,000,000	1,793,534	1,860,000	5.59
<b>Technology</b>				
Aemulus Holdings Bhd	800,000	856,710	748,000	2.25
D & O Green Technologies Bhd	300,000	688,370	1,458,000	4.38
Elsoft Research Bhd	1,300,000	1,125,065	1,189,500	3.57
Frontken Corp Bhd	500,000	335,592	1,595,000	4.79
Inari Amertron Bhd	600,000	1,860,000	1,980,000	5.95
Malaysian Pacific Industries Bhd	50,000	617,782	1,973,000	5.93
UWC Bhd	200,000	352,373	934,000	2.81
Frontken Corp Bhd - Warrant B	875,000	-	367,500	1.10
	<u>4,625,000</u>	<u>5,835,892</u>	<u>10,245,000</u>	<u>30.78</u>
<b>Total FVTPL investments</b>	<b><u>40,565,689</u></b>	<b><u>24,779,641</u></b>	<b><u>29,429,593</u></b>	<b><u>88.40</u></b>
<b>Unrealised gain on FVTPL investments</b>			<b><u>4,649,952</u></b>	

**MAYBANK MALAYSIA SMALLCAP FUND**

**6. INVESTMENTS AT FVTPL (CONT'D)**

31.07.2021	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Construction</b>				
Econpile Holdings Berhad	4,450,800	2,819,834	1,735,812	1.28
Gabungan AQRS Bhd	2,490,100	2,686,009	1,294,852	0.96
JAKS Resources Bhd	7,000,000	3,325,000	3,430,000	2.53
	<u>13,940,900</u>	<u>8,830,843</u>	<u>6,460,664</u>	<u>4.77</u>
<b>Consumer Products</b>				
Cocoaland Holdings Bhd	704,200	1,315,637	1,302,770	0.95
Focus Point Holdings Bhd	9,241,350	3,630,442	6,838,599	5.04
Kim Teck Cheong Consolidated Bhd	7,078,300	1,344,877	1,132,528	0.84
Perak Transit Bhd	9,313,800	7,032,429	5,727,987	4.23
Perak Transit Bhd - Warrant	2,335,250	-	-	-
Power Root Bhd	1,000,000	2,100,000	1,310,000	0.97
	<u>29,672,900</u>	<u>15,423,385</u>	<u>16,311,884</u>	<u>12.03</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	1,986,300	2,803,609	2,125,341	1.57
KNM Group Bhd	16,000,000	3,186,600	2,800,000	2.06
Perdana Petroleum Bhd	7,900,000	1,427,530	1,066,500	0.79
	<u>25,886,300</u>	<u>7,417,739</u>	<u>5,991,841</u>	<u>4.42</u>
<b>Finance</b>				
Malayan Banking Bhd *	209,175	1,665,697	1,675,492	1.24
RHB Bank Bhd	203,318	1,055,381	1,038,955	0.76
	<u>412,493</u>	<u>2,721,078</u>	<u>2,714,447</u>	<u>2.00</u>

**MAYBANK MALAYSIA SMALLCAP FUND**
**6. INVESTMENTS AT FVTPL (CONT'D)**

31.07.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Healthcare</b>				
Supermax Corporation Bhd	452,100	319,927	1,478,367	1.09
<b>Industrial Products</b>				
Asia Poly Holdings Bhd	3,000,000	1,245,000	705,000	0.52
Berjaya Corporation Bhd	11,000,000	4,774,900	3,025,000	2.23
Cahaya Mata Sarawak Bhd	1,500,000	3,189,150	1,680,000	1.24
Comfort Gloves Bhd	400,000	1,447,920	744,000	0.55
Destini Bhd	10,170,000	2,198,515	1,881,450	1.39
Dufu Technology Corporation Bhd	1,000,000	1,399,551	4,500,000	3.32
FoundPac Group Bhd	2,967,000	994,075	2,492,280	1.84
HPMT Holdings Bhd	2,000,000	1,120,000	1,020,000	0.75
HPP Holdings Bhd	1,400,000	504,000	700,000	0.52
Lion Industries Corp Bhd	5,285,500	4,170,004	2,854,170	2.10
Pestech International Bhd	1,300,000	1,864,363	1,150,500	0.85
RGT Bhd	2,000,000	908,550	700,000	0.52
SCGM Bhd	250,000	614,300	580,000	0.43
SLP Resources Bhd	1,062,300	1,367,659	1,014,496	0.75
Superlon Holdings Bhd	2,449,900	2,090,142	2,180,411	1.61
TA Win Holdings Bhd	24,000,000	3,342,800	3,480,000	2.57
Thong Guan Industries Bhd	700,000	1,207,323	1,750,000	1.29
Uchi Technologies Bhd	300,000	911,744	930,000	0.68
	<u>70,784,700</u>	<u>33,349,996</u>	<u>31,387,307</u>	<u>23.16</u>
<b>Plantation</b>				
Hap Seng Plantations Holdings Bhd	1,000,000	1,802,571	1,850,000	1.36
Sarawak Oil Palms Bhd	500,000	1,572,538	1,735,000	1.28
	<u>1,500,000</u>	<u>3,375,109</u>	<u>3,585,000</u>	<u>2.64</u>
<b>Property</b>				
S P Setia Bhd - PA	320,000	320,000	268,800	0.20
<b>Real Estate Investment Trust (REIT)</b>				
Axis REIT	1,307,606	2,345,235	2,510,604	1.85

**MAYBANK MALAYSIA SMALLCAP FUND**

**6. INVESTMENTS AT FVTPL (CONT'D)**

31.07.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Technology</b>				
D&O Green Technologies Bhd	1,500,000	947,778	7,950,000	5.87
Datasonic Group Bhd	3,000,000	1,694,125	1,380,000	1.02
Elsoft Research Bhd	1,879,100	1,441,427	1,634,817	1.21
Frontken Corp Bhd	2,625,000	1,761,858	8,531,250	6.29
Ghl Systems Bhd	750,000	774,933	1,387,500	1.02
Globetronics Technology Bhd	500,000	1,003,625	1,060,000	0.78
Inari Amerton Bhd	1,000,000	3,100,000	3,330,000	2.46
Malaysian Pacific Industries Bhd	200,000	2,471,127	8,900,000	6.57
UWC Bhd	1,000,000	1,761,864	5,740,000	4.23
Visdynamics Holding:	1,261,500	1,533,633	1,179,502	0.87
Frontken Corp Bhd - Warrants	875,000	-	297,500	0.22
	<u>14,590,600</u>	<u>16,490,370</u>	<u>41,390,569</u>	<u>30.54</u>
<b>Utilities</b>				
Ranhill Holdings Bhd	1,987,399	2,360,153	1,361,368	1.00
Taliworks Corp Bhd	1,000,000	886,835	850,000	0.63
	<u>2,987,399</u>	<u>3,246,988</u>	<u>2,211,368</u>	<u>1.63</u>
<b>Total FVTPL investments</b>	<b><u>161,854,998</u></b>	<b><u>93,840,670</u></b>	<b><u>114,310,851</u></b>	<b><u>84.33</u></b>
<b>Unrealised gain on FVTPL investments</b>			<b><u>20,470,181</u></b>	

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

## MAYBANK MALAYSIA SMALLCAP FUND

<b>7. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS</b>	<b>31.01.2022</b>	<b>31.07.2021</b>
	<b>RM</b>	<b>RM</b>
Short term placement with licensed financial institution with maturity of:		
- less than 3 months	<u>3,805,940</u>	<u>18,672,904</u>

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

	<b>31.01.2022</b>		<b>31.07.2021</b>	
	<b>WAEIR</b>	<b>Average maturity</b>	<b>WAEIR</b>	<b>Average maturity</b>
	<b>% p.a.</b>	<b>Days</b>	<b>% p.a.</b>	<b>Days</b>
Deposit with licensed financial institutions	<u>1.75</u>	<u>3</u>	<u>1.65</u>	<u>3</u>

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

		<b>31.01.2022</b>	<b>31.07.2021</b>
		<b>RM</b>	<b>RM</b>
Amount due from Manager is in respect of:			
Creation of units	(i)	<u>41,303</u>	<u>560,752</u>
Amount due to Manager is in respect of:			
Manager's fee	(ii)	42,542	168,189
Cancellation of units	(iii)	<u>55,555</u>	<u>1,592</u>
		<u>98,097</u>	<u>169,781</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 (31.07.2021: 15 days)

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

## 9. 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 (31.07.2021: 15 days).

**MAYBANK MALAYSIA SMALLCAP FUND**

**10. TOTAL EQUITY**

	Note	01.08.2021 to 31.01.2022 RM	01.08.2020 to 31.01.2021 RM
Unitholders' capital	10 (a)	(5,145,544)	79,683,524
Accumulated realised income	10 (b)	33,791,047	1,711,838
Accumulated unrealised income	10 (c)	4,649,951	57,344,161
		<u>33,295,453</u>	<u>138,739,523</u>

**(a) Unitholder's capital**

	01.08.2021 to 31.01.2022		01.08.2020 to 31.07.2021	
	Units	RM	Units	RM
As at beginning of the financial period/year	180,131,020	95,689,098	234,992,799	136,865,358
Creation of units	12,071,271	8,932,648	39,649,304	30,803,646
Reinvestment of units	-	-	5,764,897	4,338,086
Cancellation of units	(144,286,509)	(109,767,290)	(100,275,980)	(76,317,992)
As at end of the financial period/year	<u>47,915,782</u>	<u>(5,145,544)</u>	<u>180,131,020</u>	<u>95,689,098</u>



## MAYBANK MALAYSIA SMALLCAP FUND

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

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

	31.01.2022		31.07.2021	
	Units	RM	Units	RM
MBB, the ultimate holding of the Manager	8,002,907	5,561,016	141,743,161	106,659,408

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.

	01.08.2021	01.08.2020
	to	to
	31.01.2022	31.07.2021
	RM	RM

#### (b) Accumulated realised income

At the beginning of the financial period/year	19,386,367	(9,799,071)
Net realised income for the financial period/year	14,404,680	33,523,524
Distribution out of retained earnings	-	(4,338,086)
At the end of the financial period/year	<u>33,791,047</u>	<u>19,386,367</u>

#### (c) Accumulated unrealised income

At the beginning of the financial period/year	20,470,179	35,513,110
Net unrealised loss for the financial period	(15,820,228)	(15,042,931)
At the end of the financial period/year	<u>4,649,951</u>	<u>20,470,179</u>

## MAYBANK MALAYSIA SMALLCAP FUND

### 11. TRANSACTIONS WITH BROKERS/DEALERS

The transactions with top 10 brokers/dealers 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 %
<b>01.08.2021 to 31.01.2022</b>				
Nomura Securities Malaysia Sdn Bhd	26,369,261	27.28	52,896	34.52
TA Securities Holdings Bhd	20,514,976	21.23	20,704	13.51
Hong Leong Investment Bank Bhd	17,348,443	17.95	20,615	13.45
Kenanga Investment Bank Bhd	12,498,694	12.93	22,999	15.01
Affin Hwang Investment Bank Bhd	7,890,086	8.16	15,823	10.33
CLSA Securities Malaysia Sdn Bhd	3,318,061	3.43	6,657	4.34
RHB Investment Bank Bhd-Malaysia	3,009,233	3.11	6,080	3.97
JF Apex Securities Bhd	2,437,196	2.52	2,451	1.60
MIDF Amanah Investment Bank Bhd	2,176,865	2.25	2,182	1.42
Others	1,090,591	1.13	2,810	1.83
	<u>96,653,404</u>	<u>100.00</u>	<u>153,215</u>	<u>100.00</u>
<b>01.08.2020 to 31.07.2021</b>				
Nomura Securities Sdn Bhd	36,882,134	25.82	73,857	32.74
TA Securities Bhd	34,587,288	24.22	34,730	15.4
Kenanga Investment Bank Bhd	23,875,786	16.72	42,064	18.65
Hong Leong Investment Bank Bhd	17,369,788	12.16	25,695	11.39
CLSA Securities (M) Sdn Bhd	7,697,176	5.39	15,400	6.83
M&A Securities Sdn Bhd	5,695,748	3.99	5,951	2.64
RHB Investment Bank Bhd	4,528,835	3.17	9,080	4.03
JF Apex Securities Bhd	7,182,570	5.03	7,257	3.22
Affin Hwang Investment Bank Bhd	1,890,340	1.32	3,790	1.67
CIMB Investment Bank Bhd	3,108,215	2.18	7,750	3.43
	<u>142,817,880</u>	<u>100.00</u>	<u>225,574</u>	<u>100.00</u>

## MAYBANK MALAYSIA SMALLCAP FUND

### 12. 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.

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

	<b>01.08.2021</b>	<b>01.08.2020</b>
	<b>to</b>	<b>to</b>
	<b>31.01.2022</b>	<b>31.01.2021</b>
	<b>RM</b>	<b>RM</b>
(a) Significant related party transactions		
<u>MBB:</u>		
Interest income from deposits	12,455	118,216
Dividend income	58,569	27,000
	<hr/>	<hr/>
<u>MIB:</u>		
Interest income from deposits	41,047	-
	<hr/>	<hr/>
(b) Significant related party balances		
<u>MBB:</u>		
Deposit with a licensed financial institution	3,805,940	11,082,000
Interest income receivable	182	1,612
	<hr/>	<hr/>

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

MER 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 2021 to 31 January 2022, the MER of the Fund stood at 0.99% (01.08.2020 to 31.01.2021: 0.81%).

### 14. 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 2021 to 31 January 2022, the PTR of the Fund stood at 0.96 times (01.08.2020 to 31.01.2021: 0.50 times).

## MAYBANK MALAYSIA SMALLCAP FUND

### 15. FAIR VALUE HIERARCHY

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.01.2022</b>				
Investments at FVTPL	29,429,592	-	-	29,429,592
<b>31.07.2021</b>				
Investments at FVTPL	114,310,851	-	-	114,310,851

### 16. 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.

**17. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

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