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MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

**Annual report
For the financial year ended 31 January 2023**

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283 (421779-M))
Level 12 Tower C
Dataran Maybank
No. 1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
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EXTERNAL INVESTMENT MANAGER

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Level 12, Tower C, Dataran Maybank
No. 1 Jalan Maarof
59000 Kuala Lumpur
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TRUSTEE

TMF Trustees Malaysia Berhad (200301008392 (610812-W))
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Telephone +603 2382 4288
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SHARIAH ADVISER

Amanie Advisors Sdn Bhd (200501007003 (684050-H))
Level 13A-2, Menara Tokio Marine Life
189 Jalan Tun Razak
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MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2023

A. Fund Information

1. Name of the Fund

Maybank AsiaPac ex-Japan Equity-I Fund (the "Fund")

2. Type of Fund

Growth

3. Category of Fund

Equity (Shariah)

4. Duration of the Fund

The Fund is an open-ended fund.

5. Fund launch date/ Commencement date

8 January 2014/ 23 February 2014

6. Fund's investment objective

The Fund aims to achieve capital growth over the long term by investing in Shariah-compliant equities.

7. Fund distribution policy

Distribution, if any, is incidental and will be made from realised income of the Fund.

8. Fund's performance benchmark

Morgan Stanley Capital International All Country ("MSCI AC") Asia Pacific Islamic ex-Japan Index

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

The Fund invests between 70% to 98% of the Fund's NAV in Shariah-compliant equities issued by companies whose businesses are in Asia Pacific ex-Japan markets. The Fund also invests between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

10. Net income distribution for the financial year ended 31 January 2023

The Fund distributed a total net income of RM2,481,181 to unitholders for the financial year ended 31 January 2023.

Below are details of distributions made during the financial year:

| Distribution date | Gross/ Net distribution per unit (sen) |
|-------------------|--|
| 27 January 2023 | 4.00 |

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

| Distribution date | Before distribution RM | After distribution RM | Changes % |
|-------------------|------------------------|-----------------------|-----------|
| 27 January 2023 | 1.0728 | 1.0328 | (3.73) |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2023 (cont'd)

A. Fund Information (cont'd)

11. Breakdown of unitholdings by size

Fund size

As at 31 January 2023, the size of the Fund was 65,718,916 units.

Breakdown of unitholdings as at 31 January 2023

| Unitholdings | No. of unitholders | % | No. of units ('000) | % |
|-------------------------|--------------------|---------------|---------------------|---------------|
| 5,000 units and below | 1 | 16.67 | * 2 | 0.01 |
| 5,001 to 10,000 units | - | - | - | - |
| 10,001 to 50,000 units | - | - | - | - |
| 50,001 to 500,000 units | 1 | 16.67 | 396 | 0.60 |
| 500,001 units and above | 4 | 66.66 | ** 65,321 | 99.39 |
| Total | 6 | 100.00 | 65,719 | 100.00 |

* Comprised 1,529 units held by the Manager.

** Represent units held by Institutional Unit Trust Scheme Advisers ("IUTAs").

B. Performance Review

1. Key performance data of the Fund

| Category | FY2023 | FY2022 | FY2021 |
|--------------------------------------|---------------|---------------|---------------|
| Portfolio Composition (%) | | | |
| Quoted equities - Local | 2.94 | 4.57 | 3.89 |
| - Consumer Products & Services | 1.85 | 1.00 | 1.02 |
| - Healthcare | - | - | 1.25 |
| - Technology | 1.09 | 3.57 | 1.62 |
| Quoted equities - Foreign | 86.12 | 89.93 | 90.85 |
| - Australia | 17.66 | 11.40 | 8.70 |
| - China | - | 1.75 | 2.83 |
| - Hong Kong | 24.26 | 19.42 | 28.13 |
| - India | 14.37 | 12.70 | 5.68 |
| - Indonesia | 9.56 | 8.05 | 4.34 |
| - Philippines | - | - | 1.04 |
| - Singapore | 1.46 | 2.39 | 4.92 |
| - South Korea | 9.66 | 12.22 | 19.20 |
| - Thailand | 3.60 | 0.84 | - |
| - Taiwan | 4.13 | 21.16 | 14.23 |
| - United States of America | 1.42 | - | 1.78 |
| Cash and other net assets (%) | 10.94 | 5.50 | 5.26 |
| Total (%) | 100.00 | 100.00 | 100.00 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2023 (cont'd)

B. Performance Review (cont'd)

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

| Category | FY2023 | FY2022 | FY2021 |
|---|------------|------------|------------|
| NAV (RM'000) | 67,875 | 69,568 | 56,631 |
| Units in circulation (units'000) | 65,719 | 60,857 | 43,787 |
| NAV per unit (RM) | 1.0328 | 1.1431 | 1.2933 |
| Highest NAV per unit (RM) | 1.1874 | 1.3971 | 1.4867 |
| Lowest NAV per unit (RM) | 0.9890 | 1.1273 | 0.8844 |
| Annual return (%) ⁽¹⁾ | | | |
| - Capital growth (%) | (9.65) | (11.63) | 19.47 |
| - Income distribution (%) | 3.83 | 7.10 | 7.43 |
| Total return (%) | (6.19) | (5.36) | 28.35 |
| Benchmark (%) | (6.90) | (2.41) | 28.71 |
| Distribution (RM) | 2,481,181 | 4,545,234 | 3,977,807 |
| Distribution date (ex-date) | 27.01.2023 | 27.01.2022 | 27.01.2021 |
| Gross distribution per unit (sen) | 4.00 | 8.00 | 10.00 |
| Net distribution per unit (sen) | 4.00 | 8.00 | 10.00 |
| Total Expense Ratio ("TER") (%) ⁽²⁾ | 1.77 | 1.72 | 1.76 |
| Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾ | 0.74 | 0.53 | 1.06 |

Note:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's fee and Trustee's fees.
- (2) The Fund's TER increased to 1.77% due to lower average NAV in the current financial year under review.
- (3) The Fund's PTR increased to 0.74 times due to higher trading activities in the current financial year under review.

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

2. Performance of the Fund up to 31 January 2023

| Category | 1 year to 31.01.2023 % | 3 years to 31.01.2023 % | 5 years to 31.01.2023 % |
|--------------------------|---------------------------------|----------------------------------|----------------------------------|
| Capital growth | (9.65) | (4.61) | (23.46) |
| Income distribution | 3.83 | 19.47 | 42.12 |
| Total return of the Fund | (6.19) | 13.96 | 8.78 |
| Benchmark | (6.90) | 15.74 | 8.54 |
| Average total return | (6.19) | 4.45 | 1.70 |

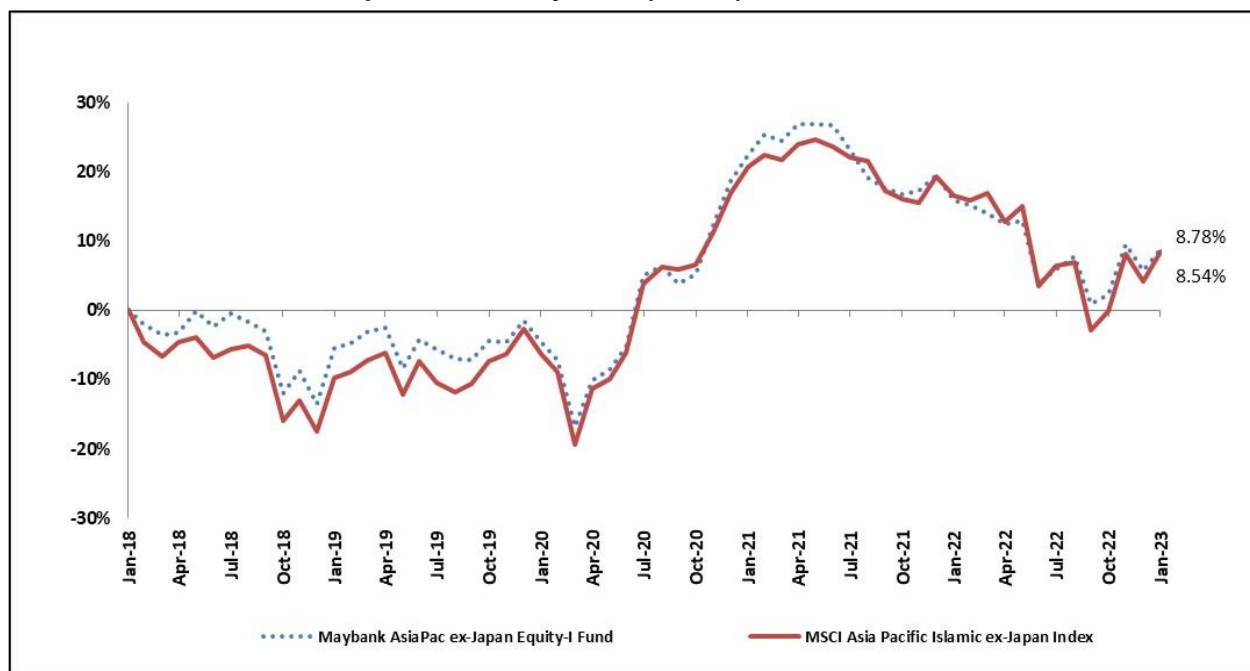
MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 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

For the financial year ended January 2023, the Fund outperformed the relative benchmark marginally by 0.71%. In general, the Fund's negative returns were in line with poor performance of the regional equities during the year, due to the Russia-Ukraine war, recessionary fears, inflationary pressures, and a hawkish Fed. The outperformance against the relative benchmark was mainly due to the Fund's underweight in Materials. Exposure to Real Estate, Health Care and Energy also dragged on performance.

Has the Fund met its objective?

For the financial year ended 31 January 2023, the Fund did not meet its objective of capital growth.

3. Annual total return of the Fund

| Category | 2023 % | 2022 % | 2021 % | 2020 % | 2019 % |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Annual total return | (6.19) | (5.36) | 28.35 | 0.87 | (5.37) |
| Benchmark | (6.90) | (2.41) | 28.71 | 3.88 | 9.73 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 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 year under review, equity markets mostly ended lower. The Dow Jones and Standard and Poor's 500 ("S&P500") were down by 2.98% and 9.72% respectively for the year. Tech heavy Nasdaq suffered worse, falling 18.65% for the year as major chip makers suffered supply chain disruptions amid the lockdowns and the derating of their high valuation amidst rising inflation. European markets were no better, with the Euro Stoxx 50 and German Dax registering a loss of 0.27% and 2.22% respectively while the Financial Times Stocks Exchange ("FTSE 100") bucked the trend, registering gains of 4.12%. Regionally, Asian markets were also weaker, dragged by Taiwan, South Korea, Hong Kong and China (Shanghai) markets which were down 13.63%, 8.95%, 8.23%, and 3.15% respectively. Japan's Nikkei and India's National Stock Exchange Fifty ("NIFTY") bucked the trend, gaining 1.20% and 1.86% during the year. Association of Southeast Asian Nations ("ASEAN") markets were mixed as Malaysia and Philippines were down by 1.77% and 7.77% respectively whilst Indonesia, Singapore and Thailand gained 3.57%, 3.14% and 1.37% respectively.

Regional equity markets didn't start in positive during the start of the year, as markets plunged amidst the Russia-Ukraine war, recessionary fears, inflationary pressures, and a hawkish Federal Reserve ("Fed"). In June 2022, the Fed hiked its benchmark interest rate by 0.75%, the most increase since 1994, causing fears that the aggressive rate hikes would lead to a US recession. This sparked a risk-off mode by investors, causing substantial sell-off in equity markets as well as other asset classes. Markets staged a rebound in the second half of July as investors deemed the Fed has signalled that the tightening policy may have peaked, and recession risks could be priced-in after a torrid June. August was volatile, brought by hopes of an end to the Fed's hawkishness following the weaker-than-expected inflation in the United States ("US") that clashed with the weak economic data from China and rising energy prices in Europe heightened recession fears. In addition, remarks from the Fed that it will remain hawkish, as well as expectations of a sustained period of below-trend growth and rising unemployment are needed to push down prices led to a sell-off. China's plan to provide monetary and fiscal support to the economy did provide some relief such as a cut to the policy rate by 10 basis points ("bps") to 2.75% and preliminary agreement with the US over audit inspections.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2023 (cont'd)

C. Market Review (cont'd)

Equity markets downturn accelerated in September 2022 as slower growth expectations raised the odds of a recession and while the Fed maintains its hawkishness. Inflation data and interest rates remained in the limelight. The Fed continued to tighten with a 75bps raise, with the European Central Bank ("ECB") following with an equal rate rise. October 2022 saw a rebound in markets as weaker-than-expected US job openings suggests a cooling US labour market, which in turn raises hopes for a pivot by the Fed. The rally was however softened by the US of new restrictions on China's US semiconductor technology and the attention towards the China's 20th Party Congress. There was a change in sentiment in November 2022, as the bear market rally continued. Investors were expecting an end to an aggressive monetary policy, on the back of easing US Consumer Price Index ("CPI") as well as hopes on China's re-opening. Central banks remained vigilant as the Fed raised rates by 75bps, although it latterly indicated that the pace of subsequent hikes is likely to slow. Following an earlier-than-expected news of China's re-opening in November 2022, North Asia markets rallied, led by Hong Kong and China. The euphoria continued through December 2022 and January 2023, fuelled by cooler inflation data in the US and slower US Fed rate hike pace of 25bps.

For the financial year ended January 2023, the Fund's benchmark Morgan Stanley Capital International ("MSCI") Islamic Asia Pacific ex-Japan index fell 6.90% (in MYR terms). Closer to home, the FTSE Bursa Malaysia ("FBM") Emas Shariah Index, the barometer of Shariah equities in Malaysia, was also down by 4.26% over the same year. For Malaysia, the biggest risk during the year were political risks as there were many rumours that the government will call for a general election earlier than expected. GE15 was finally held in November 2022, which resulted in a hung parliament as no coalition was able to meet the simple majority requirement. Upon the advice of the King, a government led by Prime Minister ("PM") Anwar Ibrahim has been formed in coalition with other parties such as Barisan Nasional ("BN") component parties, Gabungan Parti Sarawak ("GPS"), and Gabungan Rakyat Sabah ("GRS"). Post-formation of the Cabinet, a motion of confidence by the PM was held, and he got the majority support of the Members of Parliament. This should augur well for Malaysia in terms of political stability going into 2023. Meanwhile, third quarter Malaysia earnings reporting saw decent showing among Malaysian corporates despite challenges and rising costs. Sectors in agriculture, industrials, petrochemicals and Information Technology ("IT") were below expectations reflecting the broad macroeconomic slowdown. Improving consumer spending filtered through the results of consumer and Real Estate Investment Trusts ("REITs") which were above expectations. Meanwhile, financials, utilities and transport were within expectations given the domestic drivers.

D. Market Outlook & Strategy

2022 was tough for markets and we have positioned the Fund to be more defensive in the first half of the financial year. As markets were showing hopeful signs of bottoming, we have deployed some of the cash starting the third quarter of the year and the Fund ended the financial year with less than 10% in cash. For FY2023, we expect markets to continue to be challenging and volatile as the higher risks of a US recession get reflected by the markets. However, we are turning more positive for 2023 based on a few rationales. Firstly, we believe the interest rate hike cycle will end in 2023. With inflation having peaked and the US likely to head into recession, we believe that interest rates will fall in 2023. With rates already far higher than pre Coronavirus Disease 2019 ("Covid") levels for many countries, there is considerable room for rates to come down once the slowdown is evident and central banks would have to cut rates to support growth. Secondly, China has implemented supportive policies to help the troubled property market and, more importantly, is moving away from the zero-Covid policy.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2023 (cont'd)

D. Market Outlook & Strategy (cont'd)

As the US recession hits, it will undoubtedly drag down financial markets in other parts of the world. Investors will need to be nimble once again as economic downturns create volatile markets. Initially, sovereign bonds will benefit as interest rates will be cut to support the economy. Then, as Asian economies appear to do better, benefiting from the reopening of the Chinese economy, we believe Asian equities will follow suit. The major risk in 2023 will be that of stagflation, where inflation remains stubbornly high even when the world's major economies experience a downturn. This would limit central banks' ability to cut rates to support economies in 2023.

Asian equities are cheap based on traditional valuation metrics such as price earnings. They have been cheap for a while, but the catalyst for the bottoming came from the change in China policy. We also believe that Asian stocks have bottomed because the Asian Dollar Index ("ADXY") reached extreme levels that coincided with previous crises. Asian equities are highly correlated to the ADXY. When Asian currencies strengthen, Asian markets tend to rally, and when Asian currencies depreciate, Asian stocks go down. Asian currencies depreciated for much of 2022 and reached levels similar to those in previous crises. The ADXY dropped close to 95 in October 2022, and this is similar to levels last seen during the Asian Financial Crisis in 1998 and the Tech Crash in 2001.

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 systems incidental to investment management of the Fund. All dealings with broker are executed on best available terms.

During the financial year 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 AsiaPac ex-Japan Equity-I Fund (Fund),

We have acted as Trustee of the Fund for the financial year ended 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:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deed;
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements; and

We are of the opinion that the distribution of income by the Fund is appropriate and does reflects the investment objective of the Fund.

For TMF Trustees Malaysia Berhad

(Registration No: 200301008392 (610812-W))

Norhayati Binti Azit

DIRECTOR – FUND SERVICES

Kuala Lumpur, Malaysia

17 March 2023

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

We, Dr Hasnita Binti Dato' Hashim and Ahmed Muzni Bin Mohamed, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank AsiaPac ex-Japan Equity-I Fund as at 31 January 2023 and of its results, changes in equity and cash flows for the financial year then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Chairman

Ahmed Muzni Bin Mohamed
Director

Kuala Lumpur, Malaysia
17 March 2023

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDERS OF MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

We hereby confirm the following:

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

For and on behalf of
Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
17 March 2023

Independent auditors' report to the Unitholders of Maybank AsiaPac Ex-Japan Equity-I Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank AsiaPac ex-Japan Equity-I Fund (the "Fund"), which comprise the statement of financial position as at 31 January 2023 of the Fund, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 15 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Manager is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report to the Unitholders of Maybank AsiaPac Ex-Japan Equity-I Fund (cont'd)

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

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

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

Responsibilities of the Manager and Trustee for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

**Independent auditors' report to the Unitholders of
Maybank AsiaPac Ex-Japan Equity-I Fund (cont'd)**

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

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

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

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Unitholders of
Maybank AsiaPac Ex-Japan Equity-I Fund (cont'd)**

Other matters

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

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

Kuala Lumpur, Malaysia
17 March 2023

Yeo Beng Yean
03013/10/2024 J
Chartered Accountant

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

| | Note | 2023 RM | 2022 RM |
|---|------|--------------------|--------------------|
| INVESTMENT LOSS | | | |
| Dividend income | | 2,550,372 | 1,681,549 |
| Purification of dividend income | 14 | (20,797) | (106,347) |
| Profit income | | 26,781 | 69,077 |
| Net loss on financial assets at fair value through profit or loss ("FVTPL") | | | |
| - Realised gain | | 1,676,220 | 1,275,720 |
| - Unrealised loss | | (4,414,036) | (5,823,908) |
| Net loss on foreign exchange | 3 | (1,859,423) | (414,690) |
| | | <u>(2,040,883)</u> | <u>(3,318,599)</u> |
| EXPENSES | | | |
| Manager's fee | 4 | 949,328 | 1,097,443 |
| Trustee's fee | 5 | 37,973 | 43,898 |
| Auditors' remuneration | | 10,000 | 10,000 |
| Tax agent's fee | | 36,530 | 29,429 |
| Shariah advisory fee | | 17,640 | 18,705 |
| Brokerage and other transaction costs | | 291,353 | 227,438 |
| Administrative expenses | | 67,865 | 43,854 |
| | | <u>1,410,689</u> | <u>1,470,767</u> |
| Net loss before taxation | | (3,451,572) | (4,789,366) |
| Taxation | 6 | (855,297) | (169,055) |
| Net loss after taxation | | <u>(4,306,869)</u> | <u>(4,958,421)</u> |
| Net loss after taxation is made up of the following: | | | |
| Net realised income | | 1,337,216 | 863,227 |
| Net unrealised loss | | (5,644,085) | (5,821,648) |
| | | <u>(4,306,869)</u> | <u>(4,958,421)</u> |
| Distribution for the financial year | | | |
| Net distribution | 16 | 2,481,181 | 4,545,234 |
| Gross/ Net distribution per unit (sen) | 16 | 4.00 | 8.00 |
| Distribution date (ex-date) | 16 | 27 January 2023 | 27 January 2022 |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2023

| | Note | 2023 RM | 2022 RM |
|--|-------------|-------------------|-------------------|
| ASSETS | | | |
| Financial assets at FVTPL | 7 | 60,407,615 | 65,735,250 |
| Shariah compliant deposit with a licensed Islamic financial institution | 8 | 4,544,226 | 1,718,637 |
| Other receivables | 9 | 11,437 | 108,729 |
| Amount due from Manager | 10 | 1,287,414 | 68,321 |
| Cash at bank | 11 | 2,301,664 | 3,129,180 |
| TOTAL ASSETS | | 68,552,356 | 70,760,117 |
| LIABILITIES | | | |
| Amount due to Manager | 10 | 149,400 | 1,054,096 |
| Amount due to Trustee | 12 | 3,326 | 3,631 |
| Provision for tax | | 415,554 | - |
| Other payables and accruals | 13 | 108,685 | 134,554 |
| TOTAL LIABILITIES | | 676,965 | 1,192,281 |
| NET ASSET VALUE ("NAV") OF THE FUND | | 67,875,391 | 69,567,836 |
| EQUITY | | | |
| Unitholders' capital | 15(a) | 62,674,361 | 57,578,756 |
| Retained earnings | 15(b) & (c) | 5,201,030 | 11,989,080 |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | 67,875,391 | 69,567,836 |
| NUMBER OF UNITS IN CIRCULATION (UNIT) | 15(a) | 65,718,916 | 60,856,730 |
| NAV PER UNIT | | 1.0328 | 1.1431 |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

| | Unitholders' capital Note 15(a) RM | Retained earnings Note 15(b) and 15(c) RM | Total equity RM |
|---|---|---|-----------------------|
| At 1 February 2022 | 57,578,756 | 11,989,080 | 69,567,836 |
| Total comprehensive loss for the financial year | - | (4,306,869) | (4,306,869) |
| Creation of units | 14,504,945 | - | 14,504,945 |
| Reinvestment of units | 2,481,181 | - | 2,481,181 |
| Cancellation of units | (11,890,521) | - | (11,890,521) |
| Distribution (Note 16) | - | (2,481,181) | (2,481,181) |
| At 31 January 2023 | 62,674,361 | 5,201,030 | 67,875,391 |
| At 1 February 2021 | 37,497,313 | 19,133,715 | 56,631,028 |
| Total comprehensive loss for the financial year | - | (4,958,421) | (4,958,421) |
| Creation of units | 51,161,917 | - | 51,161,917 |
| Reinvestment of units | 4,545,234 | - | 4,545,234 |
| Cancellation of units | (33,266,688) | - | (33,266,688) |
| Distribution (Note 16) | (2,359,020) | (2,186,214) | (4,545,234) |
| At 31 January 2022 | 57,578,756 | 11,989,080 | 69,567,836 |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023**

| | 2023 RM | 2022 RM |
|--|--------------------|---------------------|
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Net proceeds from disposal of FVTPL financial assets | 46,644,354 | 30,722,965 |
| Net payment for purchase of FVTPL financial assets | (46,868,564) | (46,529,041) |
| Profit income received | 26,526 | 69,001 |
| Dividend income received | 2,647,919 | 1,608,643 |
| Manager's fees paid | (956,941) | (1,081,237) |
| Trustee's fees paid | (38,278) | (43,250) |
| Net tax paid on dividend received from foreign countries | (61,103) | (15,897) |
| Payment to charitable bodies for purification of income | (41,475) | (213,489) |
| Payment of other fees and expenses | (293,145) | (188,847) |
| Net cash generated from/ (used in) operating and investing activities | <u>1,059,293</u> | <u>(15,671,152)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash received from units created | 13,285,853 | 52,655,724 |
| Cash paid on units cancelled | (10,993,438) | (36,149,625) |
| Net cash generated from financing activities | <u>2,292,415</u> | <u>16,506,099</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR | 3,351,708 | 834,947 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 4,847,817 | 4,530,636 |
| Effect of foreign exchange | (1,353,635) | (517,766) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | <u>6,845,890</u> | <u>4,847,817</u> |
| Cash and cash equivalents comprise of: | | |
| Cash at bank (Note 11) | 2,301,664 | 3,129,180 |
| Shariah-compliant deposit with a financial institution with maturity of less than 3 months (Note 8) | 4,544,226 | 1,718,637 |
| | <u>6,845,890</u> | <u>4,847,817</u> |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank AsiaPac Ex-Japan Equity-I Fund (the "Fund") was constituted pursuant to the execution of a Trust Deed dated 21 June 2013, a First Supplemental Deed dated 20 March 2015, Second Supplemental Deed dated 10 December 2015 and a Third Supplemental Deed dated 2 November 2022 between the Manager, Maybank Asset Management Sdn Bhd ("MAM"), the Trustee, TMF Trustees Malaysia Berhad and the registered unitholders of the Fund. The Deed and Supplemental Deeds are collectively referred to as 'Deeds'.

The principal activity of the Fund is to invest between 70% to 98% of the Fund's NAV in Shariah-compliant equities issued by companies whose businesses are in Asia Pacific ex-Japan markets. The Manager will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

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. The principal place of business of MAM is at Level 12, Tower C Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

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

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

The financial statements were authorised for issue by the Board of Directors ("Directors") of the Manager in accordance with a resolution of the Directors on 17 March 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 31 January 2023. The adoption of the new pronouncements did not result in any material impact to the financial statements.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.1 Basis of preparation (cont'd)

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

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

2.2 Standards and amendments to standards issued but not yet effective

The following are Standards and Amendments to Standards 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: Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| Amendments to MFRS 101: <i>Disclosure of Accounting Policies</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 from a Single Transaction</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 financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument.

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

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

2.4 Financial assets

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

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

(i) Financial assets at amortised cost

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

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

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

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

(ii) Financial assets at FVTPL

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

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

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

2.4 Financial assets (cont'd)

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

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

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

Dividend income on quoted equities as at FVTPL is disclosed separately in the profit or loss.

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

(iii) Impairment

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

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

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

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or counterparty;
- Significant downgrade in credit rating of the instrument by a rating agency;
- A breach of contract such as a default or past due event; or
- The disappearance of an active market for a security because of financial difficulties.

For balances with short-term nature, full impairment will be recognised on uncollected balances after the grace period.

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

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

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

2.5 Financial liabilities

(i) Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The Fund classifies 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 method.

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

2.6 Fair value measurement

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

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

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

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

2.6 Fair value measurement (cont'd)

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

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

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

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

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

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

2.7 Functional and foreign currency

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.8 Unitholders' contribution

The unitholders' contributions to the Fund are classified as equities under the requirements of MFRS 132 Financial Instruments: Presentation as they are puttable instruments whereby the unitholders have the right to redeem their units in the Fund at their option.

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholder exercises the right to put the unit back to the Fund. Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

2.9 Distributions

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

2.10 Cash and cash equivalents

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

2.11 Revenue/ Income

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

Dividend income is recognised when the right to receive is established.

Profit income is recognised using the EPR method.

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

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

Any purification of income resulting from investments in Shariah non-compliant investments are derecognised from the corresponding gain or dividend income in the statement or profit or loss.

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

2.12 Taxation

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

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

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

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

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

2.13 Segment information

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

2.14 Cleansing/ Purification of income

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

(i) Shariah non-compliant investment

The Manager will immediately dispose of any Shariah non-compliant investment inadvertently made in the Fund. If the disposal of the Shariah non-compliant investment results in losses to the Fund, the losses are to be borne by the Manager by ensuring the loss portion is restored and returned to the Fund. The said investment will be disposed/ withdrawn with immediate effect or within a period of not more than one month after becoming aware of the status of the investment.

In the event that there are any capital gains or dividend received before or after the disposal of the investment, such gains will be channelled to Baitulmal and/ or any other charitable bodies as advised by the Shariah Adviser. The Fund have the right to retain only the investment cost.

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

If a security is reclassified as Shariah non-compliant by the SACSC and/ or the Shariah board of the MSCI Islamic Index Series, as per the Shariah Adviser's advice, the said security shall be disposed of soonest practical, once the total amount of dividends received and the market value held equal the original investment costs.

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

2.14 Cleansing/ Purification of income (cont'd)

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

Any dividends received up to the date of the announcement/ review and capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement/ review can be kept by the Fund. However, any dividends received and excess capital gains derived from the disposal of Shariah non-compliant securities after the announcement/ review day is to be channelled to Baitumal and/ or any charitable bodies as advised by the Shariah Adviser.

On the other hand, the Fund is allowed to hold the investment in the Shariah non-compliant securities if the market price of the said securities is below the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the Fund is advised to dispose of their holding.

(iii) Purification of cash dividend received

The cleansing process is the means by which all remaining elements of non permissible income are removed or purged from a portfolio through dividend cleansing. The process applies mainly to non-permissible income as per MSCI screening methodology and should be disposed according to the same methodology of MSCI. The cleansed income shall be channelled to Baitumal and/ or any charitable bodies as advised by the Shariah Adviser.

The purification exercise is done by channelling the purification amount to charitable purposes as advised by the Shariah Adviser and this exercise will be performed by the Investment Manager when relevant information has been obtained. The calculation of the purification amount must further be endorsed by the Shariah Adviser for verification before the purification is done.

Any purification on gains resulting from investments in Shariah non-compliant investments is disclosed as a reduction of the corresponding capital gain and/ or dividend in the statement of profit or loss.

Any unpaid purification will be disclosed under purification of income payables (Note 14).

2.15 Critical accounting estimates and judgments

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

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

3. NET LOSS ON FOREIGN EXCHANGE

| | 2023 RM | 2022 RM |
|--|--------------------|------------------|
| Net realised foreign exchange loss | (629,374) | (535,288) |
| Net unrealised foreign exchange (loss)/ gain | (1,230,049) | 120,598 |
| | <u>(1,859,423)</u> | <u>(414,690)</u> |

4. MANAGER'S FEE

The Manager's fee is computed daily based on 1.50% (2022: 1.50%) per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

5. TRUSTEE'S FEE

The Trustee's fee is computed daily based on 0.06% (2022: 0.06%) p.a. of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable income for the financial year.

The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, dividend income and profit income earned by the Fund is exempted from tax. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.

Income derived from sources outside Malaysia may be subject to tax in the country from which it is derived. Tax on dividend income from foreign quoted equities is based on the tax regime of the respective countries that the Fund invests in.

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

| | 2023 RM | 2022 RM |
|--|--------------------|--------------------|
| Net loss before taxation | <u>(3,451,572)</u> | <u>(4,789,366)</u> |
| Tax at Malaysian statutory rate of 24% (2022: 24%) | (828,377) | (1,149,448) |
| Income not subject to tax | (599,902) | (699,734) |
| Loss not deductible for tax purpose | 1,510,621 | 1,497,264 |
| Income tax at source | 434,390 | 169,055 |
| Expenses not deductible for tax purposes | 338,565 | 351,918 |
| Tax expense for the financial year | <u>855,297</u> | <u>169,055</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

7. FINANCIAL ASSETS AT FVTPL

| | | | 2023 RM | 2022 RM |
|---|------------------|-------------------------|-----------------------|---------------------------|
| Shariah-compliant quoted equities - Local | (a) | | 1,993,126 | 3,177,441 |
| Shariah-compliant quoted equities - Foreign | (b) | | 58,414,489 | 62,557,809 |
| | | | <u>60,407,615</u> | <u>65,735,250</u> |
| 2023 | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
| (a) Shariah-compliant equities | | | | |
| - Local | | | | |
| Consumer Products & Services | | | | |
| DKSH Holdings (M) Bhd | 139,200 | 640,192 | 634,752 | 0.94 |
| MR D.I.Y Group (M) Bhd | 325,800 | 379,034 | 619,020 | 0.91 |
| | <u>465,000</u> | <u>1,019,226</u> | <u>1,253,772</u> | <u>1.85</u> |
| Technology | | | | |
| CTOS Digital Bhd | 480,100 | 602,311 | 739,354 | 1.09 |
| | <u>945,100</u> | <u>1,621,537</u> | <u>1,993,126</u> | <u>2.94</u> |
| (b) Shariah-compliant equities | | | | |
| - Foreign | | | | |
| Australia | | | | |
| BHP Group Ltd | 41,000 | 5,188,505 | 6,085,280 | 8.97 |
| Nickel Mines Ltd | 183,200 | 712,419 | 602,955 | 0.89 |
| Seek Ltd | 12,300 | 1,107,821 | 895,046 | 1.32 |
| South32 Ltd | 73,900 | 1,141,035 | 1,008,430 | 1.49 |
| Stockland Co Ltd | 51,400 | 693,904 | 607,157 | 0.89 |
| Whitehaven Coal Ltd | 86,000 | 1,322,891 | 2,171,318 | 3.20 |
| Woodside Energy Group Ltd | 5,600 | 464,637 | 610,325 | 0.90 |
| | <u>453,400</u> | <u>10,631,212</u> | <u>11,980,511</u> | <u>17.66</u> |
| Hong Kong | | | | |
| Alibaba Group Holding Limited | 56,400 | 3,736,026 | 3,304,374 | 4.87 |
| BYD Co Ltd | 5,000 | 783,632 | 667,013 | 0.98 |
| China Mobile Ltd | 36,000 | 1,037,064 | 1,101,632 | 1.62 |
| China Shenhua Energy Co Ltd | 49,000 | 636,135 | 649,670 | 0.96 |
| China Telecom Corporation Ltd | 716,000 | 1,067,039 | 1,504,867 | 2.22 |
| China Unicom Hong Kong Ltd | 540,000 | 1,171,264 | 1,620,105 | 2.39 |
| CNOOC Ltd | 358,000 | 1,990,635 | 2,214,416 | 3.26 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2023 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| Hong Kong (cont'd) | | | | |
| Country Garden Services Holdings Co Ltd | 61,000 | 783,280 | 704,147 | 1.04 |
| JD.com, Inc | 6,161 | 1,097,739 | 776,940 | 1.14 |
| Kunlun Energy Co Ltd | 546,000 | 1,944,566 | 1,837,295 | 2.71 |
| KWG Living Group Holding Ltd | 500,000 | 959,954 | 500,940 | 0.74 |
| Meituan | 4,360 | 415,725 | 414,504 | 0.61 |
| Tencent Holdings Ltd | 5,600 | 1,297,586 | 1,165,404 | 1.72 |
| | 2,883,521 | 16,920,645 | 16,461,307 | 24.26 |
| India | | | | |
| Ambuja Cements Ltd | 41,800 | 1,029,165 | 873,725 | 1.29 |
| Bayer Corpscience Ltd | 2,300 | 680,157 | 533,214 | 0.79 |
| Eris Lifesciences Ltd | 22,600 | 859,351 | 719,075 | 1.06 |
| Hawkins Cookers Ltd | 1,655 | 547,218 | 534,990 | 0.79 |
| PI Industries Ltd | 3,900 | 707,552 | 609,032 | 0.90 |
| Reliance Industries Ltd | 24,800 | 2,556,084 | 3,041,363 | 4.48 |
| Sanofia India Ltd | 3,000 | 1,113,554 | 859,439 | 1.27 |
| Sapphire Foods India Ltd | 9,200 | 648,176 | 623,164 | 0.92 |
| Sun Pharmaceutical Industries Ltd | 21,400 | 849,867 | 1,153,405 | 1.70 |
| Uniparts India Ltd | 15,900 | 485,601 | 459,384 | 0.68 |
| Varun Beverages Ltd | 5,600 | 345,076 | 334,430 | 0.49 |
| | 152,155 | 9,821,801 | 9,741,221 | 14.37 |
| Indonesia | | | | |
| PT Arwana Citramulia Tbk. | 2,385,500 | 720,369 | 683,267 | 1.01 |
| PT Indo Tambangraya Megah Tbk. | 177,400 | 1,550,474 | 1,830,236 | 2.70 |
| PT MAP Aktif Adiperkasa | 1,606,000 | 1,502,891 | 1,739,298 | 2.56 |
| PT Matahari Department Store Tbk. | 1,137,900 | 1,392,390 | 1,423,684 | 2.10 |
| PT Mitra Adiperkasa Tbk. | 2,180,000 | 828,164 | 807,690 | 1.19 |
| | 7,486,800 | 5,994,288 | 6,484,175 | 9.56 |
| Singapore | | | | |
| Sasseur REIT | 373,800 | 899,497 | 989,006 | 1.46 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2023 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| South Korea | | | | |
| LG Chem Ltd | 343 | 642,793 | 819,588 | 1.21 |
| POSCO Holding Inc | 1,200 | 1,025,595 | 1,248,758 | 1.84 |
| Samsung Electronics Co Ltd | 21,250 | 4,577,632 | 4,488,914 | 6.61 |
| | 22,793 | 6,246,020 | 6,557,260 | 9.66 |
| Taiwan | | | | |
| E Ink Holdings Inc | 39,000 | 941,809 | 955,305 | 1.41 |
| MediaTek Inc | 5,600 | 785,455 | 570,954 | 0.84 |
| Taiwan Semiconductor Manufacturing Co Ltd | 13,000 | 674,232 | 963,612 | 1.42 |
| Unimicron Technology Corporation | 16,000 | 519,640 | 310,128 | 0.46 |
| | 73,600 | 2,921,136 | 2,799,999 | 4.13 |
| Thailand | | | | |
| Com7 Public Company Limited | 167,000 | 788,101 | 677,263 | 1.00 |
| PTT Exploration & Production Public Company Limited | 41,400 | 801,402 | 921,415 | 1.36 |
| Somboon Advance Technology Public Company Limited | 302,700 | 719,290 | 840,654 | 1.24 |
| | 511,100 | 2,308,793 | 2,439,332 | 3.60 |
| United States of America | | | | |
| PinDuoDuo Inc. | 2,300 | 735,493 | 961,678 | 1.42 |
| Total Shariah compliant equities - Foreign | 11,959,469 | 56,478,885 | 58,414,489 | 86.12 |
| Total equities | 12,904,569 | 58,100,422 | 60,407,615 | 89.06 |
| Unrealised gain on investments * | | | 2,307,193 | |
| 2022 | | | | |
| (a) Shariah-compliant equities | | | | |
| - Local | | | | |
| Consumer Products & Services | | | | |
| MR D.I.Y Group (M) Bhd | 195,800 | 313,280 | 695,090 | 1.00 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2022 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| (a) Shariah-compliant equities | | | | |
| - Local (cont'd) | | | | |
| Technology | | | | |
| CTOS Digital Bhd | 241,000 | 265,100 | 407,290 | 0.59 |
| Inari Amertron Bhd | 230,000 | 808,175 | 759,000 | 1.09 |
| MyEG Services Bhd | 1,356,764 | 896,998 | 1,316,061 | 1.89 |
| | <u>1,827,764</u> | <u>1,970,273</u> | <u>2,482,351</u> | <u>3.57</u> |
| Total Shariah-compliant equities - Local | <u>2,023,564</u> | <u>2,283,553</u> | <u>3,177,441</u> | <u>4.57</u> |
| (b) Shariah-compliant equities | | | | |
| - Foreign | | | | |
| Australia | | | | |
| BHP Billiton Ltd | 24,484 | 3,058,738 | 3,346,851 | 4.81 |
| Fortescue Metals Group Ltd | 14,310 | 448,315 | 838,575 | 1.21 |
| Goodman Group Ltd | 22,696 | 745,681 | 1,552,224 | 2.23 |
| ResMed Inc | 6,500 | 717,207 | 612,475 | 0.88 |
| Seek Ltd | 12,300 | 1,107,821 | 1,051,617 | 1.51 |
| Stockland Co Ltd | 44,386 | 617,387 | 528,849 | 0.76 |
| | <u>124,676</u> | <u>6,695,149</u> | <u>7,930,591</u> | <u>11.40</u> |
| China | | | | |
| Inner Mongolia Yili Industrial Group Co | 48,500 | 1,168,077 | 1,214,836 | 1.75 |
| Hong Kong | | | | |
| Alibaba Group Holding Limited | 16,000 | 1,578,712 | 979,123 | 1.41 |
| Anta Sports Products Ltd | 9,800 | 372,600 | 612,865 | 0.88 |
| BYD Co Ltd | 5,000 | 783,632 | 594,238 | 0.85 |
| China Education Group Holdings Ltd | 93,000 | 725,074 | 339,472 | 0.49 |
| China Medical System Holdings Ltd | 180,000 | 978,030 | 1,254,180 | 1.80 |
| China Telecom Corporation Ltd | 600,000 | 865,264 | 946,915 | 1.36 |
| China Traditional Chinese Medicine Holdings Co. Ltd | 328,000 | 851,550 | 797,599 | 1.15 |
| Chow Tai Fook Jewellery Group Ltd | 116,000 | 578,641 | 849,346 | 1.22 |
| CNOOC Ltd | 262,000 | 1,434,590 | 1,316,405 | 1.89 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2022 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| Hong Kong (cont'd) | | | | |
| Country Garden Services Holdings Co Ltd | 9,000 | 235,839 | 221,511 | 0.32 |
| JD.com Inc | 5,261 | 2,576,097 | 789,620 | 1.14 |
| Kunlun Energy Ltd | 210,000 | 760,424 | 906,333 | 1.30 |
| KWG Living Group Holdings Ltd | 100,000 | 209,543 | 183,586 | 0.26 |
| Link REIT | 13,200 | 478,907 | 472,974 | 0.68 |
| Longfor Properties Co Ltd | 27,000 | 659,438 | 673,952 | 0.97 |
| Shenzhou International Group Holdings Ltd | 7,500 | 313,213 | 576,121 | 0.83 |
| Shimao Services Holdings Ltd | 60,000 | 209,694 | 199,368 | 0.29 |
| Sino Biopharmaceutical Ltd | 140,000 | 639,226 | 402,815 | 0.58 |
| Tencent Holdings Ltd | 5,500 | 3,008 | 1,393,533 | 2.00 |
| | 2,187,261 | 14,253,482 | 13,509,956 | 19.42 |
| India | | | | |
| Asian Paints Ltd | 4,600 | 774,768 | 813,470 | 1.17 |
| HCL Technologies Ltd | 20,658 | 633,479 | 1,274,110 | 1.83 |
| Oil & Natural Gas Corp Ltd | 100,000 | 936,686 | 968,286 | 1.39 |
| Reliance Industries Ltd | 27,767 | 2,808,607 | 3,717,675 | 5.34 |
| Sun Pharmaceutical Industry Ltd | 19,000 | 722,656 | 889,494 | 1.28 |
| Ultratech Cement Ltd | 2,900 | 1,083,591 | 1,174,036 | 1.69 |
| | 174,925 | 6,959,787 | 8,837,071 | 12.70 |
| Indonesia | | | | |
| PT Indofood CBP Sukses Tbk. | 281,000 | 735,917 | 713,452 | 1.03 |
| PT Industri Jamu Dan Farmasi Sido Muncul Tbk. | 6,020,610 | 1,444,817 | 1,629,358 | 2.34 |
| PT Media Nusantara Citra Tbk | 3,597,700 | 1,421,467 | 889,891 | 1.28 |
| PT Saratoga Investama Sedaya Tbk. | 1,700,000 | 1,456,484 | 1,360,425 | 1.96 |
| PT Telekomunikasi Indonesia Tbk. | 820,000 | 797,195 | 999,818 | 1.44 |
| | 12,419,310 | 5,855,880 | 5,592,944 | 8.05 |
| Singapore | | | | |
| Q & M Dental Group | 420,000 | 858,753 | 740,943 | 1.07 |
| Sasseur REIT | 373,800 | 899,497 | 919,738 | 1.32 |
| | 793,800 | 1,758,250 | 1,660,681 | 2.39 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2022 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| South Korea | | | | |
| KIA Motors Co Ltd | 3,976 | 716,553 | 1,127,745 | 1.62 |
| LG Chemical Ltd | 343 | 642,793 | 758,133 | 1.09 |
| Posco Co Ltd | 510 | 355,649 | 467,484 | 0.67 |
| Samsung Electronics Co Ltd | 11,195 | 2,404,259 | 2,838,433 | 4.08 |
| Samsung Electronics Co Ltd (Preference Shares) | 6,000 | 1,621,080 | 1,375,990 | 1.98 |
| SK Hynix Inc | 4,637 | 1,582,289 | 1,932,746 | 2.78 |
| | 26,661 | 7,322,623 | 8,500,531 | 12.22 |
| Taiwan | | | | |
| ASE Technology Holding Co. Ltd | 45,000 | 728,280 | 668,234 | 0.96 |
| Formosa Plastics Co | 51,000 | 767,920 | 804,857 | 1.16 |
| Kinsus Interconnect Technology Corp | 26,000 | 809,982 | 787,422 | 1.13 |
| MediaTek Inc | 15,000 | 2,103,899 | 2,423,588 | 3.48 |
| Novatek Microelectronics Corp | 12,000 | 1,020,008 | 849,496 | 1.22 |
| Sinbon Electronics Co Ltd | 22,000 | 640,380 | 884,516 | 1.27 |
| Taiwan Semiconductor Manufacturing Co. Ltd | 77,900 | 4,040,207 | 7,446,523 | 10.70 |
| United Microelectronics Co Ltd | 100,000 | 755,726 | 861,219 | 1.24 |
| | 348,900 | 10,866,402 | 14,725,855 | 21.16 |
| Thailand | | | | |
| Airports of Thailand Public Co. Ltd | 73,000 | 672,733 | 585,344 | 0.84 |
| Total Shariah compliant equities - Foreign | 16,197,033 | 55,552,383 | 62,557,809 | 89.93 |
| Total equities | 18,220,597 | 57,835,936 | 65,735,250 | 94.50 |
| Unrealised gain on investments * | | | 7,899,314 | |

* The unrealised gain on FVTPL investments comprise the amounts arising from changes in fair values and effects from foreign exchange.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. SHARIAH-COMPLIANT DEPOSIT WITH A LICENSED ISLAMIC FINANCIAL INSTITUTION

| | 2023 RM | 2022 RM |
|--|------------|------------|
| Shariah-compliant deposit with a licensed Islamic Islamic financial institution of less than 3 months | 4,544,226 | 1,718,637 |

The weighted average effective profit rates ("WAEPR") per annum and average maturity of deposits with financial institution were as follows:

| | 2023 WAEPR % p.a. | Average Maturity Days | 2022 WAEPR % p.a. | Average Maturity Days |
|--|-------------------------|-----------------------------|-------------------------|-----------------------------|
| Shariah-compliant deposit with maturity of less than 3 months | 2.65 | 1 | 1.60 | 3 |

9. OTHER RECEIVABLES

| | 2023 RM | 2022 RM |
|----------------------------|------------|------------|
| Dividend income receivable | 11,107 | 108,654 |
| Profit income receivable | 330 | 75 |
| | 11,437 | 108,729 |

10. AMOUNT DUE FROM/ TO MANAGER

| | Note | 2023 RM | 2022 RM |
|------------------------------------|-------|------------|------------|
| (a) Amount due from Manager | | | |
| Subscription of units | (i) | 1,287,414 | 68,321 |
| (b) Amount due to Manager | | | |
| Manager's fee | (ii) | 83,162 | 90,775 |
| Redemption of units | (iii) | 66,238 | 963,321 |
| | | 149,400 | 1,054,096 |

(i) The amount represents 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 year. The normal credit term for Manager's fee is 15 days (2022: 15 days).

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

11. CASH AT BANK

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

| | 2023 RM | 2022 RM |
|------------------------------|------------------|------------------|
| Malaysian Ringgit ("RM") | 97,898 | 24,564 |
| Chinese Yuan ("CNY") | 51 | - |
| Indian Rupee ("INR") | 554,232 | 1,264,961 |
| Taiwan Dollar ("TWD") | - | 146,163 |
| United States Dollar ("USD") | 1,649,483 | 1,693,492 |
| | <u>2,301,664</u> | <u>3,129,180</u> |

12. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accruals for Trustee's fee at the end of the financial year. The normal credit term for Trustee's fee is 15 days (2022: 15 days).

13. OTHER PAYABLES AND ACCRUALS

Other payables and accruals comprise:

| | 2023 RM | 2022 RM |
|--|----------------|----------------|
| Audit fee payable | 11,289 | 11,289 |
| Tax agent fee payable | 9,010 | 9,010 |
| Shariah advisory fee payable | 6,360 | 6,360 |
| Purification of income payable (Note 14) | 81,932 | 102,611 |
| Other accruals | 94 | 5,284 |
| | <u>108,685</u> | <u>134,554</u> |

14. PURIFICATION OF INCOME

During the current financial year, income purification amount received from the financial year ended 31 January 2023 of RM20,797 will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser at a later date.

During the previous financial year, the Fund purified a total income of RM106,347 received from the financial year ended 31 January 2022. These amounts will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

15. TOTAL EQUITY

| | Note | 2023 RM | 2022 RM |
|---------------------------------------|------|-------------------|-------------------|
| Unitholders' capital | (a) | 62,674,361 | 57,578,756 |
| Accumulated realised income | (b) | 6,933,921 | 8,077,886 |
| Accumulated unrealised (loss)/ income | (c) | (1,732,891) | 3,911,194 |
| | | <u>67,875,391</u> | <u>69,567,836</u> |

| | 2023 | | 2022 | |
|--|-------------------|-------------------|-------------------|-------------------|
| (a) Unitholders' capital | No. of units | RM | No. of units | RM |
| At beginning of the financial year | 60,856,730 | 57,578,756 | 43,786,588 | 37,497,313 |
| Creation of units | 13,625,633 | 14,504,945 | 38,391,040 | 51,161,917 |
| Reinvestment of units | 2,402,383 | 2,481,181 | 3,976,235 | 4,545,234 |
| Cancellation of units | (11,165,830) | (11,890,521) | (25,297,133) | (33,266,688) |
| Distribution equalisation (Note 16) | - | - | - | (2,359,020) |
| At end of the financial year | <u>65,718,916</u> | <u>62,674,361</u> | <u>60,856,730</u> | <u>57,578,756</u> |

As of the end of the financial year, the total number and value of units held legally or beneficially by the Manager and a related party were as follows:

| | 2023 | | 2022 | |
|-------------|--------------|--------------|--------------|--------------|
| | No. of units | RM | No. of units | RM |
| The Manager | <u>1,529</u> | <u>1,579</u> | <u>1,472</u> | <u>1,683</u> |

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

(b) Accumulated realised income

| | 2023 RM | 2022 RM |
|--|------------------|------------------|
| At beginning of the financial year | 8,077,886 | 9,400,873 |
| Net realised income for the financial year | 1,337,216 | 863,227 |
| Distribution out of realised reserve (Note 16) | (2,481,181) | (2,186,214) |
| At end of the financial year | <u>6,933,921</u> | <u>8,077,886</u> |

(c) Accumulated unrealised (loss)/ income

| | 2023 RM | 2022 RM |
|--|--------------------|------------------|
| At beginning of the financial year | 3,911,194 | 9,732,842 |
| Net unrealised loss for the financial year | (5,644,085) | (5,821,648) |
| At end of the financial year | <u>(1,732,891)</u> | <u>3,911,194</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

16. DISTRIBUTION

Details of distribution declared is shown below:

| | 2023 RM | 2022 RM |
|--|-------------|-------------|
| Previous year's net realised income* | 4,623,293 | 3,730,445 |
| Less: Expenses | (2,142,112) | (1,544,231) |
| Distributions out of realised reserve (Note 15(b)) | 2,481,181 | 2,186,214 |
| Distribution out of distribution equalisation (Note 15(a)) | - | 2,359,020 |
| Distribution for the financial year | 2,481,181 | 4,545,234 |

* The distributions in the current and previous financial year were made from previous year's net realised income.

The Fund recognised unrealised loss for the current and previous financial year as disclosed in Note 15(c) above.

The distribution declared was settled in the forms of units and presented as 'reinvestment of units' in Note 15(a) on payment date.

The gross and net distributions per unit and the distribution date were as follows:

| Distribution date (ex-date) | Gross/ Net distribution per unit (sen) |
|-----------------------------|--|
| 2023 | |
| 27 January 2023 | 4.00 |
| 2022 | |
| 27 January 2022 | 8.00 |

17. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

Details of transactions with broker/ dealer for the current and previous financial year were as follows:

| | Value of trade RM | Percentage of total trade % | Brokerage fees RM | Percentage of brokerage fees % |
|--|-------------------------|--------------------------------------|-------------------------|---|
| 2023 | | | | |
| Maybank Investment Bank Bhd ("MIBB")** | 29,511,913 | 32.05 | 47,738 | 28.58 |
| Kim Eng Securities India Pte Ltd* | 16,332,550 | 17.74 | 32,665 | 19.56 |
| CLSA Securities (M) Sdn Bhd | 13,783,679 | 14.97 | 20,676 | 12.38 |
| KAF Equities Sdn Bhd | 6,765,989 | 7.35 | 13,532 | 8.10 |
| KAF-Seagroatt & Campbell Securities - Hong Kong | 6,382,463 | 6.93 | 12,765 | 7.64 |
| CLSA Ltd - Hong Kong | 6,225,703 | 6.76 | 12,451 | 7.46 |

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

| 2023 (cont'd) | Value of trade RM | Percentage of total trade % | Brokerage fees RM | Percentage of brokerage fees % |
|---------------------------------|-------------------------|--------------------------------------|-------------------------|---|
| CLSA Securities Korea Ltd | 4,209,106 | 4.57 | 8,418 | 5.04 |
| Affin Hwang Investment Bank Bhd | 2,817,585 | 3.06 | 5,665 | 3.39 |
| CLSA Hong Kong Stock Connect | 2,565,165 | 2.79 | 5,130 | 3.07 |
| Others | 3,480,536 | 3.78 | 7,964 | 4.78 |
| | <u>92,074,689</u> | <u>100.00</u> | <u>167,004</u> | <u>100.00</u> |

2022

| | | | | |
|--|-------------------|---------------|----------------|---------------|
| Maybank Investment Bank Bhd ("MIBB")** | 34,826,088 | 44.70 | 42,400 | 37.66 |
| CLSA Ltd | 18,312,917 | 23.50 | 36,030 | 32.01 |
| CLSA Securities (M) Sdn Bhd | 11,378,327 | 14.60 | 15,114 | 13.43 |
| Kim Eng Securities India Pte Ltd* | 6,426,240 | 8.25 | 11,078 | 9.84 |
| United Overseas Bank (Malaysia) Bhd | 3,549,881 | 4.56 | 5,993 | 5.32 |
| CLSA Asia-Pacific Markets | 2,582,597 | 3.31 | 1,961 | 1.74 |
| Affin Hwang Investment Bank Bhd | 540,375 | 0.69 | - | - |
| Kenanga Investment Bank Bhd | 301,620 | 0.39 | - | - |
| | <u>77,918,045</u> | <u>100.00</u> | <u>112,576</u> | <u>100.00</u> |

* Kim Eng Securities India Pte Ltd and MIBB are related parties of MBB, the ultimate holding company of the Manager.

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

Details of transactions, primarily made up of gross deposit placements with a licensed Islamic financial institution for the current and previous financial year are as follows:

| | 2023 | | 2022 | |
|-------------------------|------------------------------|---|------------------------------|---|
| | Value of placements RM | Percentage of total placements % | Value of placements RM | Percentage of total placements % |
| Maybank Islamic Bhd *** | 306,309,793 | 100.00 | 1,061,625,891 | 100.00 |

*** Maybank Islamic Bhd is a subsidiary of MBB, the ultimate holding company of the Manager.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

18. 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 may be individuals or other entities.

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

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

(i) Significant related party transaction

| | 2023 | 2022 |
|-------------------------------|--------|--------|
| <u>Maybank Islamic Berhad</u> | | |
| Profit income from deposits | 26,781 | 69,077 |

(ii) Significant related party balances

| | | |
|--|-----------|-----------|
| <u>Maybank Islamic Berhad</u> | | |
| Deposits with a licensed Islamic financial institution | 4,544,226 | 1,718,637 |

19. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial year ended 31 January 2023, the TER of the Fund stood at 1.77% (2022: 1.72%).

20. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 January 2023, the PTR of the Fund stood at 0.74 times (2022: 0.53 times).

21. SEGMENT INFORMATION

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

The PMC is responsible for the performance of the Fund by investing between 70% to 98% of the Fund's NAV in quoted equities listed or traded in the Asia Pacific ex-Japan markets. The Manager will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

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21. SEGMENT INFORMATION (CONT'D)

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

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

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

22. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Notes 2.3 to 2.15 describe how the classes of financial instruments are measured, and how income and expenses are recognised. The following table analyses the financial assets and financial liabilities (exclude tax-related matters) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

| | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Financial liabilities at amortised cost RM | Total RM |
|---|---------------------------------------|---|--|-------------|
| 2023 | | | | |
| Financial assets | | | | |
| Financial assets at FVTPL | 60,407,615 | - | - | 60,407,615 |
| Shariah compliant deposit with a licensed Islamic financial institution | - | 4,544,226 | - | 4,544,226 |
| Other receivables | - | 11,437 | - | 11,437 |
| Amount due from Manager | - | 1,287,414 | - | 1,287,414 |
| Cash at bank | - | 2,301,664 | - | 2,301,664 |
| Total financial assets | 60,407,615 | 8,144,741 | - | 68,552,356 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 149,400 | 149,400 |
| Amount due to Trustee | - | - | 3,326 | 3,326 |
| Other payables and accruals | - | - | 108,685 | 108,685 |
| Total financial liabilities | - | - | 261,411 | 261,411 |

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22. FINANCIAL INSTRUMENTS (CONT'D)

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

| | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Financial liabilities at amortised cost RM | Total RM |
|---|---------------------------------------|---|--|-------------|
| 2022 | | | | |
| Financial assets at FVTPL | 65,735,250 | - | - | 65,735,250 |
| Shariah compliant deposit with a licensed Islamic financial institution | - | 1,718,637 | - | 1,718,637 |
| Other receivables | - | 108,729 | - | 108,729 |
| Amount due from Manager | - | 68,321 | - | 68,321 |
| Cash at bank | - | 3,129,180 | - | 3,129,180 |
| Total financial assets | 65,735,250 | 5,024,867 | - | 70,760,117 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 1,054,096 | 1,054,096 |
| Amount due to Trustee | - | - | 3,631 | 3,631 |
| Other payables and accruals | - | - | 134,554 | 134,554 |
| Total financial liabilities | - | - | 1,192,281 | 1,192,281 |

(b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

Quoted equities

Fair value is determined by reference to their published price at the reporting date. For equities quoted on Bursa Malaysia, the market prices are determined by reference to the closing market price as published by Bursa Malaysia.

For equities quoted other than Bursa Malaysia, the market prices are determined by reference to the theoretical closing market price as quoted by the respective foreign stock exchanges of the respective countries.

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

Other than its securities, the Fund's financial instruments are not carried at fair value but their carrying amounts are reasonable approximations of fair value due to their short term nature. There were no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximations of their respective fair values.

22. FINANCIAL INSTRUMENTS (CONT'D)**(d) Fair value hierarchy**

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 RM | Level 2 RM | Level 3 RM |
|---------------------------|-----------------------|-----------------------|-----------------------|
| 2023 | | | |
| Financial assets at FVTPL | 60,407,615 | - | - |
| 2022 | | | |
| Financial assets at FVTPL | 65,735,250 | - | - |

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

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks. Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deed, the Securities Commission's Guidelines on Unit Trust Funds and the CMSA.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices. The Fund is exposed to foreign currency risk arising from the Fund's investments in quoted equities denominated in foreign currencies, and other financial assets and liabilities denominated in foreign currencies. The Fund is also exposed to profit rate risk arising from its deposits placed with a licensed Islamic financial institution.

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

(b) Market risk (cont'd)

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at 31 January 2023, besides RM, the Fund also invests in equities denominated in Australian Dollar ("AUD"), Hong Kong Dollar ("HKD"), Indian Rupee ("INR"), Indonesian Rupiah ("IDR"), Korean Won ("KRW"), Singapore Dollar ("SGD"), New Taiwan Dollar ("TWD"), Thailand Baht ("THB") and United States Dollar ("USD").

The table below analyses the net position of the Fund's financial assets and financial liability which are exposed to foreign exchange risks as at the reporting date. As the Fund's functional currency is RM, the financial assets and financial liability denominated in other currencies are exposed to the movement of foreign exchange rates. The exposure might lead to the appreciation or depreciation of the financial assets and financial liability of the Fund that may affect the value of the NAV attributable to unitholders.

| | AUD RM | CNY RM | HKD RM | IDR RM | INR RM | KRW RM | SGD RM | THB RM | TWD RM | USD RM | TOTAL RM |
|---------------------------------------|------------|-----------|------------|-----------|------------|-----------|-----------|-----------|------------|-----------|-------------|
| 2023 | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | |
| Financial assets at FVTPL | 11,980,513 | - | 16,461,310 | 9,741,220 | 6,484,174 | 6,557,260 | 989,006 | 2,439,333 | 2,799,999 | 961,676 | 58,414,491 |
| Other receivables | 11,020 | - | - | - | - | - | - | - | - | - | 11,020 |
| Cash at bank | - | 51 | - | - | 554,232 | - | - | - | - | 1,649,483 | 2,203,766 |
| Net on-balance sheet open position | 11,991,533 | 51 | 16,461,310 | 9,741,220 | 7,038,406 | 6,557,260 | 989,006 | 2,439,333 | 2,799,999 | 2,611,159 | 60,629,277 |
| | | | | | | | | | | | |
| 2022 | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | |
| Financial assets at FVTPL | 7,930,591 | 1,214,836 | 13,509,956 | 5,592,944 | 8,837,071 | 8,500,531 | 1,660,681 | 585,344 | 14,725,855 | - | 62,557,809 |
| Other receivables | 21,886 | - | - | - | 11,589 | 75,092 | - | - | - | - | 108,567 |
| Cash at bank | - | - | - | - | 1,264,961 | - | - | - | 146,163 | 1,693,492 | 3,104,616 |
| Net on-balance sheet open position | 7,952,477 | 1,214,836 | 13,509,956 | 5,592,944 | 10,113,621 | 8,575,623 | 1,660,681 | 585,344 | 14,872,018 | 1,693,492 | 65,770,992 |

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

(b) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

The table below summarises the sensitivity of the Fund's NAV to movements in exchange rates. The analysis is based on the assumptions that the exchange rate will increase or decrease by 5% with all other variables held constant.

| | 2023 | | 2022 | |
|-------------------|-------------------------------------|---|-------------------------------------|---|
| | Changes in exchange rate % | Impact to NAV Increase/ (decrease) RM | Changes in exchange rate % | Impact to NAV Increase/ (decrease) RM |
| Currencies | | | | |
| AUD | +5% | 599,577 | +5% | 397,624 |
| | -5% | (599,577) | -5% | (397,624) |
| CNY | +5% | 3 | +5% | 60,742 |
| | -5% | (3) | -5% | (60,742) |
| HKD | +5% | 823,066 | +5% | 675,498 |
| | -5% | (823,066) | -5% | (675,498) |
| IDR | +5% | 487,061 | +5% | 279,647 |
| | -5% | (487,061) | -5% | (279,647) |
| INR | +5% | 351,920 | +5% | 505,681 |
| | -5% | (351,920) | -5% | (505,681) |
| KRW | +5% | 327,863 | +5% | 428,781 |
| | -5% | (327,863) | -5% | (428,781) |
| SGD | +5% | 49,450 | +5% | 83,034 |
| | -5% | (49,450) | -5% | (83,034) |
| THB | +5% | 121,967 | +5% | 29,267 |
| | -5% | (121,967) | -5% | (29,267) |
| TWD | +5% | 140,000 | +5% | 743,601 |
| | -5% | (140,000) | -5% | (743,601) |
| USD | +5% | 130,558 | +5% | 84,675 |
| | -5% | (130,558) | -5% | (84,675) |

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(b) Market risk (cont'd)****(ii) Profit rate risk**

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

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

(iii) Price risk

Price risk is the risk of unfavourable changes in the fair values of investments as the result of changes in the levels of equity indices and the value of individual shares. The price risk exposure arises from the Fund's investments in quoted equities.

Price risk sensitivity

Management's best estimate of the effect on the income for the year due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

| | 2023 | | 2022 | |
|---------------------------|-----------------------------------|--|-----------------------------------|--|
| | Changes in price % | Impact to NAV Increase/ (decrease) RM | Changes in price % | Impact to NAV Increase/ (decrease) RM |
| Financial assets at FVTPL | +5% | 3,020,381 | +5% | 3,286,763 |
| | -5% | (3,020,381) | -5% | (3,286,763) |

The impact to net loss after taxation is expected to be the same as the effects on NAV.

Equity price risk concentration

The Fund's exposure to price risk based on its portfolio of investments as at the reporting date is disclosed in Note 7 to the financial statements.

(c) Credit risk

Credit risk is the risk that the issuer/ counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of an issuer/ counterparty's inability or unwillingness to honour its contractual obligations to make timely repayments of profit, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships, and other transactions.

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

(c) Credit risk (cont'd)

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/ counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties (e.g. brokers, custodian, banks, etc.) by reviewing their credit ratings and credit profile on a regular basis.

(i) Credit risk exposure

As at the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

(ii) Credit quality of financial assets

Besides investing in Shariah-compliant equity securities within Asia Pacific ex-Japan, the Manager is also eligible to invest in Shariah-compliant liquid assets including Shariah-compliant money market instruments issued by Malaysian issuers and Malaysian financial institutions and placement in Shariah-compliant deposits with Malaysian financial institutions. There will be no minimum rating stipulated for the licensed financial institutions of the placement in Islamic deposits.

(iii) Credit risk concentration

The following table analyses the Fund's Shariah-compliant deposit with a licensed Islamic financial institution, cash at bank and profit receivables from the Shariah-compliant deposit with a licensed Islamic financial institution by rating categories. The rating is based on that published by RAM Holdings Berhad.

| Financial assets | 2023 | Percentage | 2022 | Percentage |
|------------------|-----------|------------|-----------|------------|
| | RM | of NAV | RM | of NAV |
| AAA | 6,846,220 | 10.09 | 4,847,892 | 6.97 |

(d) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the Unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Trust Deed.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so.

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

(d) Liquidity risk (cont'd)

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

The following table summarises the maturity profile of the Fund's financial assets, liabilities and Unitholders' capital to provide a complete view of the Fund's contractual commitments and liquidity. The Fund's financial assets and financial liabilities have been included in the "less than 1 month" category and the impact of discounting is insignificant.

| | Less than 1 month RM | More than 1 month RM | Total RM |
|--|----------------------------|----------------------------|-------------|
| 2023 | | | |
| Financial assets | | | |
| Financial assets at FVTPL | 60,407,615 | - | 60,407,615 |
| Shariah compliant deposit with a licensed Islamic financial institution | 4,544,226 | - | 4,544,226 |
| Other receivables | 11,437 | - | 11,437 |
| Amount due from Manager | 1,287,414 | - | 1,287,414 |
| Cash at bank | 2,301,664 | - | 2,301,664 |
| Total undiscounted financial assets | 68,552,356 | - | 68,552,356 |
| Financial liabilities and Unitholders' capital | | | |
| Amount due to Manager | 149,400 | - | 149,400 |
| Amount due to Trustee | 3,326 | - | 3,326 |
| Other payables and accruals | 108,685 | - | 108,685 |
| Unitholders' capital | 67,875,391 | - | 67,875,391 |
| Total undiscounted financial liabilities and unitholders' capital | 68,136,802 | - | 68,136,802 |
| Liquidity gap | 415,554 | - | 415,554 |
| 2022 | | | |
| Financial assets | | | |
| Financial assets at FVTPL | 65,735,250 | - | 65,735,250 |
| Shariah compliant deposit with a licensed Islamic financial institution | 1,718,637 | - | 1,718,637 |
| Other receivables | 108,729 | - | 108,729 |
| Amount due from Manager | 68,321 | - | 68,321 |
| Cash at bank | 3,129,180 | - | 3,129,180 |
| Total undiscounted financial assets | 70,760,117 | - | 70,760,117 |
| Financial liabilities and Unitholders' capital | | | |
| Amount due to Manager | 1,054,096 | - | 1,054,096 |
| Amount due to Trustee | 3,631 | - | 3,631 |
| Other payables and accruals | 134,554 | - | 134,554 |
| Unitholders' capital | 69,567,836 | - | 69,567,836 |
| Total undiscounted financial liabilities and unitholders' capital | 70,760,117 | - | 70,760,117 |
| Liquidity gap | - | - | - |

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

(d) Liquidity risk (cont'd)

(i) Financial assets

Analysis of FVTPL financial assets and deposits into maturity groupings is based on the expected date on which these assets will be realised. The Fund's equity investments have been included in the "less than 1 month" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's unitholders' capital be required to be redeemed. The other assets shall not comprise of tax recoverable in view that it is not a financial asset. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

Financial assets exclude tax-related matters such as tax recoverable.

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

Financial liabilities exclude tax-related matters such as provision for tax.

(iii) Unitholders' capital

The unitholders can request for redemption on their units by giving the Manager a 10 calendar day notice period, the unitholders' capital have been categorised as having a maturity of "less than 1 month".

24. 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 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 and to ensure that the operations of the Fund are cost-efficient.

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