



## Asset Management

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# MAYBANK MALAYSIA GROWTH-I FUND

Annual report  
For the financial year ended 30 April 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**

Maybank Islamic Asset Management Sdn Bhd (201301012623) (1042461-K)  
Level 12, Tower C, Dataran Maybank  
No. 1 Jalan Maarof  
59000 Kuala Lumpur  
Telephone +603 2297 7888  
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### **TRUSTEE**

AmanahRaya Trustees Berhad (2007010088920) (766894-T)  
Tingkat 14, Wisma AmanahRaya  
No. 2 Jalan Ampang  
50508 Kuala Lumpur  
No. Tel: 03-2036 5129/ 5000  
No. Fax: 03-2072 0321

### **SHARIAH ADVISER**

Amanie Advisors Sdn Bhd (200501007003) (684050-H)  
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50400 Kuala Lumpur  
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## MAYBANK MALAYSIA GROWTH-I FUND

### Manager's report

For the financial year ended 30 April 2023

#### A. Fund Information

**1. Name of the Fund**

Maybank Malaysia Growth-I Fund ("Fund")

**2. Type of Fund**

Growth Fund (Shariah)

**3. Category of Fund**

Equity Fund

**4. Duration of the Fund**

The Fund is an open-ended Fund.

**5. Fund launch date/ Commencement date**

24 November 2000/ 15 December 2000

**6. Fund's investment objective**

The investment objective of the Fund is to achieve a steady capital growth over the medium term (three to five years) to long-term period (more than five years) through the investments permissible under Shariah principles.

**7. Fund's distribution policy**

Income distribution (if any) is expected to be distributed annually at the Manager's discretion, subject to the approval from the Trustee. The amount distributed varies depending on the performance of the Fund and prevailing economic conditions. Any distributions declared, will be reinvested as additional units. No sales charge is charged on the reinvestment of income distributions.

**8. Fund's performance benchmark**

- 90% of the FTSE Bursa Malaysia EMAS Shariah Index ("FBM EMAS Shariah"); and
- 10% of 1-month General Investment Account-i ("GIA") rates of commercial banks.

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

The principal activity of the Fund is to invest between 70% to 98% of the Fund's net asset value ("NAV") in Shariah-compliant equities. However, the Fund may invest up to 25% of its NAV in Shariah-compliant equities in the Asia Pacific Markets. The Fund may also invest up to 10% of the NAV of the Fund in unlisted Shariah-compliant securities.

The Fund will also invest between 2% to 30% of the Fund's NAV in Islamic liquid assets including Islamic money market instruments and placement in Islamic deposits for liquidity purposes.

**10. Net income distribution for the financial year ended 30 April 2023**

There was no distribution declared by the Fund for the financial year ended 30 April 2023.

## MAYBANK MALAYSIA GROWTH-I FUND

### Manager's report

For the financial year ended 30 April 2023 (cont'd)

### B. Performance Review

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

Category	FY2023	FY2022	FY2021
<b>Portfolio Composition (%)</b>			
<b>Shariah-compliant equities - local</b>			
Construction	14.43	5.20	6.23
Consumer Products & Services	5.57	2.23	3.84
Energy	7.11	8.12	9.71
Financial Services	5.53	9.05	2.80
Healthcare	3.63	1.46	-
Industrial Products & Services	2.12	11.51	11.28
Plantation	-	12.56	6.09
Real Estate Investment Trust ("REIT")	-	-	2.63
Technology	4.94	5.97	11.85
Telecommunications & Media	7.94	9.17	9.59
Transportation & Logistics	4.31	8.10	8.18
Utilities	11.21	5.64	12.04
<b>Shariah-compliant equities - foreign</b>			
Hong Kong	11.54	1.17	2.36
Indonesia	1.06	1.98	-
Philippines	2.01	2.87	-
Thailand	3.43	3.55	4.03
<b>Cash and other net assets</b>	<b>15.17</b>	<b>11.42</b>	<b>9.37</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	13,934	16,702	20,089
Units in circulation (units'000)	30,539	32,589	34,165
NAV per unit (RM)	0.4563	0.5125	0.5880
Highest NAV per unit (RM)	0.5125	0.5880	0.6339
Lowest NAV per unit (RM)	0.4321	0.4987	0.4951
Net income distributed (RM'000)	-	778	819
Distribution date (ex-date)	-	27.04.2022	26.04.2021
Gross/ Net distribution per unit (sen)	-	2.50	2.50
Annual total return (%) <sup>(1)</sup>			
- Capital growth (%)	(10.93)	(12.84)	17.74
- Income distribution (%)	-	4.95	4.23
Total return	(10.93)	(8.53)	22.72
Benchmark (%)	(9.26)	(8.32)	19.29
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	2.14	2.05	2.02
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.66	0.69	0.78

## MAYBANK MALAYSIA GROWTH-I FUND

### Manager's report

For the financial year ended 30 April 2023 (cont'd)

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

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

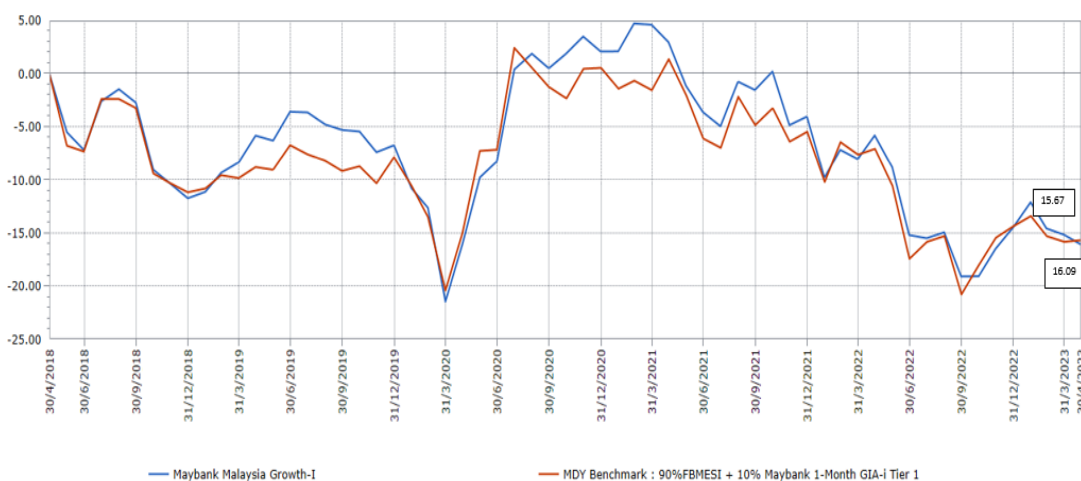
###### Notes:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER increased to 2.14% due to lower daily average NAV in the current financial year ended 30 April 2023.
- (3) The Fund's PTR decreased to 0.66 times due to lower trading activities in the current financial year ended 30 April 2023.

##### 2. Performance of the Fund 5 years to 30 April 2023

Category	1 year to 30.04.2023 %	3 years to 30.04.2023 %	5 years to 30.04.2023 %
Capital growth	(10.93)	(8.59)	(23.29)
Income distribution	-	9.38	9.38
Total return of the Fund	(10.93)	(0.01)	(16.09)
Benchmark	(9.26)	(0.76)	(15.67)
Average total return	(10.93)	-	(3.45)

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



Source: Novgni Analytics and Advisory Sdn Bhd, as at 30 April 2023.

## MAYBANK MALAYSIA GROWTH-I FUND

### Manager's report

For the financial year ended 30 April 2023 (cont'd)

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

##### 2. Performance of the Fund 5 years to 30 April 2023 (cont'd)

For the twelve-month period under review, the Fund registered a total loss of 10.93%, underperforming the relative benchmark which posted a decline of 9.26%, implying an underperformance of 1.67%. The underperformance against the benchmark was mainly due to: (1) overweight position in financials. Bank Islam Malaysia Berhad ("BIMB") continues to perform detract contrary to its peers as the bank still suffers from persistent high financing costs amidst the deposit competition and due client mix while Syarikat Takaful recovery has been tepid in addition to its negative impact from the change in accounting standards Malaysian Financial Reporting Standards ("MFRS") 17; (2) underweight in glove counters which saw investors flock to the sector given the expectations of better outlook on less competition and better average selling prices (asp); and (3) negative stock selection in industrials as Myeg fell on concerns on its existing government concessions; IJM Corporation ("IJM") and Sime Darby detracted as construction pipeline remains scarce for the former while equipment spending for heavy machinery has been weak amidst the slowing commodity prices for the latter.

##### Has the Fund achieved its investment objective?

For the year under review, three years and five years, the Fund registered a total return of -10.93%, -0.01% and -16.09% respectively. Therefore, the Fund did not meet its objective of steady capital growth over the Medium to Long-term period.

##### 3. Total return of the Fund

For the financial year ended	30.04.2023 %	30.04.2022 %	30.04.2021 %	30.04.2020 %	30.04.2019 %
Capital growth	(10.93)	(12.84)	17.74	(10.90)	(5.77)
Income distribution	-	4.95	4.23	-	-
Total return	(10.93)	(8.53)	22.72	(10.90)	(5.77)
Benchmark	(9.26)	(8.32)	19.29	(6.84)	(8.78)

##### 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

## MAYBANK MALAYSIA GROWTH-I FUND

### Manager's report

For the financial year ended 30 April 2023 (cont'd)

#### C. Market Review

The year 2022 was challenging for the market, with concerns including inflation, geopolitical risks, slowing economic growth, and uncertain earnings. The Federal Reserve ("FED") adopted a hawkish stance to combat inflation, raising the Federal Reserve funds rate to 5.00% in March 2023 from 0.25% in January 2022. United States ("US") equities saw a rebound in January 2023 due to favourable economic data and easing inflationary pressures. However, volatility increased in March 2023 due to higher profit rates, resulting in a brief banking crisis. The Morgan Stanley Capital International ("MSCI") Asia ex-Japan index saw gains due to China's reopening, but tensions between the US and China weakened sentiment in April 2023. In Malaysia, the Kuala Lumpur Composite Index ("KLCI") edged higher due to optimism surrounding the economic reopening, and the dissolution of Parliament was announced to pave the way for the 15th general election. The new government implemented several policy measures, including a reduction in energy subsidies for high voltage users. Bank Negara Malaysia ("BNM") raised the Overnight Policy Rate ("OPR") in November 2022 and is expected to continue normalizing monetary policy in the future. Inflation in Malaysia eased in March 2023, but core consumer price index ("CPI") remained sticky, and BNM's Annual Report 2022 was perceived as hawkish by bond investors.

#### D. Market Outlook & Strategies

Despite strong returns over recent months, global equity markets remain susceptible to shifting sentiment towards geopolitical tensions, inflation, economic growth, and ultimately corporate earnings. Valuations have already significantly adjusted to reflect a change in the market environment, and we believe reflect realistic expectations for inflation, rates, and risk premia. Consequently, the source of risk has now shifted from valuation to earnings considering the softer growth and prospects for a recession, which appears increasingly likely. Higher than expected results released in April 2023 including the employment cost index, personal income, personal spending, personal consumption expenditure ("PCE"), Chicago Purchasing Managers' Index ("PMI"), and University of Michigan survey. The Institute of Supply Management ("ISM") manufacturing index rose to 47.10 in April 2023, surprising Bloomberg consensus expectations to the upside. The more notable beat, however, was in ISM prices paid subcomponent, which accelerated to 53.2 from 49.2 the prior month. The ISM employment also firmed to 50.2 from 46.9. Broadly, economic data suggests that inflation pressure persists and economic data, though slowing, is not that bad as feared in the near term.

Within Asia, we continue to believe that China is expected to be a strong source of growth and returns for Asia. The Chinese equities as well as credit market took a breather in February 2023 after strong rally in the past months. Market sentiment was dampened by the re-intensifying geopolitical tensions between US-China which arose from the balloon controversies and the plan to expand US troops in Taiwan for military training. On the other hand, macro and economic front continued to deliver encouraging data. Consumption continued to recover in February 2023, stronger and at a faster pace than expected. Signs of the rebound were evident over the Chinese New Year holiday, and domestic tourism recorded the strongest visitor and revenue levels since the pandemic. Manufacturing activity also picked up. China's official manufacturing PMI rose to 52.6 in February 2023 from 50.1 in January 2023. Non-manufacturing PMI also jumped 12.8pt to 54.4, the highest reading in seven months. The supportive stance continued into 2023 and was recently validated by the 2 sessions that took place in early March 2023. The general positive tone on economic recovery and consumption stimulus remains, alongside with the announcement of the new cabinet and securing of President Xi's third term.



## **MAYBANK MALAYSIA GROWTH-I FUND**

### **Manager's report**

**For the financial year ended 30 April 2023 (cont'd)**

#### **D. Market Outlook & Strategies (cont'd)**

In contrast to the expected slowdown in the US economy, Malaysia's economic fundamentals continues to remain strong with the gross domestic product ("GDP") expected to be one of the strongest in Association of Southeast Asian Nations ("ASEAN") this year. Moreover, corporate earnings are expected to rebound sharply, after it was dampened by a one-off prosperity tax last year. From a fund flow perspective, domestic funds are sitting on high cash levels with foreign positioning at near all-time lows. With the return of political stability and a compelling growth story, foreign inflows that could drive markets higher. In every year between 2010 to 2021, whenever there is net foreign buying, our market has been driven positively higher. With state elections slated to be held in coming months, we expect a ratcheting up of political noise that could lead dissuade any significant increase in foreign inflows.

Equity markets were buoyant beginning of 2023 as we saw an impressive rally-off the lows of 2022, delivering significant positive returns across all asset classes. However, this optimism was short-lived, serving as a sobering reminder that challenges remain, plagued by persistent high inflation and recession concerns. Peaking profit rates expectations have put some pressure-off valuations but there is still the risk of a hard landing or persistent service sector inflation which would make it difficult for the Fed to pivot. One thing is clear however, that we are not out of the woods yet. Rate hike concerns, weaker corporate earnings, and geopolitical tensions continue to weigh on sentiment, coupled with uncertainties over whether the US economy is headed for a "hard" or "soft" landing. Therefore, we believe it is crucial to position our portfolios to keep pace with inflation, cope with hawkish monetary policies and cautiously take advantage of longer-term trends. We will continue to adopt a balance approach with the portfolio structure into both growth and defensive sectors to navigate market volatility while remaining nimble. We are also maintaining our accommodative asset allocation range to react to any knee-jerk volatility in the market as this represents a buying opportunity for the longer-term.

#### **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 under review, 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 UNITHOLDERS OF MAYBANK MALAYSIA GROWTH-I FUND FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of the Fund for the financial year ended 30 April 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 year covered by these financial statements in accordance with the following:

We are also of the opinion that:

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; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

**For AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
22 May 2023

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA GROWTH-I FUND  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

We, Dr Hasnita Binti 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 set are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Malaysia Growth-I Fund as at 30 April 2023 and of its results, changes in equity and cash flows for the financial year ended 30 April 2023 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Dr Hasnita Binti Hashim**  
Chairman

**Ahmed Muzni Bin Mohamed**  
Director

Kuala Lumpur, Malaysia  
16 June 2023

**REPORT OF THE SHARIAH ADVISER**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA GROWTH-I FUND  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 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 Maybank Malaysia Growth-I Fund ("the Fund") during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise 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  
16 June 2023

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

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

#### *Opinion*

We have audited the financial statements of Maybank Malaysia Growth-I Fund (the "Fund"), which comprise the statement of financial position as at 30 April 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 14 to 48.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 April 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 Malaysia Growth-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 Malaysia Growth-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 Malaysia Growth-I Fund (cont'd)**

**Other matters**

This report is made solely to the Unit Holders 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

Yeo Beng Yean  
03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
16 June 2023



**MAYBANK MALAYSIA GROWTH-I FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

	Note	2023 RM	2022 RM
<b>INVESTMENT LOSS</b>			
Dividend income		874,693	456,042
Profit income		60,771	21,580
Net loss from financial assets at fair value through profit or loss ("FVTPL"):			
- Realised loss		(1,115,234)	(2,343,475)
- Unrealised (loss)/ gain		(1,305,045)	557,584
Net gain on foreign exchange	4	7,352	44,788
		<u>(1,477,463)</u>	<u>(1,263,481)</u>
<b>EXPENSES</b>			
Manager's fee	5	219,309	267,637
Trustee's fee	6	18,000	14,274
Auditors' remuneration		9,000	9,000
Tax agent's fee		7,500	4,500
Shariah advisory fee		14,993	18,000
Brokerage fees		27,390	40,717
Administrative expenses		43,557	53,020
		<u>339,749</u>	<u>407,148</u>
<b>Net loss before taxation</b>		(1,817,212)	(1,670,629)
Taxation	7	(1,655)	(2,700)
<b>Net loss after taxation, and total comprehensive loss for the financial year</b>		<u>(1,818,867)</u>	<u>(1,673,329)</u>
<b>Net loss after taxation is made up of the following:</b>			
Net realised loss		(533,689)	(2,279,682)
Net unrealised realised (loss)/ gain		(1,285,178)	606,353
		<u>(1,818,867)</u>	<u>(1,673,329)</u>
<b>Distribution for the financial year:</b>			
Net distribution		-	777,614
Gross/ Net distribution per unit (sen)		-	2.50
Distribution date (ex-date)		-	27 April 2022

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

**MAYBANK MALAYSIA GROWTH-I FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2023**

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
Financial assets at FVTPL	8	11,819,911	14,795,258
Shariah-compliant deposits with licensed Islamic financial institutions	9	1,614,397	1,649,000
Dividend receivables		15,514	19,978
Profit income receivables		283	145
Amount due from Manager	10	4,097	326
Cash at bank	11	527,889	306,735
<b>TOTAL ASSETS</b>		<u>13,982,091</u>	<u>16,771,442</u>
<b>LIABILITIES</b>			
Amount due to Manager	10	19,153	37,242
Amount due to Trustee	12	924	1,088
Other payables and accruals		27,880	31,431
<b>TOTAL LIABILITIES</b>		<u>47,957</u>	<u>69,761</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>13,934,134</u>	<u>16,701,681</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' capital	13(a)	8,326,735	9,275,415
Retained earnings	13(b) & (c)	5,607,399	7,426,266
		<u>13,934,134</u>	<u>16,701,681</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>	13(a)	<u>30,539,185</u>	<u>32,589,235</u>
<b>NAV PER UNIT (RM)</b>		<u>0.4563</u>	<u>0.5125</u>

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

**MAYBANK MALAYSIA GROWTH-I FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

	<b>Unitholders' capital Note 13(a) RM</b>	<b>Retained earnings Note 13(b) &amp; (c) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 May 2022	9,275,415	7,426,266	16,701,681
Total comprehensive loss for the financial year	-	(1,818,867)	(1,818,867)
Creation of units	68,674	-	68,674
Cancellation of units	(1,017,354)	-	(1,017,354)
At 30 April 2023	<u>8,326,735</u>	<u>5,607,399</u>	<u>13,934,134</u>
At 1 May 2021	10,211,734	9,877,209	20,088,943
Total comprehensive loss for the financial year	-	(1,673,329)	(1,673,329)
Creation of units	18,157	-	18,157
Reinvestment of units	777,614	-	777,614
Cancellation of units	(1,732,090)	-	(1,732,090)
Distributions	-	(777,614)	(777,614)
At 30 April 2022	<u>9,275,415</u>	<u>7,426,266</u>	<u>16,701,681</u>

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

**MAYBANK MALAYSIA GROWTH-I FUND****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of financial assets at FVTPL	9,902,100	13,148,289
Net purchase of investment	(9,401,643)	(11,556,593)
Dividends received	879,157	436,064
Profit income received	60,633	21,518
Manager's fee paid	(222,389)	(272,280)
Trustee's fee paid	(11,861)	(14,522)
Payment of other fees and expenses	(52,630)	(54,571)
Net cash generated from operating and investing activities	<u>1,153,367</u>	<u>1,707,905</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	64,903	18,021
Payments for cancellation of units	(1,032,363)	(1,720,667)
Net cash used in financing activities	<u>(967,460)</u>	<u>(1,702,646)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR</b>	185,907	5,259
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	1,955,735	1,943,390
Effects of foreign exchange	644	7,086
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>2,142,286</u>	<u>1,955,735</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank (Note 11)	527,889	306,735
Shariah-compliant deposit with licensed Islamic financial institutions with original maturity of less than 3 months (Note 9)	1,614,397	1,649,000
	<u>2,142,286</u>	<u>1,955,735</u>

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

## **MAYBANK MALAYSIA GROWTH-I FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

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

Maybank Malaysia Growth-I Fund (the "Fund") was constituted pursuant to the executed Deed dated 25 October 2000 between Amanah Mutual Berhad ("AMB") as the previous Manager of the Fund and AmanahRaya Trustees Berhad as the Trustee and the Registered Holders of the Fund. Subsequently, the following deeds has been issued between AMB and the Trustee:

- First supplemental deed dated 12 September 2003
- Second supplemental deed dated 26 May 2005
- Third supplemental deed dated 13 August 2008
- Fourth supplemental deed dated 17 October 2014
- Fifth supplemental deed dated 13 January 2017

The principal activity of the Fund is to invest between 70% to 98% of the Fund's NAV in Shariah-compliant equities. The Fund will also invest a minimum of 2% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits for liquidity purposes.

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

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

Subsequently, MAM and the Trustee has entered into the Sixth supplemental deed dated 4 September 2018, Seventh supplemental deed dated 11 July 2019 and Eighth supplemental deed dated 8 August 2022. The Deed and Supplemental Deeds are subsequently referred to as 'Deeds'.

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

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a 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 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 (the "Directors") of the Manager in accordance with a resolution of the Directors on 16 June 2023.

## MAYBANK MALAYSIA GROWTH-I FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 30 April 2023. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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

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

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

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

Description	Effective for annual periods beginning on or after
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 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.

## MAYBANK MALAYSIA GROWTH-I FUND

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

#### 2.4 Financial assets

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

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

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

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

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

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

##### (ii) Financial assets at fair value through profit or loss ("FVTPL")

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

A financial asset is recognised at FVTPL if :

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

Debt instruments that do not meet the amortised cost 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 basis.

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.

## MAYBANK MALAYSIA GROWTH-I FUND

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

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

##### (ii) Financial assets at fair value through profit or loss ("FVTPL") (cont'd)

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

Dividend income on equity instruments as at FVTPL is disclosed separately in the profit or loss.

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

##### (iii) Impairment

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

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

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

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

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

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

For balances with short-term nature (e.g. profit income receivables), full impairment will be recognised on uncollected balances after the grace period.



## **MAYBANK MALAYSIA GROWTH-I FUND**

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

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

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

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained 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, gain or losses are recognised in profit or loss when the asset is derecognised, modified and 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 and other payables and accruals as financial liabilities.

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

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

#### **2.6 Fair value measurement**

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

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

## **MAYBANK MALAYSIA GROWTH-I FUND**

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

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

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

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

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

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

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

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 RM, which is also the Fund's functional currency.

##### **(b) Foreign currency transactions**

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.

## MAYBANK MALAYSIA GROWTH-I FUND

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

#### 2.8 Unitholders' capital

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

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

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

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

#### 2.9 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as an adjustment to the unitholders' capital. A proposed distribution is recognised as a liability in the financial year 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 deposits with licensed Islamic financial institutions with original maturity of three (3) 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.

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

Profit income is recognised using the effective profit rate method and disclosed separately in the profit or loss.

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 and recognised in profit or loss.

## **MAYBANK MALAYSIA GROWTH-I FUND**

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

#### **2.11 Revenue/ Income (cont'd)**

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

#### **2.12 Taxation**

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

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

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

Tax on dividend income from foreign Shariah-compliant quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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**

Shariah non-compliant investment made by the Manager will be disposed of or withdrawn as soon as possible. In the event the investment results in gain (through capital gain and/ or dividend), the gain is to be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment results in losses to the Fund, the losses are to be borne by the Manager.

##### **(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.

## MAYBANK MALAYSIA GROWTH-I FUND

### 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 Baitulmal 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.

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

### 3. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (i) Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC"), the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM") and the MSCI Islamic Index Series ("MIIS"); and
- (ii) Cash placement and liquid assets in local market, which are placed with licensed Islamic financial institutions.

### 4. NET GAIN ON FOREIGN EXCHANGE

	2023 RM	2022 RM
Net realised loss on foreign exchange	(12,515)	(3,981)
Net unrealised gain on foreign exchange	19,867	48,769
	<u>7,352</u>	<u>44,788</u>

## MAYBANK MALAYSIA GROWTH-I FUND

### 5. MANAGER'S FEE

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

### 6. TRUSTEE'S FEE

The Trustee's fee for the financial year is computed based on 0.08% (2022: 0.08%) p.a. of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM18,000 p.a. The Trustee fee is calculated and accrued daily.

### 7. TAXATION

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Tax expense for the financial year:		
Current income tax expense		
- local	1,190	913
- foreign	465	1,787
	<u>1,655</u>	<u>2,700</u>

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

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:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net loss before taxation	<u>(1,817,212)</u>	<u>(1,670,629)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(436,131)	(400,951)
Income not subject to tax	(226,276)	(259,199)
Loss not deductible for tax purposes	580,867	562,434
Expenses not deductible for tax purposes	81,540	97,716
Income tax at source	1,655	2,700
Tax expense for the financial year	<u>1,655</u>	<u>2,700</u>

**MAYBANK MALAYSIA GROWTH-I FUND**

**8. FINANCIAL ASSETS AT FVTPL**

	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>
Shariah-compliant quoted equities - local	(a)	9,307,330	13,194,921
Shariah-compliant quoted equities - foreign	(b)	2,512,581	1,600,337
		<u>11,819,911</u>	<u>14,795,258</u>

**2023**

<b>(a) Shariah-compliant quoted equities - local</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>Construction</b>				
AME Reits	166,100	192,673	197,659	1.42
Gamuda Bhd	189,829	707,462	787,790	5.65
IJM Corporation Bhd	450,000	765,519	702,000	5.04
Sunway Construction Group Bhd	185,000	282,751	323,750	2.32
	<u>990,929</u>	<u>1,948,405</u>	<u>2,011,199</u>	<u>14.43</u>
<b>Consumer Products &amp; Services</b>				
Bermaz Auto Bhd	95,000	210,550	219,450	1.57
Sime Darby Bhd	183,000	419,625	397,110	2.85
UMW Holdings Bhd	41,300	158,229	159,831	1.15
	<u>319,300</u>	<u>788,404</u>	<u>776,391</u>	<u>5.57</u>
<b>Energy</b>				
Hibiscus Petroleum Bhd	557,000	520,934	568,141	4.08
Wah Seong Corporation Bhd	520,800	421,224	421,848	3.03
	<u>1,077,800</u>	<u>942,158</u>	<u>989,989</u>	<u>7.11</u>

**MAYBANK MALAYSIA GROWTH-I FUND**

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

2023 (cont'd)

(a) Shariah-compliant quoted equities - local (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Financial Services</b>				
Bank Islam Malaysia Bhd	145,400	548,606	292,254	2.10
Syarikat Takaful Malaysia Keluarga Bhd	145,264	473,548	477,919	3.43
	<u>290,664</u>	<u>1,022,154</u>	<u>770,173</u>	<u>5.53</u>
<b>Health Care</b>				
IHH Healthcare Bhd	66,000	422,130	378,180	2.71
Kossan Rubber Industries Bhd	9,100	12,649	11,375	0.08
Top Glove Corporation Bhd	120,000	135,420	117,600	0.84
	<u>195,100</u>	<u>570,199</u>	<u>507,155</u>	<u>3.63</u>
<b>Industrial Products &amp; Services</b>				
Press Metal Aluminium Holdings Bhd	57,400	263,257	295,610	2.12
<b>Technology</b>				
CTOS Digital Bhd	200,000	281,340	282,000	2.02
Frontken Corporation Bhd	52,700	150,610	160,208	1.15
Vitrox Corporation Bhd	30,800	194,234	246,092	1.77
	<u>283,500</u>	<u>626,184</u>	<u>688,300</u>	<u>4.94</u>
<b>Telecommunications and Media</b>				
Telekom Malaysia Bhd	113,000	517,965	560,480	4.02
TIME dotCom Bhd	99,500	370,404	546,255	3.92
	<u>212,500</u>	<u>888,369</u>	<u>1,106,735</u>	<u>7.94</u>



**MAYBANK MALAYSIA GROWTH-I FUND**

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

2023 (cont'd)

(a) Shariah-compliant quoted equities - local (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Transportation and Logistics</b>				
Malaysia Airports Holdings Bhd	42,700	293,575	301,035	2.16
MISC Bhd	41,000	269,977	299,300	2.15
	<u>83,700</u>	<u>563,552</u>	<u>600,335</u>	<u>4.31</u>
<b>Utilities</b>				
Gas Malaysia Bhd	97,500	305,826	324,675	2.33
Mega First Corporation Bhd	107,900	314,870	369,018	2.65
Tenaga Nasional Bhd	97,500	972,098	867,750	6.23
	<u>302,900</u>	<u>1,592,794</u>	<u>1,561,443</u>	<u>11.21</u>
<b>Total Shariah-compliant quoted equities - local</b>	<u>3,813,793</u>	<u>9,205,476</u>	<u>9,307,330</u>	<u>66.79</u>
<b>(b) Shariah-compliant quoted equities - foreign</b>				
<b>Hong Kong</b>				
Tencent Holdings LTD	2,600	472,431	508,789	3.65
Alibaba Group Holding LTD	8,700	448,509	405,601	2.91
BYD Company Ltd	3,500	471,556	469,333	3.37
Meituan Inc	2,960	264,206	223,689	1.61
	<u>17,760</u>	<u>1,656,702</u>	<u>1,607,412</u>	<u>11.54</u>
<b>Indonesia</b>				
Indofoods Sukses Makmur Tbk PT	75,600	142,001	148,236	1.06
<b>Philippines</b>				
Wilcon Depot Inc	120,000	276,218	279,657	2.01

**MAYBANK MALAYSIA GROWTH-I FUND**

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

2023 (cont'd)

(b) Shariah-compliant quoted equities - foreign (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Thailand</b>				
Com7 PCL	75,000	280,910	247,509	1.78
Airports of Thailand PCL	24,000	216,642	229,767	1.65
	<u>99,000</u>	<u>497,552</u>	<u>477,276</u>	<u>3.43</u>
<b>Total Shariah-compliant quoted equities - foreign</b>	<u>312,360</u>	<u>2,572,473</u>	<u>2,512,581</u>	<u>18.04</u>
<b>Total Shariah-compliant quoted equities</b>	<u>4,126,153</u>	<u>11,777,949</u>	<u>11,819,911</u>	<u>84.83</u>
<b>Unrealised gain on FVTPL investments*</b>			<u>41,962</u>	

2022

(a) Shariah-compliant quoted equities - local				
<b>Construction</b>				
Gamuda Bhd	141,829	516,263	527,604	3.16
IJM Corporation Bhd	185,000	330,383	340,400	2.04
	<u>326,829</u>	<u>846,646</u>	<u>868,004</u>	<u>5.20</u>
<b>Consumer Products &amp; Services</b>				
Sime Darby Bhd	<u>159,000</u>	<u>368,025</u>	<u>372,060</u>	<u>2.23</u>
<b>Energy</b>				
Dialog Group Bhd	115,000	290,033	287,500	1.72
Hibiscus Petroleum Bhd	842,000	769,796	1,069,340	6.40
	<u>957,000</u>	<u>1,059,829</u>	<u>1,356,840</u>	<u>8.12</u>

**MAYBANK MALAYSIA GROWTH-I FUND**

**8. FINANCIAL ASSETS AT FVTPL - SHARIAH-COMPLIANT (CONT'D)**

2022 (cont'd)

(a) Shariah-compliant quoted equities - local (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Financial Services</b>				
Bank Islam Malaysia Bhd	290,000	1,094,193	841,000	5.04
Syarikat Takaful Malaysia Keluarga Bhd	188,664	615,028	669,757	4.01
	<u>478,664</u>	<u>1,709,221</u>	<u>1,510,757</u>	<u>9.05</u>
<b>Health Care</b>				
IHH Healthcare Bhd	37,000	240,130	244,570	1.46
<b>Industrial Products</b>				
Farm Fresh Bhd	96,000	129,600	165,120	0.99
Petronas Chemicals Group Bhd	74,000	635,752	756,280	4.53
Press Metal Aluminium Holdings Bhd	166,900	711,009	999,731	5.99
	<u>336,900</u>	<u>1,476,361</u>	<u>1,921,131</u>	<u>11.51</u>
<b>Plantations</b>				
Kuala Lumpur Kepong Bhd	26,071	637,490	768,052	4.60
Sarawak Oil Palms Bhd	55,700	247,692	384,887	2.30
Sime Darby Plantation Bhd	110,000	472,103	576,400	3.45
Ta Ann Holdings Bhd	60,000	312,630	369,000	2.21
	<u>251,771</u>	<u>1,669,915</u>	<u>2,098,339</u>	<u>12.56</u>
<b>Technology</b>				
Inari Amerton Bhd	60,600	168,063	172,104	1.03
Malaysian Pacific Industries Bhd	4,900	153,133	155,330	0.93
MY E.G. Services Bhd	550,544	390,148	517,511	3.10
Vitrox Corporation Bhd	20,100	111,054	152,760	0.91
	<u>636,144</u>	<u>822,398</u>	<u>997,705</u>	<u>5.97</u>

**MAYBANK MALAYSIA GROWTH-I FUND**

**8. FINANCIAL ASSETS AT FVTPL - SHARIAH-COMPLIANT (CONT'D)**

2022 (cont'd)

(a) Shariah-compliant quoted equities - local (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Telecommunications and Media</b>				
Axiata Group Bhd	130,000	473,017	456,300	2.73
Telekom Malaysia Bhd	100,000	429,210	499,000	2.99
TIME dotCom Bhd	129,500	482,084	576,275	3.45
	<u>359,500</u>	<u>1,384,311</u>	<u>1,531,575</u>	<u>9.17</u>
<b>Transportation and Logistics</b>				
Lingkar Trans Kota Holdings Bhd	70,000	321,566	324,800	1.94
MISC Bhd	66,000	434,597	515,460	3.09
Westports Holdings Bhd	130,000	546,050	512,200	3.07
	<u>266,000</u>	<u>1,302,213</u>	<u>1,352,460</u>	<u>8.10</u>
<b>Utilities</b>				
Mega First Corporation Bhd	130,000	375,192	494,000	2.96
Tenaga Nasional Bhd	49,500	551,060	447,480	2.68
	<u>179,500</u>	<u>926,252</u>	<u>941,480</u>	<u>5.64</u>
<b>Total Shariah-compliant quoted equities - local</b>	<u>3,988,308</u>	<u>11,805,301</u>	<u>13,194,921</u>	<u>79.01</u>
<b>(b) Shariah-compliant quoted equities - foreign</b>				
<b>Hong Kong</b>				
BYD Company Ltd	<u>1,500</u>	<u>198,990</u>	<u>196,127</u>	<u>1.17</u>
<b>Indonesia</b>				
Bank BTPN Syariah Tbk PT	<u>320,000</u>	<u>319,209</u>	<u>331,200</u>	<u>1.98</u>

**MAYBANK MALAYSIA GROWTH-I FUND**

**8. FINANCIAL ASSETS AT FVTPL - SHARIAH-COMPLIANT (CONT'D)**

2022 (cont'd)

(b) Shariah-compliant quoted equities - foreign (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Philippines</b>				
Converge Information and Communications Technology Solutions Inc	200,000	519,901	479,808	2.87
<b>Thailand</b>				
Airports of Thailand PCL	70,000	616,383	593,202	3.55
<b>Total Shariah-compliant quoted equities - foreign</b>	<b>591,500</b>	<b>1,654,483</b>	<b>1,600,337</b>	<b>9.57</b>
<b>Total Shariah-compliant quoted equities</b>	<b>4,579,808</b>	<b>13,459,784</b>	<b>14,795,258</b>	<b>88.58</b>
<b>Unrealised gain on FVTPL investments*</b>			<b>1,335,474</b>	

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

**9. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS**

	2023 RM	2022 RM
Shariah-compliant deposits with licensed Islamic financial institutions of less than 3 months	1,614,397	1,649,000

The weighted average effective profit rates ("WAEPR") per annum and average maturity of Shariah-compliant deposit with licensed Islamic financial institutions as at the reporting date were as follows:

	2023		2022	
	WAEPR % p.a.	Average Maturity Days	WAEPR % p.a.	Average Maturity Days
Shariah-compliant deposits with maturity of less than 3 months	2.68	4	1.60	6

## MAYBANK MALAYSIA GROWTH-I FUND

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

		2023 RM	2022 RM
Amount due from Manager			
Creation of units	(i)	4,097	326
Amount due to Manager			
Cancellation of units	(ii)	1,826	16,835
Manager's fee	(iii)	17,327	20,407
		<u>19,153</u>	<u>37,242</u>

- (i) The amount represents amount receivables from the Manager for units created.  
(ii) The amount represents amount payables from the Manager for units redeemed/ cancelled.  
(iii) The amount relates to the amount payable to the Fund Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2022: 15 days).

### 11. CASH AT BANK

	2023 RM	2022 RM
Malaysian Ringgit ("RM")	14,017	3,227
United States Dollar ("USD")	513,872	303,508
	<u>527,889</u>	<u>306,735</u>

### 12. AMOUNT DUE TO TRUSTEE

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

### 13. TOTAL EQUITY

	Note	2023 RM	2022 RM
Unitholders' capital	13(a)	8,326,735	9,275,415
Accumulated realised income	13(b)	5,460,771	5,994,460
Accumulated unrealised income	13(c)	146,628	1,431,806
		<u>13,934,134</u>	<u>16,701,681</u>

## MAYBANK MALAYSIA GROWTH-I FUND

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

#### (a) Unitholders' capital

	2023		2022	
	No. of units	RM	No. of units	RM
As at beginning of the financial year	32,589,235	9,275,415	34,165,210	10,211,734
Creation of units	149,198	68,674	33,083	18,157
Reinvestment of units	-	-	1,517,296	777,614
Cancellation of units	(2,199,248)	(1,017,354)	(3,126,354)	(1,732,090)
As at end of the financial year	<u>30,539,185</u>	<u>8,326,735</u>	<u>32,589,235</u>	<u>9,275,415</u>

As at the end of the financial year, there were no units held by the Manager or parties related to the Manager (2022: Nil units).

#### (b) Accumulated realised income

	2023 RM	2022 RM
As at beginning of the financial year	5,994,460	9,051,756
Net realised loss for the financial year	(533,689)	(2,279,682)
Distributions out of realised reserve	-	(777,614)
As at end of the financial year	<u>5,460,771</u>	<u>5,994,460</u>

#### (c) Accumulated unrealised income

	2023 RM	2022 RM
As at beginning of the financial year	1,431,806	825,453
Net unrealised (loss)/ gain for the financial year	(1,285,178)	606,353
As at end of the financial year	<u>146,628</u>	<u>1,431,806</u>

### 14. 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 that disclose elsewhere in the financial statements, there were no other significant related party transactions and balances entered into by the Fund during the financial year.

## MAYBANK MALAYSIA GROWTH-I FUND

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

(i) Significant related party transactions

	2023 RM	2022 RM
<u>Maybank Islamic Bhd ("MIB"):</u>		
Profit income from Shariah-compliant deposits	30,163	17,303

(ii) Significant related party balances

<u>MIB:</u>		
Shariah-compliant deposits	684,000	1,649,000
Profit income receivables	149	145
	<u>684,149</u>	<u>1,649,145</u>

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

### 15. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

The 10 largest stockbroking companies/ brokers/ dealers in terms of trade values are as follows:

	Value of trade RM	Percentage of trade %	Brokerage fees RM	Percentage of brokerage fees %
<b>2023</b>				
TA Securities Sdn Bhd	6,522,509	34.53	6,609	28.32
JF Apex Securities Bhd	5,791,409	30.66	5,814	24.91
Maybank Investment Bank Bhd ("MIBB")*	4,152,928	21.99	6,071	26.01
UOB Kay Hian Securities (M) Sdn Bhd	1,091,029	5.78	2,182	9.36
Hong Leong Investment Bank Bhd	1,037,462	5.49	2,049	8.78
Affin Hwang Investment Bank Bhd	164,304	0.87	329	1.41
CIMB Investment Bank Bhd	63,850	0.34	137	0.59
RHB Investment Bank Bhd	52,890	0.28	106	0.45
Public Investment Bank Bhd	11,600	0.06	40	0.17
	<u>18,887,981</u>	<u>100.00</u>	<u>23,337</u>	<u>100.00</u>



## MAYBANK MALAYSIA GROWTH-I FUND

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

2022	Value of trade RM	Percentage of trade %	Brokerage fees RM	Percentage of brokerage fees %
TA Securities Sdn Bhd	5,021,056	20.54	5,062	13.31
JF Apex Securities Bhd	4,099,882	16.78	4,146	10.90
MIBB*	3,576,533	14.63	5,721	15.04
UOB Kay Hian Securities (M) Sdn Bhd	2,610,400	10.68	5,221	13.73
Hong Leong Investment Bank Bhd	2,555,222	10.45	4,973	13.08
Affin Hwang Investment Bank Bhd	2,223,849	9.10	4,477	11.77
CIMB Investment Bank Bhd	2,025,004	8.29	4,078	10.72
Public Investment Bank Bhd	1,202,931	4.92	2,406	6.33
RHB Investment Bank Bhd	819,512	3.35	1,639	4.32
MIDF Amanah Investment Bank Bhd	305,982	1.26	306	0.80
	<u>24,440,371</u>	<u>100.00</u>	<u>38,029</u>	<u>100.00</u>

\* MIBB is a subsidiary of MBB, the ultimate holding company of the Manager.

Details of transactions, primarily cash placements with financial institutions including rollovers during 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 %
MIB**	321,803,000	51.48	263,535,000	80.58
Hong Leong Islamic Bank Bhd	303,245,118	48.52	-	-
CIMB Islamic Bank Bhd	-	-	63,465,872	19.42
	<u>625,048,118</u>	<u>100.00</u>	<u>327,000,872</u>	<u>100.00</u>

\*\* MIB is a subsidiary of Malayan Banking Berhad ("MBB"), the ultimate holding company of the Manager.

### 16. 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. For the financial year ended 30 April 2023, the TER of the Fund stood at 2.14% (2022: 2.05%).

### 17. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial year ended 30 April 2023, the PTR of the Fund stood at 0.66 times (2022: 0.69 times).

## MAYBANK MALAYSIA GROWTH-I FUND

### 18. SEGMENT REPORTING

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 Shariah-compliant equities. The Fund may invest up to 25% of its NAV in Shariah-compliant equities in the Asia Pacific markets. The Fund will also invest between 2% to 30% of the Fund's NAV in Islamic liquid assets including Islamic money market instruments and placement in Islamic deposits for liquidity purposes.

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.

### 19. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to 2.15 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 (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	<b>Financial instruments at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	11,819,911	-	-	11,819,911
Shariah-compliant deposits with licensed Islamic financial institutions	-	1,614,397	-	1,614,397
Dividend receivables	-	15,514	-	15,514
Profit income receivables	-	283	-	283
Amount due from Manager	-	4,097	-	4,097
Cash at bank	-	527,889	-	527,889
<b>Total financial assets</b>	<b>11,819,911</b>	<b>2,162,180</b>	<b>-</b>	<b>13,982,091</b>

**MAYBANK MALAYSIA GROWTH-I FUND**

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

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

	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2023 (cont'd)</b>				
<b>Liabilities</b>				
Amount due to Manager	-	-	19,153	19,153
Amount due to Trustee	-	-	924	924
Other payables and accruals	-	-	27,880	27,880
Total financial liabilities	-	-	47,957	47,957
<b>2022</b>				
<b>Assets</b>				
Financial assets at FVTPL	14,795,258	-	-	14,795,258
Shariah-compliant deposits with licensed Islamic financial institutions	-	1,649,000	-	1,649,000
Dividend receivables	-	19,978	-	19,978
Profit income receivables	-	145	-	145
Amount due from Manager	-	326	-	326
Cash at bank	-	306,735	-	306,735
Total financial assets	14,795,258	1,976,184	-	16,771,442
<b>Liabilities</b>				
Amount due to Manager	-	-	37,242	37,242
Amount due to Trustee	-	-	1,088	1,088
Other payables and accruals	-	-	31,431	31,431
Total financial liabilities	-	-	69,761	69,761

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

The Fund's financial assets at FVTPL consists quoted equities and is measured at fair value.

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

For equities quoted on stock exchanges 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.

## MAYBANK MALAYSIA GROWTH-I FUND

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

#### (c) Fair value hierarchy

	Level 1 RM	Level 2 RM	Level 3 RM
<b>2023</b>			
Financial assets at FVTPL	11,819,911	-	-
<b>2022</b>			
Financial assets at FVTPL	14,795,258	-	-

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

Other than its financial assets at FVTPL, the Fund's financial instruments were not carried at fair value but their carrying amounts were reasonable approximations of fair value due to their short-term maturity.

There were no financial instruments which were not carried at fair value and whose carrying amounts were not reasonable approximations of their respective fair values.

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' capital. Risks are 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 Deeds, SC's Guidelines on Unit Trust Funds and CMSA.

#### (b) Market risk

Market risk is the risk that the fair value or future cash flows of Shariah-compliant 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 price risk arising from the Fund's financial assets at FVTPL. The Fund is also exposed to profit rate risk arising from deposit placed with licensed Islamic financial institutions. The Fund is exposed to foreign currency risk as it holds financial instruments denominated in foreign currency as at the reporting date.

#### (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 30 April 2023, besides RM, the Fund also invests in equities denominated in Philippine Peso ("PHP"), Hong Kong Dollar ("HKD"), Indonesian Rupiah ("IDR") and Thailand Baht ("THB").

**MAYBANK MALAYSIA GROWTH-I FUND**

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

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

**(i) Foreign exchange risk (cont'd)**

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.

	<b>PHP RM</b>	<b>IDR RM</b>	<b>HKD RM</b>	<b>THB RM</b>	<b>USD RM</b>	<b>TOTAL RM</b>
<b>2023</b>						
<b>Financial assets</b>						
Financial assets at FVTPL	279,657	148,236	1,607,412	477,276	-	2,512,581
Cash at bank	-	-	-	-	513,872	513,872
Net on-balance sheet open position	<u>279,657</u>	<u>148,236</u>	<u>1,607,412</u>	<u>477,276</u>	<u>513,872</u>	<u>3,026,453</u>
<b>2022</b>						
<b>Financial assets</b>						
Financial assets at FVTPL	479,808	331,200	196,127	593,202	-	1,600,337
Cash at bank	-	-	-	-	303,508	303,508
Net on-balance sheet open position	<u>479,808</u>	<u>331,200</u>	<u>196,127</u>	<u>593,202</u>	<u>303,508</u>	<u>1,903,845</u>

The Fund did not hedge its exposure to financial assets or liabilities denominated in foreign currencies.

## MAYBANK MALAYSIA GROWTH-I FUND

### 20. 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
<b>Currencies</b>				
PHP	+5%	13,983	+5%	23,990
	-5%	(13,983)	-5%	(23,990)
IDR	+5%	7,412	+5%	16,560
	-5%	(7,412)	-5%	(16,560)
HKD	+5%	80,371	+5%	9,806
	-5%	(80,371)	-5%	(9,806)
THB	+5%	23,864	+5%	29,660
	-5%	(23,864)	-5%	(29,660)
USD	+5%	25,694	+5%	15,175
	-5%	(25,694)	-5%	(15,175)

##### (ii) Price risk

Price risk is the risk of unfavourable changes in the fair values of investments as a result of changes in market prices (other than those arising from profit rate risk and currency risk). The price risk exposure arises from the Fund's investments in quoted equities.

## MAYBANK MALAYSIA GROWTH-I FUND

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

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

##### (ii) Price risk (cont'd)

The table below summarises the sensitivity of the Fund's NAV to movements in prices of equities held by the Fund as a result of movements in market prices. The analysis is based on the assumptions that the market prices increased and decreased by 5% (500 basis points) 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
Financial assets at	+5	590,996	+5	739,763
FVTPL	-5	(590,996)	-5	(739,763)

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

##### 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 8 to the financial statements.

##### (iii) Profit rate risk

Shariah-compliant deposit with licensed Islamic financial institutions carries a fixed rate and is of a short-term tenure, therefore, is not significantly affected by the movements in profit rate.

#### (c) Credit risk

Credit risk is the risk that the issuer/ counterparty to a financial instrument will default on its obligation resulting in a financial loss to the Fund. 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.

## MAYBANK MALAYSIA GROWTH-I FUND

### 20. 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 other counterparties (e.g. brokers, custodian, banks, etc.) by reviewing their credit ratings and credit profile on a regular basis.

#### (i) Credit risk exposure

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

#### (ii) Credit risk concentration

The following table analyses the Fund's cash at bank, Shariah-compliant deposit with licensed Islamic financial institutions and profit income receivables by rating categories. The rating is obtained from RAM Holdings Bhd.

Financial assets	2023		2022	
	RM	As a % of NAV	RM	As a % of NAV
AAA	2,142,569	15.38	1,955,880	11.71

#### (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 Deeds of the Fund.

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



## MAYBANK MALAYSIA GROWTH-I FUND

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

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

The following table summarises the maturity profile of the Fund's financial assets, financial liabilities and unitholders' equity to provide a complete view of the Fund's contractual commitments and liquidity:

2023	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial assets</b>			
Financial assets at FVTPL	11,819,911	-	11,819,911
Shariah-compliant deposits with licensed Islamic financial institutions	1,614,397	-	1,614,397
Dividend receivables	15,514	-	15,514
Profit income receivables	283	-	283
Amount due from Manager	4,097	-	4,097
Cash at bank	527,889	-	527,889
Total undiscounted financial assets	<u>13,982,091</u>	-	<u>13,982,091</u>
<b>Financial liabilities and unitholders' equity</b>			
Amount due to Manager	19,153	-	19,153
Amount due to Trustee	924	-	924
Other payables and accruals	27,880	-	27,880
Unitholders' equity	13,934,134	-	13,934,134
Total undiscounted financial liabilities and unitholders' equity	<u>13,982,091</u>	-	<u>13,982,091</u>
Liquidity gap	<u>-</u>	<u>-</u>	<u>-</u>
<b>2022</b>			
<b>Financial assets</b>			
Financial assets at FVTPL	14,795,258	-	14,795,258
Shariah-compliant deposits with licensed Islamic financial institutions	1,649,000	-	1,649,000
Dividend receivables	19,978	-	19,978
Profit income receivables	145	-	145
Amount due from Manager	326	-	326
Cash at bank	306,735	-	306,735
Total undiscounted financial assets	<u>16,771,442</u>	-	<u>16,771,442</u>

## MAYBANK MALAYSIA GROWTH-I FUND

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

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

2022 (cont'd)	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial liabilities and unitholders' equity</b>			
Amount due to Manager	37,242	-	37,242
Amount due to Trustee	1,088	-	1,088
Other payables and accruals	31,431	-	31,431
Unitholders' equity	16,701,681	-	16,701,681
Total undiscounted financial liabilities and unitholders' equity	16,771,442	-	16,771,442
Liquidity gap	-	-	-

#### Notes:

##### (i) Financial assets

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

##### (ii) Financial liabilities

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

##### (iii) Unitholders' equity

As unitholders could request for redemption of their units by giving the Manager a 10-day notice period, the unitholders' equity has been categorised as having a maturity of "less than 1 month".

As a result, it appears that the Fund has a liquidity gap within "less than 1 month". However, the Fund believes that it would be able to liquidate its investments should the need arise to satisfy all the redemption requirements.

## **MAYBANK MALAYSIA GROWTH-I FUND**

### **21. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

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