



## Asset Management

Maybank Asset Management Sdn Bhd  
199701006283  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur  
Telephone +603 2297 7888  
Facsimile +603 2715 0071  
[www.maybank-am.com.my](http://www.maybank-am.com.my)

# MAYBANK MALAYSIA INCOME FUND

Annual report  
For the financial year ended 30 June 2024

## **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  
Telephone +603 2297 7888  
Facsimile +603 2715 0071  
[www.maybank-am.com.my](http://www.maybank-am.com.my)

### **TRUSTEE**

Universal Trustee (Malaysia) Berhad (197401000629) (17540-D)  
No. 1, 3rd Floor  
Jalan Ampang  
50450 Kuala Lumpur  
Telephone +603 2070 8050  
Facsimile +603 2031 8715/ +603 2032 3194  
[unitrust@utmb.com.my](mailto:unitrust@utmb.com.my)  
[www.universaltrustee.com.my](http://www.universaltrustee.com.my)

## **MAYBANK MALAYSIA INCOME FUND**

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## MAYBANK MALAYSIA INCOME FUND

### Manager's report

For the financial year ended 30 June 2024

#### A. Fund Information

**1. Name of the Fund**

Maybank Malaysia Income Fund (the "Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Bond

**4. Duration of the Fund**

The Fund is an open-ended Fund.

**5. Launch date/ Commencement date**

19 June 1996/ 18 July 1996

**6. Fund's investment objective**

The Fund aims to maximise returns over the medium term, and while at the same time offering stability of capital and regular consistent income.

**7. Fund's distribution policy**

Income distribution (if any) is declared at the end of the financial year of the Fund or for any specified period at the Manager's discretion, subject to Trustee's approval.

Subject to the provisions of the Deed, the Fund may distribute from realised income, realised gains and/ or capital to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.

Distribution out of the Fund's capital has a risk of eroding the capital of the Fund. It may reduce the Fund's capital available for future investment and the Fund's potential for future income generation; it may also cause the NAV of the Fund to fall over time. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.

**8. Fund's performance benchmark**

Maybank 12-month fixed deposit rate.

**9. The Fund's asset allocation policy**

The Fund will invest a minimum of 70% of the Fund's assets in fixed income securities, and a maximum of 30% of the Fund's assets in liquid assets.

## MAYBANK MALAYSIA INCOME FUND

### Manager's report

For the financial year ended 30 June 2024 (cont'd)

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

##### 10. Net income distribution for the financial year ended 30 June 2024

During the financial year under review, the Fund distributed a total net income of RM1,426,298 to unitholders.

Below are details and the impact of distribution declared during the financial year:

Distribution date (Ex-date)	Gross/ Net distribution per unit RM (sen)	Before distribution RM	After distribution RM	Changes %
24 June 2024	3.400	1.1145	1.0805	(3.05)

#### B. Performance Review

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

Category	FY2024	FY2023	FY2022
<b>Portfolio Composition (%)</b>			
<b>Unquoted fixed income securities (%)</b>	<b>93.90</b>	<b>99.54</b>	<b>95.78</b>
- Construction	11.79	14.85	9.07
- Financial Services	5.99	11.45	1.30
- Government Agency	2.25	0.99	0.93
- Industrial Product	-	1.43	1.38
- Mining & Petroleum	-	-	4.85
- Plantation	4.38	3.63	3.53
- Power Generation	11.86	12.27	14.10
- Real Estate	15.58	16.90	14.99
- Trading & Services	4.86	5.94	5.73
- Transportation & Logistics	7.54	4.13	13.48
- Utilities	29.65	27.95	26.42
<b>Cash and other net assets (%)</b>	<b>6.10</b>	<b>0.46</b>	<b>4.22</b>
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	45,341	54,036	54,689
Units in circulation (units'000)	41,961	50,819	53,186
NAV per unit (RM)	1.0805	1.0633	1.0283
Highest NAV per unit (RM)	1.1138	1.0941	1.0929
Lowest NAV per unit (RM)	1.0586	1.0287	1.0283
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	1.60	3.40	(4.90)
- Income distribution (%)	3.15	2.93	3.11
Total return (%)	4.80	6.44	(1.94)
Benchmark (%)	2.93	2.75	1.88

## MAYBANK MALAYSIA INCOME FUND

### Manager's report

For the financial year ended 30 June 2024 (cont'd)

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

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

Category	FY2024	FY2023	FY2022
Net income distributed (RM'000)	1,426	1,586	1,653
Distribution date (ex-date)	24/06/2024	27/06/2023	28/06/2022
Gross/ Net distribution per unit (sen)	3.40	3.12	3.20
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	1.06	1.07	1.09
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.24	0.05	0.25

*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.*

**Note:**

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER decreased to 1.06% due to lower administrative expenses incurred during the current financial year.
- (3) The Fund's PTR increased to 0.24 times due to increased in investing activities during the current financial year.

##### 2. Performance of the Fund up to 30 June 2024

Category	1 year to 30.06.2024 %	3 years to 30.06.2024 %	5 years to 30.06.2024 %
Capital growth	1.60	(0.09)	(0.07)
Income distribution	3.15	9.48	18.11
Total return of the Fund	4.80	9.38	18.02
Benchmark	2.93	7.75	12.86
Average total return	4.80	3.03	3.37

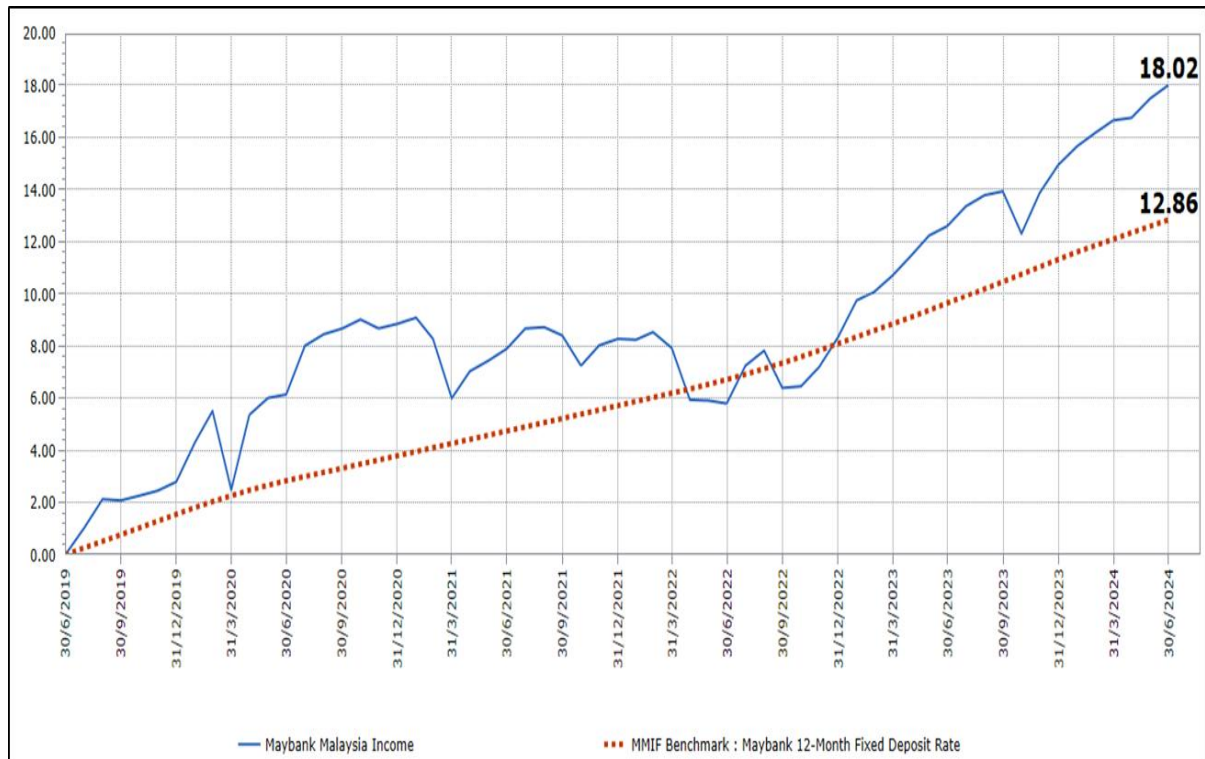
## MAYBANK MALAYSIA INCOME FUND

### Manager's report

For the financial year ended 30 June 2024 (cont'd)

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

#### 2. Performance of the Fund up to 30 June 2024 (cont'd)



Source : Lipper as at 30 June 2024

#### Has the Fund met its objective?

For the year under review, the Fund registered 4.80% return, outperforming its benchmark which posted a return of 2.93% in the corresponding year. The outperformance mainly attributed to the lower yield in local government bonds for the year and tightening of credit spread. The lower yield in local government bonds on the back of peaking policy rates and easing inflation expectations for local economy. Optimism on slower economic growth and lower inflation growth in global markets also boosted the performance of local bond market.

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

For the financial year ended	30.06.2024 %	30.06.2023 %	30.06.2022 %	30.06.2021 %	30.06.2020 %
Capital growth	1.60	3.40	(4.90)	(0.41)	0.43
Income distribution	3.15	2.93	3.11	2.07	5.69
Total return	4.80	6.44	(1.94)	1.65	6.15
Benchmark	2.93	2.75	1.88	1.85	2.84

## MAYBANK MALAYSIA INCOME FUND

### Manager's report

For the financial year ended 30 June 2024 (cont'd)

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

##### 4. Basis of calculation made in calculating the returns:

The performance figures are a comparison of the growth/ decline in NAV after taking into account all the distributions payable (if any) during the stipulated financial year end.

An illustration of the above would be as follows:

Capital return	=	(NAV per unit end/ NAV per unit begin) - 1
Income return	=	Income distribution per unit/ NAV per unit ex-date
Total return	=	(1+Capital return) x (1+Income return) - 1

#### C. Market Review

The local fixed-income market was significantly impacted by the policy stance of the United States ("US") Federal Reserve ("Fed") and global central banks. Globally, US Treasury ("UST") yields experienced a roller-coaster ride during the review period, influenced by fluctuating expectations regarding the Fed Fund Target Rates. These expectations were highly transient due to the Fed's data-dependent approach to policy rate decisions. The market consistently displayed a more dovish outlook than the Fed's actual policy actions, while periods of Fed hawkishness strengthened the United States Dollar ("USD") against global currencies, increasing pressure on Emerging Market ("EM") assets.

Following a tumultuous year, the 10-year UST yield ended unchanged year-over-year ("YoY") at 3.88%. It had reached a low of 3.25% in April 2024 following the US regional banking crisis and a high of 5.02% in October 2023 amid extreme bearishness towards bonds and duration. Overall, UST managed to achieve a decent total return of 4.10% in 2023, recovering from consecutive losses in 2022 (-12.50%) and 2021 (-2.30%).

In 2023, Bank Negara Malaysia ("BNM") raised the Overnight Policy Rate ("OPR") only once, to 3.00%, in contrast to the US Fed's four 25 basis points ("bps") hikes, bringing the Fed Fund Rate to a range of 5.25% to 5.50%.

Malaysian Ringgit ("MYR") government bonds ended 2023 on a strong note, achieving a total return of 6.40%, the highest since 2020, despite an additional 25 bps OPR hike by BNM. The bull-flattening move observed from November 2023 to December 2023 contributed approximately 2 percentage points to the price return. The 10-year Malaysian Government Securities ("MGS") yields declined by 8 basis points, closing the year at 3.73%.

The Malaysian yield curve mostly shifted upward in 1Q2024 due to the delayed Fed rate cut. The 10-year yield closed at 3.86% for the quarter, up from 3.74% at the end of last year. BNM maintained the OPR at 3.00% in both the January 2024 and March 2024 Monetary Policy Committee ("MPC") meetings, keeping the monetary policy stance neutral. The language regarding the policy stance has remained unchanged since September 2023.



## **MAYBANK MALAYSIA INCOME FUND**

### **Manager's report**

**For the financial year ended 30 June 2024 (cont'd)**

#### **C. Market Review (cont'd)**

Regarding the currency, the USDMYR spot briefly surged past 4.80 in February 2024 but rebounded strongly afterward, closing the quarter at 4.725. BNM has increased the frequency of verbal interventions to support the MYR, as evident from news reports. They have also intensified engagements with government-linked investment companies ("GLICs"), government-linked companies ("GLCs"), corporates, and investors to encourage inflows into the foreign exchange ("FX") market.

UST sell-offs continued in 2Q24 but appeared to attract gradual and consistent buy-on-dip demand, unlike the freefall observed in September 2023 to October 2023. With a prevailing consensus leaning heavily towards a soft landing or no landing scenario, market optimism for risk assets is running high, with high-yield corporate spreads at the tighter end of the long-term range. Developed-market sovereign yields generally repriced higher, led by UST and United Kingdom ("UK") Gilts.

The dovish rates pricing in January 2024 versus the dot plot has been completely unwound, and market expectations are now largely aligned with those of the Fed. The Fed kept the Fed Funds Rate ("FFR") unchanged at 5.25% to 5.50%, as widely expected. In the latest dot plots, policymakers revised down their expectations for 25 bps rate cuts in 2024 to four (compared to three in the March 2023 dot plots), while anticipating three cuts in 2025 (compared to four in March 2024).

In May 2024, consecutive weeks of yield increases were finally halted as the UST curve bull-steepened. The Malaysian yield curve remained stable despite some volatility in UST yields. At one point, the 10-year UST yield jumped more than 15 bps to over 4.60%, but this had little impact on local government bonds, with the 10-year MGS almost flatlining around the 3.90% level. Overall, MGS yields moved within a narrow range of 1 bps to 3 bps for the quarter, while the MYR closed the quarter at 4.7175 compared to 4.725 at the end of March 2024.

#### **D. Market Outlook and Strategy**

We anticipate that the recovery in Malaysia's fixed income market will extend into 2H2024, as central banks worldwide have reached the peak of their interest rate hikes and are signaling a shift towards more accommodative monetary policies. The conclusion of the central bank hiking cycle is expected to create a positive dynamic for yield movements globally, potentially lowering MGS yields.

Our outlook remains that BNM will maintain the OPR at 3.00% throughout 2024, especially in the absence of demand-pull pressures, particularly with Consumer Price Index ("CPI") numbers remaining relatively benign due to subsidy rationalization exercises.

In terms of growth prospects, Malaysia's Gross Domestic Product ("GDP") is projected to expand by 4.00% to 5.00% in 2024. This supports the rationale for continuing the current monetary policy stance. Additionally, government bond duration remains a crucial hedge in MYR portfolio allocation, considering the potential for global rate dynamics to shift unexpectedly from late-cycle to end-of-cycle pricing. We anticipate that government bond yields are likely to decline in 2024, providing opportunities for favorable trading positions.

## **MAYBANK MALAYSIA INCOME FUND**

### **Manager's report**

**For the financial year ended 30 June 2024 (cont'd)**

#### **D. Market Outlook and Strategy (cont'd)**

Our strategy will focus on opportunistic trading to realize profits, reinvesting in longer-duration and higher yield-accretive bonds, including new primary issuances offering attractive yields to enhance returns. Maintaining a neutral to long-duration stance, we consider current bond yields attractive.

We continue to overweight corporate bonds over sovereign bonds to stabilize the Fund's income, leveraging their lower volatility and higher yields to mitigate potential mark-to-market losses. Preference is given to strong AA-rated and A-rated papers for yield enhancement, with ongoing opportunistic trading to capture profit-taking opportunities.

#### **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 soft commissions received are retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

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

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA INCOME FUND FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

We have acted as Trustee for Maybank Malaysia Income Fund (the "Fund") for the financial year ended 30 June 2024. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager"), has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 ("CMSA") and other applicable laws;
- (b) Valuation/ Pricing has been carried out in accordance with the Deeds and any regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distributions to the unitholders during the financial year ended 30 June 2024 are consistent with the objectives of the Fund.

For and on behalf of

**UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (197401000629) (17540-D)**

**ONG TEE VANN**

Chief Executive Officer

Kuala Lumpur, Malaysia

16 August 2024

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA INCOME FUND  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

We, Dr Hasnita Binti Dato' Hashim and Muhammad Hishamudin Bin Hamzah, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Malaysia Income Fund as at 30 June 2024 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 June 2024 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Dr Hasnita Binti Dato' Hashim**  
Chairman

**Muhammad Hishamudin Bin Hamzah**  
Director

Kuala Lumpur, Malaysia  
16 August 2024

## **Independent auditors' report to the Unitholders of Maybank Malaysia Income Fund**

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

#### *Opinion*

We have audited the financial statements of Maybank Malaysia Income Fund (the "Fund"), which comprise statement of financial position of the Fund as at 30 June 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended and notes to the financial statements, including material accounting policy information as set out on pages 7 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2024, 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 of the Fund ("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 Income 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 Income 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 scepticism 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 Income Fund (cont'd)**

*Other matters*

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

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

Yeo Beng Yean  
03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
16 August 2024



## MAYBANK MALAYSIA INCOME FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Profit/ Interest income	3	2,201,217	2,339,017
Net gain from financial assets at fair value through profit or loss ("FVTPL") investments			
- Realised loss		(100,337)	(13,769)
- Unrealised gain		854,409	1,700,645
		<u>2,955,289</u>	<u>4,025,893</u>
<b>EXPENSES</b>			
Manager's fee	4	516,100	548,380
Trustee's fee	5	18,064	19,193
Auditors' remuneration		8,496	9,855
Tax agent's fee		3,487	5,650
Administrative expenses		942	2,615
		<u>547,089</u>	<u>585,693</u>
<b>Net income before taxation</b>		2,408,200	3,440,200
Taxation	6	-	-
<b>Net income after taxation, representing the total comprehensive income for the financial year</b>		<u>2,408,200</u>	<u>3,440,200</u>
<b>Net income after taxation is made up of the following:</b>			
Net realised income		1,553,791	1,739,555
Net unrealised income		854,409	1,700,645
		<u>2,408,200</u>	<u>3,440,200</u>
<b>Distribution for the financial year</b>			
Net distribution	12	1,426,298	1,586,036
Gross/ Net distribution per unit (sen)		<u>3.40</u>	<u>3.12</u>
Distribution date (ex-date)		<u>24 June 2024</u>	<u>27 June 2023</u>

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

## MAYBANK MALAYSIA INCOME FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		<b>2024</b>	<b>2023</b>
		<b>RM</b>	<b>RM</b>
<b>ASSETS</b>			
Financial assets at FVTPL	7	42,557,223	53,790,201
Deposit with a licensed financial institution	8	2,455,000	1,207,000
Profit/ Interest receivables		442,959	592,513
Amount due from Manager	9	14,516	-
Amount due from financial institutions		1,226,710	-
Cash at bank		134,853	123,285
<b>TOTAL ASSETS</b>		<u>46,831,261</u>	<u>55,712,999</u>
<b>LIABILITIES</b>			
Amount due to Manager	9	37,926	65,296
Amount due to Trustee	10	1,327	1,594
Distribution payable		1,426,298	1,586,036
Other payables and accruals		24,604	23,623
<b>TOTAL LIABILITIES</b>		<u>1,490,155</u>	<u>1,676,549</u>
<b>NET ASSETS VALUE ("NAV") OF THE FUND</b>		<u>45,341,106</u>	<u>54,036,450</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' capital	11(a)	58,835,769	68,513,015
Accumulated losses	11(b) & (c)	<u>(13,494,663)</u>	<u>(14,476,565)</u>
		<u>45,341,106</u>	<u>54,036,450</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	11(a)	<u>41,961,448</u>	<u>50,819,106</u>
<b>NAV PER UNIT (RM)</b>		<u>1.0805</u>	<u>1.0633</u>

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

**MAYBANK MALAYSIA INCOME FUND****STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	<b>Unitholders' capital Note 11(a) RM</b>	<b>Accumulated losses Note 11(b) &amp; 11(c) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 July 2023	68,513,015	(14,476,565)	54,036,450
Total comprehensive income for the financial year	-	2,408,200	2,408,200
Creation of units	9,403,556	-	9,403,556
Cancellation of units	(19,080,802)	-	(19,080,802)
Distribution (Note 12)	-	(1,426,298)	(1,426,298)
At 30 June 2024	<u>58,835,769</u>	<u>(13,494,663)</u>	<u>45,341,106</u>
At 1 July 2022	71,020,213	(16,330,729)	54,689,484
Total comprehensive income for the financial year	-	3,440,200	3,440,200
Creation of units	1,408,986	-	1,408,986
Cancellation of units	(3,916,184)	-	(3,916,184)
Distribution (Note 12)	-	(1,586,036)	(1,586,036)
At 30 June 2023	<u>68,513,015</u>	<u>(14,476,565)</u>	<u>54,036,450</u>

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

## MAYBANK MALAYSIA INCOME FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale and redemption of financial assets at FVTPL	17,719,338	2,804,936
Net payments for purchases of financial assets at FVTPL	(7,122,250)	(2,526,135)
Profit/ Interest received	2,514,022	2,308,183
Manager's fee paid	(523,703)	(548,413)
Trustee's fee paid	(18,331)	(19,194)
Payment of other fees and expenses	(11,943)	(37,071)
Net cash generated from operating and investing activities	<u>12,557,133</u>	<u>1,982,306</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	9,389,040	1,408,986
Payments for cancellation of units	(19,100,569)	(3,979,949)
Distributions to unitholders	(1,586,036)	-
Net cash used in from financing activities	<u>(11,297,565)</u>	<u>(2,570,963)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR</b>	1,259,568	(588,657)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>1,330,285</u>	<u>1,918,942</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>2,589,853</u>	<u>1,330,285</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	134,853	123,285
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 8)	2,455,000	1,207,000
	<u>2,589,853</u>	<u>1,330,285</u>

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

## **MAYBANK MALAYSIA INCOME FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

Maybank Malaysia Income Fund (formerly known as Maybank Income Trust Fund) ("the Fund") was constituted pursuant to the execution of a Deed dated 15 May 1996 ("Principal Deed") between Amanah Mutual Berhad ("AMB") as the previous Manager and Universal Trustee (Malaysia) Berhad as the Trustee. The Fund commenced operations on 19 June 1996 and will continue to be in operations until terminated by the Trustee as provided under the Deeds. The following supplemental deeds have been issued between AMB and the Trustee:

- First supplemental deed dated 16 April 1999;
- Second supplemental deed dated 18 August 1999;
- Third supplemental deed dated 23 March 2000;
- Fourth supplemental deed dated 13 February 2001;
- Fifth supplemental deed dated 8 February 2002;
- Sixth supplemental deed dated 12 September 2003;
- Seventh supplemental deed dated 26 May 2005; and
- Eighth supplemental deed dated 26 July 2016.

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

Subsequently MAM and Universal Trustee (Malaysia) Berhad as the Trustee had entered into a Ninth Supplemental Deed dated 4 September 2018, to appoint MAM as the replacement Manager of the Fund effective 1 November 2018, Tenth Supplemental Deed dated 11 July 2019 to change the name of the Fund, Eleventh Supplemental Deed dated 3 August 2022 and Twelfth Supplemental Deed dated 8 August 2023. The Principal Deed and Supplemental Deeds are collectively referred to as 'Deeds'.

The Fund commenced operations on 19 June 1996 and will continue to be in operations until terminated by the Trustee as provided under the Deeds. The principal activity of the Fund is to invest a minimum of 70% of the Fund's assets in fixed income securities, and a maximum of 30% of the Fund's assets in liquid assets.

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.

The financial statements were authorised for issue by the Board of Directors of the Manager (the "Directors") in accordance with a resolution of the Directors on 16 August 2024.

## MAYBANK MALAYSIA INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

#### 2.1 Basis of preparation

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

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") interpretations which have become effective during the financial year ended 30 June 2024. The adoption of the above did not result in material impact to the financial statements. The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to Note 2.13 to the financial statements.

All amounts are stated in Ringgit Malaysia ("RM").

#### 2.2 Standards and Amendments to Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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 INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (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 fair value through profit or loss ("FVTPL") on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the assets are held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and 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 deposit with a licensed financial institution, profit/ interest receivables, amount due from Manager, amount due from financial institutions and cash and cash equivalents as financial assets at amortised cost. These assets are subsequently measured using the effective profit rate/ effective interest rate ("EPR"/ "EIR") method and are subject to impairment. The EPR/ EIR is a method of calculating the amortised cost of the financial assets and of allocating and recognising the profit income in profit or loss over the relevant year end.

##### (ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

## MAYBANK MALAYSIA INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

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

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

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, full impairment will be recognised on uncollected balances after the grace period.



## MAYBANK MALAYSIA INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

##### (iv) Derecognition

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of financial asset at amortised cost, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

#### 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, distribution payable and other payables and accruals as other financial liabilities.

##### (ii) Recognition and measurement

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

The EPR/ EIR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the profit expense in profit or loss over the relevant year end.

##### (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.

## MAYBANK MALAYSIA INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.6 Unitholders' capital

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

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

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

#### 2.7 Revenue/ Income

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

Profit/ Interest income from unquoted fixed income securities and deposit with a licensed financial institution are recognised on the accruals basis using the EPR/ EIR method.

Realised gain or loss on disposal of investments are measured as the difference between the net proceeds and its carrying amount.

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 the asset.

#### 2.8 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, deposit at call and highly liquid instruments with maturities of 3 months or less, which have an insignificant risk of changes in value.

#### 2.9 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 net assets attributable to unitholders.

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

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

## MAYBANK MALAYSIA INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.10 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 or transfer the liability takes place either:

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

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

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

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

#### 2.11 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 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 distribution payment date.

Reinvestment of units is based on the NAV per unit on the distribution payment date which is also the time of creation.

## MAYBANK MALAYSIA INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.12 Segment reporting

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

#### 2.13 Critical accounting estimates and judgments

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

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

### 3. PROFIT/ INTEREST INCOME

	2024 RM	2023 RM
Profit/ Interest income from unquoted fixed income securities	2,258,222	2,516,749
Profit/ Interest income from short-term deposits	106,246	61,147
Amortisation of premium, net of accretion of discount	(163,251)	(238,879)
	<u>2,201,217</u>	<u>2,339,017</u>

### 4. MANAGER'S FEE

The Manager's fee is computed daily up to 1.50% (2023: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

### 5. TRUSTEE'S FEE

The Trustee's fee is computed daily based on the following table before deducting Manager's fee and Trustee's fee for that particular day:

NAV (RM)	Trustee fee rate (%) p.a.	
	2024	2023
Nil to 100 million	0.035	0.035
Above 100 million	0.010	0.010

## MAYBANK MALAYSIA INCOME FUND

### 6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable income for the financial year.

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

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

	2024 RM	2023 RM
Net income before taxation	2,408,200	3,440,200
Taxation at Malaysian statutory rate of 24% (2023: 24%)	577,968	825,648
Income not subject to tax	(733,350)	(969,519)
Loss not deductible for tax purposes	24,081	3,305
Expenses not deductible for tax purposes	131,301	140,566
Tax expense for the financial year	-	-

### 7. FINANCIAL ASSETS AT FVTPL

	2024 RM	2023 RM
Unquoted fixed income securities	42,557,223	53,790,201

2024	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
<b>Construction</b>				
Gamuda Land (T12) Sdn Bhd - 3.75%/ 12.08.2027	1,400,000	1,399,974	1,393,042	3.07
MMC Corporation Bhd - 5.95%/ 12.11.2027	2,500,000	2,669,031	2,655,475	5.86
Malaysian Resources Co. Bhd - 4.45%/ 14.08.2030	1,300,000	1,306,827	1,295,671	2.86
	<u>5,200,000</u>	<u>5,375,832</u>	<u>5,344,188</u>	<u>11.79</u>

## MAYBANK MALAYSIA INCOME FUND

### 7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2024 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
<b>Financial Services</b>				
MNRB Holdings Bhd - 4.46%/ 22.03.2034	600,000	599,963	608,742	1.34
CIMB Group Bhd - 4.31%/ Perpetual	600,000	599,999	601,872	1.33
Hong Leong Bank Bhd - 4.25%/ Perpetual	1,500,000	1,499,917	1,507,200	3.32
	<u>2,700,000</u>	<u>2,699,879</u>	<u>2,717,814</u>	<u>5.99</u>
<b>Government Agency</b>				
Johor Corp. - 4.72% / 11.06.2027	1,000,000	1,018,462	1,020,720	2.25
<b>Plantation</b>				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,000,000	2,000,975	1,984,320	4.38
<b>Power Generation</b>				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,380,000	2,413,900	2,455,398	5.42
Edra Energy Sdn Bhd - 6.51%/ 05.07.2035	1,700,000	2,017,141	2,048,568	4.52
Sarawak Energy Bhd - 3.30%/ 14.06.2030	900,000	900,010	871,866	1.92
	<u>4,980,000</u>	<u>5,331,051</u>	<u>5,375,832</u>	<u>11.86</u>
<b>Real Estate</b>				
IJM Land Bhd - 4.73%/ Perpetual	1,300,000	1,300,337	1,296,581	2.86
- 5.65%/ Perpetual	1,080,000	1,079,896	1,098,932	2.42

**MAYBANK MALAYSIA INCOME FUND**

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

	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
<b>2024 (cont'd)</b>				
<b>Real Estate (cont'd)</b>				
Country Garden				
Real Estate Sdn Bhd				
- 5.25%/ 27.03.2025	900,000	899,928	796,374	1.76
- 4.90%/ 04.05.2026	1,200,000	1,199,925	870,720	1.92
Sime Darby Property Bhd				
- 3.64%/ 03.12.2030	900,000	899,981	880,686	1.94
UEM Sunrise Bhd				
- 4.30%/ 16.02.2026	500,000	500,843	503,325	1.11
Sunway Treasury Sukuk Sdn Bhd				
- 3.55%/ 10.09.2024	800,000	800,030	799,392	1.76
Malaysian Resources Co. Bhd				
- 5.09%/ 18.10.2028	800,000	801,458	820,464	1.81
	<u>7,480,000</u>	<u>7,482,398</u>	<u>7,066,474</u>	<u>15.58</u>
<b>Trading &amp; Services</b>				
Evyap Sabun Malaysia Sdn Bhd				
- 4.05%/ 30.12.2025	2,200,000	2,199,998	2,203,960	4.86
<b>Transportation &amp; Logistics</b>				
APM Automotive Holdings				
- 4.82%/ 30.04.2031	500,000	502,858	506,235	1.12
DRB-HICOM Bhd				
- 5.05%/ 06.08.2031	1,580,000	1,584,597	1,594,931	3.52
PONSB Capital Bhd				
- 4.64%/ 28.12.2026	700,000	699,997	713,902	1.57
- 4.10%/ 28.05.2031	600,000	599,981	604,326	1.33
	<u>3,380,000</u>	<u>3,387,433</u>	<u>3,419,394</u>	<u>7.54</u>
<b>Utilities</b>				
Malaysia Airport Holdings Bhd				
- 3.30%/ 05.11.2027	1,000,000	999,972	983,480	2.17

## MAYBANK MALAYSIA INCOME FUND

### 7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2024 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
<b>Utilities (cont'd)</b>				
Pengurusan Air SPV Bhd				
- 3.32%/ 04.06.2027	500,000	500,000	492,545	1.09
- 3.90%/ 30.10.2029	2,500,000	2,566,711	2,496,075	5.51
Tanjung Bin Energy Sdn Bhd				
- 6.20%/ 16.03.2032	3,800,000	4,465,378	4,034,840	8.90
Tenaga Nasional Bhd				
- 5.18%/ 03.08.2037	3,000,000	3,464,173	3,328,500	7.34
TNB Northern Energy Bhd				
- 4.62%/ 30.05.2033	2,000,000	2,132,507	2,089,081	4.64
	<u>12,800,000</u>	<u>14,128,741</u>	<u>13,424,521</u>	<u>29.65</u>
<b>Total unquoted fixed income securities</b>	<b><u>41,740,000</u></b>	<b><u>43,624,769</u></b>	<b><u>42,557,223</u></b>	<b><u>93.90</u></b>
<b>Unrealised loss on unquoted fixed income securities</b>			<b><u>(1,067,546)</u></b>	
<b>2023</b>				
<b>Construction</b>				
Gamuda Land (T12) Sdn Bhd				
- 3.75%/ 12.08.2027	1,400,000	1,399,979	1,372,028	2.54
- 4.20%/ 11.10.2027	500,000	499,973	498,115	0.92
MMC Corporation Bhd				
- 5.95%/ 12.11.2027	2,500,000	2,715,335	2,636,975	4.88
- 5.70%/ 24.03.2028	1,030,000	1,060,902	1,078,904	2.00
Malaysian Resources Co. Bhd				
- 4.45%/ 14.08.2030	1,300,000	1,307,790	1,245,517	2.30
S P Setia Bhd				
- 4.30%/ 23.06.2028	1,200,000	1,199,996	1,196,484	2.21
	<u>7,930,000</u>	<u>8,183,975</u>	<u>8,028,023</u>	<u>14.85</u>



## MAYBANK MALAYSIA INCOME FUND

### 7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
<b>Financial Services</b>				
Affin Islamic Bank Bhd - 5.05%/ 23.10.2028	700,000	700,377	701,659	1.30
Sabah Development Sdn Bhd - 5.50%/ 27.02.2026	2,700,000	2,740,228	2,752,650	5.09
Krung Thai Bank - 4.10%/ 19.03.2031	2,780,000	2,779,858	2,735,103	5.06
	<u>6,180,000</u>	<u>6,220,463</u>	<u>6,189,412</u>	<u>11.45</u>
<b>Government Agency</b>				
Danga Capital Bhd - 5.02% / 21.09.2033	500,000	502,764	535,115	0.99
<b>Industrial Product</b>				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	780,000	779,958	775,343	1.43
<b>Plantation</b>				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,000,000	2,001,741	1,962,480	3.63
<b>Power Generation</b>				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,380,000	2,417,845	2,410,107	4.46
Edra Energy Sdn Bhd - 6.51%/ 05.07.2035	1,700,000	2,039,169	1,951,753	3.61
Sarawak Energy Bhd - 3.30%/ 14.06.2030	900,000	900,013	854,478	1.58
YTL Power International Bhd - 5.05%/ 03.05.2027	1,380,000	1,403,000	1,416,239	2.62
	<u>6,360,000</u>	<u>6,760,027</u>	<u>6,632,577</u>	<u>12.27</u>

**MAYBANK MALAYSIA INCOME FUND**

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

2023 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
<b>Real Estate</b>				
IJM Land Bhd				
- 4.73%/ Perpetual	1,300,000	1,300,455	1,276,626	2.36
- 5.65%/ Perpetual	1,080,000	1,079,896	1,099,850	2.04
Country Garden Real Estate Sdn Bhd				
- 5.25%/ 27.03.2025	900,000	899,931	887,013	1.64
- 4.90%/ 04.05.2026	1,200,000	1,199,925	1,157,556	2.14
Sime Darby Property Bhd				
- 3.64%/ 03.12.2030	900,000	899,981	860,220	1.59
UEM Sunrise Bhd				
- 3.90%/ 21.09.2023	600,000	600,105	599,316	1.11
- 4.30%/ 16.02.2026	1,700,000	1,704,561	1,660,135	3.07
Sunway Treasury Sukuk Sdn Bhd				
- 3.55%/ 10.09.2024	800,000	800,332	791,968	1.47
Malaysian Resources Co. Bhd				
- 5.09%/ 18.10.2028	800,000	801,767	799,352	1.48
	9,280,000	9,286,953	9,132,036	16.90
<b>Trading &amp; Services</b>				
Evyap Sabun Malaysia Sdn Bhd				
- 4.05%/ 30.12.2025	2,200,000	2,199,998	2,141,370	3.96
Guan Chong Bhd				
- 3.84%/ 03.12.2027	1,100,000	1,104,415	1,071,598	1.98
	3,300,000	3,304,413	3,212,968	5.94
<b>Transportation &amp; Logistics</b>				
DRB-HICOM Bhd				
- 5.08%/ 30.08.2030	1,580,000	1,585,134	1,526,154	2.82
PONSB Capital Bhd				
- 4.64%/ 28.12.2026	700,000	699,997	709,184	1.31
	2,280,000	2,285,131	2,235,338	4.13

**MAYBANK MALAYSIA INCOME FUND**

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

	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
<b>2023 (cont'd)</b>				
<b>Transportation &amp; Logistics (cont'd)</b>				
Malaysia Airport Holdings Bhd				
- 3.87%/ 30.12.2026	700,000	699,999	697,578	1.29
- 3.30%/ 05.11.2027	1,000,000	999,972	971,210	1.80
Pengurusan Air SPV Bhd				
- 3.32%/ 04.06.2027	500,000	500,002	486,930	0.90
- 3.90%/ 30.10.2029	2,500,000	2,577,978	2,467,900	4.57
Tanjung Bin Energy Sdn Bhd				
- 6.20%/ 16.03.2032	5,000,000	5,972,585	5,162,600	9.55
Tenaga Nasional Bhd				
- 5.18%/ 03.08.2037	3,000,000	3,491,361	3,265,410	6.04
TNB Northern Energy Bhd				
- 4.62%/ 30.05.2033	2,000,000	2,144,834	2,035,281	3.80
	<u>14,700,000</u>	<u>16,386,731</u>	<u>15,086,909</u>	<u>27.95</u>
<b>Total unquoted fixed income securities</b>	<b><u>53,310,000</u></b>	<b><u>55,712,156</u></b>	<b><u>53,790,201</u></b>	<b><u>99.54</u></b>
<b>Unrealised loss on unquoted fixed income securities</b>			<b><u>(1,921,955)</u></b>	

**8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION**

	2024 RM	2023 RM
Short-term placement with a maturity of less than 3 months	<u>2,455,000</u>	<u>1,207,000</u>

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

	2024		2023	
	WAEPR/ WAEIR % p.a.	Average maturity days	WAEPR/ WAEIR % p.a.	Average maturity days
Deposit with a licensed financial institution	<u>3.15</u>	<u>3</u>	<u>2.95</u>	<u>3</u>

## MAYBANK MALAYSIA INCOME FUND

### 9. AMOUNT DUE FROM/ TO MANAGER

	Note	2024 RM	2023 RM
Amount due from Manager:			
Subscription of units	(i)	14,516	-
Amount due to Manager is in respect of:			
Management fee	(ii)	37,926	45,529
Cancellation of units	(iii)	-	19,767
		37,926	65,296

- (i) The amount represents amount receivable from the Manager for units created.
- (ii) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2023: 15 days).
- (iii) The amount represents amount payable to the Manager for units redeemed/ cancelled.

### 10. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accruals for Trustee's fee at the end of the financial year. The normal credit term for Trustee fee is 15 days (2023: 15 days).

### 11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	2024 RM	2023 RM
Unitholders' capital	(a)	58,835,769	68,513,015
Accumulated realised loss	(b)	(13,589,413)	(13,716,906)
Accumulated unrealised income/ (loss)	(c)	94,750	(759,659)
		45,341,106	54,036,450

#### (a) Unitholders' capital

	2024		2023	
	Units	RM	Units	RM
At the beginning of the financial year	50,819,106	68,513,015	53,186,254	71,020,213
Creation of units	8,678,561	9,403,556	1,342,803	1,408,986
Cancellation of units	(17,536,219)	(19,080,802)	(3,709,951)	(3,916,184)
At the end of the financial year	41,961,448	58,835,769	50,819,106	68,513,015

There were no units held by the directors or parties related to the Manager during the current and previous financial year.

## MAYBANK MALAYSIA INCOME FUND

### 11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

#### (b) Accumulated realised loss

	2024 RM	2023 RM
At the beginning of the financial year	(13,716,906)	(13,870,425)
Net realised income for the financial year	1,553,791	1,739,555
Distribution (Note 12)	<u>(1,426,298)</u>	<u>(1,586,036)</u>
At the end of the financial year	<u>(13,589,413)</u>	<u>(13,716,906)</u>

#### (c) Accumulated unrealised income/ (loss)

	2024 RM	2023 RM
At the beginning of the financial year	(759,659)	(2,460,304)
Net unrealised income for the financial year	854,409	1,700,645
At the end of the financial year	<u>94,750</u>	<u>(759,659)</u>

### 12. DISTRIBUTION

The composition of distributions are as follows:

	2024		2023	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
<b>Source of distribution*</b>				
- Income distribution	1,426,298	100.00	1,586,036	100.00
- Capital distribution	-	-	-	-
	<u>1,426,298</u>	<u>100.00</u>	<u>1,586,036</u>	<u>100.00</u>

\* Effective from the 1 March 2022, the Securities Commission Guidelines permit a fund to distribute out of income (which includes current year's realised income) or out of capital (which includes prior year's realised income).

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

Distribution date (ex-date)	Gross/ Net distribution per unit (RM sen)
<b>2024</b>	
24 June 2024	<u>3.40</u>
<b>2023</b>	
27 June 2023	<u>3.12</u>

## MAYBANK MALAYSIA INCOME FUND

### 13. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
(i) <u>Significant related party transactions</u>		
MBB:		
Interest income from deposit placement	106,246	61,147
(ii) <u>Significant related party balances</u>		
MBB:		
Deposit with a licensed financial institution	2,455,000	1,207,000
Interest income receivable	636	293
Cash at bank	134,853	123,285

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

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

The transactions with brokers/ dealers are as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Value of trades</b>	<b>Percentage of total trades</b>	<b>Value of trades</b>	<b>Percentage of total trades</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
RHB Investment Bank Bhd	13,546,159	53.19	4,232,478	100.00
Hong Leong Investment Bank Bhd	4,292,788	16.86	-	-
MBB *	2,802,950	11.01	-	-
CIMB Investment Bank Bhd	2,412,360	9.47	-	-
Ambank (M) Bhd	1,019,300	4.00	-	-
Affin Hwang Investment Bank Bhd	794,742	3.12	-	-
Ambank Islamic Bhd	600,000	2.36	-	-
	<u>25,468,299</u>	<u>100.00</u>	<u>4,232,478</u>	<u>100.00</u>

## MAYBANK MALAYSIA INCOME FUND

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

Details of transactions, primarily cash placements with financial institutions are as follows:

Financial institutions	2024		2023	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
MBB *	844,261,000	100.00	553,856,000	100.00

\* MBB is the ultimate holding company of the Manager.

### 15. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund, and recovered expenses to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee and other administrative expenses. For the financial year ended 30 June 2024, the TER of the Fund stood at 1.06% (2023: 1.07%).

### 16. 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 June 2024, the PTR of the Fund stood at 0.24 times (2023: 0.05 times).

### 17. SEGMENT INFORMATION

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker of the Manager 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 to maximise returns over the Medium Term and while at the same time offering stability of capital and regular consistent income.

The chief operating decision-maker is responsible for the performance of the Fund by investing a minimum of 70% of the Fund's assets in fixed income securities, and a maximum of 30% of the Fund's assets in liquid assets.

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

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

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

## MAYBANK MALAYSIA INCOME FUND

### 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### (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 material accounting policy information in Note 2.3 to Note 2.13 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised. The following table analyses the financial assets and 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.

2024	Financial assets and liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Financial assets</b>				
Financial assets at FVTPL	42,557,223	-	-	42,557,223
Deposit with a licensed financial institution	-	2,455,000	-	2,455,000
Profit/ Interest receivables	-	442,959	-	442,959
Amount due from Manager	-	14,516	-	14,516
Amount due from financial institutions	-	1,226,710	-	1,226,710
Cash at bank	-	134,853	-	134,853
<b>Total financial assets</b>	<b>42,557,223</b>	<b>4,274,038</b>	<b>-</b>	<b>46,831,261</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	37,926	37,926
Amount due to Trustee	-	-	1,327	1,327
Distribution payable	-	-	1,426,298	1,426,298
Other payables and accruals	-	-	24,604	24,604
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,490,155</b>	<b>1,490,155</b>
<b>2023</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	53,790,201	-	-	53,790,201
Deposit with a licensed financial institution	-	1,207,000	-	1,207,000
Profit/ Interest receivables	-	592,513	-	592,513
Cash at bank	-	123,285	-	123,285
<b>Total financial assets</b>	<b>53,790,201</b>	<b>1,922,798</b>	<b>-</b>	<b>55,712,999</b>



**MAYBANK MALAYSIA INCOME FUND**

**18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)**

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

<b>2023 (cont'd)</b>	<b>Financial assets and liabilities 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>Financial liabilities</b>				
Amount due to Manager	-	-	65,296	65,296
Amount due to Trustee	-	-	1,594	1,594
Distribution payable	-	-	1,586,036	1,586,036
Other payables and accruals	-	-	23,623	23,623
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,676,549</b>	<b>1,676,549</b>

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

The fair value of unquoted fixed income securities are based on the fair value prices quoted by Bond Pricing Agency Sdn Bhd, a bond pricing agency registered with SC as at reporting date.

**(c) Fair value hierarchy**

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

<b>2024</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
Financial assets at FVTPL	-	42,557,223	-	42,557,223
<b>2023</b>				
Financial assets at FVTPL	-	53,790,201	-	53,790,201

## MAYBANK MALAYSIA INCOME FUND

### 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

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

Financial instruments with maturities of less than one year approximate their carrying values due to the relatively short-term maturity of these instruments.

### 19. FINANCIAL RISK AND 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 financial instruments will fluctuate due to changes in market variables such as profit/ interest 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/ interest rate risk arising from deposit placed with a licensed financial institution.

The Fund is not exposed to foreign currency risk as it does not hold any financial instruments denominated in foreign currency as at the reporting date. The Fund is also not exposed to equity price risk as it does not hold any equity investments as at the reporting date.

**(i) Profit/ Interest rate risk**

Unquoted fixed income securities are particularly sensitive to movements in market profit rates. When profit/ interest rates rise, the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. The sensitivity to market profit/ interest rate changes are normally greater for longer tenured securities when compared to shorter tenured securities.

The table below summarises the sensitivity of the Fund's NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movements in market profit/ interest rates. The analysis is based on the assumptions that the profit/ interest rates increased and decreased by 1% (100 basis points) with all other variables held constant.

	2024		2023	
	Changes in interest rates %	Effects on NAV (Decrease)/ Increase RM	Changes in interest rates %	Effects on NAV (Decrease)/ Increase RM
Unquoted fixed income securities	+1	(2,131,065)	+1	(2,575,217)
	-1	2,428,497	-1	2,774,123

## MAYBANK MALAYSIA INCOME FUND

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

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

##### (i) Profit/ Interest rate risk (cont'd)

The impact to the Fund's net income after tax and NAV is expected to be the same.

The Fund's deposit with a licensed financial institution carries profit/ interest rate and is short-term in nature, and therefore is not affected by movements in market profit/ interest rate.

#### (c) Credit risk

Credit risk is the risk that the issuer/ counterparty to a financial instrument will default on its contractual 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/ interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

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 assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

##### (ii) Credit risk concentration

The following table analyses the Fund's investments in financial assets at FVTPL, cash at bank, deposit with a licensed financial institution, profit/ interest receivables on unquoted fixed income securities and interest receivables on deposit with a licensed financial institution by rating categories. The ratings for the Fund's investments in unquoted fixed income securities and profit/ interest receivables on unquoted fixed income securities were obtained from RAM Holdings Bhd ("RAM") and Malaysian Rating Corporation Bhd ("MARC") while the ratings for cash at bank, deposit with a licensed financial institution and profit/ interest receivables on deposit with a licensed financial institution were obtained from RAM's official website.

## MAYBANK MALAYSIA INCOME FUND

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

#### (c) Credit risk (cont'd)

##### (ii) Credit risk concentration (cont')

	2024		2023	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
<b>Financial Assets</b>				
AAA	14,315,079	31.57	15,971,803	29.56
AA1	880,686	1.94	5,029,109	9.31
AA2	1,824,463	4.02	1,846,941	3.42
AA3	20,194,455	44.54	27,064,373	50.09
A1	4,312,745	9.51	2,227,813	4.12
A2	2,395,513	5.28	2,376,476	4.40
B3	1,667,094	3.68	-	-
Not rated	-	-	1,196,484	2.21
	<u>45,590,035</u>	<u>100.54</u>	<u>55,712,999</u>	<u>103.11</u>

#### (d) Liquidity risk

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

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

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

## MAYBANK MALAYSIA INCOME FUND

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

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

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

	Less than 1 month RM	More than 1 month RM	Total RM
<b>2024</b>			
<b>Financial liabilities</b>			
Amount due to Manager	37,926	-	37,926
Amount due to Trustee	1,327	-	1,327
Distribution payable	1,426,298	-	1,426,298
Other payables and accruals	24,604	-	24,604
Total undiscounted financial liabilities	<u>1,490,155</u>	<u>-</u>	<u>1,490,155</u>
<b>2023</b>			
<b>Financial liabilities</b>			
Amount due to Manager	65,296	-	65,296
Amount due to Trustee	1,594	-	1,594
Distribution payable	1,586,036	-	1,586,036
Other payables and accruals	23,623	-	23,623
Total undiscounted financial liabilities	<u>1,676,549</u>	<u>-</u>	<u>1,676,549</u>

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 is required to settle its financial obligation.

### 20. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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