

MAYBANK INCOME MANAGEMENT-I FUND

**Unaudited semi-annual report
For the financial period from 1 September 2022 to
28 February 2023**

CORPORATE INFORMATION

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MAYBANK INCOME MANAGEMENT-I FUND

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MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial period from 1 September 2022 to 28 February 2023

A. Fund Information

1. Name of Fund

Maybank Income Management-I Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Fixed Income

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund launch date/ commencement date

8 January 2021/ 24 February 2021

6. Fund's investment objective

The Fund aims to provide investors with a consistent stream of income through investments in a diversified portfolio of Sukuk.

7. Fund distribution policy

Distribution will be made on a semi-annual basis (subject to availability of income) and at the discretion of the Manager. Distribution, if any, will be made from the realised income of the Fund. Additional distribution, if any, shall be incidental and shall be made from the realised income of the Fund.

8. Fund's performance benchmark

Maybank 12-months Islamic deposit rate +0.50% per annum

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

The Fund seeks to achieve its investment objective by investing a minimum of 70% of the Fund's NAV in MYR-denominated Sukuk. Up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits. The Fund may invest up to 30% of its NAV investment in non-MYR denominated Sukuk should the External Investment Manager ("EIM") deems the investments to be in line with the objective of the Fund.

10. Net income distribution for the financial period from 1 September 2022 to 28 February 2023

The Fund declared a distribution of RM2,013,107 for the financial period from 1 September 2022 to 28 February 2023. Below are details of distribution declared and the impact of the distribution to the Fund's NAV:

Distribution date (ex-date)	Gross/ Net distribution per unit (sen)	Before distribution (RM)	After distribution (RM)	Changes %
24 February 2023	1.3500	1.0169	1.0034	-1.33%

MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial period from 1 September 2022 to 28 February 2023 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	01.09.2022 to 28.02.2023	01.09.2021 to 31.08.2022	01.09.2020 to 31.08.2021
Sukuk (%)	85.03	86.77	74.36
Cash and other net assets (%)	14.97	13.23	25.64
Total (%)	100.00	100.00	100.00
NAV (RM'000)	152,178	153,660	221,938
Units in circulation (units'000)	151,615	154,229	220,928
NAV per unit (RM)	1.0037	0.9963	1.0046
Highest NAV per unit (RM)	1.0166	1.0105	1.0339
Lowest NAV per unit (RM)	0.9906	0.9921	0.9916
Annual return (%) ⁽¹⁾			
- Capital growth (%)	0.78	(0.83)	(1.79)
- Income distribution (%)	1.32	1.61	3.10
Total return (%)	2.11	0.77	1.25
Benchmark (%)	1.60	2.48	2.36
Total Expense Ratio ("TER") (%) ⁽²⁾	0.13	0.25	0.26
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.11	0.34	0.43

Note:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager and Trustee's fees.
- (2) The TER is 0.13 during the current financial period under review.
- (3) The PTR is 0.11 times during the current financial period under review.

2. Performance of the Fund up to 28 February 2023

Category	6 months to 28.02.2023 %	1 year to 28.02.2023 %	3 year to 28.02.2023 %	Since inception to 28.02.2023 %
Capital growth	0.78	(0.22)	(0.28)	0.37
Income distribution	1.32	2.88	7.20	7.20
Total return of the Fund	2.11	2.65	6.90	7.60
Benchmark	1.60	2.91	8.03	8.35
Average total return	-	2.65	2.25	2.36

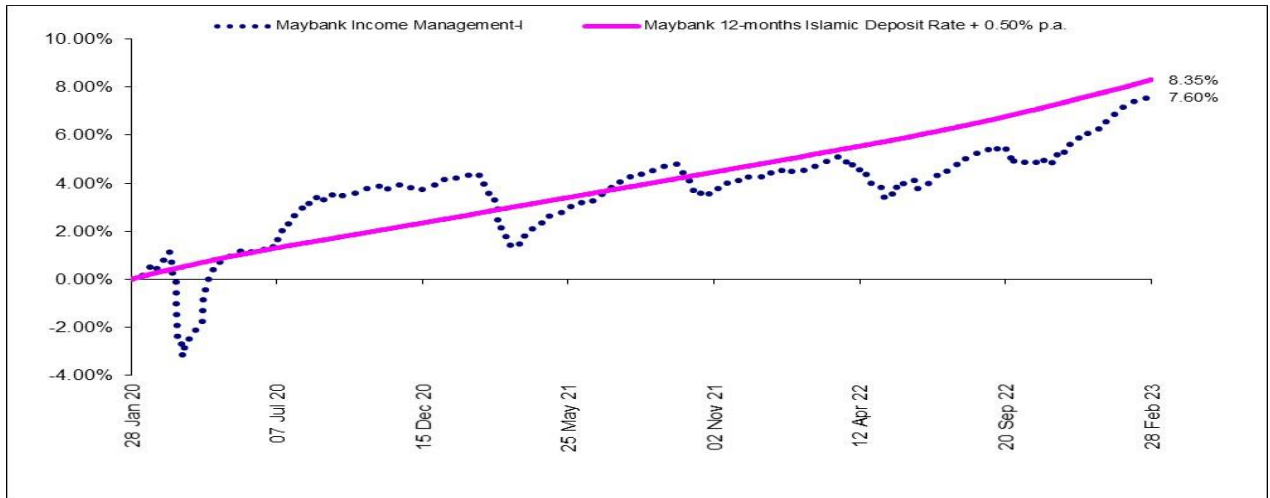
MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial period from 1 September 2022 to 28 February 2023 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 28 February 2023 (cont'd)



Source: Lipper, as at 28 February 2023

The Fund generated a total return of 2.11% for the period under review, outperforming the benchmark return of 1.60% over the corresponding period. The outperformance was due to the income distribution during the period and the recovery in the local Sukuk market that started in October 2022 caused by growing expectations of nearing the end of rate hikes by central banks and a more moderate growth in 2023. Since its inception in January 2020, the Fund generated a return of 7.60%, underperforming the benchmark return of 8.35%.

Overall, the Fund has met its objective with the net income distributions made in the financial period under review.

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.

3. Annual total return of the Fund

Category	28.02.2023 %	31.08.2022 %	31.08.2021 %	31.08.2020 %
Annual total return	2.65	0.77	1.25	3.28
Benchmark	2.91	2.48	2.36	1.67

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 INCOME MANAGEMENT-I FUND

Manager's report

For the financial period from 1 September 2022 to 28 February 2023 (cont'd)

C. Market Review

After the four consecutive 25 basis points ("bps") Overnight Policy Rate ("OPR") hikes to 2.75% by Bank Negara Malaysia ("BNM"), the central bank surprised the market with its decision to maintain its OPR at 2.75% in its January 2023 meeting. The accompanying statement supported the surprise decision to allow the body to assess the impact of previous hikes to the economy before deciding if a further adjustment is needed. Meanwhile, a somewhat dovish United States ("US") Federal Open Market Committee ("FOMC") minutes reaffirmed expectations of slower pace of US Federal Reserve ("Fed") Fund Rate hikes going forward after 4 successive supersized 75bps hikes. These developments on the rate fronts supported the recovery in the local government Sukuk ("govvies").

The 10-year Malaysian Government Securities ("MGS") reached a high of 4.57% in October 2022, 100 bps higher from end-December 2021. The rise saw similar adjustments in corporate Sukuk yields leading to weakening valuations of the asset. However, sentiment towards the global Sukuk market changed shortly after as market started to show recession concerns following US Fed's aggressive supersized Fed Fund rate hikes. The 10-year MGS rallied to a low of 3.72% on healthier demand before closing at 3.91% end-February for a 66 bps decline from the high. The fall saw similar adjustments in corporate Sukuk yields leading to higher valuations of the asset.

D. Market Outlook & Strategies

Looking ahead, we expect the local Sukuk market to continue to see some recovery in the next 6 months as market adjusted to a less hawkish hikes by BNM than initially expected and recession concerns grow over the US and other developed market economies. Recession concerns have seen the long-end United States Treasury ("UST") yields dropped while short-end yields rise on interest rates hikes to see an inversion on the curve which is normally taken as an indicator of rising market expectations of a potential recession in the US.

For fixed income, in a recession, we will see overall profit rates to fall as a weak economy and increase in job losses may force the Fed to reverse the tight monetary policy and ease by cutting profit rates. Therefore, we will see short-end rates falling faster than long-end rates resulting the yield curve to steepen. Credit spreads will also widen in a recession. On local monetary policy, following the 100 bps of cumulative OPR hike in May, July, September and November 2022 to 2.75%, we expect a maximum of one more 25 bps hike by BNM in the next 12 months to bring OPR back to 3.00%. The emphasis on a measured and gradual pace of OPR increases by BNM is an indication that the central bank is likely to continue to adopt a more accommodative hike going forward to ensure it does not derail the domestic economic recovery amidst a volatile global economic scenarios.

Strategy wise, we believe our preference for corporate Sukuk and strong credit selection will continue to protect our portfolio. We will start to look for attractive entry level for govvies for trading opportunities but continue to overweight corporate Sukuk over sovereign Sukuk to anchor the Fund's income in corporate Sukuk' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign Sukuk yields. We prefer strong AA-rated and A-rated papers for yield pickup and potential long-term upgrade. We will look to gradually increase duration as we expect some recovery in local Sukuk market in the next 6 months. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields, as well as Sukuk in the secondary market that has oversold. As of 28 February 2023, the Fund is 96.30% invested in Ringgit Malaysia denominated Sukuk investments.

MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial period from 1 September 2022 to 28 February 2023 (cont'd)

E. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions and rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial period ended 28 February 2023, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023

We have acted as Trustee of Maybank Income Management-I Fund (the "Fund") for the financial period from 1 September 2022 to 28 February 2023. 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 Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation and pricing were carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units were carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of returns for the period were tied to and reflect the objective of the Fund.

For and on behalf of
PB Trustee Services Berhad

Cheah Kuan Yoon
Chief Executive Officer

Kuala Lumpur, Malaysia
28 March 2023

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023

I, Ahmed Muzni Bin Mohamed, being a Director of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Semi-annual Financial Reporting and International Financial Reporting Standards 34 Semi-annual Financial Reporting so as to give a true and fair view of-the financial position of Maybank Income Management-I Fund as at 28 February 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period ended from 1 September 2022 to 28 February 2023 and comply with the requirements of the Deed.

For and on behalf of the Manager

Ahmed Muzni Bin Mohamed
Director

Kuala Lumpur, Malaysia
28 March 2023

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDERS OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 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 Income Management-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 asset 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
27 March 2023

MAYBANK INCOME MANAGEMENT-I FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

		01.09.2022 to 28.02.2023 RM	01.09.2021 to 28.02.2022 RM
INVESTMENT INCOME			
Profit income	4	2,975,903	2,936,655
Net gain/ (loss) on financial assets at fair value through profit or loss ("FVTPL")			
- Realised loss		(406,860)	(2,476,002)
- Unrealised gain		781,130	143,332
		<u>3,350,173</u>	<u>603,985</u>
EXPENSES			
Manager's fee	5	151,038	169,413
Trustee's fee	6	30,208	33,883
Auditors' remuneration		3,959	4,959
Tax agent's fee		1,736	1,736
Shariah advisory fee		7,439	7,439
Administrative expenses		2,059	1,075
		<u>196,439</u>	<u>218,505</u>
Net income before taxation		3,153,734	385,480
Taxation	7	-	-
Net income after taxation and total comprehensive income for the financial period		<u>3,153,734</u>	<u>385,480</u>
Net income after taxation is made up of the following:			
Net realised income		2,372,604	242,148
Net unrealised income		781,130	143,332
		<u>3,153,734</u>	<u>385,480</u>
Distributions for the financial period:			
Net distribution for the year	14	2,013,107	168,105
Gross/ Net distribution for per unit (sen)		1.35	0.10
Distribution date (ex-date)		<u>24 February 2023</u>	<u>23 February 2022</u>

MAYBANK INCOME MANAGEMENT-I FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023**

	Note	01.09.2022 to 28.02.2023 RM	01.09.2021 to 31.08.2022 RM
ASSETS			
Financial assets at FVTPL	8	129,400,275	133,323,503
Shariah-compliant deposits with licensed Islamic financial institutions	9	20,777,364	13,627,246
Profit income receivable		1,463,840	1,496,108
Amount due from Manager	10	498,753	199,501
Amount due from broker	12	-	5,060,700
Cash at bank		86,061	1,530
TOTAL ASSETS		<u>152,226,293</u>	<u>153,708,588</u>
LIABILITIES			
Amount due to Manager	10	30,466	28,194
Amount due to Trustee	11	4,668	5,639
Other payables and accruals		13,621	14,586
TOTAL LIABILITIES		<u>48,755</u>	<u>48,419</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>152,177,538</u>	<u>153,660,169</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			
Unitholders' capital	13(a)	151,943,925	154,567,183
Retained earning/ Accumulated losses	13(b) & (c)	233,613	(907,014)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>152,177,538</u>	<u>153,660,169</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	13(a)	<u>151,614,606</u>	<u>154,229,145</u>
NAV PER UNIT (RM)		<u>1.0037</u>	<u>0.9963</u>

MAYBANK INCOME MANAGEMENT-I FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

	Unitholders' capital Note 13(a) RM	Retained earning Note 13(b) & Note 13(c) RM	Net Assets Attributable to Unitholders RM
At 1 September 2022	154,567,183	(907,014)	153,660,169
Total comprehensive income for the financial period	-	3,153,734	3,153,734
Creation of units	7,289,494	-	7,289,494
Reinvestment of units	2,013,107	-	2,013,107
Cancellation of units	(11,925,859)	-	(11,925,859)
Distributions (Note 14)	-	(2,013,107)	(2,013,107)
At 28 February 2023	<u>151,943,925</u>	<u>233,613</u>	<u>152,177,538</u>
At 1 September 2021	221,618,647	319,354	221,938,001
Total comprehensive income for the financial period	-	385,480	385,480
Creation of units	45,034,589	-	45,034,589
Reinvestment of units	168,105	-	168,105
Cancellation of units	(97,778,278)	-	(97,778,278)
Distributions (Note 14)	-	(168,105)	(168,105)
At 28 February 2022	<u>169,043,063</u>	<u>536,729</u>	<u>169,579,792</u>

MAYBANK INCOME MANAGEMENT-I FUND**UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

01.09.2022	01.09.2021
to	to
28.02.2023	28.02.2022
RM	RM

CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Net payment for purchase of financial assets at FVTPL	(11,721,018)	(23,558,878)
Net proceeds from sale of financial assets at FVTPL	21,079,215	72,657,930
Profit income received	3,008,171	324,085
Manager's fee paid	(155,890)	(180,483)
Trustee's fee paid	(31,179)	(36,097)
Payment of other fees and expenses	(16,153)	(17,502)
Net cash generated from operating and investing activities	<u>12,163,146</u>	<u>49,189,056</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from creation of units	6,990,243	45,034,588
Payment for redemption of units	(11,918,740)	(97,979,178)
Net cash used in financing activities	<u>(4,928,497)</u>	<u>(52,944,590)</u>

NET CHANGE IN CASH AND CASH

EQUIVALENTS FOR THE FINANCIAL PERIOD	7,234,649	(3,755,534)
CASH AND CASH EQUIVALENTS AT THE		
BEGINNING OF THE FINANCIAL PERIOD	<u>13,628,776</u>	<u>49,325,238</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE		
FINANCIAL PERIOD	<u>20,863,425</u>	<u>45,569,704</u>

Cash and cash equivalents comprise:

Cash at bank	86,061	186,805
Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months (Note 9)	<u>20,777,364</u>	<u>45,382,899</u>
	<u>20,863,425</u>	<u>45,569,704</u>

MAYBANK INCOME MANAGEMENT-I FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Income Management-I Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 3 December 2019 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, PB Trustee Services Bhd.

The principal activity of the Fund is to invest a minimum of 70% of the Fund's NAV in MYR-denominated Sukuk issued and/or offered in Malaysia with a minimum Sukuk rating of 'A3' by RAM Holdings Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"). However, if any of the Sukuk held in the Fund has been downgraded to a rating lower than 'A3', the Manager may choose to dispose the Sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold onto the downgraded Sukuk for up to ninety (90) days.

The Manager will also invest up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services License ("CMSL") 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. Maybank AM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a subsidiary of MAMG and is a holder of CMSL to carry out Islamic fund management business pursuant to Section 61 of the CMSA.

The roles 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 Maybank MAM.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance to Malaysian Financial Reporting Standards 134 Interim Financial Reporting ("MFRS 134") and International Accounting Standards 34 Interim Financial Reporting.

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

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to 2.14 in the financial statements.

MAYBANK INCOME MANAGEMENT-I FUND

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

2.2 Standards and amendments to standards 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: Insurance Contracts	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to IFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Fund expects that the adoption of the above standards and amendments to standards will not have any material impact on the financial statements in the period of initial application.

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument.

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

2.4 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.

MAYBANK INCOME MANAGEMENT-I FUND

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

2.4 Financial assets (cont'd)

(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 and amount due from Manager as financial assets at amortised cost, and are subsequently measured 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 assets and of allocating and recognising the profit income in profit or loss over the relevant period.

(ii) Financial assets at FVTPL

Investments in Sukuk is 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.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. Profit income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

MAYBANK INCOME MANAGEMENT-I FUND

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

2.4 Financial assets (cont'd)

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

The carrying cost of unquoted fixed income securities denominated in RM are revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency ("BPA") registered with the Securities Commission Malaysia ("SC"). Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- records its basis for using a non-BPA price;
- obtain necessary internal approvals to the use of non-BPA price; and
- keeps an audit trail of all decisions and basis for adopting the market yield.

Changes in the fair value of FVTPL investments are recognised in 'unrealised 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 of financial assets

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 (financial assets that are debt instruments). The impairment model does not apply to equity investments.

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

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

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

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

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

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

MAYBANK INCOME MANAGEMENT-I FUND

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

2.4 Financial assets (cont'd)

(iv) Derecognition of financial assets

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, 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, amount due to broker and other payables and accruals as other 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 effective profit rate method.

(iii) Derecognition

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

MAYBANK INCOME MANAGEMENT-I FUND

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

2.6 Fair value measurement

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

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

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

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

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

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

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

MAYBANK INCOME MANAGEMENT-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 classified 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 profit or loss of the Fund.

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

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. 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 distributions is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the financial year/ period in which it is approved. Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

2.10 Cash and cash equivalents

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

2.11 Revenue/ Income

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

Profit income from Sukuk and Shariah-compliant deposits with licensed Islamic financial institutions are recognised on the accruals basis using the EPR method.

Realised gain or loss on disposal of Sukuk is measured as the difference between the net proceeds and its carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation of premium.

Other income such as consent fee payment from Sukuk issuer are recognised on an accrual basis when the right to receive has been established.

Other revenue 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.

MAYBANK INCOME MANAGEMENT-I FUND

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

2.12 Taxation

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

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

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

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 Critical accounting estimates and judgements

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

No major 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. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund during the financial period from 1 September 2022 to 28 February 2023 is Shariah-compliant.

4. PROFIT INCOME

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 28.02.2022 RM
Profit income from Sukuk	2,980,884	2,898,103
Profit income from Shariah-compliant deposits	258,966	321,609
Amortisation of premium, net of accretion of discount	(263,947)	(283,057)
	<u>2,975,903</u>	<u>2,936,655</u>

MAYBANK INCOME MANAGEMENT-I FUND

5. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 0.40% (01.08.2021 to 28.02.2022 : 0.40%) per annum ("p.a.") on 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 is computed on a daily basis at 0.04% p.a. (01.08.2021 to 28.02.2022 : 0.04%) of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

7. TAXATION

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 28.02.2022 RM
Tax charge for the financial period:		
Current income tax expense	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.09.2021 to 28.02.2022: 24%) of the estimated assessable income for the financial period.

The tax charge for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, the profit income earned by the Fund from its investment in Sukuk and Shariah-compliant deposits 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 is as follows:

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 28.02.2022 RM
Net income before taxation	3,153,734	385,480
Tax at Malaysian statutory rate of 24% (01.09.2021 to 28.02.2022: 24%)	756,896	92,515
Income not subject to tax	(901,687)	(739,196)
Loss not deductible for tax purposes	97,646	594,240
Expenses not deductible for tax purposes	47,145	52,441
Tax expense for the financial period	-	-

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL

			28.02.2023	31.08.2022
			RM	RM
Sukuk			129,400,275	165,039,402
				Percentage
Sukuk	Quantity	Aggregate	Market	of
	Unit	Cost	Value	NAV
		RM	RM	%
28.02.2023				
Aeon Credit Service (M) Bhd - 3.85%/ 10.02.2028	5,000,000	5,000,021	4,846,400	3.18
Amanat Lebuhraya Rakyat Bhd - 4.77%/ 13.10.2027	4,600,000	4,599,766	4,705,340	3.09
Cypark Ref Sdn Bhd - 6.40%/ 30.06.2025	5,000,000	5,060,347	4,990,750	3.28
DRB-Hicom Sdn Bhd - 4.850% 04.08.2028	5,000,000	5,011,518	4,907,500	3.22
- 5.08%/ 30.08.2030	3,000,000	3,011,207	2,936,160	1.93
Edra Energy Sdn Bhd - 6.35%/ 05.07.2033	5,000,000	5,961,567	5,518,100	3.63
Evyap Sabun Malaysia Sdn Bhd - 4.05%/ 30.12.2025	5,000,000	4,999,774	4,831,450	3.17
- 4.90% 20.11.2026	5,000,000	5,008,086	4,914,000	3.23
Fortune Premiere Sdn Bhd - 4.80%/ 13.03.2023 *	5,000,000	5,001,678	5,001,950	3.29
- 5.05%/ 05.09.2025	3,000,000	3,106,386	3,045,570	2.00
Gamuda Bhd - 4.26%/ 16.11.2023	5,000,000	5,004,212	5,002,250	3.29
Gamuda Land Bhd - 3.75%/ 12.08.2027	3,000,000	3,000,019	2,907,930	1.91
Malaysia Airports Holdings Bhd - 3.30%/ 05.11.2027	2,000,000	1,999,938	1,907,820	1.25
MMC Corporation - 5.95%/ 12.11.2027	5,000,000	5,347,870	5,272,350	3.46

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
28.02.2023 (cont'd)				
MRCB Bhd - 3.85%/ 14.08.2023	5,000,000	4,992,830	4,978,950	3.27
Bank Muamalat Malaysia Bhd - 4.50%/ 13.06.2031	5,000,000	4,999,693	4,981,400	3.27
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	4,000,000	3,998,303	3,950,920	2.60
Perbadanan Kemajuan Pertanian Negeri Pahang - 3.96%/ 30.10.2024	2,000,000	2,001,199	1,967,100	1.29
Projek Lebuhraya Usahasama - 4.56%/ 12.01.2024	5,000,000	5,084,965	5,030,450	3.31
Perusahaan Otomobil Nasional Sdn Bhd - 4.99%/ 30.06.2027	2,500,000	2,499,829	2,549,550	1.68
Pelabuhan Tanjung Pelepas - 3.40%/ 28.08.2030	5,000,000	4,999,964	4,564,150	3.00
S P Setia Berhad - 4.22%/ 21.04.2027	5,000,000	4,999,778	4,953,000	3.26
Sime Darby Property Bhd - 3.42%/ 03.12.2027	3,000,000	2,999,891	2,893,470	1.90
Sarawak Energy Bhd - 4.70%/ 24.11.2028	4,500,000	4,860,644	4,630,455	3.04
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	5,000,000	5,002,831	4,927,700	3.24
Tanjung Bin Energy Issuer Bhd - 6.20%/ 16.03.2032	5,000,000	6,029,127	5,048,000	3.32

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
28.02.2023 (cont'd)				
TG Excellence Bhd - 3.95%/ 27.02.2025	5,000,000	4,999,997	4,915,700	3.24
Tropicana Corporation Bhd - 5.50%/ 30.06.2023	3,400,000	3,399,758	3,400,510	2.23
UEM Sunrise Bhd - 4.30%/ 16.02.2026	5,000,000	5,015,121	4,872,150	3.20
Widad Group Berhad - 3.99%/ 28.03.2025	5,000,000	5,006,923	4,949,200	3.25
Total Sukuk	130,000,000	133,003,242	129,400,275	85.03
Unrealised loss on financial assets at FVTPL			<u>(3,602,967)</u>	
31.08.2022				
Aeon Credit Service (M) Bhd - 3.85% / 10.02.2027	5,000,000	5,000,020	4,820,750	3.14
Cypark Ref Sdn Bhd - 4.87% / 30.06.2025	5,000,000	5,072,464	5,004,000	3.26
DRB-Hicom Sdn Bhd - 4.55% / 12.12.2024	5,000,000	4,957,449	5,010,200	3.26
- 4.85% / 04.08.2028	5,000,000	5,012,419	4,842,500	3.15
- 5.08% / 30.08.2030	3,000,000	3,011,816	2,894,880	1.88
Edra Energy Sdn Bhd - 6.35% / 5.07.2033	5,000,000	5,998,259	5,581,450	3.63
Evyap Sabun Malaysia Sdn Bhd - 4.05% / 30.12.2025	5,000,000	4,999,771	4,816,350	3.13
- 4.90% / 30.12.2025	5,000,000	5,009,101	4,906,300	3.19

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
31.08.2022 (cont'd)				
Fortune Premiere Sdn Bhd - 5.05% / 05.09.2025	5,000,000	5,210,763	5,083,100	3.31
Gamuda Bhd - 4.79% / 16.03.2023	5,000,000	5,055,311	5,039,750	3.28
- 3.75% / 12.08.2027	5,000,000	5,000,028	4,818,950	3.14
Malaysia Airports Holdings Bhd - 3.30% / 05.11.2027	5,000,000	4,999,846	4,780,600	3.11
MMC Corporation Berhad - 5.95% / 12.11.2027	5,000,000	5,380,784	5,315,400	3.46
MRCB Bhd - 3.85% / 14.08.2023	3,000,000	3,002,719	2,985,090	1.94
Bank Muamalat (M) Bhd - 4.50% / 13.06.2031	5,000,000	4,999,690	4,939,950	3.21
OSK Rated Bond Sdn Bhd - 4.39% / 28.04.2028	6,000,000	5,997,269	5,894,820	3.84
Perbadanan Kemajuan Pertanian Negeri Pahang - 3.96% / 30.10.2024	2,000,000	2,001,568	1,964,760	1.28
Projek Lebuhraya Usahasama Bhd - 4.56% / 12.01.2024	5,000,000	5,103,415	5,066,550	3.30
PONSB Capital Berhad - 4.99% / 30.06.2027	2,500,000	2,499,827	2,550,500	1.66

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk (cont'd)	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
31.08.2022 (cont'd)				
Pelabuhan Tanjung Pelepas Sdn Bhd - 3.40% / 28.08.2030	5,000,000	4,999,951	4,520,500	2.94
S P Setia Berhad - 4.22% / 21.04.2027	5,000,000	4,999,781	4,954,750	3.22
Sime Darby Property Bhd - 3.42% / 03.12.2027	5,000,000	4,999,819	4,788,000	3.12
Sarawak Energy Bhd - 4.70% / 24.11.2028	4,500,000	4,888,930	4,599,855	2.99
Sunway Treasury Sukuk Sdn Bhd - 3.55% / 10.09.2024	5,000,000	5,003,738	4,922,900	3.20
Tanjung Bin Energy Bhd - 6.20% / 16.03.2032	5,000,000	6,077,073	5,035,200	3.28
TG Excellence Bhd - 3.95% / 27.02.2025	5,000,000	4,999,984	4,960,050	3.23
Tropicana Corporation Bhd - 5.50% / 30.06.2023	3,400,000	3,399,812	3,407,548	2.22
UEM Sunrise Bhd - 4.30% / 16.02.2026	5,000,000	5,017,458	4,872,300	3.18
Widad Group Berhad - 3.99% / 28.03.2025	5,000,000	5,008,535	4,946,500	3.22
Total Sukuk	134,400,000	137,707,600	133,323,503	86.77
Unrealised loss on financial assets at FVTPL			(4,384,097)	

* The investment on Sukuk from Fortune Premiere Sdn Bhd was fully redeemed on the maturity date, 13 March 2023.

MAYBANK INCOME MANAGEMENT-I FUND

9. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS

	28.02.2023 RM	31.08.2022 RM
Shariah-compliant deposits with licensed Islamic financial institutions	<u>20,777,364</u>	<u>13,627,246</u>

The weighted average effective profit rates ("WAEPR") p.a. and average maturity of Shariah-compliant deposits with licensed Islamic financial institutions as at the reporting date are as follows:

	28.02.2023		31.08.2022	
	WAEPR % p.a.	Average maturity Days	WAEPR % p.a.	Average maturity Days
Shariah-compliant deposits with maturity of - less than 3 months	<u>2.68</u>	<u>1</u>	<u>2.20</u>	<u>2</u>

10. AMOUNT DUE FROM/ TO MANAGER

	Note	28.02.2023 RM	31.08.2022 RM
(a) Amount due from Manager			
Subscription of units	(i)	<u>498,753</u>	<u>199,501</u>
(b) Amount due to Manager			
Redemption of units	(ii)	7,124	-
Manager's fee	(iii)	<u>23,342</u>	<u>28,194</u>
		<u>30,466</u>	<u>28,194</u>

(i) The amount represents amount receivable from the Manager for units subscribed.

(ii) The amount represents amount payable to the Manager for units redeemed.

(iii) The amount represents the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (31.08.2022: 15 days).

11. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accruals for Trustee's fee at the reporting date. The normal credit term for the Trustee's fee is 15 days (31.08.2022 : 15 days).

12. AMOUNT DUE FROM BROKERS

The amount due from brokers relate to the amount to be receiveable from the brokers arising from the sales of investments. The settlement period for these receiveables are within 3 working days (31.08.2022 : 3 working days) from the deal date.

MAYBANK INCOME MANAGEMENT-I FUND

13. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	28.02.2023 RM	31.08.2022 RM
Unitholders' capital	(a)	151,943,925	154,567,183
Accumulated realised income	(b)	3,836,580	3,477,083
Accumulated unrealised loss	(c)	(3,602,967)	(4,384,097)
		<u>152,177,538</u>	<u>221,938,001</u>

(a) Unitholders' capital

	01.09.2022 to 28.02.2023		01.09.2021 to 31.08.2022	
	No. of units	RM	No. of units	RM
At the beginning of the financial period/ year	154,229,145	154,567,183	220,928,383	221,618,647
Creation of units	7,250,900	7,289,494	85,876,471	86,142,666
Reinvestment of units	2,005,686	2,013,107	2,452,595	2,444,880
Cancellation of units	(11,871,125)	(11,925,859)	(155,028,304)	(155,639,010)
At the end of the financial period/ year	<u>151,614,606</u>	<u>151,943,925</u>	<u>154,229,145</u>	<u>154,567,183</u>

As at the end of the financial period/ year, the total number and value of units held legally or beneficially by the Manager and its related party are as follows:

	28.02.2023		31.08.2022	
	No. of units	RM	No. of units	RM
The Manager	<u>1,072</u>	<u>1,076</u>	<u>1,054</u>	<u>1,050</u>

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

(b) Accumulated realised income

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 31.08.2022 RM
At beginning of financial period/ year	3,477,083	2,759,065
Net realised income for the financial period/ year	2,372,604	3,162,898
Distributions out of realised reserve (Note 14)	(2,013,107)	(2,444,880)
At end of the financial period/ year	<u>3,836,580</u>	<u>3,477,083</u>

MAYBANK INCOME MANAGEMENT-I FUND

13. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

(c) Accumulated unrealised loss

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 31.08.2022 RM
At beginning of financial period/ year	(4,384,097)	(2,439,711)
Net unrealised income/ (loss) for the financial period/ year	781,130	(1,944,386)
At end of the financial period/ year	<u>(3,602,967)</u>	<u>(4,384,097)</u>

14. DISTRIBUTIONS

Net distributions to unitholders are from the following sources:

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 31.08.2022 RM
Profit income	2,209,959	2,754,151
Less: Expenses	(196,852)	(309,271)
Distributions for the financial period/ year	<u>2,013,107</u>	<u>2,444,880</u>

Distribution date (ex-date)	Gross/ Net distribution per unit (sen)
28.02.2023	
24 February 2023	<u>1.35</u>
31.08.2022	
23 February 2022	0.10
24 August 2022	<u>1.50</u>
	<u>1.60</u>

The distributions declared were settled in the form of units and presented as 'reinvestment of units' in Note 13(a) on payment date.

MAYBANK INCOME MANAGEMENT-I FUND

15. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

Details of transactions with brokers/ dealers for the financial period/ year are as follows:

	01.09.2022 to 28.02.2023		01.09.2021 to 31.08.2022	
	Value of trade RM	Percentage of total trade %	Value of trade RM	Percentage of total trade %
CIMB Investment Bank Bhd	8,953,100	48.99	7,646,000	6.10
Affin Hwang Investment Bank Bhd	5,006,750	27.40	11,790,600	9.40
Hong Leong Bank Bhd	4,792,800	26.23	36,647,300	29.22
MBB *	4,600,000	25.17	15,010,000	11.97
RHB Investment Bank Bhd	1,989,800	10.89	43,926,536	35.02
Hong Leong Islamic Bank Bhd	1,884,200	10.31	-	-
CIMB Islamic Bank Bhd	-	-	5,282,500	4.21
Standard Chartered Bank Bhd	-	-	5,113,000	4.08
	18,273,550	100.00	107,374,436	86

Details of transactions, primarily Shariah-compliant deposits with licensed Islamic financial institutions for the financial period/ year are as follows:

	28.02.2023		31.08.2022	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Maybank Islamic Bhd ("MIB") **	778,135,000	32.77	2,387,860,000	24.70
Hong Leong Islamic Bank Bhd	1,596,267,654	67.23	7,278,858,090	75.30
	2,374,402,654	100.00	9,666,718,090	100.00

* MBB is the ultimate holding company of the Manager.

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

MAYBANK INCOME MANAGEMENT-I FUND

16. 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, below are the significant related party transactions and balances of the Fund.

(a) Significant related party transactions

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 31.08.2022 RM
<u>MIB:</u> Profit Income	83,962	163,916

(b) Significant related party balances

	28.02.2023 RM	31.08.2022 RM
<u>MIB:</u> Cash at bank	86,061	1,530
Shariah-compliant deposits	20,777,364	183,000
Profit receivable	520	21
	20,863,945	184,551

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.

17. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial period from 1 September 2022 to 28 February 2023, the TER of the Fund stood at 0.13%. (31.08.2022 : 0.25%).

18. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 September 2022 to 28 February 2023, the PTR of the Fund stood at 0.11 times (31.08.2022 : 0.34 times).

MAYBANK INCOME MANAGEMENT-I FUND

19. SEGMENT INFORMATION

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

The PMC is responsible for the performance of the Fund by investing a minimum of 70% of the Fund's NAV in MYR-denominated Sukuk. Up to 30% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits. The Fund may also invest up to 30% of its NAV investment in non-MYR denominated Sukuk should the EIM deems the investments to be in line with the objective of the Fund.

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 period from 1 September 2022 to 28 February 2023.

20. FAIR VALUE HIERARCHY

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

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

	Level 1	Level 2	Level 3
	RM	RM	RM
28.02.2023			
Financial assets at FVTPL	-	129,400,275	-
	<hr/>	<hr/>	<hr/>
31.08.2022			
Financial assets at FVTPL	-	133,323,503	-
	<hr/>	<hr/>	<hr/>

MAYBANK INCOME MANAGEMENT-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 generate higher returns the prescribed benchmark as indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to ensure that the operations of the Fund are cost-efficient.

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