

**Asset Management**

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# MAYBANK RETAIL MONEY MARKET-I FUND

Annual report  
For the financial year ended 31 July 2023

## **CORPORATE INFORMATION**

### **MANAGER**

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

Maybank Islamic Asset Management Sdn Bhd (201301012623) (1042461-K)  
Level 12, Tower C,  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
Telephone +603 2297 7872  
Facsimile +603 2297 7898

### **TRUSTEE**

RHB Trustees Berhad (200201005356) (573019-U)  
Level 10, Tower One  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Telephone +603 9287 3888  
Facsimile +603 9281 9314

### **SHARIAH ADVISER**

Amanie Advisors Sdn Bhd (200501007003) (684050-H)  
Level 13A-2  
Menara Tokio Marine Life  
189 Jalan Tun Razak  
50400 Kuala Lumpur  
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Facsimile +603 2161 0262

## **MAYBANK RETAIL MONEY MARKET-I FUND**

<b>CONTENTS</b>	<b>PAGE</b>
Manager's report	(i) - (v)
Trustee's report	1
Statement by Manager	2
Report of the Shariah Adviser	3
Independent auditors' report	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in net assets attributable to unitholders	10
Statement of cash flows	11
Notes to the financial statements	12 - 28

## **MAYBANK RETAIL MONEY MARKET-I FUND**

### **Manager's report**

**For the financial year ended 31 July 2023**

#### **A. Fund Information**

**1. Name of the Fund**

Maybank Retail Money Market-I Fund ("Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Islamic money market fund

**4. Duration of the Fund**

The Fund is an open-ended Fund.

**5. Launch date**

3 November 2021

**6. Fund's investment objective**

The Fund aims to provide investors with liquidity and regular income stream to meet cash flow requirements based on Shariah principles while preserving capital.

Note: Capital preservation does not signify that the capital/ principal invested is guaranteed/ protected by any party.

**7. Fund distribution policy**

Subject to availability of income, the Fund endeavours to distribute income on a monthly basis.

**8. Fund's performance benchmark**

Maybank Islamic Overnight rate

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

The Fund will invest at least 90% of the Fund's assets in Islamic deposits, short-term Islamic money market instruments and short-term Sukuk. Up to 10% of the Fund's assets will be invested in high quality Sukuk which have a remaining maturity period of more than 397 days but fewer than 732 days.

## MAYBANK RETAIL MONEY MARKET-I FUND

### Manager's report

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

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

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

The Fund distributed a net income of RM13,594,010 to unitholders for the financial year ended 31 July 2023. Below is the impact of the distributions to the Fund's NAV:

Entitlement date	Payment date	Before distribution RM	After distribution RM	Gross/ Net distribution sen	Changes %
24.08.2022	30.08.2022	1.0069	1.0051	0.18	(0.18)
26.09.2022	30.09.2022	1.0072	1.0052	0.20	(0.20)
26.10.2022	31.10.2022	1.0072	1.0047	0.25	(0.25)
25.11.2022	30.11.2022	1.0069	1.0039	0.30	(0.30)
27.12.2022	30.12.2022	1.0066	1.0053	0.13	(0.13)
26.01.2023	31.01.2023	1.0080	1.0066	0.14	(0.14)
23.02.2023	28.02.2023	1.0093	1.0073	0.20	(0.20)
28.03.2023	31.03.2023	1.0105	1.0073	0.32	(0.32)
25.04.2023	28.04.2023	1.0099	1.0073	0.26	(0.26)
26.05.2023	31.05.2023	1.0106	1.0079	0.27	(0.27)
26.06.2023	30.06.2023	1.0106	1.0078	0.28	(0.28)
26.07.2023	31.07.2023	1.0106	1.0083	0.23	(0.23)
				<u>2.76</u>	

#### B. Performance Review

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

Category	01.08.2022 to 31.07.2023	03.11.2021 (date of launch) to 31.07.2022
<b>Portfolio</b>		
Shariah-compliant deposits (%)	99.78	99.83
Cash and other net assets (%)	0.22	0.17
Total (%)	<u>100.00</u>	<u>100.00</u>
NAV (RM'000)	973,600	193,461
Units in circulation ('000) (units)	965,133	192,415
NAV per unit (RM)	1.0088	1.0054
Highest NAV per unit (RM)	1.0105	1.0067
Lowest NAV per unit (RM)	1.0039	0.8232
Annual return (%) <sup>(1)</sup>		
- Capital growth (%)	0.35	0.53
- Income distribution (%)	2.78	0.97
Total return (%)	3.13	1.50
Benchmark (%)	1.07	0.23

## MAYBANK RETAIL MONEY MARKET-I FUND

### Manager's report

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

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

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

Category	01.08.2022 to 31.07.2023	03.11.2021 (date of launch) to 31.07.2022
Net income distributed (RM)	13,594,010	2,016,484
Distribution dates (ex-date)	Please refer to Note 10 of financial statement	
Gross/ Net distribution per unit (sen)	2.76	0.97
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	0.28	0.21
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	-	-

#### Notes:

- (1) Actual return of the Fund for the financial year/ period is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER increased to 0.28% due to higher expenses incurred in the financial year under review.
- (3) PTR is not applicable for this Fund as the Fund invested only in Shariah-compliant deposits during the year/ period under review.

##### 2. Performance of the Fund for the financial year ended 31 July 2023

Category	1 year to 31.07.2023 %	Since Inception to 31.07.2023 %
Capital growth	0.35	0.88
Income distribution	2.78	3.77
Total return of the Fund	3.13	4.69
Benchmark	1.07	1.31
Average total return	3.13	2.67

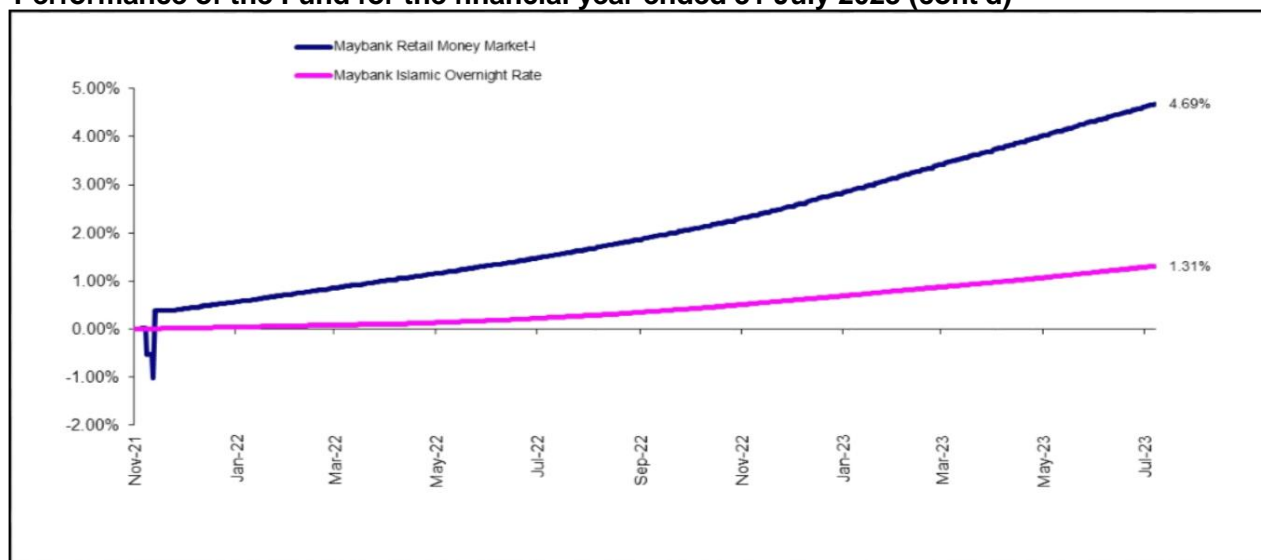
## MAYBANK RETAIL MONEY MARKET-I FUND

### Manager's report

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

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

##### 2. Performance of the Fund for the financial year ended 31 July 2023 (cont'd)



Source: Lipper as at 31 July 2023

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.

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

The outperformance was mainly due to better returns from its deposits with selective financial institutions.

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

For the financial year/ period	31.07.2023 %	31.07.2022 %
Capital growth	0.35	0.53
Income return	2.78	0.97
Total return	3.13	1.50
Benchmark	1.07	0.23

##### 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 RETAIL MONEY MARKET-I FUND**

### **Manager's report**

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

#### **C. Market Review**

BNM has left the Overnight Policy Rate (“OPR”) unchanged at 3.00% during its Monetary Policy Committee (“MPC”) meeting on 6 July 2023 after raising it by 25 basis points (“bps”) in May 2023. This comes as recent domestic economic data is pointing to slower economic growth and moderating inflationary pressure. Bank Negara Malaysia (“BNM”) remains downbeat on global economy prospects due to disappointing China recovery, slower momentum in major economies, persistent core inflation and higher interest rates.

#### **D. Market Outlook and Strategies**

In Malaysia, the slower economic growth in recent months was weighed down by weaker external demand, but BNM expects the 2H23 growth to continue to be driven by resilient domestic demand. BNM forecasts economic growth of 4.0% - 5.0% in 2023 (2022: 8.7%). Elsewhere, both headline and core inflation are projected to trend lower to a range of 2.8% - 3.8% for 2023. The balance of risk to the inflation outlook is highly subject to any domestic policy changes on price controls and subsidies, degree of persistence in core inflation, financial market development as well as global commodity prices.

The Manager monitors the liquidity requirements closely in order to place money market deposits in appropriate tenures which will satisfy the liquidity requirements and also position of the Fund to capitalise on any profit rate movement. The Manager also actively looks for products from licensed financial institutions that provide better yields. Hence, the Manager has resorted to maintain the deposit placement up to six months and at the same time reserved cash in short-term tenure for liquidity requirement.

#### **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 year ended 31 July 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 demonstrable benefits to the unitholders.



## Trustee's Report

### TO THE UNIT HOLDERS OF MAYBANK RETAIL MONEY MARKET-I FUND FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

We have acted as Trustee of Maybank Retail Money Market-I Fund ("the Fund") for the financial year ended 31 July 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
- (b) Valuation and pricing is carried out in accordance with the deed; and
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

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

For and on behalf of  
**RHB TRUSTEES BERHAD**  
[Company No.:200201005356 (573019-U)]

**WONG CHOOI YIN**  
Assistant Vice President

**LIM BEE FANG**  
Assistant Vice President

Kuala Lumpur, Malaysia  
19 September 2023

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK RETAIL MONEY MARKET-I FUND  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

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

For and on behalf of the Manager

**Dr Hasnita Binti Dato' Hashim**  
Chairman

**Ahmed Muzni Bin Mohamed**  
Director

Kuala Lumpur, Malaysia  
19 September 2023

## **REPORT OF THE SHARIAH ADVISER**

### **TO THE UNITHOLDERS OF MAYBANK RETAIL MONEY MARKET-I FUND FOR THE FINANCIAL YEAR ENDED 31 JULY 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 Retail Money Market-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 comprises instruments that have been classified as Shariah compliant.

For and on behalf of  
**Amanie Advisors Sdn Bhd**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur, Malaysia  
19 September 2023

## **Independent auditors' report to the Unitholders of Maybank Retail Money Market-I Fund**

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

#### *Opinion*

We have audited the financial statements of Maybank Retail Money Market-I Fund (the "Fund"), which comprise the statement of financial position as at 31 July 2023, and statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the financial year ended 31 July 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 28.

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

#### *Basis for opinion*

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

#### *Independence and other ethical responsibilities*

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

#### *Information other than the financial statements and auditors' report thereon*

The Manager 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.

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 Retail Money Market-I Fund (cont'd)**

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

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

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

### *Responsibilities of the Manager and Trustee for the financial statements*

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

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

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

### *Auditors' responsibilities for the audit of the financial statements*

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

## **Independent auditors' report to the Unitholders of Maybank Retail Money Market-I Fund (cont'd)**

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional 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 Retail Money Market-I Fund (cont'd)**

Other matters

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

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

Yeo Beng Yean  
03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
19 September 2023

**MAYBANK RETAIL MONEY MARKET-I FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

		<b>01.08.2022</b>	<b>03.11.2021</b>
		<b>to</b>	<b>(date of launch)</b>
		<b>31.07.2023</b>	<b>to</b>
	<b>Note</b>	<b>RM</b>	<b>31.07.2022</b>
			<b>RM</b>
<b>INCOME</b>			
Profit income	3	16,123,546	2,576,814
<b>EXPENSES</b>			
Manager's fee	4	1,128,384	299,525
Trustee's fee	5	90,271	23,154
Auditors' remuneration		7,700	8,374
Tax agent's fee		4,500	4,454
Administrative expenses		11,478	7,899
		<u>1,242,333</u>	<u>343,406</u>
<b>Net income before taxation</b>		14,881,213	2,233,408
Taxation	6	-	-
<b>Net income after taxation, which is the total comprehensive income for the financial year/ period</b>		<u>14,881,213</u>	<u>2,233,408</u>
<b>Net income after taxation is made up of the following:</b>			
Net realised income		<u>14,881,213</u>	<u>2,233,408</u>
<b>Total distributions for the financial year/ period comprised the following:</b>			
Net distribution	10	<u>13,594,010</u>	<u>2,016,484</u>
Gross/ Net distribution per unit (sen)		<u>2.76</u>	<u>0.97</u>
Distribution date (ex-date)		<u>Refer to Note 10</u>	<u>Refer to Note 10</u>

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



## MAYBANK RETAIL MONEY MARKET-I FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	Note	31.07.2023 RM	31.07.2022 RM
<b>ASSETS</b>			
Shariah-compliant deposits with licensed financial institutions	7	971,448,724	193,137,305
Profit income receivables		4,597,404	482,956
Amount due from Manager	8	-	1,500
Cash at bank		1,015	885
<b>TOTAL ASSETS</b>		<b>976,047,143</b>	<b>193,622,646</b>
<b>LIABILITIES</b>			
Amount due to Manager	8	199,224	141,753
Amount due to Trustee		15,938	3,298
Distribution payable		2,220,586	-
Other payables and accruals		11,076	16,463
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<b>2,446,824</b>	<b>161,514</b>
<b>NET ASSETS VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND</b>		<b>973,600,319</b>	<b>193,461,132</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' contribution	9(a)	972,096,192	193,244,208
Retained earnings	9(b)	1,504,127	216,924
		<b>973,600,319</b>	<b>193,461,132</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	9(a)	<b>965,132,649</b>	<b>192,414,861</b>
<b>NAV PER UNIT (RM)</b>		<b>1.0088</b>	<b>1.0054</b>

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

## MAYBANK RETAIL MONEY MARKET-I FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	<b>Unitholders' contribution Note 9(a) RM</b>	<b>Retained earnings Note 9(b) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 August 2022	193,244,208	216,924	193,461,132
Total comprehensive income for the year	-	14,881,213	14,881,213
Creation of units	1,581,404,198	-	1,581,404,198
Reinvestment of units	11,373,424	-	11,373,424
Cancellation of units	(813,925,638)	-	(813,925,638)
Distributions (Note 10)	-	(13,594,010)	(13,594,010)
At 31 July 2023	<u>972,096,192</u>	<u>1,504,127</u>	<u>973,600,319</u>
At 3 November 2021 (date of launch)	-	-	-
Total comprehensive income for the period	-	2,233,408	2,233,408
Creation of units	323,088,204	-	323,088,204
Reinvestment of units	2,016,484	-	2,016,484
Cancellation of units	(131,860,480)	-	(131,860,480)
Distributions (Note 10)	-	(2,016,484)	(2,016,484)
At 31 July 2022	<u>193,244,208</u>	<u>216,924</u>	<u>193,461,132</u>

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

**MAYBANK RETAIL MONEY MARKET-I FUND**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

	<b>01.08.2022</b>	<b>03.11.2021</b>
	<b>to</b>	<b>(date of launch)</b>
	<b>31.07.2023</b>	<b>to</b>
	<b>RM</b>	<b>31.07.2022</b>
		<b>RM</b>
<b>CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES</b>		
Placement in Shariah-compliant deposits with maturity more than 3 months	(254,028,798)	(20,000,000)
Profit from Islamic deposits received	12,009,098	2,093,858
Manager's fee paid	(970,383)	(258,302)
Trustee's fee paid	(77,631)	(19,856)
Other expenses paid	(29,065)	(4,264)
Net cash used in operating and investing activities	<u>(243,096,779)</u>	<u>(18,188,564)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	1,581,405,698	323,086,704
Payments for cancellation of units	<u>(814,026,168)</u>	<u>(131,759,950)</u>
Net cash generated from financing activities	<u>767,379,530</u>	<u>191,326,754</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>524,282,751</b>	<b>173,138,190</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/ PERIOD</b>	<u>173,138,190</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/ PERIOD</b>	<u><b>697,420,941</b></u>	<u><b>173,138,190</b></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	1,015	885
Shariah-compliant deposits with licensed financial institutions with maturity of less than 3 months (Note 7)	<u>697,419,926</u>	<u>173,137,305</u>
	<u><b>697,420,941</b></u>	<u><b>173,138,190</b></u>

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

## **MAYBANK RETAIL MONEY MARKET-I FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

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

Maybank Retail Money Market-I Fund ("the Fund") was constituted pursuant to the executed Deed dated 15 April 2021 and subsequently there is a First Supplemental Deed dated 4 November 2022 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, RHB Trustees Berhad.

The Fund aims to achieve its objective by investing in liquid and low risk Shariah-compliant short-term investments with a high degree of capital preservation.

The Fund will invest at least 90% of the Fund's NAV in Islamic deposits, short-term Islamic money market instruments and short-term Sukuk. Up to 10% of the Fund's NAV will be invested in high quality Sukuk which have a remaining maturity period of more than 397 days but fewer than 732 days.

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 Malayan Banking Berhad ("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 19 September 2023.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

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

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

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

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

## MAYBANK RETAIL MONEY MARKET-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 and 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 year/ periods beginning on or after
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax Related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112: <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023
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 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 year/ period of initial application.

#### 2.3 Financial instruments

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

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

#### 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 RETAIL MONEY MARKET-I FUND

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

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

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

The Fund classifies profit income receivables, amount due from Manager and cash at bank as financial assets at amortised cost.

Unless designated 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.

These assets are subsequently measured using the effective profit rate ("EPR") method and are subject to impairment. The EPR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the profit income in profit or loss over the relevant year/ period.

##### (ii) Impairment

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

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

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

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

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

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

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

## **MAYBANK RETAIL MONEY MARKET-I FUND**

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

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

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

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

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

#### **2.5 Financial liabilities**

##### **(i) Classification**

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

The EPR 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/ period.

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

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

#### **2.6 Unitholders' contribution**

The unitholders' contributions to the Fund are classified as equities under MFRS 132: *Financial Instruments: Presentation*.

The outstanding units are carried at the redemption amount that is payable at each financial year/ 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.

## **MAYBANK RETAIL MONEY MARKET-I FUND**

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

#### **2.7 Distributions**

Distribution is declared at the discretion of the Fund Manager based on the availability of distributable income. Distribution is either reinvested or paid in cash to the unitholders on the income payment date.

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves in the statement of changes in net assets attributable to unitholders 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.

#### **2.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and deposits with financial institutions with original maturity of three (3) months or less which have an insignificant risk of changes in value.

#### **2.9 Revenue/ Income**

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

Profit income from deposits with licensed financial institutions is recognised on the accruals basis using the EPR method.

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.

#### **2.10 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.

#### **2.11 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 asset value.

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

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



## **MAYBANK RETAIL MONEY MARKET-I FUND**

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

#### **2.12 Fair value measurement**

The Fund measures its investments at FVTPL at fair value at each reporting date.

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

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

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

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

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

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

For assets 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.

#### **2.13 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.

#### **2.14 Critical accounting estimates and judgements**

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

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

## MAYBANK RETAIL MONEY MARKET-I FUND

### 3. PROFIT INCOME

	<b>01.08.2022</b> to <b>31.07.2023</b> RM	<b>03.11.2021</b> (date of launch) to <b>31.07.2022</b> RM
Profit income from Shariah-compliant deposits	<u>16,123,546</u>	<u>2,576,814</u>

### 4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on up to 0.50% per annum ("p.a.") (03.11.2021 (date of launch) to 31.07.2022: 0.50% p.a.) on the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

### 5. TRUSTEE'S FEE

The Trustee is entitled to a trustee fee of up to 0.02% p.a. (03.11.2021 (date of launch) to 31.07.2022: 0.02% p.a.) of the NAV of the Fund accrued daily and paid monthly to the Trustee.

### 6. TAXATION

	<b>01.08.2022</b> to <b>31.07.2023</b> RM	<b>03.11.2021</b> (date of launch) to <b>31.07.2022</b> RM
Current income tax expense	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (03.11.2021 (date of launch) to 31.07.2022: 24%) of the estimated assessable income for the financial year/ period. In accordance with Schedule 6 of the Income Tax Act 1967, dividend and profit income earned by the Fund is exempted from tax. Dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.

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

## MAYBANK RETAIL MONEY MARKET-I FUND

### 6. TAXATION (CONT'D)

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:

	<b>01.08.2022</b> to <b>31.07.2023</b> RM	<b>03.11.2021</b> (date of launch) to <b>31.07.2022</b> RM
Net income before taxation	14,881,213	2,233,408
Taxation at Malaysian statutory rate of 24% (03.11.2021 (date of launch) to 31.07.2022: 24%)	3,571,491	536,018
Income not subject to tax	(3,869,651)	(618,435)
Expenses not deductible for tax purposes	298,160	82,417
Tax expense for the financial year/ period	-	-

### 7. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	<b>31.07.2023</b> RM	<b>31.07.2022</b> RM
Shariah-compliant deposits with licensed financial institutions with maturity of:		
- less than 3 months	697,419,926	173,137,305
- more than 3 months	274,028,798	20,000,000
	<u>971,448,724</u>	<u>193,137,305</u>

The weighted average effective profit rates ("WAEPR") p.a. and the average remaining days to maturity of deposits as at the reporting date are as follows:

	<b>31.07.2023</b>		<b>31.07.2022</b>	
	<b>WAEPR</b> (% p.a.)	<b>Average</b> <b>Remaining</b> <b>Maturity</b> (Days)	<b>WAEPR</b> (% p.a.)	<b>Average</b> <b>Remaining</b> <b>Maturity</b> (Days)
Less than 3 months	3.74	47	2.45	39
More than 3 months	3.86	137	2.49	114

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

		<b>31.07.2023</b> RM	<b>31.07.2022</b> RM
Amount due from Manager:			
Creation of units	(i)	-	1,500
Amount due to Manager:			
Manager's fee	(ii)	199,224	41,223
Cancellation of units	(iii)	-	100,530
		<u>199,224</u>	<u>141,753</u>

## MAYBANK RETAIL MONEY MARKET-I FUND

### 8. AMOUNT DUE FROM/ (TO) MANAGER (CONT'D)

- (i) The amount represents amount receivable from the Manager for units subscribed.  
(ii) The amount represents amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year/ period. The normal credit term for Manager's fee is 15 days (31.07.2022: 15 days).  
(iii) The amount represents amount payable to the Manager for units cancelled.

### 9. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	31.07.2023 RM	31.07.2022 RM
Unitholders' contribution	(a)	972,096,192	193,244,208
Accumulated realised income	(b)	1,504,127	216,924
		<u>973,600,319</u>	<u>193,461,132</u>

#### (a) Unitholders' contribution

	01.08.2022 to 31.07.2023		03.11.2021 (date of launch) to 31.07.2022	
	Units	RM	Units	RM
At the beginning of the financial year/ period	192,414,861	193,244,208	-	-
Creation of units	1,568,724,989	1,581,404,198	321,504,979	323,088,204
Reinvestment of units	11,289,688	11,373,424	2,005,998	2,016,484
Cancellation of units	(807,296,889)	(813,925,638)	(131,096,116)	(131,860,480)
At the end of the financial year/ period	<u>965,132,649</u>	<u>972,096,192</u>	<u>192,414,861</u>	<u>193,244,208</u>

As of end of the financial year/ period, there were no units held by the Manager or parties related to the Manager.

#### (b) Accumulated realised income

	01.08.2022 to 31.07.2023 RM	03.11.2021 (date of launch) to 31.07.2022 RM
As at the beginning of the financial year/ period	216,924	-
Net realised income for the financial year/ period	14,881,213	2,233,408
Distribution out of realised income (Note 10)	(13,594,010)	(2,016,484)
As at the end of the financial year/ period	<u>1,504,127</u>	<u>216,924</u>

## MAYBANK RETAIL MONEY MARKET-I FUND

### 10. DISTRIBUTIONS

The sources of distributions to the unitholders were as follows:

	<b>01.08.2022</b> to <b>31.07.2023</b> RM	<b>03.11.2021</b> (date of launch) to <b>31.07.2022</b> RM
Profit income from Shariah-compliant deposits	14,741,264	2,324,690
Less: Expenses	<u>(1,147,254)</u>	<u>(308,206)</u>
Distributions out of realised income	<u>13,594,010</u>	<u>2,016,484</u>
Gross/ Net distribution per unit (sen)	<u>2.76</u>	<u>0.97</u>

The details of the distribution declared in the current year and previous period were as follows:

<b>Distribution dates (ex-dates)</b>	<b>Gross/ Net distribution (sen)</b>
<b>01.08.2022 to 31.07.2023</b>	
25 August 2022	0.18
27 September 2022	0.20
27 October 2022	0.25
28 November 2022	0.30
28 December 2022	0.13
27 January 2023	0.14
24 February 2023	0.20
29 March 2023	0.32
26 April 2023	0.26
29 May 2023	0.27
27 June 2023	0.28
27 July 2023	<u>0.23</u>
	<u>2.76</u>
<b>03.11.2021 (date of launch) to 31.07.2022</b>	
27 January 2022	0.10
24 February 2022	0.10
29 March 2022	0.15
27 April 2022	0.16
27 May 2022	0.16
28 June 2022	0.14
27 July 2022	<u>0.16</u>
	<u>0.97</u>

## MAYBANK RETAIL MONEY MARKET-I FUND

### 11. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Fund or the Manager if the Fund or the Manager has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Fund or the Manager and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. In addition to the related party information disclosed elsewhere in the financial statements, the following is the significant related party transaction and balances of the Fund during the financial year/ period.

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

	31.07.2023 RM	31.07.2022 RM
<b>(i) Significant related party transactions</b>		
Maybank Islamic Bhd ("MIB"):		
Profit income	838,387	248,446
<b>(ii) Significant related party balances</b>		
MIB:		
Shariah-compliant deposits	3,917,000	21,787,000
Profit income receivable	311	127,322
Cash at bank	1,015	885

### 12. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transaction, primarily deposits with licensed financial institutions for the current financial year are as follows:

	01.08.2022 to 31.07.2023	Percentage of total placements %
<b>Financial institutions</b>	<b>Value of placements RM</b>	
Public Islamic Bank Bhd	5,670,301,913	33.04
MIB *	3,887,378,000	22.65
Hong Leong Islamic Bank Bhd	3,199,586,399	18.64
Bank Kerjasama Rakyat Malaysia Bhd	1,814,037,553	10.57
CIMB Islamic Bank Bhd	1,123,674,889	6.55
Malaysia Building Society Bhd	597,168,375	3.48
RHB Islamic Bank Berhad	260,000,000	1.51
Bank Pembangunan Malaysia Bhd	226,695,480	1.32
Bank Islam Malaysia Bhd	162,000,000	0.94
Kuwait Finance House (Msia) Bhd	140,037,945	0.82
SME Development Bank Malaysia Bhd	83,026,041	0.48
	<u>17,163,906,595</u>	<u>100.00</u>

## MAYBANK RETAIL MONEY MARKET-I FUND

### 12. TRANSACTIONS WITH FINANCIAL INSTITUTIONS (CONT'D)

Details of transaction, primarily deposits with licensed financial institutions for the previous financial period are as follows:

	<b>03.11.2021 (date of launch) to 31.07.2022</b>	<b>Percentage of total placements %</b>
<b>Financial institutions</b>	<b>Value of placements RM</b>	
Public Islamic Bank Bhd	2,478,046,259	43.21
Bank Kerjasama Rakyat Malaysia Bhd	1,412,820,635	24.64
MIB *	623,199,000	10.87
CIMB Islamic Bank Bhd	332,688,572	5.80
Hong Leong Islamic Bank Bhd	664,784,843	11.59
Bank Pembangunan Malaysia Bhd	105,116,008	1.83
MBSB Bank Bhd	99,013,233	1.73
Bank Islam Malaysia Bhd	14,000,000	0.24
SME Development Bank Malaysia Bhd	5,000,000	0.09
	<u>5,734,668,550</u>	<u>100.00</u>

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

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

TER is calculated based on the ratio of the total fees and recovered expenses for the year/ period, to the average daily NAV of the Fund. For the financial year ended 31 July 2023, the TER of the Fund stood at 0.28% (3 November 2021 (date of launch) to 31 July 2022: 0.21%).

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

The PTR of the Fund is the ratio of average of the total acquisitions and disposals of the investment in the Fund for the financial year/ period to the daily average NAV of the Fund. PTR is not applicable for the current and previous financial year/ period as the Fund invested only in Shariah-compliant deposits during the year/ period under review.

### 15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to 2.14 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.

**MAYBANK RETAIL MONEY MARKET-I FUND**

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

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

<b>31.07.2023</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Assets</b>			
Shariah-compliant deposits with licensed financial institutions	971,448,724	-	971,448,724
Profit income receivables	4,597,404	-	4,597,404
Cash at bank	1,015	-	1,015
Total financial assets	<u>976,047,143</u>	<u>-</u>	<u>976,047,143</u>
<b>Liabilities</b>			
Amount due to Manager	-	199,224	199,224
Amount due to Trustee	-	15,938	15,938
Distribution payable	-	2,220,586	2,220,586
Other payables and accruals	-	11,076	11,076
Total financial liabilities	<u>-</u>	<u>2,446,824</u>	<u>2,446,824</u>
<b>31.07.2022</b>			
<b>Assets</b>			
Shariah-compliant deposits with licensed financial institutions	193,137,305	-	193,137,305
Profit income receivables	482,956	-	482,956
Amount due from Manager	1,500	-	1,500
Cash at bank	885	-	885
Total financial assets	<u>193,622,646</u>	<u>-</u>	<u>193,622,646</u>
<b>Liabilities</b>			
Amount due to Manager	-	141,753	141,753
Amount due to Trustee	-	3,298	3,298
Other payables and accruals	-	16,463	16,463
Total financial liabilities	<u>-</u>	<u>161,514</u>	<u>161,514</u>

**(b) Fair value hierarchy**

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

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

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

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

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

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



## **MAYBANK RETAIL MONEY MARKET-I FUND**

### **16. 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 Fund will invest at least 90% of the Fund's NAV in Islamic deposits, Islamic money market instruments, and Sukuk with maturity of not more than 365 days and up to 10% of the Fund's NAV may be invested in Sukuk which have a remaining maturity year/ period of more than 365 days but less than 732 days.

The remaining balance of the Fund's NAV will be invested 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/ period.

### **17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES**

#### **(a) Introduction**

The Fund maintains investment portfolios in a variety of listed and unlisted financial instruments as dictated by its Deeds and investment management strategy.

The Fund is exposed to a variety of risks including market risk (which includes profit rate risk and price risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

#### **(b) Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates. The maximum risk resulting from financial instruments equals their fair value. The market risk is managed through consistent monitoring and swift response to various factors that may adversely affect the Fund.

##### **(i) Profit rate risk**

The Fund's deposits with licensed financial institutions carries fixed profit rate and is short-term in nature, and therefore is not affected by movements in market profit 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, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

## MAYBANK RETAIL MONEY MARKET-I FUND

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

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

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

#### (i) Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial 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.

The following table analyses the Fund's cash at bank, Shariah-compliant deposits with licensed financial institutions and profit income receivable on Shariah-compliant deposits with licensed Islamic financial institutions by rating categories. The ratings for cash at bank, Shariah-compliant deposits with licensed financial institutions and profit income receivables on Shariah-compliant deposits with licensed financial institutions were obtained from RAM's official website.

Financial assets	31.07.2023		31.07.2022	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
AAA	559,347,093	57.45	126,677,289	65.84
AA1	90,270,144	9.27	-	-
AA2	-	-	26,866,604	13.96
AA3	156,239,458	16.05	35,066,404	18.22
A2	170,190,448	17.48	5,010,849	2.60
	<u>976,047,143</u>	<u>100.25</u>	<u>193,621,146</u>	<u>100.62</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 assets. 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 and Shariah-compliant deposits with financial institutions which are capable of being converted into cash within 7 days.

## MAYBANK RETAIL MONEY MARKET-I FUND

### 17. 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 assets and financial liabilities. Balances due within twelve months equal their carrying amounts, as the impact of discounting is insignificant.

31.07.2023	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial assets</b>			
Shariah-compliant deposits with licensed financial institutions	180,419,926	791,028,798	971,448,724
Profit income receivables	264,035	4,333,369	4,597,404
Cash at bank	1,015	-	1,015
Total undiscounted financial assets	<u>180,684,976</u>	<u>795,362,167</u>	<u>976,047,143</u>
<b>Financial liabilities and net assets attributable to unitholders of the Fund</b>			
Amount due to Manager	199,224	-	199,224
Amount due to Trustee	15,938	-	15,938
Distribution payable	2,220,586	-	2,220,586
Other payables and accruals	11,076	-	11,076
Net assets attributable to unitholders of the Fund	<u>973,600,319</u>	<u>-</u>	<u>973,600,319</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>976,047,143</u>	<u>-</u>	<u>976,047,143</u>
<b>Liquidity (gap)/ surplus</b>	<u>(795,362,167)</u>	<u>795,362,167</u>	<u>-</u>
<b>31.07.2022</b>			
<b>Financial assets</b>			
Shariah-compliant deposits with licensed financial institutions	91,127,538	102,009,767	193,137,305
Profit income receivables	264,035	218,921	482,956
Amount due from Manager	1,500	-	1,500
Cash at bank	885	-	885
Total undiscounted financial assets	<u>91,393,958</u>	<u>102,228,688</u>	<u>193,622,646</u>
<b>Financial liabilities and net assets attributable to unitholders of the Fund</b>			
Amount due to Manager	141,753	-	141,753
Amount due to Trustee	3,298	-	3,298
Other payables and accruals	16,463	-	16,463
Net assets attributable to unitholders of the Fund	<u>193,461,132</u>	<u>-</u>	<u>193,461,132</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>193,622,646</u>	<u>-</u>	<u>193,622,646</u>
<b>Liquidity (gap)/ surplus</b>	<u>(102,228,688)</u>	<u>102,228,688</u>	<u>-</u>

## MAYBANK RETAIL MONEY MARKET-I FUND

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

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

##### Notes:

##### (i) Financial assets

Analysis of financial assets at FVTPL and deposits into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining year/ period from the end of the reporting year/ period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

##### (ii) Financial liabilities

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

##### (iii) Unitholders' contribution

The unitholders can request for redemption on their units by giving the Manager a T+2 calendar day notice period, the unitholders' contribution have been categorised as having a maturity of "less than 1 month".

### 18. UNITHOLDERS' CONTRIBUTION MANAGEMENT

The unitholders' contribution of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing unitholders' contribution are:

- (a) To invest in investments meeting the description, risk exposure and generate higher returns than 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 unitholders' contribution management objectives, policies or processes in the current financial year/ period.