

**Asset Management**

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# MAYBANK ENHANCED CASH XIII FUND

Annual report  
For the financial year ended 30 September 2022

## **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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### **TRUSTEE**

PB Trustee Services Berhad (196801000374) (573019-U)  
17th Floor, Menara Public Bank  
146 Jalan Ampang  
50450 Kuala Lumpur  
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## **MAYBANK ENHANCED CASH XIII FUND**

<b>CONTENT</b>	<b>PAGE</b>
Manager's report	1 - 4
Trustee's report	5
Statement by Manager	6
Independent auditors' report	7 - 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 - 31

## **MAYBANK ENHANCED CASH XIII FUND**

### **Manager's report**

**For the financial year ended 30 September 2022**

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

**1. Name of Fund**

Maybank Enhanced Cash XIII Fund (the "Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Wholesale money market fund

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date**

24 September 2008

**6. Fund's investment objectives**

The Fund is a short-term money market fund that invests in instruments which generate income. The Fund aims to provide regular income that is potentially higher than prevailing money market and traditional bank deposits, stability of capital and a high level of liquidity. The Fund aims to distribute income on a quarterly basis.

**7. Fund distribution policy**

Subject to availability of income, distribution will be made on a quarterly basis.

**8. Fund's performance benchmark**

Malayan Banking Berhad ("MBB") overnight deposit rate.

**9. Investment policy and principal investment strategy of the Fund**

The Fund seeks to obtain net return that exceeds the benchmark by investing 100% of its net asset value ("NAV") in short-term fixed deposits.

## MAYBANK ENHANCED CASH XIII FUND

### Manager's report

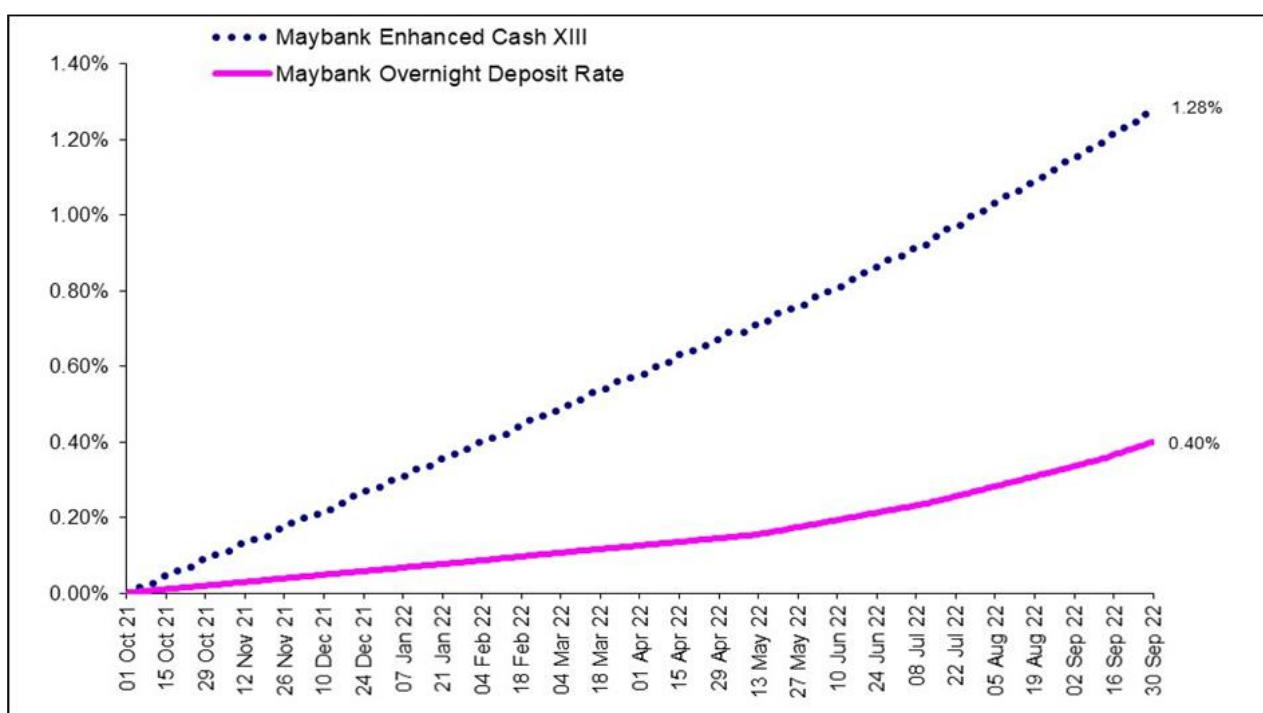
For the financial year ended 30 September 2022

#### B. Performance Review

Returns of the Fund and its benchmark for the financial year ended 30 September 2022 are as follows:

Financial year	The Fund %	Benchmark %
1 October 2021 to 30 September 2022	1.28	0.40

Performance of the Fund for the financial year ended 30 September 2022:



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 September 2022

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

The Fund has generated a net return of 1.28% for the financial year ended 30 September 2022, compared to the benchmark which registered a return of 0.40% over the same period.

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

## **MAYBANK ENHANCED CASH XIII FUND**

### **Manager's report**

**For the financial year ended 30 September 2022 (cont'd)**

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

Bank Negara Malaysia (“BNM”) raised the Overnight Policy Rate (“OPR”) by 25 basis points (“bps”) consecutively for the third time this year to 2.50% in the recent Monetary Policy Committee (“MPC”) meeting held on 8 September 2022 amid the strong recovery of the domestic economy and improving labour market. The central bank expects a slower global economy expansion on the back of rising cost pressures, tighter global financial conditions and strict containment measures in China. Aggressive global monetary tightening has resulted in increased volatility in global financial and foreign exchange markets, but BNM affirmed that these developments would not derail Malaysia’s growth.

#### **D. Market Outlook & Strategy**

On the domestic front, BNM remains positive of the continued economic growth, underpinned by healthy private sector spending, but external demand is expected to moderate following softening global growth. Elsewhere, BNM mentions that the headline inflation has averaged 2.8% year to date (“YTD”) and is projected to peak in the third quarter of 2022 before normalising subsequently, in line with the expected easing of commodity prices.

Similar to previous statement, BNM reiterates that inflation outlook continues to be subjected to global commodity price developments, arising mainly from the ongoing Ukraine war and prolonged supply disruptions, as well as domestic policy measures.

The central bank further stressed that the MPC is not on any pre-set course and will continue to assess evolving conditions and their implications on the overall outlook to domestic inflation and growth. Hence, we view that the BNM might take a wait-and-see approach in deciding whether to have another OPR hike in the next meeting on 2- 3 November 2022.

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 on short tenure basis to cater possibility of redemption from investor in the nearest future.

#### **E. Asset Allocation**

All assets of the Fund were invested in cash at bank and deposit with licensed financial institutions as at 30 September 2022.

## **MAYBANK ENHANCED CASH XIII FUND**

### **Manager's report**

**For the financial year ended 30 September 2022 (cont'd)**

#### **F. Soft Commissions and Rebates**

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

During the financial year ended 30 September 2022, the Manager and its delegates did not receive any rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to unitholders.

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF MAYBANK ENHANCED CASH XIII FUND FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

We have acted as Trustee of Maybank Enhanced Cash XIII Fund (the "Fund") for the financial year ended 30 September 2022. 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  
16 November 2022



## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDER'S OF MAYBANK ENHANCED CASH XIII FUND FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

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 Enhanced Cash XIII Fund as at 30 September 2022 and of its results, changes in equity and cash flows for the financial year then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Dr Hasnita Binti Dato' Hashim**  
Chairman

**Ahmed Muzni Bin Mohamed**  
Director

Kuala Lumpur, Malaysia  
16 November 2022

## **Independent auditors' report to the unitholders of Maybank Enhanced Cash XIII Fund**

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

#### *Opinion*

We have audited the financial statements of Maybank Enhanced Cash XIII Fund (the "Fund"), which comprise the statement of financial position as at 30 September 2022 of the Fund, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 September 2022, and of its financial performance and its 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*

Maybank Asset Management Sdn Bhd (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

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

## **Independent auditors' report to the unitholders of Maybank Enhanced Cash XIII 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 Enhanced Cash XIII Fund (cont'd)**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- 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 Enhanced Cash XIII 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 Unlisted Capital Market Products Under the Lodge and Launch Framework 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  
No. 03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
16 November 2022

**MAYBANK ENHANCED CASH XIII FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 RM	2021 RM
<b>INVESTMENT INCOME</b>			
Profit/ Interest income		9,407,228	9,032,985
<b>EXPENSES</b>			
Manager's fee	3	1,170,686	1,224,076
Trustee's fee	4	93,655	97,926
Auditors' remuneration		6,300	6,300
Tax agent's fee		3,900	3,900
Administrative expenses		3,262	8,254
		<u>1,277,803</u>	<u>1,340,456</u>
<b>Net income before taxation</b>		8,129,425	7,692,529
Taxation	5	(2,187,098)	(2,093,666)
<b>Net income after taxation, and total comprehensive income for the financial year</b>		<u>5,942,327</u>	<u>5,598,863</u>
<b>Net income after taxation is made up of the following:</b>			
Net realised income		<u>5,942,327</u>	<u>5,598,863</u>
<b>Distributions for the financial year:</b>			
Net distributions	10	6,670,812	4,148,399
Gross distribution per unit (sen)	10	2.02	1.26
Net distribution per unit (sen)	10	1.45	0.90
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 audited financial statements.

**MAYBANK ENHANCED CASH XIII FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

	Note	2022 RM	2021 RM
<b>ASSETS</b>			
Deposit with licensed financial institutions	6	406,608,484	481,383,133
Profit/ Interest receivables		134,028	73,445
Tax recoverable		-	87,911
Cash at bank		8,150	8,304
<b>TOTAL ASSETS</b>		<u>406,750,662</u>	<u>481,552,793</u>
<b>LIABILITIES</b>			
Amount due to Manager	7	87,603	98,745
Amount due to Trustee	8	7,008	7,900
Provision for taxation		46,436	-
Other payables and accruals		15,797	13,606
<b>TOTAL LIABILITIES</b>		<u>156,844</u>	<u>120,251</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>406,593,818</u>	<u>481,432,542</u>
<b>EQUITY</b>			
Unitholders' capital	9(a)	405,624,494	479,734,733
Retained earnings	9(b)	969,324	1,697,809
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>406,593,818</u>	<u>481,432,542</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	9(a)	<u>405,859,409</u>	<u>479,747,210</u>
<b>NAV PER UNIT (RM)</b>		<u>1.0018</u>	<u>1.0035</u>

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

**MAYBANK ENHANCED CASH XIII FUND****STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

	<b>Unitholders' capital Note 9(a) RM</b>	<b>Retained earnings Note 9(b) RM</b>	<b>Total equity RM</b>
At 1 October 2021	479,734,733	1,697,809	481,432,542
Total comprehensive income for the financial year	-	5,942,327	5,942,327
Creation of units	73,599,487	-	73,599,487
Reinvestment of units	258,976	-	258,976
Cancellation of units	(147,968,702)	-	(147,968,702)
Distributions (Note 10)	-	(6,670,812)	(6,670,812)
At 30 September 2022	<u>405,624,494</u>	<u>969,324</u>	<u>406,593,818</u>
At 1 October 2020	504,163,780	593,821	504,757,601
Total comprehensive income for the financial year	-	5,598,863	5,598,863
Creation of units	200,535,000	-	200,535,000
Reinvestment of units	1,393,470	-	1,393,470
Cancellation of units	(226,703,993)	-	(226,703,993)
Distributions (Note 10)	346,476	(4,494,875)	(4,148,399)
At 30 September 2021	<u>479,734,733</u>	<u>1,697,809</u>	<u>481,432,542</u>

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



**MAYBANK ENHANCED CASH XIII FUND****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Profit/ Interest income received	9,346,645	9,065,756
Manager's fee paid	(1,181,828)	(1,230,199)
Trustee's fee paid	(94,547)	(98,415)
Taxation paid	(2,052,751)	(2,930,098)
Payment of other fees and expenses	(11,271)	(20,022)
Net cash generated from operating and investing activities	<u>6,006,248</u>	<u>4,787,022</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	73,599,487	200,535,000
Cash paid on units cancelled	(147,968,702)	(226,703,993)
Cash distributions to unitholders	(6,411,836)	(2,754,929)
Net cash used in financing activities	<u>(80,781,051)</u>	<u>(28,923,922)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR</b>	<b>(74,774,803)</b>	<b>(24,136,900)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>481,391,437</b>	<b>505,528,337</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b><u>406,616,634</u></b>	<b><u>481,391,437</u></b>
Cash and cash equivalents comprise:		
Cash at bank	8,150	8,304
Deposit with licensed financial institutions with maturity of less than 3 months (Note 6)	406,608,484	481,383,133
	<u>406,616,634</u>	<u>481,391,437</u>

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

## **MAYBANK ENHANCED CASH XIII FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

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

Maybank Enhanced Cash XIII Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 3 March 2008 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, PB Trustee Services Berhad. The following supplemental deeds have been issued between MAM and PB Trustee Services Berhad:

- First Supplemental Deed dated 8 October 2012
- Second Supplemental Deed dated 30 March 2015
- Third Supplemental Deed dated 12 August 2015

The Deed and supplemental deeds are hereinafter refer to as "Deeds".

The principal activity of the Fund is to invest 100% of its NAV in short-term fixed deposit with licensed financial institutions with tenure of not exceeding one (1) year.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence 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 in accordance with a resolution of the directors on 16 November 2022.

#### **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 has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 30 September 2021. 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 2.14.

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

## MAYBANK ENHANCED CASH XIII 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 Interpretation issued by the MASB, but not yet effective, up to the date of issuance of the Fund's financial statements. The Fund intends to adopt the relevant standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle	1 January 2022
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 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor of Assets between an Investor</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 ("FVTPL")) 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 FVTPL 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.

## MAYBANK ENHANCED CASH XIII FUND

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

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

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

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

The Fund classifies cash and cash equivalents and interest receivables as financial assets at amortised cost.

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

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

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

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

##### (ii) 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.

## **MAYBANK ENHANCED CASH XIII FUND**

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

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

##### **(ii) Impairment (cont'd)**

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

##### **(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, 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 interest rate method.

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

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

## **MAYBANK ENHANCED CASH XIII FUND**

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

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

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

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

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

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

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

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

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

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

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

#### **2.7 Functional and 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 ENHANCED CASH XIII 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 are 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 year 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. The amount is either refunded to unitholders by way of distribution and/ or adjusted accordingly when units are cancelled.

#### **2.9 Distributions**

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

#### **2.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and deposit with licensed 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/ Interest income from deposit with licensed financial institutions are recognised on the accruals basis using the EPR/ EIR 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 that asset.

## MAYBANK ENHANCED CASH XIII 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 tax are recognised in profit or loss to the extent that the tax related to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

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 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.

### 3. MANAGER'S FEE

The Manager's fee is computed daily based on 0.25% per annum ("p.a.") (2021: 0.25%) of the Fund's NAV before deducting the Manager's fee and Trustee's fee for that particular day.

### 4. TRUSTEE'S FEE

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

NAV (RM)	Trustee fee rate (%) p.a.	
	2022	2021
First 1 billion	0.02	0.02
Above 1 billion	0.01	0.01



## MAYBANK ENHANCED CASH XIII FUND

### 5. TAXATION

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Tax expense for the financial year:		
Current income tax expense	2,187,083	2,093,752
Under/ (Over) provision in prior financial year	15	(86)
	<u>2,187,098</u>	<u>2,093,666</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable income for the financial year.

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:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>8,129,425</u>	<u>7,692,529</u>
Tax at Malaysian statutory rate of 24% (2021: 24%)	1,951,062	1,846,207
Expenses not deductible for tax purposes	24,066	25,050
Restriction on tax deductible expenses	211,955	222,495
Under/ (Over) provision in prior financial year	15	(86)
Tax expense for the financial year	<u>2,187,098</u>	<u>2,093,666</u>

The Fund does not currently meet the tax exemptions guidelines as set out by the Securities Commission Malaysia ("SC") and is subject to Malaysian income tax.

### 6. DEPOSIT WITH LICENSED FINANCIAL INSTITUTIONS

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Deposit with licensed financial institutions with maturity of less than 3 months	<u>406,608,484</u>	<u>481,383,133</u>

The weighted average effective profit rates ("WAEPR")/ weighted average effective interest rates ("WAEIR") p.a. and average maturity of deposit with licensed financial institutions as at the reporting date were as follows:

	<b>2022</b>		<b>2021</b>	
	<b>WAEPR/ WAEIR % p.a.</b>	<b>Average maturity Days</b>	<b>WAEPR/ WAEIR % p.a.</b>	<b>Average maturity Days</b>
Deposits with maturity of less than 3 months	<u>2.62</u>	<u>11</u>	<u>1.87</u>	<u>11</u>

## MAYBANK ENHANCED CASH XIII FUND

### 7. AMOUNT DUE TO MANAGER

The amount due to Manager relates to amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2021: 15 days).

### 8. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accrual for Trustee's fee at the end of financial year. The normal credit term is 15 days (2021: 15 days).

### 9. TOTAL EQUITY

	Note	2022 RM	2021 RM
Unitholders' capital	(a)	405,624,494	479,734,733
Accumulated realised income	(b)	969,324	1,697,809
		<u>406,593,818</u>	<u>481,432,542</u>

#### (a) Unitholders' capital

	2022		2021	
	No. of units	RM	No. of units	RM
At the beginning of the financial year	479,747,210	479,734,733	504,242,099	504,163,780
Creation of units	73,381,652	73,599,487	200,105,541	200,535,000
Reinvestment of units	258,510	258,976	1,390,826	1,393,470
Cancellation of units	(147,527,963)	(147,968,702)	(225,991,256)	(226,703,993)
Distribution equalisation	-	-	-	346,476
At the end of the financial year	<u>405,859,409</u>	<u>405,624,494</u>	<u>479,747,210</u>	<u>479,734,733</u>

As at the end of the financial year, there were no units held by the Manager or parties related to the Manager (2021: Nil).

#### (b) Accumulated realised income

	2022 RM	2021 RM
At the beginning of the financial year	1,697,809	593,821
Net realised income for the financial year	5,942,327	5,598,863
Distributions out of realised reserve (Note 10)	(6,670,812)	(4,494,875)
At the end of the financial year	<u>969,324</u>	<u>1,697,809</u>

## MAYBANK ENHANCED CASH XIII FUND

### 10. DISTRIBUTIONS

Distributions to unitholders are from the following sources:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Profit/ Interest income	7,872,703	6,293,807
Previous year's net realised income *	1,697,809	593,821
Less:		
Expenses	(1,069,366)	(933,974)
Taxation	(1,830,334)	(1,458,779)
Distributions out of realised reserve (Note 9(b))	6,670,812	4,494,875
Effects of distribution equalisation (Note 9(a))	-	(346,476)
Distributions for the financial year	<u>6,670,812</u>	<u>4,148,399</u>

\* Part of the distribution in the current financial year was made from previous year's net realised income.

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Analysed as:		
Cash distribution	6,411,836	2,754,929
Reinvestment of units	258,976	1,393,470
Distribution for the financial year	<u>6,670,812</u>	<u>4,148,399</u>

A portion of the distributions declared were settled in the form of units and presented as 'reinvestment of units' in Note 9(a) on payment date.

The gross and net distributions per unit and the distribution dates in the current and previous financial years are as follows:

<b>2022</b>	<b>Gross</b>	<b>Net</b>
<b>Distribution dates (ex-date)</b>	<b>distribution</b>	<b>distribution</b>
	<b>per unit (sen)</b>	<b>per unit (sen)</b>
29 December 2021	0.82	0.60
30 March 2022	0.34	0.25
29 June 2022	0.41	0.30
28 September 2022	0.45	0.30
	<u>2.02</u>	<u>1.45</u>

#### **2021**

##### **Distribution dates (ex-date)**

30 December 2020	0.41	0.30
30 March 2021	0.30	0.20
29 June 2021	0.27	0.20
28 September 2021	0.28	0.20
	<u>1.26</u>	<u>0.90</u>

## MAYBANK ENHANCED CASH XIII FUND

### 11. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions, primarily deposit with licensed financial institutions for the current and previous financial years are as follows:

Financial institutions	2022	Percentage of total placements %	2021	Percentage of total placements %
	Value of placements RM		Value of placements RM	
Affin Hwang Investment Bank Berhad	2,402,629,270	3.03	30,000,000	0.04
Ambank (M) Berhad	10,000,000	0.02	-	-
Bank Kerjasama Rakyat Malaysia Berhad	1,025,984,934	1.29	1,581,130,180	1.90
Bank Pembangunan Malaysia Berhad	75,080,081	0.09	20,000,000	0.02
KAF Investment Bank Berhad	17,610,282,642	22.19	12,508,929,115	15.04
Malayan Banking Berhad ("MBB") *	12,507,395,000	15.76	25,088,703,000	30.16
Maybank Islamic Berhad ("MIB") **	-	-	163,625,000	0.20
Public Bank Berhad	29,006,291,707	36.56	19,760,088,092	23.75
Public Investment Bank Berhad	12,597,428,952	15.88	11,209,816,313	13.47
Public Islamic Bank Berhad	3,298,130,426	4.16	12,404,107,216	14.91
RHB Bank Berhad	811,102,000	1.02	175,000,000	0.21
RHB Investment Bank Berhad	-	-	250,000,000	0.30
	<b>79,344,325,012</b>	<b>100.00</b>	<b>83,191,398,916</b>	<b>100.00</b>

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

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

### 12. 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, the following are the significant related party transactions and balances of the Fund:

(i) <u>Significant related party transactions</u>	2022 RM	2021 RM
MBB:		
Interest income from deposits	976,667	2,003,268

## MAYBANK ENHANCED CASH XIII FUND

### 12. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

	2022 RM	2021 RM
(i) <u>Significant related party transactions (cont'd)</u>		
MIB:		
Profit income from deposits	-	27,915
	<hr/>	<hr/>
(ii) <u>Significant related party balances</u>		
MBB:		
Cash at bank	8,150	7,679
Deposits	11,295,000	3,134,000
Interest receivables	2,321	150
	<hr/>	<hr/>
	11,305,471	3,141,829

The Manager is of the opinion that the transactions and balances 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.

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

The TER of the Fund is the ratio of the total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial year ended 30 September 2022, the TER of the Fund stood at 0.27% (2021: 0.27%).

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

The PTR of the Fund is the ratio of average placements and withdrawals of the fund for the financial year to the daily average NAV of the Fund. PTR is not applicable for the financial year ended 30 September 2022 (2021: Nil).

### 15. SEGMENT INFORMATION

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

The PMC is responsible for the performance of the Fund by investing 100% of the Fund's NAV in short-term fixed deposit with licensed financial institutions with tenure of not exceeding one (1) year.

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

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

## MAYBANK ENHANCED CASH XIII FUND

### 16. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at amortised cost based on their respective classification. The significant accounting policies in Note 2.3 to 2.14 describe how the classes of financial instruments are measured and how income and expenses are recognised.

The following table analyses the financial assets and financial liabilities (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the classes of financial instruments to which they are assigned and therefore by the measurement basis.

	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2022</b>			
<b>Assets</b>			
Deposit with licensed financial institutions	406,608,484	-	406,608,484
Profit/ Interest receivables	134,028	-	134,028
Cash at bank	8,150	-	8,150
<b>Total financial assets</b>	<b>406,750,662</b>	<b>-</b>	<b>406,750,662</b>
<b>Liabilities</b>			
Amount due to Manager	-	87,603	87,603
Amount due to Trustee	-	7,008	7,008
Other payables and accruals	-	15,797	15,797
<b>Total financial liabilities</b>	<b>-</b>	<b>110,408</b>	<b>110,408</b>
<b>2021</b>			
<b>Assets</b>			
Deposit with licensed financial institutions	481,383,133	-	481,383,133
Profit/ Interest receivables	73,445	-	73,445
Cash at bank	8,304	-	8,304
<b>Total financial assets</b>	<b>481,464,882</b>	<b>-</b>	<b>481,464,882</b>
<b>Liabilities</b>			
Amount due to Manager	-	98,745	98,745
Amount due to Trustee	-	7,900	7,900
Other payables and accruals	-	13,606	13,606
<b>Total financial liabilities</b>	<b>-</b>	<b>120,251</b>	<b>120,251</b>

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

There were no financial assets of the Fund that are carried at fair value as at 30 September 2022 (2021: RM Nil).

## **MAYBANK ENHANCED CASH XIII FUND**

### **16. FINANCIAL INSTRUMENTS (cont'd)**

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

The Fund's financial instruments are not carried at fair value but their carrying amounts are reasonable approximations of fair value due to their short-term maturity. Accordingly there are no fair value hierarchy disclosures presented.

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

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

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risks are inherent in the Fund's activities, but they are managed through a process of ongoing identification, measurement and monitoring of risks.

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deeds, SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and the CMSA.

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

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. However, the Fund is not exposed to equity price risk and currency risk as it does not hold any equity investments nor investments denominated in currencies other than RM as at reporting date.

Cash and deposit with licensed financial institutions are exposed to movements in interest rates. The Fund's deposits with licensed financial institutions carry a fixed rate and therefore is not affected by the movements in market interest rates.

#### **(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 interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

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

##### **(i) Credit risk exposure**

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

## MAYBANK ENHANCED CASH XIII FUND

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

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

The following table analyses the Fund's cash at bank, deposit with licensed financial institutions and profit/ interest receivables by rating categories. The rating is obtained from RAM Holdings Berhad.

	2022		2021	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
<b>Financial assets</b>				
AAA	132,727,158	32.64	187,339,158	38.91
AA2	101,764,852	25.03	223,484,204	46.42
AA3	172,258,652	42.37	70,641,520	14.67
	<u>406,750,662</u>	<u>100.04</u>	<u>481,464,882</u>	<u>100.00</u>

#### (d) Liquidity risk

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

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

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

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

2022	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial assets</b>			
Deposit with licensed financial institutions	406,608,484	-	406,608,484
Profit/ Interest receivables	134,028	-	134,028
Cash at bank	8,150	-	8,150
Total undiscounted financial assets	<u>406,750,662</u>	<u>-</u>	<u>406,750,662</u>



**MAYBANK ENHANCED CASH XIII FUND**

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

**(d) Liquidity risk (cont'd)**

<b>2022 (cont'd)</b>	<b>Less than 1 month RM</b>	<b>More than 1 month RM</b>	<b>Total RM</b>
<b>Financial liabilities and unitholders' equity</b>			
Amount due to Manager	87,603	-	87,603
Amount due to Trustee	7,008	-	7,008
Other payables and accruals	15,797	-	15,797
Unitholders' equity	406,593,818	-	406,593,818
Total undiscounted financial liabilities and unitholders' equity	406,704,226	-	406,704,226
Liquidity surplus	46,436	-	46,436

**2021**

**Financial assets**

Deposit with licensed financial institutions	481,383,133	-	481,383,133
Profit/ Interest receivables	73,445	-	73,445
Cash at bank	8,304	-	8,304
Total undiscounted financial assets	481,464,882	-	481,464,882

**Financial liabilities and unitholders' equity**

Distributions payable			
Amount due to Manager	98,745	-	98,745
Amount due to Trustee	7,900	-	7,900
Other payables and accruals	13,606	-	13,606
Unitholders' equity	481,432,542	-	481,432,542
Total undiscounted financial liabilities and unitholders' equity	481,552,793	-	481,552,793
Liquidity gap	(87,911)	-	(87,911)

**(i) Financial assets**

Deposits are grouped 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 period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised. Financial assets exclude tax-related matters such as tax recoverable, if any.

**(ii) Financial liabilities**

The maturity grouping is based on the remaining period from the end of the reporting date to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to settle its financial obligation. Financial liabilities exclude tax-related matters such as provision for taxation, if any.

## **MAYBANK ENHANCED CASH XIII FUND**

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

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

##### **(iii) Unitholders' capital**

As unitholders could request for redemption of their units within one business day from transaction date, they have been categorised as having a maturity of "less than 1 month".

The Fund believes that it would be able to liquidate its investments should the need arise to satisfy all the redemption requirements.

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

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