

Asset Management

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MAYBANK MALAYSIA BALANCED FUND

Unaudited semi-annual report
For the financial period from 1 October 2022 to 31 March 2023

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)
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MAYBANK MALAYSIA BALANCED FUND

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MAYBANK MALAYSIA BALANCED FUND

Manager's report

For the financial period from 1 October 2022 to 31 March 2023

A. Fund Information

1. Name of the Fund

Maybank Malaysia Balanced Fund ("Fund")

2. Type of Fund

Growth and income fund

3. Category of Fund

Balanced fund

4. Duration of the Fund

The Fund is an open-ended Fund.

5. Fund launch date/ commencement date

19 September 1994/ 18 October 1994

6. Fund's investment objective

The Fund seeks to provide a balance between income and long term capital appreciation.

7. Fund distribution policy

Income distribution (if any) is declared at the end of the financial year of the Fund or for any specified period at the Manager's discretion, subject to Trustee's approval. Any distribution declared, will be reinvested as additional units. No sales charge is imposed on the reinvestment of income distribution.

8. Fund's performance benchmark

- 50% of the performance of the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI").
- 50% of Maybank 12 Months Fixed Deposit Rate.

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

The principal activity of the Fund is to invest between 40% to 58% of the Fund's assets in equities, between 40% to 58% of the Fund's assets in fixed income securities and minimum of 2% of the Fund's assets in liquid assets.

10. Net income distribution for the financial period from 1 October 2022 to 31 March 2023

There was no distribution declared by the Fund during the financial period from 1 October 2022 to 31 March 2023.

MAYBANK MALAYSIA BALANCED FUND

Manager's report

For the financial period from 1 October 2022 to 31 March 2023 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	01.10.2022 to 31.03.2023	01.10.2021 to 30.09.2022	01.10.2020 to 30.09.2021
Portfolio			
Quoted equities - local			
Construction	1.59	1.47	1.74
Consumer Products	6.21	5.62	4.65
Energy	2.28	1.92	1.71
Finance	13.70	13.76	10.12
Industrial Products	3.10	2.98	7.87
Plantation	2.49	2.40	2.00
Real Estate Investment Trust ("REIT")	2.94	2.86	2.64
Technology	3.98	4.57	8.09
Telecommunications	4.66	4.31	5.19
Transportation	0.96	2.29	1.64
Utilities	2.80	2.53	2.65
Unquoted fixed income securities			
Automotive	3.79	3.79	1.31
Bank	4.42	2.99	2.27
Commodities	3.42	7.20	6.73
Conglomerate	6.66	4.72	4.41
Industrial Products	1.26	1.24	1.16
Plantation	3.41	3.39	3.12
Port	1.11	1.08	1.04
Power	6.54	6.11	5.87
Property	13.07	13.11	9.82
Public Finance	2.54	2.46	2.36
Real Estate	0.62	0.62	2.90
Transportation	2.13	-	-
Cash and other net assets	6.32	8.58	10.71
Total (%)	100.00	100.00	100.00
NAV (RM'000)	63,078	62,507	69,858
Units in circulation (units'000)	84,463	86,969	89,527
NAV per unit (RM)	0.7468	0.7187	0.7803
Highest NAV per unit (RM)	0.7572	0.7959	0.8109
Lowest NAV per unit (RM)	0.7106	0.7150	0.7553

MAYBANK MALAYSIA BALANCED FUND

Manager's report

For the financial period from 1 October 2022 to 31 March 2023 (cont'd)

B. Performance Review (cont'd)

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

Category	01.10.2022 to 31.03.2023	01.10.2021 to 30.09.2022	01.10.2020 to 30.09.2021
Net income distributed (RM'000)	-	1,528	1,765
Gross/ Net distribution per unit (sen)	-	1.80	2.02
Distribution date (ex-date)	-	27/09/2022	27/09/2021
Annual total return (%) ⁽¹⁾			
- Capital growth (%)	3.91	(7.89)	3.43
- Income distribution (%)	-	2.50	2.58
Total return (%)	3.91	(5.58)	6.10
Benchmark (%)	1.75	(3.52)	2.24
Total Expense Ratio ("TER") (%) ⁽²⁾	0.80	1.61	1.96
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.04	0.16	0.43

Notes:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER decreased due to lower expenses incurred in the current financial period under review.
- (3) The Fund's PTR decreased due to lower trading activities in the current financial period under review.

2. Performance of the Fund 5 years to 31 March 2023

Category	6 months to 31.03.2023 %	1 year to 31.03.2023 %	3 years to 31.03.2023 %	5 years to 31.03.2023 %
Capital growth	3.91	(2.58)	13.69	(3.63)
Income distribution	-	2.50	5.15	8.75
Total return of the Fund	3.91	(0.14)	19.55	4.80
Benchmark	1.75	(3.92)	6.62	(5.91)
Average total return	-	(0.14)	6.13	0.94

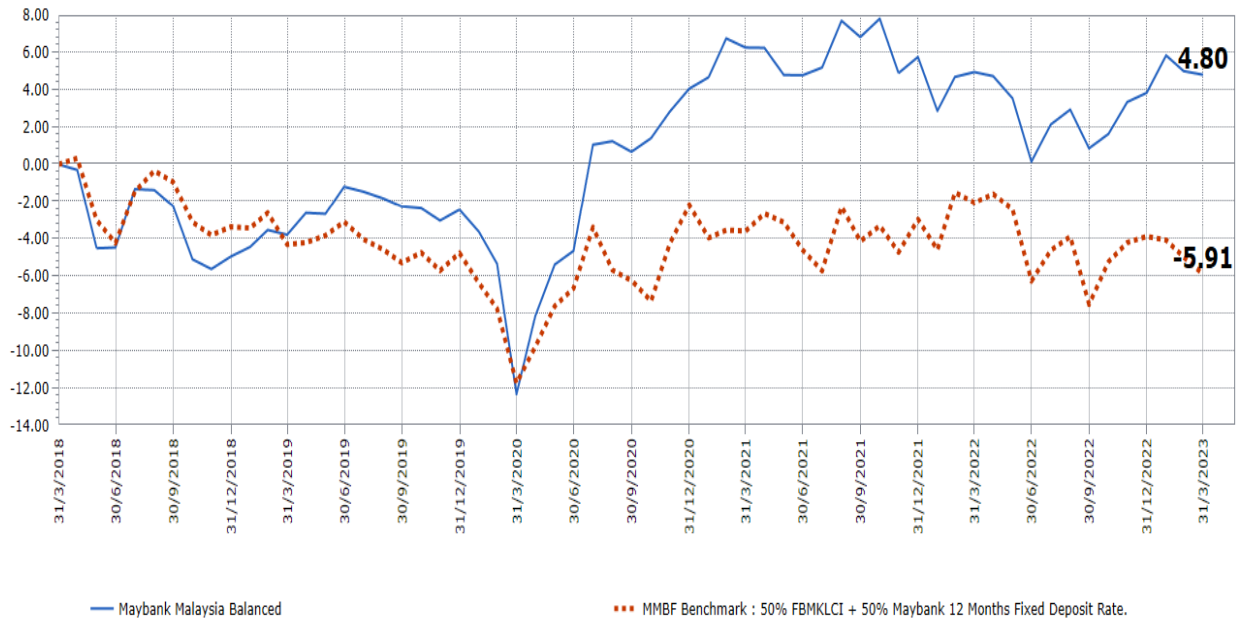
Investors are reminded that past performance of the Fund may not be indicative of its future performance and that unit prices and investment returns may fluctuate.

MAYBANK MALAYSIA BALANCED FUND

Manager's report

For the financial period from 1 October 2022 to 31 March 2023 (cont'd)

B. Performance Review (cont'd)



Source : Lipper as at 31 March 2023

For the six-month period, the Fund posted a gain of 3.91% outperforming its Composite benchmark which registered a gain of 1.75%. All equity sectors contributed positively except for Consumer Discretionary. The top 3 contributions came from Communication Services, Consumer Staples and Materials. Meanwhile, fixed income holdings also contributed positively for the period under review as 10-year Malaysia Government Securities (“MGS”) yield fell from 4.40% to 3.91% during the corresponding period.

3. Annual total return of the Fund

For the financial period/ year ended	31.03.2023 %	31.09.2022 %	30.09.2021 %	30.09.2020 %	30.09.2019 %
Capital growth	3.91	(7.89)	3.43	3.02	(0.02)
Income distribution	-	2.50	2.58	-	-
Total return	3.91	(5.58)	6.10	3.02	(0.02)
Benchmark	1.75	(3.52)	2.24	(0.88)	(4.09)

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:

$$\begin{aligned} \text{Capital return} &= (\text{NAV per unit end/ NAV per unit begin}) - 1 \\ \text{Income return} &= \text{Income distribution per unit/ NAV per unit ex-date} \\ \text{Total return} &= (1+\text{Capital return}) \times (1+\text{Income return}) - 1 \end{aligned}$$

MAYBANK MALAYSIA BALANCED FUND

Manager's report

For the financial period from 1 October 2022 to 31 March 2023 (cont'd)

C. Market Review

Equity Market Review

For the period under review, the FBMKLCI Index gyrated between gain and losses, ending the period with a gain of 2.0%.

The FBMKLCI started the period well on improved market risk appetite in anticipation of inflation peaking in the near future. This was also reflected in the fixed income space with the Malaysian Government paper yields easing off. Risk appetite also improved as China announced supportive measures for their property sector and ending of the Zero-Coronavirus Disease 2019 ("zero-covid") policy. Locally, political uncertainties eased with the formation of the Unity government following general election 15 ("GE15") in November 2022.

However market started consolidating in late January 2023 after the strong but brief rally, before turning cautious again. Concerns that Federal Reserve ("Fed") may have to hike rates for longer or even at a faster pace once again took hold after recent slew of macroeconomic numbers suggested that inflation is becoming stickier, and not just in the services sector. In March 2023 the market took another dip due to concerns over a global banking crisis following the collapse of Silicon Valley Bank and Signature Bank and the takeover of Credit Suisse by UBS Bank.

Fixed Income Market Review

After four Overnight Policy Rate ("OPR") hikes by Bank Negara Malaysia ("BNM") in 2022, BNM finally surprised the market by keeping OPR unchanged for 2 consecutive meetings in January and March 2023. Amidst a rather stable domestic monetary policy stance by our central bank, local fixed income market was more affected by the policy stance by United States ("US") Fed and global central banks. The global market saw the United States Treasury ("UST") yields went through a roller-coaster ride during the period under review as expectations on the Fed Fund Target Rates were rather transient given the data-dependency of policy rate decision as well as US economy showed more signs of cracking after the aggressive rate-hiking path pursuit by Fed since March 2022.

The fallout of Silicon Valley Bank ("SVB") and other US regional banks in mid-March 23 have showed the aggressive rate-hiking cycle in US is cracking the real economy. The outburst has even spread to Credit Suisse, a Swiss bank, which could lead to a full-fledged global banking crisis. The swift action taken by Swiss financial authority has managed to stem the spreading of banking crisis, but the unexpected consequences will be the further tightening of lending activities and real economy. The resulting risk-off and repricing of policy rate in global yields during the period saw local 10-year government bond ("govvie") yield fell 49 basis points ("bps") to 3.91% in end March 2023.

MAYBANK MALAYSIA BALANCED FUND

Manager's report

For the financial period from 1 October 2022 to 31 March 2023 (cont'd)

D. Market Outlook and Strategy

Market is expected to remain challenging over the next few months as all eyes will be on persistent inflationary pressure, rising rates and slower growth especially in some developed economy. The banking crisis while it seem to have calm down will likely lead to tighter lending and lower demand.

With consensus looking at FBMKLCI earnings to grow 2.7% Year on Year ("YoY") in 2023 and 5.3% YoY in 2024 and 12 months forward price-to-earnings ratio ("PER") of 12.8x (> -1SD from its long term average), we are positive on the market further out once some of the macro headwinds subsides (rising rates, potential for escalation in Ukraine-Russia conflict and US-China tension). Strategy wise, as we expect the market to remain volatile, we may hold higher cash from time to time. Sector wise, we favor financials, energy, consumer staples and utilities.

With US economy showing more signs of slowdown, especially the recent job data and surge in credit card delinquencies. Fed is expected to slow down at current level and is anticipated to slash rates in the second half of 2023 accordingly to Fed Fund future pricings. Similarly, BNM has been rather dovish in its last 2 policy meetings by keeping OPR unchanged at 2.75%. The accommodating policy stance is positive to bond market as the bond yields could see further dropping given the earlier higher rates expectation. However, we are selective in our portfolio construction and only included the stronger credit names which could withstand a slowdown in economic growth.

E. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions or rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the 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 period from 1 October 2022 to 31 March 2023, 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 MALAYSIA BALANCED FUND FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2023

We have acted as a Trustee for Maybank Malaysia Balanced Fund ("the Fund") for the financial period from 1 October 2022 to 31 March 2023. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd ("the Manager"), has operated and managed the Fund in accordance to the following:

In our opinion:

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, Supplemental Deeds, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws during the financial period from 1 October 2022 to 31 March 2023;
- (b) Valuation/ pricing of units of the Fund has been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

For and on behalf of the Trustee

UNIVERSAL TRUSTEE (M) BERHAD (197401000629) (17540-D)

ONG TEE VANN
Chief Executive Officer

Kuala Lumpur, Malaysia
2 May 2023

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED FUND FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2023

I, Ahmed Muzni Bin Mohamed, being the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Malaysia Balanced Fund as at 31 March 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 1 October 2022 to 31 March 2023 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Ahmed Muzni Bin Mohamed

Director

Kuala Lumpur, Malaysia

2 May 2023

MAYBANK MALAYSIA BALANCED FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2023**

		01.10.2022 to 31.03.2023	01.10.2021 to 31.03.2022
	Note	RM	RM
INVESTMENT INCOME/ (LOSS)			
Dividend income		2,025,063	677,417
Interest/ Profit income	3	722,692	681,140
Net gain/ (loss) on financial assets at fair value through profit or loss ("FVTPL")			
- Unrealised gain/ (loss)		1,532,869	(2,517,562)
- Realised (loss)/ gain		(1,356,655)	634,258
		<u>2,923,969</u>	<u>(524,747)</u>
EXPENSES			
Manager's fee	4	472,045	506,514
Trustee's fee	5	15,424	16,114
Auditors' remuneration		5,435	4,987
Tax agent's fee		2,468	2,244
Brokerage and other transaction fees		4,962	17,510
Administrative expenses		7,516	136,748
		<u>507,850</u>	<u>684,117</u>
NET RESULTS BEFORE TAXATION		2,416,119	(1,208,864)
Taxation	6	(4,436)	(3,336)
NET RESULTS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE FINANCIAL PERIOD		<u>2,411,683</u>	<u>(1,212,200)</u>
Net results after taxation is made up of the following:			
Realised income		878,814	1,305,362
Unrealised income/ (loss)		1,532,869	(2,517,562)
		<u>2,411,683</u>	<u>(1,212,200)</u>

MAYBANK MALAYSIA BALANCED FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Note	31.03.2023 RM	30.09.2022 RM
ASSETS			
Investments at FVTPL	7	59,083,607	57,131,087
Deposit with a licensed financial institution	8	3,686,000	4,987,000
Interest/ Profit receivable		320,545	342,465
Dividend receivable		169,739	200,928
Amount due from Manager	9	-	4,312
Cash at bank		16,968	10,020
TOTAL ASSETS		63,276,859	62,675,812
LIABILITIES			
Amount due to Manager	9	160,576	129,951
Amount due to Trustee	10	2,623	2,536
Other payables and accruals		36,016	36,372
TOTAL LIABILITIES		199,215	168,859
NET ASSET VALUE ("NAV") OF THE FUND		63,077,644	62,506,953
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS			
Unitholders' capital	11(a)	127,723,287	129,564,279
Accumulated losses	11(b)&(c)	(64,645,643)	(67,057,326)
		63,077,644	62,506,953
NUMBER OF UNITS IN CIRCULATION (UNITS)	11(a)	84,462,722	86,969,432
NAV PER UNIT		0.7468	0.7187

MAYBANK MALAYSIA BALANCED FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2023**

	Unitholders' capital Note 11(a) RM	Accumulated losses Note 11(b) & 11(c) RM	Net asset attributable to unitholders RM
At 1 October 2022	129,564,279	(67,057,326)	62,506,953
Total comprehensive income for the financial period	-	2,411,683	2,411,683
Creation of units	387,363	-	387,363
Cancellation of units	(2,228,355)	-	(2,228,355)
At 31 March 2022	<u>127,723,287</u>	<u>(64,645,643)</u>	<u>63,077,644</u>
At 1 October 2021	131,603,134	(61,745,332)	69,857,802
Total comprehensive loss for the financial period	-	(1,212,200)	(1,212,200)
Creation of units	126,401	-	126,401
Cancellation of units	(2,284,700)	-	(2,284,700)
At 31 March 2022	<u>129,444,835</u>	<u>(62,957,532)</u>	<u>66,487,303</u>

MAYBANK MALAYSIA BALANCED FUND**UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2023**

	01.10.2022	01.10.2021
	to	to
	31.03.2022	31.03.2022
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from disposal of investments	1,637,850	4,958,269
Net payment for purchase of investments	(3,419,579)	(3,892,389)
Interest/ Profit received	744,612	46,796
Dividend received	2,051,816	613,655
Manager's fee paid	(469,334)	(508,868)
Trustee's fee paid	(15,337)	(16,128)
Payment of other fees and expenses	(15,309)	(123,279)
Net cash generated from operating and investing activities	<u>514,719</u>	<u>1,078,056</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	391,672	126,400
Payments for cancellation of units	(2,200,443)	(2,352,361)
Net cash used in financing activities	<u>(1,808,771)</u>	<u>(2,225,961)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,294,052)	(1,147,904)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	4,997,020	7,434,195
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>3,702,968</u>	<u>6,286,291</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	16,968	100,291
Deposit with a licensed financial institution with maturity of less than 3 months (Note 8)	3,686,000	6,186,000
	<u>3,702,968</u>	<u>6,286,291</u>

MAYBANK MALAYSIA BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Malaysia Balanced Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 14 September 1994 ("Principal Deed") between Amanah Mutual Berhad ("AMB") as the Manager and Universal Trustee (Malaysia) Berhad as the Trustee. The following Supplemental Deeds have been issued between AMB and the Trustee:

- First Supplemental Deed dated 16 April 1999
- Second Supplemental Deed dated 23 March 2000
- Third Supplemental Deed dated 28 May 2001
- Forth Supplemental Deed dated 8 February 2002
- Fifth Supplemental Deed dated 12 September 2003
- Sixth Supplemental Deed dated 26 May 2005
- Seventh Supplemental Deed dated 26 July 2016
- Eighth Supplemental Deed dated 4 September 2018

The Fund commenced operations on 19 September 1994 and will continue to be in operation until terminated by the Trustee as provided under the Deeds. The Fund's strategy provides a careful selection between listed equities and listed/ unlisted fixed income securities carrying a minimum short term credit rating of P2 or long term credit rating of A3 by RAM or equivalent rating by any other rating agencies.

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

MAM, the replacement Manager, and Universal Trustee (Malaysia) Berhad as the Trustee had entered into a Ninth Supplemental Deed dated 11 July 2019 to change the name of the Fund. The Deed and Supplemental Deeds are hereinafter referred to as "Deeds".

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

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 134 *Interim Financial Reporting* ("MFRS 134") and International Accounting Standards 34 *Interim Financial Reporting*.

MAYBANK MALAYSIA BALANCED FUND

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

2.2 Standards and amendments to standards issued but not yet effective

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

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

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 periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax Related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
<i>Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2.3 Financial instruments

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

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

MAYBANK MALAYSIA BALANCED FUND

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

2.4 Financial assets

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

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

(i) Financial assets at amortised cost

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

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

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

(ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

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

MAYBANK MALAYSIA BALANCED FUND

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

2.4 Financial assets (cont'd)

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

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

Interest/ Profit income on debt instruments and dividend income on equity securities classified as FVTPL are disclosed separately in the profit or loss.

(iii) Impairment

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

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

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

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

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

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

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

(iv) Derecognition

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

MAYBANK MALAYSIA BALANCED FUND

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

2.4 Financial assets (cont'd)

(iv) Derecognition (cont'd)

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

On derecognition of financial asset at amortised cost, gains and losses previously 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 Trustee, amount due to Manager, 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/ profit rate method.

(iii) Derecognition of financial liabilities

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

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 market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest/ profit.

MAYBANK MALAYSIA BALANCED FUND

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

2.6 Fair value measurement (cont'd)

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 Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

2.8 Unitholders' capital

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

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

The outstanding units are carried at the redemption amount that is payable at each financial period/ year if unitholder exercises the right to put the unit back to the Fund.

MAYBANK MALAYSIA BALANCED FUND

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

2.8 Unitholders' capital (cont'd)

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

2.9 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distributions is sourced out of distribution equalisation which is accounted for as 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 with original maturity of three months or less 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 a licensed financial institution 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.

Interest/ Profit income from unquoted fixed income securities includes amortisation of premium and accretion of discount, and is recognised using the EIR/ EPR method.

Interest/ Profit income from short-term deposits is recognised on the accruals basis using the EIR/ EPR method.

Dividends are recognised as revenue when the right to receive payment is established.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation or premium.

Realised gain or loss on disposal of investments are accounted for as the difference between net disposal proceeds and the carrying amounts of the investments.

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 MALAYSIA BALANCED FUND

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

2.12 Taxation

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial period.

In some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Fund. The Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income.

No deferred tax is recognised as no temporary differences have been identified.

2.13 Segment information

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

2.14 Critical accounting estimates and judgements

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

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

MAYBANK MALAYSIA BALANCED FUND

3. INTEREST/ PROFIT INCOME

	01.10.2022 to 31.03.2023 RM	01.10.2021 to 31.03.2022 RM
Interest/ Profit income from unquoted fixed income securities	681,205	646,165
Interest/ Profit income from short-term deposits	68,591	46,773
Amortisation of premium, net of accretion of discount	(27,104)	(11,798)
	722,692	681,140

4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.50% (01.10.2021 to 31.03.2022: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

5. TRUSTEE'S FEE

The 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 of the Fund	Rate p.a. (%)	
	01.10.2022 to 31.03.2023	01.10.2021 to 31.03.2022
First RM20 million	0.06	0.06
Next RM20 million	0.05	0.05
Next RM20 million	0.04	0.04
Next RM20 million	0.03	0.03
Next RM20 million	0.02	0.02
Any amount in excess of RM100 million	0.01	0.01

6. TAXATION

	01.10.2022 to 31.03.2023 RM	01.10.2021 to 31.03.2022 RM
Tax expense for the financial period:		
Current income tax expense	4,436	3,336

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.10.2021 to 31.03.2022: 24%) of the estimated assessable income for the financial period. The tax expense for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

In accordance with Schedule 6 of the Income Tax Act 1967, interest/ profit income and dividend income earned by the Fund is exempted from tax.

MAYBANK MALAYSIA BALANCED FUND

6. TAXATION (CONT'D)

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

	01.10.2022 to 31.03.2023 RM	01.10.2021 to 31.03.2022 RM
Net results before taxation	2,416,119	(1,208,864)
Taxation at Malaysian statutory rate of 24% (01.10.2021 to 31.03.2022: 24%)	579,869	(290,127)
Income not subject to tax	(1,027,350)	(478,276)
Loss not deductible for tax purposes	325,597	604,215
Expenses not deductible for tax purposes	121,884	164,188
Income taxed at source	4,436	3,336
Tax expense for the financial period	4,436	3,336

7. INVESTMENTS AT FVTPL

	Note	31.03.2023 RM	30.09.2022 RM
Quoted equities	(a)	28,190,572	27,941,866
Unquoted fixed income securities	(b)	30,893,035	29,189,221
		<u>59,083,607</u>	<u>57,131,087</u>

31.03.2023	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities				
Construction				
Econpile Holdings Bhd	1,591,100	872,823	326,176	0.52
Gamuda Bhd	165,281	535,214	674,346	1.07
	<u>1,756,381</u>	<u>1,408,037</u>	<u>1,000,522</u>	<u>1.59</u>
Consumer Products				
Berjaya Sports Toto Bhd	307,239	600,682	457,786	0.73
Fraser & Neave Holdings Bhd	36,000	962,013	936,000	1.48
Genting Malaysia Bhd	903,500	2,689,778	2,394,275	3.80
Nestle Malaysia Bhd	900	123,558	123,390	0.20
	<u>1,247,639</u>	<u>4,376,031</u>	<u>3,911,451</u>	<u>6.21</u>

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

31.03.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities (cont'd)				
Energy				
Dayang Enterprise Holdings Bhd	474,800	660,835	636,232	1.01
Hibiscus Petroleum Bhd	299,400	389,220	296,406	0.47
Yinson Holdings Bhd	190,960	493,257	490,767	0.78
Yinson Holdings Bhd - Warrants	23,382	-	14,497	0.02
	988,542	1,543,312	1,437,902	2.28
Finance				
CIMB Group Holdings Bhd	356,949	1,719,476	1,895,399	3.00
Hong Leong Bank Bhd	49,800	932,013	1,006,956	1.60
Hong Leong Financial Group Bhd	10,000	190,916	179,800	0.29
MBB *	318,737	2,744,954	2,731,576	4.33
Public Bank Bhd	351,515	1,533,297	1,406,060	2.23
RHB Bank Bhd	253,885	1,373,083	1,416,678	2.25
	1,340,886	8,493,739	8,636,469	13.70
Industrial Products				
Dufu Technology Corp. Bhd	138,500	451,332	290,850	0.46
Hiap Teck Venture Bhd	658,200	331,930	223,788	0.35
Press Metal Aluminium Holdings Bhd	216,500	907,742	1,054,355	1.67
SKP Resources Bhd	242,375	448,762	302,969	0.48
SKP Resources Bhd - Warrant	38,780	-	2,521	0.00
Sunway Bhd	59,040	59,040	88,560	0.14
	1,353,395	2,198,806	1,963,043	3.10
Plantation				
Kuala Lumpur Kepong Bhd	27,216	628,362	565,548	0.90
Sarawak Oil Palms Bhd	166,950	471,297	399,011	0.63
Sime Darby Plantation Bhd	141,108	667,408	602,531	0.96
	335,274	1,767,067	1,567,090	2.49

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

31.03.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities (cont'd)				
Real Estate Investment Trust ("REIT")				
Axis REIT	509,751	940,001	958,332	1.52
IGB REIT	514,200	912,822	894,708	1.42
	<u>1,023,951</u>	<u>1,852,823</u>	<u>1,853,040</u>	<u>2.94</u>
Technology				
Frontken Corp Bhd	113,350	116,425	353,652	0.56
Frontken Corp Bhd - Warrant	53,350	-	13,604	0.02
Globetronics Technology Bhd	201,600	472,560	231,840	0.37
Inari Amertron Bhd	199,100	356,222	489,786	0.78
Malaysian Pacific Industries Bhd	12,200	116,997	353,312	0.56
Unisem (M) Bhd	146,900	415,755	455,390	0.72
Vitrox Corp Bhd	76,300	336,915	608,874	0.97
	<u>802,800</u>	<u>1,814,874</u>	<u>2,506,458</u>	<u>3.98</u>
Telecommunications				
Axiata Group Bhd	275,917	1,270,729	830,510	1.32
Telekom (M) Bhd	161,340	869,433	790,566	1.25
TIME dotCom Bhd	237,600	1,065,493	1,318,680	2.09
	<u>674,857</u>	<u>3,205,655</u>	<u>2,939,756</u>	<u>4.66</u>
Transportation				
Malaysia Airports Holdings Bhd	89,400	570,372	607,026	0.96
Utilities				
Mega First Corporation	161,800	572,138	566,300	0.90
Tenaga Nasional Bhd	130,175	1,703,202	1,201,515	1.90
	<u>291,975</u>	<u>2,275,340</u>	<u>1,767,815</u>	<u>2.80</u>
Total quoted equities	<u>9,905,100</u>	<u>29,506,056</u>	<u>28,190,572</u>	<u>44.71</u>

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

31.03.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Unquoted fixed income securities				
Automotive				
DRB-Hicom - 4.85%/ 11.12.2026	2,400,000	2,388,022	2,391,744	3.79
Bank				
Affin Islamic Bank Bhd - 5.05%/ 23.10.2028	450,000	450,193	452,093	0.72
Sabah Development Bank Bhd - 5.05%/ 27.02.2026	2,300,000	2,337,318	2,335,604	3.70
	2,750,000	2,787,511	2,787,697	4.42
Commodities				
Guan Chong Bhd - 3.84%/ 03.12.2027	200,000	200,841	193,612	0.31
Pengurusan Air SPV Bhd - 3.90%/ 30.10.2029	2,000,000	2,013,189	1,959,940	3.11
	2,200,000	2,214,030	2,153,552	3.42
Conglomerate				
MNRB Holdings Bhd - 5.20%/ 22.03.2029	1,400,000	1,403,924	1,408,176	2.23
MMC Corporation Bhd - 5.70%/ 24.03.2028	2,000,000	2,061,154	2,098,480	3.33
SP Setia Bhd - 4.30%/ 23.06.2028	700,000	699,961	695,660	1.10
	4,100,000	4,165,039	4,202,316	6.66
Industrial Products				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	800,000	799,975	793,416	1.26

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

31.03.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Unquoted fixed income securities (cont'd)				
Plantation				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,200,000	2,202,160	2,148,036	3.41
Port				
Penang Port Bhd - 4.48%/ 27.12.2029	700,000	732,310	698,866	1.11
Power				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,300,000	2,337,578	2,285,418	3.62
Tanjung Bin Power Sdn Bhd - 5.28%/ 16.08.2027	500,000	509,124	518,090	0.82
Sarawak Energy Berhad - 3.30%/ 14.06.2030	1,400,000	1,399,991	1,324,624	2.10
	<u>4,200,000</u>	<u>4,246,693</u>	<u>4,128,132</u>	<u>6.54</u>
Property				
IJM Land Bhd - 4.73%/ Perpetual	1,350,000	1,350,507	1,321,394	2.09
- 5.65%/ Perpetual	1,100,000	1,099,972	1,118,018	1.77
Gamuda Land Sdn Bhd - 3.75%/ 12.08.2027	700,000	699,990	681,597	1.08
- 4.20%/ 11.10.2027	500,000	500,691	495,085	0.78
UEM Sunrise Bhd - 4.00%/ 09.06.2023	1,800,000	1,800,169	1,798,236	2.85
- 4.30%/ 16.02.2026	1,500,000	1,504,378	1,461,540	2.32
- 4.30%/ 16.02.2026	800,000	805,515	784,232	1.24
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	600,000	600,316	591,672	0.94
	<u>8,350,000</u>	<u>8,361,538</u>	<u>8,251,774</u>	<u>13.07</u>

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

31.03.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Unquoted fixed income securities (cont'd)				
Public Finance				
Infracap Resources Sdn Bhd - 4.40%/ 15.04.2031	1,600,000	1,599,973	1,602,224	2.54
Real Estate				
Country Garden Real Estate Bhd - 5.25%/ 27.03.2025	400,000	400,001	392,524	0.62
Transportation				
Malaysia Airport Holdings Bhd - 3.30%/ 05.11.2027	1,400,000	1,399,971	1,342,754	2.13
Total unquoted fixed income securities	31,100,000	31,297,223	30,893,035	48.97
Total FVTPL investments	41,005,100	60,803,279	59,083,607	93.68
Unrealised loss on FVTPL investments			(1,719,672)	
30.09.2022				
(a) Quoted equities				
Construction				
Econpile Holdings Bhd	1,591,100	872,823	278,443	0.45
Gamuda Bhd	162,456	525,468	638,452	1.02
	1,753,556	1,398,291	916,895	1.47
Consumer Products				
Berjaya Sports Toto Bhd	304,700	600,682	536,272	0.86
Fraser & Neave Holdings Bhd	15,600	533,682	336,960	0.54
Genting Malaysia Bhd	903,500	2,689,778	2,520,765	4.03
Nestle (Malaysia) Bhd	900	123,558	117,450	0.19
	1,224,700	3,947,700	3,511,447	5.62

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

30.09.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities (cont'd)				
Energy				
Dayang Enterprise Holdings Bhd	474,800	660,835	527,028	0.84
Hibiscus Petroleum Bhd	299,400	389,220	251,496	0.40
Yinson Holdings Bhd	190,960	493,257	410,564	0.66
Yinson Holdings Bhd - Warrants	23,382	-	11,574	0.02
	988,542	1,543,312	1,200,662	1.92
Finance				
CIMB Group Holdings Bhd	349,333	1,683,147	1,792,078	2.87
Hong Leong Bank Bhd	49,800	932,013	1,020,900	1.63
Hong Leong Financial Group Bhd	10,000	190,916	184,600	0.30
Malayan Banking Bhd ("MBB")*	316,097	2,722,830	2,712,112	4.34
Public Bank Bhd	351,515	1,533,297	1,486,908	2.38
RHB Bank Bhd	251,357	1,360,519	1,397,545	2.24
	1,328,102	8,422,722	8,594,143	13.76
Industrial Products				
Dufu Technology Corp. Bhd	138,500	451,332	355,945	0.57
Hiap Teck Venture Bhd	658,200	331,930	138,222	0.22
Press Metal Aluminium Holdings Bhd	216,500	907,742	874,660	1.40
SKP Resources Bhd	242,375	448,762	402,343	0.64
SKP Resources Bhd - Warrant	38,780	-	4,266	0.01
Sunway Bhd - Preference Shares	59,040	59,040	84,427	0.14
	1,353,395	2,198,806	1,859,863	2.98
Plantation				
Kuala Lumpur Kepong Bhd	27,216	628,362	563,371	0.90
Sarawak Oil Palms Bhd	166,950	471,297	365,621	0.58
Sime Darby Plantation Bhd	141,108	667,408	577,132	0.92
	335,274	1,767,067	1,506,124	2.40
Real Estate Investment Trust ("REIT")				
Axis REIT	509,751	940,001	963,429	1.54
IGB REIT	514,200	912,822	822,720	1.32
	1,023,951	1,852,823	1,786,149	2.86

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

30.09.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities (cont'd)				
Technology				
Frontken Corp Bhd	113,350	116,425	311,713	0.50
Frontken Corp Bhd - Warrant	53,350	-	12,537	0.02
Globetronics Technology Bhd	201,600	472,560	235,872	0.38
Inari Amerton Bhd	199,100	356,222	501,732	0.80
Malaysian Pacific Industries Bhd	12,200	116,997	350,628	0.56
MyEG Services Bhd	606,411	626,136	515,449	0.82
Unisem (M) Bhd	146,900	415,755	381,940	0.61
Vitrox Corp Bhd	76,300	336,916	551,649	0.88
	1,409,211	2,441,011	2,861,520	4.57
Telecommunications				
Axiata Group Bhd	275,917	1,270,729	722,903	1.16
Telekom (M) Bhd	158,700	855,150	868,089	1.39
TIME dotCom Bhd	237,600	1,065,494	1,097,712	1.76
	672,217	3,191,373	2,688,704	4.31
Transportation				
Lingkar Trans Kota Holdings Bhd	289,800	1,270,424	1,434,510	2.29
Utilities				
Mega First Corporation Bhd	161,800	572,138	533,940	0.85
Tenaga Nasional Bhd	130,175	1,703,203	1,047,909	1.68
	291,975	2,275,341	1,581,849	2.53
Total quoted equities	10,670,723	30,308,870	27,941,866	44.71
(b) Unquoted fixed income securities				
Automotive				
DRB-Hicom - 4.85%/ 11.12.2026	2,400,000	2,386,586	2,368,920	3.79

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

30.09.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Unquoted fixed income securities (cont'd)				
Bank				
Affin Islamic Bank Bhd - 5.05%/ 23.10.2028	450,000	450,374	455,148	0.73
MNRB Holding Bhd - 5.20%/ 22.03.2029	1,400,000	1,405,890	1,410,836	2.26
	<u>1,850,000</u>	<u>1,856,264</u>	<u>1,865,984</u>	<u>2.99</u>
Commodities				
Pengurusan Air SPV Bhd - 3.9%/ 30.10.2029	2,000,000	2,014,067	1,905,760	3.05
Malaysia Airport Holdings Bhd - 3.30%/ 05.11.2027	1,400,000	1,399,970	1,322,874	2.12
Sarawak Energy Bhd - 3.30%/ 14.06.2030	1,400,000	1,399,993	1,269,170	2.03
	<u>4,800,000</u>	<u>4,814,030</u>	<u>4,497,804</u>	<u>7.20</u>
Conglomerate				
MMC Corporation Bhd - 5.70%/ 24.03.2028	2,000,000	2,066,537	2,081,060	3.33
Guan Chong Bhd - 3.84%/ 03.12.2027	200,000	200,923	188,766	0.30
SP Setia Bhd - 4.30%/ 23.06.2028	700,000	699,961	679,392	1.09
	<u>2,900,000</u>	<u>2,967,421</u>	<u>2,949,218</u>	<u>4.72</u>
Industrial Products				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	800,000	799,975	775,872	1.24
Plantation				
Jabatan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,200,000	2,202,564	2,118,864	3.39

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

30.09.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Unquoted fixed income securities (cont'd)				
Port				
Penang Port Bhd - 4.48%/ 27.12.2029	700,000	734,401	675,990	1.08
Power				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,300,000	2,339,399	2,207,977	3.53
Tanjung Bin Power Sdn Bhd - 5.28%/ 16.08.2027	500,000	510,046	511,760	0.82
Quantum Solar Park Malaysia - 5.16%/ 06.10.2022	1,100,000	1,100,142	1,100,121	1.76
	3,900,000	3,949,587	3,819,858	6.11
Property				
Gamuda Land Bhd - 3.75%/ 12.08.2027	700,000	699,991	667,408	1.07
- 4.20%/ 11.10.2027	500,000	500,760	485,320	0.78
IJM Land Bhd - 4.73%/ Perpetual	1,350,000	1,350,561	1,303,533	2.09
- 5.65%/ Perpetual	1,100,000	1,099,974	1,109,339	1.77
UEM Sunrise Bhd - 4.00%/ 09.06.2023	1,800,000	1,800,819	1,798,074	2.88
- 4.30%/ 16.02.2026	1,500,000	1,505,090	1,455,225	2.33
- 4.60%/ 20.05.2026	800,000	806,334	781,256	1.25
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	600,000	600,426	588,144	0.94
	8,350,000	8,363,955	8,188,299	13.11
Public Finance				
Infracap Resources Sdn Bhd - 4.40%/ 15.04.2031	1,600,000	1,599,973	1,539,440	2.46
Real Estate				
Country Garden Real Estate Bhd - 5.25%/ 27.03.2025	400,000	400,002	388,972	0.62

MAYBANK MALAYSIA BALANCED FUND

7. INVESTMENTS AT FVTPL (CONT'D)

30.09.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Unquoted fixed income securities (cont'd)				
Total unquoted fixed income securities	29,900,000	30,074,758	29,189,221	46.71
Total FVTPL investments	40,570,723	60,383,628	57,131,087	91.42
Unrealised loss on FVTPL investments			(3,252,541)	

8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.03.2023 RM	30.09.2022 RM
Short-term placement with a licensed financial institution - less than 3 months	3,686,000	4,987,000

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

	31.03.2023		30.09.2022	
	WAEIR/ WAEPR % p.a.	Average maturity Days	WAEIR/ WAEPR % p.a.	Average maturity Days
Deposit with maturity of: - less than 3 months	2.75	3	2.50	3

9. AMOUNT DUE FROM/ (TO) MANAGER

	Note	31.03.2023 RM	30.09.2022 RM
(a) Amount due from Manager			
Subscription of units	(i)	-	4,312
(b) Amount due to Manager			
Redemption of units	(ii)	80,379	52,465
Manager's fee	(iii)	80,197	77,486
		160,576	129,951

- (i) The amount represents amount receivable from the Manager for units subscribed.
(ii) The amount represents amount payable to the Manager for units redeemed or cancelled.
(iii) Amount due to Manager relates to the amount payable to the Fund Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (2022: 15 days).

MAYBANK MALAYSIA BALANCED FUND

10. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accruals for Trustee's fee at the end of the financial period. The normal credit term for Trustee's is 15 days (30.09.2022: 15 days).

11. TOTAL EQUITY

	Note	31.03.2023 RM	30.09.2022 RM
Unitholders' capital	(a)	127,723,287	129,564,279
Accumulated realised loss	(b)	(52,545,165)	(53,423,979)
Accumulated unrealised loss	(c)	(12,100,478)	(13,633,347)
		<u>63,077,644</u>	<u>62,506,953</u>

(a) Unitholders' capital

	01.10.2022 to 31.03.2023		01.10.2021 to 30.09.2022	
	Units	RM	Units	RM
At the beginning of the financial period/ year	86,969,433	129,564,279	89,526,876	131,603,134
Creation of units	518,151	387,363	981,107	731,924
Reinvestment of units	-	-	2,126,120	1,528,040
Cancellation of units	(3,024,861)	(2,228,355)	(5,664,670)	(4,298,819)
At the end of the financial period/ year	<u>84,462,723</u>	<u>127,723,287</u>	<u>86,969,433</u>	<u>129,564,279</u>

As at the end of the financial period/ year, there were no units held by the Manager or other parties related to the Manager (30.09.2022: nil).

(b) Accumulated realised loss

	01.10.2022 to 31.03.2023 RM	01.10.2021 to 30.09.2022 RM
At the beginning of the financial period/ year	(53,423,979)	(54,109,640)
Net realised income for the financial period/ year	878,814	2,213,701
Distribution out of realised reserve	-	(1,528,040)
At the end of the financial period/ year	<u>(52,545,165)</u>	<u>(53,423,979)</u>

MAYBANK MALAYSIA BALANCED FUND

11. TOTAL EQUITY (CONT'D)

(c) Accumulated unrealised loss

	01.10.2022 to 31.03.2023 RM	01.10.2021 to 30.09.2022 RM
At the beginning of the financial period/ year	(13,633,347)	(7,635,692)
Net unrealised income/ (loss) for the financial period/ year	1,532,869	(5,997,655)
At the end of the financial period/ year	<u>(12,100,478)</u>	<u>(13,633,347)</u>

12. TRANSACTIONS WITH BROKERS/ DEALERS

Transactions of brokers/ dealers for the current and previous financial period are as follows:

	Value of Trade RM	Percent of Total Trade %	Brokerage Fees RM	Percent of Brokerage Fees %
01.10.2022 to 31.03.2023				
RHB Investment Bank Bhd	2,339,422	60.33	-	-
Hong Leong Investment Bank	570,372	14.71	1,141	43.09
MIDF Amanah Investment Bank Bhd	428,331	11.04	428	16.17
CIMB Investment Bank Bhd	397,199	10.24	794	29.98
Kenanga Investment Bank Bhd	73,157	1.89	146	5.51
UOB Kay Hian Securities (M) Sdn Bhd	69,548	1.79	139	5.25
	<u>3,878,029</u>	<u>100.00</u>	<u>2,648</u>	<u>100.00</u>
01.10.2021 to 31.03.2022				
Hong Leong Investment Bank	1,824,127	20.77	3,648	20.83
CIMB Islamic Bank Bhd	1,754,690	19.98	3,522	20.11
UOB Kay Hian Securities (M) Sdn Bhd	1,566,485	17.84	3,133	17.90
Alliance Investment Bank Bhd	1,366,615	15.56	1,367	7.81
Affin Investment Bank Bhd	773,934	8.81	1,561	8.92
Public Investment Bank Bhd	681,824	7.76	1,377	7.86
MBB *	306,546	3.49	153	0.87
Kenanga Investment Bank Bhd	179,412	2.04	359	2.05
Others	329,294	3.75	2,390	13.65
	<u>8,782,927</u>	<u>100.00</u>	<u>17,510</u>	<u>100.00</u>

* MBB is the ultimate holding company of the Manager

MAYBANK MALAYSIA BALANCED FUND

13. 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 maybe 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 period/ year.

Other than those disclosed elsewhere in the financial statements, the following is the significant related party transaction and balances of the Fund during the financial period/ year.

	01.10.2022 to 31.03.2023 RM	01.10.2021 to 30.09.2022 RM
(i) Significant related party transaction		
<u>MBB</u>		
Interest/ Profit income from deposits	68,591	110,373
Dividend income	95,621	182,485
	<u>164,212</u>	<u>292,858</u>
	31.03.2023 RM	30.09.2022 RM
(ii) Significant related party balances		
<u>MBB</u>		
Deposit with licensed financial institution	3,686,000	4,987,000
Interest/ Profit receivable	278	342
Dividend receivable	95,621	-

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

14. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 October 2022 to 31 March 2023, the TER of the Fund stood at 0.80% (01.10.2021 to 31.03.2022: 0.98%).

15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund us the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 October 2022 to 31 March 2023, the PTR of the Fund stood at 0.04 times (01.10.2021 to 31.03.2022: 0.07 times).

MAYBANK MALAYSIA BALANCED FUND

16. 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 between 40% to 58% of the Fund's assets in equities, 40% to 58% in fixed income securities and minimum of 2% of the Fund's assets in liquid assets.

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

The internal reporting 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 period.

17. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(a) Classification of financial instruments

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

	Financial assets or liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
31.03.2023				
Assets				
Investments at FVTPL	59,083,607	-	-	59,083,607
Deposits with licensed financial institutions	-	3,686,000	-	3,686,000
Interest/ Profit receivable	-	320,545	-	320,545
Dividend receivable	-	169,739	-	169,739
Cash at bank	-	16,968	-	16,968
Total financial assets	59,083,607	4,193,252	-	63,276,859

MAYBANK MALAYSIA BALANCED FUND

17. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

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

31.03.2023 (cont'd)	Financial assets or liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Liabilities				
Amount due to Manager	-	-	160,576	160,576
Amount due to Trustee	-	-	2,623	2,623
Other payables and accruals	-	-	36,016	36,016
Total financial liabilities	-	-	199,215	199,215
30.09.2022				
Assets				
Financial assets at FVTPL	57,131,087	-	-	57,131,087
Deposit with a licensed financial institution	-	4,987,000	-	4,987,000
Interest/ Profit receivable	-	342,465	-	342,465
Dividend receivable	-	200,928	-	200,928
Amount due from Manager	-	4,312	-	4,312
Cash at bank	-	10,020	-	10,020
Total financial assets	57,131,087	5,544,725	-	62,675,812
Liabilities				
Amount due to Manager	-	-	129,951	129,951
Amount due to Trustee	-	-	2,536	2,536
Other payables and accruals	-	-	36,372	36,372
Total financial liabilities	-	-	168,859	168,859

(b) Financial instruments that are carried at fair value

The Fund's financial instruments at FVTPL are measured at fair value.

Quoted equities

The fair value of quoted investments in shares are determined by reference to the last bid price on Bursa Malaysia as at the statement of financial position date.

Unquoted fixed income equities

Local unquoted fixed income securities denominated in RM are revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency ("BPA") as per SC's Guidelines on Unit Trust Funds.

MAYBANK MALAYSIA BALANCED FUND

17. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

(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.

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

18. 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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.03.2023				
Quoted equities	28,190,572	-	-	28,190,572
Unquoted fixed income securities	-	30,893,035	-	30,893,035
	<u>28,190,572</u>	<u>30,893,035</u>	<u>-</u>	<u>59,083,607</u>
30.09.2022				
Quoted equities	27,941,866	-	-	27,941,866
Unquoted fixed income securities	-	29,189,221	-	29,189,221
	<u>27,941,866</u>	<u>29,189,221</u>	<u>-</u>	<u>57,131,087</u>

19. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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