

**Asset Management**

Maybank Asset Management Sdn Bhd

199701006283

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

[www.maybank-am.com.my](http://www.maybank-am.com.my)

# MAYBANK MIXED ASSETS-I WAQF FUND

**Annual report****For the financial year ended 31 May 2023**

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)

### **BUSINESS OFFICE**

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

### **EXTERNAL INVESTMENT MANAGER ("EIM")**

Maybank Islamic Asset Management Sdn Bhd (201301012623) (1042461-K)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia

### **TRUSTEE**

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

### **SHARIAH ADVISER**

Amanie Advisors Sdn Bhd (200501007003) (684050-H)  
Level 13A-2, Menara Tokio Marine Life  
189 Jalan Tun Razak  
50400 Kuala Lumpur  
Telephone +603-2161 0260  
Facsimile +603-2161 0262

## **MAYBANK MIXED ASSETS-I WAQF FUND**

<b>CONTENT</b>	<b>PAGE</b>
Manager's report	1 - 8
Trustee's report	9
Statement by Manager	10
Report of the Shariah Adviser	11
Independent auditors' report	12 - 15
Statement of comprehensive income	16
Statement of financial position	17
Statement of changes in net assets attributable to unitholders	18
Statement of cash flows	19
Notes to the financial statements	20 - 51

## MAYBANK MIXED ASSETS-I WAQF FUND

### Manager's report

For the financial year ended 31 May 2023

#### A. Fund Information

**1. Name of Fund**

Maybank Mixed Assets-I Waqf Fund (the "Fund")

**2. Type of Fund**

Income and Growth

**3. Category of Fund**

Mixed Assets (Islamic)

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date/ commencement date**

3 May 2021/ 4 June 2021

**6. Fund's investment objective**

The Fund aims to primarily provide income and possible capital growth over medium to long term by investing in a portfolio of Sukuk, Shariah-compliant equities and/ or Islamic collective investment schemes and channel a portion of the income for Waqf purposes.

**7. Fund distribution policy**

Subject to the availability of income, the Fund will distribute income at least on an annual basis in the following manner:

	Income distribution policy
If the Fund achieves a distribution yield of less than 2.50% per annum	All income distribution declared will be disbursed as Waqf Contribution and paid to Yayasan Waqf Malaysia ("YWM").
If the Fund achieves a distribution yield between 2.50% - 4.99% per annum	- The income distribution declared in respect of the first 2.50% per annum will be disbursed as Waqf Contribution and paid to YWM; - The balance of the income distribution declared will be reinvested as additional Units in the Fund for the Unit Holders.
If the Fund achieves a distribution yield of 5.00% per annum and above	- 50% of the income distribution declared will be disbursed as Waqf Contribution and paid to YWM; - 50% of the income distribution declared will be reinvested as additional Units in the Fund for the Unit Holders.

**8. Fund's performance benchmark**

Maybank 12-month Islamic deposit rate + 2.00%.

## MAYBANK MIXED ASSETS-I WAQF FUND

### Manager's report

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

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

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

The Fund seeks to achieve its investment objective by investing between 30% to 70% of its NAV in MYR-denominated Sukuk and between 30% to 70% of its NAV in Shariah-compliant equities and Shariah-compliant equity-related securities. Shariah-compliant equity-related securities here include Shariah-compliant warrants, rights issues, Shariah-compliant American Depositary Receipts ("ADRs") and Shariah-compliant Global Depositary Receipts ("GDRs"). The Fund may also invest up to 20% of the Fund's NAV in Islamic collective investment schemes including Islamic Real Estate Investment Trusts ("REITs") and Islamic Exchange Traded Funds ("ETFs"). Up to 20% of the Fund's NAV will be invested in Islamic liquid assets such as Islamic money market instruments, Islamic deposits and Islamic collective investment schemes investing in Islamic money market instruments and/ or Islamic deposits.

#### B. Performance Review

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

Category	01.06.2022 to 31.05.2023	03.05.2021 (date of launch) to 31.05.2022
<b>Portfolio Composition (%)</b>		
<b>Shariah-compliant quoted equities (%)</b>	<b>22.62</b>	<b>31.44</b>
Construction	4.45	1.30
Consumer Products & Services	2.82	-
Energy	2.22	2.87
Financial Services	0.50	4.94
Healthcare	2.58	0.96
Industrial Products & Services	1.23	4.02
Plantations	-	3.57
Real Estate Investment Trusts ("REITs")	0.46	0.98
Technology	2.70	2.97
Telecommunications & Media	2.28	4.84
Transportation & Logistics	0.60	1.24
Utilities	2.78	3.75
<b>Sukuk (%)</b>	<b>24.20</b>	<b>59.41</b>
Construction & Engineering	6.20	16.48
Diversified Holdings	2.92	5.94
Financial Services	4.46	4.35
Industrial Products	5.98	5.96
Infrastructures & Utilities	3.15	11.20
Mining & Petroleum	1.49	1.45
Property & Real Estate	-	11.09
Public Finance	-	2.94
<b>Cash and other net assets (%)</b>	<b>53.18</b>	<b>9.15</b>
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>

## MAYBANK MIXED ASSETS-I WAQF FUND

### Manager's report

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

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

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

Category	01.06.2022 to 31.05.2023	03.05.2021 (date of launch) to 31.05.2022
NAV (RM'000)	581	1,320
Units in circulation (units'000)	1,293	2,807
NAV per unit (RM)	0.4497	0.4703
Highest NAV per unit (RM)	0.4695	0.5045
Lowest NAV per unit (RM)	0.4441	0.4655
Annual return (%) <sup>(1)</sup>		
- Capital growth (%)	(4.38)	(6.03)
- Income distribution (%)	-	-
Total return (%)	(4.38)	(6.03)
Benchmark (%)	4.70	3.88
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	6.12	4.07
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.83	0.83

**Note:**

- (1) Actual return of the Fund for the financial year/ period is computed based on the daily average NAV per unit, net of Manager and Trustee's fees.
- (2) The Fund's TER increased to 6.12% due to lower daily average NAV during the current financial year under review.
- (3) The Fund's PTR maintained to 0.83 times due to lower trading activities, compensated by lower daily average NAV during the current financial year under review.

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

## MAYBANK MIXED ASSETS-I WAQF FUND

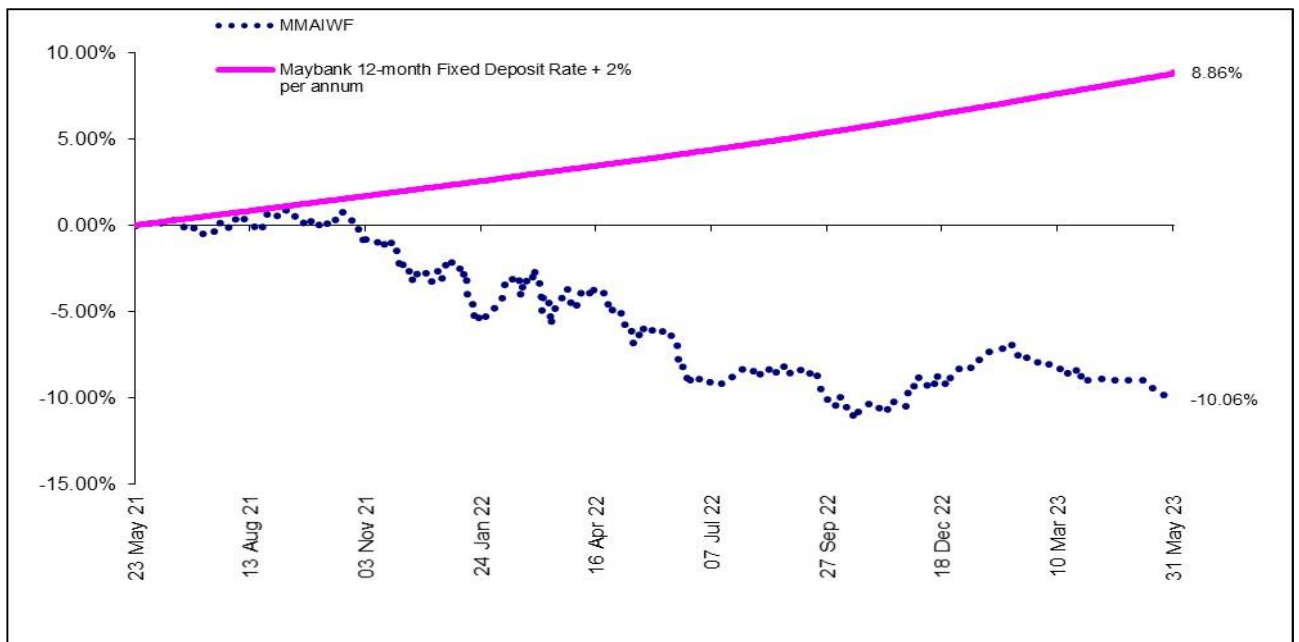
### Manager's report

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

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

#### 2. Performance of the Fund up to 31 May 2023

Category	1 year to 31.05.2023 %	Since inception to 31.05.2023 %
Capital growth	(4.38)	(10.06)
Income distribution	-	-
Total return of the Fund	(4.38)	(10.06)
Benchmark	4.70	8.86
Average total return	(4.38)	(4.98)



Source: Lipper as at 31 May 2023

The Fund registered a total loss of 4.38%, underperforming the benchmark by 9.08%. Sukuk gained while equity detracted value. Sukuk valuation improved over the year under review due to strong rally in local government bonds on the back of peaking policy rates and easing inflation expectations for local economy. In term of equity sectors, the main detractors came from:

- (i) Consumer staples, due to underperformance from the plantation sector in line with the drop in Crude Palm Oil ("CPO") prices and company that had margin compression due to the rising input costs;
- (ii) Materials, as the overall drop in commodity prices affected the spreads for petrochemicals and base metal prices;

## MAYBANK MIXED ASSETS-I WAQF FUND

### Manager's report

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

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

##### 2. Performance of the Fund up to 31 May 2023 (cont'd)

(iii) Financials, mainly due to the underperformance in Bank Islam as it still affected by high loan provisions and Net Profit Margin ("NPM") compression despite higher Overnight Policy Rate ("OPR") rates due to deposit competition currently across the industry; and

(iv) Energy sector underperformed in line with the fall in oil prices.

On the other hand, sectors that outperformed were industrials, communication services and healthcare. Broadly speaking, these sectors performed better amidst the volatile markets.

##### Has the Fund met its objective?

For the year under review, the Fund registered a total loss of 4.38%. Therefore, the Fund did not meet its objective to provide income and possible capital growth over medium to long-term.

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

For the financial year/ period ended	01.06.2022	03.05.2021
	to	(date of launch)
	31.05.2023	to
	%	31.05.2022
		%
Capital growth	(4.38)	(6.03)
Income distribution	-	-
Total return	(4.38)	(6.03)
Benchmark	4.70	3.88

##### 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 year.

An illustration of the above would be as follows:

Capital return = (NAV per unit end / NAV per unit begin) - 1

Income return = Income distribution per unit / NAV per unit ex-date

Total return = (1+Capital return) x (1+Income return) - 1

#### C. Market Review

During the year under review, global equity markets were volatile, as the investors were faced with plethora of challenges that began with the Russia-Ukraine war, sharp rise in inflation, aggressive monetary policy tightening, and ultimately the risks of a global recession. Equity markets staged a rebound in late 2022 largely driven amid signs that the pace of profit rate hikes in the United States ("US") is slowing, and inflation could have peaked. Investors began bargain hunting especially on stocks that were deemed oversold which were broadly in the growth sectors.



## MAYBANK MIXED ASSETS-I WAQF FUND

### Manager's report

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

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

These stocks were earlier sold-off on valuation de-rating amidst the rising profit rates and inflation. Indeed, 2023 started well as the outlook for the global economy looks better than expected, with the US and Europe showing resiliency helped by the lower energy prices and the re-opening economy in China. However, this was quickly dampened by the developments in the global banking sector that posed new uncertainty on the direction of monetary policy.

While the Developed Market ("DM") financial sector events were distinctive and has stopped short of a systematic risk, it does potentially lead to tighter lending environment and slower economic activity. Equity markets did, recently saw a rally but was narrowed to the Artificial Intelligent ("AI") theme which dominated to mostly stocks that benefit from this frenzy. Indices that have a high concentration in technology showed substantial gains.

The main US markets were mixed with Nasdaq being the best performer, rebounding 6.8% mainly driven by the AI theme. Standard & Poor's 500 ("S&P 500") marginally rose by 0.9% while Dow Jones underperformed, falling 0.5% during the year under review. European markets were mostly in positive territory, led by Stoxx 50 by 11.2% increase, followed by German Dax 8.7% rise. However, the Financial Time Stock Exchange 100 ("FTSE 100") was down 2.0%. North Asia was mixed, with Japan gaining 13.2% followed by India's 12.7% rise. Decliners were seen in Hong Kong as it crashed 14.9%, although Shanghai was slightly positive by 0.6%. South Korea and Taiwan fell 4.1% and 1.4% respectively. Association of Southeast Asian Nations ("ASEAN") was in a sea of red with all markets falling during the year under review. Worst performer came from Malaysia, tumbling 11.7%. Thailand, Indonesia, Philippines, and Singapore fell by 7.8%, 7.2%, 4.4% and 2.3% respectively.

The year 2022 saw the start of profit rates normalization by countries worldwide in effort to tame inflation. After nearly 2 years of low profit rate following four OPR cuts by Bank Negara Malaysia ("BNM") between January 2020 and July 2020 to a low of 1.75% to ease the impact of Coronavirus Disease 2019 ("COVID-19"), BNM commenced its profit rate normalization in May 2020 with a 25 basis points ("bps") hike followed by 3 more hikes in July 2022, September 2022 and November 2022 to increase OPR to 2.75%. The central bank then surprised the market with its decision to maintain its OPR at 2.75% in its January 2023 meeting citing the need to assess the impact of previous hikes to the economy before deciding if a further adjustment is needed. It went on the pause again in March 2023 before hiking another 25 bps in the latest May 2023 meeting to bring the OPR back to pre-COVID level of 3.00%. In contrast to BNM's total increase in OPR of 100 bps, US Federal Reserve ("US Fed") was more aggressive in its profit rate hike path, having hiked a total of 500 bps since March 2022.

The local bond market went through a sell off in 2022 as market priced in the rate hikes, but sentiment changed as profit rate started showing signs of peaking. The bond market was also on risk off mode due to the US banking and Credit Suisse crisis and contagion concerns that resulted in a change in monetary outlook, as DM recession risk increased and central banks became more dovish in order to manage the economy and liquidity issues. Bond yields trended lower over the year under review, with the 10-year Malaysian Government Securities ("MGS") at a low of 3.642% on 12 May 2023. Bond yields saw some volatility in mid-May 2023 due to the US debt ceiling saga which saw United States Dollar ("USD") against Malaysian Ringgit ("MYR") breached 4.63 level on safe haven flows, but recovered once a resolution was agreed upon. Over the year under review, the government bonds yields curve flattened with yields down between 8 bps to 74 bps, with the longer tenure outperforming the shorter ends. Meanwhile, corporate bonds underperformed the government bonds ("govvies") as corporate bond yields fell by a smaller quantum.

## MAYBANK MIXED ASSETS-I WAQF FUND

### Manager's report

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

#### D. Market Outlook & Strategy

Beginning of 2023, sentiment was shifting, and markets were buoyant as we saw an impressive rally off the lows of 2022, delivering significant positive returns across all asset classes at the beginning of the year. The outlook for the global economy has improved as data indicate that the economic activities in both the US and Europe have been relatively resilient, primarily due to lower energy prices and the Chinese economy reopening sooner than anticipated. However, this optimism was short-lived, serving as a sobering reminder that inflation and the economy is still faced with challenges. More recent data points have indicated that the economic recovery has been sluggish amidst with already equity and commodity markets reacting weak. This sets a cloudy outlook at least in the near term while investors still have to content with monetary policy.

The year has been marked by elevated volatility and distinctive challenges for equity markets, both of which we expect to persist as we move through the rest of the year. In terms of equity strategy, we are maintaining our longer-term positive stance on Malaysia on the back of the continuing post-pandemic economic recovery. We still nonetheless remain wary on the risks of inflation and the pressure on global economic growth. Hence, we would have higher cash and exposure towards high yielding and defensive stocks to ride through the volatility but remain nimble in our approach. Any significant weaknesses in the market presents a buying opportunity for longer term holding.

Following the sharp sell-off of bond market in 2022, local bond yields and valuation have become more attractive as compared to the rock-bottom yield levels during the COVID-19 pandemic. As OPR is looking to peak in the first half of 2023 and rising global growth headwinds, bonds have become a lot more attractive at current levels. Domestically, growth and inflation are likely to ease off in 2023, providing the much needed breathing space to BNM to pause and to gauge the lagged policy impact. As such, we maintain our positive outlook for Malaysia fixed income market on the back of peaking profit rates and recession risk, as central banks globally shift towards more accommodative monetary policy. This peaking profit rate outlook, as well as anticipation of slower global growth and high probability of US recession, would be ideal for bond yields to fall, and potentially even see rate cut for US Fed Fund Rate. This would bode well for the valuations of the fixed income funds.

Given our view that the market has fully priced in OPR hikes and government yields already moved to pre-COVID level, strategy wise, we will maintain our neutral to long duration stance as we find current bond yields to be attractive. We continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income as corporate bonds are less volatile and provide higher yields to buffer against potential mark-to-market losses. We prefer strong AA-rated and A-rated papers for yield pickup as while our holdings in AAA and Government Investment Issue ("GII") will be primed for Return on Investment ("ROI") purpose. We will continue to trade opportunistically to realise profits and reinvesting into longer duration and higher yield accretive Sukuk, while also considering new primary issuances with higher yields to increase returns.

## **MAYBANK MIXED ASSETS-I WAQF FUND**

### **Manager's report**

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

#### **E. Soft Commissions and Rebates**

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

During the financial year ended 31 May 2023, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF MAYBANK MIXED ASSETS-I WAQF FUND (“FUND”)**

We have acted as Trustee of the Fund for the financial year ended 31 May 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd, has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management and the Trustee, under the Deeds, The Securities Commission Malaysia's Guidelines of Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For and on behalf of

**RHB TRUSTEES BERHAD**

[Company No.: 200201005356 (573019-U)]

**WONG CHOOI YIN**

Assistant Vice President

Kuala Lumpur, Malaysia

17 July 2023

**LIM BEE FANG**

Chief Executive Officer

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK MIXED ASSETS-I WAQF FUND  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023**

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

For and on behalf of the Manager

**Dr. Hasnita Binti Dato' Hashim**  
Chairman

**Ahmed Muzni Bin Mohamed**  
Director

Kuala Lumpur, Malaysia  
17 July 2023

## **REPORT OF THE SHARIAH ADVISER**

### **TO THE UNITHOLDER'S OF MAYBANK MIXED ASSETS-I WAQF FUND FOR THE FINANCIAL YEAR ENDED 31 MAY 2023**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed Maybank Mixed Assets-I Waqf Fund ("the Fund") during the year covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise investments that have instruments that have been classified as Shariah compliant.

**Amanie Advisors Sdn Bhd**

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

Kuala Lumpur, Malaysia  
17 July 2023

## **Independent auditors' report to the Unitholders of Maybank Mixed Assets-I Waqf Fund**

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

#### *Opinion*

We have audited the financial statements of Maybank Mixed Assets-I Waqf Fund (the "Fund"), which comprise the statement of financial position as at 31 May 2023 of the Fund, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year ended 31 May 2023 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 16 to 51.

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

#### *Basis for opinion*

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

#### *Independence and other ethical responsibilities*

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

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

The Manager 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 which is expected to be made available to us after the date of this auditors' report.

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

## **Independent auditors' report to the Unitholders of Maybank Mixed Assets-I Waqf 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 Mixed Assets-I Waqf 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 Mixed Assets-I Waqf Fund (cont'd)**

**Other matters**

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

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

Yeo Beng Yean  
03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
17 July 2023

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

		<b>01.06.2022</b>	<b>03.05.2021</b>
		<b>to</b>	<b>(date of launch)</b>
		<b>31.05.2023</b>	<b>to</b>
	<b>Note</b>	<b>RM</b>	<b>31.05.2022</b>
			<b>RM</b>
<b>INVESTMENT INCOME/ (LOSS)</b>			
Dividend income		17,796	18,053
Profit income	3	23,638	31,953
Net loss on financial assets at fair value through profit or loss ("FVTPL"):			
- Realised loss		(58,342)	(46,960)
- Unrealised gain/ (loss)		34,380	(43,670)
		<u>17,472</u>	<u>(40,624)</u>
<b>EXPENSES</b>			
Manager's fee	4	10,118	18,305
Trustee's fee	5	422	763
Auditor's remuneration		10,000	10,650
Tax agent's fee		6,575	4,900
Brokerage and other transaction fees		9,999	5,847
Shariah advisory fee		19,401	18,000
Administrative expenses		5,069	6,519
		<u>61,584</u>	<u>64,984</u>
<b>Net loss before taxation</b>		(44,112)	(105,608)
Taxation	6	(50)	(58)
<b>Net loss after taxation, representing total comprehensive loss for the financial year/ period</b>		<u>(44,162)</u>	<u>(105,666)</u>
<b>Net loss after taxation is made up of the following:</b>			
Net realised loss		(78,542)	(61,996)
Net unrealised income/ (loss)		34,380	(43,670)
		<u>(44,162)</u>	<u>(105,666)</u>

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

**MAYBANK MIXED ASSETS-I WAQF FUND****STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2023**

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	489,614	1,199,344
Shariah-compliant deposit with a licensed Islamic financial institution	8	-	119,000
Dividend receivables		183	146
Profit income receivables		4,112	8,504
Amount due from broker	11	-	10,739
Cash at bank		127,205	1,061
<b>TOTAL ASSETS</b>		<b>621,114</b>	<b>1,338,794</b>
<b>LIABILITIES</b>			
Amount due to Manager	9	597	1,364
Amount due to Trustee	10	25	57
Amount due to broker	11	21,613	-
Other payables and accruals		17,533	17,120
<b>TOTAL LIABILITIES</b>		<b>39,768</b>	<b>18,541</b>
<b>NET ASSETS VALUE ("NAV") OF THE FUND</b>		<b>581,346</b>	<b>1,320,253</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' capital	12(a)	731,174	1,425,919
Accumulated losses	12(b) & 12(c)	(149,828)	(105,666)
		<b>581,346</b>	<b>1,320,253</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>		<b>1,292,614</b>	<b>2,807,359</b>
<b>NAV PER UNIT (RM)</b>		<b>0.4497</b>	<b>0.4703</b>

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

**MAYBANK MIXED ASSETS-I WAQF FUND****STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023**

	<b>Unitholders' capital Note 12(a) RM</b>	<b>Accumulated losses Note 12(b) &amp; 12(c) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 June 2022	1,425,919	(105,666)	1,320,253
Total comprehensive loss for the financial year	-	(44,162)	(44,162)
Creation of units	13,903	-	13,903
Cancellation of units	(708,648)	-	(708,648)
At 31 May 2023	<u>731,174</u>	<u>(149,828)</u>	<u>581,346</u>
At 3 May 2021 (date of launch)	-	-	-
Total comprehensive loss for the financial period	-	(105,666)	(105,666)
Creation of units	2,044,647	-	2,044,647
Cancellation of units	(618,728)	-	(618,728)
At 31 May 2022	<u>1,425,919</u>	<u>(105,666)</u>	<u>1,320,253</u>

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

**MAYBANK MIXED ASSETS-I WAQF FUND****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023**

	<b>01.06.2022</b> to <b>31.05.2023</b> RM	<b>03.05.2021</b> (date of launch) to <b>31.05.2022</b> RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of investments	1,068,099	558,797
Net purchase of investments	(335,511)	(1,850,030)
Dividend received	17,708	17,849
Profit income received	1,791	5,491
Manager's fee paid	(10,884)	(16,941)
Trustee's fee paid	(454)	(706)
Payment of other fees and expenses	(38,860)	(20,318)
Net cash generated from/ (used in) operating and investing activities	<u>701,889</u>	<u>(1,305,858)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	13,903	2,044,647
Payments for cancellation of units	(708,648)	(618,728)
Net cash (used in)/ generated from financing activities	<u>(694,745)</u>	<u>1,425,919</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR/ PERIOD</b>	7,144	120,061
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ PERIOD</b>	<u>120,061</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/ PERIOD</b>	<u>127,205</u>	<u>120,061</u>
<b>Cash and cash equivalents comprise of:</b>		
Shariah-compliant deposit with a licensed Islamic financial institution with maturity of less than 3 months (Note 8)	-	119,000
Cash at bank	127,205	1,061
	<u>127,205</u>	<u>120,061</u>

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

## **MAYBANK MIXED ASSETS-I WAQF FUND**

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

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

Maybank Mixed Assets-I Waqf Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 6 April 2021, first supplemental deed dated 3 June 2022 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, RHB Trustees Berhad.

The Fund aims to primarily provide income and possible capital growth over medium to long term by investing in a portfolio of Sukuk, Shariah-compliant equities and/ or Islamic collective investment schemes and channel a portion of the income for Waqf purposes.

The Manager may invest between 30% to 70% of its NAV in MYR-denominated Sukuk and between 30% to 70% of its NAV in Shariah-compliant equities and Shariah-compliant equity-related securities. Shariah-compliant equity-related securities here include Shariah-compliant warrants, rights issues, Shariah-compliant ADRs and Shariah-compliant GDRs. The Fund may also invest up to 20% of the Fund's NAV in Islamic collective investment schemes including Islamic REITs and Islamic ETFs. Up to 20% of the Fund's NAV will be invested in Islamic liquid assets such as Islamic money market instruments, Islamic deposits and Islamic collective investment schemes investing in Islamic money market instruments and/ or Islamic deposits.

The Fund may invest regionally or globally in markets where the regulatory authorities are ordinary or associate members of the International Organization of Securities Commission ("IOSCO").

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

The financial statements were authorised for issue by the Board of Directors of the Manager (the "Directors") in accordance with a resolution of the Directors on 17 July 2023.

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

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

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

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 31 May 2023. The adoption of the new pronouncements did not result in any material impact to the financial statements. The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to Note 2.15 to the financial statements.

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

## MAYBANK MIXED ASSETS-I WAQF FUND

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

#### 2.2 Standards and amendments issued but not yet effective

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 IFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

#### 2.3 Financial instruments

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

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

#### 2.4 Financial assets

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

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



## MAYBANK MIXED ASSETS-I WAQF FUND

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

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

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

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

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

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

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

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

Investments in Shariah-compliant quoted equities and Sukuk are classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

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

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

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 MIXED ASSETS-I WAQF 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. Accumulated unrealised gains or losses are reclassified to realised gains or losses when the associated assets are sold. Profit income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

Dividend income on quoted equities at FVTPL is recognised in profit and loss when the Fund's right to receive the dividends is established in accordance with MFRS 9 and is disclosed separately in the profit and 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.

## **MAYBANK MIXED ASSETS-I WAQF FUND**

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

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

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

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 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 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, amount due to financial institutions, 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 instruments.

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

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

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

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

## **MAYBANK MIXED ASSETS-I WAQF 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 foreign currency**

##### **(a) 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 USD, which is also the Fund's functional currency.

## **MAYBANK MIXED ASSETS-I WAQF FUND**

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

#### **2.7 Functional and foreign currency (cont'd)**

##### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year/ period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### **2.8 Unitholders' contribution**

The unitholders' contributions to the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation*

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

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 in profit or loss as a deduction in the statement of comprehensive income except where distribution is sourced out of distribution equalisation which is accounted for as an adjustment to the unitholders' contribution. A proposed distribution is recognised as a liability in the period in which it is approved.

Distribution is declared at the discretion of the Fund Manager based on the availability of distributable income.

Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment is based on the NAV per unit on the income payment date, which is also the time of creation.

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

Cash and cash equivalents comprise cash at bank and Shariah-compliant deposit with a licensed Islamic 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.

Dividend income is recognised as revenue when the right to receive payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

## **MAYBANK MIXED ASSETS-I WAQF FUND**

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

#### **2.11 Revenue/ Income (cont'd)**

Profit income from Sukuk includes amortisation of premium and accretion of discount, and is recognised using the EPR method.

Profit income from Shariah-compliant deposit with a licensed financial institution is recognised on the accruals basis using the EPR method.

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

#### **2.12 Taxation**

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

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

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

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 Cleansing/ Purification of profit**

The Fund is required to cleanse or purify any profit or gains generated by Shariah non-compliant activity or sources. Such Shariah non-compliant gain or income may arise as follows:

- (i) Shariah non-compliant investment

The External Investment Manager will immediately dispose-off any Shariah non-compliant investment inadvertently made in the Fund. If the disposal of the Shariah non-compliant investment results in losses to the Fund, the losses are to be borne by the External Investment Manager. The said investment will be disposed/ withdrawn with immediate effect or within a month of knowing the status of the securities. Any capital gains or dividend received during or after disposal of the investment will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

## **MAYBANK MIXED ASSETS-I WAQF FUND**

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

#### **2.13 Cleansing/ Purification of profit (cont'd)**

- (ii) Reclassification of Shariah Status of the fund's investment

Equities which were earlier classified as Shariah-compliant equities may subsequently be reclassified as Shariah non-compliant due to certain reasons such as changes in the companies' operations.

If at the time the announcement/ review is made, the value of the equities held exceeds the investment cost, such Shariah non-compliant equities will be liquidated. The Fund may keep any dividends received and capital gains arising from the disposal of the Shariah non-compliant equities made at the time of the announcement/ review. However, any dividends received and excess capital gains made from the disposal after the announcement/ review day at a market price that is higher than the closing price on the announcement/ review day will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

If the market price of the said Shariah non-compliant equities is below the investment cost at the time the announcement/ review is made, the Fund may hold the Shariah non-compliant equities and keep dividends received during the holding period until the total amount of dividends received and the market value of the Shariah non-compliant equities held equal the investment cost. At this stage, the Fund will dispose of the said Shariah non-compliant equities.

The purification exercise is done by channelling the purification amount to charitable purposes as advised by the Shariah Adviser and this exercise will be performed by the Investment Manager when relevant information has been obtained. The calculation of the purification amount must further be endorsed by the Shariah Adviser for verification before the purification is done. Any purification on income resulting from investments in Shariah non-compliant investments is disclosed as a reduction of the corresponding capital gain and/ or dividend in the statement of profit or loss.

#### **2.14 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.

#### **2.15 Critical accounting estimates and judgments**

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

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

## MAYBANK MIXED ASSETS-I WAQF FUND

### 3. PROFIT INCOME

	01.06.2022 to 31.05.2023 RM	03.05.2021 (date of launch) to 31.05.2022 RM
Profit income from Sukuk	23,945	28,304
Profit income from Shariah-compliant deposits	1,785	5,497
Amortisation of premium, net of accretion of discount	(2,092)	(1,848)
	<u>23,638</u>	<u>31,953</u>

### 4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on up to 1.20% per annum ("p.a.") (03.05.2021 (date of launch) to 31.05.2022: 1.20% p.a.) on the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

### 5. TRUSTEE'S FEE

The Trustee is entitled to a trustee fee of up to 0.05% p.a. (03.05.2021 (date of launch) to 31.05.2022: 0.05% p.a.) of the NAV of the Fund accrued daily and paid monthly to the Trustee.

### 6. TAXATION

	01.06.2022 to 31.05.2023 RM	03.05.2021 (date of launch) to 31.05.2022 RM
Current income tax expense	<u>50</u>	<u>58</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (03.05.2021 (date of launch) to 31.05.2022: 24%) of the estimated assessable income for the financial year/ period. The tax charge for the financial year/ 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, dividend and profit income earned by the Fund is exempted from tax. Dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.



## MAYBANK MIXED ASSETS-I WAQF FUND

### 6. TAXATION (CONT'D)

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

	<b>01.06.2022</b> to <b>31.05.2023</b> RM	<b>03.05.2021</b> (date of launch) to <b>31.05.2022</b> RM
Net loss before taxation	(44,112)	(105,608)
Tax at Malaysian statutory rate of 24% (03.05.2021 (date of launch) to 31.05.2022: 24%)	(10,587)	(25,346)
Income not subject to tax	(18,195)	(12,001)
Loss not deductible for tax purposes	14,002	21,751
Expenses not deductible for tax purposes	14,780	15,596
Income tax at source	50	58
Tax expense for the financial year/ period	<u>50</u>	<u>58</u>

### 7. FINANCIAL ASSETS AT FVTPL

	<b>Note</b>	<b>2023</b> RM	<b>2022</b> RM
Shariah-compliant quoted equities	(a)	170,306	414,980
Sukuk	(b)	319,308	784,364
		<u>489,614</u>	<u>1,199,344</u>

#### 2023

<b>(a) Shariah-compliant quoted equities</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>Construction</b>				
Gamuda Bhd	2,200	8,602	9,768	1.34
IJM Corporation Bhd	7,500	12,310	12,300	1.68
Sunway Construction Group Bhd	4,700	7,551	7,896	1.08
AME Reits	3,800	4,564	4,636	0.35
	<u>18,200</u>	<u>33,027</u>	<u>34,600</u>	<u>4.45</u>

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2023 (cont'd)

(a) Shariah-compliant quoted equities (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Consumer Products &amp; Services</b>				
Bermas Auto Bhd	2,600	5,714	5,642	0.77
Fraser & Neave Holdings Bhd	200	5,380	5,060	0.69
Sime Darby Bhd	2,200	5,056	4,554	0.62
UMW Holdings Bhd	1,400	5,335	5,390	0.74
	<u>6,400</u>	<u>21,485</u>	<u>20,646</u>	<u>2.82</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	5,500	6,721	6,435	0.88
Hibiscus Petroleum Bhd	5,400	5,259	4,914	0.67
Wah Seong Corporation Bhd	5,500	4,580	4,868	0.67
	<u>16,400</u>	<u>16,560</u>	<u>16,217</u>	<u>2.22</u>
<b>Financial Services</b>				
Syarikat Takaful Malaysia Keluarga Bhd	1,091	3,685	3,688	0.50
<b>Healthcare</b>				
IHH Healthcare Bhd	700	4,095	4,039	0.55
Kossan Rubber Industries Bhd	2,900	4,300	4,292	0.59
KPJ Healthcare Bhd	6,000	5,989	7,080	0.97
Top Glove Corporation Bhd	3,000	3,570	3,420	0.47
	<u>12,600</u>	<u>17,954</u>	<u>18,831</u>	<u>2.58</u>

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2023 (cont'd)

(a) Shariah-compliant quoted equities (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Industrial Products &amp; Services</b>				
Farm Fresh Bhd	4,000	6,307	5,360	0.73
Press Metal Aluminium Holdings Bhd	800	3,935	3,688	0.50
	<u>4,800</u>	<u>10,242</u>	<u>9,048</u>	<u>1.23</u>
<b>Real Estate Investment Trusts ("REITs")</b>				
Axis REITs	<u>3,300</u>	<u>6,139</u>	<u>6,105</u>	<u>0.46</u>
<b>Technology</b>				
CTOS Digital Berhad	4,000	5,599	5,360	0.73
Frontken Corporation Bhd	1,300	3,863	4,043	0.55
Inari Amertron Bhd	1,200	3,384	3,024	0.41
Malaysian Pacific Industries Bhd	100	3,170	2,700	0.37
Vitrox Corporation Bhd	600	4,774	4,680	0.64
	<u>7,200</u>	<u>20,790</u>	<u>19,807</u>	<u>2.70</u>
<b>Telecommunications &amp; Media</b>				
Telekom Malaysia Bhd	1,900	10,111	9,690	1.33
Time Dotcom Bhd	1,300	6,675	6,981	0.95
	<u>3,200</u>	<u>16,786</u>	<u>16,671</u>	<u>2.28</u>
<b>Transportation &amp; Logistics</b>				
MISC Bhd	<u>600</u>	<u>4,303</u>	<u>4,380</u>	<u>0.60</u>

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2023 (cont'd)

(a) Shariah-compliant quoted equities (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Utilities</b>				
Gas Malaysia Bhd	1,500	4,967	4,650	0.64
Mega First Corporation Bhd	1,000	3,487	3,300	0.45
Tenaga Nasional Bhd	1,300	12,553	12,363	1.69
	<u>3,800</u>	<u>21,007</u>	<u>20,313</u>	<u>2.78</u>
<b>Total Shariah-compliant quoted equities</b>	<u>77,591</u>	<u>171,978</u>	<u>170,306</u>	<u>22.62</u>
<b>(b) Sukuk</b>				
<b>Construction &amp; Engineering</b>				
Ahmad Zaki Resources Bhd				
- 4.85%/ 26.12.2024	20,000	20,229	19,983	1.51
- 5.00%/ 24.12.2026	20,000	20,392	19,921	1.51
MMC Corporation Bhd				
- 5.70%/ 24.03.2028	40,000	42,726	41,931	3.18
	<u>80,000</u>	<u>83,347</u>	<u>81,835</u>	<u>6.20</u>
<b>Diversified Holdings</b>				
DRB-HICOM Bhd				
- 5.10%/ 06.08.2031	40,000	40,130	38,563	2.92
<b>Financial Services</b>				
Bank Pembangunan Malaysia Bhd				
- 4.05%/ 06.06.2031	20,000	20,000	19,740	1.50
SME Bank				
- 3.10%/ 31.07.2026	40,000	39,999	39,031	2.96
	<u>60,000</u>	<u>59,999</u>	<u>58,771</u>	<u>4.46</u>

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

**2023 (cont'd)**

<b>(b) Sukuk (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>Industrial Products</b>				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	40,000	40,533	39,815	3.02
TG Excellence Bhd - 3.95%/ 27.02.2025	40,000	40,305	39,137	2.96
	<b>80,000</b>	<b>80,838</b>	<b>78,952</b>	<b>5.98</b>
<b>Infrastructures &amp; Utilities</b>				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	20,000	20,997	20,201	1.53
Tenaga Nasional Bhd - 4.98%/ 27.08.2038	20,000	21,509	21,347	1.62
	<b>40,000</b>	<b>42,506</b>	<b>41,548</b>	<b>3.15</b>
<b>Mining &amp; Petroleum</b>				
Petroleum Sarawak Exploration and Production - 4.10%/ 19.03.2031	20,000	20,106	19,639	1.49
<b>Total unquoted fixed income securities</b>	<b>320,000</b>	<b>326,926</b>	<b>319,308</b>	<b>24.20</b>
<b>Total FVTPL investments</b>	<b>397,591</b>	<b>498,904</b>	<b>489,614</b>	<b>46.82</b>
<b>Unrealised loss on FVTPL investments</b>			<b>(9,290)</b>	

**2022**

<b>(a) Shariah-compliant quoted equities</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>Construction</b>				
IJM Corporation Bhd	9,500	16,999	17,100	1.30

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2022 (cont'd)

(a) Shariah-compliant quoted equities (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	16,000	19,366	15,680	1.19
Dialog Group Bhd	3,000	8,722	7,290	0.55
Hibiscus Petroleum Bhd	10,700	10,011	14,980	1.13
	<u>29,700</u>	<u>38,099</u>	<u>37,950</u>	<u>2.87</u>
<b>Financial Services</b>				
Bank Islam Malaysia Bhd	14,100	51,692	41,172	3.12
Syarikat Takaful Malaysia Keluarga Bhd	6,891	24,018	23,981	1.82
	<u>20,991</u>	<u>75,710</u>	<u>65,153</u>	<u>4.94</u>
<b>Healthcare</b>				
IHH Healthcare Bhd	1,900	12,694	12,730	0.96
<b>Industrial Products &amp; Services</b>				
Farm Fresh Bhd	6,000	8,100	10,080	0.76
Petronas Chemicals Group Bhd	2,000	16,586	20,520	1.55
Press Metal Aluminium Holdings Bhd	2,500	12,945	13,850	1.05
Uchi Technologies Bhd	2,800	8,695	8,708	0.66
	<u>13,300</u>	<u>46,326</u>	<u>53,158</u>	<u>4.02</u>
<b>Plantations</b>				
Kuala Lumpur Kepong Bhd	700	16,648	17,892	1.36
Sarawak Oil Palms Bhd	2,100	8,378	11,592	0.88
Sime Darby Plantation Bhd	2,000	8,624	10,060	0.76

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2022 (cont'd)

(a) Shariah-compliant quoted equities (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Plantations (cont'd)</b>				
Ta Ann Holdings Bhd	1,500	7,829	7,470	0.57
	<u>6,300</u>	<u>41,479</u>	<u>47,014</u>	<u>3.57</u>
<b>Real Estate Investment Trusts ("REITs")</b>				
Axis REITs	<u>6,500</u>	<u>12,561</u>	<u>13,000</u>	<u>0.98</u>
<b>Technology</b>				
Inari Amertron Bhd	2,700	9,607	7,587	0.57
Malaysian Pacific Industries Bhd	300	13,214	9,852	0.75
MyEG Services Bhd	12,000	12,480	10,980	0.83
Vitrox Corporation Bhd	1,400	12,142	10,850	0.82
	<u>16,400</u>	<u>47,443</u>	<u>39,269</u>	<u>2.97</u>
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	4,300	17,198	13,803	1.05
Telekom Malaysia Bhd	3,800	22,923	20,368	1.54
Time Dotcom Bhd	6,800	32,087	29,716	2.25
	<u>14,900</u>	<u>72,208</u>	<u>63,887</u>	<u>4.84</u>
<b>Transportation &amp; Logistics</b>				
Lingkar Trans Kota Holdings Bhd	<u>3,500</u>	<u>16,070</u>	<u>16,310</u>	<u>1.24</u>
<b>Utilities</b>				
Mega First Corporation Bhd	4,100	15,057	15,129	1.15
Taliworks Corporation Bhd	17,000	14,549	15,980	1.21

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2022 (cont'd)

(a) Shariah-compliant quoted equities (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Utilities (cont'd)</b>				
Tenaga Nasional Bhd	2,000	19,867	18,300	1.39
	<u>23,100</u>	<u>49,473</u>	<u>49,409</u>	<u>3.75</u>
<b>Total Shariah-compliant quoted equities</b>	<u>146,091</u>	<u>429,062</u>	<u>414,980</u>	<u>31.44</u>

**(b) Sukuk**

**Construction & Engineering**

Ahmad Zaki Resources Bhd				
- 4.85%/ 26.12.2024	20,000	20,369	19,946	1.51
- 5.00%/ 24.12.2026	20,000	20,492	19,659	1.49
Gamuda Land Sdn Bhd				
- 4.20%/ 11.10.2027	100,000	99,996	97,414	7.38
MMC Corporation Bhd				
- 5.70%/ 24.03.2028	40,000	43,229	41,855	3.17
S P Setia Bhd				
- 4.30%/ 23.06.2028	40,000	39,999	38,730	2.93
	<u>220,000</u>	<u>224,085</u>	<u>217,604</u>	<u>16.48</u>

**Diversified Holdings**

DRB-HICOM Bhd				
- 5.10%/ 06.08.2031	40,000	40,143	37,944	2.87
IJM Land Bhd				
- 5.65%/ 19.03.2026	40,000	41,303	40,530	3.07
	<u>80,000</u>	<u>81,446</u>	<u>78,474</u>	<u>5.94</u>



**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2022 (cont'd)

(b) Sukuk (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Financial Services</b>				
Bank Pembangunan Malaysia Bhd - 4.05%/ 06.06.2031	20,000	20,000	19,180	1.45
SME Bank - 3.10%/ 31.07.2026	40,000	39,999	38,248	2.90
	<u>60,000</u>	<u>59,999</u>	<u>57,428</u>	<u>4.35</u>
<b>Industrial Products</b>				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	40,000	40,629	38,933	2.95
TG Excellence Bhd - 3.95%/ 27.02.2025	40,000	40,472	39,773	3.01
	<u>80,000</u>	<u>81,101</u>	<u>78,706</u>	<u>5.96</u>
<b>Infrastructures &amp; Utilities</b>				
Cypark Ref Sdn Bhd - 5.18%/ 29.06.2029	20,000	20,959	19,519	1.48
- 5.32%/ 30.06.2031	20,000	21,097	19,415	1.47
Malaysia Airport Holdings Bhd - 3.87%/ 30.12.2026	50,000	49,999	49,036	3.71
Tenaga Nasional Bhd - 4.98%/ 27.08.2038	20,000	21,578	20,004	1.52
YTL Power International Bhd - 5.05%/ 03.05.2027	40,000	42,051	39,833	3.02
	<u>150,000</u>	<u>155,684</u>	<u>147,807</u>	<u>11.20</u>
<b>Mining &amp; Petroleum</b>				
Petroleum Sarawak Exploration and Production - 4.10%/ 19.03.2031	20,000	20,117	19,157	1.45

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

2022 (cont'd)

(b) Sukuk (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Property &amp; Real Estate</b>				
Malaysian Resources Corporation Bhd - 5.09%/ 18.10.2028	100,000	100,262	97,237	7.37
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	50,000	50,040	49,144	3.72
	<u>150,000</u>	<u>150,302</u>	<u>146,381</u>	<u>11.09</u>
<b>Public Finance</b>				
Infracap Resources Sdn Bhd - 4.40%/ 15.04.2031	40,000	41,218	38,807	2.94
<b>Total unquoted fixed income securities</b>	<u>800,000</u>	<u>813,952</u>	<u>784,364</u>	<u>59.41</u>
<b>Total FVTPL investments</b>	<u>946,091</u>	<u>1,243,014</u>	<u>1,199,344</u>	<u>90.85</u>
<b>Unrealised loss on FVTPL investments</b>			<u>(43,670)</u>	

**8. SHARIAH-COMPLIANT DEPOSIT WITH A LICENSED ISLAMIC FINANCIAL INSTITUTION**

	2023 RM	2022 RM
Shariah-compliant short-term placements with a licensed Islamic financial institution with maturity of:		
- Less than 3 months	-	119,000

The weighted average effective profit rates ("WAEPR") per annum and average maturity of Shariah-compliant deposit with a licensed financial institution as at the reporting date were as follows:

	2023		2022	
	WAEPR % p.a.	Average Maturity Days	WAEPR % p.a.	Average Maturity Days
Shariah-compliant deposit with a licensed Islamic financial institution	-	-	1.85	1

## MAYBANK MIXED ASSETS-I WAQF FUND

### 9. AMOUNT DUE TO MANAGER

The 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 year/ period. The normal credit term for Manager's fee is 15 days (2022: 15 days).

### 10. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accruals for Trustee's fee at the end of the financial year/ period. The normal credit term for Trustee's fee is 15 days (2022: 15 days).

### 11. AMOUNT DUE (TO)/ FROM BROKER

Amount due (to)/ from brokers relates to the amount to be payable/ received from the brokers arising from the accruals/ sale of investments. The settlement period for these receivables are within 3 working days (2022: 3 Days) from the deal date.

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

	Note	2023 RM	2022 RM
Unitholders' capital	(a)	731,174	1,425,919
Accumulated realised losses	(b)	(140,538)	(61,996)
Accumulated unrealised losses	(c)	(9,290)	(43,670)
		<u>581,346</u>	<u>1,320,253</u>

#### (a) Unitholders' capital

	01.06.2022 to 31.05.2023		03.05.2021 (date of launch) to 31.05.2022	
	No. of units	RM	No. of units	RM
At the beginning of the financial year/ period	2,807,359	1,425,919	-	-
Creation of units	30,630	13,903	4,085,871	2,044,647
Cancellation of units	(1,545,375)	(708,648)	(1,278,512)	(618,728)
At the end of the financial year/ period	<u>1,292,614</u>	<u>731,174</u>	<u>2,807,359</u>	<u>1,425,919</u>

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

	01.06.2022 to 31.05.2023		03.05.2021 (date of launch) to 31.05.2022	
	No. of units	Valued at NAV	No. of units	Valued at NAV
The Manager	<u>2,000</u>	<u>899</u>	<u>2,000</u>	<u>941</u>

## MAYBANK MIXED ASSETS-I WAQF FUND

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

#### (a) Unitholders' capital (cont'd)

The units are held beneficially by the Manager for booking purposes, and are within the prescribed limit allowed by the SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the directors or parties related to the Manager.

#### (b) Accumulated realised losses

	01.06.2022 to 31.05.2023 RM	03.05.2021 (date of launch) to 31.05.2022 RM
At the beginning of financial year/ period	(61,996)	-
Net realised loss for the financial year/ period	(78,542)	(61,996)
At the end of the financial year/ period	<u>(140,538)</u>	<u>(61,996)</u>

#### (c) Accumulated unrealised losses

	01.06.2022 to 31.05.2023 RM	03.05.2021 (date of launch) to 31.05.2022 RM
At the beginning of financial year/ period	(43,670)	-
Net unrealised gain/ (loss) for the financial year/ period	34,380	(43,670)
At the end of the financial year/ period	<u>(9,290)</u>	<u>(43,670)</u>

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

Details of transactions with broker/ dealer during the financial year/ period are as follows:

2023	Value of trade RM	Percentage of total trade %	Brokerage Fees RM	Percentage of brokerage fees %
TA Securities Holdings Bhd	685,283	49.71	7,000	70.56
RHB Investment Bank Bhd	473,733	34.36	-	-
JP Apex Securities Bhd	200,603	14.55	2,680	27.02
Maybank Investment Bank Bhd ("MIBB")*	18,946	1.38	240	2.42
	<u>1,378,565</u>	<u>100.00</u>	<u>9,920</u>	<u>100.00</u>

## MAYBANK MIXED ASSETS-I WAQF FUND

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

2022	Value of trade RM	Percentage of total trade %	Brokerage Fees RM	Percentage of brokerage fees %
MIBB*	760,859	31.94	2,366	41.03
TA Securities Holdings Bhd	651,387	27.35	2,520	43.70
RHB Investment Bank Bhd	525,641	22.07	-	-
MBB**	290,156	12.18	-	-
JP Apex Securities Bhd	153,827	6.46	880	15.27
	<u>2,381,870</u>	<u>100.00</u>	<u>5,766</u>	<u>100.00</u>

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

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

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

	01.06.2022 to 31.05.2023	Percentage of total placements %	03.05.2021 (date of launch) to 31.05.2022	Percentage of total placements %
Financial institutions	Value of placements RM		Value of placements RM	
Maybank Islamic Bhd ("MIB") ***	10,428,000	53.61	49,953,000	61.23
Hong Leong Islamic Bank Bhd	9,024,013	46.39	18,251,183	22.36
CIMB Islamic Bank Bhd	-	-	13,384,745	16.41
	<u>19,452,013</u>	<u>100.00</u>	<u>81,588,928</u>	<u>100.00</u>

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

### 14. 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 year/ period.

## MAYBANK MIXED ASSETS-I WAQF FUND

### 14. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES (CONT'D)

#### (a) Significant related party transaction

	01.06.2022 to 31.05.2023 RM	03.05.2021 (date of launch) to 31.05.2022 RM
<u>MIB:</u> Profit income from deposits	-	3,384

#### (b) Significant related party balances

	2023 RM	2022 RM
<u>MIB:</u> Shariah-compliant deposit with a licensed Islamic financial institution	-	119,000
Profit income receivables	-	6

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

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial year/ period ended 31 May 2023, the TER of the Fund stood at 6.12% (03.05.2021 (date of launch) to 31.05.2022: 4.07%).

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

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year/ period to the average NAV of the Fund calculated on a daily basis. For the financial year/ period ended 31 May 2023, the PTR of the Fund stood at 0.83 times (03.05.2021 (date of launch) to 31.05.2022: 0.83 times).

### 17. SEGMENT INFORMATION

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

The PMC is responsible for the performance of the Fund by investing between 30% to 70% of its NAV in MYR-denominated Sukuk and between 30% to 70% of its NAV in Shariah-compliant equities and Shariah-compliant equity-related securities. Shariah-compliant equity-related securities here include Shariah-compliant warrants, rights issues, Shariah-compliant ADRs and Shariah-compliant GDRs. The Fund may also invest up to 20% of the Fund's NAV in Islamic collective investment schemes including Islamic REITs and Islamic ETFs.

## MAYBANK MIXED ASSETS-I WAQF FUND

### 17. SEGMENT INFORMATION (CONT'D)

Up to 20% of the Fund's NAV will be invested in Islamic liquid assets such as Islamic money market instruments, Islamic deposits and Islamic collective investment schemes investing in Islamic money market instruments and/ or Islamic deposits. On this basis, the PMC considers the business of the Fund to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investments strategy and the Fund's performance is evaluated on an overall basis.

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

### 18. FINANCIAL INSTRUMENTS

#### (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 2.15 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 prepayment, tax-related matters and NAV attributable to unitholders) 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.

2023	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Financial assets</b>				
Financial assets at FVTPL	489,614	-	-	489,614
Dividend receivables	-	183	-	183
Profit income receivables	-	4,112	-	4,112
Cash at bank	-	127,205	-	127,205
Total financial assets	<u>489,614</u>	<u>131,500</u>	<u>-</u>	<u>621,114</u>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	597	597
Amount due to Trustee	-	-	25	25
Amount due to broker	-	-	21,613	21,613
Other payables and accruals	-	-	17,533	17,533
Total financial liabilities	<u>-</u>	<u>-</u>	<u>39,768</u>	<u>39,768</u>

**MAYBANK MIXED ASSETS-I WAQF FUND**

**18. FINANCIAL INSTRUMENTS (CONT'D)**

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

<b>2022</b>	<b>Financial instruments at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Financial assets</b>				
Financial assets at FVTPL	1,199,344	-	-	1,199,344
Shariah-compliant deposit with a licensed Islamic financial institution	-	119,000	-	119,000
Dividend receivables	-	146	-	146
Profit income receivables	-	8,504	-	8,504
Amount due from broker	-	10,739	-	10,739
Cash at bank	-	1,061	-	1,061
<b>Total financial assets</b>	<b>1,199,344</b>	<b>139,450</b>	<b>-</b>	<b>1,338,794</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	1,364	1,364
Amount due to Trustee	-	-	57	57
Other payables and accruals	-	-	17,120	17,120
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>18,541</b>	<b>18,541</b>

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

The Fund's financial assets at FVTPL are carried 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.

For equities quoted other than Bursa Malaysia, the market prices are determined by reference to the theoretical closing market price as quoted by the respective foreign stock exchanges of the respective countries.



## MAYBANK MIXED ASSETS-I WAQF FUND

### 18. FINANCIAL INSTRUMENTS (CONT'D)

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

##### Sukuk

Sukuk 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.

Foreign Sukuk denominated in foreign currencies are revalued on a daily basis using the Bloomberg Generic Price ("BGN"). In the case where the Manager are unable to obtain quotation from the BGN, such the Sukuk will be valued at fair value by reference to the average indicative yield quoted by 3 independent and reputable institutions. If both the BGN and quotation from 3 independent and reputable institutions are not available, the Sukuk will be valued at fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

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

Other than its investments, 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.

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.

#### (d) Fair value hierarchy

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	Level 1 RM	Level 2 RM	Level 3 RM
<b>2023</b>			
Shariah-compliant quoted equities	170,306	-	-
Sukuk	-	319,308	-
	<u>170,306</u>	<u>319,308</u>	<u>-</u>
<b>2022</b>			
Shariah-compliant quoted equities	414,980	-	-
Sukuk	-	784,364	-
	<u>414,980</u>	<u>784,364</u>	<u>-</u>

## MAYBANK MIXED ASSETS-I WAQF FUND

### 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks. Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deeds, the SC's Guidelines on Unit Trust Funds and CMSA.

#### (b) Market risk

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

##### (i) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Fund's investments in quoted equities. This risk can be minimised through investing in a wide range of companies in different sectors, which function independently from one another.

Management's best estimate of the effect on the Fund's NAV due to a reasonably possible change in price, with all other variables held constant is indicated in the table below. The impact to profit after taxation and NAV is expected to be the same.

	2023		2022	
	Changes in price %	Effects on NAV Increase/ (Decrease) RM	Changes in price %	Effects on NAV Increase/ (Decrease) RM
Shariah-compliant quoted equities	+5	8,515	+5	20,749
	-5	(8,515)	-5	(20,749)

##### (ii) Profit rate risk

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

## MAYBANK MIXED ASSETS-I WAQF FUND

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

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

##### (ii) Profit rate risk (cont'd)

###### Profit rate risk sensitivity

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

	2023		2022	
	Changes in profit rates %	Effects on NAV Increase/ (Decrease) RM	Changes in profit rates %	Effects on NAV Increase/ (Decrease) RM
Sukuk	+1	(14,525)	+1	(57,915)
	-1	15,613	-1	63,835

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

The Fund's Shariah-compliant deposit with a licensed Islamic financial institution carry a fixed rate and therefore is not affected by movements in market profit 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 payments of profit, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

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

##### (i) Credit risk exposure

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

## MAYBANK MIXED ASSETS-I WAQF FUND

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

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

##### (ii) Credit risk concentration

The following table analyses the Fund's investments in Sukuk, profit income receivables and cash and cash equivalents by rating categories. The ratings for the Fund's investments in Sukuk and profit receivable on Sukuk were obtained from S&P or its equivalent rating by Moody's and/or Fitch, while the ratings for cash at bank and Shariah-compliant deposit with a licensed Islamic financial institution with were obtained from RAM's official website.

	2023		2022	
	RM	Percentage of NAV	RM	Percentage of NAV
<b>Financial assets</b>				
AAA	231,076	17.50	306,745	23.23
AA2	39,814	3.02	348,837	26.42
AA3	141,172	10.69	218,772	16.57
A1	38,563	2.92	-	-
A3	-	-	38,575	2.92
	<u>450,625</u>	<u>34.13</u>	<u>912,929</u>	<u>69.14</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 other financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

2023	Less than 1 month RM	More than 1 month RM	Total RM
<b>Financial assets</b>			
Financial assets at FVTPL	170,306	319,308	489,614
Dividend receivables	183	-	183
Profit income receivables	1,676	2,436	4,112
Cash at bank	127,205	-	127,205
Total undiscounted financial assets	<u>299,370</u>	<u>321,744</u>	<u>621,114</u>

**MAYBANK MIXED ASSETS-I WAQF FUND**

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

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

<b>2023 (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	597	-	597
Amount due to Trustee	25	-	25
Amount due to broker	21,613	-	21,613
Other payables and accruals	17,533	-	17,533
NAV attributable to unitholders	581,346	-	581,346
Total undiscounted financial liabilities and unitholders' equity	<u>621,114</u>	<u>-</u>	<u>621,114</u>
<b>Liquidity (gap)/ surplus</b>	<u>(321,744)</u>	<u>321,744</u>	<u>-</u>
<b>2022</b>			
<b>Financial assets</b>			
Financial assets at FVTPL	414,980	784,364	1,199,344
Shariah-compliant deposit with a licensed Islamic financial institution	119,000	-	119,000
Dividend receivables	146	-	146
Profit income receivables	8,355	149	8,504
Amount due from broker	10,739	-	10,739
Cash at bank	1,061	-	1,061
Total undiscounted financial assets	<u>554,281</u>	<u>784,513</u>	<u>1,338,794</u>
<b>Financial liabilities and unitholders equity</b>			
Amount due to Manager	1,364	-	1,364
Amount due to Trustee	57	-	57
Other payables and accruals	17,120	-	17,120
NAV attributable to unitholders	1,320,253	-	1,320,253
Total undiscounted financial liabilities and unitholders' equity	<u>1,338,794</u>	<u>-</u>	<u>1,338,794</u>
<b>Liquidity (gap)/ surplus</b>	<u>(784,513)</u>	<u>784,513</u>	<u>-</u>

**Notes:**

**(i) Financial assets**

Analysis of financial assets at FVTPL and Shariah-compliant deposits into maturity groupings is based on the expected date on which these assets will be realised. The Fund's equities have been included in the "less than 1 month" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's unitholders' equity be required to be redeemed.

## MAYBANK MIXED ASSETS-I WAQF FUND

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

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

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

The other assets shall not comprise of tax recoverable in view that it is not a financial asset. 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.

##### (ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to settle its financial obligation.

##### (iii) Unitholders' Contribution

As unitholders could request for redemption of their units within ten (10) calendar days from transaction date, the unitholders' total equity of the Fund has been categorised as having a maturity of "less than 1 month".

As a result, it appears that the Fund has a liquidity gap within "less than 1 month". However, the Fund believes that it would be able to liquidate its investments should the need arise to satisfy all the redemption requirements.

### 20. CAPITAL MANAGEMENT

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

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

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to provide unitholders with regular and stable distributions and to meet the expenses of the Fund and other obligations as they arise; and
- (d) To maintain sufficient fund size to ensure that the operations of the Fund are cost-efficient.

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