

Asset Management

Maybank Asset Management Sdn Bhd

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MAYBANK INCOME MANAGEMENT-I FUND

Annual report

For the financial year ended 31 August 2024

CORPORATE INFORMATION

MANAGER

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

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

TRUSTEE

PB Trustees Berhad (196801000374) (573019-U)
17th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Telephone +603 2177 3127
Facsimile +603 2164 3285

SHARIAH ADVISER

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

MAYBANK INCOME MANAGEMENT-I FUND

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MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial year ended 31 August 2024

A. Fund Information

1. Name of Fund

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

2. Type of Fund

Income

3. Category of Fund

Fixed Income

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund's launch date/ Commencement date

8 January 2020/ 7 February 2020

6. Fund's investment objective

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

7. Fund's distribution policy

Distribution, if any, will be made on a semi-annual basis and at the discretion of the Manager.

Additional distribution, if any, shall be incidental.

Subject to the provisions of the Deed, the Fund may distribute from realised income, realised gains and/ or capital to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.

Distribution out of the Fund's capital has a risk of eroding the capital of the Fund. It may reduce the Fund's capital available for future investment and the Fund's potential for future income generation; it may also cause the NAV of the Fund to fall over time. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.

8. Fund's performance benchmark

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

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

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

MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

A. Fund Information (cont'd)

10. Net income distribution for the financial year ended 31 August 2024

The Fund declared a distribution of RM5,444,834 for the financial year ended 31 August 2024. Below are details of distribution declared and the impact of the distribution to the Fund's NAV:

| Distribution date | Gross/ Net distribution per unit (sen) | Before distribution (RM) | After distribution (RM) | Changes % |
|-------------------|--|--------------------------|-------------------------|-----------|
| 26 February 2024 | 1.45 | 1.0400 | 1.0255 | (0.01) |
| 27 August 2024 | 1.80 | 1.0479 | 1.0299 | (0.02) |

B. Performance Review

1. Key performance data of the Fund

| Category | 2024 | 2023 | 2022 |
|---|---|---------------|---------------|
| Sukuk (%) | 73.63 | 88.46 | 86.77 |
| Cash and other net assets (%) | 26.37 | 11.54 | 13.23 |
| Total (%) | 100.00 | 100.00 | 100.00 |
| NAV (RM'000) | 198,361 | 146,793 | 153,660 |
| Units in circulation (units'000) | 192,503 | 144,844 | 154,229 |
| NAV per unit (RM) | 1.0304 | 1.0135 | 0.9963 |
| Highest NAV per unit (RM) | 1.0477 | 1.0318 | 1.0105 |
| Lowest NAV per unit (RM) | 1.0135 | 0.9906 | 0.9921 |
| Net income distributed (RM'000) | 5,445 | 4,765 | 2,449 |
| Distribution date | Refer to note 14 of the financial statement | | |
| Gross/ Net distribution per unit (sen) | 3.25 | 3.25 | 1.60 |
| Annual return (%) ⁽¹⁾ | | | |
| - Capital growth (%) | 1.68 | 1.72 | (0.83) |
| - Income distribution (%) | 3.19 | 3.25 | 1.61 |
| Total return (%) | 4.92 | 5.02 | 0.77 |
| Benchmark (%) | 3.21 | 3.32 | 2.48 |
| Total Expense Ratio ("TER") (%) ⁽²⁾ | 0.36 | 0.30 | 0.25 |
| Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾ | 0.14 | 0.11 | 0.34 |

Note:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager and Trustee's fees.
- (2) The Fund's TER increased to 0.36% due to the increased in expenses during the current financial year.
- (3) The Fund's PTR increased to 0.14 times due to the increase in investing activities during the current financial year.

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 INCOME MANAGEMENT-I FUND

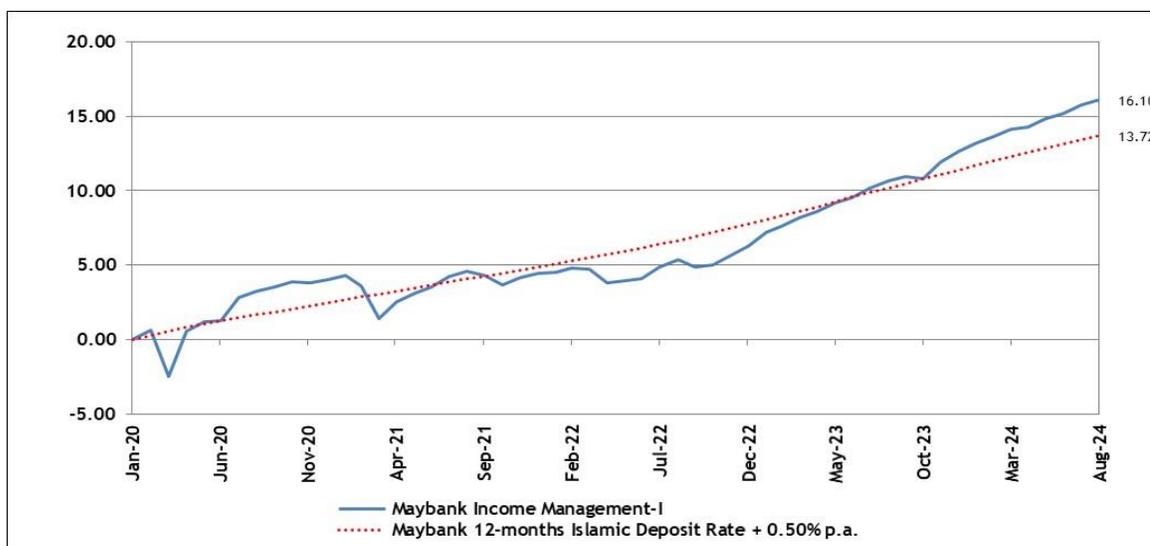
Manager's report

For the financial year ended 31 August 2024 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2024

| Category | 1 year to 31.08.2024 % | 3 years to 31.08.2024 % | Since inception to 31.08.2024 % |
|--------------------------|------------------------------|-------------------------------|--|
| Capital growth | 1.68 | 2.57 | 3.03 |
| Income distribution | 3.19 | 8.25 | 12.69 |
| Total return of the Fund | 4.92 | 11.03 | 16.10 |
| Benchmark | 3.21 | 9.28 | 13.72 |
| Average total return | 4.92 | 3.55 | 3.30 |



Source: Lipper, as at 31 August 2024

The Fund generated a return of 4.92% for the review year, outperforming the benchmark gain of 3.21% for the same year. This outperformance was attributed to stronger returns from the Sukuk market rally and the income derived from the Sukuk held in the Fund during the review year.

Has the Fund achieved its objective?

Overall, the Fund met its objective, as evidenced by the net income distribution made during the financial year under review.

MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of the Fund

| Category | 01.09.2023 to 31.08.2024 % | 01.09.2022 to 31.08.2023 % | 01.09.2021 to 31.08.2022 % | 01.09.2020 to 31.08.2021 % | 08.01.2020 (date of launch) to 31.08.2020 % |
|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| Annual total return | 4.92 | 5.02 | 0.77 | 1.25 | 3.28 |
| Benchmark | 3.21 | 3.32 | 2.48 | 2.36 | 1.67 |

4. Basis of calculation made in calculating the returns:

The performance figures are a comparison of the growth/ decline in NAV after taking into account all the distributions payable (if any) during the stipulated period.

An illustration of the above would be as follows:

| | | |
|----------------|---|--|
| Capital return | = | (NAV per unit end/ NAV per unit begin) - 1 |
| Income return | = | Income distribution per unit/ NAV per unit ex-date |
| Total return | = | (1+Capital return) x (1+Income return) - 1 |

C. Market Review

During the financial year, Bank Negara Malaysia ("BNM") paused profit rate hikes after a 25 basis point ("bps") increase in early May 2023, which brought the Overnight Policy Rate ("OPR") to 3.00%. This followed four consecutive 25 bps hikes in 2022. Since the last hike in May 2023, BNM has maintained the OPR at 3.00% through its subsequent seven Monetary Policy Committee ("MPC") meetings. The central bank has reiterated that its monetary policy stance remains supportive of the economy, consistent with its current assessment of inflation and growth prospects. This has led to expectations that BNM may have reached the end of its hiking cycle, with the future trajectory potentially involving a long pause or even policy easing into 2025.

Meanwhile, local Malaysian Government Securities ("MGS") and Government Investment Issues ("GII") yields declined in tandem with falling United States Treasury ("UST") yields since May 2024, driven by growing expectations of profit rate cuts by the United States ("US") Federal Open Market Committee ("FOMC") toward the end of 2024. The 10-year MGS, which peaked at 4.16% in October 2023, rallied to close at 3.76% and reached a low of 3.69% during the review year. Consequently, the strong rally in MGS and GII yields led to a drop in yields for local Sukuks, improving the overall Sukuk valuations in the Fund.

On the corporate bond front, the rally in government securities extended to the private debt securities ("PDS") market, with corporate Sukuk yields, particularly for GG and AAA-rated bonds and Sukuks, declining. Demand for AAA- and AA-rated Sukuk and Sukuks outstripped supply in both the secondary and primary markets, resulting in lower yields and tighter credit spreads throughout the year.

MAYBANK INCOME MANAGEMENT-I FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

D. Market Outlook and Investment Strategy

Looking ahead, the fixed income market is expected to continue its recovery, benefiting from the anticipated global trend of central banks easing profit rate hikes. With BNM likely to maintain the OPR at 3.00%, either pausing or implementing policy easing into 2025 and the US expected to begin cutting rates toward the end of 2024, the local fixed income market remains attractive. Additionally, Malaysia's Gross Domestic Product ("GDP") is projected to grow between 4.00% and 5.00%, further supporting the appeal of the fixed income market as we move into 2025.

We believe that profit rates have peaked and that we are in a phase of market recovery, though some volatility is expected. Our positive outlook for Malaysia's fixed income market remains, as central banks globally shift towards more accommodative monetary policies. The peak in profit rates, coupled with anticipated slower global growth, is expected to lead to falling bond yields, which should benefit fixed income fund valuations.

However, the medium-term trajectory is subject to risks such as changes in subsidy and price control policies, as well as fluctuations in global commodity prices. We anticipate that BNM will keep the OPR at 3.00% throughout the year, barring any demand-pull pressures, though monthly Consumer Price Index ("CPI") may trend higher depending on the pace of subsidy rationalization. Should there be any movement in the OPR, a rate cut is more likely than a hike. Thus, we maintain our positive outlook for Malaysia's fixed income market.

We believe that our focus on corporate bonds and strong credit selection will continue to generate attractive returns for the portfolio. We will seek out favorable trading opportunities in government securities while maintaining an overweight position in corporate Sukuk compared to sovereign GILs. This strategy aims to anchor the Fund's income in the higher yields and lower volatility of corporate Sukuk, providing a buffer against potential mark-to-market losses if GIL yields turn around.

Our preference is for strong AA-rated and A-rated papers, which offer yield pickup and potential for long-term upgrades. We plan to gradually increase duration as we anticipate further gains in the local bond market over the next six months. Additionally, we will trade opportunistically and explore new primary issuances with higher yields, as well as Sukuk in the secondary market that may be oversold.

As of 31 August 2024, the Fund was 73.63% invested in Ringgit Malaysia ("RM")-denominated Sukuk investments.

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 August 2024, 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 UNITHOLDER'S OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

We have acted as Trustee of Maybank Income Management-I Fund (the "Fund") for the financial year ended 31 August 2024. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation and pricing were carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units were carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of returns for the year were tied to and reflect the objective of the Fund.

For and on behalf of
PB Trustee Services Berhad

Cheah Kuan Yoon
Chief Executive Officer

Kuala Lumpur, Malaysia
18 October 2024

STATEMENT BY MANAGER

**TO THE UNITHOLDER'S OF
MAYBANK INCOME MANAGEMENT-I FUND
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

We, Dr Hasnita Binti Dato' Hashim and Muhammad Hishamudin Bin Hamzah, 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 Income Management-I Fund as at 31 August 2024 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 2024 and complied with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Chairman

Muhammad Hishamudin Bin Hamzah
Director

Kuala Lumpur, Malaysia
18 October 2024

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDERS OF MAYBANK INCOME MANAGEMENT-I FUND FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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 the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For and on behalf of
Amanie Advisors Sdn Bhd

Tan Sri Dato Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
18 October 2024

Independent auditors' report to the Unitholders of Maybank Income Management-I Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Income Management-I Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 August 2024, and statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

**Independent auditors' report to the Unitholders of
Maybank Income Management-I Fund (cont'd)**

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

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

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

Responsibilities of the Manager and Trustee for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

**Independent auditors' report to the Unitholders of
Maybank Income Management-I Fund (cont'd)**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Unitholders of
Maybank Income Management-I Fund (cont'd)**

Other matters

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

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

Yeo Beng Yean
03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 October 2024

MAYBANK INCOME MANAGEMENT-I FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

| | Note | 2024 RM | 2023 RM |
|--|------|-------------------------|-------------------------|
| INVESTMENT INCOME | | | |
| Profit income | 4 | 6,436,707 | 5,903,035 |
| Net gain from financial assets at fair value through profit or loss ("FVTPL") | | | |
| - Realised loss | | (49,506) | (406,860) |
| - Unrealised gain | | 2,058,624 | 2,352,438 |
| Other income | | - | 12,500 |
| | | <u>8,445,825</u> | <u>7,861,113</u> |
| EXPENSES | | | |
| Manager's fee | 5 | 495,513 | 365,699 |
| Trustee's fee | 6 | 66,069 | 60,520 |
| Auditors' remuneration | | 9,270 | 8,270 |
| Tax agent's fee | | 3,900 | 6,975 |
| Shariah advisory fee | | 15,000 | 15,000 |
| Administrative expenses | | 4,500 | 3,600 |
| | | <u>594,252</u> | <u>460,064</u> |
| Net income before taxation | | 7,851,573 | 7,401,049 |
| Taxation | 7 | - | - |
| Net income after taxation, representing the total comprehensive income for the financial year | | <u>7,851,573</u> | <u>7,401,049</u> |
| Net income after taxation is made up of the following: | | | |
| Net realised income | | 5,792,949 | 5,048,611 |
| Net unrealised income | | 2,058,624 | 2,352,438 |
| | | <u>7,851,573</u> | <u>7,401,049</u> |
| Distributions for the financial year: | | | |
| Net distribution for the financial year | 14 | 5,444,834 | 4,765,237 |
| Gross/ Net distribution for per unit (sen) | | 3.25 | 3.25 |
| Distribution date (ex-date) | | <u>Refer to Note 14</u> | <u>Refer to Note 14</u> |

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

MAYBANK INCOME MANAGEMENT-I FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

| | Note | 2024 RM | 2023 RM |
|--|-------------|--------------------|--------------------|
| ASSETS | | | |
| Financial assets at FVTPL | 8 | 146,052,788 | 129,856,007 |
| Shariah-compliant deposits with licensed Islamic financial institutions | 9 | 49,126,925 | 18,365,035 |
| Profit income receivable | | 1,510,900 | 1,386,421 |
| Amount due from Manager | 10 | 9,982,820 | - |
| Cash at bank | | 1,901 | 1,721 |
| TOTAL ASSETS | | <u>206,675,334</u> | <u>149,609,184</u> |
| LIABILITIES | | | |
| Amount due to Manager | 10 | 48,034 | 38,100 |
| Amount due to Trustee | 11 | 6,405 | 5,080 |
| Amount due to financial institution | 12 | 5,000,000 | - |
| Distribution payable | | 3,238,035 | 2,752,130 |
| Other payables and accruals | | 21,405 | 20,656 |
| TOTAL LIABILITIES | | <u>8,313,879</u> | <u>2,815,966</u> |
| NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE THE FUND | | <u>198,361,455</u> | <u>146,793,218</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISES: | | | |
| Unitholders' capital | 13(a) | 194,225,918 | 145,064,420 |
| Retained earnings | 13(b) & (c) | 4,135,537 | 1,728,798 |
| | | <u>198,361,455</u> | <u>146,793,218</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | 13(a) | <u>192,503,181</u> | <u>144,843,797</u> |
| NAV PER UNIT (RM) | | <u>1.0304</u> | <u>1.0135</u> |

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

MAYBANK INCOME MANAGEMENT-I FUND

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

| | Unitholders' capital Note 13(a) RM | Retained earnings Note 13(b) & Note 13(c) RM | Net assets attributable to unitholders RM |
|---|---|---|--|
| At 1 September 2023 | 145,064,420 | 1,728,798 | 146,793,218 |
| Total comprehensive income for the financial year | - | 7,851,573 | 7,851,573 |
| Creation of units | 85,354,556 | - | 85,354,556 |
| Reinvestment of units | 4,958,929 | - | 4,958,929 |
| Cancellation of units | (41,151,987) | - | (41,151,987) |
| Distributions (Note 14) | - | (5,444,834) | (5,444,834) |
| At 31 August 2024 | <u>194,225,918</u> | <u>4,135,537</u> | <u>198,361,455</u> |
| At 1 September 2022 | 154,567,183 | (907,014) | 153,660,169 |
| Total comprehensive income for the financial year | - | 7,401,049 | 7,401,049 |
| Creation of units | 19,884,487 | - | 19,884,487 |
| Reinvestment of units | 2,013,108 | - | 2,013,108 |
| Cancellation of units | (31,400,358) | - | (31,400,358) |
| Distributions (Note 14) | - | (4,765,237) | (4,765,237) |
| At 31 August 2023 | <u>145,064,420</u> | <u>1,728,798</u> | <u>146,793,218</u> |

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

MAYBANK INCOME MANAGEMENT-I FUND

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

| | 2024 | 2023 |
|--|--------------------------|--------------------------|
| | RM | RM |
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Net payment for purchase of financial assets at FVTPL | (28,459,717) | (10,926,648) |
| Net proceeds from sale of financial assets at FVTPL | 19,272,052 | 20,857,812 |
| Profit income received | 6,312,228 | 6,555,331 |
| Other Income | - | 12,500 |
| Manager's fee paid | (485,580) | (355,793) |
| Trustee's fee paid | (64,743) | (65,053) |
| Payment of other fees and expenses | (31,923) | (23,800) |
| Net cash (used in)/ generated from operating and investing activities | <u>(3,457,683)</u> | <u>16,054,349</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from creation of units | 75,371,740 | 20,083,989 |
| Payment for redemption of units | (41,151,987) | (31,400,358) |
| Net cash generated from/ (used in) financing activities | <u>34,219,753</u> | <u>(11,316,369)</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR | 30,762,070 | 4,737,980 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | 18,366,756 | 13,628,776 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | <u>49,128,826</u> | <u>18,366,756</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 1,901 | 1,721 |
| Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months (Note 9) | 49,126,925 | 18,365,035 |
| | <u>49,128,826</u> | <u>18,366,756</u> |

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

MAYBANK INCOME MANAGEMENT-I FUND

NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Income Management-I Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 3 December 2019 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, PB Trustee Services Bhd. Subsequently, MAM and the Trustee have entered into the First Supplemental Deed dated 3 June 2022 and Second Supplemental Deed dated 1 September 2023.

The principal activity of the Fund is to invest a minimum of 70% of the Fund's NAV in MYR-denominated Sukuk issued and/ or offered in Malaysia with a minimum Sukuk rating of 'A3' by RAM Holdings Berhad ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC"). However, if any of the Sukuk held in the Fund has been downgraded to a rating lower than 'A3', the Manager may choose to dispose the Sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold onto the downgraded Sukuk for up to ninety (90) days. The Fund may invest up to 30% of its NAV investment in non-MYR denominated Sukuk should the External Investment Manager ("EIM") deems the investments to be in line with the objective of the Fund.

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

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence ("CMSL") with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA").

The principal place of business of MAM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

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

The roles and responsibilities of MIAM include management of the investment portfolio in accordance with the investment objective, subject to the CMSA and the Guidelines on Unit Trust Funds issued by the Securities Commission of Malaysia ("SC") and any other relevant guidelines issued by the SC as well as the terms and conditions of the investment management agreement between MIAM and MAM.

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 18 October 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance to 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.

MAYBANK INCOME MANAGEMENT-I FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Basis of preparation (cont'd)

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 31 August 2024. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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

2.2 Standards and Amendments to Standards issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|--|--|
| Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i> | 1 January 2024 |
| Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i> | 1 January 2024 |
| Amendments to MFRS 121: <i>Lack of Exchangeability</i> | 1 January 2025 |
| Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classifications and Measurement of Financial Instruments</i> | 1 January 2026 |
| MFRS 18: <i>Presentation and Disclosure in Financial Statements</i> | 1 January 2027 |
| MFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i> | 1 January 2027 |
| 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.

MAYBANK INCOME MANAGEMENT-I FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets

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

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

(i) Financial assets at amortised cost

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

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

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

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

(ii) Financial assets at FVTPL

Investments in Sukuk is classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

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

MAYBANK INCOME MANAGEMENT-I FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

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

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

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

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

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

Changes in the fair value of FVTPL investments are recognised in unrealised gain or losses on FVTPL investments in profit or loss. Accumulated unrealised gains or losses are reclassified to realised gain or losses on FVTPL investments in profit or loss when the associated assets are sold.

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

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

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

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

MAYBANK INCOME MANAGEMENT-I FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

(iii) Impairment (cont'd)

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

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

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

(iv) Derecognition

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

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

On derecognition of financial asset at amortised cost, gain or losses are recognised in profit or loss when the asset is derecognised, modified 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 institution, distribution payable and other payables and accruals as other financial liabilities.

(ii) Recognition and measurement

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

MAYBANK INCOME MANAGEMENT-I FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Financial liabilities (cont'd)

(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.

2.6 Fair value measurement

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

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

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

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

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

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

- (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.

MAYBANK INCOME MANAGEMENT-I FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Fair value measurement (cont'd)

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

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

2.7 Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in RM, which is also the Fund's functional currency.

2.8 Unitholders' capital

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

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

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

2.9 Distributions

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

2.10 Cash and cash equivalents

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

MAYBANK INCOME MANAGEMENT-I FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 Revenue/ Income

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

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

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

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

Other revenue is generally recognised when the Fund satisfies a performance obligation by transferring a promised good or service or an asset to a customer. An asset is transferred when (or as) the customer obtains control of the 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 net assets attributable to unitholders.

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.

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

2.13 Segment information

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

2.14 Critical accounting estimates and judgements

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

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

MAYBANK INCOME MANAGEMENT-I FUND

3. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund during current financial year ended 31 August 2024 is Shariah-compliant.

4. PROFIT INCOME

| | 2024 | 2023 |
|---|------------------|------------------|
| | RM | RM |
| Profit income from Sukuk | 5,411,282 | 5,449,145 |
| Profit income from Shariah-compliant deposits | 1,032,495 | 648,844 |
| Amortisation of premium, net of accretion of discount | <u>(7,070)</u> | <u>(194,954)</u> |
| | <u>6,436,707</u> | <u>5,903,035</u> |

5. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based up to 0.40% per annum ("p.a.") (2023: 0.40% p.a.) on the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

6. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis up to 0.04% p.a. (2023: 0.04% p.a.) of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

7. TAXATION

| | 2024 | 2023 |
|------------------------------------|-------------|-------------|
| | RM | RM |
| Tax charge for the financial year: | | |
| Current income tax expense | <u>-</u> | <u>-</u> |

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable income for the financial year.

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

MAYBANK INCOME MANAGEMENT-I FUND

7. TAXATION (CONT'D)

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

| | 2024 | 2023 |
|--|-------------|-------------|
| | RM | RM |
| Net income before taxation | 7,851,573 | 7,401,049 |
| Tax at Malaysian statutory rate of 24% (2023: 24%) | 1,884,378 | 1,776,252 |
| Income not subject to tax | (2,038,879) | (1,984,314) |
| Loss not deductible for tax purposes | 11,881 | 97,646 |
| Expenses not deductible for tax purposes | 142,620 | 110,416 |
| Tax expense for the financial year | - | - |

8. FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL comprise investments in RM-denominated Sukuk as detailed below:

| | | 2024 | 2023 |
|---|-----------------|------------------|-------------------|
| | | RM | RM |
| Sukuk | | 146,052,788 | 129,856,007 |
| | | | Percentage |
| Sukuk | Quantity | Aggregate | Market |
| | Unit | Cost | Value |
| | | RM | RM |
| | | | of |
| | | | NAV |
| | | | % |
| 2024 | | | |
| Aeon Credit Service (M) Bhd - 3.85%/ 10.02.2027 | 5,000,000 | 4,999,980 | 5,006,300 |
| Alliance Islamic Bank Bhd - 3.93%/ 10.08.2029 | 2,000,000 | 1,999,963 | 2,000,840 |
| Amanah Lebuhraya Bhd - 4.47%/ 13.10.2027 | 4,600,000 | 4,599,771 | 4,746,510 |
| Bank Simpanan Nasional - 3.90%/ 12.02.2029 | 2,000,000 | 1,999,969 | 2,002,380 |
| Cypark Ref Sdn Bhd - 4.87%/ 30.06.2025 | 5,000,000 | 5,021,924 | 5,017,850 |
| Digi Telecommunications Sdn Bhd - 3.85%/ 27.06.2029 | 5,000,000 | 4,999,789 | 5,016,600 |
| | | | 2.52 |
| | | | 1.01 |
| | | | 2.39 |
| | | | 1.01 |
| | | | 2.53 |
| | | | 2.53 |

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Sukuk (cont'd) | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|--------------------------------|-------------------|-------------------------|-----------------------|------------------------------|
| 2024 (cont'd) | | | | |
| DRB-Hicom Sdn Bhd | | | | |
| - 4.85%/ 04.08.2028 | 5,000,000 | 5,008,565 | 5,073,050 | 2.56 |
| - 5.08%/ 30.08.2030 | 3,000,000 | 3,009,286 | 3,050,970 | 1.54 |
| | <u>8,000,000</u> | <u>8,017,851</u> | <u>8,124,020</u> | <u>4.10</u> |
| Edra Energy Sdn Bhd | | | | |
| - 6.35%/ 5.07.2033 | <u>5,000,000</u> | <u>5,845,183</u> | <u>5,839,650</u> | <u>2.94</u> |
| Evyap Sabun Malaysia Sdn Bhd | | | | |
| - 4.05%/ 30.12.2025 | 5,000,000 | 4,999,771 | 5,012,650 | 2.53 |
| - 4.90%/ 20.11.2026 | 5,000,000 | 5,004,861 | 5,106,000 | 2.57 |
| | <u>10,000,000</u> | <u>10,004,632</u> | <u>10,118,650</u> | <u>5.10</u> |
| Fortune Premiere Sdn Bhd | | | | |
| - 5.05%/ 05.09.2025 | <u>3,000,000</u> | <u>3,043,955</u> | <u>3,034,680</u> | <u>1.53</u> |
| Gamuda Land | | | | |
| - 3.75%/ 12.08.2027 | <u>3,000,000</u> | <u>2,999,997</u> | <u>2,993,250</u> | <u>1.51</u> |
| Gamuda Bhd | | | | |
| - 4.20%/ 20.06.2028 | 5,000,000 | 5,021,768 | 5,065,600 | 2.55 |
| - 3.90%/ 27.03.2029 | 3,000,000 | 3,006,048 | 3,003,540 | 1.51 |
| | <u>8,000,000</u> | <u>8,027,816</u> | <u>8,069,140</u> | <u>4.06</u> |
| Malaysia Airports Holdings Bhd | | | | |
| - 3.30%/ 05.11.2027 | <u>2,000,000</u> | <u>1,999,939</u> | <u>1,971,900</u> | <u>0.99</u> |
| MMC Corporation Bhd | | | | |
| - 5.95%/ 12.11.2027 | <u>5,000,000</u> | <u>5,243,935</u> | <u>5,309,450</u> | <u>2.68</u> |
| Bank Muamalat (M) Bhd | | | | |
| - 4.50%/ 13.06.2031 | <u>5,000,000</u> | <u>4,999,692</u> | <u>5,042,600</u> | <u>2.54</u> |
| OSK Rated Bond Sdn Bhd | | | | |
| - 4.39%/ 28.04.2028 | <u>4,000,000</u> | <u>3,998,707</u> | <u>4,075,640</u> | <u>2.05</u> |
| Pelaburan Hartanah Bhd | | | | |
| - 3.77%/ 30.08.2029 | <u>5,000,000</u> | <u>5,000,000</u> | <u>5,000,000</u> | <u>2.52</u> |

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Sukuk (cont'd) | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|--|------------------|-------------------------|-----------------------|------------------------------|
| 2024 (cont'd) | | | | |
| Pengurusan Air Selangor Sdn Bhd - 4.02%/ 19.08.2039 | 1,000,000 | 999,987 | 998,420 | 0.50 |
| Perbadanan Kemajuan Pertanian Negeri Pahang - 3.96%/ 30.10.2024 | 2,000,000 | 2,000,044 | 1,998,140 | 1.01 |
| PONSB Capital Bhd - 4.99%/ 30.06.2027 | 2,500,000 | 2,499,827 | 2,581,875 | 1.30 |
| - 3.99%/ 28.05.2029 | 2,000,000 | 1,999,902 | 2,012,520 | 1.01 |
| | 4,500,000 | 4,499,729 | 4,594,395 | 2.31 |
| Pelabuhan Tanjung Pelepas Sdn Bhd - 3.40%/ 28.08.2030 | 5,000,000 | 4,999,959 | 4,868,450 | 2.45 |
| Petroleum Sarawak Exploration & Production Sdn Bhd - 3.93%/ 24.05.2029 | 2,000,000 | 1,999,905 | 2,010,620 | 1.01 |
| S P Setia Bhd - 4.22%/ 21.04.2027 | 5,000,000 | 4,999,781 | 5,053,350 | 2.55 |
| Sime Darby Property Bhd - 3.42%/ 03.12.2027 | 3,000,000 | 2,999,891 | 2,964,150 | 1.49 |
| Sarawak Energy Bhd - 4.70%/ 24.11.2028 | 5,000,000 | 5,288,640 | 5,188,400 | 2.62 |
| Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024* | 5,000,000 | 5,000,011 | 4,999,950 | 2.52 |
| - 4.00%/ 15.08.2031 | 2,500,000 | 2,499,963 | 2,504,775 | 1.26 |
| | 7,500,000 | 7,499,974 | 7,504,725 | 3.78 |
| Tanjung Bin Energy Bhd - 6.20%/ 16.03.2032 | 5,000,000 | 5,879,920 | 5,377,450 | 2.71 |
| TG Excellence Bhd - 3.95%/ 27.02.2025 | 4,060,000 | 4,053,217 | 4,042,948 | 2.04 |

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Sukuk (cont'd) | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|--------------------|-------------------------|-----------------------|------------------------------|
| 2024 (cont'd) | | | | |
| UEM Sunrise Bhd - 4.30%/ 16.02.2026 | 5,000,000 | 5,007,619 | 5,037,200 | 2.55 |
| Widad Group Bhd - 3.99%/ 28.03.2025 | 5,000,000 | 5,001,885 | 4,998,500 | 2.49 |
| YTL Power International Bhd - 4.01%/ 26.08.2031 | 3,000,000 | 3,000,879 | 3,004,680 | 1.51 |
| - 4.18%/ 18.03.2036 | 5,000,000 | 4,991,291 | 5,041,900 | 2.54 |
| | 8,000,000 | 7,992,170 | 8,046,580 | 4.05 |
| Total Sukuk | 143,660,000 | 146,025,824 | 146,052,788 | 73.63 |
| Unrealised gain on financial assets at FVTPL | | | 26,964 | |
| 2023 | | | | |
| Aeon Credit Service (M) Bhd - 3.85%/ 10.02.2027 | 5,000,000 | 5,000,001 | 4,937,850 | 3.36 |
| Amanah Lebuhraya Bhd - 4.47%/ 13.10.2027 | 4,600,000 | 4,599,771 | 4,734,872 | 3.23 |
| Cypark Ref Sdn Bhd - 4.87%/ 30.06.2025 | 5,000,000 | 5,047,734 | 5,014,050 | 3.42 |
| DRB-Hicom Sdn Bhd - 4.85%/ 04.08.2028 | 5,000,000 | 5,010,538 | 4,932,950 | 3.36 |
| - 5.08%/ 30.08.2030 | 3,000,000 | 3,010,583 | 2,937,150 | 2.00 |
| | 8,000,000 | 8,021,121 | 7,870,100 | 5.36 |
| Edra Energy Sdn Bhd - 6.35%/ 5.07.2033 | 5,000,000 | 5,923,257 | 5,715,350 | 3.89 |
| Evyap Sabun Malaysia Sdn Bhd - 4.05%/ 30.12.2025 | 5,000,000 | 4,999,771 | 4,886,600 | 3.33 |
| - 4.90%/ 20.11.2026 | 5,000,000 | 5,007,032 | 4,962,700 | 3.38 |
| | 10,000,000 | 10,006,803 | 9,849,300 | 6.71 |
| Fortune Premiere Sdn Bhd - 5.05%/ 05.09.2025 | 3,000,000 | 3,085,934 | 3,055,170 | 2.08 |

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Sukuk (cont'd) | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|--|--------------------------|----------------------------------|--------------------------------|--|
| 2023 (cont'd) | | | | |
| Gamuda Bhd | | | | |
| - 4.20%/ 20.06.2026 | 2,500,000 | 2,499,869 | 2,515,425 | 1.71 |
| - 3.75%/ 12.08.2027 | 3,000,000 | 3,000,007 | 2,959,680 | 2.02 |
| | <u>5,500,000</u> | <u>5,499,876</u> | <u>5,475,105</u> | <u>3.73</u> |
| Infracap Resources Sdn Bhd | | | | |
| - 4.40%/ 16.10.2023 | <u>5,000,000</u> | <u>5,059,105</u> | <u>5,059,200</u> | <u>3.45</u> |
| Malaysia Airports Holdings | | | | |
| - 3.30%/ 05.11.2027 | <u>2,000,000</u> | <u>1,999,938</u> | <u>1,951,180</u> | <u>1.33</u> |
| MMC Corporation Bhd | | | | |
| - 5.95%/ 12.11.2027 | <u>5,000,000</u> | <u>5,313,814</u> | <u>5,285,000</u> | <u>3.60</u> |
| Bank Muamalat (M) Bhd | | | | |
| - 4.50%/ 13.06.2031 | <u>5,000,000</u> | <u>4,999,691</u> | <u>5,007,350</u> | <u>3.41</u> |
| OSK Rated Bond Sdn Bhd | | | | |
| - 4.39%/ 28.04.2028 | <u>4,000,000</u> | <u>3,998,437</u> | <u>3,996,480</u> | <u>2.72</u> |
| Perbadanan Kemajuan Pertanian Negeri Pahang | | | | |
| - 3.96%/ 30.10.2024 | <u>2,000,000</u> | <u>2,000,821</u> | <u>1,980,860</u> | <u>1.35</u> |
| Projek Lebuhraya Usahasama Bhd | | | | |
| - 4.56%/ 12.01.2024 | <u>5,000,000</u> | <u>5,035,544</u> | <u>5,016,100</u> | <u>3.42</u> |
| PONSB Capital Bhd | | | | |
| - 4.99%/ 30.06.2027 | <u>2,500,000</u> | <u>2,499,827</u> | <u>2,577,050</u> | <u>1.76</u> |
| Pelabuhan Tanjung Pelepas Sdn Bhd | | | | |
| - 3.40%/ 28.08.2030 | <u>5,000,000</u> | <u>4,999,955</u> | <u>4,747,350</u> | <u>3.23</u> |
| S P Setia Berhad | | | | |
| - 4.30%/ 23.06.2026 | 3,000,000 | 2,999,842 | 3,016,710 | 2.06 |
| - 4.22%/ 21.04.2027 | 5,000,000 | 4,999,781 | 5,015,000 | 3.42 |
| | <u>8,000,000</u> | <u>7,999,623</u> | <u>8,031,710</u> | <u>5.48</u> |

MAYBANK INCOME MANAGEMENT-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Sukuk (cont'd) | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|---------------------------|---------------------------|---------------------------|------------------------------|
| 2023 (cont'd) | | | | |
| Sime Darby Property Bhd | | | | |
| - 4.08%/ 21.08.2026 | 5,000,000 | 4,999,942 | 5,010,900 | 3.41 |
| - 3.42%/ 03.12.2027 | 3,000,000 | 2,999,891 | 2,929,920 | 2.00 |
| | <u>8,000,000</u> | <u>7,999,833</u> | <u>7,940,820</u> | <u>5.41</u> |
| Sarawak Energy Bhd | | | | |
| - 4.70%/ 24.11.2028 | 4,500,000 | 4,831,458 | 4,660,740 | 3.18 |
| Sunway Treasury Sukuk Sdn Bhd | | | | |
| - 3.55%/ 10.09.2024 | 5,000,000 | 5,001,907 | 4,959,900 | 3.38 |
| Tanjung Bin Energy Bhd | | | | |
| - 6.20%/ 16.03.2032 | 5,000,000 | 5,980,217 | 5,228,300 | 3.56 |
| TG Excellence Bhd | | | | |
| - 3.95%/ 27.02.2025 | 7,000,000 | 6,965,085 | 6,878,620 | 4.69 |
| UEM Sunrise Bhd | | | | |
| - 4.30%/ 16.02.2026 | 5,000,000 | 5,012,640 | 4,906,150 | 3.35 |
| Widad Group Bhd | | | | |
| - 3.99%/ 28.03.2025 | 5,000,000 | 5,005,274 | 4,977,400 | 3.36 |
| Total Sukuk | <u>129,100,000</u> | <u>131,887,666</u> | <u>129,856,007</u> | <u>88.46</u> |
| Unrealised loss on financial assets at FVTPL | | | <u>(2,031,659)</u> | |

* The Sukuk from Sunway Treasury Sukuk Sdn Bhd was fully redeemed on the maturity date, 10 September 2024.

9. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS

| | 2024 RM | 2023 RM |
|--|-------------------|-------------------|
| Shariah-compliant deposits with licensed Islamic financial institutions | <u>49,126,925</u> | <u>18,365,035</u> |

MAYBANK INCOME MANAGEMENT-I FUND

9. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS (CONT'D)

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

| | 2024 | | 2023 | |
|---|-----------------|-----------------------------|-----------------|-----------------------------|
| | WAEPR % p.a. | Average maturity Days | WAEPR % p.a. | Average maturity Days |
| Shariah-compliant deposits with original maturity of - less than 3 months | 2.93 | 3 | 2.94 | 2 |

10. AMOUNT DUE FROM/ TO MANAGER

| | Note | 2024 RM | 2023 RM |
|------------------------------------|------|------------|------------|
| (a) Amount due from Manager | | | |
| Subscription of units | (i) | 9,982,820 | - |
| (b) Amount due to Manager | | | |
| Manager's fee | (ii) | 48,034 | 38,100 |

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

(ii) The amount represents the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2023: 15 days).

11. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accruals for Trustee's fee at the reporting date. The normal credit term for the Trustee's fee is 15 days (2023: 15 days).

12. AMOUNT DUE TO FINANCIAL INSTITUTION

Amount due to financial institution relates to the amount payable to financial institution arising from the purchase of investments. The settlement period for these payable are within two (2) to three (3) working days from the deal date.

MAYBANK INCOME MANAGEMENT-I FUND

13. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

| | Note | 2024 RM | 2023 RM |
|---------------------------------------|--------|--------------------|--------------------|
| Unitholders' capital | 13 (a) | 194,225,918 | 145,064,420 |
| Accumulated realised income | 13 (b) | 4,108,572 | 3,760,457 |
| Accumulated unrealised income/ (loss) | 13 (c) | 26,965 | (2,031,659) |
| | | <u>198,361,455</u> | <u>146,793,218</u> |

(a) Unitholders' capital

| | 2024 | | 2023 | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | No. of units | RM | No. of units | RM |
| At beginning of financial year | 144,843,797 | 145,064,420 | 154,229,145 | 154,567,183 |
| Creation of units | 82,744,947 | 85,354,556 | 19,608,798 | 19,884,487 |
| Reinvestment of units | 4,866,464 | 4,958,929 | 2,005,686 | 2,013,108 |
| Cancellation of units | <u>(39,952,027)</u> | <u>(41,151,987)</u> | <u>(30,999,832)</u> | <u>(31,400,358)</u> |
| At the end of the financial year | <u>192,503,181</u> | <u>194,225,918</u> | <u>144,843,797</u> | <u>145,064,420</u> |

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

| | 2024 | | 2023 | |
|-------------|--------------|--------------|--------------|--------------|
| | No. of units | RM | No. of units | RM |
| The Manager | <u>1,108</u> | <u>1,142</u> | <u>1,092</u> | <u>1,107</u> |

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

(b) Accumulated realised income

| | 2024 RM | 2023 RM |
|---|--------------------|--------------------|
| At beginning of financial year | 3,760,457 | 3,477,083 |
| Net realised income for the financial year | 5,792,949 | 5,048,611 |
| Distributions out of realised reserve (Note 14) | <u>(5,444,834)</u> | <u>(4,765,237)</u> |
| At end of the financial year | <u>4,108,572</u> | <u>3,760,457</u> |

(c) Accumulated unrealised income/ (loss)

| | 2024 RM | 2023 RM |
|--|---------------|--------------------|
| At beginning of financial year | (2,031,659) | (4,384,097) |
| Net unrealised income for the financial year | 2,058,624 | 2,352,438 |
| At end of the financial year | <u>26,965</u> | <u>(2,031,659)</u> |

MAYBANK INCOME MANAGEMENT-I FUND

14. DISTRIBUTIONS

The composition of distributions are as follows:

| Source of distribution | 2024 | | 2023 | |
|------------------------|--------------------------|--|--------------------------|--|
| | Total distribution RM | Composition of distribution in percentage % | Total distribution RM | Composition of distribution in percentage % |
| - Income distribution | 5,444,834 | 100.00 | 4,765,237 | 100.00 |
| - Capital distribution | - | - | - | - |
| | <u>5,444,834</u> | <u>100.00</u> | <u>4,765,237</u> | <u>100.00</u> |

The distribution declared are/ will be settled in the forms of units and presented as reinvestment of units in Note 13(a) on payment date.

| Distribution date (ex-date) | Gross/ Net distribution per unit (sen) |
|-----------------------------|--|
| 2024 | |
| 26 February 2024 | 1.45 |
| 27 August 2024 | 1.80 |
| | <u>3.25</u> |
| 2023 | |
| 24 February 2023 | 1.35 |
| 28 August 2023 | 1.90 |
| | <u>3.25</u> |

15. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

Details of transactions with brokers/ dealers are as follows:

| | 2024 | | 2023 | |
|---------------------------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
| | Value of trade RM | Percentage of total trade % | Value of trade RM | Percentage of total trade % |
| RHB Investment Bank Bhd | 24,184,070 | 41.95 | 9,014,230 | 20.14 |
| CIMB Investment Bank Bhd | 14,014,700 | 24.32 | 8,953,100 | 20.01 |
| MBB * | 9,000,000 | 15.62 | 15,100,000 | 33.74 |
| Affin Hwang Investment Bank Bhd | 7,912,952 | 13.73 | 5,006,750 | 11.19 |
| CIMB Islamic Bank Bhd | 2,523,750 | 4.38 | - | - |
| Hong Leong Bank Bhd | - | - | 4,792,800 | 10.71 |
| Hong Leong Islamic Bank Bhd | - | - | 1,884,200 | 4.21 |
| | <u>57,635,472</u> | <u>100.00</u> | <u>44,751,080</u> | <u>100.00</u> |

MAYBANK INCOME MANAGEMENT-I FUND

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

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

| | 2024 | | 2023 | |
|--------------------------------|---------------------------|-------------------------------------|---------------------------|-------------------------------------|
| | Value of placements RM | Percentage of total placements % | Value of placements RM | Percentage of total placements % |
| Hong Leong Islamic Bank Bhd | 4,556,068,408 | 52.91 | 3,296,920,227 | 57.32 |
| Maybank Islamic Bhd ("MIB") ** | 4,055,212,000 | 47.09 | 2,454,716,000 | 42.68 |
| | <u>8,611,280,408</u> | <u>100.00</u> | <u>5,751,636,227</u> | <u>100.00</u> |

* MBB is the ultimate holding company of the Manager.

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

16. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of the financial statements, parties are considered to be related to the Fund or the Manager if the Fund or the Manager has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Fund or the Manager and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, below are the significant related party transactions and balances of the Fund.

(a) Significant related party transactions

| | 2024 RM | 2023 RM |
|---------------|------------|------------|
| <u>MIB*:</u> | | |
| Profit Income | 481,669 | 275,741 |

(b) Significant related party balances

| | 2024 RM | 2023 RM |
|----------------------------|-------------------|------------------|
| <u>MIB*:</u> | | |
| Cash at bank | 1,901 | 1,721 |
| Shariah-compliant deposits | 18,041,000 | 4,549,000 |
| Profit receivable | 2,867 | 723 |
| | <u>18,045,768</u> | <u>4,551,444</u> |

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

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

MAYBANK INCOME MANAGEMENT-I FUND

17. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial year ended 31 August 2024, the TER of the Fund stood at 0.36% (2023: 0.30%).

18. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 August 2024, the PTR of the Fund stood at 0.14 times (2023: 0.11 times).

19. SEGMENT INFORMATION

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

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

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

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

There were no changes in the reportable operating segments during previous and current financial reporting year.

20. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 2 describe how the classes of financial instruments are measured and how income and expenses are recognised.

MAYBANK INCOME MANAGEMENT-I FUND

20. FINANCIAL INSTRUMENTS (CONT'D)

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

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

| 2024 | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Financial liabilities at amortised cost RM | Total RM |
|---|---------------------------------------|---|--|--------------------|
| Financial assets | | | | |
| Financial assets at FVTPL | 146,052,788 | - | - | 146,052,788 |
| Shariah-compliant deposits with licensed Islamic financial institutions | - | 49,126,925 | - | 49,126,925 |
| Profit income receivable | - | 1,510,900 | - | 1,510,900 |
| Amount due from Manager | - | 9,982,820 | - | 9,982,820 |
| Cash at bank | - | 1,901 | - | 1,901 |
| Total financial assets | 146,052,788 | 60,622,546 | - | 206,675,334 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 48,034 | 48,034 |
| Amount due to Trustee | - | - | 6,405 | 6,405 |
| Amount due to financial institution | - | - | 5,000,000 | 5,000,000 |
| Distribution payable | - | - | 3,238,035 | 3,238,035 |
| Other payables and accruals | - | - | 21,405 | 21,405 |
| Total financial liabilities | - | - | 8,313,879 | 8,313,879 |
| 2023 | | | | |
| Financial assets | | | | |
| Financial assets at FVTPL | 129,856,007 | - | - | 129,856,007 |
| Shariah-compliant deposits with licensed Islamic financial institutions | - | 18,365,035 | - | 18,365,035 |
| Profit income receivable | - | 1,386,421 | - | 1,386,421 |
| Cash at bank | - | 1,721 | - | 1,721 |
| Total financial assets | 129,856,007 | 19,753,177 | - | 149,609,184 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 38,100 | 38,100 |
| Amount due to Trustee | - | - | 5,080 | 5,080 |
| Distribution payable | - | - | 2,752,130 | 2,752,130 |
| Other payables and accruals | - | - | 20,656 | 20,656 |
| Total financial liabilities | - | - | 2,815,966 | 2,815,966 |

MAYBANK INCOME MANAGEMENT-I FUND

20. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value and revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency Malaysia Sdn Bhd.

(c) Fair value hierarchy

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

- (i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) 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).
- (iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 RM | Level 2 RM | Level 3 RM |
|---------------------------|---------------|---------------|---------------|
| 2024 | | | |
| Financial assets at FVTPL | - | 146,052,788 | - |
| | <hr/> | <hr/> | <hr/> |
| 2023 | | | |
| Financial assets at FVTPL | - | 129,856,007 | - |
| | <hr/> | <hr/> | <hr/> |

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

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

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

MAYBANK INCOME MANAGEMENT-I FUND

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deeds, the SC's Guidelines on Unit Trust Fund's and the CMSA.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Shariah-compliant financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and security prices. However, the Fund is not exposed to currency risk as it does not hold Shariah-compliant investments denominated in currencies other than in RM as at the reporting date. The Fund is also not exposed to equity price risk as it does not hold any equity investments as at the reporting date.

(i) 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.

The table below summarises the sensitivity of the Fund's NAV to movements in prices of Sukuk 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.

| | 2024 | | 2023 | |
|---------------------|---------------------------------|--|---------------------------------|--|
| | Changes in profit rates % | Effect on NAV (Decrease)/ Increase RM | Changes in profit rates % | Effect on NAV (Decrease)/ Increase RM |
| Financial assets at | +1 | (4,842,682) | +1 | (4,396,041) |
| FVTPL | -1 | 5,129,489 | -1 | 4,636,607 |

The impact to net income after tax is expected to be the same as the effects on NAV.

MAYBANK INCOME MANAGEMENT-I FUND

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

(c) Credit risk

Credit risk is the risk that the issuer/ counterparty to a financial instrument will default on its obligation resulting in a financial loss to the Fund. The Fund is exposed to the risk of credit-related losses that can occur as a result of an issuer/ counterparty's inability or unwillingness to honour its contractual obligations to make timely repayments of profit, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

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 Shariah-compliant financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's other counterparties (e.g. brokers, custodian, banks, etc.) by reviewing their credit ratings and credit profile on a regular basis.

(i) Credit risk exposure

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

(ii) Credit risk concentration

The following tables analyse the Fund's investments in financial assets at FVTPL, cash at bank, Shariah-compliant deposits with licensed Islamic financial institutions and profit income receivables by rating categories. The ratings are obtained from RAM.

| | 2024 | | 2023 | |
|-------------------------|--------------------|--------------------------|--------------------|--------------------------|
| | RM | As a percentage of NAV % | RM | As a percentage of NAV % |
| Financial assets | | | | |
| AAA | 77,574,556 | 39.11 | 44,191,979 | 30.10 |
| AA1 | 16,009,230 | 8.07 | 12,918,220 | 8.80 |
| AA2 | 21,626,515 | 10.90 | 16,814,000 | 11.45 |
| AA3 | 52,221,955 | 26.33 | 55,928,915 | 38.10 |
| A1 | 10,124,860 | 5.10 | 14,748,720 | 10.05 |
| A2 | 4,042,948 | 2.04 | - | - |
| A3 | 15,092,450 | 7.61 | 5,007,350 | 3.41 |
| | <u>196,692,514</u> | <u>99.16</u> | <u>149,609,184</u> | <u>101.91</u> |

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

(d) Liquidity risk

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

The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Deed of the Fund. It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so.

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

The following table summarises the maturity profile of the Fund's financial liabilities to provide a complete view of the Fund's contractual commitments and liquidity. The Fund's financial liabilities have been included in the "less than 1 month" category and the impact of discounting is insignificant.

| | Less than 1 month RM | More than 1 month RM | Total RM |
|--|-------------------------------------|-------------------------------------|---------------------|
| 2024 | | | |
| Financial liabilities | | | |
| Amount due to Manager | 48,034 | - | 48,034 |
| Amount due to Trustee | 6,405 | - | 6,405 |
| Amount due to financial institution | 5,000,000 | - | 5,000,000 |
| Distribution payable | 3,238,035 | - | 3,238,035 |
| Other payables and accruals | 21,405 | - | 21,405 |
| Total undiscounted financial liabilities | <u>8,313,879</u> | <u>-</u> | <u>8,313,879</u> |
| 2023 | | | |
| Financial liabilities | | | |
| Amount due to Manager | 38,100 | - | 38,100 |
| Amount due to Trustee | 5,080 | - | 5,080 |
| Distribution payable | 2,752,130 | - | 2,752,130 |
| Other payables and accruals | 20,656 | - | 20,656 |
| Total undiscounted financial liabilities | <u>2,815,966</u> | <u>-</u> | <u>2,815,966</u> |

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

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22. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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