

**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 MALAYSIA BALANCED FUND

**Audited report  
For the financial year ended 30 September 2023**

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
Telephone +603 2297 7888  
Facsimile +603 2715 0071  
[www.maybank-am.com.my](http://www.maybank-am.com.my)

### **TRUSTEE**

Universal Trustee (M) Berhad (197401000629) (17540-D)  
No 1, 3rd Floor  
Jalan Ampang  
50450 Kuala Lumpur  
Telephone +603 2070 8050  
Facsimile +603 2031 8715/ +603 2032 3194

## **MAYBANK MALAYSIA BALANCED FUND**

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## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

For the financial year ended 30 September 2023

#### A. Fund Information

**1. Name of the Fund**

Maybank Malaysia Balanced Fund ("Fund")

**2. Type of Fund**

Growth and income fund

**3. Category of Fund**

Balanced fund

**4. Duration of the Fund**

The Fund is an open-ended Fund.

**5. Fund launch date/ Commencement date**

19 September 1994/ 18 October 1994

**6. Fund's investment objective**

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

**7. Fund distribution policy**

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

**8. Fund's performance benchmark**

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

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

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

**10. Net income distribution for the financial year ended 30 September 2023**

The Fund declared an income distribution of RM1,566,394 for the financial year ended 30 September 2023.

Below are details of distributions made during the financial year:

Distribution date (ex-date)	Before distribution	After distribution	Gross/ Net distribution per unit (sen)	Changes (%)
26 September 2023	0.7728	0.7535	1.93	(2.56)

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

For the financial year ended 30 September 2023 (cont'd)

### B. Performance Review

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

Category	2023	2022	2021
<b>Portfolio</b>			
<b>Quoted equities - local</b>			
Construction	3.44	1.47	1.74
Consumer Products	6.30	5.62	4.65
Energy	1.55	1.92	1.71
Finance	13.40	13.76	10.12
Industrial Products	3.37	2.98	7.87
Plantation	2.65	2.40	2.00
Real Estate Investment Trust ("REIT")	2.96	2.86	2.64
Technology	3.47	4.57	8.09
Telecommunications	4.54	4.31	5.19
Transportation	0.76	2.29	1.64
Utilities	5.12	2.53	2.65
<b>Unquoted fixed income securities</b>			
Automotive	3.93	3.79	1.31
Bank	6.88	2.99	2.27
Commodities	6.57	7.20	6.73
Conglomerate	4.91	4.72	4.41
Industrial Products	1.31	1.24	1.16
Plantation	3.55	3.39	3.12
Port	1.16	1.08	1.04
Power	4.69	6.11	5.87
Property	10.70	13.11	9.82
Public Finance	2.64	2.46	2.36
Real Estate	0.64	0.62	2.90
<b>Cash and other net assets</b>	5.46	8.58	10.71
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	60,980	62,507	69,858
Units in circulation (units'000)	81,066	86,969	89,527
NAV per unit (RM)	0.7522	0.7187	0.7803
Highest NAV per unit (RM)	0.7760	0.7959	0.8109
Lowest NAV per unit (RM)	0.7106	0.7150	0.7553
Net income distributed (RM'000)	1,566	1,528	1,765
Gross/ Net distribution per unit (sen)	1.93	1.80	2.02
Distribution date (ex-date)	26.09.2023	27.09.2022	27.09.2021

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

For the financial year ended 30 September 2023 (cont'd)

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

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

Category	2023	2022	2021
Annual total return (%) <sup>(1)</sup>			
- Capital growth (%)	4.66	(7.89)	3.43
- Income distribution (%)	2.56	2.50	2.58
Total return (%)	7.34	(5.58)	6.10
Benchmark (%)	2.63	(3.52)	2.24
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	1.59	1.61	1.96
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.12	0.16	0.43

#### Notes:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER decreased to 1.59% due to lower administrative expense in the current financial year under review.
- (3) The Fund's PTR decreased due to 0.12 times lower trading activities in the current financial year under review.

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

##### 2. Performance of the Fund 5 years to 30 September 2023

Category	1 year to 30.09.2023 %	3 years to 30.09.2023 %	5 years to 30.09.2023 %
Capital growth	4.66	(0.29)	(0.70)
Income distribution	2.56	7.85	11.53
Total return of the Fund	7.34	7.53	10.75
Benchmark	2.63	1.23	(4.18)
Average total return	7.34	2.45	2.06

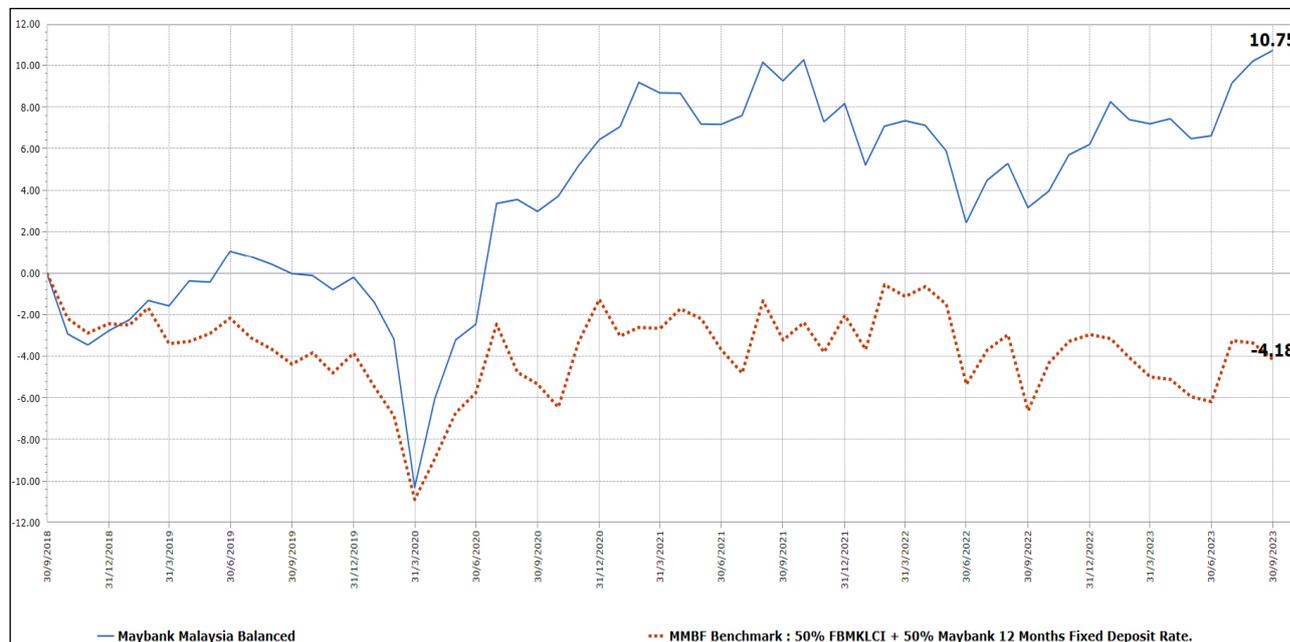
## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

For the financial year ended 30 September 2023 (cont'd)

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

#### 2. Performance of the Fund 5 years to 30 September 2023 (cont'd)



Source : Lipper as at 30 September 2023

For the year under review, the Fund posted a gain of 7.34%, outperforming its benchmark which posted gain of 2.63%. For equities, the outperformance was mainly due to the better selection of names in the energy, materials as well as the consumer staples sector. For fixed income, the outperformance was due to strong rally in local government bonds on the back of peaking policy rates and easing inflation expectations for local economy. Optimism on slower economic growth in 2023 and risk of economic recession in developed markets also boosted the performance of local bond market.

#### Has the Fund met its objective?

For the year under review, the Fund has met its objective of providing a balance between income and long term capital appreciation as it has generated income for the past few years and posted a positive return over the 5-year period.

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

For the financial year ended	2023 %	2022 %	2021 %	2020 %	2019 %
Capital growth	4.66	(7.89)	3.43	3.02	(0.02)
Income distribution	2.56	2.50	2.58	-	-
Total return	7.34	(5.58)	6.10	3.02	(0.02)
Benchmark	2.63	(3.52)	2.24	(0.88)	(4.09)

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

For the financial year ended 30 September 2023 (cont'd)

#### 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

#### Equity 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. Standard and Poor's 500 ("S&P 500") and Dow Jones performed, rising 19.6% and 16.7% respectively. European markets were also positive, with the Stoxx 50 up by 25.8%. North Asia was also up, with Japan and Taiwan gaining 22.8% and 21.8% respectively whereas Hong Kong and Shanghai was only up slightly by 3.4% and 2.9% respectively. Association of Southeast Asian Nations ("ASEAN") was mixed during the year under review. Philippines and Singapore was up 10.1% and 2.8% respectively whereas the other markets saw a decline, with Thailand declining -7.4% and Indonesia -1.4%.

Domestically, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") was also up 2.1%. However, the broader market FTSE Bursa Malaysia EMAS Index ("FBMEMAS") performed better, posting a gain of 6.1% for the one-year period ending 30 September 2023. FTSE Bursa Malaysia Small Cap ("FBMSCAP") Index was also up, chalking a spectacular gain of 18.0%. Throughout the year under review, Bank Negara Malaysia ("BNM") raised the overnight policy rate ("OPR") three times, bringing it up to 3%. BNM is expected to keep rates on hold as recent Gross Domestic Product ("GDP") data of 2.9% missed expectations and hit a low in nearly 2 years. Corporate reporting season in August 2023 was generally within expectations. In comparison to the preceding quarter, there was a reduction in results disappointments. Sector wise, automotive, building materials, transportation and gaming were amongst the best performing sectors. Conversely, sectors that missed expectations were mainly from construction due to cost pressures impacting margins, gloves due to hit in sales volume and plantation due to lower than expected output.

## MAYBANK MALAYSIA BALANCED FUND

### Manager's report

For the financial year ended 30 September 2023 (cont'd)

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

##### Fixed income market review

After four OPR hikes by BNM in 2022, BNM finally surprised the market by keeping OPR unchanged for 2 consecutive meetings in January 2023 and March 2023. The local bond market continued its rally into end March 2023, as market slowly priced out OPR rate-hike expectations for the rest of 2023, following the second OPR pause in March 2023. The OPR hike on 3 May 2023 where Monetary Policy Committee ("MPC") took market by surprise, however, the market has looked beyond the hikes and assumed 3.0% will be the OPR's terminal rate for 2023 and continued to buy into longer duration bonds. Locally, the bond market was also supported by weakening United States Dollar ("USD") in first quarter 2023, as well as lumpy foreign inflows of RM15.9 billion (2022: -9.8 billion) in May 2023. However, the stronger USD in second quarter of 2023 acted as a headwind to local markets as investors were more concerns about our falling foreign reserves.

Amidst a rather stable domestic monetary policy stance by our central bank, local fixed income market was more affected by the policy stance by United States ("US") Federal Reserve ("Fed") and global central banks. The global market saw the US Treasury ("UST") yields went through a roller-coaster ride during the year under review as expectations on the Fed Fund Target Rates were rather transient given the data-dependency of policy rate decision as well as US economy still showed signs of resilience after the aggressive rate-hiking path pursuit by Fed since March 2022. Market has been consistently more dovish than the actual policy actions taken by Fed up until second quarter of 2023 and the hawkish Fed also drove USD stronger across global currencies in second quarter of 2023, putting more pressure on emerging market assets.

As a recap for year-to-date ("YTD") 2023, BNM raised OPR only once to 3.00% as compared to 4 times 25 basis points ("bps") Fed Fund Rate hiked to 5.25% - 5.50%. As a result of slower monetary policy tightening and potential peaking policy rates, bond markets performed way better than 2022, where Fed hiked its target rates by 425 bps in 2022, as compared to 100 bps YTD. The latest MPC statement by BNM showed that the policy stance is no longer described as "slightly accommodative" and the "financial imbalances" wordings have been eliminated. This supports expectations of an extended halt for the OPR at 3.00%. The MPC considers the current policy "remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects".

#### D. Market Outlook and Strategy

##### Equity outlook & strategy

We maintain our longer term positive stance on Malaysian equity markets but we remain wary on the risks of inflation and the pressure on global growth. For Malaysia, downward revisions on corporate earnings is a key risk. However, any significant weaknesses in the market could present a buying opportunity for the longer term. Strategy wise, we would continue to adopt a barbell approach with our portfolio structure by having a balance exposure into growth and defensive sectors to navigate market volatility while remaining nimble in our approach.

## **MAYBANK MALAYSIA BALANCED FUND**

### **Manager's report**

**For the financial year ended 30 September 2023 (cont'd)**

#### **D. Market Outlook and Strategy (cont'd)**

##### Fixed income outlook & Strategy

For Malaysia fixed income, it continues to present a positive outlook with a view that bond yields close to cycle highs, monetary policy tightening nearing its conclusion, and a slowing global economy, bonds are in desire. On inflation outlook front, the risks remain high subject to global commodity prices and domestic policy on subsidies and price controls. However, both the core and headline Consumer Price Index ("CPI") have eased in line with BNM expectations thus far, and the trend of inflations reducing is anticipated to continue in fourth quarter of 2023.

Our view remains that interest rates are peaking and we are in the stage of market recovery, although we expect some volatility in between. As such, we maintain our positive outlook for Malaysia's fixed income market as central banks globally shift towards more accommodative monetary policy. This peaking interest rate outlook, as well as anticipation of slower global growth, would be ideal for bond yields to fall. This would bode well for the valuations of fixed income funds.

Given our view that the market has fully priced in OPR hikes and govies yields have already moved to pre-Coronavirus Disease ("COVID") levels, 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, while our holdings in AAA and GIIIs will be primed for Return on Investment ("ROI") purposes. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields to deliver the required performance.

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

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

During the financial year ended 30 September 2023, the Manager and its delegates did not receive any rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to unitholders.

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED FUND FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

We have acted as Trustee for Maybank Malaysia Balanced Fund ("the Fund") for the financial year ended 30 September 2023. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager"), has operated and managed the Fund in accordance with the following:

In our opinion:

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, Supplemental Deeds, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws during the financial year ended 30 September 2023;
- (b) Valuation/ Pricing of units of the Fund has been carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of the Trustee

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

**ONG TEE VANN**

**Chief Executive Officer**

Kuala Lumpur, Malaysia

21 November 2023

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED FUND  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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 Malaysia Balanced Fund as at 30 September 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 September 2023 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Dr Hasnita Binti Dato' Hashim**  
Chairman

**Ahmed Muzni Bin Mohamed**  
Director

Kuala Lumpur, Malaysia  
21 November 2023

## **Independent auditors' report to the Unitholders of Maybank Malaysia Balanced Fund**

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

#### *Opinion*

We have audited the financial statements of Maybank Malaysia Balanced Fund (the "Fund"), which comprise the statement of financial position as at 30 September 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 financial year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 September 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

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

#### *Independence and other ethical responsibilities*

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

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

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report 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 Malaysia Balanced 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 Malaysia Balanced 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. 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 Malaysia Balanced 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  
21 November 2023

## MAYBANK MALAYSIA BALANCED FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME/ (LOSS)</b>			
Interest/ Profit income	3	1,451,436	1,344,817
Dividend income		2,760,943	1,233,574
Net gain/ (loss) on financial assets at fair value through profit or loss ("FVTPL") investments			
- Unrealised gain/ (loss)		2,258,252	(5,997,655)
- Realised (loss)/ gain		(1,000,874)	679,382
Other income		-	49,692
		<u>5,469,757</u>	<u>(2,690,190)</u>
<b>EXPENSES</b>			
Manager's fee	4	941,542	987,530
Trustee's fee	5	30,831	31,751
Auditors' remuneration		10,585	10,900
Tax agent's fee		3,758	4,950
Brokerage and other transaction fees		19,598	28,076
Administrative expenses		13,531	22,780
		<u>1,019,845</u>	<u>1,085,987</u>
<b>Net results before taxation</b>		4,449,912	(3,776,177)
Taxation	6	(8,572)	(7,777)
<b>Net results after taxation, representing the total comprehensive income/ (loss) for the financial year</b>		<u>4,441,340</u>	<u>(3,783,954)</u>
<b>Net results after taxation is made up of the following:</b>			
Realised gain		2,183,088	2,213,701
Unrealised gain/ (loss)		2,258,252	(5,997,655)
		<u>4,441,340</u>	<u>(3,783,954)</u>
<b>Distribution for the financial year:</b>			
Net distribution	12	1,566,394	1,528,040
Gross/ Net distribution per unit (sen)	12	1.93	1.80
Distribution date (ex-date)	12	Refer to Note 12 for further details	Refer to Note 12 for further details

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

**MAYBANK MALAYSIA BALANCED FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2023**

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	58,314,026	57,131,087
Deposit with a licensed financial institution	8	3,866,000	4,987,000
Interest/ Profit receivable		303,195	342,465
Dividend receivable		226,220	200,928
Amount due from Manager	9	286	4,312
Cash at bank		18,135	10,020
<b>TOTAL ASSETS</b>		<b>62,727,862</b>	<b>62,675,812</b>
<b>LIABILITIES</b>			
Amount due to Manager	9	148,355	129,951
Amount due to Trustee	10	2,528	2,536
Other payables and accruals		30,145	36,372
Distribution payable		1,566,394	-
<b>TOTAL LIABILITIES</b>		<b>1,747,422</b>	<b>168,859</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS THE FUND</b>			
		<b>60,980,440</b>	<b>62,506,953</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISES:</b>			
Unitholders' capital	11(a)	125,162,820	129,564,279
Accumulated losses	11(b)&(c)	(64,182,380)	(67,057,326)
		<b>60,980,440</b>	<b>62,506,953</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	11(a)	<b>81,066,187</b>	<b>86,969,433</b>
<b>NAV PER UNIT</b>		<b>0.7522</b>	<b>0.7187</b>

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

**MAYBANK MALAYSIA BALANCED FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

	<b>Unitholders' capital Note 11(a) RM</b>	<b>Accumulated losses Note 11(b) &amp; 11(c) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 October 2022	129,564,279	(67,057,326)	62,506,953
Total comprehensive income for the financial year	-	4,441,340	4,441,340
Creation of units	397,160	-	397,160
Cancellation of units	(4,798,619)	-	(4,798,619)
Distribution (Note 12)	-	(1,566,394)	(1,566,394)
At 30 September 2023	<u>125,162,820</u>	<u>(64,182,380)</u>	<u>60,980,440</u>
At 1 October 2021	131,603,134	(61,745,332)	69,857,802
Total comprehensive loss for the financial year	-	(3,783,954)	(3,783,954)
Creation of units	731,924	-	731,924
Reinvestment of units	1,528,040	-	1,528,040
Cancellation of units	(4,298,819)	-	(4,298,819)
Distribution (Note 12)	-	(1,528,040)	(1,528,040)
At 30 September 2022	<u>129,564,279</u>	<u>(67,057,326)</u>	<u>62,506,953</u>

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

**MAYBANK MALAYSIA BALANCED FUND****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sales/ redemptions of investments	7,261,414	10,195,858
Net purchase of investments	(7,186,977)	(10,422,829)
Interest/ Profit received	1,490,706	1,439,816
Dividend received	2,727,079	1,148,640
Manager's fee paid	(941,921)	(996,740)
Trustee's fee paid	(30,838)	(31,935)
Payment of other fees and expenses	(53,699)	(182,736)
Net cash generated from operating and investing activities	<u>3,265,764</u>	<u>1,150,073</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	401,188	727,612
Payments for cancellation of units	(4,779,837)	(4,314,860)
Net cash used in financing activities	<u>(4,378,649)</u>	<u>(3,587,248)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,112,885)</b>	<b>(2,437,175)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>4,997,020</b>	<b>7,434,195</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b><u>3,884,135</u></b>	<b><u>4,997,020</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	18,135	10,020
Deposit with a licensed financial institution (Note 8)	3,866,000	4,987,000
	<u>3,884,135</u>	<u>4,997,020</u>

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

## **MAYBANK MALAYSIA BALANCED FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

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

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

- First Supplemental deed dated 16 April 1999;
- Second Supplemental deed dated 23 March 2000;
- Third Supplemental deed dated 28 May 2001;
- Forth Supplemental deed dated 8 February 2002;
- Fifth Supplemental deed dated 12 September 2003;
- Sixth Supplemental deed dated 26 May 2005;
- Seventh Supplemental deed dated 26 July 2016;
- Eighth Supplemental Deed dated 4 September 2018;
- Ninth Supplemental Deed dated 11 July 2019;
- Tenth Supplemental Deed dated 3 August 2022; and
- Eleventh Supplemental Deed dated 8 August 2023

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

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

MAM, the replacement Manager, and the Universal Trustee (Malaysia) Berhad as the Trustee had entered into an Eight Supplemental Deed dated 4 September 2018, a Ninth Supplemental Deed dated 11 July 2019, a Tenth Supplemental Deed dated 3 August 2022 and an Eleventh Supplemental Deed dated 8 August 2023. The Deed and Supplemental Deeds are hereinafter referred to as "Deeds".

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

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 21 November 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") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Deeds and any regulatory requirements.

## MAYBANK MALAYSIA BALANCED FUND

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

The adoption of the new pronouncements did not result in any material impact to the financial statements.

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

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

#### 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.

<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 MFRS 112: <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

#### 2.3 Financial instruments

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

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

## **MAYBANK MALAYSIA BALANCED FUND**

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

#### **2.4 Financial assets**

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

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

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

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

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

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

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

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

A financial asset is recognised at FVTPL if:

- it has been acquired principally for the purpose of selling it in the near term;
- 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.

## MAYBANK MALAYSIA BALANCED FUND

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

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

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

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.

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

Changes in fair value of FVTPL investments are recognised in unrealised gain on FVTPL investments in profit and loss. Accumulated unrealised gains or losses are reclassified to realised gain/ (loss) on FVTPL investments in profit and 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. 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 MALAYSIA BALANCED FUND**

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

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

##### **(iv) Derecognition**

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

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

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

#### **2.5 Financial liabilities**

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

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The Fund classifies amount due to Manager, amount due to Trustee, other payables and accruals and distribution payable 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 EIR/ EPR.

##### **(iii) Derecognition of financial liabilities**

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

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

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

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

## **MAYBANK MALAYSIA BALANCED FUND**

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

#### **2.6 Fair value measurement (cont'd)**

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

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

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

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

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

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

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

#### **2.7 Functional and presentation currency**

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

#### **2.8 Unitholders' capital**

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

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

## **MAYBANK MALAYSIA BALANCED FUND**

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

#### **2.8 Unitholders' capital (cont'd)**

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 an adjustment to the unitholders' capital. A proposed distribution is recognised as a liability in the year in which it is approved. Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

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

Cash and cash equivalents comprise cash at bank and deposits with a licensed financial institution with original maturity of three months or less which have an insignificant risk of changes in value.

#### **2.11 Revenue/ Income**

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

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

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

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

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

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

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

## MAYBANK MALAYSIA BALANCED FUND

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

#### 2.12 Taxation

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial year. Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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 to the Fund. The Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income.

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

#### 2.13 Segment information

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

#### 2.14 Critical accounting estimates and judgements

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

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

### 3. INTEREST/ PROFIT INCOME

	2023 RM	2022 RM
Interest/ Profit income from unquoted fixed income securities	1,354,052	1,235,516
Interest/ Profit income from short-term deposits	125,788	110,389
Amortisation of premium, net of accretion of discount	(28,404)	(1,088)
	<u>1,451,436</u>	<u>1,344,817</u>

## MAYBANK MALAYSIA BALANCED FUND

### 4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.50% (2022: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

### 5. TRUSTEE'S FEE

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

NAV of the Fund	Rate p.a. (%)	
	2023	2022
First RM20 million	0.06	0.06
Next RM20 million	0.05	0.05
Next RM20 million	0.04	0.04
Next RM20 million	0.03	0.03
Next RM20 million	0.02	0.02
Any amount in excess of RM100 million	0.01	0.01

### 6. TAXATION

	2023 RM	2022 RM
Tax expense for the financial year:		
Current income tax expense	8,572	7,777

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable income for the financial year. The tax expense 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, interest/ profit income and dividend income earned by the Fund is exempted from tax. A reconciliation of income tax expense applicable to net results before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2023 RM	2022 RM
Net results before taxation	4,449,912	(3,776,177)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	1,067,979	(906,282)
Income not subject to tax	(1,552,951)	(781,866)
Loss not deductible for tax purposes	240,210	1,439,437
Expenses not deductible for tax purposes	244,762	248,711
Income tax at source	8,572	7,777
Tax expense for the financial year	8,572	7,777

## MAYBANK MALAYSIA BALANCED FUND

### 7. FINANCIAL ASSETS AT FVTPL

	Note	2023 RM	2022 RM
Quoted equities	(a)	29,006,791	27,941,866
Unquoted fixed income securities	(b)	29,307,235	29,189,221
		<u>58,314,026</u>	<u>57,131,087</u>

2023	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
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#### (a) Quoted equities

##### Construction

Econpile Holdings Bhd	1,110,300	609,072	316,436	0.52
Ekovest Bhd	1,800,000	783,000	999,000	1.64
Gamuda Bhd	175,763	616,223	778,630	1.28
	<u>3,086,063</u>	<u>2,008,295</u>	<u>2,094,066</u>	<u>3.44</u>

##### Consumer Products

Fraser & Neave Holdings Bhd	36,000	962,013	910,800	1.49
Genting Malaysia Bhd	903,500	2,689,778	2,258,750	3.70
MSM Malaysia Holdings Bhd	410,800	474,901	562,796	0.92
Nestle (Malaysia) Bhd	900	123,558	113,850	0.19
	<u>1,351,200</u>	<u>4,250,250</u>	<u>3,846,196</u>	<u>6.30</u>

##### Energy

Dayang Enterprise Holdings Bhd	315,700	439,397	609,301	1.00
Hibiscus Petroleum Bhd	299,400	389,220	338,322	0.55
	<u>615,100</u>	<u>828,617</u>	<u>947,623</u>	<u>1.55</u>

##### Finance

CIMB Group Holdings Bhd	356,949	1,719,476	1,938,233	3.18
Hong Leong Bank Bhd	49,800	932,013	971,100	1.59
Hong Leong Financial Group Bhd	10,000	190,916	177,000	0.29
MBB*	258,237	2,223,929	2,269,903	3.72
Public Bank Bhd	351,515	1,533,297	1,427,151	2.34
RHB Bank Bhd	256,563	1,385,777	1,393,136	2.28
	<u>1,283,064</u>	<u>7,985,408</u>	<u>8,176,523</u>	<u>13.40</u>

**MAYBANK MALAYSIA BALANCED FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Industrial Products</b>				
Cypark Resources Bhd	400,000	323,440	386,000	0.63
Dufu Technology Corp. Bhd	138,500	451,332	235,450	0.39
Press Metal Aluminium Holdings Bhd	125,800	527,454	592,518	0.97
SKP Resources Bhd	242,375	448,762	241,163	0.40
Sunway Bhd	248,000	467,503	488,560	0.80
Sunway Bhd - Preference Shares	59,040	59,040	110,995	0.18
SKP Resources Bhd - Warrant	38,780	-	2,133	-
	<u>1,252,495</u>	<u>2,277,531</u>	<u>2,056,819</u>	<u>3.37</u>
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	27,216	628,362	582,423	0.96
Sarawak Oil Palms Bhd	166,950	471,297	429,062	0.70
Sime Darby Plantation Bhd	141,108	667,408	603,942	0.99
	<u>335,274</u>	<u>1,767,067</u>	<u>1,615,427</u>	<u>2.65</u>
<b>Real Estate Investment Trust ("REIT")</b>				
Axis REIT	509,751	940,001	937,942	1.54
IGB REIT	514,200	912,822	863,856	1.42
	<u>1,023,951</u>	<u>1,852,823</u>	<u>1,801,798</u>	<u>2.96</u>
<b>Technology</b>				
Globetronics Technology Bhd	201,600	472,560	314,496	0.52
Inari Amerton Bhd	254,500	526,843	738,050	1.21
Unisem (M) Bhd	146,900	415,755	478,894	0.79
Vitrox Corp Bhd	76,300	336,915	567,672	0.93
Frontken Corporation Bhd - Warrant	53,350	-	11,470	0.02
	<u>732,650</u>	<u>1,752,073</u>	<u>2,110,582</u>	<u>3.47</u>

**MAYBANK MALAYSIA BALANCED FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Telecommunications</b>				
Axiata Group Bhd	275,917	1,270,730	687,033	1.13
Telekom (M) Bhd	161,340	869,433	790,566	1.30
TIME dotCom Bhd	237,600	1,065,494	1,287,792	2.11
	<u>674,857</u>	<u>3,205,657</u>	<u>2,765,391</u>	<u>4.54</u>
<b>Transportation</b>				
Malaysia Airports Holdings Bhd	65,176	415,689	464,705	0.76
<b>Utilities</b>				
Mega First Corporation Bhd	161,800	572,138	550,120	0.90
Tenaga Nasional Bhd	181,275	2,188,790	1,810,937	2.97
YTL Corporation Bhd	242,700	318,399	368,904	0.60
YTL Power International Bhd	194,000	408,888	397,700	0.65
	<u>779,775</u>	<u>3,488,215</u>	<u>3,127,661</u>	<u>5.12</u>
<b>Total quoted equities</b>	<b><u>11,199,605</u></b>	<b><u>29,831,625</u></b>	<b><u>29,006,791</u></b>	<b><u>47.56</u></b>
<b>(b) Unquoted fixed income securities</b>				
<b>Automotive</b>				
DRB-Hicom - 4.85%/ 11.12.2026	2,400,000	2,389,500	2,398,368	3.93
<b>Bank</b>				
Affin Islamic Bank Bhd - 5.05%/ 23.10.2023**	450,000	450,008	450,243	0.74
MNRB Holding Bhd - 5.20%/ 22.03.2029	1,400,000	1,401,933	1,404,802	2.30
Sabah Development Bank Bhd - 5.50%/ 27.02.2026	2,300,000	2,331,286	2,340,549	3.84
	<u>4,150,000</u>	<u>4,183,227</u>	<u>4,195,594</u>	<u>6.88</u>

**MAYBANK MALAYSIA BALANCED FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Commodities</b>				
Pengurusan Air SPV Bhd - 3.90%/ 30.10.2029	2,000,000	2,012,293	1,961,660	3.22
Malaysia Airport Holdings Bhd - 3.30%/ 05.11.2027	1,400,000	1,399,971	1,363,432	1.16
Sarawak Energy Bhd - 3.30%/ 14.06.2030	1,400,000	1,399,989	1,335,390	2.19
	<u>4,800,000</u>	<u>4,812,253</u>	<u>4,660,482</u>	<u>6.57</u>
<b>Conglomerate</b>				
MMC Corporation Bhd - 5.70%/ 24.03.2028	2,000,000	2,055,699	2,097,740	3.44
Guan Chong Bhd - 3.84%/ 03.12.2027	200,000	200,757	195,768	0.32
SP Setia Bhd - 4.30%/ 23.06.2028	700,000	699,961	702,037	1.15
	<u>2,900,000</u>	<u>2,956,417</u>	<u>2,995,545</u>	<u>4.91</u>
<b>Industrial Products</b>				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	800,000	799,976	801,360	1.31
<b>Plantation</b>				
Jabatan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,200,000	2,201,747	2,165,856	3.55
<b>Port</b>				
Penang Port Bhd - 4.48%/ 27.12.2029	700,000	730,170	708,736	1.16

**MAYBANK MALAYSIA BALANCED FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Power</b>				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,300,000	2,335,700	2,340,848	3.84
Tanjung Bin Power Sdn Bhd - 5.28%/ 16.08.2027	500,000	508,165	518,705	0.85
	<u>2,800,000</u>	<u>2,843,865</u>	<u>2,859,553</u>	<u>4.69</u>
<b>Property</b>				
Gamuda Land Bhd - 3.75%/ 12.08.2027	700,000	699,989	689,885	1.13
- 4.20%/ 11.10.2027	500,000	500,620	500,545	0.82
IJM Land Bhd - 4.73%/ Perpetual	1,350,000	1,350,457	1,328,481	2.18
- 5.65%/ Perpetual	1,100,000	1,099,974	1,120,823	1.84
UEM Sunrise Bhd - 4.30%/ 16.02.2026	1,500,000	1,503,640	1,489,335	2.44
- 4.60%/ 20.05.2026	800,000	804,680	799,120	1.31
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	600,000	600,201	595,548	0.98
	<u>6,550,000</u>	<u>6,559,561</u>	<u>6,523,737</u>	<u>10.70</u>
<b>Public Finance</b>				
Infracap Resources Sdn Bhd - 4.40%/ 15.04.2031	1,600,000	1,599,973	1,607,936	2.64
<b>Real Estate</b>				
Country Garden Real Estate Bhd - 5.25%/ 27.03.2025	400,000	400,001	390,068	0.64

**MAYBANK MALAYSIA BALANCED FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Total unquoted fixed income securities</b>	29,300,000	29,476,690	29,307,235	46.98
<b>Total FVTPL investments</b>	<b>40,499,605</b>	<b>59,308,315</b>	<b>58,314,026</b>	<b>94.54</b>
<b>Unrealised loss on FVTPL investments</b>			<b>(994,289)</b>	
<b>2022</b>				
<b>(a) Quoted equities</b>				
<b>Construction</b>				
Econpile Holdings Bhd	1,591,100	872,823	278,443	0.45
Gamuda Bhd	162,456	525,468	638,452	1.02
	<u>1,753,556</u>	<u>1,398,291</u>	<u>916,895</u>	<u>1.47</u>
<b>Consumer Products</b>				
Berjaya Sports Toto Bhd	304,700	600,682	536,272	0.86
Fraser & Neave Holdings Bhd	15,600	533,682	336,960	0.54
Genting Malaysia Bhd	903,500	2,689,778	2,520,765	4.03
Nestle (Malaysia) Bhd	900	123,558	117,450	0.19
	<u>1,224,700</u>	<u>3,947,700</u>	<u>3,511,447</u>	<u>5.62</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	474,800	660,835	527,028	0.84
Hibiscus Petroleum Bhd	299,400	389,220	251,496	0.40
Yinson Holdings Bhd	190,960	493,257	410,564	0.66
Yinson Holdings Bhd - Warrants	23,382	-	11,574	0.02
	<u>988,542</u>	<u>1,543,312</u>	<u>1,200,662</u>	<u>1.92</u>

## MAYBANK MALAYSIA BALANCED FUND

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Finance</b>				
CIMB Group Holdings Bhd	349,333	1,683,147	1,792,078	2.87
Hong Leong Bank Bhd	49,800	932,013	1,020,900	1.63
Hong Leong Financial Group Bhd	10,000	190,916	184,600	0.30
MBB*	316,097	2,722,830	2,712,112	4.34
Public Bank Bhd	351,515	1,533,297	1,486,908	2.38
RHB Bank Bhd	251,357	1,360,519	1,397,545	2.24
	<u>1,328,102</u>	<u>8,422,722</u>	<u>8,594,143</u>	<u>13.76</u>
<b>Industrial Products</b>				
Dufu Technology Corp. Bhd	138,500	451,332	355,945	0.57
Hiap Teck Venture Bhd	658,200	331,930	138,222	0.22
Press Metal Aluminium Holdings Bhd	216,500	907,742	874,660	1.40
SKP Resources Bhd	242,375	448,762	402,343	0.64
SKP Resources Bhd - Warrant	38,780	-	4,266	0.01
Sunway Bhd - Preference Shares	59,040	59,040	84,427	0.14
	<u>1,353,395</u>	<u>2,198,806</u>	<u>1,859,863</u>	<u>2.98</u>
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	27,216	628,362	563,371	0.90
Sarawak Oil Palms Bhd	166,950	471,297	365,621	0.58
Sime Darby Plantation Bhd	141,108	667,408	577,132	0.92
	<u>335,274</u>	<u>1,767,067</u>	<u>1,506,124</u>	<u>2.40</u>
<b>REIT</b>				
Axis REIT	509,751	940,001	963,429	1.54
IGB REIT	514,200	912,822	822,720	1.32
	<u>1,023,951</u>	<u>1,852,823</u>	<u>1,786,149</u>	<u>2.86</u>
<b>Technology</b>				
Frontken Corp Bhd	113,350	116,425	311,713	0.50
Frontken Corp Bhd - Warrant	53,350	-	12,537	0.02
Globetronics Technology Bhd	201,600	472,560	235,872	0.38
Inari Amerton Bhd	199,100	356,222	501,732	0.80
Malaysian Pacific Industries Bhd	12,200	116,997	350,628	0.56
MyEG Services Bhd	606,411	626,136	515,449	0.82

**MAYBANK MALAYSIA BALANCED FUND**

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities (cont'd)</b>				
<b>Technology (cont'd)</b>				
Unisem (M) Bhd	146,900	415,755	381,940	0.61
Vitrox Corp Bhd	76,300	336,916	551,649	0.88
	1,409,211	2,441,011	2,861,520	4.57
<b>Telecommunications</b>				
Axiata Group Bhd	275,917	1,270,729	722,903	1.16
Telekom (M) Bhd	158,700	855,150	868,089	1.39
TIME dotCom Bhd	237,600	1,065,494	1,097,712	1.76
	672,217	3,191,373	2,688,704	4.31
<b>Transportation</b>				
Lingkar Trans Kota Holdings Bhd	289,800	1,270,424	1,434,510	2.29
<b>Utilities</b>				
Mega First Corporation Bhd	161,800	572,138	533,940	0.85
Tenaga Nasional Bhd	130,175	1,703,203	1,047,909	1.68
	291,975	2,275,341	1,581,849	2.53
<b>Total quoted equities</b>	<b>10,670,723</b>	<b>30,308,870</b>	<b>27,941,866</b>	<b>44.71</b>
<b>(b) Unquoted fixed income securities</b>				
<b>Automotive</b>				
DRB-Hicom - 4.85%/ 11.12.2026	2,400,000	2,386,586	2,368,920	3.79
<b>Bank</b>				
Affin Islamic Bank Bhd - 5.05%/ 23.10.2028	450,000	450,374	455,148	0.73
MNRB Holding Bhd - 5.20%/ 22.03.2029	1,400,000	1,405,890	1,410,836	2.26
	1,850,000	1,856,264	1,865,984	2.99

**MAYBANK MALAYSIA BALANCED FUND**

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Commodities</b>				
Pengurusan Air SPV Bhd - 3.90%/ 30.10.2029	2,000,000	2,014,067	1,905,760	3.05
Malaysia Airport Holdings Bhd - 3.30%/ 05.11.2027	1,400,000	1,399,970	1,322,874	2.12
Sarawak Energy Bhd - 3.30%/ 14.06.2030	1,400,000	1,399,993	1,269,170	2.03
	<u>4,800,000</u>	<u>4,814,030</u>	<u>4,497,804</u>	<u>7.20</u>
<b>Conglomerate</b>				
MMC Corporation Bhd - 5.70%/ 24.03.2028	2,000,000	2,066,537	2,081,060	3.33
Guan Chong Bhd - 3.84%/ 03.12.2027	200,000	200,923	188,766	0.30
SP Setia Bhd - 4.30%/ 23.06.2028	700,000	699,961	679,392	1.09
	<u>2,900,000</u>	<u>2,967,421</u>	<u>2,949,218</u>	<u>4.72</u>
<b>Industrial Products</b>				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	800,000	799,975	775,872	1.24
<b>Plantation</b>				
Jabatan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,200,000	2,202,564	2,118,864	3.39
<b>Port</b>				
Penang Port Bhd - 4.48%/ 27.12.2029	700,000	734,401	675,990	1.08

**MAYBANK MALAYSIA BALANCED FUND**

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Power</b>				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,300,000	2,339,399	2,207,977	3.53
Tanjung Bin Power Sdn Bhd - 5.28%/ 16.08.2027	500,000	510,046	511,760	0.82
Quantum Solar Park Malaysia - 5.16%/ 06.10.2022	1,100,000	1,100,142	1,100,121	1.76
	<u>3,900,000</u>	<u>3,949,587</u>	<u>3,819,858</u>	<u>6.11</u>
<b>Property</b>				
Gamuda Land Bhd - 3.75%/ 12.08.2027	700,000	699,991	667,408	1.07
- 4.20%/ 11.10.2027	500,000	500,760	485,320	0.78
IJM Land Bhd - 4.73%/ Perpetual	1,350,000	1,350,561	1,303,533	2.09
- 5.65%/ Perpetual	1,100,000	1,099,974	1,109,339	1.77
UEM Sunrise Bhd - 4.00%/ 09.06.2023	1,800,000	1,800,819	1,798,074	2.88
- 4.30%/ 16.02.2026	1,500,000	1,505,090	1,455,225	2.33
- 4.60%/ 20.05.2026	800,000	806,334	781,256	1.25
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	600,000	600,426	588,144	0.94
	<u>8,350,000</u>	<u>8,363,955</u>	<u>8,188,299</u>	<u>13.11</u>
<b>Public Finance</b>				
Infracap Resources Sdn Bhd - 4.40%/ 15.04.2031	1,600,000	1,599,973	1,539,440	2.46
<b>Real Estate</b>				
Country Garden Real Estate Bhd - 5.25%/ 27.03.2025	400,000	400,002	388,972	0.62

## MAYBANK MALAYSIA BALANCED FUND

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Unquoted fixed income securities (cont'd)</b>				
<b>Total unquoted fixed income securities</b>	29,900,000	30,074,758	29,189,221	46.71
<b>Total FVTPL investments</b>	<b>40,570,723</b>	<b>60,383,628</b>	<b>57,131,087</b>	<b>91.42</b>
<b>Unrealised loss on FVTPL investments</b>			<b>(3,252,541)</b>	

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

\*\* The unquoted fixed income securities from Affin Islamic Bank Bhd was fully redeemed on the maturity date, 23 October 2023.

### 8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2023 RM	2022 RM
Short-term placement with a licensed financial institution - less than 3 months	3,866,000	4,987,000

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

	2023		2022	
	WAEIR/ WAEPR % p.a.	Average maturity Days	WAEIR/ WAEPR % p.a.	Average maturity Days
Deposit with maturity of: - less than 3 months	2.95	3	2.50	3

### 9. AMOUNT DUE FROM/ TO MANAGER

	Note	2023 RM	2022 RM
<b>(a) Amount due from Manager</b>			
Subscription of units	(i)	286	4,312
<b>(b) Amount due to Manager</b>			
Redemption of units	(ii)	71,248	52,465
Manager's fee	(iii)	77,107	77,486
		148,355	129,951

## MAYBANK MALAYSIA BALANCED FUND

### 9. AMOUNT DUE TO MANAGER (CONT'D)

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

### 10. AMOUNT DUE TO TRUSTEE

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

### 11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	2023 RM	2022 RM
Unitholders' capital	(a)	125,162,820	129,564,279
Accumulated realised losses	(b)	(52,807,285)	(53,423,979)
Accumulated unrealised losses	(c)	(11,375,095)	(13,633,347)
		<u>60,980,440</u>	<u>62,506,953</u>

#### (a) Unitholders' capital

	2023		2022	
	Units	RM	Units	RM
At the beginning of the financial year	86,969,433	129,564,279	89,526,876	131,603,134
Creation of units	531,178	397,160	981,107	731,924
Reinvestment of units	-	-	2,126,120	1,528,040
Cancellation of units	(6,434,424)	(4,798,619)	(5,664,670)	(4,298,819)
At the end of the financial year	<u>81,066,187</u>	<u>125,162,820</u>	<u>86,969,433</u>	<u>129,564,279</u>

As at the end of the financial year, there were no units held by the Manager or other parties related to the Manager (2022: nil).

#### (b) Accumulated realised losses

	2023 RM	2022 RM
At the beginning of the financial year	(53,423,979)	(54,109,640)
Net realised income for the financial year	2,183,088	2,213,701
Distribution out of realised reserve (Note 12)	(1,566,394)	(1,528,040)
At the end of the financial year	<u>(52,807,285)</u>	<u>(53,423,979)</u>

## MAYBANK MALAYSIA BALANCED FUND

### 11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

#### (c) Accumulated unrealised losses

	2023 RM	2022 RM
At the beginning of the financial year	(13,633,347)	(7,635,692)
Net unrealised income/ (loss) for the financial year	2,258,252	(5,997,655)
At the end of the financial year	<u>(11,375,095)</u>	<u>(13,633,347)</u>

### 12. DISTRIBUTION

The sources of distribution to the unitholders are as follows:

	2023 RM	2022 RM
Interest/ Profit income	801,909	1,088,836
Dividend income	1,525,404	998,768
Net realised gains on sale of investments	-	550,069
Less: Expenses	(760,919)	(1,109,633)
Distributions for the financial year	<u>1,566,394</u>	<u>1,528,040</u>

Distribution date (ex-date)	Gross/ Net distribution per unit (sen)
<b>30.09.2023</b>	
26 September 2023	<u>1.93</u>
<b>30.09.2022</b>	
27 September 2022	<u>1.80</u>

The distributions declared were/ will be settled in the form of units and presented as reinvestment of units in Note 11(a) on payment date.

The Fund has unrealised losses brought forward and recognised unrealised loss for the current financial year as disclosed in Note 11(c) above.

	2023		2022	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
<b>Source of distribution*</b>				
- Income distribution	1,566,394	100.00	1,528,040	100.00
- Capital distribution	-	-	-	-
	<u>1,566,394</u>	<u>100.00</u>	<u>1,528,040</u>	<u>100.00</u>

\* Effective from the 1 March 2022, the Securities Commission Guidelines permit a fund to distribute out of income (which includes current year's realised income) or out of capital (which includes prior year's realised income).

## MAYBANK MALAYSIA BALANCED FUND

### 13. TRANSACTIONS WITH BROKERS/ DEALERS

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

	Value of Trade RM	Percentage of Total Trade %	Brokerage Fees RM	Percentage of Brokerage Fees %
<b>2023</b>				
Kenanga Investment Bank Bhd	2,730,083	33.59	5,464	34.84
Hong Leong Investment Bank Bhd	1,808,095	22.25	3,463	22.08
Public Investment Bank Bhd	1,009,637	12.42	2,026	12.92
United Overseas Bank (M) Sdn Bhd	884,424	10.88	1,764	11.25
CIMB Investment Bank Bhd	716,528	8.82	1,434	9.14
MIDF Amanah Investment Bank Bhd	429,531	5.29	428	2.72
Affin Hwang Investment Bank Bhd	221,570	2.73	442	2.82
Maybank Investment Bank Berhad ("MIBB") *	170,616	2.10	350	2.24
Nomura Securities Malaysia Sdn Bhd	156,507	1.92	312	1.99
	<b>8,126,991</b>	<b>100.00</b>	<b>15,683</b>	<b>100.00</b>
<b>2022</b>				
RHB Investment Bank Bhd	4,002,050	21.68	-	-
CIMB Investment Bank Bhd	2,631,302	14.26	5,275	20.66
Hong Leong Investment Bank Bhd	2,418,069	13.10	4,836	18.94
United Overseas Bank (M) Sdn Bhd	2,400,822	13.01	4,803	18.81
Public Investment Bank Bhd	2,059,838	11.16	4,133	16.19
Affin Hwang Investment Bank Bhd	2,104,946	11.41	2,789	10.92
Alliance Investment Bank Bhd	1,366,615	7.41	1,367	5.35
Kenanga Investment Bank Bhd	1,164,972	6.31	2,330	9.13
MIBB	306,546	1.66	153	0.60
	<b>18,455,160</b>	<b>100.00</b>	<b>25,533</b>	<b>100.00</b>

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

## MAYBANK MALAYSIA BALANCED FUND

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

	2023 RM	2022 RM
(i) Significant related party transactions		
<u>MBB</u>		
Interest income from deposits	125,788	110,373
Dividend income	170,510	182,485
	<u>296,298</u>	<u>292,858</u>
(ii) Significant related party balances		
<u>MBB</u>		
Deposit with a licensed financial institution	3,866,000	4,987,000
Interest receivables	625	342
	<u>3,866,625</u>	<u>4,987,342</u>

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

### 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. For the financial year ended 30 September 2023, the TER of the Fund stood at 1.59% (2022: 1.61%).

### 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 to the average NAV of the Fund calculated on a daily basis. For the financial year ended 30 September 2023, the PTR of the Fund stood at 0.12 times (2022: 0.16 times).

### 17. SEGMENT INFORMATION

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

The PMC is responsible for the performance of the Fund by investing between 40% to 58% of the Fund's assets in equities, 40% to 58% in fixed income securities and minimum of 2% of the Fund's assets in liquid assets.

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

## MAYBANK MALAYSIA BALANCED FUND

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

The internal reporting for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. There were no changes in the reportable operating segments during the financial year.

### 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### (a) Classification of financial instruments

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

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

2023	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Assets</b>				
Financial assets at FVTPL	58,314,026	-	-	58,314,026
Deposit with a licensed financial institution	-	3,866,000	-	3,866,000
Interest/ Profit receivable	-	303,195	-	303,195
Dividend receivable	-	226,220	-	226,220
Amount due from Manager	-	286	-	286
Cash at bank	-	18,135	-	18,135
<b>Total financial assets</b>	<b>58,314,026</b>	<b>4,413,836</b>	<b>-</b>	<b>62,727,862</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	148,355	148,355
Amount due to Trustee	-	-	2,528	2,528
Other payables and accruals	-	-	30,145	30,145
Distribution payable	-	-	1,566,394	1,566,394
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,747,422</b>	<b>1,747,422</b>

**MAYBANK MALAYSIA BALANCED FUND**

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

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

<b>2022</b>	<b>Financial assets 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>Assets</b>				
Financial assets at FVTPL	57,131,087	-	-	57,131,087
Deposit with a licensed financial institution	-	4,987,000	-	4,987,000
Interest/ Profit receivable	-	342,465	-	342,465
Dividend receivable	-	200,928	-	200,928
Amount due from Manager	-	4,312	-	4,312
Cash at bank	-	10,020	-	10,020
<b>Total financial assets</b>	<b>57,131,087</b>	<b>5,544,725</b>	<b>-</b>	<b>62,675,812</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	129,951	129,951
Amount due to Trustee	-	-	2,536	2,536
Other payables and accruals	-	-	36,372	36,372
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>168,859</b>	<b>168,859</b>

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

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

Quoted equities

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

Unquoted fixed income equities

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

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

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

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

## MAYBANK MALAYSIA BALANCED FUND

### 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

#### (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: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.  
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2023</b>				
Quoted equities	29,006,791	-	-	29,006,791
Unquoted fixed income securities	-	29,307,235	-	29,307,235
	<hr/>	<hr/>	<hr/>	<hr/>
<b>2022</b>				
Quoted equities	27,941,866	-	-	27,941,866
Unquoted fixed income securities	-	29,189,221	-	29,189,221
	<hr/>	<hr/>	<hr/>	<hr/>

### 19. FINANCIAL RISK AND 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, 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 interest rates, foreign exchange rates and equity prices. The Fund is not exposed to foreign currency risk as it does not hold any financial assets denominated in foreign currency as at reporting date.

##### (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.

**MAYBANK MALAYSIA BALANCED FUND**

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

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

**(i) Equity price risk (cont'd)**

**Equity price risk sensitivity**

Management's best estimate of the effect on profit for the year and NAV due to a reasonable change in equity index, with all other variables held constant is indicated in the table below:

	2023		2022	
	Changes in equity price %	Effects on NAV Increase/ (Decrease) RM	Changes in equity price %	Effects on NAV Increase/ (Decrease) RM
Quoted equities	+ 5	1,450,340	+ 5	1,397,093
	- 5	(1,450,340)	- 5	(1,397,093)

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

**Equity price risk concentration**

The Fund's exposure to equity price risk based on its portfolio of investments as at the reporting date is disclosed in Note 7 to the financial statements.

**(ii) Interest/ Profit rate risk**

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

**Interest/ Profit rate risk sensitivity**

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

	2023		2022	
	Changes in interest/ profit rates %	Effects on NAV Increase/ (Decrease) RM	Changes in interest/ profit rates %	Effects on NAV Increase/ (Decrease) RM
Unquoted fixed income securities	+1	(1,020,726)	+1	(1,147,083)
	-1	1,075,542	-1	1,217,419

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

The Fund's deposit with a licensed financial institutions carry a fixed rate and therefore is not affected by movements in market interest/ profit rates.

## MAYBANK MALAYSIA BALANCED FUND

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

#### (c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deeds.

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

The following table summarises the maturity profile of the Fund's financial liabilities:

	<b>Less than 1 month RM</b>	<b>More than 1 month RM</b>	<b>Total RM</b>
<b>2023</b>			
<b>Financial liabilities</b>			
Amount due to Manager	148,355	-	148,355
Amount due to Trustee	2,528	-	2,528
Other payables and accruals	30,145	-	30,145
Distribution payable	1,566,394	-	1,566,394
Total undiscounted financial liabilities	<u>1,747,422</u>	<u>-</u>	<u>1,747,422</u>
<b>2022</b>			
<b>Financial liabilities</b>			
Amount due to Manager	129,951	-	129,951
Amount due to Trustee	2,536	-	2,536
Other payables and accruals	36,372	-	36,372
Total undiscounted financial liabilities	<u>168,859</u>	<u>-</u>	<u>168,859</u>

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 can be required to pay.

## MAYBANK MALAYSIA BALANCED FUND

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

#### (d) Credit risk

Credit risk is the risk that the issuer/ counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. 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 interest/ profit and dividends, 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 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 quality of financial assets

Besides investing in quoted equities, the Manager is also eligible to invest in liquid assets including money market instruments issued by Malaysian issuers and Malaysian financial institutions and placement in a licensed financial institution. There will be no minimum rating stipulated for the licensed financial institutions on the placement in deposits.

#### (iii) Credit risk concentration

The following table analyses the Fund's investment in unquoted fixed income securities, deposit with a financial institution, interest/ profit receivable and cash at bank by rating categories. The rating is obtained from RAM Holdings Bhd's official website.

	2023		2022	
	RM	Percentage of NAV %	RM	Percentage of NAV %
<b>Financial assets</b>				
AAA	10,250,876	16.81	11,132,729	17.81
AA1	2,350,946	3.86	-	-
AA2	2,048,438	3.36	10,059,209	16.09
AA3	12,091,429	19.83	4,947,086	7.91
A1	4,300,479	7.05	3,816,630	6.11
A2	2,452,397	4.02	2,415,790	3.86
Not rated	-	-	2,157,262	3.45
	<u>33,494,565</u>	<u>54.93</u>	<u>34,528,706</u>	<u>55.23</u>

## **MAYBANK MALAYSIA BALANCED FUND**

### **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 capital are:

- (a) To invest in investments meeting the description, risk exposure and expected returns 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 and previous financial year.