



Asset Management

Maybank Asset Management Sdn Bhd
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MAYBANK MALAYSIA SMALLCAP FUND

Annual report

For the financial year ended 31 July 2024

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
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TRUSTEE

CIMB Commerce Trustee Berhad (199401027349) (313031-A)
Level 21 Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50100 Kuala Lumpur
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MAYBANK MALAYSIA SMALLCAP FUND

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MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial year ended 31 July 2024

A. Fund Information

1. Name of the Fund

Maybank Malaysia SmallCap Fund ("Fund")

2. Type of Fund

Growth Fund

3. Category of Fund

Equity Fund

4. Duration of the Fund

The Fund is an open-ended Fund.

5. Fund's launch date/ Commencement date

3 March 2004/ 24 March 2004

6. Fund's investment objective

The Fund aims to achieve Medium to Long Term capital growth by primarily investing into securities of small and medium sized companies:

- (i) listed on the Bursa Malaysia's Main Market, ACE Market and/ or any other boards approved by the Securities Commission Malaysia ("SC");
- (ii) with market capitalisation of not more than the limit considered by the SC to be appropriate for fund similar to this Fund; and
- (iii) which have the potential for capital appreciation over the Medium to Long Term.

7. Fund's distribution policy

It is not the main objective of the Fund to distribute income as the main focus of the Fund is to secure capital growth in line with the performance of the Fund's benchmark. Any distribution is at the Manager's discretion, subject to Trustee's approval.

8. Fund's performance benchmark

FTSE Bursa Malaysia Small Index

9. The Fund's asset allocation policy

The Fund will be investing a minimum of 70% of the Fund's assets in stocks and shares of small and medium cap companies, and a minimum of 2% of the Fund's NAV will be invested in liquid assets and money market instruments.

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

The Fund invests in securities of companies which have obtained approval from the relevant authorities for listing on the Main Market or ACE Market of Bursa Malaysia. The Fund invests primarily in selected small and medium sized companies with market capitalisation of not more than Ringgit Malaysia ("RM") 3 billion at the point of purchase of stocks which have the potential for capital appreciation over the Medium to Long Term. The Fund may also invest in companies with market capitalisation exceeding RM3 billion in order to increase the benefit of diversification and enhance the stability of the Fund. The Fund may consider investment in unlisted equities. However, investment in unlisted equities is limited to a maximum of 10% of the NAV of the Fund.

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

A. Fund Information (cont'd)

11. Net income distribution for the financial year ended 31 July 2024

During the financial year under review, the Fund distributed a total net income of RM1,481,033 to unitholders.

Below are details and the impact of distribution declared during the financial year:

Distribution date (Ex-date)	Gross/ Net distribution per unit RM (sen)	Before distribution RM	After distribution RM	Changes %
26 July 2024	2.500	0.8385	0.8135	(2.98)

B. Performance Review

1. Key performance data of the Fund

Category	FY2024	FY2023	FY2022
Portfolio composition (%)			
Quoted equities (%)	77.95	94.93	92.51
Construction	10.64	-	-
Consumer Products	9.79	24.27	26.57
Energy	12.00	17.63	8.28
Finance	1.81	3.98	7.03
Healthcare	2.60	5.14	-
Industrial Products	17.94	10.89	17.96
Plantations	1.79	4.48	6.89
Property	10.28	-	-
Real Estate Investment Trusts ("REITs")	1.31	5.31	6.79
Technology	6.85	23.23	18.99
Telecommunication & Media	2.94	-	-
Cash and other net assets (%)	22.05	5.07	7.49
Total (%)	100.00	100.00	100.00
NAV (RM'000)	48,205	27,422	28,914
Units in circulation (units'000)	59,260	41,778	47,104
NAV per unit (RM)	0.8135	0.6564	0.6138
Highest NAV per unit (RM)	0.8536	0.7057	0.7794
Lowest NAV per unit (RM)	0.6358	0.5973	0.5552
Net income distributed (RM'000)	1,481	-	-
Distribution date	26 July 2024	-	-
Gross/ Net distribution per unit (sen)	2.50	-	-

(ii)

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

B. Performance Review (cont'd)

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

Category	FY2024	FY2023	FY2022
Annual total return (%) ⁽¹⁾	27.72	6.92	(18.42)
Benchmark (%)	24.52	8.95	(7.22)
Total Expense Ratio ("TER") (%) ⁽²⁾	1.64	1.63	1.65
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	1.00	0.43	1.43

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 increased to 1.64% due to lower daily NAV during the current financial year.
- (3) The Fund's PTR increase to 1.00 times due to increase in trading activities during the current financial year.

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

2. Performance of the Fund up to 31 July 2024

Category	1 year to 31.07.2024	3 years to 31.07.2024	5 years to 31.07.2024
Capital growth	23.93	8.11	65.24
Income distribution	3.06	3.06	8.76
Total return of the Fund	27.72	11.41	79.72
Benchmark	24.52	25.88	43.40
Average total return	27.72	3.66	12.42

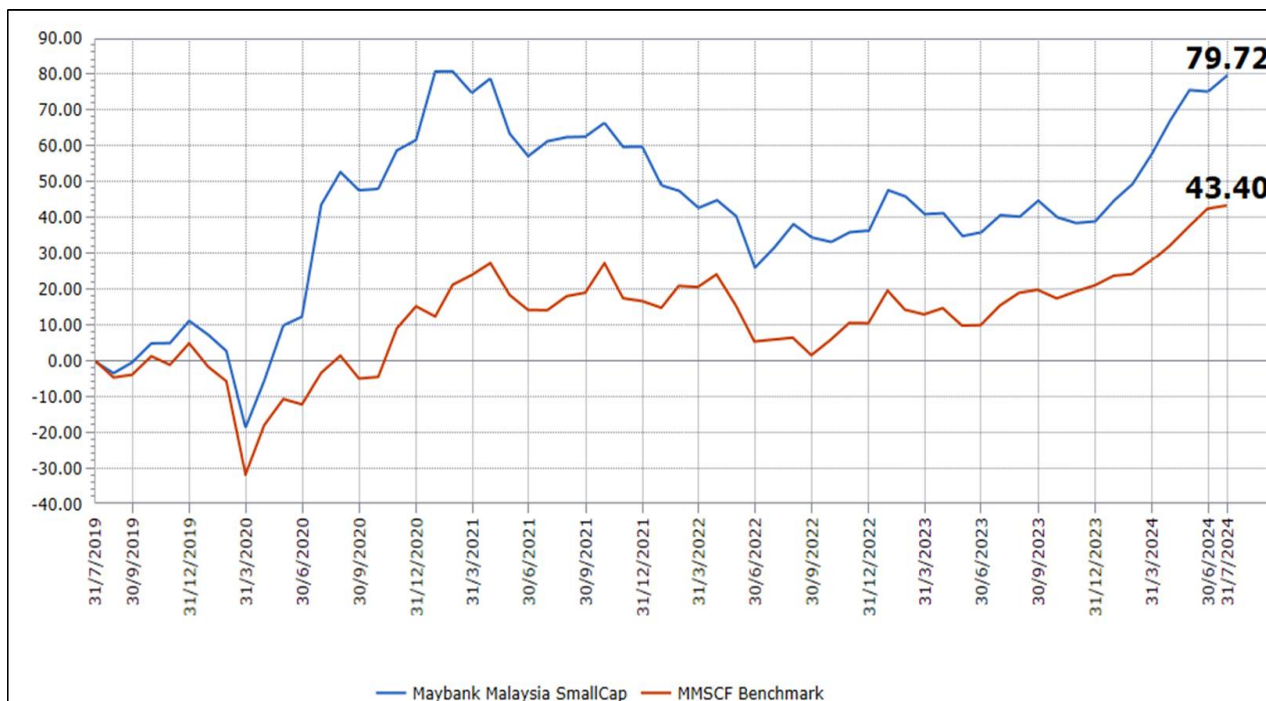
MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

B. Performance Review

2. Performance of the Fund up to 31 July 2024 (cont'd)



Source: Lipper, as at 31 July 2024

Has the Fund met its objective?

During the financial year under review, the Fund recorded a return of 27.72%, outperforming the benchmark's return of 24.52%. This outperformance was attributed to the Fund's strategic positions in the infrastructure and construction sectors, as well as its underweight stance in the technology sector.

Over a 3-year period, the Fund's performance was affected by profit-taking activities. However, over a longer 5-year period, the Fund achieved returns of 79.72%, compared to the benchmark's 43.40%. Overall, the Fund met its long-term growth objective.

3. Annual total return of the Fund

For the financial year ended	31.07.2024 %	31.07.2023 %	31.07.2022 %	31.07.2021 %	31.07.2020 %
Capital growth	23.93	6.92	(18.42)	8.74	40.56
Income distribution	3.06	-	-	3.31	2.15
Total return	27.72	6.92	(18.42)	12.34	43.59
Benchmark	24.52	8.95	(7.22)	18.16	(3.59)

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

B. Performance Review (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

During the year under review, the equity market experienced a steady recovery from the low in October 2022. The Dow Jones Industrial Average and the Standard and Poor's 500 ("S&P 500") recorded returns of 17.00% and 20.70%, respectively, as the push for Artificial Intelligence ("AI") energized the market. The European market, affected by lower Electric Vehicle ("EV") demand due to intense competition from China, still saw decent growth, with the Euro Stoxx 50 achieving returns of 10.60%. In the regional markets, most indices posted positive returns: the Straits Times Index ("STI") at 2.40%, the Taiwan Stock Exchange ("TWSE") at 29.00%, and the Jakarta Composite Index ("JCI") at 8.90%. The Philippines Stock Exchange ("PSEi") experienced flat performance with a return of 0.40%, while the Hang Seng Index ("HSI") recorded negative returns of -9.40%.

Domestically, Malaysia experienced positive impacts, with the construction and property sectors leading the way. During the 2H2023, there was a resurgence of interest in these sectors. The KL Property Index increased by 47.40%, while the KL Construction Index ("KLCT") saw a rise of 79.10%.

The FTSE Bursa Malaysia KLCI ("FBMKLCI") recorded returns of 12.00%, while the broader FTSE Bursa Malaysia Emas Index ("FBM Emas") posted returns of 17.40% for the year. Meanwhile, the FBM SmallCap Index achieved higher returns of 24.50% as investors sought greater alpha.

The positive sentiment was further reinforced by increased demand for Data Centres ("DC") and AI-related services. This euphoria extended into the 1H2024, with ongoing positive sentiment driven by the rising demand for DC.

D. Market outlook and strategies

For the year under review, the Fund was almost fully invested in the property and construction sectors. Toward the end of May 2024, we became more cautious, anticipating that corporate earnings would fall short of market expectations. Consequently, the Fund started to take some profits and increased cash holdings in anticipation of a market pullback.

The Fund adopted a cautious stance on new positions, particularly in the technology sector, as demand for technology-related products (e.g., smartphones, PCs, and automotive) remained sluggish despite the hype surrounding AI and DC).

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

D. Market outlook and strategies (cont'd)

As we enter the second half of 2H2024, the market has become wary of the overhyping of AI and DC, with some quarters noting overbuilding of capacity and limited end applications. While earlier optimism led to meaningful gains, recent data suggest that the economic recovery has been uneven. This creates a cloudy outlook in the near term, as investors closely monitor developments in United States ("US") policies and interest rates.

In terms of equity strategy, we maintain a positive long-term outlook on Malaysia, supported by the Government's growth-oriented policies and initiatives. However, we remain cautious about inflation risks and pressures on global economic growth. As a result, we plan to hold higher cash reserves and focus on defensive stocks to navigate the volatility, while staying flexible in our approach. Significant market weaknesses may present buying opportunities for long-term investments.

E. Significant Changes in The State of Affairs of the Fund

Subsequent to issuance of the Master Prospectus dated 17 January 2020, First Supplementary Master Prospectus dated 22 February 2021 and the Second Supplementary Master Prospectus dated 8 May 2023, the Third Supplementary Master Prospectus dated 22 November 2023 was issued as modified as follows:

No	Principal Prospectus	Third Supplementary Master Prospectus				
1.	<p>Chapter 5 – Transaction Information, Section 5.7 – Distribution Payment Income distribution is made from realised capital gains (net of realised losses) and realised income.</p> <p>Mode of payment for income distribution of the Funds</p> <p>Reinvestment of Units. We will create Units based on the NAV per Unit at the income reinvestment date (which is within 7 Business Days from the Ex-distribution Date).</p>	<p>Chapter 5 – Transaction Information, Section 5.7 – Distribution Payment</p> <p>Save and except for the Maybank Malaysia Growth Fund ("MMGF") and Maybank SmallCap Fund ("MMSCF"), income distribution is made from realised income, realised gains and/ or capital.</p> <p>For the MMGF and MMSCF, income distribution is made from realised capital gains (net of realised losses) and realised income.</p> <p>Mode of payment for income distribution of the Funds</p> <table border="1"> <thead> <tr> <th>Fund</th> <th>Mode of payment for income distribution</th> </tr> </thead> <tbody> <tr> <td>MMGF and MMSCF</td> <td>Reinvestment of Units. We will create Units based on the NAV per Unit at the income reinvestment date (which is within 7 Business Days from the Ex-distribution Date).</td> </tr> </tbody> </table>	Fund	Mode of payment for income distribution	MMGF and MMSCF	Reinvestment of Units. We will create Units based on the NAV per Unit at the income reinvestment date (which is within 7 Business Days from the Ex-distribution Date).
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MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

E. Significant Changes in The State of Affairs of the Fund (cont'd)

No	Principal Prospectus	Third Supplementary Master Prospectus												
1.	<p>Chapter 5 – Transaction Information, Section 5.7 – Distribution Payment (cont'd)</p> <p>Notes:</p> <p>(i) Income distributions to you, if any, will be based on the number of Units you hold as at the end of the day the income distribution is declared.</p> <p>(ii) No sales charge is imposed on the Units reinvested.</p> <p>(iii) “Ex-distribution Date” refers to the next Business Day after the date on which income distribution of the Fund is declared.</p>	<p>Chapter 5 – Transaction Information, Section 5.7 – Distribution Payment (cont'd)</p> <p>Notes:</p> <p>For all Funds:</p> <p>(1) Income distributions to you, if any, will be based on the number of Units you hold as at the end of the day the income distribution is declared.</p> <p>(2) No sales charge is imposed on the Units reinvested.</p> <p>(3) “Ex-distribution Date” refers to the next Business Day after the date on which income distribution of the Fund is declared.</p>												
2.	<p>Chapter 10 – Related Party Transactions and Conflict of Interest</p> <p>Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, the Manager, the Trustee and/or persons connected to them as at 31 December 2022:</p> <table border="1" data-bbox="212 1339 786 2022"> <thead> <tr> <th data-bbox="212 1339 327 1464">Name of Party</th> <th data-bbox="327 1339 523 1464">Name of Related Party and Nature of Relationship</th> <th data-bbox="523 1339 786 1464">Existing / Potential Related Party Transaction</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 1464 327 2022">The Manager</td> <td data-bbox="327 1464 523 2022"> Maybank. The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). Maybank is a substantial shareholder of MAMG. </td> <td data-bbox="523 1464 786 2022"> Distributor: Maybank has been appointed as one of the Manager’s IUTAs. Delegate: The Manager has delegated its back office functions (i.e. the fund accounting and valuation function, clearing and settlement and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank. </td> </tr> </tbody> </table>	Name of Party	Name of Related Party and Nature of Relationship	Existing / Potential Related Party Transaction	The Manager	Maybank. The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). Maybank is a substantial shareholder of MAMG.	Distributor: Maybank has been appointed as one of the Manager’s IUTAs. Delegate: The Manager has delegated its back office functions (i.e. the fund accounting and valuation function, clearing and settlement and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank.	<p>Chapter 10 – Related Party Transactions and Conflict of Interest</p> <p>Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, the Manager, the Trustee and/or persons connected to them as at 31 August 2023:</p> <table border="1" data-bbox="888 1339 1463 2022"> <thead> <tr> <th data-bbox="888 1339 1003 1464">Name of Party</th> <th data-bbox="1003 1339 1184 1464">Name of Related Party and Nature of Relationship</th> <th data-bbox="1184 1339 1463 1464">Existing / Potential Related Party Transaction</th> </tr> </thead> <tbody> <tr> <td data-bbox="888 1464 1003 2022">The Manager</td> <td data-bbox="1003 1464 1184 2022"> Maybank. The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). Maybank is a substantial shareholder of MAMG. </td> <td data-bbox="1184 1464 1463 2022"> Distributor: Maybank has been appointed as one of the Manager’s IUTAs. Delegate: The Manager has delegated its back office functions (i.e. the fund accounting and valuation function and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank. </td> </tr> </tbody> </table>	Name of Party	Name of Related Party and Nature of Relationship	Existing / Potential Related Party Transaction	The Manager	Maybank. The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). Maybank is a substantial shareholder of MAMG.	Distributor: Maybank has been appointed as one of the Manager’s IUTAs. Delegate: The Manager has delegated its back office functions (i.e. the fund accounting and valuation function and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank.
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MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

E. Significant Changes in The State of Affairs of the Fund (cont'd)

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MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

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

F. Soft Commissions and Rebates

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

During the financial year under review, the Manager and its delegates did not receive any soft commissions and 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 the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK MALAYSIA SMALLCAP FUND ("Fund") FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

We have acted as Trustee of the Fund for the financial year ended 31 July 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Maybank Asset Management Sdn Bhd** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of
CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
20 September 2024

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MALAYSIA SMALLCAP FUND
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

We, Dr Hasnita Binti Dato' Hashim and Muhammad Hishamudin Bin Hamzah, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Malaysia SmallCap Fund as at 31 July 2024 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 July 2024 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Chairman

Muhammad Hishamudin Bin Hamzah
Director

Kuala Lumpur, Malaysia
20 September 2024

Independent auditors' report to the Unitholders of Maybank Malaysia SmallCap Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Malaysia SmallCap Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 July 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended and notes to the financial statements, including material accounting policy information as set out on pages 7 to 33.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

Independent auditors' report to the Unitholders of Maybank Malaysia SmallCap 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 SmallCap Fund (cont'd)

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

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

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

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

**Independent auditors' report to the Unitholders of
Maybank Malaysia SmallCap 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
20 September 2024

MAYBANK MALAYSIA SMALLCAP FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Dividend income		527,234	704,623
Profit/ Interest income		110,321	95,956
Net gain from financial assets at fair value through profit or loss ("FVTPL"):			
- Realised gain		1,722,721	986,426
- Unrealised gain		3,740,229	689,071
		<u>6,100,505</u>	<u>2,476,076</u>
EXPENSES			
Manager's fee	3	394,160	462,147
Trustee's fee	4	18,394	21,567
Auditors' remuneration		9,270	9,005
Tax agent's fee		3,900	3,860
Brokerage and other transaction fees		151,086	85,899
Administrative expenses		5,322	3,965
		<u>582,132</u>	<u>586,443</u>
Net income before taxation		5,518,373	1,889,633
Taxation	5	<u>(3,286)</u>	<u>(6,916)</u>
Net income after taxation, representing the total comprehensive income for the financial year		<u>5,515,087</u>	<u>1,882,717</u>
Net income after taxation is made up of the following:			
Net realised income		1,774,858	1,193,646
Net unrealised income		3,740,229	689,071
		<u>5,515,087</u>	<u>1,882,717</u>
Distributions for the financial year:			
Net distributions	12	<u>1,481,033</u>	-
Gross distribution per unit (sen)		<u>2.50</u>	-
Net distribution per unit (sen)		<u>2.50</u>	-
Distribution date (ex-date)		<u>Refer note 12</u>	<u>Refer note 12</u>

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

MAYBANK MALAYSIA SMALLCAP FUND

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

	Note	2024 RM	2023 RM
ASSETS			
Financial assets at FVTPL	6	37,573,817	26,031,529
Deposits with licensed financial institutions	7	12,162,448	1,572,562
Dividend receivable		17,287	-
Profit/ Interest receivable		993	127
Amount due from Manager	8	12,075	493
Amount due from brokers	9	-	314,674
Cash at bank		15,318	12,491
TOTAL ASSETS		<u>49,781,938</u>	<u>27,931,876</u>
LIABILITIES			
Amount due to Manager	8	69,962	489,262
Amount due to Trustee	10	2,901	1,733
Distribution payable		1,481,033	-
Other payables and accruals		22,779	18,907
TOTAL LIABILITIES		<u>1,576,675</u>	<u>509,902</u>
NET ASSETS VALUE ("NAV") OF THE FUND		<u>48,205,263</u>	<u>27,421,974</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders' capital	11(a)	7,380,029	(9,369,206)
Retained earnings	11(b)&(c)	40,825,234	36,791,180
		<u>48,205,263</u>	<u>27,421,974</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11(a)	<u>59,259,904</u>	<u>41,778,477</u>
NAV PER UNIT (RM)		<u>0.8135</u>	<u>0.6564</u>

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

MAYBANK MALAYSIA SMALLCAP FUND

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

	Unitholders' capital Note 11(a) RM	Retained earnings Note 11(b) & 11(c) RM	Net assets attributable to unitholders RM
At 1 August 2023	(9,369,206)	36,791,180	27,421,974
Total comprehensive income for the financial year	-	5,515,087	5,515,087
Creation of units	42,949,492	-	42,949,492
Cancellation of units	(26,200,257)	-	(26,200,257)
Distribution (Note 12)	-	(1,481,033)	(1,481,033)
At 31 July 2024	<u>7,380,029</u>	<u>40,825,234</u>	<u>48,205,263</u>
At 1 August 2022	(5,994,035)	34,908,463	28,914,428
Total comprehensive income for the financial year	-	1,882,717	1,882,717
Creation of units	21,892,913	-	21,892,913
Cancellation of units	(25,268,084)	-	(25,268,084)
At 31 July 2023	<u>(9,369,206)</u>	<u>36,791,180</u>	<u>27,421,974</u>

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

MAYBANK MALAYSIA SMALLCAP FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from disposal of financial assets at FVTPL	23,425,563	14,378,754
Net payment for purchase of financial assets at FVTPL	(29,341,312)	(11,940,363)
Net dividend received	506,661	697,707
Profit/ Interest received	109,455	96,148
Manager's fee paid	(369,139)	(460,514)
Trustee's fee paid	(17,226)	(24,915)
Payment of other fees and expenses	(14,621)	(21,143)
Net cash (used in)/ generated from operating and investing activities	<u>(5,700,619)</u>	<u>2,725,674</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	42,937,910	21,911,984
Payments for cancellation of units	(26,644,578)	(24,825,707)
Net cash generated from/ (used in) financing activities	<u>16,293,332</u>	<u>(2,913,723)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	10,592,713	(188,049)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,585,053	1,773,102
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>12,177,766</u>	<u>1,585,053</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	15,318	12,491
Deposits with licensed financial institutions with maturity of less than 3 months (Note 7)	12,162,448	1,572,562
	<u>12,177,766</u>	<u>1,585,053</u>

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

MAYBANK MALAYSIA SMALLCAP FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Malaysia SmallCap Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 11 February 2004 between Amanah Mutual Berhad as the Manager, and Malaysian Trustee Berhad as the Trustee and the Registered Holders of the Fund. A First Supplemental Deed dated 26 May 2005 and a Second Supplemental Deed dated 28 January 2014, which was entered into between the Manager, Malaysian Trustee Berhad and the new Trustee, CIMB Commerce Trustee Berhad, was issued to amend the principal Deed. A Third Supplemental Deed was also issued on 27 January 2016. The Fund commenced operations on 24 March 2004 and will continue to be in operations until terminated by the Trustee as provided under the Deeds.

The Manager, a company incorporated in Malaysia, is principally engaged in the management of unit trust funds. Amanah Saham Nasional Berhad ("ASN") and Permodalan Nasional Berhad, companies incorporated in Malaysia, were the holding and ultimate holding company of the Manager until 16 May 2018.

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 and CIMB Commerce Trustee Berhad as the Trustee had entered into a Fourth Supplemental Deed dated 4 September 2018, Fifth Supplemental Deed dated 11 July 2019 and Sixth Supplemental Deed dated 3 August 2022. The Deed and Supplemental Deeds are hereinafter referred to as 'Deeds'.

The principal activity of the Fund is to invest in a selected portfolio of investments in small and medium size companies listed on the Main Market of Bursa Malaysia Securities Berhad and other approved investments.

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

The financial statements were authorised for issue by the Board of Directors of the Manager (the "Directors") in accordance with a resolution of the Directors on 20 September 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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.

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

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to 2.14 to the financial statements. The financial statements are presented in Ringgit Malaysia ("RM").

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Standards and Amendments to Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2.3 Financial instruments

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

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

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

(i) Financial assets at amortised cost

The Fund classifies dividend receivable, profit/ interest receivables, amount due from Manager, amount due from brokers, cash and cash equivalents as financial assets at amortised cost.

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost (cont'd)

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

Unless designated as at fair value through profit or loss ("FVTPL") on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

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

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

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

(ii) Financial assets at FVTPL

Investments in equity instruments 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 instrument or a financial guarantee.

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

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

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

Profit/ Interest income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

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

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

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

(iii) Impairment

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

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

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

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

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

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

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

(iv) Derecognition

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

(iv) Derecognition (cont'd)

If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained profit/ interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EPR/ EIR method. The EPR/ EIR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the profit expense in profit or loss over the relevant year.

(iii) Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.6 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:

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

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 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.

2.7 Revenue/ Income

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

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 investments is accounted for as the difference between net disposal proceeds and the carrying amount of the investments.

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

2.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank and deposits with licensed financial institutions with maturities of 3 months or less, which have an insignificant risk of changes in value.

2.9 Distribution

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as a deduction 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 distribution payment date. Reinvestment is based on the NAV per unit on the distribution payment date, which is also the time of creation.

2.10 Taxation

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

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

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

No deferred tax is recognised as there are no material temporary differences.

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 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 or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to 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.

All assets 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:

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.

For assets 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 year.

2.12 Functional and foreign 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.

2.13 Segment reporting

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

2.14 Critical accounting estimates and judgements

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

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

MAYBANK MALAYSIA SMALLCAP FUND

3. MANAGER'S FEE

The Manager's fee is computed daily based on 1.50% (2023: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

4. TRUSTEE'S FEE

The Trustee fee is calculated and accrued daily. The Trustee fee is computed based on 0.07% (2023: 0.07% p.a.) of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM18,000 p.a..

5. TAXATION

	2024	2023
	RM	RM
Tax charge for the financial year:		
Current income tax expense	<u>3,286</u>	<u>6,916</u>

Income tax is calculated at the Malaysian statutory rate of 24% (2023: 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, profit/ interest income and dividend income earned by the Fund is exempted from tax.

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

	2024	2023
	RM	RM
Net income before taxation	<u>5,518,373</u>	<u>1,889,633</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	1,324,410	453,512
Income not subject to tax	(1,464,121)	(594,258)
Expenses not deductible for tax purposes	139,711	140,746
Income tax at source	3,286	6,916
Tax expense for the financial year	<u>3,286</u>	<u>6,916</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL

			2024 RM	2023 RM
Quoted equities			37,573,817	26,031,529
2024	Quantity Unit	Aggregate cost RM	Market Value RM	Percentage of NAV %
Construction				
Econpile Holdings Bhd	2,000,000	988,800	990,000	2.05
Ekovest Bhd	230,000	104,650	103,500	0.21
Gamuda Bhd	201,354	1,127,438	1,582,642	3.28
Kerjaya Prospek Group Bhd	500,000	917,050	1,015,000	2.11
Sunway Construction Group Bhd	300,000	573,690	1,440,000	2.99
	<u>3,231,354</u>	<u>3,711,628</u>	<u>5,131,142</u>	<u>10.64</u>
Consumer Products				
Airasia X Bhd	500,000	882,850	740,000	1.54
DXN Holdings Bhd	805,700	536,797	527,734	1.09
Focus Point Holdings Bhd	1,000,000	388,224	815,000	1.69
Well Chip Group Bhd	1,516,700	2,251,085	2,639,058	5.47
	<u>3,822,400</u>	<u>4,058,956</u>	<u>4,721,792</u>	<u>9.79</u>
Energy				
Deleum Bhd	1,073,400	1,155,501	1,352,484	2.81
Icon Offshore Bhd	400,000	227,120	448,000	0.93
Keyfield International Bhd	800,000	1,627,500	1,936,000	4.02
Wasco Bhd	500,000	483,857	610,000	1.27
Yinson Holdings Bhd	600,000	1,398,560	1,434,000	2.97
	<u>3,373,400</u>	<u>4,892,538</u>	<u>5,780,484</u>	<u>12.00</u>
Finance				
RHB Bank Bhd	153,073	790,827	874,047	1.81

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market Value RM	Percentage of NAV %
Healthcare				
Alpha IVF Group Bhd	1,137,400	363,968	363,968	0.76
Umedic Group Bhd	1,400,000	641,360	889,000	1.84
	<u>2,537,400</u>	<u>1,005,328</u>	<u>1,252,968</u>	<u>2.60</u>
Industrial Products				
CPE Technology Bhd	1,000,000	1,104,740	1,270,000	2.63
EPB Group Bhd	500,000	280,000	280,000	0.58
Pecca Group Bhd	950,000	1,245,425	1,178,000	2.44
Prolintas Infra Business Trust	833,900	792,205	729,663	1.51
QES Group Bhd	1,200,000	848,200	816,000	1.69
RGT Bhd	1,727,400	1,690,209	1,183,269	2.45
Sunway Bhd	354,800	696,158	1,522,092	3.16
Superlon Holdings Bhd	1,622,500	1,431,750	1,638,725	3.40
RGT Bhd-Warrants	200,000	-	38,000	0.08
	<u>8,388,600</u>	<u>8,088,687</u>	<u>8,655,749</u>	<u>17.94</u>
Plantation				
Sarawak Oil Palms Bhd	300,000	629,015	864,000	1.79
Property				
Iskandar Waterfront City Bhd	1,080,000	922,868	772,200	1.60
LBS Bina Group Bhd	2,000,000	1,687,850	1,430,000	2.97
Malaysian Resources Corp Bhd	1,650,300	744,635	1,023,186	2.12
Naim Holdings Bhd	95,700	142,784	150,249	0.31
Sime Darby Property Bhd	1,000,000	777,800	1,580,000	3.28
	<u>5,826,000</u>	<u>4,275,937</u>	<u>4,955,635</u>	<u>10.28</u>
Real Estate Investment Trusts ("REITs")				
Axis REITs	350,000	627,493	633,500	1.31

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market Value RM	Percentage of NAV %
Technology				
TT Vision Holdings Bhd	1,200,000	1,339,407	1,368,000	2.82
IT Max System Bhd	500,000	791,360	1,575,000	3.27
Frontken Corp Bhd (Warrants)	875,000	-	367,500	0.76
	<u>2,575,000</u>	<u>2,130,767</u>	<u>3,310,500</u>	<u>6.85</u>
Telecommunication & Media				
Telekom Malaysia Bhd	200,000	1,341,121	1,394,000	2.94
Total FVTPL investments	<u>30,757,227</u>	<u>31,552,297</u>	<u>37,573,817</u>	<u>77.95</u>
Unrealised gain on FVTPL investments			<u>6,021,520</u>	
2023				
Consumer Products				
Berjaya Food Bhd	1,480,000	984,348	1,006,400	3.67
Berjaya Sports Toto Bhd	500,000	939,436	730,000	2.66
DXN Holding Bhd	1,800,000	1,192,140	1,341,000	4.89
Farm Fresh Bhd	1,000,000	1,417,500	1,160,000	4.23
Focus Point Holdings Bhd	2,155,900	604,957	1,789,397	6.53
Spring Art Holdings Bhd	3,800,000	1,162,100	627,000	2.29
	<u>10,735,900</u>	<u>6,300,481</u>	<u>6,653,797</u>	<u>24.27</u>
Energy				
Bumi Armada Bhd	800,000	359,280	416,000	1.52
Dayang Enterprise Holdings Bhd	744,900	922,892	1,042,860	3.80
Deleum Bhd	734,800	667,625	661,320	2.41
Hibiscus Petroleum Bhd	900,000	871,904	837,000	3.05

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Unit	Aggregate cost RM	Market Value RM	Percentage of NAV %
2023 (cont'd)				
Energy (cont'd)				
Wasco Bhd	1,011,200	834,785	1,001,088	3.65
Yinson Holdings Bhd	344,600	761,853	878,730	3.20
	<u>4,535,500</u>	<u>4,418,339</u>	<u>4,836,998</u>	<u>17.63</u>
Finance				
RHB Bank Bhd	191,792	991,988	1,091,296	3.98
Healthcare				
Umedic Group Bhd	2,000,000	640,000	1,410,000	5.14
Industrial Products				
Nationgate Holdings Bhd	500,000	414,500	775,000	2.83
Press Metal Aluminium Holdings Bhd	70,000	354,067	352,800	1.29
RGT Bhd	2,000,000	900,000	560,000	2.04
SLP Resources Bhd	666,300	857,828	586,344	2.14
Superlon Holdings Bhd	1,100,000	817,227	709,500	2.59
	<u>4,336,300</u>	<u>3,343,622</u>	<u>2,983,644</u>	<u>10.89</u>
Plantation				
Hap Seng Plantations Holdings Bhd	129,800	359,585	257,004	0.94
Sarawak Oil Palms Bhd	300,000	629,015	783,000	2.86
TA Ann Holdings Bhd	50,000	259,378	186,000	0.68
	<u>479,800</u>	<u>1,247,978</u>	<u>1,226,004</u>	<u>4.48</u>
REITs				
Axis REITs	800,000	1,434,663	1,456,000	5.31

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market Value RM	Percentage of NAV %
Technology				
Cnergenz Bhd	1,200,000	696,000	912,000	3.33
Datasonic Group Bhd	1,950,000	906,200	926,250	3.38
Elsoft Research Bhd	1,500,000	1,317,585	840,000	3.06
Frontken Corp Bhd	200,000	134,237	648,000	2.36
IT Max System Bhd	550,000	588,500	786,500	2.87
Malaysian Pacific Industries	20,000	247,113	585,600	2.14
Pentamaster Corporation Bhd	100,000	484,757	524,000	1.91
TT Vision Holdings Bhd	833,500	998,775	950,190	3.45
Frontken Corp Bhd (Warrants)	875,000	-	201,250	0.73
	<u>7,228,500</u>	<u>5,373,167</u>	<u>6,373,790</u>	<u>23.23</u>
Total FVTPL investments	<u>30,307,792</u>	<u>23,750,238</u>	<u>26,031,529</u>	<u>94.93</u>
Unrealised gain on FVTPL investments			<u>2,281,291</u>	

7. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2024 RM	2023 RM
Short term placements with licensed financial institutions with maturity of:		
- less than 3 months	<u>12,162,448</u>	<u>1,572,562</u>

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

	2024		2023	
	WAEPR/ WAEIR % p.a.	Average maturity Days	WAEPR/ WAEIR % p.a.	Average maturity Days
Deposits with licensed financial institutions	<u>2.98</u>	<u>1</u>	<u>2.95</u>	<u>1</u>

MAYBANK MALAYSIA SMALLCAP FUND

8. AMOUNT DUE FROM/ TO MANAGER

		2024 RM	2023 RM
Amount due from Manager is in respect of:			
Creation of units	(i)	12,075	493
Amount due to Manager is in respect of:			
Manager's fee	(ii)	62,154	37,133
Cancellation of units	(iii)	7,808	452,129
		69,962	489,262

- (i) The amount represents amount receivable from the Manager for units created.
- (ii) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2023: 15 days).
- (iii) The amount represents amount payable to the Manager for units cancelled.

9. AMOUNT DUE FROM BROKERS

Amount due from brokers relates to the amount receivable from brokers arising from the sales of investments. The settlement period for this receivables is within 2 working days (2023: 2 working days) from the deal date.

10. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accrual for Trustee's fee at the end of the financial year. The normal credit term is 15 days (2023: 15 days).

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	2024 RM	2023 RM
Unitholders' capital	11 (a)	7,380,029	(9,369,206)
Accumulated realised income	11 (b)	34,803,716	34,509,891
Accumulated unrealised income	11 (c)	6,021,518	2,281,289
		48,205,263	27,421,974

(a) Unitholder's capital

	2024		2023	
	Units	RM	Units	RM
As at beginning of the financial year	41,778,477	(9,369,206)	47,104,046	(5,994,035)
Creation of units	55,121,442	42,949,492	34,029,589	21,892,913
Cancellation of units	(37,640,015)	(26,200,257)	(39,355,158)	(25,268,084)
As at end of the financial year	59,259,904	7,380,029	41,778,477	(9,369,206)

MAYBANK MALAYSIA SMALLCAP FUND

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

(a) Unitholder's capital (cont'd)

As at the reporting date, the total number and value of units held legally or beneficially by the Manager are as follows:

	2024		2023	
	Units	RM	Units	RM
MBB, the ultimate holding of the Manager	5,892,408	4,793,474	8,722,221	5,724,970

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

(b) Accumulated realised income

	2024 RM	2023 RM
At the beginning of the financial year	34,509,891	33,316,245
Net realised income for the financial year	1,774,858	1,193,646
Distribution (Note 12)	(1,481,033)	-
At the end of the financial year	<u>34,803,716</u>	<u>34,509,891</u>

(c) Accumulated unrealised income

	2024 RM	2023 RM
At the beginning of the financial year	2,281,289	1,592,218
Net unrealised income for the financial year	3,740,229	689,071
At the end of the financial year	<u>6,021,518</u>	<u>2,281,289</u>

12. DISTRIBUTION

The composition of distributions are as follows:

Source of distribution*	2024		2023	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
- Income distribution	1,481,033	100.00	-	-
- Capital distribution	-	-	-	-
	<u>1,481,033</u>	<u>100.00</u>	<u>-</u>	<u>-</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 SMALLCAP FUND

12. DISTRIBUTION (CONT'D)

The gross and net distributions per unit and the distribution date are as follows:

Distribution date (ex-date)	Gross/ Net distribution per unit (RM sen)
2024	
26 July 2024	2.50

13. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

The transactions with top 10 brokers/ dealers are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
2024				
TA Securities Holdings Bhd	24,732,758	51.12	24,967	34.86
Kenanga Investment Bank Bhd	6,980,950	14.43	13,962	19.49
MIDF Amanah Investment Bank Bhd	3,856,447	7.97	3,884	5.42
Nomura Securities Malaysia Sdn Bhd	3,093,850	6.39	6,188	8.64
CIMB Investment Bank Bhd	2,560,901	5.29	5,122	7.15
Affin Hwang Investment Bank Bhd	2,517,170	5.20	5,034	7.03
RHB Investment Bank Bhd	1,620,160	3.35	3,240	4.52
United Overseas Bank (M) Bhd	1,278,695	2.64	5,749	8.02
Hong Leong Investment Bank Bhd	1,136,784	2.35	2,274	3.17
CGS International Securities Malaysia	609,690	1.26	1,219	1.70
	48,387,405	100.00	71,639	100.00
2023				
TA Securities Holdings Bhd	10,570,179	41.79	10,705	30.68
Kenanga Investment Bank Bhd	3,962,089	15.67	7,932	22.72
Nomura Securities Malaysia Sdn Bhd	3,334,287	13.19	5,886	16.86
Hong Leong Investment Bank Bhd	3,253,186	12.87	4,420	12.66
CLSA Securities Malaysia Sdn Bhd	1,990,451	7.87	3,980	11.40
Maybank Investment Bank Bhd ("MIBB")*	1,326,660	5.25	662	1.90
United Overseas Bank (M) Bhd	474,296	1.88	945	2.71
JF Apex Securities Bhd	373,950	1.48	375	1.07
	25,285,098	100.00	34,905	100.00

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

MAYBANK MALAYSIA SMALLCAP FUND

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

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

Financial institutions	2024		2023	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
MBB *	458,961,965	51.27	645,133,766	76.13
CIMB Islamic Bank Bhd	379,229,495	42.36	-	-
CIMB Bhd	56,993,872	6.37	202,303,032	23.87
	<u>895,185,332</u>	<u>100.00</u>	<u>847,436,798</u>	<u>100.00</u>

* MBB is 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 may be 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 significant related party transactions and balances as at the reporting date are as below:

	2024 RM	2023 RM
(a) Significant related party transactions		
MBB:*		
Profit/ Interest income from deposits	55,583	73,348
Dividend income	-	29,314
(b) Significant related party balances		
MBB:*		
Deposit with a licensed financial institution	7,148,174	1,572,562
Profit/ Interest receivable	588	127

* MBB is the ultimate holding company of the Manager.

15. TOTAL EXPENSE RATIO ("TER")

TER is calculated based on the ratio of the total fees and recovered expenses for the year, to the average daily NAV of the Fund. For the financial year ended 31 July 2024, the TER of the Fund stood at 1.64% (2023: 1.63%).

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16. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average of the total acquisitions and disposals of the investment in the Fund for the financial year to the daily average NAV of the Fund. For the financial year ended 31 July 2024, the PTR of the Fund stood at 1.00 times (2023: 0.43 times).

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

2024	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Financial assets at FVTPL	37,573,817	-	-	37,573,817
Deposits with licensed financial institutions	-	12,162,448	-	12,162,448
Dividend receivable	-	17,287	-	17,287
Profit/ Interest receivable	-	993	-	993
Amount due from Manager	-	12,075	-	12,075
Cash at bank	-	15,318	-	15,318
Total financial assets	37,573,817	12,208,121	-	49,781,938
Financial liabilities				
Amount due to Manager	-	-	69,962	69,962
Amount due to Trustee	-	-	2,901	2,901
Distribution payable	-	-	1,481,033	1,481,033
Other payables and accruals	-	-	22,779	22,779
Total financial liabilities	-	-	1,576,675	1,576,675

MAYBANK MALAYSIA SMALLCAP FUND

17. FINANCIAL INSTRUMENTS (CONT'D)

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

2023	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Financial assets at FVTPL	26,031,529	-	-	26,031,529
Deposits with licensed financial institutions	-	1,572,562	-	1,572,562
Profit/ Interest receivable	-	127	-	127
Amount due from Manager	-	493	-	493
Amount due from brokers	-	314,674	-	314,674
Cash at bank	-	12,491	-	12,491
Total financial assets	26,031,529	1,900,347	-	27,931,876
Financial liabilities				
Amount due to Manager	-	-	489,262	489,262
Amount due to Trustee	-	-	1,733	1,733
Other payables and accruals	-	-	18,907	18,907
Total financial liabilities	-	-	509,902	509,902

(b) Financial instruments that are carried at fair value

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

(c) 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
2024				
Investments at FVTPL	37,573,817	-	-	37,573,817
2023				
Investments at FVTPL	26,031,529	-	-	26,031,529

MAYBANK MALAYSIA SMALLCAP FUND

17. FINANCIAL INSTRUMENTS (CONT'D)

(d) 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.

18. SEGMENTAL REPORTING

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker of the Manager 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 chief operating decision-maker is responsible for the performance of the Fund by investing a minimum of 70% of the Fund's assets in equities and equity-related securities, and a minimum of 2% of the Fund's NAV will be invested in liquid assets.

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.

19. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Fund maintains investment portfolios in a variety of listed financial instruments as dictated by its Deeds and investment management strategy. The Fund is exposed to a variety of risks including market risk (which includes price risk) and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

(b) Market risk

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

(i) Equity price risk

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

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19. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(b) Market risk (cont'd)

(ii) 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 6 to the financial statements.

(iii) Equity price risk sensitivity

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

	2024		2023	
	Changes in equity price %	Effects on profit for the year Increase/ (decrease) RM	Changes in equity price %	Effects on profit for the year Increase/ (decrease) RM
Quoted equities	+ 5	1,878,691	+ 5	1,301,576
	- 5	(1,878,691)	- 5	(1,301,576)

(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, deposit with a licensed financial institution 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. Balances due within twelve months equal their carrying amounts, as the impact of discounting is insignificant.

2024	Less than 1 month RM	Total RM
Financial liabilities		
Amount due to Manager	69,962	69,962
Amount due to Trustee	2,901	2,901
Distribution payable	1,481,033	1,481,033
Other payables and accruals	22,779	22,779
Total undiscounted financial liabilities	1,576,675	1,576,675

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19. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(c) Liquidity risk (cont'd)

2023	Less than 1 month RM	Total RM
Financial liabilities		
Amount due to Manager	489,262	489,262
Amount due to Trustee	1,733	1,733
Other payables and accruals	18,907	18,907
Total undiscounted financial liabilities	509,902	509,902

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

(d) Credit risk

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

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

(i) Credit risk exposure

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

(ii) Credit quality of financial assets

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

Financial assets	2024		2023	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
AAA	12,178,759	25.26	1,585,180	5.78

MAYBANK MALAYSIA SMALLCAP 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 current financial year.