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# MAYBANK MALAYSIA VALUE FUND

Annual report  
For the financial year ended 31 August 2023

## **CORPORATE INFORMATION**

### **MANAGER**

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### **TRUSTEE**

HSBC (Malaysia) Trustee Berhad (193701000084) (001281-T)

Level 19, Menara IQ

Lingkaran TRX, Tun Razak Exchange

55188 Kuala Lumpur, Malaysia

## **MAYBANK MALAYSIA VALUE FUND**

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## MAYBANK MALAYSIA VALUE FUND

### Manager's report

For the financial year ended 31 August 2023

#### A. Fund Information

**1. Name of the Fund**

Maybank Malaysia Value Fund ("the Fund")

**2. Type of Fund**

Growth

**3. Category of Fund**

Equity

**4. Classes of Units**

Classes of units	Currency Denomination	Categories of Investors	Distribution Policy
Class A-MYR	RM (Ringgit Malaysia)	Retail	Distribution of income
Class C-MYR	RM (Ringgit Malaysia)	Institutional	Distribution of income
Class B-USD*	USD (United States Dollar)	Retail	Accumulation of units
Class C-USD*	USD (United States Dollar)	Institutional	Distribution of income

\* Class B-USD and Class C-USD were terminated on 15 October 2021.

**5. Duration of the Fund**

The Fund is an open-ended fund.

**6. Launch date/ Commencement date/ Termination date**

Classes of units	Launch date	Commencement date	Termination date
Class A-MYR	7 January 2003	28 January 2003	N/A
Class C-MYR	21 August 2013	11 September 2013	
Class B-USD	21 August 2013	11 September 2013	15 October 2021
Class C-USD	21 August 2013	11 September 2013	

**7. Fund's investment objective**

The Fund seeks to provide investors with capital growth through investments in securities that are trading at a discount to their intrinsic values, while minimising the risk in the medium to long term.

**8. Fund 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.

- For Classes with distribution of income policy, income distribution (if any) is declared at the end of the financial year of the Fund or for any other specified period at the Manager's discretion, subject to Trustee's approval. Upon declaring the income distribution, the NAV per unit will reduce accordingly.
- For Classes with accumulation of units policy, no income distribution will be made. However, the value of the unitholders' investment may increase/ decrease as reflected in the increase/ decrease in the NAV per unit.

Distribution will be made from realised income and realised gains of the Fund.

## MAYBANK MALAYSIA VALUE FUND

### Manager's report

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

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

##### 9. Fund's performance benchmark

FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI")

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

The principal activity of the Fund is to invest between 70% to 98% of the Fund's NAV in equities, and between 2% to 30% of the Fund's assets in cash or fixed income instruments (or a combination of both).

The Fund may also invest up to 25% of its NAV in Asia Pacific markets. The Fund may also invest in stocks that derive the majority of their revenue from the Asia Pacific markets.

##### 11. Net income distribution for the financial year ended 31 August 2023

The Fund distributed a net income of RM1,730,676 from Class A-MYR and RM5,135,125 from Class C-MYR during the financial year ended 31 August 2023.

Below is the impact of the distributions to the Fund's NAV:

Ex-date	Before distribution (RM)	After distribution (RM)	Gross distribution (RM sen)	Changes %
<b>Class A-MYR</b>				
28 August 2023	0.3082	0.2982	1.00	3.37
<b>Class C-MYR</b>				
28 August 2023	0.3540	0.3440	1.00	2.92

#### B. Performance Review

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

Category	2023	2022	2021
<b>Portfolio composition</b>			
<b>Quoted equities - local</b>			
- Construction	2.76	2.23	2.46
- Consumer Products and Services	9.99	8.19	6.46
- Energy	7.07	3.63	0.91
- Finance	28.24	27.15	18.90
- Industrial Products	5.89	5.72	8.57
- Plantation	1.92	3.53	2.06
- Properties	1.90	1.03	0.39
- Technology	1.03	2.86	13.66
- Telecommunications and Media	5.78	5.02	4.14
- Transportation and Logistics	2.85	4.02	4.34
- Utilities	9.49	3.99	4.45

## MAYBANK MALAYSIA VALUE FUND

### Manager's report

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

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

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

Category	2023	2022	2021
<b>Portfolio composition (cont'd)</b>			
<b>Quoted equities - foreign</b>			
- Hong Kong	4.37	1.86	4.22
- Singapore	4.87	8.11	16.21
Cash and other net assets	13.84	22.66	13.23
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

#### **Class A-MYR**

NAV (RM'000)	51,749	64,027	71,475
Units in circulation (units'000)	172,873	213,133	221,203
NAV per unit (RM)	0.2993	0.3004	0.3231
Highest NAV per unit (RM)	0.3093	0.3292	0.3387
Lowest NAV per unit (RM)	0.2879	0.2924	0.3165

Net income distributed (RM'000)	1,731	1,863	1,836
Distribution date	Refer to Note 14 of the financial statements		
Gross distribution per unit (RM sen)	1.00	0.95	0.85
Net distribution per unit (RM sen)	1.00	0.90	0.85

Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	(0.33)	(7.03)	11.18
- Income distribution (%)	3.35	3.00	2.63
Total return (%)	3.01	(4.23)	14.11
Benchmark (%)	(3.98)	(5.58)	4.99

#### **Class C-MYR**

NAV (RM'000)	177,300	176,811	184,400
Units in circulation (units'000)	513,513	513,513	499,019
NAV per unit (RM)	0.3453	0.3443	0.3695
Highest NAV per unit (RM)	0.3547	0.3766	0.3869
Lowest NAV per unit (RM)	0.3300	0.3348	0.3616

Net income distributed (RM'000)	5,135	4,990	4,622.00
Distribution date	Refer to Note 14 of the financial statements		
Gross distribution per unit (RM sen)	1.00	1.02	0.95
Net distribution per unit (RM sen)	1.00	1.00	0.95

Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	0.32	(6.82)	11.46
- Income distribution (%)	2.91	2.91	2.57
Total return (%)	3.24	(4.11)	14.33
Benchmark (%)	(3.98)	(5.58)	4.99

## MAYBANK MALAYSIA VALUE FUND

### Manager's report

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

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

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

Category	2023	2022	2021
<b>Class B-USD (terminated on 15 October 2021)</b>			
NAV (RM)	-	-	15,462
Units in circulation (units)	-	-	4,269
NAV per unit (USD)	-	-	0.8721
Highest NAV per unit (USD)	-	0.8808	0.8958
Lowest NAV per unit (USD)	-	0.8546	0.8300
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	-	-	14.39
- Income distribution (%)	-	-	-
Total return (%)	-	-	14.39
Benchmark (%)	-	-	5.21
<b>Class C-USD (terminated on 15 October 2021)</b>			
NAV (RM)	-	-	80,550
Units in circulation (units)	-	-	20,500
NAV per unit (USD)	-	-	0.9462
Highest NAV per unit (USD)	-	0.9556	0.9711
Lowest NAV per unit (USD)	-	0.9272	0.9002
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	-	-	14.63
- Income distribution (%)	-	-	-
Total return (%)	-	-	14.63
Benchmark (%)	-	-	5.21
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	1.49	1.52	1.56
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.20	0.38	0.82

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

#### 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 1.49% due to lower administrative expenses in the current financial year ended 31 August 2023.
- (3) The Fund's PTR decreased to 0.20 times due to lower trading activities during the financial year ended 31 August 2023.

## MAYBANK MALAYSIA VALUE FUND

### Manager's report

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

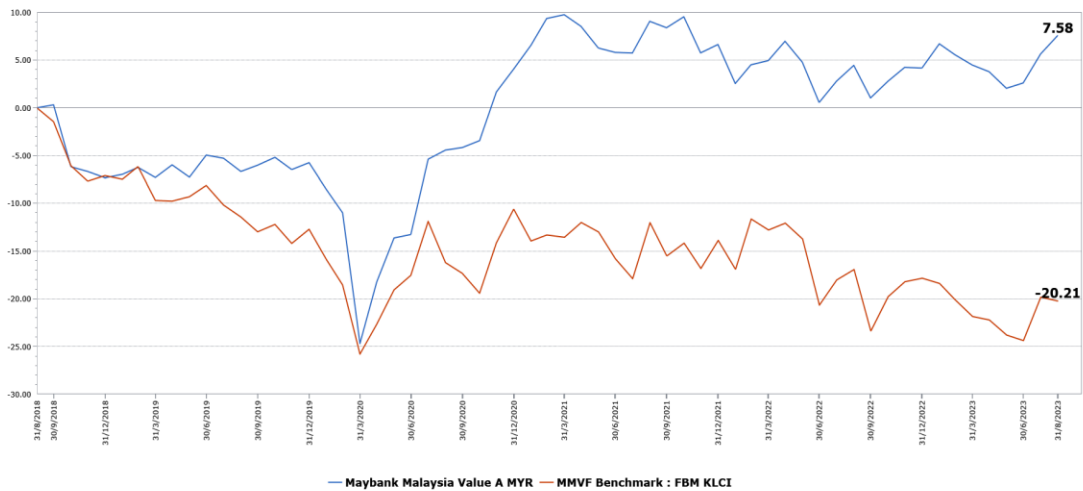
### B. Performance Review (cont'd)

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

##### Class A-MYR

	1 year to 31.08.2023 %	3 years to 31.08.2023 %	5 years to 31.08.2023 %
Capital growth	(0.33)	3.03	(7.59)
Income distribution	3.35	9.26	16.42
Total return of the Class	3.01	12.57	7.58
Benchmark	(3.98)	(4.80)	(20.21)
Average total return	3.01	4.02	1.47

##### Performance of Class A-MYR up to 31 August 2023



Source: Lipper as at 31 August 2023



## MAYBANK MALAYSIA VALUE FUND

### Manager's report

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

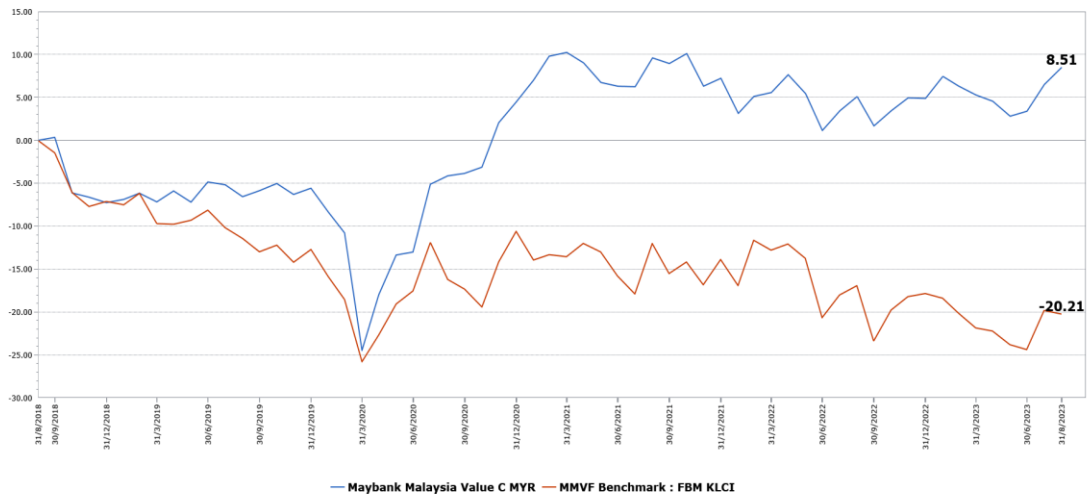
### B. Performance Review (cont'd)

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

##### Class C-MYR

	1 year to 31.08.2023 %	3 years to 31.08.2023 %	5 years to 31.08.2023 %
Capital growth	0.32	4.19	(6.82)
Income distribution	2.91	8.63	16.45
Total return of the Class	3.24	13.18	8.51
Benchmark	(3.98)	(4.80)	(20.21)
Average total return	3.24	4.21	1.65

##### Performance of Class C-MYR up to 31 August 2023



Source: Lipper as at 31 August 2023

## MAYBANK MALAYSIA VALUE FUND

### Manager's report

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

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

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

For the year under review, Class A-MYR gained +3.01% and Class C-MYR gained +3.24%, outperforming the FBM KLCI which fell -3.98%.

Relative to the FBM KLCI, the top three sector contributors to the outperformance came from:

- (1) Communication Services. The Fund's holding in Time DotCom performed well as its retail telco business is gaining momentum on the back of reach expansion while the data centre is expanding resiliently as Information Technology ("IT") outsourcing, cloud computing and virtualization are widely adopted;
- (2) Consumer Discretionary. Auto companies equities, such as MBM Resources and Bermaz Auto continue to perform underpinned by cheap/ fair valuation and attractive sustainable dividend yields; and
- (3) Energy. Relatively high oil prices and years of underinvestment has turned beneficial to services/ support companies. The Fund's holding in companies like Dayang Enterprise and Yinson Holdings are reaping the benefits.

Relative to the KLCI, only two sectors detracted value to the outperformance:

- (1) IT. The Fund's overweight position in IT did not benefit the Fund as the sector suffered valuation contraction brought on by rising rates and industry down cycle; and
- (2) Utilities. The Fund's underweight position in Tenaga detracted value as the stock starts to perform. Investors have generally turn more positive on Tenaga on the back of an Imbalance Cost Pass-Through receivables recovery.

#### Has the Fund met its objective?

The Fund has met its investment objective of achieving capital growth in the medium-to-long term as it has posted positive returns and outperformed its benchmark for the 3 years and 5 years.

##### 3. Annual total return of Class of Units

###### Class A-MYR

For the financial year ended	2023 %	2022 %	2021 %	2020 %	2019 %
Capital growth	(0.33)	(7.03)	11.18	2.40	(12.41)
Income distribution	3.35	3.00	2.63	-	6.56
Total return	3.01	(4.23)	14.11	2.40	(6.66)
Benchmark	(3.98)	(5.58)	4.99	(5.39)	(11.40)

###### Class C-MYR

For the financial year ended	2023 %	2022 %	2021 %	2020 %	2019 %
Capital growth	0.32	(6.82)	11.46	2.60	(12.84)
Income distribution	2.91	2.91	2.57	-	7.20
Total return	3.24	(4.11)	14.33	2.60	(6.56)
Benchmark	(3.98)	(5.58)	4.99	(5.39)	(11.40)

## MAYBANK MALAYSIA VALUE FUND

### Manager's report

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

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

##### 3. Annual total return of Class of Units (cont'd)

###### Class B-USD (terminated on 15 October 2021)

For the financial year ended	2023 %	2022 %	2021 %	2020 %	2019 %
Capital growth	-	-	14.39	3.36	(8.50)
Income distribution	-	-	-	-	-
Total return	-	-	14.39	3.36	(8.50)
Benchmark	-	-	5.21	(4.48)	(13.43)

###### Class C-USD (terminated on 15 October 2021)

For the financial year ended	2023 %	2022 %	2021 %	2020 %	2019 %
Capital growth	-	-	14.63	3.58	(8.71)
Income distribution	-	-	-	-	-
Total return	-	-	14.63	3.58	(8.71)
Benchmark	-	-	5.21	(4.48)	(13.43)

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

##### 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

Global equity markets were volatile, as the investors were faced with plethora of challenges that began with the Russia-Ukraine war, sharp rise in inflation, aggressive monetary policy tightening and ultimately the risks of a global recession. Equity markets staged a rebound in late 2022 largely driven by signs that the pace of interest rate hikes in the US is slowing and inflation could have peaked. Investors began bargain hunting especially on stocks that were deemed oversold which were broadly in the growth sectors. These stocks were earlier sold-off on valuation de-rating amidst the rising interest rates and inflation. Indeed, 2023 started well as the outlook for the global economy looks better than expected, with the United States ("US") and Europe showing resiliency helped by the lower energy prices and the re-opening economy in China. However, this was quickly dampened by the developments in the global banking sector that posed new uncertainty on the direction of monetary policy. While the Developed Market ("DM") financial sector events were distinctive and has stopped short of a systematic risk, it does potentially lead to tighter lending environment and slower economic activity. In June 2023 and July 2023, equity markets did saw a rally but was narrowed to the Artificial Intelligence ("AI") theme which dominated to mostly stocks that benefit from this frenzy. However, this was short-lived as market fell on higher yields and weak data from China in August 2023.

## **MAYBANK MALAYSIA VALUE FUND**

### **Manager's report**

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

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

Standard and Poor's 500 ("S&P 500") and Dow Jones performed, rising 14.0% and 10.2% respectively. European markets were also positive, with the Stoxx 50 up by 22.2%. North Asia was mixed, with Japan and Taiwan gaining 16.1% and 10.2% respectively whereas Hong Kong and Shanghai was down by 7.9% and 2.6% respectively. Association of Southeast Asian Nations ("ASEAN") was also mixed during the year under review. Singapore was up slightly at 0.4% whereas the other markets saw a decline, with Philippines being the worst performer, down 6.2%, followed by Thailand -4.5% and

Domestically, the FBM KLCI was also down 4.0%. However, the broader market FTSE Bursa Malaysia Emas Index ("FBM Emas Index") performed better, posting a slight gain of 0.4%. FTSE Bursa Malaysia SmallCap Index ("FBM SmallCap Index") was also up, chalking a spectacular gain of 11.8%. Bank Negara Malaysia ("BNM") raised the overnight policy rate three times, bringing it up to 3.0%. 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, gloves and plantation.

#### **D. Market Outlook and 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. Whilst the narrative has turned less negative due to signs of peaking interest rate hike cycle, the risk of global slowdown still remains. For Malaysia, downward revisions on corporate earnings is also 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.

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

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

During the financial year ended 31 August 2023, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders. The soft commissions received were for the benefit of the Fund and there was no churning of trades.

## **MAYBANK MALAYSIA VALUE FUND**

### **Manager's report**

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

#### **F. Declaration on the soft commission/ rebates received from brokers/ dealers**

The soft commissions received are in the form of Bloomberg annual subscriptions and terminals. These are retained by the company as it is of demonstrable benefit to unitholders of the Funds as per requirements by the Securities Commission ("SC") under clause 11.25 of the SC's Guidelines On Unit Trust Funds.

#### **G. Securities Financing Transactions and Cross Trade Transactions**

The Fund has not undertaken any securities lending or repurchase transaction ("securities financing transactions") in FY2023. No cross trade transactions have been carried out in FY2023.

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF MAYBANK MALAYSIA VALUE FUND ("Fund")**

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

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

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring  
Kuala Lumpur  
21 October 2023

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK MALAYSIA VALUE FUND**

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 Value Fund as at 31 August 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 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 October 2023

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

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

#### *Opinion*

We have audited the financial statements of Maybank Malaysia Value Fund (the "Fund"), which comprise the statement of financial position as at 31 August 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 ended 31 August 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 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 Value 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 Value 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 Value 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 October 2023

**MAYBANK MALAYSIA VALUE FUND**

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

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME/ (LOSS)</b>			
Dividend income		15,693,841	6,944,614
Interest income		928,475	318,515
Net loss from investments on financial assets at fair value through profit or loss ("FVTPL"):			
- Realised (loss)/ gain		(3,750,962)	1,044,087
- Unrealised loss		(4,228,011)	(17,855,137)
Net gain on foreign exchange	3	2,336,555	3,180,448
		<u>10,979,898</u>	<u>(6,367,473)</u>
<b>EXPENSES</b>			
Manager's fee	4	3,176,616	3,275,657
Trustee's fee	5	188,226	193,650
Auditor's remuneration		10,850	15,650
Tax agent's fee		3,900	3,860
Brokerage and other transaction fees		269,145	312,671
Administrative expenses		119,607	200,840
		<u>3,768,344</u>	<u>4,002,328</u>
<b>Net results before distribution and taxation</b>		7,211,554	(10,369,801)
Distribution to unitholders			
Class A-MYR	14(a)	(1,730,676)	(1,863,193)
Class C-MYR	14(b)	(5,135,125)	(4,990,188)
		<u>(6,865,801)</u>	<u>(6,853,381)</u>
<b>Net results before taxation</b>		345,753	(17,223,182)
Taxation	6	(97,270)	(65,370)
<b>Net results after taxation, representing total comprehensive income/ (loss) for the financial year</b>		<u>248,483</u>	<u>(17,288,552)</u>
<b>Net results after taxation is made up of the following:</b>			
Realised income/ (loss)		2,723,550	(1,504,128)
Unrealised loss		(2,475,067)	(15,784,424)
		<u>248,483</u>	<u>(17,288,552)</u>

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

**MAYBANK MALAYSIA VALUE FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (CONT'D)**

	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>
<b>Distributions for the financial year:</b>			
<b>Class A-MYR</b>			
Net distribution for the year	14(a)	<u>1,730,676</u>	<u>1,863,193</u>
Gross distribution per unit (sen)	14(a)	<u>1.00</u>	<u>0.95</u>
Net distribution per unit (sen)	14(a)	<u>1.00</u>	<u>0.90</u>
Distribution date (ex-date)		Kindly refer Note 14	
<b>Class C-MYR</b>			
Net distribution for the year	14(b)	<u>5,135,125</u>	<u>4,990,188</u>
Gross distribution per unit (sen)	14(b)	<u>1.00</u>	<u>1.02</u>
Net distribution per unit (sen)	14(b)	<u>1.00</u>	<u>1.00</u>
Distribution date (ex-date)		Kindly refer Note 14	

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

**MAYBANK MALAYSIA VALUE FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2023**

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	197,318,165	186,314,906
Deposit with a licensed financial institution	8	5,876,472	25,834,042
Dividend receivable		76,833	121,452
Interest receivable		950	3,185
Other receivables		80,298	80,298
Amount due from brokers	9	2,149,722	-
Amount due from Manager	10	1,148	-
Cash at banks	11	33,908,997	28,846,690
<b>TOTAL ASSETS</b>		<b><u>239,412,585</u></b>	<b><u>241,200,573</u></b>
<b>LIABILITIES</b>			
Amount due to Manager	10	390,431	302,755
Amount due to Trustee	12	15,797	16,151
Amount due to brokers	9	3,020,836	-
Provision for tax		48,641	25,757
Distribution payable		6,865,801	-
Other payables and accruals		21,917	17,994
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<b><u>10,363,423</u></b>	<b><u>362,657</u></b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b><u>229,049,162</u></b>	<b><u>240,837,916</u></b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' contribution	13 (a)	207,284,006	219,321,243
Retained earnings	13 (b) & (c)	21,765,156	21,516,673
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b><u>229,049,162</u></b>	<b><u>240,837,916</u></b>

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

**MAYBANK MALAYSIA VALUE FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2023 (CONT'D)**

	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>
<b>NAV BY CLASS</b>	13(a)		
Class A-MYR		51,748,844	64,026,911
Class C-MYR		177,300,318	176,811,005
Class B-USD*		-	-
Class C-USD*		-	-
		<b><u>229,049,162</u></b>	<b><u>240,837,916</u></b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	13(a)		
Class A-MYR		172,872,544	213,132,772
Class C-MYR		513,512,502	513,512,502
Class B-USD*		-	-
Class C-USD*		-	-
		<b><u>686,385,046</u></b>	<b><u>726,645,274</u></b>
<b>NAV PER UNIT</b>			
Class A-MYR		RM 0.2993	RM 0.3004
Class C-MYR		RM 0.3453	RM 0.3443
Class B-USD*		-	-
Class C-USD*		-	-

\* Class B-USD and Class C-USD were terminated on 15 October 2021 and the final repayment of capital to the unitholders were based on NAV price per unit of USD0.8569 and USD0.9327 respectively.

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

**MAYBANK MALAYSIA VALUE FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

	<b>Unitholders' contribution Note 13 (a) RM</b>	<b>Retained earnings Note 13 (b) &amp; 13 (c) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 September 2022	219,321,243	21,516,673	240,837,916
Total comprehensive income for the financial year	-	248,483	248,483
Creation of units	2,006,524	-	2,006,524
Cancellation of units	(14,043,761)	-	(14,043,761)
At 31 August 2023	<u>207,284,006</u>	<u>21,765,156</u>	<u>229,049,162</u>
At 1 September 2021	217,304,468	38,666,239	255,970,707
Total comprehensive loss for the financial year	-	(17,288,552)	(17,288,552)
Creation of units	6,123,931	-	6,123,931
Reinvestment of units	6,853,381	-	6,853,381
Cancellation of units	(10,821,551)	-	(10,821,551)
Transferred from retained earnings to unitholders' contribution upon termination of Class B-USD and Class C-USD	(138,986)	138,986	-
At 31 August 2022	<u>219,321,243</u>	<u>21,516,673</u>	<u>240,837,916</u>

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



**MAYBANK MALAYSIA VALUE FUND****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 disposal of investments at FVTPL	38,074,021	102,961,211
Net payment for purchase of investments at FVTPL	(54,633,644)	(83,263,976)
Dividends received	15,730,861	6,919,810
Interest income received	930,710	31,751
Manager's fee paid	(3,184,150)	(3,292,460)
Trustee's fee paid	(188,580)	(194,608)
Payment of other fees and expenses	(189,879)	(173,412)
Net cash (used in)/ generated from operating and investing activities	<u>(3,460,661)</u>	<u>23,274,416</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	2,005,376	6,123,931
Cash paid on units cancelled	(13,948,552)	(11,042,756)
Net cash used in financing activities	<u>(11,943,176)</u>	<u>(4,918,825)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR</b>		
	(15,403,837)	18,355,591
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		
	54,680,732	34,136,212
Effects of foreign exchange	508,574	2,188,929
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		
	<u>39,785,469</u>	<u>54,680,732</u>
Cash and cash equivalents comprise :		
Cash at banks (Note 11)	33,908,997	28,846,690
Deposit with a licensed financial institution with maturity of less than 3 months (Note 8)	5,876,472	25,834,042
	<u>39,785,469</u>	<u>54,680,732</u>

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

## **MAYBANK MALAYSIA VALUE FUND**

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

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

Maybank Malaysia Value Fund ("Fund") was constituted pursuant to the executed Deed dated 4 December 2002 between Amanah Mutual Berhad ("AMB") as the Manager and HSBC (Malaysia) Trustee Berhad as the Trustee and the Registered Holders of the Fund. The following Supplemental Deeds have been issued between AMB and the Trustee:

- First Supplemental Deed dated 12 March 2012
- Second Supplemental Deed dated 20 June 2012
- Third Supplemental Deed dated 27 January 2016

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

Subsequently, MAM and the Trustee has entered into the Fourth Supplemental Deed dated 4 September 2018, Fifth Supplemental Deed dated 11 July 2019, Sixth Supplemental Deed dated 5 August 2022 and Seventh Supplemental Deed dated 8 August 2023. The Deed and Supplemental Deeds are subsequently referred to as 'Deeds'.

Prior to 23 December 2019, the Fund had 7 Classes of Units namely Class A-MYR, C-MYR, B-USD, C-USD, B-SGD, A-JPY and B-JPY. Effective 23 December 2019, Class B-SGD, Class A-JPY and Class B-JPY were terminated and removed from the Replacement Master Prospectus dated 17 January 2020. Effective 15 October 2021, Class B-USD and Class C-USD were terminated and removed from the Replacement Master Prospectus dated 8 May 2023.

The Fund seeks to provide investors with capital growth through investments in securities that are trading at a discount to their intrinsic values, while minimising the risk in the medium to long term. Up to 25% of the Fund's NAV may also be invested in the Asia Pacific markets. The Fund may also invest in stocks that derive the majority of their revenue from the Asia Pacific markets.

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 21 October 2023.

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

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

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

## MAYBANK MALAYSIA VALUE 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 are prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to Note 2.14 to the financial statements.

All amounts are stated in Ringgit Malaysia ("RM") except for the NAV per unit for non-MYR classes which are stated in United States Dollar ("USD").

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

The following are Standards, 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
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 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 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

#### 2.3 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FVTPL are recognised immediately in profit or loss.

## MAYBANK MALAYSIA VALUE FUND

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

#### 2.4 Financial assets

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

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

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

Unless designated 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 on the principal amount outstanding.

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

The Fund classifies cash and cash equivalents, interest receivable, dividend receivable, other receivables, amounts due from brokers and amount due from Manager as financial assets at amortised cost. These assets are subsequently measured using the effective interest rate EIR method and are subject to impairment. The EIR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the interest income in profit or loss over the relevant period.

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

Investments in quoted equities 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.

## MAYBANK MALAYSIA VALUE 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 income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

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

Changes in the fair value of FVTPL investments are recognised in 'unrealised 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 of financial assets

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 (e.g. interest receivable and dividend receivable), full impairment will be recognised on uncollected balances after the grace period.

## **MAYBANK MALAYSIA VALUE FUND**

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

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

##### **(iv) Derecognition of financial assets**

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

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

On derecognition of financial asset at amortised cost, 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 liabilities. The Fund classifies amount due to Trustee, amount due to Manager, amount due to brokers, distribution payable and other payables and accruals as other financial liabilities.

##### **(ii) Recognition and measurement**

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR method.

##### **(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.

## MAYBANK MALAYSIA VALUE FUND

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

#### 2.6 Fair value measurement

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

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

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

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

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 Unitholders' contribution

The unitholders' contribution to the Fund are classified as liabilities under MFRS 132: *Financial Instruments: Presentation* as they are puttable instruments whereby the unitholders have the right to redeem their units in the Fund at their option.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder 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 unit holders with the total number of outstanding units.

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

## **MAYBANK MALAYSIA VALUE FUND**

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

#### **2.8 Distributions**

Any distribution to the Fund's unitholders is accounted for as a deduction from profit or loss and recognised in the statement of comprehensive income except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' contribution. A proposed dividend is recognised as a liability in the period in which it is approved. Distribution is declared at the discretion of the Fund Manager based on the availability of distributable income.

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

#### **2.9 Cash and cash equivalents**

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

#### **2.10 Revenue/ Income**

Revenue/ Income is measured at 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.

Interest income is recognised using the EIR method.

Realised gain or loss on disposal of investments is 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 asset.

#### **2.11 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.

In some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Fund. The Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income. No deferred tax is recognised as no temporary differences have been identified.



## MAYBANK MALAYSIA VALUE FUND

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

#### 2.12 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.

#### 2.13 Functional and foreign currency

##### (a) Functional and presentation currency

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

##### (b) Foreign currency transactions

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

#### 2.14 Critical accounting estimates and judgments

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 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.

### 3. NET GAIN ON FOREIGN EXCHANGE

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Realised foreign exchange gain	583,611	1,109,735
Unrealised foreign exchange gain	1,752,944	2,070,713
	<u>2,336,555</u>	<u>3,180,448</u>

## MAYBANK MALAYSIA VALUE FUND

### 4. MANAGER'S FEE

The Manager's fee is computed at the following rate per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for that particular day.

Share Class	Rate p.a.	
	2023	2022
Class A-MYR	1.50%	1.50%
Class C-MYR	1.30%	1.30%
Class B-USD*	1.50%	1.50%
Class C-USD*	1.30%	1.30%

\* Class B-USD and C-USD were terminated on 15 October 2021.

The annual management fee is calculated as a percentage of the NAV of the respective Classes, and accrued on a daily basis.

### 5. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.08% p.a. (2022: 0.08% p.a.) of the NAV of the respective Classes of Units, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM18,000 p.a. (2022: RM18,000 p.a.).

### 6. TAXATION

	2023 RM	2022 RM
Current income tax expense		
- foreign	96,233	65,370
- local	1,037	-
	<u>97,270</u>	<u>65,370</u>

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, dividend and interest income earned by the Fund is exempted from tax. Dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.

Income derived from sources outside Malaysia may be subject to tax in the country from which it is derived. Tax on dividend income from foreign quoted equities is based on the tax regime of the respective countries that the Fund invests in.

## MAYBANK MALAYSIA VALUE FUND

### 6. TAXATION (CONT'D)

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net results before tax	345,753	(17,223,182)
Tax at Malaysian statutory rate of 24% (2022: 24%)	82,981	(4,133,564)
Income not subject to tax	(4,467,493)	(2,757,039)
Loss not deductible for tax purpose	1,914,954	4,285,233
Expenses not deductible for tax purposes	2,552,195	2,605,370
Income taxed at source	14,633	65,370
Tax expense for the financial year	<u>97,270</u>	<u>65,370</u>

### 7. FINANCIAL ASSETS AT FVTPL

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>RM</b>	<b>RM</b>
Quoted equities - Foreign	(a)	21,164,178	24,055,683
Quoted equities - Local	(b)	176,153,987	162,259,223
		<u>197,318,165</u>	<u>186,314,906</u>

<b>2023</b>	<b>Quantity</b>	<b>Aggregate</b>	<b>Market</b>	<b>Percentage</b>
	<b>Unit</b>	<b>cost</b>	<b>value</b>	<b>of NAV</b>
		<b>RM</b>	<b>RM</b>	<b>%</b>
<b>(a) Quoted equities - Foreign</b>				
<b>Hong Kong</b>				
Alibaba Group Holding Ltd	52,000	3,443,360	2,776,636	1.21
Meituan	3,000	279,806	237,937	0.10
Sunny Optical Technology Group Co Ltd	47,000	3,459,439	1,783,283	0.78
Tencent Holdings Ltd	12,000	2,093,999	2,310,574	1.01
Trip.com Group Ltd	16,000	2,562,253	2,901,101	1.27
	<u>130,000</u>	<u>11,838,857</u>	<u>10,009,531</u>	<u>4.37</u>

**MAYBANK MALAYSIA VALUE 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 - Foreign (cont'd)</b>				
<b>Singapore</b>				
CapitalLand Ascendas Real Estate Investment Trust ("REIT")	260,000	2,428,683	2,491,749	1.09
DBS Group Holdings Ltd	25,000	2,841,984	2,846,756	1.24
Mapletree Logistics Trust	450,000	2,504,754	2,596,860	1.13
United Overseas Bank Ltd	33,000	2,838,202	3,219,282	1.41
	<u>768,000</u>	<u>10,613,623</u>	<u>11,154,647</u>	<u>4.87</u>
Total quoted equities - Foreign	<u>898,000</u>	<u>22,452,480</u>	<u>21,164,178</u>	<u>9.24</u>
<b>(b) Quoted equities - Local</b>				
<b>Construction</b>				
AME REITs	185,200	209,276	233,352	0.10
Gabungan AQRS Bhd	3,436,200	3,585,390	1,271,394	0.56
Gamuda Bhd	501,711	1,778,473	2,257,700	0.99
IJM Corporation Bhd	1,432,000	2,799,033	2,534,640	1.11
	<u>5,555,111</u>	<u>8,372,172</u>	<u>6,297,086</u>	<u>2.76</u>
<b>Consumer Products and Services</b>				
Bermaz Auto Bhd	2,146,700	4,667,163	4,808,608	2.10
Carlsberg Brewery Malaysia Bhd	103,100	2,326,377	2,082,620	0.91
Fraser and Neave Holdings Bhd	139,500	3,359,104	3,557,250	1.55
Genting Malaysia Bhd	950,000	2,457,336	2,441,500	1.07
Magnum Bhd	1,944,200	4,401,522	2,313,598	1.01
MBM Resources Bhd	1,353,000	4,522,917	5,614,950	2.45

**MAYBANK MALAYSIA VALUE FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - Local (cont'd)</b>				
<b>Consumer Products and Services (cont'd)</b>				
Padini Holdings Berhad	520,800	1,812,207	2,057,160	0.90
	<u>7,157,300</u>	<u>23,546,626</u>	<u>22,875,686</u>	<u>9.99</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	2,800,000	3,380,170	4,872,000	2.13
Hibiscus Petroleum Bhd	6,520,900	6,696,313	6,227,460	2.72
Yinson Holdings Bhd	2,021,600	4,929,006	5,074,216	2.22
	<u>11,342,500</u>	<u>15,005,489</u>	<u>16,173,676</u>	<u>7.07</u>
<b>Finance</b>				
Alliance Bank (M) Bhd	2,150,000	7,597,925	7,417,500	3.24
CIMB Group Holdings Bhd	2,390,278	11,327,319	13,457,265	5.88
Hong Leong Group Bhd	419,000	7,775,262	8,363,240	3.65
Hong Leong Financial Group Bhd	345,000	5,815,815	6,285,900	2.74
MBB *	1,295,713	10,755,358	11,803,945	5.15
Public Bank Bhd	1,828,000	7,104,536	7,732,440	3.38
RHB Bank Bhd	1,713,439	9,130,343	9,612,393	4.20
	<u>10,141,430</u>	<u>59,506,558</u>	<u>64,672,683</u>	<u>28.24</u>

**MAYBANK MALAYSIA VALUE FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - Local (cont'd)</b>				
<b>Industrial Products</b>				
Press Metal Aluminium Holdings Bhd	941,700	4,356,697	4,567,245	1.99
SKP Resources Bhd	1,546,700	1,819,283	1,492,566	0.65
Sunway Bhd	1,200,000	2,404,800	2,388,000	1.04
Thong Guan Industries Bhd	350,300	858,755	704,103	0.31
UCHI Technologies Bhd	519,800	1,725,880	1,866,082	0.81
VS Industry Bhd	2,606,600	2,555,777	2,502,336	1.09
	<u>7,165,100</u>	<u>13,721,192</u>	<u>13,520,332</u>	<u>5.89</u>
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	133,000	3,329,010	2,864,820	1.25
Sime Darby Plantation Bhd	350,000	1,566,781	1,536,500	0.67
	<u>483,000</u>	<u>4,895,791</u>	<u>4,401,320</u>	<u>1.92</u>
<b>Property</b>				
Matrix Concepts Holdings Bhd	2,841,350	4,105,450	4,347,266	1.90
<b>Technology</b>				
Malaysian Pacific Industries Bhd	30,000	333,986	864,000	0.38
Pentamaster Corporation Bhd	280,600	1,182,626	1,484,374	0.65
	<u>310,600</u>	<u>1,516,612</u>	<u>2,348,374</u>	<u>1.03</u>

**MAYBANK MALAYSIA VALUE FUND**

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

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - Local (cont'd)</b>				
<b>Telecommunications and Media</b>				
Telekom Malaysia Bhd	1,181,524	6,697,738	6,025,772	2.63
Time dotCom Bhd	1,311,800	5,763,722	7,214,900	3.15
	<u>2,493,324</u>	<u>12,461,460</u>	<u>13,240,672</u>	<u>5.78</u>
<b>Transportation and Logistics</b>				
Malaysia Airports Holdings Bhd	201,290	1,301,397	1,483,507	0.65
MISC Bhd	700,000	4,905,145	5,040,000	2.20
	<u>901,290</u>	<u>6,206,542</u>	<u>6,523,507</u>	<u>2.85</u>
<b>Utilities</b>				
Gas Malaysia Bhd	621,900	2,136,033	1,896,795	0.83
Malakoff Corporation Bhd	4,044,600	3,924,426	2,366,091	1.03
Mega First Corporation Bhd	1,130,000	2,930,236	3,762,900	1.64
Tenaga Nasional Bhd	815,000	8,595,998	8,019,600	3.50
YTL Corporation Bhd	2,000,000	2,625,400	3,140,000	1.37
YTL Power International Bhd	1,200,000	2,242,080	2,567,999	1.12
	<u>9,811,500</u>	<u>22,454,173</u>	<u>21,753,385</u>	<u>9.49</u>
Total quoted equities - Local	<u>58,202,505</u>	<u>171,792,065</u>	<u>176,153,987</u>	<u>76.92</u>
<b>Total quoted equities</b>	<u>59,100,505</u>	<u>194,244,545</u>	<u>197,318,165</u>	<u>86.16</u>
<b>Unrealised gain on quoted equities **</b>			<u><b>3,073,620</b></u>	

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

\*\* The unrealised gain on quoted equities comprise the amounts arising from changes in fair values and effects from foreign exchange.

**MAYBANK MALAYSIA VALUE FUND**

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

2022	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - Foreign</b>				
<b>Hong Kong</b>				
Alibaba Group Holding Ltd	52,000	4,424,196	2,822,223	1.17
JD.com Inc	238	37,984	33,514	0.01
Sunny Optical Technology Group Co Ltd	12,000	1,497,054	732,692	0.30
Tencent Holdings Ltd	5,000	1,339,963	922,422	0.38
	<u>69,238</u>	<u>7,299,197</u>	<u>4,510,851</u>	<u>1.86</u>
<b>Singapore</b>				
AEM Holdings Ltd	168,100	1,879,854	2,462,673	1.02
DBS Group Holdings Ltd	59,741	5,654,229	6,283,155	2.61
United Overseas Bank Ltd	68,000	5,848,416	5,942,417	2.47
Ascendes REIT	260,000	2,428,683	2,395,187	0.99
Mapletree Logistics Trust	450,000	2,504,754	2,461,400	1.02
	<u>1,005,841</u>	<u>18,315,936</u>	<u>19,544,832</u>	<u>8.11</u>
Total quoted equities - Foreign	<u>1,075,079</u>	<u>25,615,133</u>	<u>24,055,683</u>	<u>9.97</u>
<b>(b) Quoted equities - Local</b>				
<b>Construction</b>				
Gabungan AQRS Bhd	3,436,200	3,585,390	1,065,222	0.44
Gamuda Bhd	484,115	1,719,842	1,849,319	0.77
IJM Corporation Bhd	1,432,000	2,799,033	2,448,720	1.02
	<u>5,352,315</u>	<u>8,104,265</u>	<u>5,363,261</u>	<u>2.23</u>



**MAYBANK MALAYSIA VALUE FUND**

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - Local (cont'd)</b>				
<b>Consumer Products and Services</b>				
Carlsberg Brewery Malaysia Bhd	123,100	2,777,662	2,850,996	1.18
Fraser and Neave Holdings Bhd	101,000	2,496,440	2,260,380	0.94
Genting Malaysia Bhd	1,050,000	2,742,150	3,139,500	1.30
Heineken Malaysia Bhd	120,000	2,871,948	2,829,600	1.17
Magnum Bhd	2,654,223	6,008,961	4,326,383	1.80
MBM Resources Bhd	1,236,300	4,138,341	4,327,050	1.80
	<u>5,284,623</u>	<u>21,035,502</u>	<u>19,733,909</u>	<u>8.19</u>
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	2,100,000	2,949,260	2,331,000	0.91
Hibiscus Petroleum Bhd	5,372,900	5,397,263	5,695,274	2.36
Yinson Holdings Bhd	901,600	2,254,754	1,902,376	0.79
Yinson Holdings Bhd - Warrants	110,400	-	62,928	0.03
	<u>7,384,900</u>	<u>8,669,417</u>	<u>8,750,578</u>	<u>3.63</u>
<b>Finance</b>				
Alliance Bank (M) Bhd	2,150,000	7,597,925	7,589,500	3.15
CIMB Group Holdings Bhd	2,339,275	11,084,035	12,561,907	5.22
Hong Leong Group Bhd	419,000	7,775,262	8,757,100	3.64

**MAYBANK MALAYSIA VALUE FUND**

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - Local (cont'd)</b>				
<b>Finance (cont'd)</b>				
Hong Leong Financial Group Bhd	345,000	5,815,815	6,699,900	2.78
MBB *	1,284,980	10,665,416	11,526,271	4.79
Public Bank Bhd	1,828,000	7,104,536	8,609,880	3.57
RHB Bank Bhd	1,678,667	8,961,640	9,635,549	4.00
	<u>10,044,922</u>	<u>59,004,629</u>	<u>65,380,107</u>	<u>27.15</u>
<b>Industrial Products</b>				
Press Metal Aluminium Holdings Bhd	541,700	2,356,177	2,589,326	1.08
SKP Resources Bhd	3,046,700	3,583,635	5,179,390	2.15
Thong Guan Industries Bhd	1,315,000	3,223,701	3,366,400	1.40
VS Industry Bhd	2,606,600	2,555,777	2,632,666	1.09
	<u>7,510,000</u>	<u>11,719,290</u>	<u>13,767,782</u>	<u>5.72</u>
<b>Plantation</b>				
Kuala Lumpur Kepong Bhd	133,000	3,329,010	3,077,620	1.28
Sarawak Oils Bhd	1,074,750	2,481,686	2,966,310	1.23
Sime Darby Plantation Bhd	550,000	2,462,085	2,453,000	1.02
	<u>1,757,750</u>	<u>8,272,781</u>	<u>8,496,930</u>	<u>3.53</u>
<b>Property</b>				
Matrix Concepts Holdings Bhd	1,090,900	2,279,550	2,476,343	1.03

**MAYBANK MALAYSIA VALUE FUND**

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - Local (cont'd)</b>				
<b>Technology</b>				
Inari Amerton Bhd	470,800	935,664	1,275,868	0.53
Malaysian Pacific Industries Bhd	71,500	796,000	2,199,340	0.91
Pentamaster Corporation Bhd	280,600	1,182,626	1,133,624	0.47
Unisem Malaysia Bhd	832,800	1,596,691	2,298,528	0.95
	<u>1,655,700</u>	<u>4,510,981</u>	<u>6,907,360</u>	<u>2.86</u>
<b>Telecommunications and Media</b>				
Telekom Malaysia Bhd	975,300	5,604,213	5,822,541	2.42
Time dotCom Bhd	1,311,800	5,763,722	6,257,286	2.60
	<u>2,287,100</u>	<u>11,367,935</u>	<u>12,079,827</u>	<u>5.02</u>
<b>Transportation and Logistics</b>				
Lingkar Trans Kota Holdings Bhd	1,475,900	6,397,199	7,202,392	2.99
MISC Bhd	350,000	2,278,325	2,485,000	1.03
	<u>1,825,900</u>	<u>8,675,524</u>	<u>9,687,392</u>	<u>4.02</u>

**MAYBANK MALAYSIA VALUE FUND**

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

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - Local (cont'd)</b>				
<b>Utilities</b>				
Malakoff Corporation Bhd	4,044,600	3,924,426	2,810,997	1.17
Mega First Corporation Bhd	1,130,000	2,930,236	4,101,900	1.70
Taliworks Corporation Bhd	103,500	92,875	95,737	0.04
Tenaga Nasional Bhd	290,000	3,583,097	2,607,100	1.08
	<u>5,568,100</u>	<u>10,530,634</u>	<u>9,615,734</u>	<u>3.99</u>
Total quoted equities - Local	<u>49,762,210</u>	<u>154,170,508</u>	<u>162,259,223</u>	<u>67.37</u>
<b>Total quoted equities</b>	<b><u>50,837,289</u></b>	<b><u>179,785,641</u></b>	<b><u>186,314,906</u></b>	<b><u>77.34</u></b>
<b>Unrealised gain on quoted equities **</b>			<b><u>6,529,265</u></b>	

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

\*\* The unrealised gain on quoted equities comprise the amounts arising from changes in fair values and effects from foreign exchange.

**8. DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION**

	2023 RM	2022 RM
Short-term placement with a licensed financial institution with maturity of:		
- Less than 3 months	<u>5,876,472</u>	<u>25,834,042</u>
Deposits with related parties:		
- MBB	<u>5,876,472</u>	<u>25,834,042</u>

The weighted average effective interest rate ("WAEIR") of deposit and average maturity of deposit with a licensed financial institution as at the reporting date were as follows:

	2023		2022	
	WAEIR % p.a.	Average Maturity Days	WAEIR % p.a.	Average Maturity Days
Deposit with a licensed financial institution	<u>2.95</u>	<u>1</u>	<u>1.60</u>	<u>2</u>

## MAYBANK MALAYSIA VALUE FUND

### 9. AMOUNT DUE FROM/ (TO) BROKERS

The amount due from/ (to) brokers relates to the amount receivable/ (payable) to brokers arising from the sales/ (purchases) of investments. The settlement period for this receivable/ (payable) is within 2-3 working days from the deal date.

### 10. AMOUNT DUE FROM/ (TO) MANAGER

	Note	2023 RM	2022 RM
Amount due from Manager is in respect of:			
Subscription of units	(i)	<u>1,148</u>	<u>-</u>
Amount due to Manager is in respect of:			
Cancellation of units	(i)	124,752	29,542
Manager's fee	(ii)	<u>265,679</u>	<u>273,213</u>
		<u>390,431</u>	<u>302,755</u>

#### Notes:

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

### 11. CASH AT BANKS

The table below indicates the currencies that the Fund have in cash at banks as at the reporting date:

	2023 RM	2022 RM
USD	33,878,811	28,822,798
RM	<u>30,186</u>	<u>23,892</u>
	<u>33,908,997</u>	<u>28,846,690</u>

### 12. AMOUNT DUE TO TRUSTEE

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

### 13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	2023 RM	2022 RM
Unitholders' contribution	(a)	207,284,006	219,321,243
Accumulated realised income	(b)	15,316,777	12,593,227
Accumulated unrealised income	(c)	<u>6,448,379</u>	<u>8,923,446</u>
		<u>229,049,162</u>	<u>240,837,916</u>

**MAYBANK MALAYSIA VALUE FUND**

**13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)**

**(a) Unitholders' contribution**

The units are distributed based on the following classes:

		2023		2022	
		No. of units	RM	No. of units	RM
Class A-MYR	(i)	172,872,544	25,377,732	213,132,772	37,414,969
Class C-MYR	(ii)	513,512,502	181,906,274	513,512,502	181,906,274
Class B-USD*	(iii)	-	-	-	-
Class C-USD*	(iv)	-	-	-	-
		<u>686,385,046</u>	<u>207,284,006</u>	<u>726,645,274</u>	<u>219,321,243</u>

\* Class B-USD and C-USD were terminated on 15 October 2021.

**(i) Class A-MYR**

At the beginning of the financial year	213,132,772	37,414,969	221,202,507	40,154,049
Creation of units	6,683,064	2,006,524	20,176,130	6,123,931
Reinvestment of units	-	-	6,202,375	1,863,193
Cancellation of units	<u>(46,943,292)</u>	<u>(14,043,761)</u>	<u>(34,448,240)</u>	<u>(10,726,204)</u>
At the end of the financial year	<u>172,872,544</u>	<u>25,377,732</u>	<u>213,132,772</u>	<u>37,414,969</u>

**(ii) Class C-MYR**

At the beginning of the financial year	513,512,502	181,906,274	499,018,782	176,916,086
Reinvestment of units	-	-	14,493,720	4,990,188
At the end of the financial year	<u>513,512,502</u>	<u>181,906,274</u>	<u>513,512,502</u>	<u>181,906,274</u>

**(iii) Class B-USD\***

At the beginning of the financial year	-	-	4,269	167,262
Cancellation of units	-	-	(4,269)	(15,286)
Transferred from accumulated realised loss upon termination	-	-	-	<u>(151,976)</u>
At the end of the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**(iv) Class C-USD\***

At the beginning of the financial year	-	-	20,500	67,071
Cancellation of units	-	-	(20,500)	(80,061)
Transferred from accumulated realised income upon termination	-	-	-	<u>12,990</u>
At the end of the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## MAYBANK MALAYSIA VALUE FUND

### 13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

#### (b) Accumulated realised income

	2023 RM	2022 RM
At the beginning of the financial year	12,593,227	13,958,369
Net realised gain/ (loss) for the financial year	2,723,550	(1,504,128)
Transferred to unitholders upon termination of Class-B USD and Class-C USD	-	138,986
At the end of the financial year	<u>15,316,777</u>	<u>12,593,227</u>

#### (c) Accumulated unrealised income

	2023 RM	2022 RM
At the beginning of the financial year	8,923,446	24,707,870
Net unrealised loss for the financial year	<u>(2,475,067)</u>	<u>(15,784,424)</u>
At the end of the financial year	<u>6,448,379</u>	<u>8,923,446</u>

#### (d) Classes of shares

##### (i) Types of classes of units

Classes of units	Currency	Categories of	Distribution Policy
Class A-MYR	RM	Retail	Distribution of income
Class C-MYR	RM	Institutional	Distribution of income
Class B-USD*	USD	Retail	Accumulation of units
Class C-USD*	USD	Institutional	Distribution of income

\* Class B-USD and C-USD were terminated on 15 October 2021.

There are different charges and features for each class as follows:

- Management fees (as disclosed in Note 4 to the financial statements)
- Initial investments for each class
- Additional minimum investment
- Minimum holdings for each class
- Income distribution policy

##### (ii) NAV computation

The computation of NAV of the Fund is based on the Fund's functional currency, RM, irrespective of the multiple classes of units (denominated in other currencies). Due to multiple classes in this Fund, the expenses of the Fund are apportioned based on the multi-class ratio, which is the size of the respective class relative to the whole Fund. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

## MAYBANK MALAYSIA VALUE FUND

### 13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

#### (d) Classes of shares (cont'd)

##### (iii) Redemption/ Cancellation of units by Unitholders

These units are cancellable at the unitholder's option. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

There is no restriction on the putting of the units back to the Fund (i.e. redemption), subject to the minimum redemption amount of units of each class and the minimum unit holding for each class. If the unit holdings of a unitholder are, after a redemption request, falls below the minimum unit holdings for the Fund, a request for full redemption is deemed to have been made.

### 14. DISTRIBUTIONS

The sources of distribution are as follows:

	2023 RM	2022 RM
<b>(a) Class A-MYR</b>		
Dividend income	2,343,196	1,846,230
Interest income	138,628	84,677
Net realised gain on sale of investments	-	572,595
Prior year realised gain	-	423,712
Less : Expenses	(751,148)	(1,064,021)
Net distribution	<u>1,730,676</u>	<u>1,863,193</u>
Gross distribution per unit (sen)	<u>1.00</u>	<u>0.95</u>
Net distribution per unit (sen)	<u>1.00</u>	<u>0.90</u>
Distribution date (ex-date)	<u>28 August 2023</u>	<u>25 August 2022</u>
<b>(b) Class C-MYR</b>		
Dividend income	6,669,310	5,098,384
Interest income	394,568	233,838
Net realised gain on sale of investments	-	1,581,227
Prior year realised gain	-	1,015,046
Less : Expenses	(1,928,753)	(2,938,307)
Net distribution	<u>5,135,125</u>	<u>4,990,188</u>
Gross distribution per unit (sen)	<u>1.00</u>	<u>1.02</u>
Net distribution per unit (sen)	<u>1.00</u>	<u>1.00</u>
Distribution date (ex-date)	<u>28 August 2023</u>	<u>25 August 2022</u>

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



## MAYBANK MALAYSIA VALUE FUND

### 14. DISTRIBUTIONS (CONT'D)

The composition of distributions are as follows:

Source of distribution	2023		2022	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
- Income distribution	6,865,801	100.00	5,414,623	79.01
- Capital distribution	-	-	1,438,758	20.99
	<u>6,865,801</u>	<u>100.00</u>	<u>6,853,381</u>	<u>100.00</u>

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

Details of transactions with top 10 brokers/ dealers for the current and previous financial year are as follows:

Brokers/ dealers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of brokerage fees %
<b>2023</b>				
Maybank Investment Bank Bhd ("MIBB") *	36,840,066	38.01	43,970	27.04
United Overseas Bank (M) Bhd	16,106,778	16.62	32,214	19.81
Hong Leong Investment Bank Bhd	11,049,777	11.40	22,100	13.59
Affin Hwang Investment Bank Bhd	8,168,341	8.43	16,337	10.05
Kenanga Investment Bank Bhd	7,580,715	7.82	15,161	9.32
Public Investment Bank Bhd	6,300,369	6.50	12,601	7.75
RHB Investment Bank Bhd	5,490,638	5.67	10,981	6.75
CIMB Investment Bank Bhd	2,444,067	2.52	4,888	3.01
MIDF Amanah Investment Bank Bhd	1,508,530	1.56	1,509	0.93
Nomura Securities (M) Sdn Bhd	1,431,632	1.47	2,863	1.75
	<u>96,920,913</u>	<u>100.00</u>	<u>162,624</u>	<u>100.00</u>
<b>2022</b>				
MIBB *	68,360,089	37.00	82,338	26.33
United Overseas Bank (M) Bhd	42,421,487	22.96	84,843	27.13
Public Investment Bank Bhd	19,486,256	10.54	38,973	12.47
RHB Investment Bank Bhd	14,027,601	7.59	28,072	8.98
CIMB Investment Bank Bhd	9,944,547	5.38	19,894	6.36
Kenanga Investment Bank Bhd	9,385,349	5.08	18,771	6.00
Hong Leong Investment Bank Bhd	8,457,630	4.58	16,915	5.41
Affin Hwang Investment Bank Bhd	8,435,928	4.56	16,872	5.40
JF Apex Securities Bhd	2,058,400	1.11	2,058	0.66
Nomura Securities (M) Sdn Bhd	1,709,265	0.92	3,419	1.09
Others	516,339	0.28	516	0.17
	<u>184,802,891</u>	<u>100.00</u>	<u>312,671</u>	<u>100.00</u>

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

## MAYBANK MALAYSIA VALUE FUND

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

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

Financial institution	2023		2022	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
MBB *	4,903,909,742	100.00	4,097,127,688	100.00

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

### 16. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

	2023 RM	2022 RM
<u>(i) Significant related party transactions</u>		
MBB:		
Dividend income	748,508	606,934
Interest income	555,430	308,799
<u>(ii) Significant related party balances</u>		
MBB:		
Investment in quoted equities	11,803,945	11,526,271
Deposit with a licensed financial institution	5,876,472	25,834,042
Interest receivable	950	3,185

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

The TER of the Fund is the ratio of sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors remuneration and other administrative expenses. For the financial year ended 31 August 2023, the TER of the Fund stood at 1.49% (2022: 1.52%).

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

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 August 2023, the PTR of the Fund stood at 0.20 times (2022: 0.38 times).

## **MAYBANK MALAYSIA VALUE FUND**

### **19. SEGMENT INFORMATION**

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

The PMC is responsible for the performance of the Fund by investing between 70% to 98% of the Fund's assets in shares, and between 2% to 30% of the Fund's assets in cash or fixed income securities (or a combination of both). The Fund may also invest up to 25% of its NAV in Asia Pacific markets, or in stocks that derive the majority of their revenue from the Asia Pacific markets.

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

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

There were no changes in the reportable operating segments during the financial year.

### **20. 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 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.

MAYBANK MALAYSIA VALUE FUND

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

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

	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	197,318,165	-	-	197,318,165
Deposits with a licensed financial institution	-	5,876,472	-	5,876,472
Dividend receivable	-	76,833	-	76,833
Interest receivable	-	950	-	950
Other receivables	-	80,298	-	80,298
Amount due from brokers	-	2,149,722	-	2,149,722
Amount due from Manager	-	1,148	-	1,148
Cash at banks	-	33,908,997	-	33,908,997
<b>Total financial assets</b>	<b>197,318,165</b>	<b>42,094,420</b>	<b>-</b>	<b>239,412,585</b>
<b>Liabilities</b>				
Amount due to Manager	-	-	390,431	390,431
Amount due to Trustee	-	-	15,797	15,797
Amount due to brokers	-	-	3,020,836	3,020,836
Distribution payable	-	-	6,865,801	6,865,801
Other payables and accruals	-	-	21,917	21,917
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>10,314,782</b>	<b>10,314,782</b>
<b>2022</b>				
<b>Assets</b>				
Financial assets at FVTPL	186,314,906	-	-	186,314,906
Deposits with a licensed financial institution	-	25,834,042	-	25,834,042
Dividend receivable	-	121,452	-	121,452
Interest receivable	-	3,185	-	3,185
Other receivables	-	80,298	-	80,298
Cash at banks	-	28,846,690	-	28,846,690
<b>Total financial assets</b>	<b>186,314,906</b>	<b>54,885,667</b>	<b>-</b>	<b>241,200,573</b>

**MAYBANK MALAYSIA VALUE FUND**

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

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

	<b>Financial instruments at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2022 (cont'd)</b>				
Amount due to Manager	-	-	302,755	302,755
Amount due to Trustee	-	-	16,151	16,151
Other payables and accruals	-	-	17,994	17,994
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>336,900</b>	<b>336,900</b>

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

The Fund's financial asset at FVTPL consists of quoted equities and is measured 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 relevant stock exchanges (e.g. Bursa Malaysia, Singapore Exchange and Hong Kong exchange) 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.

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2023</b>				
Financial assets at FVTPL	197,318,165	-	-	197,318,165
<b>2022</b>				
Financial assets at FVTPL	186,314,906	-	-	186,314,906

## MAYBANK MALAYSIA VALUE FUND

### 20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (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 financial assets at FVTPL, the Fund's financial instruments were not carried at fair value but their carrying amounts were reasonable approximations of fair value due to their short-term maturity.

### 21. 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 or 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.

Equity price risk sensitivity

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

**MAYBANK MALAYSIA VALUE FUND**

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

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

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

	2023		2022	
	Changes in equity price %	Effects on NAV for the year Increase/ (decrease) RM	Changes in equity price %	Effects on NAV for the year Increase/ (decrease) RM
Quoted equities	+ 5	9,865,908	+ 5	9,315,745
	- 5	(9,865,908)	- 5	(9,315,745)

**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) Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The table below analyses the net position of the Fund's financial assets and financial liability (excluding derivative assets/liabilities) which are exposed to foreign exchange risks as at the reporting date. As the Fund's functional currency is RM, the financial assets and financial liability (excluding derivative assets/liabilities) denominated in other currencies are exposed to the movement of foreign exchange rates. The exposure might lead to the appreciation or depreciation of the financial assets and financial liability of the Fund that may affect the value of the NAV attributable to unitholders.

2023	HKD RM	SGD RM	USD RM	TOTAL RM
<b>Financial assets</b>				
Financial assets at				
FVTPL	10,009,531	11,154,647	-	21,164,178
Dividend receivable	-	43,730	-	43,730
Cash at bank	-	-	33,878,811	33,878,811
<b>Total financial assets</b>	<b>10,009,531</b>	<b>11,198,377</b>	<b>33,878,811</b>	<b>55,086,719</b>
<b>Net on-balance sheet open position</b>				
	<b>10,009,531</b>	<b>11,198,377</b>	<b>33,878,811</b>	<b>55,086,719</b>

MAYBANK MALAYSIA VALUE FUND

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

(b) Market risk (cont'd)

(ii) Foreign exchange risk (cont'd)

2022	HKD RM	SGD RM	USD RM	TOTAL RM
<b>Financial assets</b>				
Financial assets at FVTPL	4,510,851	19,544,832	-	24,055,683
Dividend receivable	-	92,405	-	92,405
Cash at bank	-	-	28,822,798	28,822,798
<b>Total financial assets</b>	<b>4,510,851</b>	<b>19,637,237</b>	<b>28,822,798</b>	<b>52,970,886</b>
<b>Net on-balance sheet open position</b>				
	<b>4,510,851</b>	<b>19,637,237</b>	<b>28,822,798</b>	<b>52,970,886</b>

The Fund did not enter into forward currency contracts to hedge its exposure to foreign currency.

Foreign exchange risk sensitivity

The following table indicates the currencies to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculated the effect of a reasonably possible movement of the currency rate against RM on the Fund's NAV with all other variables held constant. The impact to the NAV and net income/ (loss) after tax is expected to be the same.

	2023		2022	
	Change in exchange rates %	Effects on NAV Increase/ (decrease) RM	Change in exchange rates %	Effects on NAV Increase/ (decrease) RM
<b>HKD/RM</b>	+5%	500,477	+5%	225,543
	-5%	(500,477)	-5%	(225,543)
<b>SGD/RM</b>	+5%	559,919	+5%	981,862
	-5%	(559,919)	-5%	(981,862)
<b>USD/RM</b>	+5%	1,693,941	+5%	1,441,140
	-5%	(1,693,941)	-5%	(1,441,140)



## MAYBANK MALAYSIA VALUE FUND

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

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

##### (iii) Interest rate risk

Money market placements are particularly sensitive to movements in interest rates. When interest rates rise, the return on money market placements will rise, thus affecting the NAV of the Fund. The sensitivity to interest rate changes are normally greater for longer tenured securities when compared to shorter tenured securities.

The Fund's deposits with a licensed financial institution carry a fixed rate and therefore is not affected by movements in market interest rates.

#### (c) 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 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 assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

##### (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.

## MAYBANK MALAYSIA VALUE FUND

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

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

##### (iii) Credit risk concentration

The following table analyses the Fund's deposits with a licensed financial institution, cash at bank and interest receivable 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>Deposits with a licensed financial institution, cash at banks and interest receivable</b>				
AAA	39,786,419	17.37	54,683,917	22.71

#### (d) Liquidity risk

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

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. It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash at bank, deposits 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 assets, liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity. The Fund's financial assets and financial liabilities have been included in the "less than 1 month" category and the impact of discounting is insignificant.

**MAYBANK MALAYSIA VALUE FUND**

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

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

<b>2023</b>	<b>Less than 1 month RM</b>	<b>More than 1 month RM</b>	<b>Total RM</b>
<b>Financial assets</b>			
Financial assets at FVTPL	197,318,165	-	197,318,165
Deposit with a licensed financial institution	5,876,472	-	5,876,472
Dividend receivable	76,833	-	76,833
Interest receivable	950	-	950
Other receivables	80,298	-	80,298
Amount due from brokers	2,149,722	-	2,149,722
Amount due from Manager	1,148	-	1,148
Cash at banks	33,908,997	-	33,908,997
Total undiscounted financial assets	<u>239,412,585</u>	-	<u>239,412,585</u>
<b>Financial liabilities and unitholders' contribution</b>			
Amount due to Manager	390,431	-	390,431
Amount due to Trustee	15,797	-	15,797
Amount due to brokers	3,020,836	-	3,020,836
Distribution payable	6,865,801	-	6,865,801
Other payables and accruals	21,917	-	21,917
Net assets attributable to unitholders of the Fund	<u>229,049,162</u>	-	<u>229,049,162</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>239,363,944</u>	-	<u>239,363,944</u>
Liquidity surplus	<u>48,641</u>	-	<u>48,641</u>
<b>2022</b>			
<b>Financial assets</b>			
Financial assets at FVTPL	186,314,906	-	186,314,906
Deposit with a licensed financial institution	25,834,042	-	25,834,042
Dividend receivable	121,452	-	121,452
Interest receivable	3,185	-	3,185
Other receivables	80,298	-	80,298
Cash at banks	28,846,690	-	28,846,690
Total undiscounted financial assets	<u>241,200,573</u>	-	<u>241,200,573</u>
<b>Financial liabilities and unitholders' contribution</b>			
Amount due to Manager	302,755	-	302,755
Amount due to Trustee	16,151	-	16,151
Other payables and accruals	17,994	-	17,994
Net assets attributable to unitholders of the Fund	<u>240,837,916</u>	-	<u>240,837,916</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>241,174,816</u>	-	<u>241,174,816</u>
Liquidity surplus	<u>25,757</u>	-	<u>25,757</u>

## MAYBANK MALAYSIA VALUE FUND

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

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

##### Notes:

##### (i) Financial assets

Analysis of financial assets at FVTPL and deposits into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investment in quoted equities have been included in the "less than 1 month" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's unitholders' contribution be required to be redeemed. The other assets shall not comprise of tax recoverable in view that it is not a financial asset. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

##### (ii) Financial liabilities

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

Financial liabilities exclude tax-related matters such as provision for tax.

##### (iii) Unitholders' contribution

The unitholders can request for redemption on their units by giving the Manager a T + 10 calendar day notice period, the unitholders' contribution have been categorised as having a maturity of "less than 1 month".

### 22. UNITHOLDERS' CONTRIBUTION MANAGEMENT

The unitholders' contribution 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 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 make the operations of the Fund cost-efficient.

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