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MAYBANK FLEXI INCOME FUND

Annual report

For the financial year ended 31 August 2023

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)
Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
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TRUSTEE

TMF Trustees Malaysia Bhd (200301008392) (610812-W)
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

EXTERNAL INVESTMENT MANAGER

Maybank Asset Management Singapore Pte Ltd (200812589K)
2 Battery Road
#08-01 Maybank Tower
Singapore 049907

MAYBANK FLEXI INCOME FUND

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MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

A. Fund Information

1. Name of Fund

Maybank Flexi Income Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Fixed income fund

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund launch date

28 November 2019

6. Fund's investment objectives

The Fund aims to outperform its benchmark by investing in a portfolio of fixed income securities, equities, real estate investment trusts ("REITs") and/ or exchange-traded funds ("ETFs").

7. Fund distribution policy

Distribution will be made on a quarterly basis, subject to availability of income.

The Fund may distribute from realised income, realised gains and/or capital to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund. For the avoidance of doubt, "capital" refers to unrealised income and/or unrealised gains. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.

8. Fund's performance benchmark

70% Maybank 12-month fixed deposits rate +30% MSCI Asia Pacific Ex-Japan Index.

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

The Fund will invest at least 70% of its NAV in fixed income securities and/ or liquid assets and not more than 30% of its NAV in equities, REITs and/ or ETFs.

The Fund may employ currency and interest rate hedging strategies by utilising currency forwards to fully or partially hedge the foreign currency exposure to manage the currency risk. Furthermore, the Fund may also use futures to fully or partially hedge the interest rate risk inherent in the investment of fixed income securities.

10. The Fund's asset allocation policy

The Fund will be investing a minimum of 70% of the Fund's assets in fixed income securities and/ or liquid assets; and up to 30% in equities, REITs and/ or ETFs.

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

The Fund did not declare any income distribution for the financial year ended 31 August 2023.

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

B. Performance Review

1. Key performance data of the Fund

Category	2023	2022	2021
Portfolio			
Unquoted fixed income securities (%)			
Australia	9.68	8.04	5.62
Bermuda Island	-	-	1.15
British Virgin Island	1.88	-	4.82
Cayman Island	1.82	2.03	9.16
Finland	-	-	0.90
France	-	1.28	-
Great Britain	7.18	8.22	6.69
Hong Kong	-	1.11	3.49
India	7.02	7.16	3.96
Indonesia	6.92	4.16	4.95
Japan	8.07	-	2.77
Jersey	-	-	0.91
Malaysia	1.68	-	-
Mauritius	2.22	3.20	4.47
Netherlands	-	1.76	2.16
Oman	-	2.93	1.88
Philippines	-	5.13	3.53
Singapore	1.75	8.97	6.24
South Korea	12.76	5.53	0.89
Switzerland	-	2.77	2.60
Thailand	-	2.64	4.22
United States	1.73	-	-
Quoted equities (%)	32.20	28.85	24.35
Cash and other net assets (%)	5.09	6.22	5.24
Total (%)	100.00	100.00	100.00
USD Class			
NAV (USD'000)	369	430	973
Units in circulation (units'000)	404	480	943
NAV per unit (USD)	0.9143	0.8943	1.0310
Highest NAV per unit (USD)	0.9472	1.0414	1.0972
Lowest NAV per unit (USD)	0.8239	0.8811	1.0144
Net income distributed (USD)	-	-	52,497
Distribution dates	Refer to note 15 of the financial statements		
Gross/ Net distribution per unit (USD cent)	-	-	4.27

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

Category	2023	2022	2021
USD Class (cont'd)			
Annual return (%) ⁽¹⁾			
- Capital growth (%)	2.25	(13.30)	0.05
- Income distribution (%)	-	-	4.13
Total return (%)	2.25	(13.30)	4.18
MYR Class			
NAV (USD'000)	1,219	1,749	2,401
NAV (RM'000)	5,656	7,832	9,982
Units in circulation (units'000)	5,502	8,065	9,614
NAV per unit (RM)	1.0280	0.9711	1.0383
Highest NAV per unit (RM)	1.0405	1.0478	1.0838
Lowest NAV per unit (RM)	0.9455	0.9310	1.0234
Net income distributed (USD)	-	-	147,301
Net income distributed (RM)	-	-	605,349
Distribution dates	Refer to note 15 of the financial statements		
Gross/ Net distribution per unit (RM sen)	-	-	4.27
Annual return (%) ⁽¹⁾			
- Capital growth (%)	5.86	(6.49)	(0.15)
- Income distribution (%)	-	-	4.14
Total return (%)	5.86	(6.49)	3.98
MYR (Hedged) Class			
NAV (USD'000)	8,851	10,832	17,551
NAV (RM'000)	41,071	48,509	72,963
Units in circulation (units'000)	45,261	53,068	69,996
NAV per unit (RM)	0.9074	0.9141	1.0424
Highest NAV per unit (RM)	0.9589	1.0528	1.0967
Lowest NAV per unit (RM)	0.8422	0.9012	1.0151
Net income distributed (USD)	-	-	792,169
Net income distributed (RM)	-	-	3,250,744
Distribution dates	Refer to note 15 of the financial statements		
Gross/ Net distribution per unit (RM sen)	-	-	4.22

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

Category	2023	2022	2021
MYR (Hedged) Class (cont'd)			
Annual return (%) ⁽¹⁾			
- Capital growth (%)	(0.69)	(12.32)	1.07
- Income distribution (%)	-	-	4.07
Total return (%)	(0.69)	(12.32)	5.18
SGD (Hedged) Class			
NAV (USD'000)	147	140	332
NAV (SGD'000)	198	196	446
Units in circulation (units'000)	223	223	436
NAV per unit (SGD)	0.8896	0.8811	1.0223
Highest NAV per unit (SGD)	0.9285	1.0322	1.0826
Lowest NAV per unit (SGD)	0.8105	0.8684	1.0090
Net income distributed (USD)	-	1,161	28,480
Net income distributed (SGD)	-	1,562	37,891
Distribution dates	Refer to note 15 of the financial statements		
Gross/ Net distribution per unit (SGD cent)	-	0.70	4.22
Annual return (%) ⁽¹⁾			
- Capital growth (%)	0.98	(13.81)	(0.31)
- Income distribution (%)	-	0.74	4.12
Total return (%)	0.98	(13.17)	3.80
AUD (Hedged) Class			
NAV (USD'000)	433	469	1,004
NAV (AUD'000)	667	684	2,638
Units in circulation (units'000)	757	775	1,347
NAV per unit (AUD)	0.8805	0.8818	1.0301
Highest NAV per unit (AUD)	0.9284	1.0311	1.0304
Lowest NAV per unit (AUD)	0.8079	0.8696	0.8462
Net income distributed (USD)	-	5,220	53,824
Net income distributed (AUD)	-	7,207	71,424
Distribution dates	Refer to note 15 of the financial statements		
Gross/ Net distribution per unit (AUD cent)	-	0.70	4.22

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

Category	2023	2022	2021
AUD (Hedged) Class (cont'd)			
Annual return (%) ⁽¹⁾			
- Capital growth (%)	(0.14)	(13.66)	(0.86)
- Income distribution (%)	-	0.74	4.11
Total return (%)	(0.14)	(13.02)	3.22
Total Expense Ratio ("TER") (%)	1.77	1.64	1.63
Portfolio Turnover Ratio ("PTR") (times)	0.90	0.63	1.23

Note:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager and Trustee's fees.
- (2) The Fund's TER increased to 1.77% due to lower in average NAV in the current financial year under review.
- (3) The Fund's PTR increased to 0.90 times due to higher trading activities in the current financial year under review.

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

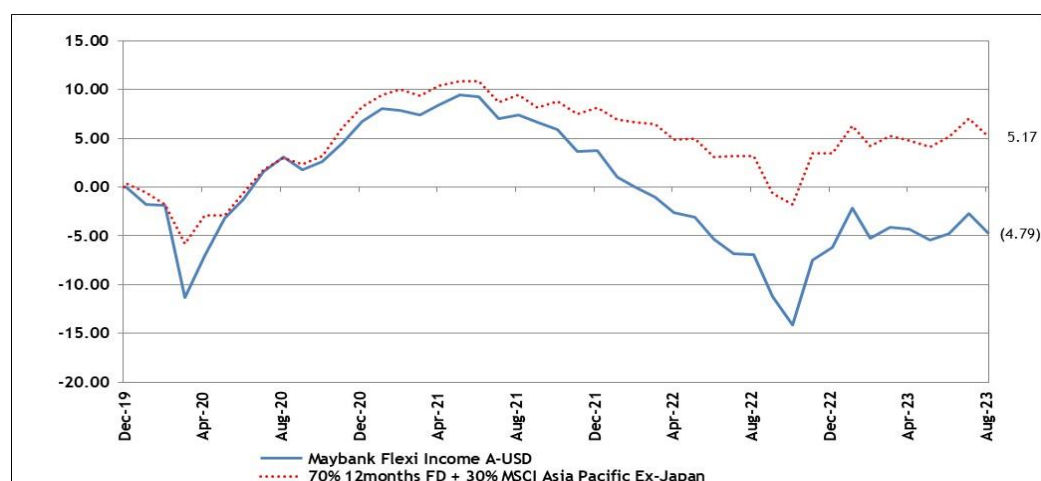
B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2023

Returns of the different classes up to 31 August 2023 are as follows:

(a) USD Class

Category	1 year to 31.08.2023 %	3 years to 31.08.2023 %	Since Inception to 31.08.2023 %
Capital growth	2.25	(11.31)	(8.57)
Income distribution	-	4.13	4.13
Total return of the Fund	2.25	(7.65)	(4.79)
Benchmark	1.94	2.12	5.17
Average total return	2.25	(2.62)	(1.30)



Source: Lipper, as at 31 August 2023

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

MAYBANK FLEXI INCOME FUND

Manager's report

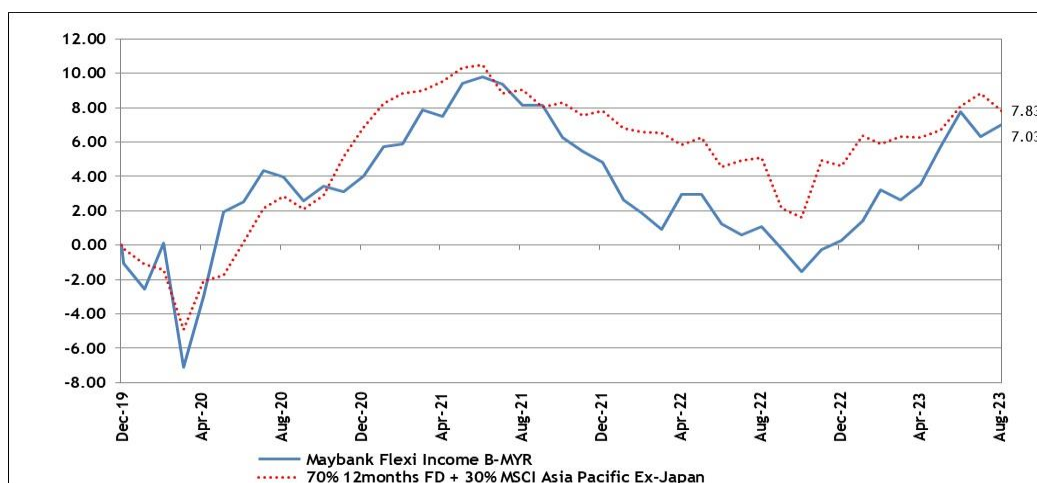
For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

(b) MYR Class

Category	1 year to 31.08.2023 %	3 years to 31.08.2023 %	Since Inception to 31.08.2023 %
Capital growth	5.86	(1.16)	2.78
Income distribution	-	4.14	4.14
Total return of the Fund	5.86	2.92	7.03
Benchmark	2.59	4.87	7.83
Average total return	5.86	0.97	1.82



Source: Lipper, as at 31 August 2023

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MAYBANK FLEXI INCOME FUND

Manager's report

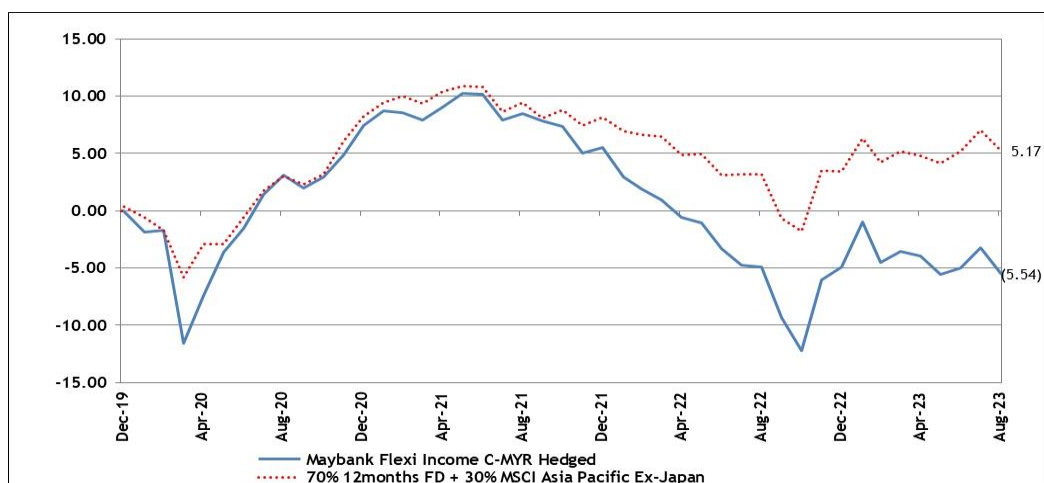
For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

(c) MYR (Hedged) Class

Category	1 year to 31.08.2023 %	3 years to 31.08.2023 %	Since Inception to 31.08.2023 %
Capital growth	(0.69)	(11.99)	(9.23)
Income distribution	-	4.07	4.07
Total return of the Fund	(0.69)	(8.41)	(5.54)
Benchmark	1.94	2.12	5.17
Average total return	(0.69)	(2.89)	(1.50)



Source: Lipper, as at 31 August 2023

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MAYBANK FLEXI INCOME FUND

Manager's report

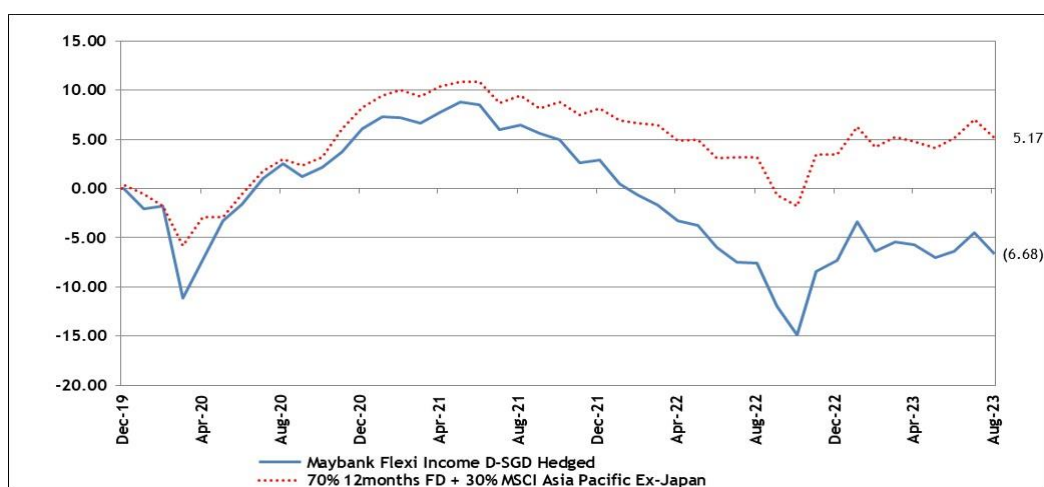
For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

(d) SGD (Hedged) Class

Category	1 year to 31.08.2023 %	3 years to 31.08.2023 %	Since Inception to 31.08.2023 %
Capital growth	0.98	(13.24)	(11.04)
Income distribution	-	4.90	4.90
Total return of the Fund	0.98	(9.00)	(6.68)
Benchmark	1.94	2.12	5.17
Average total return	0.98	(3.09)	(1.82)



Source: Lipper, as at 31 August 2023

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

MAYBANK FLEXI INCOME FUND

Manager's report

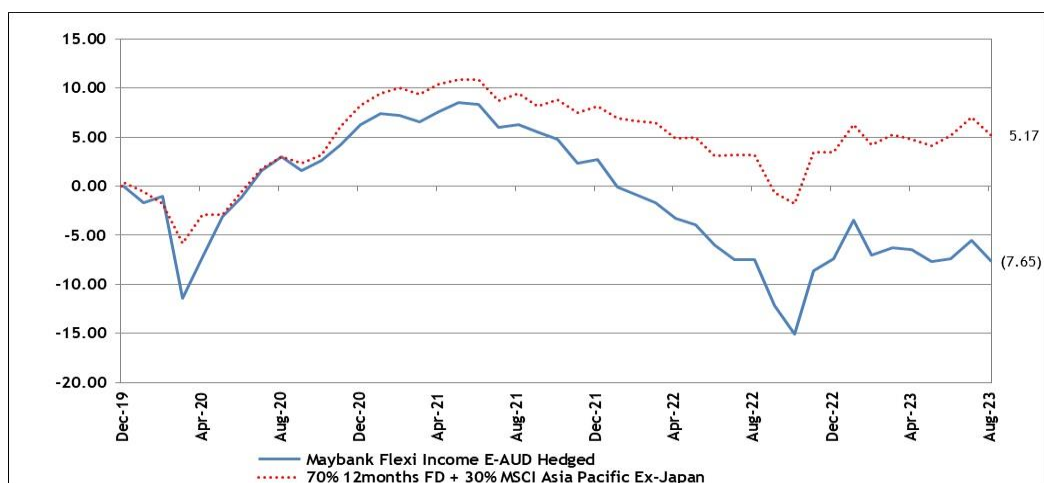
For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

(e) AUD (Hedged) Class

Category	1 year to 31.08.2023 %	3 years to 31.08.2023 %	Since Inception to 31.08.2023 %
Capital growth	(0.14)	(14.51)	(11.95)
Income distribution	-	4.88	4.88
Total return of the Fund	(0.14)	(10.34)	(7.65)
Benchmark	1.94	2.12	5.17
Average total return	(0.14)	(3.57)	(2.09)



Source: Lipper, as at 31 August 2023

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

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

B. Performance Review (cont'd)

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

The Fund generated a total return of 2.25% for USD Class, as compared to the benchmark which registered a return of 1.94% over the year. The Fund outperformed the benchmark by 31 basis points ("bps"). The outperformance of the Fund was due to recovery in market conditions largely from fixed income asset class on the back of signs of inflation peaking, albeit still sticky, during the year. On the other hand, the benchmark's performance during the year was rather flattish. Also, cheaper equity valuations and higher bond yields also lent a hand to the Fund's performance considerably.

Has the Fund met its objective?

The Fund has achieved its investment objective by outperforming its benchmark, by investing in a portfolio of fixed income securities, equities, real estate investment trusts ("REITs") and/ or exchange-traded funds ("ETFs").

3. Annual Total Return of the Share Class

For the financial year/ period ended	31.08.2023 %	31.08.2022 %	31.08.2021 %	31.08.2020 %
USD Class	2.25	(13.30)	4.18	3.00
MYR Class	5.86	(6.49)	3.98	4.17
MYR (Hedged) Class	(0.69)	(12.32)	5.18	3.08
SGD (Hedged) Class	0.98	(13.17)	3.80	2.47
AUD (Hedged) Class	(0.14)	(13.02)	3.22	2.99

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

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

C. Market Review

The fourth quarter of 2022 started with the United Kingdom ("UK") in turmoil. Lizz Truss had replaced Boris Johnson as Prime Minister, but her economic plan was quickly rejected by investors. UK stock market and bond markets were hammered where British pound touched a record low of 1.035. The Federal Open Market Committee ("FOMC") raised interest rates by 0.75% in November 2022 and 0.50% in December 2022, bringing Federal Reserve Bank ("FED") rate to 4.50% from 3.25%. Cyclical sectors, particularly oil and energy began to show relative strength amidst a growing case for a new commodity super cycle. The Morgan Stanley Capital International ("MSCI") world index, and United States ("US") and European indexes have recovered around half their losses for the year.

Inflation was again in the forefront of the news in the first quarter of 2023. Market quickly repriced a much higher terminal Fed fund rate given the high inflation print and tight labour market. US Treasury ("UST") yields went through a roller-coaster ride as expectations on the Fed fund rate were rather transient as well as US economy finally showed more signs of economic damage after the aggressive rate-hiking path pursuit by Fed since March 2022. The fallout of Silicon Valley Bank ("SVB") and other US regional banks in mid-March 2023 have showed the aggressive rate-hiking cycle in US is cracking the real economy. The outburst has spread over to Credit Suisse. However, the swift action taken by Swiss financial authority has managed to stem the spreading of banking crisis globally.

In the second quarter of 2023, the news cycle was dominated by political infighting over the debt ceiling. Softer trends of some moderate interest rate hikes or pausing in rate cycles are gaining more traction across regions. FOMC raised rates by another 25bps to take its Fed fund target rate range to 5.00% to 5.25%. Meanwhile, European Central Bank ("ECB") increased its fixed interest rate by 25bps in both May 2023 and Jun 2023 respectively, bringing its main rate from 3.00% to 3.50% in the second quarter of 2023. Bank of England ("BOE") also followed suit by raising 50bps to bring its rate from 4.25% to 4.75% in May 2023 and another 25bps in June 2023 to 5.00%. While for China, the recovery being delayed with weak economic data which gave additional headwinds to Asia bond market.

The key takeaways in third quarter of 2023 were the update from the International Monetary Fund ("IMF") projects global growth to fall from an estimated 3.50% in 2022 to 3.00% in both 2023 and 2024. Expected global headline inflation to fall from 8.70% in 2022 to 6.80% in 2023 and 5.20% in 2024. On the policy front, FOMC raised its 11th rate increase of 25bps with a target range of 5.25% to 5.50%, with no change in forward guidance. However, the Bank of Japan ("BOJ") raised its 10-year JGB ceiling from 0.5% to 1.0%, adding pressures to bonds. In China, People's Bank of China ("PBOC") cut key policy rates by 10bps to 15bps for the 2nd time in 3 months, suggesting the urgency and intensity needed to support the economy following a slew of weak macro data from exports, inflation, credit growth, retail sales, industrial production and investments as well as continued pressures in the property sector.

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

D. Market Outlook and Strategy

Inflation is falling very slowly and the market seems to be expecting rates to stop rising soon. However, the market may still be at odds with Fed policy, as the latest projection from the central banks see median rates at 5.60% by the end of 2023.

A hard landing would mean that central banks really struggle to bring inflation under control. If that happens, they would keep raising interest rates which would put more strain on consumer spending, investment, and ultimately on corporate profits. This would probably mean a severe recession with rising unemployment.

The soft landing would occur if inflation falls to a manageable level, allowing central banks to stop raising rates. Economic growth rates might fall to around zero but would recover quite quickly. Both of these scenarios could still play out. Economic forecasts are mixed, though some are starting to deteriorate.

For Asian equity markets, we are still positive. Although Asian markets have lagged behind the US markets, there is some room to catch up given cheap valuations in China and Association of Southeast Asian Nations ("ASEAN"). There has been some disappointment in the pace of the recovery from zero Coronavirus Disease ("COVID") in 2022 and recent China's data. Still, the absolute level of growth rates is decent and the country is also on track to reaching the full year Gross Domestic Product ("GDP") growth target of 4.00% to 5.00%. North Asian countries like Taiwan and Korea have already done well in first half of 2023 and we would focus more on ASEAN and India in the second half of 2023. Economic growth is resilient and even with the global economic slowdown India and Indonesia are expected to grow 4.00% to 6.00% in 2023. The risks in second half of 2023 is still the potential of a US recession. We would caution that with the gains US stocks appear peakish. Valuations are high following the rally and economic fundamentals are still weak.

In Asia credit space, we continue to remain defensive as credit spreads are tight historically and not much recession risk is being priced in currently. We are expecting credit spreads to widen during second half of 2023, mainly due to potential credit spread widening in the high yield space. Sentiment towards China credit continues to remain weak. China property sales in August 2023 continued to be weak while Country Garden was the latest large developer to miss coupon payment. We continue to underweight China and overweight quasi-sovereigns and investment grade corporates.

MAYBANK FLEXI INCOME FUND

Manager's report

For the financial year ended 31 August 2023

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 soft commissions received are retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial year 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.

F. Significant Financial Risk of the Fund

As the base currency of the Fund is denominated in United States Dollar ("USD") and the currency denomination of the Classes may be denominated in other than USD, the Classes not denominated in USD are exposed to currency risk. Any fluctuation in the exchange rates between USD and the currency denomination of the Class (other than USD Class) will affect the unitholder's investments in those Classes (other than USD Class). The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the Class (other than USD Class) may result in a appreciation/ depreciation of the unitholder's holdings as expressed in the base currency of the Fund.

In order to manage currency risk, the Manager may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Class not denominated in USD. Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged (other than USD Class) but it does not entirely eliminate currency risk between the Class and the base currency of the Fund. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK FLEXI INCOME 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:

- (a) Limitations imposed on the investment powers of the Management Company under the deed, securities laws and the Guidelines on Unit Trust Funds;
- (b) Valuation and pricing is carried out in accordance with the deed; and
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For TMF Trustees Malaysia Bhd

(Registration No: 200301008392 (610812-W))

NORHAYATI BINTI AZIT

DIRECTOR – FUND SERVICES

Kuala Lumpur, Malaysia

21 October 2023

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK FLEXI INCOME FUND**

For the financial year ended 31 August 2023

We, Dr Hasnita Binti Dato' Hashim and Ahmed Muzni Bin Mohamed, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Flexi Income 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 Flexi Income Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Flexi Income Fund ("the Fund"), which comprise the statement of financial position as at 31 August 2023, 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, as set out on pages 7 to 57.

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 financial year then ended 31 August 2023 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Manager 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 Flexi Income 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 Flexi Income 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 Flexi Income 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 FLEXI INCOME FUND

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

	Note	2023 USD	2022 USD
INVESTMENT LOSS			
Dividend income		94,030	139,591
Profit/ Interest income		490,313	547,203
Net gain/ (loss) from financial assets at fair value through profit or loss ("FVTPL"):			
- Unrealised gain/ (loss)		763,546	(2,213,537)
- Realised loss		(759,453)	(303,396)
Other income		630	-
Net loss on foreign currency exchange and forward currency contracts	3	(602,761)	(1,088,446)
		<u>(13,695)</u>	<u>(2,918,585)</u>
EXPENSES			
Manager's fee	4	189,843	256,308
Trustee's fee	5	5,062	6,822
Auditors' remuneration		2,172	2,339
Tax agent's fee		9,920	1,644
Brokerage and other transaction fees		11,373	17,468
Administrative expenses		17,125	11,875
		<u>235,495</u>	<u>296,456</u>
Net loss before distribution and taxation		(249,190)	(3,215,041)
Distribution to unitholders			
SGD (Hedged) Class	15(a)	-	(1,161)
AUD (Hedged) Class	15(b)	-	(5,220)
		<u>-</u>	<u>(6,381)</u>
Net loss before taxation		(249,190)	(3,221,422)
Taxation	6	(139,203)	(18,562)
Net loss after taxation, representing total comprehensive loss for the financial year		<u>(388,393)</u>	<u>(3,239,984)</u>

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

MAYBANK FLEXI INCOME FUND

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

	2023	2022
	USD	USD
Net loss after taxation is made up of the following:		
Net realised loss	(1,294,039)	(825,076)
Net unrealised income/ (loss)	905,646	(2,414,908)
	<u>(388,393)</u>	<u>(3,239,984)</u>
Distributions for the financial year:		
<u>SGD (Hedged) Class</u>		
Distribution dates (ex-date)	-	Refer Note 15
Net distributions (in Fund currency)	-	USD 1,161
Net distributions (in Class currency)	-	SGD 1,562
Gross/ Net distribution per unit (SGD cent)	-	0.70
<u>AUD (Hedged) Class</u>		
Distribution dates (ex-date)	-	Refer Note 15
Net distributions (in Fund currency)	-	USD 5,220
Net distributions (in Class currency)	-	AUD 7,207
Gross/ Net distribution per unit (AUD cent)	-	0.70

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

MAYBANK FLEXI INCOME FUND

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

	Note	2023 USD	2022 USD
ASSETS			
Financial assets at FVTPL	7	10,458,813	12,769,015
Derivative assets	8	1,784	46
Deposits with a licensed financial institution	9	122,839	-
Profit/ Interest receivable		116,627	122,265
Dividend receivable		3,875	8,001
Amount due from brokers	10	249,216	-
Cash at bank	11	253,100	921,078
TOTAL ASSETS		<u>11,206,254</u>	<u>13,820,405</u>
LIABILITIES			
Derivative liabilities	8	80,727	139,776
Amount due to Manager	12	73,888	46,932
Amount due to Trustee	13	387	468
Provision for tax		28,408	9,278
Other payables and accruals		4,314	3,710
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>187,724</u>	<u>200,164</u>
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS		<u>11,018,530</u>	<u>13,620,241</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders' contribution	14 (a)	15,238,297	17,451,615
Accumulated losses	14 (b) & (c)	<u>(4,219,767)</u>	<u>(3,831,374)</u>
		<u>11,018,530</u>	<u>13,620,241</u>

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

MAYBANK FLEXI INCOME FUND

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

	Note	2023 USD	2022 USD
NET ASSET VALUE ("NAV")			
- USD Class		369,171	429,641
- MYR Class		1,218,825	1,748,864
- MYR (Hedged) Class		8,850,694	10,832,049
- SGD (Hedged) Class		146,944	140,423
- AUD (Hedged) Class		432,896	469,264
		<u>11,018,530</u>	<u>13,620,241</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
	14 (a)		
- USD Class		403,753	480,407
- MYR Class		5,501,765	8,064,777
- MYR (Hedged) Class		45,260,540	53,068,483
- SGD (Hedged) Class		222,935	222,935
- AUD (Hedged) Class		757,166	775,278
		<u>52,146,159</u>	<u>62,611,880</u>
NAV PER UNIT IN RESPECTIVE CURRENCIES			
- USD Class		USD 0.9143	USD 0.8943
- MYR Class		<u>RM 1.0280</u>	<u>RM 0.9711</u>
- MYR (Hedged) Class		<u>RM 0.9074</u>	<u>RM 0.9141</u>
- SGD (Hedged) Class		<u>SGD 0.8896</u>	<u>SGD 0.8811</u>
- AUD (Hedged) Class		<u>AUD 0.8805</u>	<u>AUD 0.8818</u>

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

MAYBANK FLEXI INCOME FUND

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

	Unitholders' contribution Note 14 (a) USD	Accumulated losses Note 14 (b) & (c) USD	Net assets attributable to unitholders USD
At 1 September 2022	17,451,615	(3,831,374)	13,620,241
Total comprehensive loss for the financial year	-	(388,393)	(388,393)
Creation of units	94,808	-	94,808
Cancellation of units	(2,308,126)	-	(2,308,126)
At 31 August 2023	<u>15,238,297</u>	<u>(4,219,767)</u>	<u>11,018,530</u>
At 1 September 2021	22,851,554	(591,390)	22,260,164
Total comprehensive loss for the financial year	-	(3,239,984)	(3,239,984)
Creation of units	615,545	-	615,545
Reinvestment of units	6,381	-	6,381
Cancellation of units	(6,021,865)	-	(6,021,865)
At 31 August 2022	<u>17,451,615</u>	<u>(3,831,374)</u>	<u>13,620,241</u>

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

MAYBANK FLEXI INCOME FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

	2023	2022
	USD	USD
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale of investments	12,446,476	13,613,062
Net purchase of investments	(10,222,499)	(7,733,158)
Profit/ Interest income received	495,951	634,496
Dividend received	98,156	138,625
Other income received	630	-
Settlement of forward foreign exchange contracts	(726,274)	(749,201)
Manager's fee paid	(192,857)	(352,545)
Trustee's fee paid	(5,143)	(7,113)
Payment of other fees and expenses	(140,409)	(19,395)
Net cash generated from operating and investing activities	<u>1,754,031</u>	<u>5,524,771</u>
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Proceeds from creation of units	94,808	615,545
Payment for cancellations of units	(2,278,156)	(6,020,907)
Net cash used in financing activities	<u>(2,183,348)</u>	<u>(5,405,362)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR	(429,317)	119,409
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	921,078	971,792
Effects of foreign exchange	(115,822)	(170,123)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>375,939</u>	<u>921,078</u>
Cash and cash equivalents comprise of:		
Deposit with a licensed financial institution (Note 9)	122,839	-
Cash at bank (Note 11)	253,100	921,078
	<u>375,939</u>	<u>921,078</u>

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

MAYBANK FLEXI INCOME FUND

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

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Flexi Income Fund (the "Fund") was constituted pursuant to the execution of a Principal Deed dated 6 November 2019 between the Manager, Maybank Asset Management Sdn Bhd ("MAM"), the Trustee, TMF Trustees Malaysia Berhad and the registered holders of the Fund. Subsequently, MAM and the Trustee has entered into the First Supplemental Deed dated 2 November 2022. The Deed and Supplemental Deed are subsequently referred to as 'Deeds'.

The Fund launched 5 classes of units i.e. USD Class, MYR Class, MYR (Hedged) Class, SGD (Hedged) Class and AUD (Hedged) Class.

The Fund aims to outperform its benchmark by investing in a portfolio of fixed income securities, equities, REITs, and or ETFs. The Fund will invest at least 70% of its NAV in fixed income securities and/ or liquid assets and not more than 30% of its NAV in equities, REITs and/ or ETFs. The Fund may employ currency and interest rate hedging strategies by utilising currency forwards to fully or partially hedge the foreign currency exposure to manage the currency risk. Furthermore, the Fund may also use futures to fully or partially hedge the interest rate risk inherent in the investment of fixed income securities.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence 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. Maybank AM 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.

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 31 August 2023. The adoption of the new pronouncements did not result in any material impact to the financial statements.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to Note 2.15.

The financial statements are presented in United States Dollar ("USD").

MAYBANK FLEXI INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

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

2.2 Standards and amendments to standards issued but not yet effective

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

Description	Effective for 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 fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.4 Financial assets

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

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

MAYBANK FLEXI INCOME FUND

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

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost

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

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

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

(ii) Financial assets at FVTPL

Investments in fixed income securities, equity instruments and derivatives 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 or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

MAYBANK FLEXI INCOME 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.

(iii) Impairment

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

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

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

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

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

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

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

MAYBANK FLEXI INCOME FUND

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

2.4 Financial assets (cont'd)

(iv) Derecognition

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

If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest 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 assets classified as FVTPL, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

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

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

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

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

(iii) Derecognition

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

MAYBANK FLEXI INCOME FUND

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

2.6 Derivatives and hedge accounting

Derivatives are financial assets or liabilities at fair value through profit or loss categorised as held for trading unless they are designated hedges.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy for FVTPL.

The Fund does not apply hedge accounting to the forward currency contracts entered during the financial year. However, future events or conditions may cause the Fund to apply hedge accounting in the future.

2.7 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.

MAYBANK FLEXI INCOME FUND

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

2.7 Fair value measurement (cont'd)

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

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

2.8 Functional and foreign currency

(i) Functional and presentation currency

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

(ii) 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.

2.9 Unitholders' contribution

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

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholders exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

MAYBANK FLEXI INCOME FUND

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

2.10 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from profit or loss in the statement of comprehensive income except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed dividend is recognised as a liability in the year in which it is approved. Distribution is declared at the discretion of the Fund Manager based on the availability of distributable income. Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date which is also the time of creation.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposits with a licensed financial institution with original maturity of three (3) months or less which have an insignificant risk of changes in value.

2.12 Taxation

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

In some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Fund. The Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income.

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

2.13 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.

Profit/ Interest income from unquoted fixed income securities and deposits with a licensed financial institution are recognised on the accruals basis using the EPR/ 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.

2.14 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.

MAYBANK FLEXI INCOME FUND

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

2.15 Critical accounting estimates and judgements

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

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

3. NET LOSS ON FOREIGN EXCHANGE AND FORWARD CURRENCY CONTRACTS

	2023	2022
	USD	USD
Realised foreign exchange loss	(18,703)	(116,393)
Unrealised foreign exchange gain/ (loss)	81,313	(139,284)
Realised loss on forward contracts	(726,158)	(770,682)
Unrealised gain/ (loss) on forward contracts	60,787	(62,087)
	<u>(602,761)</u>	<u>(1,088,446)</u>

4. MANAGER'S FEE

The Manager's fee is computed on a daily basis 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	2023	2022
	% p.a.	% p.a.
USD Class	1.50	1.50
MYR Class	1.50	1.50
MYR (Hedged) Class	1.50	1.50
SGD (Hedged) Class	1.50	1.50
AUD (Hedged) Class	1.50	1.50

5. TRUSTEE'S FEE

Trustee's fee is computed daily up to 0.04% p.a. (2022: 0.04% p.a.) of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for that particular day, accrued daily in the Fund's base currency, USD.

MAYBANK FLEXI INCOME FUND

6. TAXATION

	2023 USD	2022 USD
Current tax expense	<u>139,203</u>	<u>18,562</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable income for the financial year.

In accordance with Schedule 6 of the Income Tax Act 1967, dividend and profit income earned by the Fund is exempted from tax. Dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.

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.

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

	2023 USD	2022 USD
Net loss before taxation	<u>(249,190)</u>	<u>(3,221,422)</u>
Tax at Malaysian statutory rate of 24% (2022: 24%)	(59,806)	(773,141)
Income not subject to tax	(230,789)	(164,831)
Loss not deductible for tax purposes	361,035	865,291
Income tax at source	12,244	18,562
Expenses not deductible for tax purposes	56,519	72,681
Tax expense for the financial year	<u>139,203</u>	<u>18,562</u>

7. FINANCIAL ASSETS AT FVTPL

		2023 USD	2022 USD
Unquoted fixed income securities	Note (a)	6,909,704	8,842,701
Quoted equities	Note (b)	3,549,109	3,926,314
		<u>10,458,813</u>	<u>12,769,015</u>

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(a) Unquoted fixed income securities				
Australia				
ANZ Group Holdings - 2.95%/ 22.07.2030	250,000	231,863	231,743	2.10
Australia and New Zealand Banking Grup Ltd - 6.74%/ 08.12.2032	250,000	250,000	257,238	2.33
Commonwealth Bank Australia - 5.50%/ 14.11.2023	400,000	400,000	399,076	3.62
Scentre Group Trust 2 - 4.75%/ 24.09.2080	200,000	198,697	179,430	1.63
	<u>1,100,000</u>	<u>1,080,560</u>	<u>1,067,487</u>	<u>9.68</u>
British Virgin Islands				
China Huarong International Holdings - 4.63%/ 03.06.2026	250,000	209,583	206,718	1.88
Cayman Island				
BSF Finance - 5.50%/ 23.11.2027	200,000	199,344	200,546	1.82
Great Britain				
HSBC Holdings PLC - 4.50%/ 07.06.2028	250,000	184,975	187,262	1.70
- 8.00%/ Perpetual	200,000	197,500	199,540	1.81
Standard Chartered PLC - 6.17%/ 09.01.2027	200,000	200,540	200,416	1.82
- 7.78%/ 16.11.2024	200,000	200,000	204,372	1.85
	<u>850,000</u>	<u>783,015</u>	<u>791,590</u>	<u>7.18</u>
India				
Renew Power Ltd - 5.88%/ 05.03.2027	252,000	141,750	234,204	2.13
Shriram Transport Finance - 4.40%/ 13.03.2024	550,000	544,369	539,099	4.89
	<u>802,000</u>	<u>686,119</u>	<u>773,303</u>	<u>7.02</u>

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(a) Unquoted fixed income securities (cont'd)				
Indonesia				
Bank Mandiri - 5.50%/ 04.04.2026	200,000	200,400	199,164	1.81
Freeport Indones - 4.76%/ 14.03.2027	400,000	401,200	383,940	3.48
Pakuwon Jati - 4.88%/ 29.04.2025	200,000	190,500	179,386	1.63
	<u>800,000</u>	<u>792,100</u>	<u>762,490</u>	<u>6.92</u>
Japan				
Mitsubishi UFJ Financial Group - 5.06%/ 12.09.2025	200,000	200,532	197,834	1.80
Mizuho Financial Group - 5.41%/ 13.09.2028	250,000	249,200	246,568	2.24
Sumitomo Mitsui Financial Group - 5.52%/ 13.01.2028	200,000	200,000	199,058	1.81
Sumitomo Mitsui Trust Bank - 4.80%/ 15.09.2025	250,000	249,918	244,835	2.22
	<u>900,000</u>	<u>899,650</u>	<u>888,295</u>	<u>8.07</u>
Malaysia				
Cagamas Berhad - 3.85%/ 11.09.2023 ***	250,000	178,025	185,181	1.68
Mauritius				
India Green Energy Holdings - 5.38%/ 29.04.2024	250,000	252,188	245,098	2.22

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
2023 (cont'd)				
(a) Unquoted fixed income securities (cont'd)				
Singapore				
Global Prime Capital Ltd - 5.95%/ 23.01.2025	200,000	201,000	193,172	1.75
South Korea				
Kookmin Bank - 4.35%/ Perpetual	200,000	191,500	194,204	1.76
Korea Development Bank - 3.13%/ 07.06.2025	250,000	236,088	240,088	2.18
Korea Expressway - 5.00%/ 07.11.2024	250,000	176,675	187,012	1.70
Korea Western Power - 4.13%/ 28.06.2025	200,000	200,398	194,036	1.76
NongHyup Bank - 5.36%/ 20.04.2024	200,000	200,000	198,716	1.80
Posco Capital - 4.38% / 04.08.2025	200,000	200,040	194,590	1.77
Woori Bank - 4.88%/ 26.01.2028	200,000	199,300	196,954	1.79
	1,500,000	1,404,001	1,405,600	12.76
United States				
Dubai Aerospace Enterprise - 1.55%/ 01.07.2024	200,000	190,990	190,224	1.73
Total unquoted fixed income securities	7,302,000	6,876,575	6,909,704	62.71

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(b) Quoted equities				
China				
LONGi Green Energy Technology Co Ltd	6,000	54,427	22,124	0.20
Hong Kong				
AIA Group Ltd	9,600	101,318	87,101	0.79
Alibaba Group Holdings Ltd	11,900	225,883	137,008	1.24
Anta Sports Product Ltd	2,000	19,231	22,810	0.21
Baidu Inc	3,000	50,058	52,183	0.47
BYD Co Ltd	1,500	59,639	46,792	0.42
China Education Group Holdings Ltd	24,000	57,847	20,705	0.19
China Medical Systems Holdings Ltd	27,000	42,825	39,636	0.36
China Merchants Bank	10,000	69,015	40,013	0.36
China Mobile Ltd	14,000	93,950	117,924	1.07
China Resources Beer (Holdings) Co Ltd	4,000	31,695	23,651	0.21
China Unicom Hong Kong Ltd	40,000	29,086	28,086	0.25
Chow Tai Fook Jewellery Group Ltd	22,000	34,451	34,090	0.31
Country Garden Services Holdings Co Ltd	26,000	104,925	30,548	0.28
JD.com Inc	2	62	34	-
JNBY Design Ltd	48,000	97,865	49,300	0.45
KunLun Energy Co Ltd	72,000	63,034	51,839	0.47

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(b) Quoted equities (cont'd)				
Hong Kong (cont'd)				
KWG Group Holdings Ltd	1,235	1,595	146	-
KWG Living Group Holdings Ltd	185,233	72,924	19,119	0.17
Meituan	1,720	59,691	29,414	0.27
Samsonite International S.A.	15,000	45,054	51,036	0.46
Shimao Services Holdings Ltd	90,286	75,062	17,833	0.16
Tencent Holding Ltd	3,200	143,752	132,853	1.21
TravelSky Technology Ltd	15,000	26,790	27,296	0.25
Trip.com Group Ltd	1,450	45,636	56,689	0.51
	<u>628,126</u>	<u>1,551,388</u>	<u>1,116,106</u>	<u>10.11</u>
India				
Ambuja Cements Ltd	7,000	34,207	37,571	0.34
ICICI Bank Ltd	4,000	43,034	46,361	0.42
ITC Ltd	8,000	33,064	42,817	0.39
JIO Financial Services Ltd	1,375	3,693	3,843	0.03
Larsen & Toubro Ltd	1,300	30,193	42,567	0.39
Mahanagar Gas Ltd	2,500	32,903	31,050	0.28
Mahindra & Mahindra Ltd	2,000	32,117	38,272	0.35
Narayana Hrudayalaya Ltd	2,300	29,107	28,466	0.26
NTPC Ltd	22,000	44,067	58,607	0.53
Reliance Industries Ltd	1,375	42,434	40,187	0.36
Sanofi India Ltd	400	30,072	34,505	0.31

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
b) Quoted equities (cont'd)				
India (cont'd)				
State Bank of India	5,000	36,494	34,291	0.31
Sun Pharmaceutical Industries Ltd	3,000	34,765	40,427	0.37
Varun Beverages Ltd	2,800	28,251	30,478	0.28
Welspun India Ltd	25,000	30,953	37,001	0.34
	<u>88,050</u>	<u>485,354</u>	<u>546,443</u>	<u>4.96</u>
Indonesia				
PT Astra Otoparts Tbk	50,000	10,078	10,692	0.10
PT Bank Mandiri (Perkeso) Tbk	70,000	26,157	27,605	0.25
PT Bank Negara Indonesia (Perkeso) Tbk	33,000	16,659	20,038	0.18
PT Indofood Sukses Makmur Tbk	55,500	33,517	41,209	0.37
PT Mitra Adiperkasa Tbk	288,000	28,708	37,256	0.34
	<u>496,500</u>	<u>115,119</u>	<u>136,800</u>	<u>1.24</u>
Malaysia				
MBB *	407	796	799	0.01
YTL Power International Bhd	100,000	27,723	46,117	0.42
	<u>100,407</u>	<u>28,519</u>	<u>46,916</u>	<u>0.43</u>
Philippines				
BDO Unibank Inc.	10,000	25,347	25,189	0.23
Singapore				
Best World International Ltd	23,900	31,630	29,926	0.27

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
b) Quoted equities (cont'd)				
Singapore (cont'd)				
Capitaland Ascott Trust	1,881	1,221	1,359	0.01
Capitaland Investment Ltd	24,000	52,994	55,834	0.51
Sasseur Real Estate Investement Trust	138,400	85,828	71,778	0.65
SembCorp Industries Ltd	19,000	34,195	76,861	0.70
YangZiJiang Shipbuilding Holdings Ltd	20,000	23,042	25,635	0.23
	<u>227,181</u>	<u>228,910</u>	<u>261,393</u>	<u>2.37</u>
South Korea				
Posco Holding Inc	40	8,933	17,539	0.16
Samsung Electronics Co Ltd	1,600	74,709	81,164	0.74
	<u>1,640</u>	<u>83,642</u>	<u>98,703</u>	<u>0.90</u>
Taiwan				
BizLink Holding Inc	5,077	54,097	39,589	0.36
Chailease Holding Co Ltd	9,792	86,030	54,385	0.49
E Ink Holdings Inc	4,000	25,082	22,907	0.21
Novatek Microelectronics Corporation	2,000	27,075	24,915	0.23
Sinbon Electronics Co Ltd	3,000	28,889	29,936	0.27
Taiwan Semiconductor Manufacturing Co Ltd	6,000	108,632	104,492	0.95
	<u>29,869</u>	<u>329,805</u>	<u>276,224</u>	<u>2.51</u>
Thailand				
SAPPE Public Company Limited	26,000	28,995	73,201	0.66

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
2023 (cont'd)				
b) Quoted equities (cont'd)				
United States of America ("USA")				
Minso Group Holding Ltd	1,400	24,406	34,734	0.32
Pinduoduo Inc	900	57,296	88,326	0.80
Vipshop Holdings Ltd	3,000	40,635	47,580	0.43
SPDR Gold Shares	4,300	746,923	775,370	7.04
	<u>9,600</u>	<u>869,260</u>	<u>946,010</u>	<u>8.59</u>
Total quoted equities	<u>1,623,373</u>	<u>3,800,766</u>	<u>3,549,109</u>	<u>32.20</u>
Total FVTPL Investments	<u>8,925,373</u>	<u>10,677,341</u>	<u>10,458,813</u>	<u>94.91</u>
Unrealised loss on FVTPL investments **			<u>(218,528)</u>	

* MBB is the ultimate holding company of the Manager.

** The unrealised loss on FVTPL investments comprise the amount arising from changes in fair value and effects from foreign exchange.

*** The unquoted fixed income securities issued by Cagamas Berhad was fully redeemed on 11 September 2023.

	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
2022				
(a) Unquoted fixed income securities				
Australia				
QBE Insurance Group Ltd - 5.88%/ Perpetual	700,000	712,863	681,219	5.00
Scentre Group Trust 2 - 4.75%/ 24.09.2080	450,000	447,069	414,171	3.04
	<u>1,150,000</u>	<u>1,159,932</u>	<u>1,095,390</u>	<u>8.04</u>
Cayman Island				
TMB Bank Public Company Ltd (Cayman Islands) - 4.90%/ Perpetual	300,000	301,350	276,300	2.03

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(a) Unquoted fixed income securities (cont'd)				
France				
Cred Agricole SA - 3.95%/ 22.07.2027	250,000	183,953	173,762	1.28
Great Britain				
Macquarie Bank Ltd (London Branch) - 6.13%/ 08.03.2027	500,000	498,375	463,080	3.40
Standard Chartered PLC - 6.00%/ Perpetual	500,000	499,960	477,075	3.50
- 5.38%/ Perpetual	250,000	188,079	179,894	1.32
	1,250,000	1,186,414	1,120,049	8.22
Hong Kong				
AIA Group Ltd - 2.90%/ Perpetual	250,000	190,235	150,806	1.11
India				
Renew Power Ltd - 5.88%/ 05.03.2027	500,000	504,183	449,955	3.30
Shriram Transport Finance - 4.40%/ 13.03.2024	550,000	544,369	525,453	3.86
	1,050,000	1,048,552	975,408	7.16
Indonesia				
Freeport Indones - 4.76%/ 14.03.2027	400,000	401,200	388,960	2.86
Pakuwon Jati - 4.88%/ 29.04.2025	200,000	190,500	176,460	1.30
	600,000	591,700	565,420	4.16

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(a) Unquoted fixed income securities (cont'd)				
Mauritius				
Greenko Mauri - 6.25%/ 21.02.2023	200,000	199,050	196,044	1.44
India Green Engr - 5.38%/ 29.04.2024	250,000	252,188	239,240	1.76
	<u>450,000</u>	<u>451,238</u>	<u>435,284</u>	<u>3.20</u>
Netherlands				
Royal Capital BV - 5.00%/ Perpetual	250,000	247,754	239,867	1.76
Oman				
Oman Sovereign Sukuk - 4.88%/ 15.06.2030	400,000	405,750	399,392	2.93
Philippines				
San Miguel Corp - 5.50%/ Perpetual	750,000	750,000	698,287	5.13
Singapore				
Global Prime Capital Ltd - 5.95%/ 23.01.2025	500,000	502,500	473,875	3.48
Indika Energy Capital III Pte Ltd - 5.88%/ 26.09.2022	250,000	249,375	243,693	1.79
Mapletree Industrial Trust Management Ltd - 3.15%/ Perpetual	250,000	188,100	167,415	1.23
Singapore Tech Telemedia Ltd - 4.10%/ Perpetual	250,000	179,300	172,820	1.27
Singtel Group Treasury - 3.30%/ Perpetual	250,000	186,475	163,914	1.20
	<u>1,500,000</u>	<u>1,305,750</u>	<u>1,221,717</u>	<u>8.97</u>

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(a) Unquoted fixed income securities (cont'd)				
South Korea				
Hana Ban - 3.50%/ Perpetual	200,000	200,800	178,526	1.31
Korea Western Power - 4.13%/ 28.06.2025	200,000	200,398	199,044	1.46
Posco Capital - 4.38%/ 04.08.2025	200,000	200,040	199,012	1.46
Shinhan Financial Group Co Ltd - 2.88%/ Perpetual	200,000	200,000	177,280	1.30
	800,000	801,238	753,862	5.53
Switzerland				
UBS Group Ltd - 4.49%/ 05.08.2024	200,000	200,000	199,286	1.45
- 4.85%/ Perpetual	250,000	185,909	179,617	1.32
	450,000	385,909	378,903	2.77
Thailand				
Kasikornbank PCL - 5.28%/ Perpetual	200,000	200,000	186,926	1.37
Krung Thai Bank - 4.40%/ Perpetual	200,000	200,000	171,328	1.27
	400,000	400,000	358,254	2.64
Total unquoted fixed income securities	9,850,000	9,409,775	8,842,701	64.93
(b) Quoted equities				
China				
LONGi Green Energy Technology Co Ltd	6,000	54,427	45,806	0.34

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(b) Quoted equities (Cont'd)				
Hong Kong				
A-Living Smart City Services Co Ltd	31,500	132,922	30,419	0.22
AIA Group Ltd	9,600	101,318	93,501	0.69
Alibaba Group Holdings Ltd	16,100	305,607	195,269	1.43
Anta Sports Product Ltd	4,000	38,461	47,648	0.35
Baidu Inc	3,200	52,920	59,644	0.44
BYD Co Ltd	1,500	59,639	50,259	0.37
China Education Group Holdings Ltd	24,000	57,847	21,067	0.15
China Medical Systems Holdings Ltd	66,000	104,683	96,024	0.71
China Merchants Bank	15,000	103,523	76,153	0.56
China Mobile Ltd	14,000	93,950	93,639	0.69
China Suntien Green Energy Corp Ltd	288,000	137,523	133,189	0.98
China Telecom Corp Ltd	184,000	62,552	66,105	0.49
Chow Tai Fook Jewellery Group Ltd	22,000	34,451	43,668	0.32
Country Garden Services Holdings Co Ltd	17,000	86,213	32,920	0.24
ENN Energy Holdings Ltd	2,700	38,792	38,904	0.29
JD.COM Inc	2,702	83,347	85,026	0.62
JNBY Design Ltd Inc	48,000	97,865	48,738	0.36
Kunlun Energy Co Ltd	72,000	63,034	62,834	0.46
KWG Group Holdings Ltd	1,235	1,595	230	-

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(b) Quoted equities (cont'd)				
Hong Kong (cont'd)				
KWG Living Group Holdings Ltd	102,233	57,882	18,625	0.14
Li Ning Co Ltd	6,000	20,824	52,973	0.39
Meituan	1,400	52,128	32,997	0.24
Netease Inc	4,500	83,435	79,918	0.59
Semiconductor Manufacturing International Corp	21,000	77,676	41,255	0.30
Shimao Services Holdings Ltd	90,286	75,062	23,235	0.17
Tencent Holding Ltd	2,200	117,842	90,699	0.67
Trip.com Group Ltd	3,450	108,582	93,620	0.69
	1,053,606	2,249,673	1,708,559	12.56
India				
Mahindra & Mahindra Ltd	2,000	32,117	32,940	0.24
NTPC Ltd	30,000	60,092	61,918	0.45
Reliance Industries Ltd	1,375	46,126	45,648	0.34
RITES Ltd	18,000	67,289	67,381	0.49
Sun Pharmaceutical Industries Ltd	3,000	34,765	33,716	0.25
	54,375	240,389	241,603	1.77
Indonesia				
PT Bank Negara Indonesia Tbk	140,000	70,675	79,027	0.58
PT Indofood Sukses Makmur Tbk	30,500	18,725	17,830	0.13
PT Matahari Department Store Tbk	120,000	45,962	30,471	0.22
	290,500	135,362	127,328	0.93

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(b) Quoted equities (cont'd)				
Malaysia				
MBB *	407	796	815	0.01
My EG Services Berhad	220,000	52,994	39,301	0.29
	<u>220,407</u>	<u>53,790</u>	<u>40,116</u>	<u>0.30</u>
Philippines				
Converge Information and Communications Technology Solutions, Inc.	70,000	48,441	22,358	0.16
Singapore				
AEM Holdings Ltd	15,300	28,842	50,096	0.37
Capitaland Investment Ltd	93,000	208,792	249,986	1.84
Sasseur REIT	238,400	147,842	131,233	0.96
SembCorp Industries Ltd	80,000	143,978	196,169	1.44
Singapore Technologies Engineering Ltd	20,600	60,233	55,814	0.41
	<u>447,300</u>	<u>589,687</u>	<u>683,298</u>	<u>5.02</u>
Taiwan				
BizLink Holding Inc	8,000	86,064	89,462	0.66
Chailease Holding Co Ltd	12,600	112,915	82,969	0.61
E Ink Holdings Inc	8,000	50,165	64,896	0.48
Lotes Co Ltd	2,000	53,086	48,278	0.35
Taiwan Semiconductor Manufacturing Co Ltd	5,000	101,703	81,448	0.60
	<u>35,600</u>	<u>403,933</u>	<u>367,053</u>	<u>2.70</u>

MAYBANK FLEXI INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Total cost USD	Market value USD	Percentage of NAV %
(b) Quoted equities (cont'd)				
United States of America ("USA")				
SPDR Gold Shares	4,300	746,923	690,193	5.07
Total quoted equities	2,182,088	4,522,625	3,926,314	28.85
Total FVTPL Investments	12,032,088	13,932,400	12,769,015	93.78
Unrealised loss on FVTPL investment **			<u>(1,163,385)</u>	

* MBB is the ultimate holding company of the Manager.

** The unrealised loss on FVTPL investments comprise the amount arising from changes in fair value and effects from foreign exchange.

8. DERIVATIVE ASSETS/ LIABILITIES

<u>Foreign exchange related contracts</u>	Notional Principal amount AUD	Fair Value	
2023		Assets USD	Liabilities USD
Currency forwards - less than 1 year	55,410	115	(157)
	MYR		
Currency forwards - less than 1 year	3,282,861	1,669	(729)
	SGD		
Currency forwards - less than 1 year	10,803	-	(24)
	USD		
Currency forwards - less than 1 year	10,042,778	-	(79,817)
Total		<u>1,784</u>	<u>(80,727)</u>
2022	USD	USD	USD
Currency forwards - less than 1 year	11,539,657	46	(139,776)

As at the reporting date, there was 16 forward contracts (2022: 13 forward contracts) outstanding.

The Fund entered into forward currency contracts during the financial year to hedge the foreign currency exposure of the MYR (Hedged) Class, SGD (Hedged) Class and AUD (Hedged) Class based on the features of the Class as disclosed in the Prospectus. The change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income, and borne solely by the respective Class (i.e. MYR (Hedged) Class, SGD (Hedged) Class and AUD (Hedged) Class).

MAYBANK FLEXI INCOME FUND

9. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2023 USD	2022 USD
Short-term placement with a licensed financial institution	122,839	-

The weighted average effective profit rates ("WAEPR")/ weighted average effective interest rates ("WAEIR") of deposit and average maturity deposit with licensed financial institution as at the reporting date is as follows:

	2023		2022	
	WAEPR/ WAEIR % p.a.	Average Maturity Days	WAEPR/ WAEIR % p.a.	Average Maturity Days
Deposit with a licensed financial institution	2.95	1	-	-

10. AMOUNT DUE FROM BROKERS

The amount due from brokers relate to the amount receivable from brokers arising from the sale of investments. The settlement period for this receivable is within two (2) to three (3) working days from the deal date.

11. CASH AT BANK

The Fund has cash at bank denominated in the currencies as follows:

	2023 USD	2022 USD
Australian Dollars ("AUD")	1,935	4,365
Euros ("EUR")	3,192	799
Indian Rupee ("INR")	22,876	-
Ringgit Malaysia ("MYR")	1,366	156,435
Singapore Dollars ("SGD")	4,975	388,886
United States Dollars ("USD")	218,756	370,593
	<u>253,100</u>	<u>921,078</u>

12. AMOUNT DUE TO MANAGER

	Note	2023 USD	2022 USD
Amount due to Manager is in respect of:			
- Manager's fee	(i)	14,529	17,543
- Cancellation of units	(ii)	59,359	29,389
		<u>73,888</u>	<u>46,932</u>

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

(ii) The amount represents amount payable to the Manager for units redeemed/ cancelled.

MAYBANK FLEXI INCOME FUND

13. AMOUNT DUE TO TRUSTEE

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

14. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	2023 USD	2022 USD
Unitholders' contribution	(a)	15,238,297	17,451,615
Accumulated realised loss	(b)	(4,235,934)	(2,941,895)
Accumulated unrealised income/ (loss)	(c)	16,167	(889,479)
		<u>11,018,530</u>	<u>13,620,241</u>

(a) Unitholders' contribution

The units are distributed based on the following share classes:

	2023		2022	
	No. of units	USD	No. of units	USD
(i) USD Class	403,753	273,285	480,407	342,930
(ii) MYR Class	5,501,765	1,356,513	8,064,777	1,926,116
(iii) MYR (Hedged) Class	45,260,540	13,037,211	53,068,483	14,600,519
(iv) SGD (Hedged) Class	222,935	123,376	222,935	123,376
(v) AUD (Hedged) Class	757,166	447,912	775,278	458,674
	<u>52,146,159</u>	<u>15,238,297</u>	<u>62,611,880</u>	<u>17,451,615</u>

(i) USD Class	2023		2022	
	Units	USD	Units	USD
At the beginning of the financial year	480,407	342,930	943,414	805,794
Cancellation of units	(76,654)	(69,645)	(463,007)	(462,864)
At the end of the financial year	<u>403,753</u>	<u>273,285</u>	<u>480,407</u>	<u>342,930</u>

MAYBANK FLEXI INCOME FUND

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

(a) Unitholders' contribution (cont'd)

(ii) MYR Class	2023		2022	
	Units	USD	Units	USD
At the beginning of the financial year	8,064,777	1,926,116	9,613,916	2,292,892
Creation of units	56,042	12,446	417,022	97,068
Cancellation of units	(2,619,054)	(582,049)	(1,966,161)	(463,844)
At the end of the financial year	<u>5,501,765</u>	<u>1,356,513</u>	<u>8,064,777</u>	<u>1,926,116</u>

(iii) MYR (Hedged) Class

At the beginning of the financial year	53,068,483	14,600,519	69,995,679	18,625,620
Creation of units	415,344	82,362	2,148,888	514,116
Cancellation of units	(8,223,287)	(1,645,670)	(19,076,084)	(4,539,217)
At the end of the financial year	<u>45,260,540</u>	<u>13,037,211</u>	<u>53,068,483</u>	<u>14,600,519</u>

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and MYR may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in MYR. MYR (Hedged) Class represents a Class denominated in MYR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of this Class. See Note 8 of the financial statements for further details.

(iv) SGD (Hedged) Class

At the beginning of the financial year	222,935	123,376	435,964	278,175
Creation of units	-	-	1,195	861
Reinvestment of units	-	-	1,649	1,161
Cancellation of units	-	-	(215,873)	(156,821)
At the end of the financial year	<u>222,935</u>	<u>123,376</u>	<u>222,935</u>	<u>123,376</u>

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and SGD may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in SGD. SGD (Hedged) Class represents a Class denominated in SGD which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of this Class. See Note 8 of the financial statements for further details.

MAYBANK FLEXI INCOME FUND

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

(a) Unitholders' contribution (cont'd)

(v) AUD (Hedged) Class	2023		2022	
	Units	USD	Units	USD
At the beginning of the financial year	775,278	458,674	1,346,506	849,073
Creation of units	-	-	5,495	3,500
Reinvestment of units	-	-	7,624	5,220
Cancellation of units	(18,112)	(10,762)	(584,347)	(399,119)
At the end of the financial year	<u>757,166</u>	<u>447,912</u>	<u>775,278</u>	<u>458,674</u>

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and AUD may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in AUD. AUD (Hedged) Class represents a Class denominated in AUD which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of this Class. See Note 8 of the financial statements for further details.

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

	2023		2022	
	No. of units	Value at NAV	No. of units	Value at NAV
The Manager (USD Class)	<u>1,041</u>	<u>USD 952</u>	<u>1,041</u>	<u>USD 931</u>
The Manager (MYR Class)	<u>1,041</u>	<u>RM 1,070</u>	<u>1,041</u>	<u>RM 1,011</u>
The Manager (MYR (Hedged) Class)	<u>1,041</u>	<u>RM 945</u>	<u>1,041</u>	<u>RM 952</u>
The Manager (SGD (Hedged) Class)	<u>1,049</u>	<u>SGD 933</u>	<u>1,041</u>	<u>SGD 917</u>
The Manager (AUD (Hedged) Class)	<u>1,049</u>	<u>AUD 924</u>	<u>1,049</u>	<u>AUD 925</u>

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

MAYBANK FLEXI INCOME FUND

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

(b) Accumulated realised loss

	2023 USD	2022 USD
At the beginning of the financial year	(2,941,895)	(2,116,819)
Net realised loss for the financial year	(1,294,039)	(825,076)
As at the end of the financial year	<u>(4,235,934)</u>	<u>(2,941,895)</u>

(c) Accumulated unrealised income/ (loss)

	2023 USD	2022 USD
At the beginning of the financial year	(889,479)	1,525,429
Net unrealised income/ (loss) for the financial year	905,646	(2,414,908)
As at the end of the financial year	<u>16,167</u>	<u>(889,479)</u>

(d) Classes of shares

(i) Types of classes of units

The Fund issues cancellable units, in five classes of units as detailed below:

Classes of units	Currency denomination
USD	USD
MYR	MYR
MYR (Hedged)	MYR
SGD (Hedged)	SGD
AUD (Hedged)	AUD

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

- (a) Initial investments for each class
- (b) Additional minimum investment
- (c) Transfer, switching and conversion charges for each class

(ii) NAV computation

The computation of NAV of the Fund is based on the Fund's functional currency, USD, 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 ("MCR"), 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.

(iii) Redemption of units by unitholders

These units are redeemable at the unitholder's option. Redeemable 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.

MAYBANK FLEXI INCOME FUND

15. DISTRIBUTIONS

The sources of distribution and the gross/ net distribution rates declared for the various classes of units are as follows:

(a) SGD (Hedged) Class

	2022 USD
Dividend income	139
Profit/ Interest income	1,097
Net realised loss on sale of investments	(453)
Net realised foreign exchange loss	(137)
Net realised gain on forward contracts	1,096
Less: Expenses	<u>(581)</u>
Distribution for the financial year	<u>1,161</u>
Distribution dates (ex-date)	Gross/ Net distribution per unit (SGD cent)
2022	
24 February 2022	<u>0.70</u>

(b) AUD (Hedged) Class

	2022 USD
Dividend income	929
Profit/ Interest income	7,897
Net realised loss on sale of investments	(5,185)
Net realised foreign exchange loss	(1,162)
Net realised gain on forward contracts	7,011
Less: Expenses	<u>(4,270)</u>
Distribution for the financial year	<u>5,220</u>
Distribution dates (ex-date)	Gross/ Net distribution per unit (AUD cent)
2022	
24 February 2022	<u>0.70</u>

The distribution declared are settled in the forms of units and presented as reinvestment of units in Note 14(a) on payment date.

MAYBANK FLEXI INCOME FUND

15. DISTRIBUTIONS (CONT'D)

The composition of distributions are as follows:

	2023		2022	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
Source of distribution				
- Income distribution	-	-	6,381	100.00
- Capital distribution	-	-	-	-
	-	-	6,381	100.00

16. TRANSACTIONS WITH RELATED AND OTHER STOCKBROKING COMPANIES/ BROKERS

Transactions with top 10 stockbroking companies/ brokers/ dealers are as follows:

Brokers	Value of trade USD	Percentage of total trade %	Brokerage fees USD	Percent of brokerage fees %
2023				
MIB Securities India Private Ltd *	446,758	12.09	1,136	12.93
Daiwa Capital Markets Singapore Ltd	418,636	11.33	957	10.89
DBS Vickers Securities Pte Ltd	410,077	11.10	781	8.88
JP Morgan Securities Singapore Pte Ltd	408,754	11.06	952	10.84
CGS-CIMB Securities International Pte Ltd	255,334	6.91	710	8.08
Goldman Sachs & Co Singapore	231,640	6.27	546	6.21
Instinet Pacific Ltd	204,156	5.53	312	3.55
Haitong International Securities Pte Ltd	203,164	5.50	503	5.72
Maybank Investment Bank Berhad **	191,713	5.19	479	5.45
CLSA Securities Korea Ltd	125,359	3.39	243	2.77
Others	799,404	21.63	2,168	24.68
	3,694,995	100.00	8,787	100.00

MAYBANK FLEXI INCOME FUND

16. TRANSACTIONS WITH RELATED AND OTHER STOCKBROKING COMPANIES/ BROKERS (CONT'D)

Transactions with top 10 stockbroking companies/ brokers/ dealers are as follows (cont'd):

Brokers	Value of trade USD	Percentage of total trade %	Brokerage fees USD	brokerage fees %
2022				
Citibank Singapore Limited	1,447,813	7.53	-	-
ANZ Singapore Ltd	1,320,386	6.86	-	-
Daiwa Capital Markets Singapore Ltd	1,280,556	6.66	2,047	18.03
JP Morgan Securities Asia Pte Ltd	1,184,541	6.16	2,508	22.09
CLSA Ltd	1,138,794	5.92	2,309	20.34
Credit Suisse (Singapore) Ltd	1,026,960	5.34	-	-
BNP Paribas Asia Pacific	1,020,200	5.30	-	-
UBS Securities Pte Ltd	955,000	4.97	-	-
Bank Of America Merrill Lynch London	879,250	4.57	-	-
Barclays Corporate and Investment Bank	876,700	4.56	-	-
Others	8,104,424	42.13	4,488	39.54
	19,234,624	100.00	11,351	100.00

* MIB Securities India Private Ltd is a subsidiary within MBB Group. MBB is the ultimate holding company of the Manager.

** Maybank Investment Bank Berhad is a subsidiary of MBB, the ultimate holding company of the Manager.

17. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

Other than those disclosed elsewhere in the financial statements, there were no other significant related party transactions as at reporting date.

(i) Significant related party transactions

	2023 USD	2022 USD
<u>MBB</u>		
Interest income from deposits	10,994	3,197
<u>Maybank Islamic Berhad ("MIB")</u>		
Profit income fom deposits	4	-

MAYBANK FLEXI INCOME FUND

17. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

(ii) <u>Significant related party balances</u>	2023 USD	2022 USD
<u>MBB</u>		
Financial assets at FVTPL	799	815
Interest receivable	20	-
Deposit with a licensed financial institution	122,839	-

18. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of total expenses incurred by the Fund to the daily average NAV of the Fund. For the financial year ended for 31 August 2023, the TER of the Fund stood at 1.77% (2022: 1.64%).

19. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year ended to the daily average NAV of the Fund for financial year ended 31 August 2023, the PTR of the Fund stood at 0.90 times (2022: 0.63 times).

20. SEGMENT INFORMATION

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

The PMC of the Manager is responsible for the Fund's performance by investing at least 70% of its NAV in fixed income securities and/ or liquid assets and not more than 30% of its NAV in equities, REITs and/ or ETFs.

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

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

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to Note 2.15 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised.

The following table analyses the financial assets and liabilities (excluding 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 FLEXI INCOME FUND

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

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

	Financial instruments at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
2023				
Financial assets				
Financial assets at FVTPL	10,458,813	-	-	10,458,813
Derivative assets	1,784	-	-	1,784
Deposits with a licensed financial institution	-	122,839	-	122,839
Profit/ Interest receivable	-	116,627	-	116,627
Dividend receivable	-	3,875	-	3,875
Amount due from brokers	-	249,216	-	249,216
Cash at bank	-	253,100	-	253,100
Total financial assets	10,460,597	745,657	-	11,206,254
Financial liabilities (excluding NAV attributable to unitholders)				
Derivative liabilities	80,727	-	-	80,727
Amount due to Manager	-	-	73,888	73,888
Amount due to Trustee	-	-	387	387
Other payables and accruals	-	-	4,314	4,314
Total financial liabilities	80,727	-	78,589	159,316
2022				
Financial assets				
Financial assets at FVTPL	12,769,015	-	-	12,769,015
Derivative assets	46	-	-	46
Profit/ Interest receivable	-	122,265	-	122,265
Dividend receivable	-	8,001	-	8,001
Cash at bank	-	921,078	-	921,078
Total financial assets	12,769,061	1,051,344	-	13,820,405

MAYBANK FLEXI INCOME FUND

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

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

	Financial instruments at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
2022 (cont'd)				
Financial liabilities (excluding NAV attributable to unitholders)				
Derivative liabilities	139,776	-	-	139,776
Amount due to Manager	-	-	46,932	46,932
Amount due to Trustee	-	-	468	468
Other payables and accruals	-	-	3,710	3,710
Total financial liabilities	139,776	-	51,110	190,886

(b) Financial instruments that are carried at fair value

Unquoted fixed income securities

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

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

Quoted equities

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

The fair value of quoted investments in equities, REITs and ETFs are determined by reference to the last bid price on the relevant stock exchanges (e.g. Bursa Malaysia, Singapore Exchange, Hong Kong exchange) as at the statement of financial position date.

Derivative assets and liabilities

The fair value of over-the-counter forward foreign exchange contracts are obtained by using valuation models which incorporate various observable market inputs such as changes in spot rate, and changes in the forward points.

MAYBANK FLEXI INCOME FUND

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

(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: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
 Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 USD	Level 2 USD	Level 3 USD
2023			
Financial assets at FVTPL	3,549,109	6,909,704	-
Derivative assets	-	1,784	-
	3,549,109	6,911,488	-
Derivative liabilities	-	(80,727)	-
2022			
Financial assets at FVTPL	3,926,314	8,842,701	-
Derivative assets	-	46	-
	3,926,314	8,842,747	-
Derivative liabilities	-	(139,776)	-

(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 and derivative assets and liabilities, 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.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

(b) Market risk

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

MAYBANK FLEXI INCOME FUND

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

(b) Market risk (cont'd)

(i) Profit/ Interest rate risk

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

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

	2023		2022	
	Changes in profit/ interest rates %	Effects on NAV (Decrease)/ Increase USD	Changes in profit/ interest rates %	Effects on NAV (Decrease)/ Increase USD
Unquoted fixed income securities	+1 -1	(126,154) 141,916	+1 -1	(228,964) 250,393

The impact to net loss after taxation is expected to be the same as the effects on NAV.

The Fund's deposit with a licensed financial institution carries fixed rate and is short-term in nature, and therefore is not affected by movements in market profit/ interest rate.

(ii) Equity price risk

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

MAYBANK FLEXI INCOME FUND

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

(b) Market risk (cont'd)

(ii) Equity price risk (cont'd)

Equity price risk sensitivity

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

	2023		2022	
	Changes in price %	Effects on NAV Increase/ (Decrease) USD	Changes in price %	Effects on NAV Increase/ (Decrease) USD
Quoted equities	+5	177,455	+5	196,316
	-5	(177,455)	-5	(196,316)

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Manager did not enter into any hedging instruments (e.g. forward currency contracts) to hedge the foreign currency exposure of the Fund.

The base currency of the Fund is USD. As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between USD and the currencies in which the Fund's assets are denominated in may have an impact on the fair value of the Fund's assets. If the currencies in which the assets are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment and of the Fund.

The Fund is a multi-class Fund. The impact of the exchange rate movement between USD and the foreign currency of MYR, AUD and SGD Class, may result in a appreciation/ depreciation of the unitholders' investment in the Fund as expressed in USD.

MAYBANK FLEXI INCOME FUND

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

(b) Market risk (cont'd)

(iii) Currency risk (cont'd)

The table below analyses the net positions of the Fund's financial assets and financial liabilities, which are exposed to foreign exchange risk:

2023	HKD USD	INR USD	SGD USD	TOTAL USD
Financial assets at FVTPL	1,116,106	1,319,746	454,565	2,890,417
Dividend receivable	159	1,554	10	1,723
Cash at bank	-	22,876	4,975	27,851
Total financial assets and net assets position	1,116,265	1,344,176	459,550	2,919,991

The Fund's exposures to fluctuations in the AUD/ USD, CNY/ USD, EUR/ USD, IDR/ USD, KRW/ USD, MYR/ USD, PHP/ USD, THB/ USD and TWD/ USD exchange rates are not significant as at 31 August 2023.

2022	HKD USD	TWD USD	SGD USD	TOTAL USD
Financial assets at FVTPL	1,708,557	367,052	1,871,527	3,947,136
Dividend receivable	3,706	826	589	5,121
Cash at bank	-	-	388,886	388,886
Total financial assets and net assets position	1,712,263	367,878	2,261,002	4,341,143

The Fund's exposures to fluctuations in the AUD/ USD, CNY/ USD, EUR/ USD, IDR/ USD, INR/ USD, MYR/ USD and PHP/ USD exchange rates are not significant as at 31 August 2022.

MAYBANK FLEXI INCOME FUND

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

(b) Market risk (cont'd)

(iii) Currency risk (cont'd)

The Fund did not hedge its exposure to financial assets and financial liabilities denominated in foreign currencies.

The following table summarises the sensitivity of the Fund's net on-balance sheet open position to movements in the exchange rates. The analysis calculated the effect of a reasonably possible movement of the currency rate against USD on the Fund's NAV with all other variables held constant.

	2023	
	Change in exchange rates %	Effects on NAV Increase/ (Decrease) USD
HKD/ USD	+5%	55,813
	-5%	(55,813)
INR/ USD	+5%	67,209
	-5%	(67,209)
SGD/ USD	+5%	22,978
	-5%	(22,978)
	2022	
	Change in exchange rates %	Effects on NAV Increase/ (Decrease) USD
HKD/ USD	+5%	85,613
	-5%	(85,613)
TWD/ USD	+5%	18,394
	-5%	(18,394)
SGD/ USD	+5%	113,050
	-5%	(113,050)

The impact to net loss after taxation and NAV is expected to be the same.

MAYBANK FLEXI INCOME FUND

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

(c) Credit risk

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

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

(i) Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial 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 risk concentration

The following table analyses the Fund's investments in unquoted fixed income securities, profit/ interest receivable and cash at bank by rating categories. The ratings for the Fund's investments in unquoted fixed income securities and profit/ interest receivable on unquoted fixed income securities were obtained from S&P or its equivalent rating by Moody's and/or Fitch, while the ratings for cash at bank were obtained from RAM's official website.

Financial assets	2023	As a % of	2022	As a % of
	USD	NAV	USD	NAV
		%		%
AAA	677,749	6.15	921,078	6.76
AA+	539,099	4.89	-	-
AA	381,048	3.46	200,488	1.47
AA-	240,088	2.18	-	-
A+	1,292,844	11.73	-	-
A	589,874	5.35	-	-
A-	1,475,643	13.39	726,128	5.33
BBB+	386,148	3.50	592,651	4.35
BBB	-	-	166,176	1.22
BBB-	773,328	7.02	756,324	5.55
BB+	-	-	1,516,513	11.13
BB	373,976	3.39	1,410,182	10.35
BB-	672,473	6.10	1,876,713	13.78
Non Rated	-	-	1,719,791	12.63
	7,402,270	67.16	9,886,044	72.57

MAYBANK FLEXI INCOME FUND

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

(d) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or 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 Deed. 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 of cash and cash equivalent 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' capital to provide a complete view of the Fund's contractual commitments and liquidity.

2023	Less than 1 month USD	More than 1 month USD	Total USD
Financial assets			
Financial assets at FVTPL	3,734,290	6,724,523	10,458,813
Derivative assets	78	1,706	1,784
Deposits with a licensed financial institutor	122,839	-	122,839
Profit/ Interest receivable	43,202	73,425	116,627
Dividend receivable	3,875	-	3,875
Amount due from brokers	249,216	-	249,216
Cash at bank	253,100	-	253,100
	4,406,600	6,799,654	11,206,254
Financial liabilities and net assets attributable to unitholders of the Fund			
Derivative liabilities	16,836	63,891	80,727
Amount due to Manager	73,888	-	73,888
Amount due to Trustee	387	-	387
Other payables and accruals	4,314	-	4,314
Net assets attributable to unitholders	11,018,530	-	11,018,530
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	11,113,955	63,891	11,177,846
Liquidity (gap)/ surplus	(6,707,355)	6,735,763	28,408

MAYBANK FLEXI INCOME FUND

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

(d) Liquidity risk (cont'd)

2022	Less than 1 month USD	More than 1 month USD	Total USD
Financial assets			
Financial assets at FVTPL	4,170,007	8,599,008	12,769,015
Derivative assets	-	46	46
Profit/ Interest receivable	50,972	71,293	122,265
Dividend receivable	8,001	-	8,001
Cash at bank	921,078	-	921,078
	5,150,058	8,670,347	13,820,405
Financial liabilities and net assets attributable to unitholders of the Fund			
Derivative liabilities	60,303	79,473	139,776
Amount due to Manager	46,932	-	46,932
Amount due to Trustee	468	-	468
Other payables and accruals	3,710	-	3,710
Net assets attributable to unitholders	13,620,241	-	13,620,241
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	13,731,654	79,473	13,811,127
Liquidity (gap)/ surplus	(8,581,596)	8,590,874	9,278

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 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' capital 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.

MAYBANK FLEXI INCOME FUND

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

(d) Liquidity risk (cont'd)

(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) Net assets attributable to unitholders of the Fund

The unitholders can request for redemption on their units by giving the Manager a T + 7 calendar day notice period, the unitholders' contribution have been categorised as having a maturity of "less than 1 month".

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

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