

Asset Management

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MAYBANK MALAYSIA INCOME FUND

**Unaudited semi-annual report
For the financial period from 1 July 2023 to 31
December 2023**

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)
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TRUSTEE

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MAYBANK MALAYSIA INCOME FUND

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MAYBANK MALAYSIA INCOME FUND

Manager's report

For the financial period from 1 July 2023 to 31 December 2023

A. Fund Information

1. Name of the Fund

Maybank Malaysia Income Fund ("Fund")

2. Type of Fund

Income

3. Category of Fund

Bond

4. Duration of the Fund

The Fund is an open-ended Fund.

5. Launch date/ Commencement date

19 June 1996/ 18 July 1996

6. Fund's investment objective

The Fund aims to maximise returns over the medium term, and while at the same time offering stability of capital and regular consistent income.

7. Fund distribution policy

Income distribution (if any) is declared at the end of the financial year of the Fund or for any specified period at the Manager's discretion, subject to Trustee's approval.

8. Fund's performance benchmark

Maybank 12-month fixed deposit rate

9. The Fund's asset allocation policy

The Fund will invest a minimum of 70% of the Fund's assets in fixed income securities, and a maximum of 30% of the Fund's assets in liquid assets.

10. Net income distribution for the financial period from 1 July 2023 to 31 December 2023

There was no distribution declared by the Fund for the financial period ended 31 December 2023.

MAYBANK MALAYSIA INCOME FUND

Manager's report

For the financial period from 1 July 2023 to 31 December 2023 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	01.12.2023 to 31.12.2023	01.12.2022 to 31.12.2022	01.07.2022 to 30.06.2023
Portfolio			
Unquoted fixed income securities (%)	86.00	91.48	99.54
- Construction	14.06	15.85	14.85
- Financial Services	-	1.29	11.45
- Government Agency	-	0.95	0.99
- Industrial Product	1.45	1.40	1.43
- Mining & Petroleum	5.15	4.91	-
- Plantation	3.65	3.55	3.63
- Power Generation	-	-	12.27
- Real Estate	14.96	15.08	16.90
- Trading & Services	4.07	5.79	5.94
- Transportation & Logistics	4.20	4.06	4.13
- Utilities	38.46	38.60	27.95
Cash and other net assets (%)	14.00	8.52	0.46
Total (%)	100.00	100.00	100.00
NAV (RM)	54,097,787	54,552,379	54,036,450
Units in circulation (units)	49,827,579	51,808,813	50,819,106
NAV per unit (RM)	1.0857	1.0530	1.0633
Highest NAV per unit (RM)	1.0530	1.0530	1.0941
Lowest NAV per unit (RM)	1.0287	1.0287	1.0287
Annual return (%) ⁽¹⁾			
- Capital growth (%)	2.09	2.39	3.40
- Income distribution (%)	-	-	2.93
Total return (%)	2.09	2.39	6.44
Benchmark (%)	1.55	1.29	2.75
Net income distributed (RM)	-	-	1,586,036
Distribution date	-	-	27/06/2023
Gross/ Net distribution per unit (sen)	-	-	3.12
Total Expense Ratio ("TER") (%) ⁽²⁾	0.54	0.55	1.07
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.07	0.03	0.05

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 MALAYSIA INCOME FUND

Manager's report

For the financial period from 1 July 2023 to 31 December 2023 (cont'd)

B. Performance Review (cont'd)

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

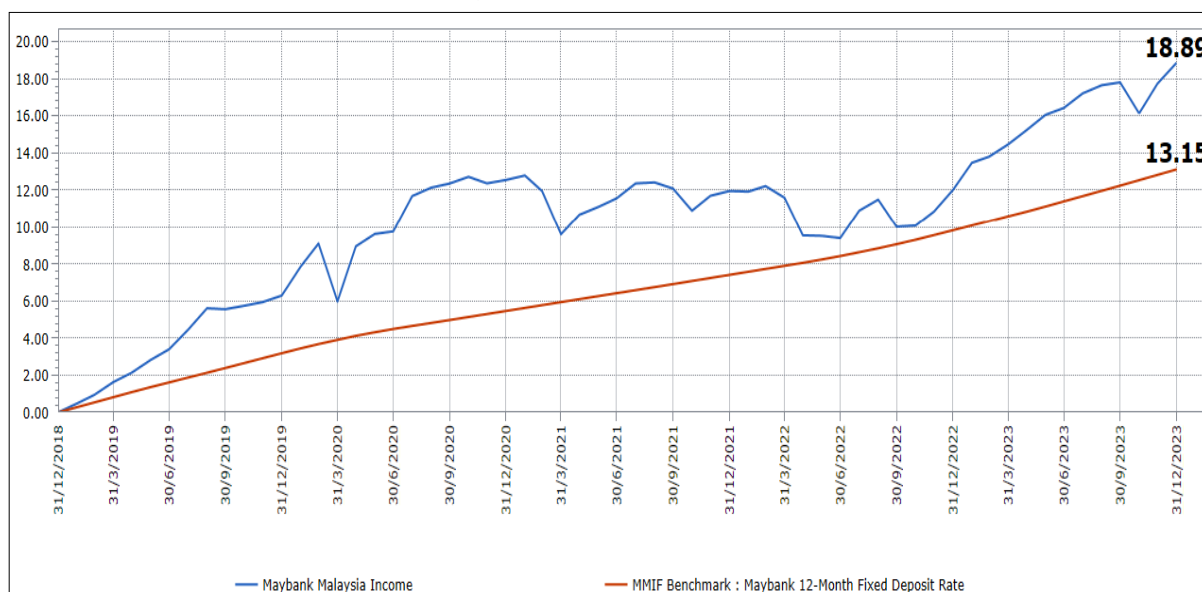
Note:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER reduced to 0.54% due to lower expenses during the current financial period.
- (3) The Fund's PTR increased to 0.07 times due to increased investing activities during the current financial period.

2. Performance of the Fund up to 31 December 2023

Category	6 months to 31.12.2023 %	1 year to 31.12.2023 %	3 years to 31.12.2023 %	5 years to 31.12.2023 %
Capital growth	2.09	3.10	(2.51)	3.83
Income distribution	-	2.93	8.34	14.51
Total return of the Fund	2.09	6.12	5.61	18.89
Benchmark	1.55	3.01	7.28	13.15
Average total return		6.12	1.84	3.52

Performance of the Fund for the 5 years to 31 December 2023



Source: Lipper as at 31 December 2023

For the period under review, the Fund registered 2.09% return, outperforming its benchmark which posted a return of 1.55% in the corresponding period. The outperformance was due to strong rally in local government bonds on the back of peaking policy rates and easing inflation expectations for local economy. Optimism on slower economic growth and lower inflation growth in global markets also boosted the performance of local bond market.

MAYBANK MALAYSIA INCOME FUND

Manager's report

For the financial period from 1 July 2023 to 31 December 2023 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of the Fund

For the financial period/ year ended	31.12.2023 %	30.06.2023 %	30.06.2022 %	30.06.2021 %	30.06.2020 %
Capital growth	2.09	3.40	(4.90)	(0.41)	0.43
Income distribution	-	2.93	3.11	2.07	5.69
Total return	2.09	6.44	(1.94)	1.65	6.15
Benchmark	1.55	2.75	1.88	1.85	2.84

4. Basis of calculation made in calculating the returns:

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

An illustration of the above would be as follows:

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

C. Market Review

Amidst a rather stable domestic monetary policy stance by our central bank, local fixed income market was more affected by the policy stance by United States ("US") Federal Reserve ("Fed") and global central banks. The global market saw the United States Treasury ("UST") yields went through a roller-coaster ride during the period under review as expectations on the Fed Fund Target Rates were rather transient given the data-dependency of policy rate decision as well as US economy still showed signs of resilience after the aggressive rate hiking path pursuit by Fed since March 2022. Market has been consistently more dovish than the actual policy actions taken by Fed up until second quarter of 2023 and the hawkish Fed also drove United States Dollar ("USD") stronger across global currencies in for the year, putting more pressure on Emerging Market ("EM") assets. After going through a tumultuous year, the 10y UST yield ended unchanged year-over-year ("YoY") at 3.88%, having reached 3.25% at the low in April 2023 in the aftermath of the US regional banking crisis and 5.02% at the high in October 2023 amid extreme bearishness for bonds and duration. Overall, UST managed to post a decent total return of 4.10% in 2023 after two consecutive year of losses in 2022 at -12.50% and -2.30% in 2021.

For the full year 2023, Bank Negara Malaysia ("BNM") raised Overnight Policy Rate ("OPR") only once to 3.00% as compared to 4 times 25 basis points ("bps") Fed Fund Rate hiked to 5.25% to 5.50%. The last November 2023, Monetary Policy Committee ("MPC") statement has retained exactly the same wordings on the assessment of monetary policy stance, indicating that the current level of the OPR remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects. Interestingly, a new paragraph was dedicated to the Ringgit Malaysia ("RM"), explaining that the recent foreign exchange ("fx") weakness had been due to higher US interest rate and strong USD, and to manage fx volatility risks, BNM will continue to provide liquidity to ensure the orderly functioning of the local fx market (instead of rate hike, implicitly).

MAYBANK MALAYSIA INCOME FUND

Manager's report

For the financial period from 1 July 2023 to 31 December 2023 (cont'd)

C. Market Review (cont'd)

The last quarter of 2023 was eventful. The Malaysia Budget 2024 was tabled in October 2023, targeting a fiscal deficit of 4.30% of Gross Domestic Product ("GDP") with an expenditure allocation of RM393.8 billion ("bn") and a revenue projection of RM307.6bn. Sovereign bonds supply pressures in bearish market were seen on the same month and triggered selloff in the local market. Yields increased by 12 bps to 22 bps across the curve for October 2023. However, government bonds ("govvies") managed to end on a strong note in 2023 with a total return of 6.40%, the highest since 2020 despite an additional 25 bps OPR hike by BNM. The bull-flattening move in November 2023 to December 2023 added about 2 ppt to the price return. The 10-year Malaysian Government Securities ("MGS") yields fell by 8 bps to close the year at 3.73%.

D. Market Outlook & Strategies

We expect the recovery in Malaysia's fixed income market to continue in 2024, as central banks around the world have peaked on interest rate hikes and are signalling a shift towards more accommodative monetary policy. The end of the central bank hiking cycle would present a more positive dynamic to yield movements globally, positively impacting MGS yields to trend lower, just like the recent dovish tone by Fed has brought the yields retracted from year-to-date ("YTD") highs.

The OPR was maintained at 3.00% by BNM at the most recent MPC meeting in November 2023. The MPC viewed the risks to the growth outlook as broadly balanced, with the expectation that inflation would stay steady in the near future. However, the medium-term trajectory is subject to the risks of changes to subsidy and price control policies as well as global commodity prices. Our view remains that BNM to maintain OPR at 3.00% in 2024 in the absence of demand pulled pressures although monthly Consumer Price Index ("CPI") is likely to trend higher depending on the pace of subsidy rationalisation.

In term of growth prospect, Malaysia GDP growth is projected to expand by around 4.00% in 2023, and 4.00% to 5.00% in year 2024. This justifies a continuation of current monetary policy stance. Having said no change, the next move in OPR, if any, is likely to be a cut rather than a hike as Malaysia's 3Q23 GDP growth came in at 3.30% YoY, a small improvement from 2.90% YoY in 2Q23 but the monthly trend was softening. In addition, MGS or Government Investment Issue ("GII") duration remains an important hedge in RM portfolio allocation as global rates dynamics may descend unexpectedly from late cycle to end of cycle pricing. As such, we maintain our positive outlook for Malaysia's fixed income market.

As rates appear to have reached a peak and central banks are anticipated to turn dovish in 2024, we believe that government bond yields are likely to decline in 2024, allowing for advantageous trading positioning. Strategy wise, we will continue to trade opportunistically and realise profits, reinvesting into longer-duration and higher yield accretive bonds while also considering new primary issuances with higher yields to increase returns.

MAYBANK MALAYSIA INCOME FUND

Manager's report

For the financial period from 1 July 2023 to 31 December 2023 (cont'd)

D. Market Outlook & Strategies (cont'd)

We continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income, as corporate bonds are less volatile and provide higher yields to buffer against potential mark-to-market losses. We prefer strong AA-rated and A-rated papers for yield pickup, while our holdings in AAA and GII will be primed for Return on Investment ("ROI") purposes. We will continue to trade opportunistically to realise profits.

E. Soft Commissions and Rebates

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

During the financial period from 1 July 2023 to 31 December 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.

**TRUSTEE'S REPORT
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

TO THE UNITHOLDERS OF MAYBANK MALAYSIA INCOME FUND

We have acted as Trustee for Maybank Malaysia Income Fund (the "Fund") for the financial period from 1 July 2023 to 31 December 2023. In our opinion and to the best of our Knowledge, Maybank Asset Management Sdn Bhd (the "Manager"), has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 ("CMSA") and other applicable laws;
- (b) Valuation/ Pricing has been carried out in accordance with the Deeds and any regulatory requirements; and
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

For and on behalf of the Trustee

UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (197401000629) (17540-D)

ONG TEE VANN

Chief Executive Officer

Kuala Lumpur, Malaysia

31 January 2024

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MALAYSIA INCOME FUND
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

I, Badrul Hisyam Bin Abu Bakar, being the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Malaysia Income Fund as at 31 December 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 1 July 2023 to 31 December 2023 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Badrul Hisyam Bin Abu Bakar
Director

Kuala Lumpur, Malaysia
31 January 2024

MAYBANK MALAYSIA INCOME FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

		01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022
	Note	RM	RM
INCOME			
Profit/ Interest income	3	1,178,325	1,173,668
Net gain on fair value changes of fair value through profit or loss ("FVTPL") investments			
- Realised loss		(224,159)	(13,769)
- Unrealised gain		419,418	444,737
		<u>1,373,584</u>	<u>1,604,636</u>
EXPENSES			
Manager's fee	4	267,091	274,631
Trustee's fee	5	9,348	9,612
Auditors' remuneration		5,049	6,596
Tax agent's fee		2,770	2,877
Administrative expenses		1,547	5,466
		<u>285,805</u>	<u>299,182</u>
Net income before tax		1,087,779	1,305,454
Taxation	6	-	-
Net income after taxation, representing total comprehensive income for the financial period		<u>1,087,779</u>	<u>1,305,454</u>
Net income after tax is made up of the following:			
Net realised income		668,361	860,717
Net unrealised income		419,418	444,737
		<u>1,087,779</u>	<u>1,305,454</u>

MAYBANK MALAYSIA INCOME FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31.12.2023	30.06.2023
		RM	RM
ASSETS			
Financial assets at FVTPL	7	46,522,330	53,790,201
Deposit with a licensed financial institution	8	3,608,000	1,207,000
Profit/ Interest receivables		499,214	592,513
Amount due from Manager	9	3,431,373	-
Cash at bank		122,292	123,285
TOTAL ASSETS		54,183,209	55,712,999
LIABILITIES			
Amount due to Manager	9	62,212	65,296
Amount due to Trustee	10	1,513	1,594
Distribution payable		-	1,586,036
Other payables and accruals		21,697	23,623
TOTAL LIABILITIES		85,422	1,676,549
NET ASSET VALUE ("NAV") OF THE FUND		54,097,787	54,036,450
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders' capital	11(a)	67,486,573	68,513,015
Accumulated losses	11(b) & (c)	(13,388,786)	(14,476,565)
		54,097,787	54,036,450
NUMBER OF UNITS IN CIRCULATION (UNITS)	11(a)	49,827,579	50,819,106
NAV PER UNIT (RM)		1.0857	1.0633

MAYBANK MALAYSIA INCOME FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

	Unitholders' capital Note 11(a) RM	Accumulated losses Note 11(b) & (c) RM	Net assets attributable to unitholders RM
At 1 July 2023	68,513,015	(14,476,565)	54,036,450
Total comprehensive income for the financial period	-	1,087,779	1,087,779
Creation of units	6,193,578	-	6,193,578
Cancellation of units	(7,220,020)	-	(7,220,020)
At 31 December 2023	<u>67,486,573</u>	<u>(13,388,786)</u>	<u>54,097,787</u>
At 1 July 2022	71,020,213	(16,330,729)	54,689,484
Total comprehensive income for the financial period	-	1,305,454	1,305,454
Creation of units	866,009	-	866,009
Cancellation of units	(2,308,568)	-	(2,308,568)
At 31 December 2022	<u>69,577,654</u>	<u>(15,025,275)</u>	<u>54,552,379</u>

MAYBANK MALAYSIA INCOME FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

	01.07.2023 to 31.12.2023 RM	01.07.2022 to 31.12.2022 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sales or redemptions of financial assets at FVTPL	7,463,131	2,903,326
Profit/ Interest received	1,271,624	1,189,216
Manager's fee paid	(269,380)	(273,931)
Trustee's fee paid	(9,429)	(9,588)
Payment of other fees and expenses	(11,294)	(14,069)
Net cash generated from operating and investing activities	<u>8,444,652</u>	<u>3,794,954</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	2,762,205	866,008
Payments for cancellation of units	(7,220,815)	(2,345,737)
Distribution to unitholders	(1,586,035)	-
Net cash used in financing activities	<u>(6,044,645)</u>	<u>(1,479,729)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD	2,400,007	2,315,225
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>1,330,285</u>	<u>1,918,942</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>3,730,292</u></u>	<u><u>4,234,167</u></u>
Cash and cash equivalents comprises:		
Cash at bank	122,292	123,167
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 8)	3,608,000	4,111,000
	<u><u>3,730,292</u></u>	<u><u>4,234,167</u></u>

MAYBANK MALAYSIA INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Malaysia Income Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 15 May 1996 ("Principal Deed") between Amanah Mutual Berhad ("AMB") as the previous Manager and Universal Trustee (Malaysia) Berhad as the Trustee. The Fund commenced operations on 19 June 1996 and will continue to be in operations until terminated by the Trustee as provided under the Deeds. The following supplemental deeds has been issued between AMB and the Trustee:

- First supplemental deed dated 16 April 1999;
- Second supplemental deed dated 18 August 1999;
- Third supplemental deed dated 23 March 2000;
- Fourth supplemental deed dated 13 February 2001;
- Fifth supplemental deed dated 8 February 2002;
- Sixth supplemental deed dated 12 September 2003;
- Seventh supplemental deed dated 26 May 2005; and
- Eighth supplemental deed dated 26 July 2016.

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

Subsequently MAM and Universal Trustee (Malaysia) Berhad as the Trustee had entered into a Ninth Supplemental Deed dated 4 September 2018, to appoint MAM as the replacement Manager of the Fund effective 1 November 2018, Tenth Supplemental Deed dated 11 July 2019 to change the name of the Fund, Eleventh Supplemental Deed dated 3 August 2022 and Twelfth Supplemental deed dated 8 August 2023. The Principal Deed and Supplemental Deeds are collectively referred to as 'Deeds'.

The Fund commenced operations on 19 June 1996 and will continue to be in operations until terminated by the Trustee as provided under the Deeds. The principal activity of the Fund is to invest a minimum of 70% of the Fund's assets in fixed income securities, and a maximum of 30% of the Fund's assets in liquid assets.

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

MAYBANK MALAYSIA INCOME FUND

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 1 July 2023 to 31 December 2023. The adoption of the above did not result in 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 2.13 to the financial statements.

All amounts are stated in Ringgit Malaysia ("RM").

2.2 Standards, amendments to Standards and Interpretations issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2.3 Financial instruments

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

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

Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

MAYBANK MALAYSIA INCOME FUND

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets

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

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

(i) Financial assets at amortised cost

Unless designated 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.

The Fund classifies cash and cash equivalents, amount due from Manager and profit/ interest receivables as financing and receivables, and are subsequently measured 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 assets and of allocating and recognising the profit income in profit or loss over the relevant period.

(ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

MAYBANK MALAYSIA INCOME FUND

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets (cont'd)

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

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

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

(iii) Impairment of financial assets

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

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

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

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

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

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

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

MAYBANK MALAYSIA INCOME FUND

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets (cont'd)

(iv) Derecognition of financial assets

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

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

On derecognition of financial asset at amortised cost, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

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 and other payables and accruals as other financial liabilities.

(ii) Recognition and measurement

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

The EPR/ EIR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the profit expense in profit or loss over the relevant period.

(iii) Derecognition of financial liabilities

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

MAYBANK MALAYSIA INCOME FUND

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6 Unitholders' contribution

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

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

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

2.7 Revenue/ Income

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

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

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

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

2.8 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, deposit at call and highly liquid instruments with maturities of 3 months or less, which have an insignificant risk of changes in value.

MAYBANK MALAYSIA INCOME FUND

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Taxation

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

Current taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial period.

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

2.10 Fair value measurement

The Fund measures its investments at FVTPL at fair value at each reporting date.

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

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

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

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

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

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

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

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

MAYBANK MALAYSIA INCOME FUND

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Fair value measurement (cont'd)

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.

2.11 Distributions

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

2.12 Segment reporting

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

2.13 Critical accounting estimates and judgments

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

3. PROFIT/ INTEREST INCOME

	01.07.2023	01.07.2022
	to	to
	31.12.2023	31.12.2022
	RM	RM
Profit/ Interest income from unquoted fixed income securities	1,199,585	1,253,159
Profit/ Interest income from licensed financial institutions	36,874	37,635
Amortisation of premium, net accretion of discount	(58,134)	(117,126)
	<u>1,178,325</u>	<u>1,173,668</u>

MAYBANK MALAYSIA INCOME FUND

4. MANAGER'S FEE

The Manager's fee is computed daily up to 1.50% (01.07.2022 to 31.12.2022: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

5. TRUSTEE'S FEE

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

NAV (RM)	Trustee fee rate (%) p.a.	
	2023	2022
Up to maximum NAV of RM100 million	0.035	0.035
Above RM100 million	0.010	0.010

6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.07.2022 to 31.12.2022: 24%) of the estimated assessable income for the financial period.

The tax charge for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit/interest income earned by the Fund is exempted from tax.

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

	01.07.2023 to 31.12.2023 RM	01.07.2022 to 31.12.2022 RM
Net income before taxation	1,087,779	1,305,454
Taxation at Malaysian statutory rate of 24% (01.07.2022 to 31.12.2022: 24%)	261,067	313,309
Income not subject to tax	(383,458)	(388,417)
Loss not deductible for tax purpose	53,798	3,305
Expenses not deductible for tax purposes	68,593	71,804
Tax expense for the financial period	-	-

MAYBANK MALAYSIA INCOME FUND

7. FINANCIAL ASSETS AT FVTPL

			31.12.2023 RM	30.06.2023 RM
Unquoted fixed income securities			46,522,330	53,790,201
31.12.2023	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
Construction				
Gamuda Land Sdn Bhd - 3.75%/ 12.08.2027	1,400,000	1,399,977	1,388,212	2.57
Malaysian Resources Co. Bhd - 4.45%/ 14.08.2030	1,300,000	1,307,313	1,269,307	2.35
MMC Corporation Bhd - 5.95%/ 12.11.2027	2,500,000	2,692,330	2,651,150	4.90
- 5.70%/ 24.03.2028	1,030,000	1,057,940	1,086,650	2.01
SP Setia Bhd - 4.30%/ 23.06.2028	1,200,000	1,199,995	1,208,580	2.23
	<u>7,430,000</u>	<u>7,657,555</u>	<u>7,603,899</u>	<u>14.06</u>
Industrial Product				
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	780,000	779,958	786,497	1.45
Mining & Petroleum				
Petroleum Sarawak Exploration & Production Sdn Bhd - 4.10%/ 19.03.2031	2,780,000	2,779,859	2,786,922	5.15
Plantation				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,000,000	2,001,359	1,974,040	3.65

MAYBANK MALAYSIA INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.12.2023 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
Real Estate				
Country Garden				
Real Estate Sdn Bhd				
- 5.25%/ 27.03.2025	900,000	899,929	730,215	1.35
- 4.90%/ 04.05.2026	1,200,000	1,199,925	798,828	1.48
IJM Land Bhd				
- 4.73%/ Perpetual	1,300,000	1,300,397	1,286,714	2.38
- 5.65%/ Perpetual	1,080,000	1,079,896	1,100,639	2.03
Malaysian Resources Co. Bhd				
- 5.09%/ 18.10.2028	800,000	801,613	810,208	1.50
Sime Darby Property Bhd				
- 3.64%/ 03.12.2030	900,000	899,980	877,275	1.62
Sunway Treasury Sukuk Sdn Bhd				
- 3.55%/ 10.09.2024	800,000	800,181	797,288	1.47
UEM Sunrise Berhad				
- 4.30%/ 16.02.2026	1,700,000	1,703,720	1,695,342	3.13
	<u>8,680,000</u>	<u>8,685,641</u>	<u>8,096,509</u>	<u>14.96</u>
Trading & Services				
Evyap Sabun Malaysia Sdn Bhd				
- 4.05%/ 30.12.2025	2,200,000	2,199,995	2,200,902	4.07
Transportation & Logistics				
DRB-HICOM Bhd				
- 5.05%/ 06.08.2031	1,580,000	1,584,869	1,559,571	2.88
PONSB Capital Bhd				
- 4.64%/ 28.12.2026	700,000	699,996	711,501	1.32
	<u>2,280,000</u>	<u>2,284,865</u>	<u>2,271,072</u>	<u>4.20</u>

MAYBANK MALAYSIA INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.12.2023 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
Utilities				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,380,000	2,415,882	2,434,716	4.50
Edra Energy Holdings Sdn Bhd - 6.51%/ 05.07.2035	1,700,000	2,028,271	2,004,402	3.71
Malaysia Airport Holdings Bhd - 3.87%/ 30.12.2026	700,000	699,999	703,297	1.30
- 3.30%/ 05.11.2027	1,000,000	999,972	983,310	1.82
Pengurusan Air SPV Bhd - 3.32%/ 04.06.2027	500,000	500,001	491,775	0.91
- 3.90%/ 30.10.2029	2,500,000	2,572,360	2,491,900	4.61
Sarawak Energy Bhd - 3.30%/ 14.06.2030	900,000	900,011	868,464	1.61
Tanjung Bin Energy Sdn Bhd - 6.20%/ 16.03.2032	3,800,000	4,502,362	4,022,300	7.44
Tenaga Nasional Bhd - 5.18%/ 03.08.2037	3,000,000	3,477,857	3,300,570	6.10
TNB Northern Energy Bhd - 4.62%/ 30.05.2033	2,000,000	2,138,715	2,076,960	3.83
YTL Power International Bhd - 5.05%/ 03.05.2037	1,380,000	1,400,205	1,424,795	2.63
	<u>19,860,000</u>	<u>21,635,635</u>	<u>20,802,489</u>	<u>38.46</u>
Total unquoted fixed income securities	<u>46,010,000</u>	<u>48,024,867</u>	<u>46,522,330</u>	<u>86.00</u>
Unrealised loss on unquoted fixed income securities*			<u>(1,502,537)</u>	

MAYBANK MALAYSIA INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

30.06.2023	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
Construction				
Gamuda Land (T12) Sdn Bhd				
- 3.75%/ 12.08.2027	1,400,000	1,399,979	1,372,028	2.54
- 4.20%/ 11.10.2027	500,000	499,973	498,115	0.92
MMC Corporation Berhad				
- 5.95%/ 12.11.2027	2,500,000	2,715,335	2,636,975	4.88
- 5.70%/ 24.03.2028	1,030,000	1,060,902	1,078,904	2.00
Malaysian Resources Co. Bhd				
- 4.45%/ 14.08.2030	1,300,000	1,307,790	1,245,517	2.30
S P Setia Bhd				
- 4.30%/ 23.06.2028	1,200,000	1,199,996	1,196,484	2.21
	<u>7,930,000</u>	<u>8,183,975</u>	<u>8,028,023</u>	<u>14.85</u>
Financial Services				
Affin Islamic Bank Bhd				
- 5.05%/ 23.10.2028	700,000	700,377	701,659	1.30
Sabah Development Sdn Bhd				
- 5.50%/ 27.02.2026	2,700,000	2,740,228	2,752,650	5.09
Krung Thai Bank				
- 4.10%/ 19.03.2031	2,780,000	2,779,858	2,735,103	5.06
	<u>6,180,000</u>	<u>6,220,463</u>	<u>6,189,412</u>	<u>11.45</u>
Government Agency				
Danga Capital Bhd				
- 5.02%/ 21.09.2023	500,000	502,764	535,115	0.99
Industrial Product				
OSK Rated Bond Sdn Bhd				
- 4.39%/ 28.04.2028	780,000	779,958	775,343	1.43

MAYBANK MALAYSIA INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

30.06.2023 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
Plantation				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	2,000,000	2,001,741	1,962,480	3.63
Power Generation				
Cypark Ref Sdn Bhd - 5.32%/ 30.06.2031	2,380,000	2,417,845	2,410,107	4.46
Edra Energy Sdn Bhd - 6.51%/ 05.07.2035	1,700,000	2,039,169	1,951,753	3.61
Sarawak Energy Bhd - 3.30%/ 14.06.2030	900,000	900,013	854,478	1.58
YTL Power International Bhd - 5.05%/ 03.05. 2027	1,380,000	1,403,000	1,416,239	2.62
	<u>6,360,000</u>	<u>6,760,027</u>	<u>6,632,577</u>	<u>12.27</u>
Real Estate				
IJM Land Bhd - 4.73%/ Perpetual	1,300,000	1,300,455	1,276,626	2.36
- 5.65%/ Perpetual	1,080,000	1,079,896	1,099,850	2.04
Country Garden Real Estate Sdn Bhd - 5.25%/ 27.03.2025	900,000	899,931	887,013	1.64
- 4.90%/ 04.05.2026	1,200,000	1,199,925	1,157,556	2.14
Sime Darby Property Bhd - 3.64%/ 03.12.2030	900,000	899,981	860,220	1.59
UEM Sunrise Berhad - 3.90%/ 21.09.2023	600,000	600,105	599,316	1.11
- 4.30%/ 16.02.2026	1,700,000	1,704,561	1,660,135	3.07
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	800,000	800,332	791,968	1.47
Malaysian Resources Co. Bhd - 5.09%/ 18.10.2028	800,000	801,767	799,352	1.48
	<u>9,280,000</u>	<u>9,286,953</u>	<u>9,132,036</u>	<u>16.90</u>

MAYBANK MALAYSIA INCOME FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

30.06.2023 (cont'd)	Quantity Units	Aggregate cost RM	Market Value RM	Percentage of NAV %
Trading & Services				
Evyap Sabun Malaysia Sdn Bhd - 4.05%/ 30.12.2025	2,200,000	2,199,998	2,141,370	3.96
Guan Chong Bhd - 3.84%/ 03.12.2027	1,100,000	1,104,415	1,071,598	1.98
	<u>3,300,000</u>	<u>3,304,413</u>	<u>3,212,968</u>	<u>5.94</u>
Transportation & Logistics				
DRB-HICOM Bhd - 5.08%/ 30.08.2030	1,580,000	1,585,134	1,526,154	2.82
PONSB Capital Berhad - 4.64%/ 28.12.2026	700,000	699,997	709,184	1.31
	<u>2,280,000</u>	<u>2,285,131</u>	<u>2,235,338</u>	<u>4.13</u>
Utilities				
Malaysia Airport Holdings Bhd - 3.87%/ 30.12.2026	700,000	699,999	697,578	1.29
- 3.30%/ 05.11.2027	1,000,000	999,972	971,210	1.80
Pengurusan Air SPV Bhd - 3.32%/ 04.06.2027	500,000	500,002	486,930	0.90
- 3.90%/ 30.10.2029	2,500,000	2,577,978	2,467,900	4.57
Tanjung Bin Energy Sdn Bhd - 6.20%/ 16.03.2032	5,000,000	5,972,585	5,162,600	9.55
Tenaga Nasional Bhd - 5.18%/ 03.08.2037	3,000,000	3,491,361	3,265,410	6.07
TNB Northern Energy Bhd - 4.62%/ 30.05.2033	2,000,000	2,144,834	2,035,281	3.77
	<u>14,700,000</u>	<u>16,386,731</u>	<u>15,086,909</u>	<u>27.95</u>
Total unquoted fixed income securities	<u>53,310,000</u>	<u>55,712,156</u>	<u>53,790,201</u>	<u>99.54</u>
Unrealised loss on unquoted fixed income securities *			<u>(1,921,955)</u>	

* The unrealised loss on unquoted fixed income securities comprise the amounts arising from changes in fair values.

MAYBANK MALAYSIA INCOME FUND

8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.12.2023 RM	30.06.2023 RM
Short-term placement with a maturity of less than 3 months	3,608,000	1,207,000

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

	31.12.2023		30.06.2023	
	WAEPR/ WAEIR % p.a.	Average maturity days	WAEPR/ WAEIR % p.a.	Average maturity days
Deposit with a licensed financial institution	2.95	4	2.95	3

9. AMOUNT DUE FROM/ (TO) MANAGER

	Note	31.12.2023 RM	30.06.2023 RM
Amount due from Manager is in respect of:			
- Creation of units	(i)	3,431,373	-
Amount due to Manager is in respect of:			
- Management fee	(ii)	43,240	45,529
- Cancellation of units	(iii)	18,972	19,767
		<u>62,212</u>	<u>65,296</u>

- (i) The amount represents amount receivable from the Manager for units created.
- (ii) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period/ year. The normal credit term for Manager's fee is 15 days (30.06.2023: 15 days).
- (iii) The amount represents amount payable to the Manager for units redeemed/ cancelled.

10. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accruals for Trustee's fee at the end of the financial period/ year. The normal credit term for Trustee fee is 15 days (30.06.2023: 15 days).

MAYBANK MALAYSIA INCOME FUND

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	31.12.2023 RM	30.06.2023 RM
Unitholders' contribution	(a)	67,486,573	68,513,015
Accumulated realised losses	(b)	(13,048,545)	(13,716,906)
Accumulated unrealised losses	(c)	(340,241)	(759,659)
		<u>54,097,787</u>	<u>54,036,450</u>

(a) Unitholders' contribution

	01.07.2023 to 31.12.2023		01.07.2022 to 30.06.2023	
	Units	RM	Units	RM
At the beginning of the financial period/ year	50,819,106	68,513,015	53,186,254	71,020,213
Creation of units	5,750,548	6,193,578	1,342,803	1,408,986
Cancellation of units	(6,742,075)	(7,220,020)	(3,709,951)	(3,916,184)
At the end of the financial period/ year	<u>49,827,579</u>	<u>67,486,573</u>	<u>50,819,106</u>	<u>68,513,015</u>

As at the end of the financial period/ year, there were no units held by the directors or parties related to the Manager (30.06.2023: Nil units).

(b) Accumulated realised losses

	01.07.2022 to 31.12.2023 RM	01.07.2022 to 30.06.2023 RM
At the beginning of the financial period/ year	(13,716,906)	(13,870,425)
Net realised income for the financial period/ year	668,361	1,739,555
Distribution out of retained earnings	-	(1,586,036)
At the end of the financial period/ year	<u>(13,048,545)</u>	<u>(13,716,906)</u>

(c) Accumulated unrealised losses

	01.07.2022 to 31.12.2023 RM	01.07.2022 to 30.06.2023 RM
At the beginning of the financial period/ year	(759,659)	(2,460,304)
Net unrealised income for the financial period/ year	419,418	1,700,645
At the end of the financial period/ year	<u>(340,241)</u>	<u>(759,659)</u>

MAYBANK MALAYSIA INCOME FUND

12. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant related party transaction and balances of the Fund during the financial period/ year.

	01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022
	RM	RM
(i) <u>Significant related party transaction</u>		
MBB:		
Interest income from deposit placement	36,874	37,635
	31.12.2023	30.06.2023
	RM	RM
(ii) <u>Significant related party balances</u>		
MBB:		
Deposit with a licensed financial institution	3,608,000	1,207,000
Interest income receivable	875	293
Cash at bank	122,292	123,285

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

13. TRANSACTIONS WITH BROKER/ DEALER/ FINANCIAL INSTITUTION

The transactions with broker/ dealer are as follows:

	01.07.2023 to 31.12.2023		01.07.2022 to 31.12.2022	
	Value of trade RM	Percent of total trade %	Value of trade RM	Percent of total trade %
Broker/ Dealer				
RHB Investment Bank Bhd	6,804,998	100.00	1,504,936	100.00

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

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

	01.07.2023 to 31.12.2023		01.07.2022 to 31.12.2022	
	Percentage of total placements %	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Financial institution				
MBB *	304,353,000	100.00	352,568,000	100.00

* MBB is the ultimate holding company of the Manager.

14. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund, and recovered expenses to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee and other administrative expenses. For the financial period from 1 July 2023 to 31 December 2023, the TER of the Fund stood at 0.54% (01.07.2022 to 31.12.2022: 0.55%).

15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial period from 1 July 2023 to 31 December 2023, the PTR of the Fund stood at 0.07 times (01.07.2022 to 31.12.2022: 0.03 times).

16. SEGMENT INFORMATION

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker of the Manager makes the strategic decisions on resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieves its targeted to maximise returns over the Medium Term and while at the same time offering stability of capital and regular consistent income.

The chief operating decision-maker is responsible for the performance of the Fund by investing a minimum of 70% of the Fund's assets in fixed income securities, and a maximum of 30% of the Fund's assets in liquid assets.

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

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16. SEGMENT INFORMATION (CONT'D)

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

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

17. FAIR VALUE HIERARCHY

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2023				
Financial assets at FVTPL	-	46,522,330	-	46,522,330
30.06.2023				
Financial assets at FVTPL	-	53,790,201	-	53,790,201

18. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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