

Asset Management

Maybank Asset Management Sdn Bhd

199701006283

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

www.maybank-am.com.my

MAYBANK MALAYSIA BALANCED-I FUND

Annual report
For the financial year ended 30 November 2023

CORPORATE INFORMATION

MANAGER

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

EXTERNAL INVESTMENT MANAGER

Maybank Islamic Asset Management Sdn Bhd (201301012623) (1042461-K)
Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
Telephone +603 2297 7888
Facsimile +603 2297 7898

TRUSTEE

AmanahRaya Trustees Berhad (200701008892) (766894-T)
Tingkat 14, Wisma AmanahRaya
No.2, Jalan Ampang
50508 Kuala Lumpur
Telephone : +603 2036 5129/ 5000
Facsimile : +603 2072 0321

SHARIAH ADVISER

Maybank Islamic Berhad (200701029411) (787435-M)
Level 15, Tower A, Dataran Maybank
No. 1 Jalan Maarof
59000 Kuala Lumpur
Telephone +603 2297 2001
Facsimile +603 2297 2002

MAYBANK MALAYSIA BALANCED-I FUND

CONTENTS	PAGE
Manager's report	(i) - (vii)
Trustee's report	1
Statement by Manager	2
Report of the Shariah Adviser	3
Independent auditors' report	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in net assets attributable to unitholders	10
Statement of cash flows	11
Notes to the financial statements	12 - 40

MAYBANK MALAYSIA BALANCED-I FUND

Manager's report

For the financial year ended 30 November 2023

A. Fund Information

1. Name of the Fund

Maybank Malaysia Balanced-I Fund ("the Fund")

2. Type of Fund

Income and Growth fund (Shariah)

3. Category of Fund

Balanced fund

4. Duration of the Fund

The Fund is an open-ended Fund.

5. Fund launch date/ Commencement date

17 September 2002/ 8 October 2002

6. Fund's investment objective

The investment objective of the Fund is to attain a mix of regular income stream and possible capital growth via investments in Shariah-compliant listed equities, Sukuk and other assets that are permissible under the Shariah Principles.

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.

Subject to the provisions of the Deed, 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 Classes of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.

Distribution out of the Fund's capital has a risk of eroding the capital of the Fund. It may reduce the Fund's capital available for future investment and the Fund's potential for future income generation; it may also cause the NAV of the Fund to fall over time. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.

8. Fund's performance benchmark

A combination of:

- 50% of the FTSE Bursa Malaysia EMAS Shariah Index ("FBMS Index"); and
- 50% of the Maybank 12 months General Investment Account-i ("GIA-i") TIER 1 rate

Information on FBM EMAS Shariah Index can be obtained from www.bursamalaysia.com. Information on Maybank 12 months GIA-i tier 1 rate can be obtained from www.maybank2u.com.my.

The composite benchmark is a reflection of the Fund's portfolio structure and objective. The risk profile of the Fund is different from the risk profile of the benchmark.

MAYBANK MALAYSIA BALANCED-I FUND

Manager's report

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

A. Fund Information (cont'd)

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

The Fund invests in an optimal mix of assets comprising of Islamic equities, Sukuk and Islamic money market instruments.

The principal activity of the Fund is to invest in between minimum of 40% to maximum of 50% of the Fund's assets in Shariah-compliant equities, between minimum of 40% to maximum of 58% in Sukuk and Islamic money market instruments and minimum of 2% in Islamic liquid assets.

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

The Fund declared a total distribution RM324,064 to unitholders during the financial year ended.

Below are the details of the distributions declared and the impact of the distributions to the Fund's NAV:

Ex-date	Before distribution	After distribution	Gross/ Net distribution per unit	Changes %
27 November 2023	1.0560	0.5460	0.5100	(48.30)

B. Performance Review

1. Key performance data of the Fund

Category	FY2023	FY2022	FY2021
----------	--------	--------	--------

Portfolio composition (%)

Quoted equities - local

Construction	8.06	8.47	2.42
Consumer Products	2.75	1.12	2.61
Energy	4.81	2.99	2.71
Financial Services	1.45	5.00	5.20
Healthcare	1.31	3.51	1.23
Industrial Products & Services	4.41	4.39	8.98
Plantation	-	0.95	2.74
Property	0.88	-	-
Real Estate Investment Trust ("REITs")	1.14	1.45	-
Technology	5.90	7.41	14.57
Telecommunication	4.06	5.49	6.26
Transportation & Logistics	0.70	1.39	3.35
Utilities	6.50	5.51	3.21
Total quoted equities - local	41.97	47.68	53.28
Sukuk - local			
Construction	9.08	2.75	2.83
Consumer Products	2.29	2.42	2.50
Energy	5.85	1.70	1.79
Financial Services	4.65	4.42	4.58
Healthcare	3.21	-	-

MAYBANK MALAYSIA BALANCED-I FUND

Manager's report

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

B. Performance Review (cont'd)

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

Category	FY2023	FY2022	FY2021
Portfolio composition (%) (cont'd)			
Sukuk - local (cont'd)			
Plantation	2.27	2.39	2.46
Property	10.14	9.64	8.41
Real Estate	1.33	1.50	4.82
Transportation & Logistics	3.54	7.50	3.28
Utilities	10.80	9.39	10.94
Total Sukuk - local	53.16	41.71	41.61
Cash and other net assets	4.87	10.61	5.11
Total	100.00	100.00	100.00
NAV (RM'000)	34,713	32,330	31,984
Units in circulation (units'000)	63,459	62,777	59,675
NAV per unit (RM)	0.5470	0.5150	0.5360
Highest NAV per unit (RM)	0.5555	0.5414	0.5840
Lowest NAV per unit (RM)	0.5138	0.4962	0.5323
Net income distributed (RM)	324,064	-	831,288
Distribution date	27/11/2023	-	26/11/2021
Gross/ Net distribution per unit (sen)	0.51	-	1.43
Annual total return (%) ⁽¹⁾			
- Capital growth (%)	6.21	(3.92)	(6.08)
- Income distribution (%)	0.93	-	2.67
Total return (%)	7.21	(3.92)	(3.57)
Benchmark (%)	1.99	(3.85)	(2.70)
Total Expense Ratio ("TER") (%) ⁽²⁾	1.36	1.36	1.44
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.44	0.40	0.48

Notes:

(1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.

(2) The Fund's TER remain stagnant during the current financial year under review.

(3) The Fund's PTR increased due to higher trading activities in the current financial year under review.

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 BALANCED-I FUND

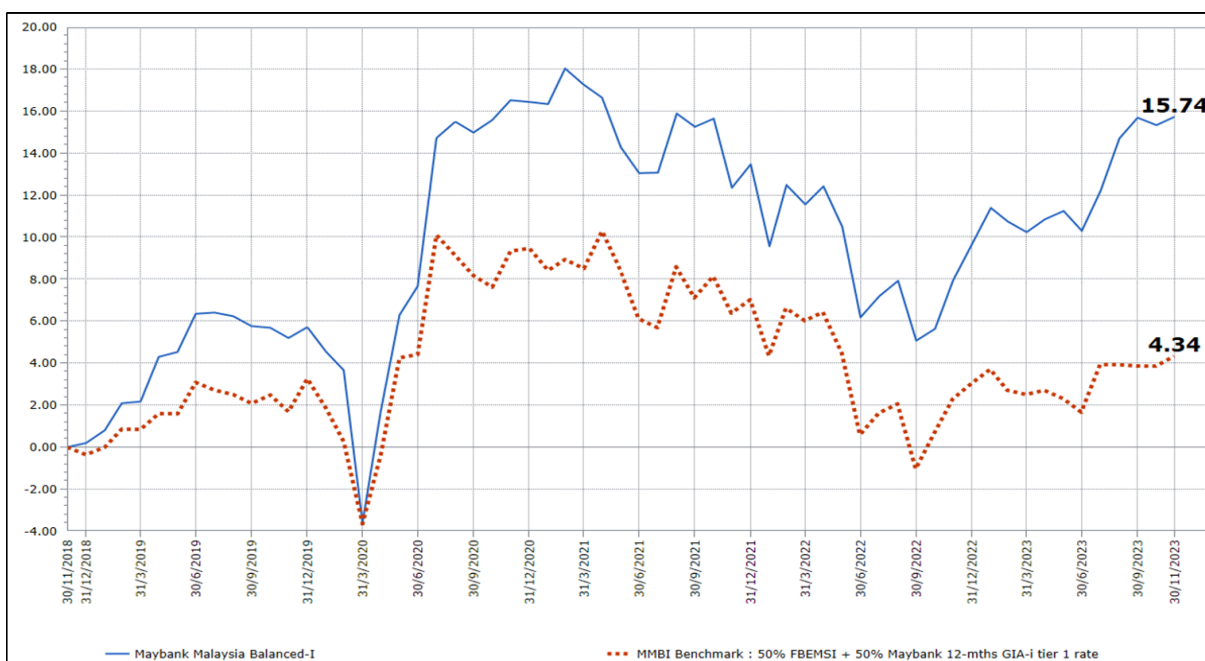
Manager's report

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

B. Performance Review (cont'd)

2. Performance of the Fund up to 30 November 2023

Category	1 year to 30.11.2023 %	3 years to 30.11.2023 %	5 years to 30.11.2023 %
Capital growth	6.21	(4.15)	6.88
Income distribution	0.93	3.63	8.30
Total return of the Fund	7.21	(0.68)	15.74
Benchmark	1.99	(4.58)	4.34
Average total return	7.21	(0.23)	2.97



Source : Lipper, as at 30 November 2023

During financial year under review, the Fund registered a total return of 7.21%. Against the benchmark return of 1.99%, this implied an outperformance of 5.22%. The outperformance arose from equities and Sukuk gains. Main contributors of equities sectors included Industrials, real estate, and information technology. On the contrary, financials and materials were the two sectors that declined in value. In Sukuk, the outperformance was driven by a combination of stronger return from the strong rally in the local Sukuk market, and profit income derived from the Sukuk held in the Fund during the year.

3. Annual total return of the Fund

For the financial year ended	30.11.2023 %	30.11.2022 %	30.11.2021 %	30.11.2020 %	30.11.2019 %
Capital growth	6.21	(3.92)	(6.08)	8.01	3.24
Income distribution	0.93	-	2.67	2.56	1.89
Total return	7.21	(3.92)	(3.57)	10.77	5.20
Benchmark	1.99	(3.85)	(2.70)	7.52	1.70

MAYBANK MALAYSIA BALANCED-I FUND

Manager's report

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

B. Performance Review (cont'd)

4. Basis of calculation made in calculating the returns:

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

An illustration of the above would be as follows:

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

C. Market Review

Equity market review

Global financial markets during the year under review staged a rebound, after inundated with volatility. Starting with geopolitical risks of the Russia-Ukraine war, sharp rise in inflation, monetary policy tightening, risks of a global recession, rising Sukuk yields, and finally a geopolitical conflict in the Middle East. While global equity markets were broadly higher by the end of the review year, it suffered several selloffs throughout the year. The year started well as the outlook for the global economy looked better-than-expected, with the United States ("US") and Europe showing resiliency, helped by the lower energy prices and the re-opening economy in China.

However, this was quickly dampened by the developments in the global banking sector that posed new uncertainty on the direction of monetary policy. While the developed markets' financial sector events were distinctive and has stopped short of a systematic risk, there were concerns of tighter lending environment and slower economic activity. Subsequently, resilient economic data however sparked concerns of a ramp-up in monetary tightening. Sukuk yields rose higher, affecting equity valuations especially post the United States Federal Reserve ("US Fed") meeting in September 2023, maintaining rates but more hawkish than expected. Demonstrating the volatility in current market environment, investors quickly shifted expectations from the risk of recession to a 'soft-landing' for the US economy in November 2023 just a few months later. With the rising likelihood of lower rates, US Sukuk yields fell and alongside the United States Dollar ("USD"). Certainly, investor jumped back in growth stocks, which is a rate cut play. This was evident in gains in sectors such as information technology, which has been one of the key themes most of the year.

In equities, Association of Southeast Asian Nations ("ASEAN") was mixed during the period under review, with top gainers coming from Indonesia, rising 6.70% while Malaysia was the second best closing 4.70% higher. Thailand took spot for the worst performer, tumbling 10.00%, followed by Philippines' 3.90% drop and Singapore's 2.70% decline.

MAYBANK MALAYSIA BALANCED-I FUND

Manager's report

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

C. Market Review (cont'd)

Fixed income market review

The financial year under review, saw a pause in profit rates hike by Bank Negara Malaysia (“BNM”) after 4 consecutive 25 basis points (“bps”) hikes in 2022, before proceeding to hike again in May 2023 to 3.00%. Since the hike in May 2023 the central bank has reiterated the need to assess the impact of the previous hikes before deciding if a further adjustment is needed. This has led to growing expectation that BNM rate hikes has reached the end of the cycle and future trajectory is more for a long pause if not policy easing going forward into 2024. Local government Sukuk yields rallied, with the 10-year Malaysian Government Securities (“MGS”) reached a low of 3.64% in May 2023.

Government Sukuks (“Govvies”) yield then rose in tandem with rising United States Treasury (“UST”) yields up to end-October 2023 before seeing a rally on expectations of lower economic growth in 2024 and end of rates hiking cycle globally. The 10-year MGS peaked at 4.16% in October 2023 before the November 2023 rally saw it closed at 3.81% on 30 November 2023. Consequently, the strong rally in MGS and Government Investment Issues (“GII”) yields in November 2023 saw the local corporate Sukuks and Sukuk yields dropped lower as well, between 17 bps to 71 bps throughout the financial year.

D. Market Outlook and Strategy

Equity Outlook & Strategy

As we move towards 2024, global growth is expected to pick up, mainly driven by the US on the back of solid labour market conditions. Inflation is expected to moderate somewhat, as the Organization of the Petroleum Exporting Countries (“OPEC”) and its allies’ recent move to cut crude oil production has waning affect to prices. Nonetheless, geopolitical tensions will continue to weigh on sentiment with the recent escalation of the decades-long conflict in the Middle East. While profit rate expectations have shifted in recent times, we do expect US inflation data to remain sticky. Combined with the resilient of the US economy, we believe this would result in USD maintaining its strength. As we have already witnessed the volatility of this narrative, we remain cautious and will monitor closely on these developments.

Strategy wise, we had increased allocation in equities given that the economic growth was still positive. However, the shift in profit rate expectations have led to the re-rating in equity valuations. While data has shown that inflation has come-off from its high, the US labour market has been more resilient than expected. Despite this, and in the absence of rising recession risk, we do expect at least US markets to gain until the end of the year. Elsewhere, China’s economy remains sluggish but have seen some recovery at least in exports while real estate is still in the doldrums. For Malaysia, further downward revisions on corporate earnings are also a key risk. We maintain our broader asset allocation range and remain nimble. In the same vein, in preparation for next year, we may look to increase our exposure into growth-type names, with the emphasis in thematic plays such as construction on expectations infrastructure projects will be revived as well as initiatives under the National Energy Transition Roadmap (“NETR”). On this front, we are looking at beneficiaries of green energy initiatives, public infrastructure projects, etc. All in all, we maintain a balanced approach with the portfolio structure into both growth and defensive sectors to navigate market volatility while remaining nimble.

MAYBANK MALAYSIA BALANCED-I FUND

Manager's report

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

D. Market Outlook and Strategy (cont'd)

Fixed Income Outlook & Strategy

Following the sharp selloff in Sukuk market in 2022, local Sukuk yields and valuation have become attractive as Overnight Policy Rate ("OPR") have looked to have peaked in the 1H2023 at 3.00% amidst rising global growth headwinds. Domestically, growth and inflation looks to have ease off, providing a breathing space for BNM to pause its policy move and gauge its impact. As such, we are maintaining our positive outlook for Malaysia Sukuk market on the back of peaking profit rates and recession risk, as central banks are more tilted towards a more accommodative monetary policy. This peaking profit rate outlook, as well as anticipation of slower global growth and probability of a US recession, would be a catalyst for Sukuk yields to further decline and potentially even see rate cuts for US Fed Fund Rate in late 2024. This would bode well for the Sukuk valuations held in the Fund. On monetary policy, following the 25 bps OPR hike in May 2023, we expect BNM to maintain the rate at 3.00% as we believe we have seen the peak of BNM rate hike. Therefore, we are positive on Sukuk valuations going into 2024.

Strategy wise, as outlook improves, we aim to be invested and increase our duration for better returns from market recovery going forward. We continue to monitor sovereign Sukuk yields for opportunities to increase our exposure in GIIIs at attractive entry level for trading opportunities. While we intend to increase exposure in GII, we maintain overweight position in corporate Sukuk for yield pick-up as we expect our holdings in corporate Sukuk will continue to anchor the Fund's income in corporate Sukuks' profits. Meanwhile our holdings in AAA and GIIIs will be primed for Return on Investment ("ROI") purpose. We will continue to trade opportunistically to realise profits and reinvesting into longer duration and higher yield accretive Sukuk, while also considering new primary issuances with higher yields to increase returns.

E. Soft Commissions and Rebates

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

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

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED-I FUND FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of the Fund for the financial year ended 30 November 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:

We are also of the opinion that:

- (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;
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement; and
- (d) The distributions to the unitholders during the financial year ended 30 November 2023 are consistent with the objectives of the Fund.

Yours faithfully

AMANAHRAYA TRUSTEES BERHAD

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Kuala Lumpur, Malaysia

12 January 2024

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MALAYSIA BALANCED-I FUND
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

We, Dr Hasnita binti Dato' Hashim and Ahmed Muzni Bin Mohamed, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Malaysia Balanced-I Fund as at 30 November 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 November 2023 and comply with the requirements of the Deed.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Chairman

Ahmed Muzni Bin Mohamed
Director

Kuala Lumpur, Malaysia
15 January 2024

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDERS OF MAYBANK MALAYSIA BALANCED-I FUND FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed Maybank Malaysia Balanced-I Fund ("the Fund") during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For and on behalf of
Maybank Islamic Berhad

Prof. Dr Aznan Bin Hasan
Chairman of the Shariah Committee of Maybank Islamic Berhad

Kuala Lumpur, Malaysia
15 January 2024

Independent auditors' report to the Unitholders of Maybank Malaysia Balanced-I Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Malaysia Balanced-I Fund ("the Fund"), which comprise the statement of financial position as at 30 November 2023 of the Fund, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 40.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

Independent auditors' report to the Unitholders of Maybank Malaysia Balanced-I Fund (cont'd)

Information other than the financial statements and auditors' report thereon (cont'd)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the Unitholders of Maybank Malaysia Balanced-I Fund (cont'd)

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

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

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

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

**Independent auditors' report to the Unitholders of
Maybank Malaysia Balanced-I 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
15 January 2024

MAYBANK MALAYSIA BALANCED-I FUND**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	Note	2023 RM	2022 RM
INVESTMENT INCOME/ (LOSS)			
Dividend income		705,819	1,018,726
Profit income	3	827,126	765,106
Net gain/ (loss) on financial assets at fair value through profit or loss ("FVTPL")			
- Realised loss		(568,895)	(958,277)
- Unrealised gain/ (loss)		1,922,681	(1,587,844)
		<u>2,886,731</u>	<u>(762,289)</u>
EXPENSES			
Manager's fee	4	406,763	381,150
Trustee's fee	5	27,118	25,410
Auditors' remuneration		10,638	9,850
Tax agent's fee		4,131	5,039
Shariah advisory fee		8,310	9,000
Brokerage and other transaction fees		67,528	70,268
Administrative expenses		2,958	2,413
		<u>527,446</u>	<u>503,130</u>
Net results before taxation		2,359,285	(1,265,419)
Taxation	6	(3,232)	(183)
Net results after taxation, representing total comprehensive gain for the financial year		<u>2,356,053</u>	<u>(1,265,602)</u>
Net results after taxation is made up of the following:			
Net realised income		433,372	322,242
Net unrealised income/ (loss)		1,922,681	(1,587,844)
		<u>2,356,053</u>	<u>(1,265,602)</u>
Distribution for the financial year:			
Net distribution	13	324,064	-
Gross/ Net distribution per unit (sen)		5.10	-
Distribution date (ex-date)		27/11/2023	-

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

MAYBANK MALAYSIA BALANCED-I FUND**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2023**

	Note	2023 RM	2022 RM
ASSETS			
Financial assets at FVTPL	7	33,441,038	28,908,011
Shariah-compliant deposits with licensed Islamic financial institutions	8	2,009,278	3,769,729
Dividend receivable		11,474	-
Profit income receivable		191,352	154,503
Amount due from brokers	9	119,015	-
Cash at bank		1,447	3,743
TOTAL ASSETS		35,773,604	32,835,986
LIABILITIES			
Amount due to brokers	9	674,240	429,372
Amount due to Manager	10	34,667	34,032
Amount due to Trustee	11	2,311	2,085
Distribution payable		324,064	-
Other payables and accruals		25,012	40,299
TOTAL LIABILITIES		1,060,294	505,788
NET ASSET VALUE ("NAV") OF THE FUND		34,713,310	32,330,198
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS COMPRISES OF:			
Unitholders' capital	12(a)	34,191,574	33,840,451
Retained earnings/ (Accumulated losses)	12(b)&(c)	521,736	(1,510,253)
		34,713,310	32,330,198
NUMBER OF UNITS IN CIRCULATION (UNITS)	12	63,458,692	62,776,975
NAV PER UNIT (RM)		0.5470	0.5150

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

MAYBANK MALAYSIA BALANCED-I FUND

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

	Unitholders' capital Note 12 (a) RM	Retained earnings/ (Accumulated losses) Note 12(b) & (c) RM	Total net assets attributable to unitholders RM
At 1 December 2022	33,840,451	(1,510,253)	32,330,198
Total comprehensive income for the financial year	-	2,356,053	2,356,053
Creation of units	1,866,771	-	1,866,771
Cancellation of units	(1,515,648)	-	(1,515,648)
Distribution (Note 13)	-	(324,064)	(324,064)
At 30 November 2023	<u>34,191,574</u>	<u>521,736</u>	<u>34,713,310</u>
At 1 December 2021	32,228,744	(244,651)	31,984,093
Total comprehensive loss for the financial year	-	(1,265,602)	(1,265,602)
Creation of units	2,404,003	-	2,404,003
Cancellation of units	(792,296)	-	(792,296)
At 30 November 2022	<u>33,840,451</u>	<u>(1,510,253)</u>	<u>32,330,198</u>

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

MAYBANK MALAYSIA BALANCED-I FUND**AUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	2023	2022
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale/ redemption of financial assets at FVTPL	13,389,336	12,528,591
Net payments for purchase of financial assets at FVTPL	(16,583,951)	(13,188,728)
Profit income received	863,975	751,190
Dividend received	691,113	1,023,996
Manager's fee paid	(403,373)	(381,640)
Trustee's fee paid	(26,892)	(25,443)
Payment of other fees and expenses	(41,323)	(27,875)
Net cash (used in)/ generated from operating and investing activities	<u>(2,111,115)</u>	<u>680,091</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	1,866,771	2,404,003
Cash paid on units cancelled	(1,518,403)	(793,623)
Net cash generated from financing activities	<u>348,368</u>	<u>1,610,380</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS OF THE FINANCIAL YEAR	(1,762,747)	2,290,471
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,773,472	1,483,001
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>2,010,725</u>	<u>3,773,472</u>
Cash and cash equivalents comprise:		
Cash at bank	1,447	3,743
Shariah-compliant deposits with licensed Islamic financial institutions (Note 8)	2,009,278	3,769,729
	<u>2,010,725</u>	<u>3,773,472</u>

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

MAYBANK MALAYSIA BALANCED-I FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Malaysia Balanced-I Fund (the "Fund") was constituted pursuant to the Deeds (comprising The Principal Deed dated 4 September 2002 and seven supplemental deeds thereafter). The current applicable Deeds were entered into between Maybank Asset Management Sdn Bhd ("MAM") as the Manager and TMF Trustees Malaysia Berhad as the Trustee.

- First Supplemental deed dated 13 August 2008;
- Second Supplemental deed dated 17 October 2014;
- Third Supplemental deed dated 13 January 2017; and
- Fourth Supplemental deed dated 12 December 2017
- Fifth Supplemental deed dated 4 September 2018
- Sixth supplemental deed dated 11 July 2019
- Seventh supplemental deed dated 12 August 2022
- Eighth supplemental deed dated 8 August 2023

The Deed and Supplemental Deeds are subsequently referred to as 'Deeds'.

The principal activity of the Fund is to invest in a portfolio of investments that are permissible under Shariah principles with the objective to attain a mix of regular income stream and possible capital growth. The investments include shares of companies quoted on Bursa Malaysia Securities Berhad, Sukuk and short term deposits.

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a wholly-owned subsidiary of Maybank Asset Management Group Berhad and is a holder of Capital Markets Services Licence ("CMSL") to carry out Islamic fund management business pursuant to Section 61 of the Capital Markets and Services Act 2007 ("CMSA").

The roles and responsibilities of MIAM include management of the investment portfolio in accordance with the investment objective, subject to the CMSA and the Guidelines on Unit Trust Funds issued by the Securities Commission of Malaysia ("SC") and any other relevant guidelines issued by the SC as well as the terms and conditions of the investment management agreement between MIAM and MAM.

The financial statements were authorised for issue by the Board of Directors (the "Directors") of the Manager in accordance with a resolution of the Directors on 15 January 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

MAYBANK MALAYSIA BALANCED-I FUND

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

2.1 Basis of preparation (cont'd)

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 30 November 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 2.15 to the financial statements.

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

2.2 Standards and Amendments to Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax Related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112: <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2.3 Financial instruments

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

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

MAYBANK MALAYSIA BALANCED-I FUND

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

2.4 Financial assets

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

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

(i) Financial assets at amortised cost

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

These assets are subsequently measured using the effective profit rate ("EPR") method and are subject to impairment. The EPR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the profit 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 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 equity and Sukuk are classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

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

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

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

MAYBANK MALAYSIA BALANCED-I FUND

2. SUMMARY OF SIGNIFICANT 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. Accumulated unrealised gains or losses are reclassified to realised gains or losses when the associated assets are sold. Profit income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

Changes in fair value of FVTPL investments are recognised in unrealised gain on FVTPL investments in profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised when the Fund's right to receive the dividends is established in accordance with MFRS 9 and is disclosed separately in the profit and 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 (financial assets that are debt instruments). The impairment model does not apply to equity investments.

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

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

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

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

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

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

MAYBANK MALAYSIA BALANCED-I 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 profit in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

(ii) Recognition and measurement

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

(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.

2.6 Fair value measurement

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

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

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

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

MAYBANK MALAYSIA BALANCED-I FUND

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

2.6 Fair value measurement (cont'd)

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

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

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

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

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

2.7 Functional and presentation currency

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

2.8 Unitholders' capital

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

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

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

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

MAYBANK MALAYSIA BALANCED-I FUND

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

2.9 Distributions

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

2.10 Cash and cash equivalents

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

2.11 Revenue/ Income

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

Profit income from Sukuk includes amortisation of premium and accretion of discount, and is recognised using the effective profit method. Profit income from short-term deposits is recognised on the accruals basis using the EPR method.

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

Realised gain or loss on disposal of Sukuk 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.

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

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

2.12 Taxation

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

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

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

MAYBANK MALAYSIA BALANCED-I FUND

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

2.13 Segment information

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

2.14 Critical accounting estimates and judgements

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

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

2.15 Cleansing/ Purification of profit

The Fund is required to cleanse or purify any income or gains generated by Shariah non-compliant activities or sources. Such Shariah non-compliant gain or income may arise as follows:

(i) Shariah non-compliant investment

The External Investment Manager will immediately dispose-off any Shariah non-compliant investment inadvertently made in the Fund. If the disposal of the Shariah non-compliant investment results in losses to the Fund, the losses are to be borne by the External Investment Manager. The said investment will be disposed/ withdrawn with immediate effect or within a month of knowing the status of the securities. Any capital gains or dividend received during or after disposal of the investment will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

(ii) Reclassification of Shariah Status of the Fund's investment

Equities which were earlier classified as Shariah-compliant equities may subsequently be reclassified as Shariah non-compliant due to certain reasons such as changes in the companies' operations.

If at the time the announcement/ review is made, the value of the equities held exceeds the investment cost, such Shariah non-compliant equities will be liquidated. The Fund may keep any dividends received and capital gains arising from the disposal of the Shariah non-compliant equities made at the time of the announcement/ review. However, any dividends received and excess capital gains made from the disposal after the announcement/ review day at a market price that is higher than the closing price on the announcement/ review day will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

If the market price of the said Shariah non-compliant equities is below the investment cost at the time the announcement/ review is made, the Fund may hold the Shariah non-compliant equities and keep dividends received during the holding period until the total amount of dividends received and the market value of the Shariah non-compliant equities held equal the investment cost. At this stage, the Fund will dispose of the said Shariah non-compliant equities.

MAYBANK MALAYSIA BALANCED-I FUND

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

2.15 Cleansing/ Purification of profit (cont'd)

(ii) Reclassification of Shariah Status of the Fund's investment (cont'd)

The purification exercise is done by channelling the purification amount to charitable purposes as advised by the Shariah Adviser and this exercise will be performed by the Investment Manager when relevant information has been obtained. The calculation of the purification amount must further be endorsed by the Shariah Adviser for verification before the purification is done. Any purification on income resulting from investments in Shariah non-compliant investments is disclosed as a reduction of the corresponding capital gain and/ or dividend in the statement of profit or loss.

3. PROFIT INCOME

	2023 RM	2022 RM
Profit income from Sukuk	793,306	697,636
Profit income from Shariah-compliant short term deposits	63,637	76,620
Amortisation of premium, net of accretion of discount	<u>(29,817)</u>	<u>(9,150)</u>
	<u>827,126</u>	<u>765,106</u>

4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.20% (2022: 1.20%) per annum ("p.a.") of the NAV of the Fund.

5. TRUSTEE'S FEE

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

6. TAXATION

	2023 RM	2022 RM
Tax expense for the financial year:		
Current income tax expense	<u>3,232</u>	<u>183</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable income for the financial year. The tax expense for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

In accordance with Schedule 6 of the Income Tax Act 1967, any profit income and dividend income earned by the Fund is exempted from tax.

MAYBANK MALAYSIA BALANCED-I FUND

6. TAXATION (CONT'D)

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

	2023	2022
	RM	RM
Net results before taxation	2,359,285	(1,265,419)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	566,228	(303,701)
Income not subject to tax	(829,350)	(428,120)
Loss not deductible for tax purposes	136,535	611,069
Expenses not deductible for tax purposes	126,587	120,751
Income tax at source	3,232	183
Tax expense for the financial year	3,232	183

7. FINANCIAL ASSETS AT FVTPL

	Note	2023	2022
		RM	RM
Quoted equities - Shariah-compliant	(a)	14,994,163	15,429,693
Sukuk	(b)	18,446,875	13,478,318
		<u>33,441,038</u>	<u>28,908,011</u>

2023	Quantity	Aggregate	Market	Percentage
	Unit	cost	value	of NAV
		RM	RM	%
(a) Quoted equities - Shariah-compliant				
Construction				
Ekovest Bhd	386,700	192,760	174,015	0.50
Gamuda Bhd	191,445	716,773	913,193	2.63
IJM Corporation Bhd	475,000	793,868	859,750	2.48
MN Holdings Bhd	277,200	143,257	160,776	0.46
Sunway Construction Group Bhd	366,900	666,084	689,772	1.99
	<u>1,697,245</u>	<u>2,512,742</u>	<u>2,797,506</u>	<u>8.06</u>
Consumer Products & Services				
Bermaz Auto Bhd	78,300	171,151	180,873	0.52
Fraser & Neave Holdings Bhd	22,700	535,344	639,232	1.84
Sime Darby Bhd	55,100	125,155	136,097	0.39
	<u>156,100</u>	<u>831,650</u>	<u>956,202</u>	<u>2.75</u>

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - Shariah-compliant (cont'd)				
Energy				
Dayang Enterprise Holdings Bhd	384,000	501,555	622,080	1.79
Deleum Bhd	225,000	217,065	220,500	0.64
Hibiscus Petroleum Bhd	190,960	456,314	481,219	1.39
Wasco Bhd	351,500	296,826	344,470	0.99
	1,151,460	1,471,760	1,668,269	4.81
Financial Services				
Syarikat Takaful Malaysia Keluarga Bhd	134,095	440,871	502,856	1.45
Healthcare				
IHH Healthcare Bhd	78,000	503,010	454,740	1.31
Industrial Products & Services				
Cypark Resources Bhd	507,000	439,322	486,720	1.40
Hss Engineers Bhd	151,200	139,104	146,664	0.42
Press Metal Aluminium Holdings Bhd	44,200	207,727	212,160	0.61
Samaiden Group Bhd	230,000	282,758	255,300	0.74
Sunway Bhd	217,000	416,175	429,660	1.24
	1,149,400	1,485,086	1,530,504	4.41
Property				
Malaysian Resources Corp Bhd	720,200	320,338	306,085	0.88
Real Estate Investment Trust ("REITs")				
AME REITs	333,800	394,917	427,264	1.23
Axis REITs	214,700	394,404	395,048	1.14
	548,500	789,321	822,312	2.37
Technology				
Agmo Holdings Bhd	896	558	470	-
Ctos Digital Bhd	280,000	389,620	406,000	1.17
Frontken Corporation Bhd	112,000	344,140	356,160	1.03
Inari Amertron Bhd	73,400	209,816	214,328	0.62
My EG Services Bhd	465,000	365,193	369,675	1.06
Pentamaster Corporation Bhd	52,000	273,793	246,480	0.71
Vitrox Corporation Bhd	64,900	483,644	454,300	1.31
	1,048,196	2,066,764	2,047,413	5.90

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - Shariah-compliant (cont'd)				
Telecommunications & Media				
Telekom Malaysia Bhd	182,300	929,773	960,721	2.77
Time Dotcom Bhd	87,500	357,815	446,250	1.29
	<u>269,800</u>	<u>1,287,588</u>	<u>1,406,971</u>	<u>4.06</u>
Transportation & Logistic				
MISC Bhd	34,000	227,246	244,460	0.70
Utilities				
Gas Malaysia Bhd	159,400	504,133	487,764	1.41
Mega First Corporation Bhd	88,100	283,079	309,231	0.89
Ranhill Utilities Bhd	469,600	422,309	410,900	1.18
Tenaga Nasional Bhd	105,000	1,029,884	1,048,950	3.02
	<u>822,100</u>	<u>2,239,405</u>	<u>2,256,845</u>	<u>6.50</u>
Total quoted equities - Shariah-compliant	<u>7,809,096</u>	<u>14,175,781</u>	<u>14,994,163</u>	<u>43.20</u>
(b) Sukuk				
Construction				
Gamuda Land (T12) Sdn Bhd				
- 3.75%/ 12.08.2027	600,000	599,984	591,444	1.70
- 4.20%/ 11.10.2027	100,000	97,618	100,091	0.29
IJM Land Bhd				
- 4.73%/ Perpetual	500,000	500,135	492,790	1.42
- 5.65%/ Perpetual	400,000	399,962	407,256	1.17
MMC Corporation Bhd				
- 5.70%/ 24.03.2028	1,200,000	1,226,869	1,260,552	3.63
S P Setia Bhd				
- 4.30%/ 23.06.2028	300,000	299,992	300,831	0.87
	<u>3,100,000</u>	<u>3,124,560</u>	<u>3,152,964</u>	<u>9.08</u>
Consumer Products				
DRB-HICOM Bhd				
- 4.85%/ 11.12.2026	600,000	600,013	601,896	1.73
Guan Chong Bhd				
- 3.84%/ 03.12.2027	200,000	200,736	195,398	0.56
	<u>800,000</u>	<u>800,749</u>	<u>797,294</u>	<u>2.29</u>

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Sukuk (cont'd)				
Energy				
Petroleum Sarawak Exploration and Production - 4.31%/ 22.02.2028	1,100,000	1,102,016	1,113,838	3.21
YTL Power International Bhd - 4.30%/ 24.08.2029	500,000	500,741	502,215	1.45
- 4.88%/ 22.03.2030	400,000	401,036	414,468	1.19
	<u>2,000,000</u>	<u>2,003,793</u>	<u>2,030,521</u>	<u>5.85</u>
Financial Services				
Bank Pembangunan Malaysia Bhd - 3.81%/ 01.12.2025	600,000	600,000	600,000	1.73
Infracap Resources Sdn Bhd - 4.40%/ 15.04.2031	600,000	599,973	605,658	1.74
GII Murabahah - 4.19%/ 07.10.2032	400,000	406,218	408,800	1.18
	<u>1,600,000</u>	<u>1,606,191</u>	<u>1,614,458</u>	<u>4.65</u>
Healthcare				
Point Zone (M) Sdn Bhd - 4.50%/ 13.03.2028	1,100,000	1,099,932	1,116,027	3.21
Plantation				
Perbadanan Kemajuan Pertanian Negeri Pahang - 4.11%/ 30.10.2025	800,000	800,583	788,264	2.27
Property				
Fortune Premier Sdn Bhd - 5.05%/ 05.09.2025	100,000	101,948	101,553	0.29
Malaysian Resources Corp - 5.43%/ 28.02.2024	1,000,000	1,001,246	1,020,850	2.94
- 5.09%/ 18.10.2028	200,000	200,414	201,198	0.58
Sunway Treasury Sukuk Sdn Bhd - 3.55%/ 10.09.2024	400,000	400,103	398,336	1.15

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Sukuk (cont'd)				
Property (cont'd)				
UEM Sunrise Bhd				
- 5.05%/ 15.04.2024	700,000	700,092	702,016	2.02
- 4.30%/ 16.02.2026	900,000	902,031	895,923	2.58
- 4.60%/ 20.05.2026	200,000	201,107	200,260	0.58
	<u>3,500,000</u>	<u>3,506,941</u>	<u>3,520,136</u>	<u>10.14</u>
Real Estate				
Country Garden				
Real Estate Sdn Bhd				
- 5.25%/ 27.03.2025	200,000	199,986	159,850	0.46
OSK Rated Bond Sdn Bhd				
- 4.39%/ 28.04.2028	300,000	299,990	300,453	0.87
	<u>500,000</u>	<u>499,976</u>	<u>460,303</u>	<u>1.33</u>
Transportation & Logistic				
Amanat Lebuhraya Rakyat Bhd				
- 5.09%/ 11.10.2030	400,000	399,975	419,964	1.21
Malaysia Airport Holdings Bhd*				
- 3.30%/ 05.11.2027	200,000	199,997	195,950	0.56
Perusahaan Otomobil Nasional Bhd				
- 4.64%/ 28.12.2026	300,000	298,939	304,521	0.88
- 4.99%/ 30.06.2027	300,000	299,988	308,490	0.89
	<u>1,200,000</u>	<u>1,198,899</u>	<u>1,228,925</u>	<u>3.54</u>
Utilities				
Pegurusan Air SPV Bhd				
- 3.90%/ 30.10.2029	300,000	312,233	296,622	0.85
Edra Power Holdings Sdn Bhd				
- 6.51%/ 05.07.2035	700,000	835,900	820,288	2.36
Cypark Resources Bhd				
- 5.18%/ 29.06.2029	500,000	505,944	505,185	1.46
TNB Northern Energy Bhd				
- 4.62%/ 30.05.2033	1,300,000	1,390,884	1,331,343	3.85
Sarawak Petchem Sdn Bhd				
- 5.11%/ 27.07.2032	200,000	199,986	212,720	0.62

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Sukuk (cont'd)				
Utilities (cont'd)				
Sarawak Energy Berhad - 3.30%/ 14.06.2030	600,000	600,006	571,825	1.66
	<u>3,600,000</u>	<u>3,844,953</u>	<u>3,737,983</u>	<u>10.80</u>
Total Sukuk	<u>18,200,000</u>	<u>18,486,577</u>	<u>18,446,875</u>	<u>53.16</u>
Total FVTPL investments	<u>26,009,096</u>	<u>32,662,358</u>	<u>33,441,038</u>	<u>96.36</u>
Unrealised gain on FVTPL investments			<u>778,680</u>	
2022				
(a) Quoted equities - Shariah-compliant				
Construction				
Gamuda Bhd	306,445	1,134,664	1,219,652	3.77
IJM Corporation Bhd	610,000	1,019,494	976,000	3.02
Sunway Construction Group Bhd	366,900	666,084	543,012	1.68
	<u>1,283,345</u>	<u>2,820,242</u>	<u>2,738,664</u>	<u>8.47</u>
Consumer Products & Services				
Sime Darby Bhd	169,100	384,097	363,565	1.12
Energy				
Dayang Enterprise Holdings Bhd	213,500	283,426	298,900	0.92
Dialog Group Bhd	602,400	575,793	668,664	2.07
	<u>815,900</u>	<u>859,219</u>	<u>967,564</u>	<u>2.99</u>
Financial Services				
Bank Islam Malaysia Bhd	339,000	1,284,613	867,840	2.68
Syarikat Takaful Malaysia Keluarga Bhd	211,095	694,028	751,498	2.32
	<u>550,095</u>	<u>1,978,641</u>	<u>1,619,338</u>	<u>5.00</u>
Healthcare				
IHH Healthcare Bhd	120,000	773,862	696,000	2.15
KPJ Healthcare Bhd	467,000	406,284	438,980	1.36
	<u>587,000</u>	<u>1,180,146</u>	<u>1,134,980</u>	<u>3.51</u>

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - Shariah-compliant (cont'd)				
Industrial Products & Services				
Farm Fresh Bhd	125,000	198,750	197,500	0.61
Petronas Chemicals Group Press Metal Aluminium Holdings Bhd	85,300	729,611	728,462	2.25
	102,200	475,505	495,670	1.53
	<u>312,500</u>	<u>1,403,866</u>	<u>1,421,632</u>	<u>4.39</u>
Plantation				
Kuala Lumpur Kepong Bhd	14,744	353,292	308,150	0.95
REITs				
AME REITs	206,300	239,359	243,434	0.75
Axis REITs	119,700	219,854	227,430	0.70
	<u>326,000</u>	<u>459,213</u>	<u>470,864</u>	<u>1.45</u>
Technology				
CTOS Digital Bhd	280,000	389,620	397,600	1.23
Frontken Corporation Bhd	150,000	428,680	466,500	1.44
Inari Amertron Bhd	157,400	451,155	418,684	1.30
Malaysian Pacific Industries Bhd	13,300	422,935	369,740	1.14
MY EG Services Bhd	450,649	355,095	398,824	1.23
Vitrox Corporation Bhd	47,300	340,085	345,290	1.07
	<u>1,098,649</u>	<u>2,387,570</u>	<u>2,396,638</u>	<u>7.41</u>
Telecommunications & Media				
Axiata Group Bhd	64,000	188,160	208,000	0.64
Telekom Malaysia Bhd	165,900	848,101	929,040	2.87
Time Dotcom Bhd	131,500	537,745	641,720	1.98
	<u>361,400</u>	<u>1,574,006</u>	<u>1,778,760</u>	<u>5.49</u>
Transportation & Logistic				
Lingkaran Trans Kota Holdings Bhd	120,000	559,876	61,200	0.19
Westports Holdings Bhd	54,000	360,920	388,800	1.20
	<u>174,000</u>	<u>920,796</u>	<u>450,000</u>	<u>1.39</u>
Utilities				
Gas Malaysia Bhd	138,000	450,626	462,300	1.43
Mega First Corporation Bhd	216,700	696,291	723,778	2.24
Tenaga Nasional Bhd	63,000	630,989	593,460	1.84
	<u>417,700</u>	<u>1,777,906</u>	<u>1,779,538</u>	<u>5.51</u>
Total quoted equities - Shariah-compliant	<u>6,110,433</u>	<u>16,098,994</u>	<u>15,429,693</u>	<u>47.68</u>

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Sukuk				
Construction				
IJM Land Bhd				
- 4.73%/ Perpetual	500,000	500,174	483,985	1.50
- 5.65%/ Perpetual	400,000	399,962	403,420	1.25
	<u>900,000</u>	<u>900,136</u>	<u>887,405</u>	<u>2.75</u>
Consumer Products				
DRB-HICOM Bhd				
- 4.85%/ 11.12.2026	600,000	600,020	592,086	1.83
Guan Chong Bhd				
- 3.84%/ 03.12.2027	200,000	200,904	189,144	0.59
	<u>800,000</u>	<u>800,924</u>	<u>781,230</u>	<u>2.42</u>
Energy				
Sarawak Energy Bhd				
- 3.30%/ 14.06.2030	600,000	600,011	549,360	1.70
Financial Services				
Affin Islamic Bank Bhd				
- 5.05%/ 23.10.2028	450,000	450,306	453,159	1.40
Infracap Resources Sdn Bhd				
- 4.40%/ 15.04.2031	600,000	599,973	584,958	1.81
Sunway Treasury Sukuk Sdn Bhd				
- 3.55%/ 10.09.2024	400,000	400,250	392,052	1.21
	<u>1,450,000</u>	<u>1,450,529</u>	<u>1,430,169</u>	<u>4.42</u>
Plantation				
Perbadanan Kemajuan Pertanian Negeri Pahang				
- 4.11%/ 30.10.2025	800,000	800,882	771,144	2.39
Property				
Fortune Premier Sdn Bhd				
- 5.05%/ 05.09.2025	100,000	102,998	100,725	0.31
Gamuda Land (T12) Sdn Bhd				
- 3.75%/ 12.08.2027	600,000	599,986	571,698	1.77
- 4.20%/ 11.10.2027	100,000	97,071	96,983	0.30

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Sukuk (cont'd)				
Property (cont'd)				
Malaysian Resources Corp - 5.09%/ 18.10.2028	200,000	200,560	201,512	0.63
S P Setia Bhd - 4.30%/ 23.06.2028	300,000	299,992	291,396	0.90
UEM Sunrise Bhd - 4.00%/ 09.06.2023	800,000	800,291	798,312	2.47
- 4.30%/ 16.02.2026	900,000	902,907	869,112	2.69
- 4.60%/ 20.05.2026	200,000	201,524	194,312	0.60
	<u>3,200,000</u>	<u>3,205,258</u>	<u>3,116,502</u>	<u>9.64</u>
Real Estate				
Country Garden Real Estate Sdn Bhd - 5.25%/ 27.03.2025	200,000	199,987	194,588	0.60
OSK Rated Bond Sdn Bhd - 4.39%/ 28.04.2028	300,000	299,989	291,024	0.90
	<u>500,000</u>	<u>499,976</u>	<u>485,612</u>	<u>1.50</u>
Transportation & Logistic				
Amanat Lebuhraya Rakyat Bhd - 5.09%/ 11.10.2030	400,000	399,975	404,284	1.25
Malaysia Airport Holdings Bhd* - 3.30%/ 05.11.2027	200,000	199,997	189,026	0.58
MMC Corporation Bhd - 5.70%/ 24.03.2028	1,200,000	1,232,321	1,233,720	3.82
Perusahaan Otomobil Nasional Bhd - 4.64%/ 28.12.2026	300,000	298,629	298,299	0.92
- 4.99%/ 30.06.2027	300,000	299,988	302,013	0.93
	<u>2,400,000</u>	<u>2,430,910</u>	<u>2,427,342</u>	<u>7.50</u>
Utilities				
Pegurusan Air SPV Bhd - 3.90%/ 30.10.2029	300,000	314,089	286,647	0.89
Edra Power Holdings Sdn Bhd - 6.51%/ 05.07.2035	700,000	844,744	777,196	2.40

MAYBANK MALAYSIA BALANCED-I FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
2022 (cont'd)				
(b) Sukuk (cont'd)				
Utilities (cont'd)				
Cypark Resources Bhd - 5.18%/ 29.06.2029	500,000	506,853	487,180	1.51
TNB Northern Energy Bhd - 4.62%/ 30.05.2033	1,300,000	1,398,725	1,275,313	3.95
Sarawak Petchem Sdn Bhd - 5.11%/ 27.07.2032	200,000	199,981	203,218	0.64
	<u>3,000,000</u>	<u>3,264,392</u>	<u>3,029,554</u>	<u>9.39</u>
Total Sukuk	13,650,000	13,953,018	13,478,318	41.71
Total FVTPL investments	19,760,433	30,052,012	28,908,011	89.39
Unrealised loss on FVTPL investments			(1,144,001)	

* On 26 May 2023, the Fund disposed 20,000 units of shares issued by Malaysia Airports Holdings Bhd. This due to reclassification of the shares from Shariah-compliant securities to non Shariah-compliant securities based on Securities Commission Malaysia approved lists which took effect on 26 May 2023.

8. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS

	2023 RM	2022 RM
Shariah-compliant short-term placements with licensed Islamic financial institutions with maturity of:		
- Less than 3 months	<u>2,009,278</u>	<u>3,769,729</u>
Of the above, deposits with related party is:		
- Maybank Islamic Bhd ("MIB")	<u>931,000</u>	<u>325,000</u>

The weighted average effective profit rate ("WAEPR") of deposit and the average maturity of deposits as at the reporting date were as follows:

	2023		2022	
	WAEPR % p.a.	Average maturity days	WAEPR % p.a.	Average maturity days
Shariah-compliant short-term placements with licensed Islamic financial institutions	<u>2.93</u>	<u>1</u>	<u>2.74</u>	<u>1</u>

MAYBANK MALAYSIA BALANCED-I FUND

9. AMOUNT DUE FROM/ (TO) BROKERS

The amount due from/ to brokers relates to the amount receivable/ payable from/ to brokers arising from the sales/ purchase of investments. The settlement period for this payable is within 2 (2022: 2) working days from the deal date.

10. AMOUNT DUE TO MANAGER

	Note	2023 RM	2022 RM
Amount due to Manager is in respect of:			
Manager's fee	(i)	34,667	31,277
Cancellation of units	(ii)	-	2,755
		<u>34,667</u>	<u>34,032</u>

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

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

11. AMOUNT DUE TO TRUSTEE

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

12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	2023 RM	2022 RM
Unitholders' capital	(a)	34,191,574	33,840,451
Accumulated realised losses	(b)	(256,056)	(365,364)
Accumulated unrealised income/ (loss)	(c)	777,792	(1,144,889)
		<u>34,713,310</u>	<u>32,330,198</u>

(a) Unitholders' capital

	2023		2022	
	Units	RM	Units	RM
As at beginning of the financial year	62,776,975	33,840,451	59,675,485	32,228,744
Creation of units	3,490,230	1,866,771	4,621,432	2,404,003
Cancellation of units	(2,808,513)	(1,515,648)	(1,519,942)	(792,296)
As at end of the financial year	<u>63,458,692</u>	<u>34,191,574</u>	<u>62,776,975</u>	<u>33,840,451</u>

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

MAYBANK MALAYSIA BALANCED-I FUND

12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

(b) Accumulated realised losses

	2023 RM	2022 RM
As at beginning of the financial year	(365,364)	(687,606)
Net realised income for the financial year	433,372	322,242
Distribution out of realised reserve (Note 13)	(324,064)	-
As at end of the financial year	<u>(256,056)</u>	<u>(365,364)</u>

(c) Accumulated unrealised income/ (loss)

	2023 RM	2022 RM
As at beginning of the financial year	(1,144,889)	442,955
Net unrealised income/ (loss) for the financial year	1,922,681	(1,587,844)
As at end of the financial year	<u>777,792</u>	<u>(1,144,889)</u>

13. DISTRIBUTION

Details of distribution declared to unitholders in the current financial year is as follows:

	2023 RM
Dividend income	412,176
Profit income from Sukuk	282,263
Profit income on Shariah-compliant short term deposits	31,000
Less: Expenses	(401,375)
Distribution for the financial year *	<u>324,064</u>
Gross/ Net distribution per unit (sen)	<u>5.10</u>
Distribution date (ex-date)	<u>27/11/2023</u>

* The distribution declared will be settled in the forms of units on payment date.

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	324,064	100.00	-	-
- Capital distribution	-	-	-	-
	<u>324,064</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

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

MAYBANK MALAYSIA BALANCED-I FUND

14. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

Transactions with top 10 brokers/ dealers are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
2023				
TA Securities Bhd	8,759,867	40.68	8,842	31.69
JF Apex Securities Bhd	5,492,228	25.50	5,541	19.86
United Overseas Bank (M) Bhd	2,768,781	12.86	5,538	19.85
Hong Leong Investment Bhd	2,418,638	11.23	3,755	13.46
Affin Investment Bank Bhd	1,792,211	8.32	3,594	12.88
Malayan Investment Bank Bhd ("MIBB")*	208,544	0.97	417	1.49
RHB Investment Bank Bhd	88,446	0.41	177	0.63
Public Investment Bank Bhd	5,800	0.03	40	0.14
	<u>21,534,515</u>	<u>100.00</u>	<u>27,904</u>	<u>100.00</u>
2022				
TA Securities Bhd	8,393,630	34.52	8,473	29.40
JF Apex Securities Bhd	7,184,872	29.55	7,220	25.05
Hong Leong Investment Bhd	2,762,794	11.36	5,526	19.17
CIMB Investment Bank Bhd	1,623,309	6.68	2,650	9.20
RHB Investment Bank Bhd	1,214,026	4.99	-	-
Affin Investment Bank Bhd	1,134,276	4.66	2,269	7.87
United Overseas Bank (M) Bhd	681,379	2.80	1,363	4.72
MBB**	600,000	2.47	-	-
Public Investment Bank Bhd	367,504	1.51	735	2.55
Others	354,197	1.46	587	2.04
	<u>24,315,987</u>	<u>100.00</u>	<u>28,822</u>	<u>100.00</u>

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

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

15. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

MAYBANK MALAYSIA BALANCED-I FUND

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

	2023 RM	2022 RM
(i) <u>Significant related party transaction</u>		
<u>MIB</u>		
Profit income from deposits	25,210	27,556
(ii) <u>Significant related party balances</u>		
<u>MIB</u>		
Cash at bank	1,447	3,743
Profit income receivable	74	23
Shariah-compliant deposits with licensed Islamic financial institution	931,000	325,000

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

16. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. For the financial year ended 30 November 2023, the TER of the Fund stood at 1.36% (2022: 1.36%).

17. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the Fund's daily average NAV. For the financial year ended 30 November 2023, the PTR of the Fund stood at 0.44 times (2022: 0.40 times).

18. SEGMENT INFORMATION

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

The PMC is responsible for the performance of the Fund by investing between 40% to 58% of the Fund's NAV in Shariah-compliant equities, 40% to 58% in Sukuk and Shariah-compliant money market instruments and minimum of 2% in Shariah-compliant 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.

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

MAYBANK MALAYSIA BALANCED-I FUND

19. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2023				
Assets				
Financial assets at FVTPL	33,441,038	-	-	33,441,038
Shariah-compliant deposits with licensed Islamic financial institutions	-	2,009,278	-	2,009,278
Dividend receivable	-	11,474	-	11,474
Profit income receivable	-	191,352	-	191,352
Amount due from brokers	-	119,015	-	119,015
Cash at bank	-	1,447	-	1,447
Total financial assets	33,441,038	2,332,566	-	35,773,604
Liabilities				
Amount due to brokers	-	-	674,240	674,240
Amount due to Manager	-	-	34,667	34,667
Amount due to Trustee	-	-	2,311	2,311
Distribution payable	-	-	324,064	324,064
Other payables and accruals	-	-	25,012	25,012
Total financial liabilities	-	-	1,060,294	1,060,294
2022				
Assets				
Financial assets at FVTPL	28,908,011	-	-	28,908,011
Shariah-compliant deposits with licensed Islamic financial institutions	-	3,769,729	-	3,769,729
Profit income receivable	-	154,503	-	154,503
Cash at bank	-	3,743	-	3,743
Total financial assets	28,908,011	3,927,975	-	32,835,986
Liabilities				
Amount due to brokers	-	-	429,372	429,372
Amount due to Manager	-	-	34,032	34,032
Amount due to Trustee	-	-	2,085	2,085
Other payables and accruals	-	-	40,299	40,299
Total financial liabilities	-	-	505,788	505,788

MAYBANK MALAYSIA BALANCED-I FUND

19. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments that are carried at fair value

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

Quoted equities

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

Sukuk

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

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

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

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

(d) Fair value hierarchy

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Quoted equities	14,994,163	-	-	14,994,163
Sukuk	-	18,446,875	-	18,446,875
	<u>14,994,163</u>	<u>18,446,875</u>	<u>-</u>	<u>33,441,038</u>
2022				
Quoted equities	15,429,693	-	-	15,429,693
Sukuk	-	13,478,318	-	13,478,318
	<u>15,429,693</u>	<u>13,478,318</u>	<u>-</u>	<u>28,908,011</u>

MAYBANK MALAYSIA BALANCED-I FUND

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

(b) Market risk

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

(i) Equity price risk

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

(ii) Equity price risk sensitivity

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

	2023		2022	
	Changes in equity price %	Effects on profit and NAV Increase/ (Decrease) RM	Changes in equity price %	Effects on profit and NAV Increase/ (Decrease) RM
Quoted equities	+ 5	749,708	+ 5	771,485
	- 5	(749,708)	- 5	(771,485)

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

(iii) Equity price risk concentration

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

MAYBANK MALAYSIA BALANCED-I FUND

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

(b) Market risk (cont'd)

(iv) Profit rate risk

Fixed income securities are particularly sensitive to movements in market profit rates. When profit rates rise, the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. The sensitivity to market profit 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 rates. The analysis is based on the assumptions that the profit rates increased and decreased by 1% (100 basis points) with all other variables held constant.

	2023		2022	
	Changes in profit rates %	Effects on profit and NAV Increase/ (Decrease) RM	Changes in profit rates %	Effects on profit and NAV Increase/ (Decrease) RM
Sukuk	+1	(746,372)	+1	(603,869)
	-1	793,997	-1	647,464

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

(c) Credit risk

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

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

(i) Credit risk exposure

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

MAYBANK MALAYSIA BALANCED-I FUND

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

(c) Credit risk (cont'd)

(ii) Credit quality of financial assets

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

(iii) Credit risk concentration

The following table analyses the Fund's investment in Sukuk, Shariah-compliant deposits with financial institutions, cash at bank and profit receivable from financial institutions by rating categories. The ratings were obtained from RAM Holdings Bhd and Malaysian Rating Corporation Bhd.

Financial assets	2023		2022	
	RM	Percentage of NAV %	RM	Percentage of NAV %
AAA	7,549,996	21.75	7,016,497	21.70
AA1	916,683	2.64	-	-
AA2	702,837	2.02	-	-
AA3	9,408,843	27.10	3,499,101	10.82
AA	-	-	683,145	2.11
A1	601,896	1.73	4,915,861	15.20
A2	900,046	2.59	887,405	2.74
BBB	159,850	0.46	-	-
Not Rated	408,801	1.18	404,284	1.25
	<u>20,648,952</u>	<u>59.47</u>	<u>17,406,293</u>	<u>53.82</u>

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

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

MAYBANK MALAYSIA BALANCED-I FUND

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

(d) Liquidity risk (cont'd)

The following table summarises the maturity profile of the Fund's financial liabilities. Balances due within twelve months equal their carrying amounts, as the impact of discounting is insignificant.

	Less than 1 month RM	More than 1 month RM	Total RM
2023			
Financial liabilities			
Amount due to brokers	674,240	-	674,240
Amount due to Manager	34,667	-	34,667
Amount due to Trustee	2,311	-	2,311
Distribution payable	324,064	-	324,064
Other payables and accruals	25,012	-	25,012
	<u>1,060,294</u>	<u>-</u>	<u>1,060,294</u>
2022			
Financial liabilities			
Amount due to brokers	429,372	-	429,372
Amount due to Manager	34,032	-	34,032
Amount due to Trustee	2,085	-	2,085
Other payables and accruals	40,299	-	40,299
	<u>505,788</u>	<u>-</u>	<u>505,788</u>

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

21. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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