

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 INCOME FLOW-I FUND

Unaudited semi-annual report

For the financial period from 27 March 2023 (date of launch) to 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) (10424610K)
Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
Telephone +603 2297 7872
Facsimile +603 2297 7898

TRUSTEE

RHB Trustees Berhad (200201005356) (573019-U)
Level 11 Tower Three
RHB Centre
Jalan Tun Razak
50450 Kuala Lumpur
Telephone +603 9280 5933
Facsimile +603 9280 5934

SHARIAH ADVISER

Amanie Advisors Sdn Bhd (200501007003) (684050-H)
Level 13A-2
Menara Tokio Marine Life
189 Jalan Tun Razak
50400 Kuala Lumpur
Telephone +603 2161 0260
Facsimile +603 2161 0262

MAYBANK INCOME FLOW-I FUND

CONTENT	PAGE
Manager's report	(i) - (v)
Trustee's report	1
Statement by Manager	2
Report of the Shariah Adviser	3
Unaudited statement of comprehensive income	4
Unaudited statement of financial position	5
Unaudited statement of changes in net assets attributable to unitholders	6
Unaudited statement of cash flows	7
Notes to the financial statements	8 - 26

MAYBANK INCOME FLOW-I FUND

Manager's report

For the financial period from 27 March 2023 (date of launch) to 30 November 2023

A. Fund Information

1. Name of Fund

Maybank Income Flow-I Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Fixed Income (Islamic)

4. Duration of Fund

The Fund is an open-ended Fund.

5. Fund launch date/ Commencement date

27 March 2023

6. Fund's investment objective

The Fund aims to provide Unit Holders with consistent income stream.

7. Fund distribution policy

Distribution will be made on a monthly basis or at such other frequency as the Manager may decide in its absolute discretion.

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

In addition, any distribution out of the Fund's capital may amount to a reduction of part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders. When a substantial amount of the original investment is being returned to the Unit Holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. 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

Maybank 1-month Islamic deposit rate.

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

The Fund seeks to achieve its investment objective by investing a minimum of 30% of the Fund's NAV in MYR-denominated Sukuk.

Up to 70% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits.

10. Net income distribution for the financial period from 27 March 2023 (date of launch) to 30 November 2023

The Fund distributed a total net income of RM5,813,092 to unitholders for the financial period from 27 March 2023 (date of launch) to 30 November 2023.

MAYBANK INCOME FLOW-I FUND

Manager's report

For the financial period from 27 March 2023 (date of launch) to 30 November 2023 (cont'd)

A. Fund Information (cont'd)

10. Net income distribution for the financial period from 27 March 2023 (date of launch) to 30 November 2023 (cont'd)

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

Distribution date (Ex-date)	Gross/ Net distribution per unit (sen)	Before distribution RM	After distribution RM	Changes %
29 May 2023	0.10	1.0036	1.0026	0.10
27 June 2023	0.20	1.0050	1.0030	0.20
26 July 2023	0.10	1.0056	1.0046	0.10
28 August 2023	0.20	1.0074	1.0054	0.20
26 September 2023	0.25	1.0077	1.0052	0.25
27 October 2023	0.30	1.0077	1.0047	0.30
27 November 2023	0.22	1.0082	1.0060	0.22

B. Performance Review

1. Key performance data of the Fund

Category	27.03.2023 (date of launch) to 30.11.2023
Portfolio	
Sukuk (%)	32.33
Commercial Services	1.44
Construction & Engineering	0.42
Diversified Holdings	1.39
Energy	1.42
Financial Services	4.24
Infrastructures	7.91
Plantation & Agriculture	1.84
Property	3.69
Public Finances	1.40
Real Estate	2.13
Trading & Services	0.71
Transportation	1.42
Utilities	4.32
Cash and other net assets (%)	67.67
Total (%)	100.00
NAV (RM'000)	708,091
Units in circulation (units'000)	703,645
NAV per unit (RM)	1.0063
Highest NAV per unit (RM)	1.0077
Lowest NAV per unit (RM)	1.0000

MAYBANK INCOME FLOW-I FUND

Manager's report

For the financial period from 27 March 2023 (date of launch) to 30 November 2023 (cont'd)

B. Performance Review (cont'd)

1. Key performance data of the Fund (cont)

Category	27.03.2023 (date of launch) to 30.11.2023
Annual return (%) ⁽¹⁾	
- Capital growth (%)	0.63
- Income distribution (%)	1.37
Total return (%)	2.01
Benchmark (%)	1.63
Distribution date (ex-date)	Refer to Note 14
Gross/ Net distribution per unit (sen)	1.37
Total Expense Ratio ("TER") (%)	0.23
Portfolio Turnover Ratio ("PTR") (times)	0.39

Note:

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

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

2. Performance of the Fund up to 30 November 2023

Category	Since Inception to 30.11.2023 %
Capital growth	0.63
Income distribution	1.37
Total return of the Fund	2.01
Benchmark	1.63
Average total return	-

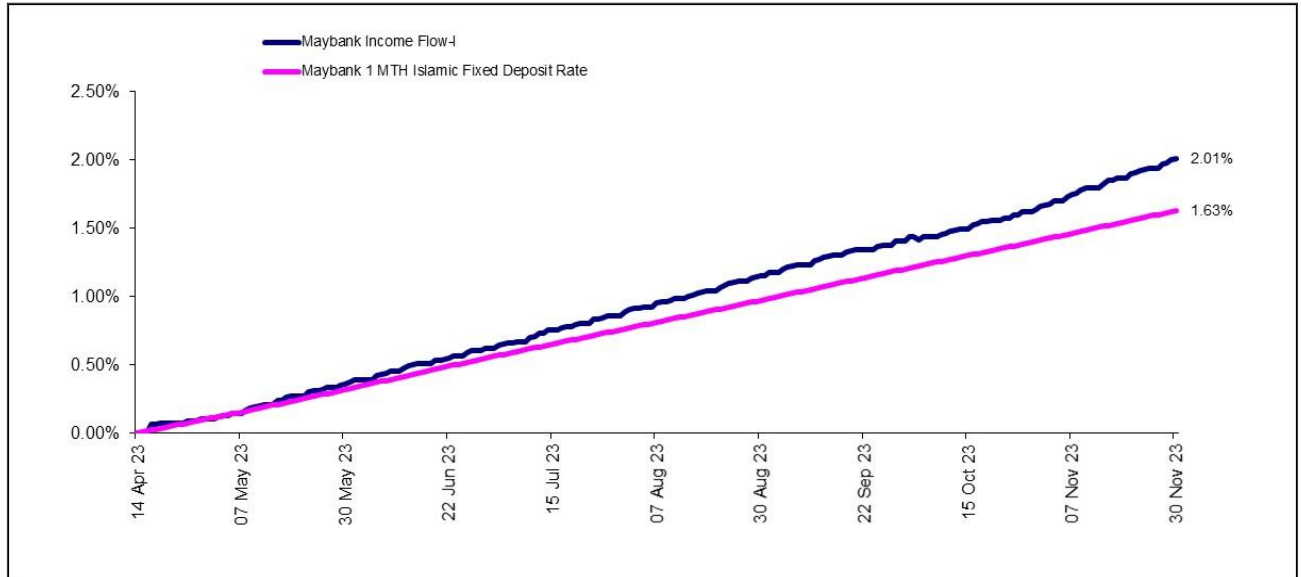
MAYBANK INCOME FLOW-I FUND

Manager's report

For the financial period from 27 March 2023 (date of launch) to 30 November 2023 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 30 November 2023 (cont'd)



Source: Lipper, as at 30 November 2023

The Fund recorded a return of 2.01% since inception to 30 November 2023, compared to the benchmark return of 1.63% over the same period. The outperformance was driven by a combination of stronger return from a strong rally in the local bond market, tightening credit spreads and income derived from the Sukuk held in the Fund during the period. Overall, the Fund has met its objective for the period under review with the monthly net income distributions made up to 30 November 2023.

3. Annual total return of the Fund

Category	Since Inception to 30.11.2023 %
Capital growth	0.63
Income distribution	1.37
Total return of the Fund	2.01
Benchmark	1.63

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:

$$\begin{aligned} \text{Capital return} &= (\text{NAV per unit end} / \text{NAV per unit begin}) - 1 \\ \text{Income return} &= \text{Income distribution per unit} / \text{NAV per unit ex-date} \\ \text{Total return} &= (1 + \text{Capital return}) \times (1 + \text{Income return}) - 1 \end{aligned}$$

(iv)

MAYBANK INCOME FLOW-I FUND

Manager's report

For the financial period from 27 March 2023 (date of launch) to 30 November 2023 (cont'd)

C. Market Review

The period saw a pause in profit rates hike by Bank Negara Malaysia ("BNM") after a 25 basis points ("bps") hike in early May 2023 to 3.00% after 4 consecutive 25 bps hikes in 2022. 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 Malaysian Government Securities ("MGS") and Government Investment Issues ("GII") yields 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% from a low of 3.64% in mid-May 2023 before the rally saw it closed at 3.81% on 30 November 2023. Consequently, the strong rally in MGS and GII yields in November 2023 saw the local corporate bonds and Sukuk yields dropped lower as well.

On the corporate bonds front, the strong rally in govies spilled over to the private debt securities ("PDS") market as corporate bond yields dropped especially in the government guaranteed paper ("GG") and AAA-rated bonds and Sukuk. Demand for AAA- and AA-rated bonds and Sukuk were strong to outstrip the supply of such securities in the secondary and the primary markets. This saw the yields of such securities dropped 50 bps to 180 bps throughout the period.

D. Market Outlook & Strategies

Following the sharp selloff in bond market in 2022, local bond 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 fixed income market on the back of peaking profit rates and recession risk, as central banks are more tilted towards a more accommodative monetary policies. This peaking profit rate outlook, as well as anticipation of slower global growth and probability of a United States ("US") recession, would be a catalyst for bond yields to further decline and potentially even see rate cuts for US Federal Reserve ("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. After a tightening bias seen in recent years, we believe central banks globally would be tilting more towards an easing bias in 2024 as economic growth slows. Therefore, we are positive on bond valuations going into 2024 and would favour to position the Fund more positively.

We will continue to look for attractive Sukuk investments to trade and also improve the portfolio current yield of 3.75% with the cash available. Aside from the Sukuk secondary market, we will also look into new primary issuances that offers us higher yields to deliver the required performance. As of 30 November 2023, the Fund is 32.33% invested in Ringgit Malaysia denominated Sukuk investments.

MAYBANK INCOME FLOW-I FUND

Manager's report

For the financial period from 27 March 2023 (date of launch) to 30 November 2023 (cont'd)

E. Soft Commissions and Rebates

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

During the financial period from 27 March 2023 (date of launch) to 30 November 2023, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK MALAYSIA SUKUK (FUND) MAYBANK INCOME FLOW-I FUND FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

We have acted as Trustee of the Fund for the financial period 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 period covered by these financial statements in accordance with the following:

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

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

For and on behalf of
RHB TRUSTEES BERHD
[Company No.: 200201005356 (573019-U)]

MOHD SOFIAN BIN KAMARUDDIN
Vice President

LIM BEE FANG
Chief Executive Officer

Kuala Lumpur, Malaysia
10 January 2024

STATEMENT BY MANAGER

TO THE UNITHOLDER'S OF MAYBANK INCOME FLOW-I FUND

FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

I, Ahmed Muzni Bin Mohamed, being one of the Directors of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Income Flow-I Fund as at 30 November 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 27 March 2023 (date of launch) to 30 November 2023 and comply with the requirements of the Deeds.

Ahmed Muzni Bin Mohamed

Director

Kuala Lumpur, Malaysia

10 January 2024

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDER'S OF MAYBANK INCOME FLOW-I FUND FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 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 Sukuk 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.

Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
9 January 2024

MAYBANK INCOME FLOW-I FUND**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 30 NOVEMBER 2023**

		27.03.2023 (date of launch) to 30.11.2023 RM
	Note	
INVESTMENT INCOME		
Profit income	4	7,565,780
Net gain on financial assets at fair value through profit or loss ("FVTPL")		
- Unrealised gain		<u>284,776</u>
		<u>7,850,556</u>
EXPENSES		
Manager's fee	5	596,021
Trustee's fee	6	106,432
Auditors' remuneration		6,247
Tax agent's fee		5,187
Shariah advisory fee		10,234
Administrative expenses		<u>2,614</u>
		<u>726,735</u>
Net income before taxation		7,123,821
Taxation	7	<u>-</u>
Net income after taxation representing total comprehensive income for the financial period		<u>7,123,821</u>
Net income after taxation is made up of the following:		
Net realised income		6,839,045
Net unrealised income		<u>284,776</u>
		<u>7,123,821</u>
Distributions for the financial period:		
Net distributions per unit (sen)	14	<u>5,813,092</u>
Gross/ Net distributions per unit (sen)	14	<u>1.37</u>
Distributions date (ex-date)		<u>Refer to Note 14</u>

MAYBANK INCOME FLOW-I FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2023**

	Note	30.11.2023 RM
ASSETS		
Financial assets at FVTPL	8	228,915,382
Shariah-compliant deposits with licensed Islamic financial institutions	9	485,412,368
Profit income receivables		3,973,539
Amount due from Manager	10	11,655,584
Cash at bank		1,590
TOTAL ASSETS		<u>729,958,463</u>
LIABILITIES		
Amount due to brokers	11	20,251,955
Amount due to Manager	10	155,816
Amount due to Trustee	12	27,824
Distribution payable		1,423,981
Other payables and accruals		7,417
TOTAL LIABILITIES		<u>21,866,993</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>708,091,470</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:		
Unitholders' capital	13(a)	706,780,741
Retained earnings	13(b) & (c)	1,310,729
		<u>708,091,470</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	13(a)	<u>703,644,598</u>
NAV PER UNIT (RM)		<u>1.0063</u>

MAYBANK INCOME FLOW-I FUND**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND
FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 30 NOVEMBER 2023**

	Unitholders' capital Note 13(a) RM	Retained earnings Note 13(b) & Note 13(c) RM	Net assets attributable to unitholders RM
At 27 March 2023 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	7,123,821	7,123,821
Creation of units	1,567,084,736	-	1,567,084,736
Reinvestment of units	4,377,071	-	4,377,071
Cancellation of units	(864,681,066)	-	(864,681,066)
Distributions (Note 14)	-	(5,813,092)	(5,813,092)
At 30 November 2023	<u>706,780,741</u>	<u>1,310,729</u>	<u>708,091,470</u>

MAYBANK INCOME FLOW-I FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

27.03.2023
(date of launch)
to
30.11.2023
RM

CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Placement in Shariah-compliant deposits with maturity more than 3 months	(199,000,000)
Net proceeds from sale and redemption of financial assets at FVTPL	18,570,229
Net payment for purchase of financial assets at FVTPL	(226,948,880)
Profit income received	3,592,241
Manager's fee paid	(440,205)
Trustee's fee paid	(78,608)
Payment of other fees and expenses	(16,865)
Net cash used in operating and investing activities	<u>(404,322,088)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from creation of units	1,555,429,152
Payment for redemption of units	(864,681,066)
Distributions to unitholders	(12,040)
Net cash generated from financing activities	<u>690,736,046</u>

NET CHANGE IN CASH AND CASH

EQUIVALENTS FOR THE FINANCIAL PERIOD	286,413,958
CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>286,413,958</u>

Cash and cash equivalents comprise:

Cash at bank	1,590
Shariah-compliant deposits with licensed Islamic financial institutions with maturity of less than 3 months (Note 9)	286,412,368
	<u>286,413,958</u>

MAYBANK INCOME FLOW-I FUND

NOTES TO THE FINANCIAL STATEMENT

FOR THE FINANCIAL PERIOD FROM 27 MARCH 2023 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Income Flow-I Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 10 February 2023 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, RHB Trustees Bhd. The Deeds & supplementary Deeds are collectively referred to as "Deeds".

The Fund seeks to achieve its investment objective by investing a minimum of 30% of the Fund's NAV in MYR-denominated Sukuk.

Up to 70% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence ("CMSL") with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA").

The principal place of business of MAM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a subsidiary of MAMG and is a holder of CMSL to carry out Islamic fund management business pursuant to Section 61 of the 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.

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 134 *Interim Financial Reporting* ("MFRS 134"), and International Accounting Standards 34 *Interim Financial Reporting*.

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 27 March 2023 (date of launch) to 30 November 2023. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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

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

MAYBANK INCOME FLOW-I FUND

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

2.2 Standards and Amendments to Standards issued but not yet effective

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

Description	Effective for 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 & Amendments to Standards will not have any material impact on the financial statements in the period of initial application.

2.3 Financial instruments

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

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

2.4 Financial assets

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

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

MAYBANK INCOME FLOW-I FUND

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

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost

The Fund classifies cash and cash equivalents, profit income receivables and amount due from Manager 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 financial asset and of allocating and recognising the profit income in profit or loss of 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 Sukuk is classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is held for trading if:

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. Profit income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

MAYBANK INCOME FLOW-I FUND

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

2.4 Financial assets (cont'd)

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

The carrying cost of unquoted fixed income securities denominated in RM are revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency ("BPA") registered with the Securities Commission Malaysia ("SC"). Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- records its basis for using a non-BPA price;
- obtain necessary internal approvals to the use of non-BPA price; and
- keeps an audit trail of all decisions and basis for adopting the market yield.

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

(iii) Impairment

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

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

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

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

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

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

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

MAYBANK INCOME FLOW-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, gain or losses are recognised in profit or loss when the asset is derecognised, modified and impaired.

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

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

- (a) In the principal market for the asset or liability; or
- (b) 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.

MAYBANK INCOME FLOW-I FUND

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

2.6 Fair value measurement (cont'd)

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

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:

- (a) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (c) 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 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 period if unitholder exercises the right to put the unit back to the Fund. Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

MAYBANK INCOME FLOW-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 a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the financial period in which it is approved. Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

2.10 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 EPR method. Profit income from Shariah-compliant deposit with a licensed Islamic financial institution is recognised on the accrual basis using the EPR method.

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 or premium.

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 period.

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

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.

MAYBANK INCOME FLOW-I FUND

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

2.14 Critical accounting estimates and judgements

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

3. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund during the financial period from 27 March 2023 (date of launch) to 30 November 2023 is Shariah-compliant.

4. PROFIT INCOME

	27.03.2023 (date of launch) to 30.11.2023 RM
Profit income from Sukuk	2,683,998
Profit income from Shariah-compliant deposits	5,061,529
Amortisation of premium, net of accretion of discount	<u>(179,747)</u>
	<u>7,565,780</u>

5. MANAGER'S FEE

The Manager's fee is computed daily. The fee is computed up to 0.50% per annum ("p.a.") on the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

6. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis up to 0.05% p.a. of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

MAYBANK INCOME FLOW-I FUND

7. TAXATION

27.03.2023
(date of launch)
to
30.11.2023
RM

Tax charge for the financial period:

Current income tax expense	-
----------------------------	---

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial period.

The tax charge for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, the profit income earned by the Fund from its investment in Sukuk and Shariah-compliant deposits is exempted from tax.

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

27.03.2023
(date of launch)
to
30.11.2023
RM

Net income before taxation	7,123,821
Tax at Malaysian statutory rate of 24%	1,709,717
Income not subject to tax	(1,884,133)
Expenses not deductible for tax purposes	174,416
Tax expense for the financial period	-

8. FINANCIAL ASSETS AT FVTPL

30.11.2023
RM

Sukuk	228,915,382
-------	-------------

	Quantity Unit	Amortised Cost RM	Market Value RM	Percentage of NAV %
--	------------------	-------------------------	-----------------------	------------------------------

30.11.2023

Commercial Services

DiGi Telecommunications Sdn
Bhd

- 4.66%/ 02.12.2025	10,000,000	10,161,054	10,173,100	1.44
---------------------	------------	------------	------------	------

MAYBANK INCOME FLOW-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk (cont'd)	Quantity Unit	Amortised Cost RM	Market Value RM	Percentage of NAV %
30.11.2023 (cont'd)				
Construction & Engineering				
Gamuda Land (T12) Sdn Bhd - 3.55%/ 12.08.2025	3,000,000	2,972,819	2,979,510	0.42
Diversified Holdings				
UMW Holdings Bhd - 3.03%/ 05.11.2025	10,000,000	9,822,871	9,830,900	1.39
Energy				
Sarawak Energy Bhd - 5.00%/ 04.07.2024	5,000,000	5,038,152	5,039,150	0.71
Southern Power Generation Sdn Bhd - 4.85%/ 31.10.2024	5,000,000	5,040,269	5,044,200	0.71
	10,000,000	10,078,421	10,083,350	1.42
Financial Services				
Affin Islamic Bank Bhd - 4.55%/ 16.12.2025	5,000,000	5,062,099	5,050,750	0.71
Bank Pembangunan Malaysia Bhd - 3.81%/ 01.12.2025	10,000,000	10,000,000	10,000,000	1.41
CIMB Islamic Bank Bhd - 3.95%/ 30.11.2026	5,000,000	4,999,995	5,000,000	0.71
RHB Bank Bhd - 3.95%/ 25.05.2026	3,000,000	2,999,989	2,997,090	0.42
SME Development Bank Malaysia Bhd - 4.03%/ 22.03.2024 - 3.10%/ 31.07.2026	5,000,000 2,000,000	5,009,574 1,945,656	5,011,000 1,956,720	0.71 0.28
	30,000,000	30,017,313	30,015,560	4.24

MAYBANK INCOME FLOW-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk (cont'd)	Quantity Unit	Amortised Cost RM	Market Value RM	Percentage of NAV %
30.11.2023 (cont'd)				
Infrastructures				
BGSM Management Sdn Bhd - 5.45%/ 28.06.2024	5,000,000	5,047,000	5,047,650	0.71
Konsortium Lebuhraya Utara- Timur (KL) Sdn Bhd* - 4.25%/ 01.12.2023	7,000,000	7,000,000	7,000,000	0.99
Malaysia Airports Capital Bhd - 4.15%/ 27.12.2024	10,000,000	10,045,122	10,058,700	1.42
Penang Port Sdn Bhd - 4.30%/ 24.12.2026	3,700,000	3,716,503	3,719,832	0.53
Pengurusan Air SVP Bhd - 4.30%/ 07.02.2024 - 3.07%/ 05.06.2025	10,000,000 5,000,000	10,013,357 4,946,123	10,008,800 4,942,300	1.41 0.70
SAJ Capital Sdn Bhd - 5.31%/ 26.01.2024	5,000,000	5,009,827	5,010,200	0.71
Tanjung Bin Power Sdn bhd - 5.12%/ 15.08.2025	10,000,000	10,172,904	10,173,000	1.44
	55,700,000	55,950,836	55,960,482	7.91
Plantation & Agriculture				
Kuala Lumpur Kepong Bhd - 4.65%/ 24.04.2026	5,000,000	5,085,800	5,084,000	0.72
Perbadanan Kemajuan Pertanian Negeri Pahang - 3.96%/ 30.10.2024 - 4.11%/ 30.10.2025	3,000,000 5,000,000	2,974,970 4,925,911	2,977,410 4,926,650	0.42 0.70
	13,000,000	12,986,681	12,988,060	1.84

MAYBANK INCOME FLOW-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk (cont'd)	Quantity Unit	Amortised Cost RM	Market Value RM	Percentage of NAV %
30.11.2023 (cont'd)				
Property				
Fortune Premiere Sdn Bhd				
- 5.05%/ 05.09.2025	10,000,000	10,141,570	10,155,300	1.43
- 5.05%/ 31.10.2025	4,000,000	4,058,519	4,066,760	0.57
UEM Sunrise Bhd				
- 5.05%/ 15.04.2024	2,000,000	2,005,207	2,005,760	0.28
- 5.32%/ 11.12.2024	5,000,000	5,040,415	5,047,850	0.71
- 4.30%/ 16.02.2026	5,000,000	4,918,114	4,977,350	0.70
	<u>26,000,000</u>	<u>26,163,825</u>	<u>26,253,020</u>	<u>3.69</u>
Public Finances				
Infracap Resources Sdn Bhd				
- 3.11%/ 15.04.2024	5,000,000	4,990,183	4,991,300	0.70
- 3.69%/ 15.04.2026	5,000,000	4,982,512	4,978,150	0.70
	<u>10,000,000</u>	<u>9,972,695</u>	<u>9,969,450</u>	<u>1.40</u>
Real Estate				
S P Setia Bhd				
- 4.30%/ 23.06.2026	5,000,000	4,998,201	5,017,450	0.71
Sime Darby Property Bhd				
- 4.08%/ 21.08.2026	10,000,000	10,020,055	10,042,200	1.42
	<u>15,000,000</u>	<u>15,018,256</u>	<u>15,059,650</u>	<u>2.13</u>
Trading & Services				
Evyap Sabun Malaysia Sdn Bhd				
- 4.05%/ 30.12.2025	5,000,000	4,892,631	4,995,500	0.71
Transportation				
Amanah Lebuhraya Rakyat Bhd				
- 4.39%/ 13.10.2025	5,000,000	5,046,108	5,042,300	0.71
Malaysia Airport Holdings Bhd				
- 3.79%/ 25.04.2025	5,000,000	5,002,049	5,011,300	0.71
	<u>10,000,000</u>	<u>10,048,157</u>	<u>10,053,600</u>	<u>1.42</u>

MAYBANK INCOME FLOW-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Sukuk (cont'd)	Quantity Unit	Amortised Cost RM	Market Value RM	Percentage of NAV %
30.11.2023 (cont'd)				
Utilities				
Bakun Hydro Power Generation Sdn Bhd - 4.43%/ 11.08.2026	10,000,000	10,157,962	10,162,700	1.44
Jimah East Power Sdn Bhd - 5.45%/ 04.12.2025	10,000,000	10,229,068	10,226,400	1.44
TNB Western Energy Bhd - 5.14%/ 30.07.2025	10,000,000	10,158,017	10,164,100	1.44
	<u>30,000,000</u>	<u>30,545,047</u>	<u>30,553,200</u>	<u>4.32</u>
Total Sukuk	<u>227,700,000</u>	<u>228,630,606</u>	<u>228,915,382</u>	<u>32.33</u>
Unrealised gain on financial assets at FVTPL			<u>284,776</u>	

* The Sukuk from Konsortium Lebuhraya Utara-Timur Sdn Bhd was fully redeemed on the maturity date, 1 December 2023.

9. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS

	30.11.2023
	RM
Shariah-compliant deposit with licensed Islamic financial institutions with maturity of:	
- less than 3 months	286,412,368
- more than 3 months	<u>199,000,000</u>
	<u>485,412,368</u>

MAYBANK INCOME FLOW-I FUND

9. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED ISLAMIC FINANCIAL INSTITUTIONS (CONT'D)

The weighted average effective profit rates ("WAEPR") p.a. and average maturity of Shariah-compliant deposits with licensed Islamic financial institutions as at the reporting date are as follows:

	30.11.2023	
	WAEPR % p.a.	Average maturity Days
Shariah-compliant deposits with maturity of		
- less than 3 months	3.45	14
- more than 3 months	4.02	110

10. AMOUNT DUE FROM/ TO MANAGER

	Note	30.11.2023 RM
(a) Amount due from Manager		
Subscription of units	(i)	<u>11,655,584</u>
(b) Amount due to Manager		
Manager's fee	(ii)	<u>155,816</u>

(i) The amount represents amount receivable from the Manager for units subscribed.

(ii) The amount represents the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days.

11. AMOUNT DUE TO BROKERS

Amount due to brokers relates to the amount payable from the brokers arising from the accruals of investments. The settlement period for these payables are within 3 working days from the deal date.

12. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accruals for Trustee's fee at the reporting date. The normal credit term for the Trustee's fee is 15 days.

MAYBANK INCOME FLOW-I FUND

13. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	30.11.2023 RM
Unitholders' capital	(a)	706,780,741
Accumulated realised income	(b)	1,025,953
Accumulated unrealised income	(c)	284,776
		<u>708,091,470</u>

(a) Unitholders' capital

	27.03.2023 (date of launch) to 30.11.2023	
	No. of units	RM
At the date of launch	-	-
Creation of units	1,558,412,053	1,567,084,736
Reinvestment of units	4,354,760	4,377,071
Cancellation of units	<u>(859,122,215)</u>	<u>(864,681,066)</u>
At the end of the financial period	<u>703,644,598</u>	<u>706,780,741</u>

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

	30.11.2023	
	No. of units	RM
The Manager	<u>1,014</u>	<u>1,020</u>

In the opinion of the Manager, the above units were transacted at the prevailing market price. Other than the above, there were no other units held by the Manager or parties related to the Manager.

(b) Accumulated realised income

	27.03.2023 (date of launch) to 30.11.2023 RM
At the date of launch	-
Net realised income for the financial period	6,839,045
Distributions out of realised reserve (Note 14)	<u>(5,813,092)</u>
At end of the financial period	<u>1,025,953</u>

MAYBANK INCOME FLOW-I FUND

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

(c) Accumulated unrealised income

	27.03.2023 (date of launch) to 30.11.2023 RM
At the date of launch	-
Net unrealised income for the financial period	284,776
At end of the financial period	<u>284,776</u>

14. DISTRIBUTIONS

Net distributions to unitholders are from the following sources:

	27.03.2023 (date of launch) to 30.11.2023 RM
Profit income	6,437,026
Less: Expenses	(623,935)
Distributions for the financial period	<u>5,813,092</u>

A portion of the distributions declared were/ will be settled in the form of units and presented as reinvestment of units in Note 13(a) on payment date.

The gross and net distributions per unit and the distribution dates in the current financial period is as follows:

Distribution date (ex-date)	Gross/ Net distribution per unit (sen)
27.03.2023 (date of launch) to 30.11.2023	
29 May 2023	0.10
27 June 2023	0.20
26 July 2023	0.10
28 August 2023	0.20
26 September 2023	0.25
27 October 2023	0.30
27 November 2023	0.22
	<u>1.37</u>

MAYBANK INCOME FLOW-I FUND

14. DISTRIBUTIONS (CONT'D)

The composition of distributions are as follows:

	27.03.2023 (date of launch) to 30.11.2023	
Source of distribution*	Total of distribution RM	Composition of distribution in percentage %
- Income distribution	5,813,092	100.00
- Capital distribution	-	-
	<u>5,813,092</u>	<u>100.00</u>

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

15. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions, primarily Shariah-compliant deposits with licensed Islamic financial institutions for the financial period are as follows:

	27.03.2023 (date of launch) to 30.11.2023	
	Value of placements RM	Percentage of total placements %
CIMB Islamic Bank Bhd	2,465,535,643	31.39
Maybank Islamic Bhd ("MIB")*	2,178,965,000	27.74
Hong Leong Islamic Bank Bhd	1,296,827,137	16.51
Public Islamic Bank Bhd	1,240,359,357	15.79
Malaysia Building Society Bhd	297,206,693	3.78
Affin Islamic Bank Bhd	268,354,434	3.42
RHB Islamic Bank Bhd	107,000,000	1.36
	<u>7,854,248,264</u>	<u>100.00</u>

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

MAYBANK INCOME FLOW-I FUND

16. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

In addition to the related party information disclosed elsewhere in the financial statements, below are the significant related party transactions and balances of the Fund.

(a) Significant related party transactions

	27.03.2023 (date of launch) to 30.11.2023 RM
<u>MIB:</u>	
Profit income on deposit	<u>253,071</u>

(b) Significant related party balances

<u>MIB:</u>	
Shariah-compliant deposits with licensed Islamic financial institutions	32,162,000
Cash at Bank	1,590
Profit income receivables	<u>2,555</u>
	<u>32,166,145</u>

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

17. 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. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial period from 27 March 2023 (date of launch) to 30 November 2023, the TER of the Fund stood at 0.23%.

18. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis. For the financial period from 27 March 2023 (date of launch) to 30 November 2023, the PTR of the Fund stood at 0.39 times.

MAYBANK INCOME FLOW-I FUND

19. SEGMENT INFORMATION

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

The Fund seeks to achieve its investment objective by investing a minimum of 30% of the Fund's NAV in MYR-denominated Sukuk.

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

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

20. FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining 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
30.11.2023			
Financial assets at FVTPL	-	228,915,382	-

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

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