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MAYBANK MALAYSIA SMALLCAP FUND

Unaudited semi-annual report

For the financial period from 1 August 2023 to 31 January 2024

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

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MAYBANK MALAYSIA SMALLCAP FUND

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MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2023 to 31 January 2024

A. Fund Information

1. Name of the Fund

Maybank Malaysia SmallCap Fund ("Fund")

2. Type of Fund

Growth Fund

3. Category of Fund

Equity Fund

4. Duration of the Fund

The Fund is an open-ended Fund.

5. Fund launch date/ Commencement date

3 March 2004/ 24 March 2004

6. Fund's investment objective

The Fund aims to achieve Medium to Long Term capital growth by primarily investing into securities of small and medium sized companies:

- (i) listed on the Bursa Malaysia's Main Market, ACE Market and/ or any other boards approved by the Securities Commission Malaysia ("SC");
- (ii) with market capitalisation of not more than the limit considered by the SC to be appropriate for fund similar to this Fund; and
- (iii) which have the potential for capital appreciation over the Medium to Long Term.

7. Fund distribution policy

It is not the main objective of the Fund to distribute income as the main focus of the Fund is to secure capital growth in line with the performance of the Fund's benchmark. Any distribution is at the Manager's discretion, subject to Trustee's approval.

8. Fund's performance benchmark

The Fund's benchmark is 100% of the performance of the FTSE Bursa Malaysia ("FBM") SmallCap Index.

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

The Fund invests in securities of companies which have obtained approval from the relevant authorities for listing on the Main Market or ACE Market of Bursa Malaysia. The Fund invests primarily in selected small and medium sized companies with market capitalisation of not more than Ringgit Malaysia ("RM") 3 billion at the point of purchase of stocks which have the potential for capital appreciation over the Medium to Long Term. The Fund may also invest in companies with market capitalisation exceeding RM3 billion in order to increase the benefit of diversification and enhance the stability of the Fund. The Fund may consider investment in unlisted equities. However, investment in unlisted equities is limited to a maximum of 10% of the NAV of the Fund.

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2023 to 31 January 2024 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	01.08.2023 to 31.01.2024	01.08.2022 to 31.01.2023	01.07.2022 to 31.07.2023
Portfolio composition (%)			
Quoted equities (%)	91.40	91.59	94.93
- Construction	5.71	-	-
- Consumer Products	13.83	14.52	20.04
- Energy	9.17	10.25	17.63
- Finance	4.07	3.67	3.98
- Healthcare	3.66	7.67	5.14
- Industrial Products	21.81	21.99	15.12
- Networking	2.90	3.13	2.87
- Plantations	4.90	4.08	4.48
- Property	12.64	-	-
- Real Estate Investment Trust ("REITs")	3.02	5.60	5.31
- Technology	9.69	20.68	20.36
Cash and other net assets	8.60	8.41	5.07
Total	100.00	100.00	100.00
NAV (RM'000)	20,662	29,724	27,422
Units in circulation (units'000)	30,568	43,156	41,778
NAV per unit (RM)	0.6759	0.6888	0.6564
Highest NAV per unit (RM)	0.6800	0.6901	0.7057
Lowest NAV per unit (RM)	0.6358	0.5973	0.5973
Annual total return (%) ⁽¹⁾	2.97	12.20	6.92
Benchmark (%)	7.27	12.96	8.95
Total Expense Ratio ("TER") (%) ⁽²⁾	0.83	0.96	1.63
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.54	0.18	0.43

Notes:

- (1) Actual return of the Fund for the financial period/ year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's TER increased to 0.83% due to lower administrative expenses during the current financial period under review.
- (3) The Fund's PTR increased to 0.54 times due to higher trading activities during the current financial period 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 SMALLCAP FUND

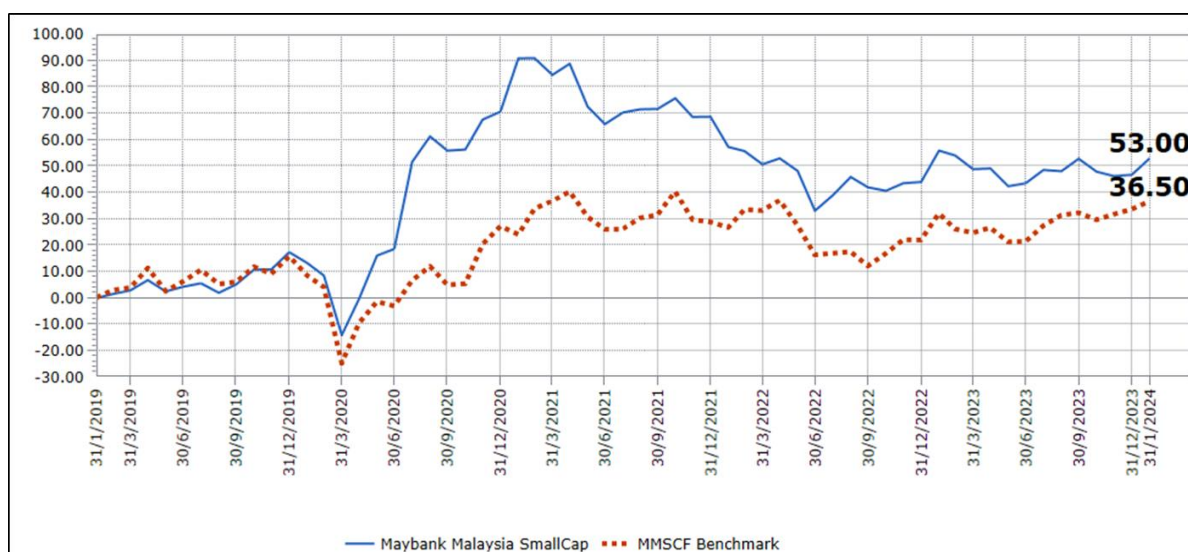
Manager's report

For the financial period from 1 August 2023 to 31 January 2024 (cont'd)

B. Performance Review

2. Performance of the Fund up to 31 January 2024

Category	6 months to 31.01.2024 %	1 year to 31.01.2024 %	3 years to 31.01.2024 %	5 years to 31.01.2024 %
Capital growth	2.97	(1.87)	(22.42)	44.98
Income distribution	-	-	3.31	5.53
Total return of the Fund	2.97	(1.87)	(19.85)	53.00
Benchmark	7.27	3.47	10.16	36.50
Average total return		(1.87)	(7.11)	8.87



Source: Lipper as at 31 January 2024

During the period under review, the Fund's NAV per unit increased by 2.97%, underperforming the benchmark's gain of 7.27%. The underperformance of the Funds was mainly impacted by higher allocation to the technology sector towards the end of the financial year 2023 and the lesser weight on the construction and property sector.

The Fund managed to reduce the performance gap in January 2024 with efficient asset allocation into the property and construction play with regards to the southern property play. The Fund avoided companies which lack fundamentals which saw a significant drop in early 2024 helped the Fund to beat the index in the start of the year.

For a longer period of 5 years, the Fund's total return is 53.00% vs. the benchmark which recorded a return of 36.50%.

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2023 to 31 January 2024 (cont'd)

B. Performance Review (cont'd)

3. Annual/ Semi-annual total return of the Fund

For the financial period/ year ended	31.01.2024 %	31.07.2023 %	31.07.2022 %	31.07.2021 %	31.07.2020 %
Capital growth	2.97	6.92	(18.42)	8.74	40.56
Income distribution	-	-	-	3.31	2.15
Total return	2.97	6.92	(18.42)	12.34	43.59
Benchmark	7.27	8.95	(7.22)	18.16	(3.59)

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

During the period under review, the overall sentiments of the market saw high interest in the larger cap play. The heighten interest in the property and utilities play help lifted up the Kuala Lumpur Composite Index ("KLCI") to a high of 1,515 points. The FTSE Bursa Malaysia KLCI ("FBM KLCI") recorded a total return of 6.39% throughout the period. The smaller FBM SmallCap Index saw higher gains of 7.27% which was propelled by the consumer staples as well as the property sector. The FBM SmallCap Index was lifted by positive news flow and policies such as the Southern Johor development and National Energy Transition Roadmap ("NETR") predominantly in 2H23. The FTSE Bursa Malaysia 100 Index ("FBM 100") saw a middle ground returns of 7.30% for the period under review.

D. Market Outlook and Strategies

The Fund shifted its focus towards the construction and property sector which help lifted the performance towards the beginning of financial period 2024. The reduction of the technology sector towards the end of financial year 2023 helped improved the performance as well. The technology sector continues to see lacklustre interest locally as most of the players in Malaysia is not directly benefitting from the Artificial Intelligence ("AI") push. The technology sector could see a comeback in 2H24 but sentiments remains cautious for the short term.

MAYBANK MALAYSIA SMALLCAP FUND

Manager's report

For the financial period from 1 August 2023 to 31 January 2024 (cont'd)

D. Market Outlook and Strategies (cont'd)

The positive start for the financial period 2024 with three state focused investment driven by:

- i) Johor with the appointment of the New King of Malaysia;
- ii) Sarawak energy development; and
- iii) Penang continuous Foreign Direct Investment ("FDI") of technology related names but this should have more impact in 2H24.

The Fund continues to raise cash level to take advantage of beaten down stock as trading activities remains high. The Fund continues to focus on fundamentally sound companies which good growth prospectus. The Fund is adding higher weightage into the property and construction sector as part of the on-going anticipation of the growth prospects.

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 ended 31 January 2024, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

F. Securities Financing Transactions and Cross Trade Transactions

The Fund has not undertaken any securities lending or repurchase transaction ("securities financing transactions") during the financial period as at 31 January 2024. No cross trade transactions have been carried out in the financial period ended 31 January 2024.

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF MAYBANK MALAYSIA SMALLCAP FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period from 1 August 2023 to 31 January 2024 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 requirement.

For and on behalf of
CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer
13 March 2024

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MALAYSIA SMALLCAP FUND
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2023 TO 31 JANUARY 2024**

I, Muhammad Hishamudin Bin Hamzah, being the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Malaysia SmallCap Fund as at 31 January 2024 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 1 August 2023 to 31 January 2024 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Muhammad Hishamudin Bin Hamzah
Director

Kuala Lumpur, Malaysia
13 March 2024

MAYBANK MALAYSIA SMALLCAP FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2023 TO 31 JANUARY 2024**

		01.08.2023	01.08.2022
		to	to
	Note	31.01.2024	31.01.2023
		RM	RM
INVESTMENT INCOME			
Dividend income		258,854	376,668
Profit/ Interest income		38,579	32,410
Net gain on fair value changes of fair value through profit or loss ("FVTPL") investments			
- Realised gain		1,516,460	640,209
- Unrealised (loss)/ gain		<u>(930,019)</u>	<u>2,778,757</u>
		<u>883,874</u>	<u>3,828,044</u>
EXPENSES			
Manager's fee	3	180,820	219,832
Trustee's fee	4	8,438	10,259
Auditors' remuneration		4,674	5,746
Tax agent's fee		1,965	2,142
Brokerage and other transaction fees		66,463	22,338
Administrative expenses		<u>2,612</u>	<u>17,953</u>
		<u>264,972</u>	<u>278,270</u>
Net income before tax		618,902	3,549,774
Taxation	5	<u>(1,987)</u>	<u>(5,368)</u>
Net income after taxation, representing total comprehensive income for the financial period		<u>616,915</u>	<u>3,544,406</u>
Net income after tax is made up of the following:			
- Realised income		1,546,934	765,649
- Unrealised (loss)/ income		<u>(930,019)</u>	<u>2,778,757</u>
		<u>616,915</u>	<u>3,544,406</u>

MAYBANK MALAYSIA SMALLCAP FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024**

	Note	31.01.2024 RM	31.07.2023 RM
ASSETS			
Financial assets at FVTPL	6	18,885,279	26,031,529
Deposit with a licensed financial institution	7	1,578,015	1,572,562
Dividend receivable		8,500	-
Profit/ Interest receivable		128	127
Amount due from Manager	8	1,500	493
Amount due from brokers	9	237,681	314,674
Cash at bank		9,485	12,491
TOTAL ASSETS		<u>20,720,588</u>	<u>27,931,876</u>
LIABILITIES			
Amount due to Manager	8	31,722	489,262
Amount due to Trustee	10	1,222	1,733
Other payables and accruals		25,925	18,907
TOTAL LIABILITIES		<u>58,869</u>	<u>509,902</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>20,661,719</u>	<u>27,421,974</u>
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS COMPRISE OF:			
Unitholders' capital	11(a)	(16,746,376)	(9,369,206)
Retained earnings	11(b)&(c)	37,408,095	36,791,180
		<u>20,661,719</u>	<u>27,421,974</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	11(a)	<u>30,567,557</u>	<u>41,778,477</u>
NAV PER UNIT		<u>0.6759</u>	<u>0.6564</u>

MAYBANK MALAYSIA SMALLCAP FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
OF THE FUND
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2023 TO 31 JANUARY 2024**

	Unitholders' capital Note 11(a) RM	Retained earnings Note 11(b) & 11(c) RM	Net assets attributable to unitholders RM
At 1 August 2023	(9,369,206)	36,791,180	27,421,974
Total comprehensive income for the financial period	-	616,915	616,915
Creation of units	8,976,045	-	8,976,045
Cancellation of units	(16,353,215)	-	(16,353,215)
At 31 January 2024	<u>(16,746,376)</u>	<u>37,408,095</u>	<u>20,661,719</u>
At 1 August 2022	(5,994,035)	34,908,463	28,914,428
Total comprehensive income for the financial period	-	3,544,406	3,544,406
Creation of units	9,348,928	-	9,348,928
Cancellation of units	(12,083,345)	-	(12,083,345)
At 31 January 2023	<u>(8,728,452)</u>	<u>38,452,869</u>	<u>29,724,417</u>

MAYBANK MALAYSIA SMALLCAP FUND**UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2023 TO 31 JANUARY 2024**

	01.08.2023	01.08.2022
	to	to
	31.01.2024	31.01.2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net payment for purchase of investments at FVTPL	(9,059,621)	(3,579,471)
Net proceeds from disposal of investments at FVTPL	16,802,843	6,923,808
Net dividend received	248,367	371,299
Profit/ Interest received	38,578	32,547
Manager's fee paid	(191,774)	(218,845)
Trustee's fee paid	(8,949)	(13,637)
Payment of other fees and expenses	(2,234)	(6,951)
Net cash generated from operating and investing activities	<u>7,827,210</u>	<u>3,508,750</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	8,975,038	9,226,146
Payments for cancellation of units	<u>(16,799,801)</u>	<u>(12,082,403)</u>
Net cash used in financing activities	<u>(7,824,763)</u>	<u>(2,856,257)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	2,447	652,493
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>1,585,053</u>	<u>1,773,102</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>1,587,500</u>	<u>2,425,595</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	9,485	5,595
Deposit with a licensed financial institution with maturity of less than 3 months (Note 7)	<u>1,578,015</u>	<u>2,420,000</u>
	<u>1,587,500</u>	<u>2,425,595</u>

MAYBANK MALAYSIA SMALLCAP FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2023 TO 31 JANUARY 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Malaysia SmallCap Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 11 February 2004 between Amanah Mutual Bhd as the Manager, and Malaysian Trustee Bhd as the Trustee and the Registered Holders of the Fund. A First Supplemental Deed dated 26 May 2005 and a Second Supplemental Deed dated 28 January 2014, which was entered into between the Manager, Malaysian Trustee Bhd and the new Trustee, CIMB Commerce Trustee Bhd, was issued to amend the principal Deed. Also, Third Supplemental Deed was also issued on 27 January 2016. The Fund commenced operations on 24 March 2004 and will continue to be in operations until terminated by the Trustee as provided under the Deeds.

The Manager, a company incorporated in Malaysia, is principally engaged in the management of unit trust funds. Amanah Saham Nasional Bhd ("ASNB") and Permodalan Nasional Bhd, companies incorporated in Malaysia, were the holding and ultimate holding company of the Manager until 16 May 2018.

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

MAM and CIMB Commerce Trustee Bhd as the Trustee had entered into a Fourth Supplemental Deed dated 4 September 2018, Fifth Supplemental Deed dated 11 July 2019 and Sixth Supplemental Deed dated 3 August 2022. The Deed and Supplemental Deeds are hereinafter referred to as 'Deeds'.

The principal activity of the Fund is to invest in a selected portfolio of investments in small and medium size companies listed on the Main Market of Bursa Malaysia Securities Bhd and other approved investments.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services License with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA"). The principal place of business of Maybank AM 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 Bhd ("MAMG"), which in turn is a subsidiary of MBB.

2. MATERIAL ACCOUNTING POLICIES INFORMATION

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 134 *Interim Financial Reporting*.

The interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 July 2023.

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

2.1 Basis of preparation (cont'd)

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial period. 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 2.14 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
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2.3 Financial instruments

Financial assets and 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 SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

(i) Financial assets at amortised cost

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

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

The Fund classifies cash and cash equivalents, profit/ interest receivable, dividend receivable, amount due from brokers and amount due from Manager as loan and receivables, and are subsequently measured at amortised cost. Quoted equities is classified as FVTPL.

(ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

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

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

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

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

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 or loss.

Changes in the fair of FVTPL investments are recognised in unrealised gain/ (loss) on FVTPL investments in profit and loss. Accumulated unrealised gains or losses are reclassified to realised (loss)/ gain on FVTPL investments in profit or loss when 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. The impairment model does not apply to equity investments.

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

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

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

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

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

For balances with short-term nature (e.g. profit/ interest receivable), full impairment will be recognised on uncollected balances after the grace period.

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

(iv) Derecognition

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

If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate ("EPR")/ effective interest rate ("EIR") method. The EPR/ EIR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the profit expense in profit or loss over the relevant period.

(iii) Derecognition of financial liabilities

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

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

2.6 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:

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

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

2.7 Revenue/ Income

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

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

Realised gain or loss on disposal of investments is accounted for as the difference between net disposal proceeds and the carrying amount of the investments.

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

2.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank and deposit with a licensed financial institution with maturities of 3 months or less, which have an insignificant risk of changes in value.

2.9 Distribution

Any distribution to the Fund's unitholders is accounted for in profit or loss as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as a deduction to the unitholders' capital. A proposed distribution is recognised as a liability in the year in which it is approved.

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

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

2.10 Taxation

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in net assets attributable to unitholders.

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable income earned during the financial period.

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

2.11 Fair value measurement

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

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

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

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

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

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

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

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

2.12 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.

MAYBANK MALAYSIA SMALLCAP FUND

2. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

2.13 Segment reporting

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

2.14 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 period.

3. MANAGER'S FEE

The Manager's fee is computed daily based on 1.50% per annum ("p.a.") (01.08.2022 to 31.01.2023 : 1.50% p.a.) of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

4. TRUSTEE'S FEE

The Trustee fee is calculated and accrued daily. The Trustee fee is computed based on 0.07% p.a. (01.08.2022 to 31.01.2023: 0.07% 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 RM 18,000 p.a..

5. TAXATION

	01.08.2023 to 31.01.2024 RM	01.08.2022 to 31.01.2023 RM
Tax charge for the financial period:		
Current income tax expense	1,987	5,368

Income tax is calculated at the Malaysian statutory rate of 24% (01.08.2022 to 31.01.2023: 24%) of the estimated assessable income for the financial period.

MAYBANK MALAYSIA SMALLCAP FUND

5. TAXATION (CONT'D)

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

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

	01.08.2023 to 31.01.2024 RM	01.08.2022 to 31.01.2023 RM
Net income before taxation	<u>618,902</u>	<u>3,549,774</u>
Taxation at Malaysian statutory rate of 24% (01.08.2022 to 31.01.2023: 24%)	148,536	851,946
Income not subject to tax	(435,334)	(918,731)
Loss not deductible for tax purposes	223,205	-
Expenses not deductible for tax purposes	63,593	66,785
Income tax at source	1,987	5,368
Tax expense for the financial period	<u>1,987</u>	<u>5,368</u>

6. FINANCIAL ASSETS AT FVTPL

	31.01.2024 RM	31.07.2023 RM
Quoted equities	<u>18,885,279</u>	<u>26,031,529</u>

31.01.2024	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
Construction				
Gamuda Bhd	100,000	463,530	505,000	2.44
Sunway Construction Group Bhd	300,000	573,690	675,000	3.27
	<u>400,000</u>	<u>1,037,220</u>	<u>1,180,000</u>	<u>5.71</u>
Consumer Products				
AirAsia X Bhd	300,000	563,760	507,000	2.45
Berjaya Sports Toto Bhd	910,010	598,865	491,405	2.38
DXN Holdings Bhd	805,700	536,797	527,734	2.55
Focus Point Holdings Bhd	800,000	224,484	572,000	2.77
Spring Art Holdings Bhd	510,000	939,436	759,900	3.68
	<u>3,325,710</u>	<u>2,863,342</u>	<u>2,858,039</u>	<u>13.83</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.01.2024 (cont'd)	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
Energy				
Deleum Bhd	750,000	694,856	832,500	4.03
Wasco Bhd	850,000	714,659	1,062,500	5.14
	<u>1,600,000</u>	<u>1,409,515</u>	<u>1,895,000</u>	<u>9.17</u>
Finance				
RHB Bank Bhd	150,000	775,831	840,000	4.07
Health Care				
Umedic Group Bhd	1,200,000	384,000	756,000	3.66
Industrial Products				
CPE Technology Bhd	800,000	856,000	772,000	3.74
Nationgate Holdings Bhd	200,000	165,800	274,000	1.33
Press Metal Aluminium Holdings Bhd	70,000	354,067	331,800	1.61
RGT Bhd	2,500,000	948,833	587,500	2.84
Superlon Holdings Bhd	1,082,800	804,449	839,170	4.06
Sunway Bhd	500,000	977,300	1,340,000	6.49
VS Industry Bhd	500,000	475,760	360,000	1.74
	<u>5,652,800</u>	<u>4,582,209</u>	<u>4,504,470</u>	<u>21.81</u>
Networking				
ITMAX System Bhd	300,000	321,000	600,000	2.90
Plantation				
Sarawak Oil Palms Bhd	300,000	629,015	828,000	4.01
TA Ann Holdings Bhd	50,000	259,378	184,500	0.89
	<u>350,000</u>	<u>888,393</u>	<u>1,012,500</u>	<u>4.90</u>
Property				
Iskandar Waterfront City Bhd	920,000	804,468	768,200	3.72
Malaysian Resources Corp Bhd	1,650,300	744,635	1,072,695	5.19
Sime Darby Property Bhd	1,000,000	777,800	770,000	3.73
	<u>3,570,300</u>	<u>2,326,903</u>	<u>2,610,895</u>	<u>12.64</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.01.2024 (cont'd)				
Real Estate Investment Trust ("REITs")				
AXIS REITs	350,000	627,493	623,000	3.02
Technology				
Datasonic Group Bhd	1,000,000	464,718	440,000	2.13
Pentamaster Corp Bhd	150,000	723,722	606,000	2.93
TT Vision Holdings Bhd	1,000,000	1,129,661	745,000	3.59
Frontken Corporation Bhd - Warrant	875,000	-	214,375	1.04
	<u>3,025,000</u>	<u>2,318,101</u>	<u>2,005,375</u>	<u>9.69</u>
Total FVTPL investments	<u>19,923,810</u>	<u>17,534,007</u>	<u>18,885,279</u>	<u>91.40</u>
Unrealised gain on FVTPL investments			<u>1,351,272</u>	
31.07.2023				
Consumer Products				
Berjaya Food Bhd	1,480,000	984,348	1,006,400	3.67
Berjaya Sports Toto Bhd	500,000	939,436	730,000	2.66
DXN Holding Bhd	1,800,000	1,192,140	1,341,000	4.89
Focus Point Holdings Bhd	2,155,900	604,957	1,789,397	6.53
Spring Art Holdings Bhd	3,800,000	1,162,100	627,000	2.29
	<u>9,735,900</u>	<u>4,882,981</u>	<u>5,493,797</u>	<u>20.04</u>
Energy				
Bumi Armada Bhd	800,000	359,280	416,000	1.52
Dayang Enterprise Holdings Bhd	744,900	922,892	1,042,860	3.80
Deleum Bhd	734,800	667,625	661,320	2.41
Hibiscus Petroleum Bhd	900,000	871,904	837,000	3.05
Wasco Bhd	1,011,200	834,785	1,001,088	3.65
Yinson Holdings Bhd	344,600	761,853	878,730	3.20
	<u>4,535,500</u>	<u>4,418,339</u>	<u>4,836,998</u>	<u>17.63</u>

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.07.2023 (cont'd)	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
Finance				
RHB Bank Bhd	191,792	991,988	1,091,296	3.98
Healthcare				
Umedic Group Bhd	2,000,000	640,000	1,410,000	5.14
Industrial Products				
Farm Fresh Bhd	1,000,000	1,417,500	1,160,000	4.23
Nationgate Holdings Bhd	500,000	414,500	775,000	2.83
Press Metal Aluminium Holdings Bhd	70,000	354,067	352,800	1.29
RGT Bhd	2,000,000	900,000	560,000	2.04
SLP Resources Bhd	666,300	857,828	586,344	2.14
Superlon Holdings Bhd	1,100,000	817,227	709,500	2.59
	<u>5,336,300</u>	<u>4,761,122</u>	<u>4,143,644</u>	<u>15.12</u>
Networking				
IT Max System Bhd	550,000	588,500	786,500	2.87
Plantation				
Hap Seng Plantations Holdings Bhd	129,800	359,585	257,004	0.94
Sarawak Oil Palms Bhd	300,000	629,015	783,000	2.86
TA Ann Holdings Bhd	50,000	259,378	186,000	0.68
	<u>479,800</u>	<u>1,247,978</u>	<u>1,226,004</u>	<u>4.48</u>
REITs				
Axis REITs	800,000	1,434,663	1,456,000	5.31
Technology				
Cnergiz Bhd	1,200,000	696,000	912,000	3.33
Datasonic Group Bhd	1,950,000	906,200	926,250	3.38
Elsoft Research Bhd	1,500,000	1,317,585	840,000	3.06
Frontken Corp Bhd	200,000	134,237	648,000	2.36

MAYBANK MALAYSIA SMALLCAP FUND

6. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.07.2023 (cont'd)	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
Technology (cont'd)				
Malaysian Pacific Industries	20,000	247,113	585,600	2.14
Pentamaster Corp Bhd	100,000	484,757	524,000	1.91
TT Vision Holdings Bhd	833,500	998,775	950,190	3.45
Frontken Corp Bhd (Warrants)	875,000	-	201,250	0.73
	<u>6,678,500</u>	<u>4,784,667</u>	<u>5,587,290</u>	<u>20.36</u>
Total FVTPL investments	<u>30,307,792</u>	<u>23,750,238</u>	<u>26,031,529</u>	<u>94.93</u>
Unrealised gain on FVTPL investments			<u>2,281,291</u>	

7. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.01.2024 RM	31.07.2023 RM
Short term placement with a licensed financial institution with maturity of:		
- less than 3 months	<u>1,578,015</u>	<u>1,572,562</u>

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

	31.01.2024 WAEPR/ WAEIR % p.a.	Average Maturity Days	31.07.2023 WAEPR/ WAEIR % p.a.	Average Maturity Days
Deposit with a licensed financial institution	<u>2.95</u>	<u>2</u>	<u>2.95</u>	<u>1</u>

8. AMOUNT DUE FROM/ TO MANAGER

		31.01.2024 RM	31.07.2023 RM
Amount due from Manager is in respect of:			
Creation of units	(i)	<u>1,500</u>	<u>493</u>
Amount due to Manager is in respect of:			
Manager's fee	(ii)	26,179	37,133
Cancellation of units	(iii)	<u>5,543</u>	<u>452,129</u>
		<u>31,722</u>	<u>489,262</u>

MAYBANK MALAYSIA SMALLCAP FUND

8. AMOUNT DUE FROM/ TO MANAGER (CONT'D)

- (i) The amount represented amount receivable from the Manager for units created.
- (ii) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (31.07.2023: 15 days).
- (iii) The amount represented amount payable to the Manager for units cancelled.

9. AMOUNT DUE FROM BROKERS

The amount due from brokers relates to the amount receivable from brokers arising from the sales of investments. The settlement period for this receivables is within 2 working days (31.07.2023: 2 working days) from the deal date.

10. AMOUNT DUE TO TRUSTEE

Amount due to Trustee relates to the amount payable arising from the accrual for Trustee's fee at the end of the financial period. The normal credit term is 15 days (31.07.2023: 15 days).

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	01.08.2023 to 31.01.2024 RM	01.08.2022 to 31.07.2023 RM
Unitholders' capital	11 (a)	(16,746,376)	(9,369,206)
Accumulated realised income	11 (b)	36,056,825	34,509,891
Accumulated unrealised income	11 (c)	1,351,270	2,281,289
		<u>20,661,719</u>	<u>27,421,974</u>

(a) Unitholder's capital

	01.08.2023 to 31.01.2024		01.08.2022 to 31.07.2023	
	No. of Units	RM	No. of Units	RM
As at beginning of the financial period/ year	41,778,477	(9,369,206)	47,104,046	(5,994,035)
Creation of units	13,739,448	8,976,045	34,029,589	21,892,913
Cancellation of units	(24,950,368)	(16,353,215)	(39,355,158)	(25,268,084)
As at end of the financial period/ year	<u>30,567,557</u>	<u>(16,746,376)</u>	<u>41,778,477</u>	<u>(9,369,206)</u>

MAYBANK MALAYSIA SMALLCAP FUND

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(a) Unitholder's capital (cont'd)

As at the reporting date, the total number and value of units held legally and beneficially by the Manager are as follows:

	31.01.2024		31.07.2023	
	No. of Units	Value at NAV RM	No. of Units	Value at NAV RM
MBB, the ultimate holding company of the Manager	8,722,221	5,895,665	5,411,863	3,552,347

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

(b) Accumulated realised income

	01.08.2023 to 31.01.2024 RM	01.08.2022 to 31.07.2023 RM
At the beginning of the financial period/ year	34,509,891	33,316,245
Net realised income for the financial period/ year	1,546,934	1,193,646
At the end of the financial period/ year	36,056,825	34,509,891

(c) Accumulated unrealised income

	01.08.2023 to 31.01.2024 RM	01.08.2022 to 31.07.2023 RM
At the beginning of the financial period/ year	2,281,289	1,592,218
Net unrealised (loss)/ income for the financial period/ year	(930,019)	689,071
At the end of the financial period/ year	1,351,270	2,281,289

12. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

The transactions with top brokers/ dealers/ financial institutions are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
01.08.2023 to 31.01.2024				
TA Securities Bhd	10,095,121	41.59	10,307	29.30
Kenanga Investment Bank Bhd	3,850,073	15.86	7,700	21.88
MIDF Amanah Investment Bank Bhd	3,513,135	14.47	3,541	10.06
Affin Hwang Investment Bank Bhd	2,517,170	10.37	5,034	14.31
Nomura Securities Sdn Bhd	1,979,146	8.15	3,958	11.25
Hong Leong Investment Bank Bhd	1,136,784	4.68	2,274	6.46

MAYBANK MALAYSIA SMALLCAP FUND

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

The transactions with top brokers/ dealers/ financial institutions are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
01.08.2023 to 31.01.2024 (cont'd)				
CIMB Investment Bank Bhd	971,041	4.00	1,942	5.52
United Overseas Bank (M) Bhd	214,695	0.88	429	1.22
	<u>24,277,165</u>	<u>100.00</u>	<u>35,185</u>	<u>100.00</u>
01.08.2022 to 31.01.2023				
TA Securities Bhd	3,881,538	42.31	3,909	29.76
Kenanga Investment Bank Bhd	1,963,876	21.40	3,928	29.90
Hong Leong Investment Bank Bhd	1,065,655	11.61	1,560	11.88
CLSA Securities (M) Sdn Bhd	1,001,944	10.92	2,004	15.26
Nomura Securities Sdn Bhd	790,000	8.61	790	6.01
United Overseas Bank (M) Bhd	472,500	5.15	945	7.19
	<u>9,175,513</u>	<u>100.00</u>	<u>13,136</u>	<u>100.00</u>

Details of transactions, primarily made up of gross deposit placements with a licensed Islamic financial institution are as follows:

	01.08.2023 to 31.01.2024		01.08.2022 to 31.01.2023	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
MBB*	238,214,132	74.69	292,895,515	98.64
CIMB Bank Bhd	56,993,872	17.87	4,050,150	1.36
CIMB Islamic Bank Bhd	23,728,519	7.44	-	-
	<u>318,936,523</u>	<u>100.00</u>	<u>296,945,665</u>	<u>100.00</u>

* MBB is the ultimate holding company of the Manager.

MAYBANK MALAYSIA SMALLCAP FUND

13. 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 period.

Other than those disclosed elsewhere in the financial statements, the significant related party transactions and balances as at the reporting date are as below.

	01.08.2023 to 31.01.2024 RM	01.08.2022 to 31.01.2023 RM
(a) Significant related party transactions		
<u>MBB:</u>		
Interest income from deposits	28,409	31,947
Dividend income	-	29,314
	<hr/>	<hr/>
(b) Significant related party balances		
	31.01.2024 RM	31.07.2023 RM
<u>MBB:</u>		
Deposit with a licensed financial institution	1,578,015	1,572,562
Interest income receivable	128	127
	<hr/>	<hr/>

14. TOTAL EXPENSE RATIO ("TER")

TER is calculated based on the ratio of the total fees and recovered expenses for the year, to the average daily NAV of the Fund. For the financial period ended 1 August 2023 to 31 January 2024, the TER of the Fund stood at 0.83% (01.08.2022 to 31.01.2023: 0.96%).

15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average of the total acquisitions and disposals of the investment in the Fund for the financial period to the daily average NAV of the Fund. For the financial period ended 1 August 2023 to 31 January 2024, the PTR of the Fund stood at 0.54 times (01.08.2022 to 31.01.2023: 0.18 times).

MAYBANK MALAYSIA SMALLCAP FUND

16. FAIR VALUE HIERARCHY

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.01.2024				
Investments at FVTPL	18,885,279	-	-	18,885,279
31.07.2023				
Investments at FVTPL	26,031,529	-	-	26,031,529

17. SEGMENTAL REPORTING

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker of the Manager 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 chief operating decision-maker is responsible for the performance of the Fund by investing a minimum of 70% of the Fund's assets in equities and equity-related securities, and a minimum of 2% of the Fund's NAV will be invested in liquid assets.

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

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

18. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

- (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 period.