

MAYBANK SHARIAH ENHANCED CASH FUND

Annual report
For the financial year ended 30 November 2024

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (1990701006283) (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
Tel. No.: 03 - 2297 7888
Fax No.: 03 - 2297 7898

TRUSTEE

AmanahRaya Trustees Berhad (200701008892) (766894-T)
Tingkat 14, Wisma AmanahRaya
No.2, Jalan Ampang
50508 Kuala Lumpur
Tel No: 03 - 2036 5129/ 5000
Fax No : 03 - 2072 0321

SHARIAH ADVISER

Maybank Islamic Berhad (200701029411) (787435-M)
Level 15, Tower A, Dataran Maybank
No. 1 Jalan Maarof
59000 Kuala Lumpur
Tel. No.: 03 - 2297 2001
Fax No.: 03 - 2297 2002

MAYBANK SHARIAH ENHANCED CASH FUND

CONTENT	PAGE
Manager's report	(i) - (iii)
Trustee's report	1
Statement by Manager	2
Report of the Shariah Adviser	3
Independent auditors' report	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in net assets attributable to unitholders	10
Statement of cash flows	11
Notes to the financial statements	12 - 27

MAYBANK SHARIAH ENHANCED CASH FUND

Manager's report

For the financial year ended 30 November 2024

A. Fund Information

1. Name of Fund

Maybank Shariah Enhanced Cash Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Money Market

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund's launch date

24 November 2008

6. Fund's investment objective

The Fund is a short-term money market fund that invests in instruments which generate income. The Fund aims to provide liquidity (T+1)⁽¹⁾ and current (regular) income, while maintaining capital stability⁽²⁾ by investing in instruments that comply with the Shariah principles. The Fund is targeted at corporate and high net worth individuals who are generally risk averse and prefer short-term investments.

Note:

(1) (T+1) is the day where a request/ application to redeem is received by the Manager, before the cut-off time.

(2) Capital stability does not signify that the capital/ principal invested is guaranteed or protected by any party.

7. Fund's distribution policy

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

8. Fund's performance benchmark

Maybank Islamic overnight deposit rate

9. Fund's investment policy and principal investment strategy

The Fund seeks to invest up to 100% of its net asset value ("NAV") in short-term Islamic money market instruments including Islamic negotiable instrument of deposits, Islamic bills of acceptance, Islamic commercial papers and Islamic fixed deposits. The Manager will invest, within acceptable risk parameters, in a diversified portfolio of Islamic money market instruments in order to maximize return.

MAYBANK SHARIAH ENHANCED CASH FUND

Manager's report

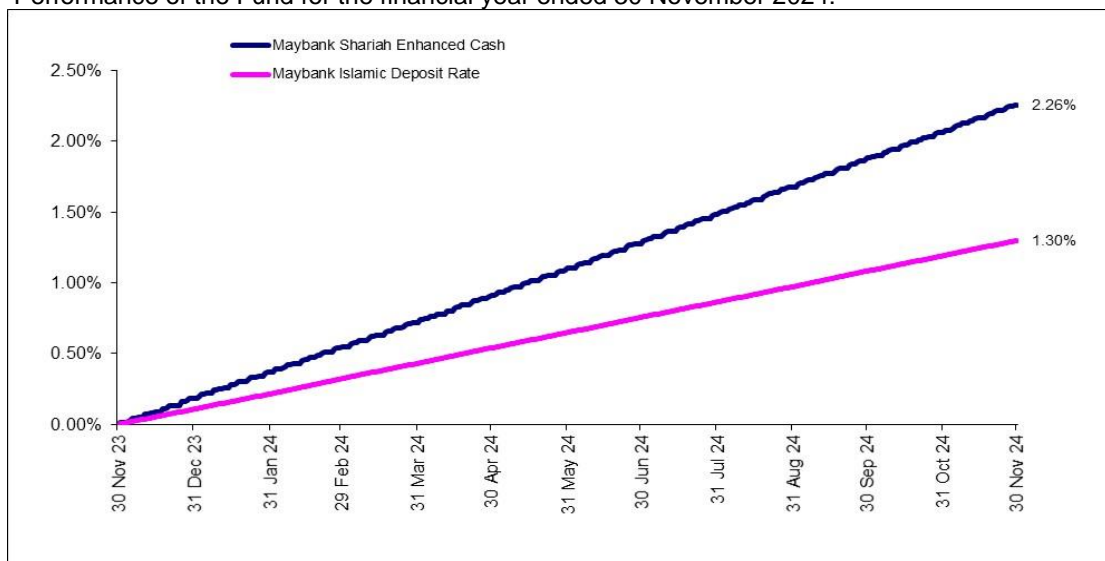
For the financial year ended 30 November 2024 (cont'd)

B. Performance Review

Returns of the Fund and its benchmark for the financial year ended 30 November 2024 are as follows:

Period	The Fund %	Benchmark %
1 December 2023 to 30 November 2024	2.26	1.30

Performance of the Fund for the financial year ended 30 November 2024:



Source: Lipper as at 30 November 2024

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

The outperformance was mainly due to better returns from its deposits with selective financial institutions.

C. Market Review

Bank Negara Malaysia (“BNM”) has left the Overnight Policy Rate (“OPR”) unchanged at 3.00% during its November 2024 Monetary Policy Committee (“MPC”) meeting, its ninth consecutive pause after raising it by 25 basis points (“bps”) in May 2023. We believe there is no major catalyst for BNM to change the OPR or to alter the policy direction at this juncture given stable domestic economic growth and benign inflation. On the global front, BNM turned slightly upbeat on global growth as inflation concerns ease. Global growth is anticipated to be sustained as headwinds from tight monetary policy and reduced fiscal support are expected to be cushioned by positive labour market conditions and easing inflationary pressure. In addition, global trade activities continue to strengthen as the global technology upcycle picks up momentum. The Bank also highlighted the easing of monetary policy by some central banks given the downward trend of global inflation.

MAYBANK SHARIAH ENHANCED CASH FUND

Manager's report

For the financial year ended 30 November 2024 (cont'd)

D. Market Outlook and Strategies

On inflation, despite the diesel price adjustment, both headline and core inflation remained unchanged suggesting limited spillovers to broader Consumer Price Index ("CPI") prices. The Bank noted that upside risk remains from the impact from domestic policies to broader prices but overall, the Bank projects headline and core inflation to average 1.50% to 2.50% and 2.00% to 3.50% for 2024 and 2025 respectively.

E. Investment Strategies

The Manager monitors the liquidity requirements closely in order to place money market deposits in appropriate tenures which will satisfy the liquidity requirements and also position of the Fund to capitalise on any profit rate movement. The Manager also actively looks for products from licensed financial institutions that provide better yields. Hence, the Manager has resorted to maintain the deposit placement up to one (1) month and at the same time reserved cash in short-term tenure for liquidity requirement.

F. Asset Allocation

All assets of the Fund were invested in cash at bank and Shariah-compliant deposits with licensed financial institutions as at 30 November 2024.

G. Soft Commissions and Rebates

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

During the financial year ended 30 November 2024, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

Trustee's Report
For the financial year ended 30 November 2024

To the Unit Holders of
MAYBANK SHARIAH ENHANCED CASH FUND

We, AMANAHRAYA TRUSTEE BERHAD, have acted as Trustee of MAYBANK SHARIAH ENHANCED CASH FUND for the financial year ended 30 November 2024. In our opinion, Maybank Asset Management Sdn Bhd, the Manager, has operated and managed MAYBANK SHARIAH ENHANCED CASH FUND during the period covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company under the Deeds, securities laws and the applicable Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework;
- (b) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement;
- (c) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements; and
- (d) The distributions of income made by MAYBANK SHARIAH ENHANCED CASH FUND as declared by the Manager is appropriate and reflects the investment objective of MAYBANK SHARIAH ENHANCED CASH FUND.

Yours faithfully
AMANAHRAYA TRUSTEES BERHAD

Zainudin Bin Suhaimi
Chief Executive Officer

Kuala Lumpur, Malaysia
27 January 2025

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK SHARIAH ENHANCED CASH FUND FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

We, Dr Hasnita Binti Dato' Hashim and Muhammad Hishamudin Bin Hamzah, being two of the directors of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Shariah Enhanced Cash Fund as at 30 November 2024 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Chairman

Muhammad Hishamudin Bin Hamzah
Director

Kuala Lumpur, Malaysia
23 January 2025

REPORT OF THE SHARIAH ADVISER

**TO THE UNITHOLDERS OF
MAYBANK SHARIAH ENHANCED CASH FUND
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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 Shariah Enhanced Cash Fund (the "Fund") during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For and on behalf of
Maybank Islamic Berhad

Dr. Akhtarzaite Binti Abdul Aziz
Chairman of the Shariah Committee of Maybank Islamic Berhad

Kuala Lumpur, Malaysia
23 January 2025

**Independent auditors' report to the Unitholders of
Maybank Shariah Enhanced Cash Fund**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Shariah Enhanced Cash Fund (the "Fund"), which comprise statement of financial position of the Fund as at 30 November 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 8 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

**Independent auditors' report to the Unitholders of
Maybank Shariah Enhanced Cash Fund (cont'd)**

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

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

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

Responsibilities of the Manager and Trustee for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

**Independent auditors' report to the Unitholders of
Maybank Shariah Enhanced Cash Fund (cont'd)**

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

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

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

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

**Independent auditors' report to the Unitholders of
Maybank Shariah Enhanced Cash Fund (cont'd)**

Other matters

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 January 2025

MAYBANK SHARIAH ENHANCED CASH FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Profit income		1,680,483	2,496,934
EXPENSES			
Manager's fee	3	126,206	208,809
Trustee's fee	4	10,826	17,384
Auditors' remuneration		7,700	7,700
Tax agent's fee		3,900	3,900
Shariah advisory fee		9,000	7,500
Administrative expenses		3,760	3,402
		<u>161,392</u>	<u>248,695</u>
Net income before taxation		1,519,091	2,248,239
Taxation	5	(395,210)	(586,268)
Net income after taxation, and total comprehensive income for the financial year		<u>1,123,881</u>	<u>1,661,971</u>
Net income after taxation is made up of the following:			
Net realised income		<u>1,123,881</u>	<u>1,661,971</u>
Distributions for the financial year:			
Net distributions	10	<u>1,085,270</u>	<u>1,615,647</u>
Gross distributions per unit (sen)	10	<u>2.95</u>	<u>2.79</u>
Net distributions per unit (sen)	10	<u>2.18</u>	<u>2.05</u>
Distribution date (ex-date)		<u>Refer to Note 10 for further details</u>	<u>Refer to Note 10 for further details</u>

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

MAYBANK SHARIAH ENHANCED CASH FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2024**

	Note	2024 RM	2023 RM
ASSETS			
Shariah-compliant deposits with licensed financial institutions	6	45,116,658	47,601,424
Profit income receivables		102,158	51,367
Cash at bank		2,084	2,327
Tax recoverable		455,394	512,807
TOTAL ASSETS		<u>45,676,294</u>	<u>48,167,925</u>
LIABILITIES			
Amount due to Manager	7	9,375	10,004
Amount due to Trustee	8	1,479	1,479
Other payables and accruals		21,542	17,030
TOTAL LIABILITIES		<u>32,396</u>	<u>28,513</u>
NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS		<u>45,643,898</u>	<u>48,139,412</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISES:			
Unitholders' capital	9(a)	34,094,098	36,628,223
Retained earnings	9(b)	11,549,800	11,511,189
		<u>45,643,898</u>	<u>48,139,412</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		<u>45,535,570</u>	<u>48,054,477</u>
NAV PER UNIT (RM)		<u>1.0024</u>	<u>1.0018</u>

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

MAYBANK SHARIAH ENHANCED CASH FUND

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	Unitholders' capital Note 9(a) RM	Retained earnings Note 9(b) RM	Net assets attributable to unitholders RM
At 1 December 2023	36,628,223	11,511,189	48,139,412
Total comprehensive income for the financial year	-	1,123,881	1,123,881
Creation of units	24,500,000	-	24,500,000
Reinvestment of units	996,316	-	996,316
Cancellation of units	(28,030,441)	-	(28,030,441)
Distributions (Note 10)	-	(1,085,270)	(1,085,270)
At 30 November 2024	<u>34,094,098</u>	<u>11,549,800</u>	<u>45,643,898</u>
At 1 December 2022	43,929,244	11,464,865	55,394,109
Total comprehensive income for the financial year	-	1,661,971	1,661,971
Creation of units	131,503,302	-	131,503,302
Reinvestment of units	1,513,502	-	1,513,502
Cancellation of units	(140,317,825)	-	(140,317,825)
Distributions (Note 10)	-	(1,615,647)	(1,615,647)
At 30 November 2023	<u>36,628,223</u>	<u>11,511,189</u>	<u>48,139,412</u>

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

MAYBANK SHARIAH ENHANCED CASH FUND

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Placements in Shariah-compliant deposits		
with maturity more than 3 months	(12,000,000)	(7,000,000)
Profit income received	1,629,692	2,449,669
Manager's fee paid	(126,835)	(210,438)
Trustee's fee paid	(10,825)	(17,384)
Taxation paid	(337,797)	(556,113)
Payment of other fees and expenses	(19,848)	(38,156)
Net cash generated from/ (used in) operating and investing activities	<u>(10,865,613)</u>	<u>(5,372,422)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	24,500,000	131,503,302
Cash paid on units cancelled	(28,030,441)	(140,317,825)
Distributions paid to unitholders	(88,955)	(102,145)
Net cash used in financing activities	<u>(3,619,396)</u>	<u>(8,916,668)</u>
NET CHANGES IN CASH AND CASH EQUIVALENT FOR THE FINANCIAL YEAR	(14,485,009)	(14,289,090)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>40,603,751</u>	<u>54,892,841</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>26,118,742</u>	<u>40,603,751</u>
Cash and cash equivalents comprise:		
Cash at bank	2,084	2,327
Shariah-compliant deposits with licensed financial institutions with original maturity of less than 3 months (Note 6)	26,116,658	40,601,424
	<u>26,118,742</u>	<u>40,603,751</u>

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

MAYBANK SHARIAH ENHANCED CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Shariah Enhanced Cash Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 24 November 2008, a First Supplemental Deed dated 8 October 2012, a Second Supplemental Deed dated 30 March 2015 and a Third Supplemental Deed dated 8 September 2017 (collectively referred to as the "Deeds") between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, AmanahRaya Trustees Berhad.

The principal activity of the Fund is to invest 100% in short-term Islamic money market instruments including Islamic negotiable instrument of deposits, Islamic bills of acceptance, Islamic commercial papers and Islamic fixed deposits. The Manager will invest, within acceptable risk parameters, in a diversified portfolio of Islamic money market instruments in order to maximize return.

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 Unlisted Capital Market Products Under the Lodge and Launch Framework issued by the Securities Commission Malaysia ("SC") and any other relevant guidelines issued by the SC as well as the terms and conditions of the investment management agreement between MIAM and MAM.

The financial statements were authorised for issue by the Board of Directors of the Manager ("Directors") in accordance with a resolution of the Directors on 23 January 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year. 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 2.13 to the financial statements.

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

MAYBANK SHARIAH ENHANCED CASH FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Standards and Amendments 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 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 1: <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2026
Amendments to MFRS 7: <i>Financial Instruments: Disclosures</i>	1 January 2026
Amendments to MFRS 9: <i>Financial Instruments</i>	1 January 2026
Amendments to MFRS 10: <i>Consolidated Financial Statements</i>	1 January 2026
Amendments to MFRS 107: <i>Statement of Cash Flows</i>	1 January 2026
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

Except for MFRS 18, 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. The Fund is currently in the process of assessing the potential effects of MFRS 18.

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 ("FVTPL")) 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 FVTPL 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 SHARIAH ENHANCED CASH FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost

The Fund classifies cash and cash equivalents, Shariah-compliant deposits with licensed financial institutions and profit income receivables as financial assets at amortised cost.

These assets are subsequently measured using the effective profit rate ("EPR") method and are subject to impairment. The EPR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the profit income in profit or loss over the relevant period.

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

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

Debt instruments that do not meet the criteria above are classified as either fair value through other comprehensive income ("FVTOCI") or FVTPL.

(ii) 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. They are measured as follows:

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

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

MAYBANK SHARIAH ENHANCED CASH FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

(ii) Impairment (cont'd)

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.

(iii) 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 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

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

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

MAYBANK SHARIAH ENHANCED CASH FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Financial liabilities (cont'd)

(iii) Derecognition

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

2.6 Fair value measurement

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

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

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

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

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

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

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.

2.7 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;

MAYBANK SHARIAH ENHANCED CASH FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Unitholders' capital (cont'd)

- (iii) there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- (iv) the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

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

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

2.8 Distributions

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

2.9 Cash and cash equivalents

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

2.10 Revenue/ Income

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

Profit income from Shariah-compliant deposits with licensed financial institutions are recognised on the accruals basis using the EPR method.

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.

2.11 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 SHARIAH ENHANCED CASH FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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 net assets attributable to unitholders.

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

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

2.13 Critical accounting estimates and judgments

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 reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. MANAGER'S FEE

The Manager's fee is computed daily based on 0.25% (2023: 0.25%) per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fees for that particular day.

4. TRUSTEE'S FEE

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

NAV (RM)	Trustee fee rate (%) p.a.	
	2024	2023
Nil to 1.0 billion	0.02	0.02
Above 1.0 billion	0.01	0.01

MAYBANK SHARIAH ENHANCED CASH FUND

5. TAXATION

	2024	2023
	RM	RM
Tax expense for the financial year:		
Current income tax expense	<u>395,210</u>	<u>586,268</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable income for the financial year.

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:

	2024	2023
	RM	RM
Net income before taxation	<u>1,519,091</u>	<u>2,248,239</u>
Tax at Malaysian statutory rate of 24% (2023: 24%)	364,582	539,577
Expenses not deductible for tax purposes	6,429	7,703
Restriction on tax deductible expenses	24,229	38,988
Over provision for the financial year	(30)	-
Tax expense for the financial year	<u>395,210</u>	<u>586,268</u>

6. SHARIAH-COMPLIANT DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2024	2023
	RM	RM
Shariah-compliant deposits with licensed financial institutions with maturity of:		
- Less than 3 months	26,116,658	40,601,424
- More than 3 months	<u>19,000,000</u>	<u>7,000,000</u>
	<u>45,116,658</u>	<u>47,601,424</u>

The weighted average effective profit rates ("WAEPR") p.a. and the average remaining days to maturity of deposits as at the reporting date are as follows:

	2024		2023	
	WAEPR % p.a.	Average remaining maturity Days	WAEPR % p.a.	Average remaining maturity Days
Less than 3 months	<u>3.22</u>	<u>22</u>	<u>3.15</u>	<u>16</u>
More than 3 months	<u>3.92</u>	<u>106</u>	<u>4.10</u>	<u>132</u>

MAYBANK SHARIAH ENHANCED CASH FUND

7. AMOUNT DUE TO MANAGER

Amount due to Manager represents the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2023: 15 days).

8. 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 year. The normal credit term is 15 days (2023: 15 days).

9. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	2024 RM	2023 RM
Unitholders' capital	(a)	34,094,098	36,628,223
Realised income	(b)	11,549,800	11,511,189
		<u>45,643,898</u>	<u>48,139,412</u>

(a) Unitholders' capital

	2024		2023	
	No. of units	RM	No. of units	RM
At the beginning of the financial year	48,054,477	36,628,223	55,280,335	43,929,244
Creation of units	24,426,181	24,500,000	131,125,598	131,503,302
Reinvestment of units	993,813	996,316	1,509,746	1,513,502
Cancellation of units	(27,938,901)	(28,030,441)	(139,861,202)	(140,317,825)
At the end of the financial year	<u>45,535,570</u>	<u>34,094,098</u>	<u>48,054,477</u>	<u>36,628,223</u>

As at the end of the financial year, there were no units held by the Manager or parties related to the Manager (2023: Nil units).

(b) Realised income

	2024 RM	2023 RM
At the beginning of the financial year	11,511,189	11,464,865
Net realised income for the financial year	1,123,881	1,661,971
Distributions out of realised reserve (Note 10)	(1,085,270)	(1,615,647)
At the end of the financial year	<u>11,549,800</u>	<u>11,511,189</u>

MAYBANK SHARIAH ENHANCED CASH FUND

10. DISTRIBUTIONS

	2024		2023	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
Source of distribution*				
- Income distribution	1,085,270	100.00	1,615,647	100.00
- Capital distribution	-	-	-	-
	<u>1,085,270</u>	<u>100.00</u>	<u>1,615,647</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 year's realised income) or out of capital (which includes prior year's realised income).

Distributions (Ex-date)	Gross distribution per unit (sen)	Net distribution per unit (sen)
2024		
26 December 2023	0.11	0.08
29 January 2024	0.28	0.21
26 February 2024	0.23	0.17
26 March 2024	0.23	0.17
25 April 2024	0.22	0.16
28 May 2024	0.30	0.22
25 June 2024	0.26	0.19
26 July 2024	0.26	0.19
27 August 2024	0.30	0.22
26 September 2024	0.26	0.19
25 October 2024	0.24	0.18
26 November 2024	0.27	0.20
	<u>2.95</u>	<u>2.18</u>
2023		
28 December 2022	0.14	0.10
27 January 2023	0.14	0.10
24 February 2023	0.14	0.10
29 March 2023	0.27	0.20
26 April 2023	0.20	0.15
29 May 2023	0.23	0.17
27 June 2023	0.50	0.37
26 July 2023	0.22	0.16
28 August 2023	0.16	0.12
26 September 2023	0.26	0.19
27 October 2023	0.26	0.19
27 November 2023	0.27	0.20
	<u>2.79</u>	<u>2.05</u>

MAYBANK SHARIAH ENHANCED CASH FUND

11. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

Details of transactions, primarily Shariah-compliant deposits with licensed financial institutions during the financial year are as follows:

	2024		2023	
	Value of placements RM	Percentage of total placement %	Value of placements RM	Percentage of total placement %
Public Islamic Bank Berhad	1,908,617,506	30.21	4,316,688,531	27.14
Hong Leong Islamic Bank Berhad	1,775,397,316	28.11	4,636,829,659	29.16
Maybank Islamic Berhad ("MIB")*	1,371,425,000	21.71	2,192,806,000	13.79
CIMB Islamic Bank Berhad	1,179,709,627	18.67	30,000,000	0.19
Al Rajhi Banking & Investment Co Berhad	48,015,125	0.76	-	-
RHB Islamic Bank Berhad	34,000,000	0.54	-	-
Bank Kerjasama Rakyat Malaysia Berhad	-	-	4,726,286,393	29.72
	<u>6,317,164,574</u>	<u>100.00</u>	<u>15,902,610,583</u>	<u>100.00</u>

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

12. 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, the following are the significant related party transactions and balances of the Fund:

	2024 RM	2023 RM
(a) <u>Significant related party transactions</u>		
MIB:		
Profit income from deposits	<u>163,628</u>	<u>251,013</u>

MAYBANK SHARIAH ENHANCED CASH FUND

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

(b) Significant related party balances

MIB:		
Shariah-compliant deposits	3,080,000	1,371,000
Profit income receivables	489	109
Cash at bank	2,084	2,327

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

13. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial year ended 30 November 2024, the TER of the Fund was 0.32% (2023: 0.30%).

14. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average placements and withdrawals of the Fund for the financial year to the daily average NAV of the Fund. PTR is not applicable for the financial year ended 30 November 2024 as the Fund invested only in Shariah-compliant deposits during the year under review.

15. 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 PMC is responsible for the performance of the Fund by investing 100% of its net asset value ("NAV") in short-term Shariah-compliant money market instruments including Shariah-compliant fixed deposits.

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

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

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

MAYBANK SHARIAH ENHANCED CASH FUND

16. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 2.3 to Note 2.13 describe how the classes of financial instruments are measured and how income and expenses are recognised.

The following table analyses the financial assets and liabilities (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the classes of financial instrument to which they are assigned and therefore by the measurement basis.

2024	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Assets			
Shariah-compliant deposits with licensed financial institutions	45,116,658	-	45,116,658
Profit income receivables	102,158	-	102,158
Cash at bank	2,084	-	2,084
Total financial assets	45,220,900	-	45,220,900
Liabilities			
Amount due to Manager	-	9,375	9,375
Amount due to Trustee	-	1,479	1,479
Other payables and accruals	-	21,542	21,542
Total financial liabilities	-	32,396	32,396
2023			
Assets			
Shariah-compliant deposits with licensed financial institutions	47,601,424	-	47,601,424
Profit income receivables	51,367	-	51,367
Cash at bank	2,327	-	2,327
Total financial assets	47,655,118	-	47,655,118
Liabilities			
Amount due to Manager	-	10,004	10,004
Amount due to Trustee	-	1,479	1,479
Other payables and accruals	-	17,030	17,030
Total financial liabilities	-	28,513	28,513

MAYBANK SHARIAH ENHANCED CASH FUND

16. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments that are carried at fair value

There were no financial assets of the Fund that are carried at fair value as at 30 November 2024 (2023: Nil).

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

The Fund's financial instruments are not carried at fair value but their carrying amounts are reasonable approximations of fair value due to their short-term maturity. Accordingly there are no fair value hierarchy disclosures presented.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' capital. Risks are inherent in the Fund's activities, but they are managed through a process of ongoing identification, measurement and monitoring of risks.

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deeds, SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and the CMSA.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Shariah-compliant financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and security prices. However, the Fund is not exposed to currency risk as it does not hold Shariah-compliant investments denominated in currencies other than Ringgit Malaysia as at reporting date. The Fund is also not exposed to equity price risk as it does not hold any equity instruments as of the reporting date.

(c) Credit risk

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

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

MAYBANK SHARIAH ENHANCED CASH FUND

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

(c) Credit risk (cont'd)

(i) Credit risk exposure

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

(ii) Credit risk concentration

The following table analyses the Fund's cash at bank, Shariah-compliant deposits with licensed financial institutions and profit income receivables by rating categories. The rating is obtained from RAM Holdings Berhad.

	2024		2023	
	RM	Percentage of NAV %	RM	Percentage of NAV %
Financial assets				
AAA	24,123,539	52.85	33,494,599	69.58
AA1	21,097,361	46.22	14,160,519	29.42
	<u>45,220,900</u>	<u>99.07</u>	<u>47,655,118</u>	<u>99.00</u>

(d) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deed.

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

MAYBANK SHARIAH ENHANCED CASH FUND

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

(d) Liquidity risk (cont'd)

The following table summarises the maturity profile of the Fund's financial liabilities to provide a complete view of the Fund's contractual commitments and liquidity:

	Less than 1 month RM	More than 1 month RM	Total RM
2024			
Financial liabilities			
Amount due to Manager	9,375	-	9,375
Amount due to Trustee	1,479	-	1,479
Other payables and accruals	21,542	-	21,542
Total undiscounted financial liabilities	32,396	-	32,396
2023			
Financial liabilities			
Amount due to Manager	10,004	-	10,004
Amount due to Trustee	1,479	-	1,479
Other payables and accruals	17,030	-	17,030
Total undiscounted financial liabilities	28,513	-	28,513

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

Financial liabilities exclude tax-related matters such as provision for taxation.

18. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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