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MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Unaudited semi-annual report
For the financial period from 1 June 2024 to 30 November
2024

CORPORATE INFORMATION

MANAGER

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TRUSTEE

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MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

For the financial period from 1 June 2024 to 30 November 2024

A. Fund Information

1. Name of the Fund

Maybank Financial Institutions Income Asia Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Fixed income (open-ended)

4. Duration of the Fund

The Fund is an open-ended fund.

5. Fund's launch date

26 August 2014

6. Fund's investment objective

The Fund aims to provide unitholders income through investing in a portfolio of fixed income securities issued by financial institutions.

7. Fund's distribution policy

Subject to availability of income, distribution shall be at least on a semi-annual basis. The Fund may distribute from realised income, realised gains and/ or capital to enable the Fund to distribute income on a regular basis.

For the avoidance of doubt, "capital" refers to unrealised income and/ or unrealised gains. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.

8. Fund's performance benchmark

The benchmark of the Fund is the 12-month Maybank fixed deposit rate + 1.50% per annum.

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

To achieve the Fund's objective, the Fund will invest between 70% to 98% of its Net Asset Value ("NAV") in Ringgit Malaysia ("RM") denominated and/ or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/ or located in the Asian region whilst the balance of between 2% to 30% of its NAV will be invested in liquid assets and any other RM denominated and/ or non-RM denominated fixed income securities.

10. Net income distribution for the financial period from 1 June 2024 to 30 November 2024

During the financial period under review, the Fund distributed a total net income of RM 651,902 to unitholders.

Below are details and the impact of distribution declared during the financial period:

Distribution date (Ex-date)	Gross/ Net distribution per unit RM (sen)	Before distribution RM	After distribution RM	Changes %
26 November 2024	0.0300	1.0646	1.0643	(0.03)

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

For the financial period from 1 June 2024 to 30 November 2024 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	01.06.2024 to 30.11.2024	01.06.2023 to 30.11.2023	01.06.2023 to 31.05.2024
Portfolio Composition (%)			
Unquoted fixed income securities (%)	93.22	76.02	92.20
- Australia	15.75	4.26	14.45
- British Virgin Islands	7.37	3.62	5.47
- China	-	3.68	5.79
- France	-	6.15	4.98
- Hong Kong	7.36	10.04	9.46
- India	3.84	-	3.04
- Indonesia	3.65	-	5.64
- Japan	7.74	-	-
- Philippines	3.81	-	3.01
- Singapore	-	6.20	-
- South Korea	-	6.00	-
- Thailand	21.73	14.57	16.85
- United Kingdom	21.97	11.89	19.01
- United States	-	9.61	4.50
Cash and other net assets (%)	6.78	23.98	7.80
Total (%)	100.00	100.00	100.00
NAV (RM'000)	23,215	22,529	30,802
Units in circulation (units'000)	21,780	21,885	29,145
NAV per unit (RM)	1.0659	1.0294	1.0568
Highest NAV per unit (RM)	1.0983	1.0294	1.0609
Lowest NAV per unit (RM)	1.0627	1.0073	1.0073
Annual return (%) ⁽¹⁾			
- Capital growth (%)	0.85	2.19	4.91
- Income distribution (%)	2.82	-	-
Total return	3.69	2.19	4.91
Benchmark (%)	2.02	2.18	4.31
Net income distributed (RM'000)	652	-	-
Distribution date (ex-date)	Refer to Note 15		
Gross/ Net distribution per unit (sen)	0.0300	-	-
Total Expense Ratio ("TER") (%) ⁽²⁾	0.58	0.56	1.14
Portfolio Turnover Ratio (times) ⁽³⁾	0.36	0.35	0.90

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.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

For the financial period from 1 June 2024 to 30 November 2024 (cont'd)

B. Performance Review (cont'd)

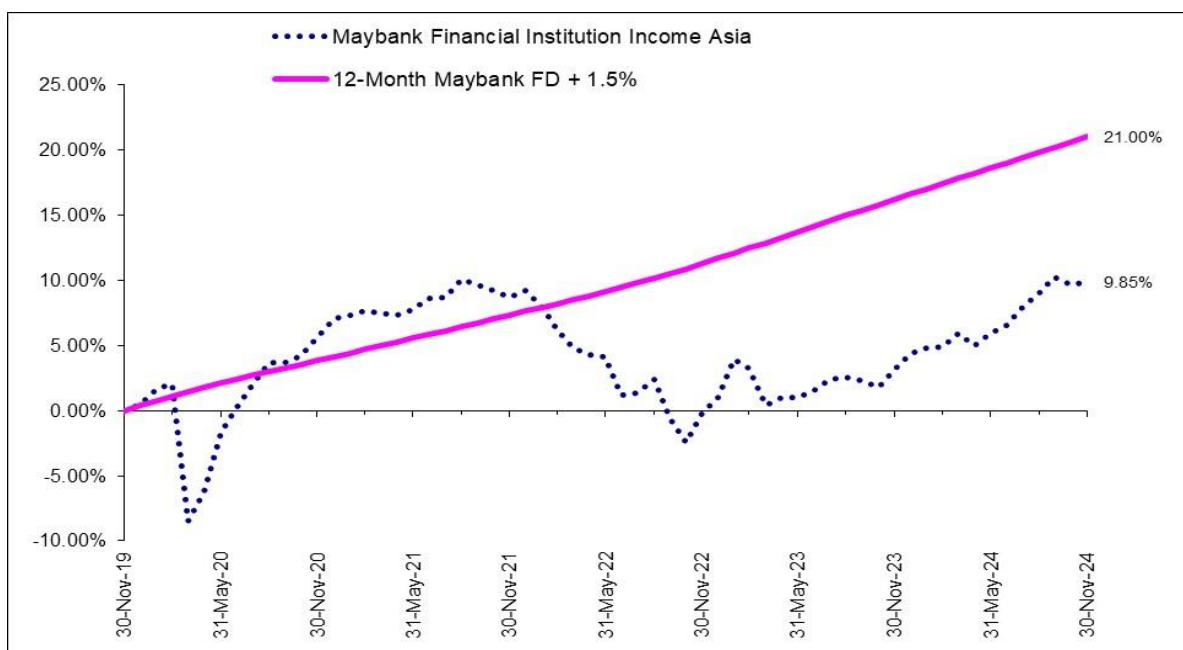
1. Key performance data of the Fund (cont'd)

Note:

- (1) Actual return of the Fund for the financial period is computed on daily average NAV per unit, net of Manager's and Trustee's fee.
- (2) The Fund's TER increased to 0.58% due to decreased in average daily NAV for the current financial period.
- (3) The Fund's PTR increased to 0.36 times due to the increased trading activities in the current financial period.

2. Performance of the Fund up to 30 November 2024

Category	6 months to 30.11.2024 %	1 year to 30.11.2024 %	3 years to 30.11.2024 %	5 years to 30.11.2024 %
Capital growth	0.85	3.54	(1.66)	(2.99)
Income distribution	2.82	2.82	2.82	13.24
Total return of the Fund	3.69	6.45	1.11	9.85
Benchmark	2.02	4.15	12.75	21.00
Average total return		6.45	0.37	1.89



Source: Lipper, as at 30 November 2024

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

For the financial period from 1 June 2024 to 30 November 2024 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 30 November 2024 (cont'd)

The Fund generated return of 3.69% for the financial period under review, outperforming 167 basis points ("bps") compared to its benchmark of 2.02%. The outperformance mainly attributed to the defensive positioning by holding higher cash level during rates sell-off environment, and reduction in high yield credit holdings and underweight duration during weak market.

3. Annual total return of the Fund

Category	01.06.2024 to 30.11.2024 %	01.06.2023 to 31.05.2024 %	01.06.2022 to 31.05.2023 %	01.06.2021 to 31.05.2022 %	01.06.2020 to 31.05.2021 %
Annual total return	3.69	4.91	(3.03)	(3.35)	9.59
Benchmark	2.02	4.31	4.19	3.38	3.38

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

UST selloffs continue in 2Q24, however, appeared to attract gradual but consistent buy-on-dip demand unlike the freefall in September 2024 to October 2024. With soft-landing/ no-landing an overwhelmingly high consensus, market optimism for risk assets are running high with high-yield corporate spreads at the tighter end of long-term range. The consecutive weeks of yield increase was finally halted in May 2024. Markets piled risk on in stocks and bonds alike, after the Federal Reserve's ("Fed") stance that leaned dovish drove markets to a 1-way trade in 3Q2024, while geopolitical conflict escalations also gave bonds an additional tailwind too in second half of July 2024. The stock markets took a hit in the early August 2024 due to mix of softer United States ("US") economic data. However, the much-awaited start of the Fed's rate-cutting cycle in September 2024, coupled with a more dovish stance from Japanese policymakers and fresh stimulus measures in China, helped ease investor worries and still concluded with solid return across major asset classes by the end of the quarter. 2s10s space steepened to its highest in almost 2 years with 10y United States Treasury ("UST") closed the quarter at 3.78% level while 2y was at 3.64%. Regional bonds continued to rally alongside global bonds. On the currency front, The U.S. Dollar Index ("DXY") slipped to a low of 100.21 on the Federal Open Market Committee ("FOMC") day before reversing higher back above the key 100.60 support.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

Manager's report

For the financial period from 1 June 2024 to 30 November 2024 (cont'd)

C. Market Review (cont'd)

DXY climbed back up by around 3.00% since beginning of 4Q2024 amid signs of US economic resilience, concerns that the Fed's easing trajectory may pause or be lower after the 50 bps rate cut in September 2024 and risk aversion pick-up ahead of the US presidential elections. The latter was a result of candidate Trump's higher polling percentages raising concerns of higher and wider tariff imposition which may affect sentiment and global growth negatively resulted Association of Southeast Asian Nations ("ASEAN") local yields were higher following the jump in UST. UST traded mixed in the eventful month of November 2024 with Trump's victory 2.0 and Fed rate cut of 25 bps as anticipated. Yields at the front-end surged as markets dialled back further the pace of Fed rate easing over the next 12 months, while the long-end was well bid. The futures implied probability of another 25 bps Fed rate cut in December 2024 was little change at about 60.00%. The 10-year US government bond yield made a full cycle, reaching 4.5% before finishing the month lower, around 4.20%. US stocks performed better post Trump's victory, while emerging markets faced challenges due to concerns about trade tariffs. For commodities, energy prices showed mixed results with Brent Crude oil remained stable, while European wholesale gas prices hit new Year To Date ("YTD") highs. Gold saw a decline, whereas bitcoin surged, approaching the 100,000 dollar mark.

D. Market Outlook & Strategy

Current bond yields at 6.00% are comfortably high versus historic yields over the past twenty years, excluding the 2008 Lehman crisis. As long as US Fed does not pivot back to a hiking rates, bonds should be able to provide attractive income for investors in the next two to three years. We are keeping portfolio duration relatively short at around 3 years to wait for better entry levels to add duration. We continue to be nimble as markets toss between inflation pressures and interest rate cuts. We remain invested in bonds and expect to generate between 6.00% to 8.00% returns per annum for the medium term horizon.

E. Soft Commissions and Rebates

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

During the financial period from 1 June 2024 to 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

TO THE UNIT HOLDERS OF MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND ("FUND")

We have acted as Trustee of the Fund for the financial period from 1 June 2024 to 30 November 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;
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements; and
4. We are of the opinion that the distribution of income by the Fund is appropriate and does reflect the investment objective of the Fund.

For TMF Trustees Malaysia Berhad

(Company No.: 200301008392/ 610812-W)

**NORHAYATI BINTI AZIT
DIRECTOR - FUND SERVICES**

Kuala Lumpur, Malaysia
6 January 2025

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

I, Muhammad Hishamudin Bin Hamzah, being Director 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 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 Financial Institutions Income Asia Fund as at 30 November 2024 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 1 June 2024 to 30 November 2024 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Muhammad Hishamudin Bin Hamzah
Director

Kuala Lumpur, Malaysia
6 January 2025

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

		01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
INVESTMENT INCOME			
Profit/ Interest income	3	714,388	860,551
Net gain from financial assets at fair value through profit or loss ("FVTPL")			
- Realised gain/ (loss)		203,077	(581,452)
- Unrealised gain		449,792	1,044,369
Net loss on foreign exchange and derivatives	4	<u>(265,480)</u>	<u>(341,877)</u>
		<u>1,101,777</u>	<u>981,591</u>
EXPENSES			
Manager's fee	5	128,682	153,525
Trustee's fee	6	5,147	6,141
Auditors' remuneration		4,648	5,014
Tax agent's fee		2,155	1,755
Administrative expenses		<u>7,748</u>	<u>5,587</u>
		<u>148,380</u>	<u>172,022</u>
Net income before taxation		953,397	809,569
Taxation	7	<u>-</u>	<u>(150,000)</u>
Net income after taxation, representing total comprehensive income for the financial period		<u>953,397</u>	<u>659,569</u>
Net income after taxation is made of the following:			
Realised income/ (loss)		3,042,195	(1,083,403)
Unrealised (loss)/ income		<u>(2,088,798)</u>	<u>1,742,972</u>
		<u>953,397</u>	<u>659,569</u>
Distribution for the financial period:			
Net distributions	15	<u>651,902</u>	-
Gross/ Net distribution per unit (sen)		<u>0.0300</u>	-
Distribution dates (ex-date)		<u>Refer to Note 15</u>	-

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

	Note	30.11.2024 RM	31.05.2024 RM
ASSETS			
Financial assets at FVTPL	8	21,639,042	28,387,906
Derivative assets	9	33,335	426,097
Deposit with a licensed financial institution	10	1,812,464	1,172,981
Tax recoverable		6,519	6,519
Profit/ Interest receivable		225,647	312,437
Amount due from Manager	11	18,875	98,039
Cash at bank	12	886,701	560,598
TOTAL ASSETS		<u>24,622,583</u>	<u>30,964,577</u>
LIABILITIES			
Derivative liabilities	9	720,111	7,474
Amount due to Manager	11	19,559	129,059
Amount due to Trustee	13	782	3,633
Distribution payable		651,902	-
Other payables and accruals		15,430	22,805
TOTAL LIABILITIES		<u>1,407,784</u>	<u>162,971</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>23,214,799</u>	<u>30,801,606</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			
COMPRISES OF:			
Unitholders' capital	14(a)	24,374,147	32,262,449
Accumulated losses	14(b) & 14(c)	(1,159,348)	(1,460,843)
		<u>23,214,799</u>	<u>30,801,606</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	14(a)	<u>21,780,437</u>	<u>29,145,308</u>
NAV PER UNIT (RM)		<u>1.0659</u>	<u>1.0568</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

	Unitholders' capital Note 14(a) RM	Accumulated losses Notes 14(b) & 14(c) RM	Net assets attributable to unitholders RM
At 1 June 2024	32,262,449	(1,460,843)	30,801,606
Total comprehensive income for the financial period	-	953,397	953,397
Creation of units	3,962,125	-	3,962,125
Cancellation of units	(11,850,427)	-	(11,850,427)
Distributions (Note 15)	-	(651,902)	(651,902)
At 30 November 2024	<u>24,374,147</u>	<u>(1,159,348)</u>	<u>23,214,799</u>
At 1 June 2023	41,362,455	(2,870,295)	38,492,160
Total comprehensive income for the financial period	-	659,569	659,569
Creation of units	1,825,384	-	1,825,384
Cancellation of units	(18,447,642)	-	(18,447,642)
At 30 November 2023	<u>24,740,197</u>	<u>(2,210,726)</u>	<u>22,529,471</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale and redemption of financial assets at FVTPL	12,512,483	20,013,910
Net payments for purchase of financial assets at FVTPL	(6,184,618)	(1,672,601)
Profit/ Interest received	801,178	1,085,162
Net settlement for realised foreign exchange loss	(30,881)	(5,551)
Net settlement on realised derivatives	2,287,653	(2,381,474)
Manager's fee paid	(134,751)	(168,242)
Trustee's fee paid	(7,998)	(6,729)
Taxation paid	(4,923)	(105,575)
Payment of other fees and expenses	(18,319)	(16,509)
Net cash generated from operating and investing activities	<u>9,219,824</u>	<u>16,742,391</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	4,041,292	1,874,164
Cash paid on units cancelled	(11,953,857)	(18,365,490)
Net cash used in financing activities	<u>(7,912,565)</u>	<u>(16,491,326)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD		
	1,307,259	251,065
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	1,733,579	5,367,055
Effects of foreign exchange	(341,673)	(253,994)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u>2,699,165</u>	<u>5,364,126</u>
Cash and cash equivalents comprise:		
Cash at bank (Note 12)	886,701	63,443
Deposits with licensed financial institutions with original maturity of less than 3 months (Note 10)	1,812,464	5,300,683
	<u>2,699,165</u>	<u>5,364,126</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Financial Institutions Income Asia Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 29 May 2014, First supplemental deed dated 30 March 2015, a Second supplemental deed dated 10 August 2015, a Third supplemental deed dated 21 August 2020 and Fourth supplemental deed dated 2 November 2022 between the Manager, Maybank Asset Management Sdn Bhd ("MAM"), the Trustee, TMF Trustee Malaysia Berhad and the registered unitholders of the Fund. The Deed and Supplemental Deeds are collectively referred to as 'Deeds'. The Fund was launched on 26 August 2014. Effective 4 January 2021, the Fund has been converted to a Unit Trust Fund.

The Fund aims to provide unitholders income through investing in a portfolio of fixed income securities issued by financial institutions. The Fund will invest between 70% to 98% of its NAV in Ringgit Malaysia ("RM") denominated and/ or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/ or located in the Asian region whilst the balance of between 2% to 30% of its NAV will be invested in liquid assets and RM denominated and/ or non-RM denominated fixed income securities issued by non-financial institutions which are domiciled and/ or located in the Asian region.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence 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. Maybank AM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

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") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Deeds and any regulatory requirements.

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 1 June 2024 to 30 November 2024. The adoption of the above did not result in material impact to the financial statements.

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

The financial statements are presented in RM.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Standards and Amendments to Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
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 liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument.

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

2.4 Financial assets

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA 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, amount due from manager and profit/ interest receivable as financial assets at amortised cost. These assets are subsequently measured using the effective profit rate ("EPR")/ effective interest rate ("EIR") method and are subject to impairment. The EIR is a method of calculating the amortised cost of the financial assets and of allocating and recognising the interest income in profit or loss over the relevant period.

Unless designated as at fair value through profit or loss ("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.

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

(ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

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

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

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

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

(iii) Impairment

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

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

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

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

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

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

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

(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.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

(iv) Derecognition (cont'd)

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 EPR/ EIR method.

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

(iii) Derecognition

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.

2.6 Fair value measurement

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

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

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Fair value measurement (cont'd)

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

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

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

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

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

2.7 Functional and foreign currency

(a) 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.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Unitholders' capital

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

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

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

2.9 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 income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposits with licensed financial institutions with original maturity of three (3) months or less which have an insignificant risk of changes in value.

2.11 Revenue/ Income

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

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

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

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Income tax

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 tax rate based upon the taxable profit earned during the financial period.

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

2.13 Segment information

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

2.14 Critical accounting estimates and judgments

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

No major 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 period.

3. PROFIT/ INTEREST INCOME

	01.06.2024	01.06.2023
	to	to
	30.11.2024	30.11.2023
	RM	RM
Profit/ Interest income from unquoted fixed income securities	696,134	960,507
Profit/ Interest income from deposits with licensed financial institutions	18,500	40,185
Amortisation of premium, net of accretion of discount	(246)	(140,141)
	<u>714,388</u>	<u>860,551</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

4. NET LOSS ON FOREIGN EXCHANGE AND DERIVATIVES

	01.06.2024	01.06.2023
	to	to
	30.11.2024	30.11.2023
	RM	RM
Net realised (loss)/ income on foreign exchange	(14,152)	1,318,831
Net unrealised loss on foreign exchange	(1,433,191)	(683,571)
Net realised income/ (loss) on derivatives	2,287,262	(2,359,311)
Net unrealised (loss)/ income on derivatives	(1,105,399)	1,382,174
	<u>(265,480)</u>	<u>(341,877)</u>

5. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.00% (01.06.2023 to 30.11.2023: 1.00%) per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for that particular day.

6. TRUSTEE'S FEE

The Trustee's fee is computed daily based on 0.04% (01.06.2023 to 30.11.2023: 0.04%) p.a. of the NAV of the Fund, subject to a minimum fee of RM15,000 (01.06.2023 to 30.11.2023: RM15,000) p.a. and a maximum fee of RM 150,000 (01.06.2023 to 30.11.2023: RM 150,000) p.a.. The trustee fee is calculated and accrued daily and payable monthly to the Trustee.

7. TAXATION

	01.06.2024	01.06.2023
	to	to
	30.11.2024	30.11.2023
	RM	RM
Tax expense for the financial period:		
Current income tax expense	<u>-</u>	<u>150,000</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.06.2023 to 30.11.2023: 24%) of the estimated assessable income for the financial period. Profit/ Interest income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

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

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

7. TAXATION (CONT'D)

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
Net income before taxation	<u>953,397</u>	<u>809,569</u>
Tax at Malaysian statutory rate of 24% (01.06.2023 to 30.11.2023 : 24%)	228,815	194,297
Income not subject to tax	(877,085)	(955,422)
Loss not deductible for tax purposes	612,659	869,840
Expenses not deductible for tax purposes	<u>35,611</u>	<u>41,285</u>
Tax expense for the financial period	<u>-</u>	<u>150,000</u>

8. FINANCIAL ASSETS AT FVTPL

	30.11.2024 RM	31.05.2024 RM
Unquoted fixed income securities	<u>21,639,042</u>	<u>28,387,906</u>

30.11.2024	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities				
Australia				
Australia and New Zealand Banking Group Ltd - 2.57%/ Perpetual				
	250,000	927,391	950,574	4.09
Macquarie Bank Ltd - 3.05%/ 03.03.2031				
	400,000	1,467,401	1,541,508	6.64
National Australia Bank Ltd - 3.35%/ 12.01.2032				
	300,000	1,123,974	1,166,519	5.02
	<u>950,000</u>	<u>3,518,766</u>	<u>3,658,601</u>	<u>15.75</u>
British Virgin Island ("BVI")				
Fortune Star - 8.50%/ 19.11.2026				
	200,000	888,951	889,525	3.83

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

30.11.2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities (cont'd)				
BVI (cont'd)				
Huarong Finance - 3.80%/ 07.11.2025	250,000	805,599	821,374	3.54
	<u>450,000</u>	<u>1,694,550</u>	<u>1,710,899</u>	<u>7.37</u>
Hong Kong				
AIA Group - 2.70%/ Perpetual	400,000	1,690,149	1,708,960	7.36
	<u>400,000</u>	<u>1,690,149</u>	<u>1,708,960</u>	<u>7.36</u>
India				
Shriram Finance - 6.63%/ Perpetual	200,000	888,649	892,023	3.84
	<u>200,000</u>	<u>888,649</u>	<u>892,023</u>	<u>3.84</u>
Indonesia				
Bank Negara Indo - 4.30%/ Perpetual	200,000	818,886	846,275	3.65
	<u>200,000</u>	<u>818,886</u>	<u>846,275</u>	<u>3.65</u>
Japan				
Meiji Yasuda Life Insurance - 5.80%/ Perpetual	200,000	888,909	899,597	3.88
SoftBank Group Corp. - 6.75%/ 08.07.2029	200,000	888,918	894,965	3.86
	<u>400,000</u>	<u>1,777,827</u>	<u>1,794,562</u>	<u>7.74</u>
Philippines				
Rizal Commercial Banking - 6.50%/ Perpetual	200,000	872,826	884,635	3.81
	<u>200,000</u>	<u>872,826</u>	<u>884,635</u>	<u>3.81</u>
Thailand				
Bangkok Bank Plc - 3.46%/ 23.09.2036	300,000	1,333,453	1,157,905	4.99

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
30.11.2024 (cont'd)				
Unquoted fixed income securities (cont'd)				
Thailand (cont'd)				
Kasikorn Bank Plc - 5.27%/ Perpetual	300,000	1,333,586	1,319,792	5.69
Minor International - 2.70%/ Perpetual	400,000	1,704,758	1,711,129	7.37
Muang Thai Life - 3.55%/ 27.01.2037	200,000	888,963	853,769	3.68
	<u>1,200,000</u>	<u>5,260,760</u>	<u>5,042,595</u>	<u>21.73</u>
United Kingdom				
Barclays Plc - 5.40%/ Perpetual	250,000	828,798	829,587	3.57
- 7.30%/ Perpetual	250,000	829,062	885,780	3.82
HSBC Holdings Ltd - 4.60%/ Perpetual	200,000	758,437	785,209	3.38
- 6.88%/ Perpetual	200,000	888,873	887,978	3.83
Standard Chartered Plc - 4.30%/ Perpetual	200,000	755,503	787,316	3.39
- 7.88%/ Perpetual	200,000	888,832	924,622	3.98
	<u>1,300,000</u>	<u>4,949,505</u>	<u>5,100,492</u>	<u>21.97</u>
Total unquoted fixed income securities	<u>5,300,000</u>	<u>21,471,918</u>	<u>21,639,042</u>	<u>93.22</u>
Unrealised gain on unquoted fixed income securities*			<u>167,124</u>	

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.05.2024	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities				
Australia				
Australia and New Zealand Banking Group Ltd - 6.74%/ Perpetual	250,000	947,881	953,519	3.10
Macquarie Bank Ltd - 3.05%/ 03.03.2031	400,000	1,511,247	1,551,939	5.04
National Australia Bank Ltd - 3.35%/ 12.01.2032	300,000	1,161,277	1,175,825	3.82
Westpac Banking Corp - 2.68%/ Perpetual	200,000	761,829	767,793	2.49
	<u>1,150,000</u>	<u>4,382,234</u>	<u>4,449,076</u>	<u>14.45</u>
BVI				
Huarong Finance - 3.80%/ 07.11.2025	500,000	1,665,363	1,685,276	5.47
China				
Zhongan Online P & C Insurance Ltd - 3.50%/ 08.03.2026	400,000	1,715,085	1,782,574	5.79
France				
BNP Paribas S.A. - 4.50%/ Perpetual	400,000	1,492,128	1,533,214	4.98
Hong Kong				
AIA Group - 2.70%/ Perpetual	400,000	1,734,691	1,750,900	5.68
Nanyang Commercial Bank Ltd - 3.80%/ 20.11.2024	250,000	1,038,234	1,162,851	3.78
	<u>650,000</u>	<u>2,772,925</u>	<u>2,913,751</u>	<u>9.46</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.05.2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities (cont'd)				
India				
Shriram Finance Ltd - 6.62%/ Perpetual	200,000	938,080	934,873	3.04
Indonesia				
Bank Negara Indonesia - 4.30%/ Perpetual	400,000	1,682,408	1,736,560	5.64
Philippines				
Rizal Commercial Banking - 6.50%/ Perpetual	200,000	900,518	925,727	3.01
Thailand				
Bangkok Bank Plc - 3.47%/ 23.09.2036	300,000	1,247,051	1,169,417	3.80
Kasikorn Bank Plc - 5.27%/ Perpetual	300,000	1,238,389	1,372,866	4.46
Minor International - 2.70%/ Perpetual	400,000	1,755,689	1,763,735	5.73
Muang Thai Life Assurance - 3.55%/ 27.01.2037	200,000	832,062	880,240	2.86
	<u>1,200,000</u>	<u>5,073,191</u>	<u>5,186,258</u>	<u>16.85</u>
United Kingdom				
Barclays Plc - 7.30%/ Perpetual	500,000	1,697,963	1,794,035	5.82
HSBC Holdings - 4.60%/ Perpetual	400,000	1,554,440	1,576,236	5.12
Standard Chartered - 4.30%/ Perpetual	400,000	1,535,274	1,552,165	5.04
- 7.88%/ Perpetual	200,000	953,602	933,198	3.03
	<u>1,500,000</u>	<u>5,741,279</u>	<u>5,855,634</u>	<u>19.01</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.05.2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Unquoted fixed income securities (cont'd)				
United States				
Bank of Montreal - 4.80%/ Perpetual	300,000	1,235,301	1,384,963	4.50
Total unquoted fixed income securities	6,900,000	27,598,512	28,387,906	92.20
Unrealised gain on unquoted fixed income securities*			789,394	

* The unrealised gain on unquoted fixed income securities comprise the amounts arising from changes in fair values and effects from foreign exchange.

9. DERIVATIVE ASSETS/ (LIABILITIES)

30.11.2024	Notional principal amount	Fair Value Assets RM	Liabilities RM
<u>Foreign exchange related contracts</u>			
Currency forwards:	SGD		
Less than 1 year	790,000	1,311	(20,874)
	USD		
Less than 1 year	4,644,000	-	(699,237)
	MYR		
Less than 1 year	854,520	32,024	-
Total derivatives assets/ (liabilities)		33,335	(720,111)

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

9. DERIVATIVE ASSETS/ (LIABILITIES) (CONT'D)

31.05.2024	Notional principal amount	Fair Value	
		Assets RM	Liabilities RM
<u>Foreign exchange related contracts</u>			
Currency forwards:	SGD		
Less than 1 year	1,053,400	31,614	-
	USD		
Less than 1 year	5,724,000	394,483	(7,474)
Total derivatives assets/ (liabilities)		426,097	(7,474)

As at the reporting date, there were 7 (31.05.2024: 6) forward exchange contracts outstanding.

The forward currency contracts entered into during the financial year were for hedging against the currencies exposure arising mainly from investments in the foreign unquoted fixed income securities denominated in SGD and USD. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income.

10. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	30.11.2024 RM	31.05.2024 RM
Short-term placement with a maturity of less than 3 months	1,812,464	1,172,981

The weighted average effective profit interest rates ("WAEPR")/ weighted average effective interest rates ("WAEIR") p.a. and average maturity of deposits with licensed financial institutions with maturity of less than 3 months as at the reporting date were as follows:

	30.11.2024		31.05.2024	
	WAEPR/ WAEIR % p.a.	Average maturity Days	WAEPR/ WAEIR % p.a.	Average maturity Days
Deposits with licensed financial institutions	3.00	2	3.15	4

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

11. AMOUNT DUE FROM/ TO MANAGER

	Note	30.11.2024 RM	31.05.2024 RM
Amount due from Manager			
Subscription units	(i)	18,875	98,039
Amount due to Manager			
Manager's fee	(ii)	19,559	25,628
Redemption of units	(iii)	-	103,431
		<u>19,559</u>	<u>129,059</u>

(i) The amount represents amount receivable to the Manager for units subscriptions.

(ii) The amount relates to the amount payable to the Manager arising from the accruals for Managers fee at the end of the financial period/ year. The normal credit term for Manager's fee is 15 days (31.05.2024: 15 days).

(iii) The amount represents amount payable to the Manager for units redeemed/ cancelled.

12. CASH AT BANK

The table below indicates the currencies that the Fund have in cash at bank as at the reporting date:

	30.11.2024 RM	31.05.2024 RM
United States Dollar ("USD")	735,798	290,686
Singapore Dollar ("SGD")	122,184	263,943
RM	28,719	5,969
	<u>886,701</u>	<u>560,598</u>

13. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accruals for Trustee's fee at the end of the financial period/ year. The normal credit term for Trustee's fee is 15 days (31.05.2024: 15 days).

14. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Note	30.11.2024 RM	31.05.2024 RM
Unitholders' capital	(a)	24,374,147	32,262,449
Accumulated realised income / (loss)	(b)	1,297,664	(1,092,629)
Accumulated unrealised loss	(c)	(2,457,012)	(368,214)
		<u>23,214,799</u>	<u>30,801,606</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

(a) Unitholders' capital

	01.06.2024 to 30.11.2024		01.06.2023 to 31.05.2024	
	No. of units	RM	No. of units	RM
At the beginning of the financial period/ year	29,145,308	32,262,449	38,213,541	41,362,455
Creation of units	3,651,112	3,962,125	17,750,644	18,471,818
Cancellation of units	<u>(11,015,983)</u>	<u>(11,850,427)</u>	<u>(26,818,877)</u>	<u>(27,571,824)</u>
At the end of the financial period/ year	<u>21,780,437</u>	<u>24,374,147</u>	<u>29,145,308</u>	<u>32,262,449</u>

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

	30.11.2024		31.05.2024	
	No. of units	RM	No. of units	RM
The Manager	<u>1,390</u>	<u>1,482</u>	<u>1,390</u>	<u>1,469</u>

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

(b) Accumulated realised income / (loss)

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 31.05.2024 RM
At the beginning of the financial period/ year	(1,092,629)	(284,238)
Net realised income/ (loss) for the financial period/ year	3,042,195	(808,391)
Distributions (Note 15)	<u>(651,902)</u>	<u>-</u>
At the end of the financial period/ year	<u>1,297,664</u>	<u>(1,092,629)</u>

(c) Accumulated unrealised loss

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 31.05.2024 RM
At the beginning of financial period/ year	(368,214)	(2,586,057)
Net unrealised (loss)/ income for the financial period/ year	<u>(2,088,798)</u>	<u>2,217,843</u>
At the end of the financial period/ year	<u>(2,457,012)</u>	<u>(368,214)</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

15. DISTRIBUTIONS

The composition of distributions are as follows:

	01.06.2024 to 30.11.2024	
Source of distribution*	Total distribution RM	Composition of distribution in percentage %
- Income distribution	651,902	100.00
- Capital distribution	-	-
	<u>651,902</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).

The gross and net distributions per unit and the distribution date are as follows:

Distribution date (ex-date)	Gross/ Net distribution per unit (RM sen)
01.06.2024 to 30.11.2024	
26 November 2024	<u>0.03</u>

16. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

01.06.2024 to 30.11.2024	Value of trades RM	Percentage of total trades %
Brokers/ dealers		
HSBC Bank Malaysia Bhd	6,015,948	25.61
ANZ Banking Group Ltd	4,553,645	19.38
BNP Paribas Hong Kong	3,499,865	14.90
Citibank Bhd	3,242,052	13.80
Merrill Lynch United States	2,718,935	11.57
DBS Securities	1,668,163	7.10
Morgan Stanley Asia	915,746	3.90
CIMB Investment Bank Bhd	879,454	3.74
	<u>23,493,808</u>	<u>100.00</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

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

01.06.2023 to 30.11.2023	Value of trades RM	Percentage of total trades %
ANZ Banking Group Ltd	5,618,761	28.19
BNP Paribas Hong Kong	2,990,815	15.00
Citibank Bhd	2,759,256	13.84
HSBC Bank Malaysia Bhd	2,321,798	11.65
Standard Chartered Bank Singapore	2,270,366	11.39
JP Morgan Chase, New York	2,224,879	11.16
Merrill Lynch United States	1,749,104	8.77
	<u>19,934,979</u>	<u>100.00</u>

Details of transactions, primarily deposits with licensed financial institutions for the current and previous financial period are as follows:

Financial institution	01.06.2024 to 30.11.2024		01.06.2023 to 30.11.2023	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
MBB *	150,879,385	100.00	154,471,017	73.11
CIMB Bank Bhd	-	-	51,618,113	24.43
Public Islamic Bank Bhd	-	-	3,500,000	1.66
Maybank Islamic Bhd ("MIB") **	-	-	1,690,000	0.80
	<u>150,879,385</u>	<u>100.00</u>	<u>211,279,130</u>	<u>100.00</u>

* MBB is the ultimate holding company of the Manager.

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

17. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of the 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 of the Fund during the financial period:

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

17. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Significant related party transactions

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
MBB*: Profit/ Interest income from deposit placement	18,500	18,503
MIB**: Profit income from deposit placement	-	134

(b) Significant related party balances

	30.11.2024 RM	31.05.2024 RM
MBB*: Deposits with licensed financial institutions	1,812,464	1,172,981
Profit/ Interest receivable	298	101

* MBB is the ultimate holding company of the Manager.

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

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

18. 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 period from 1 June 2024 to 30 November 2024, the TER of the Fund stood at 0.58% (01.06.2023 to 30.11.2023: 0.56%)

19. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the daily average NAV of the Fund. For the financial period from 1 June 2024 to 30 November 2024, the PTR of the Fund stood at 0.36 times (01.06.2023 to 30.11.2023: 0.35 times)

20. 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.

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20. SEGMENT INFORMATION (CONT'D)

The chief operating decision-maker is responsible for the performance of the Fund by investing between 70% to 98% of its NAV in RM denominated and/ or non-RM denominated fixed income securities issued by financial institutions which are domiciled and/ or located in the Asian region whilst the balance of between 2% to 30% of its NAV will be invested in RM denominated and/ or non-RM denominated fixed income securities issued by non-financial institutions which are domiciled and/ or located in the Asian region.

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

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

21. FAIR VALUE HIERARCHY

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM
30.11.2024			
Financial assets			
Financial assets at FVTPL	-	21,639,042	-
Derivative assets	-	33,335	-
	<u>-</u>	<u>21,672,377</u>	<u>-</u>
Financial liabilities			
Derivative liabilities	<u>-</u>	<u>720,111</u>	<u>-</u>
31.05.2024			
Financial assets			
Financial assets at FVTPL	-	28,387,906	-
Derivative assets	-	426,097	-
	<u>-</u>	<u>28,814,003</u>	<u>-</u>

MAYBANK FINANCIAL INSTITUTIONS INCOME ASIA FUND

21. FAIR VALUE HIERARCHY (CONT'D)

31.05.2024 (cont'd)	Level 1 RM	Level 2 RM	Level 3 RM
Financial liabilities			
Derivative liabilities	-	7,474	-

22. UNITHOLDERS' CONTRIBUTION MANAGEMENT

The unitholders' contribution can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing the unitholders' contribution are:

- (a) To invest in investments meeting the description, risk exposure and generate higher returns than the prescribed benchmark as indicated in its information memorandum;
- (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 in the current financial period.