



## Asset Management

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# MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

Annual report  
For the financial year ended 31 January 2025

## **CORPORATE INFORMATION**

### **MANAGER**

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Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
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### **TRUSTEE**

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17th Floor, Menara Public Bank  
146, Jalan Ampang 50450 Kuala Lumpur  
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Facsimile +603 2164 3285  
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**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

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## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### Manager's report

For the financial year ended 31 January 2025

#### A. Fund Information

**1. Name of Fund**

Maybank Financial Institutions Income Fund (the "Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Bond

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund's launch date**

Class	Launch date
Class A	17 December 2009
Class B	25 November 2024

**6. Fund's investment objective**

The objective of the Fund is to achieve regular income stream which is deriving from the portfolio.

**7. Fund's distribution policy**

The Fund will distribute income, if any, at least half-yearly on best effort basis. However, the Manager reserves the right not to distribute income, at its absolute discretion.

**8. Fund's performance benchmark**

12-month Maybank fixed deposit rate.

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

The Fund seeks to achieve its investment objective by investing a minimum of 70% of its Net Asset Value ("NAV") in bonds issued by financial institutions and/ or bank guaranteed bonds.

A minimum of 5% of the Fund's NAV may be invested in fixed deposits and money market instruments.

The Fund will be actively managed by investing in a diversified portfolio of bonds issued by financial institutions and/ or bank guaranteed bonds and/ or money market instruments and fixed deposits. The active management of the Fund aims to provide steady returns.

**10. Net income distribution for the financial year ended 31 January 2025**

The Fund distributed a total net income of RM10,519,001 from Class A and RM287,179 from Class B to unitholders for the financial year ended 31 January 2025.

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### Manager's report

For the financial year ended 31 January 2025 (cont'd)

#### A. Fund Information (cont'd)

##### 10. Net income distribution for the financial year ended 31 January 2025 (cont'd)

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

Distribution dates (ex-date)	Before distribution (RM)	After distribution (RM)	Gross/ Net distribution (sen)	Changes %
<b>Class A (RM)</b>				
26 July 2024	1.0543	1.0378	1.65	(1.57)
24 January 2025	1.0567	1.0357	2.10	(1.99)
			<u>3.75</u>	
<b>Class B (RM)</b>				
24 January 2025	1.0043	1.0019	0.24	(0.24)

#### B. Performance Review

##### 1. Key performance data of the Fund

Category	FY2025	FY2024	FY2023
<b>Portfolio composition (%)</b>			
Unquoted fixed income securities (%)	90.57	90.34	89.30
Cash and other net assets (%)	9.43	9.66	10.70
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Class A</b>			
NAV (RM'000)	275,789	293,487	138,404
Units in circulation (units'000)	266,137	284,201	136,662
NAV per unit (RM)	1.0363	1.0327	1.0127
Highest NAV per unit (RM)	1.0565	1.0466	1.0337
Lowest NAV per unit (RM)	1.0356	1.0129	1.0095
Net income distributed (RM)	10,519,001	6,754,111	6,558,010
Distribution dates (ex-dates)	26/07/2024	26/07/2023	27/07/2022
	24/01/2025	29/01/2024	27/01/2023
Gross/ Net distribution per unit (sen)	3.75	2.95	4.00
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	0.35	1.97	(1.51)
- Income distribution (%)	3.65	2.89	3.99
Total return (%)	4.04	4.93	2.42
Benchmark (%)	2.58	2.86	2.35

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### Manager's report

For the financial year ended 31 January 2025 (cont'd)

#### B. Performance Review (cont'd)

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

Category	FY2025	FY2024	FY2023
<b><u>Class B</u></b>			
NAV (RM'000)	120,012	-	-
Units in circulation (units'000)	119,658	-	-
NAV per unit (RM)	1.0030	-	-
Highest NAV per unit (RM)	1.0041	-	-
Lowest NAV per unit (RM)	1.0002	-	-
Net income distributed (RM)	287,179	-	-
Distribution dates (ex-dates)	24/01/2025	-	-
Gross/ Net distribution per unit (sen)	0.24	-	-
Annual return (%) <sup>(1)</sup>			
- Capital growth (%)	0.30	-	-
- Income distribution (%)	0.24	-	-
Total return (%)	0.54	-	-
Benchmark (%)	0.38	-	-
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	0.43	0.41	0.41
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.25	0.53	0.30

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

**Note:**

- (1) Actual return of the Fund for the financial year is computed based on daily average NAV per unit, net of Manager's fee and Trustee's fee.
- (2) The Fund's TER increased to 0.43% due to increase in expenses in the current financial year under review.
- (3) The Fund's PTR decreased to 0.25 times due to decrease in trading activities in the current financial year under review.

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### Manager's report

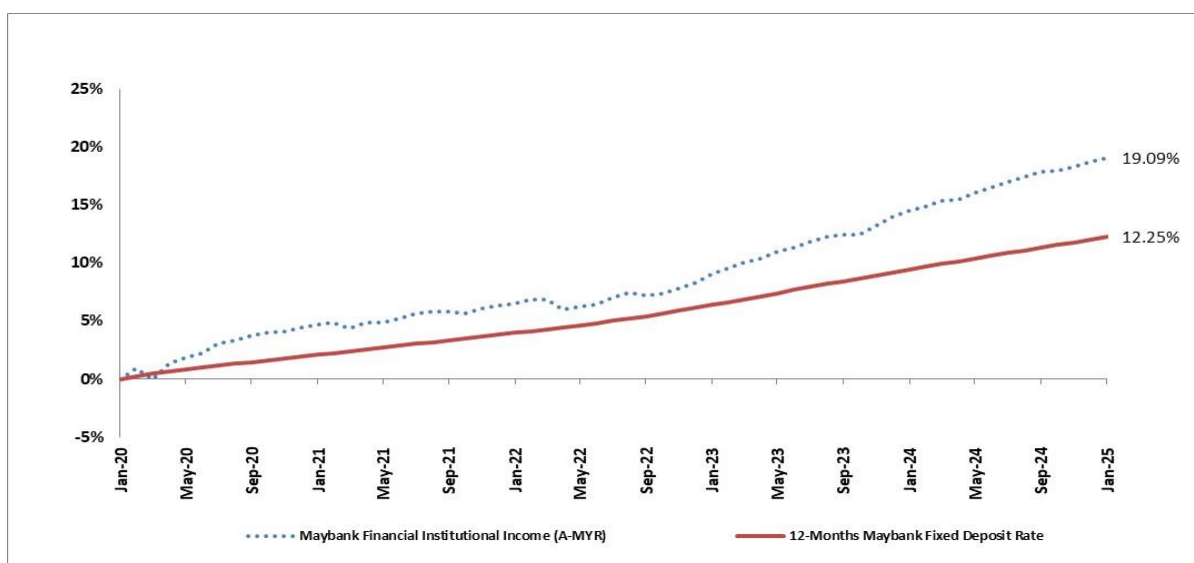
For the financial year ended 31 January 2025 (cont'd)

### B. Performance Review (cont'd)

#### 2. Performance of the Fund

##### Performance of Class A of the Fund up to 31 January 2025

Period	1 year to 31.01.2025 %	3 years to 31.01.2025 %	5 years to 31.01.2025 %
Capital growth	0.35	0.79	(1.81)
Income distributions	3.65	10.90	21.28
Total Return of the Fund	4.04	11.78	19.09
Benchmark	2.58	7.95	12.25
Average total return	4.04	3.78	4.04



Source: Lipper, as at 31 January 2025

*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 FUND

### Manager's report

For the financial year ended 31 January 2025 (cont'd)

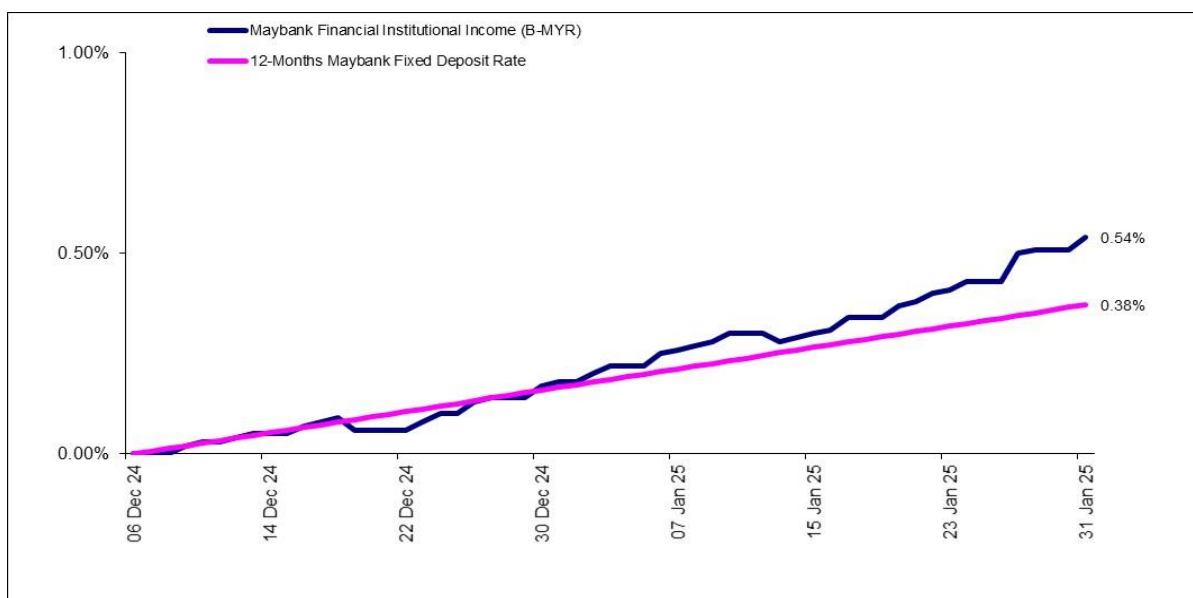
#### B. Performance Review (cont'd)

##### 2. Performance of the Fund (cont'd)

###### Performance of Class B of the Fund up to 31 January 2025

Period	S.I to 31.01.2025 %
Capital growth	0.30
Income distributions	0.24
Total Return of the Fund	0.54
Benchmark	0.38
Average total return	NA*

\* Given the Class B was incepted for less than 1 year, there is no calculation for average total return.



Source: Lipper, as at 31 January 2025

For the year under review, the Fund generated a total return of 4.04% for Class A and 0.54% for Class B, outperformed the benchmark's 2.58% and 0.38% over the corresponding year. The outperformance was attributed to the tightening of credit spread and better demand in local new corporate supply but offset by higher yield amid the United States Treasury ("UST") selloff and local bids turned more defensive.

The Fund has achieved its investment objective by continue paying distribution on a consistent basis to investors.



## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### Manager's report

For the financial year ended 31 January 2025 (cont'd)

#### B. Performance Review (cont'd)

##### 3. Annual total return of the Fund

###### Class A

For the financial year ended	31.01.2025 %	31.01.2024 %	31.01.2023 %	31.01.2022 %	31.01.2021 %
Total return	4.04	4.93	2.42	1.79	4.71
Benchmark	2.58	2.86	2.35	1.85	2.12

###### Class B

For the financial year ended	31.01.2025 %	31.01.2024 %	31.01.2023 %	31.01.2022 %	31.01.2021 %
Total return	0.54	-	-	-	-
Benchmark	0.38	-	-	-	-

##### 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 (%)	=	Gross income distribution per unit/ NAV per unit begin
Total return (%)	=	Capital return (%) + Income return (%)

#### C. Market Review

The year was started with the United States ("US") Federal Reserve ("Fed") speak pushed back against early rate cuts. UST was traded higher amid the probability of first Fed rate cut in March 2024 has been reduced to below 50.00% compared to more than 80.00% seen at 2023-end. With soft-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 increase of yield was finally halted. Markets piled risk on in stocks and bonds alike, after the Fed's stance that leaned dovish drove markets to a 1-way trade, 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 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 third quarter. The US Presidential Election dominated financial markets in last quarter. 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 USD100,000 mark.

## **MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

### **Manager's report**

**For the financial year ended 31 January 2025 (cont'd)**

#### **C. Market Review (cont'd)**

Local bond markets tracked the UST movement; yields mostly shifted upward on the back of the delayed Fed rate cut and shifted lower amid the dovish tones. Fed in its 28/ 29 January 2025 Federal Open Market Committee ("FOMC") meeting, unanimously decided to stay on pause, keeping the target range of its Federal Funds Rate ("FFR") unchanged at 4.25% to 4.50%, in line with market expectations, after delivering a total of 100 basis points ("bps") of cuts in the last three meetings of 2024. The USDMYR spot surged past 4.80 briefly in February 2024 but rebounded strongly with the year to date breakthrough low of 4.12 in third quarter that also partly attributed to the strong foreign inflows to the local bond markets. The gain was reversed post US election with the last seen at 4.46 as at end of January 2025. Bank Negara Malaysia ("BNM") kept the Overnight Policy Rate ("OPR") rate at 3.00%, a decision expected by everyone in most recent Monetary Policy Committee ("MPC"), retaining its neutral forward guidance amid a constructive growth outlook and inflation expected to be anchored within its 2.00% to 3.50% range for 2025.

#### **D. Market Outlook & Investment Strategy**

Our view remains that BNM to maintain OPR at 3.00% in 2025 in the absence of demand-pulled pressures, especially when Consumer Price Index ("CPI") numbers are relatively benign at the back of subsidy rationalization exercises. In term of growth prospect, Malaysia Gross Domestic Product ("GDP") growth was projected to expand by 4.00% to 5.00% in year 2024. This justifies a continuation of current monetary policy stance. Having said no change, the next move in OPR, if any, is likely to be a hike rather than a cut. However, we do expect volatility to remain elevated amid the ebb and flow of recession fears, geopolitical tensions and the trade tensions post US election continue to linger in the backdrop, which may potentially dampen risk appetite in emerging markets.

In term of demand-supply, local bond issuances are expected to stay robust. Economy activity was projected to stay robust but this has yet to translate to a notable rise in issuances thus far despite conducive funding conditions where credit spreads are tight and real-money liquidity appears still ample. Looking ahead, we expect broadly stable credit conditions and credit spreads barring a sudden jump in supply or external shocks. We will continue to hold a constructive view on mid-end corporate credits over government bonds. In terms of duration exposure, we are looking to keep duration neutral. We will look for attractive entry level for govvnies for trading opportunities but continue to overweight corporate bonds over sovereign bonds to anchor the income. Corporate bonds' coupons tend to be less volatile and provide higher yields that could buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields. We prefer strong AA-rated and A-rated papers for yield pickup as well as potential long-term upgrade as economic activities accelerate and will continue to trade opportunistically and will look into new primary issuances that offer higher yields; as well as bonds in the secondary market that has oversold.

#### **E. Soft Commissions and Rebates**

The Manager and its delegates will not retain any form of soft commissions or 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.

## **MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

### **Manager's report**

**For the financial year ended 31 January 2025 (cont'd)**

#### **E. Soft Commissions and Rebates (cont'd)**

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

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF MAYBANK FINANCIAL INSTITUTIONS INCOME FUND FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

We have acted as Trustee of Maybank Financial Institutions Income Fund (the "Fund") for the financial year ended 31 January 2025. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager under the deed, securities laws and the Guidelines on Unit Trust Funds;
- (b) Valuation/ Pricing of the Fund has been carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distributions to the unitholders during the financial year ended 31 January 2025 are consistent with the objectives of the Fund.

For and on behalf of  
**PB Trustee Services Berhad**

**Cheah Kuan Yoon**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
10 March 2025

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDERS OF MAYBANK FINANCIAL INSTITUTIONS INCOME FUND FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

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 MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of Maybank Financial Institutions Income Fund as at 31 January 2025 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  
10 March 2025

## **Independent auditors' report to the Unitholders of Maybank Financial Institutions Income Fund**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Maybank Financial Institutions Income Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 January 2025, and 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 7 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2025, and of its financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 Financial Institutions Income 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 MFRS Accounting Standards and IFRS Accounting 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 Financial Institutions Income Fund (cont'd)**

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

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

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

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



**Independent auditors' report to the Unitholders of  
Maybank Financial Institutions Income Fund (cont'd)**

**Other matters**

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Yeo Beng Yean  
03013/10/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
10 March 2025

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

	Note	2025 RM	2024 RM
<b>INVESTMENT INCOME</b>			
Profit/ Interest income	3	13,907,849	8,691,995
Net gain on financial asset at fair value through profit and loss ("FVTPL")			
- Realised gain		149,260	-
- Unrealised gain		665,365	2,620,983
		<u>14,722,474</u>	<u>11,312,978</u>
<b>EXPENSES</b>			
Manager's fee	4	1,278,431	745,766
Trustee's fee	5	169,504	106,538
Auditors' remuneration		9,270	9,270
Tax agent's fee		9,535	2,500
Administrative expenses		4,202	1,015
		<u>1,470,942</u>	<u>865,089</u>
<b>Net income before distribution and taxation</b>		13,251,532	10,447,889
Distribution to unitholders			
Class A	12(a)	(10,519,001)	(6,754,111)
Class B	12(b)	(287,179)	-
<b>Net income before taxation</b>		<u>2,445,352</u>	<u>3,693,778</u>
Taxation	6	-	-
<b>Net income after taxation, and total comprehensive income for the financial year</b>		<u>2,445,352</u>	<u>3,693,778</u>
<b>Net income after taxation is made up of the following:</b>			
Net unrealised income		665,365	2,620,983
Net realised income		1,779,987	1,072,795
		<u>2,445,352</u>	<u>3,693,778</u>
<b>Distributions for the financial year:</b>			
<u>Class A</u>	12(a)		
Net distributions		10,519,001	6,754,111
Gross/ Net distribution per unit (sen)		3.75	2.95
Distribution dates (ex-date)		Refer to Note 12	Refer to Note 12
<u>Class B</u>	12(b)		
Net distributions		287,179	-
Gross/ Net distribution per unit (sen)		0.24	-
Distribution dates (ex-date)		Refer to Note 12	-

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

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 JANUARY 2025**

	Note	2025 RM	2024 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	358,493,282	265,045,178
Deposits with licensed financial institutions	8	36,691,190	29,673,288
Profit/ Interest income receivable		3,759,272	2,444,016
Amount due from Manager	9	2,533,430	227,723
Cash at bank		103,560	2,113
<b>TOTAL ASSETS</b>		<b>401,580,734</b>	<b>297,392,318</b>
<b>LIABILITIES</b>			
Amount due to Manager	9	159,205	136,307
Amount due to Trustee	10	16,700	13,316
Distribution payable		5,582,810	3,739,643
Other payables and accruals		21,323	16,008
<b>TOTAL LIABILITIES</b>		<b>5,780,038</b>	<b>3,905,274</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>395,800,696</b>	<b>293,487,044</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' capital	11(a)	386,738,391	286,870,091
Retained earnings	11(b) & (c)	9,062,305	6,616,953
		<b>395,800,696</b>	<b>293,487,044</b>
<b>NET ASSET VALUE</b>			
Class A		275,789,012	293,487,044
Class B		120,011,684	-
		<b>395,800,696</b>	<b>293,487,044</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
	11(a)		
Class A		266,136,755	284,200,700
Class B		119,657,789	-
		<b>385,794,544</b>	<b>284,200,700</b>
<b>NAV PER UNIT (RM)</b>			
Class A		1.0363	1.0327
Class B		1.0030	-

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

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

	<b>Unitholders' capital Note 11(a) RM</b>	<b>Retained earnings Note 11(b) and 11(c) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 February 2024	286,870,091	6,616,953	293,487,044
Total comprehensive income for the financial year	-	2,445,352	2,445,352
Creation of units	332,734,927	-	332,734,927
Reinvestment of units	8,311,874	-	8,311,874
Cancellation of units	(241,178,501)	-	(241,178,501)
At 31 January 2025	<u>386,738,391</u>	<u>9,062,305</u>	<u>395,800,696</u>
At 1 February 2023	135,480,683	2,923,175	138,403,858
Total comprehensive income for the financial year	-	3,693,778	3,693,778
Creation of units	234,311,707	-	234,311,707
Reinvestment of units	2,162,143	-	2,162,143
Cancellation of units	(85,084,442)	-	(85,084,442)
At 31 January 2024	<u>286,870,091</u>	<u>6,616,953</u>	<u>293,487,044</u>

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

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Placements in Shariah-compliant deposits with maturity more than 3 months	(20,000,000)	-
Net payments for purchase of financial assets at FVTPL	(130,785,430)	(180,290,859)
Net proceeds from sale and redemption of financial assets at FVTPL	37,799,360	45,920,514
Profit/ Interest income received	12,945,185	7,805,959
Manager's fee paid	(1,215,767)	(698,773)
Trustee's fee paid	(166,121)	(99,824)
Payment of other fees and expenses	(17,697)	(10,986)
Net cash used in operating and investing activities	<u>(101,440,469)</u>	<u>(127,373,969)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	330,429,226	234,083,982
Cash paid on units cancelled	(241,218,269)	(85,041,344)
Distributions to unitholders	(651,139)	(852,325)
Net cash generated from financing activities	<u>88,559,818</u>	<u>148,190,313</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR</b>	<b>(12,880,651)</b>	<b>20,816,344</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>29,675,401</b>	<b>8,859,057</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b><u>16,794,750</u></b>	<b><u>29,675,401</u></b>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed financial institutions with original maturity of less than 3 months (Note 8)	16,691,190	29,673,288
Cash at bank	103,560	2,113
	<u>16,794,750</u>	<u>29,675,401</u>

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

## **MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025**

#### **1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

Maybank Financial Institutions Income Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 5 November 2009, First Supplementary Deed dated 08 October 2012, Second Supplementary Deed dated 30 March 2015 and a Third Supplementary Deed dated 4 October 2024 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, PB Trustee Services Bhd. The Deed and Supplemental Deeds are collectively referred to as 'Deeds'. The Fund was launched on 17 December 2009. Effective 25 November 2024, the Fund has been converted to a Unit Trust Fund.

The principal activity of the Fund is to invest up to 95% of its net asset value ("NAV") in bonds issued by financial institutions and/ or bank guaranteed bonds. The remaining balance will be invested in fixed deposits and/ or money market instruments.

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 Bhd ("MAMG"), which in turn is a subsidiary of Malayan Banking Bhd ("MBB").

The financial statements were authorised for issue by the Board of Directors ("the Directors") of the Manager in accordance with a resolution of the Directors on 10 March 2025.

#### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

##### **2.1 Basis of preparation**

The financial statements of the Fund have been prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards, the Deeds and any regulatory requirements.

The Fund has adopted the MFRS Accounting Standards, 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 Note 2.14 to the financial statements.

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

## MAYBANK FINANCIAL INSTITUTIONS INCOME 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 Malaysian Accounting Standards Board ("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) 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 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, profit/ interest income receivable and amount due from Manager 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 EPR/ EIR is a method of calculating the amortised cost of financial asset and of allocating and recognising the profit/ interest income in profit or loss of the relevant period.

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

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

Investments in unquoted fixed income securities 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 instruments or a financial guarantee.

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

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

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



## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.4 Financial assets (cont'd)

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

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

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

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

Changes in the fair value of FVTPL investments are recognised in unrealised gain on FVTPL investments in profit and 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 is a probability-weighted estimate of credit losses. It is measured as follows:

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

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

## **MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

#### **2.4 Financial assets (cont'd)**

##### **(iii) 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.

##### **(iv) Derecognition**

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained profit/ interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of financial 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, other payables and accruals and distribution payable as financial liabilities.

##### **(ii) Recognition and measurement**

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

## **MAYBANK FINANCIAL INSTITUTIONS INCOME 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. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### **2.6 Fair value measurement**

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

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

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

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

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

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

- (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.

## **MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

#### **2.7 Functional and presentation currency**

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

#### **2.8 Unitholders' capital**

The unitholders' contributions to the Fund are classified as liabilities under MFRS 132 Financial Instruments: Presentation.

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.

#### **2.9 Distributions**

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

#### **2.10 Cash and cash equivalents**

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

#### **2.11 Revenue/ Income**

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

Profit/ Interest income from unquoted fixed income securities includes amortisation of premium and accretion of discount, and is recognised using the EPR/ EIR method.

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

Other revenue/ income is generally recognised when the Fund satisfies a performance obligations 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 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 tax 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 Segment reporting

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

#### 2.14 Critical accounting estimates and judgements

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

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

### 3. PROFIT/ INTEREST INCOME

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Profit/ Interest income from unquoted fixed income securities	13,124,639	8,098,289
Profit/ Interest income from deposits with licensed financial institutions	1,135,802	958,509
Amortisation of premium, net of accretion of discount	(352,592)	(364,803)
	<u>13,907,849</u>	<u>8,691,995</u>

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### 4. MANAGER'S FEE

The Manager's fee is computed at the following rate per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for that particular day.

Class	2025	2024
Class A*	0.50%	0.35%
Class B**	0.35%	-

\* Effective from 25 November 2024, the management fee rate p.a. for Class A was revised from 0.35% to 0.50%.

\*\* Class B was launched on 25 November 2024.

### 5. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.05% p.a. (2024: 0.05% p.a.) of the NAV of the Fund before deducting the Manager's fee and Trustee's fees for that particular day, subject to a minimum fee of RM18,000 p.a. (2024: RM18,000 p.a.).

### 6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable income for the financial year.

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

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

	2025 RM	2024 RM
Net income before taxation	2,445,352	3,693,778
Tax at Malaysian statutory rate of 24% (2024: 24%)	586,884	886,507
Income not subject to tax	(3,533,394)	(2,715,115)
Expenses not deductible for tax purposes	2,946,510	1,828,608
Tax expense for the financial year	-	-

### 7. FINANCIAL ASSETS AT FVTPL

	2025 RM	2024 RM
Unquoted fixed income securities	358,493,282	265,045,178

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**7. FINANCIAL ASSETS AT FVTPL (CONT'D)**

<b>Name of issuer</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>2025</b>				
<b>Unquoted fixed income securities</b>				
AEON Credit Service (M) Bhd				
- 4.13%/ 14.11.2029	5,000,000	5,010,307	5,031,650	1.27
- 4.23%/ 14.11.2030	5,000,000	5,012,313	5,051,850	1.28
	<u>10,000,000</u>	<u>10,022,620</u>	<u>10,083,500</u>	<u>2.55</u>
Affin Bank Bhd				
- 4.10%/ 08.05.2029	5,000,000	4,999,741	4,996,850	1.26
Affin Islamic Bank Bhd				
- 4.15%/ 11.12.2026	10,000,000	9,999,575	10,043,600	2.54
- 4.66%/ 13.10.2033	5,000,000	4,999,677	5,063,900	1.28
- 5.10%/ Perpetual	10,000,000	9,999,247	10,146,300	2.56
	<u>25,000,000</u>	<u>24,998,499</u>	<u>25,253,800</u>	<u>6.38</u>
Alliance Bank Bhd				
- 4.06%/ 12.08.2031	4,000,000	3,999,954	3,990,880	1.01
- 4.05%/ 26.10.2035	10,000,000	9,988,996	9,788,600	2.47
	<u>14,000,000</u>	<u>13,988,950</u>	<u>13,779,480</u>	<u>3.48</u>
Ambank Islamic Bhd				
- 4.53%/ 28.03.2033	15,000,000	15,121,834	15,244,650	3.86
- 4.53%/ 27.06.2033	10,000,000	10,061,801	10,170,800	2.57
	<u>25,000,000</u>	<u>25,183,635</u>	<u>25,415,450</u>	<u>6.43</u>
Bank Islam Malaysia Bhd				
- 4.10%/ 12.11.2031	10,000,000	9,999,486	10,034,600	2.54
Bank Muamalat Malaysia Bhd				
- 4.50%/ 13.06.2031	10,000,000	9,999,512	10,074,100	2.55
Bank Pembangunan Malaysia Bhd				
- 3.81%/ 01.12.2025	5,000,000	4,999,812	5,004,850	1.26
- 4.02%/ 01.12.2028	5,000,000	4,999,785	5,017,200	1.27
- 4.75%/ 04.11.2031	5,000,000	5,104,212	5,221,700	1.32
	<u>15,000,000</u>	<u>15,103,809</u>	<u>15,243,750</u>	<u>3.85</u>

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**7. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Name of issuer (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2025 (cont'd)</b>				
<b>Unquoted fixed income securities (cont'd)</b>				
Bank Simpanan Nasional Bhd				
- 3.80%/ 15.02.2027	5,000,000	4,999,937	5,004,400	1.27
- 4.00%/ 07.11.2031	5,000,000	4,999,753	5,005,900	1.27
	10,000,000	9,999,690	10,010,300	2.54
CIMB Group Holdings Bhd				
- 4.95%/ 02.12.2032	5,000,000	5,046,392	5,138,450	1.30
- 4.36%/ 21.10.2033	3,600,000	3,599,791	3,651,876	0.92
- 3.60%/ Perpetual	5,000,000	4,994,290	4,989,700	1.26
- 4.31%/ Perpetual	12,500,000	12,499,578	12,563,750	3.17
	26,100,000	26,140,051	26,343,776	6.65
CIMB Islamic Bank Bhd				
- 4.02%/ 30.11.2028	5,000,000	4,999,773	5,032,550	1.27
- 4.31%/ 29.11.2030	5,000,000	4,999,741	5,110,800	1.29
- 4.03%/ 27.03.2031	5,000,000	4,999,789	5,038,300	1.27
- 4.13%/ 27.03.2034	5,000,000	5,038,467	5,067,550	1.28
	20,000,000	20,037,770	20,249,200	5.11
CIMB Thai Public Company Limited				
- 3.90%/ 11.07.2031	13,000,000	12,975,792	12,951,770	3.27
Hong Leong Bank Bhd				
- 4.05%/ 09.06.2034	5,000,000	5,008,423	5,006,700	1.26
- 4.25%/ Perpetual	2,000,000	1,999,941	2,009,880	0.51
	7,000,000	7,008,364	7,016,580	1.77
Hong Leong Investment Bank Bhd				
- 4.11%/ 13.06.2034	2,500,000	2,499,896	2,503,350	0.63
Imtiaz Sukuk II Bhd				
- 4.15%/ 02.10.2028	10,000,000	9,999,529	10,100,700	2.55
- 4.77%/ 11.05.2029	5,000,000	5,059,891	5,171,700	1.31
- 4.00%/ 16.10.2031	5,000,000	5,002,991	5,005,300	1.26
	20,000,000	20,062,411	20,277,700	5.12
Malaysian Reinsurance Bhd				
- 5.21%/ 26.10.2032	5,000,000	4,999,584	5,066,750	1.28



**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**7. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Name of issuer (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2025 (cont'd)</b>				
<b>Unquoted fixed income securities (cont'd)</b>				
MBB*				
- 4.03%/ 31.01.2034	5,000,000	4,999,995	5,010,050	1.27
- 4.13%/ Perpetual	15,000,000	15,016,676	15,030,000	3.80
	<u>20,000,000</u>	<u>20,016,671</u>	<u>20,040,050</u>	<u>5.07</u>
MBSB Bank Bhd				
- 4.36%/ 15.04.2027	5,000,000	5,002,664	5,036,900	1.27
- 4.73%/ 13.04.2029	5,000,000	5,036,287	5,077,300	1.28
- 5.25%/ 19.12.2031	5,000,000	5,057,111	5,107,950	1.29
	<u>15,000,000</u>	<u>15,096,062</u>	<u>15,222,150</u>	<u>3.84</u>
MNRB Holdings Bhd				
- 4.46%/ 22.03.2034	4,000,000	3,999,804	4,055,560	1.02
Mumtaz Rakyat Sukuk Bhd				
- 3.78%/ 25.06.2031	5,000,000	4,982,979	4,980,350	1.26
Public Bank Bhd				
- 4.27%/ 25.10.2033	5,000,000	4,999,720	5,058,250	1.28
- 4.00%/ 11.12.2034	6,500,000	6,499,738	6,499,740	1.64
	<u>11,500,000</u>	<u>11,499,458</u>	<u>11,557,990</u>	<u>2.92</u>
Public Islamic Bank Bhd				
- 4.50%/ 17.12.2027	10,000,000	10,102,370	10,195,500	2.58
- 4.40%/ 28.07.2032	10,000,000	10,024,327	10,131,600	2.56
	<u>20,000,000</u>	<u>20,126,697</u>	<u>20,327,100</u>	<u>5.14</u>
RHB Bank Bhd				
- 4.38%/ 17.11.2028	15,000,000	15,076,270	15,272,550	3.86
- 4.40%/ 28.09.2032	5,000,000	5,018,371	5,048,950	1.28
	<u>20,000,000</u>	<u>20,094,641</u>	<u>20,321,500</u>	<u>5.14</u>
Sabah Development Bank Bhd				
- 4.50%/ 04.03.2025**	5,000,000	5,000,254	5,001,550	1.26
- 5.50%/ 27.02.2026	12,200,000	12,297,017	12,359,576	3.12
	<u>17,200,000</u>	<u>17,297,271</u>	<u>17,361,126</u>	<u>4.38</u>
Sabah Credit Corporation				
- 4.17%/ 18.07.2031	5,000,000	5,010,381	5,042,200	1.27

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**7. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Name of issuer (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2025 (cont'd)</b>				
<b>Unquoted fixed income securities (cont'd)</b>				
United Overseas Bank (Malaysia) Bhd				
- 4.91%/ 27.10.2032	10,000,000	10,184,359	10,261,600	2.59
- 4.01%/ 08.02.2034	10,000,000	10,037,984	10,022,700	2.53
	<u>20,000,000</u>	<u>20,222,343</u>	<u>20,284,300</u>	<u>5.12</u>
<b>Total unquoted fixed income securities</b>	<u>355,300,000</u>	<u>356,366,117</u>	<u>358,493,282</u>	<u>90.57</u>
<b>Unrealised gain on unquoted fixed income securities</b>			<u>2,127,165</u>	
<b>2024</b>				
<b>Unquoted fixed income securities</b>				
Affin Islamic Bank Bhd				
- 4.15%/ 11.12.2026	10,000,000	9,999,573	10,055,800	3.43
- 4.66%/ 13.10.2033	5,000,000	4,999,675	5,073,550	1.73
- 5.10%/ Perpetual	10,000,000	9,999,244	10,175,000	3.47
	<u>25,000,000</u>	<u>24,998,492</u>	<u>25,304,350</u>	<u>8.63</u>
Alliance Bank Bhd				
- 4.05%/ 26.10.2035	10,000,000	9,987,398	9,630,700	3.28
Ambank Islamic Bhd				
- 4.53%/ 28.03.2033	15,000,000	15,157,510	15,248,250	5.21
- 4.53%/ 27.06.2033	10,000,000	10,078,437	10,167,100	3.46
	<u>25,000,000</u>	<u>25,235,947</u>	<u>25,415,350</u>	<u>8.67</u>
Bank Islam Malaysia Bhd				
- 4.10%/ 12.11.2031	10,000,000	9,999,486	9,962,900	3.39
Bank Muamalat Malaysia Bhd				
- 4.50%/ 13.06.2031	10,000,000	9,999,512	10,052,100	3.43

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**7. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Name of issuer (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (cont'd)</b>				
<b>Unquoted fixed income securities (cont'd)</b>				
Bank Pembangunan Malaysia Bhd				
- 3.81%/ 01.12.2025	5,000,000	4,999,805	5,008,800	1.71
- 4.02%/ 01.12.2028	5,000,000	4,999,782	5,030,100	1.71
- 4.75%/ 04.11.2031	5,000,000	5,117,262	5,246,900	1.79
	15,000,000	15,116,849	15,285,800	5.21
CIMB Group Holdings Bhd				
- 4.95%/ 02.12.2032	5,000,000	5,061,512	5,166,700	1.76
- 4.36%/ 21.10.2033	3,600,000	3,599,791	3,646,224	1.24
- 3.60%/ Perpetual	5,000,000	4,987,888	4,953,950	1.69
- 4.88%/ Perpetual	9,000,000	8,999,651	9,033,390	3.08
	22,600,000	22,648,842	22,800,264	7.77
CIMB Islamic Bank Bhd				
- 4.02%/ 30.11.2028	5,000,000	4,999,774	5,031,650	1.71
- 4.31%/ 29.11.2030	5,000,000	4,999,741	5,041,800	1.72
	10,000,000	9,999,515	10,073,450	3.43
CIMB Thai Public Company Limited				
- 4.15%/ 06.07.2029	10,000,000	10,009,030	10,002,900	3.41
- 3.90%/ 11.07.2031	13,000,000	12,959,996	12,890,410	4.39
	23,000,000	22,969,026	22,893,310	7.80
Imtiaz Sukuk II Bhd				
- 4.15%/ 02.10.2028	10,000,000	9,999,526	10,059,800	3.43
- 4.77%/ 11.05.2029	8,200,000	8,318,781	8,474,126	2.89
	18,200,000	18,318,307	18,533,926	6.32
Malaysian Reinsurance Bhd				
- 5.21%/ 26.10.2032	5,000,000	4,999,583	5,084,400	1.73
MBB*				
- 4.03%/ 31.01.2034	5,000,000	4,999,995	5,000,000	1.70
MBSB Bank Bhd				
- 4.36%/ 15.04.2027	5,000,000	5,003,909	5,010,100	1.71
- 4.73%/ 13.04.2029	5,000,000	5,044,048	5,052,900	1.72
- 5.25%/ 19.12.2031	5,000,000	5,085,625	5,109,000	1.74
	15,000,000	15,133,582	15,172,000	5.17

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**7. FINANCIAL ASSETS AT FVTPL (CONT'D)**

Name of issuer (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (cont'd)</b>				
MNRB Holdings Bhd - 5.20%/ 22.03.2029	1,400,000	1,401,413	1,401,442	0.48
Mumtaz Rakyat Sukuk Bhd - 3.78%/ 25.06.2031	5,000,000	4,971,448	4,950,500	1.69
Public Bank Bhd - 4.27%/ 25.10.2033	5,000,000	4,999,720	5,064,250	1.73
Public Islamic Bank Bhd - 4.50%/ 17.12.2027	10,000,000	10,135,423	10,259,200	3.50
- 4.40%/ 28.07.2032	10,000,000	10,033,399	10,172,200	3.47
	<u>20,000,000</u>	<u>20,168,822</u>	<u>20,431,400</u>	<u>6.97</u>
RHB Bank Bhd - 4.38%/ 17.11.2028	10,000,000	9,999,424	10,182,400	3.47
Sabah Development Bank Bhd - 4.50%/ 04.03.2025**	5,000,000	5,005,116	5,013,250	1.71
- 5.50%/ 27.02.2026	12,200,000	12,383,844	12,482,186	4.25
	<u>17,200,000</u>	<u>17,388,960</u>	<u>17,495,436</u>	<u>5.96</u>
United Overseas Bank (Malaysia) Bhd - 4.91%/ 27.10.2032	10,000,000	10,247,057	10,311,200	3.51
<b>Total unquoted fixed income securities</b>	<u>262,400,000</u>	<u>263,583,378</u>	<u>265,045,178</u>	<u>90.34</u>
<b>Unrealised gain on unquoted fixed income securities</b>			<u>1,461,800</u>	

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

\*\* The bond from Sabah Development Bank Bhd was fully redeemed on the maturity date, 4 March 2025.

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### 8. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2025 RM	2024 RM
Deposits with licensed financial institutions with maturity of:		
-less than 3 months	16,691,190	29,673,288
-more than 3 months	20,000,000	-
	<u>36,691,190</u>	<u>29,673,288</u>

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

	2025		2024	
	WAEPR/ WAEIR % p.a.	Average maturity Days	WAEPR/ WAEIR % p.a.	Average maturity Days
Deposits with maturity of:				
-less than 3 months	3.04	3	2.98	2
-more than 3 months	<u>4.00</u>	<u>93</u>	<u>-</u>	<u>-</u>

### 9. AMOUNT DUE FROM/ TO MANAGER

		2025 RM	2024 RM
Amount due from Manager is in respect of:			
Subscription of units	(i)	<u>2,533,430</u>	<u>227,723</u>
Amount due to Manager is in respect of:			
Manager's fee	(ii)	155,874	93,209
Cancellation of units	(iii)	<u>3,331</u>	<u>43,098</u>
		<u>159,205</u>	<u>136,307</u>

- (i) The amount represents amount receivable from the Manager for units subscribed.
- (ii) The amount represents the amount payable to the Manager arising from the accruals for manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2024: 15 days).
- (iii) The amount represents amount payable to the Manager for units cancelled.

### 10. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accrued Trustee's fee at the end of the financial year. The normal credit term for Trustee's fee is 15 days (2024: 15 days).

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

	Note	2025 RM	2024 RM
Unitholders' contribution	(a)	386,738,391	286,870,091
Accumulated realised income	(b)	7,507,986	5,727,999
Accumulated unrealised income	(c)	1,554,319	888,954
		<u>395,800,696</u>	<u>293,487,044</u>

**(a) Unitholders' contribution**

The units are distributed based on the following classes:

	2025		2024	
	Units	RM	Units	RM
(i) Class A	266,136,755	266,889,997	284,200,700	286,870,091
(ii) Class B	119,657,789	119,848,394	-	-
	<u>385,794,544</u>	<u>386,738,391</u>	<u>284,200,700</u>	<u>286,870,091</u>

**(i) Class A**

	2025		2024	
	Units	RM	Units	RM
At the beginning of the financial year	284,200,700	286,870,091	136,661,976	135,480,683
Creation of units	202,472,013	211,577,720	227,554,434	234,311,707
Reinvestment of units	8,021,413	8,311,874	2,113,945	2,162,143
Cancellation of units	<u>(228,557,371)</u>	<u>(239,869,688)</u>	<u>(82,129,655)</u>	<u>(85,084,442)</u>
At the end of the financial year	<u>266,136,755</u>	<u>266,889,997</u>	<u>284,200,700</u>	<u>286,870,091</u>

**(ii) Class B**

	2025		2024	
	Units	RM	Units	RM
At the beginning of the financial year	-	-	-	-
Creation of units	120,963,339	121,157,207	-	-
Cancellation of units	<u>(1,305,550)</u>	<u>(1,308,813)</u>	-	-
At the end of the financial year	<u>119,657,789</u>	<u>119,848,394</u>	-	-

As of end of the financial year, there were no units held by the Manager and related party (2024: Nil).

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONT'D)**

**(b) Accumulated realised income**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
At the beginning of the financial year	5,727,999	4,655,204
Net realised income for the financial year	1,779,987	1,072,795
At the end of the financial year	<u>7,507,986</u>	<u>5,727,999</u>

**(c) Accumulated unrealised income**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
At the beginning of the financial year	888,954	(1,732,029)
Net unrealised income for the financial year	665,365	2,620,983
At the end of the financial year	<u>1,554,319</u>	<u>888,954</u>

**12. DISTRIBUTIONS**

**(a) Class A**

	<b>2025</b>		<b>2024</b>	
	<b>Total distribution RM</b>	<b>Composition of distribution in percentage %</b>	<b>Total distribution RM</b>	<b>Composition of distribution in percentage %</b>
<b>Source of distribution*</b>				
- Income distribution	10,519,001	100.00	6,754,111	100.00
- Capital distribution	-	-	-	-
	<u>10,519,001</u>	<u>100.00</u>	<u>6,754,111</u>	<u>100.00</u>

<b>Distribution dates (ex-date)</b>	<b>Gross/ Net distributions per unit (sen)</b>
<b>2025</b>	
26 July 2024	1.65
24 January 2025	2.10
	<u>3.75</u>
<b>2024</b>	
26 July 2023	1.50
29 January 2024	1.45
	<u>2.95</u>

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**12. DISTRIBUTIONS (CONT'D)**

**(b) Class B**

	<b>2025</b>	
	<b>Total distribution RM</b>	<b>Composition of distribution in percentage %</b>
<b>Source of distribution*</b>		
- Income distribution	287,179	100.00
- Capital distribution	-	-
	<u>287,179</u>	<u>100.00</u>
<b>Distribution dates (ex-date)</b>		<b>Gross/ Net distributions per unit (sen)</b>
<b>2025</b>		
24 January 2025		<u>0.24</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).

**13. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS**

Details of transactions with brokers/ dealers for the financial year are as follows:

	<b>2025</b>		<b>2024</b>	
	<b>Value of trade RM</b>	<b>Percentage of total trade %</b>	<b>Value of trade RM</b>	<b>Percentage of total trade %</b>
CIMB Investment Bank Bhd	38,531,100	26.00	18,604,500	10.32
Hong Leong Investment Bank Bhd	27,706,250	18.70	-	-
MBB*	25,043,000	16.90	40,411,500	22.41
Hong Leong Bank Bhd	23,058,900	15.56	5,019,500	2.78
RHB Investment Bank Bhd	8,337,040	5.63	55,938,858	31.04
Public Investment Bank Bhd	6,500,000	4.39	5,000,000	2.77
United Overseas Bank Bhd				
- Islamic	5,008,500	3.38	-	-
Affin Hwang Investment Bank Bhd	5,000,000	3.37	30,099,000	16.69
Ambank Bhd	5,000,000	3.37	-	-
Ambank Islamic Bhd	4,000,000	2.70	-	-
Bank Islam Bhd	-	-	25,217,500	13.99
	<u>148,184,790</u>	<u>100.00</u>	<u>180,290,858</u>	<u>100.00</u>

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



## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

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

Details of transactions, primarily made of gross deposit placements with licensed financial institutions for the financial year are as follows:

	2025		2024	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
MBB *	4,556,451,000	59.63	7,940,406,000	99.22
Public Bank Bhd	1,865,393,836	24.41	-	-
KAF Investment Bank Bhd	1,189,644,980	15.57	40,001,644	0.50
Public Islamic Bank Bhd	20,000,000	0.26	-	-
Hong Leong Islamic Bank Bhd	10,000,000	0.13	-	-
Maybank Islamic Bhd ("MIB") **	-	-	22,124,000	0.28
	<u>7,641,489,816</u>	<u>100.00</u>	<u>8,002,531,644</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.

### 14. 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:

	2025 RM	2024 RM
<b>(i) Significant related party transactions</b>		
MBB*:		
Interest income from deposit	564,796	951,694
Interest income from fixed income securities	202,052	-
	<u>766,848</u>	<u>951,694</u>
MIB**:		
Profit income from deposit	-	1,758

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

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

	2025	2024
	RM	RM
<b>(ii) Significant related party balances</b>		
MBB*:		
Deposits with licensed financial institutions	2,415,000	9,670,000
Interest income receivable	219,697	1,334
Unquoted fixed income securities	20,040,050	5,000,000
	<u>22,674,747</u>	<u>14,671,334</u>

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

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

### 15. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial year ended 31 January 2025, the TER of the Fund stood at 0.43% (2024: 0.41%).

### 16. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average of the total acquisitions and disposals of the investment in the Fund for the financial year to the daily average NAV of the Fund. For the financial year ended 31 January 2025, the PTR of the Fund stood at 0.25 times (2024: 0.53 times).

### 17. 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 up to 95% of its NAV in RM-denominated fixed income securities issued by financial institutions and/ or bank guaranteed bonds. The remaining balance will be invested in fixed deposit and/ or money market instruments.

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

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

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

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### 18. 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 2.14 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised.

The following table analyses the financial assets and financial 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.

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2025</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	358,493,282	-	-	358,493,282
Deposits with licensed financial institutions	-	36,691,190	-	36,691,190
Profit/ Interest income receivable	-	3,759,272	-	3,759,272
Amount due from Manager	-	2,533,430	-	2,533,430
Cash at bank	-	103,560	-	103,560
<b>Total financial assets</b>	<b>358,493,282</b>	<b>43,087,452</b>	<b>-</b>	<b>401,580,734</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	159,205	159,205
Amount due to Trustee	-	-	16,700	16,700
Distribution payable	-	-	5,582,810	5,582,810
Other payables and accruals	-	-	21,323	21,323
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,780,038</b>	<b>5,780,038</b>
<b>2024</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	265,045,178	-	-	265,045,178
Deposits with licensed financial institutions	-	29,673,288	-	29,673,288
Profit/ Interest income receivable	-	2,444,016	-	2,444,016
Amount due from broker	-	227,723	-	227,723
Cash at bank	-	2,113	-	2,113
<b>Total financial assets</b>	<b>265,045,178</b>	<b>32,347,140</b>	<b>-</b>	<b>297,392,318</b>

**MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

**18. FINANCIAL INSTRUMENTS (CONT'D)**

**(a) Classification of financial instruments (cont'd)**

<b>2024 (cont'd)</b>	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	136,307	136,307
Amount due to Trustee	-	-	13,316	13,316
Distribution payable	-	-	3,739,643	3,739,643
Other payables and accruals	-	-	16,008	16,008
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3,905,274</b>	<b>3,905,274</b>

**(b) Financial instruments that are carried at fair value**

The Fund's FVTPL financial assets are carried at fair value and revalued on a daily basis based on fair value prices quoted by Bond Pricing Agency Malaysia Sdn Bhd.

**(c) Fair value hierarchy**

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>
<b>2025</b>			
Financial assets at FVTPL	-	358,493,282	-
<b>2024</b>			
Financial assets at FVTPL	-	265,045,178	-

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

Other than its securities, 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 nature. There were no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximations of their respective fair values.

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

### 19. 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, the SC's Guidelines on Unit Trust Funds.

#### (b) Market risk

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

##### (i) Profit/ Interest rate risk

Unquoted fixed income securities are particularly sensitive to movements in market profit/ interest rates. When profit/ interest rates rise, the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. The sensitivity to market profit/ interest rate changes are normally greater for longer tenured securities when compared to shorter tenured securities.

The table below summarises the sensitivity of the Fund's NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movements in market profit/ interest rates. The analysis is based on the assumptions that the profit/ interest rates increased and decreased by 1% (100 basis points) with all other variables held constant.

	<b>Changes in interest rates %</b>	<b>Effect on NAV (Decrease)/ Increase RM</b>
<b>2025</b>		
Financial assets at FVTPL	+1	(10,918,294)
	-1	11,423,103
<b>2024</b>		
Financial assets at FVTPL	+1	(8,691,350)
	-1	9,120,115

The impact to net income after taxation is expected to be the same as the effects on NAV.

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

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

#### (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/ interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

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

#### (i) Credit risk exposure

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

#### (ii) Credit risk concentration

The following table analyses the Fund's investments in unquoted fixed income securities, cash at bank, deposits with licensed financial institutions and profit/ interest income receivable by rating categories. The ratings for the Fund's investments in unquoted fixed income securities and profit/ interest receivables on unquoted fixed income securities were obtained from RAM Holdings Bhd ("RAM") and Malaysian Rating Corporation Bhd ("MARC") while the ratings for cash at bank, deposits with licensed financial institutions and profit/ interest receivable on deposits with licensed financial institutions were obtained from RAM's official website.

	2025		2024	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
<b>Financial assets</b>				
AAA	93,153,320	23.54	67,737,867	23.08
AA1	93,150,454	23.53	58,225,486	19.84
AA2	34,527,329	8.72	27,346,850	9.32
AA3	89,373,162	22.58	53,151,110	18.11
A1	53,369,577	13.48	55,736,482	18.99
A2	9,895,121	2.50	9,630,700	3.28
A3	25,578,341	6.46	25,336,100	8.63
	<b>399,047,304</b>	<b>100.81</b>	<b>297,164,595</b>	<b>101.25</b>

## MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

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

#### (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 Deeds of the Fund.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements. Liquid assets comprise cash at bank and deposits with a licensed financial institution which are capable of being converted into cash within 7 days.

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:

	<b>Less than 1 month RM</b>	<b>More than 1 month RM</b>	<b>Total RM</b>
<b>2025</b>			
<b>Financial liabilities</b>			
Amount due to Manager	159,205	-	159,205
Amount due to Trustee	16,700	-	16,700
Distribution payable	5,582,810	-	5,582,810
Other payables and accruals	21,323	-	21,323
<b>Total undiscounted financial liabilities</b>	<b>5,780,038</b>	<b>-</b>	<b>5,780,038</b>
<b>2024</b>			
<b>Financial liabilities</b>			
Amount due to Manager	136,307	-	136,307
Amount due to Trustee	13,316	-	13,316
Distribution payable	3,739,643	-	3,739,643
Other payables and accruals	16,008	-	16,008
<b>Total undiscounted financial liabilities</b>	<b>3,905,274</b>	<b>-</b>	<b>3,905,274</b>

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.

## **MAYBANK FINANCIAL INSTITUTIONS INCOME FUND**

### **20. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and generate higher returns the prescribed benchmark as indicated in its 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 cancellation requests as they arise; and
- (d) To maintain sufficient fund size to ensure that the operations of the Fund are cost-efficient.

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