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MAYBANK MALAYSIA VALUE FUND

(formerly known as MAYBANK VALUE TRUST FUND)

Annual report
For the financial year ended 31 August 2020

CORPORATE INFORMATION

MANAGER

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MAYBANK MALAYSIA VALUE FUND
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MAYBANK MALAYSIA VALUE FUND
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Manager's report
For the financial year ended 31 August 2020

A. Fund Information

1. Name of the Fund

Maybank Malaysia Value Fund (formerly known as Maybank Value Trust Fund) ("the Fund")

2. Type of Fund

Growth

3. Category of Fund

Equity

4. Classes of Units

Classes of units	Currency Denomination	Categories of Investors	Distribution Policy
Class A-MYR	RM (Ringgit Malaysia)	Retail	Distribution of income
Class C-MYR	RM (Ringgit Malaysia)	Institutional	Distribution of income
Class B-USD	USD (United States Dollar)	Retail	Accumulation of units
Class C-USD	USD (United States Dollar)	Institutional	Distribution of income

5. Duration of the Fund

The Fund is an open-ended fund.

6. Launch date / commencement date / termination date

Classes of units	Launch date	Commencement date	Termination date
Class A-MYR	7 January 2003	28 January 2003	N/A
Class C-MYR	21 August 2013	11 September 2013	
Class B-USD	21 August 2013	11 September 2013	
Class C-USD	21 August 2013	11 September 2013	
Class B-SGD	9 January 2013	30 January 2013	23 December 2019
Class A-JPY	19 November 2012	10 December 2012	
Class B-JPY	13 September 2013	4 October 2013	

7. Fund's investment objective

The Fund seeks to provide investors with capital growth through investments in securities that are trading at a discount to their intrinsic values, while minimising the risk in the medium to long term.

MAYBANK MALAYSIA VALUE FUND
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Manager's report

For the financial year ended 31 August 2020 (cont'd)

A. Fund Information (cont'd)

8. Fund distribution policy

It is not the main objective of the Fund to distribute income as the main focus of the Fund is to secure capital growth in line with the performance of the Fund's benchmark.

- For Classes with distribution of income policy, income distribution (if any) is declared at the end of the financial year of the Fund or for any other specified period at the Manager's discretion, subject to Trustee's approval. Upon declaring the income distribution, the NAV per unit will reduce accordingly.
- For Classes with accumulation of units policy, no income distribution will be made. However, the value of the unitholders' investment may increase/decrease as reflected in the increase/decrease in the NAV per unit.

Distribution will be made from realised income and realised gains of the Fund.

9. Fund's performance benchmark

FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI")

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

The principal activity of the Fund is to invest between 70% to 98% of the Fund's NAV in equities, and between 2% to 30% of the Fund's assets in cash or fixed income instruments (or a combination of both).

The Fund may also invest up to 25% of its NAV in Asia Pacific markets. The Fund may also invest in stocks that derive the majority of their revenue from the Asia Pacific markets.

11. Net income distribution for the financial year ended 31 August 2020

The Fund did not declare any distribution during the financial year ended 31 August 2020.

12. Breakdown of unitholdings by size

Fund size

As at 31 August 2020, the size of the Fund was 941,695,991 units.

Units in circulation by Class of Units (units)	2020 Units	2019 Units
Class A-MYR	455,160,826	572,568,769
Class C-MYR	486,510,396	486,510,396
Class B-USD	4,269	4,269
Class C-USD	20,500	20,500
Class B-SGD	-	5,250
Class A-JPY	-	200
Class B-JPY	-	554
Total	941,695,991	1,059,109,938

* Class B-SGD, Class A-JPY and Class B-JPY were terminated on 23 December 2019.

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Manager's report

For the financial year ended 31 August 2020 (cont'd)

A. Fund Information (cont'd)

12. Breakdown of unitholdings by size (cont'd)

Breakdown of unitholdings by Class of Units as at 31 August 2020

Class A-MYR

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	611	9.19	2,030	0.45
5,001 to 10,000 units	820	12.33	6,199	1.36
10,001 to 50,000 units	3,207	48.22	83,343	18.31
50,001 to 500,000 units	1,943	29.21	242,166	53.20
500,001 units and above	70	1.05	121,423	26.68
Total	6,651	100.00	** 455,161	100.00

** Included units held under Institutional Unit Trust Scheme Advisers ("IUTA")

Class C-MYR

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	-	-	-	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	4	100.00	486,510	100.00
Total	4	100.00	486,510	100.00

Class B-USD

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	100.00	4	100.00
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	-	-	-	-
Total	1	100.00	4	100.00

Class C-USD

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	-	-	-	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	1	100.00	* 21	100.00
50,001 to 500,000 units	-	-	-	-
500,001 units and above	-	-	-	-
Total	1	100.00	21	100.00

* Represent 20,500 units held by the Manager

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Manager's report

For the financial year ended 31 August 2020 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	FY 2020	FY 2019	FY 2018
Portfolio composition			
Quoted equities - local			
- Construction	3.95	5.90	0.13
- Consumer Products	6.34	12.04	4.27
- Energy	3.23	6.23	-
- Finance	8.48	13.62	27.94
- Healthcare	4.08	4.48	-
- Industrial Products	14.02	6.42	10.57
- Plantation	4.17	-	7.93
- Properties	1.02	0.68	4.55
- Real Estate Investment Trusts ("REITs")	-	6.25	-
- Technology	16.12	5.26	2.10
- Telecommunications and Media	2.09	5.86	5.79
- Transport	2.10	2.14	4.61
- Utilities	6.72	5.57	7.68
Quoted equities - foreign			
- Hong Kong	-	1.02	6.49
- Indonesia	-	-	1.61
- Singapore	11.77	10.22	3.08
Cash and other net assets	15.91	14.32	13.25
Total (%)	100.00	100.00	100.00

Class A-MYR

NAV (RM'000)	132,233	162,472	215,210
Units in circulation (units'000)	455,161	572,569	664,305
NAV per unit (RM)	0.2905	0.2838	0.3240
Highest NAV per unit (RM)	0.2949	0.3251	0.3470
Lowest NAV per unit (RM)	0.2053	0.2753	0.3023
Net income distributed (RM'000)	-	12,885	-
Distribution date	-	30/9/2018	-
Gross distribution per unit (sen)	-	2.00	-
Net distribution per unit (sen)	-	1.99	-
Annual return (%) ⁽¹⁾			
- Capital growth (%)	2.40	(12.41)	(0.37)
- Income distribution (%)	-	6.56	-
Total return (%)	2.40	(6.66)	(0.37)

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For the financial year ended 31 August 2020 (cont'd)

B. Performance Review (cont'd)

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

Category	FY 2020	FY 2019	FY 2018
Class C-MYR			
NAV (RM'000)	161,258	157,191	168,288
Units in circulation (units'000)	486,510	486,510	453,990
NAV per unit (RM)	0.3315	0.3231	0.3707
Highest NAV per unit (RM)	0.3364	0.3721	0.3965
Lowest NAV per unit (RM)	0.2340	0.3132	0.3458
Net income distributed (RM'000)	-	11,288	-
Distribution date	-	30/9/2018	-
Gross distribution per unit (sen)	-	2.50	-
Net distribution per unit (sen)	-	2.49	-
Annual return (%) ⁽¹⁾			
- Capital growth (%)	2.60	(12.84)	(0.16)
- Income distribution (%)	-	7.20	-
Total return (%)	2.60	(6.56)	(0.16)
Class B-USD			
NAV (RM)	13,550	13,237	33,118
Units in circulation (units)	4,269	4,269	10,000
NAV per unit (USD)	0.7624	0.7377	0.8062
Highest NAV per unit (USD)	0.7754	0.8047	1.0171
Lowest NAV per unit (USD)	0.5086	0.7211	0.7652
Annual return (%) ⁽¹⁾			
- Capital growth (%)	3.36	(8.50)	(7.24)
- Income distribution (%)	-	-	-
Total return (%)	3.36	(8.50)	(7.24)
Class C-USD			
NAV (RM)	70,440	68,667	73,519
Units in circulation (units)	20,500	20,500	20,500
NAV per unit (USD)	0.8254	0.7970	0.8730
Highest NAV per unit (USD)	0.8383	0.8715	0.9890
Lowest NAV per unit (USD)	0.5501	0.7779	0.8284

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For the financial year ended 31 August 2020 (cont'd)

B. Performance Review (cont'd)

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

Category	FY 2020	FY 2019	FY 2018
Class C-USD (cont'd)			
Annual return (%) ⁽¹⁾			
- Capital growth (%)	3.58	(8.71)	3.39
- Income distribution (%)	-	-	-
Total return (%)	3.58	(8.71)	3.39
Management Expense Ratio ("MER") (%) ⁽²⁾	1.61	1.54	1.63
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	1.04	0.80	0.69

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.

Notes:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The Fund's MER increased to 1.61% in the current financial year ended 31 August 2020.
- (3) The Fund's PTR increased to 1.04 times which was mainly due to higher investing activities during the financial year ended 31 August 2020.
- (4) Class B-SGD, Class A-JPY and Class B-JPY were terminated on 23 December 2019. The audited report following the termination of these classes of units (i.e. from 1 September 2019 to 23 December 2019) have been distributed to the unitholders in February 2020.

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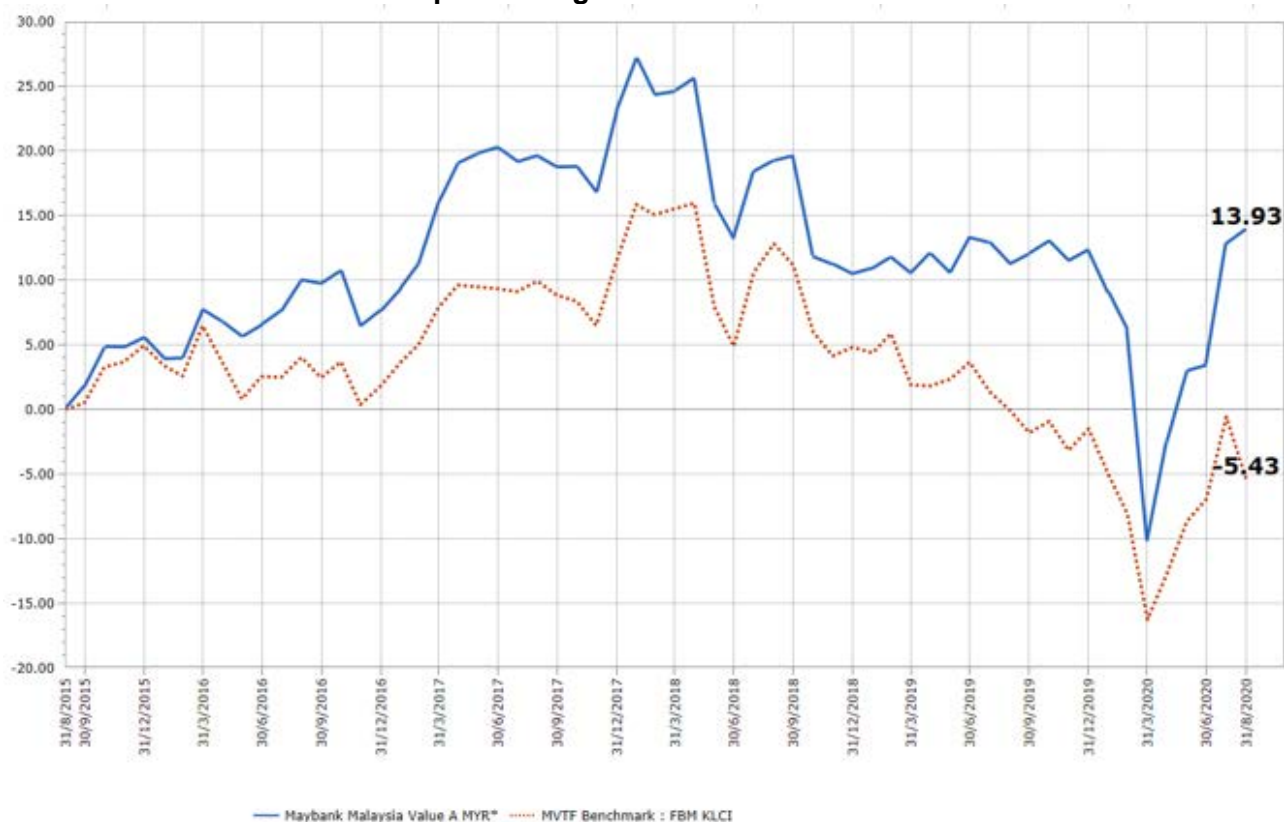
B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2020

Class A-MYR

Category	1 year to 31.08.2020 %	3 years to 31.08.2020 %	5 years to 31.08.2020 %
Capital growth	2.40	(15.82)	(24.40)
Income distribution	-	13.13	50.70
Total return of the Class	2.40	(4.76)	13.93
Benchmark	(5.39)	(13.98)	(5.43)
Average total return	2.40	(1.61)	2.64

Performance of Class A-MYR up to 31 August 2020



Source: Lipper

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For the financial year ended 31 August 2020 (cont'd)

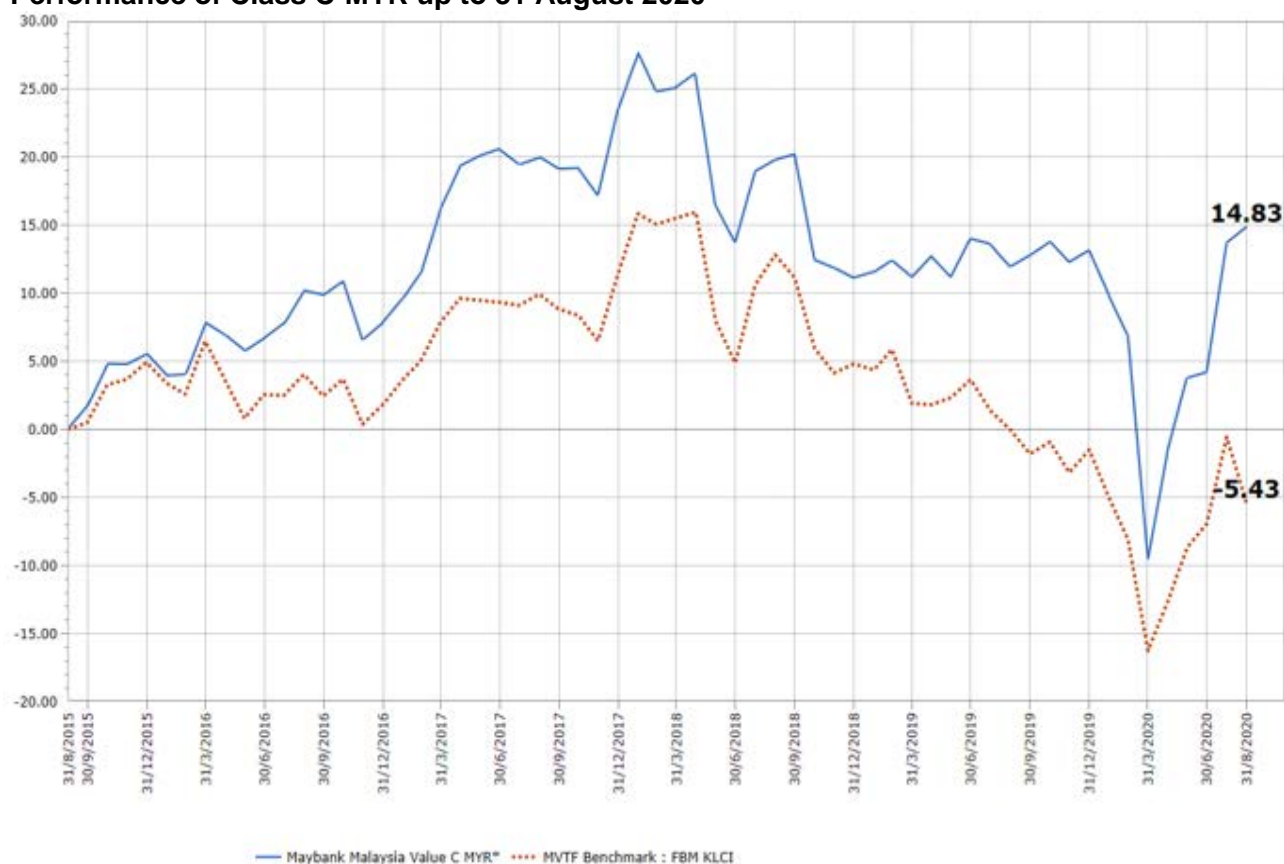
B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2020 (cont'd)

Class C-MYR

Category	1 year to 31.08.2020 %	3 years to 31.08.2020 %	5 years to 31.08.2020 %
Capital growth	2.60	(10.72)	(11.76)
Income distribution	-	7.20	30.14
Total return of the Class	2.60	(4.29)	14.83
Benchmark	(5.39)	(13.98)	(5.43)
Average total return	2.60	(1.45)	2.80

Performance of Class C-MYR up to 31 August 2020



Source: Lipper

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 For the financial year ended 31 August 2020 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2020 (cont'd)

Class B-USD

Category	1 year to 31.08.2020 %	3 years to 31.08.2020 %	5 years to 31.08.2020 %
Capital growth	3.36	(12.27)	3.52
Income distribution	-	-	-
Total return of the Class	3.36	(12.27)	3.52
Benchmark	(4.48)	(11.81)	(4.64)
Average total return	3.36	(4.26)	0.69

Performance of Class B-USD up to 31 August 2020



Source: Lipper

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For the financial year ended 31 August 2020 (cont'd)

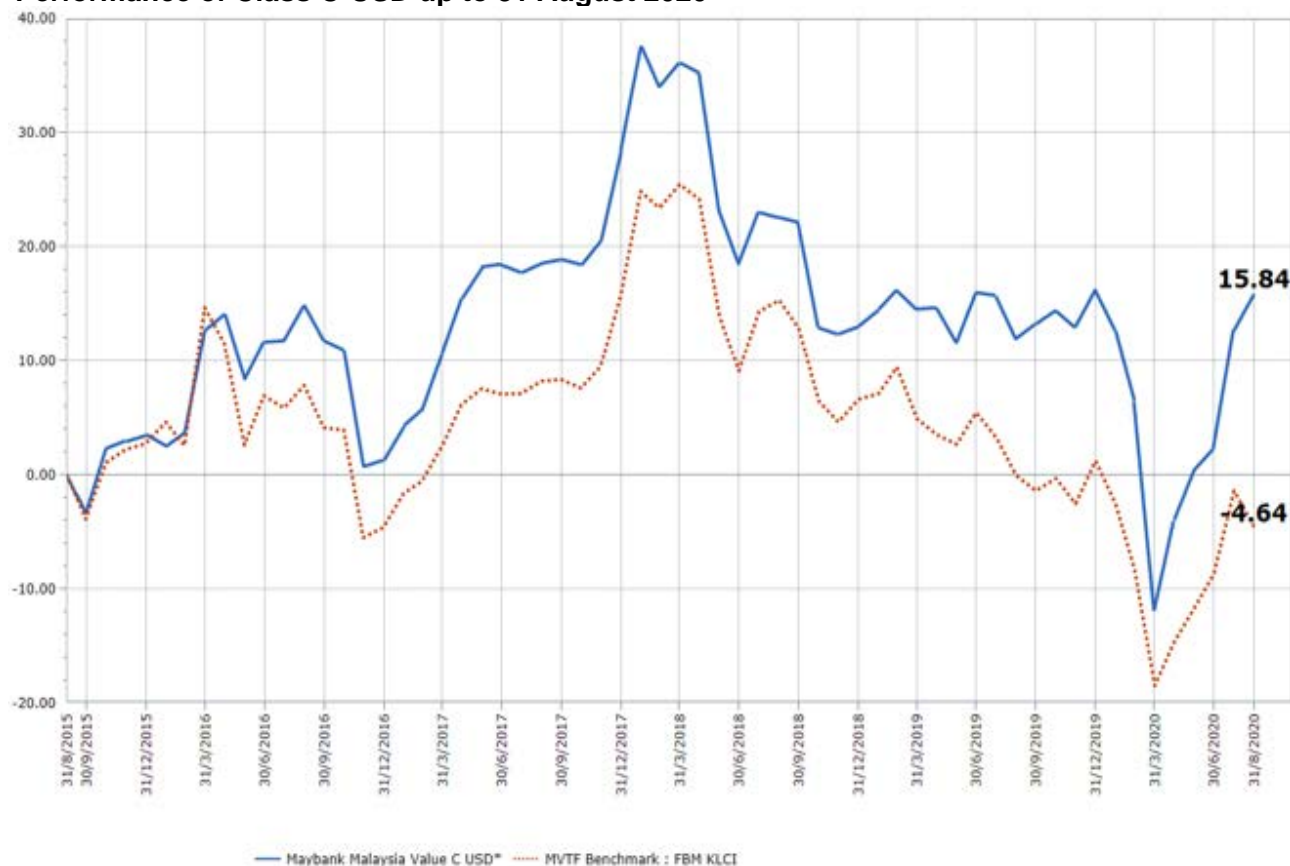
B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2020 (cont'd)

Class C-USD

Category	1 year to 31.08.2020 %	3 years to 31.08.2020 %	5 years to 31.08.2020 %
Capital growth	3.58	(2.24)	13.16
Income distribution	-	-	2.37
Total return of the Class	3.58	(2.24)	15.84
Benchmark	(4.48)	(11.81)	(4.64)
Average total return	3.58	(0.75)	2.98

Performance of Class C-USD up to 31 August 2020



Source: Lipper

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For the financial year ended 31 August 2020 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2020 (cont'd)

For the financial year under review, all Classes of Units of the Fund outperformed its benchmark returns. Class A-MYR and Class C-MYR registered returns of 2.40% and 2.60% respectively, outperforming the benchmark of -5.39%. Class B-USD and Class C-USD registered returns of 3.36% and 3.58% respectively, outperforming the benchmark of -4.48%.

The top 3 reasons for the Fund's outperformance are its (i) overweight position in information technology which continue to perform on anticipated recovery in demand, (ii) underweight position in banks which did not performed dragged down by interest margin squeeze and loan provisions, and (iii) underweight position in communication services which did not perform due to the highly competitive operating environment. The Fund's good stock selection in this sector (Time dotCom and Telekom) however contributed positively to the Fund.

Has the Fund met its objective?

For the period under review, the Fund has met its objective of capital growth by registering a gain of even though market conditions were volatile and chalk a negative return.

3. Annual total return of Class of Units

Class A-MYR

For the financial year ended	2020 %	2019 %	2018 %	2017 %	2016 %
Capital growth	2.40	(12.41)	(0.37)	(4.99)	(26.47)
Income distribution	-	6.56	-	14.95	10.99
Total return	2.40	(6.66)	(0.37)	9.96	(15.48)
Benchmark	(5.39)	(11.40)	2.62	4.05	(13.58)

Class C-MYR

For the financial year ended	2020 %	2019 %	2018 %	2017 %	2016 %
Capital growth	2.60	(12.84)	(0.16)	2.00	(3.11)
Income distribution	-	7.20	-	6.87	13.30
Total return	2.60	(6.56)	(0.16)	8.87	10.19
Benchmark	(5.39)	(11.40)	2.62	5.67	4.05

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For the financial year ended 31 August 2020 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of Class of Units (cont'd)

Class B-USD

For the financial year ended	2020 %	2019 %	2018 %	2017 %	2016 %
Capital growth	3.36	(8.50)	(7.24)	2.97	14.58
Income distribution	-	-	-	-	-
Total return	3.36	(8.50)	(7.24)	2.97	14.58
Benchmark	(4.48)	(13.43)	6.64	0.35	7.76

Class C-USD

For the financial year ended	2020 %	2019 %	2018 %	2017 %	2016 %
Capital growth	3.58	(8.71)	3.39	0.80	14.83
Income distribution	-	-	-	2.39	-
Total return	3.58	(8.71)	3.39	3.19	14.83
Benchmark	(4.48)	(13.43)	6.64	0.35	7.76

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.

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

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For the financial year ended 31 August 2020 (cont'd)

C. Market Review

During the period under review, most equity markets posted mixed performances. With United States ("US") hitting new highs in year 2020, the Dow Jones and Standard & Poor's 500 Index ("S&P 500") registered positive returns of 7.7% and 19.6% respectively for the period. However, Euro Stoxx 50 registered a loss of 4.5% for the period. Regionally, markets were mixed as well, with China, Japan and Taiwan up at 17.7%, 11.8% and 18.6% respectively but the other markets were down with Philippines being the biggest loser, down 26.3%, followed by Thailand -20.8%, Singapore -18.5%, Indonesia -17.2%, and Hong Kong -2.1%.

Markets were mainly volatile in the later part of 2019 as investors focused on developments of the trade deal between the US and China. The persistent on-off tit-for-tat tariff translates to volatility and poor visibility on the trade progress. Political and trade tensions also sparked in other nations, with Saudi Arabia oil plant being attacked by drones, Japan announcing that it has removed South Korea from the whitelist of trusted trade partners and anti-government protests happening in Hong Kong.

Entering into year 2020, markets started off with a bang, with momentum from end 2019 propelling equity markets up. The signing of the "Phase 1" US-China trade deal proceeded as widely expected. In addition, better macroeconomic data helped with many manufacturing indicators showing signs of bottoming. Generally good results from technology companies also provided a boost. However, towards the end of the month there was a sharp reversal as a new strain of coronavirus originating from the city of Wuhan in China started spreading, causing a disease named COVID-19. By 11 March 2020, the COVID-19 outbreak has been declared a global pandemic, which led to massive global sell down across all asset classes globally. The market sell-off was remarkable in terms of velocity, magnitude and breadth with sharp declines triggering circuit breakers multiple times in many markets. Fears of a global recession deepened as travel restrictions, lockdowns and social distancing measures took a toll on supply chains, consumption and employment.

Following the sharpest decline since the Global Financial Crisis ("GFC") in March 2020 where equity markets dropped by 20-30%, subsequent months saw a strong recovery in the financial markets. The recovery was triggered by the massive fiscal stimulus by Governments around the world and the monetary measures by the US Federal Reserve ("Fed"). In addition, investors were relieved from reopening of the economy in several key countries as well as the enhanced stimulus measures by governments and central banks worldwide. The anticipation of easing lockdown measures buoyed market sentiment as did the news that an anti-viral drug, Remdesivir, appeared to be a viable treatment option for COVID-19.

May 2020 saw a continuation of April 2020 rebound across all markets as lockdown measures around the world are gradually lifted and production constraints eases. Investors were also pricing in expectations of a significant recovery in corporate earnings in second half of 2020. In addition, liquidity from continuous stimulus packages announced by governments and central bankers around the world also helped to sustain the rally. The rally continued through to June 2020 as economies continued to re-open and some economic data points emerged better-than-feared. However, in July 2020 to August 2020, there were signs that the rally might be losing steam as investors began to contemplate on the benefits of reopening the economy against worries that such a move will lead to fresh waves of COVID-19 infections. In addition, markets started to see renewed tension between China and the US, centred on the former's imposition of a new national security law on Hong Kong. Some markets closed down in the month of July 2020 to August 2020.

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For the financial year ended 31 August 2020 (cont'd)

C. Market Review (cont'd)

Domestically, the large cap FBM KLCI closed -5.4% for the period, while the broader market FBM Emas Index also posted a loss of 2.3%. However, the FBM SmallCap Index managed to register a positive return of 6.4% for the period, mainly driven by a strong interest in the retail participation. Malaysia began the Movement Control Order ("MCO") in March 2020 to stem the rising COVID-19 cases and announced a stimulus package worth RM250 billion (17% of Gross Domestic Product) to help cushion the blow from the pandemic. During the period under review, the Bank Negara Malaysia ("BNM") has cut the policy rate four times (January 2020, March 2020, May 2020 and July 2020) to 1.75% as well as other measures such as an automatic 6-month moratorium on loan repayments. In addition to the COVID-19 pandemic, the local market's sell down was exacerbated by a change in government at the end of February 2020 without going through an election, causing political uncertainties. This was achieved when several political parties joined forces to form a new government called Perikatan Nasional by claiming majority seats in the Dewan Rakyat, the lower chamber of the Parliament of Malaysia. For the period, foreign funds have taken out RM24.1 billion net worth of equities with a massive outflow in the month of March 2020 amounting to RM5.5 billion.

Earnings continue to see absolute downward revisions following the release of second quarter financial year 2020 corporate results in August 2020, which was exacerbated by the full impact of the business closures due to the lockdown in Malaysia as well the poorer outlook of the economy. Not surprising, earnings disappointment came from consumer discretionary, oil & gas, transportation (e.g. AirAsia, Malaysia Airports), retails and Gaming. On the other hand, positive earnings came from the glove sector resulting from the strong demand in the sector amidst the current climate.

D. Market Outlook & Strategy

There appears to be a disconnect between the financial markets and economic reality with markets rallying off March 2020 low despite the uncertainty, due to the supportive liquidity environment. In the recent months, the positive momentum in financial markets continues to be driven by liquidity and sentiment but the breadth of the rally has been narrowed. Due to the global nature of COVID-19, governments must act together to contain the COVID-19 so that a reopening of the global economy can be coordinated, leading to a synchronised upswing in the economy. Unfortunately, containment has been an issue in some parts of the world, especially the West. Relatively, Asia has done better than the West in containing COVID-19 with China, Taiwan and Korea leading the way with the opening of the economy. However, Asia is still heavily dependent on the export markets to the Europe and the US. Therefore, a quick return to normalcy is unlikely and the recovery will be a more gradual and uneven process. While there has been some recovery in economic activity post lockdowns, the global economy still remains weak with countries continuing to battle the COVID-19 pandemic. Investors should be mindful of geopolitical risks as the US-China relations continue to deteriorate and the upcoming US Presidential elections may pose an additional risk.

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Manager's report

For the financial year ended 31 August 2020 (cont'd)

D. Market Outlook & Strategy (cont'd)

Strategy wise, we have been rather defensive in terms of selection and have been holding more cash during the COVID-19 pandemic outbreak. We have been slowly increasing our equity exposure to benefit from the liquidity driven rally, but continue to be cautious as valuations seemed stretched. In terms of positioning, we continue to have exposure in high yielding companies to anchor the portfolio to weather market volatility which includes stocks in the Real Estate Investment Trusts ("REITs") sector that offer relative defensiveness in times of uncertainties. In addition, we have reduced our oil & gas exposure due to lower demand resulting from the pandemic whilst supply remain on the high side. Sectors that we are interested in with a longer term view are technology, electronic manufacturing services and selected construction companies. We continue to believe that Malaysia is well positioned to face volatility as market liquidity is ample, represented by the large pension funds, life insurance and other institutional investors.

E. Significant Changes in The State of Affairs of the Fund

The following changes have occurred during the current financial year:

- The name of the Fund has been changed to Maybank Malaysia Value Fund; and
- Termination of Class B-SGD, Class A-JPY & Class B-JPY effective 23 December 2019. The audited report following the termination of these classes of units (i.e. from 1 September 2019 to 23 December 2019) have been distributed to the unitholders in February 2020.

F. Significant financial risk of the Fund

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

The Fund is a multi-class fund. The Fund's currency risk at portfolio level means the impact of the exchange rate movement between the base currency of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of the Fund. Meanwhile at Class level, the impact of the exchange rate movement between the base currency of the Fund and the currency of the respective Classes may result in a depreciation of the investor's holdings as expressed in the base currency of the Fund.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

Manager's report
For the financial year ended 31 August 2020 (cont'd)

G. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions and rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the 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 year ended 31 August 2020, 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 MALAYSIA VALUE FUND (formerly known as MAYBANK VALUE TRUST FUND)

We have acted as Trustee of Maybank Malaysia Value Fund (formerly known as Maybank Value Trust Fund) ("the Fund") for the financial year ended 31 August 2020. To the best of our knowledge, Maybank Asset Management Sdn Bhd ("the Management Company"), has operated and managed the Fund in accordance with the following:-

- a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring
Kuala Lumpur
14 October 2020

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)**

We, Dr Hasnita Binti Dato' Hashim and Ahmad Najib Bin Nazlan, 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 as set out on pages 23 to 69 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Malaysia Value Fund (formerly known as Maybank Value Trust Fund) as at 31 August 2020 and of its results, changes in net assets and cash flows for the financial year ended 31 August 2020 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Director

Ahmad Najib bin Nazlan
Director

Kuala Lumpur, Malaysia
14 October 2020

**Independent auditors' report to the Unitholders of
Maybank Malaysia Value Fund
(Formerly known as Maybank Value Trust Fund)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Malaysia Value Fund (formerly known as Maybank Value Trust Fund) (the "Fund"), which comprise the statement of financial position as at 31 August 2020 of the Fund, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the financial year ended 31 August 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 23 to 69.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2020, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

Maybank Asset Management Sdn Bhd, (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 which is expected to be made available to us after the date of this auditors' report.

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 Malaysia Value Fund
(Formerly known as Maybank Value Trust Fund) (cont'd)**

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

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

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

Responsibilities of the Manager and Trustee for the financial statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so. As disclosed in Note 2.1 to the financial statements, the financial statements have been prepared on a basis other than of a going concern.

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 Malaysia Value Fund
(Formerly known as Maybank Value Trust Fund) (cont'd)**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. As described in Note 2.1 to the financial statements, the financial statements have been prepared on a basis other than of 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 Malaysia Value Fund
(Formerly known as Maybank Value Trust Fund) (cont'd)**

Other matters

This report is made solely to the Unit Holders 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
03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
14 October 2020

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	Note	2020 RM	2019 RM (Restated)
INVESTMENT INCOME			
Dividend income		8,225,308	11,105,867
Interest income		912,050	1,255,811
Net gain/(loss) from investments on financial assets at fair value through profit or loss ("FVTPL"):	7(c)		
- Realised loss		(12,983,311)	(24,426,324)
- Unrealised gain/(loss)		16,896,771	(7,634,323)
Net (loss)/gain on foreign exchange and forward contracts	3	(270,714)	1,210,495
		<u>12,780,104</u>	<u>(18,488,474)</u>
EXPENSES			
Manager's fee	4	4,017,962	4,812,817
Trustee's fee	5	230,442	273,576
Auditor's remuneration		16,728	5,000
Tax agent's fee		4,271	4,250
Brokerage and other transaction fees		1,149,240	1,230,655
Administrative expenses		367,384	155,372
		<u>5,786,027</u>	<u>6,481,670</u>
Net income/(loss) before distribution and taxation		6,994,077	(24,970,144)
Distribution to unitholders	2.8		
Class A-MYR	15(a)	-	(12,884,583)
Class C-MYR	15(b)	-	(11,288,030)
		-	<u>(24,172,613)</u>
Net income/(loss) before tax		6,994,077	(49,142,757)
Taxation	6	(49,073)	(195,199)
Net income/(loss) after tax, which is the total comprehensive income/(loss) for the financial year		<u>6,945,004</u>	<u>(49,337,956)</u>
Net income/(loss) after tax is made up of the following:			
Realised loss		(10,048,329)	(41,527,836)
Unrealised income/(loss)		16,993,333	(7,810,120)
		<u>6,945,004</u>	<u>(49,337,956)</u>

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONT'D)

	Note	2020 RM	2019 RM
Distributions for the financial year:			
Class A-MYR			
Net distribution for the year	15	-	12,884,583
Gross distribution per unit (sen)	15	-	2.00
Net distribution per unit (sen)	15	-	1.99
Distribution date	15	-	<u>30 Sept 2018</u>
Class C-MYR			
Net distribution for the year	15	-	11,288,030
Gross distribution per unit (sen)	15	-	2.50
Net distribution per unit (sen)	15	-	2.49
Distribution date	15	-	<u>30 Sept 2018</u>

The Fund did not declare any distribution for Class B-USD, Class C-USD, Class B-SGD, Class A-JPY and Class B-JPY during the current and previous financial year.

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

	Note	2020 RM	2019 RM
ASSETS			
Financial assets at FVTPL	7	249,817,384	274,281,249
Deposits with licensed financial institutions	8	33,411,040	45,697,488
Dividend receivable		206,157	293,983
Interest receivable		6,161	7,262
Amount due from brokers	12	11,939,895	2,778,335
Amount due from Manager	9	188	188
Cash at banks	10	3,228,829	2,274,545
TOTAL ASSETS		<u>298,609,654</u>	<u>325,333,050</u>
LIABILITIES			
Amount due to Manager	9	1,804,683	946,496
Amount due to Trustee	11	19,893	21,963
Amount due to brokers	12	3,198,544	4,261,198
Other payables and accruals	13	14,703	84,525
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>5,037,823</u>	<u>5,314,182</u>
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS		<u>293,571,831</u>	<u>320,018,868</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders' contribution	14(a)	285,396,821	318,813,497
Retained earnings	14(b) & (c)	8,175,010	1,205,371
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>293,571,831</u>	<u>320,018,868</u>

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020 (CONT'D)

NAV BY CLASS	Note	2020 RM	2019 RM
Class A-MYR		132,232,066	162,471,886
Class C-MYR		161,255,775	157,191,068
Class B-USD		13,550	13,237
Class C-USD		70,440	68,667
Class B-SGD *		-	7,500
Class A-JPY *		-	81,730
Class B-JPY *		-	184,780
		293,571,831	320,018,868
NUMBER OF UNITS IN CIRCULATION (UNITS)	14(a)	No of units	No of units
Class A-MYR		455,160,826	572,568,769
Class C-MYR		486,510,396	486,510,396
Class B-USD		4,269	4,269
Class C-USD		20,500	20,500
Class B-SGD *		-	5,250
Class A-JPY *		-	200
Class B-JPY *		-	554
		941,695,991	1,059,109,938
NAV PER UNIT			
Class A-MYR		RM 0.2905	RM 0.2838
Class C-MYR		RM 0.3315	RM 0.3231
Class B-USD		USD 0.7624	USD 0.7377
Class C-USD		USD 0.8254	USD 0.7970
Class B-SGD *		-	SGD 0.4716
Class A-JPY *		-	JPY 10,322
Class B-JPY *		-	JPY 8,425

* Class B-SGD, Class A-JPY and Class B-JPY were terminated on 23 December 2019.

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	Unitholders' contribution Note 14 (a) RM	Retained earnings Note 14 (b) & (c) RM	Total equity RM
At 1 September 2018	333,379,907	50,543,327	383,923,234
Total comprehensive loss for the financial year	-	(49,337,956)	(49,337,956)
Creation of units	973,901	-	973,901
Reinvestment of units	24,172,614	-	24,172,614
Cancellation of units	(39,712,925)	-	(39,712,925)
At 31 August 2019	<u>318,813,497</u>	<u>1,205,371</u>	<u>320,018,868</u>
At 1 September 2019	318,813,497	1,205,371	320,018,868
Total comprehensive income for the financial year	-	6,945,004	6,945,004
Creation of units	493,140	-	493,140
Cancellation of units	(33,885,181)	-	(33,885,181)
Transferred from retained earnings to unitholders contribution upon termination of Class B-SGD, Class A-JPY and Class B-JPY	(24,635)	24,635	-
At 31 August 2020	<u>285,396,821</u>	<u>8,175,010</u>	<u>293,571,831</u>

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	2020	2019
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from disposal of investments at FVTPL	306,798,517	285,314,215
Net payment for purchase of investments at FVTPL	(290,013,015)	(260,396,827)
Dividends received	8,217,623	11,097,084
Interest income received	913,107	1,254,373
Net realised loss on forward foreign exchange contracts	-	(255,200)
Manager's fee paid	(4,057,189)	(4,985,984)
Trustee's fee paid	(232,512)	(267,509)
Payment of other fees and expenses	(408,154)	(143,050)
Net tax refund/(paid)	47,629	(3,141)
Net cash generated from operating and investing activities	<u>21,266,006</u>	<u>31,613,961</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	493,236	973,713
Cash paid on units cancelled	(32,986,256)	(39,495,432)
Net cash used in financing activities	<u>(32,493,020)</u>	<u>(38,521,719)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR	(11,227,014)	(6,907,758)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	47,972,033	54,392,999
Effects of foreign exchange	(105,150)	486,792
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>36,639,869</u>	<u>47,972,033</u>
Cash and cash equivalents comprise :		
Cash at banks (Note 10)	3,228,829	2,274,545
Deposit with licensed financial institutions with maturity of less than 3 months (Note 8)	33,411,040	45,697,488
	<u>36,639,869</u>	<u>47,972,033</u>

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Malaysia Value Fund (formerly known as Maybank Value Trust Fund) ("Fund") was constituted pursuant to the executed Deed dated 4 December 2002 between Amanah Mutual Berhad as the Manager and HSBC (Malaysia) Trustee Berhad as the Trustee and the Registered Holders of the Fund. The following Supplemental Deeds have been issued between AMB and the Trustee:

- First supplemental deed dated 12 March 2012
- Second supplemental deed dated 20 June 2012
- Third supplemental deed dated 27 January 2016

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

Subsequently, MAM and the Trustee has entered into the Fourth supplemental deed dated 4 September 2018 and Fifth supplemental deed dated 11 July 2019. The Deed and Supplemental Deeds are subsequently referred to as 'Deeds'.

Prior to 23 December 2019, the Fund had 7 Classes of Units namely Class A-MYR, C-MYR, B-USD, C-USD, B-SGD, A-JPY and B-JPY. Effective 23 December 2019, Class B-SGD, Class A-JPY and Class B-JPY were terminated and removed from the Replacement Master Prospectus dated 17 January 2020.

The Fund seeks to provide investors with capital growth through investments in securities that are trading at a discount to their intrinsic values, while minimising the risk in the medium to long term. Up to 25% of the Fund's NAV may also be invested in the Asia Pacific markets. The Fund may also invest in stocks that derive the majority of their revenue from the Asia Pacific markets.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services License with fund management as its regulated activity under the Capital Markets and Services Act 2007 ("CMSA"). The principal place of business of MAM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

The financial statements were authorised for issue by the Board of Directors of the Manager (the "Directors") in accordance with a resolution of the Directors on 14 October 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("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.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

2.1 Basis of preparation (cont'd)

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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

All amounts are stated in Ringgit Malaysia ("RM") except for the NAV per unit for non-MYR classes which are stated in Singapore Dollar ("SGD"), United States Dollar ("USD") or Japanese Yen ("JPY").

2.2 Standards and amendments issued but not yet effective

The following are Standards, Amendments to Standards and Interpretations 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
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139: <i>Interest Rate Benchmark Reform</i>	1 January 2020
MFRS 17: <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2.3 Financial instruments

Financial assets and 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 FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at FVTPL are recognised immediately in profit or loss.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

2.4 Financial assets

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

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

(i) Financial assets at amortised cost

Unless designated 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.

The Fund classifies cash and cash equivalents, interest receivable, dividend receivable, amounts due from brokers and Manager, financial assets at amortised cost. These assets are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. The EIR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the interest income in profit or loss over the relevant period.

(ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

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.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

2.4 Financial assets (cont'd)

(ii) Financial assets at FVTPL

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.

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

Dividend income on investments in equity instruments at FVTPL is recognised in profit and loss when the Fund's right to receive the dividends is established in accordance with MFRS 9 and is disclosed separately in the profit and loss.

(iii) Impairment of financial assets

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

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

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

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

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

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

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

2.4 Financial assets (cont'd)

(iv) Derecognition of financial assets

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

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

On derecognition of financial 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 liabilities. The Fund classifies amount due to Trustee, amount due to Manager, amount due to brokers, and other payables and accruals as other financial liabilities.

(ii) Recognition and measurement

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

(ii) Derecognition of financial liabilities

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

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.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

2.6 Fair value measurement (cont'd)

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

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

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

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

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

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 Unitholders' contribution

The unitholders' contribution to the Fund are classified as liabilities under MFRS 132 *Financial Instruments: Presentation* as they are puttable instruments whereby the unitholders have the right to redeem their units in the Fund at their option.

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

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

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

MAYBANK MALAYSIA VALUE FUND
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves and recognised in the statement of comprehensive income except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' contribution. A proposed dividend is recognised as a liability in the period in which it is approved. Distribution is declared at the discretion of the Fund Manager based on the availability of distributable income.

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.

2.9 Cash and cash equivalents

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

2.10 Revenue / Income

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

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

Interest income is recognised using the effective interest rate method.

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

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 the asset.

2.11 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

In some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Fund. The Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income.

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

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

2.12 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.

2.13 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 Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

(b) Foreign currency transactions

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.

2.14 Critical accounting estimates and judgments

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

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

3. NET (LOSS)/GAIN ON FOREIGN EXCHANGE AND FORWARD CONTRACTS

	2020	2019
	RM	RM
Realised foreign exchange (loss)/gain	(367,276)	1,641,492
Unrealised foreign exchange gain/(loss)	96,562	(168,675)
Realised loss on forward contracts	-	(262,322)
	<u>(270,714)</u>	<u>1,210,495</u>

MAYBANK MALAYSIA VALUE FUND
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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.

Share Class	Rate	
	2020	2019
Class A-MYR	1.50%	1.50%
Class C-MYR	1.30%	1.30%
Class B-USD	1.50%	1.50%
Class C-USD	1.30%	1.30%
Class B-SGD *	1.50%	1.50%
Class A-JPY *	1.92%	1.92%
Class B-JPY *	1.92%	1.92%

* Class B-SGD, Class A-JPY and Class B-JPY were terminated on 23 December 2019.

The annual management fee is calculated as a percentage of the NAV of the respective Classes, and accrued on a daily basis.

5. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.08% (2019: 0.08%) p.a. of the NAV of the respective Classes of Units, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM18,000 p.a.

* Class B-SGD, Class A-JPY and Class B-JPY were terminated on 23 December 2019.

6. TAXATION

	2020	2019
	RM	RM
Current income tax expense		
- foreign	96,702	31,814
- local	-	52,122
(Over)/under provision in prior years	(47,629)	111,263
	<u>49,073</u>	<u>195,199</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable income for the financial year. The tax expense 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, interest income and dividend income earned by the Fund is exempted from Malaysian tax. Dividend 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.

MAYBANK MALAYSIA VALUE FUND
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6. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to net income/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2020	2019
	RM	RM
Net income/(loss) before tax	<u>6,994,077</u>	<u>(49,142,757)</u>
Tax at Malaysian statutory rate of 24% (2019:24%)	1,678,578	(11,794,262)
Income not subject to tax	(6,183,220)	(3,257,322)
Loss not deductible for tax purpose	3,115,995	7,694,555
Expenses not deductible for tax purposes	1,388,647	7,357,029
Income tax at source	96,702	83,936
(Over)/under provision in prior years	<u>(47,629)</u>	<u>111,263</u>
Tax expense for the financial year	<u>49,073</u>	<u>195,199</u>

7. FINANCIAL ASSETS AT FVTPL

	Note	2020	2019
		RM	RM
Quoted equities - foreign	(a)	34,558,232	35,990,030
Quoted equities - local	(b)	<u>215,259,152</u>	<u>238,291,219</u>
		<u>249,817,384</u>	<u>274,281,249</u>

2020	Quantity	Aggregate	Market	Percentage
	Unit	cost	value	of NAV
		RM	RM	%
(a) Foreign				
Singapore				
AEM Holdings Ltd	588,100	4,971,992	7,368,244	2.51
Ascendas Real Estate Investment Trust	299,400	2,624,039	3,035,773	1.03
Frasers Logistics and Industrial Trust	806,134	3,002,240	3,333,731	1.14
Frencken Group Ltd	1,740,000	5,711,543	5,010,333	1.71
Mapletree Logistics Trust	520,000	2,372,332	3,281,407	1.12
UMS Holdings Ltd	1,630,000	5,015,357	4,943,247	1.68
Venture Corp Ltd	125,000	6,117,593	7,585,497	2.58

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2020	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Foreign				
Singapore	5,708,634	29,815,096	34,558,232	11.77
Total quoted equities - foreign	5,708,634	29,815,096	34,558,232	11.77
(b) Local				
Construction				
Gabungan AQRS Bhd	4,294,400	4,600,742	3,113,440	1.06
Gamuda Bhd	1,777,900	6,459,555	6,044,860	2.06
IJM Corporation Bhd	2,027,000	4,605,170	2,432,400	0.83
	8,099,300	15,665,467	11,590,700	3.95
Consumer products				
DKSH Holdings Bhd	1,322,900	8,531,786	4,153,906	1.41
Guan Chong Bhd	516,700	1,172,775	1,829,118	0.62
Magnum Bhd	3,452,500	8,219,930	7,699,075	2.62
Power Root Bhd	2,225,600	4,836,097	4,963,088	1.69
	7,517,700	22,760,588	18,645,187	6.34
Energy				
Dialog Group Bhd	750,000	2,416,536	2,692,500	0.92
Serba Dinamik Holdings Bhd	1,992,030	3,599,675	3,605,574	1.23
Yinson Holdings Bhd	500,000	3,131,550	3,160,000	1.08
	3,242,030	9,147,761	9,458,074	3.23
Finance				
CIMB Group Holdings Bhd	1,184,913	5,968,809	3,910,213	1.33
Hong Leong Group Bhd	350,000	5,900,102	4,319,000	1.47

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2020	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Finance (cont'd)				
Malayan Banking Bhd *	651,693	5,507,768	4,776,910	1.63
Public Bank Bhd	316,400	5,822,656	5,195,288	1.77
RHB Bank Bhd	1,458,800	7,684,425	6,681,304	2.28
	<u>3,961,806</u>	<u>30,883,760</u>	<u>24,882,715</u>	<u>8.48</u>
Healthcare				
Kossan Rubber Industries Bhd	<u>749,200</u>	<u>3,684,948</u>	<u>11,972,216</u>	<u>4.08</u>
Industrial Products				
ATA IMS Bhd	2,000,000	3,194,000	3,020,000	1.03
Press Metal Aluminium Holdings Bhd	1,085,000	5,474,693	5,652,850	1.93
SAM Engineering & Equipment (M) Bhd	539,900	4,046,774	3,725,310	1.27
Scientex Bhd	681,700	6,395,199	6,407,980	2.18
SKP Resources Bhd	3,665,900	5,050,743	5,902,099	2.01
Thong Guan Industries Bhd	940,000	4,294,340	5,066,600	1.73
Uchi Technologies Bhd	2,368,900	6,521,612	6,514,475	2.22
VS Industry Bhd	4,189,300	4,675,321	7,875,884	2.68
	<u>13,470,700</u>	<u>39,652,682</u>	<u>44,165,198</u>	<u>14.02</u>
Plantation				
Sarawak Oils Bhd	1,669,000	5,780,788	6,058,470	2.06
TSH Resources Bhd	6,000,000	6,445,200	6,180,000	2.11
	<u>7,669,000</u>	<u>12,225,988</u>	<u>12,238,470</u>	<u>4.17</u>

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2020	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Property				
Matrix Concepts Holdings Bhd	1,696,600	3,203,858	2,986,016	1.02
Technology				
Datasonic Group Bhd	2,000,000	2,980,000	2,640,000	0.90
Globetronics Technology Bhd	3,562,500	8,049,649	9,796,875	3.34
Inari Amerton Bhd	4,880,800	8,088,302	10,981,800	3.74
Malaysian Pacific Industries Bhd	586,200	6,526,090	9,203,340	3.13
My E.G. Services Bhd	2,000,000	3,051,600	2,980,000	1.02
Pentamaster Corporation Bhd	1,391,925	3,875,213	6,639,482	2.26
Vitrox Corp Bhd	420,000	3,817,691	5,082,000	1.73
	<u>14,841,425</u>	<u>36,388,545</u>	<u>47,323,497</u>	<u>16.12</u>
Telecommunications				
Time dotCom Bhd	530,000	5,236,043	6,126,800	2.09
Transportation and Logistics				
Lingkar Trans Kota Holdings Bhd	1,471,100	6,196,344	6,163,909	2.10
Utilities				
Malakoff Corporation Bhd	3,544,600	3,473,426	3,509,154	1.20
Mega First Corporation Bhd	1,191,600	6,179,945	9,246,816	3.15
Tenaga Nasional Bhd	640,000	7,907,525	6,950,400	2.37
	<u>5,376,200</u>	<u>17,560,896</u>	<u>19,706,370</u>	<u>6.72</u>
Total quoted equities - Local	<u>68,625,061</u>	<u>202,606,880</u>	<u>215,259,152</u>	<u>72.32</u>

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2020	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Total quoted equities	74,333,695	232,421,976	249,817,384	84.09
Unrealised gain on quoted equities ***			17,395,408	
 2019				
(a) Foreign				
Singapore				
Ascendas Real Estate Investment Trust	715,000	6,350,480	6,670,904	2.08
DBS Group Holdings Ltd	113,400	8,794,808	8,426,332	2.63
Frasers Commercial Trust	1,364,294	6,805,367	6,777,660	2.12
Mapletree Logistics Trust	1,250,000	5,702,720	5,944,805	1.86
Mapletree North Asia Commercial Trust	1,225,000	5,076,592	4,898,216	1.53
	4,667,694	32,729,967	32,717,917	10.22

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2019	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Foreign (cont'd)				
Hong Kong				
AIA Group Ltd	80,000	3,318,868	3,272,113	1.02
Total quoted equities - foreign	4,747,694	36,048,835	35,990,030	11.24
(b) Local				
Construction				
Gabungan AQRS Bhd	4,683,800	5,873,714	5,761,074	1.80
Gamuda Bhd	1,327,900	4,823,895	4,780,440	1.49
IJM Corporation Bhd	2,100,000	4,771,020	4,788,000	1.50
Sunway Construction Group Bhd	1,750,000	3,409,660	3,552,500	1.11
	9,861,700	18,878,289	18,882,014	5.90
Consumer products				
Bermaz Auto Bhd	3,279,900	7,307,343	7,478,172	2.34
Carlsberg Brewery Malaysia Bhd	130,600	3,364,366	3,382,540	1.06
DKSH Holdings Bhd	1,574,600	10,155,077	3,952,246	1.24
DRB - HICOM Bhd	2,716,800	5,858,084	6,846,336	2.14
Magnum Bhd	2,757,800	6,659,856	7,832,152	2.45
MBM Resources Bhd	1,600,000	5,342,400	6,608,000	2.06
Power Root Bhd	1,193,000	2,286,654	2,433,720	0.76
	13,252,700	40,973,780	38,533,166	12.04

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Local				
Energy				
Dialog Group Bhd	2,100,000	6,766,300	7,308,000	2.28
Serba Dinamik Holdings Bhd	1,766,300	6,858,155	7,771,720	2.43
Yinson Holdings Bhd	700,000	4,691,600	4,865,000	1.52
	<u>4,566,300</u>	<u>18,316,055</u>	<u>19,944,720</u>	<u>6.23</u>
Finance				
Aeon Credit Service Bhd	503,500	8,515,941	7,552,500	2.36
CIMB Group Holdings Bhd	1,935,586	9,769,828	9,794,065	3.06
Malayan Banking Bhd *	1,136,093	9,567,574	9,872,648	3.09
Public Bank Bhd	474,000	8,941,423	9,631,680	3.01
RHB Bank Bhd	1,180,000	6,202,345	6,726,000	2.10
RHB Capital Bhd **	2,200,000	-	-	-
	<u>7,429,179</u>	<u>42,997,111</u>	<u>43,576,893</u>	<u>13.62</u>
Healthcare				
Kossan Rubber Industries Bhd	650,700	2,735,071	2,745,954	0.86
KPJ Healthcare Bhd	5,566,600	5,842,270	5,065,606	1.58
Supermax Corporation Bhd	4,388,400	7,188,227	6,538,716	2.04
	<u>10,605,700</u>	<u>15,765,568</u>	<u>14,350,276</u>	<u>4.48</u>
Industrial Products				
Cahaya Mata Sarawak Bhd	1,616,300	6,287,401	3,798,305	1.19
Uchi Technologies Bhd	2,368,900	6,521,612	6,656,609	2.08
UEM Edgenta Bhd	1,457,400	4,369,719	4,853,142	1.52

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Local (cont'd)				
Industrial Products (cont'd)				
V.S. Industry Bhd	4,150,000	4,713,100	5,229,000	1.63
	<u>9,592,600</u>	<u>21,891,832</u>	<u>20,537,056</u>	<u>6.42</u>
Property				
S P Setia Bhd - RCPS	1,200,000	1,200,000	1,128,000	0.35
S P Setia Bhd - RCCPS	1,274,468	1,121,532	1,045,064	0.33
	<u>2,474,468</u>	<u>2,321,532</u>	<u>2,173,064</u>	<u>0.68</u>
Real Estate Investment Trusts ("REITs")				
AXIS REIT	2,615,100	4,590,224	4,968,690	1.55
IGB REIT	3,891,800	6,931,921	8,056,026	2.52
Pavilion REIT	2,602,300	4,477,797	4,866,301	1.52
Sunway REIT	1,082,800	2,044,820	2,111,460	0.66
	<u>10,192,000</u>	<u>18,044,762</u>	<u>20,002,477</u>	<u>6.25</u>
Technology				
Frontken Corporation Bhd	1,060,800	1,720,137	1,654,848	0.52
Inari Amerton Bhd	1,600,000	2,409,020	2,608,000	0.81
MY E.G. Services Bhd	4,500,000	6,553,596	6,390,000	2.00
Pentamaster Corporation Bhd	1,767,950	4,926,812	6,170,146	1.93
	<u>8,928,750</u>	<u>15,609,565</u>	<u>16,822,994</u>	<u>5.26</u>

MAYBANK MALAYSIA VALUE FUND
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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2019 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Local (cont'd)				
Telecommunications and Media				
Astro Malaysia Holdings Bhd	3,622,200	5,943,521	4,781,304	1.49
Axiata Group Bhd	720,277	3,978,141	3,637,399	1.14
Telekom Malaysia Bhd	878,100	3,628,926	3,292,875	1.03
TIME dotCom Bhd	770,400	6,627,373	7,033,752	2.20
	<u>5,990,977</u>	<u>20,177,961</u>	<u>18,745,330</u>	<u>5.86</u>
Transportation and Logistics				
Lingkar Trans Kota Holdings Bhd	742,600	3,249,124	3,497,646	1.09
Malaysia Airports Holdings Bhd	410,000	3,486,354	3,374,300	1.05
	<u>1,152,600</u>	<u>6,735,478</u>	<u>6,871,946</u>	<u>2.14</u>
Utilities				
Ranhill Holdings Bhd	2,720,800	3,233,782	3,618,664	1.13
Taliworks Corporation Bhd	3,757,100	3,476,010	3,343,819	1.04
Tenaga Nasional Bhd	780,000	9,554,432	10,888,800	3.40
	<u>7,257,900</u>	<u>16,264,224</u>	<u>17,851,283</u>	<u>5.57</u>
Total quoted equities - Local	<u>91,304,874</u>	<u>237,976,157</u>	<u>238,291,219</u>	<u>74.45</u>
Total quoted equities	<u>96,052,568</u>	<u>274,024,992</u>	<u>274,281,249</u>	<u>85.69</u>
Unrealised gain on quoted equities ***			<u>256,257</u>	

* Malayan Banking Bhd is the ultimate holding company of the Manager.

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7. FINANCIAL ASSETS AT FVTPL (CONT'D)

** As at the reporting date, the Fund holds shares in RHB Capital Bhd, which has been delisted to facilitate the transfer of shares and listing status to RHB Bank Bhd. Following the spin-off event on 2 June 2016, there is no cost and market value for the said security as all assets and liabilities have been vested to RHB Bank Bhd.

*** The unrealised gain on quoted equities comprise the amounts arising from changes in fair values and effects from foreign exchange.

(c) Changes in the fair value of FVTPL investments are recognised in 'unrealised loss on FVTPL investments' in profit and loss. Accumulated unrealised gains or losses are reclassified to 'realised (loss)/gain on FVTPL investments' in profit or loss when the associated assets are sold. See accounting policy 2.4 (ii) for details.

8. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2020	2019
	RM	RM
Short-term placement with licensed financial institutions with maturity of:		
- Less than 3 months	<u>33,411,040</u>	<u>45,697,488</u>
Deposits with related parties:		
- MBB	<u>21,854,681</u>	<u>-</u>

The weighted average effective interest rates ("WAEIR") of deposit and average maturity of deposit with licensed financial institutions as at the reporting date were as follows:

	2020		2019	
	WAEIR	Average	WAEIR	Average
	% p.a.	Maturity	% p.a.	Maturity
		Days		Days
Deposit with licensed financial institutions	<u>1.68</u>	<u>4</u>	<u>2.90</u>	<u>4</u>

9. AMOUNT DUE FROM/(TO) MANAGER

	Note	2020	2019
		RM	RM
Amount due from Manager is in respect of:			
Creation of units	(i)	<u>188</u>	<u>188</u>
Amount due to Manager is in respect of:			
Cancellation of units	(ii)	1,458,887	561,473
Manager's fee	(iii)	<u>345,796</u>	<u>385,023</u>
		<u>1,804,683</u>	<u>946,496</u>

MAYBANK MALAYSIA VALUE FUND
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9. AMOUNT DUE FROM/(TO) MANAGER (CONT'D)

Notes:

- (i) The amount represents amount receivable from Manager for units created.
- (ii) The amount represents amount payable to the Manager for units redeemed or cancelled.
- (iii) The amount due to Manager relates to the amount payable to the Fund 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 (2019: 15 days).

10. CASH AT BANKS

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

	2020	2019
	RM	RM
USD	3,156,514	2,028,597
RM	72,315	245,937
SGD	-	11
	<u>3,228,829</u>	<u>2,274,545</u>

11. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accruals for Trustee's fee at the end of the financial year. The normal credit term for Trustee's fee is 15 days (2019: 15 days).

12. AMOUNT DUE FROM/(TO) BROKERS

The amount due from/(due to) brokers relates to the amount receivables/(payable) to brokers arising from the sales/(purchase) of investments. The settlement period for this receivables/(payable) is within 2-3 working days from the deal date.

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13. OTHER PAYABLES AND ACCRUALS

Includes in other payables and accruals are:

	2020	2019
	RM	RM
Due to external auditor	10,494	10,441
Due to tax agent	4,209	4,081
Other payables and accruals	-	70,003
	<u>14,703</u>	<u>84,525</u>

14. TOTAL EQUITY

	Note	2020	2019
		RM	RM
Unitholders' contribution	(a)	285,396,821	318,813,497
Accumulated realised (loss)/income	(b)	(9,658,236)	365,458
Accumulated unrealised income	(c)	17,833,246	839,913
		<u>293,571,831</u>	<u>320,018,868</u>

(a) Unitholders' contribution

The units are distributed based on the following classes:

		2020		2019	
		No. of units	RM	No. of units	RM
Class A-MYR	(i)	455,160,826	112,868,251	572,568,769	145,984,334
Class C-MYR	(ii)	486,510,396	172,294,237	486,510,396	172,294,237
Class B-USD	(iii)	4,269	167,262	4,269	167,262
Class C-USD	(iv)	20,500	67,071	20,500	67,071
Class B-SGD*	(v)	-	-	5,250	19,056
Class A-JPY*	(vi)	-	-	200	(8,816)
Class B-JPY*	(vii)	-	-	554	290,353
		<u>941,695,991</u>	<u>285,396,821</u>	<u>1,059,109,938</u>	<u>318,813,497</u>

(i) Class A-MYR		2020		2019	
		No. of units	RM	No. of units	RM
At the beginning of the financial year		572,568,769	145,984,334	664,305,225	171,791,996
Creation of units		1,812,238	483,706	3,419,852	973,805
Reinvestment of units		-	-	42,244,536	12,884,584
Cancellation of units		<u>(119,220,181)</u>	<u>(33,599,789)</u>	<u>(137,400,844)</u>	<u>(39,666,051)</u>
At the end of the financial year		<u>455,160,826</u>	<u>112,868,251</u>	<u>572,568,769</u>	<u>145,984,334</u>

MAYBANK MALAYSIA VALUE FUND
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14. TOTAL EQUITY (CONT'D)

(a) Unitholders' contribution (cont'd)

	2020		2019	
(ii) Class C-MYR	No. of units	RM	No. of units	RM
At the beginning of the financial year	486,510,396	172,294,237	453,990,000	161,012,372
Creation of units	-	-	277	96
Reinvestment of units	-	-	32,539,723	11,288,030
Cancellation of units	-	-	(19,604)	(6,261)
At the end of the financial year	<u>486,510,396</u>	<u>172,294,237</u>	<u>486,510,396</u>	<u>172,294,237</u>
(iii) Class B-USD	No. of units	RM	No. of units	RM
At the beginning of the financial year	4,269	167,262	10,000	184,723
Cancellation of units	-	-	(5,731)	(17,461)
At the end of the financial year	<u>4,269</u>	<u>167,262</u>	<u>4,269</u>	<u>167,262</u>
(iv) Class C-USD	No. of units	RM	No. of units	RM
At the beginning/end of the financial year	<u>20,500</u>	<u>67,071</u>	<u>20,500</u>	<u>67,071</u>
(v) Class B-SGD *	No. of units	RM	No. of units	RM
At the beginning of the financial year	5,250	19,056	20,000	40,220
Creation of units	1,043	1,517	-	-
Cancellation of units	(6,293)	(9,077)	(14,750)	(21,164)
Transferred from accumulated realised loss upon termination	-	(11,496)	-	-
At the end of the financial year	<u>-</u>	<u>-</u>	<u>5,250</u>	<u>19,056</u>

MAYBANK MALAYSIA VALUE FUND
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14. TOTAL EQUITY (CONT'D)

(a) Unitholders' contribution (cont'd)

	2020		2019	
(vi) Class A-JPY *	No. of units	RM	No. of units	RM
At the beginning of the financial year	200	(8,816)	200	(8,816)
Cancellation of units	(200)	(82,274)	-	-
Transferred from accumulated realised income upon termination	-	91,090	-	-
At the end of the financial year	-	-	200	(8,816)
(vii) Class B-JPY *	No. of units	RM	No. of units	RM
At the beginning of the financial year	554	290,353	560	292,341
Creation of units	23	7,917	-	-
Cancellation of units	(577)	(194,041)	(6)	(1,988)
Transferred from accumulated realised loss upon termination	-	(104,229)	-	-
At the end of the financial year	-	-	554	290,353

* Class B-SGD, Class A-JPY and Class B -JPY were terminated on 23 December 2019.

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

	2020		2019	
	No of units	Valued at NAV	No of units	Valued at NAV
Class C-USD	20,500	USD 16,921	20,500	USD 16,339
Class A-JPY	-	-	200	JPY 2,064,400

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

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14. TOTAL EQUITY (CONT'D)

(b) Accumulated realised (loss)/income

	2020	2019
	RM	RM
At the beginning of the financial year	365,458	41,893,294
Net realised loss for the financial year	(10,048,329)	(17,355,223)
Distribution (Note 15)	-	(24,172,613)
Transferred to unitholders capital upon termination of Class B-SGD, Class A-JPY and Class B-JPY	24,635	-
At the end of the financial year	<u>(9,658,236)</u>	<u>365,458</u>

(c) Accumulated unrealised income

	2020	2019
	RM	RM
At the beginning of the financial year	839,913	8,650,033
Net unrealised gain/(loss) for the financial year	16,993,333	(7,810,120)
At the end of the financial year	<u>17,833,246</u>	<u>839,913</u>

(d) Classes of shares

(i) Types of classes of units

Classes of units	Currency Denomination	Categories of Investors	Distribution Policy
Class A-MYR	RM	Retail	Distribution of income
Class C-MYR	RM	Institutional	Distribution of income
Class B-USD	USD	Retail	Accumulation of units
Class C-USD	USD	Institutional	Distribution of income

There are different charges and features for each class as follows:

- (a) Management fees (as disclosed in Note 4 to the financial statements)
- (b) Initial investments for each class
- (c) Additional minimum investment
- (d) Minimum holdings for each class
- (e) Income distribution policy

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14. TOTAL EQUITY (CONT'D)

(d) Classes of shares (cont'd)

(ii) NAV computation

The computation of NAV of the Fund is based on the Fund's functional currency, RM, irrespective of the multiple classes of units (denominated in other currencies). Due to multiple classes in this Fund, the expenses of the Fund are apportioned based on the multi-class ratio, which is the size of the respective class relative to the whole Fund. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

(iii) Redemption/cancellation of units by Unitholders

These units are cancellable at the unitholder's option. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

There is no restriction on the putting of the units back to the Fund (i.e. redemption), subject to the minimum redemption amount of units of each class and the minimum unit holding for each class. If the unit holdings of a unitholder are, after a redemption request, falls below the minimum unit holdings for the Fund, a request for full redemption is deemed to have been made.

15. DISTRIBUTION

The Fund did not declare any distributions during the financial year ended 31 August 2020. The sources of distribution in the previous financial year ended 31 August 2019 is as follows:

	2019
	RM
Class A-MYR	
Previous years' net realised income *	12,884,583
Net distribution	<u>12,884,583</u>
Gross distribution per unit (sen)	2.00
Net distribution per unit (sen)	<u>1.99</u>
Distribution date	<u>30 Sept 2018</u>

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15. DISTRIBUTION (CONT'D)

The sources of distribution in the previous financial year ended 31 August 2019 is as follows (cont'd):

	2019
	RM
Class C-MYR	
Previous years' net realised income *	11,288,030
Net distribution	<u>11,288,030</u>
Gross distribution per unit (sen)	2.50
Net distribution per unit (sen)	<u>2.49</u>
Distribution date	<u>30 Sept 2018</u>

* Distributions are made from previous financial year's realised income (net of tax).

The Fund did not declare any distribution for Class B-USD, Class C-USD, Class B-SGD, Class A-JPY and Class B-JPY during the previous financial year.

The distribution declared are settled in the forms of units and presented as 'reinvestment of units' in Note 14(a) on payment date.

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16. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with top 10 brokers/dealers for the current and previous financial year are as follows:

Brokers/dealers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of brokerage fees %
2020				
TA Securities Sdn Bhd	110,200,234	18.31	110,276	12.19
Maybank Investment Bank Bhd ("MIBB") *	77,556,386	12.89	104,253	11.53
JF Apex Securities Bhd	68,213,328	11.34	68,289	7.55
Nomura Securities (M) Sdn Bhd	67,587,761	11.23	135,182	14.95
MIDF Amanah Investment Bank Bhd	58,079,598	9.65	58,105	6.43
UOB Kay Hian Securities (M) Sdn Bhd	46,890,593	7.79	93,781	10.37
Hong Leong Investment Bank Bhd	46,181,683	7.67	86,334	9.55
CIMB Investment Bank Bhd	25,543,370	4.24	51,087	5.65
Public Investment Bank Bhd	23,345,099	3.88	46,690	5.16
Affin Hwang Investment Bank Bhd	21,617,317	3.59	43,248	4.78
Others	56,566,093	9.40	107,086	11.84
	601,781,462	100.00	904,331	100.00
2019				
Maybank Investment Bank Bhd ("MIBB") *	87,434,993	16.05	125,272	13.92
Nomura Securities (M) Sdn Bhd	69,091,390	12.68	138,206	15.36
TA Securities Sdn Bhd	58,913,867	10.81	58,960	6.55
CLSA Securities (M) Sdn Bhd	47,599,046	8.74	95,205	10.58
JP Morgan Securities (M) Sdn Bhd	47,479,876	8.71	94,960	10.55
CIMB Investment Bank Bhd	39,230,805	7.20	78,462	8.72
JF Apex Securities Bhd	37,720,055	6.92	37,824	4.20
UOB Kay Hian Securities (M) Sdn Bhd	34,799,550	6.39	67,229	7.47
Hong Leong Investment Bank Bhd	31,270,314	5.74	55,845	6.21
MIDF Amanah Investment Bank Bhd	30,139,049	5.53	30,163	3.35
Others	61,230,847	11.23	117,619	13.09
	544,909,792	100.00	899,745	100.00

* MIBB is a subsidiary of Malayan Banking Bhd ("MBB"), the ultimate holding company of the Manager.

MAYBANK MALAYSIA VALUE FUND
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16. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS (CONT'D)

Details of transactions, primarily cash placements with financial institutions are as follows:

Financial institutions	2020		2019	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Affin Bank Bhd	-	-	1,206,987,997	14.20
CIMB Bank Bhd	5,986,922,683	65.81	7,290,605,438	85.80
MBB *	3,110,545,977	34.19	-	-
	<u>9,097,468,660</u>	<u>100.00</u>	<u>8,497,593,435</u>	<u>100.00</u>

* Malayan Banking Bhd is the ultimate holding company of the Manager.

17. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Fund or the Manager if the Fund or the Manager has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Fund or the Manager and the party are subject to common control or common significant influence. Related parties maybe individuals or other entities. In addition to the related party information disclosed elsewhere in the financial statements, the following is the significant related party transaction and balances of the Fund during the financial year.

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

	2020 RM	2019 RM
(i) Significant related party transactions		
MBB:		
Dividend income	567,200	1,827,500
Interest income	4,072	-
(ii) Significant related party balances		
MBB:		
Investment in quoted equities	4,776,910	9,872,648
Deposit with licensed financial institution	21,854,681	-

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18. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors remuneration and other administrative expenses. For the financial year ended 31 August 2020, the MER of the Fund stood at 1.61% (2019: 1.54%)

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 average NAV of the Fund calculated on a daily basis. For the financial year ended 31 August 2020, the PTR of the Fund stood at 1.04 times (2019: 0.80 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.

The PMC is responsible for the performance of the Fund by investing between 70% to 98% of the Fund's assets in shares, and between 2% to 30% of the Fund's assets in cash or fixed income securities (or a combination of both). The Fund may also invest up to 25% of its NAV in Asia Pacific markets, or in stocks that derive the majority of their revenue from the Asia Pacific markets.

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.

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2 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 liabilities (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

MAYBANK MALAYSIA VALUE FUND
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21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

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

	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2020				
Assets				
Financial assets at FVTPL	249,817,384	-	-	249,817,384
Deposits with licensed financial institutions	-	33,411,040	-	33,411,040
Dividend receivable	-	206,157	-	206,157
Interest receivable	-	6,161	-	6,161
Amount due from brokers	-	11,939,895	-	11,939,895
Amount due from Manager	-	188	-	188
Cash at banks	-	3,228,829	-	3,228,829
Total financial assets	249,817,384	48,792,270	-	298,609,654
Liabilities				
Amount due to Manager	-	-	1,804,683	1,804,683
Amount due to Trustee	-	-	19,893	19,893
Amount due to brokers	-	-	3,198,544	3,198,544
Other payables and accruals	-	-	14,703	14,703
Total financial liabilities	-	-	5,037,823	5,037,823
2019				
Assets				
Financial assets at FVTPL	274,281,249	-	-	274,281,249
Deposits with licensed financial institutions	-	45,697,488	-	45,697,488
Dividend receivable	-	293,983	-	293,983
Interest receivable	-	7,262	-	7,262
Amount due from brokers	-	2,778,335	-	2,778,335
Amount due from Manager	-	188	-	188
Cash at banks	-	2,274,545	-	2,274,545
Total financial assets	274,281,249	51,051,801	-	325,333,050

MAYBANK MALAYSIA VALUE FUND
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21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

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

	Financial instruments at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2019				
Liabilities				
Amount due to Manager	-	-	946,496	946,496
Amount due to Trustee	-	-	21,963	21,963
Amount due to brokers	-	-	4,261,198	4,261,198
Other payables and accruals	-	-	84,525	84,525
Total financial liabilities	-	-	5,314,182	5,314,182

(b) Financial instruments that are carried at fair value

The Fund's financial asset at FVTPL consists of quoted equities and is measured at fair value.

The fair value of quoted investments in shares, warrants and REITs are determined by reference to the last bid price on the relevant stock exchanges (e.g. Bursa Malaysia, Singapore Exchange, Hong Kong exchange) as at the statement of financial position date.

(c) Fair value hierarchy

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2020				
Financial assets at FVTPL	249,817,384	-	-	249,817,384
2019				
Financial assets at FVTPL	274,281,249	-	-	274,281,249

MAYBANK MALAYSIA VALUE FUND
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21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONT'D)

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

Other than its financial assets at FVTPL, the Fund's financial instruments were not carried at fair value but their carrying amounts were reasonable approximations of fair value due to their short-term maturity.

22. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deeds, SC's Guidelines on Unit Trust Funds and CMSA.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices. The maximum risk resulting from financial instruments equals their fair value. The market risk is managed through consistent monitoring and swift response to various factors that may adversely affect the Fund.

(i) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Fund's investments in quoted equities. This risk can be minimised through investing in a wide range of companies in different sectors, which function independently from one another.

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

(b) Market risk (cont'd)

(i) Equity price risk (cont'd)

Equity price risk sensitivity

Management's best estimate of the effect on the Fund's NAV due to a reasonable change in equity index, with all other variables held constant is indicated in the table below. The impact to NAV and net loss after taxation is expected to be the same.

	2020		2019	
	Changes in equity price %	Effects on NAV for the year Increase/ (decrease) RM	Changes in equity price %	Effects on NAV for the year Increase/ (decrease) RM
Quoted equities	+ 5	12,490,869	+ 5	13,714,062
	- 5	(12,490,869)	- 5	(13,714,062)

Equity price risk concentration

The Fund's exposure to equity price risk based on its portfolio of investments as at the reporting date is disclosed in Note 7 to the financial statements.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

(b) Market risk (cont'd)

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The table below analyses the net position of the Fund's financial assets and financial liability (excluding derivative assets/liabilities) which are exposed to foreign exchange risks as at the reporting date. As the Fund's functional currency is RM, the financial assets and financial liability (excluding derivative assets/liabilities) denominated in other currencies are exposed to the movement of foreign exchange rates. The exposure might lead to the appreciation or depreciation of the financial assets and financial liability of the Fund that may affect the value of the NAV attributable to unitholders.

2020	SGD RM	USD RM	TOTAL RM
Financial assets			
Financial assets at FVTPL	34,558,232	-	34,558,232
Dividend receivable	121,557	-	121,557
Amount due from brokers	6,758,774	-	6,758,774
Cash at bank	-	3,156,514	3,156,514
Total financial assets	<u>41,438,563</u>	<u>3,156,514</u>	<u>44,595,077</u>
Liabilities			
Amount due to Manager	-	94	94
Amount due to Trustee	-	7	7
Total financial liabilities	<u>-</u>	<u>101</u>	<u>101</u>
Net on-balance sheet open position	<u>41,438,563</u>	<u>3,156,413</u>	<u>44,594,976</u>

The Fund did not enter into forward currency contracts to hedge its exposure to foreign currency.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MAYBANK VALUE TRUST FUND)

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

(b) Market risk (cont'd)

(ii) Foreign exchange risk

2019	HKD RM	SGD RM	JPY RM	USD RM	TOTAL RM
Financial assets					
Financial assets at FVTPL	3,272,113	32,717,917	-	-	35,990,030
Dividend receivable	-	44,412	-	-	44,412
Cash at bank	-	11	-	2,028,597	2,028,608
Total financial assets	<u>3,272,113</u>	<u>32,762,340</u>	<u>-</u>	<u>2,028,597</u>	<u>38,063,050</u>
Liabilities					
Amount due to Manager	-	9	436	93	538
Amount due to Trustee	-	1	19	7	27
Total financial liabilities	<u>-</u>	<u>10</u>	<u>455</u>	<u>100</u>	<u>565</u>
Net on-balance sheet open position	<u>3,272,113</u>	<u>32,762,330</u>	<u>(455)</u>	<u>2,028,497</u>	<u>38,062,485</u>

The Fund did not enter into forward currency contracts to hedge its exposure to foreign currency.

MAYBANK MALAYSIA VALUE FUND
(formerly known as MALAYSIA VALUE TRUST FUND)

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

(b) Market risk (cont'd)

(iii) Foreign exchange risk (cont'd)

Foreign exchange risk sensitivity

The following table indicates the currencies to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculated the effect of a reasonably possible movement of the currency rate against RM on the Fund's NAV with all other variables held constant. The impact to the NAV and net income/(loss) after tax is expected to be the same.

	2020		2019	
	Change in exchange rates %	Effects on NAV Increase/ (decrease) RM	Change in exchange rates %	Effects on NAV Increase/ (decrease) RM
HKD/RM	+5%	-	+5%	163,606
	-5%	-	-5%	(163,606)
SGD/RM	+5%	2,071,928	+5%	1,638,117
	-5%	(2,071,928)	-5%	(1,638,117)
JPY/RM	+5%	-	+5%	(23)
	-5%	-	-5%	23
USD/RM	+5%	157,821	+5%	101,425
	-5%	(157,821)	-5%	(101,425)

(iv) Interest rate risk

Cash and money market placements are particularly sensitive to movements in interest rates. When interest rates rise, the return on cash and money market placements will rise, thus affecting the NAV of the Fund. The sensitivity to interest rate changes are normally greater for longer tenured securities when compared to shorter tenured securities.

The Fund deposits with licensed financial institutions carry a fixed rate and therefore is not affected by movements in market interest rates.

MAYBANK MALAYSIA VALUE FUND
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22. 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 cause a financial loss for the Fund by failing to discharge an obligation. 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 payments of interest and dividends, 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 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 assets 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 quality of financial assets

Besides investing in quoted equities, the Manager is also eligible to invest in liquid assets including money market instruments issued by Malaysian issuers and Malaysian financial institutions and placement in licensed financial institutions. There will be no minimum rating stipulated for the licensed financial institutions on the placement in deposits.

(iii) Credit risk concentration

The following table analyses the Fund's deposits with licensed financial institutions, cash at bank and interest receivable from financial institutions by rating categories. The rating is obtained from RAM Holdings Bhd's official website.

	2020		2019	
	RM	Percentage of NAV %	RM	Percentage of NAV %
Deposits with licensed financial institutions, cash at banks and interest receivable				
AAA	36,646,030	12.48	47,979,295	78.49

MAYBANK MALAYSIA VALUE FUND
(formerly known as MALAYSIA VALUE TRUST FUND)

22. 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 other financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deeds. It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so.

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

The following table summarises the maturity profile of the Fund's financial assets, liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity. The Fund's financial assets and financial liabilities have been included in the "less than 1 month" category and the impact of discounting is insignificant.

2020	Less than 1 month RM	More than 1 month RM	Total RM
Financial assets			
Financial assets at FVTPL	249,817,384	-	249,817,384
Deposits with licensed financial institutions	33,411,040	-	33,411,040
Dividend receivable	206,157	-	206,157
Interest receivable	6,161	-	6,161
Amount due from brokers	11,939,895	-	11,939,895
Amount due from Manager	188	-	188
Cash at banks	3,228,829	-	3,228,829
Total undiscounted financial assets	<u>298,609,654</u>	<u>-</u>	<u>298,609,654</u>
Financial liabilities and unitholders' contribution			
Amount due to Manager	1,804,683	-	1,804,683
Amount due to Trustee	19,893	-	19,893
Amount due to brokers	3,198,544	-	3,198,544
Other payables and accruals	14,703	-	14,703
Net assets attributable to unitholders of the Fund	<u>293,571,831</u>	<u>-</u>	<u>293,571,831</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>298,609,654</u>	<u>-</u>	<u>298,609,654</u>
Liquidity gap	<u>-</u>	<u>-</u>	<u>-</u>

MAYBANK MALAYSIA VALUE FUND
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22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

2019	Less than 1 month RM	More than 1 month RM	Total RM
Financial assets			
Financial assets at FVTPL	274,281,249	-	274,281,249
Deposits with licensed financial institutions	45,697,488	-	45,697,488
Dividend receivable	293,983	-	293,983
Interest receivable	7,262	-	7,262
Amount due from brokers	2,778,335	-	2,778,335
Amount due from Manager	188	-	188
Cash at banks	2,274,545	-	2,274,545
Total undiscounted financial assets	<u>325,333,050</u>	-	<u>325,333,050</u>
Financial liabilities and unitholders' contribution			
Amount due to Manager	946,496	-	946,496
Amount due to Trustee	4,261,198	-	4,261,198
Amount due to brokers	21,963	-	21,963
Other payables and accruals	84,525	-	84,525
Net assets attributable to unitholders of the Fund	<u>320,018,868</u>	-	<u>320,018,868</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>325,333,050</u>	-	<u>325,333,050</u>
Liquidity gap	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

(i) Financial assets

Analysis of financial assets at FVTPL and deposits into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investment in quoted equities have been included in the "less than 1 month" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's unitholders' contribution be required to be redeemed. The other assets shall not comprise of tax recoverable in view that it is not a financial asset. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period 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 can be required to pay.

MAYBANK MALAYSIA VALUE FUND
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22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

Notes (cont'd):

(iii) Unitholders' contribution

The unitholders can request for redemption on their units by giving the Manager a T + 10 calendar day notice period, the unitholders' contribution have been categorised as having a maturity of "less than 1 month".

23. UNITHOLDERS' CONTRIBUTION MANAGEMENT

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

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected returns indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operations of the Fund cost-efficient.

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

24. RECLASSIFICATION OF COMPARATIVES

As disclosed in Note 2.8, unitholders contribution to the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation*. In the previous financial year, unitholders' contribution were classified as equity.

This reclassification of unitholders' contribution (and their retained earnings) did not give rise to any impact on the Net Asset Value Attributable to Unitholders of the Fund.

MAYBANK MALAYSIA VALUE FUND
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24. RECLASSIFICATION OF COMPARATIVES (CONT'D)

No restatements were made to the comparative financial statements except for the following:

Statement of Comprehensive Income:

	As previously disclosed	Reclassification	As restated
Net loss before distribution and taxation	(24,970,144)	-	(24,970,144)
Distribution to unitholders	-	(24,172,613)	(24,172,613)
Net loss before taxation	(24,970,144)	(24,172,613)	(49,142,757)
Net loss after tax, and total comprehensive loss for the year	(25,165,343)	(24,172,613)	(49,337,956)

**Statement of Changes in Net Assets Attributable
To Unitholders**

Movement in retained earnings

Total comprehensive loss for the year	(25,165,343)	(24,172,613)	(49,337,956)
Distributions out of realised reserve	(24,172,613)	24,172,613	-