



Maybank
Asset Management

Maybank Asset Management Sdn Bhd
199701006283 (421779-M)
Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur
Telephone +603 2297 7888
Facsimile +603 2715 0071
www.maybank-am.com

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Annual report
For the financial year ended 31 January 2021

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283 (421779-M))
Level 12 Tower C
Dataran Maybank
No. 1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
Telephone +603 2297 7888
Facsimile +603 2715 0071
www.maybank-am.com

EXTERNAL INVESTMENT MANAGER

Maybank Islamic Asset Management Sdn Bhd (201301012623 (1042461-K))
Level 12, Tower C, Dataran Maybank
No. 1 Jalan Maarof
59000 Kuala Lumpur
Telephone +603 2297 7872
Facsimile +603 2297 7898

TRUSTEE

TMF Trustees Malaysia Berhad (200301008392 (610812-W))
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Telephone +603 2382 4288
Facsimile +603 2026 1451

SHARIAH ADVISER

Amanie Advisors Sdn Bhd (200501007003 (684050-H))
Level 13A-2, Menara Tokio Marine Life
189 Jalan Tun Razak
50400 Kuala Lumpur
Telephone +603 2161 0260
Facsimile +603 2161 0262

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021

A. Fund Information

1. Name of the Fund

Maybank AsiaPac ex-Japan Equity-I Fund (the "Fund")

2. Type of Fund

Growth

3. Category of Fund

Equity (Shariah)

4. Duration of the Fund

The Fund is a open-ended fund.

5. Fund launch date / Commencement date

8 January 2014 / 23 February 2014

6. Fund's investment objective

The Fund aims to achieve capital growth over the long term by investing in Shariah-compliant equities.

7. Fund distribution policy

Distribution, if any, is incidental and will be made from realised income of the Fund.

8. Fund's performance benchmark

MSCI AC Asia Pacific Islamic ex-Japan Index

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

The Fund invests between 70% to 98% of the Fund's NAV in Shariah-compliant equities listed or traded in the Asia Pacific ex-Japan markets. The Fund will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021 (cont'd)

A. Fund Information (cont'd)

10. Net income distribution for the financial year ended 31 January 2021

The Fund distributed a total net income of RM3,977,807 to unitholders for the financial year ended 31 January 2021.

Below are details of distributions made during the financial year:

| Distribution date | Gross/Net distribution per unit (sen) |
|-------------------|---------------------------------------|
| 27 January 2021 | 10.00 |

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

| Distribution date | Before distribution RM | After distribution RM | Changes % |
|-------------------|------------------------|-----------------------|-----------|
| 27 January 2021 | 1.3933 | 1.2933 | (7.18) |

11. Breakdown of unitholdings by size

Fund size

As at 31 January 2021, the size of the Fund was 43,786,588 units.

Breakdown of unitholdings as at 31 January 2021

| Unitholdings | No. of unitholders | % | No. of units ('000) | % |
|-------------------------|--------------------|---------------|---------------------|---------------|
| 5,000 units and below | 2 | 33.34 | * 2 | - |
| 5,001 to 10,000 units | - | - | - | - |
| 10,001 to 50,000 units | - | - | - | - |
| 50,001 to 500,000 units | 2 | 33.33 | 731 | 1.34 |
| 500,001 units and above | 2 | 33.33 | ** 43,054 | 98.94 |
| Total | 6 | 100.00 | 43,787 | 100.00 |

* Included 1,376 units held by the Manager

** Represent units held under Institutional Unit Trust Scheme Advisers ("IUTAs").

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021 (cont'd)

B. Performance Review

1. Key performance data of the Fund

| Category | FY2021 | FY2020 | FY2019 |
|---------------------------------------|---------------|---------------|---------------|
| Portfolio Composition (%) | | | |
| Quoted equities - Local | 3.89 | 5.98 | 4.99 |
| - Consumer Products & Services | 1.02 | 1.29 | - |
| - Construction | - | 0.83 | - |
| - Energy | - | 3.03 | 3.12 |
| - Finance | - | 0.83 | - |
| - Healthcare | 1.25 | - | 0.82 |
| - Industrial Products & Services | - | - | 1.05 |
| - Technology | 1.62 | - | - |
| Quoted equities - Foreign | 90.85 | 89.12 | 91.72 |
| - Australia | 8.70 | 13.01 | 10.70 |
| - China | 2.83 | - | - |
| - Hong Kong | 28.13 | 19.02 | 23.75 |
| - India | 5.68 | 7.09 | 5.17 |
| - Indonesia | 4.34 | 6.71 | 9.33 |
| - Philippines | 1.04 | - | 2.12 |
| - South Korea | 19.20 | 18.17 | 19.51 |
| - Singapore | 4.92 | 1.77 | 3.50 |
| - Thailand | - | 1.25 | 2.83 |
| - Taiwan | 14.23 | 8.19 | 3.76 |
| - United States of America | 1.78 | 13.91 | 11.05 |
| Shariah non-compliant quoted equities | - | 0.71 | - |
| Cash and other net assets (%) | 5.26 | 4.19 | 3.29 |
| Total (%) | 100.00 | 100.00 | 100.00 |
| NAV (RM'000) | 56,631 | 103,121 | 124,093 |
| Units in circulation (units'000) | 43,787 | 95,248 | 105,817 |
| NAV per unit (RM) | 1.2933 | 1.0827 | 1.1727 |
| Highest NAV per unit (RM) | 1.4867 | 1.2675 | 1.3946 |
| Lowest NAV per unit (RM) | 0.8844 | 1.0827 | 1.0483 |
| Annual return (%) ⁽¹⁾ | | | |
| - Capital growth (%) | 19.47 | (7.66) | (13.11) |
| - Income distribution (%) | 7.43 | 9.24 | 8.91 |
| Total return (%) | 28.35 | 0.87 | (5.37) |
| Benchmark (%) | 28.71 | 3.88 | 9.73 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021 (cont'd)

B. Performance Review (cont'd)

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

| Category | FY2021 | FY2020 | FY2019 |
|---|------------|------------|------------|
| Distribution (RM) | 3,977,807 | 9,576,047 | 9,651,983 |
| Distribution date (ex-date) | 27.01.2021 | 30.01.2020 | 31.07.2018 |
| Gross distribution per unit (sen) | 10.00 | 10.00 | 11.08 |
| Net distribution per unit (sen) | 10.00 | 10.00 | 11.00 |
| Management Expense Ratio ("MER") (%) ⁽²⁾ | 1.76 | 1.66 | 1.73 |
| Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾ | 1.06 | 0.59 | 0.70 |

Note:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's fee and Trustee's fees.
- (2) The Fund's MER increased to 1.76% due to higher administrative expenses in the current financial year under review.
- (3) The Fund's PTR increased to 1.06 times due to higher trading activities in the current financial year ended 31 January 2021.

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

2. Performance of the Fund up to 31 January 2021

| Category | 1 year to 31.01.2021 % | 3 years to 31.01.2021 % | 5 years to 31.01.2021 % |
|--------------------------|---------------------------------|----------------------------------|----------------------------------|
| Capital growth | 19.47 | (4.14) | 29.13 |
| Income distribution | 7.43 | 27.89 | 38.38 |
| Total return of the Fund | 28.35 | 22.59 | 78.69 |
| Benchmark | 28.71 | 20.69 | 90.30 |
| Average total return | 28.35 | 7.02 | 12.30 |

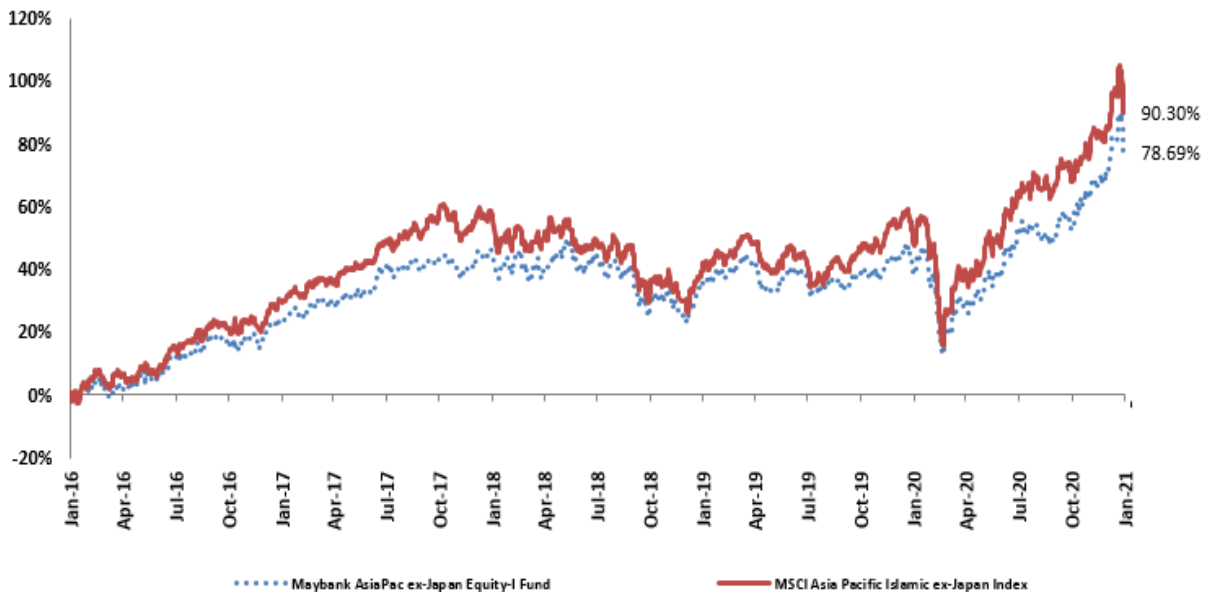
MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 January 2021 (cont'd)



Source: Lipper, as at 31 January 2021

Has the Fund met its objective?

For the one year period under review, the Fund registered a total return for the Fund of 28.35%. Meanwhile, the benchmark was up by 28.71%. The Fund has met its objective of capital growth for the financial year and for longer term period of 5-year.

Positions in China, Australia and Malaysia contributed positively towards the Fund's position against the benchmark. Meanwhile, investments in Indonesia and underweight Taiwan, India and South Korea impacted our performance versus the benchmark as the benchmark constituents in these countries performed well. In addition, due to single stock limit of 10%, the Fund was unable to match the benchmark weight of 15% in Alibaba which resulted in underperformance against the benchmark since Alibaba rose 21.1% during the financial year. Despite this, the Fund was able to match the returns of the benchmark for the financial year under review, helped by other stock picks.

3. Annual total return of the Fund

| Category | 2021 % | 2020 % | 2019 % | 2018 % | 2017 % |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Annual total return | 28.35 | 0.87 | (5.37) | 17.20 | 23.67 |
| Benchmark | 28.71 | 3.88 | 9.73 | 21.92 | 29.33 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021 (cont'd)

B. Performance Review (cont'd)

4. Basis of calculation made in calculating the returns:

The performance figures are a comparison of the growth/decline in NAV after taking into account all the distributions payable (if any) during the stipulated period.

An illustration of the above would be as follows:

| | | |
|----------------|---|---|
| Capital return | = | (NAV per unit end / NAV per unit begin) - 1 |
| Income return | = | Income distribution per unit / NAV per unit ex-date |
| Total return | = | (1+Capital return) x (1+Income return) - 1 |

C. Market Review

During the period under review, equity markets posted mixed performances. With the United States ("US") hitting new highs in year 2020, the Dow Jones and Standard and Poor's 500 ("S&P500") registered stellar returns of 6.1% and 15.2% respectively for the period. Over in Europe, markets did not perform as well as the US with the Euro Stoxx 50 registering a loss of 4.38% for the period whilst the United Kingdom ("UK")'s FTSE100 index was down by 12.06%. Regionally, North Asian markets were up, with South Korea, Taiwan, Nikkei, China (Shanghai), India and Hong Kong registering returns of 40.5%, 31.7%, 19.2%, 17.0%, 14.0% and 7.5% respectively. ASEAN markets underperformed North Asia with Malaysia being the only gainer, up 2.3%, followed by Indonesia -1.3%, Thailand -3.1%, Singapore -8.0% and Philippines -8.2%.

The period under review started with an outbreak of a new strain of coronavirus originating from the city of Wuhan in China, causing a disease named Coronavirus disease 2019 ("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.

Markets eventually rebounded in April 2020, triggered by the massive fiscal stimulus by Governments around the world and the monetary measures by the US Federal Reserve ("Fed"). The rally continued through the rest of the year, despite a slight pullback in the month of September 2020 and October 2020. Investors were optimistic on reopening of several key economies as well as positive news on vaccine developments. With a number of vaccines posting positive trial results and high efficacy, the prospect of activities returning more rapidly to pre-pandemic level boosted investors sentiment, making November the best month for the year 2020 in most markets.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021 (cont'd)

C. Market Review (cont'd)

Morgan Stanley Capital International ("MSCI") Islamic Asia Pacific ex-Japan index recorded returns of 30.5% for the period due to strong performance in North Asia. For the same period, MSCI All Country Asean Islamic index was down by 12.6%. Within Asean, Malaysia performed much better than its peers as the FTSE Bursa Malaysia ("FBM") Emas Shariah index, the barometer of Shariah equities in Malaysia, was up by 11.4%. Small cap equities in Malaysia performed well during the period due to strong participation from retail investors amidst the low interest rate environment and lack of investment opportunities elsewhere. The FBM SmallCap Index managed to register a stellar gain of 14.4% for the period. For the period, foreign funds have taken out RM25.3 billion ("bln") net worth of equities, with a massive outflows in the months of March, April, May, June and July 2020 amounting RM16.7bln in total for those months.

Malaysia's 3QCY20 corporate results season in November 2020 saw more companies exceeded expectations compared to 2QCY20. Correspondingly, fewer companies disappointed, although most of the larger cap companies remained disappointing. The corporate results season also saw improved Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") margins across most companies despite revenue being still in a recovery phase post the Movement Control Order ("MCO"), mainly due to increased automation as well as reduced overheads. Earnings beat mainly came from plantations, gloves, Electronic Manufacturing Services ("EMS") and technology companies. Meanwhile, transportation including Automotive are still seeing lacklustre set of results.

D. Market Outlook & Strategy

The backdrop for Asian equities in 2021 looks promising with a global growth recovery, an improved commodities outlook, a weak US Dollar ("USD"), (likely) less-hostile US-China relations and still-accommodative monetary and fiscal policy. With Asian equities now trading at 16X forward Price-to-Earnings ratio ("P/E") (versus historical average of 12X), the positives have been partially priced in and we expect that market performance will largely depend on whether earnings expectations are met/exceeded rather than P/E multiple expansion. Nevertheless, we believe that improving economic fundamentals, still-ample liquidity and positive sentiment will help compensate for high valuations. We continue to expect a challenging investing environment in 2021 with occasional volatile periods. While an effective COVID-19 vaccine offers the hope of a return to normalcy, there are availability issues as well as logistics/operational challenges which optimistic markets run the risk of downplaying. The threat of eventual stimulus withdrawal could also result in another 'taper tantrum'.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Manager's report

For the financial year ended 31 January 2021 (cont'd)

D. Market Outlook & Strategy

In terms of strategy, for the period under review, on average the Fund had been overweight ASEAN over North Asia. The Fund was also slightly high cash in March 2020 through June 2020 as we adopt a defensive stance amidst worries on the ongoing pandemic, and repositioned in July 2020 to catch up with the rebound in markets. Going forward, we think ASEAN should see greater room for rebound, having lagged North Asia in recovering from the pandemic. Given that investor positioning has been light, we expect to see more inflows into ASEAN equities in 2021. Within ASEAN, we would overweight Indonesia and the Philippines on strong earnings growth expectations. Both countries have been amongst the hardest-hit during the pandemic and thus stand to benefit the most from a normalization of activity. Being more sensitive to currency pressures, both should also benefit from a weaker USD and a benign inflation/interest rate environment. In addition, the recent passing of the Omnibus Law in Indonesia is positive for structural reforms that would benefit the economy and encourage foreign direct investment.

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

Subsequent to the issuance of the Fifth Supplementary Prospectus dated 22 February 2021, the following changes were updated in the latest Prospectus:

- (i) Removal of all the information and disclosures in relation to EPF transactions
- (ii) Consent from the Trustee, External Investment Manager, Shariah Adviser and Tax Adviser for the inclusion of their names in the Prospectus
- (iii) Board of Directors of the Manager
- (iv) Removal of Unit Trust Financing Risk Statement

F. 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 systems incidental to investment management of the Fund. All dealings with broker are executed on best available terms.

During the financial year ended 31 January 2021, 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 ASIAPAC EX-JAPAN EQUITY-I FUND FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

We have acted as Trustee of Maybank AsiaPac ex-Japan Equity-I Fund (the "Fund") for the financial year ended 31 January 2021. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager 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 and pricing has been carried out in accordance with the Deeds and relevant regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements; and
- (d) The distribution of returns for the year are tied to and reflect the objectives of the Fund.

For and on behalf of
TMF Trustees Malaysia Berhad
(Company No: 200301008392 (610812-W))

Norhayati Binti Azit
Director - Fund Services

Kuala Lumpur, Malaysia
16 March 2021

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

We, Dato' Idris Bin Kechot 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 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 AsiaPac ex-Japan Equity-I Fund as at 31 January 2021 and of its results, changes in equity and cash flows for the financial year then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dato' Idris Bin Kechot
Chairman

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
16 March 2021

REPORT OF THE SHARIAH ADVISER

TO THE UNITHOLDERS OF MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For and on behalf of
Amanie Advisors Sdn Bhd

Datuk Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
16 March 2021

Independent auditors' report to the Unitholders of Maybank AsiaPac ex-Japan Equity-I Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank AsiaPac ex-Japan Equity-I Fund (the "Fund"), which comprise the statement of financial position as at 31 January 2021 of the Fund, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 16 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the as at 31 January 2021, and of its financial performance and cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

Independent auditors' report to the Unitholders of Maybank AsiaPac ex-Japan Equity-I Fund (cont'd)

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

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

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

Responsibilities of the Manager and Trustee for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

**Independent auditors' report to the Unitholders of
Maybank AsiaPac ex-Japan Equity-I Fund (cont'd)**

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

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

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

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

**Independent auditors' report to the Unitholders of
Maybank AsiaPac ex-Japan Equity-I Fund (cont'd)**

Other matters

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

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

Yeo Beng Yean
03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 March 2021

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021**

| | Note | 2021 RM | 2020 RM |
|---|------|------------------------|------------------------|
| INVESTMENT INCOME | | | |
| Dividend income | 3 | 2,139,847 | 2,989,505 |
| Profit income | | 101,637 | 403,504 |
| Net gain on financial assets at fair value through profit or loss ("FVTPL") | | | |
| - Realised gain/(loss) | | 12,347,666 | (2,758,895) |
| - Unrealised gain | | 4,862,954 | 7,128,435 |
| Net gain/(loss) on foreign exchange | 4 | 1,215,604 | (3,437,101) |
| Rebate and other income | | - | 746 |
| | | <u>20,667,708</u> | <u>4,326,194</u> |
| EXPENSES | | | |
| Manager's fee | 5 | 1,321,614 | 2,020,860 |
| Trustee's fee | 6 | 52,865 | 80,835 |
| Auditors' remuneration | | 10,000 | 10,000 |
| Tax agent's fee | | 45,329 | 14,687 |
| Shariah advisory fee | | 19,365 | 18,000 |
| Brokerage and other transaction costs | | 519,254 | 411,677 |
| Administrative expenses | | 97,319 | 85,309 |
| | | <u>2,065,746</u> | <u>2,641,368</u> |
| Net income before taxation | | 18,601,962 | 1,684,826 |
| Taxation | 7 | (240,929) | (317,679) |
| Net income after taxation | | <u>18,361,033</u> | <u>1,367,147</u> |
| Net income/(loss) after taxation is made up of the following: | | | |
| Net realised income/(loss) | | 12,751,335 | (1,773,885) |
| Net unrealised income | | 5,609,698 | 3,141,032 |
| | | <u>18,361,033</u> | <u>1,367,147</u> |
| Distributions for the financial year | | | |
| Net distributions | 18 | 3,977,807 | 9,576,047 |
| Gross/Net distribution per unit (sen) | 18 | 10.00 | 10.00 |
| Distribution date (ex-date) | 18 | <u>27 January 2021</u> | <u>30 January 2020</u> |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021**

| | Note | 2021 RM | 2020 RM |
|--|-------------|-------------------|--------------------|
| ASSETS | | | |
| Financial assets at FVTPL | 8 | 53,652,627 | 98,800,926 |
| Shariah compliant deposit with a licensed Islamic financial institution | 9 | - | 2,275,690 |
| Other receivables | 10 | 188,564 | 173,253 |
| Amount due from Manager | 11 | 1,562,125 | 2,602,683 |
| Cash at bank | 12 | 4,530,636 | 12,193,506 |
| TOTAL ASSETS | | <u>59,933,952</u> | <u>116,046,058</u> |
| LIABILITIES | | | |
| Amount due to Manager | 11 | 2,975,942 | 3,275,732 |
| Amount due to Trustee | 13 | 2,983 | 6,294 |
| Amount due to brokers | 14 | 87,536 | - |
| Distribution payable | | - | 9,576,047 |
| Other payables and accruals | 15 | 236,463 | 67,209 |
| TOTAL LIABILITIES | | <u>3,302,924</u> | <u>12,925,282</u> |
| NET ASSET VALUE ("NAV") OF THE FUND | | <u>56,631,028</u> | <u>103,120,776</u> |
| EQUITY | | | |
| Unitholders' capital | 17(a) | 37,497,313 | 99,485,729 |
| Retained earnings | 17(b) & (c) | 19,133,715 | 3,635,047 |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>56,631,028</u> | <u>103,120,776</u> |
| NUMBER OF UNITS IN CIRCULATION | 17(a) | <u>43,786,588</u> | <u>95,248,006</u> |
| NAV PER UNIT | | <u>1.2933</u> | <u>1.0827</u> |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021**

| | Unitholders' capital Note 17(a) RM | Retained earnings Note 17(b) and 17(c) RM | Total equity RM |
|---|---|--|--------------------------------|
| At 1 February 2019 | 121,825,308 | 2,267,900 | 124,093,208 |
| Total comprehensive income for the financial year | - | 1,367,147 | 1,367,147 |
| Creation of units | 61,420,418 | - | 61,420,418 |
| Cancellation of units | (74,183,950) | - | (74,183,950) |
| Distribution (Note 18) | (9,576,047) | - | (9,576,047) |
| At 31 January 2020 | <u>99,485,729</u> | <u>3,635,047</u> | <u>103,120,776</u> |
| At 1 February 2020 | 99,485,729 | 3,635,047 | 103,120,776 |
| Total comprehensive income for the financial year | - | 18,361,033 | 18,361,033 |
| Creation of units | 69,300,104 | - | 69,300,104 |
| Reinvestment of units | 13,553,854 | - | 13,553,854 |
| Cancellation of units | (143,726,932) | - | (143,726,932) |
| Distribution (Note 18) | (1,115,442) | (2,862,365) | (3,977,807) |
| At 31 January 2021 | <u>37,497,313</u> | <u>19,133,715</u> | <u>56,631,028</u> |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021**

| | 2021 | 2020 |
|---|---------------------|---------------------|
| | RM | RM |
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Net proceeds from disposal of FVTPL financial assets | 125,434,331 | 92,904,999 |
| Net payment for purchase of FVTPL financial assets | (61,563,308) | (68,179,072) |
| Profit income received | 101,808 | 406,647 |
| Net dividend received | 1,933,376 | 2,846,862 |
| Manager's fees paid | (1,404,389) | (2,018,213) |
| Trustee's fees paid | (56,176) | (80,729) |
| Net tax paid on dividend received from foreign countries | (44,166) | (38,024) |
| Other income received | - | 3,643 |
| Payment to charitable bodies for purification of income | (24,871) | (108,244) |
| Payment of other fees and expenses | (161,925) | (121,539) |
| Net cash generated from from operating and investing activities | <u>64,214,680</u> | <u>25,616,330</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash received from units created | 84,006,409 | 58,840,810 |
| Cash paid on units cancelled | (157,497,799) | (73,927,976) |
| Net cash used in from financing activities | <u>(73,491,390)</u> | <u>(15,087,166)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR | (9,276,710) | 10,529,164 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 14,469,196 | 4,883,606 |
| Effect of foreign exchange | (661,850) | (943,574) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | <u>4,530,636</u> | <u>14,469,196</u> |
| Cash and cash equivalents comprise of: | | |
| Cash at bank (Note 12) | 4,530,636 | 12,193,506 |
| Shariah-compliant deposit with a financial institution with maturity of less than 3 months (Note 9) | - | 2,275,690 |
| | <u>4,530,636</u> | <u>14,469,196</u> |

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank AsiaPac Ex-Japan Equity-I Fund (the "Fund") was constituted pursuant to the execution of a Trust Deed dated 21 June 2013, a First Supplemental Deed dated 20 March 2015 and a Second Supplemental Deed dated 10 December 2015 between the Manager, Maybank Asset Management Sdn Bhd ("MAM"), the Trustee, TMF Trustees Malaysia Berhad and the registered unitholders of the Fund. The Deed and Supplemental Deeds are collectively referred to as 'Deeds'.

The principal activity of the Fund is to invest between 70% to 98% of the Fund's NAV in Shariah-compliant equities listed or traded in the Asia Pacific ex-Japan markets. The Manager will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

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. The principal place of business of MAM is at Level 12, Tower C Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad

MAM has appointed Maybank Islamic Asset Management Sdn Bhd ("MIAM") as the External Investment Manager for the Fund. MIAM is a wholly-owned subsidiary of MAMG and is a holder of a capital markets services licence to carry out Islamic fund management business pursuant to Section 61 of the Capital Markets and Services Act 2007 ("CMSA").

The role and responsibilities of MIAM include management of the investment portfolio in accordance with the investment objective, subject to the CMSA and the Guidelines on Unit Trust Funds issued by the Securities Commission of Malaysia ("SC") and any other relevant guidelines issued by the SC as well as the terms and conditions of the investment management agreement between MIAM and MAM.

The financial statements were authorised for issue by the Board of Directors ("Directors") of the Manager in accordance with a resolution of the Directors on 16 March 2021.

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

The Fund has adopted the MFRS, Amendments to Standards and Interpretation Committee ("IC") Interpretations which have become effective during the financial year ended 31 January 2021. The adoption of the above did not result in material impact to the financial statements.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation (cont'd)

The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies in Notes 2.3 to Note 2.15 to the financial statements.

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

2.2 Standards and amendments to standards issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|--|---|
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform Phase 2</i> | 1 January 2021 |
| Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i> | 1 January 2022 |
| Amendments to MFRS 116: <i>Proceeds before Intended Use</i> | 1 January 2022 |
| Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i> | 1 January 2022 |
| Annual Improvements to MFRS Standards 2018-2020 Cycle | 1 January 2022 |
| MFRS 17: <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| 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 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 fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I 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

The Fund classifies cash and cash equivalents, amount due from Manager and other receivables as financial assets at amortised cost. These assets are subsequently measured using the effective profit rate ("EPR") method and are subject to impairment. The EPR is a method of calculating the amortised cost of financial asset and of allocating and recognising the profit income in profit or loss of the relevant period.

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

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

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

(ii) 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 instruments or a financial guarantee.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.4 Financial assets (cont'd)

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

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

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

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

Dividend income on quoted equities as at FVTPL is disclosed separately in the profit or loss.

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

(iii) Impairment

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

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

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

- Financial assets that are credit-impaired at the reporting date:
As the difference between the gross carrying amount and the present value of estimated future cash flows.

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.4 Financial assets (cont'd)

(iii) Impairment (cont'd)

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

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

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

(iv) Derecognition

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

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

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

2.5 Financial liabilities

(i) Classification

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

(ii) Recognition and measurement

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.5 Financial liabilities (cont'd)

(ii) Recognition and measurement (cont'd)

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

2.6 Fair value measurement

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

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

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

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

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

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

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

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.6 Fair value measurement (cont'd)

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

2.7 Functional and foreign currency

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period/year-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.

2.8 Unitholders' contribution

The unitholders' contributions to the Fund are classified as liabilities or equities under the requirements of 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 period if unitholder exercises the right to put the unit back to the Fund. Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

2.9 Distributions

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.10 Cash and cash equivalents

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

2.11 Revenue/ Income

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

Dividend income is recognised when the right to receive is established.

Profit income is recognised using the effective profit method.

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

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

Any purification of income resulting from investments in Shariah non-compliant investments are derecognised from the corresponding gain or dividend income in the statement or profit or loss.

2.12 Income tax

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

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

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

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.

2.13 Segment information

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.14 Cleansing/Purification of income

The Fund is required to cleanse or purify any income or gains generated by Shariah non-compliant activity or sources. Such Shariah non-compliant gain or income may arise as follows.

(i) Shariah non-compliant investment

Shariah non-compliant investment made by the Manager will be disposed of or withdrawn as soon as possible. In the event the investment results in gain (through capital gain and/or dividend), the gain is to be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment results in losses to the Fund, the losses are to be borne by the Manager.

(ii) Reclassification of Shariah Status of the fund's investment

If a security is reclassified as Shariah non-compliant by the SACSC and/or the Shariah board of the MSCI Islamic Index Series, as per the Shariah Adviser's advice, the said security shall be disposed of soonest practical, once the total amount of dividends received and the market value held equal the original investment costs.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to Baitulmal or any charitable bodies.

(iii) Purification of cash dividend received

The cleansing process is the means by which all remaining elements of non permissible income are removed or purged from a portfolio through dividend cleansing. The process applies mainly to non-permissible income as per MSCI screening methodology and should be disposed according to the same methodology of MSCI. The cleansed income shall be channelled to charities as approved by the Shariah Adviser.

The purification exercise is done by channelling the purification amount to charitable purposes as advised by the Shariah Adviser and this exercise will be performed by the Investment Manager when relevant information has been obtained. The calculation of the purification amount must further be endorsed by the Shariah Adviser for verification before the purification is done.

Any purification on gains resulting from investments in Shariah non-compliant investments is disclosed as a reduction of the corresponding capital gain and/or dividend in the statement of profit or loss.

Any unpaid purification will be disclosed under purification of income payables (Note 16).

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

2.15 Critical accounting estimates and judgments

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

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

3. DIVIDEND INCOME

| | 2021 RM | 2020 RM |
|--|------------------|------------------|
| Gross dividend income | 2,181,102 | 3,014,377 |
| Less: Purification of income (Note 16) | (41,255) | (24,872) |
| Net dividend income | <u>2,139,847</u> | <u>2,989,505</u> |

4. NET GAIN/(LOSS) ON FOREIGN EXCHANGE

| | 2021 RM | 2020 RM |
|---|------------------|--------------------|
| Net realised foreign exchange gain | 468,860 | 550,302 |
| Net unrealised foreign exchange gain/(loss) | 746,744 | (3,987,403) |
| | <u>1,215,604</u> | <u>(3,437,101)</u> |

5. MANAGER'S FEE

The Manager's fee is computed daily based on 1.50% (2020: 1.50%) per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

6. TRUSTEE'S FEE

The Trustee's fee is computed daily based on 0.06% (2020: 0.06%) p.a. of the NAV of the Fund before deducting the Manager's fee and Trustee's fees.

7. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable income for the financial year.

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

Income derived from sources outside Malaysia may be subject to tax in the country from which it is derived. Tax on dividend income from foreign quoted equities is based on the tax regime of the respective countries that the Fund invests in.

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

| | 2021 | 2020 |
|--|-------------------|------------------|
| | RM | RM |
| Net income before taxation | <u>18,601,962</u> | <u>1,684,826</u> |
| Tax at Malaysian statutory rate of 24% (2020: 24%) | 4,464,471 | 404,358 |
| Income not subject to tax | (4,960,250) | (1,038,287) |
| Income tax at source | 240,929 | 317,679 |
| Expenses not deductible for tax purposes | <u>495,779</u> | <u>633,929</u> |
| Tax expense for the financial year | <u>240,929</u> | <u>317,679</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL

| | | 2021 | 2020 |
|---|-----|-------------------|-------------------|
| | | RM | RM |
| Shariah-compliant quoted equities - local | (a) | 2,205,761 | 6,166,285 |
| Shariah-compliant quoted equities - foreign | (b) | 51,446,866 | 91,897,566 |
| Shariah non-compliant quoted equities - foreign | (c) | - | 737,075 |
| | | <u>53,652,627</u> | <u>98,800,926</u> |

| | Quantity | Aggregate | Market | Percentage |
|---|-----------------|------------------|------------------|-------------------|
| 2021 | Unit | cost | value | of NAV |
| | | RM | RM | % |
| (a) Shariah-compliant equities | | | | |
| - Local | | | | |
| Consumer Products & Services | | | | |
| MR D.I.Y Group (M) Bhd | 195,800 | 313,280 | 579,568 | 1.02 |
| Healthcare | | | | |
| Top Glove Corporation Bhd | 105,000 | 833,480 | 707,700 | 1.25 |
| Technology | | | | |
| MyEG Services Bhd | 478,382 | 496,998 | 918,493 | 1.62 |
| Total Shariah-compliant equities - Local | <u>779,182</u> | <u>1,643,757</u> | <u>2,205,761</u> | <u>3.89</u> |
| (b) Shariah-compliant equities | | | | |
| - Foreign | | | | |
| Australia | | | | |
| BHP Billiton Ltd | 12,484 | 1,239,828 | 1,685,082 | 2.98 |
| Fortescue Metals Group Ltd | 14,310 | 448,315 | 966,221 | 1.71 |
| Goodman Group Ltd | 19,279 | 510,683 | 1,056,200 | 1.87 |
| Harvey Norman Holdings Ltd | 36,800 | 489,131 | 608,932 | 1.08 |
| Stockland Co Ltd | 44,386 | 617,387 | 612,048 | 1.08 |
| | <u>127,259</u> | <u>3,305,345</u> | <u>4,928,483</u> | <u>8.70</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2021 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| China | | | | |
| China Yuhua Education Co Ltd | 198,000 | 840,692 | 701,205 | 1.24 |
| Inner Mongolia Yili Industrial Group Co | 32,500 | 762,943 | 901,878 | 1.59 |
| | 230,500 | 1,603,636 | 1,603,083 | 2.83 |
| Hong Kong | | | | |
| Alibaba Group Holding Limited | 33,500 | 2,992,488 | 4,305,870 | 7.60 |
| Alibaba Health Information Technology Ltd | 68,000 | 958,943 | 860,570 | 1.52 |
| Anta Sports Products Ltd | 9,800 | 372,600 | 654,823 | 1.16 |
| China Education Group Holdings Ltd | 93,000 | 725,074 | 789,481 | 1.39 |
| China Medical System Holdings Ltd | 149,000 | 706,762 | 864,455 | 1.53 |
| China Resources Cement Holdings Ltd | 62,000 | 408,695 | 276,722 | 0.49 |
| China Traditional Chinese Medicine Holdings Co. Ltd | 328,000 | 851,550 | 734,536 | 1.30 |
| Chow Tai Fook Jewellery Group Ltd | 116,000 | 578,641 | 564,860 | 1.00 |
| CNOOC Ltd | 132,000 | 818,756 | 523,841 | 0.93 |
| Cspc Pharmaceutical Group Ltd | 151,520 | 680,224 | 624,980 | 1.10 |
| Link REIT | 13,200 | 478,907 | 465,408 | 0.82 |
| Longfor Properties Co Ltd | 14,000 | 312,373 | 319,719 | 0.56 |
| Meituan | 6,500 | 943,462 | 1,204,454 | 2.13 |
| Shenzhen International Group Holdings Ltd | 7,500 | 313,213 | 594,103 | 1.05 |
| Shimao Group Holdings Ltd | 37,000 | 353,213 | 434,529 | 0.77 |
| Tencent Holdings Ltd | 5,500 | 1,642,377 | 1,952,089 | 3.45 |
| Xinyi Solar Holdings Ltd | 86,000 | 430,973 | 761,410 | 1.34 |
| | 1,312,520 | 13,568,252 | 15,931,849 | 28.13 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2021 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| India | | | | |
| Dr.Reddys Laboratories | 3,290 | 754,736 | 837,401 | 1.48 |
| HCL Technologies Ltd | 20,658 | 633,479 | 1,044,142 | 1.84 |
| Reliance Industries Ltd | 13,767 | 787,400 | 1,334,452 | 2.36 |
| | <u>37,715</u> | <u>2,175,616</u> | <u>3,215,995</u> | <u>5.68</u> |
| Indonesia | | | | |
| PT Merdeka Copper Gold Tbk | 835,700 | 309,096 | 612,459 | 1.08 |
| PT Media Nusantara Citra Tbk | 3,597,700 | 1,421,467 | 1,070,168 | 1.89 |
| PT United Tractors Tbk | 118,000 | 891,148 | 774,917 | 1.37 |
| | <u>4,551,400</u> | <u>2,621,711</u> | <u>2,457,544</u> | <u>4.34</u> |
| Philippines | | | | |
| Megaworld Corporation | 940,000 | 316,892 | 301,627 | 0.53 |
| Puregold Price Club Inc | 95,400 | 346,722 | 288,490 | 0.51 |
| | <u>1,035,400</u> | <u>663,614</u> | <u>590,117</u> | <u>1.04</u> |
| South Korea | | | | |
| Hyundai Mobis Co Ltd | 385 | 328,194 | 441,228 | 0.78 |
| KIA Motors Co Ltd | 4,700 | 846,962 | 1,399,622 | 2.47 |
| LG Chemical Ltd | 343 | 642,761 | 1,135,331 | 2.00 |
| LG Household and Healthcare Ltd | 172 | 609,962 | 966,665 | 1.71 |
| Posco Co Ltd | 510 | 355,649 | 451,940 | 0.80 |
| Samsung Electronics Co Ltd | 17,195 | 3,185,257 | 5,089,500 | 8.99 |
| SK Hynix Inc | 3,137 | 900,997 | 1,387,106 | 2.45 |
| | <u>26,442</u> | <u>6,869,782</u> | <u>10,871,393</u> | <u>19.20</u> |
| Singapore | | | | |
| CapitaLand Integrated Commercial Trust | 103,032 | 769,934 | 670,858 | 1.18 |
| Comfortdelgro Co Ltd | 121,000 | 560,442 | 581,684 | 1.03 |
| Sasseur REIT | 233,800 | 528,446 | 583,315 | 1.03 |
| Venture Co Ltd | 15,700 | 806,372 | 947,733 | 1.67 |
| | <u>473,532</u> | <u>2,665,194</u> | <u>2,783,591</u> | <u>4.92</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2021 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities - Foreign (cont'd) | | | | |
| Taiwan | | | | |
| Sinbon Electronics Co Ltd | 32,000 | 875,525 | 1,157,411 | 2.04 |
| Taiwan Semiconductor Manufacturing Co. Ltd | 65,900 | 2,987,942 | 5,612,248 | 9.91 |
| United Microelectronics Co Ltd | 179,000 | 593,362 | 1,289,695 | 2.28 |
| | <u>276,900</u> | <u>4,456,828</u> | <u>8,059,354</u> | <u>14.23</u> |
| United States of America | | | | |
| Vipshop Holdings Ltd | 9,080 | 474,679 | 1,005,455 | 1.78 |
| | <u>8,080,748</u> | <u>38,404,656</u> | <u>51,446,866</u> | <u>90.85</u> |
| Total Shariah compliant equities - foreign | | | | |
| | <u>8,859,930</u> | <u>40,048,413</u> | <u>53,652,627</u> | <u>94.74</u> |
| Total equities | | | | |
| | | | <u>13,604,214</u> | |
| Unrealised gain on investments * | | | | |
| 2020 | | | | |
| (a) Shariah-compliant equities - Local | | | | |
| Consumer Products & Services | | | | |
| MBM Resources Bhd | 350,000 | 1,421,840 | 1,330,000 | 1.29 |
| Construction | | | | |
| Gabungan AQRS Bhd | 807,500 | 1,148,689 | 855,950 | 0.83 |
| Finance | | | | |
| Syarikat Takaful Malaysia Keluarga Bhd | 187,000 | 1,130,303 | 850,850 | 0.83 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2020 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|--|------------------|-------------------------|-----------------------|---------------------------|
| Energy | | | | |
| Serba Dinamik Holdings Bhd | | | | |
| - ordinary shares | 1,334,130 | 1,961,306 | 3,001,792 | 2.91 |
| - warrants | 381,180 | - | 127,693 | 0.12 |
| | <u>1,715,310</u> | <u>1,961,306</u> | <u>3,129,485</u> | <u>3.03</u> |
| Total Shariah-compliant equities - Local | <u>3,059,810</u> | <u>5,662,138</u> | <u>6,166,285</u> | <u>5.98</u> |
| (b) Shariah-compliant equities - Foreign | | | | |
| Australia | | | | |
| Beach Energy Ltd | 182,750 | 1,095,134 | 1,337,841 | 1.30 |
| BHP Billiton Ltd | 35,152 | 3,491,065 | 3,797,362 | 3.68 |
| Fortescue Metals Group Ltd | 44,000 | 1,378,466 | 1,374,080 | 1.33 |
| Goodman Group Ltd | 41,882 | 1,109,416 | 1,709,850 | 1.66 |
| Mirvac Group Ltd | 130,394 | 908,353 | 1,215,548 | 1.18 |
| Newcrest Mining Ltd | 13,000 | 1,343,926 | 1,052,550 | 1.02 |
| Rio Tinto Ltd | 5,686 | 1,294,964 | 1,539,812 | 1.49 |
| Woodside Petroleum Ltd | 103,000 | 1,432,678 | 1,389,435 | 1.35 |
| | <u>555,864</u> | <u>12,054,002</u> | <u>13,416,478</u> | <u>13.01</u> |
| Hong Kong | | | | |
| CSPC Pharmaceutical Group Ltd | 126,000 | 1,086,061 | 1,149,975 | 1.12 |
| China Resources Land Ltd | 71,000 | 1,039,553 | 1,224,836 | 1.19 |
| China Resources Gas Group Ltd | 68,000 | 1,278,419 | 1,474,425 | 1.43 |
| Shenzhen International Group Holdings Ltd | 20,000 | 835,236 | 1,095,215 | 1.06 |
| China Mengniu Dairy Co Ltd | 77,000 | 1,099,258 | 1,169,917 | 1.13 |
| ENN Energy Holdings Ltd | 30,000 | 1,417,862 | 1,441,821 | 1.40 |
| China Aoyuan Group Ltd | 220,000 | 1,375,889 | 1,220,985 | 1.18 |
| China Traditional Chinese Medicine Holdings Co Ltd | 1,076,000 | 2,793,498 | 2,054,910 | 1.99 |
| MTR Corp | 67,000 | 1,706,427 | 1,551,712 | 1.50 |
| Shimao Property Holdings Ltd | 86,000 | 820,982 | 1,150,134 | 1.12 |
| Link REIT | 28,500 | 1,034,004 | 1,187,801 | 1.15 |
| China Medical System Holdings Ltd | 310,000 | 1,470,445 | 1,707,395 | 1.66 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2020 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| Hong Kong (cont'd) | | | | |
| CNOOC Ltd | 293,000 | 1,817,391 | 1,833,260 | 1.78 |
| China Mobile Ltd | 40,000 | 1,667,707 | 1,354,774 | 1.31 |
| | 2,512,500 | 19,442,732 | 19,617,160 | 19.02 |
| India | | | | |
| HCL Technologies Ltd | 70,936 | 2,175,258 | 2,400,510 | 2.33 |
| Jubilant FoodWorks Ltd | 15,500 | 1,442,699 | 1,676,511 | 1.63 |
| Reliance Industries Ltd | 40,099 | 2,231,115 | 3,239,037 | 3.13 |
| | 126,535 | 5,849,072 | 7,316,058 | 7.09 |
| Indonesia | | | | |
| PT Media Nusantara Citra Tbk | 5,400,000 | 2,133,564 | 2,574,856 | 2.50 |
| PT Indofood Sukses Makmur Tbk | 420,000 | 1,384,575 | 1,432,724 | 1.39 |
| PT Wijaya Karya Beton Tbk | 8,200,000 | 1,506,184 | 944,294 | 0.92 |
| PT Telekomunikasi Indonesia (Persero) Tbk | 1,720,000 | 2,064,066 | 1,960,081 | 1.90 |
| | 15,740,000 | 7,088,389 | 6,911,955 | 6.71 |
| Singapore | | | | |
| CapitaLand Mall Trust | 241,100 | 1,727,120 | 1,823,384 | 1.77 |
| Taiwan | | | | |
| Chicony Electronics Co Ltd | 113,000 | 1,132,542 | 1,306,892 | 1.27 |
| Farmosa Plastics Corp | 67,000 | 897,582 | 842,538 | 0.82 |
| Formosa Chemicals & Fibre Corp | 87,000 | 1,189,497 | 994,477 | 0.96 |
| Powertech Technology Inc | 111,000 | 1,447,475 | 1,614,042 | 1.57 |
| Taiwan Cement Corp | 225,792 | 1,012,686 | 1,278,329 | 1.24 |
| Taiwan Semiconductor Manufacturing Co. Ltd | 56,000 | 2,559,568 | 2,412,714 | 2.33 |
| | 659,792 | 8,239,350 | 8,448,992 | 8.19 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| 2020 (cont'd) | Quantity Unit | Aggregate cost RM | Market value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| (b) Shariah-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| Thailand | | | | |
| Chularat Hospital PCL | 3,644,000 | 1,360,091 | 1,290,162 | 1.25 |
| Republic of South Korea | | | | |
| Hyundai Mobis Co Ltd | 2,300 | 1,960,642 | 1,804,667 | 1.75 |
| LG Household & Health Care Ltd | 277 | 982,323 | 1,191,370 | 1.16 |
| Samsung Electronics Co Ltd | | | | |
| - Ordinary shares | 49,152 | 9,056,911 | 9,477,782 | 9.19 |
| - Preference shares | 10,500 | 1,603,641 | 1,705,176 | 1.65 |
| SK Hynix Inc | 9,924 | 2,738,465 | 3,172,377 | 3.08 |
| Woongjin Coway Co Ltd | 4,600 | 1,488,447 | 1,380,825 | 1.34 |
| | 76,753 | 17,830,429 | 18,732,197 | 18.17 |
| United States of America | | | | |
| Alibaba Group Holding Ltd | 12,000 | 8,363,268 | 10,155,551 | 9.85 |
| JD.com Inc | 16,200 | 2,410,451 | 2,501,233 | 2.43 |
| Vipshop Holdings Ltd | 32,300 | 1,151,686 | 1,684,396 | 1.63 |
| | 60,500 | 11,925,405 | 14,341,180 | 13.91 |
| Total Shariah-compliant equities | | | | |
| - Foreign | 23,617,044 | 85,516,590 | 91,897,566 | 89.12 |
| (c) Shariah non-compliant equities | | | | |
| - Foreign (cont'd) | | | | |
| United States of America | | | | |
| Trip.com International Ltd (formerly known as Ctrip.com International Ltd) ⁽¹⁾ | 5,600 | 1,007,164 | 737,075 | 0.71 |
| Total Shariah non-compliant equities - foreign | 5,600 | 1,007,164 | 737,075 | 0.71 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| | | | | |
|---|------------|------------|------------------|-------|
| Total equities | 26,682,454 | 92,185,892 | 98,800,926 | 95.81 |
| Unrealised gain on investments * | | | <u>6,615,034</u> | |

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

(1) Trip.com International Ltd (formerly known as Ctrip.com International Ltd) was reclassified to Shariah non-compliant securities based on the Shariah Adviser's approved list effective 1 June 2019. The Manager will immediately dispose the shares upon recovery of the investment cost less the dividend income that is received from these securities.

9. SHARIAH-COMPLIANT DEPOSIT WITH A LICENSED ISLAMIC FINANCIAL INSTITUTION

| | 2021 | 2020 |
|---|-------------|------------------|
| | RM | RM |
| Shariah-compliant deposit with a licensed Islamic Islamic financial institution of less than 3 months | - | <u>2,275,690</u> |

The weighted average effective profit rates ("WAEPR") per annum and average maturity of deposits with financial institution as at the reporting date were as follows:

| | 2021 | | 2020 | |
|---|---------------|-----------------|---------------|-----------------|
| | WAEPR | Average | WAEPR | Average |
| | % p.a. | Maturity | % p.a. | Maturity |
| | | Days | | Days |
| Shariah-compliant deposit with maturity of less than 3 months | - | - | 2.75 | 2 |

10. OTHER RECEIVABLES

| | 2021 | 2020 |
|----------------------------|----------------|----------------|
| | RM | RM |
| Dividend income receivable | 188,564 | 173,082 |
| Profit income receivable | - | 171 |
| | <u>188,564</u> | <u>173,253</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

11. AMOUNT DUE FROM/TO MANAGER

| | Note | 2021 RM | 2020 RM |
|------------------------------------|-------|------------------|------------------|
| (a) Amount due from Manager | | | |
| Subscription of units | (i) | <u>1,562,125</u> | <u>2,602,683</u> |
| (b) Amount due to Manager | | | |
| Manager's fee | (ii) | 74,569 | 157,346 |
| Redemption of units | (iii) | <u>2,901,373</u> | <u>3,118,386</u> |
| | | <u>2,975,942</u> | <u>3,275,732</u> |

(i) The amount represents amount receivable from the Manager for units created.

(ii) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2020: 15 days).

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

12. CASH AT BANK

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

| | 2021 RM | 2020 RM |
|------------------------------|------------------|-------------------|
| Malaysian Ringgit ("RM") | 4,068,749 | 7,629,953 |
| Indian Rupee ("INR") | 459,141 | 11,247 |
| Philippines Peso ("PHP") | 2,524 | - |
| Taiwan Dollar ("TWD") | 11 | 1,928,887 |
| United States Dollar ("USD") | <u>211</u> | <u>2,623,419</u> |
| | <u>4,530,636</u> | <u>12,193,506</u> |

13. AMOUNT DUE TO TRUSTEE

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 (2020: 15 days).

14. AMOUNT DUE TO BROKERS

The amount due to brokers relate to the amount payable to brokers arising from the purchase of investments. The settlement period for this payable is within two (2) to three (3) working days from the deal date.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

15. OTHER PAYABLES AND ACCRUALS

Other payables and accruals comprise:

| | 2021 RM | 2020 RM |
|--|----------------|---------------|
| Audit fee payable | 11,554 | 11,554 |
| Tax agent fee payable | 4,505 | 4,505 |
| Shariah advisory fee payable | 5,565 | 11,130 |
| Purification of income payable (Note 16) | 209,752 | 36,135 |
| Other accruals | 5,087 | 3,885 |
| | <u>236,463</u> | <u>67,209</u> |

16. PURIFICATION OF INCOME PAYABLE

During the current financial year, the Fund purified a total dividend income of RM41,255 and capital gains of RM157,233 arising from the disposal of Wesfarmers Ltd, Powertech Technology Inc, and Chicony Electronics Co Ltd, which were reclassified to Shariah non-compliant as advised by the Shariah Adviser. These amounts will be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser.

During the previous financial year, the Fund purified a total dividend income of RM 24,872 and profit income of RM 3,211 arising from long outstanding purification income payable as advised by the Shariah Adviser.

17. TOTAL EQUITY

(a) Unitholders' capital

| | Note | 2021 RM | 2020 RM |
|------------------------------------|------|-------------------|--------------------|
| Unitholders' capital | (a) | 37,497,313 | 99,485,729 |
| Accumulated realised income/(loss) | (b) | 9,400,873 | (488,097) |
| Accumulated unrealised income | (c) | 9,732,842 | 4,123,144 |
| | | <u>56,631,028</u> | <u>103,120,776</u> |

| | 2021 | | 2020 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | No. of units | RM | No. of units | RM |
| At beginning of the financial year | 95,248,006 | 99,485,729 | 105,817,145 | 121,825,308 |
| Creation of units | 58,548,079 | 69,300,104 | 51,470,496 | 61,420,418 |
| Reinvestment of units | 11,526,421 | 13,553,854 | - | - |
| Cancellation of units | (121,535,918) | (143,726,932) | (62,039,635) | (74,183,950) |
| Distribution equalisation (Note 18) | - | (1,115,442) | - | (9,576,047) |
| At end of the financial year | <u>43,786,588</u> | <u>37,497,313</u> | <u>95,248,006</u> | <u>99,485,729</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

17. TOTAL EQUITY (CONT'D)

(a) Unitholders' capital (cont'd)

As of end of the financial year, the total number and value of units held legally or beneficially by the Manager and a related party are as follows:

| | 2021 | | 2020 | |
|-------------|-------------|-------|-------------|-------|
| | No of units | RM | No of units | RM |
| The Manager | 1,376 | 1,780 | 1,174 | 1,271 |

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

(b) Accumulated realised income/(loss)

| | 2021 RM | 2020 RM |
|---|-------------|-------------|
| At beginning of the financial year | (488,097) | 1,285,788 |
| Net realised income/(loss) for the financial year | 12,751,335 | (1,773,885) |
| Distribution out of realised reserve (Note 18) | (2,862,365) | - |
| At end of the financial year | 9,400,873 | (488,097) |

(c) Accumulated unrealised income

| | 2021 RM | 2020 RM |
|--|------------|------------|
| At beginning of the financial year | 4,123,144 | 982,112 |
| Net unrealised income for the financial year | 5,609,698 | 3,141,032 |
| At end of the financial year | 9,732,842 | 4,123,144 |

18. DISTRIBUTIONS

Details of distribution declared is shown below:

| | 2021 RM | 2020 RM |
|--|-------------|------------|
| Dividend income | 647,842 | - |
| Profit income | 30,771 | - |
| Net realised gain on sale of investments | 3,738,275 | - |
| Net realised foreign exchange gain | 141,948 | - |
| Less: Expenses | (1,696,471) | - |
| Distributions out of realised reserve | 2,862,365 | - |
| Distribution out of distribution equalisation (Note 17(a)) | 1,115,442 | 9,576,047 |
| Distributions for the financial year | 3,977,807 | 9,576,047 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

18. DISTRIBUTIONS (CONT'D)

The gross and net distributions per unit and the distribution dates is as follows:

| Distribution date | Gross/Net distribution per unit (sen) |
|-------------------|---|
| 2021 | |
| 27 January 2021 | <u>10.00</u> |
| 2020 | |
| 30 January 2020 | <u>10.00</u> |

* Part of the distribution were made from previous year's net realised income.

The distribution declared were settled in the forms of units and presented as 'reinvestment of units' in Note 17 (a) on payment date.

19. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of transactions with broker/dealer for the current and previous financial year are as follows:

| | Value of trade RM | Percentage of total trade % | Brokerage fees RM | Percentage of brokerage fees % |
|--|-------------------------|--------------------------------------|-------------------------|---|
| 2021 | | | | |
| Affin Hwang Investment Bank Bhd | 7,414,783 | 3.97 | 14,831 | 4.78 |
| CIMB Investment Bank Bhd | 1,304,154 | 0.70 | 2,609 | 0.84 |
| CLSA Asia-Pacific Markets | 14,058,299 | 7.55 | 9,894 | 3.19 |
| CLSA Ltd | 26,482,983 | 14.22 | 52,967 | 17.07 |
| CLSA Securities (M) Sdn Bhd | 31,085,697 | 16.69 | 58,632 | 18.89 |
| Kim Eng Securities India Pte Ltd* | 7,038,095 | 3.78 | 14,076 | 4.54 |
| Maybank Investment Bank Bhd* | 62,010,057 | 33.29 | 83,462 | 26.89 |
| UBS Securities Australia Ltd | 12,502,372 | 6.71 | 25,005 | 8.06 |
| UBS Securities Pte Ltd | 18,518,641 | 9.94 | 37,118 | 11.96 |
| United Overseas Bank (Malaysia) Bhd | 5,870,138 | 3.15 | 11,740 | 3.78 |
| | <u>186,285,219</u> | <u>100.00</u> | <u>310,334</u> | <u>100.00</u> |
| 2020 | | | | |
| Affin Hwang Investment Bank Bhd | 9,341,129 | 5.87 | 18,712 | 6.78 |
| CIMB Investment Bank Bhd | 2,645,363 | 1.66 | 5,291 | 1.92 |
| CLSA Asia-Pacific Markets | 15,546,724 | 9.77 | 12,966 | 4.70 |
| CLSA Ltd | 11,784,413 | 7.40 | 23,569 | 8.54 |
| CLSA Securities (M) Sdn Bhd | 14,217,018 | 8.93 | 27,200 | 9.85 |

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

| 2020 (cont'd) | Value of trade RM | Percentage of total trade % | Brokerage fees RM | Percentage of brokerage fees % |
|--|-------------------------|--------------------------------------|-------------------------|---|
| Kim Eng Securities India Pte Ltd* | 6,943,761 | 4.36 | 13,885 | 5.03 |
| Maybank Investment Bank Bhd* | 43,089,857 | 27.07 | 63,176 | 22.89 |
| RHB Investment Bank Bhd | 24,868,702 | 15.62 | 49,739 | 18.02 |
| UBS Securities Australia Ltd | 17,523,394 | 11.01 | 35,047 | 12.70 |
| UBS Securities Pte Ltd | 6,939,561 | 4.36 | 13,896 | 5.03 |
| United Overseas Bank (Malaysia) Bhd | 6,276,706 | 3.94 | 12,554 | 4.55 |
| | <u>159,176,628</u> | <u>100.00</u> | <u>276,035</u> | <u>100.00</u> |

* Kim Eng Securities India Pte Ltd and Maybank Investment Bank Bhd are related parties of MBB, the ultimate holding company of the Manager.

Details of transactions, primarily Shariah-compliant deposits with licensed Islamic financial institutions for the current and previous financial year are as follows:

| Financial institutions | 2021 | | 2020 | |
|-----------------------------|------------------------------|---|------------------------------|---|
| | Value of placements RM | Percentage of total placements % | Value of placements RM | Percentage of total placements % |
| Maybank Islamic Bhd ** | 42,514 | 41.76 | 406,483,136 | 12.42 |
| Hong Leong Islamic Bank Bhd | 59,295 | 58.24 | 2,865,873,986 | 87.58 |
| | <u>101,808</u> | <u>100.00</u> | <u>3,272,357,122</u> | <u>100.00</u> |

** Maybank Islamic Bhd is a subsidiary of MBB, the ultimate holding company of the Manager.

20. 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 may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, there are no significant related party transactions and balances of the Fund.

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

20. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES (CONT'D)

(i) Significant related party transaction

| | 2021 | 2020 |
|-------------------------------|--------|------|
| <u>Maybank Islamic Berhad</u> | | |
| Profit income from deposits | 42,514 | - |

21. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of the 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, tax agent's fee and other administrative expenses. For the financial year ended 31 January 2021, the MER of the Fund stood at 1.76% (2020: 1.66%).

22. 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 January 2021, the PTR of the Fund stood at 1.06 times (2020: 0.59 times).

23. 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 NAV in quoted equities listed or traded in the Asia Pacific ex-Japan markets. The Manager will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.

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

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

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

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

24. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Notes 2.3 to 2.15 describe how the classes of financial instruments are measured, and how income and expenses are recognised. The following table analyses the financial assets and financial liabilities (exclude 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.

| 2021 | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Financial liabilities at amortised cost RM | Total RM |
|------------------------------|---------------------------------------|---|--|-------------------|
| Financial assets | | | | |
| Financial assets at FVTPL | 53,652,627 | - | - | 53,652,627 |
| Other receivables | - | 188,564 | - | 188,564 |
| Amount due from Manager | - | 1,562,125 | - | 1,562,125 |
| Cash at bank | - | 4,530,636 | - | 4,530,636 |
| Total financial assets | <u>53,652,627</u> | <u>6,281,325</u> | <u>-</u> | <u>59,933,952</u> |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 2,975,942 | 2,975,942 |
| Amount due to Trustee | - | - | 2,983 | 2,983 |
| Amount due to brokers | - | - | 87,536 | 87,536 |
| Other payables and accruals | - | - | 236,463 | 236,463 |
| Total financial liabilities | <u>-</u> | <u>-</u> | <u>3,302,924</u> | <u>3,302,924</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

24. FINANCIAL INSTRUMENTS (CONT'D)

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

| 2020 | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Financial liabilities at amortised cost RM | Total RM |
|---|---------------------------------------|---|--|-------------|
| Financial assets | | | | |
| Financial assets at FVTPL | 98,800,926 | - | - | 98,800,926 |
| Shariah compliant deposit with a licensed Islamic financial institution | - | 2,275,690 | - | 2,275,690 |
| Other receivables | - | 173,253 | - | 173,253 |
| Amount due from Manager | - | 2,602,683 | - | 2,602,683 |
| Cash at bank | - | 12,193,506 | - | 12,193,506 |
| | 98,800,926 | 17,245,132 | - | 116,046,058 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 3,275,732 | 3,275,732 |
| Amount due to Trustee | - | - | 6,294 | 6,294 |
| Distribution payable | - | - | 9,576,047 | 9,576,047 |
| Other payables and accruals | - | - | 67,209 | 67,209 |
| Total financial liabilities | - | - | 12,925,282 | 12,925,282 |

(b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

Quoted equities

Fair value is determined by reference to their published price at the reporting date. For equities quoted on Bursa Malaysia, the market prices are determined by reference to the closing market price as published by Bursa Malaysia.

For equities quoted other than Bursa Malaysia, the market prices are determined by reference to the theoretical closing market price as quoted by the respective foreign stock exchanges of the respective countries.

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

Other than its securities, the Fund's financial instruments are not carried at fair value but their carrying amounts are reasonable approximations of fair value due to their short term nature. There were no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximations of their respective fair values.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

24. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy

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

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

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

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

| | Level 1 RM | Level 2 RM | Level 3 RM |
|---------------------------|---------------|---------------|---------------|
| 2021 | | | |
| Financial assets at FVTPL | 53,652,627 | - | - |
| 2020 | | | |
| Financial assets at FVTPL | 98,800,926 | - | - |

25. FINANCIAL RISK 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 Deed, the Securities Commission's Guidelines on Unit Trust Funds and the CMSA.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices. The Fund is exposed to foreign currency risk arising from the Fund's investments in quoted equities denominated in foreign currencies, and other financial assets and liabilities denominated in foreign currencies. The Fund is also exposed to profit rate risk arising from its deposits placed with a licensed Islamic financial institution.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

(b) Market risk (cont'd)

(i) 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. As at 31 January 2021, besides RM, the Fund also invests in equities denominated in Australian Dollar ("AUD"), Chinese Yuan ("CNY"), Hong Kong Dollar ("HKD"), Indian Rupee ("INR"), Indonesian Rupiah ("IDR"), Philippine Peso ("PHP"), Korean Won ("KRW"), Singapore Dollar ("SGD"), New Taiwan Dollar ("TWD"), Thailand Baht ("THB") and United States

The table below analyses the net position of the Fund's financial assets and financial liability 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 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.

| | AUD RM | CNY RM | HKD RM | IDR RM | INR RM | KRW RM | PHP RM | SGD RM | TWD RM | USD RM | TOTAL RM |
|---------------------------------------|------------|-----------|------------|-----------|-----------|------------|-----------|------------|-----------|------------|-------------|
| 2021 | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | |
| Financial assets at FVTPL | 4,928,483 | 901,878 | 16,633,054 | 2,457,544 | 3,215,995 | 10,871,393 | 590,117 | 2,783,591 | 8,059,354 | 1,005,455 | 51,446,866 |
| Other receivables | 20,827 | - | - | - | 4,570 | 158,314 | - | 4,853 | - | - | 188,564 |
| Cash at bank | - | - | - | - | 459,141 | - | 2,524 | - | 11 | 211 | 461,887 |
| Net on-balance sheet open position | 4,949,310 | 901,878 | 16,633,054 | 2,457,544 | 3,679,706 | 11,029,707 | 592,641 | 2,788,444 | 8,059,365 | 1,005,666 | 52,097,317 |
| 2020 | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | |
| Financial assets at FVTPL | 13,416,478 | - | 19,617,160 | 6,911,955 | 7,316,058 | 18,732,197 | 1,823,384 | 8,448,992 | 1,290,162 | 15,078,254 | 92,634,640 |
| Other receivables | 71,839 | - | - | - | 8,118 | 72,872 | 20,253 | - | - | - | 173,082 |
| Cash at bank | - | - | - | - | 11,247 | - | - | 1,928,887 | - | 2,623,419 | 4,563,553 |
| Net on-balance sheet open position | 13,488,317 | - | 19,617,160 | 6,911,955 | 7,335,423 | 18,805,069 | 1,843,637 | 10,377,879 | 1,290,162 | 17,701,673 | 97,371,275 |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

(b) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

The table below summarises the sensitivity of the Fund's NAV to movements in exchange rates. The analysis is based on the assumptions that the exchange rate will increase or decrease by 5% with all other variables held constant.

| | 2021 | | 2020 | |
|-------------------|-------------------------------------|---|-------------------------------------|---|
| | Changes in exchange rate % | Impact to NAV Increase/ (decrease) RM | Changes in exchange rate % | Impact to NAV Increase/ (decrease) RM |
| Currencies | | | | |
| AUD | +5% | 247,466 | +5% | 674,416 |
| | -5% | (247,466) | -5% | (674,416) |
| CNY | +5% | 45,094 | +5% | 980,858 |
| | -5% | (45,094) | -5% | (980,858) |
| HKD | +5% | 831,653 | +5% | - |
| | -5% | (831,653) | -5% | - |
| IDR | +5% | 122,877 | +5% | 345,598 |
| | -5% | (122,877) | -5% | (345,598) |
| INR | +5% | 183,985 | +5% | 366,771 |
| | -5% | (183,985) | -5% | (366,771) |
| KRW | +5% | 551,485 | +5% | 940,253 |
| | -5% | (551,485) | -5% | (940,253) |
| PHP | +5% | 29,632 | +5% | - |
| | -5% | (29,632) | -5% | - |
| SGD | +5% | 139,422 | +5% | 92,182 |
| | -5% | (139,422) | -5% | (92,182) |
| TWD | +5% | 402,968 | +5% | 518,894 |
| | -5% | (402,968) | -5% | (518,894) |
| THB | +5% | - | +5% | 64,508 |
| | -5% | - | -5% | (64,508) |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

(b) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

| | 2021 | | 2020 | |
|-----|-------------------------------------|---|-------------------------------------|---|
| | Changes in exchange rate % | Impact to NAV Increase/ (decrease) RM | Changes in exchange rate % | Impact to NAV Increase/ (decrease) RM |
| USD | +5% | 50,283 | +5% | 885,084 |
| | -5% | (50,283) | -5% | (885,084) |

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

(ii) Profit rate risk

Cash and other fixed income securities are particularly sensitive to movements in profit rates. When profit rates rise, the return on cash will rise while the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. The sensitivity to profit rate changes are normally greater for longer tenured securities when compared to shorter tenured securities.

The Fund's deposits with licensed financial institution carry a fixed rate and therefore is not affected by movements in market profit rates.

(iii) Price risk

Price risk is the risk of unfavourable changes in the fair values of investments as the result of changes in the levels of equity indices and the value of individual shares. The price risk exposure arises from the Fund's investments in quoted equities.

Price risk sensitivity

Management's best estimate of the effect on the income for the period due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

| | 2021 | | 2020 | |
|---------------------------|--------------------------|---|--------------------------|---|
| | Changes in price % | Impact to NAV Increase/ (decrease) RM | Changes in price % | Impact to NAV Increase/ (decrease) RM |
| Financial assets at FVTPL | +5% | 2,682,631 | +5% | 4,940,046 |
| | -5% | (2,682,631) | -5% | (4,940,046) |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

(b) Market risk (cont'd)

(iii) Price risk (cont'd)

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

Equity price risk concentration

The Fund's exposure to price risk based on its portfolio of investments as at the reporting date is disclosed in Note 8 to the financial statements.

(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 repayments of profit, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships, and other transactions.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into 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 Shariah-compliant equity securities within Asia Pacific ex-Japan, the Manager also eligible to invest in Shariah-compliant liquid assets including Shariah-compliant money market instruments issued by Malaysian issuers and Malaysian financial institutions and placement in Shariah-compliant deposits with Malaysian financial institutions. There will be no minimum rating stipulated for the licensed financial institutions of the placement in Islamic deposits.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

(c) Credit risk (cont'd)

(iii) Credit risk concentration

The following table analyses the Fund's Shariah-compliant deposit with a licensed Islamic financial institution, cash at bank and profit receivables from the Shariah-compliant deposit with a licensed Islamic financial institution by rating categories. The rating is based on that published by RAM Holdings Berhad.

| Financial assets | 2021 | | 2020 | |
|------------------|------------------|-------------------|-------------------|-------------------|
| | RM | Percentage of NAV | RM | Percentage of NAV |
| AA3 | 4,530,636 | 8.00 | 14,469,367 | 14.03 |
| | <u>4,530,636</u> | <u>8.00</u> | <u>14,469,367</u> | <u>14.03</u> |

(d) Liquidity risk

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

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

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' capital 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.

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

(d) Liquidity risk (cont'd)

| 2021 | Less than 1 month RM | More than 1 month RM | Total RM |
|---|----------------------------|----------------------------|--------------------|
| Financial assets | | | |
| Financial assets at FVTPL | 53,652,627 | - | 53,652,627 |
| Other receivables | 188,564 | - | 188,564 |
| Amount due from Manager | 1,562,125 | - | 1,562,125 |
| Cash at bank | 4,530,636 | - | 4,530,636 |
| Total undiscounted financial assets | <u>59,933,952</u> | <u>-</u> | <u>59,933,952</u> |
| Financial liabilities and Unitholders' capital | | | |
| Amount due to Manager | 2,975,942 | - | 2,975,942 |
| Amount due to Trustee | 2,983 | - | 2,983 |
| Amount due to brokers | 87,536 | - | 87,536 |
| Other payables and accruals | 236,463 | - | 236,463 |
| Unitholders' capital | 56,631,028 | - | 56,631,028 |
| Total undiscounted financial liabilities and unitholders' capital | <u>59,933,952</u> | <u>-</u> | <u>59,933,952</u> |
| Liquidity gap | <u>-</u> | <u>-</u> | <u>-</u> |
| 2020 | | | |
| Financial assets | | | |
| Financial assets at FVTPL | 98,800,926 | - | 98,800,926 |
| Shariah compliant deposits with a licensed Islamic financial institution | 2,275,690 | - | 2,275,690 |
| Other receivables | 173,253 | - | 173,253 |
| Amount due from Manager | 2,602,683 | - | 2,602,683 |
| Cash at bank | 12,193,506 | - | 12,193,506 |
| Total undiscounted financial assets | <u>116,046,058</u> | <u>-</u> | <u>116,046,058</u> |
| Financial liabilities and Unitholders' capital | | | |
| Amount due to Manager | 3,275,732 | - | 3,275,732 |
| Amount due to Trustee | 6,294 | - | 6,294 |
| Distribution payable | 9,576,047 | - | 9,576,047 |
| Other payables and accruals | 67,209 | - | 67,209 |
| Unitholders' capital | 103,120,776 | - | 103,120,776 |
| Total undiscounted financial liabilities and unitholders' capital | <u>116,046,058</u> | <u>-</u> | <u>116,046,058</u> |
| Liquidity gap | <u>-</u> | <u>-</u> | <u>-</u> |

MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

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

(d) Liquidity risk (cont'd)

(i) Financial assets

Analysis of FVTPL financial assets and deposits into maturity groupings is based on the expected date on which these assets will be realised. The Fund's equity investments 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' capital 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.

Financial assets exclude tax-related matters such as tax recoverable.

(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.

Financial liabilities exclude tax-related matters such as tax payable.

(iii) Unitholders' capital

The unitholders can request for redemption on their units by giving the Manager a 10 calendar day notice period, the unitholders' capital have been categorised as having a maturity of "less than 1 month".

26. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected returns 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 and to ensure that the operations of the Fund are cost-efficient.

No changes were made to the capital management objectives, policies or processes since the commencement date.