

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](http://www.maybank-am.com)

# **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**Unaudited Interim Report  
For the financial period from 1 September 2020 to 28  
February 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](http://www.maybank-am.com)

### **TRUSTEE**

HSBC (Malaysia) Trustee Berhad (193701000084 (001281T))

13th Floor, HSBC South Tower

No. 2, Leboh Ampang

Kuala Lumpur

50100 Kuala Lumpur

## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021

#### A. Fund Information

**1. Name of the Fund**

Maybank Malaysia Ethical Dividend Fund ("the Fund")

**2. Type of Fund**

Income and growth

**3. Category of Fund**

Equity

**4. Duration of the Fund**

The Fund is an open-ended Fund.

**5. Fund launch date / commencement date**

7 January 2003 / 28 January 2003

**6. Fund's investment objective**

The Fund seeks to provide investors with income and capital growth for Medium to Long Term through investments that comply with ethical principles.

**7. Fund distribution policy**

Income distribution (if any) is declared at the end of the financial year of the Fund or for any specified period at the Manager's discretion, subject to Trustee's approval.

**8. Ethical Principles**

The Fund will screen its investments and remove companies whose principal business involves the promotion of gambling, tobacco and alcohol. This screen is known as the *negative filter*. The Fund will also abstain from investing in companies that have violated ethical principles such as involvement in financial crimes, sanctions, terrorism, and organisations with history of related parties' transactions deem unfavorable to minority shareholders. The Manager also refers to FTSE4Good and Sustainalytics which helps to identify pertinent ESG issues related to an investee company.

	<b>Positive Filters</b>	<b>Examples</b>
i.	Environmentally friendly	- Provides eco-friendly products and services - Prevention of pollution - Recycling
ii.	Promotes healthy social values	- Promotes sports, community projects - Fulfils social obligations - Charitable - Good community relations
iii.	Maintain good corporate governance	- Ensures compliance to regulations and proper dissemination of information to stakeholders and employees - Steering management to enhance well-being of employees and customers

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021 (cont'd)

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

##### 9. Fund's performance benchmark

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

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

The principal activity of the Fund is to invest between 70% to 98% of the Fund's net asset value ("NAV") in shares, and between 2% to 30% of the Fund's NAV in cash or fixed income securities (or a combination of both).

##### 11. Net income distribution for the financial period from 1 September 2020 to 28 February 2021

The Fund did not declare any distribution during the financial period from 1 September 2020 to 28 February 2021.

##### 12. Breakdown of unitholdings by size

###### Fund size

As at 28 February 2021, the size of the Fund was 337,171,989 units.

###### Breakdown of unitholdings as at 28 February 2021

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	187	14.46	443	0.13
5,001 to 10,000 units	143	11.06	1,032	0.31
10,001 to 50,000 units	478	36.97	12,439	3.69
50,001 to 500,000 units	444	34.34	55,914	16.58
500,001 units and above	41	3.17	267,344	79.29
<b>Total</b>	<b>1,293</b>	<b>100.00</b>	<b>*337,172</b>	<b>100.00</b>

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021 (cont'd)

### B. Performance Review

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

Category	28.02.2021	31.08.2020	31.08.2019
<b>Portfolio</b>			
<b>Quoted equities - Local</b>			
Construction	3.68	3.77	5.81
Consumer Products & Services	1.93	7.58	9.10
Energy	4.27	3.25	-
Financial Services	18.49	15.15	24.68
Healthcare	0.65	9.13	0.83
Industrial Products	14.63	8.97	4.97
Plantations	4.29	5.55	1.01
Properties	-	0.92	4.35
Real Estate Investment Trusts ("REITs")	4.84	6.17	6.31
Technology	17.17	13.67	1.05
Telecommunications & Media	7.14	2.34	4.24
Transportation & Logistics	4.59	3.97	11.59
Utilities	3.68	5.75	6.78
<b>Quoted equities - Foreign</b>			
Hong Kong	-	-	3.05
Singapore	4.00	4.05	1.54
<b>Cash and other net assets (%)</b>	10.64	9.73	14.69
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021 (cont'd)

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

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

Category	28.02.2021	31.08.2020	31.08.2019
NAV (RM'000)	113,417	100,021	115,055
Units in circulation (units'000)	337,172	323,861	364,352
NAV per unit (RM)	0.3364	0.3088	0.3158
Highest NAV per unit (RM)	0.3413	0.3178	0.3639
Lowest NAV per unit (RM)	0.2953	0.2344	0.3072
Net income distributed (RM'000)	-	-	9,062
Distribution date	-	-	30/9/2018
Gross distribution per unit (sen)	-	-	2.50
Net distribution per unit (sen)	-	-	2.49
Annual total return (%) <sup>(1)</sup>			
- Capital growth (%)	8.90	(2.15)	(12.74)
- Income distribution (%)	-	-	7.40
Benchmark (%)	3.45	(5.39)	(11.40)
Management Expense Ratio ("MER") (%) <sup>(2)</sup>	0.83	1.68	1.62
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.36	0.57	0.43

#### Notes:

(1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.

(2) The MER of the Fund is 0.83 times during the current financial period under review.

(3) The PTR of the Fund is 0.36 during the current financial period under review.

*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.*

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

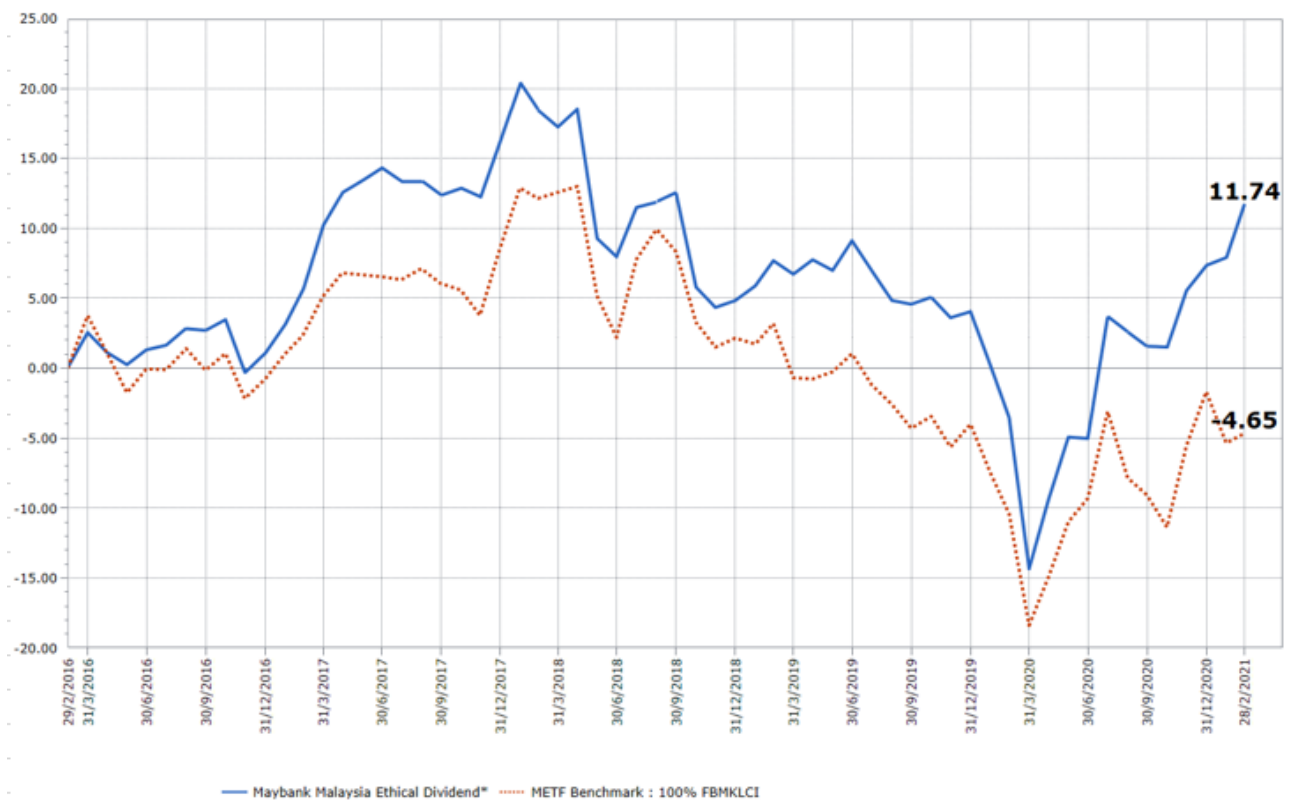
### Manager's report

For the financial period from 1 September 2020 to 28 February 2021 (cont'd)

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

#### 2. Performance of the Fund up to 28.02.2021

Category	6 months to 28.02.2021 %	1 year to 28.02.2021 %	3 years to 28.02.2021 %	5 years to 28.02.2021 %
Capital growth	8.90	15.80	(12.19)	(13.28)
Income distribution	-	-	7.40	28.85
Total return of the Fund	8.90	15.80	(5.70)	11.74
Benchmark	3.45	6.42	(15.00)	(4.65)
Average total return	-	15.80	(1.93)	2.24





## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021 (cont'd)

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

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

###### Has the Fund met its objective?

For the period under review, the Fund did not meet its objective of income and capital growth over the medium to long term due to the weak market conditions across the region whereby most countries registered negative absolute returns during the period.

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

For the financial year ended	28.02.2021 %	31.08.2020 %	31.08.2019 %	31.08.2018 %	31.08.2017 %
Capital growth	8.90	(2.15)	(12.74)	(1.34)	2.17
Income distribution	-	-	7.40	-	8.02
Total return	8.90	(2.15)	(6.29)	(1.34)	10.20
Benchmark	3.45	(5.39)	(11.40)	2.62	5.67

##### 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 remarkable performances. With the United States ("US") hitting new highs, the Dow Jones and S&P500 registered stellar returns of 8.8% and 8.9% respectively for the period. Euro Stoxx 50 also did well, registering a gain of 11.1% for the period. Regionally, North Asian markets were also up, with South Korea, Taiwan, Nikkei, China (Shanghai) and Hong Kong registering returns of 29.5%, 26.7%, 25.2%, 3.3% and 15.1% respectively. ASEAN markets also recorded positive returns with Indonesia being the biggest gainer, up 19.2%, followed by Singapore 16.5%, Philippines 15.5% and Thailand 14.2%.

Markets saw a strong gain in the second half of 2020 despite a slight pullback in the month of September 2020 and October 2020. Massive fiscal stimulus by Governments around the world and the monetary measures by the US Federal Reserve ("Fed") continue to lift markets, coupled with the positive development on the COVID-19 ("Coronavirus") vaccines. 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 MALAYSIA ETHICAL DIVIDEND FUND**

### **Manager's report**

**For the financial period from 1 September 2020 to 28 February 2021 (cont'd)**

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

January 2021 started a softer note going into 2021 with some developed markets closing lower for the month, but this was short-lived as most market started strong in the early weeks of February 2021. Value sectors, such as the financials, energy and travel related names outperformed, with the rapid vaccine rollouts boosting hopes on the reopening of economies and return to normalcy. Most markets still closed positively, despite equity markets declining towards month end when global bond yields rose on higher inflation expectations. Commodity prices stayed strong with Brent oil price surging c.20% in the month and copper hitting 10-year highs.

Domestically, Malaysia slightly underperformed the other markets, closing positively with FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") Index at 3.4%, while the broader market FBM Emas Index also posted a gain of 4.8%. Meanwhile, the FBM SmallCap Index managed to register a stellar gain of 19.5% for the period. For the period, foreign funds have taken out RM6.1bn net worth of equities with January 2021 and February 2021 continue seeing an outflow despite a massive outflow of RM24.6 billion for the year 2020.

Malaysia's fourth quarter 2020 corporate results season in February 2021 saw more companies meeting and exceeding expectations despite the reintroduction of movement restrictions from late October 2020. Earnings beat mainly came from technology, Electronic Manufacturing Services ("EMS") and petrochemical companies. Meanwhile, weak earnings were mainly from the REITs, construction and transport.

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

While rising commodity prices may see an inflation scare, leading to a correction in risk assets, we remain sanguine. The backdrop for Asian equities in 2021 looks promising with a global growth recovery, an improved commodities outlook, (likely) less-hostile US-China relations and still-accommodative monetary and fiscal policy. While valuations are elevated, this is compensated by still-ample liquidity.

However, we continue to expect a challenging investing environment in 2021 with occasional volatile periods. Strategy wise, we may hold higher cash from time to time and will have some trading positions to take opportunity of the market volatility. In terms of positioning, we will continue to have exposure in high yielding companies to anchor the portfolio to weather market volatility while building positions in sectors that we are interested in. We favour cyclicals with a medium-term view while preferring banks, technology, electronic manufacturing services and selected construction companies for a longer-term view.

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021 (cont'd)

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

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

No.	Items	Prior to 22 February 2021	Effective from 22 February 2021
1	EPF disclosures	- Disclosed under Chapters 1, 4 and 5 (Investments via EPF MIS)	Removed
2	Change of Board of Directors	- Dr Hasnita binti Dato' Hashim (chairman/ independent non-executive director) - Goh Ching Yin (independent non-executive director) - Badrul Hisyam bin Abu Bakar (non-independent non-executive director) - Ahmad Najib bin Nazlan (non-independent executive director / chief executive)	- Dato Idris Kechot (chairman / independent non-executive director) - Goh Ching Yin (independent non-executive director) - Loh Lee Soon (independent non-executive director) - Badrul Hisyam bin Abu Bakar (non-independent non-executive director) - Ahmad Najib bin Nazlan (non-independent executive director / chief executive)
3	Manager's discretion to lower the minimum investment	- Nil	Included
4	Different cut-off times between distributors for switching and dealing of units	- Nil	Included
5	Illustration for sales charge	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.
6	Illustration for sale of units with sales charge	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.
7	Information on switching	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.
8	Illustration on computation for purchase of Units	- Disclosed under Chapter 5	- Amended as to be consistent with the standard disclosure adopted by MAM for all prospectuses and for clarity purpose.

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2020 to 28 February 2021 (cont'd)

#### E. Significant Changes in the State of Affairs of the Fund (cont'd)

No.	Items	Prior to 22 February 2021	Effective from 22 February 2021
9	Information of the Trustee and particulars of Trustee's delegate	- Disclosed under Chapters 2 and 7	- Amended to include the old company number of the Trustee, updated the facsimile number of the Trustee and telephone number of Trustee's delegate

#### 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 system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial period from 1 September 2020 to 28 February 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 MALAYSIA ETHICAL DIVIDEND FUND**

We have acted as Trustee of Maybank Malaysia Ethical Dividend Fund ("the Fund") for the financial period from 1 September 2020 to 28 February 2021. To the best of our knowledge, Maybank Asset Management Sdn Bhd ("the Management Company"), has operated and managed the Fund in accordance with the following:-

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Senior Manager, Investment Compliance Monitoring  
Kuala Lumpur  
26 April 2021

## **REPORT OF THE INVESTMENT COMMITTEE**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

We have acted as the Investment Committee of Maybank Malaysia Ethical Dividend Fund ("the Fund"). Our responsibility is to ensure that the procedures and processes employed by Maybank Asset Management Sdn Bhd ("the Manager") and that the provisions of the Deeds dated 4 December 2002, 12 March 2012, 20 June 2012, 27 January 2016, 4 September 2018 and 11 July 2019 are in accordance with the Ethical Principles set out for the Fund.

The Portfolio Management Committee of the Manager deliberates and approves on the composition of the ethical stock selection list at least twice a year, in accordance to the investment policy and strategy set out in the latest Master Prospectus, the Deeds and fund management policies.

In our opinion, the Manager has managed and administered the Fund in accordance with Ethical Principles and complied with applicable guidelines, ruling or decision issued by any relevant laws pertaining to ethical matters.

For and on behalf of the Investment Committee of Maybank Malaysia Ethical Dividend Fund.

**Roni Lihawa Abdul Wahab**  
Chairman

Kuala Lumpur, Malaysia  
26 April 2021

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

I, Ahmad Najib Bin Nazlan, being the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements as set out on pages 16 to 39 are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of the Maybank Malaysia Ethical Dividend Fund as at 28 February 2021 and of its results, changes in equity and cash flows for the financial period from 1 September 2020 to 28 February 2021 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**  
Director

Kuala Lumpur, Malaysia  
26 April 2021

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

		<b>01.09.2020</b>	<b>01.09.2019</b>
		<b>to</b>	<b>to</b>
		<b>28.02.2021</b>	<b>29.02.2020</b>
		<b>RM</b>	<b>RM</b>
<b>INVESTMENT INCOME/(LOSS)</b>			
Dividend income		959,659	1,545,885
Interest income		72,481	149,698
Net gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")			
- Unrealised gain/(loss)		8,881,022	(4,213,720)
- Realised gain/(loss)		53,744	(5,014,485)
Net loss on foreign exchange and forward currency contracts	3	(166,397)	(13,326)
Other income		-	6,028
		<u>9,800,509</u>	<u>(7,539,920)</u>
<b>EXPENSES</b>			
Manager's fee	4	780,604	817,157
Trustee's fee	5	41,632	43,582
Auditors' remuneration		4,463	4,475
Tax agent's fee		1,736	1,739
Brokerage and other transaction fees		139,484	172,365
Administrative expenses		39,263	36,848
		<u>1,007,182</u>	<u>1,076,166</u>
<b>Net income/(loss) before taxation</b>		8,793,327	(8,616,086)
<b>Taxation</b>	6	(15,809)	(32,670)
<b>Net income/(loss) after taxation, and total comprehensive income/(loss) for the financial period</b>		<u>8,777,518</u>	<u>(8,648,756)</u>
<b>Net income/(loss) after taxation is made up of the following:</b>			
Net realised amount		120,018	(4,163,012)
Net unrealised amount		8,657,500	(4,485,744)
		<u>8,777,518</u>	<u>(8,648,756)</u>



**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2021**

	Note	28.02.2021 RM	31.08.2020 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	101,345,927	90,290,960
Deposits with licensed financial institutions	8	7,181,864	5,759,261
Dividend receivable		93,249	90,763
Interest receivable		1,045	1,041
Cash at bank	9	5,106,035	4,645,057
<b>TOTAL ASSETS</b>		<u>113,728,120</u>	<u>100,787,082</u>
<b>LIABILITIES</b>			
Amount due to Manager	10	275,868	724,062
Amount due to Trustee	11	6,967	6,827
Other payables and accruals		28,126	35,000
<b>TOTAL LIABILITIES</b>		<u>310,961</u>	<u>765,889</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>113,417,159</u>	<u>100,021,193</u>
<b>EQUITY</b>			
Unitholders' capital	12(a)	105,166,316	100,547,868
Retained earnings/(Accumulated loss)	12(b)&(c)	8,250,843	(526,675)
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>		<u>113,417,159</u>	<u>100,021,193</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	12(a)	<u>337,171,989</u>	<u>323,861,090</u>
<b>NAV PER UNIT</b>		<u>0.3364</u>	<u>0.3088</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

	Unitholders' capital Note 12(a) RM	Retained earnings/ (Accumulated loss) Note 12(b) & 12(c) RM	Total equity RM
<b>At 1 September 2020</b>	100,547,868	(526,675)	100,021,193
Total comprehensive income for the financial period	-	8,777,518	8,777,518
Creation of units	20,021,760	-	20,021,760
Cancellation of units	(15,403,312)	-	(15,403,312)
<b>At 28 February 2021</b>	<u>105,166,316</u>	<u>8,250,843</u>	<u>113,417,159</u>
<b>At 1 September 2019</b>	112,881,399	2,173,955	115,055,354
Total comprehensive loss for the financial period	-	(8,648,756)	(8,648,756)
Creation of units	236,592	-	236,592
Cancellation of units	(8,616,269)	-	(8,616,269)
<b>At 29 February 2020</b>	<u>104,501,722</u>	<u>(6,474,801)</u>	<u>98,026,921</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND****UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

	<b>01.09.2020</b>	<b>01.09.2019</b>
	<b>to</b>	<b>to</b>
	<b>28.02.2021</b>	<b>29.02.2020</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of financial assets at FVTPL	36,618,745	41,655,208
Net payments for purchases of financial assets at FVTPL	(38,905,602)	(39,180,222)
Net dividend received	940,734	1,526,641
Interest received	72,478	157,188
Manager's fee paid	(777,978)	(843,085)
Trustee's fee paid	(41,492)	(44,965)
Other expenses paid	(46,276)	(80,495)
Net cash (used in)/generated from operating and investing activities	<u>(2,139,391)</u>	<u>3,190,270</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	20,021,760	190,026
Cash paid on units cancelled	(15,854,130)	(8,634,135)
Net cash generated from/(used in) financing activities	<u>4,167,630</u>	<u>(8,444,109)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>	<b>2,028,239</b>	<b>(5,253,839)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>10,404,318</b>	<b>16,147,335</b>
Effect of foreign exchange	(144,658)	58,971
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b><u>12,287,899</u></b>	<b><u>10,952,467</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank (Note 9)	5,106,035	4,552,461
Deposits with licensed financial institutions (Note 8)	7,181,864	6,400,006
	<u>12,287,899</u>	<u>10,952,467</u>

## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR FINANCIAL PERIOD FROM 1 SEPTEMBER 2020 TO 28 FEBRUARY 2021**

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

Maybank Malaysia Ethical Dividend Fund ("the Fund") was constituted pursuant to the executed Deed dated 4 December 2002 between Amanah Mutual Berhad as the Manager, and HSBC (Malaysia) Trustee Berhad as the Trustee and the Registered Holders of the Fund. Subsequently, Supplemental Deeds dated 12 March 2012, 20 June 2012 and 27 January 2016 made between Amanah Mutual Berhad and HSBC (Malaysia) Trustee Berhad have been issued. The Fund commenced operations on 7 January 2003 and will continue to be in operations until terminated by the Trustee as provided under the Deed.

The principal activity of the Fund is to invest in a selected portfolio of investments that comply with Ethical Principles. The investments mainly include equities quoted on Bursa Malaysia, fixed income securities and short term deposits. The Fund may also invest in stocks that derive the majority of their revenue from the Asia Pacific markets.

The Manager, a company incorporated in Malaysia, is principally engaged in the management of unit trust funds. Amanah Saham Nasional Berhad ("ASNB") and Permodalan Nasional Berhad, companies incorporated in Malaysia, were the holding and ultimate holding company of the Manager until 16 May 2018.

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

MAM and HSBC (Malaysia) Trustee Bhd as the Trustee had entered into a Fourth Supplemental Deed dated 4 September 2018 to change the name of the Fund and to appoint MAM as the replacement Manager of the Fund effective 1 November 2018.

Subsequently, MAM and HSBC (Malaysia) Trustee Bhd as the Trustee had entered into a Fifth Supplemental Deed dated 11 July 2019 to change the name of the Fund effective 17 January 2020.

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

#### **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 134 Interim Financial Reporting ("MFRS 134") and International Accounting Standards 34 *Interim Financial Reporting*.

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

#### 2.1 BASIS OF PREPARATION (CONT'D)

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial period from 1 September 2020 to 28 February 2021. The adoption of the new pronouncements did not result in any material impact to the financial statements.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to 2.14 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, amendments to standards and interpretations issued by the MASB, but not yet effective, up to the date of issuance of the Fund's financial statements. The Fund intends to adopt the relevant standards, if applicable, when they become effective.

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

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

#### 2.4 Financial assets

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

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

##### (i) Financial assets at amortised cost

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

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

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

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

##### (ii) Financial assets at FVTPL

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

A financial asset is recognised at FVTPL if:

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

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

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

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

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

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

##### (iii) Impairment of financial assets

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

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

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

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

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 of financial assets

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

## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

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

##### **(iv) Derecognition of financial assets (cont'd)**

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

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

#### **2.5 Financial liabilities**

##### **(i) Classification**

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

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

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

##### **(iii) Derecognition**

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

#### **2.6 Unitholders' capital**

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

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

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



## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

#### **2.6 Unitholders' capital (cont'd)**

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

#### **2.7 Revenue / Income**

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

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

Interest income is recognised using the effective interest rate method and disclosed separately in the profit or loss.

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

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

#### **2.8 Cash and cash equivalents**

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

#### **2.9 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 rate based upon the taxable income earned during the financial year.

No deferred tax is recognised as there are no material temporary differences.

## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

#### **2.10 Fair value measurement**

The Fund measures its investments at FVTPL at fair value at each reporting date. 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 or transfer the liability takes place either:

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

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

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

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

All assets 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:

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

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

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

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

#### **2.11 Functional and foreign currency**

##### **(a) Functional and presentation currency**

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

#### 2.11 Functional and foreign currency (cont'd)

##### (b) Transactions and balances

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

#### 2.12 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the year in which it is approved.

#### 2.13 Segment reporting

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

#### 2.14 Critical accounting estimates and judgements

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

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

### 3. NET (LOSS)/GAIN ON FOREIGN EXCHANGE

	01.09.2020 to 28.02.2021 RM	01.09.2019 to 29.02.2020 RM
Net unrealised loss on foreign exchange	(223,522)	(272,024)
Net realised gain on foreign exchange	57,125	258,698
	<u>(166,397)</u>	<u>(13,326)</u>

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.50% (01.09.2019 to 29.02.2020: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

### 5. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.08% (01.09.2019 to 29.02.2020: 0.08%) p.a. of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day, subject to a minimum of RM18,000 p.a. The Trustee fee is calculated and accrued daily.

### 6. TAXATION

01.09.2020	01.09.2019
to	to
28.02.2021	29.02.2020
RM	RM

Tax expense for the financial year:

Current income tax expense

- Foreign	5,082	32,670
- Local	10,727	-
	<u>15,809</u>	<u>32,670</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.09.2019 to 29.02.2020: 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, interest income and dividend income earned by the Fund is exempted from tax. Dividend income derived from sources outside Malaysia are exempted from Malaysia income tax. However, such income may be subject to tax in the country from which it is derived.

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

01.09.2020	01.09.2019
to	to
28.02.2021	28.02.2020
RM	RM

Net income/(loss) before taxation	<u>8,793,327</u>	<u>(8,616,086)</u>
Taxation at Malaysian statutory rate of 24% (01.09.2019 to 29.02.2020: 24%)	2,110,398	(2,067,861)
Income not subject to tax	(207,778)	(403,742)
Income taxed at source	15,809	32,670
Expenses not deductible for tax purposes	<u>(1,902,620)</u>	<u>2,471,603</u>
Tax expense for the financial period	<u>15,809</u>	<u>32,670</u>

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 7. FINANCIAL ASSETS AT FVTPL

		28.02.2021	31.08.2020
		RM	RM
Quoted equities - local	(a)	96,812,534	86,236,724
Quoted equities - foreign	(b)	4,533,393	4,054,236
		101,345,927	90,290,960

28.02.2021	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local</b>				
<b>Construction</b>				
Econpile Holdings Bhd	5,076,400	2,784,558	2,182,853	1.92
Gamuda Bhd	599,580	1,873,101	1,996,602	1.76
	5,675,980	4,657,659	4,179,455	3.68
<b>Consumer Products &amp; Services</b>				
Fraser & Neave Holdings Bhd	57,600	1,795,777	1,800,576	1.59
Nestle (Malaysia) Bhd	2,800	384,402	386,120	0.34
	60,400	2,180,179	2,186,696	1.93
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	841,500	1,179,951	1,270,665	1.12
Dialog Group Bhd	982,900	3,444,789	3,174,767	2.80
Serba Dinamik Holdings Bhd	234,300	542,240	400,653	0.35
	2,058,700	5,166,980	4,846,085	4.27
<b>Financial Services</b>				
CIMB Group Holdings Bhd	1,038,664	5,190,154	4,497,415	3.97
Hong Leong Bank Bhd	236,300	4,552,627	4,253,400	3.75

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

28.02.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Financial Services (cont'd)</b>				
Hong Leong Financial Group Bhd	95,000	1,776,978	1,611,200	1.42
Malayan Banking Bhd **	502,482	4,442,416	4,034,930	3.56
Public Bank Bhd	590,000	2,526,652	2,454,400	2.16
RHB Bank Bhd*	758,800	4,138,360	4,112,696	3.63
	<u>3,221,246</u>	<u>22,627,187</u>	<u>20,964,041</u>	<u>18.49</u>
<b>Healthcare</b>				
Supermax Corporation Bhd	<u>153,435</u>	<u>1,495,566</u>	<u>742,625</u>	<u>0.65</u>
<b>Industrial Products</b>				
ATA IMS Bhd	740,900	1,374,373	2,059,702	1.82
Cahaya Mata Sarawak Bhd	515,700	1,090,602	1,196,424	1.05
Dufu Technology Corp. Bhd	881,300	2,863,256	3,569,265	3.15
Press Metal Aluminium Holdings Bhd	281,800	1,435,536	2,730,642	2.41
Sam Engineering & Equipment (M) Bhd	27,100	192,645	186,177	0.16
Scientex Bhd	533,400	2,212,746	2,144,268	1.89
Sunway Bhd	1,014,000	1,673,907	1,521,000	1.34
Sunway Bhd Preference Shares	202,800	202,800	241,332	0.21
Thong Guan Industries Bhd	438,900	987,623	969,969	0.86

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

28.02.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Industrial Products (cont'd)</b>				
V.S. Industry Bhd	656,200	815,184	1,968,600	1.74
	<u>5,292,100</u>	<u>12,848,672</u>	<u>16,587,379</u>	<u>14.63</u>
<b>Plantations</b>				
Kuala Lumpur Kepong Bhd	63,968	1,499,105	1,503,248	1.33
Sarawak Oil Palms Bhd	346,300	1,310,289	1,354,033	1.19
Sime Darby Plantation Bhd	99,800	525,537	489,020	0.43
TSH Resources Bhd	1,432,300	1,511,190	1,518,238	1.34
	<u>1,942,368</u>	<u>4,846,121</u>	<u>4,864,539</u>	<u>4.29</u>
<b>Real Estate Investment Trusts ("REITs")</b>				
Axis REIT	1,743,248	3,180,118	3,190,144	2.81
IGB REIT	1,359,400	2,456,967	2,297,386	2.03
	<u>3,102,648</u>	<u>5,637,085</u>	<u>5,487,530</u>	<u>4.84</u>
<b>Technology</b>				
Frontken Corp Bhd	279,300	544,971	1,455,153	1.28
Globetronics Technology Bhd	691,900	1,621,622	1,971,915	1.74
Inari Amerton Bhd	1,001,600	1,785,932	3,605,760	3.18
Malaysian Pacific Industries Bhd	106,500	1,194,578	3,940,500	3.47
Pentamaster Corporation Bhd	287,400	852,510	1,807,746	1.59

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

28.02.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Technology (cont'd)</b>				
Unisem (M) Bhd	377,200	2,339,044	3,357,080	2.96
Vitrox Corp Bhd	194,500	1,807,606	3,345,400	2.95
	2,938,400	10,146,263	19,483,554	17.17
<b>Telecommunications &amp; Media</b>				
Axiata Group Bhd	587,000	2,235,589	2,083,850	1.84
Digi.Com Bhd	315,000	1,453,726	1,165,500	1.03
Telekom Malaysia Bhd	409,300	2,201,299	2,513,102	2.22
TIME dotCom Bhd	167,400	2,249,422	2,326,860	2.05
	1,478,700	8,140,036	8,089,312	7.14
<b>Transportation &amp; Logistics</b>				
Lingkaran Trans Kota Holdings Bhd	742,000	3,212,583	2,930,900	2.58
MISC Bhd	336,600	2,245,757	2,282,148	2.01
	1,078,600	5,458,340	5,213,048	4.59
<b>Utilities</b>				
Tenaga Nasional Bhd	412,700	5,347,548	4,168,270	3.68
Total quoted equities - local	27,415,277	88,551,636	96,812,534	85.36



**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>28.02.2021 (cont'd)</b>				
<b>(b) Quoted equities - foreign</b>				
<b>Singapore</b>				
AEM Holdings Ltd	156,100	1,684,633	1,914,614	1.69
Ascendas REIT	292,670	2,666,505	2,618,779	2.31
Total quoted equities - foreign	<u>448,770</u>	<u>4,351,138</u>	<u>4,533,393</u>	<u>4.00</u>
<b>Total quoted equities</b>	<u>27,864,047</u>	<u>92,902,774</u>	<u>101,345,927</u>	<u>89.36</u>
<b>Unrealised gain on FVTPL investments ***</b>			<u>8,443,153</u>	
<b>2020</b>				
<b>(a) Quoted equities - local</b>				
<b>Construction</b>				
Gamuda Bhd	791,780	2,473,538	2,692,052	2.69
IJM Corporation Bhd	896,900	2,013,656	1,076,280	1.08
	<u>1,688,680</u>	<u>4,487,194</u>	<u>3,768,332</u>	<u>3.77</u>
<b>Consumer Products &amp; Services</b>				
Ajinomoto (Malaysia) Bhd	38,600	621,431	636,900	0.64
Berjaya Food Bhd	997,000	1,896,859	1,236,280	1.24
DRB - HICOM Bhd	388,900	807,001	793,356	0.79
Dutch Lady Milk Industries Bhd	16,600	878,085	660,680	0.66

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

<b>2020 (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>Consumer Products &amp; Services (cont'd)</b>				
Fraser & Neave Holdings Bhd	66,200	2,063,896	2,027,044	2.03
PETRONAS Dagangan Bhd	108,000	2,989,219	2,224,800	2.22
	<b>1,615,300</b>	<b>9,256,491</b>	<b>7,579,060</b>	<b>7.58</b>
<b>Energy</b>				
Dialog Group Bhd	552,800	1,946,720	1,984,552	1.98
Serba Dinamik Holdings Bhd	234,300	542,240	424,083	0.42
Wah Seong Corporation Bhd	1,610,713	1,893,761	845,624	0.85
	<b>2,397,813</b>	<b>4,382,721</b>	<b>3,254,259</b>	<b>3.25</b>
<b>Financial Services</b>				
CIMB Group Holdings Bhd	636,064	3,467,397	2,099,011	2.10
Hong Leong Bank Bhd	196,500	3,802,982	2,751,000	2.75
Hong Leong Financial Group Bhd	95,000	1,776,978	1,172,300	1.17
Malayan Banking Bhd **	493,802	4,375,754	3,619,569	3.62
Public Bank Bhd	170,800	3,721,965	2,804,536	2.80
RHB Bank Bhd*	591,000	3,143,540	2,706,780	2.71
	<b>2,183,166</b>	<b>20,288,616</b>	<b>15,153,196</b>	<b>15.15</b>
<b>Healthcare</b>				
Kossan Rubber Industries Bhd	571,500	3,785,325	9,132,570	9.13

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Industrial Products</b>				
Cahaya Mata Sarawak Bhd	507,000	1,725,329	760,500	0.76
Dufu Technology Corp. Bhd	167,000	292,342	561,120	0.56
Press Metal Aluminium Holdings Bhd	294,900	1,496,453	1,536,429	1.54
Sam Engineering & Equipment (M) Bhd	44,400	315,625	306,360	0.31
Sunway Berhad	1,014,000	1,673,907	1,419,600	1.42
Thong Guan Industries Bhd	441,000	1,984,696	2,376,990	2.38
V.S. Industry Bhd	1,061,400	1,318,555	1,995,432	2.00
	3,529,700	8,806,907	8,956,431	8.97
<b>Plantations</b>				
Kuala Lumpur Kepong Bhd	91,168	2,136,544	2,065,867	2.07
Sarawak Oil Palms Bhd	544,900	2,061,728	1,977,987	1.98
Sime Darby Plantation Berhad	99,800	525,537	508,980	0.51
TSH Resources Bhd	962,000	1,002,212	990,860	0.99
	1,697,868	5,726,021	5,543,694	5.55
<b>Properties</b>				
Malaysian Resources Corporation Bhd	1,828,400	1,542,305	923,342	0.92

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Real Estate Investment Trusts ("REITs")</b>				
Axis REIT	1,274,348	2,268,061	2,765,335	2.76
IGB REIT	978,700	1,817,924	1,810,595	1.81
KLCC Property Holdings Bhd	205,400	1,603,108	1,602,120	1.60
	2,458,448	5,689,093	6,178,050	6.17
<b>Technology</b>				
Frontken Corp Bhd	383,500	748,286	1,457,300	1.46
Globetronics Technology Bhd	856,900	2,008,337	2,356,475	2.36
Inari Amerton Bhd	1,340,200	2,389,682	3,015,450	3.01
Malaysian Pacific Industries Bhd	135,200	1,516,497	2,122,640	2.12
Pentamaster Corporation Bhd	287,400	852,510	1,370,898	1.37
Vitrox Corp Bhd	277,200	2,576,187	3,354,120	3.35
	3,280,400	10,091,499	13,676,883	13.67
<b>Telecommunications &amp; Media</b>				
Digi.Com Bhd	315,000	1,453,726	1,244,250	1.24
Telekom Malaysia Bhd	264,900	887,461	1,099,335	1.10
	579,900	2,341,187	2,343,585	2.34

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

2020 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Transportation &amp; Logistics</b>				
Lingkarans Trans Kota Holdings Bhd	742,000	3,212,583	3,108,980	3.11
MISC Bhd	113,800	704,748	866,018	0.86
	<u>855,800</u>	<u>3,917,331</u>	<u>3,974,998</u>	<u>3.97</u>
<b>Utilities</b>				
Taliworks Corporation Bhd	2,529,200	2,338,322	2,213,050	2.21
Tenaga Nasional Bhd	325,900	4,416,028	3,539,274	3.54
	<u>2,855,100</u>	<u>6,754,350</u>	<u>5,752,324</u>	<u>5.75</u>
Total quoted equities - local	<u>25,542,075</u>	<u>87,069,040</u>	<u>86,236,724</u>	<u>86.22</u>
<b>(b) Quoted equities - foreign</b>				
<b>Singapore</b>				
Ascendas REIT	282,228	2,572,566	2,861,657	2.86
Fraser Logistics & Industrial Trust	288,379	1,060,564	1,192,579	1.19
Total quoted equities - foreign	<u>570,607</u>	<u>3,633,130</u>	<u>4,054,236</u>	<u>4.05</u>
<b>Total quoted equities</b>	<u>26,112,682</u>	<u>90,702,170</u>	<u>90,290,960</u>	<u>90.27</u>
<b>Unrealised loss on FVTPL investments ***</b>			<u>(411,210)</u>	

\* As at 31 August 2020, the Fund holds shares in RHB Capital Bhd, which has been delisted to facilitate the transfer of shares and listing status to RHB Bank Bhd. Following the spin-off event on 2 June 2016, there is no cost and market value for the said security as all assets and liabilities have been vested to RHB Bank Bhd.

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

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 8. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>RM</b>
Short-term placement with a maturity of less than 3 months	7,181,864	5,759,261

The weighted average effective interest rates ("WAEIR") of deposits and the average maturity of deposits as at the reporting date were as follows:

	<b>28.02.2021</b>		<b>31.08.2020</b>	
	<b>WAEIR</b>	<b>Average</b>	<b>WAEIR</b>	<b>Average</b>
	<b>% p.a.</b>	<b>maturity</b>	<b>% p.a.</b>	<b>maturity</b>
		<b>Days</b>		<b>Days</b>
Deposits with licensed financial institutions	1.77	3	1.65	4

### 9. CASH AT BANK

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

	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>RM</b>
US Dollar ("USD")	4,024,244	4,636,271
RM	1,081,791	8,786
	<u>5,106,035</u>	<u>4,645,057</u>

### 10. AMOUNT DUE FROM/TO MANAGER

		<b>28.02.2021</b>	<b>31.08.2020</b>
		<b>RM</b>	<b>RM</b>
Amount due to Manager is in respect of:			
Management fee	(i)	130,637	128,012
Cancellation of units	(ii)	145,231	596,050
		<u>275,868</u>	<u>724,062</u>

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

(ii) The amount represents amount payable to the Manager for units redeemed or cancelled.

### 11. AMOUNT DUE TO TRUSTEE

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 12. TOTAL EQUITY

	Note	28.02.2021 RM	31.08.2020 RM
Unitholders' capital	(a)	105,166,316	100,547,868
Accumulated realised loss	(b)	(1,488)	(121,506)
Accumulated unrealised income/(loss)	(c)	8,252,331	(405,169)
		<u>113,417,159</u>	<u>100,021,193</u>

#### (a) Unitholders' capital

	01.09.2020 to 28.02.2021		01.09.2019 to 31.08.2020	
	Units	RM	Units	RM
At the beginning of the financial period/year	323,861,090	100,547,868	364,352,464	112,881,399
Creation of units	61,379,611	20,021,760	822,609	253,862
Reinvestment of units			-	-
Cancellation of units	(48,068,712)	(15,403,312)	(41,313,983)	(12,587,393)
At the end of the financial period/year	<u>337,171,989</u>	<u>105,166,316</u>	<u>323,861,090</u>	<u>100,547,868</u>

As at the end of the financial year, there were no units held by the Manager or parties related to the Manager (2020: Nil units).

#### (b) Accumulated realised loss

	01.09.2020 to 28.02.2021 RM	01.09.2019 to 31.08.2020 RM
At the beginning of the financial period/year	(121,506)	5,115,836
Net realised income/(loss) for the financial period/year	120,018	(5,237,342)
At the end of the financial period/year	<u>(1,488)</u>	<u>(121,506)</u>

#### (c) Accumulated unrealised income/(loss)

	01.09.2020 to 28.02.2021 RM	01.09.2019 to 31.08.2020 RM
At the beginning of the financial period/year	(405,169)	(2,941,881)
Net unrealised income for the financial period/year	8,657,500	2,536,712
At the end of the financial period/year	<u>8,252,331</u>	<u>(405,169)</u>

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

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

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
<b>01.09.2020 to 28.02.2021</b>				
Alliance Investment Bank Bhd	21,834,418	29.54	21,862	21.32
MIDF Amanah Investment Bank Berhad	10,605,646	14.35	10,619	10.36
TA Securities Bhd	9,500,138	12.85	9,500	9.27
Hong Leong Investment Bank Bhd	7,180,773	9.71	13,286	12.96
UOB Kay Hian Securities (M) Sdn Bhd	7,170,715	9.70	14,341	13.99
Affin Investment Bank Berhad	6,259,778	8.47	12,520	12.21
Maybank Investment Bank Bhd ("MIBB") *	5,569,756	7.53	8,786	8.57
Public Investment Bank Bhd	3,056,268	4.13	6,113	5.96
Kenanga Investment Bank Bhd	2,089,765	2.83	4,180	4.08
CIMB Investment Bank Berhad	658,989	0.89	1,318	1.28
	<b>73,926,246</b>	<b>100.00</b>	<b>102,525</b>	<b>100.00</b>
<b>01.09.2019 to 29.02.2020</b>	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
TA Securities Holding Bhd	12,611,114	15.93	12,631	9.76
Kenanga Investment Bank Bhd	6,799,969	8.59	13,600	10.51
Public Investment Bank Bhd	6,295,013	7.95	12,590	9.73
UOB Kay Hian Securities Sdn Bhd	6,175,061	7.80	12,350	9.55
CLSA Securities (M) Sdn Bhd	5,227,978	6.60	10,456	8.08
Alliance Investment Bank Bhd	5,147,265	6.50	5,147	3.98
Nomura Securities Sdn Bhd	4,785,914	6.05	9,572	7.40
CIMB Investment Bank Bhd	4,692,940	5.93	9,386	7.25
Hong Leong Investment Bank Bhd	4,672,628	5.90	8,935	6.91
Maybank Investment Bank Bhd ("MIBB") *	4,231,425	5.35	8,463	6.54
Others	18,513,489	23.40	26,247	20.29
	<b>79,152,796</b>	<b>100.00</b>	<b>129,377</b>	<b>100.00</b>

\* MIBB is a subsidiary of Malayan Banking Bhd, the ultimate holding company of the Manager.



## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

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

Financial institutions	01.09.2020 to 28.02.2021		01.09.2019 to 29.02.2020	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
CIMB Bank Bhd	572,565,586	57.98	5,759,261	100.00
MBB	414,882,160	42.02	-	-
	<u>987,447,746</u>	<u>100.00</u>	<u>5,759,261</u>	<u>100</u>

### 14. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>RM</b>
(i) <u>MBB:</u>		
Dividend income	<u>66,663</u>	<u>386,108</u>
	<b>28.02.2021</b>	<b>31.08.2020</b>
	<b>RM</b>	<b>RM</b>
(ii) <u>MBB:</u>		
Investment in quoted equity	<u>4,034,930</u>	<u>3,619,569</u>

Other than those disclosed elsewhere in the financial statements, there were no significant related party transactions and balances as at the reporting date.

### 15. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial period from 1 September 2020 to 28 February 2021, the MER of the Fund stood at 0.83% (01.09.2019 to 29.02.2020: 0.82%).

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

The PTR of the Fund is the ratio of average of the total acquisitions and disposals of the investment in the Fund for the financial period to the daily average NAV of the Fund. For financial period from 1 September 2020 to 28 February 2021, the PTR of the Fund stood at 0.36 times (01.09.2019 to 29.02.2020: 0.36 times).

## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

### **17. SEGMENT INFORMATION**

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker, makes the strategic decisions on the resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieve 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 shares, and between 2% to 30% of the Fund's NAV in cash or fixed income securities (or a combination of both).

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

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 18. FAIR VALUE HIERARCHY

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM
<b>28.02.2021</b>			
Financial assets at FVTPL	101,345,927	-	-
<b>31.08.2020</b>			
Financial assets at FVTPL	90,290,960	-	-

### 19. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's objectives for managing capital are:

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

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