

# MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**Unaudited Semi-Annual Report  
For the financial period from 1 September 2022 to 28  
February 2023**

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (199701006283 (421779M))

Level 12 Tower C

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59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

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### **TRUSTEE**

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

Level 19 Menara IQ

Lingkar TRX Tun Razak Exchange

55188 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 2022 to 28 February 2023

#### 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 outlined on the Prospectus dated 17 January 2020. The remaining securities after the negative filters are deemed as ethical. The Fund also has positive filters as follows:

	<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 2022 to 28 February 2023 (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 2022 to 28 February 2023

The Fund did not declare any distribution during the financial period from 1 September 2022 to 28 February 2023.

#### B. Performance Review

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

Category	01.09.2022 to 28.02.2023	01.09.2021 to 31.08.2022	01.09.2020 to 31.08.2021
<b>Portfolio</b>			
<b>Quoted equities - Local</b>			
Construction	2.51	2.39	3.49
Consumer Products & Services	3.99	1.61	1.77
Energy	4.90	4.71	3.56
Financial Services	28.42	29.37	21.39
Industrial Products	5.10	5.53	11.31
Plantations	3.83	4.40	3.66
Real Estate Investment Trusts ("REITs")	4.51	4.57	4.44
Technology	8.22	7.78	14.19
Telecommunications & Media	5.65	5.94	7.70
Transportation & Logistics	2.32	3.66	3.54
Utilities	4.96	5.12	3.85
<b>Quoted equities - Foreign</b>			
Hong Kong	0.54	-	-
Singapore	3.04	3.56	4.21
<b>Cash and other net assets (%)</b>	22.01	21.36	16.89
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	109,889	102,899	112,073
Units in circulation (units'000)	344,956	328,302	335,960
NAV per unit (RM)	0.3186	0.3134	0.3336
Highest NAV per unit (RM)	0.3413	0.3427	0.3441
Lowest NAV per unit (RM)	0.2953	0.3029	0.2953
Net income distributed (RM'000)	-	2,563	2,722,001
Distribution date	-	25/08/2022	26/08/2021
Gross distribution per unit (sen)	-	0.80	0.83
Net distribution per unit (sen)	-	0.80	0.83

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### Manager's report

For the financial period from 1 September 2022 to 28 February 2023 (cont'd)

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

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

Category	01.09.2022 to 28.02.2023	01.09.2021 to 31.08.2022	01.09.2020 to 31.08.2021
Annual total return (%) <sup>(1)</sup>			
- Capital growth (%)	1.66	(6.06)	8.00
- Income distribution (%)	-	2.56	2.49
Benchmark (%)	(3.83)	(5.58)	4.99
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	0.80	1.65	1.70
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.05	0.19	0.43

#### Notes:

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

(2) The Fund's TER decreased to 0.80% due to decreased expenses incurred in the current financial period under review.

(3) The Fund's PTR decreased to 0.05 times due to lower trading activities in 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.*

##### 2. Performance of the Fund up to 28 February 2023

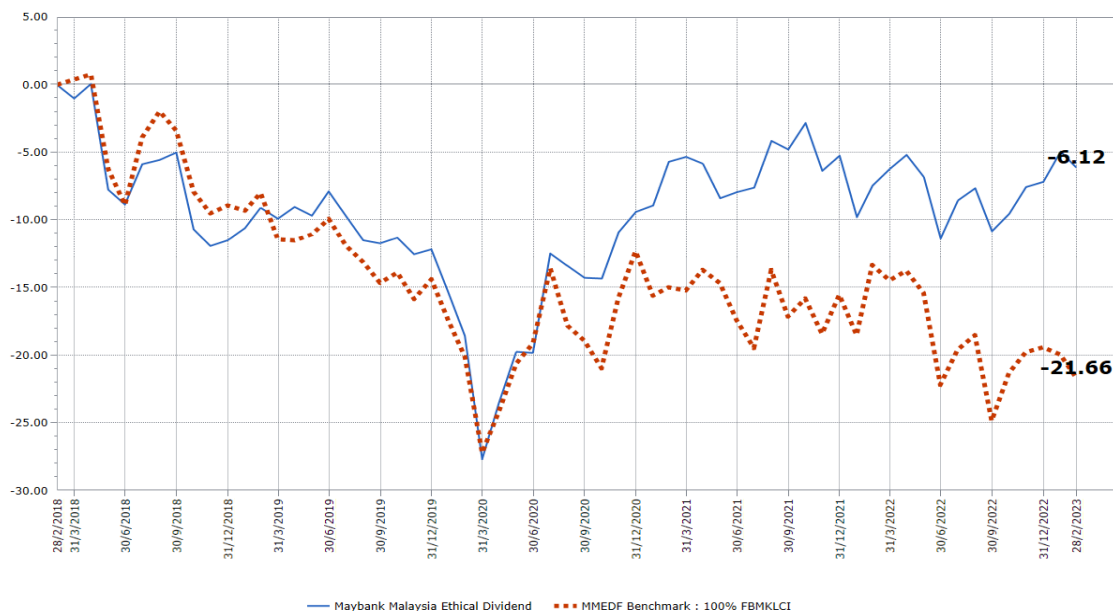
Category	6 months to 28.02.2023 %	1 year to 28.02.2023 %	3 years to 28.02.2023 %	5 years to 28.02.2023 %
Capital growth	1.66	(1.09)	9.67	(16.84)
Income distribution	-	2.57	5.11	12.89
Total return of the Fund	1.66	1.45	15.28	(6.12)
Benchmark	(3.83)	(9.58)	(1.92)	(21.66)
Average total return	-	1.45	4.85	(1.25)

## Manager's report

For the financial period from 1 September 2022 to 28 February 2023 (cont'd)

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

#### 2. Performance of the Fund up to 28 February 2023 (cont'd)



Source: Lipper as at 28 February 2023

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

For the financial period/ year ended	28.02.2023 %	31.08.2022 %	31.08.2021 %	31.08.2020 %	31.08.2019 %
Capital growth	1.66	(6.06)	8.00	(2.15)	(12.74)
Income distribution	-	2.56	2.49	-	7.40
Total return	1.66	(3.65)	10.69	(2.15)	(6.29)
Benchmark	(3.83)	(5.58)	4.99	(5.39)	(11.40)

#### 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:

$$\begin{aligned} \text{Capital return} &= (\text{NAV per unit end/ NAV per unit begin}) - 1 \\ \text{Income return} &= \text{Income distribution per unit/ NAV per unit ex-date} \\ \text{Total return} &= (1+\text{Capital return}) \times (1+\text{Income return}) - 1 \end{aligned}$$

### C. Market Review

For the period under review, the FTSE Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("KLCI") gyrated between gain and losses, ending the period with a loss of 3.8%.

## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

### **Manager's report**

**For the financial period from 1 September 2022 to 28 February 2023 (cont'd)**

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

At the beginning of the period, the KLCI continued on its downtrend weighed down by tightening stance adopted by Bank Negara Malaysia ("BNM") and monetary authorities globally to curb price pressures. By 2nd half of 4QCY22, the KLCI rallied back from the sell down on improved market risk appetite in anticipation of inflation peaking in the near future. This was reflected in the fixed income space with the Malaysian Government 10-year paper yield, easing more than 70 basis points ("bps") and the United States ("US") Government 10-year paper easing more than 80 bps. Risk appetite also improved as China announced supportive measures for their property sector and ending of the Zero-Covid policy. Locally, political uncertainties eased with the formation of the Unity government following General Election 15 ("GE15") in November 2022.

However, market started consolidating in late January 2023 after the brief but strong rally, before turning cautious again. Concerns that Federal Reserve ("FED") may have to hike rates for longer or even at a faster pace once again took hold after recent slew of macroeconomic numbers suggested that inflation is becoming stickier, and not just in the services sector.

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

Market is expected to remain challenging over the next few months as all eyes will be on potential earnings risks from rising costs such as higher electricity costs for some companies, higher labour cost due to tight supply and an increase in minimum wage to RM1,500, proposal to implement luxury taxes and persistent inflation. However, downside should be capped by earnings lift from the absence of prosperity tax and return of foreign workers.

With consensus looking at KLCI earnings to grow 2.7% Year-Over-Year ("YoY") in 2023 and 5.3% YoY in 2024 and 12 months forward Price Earnings Ratio ("PER") of 12.7 times (more than -1 Standard Deviation ("SD") from its long term average), we are positive on the market further out once some of the macro headwinds (rising rates, potential or further escalation in Ukraine-Russia conflict and US-China tension) subsides. Strategy wise, as we expect the market to be volatile on the back of headwinds from rising interest rates and the global economic slowdown, we may hold higher cash from time to time and will have some trading positions to take opportunity of the market volatility.

#### **E. Performance**

For the six-month period, the Fund posted a gain of 1.7%, outperforming its FBMKLCI Index benchmark which posted a loss of 3.8%. Relative to the FBMKLCI Index, the Fund outperformed mainly due to the underweighting of the Fund in the consumer staples and materials sector. Besides that, the better selection in the energy sector also contributed to the outperformance.



## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

### **Manager's report**

**For the financial period from 1 September 2022 to 28 February 2023 (cont'd)**

#### **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 and have also executed trades for other Funds or investments managed by the Manager.

During the financial period under review, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders. The soft commissions received were for the benefit of the Fund and there were no churning of trades.

#### **G. Securities Financing Transactions and Cross Trade Transactions**

The Fund has not undertaken any securities lending or repurchase transaction ("securities financing transactions") in the financial period under review. No cross trade transactions have been carried out in the financial period under review.

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

We have acted as Trustee of the Fund for the financial period ended 28 February 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

- 1 Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
- 2 Valuation and pricing is carried out in accordance with the Deeds; and
- 3 Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring  
Kuala Lumpur  
3 April 2023

## **REPORT OF THE INVESTMENT COMMITTEE**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

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.

**Shirley Goh Ching Yin**  
Chairman of Investment Committee

Kuala Lumpur, Malaysia  
12 April 2023

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

I, Ahmed Muzni Bin Mohamed, being a of the Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Malaysia Ethical Dividend Fund as at 28 February 2023 and of its results, net assets attributable to unitholders and cash flows for the financial period from 1 September 2022 to 28 February 2023 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmed Muzni Bin Mohamed**  
Director

Kuala Lumpur, Malaysia  
3 April 2023

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

		<b>01.09.2022 to 28.02.2023 RM</b>	<b>01.09.2021 to 28.02.2022 RM</b>
<b>INVESTMENT INCOME/ (LOSS)</b>			
Dividend income		5,259,699	1,410,875
Interest income		252,481	73,876
Net loss on financial assets at fair value through profit or loss ("FVTPL")			
- Unrealised (loss)/ gain		(599,319)	1,599,630
- Realised loss		(2,353,251)	(5,974,809)
Net gain on foreign exchange	3	<u>12,947</u>	<u>44,461</u>
		<u>2,572,557</u>	<u>(2,845,967)</u>
<b>EXPENSES</b>			
Manager's fee	4	767,902	808,336
Trustee's fee	5	40,955	43,111
Auditors' remuneration		4,463	4,463
Tax agent's fee		1,736	1,736
Brokerage and other transaction fees		31,394	78,920
Administrative expenses		<u>14,803</u>	<u>34,579</u>
		<u>861,253</u>	<u>971,145</u>
<b>Net results before taxation</b>		1,711,304	(3,817,112)
Taxation	6	<u>(19,185)</u>	<u>(13,769)</u>
<b>Net results after taxation, and total comprehensive income/ (loss) for the financial period</b>		<u>1,692,119</u>	<u>(3,830,881)</u>
<b>Net results after taxation is made up of the following:</b>			
Net realised income/ (loss)		2,276,744	(5,474,983)
Net unrealised (loss)/ income		<u>(584,625)</u>	<u>1,644,102</u>
		<u>1,692,119</u>	<u>(3,830,881)</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2023**

	Note	28.02.2023 RM	31.08.2022 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	85,691,634	80,919,667
Deposit with a licensed financial institution	8	18,670,664	16,137,970
Dividend receivable		97,675	168,903
Interest receivable		1,407	1,990
Amount due from Manager	9	-	94
Cash at bank	10	5,584,992	5,926,269
<b>TOTAL ASSETS</b>		<u>110,046,372</u>	<u>103,154,893</u>
<b>LIABILITIES</b>			
Amount due to Manager	9	138,524	229,919
Amount due to Trustee	11	6,709	6,937
Provision for tax		-	2,889
Other payables and accruals		12,512	16,232
<b>TOTAL LIABILITIES</b>		<u>157,745</u>	<u>255,977</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>109,888,627</u>	<u>102,898,916</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISES:</b>			
Unitholders' capital	12(a)	107,502,640	102,205,048
Retained earnings	12(b)&(c)	2,385,987	693,868
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>		<u>109,888,627</u>	<u>102,898,916</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	12(a)	<u>344,956,213</u>	<u>328,301,814</u>
<b>NAV PER UNIT</b>		<u>0.3186</u>	<u>0.3134</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE  
TO UNITHOLDERS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

	<b>Unitholders' capital Note 12(a) RM</b>	<b>Retained earnings Note 12(b) &amp; 12(c) RM</b>	<b>Net assets attributable to unitholders RM</b>
<b>At 1 September 2022</b>	102,205,048	693,868	102,898,916
Total comprehensive income for the financial period	-	1,692,119	1,692,119
Creation of units	5,888,118	-	5,888,118
Cancellation of units	(590,526)	-	(590,526)
<b>At 28 February 2023</b>	<u>107,502,640</u>	<u>2,385,987</u>	<u>109,888,627</u>
<b>At 1 September 2021</b>	104,749,344	7,324,054	112,073,398
Total comprehensive loss for the financial period	-	(3,830,881)	(3,830,881)
Creation of units	20,455	-	20,455
Cancellation of units	(3,990,732)	-	(3,990,732)
<b>At 28 February 2022</b>	<u>100,779,067</u>	<u>3,493,173</u>	<u>104,272,240</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

	<b>01.09.2022 to 28.02.2023 RM</b>	<b>01.09.2021 to 28.02.2022 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of financial assets at FVTPL	1,024,186	13,591,936
Net payments for purchases of financial assets at FVTPL	(8,780,659)	(15,563,297)
Net dividend received	5,315,247	1,338,737
Interest received	253,064	74,647
Manager's fee paid	(772,169)	(828,492)
Trustee's fee paid	(41,183)	(44,186)
Other expenses paid	(29,617)	(42,554)
Net cash used in operating and investing activities	<u>(3,031,131)</u>	<u>(1,473,209)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	5,888,212	20,550
Cash paid on units cancelled	<u>(677,656)</u>	<u>(3,983,045)</u>
Net cash generated from/ (used in) financing activities	<u>5,210,556</u>	<u>(3,962,495)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>		
	2,179,425	(5,435,704)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		
	22,064,239	19,129,688
Effect of foreign exchange	11,992	(1,418)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>		
	<u>24,255,656</u>	<u>13,692,566</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank (Note 10)	5,584,992	4,298,833
Deposit with a licensed financial institution (Note 8)	<u>18,670,664</u>	<u>9,393,733</u>
	<u>24,255,656</u>	<u>13,692,566</u>



## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

#### **FOR FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 28 FEBRUARY 2023**

#### **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 2022 to 28 February 2023. 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
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 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax Related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to IFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

#### 2.3 Financial instruments

Financial assets and 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 profit and loss. Accumulated unrealised gains or losses are reclassified to 'realised (loss)/ gain on FVTPL investments' in profit or loss when the associated assets are

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

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

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

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

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

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

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

For balances with short-term nature, 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 period/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 Taxation**

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable income earned during the financial period/ year.

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

#### **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:

## **MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

#### **2.10 Fair value measurement (cont'd)**

- (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.

##### **(b) Transactions and balances**

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

#### 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 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 period/ year.

### 3. NET GAIN ON FOREIGN EXCHANGE

	<b>01.09.2022</b>	<b>01.09.2021</b>
	<b>to</b>	<b>to</b>
	<b>28.02.2023</b>	<b>28.02.2022</b>
	<b>RM</b>	<b>RM</b>
Net unrealised gain on foreign exchange	14,694	44,472
Net realised loss on foreign exchange	(1,747)	(11)
	<u>12,947</u>	<u>44,461</u>

### 4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.50% (01.09.2021 to 28.02.2022: 1.50%) per annum ("p.a.") of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.



## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 5. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.08% (01.09.2021 to 28.02.2022: 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

	<b>01.09.2022</b>	<b>01.09.2021</b>
	<b>to</b>	<b>to</b>
	<b>28.02.2023</b>	<b>28.02.2022</b>
	<b>RM</b>	<b>RM</b>
Tax expense for the financial period:		
Current income tax expense		
- Foreign	17,140	5,007
- Local	2,045	8,762
	<u>19,185</u>	<u>13,769</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.09.2021 to 28.02.2022: 24%) of the estimated assessable income for the financial period.

The tax charge for the financial period 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 results before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>01.09.2022</b>	<b>01.09.2021</b>
	<b>to</b>	<b>to</b>
	<b>28.02.2023</b>	<b>28.02.2022</b>
	<b>RM</b>	<b>RM</b>
Net results before taxation	<u>1,711,304</u>	<u>(3,817,112)</u>
Taxation at Malaysian statutory rate of 24% (01.09.2021 to 28.02.2022: 24%)	410,713	(916,107)
Income not subject to tax	(1,323,985)	(742,160)
Loss not deductible for tax purposes	708,616	1,433,954
Income tax at source	17,140	5,007
Expenses not deductible for tax purposes	206,701	233,075
Tax expense for the financial period	<u>19,185</u>	<u>13,769</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**7. FINANCIAL ASSETS AT FVTPL**

		<b>28.02.2023</b>	<b>31.08.2022</b>
		<b>RM</b>	<b>RM</b>
Quoted equities - local	(a)	81,766,235	77,256,613
Quoted equities - foreign	(b)	3,925,399	3,663,054
		<u>85,691,634</u>	<u>80,919,667</u>

<b>28.02.2023</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>(a) Quoted equities - local</b>				
<b>Construction</b>				
Econpile Holdings Bhd	5,076,400	2,784,558	939,134	0.85
Gamuda Bhd	433,427	1,348,941	1,820,393	1.66
	<u>5,509,827</u>	<u>4,133,499</u>	<u>2,759,527</u>	<u>2.51</u>

<b>28.02.2023 (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Consumer Products &amp; Services</b>				
Fraser & Neave Holdings Bhd	146,000	3,658,874	4,015,000	3.65
Nestle (Malaysia) Bhd	2,800	384,402	378,280	0.34
	<u>148,800</u>	<u>4,043,276</u>	<u>4,393,280</u>	<u>3.99</u>

**Energy**

Dayang Enterprise Holdings Bhd	1,245,500	1,733,835	1,756,155	1.60
Dialog Group Bhd	982,900	3,444,789	2,211,525	2.01
Yinson Holdings Bhd	509,600	1,316,315	1,375,920	1.25
Yinson Holdings Bhd - Warrant	62,400	-	46,488	0.04
	<u>2,800,400</u>	<u>6,494,939</u>	<u>5,390,088</u>	<u>4.90</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

28.02.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Financial Services</b>				
CIMB Group Holdings Bhd	1,431,372	7,155,734	8,029,997	7.31
Hong Leong Bank Bhd	163,300	3,181,751	3,354,182	3.05
Hong Leong Financial Group Bhd	95,000	1,776,978	1,730,900	1.58
MBB *	850,747	7,250,551	7,486,574	6.81
Public Bank Bhd	1,250,900	5,287,829	5,166,217	4.70
RHB Bank Bhd	961,373	5,197,981	5,460,599	4.97
	4,752,692	29,850,824	31,228,469	28.42
<b>Industrial Products</b>				
Dufu Technology Corp. Bhd	565,400	1,836,928	1,187,340	1.08
Press Metal Aluminium Holdings Bhd	641,200	2,762,117	3,308,592	3.01
SKP Resources Bhd	583,000	1,079,436	781,220	0.71
SKP Resources Bhd - Warrant	93,280	-	7,462	0.01
Sunway Bhd - Preference Shares	202,800	202,800	314,340	0.29
	2,085,680	5,881,281	5,598,954	5.10

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

<b>28.02.2023 (cont'd)</b>	<b>Quantity Unit</b>	<b>Aggregate cost RM</b>	<b>Market value RM</b>	<b>Percentage of NAV %</b>
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Plantations</b>				
Kuala Lumpur Kepong Bhd	70,968	1,672,966	1,476,134	1.34
Sarawak Oil Palms Bhd	445,650	1,268,559	1,176,516	1.07
Sime Darby Plantation Bhd	368,818	1,728,870	1,560,100	1.42
	<b>885,436</b>	<b>4,670,395</b>	<b>4,212,750</b>	<b>3.83</b>
<b>Real Estate Investment Trusts ("REITs")</b>				
Axis REIT	1,331,266	2,428,468	2,556,031	2.33
IGB REIT	1,359,400	2,456,967	2,392,544	2.18
	<b>2,690,666</b>	<b>4,885,435</b>	<b>4,948,575</b>	<b>4.51</b>
<b>Technology</b>				
Frontken Corp Bhd	644,550	1,478,813	2,017,442	1.84
Frontken Corp Bhd - Warrant	139,650	-	34,913	0.03
Globetronics Technology Bhd	691,900	1,621,622	754,171	0.69
Inari Amerton Bhd	534,500	953,056	1,309,525	1.19
Malaysian Pacific Industries Bhd	32,700	366,786	979,038	0.89
Pentamaster Corporation Bhd	223,700	1,100,336	1,131,922	1.03
Unisem (M) Bhd	392,200	1,216,030	1,160,912	1.06
Vitrox Corp Bhd	205,000	952,594	1,640,000	1.49
	<b>2,864,200</b>	<b>7,689,237</b>	<b>9,027,923</b>	<b>8.22</b>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

28.02.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Telecommunications &amp; Media</b>				
Celcomdigi Bhd	315,000	1,453,726	1,354,500	1.23
Telekom Malaysia Bhd	431,561	2,348,237	2,170,752	1.98
TIME dotCom Bhd	502,200	2,249,422	2,686,770	2.44
	1,248,761	6,051,385	6,212,022	5.65
<b>Transportation &amp; Logistics</b>				
Lingkaran Trans Kota Holdings Bhd	771,600	3,351,099	397,374	0.36
Malaysia Airports Holdings Bhd	317,000	2,064,103	2,152,430	1.96
	1,088,600	5,415,202	2,549,804	2.32
<b>Utilities</b>				
Mega First Corporation Bhd	427,600	1,512,018	1,577,844	1.44
Tenaga Nasional Bhd	412,700	5,347,548	3,866,999	3.52
	840,300	6,859,566	5,444,843	4.96
Total quoted equities - local	24,915,362	85,975,039	81,766,235	74.41

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

28.02.2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(b) Quoted equities - foreign</b>				
<b>Hong Kong</b>				
Tencent Holdings LTD	2,900	495,949	569,266	0.52
Meituan	290	25,957	22,549	0.02
	<u>3,190</u>	<u>521,906</u>	<u>591,815</u>	<u>0.54</u>
<b>Singapore</b>				
AEM Holdings Ltd	66,000	712,273	633,156	0.58
Capitaland Ascendas REIT	292,670	2,666,505	2,700,428	2.46
	<u>358,670</u>	<u>3,378,778</u>	<u>3,333,584</u>	<u>3.04</u>
Total quoted equities - foreign	<u>361,860</u>	<u>3,900,684</u>	<u>3,925,399</u>	<u>3.58</u>
<b>Total quoted equities</b>	<u>25,277,222</u>	<u>89,875,723</u>	<u>85,691,634</u>	<u>77.99</u>
<b>Unrealised loss on FVTPL investments **</b>			<u>(4,184,089)</u>	
<b>31.08.2022</b>				
<b>(a) Quoted equities - local</b>				
<b>Construction</b>				
Econpile Holdings Bhd	5,076,400	2,784,558	837,606	0.81
Gamuda Bhd	425,499	1,323,413	1,625,406	1.58
	<u>5,501,899</u>	<u>4,107,971</u>	<u>2,463,012</u>	<u>2.39</u>

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

31.08.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Consumer Products &amp; Services</b>				
Fraser & Neave Holdings Bhd	57,600	1,795,777	1,289,088	1.25
	2,800	384,402	372,400	0.36
Nestle (Malaysia) Bhd	60,400	2,180,179	1,661,488	1.61
<b>Energy</b>				
Dayang Enterprise Holdings Bhd	1,245,500	1,733,835	1,357,595	1.32
Dialog Group Bhd	982,900	3,444,789	2,388,447	2.32
Yinson Holdings Bhd	509,600	1,316,315	1,075,256	1.04
Yinson Holdings Bhd - Warrant	62,400	-	35,568	0.03
	2,800,400	6,494,939	4,856,866	4.71
<b>Financial Services</b>				
CIMB Group Holdings Bhd	1,254,422	6,216,133	6,736,246	6.55
Hong Leong Bank Bhd	129,900	2,502,692	2,714,910	2.64
Hong Leong Financial Group Bhd	95,000	1,776,978	1,844,900	1.79
MBB *	843,700	7,191,497	7,567,989	7.35
Public Bank Bhd	1,250,900	5,287,829	5,891,739	5.73
RHB Bank Bhd	951,798	5,150,394	5,463,321	5.31
	4,525,720	28,125,523	30,219,105	29.37

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

31.08.2022 (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>				
Dufu Technology Corp. Bhd	565,400	1,836,928	1,628,352	1.58
Press Metal Aluminium Holdings Bhd	578,600	2,458,181	2,765,708	2.69
SKP Resources Bhd	583,000	1,079,436	991,100	0.96
SKP Resources Bhd - Warrant	93,280	-	11,660	0.01
Sunway Bhd - Preference Shares	202,800	202,800	298,116	0.29
	<b>2,023,080</b>	<b>5,577,345</b>	<b>5,694,936</b>	<b>5.53</b>
<b>Plantations</b>				
Kuala Lumpur Kepong Bhd	70,968	1,672,966	1,642,200	1.60
Sarawak Oil Palms Bhd	445,650	1,268,559	1,229,994	1.20
Sime Darby Plantation Bhd	368,818	1,728,870	1,644,928	1.60
	<b>885,436</b>	<b>4,670,395</b>	<b>4,517,122</b>	<b>4.40</b>
<b>Real Estate Investment Trusts ("REITs")</b>				
Axis REIT	1,331,266	2,428,468	2,502,780	2.43
IGB REIT	1,359,400	2,456,967	2,202,228	2.14
	<b>2,690,666</b>	<b>4,885,435</b>	<b>4,705,008</b>	<b>4.57</b>



**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

31.08.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Technology</b>				
Frontken Corp Bhd	301,450	392,127	838,031	0.81
Frontken Corp Bhd - Warrant	139,650	-	38,404	0.04
Globetronics Technology Bhd	691,900	1,621,622	871,794	0.85
Inari Amerton Bhd	534,500	953,056	1,448,495	1.41
Malaysian Pacific Industries Bhd	32,700	366,786	1,005,852	0.98
My EG Services Bhd	1,546,500	1,603,875	1,237,200	1.20
Unisem (M) Bhd	392,200	1,216,030	1,082,472	1.05
Vitrox Corp Bhd	205,000	952,594	1,478,050	1.44
	<b>3,843,900</b>	<b>7,106,090</b>	<b>8,000,298</b>	<b>7.78</b>
<b>Telecommunications &amp; Media</b>				
Digi.Com Bhd	315,000	1,453,726	1,181,250	1.15
Telekom Malaysia Bhd	424,500	2,310,037	2,534,265	2.46
Time Dotcom Bhd	502,200	2,249,422	2,395,494	2.33
	<b>1,241,700</b>	<b>6,013,185</b>	<b>6,111,009</b>	<b>5.94</b>
<b>Transportation &amp; Logistics</b>				
Lingkaran Trans Kota Holdings Bhd	771,600	3,351,099	3,765,408	3.66

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

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

31.08.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>(a) Quoted equities - local (cont'd)</b>				
<b>Utilities</b>				
Mega First Corporation Bhd	427,600	1,512,018	1,552,188	1.51
Tenaga Nasional Bhd	412,700	5,347,548	3,710,173	3.61
	<u>840,300</u>	<u>6,859,566</u>	<u>5,262,361</u>	<u>5.12</u>
Total quoted equities - local	<u>25,185,101</u>	<u>79,371,727</u>	<u>77,256,613</u>	<u>75.08</u>
<b>(b) Quoted equities - foreign</b>				
<b>Singapore</b>				
AEM Holdings Ltd	66,000	712,273	966,903	0.94
Ascendas REIT	292,670	2,666,505	2,696,151	2.62
Total quoted equities - foreign	<u>358,670</u>	<u>3,378,778</u>	<u>3,663,054</u>	<u>3.56</u>
<b>Total quoted equities</b>	<u>25,543,771</u>	<u>82,750,505</u>	<u>80,919,667</u>	<u>78.64</u>
<b>Unrealised loss on FVTPL investments **</b>			<u>(1,830,838)</u>	

\* MBB 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.

**8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION**

	28.02.2023 RM	31.08.2022 RM
Short-term placement with a maturity of less than 3 months	<u>18,670,664</u>	<u>16,137,970</u>

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION (CONT'D)

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

	28.02.2023		31.08.2022	
	WAEIR % p.a.	Average maturity Days	WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	2.75	1	2.25	2

### 9. AMOUNT DUE FROM/ TO MANAGER

		28.02.2023 RM	31.08.2022 RM
Amount due from Manager is in respect of:			
Creation of units	(i)	-	94
Amount due to Manager is in respect of:			
Management fee	(ii)	125,795	130,060
Cancellation of units	(iii)	12,729	99,859
		138,524	229,919

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

(ii) The amount represents the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period/ year. The normal credit term for Manager's fee is 15 days (31.08.2022: 15 days).

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

### 10. CASH AT BANK

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

	28.02.2023 RM	31.08.2022 RM
US Dollar ("USD")	5,490,435	5,910,781
RM	94,557	15,488
	5,584,992	5,926,269

### 11. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable arising from the accrual for Trustee's fee at the end of the financial period/ year. The normal credit term is 15 days (31.08.2022: 15 days).

**MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**

**12. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND**

	Note	28.02.2023 RM	31.08.2022 RM
Unitholders' capital	(a)	107,502,640	102,205,048
Accumulated realised income	(b)	4,432,900	2,156,156
Accumulated unrealised loss	(c)	(2,046,913)	(1,462,288)
		<u>109,888,627</u>	<u>102,898,916</u>

**(a) Unitholders' capital**

	01.09.2022 to 28.02.2023		01.09.2021 to 31.08.2022	
	Units	RM	Units	RM
At the beginning of the financial period/ year	328,301,814	102,205,048	335,960,173	104,749,344
Creation of units	18,554,984	5,888,118	91,357	29,590
Reinvestment of units	-	-	8,179,605	2,563,488
Cancellation of units	(1,900,585)	(590,526)	(15,929,321)	(5,137,374)
At the end of the financial period/ year	<u>344,956,213</u>	<u>107,502,640</u>	<u>328,301,814</u>	<u>102,205,048</u>

As at the end of the financial period/ year, there were no units held by the Manager or parties related to the Manager (31.08.2022: Nil units).

**(b) Accumulated realised income**

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 31.08.2022 RM
At the beginning of the financial period/ year	2,156,156	(569,920)
Net realised income for the financial period/ year	2,276,744	5,289,564
Distributions out of realised reserve	-	(2,563,488)
At the end of the financial period/ year	<u>4,432,900</u>	<u>2,156,156</u>

**(c) Accumulated unrealised income**

	01.09.2022 to 28.02.2023 RM	01.09.2021 to 31.08.2022 RM
At the beginning of the financial period/ year	(1,462,288)	7,893,974
Net unrealised loss for the financial period/ year	(584,625)	(9,356,262)
At the end of the financial period/ year	<u>(2,046,913)</u>	<u>(1,462,288)</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 period are as follows:

	<b>Value of trade</b>	<b>Percent of total trade</b>	<b>Brokerage fees</b>	<b>Percent of brokerage fees</b>
<b>01.09.2022 to 28.02.2023</b>	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
United Oversea Bank (M) Bhd	2,301,505	24.28	4,587	26.01
Hong Leong Investment Bank Bhd	2,192,254	23.12	4,371	24.78
Affin Hwang Investment Bank Bhd	2,059,792	21.73	4,104	23.27
CIMB Investment Bank Bhd	1,024,186	10.80	2,055	11.65
MIDF Amanah Investment Bank Bhd	858,775	9.06	857	4.86
Maybank Investment Bank Bhd ("MIBB")*	523,252	5.52	626	3.55
Public Investment Bank Bhd	520,718	5.49	1,037	5.88
	<b>9,480,482</b>	<b>100.00</b>	<b>17,637</b>	<b>100.00</b>
<b>01.09.2021 to 28.02.2022</b>	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Hong Leong Investment Bank Bhd	5,568,601	19.27	11,158	20.59
Affin Investment Bank Berhad	5,392,750	18.66	10,779	19.89
CIMB Investment Bank Berhad	5,345,589	18.50	10,704	19.76
UOB Kay Hian Securities (M) Sdn Bhd	5,035,829	17.43	10,043	18.54
Public Investment Bank Bhd	3,488,631	12.07	6,982	12.89
Alliance Investment Bank Bhd	2,512,171	8.69	2,509	4.63
TA Securities Bhd	1,102,357	3.81	1,104	2.04
Kenanga Investment Bank Bhd	450,119	1.57	903	1.66
	<b>28,896,047</b>	<b>100.00</b>	<b>54,182</b>	<b>100.00</b>

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

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

	<b>01.09.2022 to 28.02.2023</b>		<b>01.09.2021 to 28.02.2022</b>	
<b>Financial institutions</b>	<b>Value of placements</b>	<b>Percentage of total placements</b>	<b>Value of placements</b>	<b>Percentage of total placements</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
MBB*	1,994,387,884	99.70	1,074,826,639	100.00
CIMB Bank Bhd	5,911,385	0.30	-	-
	<b>2,000,299,269</b>	<b>100.00</b>	<b>1,074,826,639</b>	<b>100.00</b>

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

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 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/ year.

	<b>01.09.2022</b>	<b>01.09.2021</b>
	<b>to</b>	<b>to</b>
	<b>28.02.2023</b>	<b>28.02.2022</b>
	<b>RM</b>	<b>RM</b>
(i) Significant related party transaction		
<u>MBB:</u>		
Dividend income	236,236	144,608
Interest income	<u>222,694</u>	<u>73,876</u>
	<b>28.02.2023</b>	<b>31.08.2022</b>
	<b>RM</b>	<b>RM</b>
(ii) Significant related party balances		
<u>MBB:</u>		
Investment in quoted equity	7,486,574	7,567,989
Deposit with a licensed financial institution	<u>18,670,664</u>	<u>16,137,970</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. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial period from 1 September 2022 to 28 February 2023, the TER of the Fund stood at 0.80% (01.09.2021 to 28.02.2022: 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 2022 to 28 February 2023, the PTR of the Fund stood at 0.05 times (01.09.2021 to 28.02.2022: 0.13 times).

### 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 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 shares, and between 2% to 30% of the Fund's NAV in cash or fixed income securities (or a combination of both).

## MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

### 17. SEGMENT INFORMATION (CONT'D)

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 period.

### 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>28.02.2023</b>			
Financial assets at FVTPL	85,691,634	-	-
<b>31.08.2022</b>			
Financial assets at FVTPL	80,919,667	-	-

### 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 financial period.