

Asset Management

Maybank Asset Management Sdn Bhd

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MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**Unaudited Interim Report
For the financial period from 1 September 2021 to 28
February 2022**

CORPORATE INFORMATION

MANAGER

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

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

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TRUSTEE

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

Level 19 Menara IQ

Lingkaran 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 2021 to 28 February 2022

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. The remaining securities after the negative filters are deemed as ethical. The Fund also has positive filters as follows:

	Positive Filters	Examples
i.	Environmentally friendly	- Provides eco-friendly products and services - Prevention of pollution - Recycling
ii.	Promotes healthy social values	- Promotes sports, community projects - Fulfills 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 2021 to 28 February 2022 (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 2021 to 28 February 2022

The Fund did not declare any distribution during the financial period from 1 September 2021 to 28 February 2022.

12. Breakdown of unitholdings by size

Fund size

As at 28 February 2022, the size of the Fund was 323,711,355 units.

Breakdown of unitholdings as at 28 February 2022

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	169	15.45	406	0.13
5,001 to 10,000 units	125	11.43	923	0.29
10,001 to 50,000 units	417	38.12	10,880	3.36
50,001 to 500,000 units	347	31.72	44,231	13.66
500,001 units and above	36	3.28	267,271	82.56
Total	1,094	100.00	*323,711	100.00

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial period from 1 September 2021 to 28 February 2022 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	01.09.2021 to 28.02.2022	01.09.2020 to 31.08.2021	01.09.2019 to 31.08.2020
Portfolio			
Quoted equities - Local			
Construction	3.12	3.49	3.77
Consumer Products & Services	2.51	1.77	7.58
Energy	4.61	3.56	3.25
Financial Services	28.57	21.39	15.15
Healthcare	-	-	9.13
Industrial Products	7.52	11.31	8.97
Plantations	7.60	3.66	5.55
Properties	-	-	0.92
Real Estate Investment Trusts ("REITs")	4.22	4.44	6.17
Technology	10.47	14.19	13.67
Telecommunications & Media	6.18	7.70	2.34
Transportation & Logistics	2.76	3.54	3.97
Utilities	5.09	3.85	5.75
Quoted equities - Foreign			
Hong Kong	-	-	-
Singapore	4.31	4.21	4.05
Cash and other net assets (%)	13.04	16.89	9.73
Total (%)	100.00	100.00	100.00

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial period from 1 September 2021 to 28 February 2022 (cont'd)

B. Performance Review (cont'd)

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

Category	01.09.2021 to 28.02.2022	01.09.2020 to 31.08.2021	01.09.2019 to 31.08.2020
NAV (RM'000)	104,272	112,073	100,021
Units in circulation (units'000)	323,711	335,960	323,861
NAV per unit (RM)	0.3221	0.3336	0.3088
Highest NAV per unit (RM)	0.3413	0.3441	0.3178
Lowest NAV per unit (RM)	0.2953	0.2953	0.2344
Net income distributed (RM'000)	-	2,722,001	-
Distribution date	-	26/08/2021	-
Gross distribution per unit (sen)	-	0.83	-
Net distribution per unit (sen)	-	0.83	-
Annual total return (%) ⁽¹⁾			
- Capital growth (%)	(3.45)	8.00	(2.15)
- Income distribution (%)	-	2.49	-
Benchmark (%)	0.43	4.99	(5.39)
Management Expense Ratio ("MER") (%) ⁽²⁾	0.82	1.70	1.68
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.13	0.43	0.57

Notes:

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

(2) The Fund's MER decreased to 0.82% due to decreased expenses incurred in the current financial period under review.

(3) The Fund's PTR decreased to 0.13 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.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial period from 1 September 2021 to 28 February 2022 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 28 February 2022

Category	6 months to 28.02.2022 %	1 year to 28.02.2022 %	3 years to 28.02.2022 %	5 years to 28.02.2022 %
Capital growth	(3.45)	(4.25)	(0.68)	(12.64)
Income distribution	-	2.49	2.49	18.76
Total return of the Fund	(3.45)	(1.87)	1.79	3.75
Benchmark	0.43	1.93	(5.82)	(5.05)
Average total return	-	(1.87)	0.59	0.74



Source: Lipper

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial period from 1 September 2021 to 28 February 2022 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of the Fund

For the financial period/year ended	28.02.2022 %	31.08.2021 %	31.08.2020 %	31.08.2019 %	31.08.2018 %
Capital growth	(3.45)	8.00	(2.15)	(12.74)	(1.34)
Income distribution	-	2.49	-	7.40	-
Total return	(3.45)	10.69	(2.15)	(6.29)	(1.34)
Benchmark	0.43	4.99	(5.39)	(11.40)	2.62

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, global equity markets were broadly mixed. The Dow Jones and Standard & Poor's 500 ("S&P500") registered a loss of 4.2% and 3.3% respectively for the period. Euro Stoxx 50 also declined, registering a loss of 6.5%. Regionally, most North Asian markets were also weaker with South Korea, Japan, China and Hong Kong registering a loss of 15.6%, 5.6%, 2.3% and 12.2% respectively, whereas Taiwan posted a slight gain of 0.9%. Association of Southeast Asian Nations ("ASEAN") markets were better performers, with Indonesia, Philippines, Singapore and Thailand all posting positive return of 12.0%, 6.7%, 6.1% and 2.8%.

Domestically, the FTSE Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("KLCI") was also up slightly by 0.4% but the broader market FBM Emas Index posted a loss of 1.7% for the six-month period ending 28 February 2022. Meanwhile, the FBM SmallCap Index registered a gain of 2.4%. For full year 2021, foreign funds recorded another net outflow of RM3.2billion ("bln") despite a massive outflow of RM24.6bln for the year 2020. However, for the period, foreign funds have been positive, with a net inflow of RM4.5bln from the equity market.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial period from 1 September 2021 to 28 February 2022 (cont'd)

C. Market Review (cont'd)

The big correction seen in September 2021 generally erased gains from earlier months as inflation and growth concerns hit the equity markets lower. This spilled over into the Asia which also was driven by the sell-off in China due to concerns over distressed property developer, Evergrande. This was aggravated with the investor sentiment weakened by the government's regulatory crackdown, economic slowdown, and the implications of the "Common Prosperity" policy. After a poor equity performance in the previous months, equity markets rebounded in October 2021. Corporate earnings results again were positive with encouraging guidance driven by recovery in demand. However, corporates were quick to highlight the current logistics and supply issue disruption as major risks while labour costs are rising. Economic data in the United States ("US") also suggests a slowdown but did not change the Federal Reserve initial target to taper by mid of 2022 with the high inflation data are still considered transitory.

In January 2022 however, equity markets had a shaky start to the year as investors price in faster-than-expected interest rate hikes, the Omicron variant outbreak and higher oil prices on geopolitical tensions. China, given its strict policy, imposed lockdown restrictions as it faces a virus outbreak that sent jitters elsewhere. Disappointing corporate earnings in the US didn't help either. US Treasury yields were higher during the month causing a substantial shift from growth sectors to cyclical and value stocks. Towards the end of January 2022, markets were better as the Coronavirus Disease 2019 ("COVID-19") Omicron variant was again, seemingly confirmed as a mild variant, despite being more infectious, relieving concerns of further restrictions. However, in February 2022 markets experienced another selloff as market processed and assessed the potential impact of the Russian invasion of Ukraine. Sanctions were imposed by US and European countries, leading to spike in commodity prices and concerns over higher inflation.

Locally, the government's decision to extend foreign source income tax exemption and reinstate a higher stamp duty cap on share transactions as well as the year-end window dressing activities helped push market higher in December 2021. The 4Q21 domestic corporate earnings were broadly within expectations. Notable positive results were from the plantation - on the back of higher crude palm oil ("CPO") prices and consumers - following a full quarter impact from reopening in 4Q. Disappointments, that comes with no surprise came from sectors that were impacted by the lockdowns e.g. constructions as well as gloves on moderating selling prices/demand for the glove manufacturers.

D. Market Outlook & Strategy

For 2022, we are likely to see continued economic growth, though the expansion should moderate as stimulus tapers when Governments reduce fiscal spending post COVID-19. Generally, we are positive on Asia Ex-Japan and ASEAN markets as they are likely to benefit from the acceleration of economic growth as they play catch up in 2022 with a smoother reopening of their economies. Elsewhere, China has begun to loosen monetary policy with the announcement of a 50 basis points ("bps") Reserve Requirement Ratio ("RRR") cut. Chinese authorities want to stabilize economic growth following the debt concerns in the property market. With China loosening policy and the US tightening we believe that Asia will outperform the US. However, in the near term, we are wary on the geopolitical tensions, higher inflation and political risk locally.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial period from 1 September 2021 to 28 February 2022 (cont'd)

D. Market Outlook & Strategy (cont'd)

Strategy wise, as we expect the market to be volatile on the back of headwinds from persistent inflation and higher interest rates possibility, we may hold higher cash from time to time and will have some trading positions to take opportunity of the market volatility. Although our approach remains with bottom-up stock picking, there are a few sectors that we favour including technology, banks, gaming and selected recovery play companies for a longer-term view.

E. 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 2021 to 28 February 2022, 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 UNIT HOLDERS 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 2021 to 28 February 2022. 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

Yap Lay Guat
Manager, Investment Compliance Monitoring
Kuala Lumpur
12 April 2022

REPORT OF THE INVESTMENT COMMITTEE

TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 28 FEBRUARY 2022

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.

Goh Ching Yin
Chairman

Kuala Lumpur, Malaysia
27 April 2022

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 28 FEBRUARY 2022

I, Ahmed Muzni B Mohamed, 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 2022 and of its results, changes in equity and cash flows for the financial period from 1 September 2021 to 28 February 2022 and comply with the requirements of the Deeds.

For and on behalf of the Manager

Ahmed Muzni B Mohamed
Director

Kuala Lumpur, Malaysia
12 April 2022

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 28 FEBRUARY 2022**

		01.09.2021 to 28.02.2022 RM	01.09.2020 to 28.02.2021 RM
INVESTMENT (LOSS)/INCOME	Note		
Dividend income		1,410,875	959,659
Interest income		73,876	72,481
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")			
- Unrealised gain		1,599,630	8,881,022
- Realised (loss)/gain		(5,974,809)	53,744
Net gain/(loss) on foreign exchange and forward currency contracts	3	44,461	(166,397)
		<u>(2,845,967)</u>	<u>9,800,509</u>
EXPENSES			
Manager's fee	4	808,336	780,604
Trustee's fee	5	43,111	41,632
Auditors' remuneration		4,463	4,463
Tax agent's fee		1,736	1,736
Brokerage and other transaction fees		78,920	139,484
Administrative expenses		34,579	39,263
		<u>971,145</u>	<u>1,007,182</u>
Net (loss)/income before taxation		(3,817,112)	8,793,327
Taxation	6	(13,769)	(15,809)
Net (loss)/income after taxation, and total comprehensive (loss)/income for the financial period		<u>(3,830,881)</u>	<u>8,777,518</u>
Net (loss)/income after taxation is made up of the following:			
Net realised (loss)/income		(5,474,983)	120,018
Net unrealised income		1,644,102	8,657,500
		<u>(3,830,881)</u>	<u>8,777,518</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022**

	Note	28.02.2022 RM	31.08.2021 RM
ASSETS			
Financial assets at FVTPL	7	90,683,718	93,168,256
Deposit with a licensed financial institution	8	9,393,733	13,834,277
Dividend receivable		168,803	64,643
Interest receivable		450	1,213
Amount due from Manager	9	-	94
Cash at bank	10	4,298,833	5,295,411
TOTAL ASSETS		104,545,537	112,363,894
LIABILITIES			
Amount due to Manager	9	216,662	229,128
Amount due to Trustee	11	6,374	7,449
Other payables and accruals		50,261	53,919
TOTAL LIABILITIES		273,297	290,496
NET ASSET VALUE ("NAV") OF THE FUND		104,272,240	112,073,398
EQUITY			
Unitholders' capital	12(a)	100,779,067	104,749,344
Retained earnings	12(b)&(c)	3,493,173	7,324,054
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS		104,272,240	112,073,398
NUMBER OF UNITS IN CIRCULATION (UNITS)	12(a)	323,711,355	335,960,173
NAV PER UNIT		0.3221	0.3336

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 28 FEBRUARY 2022**

	Unitholders' capital Note 12(a) RM	Retained earnings Note 12(b) & 12(c) RM	Total equity RM
At 1 September 2021	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)
At 28 February 2022	100,779,067	3,493,173	104,272,240
At 1 September 2020	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)
At 28 February 2021	105,166,316	8,250,843	113,417,159

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 28 FEBRUARY 2022**

	01.09.2021 to 28.02.2022 RM	01.09.2020 to 28.02.2021 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale of financial assets at FVTPL	13,591,936	36,618,745
Net payments for purchases of financial assets at FVTPL	(15,563,297)	(38,905,602)
Net dividend received	1,338,737	940,734
Interest received	74,647	72,478
Manager's fee paid	(828,492)	(777,978)
Trustee's fee paid	(44,186)	(41,492)
Other expenses paid	(42,554)	(46,276)
Net cash used in operating and investing activities	<u>(1,473,209)</u>	<u>(2,139,391)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	20,550	20,021,760
Cash paid on units cancelled	(3,983,045)	(15,854,130)
Net cash (used in)/generated from financing activities	<u>(3,962,495)</u>	<u>4,167,630</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD	(5,435,704)	2,028,239
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	19,129,688	10,404,318
Effect of foreign exchange	(1,418)	(144,658)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>13,692,566</u>	<u>12,287,899</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank (Note 10)	4,298,833	5,106,035
Deposit with a licensed financial institution (Note 8)	9,393,733	7,181,864
	<u>13,692,566</u>	<u>12,287,899</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 28 FEBRUARY 2022

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 2021 to 28 February 2022. 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 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 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</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 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.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

2.3 Financial instruments (cont'd)

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.

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.

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)

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.

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 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. 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.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

2.4 Financial assets (cont'd)

(iv) Derecognition of financial assets

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

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

On derecognition of financial asset at amortised cost, 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.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

2.6 Unitholders' capital (cont'd)

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.

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 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 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 GAIN/(LOSS) ON FOREIGN EXCHANGE

	01.09.2021 to 28.02.2022 RM	01.09.2020 to 28.02.2021 RM
Net unrealised gain/(loss) on foreign exchange	44,472	(223,522)
Net realised (loss)/gain on foreign exchange	(11)	57,125
	<u>44,461</u>	<u>(166,397)</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.50% (01.09.2020 to 28.02.2021: 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% (01.09.2020 to 28.02.2021: 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

01.09.2021	01.09.2020
to	to
28.02.2022	28.02.2021
RM	RM

Tax expense for the financial period:

Current income tax expense

- Foreign	5,007	5,082
- Local	8,762	10,727
	<u>13,769</u>	<u>15,809</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.09.2020 to 28.02.2021: 24%) of the estimated assessable income for the financial period.

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:

01.09.2021	01.09.2020
to	to
28.02.2022	28.02.2021
RM	RM

Net (loss)/income before taxation	<u>(3,817,112)</u>	<u>8,793,327</u>
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Taxation at Malaysian statutory rate of 24%
(01.09.2020 to 28.02.2021: 24%)

Income not subject to tax	(916,107)	2,110,398
Loss not deductible for tax purposes	(750,922)	(247,713)
Income tax at source	1,433,954	39,935
Expenses not deductible for tax purposes	13,769	15,809
Tax expense for the financial period	<u>233,075</u>	<u>(1,902,620)</u>
	<u>13,769</u>	<u>15,809</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL

		28.02.2022 RM	31.08.2021 RM
Quoted equities - local	(a)	86,184,092	88,445,489
Quoted equities - foreign	(b)	4,499,626	4,722,767
		<u>90,683,718</u>	<u>93,168,256</u>

28.02.2022	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
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(a) Quoted equities - local

Construction

Econpile Holdings Bhd	5,076,400	2,784,558	1,522,920	1.46
Gamuda Bhd	599,580	1,873,101	1,726,790	1.66
	<u>5,675,980</u>	<u>4,657,659</u>	<u>3,249,710</u>	<u>3.12</u>

Consumer Products & Services

Fraser & Neave Holdings Bhd	57,600	1,795,777	1,301,760	1.25
MBM Resources Bhd	289,400	909,149	934,762	0.90
Nestle (Malaysia) Bhd	2,800	384,402	375,200	0.36
	<u>349,800</u>	<u>3,089,328</u>	<u>2,611,722</u>	<u>2.51</u>

Energy

Dayang Enterprise Holdings Bhd	1,245,500	1,733,835	1,071,130	1.03
Dialog Group Bhd	982,900	3,444,789	2,771,778	2.66
Yinson Holdings Bhd	182,000	1,111,019	957,320	0.92
	<u>2,410,400</u>	<u>6,289,643</u>	<u>4,800,228</u>	<u>4.61</u>

Financial Services

CIMB Group Holdings Bhd	1,218,769	6,063,182	6,959,171	6.67
Hong Leong Bank Bhd	129,900	2,502,692	2,605,794	2.50

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

28.02.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Financial Services (cont'd)				
Hong Leong Financial Group Bhd	95,000	1,776,978	1,835,400	1.76
Malayan Banking Bhd *	836,127	7,128,793	7,324,473	7.02
Public Bank Bhd	1,250,900	5,287,829	5,566,505	5.34
RHB Bank Bhd	933,738	5,057,023	5,509,054	5.28
	<u>4,464,434</u>	<u>27,816,497</u>	<u>29,800,397</u>	<u>28.57</u>
Industrial Products				
Dufu Technology Corp. Bhd	565,400	1,836,928	1,628,352	1.56
Press Metal Aluminium Holdings Bhd	578,600	2,458,181	3,951,838	3.79
SKP Resources Bhd	583,000	1,079,436	868,670	0.83
SKP Resources Bhd - Warrant	93,280	-	12,126	0.01
Sunway Bhd - Preference Shares	202,800	202,800	302,172	0.29
V.S. Industry Bhd	869,600	540,143	1,000,040	0.96
V.S. Industry Bhd - Warrant	262,480	-	81,369	0.08
	<u>3,155,160</u>	<u>6,117,488</u>	<u>7,844,567</u>	<u>7.52</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

28.02.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Plantations				
Kuala Lumpur Kepong Bhd	81,968	1,932,275	2,131,168	2.04
Sarawak Oil Palms Bhd	346,300	1,310,289	2,157,449	2.07
Sime Darby Plantation Bhd	449,418	2,106,690	2,206,642	2.12
TSH Resources Bhd	950,400	1,002,747	1,425,600	1.37
	1,828,086	6,352,001	7,920,859	7.60
Real Estate Investment Trusts ("REITs")				
Axis REIT	1,323,147	2,414,178	2,474,285	2.37
IGB REIT	1,359,400	2,456,967	1,930,348	1.85
	2,682,547	4,871,145	4,404,633	4.22
Technology				
Frontken Corp Bhd	301,450	392,127	868,176	0.83
Frontken Corp Bhd - Warrant	139,650	0	53,765	0.05
Globetronics Technology Bhd	691,900	1,621,622	968,660	0.93
Inari Amerton Bhd	794,600	1,416,834	2,558,612	2.45
Malaysian Pacific Industries Bhd	40,900	458,763	1,463,402	1.40
My EG Services Bhd	1,546,500	1,603,875	1,484,640	1.42

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

28.02.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Technology (cont'd)				
Unisem (M) Bhd	392,200	1,216,030	1,153,068	1.11
Vitrox Corp Bhd	319,400	1,484,188	2,373,142	2.28
	<u>4,226,600</u>	<u>8,193,439</u>	<u>10,923,465</u>	<u>10.47</u>
Telecommunications & Media				
Digi.Com Bhd	315,000	1,453,726	1,275,750	1.22
Telekom Malaysia Bhd	600,200	3,266,158	3,037,012	2.91
TIME dotCom Bhd	502,200	2,249,422	2,134,350	2.05
	<u>1,417,400</u>	<u>6,969,306</u>	<u>6,447,112</u>	<u>6.18</u>
Transportation & Logistics				
Lingkar Trans Kota Holdings Bhd	<u>742,000</u>	<u>3,212,583</u>	<u>2,878,960</u>	<u>2.76</u>
Utilities				
Mega First Corporation Bhd	427,600	1,512,018	1,517,980	1.46
Tenaga Nasional Bhd	412,700	5,347,548	3,784,459	3.63
	<u>840,300</u>	<u>6,859,566</u>	<u>5,302,439</u>	<u>5.09</u>
Total quoted equities - local	<u>27,792,707</u>	<u>84,428,655</u>	<u>86,184,092</u>	<u>82.65</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

28.02.2022 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Quoted equities - foreign				
Singapore				
AEM Holdings Ltd	156,100	1,684,633	1,993,197	1.91
Ascendas REIT	292,670	2,666,505	2,506,429	2.40
Total quoted equities - foreign	448,770	4,351,138	4,499,626	4.31
Total quoted equities	28,241,477	88,779,793	90,683,718	86.96
Unrealised gain on FVTPL investments **			1,903,925	
31.08.2021				
(a) Quoted equities - local				
Construction				
Gamuda Bhd	599,580	1,873,101	1,804,736	1.61
Econpile Holdings Bhd	5,076,400	2,784,558	2,106,706	1.88
	5,675,980	4,657,659	3,911,442	3.49
Consumer Products & Services				
Fraser & Neave Holdings Bhd	57,600	1,795,777	1,605,888	1.43
	2,800	384,402	377,160	0.34
Nestle (Malaysia) Bhd	60,400	2,180,179	1,983,048	1.77
Energy				
Dialog Group Bhd	982,900	3,444,789	2,614,514	2.33
Dayang Enterprise Holdings Bhd	1,245,500	1,733,835	1,382,505	1.23
	2,228,400	5,178,624	3,997,019	3.56

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.08.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
Financial Services				
CIMB Group Holdings Bhd	1,051,091	5,240,110	5,160,857	4.60
Hong Leong Bank Bhd	236,300	4,552,627	4,532,234	4.04
Hong Leong Financial Group Bhd	95,000	1,776,978	1,732,800	1.55
Malayan Banking Bhd *	516,458	4,547,935	4,338,247	3.87
Public Bank Bhd	934,300	4,018,263	3,905,374	3.48
RHB Bank Bhd	771,391	4,196,404	4,312,076	3.85
	3,604,540	24,332,317	23,981,588	21.39
Industrial Products				
ATA IMS Bhd	644,100	1,194,809	1,739,070	1.55
Dufu Technology Corp. Bhd	638,900	2,075,722	2,702,547	2.41
Press Metal Aluminium Holdings Bhd	267,700	681,854	1,445,580	1.29
Sam Engineering & Equipment (M) Bhd	27,100	192,645	403,790	0.36
Scientex Bhd	193,800	803,956	868,224	0.77
SKP Resources Bhd	583,000	1,079,436	1,072,720	0.96
SKP Resources Bhd - Warrant	93,280	-	17,723	0.02
Sunway Bhd	1,014,000	1,673,907	1,804,920	1.61
Sunway Bhd - Preference Shares	202,800	202,800	290,004	0.26
Thong Guan Industries Bhd	119,300	268,452	325,689	0.29

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.08.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Industrial Products (cont'd)				
V.S. Industry Bhd	1,312,400	815,184	1,889,856	1.69
V.S. Industry Bhd - Warrant	262,480	-	115,491	0.10
	5,358,860	8,988,765	12,675,614	11.31
Plantations				
Kuala Lumpur Kepong Bhd	63,968	1,499,105	1,366,356	1.22
Sarawak Oil Palms Bhd	346,300	1,310,289	1,295,162	1.16
Sime Darby Plantation Bhd	100,318	527,661	404,282	0.36
TSH Resources Bhd	950,400	1,002,747	1,035,936	0.92
	1,460,986	4,339,802	4,101,736	3.66
Real Estate Investment Trusts ("REITs")				
Axis REIT	1,340,447	2,445,743	2,667,490	2.38
IGB REIT	1,359,400	2,456,967	2,310,980	2.06
	2,699,847	4,902,710	4,978,470	4.44
Technology				
Frontken Corp Bhd	418,950	544,971	1,420,241	1.27
Frontken Corp Bhd - Warrant	139,650	-	54,464	0.05
Globetronics Technology Bhd	691,900	1,621,622	1,439,152	1.28
Inari Amerton Bhd	1,001,600	1,785,932	3,445,504	3.07
Malaysian Pacific Industries Bhd	62,900	705,530	2,768,858	2.47

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.08.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Technology (cont'd)				
Pentamaster Corporation Bhd	287,400	852,510	1,520,346	1.36
Unisem (M) Bhd	263,600	1,634,603	2,264,324	2.02
Vitrox Corp Bhd	159,700	1,484,188	2,992,778	2.67
	<u>3,025,700</u>	<u>8,629,356</u>	<u>15,905,667</u>	<u>14.19</u>
Telecommunications & Media				
Axiata Group Bhd	587,000	2,235,589	2,430,180	2.17
Digi.Com Bhd	315,000	1,453,726	1,386,000	1.24
Telekom Malaysia Bhd	409,300	2,201,299	2,500,823	2.23
Time Dotcom Bhd	502,200	2,249,422	2,310,120	2.06
	<u>1,813,500</u>	<u>8,140,036</u>	<u>8,627,123</u>	<u>7.70</u>
Transportation & Logistics				
Lingkaran Trans Kota Holdings Bhd	742,000	3,212,583	2,856,700	2.55
MISC Bhd	154,200	1,028,805	1,110,240	0.99
	<u>896,200</u>	<u>4,241,388</u>	<u>3,966,940</u>	<u>3.54</u>
Utilities				
Tenaga Nasional Bhd	<u>412,700</u>	<u>5,347,548</u>	<u>4,316,842</u>	<u>3.85</u>
Total quoted equities - local	<u>27,237,113</u>	<u>80,938,384</u>	<u>88,445,489</u>	<u>78.90</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

31.08.2021 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Quoted equities - foreign				
Singapore				
AEM Holdings Ltd	156,100	1,684,633	1,928,959	1.72
Ascendas REIT	292,670	2,666,505	2,793,808	2.49
Total quoted equities - foreign	448,770	4,351,138	4,722,767	4.21
Total quoted equities	27,685,883	85,289,522	93,168,256	83.11
Unrealised loss on FVTPL investments **			7,878,734	

* 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.

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8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	28.02.2022 RM	31.08.2021 RM
Short-term placement with a maturity of less than 3 months	9,393,733	13,834,277

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

	28.02.2022		31.08.2021	
	WAEIR % p.a.	Average maturity Days	WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	1.75	1	1.60	2

9. AMOUNT DUE FROM/TO MANAGER

		28.02.2022 RM	31.08.2021 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)	119,516	139,672
Cancellation of units	(iii)	97,146	89,456
		216,662	229,128

(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/period. The normal credit term for Manager's fee is 15 days (31.08.2021: 15 days).

(ii) 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:

	28.02.2022 RM	31.08.2021 RM
US Dollar ("USD")	4,259,825	4,198,038
RM	39,008	1,097,373
	4,298,833	5,295,411

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 year/period. The normal credit term is 15 days. (31.08.2021: 15 days)

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

12. TOTAL EQUITY

	Note	28.02.2022 RM	31.08.2021 RM
Unitholders' capital	(a)	100,779,067	104,749,344
Accumulated realised loss	(b)	(6,044,903)	(569,920)
Accumulated unrealised income	(c)	9,538,076	7,893,974
		<u>104,272,240</u>	<u>112,073,398</u>

(a) Unitholders' capital

	01.09.2021 to 28.02.2022		01.09.2020 to 31.08.2021	
	Units	RM	Units	RM
At the beginning of the financial period/year	335,960,173	104,749,344	323,861,090	100,547,868
Creation of units	62,346	20,455	61,439,516	20,041,622
Reinvestment of units	-	-	8,159,476	2,722,001
Cancellation of units	(12,311,164)	(3,990,732)	(57,499,909)	(18,562,147)
At the end of the financial period/year	<u>323,711,355</u>	<u>100,779,067</u>	<u>335,960,173</u>	<u>104,749,344</u>

As at the end of the financial year/period, there were no units held by the Manager or parties related to the Manager (31.08.2021: Nil units).

(b) Accumulated realised loss

	01.09.2021 to 28.02.2022 RM	01.09.2020 to 31.08.2021 RM
At the beginning of the financial period/year	(569,920)	(121,506)
Net realised (loss)/income for the financial period/year	(5,474,983)	2,273,587
Distributions out of realised reserve	-	(2,722,001)
At the end of the financial period/year	<u>(6,044,903)</u>	<u>(569,920)</u>

(c) Accumulated unrealised income

	01.09.2021 to 28.02.2022 RM	01.09.2020 to 31.08.2021 RM
At the beginning of the financial period/year	7,893,974	(405,169)
Net unrealised income for the financial period/year	1,644,102	8,299,143
At the end of the financial period/year	<u>9,538,076</u>	<u>7,893,974</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:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
01.09.2021 to 28.02.2022				
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
	28,896,047	100.00	54,182	100.00
01.09.2020 to 28.02.2021	RM	%	RM	%
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
	73,926,246	100.00	102,525	100.00

* 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:

	01.09.2021 to 28.02.2022		01.09.2020 to 28.02.2021	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Financial institutions				
CIMB Bank Bhd	-	-	572,565,586	57.98
MBB	1,074,826,639	100.00	414,882,160	42.02
	<u>1,074,826,639</u>	<u>100.00</u>	<u>987,447,746</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/year.

	28.02.2022 RM	28.02.2021 RM
(i) Significant related party transaction		
<u>MBB:</u>		
Dividend income	144,608	66,663
Interest income	<u>73,876</u>	<u>35,909</u>
	28.02.2022 RM	31.08.2021 RM
(ii) Significant related party balances		
<u>MBB:</u>		
Investment in quoted equity	7,324,473	4,338,247
Deposit with a licensed financial institution	<u>9,393,733</u>	<u>13,834,277</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 2021 to 28 February 2022, the MER of the Fund stood at 0.82% (01.09.2020 to 28.02.2021: 0.83%).

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 2021 to 28 February 2022, the PTR of the Fund stood at 0.13 times (01.09.2020 to 28.02.2021: 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 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).

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
28.02.2022			
Financial assets at FVTPL	90,683,718	-	-
31.08.2021			
Financial assets at FVTPL	93,168,256	-	-

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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.