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MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Annual Report**For the financial year ended 31 August 2024**

CORPORATE INFORMATION

MANAGER

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

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

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TRUSTEE

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

Level 19, Menara IQ

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55188 Kuala Lumpur, Malaysia

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024

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's 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's 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.

Subject to the provisions of the Deed, the Fund may distribute from realised income, realised gains and/ or capital to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.

Distribution out of the Fund's capital has a risk of eroding the capital of the Fund. It may reduce the Fund's capital available for future investment and the Fund's potential for future income generation; it may also cause the NAV of the Fund to fall over time. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.

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 in 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:

	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 - 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 year ended 31 August 2024 (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 year ended 31 August 2024

The Fund declared an income distribution of RM 3,603,800 for the financial year ended 31 August 2024.

Below are details of distributions made during the financial year:

Distribution date (ex-date)	Before distribution	After distribution	Gross/ Net distribution per unit (sen)	Changes (%)
27 August 2024	0.3878	0.3763	1.15	(2.97)

B. Performance Review

1. Key performance data of the Fund

Category	2024	2023	2022
Portfolio (%)			
Quoted equities - Local (%)	87.61	81.74	75.08
Construction	6.77	3.66	2.39
Consumer Products & Services	2.33	5.64	1.61
Energy	6.16	4.88	4.71
Financial Services	33.08	29.39	29.37
Healthcare	3.45	-	-
Industrial Products	7.39	5.86	5.53
Plantations	2.77	3.99	4.40
Property	4.58	-	-
Real Estate Investment Trusts ("REITs")	0.94	4.38	4.57
Technology	1.91	7.43	7.78
Telecommunications & Media	7.33	5.91	5.94
Transportation & Logistics	-	2.19	3.66
Utilities	10.90	8.41	5.12

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

B. Performance Review (cont'd)

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

Category	2024	2023	2022
Portfolio (%) (cont'd)			
Quoted equities - Foreign (%)	1.43	2.10	3.56
Hong Kong	0.02	0.54	-
Singapore	1.41	1.56	3.56
Cash and other net assets (%)	10.96	16.16	21.36
Total (%)	100.00	100.00	100.00
NAV (RM'000)	117,977	107,344	102,899
Units in circulation (units'000)	313,357	333,815	328,302
NAV per unit (RM)	0.3765	0.3216	0.3134
Highest NAV per unit (RM)	0.4016	0.3277	0.3427
Lowest NAV per unit (RM)	0.3178	0.2978	0.3029
Net income distributed (RM'000)	3,604	2,704	2,563
Distribution date	Refer to Note 14 of the financial statements		
Gross/ Net distribution per unit (sen)	1.15	0.81	0.80
Annual total return (%) ⁽¹⁾			
- Capital growth (%)	17.07	2.62	(6.06)
- Income distribution (%)	3.06	2.53	2.56
Total return (%)	20.65	5.22	(3.65)
Benchmark (%)	15.62	(3.98)	(5.58)
Total Expense Ratio ("TER") (%) ⁽²⁾	1.63	1.62	1.65
Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾	0.43	0.11	0.19

Notes:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.
- (2) The TER of the Fund increased to 1.63% due to higher expenses excluding brokerage and other transaction costs in the current financial year under review.
- (3) The PTR of the Fund increased to 0.43 times due to higher investing activities during the current financial year 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

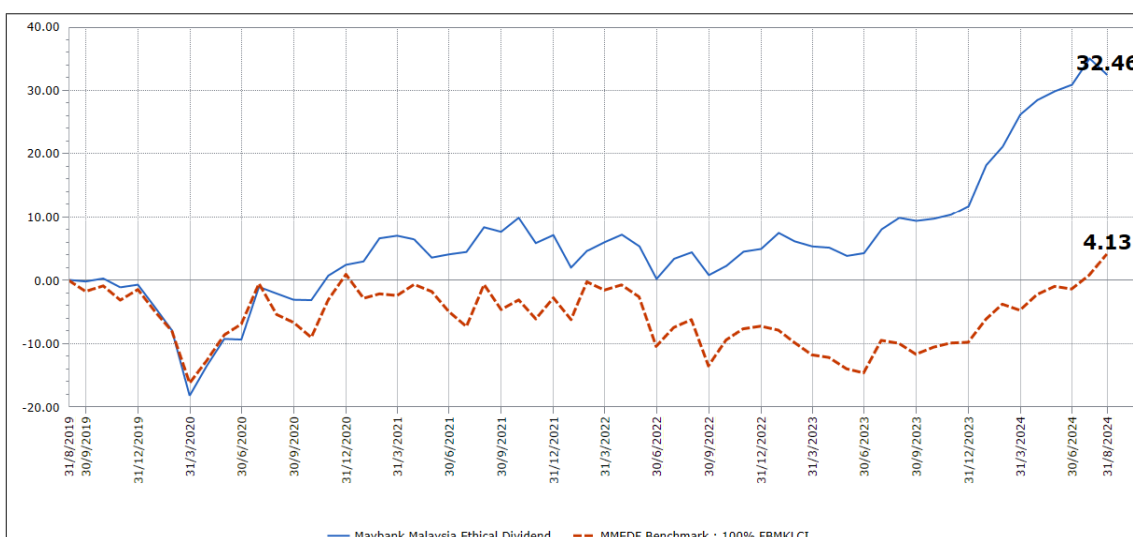
Manager's report

For the financial year ended 31 August 2024 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 August 2024

Category	1 year to 31.08.2024 %	3 years to 31.08.2024 %	5 years to 31.08.2024 %
Capital growth	17.07	12.86	19.26
Income distribution	3.06	8.37	11.07
Total return of the Fund	20.65	22.31	32.46
Benchmark	15.62	4.83	4.13
Average total return	20.65	6.94	5.78



Source: Lipper as at 31 August 2024

For the year under review, the Fund registered a gain of 20.65%, outperforming the benchmark which posted returns of 15.62%. The outperformance was mainly due to the overweighting of the Fund in the industrials (positive performance was mainly driven by construction names) and the better selection in the energy sector.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of the Fund

For the financial year ended	2024 %	2023 %	2022 %	2021 %	2020 %
Capital growth	17.07	2.62	(6.06)	8.00	(2.15)
Income distribution	3.06	2.53	2.56	2.49	-
Total return	20.65	5.22	(3.65)	10.69	(2.15)
Benchmark	15.62	(3.98)	(5.58)	4.99	(5.39)

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 year under review, global equity markets were volatile, as the investors were faced with plethora of challenges. The United States ("US") has showed global market leadership in 1H2024, as the artificial intelligence ("AI") boom in particular drove select technology stocks higher. The slow-paced macro deceleration and delayed Federal Reserves ("Fed") rate cuts have sustained the narrative of a soft or no landing and so global equities have momentum. However, in August 2024, the unwinding of the yen-carry trade and concerns of the US economy slipping into recession caused a knee jerk reaction on the global equity market. US July 2024 unemployment rate edged higher than consensus expectations. Concurrently, non-farm payrolls disappointed. Initial jobless claims remain low but have begun to accelerate of late while Institute for Supply Management ("ISM") employment surveys have markedly worsened. The United States Dollar ("USD") has started to soften in anticipation of the Fed's rate cut. The ongoing geopolitical tensions in the Middle East and Russia-Ukraine conflict continue to cause volatility in the market, as it could disrupt global growth and be highly inflationary. China's economy exhibited some signs of stabilisation, led by strong policy stimulus and the recovery in its real economy. These include retail sales, industrial output and fixed asset investment.

For the financial year, Standard and Poor's 500 ("S&P 500") and Dow Jones performed, rising 25.30% and 19.70% respectively. European markets were also positive, with the Stoxx 50 up by 15.40%. North Asia was mixed, with Japan and Taiwan gaining 18.50% and 33.90% respectively whereas Hong Kong and Shanghai were down by 2.10% and 8.90% respectively. Association of Southeast Asian Nations ("ASEAN") was mostly positive during the year under review. Philippines gained 11.70%, followed by Indonesia 10.30% and Singapore was up by 6.50%. Thailand was the worst performer, down by 13.20%.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

C. Market Review (cont'd)

Domestically, the FBM KLCI gained 15.62%. However, the broader market FBM Emas Index performed better, posting a slight gain of 16.20% for the one-year financial year ending 31 August 2024. FBM SmallCap Index was also up, chalking a spectacular gain of 17.10%. Throughout the year, Bank Negara Malaysia ("BNM") maintained the overnight policy rate ("OPR") at 3.00%. BNM is expected to keep rates on hold. Corporate reporting season in August 2024 was broadly within expectations. In comparison to the preceding quarter, there was a reduction in results disappointments. Sector wise, oil and gas, utilities and healthcare were amongst the best performing sectors. Conversely, sectors that missed expectations were mainly from technology and property sectors.

D. Market Outlook and Strategy

Malaysia saw a return of net foreign inflow in August 2024, reversing year-to-date ("YTD") outflows as investors saw profit/ interest returning with positive macro data as the government confirmed a strong 2Q24 gross domestic product ("GDP") growth of 5.90% year-over-year ("YoY") (1Q24: 4.20%). Domestic market is expected to be supported by continued employment and wage growth as well as policy measures. Complementing this are investment activities for multi-year projects across both private and public sectors. Increasing foreign direct investment ("FDI") commitments aided by supply-chain shifts, increasing investments including from global tech majors for building cloud and AI or data centre infrastructure continue to be catalytic to the local market. We maintain our longer-term positive stance on Malaysian equity markets but we remain wary on the risks of inflation and the pressure on global growth. Any significant weaknesses in the market could present a buying opportunity for the longer term. Strategy wise, we would continue to adopt a barbell approach with our portfolio structure by having a balance exposure into growth and defensive sectors to navigate market volatility while remaining nimble in our approach.

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

Subsequent to issuance of the Master Prospectus dated 17 January 2020, the First Supplementary Master Prospectus dated 22 February 2021, the Second Supplementary Master Prospectus dated 8 May 2023 and the Third Supplementary Master Prospectus dated 22 November 2023, the Fourth Supplementary Master Prospectus dated 1 October 2024 was issued and modified as follows:

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
1.	<p>Chapter 3 – The Funds, Section 3.8 – Risk Factors, Manager's risk</p> <p>This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.</p>	<p>Chapter 3 – The Funds, Section 3.8 – Risk Factors, Manager's risk</p> <p>This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
1.	<p>The fund management function of MMDF is carried out by the EIM who has expertise in managing funds. The person(s) or members of a committee undertaking the oversight function of the Fund monitors the EIM's investment processes to ensure consistent fund performance and that the Fund is managed according to internal policies and relevant regulations. To mitigate other areas of manager's risk, the Manager has internal controls in place to ensure that compliance monitoring processes are undertaken.</p>	
2.	<p>Chapter 3 – The Funds, Section 3.8 – Risk Factors, Mitigation of risk</p> <p>The Manager and EIM will take reasonable steps to ensure that the above potential risks are managed by:</p> <p>(a) actively monitoring a Fund's asset allocation to ensure minimum impact from any adverse market movements. They will ensure that the equities and fixed income securities are carefully selected through site visits, fundamental analysis and portfolio diversification. In the case of fixed income securities, the Manager and EIM will also focus on the credit quality of the fixed income securities, which must be of an investment grade that complies with the respective Fund's permitted investments.</p> <p>(b) investing over a wide range of equities and fixed income securities of different companies which provides diversification across a number of sectors and industries, minimising the risk not only of any single company's securities becoming worthless, but also of all holdings suffering uniformly from adverse business conditions. The Manager and EIM will seek to reduce all these risks by utilizing their experience, the analytical process and by structuring a broadly diversified investment pool.</p>	<p>Chapter 3 – The Funds, Section 3.8 – Risk Factors, Mitigation of risk</p> <p>The Manager will take reasonable steps to ensure that the above potential risks are managed by:</p> <p>(a) actively monitoring a Fund's asset allocation to ensure minimum impact from any adverse market movements. They will ensure that the equities and fixed income securities are carefully selected through site visits, fundamental analysis and portfolio diversification. In the case of fixed income securities, the Manager will also focus on the credit quality of the fixed income securities, which must be of an investment grade that complies with the respective Fund's permitted investments.</p> <p>(b) investing over a wide range of equities and fixed income securities of different companies which provides diversification across a number of sectors and industries, minimising the risk not only of any single company's securities becoming worthless, but also of all holdings suffering uniformly from adverse business conditions. The Manager will seek to reduce all these risks by utilizing their experience, the analytical process and by structuring a broadly diversified investment pool.</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
2.	<p>The Manager and EIM will apply risk management controls over the investment portfolio including asset allocation, liquidity, adherence to investment objective and investment parameters, valuation, monitoring performance etc.</p> <p>The Manager and EIM will report to the person(s) or members of a committee undertaking the oversight function of the Fund quarterly. The person(s) or members of a committee undertaking the oversight function of the Fund will review and approve the investment portfolio and strategies of the Fund and ensure that the investment objective of the Fund and compliance to the Guidelines are met.</p>	<p>The Manager will apply risk management controls over the investment portfolio including asset allocation, liquidity, adherence to investment objective and investment parameters, valuation, monitoring performance etc.</p> <p>The Manager will report to the person(s) or members of a committee undertaking the oversight function of the Fund quarterly. The person(s) or members of a committee undertaking the oversight function of the Fund will review and approve the investment portfolio and strategies of the Fund, and ensure that the investment objective of the Fund and compliance to the Guidelines are met.</p>
3.	<p>Chapter 3 – The Funds, Section 3.8 – Risk Factors, Liquidity risk management, first paragraph</p> <p>In managing the Fund's liquidity, we and/ or the EIM, as the case may be, will:</p> <p>(a) actively manage the liquidity of the Fund to meet repurchase requests from Unit Holders; and/ or</p> <p>(b) where available, take cash borrowing or cash financing on a temporary basis for the purpose of meeting repurchase requests for Units and for short term bridging requirements subject to the conditions set out in the section below under the heading "Financing and Borrowing".</p>	<p>Chapter 3 – The Funds, Section 3.8 – Risk Factors, Liquidity risk management, first paragraph</p> <p>In managing the Fund's liquidity, we will:</p> <p>(a) actively manage the liquidity of the Fund to meet repurchase requests from Unit Holders; and/ or</p> <p>(b) where available, borrow cash or take cash financing on a temporary basis for the purpose of meeting repurchase requests for Units and for short term bridging requirements subject to the conditions set out in the section below under the heading "Financing and Borrowing".</p>
4.	<p>Chapter 3 – The Funds, Section 3.11 – Investment Process, first paragraph and third paragraph</p> <p><u>First paragraph</u></p> <p>The Manager and EIM adopt a combined top-down and bottom-up approach to investing that focuses on specific stock selection rather than markets and sectors. This ensures that the Funds invest in financial assets which are expected to give greater returns in a particular investment environment. For example, in a rising fixed income rates scenario, equities usually do not perform well and therefore, exposure to this asset class is reduced. In contrast, when fixed income rates are declining, exposure to equities is increased to maximise returns.</p>	<p>Chapter 3 – The Funds, Section 3.11 – Investment Process, first paragraph and third paragraph</p> <p><u>First paragraph</u></p> <p>The Manager adopts a combined top-down and bottom-up approach to investing that focuses on specific stock selection rather than markets and sectors. This ensures that the Funds invest in financial assets which are expected to give greater returns in a particular investment environment. For example, in a rising fixed income rates scenario, equities usually do not perform well and therefore, exposure to this asset class is reduced. In contrast, when fixed income rates are declining, exposure to equities is increased to maximise returns.</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
4.	<p><u>Third paragraph</u> The person(s) or members of a committee undertaking the oversight function of the Fund will review and endorse the investment strategies recommended by the Manager and EIM. For MMEDF, the person(s) or members of a committee undertaking the oversight function of the Fund will also advise the Manager on ethical issues to ensure proper compliance with ethical principles of the Fund.</p>	<p><u>Third paragraph</u> The person(s) or members of a committee undertaking the oversight function of the Fund will review and endorse the investment strategies recommended by the Manager. For MMEDF, the person(s) or members of a committee undertaking the oversight function of the Fund will also advise the Manager on ethical issues to ensure proper compliance with ethical principles of the Fund.</p>
5.	<p>Chapter 4 – Fees, Charges and Expenses, Section 4.1 – Charges, Conversion charge</p> <p>This facility enables you to convert Units of a Class for Units of other Classes within the same Fund. The conversion charge for each Class of MMVF to another Class within the same Fund is MYR25 per transaction.</p> <p><i>Note: The Manager reserves the right to waive the conversion charge.</i></p>	<p><i>Deleted.</i></p>
6.	<p>Chapter 4 – Fees, Charges and Expenses, Section 4.4 – Policy on Brokerage Rebates and Soft Commissions</p> <p>We, the EIM, the Trustee or the Trustee's delegate should not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the Fund's account.</p> <p>However, soft commissions provided by any broker or dealer may be retained by us or the EIM if:</p> <p>(i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;</p> <p>(ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and</p>	<p>Chapter 4 – Fees, Charges and Expenses, Section 4.4 – Policy on Brokerage Rebates and Soft Commissions</p> <p>We, the Trustee or the Trustee's delegate should not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the Fund's account.</p> <p>However, soft commissions provided by any broker or dealer may be retained by us if:</p> <p>(i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;</p> <p>(ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
6.	(iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the EIM will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.	(iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.
7.	<p>Chapter 4 – Fees, Charges and Expenses, last paragraph</p> <p>There are fees and charges involved and investors are advised to consider them before investing in the Funds.</p>	<p>Chapter 4 – Fees, Charges and Expenses, last paragraph</p> <p>There are fees and charges involved and investors are advised to consider them before investing in the Funds.</p> <p>We may (in our sole and absolute discretion) waive or reduce the amount of any fees (except the trustee fee) and expenses of the Funds, either for all the investors or a particular investor.</p>
8.	<p>Chapter 5 – Transaction Information, Section 5.1 Valuation Bases for Assets of the Funds, items (a), (b), (i) and second paragraph</p> <p>(a) Listed securities will be valued based on the last done market price of the respective exchanges.</p> <p>Where no market values are publicly available for listed securities, including in the event of a suspension in the quotation of the listed securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the listed securities should be valued at fair value, as determined in good faith by the Manager or the EIM, based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> <p>(b) Unlisted bonds denominated in MYR are valued at the indicative market value quoted by a bond pricing agency (BPA) registered with the SC. Where the Manager or the EIM is of the view that the price quoted by BPA for a specific bond differs from the “market price” by more than 20 basis points, the Manager or the EIM may use the “market price”, provided that the Manager or the EIM:</p>	<p>Chapter 5 – Transaction Information, Section 5.1 Valuation Bases for Assets of the Funds, items (a), (b), (i) and second paragraph</p> <p>(a) Listed securities will be valued based on the last done market price of the respective exchanges.</p> <p>Where no market values are publicly available for listed securities, including in the event of a suspension in the quotation of the listed securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the listed securities should be valued at fair value, as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> <p>(b) Unlisted bonds denominated in MYR are valued at the indicative market value quoted by a bond pricing agency (BPA) registered with the SC. Where the Manager is of the view that the price quoted by BPA for a specific bond differs from the “market price” by more than 20 basis points, the Manager may use the “market price”, provided that the Manager:</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
8.	<p>(i) records its basis for using a non-BPA price; (ii) obtains necessary internal approvals to use the non-BPA price; and (iii) keeps an audit trail of all decisions and basis for adopting the "market yield".</p> <p>(j) Any other investments will be valued at fair value as determined in good faith by us or the EIM, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p><u>Second paragraph</u> The Manager and EIM will calculate the value of investments for the Funds at the end of each Business Day.</p>	<p>(i) records its basis for using a non-BPA price; (ii) obtains necessary internal approvals to use the non-BPA price; and (iii) keeps an audit trail of all decisions and basis for adopting the "market yield".</p> <p>(j) Any other investments will be valued at fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p><u>Second paragraph</u> The Manager will calculate the value of investments for the Funds at the end of each Business Day.</p>
9.	<p>Chapter 5 – Transaction Information, Section 5.6 – Transfer, Switching and Conversion of Units</p> <p>5.6 TRANSFER, SWITCHING AND CONVERSION OF UNITS</p> <p>You may request for transfer, switching or conversion of your Units by completing the relevant forms and submitting the forms together with any additional documents deemed necessary directly to the Manager or the relevant appointed IUTAs. Each transaction is subject to an administration charge.</p> <p>We have the discretion to decline any request that we:</p> <p>(i) regard as disruptive to efficient portfolio management; or (ii) deem to be contrary to the best interest of the affected Fund/ Class.</p> <p>The details for each transaction are as follows:</p>	<p>Chapter 5 – Transaction Information, Section 5.6 – Transfer and Switching of Units</p> <p>5.6 TRANSFER AND SWITCHING OF UNITS</p> <p>You may request for transfer or switching of your Units by completing the relevant forms and submitting the forms together with any additional documents deemed necessary directly to the Manager or the relevant appointed IUTAs. Each transaction is subject to an administration charge.</p> <p>We have the discretion to decline any request that we:</p> <p>(i) regard as disruptive to efficient portfolio management; or (ii) deem to be contrary to the best interest of the affected Fund/ Class.</p> <p>The details for each transaction are as follows:</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
9.	<p>Transfer</p> <p>Transfer is a request to fully or partially transfer your (transferor) Units of a Fund to another investor (transferee). There is no minimum amount per transaction for transfers provided the minimum balance requirement is met. We may decline any transfer request which would result in the transferor or transferee with less than the minimum balance requirement of Units for the relevant Fund/ Class.</p> <p><i>Note: We reserve the right to decline any transfer request if such transfer will expose us to any liability and/ or will contravene any law or regulatory requirements, whether or not having the force of law.</i></p> <p>Switching</p> <p>Switching is a request to withdraw all or a specified part of your investment in a Fund, at the NAV per Unit of that Fund/ Class at the time of the switch, and use the proceeds to buy units in any other fund managed by the Manager. The minimum amount of Units per switching transaction is 1,000 Units. For partial switching, Units in your account must not be less than the relevant minimum balance requirement.</p>	<p>Transfer</p> <p>Transfer is a request to fully or partially transfer your (transferor) Units of a Fund to another investor (transferee). There is no minimum amount per transaction for transfers provided the minimum balance requirement is met. We may decline any transfer request which would result in the transferor or transferee with less than the minimum balance requirement of Units for the relevant Fund/ Class.</p> <p><i>Note: We reserve the right to decline any transfer request if such transfer will expose us to any liability and/ or will contravene any law or regulatory requirements, whether or not having the force of law.</i></p> <p>Switching</p> <p>You are permitted to switch from and to other funds managed by us provided that both funds are denominated in the same currency. Switching is treated as a withdrawal from one (1) fund and an investment into another fund. Switching will be made at the prevailing NAV per Unit of the Fund/ Class to be switched from on a Business Day when the switching request is received and accepted by us, subject to the availability and any terms and conditions imposed by the intended fund to be switched to, if any.</p> <p>There is no restriction on the minimum number of Units for a switch or the frequency of switching. However, you must meet the minimum Unit holdings (after the switch) of the Fund/ Class that you intend to switch from unless you are redeeming all your investments from the Fund/ Class.</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
9.	<p>Any switching request made on or before the cut-off time of 4.00 p.m. will be made at the NAV per Unit of the fund to be switched from when the switching request is received and accepted by us on a Business Day, subject to availability and any terms and conditions imposed by the intended fund, if any.</p> <p>Any switching request received or deemed to have been received after this cut-off time would be considered as being transacted on the following Business Day.</p> <p>We reserve the rights to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.</p> <p><i>Note: Our distributors may have an earlier cut-off time for receiving applications in respect of any switching of Units. Please check with the respective distributors for their respective cut-off time.</i></p> <p>Conversion</p> <p>Conversion is a request to withdraw all or a specified part of your investment in any Class of a Fund, at the NAV per Unit applicable to Units in that Class at the time of the conversion, and use the proceeds to buy Units in another Class of the same Fund. The minimum amount of Units per conversion transaction is 1,000 Units. For partial conversion, Units in your account must not be less than the relevant minimum balance requirement.</p>	<p>Any switching request made on or before the cut-off time of 4.00 p.m. will be made at the NAV per Unit of the Fund/ Class to be switched from when the switching request is received and accepted by us on a Business Day, subject to availability and any terms and conditions imposed by the intended fund, if any.</p> <p>Any switching request received or deemed to have been received after this cut-off time would be considered as being transacted on the following Business Day.</p> <p>We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of switching of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
10.	<p>Chapter 5 – Transaction Information, Section 5.7 – Distribution Payment, policy on unclaimed monies</p> <p>Any amount of monies payable to Unit Holders which remain unclaimed for such period of time as prescribed by the Unclaimed Moneys Act 1965 after the date for payment shall be paid by the Manager to the consolidated trust account in accordance with the provisions of the Unclaimed Moneys Act 1965.</p>	<p>Chapter 5 – Transaction Information, Section 5.7 – Distribution Payment, policy on unclaimed monies</p> <p>Any monies payable to Unit Holders which remain unclaimed for 2 years will be handled in accordance with the requirements of the Unclaimed Moneys Act, 1965 (as amended by the Unclaimed Moneys (Amendment) Act 2024).</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
11.	<p>Chapter 6 – The Management Company, Section 6.4 – Designated Investment Managers of the Funds</p> <p>The designated person responsible for the fund management function of the Fund is Syhiful Zamri bin Abdul Azid.</p> <p>Syhiful is the Chief Investment Officer of the Manager and his profile is available on our website at https://www.maybank-am.com.my/key-people.</p> <p>The profile of the designated investment manager for MMDF is as follows:</p> <p>Mr David Ng Kong Cheong – Chief Investment Officer</p> <p>Mr David joined AHAM in 2002 as Head of Equities and assumed the role of Chief Investment Officer in September 2006. He has been responsible for successfully steering AHAM's investments through a tumultuous decade of multiple crisis. His astute and decisive guidance on broad investment strategies which includes interpreting market signals and making timely asset allocation calls has allowed AHAM to remain ahead of its peers. A decade later, he has built the investment team from just four (4) fund managers to a 40 strong group of fund managers featuring an impressive resume across different investment specialties, coverage and geographies. Under his foresight and vision, the team has evolved from being equity-heavy to encompass strong local and regional multi-asset and sector investment capabilities. His absolute return investment philosophy and bottom-up stock selection technique has garnered recognition for AHAM with its multiple award wins, having been voted "CIO of the Year" for Malaysia by Asia Asset Management 2013 awards. Mr David's philosophy of subscribing to the long-term, not taking excessive risk, and investing into quality throughout all the portfolios has set the blueprint for AHAM's investments in years to come. He is well-known in the industry for his discipline, prudence and reasonable attitude to investing.</p>	<p>Chapter 6 – The Management Company, Section 6.4 – Designated Investment Managers of the Funds</p> <p>The designated person responsible for the fund management function of the Funds is Syhiful Zamri bin Abdul Azid.</p> <p>Syhiful is the Chief Investment Officer of the Manager and his profile is available on our website at https://www.maybank-am.com.my/key-people.</p>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS																																																																																																																																
11.	He graduated with a double degree in Bachelor of Commerce (Accounting) and Bachelor of Law from Monash University in Melbourne, Australia and is also a Chartered Financial Analyst (CFA) charterholder.																																																																																																																																	
12.	<p>Chapter 6 – The Management Company, Section 6.5 – Other Information</p> <p>For more information and/ or updated information on the Manager, the Board of Directors and the EIM, please refer to our website at www.maybank-am.com.</p>	<p>Chapter 6 – The Management Company, Section 6.5 – Other Information</p> <p>For more information and/ or updated information on the Manager and the Board of Directors, please refer to our website at www.maybank-am.com.</p>																																																																																																																																
13.	<p>Chapter 8 – Salient Terms of the Deed, Section 8.2 – Maximum Fees and Charges Permitted by the Deeds</p> <p>The following table describes the maximum fees and charges as permitted by the Deeds. The actual fees and charges imposed are disclosed in section 4 of this master prospectus.</p> <table border="1" data-bbox="285 1121 857 1360"> <thead> <tr> <th>Fund</th> <th>Class</th> <th>Annual management fee (% of NAV)</th> <th>Annual trustee fee (% of NAV)</th> <th>Sales charge (% of NAV per Unit)</th> <th>Repurchase charge (% of NAV per Unit)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">MMVF</td> <td>A-MYR</td> <td>2.0</td> <td rowspan="2">0.2</td> <td rowspan="2">6.5</td> <td rowspan="2">Nil</td> </tr> <tr> <td>C-MYR</td> <td>1.5</td> </tr> <tr> <td>MMGF</td> <td></td> <td>1.5</td> <td>0.05</td> <td></td> <td>5 sen per</td> </tr> <tr> <td>MMBF</td> <td></td> <td>1.5</td> <td><i>Note 1</i></td> <td></td> <td>Unit</td> </tr> <tr> <td>MMIF</td> <td>Not applicable</td> <td>1.5</td> <td>0.035[#]</td> <td>10.0 (adjusted upwards to the nearest 1 sen)</td> <td>(adjusted upwards to the nearest 1 sen)</td> </tr> <tr> <td>MMEDF</td> <td></td> <td>2.0</td> <td>0.2</td> <td>10.0</td> <td>Nil</td> </tr> <tr> <td>MMSCF</td> <td></td> <td>2.0</td> <td>0.07</td> <td>6.5</td> <td></td> </tr> <tr> <td>MMDF</td> <td></td> <td>2.0</td> <td>0.5[*]</td> <td>6.0</td> <td>1.0</td> </tr> </tbody> </table> <p>* subject to a maximum fee of MYR18,000 per annum calculated on a daily basis. # up to a maximum NAV of MYR 100 million and thereafter at a rate of 0.1 per annum.</p> <p>Note 1:</p> <table border="1" data-bbox="285 1598 857 1780"> <thead> <tr> <th>Size of the Fund</th> <th>Annual trustee fee (% of NAV)</th> </tr> </thead> <tbody> <tr> <td>First MYR20 million</td> <td>0.06</td> </tr> <tr> <td>Next MYR20 million</td> <td>0.05</td> </tr> <tr> <td>Next MYR20 million</td> <td>0.04</td> </tr> <tr> <td>Next MYR20 million</td> <td>0.03</td> </tr> <tr> <td>Next MYR20 million</td> <td>0.02</td> </tr> <tr> <td>Any amount in excess of MYR100 million</td> <td>0.01</td> </tr> </tbody> </table>	Fund	Class	Annual management fee (% of NAV)	Annual trustee fee (% of NAV)	Sales charge (% of NAV per Unit)	Repurchase charge (% of NAV per Unit)	MMVF	A-MYR	2.0	0.2	6.5	Nil	C-MYR	1.5	MMGF		1.5	0.05		5 sen per	MMBF		1.5	<i>Note 1</i>		Unit	MMIF	Not applicable	1.5	0.035 [#]	10.0 (adjusted upwards to the nearest 1 sen)	(adjusted upwards to the nearest 1 sen)	MMEDF		2.0	0.2	10.0	Nil	MMSCF		2.0	0.07	6.5		MMDF		2.0	0.5 [*]	6.0	1.0	Size of the Fund	Annual trustee fee (% of NAV)	First MYR20 million	0.06	Next MYR20 million	0.05	Next MYR20 million	0.04	Next MYR20 million	0.03	Next MYR20 million	0.02	Any amount in excess of MYR100 million	0.01	<p>Chapter 8 – Salient Terms of the Deed, Section 8.2 – Maximum Fees and Charges Permitted by the Deeds</p> <p>The following table describes the maximum fees and charges as permitted by the Deeds. 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MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS																														
14.	<p>Chapter 10 – Related Party Transactions and Conflict of Interest, Related Party Transactions</p> <p>Save as disclosed below, there are no existing or proposed related party transactions involving the Funds, the Manager, the Trustee and/ or persons connected to them as at 31 August 2023:</p> <table border="1" data-bbox="289 751 859 1318"> <thead> <tr> <th>Name of Party</th> <th>Name of Related Party and Nature of Relationship</th> <th>Existing / Potential Related Party Transaction</th> </tr> </thead> <tbody> <tr> <td>The Manager</td> <td>Maybank The Manager is wholly-owned by Maybank Asset Management Group Berhad ("MAMG"). Maybank is a</td> <td>Distributor: Maybank has been appointed as one of the Manager's IUTAs. 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Delegate: The Manager has delegated its back office function (i.e. information technology) to Maybank Shared Services Sdn Bhd.	<p>Chapter 10 – Related Party Transactions and Conflict of Interest, Related Party Transactions</p> <p>Save as disclosed below, there are no existing or proposed related party transactions involving the Funds, us as the Manager, the Trustee and/ or persons connected to them as at 30 April 2024:</p> <table border="1" data-bbox="875 751 1429 1318"> <thead> <tr> <th>Name of Party</th> <th>Name of Related Party and Nature of Relationship</th> <th>Existing / Potential Related Party Transaction</th> </tr> </thead> <tbody> <tr> <td>The Manager</td> <td>Maybank The Manager is wholly-owned by Maybank Asset Management Group Berhad ("MAMG"). MAMG is</td> <td>Distributor: Maybank has been appointed as one of the Manager's IUTAs. 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15.	<p>Chapter 10 – Related Party Transactions and Conflict of Interest, Statement of conflict of interest in relation to the EIM</p> <p>The Manager has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for MMDF, the EIM will not make improper use of its positions in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. As at LPD, to the best of the Manager's knowledge, there has been no occurrence of conflict of interest involving the EIM.</p>	<p><i>Deleted.</i></p>																														

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

Manager's report

For the financial year ended 31 August 2024 (cont'd)

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

NO	PRINCIPAL MASTER PROSPECTUS	FOURTH SUPPLEMENTARY MASTER PROSPECTUS
16.	Chapter 11 – Taxation of the Fund -Taxation adviser's letter-	Chapter 11 – Taxation of the Fund -Taxation adviser's letter has been updated-
17.	Chapter 12 – Additional Information, Section 12.7 – Consent , first paragraph The Trustees and EIM have given their consent to the inclusion of their names and statements in the form and context in which they appear in this master prospectus and have not withdrawn such consent prior to the issue of this master prospectus.	Chapter 12 – Additional Information, Section 12.7 – Consent , first paragraph The Trustees have given their consent to the inclusion of their names and statements in the form and context in which they appear in this master prospectus and have not withdrawn such consent prior to the issue of this master prospectus.

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 year 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 FY2024. No cross trade transactions have been carried out in FY2024.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 August 2024 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
18 October 2024

REPORT OF THE INVESTMENT COMMITTEE

TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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, 11 July 2019, 5 August 2022 and 8 August 2023 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
Chairman of Investment Committee

Kuala Lumpur, Malaysia
18 October 2024

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK MALAYSIA ETHICAL DIVIDEND FUND FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

We, Dr Hasnita Binti Dato' Hashim and Muhammad Hishamudin Bin Hamzah, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Maybank Malaysia Ethical Dividend Fund as at 31 August 2024 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Chairman

Muhammad Hishamudin Bin Hamzah
Director

Kuala Lumpur, Malaysia
18 October 2024

**Independent auditors' report to the unit holders of
Maybank Malaysia Ethical Dividend Fund**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Malaysia Ethical Dividend Fund ("the Fund"), which comprise the statement of financial position of the Fund as at 31 August 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the financial year ended 31 August 2024, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

**Independent auditors' report to the unitholders of
Maybank Malaysia Ethical Dividend Fund (cont'd)**

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

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

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

Responsibilities of the Manager and Trustee for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

Independent auditors' report to the unitholders of Maybank Malaysia Ethical Dividend Fund (cont'd)

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

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

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

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

**Independent auditors' report to the unitholders of
Maybank Malaysia Ethical Dividend Fund (cont'd)**

Other matters

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

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

Yeo Beng Yean
03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 October 2024

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Dividend income		3,571,891	7,144,646
Profit/ Interest income		389,936	567,601
Net gain/ (loss) on financial assets at fair value through profit or loss ("FVTPL")			
- Unrealised gain		13,209,355	1,654,771
- Realised gain/ (loss)		5,978,200	(2,605,694)
Net (loss)/ gain on foreign exchange	3	(127,868)	486,672
		<u>23,021,514</u>	<u>7,247,996</u>
EXPENSES			
Manager's fee	4	1,687,145	1,587,560
Trustee's fee	5	89,981	84,670
Auditors' remuneration		9,270	9,270
Tax agent's fee		3,900	3,900
Brokerage and other transaction fees		318,127	76,188
Administrative expenses		36,250	28,738
		<u>2,144,673</u>	<u>1,790,326</u>
Net income before taxation		20,876,841	5,457,670
Taxation	6	(21,390)	(33,858)
Net income after taxation, representing the total comprehensive income for the financial year		<u>20,855,451</u>	<u>5,423,812</u>
Net income after taxation is made up of the followings:			
Net realised income		7,883,812	3,500,345
Net unrealised income		12,971,639	1,923,467
		<u>20,855,451</u>	<u>5,423,812</u>
Distributions for the financial year:	14		
Net distributions		3,603,800	2,704,278
Gross/ Net distribution per unit (sen)		<u>1.15</u>	<u>0.81</u>
Distribution date		Kindly refer to Note 14	Kindly refer to Note 14

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Note	2024 RM	2023 RM
ASSETS			
Financial assets at FVTPL	7	105,042,647	90,022,544
Deposit with a licensed financial institution	8	10,235,717	12,517,260
Dividend receivable		131,417	61,743
Profit/ Interest receivable		1,683	2,023
Amount due from broker	9	3,747,311	552,064
Cash at bank	10	3,457,978	7,851,577
Tax recoverable		6,304	4,499
TOTAL ASSETS		<u>122,623,057</u>	<u>111,011,710</u>
LIABILITIES			
Amount due to Manager	11	159,808	160,653
Amount due to Trustee	12	8,187	7,423
Amount due to broker	9	851,305	776,499
Other payables and accruals		23,031	19,324
Distribution payable		3,603,800	2,704,278
TOTAL LIABILITIES		<u>4,646,131</u>	<u>3,668,177</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>117,976,926</u>	<u>107,343,533</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders' capital	13 (a)	97,311,873	103,930,131
Retained earnings	13(b) & 13(c)	20,665,053	3,413,402
		<u>117,976,926</u>	<u>107,343,533</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	13 (a)	<u>313,357,094</u>	<u>333,815,281</u>
NAV PER UNIT		<u>0.3765</u>	<u>0.3216</u>

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Unitholders' capital Note 13(a) RM	Retained earnings Note 13(b) & 13(c) RM	Net assets attributable to unitholders RM
At 1 September 2023	103,930,131	3,413,402	107,343,533
Total comprehensive income for the financial year	-	20,855,451	20,855,451
Creation of units	14,667,836	-	14,667,836
Reinvestment of units	2,704,278	-	2,704,278
Cancellation of units	(23,990,372)	-	(23,990,372)
Distribution (Note 14)	-	(3,603,800)	(3,603,800)
At 31 August 2024	<u>97,311,873</u>	<u>20,665,053</u>	<u>117,976,926</u>
At 1 September 2022	102,205,048	693,868	102,898,916
Total comprehensive income for the financial year	-	5,423,812	5,423,812
Creation of units	3,236,833	-	3,236,833
Reinvestment of units	2,704,278	-	2,704,278
Cancellation of units	(4,216,028)	-	(4,216,028)
Distribution (Note 14)	-	(2,704,278)	(2,704,278)
At 31 August 2023	<u>103,930,131</u>	<u>3,413,402</u>	<u>107,343,533</u>

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale of investments	48,168,591	7,181,725
Net purchase of investments	(47,499,817)	(16,812,720)
Dividend received	3,480,025	7,220,407
Profit/ Interest received	390,276	567,568
Net (settlement)/ receipt for realised foreign exchange (loss)/ gain	(69,494)	209,370
Manager's fee paid	(1,672,805)	(1,578,448)
Trustee's fee paid	(89,214)	(84,184)
Payment of other fees and expenses	(45,713)	(45,916)
Net cash generated from/ (used in) operating and investing activities	<u>2,661,849</u>	<u>(3,342,198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	14,667,835	5,941,208
Payments for cancellation of units	(24,005,560)	(4,294,406)
Net cash (used in)/ generated from financing activities	<u>(9,337,725)</u>	<u>1,646,802</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(6,675,876)	(1,695,396)
Effect on foreign exchange	734	(6)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>13,693,695</u>	<u>20,368,837</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank (Note 10)	3,457,978	7,851,577
Deposits with licensed financial institutions (Note 8)	10,235,717	12,517,260
	<u>13,693,695</u>	<u>20,368,837</u>

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 AUGUST 2024

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 ("AMB") 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, Fifth Supplemental Deed dated 11 July 2019, Sixth Supplemental Deed dated 5 August 2022 and Seventh Supplemental Deed dated 8 August 2023. The Deed and Supplemental Deeds are hereinafter referred to as 'Deeds'.

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 MBB.

The financial statement were authorised for issue by the Board of Directors (the "Directors") of the Manager in accordance with a resolution of the Directors on 18 October 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Deeds and any regulatory requirements.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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. MATERIAL ACCOUNTING POLICY INFORMATION (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 profit/ 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 and amount due from broker as financial assets at amortised cost and subsequently measured at amortised cost. These assets are subsequently measured using the effective profit rate ("EPR")/ 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;
- 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.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Financial assets (cont'd)

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

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

(iii) Impairment

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

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

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

2.4 Financial assets (cont'd)

(iv) Derecognition

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained profit/ 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 broker, amount due to Trustee, distribution payable 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 EIR 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' capital to the Fund met the criteria to be classified as equity instruments under MFRS 132 *Financial Instruments: Presentation*.

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.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Unitholders' capital (cont'd)

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.

2.7 Revenue/ Income

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

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

Profit/ Interest income from deposit with a licensed financial institution is recognised on the accruals basis using the EIR method.

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 the asset.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposit with a licensed financial institution 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 net assets attributable to unitholders. Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable income earned during the financial year.

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

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 RM, which is also the Fund's functional currency.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 Functional and foreign currency (cont'd)

(b) Transactions and balances

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

2.12 Distributions

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

2.13 Segment reporting

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

2.14 Critical accounting estimates and judgements

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

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

3. NET (LOSS)/ GAIN ON FOREIGN EXCHANGE

	2024	2023
	RM	RM
Net unrealised (loss)/ gain on foreign exchange	(237,716)	268,696
Net realised gain on foreign exchange	109,848	217,976
	<u>(127,868)</u>	<u>486,672</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

4. MANAGER'S FEE

The Manager's fee is computed daily. The fee is based on 1.50% (2023: 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 up to 0.08% (2023: 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. (2023: RM18,000 p.a.). The Trustee fee is calculated and accrued daily.

6. TAXATION

	2024	2023
	RM	RM
Tax expense for the financial year:		
Current income tax expense	<u>21,390</u>	<u>33,858</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable income for the financial year.

The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit/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. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.

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

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

	2024	2023
	RM	RM
Net income before taxation	<u>20,876,841</u>	<u>5,457,670</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	5,010,442	1,309,841
Income not subject to tax	(5,582,215)	(2,364,886)
Loss not deductible for tax purposes	57,052	625,367
Income tax at source	21,390	33,858
Expenses not deductible for tax purposes	514,721	429,678
Tax expense for the financial year	<u>21,390</u>	<u>33,858</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL

		2024	2023
		RM	RM
Quoted equities - local	(a)	103,359,524	87,770,053
Quoted equities - foreign	(b)	1,683,123	2,252,491
		<u>105,042,647</u>	<u>90,022,544</u>

2024	Quantity	Aggregate	Market	Percentage
	Unit	cost	value	of NAV
		RM	RM	%

(a) Quoted equities - local

Construction

Econpile Holdings Bhd	3,485,500	1,911,902	1,376,773	1.17
Ekovest Bhd	2,951,300	1,545,916	1,062,468	0.90
Gamuda Bhd	393,685	1,497,215	2,952,638	2.50
IJM Corporation Bhd	486,500	1,137,972	1,396,255	1.18
Sunway Construction Group Bhd	300,000	1,216,410	1,203,000	1.02
	<u>7,616,985</u>	<u>7,309,415</u>	<u>7,991,134</u>	<u>6.77</u>

Consumer Products & Services

Fraser & Neave Holdings Bhd	48,600	1,217,954	1,453,140	1.23
QL Resources Bhd	200,000	1,290,940	1,300,000	1.10
	<u>248,600</u>	<u>2,508,894</u>	<u>2,753,140</u>	<u>2.33</u>

Energy

Dayang Enterprise Holdings Bhd	940,500	1,524,037	2,445,300	2.07
Dialog Group Bhd	1,603,400	4,777,266	3,784,024	3.21
Keyfield International Bhd	435,000	1,098,158	1,035,300	0.88
	<u>2,978,900</u>	<u>7,399,461</u>	<u>7,264,624</u>	<u>6.16</u>

Financial Services

AMMB Holdings Bhd	242,000	1,211,331	1,258,400	1.07
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MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Financial Services (cont'd)				
CIMB Group Holdings Bhd	1,362,372	6,810,788	11,171,450	9.47
Hong Leong Bank Bhd	178,000	3,537,308	3,777,160	3.20
Hong Leong Financial Group Bhd	48,500	907,194	906,950	0.77
MBB *	850,747	7,250,551	9,171,053	7.77
Public Bank Bhd	1,526,300	6,573,230	7,356,766	6.24
RHB Bank Bhd	877,739	4,730,514	5,380,540	4.56
	5,085,658	31,020,916	39,022,319	33.08
Healthcare				
Hartalega Holdings Bhd	585,600	2,161,215	1,446,432	1.23
IHH Healthcare Bhd	200,000	1,254,800	1,254,000	1.06
Kossan Rubber Industries Bhd	750,000	1,962,343	1,365,000	1.16
	1,535,600	5,378,358	4,065,432	3.45
Industrial Products				
Cypark Resources Bhd	1,563,000	1,543,635	1,031,580	0.87
Press Metal Aluminium Holdings Bhd	371,700	1,737,998	1,847,349	1.57
Prolintas Infra Business Trust	1,920,600	1,824,570	1,786,158	1.51
SKP Resources Bhd	583,000	1,079,436	658,790	0.56
Sunway Bhd	638,700	1,347,285	2,618,670	2.22
Sunway Bhd - Preference Shares	202,800	202,800	778,752	0.66
	5,279,800	7,735,724	8,721,299	7.39

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Plantations				
Kuala Lumpur Kepong Bhd	72,406	1,701,338	1,575,555	1.34
Sime Darby Plantation Bhd	368,818	1,728,870	1,689,186	1.43
	<u>441,224</u>	<u>3,430,208</u>	<u>3,264,741</u>	<u>2.77</u>
Property				
IOI Properties Group Bhd	1,300,000	2,782,494	2,691,000	2.28
LBS Bina Group Bhd	1,500,000	1,358,250	930,000	0.79
Sime Darby Property Bhd	1,270,900	1,164,526	1,779,260	1.51
	<u>4,070,900</u>	<u>5,305,270</u>	<u>5,400,260</u>	<u>4.58</u>
Real Estate Investment Trusts ("REITs")				
Axis REIT	<u>617,913</u>	<u>1,126,780</u>	<u>1,112,243</u>	<u>0.94</u>
Technology				
Frontken Corp Bhd - Warrant	175,000	618,293	630,000	0.53
Inari Amerton Bhd	235,800	544,726	742,770	0.63
Penmaster Corporation Bhd	223,700	1,100,336	883,615	0.75
	<u>634,500</u>	<u>2,263,355</u>	<u>2,256,385</u>	<u>1.91</u>
Telecommunications & Media				
Telekom Malaysia Bhd	905,661	5,661,858	6,122,268	5.19
Time Dotcom Bhd	502,200	2,249,422	2,521,044	2.14
	<u>1,407,861</u>	<u>7,911,280</u>	<u>8,643,312</u>	<u>7.33</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2024 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Utilities				
Mega First Corporation Bhd	427,600	1,512,018	1,881,440	1.59
Tenaga Nasional Bhd	444,000	5,176,059	6,500,160	5.51
YTL Corporation Bhd	767,600	1,096,277	2,226,040	1.89
YTL Power International Bhd	581,700	1,259,537	2,256,995	1.91
	<u>2,220,900</u>	<u>9,043,891</u>	<u>12,864,635</u>	<u>10.90</u>
Total quoted equities - local	<u>32,138,841</u>	<u>90,433,552</u>	<u>103,359,524</u>	<u>87.61</u>
(b) Quoted equities - foreign				
Hong Kong				
Meituan	290	25,957	18,980	0.02
Singapore				
Capitaland Ascendas REIT	174,370	1,588,679	1,664,143	1.41
Total quoted equities - foreign	<u>174,660</u>	<u>1,614,636</u>	<u>1,683,123</u>	<u>1.43</u>
Total quoted equities	<u>32,313,501</u>	<u>92,048,188</u>	<u>105,042,647</u>	<u>89.04</u>
Unrealised gain on FVTPL investments **			<u>12,994,459</u>	
2023				
(a) Quoted equities - local				
Construction				
Econpile Holdings Bhd	3,485,500	1,911,902	1,045,650	0.97
Gamuda Bhd	641,564	2,241,897	2,887,038	2.69
	<u>4,127,064</u>	<u>4,153,799</u>	<u>3,932,688</u>	<u>3.66</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Consumer Products & Services				
Fraser & Neave Holdings Bhd	146,000	3,658,874	3,723,000	3.47
MSM Malaysia Holdings Bhd	1,490,300	1,881,299	1,967,196	1.83
Nestle (Malaysia) Bhd	2,800	384,402	365,400	0.34
	<u>1,639,100</u>	<u>5,924,575</u>	<u>6,055,596</u>	<u>5.64</u>
Energy				
Dayang Enterprise Holdings Bhd	1,115,000	1,552,169	1,940,100	1.81
Dialog Group Bhd	982,900	3,444,789	2,014,945	1.88
Yinson Holdings Bhd	509,600	1,316,315	1,279,096	1.19
	<u>2,607,500</u>	<u>6,313,273</u>	<u>5,234,141</u>	<u>4.88</u>
Financial Services				
CIMB Group Holdings Bhd	1,431,372	7,155,734	8,058,624	7.51
Hong Leong Bank Bhd	163,300	3,181,751	3,259,468	3.04
Hong Leong Financial Group Bhd	95,000	1,776,978	1,730,900	1.61
MBB *	850,747	7,250,551	7,750,305	7.22
Public Bank Bhd	1,250,900	5,287,829	5,291,307	4.93
RHB Bank Bhd	971,514	5,246,050	5,450,194	5.08
	<u>4,762,833</u>	<u>29,898,893</u>	<u>31,540,798</u>	<u>29.39</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Industrial Products				
Dufu Technology Corp. Bhd	565,400	1,836,928	1,057,298	0.98
Press Metal Aluminium Holdings Bhd	531,200	2,288,266	2,576,320	2.40
SKP Resources Bhd	583,000	1,079,436	562,595	0.52
SKP Resources Bhd - Warrant	93,280	-	5,130	-
Sunway Bhd	867,000	1,634,577	1,725,330	1.61
Sunway Bhd - Preference Shares	202,800	202,800	379,236	0.35
	2,842,680	7,042,007	6,305,909	5.86
Plantations				
Kuala Lumpur Kepong Bhd	70,968	1,672,966	1,528,651	1.42
Sarawak Oil Palms Bhd	445,650	1,268,559	1,136,408	1.06
Sime Darby Plantation Bhd	368,818	1,728,870	1,619,111	1.51
	885,436	4,670,395	4,284,170	3.99
Real Estate Investment Trusts ("REITs")				
Axis REIT	1,331,266	2,428,468	2,489,467	2.32
IGB REIT	1,359,400	2,456,967	2,215,822	2.06
	2,690,666	4,885,435	4,705,289	4.38
Technology				
Frontken Corp Bhd - Warrant	139,650	-	32,818	0.03
Globetronics Technology Bhd	691,900	1,621,622	1,100,121	1.02

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(a) Quoted equities - local (cont'd)				
Technology (cont'd)				
Inari Amerton Bhd	900,500	2,080,262	2,836,575	2.64
Penmaster Corporation Bhd	223,700	1,100,336	1,183,373	1.10
Unisem (M) Bhd	392,200	1,216,030	1,282,494	1.19
Vitrox Corp Bhd	205,000	952,594	1,553,900	1.45
	2,552,950	6,970,844	7,989,281	7.43
Telecommunications & Media				
Digi.Com Bhd	315,000	1,453,726	1,379,700	1.29
Telekom Malaysia Bhd	431,561	2,348,237	2,200,961	2.05
Time Dotcom Bhd	502,200	2,249,422	2,762,100	2.57
	1,248,761	6,051,385	6,342,761	5.91
Transportation & Logistics				
Malaysia Airports Holdings Bhd	319,045	2,076,495	2,351,362	2.19
Utilities				
Mega First Corporation Bhd	427,600	1,512,018	1,423,908	1.33
Tenaga Nasional Bhd	637,000	7,426,013	6,268,080	5.84
YTL Corporation Bhd	851,000	1,116,427	1,336,070	1.24
	1,915,600	10,054,458	9,028,058	8.41
Total quoted equities - local	25,591,635	88,041,559	87,770,053	81.74

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

7. FINANCIAL ASSETS AT FVTPL (CONT'D)

2023 (cont'd)	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
(b) Quoted equities - foreign				
Hong Kong				
Tencent Holdings Ltd	2,900	495,949	558,389	0.52
Meituan	290	25,957	23,001	0.02
	<u>3,190</u>	<u>521,906</u>	<u>581,390</u>	<u>0.54</u>
Singapore				
Capitaland Ascendas REIT	174,370	1,588,679	1,671,101	1.56
Total quoted equities - foreign	177,560	2,110,585	2,252,491	2.10
Total quoted equities	25,769,195	90,152,144	90,022,544	83.84
Unrealised loss on FVTPL investments **			(129,600)	

* 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

	2024 RM	2023 RM
Short-term placement with an original maturity of less than 3 months	<u>10,235,717</u>	<u>12,517,260</u>

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

	2024		2023	
	WAEPR/ WAEIR % p.a.	Average maturity Days	WAEPR/ WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	<u>3.00</u>	<u>3</u>	<u>2.95</u>	<u>2</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

9. AMOUNT DUE FROM/ TO BROKERS

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

10. CASH AT BANK

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

	2024	2023
	RM	RM
US Dollar ("USD")	1,969,123	7,813,673
RM	1,488,855	37,904
	<u>3,457,978</u>	<u>7,851,577</u>

11. AMOUNT DUE TO MANAGER

		2024	2023
		RM	RM
Amount due to Manager is in respect of:			
Management fee	(i)	153,514	139,172
Cancellation of units	(ii)	6,294	21,481
		<u>159,808</u>	<u>160,653</u>

(i) The amount represents the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial year. The normal credit term for Manager's fee is 15 days (2023: 15 days).

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

12. 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. The normal credit term is 15 days (2023: 15 days).

13. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

		2024	2023
	Note	RM	RM
Unitholders' capital	(a)	97,311,873	103,930,131
Accumulated realised income	(b)	7,232,235	2,952,223
Accumulated unrealised income	(c)	13,432,818	461,179
		<u>117,976,926</u>	<u>107,343,533</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

13. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(a) Unitholders' capital

	2024		2023	
	Units	RM	Units	RM
At the beginning of the financial year	333,815,281	103,930,131	328,301,814	102,205,048
Creation of units	38,038,114	14,667,836	10,310,796	3,236,833
Reinvestment of units	8,408,823	2,704,278	8,408,823	2,704,278
Cancellation of units	(66,905,124)	(23,990,372)	(13,206,152)	(4,216,028)
At the end of the financial year	<u>313,357,094</u>	<u>97,311,873</u>	<u>333,815,281</u>	<u>103,930,131</u>

	2024		2023	
	No. of units	Valued at NAV RM	No. of units	Valued at NAV RM
MBB, the ultimate holding of the Manager	<u>60,129,428</u>	<u>22,638,730</u>	<u>66,064,612</u>	<u>21,246,379</u>

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

(b) Accumulated realised income

	2024 RM	2023 RM
At the beginning of the financial year	2,952,223	2,156,156
Net realised income for the financial year	7,883,812	3,500,345
Distribution out of retained earnings (Note 14)	<u>(3,603,800)</u>	<u>(2,704,278)</u>
At the end of the financial year	<u>7,232,235</u>	<u>2,952,223</u>

(c) Accumulated unrealised income

	2024 RM	2023 RM
At the beginning of the financial year	461,179	(1,462,288)
Net unrealised income for the financial year	12,971,639	1,923,467
At the end of the financial year	<u>13,432,818</u>	<u>461,179</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

14. DISTRIBUTIONS

The sources of distribution to the unitholders are as follows:

Source of distribution*	2024		2023	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
- Income distribution	3,603,800	100.00	2,704,278	100.00
- Capital distribution	-	-	-	-
	<u>3,603,800</u>	<u>100.00</u>	<u>2,704,278</u>	<u>100.00</u>

Distribution date (ex-date)	Gross/ Net distribution (RM sen)
2024	
27 August 2024	<u>1.15</u>
2023	
28 August 2023	<u>0.81</u>

* Effective from the 1 March 2022, the Securities Commission Guidelines permit a fund to distribute out of income (which includes current year's realised income) or out of capital (which includes prior year's realised income).

15. TRANSACTIONS WITH BROKERS/ DEALERS/ FINANCIAL INSTITUTIONS

Details of transactions with brokers/ dealers are as follows:

	Value of trade RM	Percent of total trade %	Brokerage fees RM	Percent of brokerage fees %
2024				
Nomura Securites Malaysia Bhd	17,944,582	19.00	35,868	19.76
Hong Leong Investment Bank Bhd	16,103,024	17.05	30,534	16.82
Maybank Investment Bank Bhd ("MIBB")*	13,271,740	14.05	26,156	14.41
Public Investment Bank Bhd	12,473,938	13.21	24,971	13.75
RHB Investment Bank Bhd	11,996,055	12.70	22,350	12.31
Kenanga Investment Bank Bhd	8,508,812	9.01	17,018	9.37
Affin Hwang Investment Bank Bhd	7,173,006	7.60	14,370	7.91
TA Securities Holdings Bhd	3,663,596	3.88	3,669	2.02
United Overseas Bank (M) Bhd	1,815,682	1.92	3,637	2.00
CIMB Investment Bank Bhd	1,490,346	1.58	2,982	1.65
	<u>94,440,781</u>	<u>100.00</u>	<u>181,555</u>	<u>100.00</u>

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

Details of transactions with brokers/ dealers are as follows: (cont'd)

2023	Value of trade RM	Percent of total trade %	Brokerage fees RM	brokerage fees %
Kenanga Investment Bank Bhd	5,691,460	22.84	11,382	24.51
Hong Leong Investment Bank Bhd	4,988,927	20.02	9,453	20.36
United Overseas Bank (M) Bhd	4,714,090	18.91	9,399	20.24
MIBB*	4,289,560	17.21	6,598	14.21
Affin Hwang Investment Bank Bhd	2,836,291	11.38	5,652	12.17
CIMB Investment Bank Bhd	1,024,186	4.11	2,055	4.43
MIDF Amanah Investment Bank Bhd	858,775	3.45	857	1.85
Public Islamic Bank Bhd	520,718	2.08	1,037	2.23
	<u>24,924,007</u>	<u>100.00</u>	<u>46,433</u>	<u>100.00</u>

* MIBB is a subsidiary of MBB, the ultimate holding company of the Manager.

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

Financial institutions	2024		2023	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
MBB*	1,898,654,007	71.78	3,817,808,504	88.76
CIMB Bank Bhd	746,423,150	28.22	483,563,625	11.24
	<u>2,645,077,157</u>	<u>100.00</u>	<u>4,301,372,129</u>	<u>100.00</u>

* MBB is the ultimate holding company of the Manager.

16. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

	2024 RM	2023 RM
(i) Significant related party transaction		
MBB*:		
Dividend income	510,448	491,460
Profit/ Interest income	<u>233,975</u>	<u>434,772</u>
(ii) Significant related party balances		
MBB*:		
Investment in quoted equity	9,171,053	7,750,305
Deposit with a licensed financial institution	<u>10,235,717</u>	<u>5,526,742</u>

* MBB is the ultimate holding company of the Manager.

17. 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 year ended 31 August 2024, the TER of the Fund stood at 1.63% (2023: 1.62%).

18. 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 year to the daily average NAV of the Fund. For financial year ended 31 August 2024, the PTR of the Fund stood at 0.43 times (2023: 0.11 times).

19. SEGMENT INFORMATION

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker, makes the strategic decisions on the resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieve its targeted return with an acceptable level of risk within the portfolio.

The PMC is responsible for the performance of the Fund by investing between 70% to 98% of the Fund's NAV in shares, and between 2% to 30% of the Fund's NAV in cash or fixed income securities (or a combination of both).

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

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

20. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The material accounting policy information in Note 2.3 to 2.14 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised. The following table analyses the financial assets and liabilities (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

2024	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Financial assets at FVTPL	105,042,647	-	-	105,042,647
Deposit with a licensed financial institution	-	10,235,717	-	10,235,717
Dividend receivable	-	131,417	-	131,417
Profit/ Interest receivable	-	1,683	-	1,683
Amount due from broker	-	3,747,311	-	3,747,311
Cash at bank	-	3,457,978	-	3,457,978
Total financial assets	105,042,647	17,574,106	-	122,616,753
Financial liabilities				
Amount due to Manager	-	-	159,808	159,808
Amount due to Trustee	-	-	8,187	8,187
Amount due to broker	-	-	851,305	851,305
Other payables and accruals	-	-	23,031	23,031
Dividend payable	-	-	3,603,800	3,603,800
Total financial liabilities	-	-	4,646,131	4,646,131

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

20. FINANCIAL INSTRUMENTS (CONT'D)

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

2023	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Financial assets at FVTPL	90,022,544	-	-	90,022,544
Deposit with a licensed financial institution	-	12,517,260	-	12,517,260
Dividend receivable	-	61,743	-	61,743
Profit/ Interest receivable	-	2,023	-	2,023
Amount due from broker	-	552,064	-	552,064
Cash at bank	-	7,851,577	-	7,851,577
Total financial assets	90,022,544	20,984,667	-	111,007,211
Financial liabilities				
Amount due to Manager	-	-	160,653	160,653
Amount due to Trustee	-	-	7,423	7,423
Other payables and accruals	-	-	776,499	776,499
Dividend payable	-	-	19,324	19,324
Distribution payable	-	-	2,704,278	2,704,278
Total financial liabilities	-	-	3,668,177	3,668,177

(b) Financial instruments that are carried at fair value

The Fund's financial instruments at FVTPL are measured at fair value.

Quoted equities

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

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

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

There were no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximations of their respective fair values.

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

21. 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
2024			
Financial assets at FVTPL	105,042,647	-	-
2023			
Financial assets at FVTPL	90,022,544	-	-

22. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

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

(b) Market risk

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

(i) Equity price risk

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

(b) Market risk (cont'd)

(i) Equity price risk (cont'd)

Equity price risk sensitivity

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

	Changes in equity price %	Effects on NAV Increase/ (decrease) RM
2024		
Quoted equities	+5	5,252,132
	-5	(5,252,132)
		<hr/>
2023		
Quoted equities	+5	4,501,127
	-5	(4,501,127)
		<hr/>

Equity price risk concentration

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

(c) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

(c) Foreign exchange risk (cont'd)

2024	HKD RM	SGD RM	USD RM	TOTAL RM
Financial assets				
Financial assets at FVTPL	18,980	1,664,143	-	1,683,123
Dividend receivable	-	39,973	-	39,973
Cash at bank	-	-	1,969,123	1,969,123
Total financial assets and net on balance-sheet position	18,980	1,704,116	1,969,123	3,692,219
2023	HKD RM	SGD RM	USD RM	TOTAL RM
Financial assets				
Financial assets at FVTPL	581,390	1,671,101	-	2,252,491
Cash at bank	-	-	7,813,673	7,813,673
Total financial assets and net on balance-sheet position	581,390	1,671,101	7,813,673	10,066,164

The Fund did not hedge its exposure to foreign currency in the current financial year.

The following table indicates the currencies to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculated the effect of a reasonably possible movement of the currency rate against RM on NAV and on profit/ (loss) with all other variables held constant.

	2024		2023	
	Change in exchange rates %	Effects on NAV increase/ (decrease) RM	Change in exchange rates %	Effects on NAV increase/ (decrease) RM
SGD/ RM	+5%	85,206	+5%	83,555
	-5%	(85,206)	-5%	(83,555)
USD/ RM	+5%	98,456	+5%	390,684
	-5%	(98,456)	-5%	(390,684)
HKD/ RM	+5%	949	+5%	29,070
	-5%	(949)	-5%	(29,070)

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

(d) Profit/ Interest rate risk

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

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

(e) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deeds.

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

The following table summarises the maturity profile of the Fund's financial liabilities. Balances due within twelve months equal their carrying amounts, as the impact of discounting is insignificant.

	Less than 1 month RM	More than 1 month RM	Total RM
2024			
Financial liabilities			
Amount due to Manager	159,808	-	159,808
Amount due to Trustee	8,187	-	8,187
Amount due to broker	851,305	-	851,305
Other payables and accruals	23,031	-	23,031
Distribution payable	3,603,800	-	3,603,800
Total undiscounted financial liabilities	4,646,131	-	4,646,131
2023			
Financial liabilities			
Amount due to Manager	160,653	-	160,653
Amount due to Trustee	7,423	-	7,423
Amount due to broker	776,499	-	776,499
Other payables and accruals	19,324	-	19,324
Distribution payable	2,704,278	-	2,704,278
Total undiscounted financial liabilities	3,668,177	-	3,668,177

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

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

(e) Liquidity risk (cont'd)

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

Financial liabilities exclude tax-related matters such as provision for tax.

(f) Credit risk

Credit risk is the risk that the issuer/ counterparty to a financial instrument will default on its contractual obligation resulting in a financial loss to the Fund. The Fund is exposed to the risk of credit-related losses that can occur as a result of an issuer/ counterparty's inability or unwillingness to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/ counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's other counterparties (e.g. brokers, custodian, banks, etc.) by reviewing their credit ratings and credit profile on a regular basis.

(i) Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

(ii) Credit quality of financial assets

The following table analyses the Fund's deposit with a licensed financial institution, cash at bank and profit/ interest receivables from financial institutions by rating categories. The rating is obtained from RAM Holdings Bhd's official website.

Financial assets	2024		2023	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
AAA	13,695,378	11.61	20,370,860	18.98

MAYBANK MALAYSIA ETHICAL DIVIDEND FUND

23. CAPITAL MANAGEMENT

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

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

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