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MAMG GLOBAL CONSTANT INCOME FUND

**Annual report
For the financial year ended 31 July 2019**

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (421779-M)

BUSINESS OFFICE

Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur, Malaysia
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TRUSTEE

SCBMB Trustee Berhad (1005793-T)
Level 23, Equatorial Plaza
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone +603 2117 7777
Facsimile +603 2711 6060

EXTERNAL INVESTMENT MANAGER

Mellon Capital Management Corporation
BNY Mellon Center
500 Grant Street
Pittsburgh, PA 15258, United States

MAMG GLOBAL CONSTANT INCOME FUND

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MAMG GLOBAL CONSTANT INCOME FUND

Manager's report

For the financial year ended 31 July 2019

A. Fund Information

1. Name of the Fund

MAMG Global Constant Income Fund (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Fixed income (closed-ended)

4. Duration of the Fund

The Fund is a closed-ended fund which will mature on the third (3rd) anniversary of the commencement date. If that date is not a business day, the maturity date shall be the first business day following that day.

5. Fund launch date

15 May 2017

6. Fund commencement date / maturity date

7 July 2017 / 7 July 2020

7. Fund's investment objective

The Fund aims to provide unitholders with income* through investments in a portfolio of fixed income securities.

* Income will be paid out via cash payment mode

8. Fund distribution policy

The Fund will declare income distribution annually, subject to the availability of income, throughout the tenure of the Fund.

9. Fund's performance benchmark

The prevailing 3-year Malayan Banking Berhad ("Maybank") fixed deposit rate at the commencement date.

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

The Fund invests at least 80% of the Fund's net asset value ("NAV") in Ringgit Malaysia ("RM")-denominated and/or foreign currency fixed income securities and the remaining balance of its NAV will be invested in liquid assets and/or collective investment schemes.

However, as the Fund approaches its maturity date, the Manager may choose to invest in liquid assets and/or collective investment schemes to facilitate the payout of the proceeds to unitholders after the maturity date.

MAMG GLOBAL CONSTANT INCOME FUND

Manager's report

For the financial year ended 31 July 2019 (cont'd)

A. Fund Information (cont'd)

11. Net income distribution for the financial year ended 31 July 2019

The Fund declared a total net income of RM5,462,780 to unitholders for the financial year ended 31 July 2019.

Below are details of distributions made during the financial year:

Distribution date	Gross distribution per unit (sen)	Net distribution per unit (sen)
12 July 2019	5.03	5.00

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

Distribution date	Before distribution (RM)	After distribution (RM)	Changes %
12 July 2019	1.0718	1.0218	(4.67)

12. Breakdown of unitholdings by size

Fund size

As at 31 July 2019, the size of the Fund was 109,124,514 units.

Breakdown of unitholdings as at 31 July 2019

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	50.00	* 1	0.00
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	1	50.00	** 109,124	100.00
Total	2	100.00	109,125	100.00

* Included 1,000 units held by the Manager

** Included 109,123,514 units held under an Institutional Unit Trust Scheme Adviser

MAMG GLOBAL CONSTANT INCOME FUND

Manager's report

For the financial year ended 31 July 2019 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	01.08.2018 to 31.07.2019 RM	15.05.2017 (date of launch) to 31.07.2018 RM
Portfolio		%
Fixed income securities - foreign (%)	96.07	97.36
Cash and other net assets (%)	3.93	2.64
Total (%)	100.00	100.00
NAV (RM'000)	111,792	114,705
Units in circulation (units'000)	109,125	113,915
NAV per unit (RM)	1.0244	1.0069
Highest NAV per unit (RM)	1.0719	1.0272
Lowest NAV per unit (RM)	1.0021	0.9994
Annual return (%) ⁽¹⁾		
- Capital growth (%)	1.74	0.69
- Income distribution (%)	4.89	2.49
Total return (%)	6.71	3.20
Annual total return (%)	6.71	3.20
Benchmark (%)	3.36	3.61
Distribution date	12 July 2019	13 July 2018
Gross distribution per unit (sen)	5.03	2.50
Net distribution per unit (sen)	5.00	2.50
Management Expense Ratio ("MER") (%)	0.06	0.09
Portfolio Turnover Ratio ("PTR") (times) ⁽²⁾	0.29	1.20

Note:

- (1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Trustee's fees.
- (2) The Fund's PTR decreased from 1.20 times to 0.29 times due to lower investing activities during the financial year ended 31 July 2019.

MAMG GLOBAL CONSTANT INCOME FUND

Manager's report

For the financial year ended 31 July 2019 (cont'd)

B. Performance Review (cont'd)

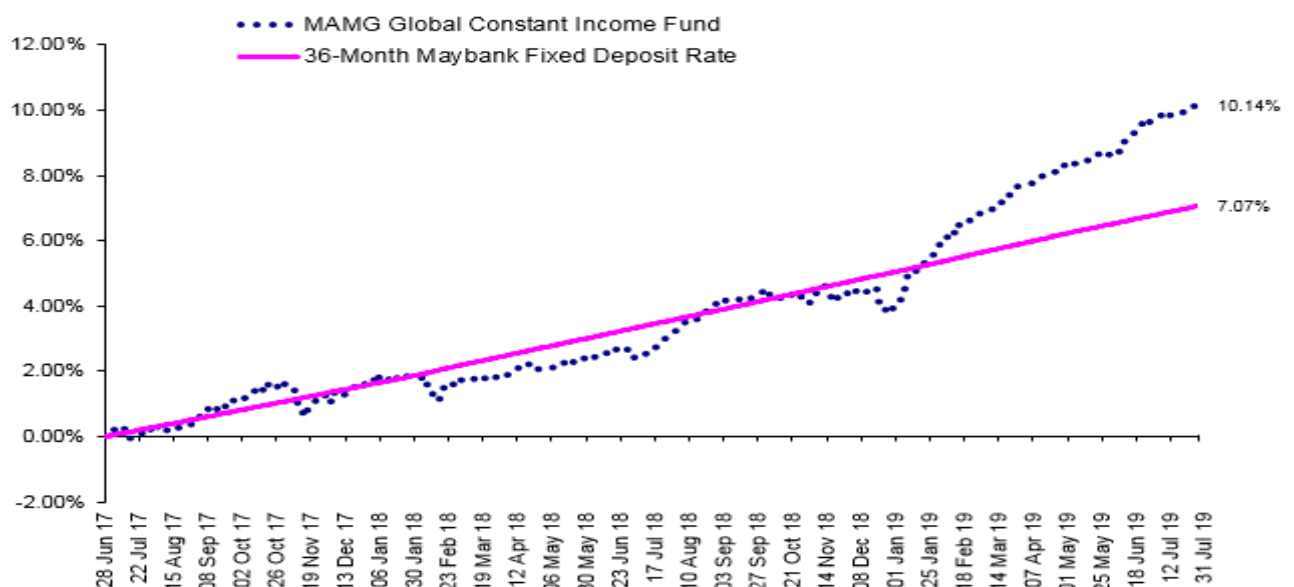
1. Key performance data of the Fund (cont'd)

Category	01.08.2018 to 31.07.2019 %	15.05.2017 (date of launch) to 31.07.2018 %
Annual total return	6.71	3.20
Benchmark	3.36	3.61

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

2. Performance of the Fund since inception to 31 July 2019

Category	01.08.2018 to 31.07.2019 %	Since inception to 31.07.2019 %
Capital growth	1.74	2.44
Income distribution	4.89	7.51
Total return of the Fund	6.71	10.14
Benchmark	3.36	7.07
Average total return	6.71	4.73



Source: Novagni Analytics and Advisory Sdn Bhd

MAMG GLOBAL CONSTANT INCOME FUND

Manager's report

For the financial year ended 31 July 2019 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund since inception to 31 July 2019 (cont'd)

For the period since Fund's commencement under review, the Fund has generated a total return of 10.14%, as compared to the benchmark which registered a return of 7.07% over the same period. The Fund outperformed the benchmark by 307 basis points ("bps"), benefiting from the rally in the United States Dollar ("USD") credit market amidst policy easing in US, as well as income/coupon derived from the bonds held in the Fund during the period under review.

Has the Fund met its objective?

The Fund has met the investment objective which is to provide investors with high-level of liquidity and regular income to meet their cash flow requirements.

3. 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

The year 2019 opened with a vengeance after a poor 2018, as accounts put cash to work. USD weakened broadly be it against Developed Markets ("DM") currencies or against Emerging Markets ("EM") currencies. Likewise, stock indices were in the green globally, with US indices returning 8-9%. Commodities also rebounded, with Brent crude trading above USD60/bbl after staying in the low USD50/bbl range in December 2018. Risk-on sentiment got further boost as the official statement from January 2019 Federal Open Market Committee ("FOMC") meeting included the line "the Federal Reserve ("Fed") will be patient as it determines future adjustments to the target range", with United States Treasury ("UST") yields flattening 5-7 basis points ("bps") at the belly while the long end remained stable. Across Japan and Europe, the Bank of Japan ("BoJ") and European Central Bank ("ECB") met over the month and offered no surprises to policy given well known downbeat revisions to growth and inflation prospects.

Risk sentiment remained firm in February 2019 as investors continued to ride the momentum from January 2019. USD was broadly stronger in the month on positive data which gained precedence over still dovish Fed meeting. USD's strength was more prominent against developed currencies compared to Asian currencies which was mixed. UST yields widened 6-10 bps across the curve with a slight steepening bias.

MAMG GLOBAL CONSTANT INCOME FUND

Manager's report

For the financial year ended 31 July 2019 (cont'd)

C. Market Review (cont'd)

Stock and commodities continued to be in the green despite the USD strength. Sentiment was slightly impacted in March 2019 as global growth concerns came to the fore front after a spate of dovish central bank meetings and economic data. USD was broadly stronger in March 2019. March 2019 FOMC meeting surprised investors when the dot-plot estimates for rate rise in 2019 dropped from 2 hikes in December 2018 to 0 hikes. For ECB's meeting, rate hike expectations were pushed beyond the summer of 2019 to year end 2019. Even a new round of Targeted Long Term Refinancing Options ("TLTRO") financing package for banks failed to improve sentiment. The weak sentiment in Europe gained more traction through the month post weaker than expected manufacturing Purchasing Managers Index ("PMI"), with 10-year bund yields moving below 0%. UST yields tightened 25-30 bps across the curve given the change in macro backdrop. However, equities and commodities remained strong despite the firmer USD.

Markets gave back some of its pessimism about growth in March 2019 as DM bond curves steepened in April 2019. However, as more central banks continue to sound dovish given the lack of inflation, the USD continued to remain strong. In commodities, Brent crude increased by +6.3% to USD\$73/bbl, driven by the expiration of US waiver of sanctions against countries that import Iranian oil. Equity indices globally also ended higher over the month. UST yields widened 3-10 bps across the curve with a clear steepening bias, which was felt across other DM bond curves like Bunds and Japanese Government Bonds ("JGB").

Volatility returned to the markets in May 2019, following the US administration accusing its Chinese counterparts backpedalling on prior trade negotiations. As of May 2019, there remains another USD 300 billion of Chinese imports to be levied by late June 2019 at the earliest, which the US administration may impose. UST yields rallied 34-38 bps along the curve and bull-steepened as rate cuts start to be priced in. Likewise, in Eurozone and Japan, respective 10 year yields are at lows of -0.20%/-0.10% respectively with concerns of slowing growth lingering. USD strengthened against most currencies save for the Japanese Yen ("JPY") and Indian Rupees ("INR"), which was due to the ruling National Democratic Alliance ("NDA") coalition securing a new mandate. Commodities are generally lower – except for iron ore at USD 100/tons on reduced supply, crude oil, copper and coal prices declined, likewise for equity indices globally.

Nevertheless, risk appetite picked up again in June 2019 after a soft May 2019, due to dovish sentiment by the US Fed and ECB as hopes of a near-term rate cut overrode concerns about geopolitical tensions and signs of economic weakness. The resumption of trade talk between the US and China and the pause in additional tariffs also helped ease earlier concerns. Despite this, uncertainty originating from the anticipation of the Trump-Xi meeting in G20 along with Fed Chair Jerome Powell's Congress testimony gave July 2019 a weak kick-off, which was then made up for after comments signalling a rate cut came out later during the month. Later on, US representatives were sent to Shanghai to negotiate trade terms, which brought the Asia credit market onto another roller-coaster ride. 10-year UST touched a low of 1.95% at the beginning of July 2019 before closing the month at 2.01%.

MAMG GLOBAL CONSTANT INCOME FUND

Manager's report

For the financial year ended 31 July 2019 (cont'd)

D. Market Outlook

Market volatility is expected to persist over the near term, due to escalating US-China trade tensions as the US government unleashed a new round of tariff hikes and uncertainties over major central banks' policies – particularly the pace of easing that the Fed may take in 2019. Worsening trade frictions between the US and China could significantly impact the growth prospects of the export-driven surplus economies, with open economies being the most exposed to a global trade war. Renewed concerns over contagion effects emanating from EM countries could also influence movement in bond yields across global markets, although such contagion effects remain contained for now.

On US monetary policy, we expect the Fed to shift to a monetary accommodation bias in 2019, the BoJ to remain firmly attached to yield curve control and the ECB to deliver further monetary accommodation in response to the sustained slowing of domestic economic conditions. On the back of this, we think most major Asian countries will also look to provide monetary stimulus before year-end. In the case of China, stimulus may take the form of reserve requirement ratio cuts and direct short and medium-term liquidity injections into the financial system, plus targeted action for specific financial entities, if required.

E. Investment Strategy

For remaining of 2019, we expect the market to be volatile with weakness in global growth and US China trade war. The Fund will continue its buy-and-maintain philosophy and manage the portfolio much like a bullet portfolio management strategy. In other words, at high-level, it buys and maintains a portfolio of bonds that have similar maturity as the Fund. That said, the fund manager will monitor and trade whenever the opportunities arise.

F. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions and rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial year ended 31 July 2019, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

TRUSTEE'S REPORT
FOR FINANCIAL YEAR ENDED 31 JULY 2019

TO THE UNITHOLDERS OF
MAMG GLOBAL CONSTANT INCOME FUND

We have acted as Trustee of MAMG Global Constant Income Fund for the financial year ended 31 July 2019. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager"), has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 ("CMSA") and other applicable laws;
- (b) Valuation/pricing of units of the Fund has been carried out in accordance with the Deed and any regulatory requirements;
- (c) Creation and cancellation of units are carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) The distribution of returns for the year were tied to and reflect the objectives of the Fund.

For and on behalf of the Trustee
SCBMB Trustee Berhad

Prasad A/L S Vijayasundram
Chief Executive Officer

Kuala Lumpur
13 September 2019

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAMG GLOBAL CONSTANT INCOME FUND
FOR FINANCIAL YEAR ENDED 31 JULY 2019**

We, Dr Hasnita Binti Dato' Hashim and Ahmad Najib Bin Nazlan, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements of the Fund have been 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 MAMG Global Constant Income Fund as at 31 July 2019 and of its financial performance and cash flows for the financial year ended 31 July 2019, and have complied with the requirements of the Deed.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Director

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
13 September 2019

Independent auditors' report to the Unitholders of MAMG GLOBAL CONSTANT INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAMG Global Constant Income Fund (the "Fund"), which comprise the statement of financial position as at 31 July 2019 of the Fund, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 14 to 57.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the as at 31 July 2019, and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

Independent auditors' report to the Unitholders of MAMG GLOBAL CONSTANT INCOME 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 MAMG GLOBAL CONSTANT INCOME FUND (cont'd)

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

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

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

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

**Independent auditors' report to the Unitholders of
MAMG GLOBAL CONSTANT INCOME 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
AF: 0039
Chartered Accountants

Lee Pei Yin
No. 03189/05/2021 J
Chartered Accountant

Kuala Lumpur, Malaysia
13 September 2019

FOR FINANCIAL YEAR ENDED 31 JULY 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

		01.08.2018	15.05.2017
		to	(date of launch)
		31.07.2019	to
	Note	RM	31.07.2018
			RM
INVESTMENT INCOME			
Interest income	3	4,446,153	4,496,350
Net gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")	10(b)		
- Realised loss		(91,551)	(122,094)
- Unrealised gain/(loss)		2,419,627	(2,074,836)
Net gain on foreign exchange and forward currency contracts	4	689,071	1,405,981
Redemption fee income	5	124,384	41,153
Other income		-	28,581
		<u>7,587,684</u>	<u>3,775,135</u>
EXPENSES			
Trustee's fee	6	34,536	40,255
Auditors' remuneration		9,000	9,000
Tax agent's fee		5,550	2,500
Administrative expenses		21,866	49,490
		<u>70,952</u>	<u>101,245</u>
Net income before taxation		7,516,732	3,673,890
Taxation	7	(36,829)	(9,118)
Net income after taxation, and total comprehensive income for the financial year/period		<u>7,479,903</u>	<u>3,664,772</u>
Net income after taxation is made up of the following:			
Net realised income		643,888	12,338,491
Net unrealised gain/(loss)		6,836,015	(8,673,719)
		<u>7,479,903</u>	<u>3,664,772</u>
Distributions for the financial year/period			
Net distributions	18	5,462,780	2,858,282
Gross distribution per unit (sen)	18	5.03	2.50
Net distribution per unit (sen)	18	5.00	2.50

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	Note	2019 RM	2018 RM
ASSETS			
Financial assets at FVTPL	10	107,403,754	111,673,040
Derivative assets	15	582,292	-
Deposit with a licensed financial institution	9	1,293,831	1,946,539
Interest receivable		1,600,672	1,757,536
Amount due from brokers	12	846,954	-
Other receivables	11	104	1,926
Cash at bank	8	94,234	1,009,562
TOTAL ASSETS		<u>111,821,841</u>	<u>116,388,603</u>
LIABILITIES			
Amount due to Trustee	13	2,895	2,946
Amount due to Manager	14	-	184,401
Derivative liabilities	15	-	1,482,746
Other payables and accruals	16	15,584	11,500
Provision for taxation		10,975	1,818
TOTAL LIABILITIES		<u>29,454</u>	<u>1,683,411</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>111,792,387</u>	<u>114,705,192</u>
EQUITY			
Unitholders' capital	17(a)	109,076,856	113,914,389
Retained earnings	17(b) & 17(c)	<u>2,715,531</u>	<u>790,803</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>111,792,387</u>	<u>114,705,192</u>
NUMBER OF UNITS IN CIRCULATION (UNIT)		<u>109,124,514</u>	<u>113,914,888</u>
NAV PER UNIT (RM)		<u>1.0244</u>	<u>1.0069</u>

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

	Unitholders' capital Note 17(a) RM	Retained earnings Notes 17(b) & 17(c) RM	Total equity RM
At 15 May 2017 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	3,664,772	3,664,772
Creation of units	115,850,254	-	115,850,254
Cancellation of units	(1,951,552)	-	(1,951,552)
Distributions (Note 18)	15,687	(2,873,969)	(2,858,282)
At 31 July 2018	<u>113,914,389</u>	<u>790,803</u>	<u>114,705,192</u>
At 1 August 2018	113,914,389	790,803	114,705,192
Total comprehensive income for the financial year	-	7,479,903	7,479,903
Cancellation of units	(4,929,928)	-	(4,929,928)
Distributions (Note 18)	92,395	(5,555,175)	(5,462,780)
At 31 July 2019	<u>109,076,856</u>	<u>2,715,531</u>	<u>111,792,387</u>

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

	01.08.2018	15.05.2017
	to	(date of launch)
	31.07.2019	to
	RM	31.07.2018
		RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale of financial assets at FVTPL	35,785,112	70,421,402
Net payments for purchase of financial assets at FVTPL	(29,967,356)	(194,035,363)
Net realised (loss)/gain on forward foreign exchange contracts	(3,159,810)	8,878,720
Interest received	6,292,648	6,504,964
Redemption fee income received	126,311	39,227
Other income received	-	24,604
Trustee's fee paid	(34,588)	(37,309)
Taxation paid	(27,672)	(7,300)
Payment of other fees and expenses	(32,335)	(50,269)
Net cash generated from/(used in) operating and investing activities	<u>8,982,310</u>	<u>(108,261,324)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	-	115,850,254
Cash paid on units cancelled	(5,114,329)	(1,767,151)
Distributions to unitholders	(5,462,780)	(2,858,282)
Net cash (used in)/generated from financing activities	<u>(10,577,109)</u>	<u>111,224,821</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR/PERIOD	(1,594,799)	2,963,497
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	2,956,101	-
Effects of foreign exchange	26,762	(7,396)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u>1,388,064</u>	<u>2,956,101</u>
Cash and cash equivalents comprise:		
Cash at bank (Note 8)	94,234	1,009,562
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 9)	1,293,831	1,946,539
	<u>1,388,065</u>	<u>2,956,101</u>

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MAMG Global Constant Income Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 31 March 2017 between the Manager, Maybank Asset Management Sdn Bhd ("Maybank AM") and the Trustee, SCBMB Trustee Berhad. The Fund is a three (3)-year closed-ended fund with a maturity date set on the third (3rd) anniversary of the commencement date, which is on 7 July 2020.

The Fund seeks to achieve its investment objective by investing a minimum of 80% of the Fund's NAV in Ringgit Malaysia ("RM")-denominated fixed income securities and/or foreign currency fixed income securities. For the RM-denominated fixed income securities, the Fund will invest in RM-denominated fixed income securities with a minimum rating of 'A-' by Malaysian Rating Corporation Berhad ("MARC") or its equivalent rating by RAM Holdings Berhad ("RAM"). If any of the RM-denominated fixed income securities have been downgraded to a rating lower than 'BBB' by MARC or its equivalent rating by RAM, the Manager shall dispose the downgraded fixed income securities as soon as practicable. However, if such prompt action may be detrimental to the Fund, the Manager may continue to hold onto the downgraded fixed income securities for up to ninety (90) days. This treatment will be the same for issuer rating when there is no fixed income securities rating. The Fund's investment in RM-denominated fixed income securities which are issued by government and/or government linked agencies need not be rated.

For the foreign currency fixed income securities, the Fund will invest in foreign currency fixed income securities with a minimum rating of 'BB-' by Standard & Poor's ("S&P") or its equivalent rating by Moody's and/or Fitch. Should the ratings be different among S&P, Moody's and Fitch, the second highest rating shall be applicable. When there are only two (2) ratings available, the lower rating shall be applicable. If any of the foreign currency fixed income securities have been downgraded to a rating lower than 'BB-' by S&P or its equivalent as determined using the second highest/lower rating methodology, the Manager shall dispose the downgraded fixed income securities as soon as practicable. However, if such prompt action may be detrimental to the Fund, or if the Manager remains comfortable with the default risk after conducting credit assessment by taking into consideration of both quantitative and qualitative factors and concluded that the probability of default is low, the Manager may continue to hold the downgraded fixed income securities up to the maturity date of the fixed income securities, or up to the maturity date of the Fund, whichever is earlier.

Fixed income securities are deemed unrated if there are no issue or issuer rating from any rating agencies. The Fund may invest in unrated fixed income securities but limited to no more than 15% of the Fund NAV. In such instances, the Manager will conduct its own internal credit assessment to assess the eligibility of the fixed income securities. The remaining balance of the NAV are invested in liquid assets.

As the Fund approaches its maturity date, the Manager may choose to invest in liquid assets to facilitate the payout of proceeds to unitholders after the maturity date.

FOR FINANCIAL YEAR ENDED 31 JULY 2019

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES (CONT'D)

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

Maybank AM has appointed Mellon Capital Management Corporation ("MCM") as the External Investment Manager for the Fund. MCM is a wholly owned, indirect subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon"). BNY Mellon is a publicly held financial holding company organized under the laws of the State of Delaware and supervised by the Board of Governors of the Federal Reserve System. The role and responsibilities of MCM is to manage the investment portfolio in accordance with the investment objective of the Fund and subject to the Act, the Guidelines and the terms and conditions of the investment management agreement between MCM and the Manager. MCM is an investment advisor registered with the United States Securities and Exchange Commission.

The financial statements were authorised for issue by the Board of Directors (the "Directors") of the Manager in accordance with a resolution of the Directors on 13 September 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 31 July 2019. 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 to the financial statements.

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.2 Standards and amendments to standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS contained in the document entitled <i>“Annual Improvements to MFRS Standards document 2015 - 2017 Cycle”</i>	1 January 2019
Amendments to MFRS 3 and MFRS 11: <i>Previously Held Interest in a Joint Operation contained in the document entitled “Annual Improvements to MFRS Standards 2015 - 2017 Cycle”</i>	1 January 2019
Amendments to MFRS 112: <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity contained in the document entitled “Annual Improvements to MFRS Standards 2015 - 2017 Cycle”</i>	1 January 2019
Amendments to MFRS 123: <i>Borrowing Costs Eligible for Capitalisation contained in the document entitled “Annual Improvements to MFRS Standards 2015 - 2017 Cycle”</i>	1 January 2019
MFRS 16: <i>Leases</i>	1 January 2019
Amendments to MFRS 9: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 119: <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 128: <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23: <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 2: <i>Share-based Payment</i>	1 January 2020
Amendments to MFRS 3: <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 6: <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
Amendments to MFRS 14: <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101: <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Amendments to MFRS 101 & 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 134: <i>Interim Financial Reporting</i>	1 January 2020
Amendment to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.2 Standards and amendments to standards issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Amendment to MFRS 138: <i>Intangible Assets</i>	1 January 2020
Amendments to IC Interpretation 12: <i>Service Concession Arrangements</i>	1 January 2020
Amendments to IC Interpretation 19: <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
Amendments to IC Interpretation 20: <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendments to IC Interpretation 22: <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
Amendments to IC Interpretation 132: <i>Intangible Assets - Web Site Costs</i>	1 January 2020
MFRS 17: <i>Insurance Contracts</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced by MASB

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument.

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.4 Financial assets

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

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

(i) Classification

Unless designated as at fair value through profit or loss ("FVTPL") on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

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

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

The Fund classifies cash and cash equivalents, interest receivable, amount due from broker and other receivable, as subsequently measured at amortised cost. Unquoted fixed income securities are classified as FVTPL.

(ii) Financial assets at fair value through profit or loss ("FVTPL")

Investments in unquoted fixed income securities, derivative assets and derivative liabilities 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 held for trading if :

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

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.4 Financial assets (cont'd)

(ii) Financial assets at fair value through profit or loss ("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.

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

Interest income on debt instruments (unquoted fixed income securities and deposits with licensed financial institutions) as at FVTPL is disclosed separately in the profit or loss.

(iii) Impairment of financial assets

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

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

- 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

- 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 (e.g. interest receivable and other receivable), full impairment will be recognised on uncollected balances after the grace period.

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.4 Financial assets (cont'd)

(iv) Derecognition of financial assets

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

On derecognition of equity instruments classified as FVTOCI, the cumulative gain or loss previously accumulated in unrealised reserve is not reclassified to profit or loss, but is reclassified to distributable realised reserve. However, on derecognition of debt instruments classified as FVTOCI, the cumulative gain or loss previously accumulated in unrealised reserve is reclassified to profit or loss.

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.

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 Trustee, amount due to Manager, and other payables and accruals as other financial liabilities.

(ii) Recognition and measurement

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

(iii) Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.6 Unitholders' capital

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

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

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

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

2.7 Income / Revenue

Revenue is recognised when control of the goods or services are transferred at an amount that reflects the consideration to be entitled in exchange for the goods or services. Revenue is measured at the fair value of consideration received or receivable

Interest income from investments at amortised cost are accounted for on an accrual basis based on effective interest rate method. Interest income from short term deposits is recognised using the effective interest rate method.

Redemption fee income is charged to unitholders on cancellation of units before the maturity date and is recognised upon cancellation of units.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation or premium.

2.8 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, deposit at call and highly liquid instruments with maturities of 3 months or less, which have an insignificant risk of changes in value.

2.9 Income tax

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

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.9 Income tax (cont'd)

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

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

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

2.10 Fair value measurement

The Fund measures its investments at FVTPL at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- 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. The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 period.

2.11 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 financial period/year in which it is approved.

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

2.12 Functional and foreign currency

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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 Significant 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 judgements 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. INTEREST INCOME

	01.08.2018 to 31.07.2019 RM	15.05.2017 (date of launch) to 31.07.2018 RM
Interest income from unquoted fixed income securities	5,641,295	5,920,174
Interest income from short-term deposits	39,073	429,495
Amortisation of premium, net of accretion of discount	(1,234,215)	(1,853,319)
	<u>4,446,153</u>	<u>4,496,350</u>

FOR FINANCIAL YEAR ENDED 31 JULY 2019

4. NET GAIN ON FOREIGN EXCHANGE AND FORWARD CONTRACTS

	01.08.2018	15.05.2017
	to	(date
	31.07.2019	of launch)
	to	to
	RM	31.07.2018
		RM
Realised foreign exchange loss	(563,907)	(2,722,145)
Unrealised foreign exchange gain/(loss)	2,351,350	(3,262,818)
Realised (loss)/gain on forward contracts	(3,163,410)	8,873,690
Unrealised gain/(loss) on forward contracts	2,065,038	(1,482,746)
	<u>689,071</u>	<u>1,405,981</u>

5. REDEMPTION FEE INCOME

The Fund is entitled to payment of redemption charges between 1.50% to 3.50% (15.05.2017 to 31.07.2018: 1.50% to 3.50%) of the redemption amount for cancellation of units by unitholders before the maturity date, and is recognised upon cancellation of units.

6. TRUSTEE'S FEE

The Trustee's fee is computed and accrued daily based on 0.03% (15.05.2017 to 31.07.2018: 0.03%) per annum of the NAV of the Fund, excluding foreign custodian fees and charges.

7. TAXATION

	01.08.2018	15.05.2017
	to	(date
	31.07.2019	of launch)
	to	to
	RM	31.07.2018
		RM
Tax expense for the financial year/period:		
Current income tax expense	<u>36,829</u>	<u>9,118</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial year/period.

The tax expense for the financial year/period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund and income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

FOR FINANCIAL YEAR ENDED 31 JULY 2019

7. TAXATION (CONT'D)

	01.08.2018	15.05.2017
	to	(date
	31.07.2019	of launch)
	RM	to
		31.07.2018
		RM
Net income before taxation	<u>7,516,732</u>	<u>3,673,890</u>
Tax at Malaysian statutory rate of 24% (15.05.2017 to 31.07.2018: 24%)	1,804,016	881,734
Effect of income not subject to tax	(1,791,192)	(896,156)
Effect of expenses not deductible for tax purposes	14,730	21,596
Restriction on tax deductible expenses for unit trust funds	1,944	1,944
Under provision in prior period	7,331	-
Tax expense for the financial year/period	<u>36,829</u>	<u>9,118</u>

8. CASH AT BANK

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

	01.08.2018	15.05.2017
	to	(date
	31.07.2019	of launch)
	RM	to
		31.07.2018
		RM
US Dollar ("USD")	92,006	1,002,499
RM	2,228	7,063
	<u>94,234</u>	<u>1,009,562</u>

9. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	01.08.2018	15.05.2017
	to	(date
	31.07.2019	of launch)
	RM	to
		31.07.2018
		RM
Short-term placement with a maturity of less than 3 months	<u>1,293,831</u>	<u>1,946,539</u>

FOR FINANCIAL YEAR ENDED 31 JULY 2019

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

The weighted average effective interest rates ("WAEIR") p.a. and average maturity of deposit with a licensed financial institution with maturity of less than 3 months as at the reporting date were as follows:

	01.08.2018 to 31.07.2019	15.05.2017 (date of launch) to 31.07.2018		
	WAEIR % p.a.	Average Maturity Days	WAEIR % p.a.	Average Maturity Days
Deposit with a licensed financial institution	2.90	1	3.25	1

10. FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL comprise investments in unquoted USD-denominated fixed income securities.

	01.08.2018 to 31.07.2019 RM	15.05.2017 (date of launch) 31.07.2018 RM
Investments in financial assets at FVTPL:		
Unquoted fixed income securities - foreign	107,403,754	111,673,040

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2019				
Australia				
Newcrest Finance Pty Ltd - 4.45% / 15.11.2021	1,000,000	4,413,080	4,270,613	3.82

FOR FINANCIAL YEAR ENDED 31 JULY 2019

10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2019				
China				
CAR Inc - 6.13% / 04.02.2020	250,000	977,324	1,024,753	0.92
Health and Happiness (H&H) International Holdings Ltd - 7.25% / 21.06.2021	197,000	858,376	824,571	0.74
Total China	447,000	1,835,700	1,849,324	1.66
Great Britain				
Jaguar Land Rover Automotive Plc - 3.50% / 15.03.2020	1,080,000	4,389,647	4,424,261	3.96
Hong Kong				
Shanghai (Hong Kong) International Investment Ltd - 3.88% / 20.04.2020	300,000	1,170,195	1,224,135	1.10
India				
JSW Steel Ltd - 4.75% / 12.11.2019	450,000	1,872,965	1,857,178	1.66
United Arab Emirates				
ICICI Bank Ltd - 3.13% / 12.08.2020	200,000	787,182	826,155	0.74
United States of America				
ADT Corp - 6.25% / 15.10.2021	600,000	2,704,739	2,633,400	2.36
Ally Financial Inc - 4.25% / 15.04.2021	300,000	1,281,780	1,263,735	1.13

FOR FINANCIAL YEAR ENDED 31 JULY 2019

10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2019				
United States of America (cont'd)				
Arconic Inc - 6.15% / 15.08.2020	575,000	2,411,756	2,445,878	2.19
Avnet Inc - 3.75% / 01.12.2021	950,000	3,792,945	3,992,031	3.57
Cantor Fitzgerald LP - 7.88% / 15.10.2019	360,000	1,560,171	1,499,256	1.34
CF Industries Inc - 3.40% / 01.12.2021	475,000	1,848,902	1,982,496	1.77
Dell International LLC - 4.42% / 15.06.2021	800,000	3,163,200	3,392,400	3.03
- 5.88% / 15.06.2021	600,000	2,583,234	2,517,075	2.25
Deutsche Bank AG - 4.25% / 14.10.2021	1,000,000	4,056,287	4,172,438	3.73
Ford Motor Credit Co LLC - 5.09% / 07.01.2021	400,000	1,656,936	1,697,520	1.52
GLP Capital - 4.88% / 01.11.2020	380,000	1,594,134	1,595,871	1.43
Icahn Enterprises LP - 6.00% / 01.08.2020	350,000	1,504,845	1,443,894	1.29
Iron Mountain Inc - 6.00% / 15.08.2023	600,000	2,581,099	2,525,738	2.26
Jefferies Group LLC - 6.88% / 15.04.2021	190,000	780,820	836,105	0.75
MGM Resorts International - 6.63% / 15.12.2021	700,000	3,156,621	3,120,809	2.79

FOR FINANCIAL YEAR ENDED 31 JULY 2019

10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2019				
United States of America (cont'd)				
Microchip Technology Inc - 3.92% / 01.06.2021	800,000	3,314,036	3,359,070	3.00
Midcontinent Express Pipeline LLC - 6.70% / 15.09.2019	900,000	3,888,564	3,732,918	3.34
MPT Operating Partnership LP - 6.38% / 01.03.2024	850,000	3,943,242	3,679,809	3.29
Nabors Industries Inc - 5.00% / 15.09.2020	82,000	342,637	338,149	0.30
NCL Corporation Ltd - 4.75% / 15.12.2021	375,000	1,578,906	1,570,388	1.40
Nordstrom Inc - 4.00% / 15.10.2021	1,000,000	4,380,360	4,228,538	3.78
NuStar Logistics LP - 6.75% / 01.02.2021	1,200,000	5,288,917	5,173,739	4.63
Pitney Bowes Inc - 3.38% / 01.10.2021	1,200,000	5,147,598	4,837,140	4.33
Plains All American Pipeline LP - 5.00% / 01.02.2021	1,000,000	4,187,426	4,237,613	3.79
Reliance Holding USA Inc - 4.50% / 19.10.2020	250,000	999,258	1,052,700	0.94
Rockies Express Pipeline LLC - 5.63% / 15.04.2020	400,000	1,633,450	1,679,700	1.50
Senior Housing Properties Trust - 6.75% / 15.12.2021	1,000,000	4,579,658	4,370,850	3.91

FOR FINANCIAL YEAR ENDED 31 JULY 2019

10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2019				
United States of America (cont'd)				
Spectrum Management Holding Company LLC - 4.00% / 01.09.2021	915,000	3,735,851	3,854,391	3.45
Starwood Property Trust - 5.00% / 15.02.2021	425,000	1,813,835	1,809,225	1.62
Tenet Healthcare Corp - 4.75% / 01.06.2020 - 6.00% / 01.10.2020	1,050,000 120,000	4,178,473 488,938	4,381,926 511,335	3.92 0.46
Universal Health Services Inc - 4.75% / 01.08.2022	1,200,000	5,161,866	5,001,975	4.47
Xerox Corp - 4.50% / 15.05.2021	950,000	4,132,255	4,013,976	3.59
Total United States of America	21,997,000	93,472,739	92,952,088	83.13
Total unquoted fixed income securities - foreign	25,474,000	107,941,508	107,403,754	96.07
Unrealised loss on unquoted fixed income securities*			(537,754)	

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10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2018				
Australia				
Newcrest Finance Pte Ltd - 4.45% / 15.11.2021	1,000,000	4,464,833	4,098,754	3.57
Canada				
Valeant Pharmaceuticals International Inc - 7.00% / 15.03.2020	500,000	2,089,486	2,153,390	1.88
China				
CAR Inc - 6.13% / 20.08.2018	250,000	977,326	1,000,514	0.87
Gome Retail Holdings Ltd - 5.00% / 10.03.2020	200,000	779,216	775,952	0.68
Health and Happiness (H&H) International Holdings Ltd - 7.25% / 15.08.2018	250,000	1,119,382	1,036,065	0.90
Total China	700,000	2,875,924	2,812,531	2.45

FOR FINANCIAL YEAR ENDED 31 JULY 2019

10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign (cont'd)				
31.07.2018				
Hong Kong				
Shanghai (Hong Kong) International Investments Ltd - 3.88% / 20.04.2020	300,000	1,165,917	1,152,470	1.00
India				
Adani Ports and Special Economic Zone Ltd - 3.50% / 29.07.2020	200,000	784,962	802,280	0.70
JSW Steel Ltd - 4.75% / 12.11.2019	450,000	1,884,094	1,828,350	1.59
Total India	650,000	2,669,056	2,630,630	2.29
Netherlands				
Schaeffler Finance BV - 4.75% / 15.08.2018	1,200,000	5,160,488	4,835,620	4.22
United Arab Emirates				
Industrial Credit and Investment Corporation India Bank Ltd - 3.13% / 12.08.2020	200,000	781,321	797,161	0.69
United States of America				
ADT Corp - 6.25% / 15.10.2021	600,000	2,757,451	2,538,237	2.21
Ally Financial Inc - 4.25% / 15.04.2021	300,000	1,294,478	1,219,875	1.06

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10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2018				
United States of America (cont'd)				
Avnet Inc - 3.75% / 01.11.2021	950,000	3,798,292	3,837,463	3.35
Calpine Corp - 5.88% / 01.11.2018	200,000	886,223	814,632	0.71
Cantor Fitzgerald LP - 7.88% / 15.10.2019	360,000	1,633,577	1,526,599	1.33
CF Industries Inc - 3.40% / 01.12.2021	500,000	1,943,998	1,989,854	1.73
Dell International LLC - 5.88% / 09.08.2018	600,000	2,583,234	2,490,944	2.17
- 4.42% / 15.05.2021	800,000	3,187,265	3,297,856	2.88
Deutsche Bank AG - 4.25% / 14.10.2021	1,000,000	4,092,736	4,041,060	3.52
Icahn Enterprises LP - 6.25% / 01.02.2019	200,000	878,024	829,665	0.72
- 6.00% / 15.08.2018	600,000	2,579,959	2,471,198	2.15
Illinois State - 5.88% / 01.03.2019	105,000	457,837	432,289	0.38
Iron Mountain Inc - 6.00% / 15.08.2018	600,000	2,717,110	2,494,601	2.17
Jefferies Group LLC - 6.88% / 15.04.2021	190,000	808,053	829,713	0.72
Lifepoint Health Inc - 5.88% / 01.12.2018	700,000	3,164,811	2,955,873	2.58

FOR FINANCIAL YEAR ENDED 31 JULY 2019

10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2018				
United States of America (cont'd)				
MGM Resorts International - 6.63% / 15.12.2021	700,000	3,242,772	3,014,745	2.63
- 6.75% / 01.10.2020	120,000	504,774	512,523	0.45
Midcontinent Express Pipeline LLC - 6.70% / 15.09.2019	900,000	4,021,262	3,756,528	3.27
MPT Operating Partnership LP - 6.38% / 01.03.2019	1,000,000	4,639,680	4,256,805	3.71
Murphy Oil USA Inc - 6.00% / 15.08.2018	600,000	2,709,447	2,514,591	2.19
Nabors Industries Inc - 4.63% / 15.09.2021	500,000	1,950,211	1,999,605	1.74
Nordstrom Inc - 4.00% / 15.07.2021	1,000,000	4,421,793	4,092,254	3.57
Nustar Logistics LP - 6.75% / 01.02.2021	600,000	2,741,343	2,546,770	2.22
Pitney Bowes Inc - 3.63% / 01.09.2021	1,200,000	5,147,859	4,610,854	4.02
Plains All American Pipeline LP - 5.00% / 03.11.2020	1,000,000	4,259,211	4,155,230	3.62
Qwest Corp - 6.75% / 01.12.2021	1,100,000	5,120,051	4,746,844	4.14
Reliance Holding USA Inc - 4.50% / 19.10.2020	250,000	1,006,230	1,027,533	0.90

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10. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Unquoted fixed income securities - foreign				
31.07.2018				
United States of America (cont'd)				
Rockies Express Pipeline LLC - 5.63% / 15.04.2020	400,000	1,658,900	1,673,956	1.46
Senior Housing Properties Trust - 6.75% / 15.06.2021	1,000,000	4,718,916	4,308,812	3.76
Spectrum Management Holding Company LLC - 4.00% / 01.06.2021	915,000	3,765,247	3,731,028	3.25
Tenet Healthcare Corp - 6.00% / 01.10.2020	120,000	497,245	506,770	0.44
- 4.75% / 01.06.2020	640,000	2,508,347	2,625,283	2.29
T-Mobile USA Inc - 6.50% / 15.01.2019	600,000	2,740,279	2,541,650	2.22
Universal Health Services Inc - 4.75% / 15.08.2018	1,200,000	5,161,836	4,900,466	4.27
Xerox Corp - 4.50% / 15.05.2021	950,000	4,188,467	3,900,378	3.40
Total United States of America	<u>22,500,000</u>	<u>97,786,918</u>	<u>93,192,484</u>	<u>81.25</u>
Total unquoted fixed income securities - foreign	<u>27,050,000</u>	<u>116,993,943</u>	<u>111,673,040</u>	<u>97.36</u>
Unrealised loss on unquoted fixed income securities*			<u>(5,320,903)</u>	

* The unrealised loss on unquoted fixed income securities comprise the amounts arising from changes in fair values and effects from foreign exchange.

(b) Changes in the fair value of FVTPL investments are recognised in 'unrealised gain/(loss) on FVTPL investments' in the profit and loss. Accumulated unrealised gains or losses are reclassified to 'realised loss on FVTPL investments' in the profit or loss when the associated assets are sold. See accounting policy Note 2.4 (ii) for details.

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11. OTHER RECEIVABLES

The amount represents redemption fee income receivable for units redeemed/cancelled.

12. AMOUNT DUE FROM BROKERS

Amount due from broker relates to the amount receivable from a broker arising from the sale of unquoted fixed income securities. The settlement period for these receivables are within 3 working days from the deal date.

13. AMOUNT DUE TO TRUSTEE

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

14. AMOUNT DUE TO MANAGER

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

	01.08.2018 to 31.07.2019 RM	15.05.2017 (date of launch) 31.07.2018 RM
Redemption of units	-	184,401

No management fee was charged to the Fund in accordance with the Fund's Prospectus dated 15 May 2017.

15. DERIVATIVE ASSETS/LIABILITIES

31.07.2019	Principal amount RM	<-----Fair Value----->	
		Assets RM	Liabilities RM
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	112,615,450	582,292	-

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15. DERIVATIVE ASSETS/LIABILITIES (CONT'D)

31.07.2018	Principal amount RM	←-----Fair Value-----→	
		Assets RM	Liabilities RM
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	111,142,950	-	1,482,746

As at the reporting date, there were 4 (15.05.2017 to 31.07.2018: 3) forward exchange contracts outstanding.

The forward currency contracts entered into during the financial year/period were for hedging against the currencies exposure arising mainly from investments in the foreign unquoted fixed income securities denominated in USD. As the Fund has not adopted hedge accounting during the financial year/period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income.

16. OTHER PAYABLES AND ACCRUALS

Other payables and accruals comprise the following:

	01.08.2018 to 31.07.2019 RM	15.05.2017 (date of launch) 31.07.2018 RM
Due to external auditors	10,441	9,000
Due to tax agent	5,141	2,500
	<u>15,584</u>	<u>11,500</u>

17. TOTAL EQUITY

	Note	01.08.2018 to 31.07.2019 RM	15.05.2017 (date of launch) 31.07.2018 RM
Unitholders' capital	17(a)	109,076,856	113,914,389
Accumulated realised income	17(b)	4,553,235	9,464,522
Accumulated unrealised loss	17(c)	(1,837,704)	(8,673,719)
		<u>111,792,387</u>	<u>114,705,192</u>

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17. TOTAL EQUITY (CONT'D)

(a) Unitholders' capital

	01.08.2018 to 31.07.2019		15.05.2017 (date of launch) to 31.07.2018	
	No. of units	RM	No. of units	RM
At the beginning of the financial year/period	113,914,888	113,914,389	-	-
Creation of units	-	-	115,850,256	115,850,254
Cancellation of units	(4,790,374)	(4,929,928)	(1,935,368)	(1,951,552)
Distribution equalisation (Note 18)	-	92,395	-	15,687
At the end of the financial year/period	<u>109,124,514</u>	<u>109,076,856</u>	<u>113,914,888</u>	<u>113,914,389</u>

As at the end of the financial year/period, the total number and value of units held legally or beneficially by the Manager are as follows:

	01.08.2018 to 31.07.2019		15.05.2017 (date of launch) to 31.07.2018	
	No. of units	RM	No. of units	RM
The Manager	<u>1,000</u>	<u>1,024</u>	<u>1,000</u>	<u>1,007</u>

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

(b) Accumulated realised income

	01.08.2018 to 31.07.2019 RM		15.05.2017 (date of launch) to 31.07.2018 RM	
At the beginning of the financial year/period			9,464,522	-
Net realised income for the financial year/period			643,888	12,338,491
Distributions out of retained earnings (Note 18)			<u>(5,555,175)</u>	<u>(2,873,969)</u>
At the end of the financial year/period			<u>4,553,235</u>	<u>9,464,522</u>

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17. TOTAL EQUITY (CONT'D)

(c) Accumulated unrealised loss

	01.08.2018	15.05.2017
	to	(date
	31.07.2019	of launch)
	RM	to
		31.07.2018
		RM
At the beginning of the financial year/period	(8,673,719)	-
Net unrealised gain/(loss) for the financial year/period	6,836,015	(8,673,719)
At the end of the financial year/period	<u>(1,837,704)</u>	<u>(8,673,719)</u>

18. DISTRIBUTIONS

Details of distribution declared to unitholders are as follows:

	01.08.2018	15.05.2017
	to	(date
	31.07.2019	of launch)
	RM	to
		31.07.2018
		RM
Interest income	-	972,579
Net realised gain on forward foreign exchange contracts	-	1,920,502
Prior years net realised income *	5,674,572	
Redemption fee income	-	8,827
Less:		
Expenses	(91,009)	(26,485)
Tax expense	(28,388)	(1,454)
Distribution out of retained earnings (Note 17(b))	<u>5,555,175</u>	<u>2,873,969</u>
Effects of distribution equalisation (Note 17(a))	<u>(92,395)</u>	<u>(15,687)</u>
Distribution for the financial year/period	<u>5,462,780</u>	<u>2,858,282</u>

* Part of the distributions in the current financial year were made from prior period's net realised income.

The gross and net distribution per unit declared in the current financial year are as follows:

	Gross	Net
	distribution	distribution
	per unit	per unit
	(sen)	(sen)
31.07.2019		
Distribution date		
12 July 2019	<u>5.03</u>	<u>5.00</u>

FOR FINANCIAL YEAR ENDED 31 JULY 2019

18. DISTRIBUTIONS (CONT'D)

	Gross distribution per unit (sen)	Net distribution per unit (sen)
31.07.2018		
Distribution date		
13 July 2018	2.50	2.50

19. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

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

Brokers/dealers	01.08.2018 to 31.07.2019		15.05.2017 (date of launch) to 31.07.2018	
	Value of trades RM	Percentage of total trades	Value of trades RM	Percentage of total trades %
Bank of America Malaysia Bhd	-	-	4,404,738	2.35
Bank of America Merrill Lynch	-	-	3,794,508	2.02
Barclays Capital Group	1,581,363	3.56	13,979,895	7.45
BNP Paribas	-	-	2,658,552	1.42
Cantor Fitzgerald	-	-	2,647,353	1.41
CITI Group Global Markets Inc	-	-	9,632,303	5.13
Credit Agricole CIB London	1,678,714	3.78	-	-
Credit Suisse Securities USA LLC	1,468,514	3.31	-	-
Deutsche Bank	3,019,825	6.80	4,449,952	2.37
FTN Financial	-	-	5,202,659	2.77
Goldman Sachs	-	-	15,299,150	8.15
Jefferies LLC	-	-	4,460,427	2.38
JP Morgan Securities LLC	1,855,675	4.18	18,088,273	9.63
MarketAxess	17,740,995	39.94	23,078,315	12.29
Millennium Advisors, LLC	2,502,310	5.63	7,148,506	3.81
Mitsubishi UFJ Securities (USA) Inc	-	-	11,831,606	6.30
Morgan Stanley	-	-	15,259,109	8.13
Nomura Ltd	774,407	1.74	2,817,803	1.50
Raymond James & Associates Inc	-	-	835,895	0.45
RBC Capital Markets LLC	-	-	5,976,030	3.18

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

Details of transactions with brokers/dealers for the current financial year and previous financial period ended are as follows: (cont'd)

Brokers/dealers (cont'd)	01.08.2018 to 31.07.2019		15.05.2017 (date of launch) to 31.07.2018	
	Value of trades RM	Percentage of total trades	Value of trades RM	Percentage of total trades %
SMBC Nikko Securities America	2,559,494	5.76	-	-
Scotia Capital (USA) Inc	-	-	1,335,694	0.71
Societe Generale Group	3,071,289	6.91	1,182,281	0.63
SumRidge Partners LLC	4,647,069	10.46	7,713,915	4.11
Susquehanna International Group LLC	-	-	4,782,596	2.55
UBS Financial Services	842,261	1.90	3,736,086	1.99
US Bancorp Investments Inc	2,674,021	6.02	5,915,340	3.15
Wells Fargo Securities LLC	-	-	11,514,847	6.13
	<u>44,415,937</u>	<u>100.00</u>	<u>187,745,833</u>	<u>100.00</u>

Details of transactions, primarily deposits placed with licensed financial institutions are as follows:

Financial institutions	01.8.2018 to 31.07.2019		15.05.2017 (date of launch) to 31.07.2018	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Public Bank Bhd	-	-	2,867,076,000	87.95
Malayan Banking Berhad *	<u>297,794,566</u>	<u>100.00</u>	<u>392,938,899</u>	<u>12.05</u>
	<u>297,794,566</u>	<u>100.00</u>	<u>3,260,014,899</u>	<u>100.00</u>

* Malayan Banking Berhad is the ultimate holding company of the Manager.

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20. SIGNIFICANT RELATED PARTY TRANSACTIONS 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 are the significant related party transactions of the Fund during the financial year:

(a) Significant related party transactions

	01.08.2018 to 31.07.2019 RM	15.05.2017 of launch) to 31.07.2018 RM
Malayan Banking Berhad ("MBB"): Interest income from deposit placement	<u>39,073</u>	<u>51,405</u>

(b) Significant related party balances

MBB: Deposit with a licensed financial institution	<u>1,293,831</u>	<u>1,946,539</u>
MBB: Derivative asset	166,022	-
Derivative liability	<u>-</u>	<u>1,154,461</u>

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

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21. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Trustee's fee and other administrative expenses. For the financial year ended 31 July 2019, the MER of the Fund stood at 0.06% (15.05.2017 to 31.07.2018: 0.09%).

22. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 July 2019, the PTR of the Fund stood at 0.29 times (15.05.2017 to 31.07.2018: 1.20 times).

23. 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 a minimum of 80% of the Fund's NAV in RM-denominated fixed income securities and/or foreign currency fixed income securities. The remaining balance of the Fund's NAV will be invested in liquid assets.

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.

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24. 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 significant accounting policies in Note 2 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.

31.07.2019	Financial assets and liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Assets				
Financial assets at FVTPL	107,403,754	-	-	107,403,754
Derivative assets	582,292	-	-	582,292
Deposit with a licensed financial institution	-	1,293,831	-	1,293,831
Interest receivable	-	1,600,672	-	1,600,672
Amount due from broker	-	846,954	-	846,954
Other receivables	-	104	-	104
Cash at bank	-	94,234	-	94,234
Total financial assets	107,986,046	3,835,795	-	111,821,841
Liabilities				
Due to Trustee	-	-	2,895	2,895
Other payables and accruals	-	-	15,584	15,584
Total financial liabilities	-	-	18,479	18,479

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24. FINANCIAL INSTRUMENTS (CONT'D)

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

31.07.2018	Financial assets and liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Assets				
Financial assets at FVTPL	111,673,040	-	-	111,673,040
Deposit with a licensed financial institution	-	1,946,539	-	1,946,539
Interest receivable	-	1,757,536	-	1,757,536
Other receivables	-	1,926	-	1,926
Cash at bank	-	1,009,562	-	1,009,562
Total financial assets	111,673,040	4,715,563	-	116,388,603
Liabilities				
Due to Trustee	-	-	2,946	2,946
Due to Manager	-	-	184,401	184,401
Derivative liabilities	1,482,746	-	-	-
Other payables and accruals	-	-	11,500	11,500
Total financial liabilities	1,482,746	-	198,847	198,847

(b) Financial instruments that are carried at fair value

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

Unquoted fixed income securities

Foreign unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the average price quoted by at least three (3) independent and reputable financial institutions.

Derivative assets/liabilities

The fair value of over-the-counter forward foreign exchange contracts are obtained by using valuation models which incorporate various observable market inputs such as changes in spot rate, and changes in the forward points. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

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24. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value hierarchy

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

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

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

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

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.07.2019				
Financial assets at FVTPL	-	107,403,754	-	107,403,754
Derivative assets	-	582,292	-	582,292
	<hr/>	<hr/>	<hr/>	<hr/>
31.07.2018				
Financial assets at FVTPL	-	111,673,040	-	111,673,040
Derivative liabilities	-	1,482,746	-	1,482,746
	<hr/>	<hr/>	<hr/>	<hr/>

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

Other than its financial assets at FVTPL and derivative assets and liabilities, 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 were not carried at fair value and whose carrying amounts were not reasonable approximations of their respective fair values.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the 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 interest rates, foreign exchange rates and equity prices. The Fund is exposed to foreign currency risk arising from the Fund's investments in unquoted fixed income securities denominated in foreign currencies, and other financial assets and liabilities denominated in foreign currencies. The Fund is also exposed to interest rate risk arising from its financial assets at FVTPL and deposit placed with a licensed financial institution. The Fund is not exposed to equity price risk as it does not hold any equity investments as at the reporting date.

(i) Foreign exchange risk

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

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 risk 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.

31.07.2019	USD RM	Total RM
Assets		
Financial assets at FVTPL	107,403,754	107,403,754
Amount due from broker	846,954	846,954
Interest receivable	1,600,672	1,600,672
Cash at bank	92,006	92,006
Total assets	<u>109,943,386</u>	<u>109,943,386</u>
Net on-balance sheet open position	<u>109,943,386</u>	<u>109,943,386</u>
Forward exchange contracts - principal amount (Note 15) *	<u>112,615,450</u>	<u>112,615,450</u>

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

(b) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

31.07.2018	USD RM	Total RM
Assets		
Cash at bank	1,002,499	1,002,499
Financial assets at FVTPL	111,673,040	111,673,040
Interest receivable	1,757,363	1,757,363
Total assets	<u>114,432,902</u>	<u>114,432,902</u>
Net on-balance sheet open position	<u>114,432,902</u>	<u>114,432,902</u>
Forward exchange contracts - principal amount (Note 15) *	<u>111,142,950</u>	<u>111,142,950</u>

* The Fund has entered into forward currency contracts to hedge against its USD exposure arising mainly from the Fund's investments in USD-denominated unquoted fixed income securities.

The table below summarises the sensitivity of the Fund's net on-balance sheet open position (excluding derivative assets/liabilities) to movements in exchange rates. The analysis is based on the assumptions that the exchange rates will increase or decrease by 5% with all other variables held constant.

	01.08.2018 to 31.07.2019	Effects on NAV Increase/ (Decrease) RM	15.05.2017 (date of launch) to 31.07.2018	Effects on NAV Increase/ (Decrease) RM
Currencies	Changes in exchange rate %	RM	Changes in exchange rate %	RM
USD	+5	5,497,169	+5	5,721,645
	-5	(5,497,169)	-5	(5,721,645)

(ii) Interest rate risk

Fixed income securities are particularly sensitive to movements in market interest rates. When interest rates rise, the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. The sensitivity to market interest rate changes are normally greater for longer tenured securities when compared to shorter tenured securities.

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

(b) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

The table below summarises the sensitivity of the Fund's NAV to movements in prices of fixed income securities held by the Fund as a result of movements in market interest rates. The analysis is based on the assumptions that the interest rates increased and decreased by 1% (100 basis points) with all other variables held constant.

	01.08.2018		15.05.2017	
	to		(date of launch)	
	31.07.2019		to	
	Changes in	Effects	Changes in	Effects
	interest	on NAV	interest	on NAV
	rates	(Decrease)/	rates	(Decrease)/
	%	Increase	%	Increase
		RM		RM
Financial assets at	+1	(1,770,299)	+1	(3,071,335)
FVTPL	-1	1,818,055	-1	3,190,857

The Fund's deposit with a licensed financial institution carry a fixed rate and is short term in nature, and therefore is not significantly affected by movements in market interest rate.

(c) 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 assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

FOR FINANCIAL YEAR ENDED 31 JULY 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(c) Credit risk (cont'd)

(ii) Credit risk concentration

The following table analyses the Fund's investments in unquoted fixed income securities, cash at bank, deposit with a licensed financial institution, interest receivable on unquoted fixed income securities and interest receivable on deposit with a licensed financial institution by rating categories. The ratings for the Fund's investments in unquoted fixed income securities and interest receivable on unquoted fixed income securities were obtained from S&P or its equivalent rating by Moody's and/or Fitch, while the ratings for cash at bank, deposit with a licensed financial institution and interest receivable on deposit with a licensed financial institution were obtained from RAM's official website.

Financial assets at FVTPL and interest receivable	01.08.2018 to 31.07.2019		15.05.2017 (date of launch) to 31.07.2018	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
BBB+	4,277,121	3.83	4,140,097	3.61
BBB	11,516,128	10.30	2,206,199	1.92
BBB-	39,187,493	35.05	56,438,477	49.20
BB+	21,046,222	18.83	22,004,910	19.18
BB	18,908,414	16.91	9,202,425	8.02
BB-	9,131,833	8.17	19,438,295	16.95
B+	4,937,215	4.42	-	-
	<u>109,004,426</u>	<u>97.51</u>	<u>113,430,403</u>	<u>98.88</u>

Cash at bank, deposit with a licensed financial institution and interest receivable	01.08.2018 to 31.07.2019		15.05.2017 (date of launch) to 31.07.2018	
	RM	As a percentage of NAV %	RM	As a percentage of NAV %
AAA	<u>1,388,168</u>	<u>1.24</u>	<u>2,956,274</u>	<u>2.58</u>

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

(d) Liquidity risk

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

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

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash 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 assets, liabilities and unitholders' capital to provide a complete view of the Fund's contractual commitments and liquidity:

31.07.2019	Less than 1 month RM	More than 1 month RM	Total RM
Financial assets at FVTPL	18,588,203	88,815,551	107,403,754
Derivative assets	416,270	166,022	582,292
Deposit with a licensed financial institution	1,293,831	-	1,293,831
Interest receivable	1,600,672	-	1,600,672
Amount due from broker	846,954	-	846,954
Other receivable	104	-	104
Cash at bank	94,234	-	94,234
Total undiscounted financial assets	<u>22,840,268</u>	<u>88,981,573</u>	<u>111,821,841</u>
Financial liabilities and unitholders' equity			
Due to Trustee	2,895	-	2,895
Other payables and accruals	15,584	-	15,584
Unitholders' equity	111,792,387	-	111,792,387
Total undiscounted financial liabilities and unitholders' equity	<u>111,810,866</u>	<u>-</u>	<u>111,810,866</u>
Liquidity (gap)/surplus	<u>(88,970,598)</u>	<u>88,981,573</u>	<u>10,975</u>

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

(d) Liquidity risk (cont'd)

31.07.2018	Less than 1 month RM	More than 1 month RM	Total RM
Financial assets			
Financial assets at FVTPL	21,743,999	89,929,041	111,673,040
Interest receivable	1,757,536	-	1,757,536
Deposit with a licensed financial institution	1,946,539	-	1,946,539
Other receivable	1,926	-	1,926
Cash at bank	1,009,562	-	1,009,562
Total undiscounted financial assets	<u>26,459,562</u>	<u>89,929,041</u>	<u>116,388,603</u>
Financial liabilities and unitholders' equity			
Derivative liabilities	1,154,461	328,285	1,482,746
Due to Trustee	2,946	-	2,946
Due to Manager	184,401	-	184,401
Other payables and accruals	11,500	-	11,500
Unitholders' equity	114,705,192	-	114,705,192
Total undiscounted financial liabilities and unitholders' equity	<u>116,058,500</u>	<u>328,285</u>	<u>116,386,785</u>
Liquidity (gap)/surplus	<u>(89,598,938)</u>	<u>89,600,756</u>	<u>1,818</u>

(i) Financial assets

The analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised. Financial assets exclude tax-related matters such as tax recoverable.

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay. Financial liabilities exclude tax-related matters such as provision for taxation.

(iii) Unitholders' total equity

As unitholders can request for redemption on their units by giving the Manager a 10-day notice period, the unitholders' total equity has been categorised as having a maturity of "less than 1 month".

As a result, it appears that the Fund has a liquidity gap within "less than 1 month". However, the Fund believes that it would be able to liquidate its investments should the need arise to satisfy all the redemption requirements.

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

(iii) Unitholders' total equity (cont'd)

As at 31 July 2019, the Fund has liquidity gap from a tax-related liability, which is not considered a financial instrument.

26. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and 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 in the current financial year.