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# **MAYBANK CONSTANT INCOME FUND 6**

**Unaudited interim report**

**For the financial period from 1 May 2019 to 31 October 2019**

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (199701006283)

Level 12 Tower C

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### **TRUSTEE**

TMF Trustees Malaysia Berhad (610812-W)

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## **MAYBANK CONSTANT INCOME FUND 6**

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## MAYBANK CONSTANT INCOME FUND 6

### Manager's report

For the financial period from 1 May 2019 to 31 October 2019

#### A. Fund Information

**1. Name of the Fund**

Maybank Constant Income Fund 6 (the "Fund")

**2. Type of Fund**

Income

**3. Category of Fund**

Fixed income (closed-ended)

**4. Fund launch date**

17 March 2017

**5. Fund commencement date / maturity date**

18 April 2017 / 18 April 2020

**6. Duration of the Fund**

The Fund is a three (3) year closed-ended fund with an early maturity feature whereby the Fund may be unwound on a Business Day which falls on or after the first (1st) anniversary of the commencement date up to thirty (30) days before the third (3rd) anniversary of the commencement date, subject to the Fund fulfilling the requirements set out in the Fund's prospectus dated 17 March 2017.

**7. Fund's investment objective**

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

**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.

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

## MAYBANK CONSTANT INCOME FUND 6

### Manager's report

For the financial period from 1 May 2019 to 31 October 2019 (cont'd)

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

##### 11. Net income distribution for the financial period from 1 May 2019 to 31 October 2019

The Fund did not declare any distribution for the financial period from 1 May 2019 to 31 October 2019.

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

###### Fund size

As at 31 October 2019, the size of the Fund was 243,511,661 units.

###### Breakdown of unitholdings as at 31 October 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	** 243,511	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>243,512</b>	<b>100.00</b>

\* Included 1,000 units held by the Manager

\*\* Included 243,510,661 units held under an Institutional Unit Trust Scheme Adviser ("IUTA")

## MAYBANK CONSTANT INCOME FUND 6

### Manager's report

For the financial period from 1 May 2019 to 31 October 2019 (cont'd)

#### B. Performance Review

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

Category	01.05.2019 to 31.10.2019 RM	01.05.2018 to 30.04.2019 RM
<b>Portfolio</b>		
Fixed income securities - local (%)	1.63	-
Fixed income securities - foreign (%)	85.62	95.91
Cash and other net assets (%)	12.75	4.09
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	260,237	249,284
Units in circulation (units'000)	243,512	244,144
NAV per unit (RM)	1.0687	1.0211
Highest NAV per unit (RM)	1.0687	1.0636
Lowest NAV per unit (RM)	1.0048	0.9823
Annual return (%) <sup>(1)</sup>		
- Capital growth (%)	4.66	2.03
- Income distribution (%)	-	4.56
Total return (%)	4.66	6.68
Annual total return (%)	4.66	6.68
Benchmark (%)	1.58	3.40
Distribution date	-	18 April 2019
Gross distribution per unit (sen)	-	4.65
Net distribution per unit (sen)	-	4.64
Management Expense Ratio ("MER") (%)	0.04	0.07
Portfolio Turnover Ratio ("PTR") (times) <sup>(2)</sup>	0.38	0.59

#### Note:

- (1) Actual return of the Fund for the financial period is computed based on the daily average NAV per unit, net of Trustee's fees.
- (2) The Fund's PTR reduced to 0.38 times due to lower investing activities during the current financial period.

## MAYBANK CONSTANT INCOME FUND 6

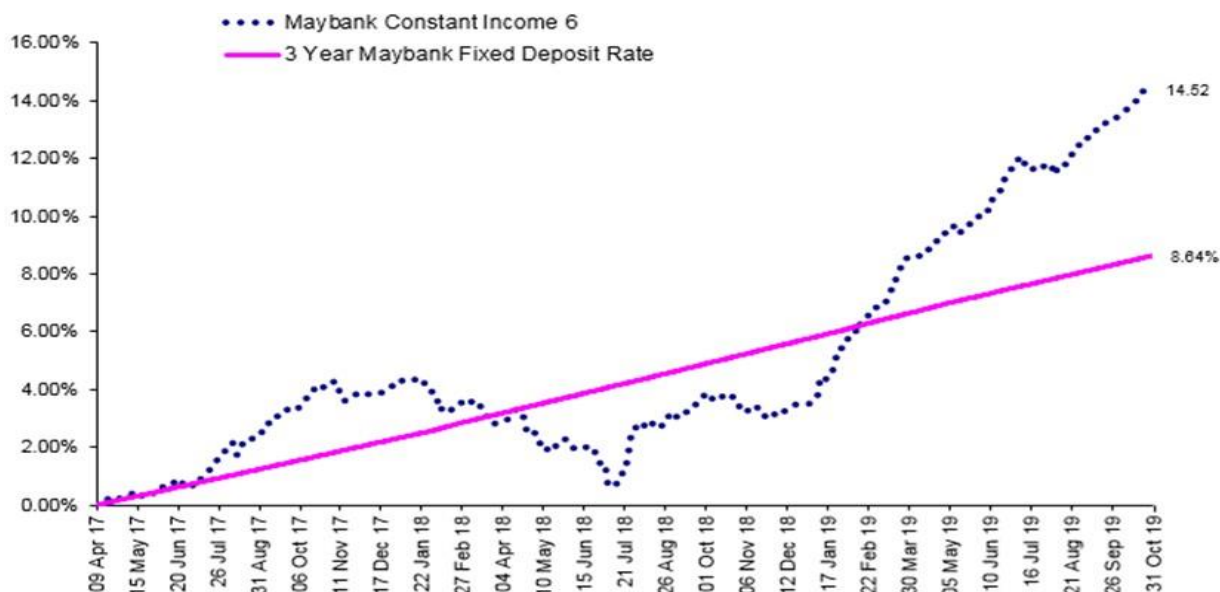
### Manager's report

For the financial period from 1 May 2019 to 31 October 2019 (cont'd)

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

#### 2. Performance of the Fund since inception to 31 October 2019

Category	6 months to 31.10.2019	1 year to 31.10.2019 %	Since inception to 31.10.2019 %
Capital growth	4.66	5.95	6.87
Income distribution	-	4.56	7.16
Total return of the Fund	4.66	10.78	14.52
Benchmark	1.58	3.29	8.64
Average total return	-	10.78	5.30



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 October 2019

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

Category	01.05.2019 to 31.10.2019 %	01.05.2018 to 30.04.2019 %	17.03.2017 (date of launch) to 30.04.2018 %
Capital growth	4.66	2.03	0.08
Income distribution	-	4.56	2.48
Total return	4.66	6.68	2.57
Benchmark	1.58	3.40	3.44

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

## MAYBANK CONSTANT INCOME FUND 6

### Manager's report

For the financial period from 1 May 2019 to 31 October 2019 (cont'd)

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

##### 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

Sentiment turned increasingly cautious towards the Asian credit market in May 2019 on souring trade negotiations between the Chinese and United States ("US") authorities. The failure to reach a trade deal resulted in the US administration raising the tariff on existing Chinese manufacturing goods with effect from 1 June 2019, which led to a tit-for-tat reaction from the Chinese authorities. Investor confidence was further rattled by the US administration's unexpected decision to prohibit certain interactions between US companies and China's Huawei.

Nevertheless, risk appetite picked up again in June 2019 after a soft May 2019, due to dovish sentiment by the US Federal Reserve ("Fed") and European Central Bank ("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 Donald Trump-Xi Jinping 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 US Treasury ("UST") touched a low of 1.95% at the beginning of July 2019 before closing the month at 2.01%.

Uncertainties in the ongoing trade negotiation remain a concern among global bond participants and by the end of August 2019 saw the 10-year UST yield dropped to a low 1.50% level as trade wars escalate further while adding new concern that the global economy could go into a recession. Into the month of September 2019 saw the 10-year UST yield recover back higher at the back of a stronger than expected US economic data and some of the central banks official seen to re-evaluate the effectiveness of easing efforts while top ECB officials questioned Presidents Mario Draghi's quantitative-easing move. However, global bond market start to back to rally again in anticipation that Fed may cut the interest. They eventually did cut rate twice in September 2019 and October 2019 Federal Open Market Committee ("FOMC") meeting to a low 1.50% level now and indicated that it would take a material assessment of the outlook for policy makers to adjust rates sending signal to bond market players that easing is over for now.



## **MAYBANK CONSTANT INCOME FUND 6**

### **Manager's report**

**For the financial period from 1 May 2019 to 31 October 2019 (cont'd)**

#### **D. Market Outlook and Strategy**

The on-going trade talks between China and US seems to be taking a turn on to a positive note moving forward. The on-going tit for tat moves by both parties that have negatively impact to everyone long enough whereby US consumers were bearing the brunt while Chinese companies were starting to absorb some of the cost. We think that it's within Donald Trump's interest to end and unwind the tariffs ahead of the presidential election and advert from getting the global economy into recession while China to act reasonably to the negotiation given their strong interest to turn its economy back into positive again.

On US monetary policy, Fed policy makers signalled a pause after the October 2019 reduction to 1.50%, we pretty much align with views that there will not be any further interest rate reduction for now unless the US economic numbers are declining significantly.

China on the other hand continue to prepare itself to use monetary policy as a tools to combat slowing economy due to trade wars. A stronger Yuan against the United States Dollar ("USD") also provides more policy manoeuvres for the Chinese monetary authority and we expect China to use other monetary tools such as Loan Prime Rate to ramp up market liquidities for insurance against uncertainty in the economy. Despite the preparation, we do notice that China has a strong intention to negotiate with US and removing or reducing the current tariff will be their focus.

The Fund invests mainly in USD and Singapore Dollar ("SGD") Asia-Pacific corporate fixed income securities. The Manager employs a prudent fixed income securities selection strategy to create a strategic mix between investment grade and high-yield securities to generate returns that will outperform the benchmark. Foreign currency exposures are hedged against the RM to minimise foreign exchange risks. Given the current positive outlook on the negotiation between US and China trade wars. We expect steeper curve on the bond curve and credit spread between corporate and sovereign will start to widen. Therefore ideally we prefer to go short on bond duration while holding more liquid bond for fast positioning if need to.

#### **E. Soft Commissions and Rebates**

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

During the financial period from 1 May 2019 to 31 October 2019, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF MAYBANK CONSTANT INCOME FUND 6 FOR THE FINANCIAL PERIOD FROM 1 MAY 2019 TO 31 OCTOBER 2019**

We have acted as Trustee of Maybank Constant Income Fund 6 for the financial period from 1 May 2019 to 31 October 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 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; and
- (c) Creation and cancellation of units are carried out in accordance with the Deed and relevant regulatory requirements.

For and on behalf of  
**TMF Trustees Malaysia Berhad**  
(Company No.: 610812-W)

**NORHAYATI BINTI AZIT**  
Director - Fund Services

Kuala Lumpur, Malaysia  
6 December 2019

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK CONSTANT INCOME FUND 6  
FOR THE FINANCIAL PERIOD FROM 1 MAY 2019 TO 31 OCTOBER 2019**

I, Ahmad Najib Bin Nazlan, being Director of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of Maybank Constant Income Fund 6 as at 31 October 2019 and of its results, changes in equity and cash flows for the financial period then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**  
Director

Kuala Lumpur, Malaysia  
6 December 2019

**MAYBANK CONSTANT INCOME FUND 6**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 MAY 2019 TO 31 OCTOBER 2019**

		<b>01.05.2019 to 31.10.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
<b>INVESTMENT INCOME</b>			
Interest income	3	6,149,686	5,949,187
Redemption fee income	4	10,523	76,054
Net gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")	8 (c)		
- Realised loss		(443,070)	(1,322,476)
- Unrealised gain/(loss)		5,189,430	(4,613,705)
Net gain on foreign exchange and forward currency contracts	5	814,451	1,920,986
		<u>11,721,020</u>	<u>2,010,046</u>
<b>EXPENSES</b>			
Trustee's fee	6	38,395	37,331
Auditors' remuneration		4,525	4,587
Tax agent's fee		1,759	1,765
Administrative expenses		62,633	37,673
		<u>107,312</u>	<u>81,356</u>
<b>Net income before taxation</b>		11,613,708	1,928,690
Taxation	7	(1,951)	-
<b>Net income after taxation, and total comprehensive income for the financial year/period</b>		<u>11,611,757</u>	<u>1,928,690</u>
<b>Net income after taxation is made up of the following:</b>			
Realised		(590,001)	(8,008,819)
Unrealised		12,201,758	9,937,509
		<u>11,611,757</u>	<u>1,928,690</u>

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

**MAYBANK CONSTANT INCOME FUND 6**

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

	<b>Note</b>	<b>31.10.2019 RM</b>	<b>30.04.2019 RM</b>
<b>ASSETS</b>			
Financial assets at FVTPL	8	227,053,049	239,097,070
Derivative assets	9	750,544	35,000
Interest receivable		2,412,985	2,698,527
Other receivables	10	-	55,776
Amount due from broker		4,693,793	-
Deposit with a licensed financial institution	11	693,790	1,505,558
Tax recoverable		10,179	-
Cash at bank	12	31,741,239	8,280,930
<b>TOTAL ASSETS</b>		<u>267,355,579</u>	<u>251,672,861</u>
<b>LIABILITIES</b>			
Derivative liabilities	11	-	2,320,583
Amount due to Manager	13	-	41,865
Amount due to Trustee	14	6,582	6,278
Amount due to broker		7,101,750	-
Other payables and accruals	15	10,736	14,895
Provision for taxation		-	4,788
<b>TOTAL LIABILITIES</b>		<u>7,119,068</u>	<u>2,388,409</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>260,236,511</u>	<u>249,284,452</u>
<b>EQUITY</b>			
Unitholders' capital	16(a)	243,558,079	244,217,777
Retained earnings	16(b) & 16(c)	16,678,432	5,066,675
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>260,236,511</u>	<u>249,284,452</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>		<u>243,511,661</u>	<u>244,143,719</u>
<b>NAV PER UNIT (RM)</b>		<u>1.0687</u>	<u>1.0211</u>

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

## MAYBANK CONSTANT INCOME FUND 6

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 MAY 2019 TO 31 OCTOBER 2019

	<b>Unitholders' capital Note 16(a) RM</b>	<b>Retained earnings Notes 16(b) &amp; 16(c) RM</b>	<b>Total equity RM</b>
At 1 May 2018	248,400,824	211,320	248,612,144
Total comprehensive income for the financial period	-	1,928,690	1,928,690
Cancellation of units	(2,993,664)	-	(2,993,664)
At 31 October 2018	<u>245,407,160</u>	<u>2,140,010</u>	<u>247,547,170</u>
At 1 May 2019	244,217,777	5,066,675	249,284,452
Total comprehensive income for the financial year	-	11,611,757	11,611,757
Cancellation of units	(659,698)	-	(659,698)
At 31 October 2019	<u>243,558,079</u>	<u>16,678,432</u>	<u>260,236,511</u>

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

**MAYBANK CONSTANT INCOME FUND 6**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 MAY 2019 TO 31 OCTOBER 2019**

	<b>01.05.2019 to 31.10.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of financial assets at FVTPL	107,473,455	82,781,890
Net payments for purchase of financial assets at FVTPL	(84,132,095)	(93,497,251)
Net realised loss on forward foreign exchange contracts	(5,025,749)	(11,796,255)
Interest received	5,181,105	6,030,055
Redemption fee income received	10,523	78,496
Trustee's fee paid	(38,091)	(38,003)
Taxation paid	(16,918)	-
Payment of other fees and expenses	(73,075)	(38,712)
Net cash generated from/(used in) operating and investing activities	<u>23,379,155</u>	<u>(16,479,780)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash paid on units cancelled	(701,563)	-
Distributions to unitholders	-	(3,502,285)
Net cash used in financing activities	<u>(701,563)</u>	<u>(3,502,285)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>		
	22,677,592	(19,982,065)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		
	9,786,488	31,090,534
Effects of foreign exchange	(29,051)	975,948
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		
	<u>32,435,029</u>	<u>12,084,417</u>
Cash and cash equivalents comprise:		
Cash at bank (Note 12)	31,741,239	9,887,821
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 11)	693,790	2,196,596
	<u>32,435,029</u>	<u>12,084,417</u>

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

## **MAYBANK CONSTANT INCOME FUND 6**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MAY 2019 TO 31 OCTOBER 2019**

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

Maybank Constant Income Fund 6 (the "Fund") was constituted pursuant to the execution of a Deed dated 23 February 2017 between the Manager, Maybank Asset Management Sdn Bhd ("Maybank AM") and the Trustee, TMF Trustees Malaysia 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 18 April 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.



## MAYBANK CONSTANT INCOME FUND 6

### 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").

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Fund from 1 May 2019 to 31 October 2019 have been prepared in accordance with Malaysian Financial Reporting Standards 134: Interim Financial Reporting ("MFRS 134") and International Accounting Standards 34 Interim Financial Reporting.

The Fund has adopted the Standards, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 1 May 2019 to 31 October 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 2.3 to Note 2.14 to the financial statements.

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

#### 2.2 Standards and amendments to standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 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

## MAYBANK CONSTANT INCOME FUND 6

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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

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

#### 2.3 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at 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 fair value through profit or loss are recognised immediately in profit or loss.

#### 2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

##### (i) Classification of financial assets

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

- the assets are held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and

## **MAYBANK CONSTANT INCOME FUND 6**

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

#### **2.4 Financial assets**

##### **(i) Classification of financial assets (cont'd)**

- 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, amount due from broker, deposit with a licensed financial institution, interest receivable and other receivable as loan and receivables, and are subsequently measured at amortised cost. Derivative assets, derivative liabilities and unquoted fixed income securities are classified as FVTPL.

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

Derivative assets, derivative liabilities and unquoted fixed income securities are classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

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

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

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

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 as at FVTPL is disclosed separately in the profit or loss.

## MAYBANK CONSTANT INCOME FUND 6

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### (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 follows:

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

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

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

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

For balances with short-term nature, full impairment will be recognised on uncollected balances after the grace period.

##### (iv) Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset 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.

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.

## **MAYBANK CONSTANT INCOME FUND 6**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **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, amount due to broker, other payables and accruals and distribution payable as other financial liabilities.

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

Financial liabilities, within the scope of MFRS 9, 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.

#### **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:

- (i) the units entitle the holder to a proportionate share of the Fund's NAV;
- (ii) the units are the most subordinated class and class features are identical;
- (iii) there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- (iv) 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 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. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

## **MAYBANK CONSTANT INCOME FUND 6**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.7 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 unquoted fixed income securities includes amortisation of premium and accretion of discount, and is recognised using the effective interest rate method.

Interest income from deposits with a licensed financial institution is recognised on the accruals basis using the effective interest rate method.

Realised gain on disposal of investments is measured as the difference between the net proceeds and its carrying amount of the investments, determined on cost adjusted for accretion of discount or amortisation of premium.

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

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

Cash and cash equivalents comprise cash at bank and deposit with a financial institution with original maturity of three (3) months or less which have an insignificant risk of changes in value.

#### **2.9 Fair value measurement**

The Manager measures the Fund's financial instruments at fair value, at each reporting date of the Fund. 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 the asset or transfer the liability takes place either:

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

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

## **MAYBANK CONSTANT INCOME FUND 6**

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

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

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

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

All assets and liabilities 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:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **2.10 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, which is also the Fund's functional currency.

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

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

## **MAYBANK CONSTANT INCOME FUND 6**

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

#### **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 an adjustment to unitholders' capital. A proposed distribution is recognised as a liability in the financial year/period in which it is approved. Distribution is either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

#### **2.12 Income tax**

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

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

No deferred tax is recognised as no temporary differences have been identified.

#### **2.13 Segment reporting**

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

#### **2.14 Critical accounting estimates and judgments**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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 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.



## MAYBANK CONSTANT INCOME FUND 6

### 3. INTEREST INCOME

	<b>01.05.2019 to 31.10.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
Interest income from short-term deposits	14,609	74,996
Interest income from unquoted fixed income securities	6,455,640	6,064,611
Amortisation of premium, net of accretion of discount	(320,563)	(190,420)
	<u>6,149,686</u>	<u>5,949,187</u>

### 4. REDEMPTION FEE INCOME

The Fund is entitled to payment of redemption charges between 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.

### 5. NET GAIN ON FOREIGN EXCHANGE AND FORWARD CURRENCY CONTRACTS

	<b>01.05.2019 to 31.10.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
Net realised loss on foreign exchange	(1,175,007)	(1,451,633)
Net unrealised gain on foreign exchange	3,976,201	16,812,436
Net realised loss on forward foreign exchange contracts	(5,022,870)	(11,369,015)
Net unrealised gain/(loss) on forward foreign exchange contracts	3,036,127	(2,070,802)
	<u>814,451</u>	<u>1,920,986</u>

### 6. TRUSTEE'S FEE

The Trustee's fee is computed daily based on 0.03% per annum of the NAV of the Fund, excluding foreign custodian fees and charges.

## MAYBANK CONSTANT INCOME FUND 6

### 7. TAXATION

	<b>01.05.2019 to 31.10.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
Tax expense for the financial period:		
Current income tax expense	1,951	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (01.05.2018 to 31.10.2018: 24%) of the estimated assessable income for the financial period.

Interest income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income maybe subject to tax in the country from which it is derived.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from Malaysian tax.

The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting the permitted expenses. A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	<b>01.05.2018 to 30.04.2019 RM</b>	<b>01.05.2018 to 31.10.2018 RM</b>
Net income before taxation	11,613,708	1,928,690
Tax at Malaysian statutory rate of 24% (01.05.2018 to 31.10.2018: 24%)	2,787,290	462,886
Effect of income not subject to tax	(2,810,519)	(482,411)
Effect of expenses not deductible for tax purposes	20,042	19,525
Restriction on tax deductible expenses for unit trust funds	5,138	-
Tax expense for the financial period	1,951	-

## MAYBANK CONSTANT INCOME FUND 6

### 8. FINANCIAL ASSETS AT FVTPL

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

	Note	31.10.2019 RM	30.04.2019 RM
Investments in financial assets at FVTPL:			
Unquoted fixed income securities - foreign	(a)	222,804,114	239,097,070
Unquoted fixed income securities - local	(b)	4,248,935	
		<u>227,053,049</u>	<u>239,097,070</u>

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.10.2019</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>Australia</b>				
AusNet Services Holdings Pty Ltd - 5.75% / 17.03.2076	2,200,000	9,813,771	9,647,268	3.71
<b>Bermuda</b>				
China Oil and Gas Group - 5.50% / 27.01.2024	1,000,000	4,091,131	4,271,494	1.64
<b>British Virgin Island</b>				
Chalco Hong Kong Investment Co Ltd - 4.88% / 07.09.2021	500,000	2,046,935	2,146,400	0.82
ChinalCo Capital Holdings - 4.10% / 11.09.2024	500,000	2,102,000	2,103,580	0.81
ENN Clean Energy International Investment Ltd - 7.50% / 27.02.2021	1,100,000	4,516,486	4,772,167	1.83
Franshion Brilliant Ltd - 4.00% / 03.01.2023	2,000,000	8,571,000	8,282,312	3.18
Haiguo Xintai Capital Ltd - 4.30% / 08.10.2022	500,000	2,088,500	2,099,194	0.81

**MAYBANK CONSTANT INCOME FUND 6**

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

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.10.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>British Virgin Island (cont'd)</b>				
Huarong Finance II Co Ltd - 2.88% / 14.09.2021	2,600,000	10,697,158	10,711,611	4.12
New Metro Global - 6.75% / 26.01.2020	1,500,000	6,152,454	6,245,571	2.40
Radiant Access Ltd - 4.60% / 18.05.2020	2,000,000	8,697,785	8,291,502	3.19
RKPF Overseas 2019 Ltd - 6.70% / 30.09.2024	1,000,000	4,199,774	4,318,700	1.66
State Power Investment Corporation - 5.80% / 21.05.2022	500,000	2,097,250	2,213,866	0.85
	<u>12,200,000</u>	<u>51,169,342</u>	<u>51,184,903</u>	<u>19.67</u>
<b>Cayman Islands</b>				
CIFI Holdings Group - 6.45% / 07.11.2024	1,000,000	4,181,000	4,161,626	1.60
CK Hutchison Capital Securities Ltd - 4.00% / 12.05.2022	2,000,000	8,664,373	8,379,230	3.22
Health and Happiness International Holdings - 5.63% / 24.10.2021	200,000	835,600	850,120	0.33
Shimao Property Holdings Ltd - 5.60% / 15.07.2026	1,000,000	4,134,793	4,360,475	1.68
Yestar International Holdings Co Ltd - 6.90% / 15.09.2021	700,000	3,024,170	2,200,498	0.85
	<u>4,900,000</u>	<u>20,839,936</u>	<u>19,951,949</u>	<u>7.67</u>

**MAYBANK CONSTANT INCOME FUND 6**

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

<b>Name of issuer</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>31.10.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>China</b>				
CCB Life Insurance Co Ltd - 4.5% / 21.04.2077	2,200,000	9,518,171	9,103,190	3.50
China Life Insurance - 4.00% / 03.07.2075	500,000	2,200,737	2,093,554	0.80
Country Garden Holdings Co Ltd - 6.15% / 17.09.2025	500,000	2,085,000	2,180,028	0.84
ENN Clean Energy International Investment - 7.50% / 27.02.2021	200,000	855,589	866,580	0.33
Health and Happiness International Holdings Ltd - 7.25% / 21.07.2021	1,578,000	6,769,573	6,702,842	2.58
	<u>4,978,000</u>	<u>21,429,070</u>	<u>20,946,194</u>	<u>8.05</u>
<b>Great Britain</b>				
HSBC Holdings Ltd - 6.88% / 01.06.2021	1,000,000	4,468,175	4,360,057	1.68
<b>Guernsey</b>				
EFG International Ltd - 5.00% / 05.04.2027	2,000,000	8,761,006	8,476,148	3.26
<b>Hong Kong</b>				
Agile Group Holdings Ltd - 8.50% / 18.07.2021	600,000	2,510,499	2,645,109	1.02
Bank of East Asia Ltd - 5.63% / 18.05.2022	300,000	1,255,013	1,271,171	0.49
- 5.88% / 19.09.2024	1,000,000	4,164,000	4,323,713	1.66
Li & Fung Ltd - 4.38% / 04.10.2024	500,000	2,101,074	2,116,113	0.81

**MAYBANK CONSTANT INCOME FUND 6**

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

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.10.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>Hong Kong (cont'd)</b>				
Weichai International HK Energy Group Co Ltd - 3.75% / PERP	1,000,000	4,208,000	4,197,134	1.61
	<u>3,400,000</u>	<u>14,238,586</u>	<u>14,553,240</u>	<u>5.59</u>
<b>India</b>				
Renew Clean Energy PVT Ltd - 6.67% / 12.03.2024	1,500,000	6,250,300	6,336,432	2.43
Renew Power Ltd - 6.45% / 27.09.2022	700,000	2,935,072	2,957,002	1.14
Shriram Transport Finance Co Ltd - 5.95% / 24.10.2022	1,000,000	4,108,000	4,219,275	1.62
	<u>3,200,000</u>	<u>13,293,372</u>	<u>13,512,709</u>	<u>5.19</u>
<b>Indonesia</b>				
Adaro Indonesia PT - 4.25% / 31.10.2024	1,000,000	4,137,172	4,073,063	1.57
Sri Rejeki Isman TBK PT - 7.25% / 16.01.2025	1,000,000	4,194,005	4,236,821	1.63
	<u>2,000,000</u>	<u>8,331,177</u>	<u>8,309,884</u>	<u>3.19</u>
<b>Japan</b>				
Asahi Mutual Life Insurance Company - 7.25% / 24.01.2022	1,500,000	6,714,723	6,627,813	2.55
- 6.50% / 05.09.2023	500,000	2,052,500	2,198,201	0.84
	<u>2,000,000</u>	<u>8,767,223</u>	<u>8,826,014</u>	<u>3.39</u>

## MAYBANK CONSTANT INCOME FUND 6

### 8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.10.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>Luxembourg</b>				
Swiss Refinance SA - 4.25% / 04.09.2024	400,000	1,680,800	1,708,765	0.66
<b>Mauritius</b>				
Azure Power Global Ltd - 5.65% / 24.09.2022	1,000,000	4,193,057	4,193,375	1.61
Greenko Solar Ltd - 5.55% / 29.01.2021	1,000,000	4,111,000	4,171,233	1.60
	<u>2,000,000</u>	<u>8,304,057</u>	<u>8,364,608</u>	<u>3.21</u>
<b>Philippines</b>				
SM Global Power Holdings Corp - 5.95% / 05.05.2025	700,000	2,926,700	2,938,871	1.13
<b>Singapore</b>				
DBS Group Holdings Ltd - 3.60% / 07.09.2021	500,000	2,148,634	2,098,149	0.81
Global Prime Capital Pte Ltd - 5.50% / 18.10.2023	1,600,000	6,972,175	6,600,449	2.54
- 7.25% / 26.04.2021	900,000	3,667,606	3,872,918	1.49
Jubilant Pharma Ltd - 6.00% / 05.03.2024	600,000	2,470,512	2,597,235	1.00
Marble II Pte Ltd - 5.30% / 20.06.2022	1,250,000	5,326,250	5,287,148	2.03
Pakuwon Prima Pte Ltd - 5.00% / 14.02.2024	1,002,000	4,334,894	4,232,737	1.63
	<u>5,852,000</u>	<u>24,920,071</u>	<u>24,688,636</u>	<u>9.49</u>

**MAYBANK CONSTANT INCOME FUND 6**

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

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>31.10.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>Thailand</b>				
Minor International PCL - 4.66% / 04.12.2021	1,000,000	4,188,000	4,291,964	1.65
<b>United States of America</b>				
Astrea V Pte Ltd - 4.50% / 20.06.2029	1,000,000	4,161,000	4,281,938	1.65
Country Garden Holdings Co Ltd - 8.00% / 27.01.2024	1,800,000	7,686,882	8,233,853	3.16
Country Garden Holdings Co Ltd - 8.00% / 27.01.2024	1,000,000	4,370,926	4,255,619	1.64
	<u>3,800,000</u>	<u>16,218,808</u>	<u>16,771,410</u>	<u>6.44</u>
<b>Total unquoted fixed income securities - foreign</b>	<u>52,630,000</u>	<u>223,441,225</u>	<u>222,804,114</u>	<u>85.62</u>
Unrealised loss on unquoted fixed income securities*			<u>(637,111)</u>	
<b>(b) Unquoted fixed income securities - local</b>				
<b>Malaysia</b>				
Serba Dinamik Holdings Bhd - 6.30% /09.05.2022	1,000,000	4,143,715	4,248,935	1.63
<b>Total unquoted fixed income securities</b>	<u>53,630,000</u>	<u>227,584,940</u>	<u>227,053,049</u>	<u>87.25</u>



**MAYBANK CONSTANT INCOME FUND 6**

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

<b>Name of issuer</b>	<b>Quantity Unit</b>	<b>Aggregate Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of NAV %</b>
<b>30.04.2019</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>Australia</b>				
AusNet Services Holdings Pty Ltd - 5.75% / 17.03.2076	2,200,000	9,904,034	9,458,561	3.79
<b>Bermuda</b>				
Qatar Reinsurance Company LLC - 4.95% / PERP	1,000,000	4,378,811	4,070,846	1.63
<b>British Virgin Island</b>				
Chalco Hong Kong Investment Co Ltd - 4.88% / 07.09.2021	500,000	2,044,728	2,112,278	0.85
ENN Clean Energy International Investment Ltd - 7.50% / 27.02.2021	2,000,000	8,071,868	8,321,022	3.34
Franshion Brilliant Ltd - 4.00% / 03.01.2023	2,000,000	8,571,000	7,912,780	3.17
Huarong Finance II Co Ltd - 2.88% / 14.09.2021	2,600,000	10,625,590	10,299,506	4.13
New Metro Global - 6.75% / 26.01.2020	1,000,000	4,106,193	4,153,486	1.67
Radiant Access Ltd - 4.60% / 18.05.2020	2,000,000	8,703,381	7,436,774	2.98
State Power Investment Corporation - 5.80% / 21.05.2022	500,000	2,097,250	2,158,970	0.87
	<b>10,600,000</b>	<b>44,220,010</b>	<b>42,394,816</b>	<b>17.01</b>

**MAYBANK CONSTANT INCOME FUND 6**

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

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>30.04.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>China</b>				
CCB Life Insurance Co Ltd - 4.5% / 21.04.2077	2,200,000	9,541,324	8,512,251	3.41
China Life Insurance - 4.00% / 03.07.2075	500,000	2,201,332	2,051,538	0.82
Chongqing Energy Group Co Ltd - 5.63% / 18.03.2022	500,000	2,035,180	2,103,395	0.84
Health and Happiness International Holdings Ltd - 7.25% / 21.07.2021	1,978,000	8,485,561	8,316,125	3.34
	<u>5,178,000</u>	<u>22,263,397</u>	<u>20,983,309</u>	<u>8.42</u>
<b>Great Britain</b>				
HSBC Holdings Ltd - 6.88% / 01.06.2021	<u>1,500,000</u>	<u>6,769,225</u>	<u>6,492,405</u>	<u>2.60</u>
<b>Guernsey</b>				
EFG International (Guernsey) Ltd - 5.00% / 05.04.2027	<u>2,000,000</u>	<u>8,783,589</u>	<u>8,260,694</u>	<u>3.31</u>
<b>Hong Kong</b>				
Agile Group Holdings Ltd - 8.50% / 18.07.2021	1,100,000	4,613,907	4,812,003	1.93
Bank of East Asia Ltd - 5.63% / 18.05.2022	1,600,000	6,963,315	6,644,256	2.67
Nanyang Commercial Bank - 5.00% / 02.06.2022	900,000	3,835,876	3,600,170	1.44
Shanghai (HK) International Investment Ltd - 3.88% / 20.04.2020	2,800,000	11,153,132	11,318,540	4.54

**MAYBANK CONSTANT INCOME FUND 6**

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

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>30.04.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>Hong Kong (cont'd)</b>				
Weichai International HK Energy Group Co Ltd - 3.75% / PERP	1,000,000	4,208,000	3,982,008	1.60
	<u>7,400,000</u>	<u>30,774,230</u>	<u>30,356,977</u>	<u>12.18</u>
<b>Indonesia</b>				
Bukit Makmur Mandiri - 7.75% / 13.02.2022	2,000,000	8,668,021	8,616,873	3.46
Delta Merlin Dunia Textile - 8.63% / 12.03.2024	1,000,000	4,140,297	4,245,217	1.70
Indonesia Asahan Aluminium Ltd - 5.23% / 15.11.2021	500,000	2,068,334	2,145,954	0.86
Japfa Comfeed TBK - 5.50% / 31.03.2022	1,100,000	4,706,097	4,541,564	1.82
	<u>4,600,000</u>	<u>19,582,749</u>	<u>19,549,608</u>	<u>7.84</u>
<b>India</b>				
Renew Clean Energy PVT Ltd - 6.67% / 12.03.2024	500,000	2,048,291	2,071,165	0.83
Shriram Transport Finance Co Ltd - 5.95% / 24.10.2022	1,000,000	4,108,000	4,132,000	1.66
	<u>1,500,000</u>	<u>6,156,291</u>	<u>6,203,165</u>	<u>2.49</u>
<b>Japan</b>				
Asahi Mutual Life Insurance - 7.25% / 24.01.2022	1,500,000	6,761,487	6,545,708	2.63
- 6.50% / 05.09.2023	500,000	2,052,500	2,096,990	0.84
	<u>2,000,000</u>	<u>8,813,987</u>	<u>8,642,698</u>	<u>3.47</u>

**MAYBANK CONSTANT INCOME FUND 6**

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

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>30.04.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>South Korea</b>				
Korea Reinsurance - 4.50% / 21.10.2044	1,500,000	6,388,364	6,191,182	2.48
<b>Cayman Islands</b>				
CK Hutchison Capital Securities Ltd - 4.00% / 12.05.2022	2,000,000	8,665,908	8,098,720	3.25
FWD Ltd - 6.25% / 24.01.2022	250,000	996,893	1,048,082	0.42
Yestar International Holdings Co Ltd - 6.90% / 15.09.2021	2,200,000	9,579,790	7,603,211	3.05
	<u>4,450,000</u>	<u>19,242,591</u>	<u>16,750,013</u>	<u>6.72</u>
<b>Mauritius</b>				
HT Global IT Solution - 7.00% / 14.07.2021	1,000,000	4,117,977	4,250,175	1.70
<b>Netherlands</b>				
Indo Energy Finance II - 6.38% / 24.02.2023	300,000	1,241,379	1,235,013	0.50
<b>Singapore</b>				
DBS Group Holdings Ltd - 3.60% / 07.09.2021	1,500,000	6,445,728	6,104,410	2.45
Global Prime Capital Pte Ltd - 5.50% / 18.10.2023	1,600,000	6,986,843	6,418,814	2.57
- 7.25% / 26.04.2021	1,900,000	7,764,273	8,036,864	3.22

## MAYBANK CONSTANT INCOME FUND 6

### 8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
<b>30.04.2019 (cont'd)</b>				
<b>(a) Unquoted fixed income securities - foreign</b>				
<b>Singapore (cont'd)</b>				
Jubilant Pharma Ltd - 6.00% / 05.03.2024	1,500,000	6,180,898	6,228,990	2.50
Marble II Pte Ltd - 5.30% / 20.06.2022	1,750,000	7,456,750	7,138,443	2.86
Pakuwon Prima Pte Ltd - 5.00% / 20.04.2024	1,002,000	4,328,336	4,091,409	1.64
United Overseas Bank Ltd - 3.88% / PERP	1,000,000	4,127,550	4,004,321	1.61
	<u>10,252,000</u>	<u>43,290,378</u>	<u>42,023,251</u>	<u>16.86</u>
<b>Thailand</b>				
Minor International Pcl - 4.66% / 04.12.2021	<u>1,000,000</u>	<u>4,188,000</u>	<u>4,212,161</u>	<u>1.69</u>
<b>USA</b>				
Country Garden Holdings Co Ltd - 8.00% / 27.01.2024	<u>1,800,000</u>	<u>7,779,180</u>	<u>8,022,196</u>	<u>3.22</u>
<b>Total unquoted fixed income securities - foreign</b>	<u>58,280,000</u>	<u>247,894,192</u>	<u>239,097,070</u>	<u>95.91</u>
Unrealised loss on unquoted fixed income securities*			<u>(8,797,122)</u>	

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

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

## MAYBANK CONSTANT INCOME FUND 6

### 9. DERIVATIVE ASSETS/LIABILITIES

	Principal amount RM	<-----Fair Value----->	
		Assets RM	Liabilities RM
<b>31.10.2019</b>			
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	252,561,225	750,544	-
<b>30.04.2019</b>			
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	239,635,470	35,000	(2,320,583)

As at the reporting date, there were 9 (2018: 8) forward exchange contracts outstanding.

The forward currency contracts entered into during the financial 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.

### 10. OTHER RECEIVABLES

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

### 11. CASH AT BANK

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

	31.10.2019 RM	30.04.2019 RM
US Dollar ("USD")	31,730,224	8,271,517
RM	11,015	9,413
	31,741,239	8,280,930

### 12. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.10.2019 RM	30.04.2019 RM
Short-term placement with a maturity of less than 3 months	693,790	1,505,558

## MAYBANK CONSTANT INCOME FUND 6

### 12. 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:

	31.10.2019		30.04.2018	
	WAEIR % p.a.	Average Maturity Days	WAEIR % p.a.	Average Maturity Days
Deposit with a licensed financial institution	3.00	1	3.25	2

### 13. AMOUNT DUE TO MANAGER

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

No management fee was charged to the Fund in accordance with the Prospectus dated 17 March 2017.

### 14. 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 period. The normal credit term for Trustee's fee is 15 days.

### 15. OTHER PAYABLES AND ACCRUALS

Other payables and accruals comprise the following:

	31.10.2019 RM	30.04.2019 RM
Due to external auditors	4,525	9,000
Due to tax agent	1,759	4,950
Other payables	4,452	945
	<u>10,736</u>	<u>14,895</u>

## MAYBANK CONSTANT INCOME FUND 6

### 16. TOTAL EQUITY

	Note	31.10.2019 RM	30.04.2019 RM
Unitholders' capital	16(a)	243,558,079	244,217,777
Accumulated realised income	16(b)	17,066,510	17,656,511
Accumulated unrealised income	16(c)	(388,078)	39,725,884
		<u>260,236,511</u>	<u>301,600,172</u>

#### (a) Unitholders' capital

	01.05.2019 to 31.10.2019		01.05.2018 to 30.04.2019	
	No. of units	RM	No. of units	RM
At the beginning of the financial period/year	244,143,719	244,217,777	248,419,952	248,400,824
Cancellation of units	(632,058)	(659,698)	(4,276,233)	(4,299,550)
Distribution equalisation (Note 17)	-	-	-	116,503
At the end of the financial period/year	<u>243,511,661</u>	<u>243,558,079</u>	<u>244,143,719</u>	<u>244,217,777</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:

	31.10.2019		30.04.2019	
	No. of units	RM	No. of units	RM
The Manager	<u>1,000</u>	<u>1,069</u>	<u>1,000</u>	<u>1,021</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

	01.05.2019 to 31.10.2019 RM	01.05.2018 to 30.04.2019 RM
At the beginning of the financial period/year	17,656,511	26,369,180
Net realised income for the financial period/year	(590,001)	2,740,750
Distributions out of retained earnings (Note 17)	-	(11,453,419)
At the end of the financial period/year	<u>17,066,510</u>	<u>17,656,511</u>



## MAYBANK CONSTANT INCOME FUND 6

### 16. TOTAL EQUITY (CONT'D)

#### (c) Accumulated unrealised income

	01.05.2018 to 30.04.2019 RM	01.05.2018 to 30.04.2019 RM
At the beginning of the financial period/year	(12,589,836)	(26,157,860)
Net unrealised income for the financial period/year	12,201,758	13,568,024
At the end of the financial period/year	<u>(388,078)</u>	<u>(12,589,836)</u>

### 17. DISTRIBUTIONS

There were no distributions declared during the financial period from 1 May 2019 to 31 October 2019.

Details of distributions from the previous financial year declared to unitholders are as follows:

	01.05.2018 to 30.04.2019 RM
Interest income	2,076,055
Other income	4,192,940
Less:	
Expenses	(30,327)
Tax expense	(989)
Distributions out of retained earnings (Note 16(b)) *	<u>6,237,679</u>
Effects of distribution equalisation (Note 16(a))	<u>(116,503)</u>
Distributions for the financial year/period	<u>6,121,176</u>

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

Distribution date	Gross distribution per unit (sen)	Net distribution per unit (sen)
<b>30.04.2019</b>		
18 April 2019	<u>4.65</u>	<u>4.64</u>

## MAYBANK CONSTANT INCOME FUND 6

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

Details of top 10 transactions with brokers and dealers for the current financial period from 1 May 2019 to 31 October 2019 and previous financial period from 1 May 2018 to 31 October 2018 are as follows:

	<b>01.05.2019 to 31.10.2019</b>	
<b>Brokers/dealers</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>
J.P. Morgan Chase Bank Bhd	24,497,487	12.49
HSBC Bank Malaysia Berhad	24,037,073	12.25
Citic Securities Co Ltd	19,991,426	10.19
Citibank Bhd	19,678,783	10.03
Guotai Junan Securities	19,283,223	9.83
SC Lowy Primary Investments Ltd	16,944,268	8.64
DBS Bank Ltd	14,004,338	7.14
UBS Ltd	9,643,057	4.92
Standard Chartered Bank London	7,140,294	3.64
Morgan Stanley	7,018,453	3.58
Others	33,941,102	17.29
	<u>196,179,504</u>	<u>100.00</u>
	<b>01.05.2018 to 31.10.2018</b>	
<b>Brokers/dealers</b>		
BNP Paribas Malaysia Berhad	28,515,849	19.40
HSBC Bank Malaysia Berhad	20,145,713	13.71
UBS Ltd	15,510,319	10.55
Citibank Bhd	15,020,682	10.22
Bank of America Merrill Lynch	14,680,710	9.99
J.P. Morgan Chase Bank Bhd	14,016,897	9.54
Guotai Junan Securities	10,570,810	7.19
RHB Investment Bank Bhd	6,297,686	4.29
Mitsubishi UFJ Securities Singapore	5,401,644	3.68
Others	16,801,734	11.43
	<u>146,962,044</u>	<u>100.00</u>

## MAYBANK CONSTANT INCOME FUND 6

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

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

Financial institution	01.05.2019 to 31.10.2019		01.05.2018 to 31.10.2018	
	Value of placements RM	Percentage of total placements %	Value of placements RM	Percentage of total placements %
Malayan Banking Berhad (MBB) *	14,652,371	12.67	428,806,879	97.28
Public Bank Bhd		-	12,000,000	2.72
Hong Leong Bank Bhd	100,996,718	87.33	-	-
	<u>115,649,089</u>	<u>100.00</u>	<u>440,806,879</u>	<u>100.00</u>

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

### 19. 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/period:

#### (a) Significant related party transactions

	01.05.2019 to 31.10.2019 RM	01.05.2018 to 30.04.2019 RM
MBB:		
Interest Income from deposit placement	<u>1,762</u>	<u>95,276</u>

#### (b) Significant related party balances

MBB:		
Deposits with financial institution	<u>-</u>	<u>1,505,558</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.

## **MAYBANK CONSTANT INCOME FUND 6**

### **20. MANAGEMENT EXPENSE RATIO ("MER")**

The MER of the Fund is the ratio of total expenses expressed as an annual percentage of the Fund's daily average NAV. For the financial year from 1 May 2019 to 31 October 2019, the MER of the Fund stood at 0.04% (01.05.2018 to 31.10.2018: 0.03%).

### **21. 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 daily average NAV of the Fund. For the financial year from 1 May 2019 to 30 April 2019, the PTR of the Fund stood at 0.38 times (01.05.2018 to 31.10.2018: 0.36 times).

### **22. 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.

### **23. 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).

## MAYBANK CONSTANT INCOME FUND 6

### 23. FAIR VALUE HIERARCHY (CONT'D)

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
<b>31.10.2019</b>				
Financial assets at FVTPL	-	227,053,049	-	227,053,049
Derivative assets	-	750,544	-	750,544
<b>30.04.2019</b>				
Financial assets at FVTPL	-	239,097,070	-	239,097,070
Derivative assets	-	35,000	-	35,000
Derivative liabilities	-	2,320,583	-	2,320,583

### 24. 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 expected returns as indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient Fund size to ensure that the operations of the Fund are cost efficient.

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