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MAYBANK CONSTANT INCOME FUND 8

Unaudited interim report

For the financial period from 21 October 2019 (date of launch) to
31 May 2020

CORPORATE INFORMATION

MANAGER

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

Level 12 Tower C

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No.1 Jalan Maarof

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TRUSTEE

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MAYBANK CONSTANT INCOME FUND 8

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MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 31 May 2020

A. Fund Information

1. Name of the Fund

Maybank Constant Income Fund 8 (the "Fund")

2. Type of Fund

Income

3. Category of Fund

Fixed income (closed-ended)

4. Fund launch date

21 October 2019

5. Fund commencement date / maturity date

15 November 2019/15 November 2022

6. Fund's investment objective

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

7. Fund distribution policy

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

8. 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. A maximum of 20% of the Fund's 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 to facilitate the payout of the proceeds to unitholders after the maturity date.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 31 May 2020 (cont'd)

A. Fund Information (cont'd)

11. Breakdown of unitholdings by size

Fund size

As at 31 May 2020, the size of the Fund was 240,820,338 units.

Breakdown of unitholdings as at 31 May 2020

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	33.33	* 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	2	66.67	** 240,819	100.00
Total	3	100.00	240,820	100.00

* Included 1,000 units held by the Manager

** Included 240,819,338 units held under an Institutional Unit Trust Scheme Adviser ("IUTA")

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	21.10.2019 (date of launch) to 31.05.2020 RM
Portfolio	
Fixed income securities - foreign (%)	88.95
Fixed income securities - local (%)	2.31
Cash and other net assets (%)	8.74
Total (%)	100.00
NAV (RM'000)	230,298
Units in circulation (units'000)	240,820
NAV per unit (RM)	0.9563
Highest NAV per unit (RM)	0.8338
Lowest NAV per unit (RM)	1.0275
Annual return (%) ⁽¹⁾	
- Capital growth (%)	(4.39)
- Income distribution (%)	-
Total return (%)	(4.39)
Annual total return (%)	(4.39)
Benchmark (%)	1.53
Management Expense Ratio ("MER") (%)	0.03
Portfolio Turnover Ratio ("PTR") (times) ⁽²⁾	0.69

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.

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 is 0.69 times during the current financial period.

MAYBANK CONSTANT INCOME FUND 8

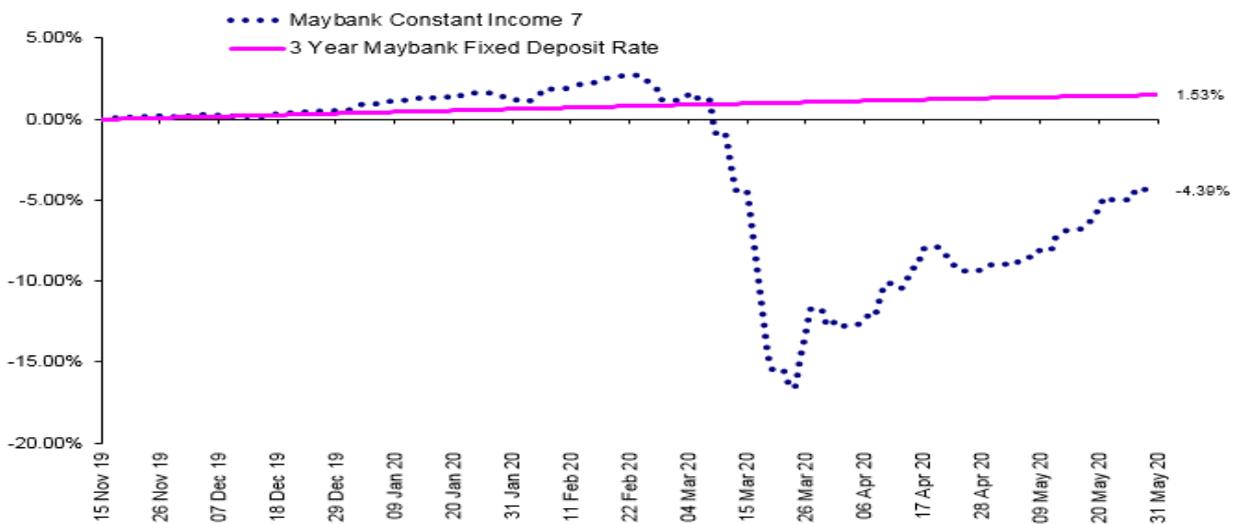
Manager's report

For the financial period from 21 October 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 31 May 2020

Category	Since inception to 31.05.2020 %
Capital growth	(4.39)
Income distribution	-
Total return of the Fund	(4.39)
Benchmark	1.53



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 May 2020

For the period since fund's commencement under review, the Fund has generated a total return of -4.39%, as compared to the benchmark which registered a return of 1.53% over the same period. The Fund underperformed the benchmark by 592 basis points ("bps") largely due to sell off in USD credit bond as global economy reacted negatively to the COVID 19 pandemic.

3. Total return of the Fund

For the financial year ended	31.05.2020 %
Capital growth	(4.39)
Income distribution	-
Total return	(4.39)
Benchmark	1.53

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 31 May 2020 (cont'd)

B. Performance Review (cont'd)

4. Basis of calculation made in calculating the returns:

The performance figures are a comparison of the growth/decline in NAV after taking into account all the distributions payable (if any) during the stipulated period.

An illustration of the above would be as follows:

Capital return	=	(NAV per unit end / NAV per unit begin) - 1
Income return	=	Income distribution per unit / NAV per unit ex-date
Total return	=	(1+Capital return) x (1+Income return) - 1

C. Market Review

The trade war negotiation made a positive progress with pause in the tariff escalation but not an end to them. The initial phase one negotiation were signed with emphasis on China commitment to strengthen its intellectual property law and both countries commitment not to manipulate its currency for economic advantage. China will also resumed its purchases of United States ("US") soya beans and pork and will look into other commitments to buy more American aircraft and gas. In turn, US will agree to forego its intention to increase October 2019 tariff from 25% to 30% and will also back down from implementing another \$160 billion in tariff in December 2019. The Trump administration is eager to push the idea that the initial phase will be followed by others. The reality remains that most tariff implemented initially before phase one signing still remain in place leading to higher costs for businesses and consumers while extending uncertainty and dampening the global economy all year round.

The global economic outlook took for another round of downturn in January 2020 following the outbreak of novel corona virus ("COVID-19") that began in Wuhan China. The outbreak will have larger impact on China Gross Domestic Product ("GDP") no with expectation to reduce first quarter GDP from 5.9% to 5.5%. With the Chinese economy today accounting for about 17% of Global GDP, there is a rising concern over what impact that could have on the global economy as government and companies around the world implement a large of coronavirus-related work stoppages and travel restriction. The outbreak was forecasted to reduce the global economic growth by 0.2% to 0.3% and market saw 10 years US Treasury ("UST") yield dropped to a low 1.60% level as the event triggers risk off mode for most market players.

In early March 2020, the COVID-19 outbreak went from bad to worse, causing increased volatility in global financial markets. Further exacerbating this, the Saudi-Russia oil price war caused a collapse in oil prices and added to the volatility. All markets turned bearish, and all asset classes (equities, bonds, Asian currencies and commodities) experienced a sharp correction from 3 March 2020 and these bearish conditions have prevailed since. On 11 March 2020, the World Health Organization ("WHO") declared that the COVID-19 outbreak had escalated to a pandemic. In this sharp sell-off, bond prices have fallen 20% to 30% lower as compared to the levels at the end of February 2020. The 10 year UST was seen dropped to a low of 0.54% during this uncertainty period.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 31 May 2020 (cont'd)

C. Market Review (cont'd)

In the first two weeks of April 2020, bond markets initially started with a strong recovery as the primary and secondary corporate bond purchase facilities announced by the US Federal Reserve ("Fed") boosted investor confidence. Bond yields were also fairly attractive for investors to come back in again especially when the Fed has cut interest rates all the way to zero late March 2020. However the recovery was partly derailed in the third week of April 2020 when oil suffered an unprecedented sell-off and the West Texas Intermediate ("WTI") contract for May 2020 delivery crashed from United States Dollars ("USD") 18 per barrel to negative USD 37 per barrel. Bonds continued to suffer weakness in the fourth week of April 2020 when Franklin Templeton announced that they will be closing down six of their credit bond funds in India due to large redemptions in an illiquid environment, freezing over USD 3 billion in Indian Rupee ("INR") bond funds. While bonds prices sold off in the last two weeks of April 2020, overall for the April 2020 bond funds was still positive.

In the month of May 2020 saw the USD credit bond market recovering despite continuation of the outbreak of COVID-19 virus. The major government around the world had taken constant active approach in providing ample liquidities into financial market while providing economic stimulus package to weather the economic uncertainty due to COVID-19. Moreover there had been a plan for major countries to open up their economic activities while maintaining a strict Standard Operating Procedure ("SOP") to fight the COVID-19 outbreak effectively.

D. Market Outlook & Strategy

Generally, investor sentiment has improved since the drastic sell-off during March 2020 due to the pandemic outbreak. Over past two months April-May 2020, risk assets performed very well with the Asia equity index MSCI Asia Ex-Japan ("MXASJ") up 7.7% and Asia bond index JP Morgan Asia Credit Index Core ("JACICOTR") up 3.9% versus -12% and -5.8% respectively in March 2020. The key driver for the recovery is the massive fiscal and monetary stimulus announced by central banks globally. In addition, many governments announced direct support programs to keep local corporates and Small Medium Enterprises ("SME") afloat during the lockdown period including freezing bank loan payments, waiving property lease payments, releasing bank capital restrictions to encourage corporate lending and even directly investing in corporate bonds to keep the corporate bond market open.

Within the Asia USD corporate bonds market, we saw that the corporate bonds out of China recovered first early April 2020, followed by Indonesia late April 2020. Investors continued to avoid India corporate bonds throughout April 2020 due to headline news that Franklin Templeton will be closing down six of their credit funds in India due to large redemptions in an illiquid environment, freezing over USD 3 billion in INR bond funds. India corporate bonds caught up some of the underperformance in May but remain the weakest link within Asia due to the inherent underlying structural problems and fiscal weakness that already existed pre-COVID-19.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 31 May 2020 (cont'd)

D. Market Outlook & Strategy (cont'd)

Even as countries globally are re-opening up in stages from June 2020 onwards, the growth outlook remains challenging. There remain risks that a second wave of infections may trigger lockdowns again. The path to recovery is not smooth and will be uneven across countries and sectors. In the Organisation of Economic Cooperation and Development ("OECD") Economic Outlook report June 2020, the agency forecasted that global economic activity to fall 6% in 2020 with OECD unemployment at 9.2% versus 5.4% 2019. OECD also expects that full recovery to economic growth fourth quarter 2019 will take two years. In June, both the European Central Bank ("ECB") and the Fed continued to demonstrate a strong resolve to support the economy and to support jobs in the current economic crisis. The ECB increased the asset purchase program by Euro ("EUR") 600 billion on 4 June 2020 and committed to extend the program till June 2021 or until the crisis is over. US Fed meeting minutes released on 10 June 2020 showed that the Fed expects zero interest rates through at least FY2022 and that a recovery of employment back to pre-COVID-19 is the key indicator.

Given the strong recovery in corporate bond prices in April 2020 and May 2020, there may be some profit taking and risk reduction in the near future which means some volatility in returns. However, we remain positive on bond investments for the year, as interest rates will stay low due to global recession. Current corporate bond yields provide an attractive carry over Treasuries with the US 10 year at 0.7% area. Downgrade and default risks are the key risks to manage during recessionary period such as now. We continue to remain positive on the financial sector as default risks remain low for the large and well capitalised banks and insurance companies. In addition, regulators have been supportive during this crisis and have released capital constraints on the financial sector to encourage lending in support of the overall economy. We also continue to add long duration positions in the near future as the Fed do not expect to raise interest rates until FY2023 earliest.

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 21 October 2019 (date of launch) to 31 May 2020, 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 8

FOR THE FINANCIAL PERIOD FROM 21 OCTOBER (DATE OF LAUNCH) TO 31 MAY 2020

We have acted as Trustee of Maybank Constant Income Fund 8 for the financial period from 21 October 2019 (date of launch) to 31 May 2020. 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.: 200301008392)

NORHAYATI BINTI AZIT
DIRECTOR - FUND SERVICES

Kuala Lumpur, Malaysia
9 July 2020

STATEMENT BY MANAGER

TO THE UNITHOLDERS OF MAYBANK CONSTANT INCOME FUND 8

FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 31 MAY 2020

I, Ahmad Najib Bin Nazlan, being Directors of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements set 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 8 as at 31 May 2020 and of its results, changes in equity and cash flows for the financial period from 21 October 2019 (date of launch) to 31 May 2020 and comply with the requirements of the Deed.

For and on behalf of the Manager

Ahmad Najib Bin Nazlan

Director

Kuala Lumpur, Malaysia

9 July 2020

MAYBANK CONSTANT INCOME FUND 8

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 31 MAY 2020

		21.10.2019 (date of launch)
	Note	31.05.2020 RM
INVESTMENT INCOME		
Interest income	3	6,615,638
Redemption fee income	4	38,777
Net loss on financial assets at fair value through profit or loss ("FVTPL")	8(c)	
- Realised loss		(2,883,884)
- Unrealised loss		(14,609,199)
Net gain on foreign exchange and forward currency contracts	5	<u>231,638</u>
		<u>(10,607,030)</u>
EXPENSES		
Trustee's fee	6	38,202
Auditors' remuneration		4,688
Tax agent's fee		1,823
Administrative expenses		<u>28,001</u>
		<u>72,714</u>
Net loss before taxation		(10,679,744)
Taxation	7	<u>(9,194)</u>
Net loss after taxation, and total comprehensive income for the financial period		<u>(10,688,938)</u>
Net loss after taxation is made up of the following:		
Realised		(5,471,015)
Unrealised		<u>(5,217,923)</u>
		<u>(10,688,938)</u>

MAYBANK CONSTANT INCOME FUND 8**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020**

	Note	31.05.2020 RM
ASSETS		
Financial assets at FVTPL	8	210,176,905
Derivative assets	9	53,167
Interest receivable		3,610,558
Other receivables	10	2,945,831
Cash at bank	11	19,045,022
TOTAL ASSETS		<u>235,831,483</u>
LIABILITIES		
Derivative liabilities	9	5,474,504
Amount due to Manager	12	37,311
Amount due to Trustee	13	5,716
Other payables and accruals	14	6,514
Provision for taxation		9,194
TOTAL LIABILITIES		<u>5,533,239</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>230,298,244</u>
EQUITY		
Unitholders' capital	15(a)	240,987,182
Accumulated losses	15(b)&(c)	<u>(10,688,938)</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>230,298,244</u>
NUMBER OF UNITS IN CIRCULATION (UNIT)		<u>240,820,338</u>
NAV PER UNIT (RM)		<u>0.9563</u>

MAYBANK CONSTANT INCOME FUND 8

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 31 MAY 2020

	Unitholders' capital Note 15(a) RM	Accumulated losses Notes 15(b) & 15(c) RM	Total equity RM
At 21 October 2019 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	(10,688,938)	(10,688,938)
Creation of units	242,353,997	-	242,353,997
Cancellation of units	(1,366,815)	-	(1,366,815)
At 31 May 2020	<u>240,987,182</u>	<u>(10,688,938)</u>	<u>230,298,244</u>

MAYBANK CONSTANT INCOME FUND 8

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 31 MAY 2020

2020
RM

CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Net proceeds from sale of financial assets at FVTPL	48,927,762
Net payments for purchase of financial assets at FVTPL	(272,038,031)
Net realised loss on forward foreign exchange contracts	(6,205,670)
Interest received	5,103,158
Redemption fee income received	38,777
Trustee's fee paid	(32,486)
Payment of other fees and expenses	(27,995)
Net cash used in operating and investing activities	<u>(224,234,485)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units created	242,353,997
Cash paid on units cancelled	(1,329,504)
Net cash used in financing activities	<u>241,024,493</u>

NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD

16,790,008

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD

-

Effects of foreign exchange

2,255,014

CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD

19,045,022

Cash and cash equivalents comprise:

Cash at bank (Note 11)	<u>19,045,022</u>
	<u>19,045,022</u>

MAYBANK CONSTANT INCOME FUND 8

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 31 MAY 2020

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Maybank Constant Income Fund 8 (the "Fund") was constituted pursuant to the execution of a Deed dated 24 September 2019 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 15 November 2022.

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 'B' 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.

MAYBANK CONSTANT INCOME FUND 8

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

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.

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 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 Deed and any regulatory requirements.

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial period from 21 October 2019 (date of launch) to 31 May 2020. 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.

MAYBANK CONSTANT INCOME FUND 8

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
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139: <i>Interest Rate Benchmark Reform</i>	1 January 2020
MFRS 17: <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2.3 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at 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) Financial assets at amortised cost

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

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

MAYBANK CONSTANT INCOME FUND 8

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

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost (cont'd)

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

The Fund classifies cash and cash equivalents, dividend receivables and other receivables as financial assets at amortised cost. These assets are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. The EIR is a method of calculating the amortised cost of the financial asset and of allocating and recognising the interest income (or profit income) in profit or loss over the relevant period.

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

Investments in unquoted fixed income securities, derivative assets and 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 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 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.

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.

MAYBANK CONSTANT INCOME FUND 8

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. The impairment model does not apply to equity investments.

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

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

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

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

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

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

(iv) Derecognition of financial assets

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

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

On derecognition of financial asset at amortised cost, gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

MAYBANK CONSTANT INCOME FUND 8

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.5 Financial liabilities

Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to Manager, amount due to Trustee, other payables and accruals and amount due to broker as financial liabilities.

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.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.6 Fair value measurement

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.

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.

MAYBANK CONSTANT INCOME FUND 8

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

2.6 Fair value measurement (cont'd)

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.

2.7 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.

2.8 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.

MAYBANK CONSTANT INCOME FUND 8

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

2.8 Unitholders' capital (cont'd)

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.

2.9 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 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.

2.10 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.

2.11 Revenue / Income

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

Interest income from unquoted fixed income securities and deposits with a licensed financial institution are recognised on the accruals basis using the effective interest rate method.

Realised gain or loss on disposal of unquoted fixed income securities are 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.

Other revenue/income is generally recognised when the Fund satisfies a performance obligation by transferring a promised good or service or an asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

MAYBANK CONSTANT INCOME FUND 8

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

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 information

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

2.14 Critical accounting estimates and 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.

3. INTEREST INCOME

	21.10.2019 (date of launch) to 31.05.2020 RM
Interest income from short-term deposits	915,616
Interest income from unquoted fixed income securities	6,137,645
Amortisation of premium, net of accretion of discount	<u>(437,623)</u>
	<u>6,615,638</u>

MAYBANK CONSTANT INCOME FUND 8

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

	21.10.2019 (date of launch) to 31.05.2020 RM
Net realised loss on foreign exchange	(2,951,522)
Net unrealised gain on foreign exchange	14,812,613
Net realised loss on forward foreign exchange contracts	(6,208,116)
Net unrealised loss on forward foreign exchange contracts	<u>(5,421,337)</u>
	<u>231,638</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.

7. TAXATION

	21.10.2019 (date of launch) to 31.05.2020 RM
Tax expense for the financial period:	
Current income tax expense	<u>9,194</u>

Income tax is calculated at the Malaysian statutory tax rate of 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.

MAYBANK CONSTANT INCOME FUND 8

7. TAXATION (cont'd)

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

	21.10.2019 (date of launch) to 31.05.2020 RM
Net loss before taxation	<u>(10,679,744)</u>
Tax at Malaysian statutory rate of 24% (21.10.2019 (date of launch) to 31.05.2020: 24%)	(2,563,139)
Effect of income not subject to tax	2,554,994
Effect of expenses not deductible for tax purposes	16,326
Restriction on tax deductible expenses for unit trust funds	<u>1,013</u>
Tax expense for the financial period	<u>9,194</u>

8. FINANCIAL ASSETS AT FVTPL

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

	Note	31.05.2020 RM
Investments in financial assets at FVTPL:		
Unquoted fixed income securities - foreign	(a)	204,860,456
Unquoted fixed income securities - local	(b)	<u>5,316,448</u>
		<u>210,176,904</u>

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
(a) Unquoted fixed income securities - foreign				
British Virgin Island				
Huarong Finance Co Ltd - 4.00% / PERP	1,000,000	4,251,203	4,329,437	1.88
New Metro Global Ltd - 6.80% / 05.08.2023	750,000	3,017,539	3,233,072	1.40
- 7.50% / 16.12.2021	1,200,000	4,964,648	5,272,454	2.29

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL

(a) Unquoted fixed income securities - foreign	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
British Virgin Island (cont'd)				
RKPF Overseas Ltd - 6.80% / 05.08.2023	500,000	2,123,619	2,138,878	0.93
Wanda Properties Overseas Ltd - 6.88% / 23.07.2023	1,100,000	4,485,103	4,416,512	1.92
- 6.95% / 05.12.2022	1,000,000	4,132,621	4,114,898	1.79
	5,550,000	22,974,733	23,505,251	10.21
Cayman Island				
Bright Scholar Education Holdings - 7.45% / 31.07.2022	1,000,000	4,232,948	4,386,329	1.90
China Fortune Land Development - 6.90% / 13.01.2023	2,000,000	8,150,000	8,271,487	3.59
China State Construction International Holdings - 4.00% / 03.12.2024	800,000	3,338,676	3,445,136	1.50
Coastal Emerald Ltd - 4.30% / 01.08.2024	1,500,000	6,265,212	6,445,298	2.80
Country Garden Holdings - 7.25% / 08.04.2026	1,000,000	4,477,563	4,668,618	2.03
TMB Bank Public Co Ltd - 4.90% / 02.12.2024	600,000	2,508,600	2,345,166	1.02
	6,900,000	28,973,000	29,562,033	12.84
China				
Bi Hai Co Ltd - 6.25% / 05.03.2022	1,000,000	4,241,806	4,387,632	1.91
Country Garden Holdings Co Ltd - 6.15% / 17.09.2025	500,000	2,158,048	2,252,879	0.98

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (cont'd)

(a) Unquoted fixed income securities - foreign	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
China (cont'd)				
Greenland Global Investment Ltd				
- 5.60% / 13.11.2022	1,000,000	4,081,042	4,195,676	1.82
- 6.96% / 26.09.2021	500,000	2,059,205	2,126,935	0.92
Ronshine China Holdings Ltd				
- 8.10% / 09.06.2023	900,000	3,763,289	3,911,737	1.70
Zhenro Properties Group Ltd				
- 5.60% / 28.02.2021	200,000	838,014	856,072	0.37
- 8.70% / 03.08.2022	500,000	2,160,188	2,182,307	0.95
Zhongyuan Asset Management Co Ltd				
- 4.20% / 29.11.2022	1,700,000	7,011,187	7,050,698	3.06
	6,300,000	26,312,778	26,963,937	11.71
France				
BNP Paribas SA				
- 6.62% / 25.03.2024	3,400,000	15,128,444	15,152,726	6.58
Great Britain				
HSBC Holdings Plc				
- 6.62% / 25.03.2024	1,500,000	6,537,648	6,459,629	2.80
Phoenix Group Holdings Plc				
- 5.62% / 29.01.2025	3,000,000	12,766,429	12,620,902	5.48
	4,500,000	19,304,077	19,080,531	8.28
Hong Kong				
Caiyun International Investment Ltd				
- 5.50% / 08.04.2022	1,800,000	7,511,757	6,873,682	2.98
CCCI Treasure Ltd				
- 3.43% / PERP	1,500,000	6,212,703	6,440,738	2.80
Far East Horizon Ltd				
- 4.35% / 14.06.2022	1,000,000	4,139,909	4,000,679	1.74

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (cont'd)

(a) Unquoted fixed income securities - foreign	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Hong Kong (cont'd)				
Shimao Property Holdings Ltd - 5.20% / 30.01.2025	1,000,000	4,263,947	4,408,478	1.91
	5,300,000	22,128,315	21,723,577	9.43
India				
Manappuram Finance Ltd - 5.90% / 13.01.2023	1,500,000	6,136,500	6,113,066	2.65
Muthoot Finance Ltd - 6.13% / 31.10.2022	1,000,000	4,249,510	4,266,899	1.85
Renew Clean Energy Power Ltd - 6.67% / 12.03.2024	1,000,000	4,224,232	4,225,642	1.83
Renew Power Ltd - 6.45% / 27.09.2022	1,000,000	4,231,536	4,231,287	1.84
Shriram Transport Finance Ltd - 5.70% / 27.02.2022	1,000,000	3,954,413	3,890,804	1.69
	5,500,000	22,796,191	22,727,699	9.86
Indonesia				
Sri Rejeki Isman Tbk Pt - 7.25% / 16.01.2025	1,500,000	6,408,212	6,090,917	2.64
Mauritius				
Azure Power Solar Energy Private Ltd - 5.65% / 24.09.2022	1,000,000	4,245,172	4,277,757	1.86
Philippines				
SMC Global Power Holdings Corporation - 5.95% / 05.05.2025	700,000	2,889,725	2,766,427	1.20
- 6.50% / 05.04.2024	1,000,000	4,309,629	4,124,452	1.79
	1,700,000	7,199,354	6,890,879	2.99

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (cont'd)

(a) Unquoted fixed income securities - foreign	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
South Korea				
Heungkuk Life Insurance Co Ltd - 4.48% / 09.11.2047	600,000	2,479,807	2,358,195	1.02
Singapore				
Global Prime Capital Private Ltd - 5.50% / 18.10.2023	1,200,000	4,980,851	4,732,024	2.05
- 5.95% / 23.01.2025	800,000	3,255,600	2,884,033	1.25
Golden Energy and Resources Ltd - 9.00% / 14.02.2023	600,000	2,457,336	1,944,924	0.84
Indika Energy III Private Ltd - 5.88% / 09.11.2024	1,500,000	6,064,807	5,479,871	2.38
	4,100,000	16,758,594	15,040,852	6.53
Switzerland				
Julius Baer Gruppe Ag - 4.75% / 12.09.2024	3,000,000	12,548,140	11,486,102	4.99
Total unquoted fixed income securities - foreign	49,350,000	207,256,817	204,860,456	88.94
(b) Unquoted fixed income securities - local				
SD International Sukuk II Ltd - 6.99% / 12.03.2025	1,700,000	7,059,241	5,316,448	2.31
Total unquoted fixed income securities	51,050,000	214,316,058	210,176,904	91.25
Unrealised loss on unquoted fixed income securities*			(4,139,154)	

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

* 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 loss on FVTPL investments' in profit or loss. Accumulated unrealised gains or losses are reclassified to 'realised loss on FVTPL investments' in profit or loss when the associated assets are sold. See accounting policy 2.4(ii) for details.

9. DERIVATIVE ASSETS/LIABILITIES

31.05.2020	Notional principal amount RM	Fair Value	
		Assets RM	Liabilities RM
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	205,421,442	53,167	5,474,504

As at the reporting date, there were 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 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:

	31.05.2020
	RM
US Dollar ("USD")	15,973,318
Singapore Dollar ("SGD")	3,056,176
RM	15,528
	<u>19,045,022</u>

MAYBANK CONSTANT INCOME FUND 8

12. AMOUNT DUE TO MANAGER

The amount represents the amount payables from the Manager for units cancelled.

No management fee was charged to the Fund in accordance with the prospectus dated 21 October 2019.

13. AMOUNT DUE TO TRUSTEE

The 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.

14. OTHER PAYABLES AND ACCRUALS

Other payables and accruals comprise the following:

	31.05.2020
	RM
Amount due to external auditors	4,688
Amount due to tax agent	1,826
	<hr/>
	6,514
	<hr/>

MAYBANK CONSTANT INCOME FUND 8

15. TOTAL EQUITY

	Note	31.05.2020 RM
Unitholders' capital	15(a)	240,987,182
Accumulated realised loss	15(b)	(5,471,015)
Accumulated unrealised loss	15(c)	(5,217,923)
		<u>230,298,244</u>

(a) Unitholders' capital

	21.10.2019 (date of launch) to 31.05.2020	
	No. of units	RM
At the beginning of the financial period	-	-
Creation of units	242,353,997	242,353,997
Cancellation of units	(1,533,659)	(1,366,815)
At the end of the financial period	<u>240,820,338</u>	<u>240,987,182</u>

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

	2020	
	No. of units	RM
The Manager	<u>1,000</u>	<u>956</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 loss

	21.10.2019 (date of launch) to 31.05.2020 RM
At the beginning of the financial period	-
Net realised loss for the financial period	(5,471,015)
At the end of the financial period	<u>(5,471,015)</u>

MAYBANK CONSTANT INCOME FUND 8

15. TOTAL EQUITY (CONT'D)

(c) Accumulated unrealised loss

	2020 RM
At the beginning of the financial period	-
Net unrealised loss for the financial period	<u>(5,217,923)</u>
At the end of the financial period	<u>(5,217,923)</u>

16. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

Details of top 10 transactions with brokers and dealers for the current financial period is as follows:

21.10.2019 (date of launch) to 31.05.2020

Brokers/dealers	Value of trades RM	Percentage of total trades %
UBS Investment Bank Singapore	68,183,530	20.32
Citibank Singapore Ltd	39,086,100	11.65
Credit Suisse Singapore Ltd	35,828,925	10.68
Barclays Bank PLC Singapore	35,177,490	10.48
Nomura Securities Singapore Ltd	25,188,820	7.51
SC Lowy Primary Investments Ltd	17,588,745	5.24
HSBC Bank Singapore Ltd	15,666,610	4.67
Standard Chartered Bank Singapore	14,798,030	4.41
Guotai Junan Securities (Hong Kong) Ltd	13,028,700	3.88
Haitong International Securities Ltd	12,811,555	3.82
Others	<u>58,194,860</u>	<u>17.34</u>
	<u>335,553,365</u>	<u>100.00</u>

MAYBANK CONSTANT INCOME FUND 8

17. 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 period:

(a) Significant related party transactions

	31.05.2020
	RM
MBB:	
Interest Income from deposit placement	<u>173,784</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.

18. 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 period from 21 October 2019 (date of launch) to 31 May 2020, the MER of the Fund stood at 0.03%.

19. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the daily average NAV of the Fund. For the financial period from 21 October 2019 (date of launch) to 31 May 2020, the PTR of the Fund stood at 0.69 times.

20. SEGMENT INFORMATION

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker, makes the strategic decisions on resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieves its targeted return with an acceptable level of risk within the portfolio. The PMC is responsible for the performance of the Fund by investing 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 and/or collective investment schemes. 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.

MAYBANK CONSTANT INCOME FUND 8

20. SEGMENT INFORMATION (cont'd)

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

21. FAIR VALUE HIERARCHY

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

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

Level 2: 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:

31.05.2020	Level 1 RM	Level 2 RM	Level 3 RM
Financial assets at FVTPL	-	210,176,905	-
Derivative assets	-	53,167	-
Derivative liabilities	-	5,474,504	-

22. 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:

- To invest in investments meeting the description, risk exposure and generate higher returns than the prescribed benchmark as indicated in its prospectus;
- To achieve consistent returns while safeguarding capital by using various investment strategies;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- 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 since the commencement date.

23. COMPARATIVE

There are no comparative figures presented as this is the Fund's first reporting period since the Fund was launched on 21 October 2019.