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MAYBANK CONSTANT INCOME FUND 8

Annual report

For the financial period from 21 October 2019 (date of launch)
to 30 November 2020

CORPORATE INFORMATION

MANAGER

Maybank Asset Management Sdn Bhd (199701006283 (421779-M))
Level 12 Tower C
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TRUSTEE

TMF Trustees Malaysia Berhad (200301008392 (610812-W))
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EXTERNAL INVESTMENT MANAGER

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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 30 November 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.

11. Net income distribution for the financial period from 21 October 2019 (date of launch) to 30 November 2020

The Fund distributed a total of RM 6,742,505 to unitholders for the financial period from 21 October 2019 (date of launch) to 30 November 2020.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 30 November 2020 (cont'd)

A. Fund Information (cont'd)

11. Net income distribution for the financial period from 21 October 2019 (date of launch) to 30 November 2020 (cont'd)

Below are details of distribution made during the financial period:

Distribution date	Gross distribution per unit (sen)	Net distribution per unit (sen)
16 November 2020	2.80	2.80

Below are details of distributions made during the financial period:

Distribution date	Before distribution (RM)	After distribution (RM)	Changes %
16 November 2020	1.0124	0.9844	(2.77)

12. Breakdown of unitholdings by size

Fund size

As at 30 November 2020, the size of the Fund was 240,315,948 units.

Breakdown of unitholdings as at 30 November 2020

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	33.33	* 1	-
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	** 240,315	100.00
Total	3	100.00	240,316	100.00

* Included 1,000 units held by the Manager

** Included 213,009,145 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 30 November 2020 (cont'd)

B. Performance Review

1. Key performance data of the Fund

Category	21.10.2019 (date of launch) to 30.11.2020
Portfolio	
Fixed income securities - foreign (%)	94.26
Cash and other net assets (%)	5.74
Total (%)	100.00
NAV (RM'000)	236,968
Units in circulation (units'000)	240,316
NAV per unit (RM)	0.9861
Highest NAV per unit (RM)	1.0275
Lowest NAV per unit (RM)	0.8338
Annual return (%) ⁽¹⁾	
- Capital growth (%)	(1.39)
- Income distribution (%)	2.85
Total return (%)	1.42
Annual total return (%)	1.42
Benchmark (%)	2.52
Distribution date	16 November 2020
Gross/net distribution per unit (sen)	2.80
Management Expense Ratio ("MER") (%)	0.07
Portfolio Turnover Ratio ("PTR") (times)	0.89

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 period is computed based on the daily average NAV per unit, net of Trustee's fees.

MAYBANK CONSTANT INCOME FUND 8

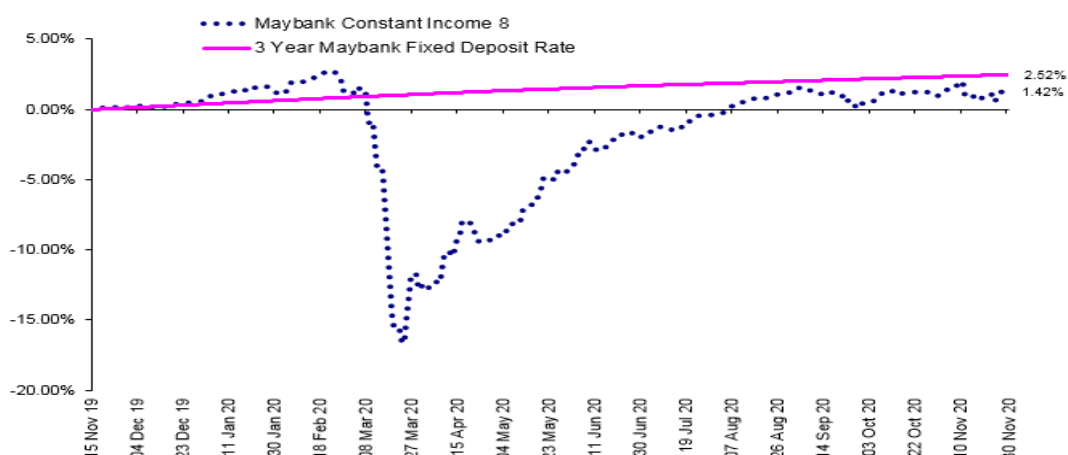
Manager's report

For the financial period from 21 October 2019 (date of launch) to 30 November 2020 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund up to 30 November 2020

Category	Since inception to 30.11.2020 %
Capital growth	(1.39)
Income distribution	2.85
Total return of the Fund	1.42
Benchmark	2.52



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 November 2020

For the period under review from 21 October 2019 to 30 November 2020, MCIF8 had a total returned 1.42% underperforming the benchmark (3yr Maybank FD rate) by 110 bps. The underperformance was largely due to the Coronavirus Disease 2019 ("COVID-19") pandemic that much affected the Fund in the late March 2020 but since then had recovered sharply since late April 2020.

Has the Fund met its investment objective?

The Fund has met its objective of providing unitholders with annual income through investments in a portfolio of fixed income securities. The Fund declared an income distribution of 2.80 sen for the financial period from 21 October 2019 (date of launch) to 30 November 2020.

3. Total return of the Fund

For the financial period ended	30.11.2020 %
Capital growth	(1.39)
Income distribution	2.85
Total return	1.42
Benchmark	2.52

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 30 November 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

In November 2019, market continued with risk on/risk off environment. Sentiment had oscillated due to various headlines from United States ("US")-China Phase 1 deal to the general election in United Kingdom ("UK"). There has also been some stabilization in global macro data after a few months of weakness. DM equities continue to remain firm generally while Brent crude oil was stronger on expected production cuts from Organization of the Petroleum Exporting Countries ("OPEC+") effective 2020.

In December 2019, it was a clear risk on after the conclusion of Phase 1 negotiations between US-China trade talks. In Europe, the Tories had a clear victory that cleared the way for Prime Minister Johnson to pursue Brexit. Developed markets ("DM") bond curves steepened with long end yields sold off while Equities and commodities gained, with Brent crude rallying by +6% after OPEC+ meeting decided to maintain the output cuts. United States Dollar ("USD") was markedly weaker, both against DM and emerging markets ("EM") currencies.

In January 2020, the global economic outlook took for another round of downturn following the outbreak of novel corona virus that began in Wuhan China. The outbreak will have larger impact on China Gross Domestic Product ("GDP") no with expectation to reduce Q1 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 yield dropped to a low 1.60% level as the event triggers risk off mode for most market players.

In February 2020, the COVID-19 outbreak has hit its toll on the US market as stocks plunged due to fear of the growing number of cases around the world. Dow Jones Industrial Average ("DJIA") 25,409.36 (-10.1%); Standard & Poor's 500 ("S&P 500") 2,954.2 (-8.4%); NASDAQ 8,567.37 (-6.4%). The growing number of cases outside China and Asia has caused concerns on impact to US and global economy. Market is now expecting rate cut to come in the near term, as soon as April. By year end 2020, market now expects about three rate cuts compared to one cut assumption back in January. Meanwhile, oil price also fell following the virus outbreak with the West Texas Intermediate ("WTI") closed -16% week over week ("WoW") to USD44.76/Bbl in the last week of February, the worst weekly performance since December 2008 and lowest level since mid-2017.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 30 November 2020 (cont'd)

C. Market Review (cont'd)

The COVID-19 outbreak in March 2020 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 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 US treasury was seen dropped to a low of 0.54% during this uncertainty period.

In April 2020, the 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 Fed has cut interest rates all the way to zero late March. However the recovery was partly derailed in the third week of April 2020 when oil suffered an unprecedented sell-off and the WTI contract for May delivery crashed from USD 18 per barrel to negative USD 37 per barrel. Bonds continued to suffer weakness in the fourth week of April 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 3bn in Indian Rupee ("INR") bond funds. While bonds prices sold off in the last two weeks of April 2020, overall for the April bond funds was still positive.

In May 2020, despite the rising geopolitical tension with China and weak macro data, the US market continued to report gains in May supported by news on vaccines and reopening of the economy. DJIA 25,383.1 (+4.3%); S&P 500 3,044.3 (+4.5%); NASDAQ 9,489.9 (+6.8%). Hopes in economy reopening and global supply cuts helped support the oil price, which recovered by over 60% during the month. On the other hand, macro data such as unemployment rate reported very weak at 14.7% in April and is expected to increase in May 2020. April 2020 consumer spending also fell by 13.6% in April compared to 7.5% in March. Meanwhile, tension is on the rise as China passed the new National Security Law on Hong Kong which could trigger sanctions and remove the trade status by the US.

In June 2020, USD credit bond market recovered mildly outpacing government bond despite continuation of the outbreak of COVID-19 virus as market players seek for stronger appetite. Most government around the world had taken active approach in providing ample liquidities into financial market, there had been plan for some countries to open up their economic activities while maintaining a strict Standard Operating Procedure ("SOP") to fight the COVID-19 outbreak effectively. However, US COVID-19 cases continue to rise further but the government emphasis that they will not enter into another lockdown to slow down the infection. In Europe saw the European Commission president Ursula Von der Leyen called for the European Union ("EU") to borrow Euro ("EUR") 750 billion for a recovery fund to support the worst affected EU regions. This would be in addition to a EUR 540 billion rescue package agreed in April. The European Central Bank also offered support, expanding its pandemic emergency purchase program to EUR 1.35 trillion. On the commodities, the energy component posted a sharp gain as OPEC and Russia agreed to make temporary production cuts. This masked volatility in April caused by oversupply and storage concern.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 30 November 2020 (cont'd)

C. Market Review (cont'd)

In July 2020, US Commerce Department's reported that their GDP shrank 9.5% in the second quarter from the first, casting doubt over its path to economic recovery. The US unemployment data also took a turn unexpectedly rose to 1.4 million ending the declining trend in the past week. However, US consumer spending continue to rise in June to 5.6% as more businesses reopened. The Eurozone GDP also contracted by 12.1% in the 2Q but Flash composite purchasing manager index ("PMI") number showed an increase to 54.8 from 48.5 indicating that activities are in expansion mode given that it's above 50. The EU recovery fund which was mooted in June was also approved whereby it will be made up of EUR 390 billion of grants and EUR 360 billion of loans to be distributed among EU member states.

In August 2020, the global equity market rallied with S&P reached new peak at the back of optimistic on the development of the vaccines along with signs of an economic turnaround in the 3Q 2020. The US-China relationship however took a downturn as what began as the two nations exchanging trade blows has now developed into restriction on diplomats and military posturing. Positively, the ongoing standoff was overshadowed through the month by U.S economic data that suggest that the economic recovery is continuing. In Europe, the recovery momentum seen to slow down as PMI number for the month of August came out lower at 51.6 vs last month number. Nonetheless the number is still above 50 suggesting economy remain in expansion mode.

The US economy continues to recover in September 2020 and Fed will now use average inflation targeting ("AIT") in setting the policy interest rate, allowing for temporary overshoots in inflation. The new policy means the Fed is willing to wait until inflation has gone above 2% until it responds. Furthermore, the latest dot plot – the Fed's own projection of the future path of interest rates - suggests that policymakers see rates at the zero lower bound through to and including 2023. However, US markets was seen jittery in the quarter amid a resurgence in European Covid-19 cases, as well as questions over refreshed fiscal stimulus measures along with uncertainty over a smooth transition of power if President Trump loses his re-election bid.

US equities declined in October 2020, primarily due to the continued rise in COVID-19 cases in many states. Market optimism over additional fiscal stimulus also waxed and waned, contributing to stock market movements. As the deadline for stimulus negotiations drew near, the unpredictability of the 3 November 2020 presidential election added to the wider sense of uncertainty. President Trump hinted more than once that stimulus would be announced post the election, should he win a second term. From an economic perspective, data continued to indicate industrial activity was expanding in both the manufacturing and service sectors. Initial jobless claims also reached their lowest number since March 2020. Even so, the Fed maintained the message that it will keep rates unchanged until inflation stabilizes at 2%, and will tolerate a moderate overshoot. Further, the Fed reiterated that additional fiscal stimulus was required. In Europe, data showed that the eurozone economy expanded by 12.7% in the third quarter of 2020 as activity rebounded over the summer. However, this still leaves the economy 4.3% smaller than it was at the same time last year and expectations are that the new lockdowns will weigh on economic activity in the coming months. Indeed, business activity contracted in October 2020 according to the Markit composite PMI which fell to 49.4. from 50.4 in September 2020.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 30 November 2020 (cont'd)

C. Market Review (cont'd)

Market players seen to take more risk in November 2020 as several vaccine breakthroughs sparked investor optimism that a return to economic normality is in sight. The optimism on vaccines development overshadow President-elect Joe Biden's victory in the US presidential election, and concerns over the smooth transition of power. The US stock market rose sharply with Energy, Financials, industrials and materials stocks seen to rise up. The US dollar seen declined against major currencies as players seen to take on more risk due to vaccines optimism. In Europe, there were also encouraging signs that COVID-19 infection rates are slowing in several European countries, enabling governments to start easing lockdown restrictions.

D. Market Outlook & Strategy

Pre US-election, we have taken defensive position against a Blue sweep US presidential election outcome which would be negative for long end interest rates but still supportive for credit spreads. On 2 November 2020, we reduced some long end bonds but added to corporate perpetual and high yield bonds. Cash level maintained at 7.58%. On 5 November 2020, morning results began to indicate a Biden win but with Senate control remaining with Republicans (meaning no blue sweep). This could be the best outcome possible for Asian corporate bonds. With Biden as President, relationships with China should improve while without control of the Senate, Republicans will not be able to unilaterally pass through huge stimulus plans that will steepen bond yield curves. In this scenario, the US Fed will also have to do more to support the economy. We added to bonds after US elections and cash is currently under 2%.

Going into FY2021, we remain positive for bond investments. The macro fundamentals are supportive for bonds given that interest rates will stay low for longer. Credit stress have likely peaked and should trend lower even as we re-enter targeted partial lockdowns as most companies have adapted their business models in the new normal and central banks stand ready to continue supporting their economies through this crisis. In addition, we are getting closer to an efficacious and safe vaccine in FY2021. For FY2021, we expect 5% to 6% annualized returns on the JP Morgan Credit Index which is attractive for investors in the current low interest rate environment. The index yield is around 3% and we expect tightening of 30bps to 50bps, which will translate to potential price gain of 2%. Hence, we encourage Investors to add or remain invested in bonds.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 21 October 2019 (date of launch) to 30 November 2020 (cont'd)

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 30 November 2020, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAYBANK CONSTANT INCOME FUND 8 FOR THE FINANCIAL PERIOD FROM 21 OCTOBER (DATE OF LAUNCH) TO 30 NOVEMBER 2020

We have acted as Trustee of Maybank Constant Income Fund 8 for the financial period from 21 October 2019 (date of launch) to 30 November 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;
- (c) Creation and cancellation of units are carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) The distribution of returns for the period were tied to and reflect the objectives of the Fund.

For and on behalf of
TMF Trustees Malaysia Berhad
(Company No.: 200301008392)

NORHAYATI BINTI AZIT
DIRECTOR - FUND SERVICES

Kuala Lumpur, Malaysia
22 January 2021

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK CONSTANT INCOME FUND 8
FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 30
NOVEMBER 2020**

We, Dato' Idris Bin Kechot and Ahmad Najib Bin Nazlan, being two of the Directors of Maybank Asset Management Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Maybank Constant Income Fund 8 as at 30 November 2020 and of its results, changes in equity and cash flows for the financial period from 21 October 2019 (date of launch) to 30 November 2020 and comply with the requirements of the Deed.

For and on behalf of the Manager

Dato' Idris Bin Kechot
Chairman

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
22 January 2021

Independent auditors' report to the Unitholders of Maybank Constant Income Fund 8

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Constant Income Fund 8 (the "Fund"), which comprise the statement of financial position as at 30 November 2020 of the Fund, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the period from 21 October 2019 (date of launch) to 30 November 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 16 to 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2020 and of its financial performance and cash flows for the period from 21 October 2019 (date of launch) to 30 November 2020 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

Independent auditors' report to the Unitholders of Maybank Constant Income Fund 8 (cont'd)

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

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

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

Responsibilities of the Manager and Trustee for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

Independent auditors' report to the Unitholders of Maybank Constant Income Fund 8 (cont'd)

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

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

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

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

**Independent auditors' report to the Unitholders of
Maybank Constant Income Fund 8 (cont'd)**

Other matters

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

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

Yeo Beng Yean
03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 January 2021

MAYBANK CONSTANT INCOME FUND 8

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 30 NOVEMBER
2020**

	Note	21.10.2019 (date of launch) to 30.11.2020 RM
INVESTMENT INCOME		
Interest income	3	12,474,143
Redemption fee income	4	52,618
Net loss on financial assets at fair value through profit or loss ("FVTPL")		
- Realised loss		(5,014,698)
- Unrealised loss		(4,169,603)
Net gain on foreign exchange and derivatives	5	56,371
		<u>3,398,831</u>
EXPENSES		
Trustee's fee	6	74,248
Auditors' remuneration		9,000
Tax agent's fee		4,900
Administrative expenses		81,063
		<u>169,211</u>
Net income before taxation		3,229,620
Taxation	7	(11,906)
Net income after taxation, and total comprehensive income for the financial period		<u>3,217,714</u>
Net income after taxation is made up of the following:		
Realised income		9,251,150
Unrealised loss		(6,033,436)
		<u>3,217,714</u>
Distribution for the financial period		
Net distribution	17	6,742,505
Gross/Net distribution per unit (sen)	17	2.80
Distribution date (ex-date)	17	<u>16 November 2020</u>

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

MAYBANK CONSTANT INCOME FUND 8**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020**

	Note	30.11.2020 RM
ASSETS		
Financial assets at FVTPL	8	223,314,539
Deposit with a licensed financial institution	9	270,000
Interest receivables		3,548,692
Other receivables	10	4,770
Derivative assets	11	4,509,380
Cash at bank	12	5,560,830
TOTAL ASSETS		<u>237,208,211</u>
LIABILITIES		
Amount due to Manager	13	190,790
Amount due to Trustee	14	5,889
Provision for taxation		7,462
Other payables and accruals	15	36,536
TOTAL LIABILITIES		<u>240,677</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>236,967,534</u>
EQUITY		
Unitholders' capital	16(a)	240,493,560
Accumulated losses	16(b)&(c)	<u>(3,526,026)</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>236,967,534</u>
NUMBER OF UNITS IN CIRCULATION (UNIT)		<u>240,315,948</u>
NAV PER UNIT (RM)		<u>0.9861</u>

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

MAYBANK CONSTANT INCOME FUND 8

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 30 NOVEMBER
2020**

	Unitholders' capital Note 16(a) RM	Accumulated losses Notes 16(b) & 16(c) RM	Total equity RM
At 21 October 2019 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	3,217,714	3,217,714
Creation of units	242,353,997	-	242,353,997
Cancellation of units	(1,861,672)	-	(1,861,672)
Distribution (Note 17)	1,235	(6,743,740)	(6,742,505)
At 30 November 2020	<u>240,493,560</u>	<u>(3,526,026)</u>	<u>236,967,534</u>

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

MAYBANK CONSTANT INCOME FUND 8

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 30 NOVEMBER
2020**

**21.10.2019
(date of
launch) to
30.11.2020
RM**

**CASH FLOWS FROM OPERATING AND INVESTING
ACTIVITIES**

Net proceeds from sale of financial assets at FVTPL	92,017,608
Net payments for purchase of financial assets at FVTPL	(329,339,032)
Net realised loss on forward foreign exchange contracts	(821,232)
Interest received	11,121,244
Redemption fee income received	47,848
Trustee's fee paid	(68,359)
Payment of other fees and expenses	(62,865)
Net cash used in operating and investing activities	<u>(227,104,788)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units created	242,353,997
Cash paid on units cancelled	(1,670,882)
Distribution to unitholders	(6,742,505)
Net cash generated from financing activities	<u>233,940,610</u>

**NET CHANGES IN CASH AND CASH EQUIVALENTS
FOR THE FINANCIAL PERIOD**

6,835,822

**CASH AND CASH EQUIVALENTS AT THE BEGINNING
OF THE FINANCIAL PERIOD**

-

Effects of foreign exchange

(1,004,992)

**CASH AND CASH EQUIVALENTS AT THE END OF THE
FINANCIAL PERIOD**

5,830,830

Cash and cash equivalents comprise:

Cash at bank (Note 12)	5,560,830
Deposit with a licensed financial institution with maturity of less than 3 months (Note 9)	270,000
	<u>5,830,830</u>

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

MAYBANK CONSTANT INCOME FUND 8

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 21 OCTOBER 2019 (DATE OF LAUNCH) TO 30 NOVEMBER 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 ("MAM") 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.

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 will be 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 MAM, 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 MAM is at Level 12, Tower C, Dataran Maybank, No. 1 Jalan Maarof, 59000 Kuala Lumpur, Malaysia. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

MAYBANK CONSTANT INCOME FUND 8

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES (cont'd)

MAM has appointed Maybank Asset Management Singapore Pte. Ltd. ("MAMS") as the external investment manager for the Fund. MAMS is a wholly-owned subsidiary of MAMG and is licensed and regulated by the Monetary Authority of Singapore.

The role and responsibilities of MAMS is to manage the investment portfolio in accordance with the investment objective of the Fund and subject to the CMSA, the Guidelines and the terms and conditions of the investment management agreement between MAMS and the Manager.

The financial statements were authorised for issue by the Board of Directors (the "Directors") of the Manager in accordance with a resolution of the Directors on 22 January 2021.

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 30 November 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.

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 7, MFRS 9 and MFRS 139: <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendment to MFRS 16: <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform Phase 2</i>	1 January 2021
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022

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
Amendments to MFRS 137: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 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

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.

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)

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.

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

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

Investments in unquoted fixed income securities and derivatives assets 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.

(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:

MAYBANK CONSTANT INCOME FUND 8

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial assets (cont'd)

(iii) Impairment of financial assets (cont'd)

- 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.

2.5 Financial liabilities

(i) Classification

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

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

MAYBANK CONSTANT INCOME FUND 8

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

2.5 Financial liabilities (cont'd)

(ii) Recognition and measurement

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

(iii) Derecognition

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

2.6 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.

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.

MAYBANK CONSTANT INCOME FUND 8

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

2.6 Fair value measurement (cont'd)

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.

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 8

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

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 licensed 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.

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

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.

MAYBANK CONSTANT INCOME FUND 8

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 30.11.2020 RM
Interest income from short-term deposits	929,889
Interest income from unquoted fixed income securities	12,512,065
Amortisation of premium, net of accretion of discount	(967,811)
	<u>12,474,143</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 DERIVATIVES

	21.10.2019 (date of launch) to 30.11.2020 RM
Net realised gain on foreign exchange	2,746,445
Net unrealised loss on foreign exchange	(6,373,213)
Net realised loss on derivatives	(826,241)
Net unrealised gain on derivatives	4,509,380
	<u>56,371</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 8

7. TAXATION

	21.10.2019 (date of launch) to 30.11.2020 RM
Tax expense for the financial period:	
Current income tax expense	<u>11,906</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.

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 30.11.2020 RM
Net income before taxation	<u>3,229,620</u>
Tax at Malaysian statutory rate of 24%	775,109
Income not subject to tax	(803,091)
Expenses not deductible for tax purposes	33,393
Restriction on tax deductible expenses for unit trust funds	<u>6,495</u>
Tax expense for the financial period	<u>11,906</u>

8. FINANCIAL ASSETS AT FVTPL

	30.11.2020 RM
Investments in financial assets at FVTPL:	
Unquoted fixed income securities	<u>223,314,539</u>

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

Name of issuer	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
(a) Unquoted fixed income securities				
British Virgin Island				
Bluestar Finance Holdings - 3.875% / 24.06.2023	500,000	2,077,046	2,013,511	0.85
ENN Clean Energy International Ltd - 7.50% / 27.02.2021	1,000,000	4,288,439	4,086,871	1.72
Greenland Global Investment Ltd - 6.125% / 22.04.2023	1,000,000	4,243,018	3,747,724	1.58
Huarong Finance Ltd - 4.00% / PERP	1,000,000	4,237,580	4,130,435	1.74
New Metro Global Ltd - 6.80% / 05.08.2023	750,000	3,025,282	3,180,578	1.34
- 7.50% / 16.12.2021	1,200,000	4,972,229	5,001,471	2.11
Peak Re BVI Holdings Ltd - 5.35% / 28.10.2025	600,000	2,485,800	2,503,667	1.06
RKPF Overseas 2019 (A) Ltd - 6.70% / PERP	500,000	2,110,138	2,121,403	0.90
Wanda Properties Overseas Ltd - 6.88% / 23.07.2023	1,100,000	4,483,955	4,429,276	1.87
- 6.95% / 05.12.2022	1,000,000	4,139,636	4,071,400	1.72
	8,650,000	36,063,123	35,286,335	14.89
Cayman Island				
Bright Scholar Education Holdings - 7.45% / 31.07.2022	1,000,000	4,216,110	4,211,863	1.78
Central China Real Estate Ltd - 7.65% / 27.08.2023	500,000	2,087,543	2,050,968	0.87

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

(a) Unquoted fixed income securities	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Cayman Island (cont'd)				
CFLD (Cayman) Investment Ltd - 6.90% / 13.01.2023	2,000,000	8,150,000	7,084,236	2.99
China State Construction International Holdings Ltd - 4.00% / 03.12.2024	800,000	3,339,365	3,262,657	1.38
Coastal Emerald Ltd - 4.30% / 01.08.2024	1,500,000	6,262,876	6,183,439	2.61
Country Garden Holdings Co Ltd - 7.25% / 08.04.2026	2,000,000	9,054,982	9,093,879	3.84
Ronshine China Ltd - 6.75% / 05.08.2024	500,000	2,118,750	2,015,343	0.85
Seazen Group Ltd - 6.45% / 11.06.2022	400,000	1,706,200	1,661,131	0.70
Sunac China Holdings Ltd - 6.50% / 09.07.2023	700,000	2,976,044	2,860,525	1.21
TMB Bank Public Co Ltd - 4.90% / 02.12.2024	600,000	2,508,600	2,313,125	0.98
Zhenro Properties Group Ltd - 7.35% / 05.02.2025	500,000	2,057,793	2,007,606	0.85
	10,500,000	44,478,263	42,744,773	18.06
China				
Bi Hai Co Ltd - 6.25% / 05.03.2022	1,000,000	4,204,826	3,925,644	1.66
Country Garden Holdings Co Ltd - 6.15% / 17.09.2025	500,000	2,148,272	2,244,359	0.95
E-house (China) Holdings Ltd - 7.625% / 18.04.2022	400,000	1,699,500	1,639,146	0.69

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

(a) Unquoted fixed income securities	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
China (cont'd)				
Ronshine China Holdings Ltd - 8.10% / 09.06.2023	900,000	3,761,853	3,747,072	1.58
Zhenro Properties Group Ltd - 8.70% / 03.08.2022	500,000	2,143,586	2,091,885	0.88
Zhongyuan Asset Management Co Ltd - 4.20% / 29.11.2022	1,700,000	7,020,055	4,997,236	2.11
	5,000,000	20,978,092	18,645,342	7.87
France				
BNP Paribas SA - 6.62% / 25.03.2024	3,400,000	15,008,048	15,088,608	6.37
Great Britain				
BP Capital Markets PLC - 4.375% / 22.06.2025	400,000	1,710,200	1,734,416	0.73
HSBC Holdings PLC - 6.62% / 25.03.2024	1,500,000	6,490,161	6,359,323	2.68
Phoenix Group Holdings PLC - 5.62% / 29.01.2025	3,000,000	12,727,506	12,607,497	5.32
Standard Chartered PLC - 5.62% / 29.01.2025	500,000	2,137,762	2,178,198	0.92
	5,400,000	23,065,629	22,879,435	9.65
Hong Kong				
Caiyun International Investment Ltd - 5.50% / 08.04.2022	1,800,000	7,499,579	5,091,856	2.15
CCCI Treasure Ltd - 3.43% / PERP	1,500,000	6,212,771	5,969,690	2.52

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

(a) Unquoted fixed income securities	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Hong Kong (cont'd)				
China Everbright Ltd - 3.80% / 27.10.2023	600,000	2,491,899	2,453,100	1.04
CNAC Hong Kong Finbridge Co Ltd - 3.80% / 27.10.2023	1,200,000	4,954,800	4,813,372	2.03
Far East Horizon Ltd - 4.35% / 14.06.2022	1,000,000	4,138,140	4,010,329	1.69
Shimao Property Holdings Ltd - 5.20% / 30.01.2025	1,000,000	4,236,298	4,274,970	1.80
	<u>7,100,000</u>	<u>29,533,487</u>	<u>26,613,317</u>	<u>11.23</u>
India				
Muthoot Finance Ltd - 6.13% / 31.10.2022	1,000,000	4,235,275	4,253,392	1.79
Renew Clean Energy Power Ltd - 6.67% / 12.03.2024	1,000,000	4,176,904	4,309,577	1.82
Renew Power Ltd - 6.45% / 27.09.2022	800,000	3,370,928	3,379,263	1.43
	<u>2,800,000</u>	<u>11,783,106</u>	<u>11,942,231</u>	<u>5.04</u>
Indonesia				
Sri Reieki Isman Tbk Pt - 7.25% / 16.01.2025	1,500,000	6,371,935	6,197,485	2.62
Mauritius				
Azure Power Solar Energy Private Ltd - 5.65% / 24.09.2022	1,000,000	4,225,154	4,327,491	1.83
India Green Energy Holdings - 5.38% / 29.04.2024	600,000	2,485,800	2,537,134	1.07
	<u>1,600,000</u>	<u>6,710,954</u>	<u>6,864,625</u>	<u>2.90</u>

MAYBANK CONSTANT INCOME FUND 8

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

(a) Unquoted fixed income securities	Quantity Unit	Aggregate Cost RM	Market Value RM	Percentage of NAV %
Philippines				
San Miguel Corporation - 5.50% / PERP	750,000	3,193,050	3,057,825	1.29
SMC Global Power Holdings Corporation - 5.95% / 05.05.2025	700,000	2,887,362	2,826,610	1.19
	<u>1,450,000</u>	<u>6,080,412</u>	<u>5,884,435</u>	<u>2.48</u>
South Korea				
Heungkuk Life Insurance Co Ltd - 4.48% / 09.11.2047	600,000	2,484,112	2,441,619	1.03
Singapore				
Global Prime Capital Pte Ltd - 5.50% / 18.10.2023	1,200,000	4,990,464	4,863,694	2.05
- 5.95% / 23.01.2025	800,000	3,255,600	3,188,395	1.35
Golden Energy and Resources Ltd - 9.00% / 14.02.2023	600,000	2,485,715	2,040,260	0.86
Indika Energy III Pte Ltd - 5.88% / 09.11.2024	1,500,000	6,112,426	6,166,950	2.60
	<u>4,100,000</u>	<u>16,844,205</u>	<u>16,259,299</u>	<u>6.86</u>
Switzerland				
Julius Baer Gruppe Ag - 4.75% / 12.09.2024	3,000,000	12,535,851	12,467,036	5.26
Total unquoted fixed income securities	<u>55,100,000</u>	<u>231,937,218</u>	<u>223,314,539</u>	<u>94.26</u>
Unrealised loss on unquoted fixed income securities*			<u>(8,622,679)</u>	

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

MAYBANK CONSTANT INCOME FUND 8

9. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

30.11.2020
RM

Short-term placement with a licensed financial institution with maturity of:	
- Less than 3 months	270,000

The weighted average effective interest rates (“WAEIR”) per annum and average maturity of deposits with financial institutions as at the reporting date were as follows:

	30.11.2020	
	WAEIR % p.a.	Average Maturity Day
Short-term placement		
Licensed financial institution	1.75	1

10. OTHER RECEIVABLES

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

11. DERIVATIVE ASSETS

	Notional principal amount SGD	<-----Fair Value----->	
30.11.2020		Assets RM	Liabilities RM
<u>Foreign exchange related contracts</u>			
Currency forwards - less than 1 year	1,044,000	21,376	-
	USD	RM	RM
Currency forwards - less than 1 year	56,503,326	4,488,004	-

As at the reporting date, there were 10 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 and SGD. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contracts are recognised immediately in the statement of comprehensive income.

MAYBANK CONSTANT INCOME FUND 8

12. CASH AT BANK

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

	30.11.2020
	RM
US Dollar ("USD")	2,526,766
Singapore Dollar ("SGD")	3,023,448
RM	10,616
	<u>5,560,830</u>

13. AMOUNT DUE TO MANAGER

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

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

14. 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.

15. OTHER PAYABLES AND ACCRUALS

Other payables and accruals comprise the following:

	30.11.2020
	RM
Amount due to external auditors	10,494
Amount due to tax agent	5,561
Other payables	20,481
	<u>36,536</u>

MAYBANK CONSTANT INCOME FUND 8

16. TOTAL EQUITY

	Note	30.11.2020 RM
Unitholders' capital	16(a)	240,493,560
Accumulated realised income	16(b)	2,507,410
Accumulated unrealised loss	16(c)	(6,033,436)
		<u>236,967,534</u>

(a) Unitholders' capital

	30.11.2020	
	No. of units	RM
At 21 October 2019 (date of launch)	-	-
Creation of units	242,353,997	242,353,997
Cancellation of units	(2,038,049)	(1,861,672)
Distribution equalisation (Note 17)	-	1,235
At the end of the financial period	<u>240,315,948</u>	<u>240,493,560</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:

	30.11.2020	
	No. of units	RM
The Manager	<u>1,000</u>	<u>986</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

	30.11.2020 RM
At 21 October 2019 (date of launch)	-
Net realised income for the financial period	9,251,150
Distributions out of realised reserve (Note 17)	(6,743,740)
At the end of the financial period	<u>2,507,410</u>

MAYBANK CONSTANT INCOME FUND 8

16. TOTAL EQUITY (CONT'D)

(c) Accumulated unrealised loss

	30.11.2020
	RM
At 21 October 2019 (date of launch)	-
Net unrealised loss for the financial period	(6,033,436)
At the end of the financial period	<u>(6,033,436)</u>

17. DISTRIBUTION

Distribution to unitholders are from the following sources:

	30.11.2020
	RM
Interest income	6,860,699
Less:	
Expenses	(109,448)
Taxation	(7,511)
Distributions out of realised reserve (Note 16(b))	<u>6,743,740</u>
Distribution equalisation (Note 16(a))	(1,235)
Net distributions for the financial year	<u>6,742,505</u>

The gross and net distribution per unit, and the distribution date in the current financial period are as follows:

21.10.2019 (date of launch) to 30.11.2020	Gross/net
	distribution
Distribution date	per unit (sen)
16 November 2020 (ex-date)	<u>2.80</u>

The distribution declared is paid in cash.

18. 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 30.11.2020		Percentage
	Value of	of total
	trades	trades
Brokers/dealers	RM	%
UBS Investment Bank Singapore	73,285,200	17.97
Credit Suisse Singapore Ltd	44,581,830	10.93
Citigroup Global Markets Inc	39,492,580	9.68
Barclays Investment Bank	35,421,180	8.68
Nomura Securities Singapore Ltd	26,464,100	6.49
SC Lowy Primary Investments Ltd	21,781,990	5.34
Standard Chartered Bank Singapore	20,139,180	4.94

MAYBANK CONSTANT INCOME FUND 8

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

21.10.2019 (date of launch) to 30.11.2020

Brokers/dealers	Value of trades RM	Percentage of total trades %
Haitong International Securities Ltd	19,746,290	4.84
HSBC Bank Singapore Ltd	19,324,900	4.74
Guotai Junan Securities (Hong Kong) Ltd	18,321,300	4.49
Others	89,367,230	21.90
	<u>407,925,780</u>	<u>100.00</u>

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 period:

(a) Significant related party transactions

	30.11.2020 RM
MBB:	
Interest income from deposit placement	<u>188,045</u>

(b) Significant related party balances

MBB:	
Deposit	270,000
Interest receivable	13
Derivative assets	<u>750,043</u>
	<u>1,020,056</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.

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 period from 21 October 2019 (date of launch) to 30 November 2020, the MER of the Fund stood at 0.07%.

21. 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 30 November 2020, the PTR of the Fund stood at 0.89 times.

MAYBANK CONSTANT INCOME FUND 8

22. 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. A maximum of 20% of the Fund's NAV will be invested in Liquid Assets and/or collective investment schemes.

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.

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.

23. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The significant accounting policies in Note 2.3 to Note 2.14 to the financial statements describe how the classes of financial instruments are measured and how income and expenses are recognised.

The following table analyses the financial assets and liabilities (excluding tax-related matters) of the Fund in the statement of financial position as at the reporting date by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

30.11.2020	Financial assets and liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Financial assets at FVTPL	223,314,539	-	-	223,314,539
Deposit with a licensed financial institution	-	270,000	-	270,000
Interest receivables	-	3,548,692	-	3,548,692
Other receivables	-	4,770	-	4,770
Derivative assets	4,509,380	-	-	4,509,380
Cash at bank	-	5,560,830	-	5,560,830
Total financial assets	227,823,919	9,384,292	-	237,208,211

MAYBANK CONSTANT INCOME FUND 8

23. FINANCIAL INSTRUMENTS (CONT'D)

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

30.11.2020	Financial assets and liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Financial liabilities				
Amount due to Manager	-	-	190,790	190,790
Amount due to Trustee	-	-	5,889	5,889
Other payables and accruals	-	-	36,536	36,536
Total financial liabilities	-	-	233,215	233,215

(b) Financial instruments that are carried at fair value

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

Fixed income securities

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

Derivative assets

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

(c) Fair value hierarchy

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

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

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

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

MAYBANK CONSTANT INCOME FUND 8

23. FINANCIAL INSTRUMENTS (CONT'D)

(c) 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:

30.11.2020	Level 1 RM	Level 2 RM	Level 3 RM
Financial assets at FVTPL	-	223,314,539	-
Derivative assets	-	4,509,380	-
	-	<u>227,823,919</u>	-

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Fund is exposed to foreign currency risk arising from the Fund's investments in unquoted fixed income securities denominated in foreign currencies, and other financial assets and liabilities denominated in foreign currencies. The Fund is also exposed to interest rate risk arising from its financial assets at FVTPL and deposit placed with a licensed financial institution. The Fund is not exposed to equity price risk as it does not hold any equity investments as at the reporting date.

(i) Foreign exchange risk

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

MAYBANK CONSTANT INCOME FUND 8

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

(b) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

The table below analyses the net position of the Fund's financial assets and financial liabilities (excluding derivative assets and derivative liability) which are exposed to foreign exchange risks as at 30 November 2020. As the Fund's functional currency is RM, the financial assets and financial liabilities (excluding derivative assets and derivative liabilities) denominated in other currencies are exposed to the movement of foreign exchange rates. The exposure might lead to the appreciation or depreciation of the financial assets and financial liability of the Fund that may affect the value of the NAV attributable to unitholders.

	SGD RM	USD RM	Total RM
30.11.2020			
Assets			
Cash at bank	3,023,448	2,526,766	5,550,214
Financial assets at FVTPL	-	223,314,539	223,314,539
Interest receivables	-	3,548,679	3,548,679
Total assets	<u>3,023,448</u>	<u>229,389,984</u>	<u>232,413,432</u>
Net on-balance sheet open position	<u>3,023,448</u>	<u>229,389,984</u>	<u>232,413,432</u>
Forward exchange contracts - principal amount (Note 11)	<u>3,194,953</u>	<u>235,510,680</u>	<u>238,705,633</u>

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

	30.11.2020	
Currencies	Changes in exchange rate %	Effects on NAV Increase/ (Decrease) RM
SGD	+5	151,172
	-5	(151,172)
USD	+5	11,469,499
	-5	(11,469,499)

The impact to net income after tax is expected to be the same as the effects on NAV.

MAYBANK CONSTANT INCOME FUND 8

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

(b) Market risk (cont'd)

(ii) Interest rate risk

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

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

	30.11.2020	
	Changes in interest rates %	Effects on NAV (Decrease)/ Increase RM
Financial assets at FVTPL	+1	(5,043,193)
	-1	5,217,097

The impact to net income after tax is expected to be the same as the effects on NAV.

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

(c) Credit risk

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

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

(i) Credit risk exposure

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

MAYBANK CONSTANT INCOME FUND 8

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

(c) Credit risk (cont'd)

(ii) Credit risk concentration

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

Financial assets	31.01.2020	
	RM	As a percentage of NAV %
AAA	5,835,613	2.45
A3	1,748,073	0.73
A-	6,270,974	2.64
Baa1	4,141,292	1.74
Baa2	8,543,439	3.60
Baa3	33,563,202	14.15
Ba1	15,256,740	6.43
Ba2	3,837,082	1.61
Ba3	24,229,400	10.21
BBB	15,909,721	6.70
BBB-	37,316,999	15.74
BB+	8,416,900	3.54
BB	16,005,442	6.74
BB-	28,450,220	12.00
B+	6,322,475	2.66
Not rated	16,851,258	7.10
	232,698,831	98.04

(d) Liquidity risk

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

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

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

MAYBANK CONSTANT INCOME FUND 8

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

(d) Liquidity risk (cont'd)

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

The following table summarises the maturity profile of the Fund's financial assets, liabilities and unitholders' capital to provide a complete view of the Fund's contractual commitments and liquidity:

30.11.2020	Less than 1 month RM	More than 1 month RM	Total RM
Financial assets			
Financial assets at FVTPL	4,863,694	218,450,845	223,314,539
Deposit with a licensed financial institution	270,000	-	270,000
Derivative assets	21,376	4,488,004	4,509,380
Interest receivables	32,109	3,516,583	3,548,692
Other receivables	4,770	-	4,770
Cash at bank	5,560,830	-	5,560,830
Total undiscounted financial assets	<u>10,752,779</u>	<u>226,455,432</u>	<u>237,208,211</u>
Financial liabilities and unitholders' equity			
Amount due to Manager	190,790	-	190,790
Amount due to Trustee	5,889	-	5,889
Other payables and accruals	36,536	-	36,536
Unitholders' equity	<u>236,967,534</u>	<u>-</u>	<u>236,967,534</u>
Total undiscounted financial liabilities and unitholders' equity	<u>237,200,749</u>	<u>-</u>	<u>237,200,749</u>
Liquidity (gap)/surplus	<u>(226,447,970)</u>	<u>226,455,432</u>	<u>7,462</u>

(i) Financial assets

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

MAYBANK CONSTANT INCOME FUND 8

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

(d) Liquidity risk (cont'd)

(ii) Financial liabilities

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

(iii) Unitholders' total equity

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

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

25. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

No changes were made to the capital management objectives, policies or processes since the commencement date.

26. 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.