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MAYBANK CONSTANT INCOME FUND 8

Unaudited Interim report
For the financial period from 1 December 2020 to 31 May 2021

CORPORATE INFORMATION

MANAGER

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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 1 December 2020 to 31 May 2021

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 1 December 2020 to 31 May 2021 (cont'd)

A. Fund Information (cont'd)

11. Breakdown of unitholdings by size

Fund size

As at 31 May 2021, the size of the Fund was 239,068,862 units.

Breakdown of unitholdings as at 31 May 2021

| 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 | ** 239,068 | 100.00 |
| Total | 3 | 100.00 | 239,069 | 100.00 |

* Comprise of 1,000 units held by the Manager

** Included 239,067,862 units held under an Institutional Unit Trust Scheme Adviser ("IUTA")

B. Performance Review

1. Key performance data of the Fund

| Category | 01.12.2020 to 31.05.2021 RM | 21.10.2019 (date of launch) to 30.11.2020 RM |
|---------------------------------------|--------------------------------------|---|
| Portfolio | | |
| Fixed income securities - foreign (%) | 79.97 | 94.26 |
| Cash and other net assets (%) | 20.03 | 5.74 |
| Total (%) | 100.00 | 100.00 |
| NAV (RM'000) | 237,248 | 236,968 |
| Units in circulation (units'000) | 239,069 | 240,316 |
| NAV per unit (RM) | 0.9924 | 0.9861 |
| Highest NAV per unit (RM) | 1.0004 | 1.0275 |
| Lowest NAV per unit (RM) | 0.9745 | 0.8338 |

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 1 December 2020 to 31 May 2021 (cont'd)

B. Performance Review (cont'd)

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

| Category | 01.12.2020 | 21.10.2019 |
|---|------------|------------|
| | to | (date of |
| | 31.05.2021 | launch) |
| | RM | to |
| | | 30.11.2020 |
| | | RM |
| Annual return (%) ⁽¹⁾ | | |
| - Capital growth (%) | 0.64 | (1.39) |
| - Income distribution (%) | - | 2.85 |
| Total return (%) | 0.64 | 1.42 |
| Annual total return (%) | 0.64 | 1.42 |
| Benchmark (%) | 0.95 | 2.52 |
| Distribution date | - | 16/11/2020 |
| Gross/net distribution per unit (sen) | - | 2.80 |
| Management Expense Ratio ("MER") (%) ⁽²⁾ | 0.04 | 0.07 |
| Portfolio Turnover Ratio ("PTR") (times) ⁽³⁾ | 0.33 | 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 year is computed based on the daily average NAV per unit, net of Trustee's fees.
- (2) The Fund's MER is 0.04 times during the current financial period.
- (3) The Fund's PTR is 0.33 times during the current financial period.

MAYBANK CONSTANT INCOME FUND 8

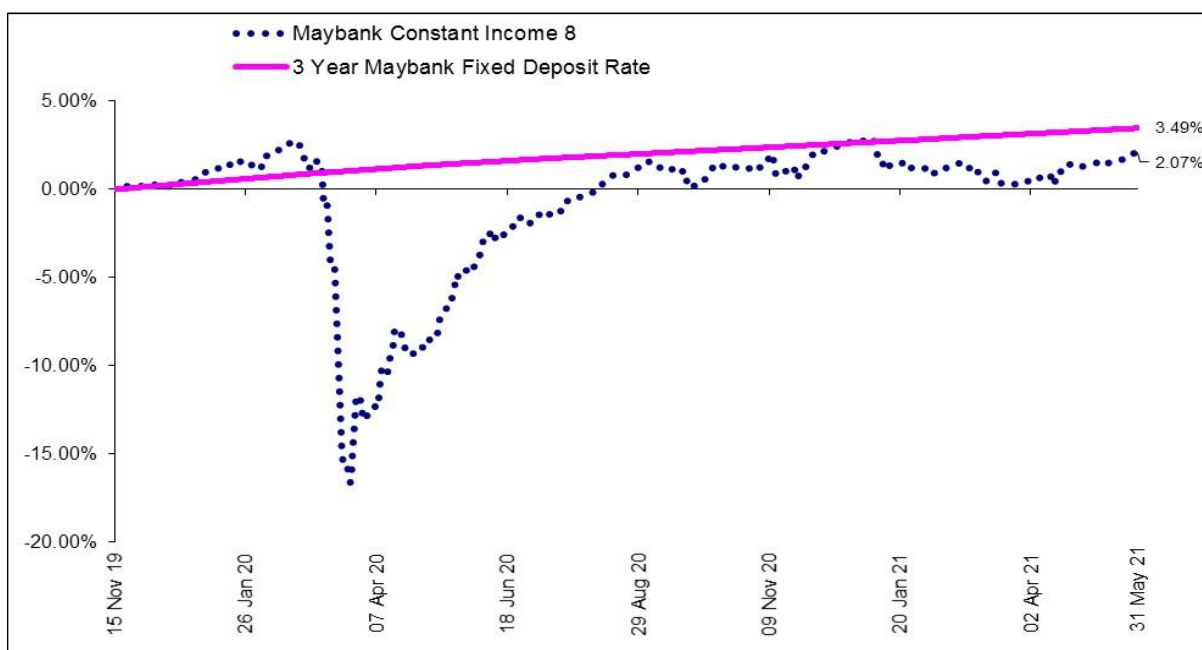
Manager's report

For the financial period from 1 December 2020 to 31 May 2021 (cont'd)

B. Performance Review (cont'd)

2. Performance of the Fund since inception to 31 May 2021

| Category | 6 months to 31.05.2021 % | 1 year to 31.05.2021 % | Since inception to 31.05.2021 % |
|--------------------------|-----------------------------------|---------------------------------|---|
| Capital growth | 0.64 | 3.80 | (0.76) |
| Income distribution | - | 2.85 | 2.85 |
| Total return of the Fund | 0.64 | 6.75 | 2.07 |
| Benchmark | 0.95 | 1.93 | 3.49 |



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 May 2021

For the period since fund's commencement under review, the Fund has generated a total return of 0.64%, as compared to the benchmark which registered a return of 0.95% over the same period. The Fund underperformed the benchmark by 31 basis points ("bps"). The portfolio's underperformance was due realized losses on China Fortune Land (CFL) and Huarong bonds along with the contagion effect from CFL issue on other Chinese local government funding vehicles (LGFVs) bond held by the Fund such as bonds issued by Zhong Yuan Asset Management and Yunnan Metropolitan Construction Investment Group .

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 1 December 2020 to 31 May 2021 (cont'd)

B. Performance Review (cont'd)

3. Annual total return of the Fund

| For the financial period/year ended | 31.05.2021 % | 30.11.2020 % |
|-------------------------------------|-----------------|-----------------|
| Capital growth | 3.80 | (1.39) |
| Income distribution | 2.85 | 2.85 |
| Total return | 6.75 | 1.42 |
| Benchmark | 1.93 | 2.52 |

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 December 2020, the United States ("US") announced United States Dollar ("USD") 900 billion rescue package in late December 2020 and saw the Federal Reserve System ("Fed") reinforced its supportive message and vogue to continue with its current levels of qualitative easing. In Europe, Coronavirus disease ("COVID-19") infections seen to bounce back higher leading to some of the European countries to tighten back its restrictions. European Union ("EU") leaders approved the landmark €1.8 trillion budget package, including the €750 billion recovery fund, after overcoming opposition from Hungary and Poland. The EU also agreed a Brexit trade deal with the United Kingdom ("UK"). The US 10-year yield was 25 basis points (bps) higher, finishing at 0.91%, while the German 10-year yield fell by 5bps to -0.57%.

In January 2021, during the month, the yield curve steepened as reflation risks come back into play with Biden pushing for a substantially larger USD 1.9 trillion COVID-19 relief package. Yellen has fully endorsed the large stimulus package, calling it the best way to get the US economy back to pre-pandemic levels. If the package is passed, she expects US to get back to full employment next year. Besides inflation risks, there are also risks of increased Treasury bond issuance to fund the relief package. This drove US Treasury ("UST") 10 year yield up from 0.91% end December 2020 to 1.04% end January 2021.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 1 December 2020 to 31 May 2021 (cont'd)

C. Market Review (cont'd)

In February 2021, the bond market continued to be plagued with volatility both from rising bond yields and negative credit headlines. On the back of continued inflation concerns, the UST 10 year which started the year at 0.91% closed at 1.41% end February 2021. Even the 5-year UST yield doubled from 0.35% beginning of the year to over 0.70% end of February 2021. This all occurred even as US Fed Chairman reiterated to the congress on 24th February 2021 that the central bank would not start to trim its \$120 billion in monthly bond purchases, or hike the benchmark interest rate, until "substantial further progress" has been made toward the Fed's goals on inflation and employment. Specifically, that would mean US inflation reaching and running slightly above the 2% level, with employment falling to a level viewed as maximum employment. On the credit front, there continued to be some negative spillover effects from the China Fortune Land restructuring event. The financial markets turned more cautious on China property high yield as they worry about tightening policies and negative investor sentiment which will impact almost all major onshore and offshore funding channels, including bank loans, bonds issuance and trust loans. Concerns arose again on the government's Three Red Lines policy rollout implications on property developers. Weak local State-owned enterprises ("SOE") bonds and local government funding vehicles ("LGFV") is also traded weaker in a market where there were no buyers. It did not help that liquidity was poor during the one-week Chinese New Year holiday mid-February 2021. China high yield shaded about 0.5% to 1% lower while Indonesia and India high yield outperformed. Overall, the JP Morgan Asia Credit Index fell 0.79% in February, with the investment grade bonds down 1.17% and the high yield bonds up 0.46%. While IG spreads tightened 8bps, it was not enough to offset the heavy sell-off in Treasury yields.

In March 2021, President Biden confirmed a fiscal stimulus package of USD 1.9 trillion, which followed up with an additional promise of USD 2 trillion in infrastructure spending. In Europe saw the flash manufacturing Purchasing Manager's Index ("PMI") for March 2021 reached record high of 62.4 signaling strong growth. Global bond yield was seen to rise higher as major countries continue to rollout COVID-19 vaccination along with expectation of large US economic stimulus. The 10yr yield was seen to rise to 1.74% yield resulting curve to steepen further. USD corporate bond continue to perform well against government bond while High Yield Bonds ("HY") space perform better to produce more moderate positive return.

In April 2021, almost 70% of the population in US has now had at least one shot of the vaccine, However the sharp sell off in UST in March 2021 seen to halt due to Fed comment. The US 10-year Treasury yield declined by 11 basis points (bps) to 1.63% for the month. Echoing the previous month's comments, the Fed acknowledged improvements in the economy and a better outlook, but clearly downplayed any prospect of removing policy support. The US economy grew at an annualized 6.4% in Q1, beating expectations. In credit space, market was seen to focus on sell off in Huarong's bond which was triggered by the group's failure to release its financial results at the end of March. There had been a debate among market players if Beijing will remain firm to back the state own companies that borrow on international market. The bond price had plunged since then but recovered slightly as regulators came forward to bring some assurance on the entity commitment to uphold its bond obligation. The situation however escalated to other China SOE resulting volatile market within that space.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 1 December 2020 to 31 May 2021 (cont'd)

C. Market Review (cont'd)

In May 2021, US economic recovery seen to be on track with further sign of acceleration seen visible. The PMI no rose to 63.5 in April 2021 indicating significant expansion. Headline Consumer Price Index ("CPI") rose 4.2% YoY in April 2021 reaching highest level since September 2008 and sparked optimism among players that Fed could initiate tighter monetary policy. The optimism however was met with some disappointment as Non Farm Payroll ("NFP") no added only 266 thousands job in April 2021 as compared to expectation of a 1 million job.

D. Market Outlook & Strategy

We expect volatility to continue in the second quarter due to volatile US rates, higher inflation and higher asset prices. The NFP for May 2021 (reported first week June) continue to disappoint the market, registering less than 559 thousands versus market expectations of 675 thousands. This drove 10-year US Treasury yield to remain suppress below 1.60% level. However, US April 2021 CPI print came in much higher than expected at 4.2% YoY versus expectation of 3.6% while expectation on the upcoming US May 2021 CPI shows that it remains optimistic with expectation at 4.7% becomes catalyst for a consistent push for a higher yield. We continue to expect US 10year Treasury to range trade between 1.5% to 1.8%.

With the vaccine rollout, government stimulus packages, loose monetary policy and successful curbing of the spread of the virus in some part of the world, the global economy is staging a recovery from the COVID-19 pandemic, Hence, the recovery brings with it heightened inflation expectations.

Given the uncertain short term outlook where US Fed may raise interest rates in FY2022, the fixed maturity of MCIF8 on November 2022 which is a timing challenge, and the realized losses in the portfolio, we have changed strategy from taking risk to recover returns for investors to restructuring MCIF 8 with purpose to protect investors' capital. We have performed rebalancing of the portfolio from mid- April 2021 to mid-May 2021 with aim to lower the portfolio price volatility, minimizing the portfolio downside risk and with aim to recover the principal by 15th November 2021 (The NAV as at 31st May 2021 is 0.9924).

The rebalancing portfolio continue to be implemented as follows:

1. Sell weaker credits and replace them with stronger credit bonds or switch to money market funds.
2. Sell longer dated bonds with maturity beyond the Fund's maturity and replace with bond papers that match the maturity of the fund.

This will result in a more conservative and stable which has an average weighted maturity of 1.5 years, has an average rating BB+, has a yield of 2.70% p.a as compared to 5.30% p.a before rebalancing and is projected to recover principal by mid-November 2021.

MAYBANK CONSTANT INCOME FUND 8

Manager's report

For the financial period from 1 December 2020 to 31 May 2021 (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 1 December 2020 to 31 May 2021, 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 1 DECEMBER 2020 TO 31 MAY 2021

We have acted as Trustee of Maybank Constant Income Fund 8 for the financial period from 1 December 2020 to 31 May 2021. 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(610812-W))

NORHAYATI BINTI AZIT
DIRECTOR - FUND SERVICES

Kuala Lumpur, Malaysia
12 July 2021

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAYBANK CONSTANT INCOME FUND 8**

FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2020 TO 31 MAY 2021

I, Ahmad Najib Bin Nazlan, being one 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 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 2021 and of its results, changes in equity and cash flows for the financial period from 1 December 2020 to 31 May 2021 and comply with the requirements of the Deed.

For and on behalf of the Manager

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
12 July 2021

MAYBANK CONSTANT INCOME FUND 8

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2020 TO 31 MAY 2021**

| | | 01.12.2020 to 31.05.2021 RM | 21.10.2019 (date of launch) to 31.05.2020 RM |
|--|-------------|--|---|
| INVESTMENT INCOME/(LOSS) | Note | | |
| Interest income | 3 | 5,275,535 | 6,615,638 |
| Redemption fee income | 4 | 30,848 | 38,777 |
| Net loss on financial assets at fair value through profit or loss ("FVTPL") | | | |
| - Realised loss | | (10,714,900) | (2,883,884) |
| - Unrealised gain/(loss) | | 5,745,036 | (14,609,199) |
| Net gain on foreign exchange and derivatives | 5 | 1,255,333 | 231,638 |
| Other Income | | 18,243 | - |
| | | <u>1,610,095</u> | <u>(10,607,030)</u> |
| EXPENSES | | | |
| Trustee's fee | 6 | 35,313 | 38,202 |
| Auditors' remuneration | | 4,488 | 4,688 |
| Tax agent's fee | | 1,730 | 1,823 |
| Administrative expenses | | 42,254 | 28,001 |
| | | <u>83,785</u> | <u>72,714</u> |
| Net income/(loss) before taxation | | 1,526,310 | (10,679,744) |
| Taxation | 7 | (11,421) | (9,194) |
| Net income/(loss) after taxation, and total comprehensive income for the financial period | | <u>1,514,889</u> | <u>(10,688,938)</u> |
| Net income/(loss) after taxation is made up of the following: | | | |
| Realised loss | | (3,537,787) | (5,471,015) |
| Unrealised income/(loss) | | 5,052,676 | (5,217,923) |
| | | <u>1,514,889</u> | <u>(10,688,938)</u> |

MAYBANK CONSTANT INCOME FUND 8

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021**

| | Note | 31.05.2021 RM | 30.11.2020 RM |
|---|-----------|--------------------|--------------------|
| ASSETS | | | |
| Financial assets at FVTPL | 8 | 189,721,284 | 223,314,539 |
| Deposits with licensed financial institutions | 9 | 15,394,172 | 270,000 |
| Derivative assets | 10 | 77,087 | 4,509,380 |
| Interest receivable | | 2,153,562 | 3,548,692 |
| Other receivables | 11 | - | 4,770 |
| Cash at bank | 12 | 30,239,350 | 5,560,830 |
| TOTAL ASSETS | | <u>237,585,455</u> | <u>237,208,211</u> |
| LIABILITIES | | | |
| Derivative liabilities | 10 | 291,967 | - |
| Amount due to Manager | 13 | - | 190,790 |
| Amount due to Trustee | 14 | 6,019 | 5,889 |
| Provision for taxation | | - | 7,462 |
| Other payables and accruals | | 38,986 | 36,536 |
| TOTAL LIABILITIES | | <u>336,972</u> | <u>240,677</u> |
| NET ASSET VALUE ("NAV") OF THE FUND | | <u>237,248,483</u> | <u>236,967,534</u> |
| EQUITY | | | |
| Unitholders' capital | 15(a) | 239,259,620 | 240,493,560 |
| Accumulated losses | 15(b)&(c) | <u>(2,011,137)</u> | <u>(3,526,026)</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>237,248,483</u> | <u>236,967,534</u> |
| NUMBER OF UNITS IN CIRCULATION (UNIT) | | <u>239,068,862</u> | <u>240,315,948</u> |
| NAV PER UNIT (RM) | | <u>0.9924</u> | <u>0.9861</u> |

MAYBANK CONSTANT INCOME FUND 8

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2020 TO 31 MAY 2021**

| | Unitholders' capital Note 15(a) RM | Accumulated losses Notes 15(b) & 15(c) RM | Total equity RM |
|--|---|--|--------------------------------|
| At 1 December 2020 | 240,493,560 | (3,526,026) | 236,967,534 |
| Total comprehensive income for the financial period | - | 1,514,889 | 1,514,889 |
| Cancellation of units | (1,233,940) | - | (1,233,940) |
| At 31 May 2021 | <u>239,259,620</u> | <u>(2,011,137)</u> | <u>237,248,483</u> |
| At 21 October 2019 (date of launch) | - | - | - |
| Total comprehensive loss 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 1 DECEMBER 2020 TO 31 MAY 2021**

| | 01.12.2020 | 21.10.2019 |
|---|--------------------------|--------------------------|
| | to | (date of |
| | 31.05.2021 | launch) |
| | RM | to |
| | | 31.05.2020 |
| | | RM |
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Net proceeds from sale of financial assets at FVTPL | 135,225,641 | 48,927,762 |
| Net payments for purchase of financial assets at FVTPL | (103,508,520) | (272,038,031) |
| Net realised gain/(loss) on forward foreign exchange contracts | 3,085,282 | (6,205,670) |
| Interest received | 6,296,264 | 5,103,158 |
| Redemption fee income received | 34,418 | 38,777 |
| Other income received | 18,243 | - |
| Trustee's fee paid | (23,438) | (32,486) |
| Payment of other fees and expenses | (68,889) | (27,995) |
| Tax paid | (6,568) | - |
| Net cash generated from/(used in) operating and investing activities | <u>41,052,433</u> | <u>(224,234,485)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash received from units created | - | 242,353,997 |
| Cash paid on units cancelled | (1,376,710) | (1,329,504) |
| Net cash (used in)/generated from financing activities | <u>(1,376,710)</u> | <u>241,024,493</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD | 39,675,723 | 16,790,008 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 5,830,830 | - |
| Effects of foreign exchange | 126,969 | 2,255,014 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | <u>45,633,522</u> | <u>19,045,022</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank (Note 12) | 30,239,350 | 19,045,022 |
| Deposit with a licensed financial institution with original maturity of less than 3 months (Note 9) | 15,394,172 | - |
| | <u>45,633,522</u> | <u>19,045,022</u> |

MAYBANK CONSTANT INCOME FUND 8

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2020 TO 31 MAY 2021

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 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").

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 134 *Interim Financial Reporting* ("MFRS 134") and International Accounting Standards 34 *Interim Financial Reporting*.

The Interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 30 November 2020.

The Fund had adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial period from 1 December 2020 to 31 May 2021. 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 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 |
|---|---|
| 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: Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116: Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract | 1 January 2022 |
| Annual Improvements to MFRS Standards 2018-2020 Cycle | 1 January 2022 |
| MFRS 17: Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution <i>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, interest 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 in profit or loss over the relevant period.

(ii) Financial assets at FVTPL

Investments in unquoted fixed income securities and derivatives 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.

Changes in the fair value of FVTPL investments are recognised in 'unrealised gain/(loss) on FVTPL investments' in the profit or loss. Accumulated unrealised gains or losses are reclassified to 'realised gain/(loss) on FVTPL investments' in the profit or loss when the associated assets are

Interest income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

MAYBANK CONSTANT INCOME FUND 8

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.4 Financial assets (cont'd)

(iii) Impairment

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

ECL 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

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

(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, and other payables and accruals as financial liabilities.

(ii) Recognition and measurement

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

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

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 ("RM"), which is also the Fund's functional currency.

(b) Transactions and balances

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

2.8 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 deposits with financial institutions 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 licensed financial institutions are recognised on the accruals basis using the EIR 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 period.

3. INTEREST INCOME

| | 01.12.2020 to 31.05.2021 RM | 21.10.2019 (date of launch) to 31.05.2020 RM |
|---|--------------------------------------|---|
| Interest income from short-term deposits | 15,170 | 915,616 |
| Interest income from unquoted fixed income securities | 6,415,880 | 6,137,645 |
| Amortisation of premium, net of accretion of discount | (1,155,515) | (437,623) |
| | <u>5,275,535</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 DERIVATIVES

| | 01.12.2020 to 31.05.2021 RM | 21.10.2019 (date of launch) to 31.05.2020 RM |
|---|--|---|
| Net realised loss on foreign exchange | (1,840,692) | (2,951,522) |
| Net unrealised gain on foreign exchange | 4,031,900 | 14,812,613 |
| Net realised gain/(loss) on derivatives | 3,788,385 | (6,208,116) |
| Net unrealised loss on derivatives | (4,724,260) | (5,421,337) |
| | <u>1,255,333</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

| | 01.12.2020 to 31.05.2021 RM | 21.10.2019 (date of launch) to 31.05.2020 RM |
|---------------------------------------|--|---|
| Tax expense for the financial period: | | |
| Current income tax expense | <u>11,421</u> | <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 income/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

| | 01.12.2020 to 31.05.2021 RM | 21.10.2019 (date of launch) to 31.05.2020 RM |
|--|--|---|
| Net income/(loss) before taxation | <u>1,526,310</u> | <u>(10,679,744)</u> |
| Tax at Malaysian statutory rate of 24% (21.10.2019 (date of launch) to 31.05.2020: 24%) | 366,314 | (2,563,139) |
| Income not subject to tax | (2,946,217) | (1,643,346) |
| Loss not deductible for tax purposes | 2,571,576 | 4,198,340 |
| Expenses not deductible for tax purposes | 16,518 | 16,326 |
| Restriction on tax deductible expenses for unit trust funds | 3,230 | 1,013 |
| Tax expense for the financial period | <u>11,421</u> | <u>9,194</u> |

8. FINANCIAL ASSETS AT FVTPL

| | 31.05.2021 RM | 30.11.2020 RM |
|--|--------------------------|--------------------------|
| Unquoted fixed income securities - foreign | <u>189,721,284</u> | <u>223,314,539</u> |

| Name of issuer | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|--|------------------|-------------------------|-----------------------|---------------------------|
| Unquoted fixed income securities - foreign | | | | |
| 31.05.2021 | | | | |
| British Virgin Island ("BVI") | | | | |
| Bi Hai Company Ltd. - 6.25% / 05.03.2022 | 200,000 | 837,285 | 750,584 | 0.32 |
| Bluestar Finance Holdings Ltd. - 3.88% / 24.06.2023 | 500,000 | 2,062,448 | 2,065,541 | 0.87 |
| CCCI Treasures Ltd. - 3.43% / 21.11.2024 | 1,000,000 | 4,123,102 | 4,128,484 | 1.74 |

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 % |
|--|--------------------------|----------------------------------|--------------------------------|------------------------------------|
| Unquoted fixed income securities - foreign (cont'd) | | | | |
| 31.05.2021 (cont'd) | | | | |
| BVI (cont'd) | | | | |
| Leader Goal International Ltd. - 4.25% / 19.01.2023 | 1,000,000 | 4,221,672 | 4,201,708 | 1.77 |
| New Metro Global Ltd. - 7.50% / 16.12.2021 | 1,200,000 | 4,938,301 | 5,054,072 | 2.13 |
| Peak Reinsurance Company - 5.35% / 28.10.2025 | 600,000 | 2,473,710 | 2,608,251 | 1.10 |
| | <u>4,500,000</u> | <u>18,656,518</u> | <u>18,808,640</u> | <u>7.93</u> |

Cayman Island

| | | | | |
|---|-------------------|-------------------|-------------------|--------------|
| Country Garden Holdings - 6.15% / 17.09.2023 | 500,000 | 2,094,181 | 2,265,259 | 0.95 |
| - 7.25% / 08.04.2023 | 2,000,000 | 8,515,784 | 9,126,013 | 3.85 |
| Powerlong Real Estate Holdings Ltd. - 3.90% / 13.04.2022 | 1,000,000 | 4,137,178 | 4,114,919 | 1.73 |
| Seazen Group Ltd. - 6.45% / 11.06.2022 | 400,000 | 1,649,207 | 1,684,460 | 0.71 |
| Shimao Group Holdings Ltd. - 5.20% / 30.01.2022 | 1,000,000 | 4,134,464 | 4,277,571 | 1.80 |
| - 6.12% / 21.02.2022 | 2,000,000 | 8,603,344 | 8,615,091 | 3.63 |
| Sunac China Holdings Ltd. - 6.50% / 09.07.2022 | 700,000 | 2,879,144 | 2,977,156 | 1.25 |
| Times China Holdings Ltd. - 5.30% / 20.04.2022 | 2,500,000 | 10,370,567 | 10,392,846 | 4.38 |
| Zhenro Properties Group Ltd. - 5.95% / 18.11.2021 | 2,000,000 | 8,262,113 | 8,266,203 | 3.48 |
| | <u>12,100,000</u> | <u>50,645,982</u> | <u>51,719,518</u> | <u>21.80</u> |

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Name of issuer | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|--|------------------|-------------------------|-----------------------|---------------------------|
| Unquoted fixed income securities - foreign (cont'd) | | | | |
| 31.05.2021 (cont'd) | | | | |
| China | | | | |
| Zhenro Properties Group Ltd. - 8.70% / 03.08.2022 | 500,000 | 2,105,932 | 2,122,459 | 0.89 |
| France | | | | |
| BNP Paribas SA - 6.62% / 25.03.2024 | 2,400,000 | 9,997,759 | 10,853,847 | 4.57 |
| Great Britain | | | | |
| Bp Capital Markets Plc - 4.38% / 22.06.2025 | 400,000 | 1,646,258 | 1,751,401 | 0.74 |
| Phoenix Group Holdings Plc - 5.63% / 29.01.2025 | 1,500,000 | 6,219,220 | 6,559,961 | 2.77 |
| Standard Chartered Plc - 6.00% / 26.07.2025 | 500,000 | 2,061,304 | 2,253,900 | 0.95 |
| | <u>2,400,000</u> | <u>9,926,782</u> | <u>10,565,262</u> | <u>4.45</u> |
| Hong Kong | | | | |
| Caiyun International Investment Ltd. - 5.50% / 08.04.2022 | 800,000 | 3,309,378 | 2,328,275 | 0.98 |
| China Everbright Ltd. - 3.80% / 27.10.2023 | 600,000 | 2,474,269 | 2,519,862 | 1.06 |
| CNAC (HK) Finbridge Company Ltd. - 3.50% / 19.07.2022 | 3,000,000 | 12,549,049 | 12,571,728 | 5.30 |
| Far East Horizon Ltd. - 2.63% / 03.03.2024 | 500,000 | 2,060,810 | 2,053,501 | 0.87 |
| | <u>4,900,000</u> | <u>20,393,506</u> | <u>19,473,366</u> | <u>8.21</u> |

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Name of issuer | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| Unquoted fixed income securities - foreign (cont'd) | | | | |
| 31.05.2021 (cont'd) | | | | |
| India | | | | |
| Muthoot Finance Ltd - 6.13% / 31.10.2022 | 3,000,000 | 12,713,259 | 12,814,531 | 5.40 |
| Renew Power Ltd - 6.45% / 27.06.2022 | 800,000 | 3,329,796 | 3,408,863 | 1.44 |
| Shriram Transport Finance Ltd - 5.70% / 27.02.2022 | 2,000,000 | 8,326,091 | 8,300,589 | 3.50 |
| - 5.95% / 24.10.2022 | 1,000,000 | 4,220,831 | 4,209,830 | 1.77 |
| | <u>6,800,000</u> | <u>28,589,977</u> | <u>28,733,813</u> | <u>12.11</u> |
| Mauritius | | | | |
| Azure Power Solar Energy Private Ltd - 5.65% / 24.09.2022 | 1,000,000 | 4,151,549 | 4,373,349 | 1.84 |
| India Green Energy Holdings Ltd. - 5.38% / 29.10.2023 | 600,000 | 2,473,815 | 2,576,611 | 1.09 |
| | <u>1,600,000</u> | <u>6,625,364</u> | <u>6,949,960</u> | <u>2.93</u> |
| Philippines | | | | |
| San Miguel Corporation - 5.50% / 29.07.2025 | 750,000 | 3,092,031 | 3,231,339 | 1.36 |
| SMC Global Power Holdings Corporation - 5.95% / 05.05.2025 | 700,000 | 2,891,573 | 2,953,404 | 1.24 |
| | <u>1,450,000</u> | <u>5,983,604</u> | <u>6,184,743</u> | <u>2.61</u> |
| Singapore | | | | |
| Global Prime Capital Private Ltd - 5.50% / 01.07.2021 | 500,000 | 2,105,932 | 2,122,459 | 0.89 |
| - 5.95% / 23.01.2023 | 500,000 | 2,105,932 | 2,122,459 | 0.89 |

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Name of issuer | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|-------------------|-------------------------|-----------------------|---------------------------|
| Unquoted fixed income securities - foreign (cont'd) | | | | |
| 31.05.2021 (cont'd) | | | | |
| Singapore | | | | |
| Global Prime Capital Private Ltd | | | | |
| - 5.50% / 01.07.2021 | 1,400,000 | 5,792,475 | 5,882,911 | 2.48 |
| - 5.95% / 23.01.2023 | 800,000 | 3,298,179 | 3,423,541 | 1.44 |
| Indika Energy III Private Ltd | | | | |
| - 5.88% / 09.11.2024 | 1,500,000 | 6,172,397 | 6,259,827 | 2.64 |
| | <u>3,700,000</u> | <u>15,263,051</u> | <u>15,566,279</u> | <u>6.56</u> |
| Switzerland | | | | |
| Julius Baer Group Ltd. | | | | |
| - 4.75% / 12.09.2024 | <u>2,000,000</u> | <u>8,256,275</u> | <u>8,489,421</u> | <u>3.58</u> |
| Thailand | | | | |
| Krungthai Bank Public Company Ltd. | | | | |
| - 4.40% / 25.03.2026 | <u>400,000</u> | <u>1,649,108</u> | <u>1,661,520</u> | <u>0.70</u> |
| United Arab Emirates | | | | |
| National Bank of Kuwait | | | | |
| - 3.63% / 24.08.2026 | <u>500,000</u> | <u>2,061,417</u> | <u>2,069,231</u> | <u>0.87</u> |
| United States | | | | |
| HSBC Holdings Plc | | | | |
| - 6.25% / 23.03.2023 | <u>1,500,000</u> | <u>6,208,948</u> | <u>6,523,225</u> | <u>2.75</u> |
| Total unquoted fixed income securities - foreign | <u>44,750,000</u> | <u>186,364,223</u> | <u>189,721,284</u> | <u>79.97</u> |
| Total unquoted fixed income securities | <u>44,750,000</u> | <u>186,364,223</u> | <u>189,721,284</u> | <u>79.97</u> |
| Unrealised gain on unquoted fixed income securities* | | | <u>3,357,061</u> | |

8. FINANCIAL ASSETS AT FVTPL (CONT'D)

| Name of issuer | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|------------------|-------------------------|-----------------------|---------------------------|
| Unquoted fixed income securities - foreign (cont'd) | | | | |
| 30.11.2020 | | | | |
| 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)

| Unquoted fixed income securities - foreign | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|---------------|-------------------|-----------------|---------------------|
| 30.11.2020 (cont'd) | | | | |
| 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)

| Unquoted fixed income securities - foreign | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|------------------|-------------------|-------------------|---------------------|
| 30.11.2020 (cont'd) | | | | |
| 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 |
| | <u>5,000,000</u> | <u>20,978,092</u> | <u>18,645,342</u> | <u>7.87</u> |
| France | | | | |
| BNP Paribas SA - 6.62% / 25.03.2024 | <u>3,400,000</u> | <u>15,008,048</u> | <u>15,088,608</u> | <u>6.37</u> |
| 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 |
| | <u>5,400,000</u> | <u>23,065,629</u> | <u>22,879,435</u> | <u>9.65</u> |
| 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)

| Unquoted fixed income securities - foreign | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|--|------------------|-------------------|-------------------|---------------------|
| 30.11.2020 (cont'd) | | | | |
| 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 Rejeki 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)

| Unquoted fixed income securities - foreign | Quantity Unit | Aggregate Cost RM | Market Value RM | Percentage of NAV % |
|---|----------------------|--------------------------|------------------------|----------------------------|
| 30.11.2020 (cont'd) | | | | |
| 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 gain/(loss) on unquoted fixed income securities comprise the amounts arising from changes in fair values and effects from foreign exchange.

MAYBANK CONSTANT INCOME FUND 8

9. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

| | 31.05.2021 RM | 30.11.2020 RM |
|---|------------------|------------------|
| Short-term placement with licensed financial institutions with maturity of: | | |
| - Less than 3 months | 15,394,172 | 270,000 |

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

| | 31.05.2021 | | 30.11.2020 | |
|---------------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| | WAEIR % p.a. | Average maturity Days | WAEIR % p.a. | Average maturity Days |
| Short-term placement | | | | |
| Licensed financial institutions | 2.05 | 149 | 1.75 | 1 |

10. OTHER RECEIVABLES

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

11. DERIVATIVE ASSETS/LIABILITIES

| | Notional principal amount USD | <-----Fair Value-----> | |
|---|--|------------------------|-------------------|
| | | Assets RM | Liabilities RM |
| <u>Foreign exchange related contracts</u> | | | |
| 31.05.2021 | | | |
| Currency forwards - less than 1 year | 53,503,326 | 77,087 | 291,967 |
| 30.11.2020 | | | |
| <u>Foreign exchange related contracts</u> | SGD | RM | RM |
| 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 7 (30.11.2020: 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:

| | 31.05.2021 | 30.11.2020 |
|--------------------------|-------------------|-------------------|
| | RM | RM |
| US Dollar ("USD") | 29,942,033 | 2,526,766 |
| Singapore Dollar ("SGD") | 295,363 | 3,023,448 |
| RM | 1,954 | 10,616 |
| | <u>30,239,350</u> | <u>5,560,830</u> |

13. AMOUNT DUE TO MANAGER

| | 31.05.2021 | 30.11.2020 |
|-----------------------|-------------------|-------------------|
| | RM | RM |
| Amount due to Manager | | |
| Cancellation of units | <u>-</u> | <u>190,790</u> |

The amount represents the amount payables from the Manager for units redeemed/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. TOTAL EQUITY

| | | 31.05.2021 | 30.11.2020 |
|------------------------------------|-------------|--------------------|--------------------|
| | Note | RM | RM |
| Unitholders' capital | 15(a) | 239,259,620 | 240,493,560 |
| Accumulated realised (loss)/income | 15(b) | (1,030,377) | 2,507,410 |
| Accumulated unrealised loss | 15(c) | (980,760) | (6,033,436) |
| | | <u>237,248,483</u> | <u>236,967,534</u> |

MAYBANK CONSTANT INCOME FUND 8

15. TOTAL EQUITY (CONT'D)

(a) Unitholders' capital

| | 31.05.2021 | | 30.11.2020 | |
|--|--------------------|--------------------|--------------------|--------------------|
| | No. of units | RM | No. of units | RM |
| At the beginning of the financial period | 240,315,948 | 240,493,560 | - | - |
| Creation of units | 239,989,119 | - | 242,353,997 | 242,353,997 |
| Cancellation of units | (241,236,205) | (1,233,940) | (2,038,049) | (1,861,672) |
| Distribution equalisation | - | - | - | 1,235 |
| At the end of the financial period | <u>239,068,862</u> | <u>239,259,620</u> | <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:

| | 31.05.2021 | | 30.11.2020 | |
|-------------|--------------|------------|--------------|------------|
| | No. of units | RM | No. of units | RM |
| The Manager | <u>1,000</u> | <u>992</u> | <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 (loss)/income

| | 31.05.2021 | 30.11.2020 |
|---|--------------------|------------------|
| | RM | RM |
| At the beginning of the financial period | 2,507,410 | - |
| Net realised (loss)/income for the financial period | (3,537,787) | 9,251,150 |
| Distributions out of realised reserve | - | (6,743,740) |
| At the end of the financial period | <u>(1,030,377)</u> | <u>2,507,410</u> |

MAYBANK CONSTANT INCOME FUND 8

15. TOTAL EQUITY (CONT'D)

(c) Accumulated unrealised loss

| | 31.05.2021 RM | 30.11.2020 RM |
|---|------------------|--------------------|
| At the beginning of the financial period | (6,033,436) | - |
| Net unrealised income/(loss) for the financial period | 5,052,676 | (6,033,436) |
| At the end of the financial period | <u>(980,760)</u> | <u>(6,033,436)</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:

| 01.12.2020 to 31.05.2021 | Value of trades RM | Percentage of total trades % |
|---|--------------------------|---------------------------------------|
| Brokers/dealers | | |
| UBS Investment Bank Singapore | 16,085,317 | 10.23 |
| Barclays Bank PLC Singapore | 27,174,480 | 17.28 |
| SC Lowy Primary Investments | 18,702,636 | 11.90 |
| Goldman Sachs International London | 13,442,183 | 8.55 |
| HSBC Bank Singapore Ltd | 13,274,134 | 8.44 |
| Nomura Securities Singapore Ltd | 12,721,195 | 8.09 |
| Morgan Stanley Asia (Singapore) Pte. Ltd. | 10,342,792 | 6.58 |
| Bank Of America Merrill Lynch | 8,882,734 | 5.65 |
| Credit Suisse Singapore Ltd | 6,562,891 | 4.17 |
| Others | 30,038,224 | 19.11 |
| | <u>157,226,588</u> | <u>100.00</u> |

MAYBANK CONSTANT INCOME FUND 8

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

| 21.10.2019 (date of launch) to 30.11.2020 | Value of trades RM | Percentage of total trades % |
|--|-------------------------------|---|
| Brokers/dealers | | |
| 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 |
| 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> |

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

| | 01.12.2020 to 31.05.2021 RM | 21.10.2019 (date of launch) to 31.05.2020 RM |
|--|--|---|
| MBB: | | |
| Interest Income from deposit placement | <u>5,484</u> | <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.

MAYBANK CONSTANT INCOME FUND 8

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 01 December 2020 to 31 May 2021 the MER of the Fund stood at 0.04%. (21 October 2019 (date of launch) to 31 May 2020 : 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 1 December 2020 to 31 May 2021, the PTR of the Fund stood at 0.33 times. (21 October 2019 (date of launch) to 31 May 2020 : 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.

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.

MAYBANK CONSTANT INCOME FUND 8

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:

| | Level 1 RM | Level 2 RM | Level 3 RM |
|---------------------------|-----------------------|-----------------------|-----------------------|
| 31.05.2021 | | | |
| Financial assets at FVTPL | - | 189,721,284 | - |
| Derivative assets | - | 77,087 | - |
| | <u>-</u> | <u>189,798,371</u> | <u>-</u> |
| Derivative liabilities | <u>-</u> | <u>291,967</u> | <u>-</u> |
| 30.11.2020 | | | |
| Financial assets at FVTPL | - | 223,314,539 | - |
| Derivative assets | - | 4,509,380 | - |
| | <u>-</u> | <u>227,823,919</u> | <u>-</u> |

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 during the financial period.