

# MAYBANK ASIAN CREDIT INCOME FUND

Unaudited interim report  
For the financial period from 1 May 2021 to 31 October  
2021

## **CORPORATE INFORMATION**

### **MANAGER**

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### **TRUSTEE**

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## **MAYBANK ASIAN CREDIT INCOME FUND**

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## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

For the financial period from 1 May 2021 to 31 October 2021

#### A. Fund Information

**1. Name of the Fund**

Maybank Asian Credit Income Fund (the "Fund")

**2. Type of Fund**

Fixed Income

**3. Category of Fund**

Feeder Fund

**4. Duration of the Fund**

The Fund is an open-ended Fund.

**5. Fund launch date / commencement date**

Class	Currency denomination	Launch date	Commencement date
MYR	Malaysian Ringgit ("MYR")	7 July 2020	7 August 2020
SGD (Hedged)	Singapore Dollar ("SGD")	7 July 2020	7 August 2020

**6. Fund's investment objective**

The Fund aims to maximise investment returns by investing in the Target Fund, the Maybank Asian Income Fund.

**7. Fund distribution policy**

Income (if any) shall be distributed bi-monthly basis at the discretion of the Manager, subject to Trustee's approval. Distribution will be made from realised income and realised gains of the Fund.

**8. Fund's performance benchmark**

JP Morgan Asian Credit Index ("JACI")

**9. The Fund's asset allocation policy**

The principal activity of the Fund is to investing a minimum of 90% of the Fund's NAV in the Target Fund and up to 10% of the Fund's NAV in liquid assets\*.

\* Liquid assets include but are not limited to deposits and money market instruments.

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

The Fund seeks to achieve its investment objective by investing a minimum of 90% of the Fund's NAV in Class A (Dist) - SGD of the Target Fund. The Target Fund is a Singapore-authorized open-ended unit trust constituted in Singapore and is a sub-fund of Maybank Focus Funds. The Fund will use derivatives such as currency forwards for hedging purposes to manage the currency risk of the Fund's investments and the Classes not denominated in MYR. Although the Fund is passively managed by us, we will ensure proper and efficient management of the Fund so that the Fund is able to meet redemption requests by unitholders.

## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

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

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

##### 11. Net income distribution for the financial period from 1 May 2021 to 31 October 2021

The Fund distributed a net income of RM1,819,968 from MYR Class and RM23,506 from SGD (Hedged) Class to unitholders for the financial period from 1 May 2021 to 31 October 2021. Below is the impact of the distributions to the Fund's NAV:

Entitlement date	Payment date	NAV per unit (before distribution)	NAV per unit (after distribution)	Gross/Net distribution per unit	Changes %
<b>MYR Class (MYR)</b>					
25.05.2021	31.05.2021	0.9955	0.9887	0.6800	(0.68)
25.06.2021	30.06.2021	1.0002	0.9968	0.3400	(0.34)
25.08.2021	30.08.2021	0.9990	0.9956	0.3400	(0.34)
26.10.2021	29.10.2021	0.9745	0.9677	0.6800	(0.70)
				<u>2.0400</u>	
<b>SGD (Hedged) Class (SGD)</b>					
25.05.2021	31.05.2021	0.9852	0.9785	0.6700	(0.68)
24.06.2017	30.06.2021	0.9883	0.9849	0.3400	(0.34)
25.08.2021	30.08.2021	0.9852	0.9818	0.3400	(0.35)
				<u>1.3500</u>	

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

###### Fund size

As at 31 October 2021, the size of the Fund was 71,975,175 units

Units in Circulation by Class	No. of units
MYR Class	71,365,125
SGD (Hedged) Class	610,050
<b>Total</b>	<b>71,975,175</b>

###### Breakdown of unitholdings by Class of Units as at 31 October 2021

###### MYR Class

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	2	50.00	* 3	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	1	25.00	212	0.30
500,001 units and above	1	25.00	71,150	99.70
<b>Total</b>	<b>4</b>	<b>100.00</b>	<b>**71,365</b>	<b>100.00</b>

\* Includes 1,039 units held by the Manager

\*\* Includes units held under an Institutional Unit Trust Scheme Advisers ("IUTA")

## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

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

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

##### 12. Breakdown of unitholdings by size (cont'd)

Breakdown of unitholdings by Class of Units as at 31 October 2021 (cont'd)

##### SGD (Hedged) Class

Unitholdings	No. of unitholders	%	No. of units ('000)	%
5,000 units and below	1	33.33	* 1	0.16
5,001 to 10,000 units	1	33.33	5	0.82
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	-	-	-	-
500,001 units and above	1	33.34	604	99.02
<b>Total</b>	<b>3</b>	<b>100.00</b>	<b>** 610</b>	<b>100.00</b>

\* Includes 1,032 units held by the Manager

\*\* Includes units held under an IUTA

#### B. Performance Review

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

Category	31.10.2021	30.04.2021
<b>Portfolio</b>		
Collective investment scheme (%)	96.08	98.98
Cash and other net assets (%)	3.92	1.02
Total (%)	<u>100.00</u>	<u>100.00</u>
<b>MYR Class</b>		
NAV (RM'000)	69,314	104,046
Units in circulation (units'000)	71,365	104,046
NAV per unit (RM)	0.9713	1.0000
Highest NAV per unit (RM)	1.0035	1.0306
Lowest NAV per unit (RM)	0.9689	0.9937
Annual total return (%) <sup>(1)</sup>		
- Capital growth (%)	(2.88)	-
- Income distribution (%)	2.07	1.75
Total return (%)	(0.86)	1.75
Benchmark (%)	(1.43)	0.12
Net distributions (in Fund currency)	1,819,968	2,078,587
Gross/net distribution per unit (sen)	2.04	1.76
Distribution dates (ex-date)	Refer to Note 14	

## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

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

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

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

Category	31.10.2021	30.04.2021
<b>SGD (Hedged) Class</b>		
NAV (RM'000)	1,800	1,696
Units in circulation (units'000)	610	557
NAV per unit (SGD)	0.9613	0.9907
Highest NAV per unit (SGD)	0.9938	1.0240
Lowest NAV per unit (SGD)	0.9530	0.9849
Annual total return (%) <sup>(1)</sup>		
- Capital growth (%)	(2.97)	(0.93)
- Income distribution (%)	1.37	1.77
Total return (%)	(1.63)	0.82
Benchmark (%)	(1.41)	0.10
Net distributions (in Fund currency)	23,506	40,992
Net distributions (in Class currency)	7,555	13,406
Gross/net distribution per unit (SGD cent)	1.35	1.76
Distribution dates (ex-date)	Refer to Note 14	
Management Expense Ratio ("MER") (%)	0.35	0.10
Portfolio Turnover Ratio ("PTR") (times)	0.36	0.68

#### Notes:

(1) Actual return of the Fund for the financial year is computed based on the daily average NAV per unit, net of Manager's and Trustee's fees.

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

## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

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

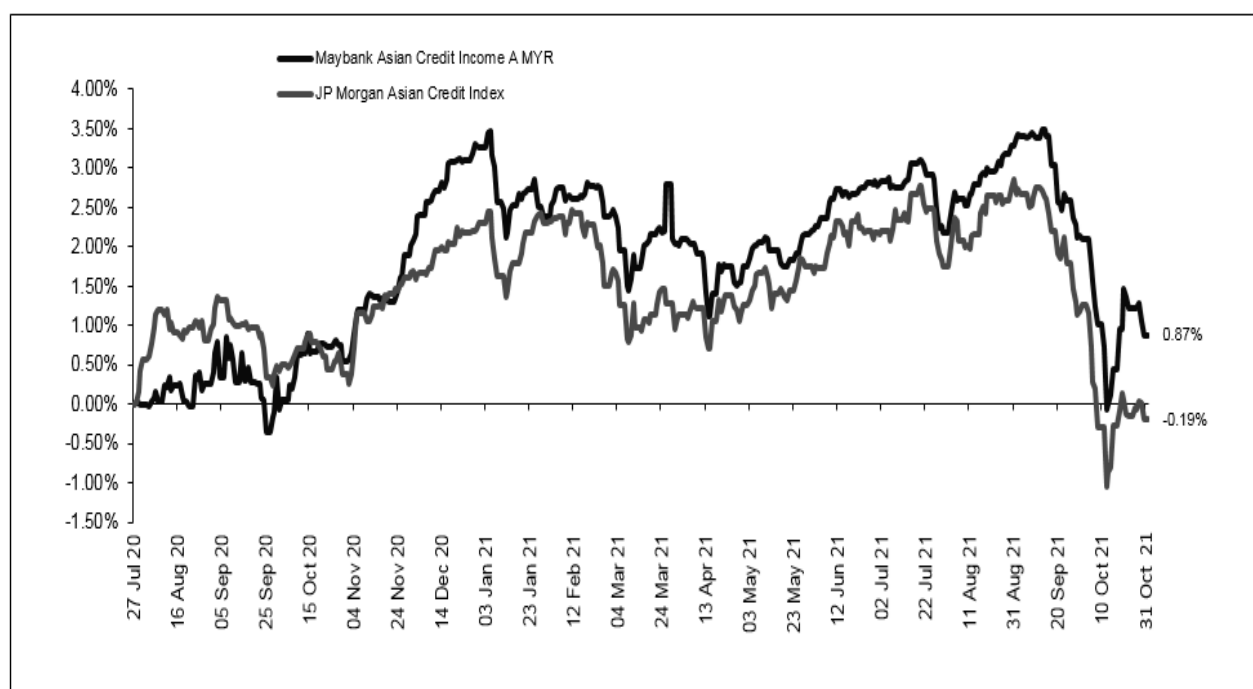
### B. Performance Review (cont'd)

#### 2. Performance of the Fund up to 31 October 2021

Returns of the different classes and its benchmark for the financial period ended 31 October 2021 are as follows:

##### (a) MYR Class

Category	6 months to 31.10.2021 %	Since inception to 31.10.2021 %
Capital growth	(2.88)	(2.88)
Income distribution	2.07	3.86
Total return of the Fund	(0.86)	0.87
Benchmark	(1.43)	(0.19)
Average total return	-	0.69



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

The fund generated total return -0.86%, as compared to the benchmark which registered a return of -1.43% over the same period. The Fund outperformed the benchmark (JP Morgan Asian Credit Index) by 59 basis points ("bps"). The portfolio's outperformance against the benchmark is mainly due to Foreign Exchange carry position given that the fund currency base in MYR while the target fund is in SGD.



## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

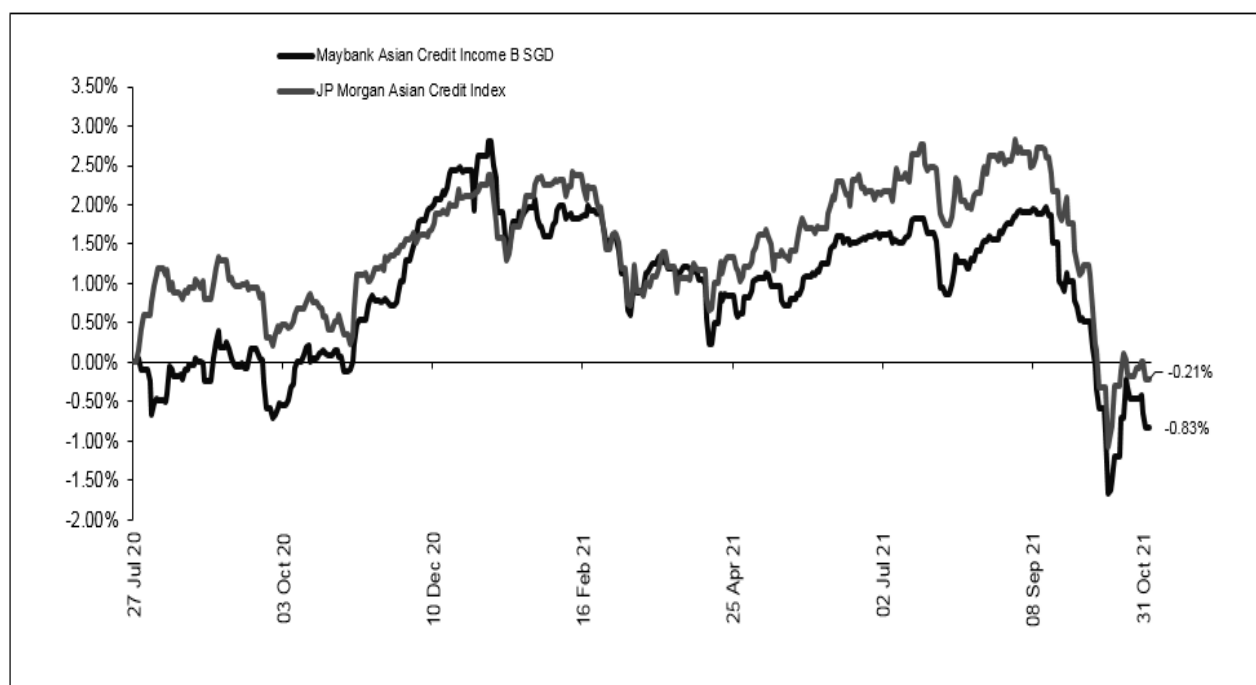
For the financial period from 1 May 2021 to 31 October 2021 (cont'd)

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

#### 2. Performance of the Fund up to 31 October 2021 (cont'd)

##### (b) SGD (Hedged) Class

Category	6 months to 31.10.2021 %	Since inception to 31.10.2021 %
Capital growth	(2.97)	(3.87)
Income distribution	1.37	3.16
Total return of the Fund	(1.63)	(0.83)
Benchmark	(1.41)	(0.21)
Average total return	-	(0.66)



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

The fund generated total return -1.63%, as compared to the benchmark which registered a return of -1.41% over the same period for MYR class and The Fund underperformed the benchmark (JP Morgan Asian Credit Index) by 22 bps.

## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

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

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

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

###### MYR Class

For the financial period/year ended	31.10.2021 %	30.04.2021 %
Capital growth	(2.88)	-
Income distribution	2.07	1.75
Total return	(0.86)	1.75
Benchmark	(1.43)	0.12

###### SGD (Hedged) Class

For the financial period/year ended	31.10.2021 %	30.04.2021 %
Capital growth	(2.97)	(0.93)
Income distribution	1.37	1.77
Total return	(1.63)	0.82
Benchmark	(1.41)	0.10

##### 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

## MAYBANK ASIAN CREDIT INCOME FUND

### Manager's report

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

#### C. Market Review

May 2021 – United States (“US”) economic recovery seen to be on track with further sign of acceleration seen visible. The Purchasing Managers' Index (“PMI”) no rose to 63.5 in April 2021 indicating significant expansion. Headline CPI rose 4.2% YoY in April reaching highest level since September 2008 and sparked optimism among players that Federal Reserve System (“FED”) could initiate tighter monetary policy. The optimism however was met with some disappointment as Nonfarm payrolls (“NFP”) no added only 266k job in April 2021 as compared to expectation of a 1 million job.

June 2021 – The US economy seen to remain in recovering mode after its Q12021 Gross Domestic Product (“GDP”) number grew at 6.4% (Quarter-on-Quarter (“qoq”)) but was lower than consensus at 6.7%. The US PMI numbers for the month of June 2021 clocked at 63.9 signaling strong expansion in the US economy. In late June 2021 President Joe Biden also secured a deal on an infrastructure package worth about \$1 trillion to upgrade roads, bridges and broadband networks over the next eight years. The agreement fell short of the \$2.3 trillion infrastructure spending plan announced in March 2021, and did not address the social safety-net spending proposed in April 2021.

July 2021 – The 10-year United States Treasury (“UST”) level dropped lower from 1.47% to 1.23% at the back on concerns over the Coronavirus Disease 2019 (“Covid-19”) Delta variant along with signs that global growth moderating caused investors to shift towards risk -off mode. In the July 2021 FED meeting, the FED acknowledge that the economy was making progress in line with its mandate but highlighted that tapering would require additional improvements especially in the labor market. They also acknowledge that there was upside risk to the inflation outlook but retained the view that this would be transitory. In the credit space, China names continues to remain volatile as Chinese government tighten its regulatory on tech sectors. Latest casualty saw Chinese government launched an investigation into ride hailing giant Didi citing national security and cyber security concerns.

August 2021 – Jerome Powell struck a cautious note in his statement at the Jackson Home symposium, stating that while the US economy had made progress on some important targets – specifically on inflation - tapering too aggressively could derail progress at a sensitive time, reiterating a desire to see further progress in the labor market. The comments were consistent with expectations that tapering could begin this year, but were broadly perceived as dovish. The US 10-year yield was eight bps higher at 1.31%, having twice come close to 1.38% during the course of the month. Data showed still healthy levels of expansion, but with momentum moderating. US consumer price inflation remained elevated in July 2021, but rose more slowly.

September 2021 – The FED stated that bond tapering will be announced at the November 2021 meeting, as expected, and will finish by mid-2022. Meanwhile, the FED funds rate projections now show a faster rate hiking schedule than they did in June. In UK the 10 year gilts rise from 0.72% to 1.02% as policy makers among the Bank of England (“BOE”) seen to become more hawkish suggesting that rate rise might warranted before the end of the year. In China, the Chinese property bond spark major concern among the investors over the ability of property group Evergrande to service its debts sending yield to move higher. Power outages in China and the rationing of energy also spooked investors, hurting production of key commodities. The downside risks in China have significantly increased against a backdrop of slowing economic activity and concerns that recent regulatory policies will further weigh on growth.

## **MAYBANK ASIAN CREDIT INCOME FUND**

### **Manager's report**

**For the financial period from 1 May 2021 to 31 October 2021 (cont'd)**

#### **C. Market Review (cont'd)**

October 2021 – The 10-year UST yield continue to rise higher from 1.49% to 1.56% as FED bond tapering draws near admit rising inflationary pressure. China property bond slightly recover in the mid of October 2021 but plunge back lower towards the month end as concern seen to build up over their abilities to raise fund to rollover their debt that due to mature with consideration that the sales on property market in China had significantly slow down during the pandemic time.

#### **D. Market Outlook & Strategy**

We had another month of whiplash on the Chinese property sector during October 2021. The JP Morgan China High Yield Index collapsed 11.4% in October 2021, after it failed to sustain a mini recovery mid-October 2021. From idiosyncratic risk of an Evergrande default, the risks have spread to other stressed names including Fantasia, Modern Land and Sinic. Investors grew increasingly worried as to who could be next, leading to indiscriminate selling across property names. Weak property sales in September 2021 and October 2021 also added to the negative sentiment. Last but not least, the relentless selling over the past two months drove bond yields up to over 20% for many developer bonds. At these yields levels, it would be impossible for the issuers to refinance maturities that are coming due in the near future adding to increased stress in the property sector.

The selling continued during the first week of September with the JP Morgan China High Yield Index down 9.5% for the month ending 9 November 2021. For the full year, the JP Morgan China High Yield Index has sold off 30% end 9 November 2021. During November 2021, contagion spread to even investment grade universe with names including Country Garden, Shimao, and even SOE developers with Sino-Ocean and Franshion bonds dropping 10 points to 20 points. At this point in time, the implied default rate on China property was probably about 40% to 50% and hence we felt that the selling has been overdone. The China property accounts for about 25% to 30% of China GDP including upstream and downstream activities. It contributes to 24% to total tax revenue and 44% of total government revenue if including government land sales. Being a systematically important sector, it would be hard to imagine that the Chinese government would not act to avert an upcoming disaster. Of this magnitude.

The portfolio had around 11% of China property exposure since September 2021 which accounted for majority of the underperformance in the last 2 months. We did reduce some property exposure prior to selloff and had about 20% cash early November 2021. We were hoping that some government support statements for the property sector would emerge from the China Plenum meeting on 8 to 11 November 2021. In the past week some positive headlines surfaced including China bank lending to property developers rose in October 2021 and loosening controls for real-estate companies to issue local currency notes, adding to signs that credit conditions may be easing for the battered real estate industry. We added some investment grade names back into the portfolio. As of now, China property is at 15% and cash also at 15%. Our view is that the China property sector outlook will improve in FY2022 and we will gradually position the portfolio to benefit from the recovery next year.

## **MAYBANK ASIAN CREDIT INCOME FUND**

### **Manager's report**

**For the financial period from 1 May 2021 to 31 October 2021 (cont'd)**

#### **E. Significant financial risk of the Fund**

As the base currency of the Fund ("Base Currency") is denominated in MYR and the investments of the Fund in the Target Fund is denominated in SGD, the Fund is exposed to currency risk. Any fluctuation in the exchange rates between MYR and SGD will affect the value of the Fund's investments.

As the Base Currency is denominated in MYR and the currency denomination of the classes may be denominated in other than MYR, the classes not denominated in MYR are also exposed to currency risk. Any fluctuation in the exchange rates between MYR and the currency denomination of the class (other than MYR Class) will affect the unit holder's investments in those classes (other than MYR Class). The impact of the exchange rate movement between the Base Currency and the currency denomination of the class (other than MYR Class) may result in a depreciation of the unit holder's holdings as expressed in the Base Currency.

In order to manage currency risk, the Manager may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Fund's investments and the classes not denominated in MYR. However, every hedge comes with a cost and will be borne by the respective class.

#### **F. Soft Commissions and Rebates**

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

During the financial period ended 31 October 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 ASIAN CREDIT INCOME FUND FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 OCTOBER 2021**

We have acted as Trustee of Maybank Asian Credit Income Fund (the "Fund") for the financial period from 1 May 2021 to 31 October 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 Deeds, the Securities Commission's ("SC") Guidelines on Unit Trust Funds (the "Guidelines"), the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation/pricing of the Fund has been carried out in accordance with the Deed and relevant regulatory requirements;
- (c) Creation and cancellation of units have been 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/ 610812-W)

**NORHAYATI BINTI AZIT  
DIRECTOR - FUND SERVICES**

Kuala Lumpur, Malaysia

10 December 2021

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAYBANK ASIAN CREDIT INCOME FUND  
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 OCTOBER 2021**

I, Ahmad Najib Bin Nazlan, being a Director of Maybank Asset Management Sdn Bhd (the "Manager") do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and International Accounting Standards 34 Interim Financial Reporting so as to give a true and fair view of the financial position of the Maybank Asian Credit Income Fund as at 31 October 2021 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 1 May 2021 to 31 October 2021 and comply with the requirements of the Deeds.

For and on behalf of the Manager

**Ahmad Najib Bin Nazlan**

Director

Kuala Lumpur, Malaysia

10 December 2021

**MAYBANK ASIAN CREDIT INCOME FUND**

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

		<b>01.05.2021</b>	<b>07.07.2020</b>
		<b>to</b>	<b>(date of</b>
		<b>31.10.2021</b>	<b>launch)</b>
		<b>to</b>	<b>to</b>
	<b>Note</b>	<b>RM</b>	<b>31.10.2020</b>
			<b>RM</b>
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		1,827,868	1,142,100
Interest income		6,707	29,286
Net loss from financial assets at fair value through profit or loss ("FVTPL")			
- Realised loss		(775,891)	-
- Unrealised loss		(2,159,684)	(887,855)
Net gain on foreign exchange and forward currency contracts	3	875,397	321,779
		<u>(225,603)</u>	<u>605,310</u>
<b>EXPENSES</b>			
Manager's fee	4	116,980	68,090
Trustee's fee	5	28,076	16,341
Auditors' remuneration		3,277	3,246
Tax agent's fee		1,765	1,136
Administrative expenses		12,857	2,248
		<u>162,955</u>	<u>91,061</u>
<b>Net (loss)/income before distribution and taxation</b>		(388,558)	514,249
Distribution to unitholders			
MYR Class	14(a)	(1,857,018)	-
SGD (Hedged) Class	14(b)	(32,606)	-
		<u>(1,889,624)</u>	<u>-</u>
<b>Net results before taxation</b>		(2,278,182)	514,249
Taxation	6	-	-
<b>Net results after taxation, and total comprehensive (loss)/income for the financial period</b>		<u>(2,278,182)</u>	<u>514,249</u>
<b>Net results after taxation is made up of the following:</b>			
Net realised loss		(2,239,100)	(148,631)
Net unrealised (loss)/income		(39,082)	662,880
		<u>(2,278,182)</u>	<u>514,249</u>



**MAYBANK ASIAN CREDIT INCOME FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 OCTOBER 2021 (CONT'D)**

		01.05.2021 to 31.10.2021	07.07.2020 (date of launch) to 31.10.2020
	Note	RM	RM
<b>Distributions for the financial period:</b>			
<b><u>MYR Class</u></b>			
Net distributions (in Fund currency)	14(a)	1,819,968	-
Gross/net distribution per unit (sen)	14(a)	2.04	-
Distribution dates (ex-date)		Refer to Note 14	-
<b><u>SGD (Hedged) Class</u></b>			
Net distributions (in Fund currency)	14(b)	23,506	-
Net distributions (in Class currency)	14(b)	7,555	-
Gross/net distribution per unit (SGD cent)	14(b)	1.35	-
Distribution dates (ex-date)		Refer to Note 14	-

**MAYBANK ASIAN CREDIT INCOME FUND**

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

	Note	31.10.2021 RM	30.04.2021 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	68,325,031	104,665,709
Deposits with a licensed financial institution	8	130,025	300,277
Dividend receivables		244,093	360,987
Interest receivables		17	15
Derivative assets	9	1,789,733	118,348
Amount due from Manager	10	10,200	1,000
Cash at bank	11	1,609,671	1,649,594
<b>TOTAL ASSETS</b>		<b>72,108,770</b>	<b>107,095,930</b>
<b>LIABILITIES</b>			
Derivative liabilities	9	134,859	802,080
Amount due to Manager	10	833,031	525,114
Amount due to Trustee	12	3,779	5,375
Other payables and accruals		23,882	21,418
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<b>995,551</b>	<b>1,353,987</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND</b>		<b>71,113,219</b>	<b>105,741,943</b>
<b>NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' contribution	13(a)	73,244,874	105,595,416
(Accumulated losses)/Retained earnings	13(b) & 13(c)	(2,131,655)	146,527
		<b>71,113,219</b>	<b>105,741,943</b>
<b>NET ASSET VALUE ("NAV")</b>			
- MYR Class		69,313,514	104,046,369
- SGD (Hedged) Class		1,799,705	1,695,574
		<b>71,113,219</b>	<b>105,741,943</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- MYR Class	13(a)	71,365,125	104,045,973
- SGD (Hedged) Class	13(a)	610,050	557,227
		<b>71,975,175</b>	<b>104,603,200</b>
<b>NAV PER UNIT</b>			
- MYR Class (MYR)	13(a)	0.9713	1.0000
- SGD (Hedged) Class (SGD)	13(a)	0.9613	0.9907

**MAYBANK ASIAN CREDIT INCOME FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 OCTOBER 2021**

	<b>Unitholders' contribution Note 13(a) RM</b>	<b>(Accumulated losses)/ Retained earnings Note 13(b) &amp; 13(c) RM</b>	<b>Net assets attributable to unitholders RM</b>
At 1 May 2021	105,595,416	146,527	105,741,943
Total comprehensive loss for the financial period	-	(2,278,182)	(2,278,182)
Creation of units	236,909	-	236,909
Reinvestment of units	1,843,474	-	1,843,474
Cancellation of units	(34,477,075)	-	(34,477,075)
Distribution (Note 14)	46,150	-	46,150
At 31 October 2021	<u>73,244,874</u>	<u>(2,131,655)</u>	<u>71,113,219</u>
At 7 July 2020 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	514,249	514,249
Creation of units	133,332,844	-	133,332,844
Cancellation of units	(2,077,852)	-	(2,077,852)
At 31 October 2020	<u>131,254,992</u>	<u>514,249</u>	<u>131,769,241</u>

**MAYBANK ASIAN CREDIT INCOME FUND**

**UNAUDITED STATEMENT OF CASH FLOWS**

**FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 OCTOBER 2021**

	<b>01.05.2021</b>	<b>07.07.2020</b>
	<b>to</b>	<b>(date of</b>
	<b>31.10.2021</b>	<b>launch)</b>
	<b>RM</b>	<b>to</b>
		<b>31.10.2020</b>
		<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from disposal of financial assets at FVTPL	33,848,400	1,000
Net payments for purchase of financial assets at FVTPL	-	(125,530,132)
Net realised (loss)/income on forward foreign exchange contracts	(1,920,966)	1,040
Dividend income received	1,947,280	719,394
Interest income received	6,705	28,817
Manager's fee paid	(123,630)	(40,806)
Trustee's fee paid	(29,672)	(9,793)
Payment of other fees and expenses	(15,435)	(2,254)
Net cash generated from/(used in) operating and investing activities	<u>33,712,682</u>	<u>(124,832,734)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	238,277	132,834,521
Payments for cancellation of units	(34,162,514)	(2,072,833)
Net cash (used in)/generated from financing activities	<u>(33,924,237)</u>	<u>130,761,688</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>		
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	(211,555)	5,928,954
Effect on foreign exchange	1,949,871	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>1,380</u>	<u>(385,930)</u>
	<u>1,739,696</u>	<u>5,543,024</u>
Cash and cash equivalents comprise of:		
Cash at bank (Note 11)	1,609,671	655,849
Deposits with a licensed financial institution with maturity of less than 3 months (Note 8)	130,025	4,887,175
	<u>1,739,696</u>	<u>5,543,024</u>

## **MAYBANK ASIAN CREDIT INCOME FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 OCTOBER 2021**

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

Maybank Asian Credit Income Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 22 May 2020 between the Manager, Maybank Asset Management Sdn Bhd ("MAM") and the Trustee, TMF Trustee Malaysia Bhd.

The Fund aims to achieve long-term consistent positive return by investing in the Maybank Asian Income Fund ("Target Fund") offered in Singapore.

The principal activity of the Fund is to investing a minimum of 90% of the Fund's NAV in the Target Fund and up to 10% of the Fund's NAV in liquid assets. The Target Fund is a Singapore-authorized open-ended unit trust constituted in Singapore and is a sub-fund of Maybank Focus Funds.

The Target Fund is constituted as a unit trust in Singapore established on 24 November 2014. The investment manager of the Target Fund is Maybank Asset Management Singapore Pte. Ltd. ("MAMS") a fully owned subsidiary of Maybank Asset Management Group Berhad and is licensed and regulated by the Monetary Authority of Singapore. The investment objective of the Target Fund is to provide investors with capital growth and income primarily through investing in a portfolio of Asian fixed income securities and U.S. government debt.

The Fund launched 2 share classes of units as at the date of this report, which are MYR Class and SGD (Hedged) Class.

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

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") which have become effective during the financial period from 1 May 2021 to 31 October 2021. The adoption of the above did not result in material impact to the financial statements.

The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies in Note 2.3 to Note 2.15 to the financial statements.

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

## MAYBANK ASIAN CREDIT INCOME FUND

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

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

*The following are Standards and 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.*

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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
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 will not have any material impact on the financial statements in the period of initial application.

#### 2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual

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.

## **MAYBANK ASIAN CREDIT INCOME FUND**

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

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

##### **(i) Financial assets at amortised cost**

The Fund classifies cash and cash equivalents, interest receivables, dividend receivables and amount due from Manager 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 assets and of allocating and recognising the interest income in profit or loss over the relevant period.

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 interest on the principal amount outstanding.

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

##### **(ii) Financial assets at FVTPL**

Investments in collective investment scheme 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;
- on initial recognition it is part of the portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

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

## MAYBANK ASIAN CREDIT INCOME FUND

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

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

##### (ii) Financial assets at FVTPL (cont'd)

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. Accumulated unrealised gains or losses are reclassified to realised gains or losses when the associated assets are sold.

Interest income on debt instruments and dividend income on equity securities classified as FVTPL are disclosed separately in the profit or loss.

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

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.

##### (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 is 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
- 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.



## **MAYBANK ASIAN CREDIT INCOME FUND**

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

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

##### **(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 interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset classified as 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 previously 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 Trustee, amount due to Manager, amount due to brokers and other payables and accruals as other

##### **(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.

The EIR is a method of calculating the amortised cost of the financial liability and of allocating and recognising the interest expense in profit or loss over the relevant period.

##### **(iii) Derecognition**

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

## **MAYBANK ASIAN CREDIT INCOME FUND**

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

#### **2.6 Unitholders' contribution**

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

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder 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 unit holders with the total number of outstanding units.

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

#### **2.7 Revenue / Income**

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

Interest income from short-term deposits is recognised on the accruals basis using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

Realised gain on disposal of investments is measured as the difference between the net proceeds and its carrying amount.

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.

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

Cash and cash equivalents include cash at bank and deposits with licensed financial institution with maturities of three months or less, which have an insignificant risk of changes in value.

#### **2.9 Distributions**

Any distribution to the Fund's unitholders is accounted for as a deduction is accounted for in the statement of comprehensive income (except for distribution equalisation) as a deduction from realised income. A proposed distribution is recognised as a liability in the 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.

## **MAYBANK ASIAN CREDIT INCOME FUND**

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

#### **2.10 Taxation**

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 rate based upon the taxable income earned during the financial year. Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

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

In some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Fund. The Fund presents the withholding tax separately from the gross investment income in the statement of comprehensive income.

#### **2.11 Derivatives and hedge accounting**

Derivatives are financial assets or liabilities at fair value through profit or loss categorised as held for trading unless they are designated hedges.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy for FVTPL.

The Fund does not apply hedge accounting to the forward currency contracts entered during the financial period. However, future events or conditions may cause the Fund to apply hedge accounting in the future.

#### **2.12 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 or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

## **MAYBANK ASIAN CREDIT INCOME FUND**

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

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

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

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

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 for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets 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.

#### **2.13 Functional and foreign currency**

##### **(i) 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.

##### **(ii) 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 year end exchange rates of monetary assets and liabilities in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

## MAYBANK ASIAN CREDIT INCOME FUND

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

#### 2.14 Segment reporting

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

#### 2.15 Significant accounting estimates and judgements

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 judgement have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

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

	01.05.2021 to 31.10.2021 RM	07.07.2020 (date of launch) to 31.10.2020 RM
Net unrealised gain on foreign exchange	2,356,555	356,853
Net realised gain/(loss) on foreign exchange	474,916	(1,229,996)
Net unrealised (loss)/gain on forward foreign exchange contracts	(17,949)	1,193,882
Net realised (loss)/gain on forward foreign exchange contracts	(1,938,125)	1,040
	<u>875,397</u>	<u>321,779</u>

### 4. MANAGER'S FEE

The Manager's fee is computed daily up to 1.25% per annum ("p.a.") (07.07.2020 (date of launch) to 31.10.2020: 1.25%) of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day.

As the Fund is investing in the Target Fund, the annual management fee is inclusive of the management fee charged by the Target Fund. There shall be no double charging of management fee.

### 5. TRUSTEE'S FEE

If the Fund is invested locally only, the Trustee's fee is computed up to 0.06% p.a. (including local custodian fee) (07.07.2020 (date of launch) to 31.10.2020: 0.06%) of the NAV of the Fund, before deducting Manager's fee and Trustee's fee for the day, calculated on a daily basis.

## MAYBANK ASIAN CREDIT INCOME FUND

### 6. TAXATION

	01.05.2021 to 31.10.2021 RM	07.07.2020 (date of launch) to 31.10.2020 RM
Current income tax expense	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (07.07.2020 (date of launch) to 31.10.2021: 24%) of the estimated assessable income for the financial period. The tax expense for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from tax. Dividend income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

	01.05.2021 to 31.10.2021 RM	07.07.2020 (date of launch) to 31.10.2020 RM
Net results before taxation	(388,558)	514,249
Taxation at Malaysian statutory rate of 24% (07.07.2020 (date of launch) to 31.10.2021: 24%)	(93,254)	123,420
Income not subject to tax	(650,393)	(358,359)
Loss not deductible for tax purposes	704,538	213,085
Expenses not deductible for tax purposes	39,109	21,854
Tax expense for the financial period	-	-

## MAYBANK ASIAN CREDIT INCOME FUND

### 7. FINANCIAL ASSETS AT FVTPL

	31.10.2021 RM	30.04.2021 RM
Collective investment scheme	68,325,031	104,665,709

Financial assets at FVTPL	Quantity Unit	Aggregate cost RM	Market value RM	Percentage of NAV %
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#### Collective Investment Scheme

##### 31.10.2021

Maybank Asian Income Fund Class A (Dist) - SGD	22,725,005	71,547,425	68,325,031	96.08
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Unrealised loss on financial assets at FVTPL \* (3,222,394)

##### 30.04.2021

Maybank Asian Income Fund Class A (Dist) - SGD	33,581,626	105,728,419	104,665,709	98.98
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Unrealised loss on financial assets at FVTPL \* (1,062,710)

\* The unrealised loss on quoted equities comprise the amounts arising from changes in fair values and effects from foreign exchange.

### 8. DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION

	31.10.2021 RM	30.04.2021 RM
Deposits with a licensed financial institution with maturity of: - less than 3 months	130,025	300,277

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

	31.10.2021		30.04.2021	
	WAEIR % p.a.	Average maturity Days	WAEIR % p.a.	Average maturity Days
Deposits with maturity of less than 3 months	1.60	1	1.77	2

## MAYBANK ASIAN CREDIT INCOME FUND

### 9. DERIVATIVE ASSETS/(LIABILITIES)

As at the reporting date, there were 25 (30.04.2021: 40) outstanding forward currency contracts. The details of the forward foreign exchange contracts as at 31 October 2021 is shown below:

<u>Forward currency contracts</u>	<b>Notional principal amount RM</b>	<b>&lt;-----Fair Value-----&gt;</b>	
		<b>Assets RM</b>	<b>Liabilities RM</b>
<b>31.10.2021</b>			
- Less than 1 year	69,704,651	1,789,733	134,859
<b>30.04.2021</b>			
- Less than 1 year	103,724,501	118,348	802,080

The Fund entered into forward currency contracts to hedge the Fund's exposure to foreign currencies, arising mainly from subscriptions in the SGD (hedged) Class. As the Fund did not adopt hedge accounting during the financial period, the change in the fair value of the forward currency contracts is recognised in the statement of comprehensive income.

### 10. AMOUNT DUE FROM/(TO) MANAGER

		<b>31.10.2021 RM</b>	<b>30.04.2021 RM</b>
Amount due from Manager is in respect of:			
Creation of units	(i)	10,200	1,000
Amount due to Manager is in respect of:			
Manager's fee	(ii)	15,746	22,396
Cancellation of units	(iii)	817,285	502,718
		833,031	525,114

- (i) The amount represents amount receivable from the Manager for units created.  
(ii) The amount relates to the amount payable to the Fund Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days (30.04.2021: 15 days).  
(iii) The amount represents amount payable to the Manager for units redeemed or cancelled.

### 11. CASH AT BANK

	<b>31.10.2021 RM</b>	<b>30.04.2021 RM</b>
Singapore dollar ("SGD")	193,827	94,745
RM	1,415,844	1,554,849
	1,609,671	1,649,594



## MAYBANK ASIAN CREDIT INCOME FUND

### 12. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee 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. (30.04.2021: 15 days)

### 13. NAV ATTRIBUTABLE TO UNITHOLDERS

	Note	01.05.2021 to 31.10.2021 RM	07.07.2020 (date of launch) to 30.04.2021 RM
Unitholders' contribution	(a)	73,244,874	105,595,416
Accumulated realised income	(b)	406,183	2,645,283
Accumulated unrealised loss	(c)	(2,537,838)	(2,498,756)
		<u>71,113,219</u>	<u>105,741,943</u>

#### (a) Unitholders' contribution

The units are distributed based on the following share classes:

	01.05.2021 to 31.10.2021		07.07.2020 (date of launch) to 30.04.2021	
	Units	RM	Units	RM
(i) MYR Class	71,365,125	71,361,746	104,045,973	103,880,165
(ii) SGD (Hedged) Class	610,050	1,883,128	557,227	1,715,251
	<u>71,975,175</u>	<u>73,244,874</u>	<u>104,603,200</u>	<u>105,595,416</u>

#### (i) MYR Class

	01.05.2021 to 31.10.2021		07.07.2020 (date of launch) to 30.04.2021	
	Units	RM	Units	RM
As at beginning of the financial period/year	104,045,973	103,880,165	-	-
Creation of units	101,595	101,638	148,402,461	148,925,155
Reinvestment of units	1,835,776	1,819,968	2,057,970	2,078,587
Cancellation of units	(34,618,219)	(34,477,075)	(46,414,458)	(47,079,859)
Distribution equalisation (Note 14)	-	37,050	-	(43,718)
As at end of the financial period/year	<u>71,365,125</u>	<u>71,361,746</u>	<u>104,045,973</u>	<u>103,880,165</u>

**MAYBANK ASIAN CREDIT INCOME FUND**

**13. NAV ATTRIBUTABLE TO UNITHOLDERS (CONT'D)**

**(a) Unitholders' contribution (cont'd)**

(ii) SGD (Hedged) Class

	01.05.2021 to 31.10.2021		07.07.2020 (date of launch) to 30.04.2021	
	Units	RM	Units	RM
As at beginning of the financial period/year	557,227	1,715,251	-	-
Creation of units	45,171	135,271	1,194,640	3,657,983
Reinvestment of units	7,652	23,506	13,363	40,992
Cancellation of units	-	-	(650,776)	(1,992,322)
Distribution equalisation (Note 14)	-	9,100	-	8,598
As at end of the financial period/year	610,050	1,883,128	557,227	1,715,251

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

	01.05.2021 to 31.10.2021		07.07.2020 (date of launch) to 30.04.2021	
	No. of units	Valued at NAV	No. of units	Valued at NAV
The Manager (MYR Class)	1,039	RM1,009	1,018	RM1,018
The Manager (SGD (Hedged) Class)	1,032	SGD992	1,018	SGD1,008

**(b) Accumulated realised income**

	07.07.2020 (date of launch) 01.05.2021 to 31.10.2021		07.07.2020 (date of launch) to 30.04.2021	
	RM		RM	
At the beginning of the financial period	2,645,283		-	
Net realised loss for the financial period	(2,239,100)		2,645,283	
At the end of the financial period	406,183		2,645,283	

## MAYBANK ASIAN CREDIT INCOME FUND

### 13. NAV ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

#### (c) Accumulated unrealised loss

	01.05.2021 to 31.10.2021 RM	07.07.2020 (date of launch) to 30.04.2021 RM
At the beginning of the financial period	(2,498,756)	-
Net unrealised loss for the financial period	(39,082)	(2,498,756)
At the end of the financial period	<u>(2,537,838)</u>	<u>(2,498,756)</u>

#### (d) Classes of shares

##### (i) Types of classes of units

Class	Currency
MYR Class	MYR
SGD (Hedged) Class	SGD

There are different charges and features for each class as follows:

- (a) Initial investment for each class
- (b) Different additional minimum investment

##### (ii) NAV computation

The computation of NAV of the Fund is based on the Fund's functional currency, RM, irrespective of the multiple classes of units (denominated in other currencies). Due to multiple classes in this Fund, the expenses of the Fund are apportioned based on the MCR, which is the size of the respective class relative to the whole Fund. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

##### (iii) Redemption/cancellation of units by Unitholders

These units are cancellable at the unitholder's option. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

There is no restriction on the putting of the units back to the Fund (i.e. redemption), subject to the minimum redemption amount of units of each class and the minimum unit holding for each class. If the unit holdings of a unitholder are, after a redemption request, falls below the minimum unit holdings for the Fund, a request for full redemption is deemed to have been made.

## MAYBANK ASIAN CREDIT INCOME FUND

### 14. DISTRIBUTION

The sources of distribution and the gross/net distribution rates declared for the various classes of units are as follows:

#### (a) MYR Class

	<b>01.05.2021</b> to <b>31.10.2021</b> RM	<b>07.07.2020</b> (date of launch) to <b>30.04.2021</b> RM
Dividend income	2,175,140	2,140,234
Interest income	7,981	23,396
Less: Expenses	(326,103)	(128,761)
Distribution out of realised income	<u>1,857,018</u>	<u>2,034,869</u>
Effects of distribution equalisation (Note13(a)(i))	(37,050)	43,718
Distribution for the financial period	<u>1,819,968</u>	<u>2,078,587</u>

The distribution declared are settled in the form of units and presented as "reinvestment of units" in Note 13.

The gross/net distribution per unit and the distribution dates are as follows:

<b>Distribution dates (ex-date)</b>	<b>Gross/net distribution per unit (RM sen)</b>
<b>01.05.2021 to 31.10.2021</b>	
27 May 2021	0.68
28 June 2021	0.34
26 August 2021	0.34
27 October 2021	<u>0.68</u>
	<u>2.04</u>
<b>07.07.2020 (date of launch) to 30.04.2021</b>	
27 November 2020	0.40
27 January 2021	0.68
29 March 2021	<u>0.68</u>
	<u>1.76</u>

**MAYBANK ASIAN CREDIT INCOME FUND**

**14. DISTRIBUTION (CONT'D)**

**(b) SGD (Hedged) Class**

	<b>01.05.2021</b> to <b>31.10.2021</b> RM	<b>07.07.2020</b> (date of launch) to <b>30.04.2021</b> RM
Dividend income	36,658	53,038
Interest income	135	580
Less: Expenses	(4,187)	(4,028)
Distribution out of realised income	<u>32,606</u>	<u>49,590</u>
Effects of distribution equalisation (Note 13(a)(ii))	(9,100)	(8,598)
Distribution for the financial period	<u>23,506</u>	<u>40,992</u>

The distribution declared are settled in the form of units and presented as "reinvestment of units" in Note 13.

The gross/net distribution per unit and the distribution dates are as follows:

<b>Distribution dates (ex-date)</b>	<b>Gross/net distribution per unit (SGD cent)</b>
<b>01.05.2021 to 31.10.2021</b>	
27 May 2021	0.67
28 June 2021	0.34
26 August 2021	<u>0.34</u>
	<u>1.35</u>
<b>07.07.2020 (date of launch) to 30.04.2021</b>	
27 November 2020	0.40
27 January 2021	0.68
29 March 2021	<u>0.68</u>
	<u>1.76</u>

## MAYBANK ASIAN CREDIT INCOME FUND

### 15. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Transactions with the financial institutions in terms of trade values for the current and previous financial period are as follows:

Financial institutions	01.05.2021 to 31.10.2021		07.07.2020 (date of launch) to 31.10.2020	
	Value of placements RM	Percentage of total placement %	Value of placements RM	Percentage of total placement %
Malayan Banking Bhd ("MBB") *	93,477,504	88.66	244,169,324	81.39
Maybank Islamic Bhd ("MIB") **	11,952,487	11.34	55,846,610	18.61
	<u>105,429,991</u>	<u>100.00</u>	<u>300,015,934</u>	<u>100.00</u>

\* MBB is the ultimate holding company of the Manager

\*\* MIB is a subsidiary of MBB, the ultimate holding company of the Manager

### 16. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES

For the purpose of these 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 maybe individuals or other entities. In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant related party transaction and balances of the Fund during the financial period.

(i) <u>Significant related party transaction</u>	07.07.2020 (date of launch)	
	01.05.2021 to 31.10.2021 RM	to 31.10.2020 RM
<u>MBB:</u>		
Interest income from deposits	5,968	17,358
<u>MIB:</u>		
Interest income from deposits	737	3,476

## MAYBANK ASIAN CREDIT INCOME FUND

### 16. SIGNIFICANT RELATED PARTY TRANSACTION AND BALANCES (CONT'D)

	31.10.2021	30.04.2021
	RM	RM
(ii) <u>Significant related party balances</u>		
<u>MBB:</u>		
Deposit with a licensed financial institution	130,025	300,277
Interest receivables	17	15
Derivative assets	-	4,731
Derivative liabilities	26,211	21,612

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 with unrelated parties.

### 17. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Trustee's fee and other administrative expenses. For the financial period from 1 May 2021 to 31 October 2021, the MER of the Fund stood at 0.35% (07.07.2020 (date of launch) to 31 October 2020: 0.10%).

As the MER includes only the incremental fee charged by the Manager, the estimated MER inclusive of the fees charged by the Target Fund Manager as disclosed in Note 4 is 1.25% (07.07.2020 (date of launch) to 31 October 2020: 1.25%).

### 18. 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 May 2021 to 31 October 2021, the PTR of the Fund stood at 0.36 times (07.07.2020 (date of launch) to 31 October 2020: 0.68).

### 19. SEGMENT REPORTING

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 90% of the Fund's NAV in the Target Fund and up to 10% of the Fund's NAV in liquid assets.

On this basis, the PMC considers the business of the Fund to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investments strategy and the Fund's performance is evaluated on an overall basis.

The internal reporting of the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. There were no changes in the reportable operating segments during the financial period.

## MAYBANK ASIAN CREDIT INCOME FUND

### 20. 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).

	Level 1 RM	Level 2 RM	Level 3 RM
<b>31.10.2021</b>			
Financial assets at FVTPL	68,325,031	-	-
<b>30.04.2021</b>			
Financial assets at FVTPL	104,665,709	-	-

### 21. UNITHOLDERS' CONTRIBUTION MANAGEMENT

The unitholders' contribution of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected returns 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 and to ensure that the operations of the Fund are cost-efficient.

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