



**Asset Management**

Maybank Asset Management Sdn Bhd

199701006283

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

[www.maybank-am.com.my](http://www.maybank-am.com.my)

# MAYBANK CONSTANT INCOME FUND 8

Unaudited Semi-Annual report

For the financial period from 1 December 2021 to 31 May 2022

## **CORPORATE INFORMATION**

### **MANAGER**

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

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

[www.maybank-am.com.my](http://www.maybank-am.com.my)

### **TRUSTEE**

TMF Trustees Malaysia Berhad (200301008392 (610812-W))

10th Floor, Menara Hap Seng

No. 1 & 3 , Jalan P Ramlee

50250 Kuala Lumpur

Telephone 03 - 2382 4288

Facsimile 03 -2026 1451

## **MAYBANK CONSTANT INCOME FUND 8**

<b>CONTENT</b>	<b>PAGE</b>
Manager's report	1 - 8
Trustee's report	9
Statement by manager	10
Unaudited statement of comprehensive income	11
Unaudited statement of financial position	12
Unaudited statement of changes in equity	13
Unaudited statement of cash flows	14
Notes to the financial statements	15 - 32

## MAYBANK CONSTANT INCOME FUND 8

### Manager's report

For the financial period from 1 December 2021 to 31 May 2022

#### 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 2021 to 31 May 2022 (cont'd)

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

##### 11. Breakdown of unitholdings by size

###### Fund size

As at 31 May 2022, the size of the Fund was 239,068,862 units.

###### Breakdown of unitholdings as at 31 May 2022

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
<b>Total</b>	<b>3</b>	<b>100.00</b>	<b>239,069</b>	<b>100.00</b>

\* 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	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
<b>Portfolio Composition (%)</b>		
Fixed income securities - foreign (%)	-	79.97
Cash and other net assets (%)	100.00	20.03
<b>Total (%)</b>	<b>100.00</b>	<b>100.00</b>
NAV (RM'000)	41,445	237,248
Units in circulation (units'000)	40,801	239,069
NAV per unit (RM)	1.0158	0.9924
Highest NAV per unit (RM)	1.0004	1.0004
Lowest NAV per unit (RM)	0.9745	0.9745

## MAYBANK CONSTANT INCOME FUND 8

### Manager's report

For the financial period from 1 December 2021 to 31 May 2022 (cont'd)

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

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

Category	01.12.2021	01.12.2020
	to	to
	31.05.2022	31.05.2021
	RM	RM
Annual return (%) <sup>(1)</sup>		
- Capital growth (%)	1.04	0.64
- Income distribution (%)	-	-
Total return (%)	1.04	0.64
Annual total return (%)	1.04	0.64
Benchmark (%)	0.96	0.95
Total Expense Ratio ("TER") (%) <sup>(2)</sup>	0.06	0.04
Portfolio Turnover Ratio ("PTR") (times) <sup>(3)</sup>	0.15	0.33

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 TER increased to 0.06 due to lower daily average NAV during the current financial period.
- (3) The Fund's PTR decreased to 0.15 times due to lower investing activities during the current financial period.

## MAYBANK CONSTANT INCOME FUND 8

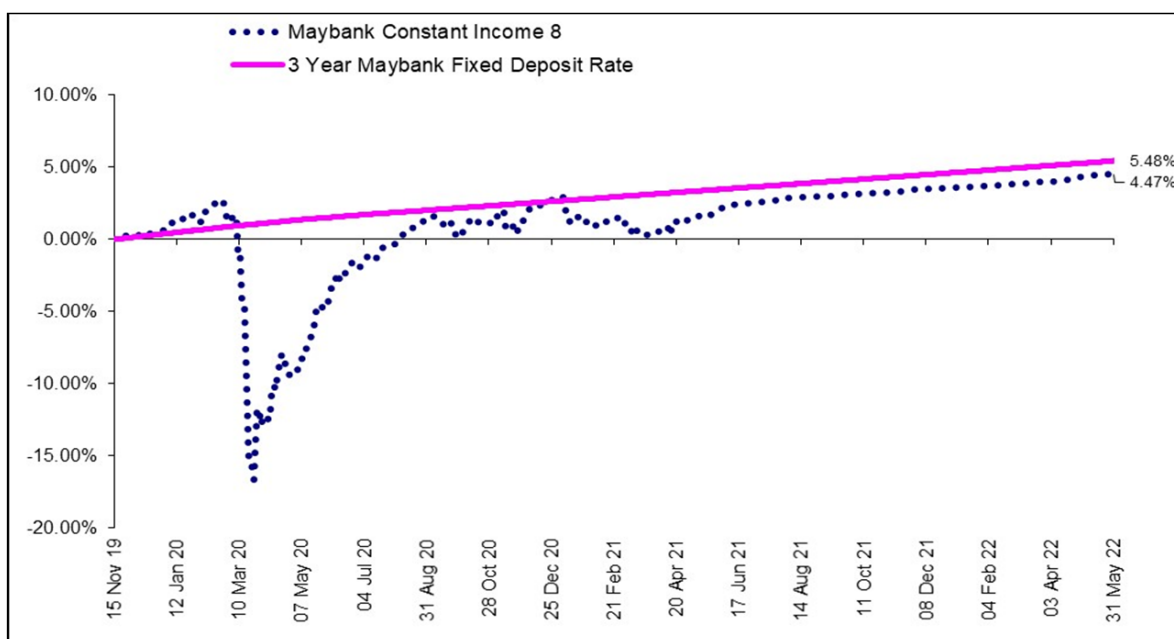
### Manager's report

For the financial period from 1 December 2021 to 31 May 2022 (cont'd)

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

#### 2. Performance of the Fund since inception to 31 May 2022

Category	6 months to 31.05.2022 %	1 year to 31.05.2022 %	Since inception to 31.05.2022 %
Capital growth	1.04	2.36	1.58
Income distribution	-	-	2.85
Total return of the Fund	1.04	2.36	4.47
Benchmark	0.96	1.92	5.48
Average total return	-	2.36	1.73



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 May 2022

The Fund generated total return of 1.04% for the financial period under review, outperforming its benchmark by 8 basis points (“bps”). The outperformance was a result of portfolio rebalancing process whereby after recovering its principal, it has placed out 100% of its assets in cash until the maturity of the fund on 15 November 2022.

## MAYBANK CONSTANT INCOME FUND 8

### Manager's report

For the financial period from 1 December 2021 to 31 May 2022 (cont'd)

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

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

For the financial period/year ended	31.05.2022 %	30.11.2021 %
Capital growth	2.36	1.95
Income distribution	-	-
Total return	2.36	1.95
Benchmark	1.92	1.90

##### 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

Notwithstanding the challenges posed by spread of new Coronavirus Disease 2019 ("COVID-19") variant, Omicron and decisively more hawkish monetary policies from United States Federal Reserve ("Fed"), credits outperformed rates, registering positive return for the final month of 2021. The milder Omicron variant also gives hope that the future mutated COVID-19 variants could be less harmful to human bodies. Global equities, Standard and Poor's ("S&P") in particular, closed near record highs. Brent and West Texas Index ("WTI") closed the year at \$77.78 and \$75.21 per barrel. United States Treasury ("UST") ended lower with 10-year UST closed at 1.50% on forthcoming policy tightening. Similarly, Middle East bonds posted strong gains in December 2021 with high yield ("HY") outperforming investment grade ("IG"). Strong crude oil prices also lent support to the credit profile of Middle East issuers.

Hawkish tilt by central banks and strong inflation prints for December 2021 had led to a shift in market expectations for 5 Fed hikes this year. UST curve bear flattened in January 2022, where the short end came under pressure as markets repriced Fed hike expectations. UST yields rose across the board with 2-year and 10-year rising to 1.18% and 1.78% respectively. Consequently, Morgan Stanley Capital International ("MSCI") World index weakened by 5.3% over rising fears of central bank reversing their accommodative policies. United States Dollar Index ("DXY") strengthened by 0.9% month on month ("MoM") to 96.54 on increased rate hike expectations. On the contrary, Asian currencies have been fairly resilient despite market pricing in multiple Fed hikes. The J.P Morgan Asia Credit Index ("JACI") continued its rout into the New Year as the index posted its worst monthly returns (-2.19%) since March 2020, with both IG and high yield were markedly lower, returning -1.88% and -3.49% respectively.



## MAYBANK CONSTANT INCOME FUND 8

### Manager's report

For the financial period from 1 December 2021 to 31 May 2022 (cont'd)

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

In February 2022, geopolitical risk arising from Russia-Ukraine conflict has rattled financial markets, sending energy prices above USD 100 per barrel, while UST staged a powerful rally towards end of February 2022 due to safe haven bids. UST yields retreated with 2-year and 10-year declined to 1.43% and 1.82% respectively. Similarly, heightened geopolitical tension led to weaker equity market where the MSCI World Index declined by 2.65% MoM. US DXY strengthened by 1.08% year to date ("YTD") to 96.707 due to safe haven play. Consequently, Asian currencies, in particular those that are more susceptible to higher energy imports (i.e. Indian Rupee ("INR"), Philippines Peso ("PHP") and Thailand Baht ("THB")) saw varying degrees of weakening. JACI Index continued its rout into February 2022 as the index posted monthly returns of -2.20%, with both IG and HY markedly lower, returning -1.70% and -4.41%, respectively.

In the month of March 2022, geopolitical tension skewed inflation risk to the upside; evidently United States ("US") Consumer Price Index ("CPI") rose 7.9% Year on Year ("YoY"). Following Fed's March 2022 The Federal Open Market ("FOMC") meeting, front end rates rose significantly (2-year UST yield rose c.160 bps YTD to 2.33%). Notably, UST 10-year vs 2-year spread approached negative levels towards end of March 2022. Similarly, heightened geopolitical tension coupled with concerns on inflation led to overall weaker equity market; MSCI World Index declined by 2.52% MoM. US DXY climbed 1.65% MoM to 98.312 driven by safe haven demand. Performance for Asia Pacific currencies YTD were mixed, where currencies that were more susceptible to higher energy imports (i.e. INR, PHP and THB) saw varying degrees of weakening vs currencies that were beneficiaries of higher commodity prices (such as Australian Dollar ("AUD") and Indonesian Rupiah ("IDR")). JACI Index posted monthly returns of -2.03%, with both IG and HY returning -1.91% and -2.60% respectively.

Month of April 2022 continued to see risk off sentiment, where global growth's concerns is back to the fore. Higher interest rates market and runaway inflation is suffocating the growth prospects. Furthermore, the lockdowns in China also increases the worries of economic growth. Quickening pace of US tightening has pushed DXY to its strongest level in 2 decades, dampening investor's sentiment over risky assets.

Despite higher rates and lockdowns in China, crude oil continued to stay at elevated levels, due to reduction of Russia gas supplies to certain European countries. J.P Morgan ("JPM"), Grassroots Business Initiative ("GBI") Emerging Market ("EM") Asia index fell 4.4% in United States Dollar ("USD") terms, where Malaysia underperformed, falling 6.2% in April 2022.

Fed hiked its key policy rates by 50 bps in May 2022, also pre-empting the market another twice half-point hikes in the upcoming meetings. On the rollback of Quantitative Easing ("QE"), Fed would start USD 47.5 billion unwinding of asset purchase, from both treasuries and agency Mortgage-backed securities ("MBS"). Nonetheless, global credit markets took a breather as global growth back to focus despite the still elevated inflation. EM IG bonds outperformed EM HY bonds.

Similarly, EM local currency bonds outperformed during the monthly as well, particularly commodity exporting countries. Markets also were pacified by the easing of COVID-19 lockdown restrictions in China. Global equity indices were flat, helped by strong rally in the last week of the month.

## MAYBANK CONSTANT INCOME FUND 8

### Manager's report

For the financial period from 1 December 2021 to 31 May 2022 (cont'd)

#### D. Market Outlook & Strategy

Economic growth in developed countries to normalise and moderate and this would favour Asian countries especially Association of Southeast Asian Nations ("ASEAN") as these countries would see stronger economic growth with a smoother reopening post COVID-19. Economic growth was hampered in 2021 as vaccination rates were low but have reached sufficiently high levels in 2022. We also expected volatile markets as interest rates were to normalise from low-rates environment and indeed, 2022 has proven to be very volatile. With rising inflationary pressures coming from the surge of commodities following the sanctions on Russia, inflation is likely to remain sticky. With this, we expect inflation to peak in 2Q2022 and therefore interest rates are only likely to peak in the same period. At the start of the year, we noted that China was moving to an easing stance while the US was tightening.

This is still true and in fact, the Chinese government has been even clearer in indicating its support for the economy and the financial markets. The authorities have lowered tax rates for Small Medium Enterprises ("SME") to support smaller companies as they struggle to recover from COVID-19. China has also stopped the imposition of property taxes in order to restore confidence in the property sector. Nonetheless, recent partial lockdowns in China has dampened its growth prospect a tad. Another area that will see longer term implications is the de-globalisation theme. The Russia-Ukraine war will intensify de-globalisation, leading to a multipolar world.

On Asian corporate bonds, current yield levels are very attractive for a medium term investment horizon. Asian IG dollar bonds are yielding on average, 4% while Asian HY averaging 13% and this is much higher than developed market high yield as most of the high yielders are in Chinese property. Even if we were to limit Chinese property to around 10%, given the idiosyncratic risks, we can comfortably build a diversified portfolio of IG and HY bonds with a portfolio yield of 6% - 7% per annum ("p.a.") With the current macro outlook, we would position our fixed income portfolio to be underweight on duration and only likely to add longer tenure papers after the Fed's next rate hike that would take place in June 2022.

The fund had undergone a rebalancing process whereby after recovering its principal, it has placed out 100% of its assets in cash until the maturity of the fund on 15 November 2022.

## **MAYBANK CONSTANT INCOME FUND 8**

### **Manager's report**

**For the financial period from 1 December 2021 to 31 May 2022 (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 soft commissions received are 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 year period from 1 December 2021 to 31 May 2022 the Manager and its delegates did not receive any soft commissions and rebates from 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 2021 TO 31 MAY 2022**

We have acted as Trustee of Maybank Constant Income Fund 8 for the financial period from 1 December 2021 to 31 May 2022. 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  
7 July 2022

**STATEMENT BY MANAGER**

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

**FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

I, Ahmed Muzni Bin Mohamed, 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 2022 and of its results, changes in equity and cash flows for the financial period from 1 December 2021 to 31 May 2022 and comply with the requirements of the Deed.

For and on behalf of the Manager

**Ahmed Muzni Bin Mohamed**  
Director

Kuala Lumpur, Malaysia  
7 July 2022

**MAYBANK CONSTANT INCOME FUND 8**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

		01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
<b>INVESTMENT INCOME</b>			
Interest income	3	377,703	5,275,535
Redemption fee income	4	-	30,848
Net loss on financial assets at fair value through profit or loss ("FVTPL")			
- Realised loss		-	(10,714,900)
- Unrealised gain		-	5,745,036
Net gain on foreign exchange and derivatives	5	109,762	1,255,333
Other Income		-	18,243
		<u>487,465</u>	<u>1,610,095</u>
<b>EXPENSES</b>			
Trustee's fee	6	6,763	35,313
Auditors' remuneration		4,488	4,488
Tax agent's fee		1,745	1,730
Administrative expenses		12,021	42,254
		<u>25,017</u>	<u>83,785</u>
<b>Net income before taxation</b>		462,448	1,526,310
Taxation	7	-	(11,421)
<b>Net income after taxation, and total comprehensive income for the financial period</b>		<u>462,448</u>	<u>1,514,889</u>
<b>Net income after taxation is made up of the following:</b>			
Realised income/(loss)		352,686	(3,537,787)
Unrealised income		109,762	5,052,676
		<u>462,448</u>	<u>1,514,889</u>

**MAYBANK CONSTANT INCOME FUND 8****UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2022**

	<b>Note</b>	<b>31.05.2022 RM</b>	<b>30.11.2021 RM</b>
<b>ASSETS</b>			
Deposit with licensed financial institutions	8	38,711,708	52,159,195
Tax recoverable		11,945	-
Interest receivables		1,890	2,289
Other receivables	9	-	2,014
Cash at bank	10	2,766,278	2,654,506
<b>TOTAL ASSETS</b>		<b>41,491,821</b>	<b>54,818,004</b>
<b>LIABILITIES</b>			
Amount due to Manager	11	14,862	672,941
Amount due to Trustee	12	1,061	1,426
Other payables and accruals		30,833	31,299
<b>TOTAL LIABILITIES</b>		<b>46,756</b>	<b>705,666</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>41,445,065</b>	<b>54,112,338</b>
<b>EQUITY</b>			
Unitholders' capital	13(a)	40,668,792	53,798,513
Retained earnings	13(b)&(c)	776,273	313,825
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>41,445,065</b>	<b>54,112,338</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>		<b>40,801,334</b>	<b>53,827,270</b>
<b>NAV PER UNIT (RM)</b>		<b>1.0158</b>	<b>1.0053</b>

**MAYBANK CONSTANT INCOME FUND 8****UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

	<b>Unitholders' capital Note 13(a) RM</b>	<b>Retained earnings Notes 13(b) &amp; 13(c) RM</b>	<b>Total equity RM</b>
At 1 December 2021	53,798,513	313,825	54,112,338
Total comprehensive income for the financial period	-	462,448	462,448
Cancellation of units	(13,129,721)	-	(13,129,721)
At 31 May 2022	<u>40,668,792</u>	<u>776,273</u>	<u>41,445,065</u>
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>



**MAYBANK CONSTANT INCOME FUND 8****UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

	<b>01.12.2021 to 31.05.2022 RM</b>	<b>01.12.2020 to 31.05.2021 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds from sale of financial assets at FVTPL	(13,787,800)	135,225,641
Net payments for purchase of financial assets at FVTPL	-	(103,508,520)
Net realised gain on forward foreign exchange contracts	-	3,085,282
Interest received	378,103	6,296,264
Redemption fee income received	-	34,418
Other income received	-	18,243
Trustee's fee paid	(7,127)	(23,438)
Payment of other fees and expenses	(11,280)	(68,889)
Taxation paid	(17,372)	(6,568)
Net cash (used in)/generated from operating and investing activities	<u>(13,445,477)</u>	<u>41,052,433</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash paid on units cancelled	-	(1,376,710)
Net cash used in financing activities	<u>-</u>	<u>(1,376,710)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>	<b>(13,445,477)</b>	<b>39,675,723</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>54,813,701</b>	<b>5,830,830</b>
Effects of foreign exchange	109,762	126,969
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>41,477,986</u></b>	<b><u>45,633,522</u></b>
Cash and cash equivalents comprise:		
Cash at bank (Note 10)	2,766,278	30,239,350
Deposit with licensed financial institutions with original maturity of less than 3 months (Note 8)	38,711,708	15,394,172
	<u>41,477,986</u>	<u>45,633,522</u>

## **MAYBANK CONSTANT INCOME FUND 8**

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

#### **FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

##### **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)

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 of Assets between an Investor and its Associate or Joint Venture	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 sold.

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 (CONT'D)**

#### **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 (CONT'D)**

#### **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 deposit 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 deposit 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 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 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

	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
Interest income from short-term deposits	377,703	15,170
Interest income from unquoted fixed income securities	-	6,415,880
Amortisation of premium, net of accretion of discount	-	(1,155,515)
	<u>377,703</u>	<u>5,275,535</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

	<b>01.12.2021</b>	<b>01.12.2020</b>
	<b>to</b>	<b>to</b>
	<b>31.05.2022</b>	<b>31.05.2021</b>
	<b>RM</b>	<b>RM</b>
Net realised loss on foreign exchange	-	(1,840,692)
Net unrealised gain on foreign exchange	109,762	4,031,900
Net realised gain on derivatives	-	3,788,385
Net unrealised loss on derivatives	-	(4,724,260)
	<u>109,762</u>	<u>1,255,333</u>

### 6. TRUSTEE'S FEE

The Trustee's fee is computed daily based on 0.03% per annum ("p.a.") (31.05.2021:0.03% p.a.) of the NAV of the Fund, excluding foreign custodian fees and charges.

### 7. TAXATION

	<b>01.12.2021</b>	<b>01.12.2020</b>
	<b>to</b>	<b>to</b>
	<b>31.05.2022</b>	<b>31.05.2021</b>
	<b>RM</b>	<b>RM</b>
Tax expense for the financial period:		
Current income tax expense	-	11,421

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 may be 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 before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	01.12.2021 to 31.05.2022 RM	01.12.2020 to 31.05.2021 RM
Net income before taxation	462,448	1,526,310
Tax at Malaysian statutory rate of 24% (31.05.2022: 24%)	110,988	366,314
Income not subject to tax	(116,992)	(2,946,217)
Loss not deductible for tax purposes	-	2,571,576
Expenses not deductible for tax purposes	4,604	16,518
Restriction on tax deductible expenses for unit trust funds	1,400	3,230
Tax expense for the financial period	-	11,421

### 8. DEPOSIT WITH LICENSED FINANCIAL INSTITUTIONS

	31.05.2022 RM	30.11.2021 RM
Short-term placement with licensed financial institutions with maturity of: - Less than 3 months	38,711,708	52,159,195

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

	31.05.2022		30.11.2021	
	WAEIR % p.a.	Average maturity Days	WAEIR % p.a.	Average maturity Days
<b>Short-term placement</b> Licensed financial institutions	1.99	3	1.75	7

## MAYBANK CONSTANT INCOME FUND 8

### 9. OTHER RECEIVABLES

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

### 10. CASH AT BANK

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

	<b>31.05.2022</b>	<b>30.11.2021</b>
	<b>RM</b>	<b>RM</b>
USD	2,458,419	2,360,666
SGD	302,054	290,045
RM	5,805	3,795
	<u>2,766,278</u>	<u>2,654,506</u>

### 11. AMOUNT DUE TO MANAGER

	<b>31.05.2022</b>	<b>30.11.2021</b>
	<b>RM</b>	<b>RM</b>
Amount due to Manager		
Cancellation of units	<u>14,862</u>	<u>672,941</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.

### 12. 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 (31.05.2021: 15 days).

### 13. TOTAL EQUITY

		<b>31.05.2022</b>	<b>30.11.2021</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
Unitholders' capital	13(a)	40,668,792	53,798,513
Accumulated realised income	13(b)	661,359	308,673
Accumulated unrealised income	13(c)	114,914	5,152
		<u>41,445,065</u>	<u>54,112,338</u>

**MAYBANK CONSTANT INCOME FUND 8**

**13. TOTAL EQUITY (CONT'D)**

	31.05.2022		30.11.2021	
	No. of units	RM	No. of units	RM
At the beginning of the financial period/year	53,827,270	53,798,513	240,315,948	240,493,560
Cancellation of units	(13,025,936)	(13,129,721)	(186,488,678)	(186,695,047)
At the end of the financial period/year	40,801,334	40,668,792	53,827,270	53,798,513

**(a) Unitholders' capital**

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:

	31.05.2022		30.11.2021	
	No. of units	RM	No. of units	RM
The Manager	1,000	1,016	1,000	1,005

In the opinion of the Manager, the above units were transacted at the prevailing market price. Other than the above, there were no other units held by the Manager or parties related to the Manager.

**(b) Accumulated realised income**

	31.05.2022	30.11.2021
	RM	RM
At the beginning of the financial period/year	308,673	2,507,410
Net realised income/(loss) for the financial period/year	352,686	(2,198,737)
At the end of the financial period/year	661,359	308,673

**(c) Accumulated unrealised income**

	31.05.2022	30.11.2021
	RM	RM
At the beginning of the financial period/year	5,152	(6,033,436)
Net unrealised income for the financial period/year	109,762	6,038,588
At the end of the financial period/year	114,914	5,152

## MAYBANK CONSTANT INCOME FUND 8

### 14. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

	Value of placements RM	Percentage of placements %
<b>31.05.2022</b>		
CIMB Bank Bhd	7,802,260	20.15
Hong Leong Islamic Bank Bhd	7,681,341	19.84
Malayan Banking Bhd ("MBB") *	7,697,044	19.88
Public Bank Bhd	7,629,747	19.71
Public Islamic Bank Bhd	7,901,316	20.41
	<u>38,711,708</u>	<u>100.00</u>
<b>30.11.2021</b>		
CIMB Bank Bhd	385,001,200	12.28
CIMB Islamic Bank Bhd	281,821,882	8.99
Hong Leong Islamic Bank Bhd	352,016,967	11.23
Malayan Banking Bhd*	835,681,733	26.65
Public Bank Bhd	256,908,688	8.19
Public Islamic Bank Bhd	390,093,775	12.44
Mayl Financial Institutions	614,459,839	19.60
Standard Chartered Bank Malaysia Bhd	19,310,000	0.62
	<u>3,135,294,084</u>	<u>100.00</u>

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

## MAYBANK CONSTANT INCOME FUND 8

### 15. 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

	01.12.2021 to 31.05.2022	01.12.2020 to 31.05.2021
	RM	RM
MBB: Interest Income from deposit placement	66,311	5,484

(b) Significant related party balances

MBB: Interest receivable	428	-
-----------------------------	-----	---

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.

### 16. TOTAL EXPENSE RATIO ("TER")

The TER 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 1 December 2021 to 31 May 2022 the TER of the Fund stood at 0.06%. (31.05.2021: 0.04%).

### 17. 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 2021 to 31 May 2022, the PTR of the Fund stood at 0.15 times. (31.05.2021:0.33 times).



## MAYBANK CONSTANT INCOME FUND 8

### 18. 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.

### 19. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

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

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

	<b>Financial assets and liabilities at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>31.05.2022</b>				
<b>Financial assets</b>				
Deposit with a licensed financial institutions	-	38,711,708	-	38,711,708
Tax recoverable	-	11,945	-	11,945
Interest receivables	-	1,890	-	1,890
Cash at bank	-	2,766,278	-	2,766,278
<b>Total financial assets</b>	-	41,491,821	-	41,491,821

## MAYBANK CONSTANT INCOME FUND 8

### 19. FINANCIAL INSTRUMENTS

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

31.05.2022(cont'd)	Financial assets and liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Financial liabilities</b>				
Amount due to Manager	-	-	14,862	14,862
Amount due to Trustee	-	-	1,061	1,061
Other payables and accruals	-	-	30,833	30,833
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>46,756</b>	<b>46,756</b>
<b>30.11.2021</b>				
<b>Financial assets</b>				
Deposit with a licensed financial institutions	-	52,159,195	-	52,159,195
Interest receivables	-	2,289	-	2,289
Other receivables	-	2,014	-	2,014
Cash at bank	-	2,654,506	-	2,654,506
<b>Total financial assets</b>	<b>-</b>	<b>54,818,004</b>	<b>-</b>	<b>54,818,004</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	672,941	672,941
Amount due to Trustee	-	-	1,426	1,426
Other payables and accruals	-	-	31,299	31,299
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>705,666</b>	<b>705,666</b>

## **MAYBANK CONSTANT INCOME FUND 8**

### **20. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

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