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# MAMG GOLD FUND

Quarterly report

For the financial period from 3 June 2020 (date of launch) to 30  
September 2020



## **CORPORATE INFORMATION**

### **MANAGER**

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

### **BUSINESS OFFICE**

Level 12 Tower C

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SCBMB Trustees Berhad (201201021301 (1005793-T))

Level 23, Equatorial Plaza

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## **MAMG GOLD FUND**

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## MAMG GOLD FUND

### Manager's report

For the financial period from 3 June 2020 (date of launch) to 30 September 2020

#### A. Fund Information

**1. Name of Fund**

MAMG Gold Fund (the "Fund")

**2. Type of Fund**

Growth

**3. Category of Fund**

Wholesale feeder fund

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date**

Share Class	Launch date	Commencement date
USD Class	3 June 2020	25 June 2020
MYR Class	3 June 2020	25 June 2020
MYR (Hedged) Class	3 June 2020	25 June 2020

**6. Fund's investment objective**

The Fund aims to maximise investment returns by investing in CH Precious Metals Fund ("Target Fund").

**7. Fund distribution policy**

Distribution shall be incidental and shall be made from the realised income/gain of the Fund.

**8. 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 the USD class of the Target Fund. The Target Fund is a sub-fund of Pictet CH Precious Metals Fund established and domiciled in Switzerland. The Fund may employ currency hedging strategies by utilising currency forwards to fully or partially hedge the foreign currency exposure to manage the currency risk of the Classes being hedged (other than USD Class and MYR Class).

## MAMG GOLD FUND

### Manager's report

For the financial period from 3 June 2020 (date of launch) to 30 September 2020 (cont'd)

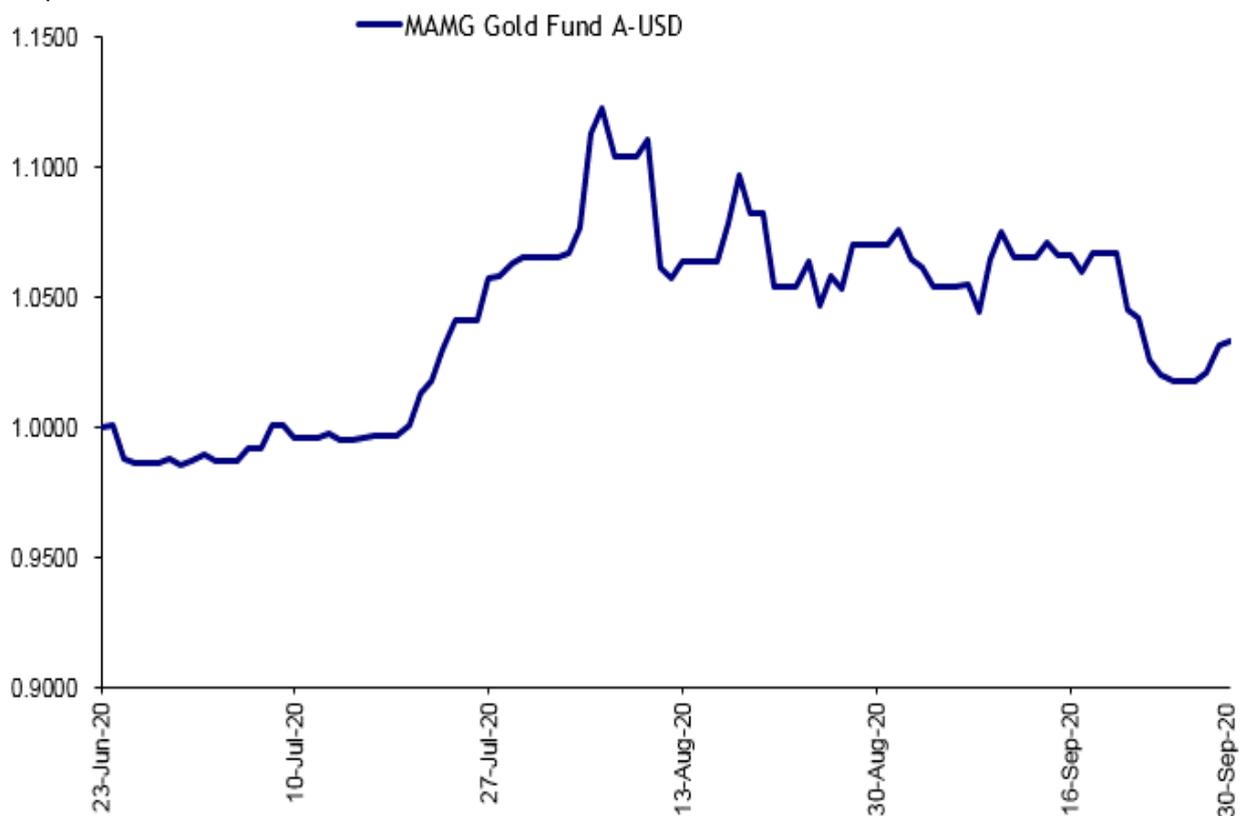
#### B. Performance Review

Performance of MAMG Gold Fund - USD Class for the financial period from 3 June 2020 (launch date) to 30 September 2020 are as follows:

##### USD Class

Period	The Fund %
3 June 2020 (date of launch) to 30 September 2020	3.30

Performance of the USD Class for the financial period from 3 June 2020 (date of launch) to 30 September 2020



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

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

The USD Class has generated a net return of 3.30% for the financial period from 3 June 2020 (date of launch) to 30 September 2020.

## MAMG GOLD FUND

### Manager's report

For the financial period from 3 June 2020 (date of launch) to 30 September 2020 (cont'd)

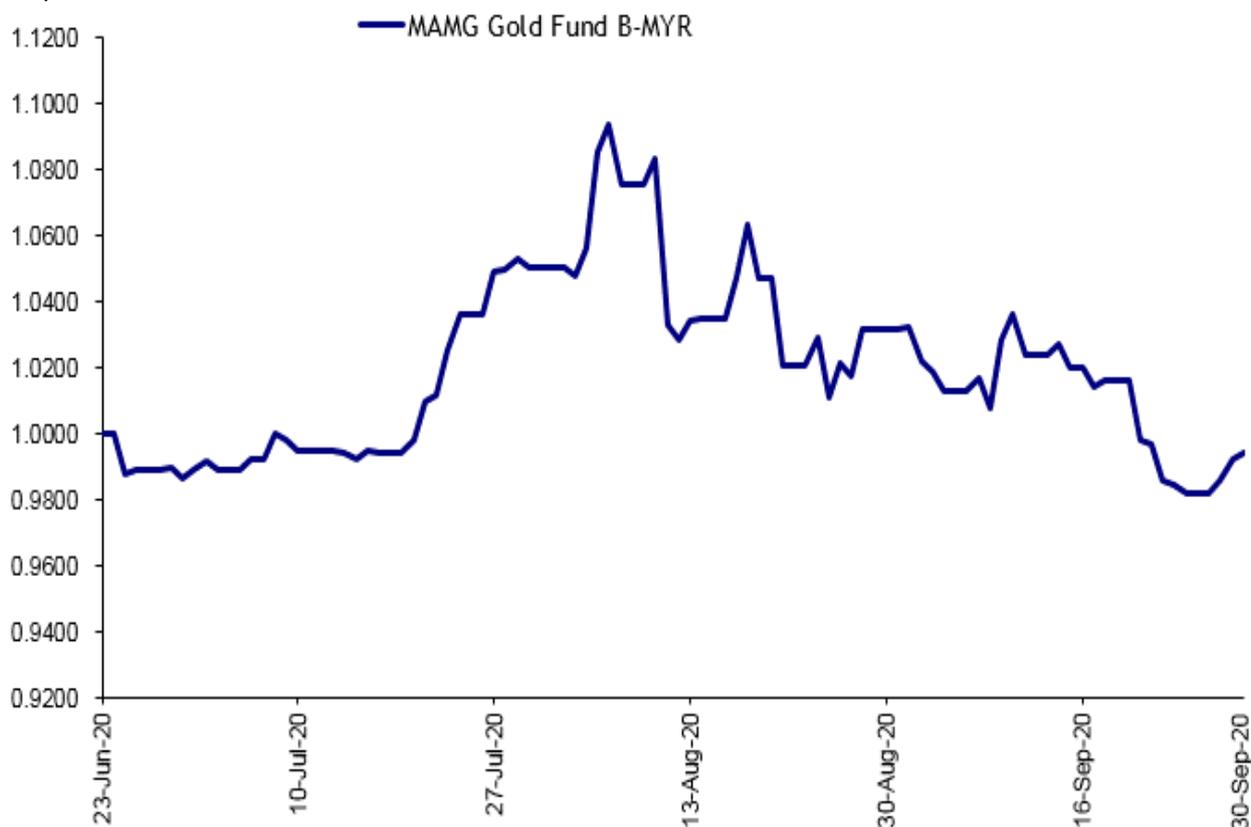
#### B. Performance Review (cont'd)

Performance of MAMG Gold Fund - MYR Class for the financial period from 3 June 2020 (launch date) to 30 September 2020 are as follows:

##### MYR Class

Period	The Fund %
3 June 2020 (date of launch) to 30 September 2020	(0.60)

Performance of the MYR Class for the financial period from 3 June 2020 (date of launch) to 30 September 2020



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

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

The MYR Class has generated a net return of -0.60% for the financial period from 3 June 2020 (date of launch) to 30 September 2020.

## MAMG GOLD FUND

### Manager's report

For the financial period from 3 June 2020 (date of launch) to 30 September 2020 (cont'd)

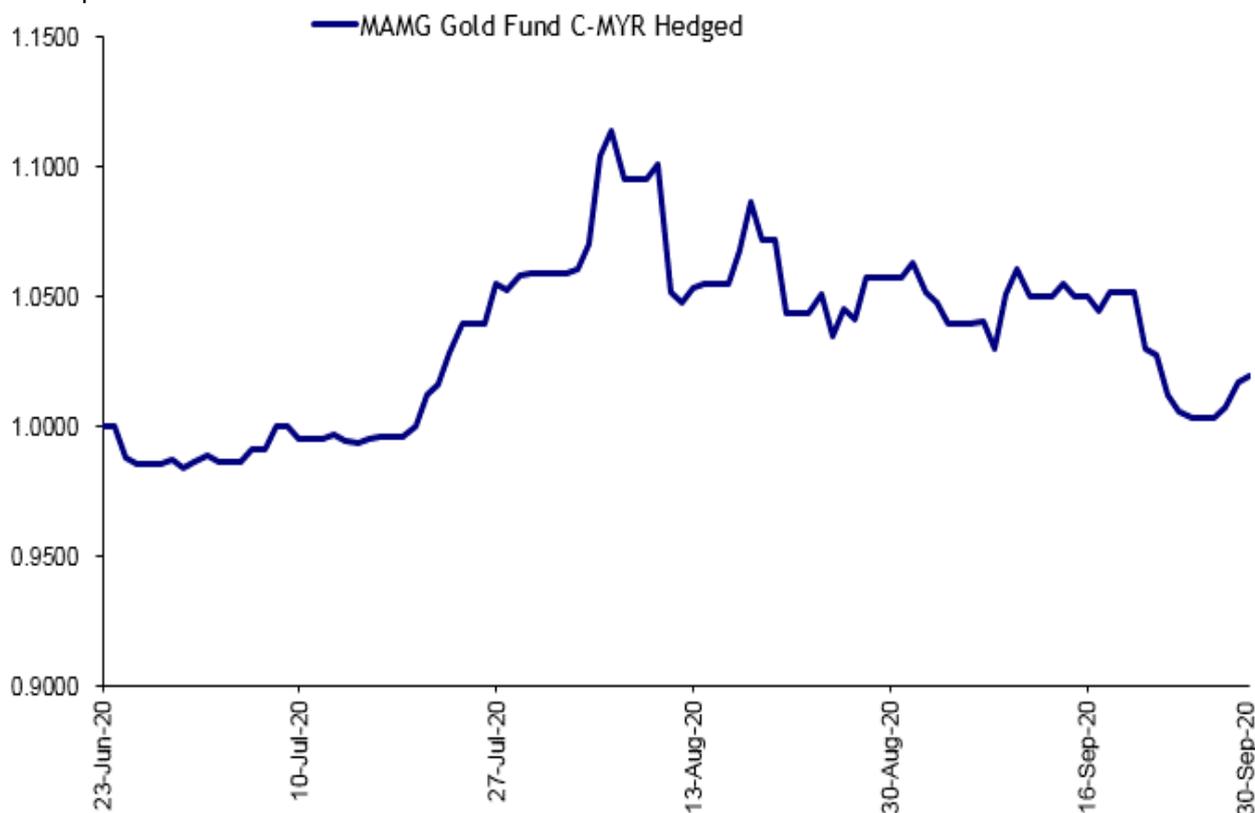
#### B. Performance Review (cont'd)

Performance of MAMG Gold Fund - MYR (Hedged) Class for the financial period from 3 June 2020 (launch date) to 30 September 2020 are as follows:

##### MYR (Hedged) Class

Period	The Fund %
3 June 2020 (date of launch) to 30 September 2020	1.91

Performance of the MYR (Hedged) Class for the financial period from 3 June 2020 (date of launch) to 30 September 2020



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

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

The MYR (Hedged) Class has generated a net return of 1.91% for the financial period from 3 June 2020 (date of launch) to 30 September 2020.

## **MAMG GOLD FUND**

### **Manager's report**

**For the financial period from 3 June 2020 (date of launch) to 30 September 2020 (cont'd)**

#### **C. Market Review**

The positive trend of Gold price accelerated in July 2020 with an impressive gain of +11.3%, approaching the United States Dollar ("USD") 2,000 levels when closing at USD 1,964.9/Oz at the London PM fixing. This performance, a new historical high, was achieved despite significant bearish flows towards mid-month when some investors liquidated commodities positions to satisfy margin calls on other derivatives positions according to Socgen. The surge in COVID-19 cases in several areas around the globe, including in the US, questioned the sustainability of the economic improvements observed during the second quarter. The greenback continued to lose ground while US real interest rates remained at unprecedented low levels. With this type of environment the yellow metal is viewed as the only remaining safe haven despite its historically high valuation. This lack of visibility encouraged further purchase of Exchange Traded Fund ("ETF") by investors. Net inflows in physically backed products reached 166t in July 2020, with the US accounting for 75% of this figure, according to the World Gold Council.

In August 2020, Gold lost 0.38% to reach \$1,957 an ounce. The precious metal extended its rally through the first week of August to break the USD 2,000 an ounce—a new record—amid expectations of "low interest rates for longer" as central banks unleashed unprecedented monetary stimulus and relaxed their inflation tolerance. A weaker dollar, fears of further currency debasement, and the increased demand for inflation hedges also supported the metal. The metal's rally subsequently reversed as real rates advanced, the dollar erased losses and investors booked profits and switched to riskier assets amid signs of a recovery in global manufacturing and hopes for a coronavirus vaccine. The increase in buying interest was reflected by ETF inflows of 31 tons for the month, which brought the total gold backed ETF to 3,387 tons. The surge in gold prices has boosted the local investors' appetite to produce the metal even though local consumer demand has cooled as a result. While Turkey is still far behind top gold holders, such as the U.S. or Germany, the Turkish regulator has been the biggest bullion buyer so far this year, adding about 170 tons to its stockpile as of the end of June according to the World Gold Council.

Gold continued losing another 3.6% in September 2020 to end the quarter with a gain of 6.72% at \$1,886.9 an ounce. The metal hit a record high above \$2,050 in early August 2020 amid massive stimulus programmes to curb the damage from the pandemic, negative real rates and a weaker dollar. Increased demand for safe havens and growing inflation expectations also supported the bullion. The strength of the dollar subsequently weighted on the gold price, which lost almost 10% in value despite COVID-19 infections spiking worldwide and the dovishness of the Fed on interest rates. The greenback surge may be explained by fading hopes of further stimulus from the US in the short term and a recalibration of inflation expectations. The increase in buying interest was reflected by ETF inflows of 240 tons for the quarter, which brought the total gold backed ETF to a record of 3,441 tons. In Turkey, cheap credit and investors search for a hedge against inflation continued to support gold's demand. Imports of precious metals including gold rose by 221% in September 2020 to more than \$3.5 billion.

## MAMG GOLD FUND

### Manager's report

For the financial period from 3 June 2020 (date of launch) to 30 September 2020 (cont'd)

#### D. Market Outlook

Gold continues to benefit from low interest rates, potential dollar weakness, an inflationary environment and the uncertainty heading into the US elections. Debt monetization concerns and prolonged real yield pressure could also be supportive for the metal as a way to hedge against US dollar and other fiat currency debasement. Finally, new accommodative measures by central banks and geopolitical issues may also support demand. Conversely, further strength in the dollar could be detrimental to the metal in the near term and signs of progress in treating the virus or improvements in the US-China trade dispute could also impair safe haven demand and weight on Gold price.

#### E. Asset Allocation

The Fund's asset allocation as at 30 September 2020 is as follows:

Asset allocation	30.09.2020	
	USD	%
Investment in Target Fund	4,268,848	94.49
Cash, deposit with a licensed financial institution and other net assets	249,062	5.51
<b>Total NAV</b>	<b>4,517,910</b>	<b>100.00</b>

#### 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 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 period from 3 June 2020 (launch date) to 30 September 2020, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

## MAMG GOLD FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (LAUNCH DATE) TO 30 SEPTEMBER 2020

03.06.2020  
(launch date)  
to  
30.09.2020  
USD

#### INVESTMENT INCOME

Interest income	242
Net gain on financial assets at fair value through profit or loss ("FVTPL")	
- Unrealised gain	22,977
Net loss on foreign exchange and forward currency contracts	(16,041)
	<u>7,178</u>

#### EXPENSES

Manager's fee	4,061
Trustee's fee	173
Auditors' remuneration	839
Tax agent's fee	294
Administrative expenses	436
	<u>5,803</u>

<b>Net income before taxation</b>	1,375
Taxation	-
<b>Net income after taxation, total comprehensive income for the financial period</b>	<u>1,375</u>

#### Net income after taxation is made up of the following:

Realised	(21,405)
Unrealised	22,780
	<u>1,375</u>

## MAMG GOLD FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

30.09.2020  
USD

#### ASSETS

Financial assets at FVTPL	4,268,848
Derivative assets	17,676
Deposits with financial institutions	84,125
Amount due from Manager	90,410
Interest receivable	4
Cash at bank	121,886
<b>TOTAL ASSETS</b>	<b>4,582,949</b>

#### LIABILITIES

Amount due to Manager	1,703
Amount due to Trustee	73
Derivative liabilities	756
Amount due to financial institutions	61,373
Other payables and accruals	1,134
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>	<b>65,039</b>

**NET ASSET VALUE ("NAV") OF THE FUND  
ATTRIBUTABLE TO UNITHOLDERS OF THE FUND**

**4,517,910**

#### NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:

Unitholders' capital	4,516,535
Retained earning	1,375
	<b>4,517,910</b>

#### NET ASSET VALUE

- USD Class	1,030,029
- MYR Class	1,494,379
- MYR (Hedged) Class	1,993,502
	<b>4,517,910</b>

**MAMG GOLD FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION (CONT'D)  
AS AT 30 SEPTEMBER 2020**

**30.09.2020**

**NUMBER OF UNITS IN CIRCULATION (UNIT)**

- USD Class	997,133
- MYR Class	6,256,357
- MYR (Hedged) Class	8,140,084
	<u>15,393,574</u>

**NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES**

- USD Class	<u>USD1.0330</u>
- MYR Class	<u>RM0.9940</u>
- MYR (Hedged) Class	<u>RM1.0191</u>

## MAMG GOLD FUND

### UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (LAUNCH DATE) TO 30 SEPTEMBER 2020

	Unitholders' capital USD	Retained earning USD	Net assets attributable to unitholders USD
At 3 June 2020 (date of launch)	-	-	-
Total comprehensive income for the period	-	1,375	1,375
Creation of units	4,679,465	-	4,679,465
Cancellation of units	(162,930)	-	(162,930)
At 30 September 2020	<u>4,516,535</u>	<u>1,375</u>	<u>4,517,910</u>

**MAMG GOLD FUND****UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (LAUNCH DATE) TO 30 SEPTEMBER 2020****03.06.2020**  
**(launch date)**  
**to**  
**30.09.2020**  
**USD****CASH FLOWS FROM OPERATING AND INVESTING  
ACTIVITIES**

Net payment for purchase of investments	(4,184,497)
Interest income received	(1,141)
Net realised loss on forward foreign exchange contracts	(27,489)
Manager's fee paid	(2,358)
Trustee's fee paid	(100)
Payment of other fees and expenses	(436)
Net cash used in operating and investing activities	<u>(4,216,021)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Cash received from units created	4,592,232
Cash paid on units cancelled	(163,357)
Net cash generated from financing activities	<u>4,428,875</u>

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

212,854

**CASH AND CASH EQUIVALENTS AT  
DATE OF LAUNCH**

-

Effect on foreign exchange

(6,843)**CASH AND CASH EQUIVALENTS AT THE END  
OF THE FINANCIAL PERIOD**206,011

Cash and cash equivalents comprise:

Cash at bank	121,886
Deposits with licensed financial institutions	84,125
	<u>206,011</u>