

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)

# **MAMG DYNAMIC HIGH INCOME FUND**

**Quarterly report**

**For the financial period from 1 April 2020 to 30 September 2020**

## **CORPORATE INFORMATION**

### **MANAGER**

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

### **BUSINESS OFFICE**

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

### **TRUSTEE**

RHB Trustees Berhad (200201005356 (573019-U))  
Level 11 Tower Three  
RHB Centre  
Jalan Tun Razak  
50450 Kuala Lumpur, Malaysia  
Telephone +603 9280 5933  
Facsimile +603 9280 5934

## **MAMG DYNAMIC HIGH INCOME FUND**

<b>CONTENT</b>	<b>PAGE</b>
Manager's report	1 - 9
Unaudited statement of comprehensive income	10 - 11
Unaudited statement of financial position	12 - 13
Unaudited statement of changes in equity	14
Unaudited statement of cash flows	15

## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020

#### A. Fund Information

**1. Name of Fund**

MAMG Dynamic High Income 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
MYR	22 January 2019	12 February 2019
MYR (Hedged)	22 January 2019	12 February 2019
USD	22 January 2019	12 February 2019
EUR (Hedged)	22 January 2019	12 February 2019
AUD (Hedged)	22 January 2019	12 February 2019
SGD (Hedged)	22 January 2019	12 February 2019

**6. Fund's investment objective**

The Fund aims to maximise investment returns by investing in the BlackRock Global Funds-Dynamic High Income Fund ("Target Fund").

**7. Fund distribution policy**

Distribution, if any, will be incidental for the first financial year. Thereafter, distribution, if any, will be made on a quarterly basis.

**8. Fund's performance benchmark**

70% MSCI World Index and 30% Bloomberg Barclays Global Aggregate Bond Index USD Hedged. This is not a guaranteed return and is only a risk benchmark of the Fund's volatility.

*Note: The Fund adopts the risk benchmark of the Target Fund.*

**9. Fund's investment policy and principal investment strategy**

The Fund invests between at least 90% of the Fund's net asset value ("NAV") in the Target Fund and the remaining 2%-10% of the Fund's NAV will be invested in liquid assets which are not limited to fixed deposits and money market instruments. The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure into Ringgit Malaysia ("RM" or "MYR") in order to manage foreign exchange currency risk.

As the Fund is a wholesale feeder fund, the investments of the Fund will consist of a single collective investment scheme, i.e. the Target Fund, and liquid assets.

## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020 (cont'd)

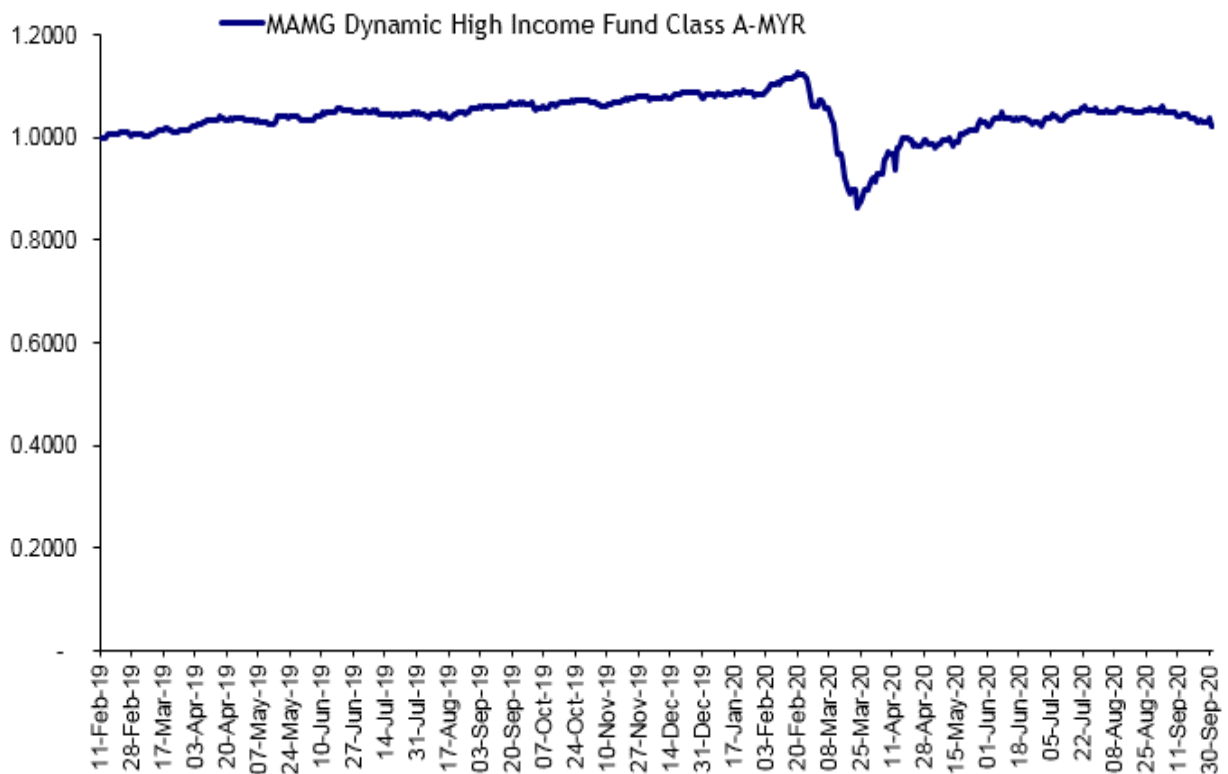
#### B. Performance Review

Performance of MAMG Dynamic High Income Fund - MYR Class for the financial period from 1 July 2020 to 30 September 2020 are as follows:

##### MYR Class

Period	The Fund %
1 July 2020 to 30 September 2020	1.32

Performance of the MYR Class for the financial period from 1 July 2020 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 1.32% for the financial period from 1 July 2020 to 30 September 2020.

## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020 (cont'd)

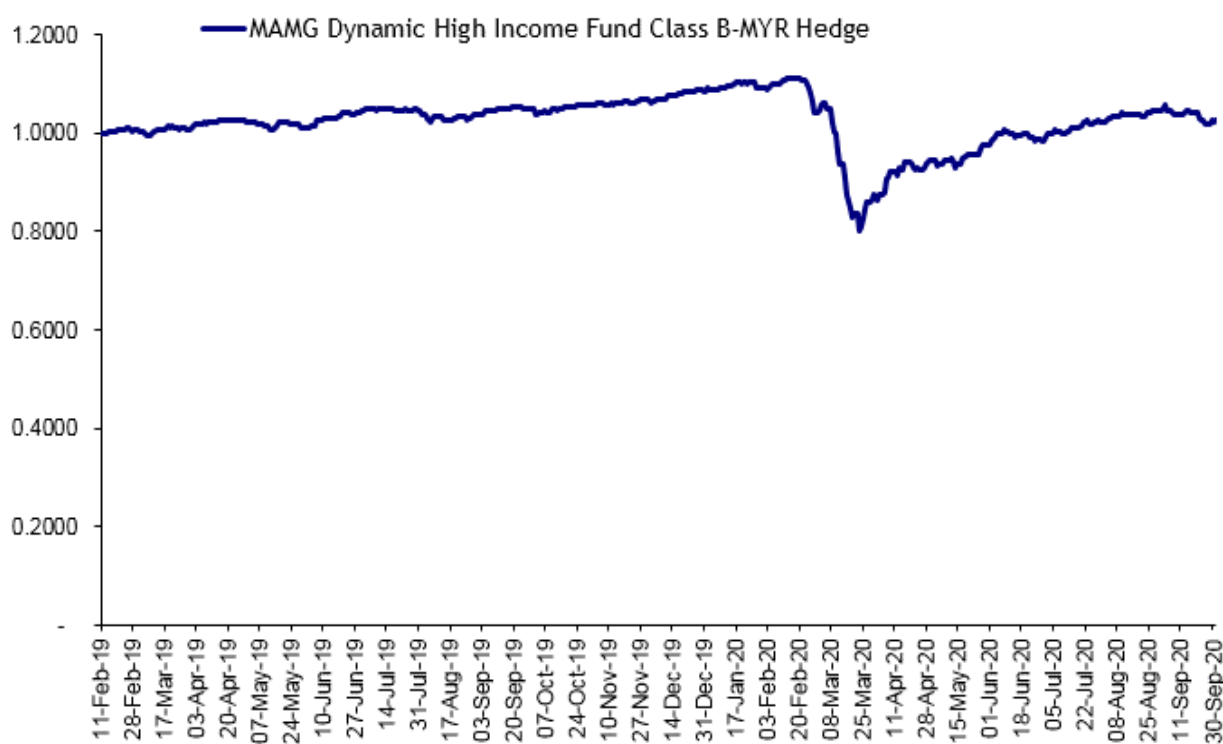
#### B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - MYR (Hedged) Class for the financial period from 1 July 2020 to 30 September 2020 are as follows:

##### MYR (Hedged) Class

Period	The Fund %
1 July 2020 to 30 September 2020	4.64

Performance of the MYR (Hedged) Class for the financial period from 1 July 2020 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 4.64% for the financial period from 1 July 2020 to 30 September 2020.

## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020 (cont'd)

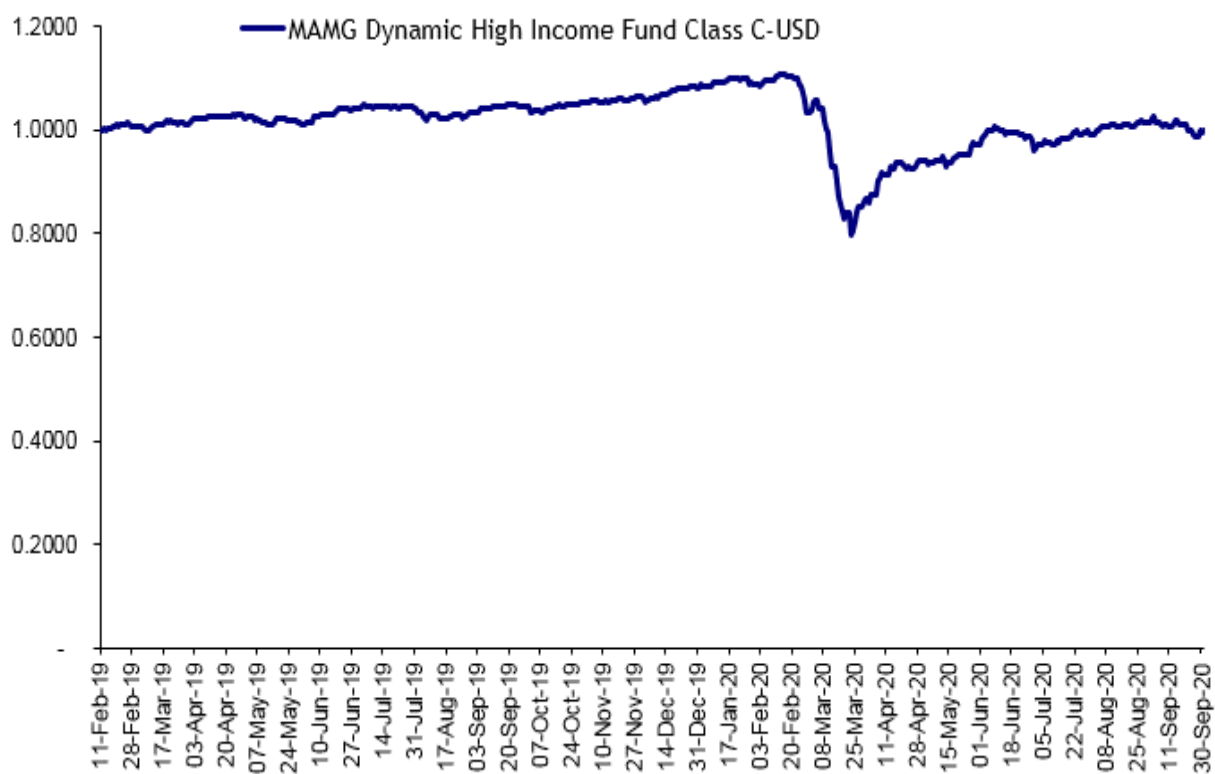
### B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - USD Class for the financial period from 1 July 2020 to 30 September 2020 are as follows:

#### USD Class

Period	The Fund %
1 July 2020 to 30 September 2020	4.28

Performance of the USD Class for the financial period from 1 July 2020 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 4.28% for the financial period from 1 July 2020 to 30 September 2020.

## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020 (cont'd)

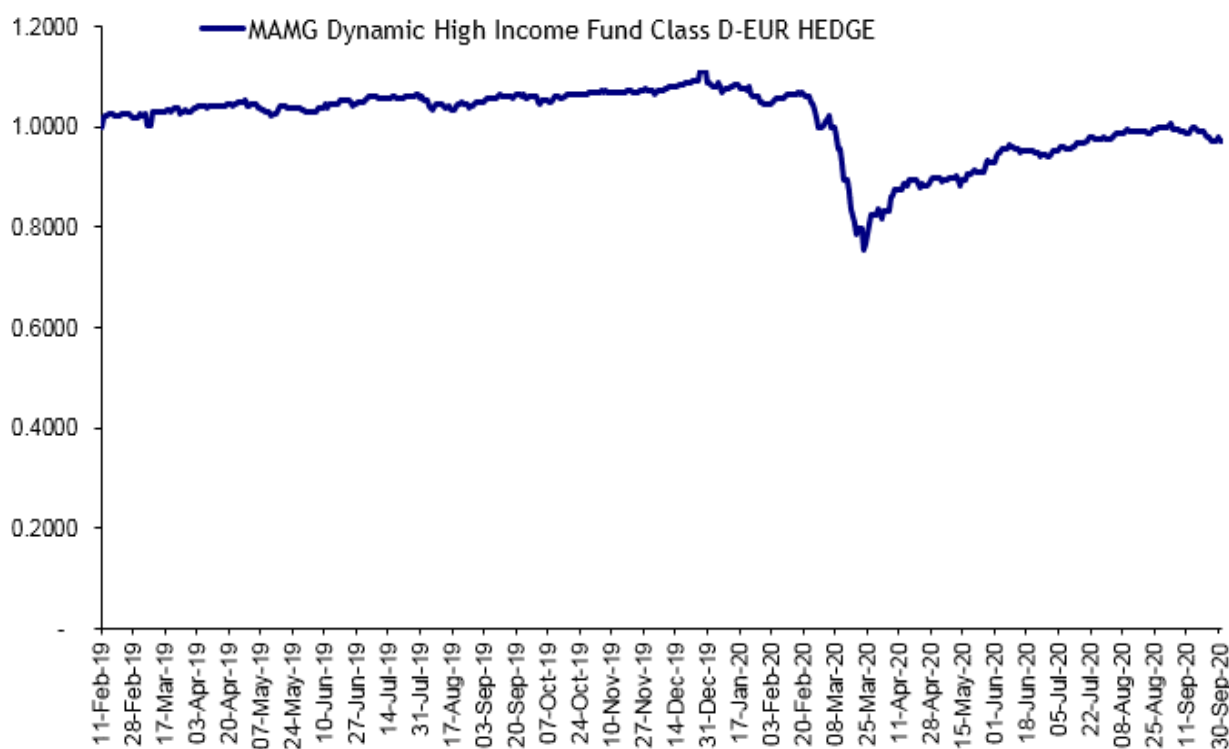
### B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - EUR (Hedged) Class for the financial period from 1 July 2020 to 30 September 2020 are as follows:

#### EUR (Hedged) Class

Period	The Fund %
1 July 2020 to 30 September 2020	4.15

Performance of the EUR (Hedged) Class for the financial period from 1 July 2020 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 EUR (Hedged) Class has generated a net return of 4.15% for the financial period from 1 July 2020 to 30 September 2020.



## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020 (cont'd)

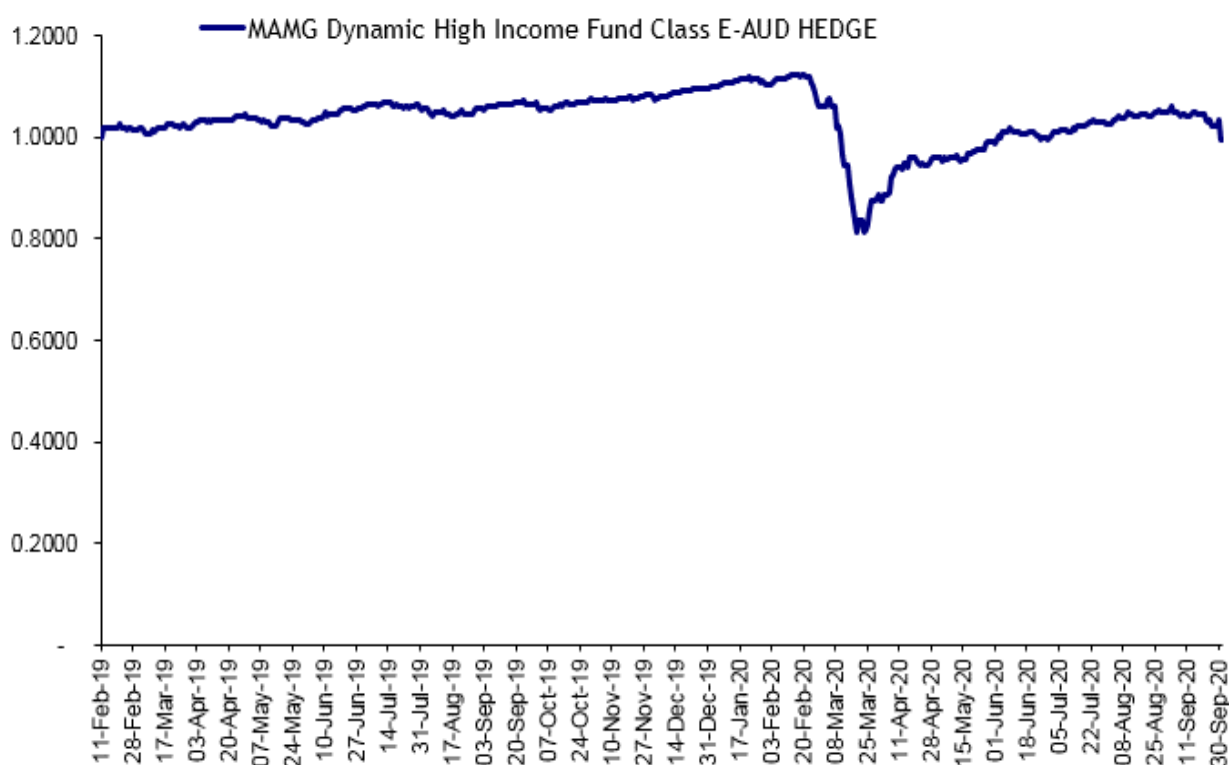
### B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - AUD (Hedged) Class for the financial period from 1 July 2020 to 30 September 2020 are as follows:

#### AUD (Hedged) Class

Period	The Fund %
1 July 2020 to 30 September 2020	3.72

Performance of the AUD (Hedged) Class for the financial period from 1 July 2020 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 AUD (Hedged) Class has generated a net return of 3.72% for the financial period from 1 July 2020 to 30 September 2020.

## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020 (cont'd)

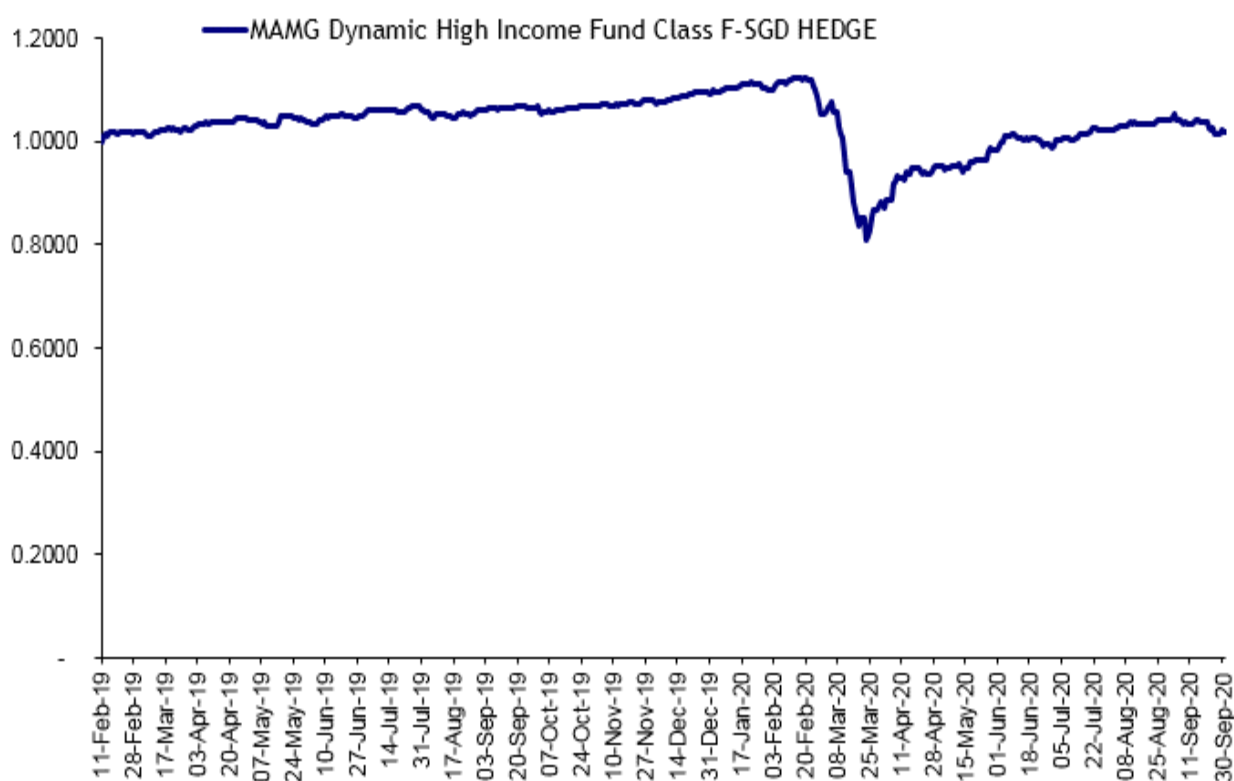
### B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - SGD (Hedged) Class for the financial period from 1 July 2020 to 30 September 2020 are as follows:

#### SGD (Hedged) Class

Period	The Fund %
1 July 2020 to 30 September 2020	3.63

Performance of the SGD (Hedged) Class for the financial period from 1 July 2020 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 SGD (Hedged) Class has generated a net return of 3.63% for the financial period from 1 July 2020 to 30 September 2020.

## **MAMG DYNAMIC HIGH INCOME FUND**

### **Manager's report**

**For the financial period from 1 April 2020 to 30 September 2020 (cont'd)**

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

Risk sentiment remained firm during July 2020, prompted by the passing of the Euro ("EUR") 750 billion Eurozone pandemic recovery fund and Federal Reserve's dovish stance. The United States ("US") Treasury curve bull flattened, with the 10 year and 30 year yields tightened by 10-20 bps to 0.60% and 1.20%. United States Dollar ("USD") took another leg lower broadly against G10 currencies as real yields dip further into negative territory, with the US Dollar Index ("DXY") dropping 3.1% over the period while Gold nearly touched USD 2000/ounce. Credit continued to be strong, supported by net bond fund inflow and better risk sentiments.

The highlight of the month was the Federal Reserve symposium in Jackson Hole, where Powell announced average inflation targeting of 2% overtime and the employment mandate by allowing employment to run at or above its maximum level before raising rate. While the US Treasury curve bear steepened leading up to Jackson Hole on repricing of inflation expectations, both 10 year and 30 year yields further sold off to 0.75% and 1.50% before retracing slightly into the month end. Commodities like Crude oil and gold held steady while equities continued to inch higher. USD was broadly weaker given the dovish outlook by Federal Reserve, with the DXY dropping 0.6% over the month. Among Asian currencies, Australian Dollar ("AUD") and Indian Rupee ("INR") outperformed. In Credit, while inflows remained supportive, returns were affected by rates selling off.

September 2020 was a moderately risk off month given focus on the US Presidential elections. USD was broadly stronger except versus the North Asian currencies (Renminbi, New Taiwan Dollar, South Korean won) given strong trade data from China benefiting the region. US Treasury yields stayed range bound across the curve. Equities underperformed given profit taking from sectors with sky high valuations but the spill over impact was measured. In commodities, gold and Brent crude also declined by about 4-5% given stronger USD. The highlight in September in Asia credit was real estate developer China Evergrande. While the concerns on its financials are not new, rumours on the feasibility of its planned listings in onshore equity markets caused a stir even though the company managed to calm nerves down.

#### **D. Market Outlook**

The global economy has continued to recover with broad data beating expectation since recent months by the widest margin in nearly a decade. That said, recovery to pre Coronavirus Disease 2019 ("COVID-19") levels likely won't occur until at least year 2021 and partially hinges on the development of an effective and widely distributed vaccine, which remains uncertain. A plethora of geopolitical risks also cloud the horizon, including the US election, US fiscal cliff and US/China tensions. Despite these risks, we believe the path for risk assets is probably higher, supported by record global stimulus and a nascent economic recovery. However, upside is more limited from here after a record run in markets and we expect a bumpier ride in the final quarter of the year. Overall, our preference is to maintain balanced exposure, favoring select credit sectors and owning some downside protection through cash and longer-term treasuries.

## MAMG DYNAMIC HIGH INCOME FUND

### Manager's report

For the financial period from 1 April 2020 to 30 September 2020 (cont'd)

#### E. Investment Strategies

The Target Fund follows a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing significantly in income producing assets such as fixed income transferable securities, including corporate and government issues which may be fixed and floating and may be investment grade, sub-investment grade or unrated, covered call options and preference shares. The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments including equities, equity-related securities, fixed income transferable securities, units of undertakings for collective investment, cash, deposits and money market instruments. Currency exposure is flexibly managed.

#### F. Asset Allocation

The Fund's asset allocation as at 30 September 2020 and 31 March 2020 is as follows:

Asset allocation	30.09.2020		31.03.2020	
	USD	%	USD	%
Collective investment scheme	23,778,795	92.49	22,598,928	92.85
Cash, deposit with a licensed financial institution and other net assets	1,929,640	7.51	1,740,420	7.15
<b>Total NAV</b>	<b>25,708,435</b>	<b>100.00</b>	<b>24,339,348</b>	<b>100.00</b>

#### G. 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 1 April 2020 to 30 September 2020, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers.

## MAMG DYNAMIC HIGH INCOME FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

	01.04.2020 to 30.09.2020 USD	22.01.2019 (launch date) to 30.09.2019 USD
<b>INVESTMENT INCOME</b>		
Dividend Income	879,694	481,939
Interest income	8,195	10,593
Net gain/(loss) on financial assets at fair value through profit and loss ("FVTPL")		
- Realised (loss)/gain	(415,747)	3,050
- Unrealised gain/(loss)	3,927,064	(46,962)
Net gain/(loss) on foreign exchange and forward currency contracts	1,331,832	(231,926)
Net realised loss on foreign exchange	(31,072)	
Net unrealised gain on foreign exchange	87,743	
Net realised loss on forward foreign exchange	24,943	
Net unrealised gain on forward foreign exchange	1,250,218	
Other income	582	46,730
	<u>5,731,620</u>	<u>263,424</u>
<b>EXPENSES</b>		
Manager's fee	144,180	123,759
Trustee's fee	2,622	1,375
Auditors' remuneration	1,059	1,260
Tax agent's fee	319	896
Administrative expenses	2,227	1,760
	<u>150,407</u>	<u>129,050</u>
<b>Net income before taxation</b>	5,581,213	134,374
Taxation	22,562	(8,341)
<b>Net income after taxation, total comprehensive income for the financial period</b>	<u>5,603,775</u>	<u>126,033</u>
<b>Net income after taxation is made up of the following:</b>		
Realised amount	338,750	312,332
Unrealised amount	5,265,025	(186,299)
	<u>5,603,775</u>	<u>126,033</u>

**MAMG DYNAMIC HIGH INCOME FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020**

	<b>01.04.2020</b>	<b>22.01.2019</b>
	<b>to</b>	<b>(launch date)</b>
	<b>30.09.2020</b>	<b>to</b>
	<b>USD</b>	<b>30.09.2019</b>
		<b>USD</b>
<b>Distributions for the financial period:</b>		
<u>MYR Class</u>		
Net distributions	USD 82,966	USD 18,021
Gross/Net distributions per unit (sen)	<u>1.63</u>	<u>0.91</u>
<u>MYR (Hedged) Class</u>		
Net distributions	USD 120,701	-
Gross/Net distributions per unit (sen)	<u>1.00</u>	<u>-</u>
<u>USD Class</u>		
Net distributions	USD 87,595	USD 4,769
Gross/Net distributions per unit (cent)	<u>0.62</u>	<u>0.40</u>
<u>EUR (Hedged) Class</u>		
Net distributions	USD 2,081	USD 579
Gross/Net distributions per unit (cent)	<u>0.10</u>	<u>0.50</u>
<u>SGD (Hedged) Class</u>		
Net distributions	USD 30,527	-
Gross/Net distributions per unit (cent)	<u>0.25</u>	<u>-</u>
<u>AUD (Hedged) Class</u>		
Net distributions	USD 212,228	-
Gross/Net distributions per unit (cent)	<u>0.04</u>	<u>-</u>

**MAMG DYNAMIC HIGH INCOME FUND**

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

	<b>30.09.2020</b>	<b>31.03.2020</b>
	<b>USD</b>	<b>USD</b>
<b>ASSETS</b>		
Financial assets at FVTPL	23,778,795	22,598,928
Derivative assets	225,458	592
Deposits with financial institutions	720,900	437,912
Amount due from Manager	117,765	-
Other receivable	134,876	255,067
Cash at bank	1,001,936	2,269,738
<b>TOTAL ASSETS</b>	<u>25,979,730</u>	<u>25,562,237</u>
<b>LIABILITIES</b>		
Derivative liabilities	25,431	1,050,783
Amount due to Trustee	426	458
Amount due to a financial institution	-	167,502
Amount due to Manager	242,984	-
Other payables and accruals	2,454	4,146
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>	<u>271,295</u>	<u>1,222,889</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND</b>	<u>25,708,435</u>	<u>24,339,348</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>		
Unitholders' contribution	27,005,945	31,076,350
Accumulated losses	(1,297,510)	(6,737,002)
	<u>25,708,435</u>	<u>24,339,348</u>
<b>NET ASSET VALUE</b>		
- MYR Class	4,044,121	2,974,031
- MYR (Hedged) Class	11,158,421	13,047,054
- USD Class	2,740,928	2,294,561
- EUR (Hedged) Class	205,646	164,092
- AUD (Hedged) Class	5,572,215	4,092,692
- SGD (Hedged) Class	1,987,104	1,766,918
	<u>25,708,435</u>	<u>24,339,348</u>

**MAMG DYNAMIC HIGH INCOME FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020****30.09.2020****31.03.2020****NUMBER OF UNITS IN CIRCULATION (UNIT)**

- MYR Class	16,463,361	14,030,374
- MYR (Hedged) Class	45,320,964	64,522,969
- USD Class	2,747,196	2,636,802
- EUR (Hedged) Class	180,570	178,729
- AUD (Hedged) Class	7,822,935	7,541,808
- SGD (Hedged) Class	2,660,580	2,846,197
	<u>75,195,606</u>	<u>91,756,879</u>

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

- MYR Class	<u>MYR 1.0222</u>	<u>MYR 0.9156</u>
- MYR (Hedged) Class	<u>MYR 1.0246</u>	<u>MYR 0.8734</u>
- USD Class	<u>USD 0.9977</u>	<u>USD 0.8690</u>
- EUR (Hedged) Class	<u>EUR 0.9712</u>	<u>EUR 0.8357</u>
- AUD (Hedged) Class	<u>AUD 0.9938</u>	<u>AUD 0.8854</u>
- SGD (Hedged) Class	<u>SGD 1.0198</u>	<u>SGD 0.8825</u>



## MAMG DYNAMIC HIGH INCOME FUND

### UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

	Unitholders' capital USD	(Accumulated losses)/ Retained earning USD	Net assets attributable to unitholders USD
At 1 April 2020	31,076,350	(6,737,002)	24,339,348
Total comprehensive income for the period	-	5,603,775	5,603,775
Creation of units	3,181,935	-	3,181,935
Reinvestment of units	397,407	-	397,407
Cancellation of units	(7,277,932)	-	(7,277,932)
Distributions	(371,815)	(164,283)	(536,098)
At 30 September 2020	<u>27,005,945</u>	<u>(1,297,510)</u>	<u>25,708,435</u>
At 22 January 2019 (date of launch)	-	-	-
Total comprehensive income for the period	-	126,033	126,033
Creation of units	20,737,485	-	20,737,485
Cancellation of units	(1,548,720)	-	(1,548,720)
Distributions	(9,964)	(13,405)	(23,369)
At 30 September 2019	<u>19,178,801</u>	<u>112,628</u>	<u>19,291,429</u>

**MAMG DYNAMIC HIGH INCOME FUND****UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020**

	<b>01.04.2020</b>	<b>22.01.2019</b>
	<b>to</b>	<b>(launch date)</b>
	<b>30.09.2020</b>	<b>to</b>
	<b>USD</b>	<b>30.09.2019</b>
		<b>USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(1,250,000)	(18,720,000)
Net proceeds from sale of financial assets at FVTPL	3,581,450	225,225
Interest income received	33,553	10,557
Dividend income received	905,047	373,405
Net realised loss on forward foreign exchange contracts	(144,934)	(111,632)
Manager's fee paid	(41,228)	(94,815)
Trustee's fee paid	(2,654)	(1,053)
Payment of other fees and expenses	(5,307)	(2,165)
Net cash generated from/(used in) operating and investing activities	<u>3,075,927</u>	<u>(18,320,478)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	3,064,358	20,754,589
Cash paid on units cancelled	(7,026,171)	(1,547,883)
Distributions paid	(141,940)	(23,351)
Net cash (used in)/generated from financing activities	<u>(4,103,753)</u>	<u>19,183,355</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>	<b>(1,027,826)</b>	<b>862,877</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>2,707,650</b>	<b>-</b>
Effect on foreign exchange	43,013	(22,764)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>1,722,836</u></b>	<b><u>840,113</u></b>
Cash and cash equivalents comprise of:		
Deposits with financial institutions	720,900	432,083
Cash at bank	1,001,936	408,030
	<u>1,722,836</u>	<u>840,113</u>