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MAMG GOLD FUND

Annual report

For the financial period from 3 June 2020 (date of launch) to 31
March 2021

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
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TRUSTEE

SCBMB Trustee Berhad ((201201021301) (1005793-T))
Level 23, Plaza Equatorial
Jalan Sultan Ismail
50250 Kuala Lumpur
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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 31 March 2021

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 a sub-fund of Pictet 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 performance benchmark

Absolute return of 6.5% per annum ("p.a.") of the Fund's net asset value ("NAV").

9. 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 I dy 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 31 March 2021 (cont'd)

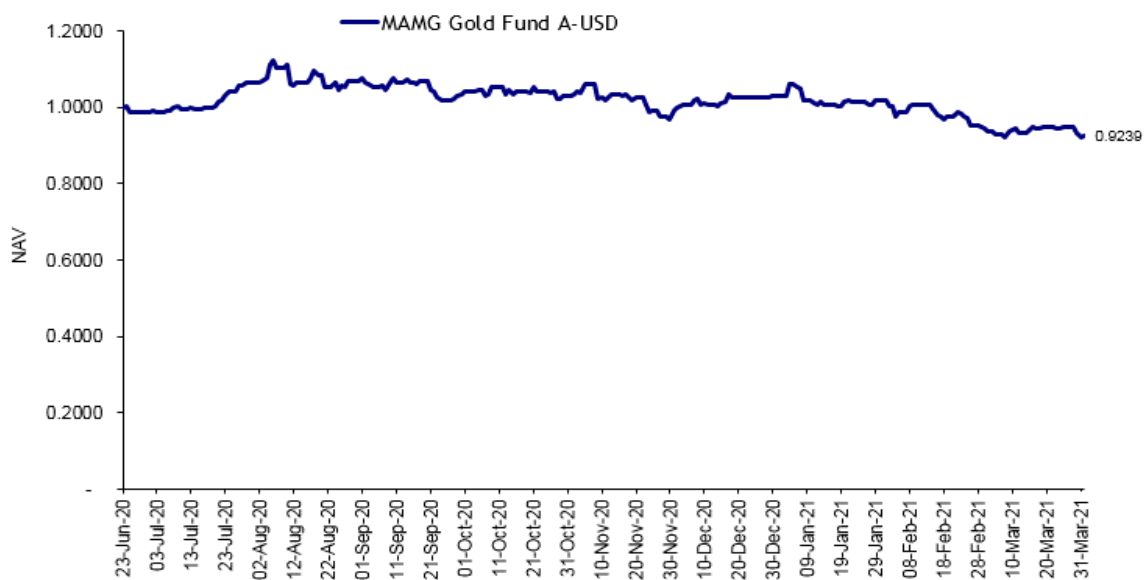
B. Performance Review

Performance of MAMG Gold Fund - USD Class for the financial period from 3 June 2020 (date of launch) to 31 March 2021 are as follows:

USD Class

| Period | The Fund % |
|---|------------|
| 3 June 2020 (date of launch) to 31 March 2021 | (7.61) |

Performance of the USD Class for the financial period from 3 June 2020 (date of launch) to 31 March 2021:



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

MAMG GOLD FUND

Manager’s report

For the financial period from 3 June 2020 (date of launch) to 31 March 2021 (cont'd)

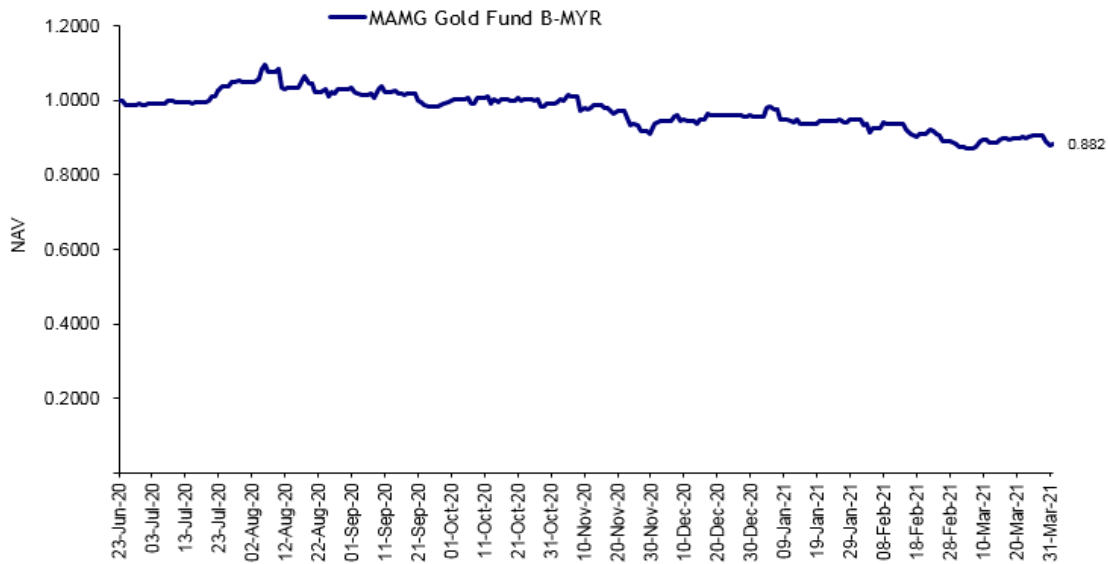
B. Performance Review (cont'd)

Performance of MAMG Gold Fund - MYR Class for the financial period from 3 June 2020 (date of launch) to 31 March 2021 are as follows:

MYR Class

| Period | The Fund % |
|---|------------|
| 3 June 2020 (date of launch) to 31 March 2021 | (11.80) |

Performance of the MYR Class for the financial period from 3 June 2020 (date of launch) to 31 March 2021:



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

MAMG GOLD FUND

Manager’s report

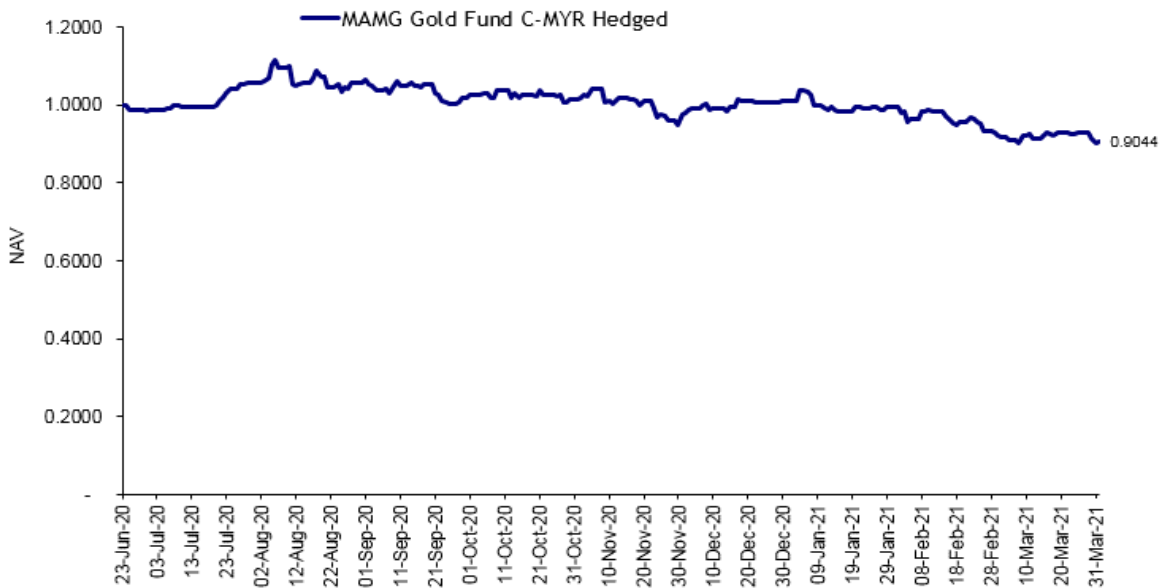
For the financial period from 3 June 2020 (date of launch) to 31 March 2021 (cont'd)

B. Performance Review (cont'd)

MYR (Hedged) Class

| Period | The Fund % |
|---|------------|
| 3 June 2020 (date of launch) to 31 March 2021 | (9.56) |

Performance of the MYR (Hedged) Class for the financial period from 3 June 2020 (date of launch) to 31 March 2021:



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

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.

MAMG GOLD FUND

Manager's report

For the financial period from 3 June 2020 (date of launch) to 31 March 2021 (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 Societe Generale ("Socgen"). The surge in Coronavirus Disease 2019 ("COVID-19") cases in several areas around the globe, including in the United States ("US"), questioned the sustainability of the economic improvements observed during Q2. 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.

However, 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 2020 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. This continued in September 2020, with Gold losing another 3.6% at \$1,886.9 an ounce.

Gold traded in a narrow range in October 2020 and ended the month almost flat at -0.27% amid uncertainty over the outcome of the US presidential election in early November 2020, the discussions on the US stimulus and the resurgence of COVID-19 cases in the US and Europe. Heightened uncertainty and fears of post-election unrest in the US boosted safe-haven demand, but favoured the dollar over bullion. Intensifying COVID-19 cases in the US coupled with new movement restrictions in Europe and post-Brexit uncertainties, while favourable to gold, were not enough to offset the detrimental effect of the dollar advance on fading hopes of a pre-election US stimulus package. In November 2020, Gold continued its decline, posting a loss of 6.34%, just below \$1,800 an ounce, amid positive vaccine news, strong economic data and lower political uncertainty that results from the start of Biden's formal transition. The appeal for the metal heaven faded after Pfizer's announcement of an effectiveness rate of 95% for its COVID-19 vaccine despite the continuous spread of the virus and weakness in the dollar. Gold's decline gathered pace as investors chased riskier assets to gain from a possible pandemic recovery.

However, in December 2020, Gold took a turn and gained 7.09%, closing the year with an impressive performance of 24.61% (\$1,887.6 an ounce), its biggest annual gain in a decade. Despite the vaccine optimism towards year end, the metal benefited from the dollar's continued weakness following the approval of a new stimulus package in the US and the Federal Reserve ("Fed") strengthened its commitment to support the economy. After tumbling in March 2020 alongside equities in a flight to the dollar, gold hit a record high in August 2020 as the unprecedented stimulus by central banks and governments led to fears of currency debasement and inflation. The development of effective COVID-19 vaccines then undermined the metal's haven appeal, but gold was still supported by lower US real yields and the steady weakening of the US currency since it peaked in March 2020.

MAMG GOLD FUND

Manager's report

For the financial period from 3 June 2020 (date of launch) to 31 March 2021 (cont'd)

C. Market Review (cont'd)

Gold started the year 2021 with a loss of 1.26% in January 2021 as investors weighed the prospects for recovery from the pandemic, the strengthening USD and the progress on stimulus. The decline continued in February 2021, with Gold falling 6.5%. Optimism about the recovery from the pandemic curbed demand for safe havens and triggered a rally in US Treasury yields, which harmed the appeal of the non-interest-bearing metal. At the end of the month, the pace of the rally worried investors that the Fed may withdraw stimulus following signs of economic recovery. As such, gold fell alongside risky assets, similarly to March 2020 when investors were forced to liquidate solid positions (dollar aside) due to credit tightness.

Gold lost a further 3% in March 2021 and closed the quarter at -10.41%, displaying its first quarterly decline since 2018. Progress in vaccine rollouts and plans for further stimulus negatively impacted the yellow metal as bond yields rose and reduced the appeal for the non-interest-bearing asset. A stronger-than-expected dollar also contributed to dragging the bullion down from its August 2020 record high. This year's decline in bullion prices has been accompanied by a steady drawdown in holdings of gold-backed exchange traded funds ("ETF")s, which reinforced the view that investment demand is weakening.

D. Market Outlook & Strategies

Gold prices may further contract with the rise of long-term nominal rates as the virus is brought under control and economies recover from the pandemic. Greater US stimulus also raise the prospect of an earlier than planned rate hike by the Fed, which would be detrimental to the metal. The continued erosion in gold-backed ETF demand may also be indicative of a trend that could weight on price in the coming months. As usual, a surge in the dollar remains detrimental to the metal. Conversely, gold may still benefit from ultra-easy monetary conditions, rising inflation expectations and the difficulty for governments and central banks around the world to normalize their stimulus policies. Similarly, a decrease in US real rates, a weaker dollar or renewed US-China tensions could also offer support.

E. Asset Allocation

The Fund's asset allocation as at 31 March 2021 is as follows:

| Asset allocation | 31.03.2021 | |
|--|------------------|---------------|
| | USD | % |
| Investment in Target Fund | 4,921,350 | 98.18 |
| Cash, deposit with a licensed financial institution and other net assets | 91,290 | 1.82 |
| Total NAV | 5,012,640 | 100.00 |

MAMG GOLD FUND

Manager's report

For the financial period from 3 June 2020 (date of launch) to 31 March 2021 (cont'd)

F. Soft Commissions and Rebates

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

During the financial period from 3 June 2020 (date of launch) to 31 March 2021, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAMG GOLD FUND FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

We have acted as Trustee of MAMG Gold Fund (the "Fund") for the financial period from 3 June 2020 (date of launch) to 31 March 2021. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd, (the "Manager"), has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 ("CMSA") and other applicable laws;
- (b) Valuation/pricing is 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
SCBMB Trustee Berhad

Prasad A/L S Vijayasundram
Chief Executive Officer

Kuala Lumpur, Malaysia
7 May 2021

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAMG GOLD FUND
FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (DATE OF LAUNCH) TO 31 MARCH 2021**

We, Dato' Idris Bin Kechot and Ahmad Najib Bin Nazlan, being two 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 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MAMG Gold Fund as at 31 March 2021 and of its results, changes in net assets attributable to unitholders and cash flows for the financial period from 3 June 2020 (date of launch) to 31 March 2021 and comply with the requirements of the Deed.

For and on behalf of the Manager

Dato' Idris Bin Kechot
Chairman

Ahmad Najib Bin Nazlan
Director

Kuala Lumpur, Malaysia
7 May 2021

Independent auditors' report to the Unitholders of MAMG Gold Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAMG Gold Fund (the "Fund"), which comprise the statement of financial position as at 31 March 2021 of the Fund, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the financial period from 3 June 2020 (date of launch) to 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 18 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2021, and of its financial performance and cash flows for the financial period from 3 June 2020 (date of launch) to 31 March 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

Maybank Asset Management Sdn Bhd, (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report to the Unitholders of MAMG Gold Fund

Information other than the financial statements and auditors' report thereon (cont'd)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the Unitholders of MAMG Gold Fund

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Unitholders of
MAMG Gold Fund**

Other matters

This report is made solely to the Unitholders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
7 May 2021

MAMG GOLD FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

| | | 03.06.2020 (date of launch) to 31.03.2021 USD |
|--|-------------|---|
| INVESTMENT LOSS | Note | |
| Interest income | | 242 |
| Net loss on financial assets at fair value through profit or loss ("FVTPL") | | |
| - Realised loss | | (23,712) |
| - Unrealised loss | | (493,195) |
| Net loss on foreign exchange and derivatives | 3 | <u>(41,355)</u> |
| | | <u>(558,020)</u> |
| EXPENSES | | |
| Manager's fee | 4 | 15,388 |
| Trustee's fee | 5 | 1,450 |
| Auditors' remuneration | | 2,430 |
| Tax agent's fee | | 944 |
| Administrative expenses | | <u>2,597</u> |
| | | <u>22,809</u> |
| Net loss before taxation | | (580,829) |
| Taxation | 6 | <u>-</u> |
| Net loss after taxation, representing total comprehensive loss for the financial period | | <u>(580,829)</u> |
| Net loss after taxation is made up of the following: | | |
| Net realised loss | | (40,134) |
| Net unrealised loss | | <u>(540,695)</u> |
| | | <u>(580,829)</u> |

The accompanying notes form an integral part of the audited financial statements.

MAMG GOLD FUND**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

| | Note | 31.03.2021 USD |
|---|-------------|-------------------|
| ASSETS | | |
| Financial assets at FVTPL | 7 | 4,921,350 |
| Derivative assets | 8 | 262 |
| Cash at bank | 9 | 191,832 |
| TOTAL ASSETS | | <u>5,113,444</u> |
| LIABILITIES | | |
| Amount due to Manager | 10 | 60,379 |
| Amount due to Trustee | 11 | 881 |
| Derivative liabilities | 8 | 35,000 |
| Other payables and accruals | | 4,544 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS) | | <u>100,804</u> |
| NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS | | <u>5,012,640</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE: | | |
| Unitholders' contribution | 12(a) | 5,593,469 |
| Accumulated loss | 12(b) & (c) | (580,829) |
| | | <u>5,012,640</u> |
| NET ASSET VALUE | | |
| - USD Class | | 1,165,269 |
| - MYR Class | | 1,444,397 |
| - MYR (Hedged) Class | | 2,402,974 |
| | | <u>5,012,640</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | | |
| - USD Class | | 1,261,273 |
| - MYR Class | | 6,789,357 |
| - MYR (Hedged) Class | | 11,015,462 |
| | | <u>19,066,092</u> |
| NAV PER UNIT | | |
| - USD Class | | <u>USD 0.9239</u> |
| - MYR Class | | <u>MYR 0.8820</u> |
| - MYR (Hedged) Class | | <u>MYR 0.9044</u> |

The accompanying notes form an integral part of the audited financial statements.

MAMG GOLD FUND**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND
FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (DATE OF LAUNCH) TO 31 MARCH 2021**

| | Unitholders' contribution Note 12(a) USD | Accumulated loss Note 12(b) and 12(c) USD | Net assets attributable to unitholders USD |
|---|---|--|---|
| At 3 June 2020 (date of launch) | - | - | - |
| Total comprehensive loss for the financial period | - | (580,829) | (580,829) |
| Creation of units | 6,671,076 | - | 6,671,076 |
| Cancellation of units | (1,077,607) | - | (1,077,607) |
| At 31 March 2021 | <u>5,593,469</u> | <u>(580,829)</u> | <u>5,012,640</u> |

The accompanying notes form an integral part of the audited financial statements.

MAMG GOLD FUND

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

03.06.2020
(date of launch)
to
31.03.2021
USD

**CASH FLOWS FROM OPERATING AND INVESTING
ACTIVITIES**

| | |
|--|--------------------|
| Net proceeds for sales of financial assets at FVTPL | 638,483 |
| Net payment for purchases of financial assets at FVTPL | (6,076,740) |
| Interest received | 242 |
| Net loss on derivatives | (624) |
| Manager's fee paid | (13,372) |
| Trustee's fee paid | (569) |
| Payment of other fees and expenses | (1,424) |
| Net cash used in operating and investing activities | <u>(5,454,004)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|--|--------------------|
| Cash received from units created | 6,674,037 |
| Cash paid on units cancelled | <u>(1,020,302)</u> |
| Net cash generated from financing activities | <u>5,653,735</u> |

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

199,731

CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH

-

Effects of foreign exchange

(7,899)

**CASH AND CASH EQUIVALENTS AT THE END
OF THE FINANCIAL PERIOD**

191,832

Cash and cash equivalents comprise:
Cash at bank (Note 9)

191,832

The accompanying notes form an integral part of the audited financial statements.

MAMG GOLD FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 3 JUNE 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MAMG Gold Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 7 April 2020, between the Manager, Maybank Asset Management Sdn. Bhd. ("MAM") and the Trustee, SCBMB Trustees Berhad and the registered holder of the Fund.

The Fund aims to achieve long-term consistent positive return by investing in the Pictet CH Precious Metals Fund ("Target Fund").

The Target Fund is a sub-fund of Pictet CH Precious Metals Fund established and domiciled in Switzerland. The Target Fund was launched on 30 September 2009. The Target Fund is subject to regulation under the Swiss Financial Market Supervisory Authority. The Target Fund is managed by an investment manager, Pictet Asset Management SA.

The principal activity of the Fund is to invest a minimum of 90% of its NAV in the I dy USD class of the Target Fund. 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).

The Fund launched 3 share classes of units as at the date of this report, which are USD Class, MYR Class and MYR (Hedged) Class.

The Manager of the Fund is MAM, a company incorporated in Malaysia. It is a holder of the Capital Markets Services Licence 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. MAM is a subsidiary of Maybank Asset Management Group Berhad ("MAMG"), which in turn is a subsidiary of Malayan Banking Berhad ("MBB").

The financial statements were authorised for issue by the Board of Directors (the "Directors") of the Manager in accordance with a resolution of the Directors on 7 May 2021.

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Deeds and any regulatory requirements.

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.

The financial statements are presented in United States Dollar ("USD").

MAMG GOLD FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2 Standards, amendments and interpretations 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.

| Description | Effective for annual periods beginning on or after |
|--|---|
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform Phase 2</i> | 1 January 2021 |
| Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i> | 1 January 2022 |
| Amendments to MFRS 116: <i>Proceeds before Intended Use</i> | 1 January 2022 |
| Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i> | 1 January 2022 |
| Annual Improvements to MFRS Standards 2018-2020 Cycle | 1 January 2022 |
| MFRS 17: <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred |

The Fund expects that the adoption of the above standards 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.

MAMG GOLD FUND

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

2.4 Financial assets (cont'd)

(i) Financial assets at amortised cost

The Fund classifies cash at bank 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 profit income in profit or loss over the relevant period.

Unless designated as at FVTPL on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the assets are held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

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

(ii) Financial assets at FVTPL

Investments in collective investment scheme 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 instruments 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.

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

MAMG GOLD FUND

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 is a probability-weighted estimate of credit losses. It is measured as follows:

- Financial assets that are not credit-impaired at the reporting date:
As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to 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.

MAMG GOLD FUND

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 other 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.

(iii) Derecognition

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.

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.

MAMG GOLD FUND

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

2.6 Fair value measurement (cont'd)

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 United States Dollar, 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 year-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' contribution

The unitholders' contributions to the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* as they are puttable instruments whereby the unitholders have the right to redeem their units in the Fund at their option.

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.

MAMG GOLD FUND

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

2.9 Distributions

Any distribution to the Fund's unitholders is accounted for in profit or loss as a deduction from realised reserves except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed dividend is recognised as a liability in the year 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 which have an insignificant risk of changes in value.

2.11 Revenue / Income

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

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

Dividends are recognised as revenue when the right to receive payment is established.

Realised gain or loss on disposal of investment in collective investment scheme is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments.

Other revenue/income is generally recognised when the Fund satisfies a performance obligation by transferring a promised good or service or an asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

2.12 Taxation

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 reporting

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

MAMG GOLD FUND

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

2.14 Critical accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

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

3. NET LOSS ON FOREIGN EXCHANGE AND DERIVATIVES

| | 31.03.2021 |
|--------------------------------------|-------------------|
| | USD |
| Net realised foreign exchange loss | (65,987) |
| Net unrealised foreign exchange loss | (12,762) |
| Net realised derivatives gain | 72,132 |
| Net unrealised derivatives loss | (34,738) |
| | <u>(41,355)</u> |

4. MANAGER'S FEE

The Manager's fee is computed daily based on 0.62% per annum ("p.a.") of the NAV of each Class, before deducting Manager's fee and Trustee's fee for the day.

5. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.02% p.a. of the NAV of the Fund, subject to a minimum fee of RM6,000.00 p.a. before deducting the Manager's fee and Trustee's fees for that particular day.

6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial year. The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

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

MAMG GOLD FUND

6. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to net loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

| | 03.06.2020 (date of launch) to 31.03.2021 USD |
|---|--|
| Net loss before taxation | (580,829) |
| Taxation at Malaysian statutory rate of 24% | (139,399) |
| Income not subject to tax | (58) |
| Loss not deductible for tax purposes | 133,983 |
| Expenses not deductible for tax purposes | 5,474 |
| Tax expense for the financial period | - |

7. FINANCIAL ASSETS AT FVTPL

Details of the Fund's investments in collective investment scheme is as follows:

| | Quantity | Cost USD | Fair value USD | % of NAV |
|---|-----------------|---------------------------|---------------------------------|---------------------------|
| 31.03.2021 | | | | |
| Pictet CH Precious Metals Fund (Class I dy, USD) | 29,866 | 5,414,545 | 4,921,350 | 98.18 |
| Unrealised gain on investment* | | | (493,195) | |

* The unrealised gain on collective investment scheme comprise the amounts arising from changes in fair values and effects of foreign exchange.

8. DERIVATIVE ASSET/LIABILITIES

| | Notional Principal amount USD | <-----Fair Value-----> | |
|---|--|-------------------------------------|----------------------------------|
| | | Assets USD | Liabilities USD |
| 31.03.2021 | | | |
| <u>Foreign exchange related contracts</u> | | | |
| Currency forwards: | | | |
| - Less than 1 year | 2,357,000 | 262 | (35,000) |

The derivative contracts entered into during the financial period were for hedging against the currencies exposure of the MYR (Hedged) Class based on the features of the Class as disclosed in the Information Memorandum. As the Fund has not adopted hedge accounting during the financial period, the changes in the fair value of the derivative contracts were recognised immediately in the statement of comprehensive income and borne solely by the respective Class (i.e. MYR (Hedged) Class).

MAMG GOLD FUND

9. CASH AT BANK

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

| | 31.03.2021 |
|-----|-------------------|
| | USD |
| USD | 30,687 |
| MYR | 161,145 |
| | <u>191,832</u> |

10. AMOUNT DUE TO MANAGER

| | | 31.03.2021 |
|---|------|-------------------|
| | | USD |
| Amount due to Manager is in respect of: | | |
| Manager's fee | (i) | 2,017 |
| Cancellation of units | (ii) | 58,362 |
| | | <u>60,379</u> |

(i) The amount relates to the amount payable to the Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 15 days.

(ii) The amount represented amount payable to the Manager for units cancelled.

11. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accrued Trustee's fee at the end of the financial period. The normal credit term for Trustee's fee is 15 days.

MAMG GOLD FUND

12. NET ASSET ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

| | Note | 31.03.2021 USD |
|-----------------------------|-------------|---------------------------|
| Unitholders' contribution | (a) | 5,593,469 |
| Accumulated realised loss | (b) | (40,134) |
| Accumulated unrealised loss | (c) | (540,695) |
| | | <u>5,012,640</u> |

(a) Unitholders' contribution

The units are distributed based on the following share classes:

| | 31.03.2021 | |
|--------------------------|---------------------|------------------|
| | No. of units | USD |
| (i) USD class | 1,261,273 | 1,282,019 |
| (ii) MYR class | 6,789,357 | 1,624,868 |
| (iii) MYR (Hedged) class | 11,015,462 | 2,686,582 |
| | <u>19,066,092</u> | <u>5,593,469</u> |

(i) USD class

| | 31.03.2021 | |
|-----------------------------------|---------------------|------------------|
| | No. of units | USD |
| At date of launch | - | - |
| Creation of units | 1,442,870 | 1,463,062 |
| Cancellation of units | (181,597) | (181,043) |
| As at end of the financial period | <u>1,261,273</u> | <u>1,282,019</u> |

(ii) MYR class

| | 31.03.2021 | |
|-----------------------------------|---------------------|------------------|
| | No. of units | USD |
| At date of launch | - | - |
| Creation of units | 8,015,674 | 1,914,041 |
| Cancellation of units | (1,226,317) | (289,173) |
| As at end of the financial period | <u>6,789,357</u> | <u>1,624,868</u> |

MAMG GOLD FUND

12. NET ASSET ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

(a) Unitholders' contribution (cont'd)

(iii) MYR (Hedged) class

| | 31.03.2021 | |
|-----------------------------------|---------------------|------------------|
| | No. of units | USD |
| At date of launch | - | - |
| Creation of units | 13,559,533 | 3,293,973 |
| Cancellation of units | <u>(2,544,071)</u> | <u>(607,391)</u> |
| As at end of the financial period | <u>11,015,462</u> | <u>2,686,582</u> |

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

| | 31.03.2021 | |
|-------------------------|---------------------|------------|
| | No. of units | USD |
| The Manager (USD class) | <u>1,000</u> | <u>924</u> |

| | 31.03.2021 | |
|--------------------------------|---------------------|------------|
| | No. of units | RM |
| The Manager (MYR class) | <u>1,000</u> | <u>882</u> |
| The Manager (MYR Hedged class) | <u>1,000</u> | <u>904</u> |

(b) Accumulated realised loss

| | 31.03.2021 |
|--|-------------------|
| | USD |
| At date of launch | - |
| Net realised loss for the financial period | <u>(40,134)</u> |
| At the end of the financial period | <u>(40,134)</u> |

(c) Accumulated unrealised loss

| | 31.03.2021 |
|--|-------------------|
| | USD |
| At date of launch | - |
| Net unrealised loss for the financial period | <u>(540,695)</u> |
| At the end of the financial period | <u>(540,695)</u> |

MAMG GOLD FUND

13. TRANSACTIONS WITH BROKERS/DEALERS/FINANCIAL INSTITUTIONS

The Manager bought and sold the units in the Target Fund directly from the Manager of the Target Fund in the current financial period.

Details of transactions, primarily deposits with licensed financial institutions are as follows:

| | 31.03.2021 | |
|----------------------------|------------------|---------------|
| | Transaction | Percentage |
| | value | of total |
| | USD | placements |
| | | % |
| Public Islamic Bank Berhad | 336,013 | 9.51 |
| Malayan Banking Berhad* | 3,199,022 | 90.49 |
| | <u>3,535,035</u> | <u>100.00</u> |

* Malayan Banking Berhad is the ultimate holding company of the Manager.

14. 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 is the significant related party transaction and balances of the Fund during the financial period.

Other than those disclosed elsewhere in the financial statements, there were no significant related party transactions and balances as at the reporting date.

| | 31.03.2021 |
|---|---------------|
| | USD |
| <u>Significant related party transactions</u> | |
| MBB: | |
| Interest income from deposit | 218 |
| Realised gain on forward foreign exchange contracts | <u>38,444</u> |
| <u>Significant related party balances</u> | |
| MBB: | |
| Derivative liabilities * | <u>18,862</u> |

* The principal amount of the outstanding contracts is USD800,000.

The Manager is of the opinion that the transactions and balances 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.

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15. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee and other administrative expenses. For the financial period from 3 June 2020 (date of launch) to 31 March 2021, the MER of the Fund was 0.57%.

16. 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 average NAV of the Fund calculated on a daily basis. For the financial period from 3 June 2020 (date of launch) to 31 March 2021, the PTR of the Fund stood at 0.84 times.

17. SEGMENT REPORTING

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision-maker, makes the strategic decisions on resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieves its targeted return with an acceptable level of risk within the portfolio.

The chief operating decision-maker is responsible for the performance of the Fund by investing a minimum of 90% of its NAV in the I dy USD class of the Target Fund.

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.

18. 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 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.

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18. FINANCIAL INSTRUMENTS (CONT'D)

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

| 31.03.2021 | Financial instruments at FVTPL USD | Financial assets at amortised cost USD | Financial liabilities at amortised cost USD | Total USD |
|------------------------------|---|---|--|----------------------|
| Financial Assets | | | | |
| Financial assets at FVTPL | 4,921,350 | - | - | 4,921,350 |
| Derivative assets | 262 | - | - | 262 |
| Cash at bank | - | 191,832 | - | 191,832 |
| Total financial assets | 4,921,612 | 191,832 | - | 5,113,444 |
| Financial Liabilities | | | | |
| Amount due to Manager | - | - | 60,379 | 60,379 |
| Amount due to Trustee | - | - | 881 | 881 |
| Derivative liabilities | 35,000 | - | - | 35,000 |
| Other payables and accruals | - | - | 4,544 | 4,544 |
| Total financial liabilities | 35,000 | - | 65,804 | 100,804 |

(b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL, derivative assets and derivative liabilities are carried at fair value.

Collective investment scheme

The Fund's investment in the collective investment scheme is carried at fair value. The fair value of the collective investment scheme is determined by reference to its last published NAV per unit at the reporting date.

Derivative assets and liabilities

The fair value of over-the-counter forward foreign exchange contracts are obtained by using valuation models which incorporate various observable market inputs such as changes in spot rate, and changes in the forward points. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

(c) Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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18. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value hierarchy (cont'd)

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value:

| 31.03.2021 | Level 1 USD | Level 2 USD | Level 3 USD |
|---------------------------|------------------|----------------|----------------|
| Financial assets at FVTPL | 4,921,350 | - | - |
| Derivative assets | - | 262 | - |
| | <u>4,921,350</u> | <u>262</u> | <u>-</u> |
| Derivative liabilities | - | (35,000) | - |

(d) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

Other than its financial assets at FVTPL and derivative assets and liabilities, the Fund's financial instruments were not carried at fair value but their carrying amounts were reasonable approximations of fair value due to their short-term maturity.

There were no financial instruments which were not carried at fair value and whose carrying amounts were not reasonable approximations of their respective fair values.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks.

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deeds, SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and CMSA.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Fund is exposed to foreign currency risk arising from the Fund's cash and bank investments in collective investment scheme denominated in foreign currency, derivative assets and derivative liabilities. The Fund is also exposed to interest rate risk arising from deposit placed with a licensed financial institution. The Fund is not exposed to equity price risk as it does not hold any equity investments other than investment in Target Fund as at the reporting date.

(i) Interest rate risk

Cash is sensitive to movement in interest rates. When interest rates rise, the return on cash will rise. The deposit with a licensed financial institution carries a fixed rate, and therefore, is not affected by the movements in market interest rates.

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19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Market risk (cont'd)

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The table below analyses the net positions of the Fund's financial assets and financial liabilities (excluding derivative assets and liabilities) which are exposed to foreign exchange risk as at 31 March 2021. As the Fund's functional currency is USD, the financial assets and financial liabilities (excluding derivative assets and liabilities) in other currencies are exposed to the movement of foreign exchange rates. The exposure might lead to the appreciation or depreciation of the financial assets and financial liabilities of the Fund that may affect the value of the NAV attributable to unitholders.

| | 31.03.2021 |
|---|-------------------|
| | RM |
| | USD |
| Assets | |
| Cash at bank | 161,145 |
| Total assets | <u>161,145</u> |
| Net on-balance sheet open position | <u>161,145</u> |

The table below summarises the sensitivity of the Fund's net on-balance sheet open position (excluding derivative assets and derivative liabilities) to movements in exchange rates. The analysis is based on the assumptions that the exchange rates will increase or decrease by 5% with all other variables held constant.

| | 31.03.2021 | |
|-----|-------------------|---------------------------------|
| | Changes | Effects on |
| | in price | NAV |
| | % | Increase/ (Decrease) |
| | | USD |
| USD | +5 | 8,057 |
| | -5 | <u>(8,057)</u> |

The impact to net loss after taxation and NAV is expected to be the same.

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19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Market risk (cont'd)

(iii) Price risk

Price risk is the risk of unfavourable changes in the fair values of investments as the result of changes in market prices (other than those arising from interest rate risk and forward exchange currency risk). The price risk exposure arises from the Fund's investments in Target Fund.

Management's best estimate of the effect on the income for the year due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

| | 31.03.2021 | Effects on NAV Increase/ (Decrease) USD |
|---------------------------------|-----------------------------------|--|
| | Changes in price % | |
| Collective investment scheme | +5 | 246,068 |
| | <u>-5</u> | <u>(246,068)</u> |

The impact to net loss after taxation and NAV is expected to be the same.

(c) Credit risk

Credit risk is the risk that the issuer/counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of an issuer/counterparty's inability or unwillingness to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties (e.g., brokers, custodian, banks, etc.) by reviewing their credit ratings and credit profile on a regular basis.

(i) Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

MAMG GOLD FUND

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (cont'd)

(ii) Credit quality of financial assets

The following table analyses the Fund's cash at bank by rating categories. The rating is obtained from RAM Holdings Berhad.

| Financial assets | 31.03.2021 | |
|------------------|------------|--------------------------|
| | USD | As a percentage of NAV % |
| AAA | 191,832 | 3.83 |

(d) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Trust Deeds.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise of cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

The following table summarises the maturity profile of the Fund's undiscounted financial assets, liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity. Balances due within twelve months equal their carrying amounts, as the impact of discounting is insignificant.

MAMG GOLD FUND

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

| 31.03.2021 | Less than 1 month USD | More than 1 month USD | Total USD |
|---|--------------------------------------|--------------------------------------|----------------------|
| Financial assets | | | |
| Financial assets at FVTPL | 4,921,350 | - | 4,921,350 |
| Derivative assets | - | 262 | 262 |
| Cash at bank | 191,832 | - | 191,832 |
| Total undiscounted financial assets | <u>5,113,182</u> | <u>262</u> | <u>5,113,444</u> |
| Financial liabilities and net assets attributable to unitholders of the Fund | | | |
| Amount due to Manager | 60,379 | - | 60,379 |
| Amount due to Trustee | 881 | - | 881 |
| Derivative liabilities | 32,220 | 2,780 | 35,000 |
| Other payables and accruals | 4,544 | - | 4,544 |
| NAV attributable to unitholders | 5,012,640 | - | 5,012,640 |
| Total undiscounted financial liabilities and net assets attributable to unitholders | <u>5,110,664</u> | <u>2,780</u> | <u>5,113,444</u> |
| Liquidity surplus/(gap) | <u>2,518</u> | <u>(2,518)</u> | <u>-</u> |

(i) Financial assets

The analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

Financial assets exclude tax-related matters such as tax recoverable, if any.

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

Financial liabilities exclude tax-related matters such as tax payables, if any.

MAMG GOLD FUND

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

(iii) Unitholders' contribution

As unitholders can request for cancellation on their units by giving the Manager a 10-day notice period, the unitholders' total equity has been categorised as having a maturity of "less than 1 month".

20. UNITHOLDERS' CONTRIBUTION MANAGEMENT

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

The Fund's objectives for managing the unitholders' contribution are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to provide unitholders with regular and stable distributions and to meet the expenses of the Fund and other obligations as they arise; and
- (d) To maintain sufficient fund size to ensure that the operations of the Fund are cost-efficient.

21. COMPARATIVE

There are no comparative figures presented as this is the Fund's first reporting period since the Fund was launched on 3 June 2020.