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# MAMG GOLD FUND

Quarterly report

For the financial period from 1 April 2021 to 30 September 2021

## **CORPORATE INFORMATION**

### **MANAGER**

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## **MAMG GOLD FUND**

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## MAMG GOLD FUND

### Manager's report

For the financial period from 1 April 2021 to 30 September 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 CH Precious Metals Fund ("Target Fund").

**7. Fund distribution policy**

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

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

The Fund seeks to achieve its investment objective by investing a minimum of 90% of the Fund's NAV in the USD class of the Target Fund. The Target Fund is a sub-fund of Pictet CH Precious Metals Fund established and domiciled in Switzerland. The Fund may employ currency hedging strategies by utilising currency forwards to fully or partially hedge the foreign currency exposure to manage the currency risk of the Classes being hedged (other than USD Class and MYR Class).

## MAMG GOLD FUND

### Manager's report

For the financial period from 1 April 2021 to 30 September 2021 (cont'd)

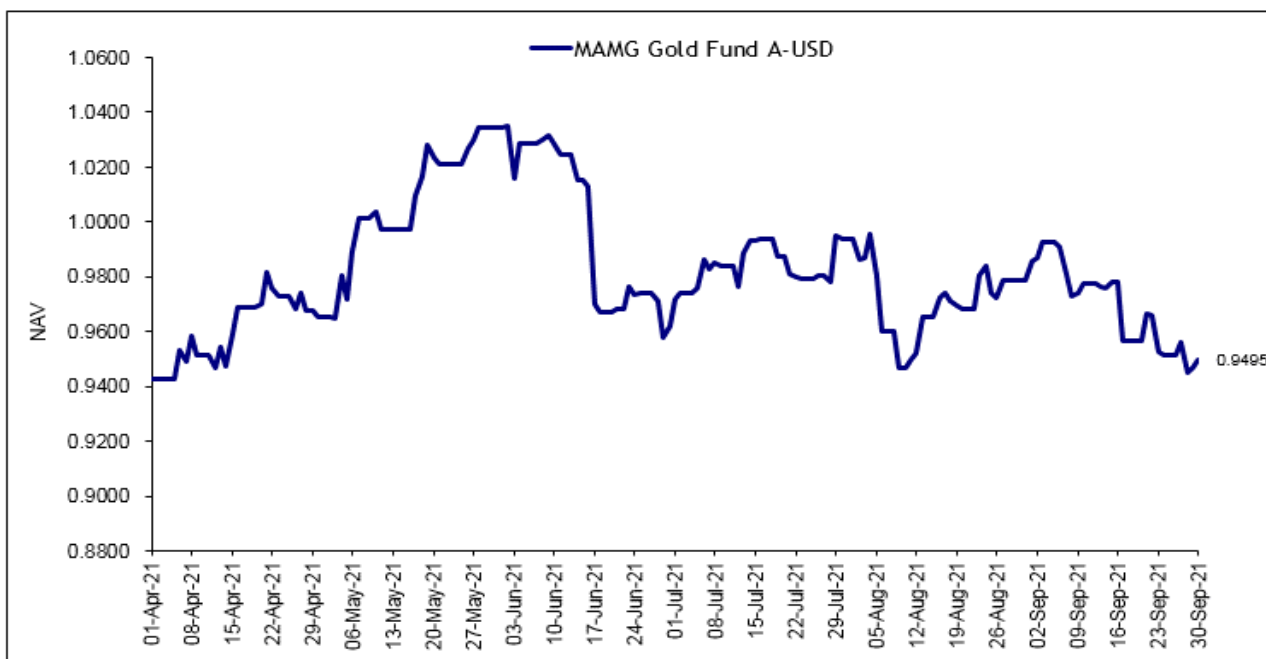
#### B. Performance Review

Performance of MAMG Gold Fund - USD Class for the financial period 1 April 2021 to 30 September 2021 are as follows:

#### USD Class

Period	The Fund %
1 April 2021 to 30 September 2021	(1.28)

Performance of the USD Class for the financial period up to 30 September 2021:



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

The USD Class has generated a net return of -1.28% for the financial period from 1 April 2021 to 30 September 2021.

## MAMG GOLD FUND

### Manager's report

For the financial period from 1 April 2021 to 30 September 2021 (cont'd)

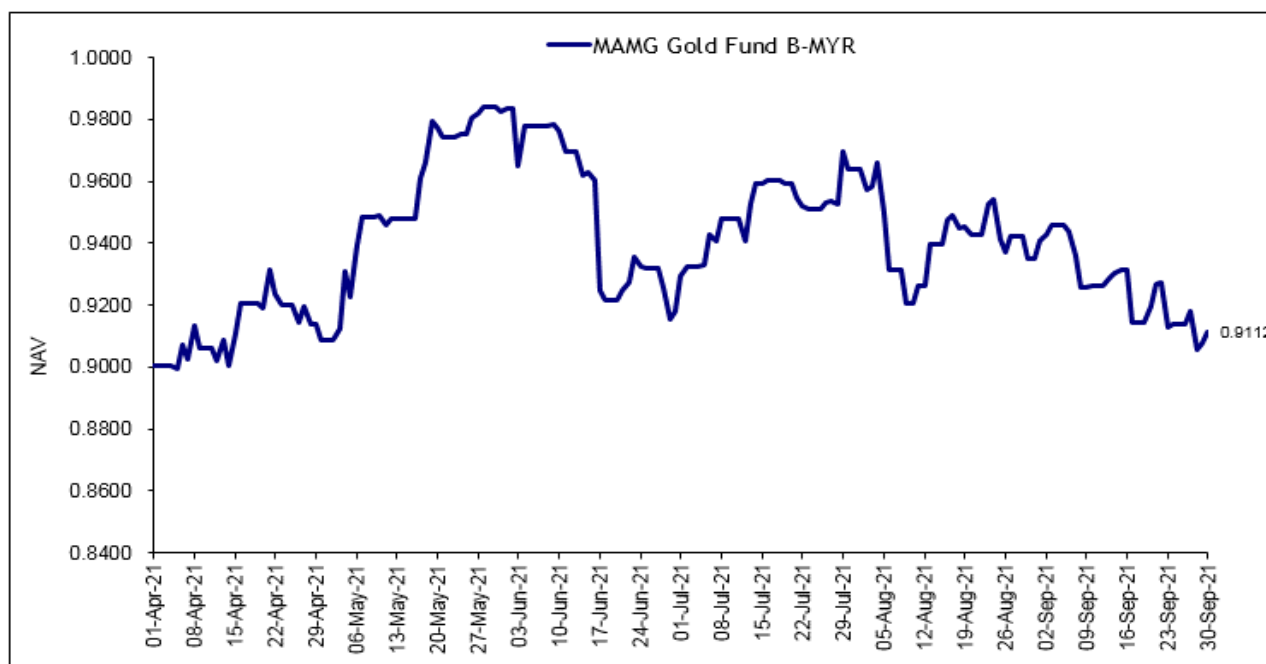
#### B. Performance Review (cont'd)

Performance of MAMG Gold Fund - MYR Class for the financial period from 1 April 2021 to 30 September 2021 are as follows:

#### MYR Class

Period	The Fund %
1 April 2021 to 30 September 2021	(0.72)

Performance of the MYR Class for the financial period up to 30 September 2021:



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

The MYR Class has generated a net return of -0.72% for the financial period from 1 April 2021 to 30 September 2021.

## MAMG GOLD FUND

### Manager's report

For the financial period from 1 April 2021 to 30 September 2021 (cont'd)

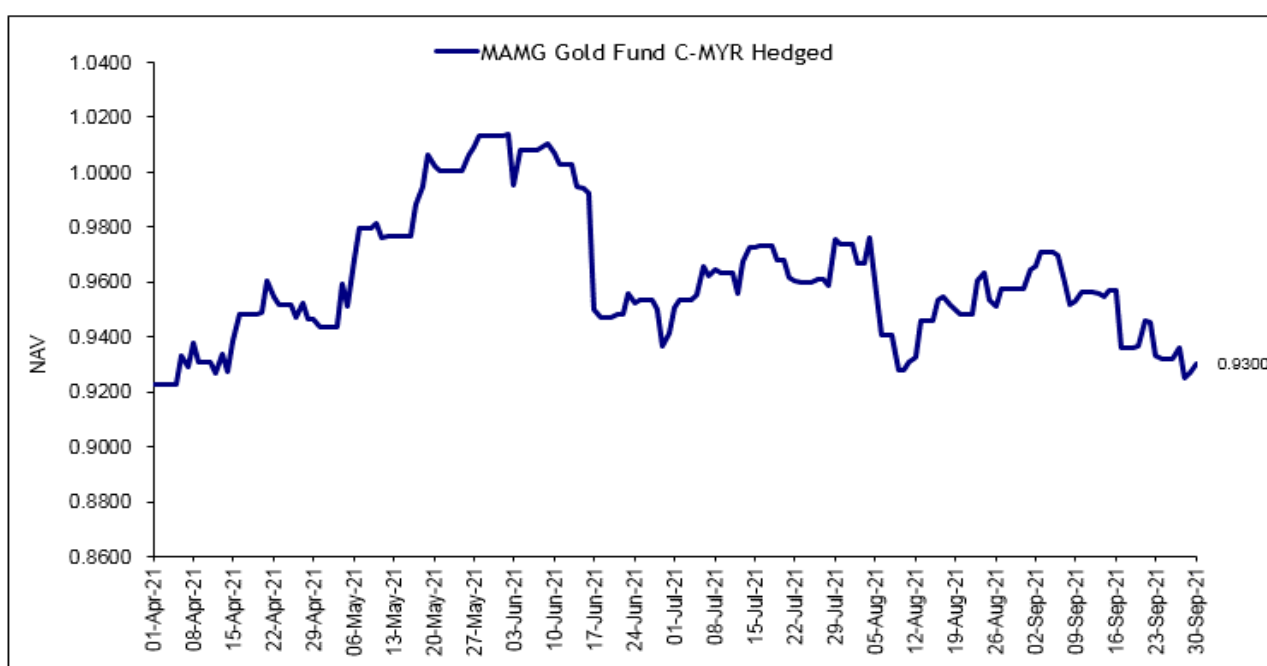
#### B. Performance Review (cont'd)

Performance of MAMG Gold Fund - MYR (Hedged) Class for the financial period from 1 April 2021 to 30 September 2021 are as follows:

#### **MYR (Hedged) Class**

Period	The Fund %
1 April 2021 to 30 September 2021	(1.18)

Performance of the MYR (Hedged) Class for the financial period up to 30 September 2021:



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

The MYR (Hedged) Class has generated a net return of -1.18% for the financial period from 1 April 2021 to 30 September 2021.

## **MAMG GOLD FUND**

### **Manager's report**

**For the financial period from 1 April 2021 to 30 September 2021 (cont'd)**

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

Gold gained 4.53 % in April 2021 as lower yields on financial assets boosted the appeal of bullion and the dollar decline helped spur a broad rally in commodities, including in gold. The bullion also benefited from the Federal Reserve's ("Fed") dovish stance on monetary policy, which outweighed the impact of improving United States ("US") and Chinese economic reports. The drawdown in gold-backed Exchange Traded Fund ("ETF") holdings continued in April 2021. The decrease in buying interest was reflected by ETF outflows of 49 tons for the month, which brought the total gold backed ETF to 3,056 tons. India's gold imports from Switzerland surged to the highest in almost eight years in March 2021 as jewellery buyers took advantage of a dip in prices during the wedding season. In China, imports from Switzerland also rose to a seven-month high and the permission was given to banks to import a large amount of bullion to meet domestic demand.

Gold continued its momentum, gaining 7.48% in May 2021. Supported by rising inflation expectations, the Fed's dovish comments about its steady monetary policy, lower real yields and concerns of a resurgence of Coronavirus Disease 2019 ("COVID-19") cases in some countries, gold showed its biggest monthly advance since July 2020. Holdings in exchange-traded funds backed by the precious metal climbed for the first time in four months, but the recovery remained subdued. The increase in buying interest was reflected by ETF inflows of 49 tons for the month, which brought the total gold-backed ETF to 3,142 tons. The first half of the year showed central banks returning to the market. In particular, the Bank of Thailand increased its gold holdings in April 2021 to 6.35 million ounces from 4.95 million ounces the previous month. Similarly, Hungary tripled its reserves of the metal in March 2021. Data from the World Gold Council showed global central banks, led by India, which purchased 11.2 tons, were net buyers of bullion in February 2021.

However, Gold retreated 7.2% in June 2021 to close the quarter at + 4.26%. After benefiting from rising inflation expectations, lower real yields and the Fed's dovish stance during the months of April 2021 and May 2021, the metal tumbled in June 2021 on dollar strength after the Fed signaled monetary policy tightening could start earlier than expected. The dollar was also supported by mounting concerns about the Delta COVID-19 variant in Europe and elsewhere. The modest increase in buying interest was reflected by ETF inflows of 18 tons for the quarter, which brought the total gold-backed ETF to 3,135 tons. Positive flows in May 2021 barely compensated negative flows in April 2021 and June 2021 so the recovery remained subdued. Central bank interest in gold has revived this year with the significant purchases from the Thai and Hungarian central banks. Moreover, the central bank of Ghana, Africa's biggest gold producer, also plans to buy gold for the first time in six decades to build its foreign reserves and double its holdings to 17.4 tons within five years.

Comments by the US and European Central Banks in July 2021 suggest that employment has resurfaced as the main focus ahead of inflation in the slowing phase of this business cycle and the world-wide resurgence of the COVID-19 pandemic. Investor interpretation is that some inflation will be tolerated and seen as transitory for longer than previously anticipated. This situation reduces probabilities for a US rates hike before the end of 2022 and pushed long-term yields down in many developed countries to their beginning-of-the-year levels.



## **MAMG GOLD FUND**

### **Manager's report**

**For the financial period from 1 April 2021 to 30 September 2021 (cont'd)**

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

Real interest rates, a key driver of gold prices, reached an all-time low in the US, pushing gold prices higher during the month of July 2021 (+3.6%) and partially erasing the June 2021 losses. Both ETF inflows and Comex trader commitment increased moderately during the month. Interestingly, demand for bars and coins remain strong in the US as a result of the increased disposable incomes and the release of the gold eagle coin celebrating the 35th anniversary of the American Eagle Coin Program. Central banks continued to be a net purchaser and China experienced net positive imports.

In August 2021, Gold lost 0.6%. The metal started the month with a large fall. It dropped -5.7% at its lowest - reaching its March 2021 level - amid better-than-expected US jobs data and rising inflation-adjusted Treasury yields, both of which raised expectations for Fed tapering. A strengthening dollar and growing expectations that inflation may prove manageable also weighed on the Bullion price. The metal strongly recovered afterwards, helped by a softer dollar and signals for a cautious approach to the withdrawal of stimulus from Federal Reserve Chair Jerome Powell. Investors turned away from bullion-backed exchange traded funds amid continued strength in equities. This decrease in buying interest was reflected by ETF outflows of 26 tons for the month, which brought the total gold backed ETF to 3,102 tons. Demand for physical bullion in Germany, traditionally the biggest coin and bar buyer in Europe, was the highest since Q1 2009. While purchases in other Western markets have also been strong, Germans, in particular, bought the metal as a hedge against rising inflation.

Gold continued its negative momentum, losing another 4.0% in September 2021 to close the third quarter at -1.15%. During the quarter, the prospects of monetary tightening, rising treasury yields and strong dollar pushed the gold price down while the risks of a pandemic still in play and the debt crisis coming from China sustained the metal on rising demand for haven assets. Bullion has lost about 7% this year as central banks are moving toward reducing the unprecedented monetary stimulus deployed during the pandemic to boost economies. In September 2021, gold declined after the modestly hawkish Federal Reserve indicated it could start reducing stimulus as early as November 2021 while concerns about the China Evergrande Group debt crisis eased. Investors turned away from bullion-backed ETF. This decrease in buying interest was reflected by ETF outflows of 50 tons for the month, which brought the total gold-backed ETF to 3,102 tons. In India, jewellers, whose mindset adjusted to the COVID-19 crisis, have become keen to sell online and consequently coincided their offers with the beginning of the festive season when gold demand usually peaks. On the Merger and Acquisition side, Agnico Eagle Mines agreed to acquire Kirkland Lake Gold Ltd in an all-stock deal valued at about 10.6 billion United States Dollars ("USD") that combines two of Canada's largest miners of the precious metal.

## MAMG GOLD FUND

### Manager's report

For the financial period from 1 April 2021 to 30 September 2021 (cont'd)

#### D. Market Outlook & Strategies

Reduced stimulus and expectations of rising treasury yields may keep weighing on the non-interest-bearing bullion. Of course, an earlier-than-expected tapering could add pressure and impact the metal negatively. Furthermore, the extended erosion in gold backed ETF demand may also weigh on the long-term price. As usual, a surge in the dollar and/or an increase in interest rates remain detrimental to the metal. Conversely, the haven asset could still be supported by some persisting risks related to the pandemic as well as concerns over the spillover effects of the debt crisis at Evergrande Group and China's crackdown on the real estate sector. Similarly, gold could also benefit as a hedge against currencies devaluations following the unprecedented stimulus rolled out to fight the coronavirus. As usual, a weaker dollar and/or geopolitical tensions may also benefit gold.

#### E. Asset Allocation

The Fund's asset allocation as at 30 September 2021 and 31 March 2021 is as follows:

Asset allocation	30.09.2021		31.03.2021	
	USD	%	USD	%
Investment in Target Fund	4,670,297	96.86	4,921,350	98.18
Cash, deposit with a licensed financial institution and other net assets	151,254	3.14	91,290	1.82
<b>Total NAV</b>	<b>4,821,551</b>	<b>100.00</b>	<b>5,012,640</b>	<b>100.00</b>

#### F. Soft Commissions and Rebates

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

During the financial period from 1 April 2021 to 30 September 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 Funds (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.

## MAMG GOLD FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

	01.04.2021 to 30.09.2021 USD	03.06.2020 (date of launch) to 31.03.2021 USD
<b>INVESTMENT INCOME/(LOSS)</b>		
Interest income	884	242
Net gain/(loss) on financial assets at fair value through profit and loss ("FVTPL")		
- Realised loss	(24,580)	(23,712)
- Unrealised gain/(loss)	193,526	(493,195)
Net loss on foreign exchange and forward currency contracts	(31,064)	(41,355)
	<u>138,766</u>	<u>(558,020)</u>
<b>EXPENSES</b>		
Manager's fee	12,501	15,388
Trustee's fee	532	1,450
Auditors' remuneration	1,205	2,430
Tax agent's fee	422	944
Administrative expenses	959	2,597
	<u>15,619</u>	<u>22,809</u>
<b>Net income/(loss) before taxation</b>	123,147	(580,829)
Taxation	-	-
<b>Net income/(loss) after taxation, total comprehensive income/(loss) for the financial period</b>	<u>123,147</u>	<u>(580,829)</u>
<b>Net income/(loss) after taxation is made up of the following:</b>		
Net realised loss	(113,370)	(40,134)
Net unrealised income/(loss)	236,517	(540,695)
	<u>123,147</u>	<u>(580,829)</u>

**MAMG GOLD FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

	<b>30.09.2021</b>	<b>31.03.2021</b>
	<b>USD</b>	<b>USD</b>
<b>ASSETS</b>		
Financial assets at FVTPL	4,670,297	4,921,350
Deposit with a licensed financial institution	103,190	-
Interest income receivable	5	-
Derivative assets	12,170	262
Amount due from Manager	6,684	-
Cash at bank	40,367	191,832
<b>TOTAL ASSETS</b>	<b>4,832,713</b>	<b>5,113,444</b>
<b>LIABILITIES</b>		
Derivative liabilities	3,933	35,000
Amount due to Manager	3,539	60,379
Amount due to Trustee	81	881
Other payables and accruals	3,609	4,544
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>	<b>11,162</b>	<b>100,804</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND</b>	<b>4,821,551</b>	<b>5,012,640</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>		
Unitholders' contribution	5,279,233	5,593,469
Accumulated losses	(457,682)	(580,829)
	<b>4,821,551</b>	<b>5,012,640</b>

**MAMG GOLD FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION (CONT'D)  
AS AT 30 SEPTEMBER 2021**

	<b>30.09.2021</b>	<b>31.03.2021</b>
	<b>USD</b>	<b>USD</b>
<b>NET ASSET VALUE</b>		
- USD Class	1,064,166	1,165,269
- MYR Class	1,422,319	1,444,397
- MYR (Hedged) Class	2,335,066	2,402,974
	<u>4,821,551</u>	<u>5,012,640</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNIT)</b>		
- USD Class	1,120,759	1,261,273
- MYR Class	6,538,676	6,789,357
- MYR (Hedged) Class	10,520,037	11,015,462
	<u>18,179,472</u>	<u>19,066,092</u>
<b>NAV PER UNIT</b>		
- USD Class	<u>USD 0.9495</u>	<u>USD 0.9239</u>
- MYR Class	<u>RM 0.9113</u>	<u>RM 0.8820</u>
- MYR (Hedged) Class	<u>RM 0.9299</u>	<u>RM 0.9044</u>

**MAMG GOLD FUND****UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
OF THE FUND FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

	<b>Unitholders' contribution USD</b>	<b>Accumulated losses USD</b>	<b>Net assets attributable to unitholders USD</b>
At 1 April 2021	5,593,469	(580,829)	5,012,640
Total comprehensive income for the financial period	-	123,147	123,147
Creation of units	697,574	-	697,574
Cancellation of units	(1,011,810)	-	(1,011,810)
At 30 September 2021	<u>5,279,233</u>	<u>(457,682)</u>	<u>4,821,551</u>
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>

**MAMG GOLD FUND****UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

	<b>01.04.2021</b>	<b>03.06.2020</b>
	to	(date of launch)
	to	to
	<b>30.09.2021</b>	<b>31.03.2021</b>
	<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net proceeds for sales of financial assets at FVTPL	942,500	638,483
Net payment for purchases of financial assets at FVTPL	(522,500)	(6,076,740)
Interest income received	986	242
Net realised gain on forward foreign exchange	(71,485)	(624)
Manager's fee paid	(12,604)	(13,372)
Trustee's fee paid	(1,332)	(569)
Payment of other fees and expenses	(3,597)	(1,424)
Net cash generated from/(used in) operating and investing activities	<u>331,968</u>	<u>(5,454,004)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	690,727	6,674,037
Cash paid on units cancelled	(1,070,186)	(1,020,302)
Net cash (used in)/generated from financing activities	<u>(379,459)</u>	<u>5,653,735</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>		
	(47,491)	199,731
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		
	191,832	-
Effect on foreign exchange	(784)	(7,899)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		
	<u>143,557</u>	<u>191,832</u>
Cash and cash equivalents comprise of:		
Deposit with a licensed financial institution with original maturity of less than 3 months	103,190	-
Cash at bank	40,367	191,832
	<u>143,557</u>	<u>191,832</u>