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# **MAMG CHINA EVOLUTION EQUITY FUND**

**Quarterly report  
For the financial period from 1 January 2024 to 31 March 2024**

## **CORPORATE INFORMATION**

### **MANAGER**

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## **MAMG CHINA EVOLUTION EQUITY FUND**

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## **MAMG CHINA EVOLUTION EQUITY FUND**

### **Manager's report**

**For the financial period from 1 January 2024 to 31 March 2024**

#### **A. Fund's Information**

**1. Name of the Fund**

MAMG China Evolution Equity Fund (the "Fund")

**2. Type of fund**

Growth

**3. Category of the Fund**

Wholesale Feeder Fund

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date**

3 January 2022

**6. Fund's investment objective**

The Fund aims to maximise investment returns by investing in the T. Rowe Price Funds SICAV – China Evolution Equity Fund ("Target Fund").

**7. Fund distribution policy**

Distribution, if any, shall be incidental and at the discretion of the Manager. Distribution, will be made from realised income and/ or realised gains of the Fund.

**8. Fund's performance benchmark**

MSCI China All Shares Index.

Note: The benchmark is the benchmark of the Target Fund to allow for a similar comparison with the performance of the Target Fund. However, the risk profile of the Fund is different from the risk profile of the performance benchmark.

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

The Fund seeks to achieve its investment objective by investing a minimum of 90% of its NAV into Class S of the Target Fund.

The Target Fund is a sub-fund of T. Rowe Price Funds SICAV, established and domiciled in Luxembourg and was launched on 10 August 2020.

The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure to manage the currency risk.

Although the Fund is passively managed, the Manager will ensure proper and efficient management of the Fund so that the Fund is able to meet redemption requests by unitholders.

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

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

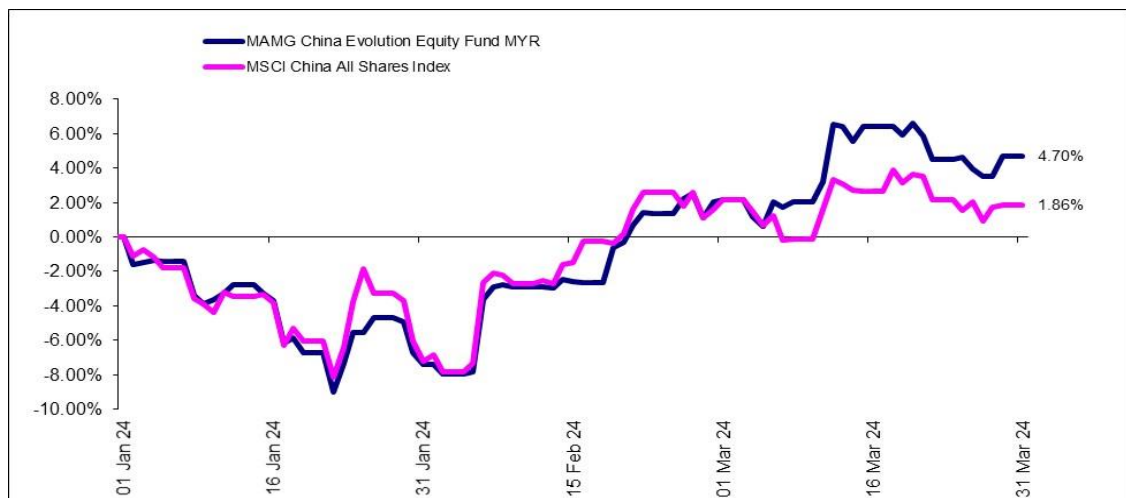
#### B. Performance Review

Performance of MAMG China Evolution Equity Fund - MYR Class for the financial period from 1 January 2024 to 31 March 2024 are as follows:

##### MYR Class

Period	The Fund %	Benchmark %
1 January 2024 to 31 March 2024	4.70	1.86

Performance of the MYR Class for the financial period from 1 January 2024 to 31 March 2024:



Source: Lipper as at 31 March 2024

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

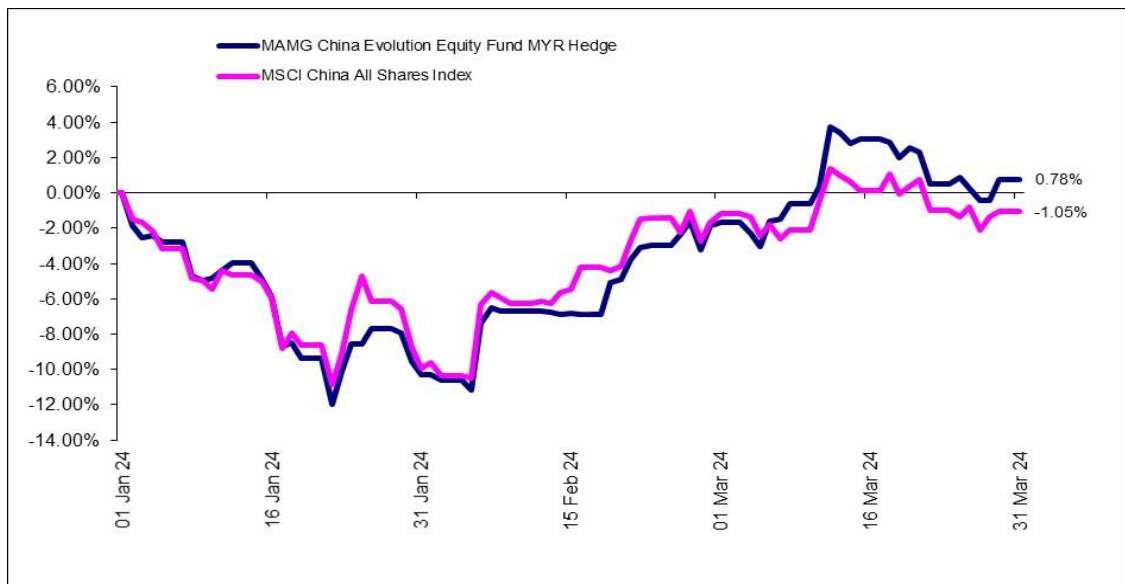
#### B. Performance Review (cont'd)

Performance of MAMG China Equity Fund - MYR (Hedged) Class for the financial period from 1 January 2024 to 31 March 2024 are as follows:

##### MYR (Hedged) Class

Period	The Fund %	Benchmark %
1 January 2024 to 31 March 2024	0.78	(1.05)

Performance of the MYR (Hedged) Class for the financial period from 1 January 2024 to 31 March 2024:



Source: Lipper as at 31 March 2024

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

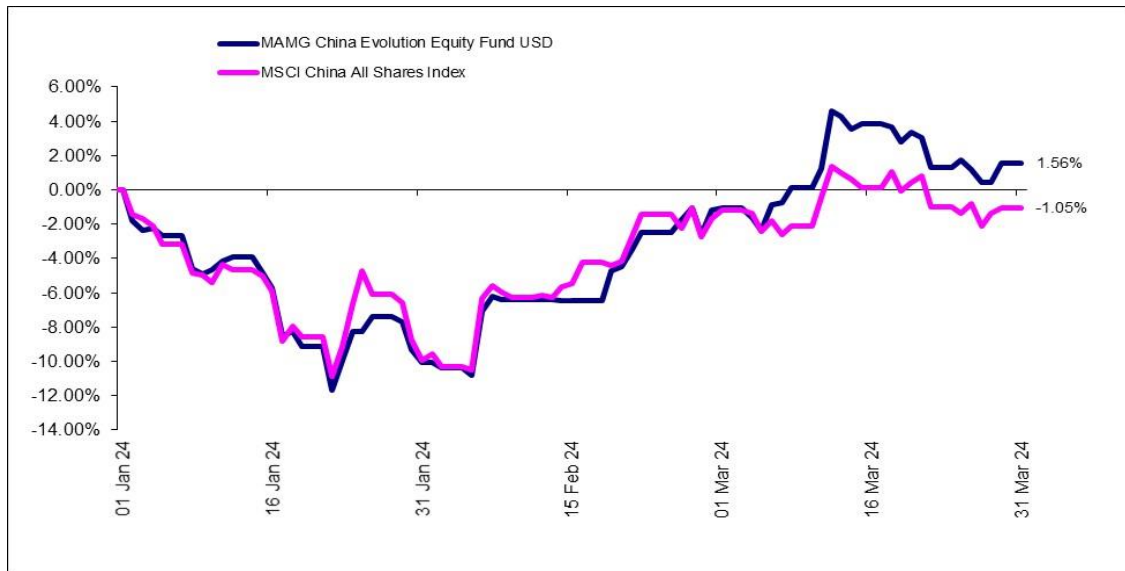
#### B. Performance Review (cont'd)

Performance of MAMG China Evolution Equity Fund - USD Class for the financial period from 1 January 2024 to 31 March 2024 are as follows:

##### USD Class

Period	The Fund %	Benchmark %
1 January 2024 to 31 March 2024	1.56	(1.05)

Performance of the USD Class for the financial period from 1 January 2024 to 31 March 2024:



Source: Lipper as at 31 March 2024

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

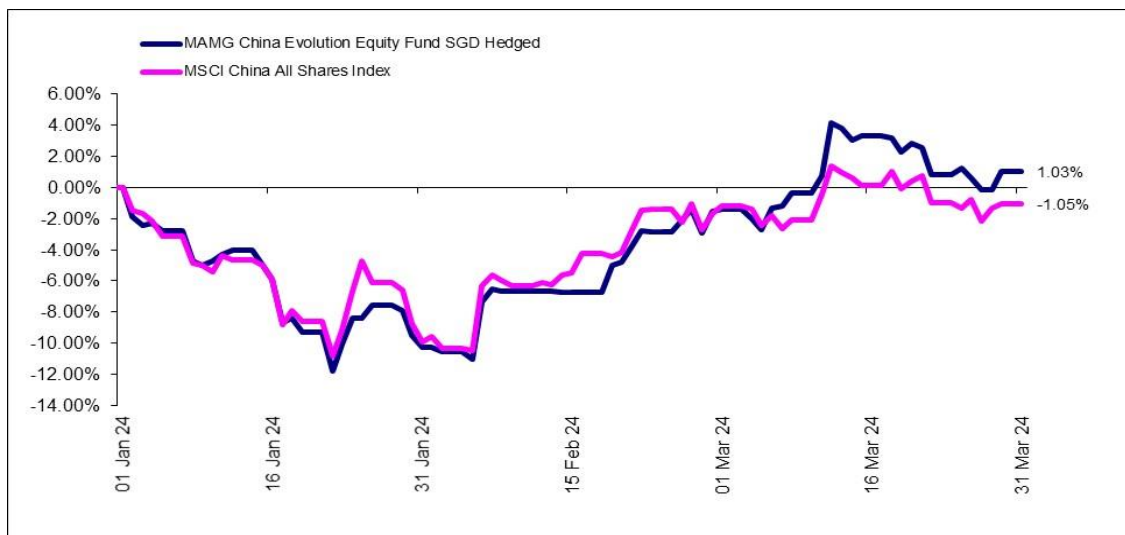
#### B. Performance Review (cont'd)

Performance of MAMG China Evolution Equity Fund - SGD (Hedged) Class for the financial period from 1 January 2024 to 31 March 2024 are as follows:

##### SGD (Hedged) Class

Period	The Fund %	Benchmark %
1 January 2024 to 31 March 2024	1.03	(1.05)

Performance of the SGD (Hedged) Class for the financial period from 1 January 2024 to 31 March 2024:



Source: Lipper as at 31 March 2024



## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

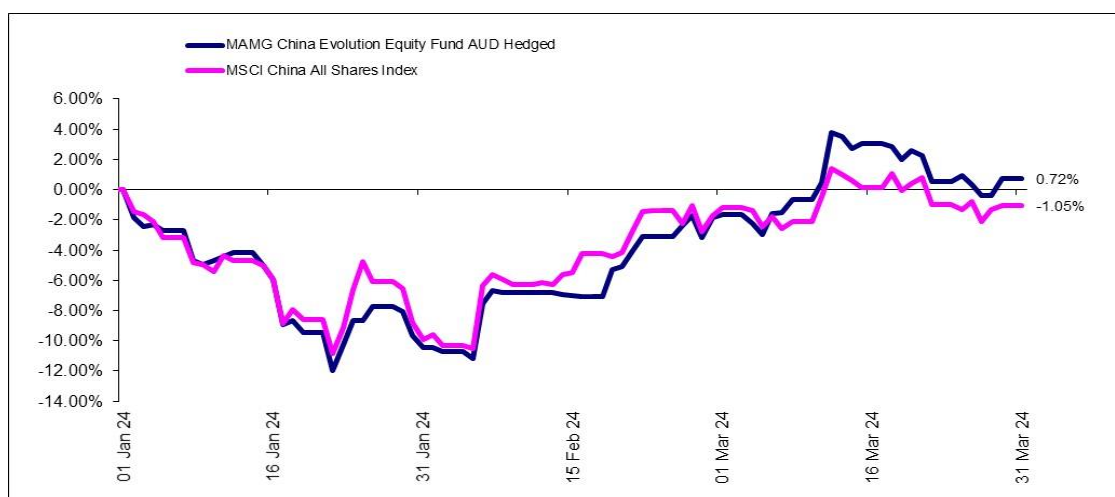
### B. Performance Review (cont'd)

Performance of MAMG China Evolution Equity Fund - AUD (Hedged) Class for the financial period from 1 January 2024 to 31 March 2024 are as follows:

#### AUD (Hedged) Class

Period	The Fund %	Benchmark %
1 January 2024 to 31 March 2024	0.72	(1.05)

Performance of the AUD (Hedged) Class for the financial period from 1 January 2024 to 31 March 2024:



Source: Lipper as at 31 March 2024

*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.*

During the period under review, all five classes outperformed the benchmark index and met their objective. The total return of MYR class was 4.70%, outperforming the benchmark of 1.86%. The total return of MYR (Hedged) class, USD class, SGD (Hedged) class, and AUD (Hedged) class were 0.78%, 1.56%, 1.03%, and 0.72%, respectively, outperforming the benchmark of -1.05%. Overall, the outperformance was due to the Target Fund's stock selection in consumer discretionary even as the broader sector fell during the quarter. Information Technology ("IT") was another laggard sector during the period under review, which worked well for the portfolio given the underweight allocation. Industrials, business services, and communication services fared well, and the Target Fund's stock preferences in the sector benefited the portfolio. As for the detractor, the Target Fund's overweight position in real estate impeded its performance as concerns about the beleaguered sector lingered despite various stimulus measures.

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **Manager's report**

**For the financial period from 1 January 2024 to 31 March 2024 (cont'd)**

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

Chinese equities fell in the first quarter but closed off their lows as positive indicators suggested that the world's second-largest economy may be stabilizing and showing signs of a nascent recovery.

China had a volatile start to the year when stocks retreated in January 2024 as optimism over fresh support measures subsided amid festering concerns about the property sector and the economy's sluggish momentum. However, Chinese equities rallied in February 2024 and stayed elevated in March 2024 as heightened policy support from Beijing, coupled with better-than-expected economic data that hinted at a stabilizing economy, helped shore up sentiment. Consumer spending patterns during the Lunar New Year break in February 2024, one of China's most important holidays, were a bright spot as tourism revenues, inflation, and other economic indicators picked up. China's manufacturing activity in March 2024 expanded for the first time in six months.

The real estate sector remained under pressure in the quarter, despite China increasing stimulus measures, such as major banks cutting the five-year loan prime rate, a benchmark for home loans, to 3.95%, a new low from 4.20%. The central bank kept its one-year loan prime rate ("LPR") unchanged. Premier Li Qiang announced an economic growth target of 5.00% for 2024. In addition to these measures, other initiatives included a 50 basis point ("bps") cut in banks' reserve requirement ratio in February 2024, loosening home purchase restrictions, and approving loans for housing projects that local governments recommended for financial support under a whitelist scheme.

#### **D. Market Outlook and Strategies**

In terms of market outlook, China is expected to remain resolute in stabilizing growth without resorting to forceful stimulus measures that could lead to higher growth but a less sustainable model. Economic recovery will likely be uneven and slower, but arguably healthier in the absence of a large-scale government stimulus package. The Target Fund Manager believes that the more disciplined stimulus stance will likely bolster public confidence should the economy stabilize, providing comfort that a normalized state has been reached rather than an artificial one that could create a market bubble.

In terms of strategy, the Target Fund Manager finds that valuations of Chinese equities are attractive compared to their global counterparts. This should create an attractive entry point for active long-term investors. The share price of some of the companies the Target Fund owns may not currently reflect the growth in their earnings, but many of these businesses either pay dividends or undertake meaningful buybacks, supporting shareholder returns. The latest results season has seen meaningful shareholder return activities. The Target Fund's biggest allocations were in industries and business services, communication services, and consumer discretionary.

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **Manager's report**

**For the financial period from 1 January 2024 to 31 March 2024 (cont'd)**

#### **E. Soft Commissions and Rebates**

The Manager and its delegates will not retain any form of rebate or soft commission from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the soft 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 under review, 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.

## MAMG CHINA EVOLUTION EQUITY FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024

	01.01.2024 to 31.03.2024 USD	01.01.2023 to 31.03.2023 USD
<b>INVESTMENT (LOSS)/ INCOME</b>		
Profit/ Interest income	3,127	6,467
Net gain from financial assets at fair value through profit or loss ("FVTPL"):		
- Realised loss	(1,157,956)	(38,667)
- Unrealised gain	1,512,004	304,034
Net loss on foreign exchange and derivatives	(372,785)	(133,665)
	<u>(15,610)</u>	<u>138,169</u>
<b>EXPENSES</b>		
Manager's fee	68,966	81,751
Trustee's fee	1,379	1,635
Auditors' remuneration	489	562
Tax agent's fee	185	197
Administrative expenses	879	595
	<u>71,898</u>	<u>84,740</u>
<b>Net results before taxation</b>	(87,508)	53,429
Taxation	-	-
<b>Net results after taxation representing the total comprehensive (loss)/ income for the financial period</b>	<u>(87,508)</u>	<u>53,429</u>
<b>Net results after taxation is made up of the following:</b>		
Net realised loss	(1,420,725)	(178,841)
Net unrealised income	1,333,217	232,270
	<u>(87,508)</u>	<u>53,429</u>

## MAMG CHINA EVOLUTION EQUITY FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	31.03.2024 USD	31.12.2023 USD
<b>ASSETS</b>		
Financial assets at FVTPL	13,168,643	14,614,595
Deposit with a licensed financial institution	340,540	367,052
Derivative assets	5,260	153,116
Profit/ Interest income receivables	88	89
Amount due from Manager	14,082	-
Cash at bank	242,108	232,092
<b>TOTAL ASSETS</b>	<u>13,770,721</u>	<u>15,366,944</u>
<b>LIABILITIES</b>		
Derivative liabilities	30,389	-
Amount due to Manager	56,911	42,652
Amount due to Trustee	468	509
Amount due to broker	1,584	-
Other payables and accruals	4,635	4,009
<b>TOTAL LIABILITIES</b>	<u>93,987</u>	<u>47,170</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS</b>	<u>13,676,734</u>	<u>15,319,774</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>		
Unitholders' contribution	19,910,661	21,466,193
Accumulated losses	(6,233,927)	(6,146,419)
	<u>13,676,734</u>	<u>15,319,774</u>

## MAMG CHINA EVOLUTION EQUITY FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION (CONT'D) AS AT 31 MARCH 2024

	31.03.2024	31.12.2023
	USD	USD
<b>NET ASSET VALUE</b>		
- MYR Class	5,425,526	5,661,826
- MYR (Hedged) Class	6,074,201	7,410,482
- USD Class	716,897	732,754
- SGD (Hedged) Class	1,037,971	1,054,889
- AUD (Hedged) Class	422,139	459,823
	<u>13,676,734</u>	<u>15,319,774</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>		
- MYR Class	67,923,667	72,004,583
- MYR (Hedged) Class	88,758,981	105,928,443
- USD Class	2,160,674	2,243,101
- SGD (Hedged) Class	4,336,658	4,353,604
- AUD (Hedged) Class	2,108,905	2,213,360
	<u>165,288,885</u>	<u>186,743,091</u>
<b>NAV PER UNIT</b>		
- MYR Class	<u>MYR 0.3785</u>	<u>MYR 0.3615</u>
- MYR (Hedged) Class	<u>MYR 0.3240</u>	<u>MYR 0.3220</u>
- USD Class	<u>USD 0.3318</u>	<u>USD 0.3267</u>
- SGD (Hedged) Class	<u>SGD 0.3230</u>	<u>SGD 0.3197</u>
- AUD (Hedged) Class	<u>AUD 0.3069</u>	<u>AUD 0.3045</u>

**MAMG CHINA EVOLUTION EQUITY FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

	<b>Unitholders' contribution USD</b>	<b>Accumulated losses USD</b>	<b>Net assets attributable to unitholders USD</b>
At 1 January 2024	21,466,193	(6,146,419)	15,319,774
Total comprehensive loss for the financial period	-	(87,508)	(87,508)
Creation of units	2,783,087	-	2,783,087
Cancellation of units	(4,338,619)	-	(4,338,619)
At 31 March 2024	<u>19,910,661</u>	<u>(6,233,927)</u>	<u>13,676,734</u>
At 1 January 2023	15,774,281	(2,192,963)	13,581,318
Total comprehensive income for the financial period	-	53,429	53,429
Creation of units	11,250,567	-	11,250,567
Cancellation of units	(6,469,107)	-	(6,469,107)
At 31 March 2023	<u>20,555,741</u>	<u>(2,139,534)</u>	<u>18,416,207</u>

**MAMG CHINA EVOLUTION EQUITY FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

	<b>01.01.2024 to 31.03.2024 USD</b>	<b>01.01.2023 to 31.03.2023 USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(2,500,000)	(5,200,000)
Net proceeds from sale of financial assets at FVTPL	4,300,000	1,190,000
Profit/ Interest received	3,128	6,507
Net settlement on forward currency contracts	(112,779)	(47,005)
Net settlement for realised foreign exchange loss	(22,640)	(228,215)
Manager's fee paid	(71,046)	(73,959)
Trustee's fee paid	(1,421)	(1,479)
Payment of other fees and expenses	(809)	(477)
Net cash generated from/ (used in) operating and investing activities	<u>1,594,433</u>	<u>(4,354,628)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	2,758,771	11,222,303
Payment for redemption of units	<u>(4,344,887)</u>	<u>(6,389,979)</u>
Net cash (used in)/ generated from financing activities	<u>(1,586,116)</u>	<u>4,832,324</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>		
	8,317	477,696
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		
	599,144	813,185
Effect on foreign exchange	<u>(24,813)</u>	<u>188,013</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		
	<u>582,648</u>	<u>1,478,894</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	242,108	597,831
Deposit with a financial institution with maturity of less than 3 months	<u>340,540</u>	<u>881,063</u>
	<u>582,648</u>	<u>1,478,894</u>