

Asset Management

Maybank Asset Management Sdn Bhd

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MAMG LIQUID ALTERNATIVE FUND

Quarter report

For the financial period from 15 November 2021 (date of launch)
to 31 July 2022

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

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TRUSTEE

TMF Trustees Malaysia Bhd (200301008392 (610812-W))

10th Floor, Menara Hap Seng

No. 1 & 3, Jalan P. Ramlee

50250 Kuala Lumpur

MAMG LIQUID ALTERNATIVE FUND

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MAMG LIQUID ALTERNATIVE FUND

Manager's report

For the financial period from 15 November 2021 (date of launch) to 31 July 2022

A. Fund Information

1. Name of Fund

MAMG Liquid Alternative Fund

2. Type of Fund

Growth

3. Category of Fund

Feeder Fund (Wholesale)

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund launch date

15 November 2021

6. Fund's investment objectives

The Fund aims to maximise investment returns by investing in the Target Fund.

7. Fund distribution policy

Distribution, if any, shall be incidental and at the discretion of the Manager.

8. Fund's performance benchmark

Target return of 6% per annum (in USD terms), gross of fees over long term.

9. Investment policy and principal investment strategy of the Fund

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

The target Fund is a sub fund of the Company, a multi-portfolio umbrella fund incorporated as a variable capital limited liability investment company in Ireland with segregated liability between sub-funds.

MAMG LIQUID ALTERNATIVE FUND

Manager's report

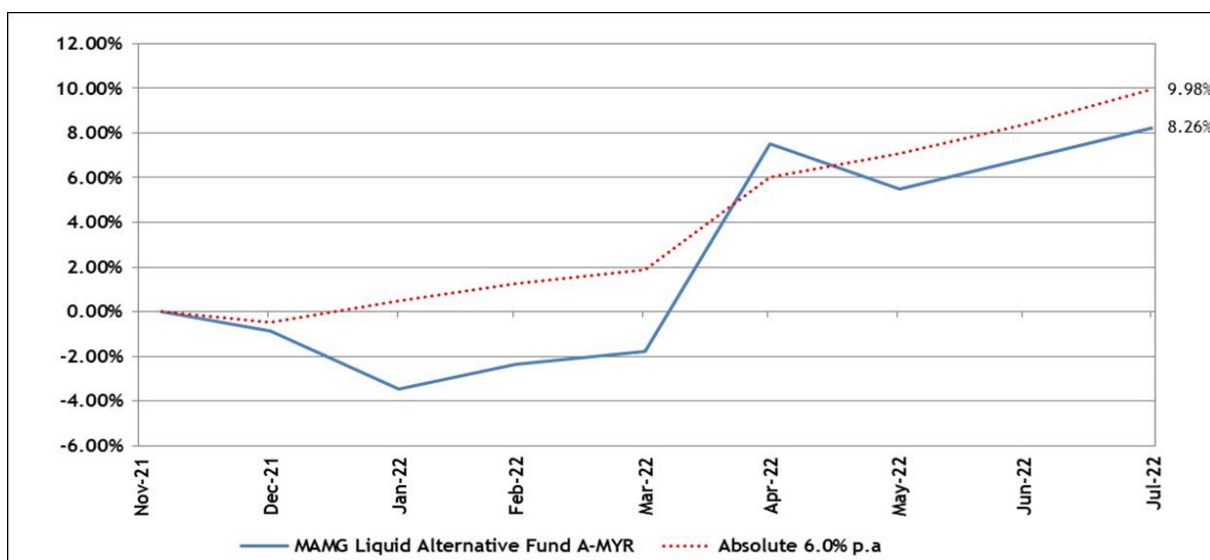
For the financial period from 15 November 2021 (date of launch) to 31 July 2022 (cont'd)

B. Performance Review

Performance of the Fund for the financial period from 15 November 2021 (date of launch) to 31 July 2022 are as follows:

(a) Class A-MYR

Period	The Fund %	Benchmark %
15 November 2021 (date of launch) to 31 July 2022	8.26	9.98



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 July 2022

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 LIQUID ALTERNATIVE FUND

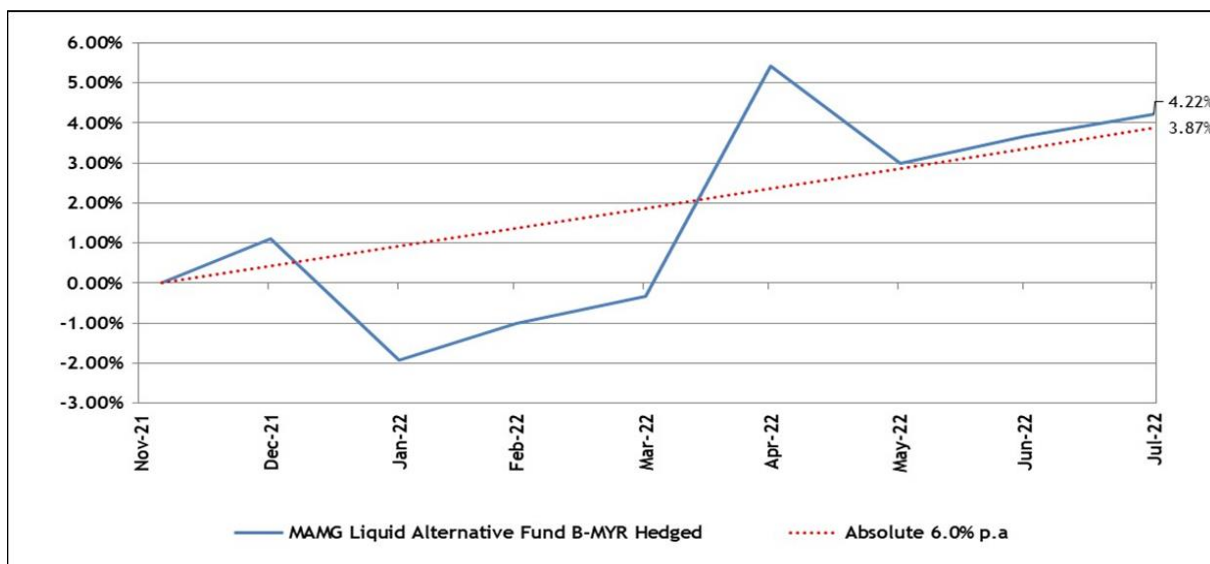
Manager's report

For the financial period from 15 November 2021 (date of launch) to 31 July 2022 (cont'd)

B. Performance Review (cont'd)

(b) Class B-MYR Hedged

Period	The Fund %	Benchmark %
15 November 2021 (date of launch) to 31 July 2022	4.22	3.87



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 July 2022

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 LIQUID ALTERNATIVE FUND

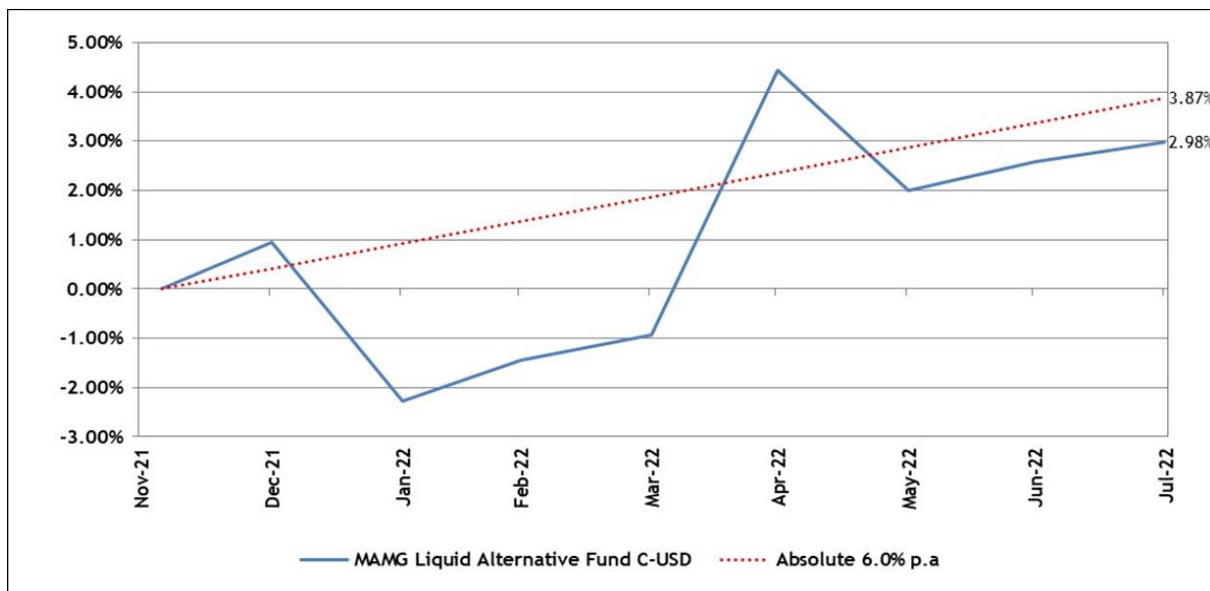
Manager's report

For the financial period from 15 November 2021 (date of launch) to 31 July 2022 (cont'd)

B. Performance Review (cont'd)

(c) Class C-USD

Period	The Fund %	Benchmark %
15 November 2021 (date of launch) to 31 July 2022	2.98	3.87



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 July 2022

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.

For the period of 1 May 2022 to 31 July 2022, the total return of Fund - Class A (MYR) was 0.71% underperforming the absolute benchmark of 3.74%. Class B (MYR hedged) and Class C (USD) were -1.14% and -1.40% respectively both underperforming the benchmark of 1.48%.

C. Market Review

For the period under review, the fund underperformed the benchmark primarily due to short positions in equity and inflation hedges through positions in the United States Dollar ("USD") and Treasuries. The market focus shifted quickly from inflation and aggressive monetary tightening to the probability of recession and hence a pullback by the United States Federal Reserve ("FED").

MAMG LIQUID ALTERNATIVE FUND

Manager's report

For the financial period from 15 November 2021(date of launch) to 31 July 2022 (cont'd)

D. Market Outlook

In terms of market outlook, the three major macro regime shifts - inflation, monetary tightening and Cold War 2.0 were in the early stages and had created “unprecedented” risks. Those macroeconomic headwinds began to play out in earnest during the second quarter.

FED tightening kicked into gear 2 year Treasury yields ended the quarter at around 3% - 4x the level on 1 January 2022 and 11x a year prior. Equities, surprisingly resilient during Q1 fell into a true bear market, and frothier areas of the market (disruptive technology and cryptocurrency) plunged. A stunning fall in the Japanese Yen ("JPY") and Euro ("EUR") relative to the USD rekindled memories of macro trading opportunities that largely were absent in the late 2010s.

By quarter end, investors were focused on second order effects of this regime shift, such as the likelihood that rate hikes would cause a severe recession that would, in turn, limit further rate hikes and destroy demand for commodities. We believe that we are in the midst of a period of uncertainty that will take years, not quarters, to resolve.

In terms of strategy, the portfolio remains very conservatively positioned with almost zero net equity risk (with modest spread trades that favour value and non-US developed over emerging market), long USD against the EUR and JPY, long commodity exporting currencies and somewhat short the front and back of the Treasury curve.

E. 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 15 November 2021 (date of launch) to 31 July 2022, the Manager and its delegates did not receive any soft commissions and rebates from 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 LIQUID ALTERNATIVE FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 15 NOVEMBER 2021 (DATE OF LAUNCH) TO 31 JULY 2022

	15.11.2021 (date of launch) to 31.07.2022 USD
INVESTMENT INCOME	
Interest income	9,843
Net gain on financial assets at fair value through profit and loss ("FVTPL")	
- Realised gain	78,421
- Unrealised gain	567,225
Net loss on foreign exchange and forward currency contracts	(477,144)
	<u>178,345</u>
EXPENSES	
Manager's fee	151,697
Trustee's fee	5,057
Auditors' remuneration	1,522
Tax agent's fee	533
Administrative expenses	924
	<u>159,733</u>
Net results before taxation	18,612
Taxation	-
Net results after taxation, representing total comprehensive income for the financial period	<u>18,612</u>
Net results after taxation is made up of the following:	
Realised loss	(167,925)
Unrealised income	186,537
	<u>18,612</u>

MAMG LIQUID ALTERNATIVE FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022****31.07.2022
USD****ASSETS**

Financial assets at FVTPL	14,245,646
Deposit with a licensed financial institution	1,043,732
Amount due from Manager	332,475
Interest receivables	193
Derivative assets	15
Cash at bank	202,436
TOTAL ASSETS	15,824,497

LIABILITIES

Derivative liabilities	380,618
Amount due to Manager	181,418
Amount due to Trustee	739
Other payables and accruals	1,982
TOTAL LIABILITIES	564,757

**NET ASSET VALUE ("NAV") OF THE FUND
ATTRIBUTABLE TO UNITHOLDERS****15,259,740****NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
OF THE FUND COMPRISE:**

Unitholders' capital	15,241,128
Retained earnings	18,612
	15,259,740

NET ASSET VALUE

- Class A-MYR	4,082,520
- Class B-MYR (Hedged)	8,976,758
- Class C-USD	2,200,462

NUMBER OF UNITS IN CIRCULATION (UNIT)

- Class A-MYR	33,584,688
- Class B-MYR (Hedged)	76,708,263
- Class C-USD	4,273,581

NAV PER UNIT

- Class A-MYR	RM 0.5412
- Class B-MYR (Hedged)	RM 0.5210
- Class C-USD	USD 0.5149

MAMG LIQUID ALTERNATIVE FUND

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 15 NOVEMBER 2021 (DATE OF LAUNCH) TO 31 JULY 2022

	Unitholders' capital USD	Retained earnings USD	Total equity USD
At 15 November 2021 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	18,612	18,612
Creation of units	21,604,294	-	21,604,294
Cancellation of units	(6,363,166)	-	(6,363,166)
At 31 July 2022	15,241,128	18,612	15,259,740

MAMG LIQUID ALTERNATIVE FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 15 NOVEMBER 2021 (DATE OF LAUNCH) TO 31 JULY 2022

15.11.2021
(date of launch)
to
31.07.2022
USD

CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Net payment for purchase of financial assets at FVTPL	(16,548,010)
Net proceeds from sale of financial assets at FVTPL	2,958,562
Interest received	9,650
Realised loss on forward foreign exchange contracts	(3,616)
Manager's fee paid	(129,521)
Trustee's fee paid	(4,317)
Payment of other fees and expenses	(927)
Net cash used in operating and investing activities	<u>(13,718,179)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from creation of units	21,255,085
Payment for redemption of units	(6,190,637)
Net cash generated from financing activities	<u>15,064,448</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD Effect on foreign exchange CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD

1,346,269

-

(100,101)

1,246,168

Cash and cash equivalents comprise:

Cash at bank	202,436
Deposit with a licensed financial institution with maturity of less than 3 months	1,043,732
	<u>1,246,168</u>