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Asset Management

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MAMG LIQUID ALTERNATIVE FUND

Annual report

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

CONTENT	PAGE
Manager's report	1 - 6
Trustee's report	7
Statement by Manager	8
Independent auditor's report	9 - 12
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17 - 43

MAMG LIQUID ALTERNATIVE FUND

Manager's report

For the financial period from 15 November 2021 (date of launch) to 31 October 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 objective

The Fund aims to maximise investment returns by investing in SEI Liquid Alternative Fund ("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 SEI Global Master Fund PLC, 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

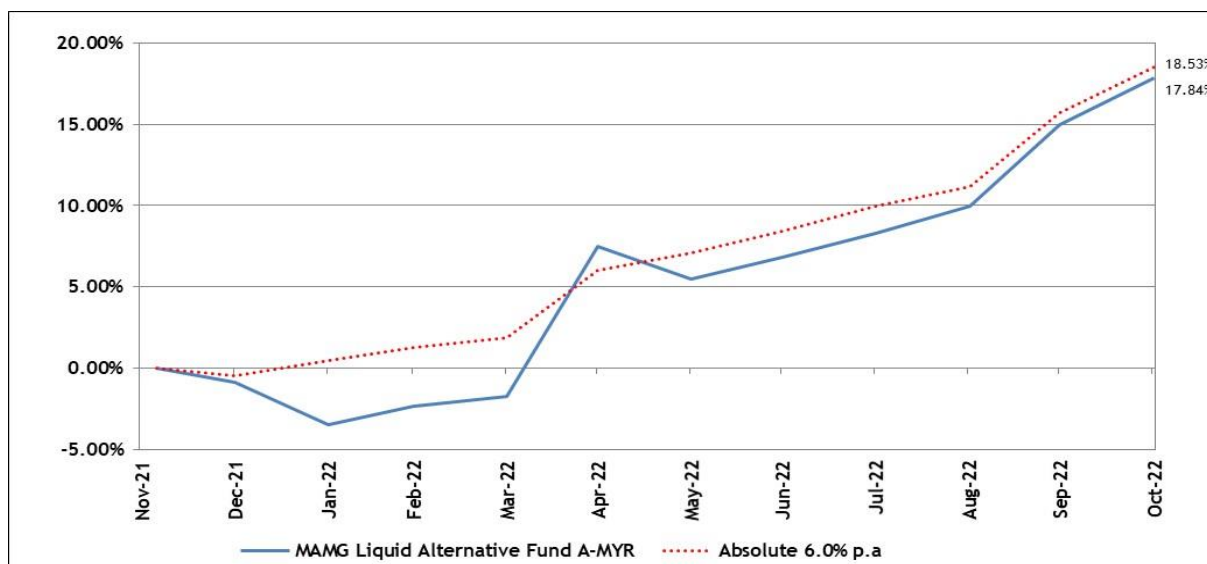
For the financial period from 15 November 2021 (date of launch) to 31 October 2022 (cont'd)

B. Performance Review

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

(a) Class A-MYR

Period	The Fund %	Benchmark %
15 November 2021 (date of launch) to 31 October 2022	17.84	18.53



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

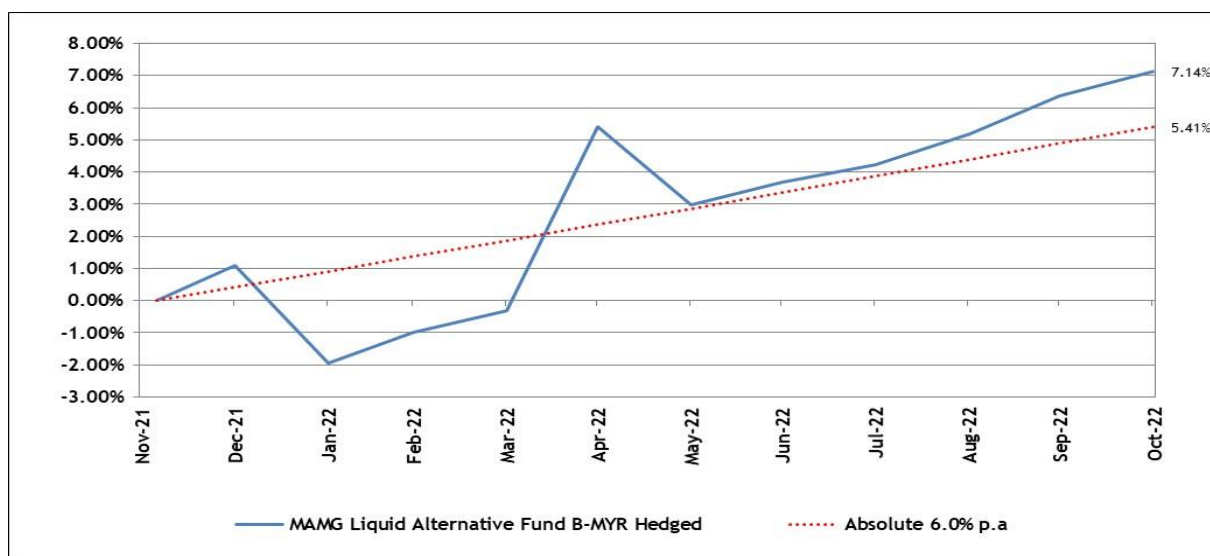
Manager's report

For the financial period from 15 November 2021 (date of launch) to 31 October 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 October 2022	7.14	5.41



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

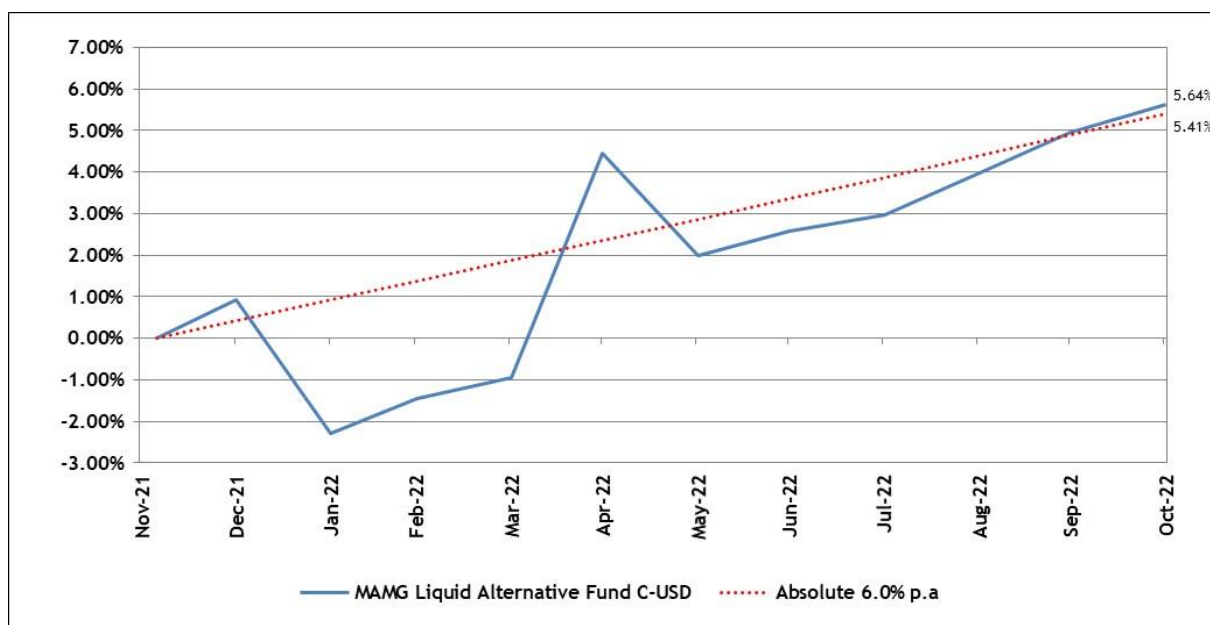
Manager's report

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

B. Performance Review (cont'd)

(c) Class C-USD

Period	The Fund %	Benchmark %
15 November 2021 (date of launch) to 31 October 2022	5.64	5.41



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 October 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 under review from 15 November 2021 (date of launch) to 31 October 2022, the total return of Fund - Class A (MYR) was 17.84% underperforming the benchmark of 18.53% marginally. The total return of Fund – Class B (MYR hedged) and Class C (USD) were 7.14% and 5.64% respectively, outperforming the benchmark of 5.41%.

C. Market Review

During the period under review for November 2021 and December 2021, it was a challenging time for hedge funds, and, for that matter, most active managers. Beneath the market surface, investors faced wrenching volatility. Bubbles in disruptive tech, meme stocks, Special Purpose Acquisition Companies ("SPAC"s), and crypto seemed to inflate and deflate overnight, catching both long and short investors offside. COVID-19 subsided then surged then morphed, whipsawing value and growth investors along the way. China launched a surprise crackdown on the tech industry and drove some popular hedge fund stocks down by 80% in a matter of days. The US Federal Reserve ("Fed") flipped on a dime from easy-forever to aggressive tightening and punished macro investors betting on a policy mistake and runaway inflation. This chaotic market environment meant that a few prescient macroeconomic calls, the return of inflation and rising equities (especially relative to bonds) were difficult to fully monetize.

MAMG LIQUID ALTERNATIVE FUND

Manager's report

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

C. Market Review (cont'd)

In the first quarter of 2022, three major macroeconomic regime shifts, inflation, monetary tightening and Cold War 2.0 emerged over 2021 and kicked into high gear. None were “priced in” and all appear to be in the early stages. In this new world, market participants must try to simultaneously anticipate the actions of policy makers, market participants, producers and consumers, then all the second and third order effects. The head of a global bank described the challenges as “unprecedented.”

In the second quarter of 2022, the three major macroeconomic headwinds: inflation, monetary tightening and Cold War 2.0 began to play out in earnest. The Fed tightening kicked into gear: two-year Treasury yields ended the quarter at around 3%, 4 times the level on 1 January 2022 and 11 times a year prior. Equities were surprisingly resilient during the first quarter but fell into a true bear market and frothier areas of the market, the disruptive technology and crypto plunged. A stunning fall in the Japanese Yen and Euro relative to the United States Dollar ("USD") rekindled memories of macro trading opportunities that largely were absent in the late 2010s. By second 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. The Target Fund Manager believes that market were in the midst of a period of uncertainty that will take years, not quarters, to resolve. Continuing a pattern of the past several years, some hedge funds soared (commodity trading advisor funds, macro, value) while others were pummelled i.e. tech, healthcare, Crypto, yet overall, hedge funds have performed very respectably relative to traditional assets by recognizing early the headwinds above.

In the third quarter of 2022, reality sets in. The 2010s likely will be remembered as unique and anomalous, a period where a decade of monetary easing and then an unprecedented fiscal splurge drove many asset prices to unsustainable levels. Inflation appears entrenched and central banks especially the Fed are responding in kind. The fracturing of the geopolitical landscape adds fuel to the fire through supply disruption and deglobalisation. The regime shift rippled through markets in the third quarter of 2022. Hedge funds overall de-risked early and put on inflation hedges in the first half, which helped to preserve capital during the quarter.

Despite the October 2022 equity rally, hedge funds overall remain sceptical that a decade of extreme monetary and fiscal largesse can be unwound in a year. Outside of these extreme views, the Target Fund Manager sees most hedge funds as de-risked but not outright bearish, with a keen focus on the ripple effects emanating from the bond market.

D. Market Outlook

In terms of market outlook and strategy, the Target Fund's portfolio remains in “crash protection” mode, with shifts in positioning across markets as the opportunity set evolves. The Target Fund maintains the 60% multi-strategy replication and 40% managed futures replication.

The Target Fund's portfolio remains conservatively positioned with underweight equities with a value bias and the primary inflation hedge remains a long position in the USD.

MAMG LIQUID ALTERNATIVE FUND

Manager's report

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

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 October 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.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAMG LIQUID ALTERNATIVE FUND

We have acted as Trustee of the Fund for the financial period from 15 November 2021 (date of launch) to 31 October 2022 and we hereby confirm to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund in the financial period covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
- (b) Valuation and pricing were carried out in accordance with the Deed and relevant regulatory requirements;
- (c) Creation and cancellation of units were carried out in accordance with the Deed and relevant regulatory requirements.

For TMF Trustees Malaysia Bhd
(Registration No : 200301008392 (610812-W))

Norhayati Binti Azit
DIRECTOR-FUND SERVICES

Kuala Lumpur, Malaysia
12 December 2022

STATEMENT BY MANAGER

TO THE UNITHOLDER'S OF MAMG LIQUID ALTERNATIVE FUND FOR THE FINANCIAL PERIOD FROM 15 NOVEMBER 2021 (DATE OF LAUNCH) TO 31 OCTOBER 2022

We, Dr Hasnita Binti Dato' Hashim and Ahmed Muzni Bin Mohamed, 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 Liquid Alternative Fund for the financial period from 15 November 2021 (date of launch) to 31 October 2022 and of its results, changes in equity and cash flows for the financial period then ended and comply with the requirements of the Deeds.

For and on behalf of the Manager

Dr Hasnita Binti Dato' Hashim
Chairman

Ahmed Muzni Bin Mohamed
Director

Kuala Lumpur, Malaysia
12 December 2022

Independent auditors' report to the unitholders of MAMG LIQUID ALTERNATIVE FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maybank Liquid Alternative Fund (the "Fund"), which comprise the statement of financial position as at 31 October 2022 of the Fund, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 October 2022, and of its financial performance and its cash flows for the period then ended 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

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.

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 LIQUID ALTERNATIVE FUND (cont'd)

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 LIQUID ALTERNATIVE FUND (cont'd)**

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 LIQUID ALTERNATIVE FUND (cont'd)**

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
No. 03013/10/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
12 December 2022

MAMG LIQUID ALTERNATIVE FUND

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

		15.11.2021 (date of launch) to 31.10.2022 USD
	Note	
INVESTMENT INCOME		
Profit/ Interest income		14,593
Net gain on financial assets at fair value through profit and loss ("FVTPL")		
- Realised gain		222,920
- Unrealised gain		972,734
Net loss on foreign exchange and derivatives	3	<u>(1,066,632)</u>
		<u>143,615</u>
EXPENSES		
Manager's fee	4	223,403
Trustee's fee	5	7,447
Auditors' remuneration		2,277
Tax agent's fee		881
Administrative expenses		<u>1,705</u>
		<u>235,713</u>
Net loss before taxation		(92,098)
Taxation	6	<u>-</u>
Net loss after taxation, representing total comprehensive loss for the financial period		<u>(92,098)</u>
Net results after taxation is made up of the following:		
Realised loss		(752,379)
Unrealised income		<u>660,281</u>
		<u>(92,098)</u>

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

MAMG LIQUID ALTERNATIVE FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2022**

	Note	31.10.2022 USD
ASSETS		
Financial assets at FVTPL	7	15,295,654
Deposit with a licensed financial institution	8	1,143,013
Amount due from Manager	10	487,821
Profit/ Interest receivables		78
Derivative assets	9	1,687
Cash at bank	11	1,112,044
TOTAL ASSETS		<u>18,040,297</u>
LIABILITIES		
Derivative liabilities	9	313,126
Amount due to Manager	10	1,180,318
Amount due to Trustee	12	845
Other payables and accruals		3,359
TOTAL LIABILITIES		<u>1,497,648</u>
NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS		<u>16,542,649</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:		
Unitholders' capital	13(a)	16,634,747
Accumulated losses	13(b) & (c)	(92,098)
		<u>16,542,649</u>
NET ASSET VALUE		
- Class A-MYR		5,670,924
- Class B-MYR (Hedged)		8,627,013
- Class C-USD		2,244,712
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- Class A-MYR	13(a)	45,503,851
- Class B-MYR (Hedged)	13(a)	76,153,536
- Class C-USD	13(a)	4,249,599
NAV PER UNIT		
- Class A-MYR		MYR 0.5892
- Class B-MYR (Hedged)		MYR 0.5356
- Class C-USD		USD 0.5282

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

MAMG LIQUID ALTERNATIVE FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 15 NOVEMBER 2021 (DATE OF LAUNCH) TO 31 OCTOBER 2022

	Unitholders' capital Note 13(a) USD	Accumulated losses Note 13(b) & (c) USD	Total equity USD
At 15 November 2021 (date of launch)	-	-	-
Total comprehensive loss for the financial period	-	(92,098)	(92,098)
Creation of units	27,721,169	-	27,721,169
Cancellation of units	(11,086,422)	-	(11,086,422)
At 31 October 2022	<u>16,634,747</u>	<u>(92,098)</u>	<u>16,542,649</u>

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

MAMG LIQUID ALTERNATIVE FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 15 NOVEMBER 2021 (DATE OF LAUNCH) TO 31 OCTOBER 2022

15.11.2021
(date of launch)
to
31.10.2022
USD

CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Net payment for purchase of financial assets at FVTPL	(18,950,000)
Net proceeds from sale of financial assets at FVTPL	5,250,000
Profit/ Interest received	14,515
Realised loss on forward foreign exchange contracts	(565,558)
Manager's fee paid	(198,040)
Trustee's fee paid	(6,601)
Payment of other fees and expenses	(1,300)
Net cash used in operating and investing activities	<u>(14,456,984)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from creation of units	27,202,884
Payment for redemption of units	<u>(10,305,935)</u>
Net cash generated from financing activities	<u>16,896,949</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 differences CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD

2,439,965

-

(184,908)

2,255,057

Cash and cash equivalents comprise:

Cash at bank (Note 11)	1,112,044
Deposit with a licensed financial institution with maturity of less than 3 months (Note 9)	<u>1,143,013</u>
	<u>2,255,057</u>

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

MAMG LIQUID ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

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

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MAMG Liquid Alternative Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 1 November 2021, between the Manager, Maybank Asset Management Sdn. Bhd. ("MAM") and the Trustee, TMF Trustees Malaysia Berhad and the registered holder of the Fund.

The Fund launched 3 share classes of units as at the date of this report, which are MYR Class, MYR (Hedged) Class and USD Class which represent the classes denominated in MYR and USD respectively. MYR (Hedged) Class seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund.

The Fund seeks to achieve its investment objective by investing at least 90% of the Fund's NAV into USD Institutional Distributing Class of the Target Fund. The Target Fund is a sub fund of the SEI Global Master Fund PLC, a multi-portfolio umbrella fund incorporated as a variable capital limited liability investment company in Ireland with segregated liability between sub-funds.

The functional currency of the Target Fund is in United States Dollar ("USD"), and the Shares of the Target Fund in which the Fund invests in are denominated in USD.

The Target Fund is the SEI Liquid Alternative Fund established and domiciled in Dublin, Ireland and was launched on 13 November 2015.

The financial statements were authorised for issue by the Board of Directors of the Manager ("the Directors") in accordance with a resolution of the directors on 12 December 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Deed and any regulatory requirements.

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial period from 15 November 2021 (date of launch) to 31 October 2022. The adoption of the new pronouncements did not result in any material impact to the financial statements.

MAMG LIQUID ALTERNATIVE FUND

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

2.1 Basis of preparation (cont'd)

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies in Note 2.3 to Note 2.15.

The financial statements are presented in USD.

2.2 Standards and amendments to standards 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 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 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax Related to Assets and Liabilities arising from a Single Transaction</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.

MAMG LIQUID ALTERNATIVE FUND

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

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.

(i) Financial assets at amortised cost

The Fund classifies cash and cash equivalents, amount due from Manager, other receivables and dividend receivables as financial assets at amortised cost.

These assets are subsequently measure using the effective profit rate ("EPR")/ effective interest rate ("EIR") method and are subject to impairment. The EPR/ EIR is a method of calculating the amortised cost of financial asset and of allocating and recognising the profit/ interest income in profit or loss of 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/ interest 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;
- 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.

MAMG LIQUID ALTERNATIVE FUND

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

2.4 Financial assets (cont'd)

(ii) Financial assets at FVTPL (cont'd)

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.

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

Dividend income on investments in collective investment scheme at FVTPL is recognised in profit and loss when the Fund's right to receive the dividends is established in accordance with MFRS 9 and is disclosed separately in the profit and loss.

Changes in the fair value of FVTPL investments are recognised in 'unrealised loss on FVTPL investments' in profit or loss. Accumulated unrealised gains or losses are reclassified to 'realised loss on FVTPL investments' in profit or loss when the associated assets are sold.

(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.

MAMG LIQUID ALTERNATIVE FUND

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

2.4 Financial assets (cont'd)

(iii) Impairment of financial assets (cont'd)

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 (e.g. amount due from Manager), 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 LIQUID ALTERNATIVE 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 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 EPR/ EIR.

(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 Derivatives and hedge accounting

Derivatives are financial assets or liabilities at fair value through profit or loss categorised as held for trading unless they are designated hedges.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy for FVTPL.

The Fund does not apply hedge accounting to the forward currency contracts entered during the financial period. However, future events or conditions may cause the Fund to apply the hedge accounting in the future.

MAMG LIQUID ALTERNATIVE FUND

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

2.7 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

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.

2.8 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 USD, which is also the Fund's functional currency.

MAMG LIQUID ALTERNATIVE FUND

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

2.8 Functional and foreign currency (cont'd)

(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 period-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.

2.9 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.

2.10 Distributions

Any distribution to the Fund's unitholders is accounted for as a deduction from profit or loss in the statement of comprehensive income except where distributions are 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.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposit with a financial institution with original maturity of three (3) months or less which have an insignificant risk of changes in value.

MAMG LIQUID ALTERNATIVE FUND

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

2.12 Revenue/ Income

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

Profit/ Interest income from deposit with a licensed financial institution is recognised on the accruals basis using the EPR/ EIR method.

Dividend income is recognised when the right to receive payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

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.

2.13 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.

2.14 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.

2.15 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 year.

MAMG LIQUID ALTERNATIVE FUND

3. NET LOSS OF FOREIGN EXCHANGE AND DERIVATIVES

	15.11.2021 (date of launch) to 31.10.2022 USD
Net realised loss on foreign exchange	(188,595)
Net unrealised loss on foreign exchange	(1,014)
Net realised loss on derivatives	(565,584)
Net unrealised loss on derivatives	(311,439)
	<u>(1,066,632)</u>

4. MANAGER'S FEE

The Manager's fee for the financial period is computed on a daily basis at the following rate per annum ("p.a.") of the NAV of the Fund before deducting the Manager's fee and Trustee's fee for the particular day.

Share Class	Rate
MYR	1.80%
MYR (Hedged)	1.80%
USD	1.80%

The annual management fee is calculated and accrued daily in the Fund's base currency which is USD, which is also the Fund's functional currency and paid monthly to the Manager.

5. TRUSTEE'S FEE

The Trustee's fee for the financial period is computed based on 0.06% p.a. of the NAV of each class, excluding foreign custodian fees and charges before deducting Manager's fee and Trustee's fee for the day. The Trustee fee is calculated and accrued daily.

6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial period. The tax charge for the financial period 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, profit/ interest income earned by the Fund is exempted from tax. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.

MAMG LIQUID ALTERNATIVE FUND

6. TAXATION (CONT'D)

	15.11.2021 (date of launch) to 31.10.2022 USD
Net loss before taxation	<u>(92,098)</u>
Tax at Malaysian statutory rate of 24%	(22,104)
Income not subject to tax	(290,459)
Loss not deductible for tax purposes	255,992
Expenses not deductible for tax purposes	56,571
Tax expense for the financial period	<u>-</u>

7. FINANCIAL ASSETS AT FVTPL

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

	Quantity Unit	Cost USD	Fair value USD	% of NAV
31.10.2022				
SEI Liquid Alternative Fund	51,000	14,322,920	15,295,654	92.46
Unrealised gain on FVTPL investment			<u>972,734</u>	

8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.10.2022 USD
Short term placement with a maturity of less than 3 months	<u>1,143,013</u>

The weighted average effective profit rates ("WAEPR")/ weighted average effective interest rates ("WAEIR") and average maturity of deposit with a licensed financial institution with maturity of less than 3 months as at the reporting date were as follows:

	31.10.2022 WAEPR/ WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	<u>2.50</u>	<u>1</u>

MAMG LIQUID ALTERNATIVE FUND

9. DERIVATIVE ASSETS/ LIABILITIES

<u>Foreign exchange related contracts</u>	Notional	Fair Value	
	principal amount USD	Asset USD	Liabilities USD
31.10.2022			
Currency forwards:			
- Less than 1 year	8,175,000	1,687	(313,126)

As at the reporting date, there were 7 forward exchange contracts outstanding.

The Fund entered into forward currency contracts during the financial period to hedge the foreign currency exposure of the MYR Class, and MYR (Hedged) Class based on the features of the respective classes as disclosed in Note 13(a).

As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income, and borne solely by the unitholders of the respective classes (i.e. MYR Class and MYR (Hedged) Class).

10. AMOUNT DUE FROM/ (TO) MANAGER

		31.10.2022 USD
Amount due from Manager:		
- Creation of units	(i)	487,821
Amount due to Manager:		
- Manager's fee	(ii)	25,362
- Cancellation of units	(iii)	1,154,956
		1,180,318

- (i) The amount represents amount receivable from the Manager for units subscribed.
- (ii) Amount due to Manager relates to the amount payable to the Fund 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.
- (iii) The amount represents amount payable to the Manager for units redeemed or cancelled.

MAMG LIQUID ALTERNATIVE FUND

11. CASH AT BANK

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

	31.10.2022
	USD
Malaysian Ringgit ("MYR")	129,284
USD	982,760
	<u>1,112,044</u>

12. 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.

13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	31.10.2022
		USD
Unitholders' contribution	(a)	16,634,747
Accumulated realised loss	(b)	(752,379)
Accumulated unrealised income	(c)	660,281
		<u>16,542,649</u>

(a) Unitholders' contribution

The units are distributed based on the following share classes:

	31.10.2022	
	Units	USD
(i) MYR Class	45,503,851	5,468,048
(ii) MYR (Hedged) Class	76,153,536	9,049,920
(iii) USD Class	4,249,599	2,116,779
	<u>125,906,986</u>	<u>16,634,747</u>

MAMG LIQUID ALTERNATIVE FUND

13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (cont'd)

(a) Unitholders' contribution (cont'd)

(i) MYR Class

	15.11.2021 (date of launch) to 31.10.2022	
	No. of units	USD
At the beginning of the financial period	-	-
Creation of units	85,583,412	10,360,256
Cancellation of units	(40,079,561)	(4,892,208)
As at end of the financial period	<u>45,503,851</u>	<u>5,468,048</u>

(ii) MYR (Hedged) Class

	15.11.2021 (date of launch) to 31.10.2022	
	No. of units	USD
At the beginning of the financial period	-	-
Creation of units	113,811,050	13,459,795
Cancellation of units	(37,657,514)	(4,409,875)
As at end of the financial period	<u>76,153,536</u>	<u>9,049,920</u>

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and MYR may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in MYR. MYR (Hedged) Class represents a Class denominated in MYR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of this Class. See Note 9 for further details.

MAMG LIQUID ALTERNATIVE FUND

13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (cont'd)

(a) Unitholders' contribution (cont'd)

(iii) USD Class

	15.11.2021 (date of launch) to 31.10.2022	
	No. of units	USD
At the beginning of the financial period	-	-
Creation of units	7,759,928	3,901,118
Cancellation of units	(3,510,329)	(1,784,339)
As at end of the financial period	<u>4,249,599</u>	<u>2,116,779</u>

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

	31.10.2022	
	No of units	Valued at NAV
The Manager - MYR Class	<u>2,000</u>	<u>1,178</u>
The Manager - MYR (Hedged) Class	<u>2,000</u>	<u>1,071</u>
The Manager - USD Class	<u>2,000</u>	<u>1,056</u>

In the opinion of the Manager, the above units were transacted at the prevailing market price. Other than the above, there were no other units held by the Manager or parties related to the Manager.

(b) Accumulated realised loss

	15.11.2021 (date of launch) to 31.10.2022	
	USD	
At the beginning of the financial period		-
Net realised loss for the financial period		<u>(752,379)</u>
As at the end of the financial period		<u>(752,379)</u>

MAMG LIQUID ALTERNATIVE FUND

13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (cont'd)

(c) Accumulated unrealised income

	15.11.2021 (date of launch) to 31.10.2022 USD
At the beginning of the financial period	-
Net unrealised income for the financial period	660,281
As at the end of the financial period	<u>660,281</u>

(d) Classes of shares

(i) Types of classes of units

The Fund issues cancellable units, in three classes of units as detailed below:

Classes of units	Currency denomination	Categories of investors	Distribution policy
MYR	RM	Institutional	Distribution of income
MYR (Hedged)	RM	Institutional	Distribution of income
USD	USD	Institutional	Distribution of income

There are different charges and features for each class as follows:

- (a) Initial investments for each class
- (b) Additional investments
- (c) Minimum holdings
- (d) Transfer, switching and conversion charges for each class

(ii) NAV computation

The computation of NAV of the Fund is based on the Fund's functional currency, USD, irrespective of the multiple classes of units (denominated in other currencies). Due to multiple classes in this Fund, the non-class designated income and expenses incurred by the Fund are apportioned based on the multi-class ratio, which is the size of the respective class relative to the whole Fund. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to members of respective classes with the total number of outstanding units of respective classes.

MAMG LIQUID ALTERNATIVE FUND

13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (cont'd)

(d) Classes of shares (cont'd)

(iii) Redemption of units by unitholders

These units are redeemable at the unitholders' option. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

There is no restriction on the putting of the units back to the Fund (i.e. redemption), subject to the minimum redemption amount of units of each class and the minimum unit holding for each class. If the unit holdings of a unitholder are, after a redemption request, falls below the minimum unit holdings for the Fund, a request for full redemption is deemed to have been made.

14. TRANSACTIONS WITH BROKERS AND 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 including rollover during the current financial period are as follows:

	31.10.2022	
	Transaction	Percentage
	value	of total
	USD	placements
		%
Malayan Banking Bhd ("MBB") *	605,247,094	75.85
Maybank Islamic Bhd ("MIB") **	192,653,573	24.15
	<u>797,900,667</u>	<u>100.00</u>

* MBB is the ultimate holding company of the Manager.

** MIB is a subsidiary of MBB, the ultimate holding company of the Manager.

MAMG LIQUID ALTERNATIVE FUND

15. 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.

	31.10.2022 USD
(i) <u>Significant related party transactions</u>	
<u>MBB:</u> Interest income from deposits	<u>11,634</u>
<u>MIB:</u> Profit income from deposits	<u>2,969</u>
(ii) <u>Significant related party balances</u>	31.10.2022 USD
<u>MBB:</u> Deposit with a licensed financial institution	<u>1,143,013</u>

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.

16. TOTAL EXPENSE RATIO ("TER")

The TER 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 15 November 2021 (date of launch) to 31 October 2022, the TER of the Fund was 1.80%.

17. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial period from 15 November 2021 (date of launch) to 31 October 2022, the PTR of the Fund stood at 0.92 times.

MAMG LIQUID ALTERNATIVE FUND

18. SEGMENT INFORMATION

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 PMC of the Manager is responsible for the Fund's performance by investing at least 90% of the Fund's NAV in the shares of the Target Fund and the remaining 2% to 10% of the Fund's NAV in liquid assets.

As the Fund is a feeder fund, the Target Fund Manager is the ultimate decision-maker on the investment strategy to ensure the Target Fund achieves its targeted return with an acceptable level of risk within the portfolio.

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.

There were no changes in the reportable operating segments during the financial period.

19. 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 2.15 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 prepayment, tax-related matters and NAV attributable to unitholders) 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.

	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
31.10.2022				
Financial assets				
Financial assets at FVTPL	15,295,654	-	-	15,295,654
Deposit with a licensed financial institution	-	1,143,013	-	1,143,013
Amount due from Manager	-	487,821	-	487,821
Profit/ Interest receivables	-	78	-	78
Derivative assets	1,687	-	-	1,687
Cash at bank	-	1,112,044	-	1,112,044
Total financial assets	15,297,341	2,742,956	-	18,040,297

MAMG LIQUID ALTERNATIVE FUND

19. FINANCIAL INSTRUMENTS (cont'd)

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

31.10.2022	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
Financial liabilities				
Derivative liabilities	313,126	-	-	313,126
Amount due to Manager	-	-	1,180,318	1,180,318
Amount due to Trustee	-	-	845	845
Other payables and accruals	-	-	3,359	3,359
Total financial liabilities	<u>313,126</u>	<u>-</u>	<u>4,204</u>	<u>1,497,648</u>

(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).

MAMG LIQUID ALTERNATIVE FUND

19. 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:

31.10.2022	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at FVTPL	15,295,654	-	-	15,295,654
Derivative assets	-	1,687	-	1,687
	<u>15,295,654</u>	<u>1,687</u>	<u>-</u>	<u>15,297,341</u>
Derivative liabilities	-	313,126	-	313,126

(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.

20. 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 Deed, 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 financial assets and liabilities denominated in foreign currencies. The Fund is also exposed to profit/ interest rate risk arising from deposit placed with a licensed financial institution. The Fund does not hold any equity exposure. Nevertheless, price risk exposure arises from investment in the Target Fund as at the reporting date.

MAMG LIQUID ALTERNATIVE FUND

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

(b) Market risk (cont'd)

(i) Profit/ Interest rate risk

Cash is sensitive to movement in profit/ 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 profit/ interest rates.

(ii) 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 profit/ interest rate risk and currency risk). The price risk exposure arises primary from the Fund's investments in shares of the Target Fund.

Price risk sensitivity

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

	31.10.2022	
	Changes in price %	Effects on NAV Increase/ (Decrease) USD
Collective investment scheme	+5	764,783
	-5	(764,783)

The impact to net loss after taxation is expected to be the same as the effects on NAV.

(iii) Foreign exchange risk

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

The base currency of the Fund is USD. As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between USD and the currencies in which the Fund's assets are denominated in may have an impact on the fair value of the Fund's assets. If the currencies in which the assets are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment and of the Fund.

MAMG LIQUID ALTERNATIVE FUND

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

(b) Market risk (cont'd)

(iii) Foreign exchange risk (cont'd)

The Fund is a multi-class Fund. The impact of the exchange rate movement between USD and the foreign currency of MYR may result in a depreciation of the unitholders' investment in the Fund as expressed in USD.

The table below analyses the net position of the Fund's financial assets and financial liabilities (excluding derivative assets and derivative liability) which are exposed to foreign exchange risks as at the reporting date. As the Fund's functional currency is USD, the financial assets and financial liabilities (excluding derivative assets and derivative liabilities) denominated 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 liability of the Fund that may affect the value of the NAV attributable to unitholders.

	31.10.2022
	MYR
2022	USD
Financial assets	
Cash at bank	129,284
Deposit with a licensed financial institution	1,143,013
Amount due from Manager	448,217
Total financial assets	<u>1,720,514</u>
Financial liabilities	
Amount due to Manager	744,476
Other payables and accruals	3,348
Total financial liabilities excluding NAV attributable to unitholders	<u>747,824</u>
Net on balance sheet open position	<u>972,690</u>
Principal amount of forward exchange contracts (Note 9) *	<u>8,175,000</u>

* The Fund entered into forward currency contracts during the financial year to hedge the foreign currency exposure of the MYR Class and MYR (Hedged) Class, based on the features of the respective classes as disclosed in Note 13(a).

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.

MAMG LIQUID ALTERNATIVE FUND

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

(b) Market risk (cont'd)

(iii) Foreign exchange risk (cont'd)

	31.10.2022	
	Changes in exchange rates	Effects on NAV Increase/ (Decrease)
Currencies	%	RM
MYR	+5	48,635
	-5	(48,635)

The impact to net loss after taxation is expected to be the same as the effects on NAV.

(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 profit/ 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.

(ii) Credit quality of financial assets

The following table analyses the Fund's cash at bank, deposit with a licensed financial institutions and profit/ interest receivables by rating categories. The rating is obtained from RAM Holdings Berhad.

MAMG LIQUID ALTERNATIVE FUND

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

(c) Credit risk (cont'd)

(ii) Credit quality of financial assets

Financial assets	31.10.2022	
	USD	As a % of NAV
AAA	2,255,135	13.63

(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 unitholder's option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deed. 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 financial assets, liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity:

	Less than 1 month USD	More than 1 month USD	Total USD
31.10.2022			
Financial assets			
Financial assets at FVTPL	15,295,654	-	15,295,654
Deposit with a licensed financial institution	1,143,013	-	1,143,013
Amount due from Manager	487,821	-	487,821
Derivative assets	-	1,687	1,687
Profit/ Interest receivables	78	-	78
Cash at bank	1,112,044	-	1,112,044
Total undiscounted financial assets	<u>18,038,610</u>	<u>1,687</u>	<u>18,040,297</u>

MAMG LIQUID ALTERNATIVE FUND

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

(d) Liquidity risk (cont'd)

31.10.2022	Less than 1 month USD	More than 1 month USD	Total USD
Financial liabilities and net assets attributable to unitholders of the Fund			
Derivative liabilities	61,235	251,891	313,126
Amount due to Manager	1,180,318	-	1,180,318
Amount due to Trustee	845	-	845
Other payables and accruals	3,359	-	3,359
Net assets attributable to unitholders of the Fund	16,542,649	-	16,542,649
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	17,788,406	251,891	18,040,297
Liquidity surplus/ (gap)	250,204	(250,204)	-

(i) Financial assets

Financial assets at FVTPL is categorised as "less than 1 month", as the Fund could partly or fully redeem its investment in the shares of the Target Fund with the proceeds of the redemption to be paid within fourteen (14) calendar days from the date of request. The investments have no contractual maturity as the Target Fund is an open-ended collective investment scheme.

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 prepayments and 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 LIQUID ALTERNATIVE FUND

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

(d) Liquidity risk (cont'd)

(iii) Net assets attributable to unitholders of the Fund

As unitholders can request for cancellation on their units by giving the Manager a 14-day notice period, the net assets attributable to unitholders of the Fund has been categorised as having a maturity of "less than 1 month".

As a result, it appears that the Fund has a liquidity gap within "less than 1 month". However, the Fund Manager believes that it would be able to liquidate its investments should the need arise to satisfy all the redemption requirements.

21. 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 information memorandum;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the unitholders' contribution management objectives, policies or processes in the current financial period.

22. COMPARATIVES

There are no comparative figures presented as this is the Fund's first reporting period since the Fund was launched on 15 November 2021.