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**Asset Management**

Maybank Asset Management Sdn Bhd

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# **MAMG LIQUID ALTERNATIVE FUND**

**Annual report**

**For the financial year ended 31 October 2023**

## **CORPORATE INFORMATION**

### **MANAGER**

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

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

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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 year ended 31 October 2023**

#### **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

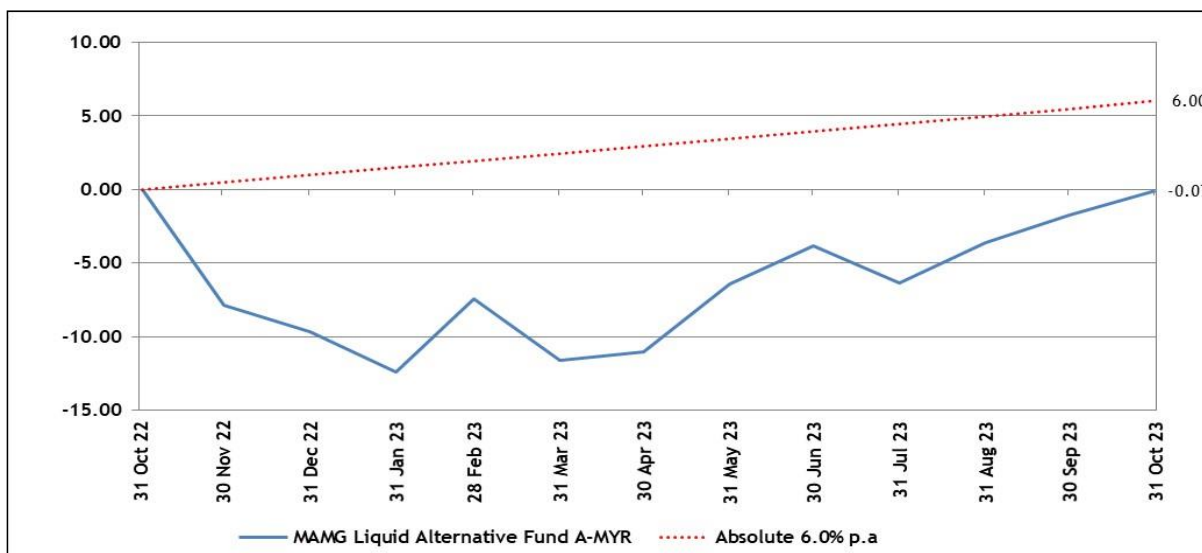
For the financial year ended 31 October 2023 (cont'd)

#### B. Performance Review

Performance of the Fund for the financial year ended 31 October 2023 was as follows:

##### (a) Class A-MYR

Period	The Fund %	Benchmark %
1 November 2022 to 31 October 2023	(0.07)	6.00



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 October 2023

*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.*

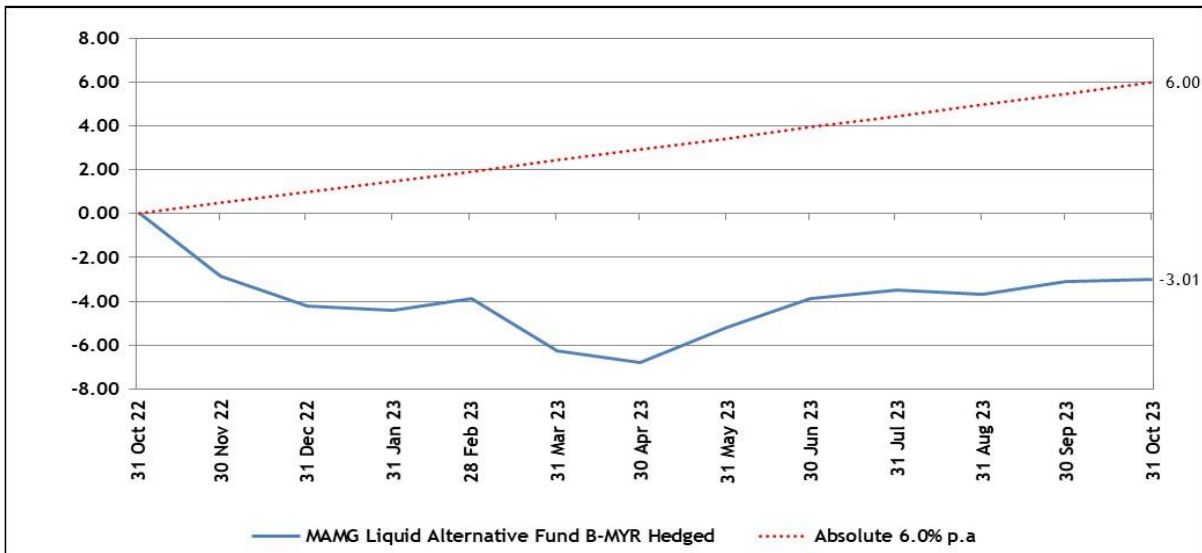
## MAMG LIQUID ALTERNATIVE FUND

Manager's report  
For the financial year ended 31 October 2023 (cont'd)

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

#### (b) Class B-MYR Hedged

Period	The Fund %	Benchmark %
1 November 2022 to 31 October 2023	(3.01)	6.00



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 October 2023

*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

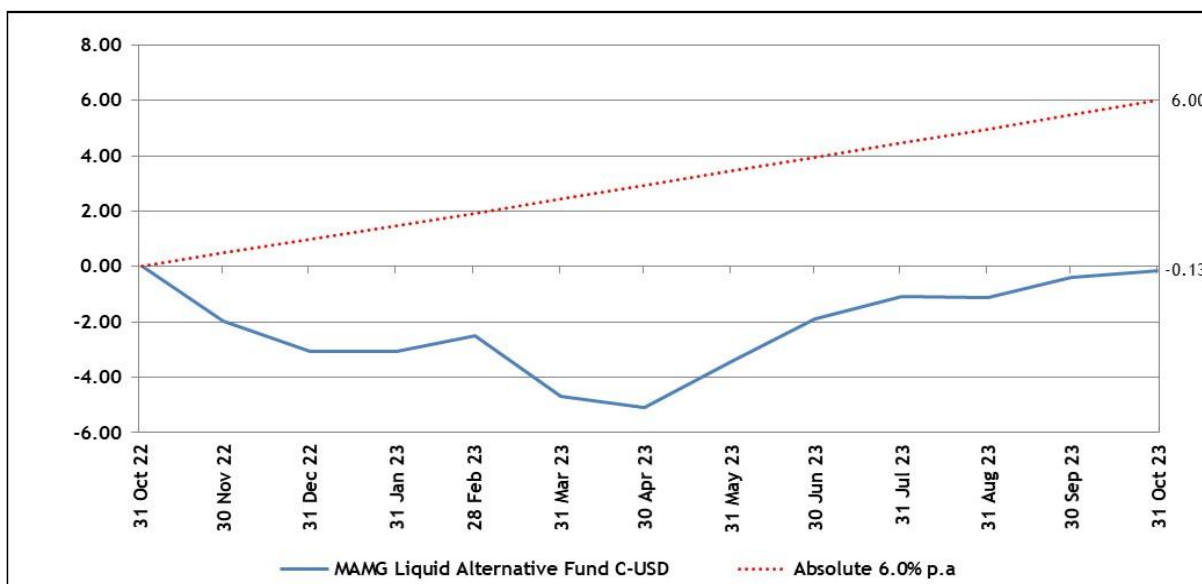
### Manager's report

For the financial year ended 31 October 2023 (cont'd)

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

##### (c) Class C-USD

Period	The Fund %	Benchmark %
1 November 2022 to 31 October 2023	(0.13)	6.00



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 October 2023

*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 year under review, the total return of Class A-MYR was -0.07% underperforming the benchmark of 6.00%. The total return of Class B-MYR Hedged and Class C-USD were -3.01% and -0.13% respectively, underperforming the benchmark of 6.00%.

Overall, the Fund underperformed the benchmark return hence did not meet its fund objective. Under the strategic alpha strategy, losses on equities and currencies were offset by a gain on a short hedge in long dated treasuries. Under the tactical alpha strategy, gains in short positions in treasuries and the Japanese Yen were offset in part by losses in equities.

#### C. Market Review

In terms of market review, in November 2023, inflation print was modestly below expectations, the United States ("US") Dollar registered its worst monthly loss in twelve years, and ten year Treasury yields dropped more than 50 basis points ("bps") in a few weeks. In December 2022, the Federal Reserves ("Fed") once again hiked 50 bps, which is a notable decrease in magnitude from other recent hikes. Inflation print continued to be below expectations and the trend of a weakening US Dollar persisted. In December 2022, there was a loss of market momentum as investors placed more emphasis on the potential of a global recession in 2023 thus curtailing their risk appetite somewhat in the face of such concern.

## **MAMG LIQUID ALTERNATIVE FUND**

### **Manager's report**

**For the financial year ended 31 October 2023 (cont'd)**

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

During January 2023 and February 2023, the markets fiercely debated whether the Fed would need to keep hiking rates, not just to further tamp down inflation but to restore its credibility. By early March 2023, the market expected the Fed to hike 50 bps and peak rates would soon touch 6%. Then on March 9, Silicon Valley Bank ("SVB") suddenly collapsed, which kicked off an overnight run on regional banks, and soon the decade-long train wreck at Credit Suisse came to an ignominious end. Something big finally had broken and, in the blink of an eye, central banks were back in triage mode, effectively guaranteeing trillions of unsecured deposits and providing emergency credit. Treasuries staged a historic rally and various legs of the inflation trade sharply reversed. By month end, by some measures the bond market was signalling an imminent recession and 200 bps of rate cuts in the next year or two; stock markets were oddly unfazed and rose as well.

In April 2023, the banking crisis seems contained, with the takeover of First Republic at month end and attention has shifted to constrained credit conditions. Both stocks and bonds rose modestly. In May 2023, equities were flattish with tech stocks soaring on artificial intelligence ("AI") driven exuberance, bonds broadly declined as inflation remained stubbornly high, and hedge funds continued to tread water as caution about macro headwinds limited risk taking. In June 2023, equities continue to rise as recession fears recede, growth continues to trump value, bonds have disappointed relative to cash and hedge funds have struggled to navigate this macro environment.

Market sentiment remained positive in July 2023, buoyed by lower inflation and resilient gross domestic product ("GDP") data. This raised hopes for a soft landing and supported a broad rally across most asset classes and regions. US equities declined in August 2023. Investors' confidence that the Fed tightening cycle ended with the rate rise in July 2023 took a knock due to indications that policy makers are divided on next steps. The US dollar strengthened against all other major currencies, benefitting from resilient domestic growth against a weak global backdrop. Broad equity market weakness persisted in September 2023. 10-year government bond yields continued to hit fresh cycle highs.

In October 2023, equities fell amid worries that US interest rates may remain higher for longer given still strong inflation. The geopolitical situation was another concern amid renewed conflict in the Middle East. Bonds also fell, with yields rising sharply.

#### **D. Market Outlook**

In terms of market outlook, the great challenge is to think about where we go from here. Throw in structural issues like deglobalisation and all this suggests that inflation will be a tough nut to crack. For two years, many allocators have hoped that the surge was ephemeral. It might be time to battle plan for a very different world order.

In terms of strategy, the Target Fund's portfolio increased its conviction in short rates while reducing exposure to equities and maintaining the stance in short currencies.



## **MAMG LIQUID ALTERNATIVE FUND**

### **Manager's report**

**For the financial year ended 31 October 2023 (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 year ended 31 October 2023, 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 FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

We have acted as Trustee of the Fund for the financial year ended 31 October 2023 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 year 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 on Unlisted Capital Market Products under Lodge and Launch Framework;
- (b) Valuation and pricing were carried out in accordance with the Deed and relevant regulatory requirements; and
- (c) Creation and cancellation of units were carried out in accordance with the Deed and relevant regulatory requirements.

We are of the opinion that the distribution of income by the Fund is appropriate and does reflects the investment objective of the Fund.

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

**Norhayati Binti Azit**  
DIRECTOR-FUND SERVICES

Kuala Lumpur, Malaysia  
23 December 2023

## **STATEMENT BY MANAGER**

### **TO THE UNITHOLDER'S OF MAMG LIQUID ALTERNATIVE FUND FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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 year ended 31 October 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year 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  
23 December 2023

## **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 2023 of the Fund, and statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 October 2023, and of its financial performance and cash flows for the year 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 of the Fund ("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. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- 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  
03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
23 December 2023

**MAMG LIQUID ALTERNATIVE FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

		01.11.2022 to 31.10.2023 USD	15.11.2021 (date of launch) to 31.10.2022 USD
<b>INVESTMENT INCOME</b>			
Profit/ Interest income		16,791	14,593
Dividend income		694,721	-
Net (loss)/ gain on financial assets at fair value through profit and loss ("FVTPL")			
- Realised gain		126,670	222,920
- Unrealised (loss)/ gain		(558,002)	972,734
Net loss on foreign exchange and forward currency contracts	3	(204,748)	(1,066,632)
		<u>75,432</u>	<u>143,615</u>
<b>EXPENSES</b>			
Manager's fee	4	313,719	223,403
Trustee's fee	5	10,457	7,447
Auditors' remuneration		1,828	2,277
Tax agent's fee		857	881
Administrative expenses		1,864	1,705
		<u>328,725</u>	<u>235,713</u>
<b>Net loss before distribution and taxation</b>		(253,293)	(92,098)
Distribution to unitholders			
MYR Class	14(a)	(153,575)	-
USD Class	14(b)	(28,546)	-
		<u>(182,121)</u>	
<b>Net loss before taxation</b>		(435,414)	(92,098)
Taxation	6	-	-
<b>Net loss after taxation, representing total comprehensive loss for the financial year/ period</b>		<u>(435,414)</u>	<u>(92,098)</u>
<b>Net loss after taxation is made up of the following:</b>			
Realised loss		(30,414)	(752,379)
Unrealised (loss)/ income		(405,000)	660,281
		<u>(435,414)</u>	<u>(92,098)</u>

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



**MAMG LIQUID ALTERNATIVE FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023 (CONT'D)**

		01.11.2022	15.11.2021
		to	(date of launch)
		31.10.2023	to 31.10.2022
	<b>Note</b>		
<b>Distributions for the financial year/ period:</b>	14		
<b><u>MYR Class</u></b>			
Net distributions (in Fund currency)		153,575	-
Net distributions (in Class currency)		735,510	-
Gross/ Net distribution per unit (RM sen)		1.17	-
Distribution dates (ex-dates)		27 October 2023	-
<b><u>USD Class</u></b>			
Net distributions (in Fund/ Class currency)		28,546	-
Gross/ Net distribution per unit (USD cent)		1.06	-
Distribution dates (ex-dates)		27 October 2023	-

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

**MAMG LIQUID ALTERNATIVE FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2023**

	Note	31.10.2023 USD	31.10.2022 USD
<b>ASSETS</b>			
Financial assets at FVTPL	7	15,509,042	15,295,654
Deposit with a licensed financial institution	8	413,124	1,143,013
Derivative assets	9	-	1,687
Amount due from Manager	10	-	487,821
Profit/ Interest receivables		33	78
Cash at bank	11	374,245	1,112,044
<b>TOTAL ASSETS</b>		<u>16,296,444</u>	<u>18,040,297</u>
<b>LIABILITIES</b>			
Derivative liabilities	9	158,916	313,126
Amount due to Manager	10	47,789	1,180,318
Amount due to Trustee	12	837	845
Other payables and accruals		3,858	3,359
Distribution payable		182,930	-
<b>TOTAL LIABILITIES</b>		<u>394,330</u>	<u>1,497,648</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS</b>		<u>15,902,114</u>	<u>16,542,649</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' capital	13(a)	16,429,626	16,634,747
Accumulated losses	13(b) & (c)	(527,512)	(92,098)
		<u>15,902,114</u>	<u>16,542,649</u>
<b>NET ASSET VALUE</b>			
- Class A-MYR		7,614,438	5,670,924
- Class B-MYR (Hedged)		6,895,646	8,627,013
- Class C-USD		1,392,030	2,244,712
		<u>15,902,114</u>	<u>16,542,649</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class A-MYR	13(a)	62,864,107	45,503,851
- Class B-MYR (Hedged)	13(a)	63,228,491	76,153,536
- Class C-USD	13(a)	2,693,001	4,249,599
		<u>128,785,599</u>	<u>125,906,986</u>
<b>NAV PER UNIT</b>			
- Class A-MYR		MYR 0.5771	MYR 0.5892
- Class B-MYR (Hedged)		MYR 0.5196	MYR 0.5356
- Class C-USD		USD 0.5169	USD 0.5282

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

**MAMG LIQUID ALTERNATIVE FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

	<b>Unitholders' capital Note 13(a) USD</b>	<b>Accumulated losses Note 13(b) &amp; (c) USD</b>	<b>Net assets attributable to unitholders USD</b>
At 1 November 2022	16,634,747	(92,098)	16,542,649
Total comprehensive loss for the financial year	-	(435,414)	(435,414)
Creation of units	9,828,932	-	9,828,932
Cancellation of units	(10,034,053)	-	(10,034,053)
At 31 October 2023	<u>16,429,626</u>	<u>(527,512)</u>	<u>15,902,114</u>
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 YEAR ENDED 31 OCTOBER 2023**

	<b>01.11.2022</b>	<b>15.11.2021</b>
	<b>to</b>	<b>(date of launch)</b>
	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(7,444,721)	(18,950,000)
Net proceeds from sale of financial assets at FVTPL	6,400,000	5,250,000
Profit/ Interest received	16,843	14,515
Dividend received	694,721	-
Net settlement on forward foreign exchange contracts	(372,904)	(565,558)
Manager's fee paid	(313,976)	(198,040)
Trustee's fee paid	(10,465)	(6,601)
Payment of other fees and expenses	(4,058)	(1,300)
Net cash used in operating and investing activities	<u>(1,034,560)</u>	<u>(14,456,984)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	10,316,753	27,202,884
Payment for redemption of units	(10,766,326)	(10,305,935)
Net cash (used in)/ generated from financing activities	<u>(449,573)</u>	<u>16,896,949</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR/ PERIOD</b>		
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH</b>	(1,484,133)	2,439,965
Effect on foreign exchange	2,255,057	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/ PERIOD</b>	<u>16,445</u>	<u>(184,908)</u>
	<u>787,369</u>	<u>2,255,057</u>
Cash and cash equivalents comprise:		
Cash at bank (Note 11)	374,245	1,112,044
Deposit with a licensed financial institution with maturity of less than 3 months (Note 8)	413,124	1,143,013
	<u>787,369</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 YEAR ENDED 31 OCTOBER 2023**

#### **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 23 December 2023.

#### **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 year ended 31 October 2023. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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.

## MAMG LIQUID ALTERNATIVE FUND

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

#### 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
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 112: <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
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 deposit with a licensed financial institutions, derivative assets, amount due from Manager, profit/ interest receivables, and cash and cash equivalents as financial assets at amortised cost.

These assets are subsequently measured 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.

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.

## 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 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.

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.



## **MAMG LIQUID ALTERNATIVE FUND**

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

#### **2.4 Financial assets (cont'd)**

##### **(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 interest/ 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.

#### **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 derivative liabilities, amount due to Manager, amount due to Trustee, other payables and accruals and distribution payable 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.

## **MAMG LIQUID ALTERNATIVE FUND**

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

#### **2.6 Derivatives and hedge accounting (cont'd)**

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 year/ period. However, future events or conditions may cause the Fund to apply the hedge accounting in the future.

#### **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.

## **MAMG LIQUID ALTERNATIVE FUND**

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

#### **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.

##### **(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.

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.

#### **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 year/ 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 assumptions 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 ON FOREIGN EXCHANGE AND FORWARD CURRENCY CONTRACTS

	01.11.2022	15.11.2021
	(date of launch)	
	to	to
	31.10.2023	31.10.2022
	USD	USD
Net realised gain/ (loss) on foreign exchange	15,076	(188,595)
Net unrealised gain/ (loss) on foreign exchange	478	(1,014)
Net realised loss on derivatives	(372,826)	(565,584)
Net unrealised gain/ (loss) on derivatives	152,524	(311,439)
	<u>(204,748)</u>	<u>(1,066,632)</u>

### 4. MANAGER'S FEE

The Manager's fee for the financial year/ 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 p.a.	
	01.11.2022 to 31.10.2023	15.11.2021 (date of launch) to 31.10.2022
MYR	1.80%	1.80%
MYR (Hedged)	1.80%	1.80%
USD	1.80%	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 year/ period is computed based on 0.06% p.a. (15.11.2021 (date of launch) to 31.10.2022: 0.06%) 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

	01.11.2022	15.11.2021
	(date of launch)	
	to	to
	31.10.2023	31.10.2022
	USD	USD

Tax expense for the financial year/ period:

Current income tax expense	<u>-</u>	<u>-</u>
----------------------------	----------	----------

Income tax is calculated at the Malaysian statutory tax rate of 24% (15.11.2021 (date of launch) to 31.10.2022: 24%) of the estimated assessable income for the financial year/ period. The tax charge for the financial year/ period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

## MAMG LIQUID ALTERNATIVE FUND

### 6. TAXATION (CONT'D)

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.

	01.11.2022 to 31.10.2023 USD	15.11.2021 (date of launch) to 31.10.2022 USD
Net loss before taxation	(435,414)	(92,098)
Tax at Malaysian statutory rate of 24% (15.11.2021 (date of launch) to 31.10.2022: 24%)	(104,499)	(22,104)
Income not subject to tax	(201,164)	(290,459)
Loss not deductible for tax purposes	183,060	255,992
Expenses not deductible for tax purposes	122,603	56,571
Tax expense for the financial year/ period	-	-

### 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
<b>31.10.2023</b>				
SEI Liquid Alternative Fund	1,045,788	15,094,310	15,509,042	97.53
<b>Unrealised gain on FVTPL investment</b>			414,732	
	Quantity Unit	Cost USD	Fair value USD	% of NAV
<b>31.10.2022</b>				
SEI Liquid Alternative Fund	1,003,652	14,322,920	15,295,654	92.46
<b>Unrealised gain on FVTPL investment</b>			972,734	

### 8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.10.2023 USD	31.10.2022 USD
Short term placement with a maturity of less than 3 months	413,124	1,143,013

## MAMG LIQUID ALTERNATIVE FUND

### 8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION (CONT'D)

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:

	31.10.2023		31.10.2022	
	WAEPR/ WAEIR % p.a.	Average maturity Days	WAEPR/ WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	2.95	1	2.50	1

### 9. DERIVATIVE ASSETS/ (LIABILITIES)

	Notional principal amount USD	Fair Value	
		Asset USD	Liabilities USD
<b>31.10.2023</b>			
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	6,900,000	-	(158,916)
<b>31.10.2022</b>			
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	8,175,000	1,687	(313,126)

As at the reporting date, there were 5 (31.10.2022: 7) forward exchange contracts outstanding.

The Fund entered into forward currency contracts during the financial year/ period to hedge the foreign currency exposure of the 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/ period, 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 (Hedged) Class).

## MAMG LIQUID ALTERNATIVE FUND

### 10. AMOUNT DUE FROM/ (TO) MANAGER

		31.10.2023 USD	31.10.2022 USD
Amount due from Manager:			
- Creation of units	(i)	-	487,821
Amount due to Manager:			
- Manager's fee	(ii)	25,106	25,362
- Cancellation of units	(iii)	22,683	1,154,956
		<u>47,789</u>	<u>1,180,318</u>

- (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 year/ period. The normal credit term for Manager's fee is 15 days (31.10.2022: 15 days).
- (iii) The amount represents amount payable to the Manager for units redeemed or cancelled.

### 11. CASH AT BANK

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

	31.10.2023 USD	31.10.2022 USD
Malaysian Ringgit ("MYR")	16,241	129,284
USD	358,004	982,760
	<u>374,245</u>	<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 year/ period. The normal credit term for Trustee's fee is 15 days (31.10.2022: 15 days).

### 13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	31.10.2023 USD	31.10.2022 USD
Unitholders' contribution	(a)	16,429,626	16,634,747
Accumulated realised losses	(b)	(782,793)	(752,379)
Accumulated unrealised income	(c)	255,281	660,281
		<u>15,902,114</u>	<u>16,542,649</u>



## MAMG LIQUID ALTERNATIVE FUND

### 13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND (CONT'D)

#### (a) Unitholders' contribution

The units are distributed based on the following share classes:

	31.10.2023		31.10.2022	
	No. of units	USD	No. of units	USD
(i) MYR Class	62,864,107	7,479,806	45,503,851	5,468,048
(ii) MYR (Hedged) Class	63,228,491	7,621,653	76,153,536	9,049,920
(iii) USD Class	2,693,001	1,328,167	4,249,599	2,116,779
	<u>128,785,599</u>	<u>16,429,626</u>	<u>125,906,986</u>	<u>16,634,747</u>

#### (i) MYR Class

	01.11.2022 to 31.10.2023		15.11.2021 (date of launch) to 31.10.2022	
	No. of units	USD	No. of units	USD
At the beginning of the financial year/ date of launch	45,503,851	5,468,048	-	-
Creation of units	55,477,183	6,640,442	85,583,412	10,360,256
Cancellation of units	(38,116,927)	(4,628,684)	(40,079,561)	(4,892,208)
As at end of the financial year/ period	<u>62,864,107</u>	<u>7,479,806</u>	<u>45,503,851</u>	<u>5,468,048</u>

#### (ii) MYR (Hedged) Class

	01.11.2022 to 31.10.2023		15.11.2021 (date of launch) to 31.10.2022	
	No. of units	USD	No. of units	USD
At the beginning of the financial year/ date of launch	76,153,536	9,049,920	-	-
Creation of units	23,109,705	2,647,945	113,811,050	13,459,795
Cancellation of units	(36,034,750)	(4,076,212)	(37,657,514)	(4,409,875)
As at end of the financial year/ period	<u>63,228,491</u>	<u>7,621,653</u>	<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**

	<b>01.11.2022 to 31.10.2023</b>		<b>15.11.2021 (date of launch) to 31.10.2022</b>	
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>	<b>USD</b>
At the beginning of the financial year/ date of launch	4,249,599	2,116,779	-	-
Creation of units	1,034,186	540,545	7,759,928	3,901,118
Cancellation of units	(2,590,784)	(1,329,157)	(3,510,329)	(1,784,339)
As at end of the financial year/ period	<u>2,693,001</u>	<u>1,328,167</u>	<u>4,249,599</u>	<u>2,116,779</u>

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

	<b>31.10.2023</b>		<b>31.10.2022</b>	
	<b>No. of units</b>	<b>Valued at NAV</b>	<b>No. of units</b>	<b>Valued at NAV</b>
The Manager - MYR Class	<u>2,000</u>	<u>MYR 1,154</u>	<u>2,000</u>	<u>MYR 1,178</u>
The Manager - MYR (Hedged) Class	<u>2,000</u>	<u>MYR 1,039</u>	<u>2,000</u>	<u>MYR 1,071</u>
The Manager - USD Class	<u>2,000</u>	<u>USD 1,034</u>	<u>2,000</u>	<u>USD 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 losses**

	<b>01.11.2022 to 31.10.2023</b>		<b>15.11.2021 (date of launch) to 31.10.2022</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
At the beginning of the financial year/ date of launch		(752,379)		-
Net realised loss for the financial year/ period		(30,414)		(752,379)
As at the end of the financial year/ period		<u>(782,793)</u>		<u>(752,379)</u>

## MAMG LIQUID ALTERNATIVE FUND

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

#### (c) Accumulated unrealised income

	01.11.2022 to 31.10.2023 USD	15.11.2021 (date of launch) to 31.10.2022 USD
At the beginning of the financial year/ date of launch	660,281	-
Net unrealised (loss)/ gain for the financial year/ period	(405,000)	660,281
As at the end of the financial year/ period	<u>255,281</u>	<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; and
- (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.

##### (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.

## MAMG LIQUID ALTERNATIVE FUND

### 14. DISTRIBUTION

The sources of distribution to the unitholders are as follows:

#### (a) MYR Class

	<b>01.11.2022 to 31.10.2023 USD</b>
Interest/ Profit income	4,143
Dividend income	195,585
Net realised gains on sale of investments	35,673
Less: Expenses	<u>(81,826)</u>
Distributions for the financial year	<u>153,575</u>
	<b>Gross/ Net distribution per unit (RM sen)</b>
<b>Distribution date (ex-date)</b>	
<b>01.11.2022 to 31.10.2023</b>	
27 October 2023	<u>1.17</u>

#### (b) USD Class

	<b>01.11.2022 to 31.10.2023 USD</b>
Interest/ Profit income	964
Dividend income	36,137
Net realised gains on sale of investments	9,881
Less: Expenses	<u>(18,436)</u>
Distributions for the financial year	<u>28,546</u>
	<b>Gross/ Net distribution per unit (USD sen)</b>
<b>Distribution date (ex-date)</b>	
<b>01.11.2022 to 31.10.2023</b>	
27 October 2023	<u>1.06</u>

## MAMG LIQUID ALTERNATIVE FUND

### 14. DISTRIBUTION (CONT'D)

The distributions declared were/ will be settled in the form of units and presented as reinvestment of units in Note 13(a) on payment date.

	01.11.2022 to 31.10.2023		15.11.2021 (date of launch) to 31.10.2022	
	Total distribution RM	Composition of distribution in percentage %	Total distribution RM	Composition of distribution in percentage %
<b>Source of distribution*</b>				
- Income distribution	182,121	100.00	-	-
- Capital distribution	-	-	-	-
	<u>182,121</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

\* Effective from the 1 March 2022, the Securities Commission Guidelines permit a fund to distribute out of income (which includes current year's realised income) or out of capital (which includes prior year's realised income).

### 15. 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 financial year/ period.

Details of transactions, primarily deposits with licensed financial institutions including rollover during the financial year/ period are as follows:

	01.11.2022 to 31.10.2023		15.11.2021 (date of launch) to 31.10.2022	
	Transaction value USD	Percentage of total placements %	Transaction value USD	Percentage of total placements %
Malayan Banking Bhd ("MBB") *	656,530,097	99.52	605,247,094	75.85
Maybank Islamic Bhd ("MIB") **	3,175,000	0.48	192,653,573	24.15
	<u>659,705,097</u>	<u>100.00</u>	<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 (CONT'D)

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 year/ period.

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

	01.11.2022 to 31.10.2023 USD	15.11.2021 (date of launch) to 31.10.2022 USD
<b>(i) <u>Significant related party transactions</u></b>		
<u>MBB:</u> Interest income from deposits	16,814	11,634
<u>MIB:</u> Profit income from deposits	56	2,969
<b>(ii) <u>Significant related party balances</u></b>		
<u>MBB:</u> Deposit with a licensed financial institution	413,124	1,143,013

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 year ended 31 October 2023, the TER of the Fund was 1.89% (15.11.2021 (date of launch) to 31.10.2022: 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/ period to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 October 2023, the PTR of the Fund stood at 0.40 times (15.11.2021 (date of launch) to 31.10.2022: 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 year/ 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.

	<b>Financial assets and liabilities at FVTPL USD</b>	<b>Financial assets at amortised cost USD</b>	<b>Financial liabilities at amortised cost USD</b>	<b>Total USD</b>
<b>31.10.2023</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	15,509,042	-	-	15,509,042
Deposit with a licensed financial institution	-	413,124	-	413,124
Profit/ Interest receivables	-	33	-	33
Cash at bank	-	374,245	-	374,245
<b>Total financial assets</b>	<b>15,509,042</b>	<b>787,402</b>	<b>-</b>	<b>16,296,444</b>

## MAMG LIQUID ALTERNATIVE FUND

### 19. FINANCIAL INSTRUMENTS (CONT'D)

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

	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<b>31.10.2023 (cont'd)</b>				
<b>Financial liabilities</b>				
Derivative liabilities	158,916	-	-	158,916
Amount due to Manager	-	-	47,789	47,789
Amount due to Trustee	-	-	837	837
Other payables and accruals	-	-	3,858	3,858
Distribution payable	-	-	182,930	182,930
<b>Total financial liabilities</b>	<b>158,916</b>	<b>-</b>	<b>235,414</b>	<b>394,330</b>
<b>31.10.2022</b>				
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>15,297,341</b>	<b>2,742,956</b>	<b>-</b>	<b>18,040,297</b>
<b>Financial liabilities</b>				
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
<b>Total financial liabilities</b>	<b>313,126</b>	<b>-</b>	<b>1,184,522</b>	<b>1,497,648</b>

#### (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.



## MAMG LIQUID ALTERNATIVE FUND

### 19. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial instruments that are carried at fair value (cont'd)

##### 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).

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31.10.2023</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	15,509,042	-	-	15,509,042
<b>Financial liabilities</b>				
Derivative liabilities	-	158,916	-	158,916
<b>31.10.2022</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	15,295,654	-	-	15,295,654
Derivative assets	-	1,687	-	1,687
	15,295,654	1,687	-	15,297,341
<b>Financial liabilities</b>				
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, derivative assets and derivative 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.

## MAMG LIQUID ALTERNATIVE FUND

### 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.

##### (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:

	31.10.2023		31.10.2022	
	Changes in price %	Effects on NAV Increase/ (Decrease) USD	Changes in price %	Effects on NAV Increase/ (Decrease) USD
Collective investment scheme	+5	775,452	+5	764,783
	-5	(775,452)	-5	(764,783)

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

## MAMG LIQUID ALTERNATIVE FUND

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

#### (b) Market risk (cont'd)

##### (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.

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.

	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>MYR</b>	<b>MYR</b>
	<b>USD</b>	<b>USD</b>
<b>Financial assets</b>		
Cash at bank	16,241	129,284
Deposit with a licensed financial institution	413,124	1,143,013
Amount due from Manager	-	448,217
<b>Total financial assets</b>	<b>429,365</b>	<b>1,720,514</b>
<b>Financial liabilities</b>		
Amount due to Manager	22,683	744,476
Other payables and accruals	3,848	3,348
Distribution payable	182,930	-
Total financial liabilities excluding NAV attributable to unitholders	<b>209,461</b>	<b>747,824</b>
Net on balance sheet open position	<b>219,904</b>	<b>972,690</b>
<b>Principal amount of forward exchange contracts (Note 9) *</b>	<b>6,900,000</b>	<b>8,175,000</b>

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

## 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 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.

Currencies	31.10.2023		31.10.2022	
	Changes in exchange rates %	Effects on NAV Increase/ (Decrease) RM	Changes in exchange rates %	Effects on NAV Increase/ (Decrease) RM
MYR	+5	10,995	+5	48,635
	-5	(10,995)	-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	31.10.2023		31.10.2022	
	USD	As a % of NAV	USD	As a % of NAV
AAA	787,402	4.95	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 at bank, deposits with licensed 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 liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity:

31.10.2023	Less than 1 month USD	More than 1 month USD	Total USD
<b>Financial liabilities</b>			
Derivative liabilities	47,182	111,734	158,916
Amount due to Manager	47,789	-	47,789
Amount due to Trustee	837	-	837
Other payables and accruals	3,858	-	3,858
Distribution payable	182,930	-	182,930
Net assets attributable to unitholders of the Fund	15,902,114	-	15,902,114
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	16,184,710	111,734	16,296,444

## MAMG LIQUID ALTERNATIVE FUND

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

#### (d) Liquidity risk (cont'd)

	Less than 1 month USD	More than 1 month USD	Total USD
<b>31.10.2022</b>			
<b>Financial liabilities</b>			
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

#### Notes:

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 is required to pay.

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

### 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:

- To invest in investments meeting the description, risk exposure and expected return indicated in its information memorandum;
- To achieve consistent returns while safeguarding capital by using various investment strategies;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- 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 financial year/ period.