

**Asset Management**

Maybank Asset Management Sdn Bhd

199701006283

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

[www.maybank-am.com.my](http://www.maybank-am.com.my)

# MAMG LIQUID ALTERNATIVE FUND

**Quarterly report****For the financial period from 1 November 2023 to 30 April 2024**

## **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  
Telephone +603 2297 7888  
Facsimile +603 2715 0071  
[www.maybank-am.com.my](http://www.maybank-am.com.my)

### **TRUSTEE**

TMF Trustees Malaysia Berhad (200301008392) (610812-W)  
Level 13, Menara 1 Sentrum  
201, Jalan Tun Sambanthan  
Brickfields, 50470 Kuala Lumpur  
W.P. Kuala Lumpur  
Telephone +603 2382 4288  
Facsimile +603 2026 1451  
[www.tmf-group.com](http://www.tmf-group.com)  
[malaysia@tmf-group.com](mailto:malaysia@tmf-group.com)

## **MAMG LIQUID ALTERNATIVE FUND**

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## **MAMG LIQUID ALTERNATIVE FUND**

### **Manager's report**

**For the financial period from 1 November 2023 to 30 April 2024**

#### **A. Fund Information**

**1. Name of Fund**

MAMG Liquid Alternative Fund

**2. Type of Fund**

Growth

**3. Category of Fund**

Feeder Fund (Wholesale)

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date**

15 November 2021

**6. Fund's investment objectives**

The Fund aims to maximise investment returns by investing in the SEI Liquid Alternative Fund ("Target Fund").

**7. Fund's 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 Investment Global Limited, 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

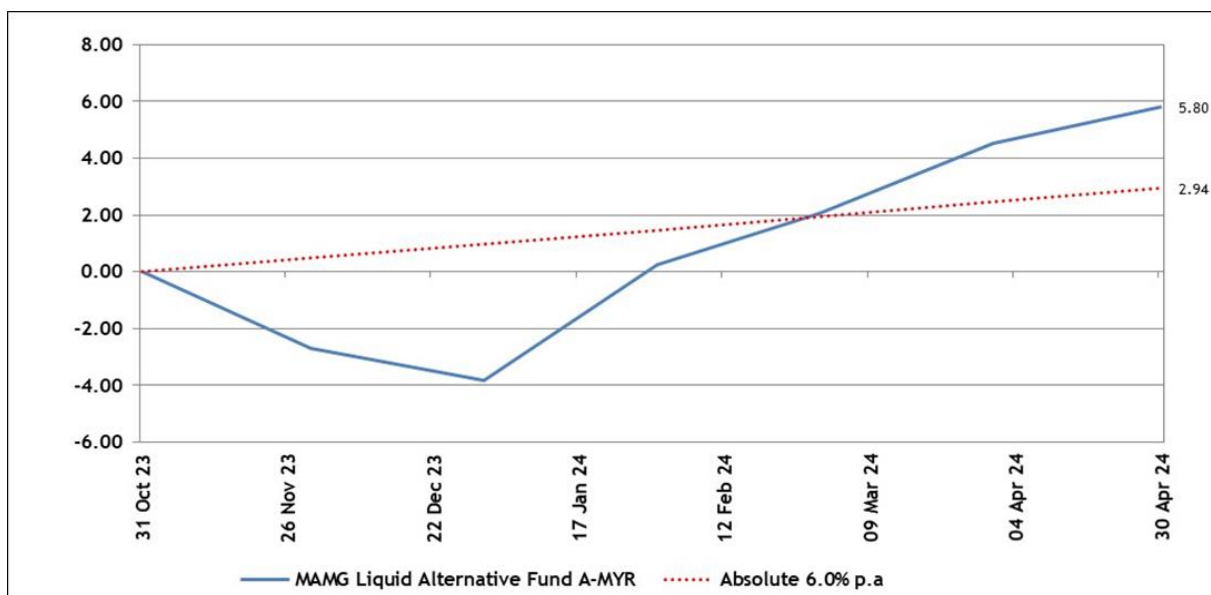
For the financial period from 1 November 2023 to 30 April 2024 (cont'd)

#### B. Performance Review

Performance of the Fund for the financial period from 1 November 2023 to 30 April 2024 are as follows:

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

Period	The Fund %	Benchmark %
1 November 2023 to 30 April 2024	5.80	2.94



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 April 2024

*Investors are reminded that past performance of the Fund is not necessarily indicative of its future performance and that unit prices and investment returns may fluctuate.*

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

Period	The Fund %	Benchmark %
1 November 2023 to 30 April 2024	4.06	2.94

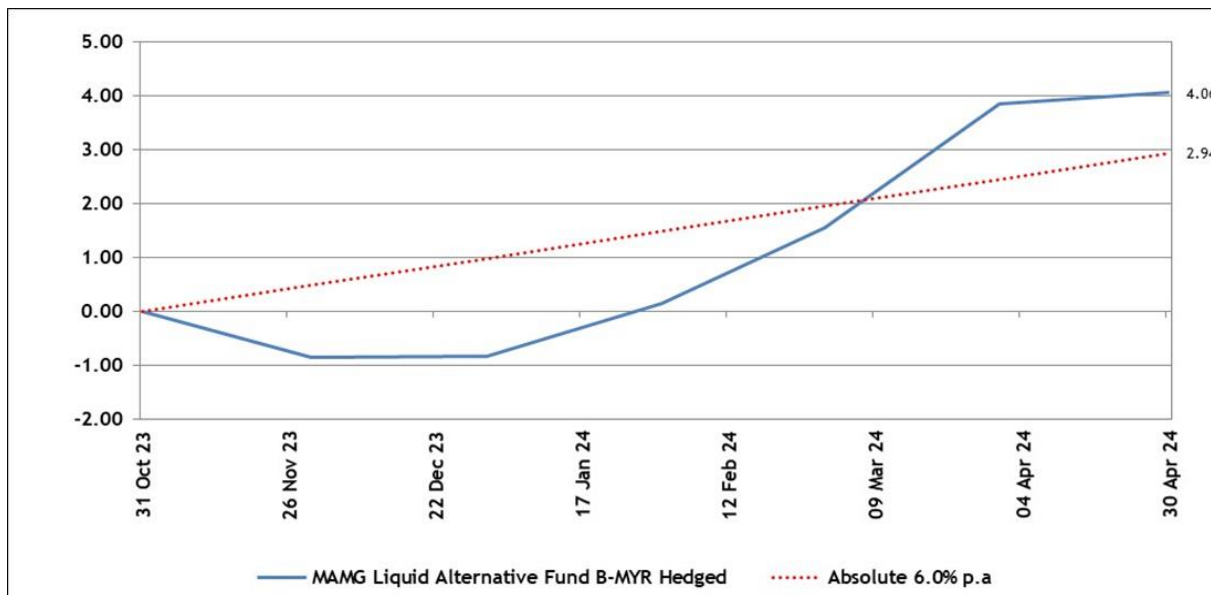
## MAMG LIQUID ALTERNATIVE FUND

### Manager's report

For the financial period from 1 November 2023 to 30 April 2024 (cont'd)

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

##### (b) Class B-MYR Hedged (cont'd)

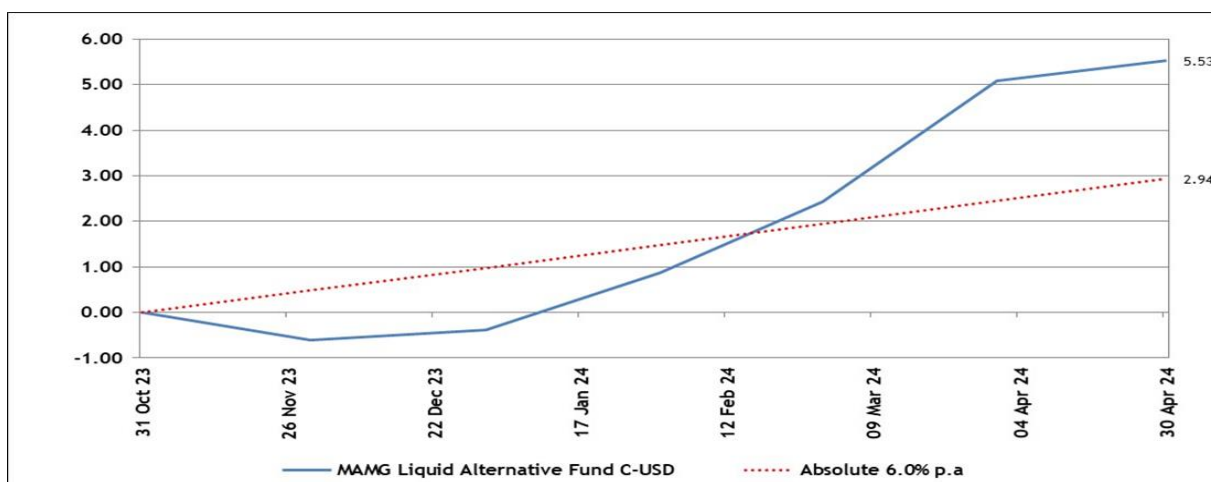


Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 April 2024

Investors are reminded that past performance of the Fund is not necessarily indicative of its future performance and that unit prices and investment returns may fluctuate.

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

Period	The Fund %	Benchmark %
1 November 2023 to 30 April 2024	5.53	2.94



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 April 2024

Investors are reminded that past performance of the Fund is not necessarily indicative of its future performance and that unit prices and investment returns may fluctuate.

## **MAMG LIQUID ALTERNATIVE FUND**

### **Manager's report**

**For the financial period from 1 November 2023 to 30 April 2024 (cont'd)**

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

During the financial period under review, the total return of Fund – Class A (MYR), Class B (MYR hedged) and Class C (USD) were 5.80%, 4.06% and 5.53% respectively, outperforming the benchmark of 2.94%.

During the period under review, the Fund outperformed the benchmark as both the multi-strategy replication portfolio and tactical alpha portfolio outperformed. In the multi-strategy replication portfolio, gains in equity and currencies were partially offset by reduced hedging in long-dated Treasuries. In the tactical alpha portfolio, increased risk on equities and a return of the 'King Dollar' trade drove gains.

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

In terms of market review, Jerome Powell's sudden rhetorical pivot in early November 2023 triggered a massive melt-up in risk assets. In 2 months, the Morgan Stanley Capital International ("MSCI") World delivered nearly two-thirds of its 23.80% calendar year 2023 return, while bonds down over 3.00% through October 2023 finished up 5.70%. The 'Everything Rally' appears to have been driven by both the widespread conclusion that the rate hike cycle was over, but also by a desperate catch-up for investors underweight in equities and duration. By year-end, the price moves implied far more aggressive easing in 2024 than either central banks or economists forecast.

The year 2024 has kicked off on a positive note, with the majority of stock and bond markets posting gains. Financial markets are aligning with the United States ("US") soft-landing narrative. The benchmark 10-year US rates have surged above 4.00%, nearing 4.30%, marking the highest since November 2023. Sticky inflation has been the primary driver behind these elevated rates. Despite inflation moderating significantly from its 2022 peak of over 9.00%, it has hovered at or above 3.00% for the past six months, exceeding the Federal Reserve ("Fed") target of 2.00%.

The soft-landing scenario has led to a broadening of the equity rally. On the bond market front, gains have been more subdued due to headwinds from elevated interest rates. Nonetheless, they have managed to post gains from the high carry of 4.00% to 6.00%. Overall, bond markets are up between 0.00% and 2.00%.

However, in April 2024, developed market equities fell as interest rate cuts in the US appeared to be a more distant prospect. Emerging market ("EM") equities outperformed developed markets. Bonds came under pressure, while commodities recorded positive returns.

## **MAMG LIQUID ALTERNATIVE FUND**

### **Manager's report**

**For the financial period from 1 November 2023 to 30 April 2024 (cont'd)**

#### **D. Market Outlook and Strategy**

In terms of market outlook, the economy and markets have sidestepped a long list of macroeconomic landmines. High rates are no longer about supply chains, wage pressures, or stagflation, but rather about robust economic growth. The Artificial Intelligence ("AI") train seems unstoppable stock market valuations, while high, may rationally reflect a step function in productivity and profits. Even the prospect of a second Trump presidential term a horror to half of this country could deliver an economic silver lining by making capitalism cool again.

In terms of strategy, gross equity exposure has reverted to 'normal' ranges around 40.00%, which is double the lows of the past few years but less than half the peak in the post-Coronavirus 2019 ("COVID-19") monetary-driven euphoria. The replication portfolio also flipped to a long position in the United States Dollar ("USD") and has maintained a hedge in a yield curve steepener arguably a hedge against a resurgence of inflation in the US.

#### **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 1 November 2023 to 30 April 2024, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.



## MAMG LIQUID ALTERNATIVE FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 30 APRIL 2024

	01.11.2023 to 30.04.2024 USD	01.11.2022 to 30.04.2023 USD
<b>INVESTMENT INCOME/ (LOSS)</b>		
Dividend income	356,053	-
Profit/ Interest income	6,548	9,294
Net gain/ (loss) on financial assets at fair value through profit and loss ("FVTPL")		
- Realised gain	139,310	70,611
- Unrealised gain/ (loss)	442,324	(646,741)
Net (loss)/ gain on foreign exchange and derivatives	(66,831)	181,397
	<u>877,404</u>	<u>(385,439)</u>
<b>EXPENSES</b>		
Manager's fee	137,177	159,515
Trustee's fee	4,573	5,317
Auditors' remuneration	980	893
Tax agent's fee	370	391
Administrative expenses	1,685	950
	<u>144,785</u>	<u>167,066</u>
<b>Net results before taxation</b>	732,619	(552,505)
Taxation	-	-
<b>Net results after taxation, representing total comprehensive income/ (loss) for the financial period</b>	<u>732,619</u>	<u>(552,505)</u>
<b>Net results after taxation is made up of the following:</b>		
- Realised income	290,295	94,236
- Unrealised income/ (loss)	442,324	(646,741)
	<u>732,619</u>	<u>(552,505)</u>

**MAMG LIQUID ALTERNATIVE FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2024**

	<b>30.04.2024</b>	<b>31.10.2023</b>
	<b>USD</b>	<b>USD</b>
<b>ASSETS</b>		
Financial assets at FVTPL	13,796,729	15,509,042
Deposit with a licensed financial institution	622,606	413,124
Amount due from Manager	222,788	-
Profit/ Interest receivables	54	33
Cash at bank	328,172	374,245
<b>TOTAL ASSETS</b>	<b>14,970,349</b>	<b>16,296,444</b>
<b>LIABILITIES</b>		
Derivative liabilities	37,223	158,916
Amount due to Manager	123,277	47,789
Amount due to Trustee	710	837
Distribution payable	-	182,930
Other payables and accruals	5,177	3,858
<b>TOTAL LIABILITIES</b>	<b>166,387</b>	<b>390,472</b>
<b>NET ASSETS VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS</b>	<b>14,803,962</b>	<b>15,905,972</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>		
Unitholders' capital	14,598,855	16,429,626
Retained earnings/ (Accumulated losses)	205,107	(527,512)
	<b>14,803,962</b>	<b>15,902,114</b>
<b>NET ASSET VALUE</b>		
- Class A-MYR	9,925,866	7,614,438
- Class B-MYR (Hedged)	4,097,337	6,895,646
- Class C-USD	780,759	1,392,030
	<b>14,803,962</b>	<b>15,902,114</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>		
- Class A-MYR	77,631,541	62,864,107
- Class B-MYR (Hedged)	36,188,017	63,228,491
- Class C-USD	1,431,357	2,693,001
<b>NAV PER UNIT</b>		
- Class A-MYR	MYR 0.5240	MYR 0.5771
- Class B-MYR (Hedged)	MYR 0.4992	MYR 0.5196
- Class C-USD	USD 0.5011	USD 0.5169

**MAMG LIQUID ALTERNATIVE FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 30 APRIL 2024**

	<b>Unitholders' capital USD</b>	<b>Retained earnings/ Accumulated losses USD</b>	<b>Net assets attributable to unitholders USD</b>
At 1 November 2023	16,429,626	(527,512)	15,902,114
Total comprehensive income for the financial period	-	732,619	732,619
Creation of units	4,715,411	-	4,715,411
Cancellation of units	(6,546,182)	-	(6,546,182)
At 30 April 2024	<u>14,598,855</u>	<u>205,107</u>	<u>14,803,962</u>
At 1 November 2022	16,634,747	(92,098)	16,542,649
Total comprehensive loss for the financial period	-	(552,505)	(552,505)
Creation of units	8,502,896	-	8,502,896
Cancellation of units	(6,094,440)	-	(6,094,440)
At 30 April 2023	<u>19,043,203</u>	<u>(644,603)</u>	<u>18,398,600</u>

**MAMG LIQUID ALTERNATIVE FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2023 TO 30 APRIL 2024**

	<b>01.11.2023 to 30.04.2024 USD</b>	<b>01.11.2022 to 30.04.2023 USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(1,969,086)	(6,550,000)
Net proceeds from sale of financial assets at FVTPL	3,950,000	2,800,000
Profit/ Interest received	383,485	9,227
Net (receipt)/ settlement on forward foreign exchange contracts	(87,339)	668,180
Manager's fee paid	(140,987)	(157,131)
Trustee's fee paid	(4,700)	(5,238)
Payment of other fees and expenses	(1,692)	(3,262)
Net cash generated from/ (used in) operating and investing activities	<u>2,129,681</u>	<u>(3,238,224)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	4,490,253	9,016,146
Payment for redemption of units	(6,462,467)	(6,633,692)
Distribution to unitholders	(182,635)	-
Net (used in)/ cash generated from financing activities	<u>(2,154,849)</u>	<u>2,382,454</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>	<b>(25,168)</b>	<b>(855,770)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>787,369</b>	<b>2,255,057</b>
Effect on foreign exchange	188,577	(498,925)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>950,778</u></b>	<b><u>900,362</u></b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	328,172	256,274
Deposit with a licensed financial institution with maturity of less than 3 months	622,606	644,088
	<u>950,778</u>	<u>900,362</u>