



Asset Management

Maybank Asset Management Sdn Bhd
199701006283
Level 12 Tower C
Dataran Maybank
No.1 Jalan Maarof
59000 Kuala Lumpur
Telephone +603 2297 7888
Facsimile +603 2715 0071
www.maybank-am.com.my

MAMG DYNAMIC HIGH INCOME FUND

Annual report
For the financial year ended 31 March 2022

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

www.maybank-am.com.my

TRUSTEE

RHB Trustees Berhad (200201005356) (573019-U)

Level 11 Tower Three

RHB Centre

Jalan Tun Razak

50450 Kuala Lumpur, Malaysia

Telephone +603 9280 5933

Facsimile +603 9280 5934

MAMG DYNAMIC HIGH INCOME FUND

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MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022

A. Fund Information

1. Name of Fund

MAMG Dynamic High Income Fund (the "Fund")

2. Type of Fund

Income & growth

3. Category of Fund

Wholesale feeder fund

4. Duration of Fund

The Fund is an open-ended fund.

5. Fund date of launch

Share Class	Currency	Date of Launch	Commencement date
MYR	Malaysian Ringgit (MYR)	22 January 2019	12 February 2019
MYR (Hedged)	Malaysian Ringgit (MYR)	22 January 2019	12 February 2019
USD	United States Dollar (USD)	22 January 2019	12 February 2019
EUR (Hedged)	Euro (EUR)	22 January 2019	12 February 2019
AUD (Hedged)	Australian Dollar (AUD)	22 January 2019	12 February 2019
SGD (Hedged)	Singapore Dollar (USD)	22 January 2019	12 February 2019

6. Fund's investment objective

The Fund aims to maximise investment returns by investing in the BlackRock Global Funds-Dynamic High Income Fund ("Target Fund").

7. Fund distribution policy

Distribution, if any, will be incidental for the first financial period. Thereafter, distribution, if any will be made on a quarterly basis.

8. Fund's risk benchmark

70% MSCI World Index and 30% Bloomberg Barclays Global Aggregate Bond Index USD Hedged. This is not a guaranteed return and is only a risk benchmark of the Fund's volatility.

Note: The Fund adopts the risk benchmark of the Target Fund.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

A. Fund Information (cont'd)

9. Fund's investment policy and principal investment strategy

The Fund will invest between at least 90% of the Fund's net asset value ("NAV") in the Target Fund and the remaining 2%-10% of the Fund's NAV will be invested in liquid assets which include, but are not limited to, fixed deposits and money market instruments. The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the classes other than MYR Class and USD Class in order to manage foreign exchange currency risk.

As the Fund is a wholesale feeder fund, the investments of the Fund will consist of a single collective investment scheme, i.e. the Target Fund, and liquid assets.

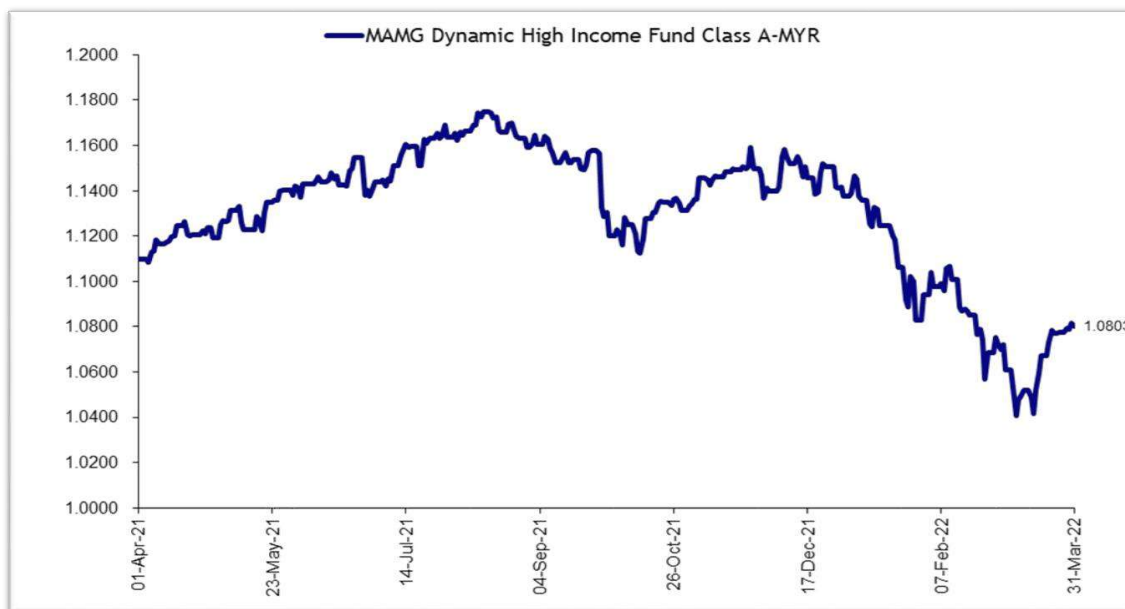
B. Performance Review

Performance of MAMG Dynamic High Income Fund - MYR Class for the financial year ended 31 March 2022 are as follows:

MYR Class

Period	The Fund %
1 April 2021 to 31 March 2022	2.54

Performance of the MYR Class for the financial year ended 31 March 2022:



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

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

The MYR Class has generated a net return of 2.54% for the financial year ended 31 March 2022.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

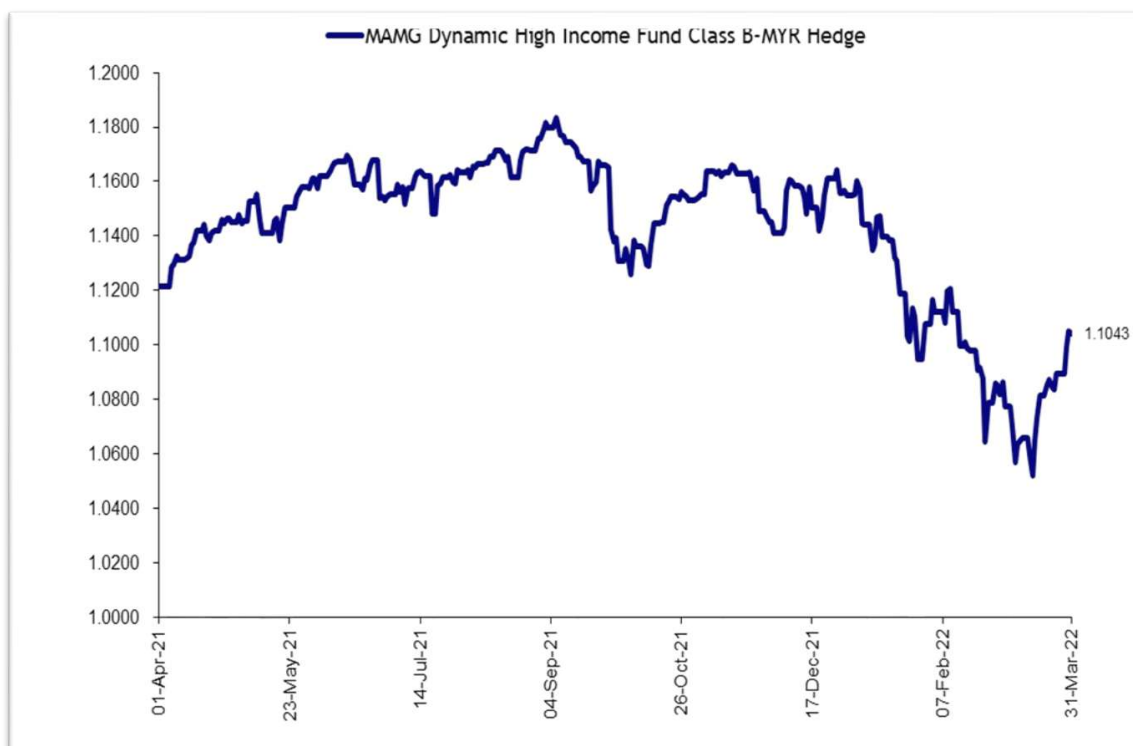
B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - MYR (Hedged) Class for the financial year ended 31 March 2022 are as follows:

MYR (Hedged) Class

Period	The Fund %
1 April 2020 to 31 March 2022	2.68

Performance of the MYR (Hedged) Class for the financial year ended 31 March 2022:



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

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

The MYR (Hedged) Class has generated a net return of 2.68% for the financial year ended 31 March 2022.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

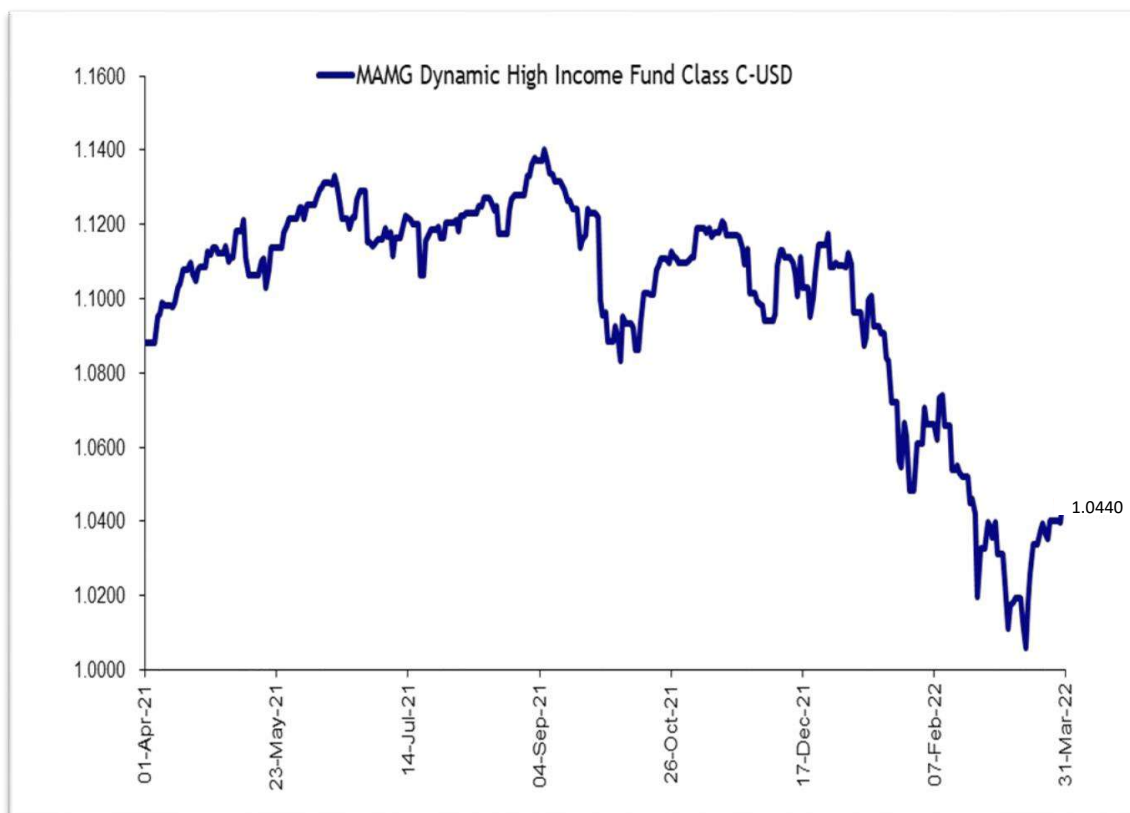
B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - USD Class for the financial year ended 31 March 2022 are as follows:

USD Class

Period	The Fund %
1 April 2021 to 31 March 2022	1.18

Performance of the USD Class for the financial year ended 31 March 2022:



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

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

The USD Class has generated a net return of 1.18% for the financial year ended 31 March 2022.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

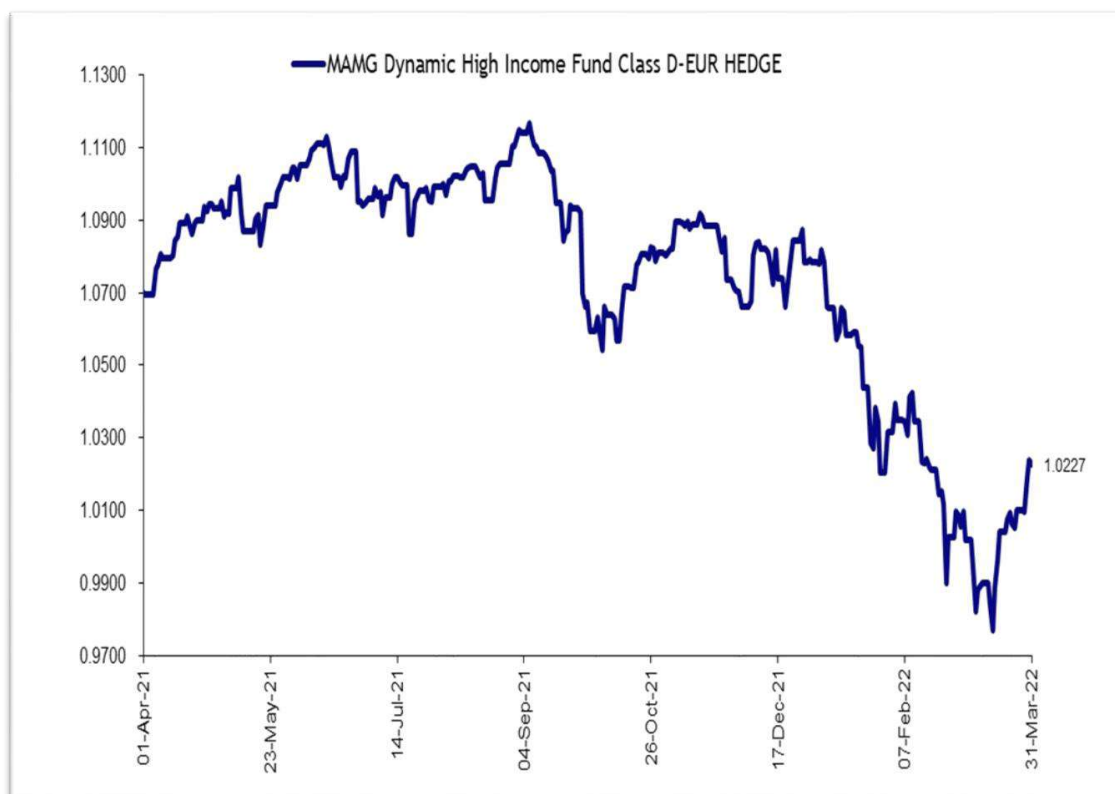
B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - EUR (Hedged) Class for the financial year ended 31 March 2022 are as follows:

EUR (Hedged) Class

Period	The Fund %
1 April 2021 to 31 March 2022	(0.07)

Performance of the EUR (Hedged) Class for the financial year ended 31 March 2022:



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

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

The EUR (Hedged) Class has generated a net return of -0.07% for the financial year ended 31 March 2022.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

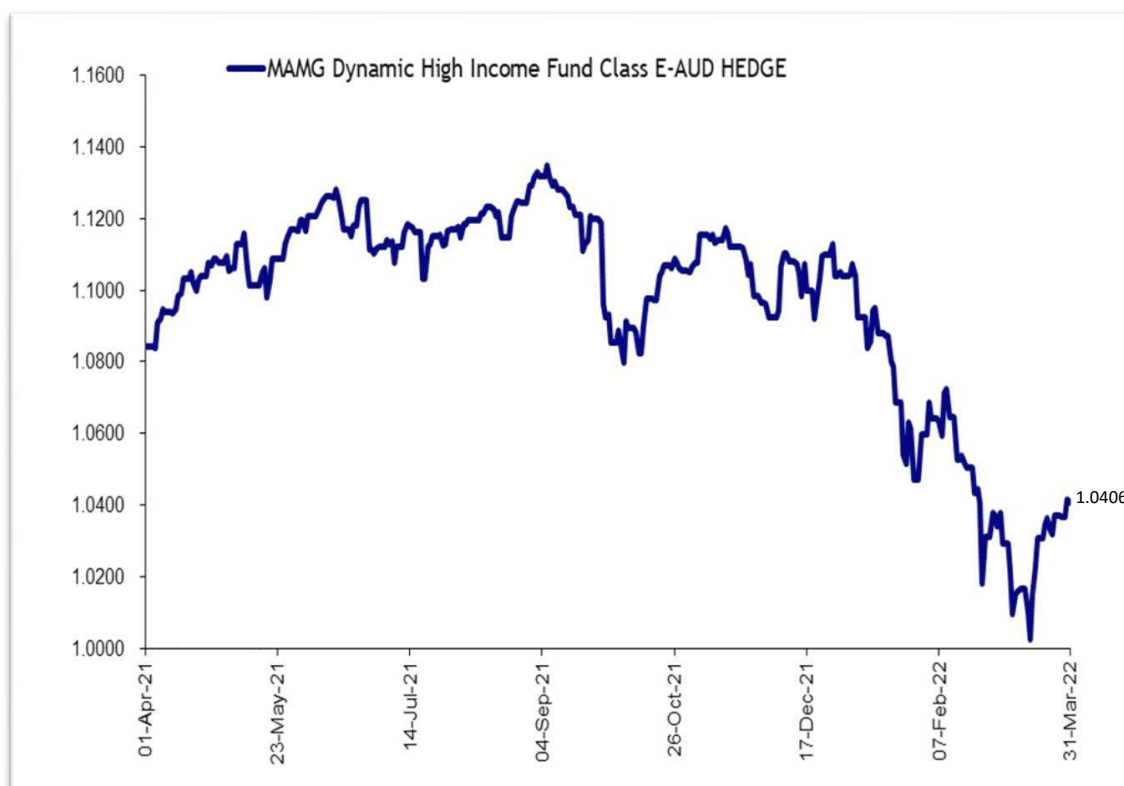
B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - AUD (Hedged) Class for the financial year ended 31 March 2022 are as follows:

AUD (Hedged) Class

Period	The Fund %
1 April 2021 to 31 March 2022	1.24

Performance of the AUD (Hedged) Class for the financial year ended 31 March 2022:



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

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

The AUD (Hedged) Class has generated a net return of 1.24% for the financial year ended 31 March 2022.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

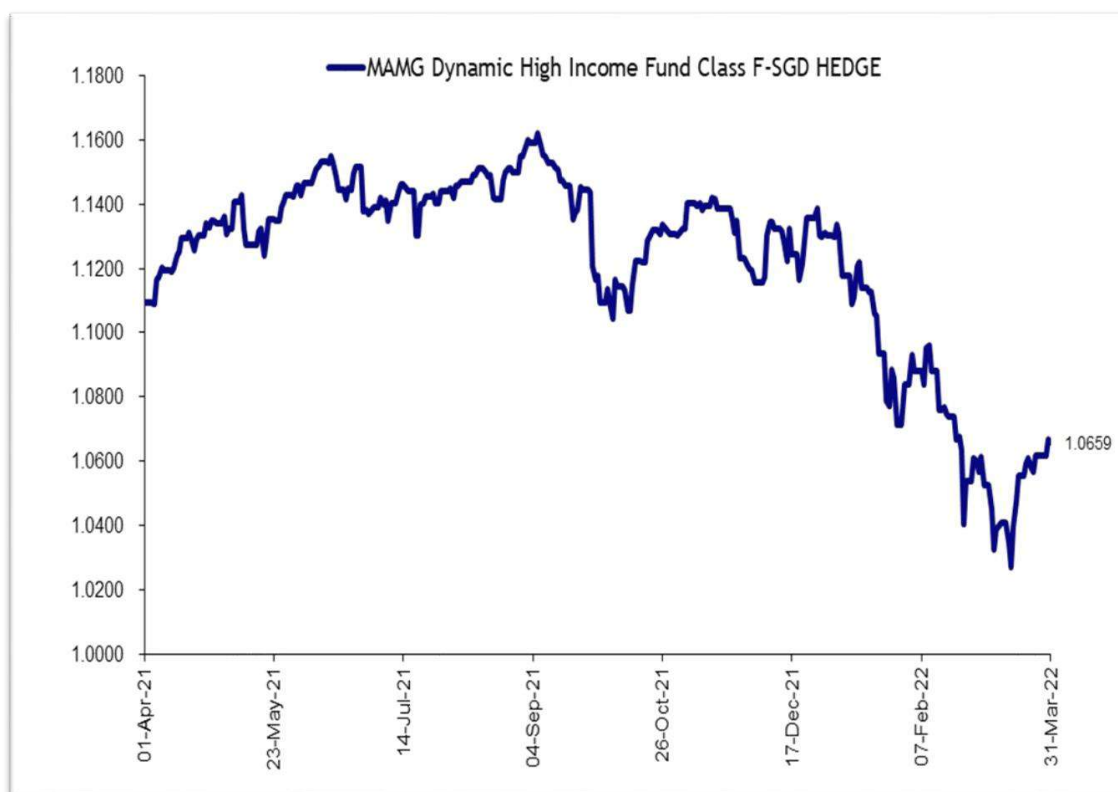
B. Performance Review (cont'd)

Performance of MAMG Dynamic High Income Fund - SGD (Hedged) Class for the financial year ended 31 March 2022 are as follows:

SGD (Hedged) Class

Period	The Fund %
1 April 2021 to 31 March 2022	1.25

Performance of the SGD (Hedged) Class for the financial year ended 31 March 2022:



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

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

The SGD (Hedged) Class has generated a net return of 1.25% for the financial year ended 31 March 2022.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

B. Performance Review (cont'd)

The Fund generated a total return of -0.07% to 2.68% for various share classes for the financial year under review. The positive contributors came mainly from United States ("US") equities (both covered calls and broad equities), global equities, global Real Estate Investment Trust ("REITs"), global infrastructure and preferred stocks. Main detractors for the year were allocation to Asian credits and emerging market equities, due largely to regulatory and property concerns in China.

C. Market Review

Global markets consolidated in April 2021 with Q1 2021's theme of "USA exceptionalism" having played out for now. The United States Treasury ("UST") curve steepening versus other developed markets drew in foreign investors, especially Japanese lifers. Besides foreign demand for USTs, a rethink on inflation trajectory also led to the retracement of USTs' yields. Although Coronavirus Disease 2019 ("COVID-19") raised its ugly head in April 2021, with India badly impacted, it did not spark a meaningful sell off in the global asset markets. Unites States Dollars ("USD") turned weaker in April 2021 in line with falling UST yields though the impact was felt more towards Developing Market ("DM") currencies, with US Dollar Index ("DXY") dropping 2.1% over the month as the outlook for Europe turned brighter with COVID-19 vaccination gaining momentum. In Asia, the impact of USD weakness was felt less with JPMorgan ("JPM") Asia dollar index appreciating only 0.81%. Singaporean Dollar("SGD"), Taiwanese Dollar ("TWD") and Chinese Yuan ("CNY") outperformed while Thai Baht ("THB") and Indian Rupee ("INR") underperformed.

The "Sell in May and go away" adage did not happen this time around as risk sentiment remained buoyed, helped by the broad softening of the USD and very stable rate environment. Equities recorded stable to positive returns while UST yields were range bound, with both the 10-year and 30-year UST trading around the 1.65% and 2.35% range. As the market remained undecided whether the current inflation trajectory was transitory, economic data was also not favourable. USD continued to weaken in May 2021. Among DM currencies, British Pound Sterling ("GBP") outperformed and gained 2.8% against the greenback while the Euro ("EUR") gained 1.7%. Among Emerging Market ("EM") Asian currencies CNY and INR outperformed. While USD to CNY exchange rate went below 6.40 on strong Chinese economic data, the INR benefitted from falling infection rates. Gold gained 7.3% in the month on USD weakness while Brent crude rallied by about 3%.

The main event surrounding June 2021 was the Federal Open Market Committee ("FOMC") meeting, which delivered a hawkish surprise to the markets. In a span of 3 months, the median dot plots for rate hikes moved up from 0 hikes to 2 hikes by 2023. In addition, the FOMC also signalled their intention to talk about tapering of asset purchases. Interestingly, the market accepted the Federal Reserves ("Fed")'s rhetoric of transitory inflation, with the spread between 2 year and 10 year UST yields tightened from 145 basis points ("bps") to 133 bps, with similar flattening shown at the long end of the UST curve. Equity markets were generally stable while USD was broadly stronger against both DM and EM currencies, with DXY index strengthening by 2.9% to 92.436. Commodities were mixed - gold weakened by 7% but crude continued to advance on prospects of supply constraints and Organization of the Petroleum Exporting Countries ("OPEC") meeting. Brent crude traded +8.4% over June 2021 to USD 75/barrel ("bbl") despite broad USD strength.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

C. Market Review (cont'd)

July 2021 essentially saw a dichotomy between EM versus DM, with EM underperformed DM especially in the Asia region. New regulations coming out from China have caused investors to be concerned about stifling business environment and markets in the long run. Besides China, the high transmissible delta variant of the COVID-19 pandemic is still making its way felt globally. Rates traded with a slight downward bias as investors assessed the impact to global growth from this impact. Yields on the 10 and 30 year UST traded temporarily below 1.20% and 1.80%, last seen in February 2021. Feeding into the slower growth narrative was also the preliminary reading of US' Q2 2021 Gross Domestic Product ("GDP"), coming in at 6.5% annualized (vs consensus of 8.4%). Asian Equity markets underperformed, led by China. USD's strength faded off somewhat as DXY was -0.28% over July 2021 as safe haven currencies like Japanese Yen ("JPY"), Swiss Franc ("CHF") and gold gained while risk-on currencies continued to underperform. Brent crude was volatile, temporary trading below USD 70/bbl on OPEC agreeing to boost supply. Returns in the Asia credit space was negative in July 2021.

August 2021 was essentially a strong month for risk assets despite the summer lull. In Asia, investors took advantage of beaten down valuations in equities and deployed capital back, especially in the technology sector. Meanwhile, for developed markets equities "buy-on-dip" mode continued despite the delta variant. Besides abundant liquidity and battered valuations, the Jackson Hole symposium also surprised on the dovish side with Powell separating decision to taper down asset purchases from the normalisation of Fed funds rate. Despite the delta variant continued to make its presence known, the UST curve slightly reversed July 2021 pessimism and UST yield went up 10-15 bps. USD initially headed stronger in the first half of August 2021 but broadly gave back ground post Jackson Hole's message. On the commodities front, gold mirrored USD's movement while Brent crude underperformed from OPEC's decision to increase production by 400k barrel/day despite COVID-19. Returns in the Asia credit space rebounded in line with the broader risk markets amidst low primary supply. The JP Morgan Asia Credit Index ("JACI") had returned 1.08% (investment grade ("IG"): 0.80%, high-yield ("HY") 2.07%), bringing year to date ("YTD") returns to positive territory for the first time.

September 2021 saw risk assets retreated as hawkish Fed and rising energy prices stoke stagflation risks globally. In Asia, investors were rather edgy over the incident of Evergrande and some smaller china property developers became the casualties of tighter liquidity conditions and regulatory scrutiny. UST yields moved up across the curve with yields shifted up 7-19bps across the curve on Fed officials' hawkish tilt. Some FOMC members also raised the possibilities of earlier than expected rate hike by end of 2022 and setting timeline for Quantitative Easing ("QE") tapering by end of the year. DXY moved up 1.7% Month-on-Month ("MOM") on the back of hawkish rhetoric by FOMC members. On the commodities front, Bloomberg commodity prices rose 8.6% in September 2021, with oil price jumping 10.3%. Rising gas prices in Europe and coal prices in China also boosted the prices for oil. Local currency bond markets were weaker in general, following the higher global rates market.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

C. Market Review (cont'd)

Market sentiments was mixed in October 2021, as global markets outperformed Asian markets. The ongoing macro themes of softer growth and still high commodity prices gave rise to rates volatility globally as markets priced in faster expectations of interest rates normalisation. As such, developed market curves massively bear flattened heading into month end across Australia, United Kingdom ("UK") Gilts and USTs. While the UST 10-year traded around 1.45-1.60, UST 2-year yield went up from 25 bps to 50 bps. Meanwhile, developed equity markets broadly rebounded, supported by abundant liquidity and strong corporate earnings. However Asian equity markets underperformed due to slower China growth and stress in the Chinese property bonds. Commodities continued to have a good month in October 2021 while USD turned weaker generally against G10 and Asian currencies, with the antipodean currencies being strong outperformers while in the Asian FX space, THB outperformed with news on authorities opening up its tourism sector to fully vaccinated visitors. Credit space remained on tender hooks in Asia, with mood souring in the first half of October 2021 before stabilising into month end, Still, JACI returned -1.35% in October 2021 with IG returned -0.31%.

Risk sentiment in global markets was firm in the first half of November 2021 with Developed Markets outperforming Asia but turned soft towards month end as the new "Omicron" variant emerged. Rates volatility remained high globally initially but caught a bid with emergence of "Omicron". While front end yields in UK and Australia retraced as markets reassessed the pace of rate hikes, the US curve continued to flatten. The UST 2-year yield traded as high as 67 bps with the 2/10 part of the UST curve narrowed by 17 bps to 88 bps. October's 2021 inflation remained elevated at 6.2% Year-on-Year ("YOY"), casting doubt on the "transitory" stance. Crude oil prices tumbled from USD 85/bbl on concerns on Europe's latest coronavirus infection wave and exacerbated by the "Omicron" variant. USD strengthened to the 96 handle (DXY +2% MOM), in line with anticipated rate hikes as a hedge for the increased volatility in the markets. Gold conversely underperformed on USD's strength (-0.48% MOM). The JACI turned positive in November 2021 at +0.24%, with IG and HY returning +0.51% and -0.82% respectively.

Notwithstanding the challenges posed by spread of new Covid variant, "Omicron" and decidedly more hawkish monetary policies from Fed, credits outperformed rates, registering positive total return for the final month of 2021. Strong investors' sentiment is a testament of strong global growth expectations in 2022 as well as the strength of the global economies will be able to weather tighter liquidity conditions and higher interest rates environment. The milder Omicron variant also gives hope that the future mutated covid variants could be less harmful to human bodies. Global equities, Standard & Poor's ("S&P") in particularly, closed near record highs despite surge in covid cases from "Omicron" variant. Brent and West Texas Intermediate ("WTI") closed the year at USD77.78 and USD75.21 per bbl on hopes of milder covid variant and falling US crude oil inventories. UST ended lower with 10 years UST closed at 1.50% on forthcoming policy tightening. Similarly, Middle East bonds posted strong gains in December 2021 with high yield outperforming investment grade. Strong crude oil prices also lent support to the credit profile of Middle East issuers.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

C. Market Review (cont'd)

In February 2022, geopolitical risk arising from Russia-Ukraine conflict has rattled financial markets, sending energy prices above USD100/bbl, while UST staged a powerful rally towards end of February 2022 due to safe haven bids. UST yields retreated with 2 year and 10 year declined to 1.43% and 1.82% respectively. Similarly, heightened geopolitical tension led to weaker equity market where the MSCI World Index declined by 2.65% MOM. US DXY strengthened by 1.08% YTD to 96.707 due to safe haven play. Consequently, Asian currencies, in particular those that are more susceptible to higher energy imports (i.e. INR, Philippine Peso ("PHP") and THB) saw varying degrees of weakening. JACI continued its rout into February 2022 as the index posted monthly returns of -2.20%, with both IG and HY markedly lower, returning -1.70% and -4.41%, respectively.

In the month of March 2022, geopolitical tension skewed inflation risk to the upside; evidently US Consumer Price Index ("CPI") rose 7.9% YOY. Following Fed's March 2022 FOMC meeting, front end rates rose significantly (2 year UST yield rose 160 bps YTD to 2.33%). Notably, UST 10 year vs 2 year spread approached negative levels towards end of March 2022. Similarly, heightened geopolitical tension coupled with concerns on inflation led to overall weaker equity market; MSCI World Index declined by 2.52% MOM. US DXY climbed 1.65% MOM to 98.312 driven by safe haven demand. Performance for Asia Pacific currencies YTD were mixed, where currencies that were more susceptible to higher energy imports (i.e. INR, PHP and THB) saw varying degrees of weakening vs currencies that were beneficiaries of higher commodity prices (such as Australian Dollar ("AUD") and Indonesian Rupiah ("IDR")). JACI posted monthly returns of -2.03%, with both IG and HY returning -1.91% and -2.60% respectively.

D. Market Outlook

We remain pro risk on a tactical horizon and prefer equities over credit. The inflationary environment favors stocks, in our view, and many developed markets companies have been able to pass on rising costs and keep margins high. We see more downside risk for government bonds – even as 10-year UST yields are hovering near three-year highs. DM government bonds are less effective portfolio diversifiers in periods when supply shocks dominate, as they do now. Within the asset class, we prefer short-maturity bonds over long-term ones. We prefer equities over credit. We also like the combination of low real rates, the restart's economic growth cushion and reasonable equity valuations. We reduce our overweight to European equities as we see the energy shock hitting that region hardest. Also, prices have rebounded from the year's lows. We expect the European Central Bank to only slowly normalize policy. Instead of shifting to an underweight, we increase our overweight to Japanese stocks on prospects of higher dividends and buybacks, and supportive policy. We like the US stock market as we see its quality factor resilient to a broad range of economic scenarios.

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

E. Investment Strategies

The Target Fund follows a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing significantly in income producing assets such as fixed income transferable securities, including corporate and government issues which may be fixed and floating and may be investment grade, sub-investment grade or unrated, covered call options and preference shares. The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments including equities, equity-related securities, fixed income transferable securities, units of undertakings for collective investment, cash, deposits and money market instruments. Currency exposure is flexibly managed.

F. 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 March 2022, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

G. Asset allocation

Asset allocation	2022		2021	
	USD	%	USD	%
Collective investment scheme	13,301,435	90.17	12,764,713	91.76
Cash, deposit with a licensed financial institution and other net assets	1,449,756	9.83	1,146,368	8.24
Total NAV	14,751,191	100.00	13,911,081	100.00

MAMG DYNAMIC HIGH INCOME FUND

Manager's report

For the financial year ended 31 March 2022 (cont'd)

H. Significant Financial Risk of the Fund

As the base currency of the Fund is denominated in USD and the currency denomination of the Classes may be denominated in other than USD, the Classes not denominated in USD are exposed to currency risk. Any fluctuation in the exchange rates between USD and the currency denomination of the Class (other than USD Class) will affect the unitholders' investments in those Classes (other than USD Class). The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the Class (other than USD Class) may result in a depreciation of the unitholder's holdings as expressed in the base currency of the Fund.

In order to manage currency risk, the Manager may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Class not denominated in USD. Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged (other than USD Class) but it does not entirely eliminate currency risk between the Class and the base currency of the Fund. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MAMG DYNAMIC HIGH INCOME FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

We have acted as Trustee of MAMG Dynamic High Income Fund (the "Fund") for the financial year ended 31 March 2022. In our opinion and to the best of our knowledge, Maybank Asset Management Sdn Bhd (the "Manager"), has operated and managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirements;
- (c) Creation and cancellation of units of the Fund have been carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) The distributions to the unitholders during the financial year ended 31 March 2022 are consistent with the objectives of the Fund.

For and on behalf of
RHB TRUSTEES BERHAD

MOHD SOFIAN BIN KAMARUDDIN
Vice President

Kuala Lumpur, Malaysia
20 May 2022

LEE YIT CHENG
Head, Group International Operations Support
& Trustee Operations

STATEMENT BY MANAGER

**TO THE UNITHOLDERS OF
MAMG DYNAMIC HIGH INCOME FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

We, Loh Lee Soon 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 Dynamic High Income Fund as at 31 March 2022 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 March 2022 and comply with the requirements of the Deed.

For and on behalf of the Manager

Loh Lee Soon
Director

Ahmed Muzni Bin Mohamed
Director

Kuala Lumpur, Malaysia
20 May 2022

Independent auditors' report to the Unitholders of MAMG Dynamic High Income Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAMG Dynamic High Income Fund ("the Fund"), which comprise the statement of financial position as at 31 March 2022 of the Fund, and the 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 20 to 65.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2022, and of its financial performance and cash flows for the financial year ended 31 March 2022 in accordance with Malaysian Financial Reporting Standards and International 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

Maybank Asset Management Sdn Bhd (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 which is expected to be made available to us after the date of this auditors' report.

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 Dynamic High Income 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 Dynamic High Income Fund (cont'd)**

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Unitholders of
MAMG Dynamic High Income 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

Kuala Lumpur, Malaysia
20 May 2022

Yeo Beng Yean
03013/10/2022 J
Chartered Accountant

MAMG DYNAMIC HIGH INCOME FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	2022 USD	2021 USD
INVESTMENT INCOME			
Dividend income		658,668	1,473,027
Interest income		7,104	12,035
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")			
- Realised gain/(loss)		179,750	(358,352)
- Unrealised (loss)/gain		(476,697)	5,865,638
Net (loss)/gain on foreign exchange and derivatives	3	(47,796)	1,937,335
		<u>321,029</u>	<u>8,929,683</u>
EXPENSES			
Manager's fee	4	136,226	272,157
Trustee's fee	5	2,451	4,764
Auditors' remuneration		2,155	2,157
Tax agent's fee		923	843
Administrative expenses		3,538	8,861
		<u>145,293</u>	<u>288,782</u>
Net income before distribution and taxation		175,736	8,640,901
Distribution to unitholders			
MYR Class	14(a)	(92,000)	(73,521)
MYR (Hedged) Class	14(b)	(159,635)	(20,716)
USD Class	14(c)	(83,965)	(112,777)
EUR (Hedged) Class	14(d)	(3,039)	(3,851)
AUD (Hedged) Class	14(e)	(151,015)	(287,597)
SGD (Hedged) Class	14(f)	(36,096)	(1,105)
		<u>(525,750)</u>	<u>(499,567)</u>
Net results before taxation		(350,014)	8,141,334
Taxation	6	-	-
Net results after taxation, total comprehensive (loss)/income for the financial year		<u>(350,014)</u>	<u>8,141,334</u>

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

MAMG DYNAMIC HIGH INCOME FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)**

		2022	2021
		USD	USD
	Note		
Net results after taxation is made up of the following:			
Realised (loss)/income		(203,711)	1,331,214
Unrealised (loss)/income		(146,303)	6,810,120
		<u>(350,014)</u>	<u>8,141,334</u>
Distributions for the financial year:			
<u>MYR Class</u>	14(a)		
Distribution dates (ex-date)		Refer to Note 14(a)	
Net distributions (in Fund currency)		<u>92,000</u>	<u>135,666</u>
Net distributions (in Class currency)		<u>386,575</u>	<u>562,810</u>
Gross/net distributions per unit (RM sen)		<u>5.35</u>	<u>4.44</u>
<u>MYR (Hedged) Class</u>	14(b)		
Distribution dates (ex-date)		Refer to Note 14(b)	
Net distributions (in Fund currency)		<u>159,635</u>	<u>254,186</u>
Net distributions (in Class currency)		<u>670,772</u>	<u>1,054,491</u>
Gross/net distributions per unit (RM sen)		<u>4.35</u>	<u>3.20</u>
<u>USD Class</u>	14(c)		
Distribution dates (ex-date)		Refer to Note 14(c)	
Net distributions (in Fund currency)		<u>83,965</u>	<u>131,770</u>
Gross/net distributions per unit (USD cent)		<u>5.35</u>	<u>5.40</u>
<u>EUR (Hedged) Class</u>	14(d)		
Distribution dates (ex-date)		Refer to Note 14(d)	
Net distributions (in Fund currency)		<u>3,039</u>	<u>3,843</u>
Net distributions (in Class currency)		<u>2,744</u>	<u>3,277</u>
Gross distributions/net per unit (EUR cent)		<u>4.35</u>	<u>3.20</u>
<u>AUD (Hedged) Class</u>	14(e)		
Distribution dates (ex-date)		Refer to Note 14(e)	
Net distributions (in Fund currency)		<u>151,015</u>	<u>295,394</u>
Net distributions (in Class currency)		<u>201,589</u>	<u>388,945</u>
Gross/net distributions per unit (AUD cent)		<u>5.35</u>	<u>6.20</u>
<u>SGD (Hedged) Class</u>	14(f)		
Distribution dates (ex-date)		Refer to Note 14(f)	
Net distributions (in Fund currency)		<u>36,096</u>	<u>54,053</u>
Net distributions (in Class currency)		<u>48,851</u>	<u>72,690</u>
Gross/net distributions per unit (SGD cent)		<u>5.35</u>	<u>3.72</u>

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

MAMG DYNAMIC HIGH INCOME FUND

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

	Note	2022 USD	2021 USD
ASSETS			
Financial assets at FVTPL	7	13,301,435	12,764,713
Deposit with a licensed financial institution	8	653,950	-
Derivative assets	9	172,949	38,559
Dividend receivable		68,372	63,312
Interest receivables		30	-
Amount due from Manager	10	17,576	-
Cash at bank	11	679,291	1,319,873
TOTAL ASSETS		<u>14,893,603</u>	<u>14,186,457</u>
LIABILITIES			
Derivative liabilities	9	17,993	211,743
Amount due to Manager	10	118,445	56,633
Amount due to Trustee	12	239	248
Other payables and accruals		5,735	6,752
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>142,412</u>	<u>275,376</u>
NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND		<u>14,751,191</u>	<u>13,911,081</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders' contribution	13(a)	13,696,873	12,506,750
Retained earnings	13(b) & 13(c)	1,054,318	1,404,332
		<u>14,751,191</u>	<u>13,911,082</u>
NET ASSET VALUE			
- MYR Class		2,880,724	2,261,138
- MYR (Hedged) Class		5,345,643	4,950,951
- USD Class		2,056,068	2,032,255
- EUR (Hedged) Class		193,125	81,775
- AUD (Hedged) Class		3,385,729	3,533,068
- SGD (Hedged) Class		889,902	1,051,894
		<u>14,751,191</u>	<u>13,911,081</u>

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

MAMG DYNAMIC HIGH INCOME FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 (CONT'D)**

		2022	2021
NUMBER OF UNITS IN CIRCULATION (UNITS)	13(a)		
- MYR Class		11,212,535	8,487,909
- MYR (Hedged) Class		20,359,042	18,381,398
- USD Class		1,969,474	1,876,235
- EUR (Hedged) Class		169,795	65,308
- AUD (Hedged) Class		4,334,269	4,297,743
- SGD (Hedged) Class		1,130,023	1,280,035
		<u>39,175,138</u>	<u>34,388,628</u>
NET ASSET VALUE PER UNIT			
- MYR Class		MYR 1.0803	MYR 1.1045
- MYR (Hedged) Class		MYR 1.1043	MYR 1.1167
- USD Class		USD 1.0440	USD 1.0832
- EUR (Hedged) Class		EUR 1.0227	EUR 1.0653
- AUD (Hedged) Class		AUD 1.0406	AUD 1.0793
- SGD (Hedged) Class		SGD 1.0659	SGD 1.1041

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

MAMG DYNAMIC HIGH INCOME FUND

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Unitholders' contribution Note 13(a) USD	Retained earnings Note 13(b) & 13(c) USD	Net assets attributable to unitholders USD
At 1 April 2021	12,506,750	1,404,332	13,911,082
Total comprehensive loss for the financial year	-	(350,014)	(350,014)
Creation of units	9,930,966	-	9,930,966
Reinvestment of units	496,514	-	496,514
Cancellation of units	(9,237,357)	-	(9,237,357)
At 31 March 2022	<u>13,696,873</u>	<u>1,054,318</u>	<u>14,751,191</u>
At 1 April 2020	31,076,350	(6,737,002)	24,339,348
Total comprehensive income for the financial year	-	8,141,334	8,141,334
Creation of units	4,894,411	-	4,894,411
Reinvestment of units	859,005	-	859,005
Cancellation of units	(23,947,670)	-	(23,947,670)
Distributions (Note 14)	(375,346)	-	(375,346)
At 31 March 2021	<u>12,506,750</u>	<u>1,404,332</u>	<u>13,911,082</u>

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

MAMG DYNAMIC HIGH INCOME FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	2022	2021
	USD	USD
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net proceeds from sale of investments	4,483,870	17,291,500
Net payment for purchase of investments	(5,317,540)	(1,950,000)
Interest income received	7,073	52,723
Dividend income received	653,608	1,569,910
Net realised (loss)/gain on derivatives	(364,128)	832,462
Manager's fee paid	(136,397)	(163,659)
Trustee's fee paid	(2,460)	(4,974)
Payment of other fees and expenses	(7,376)	(9,238)
Net cash (used in)/generated from operating and investing activities	<u>(683,350)</u>	<u>17,618,724</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	9,907,953	4,898,373
Cash paid on units cancelled	(9,171,737)	(23,916,967)
Distribution paid to unitholders	(27,575)	(20,664)
Net cash generated from/(used in) financing activities	<u>708,641</u>	<u>(19,039,258)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR	25,291	(1,420,534)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	1,319,873	2,707,650
Effect on foreign exchange	(11,923)	32,757
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>1,333,241</u>	<u>1,319,873</u>
Cash and cash equivalents comprise of:		
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 8)	653,950	-
Cash at bank (Note 11)	679,291	1,319,873
	<u>1,333,241</u>	<u>1,319,873</u>

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

MAMG DYNAMIC HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MAMG Dynamic High Income Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 8 March 2018, between the Manager, Maybank Asset Management Sdn. Bhd. ("MAM") and the Trustee, RHB Trustees Berhad and the registered holder of the Fund.

The Fund launched 6 share classes of units as at the date of this report, which are MYR Class, MYR (Hedged) Class, USD Class, EUR (Hedged) Class, AUD (Hedged) Class and SGD (Hedged) Class. MYR (Hedged) Class, EUR (Hedged) Class, AUD (Hedged) Class and SGD (Hedged) Class represent the classes denominated in MYR, EUR, AUD and SGD respectively which seeks to reduce the effect of currency fluctuations between the currency of the respective classes and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of the respective classes. See Note 9 and Note 13 (a) (ii), (iv), (v) and (vi) for further details.

The Fund seeks to achieve its investment objective by investing at least 90% of the Fund's NAV in I6 USD share class of the BlackRock Global Funds – Dynamic High Income Fund ("Target Fund"). The Target Fund is managed by BlackRock (Luxembourg) S.A. ("Target Fund Manager"), which has appointed BlackRock Investment Management (UK) Limited to manage the investment and reinvestment of the assets of the Target Fund.

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 a sub-fund of BlackRock Global Funds established and domiciled in Luxembourg and was launched on 6 February 2018. The Target Fund is regulated by Commission de Surveillance du Secteur Financier ("CSSF"), relating to undertakings for collective investment.

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 20 May 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Deed and any regulatory requirements.

The Fund has adopted the MFRS, Amendments to Standards and Interpretations Committee ("IC") Interpretations which have become effective during the financial year ended 31 March 2022. The adoption of the new pronouncements did not result in any material impact to the financial statements.

MAMG DYNAMIC HIGH INCOME FUND

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

2.1 Basis of preparation (cont'd)

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

The financial statements are presented in USD.

2.2 Standards and amendments to standards issued but not yet effective

The following are Standards, Amendments to Standards and Interpretations issued by the MASB, but not yet effective, up to the date of issuance of the Fund's financial statements. The Fund intends to adopt the relevant standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 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 DYNAMIC HIGH INCOME FUND

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

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the assets.

(i) Financial assets at amortised cost

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

These assets are subsequently measure using the effective interest rate ("EIR") method and are subject to impairment. The EIR is a method of calculating the amortised cost of financial asset and of allocating and recognising the 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 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; or
- on initial recognition it is part of the portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instruments or a financial guarantee.

MAMG DYNAMIC HIGH INCOME FUND

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

2.4 Financial assets (cont'd)

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

Debt instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

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);

MAMG DYNAMIC HIGH INCOME FUND

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

2.4 Financial assets (cont'd)

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

- 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.

(iv) Derecognition

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained profit in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset classified as FVTPL, the cumulative unrealised gain or loss previously recognised is transferred to realised gain or loss on disposal in profit or loss.

On derecognition of financial asset at amortised cost, gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

MAMG DYNAMIC HIGH INCOME FUND

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

2.5 Financial liabilities

(i) Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to Manager, amount due to Trustee, and other payables and accruals as financial liabilities.

(ii) Recognition and measurement

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.6 Derivatives and hedge accounting

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

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

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

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

MAMG DYNAMIC HIGH INCOME FUND

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

2.7 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

MAMG DYNAMIC HIGH INCOME 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.

MAMG DYNAMIC HIGH INCOME FUND

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

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.

2.12 Revenue / Income

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

Interest income from deposit with a licensed financial institution is recognised on the accruals basis using the effective interest rate method.

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

Realised gain or loss on disposal of investment in collective investment scheme is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments.

Other revenue / income is generally recognised when the Fund satisfies a performance obligation by transferring a promised good or service or an asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

MAMG DYNAMIC HIGH INCOME FUND

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

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.

No deferred tax is recognised as no temporary differences have been identified.

2.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

2.15 Critical accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgement have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. NET (LOSS)/GAIN OF FOREIGN EXCHANGE AND DERIVATIVES

	2022	2021
	USD	USD
Net realised loss on foreign exchange	(17,249)	(10,444)
Net unrealised gain on foreign exchange	2,249	67,477
Net realised (loss)/gain on derivatives	(360,941)	1,003,297
Net unrealised gain on derivatives	328,145	877,005
	<u>(47,796)</u>	<u>1,937,335</u>

MAMG DYNAMIC HIGH INCOME FUND

4. MANAGER'S FEE

The Manager's fee 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	
	2022	2021
MYR	1.05%	1.05%
MYR (Hedged)	1.05%	1.05%
USD	1.05%	1.05%
EUR (Hedged)	1.05%	1.05%
AUD (Hedged)	1.05%	1.05%
USD (Hedged)	1.05%	1.05%

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 is computed based on 0.02% p.a. (2021: 0.02% p.a.) of the NAV of each class, subject to a minimum of RM6,000 p.a. before deducting Manager's fee and Trustee's fee for the day. The Trustee fee is calculated and accrued daily.

6. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable income for the financial year. The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from tax. With effect from 1 January 2022, the current income tax exemption on foreign-sourced income ("FSI") received in Malaysia by Malaysian residents has been removed.

MAMG DYNAMIC HIGH INCOME FUND

6. TAXATION (CONT'D)

	2022	2021
	USD	USD
Net (loss)/income before taxation	(350,014)	8,141,334
Tax at Malaysian statutory rate of 24% (2021: 24%)	(84,003)	1,953,920
Income not subject to tax	(202,925)	(2,229,128)
Loss not deductible for tax purposes	125,878	86,004
Expenses not deductible for tax purposes	161,050	189,204
Tax expense for the financial year	-	-

7. FINANCIAL ASSETS AT FVTPL

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

	Quantity	Cost	Fair value	% of
	Unit	USD	USD	NAV
2022				
BlackRock Global Funds – Dynamic High Income Fund (Share Class- I6 USD)	1,381,250	13,621,680	13,301,435	90.17
Unrealised loss on FVTPL investment			(320,245)	
2021				
BlackRock Global Funds – Dynamic High Income Fund (Share Class- I6 USD)	1,279,029	12,608,261	12,764,713	91.76
Unrealised gain on FVTPL investment			156,452	

MAMG DYNAMIC HIGH INCOME FUND

8. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2022 USD	2021 USD
Short term placement with a maturity of less than 3 months	653,950	-

The 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:

	2022		2021	
	WAEIR % p.a.	Average maturity Days	WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	1.78	1	-	-

9. DERIVATIVE ASSETS/LIABILITIES

	Notional principal amount USD	←-----Fair Value-----→ Asset USD Liabilities USD	
<u>Foreign exchange related contracts</u>			
2022			
Currency forwards:			
- Less than 1 year	10,163,986	172,949	(17,993)
2021			
Currency forwards:			
- Less than 1 year	13,992,532	38,559	(211,743)

As at the reporting date, there were 17 (2021: 19) forward exchange contracts outstanding.

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

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

MAMG DYNAMIC HIGH INCOME FUND

10. AMOUNT DUE FROM/(TO) MANAGER

		2022	2021
		USD	USD
Amount due from Manager:			
- Creation of units	(ii)	9,512	-
- Management fee rebate (target fund)		8,064	-
		<u>17,576</u>	<u>-</u>
Amount due to Manager:			
- Manager's fee	(i)	21,550	13,656
- Cancellation of units	(ii)	96,895	42,977
		<u>118,445</u>	<u>56,633</u>

- (i) 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. The normal credit term for Manager's fee is 15 days.
- (ii) The amount represents amount receivable from/ payable to the Manager for units created/ cancelled.

11. CASH AT BANK

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

	2022	2021
	USD	USD
Australian Dollar ("AUD")	129,924	48,610
Euro ("EUR")	12,862	59,427
Malaysian Ringgit ("MYR")	366	99,836
Singapore Dollar ("SGD")	36,239	24,558
USD	499,900	1,087,442
	<u>679,291</u>	<u>1,319,873</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. The normal credit term for Trustee's fee is 15 days. (2021: 15 days)

MAMG DYNAMIC HIGH INCOME FUND

13. NAV ATTRIBUTABLE TO UNITHOLDERS OF THE FUND

	Note	2022 USD	2021 USD
Unitholders' contribution	(a)	13,696,873	12,506,750
Accumulated realised income	(b)	1,260,960	1,464,671
Accumulated unrealised losses	(c)	(206,642)	(60,339)
		<u>14,751,191</u>	<u>13,911,082</u>

(a) Unitholders' contribution

The units are distributed based on the following share classes:

	2022		2021	
	Units	USD	Units	USD
(i) MYR Class	11,212,535	2,734,741	8,487,909	2,060,056
(ii) MYR (Hedged) Class	20,359,042	5,318,743	18,381,398	4,812,785
(iii) USD Class	1,969,474	1,946,346	1,876,235	1,872,265
(iv) EUR (Hedged) Class	169,795	189,388	65,308	65,644
(v) AUD (Hedged) Class	4,334,269	2,718,283	4,297,743	2,766,927
(vi) SGD (Hedged) Class	1,130,023	789,372	1,280,035	929,073
	<u>39,175,138</u>	<u>13,696,873</u>	<u>34,388,628</u>	<u>12,506,750</u>

(i) MYR Class

	2022		2021	
	No. of units	USD	No. of units	USD
At the beginning of the financial year	8,487,909	2,060,056	14,030,374	3,640,422
Creation of units	7,864,872	2,072,815	3,801,655	939,629
Reinvestment of units	308,963	82,753	519,935	129,912
Cancellation of units	(5,449,209)	(1,480,883)	(9,864,055)	(2,587,761)
Distribution equalisation (Note 14)	-	-	-	(62,145)
As at end of the financial year	<u>11,212,535</u>	<u>2,734,741</u>	<u>8,487,909</u>	<u>2,060,056</u>

MAMG DYNAMIC HIGH INCOME FUND

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

(a) Unitholders' contribution (cont'd)

(ii) MYR (Hedged) Class

	2022		2021	
	No. of units	USD	No. of units	USD
At the beginning of the financial year	18,381,398	4,812,785	64,522,969	16,802,155
Creation of units	13,862,816	3,765,146	8,993,275	2,280,803
Reinvestment of units	566,021	156,069	1,013,968	251,339
Cancellation of units	(12,451,193)	(3,415,257)	(56,148,814)	(14,288,042)
Distribution equalisation (Note 14)	-	-	-	(233,470)
As at end of the financial year	20,359,042	5,318,743	18,381,398	4,812,785

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.

(iii) USD Class

	2022		2021	
	No. of units	USD	No. of units	USD
At the beginning of the financial year	1,876,235	1,872,265	2,636,802	2,714,902
Creation of units	563,938	603,117	342,326	341,762
Reinvestment of units	72,286	78,990	128,013	128,421
Cancellation of units	(542,985)	(608,026)	(1,230,906)	(1,293,827)
Distribution equalisation (Note 14)	-	-	-	(18,993)
As at end of the financial year	1,969,474	1,946,346	1,876,235	1,872,265

MAMG DYNAMIC HIGH INCOME FUND

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

(a) Unitholders' contribution (cont'd)

(iv) EUR (Hedged) Class

	2022		2021	
	No. of units	USD	No. of units	USD
At the beginning of the financial year	65,308	65,644	178,729	202,059
Creation of units	147,572	180,212	44,300	56,310
Reinvestment of units	2,413	3,039	3,240	3,856
Cancellation of units	(45,498)	(59,507)	(160,961)	(196,589)
Distribution equalisation (Note 14)	-	-	-	8
As at end of the financial year	169,795	189,388	65,308	65,644

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and EUR may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in EUR. EUR (Hedged) Class represents a Class denominated in EUR 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.

(v) AUD (Hedged) Class

	2022		2021	
	No. of units	USD	No. of units	USD
At the beginning of the financial year	4,297,743	2,766,927	7,541,808	5,463,361
Creation of units	3,403,672	2,721,105	1,671,078	1,190,668
Reinvestment of units	178,422	141,632	394,406	292,047
Cancellation of units	(3,545,568)	(2,911,381)	(5,309,549)	(4,171,352)
Distribution equalisation (Note 14)	-	-	-	(7,797)
As at end of the financial year	4,334,269	2,718,283	4,297,743	2,766,927

MAMG DYNAMIC HIGH INCOME FUND

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

(a) Unitholders' contribution (cont'd)

(v) AUD (Hedged) Class (cont'd)

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and AUD may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in AUD. AUD (Hedged) Class represents a Class denominated in AUD 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.

(vi) SGD (Hedged) Class

	2022		2021	
	No. of units	USD	No. of units	USD
At the beginning of the financial year	1,280,035	929,073	2,846,197	2,253,451
Creation of units	711,024	588,571	112,017	85,238
Reinvestment of units	41,309	34,030	70,949	53,431
Cancellation of units	(902,345)	(762,302)	(1,749,128)	(1,410,099)
Distribution equalisation (Note 14)	-	-	-	(52,948)
As at end of the financial year	1,130,023	789,372	1,280,035	929,073

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and SGD may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in SGD. SGD (Hedged) Class represents a Class denominated in SGD 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 DYNAMIC HIGH INCOME FUND

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

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

	2022		2021	
	No of units	Valued at NAV	No of units	Valued at NAV
The Manager - MYR Class	1,103	MYR 1,191	1,052	MYR 1,162
The Manager - MYR (Hedged) Class	1,070	MYR 1,181	1,030	MYR 1,151
The Manager - USD Class	1,111	USD 1,160	1,058	USD 1,147
The Manager - EUR (Hedged) Class	1,079	EUR 1,103	1,036	EUR 1,104
The Manager - AUD (Hedged) Class	1,115	AUD 1,160	1,062	AUD 1,146
The Manager - SGD (Hedged) Class	1,086	SGD 1,158	1,036	SGD 1,144

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 income

	2022 USD	2021 USD
At the beginning of the financial year	1,464,671	133,457
Net realised income for the financial year	(203,711)	1,331,214
As at the end of the financial year	1,260,960	1,464,671

(c) Accumulated unrealised losses

	2022 USD	2021 USD
At the beginning of the financial year	(60,339)	(6,870,459)
Net unrealised (loss)/income for the financial year	(146,303)	6,810,120
As at the end of the financial year	(206,642)	(60,339)

MAMG DYNAMIC HIGH INCOME FUND

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

(d) Classes of shares

(i) Types of classes of units

The Fund issues cancellable units, in six 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
EUR (Hedged)	EUR	Institutional	Distribution of income
AUD (Hedged)	AUD	Institutional	Distribution of income
SGD (Hedged)	SGD	Institutional	Distribution of income

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

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

(ii) NAV computation

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

(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 DYNAMIC HIGH INCOME FUND

14. DISTRIBUTIONS

The sources of distribution declared for the various classes of units are as follow:

(a) MYR Class

	2022	2021
	USD	USD
Dividend income	157,860	82,892
Interest income	1,703	1,384
Net realised (loss)/gains on sale of investments	(47,560)	22,039
Less: Expenses	(20,003)	(32,795)
Distributions out of realised income	<u>92,000</u>	<u>73,520</u>
Effects of distribution equalisation (Note 13(a))	-	62,146
Distributions for the financial year	<u>92,000</u>	<u>135,666</u>
Analysed by:		
Cash distribution	9,247	5,754
Reinvestment of units	<u>82,753</u>	<u>129,912</u>
Distributions for the financial year	<u>92,000</u>	<u>135,666</u>

The gross/net distribution per unit and the distribution dates are as follows:

2022		2021	
Distribution dates	Gross/net distribution per unit (RM sen)	Distribution dates	Gross/net distribution per unit (RM sen)
		9 April 2020	0.50
26 June 2021	1.45	29 June 2020	0.24
28 September 2021	1.45	28 September 2020	1.50
28 December 2021	1.45	28 December 2020	0.75
29 March 2022	1.00	26 March 2021	1.45
	<u>5.35</u>		<u>4.44</u>

MAMG DYNAMIC HIGH INCOME FUND

14. DISTRIBUTIONS (CONT'D)

The sources of distribution declared for the various classes of units are as follow (cont'd):

(b) MYR (Hedged) Class

	2022	2021
	USD	USD
Dividend income	230,561	253,533
Interest income	2,487	4,234
Net realised (loss)/gains on sale of investments	(69,463)	67,407
Less: Expenses	(3,950)	(304,458)
Distributions out of realised income	159,635	20,716
Effects of distribution equalisation (Note 13(a))	-	233,470
Distributions for the financial year	<u>159,635</u>	<u>254,186</u>
Analysed by:		
Cash distribution	3,566	2,847
Reinvestment of units	156,069	251,339
Distributions for the financial year	<u>159,635</u>	<u>254,186</u>

The gross/net distribution per unit and the distribution dates are as follows:

2022		2021	
Distribution dates	Gross/net distribution per unit (RM sen)	Distribution dates	Gross/net distribution per unit (RM sen)
		9 April 2020	0.50
26 June 2021	1.45	28 September 2020	0.50
28 September 2021	1.45	28 December 2020	0.75
28 December 2021	1.45	26 March 2021	1.45
	<u>4.35</u>		<u>3.20</u>

MAMG DYNAMIC HIGH INCOME FUND

14. DISTRIBUTIONS (CONT'D)

The sources of distribution declared for the various classes of units are as follow (cont'd):

(c) USD Class

	2022	2021
	USD	USD
Dividend income	133,015	124,335
Interest income	1,435	2,076
Net realised (loss)/gains on sale of investments	(40,074)	33,057
Less: Expenses	(10,411)	(46,691)
Distributions out of realised income	<u>83,965</u>	<u>112,777</u>
Effects of distribution equalisation (Note 13(a))	-	18,993
Distributions for the financial year	<u>83,965</u>	<u>131,770</u>
Analysed by:		
Cash distribution	4,975	3,349
Reinvestment of units	<u>78,990</u>	<u>128,421</u>
Distributions for the financial year	<u>83,965</u>	<u>131,770</u>

The gross/net distribution per unit and the distribution dates are as follows:

2022		2021	
Distribution dates	Gross/net distribution per unit (USD cent)	Distribution dates	Gross/net distribution per unit (USD cent)
		9 April 2020	0.50
26 June 2021	1.45	29 June 2020	2.50
28 September 2021	1.45	28 September 2020	0.20
28 December 2021	1.45	28 December 2020	0.75
29 March 2022	1.00	26 March 2021	1.45
	<u>5.35</u>		<u>5.40</u>

MAMG DYNAMIC HIGH INCOME FUND

14. DISTRIBUTIONS (CONT'D)

The sources of distribution declared for the various classes of units are as follow (cont'd):

(d) EUR (Hedged) Class

	2022	2021
	USD	USD
Dividend income	5,285	3,907
Interest income	57	65
Net realised (loss)/gains on sale of investments	(1,592)	1,039
Less: Expenses	(711)	(1,160)
Distributions out of realised income	<u>3,039</u>	<u>3,851</u>
Effects of distribution equalisation (Note 13(a))	-	(8)
Distributions for the financial year	<u><u>3,039</u></u>	<u><u>3,843</u></u>
Analysed by:		
Cash distribution	-	4
Reinvestment of units	<u>3,039</u>	<u>3,839</u>
Distributions for the financial year	<u><u>3,039</u></u>	<u><u>3,843</u></u>

The gross/net distribution per unit and the distribution dates are as follows:

2022		2021	
Distribution dates	Gross/net distribution per unit (EUR cent)	Distribution dates	Gross/net distribution per unit (EUR cent)
26 June 2021	1.45	28 September 2020	1.00
28 September 2021	1.45	28 December 2020	0.75
28 December 2021	1.45	26 March 2021	1.45
	<u>4.35</u>		<u>3.20</u>

MAMG DYNAMIC HIGH INCOME FUND

14. DISTRIBUTIONS (CONT'D)

The sources of distribution declared for the various classes of units are as follow (cont'd):

(e) AUD (Hedged) Class

	2022	2021
	USD	USD
Dividend income	235,768	261,724
Interest income	2,543	4,371
Net realised (loss)/gains on sale of investments	(71,031)	69,585
Less: Expenses	(16,265)	(48,083)
Distributions out of realised income	<u>151,015</u>	<u>287,597</u>
Effects of distribution equalisation (Note 13(a))	-	7,797
Distributions for the financial year	<u>151,015</u>	<u>295,394</u>
Analysed by:		
Cash distribution	9,383	3,347
Reinvestment of units	<u>141,632</u>	<u>292,047</u>
Distributions for the financial year	<u>151,015</u>	<u>295,394</u>

The gross/net distribution per unit and the distribution dates are as follows:

2022		2021	
Distribution dates	Gross/net distribution per unit (AUD cent)	Distribution dates	Gross/net distribution per unit (AUD cent)
26 June 2021	1.45		
28 September 2021	1.45	28 September 2020	4.00
28 December 2021	1.45	28 December 2020	0.75
29 March 2022	1.00	26 March 2021	1.45
	<u>5.35</u>		<u>6.20</u>

MAMG DYNAMIC HIGH INCOME FUND

14. DISTRIBUTIONS (CONT'D)

The sources of distribution declared for the various classes of units are as follow (cont'd):

(f) SGD (Hedged) Class

	2022	2021
	USD	USD
Dividend income	58,370	39,431
Interest income	630	659
Net realised (loss)/gains on sale of investments	(17,585)	10,484
Less: Expenses	(5,319)	(49,469)
Distributions out of realised income	<u>36,096</u>	<u>1,105</u>
Effects of distribution equalisation (Note 13(a))	-	52,948
Distributions for the financial year	<u>36,096</u>	<u>54,053</u>
Analysed by:		
Cash distribution	2,066	622
Reinvestment of units	<u>34,030</u>	<u>53,431</u>
Distributions for the financial year	<u>36,096</u>	<u>54,053</u>

The gross/net distribution per unit and the distribution dates are as follows:

2022		2021	
Distribution dates	Gross/net distribution per unit (SGD cent)	Distribution dates	Gross/net distribution per unit (SGD cent)
		9 April 2020	0.50
26 June 2021	1.45	29 June 2020	0.52
28 September 2021	1.45	28 September 2020	0.50
28 December 2021	1.45	28 December 2020	0.75
29 March 2022	1.00	26 March 2021	1.45
	<u>5.35</u>		<u>3.72</u>

The distributions declared for MYR Class, MYR (Hedged) Class, USD Class, EUR (Hedged) Class, AUD (Hedged) Class and SGD (Hedged) Class were settled in the form of units and presented as 'reinvestment of units' in Note 13(a) on payment date.

MAMG DYNAMIC HIGH INCOME FUND

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 current and previous financial year.

Details of transactions, primarily deposits with licensed financial institutions including rollover during the current and previous financial year are as follows:

	2022		2021	
	Transaction value USD	Percentage of total placements %	Transaction value USD	Percentage of total placements %
Malayan Banking Bhd ("MBB") *	84,384,207	80.85	150,054,651	100.00
Maybank Islamic Bhd ("MIB") **	19,989,204	19.15	-	-
	<u>104,373,411</u>	<u>100.00</u>	<u>150,054,651</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.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of the financial statements, parties are considered to be related to the Fund or the Manager if the Fund or the Manager has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Fund or the Manager and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. In addition to the related party information disclosed elsewhere in the financial statements, the following is the significant related party transaction and balances of the Fund during the financial year.

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

	2022 USD	2021 USD
(i) <u>Significant related party transactions</u>		
<u>MBB:</u>		
Interest income from deposits	5,764	11,486
	<u>5,764</u>	<u>11,486</u>
<u>MIB:</u>		
Profit income from deposits	1,308	-
	<u>1,308</u>	<u>-</u>

MAMG DYNAMIC HIGH INCOME FUND

16. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

(ii) <u>Significant related party balances</u>	2022 USD	2021 USD
<u>MBB:</u>		
Cash at bank	679,291	1,319,873
Deposit with a licensed financial institution	653,950	-
Derivative assets	78,198	6,767
Derivative liabilities	11,008	148,980

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.

17. 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 March 2022, the TER of the Fund was 1.19% (2021: 1.21%).

18. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 March 2022, the PTR of the Fund stood at 0.40 times. (2021: 0.40 times)

19. 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.

MAMG DYNAMIC HIGH INCOME FUND

20. 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.

2022	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
Financial assets				
Financial assets at FVTPL	13,301,435	-	-	13,301,435
Deposit with a licensed financial institution	-	653,950	-	653,950
Derivative assets	172,949	-	-	172,949
Dividend receivable	-	68,372	-	68,372
Interest receivables	-	30	-	30
Amount due from Manager	-	17,576	-	17,576
Cash at bank	-	679,291	-	679,291
Total financial assets	<u>13,474,384</u>	<u>1,419,219</u>	-	<u>14,893,603</u>
Financial liabilities				
Derivative liabilities	17,993	-	-	17,993
Amount due to Trustee	-	-	239	239
Amount due to Manager	-	-	118,445	118,445
Other payables and accruals	-	-	5,735	5,735
Total financial liabilities	<u>17,993</u>	-	<u>124,419</u>	<u>142,412</u>

MAMG DYNAMIC HIGH INCOME FUND

20. FINANCIAL INSTRUMENTS (CONT'D)

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

2021	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
Financial assets				
Financial assets at FVTPL	12,764,713	-	-	12,764,713
Derivative assets	38,559	-	-	38,559
Dividend receivable	-	63,312	-	63,312
Cash at bank	-	1,319,873	-	1,319,873
Total financial assets	<u>12,803,272</u>	<u>1,383,185</u>	<u>-</u>	<u>14,186,457</u>
Financial liabilities				
Derivative liabilities	211,743	-	-	211,743
Amount due to Trustee	-	-	248	248
Amount due to Manager	-	-	56,633	56,633
Other payables and accruals	-	-	6,751	6,751
Total financial liabilities	<u>211,743</u>	<u>-</u>	<u>63,632</u>	<u>275,375</u>

(b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL, derivative assets and derivative liabilities are carried at fair value.

Collective investment scheme

The Fund's investment in the collective investment scheme is carried at fair value. The fair value of the collective investment scheme is determined by reference to its last published NAV per unit at the reporting date.

Derivative assets and liabilities

The fair value of over-the-counter forward foreign exchange contracts are obtained by using valuation models which incorporate various observable market inputs such as changes in spot rate, and changes in the forward points. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

MAMG DYNAMIC HIGH INCOME FUND

20. FINANCIAL INSTRUMENTS (CONT'D)

(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
2022				
Financial assets at FVTPL	13,301,435	-	-	13,301,435
Derivative assets	-	172,949	-	172,949
	<u>13,301,435</u>	<u>172,949</u>	<u>-</u>	<u>13,474,384</u>
Derivative liabilities	-	(17,993)	-	(17,993)
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2021				
Financial assets at FVTPL	12,764,713	-	-	12,764,713
Derivative assets	-	38,559	-	38,559
	<u>12,764,713</u>	<u>38,559</u>	<u>-</u>	<u>12,803,272</u>
Derivative liabilities	-	(211,743)	-	(211,743)

(d) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

Other than its financial assets at FVTPL and derivative assets and liabilities, the Fund's financial instruments were not carried at fair value but their carrying amounts were reasonable approximations of fair value due to their short-term maturity.

There were no financial instruments which were not carried at fair value and whose carrying amounts were not reasonable approximations of their respective fair values.

MAMG DYNAMIC HIGH INCOME FUND

21. 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 interest rate risk arising from deposit placed with a licensed financial institution. The Fund is not exposed to equity price risk as it does not hold any equity investments other than investment in Target Fund as at the reporting date.

(i) Interest rate risk

Cash is sensitive to movement in 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 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 interest rate risk and currency risk). The price risk exposure arises primary from the Fund's investments in shares of the Target Fund.

MAMG DYNAMIC HIGH INCOME FUND

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

(b) Market risk (cont'd)

(ii) Price risk (cont'd)

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:

	2022		2021	
	Changes in price %	Effects on NAV Increase/ (Decrease) USD	Changes in price %	Effects on NAV Increase/ (Decrease) USD
Collective investment scheme	+5	665,072	+5	638,236
	-5	(665,072)	-5	(638,236)

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

(iii) Currency risk

Currency risk is the risk that the value 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, SGD, EUR and AUD, may result in a depreciation of the unitholders' investment in the Fund as expressed in USD.

MAMG DYNAMIC HIGH INCOME FUND

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

(b) Market risk (cont'd)

(iii) Currency risk

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.

As at current and previous financial year, the Fund's net open position to EUR is solely from the Fund's foreign account as disclosed in Note 11. As the Fund's exposure to EUR is insignificant, the Fund did not disclose the sensitivity analysis arising from its exposure to this currency.

2022	MYR USD	SGD USD	AUD USD	Total USD
Financial assets				
Deposit with a licensed financial institution	653,950	-	-	653,950
Interest receivables	30	-	-	30
Cash at bank	366	36,239	129,924	166,529
Total financial assets	654,346	36,239	129,924	820,509
Financial liabilities				
Amount due to Trustee	239	-	-	239
Other payables and accruals	5,735	-	-	5,735
Total financial liabilities excluding NAV attributable to unitholders	5,974	-	-	5,974
Net on-balance sheet open position	648,372	36,239	129,924	814,535
Principal amount of forward exchange contracts (Note 9) *				10,163,986

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

MAMG DYNAMIC HIGH INCOME FUND

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

(b) Market risk (cont'd)

(iii) Currency risk (cont'd)

2021	MYR USD	SGD USD	AUD USD	Total USD
Financial assets				
Cash at bank	99,836	24,558	48,610	173,004
Total financial assets	<u>99,836</u>	<u>24,558</u>	<u>48,610</u>	<u>173,004</u>
Financial liabilities				
Other payables and accruals	6,752	-	-	6,752
Total financial liabilities excluding NAV attributable to unitholders	<u>6,752</u>	<u>8,397</u>	<u>52,105</u>	<u>6,752</u>
Net on-balance sheet open position	<u>93,084</u>	<u>16,161</u>	<u>(3,495)</u>	<u>166,252</u>
Principal amount of forward exchange contracts (Note 9) *				<u>13,992,532</u>

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

MAMG DYNAMIC HIGH INCOME FUND

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

(b) Market risk (cont'd)

(iii) Currency 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	2022		2021	
	Changes in exchange rates %	Effects on NAV Increase/ (Decrease) USD	Changes in exchange rates %	Effects on NAV Increase/ (Decrease) USD
MYR	+5	32,419	+5	(1,835)
	-5	(32,419)	-5	1,835
SGD	+5	1,812	+5	901
	-5	(1,812)	-5	(901)
AUD	+5	6,496	+5	688
	-5	(6,496)	-5	(688)

The impact to net (loss)/income 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 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.

MAMG DYNAMIC HIGH INCOME FUND

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

(c) Credit risk (cont'd)

(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 interest receivables by rating categories. The rating is obtained from RAM Holdings Berhad.

Financial assets	2022		2021	
	USD	As a % of NAV	USD	As a % of NAV
AAA	1,333,271	9.04	1,319,873	9.49

(d) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholder's option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deed. It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise of cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

MAMG DYNAMIC HIGH INCOME FUND

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

(d) Liquidity risk (cont'd)

The following table summarises the maturity profile of the Fund's financial assets, liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity:

2022	Less than 1 month USD	More than 1 month USD	Total USD
Financial assets			
Financial assets at FVTPL	13,301,435	-	13,301,435
Deposit with a licensed financial institution	653,950	-	653,950
Derivative assets	73,564	99,385	172,949
Dividend receivable	68,372	-	68,372
Interest receivables	30	-	30
Amount due from Manager	17,576	-	17,576
Cash at bank	679,291	-	679,291
Total undiscounted financial assets	<u>14,794,218</u>	<u>99,385</u>	<u>14,893,603</u>
Financial liabilities and net assets attributable to unitholders of the Fund			
Derivative liabilities	11,150	6,843	17,993
Amount due to Trustee	239	-	239
Amount due to Manager	118,445	-	118,445
Other payables and accruals	5,735	-	5,735
Net assets attributable to unitholders of the Fund	<u>14,751,191</u>	<u>-</u>	<u>14,751,191</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>14,886,760</u>	<u>6,843</u>	<u>14,893,603</u>
Liquidity (gap)/surplus	<u>(92,542)</u>	<u>92,542</u>	<u>-</u>

MAMG DYNAMIC HIGH INCOME FUND

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

(d) Liquidity risk (cont'd)

2021	Less than 1 month USD	More than 1 month USD	Total USD
Financial assets			
Financial assets at FVTPL	12,764,713	-	12,764,713
Derivative assets	38,559	-	38,559
Dividend receivable	63,312	-	63,312
Cash at bank	1,319,873	-	1,319,873
Total undiscounted financial assets	<u>14,186,457</u>	-	<u>14,186,457</u>
Financial liabilities and net assets attributable to unitholders of the Fund			
Derivative liabilities	211,743	-	211,743
Amount due to Trustee	248	-	248
Amount due to Manager	56,633	-	56,633
Other payables and accruals	6,751	-	6,751
Net assets attributable to unitholders of the Fund	<u>13,911,082</u>	-	<u>13,911,082</u>
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	<u>14,186,457</u>	-	<u>14,186,457</u>
Liquidity surplus/(gap)	-	-	-

Notes:

(i) Financial assets

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

The analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

Financial assets exclude prepayments and tax-related matters such as tax recoverable, if any.

MAMG DYNAMIC HIGH INCOME FUND

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

(d) Liquidity risk (cont'd)

Notes: (cont'd)

(ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

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

(iii) Net assets attributable to unitholders of the Fund

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

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

22. UNITHOLDERS' CONTRIBUTION MANAGEMENT

The unitholders' contribution can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing the unitholders' contribution are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its information memorandum;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operations of the Fund cost-efficient.

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