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# MAYBANK BLUEWATERZ TOTAL RETURN FUND

Quarterly report  
For the financial period from 1 January 2024 to  
31 March 2024

## **CORPORATE INFORMATION**

### **MANAGER**

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**MAYBANK BLUEWATERZ TOTAL RETURN FUND**

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## MAYBANK BLUEWATERZ TOTAL RETURN FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024

#### A. Fund Information

**1. Name of Fund**

Maybank Bluewaterz Total Return Fund (the "Fund")

**2. Type of Fund**

Growth

**3. Category of Fund**

Feeder fund (unquoted fixed income securities)

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Fund launch date**

| Share Class | Launch date  |
|-------------|--------------|
| RM class    | 24 July 2015 |
| USD class   | 18 June 2018 |

**6. Fund's investment objective**

The Fund aims to achieve long-term consistent positive return by investing in the Maybank BlueWaterz Total Return Bond Fund ("Target Fund").

**7. Fund distribution policy**

The Fund is not expected to distribute income. However, incidental distribution can be declared whenever appropriate.

**8. Fund's performance benchmark**

Absolute return of 6.5% per annum ("p.a.") for RM Class and 5.0% p.a. for USD Class.

**9. Fund's investment policy and principal investment strategy**

The Fund will invest between 80% - 98% of its NAV in the Class B Participating Shares of the Target Fund which is denominated in United States Dollar ("USD"). The Manager will also invest between 2% - 20% of the Fund's NAV in liquid assets.

The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure into Ringgit Malaysia ("RM" or "MYR") 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.

## MAYBANK BLUEWATERZ TOTAL RETURN FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

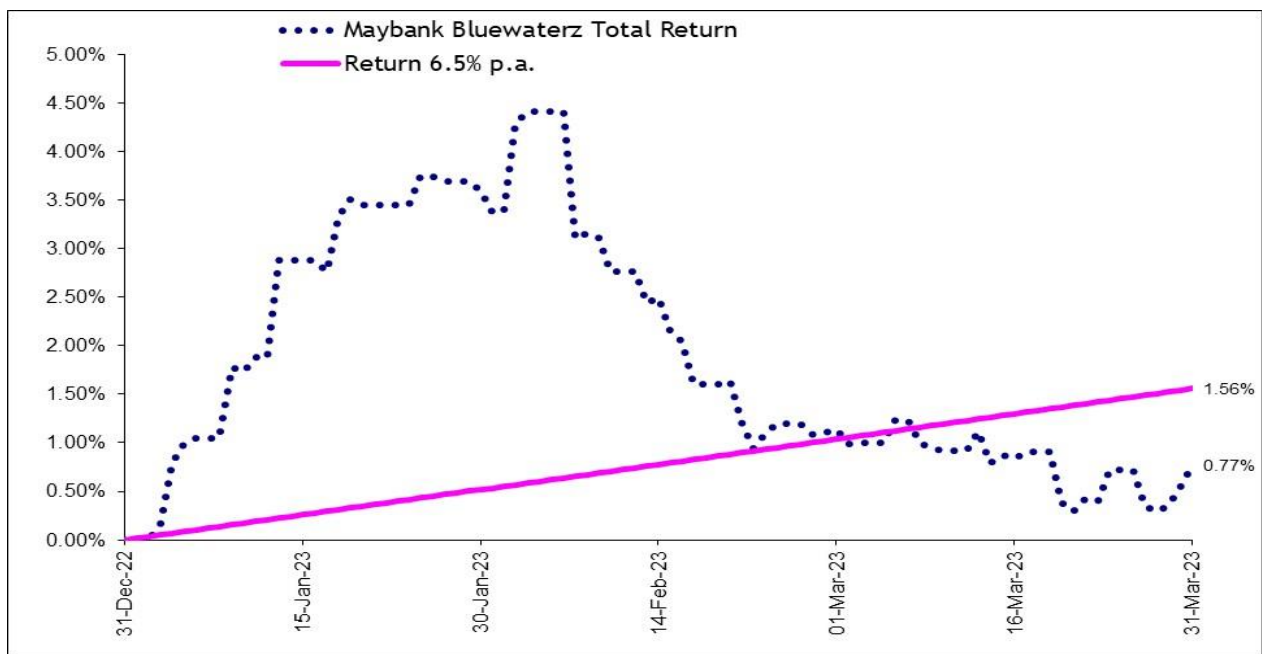
#### B. Performance Review

Performance of Maybank Bluewaterz Total Return Fund - RM Class for the financial period from 1 January 2024 to 31 March 2024 are as follows:

##### RM Class

| Period                          | The Fund<br>% | Benchmark<br>% |
|---------------------------------|---------------|----------------|
| 1 January 2024 to 31 March 2024 | 0.77          | 1.56           |

Performance of the RM Class for the financial period from 1 January 2024 to 31 March 2024:



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 March 2024

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

**MAYBANK BLUEWATERZ TOTAL RETURN FUND**

**Manager’s report**

**For the financial period from 1 January 2024 to 31 March 2024 (cont'd)**

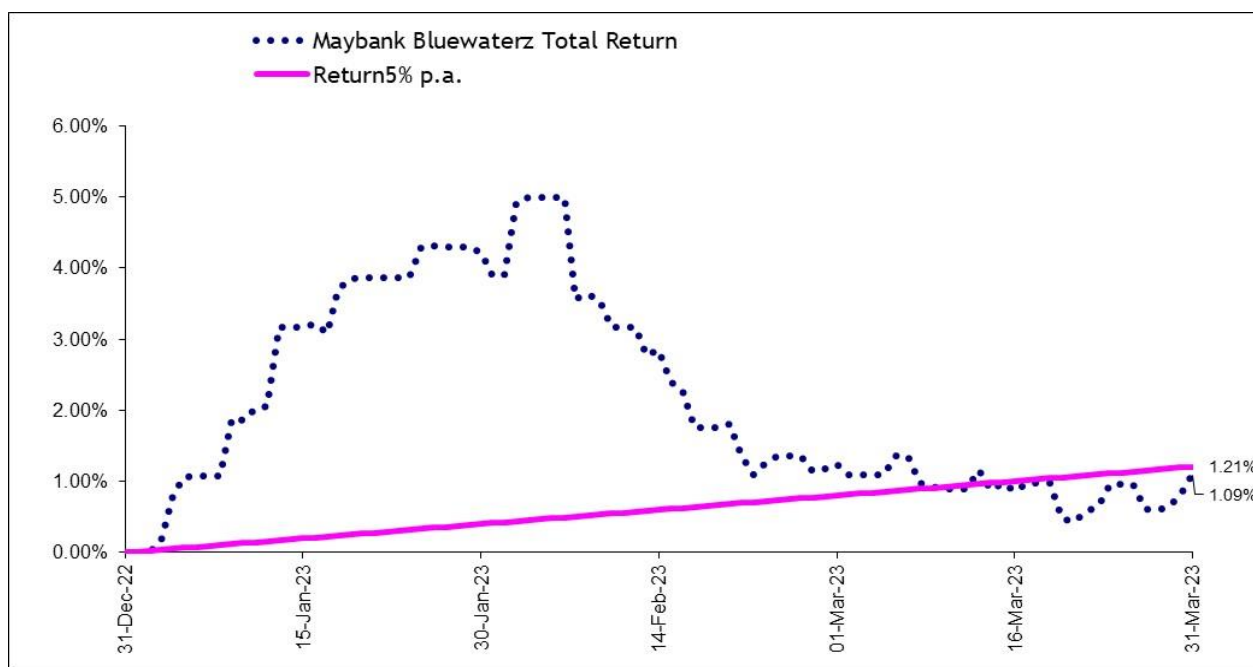
**B. Performance Review (cont'd)**

Performance of Maybank Bluewaterz Total Return Fund - USD Class for the financial period from 1 January 2024 to 31 March 2024 are as follows:

**USD Class**

| Period                          | The Fund % | Benchmark % |
|---------------------------------|------------|-------------|
| 1 January 2024 to 31 March 2024 | 1.09       | 1.21        |

Performance of the USD Class for the financial period from 1 January 2024 to 31 March 2024:



Source: Novagni Analytics and Advisory Sdn Bhd, as at 31 March 2024

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

The Fund generated return of -0.23% (United States Dollar (“USD”) class: 0.25%) for the period under review, underperforming its absolute benchmark’s 1.58% (USD class benchmark: 1.22%). The underperformance was due to broad fixed income space drifted lower as markets scaled back expectations of Federal Reserve (“Fed”) rate cuts from 6 to 3 cuts for 2024. Also, foreign exchange (“FX”) hedging cost is higher for Malaysian Ringgit (“MYR”) hedged class due to higher USD interest rates compared to MYR.

## MAYBANK BLUEWATERZ TOTAL RETURN FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

#### C. Market Review

For the new year of 2024, United States ("US") Fed speak pushed back against early rate cuts. United States Treasury ("UST") was traded higher and the probability of Fed rate cut in March 2024 has been reduced to below 50% compared to >80% seen at the end of the year. UST yields surged 31 to 37 basis points ("bps") across the curve in 1Q24. Weighed by stronger than expected economic data, market pricing for total rate cut in 2024 has been reduced to about 75 bps/ 3 cuts compared with 150 bps/ 6 cuts previously. UST selloffs, however, appeared to attract gradual but consistent buy-on-dip demand unlike the freefall in September 2023 to October 2023. With soft-landing/ no-landing an overwhelmingly high consensus, market optimism for risk assets are running high with high-yield corporate spreads at the tighter end of long-term range. Developed-market sovereign yields generally repriced higher in 1Q24 led by the UST and United Kingdom ("UK") Gilts. The huge bond rally in November 2023 to December 2023 proved difficult to sustain without following through with data weakness. The dovish rates pricing in January 2024 against forecast has been fully unwound with market expectations now largely aligned with that of the Fed.

#### D. Market Outlook & Strategy

Market is seeing a tug-of-war between heading a "soft landing" narrative as opposed to a "no landing" scenario or inflation resurgence. In view of rates volatility, we remain nimble in our duration positioning, with no strong inclination to add substantial duration risk in the short term. We will add duration opportunistically during the year to further enhance fund's return.

We are constructive on selective high-yield ("HY") credit, in particular those with strong funding channel avenue and improving credit standing. For Asian currencies, especially low yielders are expected to come under pressure temporarily as higher-for longer notion is digested by markets. But tide is expected to turn as the Fed reaches the end of its tightening cycle. We like Indonesian Rupiah ("IDR"), Indian Rupee ("INR") and The Philippine Pesos ("PHP") for carry and currency appreciation. We will look for US data to stabilize before adding currency positions.

#### F. Asset Allocation

As at 31 March 2024, the Fund was 99.68% (31.12.2023: 95.48%) invested in the Target Fund, with the remaining in cash, deposit and other net assets with licensed financial institutions.

#### G. NAV as at 31 March 2024

Below is the summary of the NAV of the Fund:

| RM Class                    | 31.03.2024  | 31.12.2023  | Changes (%) |
|-----------------------------|-------------|-------------|-------------|
| NAV (RM)                    | 347,340,438 | 376,508,046 | (7.75)      |
| Units in circulation (unit) | 372,949,391 | 393,842,469 | (5.30)      |
| NAV per unit (RM)           | 0.9313      | 0.9560      | (2.58)      |

## MAYBANK BLUEWATERZ TOTAL RETURN FUND

### Manager's report

For the financial period from 1 January 2024 to 31 March 2024 (cont'd)

#### G. NAV as at 31 March 2024 (cont'd)

| USD Class                   | 31.03.2024 | 31.12.2023 | Changes (%) |
|-----------------------------|------------|------------|-------------|
| NAV (RM)                    | 23,852,114 | 15,993,979 | 49.13       |
| Units in circulation (unit) | 5,377,320  | 3,639,428  | 47.75       |
| NAV per unit (USD)          | 0.9374     | 0.9574     | (2.09)      |

#### H. Soft Commissions and Rebates

The Manager and its delegates will not retain any form of soft commissions and rebates from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the soft commissions received are retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on best available terms.

During the financial period from 1 January 2024 to 31 March 2024, the Manager and its delegates did not receive any soft commissions and rebates from brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.



**MAYBANK BLUEWATERZ TOTAL RETURN FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

|   | <b>01.01.2024<br/>to<br/>31.03.2024<br/>RM</b> | <b>01.01.2023<br/>to<br/>31.03.2023<br/>RM</b> |
|---|--|--|
| <b>INVESTMENT (LOSS)/ INCOME</b>  |  |  |
| Profit/ Interest income   | 42,552   | 73,527   |
| Dividend income   | 13,939,495                                     | 12,986,990                                     |
| Net loss from financial assets at fair value<br>through profit or loss ("FVTPL"):   |  |  |
| - Realised gain/ (loss)   | 1,124,892                                      | (176,067)                                      |
| - Unrealised loss   | (3,313,681)                                    | (6,844,254)                                    |
| Net loss on foreign exchange and derivatives  | (11,887,133)                                   | (2,991,375)                                    |
|   | <u>(93,875)</u>                                | <u>3,048,821</u>                               |
| <b>EXPENSES</b>   |  |  |
| Trustee's fee   | 17,373   | 19,323   |
| Auditors' remuneration  | 2,305  | 1,672  |
| Tax agent's fee   | 870  | 3,863  |
| Administrative expenses   | 1,249  | 972  |
|   | <u>21,797</u>                                  | <u>25,830</u>                                  |
| <b>Net results before distribution and taxation</b>   | (115,672)                                      | 3,022,991                                      |
| Distribution to unitholders   |  |  |
| RM Class  | (8,425,500)                                    | (16,268,215)                                   |
| USD Class   | (572,769)                                      | (768,329)                                      |
| <b>Net results before taxation</b>  | (9,113,941)                                    | (14,013,553)                                   |
| Taxation  | -  | -  |
| <b>Net results after distribution and taxation<br/>representing total comprehensive loss<br/>for the financial period</b> | <u>(9,113,941)</u>                             | <u>(14,013,553)</u>                            |
| <b>Net results after distribution and taxation<br/>is made up of the following:</b>                                       |  |  |
| Net realised income   | 373,295  | 12,791,171                                     |
| Net unrealised loss   | (9,487,236)                                    | (26,804,724)                                   |
|   | <u>(9,113,941)</u>                             | <u>(14,013,553)</u>                            |

**MAYBANK BLUEWATERZ TOTAL RETURN FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

| <b>01.01.2024</b> | <b>01.01.2023</b> |
|-------------------|-------------------|
| <b>to</b>         | <b>to</b>         |
| <b>31.03.2024</b> | <b>31.03.2023</b> |
| <b>RM</b>         | <b>RM</b>         |

**Distributions for the financial period:**

RM Class

|   |                      |                      |
|---|----------------------|----------------------|
| Net distributions (RM)                  | <u>8,425,500</u>     | <u>16,268,215</u>    |
| Gross/ Net distributions per unit (sen) | <u>2.25</u>          | <u>4.00</u>          |
| Distribution date (ex-date)             | <u>26 March 2024</u> | <u>29 March 2023</u> |

USD Class

|  |                      |                      |
|--|----------------------|----------------------|
| Net distributions (RM)                       | <u>572,769</u>       | <u>768,329</u>       |
| Net distributions (USD)                      | <u>121,313</u>       | <u>174,660</u>       |
| Gross/ Net distributions per unit (USD cent) | <u>2.25</u>          | <u>4.00</u>          |
| Distribution date (ex-date)                  | <u>26 March 2024</u> | <u>29 March 2023</u> |

**MAYBANK BLUEWATERZ TOTAL RETURN FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

|  | <b>31.03.2024</b>  | <b>31.12.2023</b>  |
|--|--------------------|--------------------|
|  | <b>RM</b>          | <b>RM</b>          |
| <b>ASSETS</b>  |                    |                    |
| Financial assets at FVTPL  | 369,988,228        | 374,755,246        |
| Deposit with a licensed financial institution                              | 4,545,322          | 4,192,855          |
| Profit/ Interest receivable  | 1,102              | 1,017              |
| Derivative assets  | 1,642,576          | 6,529,192          |
| Amount due to financial institutions                                       | -                  | 5,508,360          |
| Amount due from Manager  | 46,622             | 2,250,246          |
| Cash at bank   | 7,964,490          | 3,665,487          |
| <b>TOTAL ASSETS</b>  | <b>384,188,340</b> | <b>396,902,403</b> |
| <b>LIABILITIES</b>   |                    |                    |
| Derivative liabilities   | 1,812,920          | 515,563            |
| Amount due to Manager  | 2,155,263          | 3,860,277          |
| Amount due to Trustee  | 5,808              | 6,017              |
| Distribution payable   | 8,999,567          | -                  |
| Other payables and accruals  | 22,230             | 18,521             |
| <b>TOTAL LIABILITIES</b>   | <b>12,995,788</b>  | <b>4,400,378</b>   |
| <b>NET ASSET VALUE ("NAV") OF THE FUND<br/>ATTRIBUTABLE TO UNITHOLDERS</b> | <b>371,192,552</b> | <b>392,502,025</b> |
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS<br/>OF THE FUND COMPRISE:</b>    |                    |                    |
| Unitholders' contribution  | 433,160,310        | 445,355,842        |
| Accumulated loss   | (61,967,758)       | (52,853,817)       |
|  | <b>371,192,552</b> | <b>392,502,025</b> |
| <b>NET ASSET VALUE</b>   |                    |                    |
| - RM Class   | 347,340,438        | 376,508,046        |
| - USD Class  | 23,852,114         | 15,993,979         |
|  | <b>371,192,552</b> | <b>392,502,025</b> |
| <b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>                              |                    |                    |
| - RM Class   | 372,949,391        | 393,842,469        |
| - USD Class  | 5,377,320          | 3,639,428          |
|  | <b>378,326,711</b> | <b>397,481,897</b> |
| <b>NAV PER UNIT</b>  |                    |                    |
| - RM Class   | RM 0.9313          | RM 0.9560          |
| - USD Class  | USD 0.9374         | USD 0.9574         |

**MAYBANK BLUEWATERZ TOTAL RETURN FUND****UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

|  | <b>Unitholders'<br/>contribution<br/>RM</b> | <b>Accumulated<br/>loss<br/>RM</b> | <b>Net assets<br/>attributable to<br/>unitholders<br/>RM</b> |
|--|---|------------------------------------|--|
| At 1 January 2024                                    | 445,355,842                                 | (52,853,817)                       | 392,502,025  |
| Total comprehensive loss<br>for the financial period | -   | (9,113,941)                        | (9,113,941)  |
| Creation of units                                    | 24,531,984                                  | -                                  | 24,531,984   |
| Reinvestment of units                                | 8,475,127                                   | -                                  | 8,475,127  |
| Cancellation of units                                | (45,202,643)                                | -                                  | (45,202,643)   |
| At 31 March 2024                                     | <u>433,160,310</u>                          | <u>(61,967,758)</u>                | <u>371,192,552</u>   |
| <br>   |   |                                    |  |
| At 1 January 2023                                    | 464,184,023                                 | (41,633,308)                       | 422,550,715  |
| Total comprehensive loss<br>for the financial period | -   | (14,013,553)                       | (14,013,553)   |
| Creation of units                                    | 19,822,463                                  | -                                  | 19,822,463   |
| Reinvestment of units                                | 15,659,737                                  | -                                  | 15,659,737   |
| Cancellation of units                                | (19,803,102)                                | -                                  | (19,803,102)   |
| At 31 March 2023                                     | <u>479,863,121</u>                          | <u>(55,646,861)</u>                | <u>424,216,260</u>   |

**MAYBANK BLUEWATERZ TOTAL RETURN FUND****UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

|  | <b>01.01.2024</b>   | <b>01.01.2023</b> |
|--|---------------------|-------------------|
|  | <b>to</b>           | <b>to</b>         |
|  | <b>31.03.2024</b>   | <b>31.03.2023</b> |
|  | <b>RM</b>           | <b>RM</b>         |
| <b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>                                  |                     |                   |
| Net proceeds from sale of investments  | 29,287,980          | 6,619,500         |
| Net purchase of investments  | (21,034,288)        | (29,414,477)      |
| Profit/ Interest received  | 42,468              | 73,192            |
| Dividend received  | 14,024,221          | 12,986,990        |
| Net settlement for realised foreign exchange gain/ (loss)                                  | 97,773              | (11,396)          |
| Net settlement on forward foreign exchange contracts                                       | (6,094,925)         | 16,979,422        |
| Trustee's fee paid   | (17,582)            | (19,267)          |
| Payment of other fees and expenses   | (714)               | (8,154)           |
| Net cash generated from operating and investing activities                                 | <u>16,304,933</u>   | <u>7,205,810</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                   |
| Proceeds from creation of units  | 35,328,761          | 19,832,762        |
| Payment for redemption of units  | (46,918,258)        | (14,833,406)      |
| Distributions to unitholders   | -                   | (1,381,835)       |
| Net cash (used in)/ generated from financing activities                                    | <u>(11,589,497)</u> | <u>3,617,521</u>  |
| <b>NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD</b>                   |                     |                   |
|  | 4,715,436           | 10,823,331        |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>                  |                     |                   |
|  | 7,858,342           | 6,552,085         |
| Effect on foreign exchange   | (63,966)            | (75,006)          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>                        |                     |                   |
|  | <u>12,509,812</u>   | <u>17,300,410</u> |
| <b>Cash and cash equivalents comprise:</b>   |                     |                   |
| Cash at bank   | 7,964,490           | 8,810,523         |
| Deposit with a licensed financial institution with original maturity of less than 3 months | 4,545,322           | 8,489,887         |
|  | <u>12,509,812</u>   | <u>17,300,410</u> |