



Asset Management

Maybank Asset Management Sdn Bhd

199701006283

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

www.maybank-am.com.my

MAYBANK BLUEWATERZ TOTAL RETURN FUND

Quarterly report

For the financial period from 1 January 2024 to 30 June 2024

CORPORATE INFORMATION

MANAGER

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

Level 12 Tower C

Dataran Maybank

No.1 Jalan Maarof

59000 Kuala Lumpur, Malaysia

Telephone +603 2297 7888

Facsimile +603 2715 0071

www.maybank-am.com.my

TRUSTEE

SCBMB Trustee Berhad (201201021301) (1005793-T)

Level 25, Plaza Equatorial

Jalan Sultan Ismail

50250 Kuala Lumpur

Telephone +603 7682 9710/ +603 7682 9704

MAYBANK BLUEWATERZ TOTAL RETURN FUND

| CONTENT | PAGE |
|--|-------------|
| Manager's report | (i) - (v) |
| Unaudited statement of comprehensive income | 1 - 2 |
| Unaudited statement of financial position | 3 |
| Unaudited statement of changes in net assets attributable to unitholders | 4 |
| Unaudited statement of cash flows | 5 |

MAYBANK BLUEWATERZ TOTAL RETURN FUND

Manager's report

For the financial period from 1 January 2024 to 30 June 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's 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's 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") 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 30 June 2024 (cont'd)

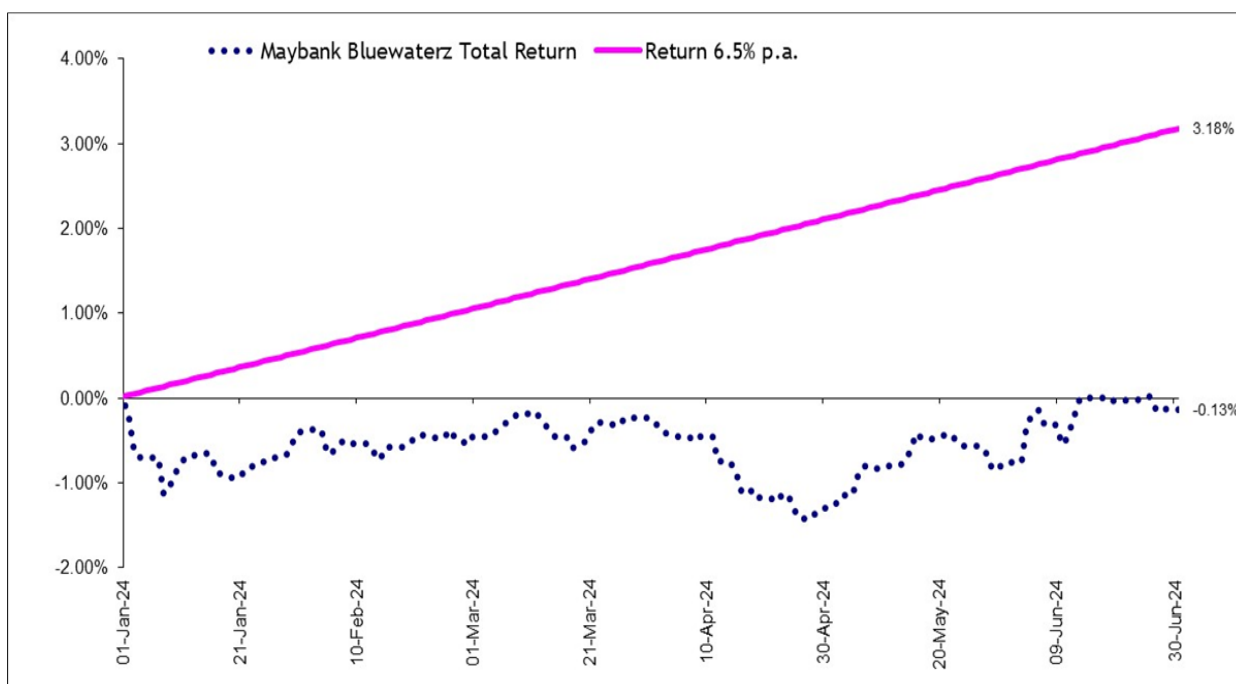
B. Performance Review

Performance of Maybank Bluewaterz Total Return Fund - RM Class for the financial period from 1 January 2024 to 30 June 2024 are as follows:

RM Class

| Period | The Fund % | Benchmark % |
|--------------------------------|------------|-------------|
| 1 January 2024 to 30 June 2024 | (0.13) | 3.18 |

Performance of the RM Class for the financial period from 1 January 2024 to 30 June 2024



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 June 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 30 June 2024 (cont'd)

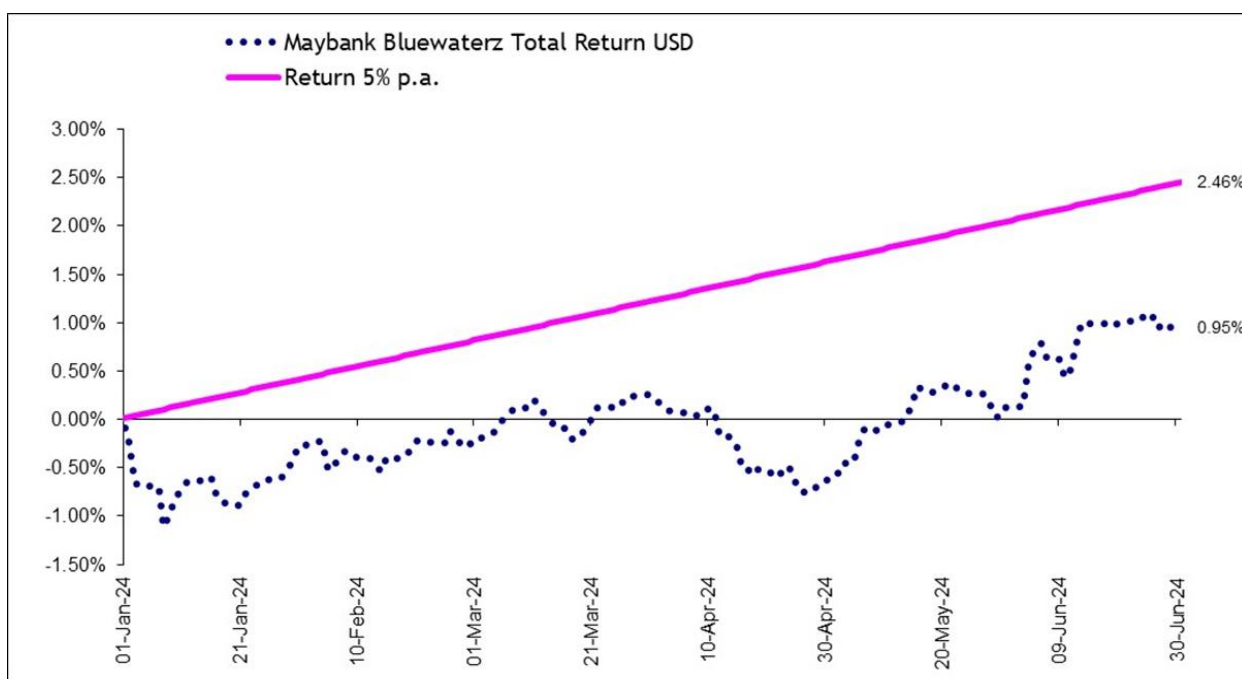
B. Performance Review (cont'd)

Performance of Maybank Bluewaterz Total Return Fund - USD Class for the financial period from 1 January 2024 to 30 June 2024 are as follows:

USD Class

| Period | The Fund % | Benchmark % |
|--------------------------------|------------|-------------|
| 1 January 2024 to 30 June 2024 | 0.95 | 2.46 |

Performance of the USD Class for the financial period from 1 January 2024 to 30 June 2024



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 June 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 a return of -0.13% (United States Dollar ("USD") class: 0.95%) for the period under review, underperforming its absolute benchmark's 3.18% (USD class: 2.46%). The underperformance was due to a broad decline in the fixed income space, as markets adjusted their expectations of Federal Reserve ("Fed") rate cuts from six to three for 2024. Yields continued to increase amid the selloffs, only halting in May 2024, which was insufficient to reverse the earlier losses. Additionally, the absolute performance benchmark was 6.5% per annum ("p.a.") net of fees. Furthermore, foreign exchange ("FX") hedging costs were higher for the Ringgit Malaysia ("RM") hedged class due to elevated USD interest rates compared to RM.

MAYBANK BLUEWATERZ TOTAL RETURN FUND

Manager's report

For the financial period from 1 January 2024 to 30 June 2024 (cont'd)

C. Market Review

For the new year of 2024, the United States ("US") Fed has indicated a delay in expected rate cuts. As a result, United States Treasury ("UST") securities traded higher, and the probability of a Fed rate cut in March 2024 has decreased to below 50.00%, compared to over 80.00% at the end of last year. UST yields surged by 31 basis points ("bps") to 37 bps across the curve in the first quarter of 2024 (1Q24). Influenced by stronger-than-expected economic data, market pricing for total rate cuts in 2024 has been revised down to approximately 75 bps (3 cuts) from 150 bps (6 cuts) previously.

UST selloffs continued into the second quarter of 2024 (2Q24), but they attracted gradual and consistent buy-on-dip demand, unlike the freefall observed from September to October 2023. With an overwhelmingly high consensus for a soft landing or no landing, market optimism for risk assets is strong, with high-yield corporate spreads tightening toward the lower end of their long-term range. Developed-market sovereign yields generally increased, led by UST and United Kingdom ("UK") Gilts. The dovish rate expectations from January 2024, as reflected in the dot plot, have been fully unwound, and market expectations are now largely aligned with the Fed's projections.

The consecutive weeks of rising yields were finally halted in May 2024, resulting in a bull-steepening of the UST curve. Overall, the UST yield curve strengthened by 9 bps to 22 bps for the quarter, with the 10-year UST closing at 4.40% and the 2-year at 4.75%, resulting in a 2-year/10-year inversion gap of -35 bps. In its Federal Open Market Committee ("FOMC") meeting, the Fed unanimously decided to keep the target range for the Fed Funds Target Rate ("FFTR") unchanged at 5.25% to 5.50%, as widely expected. Fresh dot plots showed policymakers revising their 2024 rate cut expectations down to four (from three in the March 2024 dot plots), with an expectation of four cuts in 2025 (up from three in March). Outside the US, both the Bank of Canada ("BOC") and the European Central Bank ("ECB") cut their rates by 25 bps in June 2024, as anticipated by the market, with probabilities of 80.00% and 95.00%, respectively, priced in before the meetings.

D. Market Outlook and Strategy

US data will face greater scrutiny in the coming months as the Fed remains data-dependent in guiding its interest rate cycle. A continued string of softer US data could reinforce the narrative that the Fed will stay on track to lower rates this year. The Bank of Canada ("BOC") and the European Central Bank ("ECB") each delivered their first rate cut of 25 bps in early June 2024, suggesting some divergence in their respective interest rate cycles.

Despite Modi's government losing its absolute majority in the election, and barring some short-term volatility, we remain optimistic about India's long-term potential and expect the country to receive an upgrade in 2025. We continue to favor the Indian Rupee ("INR") from a carry perspective.

In the realm of Asia USD credit, we remain invested in investment-grade credits, though we are mindful of the tighter spreads observed since the beginning of the year. We have become more constructive on selective high-yield ("HY") credits, particularly those with strong funding channels and improving credit standings, such as certain Japanese corporates, Indian HY renewables, and selective Australian mining credits. These HY instruments offer high single-digit yields.

MAYBANK BLUEWATERZ TOTAL RETURN FUND

Manager's report

For the financial period from 1 January 2024 to 30 June 2024 (cont'd)

E. Asset Allocation

As at 30 June 2024, the Fund was 97.27% (31.12.2023: 95.15%) invested in the Target Fund, with the remaining in cash, deposit and other net assets/ liabilities with licensed financial institutions.

F. NAV as at 30 June 2024

Below is the summary of the NAV of the Fund:

| RM Class | 30.06.2024 | 31.12.2023 | Changes (%) |
|-----------------------------|-------------------|-------------------|--------------------|
| NAV (RM) | 311,089,684 | 376,508,046 | (17.38) |
| Units in circulation (unit) | 333,737,448 | 393,842,469 | (15.26) |
| NAV per unit (RM) | 0.9321 | 0.9560 | (2.49) |

| USD Class | 30.06.2024 | 31.12.2023 | Changes (%) |
|-----------------------------|-------------------|-------------------|--------------------|
| NAV (RM) | 20,495,309 | 15,993,979 | 28.14 |
| Units in circulation (unit) | 4,604,979 | 3,639,428 | 26.53 |
| NAV per unit (USD) | 0.9483 | 0.9574 | (0.95) |

G. 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 under review, 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 30 JUNE 2024

| | 01.01.2024 to 30.06.2024 RM | 01.01.2023 to 30.06.2023 RM |
|---|--------------------------------------|--------------------------------------|
| INVESTMENT INCOME | | |
| Profit/ Interest income | 79,231 | 161,611 |
| Dividend income | 13,939,495 | 12,986,990 |
| Net (loss)/ gain from financial assets at fair value through profit or loss ("FVTPL"): | | |
| - Realised loss | (1,046,734) | (155,934) |
| - Unrealised (loss)/ gain | (10,417,864) | 19,098,657 |
| Net loss on foreign exchange and derivatives | (2,427,752) | (28,142,790) |
| | <u>126,376</u> | <u>3,948,534</u> |
| EXPENSES | | |
| Trustee's fee | 33,421 | 38,781 |
| Auditors' remuneration | 4,610 | 2,976 |
| Tax agent's fee | 1,740 | 4,736 |
| Administrative expenses | 3,592 | 1,579 |
| | <u>43,363</u> | <u>48,072</u> |
| Net income before distribution and taxation | 83,013 | 3,900,462 |
| Distribution to unitholders | | |
| RM Class | (8,425,500) | (16,268,215) |
| USD Class | (572,769) | (768,329) |
| Net loss before taxation | (8,915,256) | (13,136,082) |
| Taxation | - | - |
| Net loss after distribution and taxation, representing total comprehensive loss for the financial period | <u>(8,915,256)</u> | <u>(13,136,082)</u> |
| Net loss after distribution and taxation is made up of the following: | | |
| Net realised (loss)/ income | (1,691,192) | 4,343,827 |
| Net unrealised loss | (7,224,064) | (17,479,909) |
| | <u>(8,915,256)</u> | <u>(13,136,082)</u> |

MAYBANK BLUEWATERZ TOTAL RETURN FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024**

| | 01.01.2024 | 01.01.2023 |
|--|-------------------|-------------------|
| | to | to |
| | 30.06.2024 | 30.06.2023 |
| | RM | RM |
| Distributions for the financial period: | | |
| <u>RM Class</u> | | |
| Net distributions (RM) | 8,425,500 | 16,268,215 |
| Gross/ Net distributions per unit (sen) | 2.25 | 4.00 |
| Distribution date (ex-date) | 26 March 2024 | 29 March 2023 |
| <u>USD Class</u> | | |
| Net distributions (RM) | 572,769 | 768,329 |
| Net distributions (USD) | 121,313 | 174,660 |
| Gross/ Net distributions per unit (USD cent) | 2.25 | 4.00 |
| Distribution date (ex-date) | 26 March 2024 | 29 March 2023 |

MAYBANK BLUEWATERZ TOTAL RETURN FUND

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

| | 30.06.2024 | 31.12.2023 |
|---|--------------------|--------------------|
| | RM | RM |
| ASSETS | | |
| Financial assets at FVTPL | 322,535,845 | 374,755,246 |
| Deposit with a licensed financial institution | 3,152,339 | 4,192,855 |
| Profit/ Interest receivable | 764 | 1,017 |
| Derivative assets | 1,909,501 | 6,529,192 |
| Amount due to financial institutions | - | 5,508,360 |
| Amount due from Manager | - | 2,250,246 |
| Cash at bank | 9,385,661 | 3,665,487 |
| TOTAL ASSETS | <u>336,984,110</u> | <u>396,902,403</u> |
| LIABILITIES | | |
| Derivative liabilities | 230,023 | 515,563 |
| Amount due to Manager | 5,147,982 | 3,860,277 |
| Amount due to Trustee | 5,072 | 6,017 |
| Other payables and accruals | 16,040 | 18,521 |
| TOTAL LIABILITIES | <u>5,399,117</u> | <u>4,400,378</u> |
| NET ASSET VALUE ("NAV") OF THE FUND | <u>331,584,993</u> | <u>392,502,025</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE: | | |
| Unitholders' contribution | 393,354,066 | 445,355,842 |
| Accumulated losses | (61,769,073) | (52,853,817) |
| | <u>331,584,993</u> | <u>392,502,025</u> |
| NET ASSET VALUE | | |
| - RM Class | 311,089,684 | 376,508,046 |
| - USD Class | 20,495,309 | 15,993,979 |
| | <u>331,584,993</u> | <u>392,502,025</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | | |
| - RM Class | 333,737,448 | 393,842,469 |
| - USD Class | 4,604,979 | 3,639,428 |
| | <u>338,342,427</u> | <u>397,481,897</u> |
| NAV PER UNIT | | |
| - RM Class | RM 0.9321 | RM 0.9560 |
| - USD Class | <u>USD 0.9438</u> | <u>USD 0.9574</u> |

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 30 JUNE 2024**

| | Unitholders' contribution RM | Accumulated losses RM | Net assets attributable to unitholders RM |
|--|---|--------------------------------------|--|
| At 1 January 2024 | 445,355,842 | (52,853,817) | 392,502,025 |
| Total comprehensive loss for the financial period | - | (8,915,256) | (8,915,256) |
| Creation of units | 35,123,984 | - | 35,123,984 |
| Reinvestment of units | 8,475,126 | - | 8,475,126 |
| Cancellation of units | (95,600,886) | - | (95,600,886) |
| At 30 June 2024 | <u>393,354,066</u> | <u>(61,769,073)</u> | <u>331,584,993</u> |
| At 1 January 2023 | 464,184,023 | (41,633,308) | 422,550,715 |
| Total comprehensive loss for the financial period | - | (13,136,082) | (13,136,082) |
| Creation of units | 48,444,050 | - | 48,444,050 |
| Reinvestment of units | 15,659,737 | - | 15,659,737 |
| Cancellation of units | (35,545,612) | - | (35,545,612) |
| At 30 June 2023 | <u>492,742,198</u> | <u>(54,769,390)</u> | <u>437,972,808</u> |

MAYBANK BLUEWATERZ TOTAL RETURN FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

| | 01.01.2024 | 01.01.2023 |
|--|--------------------------|--------------------------|
| | to | to |
| | 30.06.2024 | 30.06.2023 |
| | RM | RM |
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Net proceeds from sale of investments | 77,669,830 | 13,576,068 |
| Net purchase of investments | (21,034,288) | (29,414,477) |
| Profit/ Interest received | 79,484 | 162,586 |
| Dividend received | 13,939,495 | 12,911,324 |
| Net receipt for realised foreign exchange gain | 19,154 | 7,577 |
| Net (settlement)/ receipt on forward foreign exchange contracts | (8,676,044) | 8,163,899 |
| Trustee's fee paid | (34,366) | (38,802) |
| Payment of other fees and expenses | (12,423) | (16,211) |
| Net cash generated from operating and investing activities | <u>61,950,842</u> | <u>5,351,964</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from creation of units | 37,492,135 | 47,834,135 |
| Payment for redemption of units | (94,325,890) | (35,681,569) |
| Distributions to unitholders | (524,667) | (1,381,834) |
| Net cash generated from/ (used in) financing activities | <u>(57,358,422)</u> | <u>10,770,731</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD | 4,592,420 | 16,122,695 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 7,858,342 | 6,552,085 |
| Effect on foreign exchange | 87,238 | (352) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | <u>12,538,000</u> | <u>22,674,428</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 9,385,661 | 2,311,145 |
| Deposit with a licensed financial institution with original maturity of less than 3 months | 3,152,339 | 20,363,283 |
| | <u>12,538,000</u> | <u>22,674,428</u> |