

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

# MAMG CHINA EVOLUTION EQUITY FUND

Annual report

For the financial year ended 31 December 2023

## **CORPORATE INFORMATION**

### **MANAGER**

Maybank Asset Management Sdn Bhd (199701006283) (421779-M)  
Level 12 Tower C  
Dataran Maybank  
No.1 Jalan Maarof  
59000 Kuala Lumpur, Malaysia  
Telephone +603 2297 7888  
Facsimile +603 2715 0071  
[www.maybank-am.com.my](http://www.maybank-am.com.my)

### **TRUSTEE**

TMF Trustees Malaysia Berhad (200301008392) (610812-W)  
Level 13 Menara 1 Sentrum  
No.201 Jalan Tun Sambanthan  
50470 Kuala Lumpur  
Telephone +603 2382 4288  
Facsimile +603 2026 1451

## **MAMG CHINA EVOLUTION EQUITY FUND**

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# MAMG CHINA EVOLUTION EQUITY FUND

## Manager's report

For the financial year ended 31 December 2023

### A. Fund's Information

**1. Name of the Fund**

MAMG China Evolution Equity Fund (the "Fund")

**2. Type of fund**

Growth

**3. Category of the Fund**

Wholesale Feeder Fund

**4. Duration of Fund**

The Fund is an open-ended fund.

**5. Launch date/ Commencement date**

Share Class	Currency	Date of Launch	Commencement Date
MYR	Malaysian Ringgit (MYR)	3 January 2022	24 January 2022
MYR (Hedged)	Malaysian Ringgit (MYR)	3 January 2022	24 January 2022
USD	United States Dollar (USD)	3 January 2022	24 January 2022
SGD (Hedged)	Singapore Dollars (SGD)	3 January 2022	24 January 2022
AUD (Hedged)	Australian Dollar (AUD)	3 January 2022	24 January 2022

**6. Fund's investment objective**

The Fund aims to maximise investment returns by investing in the T. Rowe Price Funds SICAV – China Evolution Equity Fund ("Target Fund").

**7. Fund distribution policy**

Distribution, if any, shall be incidental and at the discretion of the Manager. Distribution, will be made from realised income and/ or realised gains of the Fund.

**8. Fund's performance benchmark**

MSCI China All Shares Index Net.

Note: The performance benchmark is the benchmark of the Target Fund to allow for a similar comparison with the performance of the Target Fund. However, the risk profile of the Fund is different from the risk profile of the performance benchmark.

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

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

#### A. Fund's Information (cont'd)

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

The Fund seeks to achieve its investment objective by investing a minimum of 90% of its NAV into Class S of the Target Fund.

The Target Fund is a sub-fund of T. Rowe Price Funds SICAV, established and domiciled in Luxembourg and was launched on 10 August 2020.

The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure to manage the currency risk.

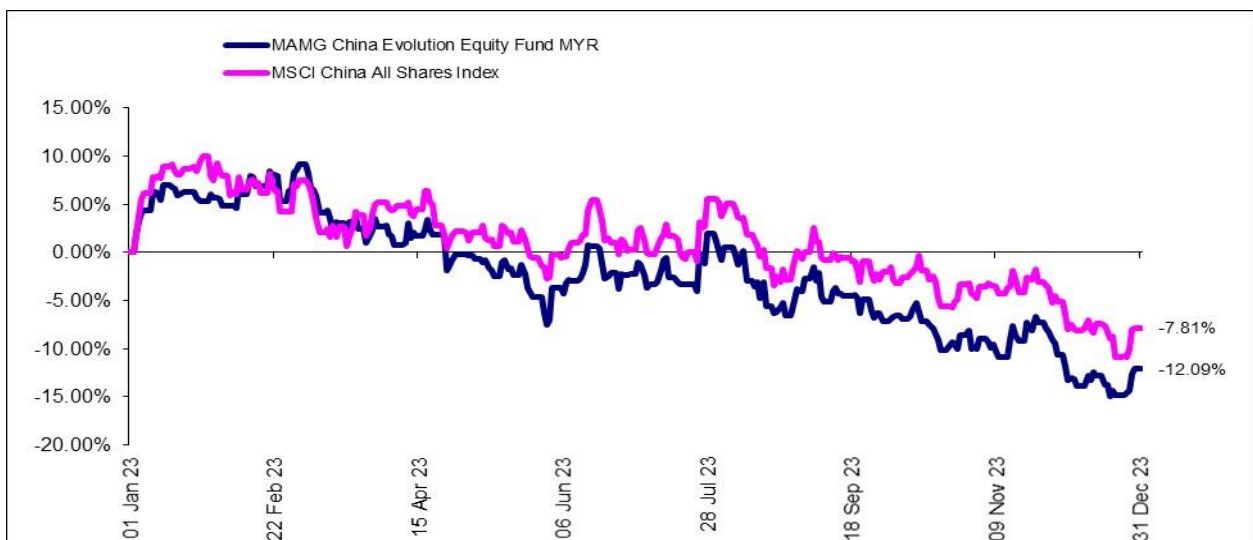
Although the Fund is passively managed, the Manager will ensure proper and efficient management of the Fund so that the Fund is able to meet redemption requests by unitholders.

#### B. Performance Review

Performance of MAMG China Evolution Equity Fund - MYR Class for the financial year ended 31 December 2023 are as follows:

##### MYR Class

Category	1 year to 31.12.2023 %
Total return of the Fund	(12.09)
Benchmark	(7.81)



Source: Lipper as at 31 December 2023

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

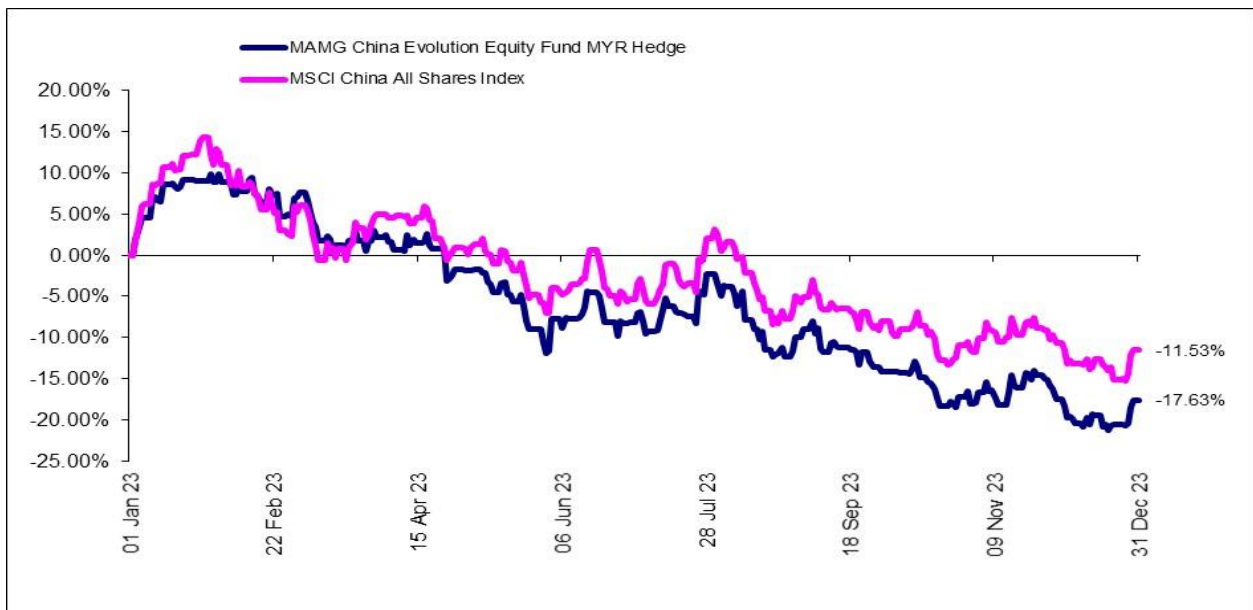
For the financial year ended 31 December 2023 (cont'd)

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

Performance of MAMG China Equity Fund - MYR (Hedged) Class for the financial year ended 31 December 2023 are as follows:

#### MYR (Hedged) Class

Category	1 year to 31.12.2023 %
Total return of the Fund	(17.63)
Benchmark	(11.53)



Source: Lipper as at 31 December 2023

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

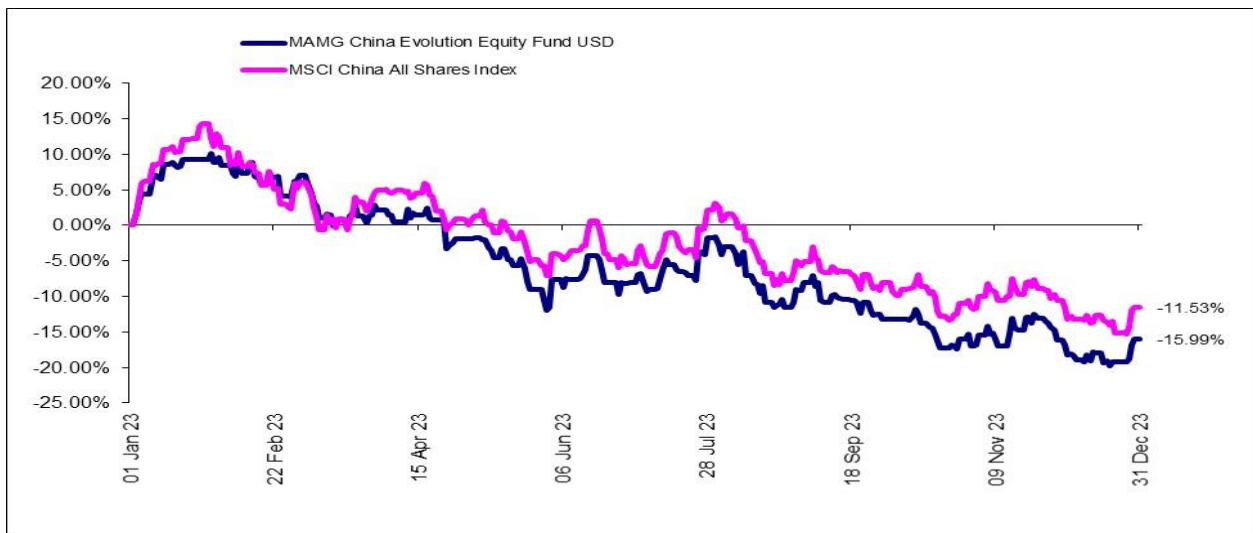
For the financial year ended 31 December 2023 (cont'd)

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

Performance of MAMG China Evolution Equity Fund - USD Class for the financial year ended 31 December 2023 are as follows:

##### USD Class

Category	1 year to 31.12.2023 %
Total return of the Fund	(15.99)
Benchmark	(11.53)



Source: Lipper as at 31 December 2023

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

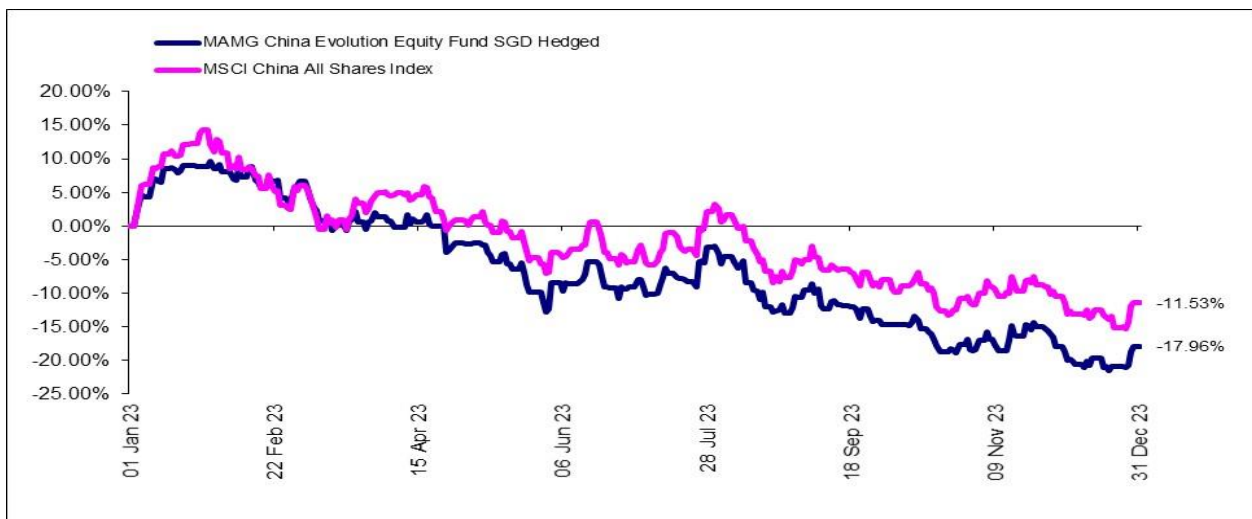
For the financial year ended 31 December 2023 (cont'd)

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

Performance of MAMG China Evolution Equity Fund - SGD (Hedged) Class for the financial year ended 31 December 2023 are as follows:

#### SGD (Hedged) Class

Category	1 year to 31.12.2023 %
Total return of the Fund	(17.96)
Benchmark	(11.53)



Source: Lipper as at 31 December 2023



## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

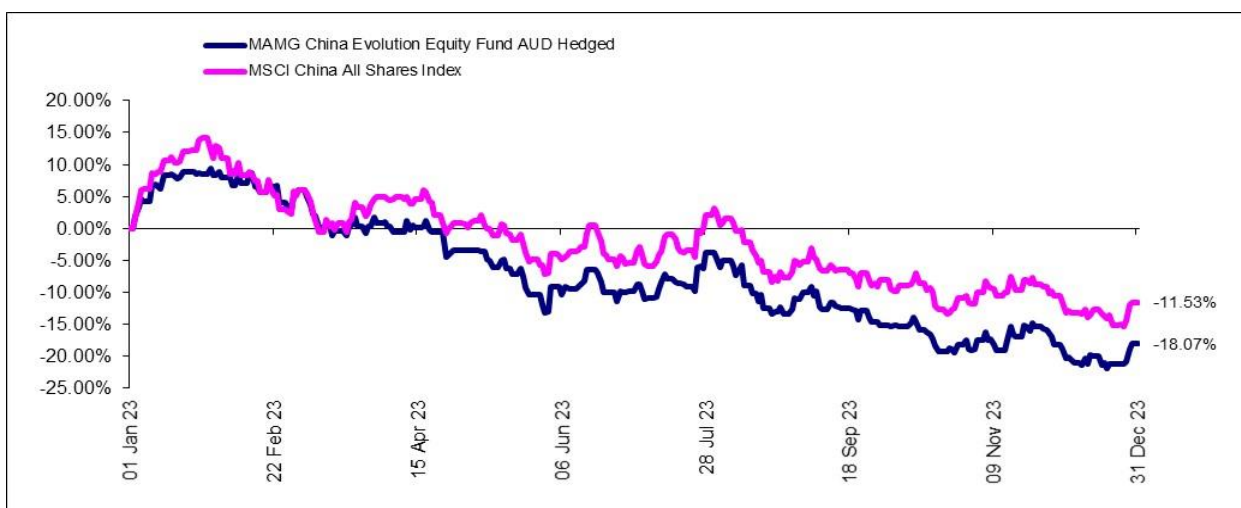
For the financial year ended 31 December 2023 (cont'd)

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

Performance of MAMG China Evolution Equity Fund - AUD (Hedged) Class for the financial year ended 31 December 2023 are as follows:

#### AUD (Hedged) Class

Category	1 year to 31.12.2023 %
Total return of the Fund	(18.07)
Benchmark	(11.53)



Source: Lipper as at 31 December 2023

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

For the year under review, the total return of MYR Class was -12.09% underperforming the benchmark of -7.81%. The total return of MYR (Hedged) Class, USD Class, SGD (Hedged) Class and AUD (Hedged) Class were -17.63%, -15.99%, -17.96% and -18.07% respectively, underperforming the benchmark of -11.53%.

During the year under review, the Fund underperformed the benchmark index. The Fund did not meet its objective. Overall, the underperformance was due to the Target Fund's exposure to industrial and business services, real estate and materials but partially offset by communication services, healthcare and utilities. Sector allocation wise, the underperformance was dragged by the Target Fund's overweight in real estate, industrial and business services and underweight in the financials. Stock selection wise helped the performance during the year under review. It is mainly due to the Target Fund's overweight in real estate, industrial and business services and slight underweight in consumer discretionary.

## MAMG CHINA EVOLUTION EQUITY FUND

### Manager's report

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

#### C. Market Review

China's stock market closed higher in the first quarter amid volatile trading conditions. Signs of economic recovery following the abrupt reversal of zero-Coronavirus Disease ("COVID") policy in December 2022 supported the market while concerns about geopolitical tensions and the global banking turmoil abated. Market expectations of a severe second or third COVID wave during the Lunar New Year holidays failed to materialize, which helped sentiment. Mega-cap stocks stoked gains late in the quarter on positive earnings and restructuring news. Economic indicators have picked up from pandemic lockdown levels, albeit more muted than market expectations but with improved consumption and infrastructure investment. The Chinese government unveiled a full-year gross domestic product growth target of around 5.00% that slightly lagged market forecasts, although most observers remained hopeful the economy could fare better.

Stocks also fell as early in the second quarter. Shareholder stake reductions in certain large internet companies, a potential tightening of technology regulations and the weakness of the Renminbi eclipsed consensus-beating economic growth in the first quarter. In mid-quarter, market attention was on laggard state-owned enterprises, which fared well amid expectations that they will benefit from policy tailwinds given their role in the country's drive toward self-sufficiency and innovation. In other developments, the global frenzy over artificial intelligence ("AI") led to gains in AI-related Chinese stocks. United States ("US")-China tensions, particularly in the technology space, persisted amid reports that the US is considering curbs on AI chip exports to China. Advanced semiconductor chips make up a small part of China's equities universe.

Chinese stocks lost ground in the third quarter as investors' attention remained focused on the troubled property sector, the extent and pace of the government's stimulus efforts and the resurgence of technology tensions between Washington and Beijing. Chinese equities advanced in July 2023 as the Chinese Communist Party's Politburo promised more support for the economy. Investors welcomed officials' commitment to adjust property policies in support of the real estate market and promote the consumption of big-ticket items such as autos and electronic products, among other measures. However, Chinese equities retreated in August 2023 as challenges in the country's property and shadow banking sectors emerged. Beijing rolled out a suite of support measures ranging from the relaxation of the requirements for mortgage down payments and interest rates to the cut in stamp duty to boost the stock market. Chinese equities fell in September 2023 as geopolitical tensions resurfaced and property woes persisted, overshadowing positive economic signs that followed a flurry of stimulus measures.

Chinese stocks continued to lose ground in the fourth quarter as continued worries about the country's economic recovery momentum, exacerbated by lingering concerns about the property sector and regulatory uncertainty, overshadowed the impact of the dovish signals from the US Federal Reserves and fresh stimulus measures. Moody's Investor Service in December 2023 lowered its credit outlook on China to negative from stable. Towards the end of the quarter, Chinese regulators proposed new rules to curb spending on online video games, a move that stoked a selloff in game stocks. The market, however, rebounded from the month's low after the authorities later softened their tone, approving more games than usual. The Central Economic Work Conference ended in December with messages that were largely in line with earlier pledges, such as the introduction of policies to help stabilize economic growth.

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **Manager's report**

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

#### **D. Market Outlook and Strategies**

In terms of market outlook, China's subdued post-pandemic recovery is cyclical to a large extent and that the country is undergoing a financial deleveraging phase, as reflected in its property sector. Traditionally, China undergoes what we view as mini economic cycles every three to four years, which would then be followed by a period of robust market performance. Amid the current transition of its economy, the Target Fund Manager continues to believe that structural opportunities within China remain intact and may be largely overlooked given China's deep and dynamic investment universe. Valuations of Chinese equities, which have retreated to valuation levels last seen during the peak of the COVID concerns, are attractive compared to their global counterparts. The Target Fund Manager also thinks that there are several long-term trends that may drive investment opportunities in China.

In terms of strategy, apart from seeking high-quality, cash-generative businesses with sustainable growth prospects, the Target Fund Manager favoured companies that continue to innovate and bring value to customers and those that benefit from the structural trends of industrial or technology upgrading, such as electrification and the increasing adoption of advanced packaging in the semiconductor industry. The Target Fund Manager preferred companies in certain traditional industries with attractive supply-demand outlook due to consolidation or tightness in supply. Industrials and business services, consumer discretionary and communication services were the biggest allocations in absolute terms as of the end of the year.

#### **E. Soft Commissions and Rebates**

The Manager and its delegates will not retain any form of rebate or soft commission from or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Fund unless the soft commission received is 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 December 2023, the Manager and its delegates did not receive any rebates from the brokers or dealers but have retained soft commissions in the form of goods and services such as research materials and advisory services that assist in decision making process relating to the investment of the Fund (i.e. research materials data and quotation services, computer hardware and software incidental to the investment management of the Fund and investment advisory services) which were of demonstrable benefits to the unitholders.

## **TRUSTEE'S REPORT**

To the unit holders of MAMG China Evolution Equity Fund ("Fund"),

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Maybank Asset Management Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of

**TMF TRUSTEES MALAYSIA BERHAD**

(Company No: 200301008392/ 610812-W)

**NORHAYATI BINTI AZIT**

**DIRECTOR - FUND SERVICES**

Kuala Lumpur, Malaysia

27 February 2024

**STATEMENT BY MANAGER**

**TO THE UNITHOLDERS OF  
MAMG CHINA EVOLUTION EQUITY FUND  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

We, Dr Hasnita Binti Dato' Hashim and Badrul Hisyam Bin Abu Bakar, 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 China Evolution Equity Fund as at 31 December 2023 and of its results, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 December 2023 and comply with the requirements of the Deed.

For and on behalf of the Manager

**Dr Hasnita Binti Dato' Hashim**  
Director

**Badrul Hisyam Bin Abu Bakar**  
Director

Kuala Lumpur, Malaysia  
27 February 2024

## **Independent auditors' report to the Unitholders of MAMG China Evolution Equity Fund**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of MAMG China Evolution Equity Fund (the "Fund"), which comprise the statement of financial position as at 31 December 2023 and statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 7 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Information other than the financial statements and auditors' report thereon*

The Manager of the Fund ("the Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

**Independent auditors' report to the Unitholders of  
MAMG China Evolution Equity 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 China Evolution Equity Fund (cont'd)**

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

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

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

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



**Independent auditors' report to the Unitholders of  
MAMG China Evolution Equity Fund (cont'd)**

Other matters

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Yeo Beng Yean  
03013/10/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
27 February 2024

## MAMG CHINA EVOLUTION EQUITY FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		01.01.2023 to 31.12.2023 USD	03.01.2022 (date of launch) to 31.12.2022 USD
<b>INVESTMENT LOSS</b>			
Profit/ Interest income		21,709	11,898
Net loss on financial assets at fair value through profit or loss ("FVTPL") investments:			
- Realised loss		(544,668)	(146,374)
- Unrealised loss		(2,356,552)	(1,477,810)
Net loss on foreign exchange and derivatives	3	<u>(715,363)</u>	<u>(383,168)</u>
		<u>(3,594,874)</u>	<u>(1,995,454)</u>
<b>EXPENSES</b>			
Manager's fee	4	346,652	188,405
Trustee's fee	5	6,933	3,768
Auditors' remuneration		1,721	2,269
Tax agent's fee		855	885
Administrative expenses		2,421	2,182
		<u>358,582</u>	<u>197,509</u>
<b>Net loss before taxation</b>		(3,953,456)	(2,192,963)
Taxation	6	-	-
<b>Net loss after taxation, representing total comprehensive loss for the financial year/ period</b>		<u>(3,953,456)</u>	<u>(2,192,963)</u>
<b>Net loss after taxation is made up of the following:</b>			
Net realised loss		(1,694,101)	(772,957)
Net unrealised loss		<u>(2,259,355)</u>	<u>(1,420,006)</u>
		<u>(3,953,456)</u>	<u>(2,192,963)</u>

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

**MAMG CHINA EVOLUTION EQUITY FUND**

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

	Note	31.12.2023 USD	31.12.2022 USD
<b>ASSETS</b>			
Financial assets at FVTPL	7	14,614,595	12,705,816
Derivative assets	8	153,116	58,704
Deposit with a licensed financial institution	9	367,052	693,050
Amount due from Manager	10	-	30,913
Profit/ Interest income receivables		89	106
Cash at bank	11	232,092	120,135
<b>TOTAL ASSETS</b>		<u>15,366,944</u>	<u>13,608,724</u>
<b>LIABILITIES</b>			
Derivative liabilities	8	-	1,145
Amount due to Manager	10	42,652	22,206
Amount due to Trustee	12	509	444
Other payables and accruals		4,009	3,611
<b>TOTAL LIABILITIES</b>		<u>47,170</u>	<u>27,406</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS OF THE FUND</b>		<u>15,319,774</u>	<u>13,581,318</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' contribution	13(a)	21,466,193	15,774,281
Accumulated losses	13(b) & 13(c)	<u>(6,146,419)</u>	<u>(2,192,963)</u>
		<u>15,319,774</u>	<u>13,581,318</u>

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

**MAMG CHINA EVOLUTION EQUITY FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023 (CONT'D)**

	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>NET ASSET VALUE (USD)</b>		
- MYR Class	5,661,826	5,998,338
- MYR (Hedged) Class	7,410,482	5,770,634
- USD Class	732,754	597,647
- SGD (Hedged) Class	1,054,889	734,687
- AUD (Hedged) Class	459,823	480,012
	<u>15,319,774</u>	<u>13,581,318</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>		
	13(a)	
- MYR Class	72,004,583	64,277,831
- MYR (Hedged) Class	105,928,443	65,031,533
- USD Class	2,243,101	1,536,866
- SGD (Hedged) Class	4,353,604	2,529,577
- AUD (Hedged) Class	2,213,360	1,904,029
	<u>186,743,091</u>	<u>135,279,836</u>
<b>NET ASSET VALUE PER UNIT</b>		
- MYR Class	<u>MYR 0.3615</u>	<u>MYR 0.4112</u>
- MYR (Hedged) Class	<u>MYR 0.3220</u>	<u>MYR 0.3909</u>
- USD Class	<u>USD 0.3267</u>	<u>USD 0.3889</u>
- SGD (Hedged) Class	<u>SGD 0.3197</u>	<u>SGD 0.3896</u>
- AUD (Hedged) Class	<u>AUD 0.3045</u>	<u>AUD 0.3719</u>

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

**MAMG CHINA EVOLUTION EQUITY FUND**

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

	<b>Unitholders' contribution Note 13(a) USD</b>	<b>Accumulated losses Note 13(b) &amp; 13(c) USD</b>	<b>Net assets attributable to unitholders USD</b>
At 1 January 2023	15,774,281	(2,192,963)	13,581,318
Total comprehensive loss for the financial year	-	(3,953,456)	(3,953,456)
Creation of units	17,089,313	-	17,089,313
Cancellation of units	(11,397,401)	-	(11,397,401)
At 31 December 2023	<u>21,466,193</u>	<u>(6,146,419)</u>	<u>15,319,774</u>
At 3 January 2022 (date of launch)	-	-	-
Total comprehensive loss for the financial period	-	(2,192,963)	(2,192,963)
Creation of units	21,266,831	-	21,266,831
Cancellation of units	(5,492,550)	-	(5,492,550)
At 31 December 2022	<u>15,774,281</u>	<u>(2,192,963)</u>	<u>13,581,318</u>

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

**MAMG CHINA EVOLUTION EQUITY FUND**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<b>01.01.2023</b>	<b>03.01.2022</b>
	<b>to</b>	<b>(date of launch)</b>
	<b>31.12.2023</b>	<b>to</b>
	<b>USD</b>	<b>31.12.2022</b>
		<b>USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net payment for purchase of financial assets at FVTPL	(8,500,000)	(16,680,000)
Net proceeds from sale of financial assets at FVTPL	3,690,000	2,350,000
Profit/ Interest received	21,726	11,792
Net settlement on forward foreign exchange	(741,100)	(331,039)
Manager's fee paid	(343,388)	(166,199)
Trustee's fee paid	(6,868)	(3,324)
Payment of other fees and expenses	(4,337)	(1,734)
Net cash used in operating and investing activities	<u>(5,883,967)</u>	<u>(14,820,504)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	17,101,393	21,235,918
Payment for redemption of units	<u>(11,333,078)</u>	<u>(5,492,550)</u>
Net cash generated from financing activities	<u>5,768,315</u>	<u>15,743,368</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL YEAR/ PERIOD</b>		
	(115,652)	922,864
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH</b>		
	813,185	-
Effect on foreign exchange	<u>(98,389)</u>	<u>(109,679)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/ PERIOD</b>		
	<u>599,144</u>	<u>813,185</u>
<b>Cash and cash equivalents comprise:</b>		
Deposit with a licensed financial institution with original maturity of less than 3 months (Note 9)	367,052	693,050
Cash at bank (Note 11)	<u>232,092</u>	<u>120,135</u>
	<u>599,144</u>	<u>813,185</u>

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

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

#### **1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

MAMG China Evolution Equity Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 3 November 2021, between the Manager, Maybank Asset Management Sdn. Bhd. ("Maybank AM") and the Trustee, TMF Trustees Malaysia Berhad and the registered holder of the Fund.

The Fund launched 5 share classes of units as at the date of this report, which are MYR Class, MYR (Hedged) Class, USD Class, SGD (Hedged) Class and AUD (Hedged) Class. MYR (Hedged) Class, SGD (Hedged) Class and AUD (Hedged) Class represent the classes denominated in MYR, SGD and AUD 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 8 and Note 13 (a) (ii), (iv) and (v) for further details.

The Fund seeks to achieve its investment objective by investing at least 90% of the Fund's NAV in Class S share class of the T. Rowe Price Funds SICAV – China Evolution Equity Fund ("Target Fund"). The Target Fund is managed by T. Rowe Price (Luxembourg) Management ("Target Fund Manager"), which has appointed T. Rowe Price International Limited to manage the investment and reinvestment of the assets of the Target Fund.

The functional currency of the Target Fund is in US 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 T. Rowe Price Funds SICAV established and domiciled in Luxembourg and was launched on 10 August 2020. 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") on 27 February 2024.

#### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

##### **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. The adoption of the new pronouncements did not result in any material impact to the financial statements.

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

The financial statements are presented in USD.

## MAMG CHINA EVOLUTION EQUITY FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.2 Standards and Amendments to Standards issued but not yet effective

The following are Standards and Amendments to Standards 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 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
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.

#### 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.



## MAMG CHINA EVOLUTION EQUITY FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

##### (i) Financial assets at amortised cost

The Fund classifies cash and cash equivalents, amount due from Manager and profit/ interest income receivables as financial assets at amortised cost.

Unless designated as at FVTPL on initial recognition, debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the assets are held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and profit/ interest on the principal amount outstanding.

Debt instruments that do not meet the criteria above are classified as either fair value through other comprehensive income ("FVTOCI") or FVTPL.

##### (ii) Financial assets at FVTPL

Investments in collective investment scheme and derivatives are classified as FVTPL, unless the Fund designates an investment that is not held for trading as FVTOCI on initial recognition.

A financial asset is recognised at FVTPL if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of the portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instruments or a financial guarantee.

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

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

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

Profit/ Interest income on debt instruments as at FVTPL is disclosed separately in the profit or loss.

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

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

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

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 gain or loss on FVTPL investments in profit or loss. Accumulated unrealised gains or losses are reclassified to realised gain or loss on FVTPL investments in profit or loss when the associated assets are sold.

##### **(iii) Impairment of financial assets**

Credit losses are recognised based on the Expected Credit Loss ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL. The impairment model does not apply to equity investments.

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- Financial assets that are not credit-impaired at the reporting date.  
As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive).
- Financial assets that are credit-impaired at the reporting date.  
As the difference between the gross carrying amount and the present value of estimated future cash flows.

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or counterparty;
- Significant downgrade in credit rating of the instrument by a rating agency;
- A breach of contract such as a default or past due event; or
- The disappearance of an active market for a security because of financial difficulties.

For balances with short-term nature (e.g. amount due from Manager), full impairment will be recognised on uncollected balances after the grace period.

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

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

##### **(iv) Derecognition of financial assets**

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.

#### **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 effective profit rate/ effective interest rate ("EPR/ EIR") method.

##### **(iii) Derecognition**

The Fund derecognises financial liabilities when, and only when, the Fund's obligation are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

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

#### **2.7 Fair value measurement**

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

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

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

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

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

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

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

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

#### **2.7 Fair value measurement (cont'd)**

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.

#### **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 year-end/ 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 year/ 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.

#### **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 distribution 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 distribution payment date which is also the time of creation.

## **MAMG CHINA EVOLUTION EQUITY FUND**

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

#### **2.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and deposit with a licensed 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.

Profit/ Interest income from deposit with licensed financial institutions is recognised on the accruals basis using the EPR/ EIR 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.

#### **2.13 Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in net assets attributable to unitholders.

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable income earned during the financial year/ period. Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

No deferred tax is recognised as there are no material 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.

## MAMG CHINA EVOLUTION EQUITY FUND

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 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 OF FOREIGN EXCHANGE AND DERIVATIVES

	<b>01.01.2023 to 31.12.2023 USD</b>	<b>03.01.2022 (date of launch) to 31.12.2022 USD</b>
Net realised loss on foreign exchange	(72,765)	(104,535)
Net unrealised gain on foreign exchange	1,640	244
Net realised loss on derivatives	(739,795)	(336,437)
Net unrealised gain on derivatives	95,557	57,560
	<u>(715,363)</u>	<u>(383,168)</u>

### 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 pa (%)	
	<b>01.01.2023 to 31.12.2023</b>	<b>03.01.2022 (date of launch) to 31.12.2022</b>
MYR	2.00	2.00
MYR (Hedged)	2.00	2.00
USD	2.00	2.00
SGD (Hedged)	2.00	2.00
AUD (Hedged)	2.00	2.00

The 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.

## MAMG CHINA EVOLUTION EQUITY FUND

### 5. TRUSTEE'S FEE

The Trustee's fee for the financial year/ period is computed based on 0.04% p.a. (03.01.2022 (date of launch) to 31.12.2022: 0.04% p.a.) of the NAV of each class before deducting Manager's fee and Trustee's fee for the day. The Trustee fee is calculated and accrued daily.

### 6. TAXATION

	<b>03.01.2022</b> <b>(date of</b> <b>launch)</b>
<b>01.01.2023</b>	<b>to</b>
<b>31.12.2023</b>	<b>31.12.2022</b>
<b>RM</b>	<b>RM</b>

Tax expense for the financial year/ period:

Current income tax expense	-	-
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Income tax is calculated at the Malaysian statutory tax rate of 24% (03.01.2022 (date of launch) to 31.12.2022: 24%) of the estimated assessable income for the financial year/ period. The tax charge for the financial year/ period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses.

In accordance with Schedule 6 of the Income Tax Act 1967, dividend and profit/ interest income earned by the Fund is exempted from tax. Dividend income derived from sources outside Malaysia are exempted from Malaysian income 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.

Income derived from sources outside Malaysia may be subject to tax in the country from which it is derived. Tax on dividend income from foreign quoted equities is based on the tax regime of the respective countries that the Fund invests in.

A reconciliation of income tax expense applicable to net loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	<b>03.01.2022</b> <b>(date of</b> <b>launch)</b>	
<b>01.01.2023</b>	<b>to</b>	
<b>31.12.2023</b>	<b>31.12.2022</b>	
<b>USD</b>	<b>USD</b>	
Net loss before tax	(3,953,456)	(2,192,963)
Tax at Malaysian statutory rate of 24%	(948,829)	(526,311)
Income not subject to tax	(28,537)	(16,728)
Loss not deductible for tax purposes	891,307	495,637
Expenses not deductible for tax purposes	86,059	47,402
Tax expense for the financial year/ period	-	-



## MAMG CHINA EVOLUTION EQUITY FUND

### 7. FINANCIAL ASSETS AT FVTPL

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

	Quantity Unit	Cost USD	Fair value USD	% of NAV
<b>31.12.2023</b>				
T. Rowe Price Funds SICAV – China Evolution Equity Fund (Share Class S)	2,248,399	18,448,957	14,614,595	95.40
Unrealised loss on FVTPL investment			(3,834,362)	
<b>31.12.2022</b>				
T. Rowe Price Funds SICAV – China Evolution Equity Fund (Share Class S)	1,667,430	14,183,626	12,705,816	93.55
Unrealised loss on FVTPL investment			(1,477,810)	

### 8. DERIVATIVE ASSETS/ (LIABILITIES)

	Notional principal amount USD	Fair Value Asset USD	Liabilities USD
<b>31.12.2023</b>			
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	8,380,000	153,116	-
<b>31.12.2022</b>			
<u>Foreign exchange related contracts</u>			
Currency forwards:			
Less than 1 year	6,535,000	58,704	(1,145)

As at the reporting date, there were 17 (31.12.2022: 16) forward exchange contracts outstanding.

The Fund entered into forward currency contracts during the financial year/ period to hedge the foreign currency exposure of the MYR (Hedged) Class, 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/ period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income, and borne solely by the unitholders of the respective classes (i.e. MYR (Hedged) Class, AUD (Hedged) Class and SGD (Hedged) Class).

## MAMG CHINA EVOLUTION EQUITY FUND

### 9. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	31.12.2023 USD	31.12.2022 USD
Short term placement with a maturity of less than 3 months	367,052	693,050

The weighted average effective profit rates/ weighted average effective interest rates ("WAEPR/ WAEIR") and average maturity of deposit with a licensed financial institution with maturity of less than 3 months as at the reporting date are as follows:

	31.12.2023		31.12.2022	
	WAEPR/ WAEIR % p.a.	Average maturity Days	WAEPR/ WAEIR % p.a.	Average maturity Days
Deposit with a licensed financial institution	2.95	4	2.80	4

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

		31.12.2023 USD	31.12.2022 USD
Amount due from Manager is in respect of:			
Creation of units	(i)	-	30,913
Amount due to Manager is in respect of:			
Manager's fee	(ii)	25,471	22,206
Cancellation of units	(iii)	17,181	-
		42,652	22,206

(i) The amount represents amount receivable from the Manager for units created.

(ii) The amount relates to the amount payable to the Fund Manager arising from the accruals for Manager's fee at the end of the financial year/ period. The normal credit term for Manager's fee is 15 days (31.12.2022: 15 days).

(iii) The amount represents amount payable to the Manager for units redeemed.

### 11. CASH AT BANK

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

	31.12.2023 USD	31.12.2022 USD
Australian Dollar ("AUD")	35,192	524
Malaysian Ringgit ("MYR")	7,919	66,878
Singapore Dollar ("SGD")	27,927	13,818
USD	161,054	38,915
	232,092	120,135

## MAMG CHINA EVOLUTION EQUITY FUND

### 12. AMOUNT DUE TO TRUSTEE

The amount due to Trustee relates to the amount payable to the Trustee arising from the accrued Trustee's fee at the end of the financial year/ period. The normal credit term for Trustee's fee is 15 days (31.12.2022: 15 days).

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

	Note	31.12.2023 USD	31.12.2022 USD
Unitholders' contribution	(a)	21,466,193	15,774,281
Accumulated realised loss	(b)	(2,467,058)	(772,957)
Accumulated unrealised loss	(c)	(3,679,361)	(1,420,006)
		<u>15,319,774</u>	<u>13,581,318</u>

#### (a) Unitholders' contribution

The units are distributed based on the following share classes:

	31.12.2023		31.12.2022	
	No. of units	USD	No. of units	USD
(i) MYR Class	72,004,583	7,496,114	64,277,831	6,577,054
(ii) MYR (Hedged) Class	105,928,443	10,752,389	65,031,533	6,985,974
(iii) USD Class	2,243,101	1,082,355	1,536,866	764,564
(iv) SGD (Hedged) Class	4,353,604	1,425,639	2,529,577	839,651
(v) AUD (Hedged) Class	2,213,360	709,696	1,904,029	607,038
	<u>186,743,091</u>	<u>21,466,193</u>	<u>135,279,836</u>	<u>15,774,281</u>

(i) MYR Class	01.01.2023 to 31.12.2023		03.01.2022 (date of launch) to 31.12.2022	
	No. of units	USD	No. of units	USD
At the beginning of the financial year/ date of launch	64,277,831	6,577,054	-	-
Creation of units	56,512,170	5,320,667	95,963,128	9,486,889
Cancellation of units	<u>(48,785,418)</u>	<u>(4,401,607)</u>	<u>(31,685,297)</u>	<u>(2,909,835)</u>
As at end of the financial year/ period	<u>72,004,583</u>	<u>7,496,114</u>	<u>64,277,831</u>	<u>6,577,054</u>

## MAMG CHINA EVOLUTION EQUITY FUND

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

#### (a) Unitholders' contribution (cont'd)

(ii) MYR (Hedged) Class	01.01.2023 to 31.12.2023		03.01.2022 (date of launch) to 31.12.2022	
	No. of units	USD	No. of units	USD
At the beginning of the financial year/ date of launch	65,031,533	6,985,974	-	-
Creation of units	108,008,991	9,929,089	92,167,997	9,325,995
Cancellation of units	(67,112,081)	(6,162,674)	(27,136,464)	(2,340,021)
As at end of the financial year/ period	<u>105,928,443</u>	<u>10,752,389</u>	<u>65,031,533</u>	<u>6,985,974</u>

The Fund is a multi-class Fund. The impact of the exchange rate movement between the USD and MYR may result in the appreciation or depreciation of the unitholders investments in the Fund expressed in MYR. MYR (Hedged) Class represents a Class denominated in MYR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund by entering into forward currency contracts to hedge the foreign currency exposure of this Class. See Note 8 for further details.

(iii) USD Class	01.01.2023 to 31.12.2023		03.01.2022 (date of launch) to 31.12.2022	
	No. of units	USD	No. of units	USD
At the beginning of the financial year/ date of launch	1,536,866	764,564	-	-
Creation of units	1,454,586	593,214	2,064,866	990,284
Cancellation of units	(748,351)	(275,423)	(528,000)	(225,720)
As at end of the financial year/ period	<u>2,243,101</u>	<u>1,082,355</u>	<u>1,536,866</u>	<u>764,564</u>

(iv) SGD (Hedged) Class	01.01.2023 to 31.12.2023		03.01.2022 (date of launch) to 31.12.2022	
	No. of units	USD	No. of units	USD
At the beginning of the financial year/ date of launch	2,529,577	839,651	-	-
Creation of units	2,793,854	844,079	2,586,195	856,625
Cancellation of units	(969,827)	(258,091)	(56,618)	(16,974)
As at end of the financial year/ period	<u>4,353,604</u>	<u>1,425,639</u>	<u>2,529,577</u>	<u>839,651</u>

## MAMG CHINA EVOLUTION EQUITY FUND

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

#### (a) Unitholders' contribution (cont'd)

##### (iv) SGD (Hedged) Class (cont'd)

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 8 for further details.

(v) AUD (Hedged) Class	01.01.2023 to 31.12.2023		03.01.2022 (date of launch) to 31.12.2022	
	No. of units	USD	No. of units	USD
At the beginning of the financial year/ date of launch	1,904,029	607,038	-	-
Creation of units	1,597,729	402,264	1,904,029	607,038
Cancellation of units	(1,288,398)	(299,606)	-	-
As at end of the financial year/ period	2,213,360	709,696	1,904,029	607,038

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 8 for further details.

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

	31.12.2023		31.12.2022	
	No of units	Valued at NAV	No of units	Valued at NAV
The Manager - MYR Class	2,000	MYR 723	2,000	MYR 741
The Manager - MYR (Hedged) Class	2,000	MYR 644	2,000	MYR 710
The Manager - USD Class	2,000	USD 653	2,000	USD 719
The Manager - SGD (Hedged) Class	2,000	SGD 639	-	-
The Manager - AUD (Hedged) Class	2,000	AUD 609	-	-

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.

## MAMG CHINA EVOLUTION EQUITY FUND

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

#### (b) Accumulated realised loss

	01.01.2023 to 31.12.2023 USD	03.01.2022 (date of launch) to 31.12.2022 USD
At beginning of the financial year/ date of launch	(772,957)	-
Net realised loss for the financial year/ period	(1,694,101)	(772,957)
At end of the financial year/ period	<u>(2,467,058)</u>	<u>(772,957)</u>

#### (c) Accumulated unrealised loss

	01.01.2023 to 31.12.2023 USD	03.01.2022 (date of launch) to 31.12.2022 USD
At beginning of the financial year/ date of launch	(1,420,006)	-
Net unrealised loss for the financial year/ period	(2,259,355)	(1,420,006)
At end of the financial year/ period	<u>(3,679,361)</u>	<u>(1,420,006)</u>

#### (d) Classes of shares

##### (i) Types of classes of units

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

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

- Initial investments for each class;
- Additional investments;
- Minimum holdings; and
- 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.

## MAMG CHINA EVOLUTION EQUITY FUND

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

#### (d) Classes of shares (cont'd)

##### (iii) Redemption of units by unitholders

These units are redeemable at the unitholder's 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.

### 14. TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTION

The Manager bought and sold the units in the Target Fund directly from the Manager of the Target Fund in the current financial year/ period.

Details of transactions, primarily deposits with licensed financial institutions are as follows:

	01.01.2023 to 31.12.2023	Percentage of total placements %	03.01.2022 (date of launch) to 31.12.2022	Percentage of total placements %
	Placement value USD		Placement value USD	
MBB *	181,636,945	97.93	130,351,568	100.00
Hong Leong Islamic Bank Bhd	2,816,009	1.52	-	-
Maybank Islamic Bhd ("MIB") **	1,021,728	0.55	-	-
	<u>185,474,682</u>	<u>100.00</u>	<u>130,351,568</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.

### 15. 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/ period.

## MAMG CHINA EVOLUTION EQUITY FUND

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

	01.01.2023 to 31.12.2023 USD	03.01.2022 (date of launch) to 31.12.2022 USD
<b>(i) Significant related party transactions</b>		
MBB:		
Profit/ Interest income from deposits	21,340	11,898
MIB:		
Profit/ Interest income from deposits	81	-
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>USD</b>	<b>USD</b>
<b>(ii) Significant related party balances</b>		
MBB:		
Deposit with a licensed financial institution	367,052	693,050
Derivative assets	7,509	-
	<b>374,561</b>	<b>693,050</b>

### 16. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee and other administrative expenses. For the financial year end 31 December 2023, the TER of the Fund was 0.02% (3 January 2022 (date of launch) to 31 December 2022: 0.02%).

### 17. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year/ period to the average NAV of the Fund calculated on a daily basis. For the financial year end 31 December 2023, the PTR of the Fund stood at 0.35 times (3 January 2022 (date of launch) to 31 December 2022: 1.00 times).

### 18. SEGMENT INFORMATION

The Portfolio Management Committee (the "PMC") of the Manager, being the chief operating decision maker, makes the strategic decisions on resources allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieves its targeted return with an acceptable level of risk within the portfolio.

The PMC of the Manager is responsible for the Fund's performance by investing at least 90% of the Fund's NAV in the shares of the Target Fund and the remaining 2% to 10% of the Fund's NAV in liquid assets.



## MAMG CHINA EVOLUTION EQUITY FUND

### 18. SEGMENT INFORMATION (CONT'D)

As the Fund is a feeder fund, the Target Fund Manager is the ultimate decision-maker on the investment strategy to ensure the Target Fund achieves its targeted return with an acceptable level of risk within the portfolio.

The internal reporting of the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

There were no changes in the reportable operating segments during the financial year/ period.

### 19. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities were measured on an ongoing basis at either fair value or at amortised cost based on their respective classifications. The material accounting policy information 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.

	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<b>31.12.2023</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	14,614,595	-	-	14,614,595
Derivative assets	153,116	-	-	153,116
Deposit with a licensed financial institution	-	367,052	-	367,052
Profit/ Interest income receivables	-	89	-	89
Cash at bank	-	232,092	-	232,092
Total financial assets	<u>14,767,711</u>	<u>599,233</u>	<u>-</u>	<u>15,366,944</u>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	42,652	42,652
Amount due to Trustee	-	-	509	509
Other payables and accruals	-	-	4,009	4,009
Total financial liabilities	<u>-</u>	<u>-</u>	<u>47,170</u>	<u>47,170</u>

## MAMG CHINA EVOLUTION EQUITY FUND

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

31.12.2022	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<b>Financial assets</b>				
Financial assets at FVTPL	12,705,816	-	-	12,705,816
Derivative assets	58,704	-	-	58,704
Deposit with a licensed financial institution	-	693,050	-	693,050
Amount due from Manager	-	30,913	-	30,913
Profit/ Interest income receivables	-	106	-	106
Cash at bank	-	120,135	-	120,135
<b>Total financial assets</b>	<b>12,764,520</b>	<b>844,204</b>	<b>-</b>	<b>13,608,724</b>
<b>Financial liabilities</b>				
Derivative liabilities	1,145	-	-	1,145
Amount due to Manager	-	-	22,206	22,206
Amount due to Trustee	-	-	444	444
Other payables and accruals	-	-	3,611	3,611
<b>Total financial liabilities</b>	<b>1,145</b>	<b>-</b>	<b>26,261</b>	<b>27,406</b>

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

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

##### Collective investment scheme

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

##### Derivative assets and liabilities

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

#### (c) Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## MAMG CHINA EVOLUTION EQUITY FUND

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

#### (c) Fair value hierarchy (cont'd)

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31.12.2023</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	14,614,595	-	-	14,614,595
Derivative assets	-	153,116	-	153,116
	<u>14,614,595</u>	<u>153,116</u>	<u>-</u>	<u>14,767,711</u>
<b>31.12.2022</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	12,705,816	-	-	12,705,816
Derivative assets	-	58,704	-	58,704
	<u>12,705,816</u>	<u>58,704</u>	<u>-</u>	<u>12,764,520</u>
<b>Financial liabilities</b>				
Derivative liabilities	-	1,145	-	1,145

#### (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.

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Introduction

The Fund's objective in managing risk is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks.

Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Deed, SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and CMSA.

## MAMG CHINA EVOLUTION EQUITY FUND

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

#### (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 profit/ interest rates, foreign exchange rates and equity prices. The Fund is exposed to foreign currency risk arising from the Fund's financial assets and liabilities denominated in foreign currencies. The Fund is also exposed to profit/ interest rate risk arising from deposit placed with a licensed financial institution. The Fund 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) Profit/ Interest rate risk

Cash is sensitive to movement in profit/ interest rates. When profit/ interest rates rise, the return on cash will rise. The deposit with a licensed financial institution carries a fixed rate, and therefore, is not affected by the movements in market profit/ interest rates.

#### (ii) Price risk

Price risk is the risk of unfavourable changes in the fair values of investments as the result of changes in market prices (other than those arising from profit/ interest rate risk and currency risk). The price risk exposure arises primary from the Fund's investments in shares of the Target Fund.

#### Price risk sensitivity

Management's best estimate of the effect on the Fund's NAV due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

	31.12.2023		31.12.2022	
	Changes in price %	Effects on NAV Increase/ (Decrease) USD	Changes in price %	Effects on NAV Increase/ (Decrease) USD
Collective investment scheme	+5	730,730	+5	635,291
	-5	(730,730)	-5	(635,291)

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

## MAMG CHINA EVOLUTION EQUITY FUND

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

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

##### (iii) Foreign exchange risk

Foreign exchange risk is the risk that the 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 and AUD may result in a depreciation of the unitholders' investment in the Fund as expressed in USD.

The table below analyses the net position of the Fund's financial assets and financial liabilities (excluding derivative assets and derivative liability) which are exposed to foreign exchange risks as at 31 December 2023. 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.

31.12.2023	MYR USD	SGD USD	AUD USD	Total USD
<b>Financial assets</b>				
Deposit with a licensed financial institution	367,052	-	-	367,052
Profit/ Interest income receivables	89	-	-	89
Cash at bank	7,919	27,927	35,192	71,038
<b>Total financial assets</b>	<b>375,060</b>	<b>27,927</b>	<b>35,192</b>	<b>438,179</b>
<b>Financial liabilities excluding NAV attributable to unitholders</b>				
Other payables and accruals	4,009	-	-	4,009
<b>Net on-balance sheet open position</b>	<b>371,051</b>	<b>27,927</b>	<b>35,192</b>	<b>434,170</b>

**MAMG CHINA EVOLUTION EQUITY FUND**

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

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

**(iii) Foreign exchange risk (cont'd)**

31.12.2022	MYR USD	SGD USD	AUD USD	Total USD
<b>Financial assets</b>				
Deposit with a licensed financial institution	693,050	-	-	693,050
Amount due from Manager	21,321	-	-	21,321
Profit/ Interest income receivables	106	-	-	106
Cash at bank	66,878	13,818	524	81,220
<b>Total financial assets</b>	<b>781,355</b>	<b>13,818</b>	<b>524</b>	<b>795,697</b>
<b>Financial liabilities excluding NAV attributable to unitholders</b>				
Other payables and accruals	3,611	-	-	3,611
<b>Net on-balance sheet open position</b>	<b>777,744</b>	<b>13,818</b>	<b>524</b>	<b>792,086</b>

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.

	31.12.2023		31.12.2022	
	Changes in exchange rates %	Effects on NAV Increase/ (Decrease) USD	Changes in exchange rates %	Effects on NAV Increase/ (Decrease) USD
<b>Currencies</b>				
<b>MYR</b>	+5	18,553	+5	38,887
	-5	(18,553)	-5	(38,887)
<b>SGD</b>	+5	1,396	+5	691
	-5	(1,396)	-5	(691)
<b>AUD</b>	+5	1,760	+5	26
	-5	(1,760)	-5	(26)

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

## MAMG CHINA EVOLUTION EQUITY FUND

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

#### (c) Credit risk

Credit risk is the risk that the issuer/ counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of an issuer/ counterparty's inability or unwillingness to honour its contractual obligations to make timely repayments of profit/ interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships and other transactions.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/ counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties (e.g., brokers, custodian, banks, etc.) by reviewing their credit ratings and credit profile on a regular basis.

#### (i) Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

#### (ii) Credit quality of financial assets

The following table analyses the Fund's cash at bank, deposit with a licensed financial institutions and profit/ interest receivables by rating categories. The rating is obtained from RAM Holdings Berhad.

Financial assets	31.12.2023		31.12.2022	
	USD	As a % of NAV	USD	As a % of NAV
AAA	599,233	3.91	813,291	5.99

#### (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 Trust 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 cash at bank, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

## MAMG CHINA EVOLUTION EQUITY FUND

### 20. 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 liabilities and unitholders' contribution to provide a complete view of the Fund's contractual commitments and liquidity:

	Less than 1 month USD	More than 1 month USD	Total USD
<b>31.12.2023</b>			
<b>Financial liabilities</b>			
Amount due to Manager	42,652	-	42,652
Amount due to Trustee	509	-	509
Other payables and accruals	4,009	-	4,009
Net assets attributable to unitholders of the Fund	15,319,774	-	15,319,774
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	15,366,944	-	15,366,944
<b>31.12.2022</b>			
<b>Financial liabilities</b>			
Derivative liabilities	-	1,145	1,145
Amount due to Manager	22,206	-	22,206
Amount due to Trustee	444	-	444
Other payables and accruals	3,611	-	3,611
Net assets attributable to unitholders of the Fund	13,581,318	-	13,581,318
Total undiscounted financial liabilities and net assets attributable to unitholders of the Fund	13,607,579	1,145	13,608,724

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.

### 21. UNITHOLDERS' CONTRIBUTION MANAGEMENT

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

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

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