



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 September 2024

CORPORATE INFORMATION

MANAGER

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

BUSINESS OFFICE

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

TRUSTEE

SCBMB Trustee Berhad (201201021301) (1005793-T)
Level 25, Plaza Equatorial
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone +603 7682 9724

MAYBANK BLUEWATERZ TOTAL RETURN FUND

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MAYBANK BLUEWATERZ TOTAL RETURN FUND

Manager's report

For the financial period from 1 January 2024 to 30 September 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
Ringgit Malaysia ("RM" or "MYR") class	24 July 2015
United States Dollar ("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 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 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 September 2024 (cont'd)

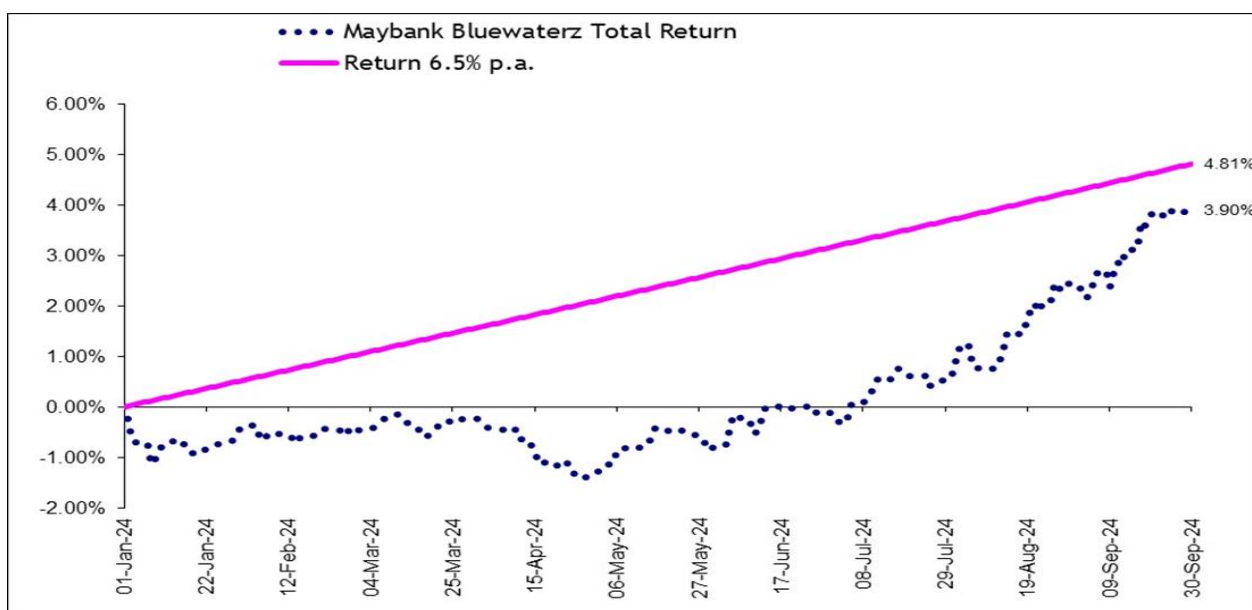
B. Performance Review

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

MYR Class

Period	The Fund %	Benchmark %
1 January 2024 to 30 September 2024	3.90	4.81

Performance of the MYR Class for the financial period from 1 January 2024 to 30 September 2024:



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

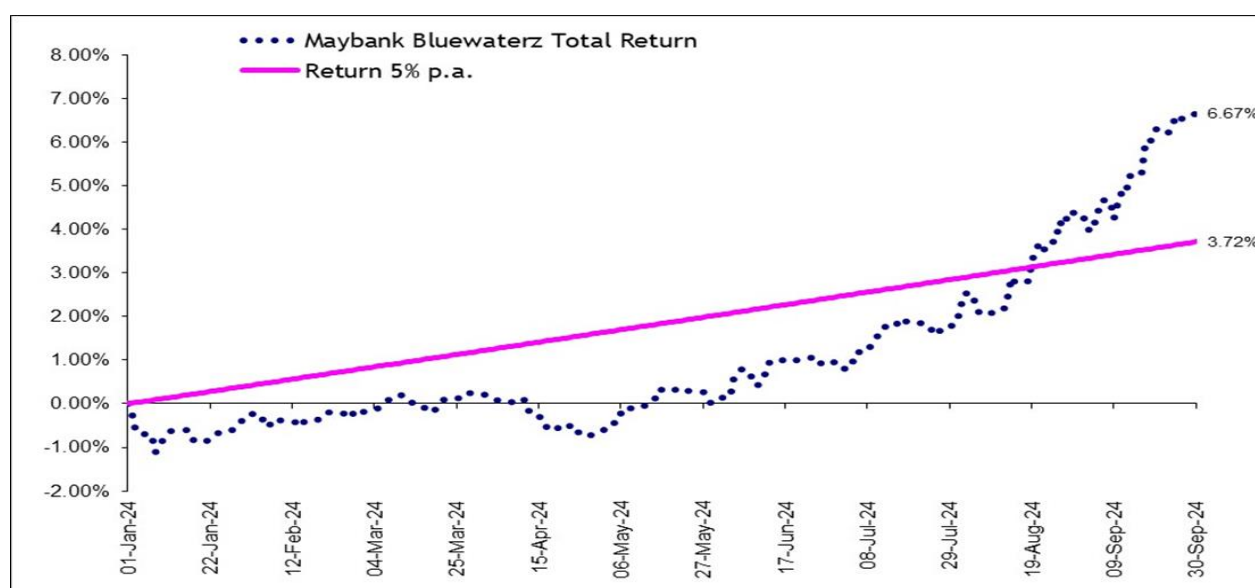
B. Performance Review (cont'd)

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

USD Class

Period	The Fund %	Benchmark %
1 January 2024 to 30 September 2024	6.67	3.72

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



Source: Novagni Analytics and Advisory Sdn Bhd, as at 30 September 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.

Throughout the period, the Fund generated return of 3.90% and 6.67% for MYR Class and USD Class respectively compared to its absolute benchmark's 4.81% and 3.72% for MYR Class and USD Class respectively. The outperformance was due to rally in rates and Asian foreign exchange ("FX") for USD class. For MYR Class, it was underperformed despite the stronger RM in 3Q2024 but was not enough to reverse the earlier losses attributed to the higher FX hedging cost. It was also due to absolute performance benchmark of 6.50% per annum ("p.a.") net of fees.

MAYBANK BLUEWATERZ TOTAL RETURN FUND

Manager's report

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

C. Market Review

For the new year of 2024, United States ("US") Federal Reserve ("Fed") speak pushed back against early rate cuts. United States Treasury ("UST") was traded higher and the probability of Fed rate cut in March 2024 has been reduced to below 50.00% compared to >80.00% seen at the end of last year. UST yields surged 31 basis points ("bps") to 37 bps across the curve in 1Q24. Weighed by stronger-than-expected economic data, market pricing for total rate cut in 2024 has been reduced to about 75bps/ 3 cuts compared with 150bps/ 6 cuts previously.

UST selloffs continue in 2Q24, however, appeared to attract gradual but consistent buy-on-dip demand unlike the freefall in September 2024 to October 2024. With soft-landing/ no-landing an overwhelmingly high consensus, market optimisms for risk assets are running high with high-yield corporate spreads at the tighter end of long-term range. The consecutive weeks of yield increase was finally halted in May 2024. Markets piled risk on in stocks and bonds alike, after the Fed's stance that leaned dovish drove markets to a 1-way trade in 3Q2024, while geopolitical conflict escalations also gave bonds an additional tailwind too in second half of July 2024. The stock markets took a hit in the early August 2024 due to mix of softer US economic data. However, the much-awaited start of the Fed's rate-cutting cycle in September 2024, coupled with a more dovish stance from Japanese policymakers and fresh stimulus measures in China, helped ease investor worries and still concluded with solid return across major asset classes by the end of the quarter. 2s10s space steepened to its highest in almost 2 years with 10y UST closed the quarter at 3.78% level while 2y was at 3.64%. Regional bonds continued to rally alongside global bonds. On the currency front, The U.S. Dollar Index ("DXY") index slipped to a low of 100.21 on the Federal Open Market Committee ("FOMC") day before reversing higher back above the key 100.60 support.

D. Market Outlook and Strategy

US data to face greater scrutiny in coming months as Fed will continue being data dependent in guiding their interest rate cycle. Continued string of softer US data will have reinforced the narrative that Fed will remain on track to lower rates this year.

Strategy wise, we maintain our overweight duration stance and will seek to keep overall portfolio to more than 5 years with current easing cycle comes to fruition. Duration exposure come in the form of long dated Sovereign Gold bonds; as well as quasi-sovereign credits from Asia and Gulf Cooperation Council ("GCC"). That said we take cognizant of market volatility as we inch closer to US elections in November 2024. As such, we prefer to stick towards higher quality Investment Grade ("IG") credits and short dated quality high yield ("HY") credits from India and Indonesia. We remain bullish on Asian currencies like Indonesian Rupiah ("IDR"), Philippines Peso ("PHP"), RM, Thai Baht ("THB") and Singapore Dollar ("SGD") as interest rate differential is narrowing against the US.

MAYBANK BLUEWATERZ TOTAL RETURN FUND

Manager's report

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

E. Asset Allocation

As at 30 September 2024, the Fund was 88.95% (31.12.2023: 95.48%) invested in the Target Fund, with the remaining in cash, deposit with licensed financial institutions and other net assets.

F. NAV as at 30 September 2024

Below is the summary of the NAV of the Fund:

RM Class	30.09.2024	31.12.2023	Changes (%)
NAV (RM)	283,045,651	376,508,046	(24.82)
Units in circulation (unit)	300,022,242	393,842,469	(23.82)
NAV per unit (RM)	0.9434	0.9560	(1.32)

USD Class	30.09.2024	31.12.2023	Changes (%)
NAV (RM)	11,870,755	15,993,979	(25.78)
Units in circulation (unit)	2,978,187	3,639,428	(18.17)
NAV per unit (USD)	0.9672	0.9574	1.02

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

MAYBANK BLUEWATERZ TOTAL RETURN FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 30 SEPTEMBER 2024

	01.01.2024 to 30.09.2024 RM	01.01.2023 to 30.09.2023 RM
INVESTMENT INCOME/ (LOSS)		
Profit/ Interest income	125,880	259,977
Dividend income	22,102,976	31,673,352
Net loss from financial assets at fair value through profit or loss ("FVTPL"):		
- Realised (loss)/ gain	(1,222,386)	463,213
- Unrealised loss	(2,887,706)	(1,084,563)
Net loss on foreign exchange and derivatives	(7,364,969)	(33,731,694)
	<u>10,753,795</u>	<u>(2,419,715)</u>
EXPENSES		
Trustee's fee	47,421	58,278
Auditors' remuneration	6,940	4,488
Tax agent's fee	2,619	5,618
Administrative expenses	5,442	2,135
	<u>62,422</u>	<u>70,519</u>
Net results before distribution and taxation	10,691,373	(2,490,234)
Distribution to unitholders		
MYR Class	(16,380,244)	(23,610,104)
USD Class	(941,543)	(1,488,421)
Net loss before taxation	<u>(6,630,414)</u>	<u>(27,588,759)</u>
Taxation	-	-
Net loss after distribution and taxation, representing the total comprehensive loss financial period	<u>(6,630,414)</u>	<u>(27,588,759)</u>
Net loss after distribution and taxation is made up of the following:		
Net realised income	684,883	643,142
Net unrealised loss	(7,315,297)	(28,231,901)
	<u>(6,630,414)</u>	<u>(27,588,759)</u>

MAYBANK BLUEWATERZ TOTAL RETURN FUND

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

	01.01.2024	01.01.2023
	to	to
	30.09.2024	30.09.2023
	RM	RM
Distributions for the financial period:		
<u>MYR Class</u>		
Net distributions (RM)	16,380,244	23,610,104
Gross/ Net distributions per unit (sen)	<u>4.90</u>	<u>5.76</u>
Distribution date (ex-date)	<u>26 March 2024</u> <u>26 September 2024</u>	<u>26 March 2023</u> <u>26 September 2023</u>
<u>USD Class</u>		
Net distributions (RM)	941,543	1,488,421
Gross/ Net distributions per unit (USD cent)	<u>5.25</u>	<u>6.85</u>
Distribution date (ex-date)	<u>26 March 2024</u> <u>26 September 2024</u>	<u>26 March 2023</u> <u>26 September 2023</u>

MAYBANK BLUEWATERZ TOTAL RETURN FUND

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

	30.09.2024	31.12.2023
	RM	RM
ASSETS		
Financial assets at FVTPL	262,342,485	374,755,246
Deposit with a licensed financial institution	7,876,115	4,192,855
Profit/ Interest receivable	637	1,017
Derivative assets	35,999,504	6,529,192
Amount due to financial institutions	-	5,508,360
Amount due from Manager	49,505	2,250,246
Cash at bank	1,274,393	3,665,487
TOTAL ASSETS	<u>307,542,639</u>	<u>396,902,403</u>
LIABILITIES		
Derivative liabilities	3,767,158	515,563
Amount due to Manager	780,528	3,860,277
Amount due to Trustee	4,463	6,017
Other payables and accruals	19,252	18,521
Distribution payables	8,054,832	-
TOTAL LIABILITIES	<u>12,626,233</u>	<u>4,400,378</u>
NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNITHOLDERS	<u>294,916,406</u>	<u>392,502,025</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:		
Unitholders' contribution	354,400,637	445,355,842
Accumulated losses	(59,484,231)	(52,853,817)
	<u>294,916,406</u>	<u>392,502,025</u>
NET ASSET VALUE		
- MYR class	283,045,651	376,508,046
- USD class	11,870,755	15,993,979
	<u>294,916,406</u>	<u>392,502,025</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		
- MYR class	300,022,242	393,842,469
- USD class	2,978,187	3,639,428
	<u>303,000,429</u>	<u>397,481,897</u>
NAV PER UNIT		
- MYR class	RM 0.9434	RM 0.9560
- USD class	<u>USD 0.9672</u>	<u>USD 0.9574</u>

MAYBANK BLUEWATERZ TOTAL RETURN FUND**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 30 SEPTEMBER 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	-	(6,630,414)	(6,630,414)
Creation of units	39,938,431	-	39,938,431
Reinvestment of units	8,644,352	-	8,644,352
Cancellation of units	(139,537,988)	-	(139,537,988)
At 30 September 2024	<u>354,400,637</u>	<u>(59,484,231)</u>	<u>294,916,406</u>
At 1 January 2023	464,184,023	(41,633,308)	422,550,715
Total comprehensive loss for the financial period	-	(27,588,759)	(27,588,759)
Creation of units	74,200,172	-	74,200,172
Reinvestment of units	15,659,737	-	15,659,737
Cancellation of units	(79,262,236)	-	(79,262,236)
At 30 September 2023	<u>474,781,696</u>	<u>(69,222,067)</u>	<u>405,559,629</u>

MAYBANK BLUEWATERZ TOTAL RETURN FUND**UNAUDITED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2024 TO 30 SEPTEMBER 2024**

	01.01.2024 to 30.09.2024 RM	01.01.2023 to 30.09.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net purchase of investments	(29,031,187)	(48,112,440)
Net proceeds from sale of investments	115,127,980	34,238,050
Profit/ Interest received	126,260	260,569
Dividend received	22,102,976	31,673,352
Net (settlement)/ receipt for realised foreign exchange (loss)/ gain	(107,182)	29,517
Net settlement on forward foreign exchange contracts	(5,859,518)	(6,767,694)
Trustee's fee paid	(48,975)	(58,663)
Payment of other fees and expenses	(14,271)	(9,311)
Net cash generated from operating and investing activities	<u>102,296,083</u>	<u>11,253,380</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	42,088,732	74,187,017
Payment for redemption of units	(142,450,085)	(79,597,854)
Distributions to unitholders	(623,545)	(1,890,385)
Net cash used in financing activities	<u>(100,984,898)</u>	<u>(7,301,222)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS FOR THE FINANCIAL PERIOD		
	1,311,185	3,952,158
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	7,858,342	6,552,085
Effect on foreign exchange	(19,019)	96,675
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u>9,150,508</u>	<u>10,600,918</u>
Cash and cash equivalents comprise:		
Cash at bank	1,274,393	8,310,008
Deposit with a licensed financial institution with original maturity of less than 3 months	7,876,115	2,290,910
	<u>9,150,508</u>	<u>10,600,918</u>