



Asset Management
ASSOCIATE OF VALUE PARTNERS GROUP LTD

M & A VALUE PARTNERS IPO EQUITY FUND

ISIN code: MYU0100A8891

2024 QUARTERLY REPORT

30 September 2024

M & A Value Partners Asset Management, Malaysia Sdn. Bhd.

(formerly known as Value Partners Asset Management Malaysia Sdn Bhd)

No. 47-9, The Boulevard, Mid Valley City,

Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia

Tel: (6) 03-2202 2400

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Website: www.mna-vp.com.my

This report shall not constitute an offer to sell or a solicitation of an offer to buy units in any of the funds. Subscriptions are to be made only on the basis of the information contained in the prospectus.

CORPORATE DIRECTORY

MANAGER AND REGISTRAR

M & A Value Partners Asset Management Malaysia Sdn. Bhd. (“M & A Value Partners Malaysia”)

(Registration no. 201801020486 (1282505-P))

Registered office:

Ho Hup Tower – Aurora Place
2-07-01-Level 7, Plaza Bukit Jalil
No.1, Persiaran Jalil 1, Bandar Bukit Jalil
57000 Kuala Lumpur
Tel. no.: (6) 03-9779 1700
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Business office:

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59200 Kuala Lumpur
General line: (6) 03-2202 2400
Email: enquiry@mna-vp.com.my
Website: www.mna-vp.com.my

TRUSTEE AND MANAGER’S DELEGATE (for fund accounting and valuation)

CIMB Commerce Trustee Berhad (Registration no.: 199401027349 (313031-A))

Registered office:

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50470 Kuala Lumpur
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COMPANY SECRETARY

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TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd

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P.O. Box 10192
50706 Kuala Lumpur

SOLICITOR

Messrs Wei Chien & Partners

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AUDITOR OF THE FUND AND THE MANAGER

PricewaterhouseCoopers PLT

Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur

FUND INFORMATION

INFORMATION ON THE FUND	
Name of the Fund	M & A Value Partners IPO Equity Fund
Fund Category	Wholesale Equity
Fund Type	Growth
Investor Profile	The Fund is suitable for Sophisticated Investors who: • have a medium to high risk tolerance; and • seek capital gains.
Investment Objective	The Fund aims to provide capital appreciation.
Investment Strategy	The Fund aims to achieve its investment objective by investing in equities and/or equity-related securities of Malaysian companies with a potential catalyst for re-rating over the short to medium term* resulting from corporate actions such as IPO and pre-IPO exercises, takeover, merger arbitrage, strategic spin-offs and other corporate exercises. The Manager seeks to provide investors indirect access to primary offerings of securities issued by Malaysian companies on Bursa Malaysia via the Fund. The Fund's portfolio will be concentrated, and at any time, will comprise of not more than twenty (20) such securities. The Fund will also from time to time invests in securities which are undervalued and mispriced due to market inefficiencies. The Manager will adopt a careful discretionary value investing approach in selecting high growth securities and uncovering opportunities in this segment. The Manager will reduce cash drag whenever possible and endeavours to invest close to 90% of its NAV or fully invested at all times in the interest of Unit Holders. The Fund may also invest in other asset classes depending on the prevailing market conditions. These asset classes would range from money market instruments and/or deposits. Temporary Defensive Position In times of extreme market volatility, we hold the option to take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation by reducing the Fund's exposure in equities and/or equity-related securities and increasing the Fund's exposure in money market instruments and/or deposits.
Performance Benchmark	Absolute return of 8% per annum. <i>This is not a guaranteed return and is used to measure the Fund's performance only.</i>

M & A VALUE PARTNERS IPO EQUITY FUND

FEES AND CHARGES	
<i>This table describes the fees and charges that you may directly incur when you purchase or redeem Units of the Fund.</i>	
Sales Charge	Up to 5.00% of the NAV per Unit. <i>The Manager may at its absolute discretion reduce or waive the sales charge from time to time.</i>
Redemption Charge	1.00% of the NAV per Unit if the redemption request is made within twelve (12) months of each purchase application. The Manager will not impose a redemption charge to Unit Holders who redeem Units after twelve (12) months of each of their purchase application. <i>The Manager may at its absolute discretion reduce or waive the redemption charge from time to time.</i>
Switching Fee	RM50.00 per switch. In addition to the switching fee, Unit Holders will also have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge. The above will only apply if there is more than one (1) wholesale fund being offered by the Manager. <i>The Manager may at its absolute discretion reduce or waive the switching fee from time to time.</i>
Annual Management Fee	1.75% per annum of the NAV of the Fund. The management fee is calculated and accrued daily and payable monthly to the Manager.
Annual Performance Fee	20% per annum on the appreciation in the NAV per Unit over and above the Hurdle Value during a particular Performance Period. The performance fee is calculated and adjusted on a daily basis. Although the calculation is on a daily basis, the performance fee is only payable to the Manager at the end of each Performance Period if the NAV per Unit is above the Hurdle Value at the end of the particular Performance Period.
Annual Trustee Fee	Up to 0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), subject to a minimum fee of RM10,000 per annum. The trustee fee is calculated and accrued daily and payable monthly to the Trustee.
Fund Expenses	Only fees and expenses that are directly related and necessary to the operation and administration of the Fund may be charged to the Fund as stated in the Deed.

M & A VALUE PARTNERS IPO EQUITY FUND

FUND REVIEW

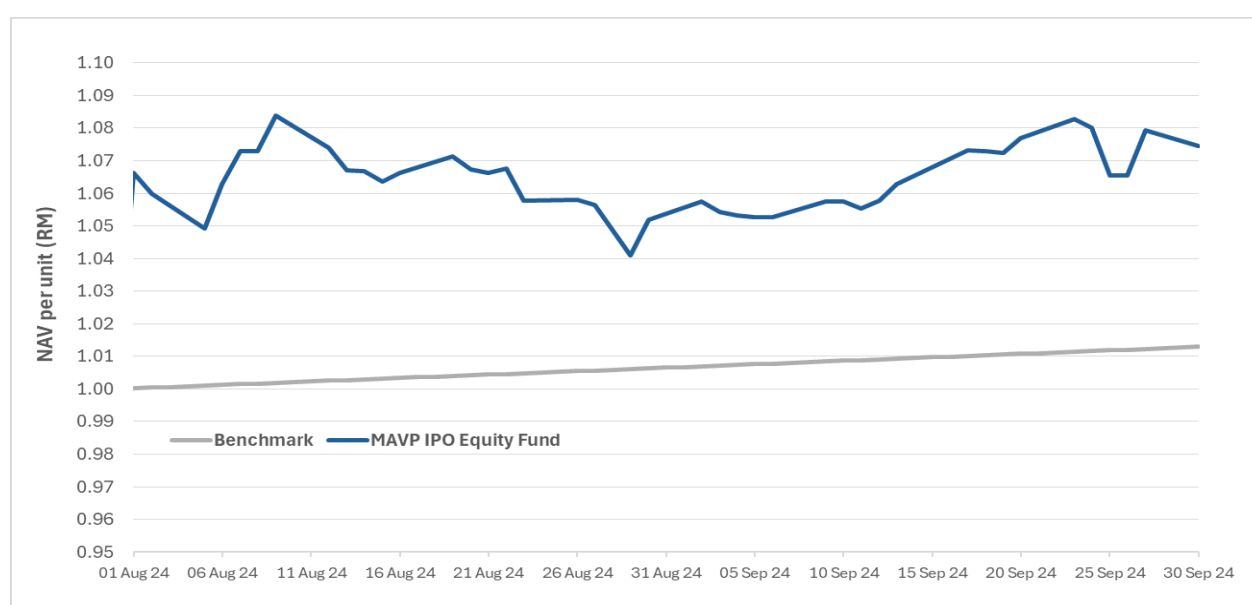
M&A Value Partners IPO Equity Fund (the “**Fund**”) is an equity fund launched on 1 July 2024 (“**Launch Date**”). The fund review is for the period 1 July 2024-30 September 2024.

The Fund aims to achieve its investment objective by investing in equities and/or equity-related securities of Malaysian companies with a potential catalyst for re-rating over the short to medium term resulting from corporate actions such as IPO and pre-IPO exercises, takeover, merger arbitrage, strategic spin-offs and other corporate exercises.

MANAGER’S REPORT

FUND PERFORMANCE

Cumulative Returns in MYR (01 July 2024 – 30 September 2024)



Source: M & A Value Partners Asset Management Malaysia Sdn. Bhd., as of 30 September 2024. Past performance is not indicative of future performance. Fund performance mentioned refers to M&A Value Partners IPO Equity Fund. All performance figures are sourced from M & A Value Partners and Bloomberg. Performance data is net of all fees. All indices are for reference only.

During the quarter ended 30 September 2024, the Fund delivered a return of 7.44%, outperforming the annualized Benchmark return of 1.29% by 6.15%.

Average Total Return	1.7.2024 - 30.9.2024
Fund	2.42%
Benchmark	0.43%
Over/(underperformance)	2.14%

Total Return	1.7.2024 - 30.9.2024
Fund	7.44%
Benchmark	1.29%
Over/(underperformance)	6.15%

MANAGER'S REPORT (CONTINUED)

FUND PERFORMANCE (continued)

Quarter ended	30.9.2024
Total net asset value ("NAV") in MYR millions	12.64
Units in circulation, in millions	11.77
NAV per unit MYR Counter, in MYR	1.0744
• Highest	1.0839
• Lowest	1.0000
Total return ^(a) , in %	7.44
• Capital return ^(b)	7.44
• Income return ^(c)	Nil
Total expense ratio ("TER"), in %	1.76
Portfolio turnover ratio ("PTR")	0.40

Note:

a) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the fund divided by the average fund size calculated on a daily basis.

b) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisition and total disposals of investments of the fund divided by the average fund size calculated on a daily basis.

Basis of calculation and assumption made in calculating the returns

The performance figures are a comparison of the growth/ decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period. An illustration of the above are as below:-

^(a) Total return	=	(1 + Capital return) x (1 + Income return) – 1
	=	[(1 + 0.0744) x (1 + 0.00%) – 1] x 100
	=	<u>7.44%</u>
^(b) Capital return	=	NAV per Unit as at end quarter period ÷ NAV per Unit as at start quarter period – 1
	=	(NAV per Unit @30.9.2024 ÷ NAV per Unit @01.7.2024 – 1) x 100
	=	(1.0744 ÷ 1.0000 – 1) x 100
	=	<u>7.44%</u>
^(c) Income return	=	Income distribution per Unit ÷ NAV per Unit ex-date
	=	<u>Nil</u>

MANAGER'S REPORT (CONTINUED)

INCOME DISTRIBUTION/ UNIT SPLIT

No income distribution or unit splits were declared for the quarter ended 30 September 2024.

FUND COMPOSITION

Quarterly ended	30.9.2024 in %
<u>Breakdown by asset class:</u>	
• Equities	47
• Liquid Instrument	45
• Cash	8
Total:	100
<u>Breakdown by industry:</u>	
• Industrial	60
• Property	31
• Real Estate Investment Trust	9
Total:	100

PORTFOLIO STRATEGY REVIEW

The Fund will continue to look for opportunities and invest in equities and/or equity-related securities of Malaysian companies with a potential catalyst for re-rating over the short to medium term resulting from corporate actions such as IPO (initial public offering) and pre-IPO exercises, takeover, merger arbitrage, strategic spin-offs and other corporate exercises.

The Fund managed to invest in 99 Speed Mart Retail Holdings Berhad's IPO during the quarter under review. The Fund is well diversified in various sectors such as industrial, property and real estate investment trust. The Fund will continue to seek out quality investments to enhance the performance of the fund. Bursa is targeting 50 IPOs in 2025, up from 42 expected this year, this will provide investment opportunities to the fund.

As of 30 September 2024, the Fund's asset under management stood at RM12.64 million, with 47% of the fund's NAV was invested in equities. The Fund will continue to increase its invested levels as investment opportunities arise.

MANAGER'S REPORT (CONTINUED)

INVESTMENT OUTLOOK

The Malaysia economy, according to Ministry of Finance is projected upward to 4.5% and 5.5%, from 4.3 % to 5.3% in 2024, boosted by favorable economic performance. Key drivers are from the services sector, strong private sector expenditure and stable trade. Malaysia's economy registered a strong 5.9% growth in the second quarter of 2024. This was much higher than the first quarter 2024 of 4.2% growth. The stronger growth was driven by stronger domestic demand and stronger expansion in exports.

The positive labour market condition has also supported household spending. Employment growth is expected to continue expanding, supported by sustained demand for workers. The unemployment rate is projected to decline to 3.3%. Income growth is driven by higher wages in the manufacturing and service sectors supported by the implementation of minimum wage of RM 1,700 per month, which is an increase from RM1,500 per month.

Investment activity was supported by continued progress in projects and capacity expansion by both the private and public factors. Investments will also be lifted by the implementation of newly approved investment, both foreign and domestic. Exports improved amid higher external demand and positive spillovers from the global tech upcycle. In addition, the manufacturing sector was well supported, particularly in the electrical and electronics segment.

The improving Malaysia and global economy will be catalyst for a vibrant and positive outlook in the local stock market and positive investment outlook.

The International Monetary Fund in its July 2024 World Economic outlook has forecast the world economy to grow 3.2% in 2024 and 3.3% in 2025. Emerging and developing economies growth of 4.3% in 2024 and 4.3% in 2025. These growth prospect would impact positively to Malaysia economy.

However, the geopolitical risk such Russia-Ukraine conflict and Middle East conflict between Israel and Palestine, have persisted. The ongoing US-China trade war will continue to affect global trade and weight on the Malaysia's economy.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Financial
period ended
30.09.2024
MYR

INVESTMENT INCOME

Dividend income	9,500
Interest income from financial assets at amortised cost	4,186
Net gain on financial assets at fair value through profit or loss	794,124
	<u>807,810</u>

EXPENSES

Management fee	(33,189)
Trustee fee	(1,661)
Auditors' remuneration	(4,784)
Tax agent's fee	(1,794)
Performance fee	(121,185)
Transaction cost	(33,173)
Other expenses	(3,733)
	<u>(199,519)</u>

INCOME BEFORE TAXATION 608,291

Taxation -

**NET INCOME AFTER TAXATION AND TOTAL
COMPREHENSIVE INCOME FOR THE
FINANCIAL PERIOD** 608,291

Net income after taxation is made up of the following:

Realised amount	(28,834)
Unrealised amount	637,125
	<u>608,291</u>

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

M & A VALUE PARTNERS IPO EQUITY FUND

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

30.09.2024
MYR

ASSETS

Cash and cash equivalents	6,861,358
Financial assets designated at fair value through profit or loss	5,916,000
Dividend receivables	<u>9,500</u>
TOTAL ASSETS	<u>12,786,858</u>

LIABILITIES

Amount due to Manager - management fee	17,929
Amount due to Trustee	817
Auditors' remuneration payable	4,784
Tax agent's fee payable	1,794
Performance fee	<u>121,185</u>
TOTAL LIABILITIES	<u>146,509</u>

NET ASSET VALUE OF THE FUND	<u>12,640,349</u>
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EQUITY

Unitholders' capital	12,032,058
Retained earnings	<u>608,291</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>12,640,349</u>

NUMBER OF UNITS IN CIRCULATION	<u>11,765,519</u>
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NET ASSET VALUE PER UNIT (MYR)	<u>1.0744</u>
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The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements

M & A VALUE PARTNERS IPO EQUITY FUND

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Unitholders' <u>capital</u> MYR	Accumulated <u>income</u> MYR	<u>Total</u> MYR
Balance as at 1 July 2024 (fund commencement date)	-	-	-
Total comprehensive income for the financial period	-	608,291	608,291
Movement in unitholders' capital:			
Creation of units arising from applications	12,032,058	-	12,032,058
Cancellation of units	-	-	-
Balance as at 30 September 2024	<u>12,032,058</u>	<u>608,291</u>	<u>12,640,349</u>

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.