

RHB MONEY MARKET FUND

SEMI-ANNUAL REPORT 2022

For the financial period ended 30 June 2022

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB Money Market Fund

Fund Category - Money Market Fund

Fund Type - Income Fund

Investment Objective, Policy and Strategy

Objective of the Fund

This Fund aims to provide investors with a high level of liquidity[^] whilst providing reasonable returns by investing in low risk investments.

Note: [^]Redemption monies of this Fund will generally be paid the day following the next business day (a working day when the Manager is open for business) after receipt by the Manager of request to repurchase.

Strategy

This Fund seeks to achieve its objective through investments in a portfolio of money market instruments and other short term debentures and placements of deposits with financial institutions. Investment in debentures issued by financial institutions or private entities must at the point of purchase, carry a credit rating of at least A/P3 by RAM Rating Services Berhad or its equivalent rating by any other rating establishment.

The asset allocation of the Fund will be as follows:-

90% - 100% of Net Asset Value - Investments in debentures, money market instruments and placements of deposits (“Permitted Investments”) with financial institutions which have a remaining maturity period of not more than 365 days.

0% - 10% of Net Asset Value - Investments in Permitted Investments with financial institutions which have a remaining maturity period of more than 365 days but less than 732 days.

Performance Benchmark

The performance of this Fund is benchmarked against the Interbank Overnight Deposit Rates as published by Bank Negara Malaysia.

Permitted Investments

This Fund may invest in debentures traded on Bursa Malaysia or any other market considered as an Eligible Market; Malaysian Government Securities, Treasury Bills, Bank Negara Malaysia Certificates/Bills, Government Investments Certificates; other obligations issued or guaranteed by the Malaysian Government, Bank Negara Malaysia, State Governments and Government-related agencies; Malaysian currency balances in hand, Malaysian currency deposits with financial institutions; Negotiable Instruments of Deposits, Bankers Acceptances; Cagamas Bonds, unlisted loan stocks and corporate bonds traded in the money market and either bank-guaranteed or carrying at least an A/P3 rating by RAM Rating Services Berhad or its equivalent rating by any other rating establishment; other collective investment schemes; financial derivatives; and any other investments permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

Consistent with the Fund's objective to provide reasonable returns, the Fund will distribute a substantial portion of its returns to unit holders. Distributions, if any, after deduction of taxation, if any, and expenses, are generally declared annually and will be reinvested.

MANAGER’S REPORT

MARKET REVIEW

On local rates, the Malaysia Government Securities (“MGS”) market yield ended higher for the month of June 2022. MGS curve shifted bear flatter as local bond sentiment finally shifted after a few weeks of bullish sentiment last two weeks in May 2022 MGS 3-year, 5-year, 7-year, 10-year, 15-year, 20-year and 30-years rose by +4 basis points (“bps”), +22bps, +17bps, +14bps, +11bps, +16bps and +10ps respectively. The MGS spread movements were more pronounced in the shorter end of the yield curve, especially on the 5-year MGS.

Similarly, the overall yield in Malaysia Government Investment Issue (“MGII”) or the Islamic Sovereign Curve also ended lower for June 2022. Government Investment Issue (“GII”) 3years, 5, years, 7 years, 10 years, 15 years, 20 years and 30 years saw yield rose by +9bps, +34bps, +18bps, +11bps, +19bps, +24bps and +15bps respectively. Similarly, the GII spread movements were more pronounced same as MGS yield curve in the shorter term of the yield curve, especially on 5-year GII. The MGS and GII sustained uptrend following the impact of the Federal Reserve (“Fed”)’s sizeable rate hike and as global yields pull back from the recent hikes.

ECONOMIC REVIEW AND OUTLOOK

Finance Minister Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz believed Malaysia’s economic growth projection of between 5.30% and 6.30% this year is still on track. While, the national unemployment rate dropped below 4.00% for the first time since March 2020 to 3.90% in April 2022 and 4.10% in March 2022. However, the current unemployment rate remains higher than pre-pandemic levels of just over 500,000 a month, as the actively unemployed accounted for 83.60% of total job losses while the inactively unemployed accounted about 16.40%. The key positive drivers of the recovery include Malaysia’s transition to endemicity with the full reopening of economic activity and national borders between April 2022 and May 2022; higher national vaccination rates against the pandemic; continued government policy support for target and vulnerable groups; and resilient global demand.

Standard and Poor (“S&P”) Global Ratings has revised upward its rating outlook on Malaysia’s long term sovereign credit ratings to stable from negative, reflecting its expectation that the country’s steady growth momentum and strong external position will remain in place for the next two years. At the same time, it anticipates that the policymaking environment will be supportive of restoring fiscal settings to a firmer footing. The S&P previously revised Malaysia’s outlook to negative from stable in June 2020, citing heightened risks to fiscal metrics due to the COVID-19 pandemic. S&P also is projecting a strong pick up in Malaysia’s Gross Domestic Product (“GDP”) growth to hit 6.10% for year 2022.

Malaysia's inflation, as measured by the Consumer Price Index ("CPI"), increased 2.80% in May 2022 year on year ("YoY"), led by food's price rise of 5.20%. The CPI rate accelerated to 2.80% in the month of May 2022 from 2.30% YoY increase in April 2022. A costlier chicken feed and increases in demand for chicken contributed to the increase in chicken prices in the month of May. As being the largest group within the CPI's meat segment, increased 13.40% in May 2022 compared with the 7.50% YoY rise in April 2022.

Due to the high inflation, the Malaysian Cabinet has approved the formation of a special task force to combat inflation and rising cost of living in Malaysia. The panel will be in charge of collating data from all ministries, relevant agencies, and the public in order to devise strategies and coordinate efforts to counteract inflation and its effect on the price of goods. And the special task force is to step up enforcement to curb profiteering by unscrupulous traders.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL PERIOD

For the financial period under review, the Fund has registered a return of 0.90% in net asset value terms while its benchmark recorded a return of 0.90%. The Fund is working to meet its objective by providing high level of liquidity whilst providing reasonable returns.

**Source: Lipper Investment Management ("Lipper IM"), 7 July 2022*

MARKET OUTLOOK AND STRATEGY GOING FORWARD

While year 2021 saw most countries globally continuing with monetary accommodation, for year 2022, we are seeing normalization of monetary policies to address on inflationary pressures on the back of reopening themes for most economies in addition to accepting the fact that COVID-19 is here to stay. International Monetary Fund ("IMF") in their latest April 2022 update further revised downward their projections to global growth from their already lowered January 2022 forecast from 3.60% from 4.40% (0.80% lower than the projection in the January 2022 outlook) for year 2022, this time, mainly due to the war in Ukraine which will likely contribute to the slowdown as fuel and food prices have increase rapidly. Beyond year 2023, global growth is forecast by IMF to decline to about 3.30 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to year 2022 inflation projections of 5.70 percent in advanced economies and 8.70 percent in emerging market and developing economies, 1.80 and 2.80 percentage points higher than projected last January 2022. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential. The World Bank in June 2022 has also slashed its global growth forecast by nearly a third to 2.90% for year 2022 (from 4.10% in its January forecast), citing compounding damage from Russia's invasion of Ukraine and the COVID-19 pandemic, while warning about the rising risk of stagflation.

Overall risk sentiment has been generally bearish as flows started to focus on safe haven bids for shelter.

The broader strategy will be to remain nimble on heightened volatility, and a greater focus on income preservation while repositioning for higher yields.

Locally, the Monetary Policy Committee's ("MPC") decision to increase the Overnight Policy Rate ("OPR") in May 2022 has been priced in by the local bond market since it was in an extended bear market correction prior to the MPC meeting. Risks to global growth will linger upon further escalation of geopolitical conflicts, worsening supply chain disruptions, and running risks surrounding COVID-19 particular in China who is still adopting a zero Covid policy.

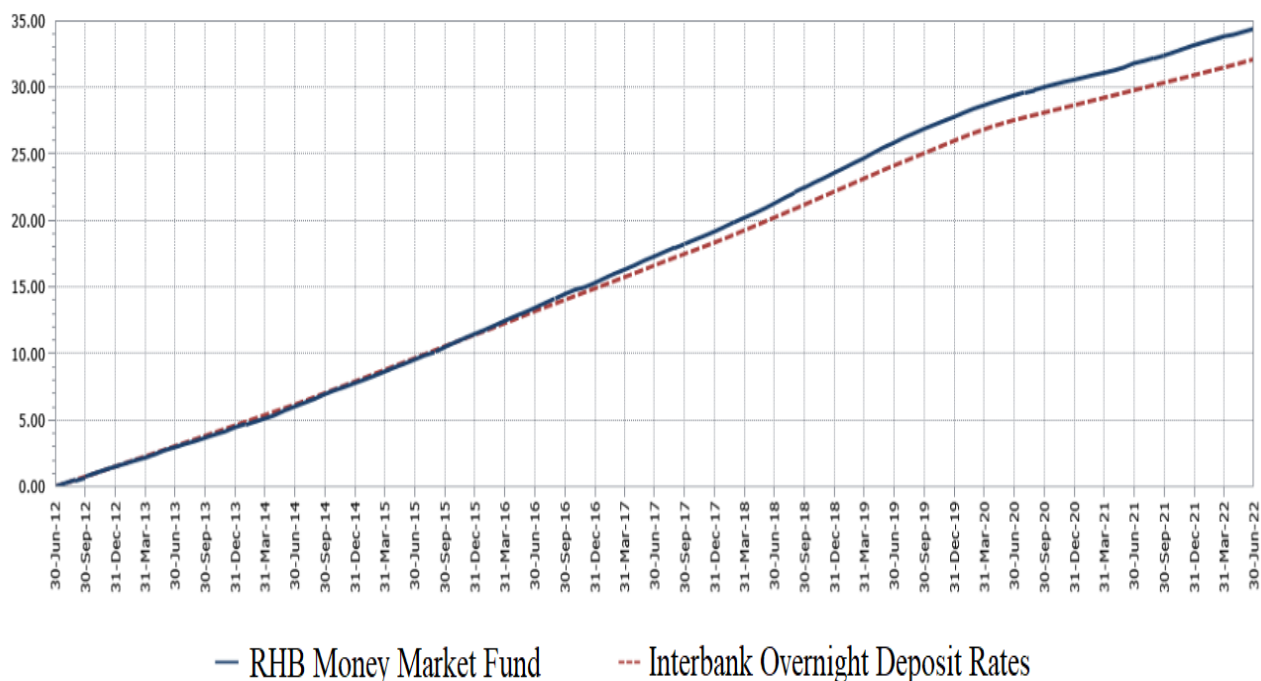
The Fund Manager remain constructive of the bond market as Fund Manager still see opportunities within the government and corporate credit securities market at decent yields. The Fund Manager advocate on positioning the bond portfolio to increase investments whenever exacerbated selling occurs as yield levels are expected to come off once market stabilizes. The Fund Manager believe the local bond market would still give a comfortable yield against fixed deposits where fixed deposits would probably increase at a measured pace in tandem with the OPR increases. The Fund Manager will continue to monitor closely market development both globally and locally. The stance to monetary policy locally will continue to be determined by new data and its implications on the overall inflation and domestic growth outlook.

PERFORMANCE DATA

	31.12.2021- 30.06.2022 %	Annual Total Returns Financial Year Ended 31 December				
		2021 %	2020 %	2019 %	2018 %	2017 %
RHB Money Market Fund						
- Capital Return	0.90	0.61	(0.11)	(0.52)	(0.21)	(0.55)
- Income Return	-	1.38	2.29	3.93	3.89	3.95
- Total Return	0.90	2.00	2.18	3.39	3.67	3.38
Interbank Overnight Deposit Rates	0.90	1.75	2.13	3.12	3.23	3.01

	Average Annual Returns			
	1 Year 30.06.2021- 30.06.2022 %	3 Years 30.06.2019- 30.06.2022 %	5 Years 30.06.2017- 30.06.2022 %	10 Years 30.06.2012- 30.06.2022 %
RHB Money Market Fund	1.97	2.21	2.75	3.00
Interbank Overnight Deposit Rates	1.79	2.10	2.52	2.82

**Performance of RHB Money Market Fund
for the period from 30 June 2012 to 30 June 2022
Cumulative Return Over The Period (%)**



Source: Lipper IM, 7 July 2022

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since inception.

The calculation of the above returns is based on computation methods of Lipper.

Note : Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

Fund Size	As at	As at 31 December		
	30 June 2022	2021	2020	2019
Net Asset Value (RM million)	193.91	219.21*	155.60*	128.37*
Units In Circulation (million)	190.36	217.16*	155.07*	127.79*
Net Asset Value Per Unit (RM)	1.0186	1.0095*	1.0034*	1.0045*

Historical Data	01.01.2022- 30.06.2022	Financial Year Ended 31 December		
		2021	2020	2019
Unit Prices				
NAV - Highest (RM)	1.0186	1.0228*	1.0260*	1.0437*
- Lowest (RM)	1.0097	1.0036*	1.0031*	1.0045*
Distribution and Unit Split				
Gross Distribution Per Unit (sen)	-	1.4000	2.3000	3.9500
Net Distribution Per Unit (sen)	-	1.4000	2.3000	3.9500
Distribution Date	-	23.12.2021	23.12.2020	30.12.2019
NAV before distribution (cum)	-	1.0228	1.0260	1.0437
NAV after distribution (ex)	-	1.0089	1.0031	1.0045
Unit Split	-	-	-	-
Others				
Total Expense Ratio (TER) (%)				
#	0.28	0.56	0.56	0.56
Portfolio Turnover Ratio (PTR)				
(times) ##	16.55	46.09	64.49	40.86

* The figures quoted are ex-distribution

The TER for the financial period was consistent with previous financial period.

The PTR for the financial period was lower compared with the previous financial period due to higher average net asset value during the financial period under review.

DISTRIBUTION

For the financial period under review, no distribution has been proposed by the Fund.

PORTFOLIO STRUCTURE

The asset allocations of the Fund as at reporting date were as follows:

	As at	As at 31 December		
	30 June 2022	2021	2020	2019
	%	%	%	%
Commercial Papers	48.69	54.04	64.52	7.78
Unquoted Bonds	42.33	45.06	14.63	46.30
Deposits with licensed financial institutions	9.02	0.94	20.87	45.94
Liquid assets and other net current liabilities	(0.04)*	(0.04)*	(0.02)*	(0.02)*
	100.00	100.00	100.00	100.00

* This was due to the excess of liabilities over its cash at bank as at the reporting date. This negative cash does not affect the Fund's ability of meet its liabilities.

The asset allocation is reflective of the Fund's objective of providing investors with a high level of liquidity at reasonable returns.

BREAKDOWN OF UNIT HOLDINGS BY SIZE

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	28	26.42	55	0.03
5,001 to 10,000	11	10.38	82	0.04
10,001 to 50,000	27	25.47	640	0.34
50,001 to 500,000	22	20.75	4,076	2.14
500,001 and above	18	16.98	185,503	97.45
Total	106	100.00	190,356	100.00

* Excluding Manager's stock

SOFT COMMISSION

There were no soft commissions received by the management company for the financial period under review.

CROSS TRADE

Cross trade transactions carried out during the reported period have been reviewed by the Investment Committee of the Fund in the month of June 2022 to ensure that such transactions are in the best interest of the Fund, transacted on an arm's length (*) and fair value basis.

** Transactions at arm's length refer to transactions entered in the normal course of business at prevailing market price as at the date of cross trade.*

RHB MONEY MARKET FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	<u>Note</u>	<u>30.06.2022</u> RM	<u>31.12.2021</u> RM
ASSETS			
Bank balances		52,555	53,757
Deposits with licensed financial institutions		17,486,969	2,058,444
Investments	5	<u>176,499,980</u>	<u>217,237,351</u>
TOTAL ASSETS		<u>194,039,504</u>	<u>219,349,552</u>
LIABILITIES			
Accrued management fee		79,382	108,554
Amount due to Trustee		7,938	10,855
Other payables and accruals		<u>42,063</u>	<u>16,790</u>
TOTAL LIABILITIES		<u>129,383</u>	<u>136,199</u>
NET ASSET VALUE		<u>193,910,121</u>	<u>219,213,353</u>
EQUITY			
Unit holders' capital		181,084,940	208,284,747
Retained earnings		<u>12,825,181</u>	<u>10,928,606</u>
		<u>193,910,121</u>	<u>219,213,353</u>
UNITS IN CIRCULATION (UNITS)	6	<u>190,362,054</u>	<u>217,159,054</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION)* (RM)		<u>1.0186</u>	<u>1.0095*</u>

The accompanying notes are an integral part of the financial statements.

RHB MONEY MARKET FUND
UNAUDITED STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	<u>Note</u>	<u>01.01.2022- 30.06.2022</u> RM	<u>01.01.2021- 30.06.2021</u> RM
INCOME			
Interest income from unquoted fixed income securities		2,586,747	1,670,563
Interest income from deposits with licensed financial institutions		244,039	321,110
Net (loss)/gain on investments	5	(353,694)	152,269
		<u>2,477,092</u>	<u>2,143,942</u>
EXPENSES			
Management fee	7	(522,147)	(430,901)
Trustee's fee	8	(52,215)	(43,091)
Audit fee		(3,958)	(3,958)
Tax agent's fee		(1,260)	(1,260)
Other expenses		(937)	(937)
		<u>(580,517)</u>	<u>(480,147)</u>
Net income before taxation		1,896,575	1,663,795
Taxation	9	-	-
Net income after taxation		<u>1,896,575</u>	<u>1,663,795</u>
Net income after taxation is made up as follow:			
Realised amount		2,221,723	1,511,526
Unrealised amount		(325,148)	152,269
		<u>1,896,575</u>	<u>1,663,795</u>

The accompanying notes are an integral part of the financial statements.

RHB MONEY MARKET FUND
UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Unit holders’ capital	Retained earnings	Total net asset value
	RM	RM	RM
Balance as at 1 January 2021	145,160,701	10,439,859	155,600,560
Movement in net asset value:			
Net income after taxation	-	1,663,795	1,663,795
Creation of units arising from applications	151,664,901	-	151,664,901
Cancellation of units	(113,693,266)	-	(113,693,266)
Balance as at 30 June 2021	<u>183,132,336</u>	<u>12,103,654</u>	<u>195,235,990</u>
Balance as at 1 January 2022	208,284,747	10,928,606	219,213,353
Movement in net asset value:			
Net income after taxation	-	1,896,575	1,896,575
Creation of units arising from applications	63,433,070	-	63,433,070
Cancellation of units	(90,632,877)	-	(90,632,877)
Balance as at 30 June 2022	<u>181,084,940</u>	<u>12,825,181</u>	<u>193,910,121</u>

The accompanying notes are an integral part of the financial statements.

RHB MONEY MARKET FUND
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	01.01.2022- 30.06.2022	01.01.2021- 30.06.2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	20,196,750	-
Proceeds from redemption of investments	187,100,000	214,100,000
Purchase of investments	(165,871,394)	(271,879,700)
Placements of deposits with licensed financial institutions	(3,305,677,527)	(4,541,293,439)
Proceeds from maturity of deposits with licensed financial institutions	3,290,249,877	4,560,826,955
Interest received from unquoted fixed income securities	1,573,071	337,520
Interest received from deposits with licensed financial institutions	243,164	392,493
Management fee paid	(551,319)	(408,797)
Trustee's fee paid	(55,132)	(40,880)
Payment for other fees and expenses	(8,885)	(8,826)
Net cash generated from/(used in) operating activities	<u>27,198,605</u>	<u>(37,974,674)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	63,433,070	151,664,901
Cash paid for units cancelled	(90,632,877)	(113,693,266)
Net cash (used in)/generated from financing activities	<u>(27,199,807)</u>	<u>37,971,635</u>
Net decrease in cash and cash equivalents	(1,202)	(3,039)
Cash and cash equivalents at the beginning of the financial period	<u>53,757</u>	<u>52,439</u>
Cash and cash equivalents at the end of the financial period	<u>52,555</u>	<u>49,400</u>

The accompanying notes are an integral part of the financial statements.

**RHB MONEY MARKET FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Money Market Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Deed dated 27 April 2004 and as amended by the First Supplemental Deeds dated 8 June 2004, Second Supplemental Deeds dated 19 October 2005, Third Supplemental Deeds dated 8 December 2005, Fourth Supplemental Deeds dated 28 February 2006, Fifth Supplemental Deeds dated 9 March 2006, Sixth Supplemental Deeds dated 22 September 2006, Seventh Supplemental Deeds dated 15 December 2006, Eighth Supplemental Deeds dated 30 January 2007, Ninth Supplemental Deeds dated 9 April 2007, Tenth Supplemental Deeds dated 14 May 2007, Eleventh Supplemental Deeds dated 15 May 2007, Twelfth Supplemental Deeds dated 27 June 2007, Thirteenth Supplemental Deeds dated 24 December 2007, Fourteenth Supplemental Deeds dated 28 February 2013, Fifteenth Supplemental Deeds dated 4 September 2013, Sixteenth Supplemental Deeds dated 2 March 2015, Seventeenth Supplemental Deeds dated 8 May 2015 and Eighteenth Supplemental Deeds dated 25 May 2015 (hereinafter referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund commenced operations on 20 January 2006 and will continue its operations until terminated according to the conditions provided under the Deeds. The principal activity of the Fund is to invest in Permitted Investments as set out in the Deeds.

All investments will be subject to the Securities Commission Malaysia (“SC”)’s Guidelines on Unit Trust Funds, SC’s requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

The main objective of the Fund is to provide investors with a high level of liquidity whilst providing reasonable returns by investing in low risk investments.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of RHB Investment Bank Berhad, effective 6 January 2003. Its principal activities include rendering of investment management services, management of unit trust funds and private retirement schemes, and provision of investment advisory services.

These financial statements were authorised for issue by the Manager on 22 August 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, except those as disclosed in the summary of significant accounting policies, and in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial period. It also requires the Manager to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ. There were no areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Standards and amendments to existing standards effective 1 January 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2.2 Financial assets

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (“FVTPL”), and
- those to be measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Classification (continued)

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and deposits with licensed financial institutions are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net gain or losses on investments in the period in which they arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

Interest on debt securities at fair value through profit or loss is recognised in the statement of income and expenses.

Unquoted fixed income securities denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the SC as per the SC Guidelines on Unit Trust Funds.

Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA price for a specific unquoted fixed income security differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) Records its basis for using a non-BPA price;
- (ii) Obtains necessary internal approvals to use the non-BPA price; and
- (iii) Keeps an audit trail of all decisions and basis for adopting the market price.

Deposits with licensed financial institutions are stated at fair value. Due to the short term nature of the deposits, the cost plus accrued interest calculated based on the effective interest method over the period from the date of placement to the date of the statement of financial position is a reasonable estimate of fair value.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on the 12-month expected credit losses, as any such impairment would be wholly insignificant to the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

2.3 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 9, 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 which include accrued management fee, amount due to Trustee and other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in statement of income and expenses when the liabilities are derecognised, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Unit holders' capital

The unit holders' contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the statement of income and expenses of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holders exercise the right to put the units back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

2.5 Income recognition

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on an accrual basis using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gain or loss on sale of unquoted fixed income securities are measured by the difference between disposal proceeds and the carrying amount of investments (adjusted for accretion of discount or amortisation of premium).

Net income or loss is the total of income less expenses.

2.6 Taxation

Current tax expense is determined according to Malaysian tax laws and includes all taxes based upon the taxable income earned during the financial period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash which are/is subject to an insignificant risk of changes in value.

2.8 Distribution

Distribution to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee.

2.9 Presentation and functional currency

Items included in 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 Ringgit Malaysia ("RM"), which is the Fund's presentation and functional currency.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, interest rate risk, credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the SC Guidelines on Unit Trust Funds.

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 interest rates, foreign exchange rates and equity prices. The maximum risk resulting from financial instruments equals their fair value.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Price risk

Price risk is the risk that the fair value of the investments of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to price risk arising from interest rate risk in relation to its investments of RM176,499,980 (31.12.2021: RM217,237,351) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate risk and the related sensitivity analysis are disclosed in "Interest rate risk" below.

Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

The table below summarises the sensitivity of the Fund's profit or loss and net asset value as at reporting date to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate fluctuation by +/- 1% with all other variables held constant.

<u>% Change in interest rate</u>	Impact on profit or loss and net asset value	
	<u>30.06.2022</u>	<u>31.12.2021</u>
	RM	RM
+ 1%	(25,904)	(26,522)
- 1%	26,532	32,492

The Fund's exposure to interest rate risk arises from investment in money market instruments is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. For investments in fixed income securities, risk is minimised by spreading its maturity profile. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

The following table sets out the credit risk concentration of the Fund:

	<u>Investments</u>	Bank balances and deposits with licensed financial institutions	<u>Total</u>
	RM	RM	RM
<u>30.06.2022</u>			
AAA	16,315,693	17,538,549	33,854,242
AA1	25,174,959	-	25,174,959
AA2	5,072,076	-	5,072,076
AA3	10,213,652	-	10,213,652
AA-IS	10,082,323	-	10,082,323
P1	64,398,559	-	64,398,559
MARC-1	30,000,595	-	30,000,595
Non-Rated	15,242,123	-	15,242,123
	<u>176,499,980</u>	<u>17,538,549</u>	<u>194,038,529</u>
<u>31.12.2021</u>			
AAA	5,026,540	2,112,201	7,138,741
AAA-IS	10,268,564	-	10,268,564
AA1	60,751,960	-	60,751,960
AA2	5,067,104	-	5,067,104
AA-IS	12,696,405	-	12,696,405
P1	88,287,466	-	88,287,466
MARC-1	30,203,112	-	30,203,112
Non-Rated	4,936,200	-	4,936,200
	<u>217,237,351</u>	<u>2,112,201</u>	<u>219,349,552</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price. Unit trust funds with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year from the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM
<u>30.06.2022</u>		
Accrued management fee	79,382	-
Amount due to Trustee	7,938	-
Other payables and accruals	-	42,063
	87,320	42,063
<u>31.12.2021</u>		
Accrued management fee	108,554	-
Amount due to Trustee	10,855	-
Other payables and accruals	-	16,790
	119,409	16,790

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM181,084,940 (31.12.2021: RM208,284,747) and retained earnings of RM12,825,181 (31.12.2021: RM10,928,606). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4. FAIR VALUE ESTIMATION

Fair value is defined as 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 (i.e. an exit price).

The fair value of financial assets traded in an active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial period end date.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial period end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodologies and assumptions:

- (i) For bank balances and deposits with licensed financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment of receivables and payables are assumed to approximate their fair values due to their short term nature.

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy

The Fund adopted MFRS 13 “Fair Value Measurement” in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active market 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 (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs)

The following table analyses within the fair value hierarchy the Fund’s financial assets at fair value through profit or loss (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>30.06.2022</u>				
Financial assets at fair value through profit or loss (“FVTPL”):				
- Unquoted fixed income securities	-	176,499,980	-	176,499,980
- Deposits with licensed financial institutions	-	17,486,969	-	17,486,969
	-	193,986,949	-	193,986,949
<u>31.12.2021</u>				
Financial assets at fair value through profit or loss (“FVTPL”):				
- Unquoted fixed income securities	-	217,237,351	-	217,237,351
- Deposits with licensed financial institutions	-	2,058,444	-	2,058,444
	-	219,295,795	-	219,295,795

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted fixed income securities and deposits with licensed financial institutions. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

5. INVESTMENTS

	<u>30.06.2022</u> RM	<u>31.12.2021</u> RM
Investments:		
- Unquoted fixed income securities	<u>176,499,980</u>	<u>217,237,351</u>
	<u>01.01.2022- 30.06.2022</u> RM	<u>01.01.2021- 30.06.2021</u> RM
Net (loss)/gain on investments comprised:		
- Net realised loss on investments	(28,546)	-
- Net unrealised (loss)/gain on changes in fair value	<u>(325,148)</u>	<u>152,269</u>
	<u>(353,694)</u>	<u>152,269</u>

Investments as at 30 June 2022 are as follows:

<u>Name of Counter</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
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UNQUOTED FIXED INCOME SECURITIES

COMMERCIAL PAPERS

Bermaz Auto Berhad					
16/12/2022 - ICP	P1	15,000,000	14,807,272	14,807,272	7.64
Perbadanan Kemajuan Negeri Selangor MK					
15/09/2022 - ICP	P1	10,000,000	9,930,202	9,930,202	5.12
Perbadanan Kemajuan Negeri Selangor MK					
26/10/2022 - ICP	P1	5,000,000	4,955,009	4,955,009	2.56

5. INVESTMENTS (CONTINUED)

Investments as at 30 June 2022 are as follows: (continued)

<u>Name of Counter</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)					
<u>COMMERCIAL PAPERS (CONTINUED)</u>					
Perbadanan					
Kemajuan Negeri					
Selangor MK					
22/11/2022 - ICP	P1	5,000,000	4,934,248	4,934,248	2.54
Sabah Credit Corporation					
18/10/2022 - CP	P1	10,000,000	9,928,153	9,928,153	5.12
Sabah Credit Corporation					
25/10/2022 - CP	P1	5,000,000	4,961,778	4,961,778	2.56
Sabah Development Bank Berhad					
23/09/2022 - CP	P1	5,000,000	4,963,167	4,963,167	2.56
Sunway Treasury					
Sukuk 25/07/2022 - CP	MARC-1	20,300,000	20,267,256	20,267,256	10.45
Tenaga Nasional Berhad 04/11/2022 - ICP					
	P1	10,000,000	9,918,730	9,918,730	5.12
UEM Sunrise Berhad					
12/04/2023 - ICP	MARC-1	10,000,000	9,733,339	9,733,339	5.02
			<u>94,399,154</u>	<u>94,399,154</u>	<u>48.69</u>
<u>UNQUOTED BONDS</u>					
2.24% Cagamas Berhad 02/02/2023					
	AAA	10,000,000	10,106,880	10,073,184	5.19
5.40% Country Garden 09/06/2023					
	AA3	5,000,000	5,018,439	5,014,524	2.59
5.67% Edra Energy 05/01/2023					
	AA3	5,000,000	5,210,794	5,199,128	2.68
4.57% Imtiaz Sukuk 2 Berhad					
17/10/2022	AA2	5,000,000	5,078,163	5,072,076	2.62

5. INVESTMENTS (CONTINUED)

Investments as at 30 June 2022 are as follows: (continued)

<u>Name of Counter</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)					
<u>UNQUOTED BONDS (CONTINUED)</u>					
0.00% Khazanah Nasional Berhad 02/09/2022	NR	5,000,000	4,982,595	4,978,550	2.57
4.00% Kuala Lumpur Kepong Berhad 02/09/2022	AA1	5,000,000	5,081,740	5,076,203	2.62
4.68% Malaysia Airports Capital Berhad 16/12/2022	AAA	1,200,000	1,211,836	1,211,430	0.62
2.88% Mitsubishi UFJ Financial Group 24/03/2023	AAA	5,000,000	5,048,521	5,031,079	2.59
4.43% Pengurusan Air SPV Berhad 03/02/2023	NR	10,000,000	10,296,778	10,263,573	5.29
4.20% Sabah Development Bank Berhad 26/05/2023	AA1	15,000,000	15,068,630	15,089,283	7.78
3.70% Sabah Development Bank Berhad 14/12/2022	AA1	5,000,000	5,011,339	5,009,473	2.58
5.60% UEM Sunrise Berhad 12/09/2022	AA-IS	5,000,000	5,049,716	5,043,427	2.60
4.05% WCT Holdings Berhad 31/03/2023	AA-IS	5,000,000	5,053,222	5,038,896	2.60
			<u>82,218,653</u>	<u>82,100,826</u>	<u>42.33</u>
TOTAL INVESTMENTS			<u>176,617,807</u>	<u>176,499,980</u>	<u>91.02</u>

5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2021 are as follows:

<u>Name of Counter</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
UNQUOTED FIXED INCOME SECURITIES					
<u>COMMERCIAL PAPERS</u>					
AEON Co (M)					
Berhad 23/02/2022					
- ICP	P1	5,000,000	4,984,664	4,984,663	2.27
Bermaz Auto					
Berhad 17/06/2022					
- ICP	P1	15,000,000	14,848,258	14,848,258	6.77
2.08% Cagamas					
Berhad –					
30/03/2022 - CP	MARC-1	5,000,000	5,000,568	5,000,570	2.28
2.07% Cagamas					
Berhad –					
21/03/2022 - CP	P1	5,000,000	5,003,395	5,003,403	2.28
Perbadanan					
Kemajuan Negeri					
Selangor					
22/02/2022 - CP	P1	25,000,000	24,887,152	24,887,152	11.35
Perbadanan					
Kemajuan Negeri					
Selangor					
22/11/2022 - ICP	P1	5,000,000	4,852,827	4,852,827	2.21
Perbadanan					
Kemajuan Negeri					
Selangor					
22/03/2022 - ICP	P1	5,000,000	4,965,324	4,965,324	2.27
Perbadanan					
Kemajuan Negeri					
Selangor					
28/03/2022 - ICP	P1	19,000,000	18,858,387	18,858,387	8.60
Sabah Development					
Bank Berhad					
24/06/2022 -CP	P1	5,000,000	4,903,654	4,903,654	2.24
Sabah Development					
Bank Berhad					
08/02/2022 - CP -					
Tranche 181	P1	5,000,000	4,983,798	4,983,798	2.27

5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2021 are as follows: (continued)

<u>Name of Counter</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
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UNQUOTED FIXED INCOME SECURITIES (CONTINUED)

COMMERCIAL PAPERS (CONTINUED)

SME Bank Berhad 30/03/2022 - ICP	MARC-1	5,000,000	4,974,855	4,974,855	2.27
Sunway Treasury Sukuk Berhad 23/02/2022 - CP	MARC-1	20,300,000	20,227,687	20,227,687	9.23
			<u>118,490,569</u>	<u>118,490,578</u>	<u>54.04</u>

UNQUOTED BONDS

4.70% Cagamas Berhad – 21/12/2021	AAA-IS	10,000,000	10,257,734	10,268,564	4.69
2.33% Cagamas Berhad – 28/11/2022	AAA	5,000,000	5,011,437	5,026,540	2.29
4.58% Imtiaz Sukuk 2 Berhad 27/05/2022	AA2	5,000,000	5,067,960	5,067,104	2.31
Khazanah National Berhad 27/05/2022	NR	5,000,000	4,932,927	4,936,200	2.25
4.00% Kuala Lumpur Kepong Berhad 02/09/2022	AA1	5,000,000	5,127,695	5,127,603	2.34
2.75% Sabah Credit Corporation 25/04/2022	AA1	10,000,000	10,059,343	10,068,759	4.59
2.75% Sabah Credit Corporation 07/04/2022	AA1	10,000,000	10,069,521	10,072,148	4.60
4.20% Sabah Development Bank Berhad 26/05/2023	AA1	15,000,000	15,077,726	15,211,159	6.94

5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2021 are as follows: (continued)

<u>Name of Counter</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)					
<u>UNQUOTED BONDS (CONTINUED)</u>					
5.30% Sabah					
Development Bank Berhad 11/05/2022	AA1	5,000,000	5,069,981	5,075,477	2.32
5.30% Sabah					
Development Bank Berhad 28/04/2022	AA1	10,000,000	10,154,080	10,163,484	4.64
3.70% Sabah					
Development Bank Berhad 14/12/2022	AA1	5,000,000	5,014,298	5,033,330	2.30
3.25% Sunway					
Treasury Sukuk Sdn Berhad 17/01/2022	AA-IS	2,500,000	2,537,812	2,538,192	1.16
5.06% UEM Sunrise					
Berhad 12/09/2022	AA-IS	5,000,000	5,091,708	5,089,770	2.32
3.90% UEM Sunrise					
Berhad 21/09/2023	AA-IS	5,000,000	5,067,239	5,068,443	2.31
			<u>98,539,461</u>	<u>98,746,773</u>	<u>45.06</u>
TOTAL INVESTMENTS			<u>217,030,030</u>	<u>217,237,351</u>	<u>99.10</u>

6. UNITS IN CIRCULATION

	<u>30.06.2022</u> Units	<u>31.12.2021</u> Units
As at beginning of the financial period/year	217,159,054	155,067,203
Creation of units during the financial period/year		
Arising from distribution	-	3,498,851
Arising from applications	62,551,000	313,035,000
Cancellation of units during the financial period/year	<u>(89,348,000)</u>	<u>(254,442,000)</u>
As at end of the financial period/year	<u>190,362,054</u>	<u>217,159,054</u>

7. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 0.50% (01.01.2021 - 30.06.2021: 0.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

8. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is up to 0.05% (01.01.2021 - 30.06.2021: 0.05%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

9. TAXATION

(a) Tax charge for the financial period

	<u>01.01.2022-</u> <u>30.06.2022</u> RM	<u>01.01.2021-</u> <u>30.06.2021</u> RM
Current taxation	<u>-</u>	<u>-</u>

9. TAXATION (CONTINUED)

(b) Numerical reconciliation of income tax expense

The numerical reconciliation between the net income before taxation multiplied by the Malaysian statutory income tax rate and the tax expense of the Fund is as follows:

	<u>01.01.2022-</u> <u>30.06.2022</u>	<u>01.01.2021-</u> <u>30.06.2021</u>
	RM	RM
Net income before taxation	<u>1,896,575</u>	<u>1,663,795</u>
Tax calculated at a statutory income tax rate of 24%	455,178	399,311
Tax effects of:		
- Income not subject to tax	(594,502)	(514,546)
- Expenses not deductible for tax purposes	13,059	10,869
- Restriction on tax deductible expenses	<u>126,265</u>	<u>104,366</u>
Tax expense	<u>-</u>	<u>-</u>

10. TOTAL EXPENSE RATIO (“TER”)

	<u>01.01.2022-</u> <u>30.06.2022</u>	<u>01.01.2021-</u> <u>30.06.2021</u>
	%	%
TER	<u>0.28</u>	<u>0.28</u>

The TER ratio is calculated based on total expenses excluding investment transaction related costs of the Fund to the average net asset value of the Fund calculated on a daily basis.

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>01.01.2022-</u> <u>30.06.2022</u>	<u>01.01.2021-</u> <u>30.06.2021</u>
PTR (times)	<u>16.55</u>	<u>27.59</u>

The PTR ratio is calculated based on average of acquisition and disposals of the Fund for the financial period to the average net asset value of the Fund calculated on a daily basis.

12. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The number of units held by the Manager is as follows:

	30.06.2022		31.12.2021	
	Units	RM	Units	RM
The Manager	5,615	5,719	5,805	5,860
RHB Capital Nominees (Tempatan) Sdn Bhd	-	-	262,377	264,870
RHB Nominees (Tempatan) Sdn Bhd	120,722	122,967	-	-

The units are held beneficially by the Manager for booking purposes. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

The units held by RHB Capital Nominees (Tempatan) Sdn Bhd a wholly owned subsidiary of ultimate holding company of the Manager, RHB Nominees (Asing) Sdn Bhd and RHB Nominees (Tempatan) Sdn Bhd both wholly owned subsidiaries of holding company of the Manager are under nominees structure.

Other than the above, there were no units held by Directors or parties related to the Manager.

The holding company and the ultimate holding company of the Manager is RHB Investment Bank Berhad and RHB Bank Berhad respectively. The Manager treats RHB Bank Berhad group of companies including RHB Investment Bank Berhad and its subsidiaries as related parties.

13. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 30 June 2022 are as follows:

Brokers/Financial <u>institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank Berhad*	56,787,190	30.52	-	-
Kenanga Investment Bank Berhad	40,392,885	21.71	-	-
CIMB Bank Berhad	29,662,438	15.94	-	-
AmBank (M) Berhad	24,767,808	13.31	-	-
Hong Leong Investment Bank Berhad	14,791,323	7.95	-	-
Hong Leong Bank Berhad	10,006,500	5.38	-	-
Malayan Banking Berhad	9,660,000	5.19	-	-
	<u>186,068,144</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial year ended 31 December 2021 are as follows:

Brokers/Financial <u>institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
AmBank (M) Berhad	126,850,056	23.50	-	-
Malayan Banking Berhad	124,005,272	22.98	-	-
Ambank Islamic Berhad	97,930,612	18.15	-	-
Kenanga Investment Bank Berhad	80,745,558	14.96	-	-
RHB Investment Bank Berhad *	45,185,928	8.37	-	-
Hong Leong Financial Group Berhad	24,724,507	4.58	-	-
CIMB Bank Berhad	19,974,247	3.70	-	-
Hong Leong Bank Berhad	15,317,000	2.84	-	-
Maybank Investment Bank Berhad	4,973,408	0.92	-	-
	<u>539,706,588</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

13. TRANSACTIONS BY THE FUND (CONTINUED)

- * Included in transactions by the Fund are trades with RHB Investment Bank Berhad, the holding company of the Manager. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

14. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>30.06.2022</u> RM	<u>31.12.2021</u> RM
Financial assets		
Financial assets at fair value through profit or loss (“FVTPL”)		
• Unquoted fixed income investments	176,499,980	217,237,351
• Deposits with licensed financial institutions	17,486,969	2,058,444
	<u>193,986,949</u>	<u>219,295,795</u>
Financial assets at amortised cost		
• Bank balances	<u>52,555</u>	<u>53,757</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Accrued management fee	79,382	108,554
• Amount due to Trustee	7,938	10,855
• Other payables and accruals	42,063	16,790
	<u>129,383</u>	<u>136,199</u>

**STATEMENT BY MANAGER
RHB MONEY MARKET FUND**

We, Dato' Darawati Hussain and Chin Yoong Kheong, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying unaudited statement of financial position, unaudited statement of income and expenses, unaudited statement of changes in net asset value, unaudited statement of cash flows and the accompanying notes, 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 the Fund as at 30 June 2022 and of its financial performance and cash flows for the financial period then ended and comply with the provisions of the Deeds.

On behalf of the Manager,

Dato' Darawati Hussain
Director

Chin Yoong Kheong
Director

22 August 2022

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF RHB MONEY MARKET FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 June 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, RHB Asset Management Sdn Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
22 August 2022

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL AND BUSINESS OFFICE

Level 8, Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

E-mail address: rhbam@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8100

Website: www.rhbgroup.com

BOARD OF DIRECTORS

Mr Yap Chee Meng (*Independent Non-Executive Chairman*)

Mr Chin Yoong Kheong (*Senior Independent Non-Executive Director*)

Ms Ong Yin Suen (*Managing Director / Chief Executive Officer*)

YBhg Dato' Darawati Hussain (*Independent Non-Executive Director*)

YBhg Datuk Seri Dr Govindan A/L Kunchambo

(*Independent Non-Executive Director*)

Encik Mohd Rashid Bin Mohamad (*Non-Independent Non-Executive Director*)

(*Resigned with effect from 20 June 2022*)

Tuan Syed Ahmad Taufik Albar (*Non-Independent Non-Executive Director*)

(*Appointed with effect from 20 June 2022*)

INVESTMENT COMMITTEE MEMBERS

Mr Yap Chee Meng (*Independent Chairman*)

YBhg Dato' Darawati Hussain

Puan Sharifatu Laila Syed Ali

CHIEF EXECUTIVE OFFICER

Ms Ong Yin Suen

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Cik Hasnita Sulaiman (MAICSA No. 7060582)

BRANCH OFFICE

Kuala Lumpur Office	B-9-6, Megan Avenue 1 No. 189, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2171 2755/ 03-2166 7011 Fax: 03-2770 0022
Shah Alam Office	B-3-1, 1st Floor Jalan Serai Wangi G16/G, Alam Avenue Persiaran Selangor, Section 16 40200 Shah Alam Tel: 03-5523 1909 Fax: 03-5524 3471
Sri Petaling Office	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Batu Pahat Office	53, 53-A and 53-B Jalan Sultanah 83000 Batu Pahat, Johor Tel: 07-438 0271/ 07-438 0988 Fax: 07-438 0277
Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	No 34 Jalan Kebun Teh 1 Pusat Perdagangan Kebun Teh 80250 Johor Bahru, Johor Tel: 07-221 0129 Fax: 07-221 0291 2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	1st Floor, Lot 10, Jalan Putra Square 1 Putra Square 25300 Kuantan, Pahang Tel: 09-517 3611/ 09-517 3612/ 09-531 6213 Fax: 09-517 3615

Kuching Office
Lot 133, Section 20, Sublot 2 & 3
1st Floor, Jalan Tun Ahmad Zaidi Aduce
93200 Kuching, Sarawak
Tel: 082-550 838 Fax: 082-550 508

Yung Kong Abell, Units 1-10
2nd Floor Lot 365
Section 50 Jalan Abell
93100 Kuching, Sarawak
Tel: 082-245 611 Fax: 082-230 326

Kota Bharu Office
Ground Floor, No 3486-G
Jalan Sultan Ibrahim
15050 Kota Bharu, Kelantan
Tel: 09-740 6891 Fax: 09-740 6890

Kota Kinabalu Office
Lot No. C-02-04, 2nd Floor
Block C, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu
Sabah
Tel: 088-528 686/ 088-528 692
Fax: 088-528 685

Melaka Office
581B, Taman Melaka Raya
75000 Melaka
Tel: 06-284 4211/ 06-281 4110
Fax: 06-292 2212

Penang Office
3rd Floor, 44 Lebuhraya Pantai
10300 Georgetown, Penang
Tel: 04-264 5639 Fax: 04-264 5640

Prai Office
No 38, First Floor
Jalan Todak 2
Seberang Jaya
13700 Perai, Penang
Tel: 04-386 6670 Fax: 04-386 6528

TRUSTEE	HSBC (Malaysia) Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Investment Bank Bhd Alliance Bank Malaysia Berhad AmBank Berhad AmInvestment Bank Berhad Apex Investment Services Berhad Areca Capital Sdn Bhd CIMB Investment Bank Bhd CIMB Private Banking CIMB Wealth Advisors Berhad Citibank Berhad CUTA - Genexus Advisory Sdn Bhd Hong Leong Bank Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Manulife Investment Management Malayan Banking Berhad OCBC Bank (Malaysia) Berhad Phillip Mutual Berhad Standard Chartered Bank (M) Berhad United Overseas Bank (Malaysia) Berhad UOB Kay Hian Securities (M) Sdn Bhd

RHB  **Asset Management**

RHB Asset Management Sdn Bhd 198801007231 (174588-X)

Head Office

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