

RHB US FOCUS EQUITY FUND

INTERIM REPORT 2022

For the financial period ended 30 April 2022

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB US Focus Equity Fund

Fund Category - Feeder Fund

Fund Type - Growth Fund

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund will invest in a target fund which aims to provide capital growth primarily through investment in equity securities of smaller and medium-sized US companies. Smaller and medium-sized US companies are considered companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

Note: For more information, investors should also refer to the target fund's investment objective, investment focus and approach.

Strategy

The Fund will invest principally in one of the funds under the Schroder International Selection Fund ("Schroder ISF") that is, the Schroder International Selection Fund US Small & Mid-Cap Equity ("Schroder ISF USSME"), which is managed by the management company, Schroder Investment Management (Luxembourg) S.A. and whose investment manager is Schroder Investment Management North America Inc. The Fund will invest into the Schroder ISF USSME – X Accumulation Share Class (denominated in US Dollars), a collective investment scheme domiciled in Luxembourg.

The asset allocation of the Fund will be as follows:

At least 95% of Net Asset Value ("NAV") - Investments in the X Accumulation Shares of Schroder ISF USSME

2% - 5% of NAV - Investments in liquid assets including money market instruments and deposits with financial institutions

Performance Benchmark

The performance of the Fund is benchmarked against the Russell 2500 TR Lagged (RM).

Permitted Investments

This Fund may invest in one collective investment scheme i.e. Schroder ISF USSME, financial derivatives, liquid assets (including money market instruments and deposits with any financial institutions) and any other investment permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

Consistent with the Fund's objective to achieve capital growth, distribution will therefore be of secondary importance. Distribution, if any, after deduction of taxation and expenses, will be reinvested.

MANAGER'S REPORT

MARKET AND ECONOMIC REVIEW

The Target Fund Manager said that the United States (“US”) small and mid-cap stocks declined in the period, suffering the first decline since the start of the pandemic in year 2020. Markets started 2022 off on the wrong footing, giving back some of the strong gains seen in fourth quarter of 2021 (“Q42021”). This is in response to more hawkish predictions from the Federal Reserve on the path of interest rates on the back of higher inflation data. Then Russia invaded the Ukraine, which amplified existing concerns over inflation pressures, particularly through food and energy. US economic data otherwise remained stable. Markets did recover in March, which came as a surprise considering there is little clarity on how the war in Ukraine pans out. In addition, more lockdowns have been announced in China to try and combat the Omicron variant, including for the first time the important Shanghai metropolis.

The Target Fund Manager mentioned that the main lesson to learn from the period is to expect volatility to remain at higher levels than they experienced in previous years as markets grapple how to price more uncertainty over inflation, interest rates and geopolitical risk. Looking in more detail at what drove markets for the period, the main factors were positive revisions concentrated in companies within the energy and basic material sectors. The energy sector and basic materials were up while all other sectors were flat or in the red. This meant growth as a style underperformed considerably. Non-earning companies continued to suffer. Apart from increased geopolitical risk, the market also reacted to rising interest rates impacting some longer duration tech companies.

The Target Fund Manager added that the US economy added 431k non-farm jobs in March 2022, while the unemployment rate declined to 3.60%, the lowest since February 2020, from 3.80% in February 2022. The participation rate rose by 0.1 percentage points to 62.40% in March 2022. Wage gains accelerated, with average hourly earnings rising 0.40% m/m. That lifted the annual increase to 5.60%, from 5.20% in February 2022. In the meantime, the core personal consumption expenditure (“PCE”) price index rose 5.40% y/y in February 2022, up from 5.20% in the previous month and recording the biggest gain since April 1983. The headline PCE measure also accelerated, rising 6.40%, the fastest pace since January 1982.

The US Federal Reserve (“Fed”) is clearly behind the curve and recently said explicitly that they can hike by 50 basis points (“bp”) at their next meeting. In addition, the balance sheet is predicted to shrink at a faster pace both providing potential ammunition if the economy needs supporting into year 2024 which is an election year. Financial markets have shown remarkable resilience in the face of the Fed pivot. Six months ago, the bond market was pricing in no rate hikes this year; now it is pricing in 220 bp. However, the combination of Fed repricing and the Ukraine shock has left US equity markets essentially flat over that period. The repricing in other risk assets has also been quite mild. Similarly, the Bloomberg financial conditions index is only a little

below its neutral reading of zero. The economy continues to look quite resilient, particularly the job market. The race is on between easing of supply chain pressures and falling demand in terms of impacting inflation numbers. If the economy or markets weaken dramatically it could slowdown or stop the Fed.

The Target Fund Manager said that the nominal economic growth outlook is still strong. Whereas inflation is squeezing the lower end consumer, domestic capex is experiencing a strong renaissance with companies more confident to spend than in previous cycles bolstered by the need to unspool and secure supply chains to decouple in particular more from China and Russia, where relevant. Capital expenditure (“Capex”) lifts productivity and labor participation, raising potential GDP and living standards. Across markets, countries with stronger capital spending tend to outperform.

MARKET OUTLOOK AND STRATEGY

The Target Fund Manager have completed an intense round of meetings with over 40 companies in March 2022 which gives us a better feel of economic conditions than they can derive from government or third-party data. They organised a similar initiative last year which allowed them to understand the inflationary pressures that, at the time, were just starting to emerge and the data took many months to pick up. This is partly why the Federal Reserve is currently playing catch up and also a risk that it tightens too much when demand is starting to fall meaningfully.

There are two interesting factors they are noticing in regards to cost inflation. First, the supply chain issues that were meant to be easing have been extended by both the war in Ukraine and the continued closing down of major regions in China due to rising COVID-19 levels. So far companies have been able to absorb higher raw material costs by raising prices without noticeably affecting demand from their customers. However, Target Fund Manager suspected as the supply chain squeeze continues for longer than expected, either some companies might have to accept higher costs and lower margins or demand will fall. This leads them to focus more than ever on companies which can sustain their margins or naturally run high gross margin businesses.

Secondly, previous issues with finding enough workers seems to be easing more than expected. The employment participation rates are increasing disparaging the notion that the ‘Great Retirement’ has altered the workplace. This should mean wage inflation is more subdued than previously imagined. It also leads them to consider companies which have been struggling to find employees like in the Healthcare service industry.

The Target Fund Manager highlighted that recent events have enhanced the strengths of the US economy. Most importantly, the US has enough energy to not only provide for the country but increasingly, once the infrastructure is built, to export to Europe – replacing Russian energy reliance. US small and mid-cap stocks tend to source their revenues more domestically, insulating them somewhat from global geopolitical disruptions. The small cap universe offers a wide variety of companies that may benefit

from the strong domestic economic growth we are experiencing. Cheaper valuations and faster earnings growth offer a better entry point relative to US large caps.

The Target Fund Manager said that we have entered a very new global economic and market cycle which will need skilled navigation. Considering there is an unsavoury blend of inflation, rising interest rates and heightened geopolitical risks due to war in Europe and the lingering COVID-19 pandemic, market volatility will remain elevated. Their stock selection investment process is designed to weather rocky markets due to strong diversification across 3 different types of companies namely mispriced growth, steady eddies and turnarounds. The Target Fund Manager thinks this blend will be more important in navigating future markets than in recent years when a small number of ‘growth companies’ dominated performance. Real and sustainable earnings will be needed to support valuations. This is the foundation of companies that they invest in.

REVIEW OF THE FUND PERFORMANCE DURING THE FINANCIAL PERIOD

For the financial period under review, the Fund (RM) registered a negative total return of 7.75%* whilst its benchmark, Russell 2500 TR Lagged (RM) recorded a negative return of 10.75%*. The Fund (RM) has achieved its investment objective for the financial period under review.

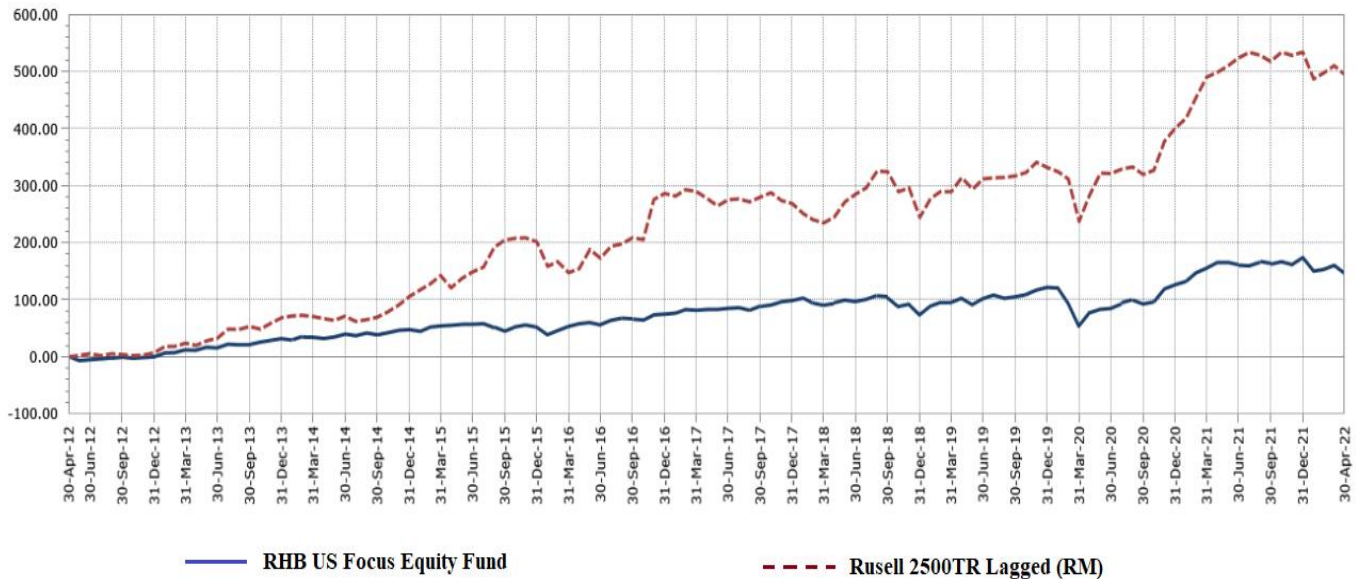
* *Source: Lipper Investment Management (“Lipper IM”), 18 May 2022*

PERFORMANCE DATA

	31.10.2021- 30.04.2022 %	Annual Total Returns Financial Year Ended 31 October				
		2021 %	2020 %	2019 %	2018 %	2017 %
RHB US Focus Equity Fund						
- Capital Return	(7.75)	31.20	(6.69)	6.73	(6.72)	16.31
- Income Return	-	3.92	-	4.05	5.81	-
- Total Return	(7.75)	36.34	(6.69)	11.05	(1.30)	16.31
Russell 2500TR Lagged (RM)	(10.75)	48.43	0.93	8.54	1.61	25.70

	Average Annual Returns			
	1 Year 30.04.2021- 30.04.2022 %	3 Years 30.04.2019- 30.04.2022 %	5 Years 30.04.2017- 30.04.2022 %	10 Years 30.04.2012- 30.04.2022 %
RHB US Focus Equity Fund	(6.98)	6.53	6.12	9.41
Russell 2500TR Lagged (RM)	(6.47)	10.89	9.39	15.23

**Performance of RHB US Focus Equity Fund
for the period from 30 April 2012 to 30 April 2022
Cumulative Return Over The Period (%)**



Source: Lipper IM, 18 May 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	01.11.2021- 30.04.2022	As at 31 October		
		2021	2020	2019
Net Asset Value (RM million)	53.65	81.76*	60.05	72.60*
Units In Circulation (million)	45.92	64.57	62.22	70.18
Net Asset Value Per Unit (RM)	1.1683	1.2663*	0.9652	1.0345*

Historical Data	01.11.2021- 30.04.2022	Financial Year Ended 31 October		
		2021	2020	2019
Unit Prices				
NAV - Highest (RM)	1.3153	1.3394*	1.1227	1.0781*
- Lowest (RM)	1.1423	0.9747*	0.6423	0.8740*
Distribution and Unit Split				
Gross Distribution Per Unit (sen)	-	5.0000	-	4.2000
Net Distribution Per Unit (sen)	-	5.0000	-	4.2000
Distribution Date	-	27.10.2021	-	29.10.2019
NAV before distribution (cum)	-	1.3394	-	1.0655
NAV after distribution (ex)	-	1.2773	-	1.0367
Unit Split	-	-	-	-
Others				
Total Expense Ratio (TER) (%) #	0.44	0.91	0.91	0.89
Portfolio Turnover Ratio (PTR) (times) ##	0.14	0.56	0.88	0.24

* *The figures quoted are ex-distribution*

The TER for the financial period was lower compared with previous financial period due to lower expenses incurred for the financial period under review.

The PTR for the financial period was lower compared with previous financial period due to lesser investments activities for 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 was as follows:

	As at	As at 31 October		
	30.04.2022	2021	2020	2019
	%	%	%	%
Sectors				
Foreign collective investment scheme	99.51	96.62	96.08	97.00
Liquid assets and other current assets	0.49	3.38	3.92	3.00
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The asset allocations have been structured to meet the Fund's intended objective.

BREAKDOWN OF UNIT HOLDINGS BY SIZE

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	31	32.63	92	0.20
5,001 to 10,000	8	8.42	61	0.13
10,001 to 50,000	25	26.32	651	1.42
50,001 to 500,000	18	18.95	2,161	4.71
500,001 and above	13	13.68	42,950	93.54
Total	95	100.00	45,915	100.00

* Excluding Manager's stock

SOFT COMMISSION

The Fund Manager may only receive soft commission in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments.

During the financial period under review, the soft commission received from the brokers had been retained by the Manager as the goods and services provided are of demonstrable benefit to the unit holders.

RHB US FOCUS EQUITY FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	<u>Note</u>	<u>30.04.2022</u> RM	<u>31.10.2021</u> RM
ASSETS			
Bank balances	5	50,808	50,158
Deposits with licensed financial institutions	5	1,068,817	2,238,512
Investments	6	53,385,960	78,998,006
Amount due from Fund Manager of collective investment scheme		797,804	12,411,690
Amount due from Manager		-	88,134
Other receivables		42,061	68,019
Forward foreign currency contracts	7	-	451,537
TOTAL ASSETS		<u>55,345,450</u>	<u>94,306,056</u>
LIABILITIES			
Forward foreign currency contracts		1,526,997	-
Amount due to Manager		79,165	12,389,614
Accrued management fee		82,287	139,492
Amount due to Trustee		2,743	4,650
Other payables and accruals		6,457	10,350
TOTAL LIABILITIES		<u>1,697,649</u>	<u>12,544,106</u>
NET ASSET VALUE		<u>53,647,801</u>	<u>81,761,950</u>
EQUITY			
Unit holders' capital		13,993,122	37,676,398
Retained earnings		39,654,679	44,085,552
		<u>53,647,801</u>	<u>81,761,950</u>
UNITS IN CIRCULATION (UNITS)	8	<u>45,919,819</u>	<u>64,565,819</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION*) (RM)		<u>1.1683</u>	<u>1.2663*</u>

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

RHB US FOCUS EQUITY FUND
UNAUDITED STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

	<u>Note</u>	<u>01.11.2021-</u> <u>30.04.2022</u> RM	<u>01.11.2020-</u> <u>30.04.2021</u> RM
(LOSS)/INCOME			
Interest income from deposits with licensed financial institutions		12,450	21,034
Net (loss)/gain on investments	6	(1,754,024)	21,549,977
Net loss on forward foreign currency contracts	7	(2,426,153)	(212,130)
Net foreign currency exchange gain/(loss)		18,870	(40,123)
		<u>(4,148,857)</u>	<u>21,318,758</u>
EXPENSES			
Management fee	9	(256,638)	(310,227)
Trustee's fee	10	(18,941)	(22,092)
Audit fee		(2,697)	(2,689)
Tax agent's fee		(1,260)	(1,256)
Other expenses		(2,480)	(2,219)
		<u>(282,016)</u>	<u>(338,483)</u>
Net (loss)/income before taxation		(4,430,873)	20,980,275
Taxation	11	-	-
Net (loss)/income after taxation		<u>(4,430,873)</u>	<u>20,980,275</u>
Net (loss)/income after taxation is made of the following:			
Realised amount		4,742,038	5,057,922
Unrealised amount		(9,172,911)	15,922,353
		<u>(4,430,873)</u>	<u>20,980,275</u>

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

RHB US FOCUS EQUITY FUND
UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

	Unit holders’ capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 November 2020	33,990,702	26,064,249	60,054,951
Movement in net asset value:			
Net income after taxation	-	20,980,275	20,980,275
Creation of units arising from applications	57,421,924	-	57,421,924
Cancellation of units	(41,286,780)	-	(41,286,780)
Balance as at 30 April 2021	<u>50,125,846</u>	<u>47,044,524</u>	<u>97,170,370</u>
Balance as at 1 November 2021	37,676,398	44,085,552	81,761,950
Movement in net asset value:			
Net loss after taxation	-	(4,430,873)	(4,430,873)
Creation of units arising from applications	2,876,478	-	2,876,478
Cancellation of units	(26,559,754)	-	(26,559,754)
Balance as at 30 April 2022	<u>13,993,122</u>	<u>39,654,679</u>	<u>53,647,801</u>

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

RHB US FOCUS EQUITY FUND
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

	01.11.2021- 30.04.2022	01.11.2020- 30.04.2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	35,487,936	30,189,508
Purchase of investments	-	(44,423,856)
Interest received from deposits with licensed financial institutions	12,450	21,034
Management fee paid	(285,043)	(300,422)
Trustee's fee paid	(20,848)	(21,089)
Payment for other fees and expenses	(10,330)	(7,866)
Net realised loss foreign currency forward contracts	(447,619)	(266,346)
Net cash generated from/ (used in) operating activities	<u>34,736,546</u>	<u>(14,809,037)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	2,964,612	55,666,396
Cash paid for units cancelled	(38,870,203)	(41,490,028)
Net cash (used in)/generated from financing activities	<u>(35,905,591)</u>	<u>14,176,368</u>
Net decrease in cash and cash equivalents	(1,169,045)	(632,669)
Cash and cash equivalents at the beginning of the financial period	<u>2,288,670</u>	<u>1,905,187</u>
Cash and cash equivalents at the end of the financial period	<u>1,119,625</u>	<u>1,272,518</u>

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

**RHB US FOCUS EQUITY FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB US Focus Equity Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Deed dated 14 July 2010 as modified via its First Supplemental Deed dated 4 September 2013, Second Supplemental Master Deed dated 24 February 2015 and Third Supplemental Master Deed dated 3 June 2015 (hereinafter referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 15 October 2010 and will continue its operations until terminated according to the conditions provided under the Deeds. The principal activities of the Fund is to invest in Permitted Investments as defined under the Deeds.

All investments will be subject to the Securities Commission’s (“SC”) Malaysia Guidelines on Unit Trust Funds, SC 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 invest in a target fund which aims to provide capital growth primarily through investment in equity securities of smaller and medium-sized US companies. Smaller and medium-sized US companies are considered companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

The Manager is a company incorporated in Malaysia and 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 27 June 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 November 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 November 2021 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 November 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 November 2021, 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Fund Manager of collective investment scheme, amount due from Manager and other receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

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 and financial liabilities 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.

Collective investment scheme is valued based on the last published net asset value per unit or share of such collective investment scheme or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in such selling price).

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

Derivative investments are foreign currency forward contracts. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instruments are recognised in the statement of income and expenses when settled or at the date of the statement of financial position at which they are included in the measurement of the derivative financial instrument.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 amount due to Manager, amount due to Trustee, accrued management fee and other payables and accruals are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method.

The Fund's policies on derivative instruments are stated in Note 2.2 and Note 2.11.

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.

2.4 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". These 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 period if the 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition

Interest income from deposits with licensed financial institutions 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 collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

Realised gain or loss on foreign currency forward contracts are measured by the net settlement amount as per the foreign currency forward contract.

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.

2.7 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 which are subject to an insignificant risk of changes in value.

2.8 Amount due from/to fund manager of collective investment scheme

Amounts due from/to fund manager of collective investment scheme represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The amount due from fund manager of collective investment scheme balance is held for collection.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Amount due from/to fund manager of collective investment scheme (continued)

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from fund manager of collective investment scheme at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the fund manager of collective investment scheme, probability that the fund manager of collective investment scheme will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- Part of The Fund’s cash is denominated in RM for the purpose of making settlement of the creation and cancellation.
- The Fund’s units are denominated in RM.
- The Fund’s significant expenses are denominated in RM.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Foreign currency translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in statement of income and expenses.

2.11 Derivative financial instruments

The Fund's derivative financial instruments comprise foreign currency forward contracts. Derivative financial instruments are initially recognised at fair value on the date derivative contracts are entered into and are subsequently re-measured at their fair value.

The fair value of foreign currency forward contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative financial instrument is designated as a hedging instrument, and the nature of the item being hedged. Derivative financial instruments that do not qualify for hedge accounting are classified as FVTPL and accounted for as above.

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, currency 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk

Market risk is a risk that arises when the prices of investments in the market place are affected by circumstances such as general market or economic events. These circumstances, which may be a local or global event, can affect a local market where the Target Fund is invested in or global markets and subsequently, the value of the Target Fund's investments.

Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from interest rate risk).

The Fund is exposed to collective investment scheme price risk (other than those arising from interest rate risk) for its investments of RM53,385,960 (31.10.2021: RM78,998,006) in collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the collective investment scheme fluctuate by +/- 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is +/- RM2,669,298 (31.10.2021: RM3,949,900).

Interest rate risk

Interest rate risk is the risk that the cost or the value of the financial instruments will fluctuate due to changes in market interest rates. The Fund's exposure to interest rate risk is mainly from short term placements with financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short term basis. Therefore, exposure to interest rate fluctuation is minimal.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

Currency risk is associated with financial instruments that are priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. Investors should note any gains or losses arising from the movement of foreign currencies against its home currency may therefore increase/decrease the capital gains of the financial instruments. Nevertheless, investors should realise that currency risk is considered as one of the major risks to financial instruments in foreign assets due to the volatile nature of the foreign exchange market.

The sensitivity analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is +RM269,767/(-)RM275,470 (31.10.2021: +RM313,103/(-)RM283,268).

	<u>Investment</u> RM	<u>Foreign currency forward contracts</u> RM	<u>Other financial assets</u> RM	<u>Total</u> RM
<u>30.04.2022</u>				
United States				
Dollar (“USD”)	53,385,960	(1,526,997)	797,804	52,656,767
<u>31.10.2021</u>				
United States				
Dollar (“USD”)	78,998,006	451,537	12,479,709	91,929,252

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund.

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. Credit risk arising from amount due from fund manager of collective investment scheme, the settlement terms are governed by the relevant rules and regulations as prescribed by the relevant regulatory authority in its home jurisdiction. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Fund.

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

	Cash and cash equivalents	Foreign currency forward contracts	Other financial assets*	Total
	RM	RM	RM	RM
<u>30.04.2022</u>				
AAA	1,119,625	(810,816)	-	308,809
AA2	-	(716,181)	-	(716,181)
Others	-	-	839,865	839,865
	<u>1,119,625</u>	<u>(1,526,997)</u>	<u>839,865</u>	<u>432,493</u>
<u>31.10.2021</u>				
AAA	2,288,670	169,522	-	2,458,192
AA2	-	282,015	-	282,015
Others	-	-	12,567,843	12,567,843
	<u>2,288,670</u>	<u>451,537</u>	<u>12,567,843</u>	<u>15,308,050</u>

* Comprise amount due from Fund Manager of collective investment scheme, amount due from Manager and other receivables.

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 a unit trust 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 <u>1 month</u> RM	Between 1 month to <u>1 year</u> RM
<u>30.04.2022</u>		
Forward foreign currency contracts	-	1,526,997
Amount due to Manager	79,165	-
Accrued management fee	82,287	-
Amount due to Trustee	2,743	-
Other payables and accruals	-	6,457
	<u>164,195</u>	<u>1,533,454</u>
<u>31.10.2021</u>		
Amount due to Manager	12,389,614	-
Accrued management fee	139,492	-
Amount due to Trustee	4,650	-
Other payables and accruals	-	10,350
	<u>12,533,756</u>	<u>10,350</u>

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 RM13,993,122 (31.10.2021: RM37,676,398) and retained earnings of RM39,654,679 (31.10.2021: RM44,085,552). 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 and liabilities 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 and liabilities 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 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>30.04.2022</u>				
Financial asset at fair value through profit or loss (“FVTPL”)				
- Collective investment scheme - foreign	53,385,960	-	-	53,385,960
Financial liabilities at FVTPL				
- Forward foreign currency contracts		- (1,526,997)	-	(1,526,997)
<u>31.10.2021</u>				
Financial asset at fair value through profit or loss (“FVTPL”)				
- Collective investment scheme - foreign	78,998,006	-	-	78,998,006
- Forward foreign currency contracts	-	451,537	-	451,537
	78,998,006	451,537	-	79,449,543

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

Investments in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

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 foreign currency forward contracts. 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.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised:

	<u>30.04.2022</u> RM	<u>31.10.2021</u> RM
Bank balances	50,808	50,158
Deposit with licensed financial institutions	1,068,817	2,238,512
	<u>1,119,625</u>	<u>2,288,670</u>

6. INVESTMENTS

	<u>30.04.2022</u> RM	<u>31.10.2021</u> RM
Investments:		
- Collective investment scheme – foreign	<u>53,385,960</u>	<u>78,998,006</u>
	<u>01.11.2021- 30.04.2022</u> RM	<u>01.11.2020- 30.04.2021</u> RM
Net (loss)/gain on investments comprised:		
- Net realised gain on sale of investments	5,438,115	5,681,840
- Net unrealised (loss)/gain on change in fair value	(7,192,139)	15,868,137
	<u>(1,754,024)</u>	<u>21,549,977</u>

6. INVESTMENTS (CONTINUED)

Investments as at 30 April 2022 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> Net Asset <u>Value</u> %
COLLECTIVE INVESTMENT SCHEME – FOREIGN				
<u>LUXEMBOURG</u>				
Schroder International Selection Fund US Small & Mid-Cap Equity Class X Accumulation Share Class (“Schroder ISF USSME”)	26,859	43,666,138	53,385,960	99.51
TOTAL INVESTMENTS		43,666,138	53,385,960	99.51

Investments as at 31 October 2021 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> Net Asset <u>Value</u> %
COLLECTIVE INVESTMENT SCHEME – FOREIGN				
<u>LUXEMBOURG</u>				
Schroder International Selection Fund US Small & Mid-Cap Equity Class X Accumulation Share Class (“Schroder ISF USSME”)	38,189	62,086,045	78,998,006	96.62
TOTAL INVESTMENTS		62,086,045	78,998,006	96.62

7. FOREIGN CURRENCY FORWARD CONTRACTS

As at 30 April 2022, there are two (31.10.2021: four) foreign currency forward contracts outstanding. The notional principal amount of the outstanding foreign currency forward contracts amounted to RM45,482,683 (31.10.2021: RM86,255,150). The foreign currency forward contracts entered into was for hedging against the currency exposure arising from the investments in the collective investment scheme denominated in USD.

As the Fund has not adopted hedge accounting, the change in the fair value of the foreign currency forward contract is recognised immediately in the statement of income and expenses.

Net loss on foreign currency forward contracts is as follows:

	<u>01.11.2021-</u> <u>30.04.2022</u>	<u>01.11.2020-</u> <u>30.04.2021</u>
	RM	RM
Net loss on forward foreign currency contracts:		
Net realised loss on foreign currency forward contracts	(447,618)	(266,346)
Net unrealised (loss)/gain on foreign currency forward contracts	(1,978,535)	54,216
	<u>(2,426,153)</u>	<u>(212,130)</u>

As at 30 April 2022, there is one (31.10.2021: one) foreign currency forward contracts outstanding with RHB Bank Berhad.

Below are the significant related party balances as at year end.

Related Party Balances

	<u>30.04.2022</u>	<u>31.10.2021</u>
	RM	RM
Foreign currency forward contracts:		
Balances outstanding with RHB Bank Berhad	<u>(810,816)</u>	<u>282,015</u>

8. UNITS IN CIRCULATION

	<u>30.04.2022</u> Units	<u>31.10.2021</u> Units
At the beginning of the financial period/year	64,565,819	62,218,308
Creation of units during the financial period/year:		
Arising from distribution	-	2,799,511
Arising from applications	2,334,000	68,111,000
Cancellation of units during the financial period/year	<u>(20,980,000)</u>	<u>(68,563,000)</u>
At the end of the financial period/year	<u>45,919,819</u>	<u>64,565,819</u>

9. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.80% (01.11.2020 – 31.10.2021: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

As the Fund invests in Schroder ISF USSME, the management fee of 1.00% (01.11.2020 – 31.10.2021: 1.00%) per annum charged by Schroder ISF USSME will be fully refunded to this fund. In accordance with the SC Guidelines on Unit Trust Funds, there is no double charging of management fee to the Fund.

10. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.06% (01.11.2020 – 31.10.2021: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

11. TAXATION

(a) Tax charge for the financial period

	<u>01.11.2021-</u> <u>30.04.2022</u> RM	<u>01.11.2020-</u> <u>30.04.2021</u> RM
Current taxation	<u>-</u>	<u>-</u>

11. TAXATION (CONTINUED)

(b) Numerical reconciliation of income tax expense

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

	<u>01.11.2021-</u> <u>30.04.2022</u>	<u>01.11.2020-</u> <u>30.04.2021</u>
	RM	RM
Net (loss)/income before taxation	<u>(4,430,873)</u>	<u>20,980,275</u>
Tax calculated at statutory income tax rate of 24%	(1,063,410)	5,035,266
Tax effects of:		
- Loss not deductible for tax purpose/(Income not subject to tax)	995,726	(5,116,502)
- Expenses not deductible for tax purposes	5,160	6,136
- Restriction on tax deductible expenses	<u>62,524</u>	<u>75,100</u>
Tax expense	<u>-</u>	<u>-</u>

12. TOTAL EXPENSE RATIO (“TER”)

	<u>01.11.2021-</u> <u>30.04.2022</u>	<u>01.11.2020-</u> <u>30.04.2021</u>
	%	%
TER	<u>0.44</u>	<u>0.46</u>

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

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>01.11.2021-</u> <u>30.04.2022</u>	<u>01.11.2020-</u> <u>30.04.2021</u>
PTR (times)	<u>0.14</u>	<u>0.46</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.

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

The number of units held by the Manager and related party are as follows:

	30.04.2022		31.10.2021	
	Units	RM	Units	RM
The Manager	5,039	5,887	5,285	6,692
RHB Nominees (Asing) Sdn Bhd	98,591	115,184	-	-
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>3,348,973</u>	<u>3,912,605</u>	<u>3,738,422</u>	<u>4,733,964</u>

The units are held beneficially by the Manager for booking purposes. 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.

The units held by RHB Nominees (Asing) Sdn Bhd and RHB Capital Nominees (Tempatan) Sdn Bhd, are wholly owned subsidiary of RHB Bank Berhad, are under nominee 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.

15. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 30 April 2022 is as follow:

<u>Fund manager</u>	<u>Value of trades</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage fees</u> %
Schroder Investment Management (Luxembourg) S.A.	<u>23,858,022</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial year ended 31 October 2021 is as follow:

<u>Fund Manager</u>	<u>Value of trades</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage fees</u> %
Schroder Investment Management (Luxembourg) S.A.	<u>104,044,807</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>30.04.2022</u>	<u>31.10.2021</u>
	RM	RM
Financial assets		
Financial assets at fair value through profit or loss (“FVTPL”)		
• Collective investment scheme	53,385,960	78,998,006
• Forward foreign currency contracts	-	451,537
	<u>53,385,960</u>	<u>79,449,543</u>
Financial assets at amortised cost		
• Bank balances	50,808	50,158
• Deposits with licensed financial institutions	1,068,817	2,238,512
• Amount due from Fund Manager of collective investment scheme	797,804	12,411,690
• Amount due from Manager	-	88,134
• Other receivables	42,061	68,019
	<u>1,959,490</u>	<u>14,856,513</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Forward foreign currency contracts	1,526,997	-
• Amount due to Manager	79,165	12,389,614
• Accrued management fee	82,287	139,492
• Amount due to Trustee	2,743	4,650
• Other payables and accruals	6,457	10,350
	<u>1,697,649</u>	<u>12,544,106</u>

**STATEMENT BY MANAGER
RHB US FOCUS EQUITY FUND**

We, Dato' Darawati Hussain and Ong Yin Suen, 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 April 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

Ong Yin Suen
Director

27 June 2022

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF
RHB US FOCUS EQUITY FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 30 April 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
27 June 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

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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	<p>Lot 133, Section 20, Sublot 2 & 3 1st Floor, Jalan Tun Ahmad Zaidi Adruce 93200 Kuching, Sarawak Tel: 082-550 838 Fax: 082-550 508</p>
	<p>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</p>
Kota Bharu Office	<p>Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890</p>
Kota Kinabalu Office	<p>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</p>
Melaka Office	<p>581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211/ 06-281 4110 Fax: 06-292 2212</p>
Penang Office	<p>3rd Floor, 44 Lebuhraya Pantai 10300 Georgetown, Penang Tel: 04-264 5639 Fax: 04-264 5640</p>
Prai Office	<p>No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang Tel: 04-386 6670 Fax: 04-386 6528</p>

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 Bank Berhad RHB Investment Bank Berhad Alliance Bank Malaysia Berhad AmBank (M) Berhad AmInvestment Bank Berhad Areca Capital Sdn Bhd CIMB Bank Berhad CIMB Investment Bank Citibank Berhad Genexus Advisory Sdn Bhd Hong Leong Bank Berhad HSBC Bank Malaysia Berhad iFast Capital Sdn Bhd Kenanga Investors Berhad Malayan Banking Berhad OCBC Bank (Malaysia) Berhad Phillip Mutual Berhad Standard Chartered Bank Malaysia Berhad Standard Financial Adviser Sdn Bhd United Overseas Bank (Malaysia) Berhad UOB Kay Hian Securities (M) Sdn Bhd

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