

RHB-GS US EQUITY FUND

SEMI-ANNUAL REPORT 2022

For the financial period ended 31 December 2022

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB-GS US Equity Fund

Fund Category - Feeder Fund

Fund Type - Growth Fund

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund seeks to achieve long term capital appreciation through investment in a collective investment scheme, which invests primarily in securities of United States of America companies.

Strategy

The Fund will invest at least 95% of Net Asset Value (“NAV”) in the Goldman Sachs US Equity Portfolio (“Target Fund”), which invests primarily in a diversified portfolio of equities and equity-related securities of companies domiciled in the United States of America, including companies that derive the majority (i.e. more than 50%) proportion of their revenues or profits from the United States of America.

If, in the opinion of the Manager, the Target Fund no longer meets the Fund’s investment objective, and/or in acting in the best interests of unit holders, the Manager may replace the Target Fund with that of another collective investment scheme that is consistent with the objective of this Fund, subject always to the approval of the unit holders.

The replacement of the Goldman Sachs US Equity Portfolio with another collective investment scheme may be performed on a staggered basis to facilitate a smooth transition or where the Goldman Sachs US Equity Portfolio imposes any conditions to the redemption of units or if the manager of the newly identified target fund imposes any Anti Dilution Levy* in relation to applications for units. In such an event, the time required to perform the replacement will depend on such conditions, if any, imposed by the Goldman Sachs US Equity Portfolio in addition to any conditions associated with the Anti Dilution Levy that may be charged by the newly identified target fund. Hence during such transition period, the Fund’s investment may differ from the stipulated investment strategies.

*Anti Dilution Levy is an allowance for fiscal and other charges that is added to the net asset value per unit/share to reflect the costs of investing application monies in underlying assets of the target fund. The levy is intended to be used to ensure that all investors in the target fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

As the Fund is a feeder fund, the risk management strategies and techniques employed will be at the Goldman Sachs US Equity Portfolio level whereby the Goldman Sachs US Equity Portfolio has access to employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Goldman Sachs US Equity Portfolio.

The asset allocation of the Fund will be as follows:

At least 95% of - Investments in the Target Fund.
Net Asset Value

Up to 5% of - Cash and cash equivalents.
Net Asset Value

Performance Benchmark

Standard & Poor (“S&P”) 500 Index.

Permitted Investments and Restrictions

The Fund may invest in one collective investment scheme, liquid assets and any other investment permitted by the Securities Commission Malaysia from time to time.

In undertaking the Fund’s investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

Distribution Policy

The Fund is not expected to make any distribution.

MANAGER'S REPORT

MARKET REVIEW

The Standard and Poor (“S&P”) 500 Index declined 4.88% (total return, in United States Dollar (“USD”)) in the third quarter of year 2022 (“3Q22”), marking the index’s third consecutive quarterly drop and its longest losing streak since year 2008. Year-to-date (“YTD”), the S&P 500 has had its third worst performance since the 1950s. The noticeable tightening of financial conditions guided by expectations for a more aggressive global rate hike cycle was the major story for the quarter. The Federal Reserve (“Fed”) increased its raise-and-hold messaging as the end of 3Q22 approached. The Fed’s hawkish policy received plenty of support on the back of higher-than-expected August 2022 core consumer price index data and a still-tight labor market that showed only moderate proof of cooling off. The end of the quarter drove a surge in fears that tighter financial conditions in conjunction with deteriorating liquidity were preparing the basis for “something to break”. Geopolitical tensions remained uplifted due to the possible weaponization of energy flows that have caused the expectation of energy prices to stay relatively uplifted. From an equities perspective, there appears to be a great deal of concern that corporate earnings could be next in line to suffer given the combination of margin pressure, demand destruction, higher labor costs, slower economic activity, and a stronger USD eroding overseas sales. The best performing sectors within the S&P 500 were Consumer Discretionary, Energy, and Financials while the worst performing sectors were Communication Services, Real Estate, and Materials.

The S&P 500 Index increased 7.56% (total return, in USD) in the fourth quarter of year 2022 (“4Q22”), breaking the index’s streak of three consecutive quarterly losses on account of large gains in October 2022 and December 2022. Investors continued to witness a variety of contradictory macroeconomic developments highlighted by a noticeably hawkish Fed, consumer resilience, and economic data supporting the themes of slowing economic growth. There was a dovish tilt surrounding expectations for a reduction in the pace of tightening, which was realized when the Fed announced a 50 basis point (“bps”) rate hike in December 2022 following four successive 75bps hikes. Positive inflation developments further supported aspirations for a peak in the Fed tightening cycle with October 2022 and December 2022 Consumer Price Index (“CPI”) prints coming in cooler than expected. Despite the slighter rate hike, the Fed maintained its hawkish tone with its relentless higher-for-longer messaging that continues to be a headwind for the market. Although the third quarter earnings season provided disappointing results, companies emphasized a strong demand environment even against a backdrop of heightened macroeconomic uncertainty. Companies also focused on cost cutting as headlines of layoffs remained in the spotlight throughout the quarter, especially within the technology sector. On the geopolitical front, the most constructive takeaways came from China’s Zero-COVID pivot and pro-growth focus as well as Europe’s warmer

than anticipated weather that helped settle concerns about an energy crisis. The best performing sectors within the S&P 500 were Energy, Industrials, and Materials while the worst performing sectors were Consumer Discretionary, Communication Services, and Real Estate.

TARGET FUND'S TOP 10 HOLDINGS

The Target Fund's top 10 holdings as at 31 December 2022 are as follows:

No.	Security Name	Fair Value (RM)	% of Net Asset Value (%)
1	Microsoft Corporation	45,035,318	6.80
2	Apple Inc.	25,936,559	5.40
3	JP Morgan Chase & Co.	24,556,794	3.70
4	Procter & Gamble Company	23,384,799	3.50
5	Eli Lilly and Company	22,761,833	3.40
6	NextEra Energy Inc.	21,551,746	3.20
7	Alphabet Inc Class A	20,638,762	3.10
8	Danaher Corporation	18,948,334	2.80
9	Linde PLC	18,262,166	2.70
10	Cisco System Inc	17,940,367	2.70

The Target Fund's top 10 holdings as at 31 December 2021 are as follows:

No.	Security Name	Fair Value (RM)	% of Net Asset Value (%)
1	Microsoft Corporation	65,970,850	7.23
2	Apple Inc.	54,300,373	5.95
3	Alphabet Inc Class A	52,158,308	5.72
4	Procter & Gamble Company	29,141,941	3.19
5	JP Morgan Chase & Co.	28,489,857	3.12
6	Union Pacific Corporation	25,429,058	2.79
7	NextEra Energy Inc.	24,820,596	2.72
8	Cisco System Inc	24,036,558	2.63
9	Danaher Corporation	23,236,002	2.55
10	Eli Lilly and Company	21,898,169	2.40

REVIEW OF TARGET FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL PERIOD

For the six-month period ended the 4Q22, the GS US Equity ESG Portfolio (IO Acc shares) outperformed the S&P 500 (net). The Energy and Industrials sectors contributed to relative performance, while the Energy and Materials sectors detracted from relative performance. The previous ten calendar years of performance for the GS US Equity Portfolio (IO Acc shares, net) were: 2022: -20.33%, 2021: 28.02%, 2020: 20.06%, 2019: 30.32%, 2018: -5.00%, 2017: 19.04%, 2016: 3.90%, 2015: -1.34%, 2014: 14.55%, and 2013: 34.96%.

Contributors

Off-price apparel and home accessories retailer, Ross Stores, Inc., was a top contributor to relative returns during the trailing six-month period. The stock jumped significantly in mid-November 2022 following a surprise beat on earnings expectations and raised forward guidance. The positive results were fueled by improved execution, significantly cleaner inventory levels, and increased confidence in sales momentum. Another point worth noting was that store traffic improved in the previous quarter as shoppers appear to be responding well to Ross Stores' improved value offering. The Target Fund Manager continues to like the off-price retail space as their favorite way to maintain defensive retail exposure as we venture into year 2023.

Industrial automation and information services provider, Rockwell Automation, Inc., was a top contributor to relative returns during the trailing six-month period. In late July 2022, shares appreciated following a largely positive earnings report thanks to improved semiconductor availability and continued wins across the platform. The upward-trending momentum continued in early November 2022 off the back of solid operating results and other various positive developments. The Target Fund Manager belief is that the global industrial capital expenditure is being more centered on the United States ("US") in this market cycle, which is where Rockwell conducts the majority of its business. The opportunity is also there for Rockwell to drive outsized growth versus its peers with new products adding more profit to its business.

Detractors

Aluminium packaging solutions and aerospace company, Ball Corporation, was a top detractor from relative returns during the trailing six-month period. The company's stock depreciated as it vastly underperformed second quarter earnings expectations in August 2022, which was primarily attributable to a significant downturn in consumer demand due to inflationary pricing. The decrease in demand was so severe, Ball announced a plan to no longer expand its manufacturing capacity in the US and to cease production at relatively inefficient facilities. The Target Fund Manager remains confident in the company's long-term growth potential due to its

leading position in the structural shift to sustainable packaging and its developing presence in the aerospace industry.

Alphabet Inc. was a top detractor from relative returns during the trailing six-month period. Its latest earnings release in late October 2022 featured underwhelming results across business segments, though this was not a surprise given the macroeconomic backdrop. The largest disappointments were ad revenue and a deterioration of its operating margin. Much of the blame was placed on the Search, YouTube, and its Play businesses, largely due to tough comparisons and pullbacks in advertisement spending. Despite the recent difficulties, the Target Fund Manager continues to maintain exposure to the name as Alphabet remains a dominant player and market leader in its respective businesses.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL PERIOD

During the financial period under review, the Fund has generated a return of 4.79%* as compared to the benchmark return of 2.25%*. The Fund is working to meet its objective of achieving long-term capital appreciation. The Net Asset Value per unit of the Fund was RM1.2823 (2021: RM1.2238) as at 31 December 2022.

Source: Lipper Investment Management (“IM”), 16 January 2023

MARKET OUTLOOK AND STRATEGY GOING FORWARD

Major US Indices closed out year 2022 logging their worst calendar year performance since the year 2008 financial crisis and seventh-worst performance since the S&P 500’s inception. The market decline was driven by aggressive Fed rate hikes to combat inflation, persistent recession worries, supply chain disruptions, geopolitical tensions, and elevated concerns over China’s Zero-COVID policy. The rise in yields throughout year 2022 contributed to a massive gap in returns between Value and Growth stocks, with Value notably outperforming Growth. Looking ahead, the primary focus of the market will be on whether the US economy will tip into a recession or not. The Fed’s devotion to a higher-for-longer policy continues to fuel concerns that the Fed may overtighten monetary policy and prompt a recession. Despite the backdrop of heightened uncertainty, the Target Fund Manager expects it to become clear by early year 2023 if inflation is decelerating and will lead the Fed to eventually cease tightening. While supply disruptions should ease as COVID-19 related restrictions and shortages fade out, pressures of digitization, deglobalization, and geopolitical destabilization are likely to endure for some period of time. Companies will need to continue coping with wage pressures, higher input pricing, and potential demand fluctuations if the US consumer becomes less resilient. In this new environment, the target portfolio construction playbook that worked so well in recent decades may be less effective going forward, forcing a re-think in approach. The Target Fund Manager believes active management could be beneficial

in such times as the Target Fund Manager seeks companies with more resilient business models, pricing power, and more inelastic customer bases. Furthermore, as concentration risk remains in indices, diversifying away from the top five constituents of the S&P could be advantageous. This was seen in year 2022 as it was the best year for active large cap core managers since year 2005 and those top 5 names averaged a return of -28.00%. Nevertheless, the Target Fund Manager continues to stay true to their quality-first investment approach and seek to invest in businesses with healthy balance sheets, relatively stable cash flows, and differentiated business models aligned to secular tailwinds. The target fund manager thinks focusing on higher-quality investments can help navigate the heightened volatility, while also positioning investors to benefit from the next upcycle. The target fund manager continues to test their models and re-evaluate their assumptions with increasing information, stay focused on the long-term investment horizon, and believe this fundamental approach may generate excess return in the long run.

ATTRIBUTION BY STOCK

Top 5 Contributors

Security Name	Ending Weight (%)	Gross Return (%)	Contribution (bps)
Ross Stores Inc	2.3	43.9	69
Rockwell Automation Inc	2.5	30.4	55
Etsy Inc	1.4	63.6	54
Xylem Inc	2.3	27.5	54
General Electric Company	2.4	31.9	50

Top 5 Detectors

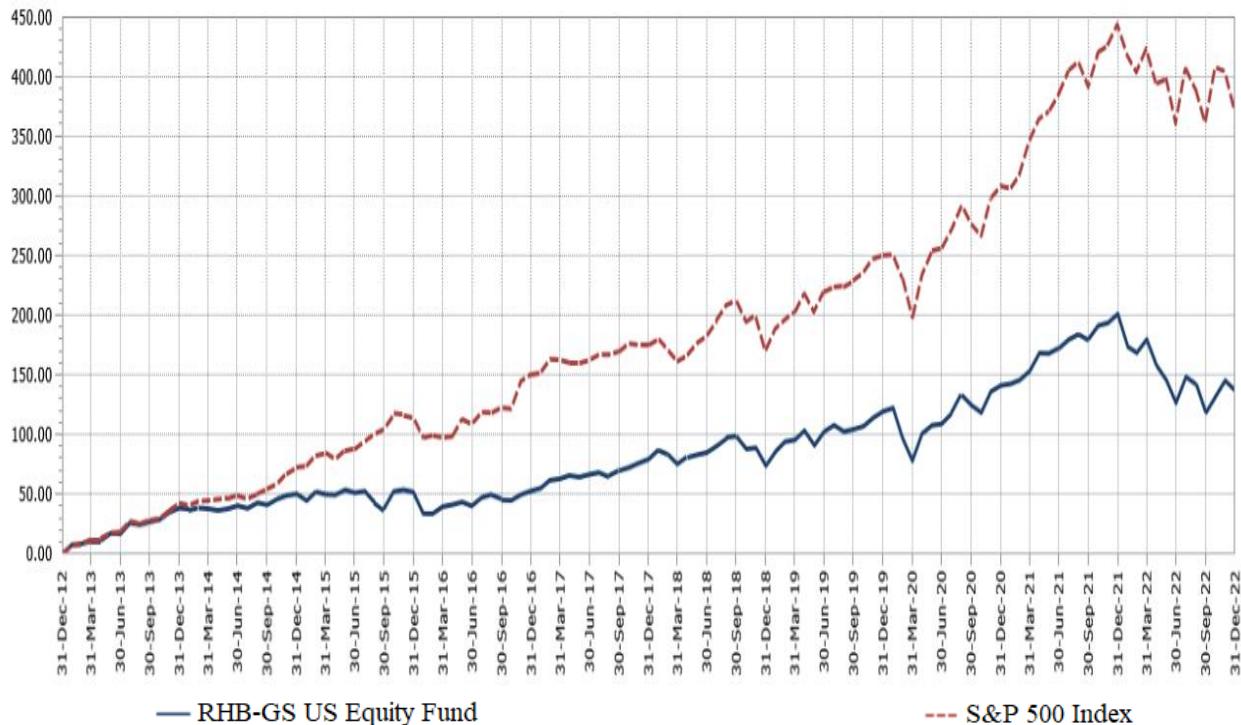
Security Name	Ending Weight (%)	Gross Return (%)	Contribution (bps)
Ball Corporation	2.0	(25.1)	(55)
Alphabet Inc. Class A	3.1	(19.0)	(45)
American Tower Corporation	2.6	(15.9)	(42)
AT&T Inc.	2.6	(9.4)	(32)
Bristol-Myers Squibb Company	2.7	(5.8)	(25)

PERFORMANCE DATA

	30.06.2022- 31.12.2022 %	Annual Total Returns Financial Year Ended 30 June				
		2022 %	2021 %	2020 %	2019 %	2018 %
RHB-GS US Equity Fund						
- Capital Return	4.79	(16.83)	30.48	3.24	9.19	10.77
- Income Return	-	-	-	-	-	-
- Total Return	4.79	(16.83)	30.48	3.24	9.19	10.77
S&P 500 Index	2.25	(5.10)	36.41	11.47	12.96	7.63

	Average Annual Returns			
	1 Year 31.12.2021- 31.12.2022 %	3 Years 31.12.2019- 31.12.2022 %	5 Years 31.12.2017- 31.12.2022 %	10 Years 31.12.2012- 31.12.2022 %
RHB-GS US Equity Fund	(21.13)	2.69	5.80	9.01
S&P 500 Index	(13.41)	10.34	11.29	16.74

**Performance of RHB-GS US Equity Fund
for the period from 31 December 2012 to 31 December 2022
Cumulative Return Over The Period (%)**



Source: Lipper IM, 16 January 2023

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 30 June		
	31.12.2022	2022	2021	2020
Net Asset Value (RM million)	28.80	33.36	30.61	24.91
Units In Circulation (million)	22.46	27.26	20.81	22.09
Net Asset Value Per Unit (RM)	1.2823	1.2238	1.4714	1.1277

Historical Data	01.07.2022-31.12.2022	Financial Year Ended 30 June		
		2022	2021	2020
Unit Prices				
NAV - Highest (RM)	1.4005	1.6379	1.4743	1.2381
- Lowest (RM)	1.1312	1.2017	1.1449	0.8213
Distribution and Unit Split	-	-	-	-
Others				
Total Expense Ratio (TER) (%) #	0.99	2.04	1.99	2.00
Portfolio Turnover Ratio (PTR) (times) ##	0.15	0.67	0.78	0.67

- # The TER for the financial period was consistent with the previous financial period under review.
- ## The PTR for the financial period was lower compared with the previous financial period due to lesser investments activities during the financial period under review.

DISTRIBUTION

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

PORTFOLIO STRUCTURE

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

Sectors	As at 31.12.2022		As at 30 June		
	%	2022	2021	2020	%
Collective investment scheme - foreign	94.63	97.02	94.15	95.77	
Forward foreign currency contracts	2.69	(0.36)	(0.60)	0.60	
Liquid assets and other net current assets	2.68	3.34	6.45	3.63	
	100.00	100.00	100.00	100.00	

The assets allocation reflects the Fund's strategy to have maximum exposure to the investments.

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions for the financial period under review.

CROSS TRADE

The Fund has not carried out any cross trade transactions for the financial period under review.

SOFT COMMISSION

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

RHB-GS US EQUITY FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<u>Note</u>	<u>31.12.2022</u> RM	<u>30.06.2022</u> RM
ASSETS			
Bank balances		48,380	726,115
Deposits with licensed financial institutions		1,396,691	589,615
Investments	5	27,251,571	32,365,719
Amount due from Manager		94,002	1,274
Forward foreign currency contracts	6	775,935	-
TOTAL ASSETS		<u>29,566,579</u>	<u>33,682,723</u>
LIABILITIES			
Forward foreign currency contracts	6	-	120,566
Amount due to fund manager of collective investment scheme		704,032	-
Amount due to Manager		-	113,186
Accrued management fee		45,526	51,052
Amount due to Trustee		1,969	2,207
Other payables and accruals		15,592	36,359
TOTAL LIABILITIES		<u>767,119</u>	<u>323,370</u>
NET ASSET VALUE		<u>28,799,460</u>	<u>33,359,353</u>
EQUITY			
Unit holders' capital		3,564,594	9,998,228
Retained earnings		<u>25,234,866</u>	<u>23,361,125</u>
		<u>28,799,460</u>	<u>33,359,353</u>
UNITS IN CIRCULATION (UNITS)	7	<u>22,460,000</u>	<u>27,258,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.2823</u>	<u>1.2238</u>

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

RHB-GS US EQUITY FUND
UNAUDITED STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	<u>Note</u>	01.07.2022- 31.12.2022 RM	01.07.2021- 31.12.2021 RM
INCOME			
Interest income from deposits with licensed financial institutions		9,711	11,822
Net realised (loss)/gain on disposal		(122,557)	2,187,578
Net unrealised gain on changes in fair value		2,178,333	2,029,855
Net foreign currency exchange gain/(loss)		296,247	(14,824)
Net (loss)/gain on forward foreign currency contracts	6	<u>(194,121)</u> 2,167,613	<u>67,243</u> 4,281,674
EXPENSES			
Management fee	8	(276,100)	(345,472)
Trustee's fee	9	(11,940)	(14,939)
Audit fee		(3,368)	(3,398)
Tax agent's fee		(1,874)	(1,892)
Other expenses		<u>(590)</u> (293,872)	<u>(2,068)</u> <u>(367,769)</u>
Net income before taxation		1,873,741	3,913,905
Taxation	10	-	-
Net income after taxation		<u>1,873,741</u>	<u>3,913,905</u>
Net income after taxation is made up as follows:			
Realised amount		(1,201,093)	1,887,835
Unrealised amount		<u>3,074,834</u>	<u>2,026,070</u>
		<u>1,873,741</u>	<u>3,913,905</u>

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

RHB-GS US EQUITY FUND
UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Unit holders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 July 2021	174,771	30,439,302	30,614,073
Movement in net asset value:			
Net income after taxation	-	3,913,905	3,913,905
Creation of units arising from applications	24,247,711	-	24,247,711
Cancellation of units	(14,627,646)	-	(14,627,646)
Balance as at 31 December 2021	<u>9,794,836</u>	<u>34,353,207</u>	<u>44,148,043</u>
Balance as at 1 July 2022	9,998,228	23,361,125	33,359,353
Movement in net asset value:			
Net income after taxation	-	1,873,741	1,873,741
Creation of units arising from applications	1,394,691	-	1,394,691
Cancellation of units	(7,828,325)	-	(7,828,325)
Balance as at 31 December 2022	<u>3,564,594</u>	<u>25,234,866</u>	<u>28,799,460</u>

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

RHB-GS US EQUITY FUND
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	01.07.2022- <u>31.12.2022</u> RM	01.07.2021- <u>31.12.2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	7,864,301	8,890,769
Purchase of investments	-	(20,074,398)
Interest received from deposits with licensed financial institutions	9,711	11,822
Management fee paid	(281,626)	(319,737)
Trustee's fee paid	(12,178)	(13,825)
Payment for other fees and expenses	(26,599)	(8,718)
Net realised gain/(loss) on foreign exchange	321,388	(11,666)
Net realised loss on forward foreign currency contracts	<u>(1,090,622)</u>	<u>(117,516)</u>
Net cash generated from/(used in) operating activities	<u>6,784,375</u>	<u>(11,643,269)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	1,301,963	25,163,895
Cash paid on units cancelled	<u>(7,941,511)</u>	<u>(13,253,735)</u>
Net cash (used in)/generated from financing activities	<u>(6,639,548)</u>	<u>11,910,160</u>
Net increase in cash and cash equivalents	144,827	266,891
Foreign currency translation differences	(15,486)	-
Cash and cash equivalents at the beginning of the financial period	<u>1,315,730</u>	<u>1,076,327</u>
Cash and cash equivalents at the end of the financial period	<u>1,445,071</u>	<u>1,343,218</u>

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

**RHB-GS US EQUITY FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB-GS US Equity Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of Master deed (conventional funds) dated 12 June 2008 as amended via its first supplemental master deed (conventional funds) dated 25 August 2008, second supplemental master deed (conventional funds) dated 12 December 2008, third supplemental master deed (conventional funds) dated 19 June 2009, fourth supplemental master deed (conventional funds) dated 18 August 2009, fifth supplemental master deed (conventional funds) dated 26 April 2010, sixth supplemental master deed (conventional funds) dated 28 June 2010, seventh supplemental master deed (conventional funds) dated 3 October 2011, eighth supplemental master deed (conventional funds) dated 24 April 2012, ninth supplemental master deed (conventional funds) dated 7 March 2012, tenth supplemental master deed (conventional funds) dated 13 April 2012, eleventh supplemental master deed (conventional funds) dated 30 May 2012, twelfth supplemental master deed (conventional funds) dated 30 May 2012, thirteenth supplemental master deed (conventional funds) dated 24 September 2012, fourteenth supplemental master deed (conventional funds) dated 19 November 2012, fifteenth supplemental master deed (conventional funds) dated 30 April 2013, sixteenth supplemental master deed (conventional funds) dated 24 September 2013, seventeenth supplemental master deed (conventional funds) dated 2 March 2015, eighteenth supplemental master deed (conventional funds) dated 20 May 2015, nineteenth supplemental master deed (conventional funds) dated 3 August 2015 and twentieth supplemental master deed (conventional funds) dated 14 July 2022 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and TMF Trustees Malaysia Berhad (“the Trustee”).

The Fund was launched on 18 May 2011 and will continue its operations until terminated according to the conditions provided in the Deeds. The principal activity of the Fund is to invest in Permitted Investments as defined 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 seek to achieve long-term capital appreciation through investment in a collective investment scheme, i.e. Goldman Sachs US Equity Portfolio (“Target Fund”), which invests primarily in securities of United States of America companies.

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES (CONTINUED)

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 24 February 2023.

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 July 2022

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

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

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 July 2022. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 January 2024.

The amendment shall be applied retrospectively.

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 and amount due from Manager 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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 forward foreign currency contract. 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 time 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.

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 MRFS 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 fund manager of collective investment scheme, amount due to Manager, 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities (continued)

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the 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". 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 period 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 is 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 sales of collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition (continued)

Realised gain or loss on forward foreign currency contracts are measured by the net settlement amount as per the forward foreign currency 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 with original maturities of three months or less that are readily convertible to known amount of cash 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.

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 brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

- 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.

2.10 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 forward foreign currency 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 forward foreign currency 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 in accordance with the accounting policy set out in Note 2.2.

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.

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.

The Fund is exposed to collective investment scheme (other than those arising from interest rate risk) price risk for its investments of RM27,251,571 (30.06.2022: RM32,365,719) 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 the statement of income and expenses and net asset value is +/(-) RM1,362,579 (30.06.2022: RM1,618,286).

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 the 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 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 (-)RM1,602,629/+RM1,599,745 (30.06.2022: (-)RM113,553/+RM108,472).

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

<u>Investments</u>	<u>Forward foreign currency contracts</u>	<u>Amount due to fund manager of collective investment scheme</u>	<u>Total</u>
	RM	RM	RM
<u>31.12.2022</u>			
United States			
Dollar	<u>27,251,571</u>	<u>775,935</u>	<u>(704,032)</u>
			<u>27,323,474</u>
<u>30.06.2022</u>			
United States			
Dollar	<u>32,365,719</u>	<u>(120,566)</u>	<u>-</u>
			<u>32,245,153</u>

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 concentrations of the Fund:

	Cash and cash equivalents RM	Forward foreign currency contracts RM	Amount due from Manager RM	Total RM
<u>31.12.2022</u>				
AAA	1,445,071	775,935	-	2,221,006
Others	-	-	94,002	94,002
	1,445,071	775,935	94,002	2,315,008
<u>30.06.2022</u>				
AAA	1,315,730	-	-	1,315,730
Others	-	-	1,274	1,274
	1,315,730	-	1,274	1,317,004

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 investments at an advantageous time or price. 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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 period 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>31.12.2022</u>		
Amount due to fund manager of collective investment scheme	704,032	-
Accrued management fee	45,526	-
Amount due to Trustee	1,969	-
Other payables and accruals	-	15,592
	<u>751,527</u>	<u>15,592</u>
<u>31.06.2022</u>		
Forward foreign currency contracts	-	123,751
Amount due to Manager	113,186	-
Accrued management fee	51,052	-
Amount due to Trustee	2,207	-
Other payables and accruals	-	36,359
	<u>166,445</u>	<u>160,110</u>

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM3,564,594 (30.06.2022: RM9,998,228) and retained earnings of RM25,234,866 (30.06.2022: RM23,361,125). 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 and financial liabilities 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>31.12.2022</u>				
Financial assets at				
FVTPL:				
- Collective investment scheme - foreign	27,251,571	-	-	27,251,571
- Forward foreign currency contracts	-	775,935	-	775,935
	27,251,571	775,935	-	28,027,506

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

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

	<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				
FVTPL:				
- Collective investment scheme - foreign	32,365,719	-	-	<u>32,365,719</u>
Financial liabilities at				
FVTPL:				
- Forward foreign currency contracts	-	(120,566)	-	<u>(120,566)</u>

Investment in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets is classified within Level 1. The Fund does not adjust the published prices for these instruments.

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 forward foreign currency 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. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

5. INVESTMENTS

	<u>31.12.2022</u> RM	<u>30.06.2022</u> RM
Investments:		
- Collective investment scheme – foreign	<u>27,251,571</u>	<u>32,365,719</u>

Investments as at 31 December 2022 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
LUXEMBOURG				
Goldman Sachs US Equity Portfolio – Class IO (Accumulation)	195,125	<u>26,707,383</u>	<u>27,251,571</u>	94.63

Investments as at 30 June 2022 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
LUXEMBOURG				
Goldman Sachs US Equity Portfolio – Class IO (Accumulation)	247,084	<u>33,999,864</u>	<u>32,365,719</u>	97.02

6. FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 December 2022, there are one (30.06.2022: two) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM32,821,767 (30.06.2022: RM34,643,187). The forward foreign currency contracts entered into were 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 forward foreign currency contract is recognised immediately in the statement of income and expenses.

Net (loss)/gain on forward foreign currency contracts are as follows:

	01.07.2022-	01.07.2021-
	<u>31.12.2022</u>	<u>31.12.2021</u>
	RM	RM
Net (loss)/gain on forward foreign currency contracts:		
- Net realised (loss)/gain on forward foreign currency contracts	(1,090,622)	184,758
- Net unrealised gain/(loss) on forward foreign currency contracts	<u>896,501</u>	<u>(117,515)</u>
	<u>(194,121)</u>	<u>67,243</u>

Forward foreign currency contracts as at 31 December 2022 are as follows:

<u>Counterparties</u>	<u>Receivables</u>	<u>Payables</u>	<u>Fair Value</u>	<u>Asset Value</u>	% of Net
	RM	RM	RM		%
RHB Bank Berhad	<u>32,821,767</u>	<u>(32,045,832)</u>	<u>775,935</u>		<u>2.69</u>

6. FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

Forward foreign currency contracts as at 30 June 2022 are as follows:

<u>Counterparties</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair Value</u> RM	<u>Asset Value</u> %	<u>% of Net</u>
RHB Bank Berhad	34,643,187	(34,763,753)	(120,566)	(0.36)	

As at 31 December 2022, there are one (30.06.2022: two) foreign currency forward contracts outstanding with RHB Bank Berhad.

Set out below are the significant related party balances as at period/year end and transactions during the period/year end.

Related Party Balances

	<u>31.12.2022</u> RM	<u>30.06.2022</u> RM
Foreign currency forward contracts:		
Balances outstanding with RHB Bank Berhad	775,935	(120,566)

7. UNITS IN CIRCULATION

	<u>31.12.2022</u> Units	<u>30.06.2022</u> Units
At the beginning of the financial period/year	27,258,000	20,806,000
Creation of units arising from applications during the financial period/year	1,083,000	25,235,000
Cancellation of units during the financial period/year	(5,881,000)	(18,783,000)
At the end of the financial period/year	22,460,000	27,258,000

8. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.85% (01.07.2021-31.12.2021: 1.85%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

9. TRUSTEE'S FEE

In accordance with the Prospectus, the trustee's fee provided in the financial statements is 0.08% (01.07.2021-31.12.2021: 0.08%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period; subject to a minimum fee of RM18,000 per annum.

10. TAXATION

(a) Tax charge for the financial period

	01.07.2022- 31.12.2022 RM	01.07.2021- 31.12.2021 RM
Current taxation	-	-

(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:

	01.07.2022- 31.12.2022 RM	01.07.2021- 31.12.2021 RM
Net income before taxation	<u>1,873,741</u>	<u>3,913,905</u>
Tax calculated at a statutory income tax rate of 24%	449,698	939,337
Tax effects of:		
- Income not subject to tax	(701,052)	(1,027,602)
- Expenses not deductible for tax purposes	12,945	4,536
- Restriction on tax deductible expense	<u>238,409</u>	<u>83,729</u>
Tax expense	-	-

11. TOTAL EXPENSE RATIO (“TER”)

	01.07.2022- <u>31.12.2022</u> %	01.07.2021- <u>31.12.2021</u> %
TER	0.99	0.99

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.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.07.2022- <u>31.12.2022</u>	01.07.2021- <u>31.12.2021</u>
PTR (times)	0.15	0.38

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.

13. 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:

	31.12.2022		30.06.2022	
	Units	RM	Units	RM
The Manager	5,476	7,022	5,884	7,201
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>6,243,854</u>	<u>8,006,494</u>	<u>6,633,767</u>	<u>8,118,404</u>

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, is under nominees structure.

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

Other than the above, there were no units held by the 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.

14. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 31 December 2022 are as follows:

<u>Fund Manager</u>	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Goldman Sachs Asset Management International	7,286,445	100.00	-	-

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

<u>Fund Manager</u>	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Goldman Sachs Asset Management International	53,876,397	100.00	-	-

15. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>31.12.2022</u> RM	<u>30.06.2022</u> RM
Financial assets		
Financial assets at FVTPL		
• Collective investment scheme	27,251,571	32,365,719
• Forward foreign currency contracts	775,935	-
	<u>28,027,506</u>	<u>32,365,719</u>
Financial assets at amortised cost		
• Bank balances	48,380	726,115
• Deposits with licensed financial institutions	1,396,691	589,615
• Amount due from Manager	94,002	1,274
	<u>1,539,073</u>	<u>1,317,004</u>
Financial liabilities		
Financial liabilities at FVTPL		
• Forward foreign currency contracts	-	120,566
Financial liabilities at amortised cost		
• Amount due to fund manager of collective investment scheme	704,032	-
• Amount due to Manager	-	113,186
• Accrued management fee	45,526	51,052
• Amount due to Trustee	1,969	2,207
• Other payables and accruals	15,592	36,359
	<u>767,119</u>	<u>202,804</u>

**STATEMENT BY MANAGER
RHB-GS US EQUITY FUND**

We, Dato' Darawati Hussain and Syed Ahmad Taufik Albar, 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 31 December 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

Syed Ahmad Taufik Albar
Director

24 February 2023

TRUSTEE'S REPORT

To the unit holder of RHB-GS US Equity Fund (“Fund”),

We have acted as Trustee of the Fund for the financial period ended 31 December 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 deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For **TMF Trustees Malaysia Berhad**
(Registration No: 200301008392 (610812-W))

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
24 February 2023

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

Email address: rhbam@rhbgrou.com

Tel: 03-9205 8000

Fax: 03-9205 8100

Website: www.rhbgrou.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*)

(Resigned with effect from 1 December 2022)

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

YBhg Datuk Seri Dr Govindan A/L Kunchamboo

(Independent Non-Executive Director)

(Resigned with effect from 30 September 2022)

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)

Puan Hijah Arifakh Binti Othman (*Independent Non-Executive Director*)

(Appointed with effect from 30 September 2022)

INVESTMENT COMMITTEE MEMBERS

Mr Yap Chee Meng (*Independent Chairman*)

YBhg Dato' Darawati Hussain

Puan Sharifatu Laila Syed Ali (*Resigned with effect from 30 September 2022*)

Puan Hijah Arifakh Binti Othman (*Appointed with effect from 30 September 2022*)

CHIEF EXECUTIVE OFFICER

Ms Ong Yin Suen (*Resigned with effect from 1 December 2022*)

ACTING CHIEF EXECUTIVE OFFICER/ ACTING MANAGING DIRECTOR

Mohd Farid Bin Kamarudin (*Appointed with effect from 1 December 2022*)

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Cik Hasnita Sulaiman (MAICSA No.7060582)

BRANCH OFFICE

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 Adruce 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 Lebuh 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	TMF Trustees Malaysia 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 AmInvestment Bank Berhad Areca Capital Sdn Bhd CIMB Bank Berhad CIMB Private Banking Citibank Berhad Genexus Advisory Sdn Bhd Hong Leong Bank Berhad HSBC Bank (Malaysia) Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Phillip Mutual Berhad Standard Chartered Bank Malaysia Berhad Standard Financial Adviser Sdn Bhd United Overseas Bank (M) Berhad UOB Kay Hian Securities (M) Sdn Bhd



RHB Asset Management Sdn Bhd 198801007231 (174588-X)

Head Office

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