

**RHB-GS US EQUITY FUND**

**INTERIM REPORT 2021**

For the financial period ended 31 December 2021

## 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 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 increased marginally in the third quarter of year 2021 (“3Q21”), returning 0.58% (total returns, in United States Dollar (“USD”). The S&P was the only major index to close in positive territory, with the Dow, Nasdaq, and Russell 2000 indices all posting negative returns. In July 2021 and August 2021, the second quarter’s rally continued as the focus remained on easy financial conditions, accommodative monetary policy, pent-up consumer demand, positive earnings sentiment, resilient operating margins, corporate buybacks, and retail inflows. Some economic indicators, including higher inflation and lower than expected retail sales and manufacturing activity, were causes of concern among investors, though the market and the Federal Reserve (the “Fed”) remained largely optimistic. Sentiment deteriorated in September 2021 as the spread of the Delta variant dampened reopening momentum and the Fed signaled for a slowdown of asset purchasing. A still complicated path to fiscal stimulus in the House of Representatives, the looming debt ceiling discussion, and global risk events including supply chain disruptions and input price pressures all put a strain on the US equity market. September 2021 also saw a global risk asset sell-off on the heels of Chinese real estate developers’ leverage concerns and a spike in energy prices. US Treasury yields continued to climb as the global bond market posted its weakest month since March 2020. The best performing sectors within the S&P during the quarter were Financials, Utilities, and Communication Services, while the worst performing were Industrials, Materials, and Energy.

The S&P 500 increased 11.03% (total return, in USD) in the fourth quarter of year 2021 (“4Q21”), bringing the calendar year 2021 total return to an increase of 28.71%. The S&P logged its best performing quarter since fourth quarter of year 2020 (“4Q20”) on the heels of robust consumer spending, strong corporate earnings results, and passage of the infrastructure plan. There are a few areas of concern still intact including the Omicron variant which emerged in late November 2021, the persistent inflation and supply chain pressure, the acceleration in the Federal Reserve’s tapering, and the fate of the social spending bill. Strong corporate earnings in October 2021 propelled US equities higher despite the overhanging supply chain issue and persistent high inflation. More than 80.00% of the S&P 500 component companies reported upside surprises. The positive momentum continued into November 2021 and the passage of the infrastructure bill boosted market sentiment until the World Health Organization announced Omicron as a variant of concern, indicating the variant is potentially more transmissible. Increased case counts around the world and travel restrictions have added pressure to the equities market globally. Moreover, the fate of the social spending bill has been punted into year 2022. However, in December 2021, studies have shown that the Omicron variant tends to cause less severe symptoms and being infected by Omicron could strengthen immune response to the Delta variant. The Fed also announced an accelerated

timeline for tapering, doubling its pace from a decrease of \$15 billion a month in corporate debt purchasing to a decrease of \$30 billion. The market rallied in December 2021 on positive seasonality and improved sentiment, closing the year on a high note. On the economic data front, inflation remained high in the fourth quarter, though the “peak inflation” narrative is gaining traction with cooler consumer confidence and Institute of Supply Management (“ISM”) manufacturing composite readings. The best performing sectors within the S&P were Information Technology, Consumer Discretionary, and Healthcare while the worst performing sectors were Communication Services, Energy, and Utilities.

## **REVIEW OF TARGET FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL PERIOD**

For the six-month period ending the 4Q21, the GS US Equity ESG Portfolio (IO Acc shares) outperformed the S&P 500 (net). The Industrials and Energy sectors contributed to relative performance, while the Information Technology and Consumer Staples sectors detracted from relative performance. The previous five calendar years of performance for the GS US Equity Portfolio (IO Acc shares, net) were: 2021: 28.02%, 2020: 20.06%, 2019: 30.32%, 2018: -5.00%, and 2017: 19.00%.

### **Contributors**

American energy company, Devon Energy Corporation, was a top contributor to relative returns during the period. The stock price appreciated following strong second quarter operational and financial results, along with improved third quarter guidance. The guidance came to fruition as Devon Energy surpassed expectations on earnings and production volumes for the third quarter, helping the stock to appreciate further. The company is a first mover in the “Shale 3.0” framework where the company prioritizes returns and cash dispersed to shareholders over volume growth. The company’s merger with WPX Energy could further enhance its scale and accelerate its cash return plan. The Target Fund Manager continues to like the stock and remain optimistic in the company’s ability to drive returns in tandem with a focus on free cash flow generation over the pursuit of volume growth.

American less than truckload trucking company, Saia, Inc., was a top contributor to relative performance during the period. The stock price appreciated in October 2021 prior to its earnings release with no particular price moving headlines. The company reported a strong earnings beat across all key metrics, reaffirming the Target Fund Manager investment thesis and fueling a further rally. The stock has done well all year, and the Target Fund Manager still likes the risk / reward profile of the company given the secular tailwinds and Saia’s strong operating history.

## Detractors

Tesla Inc. was a top detractor from relative returns during the period. The Target Fund Manager underweight positioning caused Tesla, Inc. to become a relative detractor to returns as Tesla's stock appreciated during the period. The company's stock appreciated following their third quarter earnings beat compared to consensus estimates. Tesla has continued to increase production and deliveries throughout the month illustrating resilience to supply chain shortages especially through their ability to use semiconductor chips manufactured by different suppliers in their cars. Tesla's stock also appreciated after news that Hertz Global is adding 100,000 of the company's cars for \$4.2 billion to its fleet. The Target Fund Manager believes that their upside is heavily dependent on Tesla maintaining a dominant position in the EV market which could be challenging given the extreme competition the Target Fund Manager is seeing across the board from other manufacturers.

Online dating application company, Bumble, Inc., was a top detractor from relative returns during the period. The company reported stronger third quarter earnings versus consensus estimates, yet the stock pulled back as its topline beat was modest versus high expectations, its slowdown in total payer growth, and its international user base being hurt by Covid headwinds. The company's stock also illustrated weakness as a federal appeals court granted Apple's request to halt a deadline to comply with a directive that would allow app developers to "steer" customers to external payment options. The Target Fund Manager believes the sentiment is overblown while international concerns seem more transitory, and the company did raise expectations for future growth. The Target Fund Manager continues to like Bumble as potential catalysts including international expansion, tiered pricing, and further product development come to fruition and as the risk/reward profile is attractive with the stock is trading over 50.00% down from its first day of trading publically.

## **REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL PERIOD**

During the period under review, the Fund has generated a return of 10.51%\* as compared to the benchmark return of 12.06%\*. The Fund is working to meet its objective of achieving long-term capital appreciation.

*Source: Lipper Investment Management ("IM"), 05 January 2022*

## **MARKET OUTLOOK AND STRATEGY GOING FORWARD**

The end of year 2021 was cast with the development of the Omicron variant which the Target Fund Manager expects to remain a major focus of the market in the first quarter of year 2022 (“1Q22”) as entities around the world continue to navigate pockets of outbreaks and implement responses accordingly. Other major themes such as the acceleration in the Fed’s winding down of its asset purchasing program and interest rate hikes, inflation readings, supply chain issues, and the global energy shortage may test the market again. The unclear future of the social spending bill will also be in play in year 2022. The Target Fund Manager will 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 continues to test their models and re-evaluate their assumptions with increasing information, remain focused on the long-term investment horizon, and believe this fundamental approach will generate excess return in the long run for their clients.

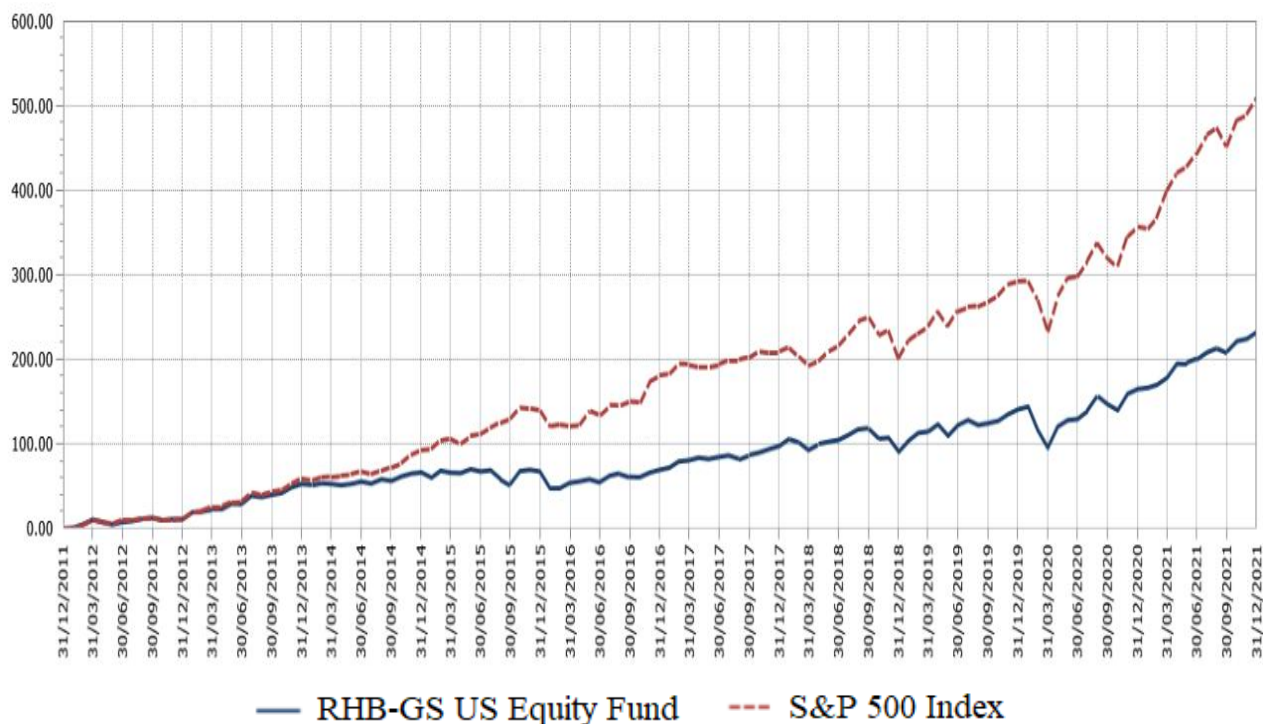
## PERFORMANCE DATA

	30.06.2021- 30.12.2021 %	Annual Total Returns Financial Year Ended 30 June				
		2021 %	2020 %	2019 %	2018 %	2017 %
RHB-GS US Equity Fund						
- Capital Return	10.51	30.48	3.24	9.19	10.77	19.73
- Income Return	-	-	-	-	-	-
- Total Return	10.51	30.48	3.24	9.19	10.77	19.73
S&P 500 Index	12.06	36.41	11.47	12.96	7.63	25.53

	Average Annual Returns			
	1 Year 31.12.2020- 31.12.2021 %	3 Years 31.12.2018- 31.12.2021 %	5 Years 31.12.2016- 31.12.2021 %	Since Launch 18.05.2011- 31.12.2021 %
RHB-GS US Equity Fund	24.74	20.10	14.43	12.71
S&P 500 Index	33.30	26.38	16.72	19.76



**Performance of RHB-GS US Equity Fund  
for the period from 18 May 2011 (Date of Inception) to 31 December 2021  
Cumulative Return Over The Period (%)**



Source: Lipper IM, 05 January 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.

<b>Fund Size</b>	<b>As at</b>	<b>As at 30 June</b>		
	<b>31.12.2021</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net Asset Value (RM million)	44.15	30.61	24.91	27.69
Units In Circulation (million)	27.15	20.81	22.09	25.35
Net Asset Value Per Unit (RM)	1.6260	1.4714	1.1277	1.0922

<b>Historical Data</b>	<b>01.07.2021- 31.12.2021</b>	<b>Financial Year Ended 30 June</b>		
		<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Unit Prices</b>				
NAV - Highest (RM)	1.6379	1.4743	1.2381	1.1001
- Lowest (RM)	1.4632	1.1449	0.8213	0.9081
<b>Distribution and Unit Split</b>	-	-	-	-
<b>Others</b>				
Management Expense Ratio (MER) (%) #	0.99	1.99	2.00	1.97
Portfolio Turnover Ratio (PTR) (times) ##	0.38	0.78	0.67	0.80

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

## The PTR for the financial period was lower compared with the previous financial period due to lesser investment activities for the financial period under review.

## **DISTRIBUTION**

During 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:

	As at	As at 30 June		
	31.12.2021	2021	2020	2019
	%	%	%	%
<b>Sectors</b>				
Collective investment scheme - foreign	97.14	94.15	95.77	96.94
Liquid assets and other net current assets	2.86	5.85	4.23	3.06
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

## BREAKDOWN OF UNIT HOLDINGS BY SIZE

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	8	28.57	19	0.07
5,001 to 10,000	2	7.14	13	0.05
10,001 to 50,000	4	14.29	82	0.30
50,001 to 500,000	6	21.43	516	1.90
500,001 and above	8	28.57	26,516	97.68
Total	28	100.00	27,146	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-GS US EQUITY FUND**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	<u>Note</u>	<u>31.12.2021</u> RM	<u>30.06.2021</u> RM
<b>ASSETS</b>			
Bank balances	5	50,928	50,243
Deposits with licensed financial institutions	5	1,292,290	1,026,084
Investments	6	42,886,675	28,823,928
Amount due from Manager		37,398	953,582
Amount due from Fund Manager of collective investment scheme		1,335,157	-
Forward foreign currency contracts	7	17,336	3,908
<b>TOTAL ASSETS</b>		<u>45,619,784</u>	<u>30,857,745</u>
<b>LIABILITIES</b>			
Amount due to Manager		1,373,911	-
Accrued management fee		69,198	43,463
Amount due to Trustee		2,993	1,879
Forward foreign currency contracts	7	16,649	187,980
Other payables and accruals		8,990	10,350
<b>TOTAL LIABILITIES</b>		<u>1,471,741</u>	<u>243,672</u>
<b>NET ASSET VALUE</b>		<u>44,148,043</u>	<u>30,614,073</u>
<b>EQUITY</b>			
Unit holders' capital		9,794,836	174,771
Retained earnings		34,353,207	30,439,302
		<u>44,148,043</u>	<u>30,614,073</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	8	<u>27,151,000</u>	<u>20,806,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.6260</u>	<u>1.4714</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 2021**

	<u>Note</u>	<u>01.07.2021-</u> <u>31.12.2021</u> RM	<u>01.07.2020-</u> <u>31.12.2020</u> RM
<b>INCOME</b>			
Interest income from deposits with licensed financial institutions		11,822	6,995
Net gain on investments	6	4,217,433	3,488,233
Net gain on forward foreign currency contracts	7	67,243	537,839
Net foreign currency exchange loss		(14,824)	(64,839)
		<u>4,281,674</u>	<u>3,968,228</u>
<b>EXPENSES</b>			
Management fee	9	(345,472)	(215,507)
Trustee's fee	10	(14,939)	(9,319)
Audit fee		(3,398)	(3,398)
Tax agent's fee		(1,892)	(1,892)
Other expenses		(2,068)	(1,171)
		<u>(367,769)</u>	<u>(231,287)</u>
Net income before taxation		3,913,905	3,736,941
Taxation	11	-	-
Net income after taxation		<u>3,913,905</u>	<u>3,736,941</u>
Net income after taxation is made up of the following:			
Realised amount		1,887,835	2,620,757
Unrealised amount		2,026,070	1,116,184
		<u>3,913,905</u>	<u>3,736,941</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 2021**

	<b>Unit holders’ capital RM</b>	<b>Retained earnings RM</b>	<b>Total net asset value RM</b>
Balance as at 1 July 2020	1,102,916	23,806,317	24,909,233
Movement in net asset value:			
Net income after taxation	-	3,736,941	3,736,941
Creation of units arising from applications	21,399,726	-	21,399,726
Cancellation of units	(4,437,604)	(20,825,962)	(25,263,566)
Balance as at 31 December 2020	<u>18,065,038</u>	<u>6,717,296</u>	<u>24,782,334</u>
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>

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 2021**

	<b>01.07.2021- 31.12.2021</b>	<b>01.07.2020- 31.12.2020</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	8,890,769	11,914,919
Purchase of investments	(20,074,398)	(11,723,557)
Interest received from deposits with licensed financial institutions	11,822	6,995
Management fee paid	(319,737)	(209,896)
Trustee's fee paid	(13,825)	(9,077)
Payment for other fees and expenses	(8,718)	(1,171)
Net realised (loss)/gain on forward foreign currency contracts	(117,516)	505,016
Net realised loss on foreign exchange	(11,666)	(61,521)
Net cash (used in)/generated from operating activities	<u>(11,643,269)</u>	<u>421,708</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	25,163,895	21,820,758
Cash paid on units cancelled	(13,253,735)	(24,725,073)
Net cash generated from/(used in) financing activities	<u>11,910,160</u>	<u>(2,904,315)</u>
Net increase/(decrease) in cash and cash equivalents	266,891	(2,482,607)
Cash and cash equivalents at the beginning of the financial period	1,076,327	3,311,063
Cash and cash equivalents at the end of the financial period	<u>1,343,218</u>	<u>828,456</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 2021**

**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 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, fifth supplemental master deed (conventional funds) dated 26 April 2010, sixth supplemental master deed (conventional funds) dated 28 June 2010, ninth supplemental master deed (conventional funds) dated 7 March 2012, tenth supplemental master deed (conventional funds) dated 13 April 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 and nineteenth supplemental master deed (conventional funds) dated 3 August 2015 (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 (“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 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.

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 25 February 2022.



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation of the financial statements**

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

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

(a) Standards and amendments to existing standards effective 1 January 2021

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

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

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

## 2. 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 Manager and amount due from Fund Manager of collective investment scheme as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets 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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial assets (continued)**

#### Recognition and measurement (continued)

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).

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.

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.

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 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 schemes are 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 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.9 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 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.

### **2.10 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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.11 Derivative financial instruments (continued)**

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, currency risk, interest rate risk, liquidity risk, credit 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 Malaysia 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 price risk for its investments of RM42,886,675 (30.06.2021: RM28,823,928) 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 +/- RM2,144,334 (30.06.2021: RM1,441,196).



### 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, impact on the statement of income and expenses and net asset value is (-)RM621,287/+RM631,679 (30.06.2021: +RM67,607/(-)RM69,138).

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

	<u>Investments</u>	<u>Forward foreign</u>	<u>Total</u>
	<u>RM</u>	<u>currency contracts</u>	<u>RM</u>
		<u>RM</u>	
<b><u>31.12.2021</u></b>			
United States Dollar	42,886,675	687	42,887,362
	<hr/>		<hr/>
<b><u>30.06.2021</u></b>			
United States Dollar	28,823,928	(184,072)	28,639,856
	<hr/>		<hr/>

#### 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)

#### 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. 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.

	<b>Less than <u>1 month</u> RM</b>	<b>Between <u>1 month</u> to 1 year RM</b>
<b><u>31.12.2021</u></b>		
Amount due to Manager	1,373,911	-
Accrued management fee	69,198	-
Amount due to Trustee	2,993	-
Forward foreign currency contracts	-	16,649
Other payables and accruals	-	8,990
	<u>1,446,102</u>	<u>25,639</u>
<b><u>30.06.2021</u></b>		
Accrued management fee	43,463	-
Amount due to Trustee	1,879	-
Forward foreign currency contracts	-	190,232
Other payables and accruals	-	10,350
	<u>45,342</u>	<u>200,582</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 Malaysia Guidelines on Unit Trust Fund.

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

	<b><u>Cash and cash equivalents</u></b> RM	<b><u>Foreign currency forward contracts</u></b> RM	<b><u>Other financial assets*</u></b> RM	<b><u>Total</u></b> RM
<b><u>31.12.2021</u></b>				
AAA	1,343,218	-	-	1,343,218
AA2	-	17,336	-	17,336
Others	-	-	1,372,555	1,372,555
	<u>1,343,218</u>	<u>17,336</u>	<u>1,372,555</u>	<u>2,733,109</u>
<b><u>30.06.2021</u></b>				
AAA	1,076,327	-	-	1,076,327
AA2	-	3,908	-	3,908
Others	-	-	953,582	953,582
	<u>1,076,327</u>	<u>3,908</u>	<u>953,582</u>	<u>2,033,817</u>

\* Comprise amount due from Manager and amount due from Fund Manager of collective investment scheme

### **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 RM9,794,836 (30.06.2021: RM174,771) and retained earnings of RM34,353,207 (30.06.2021: RM30,439,302). 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.

#### **4. FAIR VALUE ESTIMATION (CONTINUED)**

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.

##### 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)

#### 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:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<b><u>31.12.2021</u></b>				
Investments:				
- Collective investment scheme - foreign	42,886,675	-	-	42,886,675
Derivative financial instruments:				
- Forward foreign currency contracts	-	687	-	687
	<u>42,886,675</u>	<u>687</u>	<u>-</u>	<u>42,887,362</u>
<b><u>30.06.2021</u></b>				
Investments:				
- Collective investment scheme - foreign	28,823,928	-	-	28,823,928
Derivative financial instruments:				
- Forward foreign currency contracts	-	(184,072)	-	(184,072)
	<u>28,823,928</u>	<u>(184,072)</u>	<u>-</u>	<u>28,639,856</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 quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

#### 4. FAIR VALUE ESTIMATION (CONTINUED)

##### Fair value hierarchy (continued)

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes 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. CASH AND CASH EQUIVALENTS

	<u>31.12.2021</u>	<u>30.06.2021</u>
	RM	RM
Bank balances	50,928	50,243
Deposits with licensed financial institutions	1,292,290	1,026,084
	<u>1,343,218</u>	<u>1,076,327</u>

#### 6. INVESTMENTS

	<u>31.12.2021</u>	<u>30.06.2021</u>
	RM	RM
Investments:		
- Collective investment scheme – foreign	<u>42,886,675</u>	<u>28,823,928</u>
	<u>01.07.2021-</u>	<u>01.07.2020-</u>
	<u>31.12.2021</u>	<u>31.12.2020</u>
	RM	RM
Net gain on investments comprised:		
- Net realised gain on sale of investments	2,187,578	1,161,829
- Net unrealised gain on changes in fair value	2,029,855	2,326,404
	<u>4,217,433</u>	<u>3,488,233</u>

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2021 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
<b>COLLECTIVE INVESTMENT SCHEME - FOREIGN</b>				
<b><u>LUXEMBOURG</u></b>				
Goldman Sachs US Equity Portfolio – Class IO (Accumulation)	258,581	34,846,683	42,886,675	97.14

Investments as at 30 June 2021 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
<b>COLLECTIVE INVESTMENT SCHEME - FOREIGN</b>				
<b><u>LUXEMBOURG</u></b>				
Goldman Sachs US -Equity Portfolio – Class IO (Accumulation)	195,582	22,813,791	28,823,928	94.15



## 7. FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 December 2021, there are three (30.06.2021: three) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM30,435,578 (30.06.2021: RM30,190,885). 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 fair value gain on forward foreign currency contracts are as follows:

	<b><u>01.07.2021-</u> <u>31.12.2021</u></b>	<b><u>01.07.2020-</u> <u>31.12.2020</u></b>
	<b>RM</b>	<b>RM</b>
Net realised gain on forward foreign currency contracts	184,758	505,015
Unrealised (loss)/gain on forward foreign currency contracts	<u>(117,515)</u>	<u>32,824</u>
	<u>67,243</u>	<u>537,839</u>

As at 31 December 2021, there are three (30.06.2021: three) foreign currency forward contracts outstanding with RHB Bank Berhad.

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

### Related Party Balances

	<b><u>31.12.2021</u></b>	<b><u>30.06.2021</u></b>
	<b>RM</b>	<b>RM</b>
Foreign currency forward contracts:		
Balances outstanding with RHB Bank Berhad	<u>687</u>	<u>184,072</u>

## 8. UNITS IN CIRCULATION

	<u>31.12.2021</u> Units	<u>30.06.2021</u> Units
At the beginning of the financial period/year	20,806,000	22,088,000
Creation of units arising from applications during the financial period/year	15,694,000	27,900,000
Cancellation of units during the financial period/year	<u>(9,349,000)</u>	<u>(29,182,000)</u>
At the end of the financial period/year	<u>27,151,000</u>	<u>20,806,000</u>

## 9. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.85% (01.07.2020-31.12.2020: 1.85%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

## 10. TRUSTEE'S FEE

In accordance with the Prospectus, the trustee's fee provided in the financial statements is 0.08% (01.07.2020-31.12.2020: 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.

## 11. TAXATION

(a) Tax charge for the financial period

	<u>01.07.2021-</u> <u>31.12.2021</u> RM	<u>01.07.2020-</u> <u>31.12.2020</u> RM
Current taxation	<u>-</u>	<u>-</u>

## 11. TAXATION (CONTINUED)

### (b) Numerical reconciliation of income tax expense

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

	<b><u>01.07.2021-</u> <u>31.12.2021</u></b>	<b><u>01.07.2020-</u> <u>31.12.2020</u></b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>3,913,905</u>	<u>3,736,941</u>
Tax calculated at a statutory income tax rate of 24%	939,337	896,866
Tax effects of:		
- Income not subject to tax	(1,027,602)	(952,375)
- Expenses not deductible for tax purposes	4,536	2,950
- Restriction on tax deductible expense for unit trust funds	<u>83,729</u>	<u>52,559</u>
Tax expense	<u>-</u>	<u>-</u>

## 12. MANAGEMENT EXPENSE RATIO (“MER”)

	<b><u>01.07.2021-</u> <u>31.12.2021</u></b>	<b><u>01.07.2020-</u> <u>31.12.2020</u></b>
	<b>%</b>	<b>%</b>
MER	<u>0.99</u>	<u>1.00</u>

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

## 13. PORTFOLIO TURNOVER RATIO (“PTR”)

	<b><u>01.07.2021-</u> <u>31.12.2021</u></b>	<b><u>01.07.2020-</u> <u>31.12.2020</u></b>
PTR (times)	<u>0.38</u>	<u>0.41</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 is as follows:

	<u>31.12.2021</u>		<u>30.06.2021</u>	
	<u>Units</u>	<u>RM</u>	<u>Units</u>	<u>RM</u>
The Manager	5,132	8,345	5,929	8,724
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>6,535,084</u>	<u>10,626,046</u>	<u>4,806,033</u>	<u>7,071,597</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, are under nominees structure.

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.

## 15. TRANSACTIONS BY THE FUND

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

<b><u>Fund Manager</u></b>	<b>Value of <u>trades</u> RM</b>	<b>Percentage of total <u>trades</u> %</b>	<b>Brokerage <u>fees</u> RM</b>	<b>Percentage of total brokerage <u>fees</u> %</b>
Goldman Sachs Asset Management International	28,067,922	100.00	-	-

Details of transactions by the Fund for the financial year ended 30 June 2021 are as follows:

<b><u>Fund Manager</u></b>	<b>Value of <u>trades</u> RM</b>	<b>Percentage of total <u>trades</u> %</b>	<b>Brokerage <u>fees</u> RM</b>	<b>Percentage of total brokerage <u>fees</u> %</b>
Goldman Sachs Asset Management International	41,357,940	100.00	-	-

## 16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>31.12.2021</u>	<u>30.06.2021</u>
	RM	RM
<b>Financial assets</b>		
Financial assets at fair value through profit or loss (“FVTPL”)		
• Collective investment scheme	42,886,675	28,823,928
• Forward foreign currency contracts	17,336	3,908
	<u>42,904,011</u>	<u>28,827,836</u>
Financial assets at amortised cost		
• Bank balances	50,928	50,243
• Deposits with licensed financial institutions	1,292,290	1,026,084
• Amount due from Manager	37,398	953,582
• Amount due from Fund Manager of collective investment scheme	1,335,157	-
	<u>2,715,773</u>	<u>2,029,909</u>
<b>Financial liabilities</b>		
Financial liabilities at fair value through profit or loss (“FVTPL”)		
• Forward foreign currency contracts	16,649	187,980
Financial liabilities at amortised cost		
• Amount due to Manager	1,373,911	-
• Accrued management fee	69,198	43,463
• Amount due to Trustee	2,993	1,879
• Other payables and accruals	8,990	10,350
	<u>1,455,092</u>	<u>55,692</u>

## 17. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund’s performance during the financial period.

The Manager is monitoring the situation closely and will be managing the portfolio to achieve the Fund’s objective.

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

We, Dato' Darawati Hussain and Mohd Rashid Bin Mohamad, 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 2021 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

Mohd Rashid Bin Mohamad  
Director

25 February 2022

## **TRUSTEE'S REPORT TO THE UNIT HOLDERS OF RHB-GS US EQUITY FUND**

We have acted as Trustee of RHB-GS US Equity Fund (“the Fund”) for the financial period ended 31 December 2021. To the best of our knowledge, RHB Asset Management Sdn Bhd (“the Management Company”), has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, the Securities Commission Malaysia’s Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For TMF Trustees Malaysia Berhad

Norhayati Binti Azit  
Director – Fund Services

Kuala Lumpur  
25 February 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

Email address: rhbam@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8100

Website: www.rhbgroup.com

### BOARD OF DIRECTORS

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

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

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

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

YBhg Datuk Seri Dr Govindan A/L Kunchambo (*Independent Non-Executive Director*)

Encik Mohd Rashid Bin Mohamad (*Non-Independent Non-Executive Director*)  
(*Appointed with effect from 11 August 2021*)

### 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**

<b>Kuala Lumpur Office</b>	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
<b>Shah Alam Office</b>	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
<b>Sri Petaling Office</b>	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
<b>Batu Pahat Office</b>	53, 53-A and 53-B Jalan Sultanah 83000 Batu Pahat, Johor Tel: 07-438 0271/ 07-438 0988 Fax: 07-438 0277
<b>Ipoh Office</b>	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
<b>Johor Bahru Office</b>	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
<b>Kuantan Office</b>	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 Lebuhraya Pantai  
10300 Georgetown, Penang  
Tel: 04-264 5639 Fax: 04-264 5640

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

<b>TRUSTEE</b>	TMF Trustees Malaysia Berhad
<b>BANKER</b>	RHB Bank Berhad
<b>AUDITORS</b>	PricewaterhouseCoopers PLT
<b>TAX ADVISER</b>	PricewaterhouseCoopers Taxation Services Sdn Bhd
<b>DISTRIBUTORS</b>	RHB Asset Management Sdn Bhd RHB Bank Bhd RHB Investment Bank Bhd AmInvestment Bank Bhd Areca Capital Sdn Bhd CIMB Bank Bhd CIMB Private Banking Citibank Bhd CUTA-Genexus Advisory Sdn Bhd Hong Leong Bank Bhd HSBC Bank (Malaysia) Bhd iFast Capital Sdn Bhd Kenanga Investors Bhd Phillip Mutual Bhd CUTA-Standard Financial Adviser Sdn Bhd United Overseas Bank (M) Bhd UOB Kay Hian (M) Securities Sdn Bhd

**RHB**  **Asset Management**

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