

PHILLIP GLOBAL STARS FUND

SEMI-ANNUAL REPORT

For the six months ended
31 March 2022

Manager:

PHILLIP MUTUAL BERHAD
(200201002746)(570409-K)

Trustee:

CIMB COMMERCE TRUSTEE BERHAD
(199401027349)(313031-A)

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FUND INFORMATION
As At 31 March 2022

| | |
|-----------------------------|--|
| Name Of Fund | : Phillip Global Stars Fund |
| Manager Of Fund | : Phillip Mutual Berhad 200201002746 (570409-K) |
| External Investment Manager | : Phillip Capital Management Sdn Bhd 199501004372 (333567-D) |
| Launch Date | : 20 July 2006 |
| Category Of Fund | : Equity |
| Type Of Fund | : Growth and income |
| Investment Objective | : Phillip Global Stars Fund aims to provide capital growth and some income [□] in the medium* to long term* by investing in a portfolio of global securities. [□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i> [*] <i>Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i> |
| Performance Benchmark | : Composite benchmark: 65% S&P 500 Index (SPX) 25% S&P Europe 350 Index (SPE) 10% S&P Asia 50 Index (SPA50) |
| Distribution Policy | : Investors will receive income distributions once a year subject to the availability of income. |
| Fund Size | : 8.41 million units |

PHILLIP GLOBAL STARS FUND

| Breakdown Of Unitholdings | : Size Of Holdings | No. Of Unitholders | % Of Unitholders | No. Of Units (million) |
|------------------------------|-----------------------|-----------------------|---------------------|---------------------------|
| | 5,000 units & below | 107 | 29.23 | 0.26 |
| | 5,001-10,000 units | 58 | 15.85 | 0.41 |
| | 10,001-50,000 units | 161 | 43.99 | 3.84 |
| | 50,001-500,000 units | 40 | 10.93 | 3.90 |
| | 500,001 units & above | - | - | - |
| | Total | 366 | 100.00 | 8.41 |

FUND PERFORMANCE

Financial Highlights

| Category | As at 31.3.2022 | As at 30.9.2021 | As at 30.9.2020 | As at 30.9.2019 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Local Quoted Equity Securities | % | % | % | % |
| Capital Goods | - | 0.88 | - | - |
| Construction & Engineering | - | 0.23 | - | - |
| Food, Beverage & Tobacco | - | 0.62 | - | - |
| Household & Personal Products | - | - | - | 1.94 |
| Industrials | 2.27 | 7.24 | - | - |
| Materials | - | 0.93 | - | - |
| Media & Entertainment | - | - | 2.99 | - |
| Retailing | - | 1.33 | - | - |
| Semiconductors & Semi. Equipment | 2.36 | 3.05 | - | - |
| Software & Services | - | 1.11 | - | - |
| Technology Hardware & Equipment | - | 1.91 | - | - |
| Technology Manufacturing | - | 0.97 | - | - |
| Transportation | 0.71 | 3.20 | - | - |
| Foreign Quoted Equity Securities | | | | |
| - Germany | - | 2.61 | 2.59 | 2.08 |
| - Great Britain | - | 7.78 | 9.02 | 5.74 |
| - Hong Kong | 13.60 | 13.59 | 30.05 | 26.46 |
| - Indonesia | 5.29 | 7.20 | - | 6.50 |
| - Singapore | 5.13 | 8.73 | 20.07 | 4.21 |
| - South Korea | 3.42 | 1.59 | - | - |
| - Thailand | 7.59 | 5.82 | - | - |
| - United States of America | 50.59 | 17.74 | 34.94 | 36.46 |
| | 90.96 | 86.53 | 99.66 | 83.39 |
| Loan Stocks | 0.24 | - | - | - |
| Warrants | 0.01 | 0.02 | - | - |
| Cash And Liquid Assets | 8.79 | 13.45 | 0.34 | 16.61 |
| Total | 100.00 | 100.00 | 100.00 | 100.00 |
| Net Asset Value (RM'000) | 3,365 | 3,903 | 3,692 | 5,935 |
| Number Of Units In Circulation (Units '000) | 8,414 | 8,839 | 8,932 | 13,369 |
| Net Asset Value Per Unit (RM) | 0.3999 | 0.4416 | 0.4112 | 0.4440 |
| Total Expense Ratio ("TER") ¹ | 1.26% | 2.77% | 2.48% | 2.28% |
| Portfolio Turnover Ratio (times) | 0.94 | 1.27 | 2.33 | 3.01 |

The Total Expense Ratio for the current financial period is lower due to a higher percentage of decrease in expenses compared with average net asset value attributable to unitholders. (31 March 2021: 1.33%)

¹ The TER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current financial period is higher due to increase in investing activities. (31 March 2021: 0.31 times)

Notes:

The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

Performance Data

| | Phillip Global Stars Fund | | Composite benchmark [#] | |
|----------------------------------|---------------------------|-----------------------|----------------------------------|-----------------------|
| | Total Return | Average Annual Return | Total Return | Average Annual Return |
| 6 Months' Period Ended 31.3.2022 | -9.44% | - | 3.32% | - |
| 1 Year's Period Ended 30.9.2021 | 7.39% | 7.39% | 27.05% | 27.05% |
| 3 Years' Period Ended 30.9.2021 | -6.80% | -2.27% | 43.18% | 14.39% |
| 5 Years' Period Ended 30.9.2021 | 1.73% | 0.35% | 87.16% | 17.43% |

| | 6 Months to | | Financial Year Ended | | | |
|----------------------------------|-------------|-----------|----------------------|-----------|-----------|-----------|
| | 31.3.2022 | 30.9.2021 | 30.9.2020 | 30.9.2019 | 30.9.2018 | 30.9.2017 |
| Phillip Global Stars Fund | | | | | | |
| - Capital Return | -9.44% | 7.39% | -7.39% | -6.29% | -0.98% | 10.23% |
| - Income Return | - | - | - | - | - | - |
| - Total Return | -9.44% | 7.39% | -7.39% | -6.29% | -0.98% | 10.23% |
| Composite benchmark [#] | 3.32% | 27.05% | 9.48% | 1.51% | 7.58% | 20.28% |

| | 6 Months to | | Financial Year Ended | |
|--------------------|-------------|-----------|----------------------|-----------|
| | 31.3.2022 | 30.9.2021 | 30.9.2020 | 30.9.2019 |
| Unit Prices | | | | |
| Highest NAV(RM) | 0.4610 | 0.4842 | 0.4722 | 0.4755 |
| Lowest NAV (RM) | 0.3711 | 0.3981 | 0.3361 | 0.4124 |

Distributions

| | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|
| Gross Distribution Per Unit (sen) | - | - | - | - |
| | (31.3.2022) | (30.9.2021) | (30.9.2020) | (30.9.2019) |
| Net Distribution Per Unit (sen) | - | - | - | - |
| | (31.3.2022) | (30.9.2021) | (30.9.2020) | (30.9.2019) |

Unit Splits

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

[#] The benchmark returns are adjusted for the movement of Ringgit Malaysia against foreign currencies.

Notes:

1. All figures pertaining to the Fund's return were extracted from Lipper.
2. The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

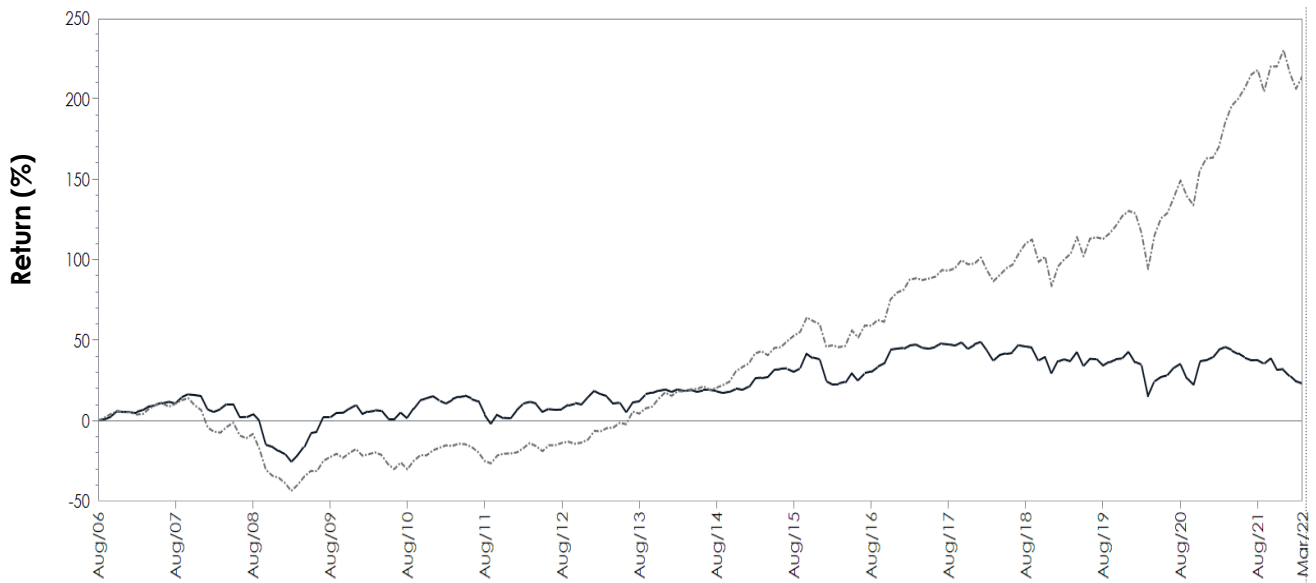
MANAGER'S REPORT
31 March 2022



Performance Review

From 10 August 2006 (date of launch: 20 July 2006) to 31 March 2022, the Phillip Global Stars Fund registered a total return of 22.82%, while its composite benchmark (65% S&P 500 Index [SPX], 25% S&P Europe 350 Index [SPE] and 10% S&P Asia 50 Index [SPA50]), rose 214.83%.

For the financial period under review, the Fund registered a loss of 9.44%. In comparison, its benchmark rose 3.32%.

Comparison Between Fund's Performance And Benchmark Since Inception



| | | |
|---|---|----------|
|  | Phillip Global Stars Fund | +22.82% |
|  | Composite Benchmark (65% SPX, 25% SPE & 10% SPA50) | +214.83% |

Source: Lipper

Notes:

The benchmark returns are adjusted for the movement of Ringgit Malaysia against foreign currencies.

Investment Strategy Review

Equity Strategy Review

For the 6-month period under review, the fund gave back gains during the last quarter of 2021 as market weakened in 1Q2022 partly due to hawkish US Fed’s stance following high inflation as economies reopen, and the ongoing Russian-Ukraine war. Thereafter, we continued to trim on stocks which had rallied beyond their fundamentals during the period. During the period under review, the fund’s investment to China/HK saw sharp fall due to intense regulatory scrutinies by the China’s government across many sectors such as technology, food delivery, gaming, education, and property sectors to name a few; as well as partial lockdown imposed recently in Shanghai to curb soaring Covid-19 cases.

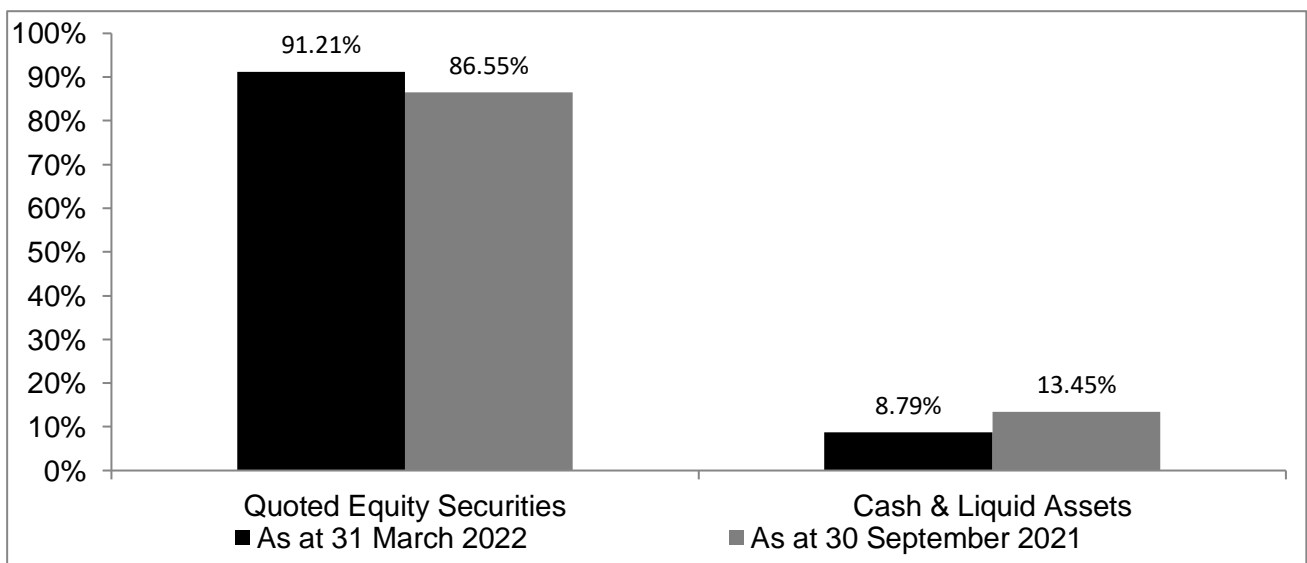
Our Asian exposures in Singapore, Thailand and Indonesia saw commendable performances, especially economic recovery related names in line with the ramp up of vaccines rollout and reopening of businesses, although some names gave back their gains in 1Q2022 as investors took profits.

While some countries were willing to treat Covid-19 as endemic and hasten economic reopenings, some, like China were more than willing to forego economic growth in exchange for eradicating the virus down to zero case. That being said, while the Omicron variant so far proved to be less deadly with milder symptoms, we cannot rule out the occurrence of new mutated virus strains that can very well truncate recovery and set it in reverse mode. Given that, we need to assess how countries are containing these virus strains and stimulating its economy at the same time.

Of course, our investment strategy will remain to be skewed towards companies that stand to benefit from cyclical upturn in earnings, and are poised to record further growth beyond the “recovery” phase as we view that these companies will provide more margin of safety. By the same token, we would continuously take profits on stocks that had rallied beyond their fundamentals and focus on finding companies with strong fundamentals but under appreciated by the markets.

Geographically speaking, comparatively we think Asian markets offers more exciting growth prospects and intend to anchor our stock selections in these region, preferring sectors such as technology, pharmaceutical, consumer, e-commerce and digitization space.

Asset Allocation



The quoted equity securities allocation of Phillip Global Stars Fund increased to 91.21% as at 31 March 2022 from 86.55% recorded at the beginning of the financial period under review due to net equity purchase.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Phillip Global Stars Fund decreased from RM0.4416 to RM0.3999 during the financial period under review. Meanwhile, total NAV of the Fund decreased from RM3.90mil to RM3.36mil mainly due to net fund redemptions.

Market Review

Equity Markets Review

Equity markets were mostly in positive territory during the final quarter of 2021. US equities rose in 4Q2021 despite weaker performance in November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's asset tapering had weighed. By year-end however, these worries had largely subsided, while data continue to indicate that the economy overall remains stable and corporate earnings are robust. Tech as a sub-sector was one of the strongest performers over the quarter, while real estate names saw strong gains on the back of e-commerce growth, which was expected to drive further demand for industrial warehousing. Energy and financial names made more muted gains over the quarter.

Over in Europe, UK equities in particular, rose over the quarter. Encouraging news around Omicron during December 2021 saw a number of economically sensitive areas of the market largely recoup the sharp losses they had sustained in the initial sell-off in late November 2021, such as the banks. Some areas reliant on economies reopening, however, such as the travel and leisure and the oil and gas sector were unable to make up November's losses and ended the quarter lower.

In Asia, equity markets were mixed. There was a broad market sell-off following the emergence of the Omicron variant of Covid-19 which investors feared could derail the global economic recovery.

Worst performing China market saw its indices being whipsawed by not just lockdown restrictions as the country adopted Zero-Covid policy, but also intensifying regulatory scrutinies across many sectors. South Korea, India and Singapore also ended the quarter in red, while Malaysia, Thailand, Philippines and Indonesia recorded gains.

During the 1Q2022, many markets were in doldrums as they gave back previous quarter's gains. To recap, Russia's invasion of Ukraine in late February 2022 caused a global shock. The grave human implications fed through into markets, with equities declining and bond yields rising. Commodity prices soared given Russia is a key producer of several important commodities including oil, gas, and wheat. This contributed to a further surge in inflation as well as supply chain disruption. On the other hand, while sanctions were imposed amid widespread condemnations by many countries in an attempt to cripple Russia economy, these same sanctions amplified existing concerns over supply chain constraints and inflation pressures. To illustrate, the annual US inflation rate, as measured by the consumer price index, hit 8.5% in March 2022, a level far exceeding US inflation target of 2%, which prompted US Fed's aggressive tightenings.

Over in Europe, shares fell sharply in the quarter. This was not unwarranted, given that the region has close economic ties with Ukraine and Russia, particularly when it comes to reliance on Russian oil and gas.

Asia ex-Japan equities experienced sharp declines in the first quarter of 2022 amid a volatile and challenging market environment as Russia launched an invasion of neighbouring Ukraine. Share prices in China were sharply lower in the quarter while shares in Hong Kong and Taiwan also fell. The number of Covid-19 cases in Hong Kong and China spiked to their highest level in more than two years during the quarter despite the China government pursuing one of the world's strictest virus elimination policies. The city of Shanghai, China financial capital with a population of 25 million people, went into a partial lockdown at the end of the quarter in a bid to curb a surge in Omicron Covid-19 cases, prompting fears that other parts of the country could also go into lockdown.

Elsewhere, share prices in South Korea were also sharply lower in the first three months of 2022 as the Covid-19 pandemic continues to affect economic activity in many parts of the Asia-Pacific region. However, despite the market falling sharply, there were pockets of growth such as Indonesia, which achieved solid gains in share prices during the quarter. Thailand, Malaysia and the Philippines also moved higher, although gains were more muted.

Securities Financing Transactions

For the financial period under review, the Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).

Income Distribution Nil

Unit Split Nil

Significant Changes In The State Of Affairs Of The Fund

For the financial period under review, there were no significant changes in the state of affairs of the Fund not otherwise as disclosed in the financial statements.

Circumstances That Materially Affect Interest Of Unitholders

For the financial period under review, there were no circumstances that materially affect any interest of the unitholders.

Cross Trade

No cross trade transactions have been carried out during the financial period.

Soft Commissions

During the financial period under review, the Fund has received soft commissions from brokers. Soft commissions received from brokers are retained by the Manager for purchasing goods and services which are of demonstrable benefit to the unitholders and in the form of research and advisory services that assist in the decision-making process relating to the investment of the Fund such as research materials, data and quotation services, computer software, investment advisory services, and investment related publications.

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF PHILLIP GLOBAL STARS FUND**

We have acted as Trustee of **Phillip Global Stars Fund** (“the Fund”) for the financial year ended 31 March 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Phillip Mutual Berhad** (“the Manager”) has operated and managed the Fund during the financial year covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager under the Deeds, the Securities Commission Malaysia’s Guidelines on Unit Trusts Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- (b) Valuation and pricing is carried out in accordance with the Deeds and relevant regulatory requirements; and
- (c) Creation and cancellation of units are carried out in accordance with the Deeds and relevant regulatory requirements.

For **CIMB Commerce Trustee Berhad**

Ezreen Eliza Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
30 May 2022

STATEMENT BY THE MANAGER

We, **Andy Lim Say Kiat** and **Datin Hajjah Nona Binti Salleh**, being two of the directors of **Phillip Mutual Berhad**, do hereby declare that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 12 to 32 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines so as to give a true and fair view of the financial position of **Phillip Global Stars Fund** as at 31 March 2022 and of its financial performance, changes in net asset value and cash flows for the financial period then ended.

Signed on behalf of the Manager in accordance with a resolution of the directors.

ANDY LIM SAY KIAT
Chief Executive Officer/ Managing Director

DATIN HAJJAH NONA BINTI SALLEH
Chairperson

Kuala Lumpur, Malaysia
30 May 2022

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

| | Note | 31.3.2022 RM | 31.3.2021 RM |
|---|------|------------------|------------------|
| Assets | | | |
| Investments | 3 | 3,069,060 | 2,808,773 |
| Dividend receivable | | 5,970 | 2,340 |
| Interest receivable | | 5 | 37 |
| Cash and cash equivalents | 5 | 392,148 | 867,785 |
| Total Assets | | <u>3,467,183</u> | <u>3,678,935</u> |
| Liabilities | | | |
| Amount due to Manager | 6 | 4,759 | 8,259 |
| Amount due to broker/dealers | 7 | 82,030 | 81,725 |
| Other payables | | 15,723 | 9,835 |
| Total Liabilities | | <u>102,512</u> | <u>99,819</u> |
| Net Asset Value (“NAV”) Of The Fund | | <u>3,364,671</u> | <u>3,579,116</u> |
| Equity | | | |
| Unitholders’ capital | | 7,883,019 | 7,507,483 |
| Accumulated losses | | (4,518,348) | (3,928,367) |
| NAV Attributable To Unitholders | 14 | <u>3,364,671</u> | <u>3,579,116</u> |
| Total Equity And Liabilities | | <u>3,467,183</u> | <u>3,678,935</u> |
| Number Of Units In Circulation (Units) | 15 | <u>8,413,818</u> | <u>7,551,644</u> |
| NAV Per Unit (ex-distribution) | 14 | <u>0.3999</u> | <u>0.4740</u> |

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 31 March 2022

| | Note | 1.10.2021 to 31.3.2022 RM | 1.10.2020 to 31.3.2021 RM |
|--|------|------------------------------------|------------------------------------|
| Investment (Loss)/Income | | | |
| Gross dividends from financial assets at fair value through profit or loss ("FVTPL") | | 21,054 | 19,759 |
| Interest income | | 1,771 | 8,663 |
| Net gain/(loss) on investments | | | |
| - Financial assets at FVTPL | | (315,681) | (157,331) |
| - Foreign exchange | | 10,485 | (26,738) |
| Net unrealised (loss)/gain on foreign exchange | | (1,461) | 42,209 |
| Net unrealised gain on changes in value of financial assets at FVTPL | | 20,773 | 619,714 |
| | | <u>(263,059)</u> | <u>506,276</u> |
| Expenses | | | |
| Audit fee | | 4,189 | 3,990 |
| Tax agent's fee | | 1,732 | 1,496 |
| Manager's fee | 8 | 31,126 | 31,594 |
| Trustee's fee | 9 | 4,188 | 4,188 |
| Custodian's fee | 10 | 497 | 161 |
| Brokerage and other transaction fees | | 43,275 | 13,088 |
| Administration expenses | | 4,646 | 7,967 |
| | | <u>89,653</u> | <u>62,484</u> |
| Net (Loss)/Income Before Taxation | | (352,712) | 443,792 |
| Taxation | 13 | - | - |
| Net (Loss)/Income After Taxation | | <u>(352,712)</u> | <u>443,792</u> |
| Total Comprehensive (Loss)/Income | | <u>(352,712)</u> | <u>443,792</u> |
| Total Comprehensive (Loss)/Income Comprises the Following: | | | |
| Realised (loss) | | (372,024) | (218,131) |
| Unrealised gain | | 19,312 | 661,923 |
| | | <u>(352,712)</u> | <u>443,792</u> |

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

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial period ended 31 March 2022

| | Note | Unitholders' capital RM | Accumulated losses RM | NAV attributable to unitholders RM |
|---------------------------|-------------|--|--------------------------------------|---|
| At 1 October 2020 | | 8,064,621 | (4,372,159) | 3,692,462 |
| Net income after taxation | | - | 443,792 | 443,792 |
| Creation of units | 15 | 2,176,402 | - | 2,176,402 |
| Cancellation of units | 15 | (2,733,540) | - | (2,733,540) |
| At 31 March 2021 | | <u>7,507,483</u> | <u>(3,928,367)</u> | <u>3,579,116</u> |
| At 1 October 2021 | | 8,068,632 | (4,165,636) | 3,902,996 |
| Net loss after taxation | | - | (352,712) | (352,712) |
| Creation of units | 15 | - | - | - |
| Cancellation of units | 15 | (185,613) | - | (185,613) |
| At 31 March 2022 | | <u>7,883,019</u> | <u>(4,518,348)</u> | <u>3,364,671</u> |

The accompanying notes form an integral part of the financial statement

STATEMENT OF CASH FLOWS

For the financial period ended 31 March 2022

| | 1.10.2021 | 1.10.2020 |
|---|------------------|------------------|
| | to | to |
| | 31.3.2022 | 31.3.2021 |
| | RM | RM |
| Cash Flows From/(Used In) Operating And Investing Activities | | |
| Proceeds from sale of investments | 3,447,835 | 1,918,922 |
| Purchase of investments | (3,463,619) | (372,429) |
| Dividends received | 17,473 | 23,253 |
| Interest received | 1,766 | 8,626 |
| Manager's fee paid | (30,809) | (31,904) |
| Trustee's fee paid | (4,166) | (4,875) |
| Custodian's fee paid | (497) | (161) |
| Payment for other fees and expenses | (32,382) | (26,362) |
| Net cash from operating and investing activities | <u>(64,399)</u> | <u>1,515,070</u> |
| Cash Flows From/(Used In) Financing Activities | | |
| Cash proceeds from units created | 300,730 | 2,176,401 |
| Cash paid on units cancelled | (185,613) | (3,019,962) |
| Net cash used in financing activities | <u>115,117</u> | <u>(843,561)</u> |
| Net Increase/(Decrease) In Cash And Cash Equivalents | 50,718 | 671,509 |
| Effect Of Exchange Rate Changes | (9,514) | (20,215) |
| Cash And Cash Equivalents At Beginning Of Financial Period | <u>350,944</u> | <u>216,491</u> |
| Cash And Cash Equivalents At End Of Financial Period | <u>392,148</u> | <u>867,785</u> |
| Cash And Cash Equivalents Comprise (Note 5): | | |
| Cash at banks | 282,148 | 67,785 |
| Deposits with financial institution | 110,000 | 800,000 |
| | <u>392,148</u> | <u>867,785</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 March 2022

1. The Fund, the Manager and their principal activities

Phillip Global Stars Fund, formerly known as Pacific Global Stars Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 23 June 2006 as amended by the First Supplemental Deed dated 28 June 2007, Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 25 June 2010 and Third Supplemental Master Deed dated 12 July 2017, Fourth Supplemental Master Deed dated 12 July 2017 made between the previous Manager, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020) and the Trustee of the Fund, HSBC (Malaysia) Trustee Berhad (the Trustee prior to 1 October 2017), CIMB Commerce Trustee Berhad (the new Trustee with effect from 1 October 2017), Fifth Supplemental Master Deed dated 5 October 2020, Sixth Supplemental Master Deed dated 5 October 2020 made between the previous Manager, BOS Wealth Management Malaysia Berhad and the Trustee, CIMB Commerce Trustee Berhad, Seventh Supplemental Master Deed dated 6 November 2020, Eighth Supplemental Master Deed dated 25 November 2020 made between the Managers, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020) and Phillip Mutual Berhad (the new Manager with effect from 1 December 2020) and the Trustee, CIMB Commerce Trustee Berhad and Ninth Supplemental Master Deed dated 1 July 2021 made between the Manager, Phillip Mutual Berhad and the Trustee, CIMB Commerce Trustee Berhad (the Deed and all its supplemental hereinafter referred to as the “Deeds”). The Fund was launched on 20 July 2006.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Deeds, which include stocks and shares of companies quoted on Bursa Malaysia Securities Berhad, fixed income securities, foreign securities, unlisted securities, futures contracts and any other investments approved by the Securities Commission Malaysia.

The previous Manager has retired as the Manager of the Fund with effect from 1 December 2020. With effect from the same date, CIMB Commerce Trustee Berhad as the Trustee of the Fund has appointed Phillip Mutual Berhad as the new Manager of the Fund. Subsequently, the Fund’s name changed from Pacific Global Stars Fund to Phillip Global Stars Fund.

The new Manager, Phillip Mutual Berhad, is a company incorporated in Malaysia. Phillip Mutual Berhad is licensed by the Securities Commission Malaysia to carry on the regulated activities of dealing in securities restricted to unit trust schemes and dealing in private retirement schemes under the Capital Markets and Services Act 2007 and is a registered Institutional Unit Trust Adviser with the Federation of Investment Managers Malaysia that authorised to market and distribute unit trust schemes of another party. The Company is engaged in the business of establishing and managing unit trust schemes, and marketing and distributing unit trust schemes of another party.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the relevant Securities Malaysia guidelines.

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(b) Changes in accounting policiesAdoption of Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year except for the Amendments to MFRSs issued by the MASB that are relevant to the Fund's operation and effective for annual years beginning on or after 1 October 2021, as follows:

Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform - Phase 2

The adoption of the Amendments to MFRSs did not have any impact on the financial statements of the Fund.

Amendments to MFRSs in issue but not yet effective

As of the date of authorisation of these financial statements, the new and revised Standards and Amendments to MFRSs that are relevant to the Fund's operation which were in issue but not yet effective and not early adopted by the Fund are as listed below:

| Description | Effective for annual periods beginning on or after |
|---|---|
| Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i> | 1 January 2022 |
| Annual Improvements to MFRS Standards 2018 - 2020 Cycle | 1 January 2022 |
| Amendments to MFRS 101: <i>Classification of Liabilities as Current and Non-current</i> | 1 January 2023 |
| Amendments to MFS 101: <i>Disclosure of Accounting Policies</i> | 1 January 2023 |

The Manager of the Fund anticipates that the abovementioned Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these Amendments to MFRSs will have no material impact on the financial statements of the Fund in the year of initial application.

(c) Functional and presentation currency

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 also the Fund's functional currency.

The Fund's investors are mainly in Malaysia, with the subscriptions and redemptions of the redeemable shares denominated in RM. The primary activity of the Fund is to invest in a portfolio of global securities. The Fund's performance is measured and reported to the investors in RM. The Investment Committee considers the RM as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into RM at rates of exchange prevailing at the end of reporting period.

Transactions in foreign currencies are translated into RM at the rates of exchange ruling on the dates of transactions. Exchange differences arising are included in profit or loss.

(e) Financial instruments

The Fund recognises financial assets and financial liabilities in the statement of financial position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both the Fund's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include dividend receivable, interest receivable and cash and cash equivalents.

(ii) Financial assets at FVTPL

A financial asset is measured at FVTPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category its Permitted Investments. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Financial liabilities

Financial liabilities are recognised initially at fair value i.e. the consideration for goods and services received and subsequently stated at amortised cost. These include amounts due to Manager, amounts due to broker/dealers and other payables. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

(f) Derecognition of financial assets and liabilitiesFinancial Assets

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liability is derecognised, and through the amortisation process.

(g) Impairment of financial assets

Credit losses are recognised based on the expected credit loss (“ECL”) model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL, either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund’s financial statements. For balances which are short-term in nature and with not financing component (e.g. interest receivable and dividend receivable), full impairment will be recognised on uncollected balances after the grace period is exceeded.

(h) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Dividend income is recognised when the Fund’s right to receive payment is established.

Interest income is recognised using the effective interest method on an accrual basis.

(i) Unrealised reserves/(deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted investments at their fair value and are recognised in the statement of comprehensive income.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits with financial institutions with original maturities of 3 months or less which have an insignificant risk of change in value.

(k) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

(l) Fair value measurement

Fair value is 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.

(m) Unitholders' capital

Unitholders' capital meets the conditions for the definition of puttable instruments classified as equity instruments.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(n) Significant accounting estimates and judgements

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements made in applying accounting policies

In the process of applying the Fund's accounting policies, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

3. Investments

| | 31.3.2022 | 31.3.2021 |
|----------------------------------|------------------|------------------|
| | RM | RM |
| Financial Assets At FVTPL | | |
| Quoted investments | | |
| - Equity securities | 3,060,599 | 2,808,773 |
| - Loan stocks | 8,041 | - |
| - Warrants | 420 | - |
| Total Investments | <u>3,069,060</u> | <u>2,808,773</u> |

Equity securities

The composition of quoted investments at the end of reporting period is as detailed below. The industry classifications are based on MSCI's Global Industry Classification Standard.

| Quantity | Name of counter | Cost RM | Fair value RM | Fair value as a % of NAV % |
|--|---|------------|------------------|-------------------------------------|
| <u>Hong Kong</u> | | | | |
| Automobiles & Components | | | | |
| 9,100 | Geely Automobile Holdings Limited | 112,491 | 60,355 | 1.79 |
| Capital Goods | | | | |
| 750 | Techtronic Industries Co Ltd | 55,002 | 51,071 | 1.52 |
| 7,000 | Zoomlion Heavy Industry Science & Technology Co Limited-H | 32,116 | 18,743 | 0.56 |
| | | 87,118 | 69,814 | 2.08 |
| Consumer Durables & Apparel | | | | |
| 1,000 | ANTA Sports Products Limited | 67,570 | 52,801 | 1.57 |
| 7,000 | China Lilang Ltd | 18,805 | 14,274 | 0.42 |
| | | 86,375 | 67,075 | 1.99 |
| Insurance | | | | |
| 1,500 | Ping An Insurance (Group) Company of China Limited | 60,319 | 44,793 | 1.33 |
| Media & Entertainment | | | | |
| 220 | Tencent Holdings Limited | 46,427 | 44,175 | 1.31 |
| Retailing | | | | |
| 600 | Alibaba Group Holding Limited | 53,131 | 36,092 | 1.07 |
| 15 | JD.com, Inc | - | 1,883 | 0.06 |
| 370 | Meituan | 32,346 | 30,893 | 0.92 |
| | | 85,477 | 68,868 | 2.05 |
| Technology Hardware & Equipment | | | | |
| 500 | Sunny Optical Technology Group Co., Limited | 37,889 | 33,833 | 1.01 |
| Telecommunication Services | | | | |
| 11,300 | TravelSky Technology Limited | 82,203 | 68,518 | 2.04 |
| Total Equity Securities – Hong Kong | | | | |
| | | 598,299 | 457,431 | 13.60 |
| <u>Indonesia</u> | | | | |
| Banks | | | | |
| 22,500 | PT Bank Mandiri (Persero) Tbk | 50,272 | 51,974 | 1.55 |

| Quantity | Name of counter | Cost RM | Fair value RM | Fair value as a % of NAV % |
|-----------|---|----------------|------------------|-------------------------------------|
| | Materials | | | |
| 5,416,000 | PT Borneo Lumbung Energi & Metal Tbk** | - | - | - |
| | Real Estate | | | |
| 50,000 | PT Bumi Serpong Damai Tbk | 14,873 | 14,912 | 0.44 |
| | Retailing | | | |
| 17,900 | PT Matahari Department Store Tbk | 23,965 | 32,451 | 0.96 |
| | Transportation | | | |
| 70,000 | PT Jasa Marga Persero Tbk | 80,497 | 78,802 | 2.34 |
| | Total Equity Securities – Indonesia | 169,607 | 178,139 | 5.29 |
| | Malaysia | | | |
| | Industrials | | | |
| 55,700 | Kelington Group Bhd | 91,519 | 76,309 | 2.27 |
| | Semiconductors & Semi. Equipment | | | |
| 21,900 | Globetronics Technology Berhad | 47,535 | 33,288 | 0.99 |
| 15,000 | Inari Amertron Berhad | 49,479 | 46,050 | 1.37 |
| | | 97,014 | 79,338 | 2.36 |
| | Transportation | | | |
| 32,600 | Capital A Berhad | 31,036 | 23,961 | 0.71 |
| | Total Equity Securities – Malaysia | 219,569 | 179,608 | 5.34 |
| | Singapore | | | |
| | Consumer Durables & Apparel | | | |
| 1,376,000 | China Hongxing Sports Ltd.^ | - | - | - |
| | Food, Beverage & Tobacco | | | |
| 38,000 | Thai Beverage Public Company Limited | 83,558 | 84,349 | 2.51 |
| | Semiconductors & Semi. Equipment | | | |
| 6,000 | AEM Holdings Ltd. | 78,151 | 88,292 | 2.62 |

**This security was suspended from trading and the cost and fair value had been written down to nil as there was no further news on this security. This security was transferred from Phillip Asia Brands Fund on 10 December 2020 pursuant to a transfer scheme and winding up of the Phillip Asia Brands Fund.

^This security was suspended from trading and the cost and fair value had been written down to nil effective 6 August 2013. This security was transferred from Phillip Asia Brands Fund on 25 January 2021 pursuant to a transfer scheme and winding up of the Phillip Asia Brands Fund.

| Quantity | Name of counter | Cost RM | Fair value RM | Fair value as a % of NAV % |
|----------|---|----------------|------------------|-------------------------------------|
| | Total equity securities – Singapore | <u>161,709</u> | <u>172,641</u> | <u>5.13</u> |
| | <u>South Korea</u> | | | |
| | Media & Entertainment | | | |
| 92 | HYBE Co., Ltd. | <u>105,282</u> | <u>98,728</u> | <u>2.93</u> |
| | Semiconductors & Semi. Equipment | | | |
| 40 | SK Hynix Inc. | <u>16,445</u> | <u>16,366</u> | <u>0.49</u> |
| | Total equity securities – South Korea | <u>121,727</u> | <u>115,094</u> | <u>3.42</u> |
| | <u>Thailand</u> | | | |
| | Banks | | | |
| 3,200 | Kasikornbank Public Company Limited-NVDR | <u>65,164</u> | <u>65,221</u> | <u>1.94</u> |
| | Food & Staples Retailing | | | |
| 11,300 | CP All Public Company Limited- NVDR | <u>84,595</u> | <u>92,695</u> | <u>2.75</u> |
| | Industrials | | | |
| 1,000 | Delta Electronics Thailand PCL | <u>57,157</u> | <u>48,966</u> | <u>1.46</u> |
| | Transportation | | | |
| 5,800 | Airports of Thailand Public Company Limited-NVDR | <u>49,676</u> | <u>48,493</u> | <u>1.44</u> |
| | Total equity securities – Thailand | <u>256,592</u> | <u>255,375</u> | <u>7.59</u> |
| | <u>United States of America</u> | | | |
| | Auto Manufacturers | | | |
| 16 | Tesla Inc. | <u>61,529</u> | <u>72,447</u> | <u>2.15</u> |
| | Banks | | | |
| 365 | Bank of America Corporation | <u>69,982</u> | <u>63,219</u> | <u>1.88</u> |
| | Capital Goods | | | |
| 100 | Caterpillar Inc. | <u>88,454</u> | <u>93,627</u> | <u>2.78</u> |
| | Consumer services | | | |
| 1,240 | Melco Resorts & Entertainment Limited | <u>73,920</u> | <u>39,807</u> | <u>1.18</u> |
| 95 | Starbucks Corporation | <u>36,226</u> | <u>36,314</u> | <u>1.08</u> |
| | | <u>110,146</u> | <u>76,121</u> | <u>2.26</u> |
| | Financial Services | | | |
| 100 | American Express Company | <u>73,496</u> | <u>78,576</u> | <u>2.34</u> |

| Quantity | Name of counter | Cost RM | Fair value RM | Fair value as a % of NAV % |
|---|--|------------------|------------------|-------------------------------------|
| Media & entertainment | | | | |
| 50 | Netflix Inc. | 116,351 | 78,699 | 2.34 |
| Retailing | | | | |
| 39 | Alibaba Group Holding Limited | 39,208 | 17,830 | 0.53 |
| 8 | Amazon.com, Inc. | 106,888 | 109,584 | 3.26 |
| 40 | The Home Depot Inc | 52,585 | 50,310 | 1.50 |
| | | <u>198,681</u> | <u>177,724</u> | <u>5.29</u> |
| Semiconductors & Semi. Equipment | | | | |
| 120 | Advance Micro Devices | 55,863 | 55,132 | 1.64 |
| 170 | Applied Materials, Inc | 93,452 | 94,148 | 2.80 |
| 200 | First Solar Inc | 65,018 | 70,373 | 2.09 |
| 561 | Intel Corporation | 120,704 | 116,826 | 3.47 |
| 60 | Nvidia Corp. | 58,967 | 68,792 | 2.04 |
| 70 | Taiwan Semiconductor Manufacturing Company Limited | 30,305 | 30,666 | 0.91 |
| | | <u>424,309</u> | <u>435,937</u> | <u>12.95</u> |
| Software & Services | | | | |
| 30 | Adobe Inc. | 70,892 | 57,434 | 1.71 |
| 93 | Meta Platforms, Inc | 126,742 | 86,893 | 2.58 |
| 153 | Microsoft Corporation | 186,454 | 198,210 | 5.89 |
| 21 | Shopify Inc. | 63,421 | 59,647 | 1.77 |
| | | <u>447,509</u> | <u>402,184</u> | <u>11.95</u> |
| Technology Hardware & Equipment | | | | |
| 305 | Apple Inc. | 211,032 | 223,777 | 6.65 |
| Total equity securities – United States of America | | <u>1,801,489</u> | <u>1,702,311</u> | <u>50.59</u> |
| Total equity securities | | <u>3,328,992</u> | <u>3,060,599</u> | <u>90.96</u> |

Loan Stocks

| Quantity | Name of counter | Cost RM | Fair value RM | Fair value as a % of NAV % |
|----------|----------------------------------|------------|------------------|-------------------------------------|
| 10,866 | Capital A Berhad - LA 29/12/2028 | 8,150 | 8,041 | 0.24 |

Warrants

| Quantity | Name of counter | Cost RM | Fair value RM | Fair value as a % of NAV % |
|----------|---------------------------|------------|------------------|-------------------------------------|
| 3,000 | SKP Resources Berhad - WB | <u>705</u> | <u>420</u> | <u>0.01</u> |

Total investments

Total quoted investments comprised investments in equity securities, loan stocks and warrants.

| | Cost RM | Fair value RM | Fair value as a % of NAV % |
|--|------------------|------------------|-------------------------------------|
| Total quoted investments | <u>3,337,847</u> | <u>3,069,060</u> | <u>91.21</u> |
| Unrealised loss from quoted investments as at 31 March 2022 | | <u>(268,787)</u> | |

4. Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets 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 (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 RM | Total RM |
|----------------------------------|------------------|------------------|
| 31.3.2022 | | |
| Financial assets at FVTPL | | |
| Quoted investments | <u>3,069,060</u> | <u>3,069,060</u> |
| 31.3.2021 | | |
| Financial assets at FVTPL | | |
| Quoted investments | <u>2,808,773</u> | <u>2,808,773</u> |

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short term maturities of these financial instruments.

5. Cash and cash equivalents

Cash and cash equivalents include cash at banks and deposits with a licensed financial institution.

| | 31.3.2022 | 31.3.2021 |
|--|------------------|------------------|
| | RM | RM |
| Cash at banks: | | |
| - Malaysia | 5,028 | 55,835 |
| - Outside Malaysia | 277,120 | 11,950 |
| | <u>282,148</u> | <u>67,785</u> |
| Deposits with licensed financial institutions: | | |
| - Commercial Bank | 110,000 | 200,000 |
| - Investment Bank | - | 600,000 |
| | <u>110,000</u> | <u>800,000</u> |
| Cash and cash equivalents | <u>392,148</u> | <u>867,785</u> |

The weighted average rate of return and remaining maturity of deposits with financial institutions at the reporting date were as follows:

| | Weighted average effective interest rate (% per annum) | | Weighted average remaining maturity (Days) | |
|--|---|-------------|---|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Deposits with licensed financial institutions: | | | | |
| - Commercial bank | 1.70 | 1.65 | 1 | 1 |
| - Investment bank | - | 1.70 | - | 1 |
| | <u>-</u> | <u>1.70</u> | <u>-</u> | <u>1</u> |

6. Amount due from/to Manager

Amount due from Manager represents amount receivable for units created, while amount due to Manager represents amount payable for units cancelled and/or amount payable for management fee.

Management fee is payable on a monthly basis and amount receivable/payable for units created/cancelled is received/paid within 7 business days of the transaction dates.

7. Amount due from/to brokers/dealers

The amount due from/to brokers/dealers relates to disposal/purchase of investments which remain outstanding at the end of the reporting period. These are normally received/paid within 2 business days of the transaction dates.

8. Manager's fee

The Manager's fee provided in the financial statements is computed at 1.70% (2021: 1.70%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis.

9. Trustee's fee

The Trustee's fee provided in the financial statements is computed at 0.06% (between 1 October 2021 to 30 November 2021) and 0.05% (1 December 2021 onwards) (2021: 0.06%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM8,400 per annum. Effective from 1 December 2021, the Trustee's fee was revised to 0.05% per annum.

10. Custodian's fee

The custodian's fee provided in the financial statements ranges from 0.01% to 0.30% (2021: 0.01% to 0.30%) per annum, computed based on the NAV attributable to unitholders of the Fund of the respective foreign portfolio at the end of the month.

11. Portfolio Turnover Ratio ("PTR")

| | 1.10.2021 to 31.3.2022 | 1.10.2020 to 31.3.2021 |
|----------------------------------|---------------------------------------|---------------------------------------|
| Portfolio turnover ratio ("PTR") | <u>0.94 times</u> | <u>0.31 times</u> |

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period over the average NAV attributable to unitholders of the Fund calculated on a daily basis. The PTR for the current financial period is higher due to increase in investing activities.

12. Total Expense Ratio ("TER")

| | 1.10.2021 to 31.3.2022 | 1.10.2020 to 31.3.2021 |
|--|---------------------------------------|---------------------------------------|
| Total expense ratio ("TER") ¹ | <u>1.26%</u> | <u>1.33%</u> |

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial period calculated on a daily basis. The TER for the current financial period is lower due to a higher percentage of decrease in expenses compared with average net asset value attributable to unitholders.

¹The TER does not include brokerage and other transaction fees.

13. Taxation

| | 1.10.2021 to 31.3.2022 RM | 1.10.2020 to 31.3.2021 RM |
|---|--|--|
| Estimated Malaysian income tax: Current period's provision | <u>-</u> | <u>-</u> |

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2021: 24%) of the estimated assessable income for the financial period.

There was no taxation charge for the current and previous financial periods due to tax exempt income received.

A reconciliation of income tax expense applicable to net income/(loss) before taxation at the statutory rate of taxation to income tax expense at the effective rate of taxation is as follows:

| | 1.10.2021 to 31.3.2022 RM | 1.10.2020 to 31.3.2021 RM |
|---|--|--|
| Net (loss)/income before taxation | <u>(352,712)</u> | <u>443,792</u> |
| Taxation at Malaysian statutory rate of 24% (2021: 24%) | (84,651) | 106,510 |
| Tax effects of: | | |
| Income not subject to tax | (12,980) | (166,716) |
| Losses not subject to tax | 76,114 | 45,210 |
| Expenses not deductible for tax purpose | 8,476 | 5,219 |
| Restriction on tax deductible expenses for unit trust funds | <u>13,041</u> | <u>9,777</u> |
| Tax expense for the period | <u>-</u> | <u>-</u> |

14. Net asset value (“NAV”) attributable to unitholders

| | 31.3.2022 RM | 31.3.2021 RM |
|---------------------------------|-------------------------|-------------------------|
| Unitholders' capital | 7,883,019 | 7,507,483 |
| Accumulated losses: | | |
| - Realised deficits | (4,248,221) | (3,606,311) |
| - Unrealised deficits | <u>(270,127)</u> | <u>(322,056)</u> |
| NAV attributable to unitholders | <u>3,364,671</u> | <u>3,579,116</u> |

The NAV per unit is rounded up to four decimal places.

15. Number of units in circulation

| | 31.3.2022 | | 31.3.2021 | |
|--------------------------------------|---------------------|------------------|---------------------|--------------------|
| | No. of units | RM | No. of units | RM |
| At beginning of the financial period | 8,838,681 | 8,068,632 | 8,981,570 | 8,064,621 |
| Creation | - | - | 4,825,026 | 2,176,402 |
| Cancellation | <u>(424,863)</u> | <u>(185,613)</u> | <u>(6,254,952)</u> | <u>(2,733,540)</u> |
| At end of the financial period | <u>8,413,818</u> | <u>7,883,019</u> | <u>7,551,644</u> | <u>7,507,483</u> |

16. Units held by the Manager and its related parties

There were no units held by the Manager and other related parties.

17. Transactions with brokers/dealers

Details of transactions with the brokers/dealers for the financial period are as follows:

| Brokers/dealers | Value of trade[#] RM | % of total trades % | Brokerage fee* RM | % of total brokerage fees % |
|---|--|--------------------------------|------------------------------|--|
| Credit Suisse Securities (Malaysia) Sdn Bhd | 3,701,090 | 53.74 | 9,554 | 49.81 |
| Affin Hwang Investment Bank Bhd | 1,182,754 | 17.17 | 2,861 | 14.92 |
| CIMB Investment Bank Bhd | 938,925 | 13.63 | 3,534 | 18.42 |
| Maybank Investment Bank Bhd | 836,488 | 12.14 | 2,538 | 13.23 |
| AmInvestment Bank Bhd | 178,786 | 2.60 | 546 | 2.85 |
| Kenanga Investment Bank Bhd | 49,479 | 0.72 | 148 | 0.77 |
| | <u>6,887,522</u> | <u>100.00</u> | <u>19,181</u> | <u>100.00</u> |

[#] Excludes brokerage and other transaction fees.

* Only applicable to equity securities.

The transactions above are with non related parties.

18. Financial risk management objectives and policies

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk, specific risk and single issuer risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the Securities Commission Malaysia's Guidelines on Unit Trust Funds in Malaysia.

(i) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

Financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as Covid-19. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The outcomes of global and local financial markets are highly uncertain and cannot be predicted at this point in time. Due to this, the Manager of the Fund is unable to reliably estimate the quantitative impact of Covid-19 towards the Fund's performance for the next twelve months. The Manager of the Fund will continue to actively monitor the developments in the market to minimise any potential impact to the Fund.

The Fund's market risk is affected primarily by the following risks:

(a) Price risk

Price risk is the adverse changes in the fair value of securities as a result of changes in the levels of equity indices and the value of individual securities. The price risk exposure arises from the Fund's quoted investments.

The table below summarises the effect on net income before tax and the NAV attributable to the unitholders of the Fund at the end of the reporting period due to possible changes in prices, with all other variables held constant:

| Change in price (%) | Effect on net income before tax and NAV attributable to unitholders | |
|---------------------|--|-----------------|
| | Increase/(Decrease) | |
| | 31.3.2022 RM | 31.3.2021 RM |
| +5 | 153,453 | 140,439 |
| (5) | (153,453) | (140,439) |

(b) Interest rate risk

This risk refers to the effect of interest rate changes on returns on deposits with licensed financial institutions. In the event of reduction in interest rates, the returns on deposits with licensed financial institutions will decrease thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of deposits with licensed financial institutions.

The Fund's exposure to interest rate risk with respect to deposits with financial institutions is not considered to be significant at the end of reporting period and consequently no sensitivity analysis on interest rate risk has been presented.

(c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

The table below indicates the currencies to which the Fund had significant exposure at the end of reporting period on its net asset value. The analysis shows the currency risk concentration and calculates the effect on NAV attributable to unitholders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

| | Currency risk concentration as a % of NAV RM | Changes in currency rate % | Effect on net income before tax RM | Effect on NAV attributable to unitholders RM |
|------------------|---|-------------------------------------|---|---|
| 31.3.2022 | | | | |
| USD | 1,893,291 | 56.27 | +5 | 94,665 |
| HKD | 457,431 | 13.60 | +5 | 22,872 |
| THB | 255,796 | 7.60 | +5 | 12,790 |
| IDR | 180,037 | 5.35 | +5 | 9,002 |
| SGD | 172,641 | 5.13 | +5 | 8,632 |
| KRW | 115,600 | 3.44 | +5 | 5,780 |

| | Currency risk concentration as a % of NAV RM | | Changes in currency rate % | Effect on net loss before tax RM | Effect on NAV attributable to unitholders RM |
|------------------|---|-------|-------------------------------|-------------------------------------|---|
| 31.3.2021 | | | | | |
| USD | 909,444 | 25.41 | +5 | 45,472 | 45,472 |
| HKD | 663,844 | 18.55 | +5 | 33,192 | 33,192 |
| GBP | 414,988 | 11.59 | +5 | 20,749 | 20,749 |
| SGD | 388,035 | 10.84 | +5 | 19,402 | 19,402 |
| EUR | 93,532 | 2.61 | +5 | 4,677 | 4,677 |

An equivalent decrease in the currency rates shown above would have resulted in an equivalent, but opposite impact.

(ii) Credit risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, interest and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's NAV and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

Credit risk is generally arising from investments, cash at banks and other receivables. The maximum exposure to credit risk is presented in the Statement of Financial Position. None of these balances are impaired. The Investment Committee of the Fund will invest in a portfolio of global securities that have potential capital growth and income in the medium to long term.

(iii) Liquidity risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

The maturity of the Fund's financial liabilities fall due within three months while the NAV attributable to unitholders are payable on demand.

(iv) Specific risk

The Fund is exposed to the individual risks of the respective companies issuing securities which includes changes to the business performance of the company, consumer tastes and demands, lawsuits and management practices. This risk is minimised through the diversification of the portfolio of investments of the Fund.

(v) Single issuer risk

The Fund's exposure to securities issued by any issuer is limited to not more than a certain percentage of the Fund's net asset value. Under such restriction, the risk exposure to the securities of any issuer is minimised.

19. Operating segment

The Fund is organised into one main operating segment for investment management purposes. The Investment Department takes a team approach to the investment process of the Fund. The decision-making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. The Investment Committee is responsible for ensuring adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness, and to oversee the entire investment function. Accordingly, significant operating decisions are based upon the analysis of the Fund as one operating segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

20. Capital management

The Fund's capital comprises unitholders' subscription to the Fund. The unitholders' capital fluctuates according to the daily subscription and redemption of units at the discretion of unitholders.

The Fund aims to achieve its investment objective and at the same time maintain sufficient liquidity to meet unitholders' redemptions.

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En. Mohd Fadzli Bin Mohd Anas

Mr. Lim Wen Sheong

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