

**RHB ASIA PACIFIC FUND**

**ANNUAL REPORT 2021**

For the financial year ended 31 December 2021

## **GENERAL INFORMATION ABOUT THE FUND**

### **Name, Category and Type**

Fund Name - RHB Asia Pacific Fund

Fund Category - Equity Fund

Fund Type - Growth Fund

### **Investment Objective, Policy and Strategy**

#### Objective of the Fund

This Fund aims to achieve long term\* capital appreciation through investments in securities of companies listed or traded in emerging and developed markets.

\* Note: “long term” in this context refers to a period of between 5-7 years.

#### Strategy

Invests in equity and equity related securities of companies listed or traded in the Asia Pacific markets.

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

- |                              |  |
|------------------------------|--|
| Up to 98% of Net Asset Value | - Investments in securities of and securities relating to companies that have high growth potential.               |
| 2% - 10% of Net Asset Value  | - Investments in liquid assets including bonds, money market instruments and deposits with financial institutions. |

Subject to the range stipulated above, the above asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions.

## **Performance Benchmark**

Morgan Stanley Capital International (“MSCI”) AC Asia Pacific Index (RM).

## **Permitted Investments**

This Fund may invest in securities traded on the Bursa Malaysia Securities Berhad or any other market considered as an eligible market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission Malaysia from time to time.

## **Distribution Policy**

Consistent with the Fund’s objective to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses are generally declared annually and will be reinvested.

## **MANAGER'S REPORT**

### **MARKET REVIEW**

Asian equities, as measured by the MSCI Asia Pacific Index, registered a negative return of 3.40% in United States Dollar (“USD”) terms for the period between 1 January 2021 and 31 December 2021. At the beginning of the year 2021, Asian equities rallied on optimism that the COVID-19 pandemic will be over by mid-year with the rollout of vaccine. Chinese equities was one of the worst performing markets in the region, owing to early normalization of monetary policy, targeted measures to rein in property related leverage, as well as new regulations on selected sectors to address fair competition and public interest concerns. Emergence of the delta variant in India and its subsequent spread globally worsened the growth recovery outlook. Towards the end of the year, investors jostled with forecasts of earlier than anticipated Federal Reserve (“Fed”) tightening, coupled with concerns of ramping inflation and slowing growth on reopening worries on the new Omicron COVID-19 variant.

China (-22.79%) was the worst performing country over the period. The Chinese market return was affected by tightening liquidity and increased government regulations on the country’s sprawling internet sector. Malaysia (-10.47%) and Korea (-10.04%) recorded double digit declines, while India (+25.10%) and Taiwan (+23.51%) offset losses elsewhere in the region.

In sector terms, Consumer Discretionary (-16.39%), Communication Services (-15.67%) and Health care (-15.41%) led declines as the Chinese government increased regulations to prohibit monopolistic acts and protect market competition. Real Estate (-5.18%) declined largely due to liquidity concerns on Chinese property developers. Technology (-9.53%) outperformed on high Foundries utilization and component capacity tightness. Energy, on the other hand, outperformed, recording gains of 9.30%. Oil prices, as measured by Brent, rose to a high of USD86.40/ barrels (“bbl”) in end October 2021 on economic reopening before ending the period at USD77.78/bbl (+50.15%) as concerns of new COVID-19 variant Omicron spread.

### **ECONOMIC REVIEW AND OUTLOOK**

Although vaccine approvals have raised hopes of a turnaround in the pandemic over the latter half of year 2021, renewed waves of infections and new variants of the virus still poses concerns for the overall global outlook. This is indeed evident by the changes in the growth projections projected by the International Monetary Fund (“IMF”), where they revised their year 2021 global growth estimates in their January 2021 and April 2021 updates, while maintaining year 2021 global growth at 6.00% in its July 2021 outlook. In the month of October 2021, the IMF cut its global growth estimates slightly to 5.90%, down from 6.00% earlier in the year 2021, while maintaining the forecast for year 2022 at 4.90%. The IMF predicted China to grow at a rate of 8.00% in year 2021 and 5.60% for year 2022, both figures marking a decline of 0.10 points.

The economic narrative has shifted from the initial crisis to recovery, with many countries moving toward a more ‘endemic’ view when handling the pandemic situation. With this, the list of hawkish major central banks continues to grow. So far, Norges Bank, Bank of Korea, Reserve Bank of New Zealand and the Monetary Authority of Singapore (increasing the slope of the Singapore Dollar nominal Effective Exchange Rate (“S\$NEER”) path) have already started tightening measures. The Fed has accelerated its tapering pace and quantitative easing (“QE”) will end by mid-March 2022 instead of mid-June 2022. The median forecast for the Fed fund rates now calls for three rate hikes in 2022, with market pricing now pricing in 3-4 hikes with the lift off as early as March 2022.

Year 2021 has been a busy year for policy and regulatory changes in China, and the sweeping measures have affected various sectors. During the Communist Party’s Politburo meeting and Central Economic Work Conference in December 2021, the meeting highlighted “growth stability” as the top priority for the economy in year 2022, pointing to the increasing willingness to support growth in year 2022. Indeed, policy easing has started somewhat since end-September. Beijing has gradually intensified its easing measures as it pivots to a pro-growth stance, with cuts in the reserve requirement ratio and policy rate in December 2021. While growth slowdown might continue into first quarter of year 2022 (“1Q22”) amid factory closures and tight social distancing, given the rising COVID-19 cases and zero-COVID-19 policy before the Winter Olympics, policy is expected to stay supportive.

## **REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL YEAR**

For the year under review, the RHB Asia Pacific Fund registered a negative return of 6.52%\* against its benchmark positive return of 0.04%\*. The Fund underperformed its benchmark by 6.56%\* during the year under review. The Fund did not meet its investment objective over the reporting year.

The underweight position to India negated from performance, as we were concerned with the resurgence of COVID-19 outbreak and high valuations in the country. The market, however, held up. The overweight position to China and Korea, and the underweight position to Malaysia added to portfolio returns. Overweight and good stock selection in Taiwan and Technology stocks contribute positively to portfolio returns.

The Fund entered the period overweight to China as it has successfully controlled the pandemic outbreak and economic activity improved while other parts of Asia languished. In the second quarter of year 2021 (“2Q21”), with the increased regulatory scrutiny by the government, we reduced exposure China as regulatory scrutiny on the internet sector intensified and also with the nationalization of the education sector which was unexpected. The implications for the education sector worry the market greatly.

Over the one year period, we added to companies that were trading at attractive valuations where most were impacted by the COVID-19 situation. We added to Association of Southeast Asian Nations (“ASEAN”) as positive vaccines news and roll-out help economic recovery in the region. However, some of the hospitality exposure continue to drag performance as tourism travel remains restricted.

*\*Source: Lipper Investment Management (“Lipper IM”), 05 January 2022*

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

Overall, we remain positive on RHB Asia Pacific Fund on prospects of growth pick-up in Asia, especially in areas where governments have shifted from pandemic to endemic measures, and as vaccine roll-out continues.

We anticipate that China will soon ease policy to support growth. Furthermore, we believe the worst is over for the China internet space and would lead to renewed investors interest.

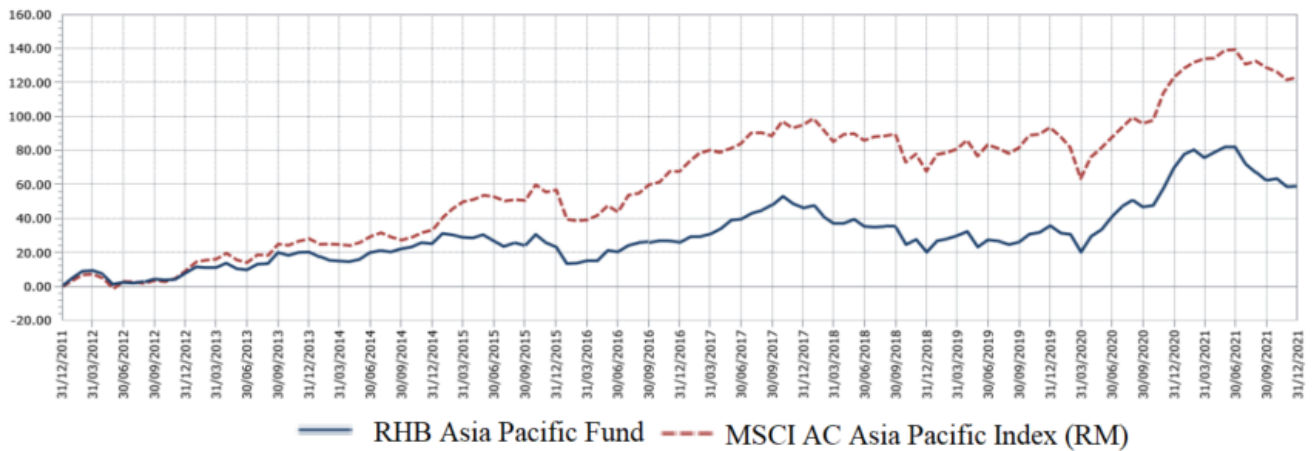
We like structural themes such as new energy, industrials and hardware technology sectors, especially within China and North Asia. There is an emphasis on carbon reduction which would in turn support the accelerated development of NEVs and renewable energy. Also there are supportive policies for technological innovation with an emphasis to strengthen technological innovation and industrial supply chain resilience. We believe these will be structural growth themes in the region.

## PERFORMANCE DATA

	<b>Annual Total Returns</b>				
	<b>Financial Year Ended 31 December</b>				
	<b>2021 %</b>	<b>2020 %</b>	<b>2019 %</b>	<b>2018 %</b>	<b>2017 %</b>
RHB Asia Pacific Fund					
- Capital Return	(6.52)	24.94	12.94	(17.85)	16.05
- Income Return	-	-	-	-	-
- Total Return	(6.52)	24.94	12.94	(17.85)	16.05
MSCI AC Asia Pacific Index (RM)	0.04	15.19	15.15	(13.81)	16.11

	<b>Average Annual Returns</b>			
	<b>1 Year 31.12.2020- 31.12.2021 %</b>	<b>3 Years 31.12.2018- 31.12.2021 %</b>	<b>5 Years 31.12.2016- 31.12.2021 %</b>	<b>10 Years 31.12.2011- 31.12.2021 %</b>
RHB Asia Pacific Fund	(6.52)	9.66	4.69	4.72
MSCI AC Asia Pacific Index (RM)	0.04	9.88	5.83	8.34

**Performance of RHB Asia Pacific Fund  
for the period from 31 December 2011 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 31 December</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net Asset Value (RM million)	3.95	5.70	4.37
Units In Circulation (million)	9.64	13.00	12.46
Net Asset Value Per Unit (RM)	0.4098	0.4384	0.3509

<b>Historical Data</b>	<b>Financial Year Ended 31 December</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Unit Prices</b>			
NAV - Highest (RM)	0.5112	0.4395	0.3548
- Lowest (RM)	0.4034	0.2869	0.3073
<b>Distribution and Unit Split</b>	-	-	-
<b>Others</b>			
Management Expense Ratio (MER) (%) #	2.48	2.93	3.27
Portfolio Turnover Ratio (PTR) (times) ##	1.47	1.49	1.21

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

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

## **DISTRIBUTION**

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

## PORTFOLIO STRUCTURE

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

	As at 31 December		
	2021 %	2020 %	2019 %
<b>Sectors</b>			
<b>Equities</b>			
Consumer Products	14.44	14.12	19.10
Energy	3.87	3.55	5.51
Financial Services	24.79	13.97	18.78
Health care	3.34	5.32	2.82
Industrial Products & Services	4.17	6.54	11.94
Information Technology	1.17	-	-
Materials	6.58	7.06	3.34
Mining	-	-	0.51
Property	-	0.88	1.75
Technology	25.19	27.90	13.37
Telecommunication & Media	10.74	14.79	7.86
Trading/Services	-	-	2.85
Utilities	-	-	1.14
	94.29	94.13	88.97
<b>Collective investment schemes</b>	-	1.02	9.04
<b>Liquid assets and net current assets</b>	5.71	4.85	1.99
	100.00	100.00	100.00

The asset allocation was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

## BREAKDOWN OF UNIT HOLDINGS BY SIZE

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	19	18.81	67	0.70
5,001 to 10,000	11	10.89	84	0.87
10,001 to 50,000	42	41.59	820	8.51
50,001 to 500,000	26	25.74	3,820	39.64
500,001 and above	3	2.97	4,844	50.28
Total	101	100.00	9,635	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 year 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 ASIA PACIFIC FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> <u>RM</u>	<u>2020</u> <u>RM</u>
<b>ASSETS</b>			
Bank balances		225,425	206,263
Investments	5	3,724,016	5,423,759
Amount due from brokers		24,317	204,136
Amount due from Manager		409	49,224
Dividend receivables		4,336	6,350
Other receivables		-	7
<b>TOTAL ASSETS</b>		<u>3,978,503</u>	<u>5,889,739</u>
<b>LIABILITIES</b>			
Amount due to brokers		-	105,746
Amount due to Manager		-	53,394
Accrued management fee		5,104	7,015
Amount due to Trustee		204	281
Other payables and accruals		23,774	23,263
<b>TOTAL LIABILITIES</b>		<u>29,082</u>	<u>189,699</u>
<b>NET ASSET VALUE</b>		<u>3,949,421</u>	<u>5,700,040</u>
<b>EQUITY</b>			
Unit holders' capital		1,543,631	1,461,111
Retained earnings		2,405,790	4,238,929
		<u>3,949,421</u>	<u>5,700,040</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	6	<u>9,637,000</u>	<u>13,003,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.4098</u>	<u>0.4384</u>

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

**RHB ASIA PACIFIC FUND**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> <u>RM</u>	<u>2020</u> <u>RM</u>
<b>(LOSS)/INCOME</b>			
Dividend income		78,815	87,666
Interest income from deposits with licensed financial institutions		169	580
Net (loss)/gain on investments	5	(72,544)	1,168,218
Net foreign currency exchange (loss)/gain		(16,334)	8,734
		<u>(9,894)</u>	<u>1,265,198</u>
<b>EXPENSES</b>			
Management fee	7	(73,396)	(67,018)
Trustee's fee	8	(2,936)	(2,681)
Audit fee		(5,351)	(5,350)
Tax agent's fee		(18,795)	(29,883)
Transaction costs		(45,467)	(36,613)
Other expenses		(34,080)	(37,045)
		<u>(180,025)</u>	<u>(178,590)</u>
Net (loss)/income before taxation		(189,919)	1,086,608
Taxation	9	-	-
Net (loss)/income after taxation		<u>(189,919)</u>	<u>1,086,608</u>
Net (loss)/income after taxation is made up as follow:			
Realised amount		724,254	264,465
Unrealised amount		(914,173)	822,143
		<u>(189,919)</u>	<u>1,086,608</u>

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

**RHB ASIA PACIFIC FUND**  
**STATEMENT OF CHANGES IN NET ASSET VALUE**  
**FOR THE FINANCIAL YEAR 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 January 2020	1,219,087	3,152,321	4,371,408
Movement in net asset value:			
Net income after taxation	-	1,086,608	1,086,608
Creation of units arising from applications	735,921	-	735,921
Cancellation of units	(493,897)	-	(493,897)
Balance as at 31 December 2020	<u>1,461,111</u>	<u>4,238,929</u>	<u>5,700,040</u>
Balance as at 1 January 2021	1,461,111	4,238,929	5,700,040
Movement in net asset value:			
Net loss after taxation	-	(189,919)	(189,919)
Creation of units arising from applications	1,397,114	-	1,397,114
Cancellation of units	(2,957,814)	-	(2,957,814)
Equalisation adjustment*	1,643,220	(1,643,220)	-
Balance as at 31 December 2021	<u>1,543,631</u>	<u>2,405,790</u>	<u>3,949,421</u>

\* Equalisation is to ensure the existing unit holders are equally compensated for the dilution of their interests arising from new unit holders in the Fund.

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

**RHB ASIA PACIFIC FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<b><u>2021</u></b> <b>RM</b>	<b><u>2020</u></b> <b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	8,550,734	6,721,046
Purchase of investments	(6,891,309)	(6,838,472)
Dividends received	67,248	75,835
Interest received from deposits with licensed financial institutions	169	580
Management fee paid	(75,307)	(65,548)
Trustee's fee paid	(3,013)	(2,622)
Payment for other fees and expenses	(44,571)	(66,510)
Net realised (loss)/gain on foreign exchange	<u>(4,354)</u>	<u>1,119</u>
Net cash generated from/(used in) operating activities	<u>1,599,597</u>	<u>(174,572)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	1,445,929	686,697
Cash paid for units cancelled	<u>(3,011,208)</u>	<u>(443,341)</u>
Net cash (used in)/generated from financing activities	<u>(1,565,279)</u>	<u>243,356</u>
Net increase in cash and cash equivalents	34,318	68,784
Foreign currency translation differences	(15,156)	7,837
Cash and cash equivalents at the beginning of the financial year	<u>206,263</u>	<u>129,642</u>
Cash and cash equivalents at the end of the financial year	<u>225,425</u>	<u>206,263</u>

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

**RHB ASIA PACIFIC FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

The RHB Asia Pacific Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master deed dated 27 April 2004 as modified via its first supplemental master deed dated 8 June 2004, second supplemental master deed dated 19 October 2005, third supplemental master deed dated 8 December 2005, fourth supplemental master deed dated 28 February 2006, fifth supplemental master deed dated 9 March 2006, sixth supplemental master deed dated 22 September 2006, seventh supplemental master deed dated 15 December 2006, eighth supplemental master deed dated 30 January 2007, ninth supplemental master deed dated 9 April 2007, tenth supplemental master deed dated 14 May 2007, eleventh supplemental master deed dated 15 May 2007, twelfth supplemental master deed dated 27 June 2007, thirteenth supplemental master deed dated 24 December 2007, fourteenth supplemental master deed dated 28 February 2013, fifteenth supplemental master deed dated 4 September 2013, sixteenth supplemental master deed dated 2 March 2015, seventeenth supplemental master deed dated 8 May 2015, eighteenth supplemental master deed dated 25 May 2015 and nineteenth supplemental master deed dated 3 June 2015 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 6 January 2006 and will continue its operations until terminated as provided in the Deeds. The principal activity of the Fund is to invest in Permitted Investments as defined in the Deeds.

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

The main objective of the Fund is to achieve long term capital appreciation through investments in securities of companies listed or traded in emerging and developed markets.

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 year. 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 judgement 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 brokers, amount due from Manager, dividend receivables and other receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

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

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of income and expenses.

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

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

Dividend from financial assets at fair value through profit or loss is recognised in the statement of income and expenses within dividend income when the Fund's right to receive payments is established.

Quoted investments and collective investment schemes are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

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

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

#### Impairment of financial assets

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

#### Significant increase in credit risk

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

#### Definition of default and credit-impaired financial assets

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

#### Write-off

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

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

### **2.3 Financial liabilities**

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

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include amount due to brokers, amount due to Manager, accrued management fee, amount due to Trustee and other payables and accruals are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method.

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

### **2.4 Unit holders' capital**

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

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

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

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

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

### **2.5 Income recognition**

Dividend income from quoted investments and collective investment schemes are recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

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

Realised gain or loss on sale of quoted investments and collective investment schemes are arrived at after accounting for cost of investments, determined on the weighted average cost method.

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 year.

### **2.7 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

### **2.8 Amount due from/to brokers**

Amounts due from/to brokers 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 brokers balance is held for collection.

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

### **2.8 Amount due from/to brokers (continued)**

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers 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 broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

### **2.9 Presentation and functional currency**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s presentation and functional currency.

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

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

### **2.10 Foreign currency translation**

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

### **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**

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in profit or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by a unit trust fund might go down or up, sometimes rapidly or unpredictably.

#### **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 equity securities and collective investment schemes (other than those arising from interest rate risk) price risk for its investments of RM3,724,016 (2020: RM5,423,759) in equity securities and collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the quoted securities investment and collective investment schemes fluctuate by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- RM186,201 (2020: RM271,188).



### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Currency risk

Currency risk is associated with financial instruments that are quoted and/or 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. The Fund did not have any significant financial liabilities denominated in foreign currencies as at the financial year end date.

The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it deemed necessary.

The analysis is based on the assumption that the foreign exchange rate fluctuates by +/-(-) 5%, with all other variables remain constants, the impact on statement of income and expenses and net asset value is +/-(-) RM196,346 (2020: RM273,678).

	<u>Investments</u>	<u>Cash and cash equivalents</u>	<u>Other financial assets*</u>	<u>Total</u>
	RM	RM	RM	RM
<b><u>2021</u></b>				
Australian Dollar	429,333	-	-	429,333
Chinese Yuan	444,213	977	-	445,190
Hong Kong Dollar	866,597	-	24,317	890,914
Indian Rupee	309,685	-	-	309,685
Indonesian Rupiah	97,629	2	-	97,631
Japanese Yen	99,338	-	2,031	101,369
Korean Won	623,898	-	603	624,501
Philippine Peso	39,298	-	-	39,298
Singapore Dollar	132,285	-	722	133,007
Taiwan Dollar	578,958	-	980	579,938
Thai Baht	18,713	-	-	18,713
United State Dollar	84,069	173,269	-	257,338
	<u>3,724,016</u>	<u>174,248</u>	<u>28,653</u>	<u>3,926,917</u>

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Currency risk (continued)

	<b><u>Investments</u></b>	<b><u>Cash and cash equivalents</u></b>	<b><u>Other financial assets/ (liabilities)*</u></b>	<b><u>Total</u></b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>2020</u></b>				
Australian Dollar	319,344	-	-	319,344
Chinese Yuan	387,588	417	-	388,005
Hong Kong Dollar	1,221,395	-	2,238	1,223,633
Indian Rupee	324,515	58,252	(57,052)	325,715
Indonesian Rupiah	84,253	2	-	84,255
Japanese Yen	518,487	-	2,260	520,747
Korean Won	913,992	-	(48,389)	865,603
Philippine Peso	41,071	-	-	41,071
Singapore Dollar	264,160	-	-	264,160
Taiwan Dollar	485,770	-	1,412	487,182
Thai Baht	223,900	-	135	224,035
United State Dollar	639,284	90,518	-	729,802
	<b>5,423,759</b>	<b>149,189</b>	<b>(99,396)</b>	<b>5,473,552</b>

\* Comprise, amount due from/(to) brokers and dividend receivables.

#### 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 licensed 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. As such, the Fund may not be able to sell such illiquid investments at an advantageous time or price to meet its liquidity requirements. Unit trust funds with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining 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 1 month RM</b>	<b>Between 1 month to 1 year RM</b>
<b><u>2021</u></b>		
Accrued management fee	5,104	-
Amount due to Trustee	204	-
Other payables and accruals	-	23,774
	<u>5,308</u>	<u>23,774</u>
<b><u>2020</u></b>		
Amount due to brokers	105,746	-
Amount due to Manager	53,394	-
Accrued management fee	7,015	-
Amount due to Trustee	281	-
Other payables and accruals	-	23,263
	<u>166,436</u>	<u>23,263</u>

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. The credit risk arising from cash and equivalents is managed by ensuring that the Fund will only maintain cash balances with reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the Bursa Malaysia Securities Berhad (“Bursa Malaysia”). 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 Funds.

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

	<b>Cash and cash equivalents</b>	<b>Other financial assets*</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>2021</u></b>			
AAA	225,425	-	225,425
Others	-	29,062	29,062
	<u>225,425</u>	<u>29,062</u>	<u>254,487</u>
<b><u>2020</u></b>			
AAA	206,263	-	206,263
Others	-	259,710	259,710
	<u>206,263</u>	<u>259,710</u>	<u>465,973</u>

\* Comprise amount due from brokers, amount due to Manager and dividend receivables.

#### Capital risk

The capital of the Fund is represented by equity consisting of unit holders’ capital of RM1,543,631 (2020: RM1,461,111) and retained earnings of RM2,405,790 (2020: RM4,238,929). 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 year 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 year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

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

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

##### Fair value hierarchy

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

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<b><u>2021</u></b>				
<b>Investments:</b>				
- Quoted investments - foreign	<u>3,724,016</u>	<u>-</u>	<u>-</u>	<u>3,724,016</u>
<b><u>2020</u></b>				
<b>Investments:</b>				
- Quoted investments - foreign	5,365,435	-	-	5,365,435
- Collective investment schemes	<u>58,324</u>	<u>-</u>	<u>-</u>	<u>58,324</u>
Total	<u>5,423,759</u>	<u>-</u>	<u>-</u>	<u>5,423,759</u>

Investments in active listed securities, i.e. quoted investments and collective investment schemes whose values are based on quoted market prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund’s policies on valuation of these financial assets are stated in Note 2.2.

## 5. INVESTMENTS

	<u>2021</u> RM	<u>2020</u> RM
Investments:		
- Quoted investments - foreign	3,724,016	5,365,435
- Collective investment schemes - foreign	-	58,324
	<u>3,724,016</u>	<u>5,423,759</u>
	<u>2021</u> RM	<u>2020</u> RM
Net (loss)/gain on investments comprised:		
- Net realised gain on sale of investments	826,898	352,750
- Net unrealised (loss)/gain on changes in fair values	(899,442)	815,468
	<u>(72,544)</u>	<u>1,168,218</u>

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</u> <u>Net Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b><u>AUSTRALIA</u></b>				
<b>Consumer Products &amp; Services</b>				
Aristocrat Leisure Ltd	547	65,043	72,132	1.83
<b>Financial Services</b>				
Australia & New Zealand Banking Group	1,496	93,770	124,560	3.15
<b>Health care</b>				
CSL Ltd	76	63,508	66,872	1.69
<b>Materials</b>				
BHP Group Ltd	724	77,645	90,937	2.30
Newcrest Mining Ltd	1,010	75,952	74,832	1.90
		<u>153,597</u>	<u>165,769</u>	<u>4.20</u>
<b>TOTAL AUSTRALIA</b>		<u><b>375,918</b></u>	<u><b>429,333</b></u>	<u><b>10.87</b></u>

## 5. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of</u> <u>Net Asset</u> <u>Value</u> <u>%</u>
<b>QUOTED INVESTMENTS - FOREIGN</b> <b>(CONTINUED)</b>				
<b><u>CHINA</u></b>				
<b>Consumer Products &amp; Services</b>				
China Tourism Group Duty Free Corporation Ltd	400	56,992	57,521	1.46
<b>Financial Services</b>				
Citic Securities Co Ltd	2,400	38,895	41,542	1.05
<b>Health care</b>				
Amoy Diagnostics Co Ltd	850	43,965	42,066	1.07
<b>Industrial Products &amp; Services</b>				
Contemporary Amperex Technology	200	22,564	77,075	1.95
Shenzhen Inovance Technology Co Ltd	1,100	51,838	49,456	1.25
Sungrow Power Supply Co Ltd	400	41,751	38,223	0.97
		116,153	164,754	4.17
<b>Information Technology</b>				
Hangzhou Silan Microelectronics Co Ltd	1,300	46,815	46,179	1.17
<b>Technology</b>				
Inspur Electronic Information Industry Co Ltd	2,100	40,488	49,314	1.25
Maxscend Microelectronics Co Ltd	200	53,614	42,837	1.08
		94,102	92,151	2.33
<b>TOTAL CHINA</b>		<b>396,922</b>	<b>444,213</b>	<b>11.25</b>



## 5. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of</u> <u>Net Asset</u> <u>Value</u> <u>%</u>
<b>QUOTED INVESTMENTS - FOREIGN (CONTINUED)</b>				
<b><u>HONG KONG</u></b>				
<b>Consumer Products &amp; Services</b>				
Alibaba Group Holding Ltd	1,200	132,939	76,177	1.93
Byd Co Ltd	500	68,061	71,169	1.80
Meituan	400	59,298	48,136	1.22
		<u>260,298</u>	<u>195,482</u>	<u>4.95</u>
<b>Financial Services</b>				
AIA Group Ltd	2,600	121,686	109,108	2.76
China Merchants Bank Co Ltd	2,500	82,874	80,819	2.05
Hong Kong Exchanges & Clearing Ltd	700	141,862	170,197	4.31
Ping An Insurance Group Co of China Ltd	1,000	33,096	29,978	0.76
		<u>379,518</u>	<u>390,102</u>	<u>9.88</u>
<b>Materials</b>				
Ganfeng Lithium Co Ltd	400	32,103	26,204	0.66
<b>Telecommunications &amp; Media</b>				
NetEase Inc	1,000	87,685	84,089	2.13
Tencent Holding Ltd	700	181,721	170,720	4.32
		<u>269,406</u>	<u>254,809</u>	<u>6.45</u>
<b>TOTAL HONG KONG</b>		<b><u>941,325</u></b>	<b><u>866,597</u></b>	<b><u>21.94</u></b>

## 5. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of</u> <u>Net Asset</u> <u>Value</u> <u>%</u>
<b>QUOTED INVESTMENTS - FOREIGN</b> <b>(CONTINUED)</b>				
<b><u>INDIA</u></b>				
<b>Energy</b>				
Reliance Industries Ltd	1,154	104,724	153,039	3.87
<b>Financial Services</b>				
HDFC Bank Ltd	445	40,130	36,867	0.93
ICICI Bank Ltd	1,124	43,376	46,588	1.18
		83,506	83,455	2.11
<b>Health care</b>				
Dr Reddys Laboratories Ltd	84	23,584	23,083	0.58
<b>Technology</b>				
Infosys Ltd	474	43,418	50,108	1.27
<b>TOTAL INDIA</b>		<b>255,232</b>	<b>309,685</b>	<b>7.83</b>
<b><u>INDONESIA</u></b>				
<b>Consumer Products &amp; Services</b>				
Astra International Tbk Pt	22,100	39,562	36,783	0.93
<b>Financial Services</b>				
Bank Rakyat Indonesia Persero Tbk PT	50,700	60,121	60,846	1.54
<b>TOTAL INDONESIA</b>		<b>99,683</b>	<b>97,629</b>	<b>2.47</b>

## 5. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of</u> <u>Net Asset</u> <u>Value</u> <u>%</u>
<b>QUOTED INVESTMENTS - FOREIGN</b> <b>(CONTINUED)</b>				
<b><u>JAPAN</u></b>				
<b>Technology</b>				
Murata Manufacturing Company Ltd	300	84,244	99,338	2.52
<b>TOTAL JAPAN</b>		<b>84,244</b>	<b>99,338</b>	<b>2.52</b>
<b><u>KOREA</u></b>				
<b>Consumer Products &amp; Services</b>				
Hotel Shilla Corporation Ltd	195	61,679	53,189	1.35
Hyundai Motor Co	138	122,751	100,861	2.55
		184,430	154,050	3.90
<b>Financial Services</b>				
Kakaobank Corporation	195	53,214	40,233	1.02
KB Financial Group Inc	315	46,597	60,585	1.53
		99,811	100,818	2.55
<b>Materials</b>				
SK IE Technology Co Ltd	84	69,759	49,350	1.25
<b>Technology</b>				
Samsung Electronics Co Ltd	629	135,068	172,230	4.36
SK Hynix Inc	98	40,938	44,894	1.14
		176,006	217,124	5.50
<b>Telecommunications &amp; Media</b>				
Naver Corporation	52	73,313	68,828	1.74
Ncsoft Corporation	15	40,048	33,728	0.85
		113,361	102,556	2.59
<b>TOTAL KOREA</b>		<b>643,367</b>	<b>623,898</b>	<b>15.79</b>

## 5. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of</u> <u>Net Asset</u> <u>Value</u> <u>%</u>
<b>QUOTED INVESTMENTS – FOREIGN (CONTINUED)</b>				
<b><u>PHILIPPINES</u></b>				
<b>Financial Services</b>				
BDO Unibank Inc	3,990	41,808	39,298	1.00
<b>TOTAL PHILIPPINES</b>		<b>41,808</b>	<b>39,298</b>	<b>1.00</b>
<b><u>SINGAPORE</u></b>				
<b>Financial Services</b>				
Oversea-Chinese Banking Corporation Ltd	2,700	87,586	95,036	2.41
<b>Telecommunications &amp; Media</b>				
Singapore Telecommunications Ltd	5,200	40,184	37,249	0.94
<b>TOTAL SINGAPORE</b>		<b>127,770</b>	<b>132,285</b>	<b>3.35</b>
<b><u>TAIWAN</u></b>				
<b>Financial Services</b>				
CTBC Financial Holding Co Ltd	11,000	37,652	42,932	1.09
<b>Technology</b>				
Genius Electronic Optical Co Ltd	1,000	69,682	79,562	2.01
Mediatec Inc	1,000	153,692	178,976	4.53
Taiwan Semiconductor Manufacturing Co Ltd	3,000	178,592	277,488	7.03
		401,966	536,026	13.57
<b>TOTAL TAIWAN</b>		<b>439,618</b>	<b>578,958</b>	<b>14.66</b>

## 5. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of</u> <u>Net Asset</u> <u>Value</u> <u>%</u>
<b>QUOTED INVESTMENTS – FOREIGN (CONTINUED)</b>				
<b><u>THAILAND</u></b>				
<b>Financial Services</b>				
Srisawad Corporation PCL	232	-	291	0.01
<b>Materials</b>				
PTT Global Chemical PCL	2,500	19,713	18,422	0.47
<b>TOTAL THAILAND</b>		<b>19,713</b>	<b>18,713</b>	<b>0.48</b>
<b><u>UNITED STATES</u></b>				
<b>Consumer Products &amp; Services</b>				
Xpeng Incorporated	259	50,624	54,267	1.37
<b>Telecommunications &amp; Media</b>				
Sea Ltd	32	40,220	29,802	0.76
<b>TOTAL UNITED STATES</b>		<b>90,844</b>	<b>84,069</b>	<b>2.13</b>
<b>TOTAL QUOTED INVESTMENTS - FOREIGN</b>		<b>3,516,444</b>	<b>3,724,016</b>	<b>94.29</b>

## 5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2020 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b><u>AUSTRALIA</u></b>				
<b>Financial Services</b>				
Australia & New Zealand				
Banking Group	1,197	61,773	84,236	1.48
National Australia Bank Ltd	821	43,999	57,521	1.01
		105,772	141,757	2.49
<b>Health care</b>				
CSL Ltd	50	42,386	43,894	0.77
<b>Materials</b>				
BHP Group Ltd	681	65,033	89,577	1.57
Newcrest Mining Ltd	552	40,672	44,116	0.78
		105,705	133,693	2.35
<b>TOTAL AUSTRALIA</b>		<b>253,863</b>	<b>319,344</b>	<b>5.61</b>
<b><u>CHINA</u></b>				
<b>Consumer Products &amp; Services</b>				
China International Travel				
Service	600	85,488	104,817	1.84
JD.com Incorporation	450	80,553	79,751	1.40
Meituan	700	36,538	106,863	1.87
		202,579	291,431	5.11
<b>Financial Services</b>				
Lufax Holding Ltd	1,207	69,901	68,863	1.21
<b>Health care</b>				
Hangzhou Tigermed Consulting				
Co Ltd	800	49,236	79,964	1.40
Innovent Biologics Inc	2,500	89,909	106,296	1.87
		139,145	186,260	3.27

## 5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2020 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS – FOREIGN</b> <b>(CONTINUED)</b>				
<b><u>CHINA</u> (CONTINUED)</b>				
<b>Industrial Products &amp; Services</b>				
Contemporary Ampere Technology	600	67,692	130,297	2.29
<b>Technology</b>				
GDS Holding Ltd	2,200	102,392	103,003	1.81
Kingsoft Cloud Holdings Ltd	197	20,541	34,470	0.61
Luxshare Precision Industry Co Ltd	2,089	56,485	72,510	1.27
		179,418	209,983	3.69
<b>Telecommunications &amp; Media</b>				
Bilibili Inc	130	22,738	44,773	0.79
<b>TOTAL CHINA</b>		<b>681,473</b>	<b>931,607</b>	<b>16.36</b>

## 5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2020 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS</b>				
<b>- FOREIGN (CONTINUED)</b>				
<b><u>HONG KONG</u></b>				
<b>Consumer Products &amp; Services</b>				
Sands China Ltd	6,000	108,458	105,868	1.86
<b>Energy</b>				
CNOOC Ltd	21,000	91,877	78,134	1.37
<b>Financial Services</b>				
AIA Group Ltd	2,000	89,897	98,458	1.73
Hong Kong Exchanges & Clearing Ltd	500	87,660	110,117	1.93
		177,557	208,575	3.66
<b>Industrial Products &amp; Services</b>				
AIR China Ltd	26,000	84,469	82,186	1.44
<b>Telecommunications &amp; Media</b>				
Tencent Holding Ltd	1,200	300,278	350,718	6.15
<b>TOTAL HONG KONG</b>		<b>762,639</b>	<b>825,481</b>	<b>14.48</b>
<b><u>INDIA</u></b>				
<b>Energy</b>				
Reliance Industries Ltd	1,115	101,945	121,749	2.14
Reliance Industries Ltd–First Inst	39	695	2,397	0.04
		102,640	124,146	2.18
<b>Financial Services</b>				
HDFC Bank Ltd	1,640	119,246	129,554	2.27
<b>Technology</b>				
Tech Mahindra Ltd	1,323	45,056	70,815	1.24
<b>TOTAL INDIA</b>		<b>266,942</b>	<b>324,515</b>	<b>5.69</b>



## 5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2020 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of</u> <u>Net Asset</u> <u>Value</u> <u>%</u>
<b>QUOTED INVESTMENTS</b>				
<b>- FOREIGN (CONTINUED)</b>				
<b><u>INDONESIA</u></b>				
<b>Telecommunications &amp; Media</b>				
PT Telecommunications Indonesia Persero Tbk	89,000	83,396	84,253	1.48
<b>TOTAL INDONESIA</b>		<b>83,396</b>	<b>84,253</b>	<b>1.48</b>
<b><u>JAPAN</u></b>				
<b>Consumer Products &amp; Services</b>				
Pan Pacific International Holding Corporation	800	46,840	74,347	1.30
Sony Corporation	100	25,796	40,026	0.70
		72,636	114,373	2.00
<b>Health care</b>				
Takeda Pharmaceutical Company Ltd	500	80,141	73,067	1.28
<b>Industrial Products &amp; Services</b>				
Yaskawa Electric Corporation	100	15,647	19,964	0.35
<b>Materials</b>				
Sumitomo Metal Mining Company Ltd	500	71,416	89,101	1.56
<b>Technology</b>				
Murata Manufacturing Company Ltd	200	48,194	72,541	1.27
Tokyo Electron Ltd	100	94,464	149,441	2.62
		142,658	221,982	3.89
<b>TOTAL JAPAN</b>		<b>382,498</b>	<b>518,487</b>	<b>9.08</b>

## 5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2020 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS</b>				
<b>- FOREIGN (CONTINUED)</b>				
<b><u>KOREA</u></b>				
<b>Consumer Products &amp; Services</b>				
Hotel Shilla Corporation Ltd	267	72,220	81,238	1.43
<b>Financial Services</b>				
KB Financial Group Inc	318	40,301	51,023	0.89
<b>Materials</b>				
LG Chem Ltd	59	110,144	179,733	3.15
<b>Technology</b>				
Samsung Electronics Co Ltd	1,627	323,189	487,216	8.55
SK Hynix Inc	262	93,190	114,781	2.01
		416,379	601,997	10.56
<b>TOTAL KOREA</b>		<b>639,044</b>	<b>913,991</b>	<b>16.03</b>
<b><u>PHILIPINES</u></b>				
<b>Financial Services</b>				
BDO Unibank Inc	4,600	34,414	41,071	0.72
<b>TOTAL PHILIPPINES</b>		<b>34,414</b>	<b>41,071</b>	<b>0.72</b>
<b><u>SINGAPORE</u></b>				
<b>Financial Services</b>				
Oversea-Chinese Banking Corporation Ltd	3,400	106,485	103,966	1.82
<b>Industrial Products &amp; Services</b>				
SATS Ltd	4,300	53,888	52,020	0.91

## 5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2020 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> Net Asset <u>Value</u> %
<b>QUOTED INVESTMENTS</b>				
<b>- FOREIGN (CONTINUED)</b>				
<b><u>SINGAPORE</u> (CONTINUED)</b>				
<b>Property</b>				
CapitaLand Ltd	5,000	47,395	49,849	0.88
<b>Telecommunications &amp; Media</b>				
Sea Ltd	182	123,711	145,553	2.55
<b>TOTAL SINGAPORE</b>		<b>331,479</b>	<b>351,388</b>	<b>6.16</b>
<b><u>TAIWAN</u></b>				
<b>Technology</b>				
Mediatec Inc	1,000	83,678	106,821	1.87
Taiwan Semiconductor Manufacturing Co Ltd	5,000	265,201	378,950	6.65
		348,879	485,771	8.52
<b>TOTAL TAIWAN</b>		<b>348,879</b>	<b>485,771</b>	<b>8.52</b>
<b><u>THAILAND</u></b>				
<b>Consumer Products &amp; Services</b>				
CP ALL PCL	10,800	92,666	84,212	1.48
<b>Financial Services</b>				
Srisawad Corporation PCL	5,800	39,731	51,048	0.90
Srisawad Corporation PCL – NVDR Warrant	232	-	314	0.01
		39,731	51,362	0.91
<b>Industrial Products &amp; Services</b>				
Airports of Thailand PCL	10,600	91,735	88,328	1.55
<b>TOTAL THAILAND</b>		<b>224,132</b>	<b>223,902</b>	<b>3.94</b>

## 5. INVESTMENTS (CONTINUED)

Investments as at 31 December 2020 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> Net Asset <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN (CONTINUED)</b>				
<b><u>UNITED STATES</u></b>				
<b>Consumer Products &amp; Services</b>				
New Oriental Education & Technology Group Inc	171	95,106	127,660	2.24
<b>Telecommunications &amp; Media</b>				
Baidu Inc	153	90,764	132,928	2.33
NetEase Inc	221	71,440	85,037	1.49
		162,204	217,965	3.82
<b>TOTAL UNITED STATES</b>		<b>257,310</b>	<b>345,625</b>	<b>6.06</b>
<b>TOTAL QUOTED INVESTMENTS - FOREIGN</b>		<b>4,266,069</b>	<b>5,365,435</b>	<b>94.13</b>
<b>COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
<b><u>SINGAPORE</u></b>				
<b>Real Estate Investment Trust</b>				
Frasers Centrepont Trust	7,800	50,675	58,324	1.02
<b>TOTAL SINGAPORE</b>		<b>50,675</b>	<b>58,324</b>	<b>1.02</b>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>		<b>50,675</b>	<b>58,324</b>	<b>1.02</b>
<b>TOTAL INVESTMENTS</b>		<b>4,316,744</b>	<b>5,423,759</b>	<b>95.15</b>

## 6. UNITS IN CIRCULATION

	<u>2021</u> Units	<u>2020</u> Units
At beginning of the financial year	13,003,000	12,457,000
Creation of units during the financial year:		
Arising from applications	2,968,000	1,871,000
Cancellation of units during the financial year	<u>(6,334,000)</u>	<u>(1,325,000)</u>
At end of the financial year	<u>9,637,000</u>	<u>13,003,000</u>

## 7. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.50% (2020: 1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

## 8. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.06% (2020: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

## 9. TAXATION

(a) Tax charge for the financial year

	<u>2021</u> RM	<u>2020</u> RM
Current taxation	<u>-</u>	<u>-</u>

## 9. TAXATION(CONTINUED)

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

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

	<u>2021</u> <u>RM</u>	<u>2020</u> <u>RM</u>
Net (loss)/income before taxation	<u>(189,919)</u>	<u>1,086,608</u>
Tax calculated at a statutory income tax rate of 24%	(45,581)	260,786
Tax effects of:		
- Loss not deductible for tax purposes/(income not subject to tax	2,375	(303,648)
- Expenses not deductible for tax purposes	24,207	25,493
- Restriction on tax deductible expenses	<u>18,999</u>	<u>17,369</u>
Tax expense	<u>-</u>	<u>-</u>

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

	<u>2021</u> <u>%</u>	<u>2020</u> <u>%</u>
MER	<u>2.48</u>	<u>2.93</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.

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

	<u>2021</u>	<u>2020</u>
PTR (times)	<u>1.47</u>	<u>1.49</u>

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

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

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

	<b>2021</b>		<b>2020</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
The Manager	1,690	693	113,018	49,547
RHB Capital Nominees (Tempatan) Sdn Bhd	16,892	6,922	16,892	7,406
RHB Nominees (Tempatan) Sdn Bhd	63,401	25,982	-	-

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

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

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

### 13. TRANSACTIONS BY THE FUND

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

<b><u>Broker/financial institution</u></b>	<b><u>Value of trades RM</u></b>	<b><u>Percentage of total trades %</u></b>	<b><u>Brokerage fees RM</u></b>	<b><u>Percentage of total brokerage fees %</u></b>
KAF Equities Sdn Bhd	2,045,737	13.49	3,815	12.99
JP Morgan Securities PLC	1,510,961	9.96	3,013	10.25
Macquarie Capital(Australia) Ltd	1,444,648	9.52	2,735	9.31
Instinet Pacific Ltd	1,014,066	6.68	2,082	7.09
China Int Capital Corp HK Sec Ltd	993,405	6.55	1,987	6.76
Credit Suisse Taipei	908,868	5.99	1,818	6.19
Macquarie Securities Korea Limited	840,446	5.54	1,681	5.72
CLSA India Private Ltd	756,817	4.99	2,270	7.73
JP Morgan Securities LLC	739,900	4.88	895	3.05
Citigroup Global Market Korea	633,361	4.18	1,272	4.33
Others*	4,281,526	28.22	7,807	26.58
	<u>15,169,735</u>	<u>100.00</u>	<u>29,375</u>	<u>100.00</u>



### 13. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 December 2020 are as follows:

<b><u>Broker/financial institution</u></b>	<b><u>Value of trades RM</u></b>	<b><u>Percentage of total trades %</u></b>	<b><u>Brokerage fees RM</u></b>	<b><u>Percentage of total brokerage fees %</u></b>
Macquarie Bank Limited				
Hong Kong	2,079,078	15.22	4,066	15.34
JP Morgan Securities PLC	1,828,704	13.38	3,698	13.95
Citigroup Global Markets				
Asia Ltd	1,013,736	7.42	2,028	7.65
China Int Capital Corp HK				
Sec Ltd	863,793	6.32	1,754	6.62
Credit Suisse Taipei	822,513	6.02	1,645	6.21
Credit Suisse (HK) Ltd	784,958	5.74	1,433	5.41
Instinet Pacific Ltd	667,825	4.89	1,346	5.08
Macquarie Securities Korea				
Limited	642,421	4.70	1,285	4.85
JP Morgan Securities LLC	627,701	4.59	1,145	4.32
Citigroup Global Market				
Singapore	621,383	4.55	1,382	5.21
Others*	3,712,190	27.17	6,723	25.36
	<u>13,664,302</u>	<u>100.00</u>	<u>26,505</u>	<u>100.00</u>

\* Included in transactions by the Fund are trades with RHB Investment Bank Bhd, a related company of the Manager, of which the value of trades amounted to RM393,161 (2020: RM33,258) and brokerage fees amounted to RM831 (2020: RM100).

## 14. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2021</u> RM	<u>2020</u> RM
<b>Financial assets</b>		
Financial assets at fair value through profit or loss (“FVTPL”)		
• Quoted investments - foreign	3,724,016	5,365,435
• Collective investment scheme	-	58,324
	<u>3,724,016</u>	<u>5,423,759</u>
 Financial assets at amortised cost		
• Bank balances	225,425	206,263
• Amount due from brokers	24,317	204,136
• Amount due from Manager	409	49,224
• Dividend receivables	4,336	6,350
• Other receivables	-	7
	<u>254,487</u>	<u>465,980</u>
 <b>Financial liabilities</b>		
Financial liabilities at amortised cost		
• Amount due to brokers	-	105,746
• Amount due to manager	-	53,394
• Accrued management fee	5,104	7,015
• Amount due to Trustee	204	281
• Other payables and accruals	23,774	23,263
	<u>29,082</u>	<u>189,699</u>

## **STATEMENT BY MANAGER RHB ASIA PACIFIC 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 statement of financial position, statement of income and expenses, statement of changes in net asset value, 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 year 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 ASIA PACIFIC FUND**

We have acted as Trustee of RHB Asia Pacific Fund (“the Fund”) for the financial year 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’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 HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
25 February 2022

# **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ASIA PACIFIC FUND**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

In our opinion, the financial statements of RHB Asia Pacific Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 December 2021 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2021, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 49.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ASIA PACIFIC FUND (CONTINUED)**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

#### Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ASIA PACIFIC FUND (CONTINUED)**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ASIA PACIFIC FUND (CONTINUED)**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

#### Auditors' responsibilities for the audit of the financial statements (continued)

- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **OTHER MATTERS**

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

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

E-mail address: rhbam@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8100

Website : www.rhbgroup.com

### BOARD OF DIRECTORS

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

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

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

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

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

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

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

Kuching Office	<p>Lot 133, Section 20, Sublot 2 &amp; 3  1st Floor, Jalan Tun Ahmad Zaidi Adruce  93200 Kuching, Sarawak  Tel: 082-550 838 Fax: 082-550 508</p> <p>Yung Kong Abell, Units 1-10  2nd Floor Lot 365  Section 50 Jalan Abell  93100 Kuching, Sarawak  Tel: 082-245 611 Fax: 082-230 326</p>
Kota Bharu Office	<p>Ground Floor, No 3486-G  Jalan Sultan Ibrahim  15050 Kota Bharu, Kelantan  Tel: 09-740 6891 Fax: 09-740 6890</p>
Kota Kinabalu Office	<p>Lot No. C-02-04, 2nd Floor  Block C, Warisan Square  Jalan Tun Fuad Stephens  88000 Kota Kinabalu  Sabah  Tel: 088-528 686/ 088-528 692  Fax: 088-528 685</p>
Melaka Office	<p>581B, Taman Melaka Raya  75000 Melaka  Tel: 06-284 4211/ 06-281 4110  Fax: 06-292 2212</p>
Penang Office	<p>3rd Floor, 44 Lebuhr Pantai  10300 Georgetown, Penang  Tel: 04-264 5639 Fax: 04-264 5640</p>
Prai Office	<p>No 38, First Floor  Jalan Todak 2  Seberang Jaya  13700 Perai, Penang  Tel: 04-386 6670 Fax: 04-386 6528</p>

<b>TRUSTEE</b>	HSBC (Malaysia) Trustee 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 Affin Bank Bhd AmBank Bhd APEX Investment Services Bhd Areca Capital Sdn Bhd CIMB Private Banking CIMB Wealth Advisor Citibank Berhad CUTA - Genexus Advisory Sdn Bhd Hong Leong Bank Bhd HSBC Bank (M) Bhd iFAST Capital Sdn Bhd Kenanga Investors Bhd Manulife Asset Management Services Bhd OCBC Bank (M) Bhd Phillip Mutual Bhd Standard Chartered Bank (M) Bhd United Overseas Bank (M) Bhd UOB Kay Hian Securities (M) Sdn Bhd

## **RHB** ♦ Asset Management

RHB Asset Management Sdn Bhd 198801007231 (174588-X)

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