

**RHB ASIAN REAL ESTATE FUND**

**SEMI-ANNUAL REPORT 2022**

For the financial period ended 30 September 2022

## GENERAL INFORMATION ABOUT THE FUND

### Name, Category and Type

Fund Name	-	RHB Asian Real Estate 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<sup>^</sup> capital appreciation through investments in the real estate market.

<sup>^</sup>Note: “long term” in this context refers to a period of between 5–7 years.

#### Strategy

The Fund’s investments in Asian real estates are those of Real Estate Investment Trusts (“REITS”) and of companies\* whose securities (including equity and equity related securities, preferred shares, Senior Securities and debt securities) are listed on the Asian markets (except Japan and Vietnam) such as China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Thailand, Singapore and Taiwan Stock Exchanges. These are REITS/companies\* that have at least 50% of its business operations in, or which derive at least 50% of its revenue from, or have at least 50% of its assets located in, the Asian region (except Japan and Vietnam). Although, Japan and Vietnam are part of Asia, these countries have been excluded to reflect the benchmark selected for the Fund.

The Fund may also invest opportunistically in REITS and the securities of companies\* listed in Australia, New Zealand, Japan and Vietnam Stock Exchanges to capitalise on the potential of the Asian real estate markets including those of Australia, New Zealand, Japan and Vietnam. These are REITS/companies\* that have at least 50% of its business operations in, or which derive at least 50% of its revenue from, or have at least 50% of its assets located in, the Asian region including Australia, New Zealand, Japan and Vietnam. However, the Fund’s investment in these exchanges shall not in aggregate exceed 30% of the Net Asset Value.

\*These companies include property investment companies that derive revenue from rental income and/or capital appreciation from real estate, property development companies as well as companies investing in REITs.

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

Up to 98% of  
Net Asset Value (with at least 70%  
of Net Asset Value in equity)

-Investments in primarily Asian real estate securities and listed REITS.

2% - 5% of  
Net Asset Value

-Investments in liquid assets including money market instruments and deposits with financial institutions.

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

### **Performance Benchmark**

The performance of the Fund is benchmarked against the MSCI AC Asia ex-Japan Real Estate Index (RM).

### **Permitted Investments**

This Fund may invest in securities traded on the Bursa Malaysia 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 which aims to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses, are generally declared annually.

## **MANAGER'S REPORT**

### **MARKET REVIEW**

Asia ex Japan equity markets declined by 13.97% for the past 6 months, as at 30 September 2022, while the real estate index declined by 11.01%, both in United States Dollar (“USD”) terms over the same period. It was a difficult period, as major property markets in the region recorded negative returns over a hawkish US Federal Reserve (“Fed”). For the period, China’s Real Estate sector declined by 17.77%, while Philippines declined by 33.34% and Hong Kong and Singapore declined by 3.27% and 5.53% respectively.

Singapore’s property sector was resilient, driven by strong domestic demand for housing and post COVID-19 normalization for office and retail assets. Since bottoming out in first quarter of year 2020 (“1Q20”), private residential prices have risen 18.90% (+4.20% for first half of year 2022 (“1H22”)) in Singapore. The Housing & Development Board (“HDB”) Resale Price Index has increased by more than 5.00% at end second quarter of year 2022 (“2Q22”), which led authorities to introduce several cooling measures to rein in demand and in turn, prices. This includes: assuming higher interest rates when assessing borrowers’ repayment ability. Total debt servicing ratio (“TDSR”) and Mortgage Servicing Ratio (“MSR”) raised by 0.5ppt and HDB loans will introduce an interest rate floor of 3.00% when computing eligible loan amount; Lower Loan-to-Value (“LTV”) limit for HDB housing loans from 85.00% to 80.00%; and impose a wait-out period of 15 months for private residential property owners (“PPO”)s and ex-PPOs to buy a non-subsidised HDB resale flat.

China property market declined on improving financing conditions and weakening property sales. News surfaced in July that as acts of protest against property developers e.g. China Evergrande that have stopped construction on unfinished apartments and fed-up apartment buyers are withholding payments on their mortgages. In turn, the People’s Bank of China’s (“PBoC”) tone turned more supportive as it pledged to "accelerate the implementation of credit quota to facilitate the delivery of pre-sold housing projects and increase the quota if necessary", and "guide commercial banks to provide supplementary financing support". Several measures were also announced, which included news that the Chinese central government has announced plans to create a real estate fund to provide financial support to distressed property developers selected by the government. Several departments of the central government also issued new policies to stimulate housing demand, including relaxation of the first home mortgage loan interest rate floor in qualified cities before the end of year 2022, measures to cut first home HPF loan costs by 0.15 pp for the first time since year 2015 and tax rebates to homebuyers who sell their old homes and purchase new ones within one year. These measures should lend support to home sales and release demand from homebuyers. Given the importance of the property sector in China, we believe that stability in the property sector will be a priority for the central government.

Hong Kong's property market outperformed the region, with developers and landlords outperforming the market. Hong Kong residential markets corrected with a mid-single digit percentage due to rising interest rates and weak secondary residential market. This was exacerbated by aggressive marketing of primary launches. With the declines in property prices, there are rising expectations that the government will ease property measures to make it more attractive for residents and expats to buy properties in Hong Kong. Retail properties fared better. As reported by Hong Kong Economic Times ("HKET"), landlords are seeing an increase in occupancy rate and tenant sales recovery. In the office space, despite the lack of pick-up in office demand, landlords are seeing a shift to quality movement by tenants, and a shift towards Central Hong Kong region.

## **ECONOMIC REVIEW AND OUTLOOK**

During the period, the Federal Open Market Committee ("FOMC") announced a 75 basis points ("bps") hike to its interest rate as expected. The decision was unanimous and the Fed stressed that it would remain attentive to inflation risks and continue to shrink its balance sheet, as planned. The Summary of Economic Projections saw growth forecasts slashed, while the inflation and unemployment forecasts raised. Economic forecasts now show a rise in unemployment to bring inflation down. The updated Dot Plots also offered some hawkish surprises. The median Fed Fund rate moved up to 4.375% in year 2022, 4.625% in year 2023, 3.875% in year 2024 and 2.875% in year 2025, suggesting no significant easing until year 2024. In Powell's prepared remarks, the most notable revision since July was to add that policy will likely be in a restrictive stance "for some time" and that history "cautions strongly against prematurely loosening policy." In his press conference, Powell's forward guidance remained hawkish, no deviation from the previous tone at Jackson Hole, referencing likely economic "pain" a half dozen times and that the labor market is clearly front and center in the fight against inflation. As for the conditions that would get the Committee to pause or slow the pace of rate hikes, Powell gave three conditions: below-trend growth, softening in labor market conditions and clear evidence that inflation is moving back to 2.00%.

China's PBoC published a statement to emphasize that stability would be the first priority, and market participants should avoid one-way bets on the Renminbi ("RMB"), stating that the foreign exchange ("FX") market is orderly, with the exception of a few corporates that were speculating on FX and financial institutions violating rules, which should be "guided and corrected". The PBoC also released the statement of its third quarter monetary policy committee meeting (held on 23 September 2022), stating that it would remain cautious on growth headwinds, maintained its easing stance, called for greater targeted support for strategically important and COVID-19 hit industries, as well as pledging for more concerted support for the property sector.

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

For the financial period under review, the Fund registered a negative return of 7.12%\* against its benchmark negative return of 13.65%\*. The Fund thus outperformed its benchmark by 6.53% during the period under review. The Net Asset Value (“NAV”) per unit of the Fund was RM0.5496 (31 March 2022: RM0.5917) as at 30 September 2022.

*\* Source: Lipper Investment Management (“IM”), 7 October 2022*

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

Market volatility remains elevated amid concerns over high inflation and policy tightening, which has already started to have an impact on the global economy. Under this backdrop, Real Estate Investment Trusts (“REITs”) will face increasing funding costs. We expect higher energy prices to start reflecting in selected REITs earnings going forward.

Singapore is an important financial center in the region and its economy is resilient, supported by its safe haven status. Despite recent property tightening measures, we expect property prices to stay resilient, supported by low unemployment rate, resilient land prices and increase in number of residents.

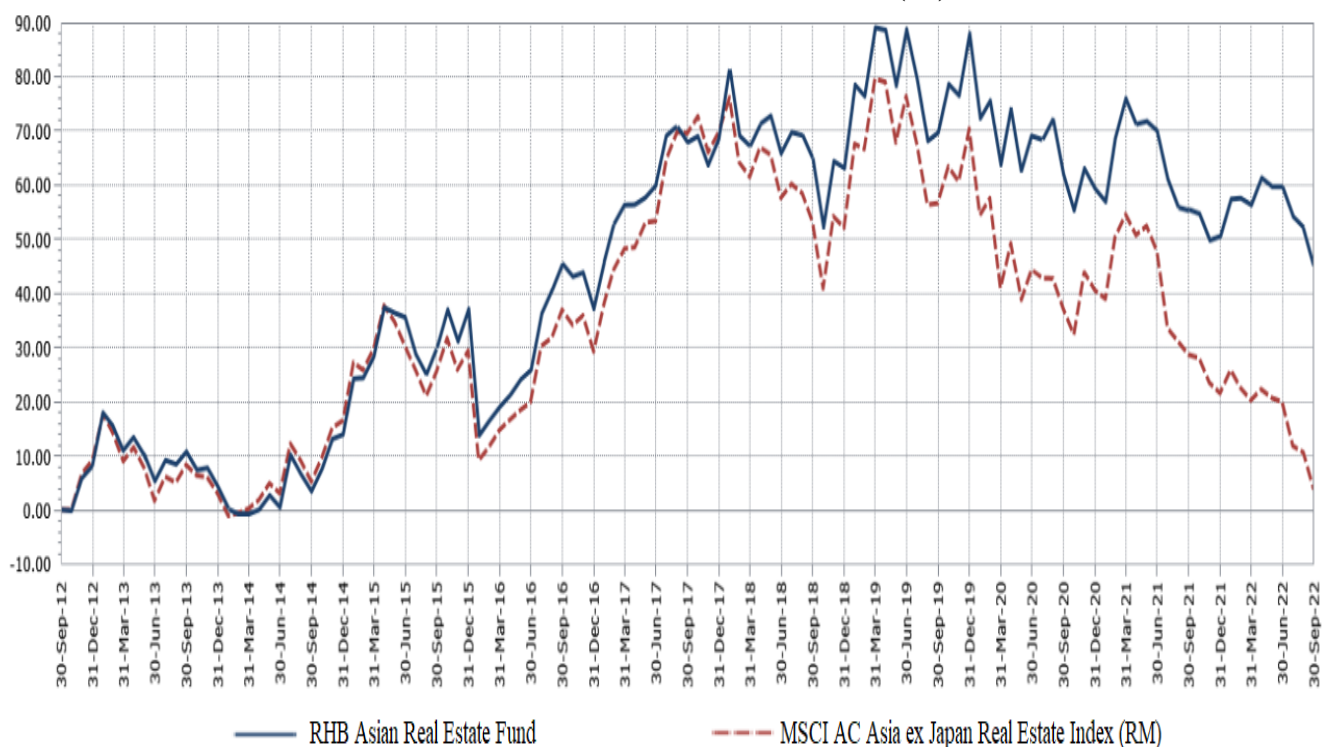
Hong Kong residential property prices will likely drop further on the back of prime rate hikes. Hence, we remain cautious on Hong Kong developers. However, the government may start to unwind some property measures once home prices drop 15.00%-20.00% from the August 2021 peak. We see opportunities in retail and office assets on the back of normalisation of international borders.

## PERFORMANCE DATA

	<b>31.03.2022- 30.09.2022</b> %	<b>Annual Total Returns Financial Year Ended 31 March</b>				
		<b>2022</b> %	<b>2021</b> %	<b>2020</b> %	<b>2019</b> %	<b>2018</b> %
RHB Asian Real Estate Fund						
- Capital Return	(7.12)	(11.22)	7.50	(13.41)	13.01	7.08
- Income Return	-	-	-	-	-	-
- Total Return	(7.12)	(11.22)	7.50	(13.41)	13.01	7.08
MSCI AC Asia-ex-Japan Real Estate Index (RM)	(13.65)	(22.27)	9.76	(21.60)	11.18	8.95

	<b>Average Annual Returns</b>			
	<b>1 Year</b> <b>30.09.2021 –</b> <b>30.09.2022</b> %	<b>3 Years</b> <b>30.09.2019 –</b> <b>30.09.2022</b> %	<b>5 Years</b> <b>30.09.2017 –</b> <b>30.09.2022</b> %	<b>10 Years</b> <b>30.09.2012 –</b> <b>30.09.2022</b> %
RHB Asian Real Estate Fund	(6.61)	(5.06)	(2.87)	3.79
MSCI AC Asia-ex-Japan Real Estate Index (RM)	(19.31)	(12.83)	(9.35)	0.37

**Performance of RHB Asian Real Estate Fund  
for the period from 30 September 2012 to 30 September 2022  
Cumulative Return Over The Period (%)**



Source: Lipper IM, 7 October 2022

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since inception.

The calculation of the above returns is based on computation methods of Lipper.

Note : Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.



<b>Fund Size</b>	<b>As at</b>	<b>As at 31 March</b>		
	<b>30 September 2022</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net Asset Value (RM million)	4.72	5.54	6.69	7.20
Units In Circulation (million)	8.59	9.37	10.03	11.62
Net Asset Value Per Unit (RM)	0.5496	0.5917	0.6665	0.6200

<b>Historical Data</b>	<b>01.04.2022- 30.09.2022</b>	<b>Financial Year Ended 31 March</b>		
		<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Unit Prices</b>				
NAV - Highest (RM)	0.6199	0.6680	0.6946	0.7377
- Lowest (RM)	0.5460	0.5292	0.5874	0.5733
<b>Distribution and Unit Split</b>	-	-	-	-
<b>Others</b>				
Total Expense Ratio (TER) (%) #	1.14	1.96	2.29	2.25
Portfolio Turnover Ratio (PTR) (times) ##	0.39	0.92	0.93	0.75

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

## The PTR for the financial period was lower compared with the previous financial period as there were lesser investment activities during the financial period under review.

## **DISTRIBUTION**

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

## PORTFOLIO STRUCTURE

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

<b>Sectors</b>	<b>As at</b>	<b>As at 31 March</b>		
	<b>30.09.2022</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Equities</b>				
Construction	1.85	-	-	-
Industrial Products & Services	-	-	6.28	7.48
Property	63.78	78.09	78.75	63.11
	<u>65.63</u>	<u>78.09</u>	<u>85.03</u>	<u>70.59</u>
<b>Collective investment schemes</b>	28.98	18.40	12.43	18.82
<b>Liquid assets and other net current assets</b>	5.39	3.51	2.54	10.59
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

## SECURITIES FINANCING TRANSACTIONS

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

## CROSS TRADE

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

## SOFT COMMISSION

Soft commissions were received by the management company for the financial period under review from brokers/dealers who have also executed trades for other funds or investment managed by the management company or Fund Manager. The soft commissions were utilised for research data and materials that assist in the decision making process relating to the Fund's investment. The soft commissions received were for the benefit of the funds and there were no churning of trades.

**RHB ASIAN REAL ESTATE FUND**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2022**

	<u>Note</u>	<u>30.09.2022</u> RM	<u>31.03.2022</u> RM
<b>ASSETS</b>			
Bank balances	5	250,251	225,474
Investments	6	4,467,268	5,349,868
Amount due from brokers		92,233	-
Dividend receivables		15,107	8,365
<b>TOTAL ASSETS</b>		<u>4,824,859</u>	<u>5,583,707</u>
<b>LIABILITIES</b>			
Amount due to brokers		52,432	-
Amount due to Manager		2,184	-
Accrued management fee		7,392	8,323
Amount due to Trustee		3,530	7,568
Tax payable		15,729	-
Other payables and accruals		21,713	23,371
<b>TOTAL LIABILITIES</b>		<u>102,980</u>	<u>39,262</u>
<b>NET ASSET VALUE</b>		<u>4,721,879</u>	<u>5,544,445</u>
<b>EQUITY</b>			
Unit holders' capital		30,087,999	30,540,677
Accumulated losses		(25,366,120)	(24,996,232)
		<u>4,721,879</u>	<u>5,544,445</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	7	<u>8,592,000</u>	<u>9,370,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5496</u>	<u>0.5917</u>

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

**RHB ASIAN REAL ESTATE FUND**  
**UNAUDITED STATEMENT OF INCOME AND EXPENSES**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	<u>Note</u>	<u>01.04.2022-</u> <u>30.09.2022</u> RM	<u>01.04.2021-</u> <u>30.09.2021</u> RM
<b>LOSS</b>			
Dividend income		152,108	148,256
Interest income from deposits with licensed financial institutions		17	-
Net realised loss on disposal		(68,455)	(267,432)
Net unrealised loss on changes in fair value		(362,758)	(548,364)
Net foreign currency exchange gain/(loss)		3,303	(9,651)
		<u>(275,785)</u>	<u>(677,191)</u>
<b>EXPENSES</b>			
Management fee	8	(47,861)	(56,151)
Trustee's fee	9	(5,329)	(2,496)
Audit fee		(2,727)	(2,727)
Tax agent's fee		(3,584)	(4,808)
Transaction costs		(14,929)	(26,565)
Other expenses		(3,944)	(1,618)
		<u>(78,374)</u>	<u>(94,365)</u>
Net loss before taxation		(354,159)	(771,556)
Taxation	10	(15,729)	-
Net loss after taxation		<u>(369,888)</u>	<u>(771,556)</u>
Net loss after taxation is made up of the following:			
Realised amount		(10,105)	(211,271)
Unrealised amount		(359,783)	(560,285)
		<u>(369,888)</u>	<u>(771,556)</u>

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

**RHB ASIAN REAL ESTATE FUND**  
**UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	<b>Unit holders’ capital RM</b>	<b>Accumulated losses RM</b>	<b>Total net asset value RM</b>
Balance as at 1 April 2021	30,942,787	(24,255,507)	6,687,280
Movement in net asset value:			
Net loss after taxation	-	(771,556)	(771,556)
Creation of units arising from applications	186,108	-	186,108
Cancellation of units	(360,793)	-	(360,793)
Balance as at 30 September 2021	<u>30,768,102</u>	<u>(25,027,063)</u>	<u>5,741,039</u>
Balance as at 1 April 2022	30,540,677	(24,996,232)	5,544,445
Movement in net asset value:			
Net loss after taxation	-	(369,888)	(369,888)
Creation of units arising from applications	236,427	-	236,427
Cancellation of units	(689,105)	-	(689,105)
Balance as at 30 September 2022	<u>30,087,999</u>	<u>(25,366,120)</u>	<u>4,721,879</u>

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

**RHB ASIAN REAL ESTATE FUND**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	<b><u>01.04.2022-</u></b> <b><u>30.09.2022</u></b> <b>RM</b>	<b><u>01.04.2021-</u></b> <b><u>30.09.2021</u></b> <b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	2,151,286	3,173,392
Purchase of investments	(1,753,908)	(2,689,918)
Dividends received	142,521	160,065
Interest received from deposits with licensed financial institutions	17	-
Management fee paid	(48,792)	(57,822)
Trustee's fee paid	(9,367)	(2,571)
Payment for other fees and expenses	(8,911)	(6,100)
Net realised foreign exchange (loss)/gain	(6)	272
Net cash generated from operating activities	<u>472,840</u>	<u>577,318</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	236,427	213,259
Cash paid for units cancelled	(686,921)	(360,793)
Net cash used in financing activities	<u>(450,494)</u>	<u>(147,534)</u>
Net increase in cash and cash equivalents	22,346	429,784
Foreign currency translation differences	2,431	(12,129)
Cash and cash equivalents at the beginning of the financial period	<u>225,474</u>	<u>167,218</u>
Cash and cash equivalents at the end of the financial period	<u>250,251</u>	<u>584,873</u>

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

**RHB ASIAN REAL ESTATE FUND  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

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

The RHB Asian Real Estate Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 14 June 2007 as modified via its First Supplemental Deed dated 4 September 2013, Second Supplemental Deed dated 3 March 2015 and Third Supplemental Deed dated 3 June 2015 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and Maybank Trustees Berhad (“the Trustee”).

The Fund commenced operations on 22 August 2007 and will continue its operations until terminated according to the conditions provided in the Deed. The principal activity of the Fund is to invest in Permitted Investments as defined under 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 the real estate market.

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 November 2022.

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

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

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

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

(a) Standards and amendments to existing standards effective 1 April 2022

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

(b) New standards, amendments and interpretations effective after 1 April 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 April 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 and dividend receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. 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 loss on investments in the period which they arise.

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

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

#### Recognition and measurement (continued)

Dividend income 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.

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

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

#### Impairment of financial assets

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

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

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

#### Significant increase in credit risk

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

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

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

#### Write-off

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

### **2.3 Financial liabilities**

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

Financial liabilities, within the scope of 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 broker, 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

### **2.5 Income recognition**

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

Interest income from deposits with licensed financial institutions is recognised on an accrual basis using the effective interest method.

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

Realised gain or loss on 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.6 Taxation**

Current tax expense is determined according to Malaysian tax laws and includes all taxes based upon the taxable income earned during the financial period.

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

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

### **2.8 Presentation and functional currency**

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

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

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

### **2.9 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, interest rate risk, credit risk, liquidity risk, currency risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the SC Guidelines on Unit Trust Funds.

#### Market risk

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 interest 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 the investments 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 RM4,467,268 (31.03.2022: RM5,349,868) in equity securities and collective investment schemes.

The sensitivity analysis is based on the assumption that the price of the quoted securities investments 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 +/- RM223,363 (31.03.2022: RM267,493).

#### Interest rate risk

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

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

#### 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 cash 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 respective countries stock exchanges. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

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

	<b>Cash and cash equivalents RM</b>	<b>Other financial assets* RM</b>	<b><u>Total</u> RM</b>
<b><u>30.09.2022</u></b>			
AAA	250,251	-	250,251
Others	-	107,340	107,340
	<u>250,251</u>	<u>107,340</u>	<u>357,591</u>
<b><u>31.03.2022</u></b>			
AAA	225,474	-	225,474
Others	-	8,365	8,365
	<u>225,474</u>	<u>8,365</u>	<u>233,839</u>

\* Comprise amount due from brokers and dividend receivables.

#### 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.

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

#### Liquidity risk (continued)

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 <u>RM</u></b>	<b>Between 1 month to 1 year <u>RM</u></b>
<b><u>30.09.2022</u></b>		
Amount due to brokers	52,432	-
Amount due to Manager	2,184	-
Accrued management fee	7,392	-
Amount due to Trustee	3,530	-
Other payables and accruals	-	21,713
	65,538	21,713
<b><u>31.03.2022</u></b>		
Accrued management fee	8,323	-
Amount due to Trustee	7,568	-
Other payables and accruals	-	23,371
	15,891	23,371

#### 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 period 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.



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

#### Currency risk (continued)

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 +/- RM236,057 (31.03.2022: RM278,928).

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

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividend receivables</u> RM	<u>Total</u> RM
<b><u>30.09.2022</u></b>				
Australian Dollar	182,534	1,132	-	183,666
Chinese Yuan	228,489	-	-	228,489
Hong Kong Dollar	2,440,775	80,151	13,493	2,534,419
Indonesian Rupiah	178,659	-	-	178,659
Philippine Peso	83,759	-	-	83,759
Singapore Dollar	1,110,535	17,236	-	1,127,771
Thailand Baht	242,517	-	-	242,517
United States Dollar	-	140,247	1,614	141,861
	<u>4,467,268</u>	<u>238,766</u>	<u>15,107</u>	<u>4,721,141</u>
<b><u>31.03.2022</u></b>				
Australian Dollar	202,172	-	-	202,172
Hong Kong Dollar	3,405,613	9,793	6,525	3,421,931
Indonesian Rupiah	196,948	-	-	196,948
Philippine Peso	237,397	-	-	237,397
Singapore Dollar	1,106,698	3,983	-	1,110,681
Thailand Baht	201,040	-	1,840	202,880
United States Dollar	-	206,558	-	206,558
	<u>5,349,868</u>	<u>220,334</u>	<u>8,365</u>	<u>5,578,567</u>

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

#### Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM30,087,999 (31.03.2022: RM30,540,677) and accumulated losses of RM25,366,120 (31.03.2022: RM24,996,232). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

### **4. FAIR VALUE ESTIMATION**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets and liabilities traded in an active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial period end date.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial period end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

- (i) For bank balances, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

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

##### Fair value hierarchy

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

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM	RM	RM	RM
<b><u>30.09.2022</u></b>				
<b>Financial assets at FVTPL:</b>				
- Quoted investments	3,098,854	-	-	3,098,854
- Collective investment schemes	1,368,414	-	-	1,368,414
	<u>4,467,268</u>	<u>-</u>	<u>-</u>	<u>4,467,268</u>
<b><u>31.03.2022</u></b>				
<b>Financial assets at FVTPL:</b>				
- Quoted investments	4,329,741	-	-	4,329,741
- Collective investment schemes	1,020,127	-	-	1,020,127
	<u>5,349,868</u>	<u>-</u>	<u>-</u>	<u>5,349,868</u>

Investments in active listed equities, 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. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>30.09.2022</u>	<u>31.03.2022</u>
	RM	RM
Bank balances	250,251	225,474

## 6. INVESTMENTS

	<u>30.09.2022</u>	<u>31.03.2022</u>
	RM	RM
Investments:		
- Quoted investments – foreign	3,098,854	4,329,741
- Collective investment schemes	1,368,414	1,020,127
	<u>4,467,268</u>	<u>5,349,868</u>

Investments as at 30 September 2022 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u>	<u>Fair Value</u>	<u>% of</u>
		RM	RM	Net Asset
				Value
				%
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b><u>CHINA</u></b>				
<b>Property</b>				
China Vanke Co Ltd	19,700	236,102	228,489	4.84
<b>TOTAL CHINA</b>		<b><u>236,102</u></b>	<b><u>228,489</u></b>	<b><u>4.84</u></b>
<b><u>HONG KONG</u></b>				
<b>Property</b>				
China Overseas Land & Investment Ltd	37,500	391,106	452,840	9.59
China Resources Land Ltd	25,333	403,854	462,237	9.79
CK Asset Holdings Ltd	9,000	216,502	250,844	5.31
Longfor Group Holdings Ltd	9,500	153,780	126,500	2.68
Sun Hung Kai Properties Ltd	4,500	245,954	230,782	4.89
Swire Pacific Ltd	1,000	34,649	34,692	0.73
Swire Properties Ltd	12,600	135,012	125,741	2.66
		<u>1,580,857</u>	<u>1,683,636</u>	<u>35.65</u>
<b>TOTAL HONG KONG</b>		<b><u>1,580,857</u></b>	<b><u>1,683,636</u></b>	<b><u>35.65</u></b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 30 September 2022 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 (CONTINUED)</b>				
<b><u>INDONESIA</u></b>				
<b>Property</b>				
PT Ciputra Development Tbk	344,800	93,548	99,578	2.11
PT Summarecon Agung Tbk	437,200	90,133	79,081	1.68
		183,681	178,659	3.79
<b>TOTAL INDONESIA</b>		<b>183,681</b>	<b>178,659</b>	<b>3.79</b>
<b><u>PHILIPPINES</u></b>				
<b>Property</b>				
Ayala Land Incorporation	46,400	104,328	83,759	1.77
<b>TOTAL PHILIPPINES</b>		<b>104,328</b>	<b>83,759</b>	<b>1.77</b>
<b><u>SINGAPORE</u></b>				
<b>Property</b>				
Capitaland Investment Ltd				
Singapore	13,200	124,191	147,984	3.13
City Developments Limited	16,900	374,570	414,964	8.79
Hongkong Land Holdings Ltd	5,800	127,236	118,846	2.52
		625,997	681,794	14.44
<b>TOTAL SINGAPORE</b>		<b>625,997</b>	<b>681,794</b>	<b>14.44</b>
<b><u>THAILAND</u></b>				
<b>Construction</b>				
Land & Houses PCL	79,800	87,324	87,163	1.85
<b>Property</b>				
Central Pattana PCL	19,400	140,228	155,354	3.29
<b>TOTAL THAILAND</b>		<b>227,552</b>	<b>242,517</b>	<b>5.14</b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 30 September 2022 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 (CONTINUED)</b>				
<b>TOTAL QUOTED</b>				
<b>INVESTMENTS-FOREIGN</b>		<b>2,958,517</b>	<b>3,098,854</b>	<b>65.63</b>
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
<b>- FOREIGN</b>				
<b><u>AUSTRALIA</u></b>				
<b>Real Estate Investment Trust</b>				
Goodman Group	3,880	237,382	182,534	3.87
<b>TOTAL AUSTRALIA</b>		<b>237,382</b>	<b>182,534</b>	<b>3.87</b>
<b><u>HONG KONG</u></b>				
<b>Real Estate Investment Trust</b>				
Link REIT	11,000	351,622	356,603	7.55
Wharf Real Estate Investment Co Ltd	19,000	407,288	400,536	8.48
		758,910	757,139	16.03
<b>TOTAL HONG KONG</b>		<b>758,910</b>	<b>757,139</b>	<b>16.03</b>
<b><u>SINGAPORE</u></b>				
<b>Real Estate Investment Trust</b>				
CapitaLand Ascendas REIT	6,000	54,231	52,145	1.11
CapitaLand Integrated Commercial Trust	59,083	382,665	366,500	7.76
CDL Hospitality Trusts	2,671	10,038	10,096	0.21
		446,934	428,741	9.08
<b>TOTAL SINGAPORE</b>		<b>446,934</b>	<b>428,741</b>	<b>9.08</b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 30 September 2022 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>TOTAL COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>		<b>1,443,226</b>	<b>1,368,414</b>	<b>28.98</b>
<b>TOTAL INVESTMENTS</b>		<b>4,401,743</b>	<b>4,467,268</b>	<b>94.61</b>

Investments as at 31 March 2022 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>HONG KONG</u></b>				
<b>Property</b>				
China Overseas Land & Investment Ltd	42,000	432,391	528,497	9.53
China Resources Land Ltd	27,333	430,362	535,341	9.65
CK Asset Holdings Ltd	9,000	216,502	259,339	4.68
Country Garden Services Holdings Co Ltd	17,000	281,607	306,506	5.53
Hang Lung Properties Ltd	30,000	283,358	254,348	4.59
Longfor Group Holdings Ltd	17,500	372,104	378,437	6.83
Sun Hung Kai Properties Ltd	7,000	382,595	351,580	6.34
Wharf Real Estate Investment Co Ltd	19,000	407,288	396,091	7.14
		<b>2,806,207</b>	<b>3,010,139</b>	<b>54.29</b>
<b>TOTAL HONG KONG</b>		<b>2,806,207</b>	<b>3,010,139</b>	<b>54.29</b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2022 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 (CONTINUED)</b>				
<b><u>INDONESIA</u></b>				
<b>Property</b>				
PT Pakuwon Jati Tbk	968,300	125,171	136,848	2.47
PT Summarecon Agung Tbk	267,300	55,262	60,100	1.08
		<u>180,433</u>	<u>196,948</u>	<u>3.55</u>
<b>TOTAL INDONESIA</b>		<b><u>180,433</u></b>	<b><u>196,948</u></b>	<b><u>3.55</u></b>
<b><u>PHILIPPINES</u></b>				
<b>Property</b>				
Ayala Land Incorporation	38,700	115,103	110,007	1.98
SM Prime Holdings Incorporation	41,500	120,341	127,390	2.30
		<u>235,444</u>	<u>237,397</u>	<u>4.28</u>
<b>TOTAL PHILIPPINES</b>		<b><u>235,444</u></b>	<b><u>237,397</u></b>	<b><u>4.28</u></b>
<b><u>SINGAPORE</u></b>				
<b>Property</b>				
Capitaland Investment Ltd Singapore	22,100	200,359	273,752	4.94
City Developments Limited Fully Paid Ord. Shares	16,800	378,493	410,465	7.40
		<u>578,852</u>	<u>684,217</u>	<u>12.34</u>
<b>TOTAL SINGAPORE</b>		<b><u>578,852</u></b>	<b><u>684,217</u></b>	<b><u>12.34</u></b>
<b><u>THAILAND</u></b>				
<b>Property</b>				
Central Pattana PCL	27,000	195,163	201,040	3.63
<b>TOTAL THAILAND</b>		<b><u>195,163</u></b>	<b><u>201,040</u></b>	<b><u>3.63</u></b>



## 6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2022 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 (CONTINUED)</b>				
<b>TOTAL QUOTED INVESTMENTS-FOREIGN</b>		<b>3,996,099</b>	<b>4,329,741</b>	<b>78.09</b>
<b>COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
<b><u>AUSTRALIA</u></b>				
<b>Real Estate Investment Trust</b>				
Goodman Group	2,800	184,730	202,172	3.65
<b>TOTAL AUSTRALIA</b>		<b>184,730</b>	<b>202,172</b>	<b>3.65</b>
<b><u>HONG KONG</u></b>				
<b>Real Estate Investment Trust</b>				
Link REIT	11,000	351,622	395,474	7.13
<b>TOTAL HONG KONG</b>		<b>351,622</b>	<b>395,474</b>	<b>7.13</b>
<b><u>SINGAPORE</u></b>				
<b>Real Estate Investment Trust</b>				
CapitaLand Integrated Commercial Trust	60,483	389,134	422,481	7.62
<b>TOTAL SINGAPORE</b>		<b>389,134</b>	<b>422,481</b>	<b>7.62</b>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>		<b>925,486</b>	<b>1,020,127</b>	<b>18.40</b>
<b>TOTAL INVESTMENTS</b>		<b>4,921,585</b>	<b>5,349,868</b>	<b>96.49</b>

## 7. UNITS IN CIRCULATION

	<u>30.09.2022</u> Units	<u>31.03.2022</u> Units
At the beginning of the financial period/year	9,370,000	10,034,000
Creation of units arising from applications during the financial period/year	386,000	945,000
Cancellation of units during the financial period/year	<u>(1,164,000)</u>	<u>(1,609,000)</u>
At the end of the financial period/year	<u>8,592,000</u>	<u>9,370,000</u>

## 8. MANAGEMENT FEE

In accordance with Prospectus, the management fee provided in the financial statements is 1.80% (01.04.2021 – 30.09.2021: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

## 9. TRUSTEE'S FEE

In accordance with Prospectus, the Trustee's fee provided in the financial statements is 0.08% (01.04.2021 – 30.09.2021: 0.08%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period, subject to a minimum fee of RM12,000 per annum.

## 10. TAXATION

(a) Tax charge for the financial period

	<u>01.04.2022-</u> <u>30.09.2022</u> RM	<u>01.04.2021-</u> <u>30.09.2021</u> RM
Current taxation	<u>15,729</u>	<u>-</u>

## 10. TAXATION (CONTINUED)

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

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

	<b><u>01.04.2022-</u> <u>30.09.2022</u></b>	<b><u>01.04.2021-</u> <u>30.09.2021</u></b>
	<b>RM</b>	<b>RM</b>
Net loss before taxation	<u>(354,159)</u>	<u>(771,556)</u>
Tax calculated at statutory income tax rate of 24%	(84,998)	(185,173)
Tax effects of:		
- Loss not deductible for tax purpose	66,188	162,526
- Expenses not deductible for tax purposes	6,669	8,516
- Restriction on tax deductible expenses	12,141	14,131
- Foreign source income subject to tax	15,729	-
Tax expense	<u>15,729</u>	<u>-</u>

## 11. TOTAL EXPENSE RATIO (“TER”)

	<b><u>01.04.2022-</u> <u>30.09.2022</u></b>	<b><u>01.04.2021-</u> <u>30.09.2021</u></b>
	<b>%</b>	<b>%</b>
TER	<u>1.14</u>	<u>1.09</u>

The TER 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.

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

	<b><u>01.04.2022- 30.09.2022</u></b>	<b><u>01.04.2021- 30.09.2021</u></b>
PTR (times)	<u>0.39</u>	<u>0.60</u>

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

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

The number of units held by the Manager is as follows:

	<b><u>30.09.2022</u></b>		<b><u>31.03.2022</u></b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
The Manager	<u>5,782</u>	<u>3,178</u>	<u>5,025</u>	<u>2,973</u>

The units are held beneficially by the Manager for booking purposes and were transacted at the prevailing market price.

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

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

## 14. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 30 September 2022 are as follows:

<b><u>Brokers/Financial institutions</u></b>	<b><u>Value of trades</u></b> <b>RM</b>	<b><u>Percentage of total trades</u></b> <b>%</b>	<b><u>Brokerage fees</u></b> <b>RM</b>	<b><u>Percentage of total brokerage fees</u></b> <b>%</b>
Macquarie Capital (Australia) Ltd	931,011	22.99	2,068	23.69
KAF Equities Sdn Bhd	491,424	12.14	983	11.26
Credit Suisse (Hong Kong) Ltd	412,295	10.18	859	9.84
China International Capital Corporation Hong Kong Securities Ltd	308,408	7.62	617	7.07
Maybank Investment Bank Bhd	283,296	7.00	761	8.72
Citigroup Global Markets Asia Ltd	273,714	6.76	547	6.27
CGS-CIMB Securities Sdn Bhd	248,025	6.13	591	6.77
CLSA Limited	242,722	5.99	539	6.17
Instinet Pacific Ltd	233,665	5.77	516	5.91
JP Morgan Securities Plc	192,159	4.75	384	4.40
Others*	432,235	10.67	864	9.90
	<u>4,048,954</u>	<u>100.00</u>	<u>8,729</u>	<u>100.00</u>

\* Included in transaction by the Fund are trades with RHB Investment Bank Berhad, of which the value of trades amounted to RM136,119 and brokerage fees amounted to RM272.

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

Details of transactions by the Fund for the financial year ended 31 March 2022 are as follows:

<b><u>Brokers/Financial institutions</u></b>	<b><u>Value of trades</u></b> <b>RM</b>	<b><u>Percentage of total trades</u></b> <b>%</b>	<b><u>Brokerage fees</u></b> <b>RM</b>	<b><u>Percentage of total brokerage fees</u></b> <b>%</b>
Macquarie Bank Ltd Hong Kong	1,968,643	18.44	4,034	18.10
JP Morgan Securities Plc	1,609,691	15.07	3,649	16.37
KAF Equities Sdn Bhd	1,290,585	12.09	2,581	11.58
Credit Suisse (Hong Kong) Ltd	1,101,562	10.32	2,233	10.02
RHB Investment Bank Bhd**	962,877	9.02	1,938	8.69
CLSA Limited	946,661	8.86	1,893	8.49
CGS-CIMB Securities Sdn Bhd	727,271	6.81	1,555	6.98
Instinet Pacific Ltd	726,647	6.81	1,508	6.76
Maybank Investment Bank Bhd	549,789	5.15	1,281	5.75
Citigroup Global Market Singapore	366,342	3.43	765	3.43
Others	426,694	4.00	854	3.83
	<u>10,676,762</u>	<u>100.00</u>	<u>22,291</u>	<u>100.00</u>

\*\* Included in transactions by the Fund are trades with RHB Investment Bank Bhd, the holding company of the Manager. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

## 15. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>30.09.2022</u>	<u>31.03.2022</u>
	RM	RM
<b>Financial assets</b>		
Financial assets at FVTPL		
• Quoted investments	3,098,854	4,329,741
• Collective investment schemes	1,368,414	1,020,127
	<u>4,467,268</u>	<u>5,349,868</u>
Financial assets at amortised cost		
• Bank balances	250,251	225,474
• Amount due from brokers	92,233	-
• Dividend receivables	15,107	8,365
	<u>357,591</u>	<u>233,839</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
• Amount due to brokers	52,432	-
• Amount due to Manager	2,184	-
• Accrued management fee	7,392	8,323
• Amount due to Trustee	3,530	7,568
• Other payables and accruals	21,713	23,371
	<u>87,251</u>	<u>39,262</u>

**STATEMENT BY MANAGER  
RHB ASIAN REAL ESTATE FUND**

We, Dato' Darawati Hussain and Syed Ahmad Taufik Albar, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying unaudited statement of financial position, unaudited statement of income and expenses, unaudited statement of changes in net asset value, unaudited statement of cash flows and the accompanying notes, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 September 2022 and of its financial performance and cash flows for the financial period then ended and comply with the provisions of the Deeds.

On behalf of the Manager,

Dato' Darawati Hussain  
Director

Syed Ahmad Taufik Albar  
Director

25 November 2022



## **TRUSTEE'S REPORT TO THE UNIT HOLDERS OF RHB ASIAN REAL ESTATE FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 30 September 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, RHB Asset Management Sdn Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines of Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

**For Maybank Trustees Berhad**  
[Company. No.: 196301000109 (5004-P)]

**NORHAZLIANA BINTI MOHAMMED HASHIM**  
Head, Unit Trust & Corporate Operations

Kuala Lumpur  
25 November 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*)

(*Resigned with effect from 30 September 2022*)

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

(*Resigned with effect from 20 June 2022*)

Tuan Syed Ahmad Taufik Albar (*Non-Independent Non-Executive Director*)

(*Appointed with effect from 20 June 2022*)

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

(*Appointed with effect from 30 September 2022*)

### INVESTMENT COMMITTEE MEMBERS

Mr Yap Chee Meng (*Independent Chairman*)

YBhg Dato' Darawati Hussain

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

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

### CHIEF EXECUTIVE OFFICER

Ms Ong Yin Suen

### 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

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Lot 133, Section 20, Sublot 2 & 3  
1st Floor, Jalan Tun Ahmad Zaidi Adruce  
93200 Kuching, Sarawak  
Tel: 082-550 838 Fax: 082-550 508

Yung Kong Abell, Units 1-10  
2nd Floor Lot 365  
Section 50 Jalan Abell  
93100 Kuching, Sarawak  
Tel: 082-245 611 Fax: 082-230 326

Kota Bharu Office  
Ground Floor, No 3486-G  
Jalan Sultan Ibrahim  
15050 Kota Bharu, Kelantan  
Tel: 09-740 6891 Fax: 09-740 6890

Kota Kinabalu Office  
Lot No. C-02-04, 2nd Floor  
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Jalan Tun Fuad Stephens  
88000 Kota Kinabalu  
Sabah  
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Fax: 088-528 685

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581B, Taman Melaka Raya  
75000 Melaka  
Tel: 06-284 4211/ 06-281 4110  
Fax: 06-292 2212

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3rd Floor, 44 Lebuhraya Pantai  
10300 Georgetown, Penang  
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Prai Office  
No 38, First Floor  
Jalan Todak 2  
Seberang Jaya  
13700 Perai, Penang  
Tel: 04-386 6670 Fax: 04-386 6528

<b>TRUSTEE</b>	Maybank Trustees 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 iFAST Capital Sdn Bhd Kenanga Investors Berhad Malayan Banking Berhad Philip Mutual Berhad UOB Kay Hian Securities (M) Sdn Bhd

**RHB**  **Asset Management**

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