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# ASTUTE DIVIDEND MAXIMISER FUND (ADMF)

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## **AUDITED ANNUAL REPORT**

For The Financial Period from 28 February 2022 (Date Launched) to 31  
December 2022

## ASTUTE DIVIDEND MAXIMISER FUND

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### CONTENTS

1. FUND INFORMATION.....	2
2. FUND PERFORMANCE.....	3
3. MANAGER'S REPORT .....	4
4. TRUSTEE'S REPORT .....	9
5. INDEPENDENT AUDITORS' REPORT .....	10
6. STATEMENT BY MANAGER .....	13
6.1 STATEMENT OF AUDITED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	14
6.2 STATEMENT OF AUDITED FINANCIAL POSITION .....	15
6.3 STATEMENT OF AUDITED CHANGES IN NET ASSET VALUE .....	16
6.4 STATEMENT OF AUDITED CASH FLOWS .....	17
6.5 NOTES TO THE AUDITED FINANCIAL STATEMENTS.....	18
7. DIRECTORY.....	42

## 1. FUND INFORMATION

NAME OF FUND	Astute Dividend Maximiser Fund (ADMF)																			
TYPE OF FUND	Income and Growth																			
CATEGORY OF FUND	Equity																			
INVESTMENT OBJECTIVE	The Fund aims to provide regular income* and capital appreciation over a medium to long term investment horizon.																			
PERFORMANCE BENCHMARK	The performance of the Fund will be measured against the FTSE Bursa Malaysia Top 100 Index  “The risk profile of the performance benchmark is not the same as the risk profile of the Fund.”																			
FUND DISTRIBUTION POLICY	Semi-annual, subject to the availability of distributable income after the end of the Fund’s first financial year.  Note: Income will only be distributed from realised income or realised gains.																			
UNITS HELD BY THE MANAGER AND DIRECTORS OF THE MANAGER	<table><tr><th colspan="3"></th><th colspan="3">2022 (Unit)</th></tr><tr><td colspan="3">Nil</td><td colspan="3">-</td></tr></table>									2022 (Unit)			Nil			-				
			2022 (Unit)																	
Nil			-																	
DISCLOSURE ON INCOME DISTRIBUTION	<table><tr><th rowspan="2">Declaration</th><th rowspan="2">Entitlement Date</th><th rowspan="2">Ex Date</th><th rowspan="2">Reinvest Price</th><th colspan="2">NAV</th></tr><tr><th>Before</th><th>After</th></tr><tr><td>Nil</td><td></td><td></td><td></td><td></td><td></td></tr></table>						Declaration	Entitlement Date	Ex Date	Reinvest Price	NAV		Before	After	Nil					
Declaration	Entitlement Date	Ex Date	Reinvest Price	NAV																
				Before	After															
Nil																				

## 2. FUND PERFORMANCE

Summary of performance data is as follows:

	31.12.2022 RM
Portfolio Composition:	
- Equity securities	88.90
- Liquid assets and others	11.10
Net Assets Value (RM)	5,098,889
Number of Units in Circulation	5,105,210
Net Asset Value per Units (RM)	0.9988
Highest NAV Price for the period under review (RM)	1.0122
Lowest NAV Price for the period under review (RM)	0.9649
Total Return for the period under review (RM)	
- Capital growth	(128,634)
- Income distribution	-
Gross Distribution Per Unit (RM)	-
Net Distribution Per Unit (RM)	-
Total Expenses Ratio (TER) (%)	1.90
Portfolio Turnover Ratio (PTR) (times)	0.76

	Total Return		Average Total Return	
	ADMF	Index	ADMF	Index
Since Inception 28 February 2022	-0.12	-6.18	-0.12	-6.18
<i>Annual total return for each of the last five financial year ended</i>		ADMF		Index
Since Inception 28 February 2022		-0.12		-6.18

Source : Bloomberg

**\*Notes:**

1. Total returns as at 31.12.2022. Total returns are calculated based in NAV per unit, adjusted for income distribution, if any.
2. The basis of calculation for the average total return is by dividing the total return by the numbers of years.

**Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.**

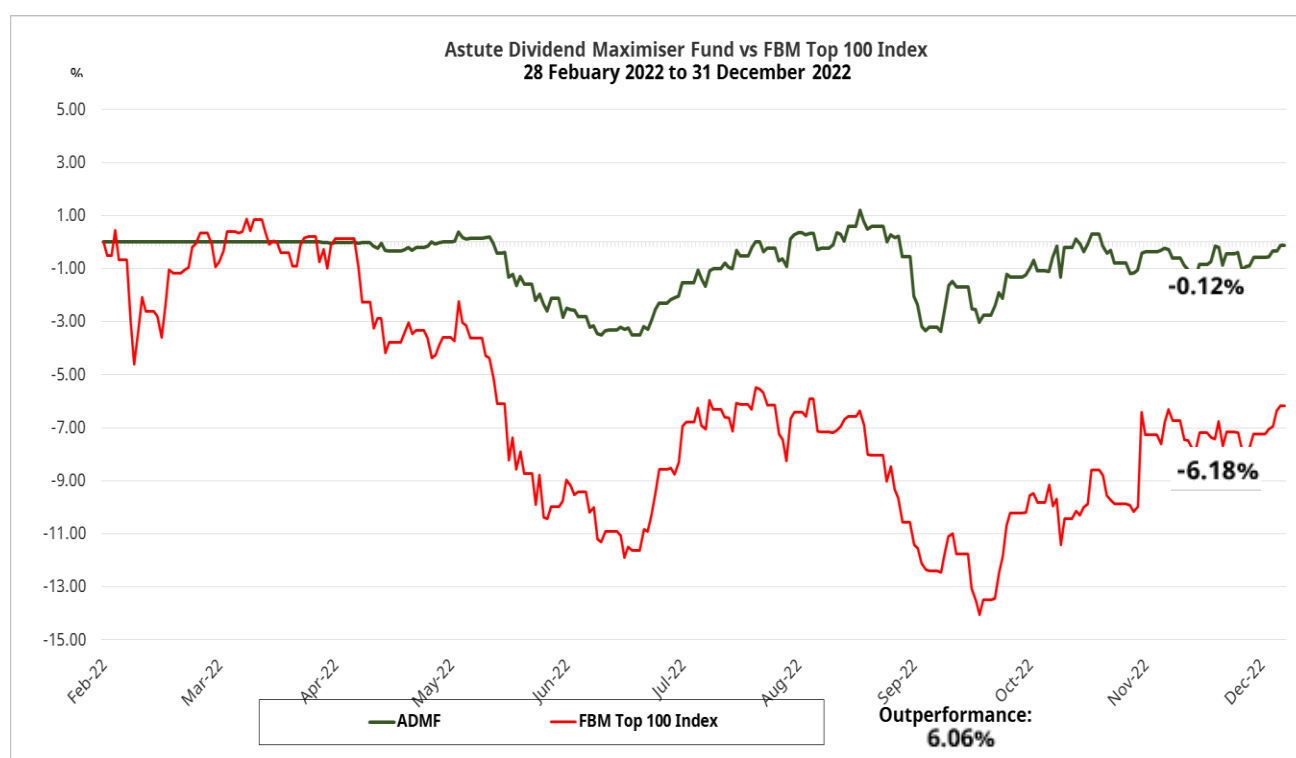
### 3. MANAGER'S REPORT

The Fund has achieved its stated objective to provide regular income\* and capital appreciation over a medium to long term investment horizon. For the period ended 31 December 2022, the Fund had achieved a total return of -0.12% since its inception on 28 February 2022. The benchmark return was -6.18% for the same period.

#### PERFORMANCE ANALYSIS

For the one-year period ended 31 December 2022, the Fund achieved a return of -0.12% compare to the benchmark return of -6.18%, resulting in the outperformance against the benchmark of 6.06%.

#### PERFORMANCE OF ASTUTE DIVIDEND MAXIMISER FUND VS BENCHMARK INDEX SINCE 28 FEBRUARY 2022 TO 31 DECEMBER 2022 ADMF HAS OUTPERFORMED THE BENCHMARK INDEX BY 6.06%

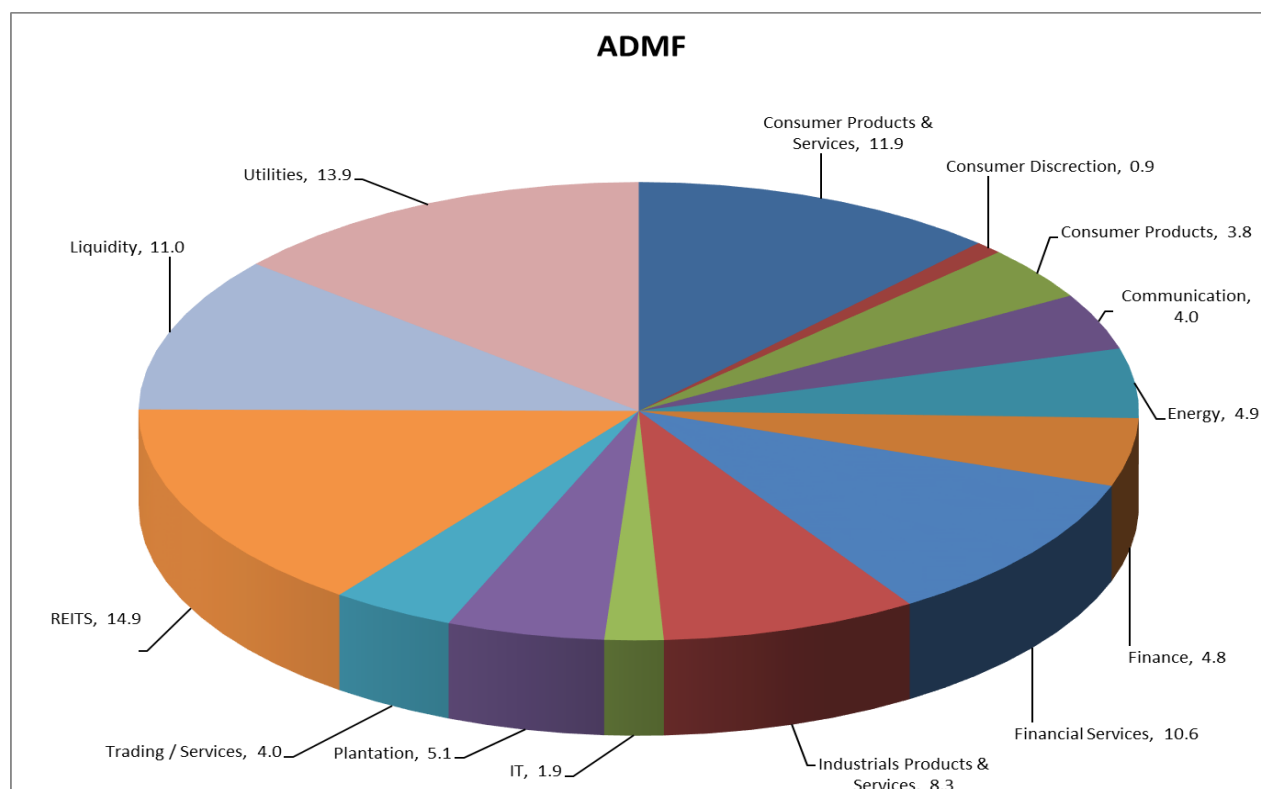


Source: Bloomberg

## STRATEGIES EMPLOYED

The Fund adopts a top-down and bottom-up approach for its investment strategy, recognising that these are not mutually exclusive processes. The investment policy is to invest in companies that are seen to be undervalued as compared to its fair value in the expectation that their share prices will rise at some point to more accurately reflect their true worth. These companies are also likely to have a potential for earnings growth.

## ASSET ALLOCATION



## ASSET ALLOCATION BY SECTOR AS AT 31 DECEMBER 2022

QUOTED SECURITIES	31 DEC 2022	31 DEC 2021
Communication	4.0	-
Construction	-	-
Consumer Discretion	0.9	-
Consumer Products & Services	11.9	-
Consumer Products	3.8	-
Energy	4.9	-
Finance	4.8	-
Financial Services	10.6	-
Fixed Income Securities	-	-
Industrial Products & Services	8.3	-
IT	1.9	-
Liquidity	11.0	-
Plantation	5.1	-

REITs	14.9	-
Technology	-	-
Telecommunication & Media	-	-
Trading/ Services	4.0	-
TSR Loan	-	-
Utilities	13.9	-

## MARKET REVIEW

During the first half of 2022, financial markets were weighed down by various headwinds that arose from high inflation. The start of the Russia-Ukraine war in the first quarter, and China's Covid-19 lockdowns in the second quarter under its zero-tolerance policy crimped commodity supplies and disrupted manufacturing processes and supply chains, leading to high inflation. Central banks worldwide started raising interest rates and tightening monetary policy which slowed economic growth momentum and raised fears of an economic recession.

The first half saw commodity-related equities rallied as crude oil, gas and coal prices rose. Brent oil prices rose above US\$100/bbl as supply tightened alongside rising demand from post-COVID economic recovery. The tight situation led prices to reach a 10-year high of US\$120/bbl by the end of May. The tight supply conditions were exacerbated by the Russia-Ukraine war which led to countries imposing sanctions on Russian exports such as oil, aluminium, natural gas and others. This created knock on effects which sent other commodity prices higher across metals and agricultural commodities.

Alongside the higher commodity equity prices, consumer stocks also rose in the first half of 2022 after the government announced the move to COVID endemic phase and the easing of travel restrictions from April 2022 onwards.

Worldwide, higher commodity prices induced higher inflation. For instance, the US reported that its June 2022 inflation at a four-decade high of 9% YoY, led by higher food and energy costs. The US Federal Reserve and other central banks responded by raising policy rates to curb inflation. In June alone, the US aggressively hiked rates by 75 bps after raising 25 bps in March and 50 bps in May.

Meanwhile, Malaysia only raised its rates by 25 bps in the first half as local inflation numbers are were relatively lower due to higher subsidies from the government. Regardless, the start of the global rate-hiking cycle caused markets to trend lower and sparked fears that an "overly-aggressive" Fed tightening may lead to an economic recession.

The second half of 2022 saw an acceleration of the global rate hike cycle as central banks moved to cool inflation. The US Federal Funds Effective Rate ("US FFER") rose from 1.21% in June to 4.10% in December. As rates rose, the US 10-year Treasury yields rose from 2.95% at the end of June to peak at 4.21% in mid-October. Between July to December, Malaysia raised the Overnight Policy Rate from 2.00% to 2.75% in attempts to keep pace with the US FFER whilst mitigating the Malaysian Ringgit's decline against the US Dollar.

Companies and sectors with high borrowings, operating in cyclical, industrials and technology sectors and markets were hard-hit by the rising inflation, interest rates (lowering profitability), downturn in semiconductor and smartphone sales, higher bond yields (impacting stock valuations). Global

chipmakers started guiding for lower sales and expansion expenditures for 2023. Amidst rising concerns of high interest rates causing economies to fall into a recession, commodity prices started declining. As recession risks heightened, even production cuts in crude oil failed to sustain prices as it fell from nearly US\$130/bbl to the US\$70/bbl levels. Other commodity prices started to decline from the third quarter onwards.

In the fourth quarter of 2022, uncertainties in the run-up to Malaysia's general elections persisted to the year-end even though the new Prime Minister gained a motion of confidence in Parliament. Reprieve was seen after global markets rebounded from intra-year lows in October after US inflation started declining as commodity prices fell, COVID-related logistics bottlenecks eased and China rapidly reversed from its zero-tolerance policy on COVID. The US Fed Fund futures also implied a peaking of US interest rates at 5.00% in the first half of 2023, prompting regional and local technology sectors to rebound in the fourth quarter of 2022.

During the year, the main sectors that outperformed the local market benchmark were plantations (fears of edible oil shortages from the Russia-Ukraine war), construction (driven by capital repayments by a large-cap contractor), consumer (rebound in spending after Malaysia relaxed travel restrictions in April 2022), financials (expansion in net interest margins from rising OPR and rebound in loans growth from economic reopening), transportation (benefitted from the relaxation of COVID-19 travel restrictions and rebound in trade) and utilities (defensive during volatile markets).

Sectors that underperformed the market barometer on a full-year basis were technology (due to downturn in the global technology cycle and higher bond yields), healthcare (fall in glove selling prices as COVID transited to endemic stage and travel restrictions were lifted), and property (impacted by rising interest rates).

## **MARKET OUTLOOK**

The Fund benefitted from the rotation from "growth" stocks such as technology to "value" stocks whose underlying businesses were in primary industries. As the US Fed postured to raise rates this year, growth stocks fell, whereas Malaysia, with a dominant plantation sector, become more attractive as its markets are dominated by "old economy" value plays and beneficiaries of the commodity price surges. This sector reported higher profits and rewarded investors with high dividends. Amidst market volatility, the Fund also added financials, utilities, and consumers, real estate investment trusts and business trusts in Malaysia and in the region.

Going into 2023, the Fund's investment posture is positive. Based on indicators as at the end of December 2022, Malaysia remains cheap at a 2023 price-earnings ratio ("PER") of 14.6x (-1.0 standard deviation, below its 5-year average of 16.1x). Price-to-book ratio and dividend yields are also attractive at 1.4x (below the 5-year average of 1.55x) and 4.3% (above its 5Y average of 3.6%).

Additional upside catalysts for the market includes the end of the US policy rate hike cycle, falling inflation and bond yields (positive for technology, where some are high dividend payout policies), and depreciating US Dollar (positive for funds flows into regional and local equities). In Malaysia, any significant reforms by the new government may be regarded positively by foreign investors and prompt a re-rating of Malaysian equities.



Aside from investing in attractively-valued companies, the Fund is expected to raise exposure to sectors that offer attractive dividend yields and are linked to the China reopening (e.g. hospitality, consumer, commodities, and industrial products) and lower bond yields (e.g. real estate, technology).

## **SOFT COMMISSION**

The Manager will retain soft commissions received from stockbrokers, provided they are of demonstrable benefit to the Unit Holders. The soft commissions may take form of goods and services such as data and quotation services, computer software and investment related publications which are incidental to the management of the Fund. Rebates, if any, will be directed to the account of the Fund.

During the period under review the Manager received data and quotation services and investment related publications which are incidental to the Fund investment.

#### 4. TRUSTEE'S REPORT

##### To the unit holders of ASTUTE DIVIDEND MAXIMISER FUND



#### TRUSTEE'S REPORT

##### TO THE UNIT HOLDERS OF ASTUTE DIVIDEND MAXIMISER FUND ("Fund")

We have acted as Trustee of the Fund for the financial period from 28 February 2022 (Date of Commencement) to 31 December 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad) has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
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 and on behalf of

**CIMB Commerce Trustee Berhad**

Datin Ezreen Eliza binti Zulkiplee  
Chief Executive Officer

Kuala Lumpur, Malaysia  
27 February 2023

## 5. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF ASTUTE DIVIDEND MAXIMISER FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of **Astute Dividend Maximiser Fund** ("the Fund"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2022 and of its financial performance, changes in net asset value and cash flows of the Fund for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### 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.

#### 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 the information included in the annual 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.

## **5. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF ASTUTE DIVIDEND MAXIMISER FUND (CONT'D)**

### **Responsibilities of the Manager and Trustee for the Financial Statements**

The Manager of the Fund is responsible for the preparation of 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 intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

### **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 skepticism throughout the audit. We also:-

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

## 5. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF ASTUTE DIVIDEND MAXIMISER FUND (CONT'D)

### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'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.
- 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 unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

27 February 2023

**Ooi Song Wan**  
02901/10/2024 J  
Chartered Accountant

## 6. STATEMENT BY MANAGER

We, **Clement Chew Kuan Hock** and **Y.M. Dato' Tunku Ahmad Zahir Bin Tunku Ibrahim**, being two of the directors of **Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad)**, do hereby state that, in the opinion of the Manager, the accompanying financial statements of **Astute Dividend Maximiser Fund** are drawn up in accordance with the Deed, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission Malaysia's Guidelines on Unit Trust Funds so as to give a true and fair view of the financial position of **Astute Dividend Maximiser Fund** as at 31 December 2022 and of its financial performance and cash flows for the financial period ended on that date.

For and on behalf of the Manager

**Astute Fund Management Berhad**  
**(formerly known as Apex Investment Services Berhad)**

**CLEMENT CHEW KUAN HOCK**  
**Director**

Kuala Lumpur, Malaysia  
27 February 2023

**Y.M. DATO' TUNKU AHMAD ZAHIR**  
**BIN TUNKU IBRAHIM**  
**Director**

## 6.1 STATEMENT OF AUDITED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period from 28 February 2022 (Date Launched) to 31 December 2022

	Note	2022 RM
INVESTMENT INCOME		
Gross dividend income		176,059
Interest income from deposits placed with financial institutions		7,736
Realised gain on sale of investments		22,038
Unrealised loss on financial assets at fair value through profit and loss ("FVTPL")		(128,634)
Other income		9
		<hr/> 77,208 <hr/>
LESS: EXPENSES		
Management's fee	4	48,927
Trustee's fee	5	1,631
Auditors' remuneration		4,500
Tax agent's fee		2,750
Administrative expenses		4,706
Transaction costs		18,151
		<hr/> 80,665 <hr/>
GAIN/(LOSSES) ON FOREIGN EXCHANGE		
- realised		10,557
- unrealised		(3,614)
		<hr/>
NET INCOME BEFORE TAXATION		3,486
INCOME TAX EXPENSE	6	(4,469)
		<hr/>
NET LOSS AFTER TAXATION FOR THE FINANCIAL PERIOD		(983)
OTHER COMPREHENSIVE INCOME		-
		<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<hr/> (983) <hr/>
Total comprehensive expense for the financial period is made up as follows:-		
- realised		131,265
- unrealised		(132,248)
		<hr/> (983) <hr/>

The annexed notes form an integral part of these financial statements.

## 6.2 STATEMENT OF AUDITED FINANCIAL POSITION

As At 31 December 2022

	Note	2022 RM
<b>ASSETS</b>		
INVESTMENT		
Quoted investments	7	
- Malaysia		2,922,617
- Outside Malaysia		1,609,608
		<hr/> 4,532,225 <hr/>
OTHER ASSETS		
Dividend receivables		11,743
Cash at bank		569,024
		<hr/> 580,767 <hr/>
TOTAL ASSETS		<hr/> 5,112,992 <hr/>
<b>NET ASSET VALUE ("NAV") AND LIABILITY</b>		
NAV		
Unitholders' capital		5,099,872
Retained earnings		(983)
		<hr/>
TOTAL NAV	8	5,098,889 <hr/>
LIABILITIES		
Sundry payables and accruals		7,660
Amount owing to Manager		6,235
Amount owing to Trustee		208
		<hr/>
TOTAL LIABILITY		14,103 <hr/>
TOTAL NAV AND LIABILITY		<hr/> 5,112,992 <hr/>
NUMBER OF UNITS IN CIRCULATION	8.1	<hr/> 5,105,210 <hr/>
NAV PER UNIT (RM)		<hr/> 0.9988 <hr/>

The annexed notes form an integral part of these financial statements.

*Astute Dividend Maximiser Fund (ADMF)*



### 6.3 STATEMENT OF AUDITED CHANGES IN NET ASSET VALUE

For The Financial Period from 28 February 2022 (Date Launched) to 31 December 2022

	Note	Unitholders' Capital RM	Retained Earnings RM	Total NAV RM
At 28 February 2022 (Date Launched)		-	-	-
Net loss after taxation/Total comprehensive expense for the financial period		-	(983)	(983)
Contribution by and distribution to the unitholders of the Fund:				
- creation of units	8.1	5,143,990	-	5,143,990
- cancellation of units	8.1	(44,118)	-	(44,118)
Total transactions with unitholders of the Fund		5,099,872	-	5,099,872
At 31 December 2022		5,099,872	(983)	5,098,889

The annexed notes form an integral part of these financial statements.

## 6.4 STATEMENT OF AUDITED CASH FLOWS

For The Financial Period from 28 February 2022 (Date Launched) to 31 December 2022

	<b>2022</b> RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	170,663
Purchase of investments	(4,809,485)
Dividend income received	159,847
Interest income received	7,736
Management fee paid	(42,692)
Trustee's fee paid	(1,423)
Other fees and expenses paid	(22,446)
Foreign exchange gain	10,557
Other income	9
<b>NET CASH FOR OPERATING AND INVESTING ACTIVITIES</b>	<b>(4,527,234)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from units created	5,143,990
Payment for cancelled units	(44,118)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>5,099,872</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>572,638</b>
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	<b>(3,614)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>569,024</b>

The annexed notes form an integral part of these financial statements.

## 6.5 NOTES TO THE AUDITED FINANCIAL STATEMENTS

For The Financial Period from 28 February 2022 (Date Launched) to 31 December 2022

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

Astute Dividend Maximiser Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 28 February 2022, between the Manager, Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad), the Trustee, CIMB Commerce Trustee Berhad and the registered unitholders of the Fund.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Seventh Schedule of the Deed. The Fund commenced operations on 28 February 2022 (date launched) and will continue its operations until its termination by the Trustee or the Manager as provided under Clauses 10.1, 10.2 and 10.3 of the Deed.

The investment objective of the Fund is to provide regular income and capital appreciation over a medium to long term investment horizon.

The Manager, Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad), is a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust funds.

The financial statements were approved by the Board of Directors of the Manager on 27 February 2023.

### 2. BASIS OF PREPARATION

The financial statements of the Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

2.1 During the current financial year, the Fund has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Fund’s financial statements.

## 2. BASIS OF PREPARATION (CONT'D)

2.2 The Fund has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Fund upon their initial application.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Fund's accounting policies, the management is not aware of any judgements that have significant effects on the amounts recognised in the financial statements.

There are also no assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3.2 FUNCTIONAL AND FOREIGN CURRENCIES

#### (a) Functional and Presentation Currency

The functional currency of the Fund is the currency of the primary economic environment in which the Fund operates.

The financial statements of the Fund are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency of the Fund.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.2 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

##### (b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### 3.3 INCOME RECOGNITION

The income recognition policies for each of the Fund's major activities are as follows:-

##### (a) Dividend Income

Dividend income from investments is recognised when the right to receive dividend payment is established.

##### (b) Realised Gains or Losses on Sale of Investments

Realised gain or loss on the sale of an investment is recognised when the sales is contracted, based on the sale proceeds less cost which is determined on the weighted average cost basis.

##### (c) Interest Income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rates applicable.

#### 3.4 INCOME TAXES

##### (a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in changes in NAV).

##### (b) Deferred Tax

Deferred tax is recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.4 INCOME TAXES (CONT'D)

##### (b) Deferred Tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in changes in NAV.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

#### 3.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities, or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interests, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

##### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either their amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Debt Instruments*

###### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

###### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

###### (iii) Fair Value through Profit or Loss (FVTPL)

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Fund reclassifies debt instruments when and only when its business model for managing those assets change.

###### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Fund has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Equity Instruments (cont'd)*

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Fund's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

##### (b) Financial Liabilities

###### (i) Financial Liabilities at FVTPL

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

###### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

##### (c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

###### (i) Unitholders' Capital

Unitholders' capital are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

The unitholders' contributions to the Fund meet the criteria of puttable instruments classified as equity instruments under the revised MFRS 132 - Financial Instruments Presentation. Those criteria include:-



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (c) Equity Instruments (Cont'd)

###### (i) Unitholders' Capital (Cont'd)

- the units entitle the holder to a proportionate share of the Fund's NAV;
- 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 on substantially on the profit or loss of the Fund.

###### (ii) NAV Attributable to Unitholders

NAV attributable to unitholders represents the total NAV in the statement of financial position, which is carried at the redemption amount that would be payable at the end of the reporting period if the unitholders exercised the right to redeem units of the Fund.

Units are created or cancelled at prices based on the Fund's NAV per unit at the time of the creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to the unitholders with the total issued and paid-up units as of that date.

###### (iii) Distributions

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a reduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

##### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.6 IMPAIRMENT OF FINANCIAL ASSETS

The Fund recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, receivables, short-term deposits with financial institutions and cash at bank.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Fund always recognises lifetime expected credit losses for receivables, short-term deposits with financial institutions and cash at bank using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Fund's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### 3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

#### 3.8 CLASSIFICATION OF REALISED AND UNREALISED GAINS AND LOSSES

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposal of financial instruments classified as part of at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.9 OPERATING SEGMENTS**

An operating segment is a component of the Fund that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Fund's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### **3.10 FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### **4. MANAGEMENT'S FEE**

Clauses 12.1, 12.2 and 12.3 of the Deed provide that the Manager is entitled to a management fee computed daily on the net asset value attributable to unitholders of the Fund at a maximum rate of 5% per annum. The management fee recognised in the financial statements is computed based on 1.50% per annum for the financial year.

### **5. TRUSTEE'S FEE**

Trustee is entitled to a fee at such rate as may be agreed from time to time between the Manager and the Trustee. The Trustee's fee recognised in the financial statements is computed daily at 0.05% per annum of the net asset value attributable to unitholders of the Fund, with a minimum Fee of RM12,000 per annum.

## 6. INCOME TAX EXPENSE

	2022 RM
Current tax expense for the financial period	4,469
A reconciliation of income tax expense applicable to the net income before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Fund is as follows:-	
	2022 RM
Net income before taxation	3,486
Tax at the statutory tax rate of 24%	837
Tax effects of:-	
Non-taxable income	(44,113)
Net non-taxable gains on investments	23,917
Non-deductible expenses	23,828
Income tax expense for the financial period	4,469

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period.

## 7. QUOTED INVESTMENTS

	Note	2022 RM
Quoted equity investments, at fair value:		
- in Malaysia	7.1	2,309,687
- outside Malaysia	7.2	1,462,731
		3,772,418
Quoted non-equity investments, at fair value		
- in Malaysia	7.3	612,930
- outside Malaysia	7.4	146,877
		759,807

## 7. QUOTED INVESTMENTS

At 31 December 2022	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of the Fund %
<b>7.1 EQUITY INVESTMENTS IN MALAYSIA</b>				
<b><u>BURSA MALAYSIA SECURITIES</u></b>				
<b><u>MAIN MARKET</u></b>				
<b><u>CONSUMER PRODUCTS &amp; SERVICES</u></b>				
Bermaz Auto Berhad	54,200	101,042	115,446	2.26
Heineken Malaysia Berhad	7,600	182,772	191,520	3.76
MBM Resources Berhad	60,000	193,350	196,800	3.86
Padini Holdings Berhad	16,900	53,070	56,615	1.11
Power Root Berhad	22,300	50,153	46,384	0.91
		580,387	606,765	11.90
<b><u>FINANCIAL SERVICES</u></b>				
Bank Islam Malaysia Berhad	62,200	183,717	169,806	3.33
Malayan Banking Berhad	23,192	207,749	201,770	3.96
RHB Bank Berhad	29,340	175,998	169,879	3.33
		567,464	541,455	10.62
<b><u>INDUSTRIAL PRODUCTS &amp; SERVICES</u></b>				
Petronas Chemicals Group Berhad	22,800	199,956	196,080	3.85
SKP Resources Berhad	142,000	218,609	228,620	4.48
		418,565	424,700	8.33
<b><u>PLANTATION</u></b>				
Innoprise Plantations Berhad	162,100	282,673	257,739	5.05
<b><u>UTILITIES</u></b>				
Taliworks Corporation Berhad	253,200	234,336	219,018	4.30
Tenaga Nasional Berhad	27,000	240,712	260,010	5.10
		475,048	479,028	9.40
<b>TOTAL QUOTED EQUITY INVESTMENTS IN MALAYSIA</b>		2,324,137	2,309,687	45.30
<b>7.2 EQUITY INVESTMENTS OUTSIDE MALAYSIA</b>				
<b>IN AUSTRALIA</b>				
<b><u>FINANCE</u></b>				
The Australia and New Zealand Banking Group Limited	2,194	158,579	155,839	3.06
<b>TOTAL INVESTMENT IN AUSTRALIA</b>		158,579	155,839	3.06

## 7. QUOTED INVESTMENTS (CONT'D)

At 31 December 2022 (Cont'd)	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of The Fund %
<b>7.2 EQUITY INVESTMENTS OUTSIDE MALAYSIA</b>				
<b>IN HONG KONG</b>				
<u>COMMUNICATION</u>				
China Mobile Limited	1,500	43,910	43,806	0.86
HKT Trust ANS	30,000	185,841	162,019	3.18
		229,751	205,825	4.04
<u>FINANCE</u>				
Manulife Financial	1,100	87,931	86,038	1.69
<u>TRADING AND SERVICES</u>				
CNOOC Limited	36,000	197,063	202,752	3.98
TOTAL INVESTMENT IN HONG KONG		514,745	494,615	9.71
<b>IN INDONESIA</b>				
<u>ENERGY</u>				
Bukit Asam	37,500	49,989	38,745	0.76
TOTAL INVESTMENT IN INDONESIA		49,989	38,745	0.76
<b>IN SINGAPORE</b>				
<u>CONSUMER PRODUCT</u>				
Bumitama	100,000	199,998	193,676	3.80
<u>IT</u>				
Aztech Global Limited	34,600	100,039	94,271	1.85
<u>UTILITIES</u>				
Keppel Infrastructure	128,300	236,882	227,429	4.46
TOTAL INVESTMENT IN SINGAPORE		536,919	515,376	10.11
<b>IN THAILAND</b>				
<u>CONSUMER STAPLES</u>				
Thai Union Group	21,800	49,201	46,937	0.92

## 7. QUOTED INVESTMENTS (CONT'D)

At 31 December 2022 (Cont'd)	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of The Fund %
<b>7.2 EQUITY INVESTMENTS OUTSIDE MALAYSIA (CONT'D)</b>				
<b>IN THAILAND</b>				
<u>ENERGY</u>				
Banpu Public – NVDR	56,600	99,335	98,789	1.94
PTT Exploration - NVDR	5,000	98,822	112,430	2.20
		198,157	211,219	4.14
TOTAL INVESTMENT IN THAILAND		247,358	258,156	5.06
TOTAL QUOTED EQUITY INVESTMENTS OUTSIDE MALAYSIA		1,507,590	1,462,731	28.70
<b>7.3 QUOTED NON-EQUITY INVESTMENTS IN MALAYSIA</b>				
<u>REITs</u>				
AXIS REIT	119,364	227,517	213,662	4.19
IGB REIT	140,000	232,729	231,000	4.53
YTL Hospitality REIT	182,900	172,266	168,268	3.30
TOTAL QUOTED NON-EQUITY INVESTMENTS IN MALAYSIA		632,512	612,930	12.02
<b>7.4 QUOTED NON-EQUITY INVESTMENTS OUTSIDE MALAYSIA</b>				
<b>IN SINGAPORE</b>				
<u>REITs</u>				
Elite Commercial	59,000	196,624	146,877	2.88
TOTAL QUOTED NON-EQUITY INVESTMENTS OUTSIDE MALAYSIA		196,624	146,877	2.88
<b>TOTAL QUOTED INVESTMENTS</b>		<b>4,660,863</b>	<b>4,532,225</b>	<b>88.90</b>

## 8. TOTAL NET ASSET VALUE

	Note	2022 RM
Unitholders' capital	8.1	5,099,872
Retained earnings:		
- realised reserve	8.2	134,570
- unrealised reserve	8.3	(135,553)
		(983)
		<u>5,098,889</u>

### 8.1 UNITHOLDERS' CAPITAL

	No. of units	2022 RM
As at beginning of the financial period	-	-
Creation of units	5,149,788	5,143,990
Cancellation of units	(44,578)	(44,118)
As at end of the financial period	<u>5,105,210</u>	<u>5,099,872</u>

### 8.2 REALISED RESERVE - DISTRIBUTABLE

	2022 RM
Balance as at beginning of the financial period	-
Net loss for the financial period	(983)
Net unrealised loss on valuation of quoted investments transferred to unrealised reserve	128,634
Unrealised foreign exchange gain transferred from unrealised reserve	3,614
Unrealised foreign exchange gain transferred to unrealised reserve	3,305
Net increase in realised reserve for the financial period	134,570
Balance as at end of the financial period	<u>134,570</u>

### 8.3 UNREALISED RESERVE - NON-DISTRIBUTABLE

	2022 RM
Balance as at beginning of the financial period	-
Net unrealised loss on valuation of quoted investments transferred from realised reserve	(128,634)
Unrealised foreign exchange gain transferred from realised reserve	(3,614)
Unrealised foreign exchange gain transferred to realised reserve	(3,305)
Balance as at end of the financial period	<u>(135,553)</u>



## 9. TOTAL EXPENSE RATIO ("TER")

**2022**  
%

TER 1.90

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The total expense ratio includes annual management's fee, annual trustee's fee, auditors' remuneration and other administrative fee and expenses which is calculated as follows:-

$$\text{TER} = \frac{(A+B+C+D+E) \times 100\%}{F}$$

- A = Management's fee
- B = Trustee's fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Administrative expenses
- F = Average NAV of the Fund calculated on daily basis

The average net asset value of the Fund for the financial period is RM3,288,573.

## 10. PORTFOLIO TURNOVER RATIO ("PTR")

**2022**

PTR (Times) 0.76

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The portfolio turnover ratio is derived from the following calculation:

$$\text{PTR} = \frac{(\text{Total acquisitions for the financial period} + \text{total disposals for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on daily basis}}$$

Where,

total acquisitions for the financial period = RM 4,809,485  
total disposals for the financial period = RM 170,663

## 11. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Fund Manager as its chief investment decision maker in order to allocate resources to segments and to assess their performance.

As this Fund invests in various geographical locations outside Malaysia in addition to its investments in Malaysia, the Fund Manager requires relevant information to allocate the resources of the Fund more effectively to the locations where the investments may give better returns given the related risks involved.

## 11. OPERATING SEGMENT (CONT'D)

### GEOGRAPHICAL SEGMENT

The following table provides an analysis of the results and assets by geographical segments:

#### 2022

	Malaysia RM	Singapore RM	Hong Kong RM	Others RM	Total RM
<b>INVESTMENT INCOME/(LOSS)</b>					
Segment income/(loss) representing segment results:-					
Gross dividend income	119,640	15,379	19,797	21,243	176,059
Realised gain/(loss) on sale of investments	-	-	-	22,038	22,038
Unrealised (loss)/gain on valuation of investments	(34,031)	(71,289)	(20,129)	(3,185)	(128,634)
Interest income	7,736	-	-	-	7,736
Other income	9	-	-	-	9
	93,354	(55,910)	(332)	40,096	77,208
Unallocated expenditure					(80,665)
Net investment loss					(3,457)
Foreign exchange loss:					
- realised	-	(3,840)	(107)	14,504	10,557
- unrealised	-	1,314	37	(4,965)	(3,614)
	-	(2,526)	(70)	9,539	6,943
Net income before taxation					3,486
Income tax expense					(4,469)
Net loss after taxation					(983)
<b>ASSETS</b>					
Investment:-					
Quoted investments/ Segmental assets	2,922,617	662,253	494,615	452,740	4,532,225
Other assets - unallocated					580,767
Total assets					5,112,992
<b>LIABILITIES</b>					
Unallocated liabilities					14,103

## 12. UNITS HELD BY THE MANAGER AND DIRECTORS OF THE MANAGER

There were no units in the Fund held by the Manager or directors of the Manager as at 31 December 2022

### 13. TRANSACTIONS BY THE FUND WITH BROKERS

The transactions entered into by the Fund by value of trade with brokers during the financial period were as follows:-

#### 2022

BROKERS	Value of trade		Brokerage fee	
	RM	%	RM	%
DBS Vickers Securities Singapore PTE LTD	1,869,645	37.50	5,216	45.53
CIMB Investment Bank Berhad	1,298,523	26.05	2,664	23.26
Maybank Investment Bank Berhad	1,027,712	20.62	1,998	17.44
Affin Hwang Investment Bank Berhad	789,387	15.83	1,577	13.77
	<b>4,985,267</b>	<b>100.00</b>	<b>11,455</b>	<b>100.00</b>

### 14. RELATED PARTY DISCLOSURES

#### 14.1 IDENTITIES OF RELATED PARTIES

The Fund has related party relationships with its Manager, Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad) and its Trustee, CIMB Trustees Berhad.

14.2 In addition to the balances detailed elsewhere in the financial statements, the Fund carried out the following transactions with the related parties during the financial period:-

	2022	
	Units	RM
Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad):		
- management fee		48,927
CIMB Trustees Berhad:		
- trustee fee		1,631
<u>Persons related to the Director of the Manager</u>		
- purchase of units in the Fund	1,133,511	1,130,006
- redemption of units in the Fund	(12,630)	(12,489)
	<b>1,120,881</b>	<b>1,117,517</b>

#### 14. RELATED PARTY DISCLOSURES (CONT'D)

14.3 Units of the Fund at market value held by related parties at the end of reporting period are as follows:-

	<b>2022</b>	
	Units	RM
Persons related to the Director of the Manager	1,120,881	1,119,536

#### 15. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the reporting period are as follows:-

	<b>2022</b> RM
United States Dollar	4.4040
Singapore Dollar	3.2827
Hong Kong Dollar	0.5643
Indonesian Rupiah	0.0003
Australian Dollar	2.9857
Great British Pound	5.2967

#### 16. FINANCIAL INSTRUMENTS

The Fund's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Fund's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

##### 16.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

##### (a) Foreign Currency Risk

The Fund's exposure to foreign currencies risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

## 16. FINANCIAL INSTRUMENTS (CONT'D)

### 16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Foreign Currency Risk (Cont'd)

The Fund's exposure to foreign currencies risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

2022	RINGGIT MALAYSIA RM	HONG KONG DOLLAR RM	SINGAPORE DOLLAR RM	OTHERS RM	TOTAL RM
<b>Financial Assets</b>					
Quoted investments	2,922,617	494,615	662,253	452,740	4,532,225
Sundry receivables	11,743	-	-	-	11,743
Cash at bank	569,024	-	-	-	569,024
	3,503,384	494,615	662,253	452,740	5,112,992
<b>Financial Liabilities</b>					
Sundry payables and accruals	7,660	-	-	-	7,660
Amount owing to Manager	6,235	-	-	-	6,235
Amount owing to Trustee	208	-	-	-	208
	14,103	-	-	-	14,103
Net financial assets	3,489,281	494,615	662,253	452,740	5,098,889
Less: Net financial assets denominated in the Fund's functional currency	(3,489,281)	-	-	-	(3,489,281)
<b>Net Currency Exposure</b>	-	494,615	662,253	452,740	1,609,608

## 16. FINANCIAL INSTRUMENTS (CONT'D)

### 16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Foreign Currency Risk (Cont'd)

##### *Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		2022 RM
<b>Effects on Loss After Taxation</b>		
HKD/RM	- strengthened by 5%	- 24,731
	- weakened by 5%	+ 24,731
SGD/RM	- strengthened by 5%	- 33,113
	- weakened by 5%	+ 33,113
Others	- strengthened by 5%	- 22,637
	- weakened by 5%	+ 22,637

There is no impact on the Fund's NAV.

#### (b) Interest Rate Risk

The Fund does not have any interest rate bearing balances at the end of the current reporting period, hence is not exposed to interest rate risk.

#### (c) Particular Stock Risk

Any major price fluctuations of a particular stock invested by the Fund may adversely or favourably impact the NAV of the Fund. However, due to the diversification nature of the unit trust, the impact would not be as major as investing in one particular stock.

##### Particular Stock Risk Sensitivity

The Manager's best estimate of the effect on the net income for the financial period and other comprehensive income due to a reasonable possible change in equity indices, with all other variables held constant is indicated in the table below:-

	Change in equity price	Effects on income for the financial period increase/ (decrease) RM	Effects on equity increase/ (decrease) RM
FTSE Bursa Malaysia KLCI			
<b>2022</b>	+ 1%	23,097	23,097
	- 1%	(23,097)	(23,097)

## 16. FINANCIAL INSTRUMENTS (CONT'D)

### 16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Particular Stock Risk (Cont'd)

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

#### Particular Stock Risk Concentration

The Fund's concentration of equity price risk analysed by the Fund's equity instruments by sector is as follows:

Investment Sector	2022	
	RM	As a % of NAV
REITs	759,807	14.90
Utilities	706,457	13.86
Consumer Products & Services	606,765	11.90
Financial Services	541,455	10.62
Industrial Products & Services	424,700	8.33
Plantation	257,739	5.05
Communication	205,825	4.04
Finance	241,877	4.75
Energy	249,964	4.90
Trading and Services	202,752	3.98
Consumer Product	193,676	3.80
IT	94,271	1.85
Consumer Staples	46,937	0.92
	<hr/> 4,532,225	<hr/> 88.90

#### (d) Liquidity and Cash Flows Risk

Liquidity and cash flow risks refer to the ease to convert investments into cash without significantly incurring loss in value. Stocks issued by smaller companies will face a greater chance of liquidity risk as compared to stocks issued by larger companies. When investing in stocks of smaller companies, the historical volume traded would be analysed to minimise the liquidity risk.

#### (e) Fund Manager's Risk

The performance of the Fund is also influenced by the expertise of the Fund Manager. The investment committee will oversee the activities and performance of the Fund Manager. There is also the risk that the Fund Manager does not adhere to the investment mandate of the Fund. The investment committee and the compliance unit hold primary functions to ensure that the Fund's investment strategy and mandate are adhered to. A compliance checklist and investment performance report shall be presented for review during the investment committee meeting.

## 16. FINANCIAL INSTRUMENTS (CONT'D)

### 16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (f) Credit Risk

The Fund's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from amount owing by a stockbroker and sundry receivables.

#### (i) Credit Risk Concentration Profile

The Fund does not have any major concentration of credit risk related to any individual customer or counterparty.

#### (ii) Maximum Exposure to Credit Risk

As the Fund does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

#### (iii) Assessment of Impairment Losses

At each reporting date, the Fund assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

#### Receivables

The Fund applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. No expected credit loss is recognised as it is negligible.

#### Cash at Bank

The Fund considers cash at bank has low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Fund is of the view that the loss allowance is immaterial and hence, it is not provided for.

### 16.2 CAPITAL RISK MANAGEMENT

The Manager of the Fund manages the capital of the Fund by maintaining an optimal capital structure so as to support its businesses and maximise unitholders value. To achieve this objective, the Manager of the Fund may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to unitholders or undertake a unit splitting exercise to lower the value per unit of the Fund, thus the units become more affordable to raise more funds.



## 16. FINANCIAL INSTRUMENTS (CONT'D)

### 16.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022 RM
<b>Financial Assets</b>	
<u>Mandatorily at FVTPL</u>	
Quoted investments	4,532,225
	<hr/>
<u>Amortised Cost</u>	
Sundry receivables	11,743
Cash at bank	569,024
	<hr/>
	580,767
	<hr/>
<b>Financial Liability</b>	
<u>Amortised Cost</u>	
Sundry payables and accruals	7,660
Amount owing to Manager	6,235
Amount owing to Trustee	208
	<hr/>
	14,103
	<hr/>

### 16.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2022 RM
<b>Financial Assets</b>	
<u>Mandatorily at FVTPL</u>	
Net gain recognised in profit or loss	69,463
	<hr/>
<u>Amortised Cost</u>	
Gain recognised in profit or loss	7,745
	<hr/>

## 16. FINANCIAL INSTRUMENTS (CONT'D)

### 16.5 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair value of the following financial asset is included in level 1 of the fair value hierarchy:-

2022	Fair Value of Financial Instruments Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1	Level 2	Level 3		
	RM	RM	RM		
<u>Financial Asset</u>					
Quoted investments	4,532,225	-	-	4,532,225	4,532,225

The Fund measures its quoted investments that are classified as financial assets at their fair values, determined at their quoted closing bid prices at the end of the reporting period. These financial assets belong to level 1 of the fair value hierarchy.

There were no transfer between level 1 and level 2 during the financial period.

## 17. COMPARATIVE FIGURES

These are the first set of the Fund's financial statements since its date of launching. Hence, no comparative figures are presented.

## 7. DIRECTORY

<b>Manager</b>	Astute Fund Management Berhad (Formerly known as Apex Investment Services Berhad) [199701004894 (420390-M)]	
<b>Registered Office</b>	No.47-1, Jalan SS 18/6, 47500 Subang Jaya, Selangor Darul Ehsan	
<b>Board of Directors</b>	Clement Chew Kuan Hock	Executive and Non-Independent Director
	Wong Fay Lee	Non-Executive and Non-Independent Director
	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Non-Executive and Independent Director
	Azran bin Osman Rani	Non-Executive and Independent Director
	Asgari bin Mohd Fuad Stephens	Non-Executive and Non-Independent Director
<b>Investment Committee</b>	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Independent Member
	Clement Chew Kuan Hock	Non-Independent Member (resigned effective on 08 December 2022)
	Azran bin Osman Rani	Independent Member
	Asgari bin Mohd Fuad Stephens	Non-Independent Member (appointed on 26 April 2022)
<b>Secretary</b>	Ng Chin Chin (MAICSA 7042650) No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan	
<b>Trustee</b>	<b>CIMB Commerce Trustee Berhad [199401027349 (313031-A)]</b> Level 13, Menara CIMB, Jalan Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur	
<b>Auditor and Reporting Accountant</b>	<b>Crowe Malaysia PLT (201906000005 (LLP0018817-LCA) &amp; AF-1018)</b> Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	
<b>Taxation Advisers</b>	<b>Mazars Taxation Services Sdn Bhd (579747-A)</b> Chartered Accountants Wisma Selangor Dredging 7 <sup>th</sup> Floor, South Block 142A, Jalan Ampang 50450 Kuala Lumpur	

**BUSINESS OFFICE**  
**ASTUTE FUND MANAGEMENT BERHAD**  
*(formerly known as APEX INVESTMENT SERVICES BERHAD)*

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