

# ASTUTE DYNAMIC FUND (ADF)

## **UNAUDITED SEMI-ANNUAL REPORT**

For The Six Months Financial Period Ended 30 June 2023

## ASTUTE DYNAMIC FUND

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## 1. FUND INFORMATION

<b>FUND NAME</b>	Astute Dynamic Fund (ADF)
<b>FUND TYPE</b>	Growth
<b>FUNDCATEGORY</b>	Equity
<b>FUND INVESTMENT OBJECTIVE</b>	To seek capital appreciation by investing in equity and equity-related securities.
<b>DURATION OF THE FUND</b>	The fund is an open-ended fund. The fund was launched on 28 March 2006.
<b>FUND PERFORMANCE BENCHMARK</b>	<ul style="list-style-type: none"> <li>❖ 70% of FBM KLCI</li> <li>❖ 30% of Maybank Berhad 1-year fixed deposit rate</li> </ul> <p>(Source : Bursa Malaysia Securities Berhad and Malayan Banking Berhad)</p> <p><i>“The risk profile of the performance benchmark is not the same as the risk profile of the Fund.”</i></p>
<b>FUND DISTRIBUTION POLICY</b>	<p>Distribution is at the discretion of the Manager. If income distributed, it will be automatically re-invested via issuance of additional Units in the Fund.</p> <p>Generally, in the absence of written instructions from the Unitholders, income for the Fund will be automatically reinvested into additional Units of the Fund at NAV per Unit on income payment date. Unitholders who wish to realise any income can do so by redeeming Units held in the Fund.</p> <p>For reinvestment into additional units, no sales charges will be imposed.</p>

## 2. FUND PERFORMANCE

Summary of performance data is as follows:

	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM
<b>Portfolio Composition:</b>			
- Equity securities	89.44	95.68	91.10
- Liquid assets and others	10.56	4.32	8.90
Net Assets Value (RM)	961,051	1,919,662	2,720,530
Number of Units in Circulation	5,731,415	11,819,911	15,652,408
Net Asset Value per Units (RM)	0.1677	0.1624	0.1738
Highest NAV Price for the period under review (RM)	0.1704	0.1783	0.1913
Lowest NAV Price for the period under review (RM)	0.1580	0.1593	0.1675
<b>Total Return for the period under review (RM)</b>			
- Capital growth	23,672	(220,412)	(201,136)
- Income distribution	Nil	Nil	Nil
Gross Distribution Per Unit (RM)	Nil	Nil	Nil
Net Distribution Per Unit (RM)	Nil	Nil	Nil
Total Expense Ratio (TER) (%)	1.24*	1.06	0.98
<i>*The TER for the financial period was higher compared with the previous financial period due to lower average NAV which has resulted in higher TER for certain non-variable expenses.</i>			
Portfolio Turnover Ratio (PTR) (times)	0.56*	0.47	0.36
<i>*the PTR for the financial period was higher compared with previous financial period as there were lower average NAV during the financial period under review.</i>			

	Total Return		Average Total Return	
	ADF	Index	ADF	Index
1 Year	3.26	-2.41	3.26	-2.41
3 Year	19.44	-3.64	6.48	-1.21
5 Year	-6.31	-9.39	-1.26	-1.88
Since Inception 18 May 2006	48.58	45.94	2.84	2.68

Annual total return for each of the last five financial year ended	ADF	Index
31.12.2022	-6.06	-2.44
31.12.2021	3.33	-1.93
31.12.2020	2.58	2.76
31.12.2019	9.82	-3.27
31.12.2018	-27.30	-3.11

Source: Bloomberg

\*Notes:

1. Total returns as at 30.06. 2023. Total returns are calculated based on 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.**

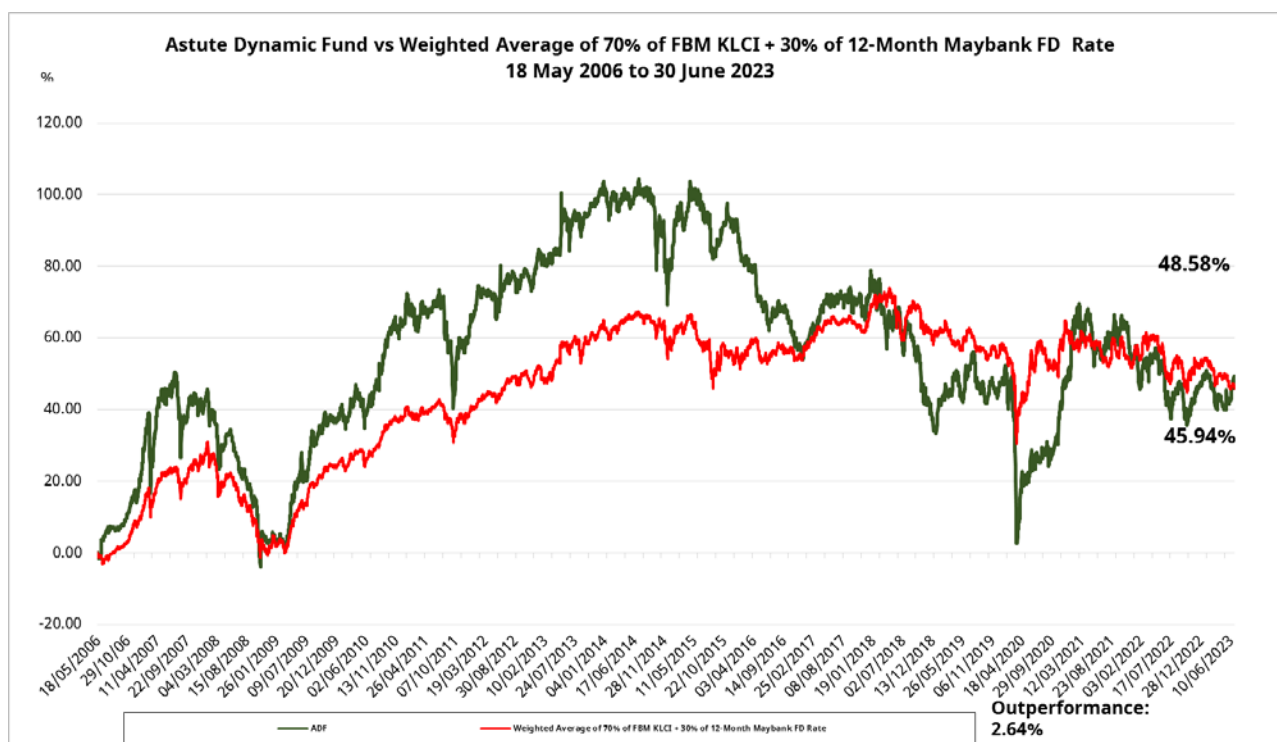
### 3. MANAGER’S REPORT

For the financial period of review, the Fund has achieved its investment objective to seek capital appreciation by investing in equity and equity-related securities. The Fund has provide a total return of 48.58% since its inception as compare to benchmark total return of 45.94%. Hence, the Fund has outperformed the benchmark return by 2.64%.

#### PERFORMANCE ANALYSIS

For the six-month period ended 30 June 2023, the Fund achieved a return of 1.02% against the benchmark return of -5.20%, resulting an outperformance against the benchmark of 6.22%. The total NAV of the Fund decreased to RM 961,051 as at 30 June 2023 from RM 1,773,696 as at 31 December 2022. The decrease in NAV was mainly due to redemption by unitholders.

**PERFORMANCE OF ASTUTE DYNAMIC FUND VS BENCHMARK INDEX  
SINCE 18 May 2006 TO 30 JUNE 2023  
ADF HAS OUTPERFORMED THE BENCHMARK INDEX BY 2.64%**



Source: Bloomberg

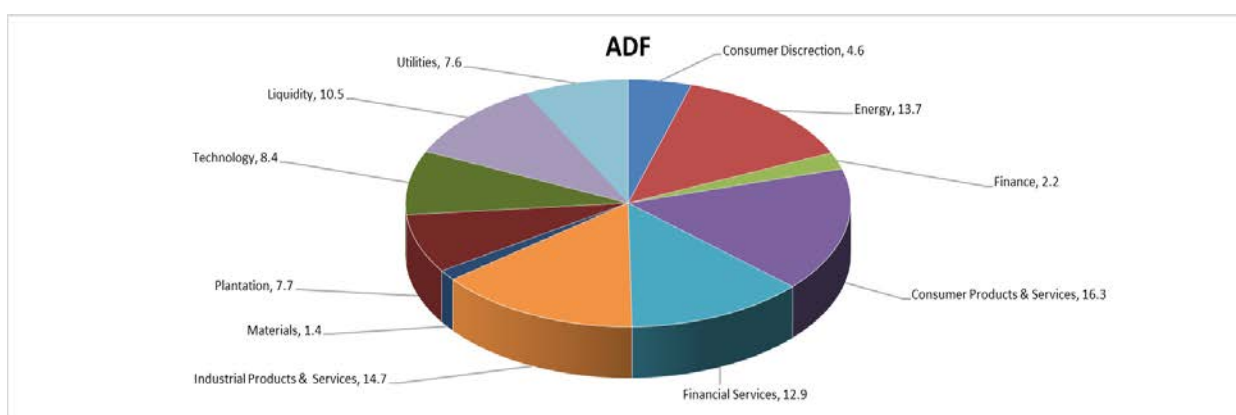
## STRATEGIES EMPLOYED

The Fund had adopted the top-down and bottom up approach for its investment strategy. The investment policy was to invest in mostly undervalued companies with good potential of growth.

The fund consists of only in shares or warrants that were listed on the Bursa Malaysia. In term of market sector, the Fund had concentrated mainly in the areas of Consumer, Energy and Industrial Product & Services.

Investment strategy will remain centered on well-managed liquid stocks that exhibit good growth prospects with strong earning visibility. Stocks with strong cash flows, decent yield and have proactive capital management will also be considered.

## ASSET ALLOCATION



## ASSET ALLOCATION BY SECTOR ASAT 30 JUNE 2023

QUOTED SECURITIES	30 JUNE 2023	30 JUNE 2022
Financial Services	12.9	23.4
Finance	2.2	-
Consumer Discretion	4.6	2.3
Construction	-	3.4
Consumer Products & Services	16.3	11.5
Energy	13.7	14.0
Industrial Products & Services	14.7	13.8
Industrial	-	3.4
Materials	1.4	-
Plantation	7.7	8.4
Real Estate	-	-
Technology	8.4	6.8
Utilities	7.6	8.7
Liquidity	10.5	4.3

## **MARKET REVIEW**

In the early months of 2023, equity markets rose, following through on the buoyancies seen in the fourth quarter of 2022. However, major equity benchmarks fell from February to June 2023.

Global markets continued to contend with rising inflation and interest rates and strong currencies of developed economies, particularly the US, UK, Europe, and Australia as their rate hikes outpaced Asia. The abovementioned developed economies raised rates by 75-150 bps over the last six months, whereas China cut rates by 10 bps and Malaysia raised it by only 25 bps.

The disparities in rates led to weaknesses in Asian currencies and the Malaysian Ringgit (MYR) against the majors. Against the US Dollar, a Bloomberg barometer of Asian currencies fell 2%, the MYR fell 5.5% and China, Malaysia's major trading partner, saw its currency fall 4.5% over the same period.

Commodity prices fell, as fears of recession rose after central banks persisted in raising rates to fight inflation. In the last six months, Malaysia crude palm oil and crude oil spot prices fell by 18% and 16% respectively to their lowest points in June 2023. These weighed on Malaysian and commodity-producers in ASEAN.

Geopolitics also weighed on local and regional markets. Military tensions between China and Taiwan and bans in exports of technologically-sensitive materials and components between China and US added to regional volatility. Amidst the tensions, the lack of policy stimulus in China failed to ignite global and regional demand for products and materials from the rest of Asia.

Corporate earnings for first quarter 2023 disappointed, leading to cuts in earnings outlook. From January to June 2023, Bloomberg consensus earnings forecast for full year 2023 for Asia have been revised downwards by 8.8% whereas Malaysia's earnings for this year have been cut by 7.4%.

## **MARKET OUTLOOK**

We believe the equity market's decline has priced-in the risk of economic recession. As such, equities are now attractively-valued. Bloomberg consensus estimates the global and Malaysian economies will avert recessions, as evidenced by the upgrades in 2023 GDP growth forecasts for the world, from 2.1% to 2.6%, and for Malaysia, from 4.0% to 4.2% over the last six months.

Global and local interest rates are also on track to peak later in 2023, as evidenced by falling inflation. After US inflation dipped to 3% in June 2023, the US Federal Reserve paused its rate hike cycle, the first time in 15 months. The US interest rate futures market are now indicating cuts in interest rates in late 2024 and going into 2025. We expect Malaysia to follow the global rate cut cycle if it materialises.

Given that developed economies had raised rates by a wider margin against Asian economies, we expect the former's rate cuts to be more pronounced. We expect this will eventually lead to appreciating Asian currencies, which will bring foreign fund flows into the region and Malaysia.

Falling bond yields that accompany lower interest rates outlook is positive for the technology sector. This sector is also at an inflexion point as the global semiconductor downcycle is nearing its end and the outlook is promising given the increasing demand for products linked to artificial intelligence, electric vehicles, and new smartphone models.

We also expect domestic and policy-driven catalysts to drive markets higher. China's commitment to resuscitate its economy through private sector participation in infrastructure, ease property-related restrictions, and support e-commerce platforms' growth is expected to spur consumption and direct investments. This will draw demand for commodities and exports to China, benefiting the region and the rest of the world. Similarly, Malaysia's potential re-initiation of megaprojects may also catalyse the construction and building materials industry, benefiting contractors and suppliers.

#### **SECURITIES FINANCING TRANSACTIONS**

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

#### **DETAILS OF ANY UNIT SPLIT EXERCISE**

The Fund did not carry out any unit split exercise during the financial period under review.

#### **CROSS TRADE**

During the financial period under review, no cross-trade transactions were undertaken by the Manager for the Fund.

#### **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 DYNAMIC FUND ("Fund")



**Maybank Trustees Berhad (196301000109)**  
8th Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur, Malaysia  
Telephone +603 2070 8833 / 2078 8363  
Facsimile +603 2070 9387  
www.maybank2u.com.my

#### TRUSTEE'S REPORT

##### To the unit holders of ASTUTE DYNAMIC FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 June 2023 and hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Astute Fund Management Berhad has operated and managed the Fund during the financial period covered by these unaudited financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and Guidelines on 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**  
[Co. No.: 196301000109 (5004-P)]

A handwritten signature in black ink, appearing to read "Juanita Suhaimi".

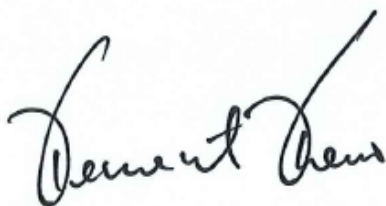
**JUANITA SUHAIMI**  
Unit Head, Unit Trust Operations  
Date: 28 August 2023

## 5. 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**, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements of **Astute Dynamic 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 Dynamic Fund** as at 30 June 2023 and its financial performance, changes in net asset value and cash flows for the financial period then ended.

For and on behalf of the Manager,

**ASTUTE FUND MANAGEMENT BERHAD**



**CLEMENT CHEW KUAN HOCK**

Director



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

Director

Kuala Lumpur, Malaysia

Date: 28 AUG 2023

## 5.1 STATEMENT OF UNAUDITED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Six Months Financial Period Year Ended 30 June 2023

	Note	Financial period ended <b>30.06.2023</b> RM	Financial period ended <b>30.06.2022</b> RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Gross dividend income		30,795	44,975
Realised (losses)/gains on sale of investments		(42,261)	33,565
Unrealised gains/(losses) on financial assets at fair value through profit and loss ("FVPL")		23,672	(220,412)
Other income		1,124	1,013
		<u>13,330</u>	<u>(140,859)</u>
<b>EXPENSES</b>			
Management fee	4	9,311	16,555
Trustee's fee	5	310	552
Auditors' remuneration		3,249	3,439
Tax agent's fee		2,354	1,566
Administrative expenses		143	1,518
Transaction costs		5,135	8,503
		<u>20,502</u>	<u>32,133</u>
<b>NET INVESTMENT EXPENSES</b>		<b>(7,172)</b>	<b>(172,992)</b>
<b>FOREIGN EXCHANGE GAINS/(LOSSES):</b>			
- REALISED		11,173	(11,644)
- UNREALISED		(145)	776
<b>NET INCOME/(LOSS) BEFORE TAXATION</b>		<b>3,856</b>	<b>(183,860)</b>
<b>INCOME TAX EXPENSE</b>	6	<b>(690)</b>	<b>(326)</b>
<b>NET INCOME/(LOSS) AFTER TAXATION FOR THE FINANCIAL PERIOD</b>		<b>3,166</b>	<b>(184,186)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL PERIOD</b>		<b>3,166</b>	<b>(184,186)</b>
<b>Total comprehensive income/(expenses) for the financial period is made up as follows:</b>			
- realised		(20,361)	35,450
- unrealised		23,527	(219,636)

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

## 5.2 STATEMENT OF UNAUDITED FINANCIAL POSITION

At 30 June 2023

	Note	30.06.2023 RM	30.06.2022 RM
<b>ASSETS</b>			
<b>INVESTMENT</b>			
Quoted investments	7	859,610	1,836,684
<b>OTHER ASSETS</b>			
Sundry receivables	8	4,343	1,161
Current tax assets		22,090	22,090
Cash at bank		100,505	78,990
		126,938	102,241
<b>TOTAL ASSETS</b>		<b>986,548</b>	<b>1,938,925</b>
<b>NET ASSET VALUE (“NAV”) AND LIABILITIES</b>			
<b>NAV</b>			
Unitholders’ capital		572,893	1,568,631
Retained earnings		388,158	351,031
<b>TOTAL NAV</b>	9	<b>961,051</b>	<b>1,919,662</b>
<b>LIABILITIES</b>			
Sundry payables and accruals	10	24,298	16,775
Amount owing to Manager		1,160	2,408
Amount owing to Trustee		39	80
<b>TOTAL LIABILITIES</b>		<b>25,497</b>	<b>19,263</b>
<b>TOTAL NAV AND LIABILITIES</b>		<b>986,548</b>	<b>1,938,925</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9.1	<b>5,731,415</b>	<b>11,819,911</b>
<b>NAV PER UNIT (“RM”)</b>		<b>0.1677</b>	<b>0.1624</b>

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

### 5.3 STATEMENT OF UNAUDITED CHANGES IN NET ASSET VALUE

For the Six Months Financial Period Ended 30 June 2023

	Note	Unitholders' capital RM	Retained earnings RM	Total RM
At 1 January 2022		2,110,034	535,217	2,645,251
Net loss after taxation/Total comprehensive expenses for the financial period		-	(184,186)	(184,186)
Contribution by and distributions to the unitholders of the Fund:				
- Creation of units	9.1	1,436	-	1,436
- Cancellation of units	9.1	(542,839)	-	(542,839)
Total transactions with unitholders of the Fund		(541,403)	-	(541,403)
Balance at 30 June 2022		<u>1,568,631</u>	<u>351,031</u>	<u>1,919,662</u>
At 1 January 2023		1,388,704	384,992	1,773,696
Net income after taxation/Total comprehensive income for the financial period		-	3,166	3,166
Contribution by and distributions to the unitholders of the Fund:				
- Creation of units	9.1	1,309	-	1,309
- Cancellation of units	9.1	(817,120)	-	(817,120)
Total transactions with unitholders of the Fund		(815,811)	-	(815,811)
Balance at 30 June 2023		<u>572,893</u>	<u>388,158</u>	<u>961,051</u>

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

## 5.4 STATEMENT OF UNAUDITED CASH FLOWS

For the Six Months Financial Period Ended 30 June 2023

	<b>30.06.2023</b>	<b>30.06.2022</b>
	RM	RM
<b>CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,056,134	1,254,620
Purchase of investments	(315,095)	(844,639)
Dividend income received	26,164	43,913
Management fee paid	(10,327)	(17,503)
Trustee's fee paid	(344)	(583)
Payment for other fees and expenses	(13,108)	(17,602)
Realised foreign exchange losses	(5,889)	(8,545)
Other income received	1,124	1,013
	<hr/>	<hr/>
<b>NET CASH FROM OPERATING AND INVESTING ACTIVITIES</b>	<b>738,659</b>	<b>410,674</b>
	<hr/>	<hr/>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from units created	1,309	1,436
Payment for units cancelled	(817,120)	(545,470)
	<hr/>	<hr/>
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(815,811)</b>	<b>(544,034)</b>
	<hr/>	<hr/>
<b>NET DECREASE IN CASH AT BANK</b>	<b>(77,152)</b>	<b>(133,360)</b>
<b>NET EFFECT ON FOREIGN CURRENCY EXCHANGE</b>	<b>(145)</b>	<b>-</b>
<b>CASH AT BANK AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>177,802</b>	<b>212,350</b>
	<hr/>	<hr/>
<b>CASH AT BANK AT END OF THE FINANCIAL PERIOD</b>	<b>100,505</b>	<b>78,990</b>
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The annexed notes form an integral part of these financial statements

## 5.5 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the Six Months Financial Period Ended 30 June 2023

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

Astute Dynamic Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 28 March 2006, the First Supplemental Deed dated 20 August 2013, the Second Supplemental Deed dated 3 August 2015, between the Manager, Astute Fund Management Berhad, the Trustee and the registered unitholders of the Fund. Third Supplemental Deed dated 15 April 2016 was executed for the change of Trustee from MTrustee Berhad to Maybank Trustees Berhad, the Fourth Supplemental Deed dated 22 April 2022 was executed for the change of the Manager’s name from Apex Investment Services Berhad to Astute Fund Management Berhad, and the Fifth Supplemental Deed dated 11 January 2023 which the amendments essentially entailed on the amendments to the provisions of the Principal Deed to be in line with the Guidelines on Unit Trust Funds revised on 28 November 2022 (“collectively referred to as “the Deeds”) between the Manager, Astute Fund Management Berhad, the Trustee, Maybank Trustees 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 Deeds. The Fund commenced operations on 18 May 2006 (commencement date) and will continue its operations until its termination by the Trustee or the Manager as provided under Clauses 12.1, 12.2 and 12.3 of the Deeds.

The investment objective of the Fund is to seek capital appreciation by investing in equity and equity-related securities.

The Manager, Astute Fund Management Berhad, is a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust and wholesale funds.

### 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”).

- a. During the current financial period, 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

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 standard(s) 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
Amendment to MFRS 17: Initial Application of MFRS 17 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 107 and MFRS 7: Supplier Finance Arrangements	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
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of the above accounting standard(s) 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 period.



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

#### 3.2 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.

#### 3.3 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. Interest, 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.

##### *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.

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

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

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

###### *Debt Instruments (Cont'd)*

###### (i) Amortised Cost (Cont'd)

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.

###### (ii) Fair Value through Profit or Loss (FVPL)

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.

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.

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

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

##### (b) Financial Liabilities

###### (i) Financial Liabilities at FVPL

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:-

- 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.

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

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

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

###### (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.

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

#### 3.5 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.

#### 3.6 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 INCOME TAXES

Current tax assets and liabilities are 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).

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

#### 3.8 OPERATING SEGMENTS

An operating segment is a component of the Fund that engages in business activities from which it may earn income and incur expenses, including income 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.

#### 3.9 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.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

#### 3.10 INCOME RECOGNITION

##### (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 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 profit rates applicable.

#### 4. MANAGEMENT'S FEE

Clause 13.1 of the Deed provides that the Manager is entitled to a management fee computed daily on the net asset value attributable to unitholders of the Fund at a rate not exceeding 2% (30.06.2022 - 2%) per annum. The management fee recognised in the financial statements is based on 1.50% (30.06.2022 - 1.50%) per annum for the financial period.

#### 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% (30.06.2022 - 0.05%) per annum of the net asset value attributable to unitholders of the Fund.

#### 6. INCOME TAX EXPENSE

	<b>30.06.2023</b>	<b>30.06.2022</b>
	RM	RM
Current tax expenses	690	326

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (30.06.2022 – 24%) of the estimated assessable profit for the financial period.

#### 7. QUOTED INVESTMENTS

		<b>30.06.2023</b>	<b>30.06.2022</b>
		RM	RM
Equity investments, at market value:			
- in Malaysia	7.1	741,346	1,386,857
- outside Malaysia	7.2	118,264	449,827
		<u>859,610</u>	<u>1,836,684</u>

## 7. QUOTED INVESTMENTS (CONT'D)

At 30 June 2023

	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>				
Hong Leong Industries Berhad	5,000	46,409	44,800	4.66
Malayan Flour Mills Berhad	51,000	35,583	30,600	3.19
MBM Resources Berhad	13,500	45,389	47,655	4.96
MSM Malaysia Holdings Berhad	30,000	30,424	33,000	3.43
		157,805	156,055	16.24
<b><u>ENERGY</u></b>				
Dialog Group Berhad	29,900	83,727	61,594	6.41
Hibiscus Petroleum Berhad	54,600	48,684	47,229	4.91
		132,411	108,823	11.32
<b><u>FINANCIAL SERVICES</u></b>				
ELK-Desa Resources Berhad	71,400	60,076	89,964	9.36
Malayan Banking Berhad	4,008	33,837	34,589	3.60
		93,913	124,553	12.96
<b><u>INDUSTRIAL PRODUCTS &amp; SERVICES</u></b>				
Hume Cement Industries Berhad-LA	60,000	63,592	141,000	14.67
<b><u>PLANTATION</u></b>				
United Plantations Berhad	4,800	71,363	74,304	7.73
<b><u>TECHNOLOGY</u></b>				
Frontken Corporation Berhad	6,000	19,486	18,900	1.97
Unisem (M) Bhd	15,000	48,696	44,850	4.67
		68,182	63,750	6.64
<b><u>UTILITIES</u></b>				
Taliworks Corporation Berhad	89,400	76,072	72,861	7.58
<b>TOTAL QUOTED EQUITY INVESTMENTS IN MALAYSIA</b>		<b>663,338</b>	<b>741,346</b>	<b>77.14</b>



## 7. QUOTED INVESTMENTS (CONT'D)

At 30 June 2023 (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>CONSUMER DISCRETION</u>				
Alibaba Group Holding Ltd.	600	37,987	29,008	3.02
JNBY Design Ltd.	3,000	18,379	15,165	1.58
		56,366	44,173	4.60
<u>FINANCE</u>				
China Merchants Bank Co. Ltd.	1,000	26,553	21,196	2.20
<u>MATERIALS</u>				
Tianqi Lithium Corporation	400	18,466	12,992	1.35
TOTAL INVESTMENTS IN HONG KONG		101,385	78,361	8.15
<b>IN INDONESIA</b>				
<u>ENERGY</u>				
PT Bukit Asam Tbk	12,900	17,196	10,707	1.11
<b>IN TAIWAN</b>				
<u>TECHNOLOGY</u>				
Hon Hai Precision Industry	1,000	14,498	16,927	1.76
<b>IN THAILAND</b>				
<u>ENERGY</u>				
Banpu Public -NVDR	10,500	18,428	12,269	1.28
TOTAL QUOTED EQUITY INVESTMENTS OUTSIDE MALAYSIA		151,507	118,264	12.30
<b>TOTAL QUOTED INVESTMENTS</b>		<b>814,845</b>	<b>859,610</b>	<b>89.44</b>

## 7. QUOTED INVESTMENTS (CONT'D)

At 30 June 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>				
Genting Malaysia Berhad	31,800	97,589	90,312	4.70
Hong Leong Industries Berhad	5,300	49,386	46,163	2.40
Malayan Flour Mills Berhad	136,700	117,074	84,754	4.42
		264,049	221,229	11.52
<b><u>ENERGY</u></b>				
Dialog Group Berhad	81,000	252,051	172,530	8.99
Hibiscus Petroleum Berhad	96,600	86,133	96,600	5.03
		338,184	269,130	14.02
<b><u>FINANCIAL SERVICES</u></b>				
ELK-Desa Resources Berhad	62,600	79,007	80,754	4.21
Hong Leong Financial Group Berhad	5,600	102,843	103,600	5.40
Malayan Banking Berhad	6,256	52,819	53,739	2.80
		234,669	238,093	12.41
<b><u>INDUSTRIAL PRODUCTS &amp; SERVICES</u></b>				
Hume Cement Industries Berhad-LA	60,000	63,592	85,200	4.44
Malayan Cement Berhad	32,200	93,626	70,840	3.69
Petronas Chemicals Group Berhad	9,400	80,475	84,600	4.41
SKP Resources Bhd	15,200	20,676	23,864	1.24
		258,369	264,504	13.78
<b><u>PLANTATION</u></b>				
Innoprise Plantations Berhad	65,100	97,078	92,442	4.82
United Plantations Berhad	4,900	72,899	68,600	3.57
		169,977	161,042	8.39
<b><u>UTILITIES</u></b>				
Taliworks Corporation Berhad	183,400	156,058	166,894	8.69
<b>TOTAL QUOTED EQUITY INVESTMENTS IN MALAYSIA</b>		<b>1,479,212</b>	<b>1,386,857</b>	<b>72.25</b>

## 7. QUOTED INVESTMENTS (CONT'D)

At 30 June 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>CONSUMER DISCRETION</u>				
Alibaba Group Holding Ltd	700	41,121	44,010	2.29
<u>FINANCIAL</u>				
AIA Group Ltd	1,000	43,217	47,785	2.49
China Merchants Bank Ord Shs H	1,500	45,517	44,246	2.30
Manulife Financial Corporation	500	43,873	38,065	1.98
Postal Savings Bank of China Co., Ltd.	7,000	24,221	24,502	1.28
		156,828	154,598	8.05
<u>INDUSTRIAL</u>				
Pax Global Technology Ltd	12,000	41,616	41,195	2.15
Pentamaster International Ltd	45,000	28,041	23,261	1.21
		69,657	64,456	3.36
<u>TECHNOLOGY</u>				
TravelSky Technology Limited	6,000	47,324	51,376	2.68
Yeahka Limited	1,600	18,906	19,957	1.04
		66,230	71,333	3.72
<b>TOTAL INVESTMENTS IN HONG KONG</b>		<b>333,836</b>	<b>334,397</b>	<b>17.42</b>
<b>IN SINGAPORE</b>				
<u>FINANCIAL</u>				
DBS Group Holdings Ltd	600	61,781	56,413	2.94
<u>TECHNOLOGY</u>				
AEM Holdings Ltd	4,500	66,603	59,017	3.07
<b>TOTAL INVESTMENTS IN SINGAPORE</b>		<b>128,384</b>	<b>115,430</b>	<b>6.01</b>
<b>TOTAL QUOTED EQUITY INVESTMENTS OUTSIDE MALAYSIA</b>		<b>462,220</b>	<b>449,827</b>	<b>23.43</b>
<b>TOTAL QUOTED INVESTMENTS</b>		<b>1,941,432</b>	<b>1,836,684</b>	<b>95.68</b>

The foreign currency exposure profile of the above quoted investments is the total amount of the equity securities in each country's stock exchange as disclosed above.

## 8. SUNDRY RECEIVABLES

	<b>30.06.2023</b> RM	<b>30.06.2022</b> RM
Dividends receivable	4,343	1,161

## 9. TOTAL NET ASSET VALUE

	Note	<b>30.06.2023</b> RM	<b>30.06.2022</b> RM
Unitholders' capital	9.1	572,893	1,568,631
Retained earnings/(Accumulated losses)			
- realised reserve	9.2	343,421	426,620
- unrealised reserve	9.3	44,737	(75,589)
		388,158	351,031
		961,051	1,919,662

### 9.1 UNITHOLDERS' CAPITAL

	<b>30.06.2023</b>		<b>30.06.2022</b>	
	Number of units	RM	Number of units	RM
As at beginning of the financial period	10,682,268	1,388,704	14,972,249	2,110,034
Creation of units	8,001	1,309	8,308	1,436
Cancellation of units	(4,958,854)	(817,120)	(3,160,646)	(542,839)
As at end of the financial period	5,731,415	572,893	11,819,911	1,568,631

### 9.2 REALISED RESERVE – DISTRIBUTABLE

	<b>30.06.2023</b> RM	<b>30.06.2022</b> RM
Balance as at beginning of the financial period	356,647	402,543
Net income/(loss) for the financial period	3,166	(184,186)
Net unrealised gains/(losses) on valuation of quoted investments transferred to unrealised reserve	(23,672)	220,412
Unrealised foreign exchange (losses)/gains transferred to unrealised reserve	145	(776)
Realised foreign exchange gains/(losses) transferred from unrealised reserve during the period	7,135	(11,373)
Net (decrease)/increase in realised reserve for the financial period	(13,226)	24,077
Balance as at end of the financial period	343,421	426,620

## 9. TOTAL NET ASSET VALUE (CONT'D)

### 9.3 UNREALISED RESERVE - NON-DISTRIBUTABLE

	<b>30.06.2023</b> RM	<b>30.06.2022</b> RM
Balance as at beginning of the financial period	28,345	132,674
Net unrealised gains/(losses) on valuation of quoted investments transferred from realised reserve	23,672	(220,412)
Unrealised foreign exchange (losses)/gains transferred from realised reserve	(145)	776
Realised foreign exchange gains/(losses) transferred to realised reserve during the period	(7,135)	11,373
Balance as at end of the financial period	<u>44,737</u>	<u>(75,589)</u>

## 10. SUNDRY PAYABLES AND ACCRUALS

	<b>30.06.2023</b> RM	<b>30.06.2022</b> RM
Amount due to broker	9,852	-
Accruals	14,446	16,775
	<u>24,298</u>	<u>16,775</u>

## 11. TOTAL EXPENSE RATIO

	<b>30.06.2023</b> %	<b>30.06.2022</b> %
Total Expense Ratio ("TER")	<u>1.24</u>	<u>1.06</u>

The TER 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 RM1,241,847 (30.06.2022 – RM2,231,115).

## 12. PORTFOLIO TURNOVER RATIO

	<b>30.06.2023</b>	<b>30.06.2022</b>
	Times	Times
Portfolio Turnover Ratio ("PTR")	0.56	0.47

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 323,708	(30.06.2022: RM 844,639)
Total disposals for the financial period	= RM 1,060,030	(30.06.2022: RM1,254,620)

## 13. OPERATING SEGMENT

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.

The Fund Manager requires such information to allocate the resources more effectively to the following two segments:-

- 13.1 Geographical segment - allocate resources to invest in various countries; and
- 13.2 Investment segment - allocate resources to invest in quoted investments and liquid assets.

Investment segment has not been presented as the investments of the Fund are mainly concentrated on equity securities.

### 13. OPERATING SEGMENT (CONT'D)

#### GEOGRAPHICAL SEGMENT

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

**30.06.2023**

	Malaysia RM	Hong Kong RM	Others RM	Total RM
<b>INVESTMENT INCOME/(LOSS)</b>				
Segment income/(loss) representing segment results:-				
Gross dividend income	24,280	506	6,009	30,795
Realised losses on sale of investments	(11,125)	(1,345)	(29,791)	(42,261)
Unrealised gains/(losses) on valuation of investments	45,744	(27,912)	5,840	23,672
Other income	1,124	-	-	1,124
	60,023	(28,751)	(17,942)	13,330
Unallocated expenditure				(20,502)
Net investment expenses				(7,172)
Foreign exchange gains/(losses):				
- realised	-	8,039	3,134	11,173
- unrealised	-	-	(145)	(145)
	-	8,039	2,989	11,028
Net income before taxation				3,856
Income tax expense				(690)
Net income after taxation				3,166
<b>Assets</b>				
Investments:-				
Quoted investments/ Segmental Asset	741,346	78,361	39,903	859,610
Other assets - unallocated				126,938
Total assets				986,548
<b>Liabilities</b>				
Unallocated liabilities				25,497

### 13. OPERATING SEGMENT (CONT'D)

#### GEOGRAPHICAL SEGMENT (CONT'D)

30.06.2022

	Malaysia RM	Hong Kong RM	Indonesia RM	Others RM	Total RM
<b>INVESTMENT (LOSS)/INCOME</b>					
Segment (loss)/income representing segment results:-					
Gross dividend income	39,845	1,672	1,632	1,826	44,975
Realised gain/(loss) on sale of investments	105,644	(55,707)	(17,030)	658	33,565
Unrealised (loss)/gain on valuation of investments	(304,253)	55,174	41,620	(12,953)	(220,412)
Other income	1,009	4	-	-	1,013
	(157,755)	1,143	26,222	(10,469)	(140,859)
Unallocated expenditure					(32,133)
Net investment expenses					(172,992)
Foreign exchange (loss)/gain:					
- realised	-	6,425	(9,974)	(8,095)	(11,644)
- unrealised	-	263	119	394	776
	-	6,688	(9,855)	(7,701)	(10,868)
Net loss before taxation					(183,860)
Income tax expense					(326)
Net loss after taxation					(184,186)
<b>Assets</b>					
Investments:-					
Quoted investments/ Segmental Asset	1,386,857	334,397	-	115,430	1,836,684
Other assets - unallocated					102,241
Total assets					1,938,925
<b>Liabilities</b>					
Unallocated liabilities					19,263



#### 14. 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 30 June 2023 (30.06.2022 - NIL).

#### 15. TRANSACTIONS BY THE FUND WITH BROKERS

Transactions by the Fund with brokers during the financial period were as follows:-

30.06.2023	Value of trade		Brokerage fees	
	RM	%	RM	%
CIMB Investment Bank Berhad	418,195	30.28	848	29.87
Maybank Investment Bank Berhad	368,256	26.66	740	26.06
CCB International (Singapore) Pte. Ltd.	269,970	19.55	541	19.06
Affin Hwang Investment Bank Berhad	151,294	10.96	325	11.45
DBS Vickers Securities (Singapore) Pte. Ltd.	125,282	9.07	313	11.02
Hong Leong Investment Bank Berhad	48,082	3.48	72	2.54
	<u>1,381,079</u>	<u>100.00</u>	<u>2,839</u>	<u>100.00</u>

30.06.2022	Value of trade		Brokerage fees	
	RM	%	RM	%
Affin Hwang Investment Bank Berhad	559,032	26.68	1,182	24.73
Maybank Investment Bank Berhad	529,802	25.28	1,113	23.27
CIMB Investment Bank Berhad	486,046	23.19	1,063	22.23
DBS Vickers Securities Singapore Pte Ltd	454,167	21.67	1,290	26.99
CCB International Securities Limited	66,644	3.18	133	2.78
	<u>2,095,691</u>	<u>100.00</u>	<u>4,781</u>	<u>100.00</u>

#### 16. RELATED PARTY DISCLOSURES

##### 16.1 IDENTITIES OF RELATED PARTIES

The Fund has related party relationships with its Manager, Astute Fund Management Berhad and its Trustee, Maybank Trustees Berhad.

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

16.2 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:-

	30.06.2023 RM	30.06.2022 RM
Astute Fund Management Berhad - management's fee	9,311	16,555
Maybank Trustees Berhad: - trustee's fee	310	552

## 17. 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:-

	30.06.2023 RM	30.06.2022 RM
Hong Kong Dollar	0.5954	0.5619
Indonesian Rupiah	0.0003	0.0003
Singapore Dollar	3.4479	3.1679
Taiwan Dollar	0.1498	0.1482
Thai Baht	0.1320	0.1247
United States Dollar	4.6660	4.4087

## 18. 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.

### 18.1 FINANCIAL RISK MANAGEMENT POLICIES

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

#### (a) Foreign Currency Risk

The Fund is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar, Hong Kong Dollar and Indonesian Rupiah. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

## 18. FINANCIAL INSTRUMENTS (CONT'D)

### 18.1 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:-

#### *Foreign Currency Exposure*

<b>30.06.2023</b>	Hong Kong Dollar RM	Other Currencies RM	Ringgit Malaysia RM	Total RM
<b>Financial Assets</b>				
Quoted investments	78,361	39,903	741,346	859,610
Sundry receivables	-	3,934	409	4,343
Cash at bank	968	27,138	72,399	100,505
	<hr/>	<hr/>	<hr/>	<hr/>
	79,329	70,975	814,154	964,458
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial Liabilities</b>				
Sundry payables and accruals	-	-	24,298	24,298
Amount owing to Manager	-	-	1,160	1,160
Amount owing to Trustee	-	-	39	39
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	25,497	25,497
	<hr/>	<hr/>	<hr/>	<hr/>
Net financial assets	79,329	70,975	788,657	938,961
Less: Net financial assets denominated in the functional currency	-	-	(788,657)	(788,657)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Currency exposure</b>	79,329	70,975	-	150,304
	<hr/>	<hr/>	<hr/>	<hr/>

## 18. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### *Foreign Currency Exposure (Cont'd)*

<b>30.06.2022</b>	United States Dollar RM	Hong Kong Dollar RM	Other Currencies RM	Ringgit Malaysia RM	Total RM
<b>Financial Assets</b>					
Quoted investments	-	334,397	115,430	1,386,857	1,836,684
Sundry receivables	-	-	195	966	1,161
Bank balances	37,595	-	-	41,395	78,990
	<u>37,595</u>	<u>334,397</u>	<u>115,625</u>	<u>1,429,218</u>	<u>1,916,835</u>
<b>Financial Liabilities</b>					
Sundry payables and accruals	-	-	-	16,775	16,775
Amount owing to Manager	-	-	-	2,408	2,408
Amount owing to Trustee	-	-	-	80	80
	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,263</u>	<u>19,263</u>
Net financial assets	37,595	334,397	115,625	1,409,955	1,897,572
Less: Net financial assets denominated in the functional currency	-	-	-	(1,409,955)	(1,409,955)
<b>Currency exposure</b>	<u>37,595</u>	<u>334,397</u>	<u>115,625</u>	<u>-</u>	<u>487,617</u>

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against functional currency of the Fund does not have material impact on the income/(loss) after taxation and other comprehensive income/(expenses) of the Fund and hence, no sensitivity analysis is presented.

## 18. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (b) Interest Rate Risk

Cash and other fixed income securities are particularly sensitive to movements in interest rates. When interest rate rises, the return on cash and the value of fixed income securities will rise whilst it will be vice versa if there is a fall, thus affecting the NAV of the Fund.

The Fund does not have any significant balances which are subject to interest rate risk as defined in MFRS 7, 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

Particular stock risk sensitivity is not presented as a reasonable possible change in any one equity index will not have a significant impact on the financial performance of the Fund.

##### Particular Stock Risk Concentration

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

	30.06.2023		30.06.2022	
	RM	As a % of NAV	RM	As a % of NAV
Consumer Products & Services	156,055	16.24	221,229	11.52
Industrial Products & Services	141,000	14.67	264,504	13.78
Energy	131,799	13.71	269,130	14.02
Financial services	124,553	12.96	449,104	23.40
Technology	80,677	8.40	130,350	6.79
Plantation	74,304	7.73	161,042	8.39
Utilities	72,861	7.58	166,894	8.69
Consumer Discretion	44,173	4.60	44,010	2.29
Finance	21,196	2.20	-	-
Materials	12,992	1.35	-	-
Construction	-	-	65,965	3.44
Industrials	-	-	64,456	3.36
	<u>859,610</u>	<u>89.44</u>	<u>1,836,684</u>	<u>95.68</u>

## 18. FINANCIAL INSTRUMENTS (CONT'D)

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

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

Liquidity risk refers 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.

#### (f) Credit Risk

The Fund's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from 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.

## 18. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (f) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses

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

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) 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.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>30.06.2023</b>				
Current (not past due)	4,343	-	-	4,343
<b>30.06.2022</b>				
Current (not past due)	1,161	-	-	1,161

##### Cash at bank

The Fund considers the banks and financial institutions have 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.

### 18.2 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.

## 18. FINANCIAL INSTRUMENTS (CONT'D)

### 18.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<b>30.06.2023</b>	<b>30.06.2022</b>
	RM	RM
<b>Financial Assets</b>		
<u>Mandatorily at FVPL</u>		
Quoted investments	859,610	1,836,684
<u>Amortised Cost</u>		
Sundry receivables	4,343	1,161
Cash at bank	100,505	78,990
	<u>104,848</u>	<u>80,151</u>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Accruals	24,298	16,775
Amount owing to Manager	1,160	2,408
Amount owing to Trustee	39	80
	<u>25,497</u>	<u>19,263</u>

### 18.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	<b>30.06.2023</b>	<b>30.06.2022</b>
	RM	RM
<b>Financial Assets</b>		
<u>Mandatorily at FVPL</u>		
Net gains/(losses) recognised in profit or loss	12,206	(141,872)
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	1,124	1,013



## 18. FINANCIAL INSTRUMENTS (CONT'D)

### 18.5 FAIR VALUE INFORMATION

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

The financial instruments of the Fund at the end of the reporting period that are carried at fair values analysed into level 1 to 3 are as follows:-

	Fair Value of Financial Instruments			Total Fair Value	Carrying Amount
	Carried at Fair Value				
	Level 1	Level 2	Level 3		
<b>30.06.2023</b>	RM	RM	RM	RM	RM
<u>Financial Asset</u>					
Quoted investments	859,610	-	-	859,610	859,610
<hr/>					
<b>30.06.2022</b>					
<u>Financial Asset</u>					
Quoted investments	1,836,684	-	-	1,836,684	1,836,684
<hr/>					

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.

## 6. CORPORATE DIRECTORY

<i>Manager Business Office</i>	Astute Fund Management Berhad [199701004894 (420390-M)]	
	3 <sup>rd</sup> Floor, Menara Dungun 46 Jalan Dungun Damansara Heights 50490 Kuala Lumpur	
<i>Registered Office</i>	No.47-1, Jalan SS 18/6, 47500 Subang Jaya, Selangor Darul Ehsan	
<i>Board of Directors</i>	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
<i>Investment Committee</i>	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Independent Member
	Azran bin Osman Rani	Independent Member
	Asgari bin Mohd Fuad Stephens	Non-Independent Member (appointed on 26 April 2022)
<i>Company Secretaries</i>	Ng Chin Chin (MAICSA 7042650) No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan	
<i>Trustee</i>	<b>Maybank Trustees Berhad [196301000109 (5004-P)]</b> 8 <sup>th</sup> Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur	
<i>Auditor and Reporting Accountant</i>	<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	
<i>Taxation Advisers</i>	<b>Mazars Taxation Services Sdn Bhd (579747-A)</b> Wisma Golder Eagle Realty, 11 <sup>th</sup> Floor, South Block, No.142-A, Jalan Ampang, Kuala Lumpur 50450 Malaysia.	

**BUSINESS OFFICE  
ASTUTE FUND MANAGEMENT BERHAD**

3<sup>rd</sup> Floor, Menara Dungun  
46, Jalan Dungun  
Damansara Heights  
50490 Kuala Lumpur