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# ASTUTE DANA AL-SOFI-I (ADAS-I)

(formerly known as Apex Dana Al-Sofi-I)

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## **UNAUDITED SEMI-ANNUAL REPORT**

For The Six Months Financial Period Ended 31 December 2022

**ASTUTE DANA AL-SOFI-I**  
**(formerly known as Apex Dana Al-Sofi-I)**

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**CONTENTS**

1. FUND INFORMATION.....	2
2. FUND PERFORMANCE.....	3
3. MANAGER'S REPORT .....	4
4. TRUSTEE'S REPORT .....	8
5. SHARIAH ADVISER'S REPORT .....	9
6. STATEMENT BY MANAGER .....	10
6.1 STATEMENT OF UNAUDITED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	11
6.2 STATEMENT OF UNAUDITED FINANCIAL POSITION .....	12
6.3 STATEMENT OF UNAUDITED CHANGES IN NET ASSET VALUE .....	13
6.4 STATEMENT OF UNAUDITED CASH FLOWS .....	14
6.5 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS.....	15
7. DIRECTORY.....	40

## 1. FUND INFORMATION

NAME OF FUND	Astute Dana Al-Sofi-I (ADAS-I) (formerly known as Apex Dana Al-Sofi-I)																
TYPE OF FUND	Growth																
CATEGORY OF FUND	Equity																
INVESTMENT OBJECTIVE	To seek capital appreciation by investing in equity and equity-related securities which adhere to Syariah principles.																
PERFORMANCE BENCHMARK	The performance of the Fund will be measured against the FBMS. (Source is from Bursa Malaysia) <i>“The risk profile of the performance benchmark is not the same as the risk profile of the Fund.”</i>																
FUND DISTRIBUTION POLICY	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.  Generally, in the absence of written instructions from the Unit holders, distribution from the Fund will be automatically reinvested via issuance of additional Units in the Fund at the NAV per Unit on income payment date. Unit holders who wish to realise any income can do so by redeeming Units held in the Fund.  For reinvestment into additional units, no sales charges will be imposed.																
UNITS HELD BY THE MANAGER AND DIRECTORS OF THE MANAGER	<table><tr><th></th><th>2022 (Unit)</th><th>2021 (Unit)</th></tr><tr><td>Nil</td><td></td><td></td></tr></table>						2022 (Unit)	2021 (Unit)	Nil								
	2022 (Unit)	2021 (Unit)															
Nil																	
DISCLOSURE ON INCOME DISTRIBUTION	<table><tr><th>Declaration</th><th>Entitlement Date</th><th>Ex Date</th><th>Reinvest Price</th><th>NAV Before</th><th>NAV After</th></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>					Declaration	Entitlement Date	Ex Date	Reinvest Price	NAV Before	NAV After						
Declaration	Entitlement Date	Ex Date	Reinvest Price	NAV Before	NAV After												

## 2. FUND PERFORMANCE

Summary of performance data is as follows:

	31.12.2022	31.12.2021	31.012.2020
	RM	RM	RM
Portfolio Composition:			
- Equity securities	84.53	88.21	88.91
- Shariah-compliant securities	-	-	4.61
- Liquid assets and others	15.47	11.78	6.48
Net Assets Value (RM)	45,103,325	50,367,141	54,343,036
Number of Units in Circulation	213,144,156	213,528,278	242,237,792
Net Asset Value per Units (RM)	0.2116	0.2359	0.2243
Highest NAV Price for the period under review (RM)	0.2116	0.2472	0.2262
Lowest NAV Price for the period under review (RM)	0.1936	0.2260	0.1890
Total Return for the period under review (RM)			
- Capital Growth	480,548	538,336	12,743,352
- Income distribution	Nil	Nil	Nil
Gross Distribution Per Unit (RM)	Nil	Nil	Nil
Net Distribution Per Unit (RM)	Nil	Nil	Nil
Total Expenses Ratio (TER) (%)	0.82*	0.82	0.83
*there was no significant changes in the TER.			
Portfolio Turnover Ratio (PTR) (times)	0.18*	0.13	0.30
*the PTR for the financial period was higher compared with previous financial period as there were increased investment activities during the financial period under review.			

	Total Return		Average Total Return	
	ADAS-I	Index	ADAS-I	Index
1 Year	-6.29	-10.80	-6.29	-10.80
3 Year	8.37	-8.45	2.79	-2.81
5 Year	6.30	-17.77	1.26	-3.55
Since Inception 28 August 2003	134.41	103.39	6.94	5.34
Annual total return for each of the last five financial year ended				
		ADAS-I		Index
30.06.2022		-7.46		-13.75
30.06.2021		20.97		1.15
30.06.2020		-9.67		-0.77
30.06.2019		4.92		0.33
30.06.2018		-7.47		-5.69

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.**

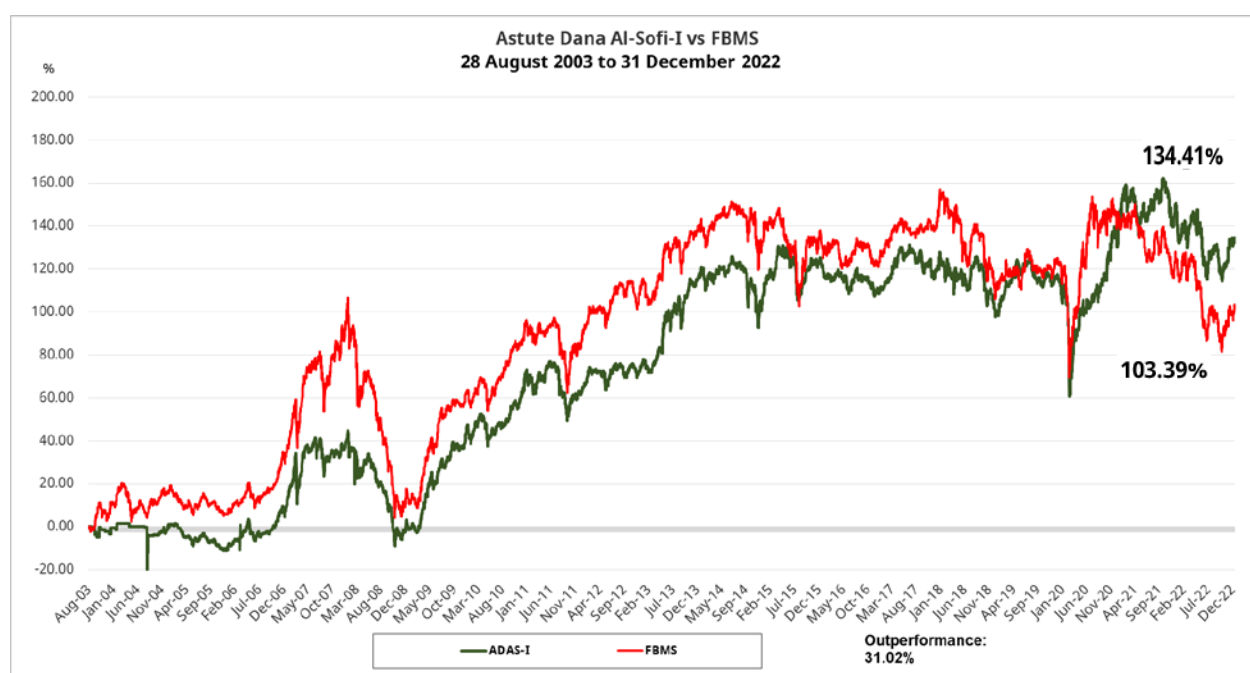
### 3. MANAGER'S REPORT

The Fund has achieved its stated objective to seek capital appreciation by investing in equity and equity related securities which adhere to Shariah principles. For the period ended 31<sup>st</sup> December 2022, the Fund had achieved a total return of 134.41% since its inception on 28<sup>th</sup> August 2004. The benchmark return was 103.39% for the same period.

#### PERFORMANCE ANALYSIS

For the six-month period ended 31<sup>st</sup> December 2022, the Fund achieved a return of 4.60% against the benchmark return of 4.14%, resulting in the outperformance against the benchmark of 0.46%. The total NAV of the Fund increased to RM 45,103,325 as at 31<sup>st</sup> December 2022 from RM 43,604,900 as at 30<sup>th</sup> June 2022. The increase in NAV was mainly due to portfolio value appreciation.

#### PERFORMANCE OF ASTUTE DANA AL-SOFI-I VS BENCHMARK INDEX SINCE 28 AUGUST 2003 TO 31 DECEMBER 2022 ADAS-I HAS OUTPERFORMED THE BENCHMARK INDEX BY 31.02%



Source: Bloomberg

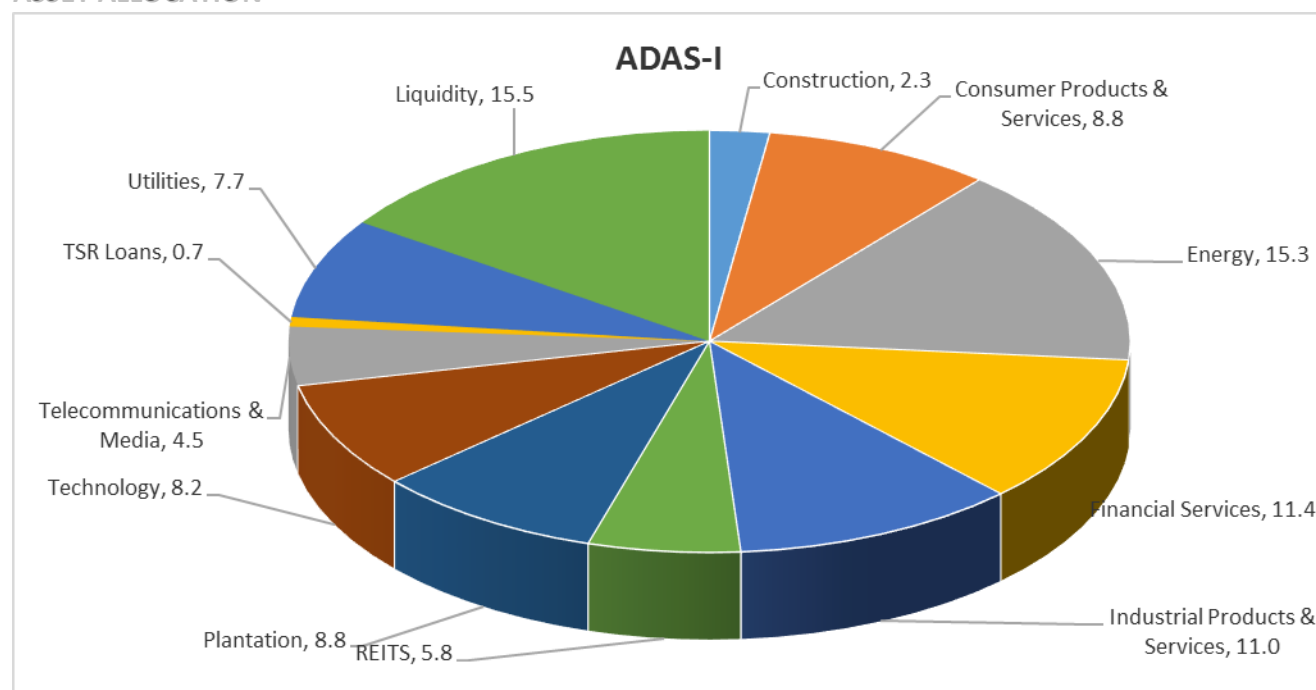
## STRATEGIES EMPLOYED

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 Industrial, Energy and Financial.

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 AS AT 31 DECEMBER 2022

QUOTED SECURITIES	31 DEC 2022	31 DEC 2021
Construction	2.3	4.1
Consumer Products & Services	8.8	11.3
Energy	15.3	11.3
Financial Services	11.4	6.8
Industrial Products & Services	11.0	14.6
Plantation	8.8	-
REITS	5.8	5.2
TSR Loans	0.7	0.7
Technology	8.2	24.2
Telecommunications & Media	4.5	3.1
Utilities	7.7	6.9
Liquidity	15.5	11.8

## MARKET REVIEW

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 4.100% in December. As rates rose, the US 10-year Treasury yields rose from 2.959% at the end of June to peak at 4.219% in mid-October. Between July to December, Malaysia raised the Overnight Policy Rate from 2.000% to 2.750% 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 and 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 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 period, the main sectors that outperformed the local market benchmark were 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), telecommunications (finalization of fifth-generation cellular network rollout) and 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 in the second half of 2022 were plantation (due to weaker crude palm oil prices as supply concerns on edible oils eased), construction (lack of mega project catalysts from Malaysia's Budget 2023), technology (weighed down by the global semiconductor downcycle and rising bond yields in the third quarter of 2022), healthcare (lower glove selling prices as COVID transitioned to endemic stage and travel restrictions were lifted), and real estate (weighed down by higher bond yields and mortgage rates).

## MARKET OUTLOOK

During the earlier part of the period under review, 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 throughout the period, growth stocks fell, whereas Malaysia, with a dominant plantation sector, became more attractive as its markets are dominated by "old economy" value plays and beneficiaries of the commodity price surges.

The Fund was underweight technology and was less impacted by the sector's sell-off. The funds exposure commodity-related sectors such as crude palm oil gained as upstream planters rewarded shareholders with higher dividends. Similarly, the fund's exposure in financials, utilities, and consumers benefited.

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 growth equities, such as technology), 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 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 DANA AL-SOFI-I  
(formerly known as Apex Dana Al-Sofi-I) ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 December 2022 and we hereby confirm to the best of knowledge, after having made all reasonable enquiries, ASTUTE FUND MANAGEMENT BERHAD has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. 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)]

**JUANITA BINTI SUHAIMI**  
Unit Head, Unit Trust Operations

Kuala Lumpur, Malaysia  
Date: 27 February 2023

## 5. SHARIAH ADVISER'S REPORT

### **To the unit holders of ASTUTE DANA AL-SOFI-I (formerly known as Apex Dana Al-Sofi-I) ("Fund")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, **Astute Fund Management Berhad** has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters: and
2. The assets of the Fund comprise instruments that have been classified as Shariah compliant.

The Shariah Committee of Astute Fund Management Berhad as Shariah Adviser for **Astute Dana Al-Sofi-I** consists of the following members:

**Dr.Mohamad Sabri bin Haron**  
**Dr.Ab Halim bin Muhammad**  
**Mohd Fadhly bin Md.Yusoff**

Signed on behalf of the members

**Dr. Mohamad Sabri Bin Haron**  
Chairman, Shariah Committee  
Astute Fund Management Berhad

Kuala Lumpur, Malaysia  
Date: 27 February 2023

## 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 Dana Al-Sofi-I (formerly known as Apex Dana Al-Sofi-I) 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 Dana Al-Sofi-I (formerly known as Apex Dana Al-Sofi-I) as at 31 December 2022 and of its financial performance and cash flows for the six months financial period then ended.

For and on behalf of the Manager

**Astute Fund Management Berhad**

(formerly known as Apex Investment Services Berhad)

**CLEMENT CHEW KUAN HOCK**  
Director

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

Kuala Lumpur, Malaysia  
27 February 2023

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

For The Six Months Financial Period Ended 31 December 2022

	NOTE	31.12.2022 RM	31.12.2021 RM
INVESTMENT INCOME			
Gross dividend income		809,442	741,501
Profit income:			
- Shariah-compliant investments		-	3,172
- Shariah-based deposits		77,784	36,129
Realised loss on sale of investments		1,036,576	805,877
Unrealised gain on financial assets at fair value through profit and loss ("FVPL")		480,548	538,336
Others income		12,370	8,977
		<u>2,416,720</u>	<u>2,133,992</u>
LESS: EXPENSES			
Management fee	5	327,136	389,844
Trustee's fee	6	10,905	12,995
Auditors' remuneration		4,550	3,111
Tax agent's fee		1,274	2,793
Administrative expenses	7	13,121	14,458
Transaction costs		54,976	33,379
		<u>411,962</u>	<u>456,580</u>
NET INCOME BEFORE TAXATION		2,004,758	1,677,412
INCOME TAX EXPENSE	8	(7,913)	(6,378)
NET INCOME AFTER TAXATION FOR THE FINANCIAL PERIOD		<u>1,996,845</u>	<u>1,671,034</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>1,996,845</u>	<u>1,671,034</u>
Total comprehensive income/(expenses) for the financial period is made up as follows:			
- realised		1,516,298	1,132,698
- unrealised		480,548	538,336

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

## 6.2 STATEMENT OF UNAUDITED FINANCIAL POSITION

At 31 December 2022

	NOTE	31.12.2022 RM	31.12.2021 RM
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Quoted investments	9	38,125,569	44,429,025
Shariah-based deposits with licensed financial institutions	10	5,801,046	4,568,613
		<u>43,926,615</u>	<u>48,997,638</u>
<b>OTHER ASSETS</b>			
Amount owing by stockbrokers		-	127,412
Sundry receivables and deposit	11	200,384	153,399
Cash at bank		1,092,360	1,343,429
		<u>1,292,744</u>	<u>1,624,240</u>
<b>TOTAL ASSETS</b>		<u>45,219,359</u>	<u>50,621,878</u>
<b>NET ASSET VALUE ("NAV") AND LIABILITIES</b>			
<b>NAV</b>			
Unitholders' capital		36,585,339	36,724,918
Retained earnings		8,517,986	13,642,223
<b>TOTAL NAV</b>	12	<u>45,103,325</u>	<u>50,367,141</u>
<b>LIABILITIES</b>			
Amount owing to stockbrokers		-	128,323
Sundry payables and accruals	13	58,831	61,797
Amount owing to Manager		55,358	62,533
Amount owing to Trustee		1,845	2,084
<b>TOTAL LIABILITIES</b>		<u>116,034</u>	<u>254,737</u>
<b>TOTAL NAV AND LIABILITIES</b>		<u>45,219,359</u>	<u>50,621,878</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12.1	<u>213,144,156</u>	<u>213,528,278</u>
<b>NAV PER UNIT (RM)</b>		<u>0.2116</u>	<u>0.2359</u>

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

*Astute Dana Al-Sofi-I (formerly known as Apex Dana Al-Sofi-I)*

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

For the Six Months Financial Period Ended 31 December 2022

	NOTE	Unitholders' capital RM	Retained earnings RM	Total equity RM
At 1 July 2021		38,791,179	11,971,189	50,762,368
Net income after taxation/Total comprehensive income for the financial period		-	1,671,034	1,671,034
Contribution by and distributions to the unitholders of the Fund :				
- creation of units	12.1	264,765	-	264,765
- cancellation of units	12.1	(2,331,026)	-	(2,331,026)
Total transactions with unitholders of the fund		(2,066,261)	-	(2,066,261)
Balance at 31 December 2021		36,724,918	13,642,223	50,367,141
At 1 July 2022		37,083,759	6,521,141	43,604,900
Net income after taxation/Total comprehensive income for the financial period			1,996,845	1,996,845
Contribution by and distributions to the unitholders of the Fund :				
- creation of units	12.1	794,658	-	794,658
- cancellation of units	12.1	(1,293,078)	-	(1,293,078)
Total transactions with unitholders of the fund		(498,420)	-	(498,420)
Balance at 31 December 2022		36,585,339	8,517,986	45,103,325

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

*Astute Dana Al-Sofi-I (formerly known as Apex Dana Al-Sofi-I)*

## 6.4 STATEMENT OF UNAUDITED CASH FLOWS

For the Six Months Financial Period Ended 31 December 2022

	NOTE	31.12.2022 RM	31.12.2021 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		9,177,128	8,567,726
Purchase of investments		(6,796,219)	(5,018,198)
Dividend income received		661,112	629,789
Profit on Shariah-based deposits received		77,048	75,270
Management fee		(326,804)	(391,093)
Trustee's fee		(10,893)	(13,036)
Payment for other expenses		(80,673)	(58,197)
Other income received		12,370	8,977
<b>NET CASH FROM OPERATING AND INVESTING ACTIVITIES</b>		<b>2,713,069</b>	<b>3,801,238</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>			
Proceeds from units created		835,664	264,765
Payment for cancelled units		(1,284,422)	(2,402,009)
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(448,758)</b>	<b>(2,137,244)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,264,311</b>	<b>1,663,994</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		<b>4,629,095</b>	<b>4,248,048</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>14</b>	<b>6,893,406</b>	<b>5,912,042</b>

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

## 6.5 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the Six Months Financial Period Ended 31 December 2022

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

Astute Dana Al-Sofi-I (“the Fund”) (formerly known as Apex Dana Al-Sofi-I) was constituted pursuant to the execution of a Deed dated 13 August 2003 and Supplemental Deed dated 18 August 2004, between the Manager, Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad), the Trustee, MTrustee Berhad and the registered unitholders of the Fund. The Second Supplemental Deed dated 3 August 2015 entered into between the Manager and MTrustee Berhad was further modified to include a provision relating to goods and services tax. The Third Supplemental Deed dated 15 April 2016 between the Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad) and the Trustee, Maybank Trustees Berhad modified the appointment date for the change of the trustee from MTrustee Berhad to Maybank Trustees Berhad. By a fourth supplemental deed dated 19 March 2018 (hereinafter referred to as the “Fourth Supplemental Deed”) entered into between the Manager and the Trustee, the Principal Deed was further modified to bring it in line with the terminology used for Shariah-compliant funds and the recent amendments to the relevant guidelines. The fifth Supplemental Deed dated 22 April 2022 between the Manager and the Trustee modified the name of the Manager and the name of the Fund.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Second Schedules of the Deeds. The Fund commenced operations on 28 August 2003 (date of inception) and will continue its operations until terminated by the Trustee or the Manager as provided under Clauses 12.1, 12.2 and 12.3 of the Deed.

The investment objective of the Fund is to seek capital appreciation by investing in equity or equity-related securities that adhere to Shariah principles.

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

### 2. CHANGE OF NAME

On 24 May 2022, the Fund changed its name from Apex Dana Al-Sofi-I to Astute Dana Al-Sofi-I.

### 3. 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.

3.1 During the current financial period, the Fund has adopted the following new accounting standards (including the consequential amendments, if any):-

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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.



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

3.2 The Fund has not applied in advance the following accounting standards and 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 3: Reference to the Conceptual Framework	1 January 2022
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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
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 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 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.

#### 4.2 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.

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

### 4.3 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 when the sale is contracted, based on the sale proceeds less cost which is determined on the weighted average cost basis.

#### (c) Profit Income

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

### 4.4 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).

### 4.5 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. Profit, 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.

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

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either 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.

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 (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 fair value changes do not include interest or dividend income.

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.

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

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (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 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 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 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.

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

### 4.5 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.

### 4.6 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.

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

### 4.7 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.

### 4.8 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 bank balances.

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 bank balances 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.

### 4.9 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.

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

##### **4.10 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.

#### **5. MANAGEMENT FEE**

Clause 13.1 of the Deed provides that the Manager is entitled to a management fee computed daily on the net asset value attributed to unitholders of the Fund at a rate not exceeding 2.0% (1/7/2021-31/12/2021 – 2.0%) per annum. The management fee recognised in the financial statements is based on 1.5% (1/7/2021-31/12/2021 – 1.5%) per annum for the financial period.

#### **6. 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% (1/7/2021-31/12/2021 - 0.05%) per annum of the net asset value attributable to unitholders of the Fund.

#### **7. ADMINISTRATIVE EXPENSES**

Included in administrative expenses of the financial period was Investment committee allowance of RM10,020 (1/7/2021-31/12/2021 – RM10,394)

## 8. INCOME TAX EXPENSE

	31.12.2022 RM	31.12.2021 RM
Income tax for the financial period	7,913	6,378

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial period.

## 9. QUOTED INVESTMENTS

At 31 December 2022	Number of shares held	At cost RM	At fair value RM	Percentage of NAV of the Fund %
<b>9.1 EQUITY INVESTMENTS</b>				
<u>BURSA MALAYSIA SECURITIES</u> <u>MAIN MARKET</u>				
<u>CONSTRUCTION</u>				
IJM Corporation Berhad	647,200	1,231,423	1,035,520	2.30
<u>CONSUMER PRODUCTS &amp; SERVICES</u>				
Malayan Flour Berhad	2,788,000	2,286,959	2,118,880	4.70
Nestle (Malaysia) Berhad	13,200	1,503,757	1,848,000	4.10
		3,790,716	3,966,880	8.80
<u>ENERGY</u>				
Dialog Group Berhad	1,814,900	4,097,763	4,446,505	9.86
Hibiscus Petroleum Berhad	2,305,500	2,218,706	2,466,885	5.47
		6,316,469	6,913,390	15.33



## 9. QUOTED INVESTMENTS (CONT'D)

At 31 December 2022 (Cont'd)	Number of shares held	At cost RM	At fair value RM	Percentage of NAV of the Fund %
<b>9.1 EQUITY INVESTMENTS (CONT'D)</b>				
<b><u>BURSA MALAYSIA SECURITIES</u></b>				
<b><u>MAIN MARKET (CONT'D)</u></b>				
<b><u>FINANCIAL SERVICES</u></b>				
Bank Islam Malaysia Berhad	906,000	2,740,520	2,473,380	5.48
Bursa Malaysia Berhad	196,300	1,340,788	1,305,395	2.89
Syarikat Takaful Malaysia Keluarga Berhad	400,000	1,010,880	1,376,000	3.05
		5,092,188	5,154,775	11.42
<b><u>INDUSTRIAL PRODUCTS &amp; SERVICES</u></b>				
Malayan Cement Berhad	1,046,800	2,818,042	2,219,216	4.92
Petronas Chemical Group Berhad	112,000	942,382	963,200	2.14
Press Metal Aluminium Holding Berhad	360,400	2,348,487	1,758,752	3.90
		6,108,911	4,941,168	10.96
<b><u>PLANTATION</u></b>				
Innoprise Plantation Berhad	406,400	710,761	646,176	1.43
United Plantation Berhad	216,900	3,317,708	3,318,570	7.36
		4,028,469	3,964,746	8.79
<b><u>TECHNOLOGY</u></b>				
ITMAX Systems Berhad	279,000	298,530	396,180	0.88
KESM Industries Berhad	65,900	1,041,471	462,618	1.03
MI Technovation Berhad	852,600	1,104,576	1,108,380	2.46
UNISEM (M) Berhad	620,000	1,705,000	1,711,200	3.79
		4,149,577	3,678,378	8.16
<b><u>TELECOMMUNICATIONS &amp; MEDIA</u></b>				
Telekom Malaysia Berhad	377,700	2,253,916	2,039,580	4.52
<b><u>UTILITIES</u></b>				
Taliworks Corporation Berhad	4,007,666	3,372,963	3,466,631	7.69
<b>TOTAL QUOTED EQUITY INVESTMENTS</b>		36,344,632	35,161,068	77.97

## 9. 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>9.2 NON-EQUITY INVESTMENTS</b>				
<u>REITS</u>				
Axis Reit	1,472,170	2,504,431	2,635,184	5.84
<u>TRS LOANS</u>				
CAPITALA – LA	426,300	319,725	287,753	0.64
CAPITALA - WA	213,150	0	41,564	0.08
		319,725	329,317	0.72
<b>TOTAL NON-EQUITY INVESTMENTS</b>		2,824,156	2,964,501	6.56
<b>TOTAL QUOTED INVESTMENTS</b>		39,168,788	38,125,569	84.53
<b>At 31 December 2021</b>	<b>Number of shares held</b>	<b>At cost RM</b>	<b>At fair value RM</b>	<b>Percentage of NAV of the Fund %</b>
<b>9.1 EQUITY INVESTMENTS</b>				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET</u>				
<u>CONSTRUCTION</u>				
Gamuda Berhad	375,000	1,169,513	1,087,500	2.16
IJM Corporation Berhad	647,200	1,231,423	983,744	1.95
		2,400,936	2,071,244	4.11
<u>CONSUMER PRODUCTS &amp; SERVICES</u>				
AirAsia Group Berhad	1,278,900	1,367,994	1,010,331	2.00
Malayan Flour Mills Berhad	2,351,900	2,001,959	1,611,052	3.20
Nestle (Malaysia) Berhad	9,300	645,046	1,248,060	2.48
Padini Holdings Berhad	645,800	1,741,500	1,808,240	3.59
		5,756,499	5,677,683	11.27
<u>ENERGY</u>				
Dialog Group Berhad	1,606,200	3,660,253	4,208,244	8.36
Hibiscus Petroleum Berhad	1,814,100	1,617,560	1,478,492	2.94
		5,277,813	5,686,736	11.30
<u>FINANCIAL SERVICES</u>				
BIMB Holdings Berhad	532,200	1,586,346	1,596,600	3.17
Syarikat Takaful Malaysia Keluarga Berhad	493,321	1,246,721	1,825,287	3.62
		2,833,067	3,421,887	6.79

## 9. QUOTED INVESTMENTS (CONT'D)

AT 31 DECEMBER 2021	Number of shares held	At cost RM	At fair value	Percentage of NAV of the Fund
<b>9.1 EQUITY INVESTMENTS (CONT'D)</b>				
<b><u>BURSA MALAYSIA SECURITIES</u></b>				
<b><u>MAIN MARKET (CONT'D)</u></b>				
<b><u>INDUSTRIAL PRODUCTS &amp; SERVICES</u></b>				
Dufu Technology Corp. Berhad	53,900	187,498	231,231	0.46
Malayan Cement Berhad	1,116,800	3,006,485	2,847,840	5.65
Petronas Chemicals Group Berhad	283,400	2,335,016	2,527,928	5.02
SKP Resources Bhd	1,008,800	1,185,259	1,755,312	3.49
		6,714,258	7,362,311	14.62
<b><u>TECHNOLOGY</u></b>				
CTOS Digital Berhad	149,800	275,600	271,138	0.54
Frontken Corporation Berhad	561,450	1,800,033	2,245,800	4.46
KESM Industries Berhad	89,400	1,412,860	1,097,832	2.18
MI Technovation Berhad	419,100	1,673,297	1,416,558	2.81
Malaysian Pacific Industries Berhad	84,300	1,289,990	4,161,048	8.26
Unisem (M) Berhad	734,400	1,591,932	2,996,352	5.95
		8,043,712	12,188,728	24.20
<b><u>TELECOMMUNICATIONS &amp; MEDIA</u></b>				
Telekom Malaysia Berhad	285,700	1,787,334	1,571,350	3.12
<b><u>UTILITIES</u></b>				
Taliworks Corporation Berhad	4,007,666	3,372,963	3,466,631	6.88
<b>TOTAL QUOTED EQUITY INVESTMENTS</b>		36,186,582	41,446,570	82.29
<b>9.2 NON-EQUITY INVESTMENTS</b>				
<b><u>REITS</u></b>				
Axis Real Estate Investment Trust	1,353,863	2,287,598	2,626,494	5.21
<b><u>TRS LOANS</u></b>				
AirAsia Group Berhad – LA	426,300	319,725	311,199	0.62
AirAsia Group Berhad – WA	213,150	-	44,762	0.09
		319,725	355,961	0.71
<b>TOTAL NON-EQUITY INVESTMENTS</b>		2,607,323	2,982,455	5.92
<b>TOTAL QUOTED INVESTMENTS</b>		38,793,905	44,429,025	88.21

## 10. SHARIAH-BASED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The Shariah-based deposits earn weighted average effective profit rate of 2.86% (1/7/21-31/12/2021 – 2.95%) per annum at the end of the reporting period. The maturity periods of the deposits at the end of the reporting period ranged from 3 to 5 days (1/7/21-31/12/2021– 3 to 24 days).

## 11. SUNDRY RECEIVABLES AND DEPOSIT

	31.12.2022 RM	31.12.2021 RM
Dividend receivable	189,360	143,186
Profit receivable from Shariah-based deposits	1,024	213
Sundry deposit	10,000	10,000
	<u>200,384</u>	<u>153,399</u>

## 12. TOTAL NET ASSET VALUE

	Note	31.12.2022 RM	31.12.2021 RM
Unitholders' capital	12.1	36,585,339	36,724,918
Retained earnings:			
- realised reserve	12.2	9,561,954	8,007,852
- unrealised reserve	12.3	(1,043,968)	5,634,371
		<u>8,517,986</u>	<u>13,642,223</u>
		<u>45,103,325</u>	<u>50,367,141</u>

### 12.1 UNITHOLDERS' CAPITAL

	31.12.2022		31.12.2021	
	Number of units	RM	Number of units	RM
As at beginning of the financial period	215,568,487	37,083,759	222,255,059	38,791,179
Creation of units	3,912,735	794,658	1,096,111	264,765
Cancellation of units	(6,337,066)	(1,293,078)	(9,822,892)	(2,331,026)
As at end of the financial period	<u>213,144,156</u>	<u>36,585,339</u>	<u>213,528,278</u>	<u>36,724,918</u>

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

### 12.2 REALISED RESERVE – DISTRIBUTABLE

	31.12.2022 RM	31.12.2021 RM
Balance as at beginning of the financial period	8,045,657	6,875,154
Net gains for the financial period	1,996,845	1,671,034
Net unrealised gains on valuation of quoted investments transferred to unrealised reserve	(480,548)	(538,336)
Net increase/(decrease) in realised reserve for the financial period	1,516,297	1,132,698
Balance as at end of the financial period	9,561,954	8,007,852

### 12.3 UNREALISED RESERVE - NON-DISTRIBUTABLE

	31.12.2022 RM	31.12.2021 RM
Balance as at beginning of the financial period	(1,524,516)	5,096,035
Net unrealised gains on valuation of quoted investments transferred from realised reserve	480,548	538,336
Balance as at end of the financial period	(1,043,968)	5,634,371

## 13. SUNDRY PAYABLES AND ACCRUALS

	31.12.2022 RM	31.12.2021 RM
Redemption money payable	42,389	41,718
Accrued expenses	16,442	20,079
	58,831	61,797

Redemption money payable represents amount payable to unitholders at the end of the reporting period for the cancellation of units.

## 14. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	31.12.2022 RM	31.12.2021 RM
Shariah-based deposits with licensed financial institutions (Note 10)	1,092,360	4,568,613
Cash at a licensed bank	5,801,046	1,343,429
	6,893,406	5,912,042

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

	31.12.2022 %	31.12.2021 %
TER	0.82	0.82

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

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

- A = Management fee
- B = Trustee's fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Administrative fee and expense
- F = Average net asset value of the Fund calculated on daily basis

The average net asset value of the Fund for the financial period is RM 43,524,462 (1/7/2021-31/12/2021 – RM51,578,599).

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

	31.12.2022	31.12.2021
PTR (Times)	0.18	0.13

The portfolio turnover ratio is derived from the following calculation:

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

Where,

- total acquisitions for the financial period = RM 6,796,219 (1/7/2021-31/12/2021 – RM5,146,520)
- total disposals for the financial period = RM 9,177,128 (1/7/2021-31/12/2021 – RM8,695,139)

## 17. OPERATING SEGMENTS

The operating segments of the Fund are predominantly investing in quoted equity securities and management of liquid cash by investing in short term deposits.

In accordance with the asset allocation guidelines of the Fund, the Fund can have exposure in Shariah-compliant equity and equity-related securities which shall not be more than 95% of the Fund's Net Asset Value ("NAV"). The minimum level of the liquid assets to be held by the Fund at all times shall not be less than 5% of the Fund's NAV.

The segmental analysis of Fund's income, expenses, assets and liabilities are shown in the table below:

**31.12.2022**

	Quoted investments RM	Cash and liquid assets RM	Others RM	Total RM
<b><i>Statement of Profit or Loss and Other Comprehensive Income</i></b>				
Investment income	2,326,566	90,154	-	2,416,720
Unallocated expenditure				(411,961)
Net income before taxation				2,004,758
Income tax expense				(7,913)
Net income after taxation				1,996,845
<b><i>Statement of Financial Position</i></b>				
<b>Assets</b>				
Quoted investments, shariah-compliant investment and shariah-based deposit	38,125,569	5,801,046	-	43,926,615
Cash at bank	-	1,092,360	-	1,092,360
Other assets	189,359	1,025	10,000	200,384
Segment assets	38,314,928	6,894,431	10,000	45,219,359
Unallocated assets				-
Total assets				45,219,359
<b>Liability</b>				
Segment liabilities			116,034	116,034

## 17. OPERATING SEGMENTS (CONT'D)

31.12.2021

	Quoted investments RM	Cash and liquid assets RM	Others RM	Total RM
<b>Statement of Profit or Loss and Other Comprehensive Income</b>				
Investment income	2,085,714	48,278	-	2,133,992
Unallocated expenditure				(456,580)
Net income before taxation				1,677,412
Income tax expense				(6,378)
Net income after taxation				1,671,034
<b>Statement of Financial Position</b>				
<b>Assets</b>				
Quoted investments, shariah- compliant investment and shariah-based deposit	44,429,025	4,568,613	-	48,997,638
Cash at bank	-	1,343,429	-	1,343,429
Other assets	270,598	213	10,000	280,811
Segment assets	44,699,623	5,912,255	10,000	50,621,878
Unallocated assets				-
Total assets				50,621,878
<b>Liability</b>				
Segment liabilities	128,323	-	126,414	254,737

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

There were no stocks held by the Manager or directors of the Manager as at 31 December 2022.



## 19. TRANSACTIONS BY THE FUND WITH BROKERS AND FINANCIAL INSTITUTIONS

Transactions by the Fund with brokers and financial institutions during the financial period are as follows:-

### 31.12.2022

	Value of trade		Brokerage fee	
	RM	%	RM	%
Maybank Investment Bank Bhd	6,661,793	41.79	14,146	43.24
Affin Hwang Investment Bank Bhd	5,447,621	34.18	10,889	33.28
CIMB Investment Bank Bhd	3,830,639	24.03	7,684	23.48
	<u>15,940,053</u>	<u>100.00</u>	<u>32,719</u>	<u>100.00</u>

### 31.12.2021

	Value of trade		Brokerage fee	
	RM	%	RM	%
Maybank Investment Bank Bhd	4,308,373	31.87	8,625	38.73
Affin Hwang Investment Bank Bhd	3,861,707	28.57	7,943	35.66
CIMB Investment Bank Bhd	2,846,804	21.06	5,704	25.61
Malayan Banking Berhad	2,500,000	18.50	-	-
	<u>13,516,884</u>	<u>100.00</u>	<u>22,272</u>	<u>100.00</u>

## 20. RELATED PARTY DISCLOSURES

### 20.1 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, Maybank Trustees Berhad.

20.2 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:-

	31.12.2022 RM	31.12.2021 RM
Astute Fund Management Berhad: (formerly known as Apex Investment Services Berhad)		
- management fee	<u>327,136</u>	<u>389,844</u>
Maybank Trustees Berhad:		
- trustee fee	<u>10,905</u>	<u>12,995</u>

## 21. FINANCIAL INSTRUMENTS

The Fund's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Fund's business whilst managing its market risk (including foreign currency risk, profit rate risk and equity price risk), credit risk and liquidity risk.

### 21.1 FINANCIAL RISK MANAGEMENT POLICIES

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

#### (a) Foreign Currency Risk

The Fund does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

#### (b) Profit Rate Risk

Cash and other fixed income securities are particularly sensitive to movements in profit 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's shariah-based deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to profit rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Fund's deposit with a financial institution is usually rolled-over on a daily/monthly basis.

It is the Fund's policy not to enter into interest rate swap arrangements.

#### Profit rate risk sensitivity

Profit rate risk sensitivity is not presented as a reasonable possible change in profit rates will not have a significant impact on the net income for the financial period.

## 21. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (b) Profit Rate Risk (Cont'd)

##### Profit rate risk exposure

The following table analyses the Fund's profit rate risk exposure. The Fund's assets and liabilities are included at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

	0-3 months RM	Non-profit bearing RM	Total RM	Weighted Average Effective profit rate %
<b>31.12.2022</b>				
<u>Assets</u>				
Quoted investments	-	38,125,569	38,125,569	
Shariah-based deposits with licensed financial institutions	5,801,046	-	5,801,046	2.86
Other assets	1,025	1,291,719	1,292,744	-
	<u>5,802,071</u>	<u>39,417,288</u>	<u>45,219,359</u>	
<u>Liability</u>				
Other liabilities	-	116,034	116,034	-
Total profit sensitivity gap	<u>5,802,071</u>	<u>39,301,254</u>	<u>45,103,325</u>	
	0-3 months RM	Non-profit bearing RM	Total RM	Weighted Average Effective profit rate %
<b>31.12.2021</b>				
<u>Assets</u>				
Quoted investments	-	44,429,025	44,429,025	-
Shariah-compliant investment	-	-	-	-
Shariah-based deposits with licensed financial institutions	4,568,613	-	4,568,613	1.72
Other assets	213	1,624,027	1,624,240	-
	<u>4,568,826</u>	<u>46,053,052</u>	<u>50,621,878</u>	
<u>Liability</u>				
Other liabilities	-	254,737	254,737	-
Total profit sensitivity gap	<u>4,568,826</u>	<u>45,798,315</u>	<u>50,367,141</u>	

## 21. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (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 of the stock prices will not have a significant impact on the net loss for the financial period.

#### Particular stock risk concentration

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

	<b>31.12.2022</b>		<b>31.12.2021</b>	
	RM	As a % of NAV	RM	As a % of NAV
Energy	6,913,390	15.33	5,686,736	11.30
Financial Services	5,154,775	11.42	3,421,887	6.79
Industrial Products & Services	4,941,168	10.96	7,362,311	14.62
Consumer Products & Services	3,966,880	8.80	5,677,683	11.27
Plantation	3,964,746	8.79	-	-
Technology	3,678,378	8.16	12,188,728	24.20
Utilities	3,466,631	7.69	3,466,631	6.88
REITs	2,635,184	5.84	2,626,494	5.21
Telecommunications & Media	2,039,580	4.52	1,571,350	3.12
Construction	1,035,520	2.30	2,071,244	4.11
TSR Loans	329,317	0.73	355,961	0.71
	<b>38,125,569</b>	<b>84.53</b>	<b>44,429,025</b>	<b>88.21</b>

#### (d) Liquidity and Cash Flow Risks

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.

## 21. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (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 amount owing by sundry receivables.

##### Credit risk concentration profile

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

##### 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.

##### 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.

## 21. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### Assessment of Impairment Losses (Cont'd)

##### *Receivables (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for receivables is summarised below:-

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>31.12.2022</b>				
Current (not past due)	200,384	-	-	200,384
<b>31.12.2021</b>				
Current (not past due)	280,811	-	-	280,811

##### *Deposits with Licensed Banks and Bank Balances*

The Fund considers the banks and financial institutions have low credit risks. 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.

#### (g) Shariah Specific Risk

The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah compliant. Should the situation arise, necessary steps shall be taken to dispose of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the disposal and thus, adversely affecting the value of the Fund.

### 21.2 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 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.

## 21. FINANCIAL INSTRUMENTS (CONT'D)

### 21.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	31.12.2022 RM	31.12.2021 RM
<b>Financial Assets</b>		
<u>Mandatorily at FVPL</u>		
Quoted investments	38,125,569	44,429,025
Shariah-compliant investment	-	-
	<u>38,125,569</u>	<u>44,429,025</u>
<u>Amortised Cost</u>		
Deposit with a licensed financial institution	5,801,046	4,568,613
Amount owing by stockbrokers	-	127,412
Sundry receivables	200,384	153,399
Bank balances	1,092,360	1,343,429
	<u>7,093,790</u>	<u>6,192,853</u>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Amount owing to Broker	-	128,323
Sundry payables and accruals	58,831	61,797
Amount owing to Manager	55,358	62,533
Amount owing to Trustee	1,845	2,084
	<u>116,034</u>	<u>254,737</u>

### 21.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	31.12.2022 RM	31.12.2021 RM
<b>Financial Assets</b>		
<u>Mandatorily at FVPL</u>		
Net gains recognised in profit or loss	<u>2,326,566</u>	<u>2,088,886</u>
<u>Amortised Cost</u>		
Gain recognised in profit or loss	<u>90,154</u>	<u>45,106</u>

## 21 FINANCIAL INSTRUMENTS (CONT'D)

### 21.5 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 values are included in level 2 of the fair value hierarchy.

	Fair Value of Financial Instruments				
	Carried At Fair Value			Total Fair	Carrying
	Level 1	Level 2	Level 3	Value	Amount
31.12.2022	RM	RM	RM	RM	RM
<u>Financial Asset</u>					
Quoted investments	38,125,569	-	-	38,125,569	38,125,569
<hr/>					
31.12.2021					
<u>Financial Asset</u>					
Quoted investments	44,429,025	-	-	44,429,025	44,429,025

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

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial period.



## 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
	Asgari bin Mohd Fuad Stephens	Non-Executive and Non-Independent Director
	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Non-Executive and Independent Director
<b>Shariah Committee</b>	Azran bin Osman Rani	Non-Executive and Independent Director
	Dr. Mohamad Sabri bin Haron	Chairman and Independent Member
	Dr. Ab Halim bin Muhammad	Independent Member
<b>Investment Committee</b>	Mohd Fadhly bin Md. Yusoff	Independent Member
	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Independent Member
	Clement Chew Kuan Hock	Non-Independent Member (resigned effective on 8 Dec 2022)
	Azran bin Osman Rani	Independent Member
<b>Secretary</b>	Asgari bin Mohd Fuad Stephens	Non-Independent Member (appointed on 26 April 2022)
	Ng Chin Chin (MAICSA 7042650) No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan	
<b>Trustee</b>	<b>Maybank Trustees Berhad [196301000109 (5004-P)]</b> 8 <sup>th</sup> Floor, Menara Maybank, 100 Jalan Tun Perak 50050 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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