



APEX QUANTUM FUND (AQF)

INTERIM REPORT

For Six Months Financial Period Ended 30 June 2021 (Unaudited)

APEX QUANTUM FUND

CONTENTS

1. FUND INFORMATION.....	2
2. FUND PERFORMANCE.....	4
3. MANAGER’S REPORT	5
4. TRUSTEE’S REPORT	9
5. STATEMENT BY MANAGER.....	10
5.1 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
5.2 STATEMENT OF FINANCIAL POSITION	12
5.3 STATEMENT OF CHANGES IN NET ASSET VALUE	13
5.4 STATEMENT OF CASH FLOWS.....	14
5.5 NOTES TO THE FINANCIAL STATEMENTS	15
6. DIRECTORY.....	37

1. FUND INFORMATION

NAME OF FUND	Apex Quantum Fund (AQF)				
TYPE OF FUND	Growth and Income				
CATEGORY OF FUND	Mixed Asset				
INVESTMENT OBJECTIVE	To invest in stock listed under Bursa Malaysia Main Market. The Fund Manager is allowed to invest in equity up to 100% of the Net Asset Value (NAV) of the Fund. The investment mandate is further subject to a minimum investment of 40% of the NAV, in stocks or fixed income instruments or any other form of investment instruments which provided regular payments of dividends or its equivalent and permitted by the Securities Commission.				
PERFORMANCE BENCHMARK	<p>Weighted average of:</p> <ul style="list-style-type: none"> ❖ 60% of FBM KLCI ❖ 40% of Maybank Berhad 1-year fixed deposit rate <p>(Source: Bursa Malaysia and Maybank Berhad)</p> <p><i>“The risk profile of the performance benchmark is not the same as the risk profile of the Fund.”</i></p>				
FUND DISTRIBUTION POLICY	<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>				
BREAKDOWN OF UNIT HOLDINGS BY SIZE	Unit Holdings Statistics as at 30 June 2021				
	Size of Unitholding (Units)	No. of Unit Holder	%	Unit Holding	%
	5,000 and below	-	-	-	-
	5,001 to 10,000	5	29.41	34,120	0.55
	10,001 to 50,000	6	35.30	160,681	2.61
	50,001 to 500,000	5	29.41	1,328,470	21.55
	500,001 and above	1	5.88	4,642,526	75.29
	Total	17	100.00	6,165,797	100.00
UNITS HELD BY THE MANAGER AND DIRECTORS OF THE MANAGER			2021 (Unit)	2020 (Unit)	
	Nil				

**DISCLOSURE ON
INCOME
DISTRIBUTION**

<i>Declaration</i>	<i>Entitlement Date</i>	<i>Ex Date</i>	<i>Reinvest Price</i>	<i>NAV</i>	
				<i>Before</i>	<i>After</i>
Nil					

2. FUND PERFORMANCE

Summary of performance data is as follows:

	30.06.2021 RM	30.06.2020 RM	30.06.2019 RM	
Portfolio Composition:				
- Equity securities	92.89	83.28	94.21	
- Liquid assets and others	7.11	16.72	5.79	
Net Assets Value (RM)	1,501,781	1,054,200	1,162,181	
Number of Units in Circulation	6,165,797	5,530,154	5,530,154	
Net Asset Value per Units (RM)	0.2436	0.1906	0.2102	
Highest NAV Price for the period under review (RM)	0.2623	0.2142	0.2169	
Lowest NAV Price for the period under review (RM)	0.2316	0.1588	0.1867	
Total Return for the period under review (RM)				
- Capital growth	(130,694)	(89,794)	95,236	
- Income distribution	Nil	Nil	Nil	
Gross Distribution Per Unit (RM)	Nil	Nil	Nil	
Net Distribution Per Unit (RM)	Nil	Nil	Nil	
Management Expenses Ratio (MER) (%)	1.15*	1.19	1.16	
<i>*the MER for the financial period was lower compared with previous financial period as there were higher average NAV during the financial period under review.</i>				
Portfolio Turnover Ratio (PTR) (times)	0.42*	0.32	0.18	
<i>*the PTR for the financial period was higher compared with previous financial period as there were higher investment activities during the financial period under review.</i>				
	Total Return		Average Total Return	
	AQF	Index	AQF	Index
1 Year	27.81	2.23	27.81	2.23
3 Year	21.07	-2.07	7.02	-0.69
5 Year	24.10	1.90	4.82	0.38
Since Inception 11 May 2010 (re-launch)	-2.61	25.54	-0.23	2.29
<i>Annual total return for each of the last five financial year ended</i>		AQF	Index	
31.12.2020		15.76	2.80	
31.12.2019		11.46	-2.35	
31.12.2018		-13.52	-2.18	
31.12.2017		15.15	6.90	
31.12.2016		-9.20	-0.48	

Source: Bloomberg

*Notes:

1. Total returns as at 30.06.2021. 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

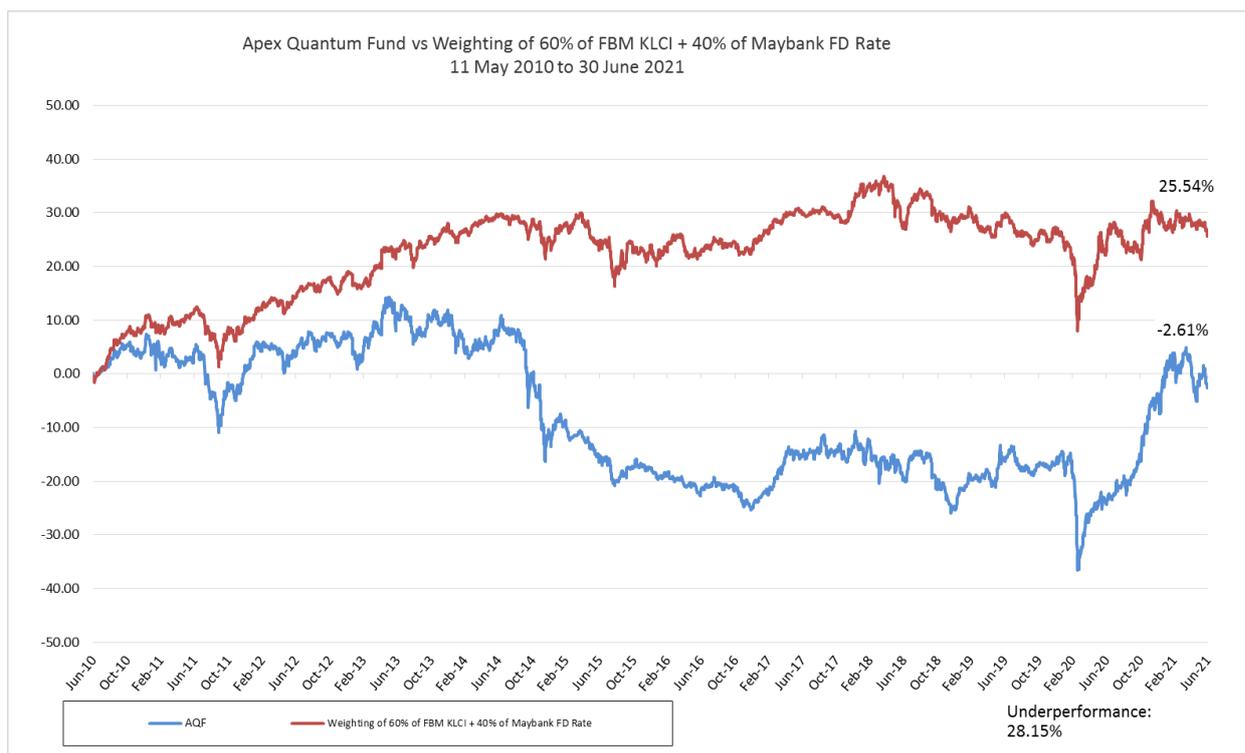
FUND'S OBJECTIVE ACHIEVEMENTS

The Fund seek to achieve its objective of providing capital growth and income. For the period under review, the Fund has not achieved its investment objective. The Fund had provided a total return of -2.61% as compare to benchmark return of 25.54%. Hence, the Fund had underperformed the benchmark return by 28.15%.

PERFORMANCE ANALYSIS

For the six-month period ended 30 June 2021, the Fund achieved a return of -3.98% against the benchmark return of -1.36%, resulting in an underperformance against the benchmark of 2.62%. The total NAV of the fund increased to RM 1,501,781 as at 30 June 2021 from RM 1,433,972 as at 31 December 2020. The increase in NAV was mainly due to portfolio value appreciation and new subscription by unitholders.

PERFORMANCE OF APEX QUANTUM FUND VS BENCHMARK INDEX SINCE 11 MAY 2010 TO 30 JUNE 2021 AQF HAS UNDERPERFORMED THE BENCHMARK INDEX BY 28.15%



Source: Bloomberg

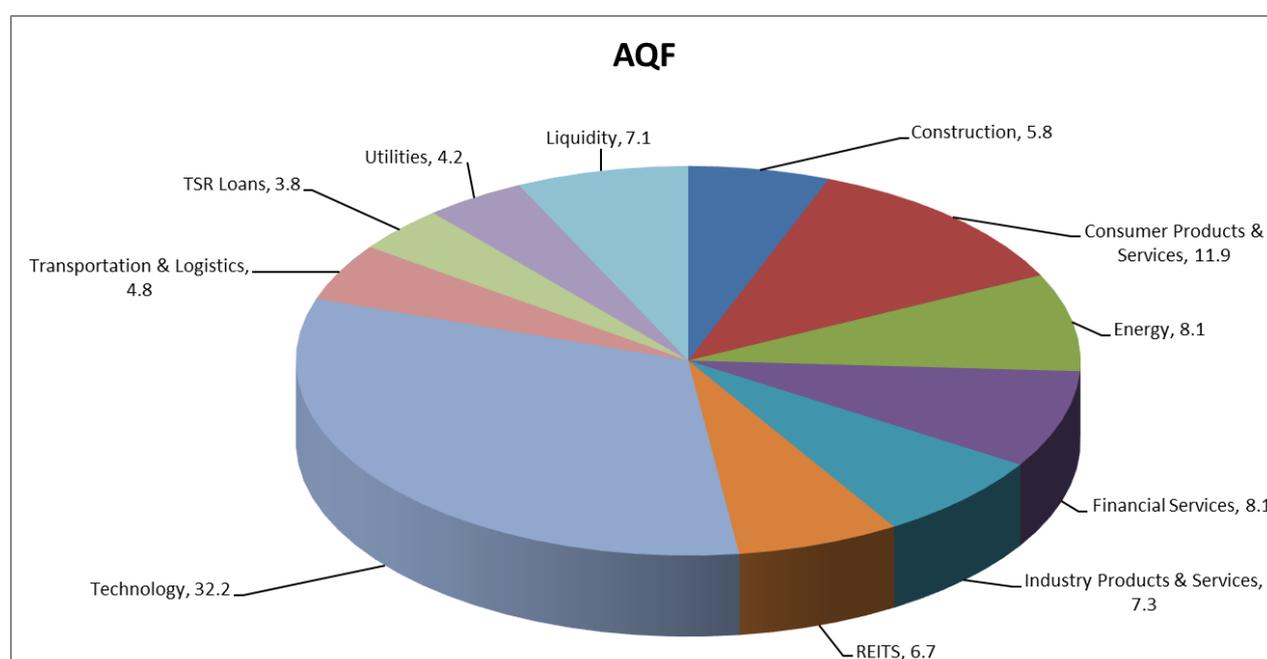
STRATEGIES EMPLOYED

The Fund has adopted a top-down and bottoms up approach as its investment strategy. The investment policy is to invest in mostly undervalued companies with good potential for growth.

The fund consists of only shares or warrants that are listed on Bursa Malaysia. In terms of market sectors, the Fund is mainly concentrated in areas such as technology, finance and industrial products.

The investment strategy will remain centred on well-managed liquid stocks that exhibit good growth prospects with strong earnings visibility. Stocks with strong cash flows, decent yield and has proactive management will also be considered.

ASSET ALLOCATION



ASSET ALLOCATION BY SECTOR AS AT 30 JUNE 2021

QUOTED SECURITIES	30 JUNE 2021	30 JUNE 2020
Construction	5.8	-
Consumer Products & Services	11.9	26.7
Energy	8.1	11.6
Financial Services	8.1	8.3
Health Care	-	2.4
Industry Products & Services	7.3	14.5
REITS	6.7	1.7
Technology	32.2	4.5
Transportation & Logistics	4.8	-
TSR Loans	3.8	6.1
Utilities	4.2	7.5
Liquidity	7.1	16.7

MARKET REVIEW

On 11 January 2021, Prime Minister Tan Sri Muhyiddin announced Movement Control Order 2.0 for 5 states and KL, Putrajaya and Labuan for a period of two weeks. A day later, the King consented to a nationwide state of emergency until 1 August 2021.

The impact of MCO 2.0 to the Malaysia's economy was less severe than MCO 1.0. This was because most of the critical industries such as manufacturing, construction, services, trading, farming and commodities were allowed to continue operating. Daily economic losses under MCO 2.0 was estimated at RM0.75 bil per day vs RM 0.2 bil under CMCO and RM 2.4 bil under MCO 1.0 in 2020 (source: CGS CIMB).

In February, Malaysia reported 4Q GDP for 2020 of -3.4% YoY. The country's full year GDP growth for 2020 came in at -5.6% vs +4.3% in 2019.

For 1H of 2021 foreigners net sold RM 4.2bil of Malaysia equities. This contrasts with a net outflow of RM 24.6 bil for 2020 which was the highest ever annual foreign outflow ever recorded. Foreigners have been net sellers of Malaysia equities in 6 out of the last 7 years (the exception was 2017). Given the precipitous outflow, we do not expect foreign selling to be a major negative for the market moving forward.

In February this year, the Outsourced Semiconductor Assembly and Test (OSAT) companies reported sterling 4Q (December quarter) results. Unisem announced a 4Q net profit of RM 53.9mil (>+100% YoY, +9% QoQ). The results were 21% ahead of consensus forecast of RM 44.4mil. Inari reported a 4Q net profit of RM 90.1mil (>+100% YoY, +29% QoQ). The earnings were 41% above consensus forecast of RM 64.0mil. Lastly, MPI announced Dec-Q net profit of RM 67mil (+49% YoY, +21% QoQ). The latter was 41% ahead of consensus estimate of RM 47.5mil. Not surprisingly, consensus earnings for the OSAT companies were raised post the reporting season.

In the first week of March-2021, NASDAQ fell by 7.2% while the Philadelphia Semiconductor Index (SOX) fell by 12.8% in March, US 10Y bonds rose from 1.44% to 1.74%. Technology stocks corrected as they were perceived to be growth stocks and therefore vulnerable to rising bond yields. Stocks are discounted at a higher rate when bond yields rise. Also, higher 10Y bond yields imply a more robust economic outlook ahead which supported the case for cyclicals. The negative sentiment on NASDAQ and SOX caused the Technology Index on Bursa to fall by 7.2% during March as investors took profit on technology to fund their rotation into cyclicals.

The World Semiconductor Trade Statistics (WSTS) reported that semiconductor sales increased by 25.9% YoY/4.2% MoM in May vs 21.6% YoY/2.0% MoM in April. Our technology holdings have outperformed as US 10Y yields decline, sector earnings beat expectations and as demand stay robust. Since 1996, there were 7 upcycles. The average duration of an upcycle is 31 months. The current cycle has lasted 15 months. The average increase in monthly sales from start to peak of the cycle was 23% vs 25% in the current cycle. We believe the strong demand conditions for the semiconductor sector will persist for the rest of the year.

The government imposed a nationwide lockdown from June 1 to 14, 2021 ("MCO 3.0). This was due to a new wave Covid-19 cases in the country.

In June, the Prime Minister announced the RM 150 bil “PEMULIH” stimulus package on 28 June 2021. This brought the total government stimulus under 8 different packages since the start of Covid-19 crisis to RM 530 bil. The direct fiscal injection by the government amounted to approximately RM83 bil. Under the package, EPF will introduce a new withdrawal facility called i-Citra. A total of 12.6 mil EPF members will be eligible to make withdrawals of up to RM5K from their account. The potential withdrawal under i-Citra is estimated at RM30 bil. If the previous two withdrawal schemes i-Sinar (RM59 bil) and i-Lestari (RM19 bil) were included, the total potential withdrawal will total approximately RM108 bil. The market was concerned about how EPF was going to fund these withdrawals.

MARKET OUTLOOK

Based on KLCI at 1,548 @ 28.6.2021 and assuming a market eps of 111/109, the market is trading at a PER of 13.9x/14.2x for CY21/CY22 respectively. This is lower than the market's mean PER of 15-16x. Stripping out the glove makers, the KLCI (ex-gloves) is trading at a PER of 18.0x and 15.7x in CY21/CY22 respectively (vs the 5 year average ex-gloves PER of 19.4x). The accelerated pace of vaccinations should result in falling new Covid-19 cases in the coming months. We believe the risk to reward for the KLCI is reasonable.

Our overweight stance in technology has worked well for us. We continue to stay weighted in this sector as the structural drivers for the semiconductor sector remain intact. In addition, we have added selective laggard and/or value plays whose earnings are expected fare better when the economy recovers from the pandemic. As always, our discipline is to invest in companies with catalysts which can drive a rerating of their share prices.

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 UNITHOLDERS OF APEXQUANTUM FUND

**Trustee's Report
For Financial Period Ended 30 June 2021**

We have acted as Trustee for APEX QUANTUM FUND ("the Fund") for the financial period ended 30 June 2021. To the best of our knowledge, APEX INVESTMENT SERVICES BERHAD ("the Manager") has managed the Fund in the financial period under review in accordance with the following:

1. limitations imposed on the investment powers of the Manager under the deeds, securities laws and Guidelines on Unit Trust Funds;
2. valuation or pricing of the Fund is carried out in accordance with the deeds and relevant regulatory requirement; and
3. creation and cancellation of units of the Fund are carried out in accordance with the deeds and relevant regulatory requirement.

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

BERNICE K M LAU
Head, Operations

Kuala Lumpur, Malaysia
25 August 2021

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 **Apex Investment Services Berhad**, do hereby state that, in the opinion of the Manager, the accompanying financial statements of **Apex Quantum 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 **Apex Quantum Fund** as at 30 June 2021 and of its financial performance and cash flows for the financial period ended on that date.

For and on behalf of the Manager
Apex Investment Services Berhad

CLEMENT CHEW KUAN HOCK
Director

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

Kuala Lumpur, Malaysia
Date: 25 August 2021

5.1 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Six Months Financial Period Ended 30 June 2021 (unaudited)

	Note	Financial period ended 30.06.2021 RM	Financial period ended 30.06.2020 RM
INVESTMENT INCOME/(LOSS)			
Gross dividend income		19,993	17,300
Realised gain/(losses) on sales of investments		144,087	(11,562)
Unrealised losses on financial assets at fair value through profit and loss ("FVPL")		(130,694)	(89,794)
Others income		838	2,345
		<u>34,224</u>	<u>(81,711)</u>
LESS: EXPENSES			
Management fee	4	11,369	7,946
Trustee's fee	5	379	265
Auditor's remuneration		1,810	2,002
Tax agent's fee		2,823	910
Administrative fees and expenses	6	1,150	1,524
Transaction costs		4,226	2,225
		<u>21,757</u>	<u>14,872</u>
NET INCOME/(LOSSES) BEFORE TAX		12,467	(96,583)
INCOME TAX EXPENSE	7	(158)	(87)
TOTAL COMPREHENSIVE INCOME/(EXPENSES)		<u>12,309</u>	<u>(96,670)</u>
Total comprehensive income/(expenses) for the financial period is made up as follows:-			
- Realised amount		143,003	(6,876)
- Unrealised amount		(130,694)	(89,794)
		<u>12,309</u>	<u>(96,670)</u>

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

5.2 STATEMENT OF FINANCIAL POSITION

At 30 June 2021 (unaudited)

	Note	30.06.2021 RM	30.06.2020 RM
ASSETS			
INVESTMENTS			
Quoted investments	8	1,394,952	877,979
OTHER ASSETS			
Sundry receivables	9	1,360	3,778
Current tax assets		4,585	4,585
		109,233	190,228
		<hr/>	<hr/>
		115,178	198,591
		<hr/>	<hr/>
TOTAL ASSETS		1,510,130	1,076,570
		<hr/>	<hr/>
NET ASSET VALUE ("NAV") AND LIABILITY			
NAV			
Unitholders' Capital		1,340,129	1,184,629
Accumulated losses		161,652	(130,429)
		<hr/>	<hr/>
TOTAL NAV	10	1,501,781	1,054,200
		<hr/>	<hr/>
LIABILITIES			
Amount owing to stockbroker	11	-	16,024
Sundry payables and accruals	12	6,394	4,912
Amount due to Manager		1,892	1,388
Amount due to Trustee		63	46
		<hr/>	<hr/>
TOTAL LIABILITY		8,349	22,370
		<hr/>	<hr/>
TOTAL NAV AND LIABILITIES		1,510,130	1,076,570
		<hr/>	<hr/>
NUMBER OF UNITS IN CIRCULATION	10.1	6,165,797	5,530,154
		<hr/>	<hr/>
NET ASSETS VALUE PER UNIT (RM)		0.2436	0.1906
		<hr/>	<hr/>

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

5.3 STATEMENT OF CHANGES IN NET ASSET VALUE

For The Six Months Financial Period Ended 30 June 2021 (unaudited)

	Note	Unitholders' Capital RM	(Accumulated loss)/Retained earnings RM	Total RM
Balance at 1 January 2020		1,184,629	(33,759)	1,150,870
Net loss after taxation/Total comprehensive income for the financial period		-	(96,670)	(96,670)
Contribution by and distributions to the unitholders of the Fund :				
- Creation of units	10.1	-	-	-
- Cancellation of units	10.1	-	-	-
Total transactions with unitholders of the fund		-	-	-
Balance at 30 June 2020		<u>1,184,629</u>	<u>(130,429)</u>	<u>1,054,200</u>
Balance at 1 January 2021		1,284,629	149,343	1,433,972
Net income after taxation/Total comprehensive income for the financial period		-	12,309	12,309
Contribution by and distributions to the unitholders of the Fund :				
- Creation of units	10.1	55,500	-	55,500
- Cancellation of units	10.1	-	-	-
Total transactions with unitholders of the fund		55,500	-	55,500
Balance at 30 June 2021		<u>1,340,129</u>	<u>161,652</u>	<u>1,501,781</u>

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

5.4 STATEMENT OF CASH FLOWS

For The Six Months Financial Period Ended 30 June 2021 (unaudited)

	30.06.2021	30.06.2020
	RM	RM
CASH FLOW (FOR)/FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	635,821	351,815
Purchase of investments	(634,335)	(315,242)
Dividend income	18,878	16,164
Management fees paid	(11,227)	(8,066)
Trustee fees paid	(374)	(269)
Payment for other fees and expenses	(9,665)	(7,750)
Others income	838	2,345
	<hr/>	<hr/>
NET CASH (FOR)/FROM OPERATING AND INVESTING ACTIVITIES	(64)	38,997
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from units created	55,500	-
Payment for cancellation units	-	-
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES	55,500	-
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,436	38,997
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	53,797	151,231
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	109,233	190,228
	<hr/>	<hr/>

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

5.5 NOTES TO THE FINANCIAL STATEMENTS

For The Six Months Financial Period Ended 30 June 2021 (unaudited)

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Apex Quantum Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 19 June 2000, Supplemental Deed dated 20 December 2000, Second Supplemental Deed dated 9 March 2006, Third Supplemental Deed dated 23 February 2010 and Fourth Supplemental Deed dated 3 August 2015, between the Manager, Apex Investment Services Berhad, the Trustee, MTrustee Berhad and the registered Unitholders of the Fund. Fifth Supplemental Deed dated 15 April 2016 was executed for the change of Trustee from MTrustee Berhad to Maybank Trustees Berhad.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Seventh Schedule of the Deed. The Fund commenced operations on 28 June 2000 (commencement date) and will continue its operations until its termination by the Trustee or the Manager as provided under Clauses 7.2 and 7.4 of the Deed.

The investment objective of the Fund is to invest in stocks listed under the Bursa Malaysia Main Market. The Manager of the Fund is allowed to invest in equity up to 100% of the NAV of the Fund. The investment mandate is further subjected to a minimum investment of 40% of the NAV, in stocks or fixed income instruments or any other form of investment instruments which provide regular payment of dividends or its equivalent and permitted by the Securities Commission Malaysia.

The Manager, Apex Investment Services Berhad, is a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust 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.

2.1 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 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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

2. BASIS OF PREPARATION (CONT'D)

2.2 The Fund has not applied in advance the following accounting standards and 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment 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.

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. 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.

(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).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(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.

3.5 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 IMPAIRMENT OF FINANCIAL ASSETS

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

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).

3.8 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 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. MANAGEMENT'S FEE

Clauses 6.1 and 6.2 of the Deed provides that the Manager is entitled to a management fee computed daily on the NAV attributable to unitholders of the Fund at a maximum rate of 2% (30.06.2020 – 2%) per annum. The management fee recognised in the financial statements is computed based on 1.50% (30.06.2020 – 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% (30.06.2020 - 0.05%) per annum of the net asset value attributable to unitholders of the Fund.

6. ADMINISTRATION FEES AND EXPENSES

Included in administrative fees and expenses of the current financial period is investment committee meeting allowance amounted to RM240 (30.06.2020: RM182).

7. INCOME TAX EXPENSE

	30.06.2021	30.06.2020
	RM	RM
Current tax expenses		
- current period	158	87

The tax charge for the current financial period is on taxable gross dividend only, after deducting the allowable expenses. The effective tax rate in relation to net income before taxation is lower than the statutory income tax rate mainly due to tax-exempt dividends received which is not taxable.

8. QUOTED INVESTMENTS

	30.06.2021	30.06.2020
	RM	RM
Equity investments held in Malaysia, at fair value	1,237,211	795,912
Non-equity Investments held in Malaysia, at fair value	157,741	82,067
	<u>1,394,952</u>	<u>877,979</u>

8. QUOTED INVESTMENTS (CONT'D)

AT 30 June 2021	Number of Shares held	At Cost RM	At Fair Value RM	Percentage of NAV of The Fund %
8.1 EQUITY INVESTMENTS				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET</u>				
<u>CONSTRUCTION</u>				
Gamuda Berhad	14,600	46,094	45,698	3.04
IJM Corporation Berhad	23,500	44,304	42,065	2.80
		90,398	87,763	5.84
<u>CONSUMER PRODUCTS & SERVICES</u>				
Genting Malaysia Berhad	17,300	52,364	47,921	3.19
Hong Leong Industries Berhad	6,900	65,127	63,618	4.24
Malayan Flour Mills Berhad	89,600	81,077	67,648	4.50
		198,568	179,187	11.93
<u>ENERGY</u>				
Dialog Group Berhad	42,100	115,877	121,669	8.10
<u>FINANCIAL SERVICES</u>				
ELK-Desa Resources Berhad	55,700	68,751	75,195	5.01
Hong Leong Financial Group Berhad	2,600	41,914	46,280	3.09
		110,665	121,475	8.10
<u>INDUSTRIAL PRODUCTS & SERVICES</u>				
Dufu Technology Corp. Berhad	2,000	6,833	9,080	0.60
Malayan Cement Berhad	34,400	89,447	99,760	6.64
		96,280	108,840	7.24
<u>TECHNOLOGY</u>				
Frontken Corporation Berhad	20,100	66,033	57,687	3.85
Inari Amertron Berhad	10,500	28,933	33,285	2.22
KESM Industries Berhad	8,100	91,713	86,346	5.75
MI Technovation Berhad	11,900	51,035	41,293	2.75
Malaysian Pacific Industries Berhad	3,400	42,091	131,920	8.78
Pentamaster Corporation Berhad	7,500	22,183	34,725	2.32
Unisem (M) Berhad	13,400	64,357	98,356	6.55
		366,345	483,612	32.22

8. QUOTED INVESTMENTS (CONT'D)

	Number of Shares held	At Cost RM	At Fair Value RM	Percentage of NAV of The Fund %
AT 30 June 2021 (Cont'd)				
8.1 EQUITY INVESTMENTS (CONT'D)				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET (CONT'D)</u>				
<u>TRANSPORTATION & LOGISTIC</u>				
Malaysia Airports Holdings Berhad	12,000	61,852	72,000	4.79
<u>UTILITIES</u>				
Taliworks Corporation Berhad	75,500	54,054	62,665	4.17
TOTAL QUOTED EQUITY INVESTMENTS IN MALAYSIA		1,094,039	1,237,211	82.39
8.2 NON-EQUITY INVESTMENTS				
<u>REITS</u>				
YTL Hospitality REIT	112,500	97,322	100,687	6.70
<u>TSR LOANS</u>				
Hume Industries Bhd - LA	36,340	36,779	57,054	3.80
TOTAL QUOTED NON-EQUITY INVESTMENTS IN MALAYSIA		134,101	157,741	10.50
TOTAL QUOTED INVESTMENTS		1,228,140	1,394,952	92.89

8. QUOTED INVESTMENTS (CONT'D)

AT 30 June 2020	Number of Shares held	At Cost RM	At Fair Value RM	Percentage of NAV of The Fund %
8.1 EQUITY INVESTMENTS				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET</u>				
<u>CONSUMER PRODUCTS & SERVICES</u>				
British American Tobacco (Malaysia) Berhad	3,400	56,343	36,652	3.48
Genting Malaysia Berhad	26,200	106,532	66,286	6.29
Hong Leong Industries Berhad	6,900	65,127	55,269	5.24
Padini Holdings Berhad	8,000	20,082	19,920	1.89
Panasonic Manufacturing Malaysia Berhad	1,400	51,625	42,000	3.98
RGB International Bhd.	218,971	48,140	30,656	2.91
Three-A Resources Berhad	38,625	36,373	30,320	2.89
		384,222	281,103	26.68
<u>ENERGY</u>				
Coastal Contracts Berhad	40,000	39,607	26,400	2.50
Dialog Group Berhad	26,600	64,891	96,026	9.11
		104,498	122,426	11.61
<u>FINANCIAL SERVICES</u>				
ELK-Desa Resources Berhad	55,700	68,751	74,081	7.03
Hong Leong Financial Group Berhad	1,000	17,018	13,100	1.24
		85,769	87,181	8.27
<u>HEALTH CARE</u>				
Y.S.P. Southeast Asia Holding Berhad	11,000	35,828	25,410	2.41
<u>INDUSTRIAL PRODUCTS & SERVICES</u>				
Malayan Cement Berhad	12,400	28,546	29,760	2.82
SKP Resources Berhad	67,800	82,720	91,530	8.68
SLP Resources Berhad	38,000	46,321	31,540	2.99
		157,587	152,830	14.49
<u>TECHNOLOGY</u>				
Malaysian Pacific Industries Berhad	2,000	21,723	22,000	2.09
Pentamaster Corporation Berhad	5,000	22,183	25,750	2.44
		43,906	47,750	4.53

8. QUOTED INVESTMENTS (CONT'D)

	Number of Shares held	At Cost RM	At Fair Value RM	Percentage of NAV of The Fund %
AT 30 June 2020 (Cont'd)				
8.1 EQUITY INVESTMENTS (CONT'D)				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET (CONT'D)</u>				
<u>UTILITIES</u>				
Taliworks Corporation Berhad	94,300	65,791	79,212	7.51
TOTAL QUOTED EQUITY INVESTMENTS IN MALAYSIA		877,601	795,912	75.50
8.2 NON-EQUITY INVESTMENTS				
<u>REITS</u>				
YTL Hospitality REIT	16,900	20,156	17,745	1.68
<u>TSR LOANS</u>				
Hume Industries Bhd - LA	36,340	36,779	64,322	6.10
TOTAL QUOTED NON-EQUITY INVESTMENTS IN MALAYSIA		56,935	82,067	7.78
TOTAL QUOTED INVESTMENTS		934,536	877,979	83.28

9. SUNDRY RECEIVABLES

	30.06.2021 RM	30.06.2020 RM
Dividends receivable	1,360	3,778

10. TOTAL NET ASSET VALUE

	Note	30.06.2021 RM	30.06.2020 RM
Unitholders' capital	10.1	1,340,129	1,184,629
Accumulated losses			
- realised reserve	10.2	(5,160)	(73,872)
- unrealised reserve	10.3	166,812	(56,557)
		161,652	(130,429)
		1,501,781	1,054,200

10. TOTAL NET ASSET VALUE (CONT'D)

10.1 UNITHOLDERS' CAPITAL

	30.06.2021		30.06.2020	
	Number of units	RM	Number of units	RM
As at beginning of the financial period	5,951,739	1,284,629	5,530,154	1,184,629
Creation of units	214,058	55,500	-	-
Cancellation of units	-	-	-	-
As at end of the financial period	<u>6,165,797</u>	<u>1,340,129</u>	<u>5,530,154</u>	<u>1,184,629</u>

10.2 REALISED RESERVE – DISTRIBUTABLE

	30.06.2021 RM	30.06.2020 RM
Balance as at beginning of the financial period	(148,163)	(66,996)
Net gain/(loss) for the financial period	12,309	(96,670)
Transferred of net unrealised loss on valuation of quoted investments to unrealised reserve	130,694	89,794
Net increase/(decrease) in realised reserve for the financial period	143,003	(6,876)
Balance as at end of the financial period	<u>(5,160)</u>	<u>(73,872)</u>

10.3 UNREALISED RESERVE - NON-DISTRIBUTABLE

	30.06.2021 RM	30.06.2020 RM
Balance as at beginning of the financial period	297,506	33,237
Transferred of net unrealised loss on valuation of quoted investments from realised reserve	(130,694)	(89,794)
Balance as at end of the financial period	<u>166,812</u>	<u>(56,557)</u>

11. AMOUNT OWING TO A STOCKBROKER

The amount owing to a stockbroker at end of the previous reporting period represented amount payable for purchase of equity securities. The normal credit term granted was 2 market days.

12. SUNDRY PAYABLES AND ACCRUALS

	30.06.2021	30.06.2020
	RM	RM
Accruals	6,394	4,912

13. MANAGEMENT EXPENSE RATIO

	30.06.2021	30.06.2020
	%	%
Management Expense Ratio ("MER")	1.15	1.19

Management Expenses Ratio includes annual management fee, annual trustee's fee, audit fee, tax agent's fee and administrative fees and expenses which is calculated as follows:

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

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

The average net asset value of the Fund for the financial period was RM1,528,758 (30.06.2020: 1,065,024).

14. PORTFOLIO TURNOVER RATIO

	30.06.2021	30.06.2020
	(times)	(times)
Portfolio Turnover Ratio ("PTR")	0.42	0.32

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	=	RM634,335	(30.06.2020 : RM 331,266)
Total disposals for the financial period	=	RM635,821	(30.06.2020 : RM 351,815)

15. OPERATING SEGMENTS

In accordance with the asset allocation guidelines of the Fund, the Fund can have an exposure in equity and equity-related securities up to 100% of the Fund's NAV and not less than 40% of the Fund's NAV.

The Fund only invested in Malaysia and hence no operating segment information is disclosed.

16. UNITS HELD BY 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 2021 (30.06.2020 - NIL).

17. TRANSACTIONS BY THE FUND WITH BROKERS AND FINANCIAL INSTITUTION

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

30.06.2021	Value of trade		Brokerage fee	
	RM	%	RM	%
Affin Hwang Investment Bank Berhad	533,325	41.99	1,071	41.08
CIMB Investment Bank Berhad	391,751	30.85	828	31.78
Maybank Investment Bank Berhad	345,013	27.16	708	27.14
	<u>1,270,089</u>	<u>100.00</u>	<u>2,607</u>	<u>100.00</u>
30.06.2020	Value of trade		Brokerage fee	
	RM	%	RM	%
Affin Hwang Investment Bank Berhad	299,579	43.86	661	44.53
Maybank Investment Bank Berhad	290,834	42.57	610	41.14
CIMB Investment Bank Berhad	92,686	13.57	213	14.33
	<u>683,099</u>	<u>100.00</u>	<u>1,484</u>	<u>100.00</u>

18. RELATED PARTY DISCLOSURES

18.1 IDENTITIES OF RELATED PARTIES

The Fund has related party relationships with its Manager, Apex Investment Services Berhad and its Trustee, Maybank Trustees Berhad.

18.2 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: -

	30.06.2021	30.06.2020
	RM	RM
Apex Investment Services Berhad:		
- management fee	11,369	7,946
	<hr/>	<hr/>
Maybank Trustees Berhad:		
- trustee fee	379	265
	<hr/>	<hr/>
	30.06.2021	30.06.2020
	Units	Units
	RM	RM
Purchase of units in the Fund:		
- Lynn Goh Ming Hui	421,585	-
	<hr/>	<hr/>

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

	30.06.2021		30.06.2020	
	Units	Units	Units	RM
- Lynn Goh Ming Hui	421,585	102,698	-	-
	<hr/>			

19. 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.

19.1 FINANCIAL RISK MANAGEMENT POLICIES

The Fund's 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) Interest Rate Risk

The Fund does not have any interest rate bearing borrowings, hence is not exposed to interest rate risk.

(c) Particular Stock Risk

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

Particular Stock Risk Sensitivity

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

	Change in equity price	Effects on income for the financial period increase/ (decrease) RM	Effects on equity increase/ (decrease) RM
FTSE Bursa Malaysia KLCI			
30.06.2021	+ 1%	12,372	12,372
	- 1%	(12,372)	(12,372)
		<hr/>	<hr/>
30.06.2020	+ 1%	7,959	7,959
	- 1%	(7,959)	(7,959)
		<hr/>	<hr/>

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

19. FINANCIAL INSTRUMENTS (CONT'D)

19.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Particular Stock Risk (Cont'd)

Particular Stock Risk Concentration

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

	30.06.2021		30.06.2020	
	RM	As a % of NAV	RM	As a % of NAV
Technology	483,612	32.22	47,750	4.53
Consumer Products & Services	179,187	11.93	281,103	26.68
Energy	121,669	8.10	122,426	11.61
Finance Services	121,475	8.10	87,181	8.27
Industrial Products & Services	108,840	7.24	152,830	14.49
REITS	100,687	6.70	17,745	1.68
Construction	87,763	5.84	-	-
Transportation & Logistics	72,000	4.79	-	-
Utilities	62,665	4.17	79,212	7.51
TSR Loan	57,054	3.80	64,322	6.10
Health Care	-	-	25,410	2.41
	<u>1,394,952</u>	<u>92.89</u>	<u>877,979</u>	<u>83.28</u>

(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.

19. FINANCIAL INSTRUMENTS (CONT'D)

19.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(f) Credit Risk

The Fund's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from 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. No expected credit loss is recognised as it is negligible.

Cash at Bank

The Fund considers cash at bank to 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.

19.2 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.

19. FINANCIAL INSTRUMENTS (CONT'D)

19.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	30.06.2021	30.06.2020
	RM	RM
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Quoted investments	1,394,952	877,979
<u>Amortised Cost</u>		
Sundry receivables	1,360	3,778
Current tax asset	4,585	4,585
Cash at bank	109,233	190,228
	<u>115,178</u>	<u>198,591</u>
Financial Liability		
<u>Amortised Cost</u>		
Accruals	6,394	4,912
Amount owing to stockbroker	-	16,024
Amount owing to Manager	1,892	1,388
Amount owing to Trustee	63	46
	<u>8,349</u>	<u>22,370</u>

19.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	30.06.2021	30.06.2020
	RM	RM
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Net gains/(losses) recognised in profit or loss	33,386	(84,056)
<u>Amortised Cost</u>		
Gains recognised in profit or loss	838	2,345

19. FINANCIAL INSTRUMENTS (CONT'D)

19.5 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 are included in level 2 of the fair value hierarchy.

30.06.2021	Fair Value of Financial Instruments Carried at Fair Value			Total Fair value RM	Carrying Amount RM
	Level 1	Level 2	Level 3		
	RM	RM	RM		
<u>Financial Asset</u>					
Quoted investments	1,394,952	-	-	1,394,952	1,394,952
<hr/>					
30.06.2020					
<u>Financial Asset</u>					
Quoted investments	877,979	-	-	877,979	877,979
<hr/>					

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.

20. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order (“MCO”) and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Fund and of the opinion that there were no material financial impacts arising from the pandemic. The Fund has been performing much better than expected and based on current market perspectives, and the management believes this trend will continue in the foreseeable future within the next 6 months.

Nevertheless, the Fund has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

6. DIRECTORY

Manager	Apex Investment Services Berhad [199701004894 (420390-M)]	
Registered Office	No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan	
Board of Directors	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
Investment Committee	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Independent Member
	Clement Chew Kuan Hock	Non-Independent Member
	Azran bin Osman Rani	Independent Member
Secretary	Ng Kee Tiong (MIA 10631) No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan	Ng Chin Chin (MAICSA 7042650) No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan
Trustee	Maybank Trustees Berhad [196301000109 (5004-P)] 8 th Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur	
Auditor and Reporting Accountant	Crowe Malaysia PLT (201906000005 (LLP0018817-LCA) & AF 1018) Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	
Taxation Advisers	Mazars Taxation Services Sdn Bhd (579747-A) Chartered Accountants Wisma Selangor Dredging 7 th Floor, South Block 142A, Jalan Ampang 50450 Kuala Lumpur	

BUSINESS OFFICE
APEX INVESTMENT SERVICES BERHAD

3rd Floor, Menara MBSB
46, Jalan Dungun
Damansara Heights
50490 Kuala Lumpur