

RHB GLOBAL MACRO OPPORTUNITIES FUND

ANNUAL REPORT 2021

For the financial year ended 30 June 2021

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name	- RHB Global Macro Opportunities Fund
Fund Category	- Wholesale Feeder (equity) Fund
Fund Type	- Growth Fund

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund aims to achieve capital appreciation above its benchmark by investing in one Target Fund, i.e. JPMorgan Investment Funds – Global Macro Opportunities Fund.

Strategy

The Fund will invest principally in the USD denominated shares of the Target Fund. The Target Fund is one of the sub-funds of the JPMorgan Investment Funds. JPMorgan Investment Funds is an investment company organised as a société anonyme under the laws of the Grand Duchy of Luxembourg and qualified as a société d'investissement à capital variable ("SICAV"). The management company of JPMorgan Investment Funds is JPMAM Europe whose regulatory authority is CSSF. JPMAM Europe has delegated the investment management functions of the Target Fund to the Investment Managers, i.e. JPMAM UK, JPMIM New York, JPMAM Japan, JFAM Hong Kong and JPMAM Singapore. JPMAM UK is regulated by the Financial Conduct Authority (FCA) of the UK. JPMIM New York is regulated by the Securities and Exchange Commission of the United States of America. JPMAM Japan is regulated by Japanese Financial Services Agency. JFAM Hong Kong is regulated by the Securities and Futures Commission Hong Kong. JPMAM Singapore is regulated by the Monetary Authority of Singapore. The investment objective of the Target Fund is to achieve capital appreciation in excess of its cash benchmark by investing primarily in securities, globally, using financial derivative instruments where appropriate.

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

At least 95% of Net Asset Value - Investments in the C (Acc) – USD (hedged) shares of the Target Fund.

2% to 5% of Net Asset Value - Investment in liquid assets including money market instruments and placements of cash.

Performance Benchmark

The performance of the Fund is benchmarked against the ICE 1 month EUR LIBOR.

Permitted Investments and Restrictions

The Fund will invest in one collective investment scheme i.e. JPMorgan Investment Funds – Global Macro Opportunities Fund, trade in financial derivatives, invest in money market instruments and make placements of cash with any financial institutions, and any other investments as agreed between the Trustee and the Manager from time to time, provided that there is no inconsistency with the Fund's objective.

In undertaking the Fund's investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

Fund Distribution Policy

Subject to the level of income, distribution, if any, after deduction of taxation and expenses (i.e. net distribution) is declared annually. Any distribution made, will be out of the Fund's realised gain or realised income.

Effective from 1 July 2021, the definition of Sophisticated Investor will be as follows:

Sophisticated Investor	<ol style="list-style-type: none">1. A unit trust scheme, private retirement scheme or prescribed investment scheme; or2. Bank Negara; or3. A licensed person or a registered person; or4. An exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator; or5. A corporation that is licensed, registered or approved to carry on any regulated activity or capital market
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	<p>services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the Commission; or</p> <p>6. A bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704]; or</p> <p>7. An Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; or</p> <p>8. A chief executive officer or a director of any person referred to in paragraphs 3, 4, 5, 6 and 7.P.U. (A) 51; or</p> <p>9. A closed-end fund approved by the Commission; or</p> <p>10.A company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies; or</p> <p>11.A corporation that—</p> <p>(a) is a public company under the Companies Act 2016 which is approved by the Commission to be a trustee under the Act and has assets under its management, exceeding ten million ringgit or its equivalent in foreign currencies; or</p> <p>(b) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies; or</p> <p>12.A corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or</p> <p>13.A partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies; or</p>
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	<p>14.A statutory body established under any laws unless otherwise determined by the Commission.P.U. (A) 52; or</p> <p>15.A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967; or</p> <p>16.An individual—</p> <ul style="list-style-type: none"> (a) whose total net personal assets, or total net joint assets with his or her spouse, exceeding three million ringgit or its equivalent in foreign currencies, excluding the value of the individual’s primary residence; (b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months; (c) who jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months; or (d) whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding one million ringgit or its equivalent in foreign currencies.
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MANAGER'S REPORT

MARKET REVIEW

Equity markets continued their ascent supported by faster-than-anticipated recovery in global activity, positive vaccine developments and stimulus support. However, market volatility remained amid ongoing concerns about the virus trajectory.

At the start of the period, the Target Fund Manager saw countries continue to ease mobility restrictions and economies broadly reopen, supported by a stabilization in COVID-19 infection rates. Continued signs of a recovery in global activity supported risk assets in July. Investor optimism was further helped by positive early-stage vaccine trial results, and the announcement of a Euro Dollar ("EUR") 750 billion COVID-19 recovery fund in Europe, marking an encouraging step towards potential fiscal integration across the region.

Data prints reaffirmed a backdrop of improving global growth in August, with the flash purchasing managers' indices in the United States ("US"), Europe and United Kingdom ("UK") all in expansionary territory. Virus case counts stabilized in the US, while the Target Fund Manager observed a rise across Europe, with the largest increases in Spain and France. The US Federal Reserve ("Fed") shifted to a structurally more dovish reaction function, announcing a move to flexible average-inflation targeting with a focus on employment shortfalls that will likely see policy remain accommodative for the foreseeable future.

Rising case counts in Europe gained more attention in September 2020 leading to renewed targeted restrictions which dampened the recovery in the services sector from the strong pace seen earlier. Risk sentiment was also negatively impacted by the lack of positive development on fiscal stimulus in the US which delayed additional support to the ongoing recovery in households and businesses impacted by the pandemic. This negative market sentiment came in spite of a general improvement in global data, supported by signs of recovery in manufacturing, with the US and China leading by region.

Europe's second-wave of the virus became more aggressive into October 2020, as all major economies reported new highs in infections rates. Many governments initially imposed targeted local mobility measures, but soon progressed to national level restrictions that weighed on activity in the region. In the US, virus infection rates also rose, but investors were more focused on uncertainty about the US election. Against this backdrop and despite a good third-quarter earnings season, equity markets fell.

However, equity markets rallied in November amid diminishing concerns about the US election and positive news on vaccine developments. The US election race was closer than had been anticipated with the final result a Biden presidential win and likely a split government. Elsewhere, leading vaccine developers announced positive trial results

and a move to obtain regulatory approval, significantly shifting the medium-term outlook and pushing risk assets higher.

Global equity markets continued to rally into year-end supported by a recovery in global activity, as indicated by purchasing managers' indices with the improvement led by the services sector. Sentiment improved further amid approval of a United States Dollar ("USD") 900 billion stimulus package and a Brexit deal being agreed in the final days of the year.

Year 2021 began on a strong note as the outlook was supported by positive vaccine developments and falling virus case counts leading to re-openings and improving activity data, particularly in developed markets. The Target Fund Manager saw a notable improvement across multiple data points including purchasing managers' indices and confidence measures. The US led versus the rest of the world, with the fastest progress on vaccine rollout, strong consumer data and the Democratic victory in Georgia paving the way for a bigger-than-expected fiscal package.

US exceptionalism faded into the second quarter as there was increasing room for positive surprises in Europe, which had been lagging in vaccine rollout. Meanwhile, China began to show signs of slowdown as stimulus measures tapered and emerging markets more broadly suffered pockets of rising virus case counts, with a particularly concerning situation in India. Further into the second quarter, the euphoria of the initial global re-opening appeared to be fading and June saw a rotation in markets from value towards growth.

For much of the period inflation expectations moved higher and bond yields rose. Key central banks largely reiterated their expectation for higher inflation to be transitory in nature, but investor concerns grew and caused some volatility. However, in June 2021, the US Federal Reserve (the Fed) turned modestly more hawkish by acknowledging that the balance of risks has shifted. Fed committee members' rate hiking expectations were updated to show two hikes now anticipated in year 2023, and further discussion expected on the timing of asset purchase tapering. With the Fed appearing more responsive to the risks of higher inflation, yields on longer-dated US Treasuries moved lower.

REVIEW OF TARGET FUND PERFORMANCE AND STRATEGY DURING THE YEAR

Over the year under review, the target fund delivered a positive return of +12.7% (net of C EUR share class fees), while the Morgan Stanley Capital International (“MSCI”) World (hedged to EUR) was up +35.3% and the J.P. Morgan Global GBI (hedged to EUR) was down 2.6%. Overall, the Target Fund Manager long equity strategies contributed most to performance, particularly select semiconductor manufacturers, cloud computing and software names, consumer names (global brands and US discount retailers), US banks, and global pharmaceuticals. The Target Fund Manager fixed income and gold strategies also added value. The Target Fund Manager short-biased equity strategies via futures and options detracted from performance.

During the period, the Target Fund Manager reflected their view of global cyclical recovery in an increased level of risk and pro-cyclical positioning versus earlier in year 2020. The Target Fund Manager increased equity exposure and tilted towards more pro-cyclical sectors, while maintaining some defensive strategies at smaller size and short-biased equity futures. When risk assets sold off in September 2020, the Target Fund Manager took advantage of the market volatility to add to some of their favored names across technology, financials and consumer discretionary and shifted some short-bias equity from futures to options, as well as adding short-dated option protection ahead of the US election.

Following positive news on vaccine developments in November 2020, the Target Fund Manager increased their pro-cyclical tilt and exposure to the value factor. The Target Fund Manager added long European financials, autos and basic resources equity sector futures, and risk-on currency exposures including long Indian rupee, Australian dollar and Korean won versus short USD. The Target Fund Manager also added a long US duration strategy for potential diversification benefits.

The Target Fund Manager continued to add to equity risk and increased their pro-cyclical portfolio tilt into year 2021. During the first quarter, the Target Fund Manager took advantage of market volatility to add to their global media streaming equity strategy and to some of the Target Fund Manager favored positions across financials and semiconductor manufacturers. The Target Fund Manager also added a long Norwegian krone versus short euro strategy to increase their pro-cyclical tilt. In response to rising bond yields the Target Fund Manager trimmed their select utilities names, and removed their gold and long US duration strategies.

In March 2021, an improved US outlook and accommodative monetary policy supported introducing a short US duration strategy, some of which is held versus long Australian duration. The Target Fund Manager also introduced a long USD exposure versus select emerging market currencies to reflect the view of higher yields, in addition to holding diversification benefits. The Target Fund Manager continued to hold

protection in the target portfolio, predominantly through short-bias equity strategies, to protect from the risk of further vaccine delays and greater virus resurgence.

The Target Fund Manager broadly held this positioning through the second quarter as the Target Fund Manager continued to reflect global expansion in the target portfolio as their core macro scenario, while having some robustness to a downside stagflation environment and upside goldilocks scenario. Towards the end of the period under review the Target Fund Manager began to reduce cyclical exposures in areas such as semiconductors and added to quality growth areas such as cloud computing. The Target Fund Manager reduced their short US duration strategy following the more hawkish shift from the Fed.

REVIEW OF FUND PERFORMANCE DURING THE YEAR

During the year under review, the Fund has generated a return of 12.22%* and 11.71%* as compared with the benchmark return of -2.85%* and 0.27%* for RM Class and USD Class respectively. The Fund has met its objective by achieving capital appreciation above its benchmark.

** Source: Lipper Investment Management ("Lipper IM"), 13 July 2021*

MARKET OUTLOOK AND STRATEGY GOING FORWARD

The Target Fund Manager remains in an expansion environment, but are closely monitoring for signs of a slowdown in growth, which have started to come through in Chinese services data. The Target Fund Manager has been neutralizing their tilt towards cyclical/value exposures by trimming some cyclical exposure, such as semis, and adding to favored quality growth names.

The Target Fund Manager continues to closely monitor inflation dynamics and policy shifts, as well as developments in virus variants and vaccination rates. The Target Fund Manager continues to hold some protection from an adverse environment through equity options.

PERFORMANCE DATA

	Annual Total Returns Financial Year/Period Ended 30 June				
	2021 %	2020 %	2019 %	2018 %	2017 [^] %
RHB Global Macro Opportunities Fund – USD Class					
- Capital Return	7.72	2.18	2.91	11.54	(3.20)
- Income Return	3.70	-	-	-	-
- Total Return	11.71	2.18	2.91	11.54	(3.20)
ICE 1 month EUR LIBOR (USD)	0.27	1.77	2.65	1.98	0.80

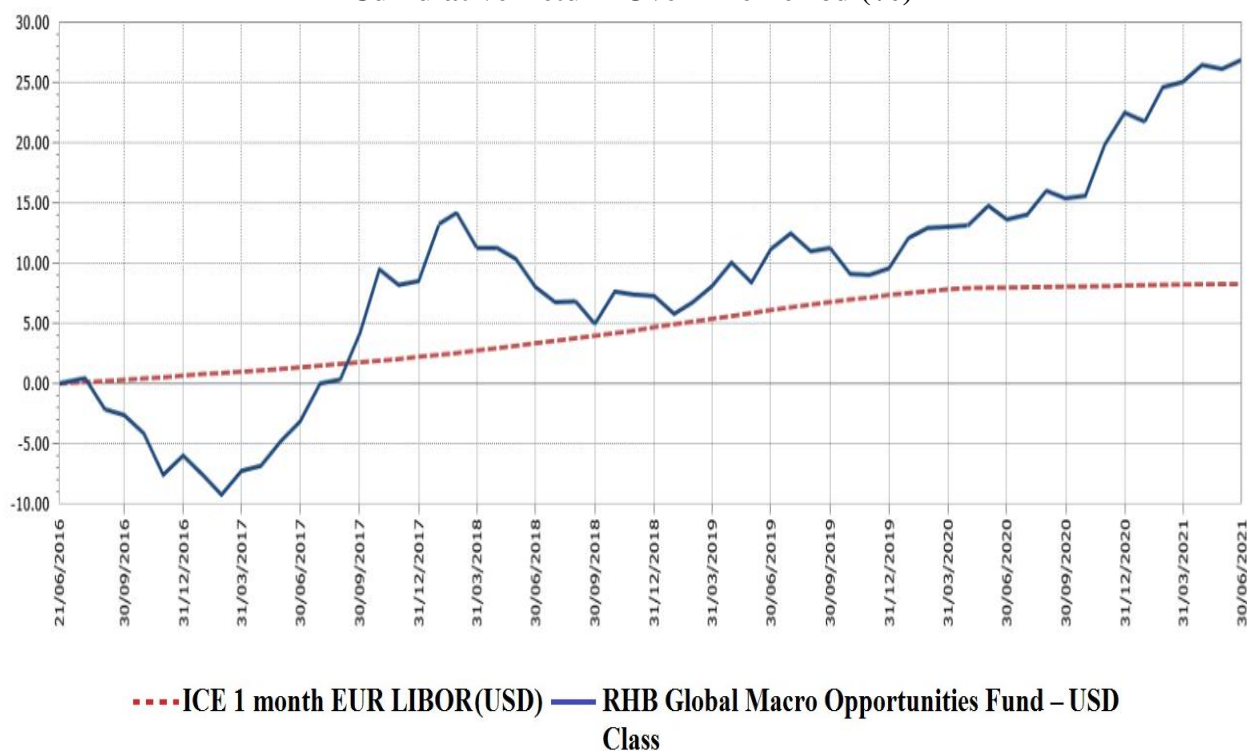
	Annual Total Returns Financial Year/Period Ended 30 June				
	2021 %	2020 %	2019 %	2018 %	2017 [^] %
RHB Global Macro Opportunities Fund – RM Class					
- Capital Return	8.36	1.43	3.50	13.60	(1.82)
- Income Return	3.56	-	-	-	-
- Total Return	12.22	1.43	3.50	13.60	(1.82)
ICE 1 month EUR LIBOR (RM)	(2.85)	5.52	5.01	(4.04)	7.26

[^] For the financial period since the last day of Initial Offer Period

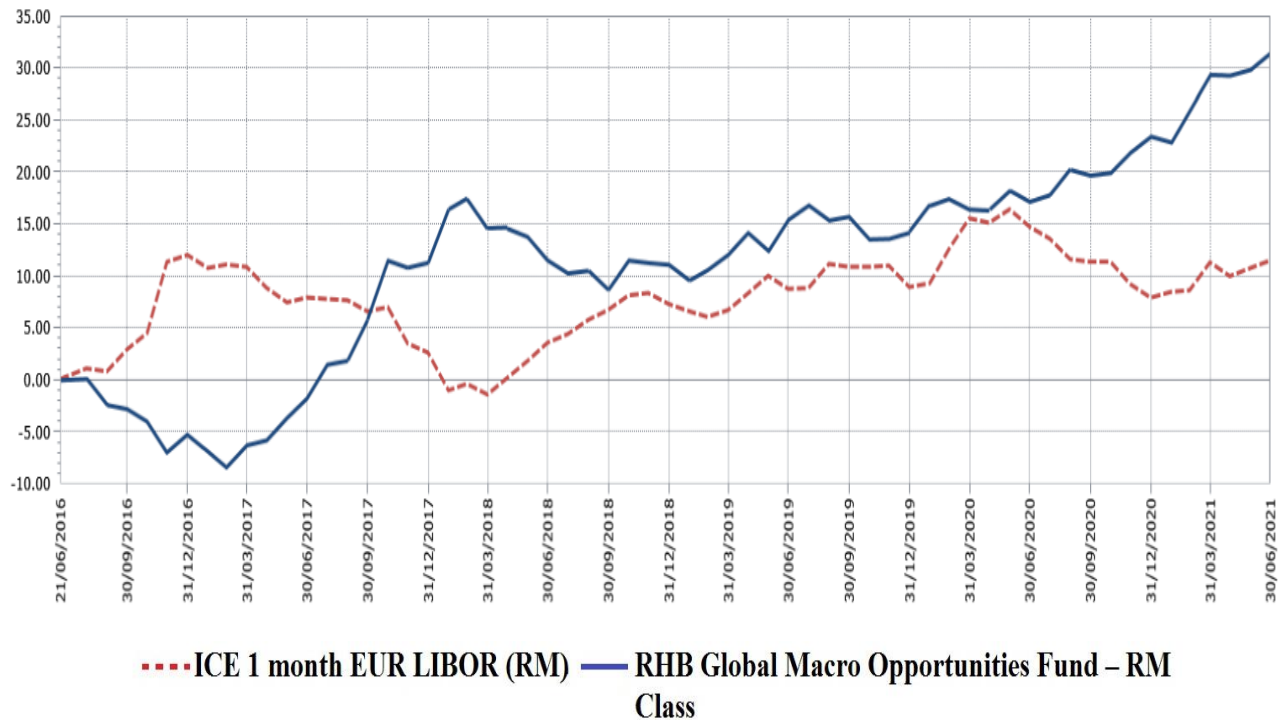
	Average Annual Returns			
	1 Year 30.06.2020- 30.06.2021 %	3 Year 30.06.2018- 30.06.2021 %	5 Years 30.06.2016- 30.06.2021 %	Since Launch 21.06.2016**- 30.06.2021 %
RHB Global Macro Opportunities Fund – USD Class	11.71	5.51	4.73	4.84
ICE 1 month EUR LIBOR (USD)	0.27	1.56	1.59	1.59

	Average Annual Returns			
	1 Year 30.06.2020- 30.06.2021 %	3 Year 30.06.2018- 30.06.2021 %	5 Years 30.06.2016- 30.06.2021 %	Since Launch 21.06.2016**- 30.06.2021 %
RHB Global Macro Opportunities Fund – RM Class	12.22	5.61	5.56	5.58
ICE 1 month EUR LIBOR (RM)	(2.85)	2.49	2.19	2.17

**Performance of RHB Global Macro Opportunities Fund – USD Class
for the period from 21 June 2016** to 30 June 2021
Cumulative Return Over The Period (%)**



**Performance of RHB Global Macro Opportunities Fund – RM Class
for the period from 21 June 2016** to 30 June 2021
Cumulative Return Over The Period (%)**



** *Being the last day of Initial Offer Period*

Source: Lipper IM, 13 July 2021

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

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

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

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

Fund Size - USD Class	As at 30 June		
	2021	2020	2019
Net Asset Value (USD million)	2.44*	2.14	4.28
Units In Circulation (million)	1.99	1.88	3.85
Net Asset Value Per Unit (USD)	1.2230*	1.1353	1.1110

Fund Size - RM Class	As at 30 June		
	2021	2020	2019
Net Asset Value (USD million)	6.77*	11.43	29.89
Units In Circulation (million)	22.14	41.82	106.95
Net Asset Value Per Unit (USD)	0.3057*	0.2734	0.2795

Historical Data	Financial Year Ended 30 June		
	2021	2020	2019
Unit Price			
<u>USD Class</u>			
NAV - Highest (USD)	1.2667*	1.1655	1.1141
- Lowest (USD)	1.1353*	1.0815	1.0490
<u>RM Class</u>			
NAV - Highest (RM)	1.3063*	1.2139	1.1574
- Lowest (RM)	1.1708*	1.1256	1.0866
Unit Split	-	-	-
Others			
Management Expense Ratio (MER) (%) #	1.30	1.28	1.27
Portfolio Turnover Ratio (PTR) (times) ##	0.35	0.42	0.19

* *The figures quoted are ex-distribution*

The MER for the financial year was higher compared with previous financial year due to lower average net asset value for the financial year under review.

The PTR for the financial year was lower compared with previous financial year due to lesser investment activities for the financial year under review.

Distribution Date	Financial Year Ended 30 June			
	Gross Distribution Per Unit (cent)	Net Distribution Per Unit (cent)	NAV before distribution (cum)	NAV after distribution (ex)
<u>2021</u>				
<u>USD Class</u>				
24.06.2021	4.5000	4.5000	1.2585	1.2172
<u>RM Class</u>				
24.06.2021	4.5000	4.5000	1.3063	1.2655

DISTRIBUTION

For the financial year under review, the Fund has declared a net distribution of 4.5000 cent/sen per unit for USD Class and RM Class respectively, which is equivalent to a net distribution yield of 3.73% and 3.63% based on the average net asset value per unit for the financial year

PORTFOLIO STRUCTURE

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

Sectors	As at 30 June		
	2021	2020	2019
	%	%	%
Collective investment scheme - foreign	97.59	96.02	96.79
Liquid assets and other net current assets	2.41	3.98	3.21
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The assets allocation reflects the Fund's strategy to have maximum exposure to the investments.

BREAKDOWN OF UNIT HOLDINGS BY SIZE – USD CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	1	11.11	20	1.01
50,001 to 500,000	6	66.67	738	37.10
500,001 and above	2	22.22	1,231	61.89
Total	9	100.00	1,989	100.00

BREAKDOWN OF UNIT HOLDINGS BY SIZE – RM CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	4	15.39	8	0.04
5,001 to 10,000	3	11.54	21	0.09
10,001 to 50,000	7	26.92	135	0.61
50,001 to 500,000	2	7.69	202	0.91
500,001 and above	10	38.46	21,769	98.35
Total	26	100.00	22,135	100.00

* Excluding Manager's stock

SOFT COMMISSION

The Fund Manager may only receive soft commission in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments.

During the financial year under review, the soft commission received from the brokers had been retained by the Manager as the goods and services provided are of demonstrable benefit to the unitholders.

RHB GLOBAL MACRO OPPORTUNITIES FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	<u>Note</u>	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
ASSETS			
Bank balances	5	103,736	67,718
Deposits with licensed financial institutions	5	132,594	282,971
Investments	6	8,986,790	13,032,346
Amount due from Manager		-	7,930
Forward foreign currency contracts	7	2,363	199,790
TOTAL ASSETS		<u>9,225,483</u>	<u>13,590,755</u>
LIABILITIES			
Amount due to Manager		305	-
Amount due to Trustee		453	685
Accrued management fee		9,052	13,693
Other payables and accruals		6,802	4,444
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>16,612</u>	<u>18,822</u>
NET ASSET VALUE		<u>9,208,871</u>	<u>13,571,933</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>9,208,871</u>	<u>13,571,933</u>
REPRESENTED BY: FAIR VALUE OF OUTSTANDING UNITS			
- USD Class		2,438,715	2,138,986
- RM Class		6,770,156	11,432,947
		<u>9,208,871</u>	<u>13,571,933</u>
UNITS IN CIRCULATION:			
- USD Class (Units)	8(a)	1,994,093	1,884,000
- RM Class (Units)	8(b)	22,144,853	41,824,000
		<u>24,138,946</u>	<u>43,708,000</u>

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

RHB GLOBAL MACRO OPPORTUNITIES FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (CONTINUED)

	<u>2021</u> USD	<u>2020</u> USD
NET ASSET VALUE PER UNIT:		
- USD Class (USD)	1.2230	1.1353
- RM Class (USD)	<u>0.3057</u>	<u>0.2734</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES:		
- USD Class (USD)	1.2230	1.1353
- RM Class (RM)	<u>1.2687</u>	<u>1.1708</u>

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

RHB GLOBAL MACRO OPPORTUNITIES FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	<u>Note</u>	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
INCOME/(LOSS)			
Interest income from deposits with licensed financial institutions		2,917	11,245
Net gain on investments	6	1,313,388	753,022
Net foreign currency exchange loss		(19,222)	(16,965)
Net gain/(loss) on forward foreign currency contracts	7	389,578	(800,737)
		<u>1,686,661</u>	<u>(53,435)</u>
EXPENSES			
Management fee	9	(122,709)	(270,110)
Trustee's fee	10	(6,135)	(13,505)
Audit fee		(1,500)	(1,500)
Tax agent's fee		(1,000)	(1,000)
Other expenses		(2,020)	(1,400)
		<u>(133,364)</u>	<u>(287,515)</u>
Net income/(loss) before finance cost and before taxation		<u>1,553,297</u>	<u>(340,950)</u>
FINANCE COST (EXCLUDING INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Distributions:			
- USD Class	12(a)	(86,535)	-
- RM Class	12(b)	(231,761)	-
		<u>(318,296)</u>	<u>-</u>

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

RHB GLOBAL MACRO OPPORTUNITIES FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
Net income/(loss) after finance cost and before taxation		1,235,001	(340,950)
Taxation	11	-	-
Net increase/(decrease) in net assets attributable to unitholders		<u>1,235,001</u>	<u>(340,950)</u>
Net increase/(decrease) in net assets attributable to unitholders is made up of the following:			
Realised amount		1,143,513	601,609
Unrealised amount		<u>91,488</u>	<u>(942,559)</u>
		<u>1,235,001</u>	<u>(340,950)</u>

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

RHB GLOBAL MACRO OPPORTUNITIES FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	<u>2021</u> USD	<u>2020</u> USD
Net assets attributable to unitholders at the beginning of the financial year	13,571,933	34,170,121
Movement due to units created and cancelled during the financial year:		
Creation of units arising from distribution		
- USD Class	86,535	-
- RM Class	231,761	-
	<u>318,296</u>	<u>-</u>
Creation of units arising from applications		
- USD Class	871,340	92,642
- RM Class	1,448,884	915,348
	<u>2,320,224</u>	<u>1,007,990</u>
Cancellation of units		
- USD Class	(789,269)	(2,291,053)
- RM Class	(7,447,314)	(18,974,175)
	<u>(8,236,583)</u>	<u>(21,265,228)</u>
Net increase/(decrease) in net assets attributable to unitholders during the financial year	<u>1,235,001</u>	<u>(340,950)</u>
Net assets attributable to unitholders at the end of financial year	<u>9,208,871</u>	<u>13,571,933</u>

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

RHB GLOBAL MACRO OPPORTUNITIES FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	<u>Note</u>	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of investments		6,858,944	21,144,391
Purchase of investments		(1,500,000)	-
Interest received from deposits with licensed financial institutions		2,917	11,245
Management fee paid		(127,350)	(290,413)
Trustee's fee paid		(6,367)	(14,520)
Payment for other fees and expenses		(2,162)	(3,950)
Net realised gain/(loss) on forward foreign currency contracts		587,005	(823,450)
Net realised foreign currency exchange loss		(687)	-
Net cash generated from operating activities		<u>5,812,300</u>	<u>20,023,303</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		2,328,154	1,000,060
Cash paid for units cancelled		(8,236,278)	(21,298,162)
Net cash used in financing activities		<u>(5,908,124)</u>	<u>(20,298,102)</u>
Net decrease in cash and cash equivalents		(95,824)	(274,799)
Foreign currency translation differences		(18,535)	(16,965)
Cash and cash equivalents at the beginning of the financial year		<u>350,689</u>	<u>642,453</u>
Cash and cash equivalents at the end of the financial year	5	<u>236,330</u>	<u>350,689</u>

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

**RHB GLOBAL MACRO OPPORTUNITIES FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED AT 30 JUNE 2021**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Global Macro Opportunities Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 5 May 2016 (collectively referred to as “the Deed”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 1 June 2016 and will continue its operations until terminated according to the conditions provided in the Deed. The principal activity of the Fund is to invest in Permitted Investments as defined under the Deed.

The Fund is a feeder fund that invests in the USD denominated shares of the Target Fund, a collective investment scheme domiciled in the Luxembourg that regulated by the Luxembourg Commission de Surveillance du Secteur Financier (“CSSF”).

All investments will be subject to the Securities Commission’s (“SC”) Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

The main objective of the Fund is to to achieve capital appreciation above its benchmark by investing in one Target Fund, i.e. C (Acc) – USD (hedged) shares of JPMorgan Investment Funds – Global Macro Opportunities Fund.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of RHB Investment Bank Berhad, effective 6 January 2003. Its principal activities include rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services.

These financial statements were authorised for issue by the Manager on 23 August 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. It also requires the Manager to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

(a) The Fund has applied the following amendments and interpretations for the first time for the financial year beginning on 1 July 2020:

- The Conceptual Framework for Financial Reporting (“Framework”) (effective 1 January 2020)

The Framework was revised with the primary purpose to assist the International Accounting Standards Board (“IASB”) to develop IFRS that are based on consistent concepts and enable preparers to develop consistent accounting policies where an issue is not addressed by an IFRS.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(a) The Fund has applied the following amendments and interpretations for the first time for the financial year beginning on 1 July 2020: (continued)

- The Conceptual Framework for Financial Reporting (“Framework”) (effective 1 January 2020) (continued)

Key changes include: (continued)

- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes are made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards have to apply the revised Framework from 1 July 2020.

- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’ (effective 1 January 2020) clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The revised Framework and adoption of the amendments to published standards did not have any impact on the current year or any prior period and is not likely to affect future periods.

(b) A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (“FVTPL”), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund designates its investments in collective investment scheme as financial assets at fair value through profit or loss at inception.

Recognition and measurement

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net gain or losses on investments in the period in which they arise.

Distribution income from financial assets at fair value through profit or loss is recognised in the statement of income and expenses within distribution income when the Fund's right to receive payments is established.

Collective investment scheme is valued based on the last published net asset value per unit or share of such collective investment schemes or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in such selling price).

Derivative investments are forward foreign currency contracts. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instruments are recognised in the statement of income and expenses when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instruments.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Impairment of financial assets

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities

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

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include amount due to Manager, amount due to Trustee, accrued management fee, and other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Fund's policies on derivative instruments are stated in Note 2.2 and Note 2.11.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in statement of income and expenses when the liabilities are derecognised, and through the amortisation process.

2.4 Creation and cancellation of units

The unitholders' contribution to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues two classes of cancellable units, which are cancelled at the unitholders' option. The units are classified as financial liabilities as they do not have identical features subject to restrictions as stipulated in the Information Memorandum or SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value attributable to the unit class. The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unitholders exercise the right to put the unit back to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's net asset value per share of the respective classes at the close of business on the relevant dealing day. The Fund's net asset value per share of the respective classes is calculated by dividing the net assets attributable to the unitholders of each class of units with the total number of outstanding units for each respective class.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition

Distribution of income from collective investment scheme is recognised when the Fund's right to receive payment is established. Distribution of income is received from financial assets measured at FVTPL.

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

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

Realised gain or loss on sale of the collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

Realised gain or loss on forward foreign currency contracts are measured by the net settlement amount as per the foreign currency forward contract.

Net income or loss is the total of income less expenses.

2.6 Taxation

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

Tax on distribution income from collective investment scheme is based on the tax regime of the respective country that the Fund invests in.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with financial institutions which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Presentation and functional currency

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

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

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

2.9 Foreign currency translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in statement of income and expenses.

2.10 Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Derivative financial instruments

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivative financial instruments are initially recognised at fair value on the date derivative contracts are entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative financial instrument is designated as a hedging instrument, and the nature of the item being hedged. Derivative financial instrument that do not qualify for hedge accounting are classified as FVTPL and accounted for in accordance with the accounting policy set out in Note 2.2.

2.12 Distribution

Distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, interest rate risk, currency risk, liquidity risk, credit risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Information Memorandum or SC Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Market risk

Market risk is a risk that arises when the prices of investments in the market place are affected by circumstances such as general market or economic events. These circumstances, which may be a local or global event, can affect a local market where the Target Fund is invested in or global markets and subsequently, the value of the Target Fund's investments.

Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to collective investment scheme (other than those arising interest risk) price risk for its investments of USD8,986,790 (2020: USD13,032,346) in collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the collective investment scheme fluctuate by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- USD449,340 (2020: USD651,617).

Interest rate risk

Interest rate risk is the risk that the cost or the value of the Fund's investments and its return will fluctuate because of changes in market interest rates. The Fund's exposure to the interest rate risk is mainly confined to short term placements with licensed financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short term basis. Therefore, exposure to interest rate fluctuations is minimal.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

The Fund is denominated in USD, as such investors who are converting from Ringgit Malaysia (“RM”) to USD to invest into the Fund will be subject to currency risk, as the distribution and payment at maturity is in USD. When USD moves unfavourably against the RM, investors may face currency losses if they convert from USD to RM.

The sensitivity analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5% with all other variable held constant, the impact on statement of income and expenses and net asset value is +USD302,204/-USD302,249 (2020: -USD43,169 (+5%)/+USD41,561 (-5%)).

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

	Cash and cash equivalents	Amount due from/(to) Manager	Forward foreign currency contracts	Other payables and accruals	Net assets attributable to unitholders	Total
	USD	USD	USD	USD	USD	USD
<u>2021</u>						
RM	144,686	(305)	2,363	(6,802)	(6,770,156)	(6,630,214)
<u>2020</u>						
RM	296,609	7,930	199,790	(4,444)	(11,432,947)	(10,933,062)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The liquidity risk that exists at the Fund level is associated with the inability of the Target Fund to meet large redemption in a timely manner. In the event of large redemption request that would result in the total redemption shares in the Target Fund to be more than 10% of the shares in the Target Fund or a particular share class of the Target Fund, part or all of such requests for redemption may be deferred for a period typically not exceeding ten business days of the Target Fund.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD
<u>2021</u>		
Amount due to Manager	305	-
Amount due to Trustee	453	-
Accrued management fee	9,052	-
Other payables and accruals	-	6,802
Net assets attributable to unitholders*	9,208,871	-
	<u>9,218,681</u>	<u>6,802</u>
<u>2020</u>		
Amount due to Trustee	685	-
Accrued management fee	13,693	-
Other payables and accruals	-	4,444
Net assets attributable to unitholders*	13,571,933	-
	<u>13,586,311</u>	<u>4,444</u>

* Outstanding units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Information Memorandum and the SC Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

	Cash and cash equivalents USD	Forward foreign currency contracts USD	Other financial assets* USD	Total USD
<u>2021</u>				
Financial institutions:				
- AAA	236,330	2,363	-	238,693
	<u>236,330</u>	<u>2,363</u>	<u>-</u>	<u>238,693</u>
<u>2020</u>				
Financial institutions:				
- AAA	350,689	199,790	-	550,479
Others	-	-	7,930	7,930
	<u>350,689</u>	<u>199,790</u>	<u>7,930</u>	<u>558,409</u>

* Comprise of amount due from Manager.

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of USD9,208,871 (2020: USD13,571,933). The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4. FAIR VALUE ESTIMATION

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

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

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

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

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

- (i) For bank balances and deposits with licensed financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy

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

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

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2021</u>				
Investments:				
- Collective investment scheme	8,986,790	-	-	8,986,790
Derivative Instruments:				
- Forward foreign currency contracts	-	2,363	-	2,363
	<u>8,986,790</u>	<u>2,363</u>	<u>-</u>	<u>8,989,153</u>
<u>2020</u>				
Investments:				
- Collective investment scheme	13,032,346	-	-	13,032,346
Derivative Instruments:				
- Forward foreign currency contracts	-	199,790	-	199,790
	<u>13,032,346</u>	<u>199,790</u>	<u>-</u>	<u>13,232,136</u>

4. FAIR VALUE ESTIMATION (CONTINUED)

Investments in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets are classified within Level 1. The Fund does not adjust the published prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

Financial instruments that are traded in markets which are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of this financial instrument are stated in Note 2.2 and 2.11.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2021</u> USD	<u>2020</u> USD
Bank balances	103,736	67,718
Deposits with licensed financial institutions	132,594	282,971
	<u>236,330</u>	<u>350,689</u>

6. INVESTMENTS

	<u>2021</u> USD	<u>2020</u> USD
Investments:		
- Collective investments scheme	<u>8,986,790</u>	<u>13,032,346</u>

	<u>2021</u> USD	<u>2020</u> USD
Net gain on investments comprised:		
- Net realised gain on investment	1,005,938	1,701,329
- Net unrealised gain/(loss) on changes in fair value	307,450	(948,307)
	<u>1,313,388</u>	<u>753,022</u>

6. INVESTMENTS (CONTINUED)

Investments as at 30 June 2021 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> USD	<u>Fair Value</u> USD	% of Net Asset Value %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>LUXEMBOURG</u>				
JPMorgan Investment Funds - Global Macro Opportunities Fund	64,933	<u>7,361,322</u>	<u>8,986,790</u>	<u>97.59</u>

Investments as at 30 June 2020 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> USD	<u>Fair Value</u> USD	% of Net Asset Value %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>LUXEMBOURG</u>				
JPMorgan Investment Funds - Global Macro Opportunities Fund	107,095	<u>11,714,328</u>	<u>13,032,346</u>	<u>96.02</u>

7. FORWARD FOREIGN CURRENCY CONTRACTS

As at 30 June 2021, there was one (2020: one) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD590,000 (2020: USD12,000,000).

The forward foreign currency contracts entered into was for hedging against the currency exposure arising from the investment in collective investment scheme denominated in USD.

As the Fund has not adopted hedge accounting, the change in the fair value of the forward foreign currency contract is recognised immediately in statement of income and expenses.

Net fair value gain/(loss) on forward foreign currency contracts is as follows:

	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
Net gain/(loss) on forward foreign currency contracts:		
- Net realised gain/(loss) on forward foreign currency contracts	587,005	(823,450)
- Net unrealised (loss)/gain on forward foreign currency contracts	<u>(197,427)</u>	<u>22,713</u>
	<u>389,578</u>	<u>(800,737)</u>

8. UNITS IN CIRCULATION

(a) USD Class

	<u>2021</u> <u>Units</u>	<u>2020</u> <u>Units</u>
At the beginning of the financial year	1,884,000	3,849,000
Creation of units during the financial year:		
Arising from applications	695,000	82,000
Arising from distributions	71,093	-
Cancellation of units during the financial year	(656,000)	(2,047,000)
At the end of the financial year	<u>1,994,093</u>	<u>1,884,000</u>

(b) RM Class

	<u>2021</u> <u>Units</u>	<u>2020</u> <u>Units</u>
At the beginning of the financial year	41,824,000	106,949,000
Creation of units during the financial year:		
Arising from applications	4,652,000	3,352,000
Arising from distributions	761,853	-
Cancellation of units during the financial year	(25,093,000)	(68,477,000)
At the end of the financial year	<u>22,144,853</u>	<u>41,824,000</u>

9. MANAGEMENT FEE

In accordance with the Information Memorandum, the management fee provided in the financial statements is 1.20% (2020: 1.20%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year. The management fee charged by the Target Fund's Manager of the Fund is 0.60% per annum of its net asset value in relation to the Fund's investments in the Target Fund. There is double charging of management fee.

10. TRUSTEE'S FEE

In accordance with the Information Memorandum, the Trustee's fee provided in the financial statements is 0.06% (2020: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

11. TAXATION

(a) Tax charge for the financial year

	<u>2021</u> USD	<u>2020</u> USD
Current taxation	<u>-</u>	<u>-</u>

(b) Numerical reconciliation of income tax expense

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

	<u>2021</u> USD	<u>2020</u> USD
Net income/(loss) before finance cost and taxation	<u>1,553,297</u>	<u>(340,950)</u>
Tax calculated at a statutory income tax rate of 24%	372,791	(81,828)
Tax effects of:		
- (Income not subject to tax)/ loss not deductible for tax purposes	(404,799)	12,824
- Expenses not deductible for tax purposes	1,855	3,812
- Restriction on tax deductible expenses	<u>30,153</u>	<u>65,192</u>
Tax expense	<u>-</u>	<u>-</u>

12. DISTRIBUTION

Distribution to unitholders are derived from the following sources:

(a) USD Class

	<u>2021</u>
	USD
Prior financial years' realised income	111,368
Less: Expenses	(24,833)
Net distribution amount	<u>86,535</u>

(b) RM Class

	<u>2021</u>
	USD
Prior financial years' realised income	337,982
Less: Expenses	(106,221)
Net distribution amount	<u>231,761</u>

<u>Distribution date</u>	<u>2021</u>
<u>USD Class</u>	<u>Gross/Net</u>
24 June 2021	<u>4.5000</u>
 <u>RM Class</u>	
24 June 2021	<u>4.5000</u>

There was no distribution for previous financial year.

13. MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2021</u> %	<u>2020</u> %
MER	<u>1.30</u>	<u>1.28</u>

The MER ratio is calculated based on total expenses of the Fund to the average net asset value of the Fund calculated on a daily basis.

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2021</u>	<u>2020</u>
PTR (times)	<u>0.35</u>	<u>0.42</u>

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

15. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The number of units held by the Manager and related parties are as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Units</u>	<u>USD</u>	<u>Units</u>	<u>USD</u>
The Manager				
- USD Class	5,486	6,709	5,119	5,812
- RM Class	10,209	3,121	10,003	2,735
	<u>15,695</u>	<u>9,830</u>	<u>15,122</u>	<u>8,547</u>
RHB Capital Nominees (Tempatan) Sdn Bhd				
- USD Class	-	-	121,533	137,976
- RM Class	2,739,138	837,355	7,210,678	1,971,399
	<u>2,739,138</u>	<u>837,355</u>	<u>7,332,211</u>	<u>2,109,375</u>

The units are held beneficially by the Manager for booking purposes. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

15. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

The units held by RHB Capital Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of ultimate holding company of the Manager, are under nominees structure.

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

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

16. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 30 June 2021 are as follows:

<u>Fund Manager</u>	<u>Value of trades</u> USD	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> USD	<u>Percentage of total brokerage fees</u> %
JPMorgan Asset Management (Singapore) Limited	<u>8,358,945</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial year ended 30 June 2020 are as follows:

<u>Fund Manager</u>	<u>Value of trades</u> USD	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> USD	<u>Percentage of total brokerage fees</u> %
JPMorgan Asset Management (Singapore) Limited	<u>20,793,031</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

17. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
Financial assets		
Financial assets at fair value through profit or loss ("FVTPL")		
• Collective investment scheme	8,986,790	13,032,346
• Forward foreign currency contracts	2,363	199,790
	<u>8,989,153</u>	<u>13,232,136</u>
Financial assets at amortised cost		
• Bank balances	103,736	67,718
• Deposits with licensed financial institutions	132,594	282,971
• Amount due from Manager	-	7,930
	<u>236,330</u>	<u>358,619</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	305	-
• Amount due to Trustee	453	685
• Accrued Management fee	9,052	13,693
• Other payables and accruals	6,802	4,444
	<u>16,612</u>	<u>18,822</u>

18. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial year.

The Manager is monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

STATEMENT BY MANAGER
RHB GLOBAL MACRO OPPORTUNITIES FUND

We, Dato' Darawati Hussain and Datuk Seri Dr Govindan A/L Kunchambo, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying statement of financial position, statement of income and expenses, statement of changes in net asset value, statement of cash flows and the accompanying notes are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance and cash flows for the financial year then ended and comply with the provisions of the Deeds.

On behalf of the Manager,

Dato' Darawati Hussain
Director

Datuk Seri Dr Govindan A/L Kunchambo
Director

23 August 2021

TRUSTEE'S REPORT TO THE UNITHOLDERS OF RHB GLOBAL MACRO OPPORTUNITIES FUND

We have acted as Trustee of RHB Global Macro Opportunities Fund (“the Fund”) for the financial year ended 30 June 2021. To the best of our knowledge, RHB Asset Management Sdn Bhd (“the Management Company”), has operated and managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deed, the Securities Commission’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

During this financial year, a total distribution of 4.5000 cent per unit for USD Class and 4.5000 sen per unit for RM Hedged Class, have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
23 August 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GLOBAL MACRO OPPORTUNITIES FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Global Macro Opportunities (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance and its cash flows for the financial year in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2021, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 45.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GLOBAL MACRO OPPORTUNITIES FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GLOBAL MACRO OPPORTUNITIES FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GLOBAL MACRO OPPORTUNITIES FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants

Kuala Lumpur
23 August 2021

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL AND BUSINESS OFFICE

Level 8, Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

E-mail Address: rhbam@rhbgroup.com

Tel: 03 – 9205 8000

Fax: 03 – 9205 8100

Website: www.rhbgroup.com

BOARD OF DIRECTORS

Mr Yap Chee Meng (*Independent Non-Executive Chairman*)

Mr Chin Yoong Kheong (*Senior Independent Non-Executive Director*)

Ms Ong Yin Suen (*Managing Director / Chief Executive Officer*)

YBhg Dato' Darawati Hussain (*Independent Non-Executive Director*)

YBhg Datuk Seri Dr Govindan A/L Kunchambo
(*Independent Non-Executive Director*)

Encik Mohd Rashid Bin Mohamad (*Non-Independent Non-Executive Director*)
(*Appointed with effect from 11 August 2021*)

INVESTMENT COMMITTEE MEMBERS

Mr Yap Chee Meng (*Independent Chairman*)

YBhg Dato' Darawati Hussain

Puan Sharifatu Laila Syed Ali

CHIEF EXECUTIVE OFFICER

Ms Ong Yin Suen

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Cik Hasnita Sulaiman (MAICSA No. 7060582)

BRANCH OFFICE

Kuala Lumpur Office	B-9-6, Megan Avenue 1 No. 189, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2171 2755/ 03-2166 7011 Fax: 03-2770 0022
Shah Alam Office	B-3-1, 1st Floor Jalan Serai Wangi G16/G, Alam Avenue Persiaran Selangor, Section 16 40200 Shah Alam Tel: 03-5523 1909 Fax: 03-5524 3471
Sri Petaling Office	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Batu Pahat Office	53, 53-A and 53-B Jalan Sultanah 83000 Batu Pahat, Johor Tel: 07-438 0271/ 07-438 0988 Fax: 07-438 0277
Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	No 34 Jalan Kebun Teh 1 Pusat Perdagangan Kebun Teh 80250 Johor Bahru, Johor Tel: 07-221 0129 Fax: 07-221 0291 2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	1st Floor, Lot 10, Jalan Putra Square 1 Putra Square 25300 Kuantan, Pahang Tel: 09-517 3611/ 09-517 3612/ 09-531 6213 Fax: 09-517 3615

Kuching Office	<p>Lot 133, Section 20, Sublot 2 & 3 1st Floor, Jalan Tun Ahmad Zaidi Adruce 93200 Kuching, Sarawak Tel: 082-550 838 Fax: 082-550 508</p> <p>Yung Kong Abell, Units 1-10 2nd Floor Lot 365 Section 50 Jalan Abell 93100 Kuching, Sarawak Tel: 082-245 611 Fax: 082-230 326</p>
Kota Bharu Office	<p>Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890</p>
Kota Kinabalu Office	<p>Lot No. C-02-04, 2nd Floor Block C, Warisan Square Jalan Tun Fuad Stephens 88000 Kota Kinabalu Sabah Tel: 088-528 686/ 088-528 692 Fax: 088-528 685</p>
Melaka Office	<p>581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211/ 06-281 4110 Fax: 06-292 2212</p>
Miri Office	<p>Lot 1268 & 1269, Second Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri, Sarawak Tel: 085-422 788 Fax: 085- 415 243</p>
Penang Office	<p>3rd Floor, 44 Lebuhr Pantai 10300 Georgetown, Penang Tel: 04-264 5639 Fax: 04-264 5640</p>
Prai Office	<p>No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang</p>

TRUSTEE	HSBC (Malaysia) Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Bank Bhd RHB Investment Bank Bhd Areca Capital Sdn Bhd CIMB Investment Bank Bhd Citibank Bhd CUTA - Genexus Advisory Sdn Bhd iFAST Capital Sdn Bhd Kenanga Investors Bhd Maybank Bhd OCBC Bank (M) Bhd Philip Mutual Bhd Standard Chartered Bank Malaysia Bhd United Overseas Bank (M) Bhd UOB Kay Hian Securities (M) Sdn Bhd

RHB ♦ Asset Management

RHB Asset Management Sdn Bhd 198801007231 (174588-X)

Head Office

Level 8, Tower 2 & 3,

RHB Centre, Jalan Tun Razak,

50400 Kuala Lumpur

Tel: +603 9205 8000

Fax: +603 9205 8100

www.rhbgroup.com