

RHB RESOURCES FUND

ANNUAL REPORT 2024

For the financial year ended 31 March 2024

GENERAL INFORMATION ABOUT THE FUND

Fund Name, Category and Type

Fund Name - RHB Resources Fund

Fund Category - Equity Fund

Fund Type - Growth

Investment Objective, Policy and Strategy

Objective of the Fund

This Fund aims to achieve long term* capital appreciation through investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

* Note: “long term” in this context refers to a period of between 5 – 7 years.

Strategy

The Fund will invest in securities of and securities relating to companies whose businesses are in or are substantially related to the natural resources sectors such as but not limited to plantations (e.g. palm oil, rubber, timber), oil and gas, energy and mining including without limitation, supply chain from upstream to downstream which may involve the development, production, distribution, sales or services of these sectors. These are companies that have attractive growth potential, sound fundamentals and good management, and whose securities are listed or traded in the Asia Pacific markets such as Malaysia, Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan and Thailand.

The Fund’s portfolio will be structured as follows:

Minimum 70% of the Fund’s Net Asset Value

- Investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

The balance of the Fund’s Net Asset Value

- Investments in liquid assets including bonds, money market instruments and Deposits.

Subject to the range stipulated above, the above asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general

market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset classes and/or type of investments (i.e. equity, fixed income securities, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of the investment is deemed to have been reduced over a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investment and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's investments into other asset classes such as fixed income securities, money market instruments and Deposits, which are defensive in nature.

Performance Benchmark

The performance of the Fund is benchmarked against a composite benchmark[^] comprising:

- 30% FBM Asian Palm Oil Plantation Index (RM) (or such other equivalent index as may be substituted by Bursa Malaysia);
- 35% Bloomberg Asia Pac Mining Index (RM);
- 35% MSCI Asia Pac Energy (RM).

^ The performance benchmark of the Fund has been replaced from 50% FBM Asian Palm Oil Plantation Index (RM), 25% Bloomberg Asia Pac Mining Index (RM) and 25% MSCI Asia Pac Energy (RM) to 30% FBM Asian Palm Oil Plantation Index (RM), 35% Bloomberg Asia Pac Mining Index (RM) and 35% MSCI Asia Pac Energy (RM) with effect from 30 September 2023 to be more neutral in the sectors of the composite benchmark.

Permitted Investments

The Fund may invest in equities and fixed income securities traded on the Bursa Malaysia or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, money market instruments and Deposits and any other investments permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

Consistent with the Fund's objective to achieve long term* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses are generally declared annually and will be reinvested.

Note: * "long term" in this context refers to a period between 5 – 7 years.

MANAGER'S REPORT

MARKET REVIEW

Brent oil price has largely traded in a tight band range of United States (“US”) Dollar (“USD”) 70-USD90 for the period under review.

Geopolitical risks has kept crude supply and refinery disruption risks on the minds of investors and resulted in the recent oil price strength in the first few months of year 2024. Recent news that Ukraine-linked drones attacked Russia’s third largest oil refinery. Organization of Petroleum Exporting Countries (“OPEC”) coherence could be tested by Russia and the United Arab Emirates (“UAE), and Iraq compliance remains low. India has overtaken China as the largest contributor to global oil demand growth as domestic Gross Domestic Product (“GDP”) growth remains robust. India has been taking in an increasing volume of discounted Russian oil (from zero in year 2021 to around a third of its net imports in recent months) which is beneficiary for its economy due to cheaper costs.

Grains and agriculture have been particularly weak as of third quarter of year 2023 (“3Q23), most likely due to a slowdown in growth and demand from China and continuation of trade from Russia and Ukraine amid Russian efforts to close Ukraine’s trade corridor. El Niño weather effects in the Northern Hemisphere look likely to provide excess heat early on in major crop producing areas, and potentially excess rain by sowing season, with the likelihood that might have a short term inflationary lift for row crops and for soft commodities.

Gold has also pushed higher in October 2023 and early year 2024. The initial catalyst for gold’s sharp price turnaround in October 2023 was driven by a jump in gold’s geopolitical risk premium following the Hamas attack on Israel, and the rally was sustained by falling US real yields and a move in weaker USD.

Iron Ore has fallen about 32.00% since the beginning of year 2024. Chinese steelmakers are looking to cut production due to rising costs, weak demand caused by the property crisis and inventory pressures. It seems like Beijing’s cut to the mortgage rate has limited impact on improving demand.

MARKET OUTLOOK AND STRATEGY GOING FORWARD

The International Monetary Fund (“IMF”) expects the globe to pull off a soft landing in year 2024, skirting a recession while inflation falls. In its new World Economic Outlook, the IMF estimates that the global economy will grow 3.10% this year 2024, the same as in year 2023, before rising modestly by 3.20% in year 2025. Global manufacturing Purchasing Managers’ Index (“PMI”) likely saw its third consecutive reading of above 50 in March 2024 from 50.3 in February 2024.

The Federal Open Market Committee (“FOMC”) left the policy rate unchanged in its March 2024 meeting and continues to project three cuts in year 2024.

The Fund Manager believe that Brent oil price will be well supported given OPEC’s move has simply reinforced a view that there is a comfortable floor to oil prices. Saudi has strong incentive to maintain oil price high as its fiscal breakeven is around USD91 in second half of year 2023 (“2H23”).

The Fund Manager believe copper could be well-supported given constraint supply growth and decarbonization related consumption growth. Copper will also be extensively used to distribute power within and to data centres globally. With the Federal Reserve (“Fed”) expected to cut rates in the second half of year 2024, Gold will be another beneficiary on a weaker USD.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a return of 9.72%* against its benchmark return of 9.55%*. The Fund thus outperformed its benchmark by 0.17% during the financial year under review. The Net Asset Value per unit of the Fund was RM0.6834 (2023: RM0.6685) as at 31 March 2024.

The Fund Manager stock picks in Australia material and also the overweight position led to positive contribution for the fund. The Fund Manager overweight in Australia energy, stock picks in China Materials, and underweight in China industrials were key contributors. The Fund Manager key detractors came from the underweight position in India Energy and material sectors. The Fund Manager stock picks in Indonesia materials and stock picks in Malaysia consumer staples were also drags to the portfolio.

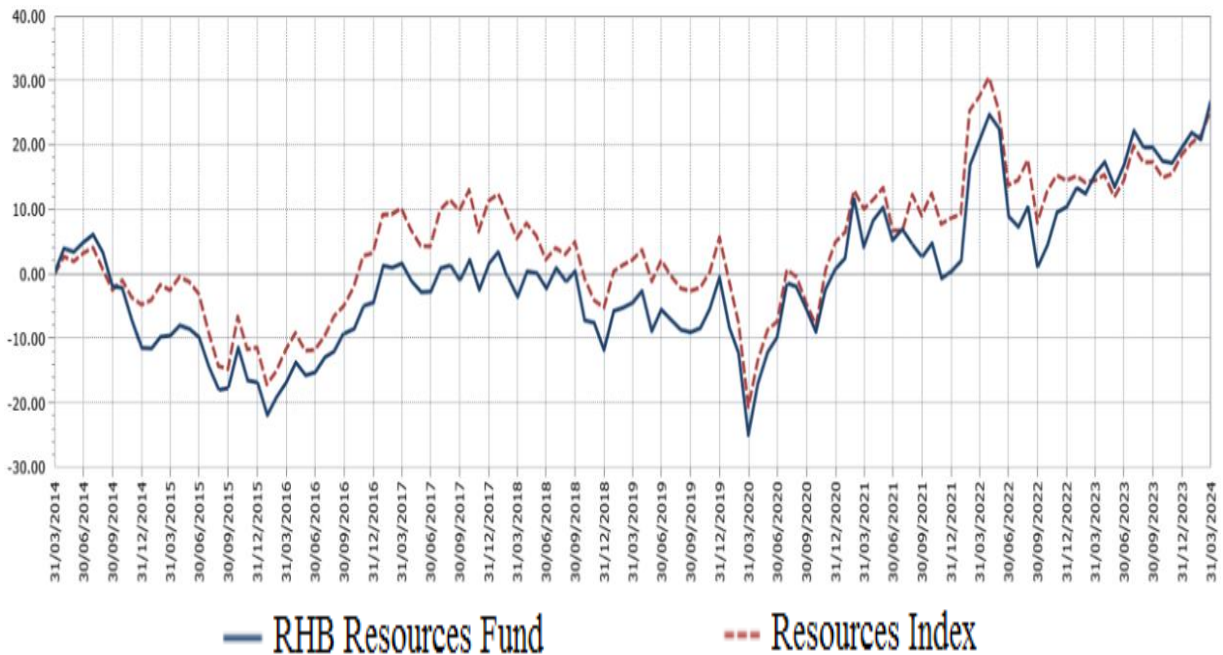
* *Source: Lipper Investment Management (“Lipper IM”), 22 April 2024*

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 31 March				
	2024 %	2023 %	2022 %	2021 %	2020 %
RHB Resources Fund					
- Capital Return	2.06	(4.43)	16.04	38.96	(21.44)
- Income Return	7.51	-	-	-	-
- Total Return	9.72	(4.43)	16.04	38.96	(21.44)
Resources Index	9.55	(10.23)	15.86	38.49	(22.27)

	Average Annual Returns			
	1 Year 31.03.2023- 31.03.2024 %	3 Years 31.03.2021- 31.03.2024 %	5 Years 31.03.2019- 31.03.2024 %	10 Years 31.03.2014- 31.03.2024 %
RHB Resources Fund	9.72	6.75	5.84	2.39
Resources Index	9.55	4.44	4.16	2.29

**Performance of RHB Resources Fund
for the period from 31 March 2014 to 31 March 2024
Cumulative Return Over The Period (%)**



Source: Lipper IM, 22 April 2024

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 31 March 2014.

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	As at 31 March		
	2024	2023	2022
Net Asset Value (RM million)	12.09	14.43	17.41
Units In Circulation (million)	17.69	21.59	24.89
Net Asset Value Per Unit (RM)	0.6834	0.6685	0.6995

Historical Data	Financial Year Ended 31 March		
	2024	2023	2022
Unit Prices			
NAV - Highest (RM)	0.7218	0.7335	0.7074
- Lowest (RM)	0.6568	0.5766	0.5671
Distribution and Unit Split			
Gross Distribution Per Unit (sen)	5.0000	-	-
Net Distribution Per Unit (sen)	5.0000	-	-
Distribution Date	25.03.2024	-	-
NAV before distribution (cum)	0.7162	-	-
NAV after distribution (ex)	0.6667	-	-
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.92	1.79	1.80
Portfolio Turnover Ratio (PTR) (times) ##	0.77	0.76	0.72

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

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

DISTRIBUTION

For the financial year under review, the Fund has declared total net distribution of 5.0000 sen per unit, which is equivalent to a net distribution yield of 7.25% based on the average net asset value for the financial year.

PORTFOLIO STRUCTURE

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

Sectors	As at 31 March		
	2024	2023	2022
	%	%	%
Equities			
Consumer Products & Services	4.65	16.12	15.18
Energy	33.32	20.30	28.57
Industrial Products	1.04	-	1.78
Materials	29.01	37.97	28.92
Plantations	25.57	23.24	24.52
Trading/Services	1.03	-	-
Utilities	0.62	-	-
	<hr/>	<hr/>	<hr/>
	95.24	97.63	98.97
Liquid assets and other net current assets	4.76	2.37	1.03
	<hr/>	<hr/>	<hr/>
	100.00	100.00	100.00

The asset allocation was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

SECURITIES FINANCING TRANSACTIONS

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

CROSS TRADE

The Fund has not carried out any cross trade transactions for the financial year under review.

SOFT COMMISSION

Soft commissions were received by the management company for the financial year under review from brokers/dealers who have also executed trades for other funds or investment managed by the management company or Fund Manager. The soft commissions were utilised for research data and materials that assist in the decision making process relating to the Fund's investment. The soft commissions received were for the benefit of the funds and there were no churning of trades.

RHB RESOURCES FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Bank balances	5	684,872	311,142
Investments	6	11,511,278	14,090,911
Amount due from broker		-	140,106
Dividend receivables		63,262	51,588
Tax recoverable		43,749	-
TOTAL ASSETS		<u>12,303,161</u>	<u>14,593,747</u>
LIABILITIES			
Amount due to Manager		80,135	-
Accrued management fee		15,062	19,229
Amount due to Trustee		602	769
Other payables and accruals		32,981	23,236
Tax payable		-	117,735
Deferred tax liability		87,380	-
TOTAL LIABILITIES		<u>216,160</u>	<u>160,969</u>
NET ASSET VALUE		<u>12,087,001</u>	<u>14,432,778</u>
EQUITY			
Unit holders' capital		5,048,306	263,267
Retained earnings		7,038,695	14,169,511
		<u>12,087,001</u>	<u>14,432,778</u>
UNITS IN CIRCULATION (UNITS)	7	<u>17,685,949</u>	<u>21,589,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6834</u>	<u>0.6685</u>

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

RHB RESOURCES FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INCOME/(LOSS)			
Dividend income		579,732	829,874
Interest income from deposits with licensed financial institutions		11,188	8,437
Net realised gain on disposal		987,383	204,896
Net unrealised loss on changes in fair value		(95,144)	(1,558,601)
Net foreign currency exchange gain		32,656	47,341
		<u>1,515,815</u>	<u>(468,053)</u>
EXPENSES			
Management fee	8	(202,262)	(243,620)
Trustee's fee	9	(8,091)	(9,745)
Audit fee		(7,800)	(7,800)
Tax agent's fee		(27,493)	(17,415)
Transaction costs		(68,319)	(77,726)
Other expenses		(23,251)	(67,934)
		<u>(337,216)</u>	<u>(424,240)</u>
Net income/(loss) before taxation		1,178,599	(892,293)
Taxation	10	(11,017)	(122,760)
Net income/(loss) after taxation		<u>1,167,582</u>	<u>(1,015,053)</u>
Net income/(loss) after taxation is made up as follow:			
Realised amount		1,242,041	524,123
Unrealised amount		(74,459)	(1,539,176)
		<u>1,167,582</u>	<u>(1,015,053)</u>

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

RHB RESOURCES FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Unit holders’ capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 April 2022	870,598	16,540,290	17,410,888
Movement in net asset value:			
Net loss after taxation	-	(1,015,053)	(1,015,053)
Creation of units arising from applications	3,679,644	-	3,679,644
Cancellation of units	(5,642,701)	-	(5,642,701)
Equalisation adjustment*	1,355,726	(1,355,726)	-
Balance as at 31 March 2023	<u>263,267</u>	<u>14,169,511</u>	<u>14,432,778</u>
Balance as at 1 April 2023	263,267	14,169,511	14,432,778
Movement in net asset value:			
Net income after taxation	-	1,167,582	1,167,582
Creation of units arising from distribution	828,550	-	828,550
Creation of units arising from applications	3,220,335	-	3,220,335
Cancellation of units	(6,733,694)	-	(6,733,694)
Distribution (Note 11)	-	(828,550)	(828,550)
Equalisation adjustment*	7,469,848	(7,469,848)	-
Balance as at 31 March 2024	<u>5,048,306</u>	<u>7,038,695</u>	<u>12,087,001</u>

* Equalisation is to ensure the existing unit holders are equally compensated for the dilution of their interests arising from new unit holders in the Fund.

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

**RHB RESOURCES FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		12,739,559	13,959,920
Purchase of investments		(9,181,846)	(11,651,471)
Dividends received		559,346	739,158
Interest received from deposits with licensed financial institutions		11,188	8,437
Management fee paid		(206,429)	(247,878)
Trustee's fee paid		(8,258)	(9,916)
Payment for other fees and expenses		(39,406)	(43,862)
Tax paid		(85,121)	(5,025)
Net cash generated from operating activities		<u>3,789,033</u>	<u>2,749,363</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		3,220,335	3,679,644
Cash paid for units cancelled		<u>(6,653,559)</u>	<u>(7,090,409)</u>
Net cash used in financing activities		<u>(3,433,224)</u>	<u>(3,410,765)</u>
Net increase/(decrease) in cash and cash equivalents		355,809	(661,402)
Foreign currency translation differences		17,921	31,552
Cash and cash equivalents at the beginning of the financial year		<u>311,142</u>	<u>940,992</u>
Cash and cash equivalents at the end of the financial year	5	<u>684,872</u>	<u>311,142</u>

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

**RHB RESOURCES FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Resources Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a master deed dated 27 April 2004 as modified via its first supplemental master deed dated 8 June 2004, second supplemental master deed dated 19 October 2005, third supplemental master deed dated 8 December 2005, fourth supplemental master deed dated 28 February 2006, fifth supplemental master deed dated 9 March 2006, sixth supplemental master deed dated 22 September 2006, seventh supplemental master deed dated 15 December 2006, eighth supplemental master deed dated 30 January 2007, ninth supplemental master deed dated 9 April 2007, tenth supplemental master deed dated 14 May 2007, eleventh supplemental master deed dated 15 May 2007, twelfth supplemental master deed dated 27 June 2007, thirteenth supplemental master deed dated 24 December 2007, fourteenth supplemental master deed dated 28 February 2013, fifteenth supplemental master deed dated 4 September 2013, sixteenth supplemental master deed dated 2 March 2015, seventeenth supplemental master deed dated 8 May 2015, eighteenth supplemental master deed dated 25 May 2015, nineteenth supplemental master deed dated 3 June 2015, twentieth supplemental master deed dated 11 December 2018 and twenty-first supplemental master deed dated 7 February 2023 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 16 May 2006 and will continue its operations until terminated according to the conditions provided in the Deeds.

All investments will be subject to the Securities Commission Malaysia (“SC”)’s Guidelines on Unit Trust Funds, SC’s 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 achieve long term capital appreciation through investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

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 May 2024.

2. SUMMARY OF MATERIAL 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 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 material 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 their 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. There were no areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Standards and amendments to existing standards effective 1 April 2023

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2023 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 April 2023 and have not been early adopted

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 April 2023. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 April 2024.

The amendment shall be applied retrospectively.

2. SUMMARY OF MATERIAL 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 financial assets measured at fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely payment of principal and income, 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, amount due from broker and dividend receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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 at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of income and expenses.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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 gains or losses on investments in the year in which they arise.

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

Quoted investments are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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 placement to 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 MATERIAL 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 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 MATERIAL 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, accrued management fee, amount due to Trustee, and other payables and accruals are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method.

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 Unit holders' capital

The unit holders' contributions to the Fund meet the criteria of the definition of puttable instruments to be 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 net asset value;
- 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 substantially on the statement of income and expenses of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holders exercise the right to put the units back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition

Dividend income from quoted investments are recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

Interest income from short-term deposits with licensed financial institutions is recognised on an accrual basis using the 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 quoted investments are arrived at after accounting for cost of investments, determined on the weighted average cost method.

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

2.6 Taxation

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

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances which is subject to an insignificant risk of changes in value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Amount due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The amount due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

2.9 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 Ringgit Malaysia (“RM”), 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 RM primarily due to the following factors:

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 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.

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, credit risk, liquidity 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 SC's Guidelines on Unit Trust Funds.

Market risk

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by a unit trust fund might go down or up, sometimes rapidly or unpredictably.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 equity securities price risk (other than those arising from interest rate risk) for its investments of RM11,511,278 (2023: RM14,090,911) in equity securities.

The sensitivity analysis is based on the assumption that the price of the quoted equity security fluctuate by +/- 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is +/- RM575,564 (2023: RM704,546).

Interest rate risk

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

Currency risk

Currency risk is associated with financial instruments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. The Fund did not have any significant financial liabilities denominated in foreign currencies as at the financial year end date.

The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it deemed necessary.

The sensitivity analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is +/- RM451,242 (2023: RM558,069).

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

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

	<u>Investments</u> RM	Cash and cash <u>equivalents</u> RM	Other financial assets/ <u>(liabilities)*</u> RM	<u>Total</u> RM
<u>2024</u>				
Australian Dollar	2,963,372	27,080	25,987	3,016,439
Hong Kong Dollar	1,721,211	-	-	1,721,211
Indian Rupee	1,477,645	-	-	1,477,645
Indonesian Rupiah	465,115	-	-	465,115
Japanese Yen	439,153	-	-	439,153
Korean Won	250,266	1	-	250,267
Singapore Dollar	561,997	-	-	561,997
Thailand Baht	541,539	-	21,001	562,540
United States Dollar	-	549,653	(19,181)	530,472
	<u>8,420,298</u>	<u>576,734</u>	<u>27,807</u>	<u>9,024,839</u>
<u>2023</u>				
Australian Dollar	4,521,057	-	191,694	4,712,751
Hong Kong Dollar	1,859,313	-	-	1,859,313
Indian Rupee	1,102,938	-	-	1,102,938
Indonesian Rupiah	526,289	-	-	526,289
Japanese Yen	277,914	-	-	277,914
Korean Won	122,229	-	-	122,229
Singapore Dollar	2,327,050	-	-	2,327,050
United States Dollar	-	247,319	(14,415)	232,904
	<u>10,736,790</u>	<u>247,319</u>	<u>177,279</u>	<u>11,161,388</u>

*Comprise of amount due from broker, dividend receivables and other payables and accruals.

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 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. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the relevant regulatory authority in its home jurisdiction. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	Cash and cash <u>equivalents</u> RM	Other financial <u>assets*</u> RM	<u>Total</u> RM
<u>2024</u>			
AAA	108,138	-	108,138
AA3	576,734	-	576,734
Others	-	63,262	63,262
	<u>684,872</u>	<u>63,262</u>	<u>748,134</u>
<u>2023</u>			
AAA	63,823	-	63,823
AA3	247,319	-	247,319
Others	-	191,694	191,694
	<u>311,142</u>	<u>191,694</u>	<u>502,836</u>

* Comprise amount due from broker and dividend receivables.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

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

Liquidity risk exists when particular investments are difficult to sell. As such, the Fund may not be able to sell such illiquid investments at an advantageous time or price to meet its liquidity requirements. Unit trust funds with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

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 <u>1 month</u> RM	Between <u>1 month</u> to <u>1 year</u> RM
<u>2024</u>		
Amount due to Manager	80,135	-
Accrued management fee	15,062	-
Amount due to Trustee	602	-
Other payables and accruals	-	32,981
	<u>95,799</u>	<u>32,981</u>
<u>2023</u>		
Accrued management fee	19,229	-
Amount due to Trustee	769	-
Other payables and accruals	-	23,236
	<u>19,998</u>	<u>23,236</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM5,048,306 (2023: RM263,267) and retained earnings of RM7,038,695 (2023: RM14,169,511). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. 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 unit holders 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 financial 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 financial 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 balance and deposits with licensed financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.

4. FAIR VALUE ESTIMATION (CONTINUED)

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

- (ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

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> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2024</u>				
Financial assets at FVTPL:				
- Quoted investments	11,511,278	-	-	11,511,278
<u>2023</u>				
Financial assets at FVTPL:				
- Quoted investments	14,090,911	-	-	14,090,911

Investments in active listed equities, i.e. quoted investments whose values are based on quoted market prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund’s policies on valuation of these financial assets are stated in Note 2.2.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2024</u>	<u>2023</u>
	RM	RM
Bank balances	<u>684,872</u>	<u>311,142</u>

6. INVESTMENTS

	<u>2024</u>	<u>2023</u>
	RM	RM
Investments:		
- Quoted investments - local	3,090,980	3,354,121
- Quoted investments - foreign	<u>8,420,298</u>	<u>10,736,790</u>
	<u>11,511,278</u>	<u>14,090,911</u>

Investments as at 31 March 2024 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u>	<u>Fair Value</u>	<u>% of Net</u>
		RM	RM	Asset Value
				%
QUOTED INVESTMENTS				
- LOCAL				
<u>MALAYSIA</u>				
Plantation				
Genting Plantations Berhad	125,200	709,511	769,980	6.38
IOI Corporation Berhad	164,400	664,797	654,312	5.41
Kuala Lumpur Kepong Berhad	30,400	696,597	682,176	5.64
Sime Darby Plantation Berhad	155,200	690,017	668,912	5.53
TA Ann Holdings Berhad	78,900	294,147	315,600	2.61
		<u>3,055,069</u>	<u>3,090,980</u>	<u>25.57</u>
TOTAL QUOTED INVESTMENTS - LOCAL		<u>3,055,069</u>	<u>3,090,980</u>	<u>25.57</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENTS				
- FOREIGN				
<u>AUSTRALIA</u>				
Energy				
Santos Ltd	10,962	248,064	262,207	2.18
Woodside Energy Group Ltd	5,879	525,990	553,421	4.58
		774,054	815,628	6.76
Materials				
BHP Group Ltd	8,004	935,954	1,093,626	9.05
Fortescue Metals Group Ltd	3,148	241,142	249,701	2.07
Northern Star Resources Ltd	11,499	455,033	513,548	4.25
Rio Tinto Ltd	774	262,827	290,869	2.41
		1,894,956	2,147,744	17.78
TOTAL AUSTRALIA		2,669,010	2,963,372	24.54
<u>HONG KONG</u>				
Energy				
China Oilfield Services Ltd	18,000	91,252	97,945	0.81
CNOOC Ltd	15,000	117,597	164,330	1.36
PetroChina Corporation Ltd	112,000	358,630	453,015	3.75
		567,479	715,290	5.92
Materials				
Aluminium Corporation of China Ltd	26,000	57,066	78,126	0.65
CMOC Group Ltd	111,000	303,429	446,285	3.69
Zijin Mining Group Corporation Ltd	43,000	196,009	406,086	3.36
		556,504	930,497	7.70

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENT				
- FOREIGN (CONTINUED)				
<u>HONG KONG (CONTINUED)</u>				
Utilities				
China Resources Gas Group Ltd	5,000	69,751	75,424	0.62
TOTAL HONG KONG		1,193,734	1,721,211	14.24
<u>INDIA</u>				
Energy				
Reliance Industries Ltd	7,284	505,205	1,227,320	10.15
Industrial Products & Services				
Hindalco Industries Ltd	3,965	121,612	125,953	1.04
Trading / Services				
Coal India Ltd	5,053	122,205	124,372	1.03
TOTAL INDIA		749,022	1,477,645	12.22
<u>INDONESIA</u>				
Energy				
PT Adaro Energy Indonesia Tbk	117,600	90,060	94,621	0.78
Materials				
PT Indocement Tunggal Prakarsa Tbk	66,000	201,390	172,095	1.42
Merdeka Battery Materials Tb	601,300	126,275	88,160	0.73
PT Semen Indonesia Persero Tbk	62,700	122,675	110,239	0.91
		450,340	370,494	3.06
TOTAL INDONESIA		540,400	465,115	3.84

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENT - FOREIGN (CONTINUED)				
<u>JAPAN</u>				
Energy				
Inpex Corporation	6,000	287,715	439,153	3.63
TOTAL JAPAN		287,715	439,153	3.63
<u>KOREA</u>				
Energy				
S-Oil Corporation	907	245,287	250,266	2.07
TOTAL KOREA		245,287	250,266	2.07
<u>SINGAPORE</u>				
Consumer Products & Services				
First Resources Ltd	40,900	203,539	196,440	1.63
Wilmar International Ltd	30,400	373,170	365,557	3.02
		576,709	561,997	4.65
TOTAL SINGAPORE		576,709	561,997	4.65
<u>THAILAND</u>				
Energy				
PTT Exploration & Production PCL	6,200	123,433	123,192	1.02
Star Petroleum Refining PCL	108,500	124,229	126,815	1.05
Thai Oil PCL	30,400	210,587	234,903	1.94
		458,249	484,910	4.01
Materials				
PTT Global Chemical PCL	11,400	59,843	56,629	0.47
TOTAL THAILAND		518,092	541,539	4.48

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENT - FOREIGN (CONTINUED)				
TOTAL QUOTED INVESTMENTS - FOREIGN				
		6,779,969	8,420,298	69.67
TOTAL INVESTMENTS				
		9,835,038	11,511,278	95.24

Investments as at 31 March 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENTS - LOCAL				
<u>MALAYSIA</u>				
Plantation				
IOI Corp Berhad	263,900	1,082,765	1,005,459	6.97
Kuala Lumpur Kepong Berhad	55,900	1,276,644	1,161,602	8.05
Sime Darby Plantation Berhad	278,000	1,233,392	1,187,060	8.22
		3,592,801	3,354,121	23.24
TOTAL QUOTED INVESTMENTS - LOCAL				
		3,592,801	3,354,121	23.24
QUOTED INVESTMENT - FOREIGN				
<u>AUSTRALIA</u>				
Energy				
Santos Ltd	35,721	808,344	727,890	5.04
Woodside Petroleum Ltd	5,101	444,182	502,243	3.48
		1,252,526	1,230,133	8.52

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENTS				
– FOREIGN (CONTINUED)				
<u>AUSTRALIA (CONTINUED)</u>				
Materials				
BHP Group Ltd	7,739	798,995	1,079,433	7.48
Newcrest Mining Ltd	17,680	1,340,052	1,401,908	9.71
Rio Tinto Ltd	1,347	421,585	477,912	3.31
South32 Ltd	25,700	282,803	331,671	2.30
		<u>2,843,435</u>	<u>3,290,924</u>	<u>22.80</u>
TOTAL AUSTRALIA		<u>4,095,961</u>	<u>4,521,057</u>	<u>31.32</u>
<u>HONG KONG</u>				
Materials				
Aluminium Corporation of China Ltd	258,000	525,305	577,289	4.00
CMOC Group Ltd	63,000	103,106	168,238	1.17
Zijin Mining Group Co Ltd	151,000	378,657	1,113,786	7.72
		<u>1,007,068</u>	<u>1,859,313</u>	<u>12.89</u>
TOTAL HONG KONG		<u>1,007,068</u>	<u>1,859,313</u>	<u>12.89</u>
<u>INDIA</u>				
Energy				
Reliance Industries Ltd	8,811	601,555	1,102,938	7.64
TOTAL INDIA		<u>601,555</u>	<u>1,102,938</u>	<u>7.64</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENTS				
– FOREIGN (CONTINUED)				
<u>INDONESIA</u>				
Energy				
PT United Tractors Tbk	23,000	204,023	196,774	1.36
Materials				
PT Aneka Tambang Tbk	203,900	110,620	125,288	0.87
PT Indocement Tunggal Prakarsa Tbk	66,000	201,390	204,227	1.41
		312,010	329,515	2.28
TOTAL INDONESIA		516,033	526,289	3.64
<u>JAPAN</u>				
Energy				
Inpex Corp	6,000	287,715	277,914	1.93
TOTAL JAPAN		287,715	277,914	1.93
<u>KOREA</u>				
Energy				
S-Oil Corp	450	129,008	122,229	0.85
TOTAL KOREA		129,008	122,229	0.85
<u>SINGAPORE</u>				
Consumer Products & Services				
First Resources Ltd	162,700	797,762	847,623	5.87
Wilmar International Ltd	105,900	1,291,624	1,479,427	10.25
		2,089,386	2,327,050	16.12
TOTAL SINGAPORE		2,089,386	2,327,050	16.12

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset Value</u> %
QUOTED INVESTMENTS – FOREIGN (CONTINUED)				
TOTAL QUOTED INVESTMENTS – FOREIGN		8,726,726	10,736,790	74.39
TOTAL INVESTMENTS		12,319,527	14,090,911	97.63

7. UNITS IN CIRCULATION

	<u>2024</u> Units	<u>2023</u> Units
At the beginning of the financial year	21,589,000	24,892,000
Creation of units arising from applications during the financial year	4,640,000	5,392,000
Creation of units arising from distribution during the financial year	1,242,949	-
Cancellation of units during the financial year	(9,786,000)	(8,695,000)
At the end of the financial year	<u>17,685,949</u>	<u>21,589,000</u>

8. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.50% (2023: 1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

9. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.06% (2023: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year. The minimum Trustee's fee is waived as agreed by the Trustee and Manager.

10. TAXATION

(a) Tax charge for the financial year

	<u>2024</u> RM	<u>2023</u> RM
Current taxation - local	-	117,735
Overprovision of tax in prior year	(117,735)	-
Current taxation - foreign	41,372	5,025
Deferred taxation	87,380	-
	<u>11,017</u>	<u>122,760</u>

(b) Numerical reconciliation of income tax expense

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

	<u>2024</u> RM	<u>2023</u> RM
Net income/(loss) before taxation	<u>1,178,599</u>	<u>(892,293)</u>
Tax calculated at statutory income tax rate of 24%	282,864	(214,150)
Tax effects of:		
- (Investment income not subject to tax)/ Investment loss not deductible for tax purposes	(309,258)	233,122
- Expenses not deductible for tax purposes	29,710	41,242
- Restriction on tax deductible expenses	51,222	54,110
- Income subject to different tax rate	-	3,411
- Effect of foreign tax rates	41,372	5,025
- Overprovision of tax in prior year	(117,735)	-
- Deferred tax not recognized in prior year	52,144	-
- Foreign tax subject to different tax rate	(19,302)	-
Tax expense	<u>11,017</u>	<u>122,760</u>

11. DISTRIBUTION

Distribution to unit holders are from the following sources:

	<u>2024</u>
	RM
Dividend income	579,732
Interest income	10,728
Net realised foreign currency exchange gain	32,656
Net realised gain on sale of investments	571,818
	<hr/>
	1,194,934
Less: Expenses	(366,384)
Net distribution amount	<hr/> <u>828,550</u>

	<u>Gross/net</u>
	<u>sen per unit</u>
<u>Distribution date</u>	
25 March 2024	5.0000

There were unrealised losses of RM74,459 (2023:RM1,539,176) arising from the financial year ended 31 March 2024.

12. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u>	<u>2023</u>
	%	%
TER	<hr/> 1.92	<hr/> 1.79

The TER ratio is calculated based on total expenses excluding investment transaction related costs of the Fund to the average net asset value of the Fund calculated on a daily basis.

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<hr/> 0.77	<hr/> 0.76

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.

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

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

	2024		2023	
	Units	RM	Units	RM
The Manager	5,590	3,820	5,068	3,388
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>1,135,516</u>	<u>776,012</u>	<u>2,773,083</u>	<u>1,853,806</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.

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 the 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.

15. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 31 March 2024 are as follows:

Brokers/ <u>Financial institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
Macquarie Capital (Australia) Ltd	8,755,672	40.14	17,850	35.69
CGS Intel Sec Malaysia Sdn Bhd	3,276,293	15.02	8,575	17.15
CLSA Limited	1,900,624	8.71	3,917	7.83
Maybank Investment Bank Berhad	1,503,368	6.89	4,358	8.71
CLSA India Private Limited	1,292,931	5.93	3,879	7.76
JP Morgan Securities PLC	1,199,772	5.50	2,464	4.93
RHB Investment Bank Berhad*	895,671	4.11	2,627	5.25
Macquarie Securities Korea Limited	666,541	3.06	1,333	2.67
Instinet Pacific Limited	567,399	2.60	1,419	2.84
Others	1,756,364	8.04	3,586	7.17
	<u>21,814,635</u>	<u>100.00</u>	<u>50,008</u>	<u>100.00</u>

15. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 March 2023 are as follows:

Brokers/ <u>Financial institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
Macquarie Capital (Australia) Ltd	7,721,922	30.84	15,496	29.18
Macquarie Capital Securities (M) Sdn Bhd	3,150,632	12.58	6,301	11.86
CLSA Limited	2,318,359	9.26	4,737	8.92
RHB Investment Bank Berhad*	1,513,088	6.04	4,401	8.29
JP Morgan Securities PLC	1,411,440	5.64	2,888	5.44
JP Morgan Securities Malaysia	1,378,063	5.50	2,756	5.19
Macquarie Securities Korea Limited	927,342	3.70	1,855	3.49
CGS-CIMB Securities Sdn Bhd	924,861	3.69	2,526	4.76
Credit Suisse (HK) Limited	902,223	3.60	1,996	3.76
Instinet Pacific Limited	810,483	3.24	1,716	3.23
Others	3,980,231	15.91	8,436	15.88
	25,038,644	100.00	53,108	100.00

* Included in transactions by the Fund are trades with RHB Investment Bank Berhad, the holding company of the Manager. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2024</u> RM	<u>2023</u> RM
Financial assets		
Financial assets at FVPTL		
• Quoted investments	<u>11,511,278</u>	<u>14,090,911</u>
Financial assets at amortised cost		
• Bank balances	684,872	311,142
• Amount due from broker	-	140,106
• Dividend receivables	<u>63,262</u>	<u>51,588</u>
	<u>748,134</u>	<u>502,836</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	80,135	-
• Accrued management fee	15,062	19,229
• Amount due to Trustee	602	769
• Other payables and accruals	<u>32,981</u>	<u>23,236</u>
	<u>128,780</u>	<u>43,234</u>

**STATEMENT BY MANAGER
RHB RESOURCES FUND**

We, Dato' Darawati Hussain and Mohd Farid Bin Kamarudin, 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 of 31 March 2024 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

Mohd Farid Bin Kamarudin
Director

23 May 2024

TRUSTEE'S REPORT

To the unit holders of RHB Resources Fund (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 31 March 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, RHB Asset Management Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Bhd

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
23 May 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB RESOURCES FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Resources Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2024 and of its financial performance and its cash flows for the financial year then ended 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 31 March 2024, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 10 to 42.

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 UNIT HOLDERS OF RHB RESOURCES 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 UNIT HOLDERS OF RHB RESOURCES 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 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 UNIT HOLDERS OF RHB RESOURCES 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 of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

OTHER MATTERS

This report is made solely to the unit holders 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 May 2024

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

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Tel: 03-9205 8000

Fax: 03-9205 8100

Website: <https://rhbgroup.com/myinvest>

BOARD OF DIRECTORS

Mr Chin Yoong Kheong (*Independent Non-Executive Chairman*)

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

Tuan Syed Ahmad Taufik Albar (*Non-Independent Non-Executive Director*)
(*Resigned with effect from 29 February 2024*)

Encik Mohd Farid Bin Kamarudin (*Chief Executive Officer / Managing Director*)
(*Appointed with effect from 1 August 2023*)

Puan Hijah Arifakh Binti Othman (*Independent Non-Executive Director*)
(*Resigned with effect from 1 June 2023*)

Puan Sharizad Binti Juma'at (*Independent Non-Executive Director*)

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

Puan Hijah Arifakh Binti Othman
(*Resigned with effect from 1 June 2023*)

Mr Chin Yoong Kheong

Puan Sharizad Binti Juma'at

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Encik Mohd Farid Bin Kamarudin (*Appointed with effect from 1 August 2023*)

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

Filza Zainal Abidin (LS No: 0008413)

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Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
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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	Lot 133, Section 20, Sublot 2 & 3 1st Floor, Jalan Tun Ahmad Zaidi Aduce 93200 Kuching, Sarawak Tel: 082-550 838 Fax: 082-550 508 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

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Prai Office No 38, First Floor
Jalan Todak 2
Seberang Jaya
13700 Perai, Penang
Tel: 04-386 6670 Fax: 04-386 6528

TRUSTEE	HSBC (Malaysia) Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Bank Berhad RHB Investment Bank Bhd Alliance Bank Malaysia Berhad AmBank Berhad AmInvestment Bank Berhad Astute Fund Management Berhad (APEX) Areca Capital Sdn Bhd CIMB Bank Berhad CIMB Private Banking Citibank Berhad Genexus Advisory Sdn Bhd Hong Leong Bank Berhad HSBC Bank (M) Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Malayan Banking Berhad Manulife Asset Management Service Berhad Phillip Mutual Berhad Principal Asset Management Berhad Standard Chartered Bank (Malaysia) Berhad United Overseas Bank (Malaysia) Berhad UOB Kay Hian Securities (M) Sdn Bhd

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