

RHB CAPITAL FUND

ANNUAL REPORT 2024

For the financial year ended 30 April 2024

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB Capital Fund

Fund Category - Equity Fund

Fund Type - Growth

Investment Objective, Policy and Strategy

Objective of the Fund

To achieve long term growth through capital appreciation with all income including profits on realisation of investments being automatically reinvested for its compounding effect.

Strategy

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Minimum of 60% and up to 95% of Net Asset Value (“NAV”) will be invested in equities.
- Minimum of 5% of NAV will be invested in fixed income securities and/or liquid assets.

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

The Fund seeks long term capital appreciation. To pursue this goal, the Fund invests primarily in Malaysian public listed companies with strong growth potential. The Manager utilises a strategy that seeks attractively priced companies in undervalued sectors, or in sectors that have strong upward stock price momentum which demonstrate strong increases in earnings per share and continue to strengthen their fundamental capabilities and competitive positions, amongst others.

The Manager uses fundamental valuation parameters to determine the relative value of the company compared to its peer universe. These numbers include price/earnings multiple of the company, earnings growth rates, relative price earnings to growth, cashflow, balance sheet strength, quality of management, relative positioning of the company in the industry in which it operates, return on equity, return on assets and return on investments, among others. Quarterly earnings expectations and results are carefully followed. Subject to the range stipulated above, the Fund’s asset allocation and stock selection could differ if any of the key macro and micro factors materially changes.

In addition to those described above, the Fund may invest in fixed income securities to preserve the value# of the Fund.

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 equity investments into other asset classes such as fixed income securities, money market instruments and Deposits, which are defensive in nature.

Note: # Although the Fund aims to preserve its value, the Fund is not a capital guaranteed fund or a capital protected fund.

Performance Benchmark

FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI").

Permitted Investments

The Fund may invest in securities of companies listed on Bursa Malaysia; unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; financial derivatives; collective investment schemes; structured products and warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market; Malaysian government securities, cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, bankers' acceptance and Government Investment Issue ("GII"); Malaysian currency balances in hand, Malaysian currency deposits with commercial banks, finance companies and Bank Islam Malaysia Berhad including negotiable certificates of deposit, banker's acceptances and placements of money at call with discount houses; foreign investments traded in or under the rules of a foreign market approved by Securities Commission Malaysia; unlisted fixed income securities; liquid assets (money market instruments and Deposits); and any other investments permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

Distribution is incidental, subject to the availability of income at the end of the financial year.

MANAGER'S REPORT

MARKET AND ECONOMIC REVIEW

In January 2024, the Kuala Lumpur Composite Index (“KLCI”) continued its winning streak, making the fourth consecutive month of positive performance. It reached a 19-month high at 1,513 points (“pts”), representing a 4 month-on-month (“MoM”) gain - its best since July 2022 and the highest January gain since 2007. The surge in performance was attributed to various positive factors, including Malaysia’s signing an Memorandum of Understanding with Singapore on the Johor Singapore Special Economic Zone, Bank Negara Malaysia (“BNM”)’s decision to keep its Overnight Policy Rate (“OPR”) rate unchanged at 3.00% and the Federal Reserve maintaining its overnight interest rates. These factors helped offset concerns related to slower than expected Gross Domestic Product (“GDP”) growth in fourth quarter of year 2023 and the announcement of increased power and water tariffs. The stellar performance of the KLCI was driven by funds buying YTL Power and YTL Corporation shares. These shares were newly added to the KLCI in December 2023 contributing to 31 pts of KLCI’s 58 pts gain in January 2024

In February 2024, the KLCI recorded its fifth consecutive monthly gain, reaching a 20-month high of 1,551 pts, reflecting a 2.50% gain. The positive performance was attributed to strong foreign buying interests and improved political stability. Foreign investors continued to be the largest net buyers for the fourth consecutive month, with their net buy flow increasing by 95.00% MoM to Ringgit Malaysia (“RM”)1.3 billion. Meanwhile, local institutional investors reversed their trend, becoming net sellers of RM964 million (“mil”) in equities in February 2024, from a net buyer of RM112 mil in January 2024. However, local retail investors experienced their eighth consecutive month of net selling, but their net sell value fell by 46.00% MoM to RM355 mil.

The KLCI fell 1.00% MoM to end March 2024 at 1,536 pts, making it the first time in 6 months that the KLCI was down MoM. Aside from underperforming both the MSCI Emerging Market Index (+2.20% MoM) and the MSCI All Country Asia ex-Japan Index (+2.30% MoM), KLCI also underperformed all other MIST (Malaysia, Indonesia, Singapore, and Thailand) markets, with Singapore’s Stock Exchange of Thailand (“SET”) (+2.60% MoM) and Thailand’s SET (+0.50% MoM) posting gains in March 2024. Indonesia’s JCI (-0.40% MoM) was the other MIST market to post losses in March 2024.

In April 2024, the KLCI resumed its winning streak after experiencing its first monthly loss in March 2024. This brings KLCI gain to 8.30% for April 2024 placing it as the best performing market among MIST (Indonesia, Singapore, and Thailand) from January 2024 to April 2024. The 2.60% MoM gain in KLCI in April was largely driven by net buying from local institutional and proprietary investors. April sectoral performance highlighted utilities, healthcare, and industrial sectors as the top three best performing indices, while the finance, construction, and technology sectors lagged behind.

The utilities sector saw significant gains in April, fuelled by net purchases from local institutional and foreign investors, responding positively to the announcement that Malaysia had agreed to establish the Energy Exchange Malaysia (“Energem”) to facilitate cross border sales of green electricity to neighbouring countries.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a total return of 17.91%* against its benchmark return of 11.30%*. The Net Asset Value per unit of the Fund was RM1.0964 (2023: RM 0.9411) as at 30 April 2024.

The outperformance was mainly attributed by sector and stock selection. In the first half of the financial year, oil and gas was the main contributor to the fund performance as the fund manager overweight oil and gas sector. Geopolitical risks and tension in the Middle East has led to persistent high oil prices. Oil prices continued to stay above United States Dollar (“USD”) 80 per barrel. Given the under investment in capital expenditure by oil majors over the last one decade, the industry is seeing shortage of vessels and rigs. Chartered rates and utilisation rates among oil and gas players has improved tremendously and earnings have started to kick in. Construction sector has also contributed positively with favourable government policies to attract FDIs and setting of special economic zone in Johor. Utilities (YTL Power) was one of the best performing sector but the fund underweight this sector.

In the second half of the financial year, technology and electrical manufacturing services (“EMS”) sector was the main contributor to the fund performance. Construction and property sectors continued to rally in the first four months of calendar year 2024 as more news and announcement on Singapore-Malaysia tie up to set up economic zone in Johor. Federal government approval for Light Rail Transit in Penang.

The fund has achieved its objective in outperforming the market during the period under review.

* *Source: Lipper Investment Management (“Lipper IM”), 07 May 2024*

MARKET OUTLOOK AND STRATEGY GOING FORWARD

We expect KLCI to do better in year 2024 after its lackluster performance in year 2023, which has been mainly driven by earnings cuts particularly the technology sector. Even though we are expecting a slight slowdown in GDP growth in year 2024, we expect the ringgit to do better and inflationary pressure to remain manageable. After the outflows of funds by foreign investor in year 2023, we note this trend is reversing. Liquidity plus reasonable valuation will drive the equity market higher in year 2024. The current momentum and rotation plays in Malaysia are likely to sustain investors' interest.

We identify three key themes for Malaysia in year 2024. First, government execution of the policies it announced in year 2023, such as higher development expenditure and

energy transition plans. Second, the Johor-Singapore theme, with the setting up of a special economic zone in Johor and the ringgit's current weakness, which we expect to strengthen in the latter part of year 2024 amid potential United States Federal Reserve relief and a slight uplift in the technology cycle.

So far this year, inflation has trended down steadily as the inflationary impact of last year's supply-side shocks has dissipated. The presence of price controls on petrol and key food items has also kept final consumer prices capped. We forecast Consumer Price Index inflation to average 2.10% in year 2024 (2.60% in year 2023), slightly above the historical average of about 2.00%. This monthly trajectory of inflation should in our view trend up modestly from the current run rate of slightly below 2.00% Year-on-Year.

BNM's last rate hike in May 2023 brought the OPR to 3.00%. We do not expect further tightening to take place, given the slowing growth and cooling core inflationary trends. BNM has not tightened policy as aggressively as other central banks in the region. Its policy rate is still about 25 basis points below the peak of 3.25% over the past decade.

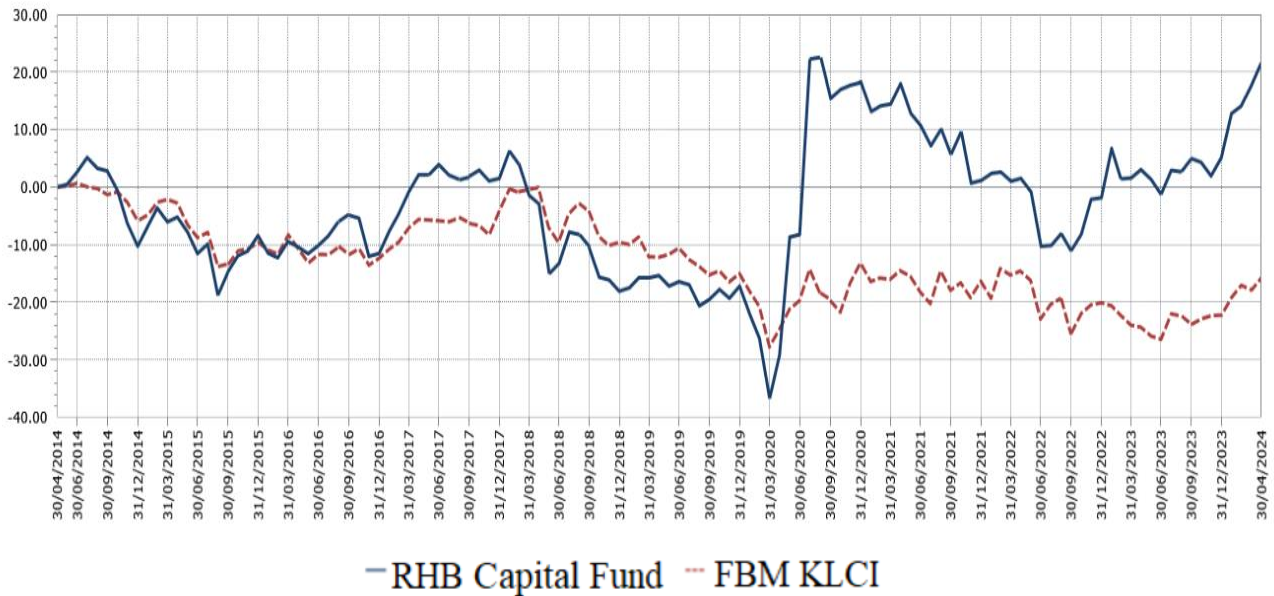
The fund continues to overweight technology, construction, healthcare and oil and gas sector and underweight plantation sector.

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 30 April				
	2024	2023	2022	2021	2020
	%	%	%	%	%
RHB Capital Fund					
- Capital Return	16.50	1.55	(20.91)	56.04	(16.35)
- Income Return	1.21	-	8.72	6.86	-
- Total Return	17.91	1.55	(14.01)	66.74	(16.35)
FBM KLCI	11.30	(11.53)	(0.08)	13.77	(14.28)

	Average Annual Returns			
	1 Year	3 Years	5 Years	10 Years
	30.04.2023-	30.04.2021-	30.04.2019-	30.04.2014-
	30.04.2024	30.04.2024	30.04.2024	30.04.2024
	%	%	%	%
RHB Capital Fund	17.91	0.98	7.50	1.97
FBM KLCI	11.30	(0.54)	(0.82)	(1.70)

**Performance of RHB Capital Fund
for the period from 30 April 2014 to 30 April 2024
Cumulative Return Over The Period (%)**



Source: Lipper IM, 07 May 2024

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 30 April 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 30 April		
	2024	2023	2022
Net Asset Value (RM million)	57.22*	51.21	48.28*
Units In Circulation (million)	52.19	54.42	52.11
Net Asset Value Per Unit (RM)	1.0964*	0.9411	0.9266*

Historical Data	Financial Year Ended 30 April		
	2024	2023	2022
Unit Prices			
NAV - Highest (RM)	1.0968*	0.9951	1.1656*
- Lowest (RM)	0.9018*	0.7709	0.9091*
Distribution and Unit Split			
Gross Distribution Per Unit (sen)	1.3000	-	8.0000
Net Distribution Per Unit (sen)	1.3000	-	8.0000
Distribution Date	25.04.2024	-	26.04.2022
NAV before distribution (cum)	1.0968	-	0.9904
NAV after distribution (ex)	1.0762	-	0.9170
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.63	1.60	1.60
Portfolio Turnover Ratio (PTR) (times) ##	1.08	0.79	0.90

* *The figure quoted are ex-distribution*

The TER for the financial year was higher compared with the previous financial year due to higher expenses incurred for the financial year under review.

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

DISTRIBUTION

For the financial year under review, the Fund has declared a total net distribution of 1.3000 sen per unit, which is equivalent to a net distribution yield of 1.33% 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 30 April		
	2024	2023	2022
	%	%	%
Equities			
Construction	7.67	1.68	-
Consumer Products & Services	-	2.74	0.68
Energy	14.40	32.38	28.23
Financial Services	3.18	6.79	13.80
Health Care	15.75	6.18	5.15
Industrial Products & Services	8.00	8.92	9.80
Plantations	-	-	9.01
Property	7.69	2.86	7.30
Technology	33.54	6.15	11.30
Telecommunications & Media	-	0.59	1.76
Transportation & Logistics	-	11.79	2.83
TSR/Warrants/Call Warrants	-	0.20	0.05
	<u>90.23</u>	<u>80.28</u>	<u>89.91</u>
Liquid assets and other net current assets	<u>9.77</u>	<u>19.72</u>	<u>10.09</u>
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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 CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Bank balances	5	51,715	51,231
Deposits with licensed financial institutions	5	6,354,567	10,302,451
Investments	6	51,634,023	41,108,864
Amount due from Manager		1,075	11,266
Dividend receivables		102,557	20,332
TOTAL ASSETS		<u>58,143,937</u>	<u>51,494,144</u>
LIABILITIES			
Amount due to brokers		151,017	198,684
Amount due to Manager		2,193	3,764
Accrued management fee		69,309	63,539
Amount due to Trustee		2,773	2,542
Distribution payable		678,616	-
Other payables and accruals		16,475	16,475
TOTAL LIABILITIES		<u>920,383</u>	<u>285,004</u>
NET ASSET VALUE		<u>57,223,554</u>	<u>51,209,140</u>
EQUITY			
Unit holders' capital		20,339,728	22,516,856
Retained earnings		36,883,826	28,692,284
		<u>57,223,554</u>	<u>51,209,140</u>
UNITS IN CIRCULATION (UNITS)	7	<u>52,193,225</u>	<u>54,417,225</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION*) (RM)		<u>1.0964*</u>	<u>0.9411</u>

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

**RHB CAPITAL FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INCOME			
Dividend income		812,205	852,268
Interest income from deposits with licensed financial institutions		220,116	228,354
Net realised gain/(loss) on disposal		1,012,519	(4,627,936)
Net unrealised gain on changes in fair value		8,132,266	5,411,433
		<u>10,177,106</u>	<u>1,864,119</u>
EXPENSES			
Management fee	8	(778,964)	(727,128)
Trustee's fee	9	(31,158)	(29,085)
Audit fee		(9,275)	(9,275)
Tax agent's fee		(3,600)	(3,600)
Transaction cost		(461,335)	(330,526)
Other expenses		(22,616)	(4,611)
		<u>(1,306,948)</u>	<u>(1,104,225)</u>
Net income before taxation		8,870,158	759,894
Taxation	10	-	-
Net income after taxation		<u>8,870,158</u>	<u>759,894</u>
Net income after taxation is made up as follow:			
Realised amount		737,892	(4,651,539)
Unrealised amount		8,132,266	5,411,433
		<u>8,870,158</u>	<u>759,894</u>

The accompanying notes are an integral part of the financial statements

RHB CAPITAL FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

	Unit holders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 May 2022	20,350,665	27,932,390	48,283,055
Movement in net asset value:			
Net income after taxation	-	759,894	759,894
Creation of units arising from distribution	4,124,668	-	4,124,668
Creation of units arising from applications	392,777	-	392,777
Cancellation of units	(2,351,254)	-	(2,351,254)
Balance as at 30 April 2023	<u>22,516,856</u>	<u>28,692,284</u>	<u>51,209,140</u>
Balance as at 1 May 2023	22,516,856	28,692,284	51,209,140
Movement in net asset value:			
Net income after taxation	-	8,870,158	8,870,158
Creation of units arising from applications	186,688	-	186,688
Cancellation of units	(2,363,816)	-	(2,363,816)
Distribution (Note 11)	-	(678,616)	(678,616)
Balance as at 30 April 2024	<u>20,339,728</u>	<u>36,883,826</u>	<u>57,223,554</u>

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

**RHB CAPITAL FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		55,755,508	37,310,844
Purchase of investments		(57,610,748)	(34,357,086)
Dividends received		695,844	831,936
Interest received from deposits with licensed financial institutions		220,116	228,354
Management fee paid		(773,194)	(727,287)
Trustee's fee paid		(30,927)	(29,091)
Payment for other fees and expenses		(35,491)	(13,886)
Net cash (used in)/generated from operating activities		<u>(1,778,892)</u>	<u>3,243,784</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		196,879	461,487
Cash paid for units cancelled		(2,365,387)	(2,356,757)
Cash paid for income distributions		-	(37,679)
Net cash used in financing activities		<u>(2,168,508)</u>	<u>(1,932,949)</u>
Net (decrease)/increase in cash and cash equivalents		(3,947,400)	1,310,835
Cash and cash equivalents at the beginning of the financial year		<u>10,353,682</u>	<u>9,042,847</u>
Cash and cash equivalents at the end of the financial year	5	<u>6,406,282</u>	<u>10,353,682</u>

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

**RHB CAPITAL FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Capital Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master deed (conventional funds) dated 12 June 2008 as amended via its supplemental master deed (conventional funds) dated 25 August 2008, second supplemental master deed (conventional funds) dated 12 December 2008, third supplemental master deed (conventional funds) dated 19 June 2009, fifth supplemental master deed (conventional funds) dated 26 April 2010, sixth supplemental master deed (conventional funds) dated 28 June 2010, ninth supplemental master deed (conventional funds) dated 7 March 2012, tenth supplemental master deed (conventional funds) dated 13 April 2012, fifteenth supplemental master deed (conventional funds) dated 30 April 2013, sixteenth supplemental master deed (conventional funds) dated 24 September 2013, seventeenth supplemental master deed (conventional funds) dated 2 March 2015, eighteenth supplemental master deed (conventional funds) dated 20 May 2015, nineteenth supplemental master deed (conventional funds) dated 3 August 2015 and twentieth supplemental master deed (conventional funds) dated 14 July 2022 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and Maybank Trustees Berhad (“the Trustee”).

The Fund was launched on 12 April 1995 and will continue its operations until terminated according to the conditions provided in the Deeds.

The principal activity of the Fund is to invest in Permitted Investments as set out in the Deeds which includes securities of companies quoted on Bursa Malaysia, foreign securities, unlisted securities, units or shares in other collective investment schemes, futures contracts, liquid assets and any other form of investments which the relevant authorities may approve from time to time.

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’s, internal policies and procedures and objective of the Fund.

The main objective of the Fund is to achieve long term growth through capital appreciation with all income including profits on realisation of investments being automatically reinvested for its compounding effect.

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 25 June 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 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 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 May 2023

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

(b) New standards, amendments and interpretations effective after 1 May 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 May 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 May 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 payments of 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, amount due from Manager 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 cost 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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 is 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 year 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

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.

2.3 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 brokers, amount due to Manager, accrued management fee, amount due to Trustee, distribution payable, 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

2.5 Income recognition

Dividend income from quoted investments is 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 is 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 and deposits with licensed financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

2.8 Distribution

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

2.9 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.

2.10 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.

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, 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 unpredictable.

Price risk

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

The Fund is exposed to equity securities (other than those arising from interest rate risk) price risk for its investments of RM51,634,023 (2023: RM41,108,864) in equity securities.

The sensitivity analysis is based on the assumption that the price of the quoted securities investments fluctuate by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- RM2,581,701 (2023: RM2,055,443).

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.

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 SC's Guidelines on Unit Trust Funds.

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

	<u>Cash and cash equivalents</u> RM	<u>Other financial assets*</u> RM	<u>Total</u> RM
<u>2024</u>			
AAA	6,406,282	-	6,406,282
Others	-	103,632	103,632
	<u>6,406,282</u>	<u>103,632</u>	<u>6,509,914</u>
<u>2023</u>			
AAA	10,353,682	-	10,353,682
Others	-	31,598	31,598
	<u>10,353,682</u>	<u>31,598</u>	<u>10,385,280</u>

* Comprise of amount due from Manager and dividend receivables.

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.

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 RM	Between 1 month to 1 year RM
<u>2024</u>		
Amount due to brokers	151,017	-
Amount due to Manager	2,193	-
Accrued management fee	69,309	-
Amount due to Trustee	2,773	-
Distribution payable	678,616	-
Other payables and accruals	-	16,475
	<u>903,908</u>	<u>16,475</u>
<u>2023</u>		
Amount due to brokers	198,684	-
Amount due to Manager	3,764	-
Accrued management fee	63,539	-
Amount due to Trustee	2,542	-
Other payables and accruals	-	16,475
	<u>268,529</u>	<u>16,475</u>

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM20,339,728 (2023: RM22,516,856) and retained earnings of RM36,883,826 (2023: RM28,692,284). 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 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.

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)

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

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	51,634,023	-	-	51,634,023

<u>2023</u>				
Financial assets at FVTPL:				
- Quoted investments	41,108,864	-	-	41,108,864

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> RM	<u>2023</u> RM
Bank balances	51,715	51,231
Deposits with licensed financial institutions	6,354,567	10,302,451
	<u>6,406,282</u>	<u>10,353,682</u>

6. INVESTMENTS

	<u>2024</u> RM	<u>2023</u> RM
Investments:		
- Quoted investments	<u>51,634,023</u>	<u>41,108,864</u>

6. INVESTMENTS (CONTINUED)

Investments as at 30 April 2024 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</u> <u>Value</u> %
QUOTED INVESTMENTS				
Construction				
IJM Corporation Berhad	1,150,000	2,041,120	2,783,000	4.86
Muhibbah Engineering (M) Berhad	1,700,000	1,321,360	1,606,500	2.81
		<u>3,362,480</u>	<u>4,389,500</u>	<u>7.67</u>
Energy				
Hibiscus Petroleum Berhad	1,440,000	3,831,417	3,916,800	6.85
Velesto Energy Berhad	11,000,000	1,656,110	2,970,000	5.19
Wasco Berhad	930,000	765,293	1,348,500	2.36
		<u>6,252,820</u>	<u>8,235,300</u>	<u>14.40</u>
Financial Services				
Malayan Banking Berhad	60,000	525,756	583,800	1.02
Public Bank Berhad	300,000	1,110,746	1,236,000	2.16
		<u>1,636,502</u>	<u>1,819,800</u>	<u>3.18</u>
Health Care				
Hartalega Holdings Berhad	760,000	1,574,288	2,128,000	3.72
Kossan Rubber Industries Berhad	500,000	876,560	1,100,000	1.92
Supercomnet Technologies Berhad	2,300,000	3,011,200	3,588,000	6.27
Top Glove Corporation Berhad	2,500,000	1,996,670	2,200,000	3.84
		<u>7,458,718</u>	<u>9,016,000</u>	<u>15.75</u>

6. INVESTMENTS (CONTINUED)

Investments as at 30 April 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</u> <u>Value</u> %
QUOTED INVESTMENTS				
(CONTINUED)				
Industrial Products & Services				
Cape EMS Berhad	2,000,000	1,799,950	1,900,000	3.32
Cpe Technology Berhad	1,166,700	1,177,938	1,505,043	2.63
Southern Cable Group Berhad	500,000	284,050	275,000	0.48
Sunway Berhad	255,500	478,105	899,360	1.57
		<u>3,740,043</u>	<u>4,579,403</u>	<u>8.00</u>
Property				
LBS Bina Group Berhad	2,900,000	1,617,940	1,986,500	3.47
Malaysian Resources Corporation Berhad	3,600,000	2,103,160	2,412,000	4.22
		<u>3,721,100</u>	<u>4,398,500</u>	<u>7.69</u>
Technology				
Frontken Corporation Berhad	620,000	2,077,713	2,442,800	4.27
Genetec Technology Berhad	600,000	1,176,531	1,152,000	2.01
Greatch Technology Berhad	300,000	1,347,440	1,350,000	2.36
Inari Amertron Berhad	910,000	2,789,050	2,811,900	4.91
Malaysian Pacific Industries Berhad	99,400	2,990,736	3,011,820	5.26
Oppstar Berhad	2,000,000	2,530,855	2,900,000	5.07
Unisem (M) Berhad	480,000	1,593,166	1,752,000	3.06
UWC Berhad	500,000	1,645,870	1,540,000	2.69
ViTrox Corporation Berhad	300,000	2,208,310	2,235,000	3.91
		<u>18,359,671</u>	<u>19,195,520</u>	<u>33.54</u>
TOTAL QUOTED INVESTMENTS - LOCAL		<u>44,531,334</u>	<u>51,634,023</u>	<u>90.23</u>

6. INVESTMENTS (CONTINUED)

Investments as at 30 April 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
QUOTED INVESTMENTS (CONTINUED)				
Construction				
IJM Corporation Berhad	550,000	897,410	858,000	1.68
Consumer Products & Services				
Guan Chong Berhad	529,600	1,444,202	1,403,440	2.74
Energy				
Dayang Enterprise Holdings Berhad	1,150,000	1,660,328	1,518,000	2.96
Dialog Group Berhad	1,024,000	1,682,857	2,344,960	4.58
Hibiscus Petroleum Berhad	3,600,000	3,831,418	3,672,000	7.17
Velesto Energy Berhad	18,500,000	2,785,276	4,255,000	8.31
Wah Seong Corporation Berhad	1,480,000	1,198,654	1,198,800	2.34
Yinson Holdings Berhad	1,372,000	3,340,284	3,594,640	7.02
		14,498,817	16,583,400	32.38
Financial Services				
Aeon Credit Service (M) Berhad	40,000	499,203	478,400	0.93
CIMB Group Holdings Berhad	270,000	1,421,213	1,366,200	2.67
Public Bank Berhad	420,000	1,545,443	1,633,800	3.19
		3,465,859	3,478,400	6.79
Health Care				
Hartalega Holdings Berhad	500,000	907,790	940,000	1.84
IHH Healthcare Berhad	200,000	1,174,922	1,146,000	2.24
Top Glove Corporation Berhad	1,100,000	743,940	1,078,000	2.10
		2,826,652	3,164,000	6.18

6. INVESTMENTS (CONTINUED)

Investments as at 30 April 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 Asset Value</u> %
QUOTED INVESTMENTS (CONTINUED)				
Industrial Products & Services				
Press Metal Aluminium Holdings Berhad	660,000	3,569,011	3,399,000	6.64
SKP Resources Berhad	900,000	1,541,710	1,170,000	2.28
		<u>5,110,721</u>	<u>4,569,000</u>	<u>8.92</u>
Property				
Titijaya Land Berhad	5,631,400	4,548,000	1,464,164	2.86
Technology				
GHL Systems Berhad	2,000,000	1,799,895	1,650,000	3.22
MY EG Services Berhad	1,900,000	1,506,100	1,501,000	2.93
		<u>3,305,995</u>	<u>3,151,000</u>	<u>6.15</u>
Telecommunications & Media				
Axiata Group Berhad	100,000	255,953	299,000	0.59
Transportation & Logistics				
Malaysia Airports Holdings Berhad	520,000	3,451,634	3,666,000	7.16
MISC Berhad	325,000	2,333,198	2,372,500	4.63
		<u>5,784,832</u>	<u>6,038,500</u>	<u>11.79</u>
TSR/Warrants/Call Warrants				
Yinson Holdings Berhad-Warrants 2022/2025	168,000	-	99,960	0.20
TOTAL QUOTED INVESTMENTS - LOCAL		<u>42,138,441</u>	<u>41,108,864</u>	<u>80.28</u>

7. UNITS IN CIRCULATION

	<u>2024</u> Units	<u>2023</u> Units
At the beginning of the financial year	54,417,225	52,106,342
Creation of units during the financial year:		
Arising from distribution	-	4,601,883
Arising from applications	187,000	443,000
Cancellation of units during the financial year	<u>(2,411,000)</u>	<u>(2,734,000)</u>
At the end of the financial year	<u>52,193,225</u>	<u>54,417,225</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.

10. TAXATION

(a) Tax charge for the financial year

	<u>2024</u> RM	<u>2023</u> RM
Current taxation	<u>-</u>	<u>-</u>

10. TAXATION (CONTINUED)

(b) Numerical reconciliation of income tax expense

The numerical reconciliation between the net income 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 before taxation	8,870,158	759,894
Tax calculated at statutory income tax rate of 24%	2,128,838	182,375
Tax effects of:		
- Investment income not subject to tax	(2,442,505)	(447,389)
- Expenses not deductible for tax purposes	123,531	87,189
- Restriction on tax deductible expenses	190,136	177,825
Tax expense	-	-

11. DISTRIBUTION

Distributions to unit holders are from the following sources:

	<u>2024</u> RM
Dividend income	739,683
Interest income from deposits with licensed financial institutions	216,733
Net realised gain on sale of investments	1,012,363
	1,968,779
Less: Expenses	(1,290,163)
Net distribution amount	678,616
	Gross/net
<u>Distribution date</u>	<u>sen per unit</u>
25 April 2024	1.3000

There was no distribution to unit holders for the financial year ended 30 April 2023.

12. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>1.63</u>	<u>1.60</u>

The TER ratio is calculated based on total expenses excluding investment transaction related cost 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)	<u>1.08</u>	<u>0.79</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.

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:

	<u>2024</u>		<u>2023</u>	
	Units	RM	Units	RM
The Manager	5,199	5,701	5,126	4,824
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>2,428,994</u>	<u>2,663,149</u>	<u>2,772,645</u>	<u>2,609,336</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 30 April 2024 are as follows:

<u>Brokers/ Financial institutions</u>	<u>Value of trades RM</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage fees %</u>
RHB Investment Bank Berhad*	36,831,025	32.50	111,893	35.41
Maybank Investment Bank Berhad	14,168,674	12.50	42,506	13.45
CSG - CIMB Securities Sdn Bhd	12,776,851	11.28	38,330	12.13
Affin Hwang Investment Bank Berhad	11,580,800	10.22	34,742	10.99
UOB Kay Hian Securities (M) Sdn Bhd	7,724,318	6.82	15,485	4.90
CIMB Securities Sdn Bhd (Formerly known as KAF Equities Sdn Bhd)	7,158,187	6.32	21,186	6.70
MIDF Amanah Investment Bank Berhad	5,744,221	5.07	17,233	5.45
Hong Leong Investment Bank Berhad	5,014,706	4.43	10,029	3.17
CLSA Securities Malaysia Sdn Bhd	3,962,841	3.50	7,926	2.51
Nomura Securities Malaysia Sdn Bhd	3,820,549	3.37	7,641	2.42
Others	4,533,634	3.99	9,068	2.87
	113,315,806	100.00	316,039	100.00

15. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 30 April 2023 are as follows:

<u>Brokers/ Financial institutions</u>	<u>Value of trades RM</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage fees %</u>
RHB Investment Bank Berhad*	30,737,777	42.43	92,764	44.96
CSG - CIMB Securities Sdn Bhd	7,450,705	10.29	22,352	10.83
Affin Hwang Investment Bank Berhad	7,383,637	10.19	22,151	10.74
CIMB Securities Sdn Bhd (Formerly known as KAF Equities Sdn Bhd)	5,581,293	7.71	16,744	8.11
Maybank Investment Bank Berhad	5,165,345	7.13	15,496	7.51
MIDF Amanah Investment Bank Berhad	4,601,219	6.35	13,804	6.69
UOB Kay Hian Securities (M) Sdn Bhd	4,359,800	6.02	8,720	4.23
Hong Leong Investment Bank Berhad	3,141,222	4.34	6,283	3.04
Citigroup Global Markets Malaysia Sdn Bhd	1,833,320	2.53	3,667	1.78
Nomura Securities Malaysia Sdn Bhd	1,067,212	1.47	2,134	1.03
Others	1,115,296	1.54	2,230	1.08
	72,436,826	100.00	206,345	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 FVTPL		
• Quoted investments	<u>51,634,023</u>	<u>41,108,864</u>
Financial assets at amortised cost		
• Bank balances	51,715	51,231
• Deposits with licensed financial institutions	6,354,567	10,302,451
• Amount due from Manager	1,075	11,266
• Dividend receivables	<u>102,557</u>	<u>20,332</u>
	<u>6,509,914</u>	<u>10,385,280</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to brokers	151,017	198,684
• Amount due to Manager	2,193	3,764
• Accrued management fee	69,309	63,539
• Amount due to Trustee	2,773	2,542
• Distribution payable	678,616	-
• Other payables and accruals	<u>16,475</u>	<u>16,475</u>
	<u>920,383</u>	<u>285,004</u>

**STATEMENT BY MANAGER
RHB CAPITAL FUND**

We, Dato' Darawati Hussain and Sharizad Binti Juma'at, 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 April 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

Sharizad Binti Juma'at
Director

25 June 2024

TRUSTEE'S REPORT

To the unit holders of RHB Capital Fund (“Fund”),

We have acted as Trustee of the Fund for the financial year ended 30 April 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 deed, security laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

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

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

NORHAZLIANA BINTI MOHAMMED HASHIM
Unit Head, Unit Trust Operations

Kuala Lumpur
25 June 2024

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Capital Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 April 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 30 April 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 11 to 36.

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 CAPITAL 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 CAPITAL 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 UNIT HOLDERS OF RHB CAPITAL 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
25 June 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

Email address: rhbam@rhbgroup.com

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*)

(*Resigned with effect 14 June 2024*)

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

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

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*)

(*Resigned with effect 14 June 2024*)

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

Filza Zainal Abidin (LS No: 0008413)

BRANCH OFFICE

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
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	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 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

Kota Bharu Office	Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890
Kota Kinabalu Office	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
Melaka Office	581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211/ 06-281 4110 Fax: 06-292 2212
Penang Office	3rd Floor, 44 Lebuhraya 10300 Georgetown, Penang Tel: 04-264 5639 Fax: 04-264 5640
Prai Office	No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang Tel: 04-386 6670 Fax: 04-386 6528

TRUSTEE	Maybank Trustees Berhad
PRINCIPAL 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 Berhad Areca Capital Sdn Bhd CIMB Bank Berhad CIMB Private Banking Genexus Advisory Sdn Bhd iFAST Capital Sdn Bhd Kenanga Investors Berhad OCBC Bank (M) Berhad Phillip Mutual Berhad Standard Chartered Bank Malaysia Berhad Standard Financial Adviser Sdn Bhd UOB Kay Hian Securities (M) Sdn Bhd

RHB  **Asset Management**

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