

RHB DIVIDEND VALUED EQUITY FUND

ANNUAL REPORT 2024

For the financial year ended 31 May 2024

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name	-	RHB Dividend Valued Equity Fund
Fund Category	-	Equity Fund
Fund Type	-	Growth and Income

Investment Objective, Policy and Strategy

Objective of the Fund

To provide investors with total returns primarily through investment in equity and equity related securities of companies which offer attractive yields and sustainable dividend payments.

Strategy

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

- Minimum of 70% and up to 98% of the Fund's Net Asset Value ("NAV") will be invested in equities.
- Minimum of 2% and up to 30% of the Fund's Net Asset Value ("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 Manager will invest in companies that offer higher expected dividend yields compared to other companies in the market and whose cash-flow generated by business and management activities are expected to support such dividend payments. The Manager therefore seeks to identify and invest in companies that focus on shareholder value in the form of sustainable dividend returns combined with the prospect for capital growth.

The Fund will invest abroad following the liberalisation of Bank Negara Malaysia's regulations on investments abroad. Any foreign investments made by the Fund will be in line with the Fund's objective and in foreign markets where the regulatory authorities are members of the International Organization of Securities Commissions (IOSCO). The Fund's foreign investment will primarily be in equity and equity related securities listed on established stock exchanges in countries within Asia and other regions, namely China, Hong Kong, India, Indonesia, South Korea, Philippines,

Singapore, Taiwan, Thailand, Australia and such other countries which are deemed fit by the Manager. There is no target industry or sector. On top of that, the Fund has the option to invest in stocks whether or not listed on the stock exchange of the regions stated above but with assets in and revenues derived from these regions. Subject to the investment restrictions of the Fund, the Deed and the relevant laws, the Fund targets to invest up to 98% of its NAV abroad. For the avoidance of doubt, the Fund has the discretion to invest in the local market depending on the conditions of the local and foreign markets. The Manager employs rigorous research to determine the securities to be included in the investment portfolio. The Manager believes long term investment performance can be achieved by employing a rigorous research process that enables it to identify companies that generate superior cash flows as well as companies that are undervalued.

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 with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

Performance Benchmark

Morgan Stanley Capital International ("MSCI") Asia Pacific Free ex Japan Index.

Permitted Investments

The Fund may invest in securities 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; money market instruments and over the counter ("OTC") private debt securities; Malaysian government securities, cagamas bonds, Malaysian treasury bills, Bank Negara Malaysia certificates, bankers' acceptances, Government Investment Issue ("GII") and negotiable certificates of deposit; foreign investment traded in or under the rules of a foreign market approved by Securities Commission Malaysia; and any other investments permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

Income, if any, will be distributed during the financial year.

MANAGER'S REPORT

MARKET REVIEW AND ECONOMIC REVIEW

In June 2024, during the Federal Open Market Committee (“FOMC”) meeting Chair Powell delivered a hawkish statement, signalling additional rate hikes within year 2023. Correspondingly, the Artificial Intelligence (“AI”)-driven rally gradually lost steam from mid-March 2024 and the market focus shifted towards companies with resilient earnings.

It was a reversal in July 2023. Macro in July 2023 helped - disinflation United States (“US”) and United Kingdom (“UK”) June 2023 Consumer Price Index (“CPI”) surprised on the downside), dovish central bank hikes (Federal Reserve (“Fed”), European Central Bank (“ECB”), and Bank of Japan (“BOJ”)), China’s late July 2023 policy combo lifted hopes for growth stabilization, and stronger commodity prices helped parts of Emerging Market (“EM”) Asia. China delivered a month end rally after the July 2023 Politburo meeting as the statement post meeting removed the stern wording of “homes are for live-in, not for speculation” and inked a new term of “activating the capital market.” Taiwan and Korea both saw sharp increases in retail participation (in AI/server names and battery materials respectively) which fizzled somewhat by end-July 2023. Parts of Association of Southeast Asian Nations (“ASEAN”) benefited with stronger commodity prices, albeit the more defensive Indonesia underperformed, as did India.

However, the next month, the uptick in Year-on-Year (“YoY”) inflation in the US and resilient macro data (Atlanta Fed third quarter of year 2024 (“3Q24”) Gross Domestic Product (“GDP”) growth nowcast tracking at 5.60%) led to concerns over further tightness in financial conditions - leading to a sell-off in both bonds and equities. In India, the rally in small-caps continued and the market attracted further inflows despite a rise in inflation. The bottom performing markets were the Philippines, China and Hong Kong, on a mix of growth concerns. China’s July 2023 rally led to profit taking as credit stress rose among property developers, and selected trusts and funds. Execution of stimulus has been gradual while macro data lost further momentum, leaving many investors to stand back while timing the cyclical bottom.

The pressure in the markets continued as the US Fed mentioned a “higher for longer” scenario. In Asia, the top-three performing markets in October 2023 were Malaysia (led by industrials/materials and upside in Banks), Taiwan (5G restocking led Mediatek higher), and Hong Kong. The bottom-three performing markets were Indonesia (surprise rate hike, weakness in FX, internet platform names, materials and energy), followed by Korea (sell-offs in materials, energy and industrials) and the Philippines (rising inflation prompting an off-cycle hike by the Philippine central bank (“BSP”) and weakness in consumer and financial). China’s September 2023 macro data continued its positive momentum but investors trimmed while waiting for

clarity on Local Government Financing Vehicle (“LGFVs”) and US-China progress and processing 3Q24 results.

In November 2023, while Asia ex Japan equities rallied in general as the positive surprise in US CPI boosted hopes of an end to the Fed’s rate hikes, knee-jerk reaction to declining US bond yields, Korean stocks surged even higher with the implementation of the full ban on short-selling until June 2024. On the other hand, China lagged as multiple China catalysts (from plans to address LGFV debts, property easing policies, positive retail sales data, and a benign Asia-Pacific Economic Cooperation (“APEC”) outcome). Two major internet result misses also dampened sentiment over China equities.

In March 2024, Technology sector rallied alongside with the dovish statements by Chair Powell during March 2024 FOMC meeting, signalling additional rate cuts within year 2024. Positive investor sentiment also continued to push South Korea’s Value-Up names in tandem with ongoing discussions on inheritance/capital tax reforms and additional policy initiatives, lifting boats for banks/insurers/autos.

April 2024 saw a reversal of China’s underperformance, thanks to Internet and Property. New capital market guidelines (3.0) by the government, and anticipation for further property policy support at the 30 April 2024 Politburo meeting. India continued to recover from the March 2024 volatility. Voting for national elections has begun (results expected in early June 2024). China’s rally continued until the second half of May 2024 supported by continuous policy rollouts to support the property market.

MARKET OUTLOOK AND STRATEGY GOING FORWARD

The Fund Manager are overweight China. Attractive valuations, with Chinese government stimulus to put a floor on the economy but the Fund Manager are still looking out for indicators to show the economy is back on track. The Fund Manager are focusing on policy plays beneficiaries e.g. modernisation of China's technology, resumption of consumption via platforms and travel, and stability in property sector. The Fund Manager are overweight in South Korea and Taiwan information technology sector. Trough of selected part of the IT sector with AI being the key drivers in year 2024 and year 2025. The Fund Manager are also overweight ASEAN. Peak inflation and beneficiaries of a weaker US dollar (“USD”) and China+1 theme. The Fund Manager are underweight India as valuations have reached peak levels and stock selection will be key.

REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a return of 7.94%* against its benchmark return of 14.80%*. The Fund thus underperformed its benchmark by 6.86% during the financial year under review. The Net Asset Value per unit of the Fund was RM0.3263 (2023: RM0.3023) as at 31 May 2024.

The Fund key contributors came from our stock selection in South Korea Information Technology (“IT”) sector especially in memory, Financials on value-up trade and Korea automotive sector, Taiwan stock selection in Financials added value. Hong Kong underweight in Financials and stock pick in AI technology stock also added value. Our stock picks in Malaysia construction and Financial sector were positive contributors too.

The Fund key detractors came from stock picks in the China IT sector which suffered from cautious sentiments on macro-economic slowdown and AI pullback. Furthermore, stock selection in Taiwan IT sector did not work out. Stock picks in China property sector was also a drag. The stock selection in India Financials, and underweight in India IT also dragged the portfolio as the sector rebounded from AI replacement fears.

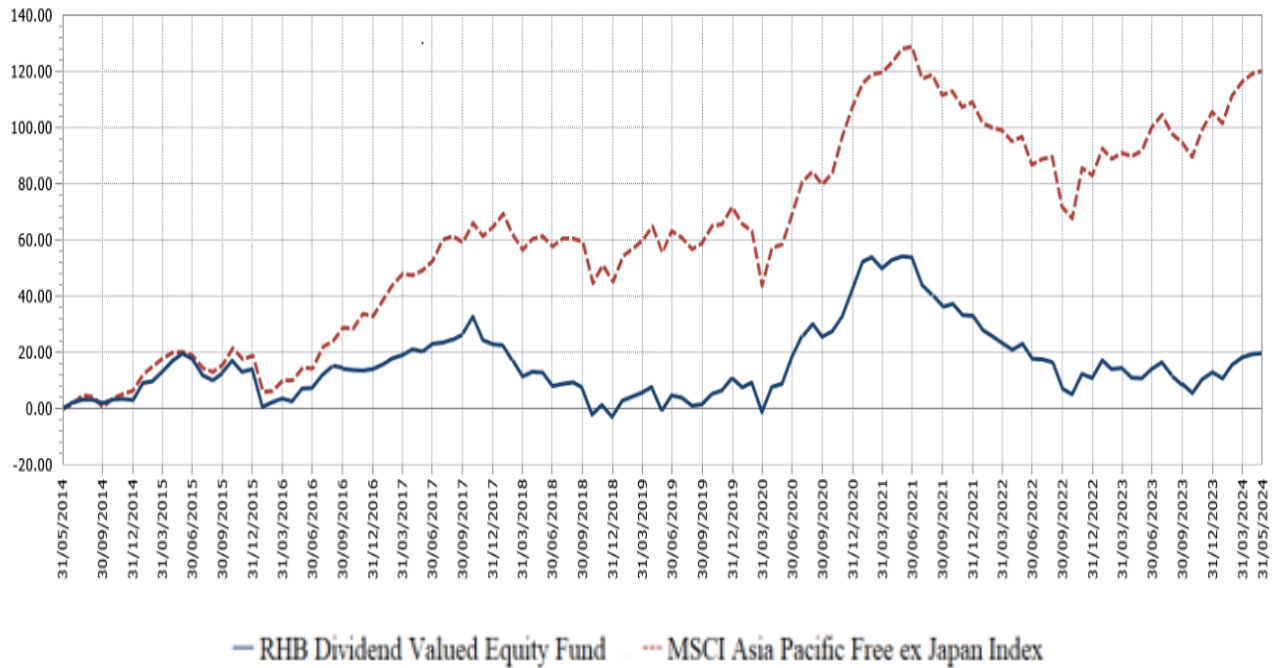
** Source: Lipper Investment Management (“Lipper IM”), 10 June 2024*

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 31 May				
	2024	2023	2022	2021	2020
	%	%	%	%	%
RHB Dividend Valued Equity Fund					
- Capital Return	7.94	(10.14)	(25.77)	34.16	9.71
- Income Return	-	-	7.83	5.59	-
- Total Return	7.94	(10.14)	(19.96)	41.66	9.71
MSCI Asia Pacific Free ex Japan Index	14.80	(2.51)	(13.70)	43.81	1.93

	Average Annual Returns			
	1 Year	3 Years	5 Years	10 Years
	31.05.2023-31.05.2024	31.05.2021-31.05.2024	31.05.2019-31.05.2024	31.05.2014-31.05.2024
	%	%	%	%
RHB Dividend Valued Equity Fund	7.94	(8.09)	3.82	1.79
MSCI Asia Pacific Free ex Japan Index	14.80	(1.15)	7.19	8.19

**Performance of RHB Dividend Valued Equity Fund
for the period from 31 May 2014 to 31 May 2024
Cumulative Return Over The Period (%)**



Source: Lipper IM, 10 June 2024

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 31 May 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 May		
	2024	2023	2022
Net Asset Value (RM million)	3.72	3.67	4.19*
Units In Circulation (million)	11.41	12.13	12.47
Net Asset Value Per Unit (RM)	0.3263	0.3023	0.3364*

Historical Data	Financial Year Ended 31 May		
	2024	2023	2022
Unit Prices			
NAV - Highest (RM)	0.3363	0.3424	0.4586*
- Lowest (RM)	0.2876	0.2854	0.3195*
Distribution and Unit Split			
Gross Distribution Per Unit (sen)	-	-	2.5000
Net Distribution Per Unit (sen)	-	-	2.5000
Distribution Date	-	-	26.05.2022
NAV before distribution (cum)	-	-	0.3452
NAV after distribution (ex)	-	-	0.3195
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	4.69	4.07	3.02
Portfolio Turnover Ratio (PTR) (times) ##	1.65	1.39	1.09

* *The figures 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, no distribution has been proposed by the Fund.

PORTFOLIO STRUCTURE

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

Sectors	As at 31 May		
	2024	2023	2022
	%	%	%
Equities			
Beverages	0.44	-	-
Communication	8.87	9.22	11.45
Construction	-	0.41	0.99
Consumer Cyclicals	1.94	-	-
Consumer Discretionary	2.59	1.81	0.71
Consumer Products	8.28	10.46	13.96
Energy	5.00	3.69	8.89
Financial Services	24.05	17.73	25.78
Health Care	4.27	2.57	2.62
Industrial Products	4.18	5.27	3.87
Information Technology	0.90	1.39	3.18
Materials	4.61	7.07	6.13
Mining	-	-	0.57
Oil & gas	0.95	-	-
Plantation	-	-	0.61
Property	0.45	-	-
Real Estate	0.48	1.50	-
Technology	21.87	21.43	17.97
Utilities	1.07	1.16	-
	<hr/>	<hr/>	<hr/>
	89.95	83.71	96.73
Collective investment scheme	-	1.12	1.08
Liquid assets and other net current assets	10.05	15.17	2.19
	<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 DIVIDEND VALUED EQUITY FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Bank balances	5	226,969	528,194
Deposits with licensed financial institutions	5	168,133	235,105
Investments	6	3,348,614	3,109,864
Amount due from brokers		-	91,818
Amount due from Manager		2,646	-
Dividend receivables		6,039	6,129
Other receivables		-	1,458
Tax recoverable		33,723	-
TOTAL ASSETS		<u>3,786,124</u>	<u>3,972,568</u>
LIABILITIES			
Amount due to brokers		-	220,433
Amount due to Manager		6,545	18,302
Accrued management fee		5,682	5,458
Amount due to Trustee		189	182
Tax payable		-	5,235
Other payables and accruals		50,980	57,087
TOTAL LIABILITIES		<u>63,396</u>	<u>306,697</u>
NET ASSET VALUE		<u>3,722,728</u>	<u>3,665,871</u>
EQUITY			
Unit holders' capital		3,583,898	3,793,127
Retained earnings/(Accumulated losses)		138,830	(127,256)
		<u>3,722,728</u>	<u>3,665,871</u>
UNITS IN CIRCULATION (UNITS)	7	<u>11,410,029</u>	<u>12,126,029</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.3263</u>	<u>0.3023</u>

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

**RHB DIVIDEND VALUED EQUITY FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INCOME/(LOSS)			
Dividend income		103,848	107,215
Interest income from deposits with licensed financial institutions		4,187	1,660
Net realised gain/(loss) on disposal		124,940	(364,632)
Net unrealised gain on changes in fair value		247,047	31,490
Net foreign currency exchange gain		532	20,886
		<u>480,554</u>	<u>(203,381)</u>
EXPENSES			
Management fee	8	(62,470)	(69,035)
Trustee's fee	9	(2,082)	(2,301)
Audit fee		(8,750)	(8,750)
Tax agent's fee		(41,965)	(36,640)
Transaction cost		(37,899)	(32,745)
Other expenses		(66,355)	(48,481)
		<u>(219,521)</u>	<u>(197,952)</u>
Net income/(loss) before taxation		261,033	(401,333)
Taxation	10	5,053	(21,857)
Net income/(loss) after taxation		<u>266,086</u>	<u>(423,190)</u>
Net income/(loss) after taxation is made up as follow:			
Realised amount		29,536	(462,491)
Unrealised amount		236,550	39,301
		<u>266,086</u>	<u>(423,190)</u>

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

**RHB DIVIDEND VALUED EQUITY FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

	Unit holders’ capital RM	(Accumulated losses)/ Retained earnings RM	Total net asset value RM
Balance as at 1 June 2022	3,898,636	295,934	4,194,570
Movement in net asset value:			
Net loss after taxation	-	(423,190)	(423,190)
Creation of units arising from distributions	300,231	-	300,231
Creation of units arising from applications	311,252	-	311,252
Cancellation of units	(716,992)	-	(716,992)
Balance as at 31 May 2023	<u>3,793,127</u>	<u>(127,256)</u>	<u>3,665,871</u>
Balance as at 1 June 2023	3,793,127	(127,256)	3,665,871
Movement in net asset value:			
Net income after taxation	-	266,086	266,086
Creation of units arising from applications	229,916	-	229,916
Cancellation of units	(439,145)	-	(439,145)
Balance as at 31 May 2024	<u>3,583,898</u>	<u>138,830</u>	<u>3,722,728</u>

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

**RHB DIVIDEND VALUED EQUITY FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		5,904,931	5,379,844
Purchase of investments		(5,937,924)	(4,667,033)
Dividend received		86,587	99,117
Interest received from deposits with licensed financial institutions		4,187	1,660
Management fee paid		(62,246)	(69,923)
Trustee's fee paid		(2,075)	(2,331)
Payment for other fees and expenses		(104,356)	(69,348)
Net realised foreign exchange gain		10,717	10,758
Tax paid		(33,905)	(16,622)
Net cash (used in)/generated from operating activities		<u>(134,084)</u>	<u>666,122</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		227,270	403,309
Cash paid for units cancelled		(450,902)	(772,268)
Cash paid for income distributions		-	(9,849)
Net cash used in financing activities		<u>(223,632)</u>	<u>(378,808)</u>
Net (decrease)/increase in cash and cash equivalents		(357,716)	287,314
Foreign currency translation differences		(10,481)	7,811
Cash and cash equivalents at the beginning of the financial year		<u>763,299</u>	<u>468,174</u>
Cash and cash equivalents at the end of the financial year	5	<u>395,102</u>	<u>763,299</u>

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

**RHB DIVIDEND VALUED EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Dividend Valued Equity 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 HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 13 July 2005 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 defined 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 provide investors with total returns primarily through investment in equity and equity related securities of companies which offer attractive yields and sustainable dividend payments.

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 24 July 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 June 2023

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

(b) New standards, amendments and interpretations effective after 1 June 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 June 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 June 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 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 brokers, 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 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 financial 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 from investments when the Fund's right to receive payment is established.

Quoted investments and collective investment scheme are initially recognised at fair value and subsequently re-measured at fair value based on the market price published 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 published price does not represent the fair value of the securities, for example during abnormal market conditions or when no published 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 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities (continued)

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 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 the 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 and collective investment scheme 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 gains or losses on sale of quoted investments and collective investment scheme 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 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Amount due from/to brokers

Amount 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 brokers, probability that the brokers 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.

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.

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 scheme (other than those arising from interest rate risk).

The Fund is exposed to equity securities and collective investment scheme (other than those arising from interest rate risk) price risk for its investments of RM3,348,614 (2023: RM3,109,864) in equity securities and collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the quoted investments and collective investment scheme fluctuate by +/-(-) 5% with all other variables held constant, the impact on statement of income and expense and net asset value is +/-(-) RM167,431 (2023: RM155,493).

Interest rate risk

Interest rate risk is the risk that the cost or the value of the financial instruments will fluctuate due to changes in market interest rates. 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)

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. Investors should note any gains or losses arising from the movement of foreign currencies against its home currency may therefore increase or decrease the capital gains of the financial instruments. Nevertheless, investors should realise that currency risk is considered as one of the major risks to financial instruments in foreign assets due to the volatile nature of the foreign exchange market.

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 +/- RM172,999 (2023: RM171,602).

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

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial assets/ (liabilities)*</u> RM	<u>Total</u> RM
<u>2024</u>				
Australian Dollar	432,404	-	3,850	436,254
Chinese Yuan	111,144	586	-	111,730
Hong Kong Dollar	911,523	-	1,940	913,463
Indian Rupee	594,405	-	(11,775)	582,630
Indonesian Rupiah	32,659	-	-	32,659
Korean Won	368,876	-	-	368,876
Philippines Peso	37,234	-	-	37,234
Singapore Dollar	83,289	-	-	83,289
Taiwan Dollar	621,415	-	(22,855)	598,560
Thailand Baht	15,747	-	-	15,747
United States Dollar	106,482	172,810	249	279,541
	<u>3,315,178</u>	<u>173,396</u>	<u>(28,591)</u>	<u>3,459,983</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

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

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial assets*</u> RM	<u>Total</u> RM
2023				
Australian Dollar	386,219	-	2,683	388,902
Chinese Yuan	564,327	-	(33,928)	530,399
Hong Kong Dollar	562,781	-	(12,063)	550,718
Indian Rupee	349,817	1,332	(10,598)	340,551
Indonesian Rupiah	18,349	-	(18,802)	(453)
Korean Won	456,563	-	8	456,571
Philippines Peso	24,891	-	-	24,891
Singapore Dollar	147,963	-	(66,112)	81,851
Taiwan Dollar	527,520	-	(16,461)	511,059
Thailand Baht	71,434	-	-	71,434
United States Dollar	-	476,114	-	476,114
	<u>3,109,864</u>	<u>477,446</u>	<u>(155,273)</u>	<u>3,432,037</u>

* Comprise of amount due from/(to) brokers, dividend receivables and other payables and accruals.

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 and bank 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 Bursa Malaysia Securities Berhad (“Bursa Malaysia”). 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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	221,706	-	221,706
AA-	173,396	-	173,396
Others	-	8,685	8,685
	<u>395,102</u>	<u>8,685</u>	<u>403,787</u>
<u>2023</u>			
AAA	285,853	-	285,853
AA-	477,446	-	477,446
Others	-	97,947	97,947
	<u>763,299</u>	<u>97,947</u>	<u>861,246</u>

* Comprise of amount due from brokers, 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, possibly preventing a unit trust fund from selling such illiquid securities at an advantageous time or price. 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 <u>1 month</u> RM	Between 1 month to <u>1 year</u> RM
<u>2024</u>		
Amount due to Manager	6,545	-
Accrued management fee	5,682	-
Amount due to Trustee	189	-
Other payables and accruals	-	50,980
	12,416	50,980
<u>2023</u>		
Amount due to brokers	220,433	-
Amount due to Manager	18,302	-
Accrued management fee	5,458	-
Amount due to Trustee	182	-
Other payables and accruals	-	57,087
	244,375	57,087

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM3,583,898 (2023: RM3,793,127) and retained earnings of RM138,830 (2023: accumulated losses of RM127,256). 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.

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2024</u>				
Financial assets at FVTPL:				
- Quoted investments	3,348,614	-	-	3,348,614
<u>2023</u>				
Financial assets at FVTPL:				
- Quoted investments	3,068,875	-	-	3,068,875
- Collective investment scheme	40,989	-	-	40,989
	<u>3,109,864</u>	-	-	<u>3,109,864</u>

Investments in active listed equities, i.e. quoted investments and collective investment scheme whose values are based on published and market prices in active markets are classified within Level 1. The Fund does not adjust the published and market 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

	<u>2024</u> RM	<u>2023</u> RM
Bank balances	226,969	528,194
Deposits with licensed financial institutions	168,133	235,105
	<u>395,102</u>	<u>763,299</u>

6. INVESTMENTS

	<u>2024</u> RM	<u>2023</u> RM
Investments:		
- Quoted investments - local	33,436	-
- Quoted investments - foreign	3,315,178	3,068,875
- Collective investment scheme - foreign	-	40,989
	<u>3,348,614</u>	<u>3,109,864</u>

Investments as at 31 May 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 Value</u> %
QUOTED INVESTMENTS - LOCAL				
<u>MALAYSIA</u>				
Industrial Products				
Sunway Bhd	6,200	17,685	21,700	0.58
Utilities				
Tenaga Nasional Bhd	900	9,969	11,736	0.32
TOTAL QUOTED INVESTMENT - LOCAL		<u>27,654</u>	<u>33,436</u>	<u>0.90</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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>				
Consumer Cyclicals				
Wesfarmers Ltd	52	10,741	10,556	0.28
Financial Services				
Australia & New Zealand Holdings Group Ltd	522	28,587	46,133	1.24
Commonwealth Bank of Australia	173	56,221	64,697	1.74
Westpac Banking Corp	933	67,002	75,830	2.04
		151,810	186,660	5.02
Health Care				
Cochlear Ltd	17	16,664	17,155	0.46
CSL Ltd	55	45,077	48,194	1.29
		61,741	65,349	1.75
Materials				
BHP Group Ltd	693	84,028	96,497	2.59
Fortescue Metals Group Ltd	369	29,052	28,559	0.77
Northern Star Resources Ltd	599	23,642	26,891	0.72
		136,722	151,947	4.08
Real Estate				
GPT Group	1,365	18,788	17,892	0.48
TOTAL AUSTRALIA		379,802	432,404	11.61

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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				
(CONTINUED)				
<u>CHINA</u>				
Energy				
Yantai Jereh Oilfield Services Group Co Ltd	700	15,706	15,829	0.43
Financial Services				
Ping An Insurance Group Co of China Ltd	2,500	68,818	69,709	1.87
Industrial Products				
Contemporary Amperex Technology Co Ltd	200	26,149	25,606	0.69
TOTAL CHINA		110,673	111,144	2.99
<u>HONG KONG</u>				
Beverages				
Uni-President China Holdings Ltd	4,000	17,418	16,505	0.44
Communication				
China Telecom Corporation Ltd	14,000	34,094	37,726	1.01
NetEase Inc	400	36,085	33,107	0.89
Tencent Holdings Ltd	900	157,712	194,778	5.23
		227,891	265,611	7.13
Consumer Products				
Alibaba Group Holding Ltd	900	41,517	40,547	1.09
CSPC Pharmaceutical Group Ltd	4,000	16,746	15,952	0.43
JD.com Inc	700	48,778	47,958	1.29
Meituan	700	42,579	44,252	1.19

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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				
(CONTINUED)				
<u>HONG KONG (CONTINUED)</u>				
Consumer Products (continued)				
Trip.com Group Ltd	150	21,788	35,332	0.95
Yum China Holdings Inc	140	28,950	22,804	0.61
		200,358	206,845	5.56
Energy				
PetroChina Co Ltd	12,000	48,219	57,527	1.55
Financial Services				
AIA Group Ltd	1,200	35,213	43,633	1.17
Bank of China (Hong Kong) Ltd	2,000	27,915	29,474	0.79
China Construction Bank Corp	26,000	77,309	86,640	2.33
Industrial & Commercial Bank of China Ltd	13,000	35,815	34,562	0.93
		176,252	194,309	5.22
Health Care				
Innovent Biologics Inc	1,000	24,538	21,173	0.57
Sino Biopharmaceutical Ltd	9,000	16,765	15,374	0.41
		41,303	36,547	0.98
Industrial Products				
Air China Ltd	8,000	20,961	20,018	0.54
Weichai Power Co Ltd	2,000	15,153	16,818	0.45
		36,114	36,836	0.99
Information Technology				
ASMPT Ltd	600	30,869	33,654	0.90
Materials				
Zijin Mining Group Co Ltd	2,000	16,927	19,898	0.53

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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				
(CONTINUED)				
<u>HONG KONG (CONTINUED)</u>				
Property				
China Vanke Co Ltd	5,200	19,061	16,796	0.45
Technology				
Lenovo Group Ltd	4,000	24,571	26,995	0.72
TOTAL HONG KONG		838,983	911,523	24.47
<u>INDIA</u>				
Communcion				
Bharti Airtel Ltd	502	30,545	38,866	1.04
Consumer Cyclicals				
Bajaj Auto Ltd	72	35,285	36,891	0.99
Consumer Discretionary				
Mahindra & Mahindra Ltd	370	28,080	52,300	1.40
Consumer Product				
Dabur India Ltd	2,130	67,064	65,484	1.76
Energy				
Coal India Ltd	747	18,121	20,695	0.56
Reliance Industries Ltd	470	58,464	75,834	2.04
		76,585	96,529	2.60
Financial Services				
ICICI Bank Ltd	1,790	96,441	113,177	3.04
Shriram Finance Ltd	252	34,832	33,458	0.90
		131,273	146,635	3.94

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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				
(CONTINUED)				
<u>INDIA (CONTINUED)</u>				
Health Care				
Dr Reddys Laboratories Ltd	76	23,161	24,826	0.67
Fortis Healthcare Ltd	1,205	26,936	32,289	0.87
		<u>50,097</u>	<u>57,115</u>	<u>1.54</u>
Oil & Gas				
GAIL India Ltd	3,055	35,835	35,201	0.95
Technology				
HCL Technologies Ltd	503	39,864	37,564	1.01
Utilities				
NTPC Ltd	1,374	23,737	27,820	0.75
TOTAL INDIA		<u>518,365</u>	<u>594,405</u>	<u>15.98</u>
<u>INDONESIA</u>				
Financial Services				
PT Bank Central Asia Tbk	12,200	35,537	32,659	0.88
TOTAL INDONESIA		<u>35,537</u>	<u>32,659</u>	<u>0.88</u>
<u>SINGAPORE</u>				
Financial Services				
Oversea-Chinese Banking Corp Ltd	800	38,501	40,412	1.08
United Overseas Bank Ltd	400	40,454	42,877	1.15
		<u>78,955</u>	<u>83,289</u>	<u>2.23</u>
TOTAL SINGAPORE		<u>78,955</u>	<u>83,289</u>	<u>2.23</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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 – FOREIGN				
(CONTINUED)				
<u>SOUTH KOREA</u>				
Consumer Cyclical				
Hyundai Motor Co	29	26,732	24,910	0.67
Financial Services				
Hana Financial Group	174	36,005	36,449	0.98
KB Financial Group Inc	71	18,699	19,140	0.51
Shinhan Financial Group Ltd	192	31,769	30,735	0.83
		86,473	86,324	2.32
Industrial Products				
Hanwha Aerospace Co Ltd	63	40,775	43,848	1.18
Technology				
Samsung Electronics Co Ltd	553	122,834	137,996	3.71
SK Hynix Inc	118	44,161	75,798	2.04
		166,995	213,794	5.75
TOTAL SOUTH KOREA		320,975	368,876	9.92
<u>PHILIPPINES</u>				
Financial Services				
SM Prime Holdings Inc	4,400	10,339	9,522	0.26
Industrial Products				
Ayala Corp	580	30,557	27,712	0.74
TOTAL PHILIPPINES		40,896	37,234	1.00

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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				
(CONTINUED)				
<u>TAIWAN</u>				
Financial Services				
CTBC Financial Holding Co Ltd	10,000	35,442	51,259	1.38
Fubon Financial Holding Co Ltd	3,250	52,758	34,542	0.93
		88,200	85,801	2.31
Technology				
Hon Hai Precision Industry Co Ltd	4,000	89,380	99,622	2.68
Quanta Computer Inc	2,000	76,076	79,350	2.13
Taiwan Semiconductor Manufacturing Co Ltd	3,000	147,251	356,642	9.58
		312,707	535,614	14.39
TOTAL TAIWAN		400,907	621,415	16.70
<u>THAILAND</u>				
Energy				
PTT Exploration & Production PCL	800	16,821	15,747	0.42
TOTAL THAILAND		16,821	15,747	0.42
<u>UNITED STATES</u>				
Communication				
Tencent Music Entertainment Group	386	16,912	26,243	0.70
Consumer Discretionary				
Amer Sports Inc	246	18,676	17,789	0.48
TAL Education Group	496	29,424	26,510	0.71
		48,100	44,299	1.19

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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 (CONTINUED)				
<u>UNITED STATES (CONTINUED)</u>				
Consumer Product				
PDD Holdings Inc	51	29,422	35,940	0.96
TOTAL UNITED STATES		94,434	106,482	2.85
TOTAL QUOTED INVESTMENTS - FOREIGN		2,836,348	3,315,178	89.05
TOTAL INVESTMENTS		2,864,002	3,348,614	89.95

Investments as at 31 May 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 - FOREIGN				
<u>AUSTRALIA</u>				
Consumer Products				
Woolworths Group Ltd	316	34,008	35,386	0.97
Energy				
Woodside Energy Group Ltd	432	35,789	44,201	1.21
Financial Services				
Australia & New Zealand				
Banking Group Ltd	1,250	68,191	85,463	2.33
Commonwealth Bank of Australia	123	39,733	35,510	0.97
		107,924	120,973	3.30

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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</u> (CONTINUED)				
Materials				
BHP Group Ltd	623	73,776	78,090	2.13
Newcrest Mining Ltd	421	30,276	32,263	0.88
South32 Ltd	2,965	33,446	34,317	0.94
		137,498	144,670	3.95
TOTAL AUSTRALIA		315,219	345,230	9.43
<u>CHINA</u>				
Communication				
Baidu Inc	250	17,442	17,579	0.48
Kuaishou Technology	1,100	35,545	34,333	0.94
		52,987	51,912	1.42
Construction				
Shanghai International Airport Co Ltd	500	17,109	15,075	0.41
Consumer Products				
BYD Co Ltd	500	68,842	69,608	1.90
Meituan	990	81,685	64,248	1.75
Trip.com Group Ltd	200	20,228	29,586	0.81
		170,755	163,442	4.46
Financial Services				
CITIC Securities Co Ltd	3,700	48,055	47,998	1.31
Ping An Insurance Group Co of China Ltd	2,500	77,311	73,171	2.00
		125,366	121,169	3.31

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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>CHINA (CONTINUED)</u>				
Health Care				
Aier Eye Hospital Group Co Ltd	1,500	29,574	26,009	0.71
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	700	27,237	29,584	0.81
Jiangsu Hengrui Pharmaceuticals Co Ltd	1,300	36,437	38,312	1.05
		<u>93,248</u>	<u>93,905</u>	<u>2.57</u>
Industrial Products				
Shenzhen Inovance Technology Co Ltd	700	33,289	26,762	0.73
Information Technology				
Montage Technology Co Ltd	751	32,009	31,000	0.85
NAURA Technology Group Co Ltd	100	19,613	19,633	0.54
		<u>51,622</u>	<u>50,633</u>	<u>1.39</u>
Materials				
Ganfeng Lithium Group Co Ltd	1,000	30,803	29,180	0.80
Technology				
Kingdee International Software Group Co Ltd	2,000	18,019	12,249	0.33
TOTAL CHINA		<u>593,198</u>	<u>564,327</u>	<u>15.42</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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>HONG KONG</u>				
Communication				
China Telecom Corporation Ltd	10,000	24,382	22,908	0.62
Tencent Holdings Ltd	1,000	173,697	182,912	4.99
		198,079	205,820	5.61
Consumer Products				
Alibaba Group Holding Ltd	2,500	134,531	114,688	3.13
Energy				
China Petroleum & Chemical Corporation	4,000	12,081	11,613	0.32
PetroChina Co Ltd	4,000	12,545	11,919	0.33
		24,626	23,532	0.65
Financial Services				
AIA Group Ltd	1,300	59,921	57,494	1.57
Hong Kong Exchanges & Clearing Ltd	200	29,611	33,756	0.92
Industrial & Commercial Bank of China Ltd	12,000	28,566	29,610	0.81
		118,098	120,860	3.30
Industrial Products				
China Railway Group Ltd	5,000	16,170	15,194	0.41
Real Estate				
Wharf Real Estate Investment Co Ltd	1,000	25,460	22,761	0.62
Technology				
Lenovo Group Ltd	4,000	18,318	17,337	0.47

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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>HONG KONG (CONTINUED)</u>				
Utilities				
China Resources Power Holdings Co Ltd	4,000	37,897	42,589	1.16
TOTAL HONG KONG		573,179	562,781	15.35
<u>INDIA</u>				
Consumer Discretionary				
Mahindra & Mahindra Ltd	530	37,784	38,938	1.06
Energy				
Reliance Industries Ltd	489	36,889	67,274	1.83
Financial Services				
Housing Development Finance Corporation Ltd	441	51,109	64,858	1.77
ICICI Bank Ltd	971	37,844	51,335	1.40
		88,953	116,193	3.17
Industrial Products				
Larsen & Toubro Ltd	639	66,672	78,504	2.14
Materials				
Asian Paints Ltd	275	43,444	48,908	1.33
TOTAL INDIA		273,742	349,817	9.53
<u>INDONESIA</u>				
Financial Services				
PT Bank Central Asia Tbk	6,600	18,746	18,349	0.50
TOTAL INDONESIA		18,746	18,349	0.50

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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>SINGAPORE</u>				
Communication				
Singapore				
Telecommunications Ltd	6,200	52,540	52,519	1.43
Financial Services				
DBS Group Holdings Ltd	300	29,549	30,923	0.84
Industrial Products				
Singapore Technologies				
Engineering Ltd	2,600	28,903	32,373	0.88
Real Estate				
City Developments Ltd	1,400	33,080	32,148	0.88
TOTAL SINGAPORE		144,072	147,963	4.03
<u>SOUTH KOREA</u>				
Consumer Products				
Celltrion Inc	60	34,579	35,755	0.97
Shinsegae Inc	26	18,722	17,882	0.49
		53,301	53,637	1.46
Financial Services				
KB Financial Group Inc	89	11,281	14,862	0.40
Industrial Products				
HD Korea Shipbuilding &				
Offshore Engineering Co Ltd	59	17,475	19,745	0.54
LG Energy Solution Ltd	10	17,642	20,838	0.57
		35,117	40,583	1.11
Materials				
LG Chem Ltd	15	35,560	36,162	0.99

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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>SOUTH KOREA (CONTINUED)</u>				
Technology				
LG Innotek Co Ltd	20	18,765	21,360	0.58
Samsung Electronics Co Ltd	803	168,520	199,454	5.44
Samsung SDI Co Ltd	14	34,513	34,969	0.95
SK Hynix Inc	147	54,124	55,536	1.51
		275,922	311,319	8.48
TOTAL SOUTH KOREA		411,181	456,563	12.44
<u>PHILIPPINES</u>				
Financial Services				
BDO Unibank Inc	2,232	17,435	24,891	0.68
TOTAL PHILIPPINES		17,435	24,891	0.68
<u>TAIWAN</u>				
Financial Services				
CTBC Financial Holding Co Ltd	10,000	35,442	36,401	0.99
Fubon Financial Holding Co Ltd	5,000	42,612	45,539	1.24
		78,054	81,940	2.23
Technology				
MediaTek Inc	1,000	106,075	113,698	3.10
Taiwan Semiconductor Manufacturing Co Ltd	3,000	147,251	250,765	6.84
Unimicron Technology Corporation	3,000	60,367	81,117	2.21
		313,693	445,580	12.15
TOTAL TAIWAN		391,747	527,520	14.38

6. INVESTMENTS (CONTINUED)

Investments as at 31 May 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>THAILAND</u>				
Consumer Discretionary				
Central Retail Corporation PCL	4,900	21,716	27,329	0.75
Consumer Products				
CP ALL PCL	1,900	16,938	16,085	0.44
Communication				
Advance Info Service PCL	1,000	26,873	28,020	0.76
TOTAL THAILAND		65,527	71,434	1.95
TOTAL QUOTED INVESTMENTS - FOREIGN		2,804,046	3,068,875	83.71
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>AUSTRALIA</u>				
Real Estate Investment				
Trusts				
Goodman Group	700	41,836	40,989	1.12
TOTAL COLLECTIVE INVESTMENT SCHEME - FOREIGN		41,836	40,989	1.12
TOTAL INVESTMENTS		2,845,882	3,109,864	84.83

7. UNITS IN CIRCULATION

	<u>2024</u> Units	<u>2023</u> Units
At the beginning of the financial year	12,126,029	12,469,193
Creation of units during the financial year:		
Arising from distributions	-	889,836
Arising from applications	696,000	1,014,000
Cancellation of units during the financial year	<u>(1,412,000)</u>	<u>(2,247,000)</u>
At the end of the financial year	<u>11,410,029</u>	<u>12,126,029</u>

8. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.80% (2023: 1.80%) 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	437	20,235
Over provision of tax in prior year	(20,235)	-
Foreign taxation	14,745	1,622
	<u>(5,053)</u>	<u>21,857</u>

10. TAXATION (CONTINUED)

(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>261,033</u>	<u>(401,333)</u>
Tax calculated at a statutory income tax rate of 24%	62,648	(96,320)
Tax effects of:		
- (Investment income not subject to tax)/ investment loss not brought to tax	(114,896)	72,996
- Expenses not deductible for tax purposes	35,157	28,547
- Restriction on tax deductible expenses	17,528	14,860
- Over provision of tax in prior year	(20,235)	-
- Foreign tax in other countries	14,745	1,622
- Income subject to different tax rate	-	152
Tax expense	<u>(5,053)</u>	<u>21,857</u>

12. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>4.69</u>	<u>4.07</u>

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)	<u>1.65</u>	<u>1.39</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 parties are as follows:

	2024		2023	
	Units	RM	Units	RM
The Manager	5,937	1,937	5,708	1,726
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>3,099,620</u>	<u>1,011,406</u>	<u>3,256,942</u>	<u>984,574</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 is under nominees structure.

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

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

15. TRANSACTIONS BY THE FUND

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

Brokers/Financial <u>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> %
J.P. Morgan Securities PLC	2,194,616	19.02	4,628	18.17
Macquarie Securities (Australia) Ltd	2,029,498	17.59	4,161	16.33
CLSA India Private Ltd	1,886,855	16.36	5,661	22.22
Credit Suisse Securities Korea	688,885	5.97	1,241	4.87
CLSA Limited Hong Kong	677,597	5.87	1,364	5.35
Citigroup Global Markets Ltd	564,417	4.89	1,155	4.53
China International Capital Corporation	450,678	3.91	901	3.54
Macquarie Securities Korea Ltd	432,598	3.75	865	3.40
RHB Investment Bank Berhad*	430,304	3.73	1,151	4.52
Instinet Pacific Ltd (Hong Kong)	346,286	3.00	730	2.86
Others	1,834,527	15.91	3,618	14.21
	11,536,261	100.00	25,475	100.00

15. TRANSACTIONS BY THE FUND (CONTINUED)

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

Brokers/Financial institutions	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Macquarie Securities (Australia) Ltd	1,579,472	15.38	3,223	15.19
Credit Suisse (Hong Kong) Ltd	977,102	9.51	1,980	9.33
J.P. Morgan Securities PLC	956,401	9.31	1,963	9.25
Credit Suisse AG, Taipei Securities Branch	859,985	8.37	1,720	8.11
CLSA Limited Hong Kong	765,818	7.46	1,619	7.63
Macquarie Securities Korea Ltd	744,895	7.25	1,490	7.02
China International Capital Corporation	670,321	6.53	1,341	6.32
Citigroup Global Markets Ltd	636,264	6.19	1,180	5.56
CLSA India Private Ltd	533,329	5.19	1,600	7.54
Instinet Pacific Ltd (Hong Kong)	477,014	4.64	954	4.50
Others*	2,072,149	20.17	4,147	19.55
	10,272,750	100.00	21,217	100.00

* Included in transactions by the Fund are trades with RHB Investment Bank Berhad, the holding company of the Manager, of which the value of trades amounted to RM430,304 (2023: RM301,620) and brokerage fees amounted to RM1,151 (2023: RM692).

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.

16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2024</u> RM	<u>2023</u> RM
Financial assets		
Financial assets at FVTPL		
• Quoted investments	3,348,614	3,068,875
• Collective investment scheme	-	40,989
	<u>3,348,614</u>	<u>3,109,864</u>
Financial assets at amortised cost		
• Bank balances	226,969	528,194
• Deposits with licensed financial institutions	168,133	235,105
• Amount due from brokers	-	91,818
• Amount due from Manager	2,646	-
• Dividend receivables	6,039	6,129
• Other receivables	-	1,458
	<u>403,787</u>	<u>862,704</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to brokers	-	220,433
• Amount due to Manager	6,545	18,302
• Accrued management fee	5,682	5,458
• Amount due to Trustee	189	182
• Other payables and accruals	50,980	57,087
	<u>63,396</u>	<u>301,462</u>

**STATEMENT BY MANAGER
RHB DIVIDEND VALUED EQUITY 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 31 May 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

24 July 2024

TRUSTEE'S REPORT

To the unit holders of RHB Dividend Valued Equity Fund (“Fund”),

We have acted as Trustee of the Fund for the financial year ended 31 May 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 SC’s 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.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
24 July 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB DIVIDEND VALUED EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Dividend Valued Equity Fund (“the Fund”) give a true and view of the financial position of the Fund as at 31 May 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 May 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 51.

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 DIVIDEND VALUED EQUITY 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 DIVIDEND VALUED EQUITY 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 DIVIDEND VALUED EQUITY 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
24 July 2024

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

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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*)

(*Resigned with effect from 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 from 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 Georgetown, 10300 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	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 Berhad Areca Capital Sdn Bhd CIMB Bank Berhad CIMB Private Banking Genexus Advisory Sdn Bhd iFAST Capital Sdn Bhd Kenanga Investors Berhad OCBC Bank (Malaysia) Berhad Phillip Mutual Berhad Standard Chartered Bank Malaysia Berhad Standard Financial Adviser Sdn Bhd United Overseas Bank (Malaysia) Berhad UOB Kay Hian Securities (M) Sdn Bhd

RHB ♦ Asset Management

RHB Asset Management Sdn Bhd 198801007231 (174588-X)

Head Office

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