



# **AIA PRIVATE RETIREMENT SCHEME**

---

## **ANNUAL REPORT**

### **AIA PAM – Islamic Moderate Fund**

As at 30 April 2024



# CONTENTS

---

MESSAGE FROM PRS PROVIDER .....	1
LOCAL BOND MARKET COMMENTARY .....	2
LOCAL EQUITY MARKET COMMENTARY .....	4
FOREIGN EQUITY MARKET COMMENTARY .....	6
AIA PAM – ISLAMIC MODERATE FUND .....	8
Fund Information .....	8
Fund Performance .....	9
Fund Report .....	11
STATEMENT BY PRS PROVIDER .....	14
TRUSTEE'S REPORT .....	15
SHARIAH ADVISER'S REPORT .....	16
INDEPENDENT AUDITORS' REPORT .....	17
FINANCIAL STATEMENTS .....	20
Statement of Comprehensive Income .....	20
Statement of Financial Position .....	21
Statement of Changes in Equity .....	22
Statement of Cash Flows .....	23
Notes to the Financial Statements .....	24



# PRS PROVIDER'S REPORT

---

## Message From PRS Provider

Dear Valued Clients,

Greetings from AIA Pension and Asset Management Sdn. Bhd. and thank you for investing with us.

We are pleased to present the Annual Fund Report for the financial year ended 30 April 2024. Our decade-long of operating history continued to position the Company as a well-established, leading provider of Private Retirement Scheme ("PRS") with total assets under management of RM952 million as at end of April 2024. This report is more than a summary of our financial performance; it is a testament to our shared journey and commitment to securing your financial future.

Both bonds and equities fell in value in 2022 after steep hikes in interest rates by the US Federal Reserve ("Fed") to address persistently high inflation. 2023 saw improved market performance given softer inflation figures, better-than-expected corporate earnings results, expectations of interest rate cuts and economy remained solid despite first quarter regional banking crisis. However, growth was partly dampened by geopolitical tensions and ongoing concerns regarding China's economic recovery. As we enter 2024, global economic prospects had improved with major central banks looking to cut interest rates and ease monetary restriction on the back of declining inflation, which is supportive of the equity market. However, we remain cautiously optimistic as market volatility is the new norm, amidst a backdrop of continued debates surrounding the risk of recession, inflation, and timeline of Fed rate cuts.

We operate against this backdrop and most of our funds recorded high single- or double-digit annual returns, substantially improved from the previous financial year. Our results for the year highlighted the Company's resilience and strength of our execution in navigating through global market challenges.

Thank you for your continued trust and support in us. We look forward to continuing this journey with you and achieving even greater success together. Please reach out to our PRS Consultants who are also our AIA Life Planners and visit [aia-prs.com.my](http://aia-prs.com.my) for further insight about investing in PRS.



# LOCAL BOND MARKET COMMENTARY

---

## Market Review

2023 was a positive year for bond market, largely on the expectation that central banks' rate normalisation cycle at its tail-end. The potential recession in United States (U.S.) did not materialise in 2023 as the U.S economy remained resilient. The services sector and labour market remained relatively robust, while inflation proved to be stickier than expected. Despite remaining well below the previous year's highs, inflation proved to be stickier than expected. This motivated the Federal Reserve ("Fed") to hike the Federal Funds rate by a cumulative 100bps during the year while U.S Treasury yields and U.S Dollar ("USD") remained elevated. Nevertheless, tighter financial conditions began to drive meaningful declines in inflation and economic activity, resulted Fed concluding its monetary policy normalisation cycle and indicating a series of rate cuts in 2024. Global bond yields repriced lower on anticipation of upcoming rate cuts by Fed.

Locally, economic growth was relatively resilient in 2023 as domestic demand and government spending propped up economic activity amidst a decline in external demand. Inflation was well contained and declined to 1.5% year-on-year ("YoY") by end of 2023 amidst a single 25bps hike in overnight policy rate ("OPR") by Bank Negara Malaysia ("BNM") in May 2023. Overall, local bond yields shifted downward in 2023 with demand from onshore investors was well sustained amidst attractive valuations and favourable domestic liquidity conditions. The strong market performance was also driven by inflows from offshore investors who were net buyers of Malaysia debt securities in 2023 with a total net inflow of MYR23.6 billion. On the currency front, Malaysia Ringgit ("MYR") weakened against the USD by 4.3%, primarily due to broad USD strength on the back of Fed's aggressive policy rate hikes which widened the interest rate differential between USD and MYR.

Local bond market traded mixed in 1st quarter of 2024 as BNM kept the OPR unchanged at 3.00% for the fifth Monetary Policy Meeting ("MPC") meeting. BNM statement highlighted that Malaysian economy is expected to improve in 2024, driven by the recovery in exports and resilient domestic expenditure. Export growth is turning positive after contracting since March 2023 and to be supported by stronger global trade. Inflation is expected to be modest in 2024, with risks remaining highly subjected to domestic policies on subsidies as well as global commodity prices.

## Market Outlook

In line with easing growth and inflation concerns, central banks across the world have likely concluded their monetary policy normalisation in 2023, with the market now looking towards rate cuts in 2024. Although inflation continues to moderate, recent US economic data releases are suggestive of a resilient US economy and labour market. Hence, the timing of the policy pivot is still uncertain and remains highly data dependent which should induce some volatility across global fixed income markets. Domestically, BNM is expected to keep the OPR on hold, given the resilient domestic growth outlook and potential gradual subsidy rationalisation.

On the demand side, robust demand from onshore investors will continue to anchor local bond yields, supplemented by sustained inflows from foreign investors which are expected to increase towards 2H2024. We expect the Malaysian Government Securities ("MGS") curve to potentially bull-steepen in 2024, especially once the global monetary easing cycle takes hold. On the MYR front, USD strength is expected to persist in the immediate term due to the Fed's "higher for longer" narrative. Additionally, weaker than expected China economic recovery has also led to a weaker Chinese Yuan Renminbi ("CNY") which has weighed on MYR sentiment. Despite this, the longer-term outlook for 2024 should be positive for MYR amidst upcoming Fed rate cuts and an improvement in export and portfolio inflows.



## **Key Market Drivers**

### **Opportunities**

- China growth recovers amidst policy support, driving global trade and tourist arrivals into Malaysia, and thus positive for MYR.
- Potential fund flows from foreign investors into the domestic bond market on the back of reduced political uncertainty, Fed policy pivot and expectations of peak USD strength.
- Healthier onshore demand for domestic government securities as domestic liquidity remains flush.

### **Concerns**

- Prolonged geopolitical tensions, fuelling uptrend in commodities prices, which could renew inflation concerns.
- Downside surprise to China growth recovery
- Unexpected resilience of U.S economy and potential reacceleration of inflation pressure in U.S resulting in more Fed rate hikes and extended USD strength.

# LOCAL EQUITY MARKET COMMENTARY

---

## Market Review

2023 can be characterized as a tale of two halves. In the first half, the global economy experienced significant interest rate hikes by major central banks aiming to control inflation. The U.S. Federal Reserve increased the federal funds rate by 75 basis points to 5.25%, following a 425 basis points hike in 2022. By July 2023, rates reached 5.50%, and as inflation pressures eased, the Fed suggested rates had peaked by December. Domestically, the OPR remained at 3% since a surprise hike in May, reflecting strong economic conditions. This rate differential led to the Malaysian Ringgit (MYR) depreciating to a 25-year low of 4.7937 against the U.S. Dollar (USD) in September, closing the year 4.3% lower at 4.5940.

In Malaysia's equity market, the KLCI Composite Index dropped to 1,374.64 points in June from 1,500 in January as initial optimism over the new unity government waned. Attention shifted to the upcoming state elections, raising concerns over potential impacts on government stability. Investor sentiment was also dampened by the collapse of several banks, including Credit Suisse, Silicon Valley Bank, Signature Bank, and Silvergate Capital. However, the Prime Minister's announcement of the Madani economic framework and various economic initiatives such as the National Energy Transition Roadmap (NETR) and the Johor-Singapore Special Economic Zone (JS-SEZ) helped bolster confidence. The unity government's retention of key states in the elections further stabilized the market, with the KLCI climbing 80 points to end the year at 1,454.66, marking a strong performance in the second half. For the year, the KLCI fell 2.73%, while the broader FBM100 index rose by 0.63%.

Compared to regional peers, the FBM100 Index underperformed, with the MSCI World Index and MSCI Asia Ex Japan Index rising 26.89% and 7.96%, respectively. This was driven by the technology sector's gains from the AI revolution, with markets in the U.S., Taiwan, and South Korea achieving over 20% returns. Despite strong performance in the MSCI Asia Ex Japan Index, weak MYR and declines in the China and Hong Kong markets, which fell 9.67% and 14.43% respectively, obscured these gains.

## Market Outlook

We remain cautiously optimistic as we enter 2024. Attention will be focused on whether the Federal Reserve will pivot to interest rate cuts in response to signs of slower economic growth and easing inflation. Locally, the implementation of previously announced economic initiatives—such as the NETR, Malaysia My Second Home (MM2H), JS-SEZ, and the rationalization of petrol and diesel subsidies—will be closely monitored. With political stability in place, we anticipate increased investment activity from both foreign and local investors. Expected rate cuts in the U.S. and higher foreign investment inflows are likely to strengthen the Malaysian Ringgit (MYR), further boosting investor sentiment. Meanwhile, China's concerns over declining property and stock prices suggest that significant measures may be underway to address these issues, which could further enhance investor confidence if resolved.

However, downside risks remain, including the potential for a U.S. recession/hard landing, a slowdown in China, escalating geopolitical tensions, and uncertainties in government policies.



## Key Market Drivers

### Opportunities

- **Interest Rates and Currency Strength:** With U.S. rates peaking and potential cuts expected in the second half of 2024, alongside subsidy rationalization, the MYR is projected to strengthen.
- **Political Stability:** Political stability has been restored, with Prime Minister Dato' Seri Anwar Ibrahim securing a two-thirds majority in parliament.
- **Investment Levels:** Foreign and local portfolio investments in Malaysia are still below historical levels, indicating potential for growth.
- **Infrastructure Projects:** Mega infrastructure projects like Penang Light Rail Transit (LRT), Mass Rapid Transit 3 (MRT3), Johor Bahru-Singapore Rapid Transit System (RTS), and the Sarawak Green Initiative are progressing. The High-Speed Rail (HSR) project might also be revived.
- **Trade Diversion beneficiary:** Ongoing trade tensions could divert trade and investment to Malaysia, increasing Foreign Direct Investment (FDI) and exports.

### Concerns

- **Execution Risk:** The implementation of subsidy rationalization and other economic initiatives could face challenges.
- **Political Stability:** There are ongoing efforts to destabilize the unity government.
- **Subsidy Rationalization:** An overly aggressive approach to subsidy rationalization could pose risks to inflation.
- **U.S. Economic Risks:** Although less likely, the risk of a hard landing in the U.S. economy still exists.
- **China's Economic Health:** Continued struggles with property and stock market declines in China could hinder growth.
- **Geopolitical Tensions:** Escalating tensions between the U.S. and China, instability in the Middle East and a prolonged Russia-Ukraine conflict could negatively impact the market.

# FOREIGN EQUITY MARKET COMMENTARY

---

## Market Review

In 2023, equity valuations remain stretched, amplified mainly by the “Magnificent Seven” AI-related stocks. Those stocks are Meta Platforms (META), Apple (AAPL), Amazon (AMZN), Alphabet (GOOG), Microsoft (MSFT), Nvidia (NVDA), and Tesla (TSLA), which have contributed the bulk of S&P 500 returns despite only accounting for around 29% market capitalization of the S&P 500.

Asian equities, as measured by the MSCI Asia ex Japan index, rose by 3.6%. Asian economies faced numerous challenges in 2023 – ranging from aggressive U.S. rate hikes to disappointing growth in China. Amidst a tough economic backdrop and lingering geopolitical risks, financial market performances were mixed whereby local currencies generally weakened versus the dollar. That said, the region still had some star performers in 2023, with equity markets in South Korea, Taiwan, India, and Japan seeing strong double-digit gains, supported by secular tailwinds and favourable fund flows.

Despite these challenges, there were signs of stabilization towards the end of 2023, as inflation showed signs of peaking and investor’s confidence began to recover, bolstered by expectations of a potential rate cut in 2024.

## Market Outlook

The Federal Reserve wrapped up 2023 with a significant shift in policy: from curbing inflation to balancing growth. We expect more central banks to follow suit as policymakers become more cautious about the adverse effects of higher rates. It is now clear that central banks are weighing on to assess the appropriate time to start easing policy. The expectation of central banks to start easing monetary policy may boost stock market sentiments and provide niche opportunities, especially from small and mid-cap companies with healthier financial statements and sustainable business growth.

Artificial intelligence (AI) has been a significant driver of equity returns in the US and Asia, and we expect this to continue into 2024 as technologies improve and progress is made in commercial applications. Technology players in the supply chain has seen valuation re-ratings across, as companies and industries embrace AI. The US election in November also has implications for markets at both macro and sector levels too, as divergences in trade, tax and other policy areas might occur.

In Asia, sentiment around China’s economy has been bearish due to persistent headwinds, including a fragile property sector, geopolitics, demographics and debt. But the Chinese government’s focus on several strategic sectors could help offset some of the drag. We expect supportive – not aggressive stimulus measures. Monetary policy will likely remain accommodative, with structural monetary policy tools being used to support targeted sectors such as green, high-tech, and public housing initiatives. Nevertheless, structural challenges such as fragile domestic demand and overcapacity remain key considerations. The HSI and SHSZ300 index have shown a reversal from negative double-digit price return in 2023, to positive price performance returns YTD in 2024.

Meanwhile, India’s economy will continue to be driven by resilient domestic demand, as well as growth in capital expenditure. Despite weaker foreign direct investment, foreign portfolio investment is improving, due to strong equity market performance and the anticipated inclusion of Indian government bonds in global EM bond indices in phases starting from June 2024 – which has helped the Rupee outperform other Asian currencies. A reducing budget deficit, strong tax revenues, moderating headline and core inflation continue to bode well for India.





## **Key Market Drivers**

### **Opportunities**

- Fed policy pivot and expectations of peak USD strength, resulting in domestic currencies strengthening
- Trade and investment diversion into EM resulting higher Foreign Direct Investment (“FDI”) and exports

### **Concerns**

- Escalating tensions in the Middle East, Russia-Ukraine, and worsening U.S-China trade relations.
- Slower recovery in China’s GDP growth
- Election outcome uncertainty in the US, stubborn/sticky inflation, hard-landing scenario



# AIA PAM – ISLAMIC MODERATE FUND

## Fund Information

Name:	AIA PAM – Islamic Moderate Fund (“Fund”)
Type & Category:	Non-Core (Balanced)
Investment Objective:	The Fund seeks to provide returns through a combination of income* and capital growth from a portfolio that is consistent with Shariah principles. *Income will be reinvested in additional Units in the Fund.
Investment Strategy:	The Fund will invest in a portfolio comprising Shariah-compliant equities with potential for growth and Shariah-compliant equities that are trading below their fair value. The Fund will also invest at least 40% of its NAV in sukuk and Islamic money market instruments with a minimum credit rating of “BBB3” or “P2” by RAM or an equivalent rating by MARC, Islamic money market instruments and/or Islamic deposits with financial institutions. The Fund will only invest locally.
Benchmark:	50% FBM EMAS Shariah Index + 50% Quant Shop GII All Index
Distribution policy:	Subject to the availability of income, distribution (if any) will be distributed annually.

## Breakdown of unit holdings by size:

Size of Holdings (units)	No. of unit holders	No. of units held	% of units held
5,000 and below	7,819	18,087,750.60	18%
5,001 to 10,000	4,169	30,399,326.20	30%
10,001 to 50,000	2,491	40,620,097.01	41%
50,001 to 500,000	123	9,867,553.31	10%
500,001 and above	1	946,777.23	1%
<b>TOTAL</b>	<b>14,603</b>	<b>99,921,504.35</b>	<b>100%</b>



## Fund Performance

Details of the portfolio composition of the Fund are as follows:

	Year ended 30.04.2024	Year ended 30.04.2023	Year ended 30.04.2022
	%	%	%
<b>Quoted Shariah-compliant Securities</b>			
<b>Main Market</b>			
- Construction	4.33	2.35	4.29
- Consumer Products & Services	7.51	6.90	4.80
- Energy	5.53	4.22	1.17
- Financial Services	0.65	0.70	3.30
- Health Care	2.72	4.41	4.90
- Industrial Products & Services	5.90	5.45	10.03
- Plantation	4.90	3.89	5.87
- Property	4.22	-	0.75
- Islamic Real Estate Investment Trust	1.46	2.03	1.64
- Technology	10.84	9.91	4.47
- Telecommunications & Media	6.18	4.83	5.67
- Transportation & Logistics	2.50	3.61	1.97
- Utilities	1.77	1.71	2.28
<b>ACE Market</b>			
- Health Care	-	0.53	-
- Industrial Products & Services	-	0.86	-
<b>Unquoted sukuk</b>	36.37	47.74	39.42
<b>Cash and other net assets</b>	5.12	0.86	9.44
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund are as follows:

	Year ended 30.04.2024	Year ended 30.04.2023	Year ended 30.04.2022
Net asset value (NAV) (RM million)	131.0745	126.4720	133.7202
Units in circulation (million)	99.9215	105.2447	108.4866
NAV per unit (RM)	1.3118	1.2017	1.2326
Highest NAV per unit (RM)	1.3118	1.2256	1.3181
Lowest NAV per unit (RM)	1.1857	1.1397	1.2256
Total return (%)	9.16	-2.51	-2.66
- Capital Growth (%)	9.16	-2.51	-4.60
- Income Distribution (%)	-	-	1.94
Average monthly return (%)	0.74	0.20	-0.21
Annualised total return (%)	9.16	2.51	-2.66
Gross distribution per unit (sen)	-	-	2.50
Net distribution per unit (sen)	-	-	2.50
NAV per unit before distribution (RM)	Not Applicable	Not Applicable	1.2521
NAV per unit after distribution (RM)	Not Applicable	Not Applicable	1.2308
Date of distribution	-	-	26.04.2022
Total expense ratio (%)	1.63	1.63	1.63
Portfolio turnover ratio (times)	0.54	0.61	0.46
Seed capital (units in million)	0.0000	0.0000	0.0000
% of total units in circulation	0.00	0.00	0.00



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

Note: Basis of calculation and assumption made in computation of the returns

$$\text{Performance return} = \frac{\text{NAV}(t) - \text{NAV}(t-1)}{\text{NAV}(t)}$$

$$\text{Annualised performance return} = \frac{(\text{Performance return}) \times (\text{no. of days per year})}{\text{total no. of days for period under review}}$$

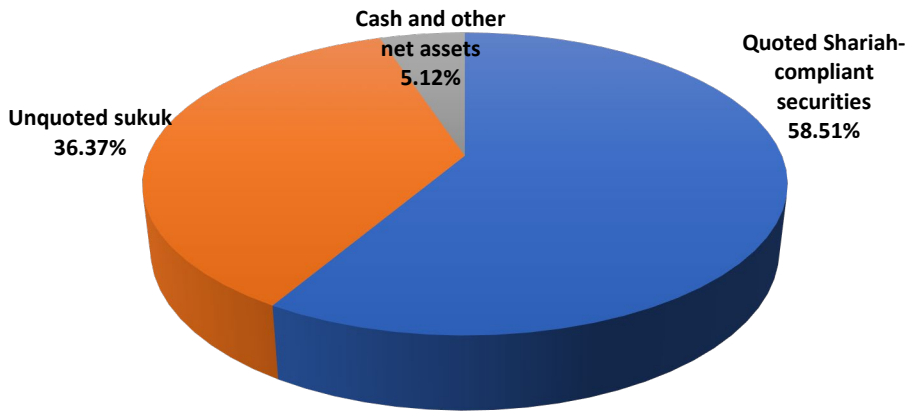
There was no significant change in the Total Expense Ratio (“TER”) for the financial year in relation to previous financial year as the ratio for reduction in expenses was compensated by reduction in average NAV during the financial year.

The Portfolio Turnover Ratio (“PTR”) for the financial year was lower in relation to the previous financial year mainly due to the lower trading activities during the financial year.

Asset allocation of the Fund is as follows:

	Year ended 30.04.2024	Year ended 30.04.2023	Year ended 30.04.2022
	% of NAV	% of NAV	% of NAV
Quoted Shariah-compliant securities	58.51	51.40	51.14
Unquoted sukuk	36.37	47.74	39.42
Cash and other net assets	5.12	0.86	9.44
Total	100.00	100.00	100.00

Asset allocation of the Fund as at 30 April 2024



### Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”) during the financial year.

### Cross Trading

There was no cross trade transaction carried out during the financial year.

### Soft Commission and Rebates

No soft commission or rebates were received from any broker during the financial year.

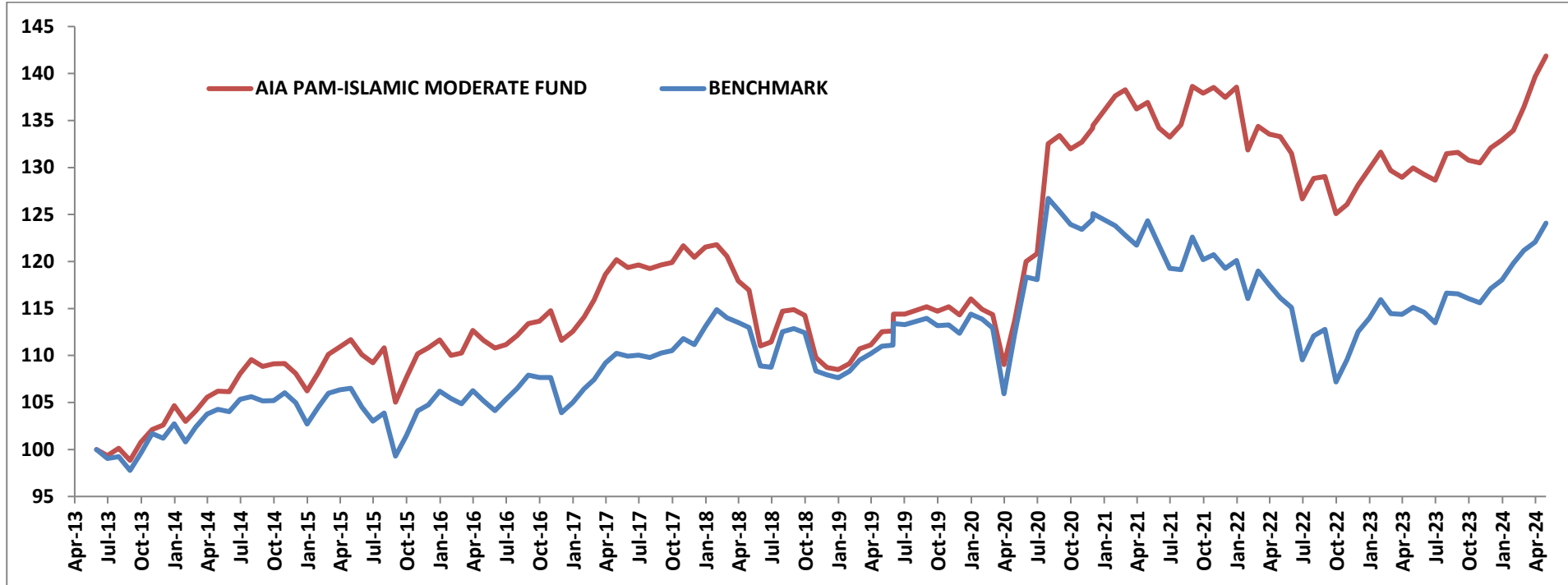
### Significant Change in the State of Affairs of the Fund

During the financial year and up to the date of the PRS Provider’s Report, there were no significant changes in the state of affairs of the Fund nor any circumstances arising, not otherwise disclosed in the financial statements, which materially affect any interests of the members.



## Fund Report

### AIA PAM – ISLAMIC MODERATE FUND



Source: Bloomberg, Bursa Malaysia, Quant Shop as at 30 April 2024



Fund Performance as at 30 April 2024

Average Total Return	1 year	3 Years	5 Years	10 Years	Since Inception
	May'23 – Apr'24	May'21 – Apr'24	May'19 – Apr'24	May'14 – Apr'24	May'13 – Apr'24
AIA PAM – Islamic Moderate Fund	9.16%	1.19%	4.74%	2.94%	3.26%
Average Total Benchmark	7.77%	-0.07%	2.25%	1.75%	2.00%
Out/(under)-performed	1.40%	1.25%	2.49%	1.18%	1.26%

Fund Performance as at 30 April 2024

Annual Total Return	30.4.2024	30.4.2023	30.4.2022	30.04.2021	30.04.2020	30.04.2019	30.04.2018	30.04.2017	30.04.2016	30.04.2015
AIA PAM - Islamic Moderate Fund	9.16%	-2.51%	-2.65%	20.37%	1.11%	-3.80%	-2.69%	7.69%	-0.07%	5.17%
Average Total Benchmark	7.77%	-0.87%	-6.58%	10.67%	1.22%	-1.77%	2.49%	4.82%	-1.24%	2.12%

Source: Bloomberg as at 30 April 2024

\* 50% FTSE Bursa Malaysia EMAS Shariah Index (Source: Bursa Malaysia) + 50% Quant Shop GII All Index (Source: Quant Shop)



**How did the Fund perform during the period?**

For the financial period ending 30 April 2024, the Fund returned 9.16%, against the benchmark's return of 7.77%. The outperformance was mainly due to the asset allocation strategy to overweight local Shariah-compliant equities vs sukuk which performed well.

The Fund is in line with its investment objective of seeking to provide returns through a combination of income and capital growth from a portfolio that is consistent with Shariah principles.

**What is the Fund's strategy going forward?**

For Shariah-compliant equities, while the Fed has re-iterated that it remains data dependent, attention will be focused on the Fed's potential shift towards lowering interest rates, in response to signs of slower economic growth and reduced inflation. Domestically, the implementation of pre-announced economic measures like the NETR, MM2H, JS-SEZ, and the anticipated rationalisation of petrol and diesel subsidies will be closely monitored. Alongside a stable political environment, these factors are expected to spur increased investment activities and confidence from both foreign and local investors. With U.S. interest rates likely to decline and a higher influx of foreign investment, the MYR is anticipated to strengthen, thereby enhancing investor sentiment. Currently, China is addressing concerns over declining property and stock prices, with substantial proposals reportedly in progress to tackle these issues. Potential risks to the market include a U.S. recession, a slowdown in China, escalating geopolitical tensions, and government policy uncertainties.

In the sukuk space, the macro environment is expected to be constructive with growth and inflation expected to moderate further in 2H2024. Bond yields continued to be supported by robust onshore demand. We employ a slight overweight duration stance as we continue to trade on momentum for government sukuk. Our asset allocation will continue to favour corporate sukuk over government sukuk for yield enhancement.



# STATEMENT BY PRS PROVIDER

---

## STATEMENT BY PRS PROVIDER TO THE MEMBERS OF AIA PAM – ISLAMIC MODERATE FUND

I, Lin Kwok Wing @ Lian Kwok Wing being the Executive Director of AIA Pension and Asset Management Sdn. Bhd. (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying financial statements set out on pages 20 to 54 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 30 April 2024 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the PRS Provider,

**AIA PENSION AND ASSET MANAGEMENT SDN. BHD.**

(Registration No: 201201027147 (1011637-P))

**Lin Kwok Wing @ Lian Kwok Wing**

Executive Director

Kuala Lumpur

24 June 2024





# TRUSTEE’S REPORT

---

## TRUSTEE’S REPORT TO THE MEMBERS OF AIA PAM – ISLAMIC MODERATE FUND (“Fund”)

We have acted as the Scheme Trustee of AIA PAM - Islamic Moderate Fund (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, AIA Pension and Asset Management Sdn. Bhd., has operated and managed the Fund in accordance with the following:-

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes,
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.

**For Deutsche Trustees Malaysia Berhad**

**Ng Hon Leong**

Head, Fund Operations

**Sylvia Beh**

Chief Executive Officer

Kuala Lumpur

24 June 2024



# SHARIAH ADVISER'S REPORT

---

## SHARIAH ADVISER'S REPORT TO THE MEMBERS OF AIA PAM – ISLAMIC MODERATE FUND (“Fund”)

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AIA Pension and Asset Management Sdn. Bhd. has operated and managed the Fund for the period covered by these financial statements namely, the year ended 30 April 2024, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For and on behalf of the Shariah Adviser,  
**BIMB SECURITIES SDN BHD**

**NURUL AQILA SUFIYAH LOKMAN**  
Designated Shariah Officer

Kuala Lumpur  
24 June 2024



# INDEPENDENT AUDITORS' REPORT

---

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIA PAM – ISLAMIC MODERATE FUND

### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Our Opinion

In our opinion, the financial statements of AIA PAM - Islamic Moderate 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 comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 20 to 54.

#### 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.

#### Information other than the financial statements and auditors’ report thereon

The PRS Provider of the Fund is responsible for the other information. The other information comprises the PRS Provider’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.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Responsibilities of the PRS Provider for the financial statements

The PRS Provider 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 PRS Provider is also responsible for such internal control as the PRS Provider 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 PRS Provider 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 PRS Provider either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

### 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 PRS Provider.
- (d) Conclude on the appropriateness of the PRS Provider'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 PRS Provider 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.



## **INDEPENDENT AUDITORS' REPORT (Continued)**

---

### **OTHER MATTERS**

This report is made solely to the members 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 June 2024



# FINANCIAL STATEMENTS

## Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Dividend income		1,830,664	1,827,923
Profit income from financial assets at fair value through profit or loss		2,524,255	2,394,316
Profit income from financial assets at amortised cost		171,297	313,933
Net gain/(loss) on Shariah-compliant financial assets at fair value through profit or loss	8	8,837,693	(5,579,842)
		<u>13,363,909</u>	<u>(1,043,670)</u>
<b>EXPENSES</b>			
Management fee	4	1,892,518	1,906,649
Trustee's fee	5	50,467	50,844
Private Pension Administrator ("PPA") administration fee	6	50,467	50,844
Transaction costs		140,509	266,852
Audit fee		11,933	11,453
Tax agent's fee		3,700	3,700
Shariah advisory fee		17,212	12,213
Custody fee		5,524	7,392
Other expenses		25,738	37,981
		<u>2,198,068</u>	<u>2,347,928</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		11,165,841	(3,391,598)
Taxation	7	-	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>11,165,841</u>	<u>(3,391,598)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		2,322,796	(2,204,118)
Unrealised amount		8,843,045	(1,187,480)
		<u>11,165,841</u>	<u>(3,391,598)</u>

The accompanying notes to the financial statements form an integral part of the financial statements.



## Statement of Financial Position

AS AT 30 APRIL 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	6,588,690	1,057,365
Shariah-compliant financial assets at fair value through profit or loss	8	124,361,834	125,385,670
Amount due from PRS Provider – creation of units	14	394,880	198,370
Dividends receivable		43,943	73,258
Sundry receivable		1,200	5,662
<b>TOTAL ASSETS</b>		<b>131,390,547</b>	<b>126,720,325</b>
<b>LIABILITIES</b>			
Amount due to PRS Provider – cancellation of units	14	121,165	68,682
Accrued management fee	14	170,165	156,170
Amount due to Trustee		4,539	4,165
Amount due to Private Pension Administrator (“PPA”)		4,539	4,165
Other payables and accruals		15,609	15,152
<b>TOTAL LIABILITIES</b>		<b>316,017</b>	<b>248,334</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>131,074,530</b>	<b>126,471,991</b>
<b>EQUITY</b>			
Members’ capital		109,676,475	116,239,777
Retained earnings		21,398,055	10,232,214
<b>NET ASSET ATTRIBUTABLE TO MEMBERS</b>		<b>131,074,530</b>	<b>126,471,991</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
	11	99,921,504	105,244,668
<b>NET ASSET VALUE PER UNIT (RM)</b>		<b>1.3118</b>	<b>1.2017</b>

The accompanying notes to the financial statements form an integral part of the financial statements.



## Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

	Note	Members' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 May 2023</b>		116,239,777	10,232,214	126,471,991
Movement in members' contributions:				
Creation of units arising from applications		3,662,337	-	3,662,337
Cancellation of units		(10,225,639)	-	(10,225,639)
Total comprehensive income for the financial year		-	11,165,841	11,165,841
<b>Balance as at 30 April 2024</b>		<u>109,676,475</u>	<u>21,398,055</u>	<u>131,074,530</u>
<b>Balance as at 1 May 2022</b>		120,096,483	13,623,812	133,720,295
Movement in members' contributions:				
Creation of units arising from applications		4,386,483	-	4,386,483
Cancellation of units		(8,243,189)	-	(8,243,189)
Total comprehensive loss for the financial year		-	(3,391,598)	(3,391,598)
<b>Balance as at 30 April 2023</b>		<u>116,239,777</u>	<u>10,232,214</u>	<u>126,471,991</u>

The accompanying notes to the financial statements form an integral part of the financial statements.





## Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of Shariah-compliant investments		73,040,742	72,428,322
Purchase of Shariah-compliant investments		(63,571,487)	(82,659,636)
Dividend received		1,852,643	1,829,914
Profit income received from Shariah-compliant investments		2,776,019	2,456,524
Profit income received from Islamic deposits with licensed financial institutions		171,297	313,933
Management fee paid		(1,878,523)	(1,914,179)
Trustee's fee paid		(50,093)	(51,044)
PPA administrative fee paid		(50,093)	(51,044)
Tax agent's fee paid		(3,700)	(3,500)
Shariah Adviser's fee paid		(12,750)	(12,210)
Payments for other fees and expenses		(35,401)	(46,010)
<b>Net cash generated from/(used in) operating activities</b>		<u>12,238,654</u>	<u>(7,708,930)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		3,465,827	4,285,251
Payments for cancellation of units		(10,173,156)	(8,270,022)
<b>Net cash used in financing activities</b>		<u>(6,707,329)</u>	<u>(3,984,771)</u>
Net increase/(decrease) in cash and cash equivalents		5,531,325	(11,693,701)
Cash and cash equivalents at the beginning of the financial year		<u>1,057,365</u>	<u>12,751,066</u>
Cash and cash equivalents at the end of the financial year	9	<u>6,588,690</u>	<u>1,057,365</u>

The accompanying notes to the financial statements form an integral part of the financial statements.



## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

### 1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITY

AIA PAM - Islamic Moderate (the "Fund") is governed by a Deed dated 16 January 2013, a Supplemental Deed dated 16 August 2013, a Second Supplemental Deed dated 14 December 2015, a Third Supplemental Deed dated 8 September 2020, a Fourth Supplemental Deed dated 9 June 2023 and a Third Replacement Disclosure Document dated 31 August 2023 (collectively referred to as the "Deeds") between AIA Pension and Asset Management Sdn. Bhd. (the "PRS Provider") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The principal activity of the Fund is to invest in "Permitted Investments", as defined in Clause 11.1 of the Deed, which includes sukuk and other Islamic money market instruments.

The Fund seeks to provide returns through a combination of income and capital growth from a portfolio that is consistent with Shariah principles. The Fund will be investing at least 40% and a maximum of 60% of the Fund's net asset value ("NAV") in local Shariah-compliant equities.

The Fund will invest at least 40% of its NAV in sukuk and Islamic money market instrument with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC, Islamic money market and/or Islamic deposits with financial institutions.

The Fund commenced operations on 16 May 2013 and will continue its operations until terminated by the Trustee or the PRS Provider, as the case may be as provided under Clause 16.2 of the Deed.

All investments will be subject to the Securities Commission's ("SC") Guidelines on Private Retirement Schemes, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The PRS Provider, AIA Pension and Assets Management Sdn. Bhd. is incorporated in Malaysia. The principal activities of the Company are asset management and management of Private Retirement Scheme ("PRS") funds. It is a wholly-owned entity of AIA Bhd., whose ultimate holding company is AIA Group Limited, a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited.

The financial statements were authorised for issue by the PRS Provider on 24 June 2024.

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention, except as disclosed in the material accounting policy information and comply with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with MFRS 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 revenue and expenses during the reported financial year. It also requires the PRS Provider to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the PRS Provider's best knowledge of current events and actions, actual results may differ.



The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(l).

(i) Standards and amendments to existing standards effective 1 January 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.

(ii) New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 May 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

**(b) Financial assets and financial liabilities**

Classification

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

- those to be measured subsequently at fair value through profit or loss 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<sup>1</sup> as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities<sup>2</sup> are solely payment of principal and interest<sup>3</sup> ("SPPI"), 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.

Investments in quoted Shariah-compliant securities and unquoted sukuk have contractual cash flows that do not represent solely payment of principal and profit, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, dividends receivable and amount due from PRS Provider as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to PRS Provider, accrued management fee, amount due to Trustee, amount due to PPA, and other payables and accruals as financial liabilities measured at amortised cost.

1 For the purposes of the investments made by the Fund, equity refers to Shariah-compliant equity instruments.

2 For the purposes of the investments made by the Fund, debt securities refer to unquoted sukuk.

3 For the purposes of this Fund, interest refers to profit earned from Shariah-compliant investments.



#### 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 Shariah-compliant assets. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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.

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

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the “Shariah-compliant financial assets at fair value through profit or loss” category including the effects of foreign currency transactions are presented in the statement of comprehensive income within “net gain/(loss) on Shariah-compliant financial assets at fair value through profit or loss” in the financial year which they arise.

Dividend income from Shariah-compliant financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund’s right to receive payments is established.

Quoted Shariah-compliant investments in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Bhd (“Bursa Securities”) at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the Shariah-compliant 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 Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant securities are valued as determined in good faith by the PRS Provider, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the SC as per the SC Guidelines on Private Retirement Schemes.

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective Islamic deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit rate method.

#### Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. PRS Provider considers both historical analysis and forward looking information in determining any expected credit loss. PRS Provider 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 12 months 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 PRS Provider as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

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

Qualitative criteria:

The obligor meets unlikeliness to pay criteria, which indicates the obligor is in significant financial difficulty. The Fund considers the following instances:

- the obligor is in breach of financial covenants
- concessions have been made by the lender relating to the obligor's financial difficulty
- it is becoming probable that the obligor will enter bankruptcy or other financial reorganization
- the obligor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of obligor'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.

(c) **Income recognition**

Dividend income

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Profit income

Profit income from Islamic deposits with licensed financial institutions and unquoted sukuk are recognised on a time proportionate basis using the effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gain or loss on disposal of investments

Realised gain or loss on disposal of quoted Shariah-compliant securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted sukuk is calculated based on the difference between the net disposal proceeds and the carrying amount of Shariah-compliant investments, determined on cost adjusted for accretion of discount or amortisation of premium.



(d) **Functional and presentation 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 functional and presentation currency.

(e) **Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and Islamic deposits held in highly liquid Shariah-compliant investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) **Taxation**

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year.

(g) **Transaction costs**

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(h) **Distribution**

A distribution to the Fund’s members is accounted for as a deductions from realised reserve. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee of the Fund.

(i) **Amount due from/to stockbrokers**

Amounts due from and amount due to stockbrokers represent receivables for Shariah-compliant investments sold and payables for Shariah-compliant investments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker.

Significant financial difficulties of the stockbroker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or receivables expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective profit rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective profit rate, transaction costs and all other premiums or discounts.



(j) **Members' capital**

The Members' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the member to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

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

(k) **Fair value of financial instruments**

Shariah-compliant financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2024</b>			
Cash and cash equivalents (Note 9)	-	6,588,690	6,588,690
Shariah-compliant financial assets at fair value through profit or loss (Note 8)	124,361,834	-	124,361,834
Amount due from PRS Provider – creation of units	-	394,880	394,880
Dividends receivable	-	43,943	43,943
	<u>124,361,834</u>	<u>7,027,513</u>	<u>131,389,347</u>

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2023</b>			
Cash and cash equivalents (Note 9)	-	1,057,365	1,057,365
Shariah-compliant financial assets at fair value through profit or loss (Note 8)	125,385,670	-	125,385,670
Amount due from PRS Provider – creation of units	-	198,370	198,370
Dividends receivable	-	73,258	73,258
	<u>125,385,670</u>	<u>1,328,993</u>	<u>126,714,663</u>

All current liabilities are financial liabilities which are carried at amortised cost.





(I) **Critical accounting estimates and judgements in applying accounting policies**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund’s results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the PRS Provider and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund’s Shariah-compliant investment, the PRS Provider will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Private Retirement Schemes.

However, the PRS Provider is of the opinion that there are no accounting policies which require significant judgement to be exercised.

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The investment objective of the Fund is to provide returns through a combination of income and capital growth from a portfolio that is consistent with Shariah principles.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate risk), credit risk, liquidity risk, Shariah status reclassification of Shariah status risk, non-compliance risk and capital risk.

Financial risk management is carried out through internal control process adopted by the PRS Provider and adherence to the investment restrictions as stipulated in the Disclosure Document and SC Guidelines on Private Retirement Schemes.

(a) **Market risk**

(i) **Price risk**

This is the risk that the fair value of a Shariah-compliant investment in quoted Shariah-compliant securities and unquoted sukuk will fluctuate because of changes in market prices (other than those arising from interest rate risk). The price of Shariah-compliant investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund’s NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of quoted Shariah-compliant securities and unquoted sukuk within specified limits according to the Deeds.

The Fund’s overall exposure to price risk was as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Shariah-compliant financial assets at fair value through profit or loss:		
- Quoted Shariah-compliant securities	76,694,713	65,011,813
- Unquoted sukuk*	47,667,121	60,373,857
<b>Total</b>	<b>124,361,834</b>	<b>125,385,670</b>

\* Includes profit receivable of RM447,855 (2023: RM628,186).





The table below summarises the sensitivity of the Fund’s profit/(loss) after tax and NAV to movements in prices of quoted Shariah-compliant securities and unquoted sukuk at the end of each reporting period. The analysis is based on the assumptions that the price of the quoted Shariah-compliant securities and unquoted sukuk fluctuates by 5% with all other variables held constant. This represents management’s best estimate of a reasonable possible shift in the quoted Shariah-compliant securities and unquoted sukuk having regard to the historical volatility of the prices.

**2024**

% Change in price of financial assets at fair value through profit and loss	Market value RM	Impact on profit after tax/NAV RM
+5%	130,109,678	6,195,699
-5%	117,718,280	(6,195,699)

**2023**

% Change in price of financial assets at fair value through profit and loss	Market value RM	Impact on loss after tax/NAV RM
+5%	130,995,358	6,237,874
-5%	118,519,610	(6,237,874)

**(ii) Interest rate risk**

In general, when interest rates rise, prices for unquoted sukuk will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted sukuk till maturity, such fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity.

In order to mitigate interest rates exposure of the Fund, the PRS Provider will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the PRS Provider, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted sukuk portfolio management depends on forecasting interest rate movements. Prices of unquoted sukuk move inversely to interest rate movements, therefore as interest rates rise, the prices for unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower profit rates are more susceptible to interest rate movements.

Investors should note that the movement in prices of unquoted sukuk and Islamic money market instruments are benchmark against interest rates. Such Shariah-compliant investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.



The table below summarises the sensitivity of the Fund’s profit/(loss) after tax and NAV to movements in prices of unquoted sukuk held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 5% with all other variables held constant. This represents management’s best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit after taxation/NAV	Impact on loss after taxation/NAV
	2024 RM	2023 RM
+5%	(893,370)	(1,153,000)
-5%	928,258	1,198,787

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund’s exposure to fair value interest rate risk arising from its investment in Islamic money market instruments is expected to be minimal as the Fund’s Shariah-compliant investments comprise mainly short-term Islamic deposits with approved licensed financial institutions. The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable profit rate.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund.

Investment in unquoted sukuk may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer’s non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted sukuk and subsequently depress the NAV of the Fund. Usually, credit risk is more apparent for a Shariah-compliant investment with a longer tenure, i.e. the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the PRS Provider imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the Shariah-compliant investment in accordance with the objective of the Fund. For this Fund, the unquoted sukuk investment must satisfy a minimum rating requirement of at least “BBB3” or “P2” by RAM or equivalent rating by MARC.

The credit risk arising from placements of Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units’ receivable from the PRS Provider are governed by the SC Guidelines on Private Retirement Schemes.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in quoted Shariah-compliant equities are settled/paid upon delivery using approved stockbrokers.



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

	Unquoted sukuk at fair value through profit or loss RM	Cash and cash equivalent s RM	Amount due from PRS Provider RM	Dividends receivable RM	Total RM
<b>2024</b>					
Commercial Bank					
- AAA	-	6,521,036	-	-	6,521,036
- AA1	-	67,654	-	-	67,654
Communication Services					
- AAA	1,031,958	-	-	-	1,031,958
- AA IS	1,999,328	-	-	-	1,999,328
Consumer Discretionary					
- A+ IS	2,078,563	-	-	-	2,078,563
Consumer Product & Services					
- Not Rated					
Energy and Utilities					
- AAA	506,774	-	-	-	506,774
- AAA (S)	4,571,415	-	-	-	4,571,415
- AAA IS	1,066,454	-	-	-	1,066,454
- A3	515,573	-	-	-	515,573
- Not Rated	-	-	-	10,678	10,678
Financial Services					
- AAA	1,017,696	-	-	-	1,017,696
- AAA (S)	1,050,979	-	-	-	1,050,979
- AAA IS	2,225,593	-	-	-	2,225,593
- AA1	303,167	-	-	-	303,167
- A1	1,222,273	-	-	-	1,222,273
Property					
- Not Rated	-	-	-	22,694	22,694
Public Administration					
- AAA	4,928,762	-	-	-	4,928,762
- AAA (S)	508,187	-	-	-	508,187
- Not Rated	14,282,022	-	-	-	14,282,022
Real Estate					
- AA2	1,477,336	-	-	-	1,477,336
Technology					
- Not Rated	-	-	-	10,571	10,571
Transportation and Storage					
- AAA	2,045,373	-	-	-	2,045,373
- AAA IS	2,169,301	-	-	-	2,169,301
- AA- IS	3,606,367	-	-	-	3,606,367
- Not Rated	1,060,000	-	-	-	1,060,000
Others					
- Not Rated	-	-	394,880	-	394,880
	47,667,121	6,588,690	394,880	43,943	54,694,634



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

	Unquoted sukuk at fair value through profit or loss RM	Cash and cash equivalent s RM	Amount due from PRS Provider RM	Dividends receivable RM	Total RM
<b>2023</b>					
Commercial Bank					
- AAA	-	900,192	-	-	900,192
- AA1	-	157,173	-	-	157,173
Communication Services					
- AAA	1,271,811	-	-	-	1,271,811
- AA IS	1,982,919	-	-	-	1,982,919
Consumer Discretionary					
- A+ IS	2,000,563	-	-	-	2,000,563
Consumer Product & Services					
- Not Rated	-	-	-	18,120	18,120
Energy and Utilities					
- AAA	984,788	-	-	-	984,788
- AAA (S)	6,914,691	-	-	-	6,914,691
- AAA IS	2,118,652	-	-	-	2,118,652
- A1	1,993,588	-	-	-	1,993,588
Financial Services					
- AAA (S)	3,703,896	-	-	-	3,703,896
- AA3	-	-	-	14,950	14,950
Industrial Products & Services					
- Not Rated	-	-	-	31,500	31,500
Public Administration					
- AAA (S)	2,018,793	-	-	-	2,018,793
- Not Rated	21,950,761	-	-	-	21,950,761
Real Estate					
- AA2	1,488,192	-	-	-	1,488,192
Transportation and Storage					
- AAA	4,129,507	-	-	-	4,129,507
- AAA (BG)	5,216,795	-	-	-	5,216,795
- AA- IS	3,556,309	-	-	-	3,556,309
- Not Rated	1,042,593	-	-	8,688	1,051,281
Others					
- Not Rated	-	-	198,370	-	198,370
	<u>60,373,857</u>	<u>1,057,365</u>	<u>198,370</u>	<u>73,258</u>	<u>61,702,850</u>



(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. If a Shariah-compliant security encounters a liquidity crunch, the Shariah-compliant security may need to be sold at a discount to the market fair value of the Shariah-compliant security. This in turn would depress the NAV and/or growth of the Fund. Generally, all Shariah-compliant investments are subject to a certain degree of liquidity risk depending on the nature of the Shariah-compliant investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of Shariah-compliant assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The PRS Provider manages this risk by maintaining sufficient level of Islamic liquid assets to meet anticipated payments and cancellations of the units by members. Islamic liquid assets comprise bank balances, Islamic deposits with licensed financial institutions and other Shariah-compliant instruments, which are capable of being converted into cash within 7 business days.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 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	Between 1 month to 1 year	Total
	RM	RM	RM
<b>2024</b>			
Amount due to PRS Providers	121,165	-	121,165
Accrued management fee	170,165	-	170,165
Amount due to Trustee	4,539	-	4,539
Amount due to PPA	4,539	-	4,539
Other payables and accruals	-	15,609	15,609
<b>Total</b>	<b>300,408</b>	<b>15,609</b>	<b>316,017</b>

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<b>2023</b>			
Amount due to PRS Providers	68,682	-	68,682
Accrued management fee	156,170	-	156,170
Amount due to Trustee	4,165	-	4,165
Amount due to PPA	4,165	-	4,165
Other payables and accruals	-	15,152	15,152
<b>Total</b>	<b>233,182</b>	<b>15,152</b>	<b>248,334</b>



(d) **Shariah Status Reclassification risk**

- Shariah-compliant equity securities

The risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council (“SAC”) of the SC, the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. If this occurs, the PRS Provider will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities (“Reclassification”) by the SAC of the SC or the date of review (“Review”) by the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
  - (ii) to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or
  - (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund’s value.
- Unquoted sukuk or Islamic money market instruments or Islamic deposits or Islamic collective investment schemes

This risk refers to the risk of a possibility that the currently held unquoted sukuk or Islamic money market instruments or Islamic deposits or Islamic collective investment schemes invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the PRS Provider will take the necessary steps to dispose of or withdraw such unquoted bonds or money market instruments or deposits or Islamic collective investment schemes.

(e) **Non-compliance risk**

Non-compliance risk arises when the PRS Provider and others associated with the Fund do not follow the rules set out in the Fund’s constitution, or the law that govern the Fund, or act fraudulently or dishonestly. It also includes the risk of the PRS Provider not complying with internal control procedures.

The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the PRS Provider.

(f) **Capital risk management**

The capital of the Fund is represented by equity consisting of members’ capital and retained earnings. 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 members. 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 members and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

**(g) 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 Shariah-compliant financial assets and financial liabilities traded in active market (such as publicly traded Islamic derivatives and trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for Shariah-compliant financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider will determine the point within the bid-ask spread that is most representative of the fair value.

A Shariah-compliant financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of Shariah-compliant 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 year end date. Valuation techniques used for non-standardised Shariah-compliant financial instruments such as Islamic options, Islamic currency swaps and other over-the-counter Islamic derivatives, include the use of comparable recent arm's length 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.

For Shariah-compliant instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted Shariah-compliant equity and sukuk for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The fair value is based on the following methodology and assumptions:

- (i) Bank balance and Islamic deposits and placements with financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short-term nature.

**Fair value hierarchy**

The table below analyses Shariah-compliant financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- 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 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)



The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<b>2024</b>				
Shariah-compliant financial assets at fair value through profit or loss:				
- Quoted Shariah-compliant securities	76,694,713	-	-	76,694,713
- Unquoted sukuk	-	47,667,121	-	47,667,121
	<u>76,694,713</u>	<u>47,667,121</u>	<u>-</u>	<u>124,361,834</u>

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<b>2023</b>				
Shariah-compliant financial assets at fair value through profit or loss:				
- Quoted Shariah-compliant securities	65,011,813	-	-	65,011,813
- Unquoted sukuk	-	60,373,857	-	60,373,857
	<u>65,011,813</u>	<u>60,373,857</u>	<u>-</u>	<u>125,385,670</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities. The Fund does not adjust the quoted prices for these Shariah-compliant instruments.

Shariah-compliant financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted sukuk. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund’s policies on valuation of these financial assets are stated in Note 2(b).





**4. MANAGEMENT FEE**

In accordance with Eight Schedule of the Master Deed dated 16 January 2013, the PRS Provider is entitled to a maximum management fee of 2.00% per annum, calculated daily based on the NAV of the Fund.

For the current financial year, the management fee is recognised at a rate of 1.50% per annum (2023: 1.50% per annum).

There will be no further liability to the PRS Provider in respect of management fee other than the amount recognised above.

**5. TRUSTEE'S FEE**

In accordance with Clause 17.2.2 of the Master Deed dated 16 January 2013, the Trustee is entitled to a maximum Trustee fee of 0.04% per annum, calculated daily based on the NAV of the Fund.

For the current financial year, the Trustee's fee is recognised at a rate of 0.04% per annum (2023: 0.04% per annum).

There will be no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

**6. PRIVATE PENSION ADMINISTRATOR ("PPA") ADMINISTRATION FEE**

For the current financial year, the PPA administration fee is recognised at a rate of 0.04% per annum, calculated daily based on the NAV of the Fund (2023: 0.04% per annum).

There will be no further liability to the PPA in respect of PPA administration fee other than the amount recognised above.

**7. TAXATION**

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

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Profit/(loss) before taxation	<u>11,165,841</u>	<u>(3,391,598)</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	2,679,802	(813,984)
Tax effects of:		
(Shariah-compliant investment income not subject to tax)/Shariah-compliant investment loss not brought to tax	(3,207,338)	250,481
Expenses not deductible for tax purposes	70,474	102,865
Restriction on tax deductible expenses for PRS Funds	<u>457,062</u>	<u>460,638</u>
Taxation	<u>-</u>	<u>-</u>



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
- Quoted Shariah-compliant securities	76,694,713	65,011,813
- Unquoted sukuk	47,667,121	60,373,857
	<u>124,361,834</u>	<u>125,385,670</u>
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) on Shariah-complaint financial assets at fair value through profit or loss:		
- realised loss on disposals	(5,352)	(4,392,362)
- unrealised gain/(loss) on changes in fair value	8,843,045	(1,187,480)
	<u>8,837,693</u>	<u>(5,579,842)</u>

<b>Name of counter</b>	<b>Quantity</b>	<b>Aggregate cost</b>	<b>Market value</b>	<b>Percentage of NAV</b>
	<b>units</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
<b>2024</b>				
<b>QUOTED SHARIAH-COMPLIANT SECURITIES</b>				
<b>MAIN MARKET</b>				
<b>Construction</b>				
AME Elite Consortium Berhad - Warrant	24,066	-	4,813	0.00
Gamuda Berhad	282,000	1,398,202	1,497,420	1.14
IJM Corporation Berhad	650,000	1,373,515	1,573,000	1.20
Kerjaya Prospek Group Berhad	586,800	1,006,865	1,056,240	0.81
Sunway Construction Group Berhad	508,500	958,399	1,540,755	1.18
	<u>2,051,366</u>	<u>4,736,981</u>	<u>5,672,228</u>	<u>4.33</u>
<b>Consumer Products &amp; Services</b>				
Farm Fresh Berhad	603,000	909,710	886,410	0.68
Mr D.I.Y. Group (M) Berhad	900,000	2,020,377	1,404,000	1.07
PPB Group Berhad	69,300	1,218,539	1,090,782	0.83
QL Resources Berhad	438,900	2,570,857	2,817,738	2.15
Sime Darby Berhad	1,303,579	2,890,804	3,650,021	2.78
	<u>3,314,779</u>	<u>9,610,287</u>	<u>9,848,951</u>	<u>7.51</u>



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Energy</b>				
Dayang Enterprise Holdings Berhad	487,000	877,592	1,271,070	0.97
Dialog Group Berhad	1,700,000	4,149,463	4,097,000	3.13
Perdana Petroleum Berhad	2,299,200	607,449	724,248	0.55
Velesto Energy Berhad	4,271,100	1,025,064	1,153,197	0.88
	<u>8,757,300</u>	<u>6,659,568</u>	<u>7,245,515</u>	<u>5.53</u>
<b>Financial Services</b>				
Bursa Malaysia Berhad	74,600	552,152	556,516	0.42
Syarikat Takaful Malaysia Keluarga Berhad	78,700	289,852	291,190	0.22
	<u>153,300</u>	<u>842,004</u>	<u>847,706</u>	<u>0.64</u>
<b>Health Care</b>				
Hartalega Holdings Berhad	178,000	434,160	498,400	0.38
IHH Healthcare Berhad	421,800	2,402,933	2,669,994	2.04
Kossan Rubber Industries Berhad	181,000	380,498	398,200	0.30
	<u>780,800</u>	<u>3,217,591</u>	<u>3,566,594</u>	<u>2.72</u>
<b>Industrial Products &amp; Services</b>				
Aurelius Technologies Berhad	125,900	338,315	347,484	0.27
HSS Engineers Berhad	274,000	292,002	269,890	0.21
Malayan Cement Berhad	51,700	244,236	258,500	0.20
PETRONAS Chemicals Group Berhad	100,000	688,710	678,000	0.52
Press Metal Aluminium Holdings Berhad	650,800	2,957,997	3,494,796	2.67
Sunway Berhad	490,000	1,165,570	1,724,800	1.32
V.S. Industry Berhad	1,056,300	1,307,029	961,233	0.73
	<u>2,748,700</u>	<u>6,993,859</u>	<u>7,734,703</u>	<u>5.92</u>
<b>Islamic Real Estate Investment Trust</b>				
Axis Real Estate Investment Trust	1,000,000	1,766,527	1,920,000	1.47
<b>Plantation</b>				
IOI Corporation Berhad	470,000	1,990,900	1,912,900	1.46
Kuala Lumpur Kepong Berhad	97,000	2,238,255	2,244,580	1.71
Sime Darby Plantation Berhad	505,700	2,225,734	2,260,479	1.72
	<u>1,072,700</u>	<u>6,454,889</u>	<u>6,417,959</u>	<u>4.89</u>



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of counter	Quantity	Aggregate cost	Market value	Percentage of NAV
	units	RM	RM	%
<b>2024 (CONTINUED)</b>				
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Property</b>				
Eastern & Oriental Berhad	1,443,000	1,272,608	1,471,860	1.12
Legenda Properties Berhad	250,000	368,225	370,000	0.28
Mah Sing Group Berhad	348,000	369,820	435,000	0.33
S P Setia Berhad	690,000	627,726	1,007,400	0.77
Sime Darby Property Berhad	855,000	663,345	837,900	0.64
UEM Sunrise Berhad	1,315,900	1,139,098	1,408,013	1.07
	4,901,900	4,440,822	5,530,173	4.21
<b>Technology</b>				
CTOS Digital Berhad	347,100	491,872	489,411	0.37
D & O Green Technologies Berhad	423,500	2,043,853	1,406,020	1.07
Frontken Corporation Berhad	480,500	1,263,421	1,893,170	1.44
Greatech Technology Berhad	258,700	1,115,517	1,164,150	0.89
Inari Amertron Berhad	533,000	1,695,912	1,646,970	1.26
ITMax System Berhad	162,000	331,022	364,500	0.28
Malaysian Pacific Industries Berhad	33,400	963,971	1,012,020	0.77
My E.G. Services Berhad	3,500,000	2,759,361	3,272,500	2.50
Pentamaster Corporation Berhad	353,100	1,635,173	1,507,737	1.15
Unisem (M) Berhad	295,400	937,826	1,078,210	0.82
ViTrox Corporation Berhad	51,000	370,734	379,950	0.29
	6,437,700	13,608,662	14,214,638	10.84
<b>Telecommunications &amp; Media</b>				
Axiata Group Berhad	730,000	1,961,182	2,065,900	1.58
CelcomDigi Berhad	200,000	852,147	830,000	0.63
Telekom Malaysia Berhad	600,000	3,543,149	3,714,000	2.83
TIME dotCom Berhad	289,400	1,101,884	1,493,304	1.14
	1,819,400	7,458,362	8,103,204	6.18



8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)

Name of counter	Quantity	Aggregate	Market	Percentage
	units	cost	value	of NAV
		RM	RM	%
<b>2024 (CONTINUED)</b>				
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Transportation &amp; Logistics</b>				
MISC Berhad	411,300	2,918,984	3,273,948	2.50
	411,300	2,918,984	3,273,948	2.50
<b>Utilities</b>				
Gas Malaysia Berhad	178,700	586,494	646,894	0.49
PETRONAS Gas Berhad	92,900	1,579,902	1,672,200	1.28
	271,600	2,166,396	2,319,094	1.77
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES</b>	<b>33,720,845</b>	<b>70,874,932</b>	<b>76,694,713</b>	<b>58.51</b>
<b>ACCUMULATED UNREALISED GAIN ON QUOTED SHARIAH-COMPLIANT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>5,819,781</b>		
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>76,694,713</b>		



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of issuer	Nominal value RM	Adjusted cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>UNQUOTED SUKUK</b>				
Amanat Lebuhraya Rakyat Berhad 13.10.2037 (Early call date: 13.10.2033)	2,000,000	2,004,901	2,169,301	1.65
Cagamas Berhad 27.10.2033	1,000,000	1,000,236	1,017,696	0.78
Cellco Capital Berhad 28.3.2025	2,000,000	2,007,088	1,999,328	1.53
CIMB Group Holdings Berhad 29.12.2121 (Early call date: 23.10.2028)	1,200,000	1,201,249	1,222,273	0.93
CIMB Islamic Bank Berhad 29.11.2030	1,000,000	1,018,067	1,029,457	0.79
CIMB Islamic Bank Berhad 27.3.2034	1,200,000	1,204,752	1,196,136	0.91
Danainfra Nasional Berhad 16.8.2052	6,000,000	6,057,403	6,545,623	4.99
Danum Capital Berhad 29.6.2029	1,000,000	1,015,899	1,050,979	0.80
DRB-Hicom Berhad 12.12.2029	2,000,000	2,039,403	2,078,563	1.59
Infracap Resources Sdn. Bhd. 13.4.2029	500,000	510,695	508,187	0.39
Johor Corporation 11.6.2027	2,700,000	2,770,202	2,800,640	2.14
Johor Corporation 6.7.2033	1,000,000	1,014,180	1,050,450	0.80
Johor Corporation 6.7.2038	1,000,000	1,014,992	1,077,672	0.82
Konsortium Prohawk Sdn. Bhd. 20.12.2024	1,440,000	1,469,761	1,477,336	1.13
Malayan Banking Berhad 31.1.2034 (Early call date: 31.1.2029)	300,000	303,014	303,167	0.23
Malaysia Airports Holdings Berhad 29.12.2028	1,000,000	1,014,065	1,021,735	0.78
Malaysia Airports Holdings Berhad 30.12.2031	1,000,000	1,014,438	1,023,638	0.78
MMC Port Holdings Sdn. Bhd. 8.4.2032	1,000,000	1,003,043	1,043,783	0.80
Penang Port Sdn. Bhd. 24.12.2026	2,500,000	2,575,861	2,562,584	1.96
Pengurusan Air SPV Berhad 7.2.2034	500,000	504,764	506,774	0.39
Prasarana Malaysia Berhad 30.1.2048	1,000,000	1,011,620	1,060,000	0.81
Sarawak Petchem Sdn. Bhd. 27.7.2037	4,000,000	4,056,055	4,571,415	3.49
TM Technology Services Sdn. Bhd. 31.10.2028	1,000,000	1,029,573	1,031,958	0.79
TNB Power Generation Sdn. Bhd. 29.3.2038	500,000	502,111	528,381	0.40
TNB Power Generation Sdn. Bhd. 27.3.2043	500,000	502,188	538,073	0.41
Yinson Holdings Berhad. 2.11.2122 (Early call date: 8.3.2029)	500,000	505,548	515,573	0.39
	<b>37,840,000</b>	<b>38,351,108</b>	<b>39,930,722</b>	<b>30.48</b>



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of issuer	Nominal value RM	Adjusted cost RM	Market value RM	Percentage of NAV %
<b>2024 (CONTINUED)</b>				
<b>UNQUOTED SUKUK (CONTINUED)</b>				
<b>GOVERNMENT INVESTMENT ISSUES</b>				
Government of Malaysia 30.8.2033	700,000	743,286	738,041	0.56
Government of Malaysia 31.3.2038	3,000,000	3,124,749	3,206,906	2.45
Government of Malaysia 15.9.2039	1,500,000	1,590,388	1,573,508	1.20
Government of Malaysia 14.8.2043	700,000	717,348	714,054	0.53
Government of Malaysia 23.3.2054	1,500,000	1,517,415	1,503,890	1.15
	<u>7,400,000</u>	<u>7,693,186</u>	<u>7,736,399</u>	<u>5.89</u>
<b>TOTAL UNQUOTED SUKUK</b>	<u>45,240,000</u>	46,044,294	<u>47,667,121</u>	<u>36.37</u>
<b>ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>1,622,827</u>		
<b>TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>47,667,121</u>		



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of counter	Quantity	Aggregate cost	Market value	Percentage of NAV
	units	RM	RM	%
<b>2023</b>				
<b>QUOTED SHARIAH-COMPLIANT SECURITIES</b>				
<b>ACE MARKET</b>				
<b>Health Care</b>				
Cengild Medical Berhad	1,501,000	763,395	667,945	0.53
<b>Industrial Products &amp; Services</b>				
Coraza Integrated Technology Berhad	1,300,000	1,348,931	1,092,000	0.86
<b>MAIN MARKET</b>				
<b>Construction</b>				
AME Elite Consortium Berhad – Warrant	24,066	-	2,407	0.00
Gamuda Berhad	534,100	2,084,356	2,216,515	1.75
Sunway Construction Group Berhad	435,800	794,764	762,650	0.60
	<u>993,966</u>	<u>2,879,120</u>	<u>2,981,572</u>	<u>2.35</u>
<b>Consumer Products &amp; Services</b>				
Farm Fresh Berhad	603,000	909,710	928,620	0.73
Fraser & Neave Holdings Berhad	3,600	97,295	95,472	0.08
Mr D.I.Y. Group (M) Berhad	900,000	2,020,377	1,422,000	1.12
PPB Group Berhad	84,100	1,478,776	1,367,466	1.08
QL Resources Berhad	368,900	2,183,778	2,084,285	1.65
Sime Darby Berhad	1,303,579	2,890,804	2,828,766	2.24
	<u>3,263,179</u>	<u>9,580,740</u>	<u>8,726,609</u>	<u>6.90</u>





**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Energy</b>				
Dialog Group Berhad	1,700,000	4,149,463	3,893,000	3.08
Velesto Energy Berhad	6,263,200	1,503,168	1,440,536	1.14
	<u>7,963,200</u>	<u>5,652,631</u>	<u>5,333,536</u>	<u>4.22</u>
<b>Financial Services</b>				
Bank Islam Malaysia Berhad	439,700	1,305,363	883,797	0.70
	<u>439,700</u>	<u>1,305,363</u>	<u>883,797</u>	<u>0.70</u>
<b>Health Care</b>				
IHH Healthcare Berhad	385,600	2,189,751	2,209,488	1.75
KPJ Healthcare Berhad	3,000,000	3,067,467	3,360,000	2.66
	<u>3,385,600</u>	<u>5,257,218</u>	<u>5,569,488</u>	<u>4.41</u>
<b>Industrial Products &amp; Services</b>				
Press Metal Aluminium Holdings Berhad	650,800	2,957,997	3,351,620	2.65
Sunway Berhad	900,000	1,527,366	1,413,000	1.12
V.S. Industry Berhad	2,600,000	3,217,150	2,119,000	1.68
	<u>4,150,800</u>	<u>7,702,513</u>	<u>6,883,620</u>	<u>5.45</u>
<b>Plantation</b>				
IOI Corporation Berhad	410,000	1,760,596	1,566,200	1.24
Kuala Lumpur Kepong Berhad	96,000	2,215,455	2,064,000	1.63
Sime Darby Plantation Berhad	300,000	1,346,620	1,284,000	1.02
	<u>806,000</u>	<u>5,322,671</u>	<u>4,914,200</u>	<u>3.89</u>
<b>Islamic Real Estate Investment Trusts</b>				
AME Real Estate Investment Trust	560,600	648,273	667,114	0.53
Axis Real Estate Investment Trust	1,000,000	1,766,527	1,900,000	1.50
	<u>1,560,600</u>	<u>2,414,800</u>	<u>2,567,114</u>	<u>2.03</u>



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Technology</b>				
CTOS Digital Berhad	347,100	491,872	489,411	0.39
D & O Green Technologies Berhad	857,300	4,137,416	3,514,930	2.78
Frontken Corporation Berhad	480,500	1,263,421	1,460,720	1.15
Greatech Technology Berhad	173,300	725,384	828,374	0.65
Malaysian Pacific Industries	31,200	901,315	882,960	0.70
My E.G. Services Berhad	3,000,000	2,383,576	2,370,000	1.86
Pentamaster Corporation Berhad	318,500	1,456,220	1,560,650	1.23
Unisem (M) Berhad	350,000	1,111,168	1,046,500	0.83
ViTrox Corporation Berhad	50,000	256,564	399,500	0.32
	<u>5,607,900</u>	<u>12,726,936</u>	<u>12,553,045</u>	<u>9.91</u>
<b>Telecommunications &amp; Media</b>				
Maxis Berhad	350,000	1,390,709	1,540,000	1.22
Telekom Malaysia Berhad	600,000	3,543,149	2,976,000	2.35
TIME dotCom Berhad	289,400	1,101,884	1,588,806	1.26
	<u>1,239,400</u>	<u>6,035,742</u>	<u>6,104,806</u>	<u>4.83</u>
<b>Transportation &amp; Logistics</b>				
Malaysia Airports Holdings Berhad	222,200	1,481,194	1,566,510	1.24
MISC Berhad	411,300	2,918,984	3,002,490	2.37
	<u>633,500</u>	<u>4,400,178</u>	<u>4,569,000</u>	<u>3.61</u>
<b>Utilities</b>				
Gas Malaysia Berhad	178,700	586,494	595,071	0.47
PETRONAS Gas Berhad	92,900	1,579,902	1,570,010	1.24
	<u>271,600</u>	<u>2,166,396</u>	<u>2,165,081</u>	<u>1.71</u>
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES</b>	<u><b>33,116,445</b></u>	<u><b>67,556,634</b></u>	<u><b>65,011,813</b></u>	<u><b>51.40</b></u>
<b>ACCUMULATED UNREALISED LOSS ON QUOTED SHARIAH-COMPLIANT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><b>(2,544,821)</b></u>		
<b>TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u><u><b>65,011,813</b></u></u>		



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(CONTINUED)**

Name of issuer	Nominal value RM	Adjusted cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>UNQUOTED SUKUK</b>				
Amanat Lebuhraya Rakyat Berhad 13.10.2037	2,000,000	2,005,513	2,121,673	1.68
Aquasar Capital Sdn. Bhd. 18.07.2023	2,400,000	2,434,805	2,440,233	1.93
Cellco Capital Berhad 28.03.2025	2,000,000	2,006,659	1,982,919	1.57
DanaInfra Nasional Berhad 16.08.2052	6,000,000	6,055,808	6,474,908	5.12
Danum Capital Berhad 29.06.2029	1,000,000	1,015,643	1,048,263	0.83
Danum Capital Berhad 14.02.2034	2,550,000	2,730,372	2,655,633	2.10
Dialog Group Berhad 16.11.2027	2,000,000	2,037,748	1,993,588	1.58
DIGI Telecommunications Sdn. Bhd. 20.09.2029	250,000	251,036	243,796	0.19
DRB-Hicom Berhad 12.12.2029	2,000,000	2,039,123	2,000,563	1.58
EKVE Sdn. Bhd. 29.01.2026	5,000,000	5,084,009	5,216,795	4.12
Infracap Resources Sdn. Bhd. 13.04.2029	500,000	512,346	502,656	0.40
Infracap Resources Sdn. Bhd. 15.04.2031	1,500,000	1,534,364	1,516,137	1.20
Konsortium Prohawk Sdn. Bhd. 20.12.2024	1,440,000	1,474,499	1,488,192	1.18
Malaysia Airports Holdings Berhad 29.12.2028	1,000,000	1,013,838	1,005,878	0.80
Malaysia Airports Holdings Berhad 30.12.2031	1,000,000	1,014,205	1,001,955	0.79
MMC Port Holdings Sdn. Bhd. 08.04.2032	1,000,000	1,002,779	1,009,819	0.80
Penang Port Sdn. Bhd. 24.12.2026	2,500,000	2,589,304	2,546,490	2.01
Pengurusan Air SPV Berhad 28.04.2028	1,000,000	1,002,747	984,788	0.78
Prasarana Malaysia Berhad 30.01.2048	1,000,000	1,011,493	1,042,594	0.82
Sarawak Petchem Sdn. Bhd. 27.07.2037	4,000,000	4,056,658	4,474,458	3.54
Telekom Malaysia Berhad 31.10.2028	1,000,000	1,035,697	1,028,015	0.81
TNB Power Generation Sdn. Bhd. 02.06.2037	1,000,000	1,020,753	1,087,013	0.86
TNB Power Generation Sdn. Bhd. 29.03.2038	500,000	502,111	514,531	0.41
TNB Power Generation Sdn. Bhd. 27.03.2043	500,000	502,188	517,108	0.41
	43,140,000	43,933,698	44,898,005	35.51



**8. SHARIAH-COMPLIANT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of issuer	Nominal value RM	Adjusted cost RM	Market value RM	Percentage of NAV %
<b>2023 (CONTINUED)</b>				
<b>UNQUOTED SUKUK (CONTINUED)</b>				
<b>GOVERNMENT INVESTMENT ISSUES</b>				
Government of Malaysia 15.10.2030	3,000,000	3,039,967	2,948,594	2.33
Government of Malaysia 31.03.2038	6,000,000	6,260,584	6,503,692	5.14
Government of Malaysia 15.05.2052	5,000,000	5,995,224	6,023,566	4.76
	<u>14,000,000</u>	<u>15,295,775</u>	<u>15,475,852</u>	<u>12.23</u>
<b>TOTAL UNQUOTED SUKUK</b>	<u>57,140,000</u>	<u>59,229,473</u>	<u>60,373,857</u>	<u>47.74</u>
<b>ACCUMULATED UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>1,144,384</u>		
<b>TOTAL UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>60,373,857</u>		

**9. CASH AND CASH EQUIVALENTS**

	<b>2024</b> RM	<b>2023</b> RM
Islamic deposits with licensed Islamic financial institutions	6,521,036	900,192
Bank balances	67,654	157,173
	<u>6,588,690</u>	<u>1,057,365</u>

The effective weighted average profit rate per annum is as follows:

	<b>2024</b> %	<b>2023</b> %
Islamic deposits with licensed Islamic financial institutions	<u>2.90</u>	<u>2.60</u>

Islamic deposits with licensed Islamic financial institutions of the Fund have an average maturity of 2 days (2023: 2 days).

Islamic deposits with licensed Islamic financial institutions include profit receivable of RM1,036 (2023: RM192).



**10. SHARIAH INFORMATION OF THE FUND**

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;
- (b) Collective investment schemes listed on Bursa Malaysia Securities Berhad which have been verified as Shariah-compliant by the Shariah Adviser;
- (c) Sukuk as per the list of sukuk available at Bond Info Hub, Fully Automated System for Issuing/Tendering of Bank Negara Malaysia and The Bond and Sukuk Information Exchange; and
- (d) Cash placement and liquid assets that are placed in Shariah-compliant investments and/or instruments.

**11. NUMBER OF UNITS IN CIRCULATION**

	<b>2024 Units</b>	<b>2023 Units</b>
At beginning of the financial year	105,244,668	108,486,607
Add: Creation arising from applications	2,978,464	3,695,552
Less: Cancellation of units	(8,301,628)	(6,937,491)
At end of the financial year	<u>99,921,504</u>	<u>105,244,668</u>

**12. TOTAL EXPENSE RATIO (“TER”)**

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

TER is derived based on the following calculation:

$$TER = \frac{(A + B + C + D + E + F + G + H) \times 100}{I}$$

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = PPA administration fee
- F = Other expenses excluding withholding tax
- G = Shariah advisory fee
- H = Custody fee
- I = Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial year calculated on daily basis is RM126,157,252 (2023: RM127,101,908).



**13. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2024</b>	<b>2023</b>
PTR (times)	0.54	0.61

PTR is derived based on the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where:

total acquisition for the financial year = RM63,949,912 (2023: RM82,987,818)

total disposal for the financial year = RM73,489,870 (2023: RM72,631,274)

**14. UNITS HELD BY THE PRS PROVIDER AND RELATED PARTIES TRANSACTIONS AND BALANCES**

The related parties and their relationship with the Fund are as follows:

<b>Related parties</b>	<b>Relationship</b>
AIA Pension and Asset Management Sdn. Bhd.	The PRS Provider
AIA Bhd.	Holding Company of the PRS Provider
AIA Group Limited	Ultimate holding company of the PRS Provider
Nor Daliya Binti Mohd Daud *	Former Director of the PRS Provider

There were no units held by the PRS Provider at the end of the financial year.

Units held by the parties related to the PRS Provider

	<b>2024</b>	<b>2023</b>
	<b>No. of units</b>	<b>No. of units</b>
<b>Former Director of the PRS Provider</b>		
Nor Daliya Binti Mohd Daud	-*	51,587
	<b>RM</b>	<b>RM</b>
	-*	61,992

In the opinion of the PRS Provider, the above unit were transacted at the prevailing market price.

\* On 25 October 2023, Nor Daliya Binti Mohd Daud has resigned as the Director of the PRS Provider hence her unit holdings as at 30 April 2024 is not required for related party disclosure purposes in this financial year.

The significant related party transactions during the financial year are as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
AIA Pension and Asset Management Sdn. Bhd.		
Management fee expense	1,892,518	1,906,649



**14. UNITS HELD BY THE PRS PROVIDER AND RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)**

The significant related party balances as at the end of the financial year are as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<u>AIA Pension and Asset Management Sdn. Bhd.</u>		
Amount due from PRS Provider – creation of units	394,880	198,370
Amount due to PRS Provider – cancellation of units	(121,165)	(68,682)
Accrued management fee	(170,165)	(156,170)
	<u>                    </u>	<u>                    </u>

**15. TRANSACTIONS WITH BROKERS/ DEALERS**

Details of transactions with the top 10 brokers/dealers for the financial year ended 30 April 2024 are as follows:

<b>Brokers/dealers</b>	<b>Value of trades</b>	<b>Percentage</b>	<b>Brokerage fees</b>	<b>Percentage</b>
		<b>of total trades</b>		<b>of total brokerage fees</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Hong Leong Bank Berhad	28,564,038	21.15	-	-
Citibank (M) Bhd	28,083,266	20.80	-	-
RHB Investment Bank Berhad	16,663,342	12.34	16,074	17.04
Maybank Investment Bank Berhad	15,560,745	11.52	31,207	33.08
CIMB Bank Berhad	12,044,226	8.92	920	0.98
CGS-CIMB Securities Sdn. Bhd.	8,675,586	6.42	17,451	18.50
CIMB Islamic Bank Berhad	7,383,160	5.47	-	-
J.P. Morgan Securities (Malaysia) Sdn Bhd	5,707,188	4.23	11,530	12.22
Public Investment Bank Berhad	5,157,753	3.82	10,366	10.99
AmBank (M) Berhad	2,000,000	1.48	-	-
Others	5,200,478	3.85	6,782	7.19
	<u>135,039,782</u>	<u>100.00</u>	<u>94,330</u>	<u>100.00</u>



## 15. TRANSACTIONS WITH BROKERS/ DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the financial year ended 30 April 2023 are as follows:

Brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
RHB Investment Bank Berhad	25,083,081	16.25	28,115	17.03
Citibank (M) Bhd	20,927,448	13.55	-	-
CGS-CIMB Securities Sdn. Bhd.	16,403,696	10.62	32,964	19.96
Maybank Investment Bank Berhad	16,184,838	10.48	31,444	19.04
Malayan Banking Berhad	14,067,923	9.11	-	-
Credit Suisse Securities (Malaysia) Sdn Bhd	8,138,726	5.27	16,390	9.93
J.P. Morgan Securities (Malaysia) Sdn Bhd	7,825,417	5.07	15,875	9.61
Standard Chartered Bank Malaysia Berhad	7,700,286	4.99	-	-
Hong Leong Investment Bank Berhad	7,491,767	4.85	15,068	9.13
Hong Leong Bank Berhad	7,381,808	4.78	-	-
Others	23,214,103	15.03	25,270	15.30
	154,419,093	100.00	165,126	100.00

## 16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 24 June 2024.