

KENANGA ONEPRS GROWTH FUND

ANNUAL REPORT
For the Financial Year Ended 31 July 2024

kenanga

Kenanga Investors Berhad
Company No. 199501024358 (353563-P)

KENANGA ONEPRS GROWTH FUND

Contents	Page
Corporate Directory	ii
Directory of PRS Provider's Offices	iii
Fund Information	iv
PRS Provider's Report	v - xiv
Fund Performance	xv - xvii
Scheme Trustee's Report	1
Independent Auditors' Report	2 - 5
Statement by the PRS Provider	6
Financial Statements	7 - 48

CORPORATE DIRECTORY

Private Retirement Scheme (PRS) Provider: Kenanga Investors Berhad
Company No. 199501024358 (353563-P)

Registered Office

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2888
Fax: 03-2172 2999

Business Office

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50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 3000
Fax: 03-2172 3080
E-mail: investorservices@kenanga.com.my
Website: www.kenangainvestors.com.my

Board of Directors

Choy Khai Choon (**Chairman, Non-Independent Non-Executive Director**)
Norazian Ahmad Tajuddin (**Independent Non-Executive Director**)
Luk Wai Hong, William (**Non-Independent Non-Executive Director**)
Norazilla Binti Md Tahir (**Independent Non-Executive Director**)
Datuk Wira Ismitz Matthew De Alwis (**Chief Executive Officer, Executive Director**)

Investment Committee

Norazian Ahmad Tajuddin (**Independent Member**)
Norazilla Binti Md Tahir (**Independent Member**)
Luk Wai Hong, William (**Non-Independent Member**)
Datuk Wira Ismitz Matthew De Alwis (**Non-Independent Member**)

Company Secretary: Norliza Abd Samad (MAICSA 7011089)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

Scheme Trustee ("Trustee"): Maybank Trustees Berhad

Company No. 196301000109 (5004-P)

Registered and Business Address

8th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur.
Tel: 03-2074 8580 / 8952 Email: mtb.ut@maybank.com.my

Auditor: Ernst & Young PLT Company No. 202006000003 (LLP0022760-LCA) & AF 0039

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Tax Adviser: Ernst & Young Tax Consultants Sdn Bhd

Company No. 198901002487 (179793-K)

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Administrator: Private Pension Administrator Malaysia (PPA)

Level 13A, Bangunan Tierra Crest, Jalan SS 6/3, 47301 Petaling Jaya, Selangor.
Tel: 1300 131 772 Website: www.ppa.my Email: askppa@ppa.my

Membership: Federation of Investment Managers Malaysia (FIMM)

19-06-1, 6th Floor, Wisma Capital A, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.
Tel: 03-7890 4242 Website: www.fimm.com.my

DIRECTORY OF PRS PROVIDER'S OFFICES

Regional Branch Offices:

Kuala Lumpur

Ground Floor, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 3123
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No. 43, Jalan KSB 11
Taman Kota Syahbandar
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Tel: 06-240 2310
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Klang

No. 12, Jalan Batai Laut 3
Taman Intan
41300 Klang, Selangor
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Penang

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Menara Boustead Penang
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Miri

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Jalan Tuanku Munawir
70000 Seremban
Negeri Sembilan
Tel: 06-761 5678
Fax: 06-761 2242

Johor Bahru

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81100 Johor Bahru, Johor
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Fax: 07-288 1693

Kuching

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Lot 10900, Jalan Tun Jugah
93350 Kuching, Sarawak
Tel: 082-572 228
Fax: 082-572 229

Kuantan

Ground Floor Shop
No. B8, Jalan Tun Ismail 1
25000 Kuantan, Pahang
Tel: 09-514 3688
Fax: 09-514 3838

Ipoh

No. 1, Jalan Leong Sin Nam
30300 Ipoh, Perak
Tel: 05-254 7573 / 7570
Fax: 05-254 7606

Kota Kinabalu

Level 8, Wisma Great Eastern
No. 68, Jalan Gaya
88000 Kota Kinabalu, Sabah
Tel: 088-203 063
Fax: 088-203 062

Damansara Uptown

44B, Jalan SS21/35
Damansara Utama
47400 Petaling Jaya, Selangor
Tel: 03-7710 8828
Fax: 03-7710 8830

Kota Damansara

C26-1, Dataran Sunway
Jalan PJU 5/17
Kota Damansara
47510 Petaling Jaya, Selangor
Tel: 03-6150 3612
Fax: 03-6150 3906

Kluang

No. 1, Aras 1, Jalan Haji Manan
Pusat Perniagaan Komersial Haji Manan
86000 Kluang, Johor
Tel: 07-710 2700
Fax: 07-710 2150

1. FUND INFORMATION

1.1 Fund Name

Kenanga OnePRS Growth Fund (**PKOGF** or **the Fund**)

1.2 Fund Category / Type

Core (Growth)

1.3 Investment Objective

The Fund seeks to provide capital growth.

1.4 Investment Strategy

The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of primarily equities, as well as fixed income instrument and money market instruments.

The Fund may invest up to 80% of the Fund's NAV in equities, of which up to 10% of the Fund's NAV in leverage and inverse funds. The Fund may also invest at least 20% of the Fund's NAV in fixed income instruments and/or money market instruments. The Fund may also invest in collective investment schemes as permitted under the Deed and Guidelines.

1.5 Performance Benchmark

A composite of All MGS Index (20%) and FBM 100 (80%).

1.6 Distribution Policy

Distribution (if any) will be declared annually and reinvested into the Fund.

Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.

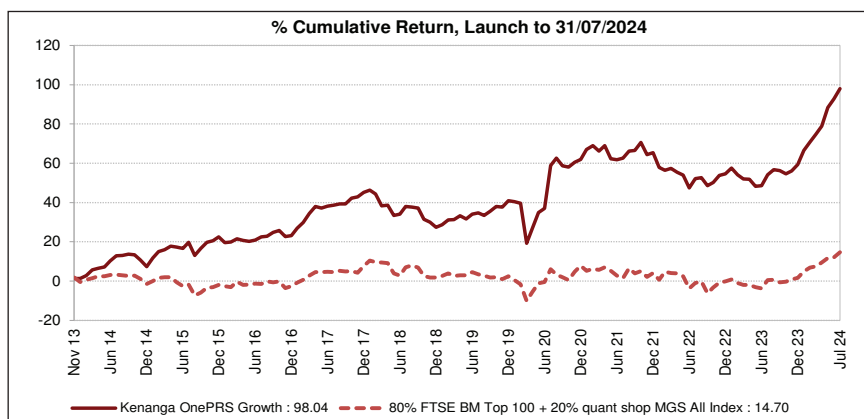
2. PRS PROVIDER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

During the financial year under review, the Fund fulfilled its stated investment objective to provide long-term capital growth via investments in equities, fixed income and/or money market instruments.

2.2 Comparison between the Fund's performance and performance of the benchmark

Performance Chart Since Launch (20/11/2013 - 31/07/2024)
Kenanga OnePRS Growth Fund vs Benchmark*



Source: Novagmi Analytics & Advisory

* A composite of All MGS Index (20%) and FBM 100 (80%).

2.3 Investment strategies and policies employed during the financial year under review

On the equity front, the Fund invested mainly in Malaysian equities and continued with its strategy of investing in companies with sustainable business models and competent management whilst trading at a discount to their intrinsic fair value. Meanwhile, for fixed income, the Fund was mainly invested in corporate bonds in resilient sectors such as financial services, infrastructure, and utilities.

2.4 The Fund's asset allocation as at 31 July 2024 and comparison with the previous financial year

Asset	31 Jul 2024	31 Jul 2023
Listed equity securities	75.1%	68.5%
Listed corporate bonds	17.6%	21.7%
Unlisted government bond	0.2%	-
Unlisted options	1.0%	-
Short term deposits and cash	6.1%	9.8%

2.4 The Fund's asset allocation as at 31 July 2024 and comparison with the previous financial year (contd.)

Reason for the differences in asset allocation

The Fund's investment in listed equity securities due to the Fund Manager's positive view on the equity market. Meanwhile, the Fund added exposure to government bonds to capitalise on the sustained market demand for government bonds.

2.5 Fund performance analysis based on NAV per unit (adjusted for income distribution; if any) since last review year

	Year under review
PKOGF	28.50%
A composite of All MGS Index (20%) and FBM 100 (80%)	14.11%

Source: Lipper; Novagani Analytics and Advisory

For the financial year under review, the Fund outperformed its benchmark return attributed to stock selection and asset allocation.

2.6 Review of the market

Equity market review

Global equity markets retraced in August 2023. US S&P 500, Nasdaq, and Dow Jones were down 1.8%, 2.2% and 2.4% month-on-month (MoM) respectively. US Consumer Price Index (CPI) rose 3.2% year-on-year (YoY) in July, slightly below expectations while core CPI was up by 4.7% YoY, in line with estimates. Fitch Ratings downgraded US debt rating to AA+ from the highest AAA rating, citing "a steady deterioration in standards of governance". Moody's also downgraded several small to mid-sized US banks and warned of possible cuts to others. Labour market softens as job openings fell to the lowest since March 2021. Chinese equities were sharply lower on weaker economy activity data which came below expectations. Locally, FBM KLCI and FBM Shariah were down 0.5% MoM and 0.3% MoM while FBM100 and FBM Small Cap were up 0.2% and 3.1% MoM. The six state elections concluded on 12 August with status quo being broadly maintained. Unity Government retained control in Penang, Selangor and Negeri Sembilan but Perikatan Nasional (PN) made inroads into these three states while Kedah, Terengganu, and Kelantan stayed with the opposition PN bloc. Malaysia's Gross Domestic Product (GDP) growth slowed to 2.9% YoY in 2Q2023 (1Q2023: 5.6%), below market expectations of 3.3%, weighed mainly by slower external demand.

In September, global equity markets declined. S&P 500, Nasdaq, and Dow Jones registered drops of 4.9%, 5.1%, and 3.5% MoM, respectively. This followed the Federal Open Market Committee's (FOMC) decision and the moderate rise in US inflation. The focal point was the Fed's decision to maintain the federal funds rate target range at 5.25% to 5.5%, and the dot-plot indicated an expectation of one more rate hike within the year. This was underpinned by factors such as robust economic growth, a tight job market, and persistently high inflation. Locally, Malaysian equity indices were mixed. FBM KLCI, FBM Shariah, and FBM100 experienced MoM losses of 1.9%, 0.4%, and 1.6% respectively, while FBM Small Cap posted MoM gains of 0.7%. Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.0%. The Monetary Policy Committee (MPC) statement signalled an extended pause in OPR. Growth and inflation outlook are roughly balanced, with potential upside risks to inflation dependent on global commodity prices and domestic policy decisions.

2.6 Review of the market (contd.)

Equity market review (contd.)

In October, global equities fell, driven by significant drops in key US indices: S&P 500, Nasdaq and Dow Jones fell by 2.2%, 2.1%, and 1.4% MoM respectively, which was exacerbated by escalating geopolitical tensions. Notably, all three indexes recorded their third consecutive negative month, marking the first three-month losing streak for the Dow and S&P 500 since 2020. There were also concerns that US policymakers might maintain high interest rates to curb inflation, potentially hampering economic growth. The FOMC meeting ended with the Fed staying on pause mode. Locally, Malaysian equity indices were mixed: FBM KLCI, and FBM100 gained 1.3% MoM and 0.7% MoM, while FBM Shariah and FBM Small Cap posted MoM losses of 0.3% and 2.0% respectively. After three sequential months of net buy, foreign flows turned negative on Malaysian equities with a RM2.18 billion net sell (September: RM674 million). This lifted the foreign net sell for 10 months of 2023 to RM4.15 billion, reversing out almost the entire inflow of RM4.4 billion in 2022. Malaysia's 2024 Budget was tabled in Parliament on 13 October, and there was no major surprise. The budget focuses on reform measures towards fiscal consolidation, which is positive to the economy in the medium to longer term, i.e., cut fiscal deficit to 4.3%; increase revenue by raising service tax to 8.0%, introduce capital gain tax on unlisted shares and luxury tax; and targeted subsidy rationalisation.

In November 2023, global equities rose, with the S&P 500, Nasdaq, and Dow Jones rising by 8.9%, 10.7%, and 8.8% MoM, respectively. Notably, growth stocks, especially within the technology sector, outperformed their value counterparts on a global scale. The market was encouraged by the milder than anticipated US CPI. Both headline and core inflation moderated to 3.2% YoY and 4.0% YoY respectively. Meanwhile, the FOMC meeting emphasized the Fed's commitment to maintaining policy rates at elevated levels for an extended period. Locally, Malaysian equity indices recorded positive results; FBM KLCI, FBM100, FBM Shariah and FBM Small Cap improved MoM; 0.7%, 0.8%, 0.8% and 1.6% respectively. BNM maintained the OPR at 3.0%, balancing both economic growth and inflation. The MPC also addresses the performance of MYR, which is affected by the anticipation of elevated US interest rates and geopolitical tensions that strengthen the US Dollar. BNM indicated that it will manage the heightened volatility by intervening in the foreign exchange market and monitoring the increase in 3M KLIBOR to stabilise the currency instead of employing OPR.

For December 2023, the S&P 500, Nasdaq, and Dow Jones rose 4.4%, 5.5% and 4.8% respectively. The indexes concluded the year with impressive gains of 24.2%, 53.8% and 13.7% respectively, primarily attributed to a substantial rally in mega-cap technology stocks. As widely anticipated, the Fed kept the overnight federal funds rate within the range of 5.25% to 5.5%, marking the third consecutive meeting where the central bank has opted for stability. Fed Chair Jerome Powell stated that although the Fed believes its policy rate is likely at or near its peak for the current tightening cycle, unexpected economic developments since the pandemic warrant caution. Powell emphasized that the FOMC did not want to rule out the possibility of further rate hikes. Locally, Malaysian equity indices recorded positive results. The FBMKLCI, FBM100, FBM Shariah and FBM Small Cap experienced MoM gains of 0.1%, 0.9%, 0.5% and 1.5% respectively.

In January 2024, US S&P 500, Dow Jones and Nasdaq were up 1.6%, 1.2% and 1.0% MoM respectively. The S&P 500 and Dow Jones propelled to record highs, as optimism around a 'soft landing' scenario continued the rally in the 'Magnificent Seven' stocks. Data releases pointed to the ongoing resilience of the US economy. The FOMC maintained the policy rate at 5.25% to 5.50% but pushed back against expectations of an imminent rate cut in the upcoming March Fed meeting. Domestically, KLCI (4.0% MoM) was the best

2.6 Review of the market (contd.)

Equity market review (contd.)

performing market in Asia, outperforming both the MSCI Asean (-3.6% MoM) and MSCI Asia ex-Japan (-5.5% MoM). FBM100, FBM Shariah and FBM Small Cap registered MoM gains of 4.0%, 2.6% and 2.2% respectively. Market responded positively to the Memorandum of Understanding (MoU) signing for the Johor Singapore Special Economic Zone, and the decision by BNM to maintain the OPR rate at 3.0%, helping offset concerns related to slower than expected GDP growth in 4Q2023 and the announcement of increased power and water tariffs. Foreign investors were the largest net buyers, marking their 3rd consecutive month as the largest net buyers with a 2.6 times MoM increase in net buy to RM679 million.

In February 2024, Nasdaq, S&P 500 and Dow Jones were up 6.1%, 5.2%, 2.2% MoM respectively. The US market is fuelled by stronger growth and falling tail risks, with 2024 GDP now expected to grow 2.1%. US services labour market remains strong with wage growth above trend, leading to consumer spending delivering a positive surprise. Furthermore, January US Producer-Price Index (PPI) rose 0.3% MoM, that is considerably higher than the increase of 0.1% MoM forecasted, led by strength in the services Purchasing Managers' Index (PMI). Subsequently, reported 4Q2023 earnings per share (EPS) grew 10% YoY with earnings more than 7.0% above expectations, led mainly by the technology sector. Locally, the FBM100, FBM Shariah and FBM Small Cap registered MoM gains of 2.5%, 2.3% and 0.4% respectively, attributed to strong foreign buying interests and improving domestic fundamentals. Malaysia also witnessed the installation of the 17th King on 31 January 2024. There were revisions to Malaysia's GDP growth for 4Q2023 from 3.4% to 3.0%, and from 3.8% to 3.7% for the full year 2023. The inclusion of YTL Corp and YTL Power International in the MSCI Malaysia Index as of the close of 29 February and the announcement of tax incentives for companies relocating their bases to Tun Razak Exchange were other key developments.

In March, S&P 500, Dow Jones, and Nasdaq were up 3.1%, 2.1%, 1.8% MoM respectively, fuelled by the continued optimism over the economy, potential rate cuts, and business opportunities in the artificial intelligence (AI) space. The street now expects GDP to grow at 2.2% in 2024. The Fed maintained rates at 5.25% to 5.5%, keeping rates steady for the fifth consecutive meeting. Fed Chair Jerome Powell emphasized the Fed remains "fully committed" to bring inflation down to its 2.0% target. However, the inflation rate which rose to 3.2% YoY in February 2024 suggests the path to the Fed's target could be longer and bumpier than expected as the labour market and economic growth remain strong, elevating prices. Locally, FBM Small Cap, FBM Shariah, and FBM 100 registered MoM gains of 3.1%, 1.0%, and 0.5% respectively, whereas FBM KLCI fell 1.0% MoM. Foreigners turned net sellers after strong net foreign inflows in January to February, and foreign ownership eased to 19.6% at end-March from 19.9% at end-February. For the month, BNM kept OPR unchanged at 3.0%, the government and Malaysia Airports Holdings inked new operating agreements for the next 45 years, Sime Darby completed their acquisition of UMW Holdings, and Penang LRT was approved, with Gamuda's 60.0% owned subsidiary bagging the civil works contract on the first segment. The implementation of High Value Goods tax has been postponed amidst calls to further study its impact.

US equities fell sharply in April, with the Dow Jones, S&P 500 and Nasdaq declining 5.0%, 4.2% and 4.4% respectively as higher-than-expected inflation print and strong job market data sparked fears of delays for rate cuts. Expectations for rate cuts are now pushed back, with a June cut appearing unlikely and total number of cuts expected in 2024 reduced to one or two from six at the start of the year. The 10-year US Treasury (UST) yield rose steeply 11.0% to 4.68%, close to levels last seen in November last year. Locally, the FBMKLCI rallied by 2.6%, reaching a two-year high of 1,576 points despite the Middle East geopolitical

2.6 Review of the market (contd.)

Equity market review (contd.)

concerns and persistent selling by foreign investors. The broader market rallied as well with FBM100, FBM Shariah and FBM Small Cap rising 2.5%, 3.8% and 3.4% respectively. While foreign selling continued for the second consecutive month at RM1.37 billion, net selling momentum fell by 52.0% MoM. Overall, year-to-date (YTD) net outflow of RM2.25 billion is close to 2023's full-year outflow of RM2.33 billion. That being said, the market was supported by net buy of RM5.1 billion worth of equities by local institutional investors. Sector wise, Utilities were the best performer alongside Industrials with strong gains seen in YTL Power, YTL Corp and Press Metal.

US equities rose in the month of May driven by better-than-expected corporate earnings, investors' optimism on better than economic outlook and expectation of rate cut later this year. US consumer prices increased less than expected in April. Data on retail sales that were unexpectedly flat in April. US CPI rose 0.3% in April after advancing 0.4% in March and February. On an annual basis, both headline and core CPI rose to 3.4% and 3.6% respectively. The core 12-month inflation reading was the lowest since April 2021 while the monthly increase of 0.3% was the smallest since December. US Dow Jones, S&P 500 and Nasdaq rose 2.3%, 4.8% and 6.9% MoM respectively. US announced new tariffs on USD 18 billion of goods from China, including quadruple tariffs on Chinese electric vehicles (to 100% from the current 25.0%) to protect US manufacturers. The increase is seen as having little impact as few electric vehicles are imported to the US from China. Tariffs were also increased on medical supplies and solar supplies, as the Biden administration extended the Section 301 Tariffs on Imports from China, which started in 2018 and covers USD 300 billion of Chinese products Locally, FBMKLCI was up 1.3% driven by the return of foreign investors and strong 1Q earnings results. The broader market rallied, with FBM100, FBM Shariah and FBM Small Cap rising 2.3%, 2.5% and 4.1% respectively. Sector-wise, Technology was the best performer in May, followed by Construction and Property. The Technology sector was up 11.5% in May on expectation of better earnings prospects, net purchase from foreign investors responding positively to the launch of Malaysia's National Semiconductor Strategy and US decision to impose higher tariffs rate on Chinese semiconductors from 25.0% to 50.0% in 2025.

Global equity markets continued to perform well in June 2024, with the US S&P 500, Nasdaq, and Dow Jones increasing by 3.5%, 6.0%, and 1.1% MoM, respectively. The US market finished the 1H2024 strongly with the S&P 500, Nasdaq, and Dow Jones up by 14.5%, 18.1%, and 3.8% respectively. The rally in US market was mainly driven by better-than-expected corporate earnings. US inflation cooled slightly to 3.3% in May, compared to the economists' expectation of 3.4%. The Fed has decided to hold interest rates steady, and expects only one cut in 2024 amid sticky inflation, while economists anticipating the first cut in September 2024. Locally, the FBMKLCI was down slightly by 0.4% MoM, but the FBM100, FBM Shariah, and FBM Small Cap were up by 0.24%, 1.29%, and 3.64% MoM respectively. The Malaysian market finished 1H2024 strongly, with the FBMKLCI, FBM100, FBM Shariah, and FBM Small Cap up by 9.3%, 12.5%, 14.2%, and 18.0% respectively. Construction was the best performer, increasing by 8.4% MoM due to the rollout of infrastructure projects in Malaysia. Technology was the second-best performing sector, increasing by 5.1% MoM due to better earnings prospects in 2H24. The Malaysian economy grew at a higher rate of 4.2% in the 1Q2024 (4Q2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Prime Minister Datuk Seri Anwar Ibrahim announced an increase in civil servant's remuneration of more than 13.0% to take effect from 1 December 2024. Meanwhile, the Malaysia's Employees Provident Fund Organisation (EPF) approved more than RM5.5 billion in new Account 3 withdrawals, which could support consumer spending.

2.6 Review of the market (contd.)

Equity market review (contd.)

Global equity markets were highly volatile in July amid rapidly changing macroeconomic and geopolitical environment. A weaker than expected US CPI reading early in the month, combined with weaker US labour market data, reassured that Fed will soon begin cutting interest rates. Investors now expect the first rate cut in September and are currently pricing almost three US rate cuts this year, with around 150 basis points (bps) worth of cuts by June 2025. Overall, Dow Jones and S&P 500 rose 4.4% and 1.1%, while Nasdaq slipped 0.7% as investors rotated out of mega-caps tech names. Locally, the FBM KLCI, FBM100, FBM Shariah and FBM Small Cap were up by 2.23%, 2.64%, 1.67% and 0.63% MoM respectively. The FBMKLCI remained the top performer in the region and Malaysia was the only country to see net foreign inflows in July, albeit marginal. Sector-wise, Construction was the best performer in July, increasing by 14.4% MoM amidst positive news flow and contract awards. Property was the second-best performing sector for July, increasing by 4.9% MoM with expectations of more data centers related projects and land sales. In Malaysia, the OPR remained stable at 3.0% as expected. This was followed by the 2Q2024 advanced estimates for GDP growth came in at 5.8%, which was above market expectations with the support of both domestic and export-driven factors. The ringgit also showed some signs of recovery in the month-end after efforts put in by the central bank to persuade government-linked companies (GLCs) and other corporates to repatriate and convert foreign earnings. Expectations of the Fed rate cut could further fuel the strength of the ringgit.

Fixed income market review

UST traded weaker in August 2023 on mixed economic data amid uncertainty over the interest rate outlook. On 1 August, Fitch Ratings downgraded the US' sovereign credit ratings from AAA to AA+ (outlook revised from negative to stable). Higher headline inflation pushed the 2Y UST yield above 5% while the 10Y UST yield climbed to 4.34% on 21 August (highest since 2007). Demand for UST improved towards month end, following a contraction in Eurozone business activity coupled with softer US Manufacturing and Services data. In September, UST weakened following the latest dot-plot projections on fewer rate cuts in 2024 and surge in crude oil prices, fueling inflationary concerns. On 20 September, the Fed opted to keep its policy rate steady at 5.25% to 5.50%. Towards month-end, investors remained cautious over the potential US government shutdown, with 10Y UST yield continuing to edge higher to 4.57% while the 2Y UST yield closed at 5.04%, reducing the yield curve inversion to -47bps (end-June: -106bps).

On the local front, the Malaysian Government Securities (MGS) market was relatively insulated from UST weakness in August. Nonetheless, the MGS market loosely tracked UST movements in September, albeit on a smaller scale given the divergence in interest rate outlook and BNM's decision to maintain the OPR at 3.0% on 7 September. Overall, the MGS yield curve shifted higher in September, with the 3Y and 10Y MGS yield closing at 3.57% and 3.98% respectively.

UST weakness extended into October following a slew of favourable economic data releases, coupled with hawkish remarks from Fed Chair Jerome Powell. The UST yield curve bear steepened during the month, sending the 10Y UST yield above 5.0% intraday on 23 October (highest since 2007). On 1 November, the Fed maintained interest rates at 5.25% to 5.50%, while noting that tight financial and credit conditions are likely to weigh on economic activity, hiring and inflation. This view was corroborated by the softer jobs data for October, while inflation continued to moderate. Consequently, UST rebounded strongly in November with the 2Y and 10Y UST yields plunging by 41bps and 60bps MoM to 4.68% and 4.33% respectively. UST extended its strong rally in December on heightened rate cut expectations after the Fed paused again on 13 December, while signalling additional interest rate cuts in

2.6 Review of the market (contd.)

Fixed income market review (contd.)

2024 (latest projections: -75bps versus September forecast: -50bps). As UST yields tumbled across the board, the yield curve shifted lower by 40-45bps with the 2Y and 10Y UST ending the year at 3.88% and 4.25% respectively.

Locally in October, the MGS market trended in line with the UST yield movements, although at a smaller quantum. Market sentiment was dampened by the weakening of ringgit to its lowest level since 1998, as well as increased bond supply concerns in 4Q2023 following the tabling of Budget 2024 on 13 October. As the MGS yield curve bear steepened slightly, the 3Y MGS yield rose by 8bps to 3.65% while the 10Y MGS yield closed 12bps higher at 4.10%. However, MGS posted a strong performance in November as the positive sentiment in UST spilled over into the local bond market, with the 10Y MGS yield tumbling by 29bps MoM to 3.81% at end-November. MGS yields continued to edge lower in December, amidst the seasonally quiet year-end period. Overall, the MGS yield curve flattened in December, with the 3Y MGS marginally higher at 3.48% while the 10Y yield closed 8bps lower at 3.73%.

In January 2024, UST weakened as market participants pushed back their rate cut expectations following a healthy US employment report, while inflation remained elevated. The 10Y UST yield climbed 30bps higher from 3.88% at end-December to 4.18% on 24 January, before falling below 4% in tandem with a rally in European bonds. UST closed weaker in February as yields surged following strong economic data releases, coupled with further pushback on the timing of interest rate cut by Fed speakers. Meanwhile in March, UST yields fluctuated as mixed economic data and elevated inflation clouded the outlook for near-term interest rate cuts. On the monetary policy front, the Fed kept interest rates unchanged at 5.25% to 5.50% on 31 January and 20 March, as widely expected. The committee reaffirmed its projections for 75bps of rate cuts in 2024, but reiterated its patient approach to lowering interest rates. On a quarter-on-quarter (QoQ) basis, 2Y and 10Y UST yields rose by 37bps and 32bps to 4.62% and 4.20% respectively.

The MGS market was largely steady in January despite the fluctuations in UST as BNM kept the OPR unchanged at 3.0% on 24 January. Overall, the MGS yield curve steepened slightly in January, with the 3Y yield edging 9bps lower to 3.39% while the 10Y MGS added 6bps to 3.79%. In February, MGS yields similarly trended higher following the bearish sentiment in UST, albeit at a smaller quantum. The MGS yield curve flattened slightly with the 3Y yield climbing 11bps to 3.50% while the 10Y edged 7bps higher to 3.86% at end-February. In March, despite the fluctuations in UST and slightly higher domestic inflation, the MGS market remained relatively stable. Overall, MGS yields inched slightly higher across the board with the 3Y MGS and 10Y MGS closing at 3.50% (2bps QoQ) and 3.86% (13bps QoQ) respectively.

In April, UST weakened significantly after Fed officials indicated that it would take longer than previously anticipated for rate cuts to begin, given the resilient US economy and slow inflation progress. The 2Y UST yield surged by 42bps to 5.04% while the 10Y UST yield rose 48bps to close at 4.68%. Subsequently in May, UST recovered as softer economic data and signs of weakness in the US labour market reignited expectations for the Fed to cut interest rates. UST continued to rally in June as further easing of US inflation bolstered rate cut expectations, despite a strong rebound in the US job market and hawkish signals from the Fed. On 13 June, the Fed kept interest rates unchanged at 5.25% to 5.50% as widely expected but surprisingly revised its projections to signal only 25bps of rate cuts in 2024 (previous forecast: 75bps) and 100bps cut in 2025 (previous forecast: 75bps). UST pared gains towards end-June as market participants mulled the potential fiscal and inflationary implications from the US Presidential election. Overall, UST yields ended 2Q2024 slightly higher, with the 2Y UST yield adding 13bps to 4.75%, while the 10Y UST yield rose 20bps to 4.40%.

2.6 Review of the market (contd.)

Fixed income market review (contd.)

On the local front, MGS yields inched higher in April amidst the bearish sentiment in global bond markets and the weakening ringgit. 3Y and 10Y MGS yields edged 11bps higher to 3.61% and 3.97% respectively at end-April. Nonetheless in May, the MGS market saw renewed buying interest alongside the rally in UST, driving the 3Y MGS yield 3bps lower to 3.58%, while the 10Y MGS yield closed 8bps lower at 3.89%. MGS yields continued to edge lower in June, loosely tracking UST movements. On 27 June, both S&P Global Ratings and Fitch Ratings affirmed Malaysia's sovereign credit rating at A- and BBB+ respectively, with a stable outlook. Overall for 2Q2024, MGS yields were largely steady, as the 3Y MGS ended the quarter at 3.52% while the 10Y MGS yield was unchanged at 3.86%.

The UST market enjoyed a strong rally in July, as softer labour market data reignited recession concerns for the US economy. Additionally, US CPI fell by 0.1% MoM in June (first decline since the pandemic), fanning expectations for imminent rate cuts. Consequently, UST yields tumbled ahead of the Fed's monetary policy meeting at month-end. Although the central bank kept interest rates unchanged on 31 July, Fed Chair Jerome Powell hinted that the committee is moving closer to cutting interest rates, as inflation continues to ease towards the Fed's 2.0% target. MoM, the UST yield curve bull-steepened with the 2Y UST yield plunging by 49bps to 4.26% while the 10Y UST rallied by -37bps to 4.03%.

Similarly, MGS yields tumbled in July as trade volume surged on strong buying interest from both local and foreign investors. In tandem, the ringgit rose against the US dollar to its strongest level since August 2023 at RM4.5905 (2.69% MoM), as foreign investors increased exposure to Malaysian government bonds to a record high of RM262.6 billion in July. On monetary policy, BNM kept the OPR unchanged at 3.0% on 11 July given the upbeat outlook for domestic growth. Overall, the 3Y MGS yield fell by 16bps to 3.36% at end-July while the 10Y MGS yield tumbled by 14bps to 3.72%.

Equity market outlook

Investors' near-term focus will be on economic data in the US and the Fed's guidance for indications of the timing of rate cuts. The Fed could start cutting rates in the second half of 2024, with the market expecting the first cut to occur in September 2024. Markets are keenly focused on the growth outlook in the US as debates form on a potential recession in the US. Nonetheless, should growth show signs of weakening, aggressive cuts by the US Fed could support growth and liquidity. Meanwhile, China's additional fiscal stimulus has been supportive, but further measures are necessary to revive the property market and restore market confidence.

We remain positive on the Malaysian equity market as we expect resilient GDP growth of 4.0% to 5.0%, improving momentum of policy execution on construction and infrastructure projects, rising foreign direct investment (FDI), while valuation and foreign shareholding remains low.

Fixed income market outlook

In 2Q2024, the US economy expanded by 2.8% QoQ, beating consensus estimates of 2.0% (1Q2024: 1.4%). Nonetheless, the cooling labour market and decelerating wage growth could weigh on the growth outlook for the US economy. Meanwhile, inflation has eased over the past year, allowing the Fed some room to lower interest rates in the coming months. Over the near term, UST yield movements may continue to be largely data-dependent, as investors closely monitor macroeconomic and geopolitical developments, in anticipation of the Fed's monetary easing cycle to start.

2.6 Review of the market (contd.)

Fixed income market outlook (contd.)

For FY2024, Malaysia's economy is projected to expand by 4.0% to 5.0% while inflation is expected to remain manageable between 2.0% to 3.5%, subject to changes to domestic policies and global commodity prices. Despite the implementation of the diesel subsidy rationalization on 10 June, the inflationary impact was relatively muted, with headline inflation unchanged at 2.0% YoY in June (May: 2.0%). In view of the moderate outlook for growth and inflation, BNM is expected to keep interest rates steady for the rest of the year. As a result, prospects for the local bond market remain favourable given the stable interest rate outlook, ample market liquidity and sustained demand from long-term fixed income investors.

Fund strategy

On equity front, we are positive on sectors such as Financials, Construction, Property, New Energy and Utilities. Additionally, we continue to favor the Technology sector as the key beneficiary of long-term growth trends such as AI, electric vehicles (EVs) and supply chain relocation.

For fixed income, we continue our investment strategy of investing in liquid, highly sought after bonds, to enable swift reaction to changes in market sentiment or outlook. Our focus will continue to be on healthy credits, stable long-term cashflows, solid financial metrics and good corporate governance. Given lingering macroeconomic uncertainties, we overweight on sectors that are resilient to economic cycles. Furthermore, we overweight on corporate bonds for their enhanced yield relative to lower-yielding MGS.

2.7 Distributions

For the financial year under review, the Fund did not declare any income distributions.

2.8 Details of any unit split exercise

The Fund did not carry out any unit split exercise during the financial year under review.

2.9 Significant changes in the state of affairs of the Fund during the financial year

There were significant changes in the state of affairs of the Fund during the financial year, which have been disclosed in the Fund's Semi-Annual Report for the financial period ended 31 January 2024. Please refer to the First Supplemental Disclosure document dated 29 September 2023 for more details.

2.10 Circumstances that materially affect any interests of the members

There were no circumstances that materially affected any interests of the members during the financial year under review.

2.11 Rebates and soft commissions

It is the policy of the PRS Provider to credit any rebates received into the account of the Fund. Any soft commissions received by the PRS Provider on behalf of the Fund are in the form of research and advisory services that assist in the decision making process relating to the investment of the Fund which are of demonstrable benefit to members of the Fund. Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund.

During the financial year under review, the PRS Provider received soft commissions from its stockbrokers who have also executed trades for other funds or investments managed by the PRS Provider. The soft commissions were utilised for research and advisory services that assist in the investment decision making process. The soft commissions received were for the benefit of the Fund and there was no churning of trades.

2.12 Cross-trade

During the financial year under review, cross-trade transactions were undertaken by the PRS Provider for the best interest of the Fund in accordance to the relevant internal and regulatory requirements. Cross-trades can only be undertaken upon the verification by Compliance based on the following conditions:

- (a) permitted by authorised personnel;
- (b) the sale and purchase decisions are in the best interest of clients, members and the Fund as a whole;
- (c) reason(s) for such transactions are documented prior to execution of the trades;
- (d) transactions are executed through a dealer or a financial institution on an arm's length and fair value basis; and
- (e) cross-trade transactions are disclosed to both clients and members accordingly.

2.13 Securities financing transactions

Securities financing transactions are transactions consisting of securities lending or repurchase. During the financial year under review, the Fund had not undertaken any securities financing transactions.

3. FUND PERFORMANCE

3.1 Details of portfolio composition of the Fund for the last three financial years as at 31 July are as follows:

a. Distribution among industry sectors and category of investments:

	FY 2024 %	FY 2023 %	FY 2022 %
Industrial Products and Services	20.9	14.8	11.7
Technology	9.2	11.4	11.6
Construction	8.3	1.9	1.5
Financial Services	8.2	9.4	15.5
Utilities	7.3	4.8	2.1
Property	4.6	1.0	0.5
Telecommunications and Media	3.7	4.0	2.8
Energy	3.6	3.3	2.3
Health Care	3.2	3.0	4.4
Consumer Products and Services	3.1	7.3	10.8
Plantation	0.8	2.0	1.9
Transportation and Logistics	-	2.6	0.4
Real Estate Investment Trusts	1.8	3.0	1.0
Business Trust	0.4	-	-
Unlisted corporate bonds	17.6	21.7	20.3
Unlisted government bond	0.2	-	-
Unlisted options	1.0	-	-
Short term deposits and cash	6.1	9.8	13.2
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Note: The above mentioned percentages are based on total investment market value plus cash.

b. Distribution among markets

The Fund invests in local listed equities securities, listed collective investment schemes, unlisted corporate bonds, unlisted government bond, unlisted options and short term deposits only.

3.2 Performance details of the Fund for the last three financial years ended 31 July are as follows:

	FY 2024	FY 2023	FY 2022
Net asset value ("NAV") (RM Million)	228.78	163.24	146.05
Units in circulation (Million)	231.05	211.85	191.97
NAV per unit (RM)	0.9902	0.7706	0.7608
Highest NAV per unit (RM)	1.0092	0.7939	0.8560
Lowest NAV per unit (RM)	0.7660	0.7281	0.7214
Total return (%)	28.50	1.29	-6.42
- Capital growth (%)	28.50	1.29	-6.42
- Income growth (%)	-	-	-
Gross distribution per unit (sen)	-	-	-
Net distribution per unit (sen)	-	-	-
Total expense ratio ("TER") (%) ¹	1.63	1.71	1.66
Portfolio turnover ratio ("PTR") (times) ²	0.44	0.37	0.35

Note: Total return is the actual return of the Fund for the respective financial years, computed based on NAV per unit and net of all fees.

TER is computed based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. PTR is computed based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

Above NAV and NAV per unit are not shown as ex-distribution as there were no distribution declared by the Fund during the financial year under review.

^{1.} *TER is lower against the previous financial year mainly due to increase in average fund size during the financial year under review.*

^{2.} *PTR is higher due to increased trading activities during the financial year under review.*

3.3 Average total return of the Fund

	1 Year 31 Jul 23 - 31 Jul 24	3 Years 31 Jul 21 - 31 Jul 24	5 Years 31 Jul 19 - 31 Jul 24
PKOGF	28.50%	6.92%	8.52%
A composite of All MGS Index (20%) and FBM 100 (80%)	14.11%	4.31%	2.18%

Source: Lipper; Novagmi Analytics & Advisory

3.4 Annual total return of the Fund

	Year under review 31 Jul 23 - 31 Jul 24	1 Year				
		31 Jul 22 - 31 Jul 23	31 Jul 21 - 31 Jul 22	31 Jul 20 - 31 Jul 21	31 Jul 19 - 31 Jul 20	31 Jul 18 - 31 Jul 19
PKOGF	28.50%	1.29%	-6.42%	2.37%	17.89%	-2.28%
A composite of All MGS Index (20%) and FBM 100 (80%)	14.11%	1.50%	-2.49%	-4.16%	2.49%	-3.46%

Source: Lipper; Novagmi Analytics & Advisory

Investors are reminded that past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

KENANGA ONEPRS GROWTH FUND

**Audited Financial Statements Together with
Trustee's Report, Independent Auditors' Report
and Statement by the PRS Provider**

31 July 2024

KENANGA ONEPRS GROWTH FUND

CONTENTS

PAGES

TRUSTEE'S REPORT	1
INDEPENDENT AUDITORS' REPORT	2 - 5
STATEMENT BY THE PRS PROVIDER	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN NET ASSET VALUE	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 48

SCHEME TRUSTEE'S REPORT

To the members of KENANGA ONEPRS GROWTH FUND ("Fund")

We have acted as Scheme Trustee of the Fund for the financial year ended 31 July 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad (the "PRS Provider") has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the 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 **Maybank Trustees Berhad**
[Company No. 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM
Head, Unit Trust & Corporate Operation

Kuala Lumpur, Malaysia

27 September 2024

Independent auditors' report to the members of Kenanga OnePRS Growth Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenanga OnePRS Growth Fund (the "Fund"), which comprise the statement of financial position as at 31 July 2024, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 48.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 audit 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 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 (the "PRS Provider") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, 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.

Independent auditors' report to the members of Kenanga OnePRS Growth Fund (contd.)

Information other than the financial statements and auditors' report thereon (contd.)

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

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

Responsibilities of the PRS Provider and the Trustee for the financial statements

The PRS Provider is responsible for the preparation of 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 cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the PRS Provider maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

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.

Independent auditors' report to the members of Kenanga OnePRS Growth Fund (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PRS Provider.
- 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.
- 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 to the members of
Kenanga OnePRS Growth Fund (contd.)**

Other matters

This report is made solely to the members of the Fund, as a body, in accordance with the Guidelines on Private Retirement Schemes issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ahmad Siddiq Bin Ahmad Hasbullah
No.03675/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
27 September 2024

STATEMENT BY THE PRS PROVIDER

I, Datuk Wira Ismitz Matthew De Alwis, being a director of Kenanga Investors Berhad, do hereby state that, in the opinion of the PRS Provider, the accompanying statement of financial position as at 31 July 2024 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 31 July 2024 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Kenanga OnePRS Growth Fund as at 31 July 2024 and of its financial performance and cash flows for the financial year then ended and comply with the requirements of the Deed.

For and on behalf of the PRS Provider
KENANGA INVESTORS BERHAD

DATUK WIRA ISMITZ MATTHEW DE ALWIS
Executive Director/Chief Executive Officer

Kuala Lumpur, Malaysia

27 September 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Dividend income		3,494,573	3,282,426
Interest income		2,297,041	2,043,706
Net gain/(loss) from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	<u>47,693,550</u>	<u>(296,463)</u>
		<u>53,485,164</u>	<u>5,029,669</u>
EXPENSES			
PRS Provider's remuneration	5	2,938,476	2,410,709
Trustee's fee	6	28,436	23,329
Private Pension Administrator ("PPA") administration fee	7	75,832	62,212
Auditors' remuneration		15,800	10,200
Tax agent's fee		2,500	3,000
Administration expenses		43,483	156,873
Brokerage and other transaction costs		<u>596,304</u>	<u>397,133</u>
		<u>3,700,831</u>	<u>3,063,456</u>
NET INCOME BEFORE TAX		49,784,333	1,966,213
Income tax	8	<u>(30,616)</u>	<u>-</u>
NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>49,753,717</u>	<u>1,966,213</u>
Net income after tax is made up as follows:			
Realised gain/(loss)		6,521,952	(3,058,979)
Unrealised gain	4	<u>43,231,765</u>	<u>5,025,192</u>
		<u>49,753,717</u>	<u>1,966,213</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2024**

	Note	2024 RM	2023 RM
ASSETS			
INVESTMENTS			
Financial assets at FVTPL	4	214,433,939	146,940,695
Short term deposit	9	13,999,000	15,935,000
		<u>228,432,939</u>	<u>162,875,695</u>
OTHER ASSETS			
Amount due from licensed financial institutions	10	757,034	489,172
Other receivables	11	124,011	110,767
Cash at bank		5,772	55,608
		<u>886,817</u>	<u>655,547</u>
TOTAL ASSETS		<u>229,319,756</u>	<u>163,531,242</u>
LIABILITIES			
Amount due to licensed financial institutions		265,184	-
Amount due to PRS Provider		199,538	125,224
Amount due to Trustee		2,920	2,041
Amount due to PPA		7,787	5,438
Other payables	12	59,668	159,225
TOTAL LIABILITIES		<u>535,097</u>	<u>291,928</u>
EQUITY			
Members' contribution		163,908,512	148,116,884
Retained earnings		64,876,147	15,122,430
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO MEMBERS	13	<u>228,784,659</u>	<u>163,239,314</u>
TOTAL LIABILITIES AND EQUITY		<u>229,319,756</u>	<u>163,531,242</u>
NUMBER OF UNITS IN CIRCULATION	13(a)	<u>231,053,334</u>	<u>211,847,539</u>
NAV PER UNIT (RM)		<u>0.9902</u>	<u>0.7706</u>

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

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	Note	Members' contribution RM	Retained earnings RM	Total NAV RM
2024				
At beginning of the financial year		148,116,884	15,122,430	163,239,314
Total comprehensive income		-	49,753,717	49,753,717
Creation of units	13(a)	19,631,442	-	19,631,442
Cancellation of units	13(a)	(3,839,814)	-	(3,839,814)
At end of the financial year		<u>163,908,512</u>	<u>64,876,147</u>	<u>228,784,659</u>
2023				
At beginning of the financial year		132,891,790	13,156,217	146,048,007
Total comprehensive loss		-	1,966,213	1,966,213
Creation of units	13(a)	17,016,055	-	17,016,055
Cancellation of units	13(a)	(1,790,961)	-	(1,790,961)
At end of the financial year		<u>148,116,884</u>	<u>15,122,430</u>	<u>163,239,314</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	2024 RM	2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of financial assets at FVTPL	77,303,288	46,772,241
Dividends received	3,446,644	3,251,090
Interest received	2,309,323	1,925,201
Tax agent's fee paid	-	(3,500)
Auditors' remuneration paid	(12,000)	(9,000)
Trustee's fee paid	(27,556)	(22,964)
PPA administration fee paid	(73,482)	(61,241)
Payment for other fees and expenses	(149,341)	(90,352)
PRS Provider's remuneration paid	(2,847,443)	(2,373,069)
Purchase of financial assets at FVTP	(97,710,178)	(67,949,066)
Net cash used in operating and investing activities	<u>(17,760,745)</u>	<u>(18,560,660)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	19,588,842	17,065,819
Cash paid on units cancelled	<u>(3,813,933)</u>	<u>(1,752,410)</u>
Net cash generated from financing activities	<u>15,774,909</u>	<u>15,313,409</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,985,836)	(3,247,251)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>15,990,608</u>	<u>19,237,859</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>14,004,772</u>	<u>15,990,608</u>
Cash and cash equivalents comprise:		
Cash at bank	5,772	55,608
Short term deposit	<u>13,999,000</u>	<u>15,935,000</u>
	<u>14,004,772</u>	<u>15,990,608</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

1. THE FUND, THE PRS PROVIDER AND THEIR PRINCIPAL ACTIVITIES

Kenanga OnePRS Growth Fund (the "Fund") was constituted pursuant to the executed Deed dated 29 August 2013 (collectively, together with the deeds supplemental thereto, referred to as the "Deed") between the Private Retirement Scheme Provider ("PRS Provider"), Kenanga Investors Berhad and Maybank Trustees Berhad (the "Trustee"). The Fund commenced operations on 20 November 2013 and will continue to be in operation until terminated as provided under Part 16 of the Deed.

Kenanga Investors Berhad is a wholly-owned subsidiary of Kenanga Investment Bank Berhad that is listed on the Main Market of Bursa Malaysia Securities Berhad. All of these companies are incorporated in Malaysia.

The principal place of business of the PRS Provider is Level 14, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur.

The Fund seeks to provide its members with capital growth. The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of primarily equities, as well as fixed income instrument and money market instruments.

The financial statements were authorised for issue by the Chief Executive Officer of the PRS Provider on 27 September 2024.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk and price risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the PRS Provider and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund has an approved set of investment guidelines and policies as well as internal controls which sets out its overall business strategies to manage these risks to optimise returns and preserve capital for the members, consistent with the long term objectives of the Fund.

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and price risk.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

Market risk arises when the value of the investments fluctuates in response to the activities of individual companies, general market or economic conditions. It stems from the fact that there are economy-wide perils, which threaten all businesses. Hence, investors are exposed to market uncertainties. Fluctuation in the investments' prices caused by uncertainties in the economic, political and social environment will affect the NAV of the Fund.

The PRS Provider manages the risk of unfavourable changes in prices by cautious review of the investments and continuous monitoring of their performance and risk profiles.

i. Interest rate risk

Interest rate risk refers to how the changes in the interest rate environment would affect the performance of Fund's investments. Rate offered by the financial institutions will fluctuate according to the Overnight Policy Rate determined by Bank Negara Malaysia and this has direct a correlation with the Fund's investments in unlisted corporate bonds, unlisted government bond and short term deposit.

The Fund's exposure to the interest rate risk is mainly confined to unlisted corporate bonds and unlisted government bond.

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Fund's income for the financial year to a reasonably possible change in interest rate, with all other variables held constant.

	Changes in price Increase/(Decrease) Basis points	Effects on income for the financial year Gain/(Loss) RM
2024		
Financial assets at FVTPL	5/(5)	74,413/(74,262)
2023		
Financial assets at FVTPL	5/(5)	56,010/(55,884)

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

i. Interest rate risk (contd.)

Interest rate risk exposure

The following table analyses the Fund's interest rate risk exposure. The Fund's financial assets and financial liabilities are disclosed at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

	Up to 1 year RM	Above 1 year - 5 years RM	Above 5 years - 15 years RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective interest rate* %
2024						
Assets						
Financial assets at FVTPL	4,634,275	21,889,994	13,635,349	174,274,321	214,433,939	4.1
Short term deposit	13,999,000	-	-	-	13,999,000	3.1
Other financial assets	-	-	-	886,817	886,817	
	<u>18,633,275</u>	<u>21,889,994</u>	<u>13,635,349</u>	<u>175,161,138</u>	<u>229,319,756</u>	
Liabilities						
Other financial liabilities	-	-	-	475,429	475,429	
Total interest rate sensitivity gap	<u>18,633,275</u>	<u>21,889,994</u>	<u>13,635,349</u>	<u>174,685,709</u>	<u>228,844,327</u>	

* Calculated based on assets with exposure to interest rate movement only.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

i. Interest rate risk (contd.)

Interest rate risk exposure (contd.)

	Up to 1 year RM	Above 1 year - 5 years RM	Above 5 years - 15 years RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective interest rate* %
2023						
Assets						
Financial assets at FVTPL	5,023,360	26,677,271	3,282,237	111,957,827	146,940,695	4.4
Short term deposit	15,935,000	-	-	-	15,935,000	3.0
Other financial assets	-	-	-	655,547	655,547	
	<u>20,958,360</u>	<u>26,677,271</u>	<u>3,282,237</u>	<u>112,613,374</u>	<u>163,531,242</u>	
Liabilities						
Other financial liabilities	-	-	-	132,703	132,703	
Total interest rate sensitivity gap	<u>20,958,360</u>	<u>26,677,271</u>	<u>3,282,237</u>	<u>112,480,671</u>	<u>163,398,539</u>	

* Calculated based on assets with exposure to interest rate movement only.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

ii. Price risk

Price risk is the risk of unfavourable changes in the fair values of listed equity securities and listed collective investment schemes. The Fund invests in listed equity securities and listed collective investment schemes which are exposed to price fluctuations. This may then affect the NAV of the Fund.

Price risk sensitivity

The PRS Provider's best estimate of the effect on the income for the financial year due to a reasonably possible change in investments in listed equity securities and listed collective investment schemes with all other variables held constant is indicated in the table below:

	Changes in price Increase/(Decrease) Basis points	Effects on income for the financial year Gain/(Loss) RM
2024		
Financial assets at FVTPL	5/(5)	85,795/(85,795)
2023		
Financial assets at FVTPL	5/(5)	73,470/(73,470)

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

Price risk concentration

The following table sets out the Fund's exposure and concentration to price risk based on its portfolio of financial instruments as at the reporting date.

	Fair value		Percentage of NAV	
	2024 RM	2023 RM	2024 %	2023 %
Financial assets at FVTPL	171,589,087	111,500,689	75.0	68.3

The Fund's concentration of price risk from the Fund's listed equity securities and listed collective investment schemes analysed by sector is as follows:

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

ii. Price risk (contd.)

Price risk concentration (contd.)

	Fair value		Percentage of NAV	
	2024 RM	2023 RM	2024 %	2023 %
Industrial Products				
and Services	47,659,456	24,134,305	20.8	14.8
Technology	21,082,791	18,565,336	9.2	11.4
Construction	19,022,148	3,131,092	8.3	1.9
Financial Services	18,777,438	15,266,273	8.2	9.4
Utilities	16,560,836	7,774,480	7.2	4.8
Property	10,406,088	1,551,727	4.5	1.0
Telecommunications				
and Media	8,367,042	6,607,474	3.7	4.0
Energy	8,138,550	5,429,814	3.6	3.2
Health Care	7,493,864	4,812,146	3.3	2.9
Consumer Products				
and Services	7,296,589	11,846,719	3.2	7.3
Plantation	1,720,260	3,267,936	0.8	2.0
Transportation and				
Logistics	-	4,201,431	-	2.6
Real Estate				
Investment Trusts	4,052,000	4,911,956	1.8	3.0
Business Trusts	1,012,025	-	0.4	-
	<u>171,589,087</u>	<u>111,500,689</u>	<u>75.0</u>	<u>68.3</u>

b. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The PRS Provider manages the credit risk by undertaking credit evaluation to minimise such risk.

i. Credit risk exposure

As at the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position.

ii. Financial assets that are either past due or impaired

As at the reporting date, there are no financial assets that are either past due or impaired.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Credit risk (contd.)

iii. Credit quality of financial assets

The Fund invests only in unlisted corporate bonds, unlisted government bonds and unlisted options with at least investment grade credit rating by a credit rating agency. The following table analyses the Fund's portfolio of unlisted corporate bonds, unlisted government bond and unlisted options by rating category:

Rating	Percentage of total unlisted bonds		Percentage of NAV	
	2024 %	2023 %	2024 %	2023 %
AA3/AA-	33.3	40.7	5.9	8.7
AA2/AA	29.1	19.0	5.1	4.2
AA1/AA+	19.6	12.6	3.5	2.7
A1/A+	8.0	17.7	1.4	3.9
A2/A	6.0	6.9	1.1	1.5
AAA	2.8	3.1	0.5	0.7
Not Rated	1.2	-	0.2	-
	<u>100.0</u>	<u>100.0</u>	<u>17.7</u>	<u>21.7</u>

Unlisted options

Rating	Percentage of total Unlisted options		Percentage of NAV	
	2024 %	2023 %	2024 %	2023 %
Not Rated	<u>100.0</u>	<u>-</u>	<u>1.0</u>	<u>-</u>

The Fund invests in deposit with financial institutions licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013. The following table analyses the licensed financial institutions by rating category:

Short term deposit

Rating	Percentage of total short term deposit		Percentage of NAV	
	2024 %	2023 %	2024 %	2023 %
P1/MARC-1	<u>100.00</u>	<u>100.0</u>	<u>6.1</u>	<u>9.8</u>

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Credit risk (contd.)

iv. Credit risk concentration

Concentration risk is monitored and managed based on sectoral distribution. The table below analyses the Fund's portfolio of unlisted corporate bonds and unlisted government bond by sectoral distribution:

	Percentage of total unlisted bonds		Percentage of NAV	
	2024 %	2023 %	2024 %	2023 %
Energy and Utilities	33.3	29.2	5.9	6.3
Financial	22.3	30.4	4.0	6.6
Real Estate	17.6	22.9	3.1	5.0
Transportation and Storage	12.1	5.3	1.9	1.1
Consumer Discretionary	10.7	12.2	2.2	2.7
Communications Services	2.8	-	0.5	-
Government	1.2	-	0.2	-
	<u>100.0</u>	<u>100.0</u>	<u>17.8</u>	<u>21.7</u>

c. Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or cancel its units earlier than expected. The Fund is exposed to cancellation of its units on a regular basis. Units sold to members by the PRS Provider are cancellable at the members' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The liquid assets comprise cash at bank, short term deposit with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

The following table analyses the maturity profile of the Fund's financial assets and financial liabilities in order to provide a complete view of the Fund's contractual commitments and liquidity.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

c. Liquidity risk (contd.)

2024	Note	No maturity RM	Up to 1 year RM	Above 1 year - 5 years RM	Above 5 years - 15 years RM	Total RM
Assets						
Financial assets at FVTPL		-	178,908,596	21,889,994	13,635,349	214,433,939
Short term deposit		-	13,999,000	-	-	13,999,000
Cash at bank		5,772	-	-	-	5,772
Other financial assets		-	881,045	-	-	881,045
	i.	5,772	193,788,641	21,889,994	13,635,349	229,319,756
Liabilities						
Other financial liabilities	ii.	-	475,429	-	-	475,429
Equity	iii.	-	228,784,659	-	-	228,784,659
Liquidity gap		5,772	(35,471,447)	21,889,994	13,635,349	59,668

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

c. Liquidity risk (contd.)

2023	Note	No maturity RM	Up to 1 year RM	Above 1 year - 5 years RM	Above 5 years - 15 years RM	Total RM
Assets						
Financial assets at FVTPL		-	116,981,187	26,677,271	3,282,237	146,940,695
Short term deposit		-	15,935,000	-	-	15,935,000
Cash at bank		55,608	-	-	-	55,608
Other financial assets		-	599,939	-	-	599,939
	i.	55,608	133,516,126	26,677,271	3,282,237	163,531,242
Liabilities						
Other financial liabilities	ii.	-	132,703	-	-	132,703
Equity	iii.	-	163,239,314	-	-	163,239,314
Liquidity gap		55,608	(29,855,891)	26,677,271	3,282,237	159,225

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

c. Liquidity risk (contd.)

i. Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investments in listed equity securities and listed collective investment schemes have been included in the "up to 1 year" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's members' equity be required to be redeemed. For other financial assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

ii. Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the date on which liabilities will be settled. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

iii. Equity

As the members can request for redemption of their units, they have been categorised as having a maturity of "up to 1 year". As a result, it appears that the Fund has a liquidity gap within "up to 1 year". However, the Fund believes that it would be able to liquidate its investments should the need arises to satisfy all the redemption requirements.

d. Regulatory reportings

It is the PRS Provider's responsibility to ensure full compliance of all requirements under the Guidelines on Private Retirement Schemes issued by the Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to the Securities Commission Malaysia on a monthly basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the MFRS and amended MFRS, which became effective for the Fund on 1 August 2023.

Description	Effective for financial periods beginning on or after
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 — Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112: <i>International Tax Reform — Pillar Two Model Rules</i>	1 January 2023

The adoption of the MFRS and amended MFRS did not have any material impact on the financial position or performance of the Fund.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

b. Standards and amendments to standards issued but not yet effective

As at the reporting date, the following new standards and amendments to standards that have been issued by MASB will be effective for the Fund in future financial periods. The Fund intends to adopt the relevant standard and amendments to standards when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: <i>Disclosures</i>	1 January 2027

These pronouncements are not expected to have any material impact to the financial statements of the Fund upon their initial application.

c. Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instruments.

i. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3(c)(ii) and (iii).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

c. Financial instruments (contd.)

ii. Measurement categories of financial assets and liabilities

The Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets are initially measured at their fair values plus, except in the case of financial assets recorded at FVTPL, transaction costs.

The Fund's other financial assets include cash at bank, short term deposit, trade receivables and other receivables.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The Fund's other financial liabilities include trade payables and other payables.

Other financial liabilities are recognised and initially measured at fair values, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate ("EIR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

iii. Due from banks, short term deposits, trade receivables and other receivables at amortised cost

The Fund only measures the cash at banks, short term deposits, trade receivables and other receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term deposits, trade receivables and other receivables at amortised cost (contd.)

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How the PRS Provider of the business is compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Fund's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

The SPPI test

As a second step of its classification process, the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost (contd.)

The SPPI test (contd.)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

iv. Financial investments

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Fund also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Fund has transferred the financial asset if, and only if, either:

- The Fund has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

d. Derecognition of financial assets (contd.)

Pass-through arrangements are transactions whereby the Fund retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Fund has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Fund cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Fund has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Fund is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Fund has transferred substantially all the risks and rewards of the asset; or
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Fund considers control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Fund has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Fund's continuing involvement, in which case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Fund could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Fund would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

f. Impairment of financial assets

i. Overview of the expected credit loss ("ECL") principles

The Fund measures its receivables impairment using the forward-looking ECL approach in accordance with the requirements of MFRS 9.

ii. Write-offs

Financial assets are written off either partially or in their entirety only when the Fund has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

g. Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Interest income, which includes the accretion of discount and amortisation of premium on fixed income securities, is recognised using the effective interest method.

Dividend income is recognised on declared basis, when the right to receive the dividend is established.

The realised gain or loss on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at banks and short term deposits with licensed financial institutions with maturities of three months or less, which have an insignificant risk of changes in value.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

i. Income tax

Income tax on the profit or loss for the financial year comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year.

As no temporary differences have been identified, no deferred tax has been recognised.

j. Unrealised reserves

Unrealised reserves represent the net gain or loss arising from carrying investments at their fair values at reporting date. This reserve is not distributable.

k. Members' contribution – NAV attributable to members

The members' contribution to the Fund is classified as equity instruments.

l. Functional and presentation currency

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 also the Fund's functional currency.

m. Distributions

Distributions are at the discretion of the PRS Provider. A distribution to the Fund's members is accounted for as a deduction from retained earnings.

n. Significant accounting judgements and estimates

In the process of applying the Fund's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Fund's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

n. Significant accounting judgement and estimates (contd.)

Where the financial instruments are not traded in an active market, fair value may be established by using a valuation technique which includes but is not limited to using option prices, benchmarking to recent arm's length transactions between knowledgeable willing parties, and reference to the current fair value of another instrument that is substantially the same. The Fund uses valuation techniques which involves making assumptions based on market conditions and other factors as of reporting date.

4. FINANCIAL ASSETS AT FVTPL

	2024 RM	2023 RM
Financial assets held for trading, at FVTPL:		
Listed equity securities	166,525,062	106,588,733
Listed collective investment schemes	5,064,025	4,911,956
Unlisted corporate bonds	40,150,199	35,440,006
Unlisted government bond	481,296	-
Unlisted options	2,213,357	-
	<u>214,433,939</u>	<u>146,940,695</u>
Net gain/(loss) on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals	4,461,785	(5,321,655)
Unrealised changes in fair values	43,231,765	5,025,192
	<u>47,693,550</u>	<u>(296,463)</u>

Details of financial assets at FVTPL as at 31 July 2024:

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Listed equity securities				
Industrial Products and Services				
Ancom Nylex Berhad	2,221,193	2,296,077	2,310,041	1.0
Aurelius Technologies Berhad	742,400	2,051,452	2,628,096	1.2
CPE Technology Berhad	1,776,400	1,967,050	2,256,028	1.0
Dufu Technology Corp. Berhad	1,495,000	2,751,682	3,453,450	1.5
EG Industries Berhad	1,678,200	1,948,497	3,524,220	1.5

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 July 2024 (contd.):

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Industrial Products and Services(contd.)				
Feytech Holdings Berhad	1,120,000	1,243,484	1,120,000	0.5
Kawan Renergy Berhad	1,250,000	952,233	981,250	0.4
Kelington Group Berhad	1,350,000	2,285,421	4,603,500	2.0
Kinergy Advancement Berhad	3,836,800	1,169,424	1,381,248	0.6
KJTS Group Berhad	2,100,000	999,177	1,564,500	0.7
Nationgate Holdings Berhad	1,500,000	2,114,732	3,165,000	1.4
Pecca Group Berhad	999,400	1,329,202	1,239,256	0.5
Pekat Group Berhad	3,277,000	1,448,776	3,129,535	1.4
Press Metal Aluminium Holdings	356,000	1,804,206	1,908,160	0.8
Samaiden Group Berhad	1,961,000	1,818,824	2,392,420	1.0
SAM Engineering & Equipment (M) Berhad	718,725	2,723,489	4,096,732	1.8
Sunway Berhad	1,842,895	3,384,406	7,906,020	3.5
		<u>32,288,132</u>	<u>47,659,456</u>	<u>20.8</u>
Technology				
CTOS Digital Berhad	400,000	632,000	568,000	0.2
Frontken Corporation Berhad	1,799,500	4,013,310	7,737,850	3.4
Greatech Technology Berhad	1,000,000	2,815,404	5,310,000	2.3
My E.G. Services Berhad	1,937,514	1,630,848	1,918,139	0.8
Unisem (M) Berhad	560,000	1,751,235	2,038,400	0.9
UWC Berhad	700,000	2,232,841	2,016,000	0.9
VSTECS Berhad	382,200	1,613,851	1,494,402	0.7
		<u>14,689,489</u>	<u>21,082,791</u>	<u>9.2</u>
Construction				
Gamuda Berhad	511,605	2,738,802	4,021,215	1.8

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 July 2024 (contd.):

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Construction (contd.)				
IJM Corporation Berhad	910,000	2,171,895	3,185,000	1.4
MGB Berhad	847,500	646,928	724,613	0.3
UUE Holdings Berhad	2,565,400	1,710,460	2,052,320	0.9
WCT Holdings Berhad	6,900,000	3,660,722	9,039,000	3.9
		<u>10,928,807</u>	<u>19,022,148</u>	<u>8.3</u>
Financial Services				
AFFIN Bank Berhad	533,700	1,506,183	1,627,785	0.7
Alliance Bank Malaysia Berhad	509,900	1,941,172	2,100,788	0.9
AMMB Holdings Berhad	895,700	3,190,262	4,039,607	1.8
CIMB Group Holdings Berhad	860,357	4,450,426	6,392,453	2.8
Malayan Banking Berhad	90,020	731,472	920,004	0.4
Public Bank Berhad	878,100	3,385,208	3,696,801	1.6
		<u>15,204,723</u>	<u>18,777,438</u>	<u>8.2</u>
Utilities				
Taliworks Corp Berhad	1,622,000	1,469,202	1,346,260	0.6
Tenaga Nasional Berhad	274,700	2,604,193	3,867,776	1.7
YTL Corporation Berhad	1,100,000	1,679,526	3,751,000	1.6
YTL Power International Berhad	1,630,000	3,040,207	7,595,800	3.3
		<u>8,793,128</u>	<u>16,560,836</u>	<u>7.2</u>
Property				
Iskandar Waterfront City Berhad	531,200	398,400	379,808	0.2
Mah Sing Group Berhad	1,611,000	1,787,413	3,028,680	1.3
Sime Darby Property Berhad	3,070,000	1,841,387	4,850,600	2.1
UEM Sunrise Berhad	1,900,000	1,382,813	2,147,000	0.9
		<u>5,410,013</u>	<u>10,406,088</u>	<u>4.5</u>

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 July 2024 (contd.):

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Telecommunications and Media				
Axiata Group Berhad	1,680,300	4,706,518	4,032,720	1.8
REDtone Digital Berhad	912,800	872,669	1,013,208	0.4
Telekom Malaysia Berhad	476,487	2,980,040	3,321,114	1.5
		<u>8,559,227</u>	<u>8,367,042</u>	<u>3.7</u>
Energy				
Dayang Enterprise Holdings Berhad	573,000	1,093,048	1,633,050	0.7
Dialog Group Berhad	770,000	1,926,155	1,955,800	0.9
Velesto Energy Berhad	8,600,000	2,100,173	1,849,000	0.8
Yinson Holdings Berhad	1,130,000	2,661,531	2,700,700	1.2
		<u>7,780,907</u>	<u>8,138,550</u>	<u>3.6</u>
Health Care				
Alpha IVF Group Berhad	2,985,200	955,264	955,264	0.4
IHH Healthcare Berhad	396,000	2,528,434	2,494,800	1.1
Kossan Rubber Industries Berhad	790,000	1,993,959	1,674,800	0.7
Top Glove Corp Berhad	2,300,000	2,120,747	2,369,000	1.1
		<u>7,598,404</u>	<u>7,493,864</u>	<u>3.3</u>
Consumer Products and Services				
Aeon Co M Berhad	1,652,900	1,938,661	2,330,589	1.0
Carlsberg Brewery Malaysia Berhad	200,000	4,390,190	3,748,000	1.7
Well Chip Group Berhad	700,000	1,197,770	1,218,000	0.5
		<u>7,526,621</u>	<u>7,296,589</u>	<u>3.2</u>

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 July 2024 (contd.):

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Plantation				
Genting Plantations Berhad	301,800	1,825,095	1,720,260	0.8
Total listed equity securities		120,604,546	166,525,062	72.8
Listed collective investment schemes				
Real Estate Investment Trust				
IGB Real Estate Investment Trust	700,000	1,183,823	1,372,000	0.6
Pavilion Real Estate Investment Trust	2,000,000	2,440,000	2,680,000	1.2
		3,623,823	4,052,000	1.8
Business Trusts				
Prolintas Infra Business Trust	1,156,600	1,098,770	1,012,025	0.4
Total listed collective investment schemes		4,722,593	5,064,025	2.2
Unlisted corporate bonds				
DRB-Hicom Berhad maturing on 12/12/2024	1,600,000	1,609,973	1,614,117	0.7
DRB-Hicom Berhad maturing on 11/12/2026	1,600,000	1,610,630	1,633,286	0.7
Dynasty Harmony Sdn Bhd maturing on 19/12/2031	1,500,000	1,635,049	1,607,102	0.7

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 July 2024 (contd.):

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Unlisted corporate bonds (contd.)				
Fortune Premiere Sdn Bhd maturing on 05/09/2025	2,000,000	2,075,117	2,064,857	0.9
Hong Leong Assurance Berhad maturing on 31/01/2030	200,000	201,472	203,753	0.1
IJM Land Berhad maturing on 19/03/2027	2,350,000	2,425,180	2,456,674	1.1
Jimah East Power Sdn Bhd maturing on 04/06/2027	1,500,000	1,583,741	1,575,904	0.7
Malayan Banking Berhad maturing on 30/01/2026	1,250,000	1,261,870	1,267,736	0.6
Malayan Banking Berhad maturing on 31/01/2031	1,050,000	1,080,797	1,064,898	0.5
Malayan Banking Berhad maturing on 05/08/2031	3,400,000	3,456,541	3,432,809	1.5
Malaysia Airport Holdings Berhad maturing on 13/12/2024	3,000,000	3,036,411	3,036,275	1.3
MMC Port Holdings Sdn Bhd maturing on 08/04/2027	1,000,000	1,013,863	1,028,453	0.4
MMC Corporation Berhad maturing on 24/03/2028	800,000	852,014	864,255	0.4
OCK Group Berhad maturing on 24/11/2028	1,100,000	1,114,956	1,131,085	0.5
Quantum Solar Park (Semenanjung) Sdn Bhd maturing on 06/10/2026	2,100,000	2,180,426	2,201,673	1.0

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 July 2024 (contd.):

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Unlisted corporate bonds (contd.)				
Quantum Solar Park (Semenanjung) Sdn Bhd maturing on 06/04/2027	2,000,000	2,085,906	2,111,024	0.9
Quantum Solar Park (Semenanjung) Sdn Bhd maturing on 04/04/2031	1,100,000	1,209,055	1,226,225	0.5
reNIKOLA Solar II Sdn Bhd maturing on 29/09/2026	1,000,000	1,014,384	1,023,114	0.4
RHB Bank Berhad maturing on 28/09/2032	3,000,000	3,045,205	3,091,165	1.4
Sarawak Petchem Sdn Bhd maturing on 25/07/2036	1,000,000	1,056,551	1,134,965	0.5
Sinar Kamiri Sdn Bhd maturing on 30/01/2030	500,000	493,490	520,153	0.2
SunREIT Bond Berhad (formerly known as SunREIT Unrated Bond Berhad) maturing on 20/07/2029	1,000,000	1,001,088	1,005,198	0.4
Tanjung Bin Power Sdn Bhd maturing on 16/08/2027	1,500,000	1,591,224	1,589,907	0.7
UMW Holdings Berhad maturing on 20/04/2028	1,000,000	1,036,988	1,087,841	0.5
YTL Power International Berhad maturing on 03/05/2027	1,100,000	1,150,466	1,150,833	0.5

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 July 2024 (contd.):

	Quantity	Aggregate/ Amortised cost RM	Fair value RM	Percentage of NAV %
Unlisted corporate bonds (contd.)				
YTL Power International Berhad maturing on 18/03/2037	1,000,000	1,018,585	1,026,897	0.4
Total unlisted corporate bonds		39,840,982	40,150,199	17.5
Unlisted government bond				
Government of Malaysia maturing on 15/07/2036	500,000	477,401	481,296	0.2
Total unlisted government bond		477,401	481,296	0.2
Unlisted options				
Call/Put - Sunview Group Berhad T1 maturing on 8/2/2025	2,164,300	1,493,367	1,578,562	0.7
Call/Put - Sunview Group Berhad T2 maturing on 27/2/2025	875,500	604,095	634,795	0.3
Total unlisted options		2,097,462	2,213,357	1.0
Total financial assets at FVTPL		167,742,984	214,433,939	93.7
Unrealised gain on financial assets at FVTPL			46,690,955	

5. PRS PROVIDER’S REMUNERATION

PRS Provider’s remuneration is calculated on a daily basis at a rate up to 5.00% per annum of the NAV of the Fund as provided under Division 17.1 of the Deed.

The PRS Provider is currently charging PRS Provider’s remuneration of 1.55% per annum of the NAV of the Fund (2023: 1.55% per annum).

6. TRUSTEE’S FEE

Pursuant to the supplemental deed dated 2 October 2014, the Trustee’s fee is calculated on a daily basis at a rate not exceeding 0.015% per annum of the NAV of the Fund and subject to a minimum fee of RM6,000 per annum as provided under Division 17.2 of the Deed.

The Trustee’s fee is currently calculated at 0.015% per annum of the NAV of the Fund (2023: 0.015% per annum).

7. PRIVATE PENSION ADMINISTRATOR (“PPA”) ADMINISTRATION FEE

PPA administration fee is calculated on a daily basis at a rate of 0.04% per annum of the NAV of the Fund (2023: 0.04% per annum).

8. INCOME TAX

	2024 RM	2023 RM
Current income tax expense:		
- Local withholding tax	30,616	-

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the current and previous financial years.

Income tax is calculated on investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

8. INCOME TAX (CONTD.)

	2024 RM	2023 RM
Net income before tax	49,784,333	1,966,213
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	11,948,240	471,891
Tax effect of:		
Income not subject to tax	(12,836,439)	(2,484,318)
Losses not deductible for tax purposes	-	1,277,197
Expenses not deductible for tax purposes	241,284	116,579
Restriction on tax deductible expenses for unit trust fund	646,915	618,651
Local withholding tax	30,616	-
Income tax for the financial year	30,616	-

9. SHORT TERM DEPOSIT

Short term deposit are held with licensed financial institutions in Malaysia at the prevailing interest rates.

10. AMOUNT DUE FROM/TO LICENSED FINANCIAL INSTITUTIONS

Amount due from/to licensed financial institutions related to the amount to be received from or paid to licensed financial institutions arising from the sales and purchases of investments.

11. OTHER RECEIVABLES

	2024 RM	2023 RM
Interest receivable from short term deposit	1,170	5,239
Dividend receivables	122,841	105,528
	124,011	110,767

12. OTHER PAYABLES

	2024 RM	2023 RM
Accrual for auditors' remuneration	13,500	9,700
Accrual for tax agent's fees	7,000	4,500
Provision for printing and other expenses	39,168	145,025
	59,668	159,225

13. NET ASSET VALUE ATTRIBUTABLE TO MEMBERS

NAV attributable to members is represented by:

	Note	2024 RM	2023 RM
Members' contribution	(a)	<u>163,908,512</u>	<u>148,116,884</u>
Retained earnings:			
Realised reserves		18,185,192	11,663,240
Unrealised reserves		<u>46,690,955</u>	<u>3,459,190</u>
		<u>64,876,147</u>	<u>15,122,430</u>
		<u>228,784,659</u>	<u>163,239,314</u>

(a) Members' contribution

	2024		2023	
	No. of units	RM	No. of units	RM
At beginning of the financial year	211,847,539	148,116,884	191,966,987	132,891,790
Add: Creation of units	23,636,967	19,631,442	22,236,313	17,016,055
Less: Cancellation of units	<u>(4,431,172)</u>	<u>(3,839,814)</u>	<u>(2,355,761)</u>	<u>(1,790,961)</u>
At end of the financial year	<u>231,053,334</u>	<u>163,908,512</u>	<u>211,847,539</u>	<u>148,116,884</u>

The PRS Provider, Kenanga Investors Berhad, did not hold any units in the Fund, either legally or beneficially, as at 31 July 2024 (2023: nil). The number of units legally or beneficially held by the other parties related to the PRS Provider were 221,072 units valued at RM218,905 as at 31 July 2024 (2023: 67,436 units valued at RM51,966).

14. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 0.44 times (2023: 0.37 times).

PTR is the ratio of average sum of acquisitions and disposals of investments of the Fund for the financial year to the average NAV of the Fund, calculated on a daily basis.

15. TOTAL EXPENSE RATIO ("TER")

TER for the financial year is 1.63% per annum (2023: 1.71% per annum).

TER is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund's average NAV, calculated on a daily basis.

16. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

	Transaction value RM	Percentage of total %	Brokerage, stamp duty and clearing fee RM	Percentage of total %
RHB Investment Bank Berhad	22,044,621	13.3	53,059	10.3
Kenanga Investment Bank Berhad*	21,837,793	13.2	62,525	12.1
Maybank Investment Bank Berhad	18,384,228	11.1	59,539	11.5
UOB Kay Hian Securities (M) Sdn Bhd	16,954,739	10.2	59,338	11.5
KAF Equities Sdn Bhd	13,778,340	8.3	42,304	8.2
CGS-CIMB Securities Sdn Bhd	12,991,215	7.8	42,803	8.3
CIMB Securities Sdn Bhd	12,123,443	7.3	40,062	7.7
Affin Hwang Investment Bank Berhad	10,554,421	6.4	33,225	6.4
CGS International Securities Malaysia Sdn Bhd	8,978,184	5.4	29,950	5.8
Public Investment Bank Berhad	8,679,666	5.2	27,686	5.4
Others	19,591,046	11.8	66,466	12.8
	<u>165,917,696</u>	<u>100.0</u>	<u>516,957</u>	<u>100.0</u>

* Kenanga Investment Bank Berhad is a related party of Kenanga Investors Berhad.

The above transaction values are in respect of listed equity securities, listed collective investment schemes, unlisted corporate bonds, unlisted government bond and unlisted options. Transactions in unlisted corporate bonds and unlisted government bond do not involve any commission or brokerage fees.

The directors of the PRS Provider are of the opinion that the transactions with Kenanga Investors Berhad have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The PRS Provider is of the opinion that the above dealings have been transacted on an arm's length basis.

17. SEGMENTAL REPORTING

a. Business segments

In accordance with the objective of the Fund, the Fund can invest a maximum of 80% of its NAV in equities and a minimum of 20% of its NAV in fixed income instruments and/or money market instruments. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

	Listed investment securities RM	Unlisted investment securities RM	Other investments RM	Total RM
2024				
Revenue				
Segment income	50,925,301	2,020,842	539,021	
Segment expenses	(537,932)	(58,372)	-	
Net segment income representing segment results	50,387,369	1,962,470	539,021	52,888,860
Unallocated expenditure				(3,104,527)
Income before tax				49,784,333
Income tax				(30,616)
Net income after tax				49,753,717
Assets				
Financial assets at FVTPL	171,589,087	42,844,852	-	
Short term deposit	-	-	13,999,000	
Other segment assets	122,841	-	1,170	
Total segment assets	171,711,928	42,844,852	14,000,170	228,556,950
Unallocated assets				762,806
				229,319,756
Liabilities				
Segment liabilities	265,184	-	-	265,184
Unallocated liabilities				269,913
				535,097

17. SEGMENTAL REPORTING (CONTD.)

a. Business segments (contd.)

	Listed investment securities RM	Unlisted investment securities RM	Other investments RM	Total RM
2023				
Revenue				
Segment income	2,743,177	1,830,819	455,673	
Segment expenses	(397,133)	-	-	
Net segment income representing segment results	<u>2,346,044</u>	<u>1,830,819</u>	<u>455,673</u>	4,632,536
Unallocated expenditure				(2,666,323)
Income before tax				<u>1,966,213</u>
Income tax				-
Net income after tax				<u>1,966,213</u>
Assets				
Financial assets at FVTPL	111,500,689	35,440,006	-	
Short term deposit	-	-	15,935,000	
Other segment assets	<u>594,700</u>	<u>-</u>	<u>5,239</u>	
Total segment assets	<u>112,095,389</u>	<u>35,440,006</u>	<u>15,940,239</u>	163,475,634
Unallocated assets				<u>55,608</u>
				<u>163,531,242</u>
Liabilities				
Unallocated liabilities				<u>291,928</u>

b. Geographical segments

As all of the Fund's investments are located in Malaysia, disclosure by geographical segments is not relevant.

18. FINANCIAL INSTRUMENTS

a. Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
2024				
Assets				
Listed equity securities	166,525,062	-	-	166,525,062
Listed collective investment schemes	5,064,025	-	-	5,064,025
Unlisted corporate bonds	40,150,199	-	-	40,150,199
Unlisted government bond	481,296	-	-	481,296
Unlisted options	2,213,357	-	-	2,213,357
Short term deposit	-	13,999,000	-	13,999,000
Amount due from licensed financial institutions	-	757,034	-	757,034
Other receivables	-	124,011	-	124,011
Cash at bank	-	5,772	-	5,772
	<u>214,433,939</u>	<u>14,885,817</u>	<u>-</u>	<u>229,319,756</u>
Liabilities				
Amount due to licensed financial institutions	-	-	265,184	265,184
Amount due to PRS Provider	-	-	199,538	199,538
Amount due to Trustee	-	-	2,920	2,920
Amount due to PPA	-	-	7,787	7,787
	<u>-</u>	<u>-</u>	<u>475,429</u>	<u>475,429</u>

18. FINANCIAL INSTRUMENTS (CONTD.)

a. Classification of financial instruments (contd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
2023				
Assets				
Listed equity securities	106,588,733	-	-	106,588,733
Listed collective investment schemes	4,911,956	-	-	4,911,956
Unlisted corporate bonds	35,440,006	-	-	35,440,006
Short term deposit	-	15,935,000	-	15,935,000
Amount due from licensed financial institutions	-	489,172	-	489,172
Other receivables	-	110,767	-	110,767
Cash at bank	-	55,608	-	55,608
	<u>146,940,695</u>	<u>16,590,547</u>	<u>-</u>	<u>163,531,242</u>
Liabilities				
Amount due to PRS Provider	-	-	125,224	125,224
Amount due to Trustee	-	-	2,041	2,041
Amount due to PPA	-	-	5,438	5,438
	<u>-</u>	<u>-</u>	<u>132,703</u>	<u>132,703</u>

b. Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

The following table shows the fair value measurements by level of the fair value measurement hierarchy:

18. FINANCIAL INSTRUMENTS (CONTD.)

b. Financial instruments that are carried at fair value (contd.)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Investments:				
2024				
Listed equity securities	166,525,062	-	-	166,525,062
Listed collective investment schemes	5,064,025	-	-	5,064,025
Unlisted corporate bonds	-	40,150,199	-	40,150,199
Unlisted government bond	-	481,296	-	481,296
Unlisted options	-	-	2,213,357	2,213,357
	<u>171,589,087</u>	<u>40,631,495</u>	<u>2,213,357</u>	<u>214,433,939</u>
2023				
Listed equity securities	106,588,733	-	-	106,588,733
Listed collective investment schemes	4,911,956	-	-	4,911,956
Unlisted corporate bonds	-	35,440,006	-	35,440,006
	<u>111,500,689</u>	<u>35,440,006</u>	<u>-</u>	<u>146,940,695</u>

Level 1: Listed prices in active market

Level 2: Model with all significant inputs which are observable market data

Level 3: Model with inputs not based on observable market data

The fair values of listed equity securities and listed collective investment schemes are determined by reference to Bursa Malaysia Securities Berhad's last traded prices at reporting date. The fair values of unlisted corporate bonds and unlisted government bond are based on evaluated mid prices provided by a bond pricing agency accredited by the Securities Commission Malaysia at reporting date.

18. FINANCIAL INSTRUMENTS (CONTD.)

b. Financial instruments that are carried at fair value (contd.)

Reconciliation of fair value measurements of Level 3 financial instruments

The Fund carries the unlisted options as financial assets at FVTPL classified as Level 3 within the fair value hierarchy.

The following table shows a reconciliation of all movements in the fair value of the unlisted options categorised within Level 3 between the beginning and the end of the financial year.

	2024 RM	2023 RM
At the beginning of the financial year	-	-
Purchase cost	2,997,462	-
Proceeds from maturity	(1,098,000)	-
Realised gain	198,000	-
Unrealised change in fair value	115,895	-
At the end of the financial year	<u>2,213,357</u>	<u>-</u>

The following table presents additional information about the valuation methodology and input used for an investment that is measured at fair value and categorised within Level 3:

	Fair value	Valuation methodology	Unobservable input
2024			
Call/Put - Sunview Group Berhad T1 maturing on 8/2/2025	1,578,562	Discounted cash flow	Option prices
Call/Put - Sunview Group Berhad T2 maturing on 27/2/2025	<u>634,795</u>	Discounted cash flow	Option prices
	<u>2,213,357</u>		

c. Financial instruments not carried at fair value and for which their carrying amounts are reasonable approximations of fair value

The carrying amounts of the Fund's other financial assets and financial liabilities are not carried at fair value but approximate fair values due to the relatively short term maturity of these financial instruments.

19. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- a. To invest in investments meeting the description, risk exposure and expected return indicated in its disclosure document;
- b. To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- c. To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

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