

KENANGA SYARIAH GROWTH FUND

ANNUAL REPORT

For the Financial Year Ended 31 May 2024

kenanga

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

KENANGA SYARIAH GROWTH FUND

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CORPORATE DIRECTORY

Manager: 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

Level 14, Kenanga Tower
237, Jalan Tun Razak
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.

External Fund Manager: Kenanga Islamic Investors Berhad

Company No. 199701036457 (No. 451957-D)

Registered Office

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

Level 14, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 3000
Fax: 03-2172 3080

Trustee: CIMB Islamic Trustee Berhad Company No. 198801000556 (167913-M)

Registered Office

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50490 Kuala Lumpur.
Tel: 03-2261 8888
Fax: 03-2261 0099
Website: www.cimb.com

Business Office

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50490 Kuala Lumpur.
Tel: 03-2261 8888
Fax: 03-2261 9894

Shariah Adviser: Kenanga Investment Bank Berhad Company No. 197301002193 (15678-H)

Registered Office

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

Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2727
Fax: 03-2172 2897
Website: www.kenanga.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

Membership: Federation of Investment Managers Malaysia (FIMM)

19-06-1, 6th Floor, Wisma Tune, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.
Tel: 03-2093 2600 Fax: 03-2093 2700 Website: www.fimm.com.my

DIRECTORY OF MANAGER'S OFFICES

Regional Branch Offices:

Kuala Lumpur

Level 13, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 3123
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Melaka

No. 43, Jalan KSB 11
Taman Kota Syahbandar
75200 Melaka
Tel: 06-240 2310
Fax: 06-240 2287

Klang

No. 12, Jalan Batai Laut 3
Taman Intan
41300 Klang, Selangor
Tel: 03-3341 8818 / 03-3348 7889
Fax: 03-3341 8816

Penang

5.04, 5th Floor
Menara Boustead Penang
No. 39, Jalan Sultan Ahmad Shah
10050 Penang
Tel: 04-210 6628
Fax: 04-210 6644

Miri

2nd Floor, Lot 1264
Centre Point Commercial Centre
Jalan Melayu
98000 Miri, Sarawak
Tel: 085-416 866
Fax: 085-322 340

Seremban

2nd Floor, No. 1D-2
Jalan Tuanku Munawir
70000 Seremban
Negeri Sembilan
Tel: 06-761 5678
Fax: 06-761 2242

Johor Bahru

No. 63
Jalan Molek 3/1, Taman Molek
81100 Johor Bahru, Johor
Tel: 07-288 1683
Fax: 07-288 1693

Kuching

1st Floor, No 71
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 Syariah Growth Fund (**KSGF** or **the Fund**)

1.2 Fund Category / Type

Equity (Islamic) / Growth

1.3 Investment Objective

The Fund aims to provide unit holders with long-term capital growth by investing principally in equities that comply with Shariah requirements.

1.4 Investment Strategy

The Fund's assets are actively invested in a diversified portfolio of Malaysian Shariah-compliant equity and Shariah-compliant equity-related securities of companies with sustainable business model and trading at a discount to its intrinsic value.

1.5 Duration

The Fund was launched on 29 January 2002 and shall exist as long as it appears to the Manager and the Trustee that it is in the interest of the unit holders for it to continue.

1.6 Performance Benchmark

FTSE-Bursa Malaysia Emas Shariah Index (FBMS)

1.7 Distribution Policy

Income distribution is incidental, if any.

1.8 External Fund Manager

Kenanga Islamic Investors Berhad

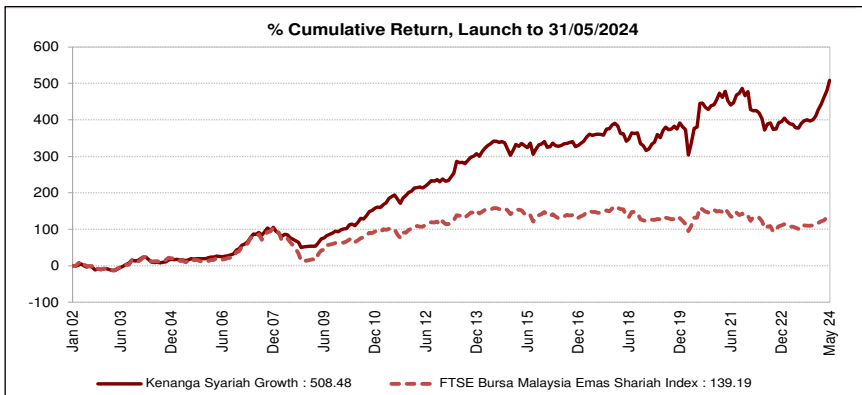
2. MANAGER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

The Fund has appreciated by 508.48% since inception. Hence it has achieved its investment objective of consistent capital appreciation over the long term by primarily investing in Shariah-compliant securities with good growth prospects.

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

Performance Chart Since Launch (29/01/2002 - 31/05/2024)
Kenanga Syariah Growth Fund vs FTSE-Bursa Malaysia Emas Shariah Index



Source: Novagni Analytics and Advisory

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

The Fund continued with its strategy of investing in Shariah-compliant securities of companies with sustainable business models and competent management, whilst trading at a discount to their intrinsic / fair value.

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

Asset	31 May 2024	31 May 2023
Listed Shariah-compliant equity securities	93.4%	77.5%
Listed Islamic collective investment schemes	0.8%	0.9%
Listed Shariah-compliant warrants	0.4%	0.2%
Unlisted Islamic options	1.6%	0.8%
Short term Islamic deposits and cash	3.8%	20.6%

Reason for the differences in asset allocation

As at 31 May 2024, the Fund's allocation in listed Shariah-compliant investment securities stood at 93.4%. The higher invested level was maximized to enhance the Fund's returns.

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

	Year under review
KSGF	27.07%
FTSE-Bursa Malaysia Emas Shariah Index (FBMS)	16.84%

Source: Lipper

The Fund outperformed its benchmark, FTSE- Bursa Malaysia Emas Shariah Index (FBMS) for the financial year under review.

2.6 Review of the market

Market review

US equities turned strongly positive in June. The S&P 500 gained 6.5%, marking its best monthly performance since October. The Nasdaq advanced 6.6%. Both indexes notched a fourth consecutive positive month. The Dow Jones climbed 4.6%, its best month since November. This advance came amidst moderating inflation and signs that the US economy remains resilient despite higher interest rates. May's inflation data came in at 4.05%, the lowest level in two years. Core inflation declined slightly, while Consumer Price Index (CPI) marginally increased month-on-month (MoM). Amid softening inflation, the Federal Reserve (Fed) kept the target Federal Funds Rate unchanged at 5.25%, making its June 14 meeting the first without an increase in the last 11 meetings.

US Dow Jones, S&P 500 and Nasdaq gained 3.4%, 3.1% and 4.1% MoM. US CPI moderated further to 3% year-on-year (YoY) in June, down from 4% YoY in May. Core CPI excluding food and energy climbed 4.8% in June, its lowest rate since October 2021. As widely expected, the Fed raised interest rate by 25 basis points (bps) at the July Federal Open Market Committee (FOMC) meeting to 5.25%-5.50%, the highest level in 22 years. The Fed resumed the tightening campaign after a pause in June. Fed's Chairman, Jerome Powell, emphasized on data dependence for September's decision. Meanwhile, US Gross Domestic Product (GDP) grew faster than expected by 2.4% quarter-on-quarter (QoQ) on annualised basis (1Q2023: 2% QoQ) which was underpinned mainly by the sustained rise in private consumption and positive turnaround in investment activities.

Global equity markets retraced in August with US S&P 500, Nasdaq and Dow Jones down 1.8%, 2.2% and 2.4% MoM. US CPI rose 3.2% YoY in July which was slightly below expectations while core CPI excluding food and energy which was up by 4.7% YoY was in line with estimates. Fitch Ratings downgraded the US debt rating from the highest AAA rating to AA+, 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. Job openings fell to the lowest since March 2021 as labor market softens. The Fed's Chairman noted that "additional evidence of persistently above-trend growth could put further progress on inflation at risk and could warrant further tightening of monetary policy" during the Jackson Hole Symposium.

2.6 Review of the market (contd.)

Market review (contd.)

Global equity markets retraced in September with notable declines in the US indices: S&P 500, Nasdaq, and Dow Jones registered drops of 4.9%, 5.1%, and 3.5% MoM, respectively. This market correction followed the FOMC's decision and the moderate rise in US inflation, which led investors to assess the implications of these developments. The focal point was the Fed's decision to maintain the target Federal Funds Rate at 5.25% to 5.5%. The accompanying dot plot indicated an expectation of one more interest rate hike within the current year. This outlook was underpinned by factors such as robust economic growth, a tight job market, and persistently high inflation. On the inflation front, CPI in August recorded a 0.6% MoM increase, primarily attributable to rising energy prices. Meanwhile the core CPI, excluding energy and food prices experienced a milder monthly increase at 0.3% MoM in August from 0.2% in July.

In October 2023, global equities (MSCI World) experienced a 3.0% MoM decline, primarily 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. This decline was exacerbated by escalating geopolitical tensions. Notably, all three indexes recorded their third consecutive negative month, marking the first three-month losing streak for Dow Jones and S&P 500 since 2020. The market downturn was also attributed to concerns that US policymakers might maintain high interest rates to curb inflation, potentially hampering economic growth. As expected, the FOMC meeting held on 31 October to 1 November 2023 ended with the Fed staying on pause mode. The last change in the target Federal Funds Rate range was a 25bps hike to a 22-year high of 5.25% to 5.50% at the July 2023 FOMC meeting. The latest FOMC statement indicates two significant changes. Firstly, the job market, while still strong with low unemployment, has seen a moderation in job gains, suggesting a cooling trend compared to the previous statement. Secondly, the Fed acknowledges that both the rise in market interest rates, particularly the US Treasuries (UST) yields, and the stricter lending standards implemented by US banks are contributing to the overall tightening of financial and credit conditions for households and businesses. This tightening aligns with the Fed's broader efforts to adjust its monetary policy by gradually increasing the Federal Funds Rate. US core Personal Consumption Expenditure (PCE) inflation remained elevated in September at 3.7% YoY, reflecting continued challenges in reaching the Fed's 2% inflation target. Meanwhile on monthly basis, the core PCE figures showed a firm increase of 0.3%, with core services experiencing an acceleration to 0.4%.

In November 2023, global markets concluded on a positive note, driven by promising indications of economic moderation in the US and a decline in inflation across developed markets. The released data consistently reinforced the perspective that central banks have likely reached the peak of their tightening phases, providing support to both equity and fixed income markets. In November 2023, global equities (MSCI World), rose 9.2% MoM. Continued economic momentum in the US, along with robust labor markets, bolstered optimism in the market for a smooth economic transition. This positive outlook provided support to equity markets throughout November. Throughout the month, major stock indexes experienced gains, 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 release of the US CPI for October, which turned out to be milder than anticipated. Both headline and core inflation moderated to 3.2% YoY and 4.0% YoY respectively. The primary contributors to this drop were decreases in energy and gasoline prices, along with reduced travel expenses and hotel rates. Despite the prevailing belief in the market that peak policy rates have been reached, the minutes from the November FOMC meeting emphasized the Fed's commitment to maintaining policy rates at elevated levels for an extended period. US pending home sales fell 1.5% MoM in October to be at their lowest level since records began in 2001.

2.6 Review of the market (contd.)

Market review (contd.)

For the week ending 25 November, the preliminary number for seasonally adjusted initial claims was 218,000, marking a rise of 7,000 compared to the revised level of the preceding week. The four-week moving average stood at 220,000, reflecting a decline of 500 compared to the revised average of the previous week.

In the final month of 2023, global equities experienced a modest retreat; nevertheless, they achieved their most significant annual surge since 2019. The recent surge in worldwide stock markets during the last two months of the year was driven by anticipations of central bank interest rate reductions in the upcoming year, particularly in 2024. The S&P 500, Nasdaq, and Dow Jones rose 4.4%, 5.5% and 4.8% respectively in December 2023. 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% during its latest policy meeting in December 2023. This marks the third consecutive meeting where the central bank has opted for stability, refraining from making any changes to monetary policy. In his post-announcement press conference, 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 also emphasized that the FOMC did not want to rule out the possibility of further rate hikes, highlighting the term “any” in the official statement as an acknowledgment of the potential for additional policy adjustments to address inflation. The inclusion of “any” reflects the Committee’s recognition that while participants did not project further hikes, they also did not want to entirely eliminate the option from consideration. In November, US consumer inflation slightly decreased to 3.1% YoY and 0.1% MoM from October. The Fed’s preferred metric, core CPI (excluding volatile food and energy prices) rose 0.3% MoM and 4% YoY in November. Although some consumer item prices were declining, overall price levels persisted. Real wages outpace inflation, offering mitigation but Powell recognizes the ongoing impact of inflation on individuals, emphasizing the continued effort to bring the target rate down to 2%.

The best performing major equity market in January was the Nikkei Index, up 8.4% MoM in local currency, continuing the strong performance from last year driven by a combination of foreign investor flows out of China, weak Japanese Yen and excitement over corporate governance reforms. Subdued wage data and weaker household spending allowed the Bank of Japan (BoJ) to maintain its ultra-accommodative policies longer. In the US, S&P 500, Dow Jones and Nasdaq were up 1.6%, 1.2% and 1.0% MoM in January 2024 respectively. The S&P 500 and Dow Jones propelled to record highs in January, as optimism around a ‘soft landing’ scenario continued the rally in the ‘Magnificent Seven’ stocks. A number of data releases including a strong GDP print, robust jobs report, firm wage growth and steady unemployment 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.

In US, the Nasdaq, S&P 500 and Dow Jones were up 6.1%, 5.2% and 2.2% MoM respectively in February. The US market is fueled by stronger growth and falling tail risks, with 2024 GDP now expected to grow 2.1%. US services labor 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, 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% above expectations, led mainly by the technology sector.

2.6 Review of the market (contd.)

Market review (contd.)

In US, the S&P 500, Dow Jones, and Nasdaq were up 3.1%, 2.1%, 1.8% MoM in March respectively, fueled by the continued optimism over the economy, potential rate cuts, and business opportunities in the AI space. The street now expects GDP to grow at 2.2% in 2024. The Fed maintained rates at 5.25%-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% target. However, the inflation rate which rose to 3.2% YoY in February 2024 suggests the path to Fed's target could be longer and bumpier than expected, as the labour market and economic growth remain strong, elevating prices.

US equities fell sharply, with the Dow Jones, S&P 500 and Nasdaq down 5.0%, 4.2% and 4.4% respectively due to a higher than expected inflation print which sparked fears of delays for interest rate cuts. CPI rose 0.4% MoM coming in higher than consensus' expectation of 0.3%. On a YoY basis, both headline and core CPI rose to 3.5% and 3.8% respectively, above economists' forecasts. In addition, March saw an additional 303,000 jobs added, way ahead of the 200,000 jobs anticipated. With the overall higher inflation and strong jobs market, 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 by 11.0% to 4.68%, close to levels last seen in November last year.

US equities rose in the month of May driven by better-than-expected corporate earnings, investors' optimism on the economic outlook and expectation of interest rate cut later this year. US consumer prices increased less than expected in April, suggesting that inflation resumed its downward trend hence boosted financial market expectations for a September interest rate cut. Hopes of the start of the Fed's easing cycle this year were further bolstered by data on retail sales that were unexpectedly flat in April, suggesting cooling domestic demand. 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 twelve-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%) 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, the FBM KLCI was up 1.3% in May 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. Foreign investors turned net buyers of RM1.5 billion of equities in May, after being a net-sellers in the previous two months. This brings down year-to-date (YTD) foreign net sell to RM0.7 billion. 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 the US' decision to impose higher tariffs rate on Chinese semiconductors from 25% to 50% in 2025.

2.6 Review of the market (contd.)

Market review (contd.)

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 Anwar Ibrahim announced the largest-ever increase in civil servants' remuneration, exceeding 13%, to take effect from 1 December 2024. Meanwhile, the Malaysia's Employees Provident Fund (EPF) approved more than RM5.5 billion in the new Account 3 withdrawals, which could support consumer spending. Google plans to invest USD 2 billion in Malaysia, developing its first data center and a Google Cloud hub. The news follows Microsoft's recent announcement that it would spend USD 2.2 billion over the next four years into building Malaysia's new cloud and artificial intelligence infrastructure. On energy sector, Malaysia launched the commercial trading of Renewable Energy Certificates (RECs) through the Malaysian Green Attribute Trading System (mGATS), which will be operated by Tenaga Nasional. Meanwhile, the Government is expected to begin implementing Third Party Access in the national electricity supply industry from September this year, therefore allowing independent power producers (IPP) to sell electricity directly to consumers. On subsidy rationalisation move, Prime Minister Dato' Seri Anwar Ibrahim said Malaysia will start cutting its fuel subsidies starting with diesel, a move that could save around RM4 billion annually. Putrajaya later unveiled that its targeted diesel subsidies will provide eligible individuals, and agriculture and commodity smallholders with RM200 per month. The Government allocated at least RM25 billion to support the newly launched National Semiconductor Strategy (NSS). On monetary policy, Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) at 3% at May Monetary Policy Committee (MPC) meeting. Meanwhile, on corporate developments, May saw deals announced for Malaysia Airports and YTL-Ranhill, while ANZ finally exited from AMMB.

Market outlook

Investors near term focus will be on economic data in the US and also the Fed's guidance for an indication of the timing of rate cuts. The Fed could start cutting rates in the second half of 2024, while Eurozone might start to reduce interest rates earlier. Easier monetary conditions globally could support growth and liquidity, thus improving the outlook for equities. China's additional fiscal stimulus has been supportive but further measures are necessary to revive the property market and restore market confidence.

We are positive on the Malaysian equity market this year 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. Key events to watch include details of the diesel rationalization program expected in June, the 2nd Malaysia Parliament Sitting from 24 June to 18 July 2024, and the execution of planned infrastructure projects.

Strategy

Given the positive outlook, 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 include artificial intelligence (AI), electric vehicles (EVs) and supply chain relocation.

2.7 Distributions

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

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 30 November 2023. Please refer to the Fourth Supplemental Master Prospectus dated 15 September 2023 for more details.

2.10 Circumstances that materially affect any interests of the unit holders

There were no circumstances that materially affect any interests of the unit holders during the financial year under review.

2.11 Rebates and soft commissions

It is the policy of the Manager to credit any rebates received into the account of the Fund. Any soft commissions received by investment manager 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 unit holders 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 Manager received soft commissions from its stockbrokers who have also executed trades for other funds or investments managed by the Manager. 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, no cross-trade transactions were undertaken by the Manager for the Fund.

2.13 Securities financing transactions

Securities financing transactions are transactions consisting of securities financing 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 May are as follows:

a. Distribution among industry sectors and category of Shariah-compliant investments:

	FY 2024 %	FY 2023 %	FY 2022 %
Industrial Products and Services	19.8	13.1	18.9
Technology	15.1	18.1	18.3
Construction	10.5	5.8	6.9
Telecommunications and Media	9.2	9.0	9.1
Consumer Products and Services	8.6	13.7	5.7
Property	7.5	2.4	4.3
Energy	7.4	2.3	3.2
Utilities	6.6	4.5	2.7
Health Care	5.1	4.3	8.6
Plantation	3.6	3.8	3.7
Finance	-	0.5	1.3
Islamic Real Estate Investment Trust	0.8	0.9	-
Listed Shariah-compliant warrants	0.4	0.2	0.3
Unlisted Islamic options	1.6	0.8	0.9
Short term Islamic deposits and cash	3.8	20.6	16.1
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Note: The above mentioned percentages are based on total Shariah-compliant investments market value plus cash.

b. Distribution among markets

The Fund invests in local listed Shariah-compliant investment securities, listed Shariah-compliant warrants, unlisted Islamic options and short term Islamic deposits only.

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

	FY 2024	FY 2023	FY 2022
Net asset value ("NAV") (RM Million)	786.09	592.31	533.30
Units in circulation (Million)	604.48	578.75	495.93
NAV per unit (RM)	1.3004	1.0234	1.0754
Highest NAV per unit (RM)	1.3353	1.0890	1.2656
Lowest NAV per unit (RM)	1.0121	0.9690	1.0256
Total return (%)	27.07	-4.84	-9.03
- Capital growth (%)	27.07	-4.84	-9.03
- Income growth (%)	-	-	-
Gross distribution per unit (sen)	-	-	-
Net distribution per unit (sen)	-	-	-
Total expense ratio ("TER") (%) ¹	1.57	1.58	1.57
Portfolio turnover ratio ("PTR") (times) ²	0.30	0.16	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 Shariah-compliant investment securities of the Fund divided by the average fund size calculated on a daily basis.

- 1. TER is lower against previous financial year mainly due to decrease in expenses incurred during the financial year under review.*
- 2. PTR is higher due to higher trading activities taking place during the financial year under review.*

3.3 Average total return of the Fund

	1 Year 31 May 23 - 31 May 24	3 Years 31 May 21 - 31 May 24	5 Years 31 May 19 - 31 May 24
KSGF	27.07%	3.69%	6.93%
FTSE-Bursa Malaysia Emas Syariah Index (FBMS)	16.84%	-0.33%	1.87%

Source: Lipper

3.4 Annual total return of the Fund

	Year under review 31 May 23 - 31 May 24	1 Year				
		31 May 22 - 31 May 23	31 May 21 - 31 May 22	31 May 20 - 31 May 21	31 May 19 - 31 May 20	31 May 18 - 31 May 19
KSGF	27.07%	-4.84%	-9.03%	16.18%	5.42%	2.34%
FTSE-Bursa Malaysia Emas Syariah Index (FBMS)	16.84%	-7.85%	-9.89%	6.22%	1.95%	-3.12%

Source: Lipper

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

KENANGA SYARIAH GROWTH FUND

**Audited Financial Statements Together with
Trustee's Report, Shariah Adviser's Report
Independent Auditors' Report
and Statement by the Manager**

31 May 2024

KENANGA SYARIAH GROWTH FUND

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**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF KENANGA SYARIAH GROWTH FUND ("Fund")**

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

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

For and on behalf of
CIMB Islamic Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia

29 July 2024

**SHARIAH ADVISER'S REPORT FOR ISLAMIC UNIT TRUST FUND
TO THE UNIT HOLDERS OF KENANGA SYARIAH GROWTH FUND (Fund),**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Kenanga Investment Bank Berhad Shariah Committee

DR GHAZALI BIN JAAPAR
Shariah Adviser/Designated Person Responsible for Shariah Advisory

Kuala Lumpur, Malaysia

29 July 2024

Independent auditors' report to the unit holders of Kenanga Syariah Growth Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenanga Syariah Growth Fund (the "Fund"), which comprise the statement of financial position as at 31 May 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 8 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2024, and of its financial performance and cash flows for the financial year then ended 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 Manager of the Fund (the "Manager") 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 unit holders of Kenanga Syariah 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 Manager and the Trustee for the financial statements

The Manager 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 Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to 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 Manager 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 unit holders of Kenanga Syariah 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 Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Independent auditors' report to the unit holders of
Kenanga Syariah Growth Fund (contd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds 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.03675/07/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
29 July 2024

STATEMENT BY THE MANAGER

I, Datuk Wira Ismitz Matthew De Alwis, being a director of Kenanga Investors Berhad, do hereby state that, in the opinion of the Manager, the accompanying statement of financial position as at 31 May 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 May 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 Syariah Growth Fund as at 31 May 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 Manager
KENANGA INVESTORS BERHAD

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

Kuala Lumpur, Malaysia

29 July 2024

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

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Dividend income		16,010,141	15,402,579
Profit income		2,755,122	3,396,063
Net gain/(loss) from Shariah-compliant investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	162,251,127	(34,758,968)
Other income		5,793	-
		<u>181,022,183</u>	<u>(15,960,326)</u>
EXPENSES			
Manager's fee	5	10,050,269	8,484,913
Trustee's fee	6	335,009	282,831
Auditors' remuneration		26,500	14,000
Tax agent's fee		3,500	3,500
Administration expenses		107,626	166,132
Brokerage and other transaction costs		3,008,842	1,686,666
		<u>13,531,746</u>	<u>10,638,042</u>
NET INCOME/(LOSS) BEFORE TAX		167,490,437	(26,598,368)
Income tax	7	(11,720)	-
NET INCOME/(LOSS) AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>167,478,717</u>	<u>(26,598,368)</u>
Net gain/(loss) after tax is made up as follows:			
Realised loss		(5,773,271)	(3,010,907)
Unrealised gain/(loss)	4	173,251,988	(23,587,461)
		<u>167,478,717</u>	<u>(26,598,368)</u>

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

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

	Note	2024 RM	2023 RM
ASSETS			
INVESTMENTS			
Financial assets at FVTPL	4	761,771,982	467,579,207
Short term Islamic deposits	8	29,762,000	121,517,000
		<u>791,533,982</u>	<u>589,096,207</u>
OTHER ASSETS			
Amount due from licensed financial institutions	9	-	2,783,293
Other receivables	10	603,698	1,413,253
Tax recoverable		9,092	9,092
Cash at banks		13,118	28,292
		<u>625,908</u>	<u>4,233,930</u>
TOTAL ASSETS		<u>792,159,890</u>	<u>593,330,137</u>
LIABILITIES			
Amount due to Manager		4,563,571	268,093
Amount due to Trustee		33,272	25,235
Amount due to licensed financial institutions	9	1,391,763	594,702
Other payables	11	84,650	132,231
TOTAL LIABILITIES		<u>6,073,256</u>	<u>1,020,261</u>
EQUITY			
Unit holders' contribution		617,532,158	591,234,117
Retained earnings		168,554,476	1,075,759
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	12	<u>786,086,634</u>	<u>592,309,876</u>
TOTAL LIABILITIES AND EQUITY		<u>792,159,890</u>	<u>593,330,137</u>
NUMBER OF UNITS IN CIRCULATION	12(a)	<u>604,480,411</u>	<u>578,750,147</u>
NAV PER UNIT (RM)		<u>1.3004</u>	<u>1.0234</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 MAY 2024**

	Note	Unit holders' contribution RM	Retained earnings RM	Total NAV RM
2024				
At beginning of the financial year		591,234,117	1,075,759	592,309,876
Total comprehensive income		-	167,478,717	167,478,717
Creation of units	12(a)	98,594,240	-	98,594,240
Cancellation of units	12(a)	<u>(72,296,199)</u>	-	<u>(72,296,199)</u>
At end of the financial year		<u>617,532,158</u>	<u>168,554,476</u>	<u>786,086,634</u>
2023				
At beginning of the financial year		505,628,458	27,674,127	533,302,585
Total comprehensive loss		-	(26,598,368)	(26,598,368)
Creation of units	12(a)	117,012,045	-	117,012,045
Cancellation of units	12(a)	<u>(31,406,386)</u>	-	<u>(31,406,386)</u>
At end of the financial year		<u>591,234,117</u>	<u>1,075,759</u>	<u>592,309,876</u>

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

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

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of financial assets at FVTPL	140,372,872	59,286,978
Dividends received	16,680,650	14,905,892
Profit from Islamic deposits received	2,894,168	3,279,745
Other income received	5,793	-
Payment to charitable bodies	(92)	-
Tax agent's fee paid	(3,500)	-
Auditors' remuneration paid	(17,500)	(17,500)
Payments for other fees and expenses	(168,446)	(131,379)
Trustee's fee paid	(326,972)	(302,390)
Manager's fee paid	(9,809,170)	(8,400,044)
Purchase of financial assets at FVTPL	<u>(271,729,585)</u>	<u>(118,361,373)</u>
Cash used in operating and investing activities	(122,101,782)	(49,740,071)
Income tax paid	<u>(20,812)</u>	<u>-</u>
Net cash used in operating and investing activities	<u>(122,122,594)</u>	<u>(49,740,071)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	97,592,424	117,379,033
Cash paid on units cancelled	<u>(67,240,004)</u>	<u>(31,406,386)</u>
Net cash generated from financing activities	<u>30,352,420</u>	<u>85,972,647</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(91,770,174)	36,232,576
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		
	<u>121,545,292</u>	<u>85,312,716</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		
	<u>29,775,118</u>	<u>121,545,292</u>
Cash and cash equivalents comprise:		
Cash at banks	13,118	28,292
Short term Islamic deposits	<u>29,762,000</u>	<u>121,517,000</u>
	<u>29,775,118</u>	<u>121,545,292</u>

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

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

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Kenanga Syariah Growth Fund (the “Fund”) was constituted pursuant to the executed Master Deed dated 8 January 2002 (collectively, together with deeds supplemental thereto, referred to as the “Deed”) between the Manager, Kenanga Investors Berhad, and HSBC (Malaysia) Trustee Berhad (the “Trustee” prior to 3 December 2013). The Fund had changed its trustee to CIMB Islamic Trustee Berhad (the “Trustee” with effect from 3 December 2013). The aforesaid change was effected on 3 December 2013 via a Second Master Supplemental Deed dated 19 November 2013. The Fund commenced operations on 29 January 2002 and will continue to be in operation until terminated by the Trustee, as provided under Part 12 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 Manager is Level 14, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur.

The Fund seeks to provide unit holders with long-term capital growth by investing principally in equities that comply with Shariah requirements.

The financial statements were authorised for issue by the Chief Executive Officer of the Manager on 29 July 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, liquidity risk and Shariah status reclassification risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in a Shariah-compliant 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 unit holders, 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 Shariah-compliant 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 Shariah-compliant investments' prices caused by uncertainties in the economic, political and social environment will affect the NAV of the Fund.

The Manager manages the risk of unfavourable changes in prices by cautious review of the Shariah-compliant 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 valuation of Shariah-compliant instruments. In the event of a rising interest rate environment, the valuation of Shariah-compliant instruments may decrease, and vice versa. Interest rate, such as the Overnight Policy Rate set by Bank Negara Malaysia, will have an impact on the investment decisions of the Fund regardless of whether it is an Islamic fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

The Fund is not exposed to significant interest rate risk as its Islamic deposits are short term in nature and have fixed profit rates.

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	Non-interest sensitive RM	Total RM	Weighted average effective rate of return* %
2024				
Assets				
Financial assets at				
FVTPL	-	761,771,982	761,771,982	
Short term Islamic deposits	29,762,000	-	29,762,000	3.1
Other financial assets	-	625,908	625,908	
	<u>29,762,000</u>	<u>762,397,890</u>	<u>792,159,890</u>	

* Calculated based on Shariah-compliant 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	Non-interest sensitive RM	Total RM	Weighted average effective rate of return* %
2024 (contd.)				
Liabilities				
Other financial liabilities	-	5,988,606	5,988,606	
Total interest rate sensitivity gap	<u>29,762,000</u>	<u>756,409,284</u>	<u>786,171,284</u>	
2023				
Assets				
Financial assets at FVTPL	-	467,579,207	467,579,207	
Short term Islamic deposits	121,517,000	-	121,517,000	3.3
Other financial assets	-	4,224,838	4,224,838	
	<u>121,517,000</u>	<u>471,804,045</u>	<u>593,321,045</u>	
Liabilities				
Other financial liabilities	-	888,030	888,030	
Total interest rate sensitivity gap	<u>121,517,000</u>	<u>470,916,015</u>	<u>592,433,015</u>	

* Calculated based on Shariah-compliant 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 unfavorable changes in the fair values of listed Shariah-compliant equity securities, listed Islamic collective investment schemes and listed Shariah-compliant warrants. The Fund invests in listed Shariah-compliant equity securities, listed Islamic collective investment schemes and listed Shariah-compliant warrants which are exposed to price fluctuations. This may then affect the NAV of the Fund.

Price risk sensitivity

The Manager's best estimate of the effect on the income/(loss) for the financial year due to a reasonably possible change in investments in listed Shariah-compliant equity securities, listed Islamic collective investment schemes and listed Shariah-compliant warrants, with all other variables held constant is indicated in the table below:

	Changes in price Increase/(Decrease) Basis points	Effects on gain/(loss) for the financial year Gain/(Loss) RM
2024		
Financial assets at		
FVTPL	5/(5)	374,628/(374,628)
2023		
Financial assets at		
FVTPL	5/(5)	231,430/(231,430)

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 Shariah-compliant financial instruments as at the reporting date.

	Fair value		Percentage of NAV	
	2024 RM	2023 RM	2024 %	2023 %
Financial assets at FVTPL	749,255,963	462,860,207	95.3	78.1

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

a. Market risk (contd.)

ii. Price risk (contd.)

Price risk concentration (contd.)

The Fund's concentration of Shariah-compliant investment security price risk from the Fund's of listed Shariah-compliant equity securities, listed Islamic collective investment schemes and listed Shariah-compliant warrants analysed by sector is as follows:

	Fair value		Percentage of NAV	
	2024 RM	2023 RM	2024 %	2023 %
Industrial Products and Services	157,405,971	77,249,327	20.0	13.1
Technology	119,682,831	106,527,080	15.2	18.0
Construction	83,083,818	34,010,020	10.6	5.7
Telecommunications and Media	73,284,967	53,065,772	9.3	8.9
Consumer Products and Services	67,733,737	80,966,922	8.6	13.8
Property	59,434,424	14,208,178	7.6	2.3
Energy	58,440,249	13,821,827	7.4	2.3
Utilities	52,027,296	26,773,626	6.6	4.5
Health Care	40,599,933	25,033,312	5.2	4.2
Plantation	28,123,110	22,284,630	3.6	3.8
Finance	-	2,794,610	-	0.5
Islamic Real Estate Investment Trusts	6,020,928	5,057,345	0.8	0.9
Listed Shariah-compliant warrants	3,418,699	1,067,558	0.4	0.1
	<u>749,255,963</u>	<u>462,860,207</u>	<u>95.3</u>	<u>78.1</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 Manager 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 recognized in the statement of financial position.

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

b. Credit risk (contd.)

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.

iii. Credit quality of financial assets

The following table analyses the Fund's portfolio of unlisted Islamic options by rating category:

Unlisted Islamic options

	Percentage of total Unlisted Islamic options		Percentage of NAV	
	2024 %	2023 %	2024 %	2023 %
Not rated	<u>100.0</u>	<u>100.0</u>	<u>1.6</u>	<u>0.8</u>

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

Short term Islamic deposits

	Percentage of total short term Islamic deposits		Percentage of NAV	
	2024 %	2023 %	2024 %	2023 %
Rating				
P1/MARC-1	<u>100.0</u>	<u>100.0</u>	<u>3.8</u>	<u>20.4</u>

iv. Credit risk concentration

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

	Percentage of total Unlisted Islamic options		Percentage of NAV	
	2024 %	2023 %	2024 %	2023 %
Property	<u>100.0</u>	<u>100.0</u>	<u>1.6</u>	<u>0.8</u>

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

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 unit holders by the Manager are cancellable at the unit holders' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The Islamic liquid assets comprise cash at bank, short term Islamic deposits with licensed financial institutions and other Shariah-compliant 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.

	Note	No maturity RM	Up to 1 year RM	Total RM
2024				
Assets				
Financial asset at FVTPL		-	761,771,982	761,771,982
Short term deposits		-	29,762,000	29,762,000
Other financial assets		-	612,790	612,790
Cash at banks		13,118	-	13,118
	i.	<u>13,118</u>	<u>792,146,772</u>	<u>792,159,890</u>
Liabilities				
Other financial liabilities	ii.	-	5,988,606	5,988,606
Equity	iii.	-	786,086,634	786,086,634
Liquidity gap		<u>13,118</u>	<u>71,532</u>	<u>84,650</u>

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

c. Liquidity risk (contd.)

	Note	No maturity RM	Up to 1 year RM	Total RM
2023				
Assets				
Financial asset at FVTPL		-	467,579,207	467,579,207
Short term deposits		-	121,517,000	121,517,000
Other financial assets		-	4,196,546	4,196,546
Cash at banks		28,292	-	28,292
	i.	<u>28,292</u>	<u>593,292,753</u>	<u>593,321,045</u>
Liabilities				
Other financial liabilities	ii.	-	888,030	888,030
Equity	iii.	-	592,309,876	592,309,876
Liquidity gap		<u>28,292</u>	<u>94,847</u>	<u>123,139</u>

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 Shariah-compliant equity securities, listed Islamic collective investment schemes and listed Shariah-compliant warrants which have been included in the "up to 1 year" category on the assumption that these are highly liquid Shariah-compliant investments which can be realised should all of the Fund's unit holders' equity be required to be redeemed. The unlisted Islamic options is also expected to be realized within a year. For other financial assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting year to the contractual maturity date or if earlier, the expected date on which the assets will be realized.

ii. Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting year 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 unit holders can request for redemption of their units, they have been categorised as having a maturity of "up to 1 year"

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

d. Shariah-status reclassification risk

Shariah status reclassification risk is the risk that the currently held Shariah-compliant equity securities in the portfolio of funds may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia (“SACSC”) or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of such securities.

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

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

e. Regulatory reportings

It is the Manager’s responsibility to ensure full compliance of all requirements under the Guidelines on Unit Trust Funds 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 June 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. Amendments to standards issued but not yet effective

As at the reporting date, the following 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 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 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced by MASB

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 banks, short term Islamic deposits, 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 yield rate ("EYR"). 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 Islamic deposits, trade receivables and other receivables at amortised cost

The Fund only measures the cash at banks, short term Islamic 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 profit ("SPPP") on the principal amount outstanding.

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 details of these conditions are outlined below.

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 managers of the business are 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 SPPP test

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

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPP 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 profit 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 financing arrangement do not give rise to contractual cash flows that are solely payments of principal and profit 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 SPPP 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. For the purpose of the investment made by the Fund, debt instruments refer to sukuk.

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

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 profit 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 profit 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.

Profit income is recognised using the effective yield 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 Shariah-compliant investments is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investment.

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 Islamic deposits with licensed financial institutions with maturities of three months or less, which have an insignificant risk of changes in value.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

j. Unrealised reserves

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

k. Unit holders' contribution – NAV attributable to unit holders

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

In previous financial year, distribution equalisation represents the average amount of undistributed net income included in the creation or cancellation price of units. This amount is either refunded to unit holders by way of distribution and/or adjusted accordingly when units are released back to the Trustee.

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 Manager. A distribution to the Fund's unit holders 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 Funds'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.

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 Shariah-compliant equity securities	739,816,336	456,735,304
Listed Islamic collective investment scheme	6,020,928	5,057,345
Listed Shariah-compliant warrants	3,418,699	1,067,558
Unlisted Islamic options	12,516,019	4,719,000
	<u>761,771,982</u>	<u>467,579,207</u>
Net loss on financial assets at FVTPL comprised:		
Realised losses on disposals	(11,000,861)	(11,171,507)
Unrealised changes in fair values	173,251,988	(23,587,461)
	<u>162,251,127</u>	<u>(34,758,968)</u>

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

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed equity securities				
Industrial Products and Services				
Ancom Nylex Berhad	1,097,604	1,207,815	1,130,532	0.1
APB Resources Berhad	1,721,908	3,548,139	3,099,434	0.4
ATA IMS Berhad	1,981,000	628,168	574,490	0.1
Aurelius Technologies Berhad	1,125,700	2,722,345	3,973,721	0.5
CPE Technology Berhad	5,486,700	5,897,796	7,736,247	1.0
Dufu Technology Corp. Berhad	7,261,600	13,853,147	17,282,608	2.2
EG Industries Berhad	5,507,800	7,981,033	8,041,388	1.0
Feytech Holdings Berhad	1,169,900	1,275,074	1,321,987	0.2
Hiap Teck Venture Berhad	7,129,300	2,771,387	2,816,074	0.4
HSS Engineers Berhad	2,170,200	2,192,725	2,094,243	0.3
Kelington Group Berhad	5,635,300	8,707,745	17,751,195	2.3
Malaysia Smelting Corporation Berhad	609,900	1,749,881	1,744,314	0.2
Pekati Group Berhad	7,717,200	3,856,993	6,173,760	0.8
PESTECH International Berhad	16,833,500	5,289,321	3,366,700	0.4
P.I.E Industrial Berhad	1,826,600	5,924,922	10,813,472	1.4
Press Metal Aluminium Holdings Berhad	2,572,900	8,415,776	14,408,240	1.8

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

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

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Industrial Products and Services (contd.)				
SAM Engineering & Equipment (M) Berhad	1,785,700	8,886,574	10,642,772	1.4
Samaiden Group Berhad	2,031,733	2,304,911	2,681,888	0.3
SKP Resources Berhad	3,271,600	5,441,518	3,566,044	0.4
Sunway Berhad	10,910,532	19,347,001	38,186,862	4.8
		<u>112,002,271</u>	<u>157,405,971</u>	<u>20.0</u>
Technology				
Frontken Corporation Berhad	10,281,300	11,337,649	43,695,525	5.6
Genetech Technology Berhad	2,210,500	5,680,520	4,818,890	0.6
Greatech Technology Berhad	5,920,700	14,469,873	29,958,742	3.8
ITMAX System Berhad	5,544,200	8,406,975	12,640,776	1.6
My E.G. Services Berhad	8,791,504	8,596,106	9,670,654	1.2
Pentamaster Corporation Berhad	615,000	2,881,705	2,982,750	0.4
UWC Berhad	4,942,700	23,009,604	15,915,494	2.0
		<u>74,382,432</u>	<u>119,682,831</u>	<u>15.2</u>
Construction				
Binastra Corporation Berhad	1,172,000	1,772,533	2,461,200	0.3
Econpile Holdings Berhad	2,332,400	679,577	1,072,904	0.1
Gamuda Berhad	6,418,969	28,209,986	38,963,142	5.0
IJM Corporation Berhad	7,617,300	13,455,988	20,947,575	2.7
Kerjaya Prospek Group Berhad	5,854,079	7,340,161	10,771,505	1.4
MGB Berhad	6,330,900	7,473,985	5,571,192	0.7
WCT Holdings Berhad	5,634,700	3,107,101	3,296,300	0.4
		<u>62,039,331</u>	<u>83,083,818</u>	<u>10.6</u>

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

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

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Telecommunications and Media				
Axiata Group Berhad	3,171,955	10,979,394	8,881,474	1.1
OCK Group Berhad	3,637,600	2,061,081	2,146,184	0.3
REDtone Digital Berhad	7,336,400	6,311,060	7,299,718	0.9
Telekom Malaysia Berhad	5,070,870	30,088,592	31,490,103	4.0
TIME dotCom Berhad	4,444,600	15,465,599	23,467,488	3.0
		<u>64,905,726</u>	<u>73,284,967</u>	<u>9.3</u>
Consumer Products and Services				
AEON Co. (M) Berhad	7,461,900	9,704,465	10,521,279	1.3
Carimin Petroleum Berhad	667,200	646,178	630,504	0.1
DXN Holdings Berhad	11,703,200	8,192,240	7,431,532	1.0
Fraser & Neave Holdings Berhad	365,100	9,316,225	11,909,562	1.5
Mr DIY Group M Berhad	2,586,200	4,882,897	4,681,022	0.6
QL Resouces Berhad	2,902,087	13,737,864	18,283,148	2.3
Sime Darby Berhad	5,135,500	11,547,944	14,276,690	1.8
		<u>58,027,813</u>	<u>67,733,737</u>	<u>8.6</u>
Property				
Eco World Development Group Berhad	3,424,400	3,558,988	5,170,844	0.7
Legenda Properties Berhad	9,668,700	13,859,512	11,795,814	1.5
LBS Bina Group Berhad - preference shares	817,580	899,338	731,734	0.1
Mah Sing Group Berhad	9,612,800	8,995,366	14,419,200	1.8
S P Setia Berhad - ordinary shares	2,997,900	2,731,164	4,346,955	0.6
Sime Darby Property Berhad	12,787,600	9,125,769	15,856,624	2.0

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

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

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Property (contd.)				
S P Setia Berhad -Islamic Redeemable Convertible Preference Shares c (RCPS-I C)	1,843,371	700,481	1,216,625	0.2
UEM Sunrise Berhad	5,083,300	3,646,562	5,896,628	0.7
		<u>43,517,180</u>	<u>59,434,424</u>	<u>7.6</u>
Energy				
Dayang Enterprise Holdings Berhad	4,397,100	7,522,966	11,608,344	1.5
Dialog Group Berhad	12,037,876	27,700,988	28,770,524	3.6
Hibiscus Petroleum Berhad	3,196,900	5,679,445	7,992,250	1.0
Icon Offshore Berhad	1,212,400	924,199	909,300	0.1
Veleso Energy Berhad	34,565,400	8,254,712	9,159,831	1.2
		<u>50,082,310</u>	<u>58,440,249</u>	<u>7.4</u>
Utilities				
Mega First Corporation Berhad	3,540,000	12,414,233	16,885,800	2.1
Tenaga Nasional Berhad	2,694,900	28,711,766	35,141,496	4.5
		<u>41,125,999</u>	<u>52,027,296</u>	<u>6.6</u>
Health Care				
Hartalega Holdings Berhad	1,595,400	3,756,543	5,009,556	0.6
IHH Healthcare Berhad	3,762,300	23,395,271	23,288,637	3.0
KPJ Healthcare Berhad	6,474,600	8,600,065	12,301,740	1.6
		<u>35,751,879</u>	<u>40,599,933</u>	<u>5.2</u>

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

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

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed equity securities (contd.)				
Plantation				
Genting Plantations Berhad	430,100	2,713,126	2,580,600	0.3
Hap Seng Plantations Holdings Berhad	879,500	2,477,684	1,565,510	0.2
IOI Corporation Berhad	666,800	2,650,710	2,547,176	0.3
Kuala Lumpur Kepong Berhad	248,256	5,339,901	5,178,620	0.7
Sime Darby Plantation Berhad	3,237,000	15,800,227	13,757,250	1.8
Ta Ann Holdings Berhad	628,200	3,323,386	2,493,954	0.3
		<u>32,305,034</u>	<u>28,123,110</u>	<u>3.6</u>
Total listed Shariah- compliant equity securities		<u>574,139,975</u>	<u>739,816,336</u>	<u>94.1</u>
Listed Islamic collective investment scheme				
Islamic Real Estate Investment Trusts				
Prolintas Infra Business Trust	6,271,800	5,958,210	6,020,928	0.8
Total listed Islamic collective investment scheme		<u>5,958,210</u>	<u>6,020,928</u>	<u>0.8</u>
Listed Shariah-compliant warrants				
Frontken Corporation Berhad-WB*	2,897,000	-	1,535,410	0.2
Sunway Berhad-WB*	544,026	-	1,185,976	0.1

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

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

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed Shariah-compliant warrants (contd.)				
Samaiden Group Berhad-WA*	1,152,583	-	697,313	0.1
Total listed Shariah-compliant warrants		-	3,418,699	0.4
Unlisted Islamic options				
Call/Put - NCT Alliance Bhd maturing on 15 December 2024	11,000,000	4,455,000	4,720,100	0.6
Call/Put - Sunview Group Berhad T1 maturing on 8 February 2025	7,774,700	5,364,543	5,563,575	0.7
Call/Put - Sunview Group Berhad T2 maturing on 27 February 2025	3,138,400	2,165,496	2,232,344	0.3
Total unlisted Islamic options		11,985,039	12,516,019	1.6
Total financial assets at FVTPL		592,083,224	761,771,982	96.9
Unrealised loss on financial assets at FVTPL			169,688,758	

* Corporate action entitlement.

5. MANAGER'S FEE

The Manager's fee is calculated on a daily basis at a rate not exceeding 1.50% per annum of the NAV of the Fund as provided under Clause 13.1 of the Deed.

The Manager is currently charging Manager's fee of 1.50% per annum of the NAV of the Fund (2023 : 1.50% per annum).

6. TRUSTEE'S FEE

Pursuant to the Third Master Supplemental Deed dated 25 July 2014, the Trustee's fee is calculated at a rate not exceeding 0.05% per annum of the NAV of the Fund effective from 1 August 2014.

The Trustee's fee is currently calculated at 0.05% per annum of the NAV of the Fund (2023: 0.05% per annum).

7. INCOME TAX

	2024 RM	2023 RM
Current income tax expense:		
- Local withholding tax	11,720	-
- Foreign withholding tax	-	-
Over provision in prior financial year tax expense		
- Malaysian tax	-	-
	<u>11,720</u>	<u>-</u>

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

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/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2024 RM	2023 RM
Net income/(loss) before tax	<u>167,490,437</u>	<u>(26,598,368)</u>
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	40,197,705	(6,383,608)
Tax effect of:		
Income not subject to tax	(46,085,531)	(4,511,674)
Losses not deductible for tax purposes	2,640,207	8,342,152
Expenses not deductible for tax purposes	1,049,034	485,426
Restriction on tax deductible expenses for unit trust fund	2,198,585	2,067,704
Local withholding tax	<u>11,720</u>	<u>-</u>
Income tax for the financial year	<u>11,720</u>	<u>-</u>

8. SHORT TERM ISLAMIC DEPOSITS

Short term Islamic deposits are held with licensed financial institutions in Malaysia at the prevailing profit rates.

9. AMOUNT DUE TO/FROM LICENSED FINANCIAL INSTITUTIONS

Amount due to/from licensed financial institutions relates to the amount to be receive from or paid to licensed financial institutions arising from the sales or the purchase of Shariah-compliant investments.

10. OTHER RECEIVABLES

	2024 RM	2023 RM
Profit receivable from short term Islamic deposits	8,072	147,118
Dividend receivable	595,626	1,266,135
	<u>603,698</u>	<u>1,413,253</u>

11. OTHER PAYABLES

	2024 RM	2023 RM
Accrual for auditors' remuneration	19,500	10,500
Accrual for tax agent's fees	6,500	6,500
Provision for printing and other expenses	58,650	110,992
Amount due to charitable bodies	-	4,239
	<u>84,650</u>	<u>132,231</u>

12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	2024 RM	2023 RM
Unit holders' contribution	(a)	<u>617,532,158</u>	<u>591,234,117</u>
<u>Retained earnings:</u>			
Realised (deficits)/reserves		(1,134,282)	4,638,989
Unrealised reserves/(deficits)		<u>169,688,758</u>	<u>(3,563,230)</u>
		<u>168,554,476</u>	<u>1,075,759</u>
		<u>786,086,634</u>	<u>592,309,876</u>

12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS (CONTD.)

(a) Unit holders' contributions

	2024		2023	
	No. of units	RM	No. of units	RM
At beginning of the financial year	578,750,147	591,234,117	495,928,642	505,628,458
Add: Creation of units	87,589,070	98,594,240	112,872,862	117,012,045
Less: Cancellation of units	(61,858,806)	(72,296,199)	(30,051,357)	(31,406,386)
At end of the financial year	<u>604,480,411</u>	<u>617,532,158</u>	<u>578,750,147</u>	<u>591,234,117</u>

The Manager, Kenanga Investors Berhad, did not hold any units in the Fund, either legally or beneficially, as at 31 May 2024 (2023: nil). The number of units legally or beneficially held by the parties related to the Manager were 167,596 units valued at RM217,941 as at 31 May 2024 (2023: 167,596 units valued at RM171,521).

13. SHARIAH INFORMATION OF THE FUND

- a. The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises the following:
- Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the SACSC;
 - Collective investment scheme listed on Bursa Malaysia Securities Berhad which has verified as Shariah-compliant by the Shariah Adviser;
 - Derivative which has been verified as Shariah-compliant by the Shariah Adviser; and
 - Liquid assets in the local market, which have been placed in Shariah-compliant investments and/or instruments.

14. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 0.30 times (2023: 0.16 times).

PTR is the ratio of average sum of acquisitions and disposals of Shariah-compliant 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 1.57% per annum (2023 : 1.58% 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 %
Kenanga Investment Bank Berhad*	91,290,583	22.9	246,016	19.5
Maybank Investment Bank Berhad	50,337,250	12.6	149,613	11.9
RHB Investment Bank Berhad	43,193,389	10.8	135,166	10.7
Affin Hwang Investment Bank Berhad	35,505,236	8.9	114,593	9.1
CGS-CIMB Securities Sdn Bhd	34,662,198	8.7	109,008	8.7
Public Investment Bank Berhad	31,100,723	7.8	97,945	7.8
UOB Kay Hian Securities (M) Sdn Bhd	22,515,539	5.6	79,834	6.3
CGS International Securities Malaysia Sdn Bhd	19,988,468	5.0	63,639	5.1
AmInvestment Bank Berhad	11,338,300	2.8	87,653	7.0
KAF Equities Sdn Bhd	10,288,691	2.6	20,818	1.7
Others	48,928,601	12.3	155,450	12.3
	<u>399,148,978</u>	<u>100.0</u>	<u>1,259,735</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 of listed Shariah-compliant equity securities, listed Islamic collective investment schemes and unlisted Islamic options. Transactions in unlisted Islamic options do not involve any commission or brokerage fees.

The directors of the Manager are of the opinion that the transactions with the related party 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 Manager 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 between 75% to 95% of its NAV in Shariah-compliant equity securities and between 5% to 25% of its NAV in Islamic liquid assets. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

	Listed Shariah- compliant investment securities RM	Unlisted Shariah- compliant investment securities RM	Other Shariah- compliant investment RM	Total RM
2024				
Revenue				
Segment income	177,904,868	356,400	2,760,915	
Segment expenses	<u>(2,826,242)</u>	<u>(182,600)</u>	-	
Net segment income representing segment results	<u>175,078,626</u>	<u>173,800</u>	<u>2,760,915</u>	178,013,341
Unallocated expenditures				<u>(10,522,904)</u>
Income before tax				167,490,437
Income tax				<u>(11,720)</u>
Net income after tax				<u>167,478,717</u>
Assets				
Financial assets at FVTPL	749,255,963	12,516,019	-	
Short term Islamic deposits	-	-	29,762,000	
Other segment assets	<u>595,626</u>	<u>-</u>	<u>8,072</u>	
Total segment assets	<u>749,851,589</u>	<u>12,516,019</u>	<u>29,770,072</u>	792,137,680
Unallocated assets				<u>22,210</u>
				<u>792,159,890</u>
Liabilities				
Segment liabilities	<u>1,391,763</u>	-	-	1,391,763
Unallocated liabilities				<u>4,681,493</u>
				<u>6,073,256</u>

17. SEGMENTAL REPORTING (CONTD.)

a. Business segments (contd.)

	Listed Shariah- compliant investment securities RM	Unlisted Shariah- compliant investment securities RM	Listed Shariah non- compliant investment Security (Note13(b)) RM	Other Shariah- compliant investment RM	Total RM
2023					
Revenue					
Segment (loss)/income	(19,895,387)	534,600	4,398	3,396,063	
Segment expenses	(1,686,507)	-	(159)	-	
Net segment (loss)/income representing segment results	(21,581,894)	534,600	4,239	3,396,063	(17,646,992)
Unallocated expenditures					(8,951,376)
Loss before tax					(26,598,368)
Income tax					-
Net loss after tax					(26,598,368)
Assets					
Financial assets at FVTPL	462,860,207	4,719,000	-	-	
Short term Islamic deposits	-	-	-	121,517,000	
Other segment assets	4,049,428	-	-	147,118	
Total segment assets	466,909,636	4,719,000	-	121,664,118	593,292,753
Liabilities					
Segment liabilities					
Unallocated liabilities	594,702	-	-	-	594,702
					425,559
					1,020,261

b. Geographical segments

As all of the Fund's Shariah-compliant 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 Shariah-compliant equity securities	739,816,336	-	-	739,816,336
Listed Islamic collective investment scheme	6,020,928	-	-	6,020,928
Listed Shariah-compliant warrants	3,418,699	-	-	3,418,699
Unlisted Islamic options	12,516,019	-	-	12,516,019
Short term Islamic deposits	-	29,762,000	-	29,762,000
Other receivables	-	603,698	-	603,698
Tax recoverable	-	9,092	-	9,092
Cash at banks	-	13,118	-	13,118
	<u>761,771,982</u>	<u>30,387,908</u>	<u>-</u>	<u>792,159,890</u>
Liabilities				
Amount due to Manager	-	-	4,563,571	4,563,571
Amount due to Trustee	-	-	33,272	33,272
Amount due to licensed financial institutions	-	-	1,391,763	1,391,763
	<u>-</u>	<u>-</u>	<u>5,988,606</u>	<u>5,988,606</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 Shariah-compliant equity securities	456,735,304	-	-	456,735,304
Listed Islamic collective investment scheme	5,057,345	-	-	5,057,345
Listed Shariah-compliant warrants	1,067,558	-	-	1,067,558
Unlisted Islamic options	4,719,000	-	-	4,719,000
Short term Islamic deposits	-	121,517,000	-	121,517,000
Amount due from licensed financial institutions	-	2,783,293	-	2,783,293
Other receivables	-	1,413,253	-	1,413,253
Cash at banks	-	28,292	-	28,292
	<u>467,579,207</u>	<u>125,741,838</u>	<u>-</u>	<u>593,321,045</u>
Liabilities				
Amount due to Trustee	-	-	268,093	268,093
Amount due to Trustee	-	-	25,235	25,235
Amount due to licensed financial institutions	-	-	594,702	594,702
	<u>-</u>	<u>-</u>	<u>888,030</u>	<u>888,030</u>

18. FINANCIAL INSTRUMENTS (CONTD.)

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:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Investments:				
2024				
Listed Shariah-compliant equity securities	739,816,336	-	-	739,816,336
Listed Islamic collective investments schemes	6,020,928	-	-	6,020,928
Listed Shariah-compliant warrants	3,418,699	-	-	3,418,699
Unlisted Islamic options	-	-	12,516,019	12,516,019
	<u>749,255,963</u>	<u>-</u>	<u>12,516,019</u>	<u>761,771,982</u>
2023				
Listed Shariah-compliant equity securities	456,735,304	-	-	456,735,304
Listed Islamic collective investments schemes	5,057,345	-	-	5,057,345
Listed Shariah-compliant warrants	1,067,558	-	-	1,067,558
Unlisted Islamic options	-	-	4,719,000	4,719,000
	<u>462,860,207</u>	<u>-</u>	<u>4,719,000</u>	<u>467,579,207</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 Shariah-compliant equity securities, listed Islamic collective investment schemes and listed Shariah-compliant warrants are determined by reference to Bursa Malaysia Securities Berhad's last traded prices 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 unlisted Islamic 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 Islamic 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	4,719,000	4,719,000
Purchase cost	11,985,039	4,455,000
Proceeds of maturity	(4,994,000)	(4,994,000)
Realised gain	539,000	539,000
Unrealised change in fair value	266,980	-
At the end of the financial year	<u>12,516,019</u>	<u>4,719,000</u>

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

	Fair value	Valuation methodology	Unobservable input
2024			
Call/Put Option - NCT Alliance Berhad maturing on 15 December 2024	4,720,100	Discounted cash flow	Option prices
Call/Put Option - Sunview Group Berhad maturing on 8 February 2025	5,563,575	Discounted cash flow	Option prices
Call/Put Option - Sunview Group Berhad T2 maturing on 27 February 2025	<u>2,232,344</u>	Discounted cash flow	Option prices
	<u>12,516,019</u>		
2023			
Call/Put Option - NCT Alliance Berhad maturing on 29 November 2023	<u>4,719,000</u>	Discounted cash flow	Option prices

18. FINANCIAL INSTRUMENTS (CONTD.)

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 Shariah-compliant investments meeting the description, risk exposure and expected return indicated in its prospectus;
- 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 year.

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