

KENANGA ASNITABOND FUND

ANNUAL REPORT

For the Financial Year Ended 28 February 2025

kenanga

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

KENANGA ASNITABOND 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, Steven (**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.

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

Registered Office

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 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
50470 Kuala Lumpur
Tel: 03-2261 8888
Fax: 03-2261 9894

Shariah Adviser: BIMB Securities Sdn Bhd Company No. 199401004484 (290163-X)

Registered Office

32nd Floor, Menara Bank Islam
No. 22 Jalan Perak
50450 Kuala Lumpur.

Business Office

Level 34, Menara Bank Islam
No. 22, Jalan Perak
50450 Kuala Lumpur.
Tel: 03-2613 1600
Fax: 03-2613 1799

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: PricewaterhouseCoopers Taxation Services Sdn Bhd

Company No. 199801008604 (464731-M)

Level 15, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50706 Kuala Lumpur, Malaysia.

Tel: 03-2173 1188 Fax: 03-2173 1288

Membership: Federation of Investment Managers Malaysia (FIMM)

19-06-1, 6th Floor, Wisma Capital A, 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

Tel: 03-7890 4242 Website: www.fimm.com.my

DIRECTORY OF MANAGER'S OFFICES

Regional Branch Offices:

Kuala Lumpur

Ground Floor, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 3123
Fax: 03-2172 3133

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

Lot 507 & Lot 508, Ground Floor
Jalan Permaisuri
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

Suite 9 & 10, 3rd Floor, Yung Kong Abell
Lot 365 Abell Road
93100 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 / 05-254 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
47810 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 ASnitaBOND Fund (**KABF** or **the Fund**)

1.2 Fund Category / Type

Bond (Sukuk) / Income

1.3 Investment Objective

The Fund aims to provide capital preservation¹ with regular income² over the short to medium term period by investing in Islamic money market instruments and sukuk.

¹ Unit Holders are to note that this is not a capital guaranteed nor protected Fund. Unit Holders' capital is neither guaranteed nor protected.

² All income distribution will be automatically reinvested into additional units.

1.4 Investment Strategy

The Fund adopts an investment strategy which will provide returns comparable to that of short term Islamic money market deposits, and at the same time preserve the Fund's principal value and maintain a high degree of liquidity.

1.5 Duration

The Fund was launched on 18 March 2005 and it shall exist as long as it appears to the Manager and the Trustee that it is in the interests of the unit holders for it to continue.

1.6 Performance Benchmark

Maybank 12 months Islamic Fixed Deposit-i rate

1.7 Distribution Policy

Annually (if any).

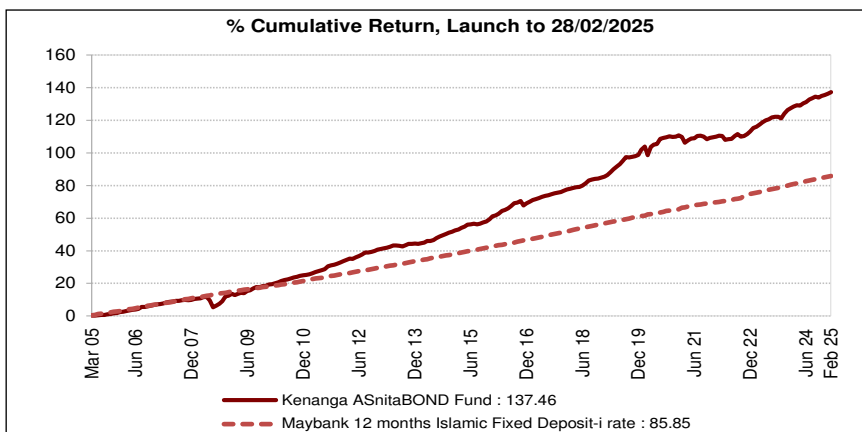
2. MANAGER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

The Fund has achieved its investment objective of providing capital preservation with regular income over the short to medium term period by investing in Islamic money market instruments and sukuk.

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

**Performance Chart Since Launch (18/03/2005 - 28/02/2025)
Kenanga ASnitaBOND Fund vs Benchmark ***



Source: Lipper

*Benchmark: Maybank 12 months Islamic Fixed Deposit-i rate

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

During the financial year under review, the Fund invested in a diversified portfolio of sukuk with emphasis placed on credit-worthy issuers of sukuk and investment-grade sukuk.

2.4 The Fund's asset allocation as at 28 February 2025 and comparison with the previous financial year

| Asset | 28 Feb 2025 | 29 Feb 2024 |
|--|-------------|-------------|
| Unlisted corporate sukuk | 62.5% | 74.7% |
| Unlisted government sukuk | 17.5% | 14.4% |
| Unlisted quasi-government sukuk | 3.4% | 1.3% |
| Unlisted Islamic fixed return notes | 1.5% | 2.4% |
| Short term Islamic deposits and cash equivalents | 15.1% | 7.2% |

Note: The above mentioned percentages are based on total net asset value (NAV)

2.4 The Fund's asset allocation as at 28 February 2025 and comparison with the previous financial year (contd.)

Reason for the differences in asset allocation

During the financial year under review, the Fund's exposure in short term Islamic deposits and cash increased to 15.1% due to sukuk maturities and fund inflows towards the end of February 2025.

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

| | Year under review |
|--|-------------------|
| KABF | 3.96% |
| Maybank 12 months Islamic Fixed Deposit-i rate | 2.57% |

Source: Lipper

The Fund outperformed its benchmark return for the financial year under review, mainly attributable to the strong rally in domestic sukuk market led by anticipated global monetary policy easing.

2.6 Review of the market

Market review

In March 2024, the 2Y US Treasuries (UST) yield remained steady at 4.62% as mixed economic data and elevated inflation clouded the outlook for near-term interest rate cuts. On the monetary policy front, the US Federal Reserve (Fed) kept interest rates unchanged at 5.25% to 5.50% on 20 March, as widely expected. The committee reaffirmed its projections for 75 basis points (bps) of rate cuts in 2024, but reiterated its patient approach to lowering interest rates. Despite the slightly higher domestic inflation, the Malaysian Government Securities (MGS) market remained stable in March with the 3Y and 10Y MGS closing at 3.50% and 3.86% respectively.

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

2.6 Review of the market (contd.)

Market review (contd.)

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

The UST market enjoyed a strong rally in July, as softer labour market data reignited recession concerns for the US economy while US inflation posted its first decline since the pandemic in June, fanning expectations for imminent rate cuts. Although the Fed kept interest rates unchanged on 31 July, Fed Chair Jerome Powell hinted that the committee is moving closer to cutting interest rates, as inflation continues to ease towards the Fed's 2.0% target. In August, UST extended its strong rally following the release of soft labour data and dovish July Federal Open Market Committee (FOMC) meeting minutes, as well as monetary policy pivot by the Fed Chairman, who further endorsed an imminent start to interest rate cuts at the Jackson Hole Symposium on 20 August. The strong rally in UST continued in September amid the Fed's move to kick-start its monetary policy easing cycle. As largely anticipated, the Fed slashed interest rates by 50bps, lowering its policy rate from 5.25% to 5.50%, to 4.75% to 5.00% during the FOMC meeting on 17-18 September. Fed Chair Jerome Powell signaled that it is now appropriate for the Fed to recalibrate its policy stance, underlining the committee's concerns over a softer labour market. The UST yield curve bull steepened in 3Q2024, with the 2Y yield tumbling by 11bps quarter-on-quarter (QoQ) to 3.64% while the 10Y yield plunged by 62bps QoQ to 3.78%.

Similarly, MGS yields tumbled in July as trade volume surged on strong buying interest from both local and foreign investors. In tandem, the ringgit rose against the US dollar to its strongest level since August 2023 as foreign investors increased exposure to Malaysian government bonds to a record high in July. On monetary policy, Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) unchanged at 3.00% on 11 July given the upbeat outlook for domestic growth. MGS ended mixed in August, with shorter tenures registering some gains while the longer ends were softer amidst the stronger-than-expected Gross Domestic Product (GDP) growth of 5.9% year-on-year (YoY) in 2Q2024 (1Q2024: 4.2% YoY). In September, the MGS market was largely rangebound as investors await the Budget 2025 announcement in mid-October. BNM kept the OPR unchanged at 3.00% for the eighth consecutive meeting on 5 September, amid the stable domestic growth and inflation outlook. MGS yields ended 3Q2024 generally lower, with the 3Y MGS yield falling by 19bps QoQ to 3.33% while the 10Y MGS yield shed 15bps QoQ to 3.71%.

UST reversed gains in October with both 2Y and 10Y UST yields surging above 4.0% as markets dialed back expected rate cuts due to hotter-than-expected inflation. The UST sell-off intensified amidst the uncertainty surrounding the US presidential election and fiscal deficit concerns. As widely expected on 7 November, the Fed lowered interest rates by 25bps to 4.50% to 4.75%. Meanwhile, US headline inflation rose to 2.6% YoY in October (September: 2.4%), driving the 10Y UST yield 17bps higher to 4.45%, before easing back to 4.17% at end-November. UST remained weak in December as the Fed's third consecutive rate cut, lowering interest rates by 25bps to 4.25% to 4.50%.

2.6 Review of the market (contd.)

Market review (contd.)

Concurrently, the Fed signalled fewer rate cuts for 2025, i.e., 50bps instead of the 100bps projected earlier, citing caution over the inflation outlook. In response, UST yields rose as investors recalibrated their expectations for the year ahead. On a QoQ basis, the UST yield curve steepened as the 2Y UST yield added 60bps to 4.24%, while the 10Y UST yield climbed 79bps higher to end the year at 4.57%.

Locally, MGS yields trended higher in October as the bearish sentiment in UST spilled over into the local bond market. The MGS market was mildly softer in early November, in line with UST movements, before the higher yields attracted steady buying interest. BNM also announced the cancellation of the 3Y government bond auction scheduled for December, implying a much lower net supply of government bonds for the year, thus further supporting prices. In December, the MGS market was relatively subdued, as trade volume moderated towards year-end. Overall, the 3Y and 10Y MGS yields climbed 15bps and 11bps QoQ in 4Q2024 to 3.48% and 3.82% respectively.

UST started the new year on a positive note amidst mixed US economic data, as well as looming uncertainties over the US growth and inflation outlook following the inauguration of President Donald Trump on 20 January 2025. The Fed kept interest rates unchanged at 4.25% to 4.50% on 30 January as widely expected, turning slightly hawkish amidst uncertainties stemming from elevated inflation and new US economic policies. Consequently, the 2Y and 10Y UST yields fell by 4bps and 3bps to 4.20% and 4.54% respectively in January 2025. UST rallied in February on growing rate cut expectations, on the back of US trade policy uncertainty and mixed economic data. Furthermore, the plunge in US consumer confidence also fanned expectations for additional rate cuts by the Fed, driving UST yields lower across the board. Consequently, the UST yield curve shifted 20-30bps lower in February, with the 2Y and 10Y UST yields ending the month at 3.99% and 4.21% respectively.

On the local front, the MGS traded in a tight range in January 2025. BNM maintained the OPR at 3.00% for the tenth consecutive meeting on 22 January, in line with market expectations. On 24 January, Moody's Ratings affirmed Malaysia's sovereign credit rating at A3 with a stable outlook. Overall, the 3Y and 10Y MGS yields ended the month 2bps lower at 3.46% and 3.80% respectively. The MGS market was relatively stable as trading volume picked up in February. Notably, healthy profit-taking activities were met by strong reinvestment demand, supporting yields throughout the month. The 3Y and 10Y MGS yields closed the month well supported at 3.44% and 3.79% respectively.

Market outlook

The flurry of US tariff announcements has injected fresh uncertainty into global financial markets. Investors remain cautious over escalating trade tensions that may put additional pressure on prices and consumer sentiment. In 4Q2024, the US economy grew at a slower pace of 2.3% QoQ (3Q2024: 3.1%), bringing FY2024 growth to 2.8%. Nonetheless, Fed officials continue to signal that the central bank is in no hurry to adjust its monetary policy, pending further clarity on the US economic outlook. Meanwhile, given the heightened uncertainties, UST yields could remain volatile over the near term, as investors react to policy announcements and incoming economic data.

2.6 Review of the market (contd.)

Market outlook (contd.)

Locally, the Malaysian economy expanded at a solid pace of 5.0% YoY in 4Q2024, surpassing consensus estimates of 4.8%, bringing FY2024 growth to 5.1%. For FY2025, growth is projected at 4.5% to 5.5%, anchored by resilient domestic spending. Inflation should remain manageable between 2.0% to 3.5% (2024: 1.8%), subject to global developments and spillover effects from announced policy measures e.g., retargeting of subsidies and minimum wage revision. Over the near term, BNM is expected to keep the OPR unchanged at 3.00% to support the economy amid external headwinds to growth. Prospects for the local bond market remain favourable, given the stable interest rate outlook, ample market liquidity and steady demand from long term fixed income investors.

2.7 Distributions

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

2.8 Details of any unit split exercise

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

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

There were no significant changes in the state of affairs of the Fund during the financial year under review and up until the date of the Manager's report, not otherwise disclosed in the financial statements.

2.10 Circumstances that materially affect any interests of the unit holders

There were no circumstances that materially affected 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 the 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. As the Fund is solely invested in sukuk and Islamic money market instruments, the Manager did not receive any rebates or soft commissions from its stockbrokers during the financial year under review.

2.12 Cross-trade

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

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

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/period as at 28 February/31 December are as follows:

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

| | FY 2025 % | FP 29.2.2024 % | FY 2022 % |
|--|-----------------|----------------------|-----------------|
| Unlisted corporate sukuk | 62.5 | 74.7 | 82.9 |
| Unlisted government sukuk | 17.5 | 14.4 | 5.7 |
| Unlisted quasi-government sukuk | 3.4 | 1.3 | - |
| Unlisted Islamic fixed return notes | 1.5 | 2.4 | 3.1 |
| Short term Islamic deposits and cash equivalents | 15.1 | 7.2 | 8.3 |
| | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |

Note. The above mentioned percentages are based on total net asset value (NAV)

b. Distribution among markets

The Fund invests in local unlisted sukuk, unlisted Islamic fixed return notes, and short term Islamic deposits and cash equivalents only.

3.2 Performance details of the Fund for the last three financial years/period ended 28 February/31 December are as follows:

| | FY 2025 | Period from 1.1.2023 to 29.2.2024 | FY 2022 |
|---|--------------------|--|--------------------|
| Net asset value ("NAV") (RM Million) | 677.65 | 426.06 | 328.59 |
| Units in circulation (Million) | 984.30 | 643.28 | 531.80 |
| NAV per unit (RM) | 0.6885 | 0.6623 | 0.6179 |
| Highest NAV per unit (RM) | 0.6885 | 0.6566 | 0.6179 |
| Lowest NAV per unit (RM) | 0.6624 | 0.6179 | 0.5999 |
| Total return (%) | 3.95 | 7.19 | 1.61 |
| - Capital growth (%) | 3.95 | 7.19 | 1.61 |
| - Income growth (%) | - | - | - |
| Gross distribution per unit (sen) | - | - | - |
| Net distribution per unit (sen) | - | - | - |
| Total expense ratio ("TER") (%) ¹ | 1.08 | 1.08 | 1.09 |
| Portfolio turnover ratio ("PTR") (times) ² | 0.42 | 0.45 | 0.29 |

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

TER is computed based on the total fees and recovered 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 investments of the Fund divided by the average fund size, calculated on a daily basis.

Above NAV and NAV per unit are not shown as ex-distribution as there were no distribution declared by the Fund in the financial years/period under review.

- 1. TER remained unchanged for the financial year under review as compared against the previous financial period.*
- 2. PTR is lower against previous financial period mainly due to the increase in average fund size during the financial year under review.*

3.3 Average total return of the Fund

| | 1 Year 29 Feb 24 - 28 Feb 25 | 3 Years 28 Feb 22 - 28 Feb 25 | 5 Years 29 Feb 20 - 28 Feb 25 |
|--|---|--|--|
| KABF | 3.96% | 4.01% | 3.07% |
| Maybank 12 months Islamic Fixed Deposit-i rate | 2.57% | 2.63% | 2.35% |

Source: Lipper

3.4 Annual total return of the Fund

| | Year under review 29 Feb 24 - 28 Feb 25 | Financial Period/Years | | | |
|--|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 31 Dec 22 - 29 Feb 24 | 31 Dec 21 - 31 Dec 22 | 31 Dec 20 - 31 Dec 21 | 31 Dec 19 - 31 Dec 20 |
| KABF | 3.96% | 7.19% | 1.61% | -0.18% | 5.67% |
| Maybank 12 months Islamic Fixed Deposit-i rate | 2.57% | 3.50% | 2.24% | 1.85% | 2.21% |

Source: Lipper

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

KENANGA ASNITABOND FUND

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

28 February 2025

KENANGA ASNITABOND FUND

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**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF KENANGA ASNITABOND FUND ("FUND")**

We have acted as Trustee of the Fund for the financial year ended 28 February 2025 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

Tok Puan Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia

28 April 2025

**SHARIAH ADVISER'S REPORT FOR ISLAMIC UNIT TRUST FUND
TO THE UNIT HOLDERS OF KENANGA ASNITABOND 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 and on behalf of the Shariah Adviser,
BIMB Securities Sdn Bhd

MUHAMMAD SHAHIER BIN SA'MIN
Designed Shariah Person

Kuala Lumpur, Malaysia
28 April 2025

Independent auditors' report to the unit holders of Kenanga ASnitaBOND Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenanga ASnitaBOND (the "Fund"), which comprise the statement of financial position as at 28 February 2025, 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 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 28 February 2025, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 ASnitaBOND 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 MFRS Accounting Standards and IFRS Accounting 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 ASnitaBOND 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 ASnitaBOND 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. 03675/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 April 2025

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 28 February 2025 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 28 February 2025 together with notes thereto, are drawn up in accordance with MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of **Kenanga ASnitaBOND** Fund as at 28 February 2025 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

28 April 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

| | Note | 1.3.2024 to 28.2.2025 RM | 1.1.2023 to 29.2.2024 RM |
|--|------|--------------------------------|--------------------------------|
| INVESTMENT INCOME | | | |
| Profit income | | 23,264,511 | 19,611,442 |
| Net gain from Shariah-compliant investments: | | | |
| - Financial assets at fair value through profit or loss ("FVTPL") | 4 | 3,206,342 | 9,816,748 |
| Other income | | - | 11,865 |
| | | <u>26,470,853</u> | <u>29,440,055</u> |
| EXPENSES | | | |
| Manager's fee | 5 | 5,328,081 | 4,188,501 |
| Trustee's fee | 6 | 373,895 | 293,195 |
| Auditors' remuneration | | 16,500 | 17,000 |
| Tax agent's fee | | 8,100 | 3,100 |
| Administration expenses | | 41,591 | 21,325 |
| Brokerage and other transaction costs | | - | 100,000 |
| Allowance for expected credit loss ("ECL") on other receivables | 9(b) | 27,375 | - |
| | | <u>5,795,542</u> | <u>4,623,121</u> |
| NET INCOME BEFORE TAX | | 20,675,311 | 24,816,934 |
| Income tax | 7 | - | - |
| NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD | | <u>20,675,311</u> | <u>24,816,934</u> |
| Net income after tax is made up as follows: | | | |
| Realised gain | | 17,654,853 | 14,249,982 |
| Unrealised gain | 4 | <u>3,020,458</u> | <u>10,566,952</u> |
| | | <u>20,675,311</u> | <u>24,816,934</u> |

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

**STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2025**

| | Note | 28.2.2025 RM | 29.2.2024 RM |
|---|-------------|-------------------------|-------------------------|
| ASSETS | | | |
| INVESTMENTS | | | |
| Financial assets at FVTPL | 4 | 575,344,814 | 395,551,816 |
| Short term Islamic deposits | 8 | 96,564,000 | 42,376,000 |
| | | <u>671,908,814</u> | <u>437,927,816</u> |
| OTHER ASSETS | | | |
| Amount due from Manager | | 5,583,339 | 4,330,264 |
| Other receivables | 9 | 256,994 | 3,425 |
| Cash at bank | | 10,022 | 10,625 |
| | | <u>5,850,355</u> | <u>4,344,314</u> |
| TOTAL ASSETS | | <u>677,759,169</u> | <u>442,272,130</u> |
| LIABILITIES | | | |
| Amount due to Trustee | | 74,228 | 47,944 |
| Amount due to licensed financial institution | 10 | - | 16,131,104 |
| Other payables | 11 | 32,423 | 36,584 |
| TOTAL LIABILITIES | | <u>106,651</u> | <u>16,215,632</u> |
| EQUITY | | | |
| Unit holders' contribution | | 618,011,374 | 387,090,665 |
| Retained earnings | | 59,641,144 | 38,965,833 |
| NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS | 12 | <u>677,652,518</u> | <u>426,056,498</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>677,759,169</u> | <u>442,272,130</u> |
| NUMBER OF UNITS IN CIRCULATION | 12(a) | <u>984,304,530</u> | <u>643,278,117</u> |
| NAV PER UNIT (RM) | | <u>0.6885</u> | <u>0.6623</u> |

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

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

| | Note | Unit holders' contribution RM | Retained earnings RM | Total NAV RM |
|--------------------------------------|-------------|--|-------------------------------------|-------------------------|
| 1.3.2023 to 28.2.2025 | | | | |
| At beginning of the financial year | | 387,090,665 | 38,965,833 | 426,056,498 |
| Total comprehensive income | | - | 20,675,311 | 20,675,311 |
| Creation of units | 12(a) | 431,487,600 | - | 431,487,600 |
| Cancellation of units | 12(a) | (200,566,891) | - | (200,566,891) |
| At end of the financial year | | <u>618,011,374</u> | <u>59,641,144</u> | <u>677,652,518</u> |
| 1.1.2023 to 29.2.2024 | | | | |
| At beginning of the financial period | | 314,439,377 | 14,148,899 | 328,588,276 |
| Total comprehensive income | | - | 24,816,934 | 24,816,934 |
| Creation of units | 12(a) | 166,670,645 | - | 166,670,645 |
| Cancellation of units | 12(a) | (94,019,357) | - | (94,019,357) |
| At end of the financial period | | <u>387,090,665</u> | <u>38,965,833</u> | <u>426,056,498</u> |

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

| | 1.3.2024 to 28.2.2025 RM | 1.1.2023 to 29.2.2024 RM |
|--|---|---|
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Proceeds from sale of financial assets at FVTPL | 127,964,028 | 119,372,229 |
| Profit received | 22,131,672 | 18,376,960 |
| Proceeds from the maturity of investments | 17,000,000 | - |
| Other income received | - | 11,865 |
| Tax agent's fee paid | (7,200) | (3,900) |
| Auditors' remuneration paid | (13,000) | (10,500) |
| Payment for other fees and expenses | (50,152) | (36,630) |
| Trustee's fee paid | (347,611) | (264,048) |
| Manager's fee paid | (5,169,185) | (4,126,877) |
| Purchase of financial assets at FVTPL | (336,829,892) | (186,555,438) |
| Net cash used in operating and investing activities | <u>(175,321,340)</u> | <u>(53,236,339)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash received from units created | 430,075,628 | 164,358,905 |
| Cash paid on units cancelled | <u>(200,566,891)</u> | <u>(94,019,357)</u> |
| Net cash generated from financing activities | <u>229,508,737</u> | <u>70,339,548</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 54,187,397 | 17,103,209 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD | <u>42,386,625</u> | <u>25,283,416</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD | <u>96,574,022</u> | <u>42,386,625</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 10,022 | 10,625 |
| Short term Islamic deposits | 96,564,000 | 42,376,000 |
| | <u>96,574,022</u> | <u>42,386,625</u> |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Kenanga ASnitaBOND Fund (“the Fund”) was constituted pursuant to the executed Deed dated 3 March 2005 (collectively, together with deeds supplemental thereto, referred to as “the Deed”) between Libra Invest Berhad and HSBC (Malaysia) Trustees Berhad. The Fund commenced operations on 18 March 2005 and will continue to be in operation until terminated as provided under Part 12 of the Deed. Effective 8 January 2014, HSBC (Malaysia) Trustee Berhad had retired as the Trustee of the Fund. Pursuant to Fifth Supplemental Master Deed dated 17 December 2013, CIMB Islamic Trustee Berhad resume the role as Trustee of the Fund with immediate effect.

Pursuant to the executed seventh Supplemental Deed dated 8 November 2019 between Kenanga Investors Berhad and CIMB Islamic Trustee Berhad, Kenanga Investors Berhad was appointed as the Manager of the Fund with effect from 30 November 2019.

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 aims to provide capital preservation with regular income over the short to medium term period by investing in Islamic money market instruments and sukuk.

The financial statements were authorised for issue by the Chief Executive Officer of the Manager on 28 April 2025.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk), credit risk and liquidity 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.

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 investment's price 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 performance 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 unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

The Fund's exposure to the interest rate risk is mainly confined to unlisted corporate sukuk, unlisted government sukuk and unlisted quasi-government sukuk.

Interest rate risk sensitivity

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

| | Changes in rate Increase/(Decrease) Basis points | Effects on income for the financial year/period (Loss)/Gain RM |
|---------------------------|---|---|
| 28.2.2025 | | |
| Financial assets at FVTPL | 5/(5) | (1,754,924)/1,764,469 |
| 29.2.2024 | | |
| Financial assets at FVTPL | 5/(5) | (1,368,982)/1,380,001 |

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

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

a. Market risk (contd.)

i. Interest rate risk (contd.)

Interest rate risk exposure

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

| | Up to 1 year RM | Above 1 year - 5 years RM | Above 5 years RM | Non-interest sensitive RM | Total RM | Weighted average effective rate of return* % |
|--|--------------------|---------------------------------|------------------------|---------------------------------|--------------------|--|
| 28.2.2025 | | | | | | |
| Assets | | | | | | |
| Financial assets at FVTPL | 10,067,600 | 198,416,558 | 350,584,012 | 16,276,644 | 575,344,814 | 4.2 |
| Short term Islamic deposits | 96,564,000 | - | - | - | 96,564,000 | 3.0 |
| Other financial assets | - | - | - | 5,850,355 | 5,850,355 | |
| | <u>106,631,600</u> | <u>198,416,558</u> | <u>350,584,012</u> | <u>22,126,999</u> | <u>677,759,169</u> | |
| Liabilities | | | | | | |
| Other financial liabilities | - | - | - | 74,228 | 74,228 | |
| Total interest rate sensitivity gap | <u>106,631,600</u> | <u>198,416,558</u> | <u>350,584,012</u> | <u>22,052,771</u> | <u>677,684,941</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 | Above 1 year - 5 years RM | Above 5 years RM | Non-interest sensitive RM | Total RM | Weighted average effective rate of return* % |
|--|--------------------|---------------------------------|------------------------|---------------------------------|--------------------|--|
| 29.2.2024 | | | | | | |
| Assets | | | | | | |
| Financial assets at FVTPL | 17,043,550 | 144,945,322 | 218,403,414 | 15,159,530 | 395,551,816 | 3.6 |
| Short term Islamic deposits | 42,376,000 | - | - | - | 42,376,000 | 3.0 |
| Other financial assets | - | - | - | 4,344,314 | 4,344,314 | |
| | <u>59,419,550</u> | <u>144,945,322</u> | <u>218,403,414</u> | <u>19,503,844</u> | <u>442,272,130</u> | |
| Liabilities | | | | | | |
| Other financial liabilities | - | - | - | 16,179,048 | 16,179,048 | |
| Total interest rate sensitivity gap | <u>59,419,550</u> | <u>144,945,322</u> | <u>218,403,414</u> | <u>3,324,796</u> | <u>426,093,082</u> | |

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

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

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 recognised in the statement of financial position.

ii. Financial assets that are either past due or impaired

As at the reporting date, the financial assets that are overdue are presented in Note 9(b).

iii. Credit quality of financial assets

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

Unlisted sukuk

| Rating | Percentage of total unlisted sukuk | | Percentage of NAV | |
|-----------|---------------------------------------|--------------|-------------------|-------------|
| | 28.2.2025 | 29.2.2024 | 28.2.2025 | 29.2.2024 |
| | % | % | % | % |
| AA3/AA- | 38.8 | 30.8 | 32.2 | 27.9 |
| Not rated | 25.1 | 17.4 | 20.9 | 15.7 |
| AAA | 15.0 | 19.7 | 12.5 | 17.8 |
| AA2/AA | 13.7 | 14.9 | 11.7 | 13.5 |
| AA1/AA+ | 5.6 | 5.0 | 4.7 | 4.5 |
| A1/A+ | 0.9 | 10.6 | 0.8 | 9.6 |
| A3/A- | 0.8 | - | 0.6 | - |
| BBB+ | - | 1.6 | - | 1.4 |
| | <u>100.0</u> | <u>100.0</u> | <u>83.4</u> | <u>90.4</u> |

Unlisted Islamic options

| Rating | Percentage of total unlisted Islamic options | | Percentage of NAV | |
|-----------|---|--------------|-------------------|------------|
| | 28.2.2025 | 29.2.2024 | 28.2.2025 | 29.2.2024 |
| | % | % | % | % |
| Not rated | <u>100.0</u> | <u>100.0</u> | <u>1.5</u> | <u>2.4</u> |

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

b. Credit risk (contd.)

iii. Credit quality of financial assets (contd.)

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

| Rating | Percentage of total short term Islamic deposits | | Percentage of NAV | |
|-----------|--|-----------|-------------------|-----------|
| | 28.2.2025 | 29.2.2024 | 28.2.2025 | 29.2.2024 |
| | % | % | % | % |
| P1/MARC-1 | 100.0 | 100.0 | 14.2 | 9.9 |

iv. Credit risk concentration

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

Unlisted sukuk

| | Percentage of total unlisted sukuk | | Percentage of NAV | |
|-------------------------------|---------------------------------------|-----------|-------------------|-----------|
| | 28.2.2025 | 29.2.2024 | 28.2.2025 | 29.2.2024 |
| | % | % | % | % |
| Energy and Utilities | 29.4 | 37.6 | 24.4 | 34.0 |
| Government | 23.9 | 17.4 | 19.9 | 15.7 |
| Transportation and Storage | 14.7 | 9.5 | 12.4 | 8.6 |
| Real Estate | 10.7 | 6.9 | 9.0 | 6.2 |
| Consumer | | | | |
| Discretionary | 7.6 | 14.3 | 6.4 | 12.9 |
| Financial Services | 3.6 | 4.5 | 2.9 | 4.1 |
| Basic Materials | 3.5 | 5.1 | 2.9 | 4.6 |
| Industrials | 2.7 | 1.3 | 2.3 | 1.2 |
| Communications | | | | |
| Services | 2.3 | 3.4 | 1.9 | 3.1 |
| Information | | | | |
| Technology | 1.6 | - | 1.3 | - |
| | 100.0 | 100.0 | 83.4 | 90.4 |

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

b. Credit risk (contd.)

iv. Credit risk concentration (contd.)

Unlisted Islamic options

| | Percentage of total unlisted Islamic options | | Percentage of NAV | |
|---------------------------------|---|-----------|-------------------|-----------|
| | 28.2.2025 | 29.2.2024 | 28.2.2025 | 29.2.2024 |
| | % | % | % | % |
| Telecommunications and Media | 100.0 | 100.0 | 1.5 | 2.4 |

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.

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

c. Liquidity risk (contd.)

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 | Above 1 year - 5 years RM | Above 5 years RM | Total RM |
|-----------------------------|------|----------------------|--------------------|---------------------------------|------------------------|-------------|
| 28.2.2025 | | | | | | |
| Assets | | | | | | |
| Financial assets at FVTPL | | - | 26,344,244 | 198,416,558 | 350,584,012 | 575,344,814 |
| Short term Islamic deposits | | - | 96,564,000 | - | - | 96,564,000 |
| Cash at bank | | 10,022 | - | - | - | 10,022 |
| Other financial assets | | - | 5,840,333 | - | - | 5,840,333 |
| | i. | 10,022 | 128,748,577 | 198,416,558 | 350,584,012 | 677,759,169 |
| Liabilities | | | | | | |
| Other financial liabilities | | - | 74,228 | - | - | 74,228 |
| Equity | | - | 677,652,518 | - | - | 677,652,518 |
| Liquidity gap | | 10,022 | (548,978,169) | 198,416,558 | 350,584,012 | 32,423 |

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

c. Liquidity risk (contd.)

| | Note | No maturity RM | Up to 1 year RM | Above 1 year - 5 years RM | Above 5 years RM | Total RM |
|-----------------------------|------|----------------------|--------------------|---------------------------------|------------------------|-------------|
| 29.2.2024 | | | | | | |
| Assets | | | | | | |
| Financial assets at FVTPL | | - | 32,203,080 | 144,945,322 | 218,403,414 | 395,551,816 |
| Short term Islamic deposits | | - | 42,376,000 | - | - | 42,376,000 |
| Cash at bank | | 10,625 | - | - | - | 10,625 |
| Other financial assets | | - | 4,333,689 | - | - | 4,333,689 |
| | i. | 10,625 | 78,912,769 | 144,945,322 | 218,403,414 | 442,272,130 |
| Liabilities | | | | | | |
| Other financial liabilities | ii. | - | 16,179,048 | - | - | 16,179,048 |
| Equity | iii. | - | 426,056,498 | - | - | 426,056,498 |
| Liquidity gap | | 10,625 | (363,322,777) | 144,945,322 | 218,403,414 | 36,584 |

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

c. Liquidity risk (contd.)

i. Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. For other financial assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised. The unlisted Islamic options are also expected to be realised within a year.

ii. Financial liabilities

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

iii. Equity

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

d. 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 MFRS Accounting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting 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 amended MFRS, which became effective for the Fund on 1 March 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

a. Basis of accounting (contd.)

| 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 |

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

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

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

| Description | Effective for financial periods beginning on or after |
|--|---|
| Amendments to MFRS 121: <i>Lack of Exchangeability</i> | 1 January 2025 |
| Amendments that are part of Annual Improvements—Volume 11: Amendments to MFRS 1, 7, 9, 10 and 107 | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i> | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7: <i>Contracts Referencing Nature-dependent Electricity</i> | 1 January 2026 |
| MFRS 18: <i>Presentation and Disclosure in Financial Statements</i> | 1 January 2027 |
| MFRS 19 Subsidiaries without Public Accountability: <i>Disclosures</i> | 1 January 2027 |
| Withdrawal of MFRS 101: <i>Presentation of Financial Statements</i> | 1 January 2027 |
| 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

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).

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 profit rate ("EPR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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 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.

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 the 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.

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

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 payments of principal or amortisation/accretion of the premium/discount).

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

d. Derecognition of financial assets (contd.)

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.

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 financed 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

d. Derecognition of financial assets (contd.)

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.

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. The key elements of the ECL calculations are the probability of default ("PD"), exposure at default and loss given default ("LGD"). The Manager considers both historical analysis and forward-looking information in determining the allowance for ECL.

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, which includes the accretion of discount and amortisation of premium on sukuk, is recognised using the effective yield method.

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 investments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

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/period comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year/period.

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

j. Unrealised reserves

Unrealised reserves represent the net gain or loss arising from carrying 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.

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 Fund's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

n. Significant accounting judgements and estimates (contd.)

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

4. FINANCIAL ASSETS AT FVTPL

| | 28.2.2025 RM | 29.2.2024 RM |
|--|--------------------|--------------------|
| Financial assets held for trading, at FVTPL: | | |
| Unlisted corporate sukuk | 423,079,600 | 318,099,131 |
| Unlisted government sukuk | 118,889,322 | 61,382,781 |
| Unlisted quasi-government sukuk | 22,981,373 | 5,675,884 |
| Unlisted Islamic options | 10,394,519 | 10,394,020 |
| | <u>575,344,814</u> | <u>395,551,816</u> |
| Net gain on financial assets at FVTPL comprised: | | |
| Realised gain/(loss) on disposals | 185,884 | (750,204) |
| Unrealised changes in fair values | 3,020,458 | 10,566,952 |
| | <u>3,206,342</u> | <u>9,816,748</u> |

Details of financial assets at FVTPL as at 28 February 2025:

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|---|-----------|-------------------------|------------------|---------------------------|
| Unlisted corporate sukuk | | | | |
| Anih Berhad maturing on 27/11/2026 | 6,000,000 | 6,267,855 | 6,231,763 | 0.9 |
| Pengurusan Air Selangor Sdn Bhd maturing on 11/10/2033 | 5,000,000 | 5,086,532 | 5,313,082 | 0.8 |
| Pengurusan Air Selangor Sdn Bhd maturing on 18/09/2037 | 4,000,000 | 4,184,244 | 4,567,693 | 0.7 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|---|------------|-------------------------|------------------|---------------------------|
| Unlisted corporate sukuk (contd.) | | | | |
| Pengurusan Air Selangor Sdn Bhd maturing on 19/4/2038 | 2,000,000 | 2,056,906 | 2,222,741 | 0.3 |
| Pengurusan Air Selangor Sdn Bhd maturing on 11/10/2038 | 5,000,000 | 5,091,553 | 5,488,753 | 0.8 |
| Pengurusan Air Selangor Sdn Bhd maturing on 17/4/2043 | 4,500,000 | 4,623,449 | 5,137,888 | 0.8 |
| Pengurusan Air Selangor Sdn Bhd maturing on 19/8/2044 | 5,000,000 | 5,005,753 | 5,087,103 | 0.7 |
| Avaland Berhad maturing on 7/8/2029 | 19,000,000 | 19,081,652 | 19,093,907 | 2.8 |
| Berapit Mobility Sdn Bhd maturing on 12/11/2031 | 5,000,000 | 5,082,829 | 5,114,585 | 0.7 |
| Berapit Mobility Sdn Bhd maturing on 10/11/2034 | 5,000,000 | 5,089,652 | 5,127,925 | 0.8 |
| Berapit Mobility Sdn Bhd maturing on 12/11/2035 | 5,000,000 | 5,091,896 | 5,131,471 | 0.8 |
| Berapit Mobility Sdn Bhd maturing on 12/11/2036 | 5,000,000 | 5,094,156 | 5,132,218 | 0.8 |
| Berapit Mobility Sdn Bhd maturing on 12/11/2037 | 5,000,000 | 5,096,413 | 5,134,664 | 0.8 |
| Berapit Mobility Sdn Bhd maturing on 12/11/2038 | 5,000,000 | 5,090,788 | 5,129,661 | 0.8 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|--|------------|-------------------------|------------------|---------------------------|
| Unlisted corporate sukuk (contd.) | | | | |
| Berapit Mobility Sdn Bhd maturing on 11/11/2039 | 5,000,000 | 5,092,548 | 5,128,308 | 0.8 |
| Berapit Mobility Sdn Bhd maturing on 12/11/2040 | 5,000,000 | 5,094,238 | 5,130,602 | 0.8 |
| Cellco Capital Berhad maturing on 31/3/2026 | 3,000,000 | 3,048,083 | 3,049,647 | 0.4 |
| CIMB Islamic Bank Berhad maturing on 27/3/2034 | 5,000,000 | 5,087,692 | 5,164,392 | 0.8 |
| CIMB Islamic Bank Berhad maturing on 30/7/2035 | 5,000,000 | 5,016,168 | 5,066,819 | 0.7 |
| Danum Capital Berhad maturing on 13/5/2027 | 1,000,000 | 1,016,712 | 997,081 | 0.1 |
| Dynasty Harmony Sdn Bhd maturing on 21/6/2030 | 5,000,000 | 5,299,639 | 5,283,351 | 0.8 |
| Dynasty Harmony Sdn Bhd maturing on 20/6/2031 | 5,000,000 | 5,348,333 | 5,305,733 | 0.8 |
| DRB-Hicom Berhad maturing on 11/12/2026 | 15,000,000 | 15,180,600 | 15,412,609 | 2.3 |
| DRB-Hicom Berhad maturing on 4/8/2028 | 8,000,000 | 8,036,539 | 8,255,409 | 1.2 |
| Gamuda Berhad maturing on 20/6/2033 | 5,000,000 | 5,042,795 | 5,176,195 | 0.8 |
| Gamuda Land (T12) Sdn Bhd maturing on 11/10/2028 | 5,000,000 | 5,084,986 | 5,159,786 | 0.8 |
| Jimah East Power Sdn Bhd maturing on 4/12/2026 | 4,000,000 | 4,153,658 | 4,159,610 | 0.6 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|--|------------|-------------------------|------------------|---------------------------|
| Unlisted corporate sukuk (contd.) | | | | |
| Keyfield International Berhad maturing on 26/12/2029 | 10,000,000 | 10,113,188 | 10,126,185 | 1.5 |
| LBS Bina Group Berhad maturing on 23/1/2029 | 4,800,000 | 4,824,329 | 4,912,553 | 0.7 |
| LBS Bina Group Berhad maturing on 23/1/2032 | 10,000,000 | 10,047,441 | 10,166,941 | 1.5 |
| Malakoff Power Berhad maturing on 16/2/2035 | 5,000,000 | 5,007,430 | 5,032,030 | 0.7 |
| Malayan Banking Berhad maturing on 30/1/2026 | 2,250,000 | 2,321,826 | 2,278,625 | 0.3 |
| Malayan Banking Berhad maturing on 5/8/2026 | 2,000,000 | 2,004,484 | 1,993,064 | 0.3 |
| MMC Corporation Berhad maturing on 27/4/2027 | 2,000,000 | 2,095,940 | 2,109,801 | 0.3 |
| MMC Corporation Berhad maturing on 12/11/2027 | 8,500,000 | 8,901,985 | 9,084,532 | 1.3 |
| MMC Port Holdings Sdn Bhd maturing on 6/4/2029 | 5,000,000 | 5,091,923 | 5,231,973 | 0.8 |
| MY E.G. Services Berhad maturing on 16/8/2027 | 9,000,000 | 9,047,727 | 9,052,802 | 1.3 |
| OCK Group Berhad maturing on 22/11/2030 | 9,800,000 | 9,985,792 | 10,240,217 | 1.5 |
| Orkim Sdn Bhd maturing on 28/2/2030 | 3,000,000 | 3,000,355 | 3,000,355 | 0.4 |
| Orkim Sdn Bhd maturing on 27/2/2032 | 10,000,000 | 10,001,227 | 10,001,127 | 1.5 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|--|------------|-------------------------|------------------|---------------------------|
| Unlisted corporate sukuk (contd.) | | | | |
| OSK Rated Bond Sdn Bhd maturing on 15/9/2033 | 10,000,000 | 10,207,493 | 10,575,493 | 1.6 |
| Pengurusan Air SPV Berhad maturing on 31/1/2030 | 5,000,000 | 5,016,241 | 5,182,391 | 0.8 |
| Pengurusan Air SPV Berhad maturing on 7/2/2034 | 9,400,000 | 9,424,275 | 9,600,552 | 1.4 |
| Press Metal Aluminium Holdings Berhad maturing on 16/10/2026 | 13,000,000 | 13,225,066 | 13,294,765 | 2.0 |
| Press Metal Aluminium Holdings Berhad maturing on 17/10/2029 | 1,000,000 | 1,015,904 | 1,032,684 | 0.1 |
| Press Metal Aluminium Holdings Berhad maturing on 18/9/2030 | 5,000,000 | 5,124,365 | 5,225,573 | 0.8 |
| Pelabuhan Tanjung Pelepas Sdn Bhd maturing on 18/6/2030 | 12,000,000 | 12,367,537 | 12,166,560 | 1.8 |
| Quantum Solar Park (Semenanjung) Sdn Bhd maturing on 6/4/2027 | 5,000,000 | 5,128,286 | 5,256,144 | 0.8 |
| Quantum Solar Park (Semenanjung) Sdn Bhd maturing on 6/4/2028 | 1,000,000 | 1,030,005 | 1,064,797 | 0.1 |
| Quantum Solar Park (Semenanjung) Sdn Bhd maturing on 6/4/2032 | 5,000,000 | 5,015,811 | 5,607,489 | 0.8 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|---|------------|-------------------------|------------------|---------------------------|
| Unlisted corporate sukuk (contd.) | | | | |
| reNIKOLA Solar II Sdn Bhd maturing on 29/9/2034 | 4,800,000 | 5,203,652 | 5,171,587 | 0.8 |
| Sarawak Energy Berhad maturing on 4/7/2033 | 5,000,000 | 5,031,586 | 5,180,336 | 0.8 |
| SIBS Sdn Bhd maturing on 26/2/2027 | 10,000,000 | 10,020,493 | 10,019,993 | 1.5 |
| Sinar Kamiri Sdn Bhd maturing on 30/1/2026 | 10,000,000 | 10,089,055 | 10,110,822 | 1.5 |
| Sinar Kamiri Sdn Bhd maturing on 30/1/2030 | 4,000,000 | 4,107,773 | 4,172,489 | 0.6 |
| Small Medium Enterprise Development Bank Malaysia Berhad maturing on 31/7/2026 | 5,000,000 | 5,011,041 | 4,959,741 | 0.7 |
| Sarawak Petchem Sdn Bhd maturing on 25/7/2036 | 4,800,000 | 4,832,167 | 5,440,945 | 0.8 |
| Sarawak Petchem Sdn Bhd maturing on 27/7/2037 | 5,000,000 | 5,292,059 | 5,738,213 | 0.8 |
| Southern Power Generation Sdn Bhd maturing on 29/10/2032 | 5,000,000 | 5,663,396 | 5,494,995 | 0.8 |
| Tanjung Bin Power Sdn Bhd maturing on 16/8/2027 | 5,500,000 | 5,623,584 | 5,670,312 | 0.8 |
| Tanjung Bin O&M Berhad maturing on 30/6/2028 | 10,000,000 | 10,344,114 | 10,559,897 | 1.5 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|--|------------|-------------------------|--------------------|---------------------------|
| Unlisted corporate sukuk (contd.) | | | | |
| TNB Power Generation Sdn Bhd maturing on 29/3/2038 | 4,800,000 | 4,893,349 | 5,240,965 | 0.8 |
| TNB Power Generation Sdn Bhd maturing on 27/3/2043 | 4,000,000 | 4,080,622 | 4,475,103 | 0.7 |
| UMW Holdings Berhad maturing on 2/10/2026 | 5,000,000 | 5,261,240 | 5,216,580 | 0.8 |
| UMW Holdings Berhad maturing on 20/4/2028 | 13,000,000 | 13,469,380 | 14,129,575 | 2.1 |
| Yinson Holdings Berhad maturing on 7/12/2026 | 5,000,000 | 5,062,342 | 5,112,093 | 0.8 |
| Yinson Holdings Berhad maturing on 8/3/2029 | 4,100,000 | 4,245,747 | 4,340,211 | 0.6 |
| YTL Power International Berhad maturing on 3/5/2027 | 2,500,000 | <u>2,607,845</u> | <u>2,606,094</u> | <u>0.4</u> |
| Total unlisted corporate sukuk | | <u>415,283,744</u> | <u>423,079,600</u> | <u>62.5</u> |
| Unlisted government sukuk | | | | |
| Government of Malaysia maturing on 30/8/2030 | 10,000,000 | 10,000,993 | 10,003,993 | 1.5 |
| Government of Malaysia maturing on 8/10/2031 | 20,000,000 | 20,359,647 | 20,354,976 | 3.0 |
| Government of Malaysia maturing on 7/10/2032 | 10,000,000 | 10,440,588 | 10,439,729 | 1.5 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|---|------------|-------------------------|--------------------|---------------------------|
| Unlisted government sukuk (contd.) | | | | |
| Government of Malaysia maturing on 30/8/2033 | 10,000,000 | 10,545,724 | 10,571,252 | 1.6 |
| Government of Malaysia maturing on 30/11/2034 | 20,000,000 | 20,733,018 | 20,709,950 | 3.0 |
| Government of Malaysia maturing on 15/9/2039 | 10,000,000 | 10,720,692 | 10,762,714 | 1.6 |
| Government of Malaysia maturing on 14/8/2043 | 15,000,000 | 15,393,277 | 15,464,671 | 2.3 |
| Government of Malaysia maturing on 15/5/2052 | 8,500,000 | 9,882,205 | 10,238,048 | 1.5 |
| Government of Malaysia maturing on 23/3/2054 | 10,000,000 | 10,316,283 | 10,343,989 | 1.5 |
| Total unlisted government sukuk | | <u>118,392,427</u> | <u>118,889,322</u> | <u>17.5</u> |
| Unlisted quasi-government sukuk | | | | |
| DanaInfra Nasional Berhad maturing on 16/7/2035 | 5,000,000 | 5,023,929 | 5,077,229 | 0.8 |
| DanaInfra Nasional Berhad maturing on 15/7/2044 | 5,000,000 | 5,025,195 | 5,088,144 | 0.8 |
| DanaInfra Nasional Berhad maturing on 12/2/2049 | 5,000,000 | 5,592,583 | 5,709,634 | 0.8 |
| Prasarana Malaysia Berhad maturing on 28/6/2039 | 7,000,000 | 7,047,496 | 7,106,366 | 1.0 |
| Total unlisted quasi-government sukuk | | <u>22,689,203</u> | <u>22,981,373</u> | <u>3.4</u> |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

| | Quantity | Amortised cost RM | Fair value RM | Percentage of NAV % |
|--|------------|-------------------------|--------------------|---------------------------|
| Unlisted Islamic options | | | | |
| Call/Put - Seni Jaya Corporation Berhad maturing on 6/10/2025 | 16,326,528 | <u>9,999,999</u> | <u>10,394,519</u> | <u>1.5</u> |
| Total Unlisted Islamic options | | <u>9,999,999</u> | <u>10,394,519</u> | <u>1.5</u> |
| Total financial assets at FVTPL | | <u>566,365,373</u> | <u>575,344,814</u> | <u>84.9</u> |
| Unrealised gain on financial assets at FVTPL | | | <u>8,979,441</u> | |

5. MANAGER'S FEE

The Manager's fee is calculated on a daily basis at a rate not exceeding 3.0% per annum of the NAV of the Fund as provided under Division 13.1 of the Deed.

The Manager is currently charging Manager's fee of 1.00% per annum of the NAV of the Fund (financial period from 1 January 2023 to 29 February 2024: 1.00% per annum).

6. TRUSTEE'S FEE

The Trustee's fee is calculated on a daily basis at a rate not exceeding 0.20% per annum of the NAV of the Fund as provided under Division 13.2 of the Deed.

The Trustee's fee is currently calculated at 0.07% per annum of the NAV of the Fund (financial period from 1 January 2023 to 29 February 2024: 0.07% per annum).

7. INCOME TAX

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

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.

7. INCOME TAX (CONTD.)

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

| | 1.3.2024 to 28.2.2025 RM | 1.1.2023 to 29.2.2024 RM |
|--|---|---|
| Net income before tax | <u>20,675,311</u> | <u>24,816,934</u> |
| Tax at Malaysian statutory tax rate of 24% (financial period from 1 January 2023 to 29 February 2024: 24%) | 4,962,075 | 5,956,064 |
| Tax effect of: | | |
| Income not subject to tax | (6,353,005) | (7,245,662) |
| Loss not deductible for tax purposes | - | 180,049 |
| Expenses not deductible for tax purposes | 99,803 | 96,167 |
| Restriction on tax deductible expenses for unit trust fund | <u>1,291,127</u> | <u>1,013,382</u> |
| Income tax for the financial year/period | <u>-</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. OTHER RECEIVABLES

| | Note | 28.2.2025 RM | 29.2.2024 RM |
|--|-------------|-------------------------|-------------------------|
| Profit receivable from short term Islamic deposits | | 19,649 | 3,425 |
| Amount due from counterparty | (a) | <u>237,345</u> | <u>-</u> |
| | | <u>256,994</u> | <u>3,425</u> |

a. Amount due from counterparty

| | Note | 28.2.2025 RM | 29.2.2024 RM |
|------------------------------|-------------|-------------------------|-------------------------|
| Amount due from counterparty | | 264,720 | - |
| Less: Allowance for ECL | (b) | <u>(27,375)</u> | <u>-</u> |
| | | <u>237,345</u> | <u>-</u> |

Notwithstanding the outstanding amount due from counterparty that is past due and was not contractually honoured by the counterparty of the investment and the Fund is currently in the mist of negotiation with counterparty on restructuring plan.

These said amounts are initially recognised at fair value and subsequently measured at amortised cost.

9. OTHER RECEIVABLES (CONTD.)

b. Allowance for ECL on other receivables

| | Note | 1.3.2024 to 28.2.2025 RM | 1.1.2023 to 29.2.2024 RM |
|---|------|--------------------------------|--------------------------------|
| At beginning of the financial year/period | | - | - |
| Recognised during the financial year/period | (a) | 27,375 | - |
| At end of the financial year/period | | <u>27,375</u> | <u>-</u> |

Ageing analysis of other receivables

The ageing analysis of the Fund's other receivables is as follows:

| | 28.2.2025 RM | 29.2.2024 RM |
|-------------------------------|-----------------|-----------------|
| Neither past due nor impaired | 19,649 | 3,425 |
| Past due and impaired | 264,720 | - |
| | <u>284,369</u> | <u>3,425</u> |

10. AMOUNT DUE TO LICENSED FINANCIAL INSTITUTION

Amount due to licensed financial institution relates to the amount to be received from or paid to licensed financial institution arising from the purchases of Shariah-compliant investments.

11. OTHER PAYABLES

| | 28.2.2025 RM | 29.2.2024 RM |
|---|-----------------|-----------------|
| Accrual for auditors' remuneration | 16,500 | 13,000 |
| Accrual for tax agent's fees | 4,200 | 3,300 |
| Provision for printing and other expenses | 11,723 | 20,284 |
| | <u>32,423</u> | <u>36,584</u> |

12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

| | Note | 28.2.2025 RM | 29.2.2024 RM |
|----------------------------|------|--------------------|--------------------|
| Unit holders' contribution | (a) | <u>618,011,374</u> | <u>387,090,665</u> |
| Retained earnings: | | | |
| Realised reserves | | 50,661,703 | 33,006,850 |
| Unrealised reserves | | <u>8,979,441</u> | <u>5,958,983</u> |
| | | <u>59,641,144</u> | <u>38,965,833</u> |
| | | <u>677,652,518</u> | <u>426,056,498</u> |

(a) Unit holders' contribution

| | 1.3.2024 to 28.2.2025 | | 1.1.2023 to 29.2.2024 | |
|---|-----------------------|----------------------|-----------------------|---------------------|
| | No. of units | RM | No. of units | RM |
| At beginning of the financial year/period | 643,278,117 | 387,090,665 | 531,803,664 | 314,439,377 |
| Add: Creation of units | 638,232,782 | 431,487,600 | 258,146,090 | 166,670,645 |
| Less: Cancellation of units | <u>(297,206,369)</u> | <u>(200,566,891)</u> | <u>(146,671,637)</u> | <u>(94,019,357)</u> |
| At end of the financial year/period | <u>984,304,530</u> | <u>618,011,374</u> | <u>643,278,117</u> | <u>387,090,665</u> |

The Manager, Kenanga Investors Berhad, and other parties related to the Manager did not hold any units in the Fund, either legally or beneficially, as at 28 February 2025 (29.2.2024: nil).

13. SHARIAH INFORMATION OF THE FUND

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

- Unlisted sukuk as available at Bond Info Hub, Fully Automated System for Issuing/Tendering of Bank Negara Malaysia and the Bond and Sukuk Information Exchange;
- Unlisted Islamic options that has been verified as Shariah-compliant by the Shariah Adviser; and
- Cash placements and liquid assets in local market, which have been placed in Shariah-compliant investments and/or instruments.

14. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 0.42 times (financial period from 1 January 2023 to 29 February 2024: 0.45 times).

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

15. TOTAL EXPENSE RATIO ("TER")

TER for the financial year is 1.08% per annum (financial period from 1 January 2023 to 29 February 2024: 1.08% 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/FUND MANAGER

| | Transaction value RM | Percentage of total % |
|--|-------------------------|--------------------------|
| Malayan Banking Berhad | 80,657,500 | 18.0 |
| CIMB Islamic Bank Berhad | 68,499,250 | 15.2 |
| Hong Leong Bank Berhad | 60,681,050 | 13.5 |
| AmBank (M) Berhad | 59,198,800 | 13.2 |
| CIMB Bank Berhad | 47,693,900 | 10.6 |
| RHB Investment Bank Berhad | 33,123,700 | 7.4 |
| Hong Leong Investment Bank Berhad | 27,663,440 | 6.1 |
| Kenanga Investors Berhad* | 20,999,997 | 4.7 |
| Kenanga Investment Bank Berhad** | 16,036,900 | 3.6 |
| United Overseas Bank (Malaysia) Berhad | 14,250,000 | 3.2 |
| Others | 20,123,000 | 4.5 |
| | <u>448,927,537</u> | <u>100.0</u> |

* Kenanga Investors Berhad is the Lead Manager of unlisted Islamic options that the Fund invested in during the financial year.

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

The above transactions values are in respect of unlisted corporate sukuk, unlisted government sukuk, unlisted quasi-government sukuk and unlisted Islamic options. These transactions 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 a minimum of 70% of its NAV in sukuk and a minimum of 2% 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:

| | Unlisted Shariah- compliant investments RM | Other Shariah- compliant investments RM | Total RM |
|---|--|---|-------------|
| 1.3.2024 to 28.2.2025 | | | |
| Revenue | | | |
| Segment income | 24,560,652 | 1,910,201 | 26,470,853 |
| Unallocated expenditures | | | (5,795,542) |
| Income before tax | | | 20,675,311 |
| Income tax | | | - |
| Net income after tax | | | 20,675,311 |
| 28.2.2025 | | | |
| Assets | | | |
| Financial assets at FVTPL | 575,344,814 | - | |
| Short term Islamic deposits | - | 96,564,000 | |
| Other segment assets | 237,345 | 19,649 | |
| Total segment assets | 575,582,159 | 96,583,649 | 672,165,808 |
| Unallocated assets | | | 5,593,361 |
| | | | 677,759,169 |
| Liabilities | | | |
| Unallocated liabilities | | | 106,651 |
| 1.1.2023 to 29.2.2024 | | | |
| Revenue | | | |
| Segment income | 28,452,814 | 987,241 | |
| Segment expenses | (100,000) | - | |
| Net segment income representing segment results | 28,352,814 | 987,241 | 29,340,055 |
| Unallocated expenditures | | | (4,523,121) |
| Income before tax | | | 24,816,934 |
| Income tax | | | - |
| Net income after tax | | | 24,816,934 |

17. SEGMENTAL REPORTING (CONTD.)

a. Business segments (contd.)

| | Unlisted Shariah- compliant investments RM | Other Shariah- compliant investments RM | Total RM |
|-----------------------------|--|---|--------------------|
| 29.2.2024 | | | |
| Assets | | | |
| Financial assets at FVTPL | 395,551,816 | - | |
| Short term Islamic deposits | - | 42,376,000 | |
| Other segment assets | - | 3,425 | |
| Total segment assets | <u>395,551,816</u> | <u>42,379,425</u> | 437,931,241 |
| Unallocated assets | | | 4,340,889 |
| | | | <u>442,272,130</u> |
| Liabilities | | | |
| Unallocated liabilities | | | <u>16,215,632</u> |

b. Geographical segments

As all of the Fund's Shariah-compliant investments are located in Malaysia, disclosure by geographical segment 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 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.

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 |
|-------------------------------------|---------------------------------------|---|---|--------------------|
| 28.2.2025 | | | | |
| Assets | | | | |
| Unlisted corporate sukuk | 423,079,600 | - | - | 423,079,600 |
| Unlisted government sukuk | 118,889,322 | - | - | 118,889,322 |
| Unlisted quasi- government sukuk | 22,981,373 | - | - | 22,981,373 |
| Unlisted Islamic options | 10,394,519 | - | - | 10,394,519 |
| Short term Islamic deposits | - | 96,564,000 | - | 96,564,000 |
| Amount due from Manager | - | 5,583,339 | - | 5,583,339 |
| Other receivable | - | 256,994 | - | 256,994 |
| Cash at bank | - | 10,022 | - | 10,022 |
| | <u>575,344,814</u> | <u>102,414,355</u> | <u>-</u> | <u>677,759,169</u> |
| Liabilities | | | | |
| Amount due to Trustee | - | - | 74,228 | 74,228 |
| 29.2.2024 | | | | |
| Assets | | | | |
| Unlisted corporate sukuk | 318,099,131 | - | - | 318,099,131 |
| Unlisted government sukuk | 61,382,781 | - | - | 61,382,781 |
| Unlisted quasi- government sukuk | 5,675,884 | - | - | 5,675,884 |
| Unlisted Islamic options | 10,394,020 | - | - | 10,394,020 |
| Short term Islamic deposits | - | 42,376,000 | - | 42,376,000 |
| Amount due from Manager | - | 4,330,264 | - | 4,330,264 |
| Other receivable | - | 3,425 | - | 3,425 |
| Cash at bank | - | 10,625 | - | 10,625 |
| | <u>395,551,816</u> | <u>46,720,314</u> | <u>-</u> | <u>442,272,130</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 |
|---|---------------------------------------|---|---|-------------------|
| 29.2.2024 (contd.) | | | | |
| Liabilities | | | | |
| Amount due to Trustee | - | - | 47,944 | 47,944 |
| Amount due to licensed financial institutions | - | - | 16,131,104 | 16,131,104 |
| | <u>-</u> | <u>-</u> | <u>16,179,048</u> | <u>16,179,048</u> |

b. Financial instruments that are carried at fair value

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

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

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|-------------------------------------|---------------|--------------------|-------------------|--------------------|
| Investments: | | | | |
| 28.2.2025 | | | | |
| Unlisted corporate sukuk | - | 423,079,600 | - | 423,079,600 |
| Unlisted government sukuk | - | 118,889,322 | - | 118,889,322 |
| Unlisted quasi- government sukuk | - | 22,981,373 | - | 22,981,373 |
| Unlisted Islamic options | - | - | 10,394,519 | 10,394,519 |
| | <u>-</u> | <u>564,950,295</u> | <u>10,394,519</u> | <u>575,344,814</u> |
| Investments: | | | | |
| 29.2.2024 | | | | |
| Unlisted corporate sukuk | - | 318,099,131 | - | 318,099,131 |
| Unlisted government sukuk | - | 61,382,781 | - | 61,382,781 |
| Unlisted quasi- government sukuk | - | 5,675,884 | - | 5,675,884 |
| Unlisted Islamic options | - | - | 10,394,020 | 10,394,020 |
| | <u>-</u> | <u>385,157,796</u> | <u>10,394,020</u> | <u>395,551,816</u> |

18. FINANCIAL INSTRUMENTS (CONTD.)

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

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 unlisted corporate sukuk, unlisted government sukuk and unlisted quasi-government sukuk are based on evaluated mid prices provided by bond pricing agency accredited by the Securities Commission of Malaysia at reporting date.

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/period.

| | 1.3.2024 to 28.2.2025 RM | 1.1.2023 to 29.2.2024 RM |
|---|---|---|
| At the beginning of the financial year/period | 10,394,020 | 10,232,875 |
| Purchase cost | 9,999,999 | 9,999,999 |
| Proceed from the maturity | (10,999,998) | (10,899,999) |
| Realised gain | 1,000,000 | 900,000 |
| Unrealised change in fair value | 498 | 161,145 |
| At the end of the financial year/period | <u>10,394,519</u> | <u>10,394,020</u> |

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

| | Fair value | Valuation methodology | Unobservable input |
|--|-------------------|----------------------------------|-------------------------------|
| 28.2.2025 | | | |
| Call/Put - Seni Jaya Corporation Berhad maturing on 06/10/2025 | <u>10,394,519</u> | Discounted cash flow | Option prices |
| 29.2.2024 | | | |
| Call/Put - Seni Jaya Corporation Berhad maturing on 07/10/2024 | <u>10,394,020</u> | Discounted cash flow | Option prices |

18. FINANCIAL INSTRUMENTS (CONTD.)

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

Reconciliation of fair value measurements of Level 3 financial instruments (contd.)

In the current and previous financial year/period, significant increases/(decreases) in the unobservable inputs would result in a significantly higher/(lower) fair value measurement.

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 financial year and previous financial period.

20. COMPARATIVES

Pursuant to the executed Fourth Supplemental Master Prospectus dated 2 October 2023, the Manager had changed the Fund's financial year end from 31 December to 28 February.

The comparatives for the statement of comprehensive income, statement of changes in net asset value and statement of cash flows as well as the comparatives in notes to the financial statements are presented for the financial year ended 28 February 2025 and hence, are not comparative to that of the previous financial period from 1 January 2023 to 29 February 2024.

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