

RHB DANA ISLAM

ANNUAL REPORT 2024

For the financial year ended 31 March 2024

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

- Fund Name - RHB Dana Islam
- Fund Category - Equity fund (Shariah-compliant)
- Fund type - Growth

Investment Objective, Policy and Strategy

Objective

This Fund aims to provide investors with above average capital growth over a medium to long term period* by investing in a carefully selected portfolio of stocks which complies with the Shariah principles.

*Note: “medium to long term” in this context refers to a period of between 3 – 7 years.

Strategy

The Fund seeks to achieve its investment objective by structuring a portfolio as follow:

90% - 98% of Net Asset Value

- Investments in Shariah-compliant equity and equity related securities of companies that have good growth potential.

2% - 10% of Net Asset Value

- Investments in Shariah-compliant liquid assets comprising of cash and Islamic deposits with financial institutions, Islamic accepted bills, sukuk, cagamas sukuk, Government Investment Issues and any other Shariah-compliant instrument capable of being converted into cash within seven (7) days.

Subject to the range stipulated above, the asset allocation will be reviewed from time to time depending on the judgement of RHB Islamic International Asset Management Berhad (“the External Investment Manager”) as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

For investments in foreign markets, the External Investment Manager in managing the principal risks such as country risk and currency risk will always take into consideration its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the

economic and political developments of the countries invested. Investments will ultimately be made based on risk-reward.

The risk management strategies and techniques employed by the External Investment Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors and asset classes and/or type of investments (i.e. Shariah-compliant equity, sukuk, Islamic money market instruments). Islamic financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the Shariah-compliant investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in Shariah-compliant equity values, and other available Shariah-compliant equity investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to these permitted investments and restrictions also helps the External Investment Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the External Investment Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

The External Investment Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. However, any position if taken, will always comply with Shariah requirements. In such circumstances, the External Investment Manager may reallocate the Fund's Shariah-compliant equity investments into other asset classes such as sukuk, Islamic money market instruments and Islamic deposits with any financial institutions[^], which are defensive in nature and comply with Shariah requirements. In its reallocation, the level of Shariah-compliant equity investments would normally not be below 20% of the Net Asset Value.

[^] These are Islamic deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term Islamic money market deposits and short term Islamic deposits with financial institutions.

Performance Benchmark

The performance of the Fund is benchmarked against the FTSE Bursa Malaysia EMAS Shariah Index.

Permitted Investments

This Fund may invest in Shariah-compliant securities traded on the Bursa Malaysia or any other market considered as an Eligible Market, unlisted Shariah-compliant securities, Islamic collective investment schemes, Islamic financial derivatives, Islamic structured products, Islamic liquid assets (including Islamic money market instruments and Islamic deposits with any financial institutions) and any other Shariah-compliant investments permitted by the Shariah Advisory Council of the Securities Commission Malaysia (“SACSC”) and/or the Shariah Adviser from time to time. Consequently, all investments for this Fund are to be designated as Shariah-compliant and in this regard, the Shariah Adviser will advise on the selection of investments to ensure compliance with Shariah requirements.

Distribution Policy

Consistent with the Fund’s objective to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses, are generally declared annually and will be reinvested.

MANAGER'S REPORT

EQUITY MARKET REVIEW

In April 2023, global equity markets rebounded as investors put aside the banking crisis which unfolded in March 2023 and welcomed signs of inflation is cooling off from peaks. In particular, energy prices moderated during the month and helped to bring headline inflation down globally. United States (“US”) Purchasing Managers Index surveys pointed to resilience in its economic activities, coupled with signs of cooling in labor markets as wage growth continued to soften. Elsewhere, China reported strong Gross Domestic Product (“GDP”) in the first quarter of the year, while Organization of Petroleum Exporting Countries (“OPEC”) announced a minor cut in production to stabilize oil prices as demand seems to be dwindling. FTSE Bursa Malaysia (“FBM”) Emas Shariah (“FBMS”) Index rose marginally by +0.19% in the month of April 2023. Malaysia's headline Consumer Price Index (“CPI”) inflation slowed to 3.40% Year-on-Year (“YoY”) in March 2023 (vs 3.70% YoY in February 2023) mainly driven by lower transportation inflation.

US Federal Reserve (“Fed”) hiked interest rates by 25 basis points (“bps”) to 5.00 to 5.25% in its May 2023 meeting, which was in line with market expectations and hinted that it may have reached the peak in this rate hike cycle, although future decisions will remain data-dependent. The US debt ceiling debate reached a positive outcome when President Biden and House Speaker McCarthy announced an agreement on the suspension the debt limit until year 2025, the capping of discretionary spending for the next two years with very modest growth effects and made a number of narrower policy changes. China also reported disappointed official manufacturing Purchasing Managers’ Index (“PMI”) and pointed to a weaker-than-expected recovery. FBM Emas Shariah Index declined by 1.21% respectively in May 2023 mainly dragged by the weaker than expected earnings reported. Bank Negara Malaysia announced a surprise 25bps hike to the overnight policy rate to 3.00%, noting the effect of elevated cost pressures and higher interest rates globally. Separately, the government also announced its plans to roll out the Energy Transition Roadmap in 2 phases in a bid to accelerate the country's renewable energy (“RE”) drive.

FBMS Index declined 1.81% in June 2023, sentiment was further dampened due to the weak China manufacturing data which raised concerns over the strength of its economic recovery as well as spillover effect to ASEAN countries. The weak Malaysian Ringgit (“MYR”) and the states election added to the cautious sentiment. Malaysia’s headline CPI inflation slowed to 2.80% YoY in May 2023 (vs 3.30% YoY in April 2023) mainly driven by lower food and transportation inflation. Core inflation, which excludes fresh food, energy and administered prices, also moderated to 3.50% YoY in May 2023 (vs. 3.60% YoY in April 2023). Separately, there were several government announcements made including plans to phase out blanket subsidies in favour of targeted subsidies for electricity, gasoline and diesel. It also announced steps to boost the Malaysian capital markets in order to improve confidence and underpin

any significant downside via stamp duty reduction, promoting corporate ventures and easing the exchange listing process. In terms of sector performance, best performers were technology, plantation and financials while the detractors were healthcare, energy and telecoms.

Entering into the third quarter of the year, we started to see Malaysia gained traction in July where we see the foreign investors turned net buyers after having sold the market for ten consecutive months. FBMS Index gained 5.20% Month-on-Month (“MoM”) in July 2023 the best month seen in recent month. Brent Crude oil rebounded strongly in July 2023 up by 14.23% to close at United States Dollar (“USD”)85.56 per barrels (“bbl”). The benign inflation print coupled with resilient GDP data and employment numbers helped to push the markets further upwards. US core CPI rose by 0.16% for the month, marking the smallest increase since February 2021 and below consensus estimates. This allowed sentiments to improve with the expectations of easing inflationary pressure and a less hawkish US Fed policy. Both the US Fed and the European Central Bank (“ECB”) hiked rates by 25bps in July 2023, in line with market expectation and reiterated stances to be data dependent going forward. Monetary Policy Committee (“MPC”) of Bank Negara Malaysia (“BNM”) decided to maintain the overnight policy rate (“OPR”) at 3.00%. Meanwhile, the launch of National Energy Transition Roadmap (NETR), which comprise of Ringgit Malaysia (“RM”)25 billion (“bn”) worth of national projects in its first phase to support the government’s structural reforms to the economy could provide new opportunities to Malaysia’s utilities and renewable energy companies. In terms of sector performance, best performers were Property, Industrial Production and Energy while the detractors were REIT, Transportation and Telecoms. Positively, foreign investors became net buyers in July 2023 after having sold the market for ten consecutive months.

In the month of August 2023, the global market took a breather post the Jackson Hole meeting where the Fed is prepared to raise rates further if needed and that persistent above-trend growth could warrant this. Fitch Ratings’ downgrade of the sovereign rating of the US at the start of the month took the market by surprise. China's official manufacturing PMI rose to 49.70 in August 2023 from 49.30 in July 2023, while China equities underperformed as property sell down continued amidst deteriorating fundamentals. A measure of stimulus was introduced to support the economy, with the PBOC having slashed its 1-year loan prime rate by 10bps to a record low of 3.45% from 3.55% previously but held steady the 5-year loan prime rate at 4.20%. In terms of commodities, the commodities index was largely flat, as a strong oil price was offset by weakness in the industrial metals. Back home, Malaysia real GDP expanded by 2.90% YoY in second quarter of year 2023 (“2Q23”), a marked slowdown from 5.60% in first quarter (“1Q”) mainly due to a larger external drag and slower private consumption growth. Headline CPI inflation slowed to 2.00% YoY in July 2023 (vs 2.40% YoY in June 2023) mainly driven by lower food and transportation prices. BNM core inflation, which removes fresh food, energy and administered prices, also declined to 2.80% YoY in July 2023 (vs 3.10% YoY in June 2023). Other than that, the conclusion of the state elections has largely removed concerns on political uncertainty,

and this is evident in the price surge in some sectors such as utilities and property, in which investors are expecting the government to move ahead with its projects in relating to energy reforms as well as mega infrastructure projects such as the High Speed Rail. On a negative note, the earnings season in August 2023 concluded on a muted note as a high proportion of companies reported earnings that were below consensus expectations. Property, Utilities and Construction were the best performers, while the detractors were Telecoms, Plantation and Healthcare.

In September 2023, global equity markets saw further correction upon the Fed hawkish, higher-for-longer interest rate environment commentary. Over in Malaysia, the FBM Emas Shariah Index declined by 0.40% respectively on a MoM basis in line with regional market weakness. BNM maintained OPR at 3.0% in line with expectations, as Malaysia's headline inflation stayed at 2.00% YoY in August 2023. The government tabled the 12th Malaysia Plan, which is expected to boost the current mega infrastructure pipeline and support the economic growth for the country. In terms of sector performance, the best performers were Energy, Construction and Healthcare, while the losers were Technology, Financials and Utilities.

In the last quarter of 2023, Morgan Stanley Capital International ("MSCI") Asia Pacific ex-Japan traded up 7.80% as hopes that US interest rates may have peaked led to renewed investor appetite for risk assets across the region. All markets ended the quarter in positive territory apart from China. MSCI China fell 4.20% due to concerns over weaker economic growth and potential regulatory risk. Taiwan, South Korea, and India were the strongest markets over the quarter. Overall, Emerging Market ("EM") equities also increased 7.90%, although this was a little behind their developed market counterparts. Despite the pressure early in the quarter due to rising bond yields and conflicts in the Middle East, signs of a soft landing for the US economy and increased expectations for interest rate cuts in year 2024 drove risk sentiment and EM equities higher. Commodities declined 5.90% with price gains for precious metals and industrial metals failing to offset weaker prices for agriculture, energy, and livestock. Energy was the worst performing component due to concerns over the fragility of Organization of Petroleum Exporting Countries and their allies ("OPEC+") production agreements and the rising crude production from non-OPEC+ nations including the US. Gold saw robust gains of 11.60% as investors flocked to the safe haven asset amidst expectations of future rate cuts and rising geopolitical uncertainty. Within currencies, the USD weakened 4.60% (as measured by the US Dollar Index ("DXY") index) while the MYR appreciated 2.20% against the greenback over the quarter.

In the first quarter of 2024, we see that the US Fed maintained the policy rate at 5.25 to 5.50% but the Federal Open Market Committee ("FOMC") pushed back the expectation for the first rate cut from March 2024 to at least June 2024, from previously 5 cuts to 3 at best rates cut in the span of 3 months. From having US recessions to soft landing and further to near no landing due to better economy growth seen from the US manufacturing PMI expanding above 50, strong employment data and strong wage growth. GDP growth also revised significantly higher for year 2024 (0.70% to 2.10%)

and modestly for 2025 (0.20% to 2.00%) and 2026 (0.10% to 2.00%). The median core inflation forecast was revised slightly higher (0.20% to 2.60%) and the unemployment rate lowered (0.1pp to 4.00%) for year 2024.

Aside to China, the PMI shrank for the fifth straight month as weak demand but helped by pickup in travel and tourism during the Lunar New Year holidays. Its annual "Two Sessions" began on 4th March 2024, GDP growth target set at around 5.00%, as it seeks to boost confidence in an economy hit by a property slump and entrenched deflation. Positive surprises include new ultra-long special central government bond policy for implementing major national strategies and building security capabilities. Overall, Standard and Poor ("S&P") 500 reported a gain of 10.20%, Europe 50 gained of 12.40% and Japan gained 20.00% in USD terms during the period. MSCI Asia Pacific ex-Japan (APAC) recorded a gain of 2.00% (in USD terms) with Taiwan up by 13.20%, followed by Korea 3.40% where Hong Kong down by 3.00%, while within ASEAN countries, Philippines and Malaysia were the outperformers up 7.00% and 5.60% respectively. Key event to watch for the year is US election in November which have important policy and market implications, especially if it brings the possibility of fresh unfunded fiscal expansion and executive orders.

Aside to the domestic market, Malaysia equities has a stellar performance in first quarter of 2024 supported by positive earnings results despite weaker GDP prints at 3.00% YoY thanks to strong foreign inflows. MYR remain weak as USD maintains its strength due to delay in rate cut. February 2023 inflation recorded 1.80% YoY compared with January 2023 of 1.50% YoY. This was above the consensus estimate of 1.50% YoY. The core CPI inflation sustained at 1.80% YoY compared with December 2023 of 1.80% YoY. BNM left the policy rate unchanged in line with expectations, and Fed rates. Corporate news flows include the Cabinet approval of Penang Light Rail Transit ("LRT") project as well as the government decision to raise airport passenger service charges via new operating agreement with Malaysia Airports.

In terms of sector performance, the best performers were Property, Construction, Energy and Utilities, while the losers were Telecoms, Consumer and Financials. In terms of participation, local institutions became largest net buyers while local retails investors and foreign institutions were net sellers year-to-date March 2024.

EQUITY MARKET OUTLOOK & STRATEGY

Recent economic data suggests that Malaysia economy is improving. This if sustains will help corporate earnings to recover after fell into negative growth in year 2023. The recently concluded fourth quarter of year 2023 ("4Q23") results season saw higher proportion of hits than misses. Earnings were slightly upgraded for year 2024 post earnings announcement. There is an expectation of a soft-landing in US, where inflation stabilizes without economic growth taking a significant downturn for the US, which means that a recession would likely be avoided. The positive local sentiments are also supported by the announcement that China would be injecting fresh stimulus

in a bid to boost the country's struggling economy. Furthermore, the better-than-expected U.S. economic growth 4Q23 would also alleviate the fear that US economy is going into recession in year 2024. However, the unresolved developments in the Middle East and the concern over the health of the Chinese economy couple with strong US economic data for now that would encourage the US Fed to hold higher-for-longer rates would create volatility in the market in the short term.

We expect the positive catalysts in the local market to continue due to the structural reforms announced by the government to achieve long term sustainable economic growth. The Madani Economic Framework, the New Industrial Masterplan 2030, and the National Energy Transition Roadmap (“NETR”) are positive for the economy and the improvement in the bigger picture bodes well for corporate Malaysia’s earnings outlook. China in our view should recover in year 2024. From valuation perspective, the index is cheap as well as the currency which would attract foreign inflows.

We identify three key themes for Malaysia in 2024, government execution of the policies it announced in year 2023, such as higher development expenditure and energy transition plans; the Johor-Singapore theme, with the setting up of a special economic zone (SEZ) in Johor; and the ringgit's current weakness, which we expect to strengthen in the latter part of year 2024 amid potential US Fed pivot and uplift in the technology cycle.

Sector specific, we remain Overweight healthcare sector, construction/infrastructure sector, water related sector, tourism sector, renewable energy/utilities sector and technology sector.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a return of 17.25%* compared with its benchmark return of 8.65%*, outperforming its benchmark return by 8.60%*. The Net Asset Value per unit of the Fund was RM0.8549 (2023: RM0.7291) as at 31 March 2024.

The investment strategy and policy employed during the year under review were in line with the investment strategy and policy as stated in the prospectus.

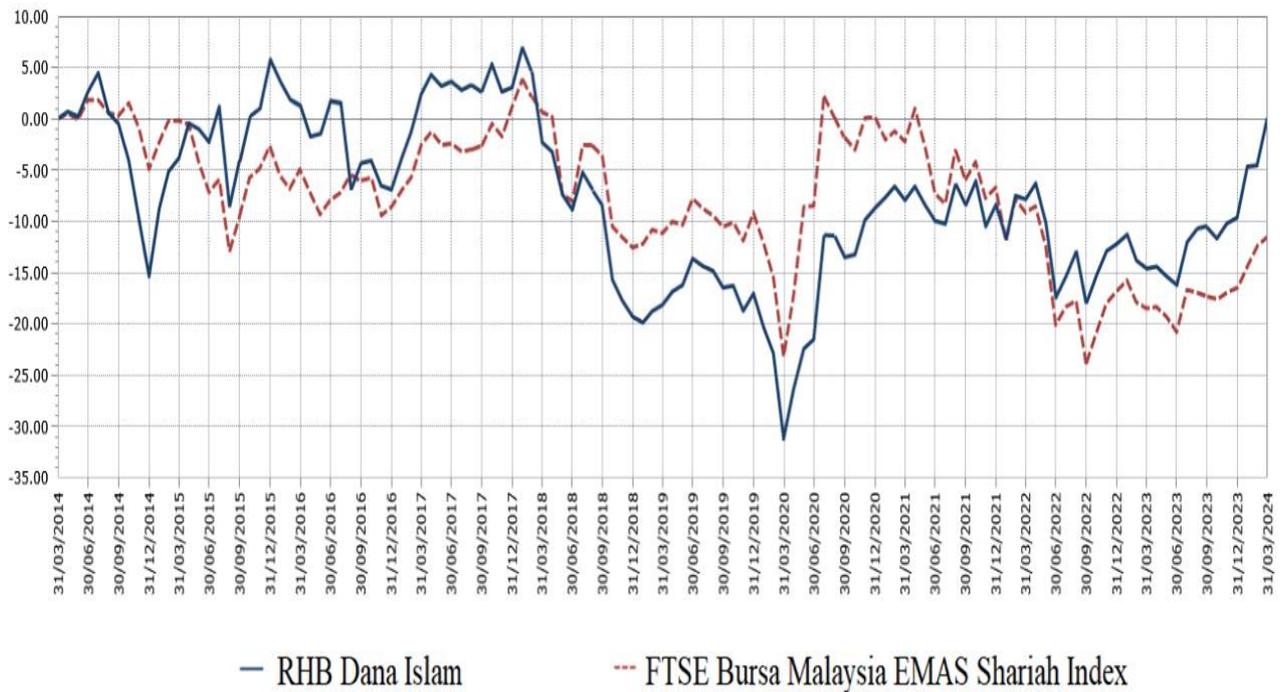
** Source: Lipper Investment Management (“Lipper IM”), 15 April 2024.*

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 31 March				
	2024 %	2023 %	2022 %	2021 %	2020 %
RHB Dana Islam					
- Capital Return	17.25	(7.46)	0.17	33.80	(15.94)
- Income Return		-	-	-	-
- Total Return	17.25	(7.46)	0.17	33.80	(15.94)
FTSE Bursa Malaysia EMAS Shariah Index	8.65	(10.27)	(7.04)	27.15	(13.54)

	Average Annual Returns			
	1 Year 31.03.2023 – 31.03.2024 %	3 Years 31.03.2021 – 31.03.2024 %	5 Years 31.03.2019 – 31.03.2024 %	10 Years 31.03.2014 – 31.03.2024 %
RHB Dana Islam	17.25	2.81	4.09	-
FTSE Bursa Malaysia EMAS Shariah Index	8.65	(3.23)	(0.08)	(1.21)

**Performance of RHB Dana Islam
for the period from 31 March 2014 to 31 March 2024
Cumulative Return Over The Period (%)**



Source: Lipper IM, 15 April 2024

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 31 March 2014.

The calculation of the above returns is based on computation methods of Lipper.

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

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

Fund Size	As at 31 March		
	2024	2023	2022
Net Asset Value (RM million)	7.13	6.65	8.22
Units In Circulation (million)	8.34	9.12	10.43
Net Asset Value Per Unit (RM)	0.8549	0.7291	0.7879

Historical Data	Financial Year Ended 31 March		
	2024	2023	2022
Unit Prices			
NAV - Highest (RM)	0.8549	0.8016	0.8211
- Lowest (RM)	0.7153	0.6760	0.7481
Distribution and unit split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	2.07	1.77	1.67
Portfolio Turnover Ratio (PTR) (times) ##	1.14	0.68	1.20

The TER for the financial year was higher compared with previous financial year due to higher expenses incurred for the financial year under review.

The PTR for the financial year was higher compared with the previous financial year due to more investment activities for the financial year under review.

DISTRIBUTION

For the financial year under review, no distribution has been proposed by the Fund.

PORTFOLIO STRUCTURE

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

Sectors	As at 31 March		
	2024	2023	2022
	%	%	%
Equities			
Construction	14.26	1.95	4.42
Consumer Products & Services	8.23	5.88	9.26
Energy	7.82	10.71	7.10
Financial Services	1.39	3.34	4.74
Food	1.92	-	-
Health Care	7.49	5.05	1.96
Industrial Products & Services	17.01	11.50	17.61
Materials	0.71	1.09	-
Plantation	5.46	11.52	10.56
Property	9.62	3.08	1.51
Technology	9.09	13.42	10.11
Telecommunications & Media	3.74	12.33	11.64
Transportation & Logistics	2.92	7.27	3.07
Utilities	4.98	5.84	4.46
	<hr/>	<hr/>	<hr/>
	94.64	92.98	86.44
Islamic collective investment scheme	-	0.62	-
Liquid assets and other net current assets	5.36	6.40	13.56
	<hr/>	<hr/>	<hr/>
	100.00	100.00	100.00

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions for the financial year under review.

CROSS TRADE

The Fund has not carried out any cross trade transactions for the financial year under review.

SOFT COMMISSION

Soft commissions were received by the management company for the financial year under review from brokers/dealers who have also executed trades for other funds or investment managed by the management company or Fund Manager. The soft commissions were utilised for research data and materials that assist in the decision making process relating to the Fund's investment. The soft commissions received were for the benefit of the funds and there were no churning of trades.

**RHB DANA ISLAM
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Bank balances	5	101,286	99,539
Islamic deposits with licensed financial institutions	5	255,570	329,500
Investments	6	6,744,536	6,221,542
Dividend receivables		24,772	13,746
Tax recoverable		35,708	16,336
TOTAL ASSETS		<u>7,161,872</u>	<u>6,680,663</u>
LIABILITIES			
Amount due to Manager		-	10,897
Amount due to Trustee		351	340
Accrued management fee		8,772	8,499
Other payables and accruals		25,883	13,725
TOTAL LIABILITIES		<u>35,006</u>	<u>33,461</u>
NET ASSET VALUE		<u>7,126,866</u>	<u>6,647,202</u>
EQUITY			
Unit holders' capital		17,987,023	18,564,283
Accumulated losses		(10,860,157)	(11,917,081)
		<u>7,126,866</u>	<u>6,647,202</u>
UNITS IN CIRCULATION (UNITS)	8	<u>8,336,739</u>	<u>9,116,739</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.8549</u>	<u>0.7291</u>

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

RHB DANA ISLAM
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INCOME/(LOSS)			
Dividend income		205,765	249,694
Profit income from Islamic deposits with licensed financial institutions		6,754	3,839
Net realised loss on disposal		(85,841)	(416,749)
Net unrealised gain/(loss) on changes in fair value		1,114,051	(267,357)
Net foreign currency exchange gain		10,173	18,958
		<u>1,250,902</u>	<u>(411,615)</u>
EXPENSES			
Management fee	9	(97,592)	(104,743)
Trustee's fee	10	(3,903)	(4,190)
Audit fee		(5,700)	(5,700)
Tax agent's fee		(14,655)	(5,528)
Transaction costs		(60,994)	(40,658)
Other expenses		(14,196)	(6,641)
		<u>(197,040)</u>	<u>(167,460)</u>
Net income/(loss) before taxation		1,053,862	(579,075)
Taxation	11	3,062	(3,962)
Net income/(loss) after taxation		<u>1,056,924</u>	<u>(583,037)</u>
Net income/(loss) after taxation is made up of the following:			
Realised amount		(67,993)	(333,654)
Unrealised amount		1,124,917	(249,383)
		<u>1,056,924</u>	<u>(583,037)</u>

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

RHB DANA ISLAM
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Unit holders’ capital	Accumulated losses	Total net asset value
	RM	RM	RM
Balance as at 1 April 2022	19,549,431	(11,334,044)	8,215,387
Movement in net asset value:			
Net loss after taxation	-	(583,037)	(583,037)
Creation of units arising from applications	139,333	-	139,333
Cancellation of units	(1,124,481)	-	(1,124,481)
Balance as at 31 March 2023	<u>18,564,283</u>	<u>(11,917,081)</u>	<u>6,647,202</u>
Balance as at 1 April 2023	18,564,283	(11,917,081)	6,647,202
Movement in net asset value:			
Net income after taxation	-	1,056,924	1,056,924
Creation of units arising from applications	174,999	-	174,999
Cancellation of units	(752,259)	-	(752,259)
Balance as at 31 March 2024	<u>17,987,023</u>	<u>(10,860,157)</u>	<u>7,126,866</u>

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

**RHB DANA ISLAM
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		7,590,999	4,636,840
Purchase of Shariah-compliant investments		(7,141,795)	(4,473,174)
Dividends received		188,056	250,493
Profit income received from Islamic deposits with licensed financial institutions		6,754	3,839
Management fee paid		(97,319)	(107,307)
Trustee's fee paid		(3,892)	(4,293)
Payment for other fees and expenses		(21,385)	(15,940)
Tax paid		(16,310)	(20,249)
Net cash generated from operating activities		<u>505,108</u>	<u>270,209</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		174,999	209,920
Cash paid for units cancelled		(763,156)	(1,113,584)
Net cash used in financing activities		<u>(588,157)</u>	<u>(903,664)</u>
Net decrease in cash and cash equivalents		(83,049)	(633,455)
Foreign currency translation differences		10,866	17,835
Cash and cash equivalents at the beginning of the financial year		<u>429,039</u>	<u>1,044,659</u>
Cash and cash equivalents at the end of the financial year	5	<u>356,856</u>	<u>429,039</u>

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

**RHB DANA ISLAM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

RHB Dana Islam (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 11 September 2001 as amended via its First Supplemental Deed dated 24 December 2007, Supplemental Master Deed dated 1 June 2009, Second Supplemental Master Deed dated 4 September 2013, Third Supplemental Master Deed dated 2 March 2015, and Fourth Supplemental Master Deed dated 25 May 2015, Fifth Supplemental Master Deed dated 11 December 2018 and Sixth Supplemental Master Deed dated 2 February 2023 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund commenced operations on 26 October 2001 and will continue its operations until terminated according to the conditions provided in the Deed.

The principal activity of the Fund is to invest in Permitted Investments as set out in the Deeds, which includes Shariah-compliant securities traded on Bursa Malaysia, foreign Shariah-compliant securities and short-term Islamic money market instruments.

All investments will be subject to the Securities Commission Malaysia (“SC”)’s Guidelines on Unit Trust Funds, SC’s requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

The main objective of the Fund is to provide investors with above average capital growth over a medium to long term period by investing in a carefully selected portfolio of stocks which complies with the Shariah Principles.

The Manager is a company incorporated in Malaysia and is a wholly-owned subsidiary of RHB Investment Bank Berhad, effective 6 January 2003. Its principal activities include rendering of investment management services, management of unit trust funds, private retirement schemes and provision of investment advisory services.

These financial statements were authorised for issue by the Manager on 23 May 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, except those as disclosed in the summary of material accounting policies, and in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ. There were no areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Standards and amendments to existing standards effective 1 April 2023

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

(b) New standards, amendments and interpretations effective after 1 April 2023 and have not been early adopted

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 April 2023. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 April 2024.

The amendment shall be applied retrospectively.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets

Classification

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

- those to be measured subsequently at fair value through profit or loss (“FVTPL”), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as financial asset measured at fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely payment of principal and profit, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and dividend receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of income and expenses.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net gains or losses on investments in the year in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of income and expenses within dividend income when the Fund's right to receive payments is established.

Quoted Shariah-compliant investments and Islamic collective investment scheme are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the year from the date of placement to the date of the statement of financial position, which is a reasonable estimate of fair value due to the short-term nature of the deposits.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective profit method.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include amount due to Manager, amount due to Trustee, accrued management fee and other payables and accruals are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective profit method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in statement of income and expenses when the liabilities are derecognised, and through the amortisation process.

2.4 Unit holders' capital

The unit holders' contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". These criteria include:

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition

Dividend income from quoted Shariah-compliant investments and Islamic collective investments scheme are recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

Profit income from Islamic short term deposits with licensed financial institutions is recognised on an accrual basis using the effective profit method.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gains or losses on sale of quoted Shariah-compliant investments and Islamic collective investments scheme are arrived at after accounting for cost of investments, determined on the weighted average cost method.

Net income or loss is the total of income less expenses.

2.6 Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate and includes all taxes based upon the taxable income earned during the financial year.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and Islamic deposits with licensed financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Presentation and functional currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s presentation and functional currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- Part of the Fund’s cash is denominated in RM for the purpose of making settlement of the creation and cancellation.
- The Fund’s units are denominated in RM.
- The Fund’s significant expenses are denominated in RM.
- The Fund’s investments are significantly denominated in RM.

2.9 Foreign currency translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in statement of income and expenses.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, profit rate risk, currency risk, credit risk, Shariah specific risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the SC's Guidelines on Unit Trust Funds.

Market risk

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in profit or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by a unit trust fund might go down or up, sometimes rapidly or unpredictably.

Price risk

Price risk is the risk that the fair value of the investments of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to quoted Shariah-compliant investment and Islamic collective investment scheme (other than those arising from profit rate risk) price risk for its investments of RM6,744,536 (2023: RM6,221,542) in quoted Shariah-compliant investments.

The sensitivity analysis is based on the assumption that the price of the quoted Shariah-compliant investment and Islamic collective investment scheme fluctuate by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- RM337,227 (2023: RM311,077).

Profit rate risk

Profit rate risk is the risk that cost or the value of the financial instruments will fluctuate due to changes in market profit rates. The Fund's exposure to the profit rate risk is mainly from short term placements with financial institutions. The Manager overcomes the exposure by way of maintaining Islamic deposits on short-term basis. Therefore, exposure to profit rate fluctuation is minimal.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

Currency risk is associated with financial instruments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the fund and vice versa. Investors should note any gains or losses arising from the movement of foreign currencies against its home currency may therefore increase or decrease the capital gains of the financial instruments. Nevertheless, investors should realise that currency risk is considered as one of the major risks to financial instruments in foreign assets due to the volatile nature of the foreign exchange market.

The analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5%, with all other variables remain constants, the impact on statement of income and expenses and net asset value is +/- RM10,646 (2023: RM47,943).

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

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial assets/ (liabilities)*</u> RM	<u>Total</u> RM
<u>2024</u>				
Hong Kong Dollar	50,786	-	-	50,786
Korean Won	124,779	-	428	125,207
Taiwan Dollar	-	-	(14,183)	(14,183)
United States Dollar	-	51,105	-	51,105
	<u>175,565</u>	<u>51,105</u>	<u>(13,755)</u>	<u>212,915</u>
<u>2023</u>				
Chinese Yuan	97,679	-	-	97,679
Hong Kong Dollar	117,995	-	-	117,995
Korean Won	366,294	-	-	366,294
Singapore Dollar	168,974	-	-	168,974
Taiwan Dollar	154,250	-	314	154,564
United States Dollar	-	53,359	-	53,359
	<u>905,192</u>	<u>53,359</u>	<u>314</u>	<u>958,865</u>

* Comprise of dividend receivables and other payable and accruals.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place Islamic deposits with reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the relevant regulatory authority in its home jurisdiction. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	Cash and cash equivalents	Other financial assets*	Total
	RM	RM	RM
<u>2024</u>			
AAA	356,856	-	356,856
Other*	-	24,772	24,772
	<u>356,856</u>	<u>24,772</u>	<u>381,628</u>
<u>2023</u>			
AAA	429,039	-	429,039
Other*	-	13,746	13,746
	<u>429,039</u>	<u>13,746</u>	<u>442,785</u>

* Comprise of dividend receivables.

Shariah specific risk

The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah-compliant. Should the situation arise, necessary steps shall be taken to dispose of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the disposal and thus, adversely affecting the value of the Fund.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

Liquidity risk exists when particular investments are difficult to sell. As such, the Fund may not be able to sell such illiquid investments at an advantageous time or price to meet its liquidity requirements. Unit trust funds with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than <u>1 month</u> RM	Between <u>1 month</u> to 1 year RM
<u>2024</u>		
Amount due to Trustee	351	-
Accrued management fee	8,772	-
Other payables and accruals	-	25,883
	<u>9,123</u>	<u>25,883</u>
<u>2023</u>		
Amount due to Manager	10,897	-
Amount due to Trustee	340	-
Accrued management fee	8,499	-
Other payables and accruals	-	13,725
	<u>19,736</u>	<u>13,725</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM17,987,023 (2023: RM18,564,283) and accumulated losses of RM10,860,157 (2023: RM11,917,081). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4. FAIR VALUE ESTIMATION

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets and financial liabilities traded in an active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

4. FAIR VALUE ESTIMATION (CONTINUED)

The fair values are based on the following methodologies and assumptions:

- (i) For bank balances and Islamic deposits with licensed financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

Fair value hierarchy

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2024</u>				
Financial assets at FVTPL:				
- Quoted Shariah-compliant investments	6,744,536	-	-	6,744,536
<u>2023</u>				
Financial assets at FVTPL:				
- Quoted Shariah-compliant investments	6,180,622	-	-	6,180,622
- Collective investments schemes	40,920	-	-	40,920
	6,221,542	-	-	6,221,542

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

Investments in active listed equities, i.e. quoted Shariah-compliant investments whose values are based on quoted market prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2024</u> RM	<u>2023</u> RM
Bank balances	101,286	99,539
Islamic deposits with licensed financial institutions	255,570	329,500
	<u>356,856</u>	<u>429,039</u>

6. INVESTMENTS

	<u>2024</u> RM	<u>2023</u> RM
Investments:		
- Quoted Shariah-compliant investments - local	6,568,971	5,275,430
- Quoted Shariah-compliant investments - foreign	175,565	905,192
- Shariah-compliant collective investment scheme local	-	40,920
	<u>6,744,536</u>	<u>6,221,542</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL				
MAIN MARKET				
<u>MALAYSIA</u>				
Construction				
AmE Elite Consortium Berhad	77,700	124,233	136,751	1.92
Econpile Holdings Berhad	372,200	121,889	193,544	2.72
Gamuda Berhad	26,613	112,538	140,251	1.97
IJM Corp Berhad	103,600	170,181	251,748	3.53
Muhibbah Engineering M Berhad	177,700	144,658	160,819	2.26
WCT Holdings Berhad	242,800	131,867	132,326	1.86
		805,366	1,015,439	14.26
Consumer Products & Services				
Fraser and Neave Holdings Berhad				
PPB Group Berhad	3,400	100,270	99,484	1.40
MBM Resources Berhad	10,200	150,902	156,876	2.20
QL Resources Berhad	22,600	127,190	133,340	1.87
Sime Darby Berhad	56,100	133,028	145,860	2.05
		511,390	535,560	7.52
Energy				
Dayang Enterprise Holdings Berhad	57,000	88,993	137,370	1.93
Hibiscus Petroleum Berhad	52,160	122,540	135,094	1.89
Velesto Energy Berhad	336,200	75,302	99,179	1.39
Wah Seong Corporation Berhad	56,100	56,675	71,808	1.01
Perdana Petroleum Berhad	344,600	89,517	113,718	1.60
		433,027	557,169	7.82
Financial Services				
Bank Islam Malaysia Berhad	39,600	99,983	99,396	1.39

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL (CONTINUED)				
MAIN MARKET (CONTINUED)				
<u>MALAYSIA (CONTINUED)</u>				
Food				
Farm Fresh Berhad	97,800	128,900	136,920	1.92
Health Care				
Hartalega Holdings Berhad	52,600	114,513	144,650	2.03
IHH Healthcare Berhad	22,200	133,646	134,310	1.88
Kossan Rubber Industries Berhad	70,000	124,810	136,500	1.92
Top Glove Corp Berhad	148,200	142,958	118,560	1.66
		515,927	534,020	7.49
Industrial Products & Services				
Aurelius Technologies Berhad	53,000	135,622	141,510	1.99
CPE Technology Berhad	122,200	129,153	129,532	1.82
HSS Engineers Berhad	103,900	112,938	120,524	1.69
Kelington Group Holdings Berhad	26,800	68,088	71,288	1.00
Nationgate Holdings Berhad	115,800	165,014	180,648	2.53
Pantech Group Holdings Berhad	147,000	133,260	138,180	1.94
Press Metal Aluminium Holdings Berhad	43,900	152,708	204,135	2.86
Solarvest Holdings Berhad	88,900	117,431	137,795	1.93
Sunway Berhad	25,400	41,361	88,900	1.25
		1,055,575	1,212,512	17.01

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL (CONTINUED)				
MAIN MARKET (CONTINUED)				
<u>MALAYSIA (CONTINUED)</u>				
Plantation				
Genting Plantations Berhad	22,200	139,767	136,530	1.91
Sime Darby Plantation Berhad	24,900	122,317	107,319	1.51
Ta Ann Holdings Berhad	36,300	128,035	145,200	2.04
		<u>390,119</u>	<u>389,049</u>	<u>5.46</u>
Property				
LBD Bina Group Berhad	164,100	101,772	118,152	1.66
Mah Sing Group Berhad	130,700	137,264	160,761	2.25
Matrix Concepts Holdings Berhad	109,900	164,457	197,820	2.77
Sime Darby Property Berhad	138,300	81,615	126,545	1.78
UEM Sunrise Berhad	68,300	68,375	82,643	1.16
		<u>553,483</u>	<u>685,921</u>	<u>9.62</u>
Technology				
Frontken Corp Berhad	36,800	120,303	142,784	2.00
Inari Amertron Berhad	47,600	137,388	153,748	2.16
Unisem M Berhad	35,400	119,041	136,290	1.91
Vitrox Corporation Berhad	18,600	138,895	140,988	1.98
		<u>515,627</u>	<u>573,810</u>	<u>8.05</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL (CONTINUED)				
MAIN MARKET (CONTINUED)				
<u>MALAYSIA (CONTINUED)</u>				
Telecommunications & Media				
Telekom Malaysia Berhad	22,900	103,933	138,316	1.94
TIME Dotcom Berhad	24,700	135,711	127,946	1.80
		<u>239,644</u>	<u>266,262</u>	<u>3.74</u>
Transportation & Logistics				
MISC Berhad	27,100	193,843	207,857	2.92
		<u>193,843</u>	<u>207,857</u>	<u>2.92</u>
Utilities				
Tenaga Nasional Berhad	31,200	359,284	355,056	4.98
		<u>359,284</u>	<u>355,056</u>	<u>4.98</u>
TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL				
		<u>5,802,168</u>	<u>6,568,971</u>	<u>92.18</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> Net Asset <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - FOREIGN				
<u>HONG KONG</u>				
Consumer Product				
China Mengniu Dairy Co Ltd	5,000	59,281	50,786	0.71
TOTAL HONG KONG		59,281	50,786	0.71
<u>KOREA</u>				
Materials				
LG Chem Ltd	33	53,418	50,922	0.71
Technology				
Samsung Electronics Co Ltd	255	65,994	73,857	1.04
TOTAL KOREA		119,412	124,779	1.75
TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS - FOREIGN		178,693	175,565	2.46
TOTAL INVESTMENTS		5,980,861	6,744,536	94.64

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL				
MAIN MARKET				
<u>MALAYSIA</u>				
Construction				
Gamuda Berhad	31,755	109,818	129,560	1.95
Consumer Products				
Fraser and Neave Holdings Berhad	3,200	66,785	83,200	1.25
Guan Chong Berhad	26,700	68,600	64,614	0.97
MBM Resources Berhad	33,300	106,256	113,886	1.71
Sime Darby Berhad	60,100	137,374	129,215	1.95
		379,015	390,915	5.88
Energy				
Dayang Enterprise Holdings Berhad	104,300	132,665	139,762	2.10
Dialog Group Berhad	97,700	286,663	230,572	3.47
Hibiscus Petroleum Berhad	116,400	104,196	115,236	1.73
Wah Seong Corporation Berhad	137,400	113,376	108,546	1.63
		636,900	594,116	8.93
Financial Services				
Bank Islam Malaysia Berhad	39,300	120,575	84,495	1.27
Syarikat Takaful Malaysia Keluarga Berhad	41,462	193,603	137,654	2.07
		314,178	222,149	3.34
Health Care				
IHH Healthcare Berhad	41,400	247,484	238,050	3.58

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL (CONTINUED)				
MAIN MARKET (CONTINUED)				
<u>MALAYSIA (CONTINUED)</u>				
Industrial Products				
Cahya Mata Sarawak Berhad	50,400	67,254	57,456	0.86
Pantech Group Holdings Berhad	86,200	69,313	67,667	1.02
Petronas Chemicals Group Berhad	15,300	120,395	108,171	1.63
Press Metal Aluminium Holdings Berhad	52,000	180,884	253,240	3.81
Sunway Berhad	100,000	162,839	159,000	2.39
Thong Guan Industries Berhad	51,700	135,506	118,910	1.79
		736,191	764,444	11.50
Plantation				
IOI Corporation Berhad	79,500	348,932	302,895	4.56
Kuala Lumpur Kepong Berhad	12,364	301,799	256,924	3.86
Sime Darby Plantation Berhad	48,200	236,773	205,814	3.10
		887,504	765,633	11.52
Property				
Sime Darby Property Berhad	422,600	249,389	204,961	3.08
Technology				
Frontken Corporation Berhad	31,700	90,526	98,904	1.49
Greatech Technology Berhad	31,700	147,496	156,915	2.36
Inari Amertron Berhad	25,800	68,592	63,468	0.96
Vitrox Corporation Berhad	15,600	121,560	124,488	1.87
		428,174	443,775	6.68

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL (CONTINUED)				
MAIN MARKET (CONTINUED)				
<u>MALAYSIA (CONTINUED)</u>				
Telecommunications & Media				
Axiata Group Berhad	77,938	295,838	234,593	3.53
Telekom Malaysia Berhad	67,200	304,990	329,280	4.96
TIME Dotcom Berhad	15,600	75,136	86,580	1.30
		<u>675,964</u>	<u>650,453</u>	<u>9.79</u>
Transportation & Logistics				
Malaysia Airports Holdings Berhad	19,700	138,926	133,763	2.01
MISC Berhad	37,900	270,840	273,638	4.12
TASCO Berhad	89,900	89,380	75,966	1.14
		<u>499,146</u>	<u>483,367</u>	<u>7.27</u>
Utilities				
GAS Malaysia Berhad	33,700	102,816	106,492	1.60
Tenaga Nasional Berhad	30,500	391,982	281,515	4.24
		<u>494,798</u>	<u>388,007</u>	<u>5.84</u>
TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS - LOCAL				
		<u>5,658,561</u>	<u>5,275,430</u>	<u>79.36</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - FOREIGN				
<u>CHINA</u>				
Health Care				
Aier Eye Hospital Group Co Ltd	4,900	99,002	97,679	1.47
TOTAL CHINA		99,002	97,679	1.47
<u>HONG KONG</u>				
Energy				
CNOOC Ltd	18,000	106,410	117,995	1.78
TOTAL HONG KONG		106,410	117,995	1.78
<u>KOREA</u>				
Materials				
LG Chem Ltd	30	67,155	72,432	1.09
Technology				
Samsung Electronics Co Ltd	485	104,073	105,256	1.58
Samsung SDI Co Ltd	33	76,187	82,249	1.24
SK Hynix Inc	354	109,782	106,357	1.60
		290,042	293,862	4.42
TOTAL KOREA		357,197	366,294	5.51
<u>SINGAPORE</u>				
Telecommunications & Media				
Singapore				
Telecommunications Ltd	20,700	154,456	168,974	2.54
TOTAL SINGAPORE		154,456	168,974	2.54

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> Net Asset <u>Value</u> %
QUOTED SHARIAH- COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>TAIWAN</u>				
Technology				
Taiwan Semiconductor Manufacturing Co Ltd	2,000	154,706	154,250	2.32
TOTAL TAIWAN		154,706	154,250	2.32
TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS - FOREIGN		871,771	905,192	13.62
SHARIAH-COMPLIANT COLLECTIVE INVESTMENTS SCHEME - LOCAL				
<u>MALAYSIA</u>				
Real Estate Investment Trust				
Axis Real Estate Investment Trust	21,766	41,587	40,920	0.62
TOTAL SHARIAH-COMPLIANT COLLECTIVE INVESTMENTS - LOCAL		41,587	40,920	0.62
TOTAL INVESTMENTS		6,571,919	6,221,542	93.60

7. SHARIAH INFORMATION OF THE FUND

The following are the Shariah information of the Fund.

(a) Investment Portfolio

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

- (i) Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia;
 - (ii) Equity securities in foreign markets which have been classified as Shariah-compliant under the Shariah screening methodology accepted and duly verified by the Shariah Adviser and/or these securities which have been reviewed and classified as Shariah-compliant by the Shariah Adviser;
 - (iii) Investment or cash placements in Islamic liquid assets in local market, including Islamic money market, Islamic deposits with Islamic financial institutions, Islamic structured products, Islamic financial derivatives and/or Islamic collective investment schemes.
- (b) Interest from foreign currency accounts shall not be recognised as income.

There is RMnil (2023: RMnil) interest amount received during the financial year of the Fund.

8. UNITS IN CIRCULATION

	<u>2024</u> Units	<u>2023</u> Units
At the beginning of the financial year	9,116,739	10,426,739
Creation of units arising from applications during the financial year	225,000	190,000
Cancellation of units during the financial year	(1,005,000)	(1,500,000)
At the end of the financial year	<u>8,336,739</u>	<u>9,116,739</u>

9. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.50% (2023: 1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

10. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.06% (2023: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

11. TAXATION

(a) Tax charge for the financial year

	<u>2024</u> RM	<u>2023</u> RM
Current taxation	852	3,962
Overprovision of taxation in prior year	(3,914)	-
	<u>(3,062)</u>	<u>3,962</u>

(b) Numerical reconciliation of income tax expense

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

	<u>2024</u> RM	<u>2023</u> RM
Net income/(loss) before taxation	<u>1,053,862</u>	<u>(579,075)</u>
Tax calculated at a statutory income tax rate of 24%	252,927	(138,978)
Tax effects of:		
- (Investment income not subject to tax)/ Investment loss not deductible for tax purposes	(300,216)	105,330
- Expenses not deductible for tax purposes	23,128	13,365
- Restriction on tax deductible expenses	25,013	24,171
- Income subject to different tax rate	-	74
- Overprovision of taxation in prior year	(3,914)	-
Tax expense	<u>(3,062)</u>	<u>3,962</u>

12. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>2.07</u>	<u>1.77</u>

The TER ratio is calculated based on total expenses excluding investment transaction related costs of the Fund to the average net asset value of the Fund calculated on a daily basis.

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>1.14</u>	<u>0.68</u>

The PTR ratio is calculated based on average of acquisition and disposals of the Fund for the financial year to the average net asset value of the Fund calculated on a daily basis.

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The number of units held by the Manager and related party are as follows:

	<u>2024</u>		<u>2023</u>	
	Units	RM	Units	RM
The Manager	3,051	2,608	6,765	4,932
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>67,177</u>	<u>57,430</u>	<u>67,177</u>	<u>48,979</u>

The units are held beneficially by the Manager for booking purposes. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

The units held by RHB Capital Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of ultimate holding company of the Manager, are held under nominee structure.

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

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

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

15. TRANSACTIONS BY THE FUND

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

Brokers/ <u>financial institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank Berhad*	5,758,446	39.08	17,458	42.62
Maybank Investment Bank Berhad	2,520,401	17.10	6,653	16.24
CGS Intl Sec Malaysia Sdn Bhd	1,331,229	9.03	3,998	9.76
Affin Hwang Investment Bank Berhad	1,066,172	7.23	3,197	7.80
KAF Equities Sdn Bhd	818,844	5.56	2,416	5.90
CGS-CIMB Securities Korea Branch	607,069	4.12	1,214	2.96
Hong Leong Investment Bank Berhad	561,597	3.81	1,187	2.90
Macquarie Capital (Australia) Ltd	484,142	3.29	1,129	2.75
MIDF Amanah Investment Bank Berhad	478,239	3.25	1,437	3.51
UOB Kay Hian Securities (M) Sdn Bhd	369,300	2.51	797	1.95
Others	740,601	5.02	1,481	3.61
	<u>14,736,040</u>	<u>100.00</u>	<u>40,967</u>	<u>100.00</u>

15. TRANSACTIONS BY THE FUND (CONTINUED)

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

<u>Brokers/ financial institutions</u>	<u>Value of trades</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage fees</u> %
RHB Investment Bank Berhad*	3,208,059	35.20	9,403	37.55
Maybank Investment Bank Berhad	1,416,138	15.54	3,723	14.87
Affin Hwang Investment Bank Berhad	1,256,488	13.79	3,737	14.92
CGS-CIMB Securities Sdn Bhd	897,970	9.85	2,694	10.76
Hong Leong Investment Bank Berhad	536,650	5.89	1,073	4.28
MIDF Amanah Investment Bank Berhad	508,671	5.58	1,526	6.09
KAF Equities Sdn Bhd	457,076	5.01	1,217	4.86
CGS-CIMB Securities Korea Branch	421,611	4.63	843	3.37
UOB Kay Hian Securities (M) Sdn Bhd	293,881	3.22	588	2.35
Macquarie Capital Australia Ltd	99,002	1.09	198	0.79
Others	18,186	0.20	40	0.16
	9,113,732	100.00	25,042	100.00

* Included in transactions by the Fund are trades with RHB Investment Bank Berhad, the holding company of the Manager. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2024</u> RM	<u>2023</u> RM
Financial assets		
Financial assets at FVTPL		
• Quoted Shariah-compliant investments	6,744,536	6,180,622
• Shariah-Compliant Collective Investments Scheme	-	40,920
	<u>6,744,536</u>	<u>6,221,542</u>
Financial assets at amortised cost		
• Bank balances	101,286	99,539
• Islamic deposits with licensed financial institutions	255,570	329,500
• Dividend receivables	24,772	13,746
	<u>381,628</u>	<u>442,785</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	-	10,897
• Amount due to Trustee	351	340
• Accrued management fee	8,772	8,499
• Other payables and accruals	25,883	13,725
	<u>35,006</u>	<u>33,461</u>

**STATEMENT BY MANAGER
RHB DANA ISLAM**

We, Dato' Darawati Hussain and Mohd Farid Bin Kamarudin, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying statement of financial position, statement of income and expenses, statement of changes in net asset value, statement of cash flows and the accompanying notes, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 March 2024 and of its financial performance and cash flows for the financial year then ended and comply with the provisions of the Deeds.

On behalf of the Manager,

Dato' Darawati Hussain
Director

Mohd Farid Bin Kamarudin
Director

23 May 2024

TRUSTEE'S REPORT

To the unit holders of RHB Dana Islam (“Fund”)

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

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
23 May 2024

REPORT OF THE SHARIAH ADVISER RHB DANA ISLAM

To the unit holders of RHB Dana Islam (“the Fund”),

We have acted as the Shariah Adviser of the Fund. Our responsibility is to ensure that the procedures and processes employed by RHB Asset Management Sdn Bhd (“the Manager”) and that the provisions of the Deeds are in accordance with Shariah principles.

To the best of our knowledge, after having made all reasonable enquiries, the Manager has operated and managed the Fund 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 for the financial year ended 31 March 2024.

In addition, we also confirm that the investment portfolio of the Fund comprises instruments which have been classified as Shariah-compliant.

I, Azizi Che Seman hereby confirm that all members of the Shariah Committee have been consulted and made aware of all the Shariah issues in relation to this report.

For and on behalf of Shariah Committee of RHB Islamic Bank Berhad
(Company No: 200501003283)

Azizi Che Seman
Chairman
Shariah Committee of RHB Islamic Bank Berhad

Kuala Lumpur
23 May 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB DANA ISLAM

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Dana Islam (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2024 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2024, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 48.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB DANA ISLAM (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB DANA ISLAM (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB DANA ISLAM (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

OTHER MATTERS

This report is made solely to the unit holders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
23 May 2024

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL AND BUSINESS OFFICE

Level 8, Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

E-mail Address : rhbam@rhbgroup.com

Tel: 03 – 9205 8000

Fax: 03 – 9205 8100

Website: <https://rhbgroup.com/myinvest>

BOARD OF DIRECTORS

Mr Chin Yoong Kheong (*Independent Non-Executive Chairman*)

YBhg Dato' Darawati Hussain (*Senior Independent Non-Executive Director*)

Tuan Syed Ahmad Taufik Albar (*Non-Independent Non-Executive Director*)
(*Resigned with effect from 29 February 2024*)

Encik Mohd Farid Bin Kamarudin (*Chief Executive Officer / Managing Director*)
(*Appointed with effect from 1 August 2023*)

Puan Hijah Arifakh Binti Othman (*Independent Non-Executive Director*)
(*Resigned with effect from 1 June 2023*)

Puan Sharizad Binti Juma'at (*Independent Non-Executive Director*)

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

Puan Hijah Arifakh Binti Othman (*Resigned with effect from 1 June 2023*)

Mr Chin Yoong Kheong

Puan Sharizad Binti Juma'at

CHIEF EXECUTIVE OFFICER/ MANAGING DIRECTOR

Encik Mohd Farid Bin Kamarudin (*Appointed with effect from 1 August 2023*)

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

Filza Zainal Abidin (LS No. 0008413)

BRANCH OFFICE

Shah Alam Office	B-3-1, 1st Floor Jalan Serai Wangi G16/G, Alam Avenue Persiaran Selangor, Section 16 40200 Shah Alam Tel: 03-5523 1909 Fax: 03-5524 3471
Sri Petaling Office	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	No 34 Jalan Kebun Teh 1 Pusat Perdagangan Kebun Teh 80250 Johor Bahru, Johor Tel: 07-221 0129 Fax: 07-221 0291 2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	1st Floor, Lot 10, Jalan Putra Square 1 Putra Square 25300 Kuantan, Pahang Tel: 09-517 3611/ 09-517 3612/ 09-531 6213 Fax: 09-517 3615
Kuching Office	Lot 133, Section 20, Sublot 2 & 3 1st Floor, Jalan Tun Ahmad Zaidi Adruce 93200 Kuching, Sarawak Tel: 082-550 838 Fax: 082-550 508 Yung Kong Abell, Units 1-10 2nd Floor Lot 365 Section 50 Jalan Abell 93100 Kuching, Sarawak Tel: 082-245 611 Fax: 082-230 326

Kota Bharu Office	Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890
Kota Kinabalu Office	Lot No. C-02-04, 2nd Floor Block C, Warisan Square Jalan Tun Fuad Stephens 88000 Kota Kinabalu Sabah Tel: 088-528 686/ 088-528 692 Fax: 088-528 685
Melaka Office	581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211/ 06-281 4110 Fax: 06-292 2212
Penang Office	3rd Floor, 44 Lebuh Pantai 10300 Georgetown, Penang Tel: 04-264 5639 Fax: 04-264 5640
Prai Office	No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang Tel: 04-386 6670 Fax: 04-386 6528

TRUSTEE	HSBC (Malaysia) Trustee Berhad
SHARIAH ADVISER	RHB Islamic Bank Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Bank Berhad RHB Investment Bank Berhad RHB Islamic Bank Berhad Affin Bank Berhad Alliance Bank Berhad AmBank Berhad AmInvestment Bank Berhad Am Islamic Bank Berhad Astute Fund Management Berhad (APEX) Areca Capital Sdn Bhd Bank Kerjasama Rakyat (M) Berhad CIMB Bank Berhad CIMB Private Banking CIMB Islamic Bank Berhad Genexus Advisory Sdn Bhd Hong Leong Bank Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Manulife Asset Management Service Berhad OCBC Bank (M) Berhad OCBC Al-Amin Bank Berhad Philip Mutual Berhad Principal Asset Management Berhad Standard Chartered Bank (M) Berhad United Overseas Bank (M) Berhad UOB Kay Hian Securities (M) Sdn Bhd

RHB ♦ Asset Management

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