

RHB EMERGING MARKETS BOND FUND

ANNUAL REPORT 2025

For the financial year ended 28 February 2025

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

- Fund Name - RHB Emerging Markets Bond Fund
- Fund Category - Feeder Fund
- Fund Type - Income and Growth

Investment Objective, Policy and Strategy

Objective of the Fund

This Fund aims to provide investors with income[^] and potential capital appreciation by investing in one Target Fund, i.e. the United Emerging Markets Bond Fund.

Note: [^] The income is in the form of units.

Strategy

The Fund will invest at least 85% of its Net Asset Value in the sub-fund of the United Emerging Markets Portfolios that is the Target Fund denominated in Singapore Dollars (SGD) and managed by the Management Company, i.e. UOB Asset Management Ltd, Singapore. The Target Fund is an open-ended collective investment scheme domiciled in Singapore and was launched in July 2001. Both the Management Company and the Target Fund are regulated by the Authority under the Securities and Futures Act (Chapter 289), Singapore. The Fund aims to achieve its objective of providing income through the distributions received from the Target Fund, whereas the potential capital appreciation (if any) will be from the price appreciation of the Target Fund. Investors should note that the income[^] is in the form of Units.

The Fund's asset allocation is as follows:

- At least 85% of its Net Asset Value
- Investments in the units of the Target Fund.

The balance of the Fund's Net Asset Value shall be invested in money market instruments that are dealt in or under the rules of an eligible market, and whose residual maturity does not exceed 12 months and short term Deposits, and in derivatives for hedging purposes.

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sales and redemptions transactions and to enable the proper and efficient management of the Fund.

The Manager does not adopt a temporary defensive position for the Fund in response to adverse market, economic, political, or any other conditions as such defensive strategies are expected to be implemented at the Target Fund level, when deemed necessary by the Management Company. The Manager does not adopt any temporary defensive positions for the Fund as this will allow the Fund to best track the performance of the Target Fund. It also follows that if the Target Fund fails to adopt a successful defensive position in response to adverse market and economic conditions, there is a risk that the Fund will mirror the Target Fund's negative performance, if any. Also, investors should note that at all times the Fund is always subject to currency risk.

Notwithstanding anything contained herein, the Manager may, in consultation with the Trustee and with the Unit Holders' approval, replace the Target Fund with another fund of a similar objective if, in the Manager's opinion, the Target Fund no longer meets the Fund's investment objective, or when acting in the interest of the Unit Holders.

Performance Benchmark

The performance of the Fund is benchmarked against the JP Morgan Emerging Market Bond Index Global Diversified Index (RM).

Permitted Investments

The Fund may invest in one (1) collective investment scheme i.e. the Target Fund, trade in financial derivatives, money market instruments and Deposits with any financial institutions and any other investments which may be permitted by the Securities Commission from time to time.

Distribution Policy

The Fund will declare distributions, if any, to unit holders depending on the level of income generated at each relevant period. Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) are generally declared quarterly.

MANAGER’S REPORT

MARKET REVIEW

High yield (“HY”) credit has been the best-performing emerging market (“EM”) asset class during this period so far. With Trump's second term, talk is turning towards how the wars and regional conflicts might finish. As a result, EM bonds rallied in regions such as Lebanon, Ukraine, Iraq, etc.

ECONOMIC REVIEW AND OUTLOOK

Relatively “friendly” relationship between Argentina’s president Javier Milei and Trump and reduced government spending that brings significant changes to Argentina's economy under Milei's leadership boosted performance of Argentine bonds. The positive global market sentiments also help in many other EM HY credits such as El Salvador, Bolivia, Sri Lanka, etc.

MARKET OUTLOOK AND TARGET FUND STRATEGY

The Target Fund Manager thinks Trump’s “Red Sweep” in the recent United States (“US”) election might change things in year 2025. “Trumponomics” will likely keep the global higher-for-longer interest-rate environment and weakens EM currencies against the dollar. This shift could amplify challenges for poorer and weak economy countries. These countries will be vulnerable from any flight of capital after four years of elevated interest rates and constrained market access. As a result, the Target Fund Manager underweight countries like Ghana (CCC), Mozambique (CCC), Nigeria (CCC+) and South Africa (BB-) as they have increased their gross debt to Gross Domestic Product (“GDP”) level by more than 40.00% in the past 14 years.

While EM credit space provides a reasonably good risk-adjusted return profile based on data since 2004, the Target Fund Manager learn that EM economic growth trajectory has been mixed and they like investment-grade EM bonds currently. In terms of valuation based on credit spread per duration year, the Target Fund Manager likes single-A Asia, triple-B LatAm and single-B Central Eastern Europe (“ECB”). From a fundamental perspective, the Target Fund Manager dislike countries like Chile (A), Jordan (BB-), Kazakhstan (BBB-), Kenya (B-) and Romania (BBB-) due to their high external deficits.

REVIEW OF TARGET FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL YEAR

For the twelve months to February 2025, the Target Fund rose 2.81% compared to the benchmark, JP Morgan EM Bond Index Global Diversified (“EMBIGD”) Composite index, which returned 3.27%, in Malaysian Ringgit (“MYR”) terms.

Key contributors to the target fund’s performance include the Target Fund positioning in El Salvador, Montenegro, Mongolia, Uzbekistan, Argentina, Tunisia and Bahrain; while Ukraine, Lebanon, Ghana, Sri Lanka, Hungary and Kenya were the main detractors to performance.

As of 28 February 2025, the Target Fund was invested 33.00% in Americas, 32.00% in Africa / Middle East, 17.00% in Asia Pacific, 11.00% in Eastern Europe. The remainder was held in other regions and a combination of cash and cash equivalents.

TARGET FUND’S TOP 10 HOLDINGS

The Target Fund’s top 10 holdings as at 28 February 2025 are as follows:

No.	Security Name	Fair Value (SGD)	% of Net Asset Value (%)
1	Republic of Turkiye 6 1/2 01/03/35	2,326,476	3.21
2	Republic of Peru 6.55 03/14/37	1,483,856	2.05
3	Ronesans Holding A.S. 8 1/2 10/10/29	1,382,310	1.91
4	Commercial Bank of Dubai 4.864 10/10/29	1,363,081	1.88
5	Republic of El Salvador 7.1246 01/20/50	1,336,755	1.84
6	Republic of Colombia 8 04/20/33	1,300,047	1.79
7	FED Republic of Brazil 4 3/4 01/14/50	1,257,346	1.74
8	Republic of Ecuador 5 1/2 07/31/35	1,255,018	1.73
9	Oman Government International Bond 7 3/8 10/28/32	1,230,622	1.70
10	Republic of Montenegro 7 1/4 03/12/31	1,086,821	1.50

The Target Fund's top 10 holdings as at 29 February 2024 are as follows:

No.	Security Name	Fair Value (SGD)	% of Net Asset Value (%)
1	Saudi International Bond 5 01/16/34	1,595,875	2.09
2	Federal Republic of Brazil 6 10/20/33	1,362,540	1.78
3	Saudi International Bond 5 3/4 01/16/54	1,313,303	1.72
4	Republic of Chile 4.95 01/05/36	1,310,354	1.71
5	Republic of Colombia 8 04/20/33	1,302,646	1.70
6	Republica Orient Uruguay 4.975 04/20/55	1,276,464	1.67
7	Republic of Panama 6.4 02/14/35	1,249,557	1.63
8	Republic of Nigeria 6 1/8 09/28/28	1,219,023	1.59
9	Oman Government International Bond 7 3/8 10/28/32	1,210,858	1.58
10	Kingdom of Bahrain 7 3/4 04/18/35	1,147,060	1.50

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

During the financial year under review, the Fund has generated a return of 1.11%*, where the benchmark recorded a return of 3.27%*. The Fund is working to meet its objective of providing investors with income and potential capital appreciation. The Net Asset Value per unit of the Fund was RM0.5123 (2024: RM0.5127) as at 28 February 2025.

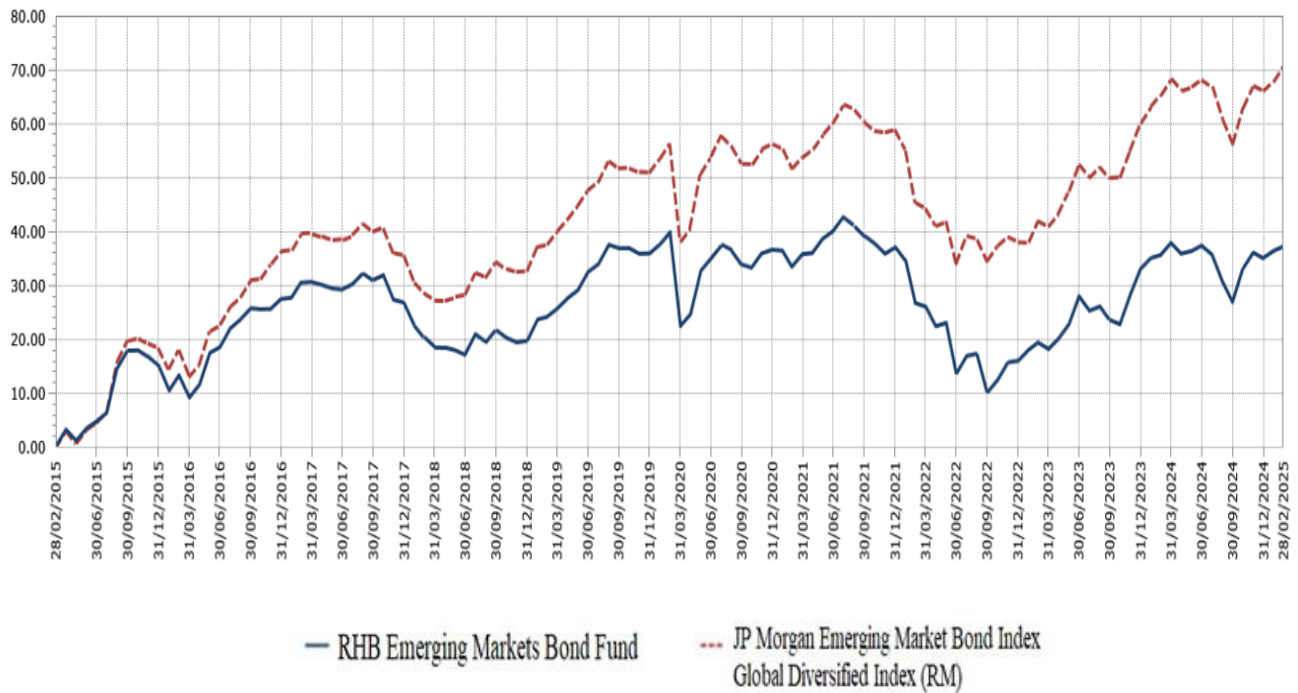
* Source: Lipper Investment Management ("IM"), 11 March 2025

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 28/29 February				
	2025	2024	2023	2022	2021
	%	%	%	%	%
RHB Emerging Markets Bond Fund					
- Capital Return	(0.08)	12.16	(8.67)	(8.37)	(8.17)
- Income Return	1.19	1.17	3.27	3.70	3.80
- Total Return	1.11	13.47	(5.68)	(4.98)	(4.68)
JP Morgan Emerging Market Bond Index Global Diversified Index (RM)	3.27	16.37	(2.35)	(4.05)	(3.10)

	Average Annual Returns			
	1 Year	3 Years	5 Years	10 Years
	29.02.2024-28.02.2025	28.02.2022-28.02.2025	29.02.2020-28.02.2025	28.02.2015-28.02.2025
	%	%	%	%
RHB Emerging Markets Bond Fund	1.11	2.66	(0.40)	3.20
JP Morgan Emerging Market Bond Index Global Diversified Index (RM)	3.27	5.48	1.76	5.48

**Performance of RHB Emerging Markets Bond Fund
for the period from 28 February 2015 to 28 February 2025
Cumulative Return Over The Period (%)**



Source: Lipper IM, 11 March 2025

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 28 February 2015.

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 payment and unit splits wherever applicable.

Fund Size	As at 28/29 February		
	2025	2024	2023
Net Asset Value (RM million)*	23.30	25.56	24.68
Units In Circulation (million)	45.48	49.85	53.99
Net Asset Value Per Unit (RM)*	0.5123	0.5127	0.4571

Historical Data	Financial Year Ended 28/29 February		
	2025	2024	2023
Unit Prices			
NAV - Highest (RM)*	0.5231	0.5198	0.5000
- Lowest (RM)*	0.4794	0.4466	0.4214
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.61	1.61	1.60
Portfolio Turnover Ratio (PTR) (times) ##	0.21	0.10	0.07

* *The figures quoted are ex-distribution*

The TER for the financial year was consistent compared with the previous financial year under review.

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

Distributions Date	Financial Year Ended 28/29 February			
	Gross Distributions Per Unit (sen)	Net Distributions Per Unit (sen)	NAV before distributions (cum)	NAV after distributions (ex)
<u>2025</u>				
25.11.2024	0.6000	0.6000	0.5127	0.5066
Total	0.6000	0.6000		
<u>2024</u>				
26.02.2024	0.6000	0.6000	0.5198	0.5158
Total	0.6000	0.6000		
<u>2023</u>				
26.05.2022	0.4500	0.4500	0.4817	0.4812
25.08.2022	0.5897	0.4500	0.4622	0.4588
25.11.2022	0.4500	0.4500	0.4455	0.4417
Total	1.4897	1.3500		

DISTRIBUTIONS

For the financial year under review, the Fund has declared total net distributions of 0.6000 sen per unit, which is equivalent to a net distribution yield of 1.18% based on the average net asset value for the financial year.

PORTFOLIO STRUCTURE

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

	As at 28/29 February		
	2025	2024	2023
	%	%	%
Sectors			
Collective investment scheme - foreign	97.68	96.74	97.91
Liquid assets and other net current assets	2.32	3.26	2.09
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The asset allocation has been structured to meet the Fund's intended objective.

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

There were no soft commissions received by the management company for the financial year under review.

**RHB EMERGING MARKETS BOND FUND
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2025**

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
ASSETS			
Bank balances	5	52,755	51,900
Deposits with licensed financial institutions	5	512,095	793,148
Investments	6	22,758,997	24,725,119
Amount due from Manager		11,207	1,544
Other receivables		29,992	33,184
Tax recoverable		4,064	-
TOTAL ASSETS		<u>23,369,110</u>	<u>25,604,895</u>
LIABILITIES			
Amount due to Manager		28,459	4,104
Accrued management fee		27,410	30,365
Amount due to Trustee		1,096	1,215
Other payables and accruals		11,800	9,300
Tax payable		-	2,831
TOTAL LIABILITIES		<u>68,765</u>	<u>47,815</u>
NET ASSET VALUE		<u>23,300,345</u>	<u>25,557,080</u>
EQUITY			
Unit holders' capital		23,416,408	25,595,899
Accumulated losses		(116,063)	(38,819)
		<u>23,300,345</u>	<u>25,557,080</u>
UNITS IN CIRCULATION (UNITS)	7	<u>45,481,300</u>	<u>49,846,778</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.5123</u>	<u>0.5127</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

**RHB EMERGING MARKETS BOND FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
INCOME			
Distribution income		1,090,899	1,087,262
Interest income from deposits with licensed financial institutions		16,867	14,882
Net realised loss on disposal		(989,031)	(725,616)
Net unrealised gain on changes in fair value		95,035	2,719,689
Net foreign currency exchange (loss)/gain		(20,377)	17,540
Management fee rebate	8	421,740	422,632
		<u>615,133</u>	<u>3,536,389</u>
EXPENSES			
Management fee	8	(372,843)	(371,755)
Trustee's fee	9	(14,914)	(14,871)
Audit fee		(6,800)	(6,800)
Tax agent's fee		(2,500)	(2,500)
Other expenses		(4,267)	(3,874)
		<u>(401,324)</u>	<u>(399,800)</u>
Net income before taxation		213,809	3,136,589
Taxation	10	-	-
Net income after taxation		<u>213,809</u>	<u>3,136,589</u>
Net income after taxation is made up as follows:			
Realised amount		134,286	410,793
Unrealised amount		79,523	2,725,796
		<u>213,809</u>	<u>3,136,589</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

RHB EMERGING MARKETS BOND FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	<u>Unit holders’ capital</u> RM	<u>Accumulated losses</u> RM	<u>Total net asset value</u> RM
Balance as at 1 March 2023	27,560,755	(2,879,654)	24,681,101
Movement in net asset value:			
Net income after taxation	-	3,136,589	3,136,589
Creation of units arising from distributions	295,754	-	295,754
Creation of units arising from applications	1,782,393	-	1,782,393
Cancellation of units	(4,043,003)	-	(4,043,003)
Distributions (Note 11)	-	(295,754)	(295,754)
Balance as at 29 February 2024	<u>25,595,899</u>	<u>(38,819)</u>	<u>25,557,080</u>
Balance as at 1 March 2024	25,595,899	(38,819)	25,557,080
Movement in net asset value:			
Net income after taxation	-	213,809	213,809
Creation of units arising from distributions	291,053	-	291,053
Creation of units arising from applications	5,586,885	-	5,586,885
Cancellation of units	(8,057,429)	-	(8,057,429)
Distributions (Note 11)	-	(291,053)	(291,053)
Balance as at 28 February 2025	<u>23,416,408</u>	<u>(116,063)</u>	<u>23,300,345</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

**RHB EMERGING MARKETS BOND FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		5,722,115	3,307,013
Purchase of investments		(3,559,201)	(776,966)
Interest income received from deposits with licensed financial institutions		16,867	14,882
Management fee rebate received		420,178	422,400
Management fee paid		(375,798)	(369,603)
Trustee's fee paid		(15,033)	(14,785)
Payment for other fees and expenses		(11,067)	(15,454)
Tax paid		(6,895)	(33,225)
Net cash generated from operating activities		<u>2,191,166</u>	<u>2,534,262</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		5,577,222	1,783,599
Cash paid for units cancelled		(8,033,074)	(4,053,832)
Net cash used in financing activities		<u>(2,455,852)</u>	<u>(2,270,233)</u>
Net (decrease)/increase in cash and cash equivalents		(264,686)	264,029
Foreign currency translation differences		(15,512)	6,643
Cash and cash equivalents at the beginning of the financial year		<u>845,048</u>	<u>574,376</u>
Cash and cash equivalents at the end of the financial year	5	<u>564,850</u>	<u>845,048</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

**RHB EMERGING MARKETS BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Emerging Markets Bond Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 29 September 2011 as modified via its First Supplemental Deed dated 4 September 2013, Second Supplemental Deed dated 24 February 2015, Third Supplemental Deed dated 3 August 2015 and Fourth Supplemental Deed dated 27 June 2022 (hereinafter referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 3 January 2012 and will continue its operations until terminated according to the conditions provided under the Deeds. The principal activity of the Fund is to invest in Permitted Investments as defined in the Deeds. 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 income and potential capital appreciation by investing in one Target Fund, i.e. the United Emerging Markets Bond Fund.

The Manager, a company incorporated in Malaysia, 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 and private retirement schemes and provision of investment advisory services.

These financial statements were authorised for issue by the Manager on 24 April 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 material accounting policy information, 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 material to the financial statements.

(a) Standards and amendments to existing standards effective 1 March 2024

The Fund has applied the following standards and amendments for the first time for the financial period beginning 1 March 2024:

- 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 adoption of the above accounting standard, annual improvement and improvement does not give rise to any material financial impact to the Fund.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(b) New standards, amendments and interpretations effective after 1 March 2024 and have not been early adopted

- Amendments to MFRS 9 and MFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’ (effective 1 January 2025)
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition.).
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(b) New standards, amendments and interpretations effective after 1 March 2024 and have not been early adopted (continued)

- MFRS 18 ‘Presentation and Disclosure in Financial Statements’ (effective 1 January 2027) replaces MFRS 101 ‘Presentation of Financial Statements’.
 - The new MFRS introduces a new structure of profit or loss statement.
 - a) Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - b) Entities are required to present two new specified subtotals: ‘Operating profit or loss’ and ‘Profit or loss before financing and income taxes’.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 assets measured at fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely payment of principal and interest, 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, amount due from Manager and other 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.

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.

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 unrealised gains or losses on changes in fair value in the financial year in which they arise.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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

Collective investment scheme is valued based on the last published net asset value per unit or share of such collective investment scheme or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in such selling price).

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest 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 interest method.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Financial assets (continued)

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.

2.3 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, accrued management fee, amount due to Trustee, and other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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 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.

2.5 Income recognition

Distribution income from collective investment scheme is recognised when the Fund's right to receive payment is established. Distribution income is received from financial assets measured at FVTPL.

Interest income from short-term deposits with licensed financial institutions is recognised on an accrual basis using the effective interest method.

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

Realised gains or losses on disposal of the collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Income recognition (continued)

Management fee rebate is derived from the collective investment scheme held by the Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of the collective investment schemes held.

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 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.

2.8 Distribution

Distributions to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee.

2.9 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:

- The Fund's units are denominated in RM, and
- The Fund's significant expenses are denominated in RM.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 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, currency risk, credit 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

The value of the Fund's investments is subject to the fluctuations of the markets it invests in and the performance of those investments. The risk is managed through portfolio diversification whereby investments are diversified in a portfolio of securities from different market sectors. The risk is also managed via asset allocation whereby the equity exposure will be reduced in the event of an anticipated weakness in the stock market.

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 collective investment scheme price risk (other than those arising from interest rate risk) for its investments of RM22,758,997 (2024: RM24,725,119) in collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the 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 +/- RM1,137,950 (2024: RM1,236,256).

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.

The Fund did not have any significant financial liabilities denominated in foreign currencies as at the reporting date. The following table indicates the currency to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculates the effect of a reasonably possible movement the foreign currency rate against Ringgit Malaysia with all other variables held constant.

The sensitivity analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- RM1,139,583 (2024: RM1,238,115).

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 receivables</u> RM	<u>Total</u> RM
<u>2025</u>				
Singapore Dollar	<u>22,758,997</u>	<u>2,669</u>	<u>29,992</u>	<u>22,791,658</u>
<u>2024</u>				
Singapore Dollar	<u>24,725,119</u>	<u>3,992</u>	<u>33,184</u>	<u>24,762,295</u>

Interest rate risk

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

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 deposits with reputable licensed financial institutions. 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.

For amount due from Fund Manager of collective investment scheme, the settlement terms are governed by the relevant rules and regulations as prescribed by the relevant regulatory authority in its home jurisdiction.

The following table sets out the credit risk concentrations and counterparties of the Fund:

	Cash and cash equivalents	Other financial assets*	Total
	RM	RM	RM
<u>2025</u>			
AAA	564,850	-	564,850
Others	-	41,199	41,199
	<u>564,850</u>	<u>41,199</u>	<u>606,049</u>
<u>2024</u>			
AAA	845,048	-	845,048
Others	-	34,728	34,728
	<u>845,048</u>	<u>34,728</u>	<u>879,776</u>

* Comprise of amount due from Manager and other receivables.

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.

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 1 month to <u>1 year</u> RM
<u>2025</u>		
Amount due to Manager	28,459	-
Accrued management fee	27,410	-
Amount due to Trustee	1,096	-
Other payables and accruals	-	11,800
	<u>56,965</u>	<u>11,800</u>
<u>2024</u>		
Amount due to Manager	4,104	-
Accrued management fee	30,365	-
Amount due to Trustee	1,215	-
Other payables and accruals	-	9,300
	<u>35,684</u>	<u>9,300</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 RM23,416,408 (2024: RM25,595,899) and accumulated losses of RM116,063 (2024: RM38,819). 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.

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

- (i) For bank balances and 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.

4. FAIR VALUE ESTIMATION (CONTINUED)

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>2025</u>				
Financial assets at FVTPL:				
- Collective investment scheme - foreign	22,758,997	-	-	22,758,997
<u>2024</u>				
Financial assets at FVTPL:				
- Collective investment scheme - foreign	24,725,119	-	-	24,725,119

Investments in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets are classified within Level 1. The Fund does not adjust the published prices for these instruments. The Fund’s policies and valuation of these financial assets are stated in Note 2.2.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2025</u> RM	<u>2024</u> RM
Bank balances	52,755	51,900
Deposits with licensed financial institutions	512,095	793,148
	<u>564,850</u>	<u>845,048</u>

6. INVESTMENTS

	<u>2025</u> RM	<u>2024</u> RM
Investments:		
- Collective investment scheme - foreign	<u>22,758,997</u>	<u>24,725,119</u>

Investments as at 28 February 2025 are as follows:

<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> %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>SINGAPORE</u>				
Unit Trust Fund				
United Emerging				
Markets Bond Fund –				
Class A SGD Dist	7,364,182	26,461,145	22,758,997	<u>97.68</u>

6. INVESTMENTS (CONTINUED)

Investments as at 29 February 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> %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>SINGAPORE</u>				
Unit Trust Fund				
United Emerging Markets Bond Fund – Class A SGD Dist				
	7,725,129	28,522,302	24,725,119	96.74

7. UNITS IN CIRCULATION

	<u>2025</u> Units	<u>2024</u> Units
At the beginning of the financial year	49,846,778	53,994,389
Creation of units arising during the financial year:		
Arising from distributions	574,522	573,389
Arising from applications	10,870,000	3,649,000
Cancellation of units during the financial year	(15,810,000)	(8,370,000)
At the end of the financial year	<u>45,481,300</u>	<u>49,846,778</u>

8. MANAGEMENT FEE AND MANAGEMENT FEE REBATE

In accordance with Prospectus, the Management fee provided in the financial statements is 1.50% (2024: 1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year. As this Fund invests in units of United Emerging Markets Bond Fund (“UEM Bond Fund”), any management fee charged by UEM Bond Fund’s Manager is fully refunded in cash. Accordingly, there is no double charging of management fee.

9. TRUSTEE’S FEE

In accordance with Prospectus, the Trustee’s fee provided in the financial statements is 0.06% (2024: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

10. TAXATION

(a) Tax charge for the financial year

	<u>2025</u> RM	<u>2024</u> RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

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

	<u>2025</u> RM	<u>2024</u> RM
Net income before taxation	213,809	3,136,589
Tax calculated at statutory income tax rate of 24%	51,314	752,781
Tax effects of:		
- Investment income not subject to tax	(147,632)	(848,733)
- Expenses not deductible for tax purposes	5,204	5,099
- Restriction on tax deductible expenses	91,114	90,853
Tax expense	-	-

11. DISTRIBUTIONS

Distributions to unit holders are derived from the following:

	<u>2025</u> RM	<u>2024</u> RM
Distribution income	298,863	688,476
Less: Expenses	(7,810)	(392,722)
Net distribution amount	291,053	295,754

<u>Distributions dates</u>	<u>2025</u>		<u>2024</u>	
	<u>Sen per unit</u>		<u>Sen per unit</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
26 February 2024	-	-	0.6000	0.6000
25 November 2024	0.6000	0.6000	-	-
	<u>0.6000</u>	<u>0.6000</u>	<u>0.6000</u>	<u>0.6000</u>

12. TOTAL EXPENSE RATIO (“TER”)

	<u>2025</u> %	<u>2024</u> %
TER	<u>1.61</u>	<u>1.61</u>

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

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2025</u>	<u>2024</u>
PTR (times)	<u>0.21</u>	<u>0.10</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>2025</u>		<u>2024</u>	
	Units	RM	Units	RM
The Manager	1,017	521	1,650	846
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>1,450,331</u>	<u>743,005</u>	<u>1,435,197</u>	<u>735,826</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 is under nominee structure.

Other than the above, there were no units held by the Manager, 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 28 February 2025 is as follows:

<u>Fund Manager</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> %
UOB Asset Management Limited	9,285,117	100.00	-	-

Details of transactions by the Fund for the financial year ended 29 February 2024 is as follows:

<u>Fund Manager</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> %
UOB Asset Management Limited	4,076,477	100.00	-	-

16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2025</u> RM	<u>2024</u> RM
Financial assets		
Financial assets at FVTPL		
• Collective investment scheme	22,758,997	24,725,119
	<hr/>	<hr/>
Financial assets at amortised cost		
• Bank balances	52,755	51,900
• Deposits with licensed financial institutions	512,095	793,148
• Amount due from Manager	11,207	1,544
• Other receivables	29,992	33,184
	<hr/>	<hr/>
	606,049	879,776
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	28,459	4,104
• Accrued management fee	27,410	30,365
• Amount due to Trustee	1,096	1,215
• Other payables and accruals	11,800	9,300
	<hr/>	<hr/>
	68,765	44,984
	<hr/>	<hr/>

**STATEMENT BY MANAGER
RHB EMERGING MARKETS BOND FUND**

We, Chin Yoong Kheong and Ng Chze How, 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 28 February 2025 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,

Chin Yoong Kheong
Director

Ng Chze How
Director

24 April 2025

TRUSTEE'S REPORT

To the unit holders of RHB Emerging Markets Bond 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, 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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
24 April 2025

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB EMERGING MARKETS BOND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Emerging Markets Bond Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 28 February 2025 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 28 February 2025, 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 material accounting policy information, as set out on pages 11 to 35.

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 EMERGING MARKETS BOND FUND (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 EMERGING MARKETS BOND FUND (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 EMERGING MARKETS BOND FUND (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
24 April 2025

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

Email 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*)

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

Encik Mohd Farid Bin Kamarudin (*Chief Executive Officer / Managing Director*)
(*Resigned with effect from 14 June 2024*)

Mr Ng Chze How (*Chief Executive Officer / Managing Director*)
(*Appointed with effect from 11 September 2024*)

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

Mr Chin Yoong Kheong

Puan Sharizad Binti Juma'at

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Encik Mohd Farid Bin Kamarudin (*Resigned with effect from 14 June 2024*)

Mr Ng Chze How (*Appointed with effect from 11 September 2024*)

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 3615 Fax: 09-517 3612
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
Melaka Office	581B, Taman Melaka Raya 75000 Melaka Fax: 06-292 2212
Penang Office	3rd Floor, 44 Lebuhr Pantai 10300 Georgetown, Penang Tel: 04-264 5639
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
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 Alliance Bank Malaysia Berhad AmBank Berhad Areca Capital Sdn Bhd Genexus Advisory Sdn Bhd iFAST Capital Sdn Bhd Kenanga Investors Berhad Malayan Banking Berhad Phillip Mutual 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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