

RHB MALAYSIA DIVIDEND FUND

ANNUAL REPORT 2024

For the financial year ended 31 March 2024

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

- Fund Name - RHB Malaysia Dividend Fund
- Fund Category - Equity fund
- Fund Type - Growth and income

Investment Objective, Policy and Strategy

Objective of the Fund

This Fund aims to provide investors with capital growth and recurring income[^] in the medium to long term* through investments in securities of and securities relating to Malaysian companies which offer attractive yields and sustainable dividend payments.

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

* “medium to long term” in this context refers to a period between 3 - 7 years.

Strategy

The Fund aims to achieve its objective through investments in companies that focus on shareholder value in the form of sustainable dividend returns or have the potential to offer dividend yields combined with the prospect for growth.

Hence, the Manager’s strategy is to identify companies that offer or have the potential to offer dividend yields and whose cash flow generated by business and management activities are expected to support such dividend payment. The Manager may also invest in growth or recovery stocks which have the potential to adopt a strong dividend payout policy.

The Fund will also invest in fixed income securities where the potential returns from these securities are favourable as compared to equities. The Fund’s investment in fixed income securities will be that of debt securities issued by corporations, financial institutions and government (comprising amongst others of convertible debt securities, redeemable debt securities, bonds / securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by any Domestic Rating Agencies or its equivalent rating by a reputable rating establishment) as well as fixed income collective investment scheme, money market instruments, cash and deposits with financial institutions.

The Manager employs fundamental and bottom-up valuation analysis as an integral part of their investment process. This includes evaluation of company management, products & services, competitive positioning, operating outlook, earnings prospects, risk factors and corporate governance standards, looking at discounted cashflow models, comparative

multiples (eg. price earnings ratio, price to book value) and profitability measures (eg. returns on equity).

This Fund's portfolio will be structured as follows:-

70% to 98% of Net Asset Value

- Investment in equity and equity-related securities of Malaysian companies which offer attractive yields# and sustainable dividend payments.

2% to 30% of Net Asset Value

- Investment in liquid assets, fixed income securities, money market instruments and deposits with financial institutions.

Note: # This refers to Malaysian companies that have the potential to offer dividend yields combined with the prospect for growth.

Subject to the range stipulated above, the asset allocation will be reviewed from time to time depending on the judgement of the 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 depend on market opportunities.

The risk management strategies and techniques employed by the 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. equity, fixed income securities and money market instruments). 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 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 market value and other available 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 the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the 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 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. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

Performance Benchmark

The performance of this Fund is benchmarked against FTSE Bursa Malaysia Emas Index.

Permitted Investments

The Fund may invest in securities traded on Bursa Malaysia or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, structured products, liquid assets (including money market instruments and deposits with any financial institutions) and any other investments permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

Consistent with the Fund's objective to provide medium to long term* capital growth and recurring income^, the Fund will distribute a substantial portion of its returns to the Unit Holders. Distributions, if any, will be declared annually and will be reinvested after deduction of taxation and expenses.

Note: * "medium to long term" in this context refers to a period between 3-7 years.

^ The income is in the form of units.

MANAGER'S REPORT

EQUITIES MARKET REVIEW

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) fell 0.47% month-on-month (“MoM”) to 1,415.95 points in April 2023 due possibly to concerns over global growth and United States (“US”) financial sector turmoil. The FBM KLCI fell 2.04% month-on-month (“MoM”) to 1,387.12 points in May 2023 due possibly to lacklustre first quarter corporate reporting season and concerns over the US debt ceiling issues. The FBM KLCI fell 0.75% MoM to 1,376.68 points in June 2023 possibly due to concerns over the global economy’s slowdown and weakness in the Ringgit currency exchange.

The FBM KLCI increased by 6.01% MoM to 1,459.43 points in July 2023 possibly due to positive sentiments from the unveiling of Madani Economy Framework and National Energy Transition Roadmap. In the same month Bank Negara Malaysia (“BNM”) has decided to maintain its Overnight Policy Rate (“OPR”) at 3.00% and Gross Domestic Product (“GDP”) growth forecast at between 4.00% to 5.00%, while the upcoming six state elections will be held on 12th August 2023. The FBM KLCI decreased by 0.51% MoM to 1,451.94 points in August 2023 possibly due to profit taking, uninspiring recent second quarterly result and slower second quarter GDP growth. The FBM KLCI decreased by 1.91% MoM to 1424.17 points in September 2023 possibly due to profit taking activities and concerns over external factors like indications from global central bankers that interest rates would remain elevated and sluggish property market in China. BNM decided to maintain the OPR at 3.00% on 7th September. The Budget 2024 this month will be closely monitored by investors.

The FBM KLCI increased by 1.26% MoM to 1,442.14 points in October 2023 possibly due to bargain hunting by investors, after two previous consecutive months of declines in the index. The FBM KLCI increased by 0.74% MoM to 1,452.74 points in November 2023 possibly due to bargain hunting and the strengthening of the Ringgit currency. The FBM KLCI increased by 0.13% MoM to 1,454.66 points in December 2023 possibly due to better sentiment from the government’s cabinet reshuffling, the US Federal Reserve's (“Fed”) decision to maintain its key interest rates and continued buying by foreign investors. In year 2023 the Kuala Lumpur Composite Index (“KLCI”) fell by 2.73% to 1,454.66 points. The FBM KLCI increased by 4.01% MoM to 1,512.98 points in January 2024 possibly due to better sentiment from the Memorandum of Understanding (“MOU”) signing for the Johor-Singapore Special Economic Zone and the decision by BNM to maintain the OPR rate at 3.00%. The FBM KLCI increased by 2.54% MoM to 1,551.44 points in February 2024 possibly attributed to strong foreign buying interests, better recent fourth quarter of year 2023 (“4Q23”) earnings season and positive sentiment on structural economic reforms. The FBM KLCI decreased by -0.99% MoM to 1,536.07 points in March 2024 possibly attributed to profit taking after five consecutive months of gains. BNM, as expected, has decided to keep its OPR unchanged at 3.00%.

ECONOMIC REVIEW AND OUTLOOK

On the latest economic releases in Malaysia, key highlight was the increase in Malaysia's inflation number in February 2024 to 1.80% Year-on-Year ("YoY") vs. 1.50% in the previous month due to upward adjustments in water bill, public transport (flight, railway) and maintenance & repair of personal transport equipment. Notably, core inflation which removes food and price-administered goods remain steady at 1.80% YoY.

For Malaysia, we continue to expect BNM to keep the OPR unchanged in year 2024 as inflation remain contained supported by the decline in core inflation to +1.80% YoY seen since January 2024 (it came off from its high of +4.20% in year 2022), while growth remains uneven in the country. While BNM indicated that it is monitoring closely for any inflationary impact from the government's subsidy rationalisation, we believe that these adjustments by the government will be gradual and likely to be a one-off dynamic which should not warrant for a rate hike.

MARKET OUTLOOK AND STRATEGY GOING FORWARD

We are positive on the equity outlook for year 2024 with much of the bad news already in the price although the US rate cut might be pushed towards second half of year 2024 ("2H24") from first quarter of year 2024 ("1Q24"). China in our view should recover in year 2024. Besides better domestic economy, corporate earnings are also expected to recover having recorded negative growth last year. From valuation perspective, the domestic index is attractive as well as the currency which would attract foreign inflows.

In terms of strategy, we are cognizant of concerns on global economic growth and market volatility, therefore, we will focus on stocks with strong balance sheet, cashflows and good earnings growth potential, plus accumulating good quality stocks during weakness to benefit the fund in the longer term.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a total return of 16.67%* against its benchmark return of 11.06%*. The Fund thus outperformed its benchmark by 5.61% during the financial year under review. The outperformance was due to strength of the stocks holdings in the Industrials, Real Estate and Technology sectors. The Net Asset Value per unit of the Fund was RM0.2623 (2023: RM0.2249) as at 31 March 2024.

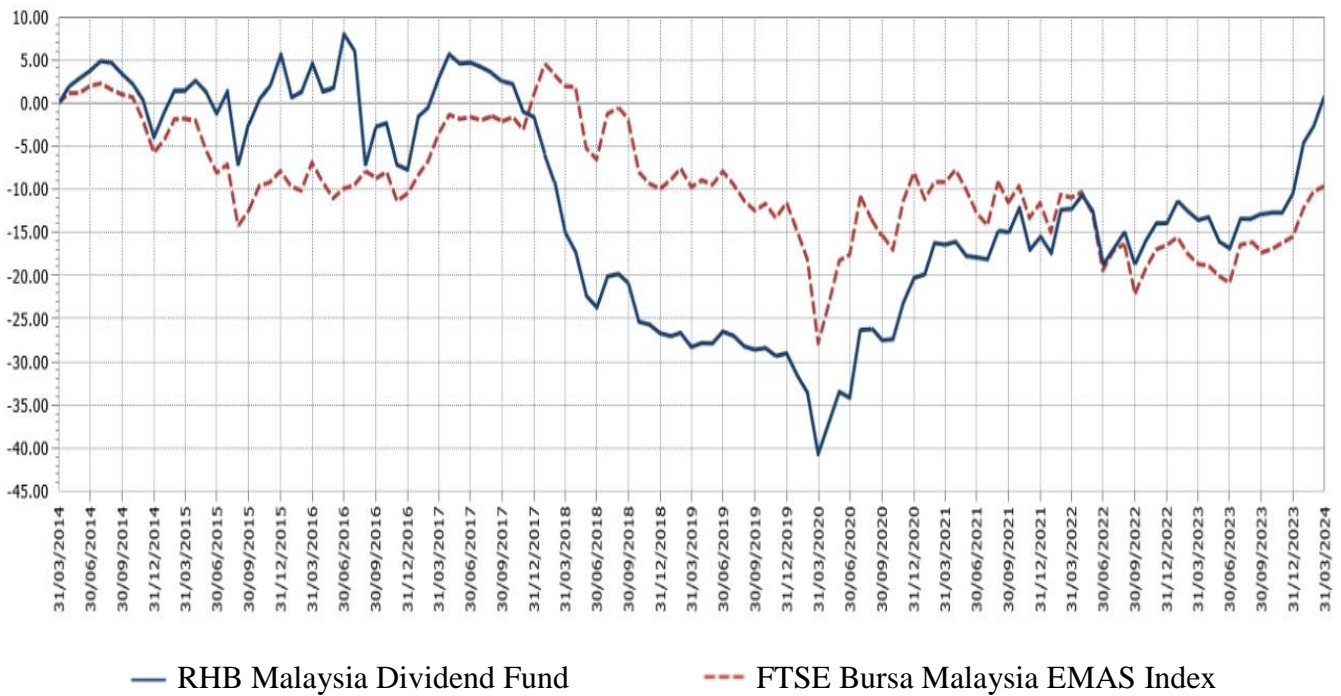
* Source: Lipper Investment Management ("IM"), 15 April 2024

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 31 March				
	2024	2023	2022	2021	2020
	%	%	%	%	%
RHB Malaysia Dividend Fund					
- Capital Return	16.67	(1.58)	5.11	40.99	(17.32)
- Income Return	-	-	-	-	-
- Total Return	16.67	(1.58)	5.11	40.99	(17.32)
FTSE Bursa Malaysia EMAS Index	11.06	(8.50)	(1.96)	25.70	(20.03)

	Average Annual Returns			
	1 Year	3 Years	5 Years	10 Years
	31.03.2023 –	31.03.2021 –	31.03.2019 –	31.03.2014 –
	31.03.2024	31.03.2024	31.03.2024	31.03.2024
	%	%	%	%
RHB Malaysia Dividend Fund	16.67	6.47	7.06	0.08
FTSE Bursa Malaysia EMAS Index	11.06	(0.12)	0.03	(1.00)

**Performance of RHB Malaysia Dividend Fund
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)	6.24	6.10	6.70
Units In Circulation (million)	23.79	27.11	29.34
Net Asset Value Per Unit (RM)	0.2623	0.2249	0.2285

Historical Data	Financial Year Ended 31 March		
	2024	2023	2022
Unit Prices			
NAV - Highest (RM)	0.2624	0.2326	0.2338
- Lowest (RM)	0.2161	0.2051	0.2084
Distribution and Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.88	1.74	1.66
Portfolio Turnover Ratio (PTR) (times) ##	0.68	0.99	1.00

The TER for the financial year was higher compared with the previous financial year due to lower average net asset value for the financial year under review.

The PTR for the financial year was lower compared with the previous financial year due to lesser 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	8.18	-	2.08
Consumer Products & Services	6.55	12.26	7.72
Energy	3.78	17.61	7.09
Financial Services	20.40	22.79	29.84
Health Care	2.67	-	-
Industrial Products & Services	10.20	5.45	11.82
Plantation	1.43	6.08	10.12
Property	7.35	-	1.47
Technology	13.26	1.51	9.94
Telecommunications & Media	4.87	9.74	6.69
Transportation & Logistics	4.27	6.60	0.83
TSR & Warrants	-	0.13	-
Utilities	5.64	2.96	-
	<u>88.60</u>	<u>85.13</u>	<u>87.60</u>
Collective investment schemes	7.46	7.15	-
Liquid assets and other net current assets	3.94	7.72	12.40
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The asset allocation was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

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 MALAYSIA DIVIDEND FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Bank balances	5	50,073	60,203
Deposits with licensed financial institutions	5	113,151	419,419
Investments	6	5,993,889	5,626,316
Dividend receivables		37,413	12,035
Amount due from brokers		135,751	-
TOTAL ASSETS		<u>6,330,277</u>	<u>6,117,973</u>
LIABILITIES			
Amount due to Manager		66,432	-
Accrued management fee		7,813	7,723
Amount due to Trustee		313	309
Other payables and accruals		15,800	12,800
TOTAL LIABILITIES		<u>90,358</u>	<u>20,832</u>
NET ASSET VALUE		<u>6,239,919</u>	<u>6,097,141</u>
EQUITY			
Unit holders' capital		10,600,157	11,330,028
Accumulated losses		(4,360,238)	(5,232,887)
		<u>6,239,919</u>	<u>6,097,141</u>
UNITS IN CIRCULATION (UNITS)	7	<u>23,785,297</u>	<u>27,108,297</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.2623</u>	<u>0.2249</u>

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

RHB MALAYSIA DIVIDEND FUND
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			
Dividend income		251,967	229,974
Interest income from deposits with licensed financial institutions		7,782	13,387
Net realised gain on disposal		258,927	58,360
Net unrealised gain/(loss) on changes in fair value		499,265	(118,583)
		<u>1,017,941</u>	<u>183,138</u>
EXPENSES			
Management fee	8	(85,673)	(97,923)
Trustee's fee	9	(3,427)	(3,917)
Audit fee		(6,800)	(6,800)
Tax agent's fee		(3,000)	(3,000)
Transaction cost		(35,686)	(57,967)
Other expenses		(10,706)	(3,227)
		<u>(145,292)</u>	<u>(172,834)</u>
Net income before taxation		872,649	10,304
Taxation	10	-	-
Net income after taxation		<u>872,649</u>	<u>10,304</u>
Net income after taxation is made up as follow:			
Realised amount		373,384	128,887
Unrealised amount		499,265	(118,583)
		<u>872,649</u>	<u>10,304</u>

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

RHB MALAYSIA DIVIDEND FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Unit holders’ capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 1 April 2022	11,947,941	(5,243,191)	6,704,750
Movement in net asset value:			
Net income after taxation	-	10,304	10,304
Creation of units arising from applications	4,893,268	-	4,893,268
Cancellation of units	(5,511,181)	-	(5,511,181)
Balance as at 31 March 2023	<u>11,330,028</u>	<u>(5,232,887)</u>	<u>6,097,141</u>
Balance as at 1 April 2023	11,330,028	(5,232,887)	6,097,141
Movement in net asset value:			
Net income after taxation	-	872,649	872,649
Creation of units arising from applications	601,222	-	601,222
Cancellation of units	(1,331,093)	-	(1,331,093)
Balance as at 31 March 2024	<u>10,600,157</u>	<u>(4,360,238)</u>	<u>6,239,919</u>

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

**RHB MALAYSIA DIVIDEND FUND
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 investments		4,062,891	6,513,028
Purchase of investments		(3,843,014)	(6,365,303)
Dividend received		223,736	224,729
Interest received from deposits in licensed financial institutions		7,782	13,387
Management fee paid		(85,583)	(98,689)
Trustee's fee paid		(3,422)	(3,948)
Payment for other fees and expenses		(15,349)	(12,213)
Net cash generated from operating activities		<u>347,041</u>	<u>270,991</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		601,222	4,893,268
Cash paid for units cancelled		(1,264,661)	(5,527,525)
Net cash used in financing activities		<u>(663,439)</u>	<u>(634,257)</u>
Net decrease in cash and cash equivalents		(316,398)	(363,266)
Cash and cash equivalents at the beginning of the financial year		<u>479,622</u>	<u>842,888</u>
Cash and cash equivalents at the end of the financial year	5	<u>163,224</u>	<u>479,622</u>

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

**RHB MALAYSIA DIVIDEND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

RHB Malaysia Dividend Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 22 November 2007 as amended via its First Supplemental Deed dated 4 September 2013, Second Supplemental Deed dated 16 February 2015, Third Supplemental Deed dated 25 May 2015 and Fourth Supplemental Deed dated 2 February 2023 (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 4 March 2008 and will continue its operations until terminated according to the conditions provided in the Deeds.

The principal activity of the Fund is to invest in Permitted Investments as set out 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 capital growth and recurring income in the medium to long term through investments in securities of and securities relating to Malaysian companies which offer attractive yields and sustainable dividend payments.

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 and 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 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, dividend receivables and amount due from brokers 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 and financial liabilities 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.

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 investment in the year in which they arise.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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 investments and collective investment schemes 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

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.

2.3 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 plus directly attributable transaction cost 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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 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.

2.5 Income recognition

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

Interest income from deposits with licensed financial institutions are 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 gain or loss on sale of quoted investments is 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Taxation

Current tax expense is determined according to Malaysian tax laws at 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 Amount due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The amount due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, interest rate 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

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 interest 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 equity securities and collective investment scheme (other than those arising from interest rate risk) price risk for its investments of RM5,993,889 (2023: RM5,626,316) in quoted securities investments and collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the quoted securities and 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 +/- RM299,694 (2023: RM281,316).

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. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the Bursa Malaysia Securities Berhad (“Bursa Malaysia”). 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	163,224	-	163,224
Others	-	173,164	173,164
	<u>163,224</u>	<u>173,164</u>	<u>336,388</u>
<u>2023</u>			
AAA	479,622	-	479,622
Others	-	12,035	12,035
	<u>479,622</u>	<u>12,035</u>	<u>491,657</u>

* Comprise of dividend receivables and amount due from brokers

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, possibly preventing a unit trust fund from selling such illiquid securities at an advantageous time or price. 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 1 month RM	Between 1 month to 1 year RM
<u>2024</u>		
Amount due to Manager	66,432	-
Accrued management fee	7,813	-
Amount due to Trustee	313	-
Other payables and accruals	-	15,800
	74,558	15,800
<u>2023</u>		
Accrued management fee	7,723	-
Amount due to Trustee	309	-
Other payables and accruals	-	12,800
	8,032	12,800

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 RM10,600,157 (2023: RM11,330,028) and accumulated losses of RM4,360,238 (2023: RM5,232,887). 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>2024</u>				
Financial assets at FVTPL:				
- Quoted investments	5,528,243	-	-	5,528,243
- Collective investment scheme	465,646	-	-	465,646
	<u>5,993,889</u>	-	-	<u>5,993,889</u>
<u>2023</u>				
Financial assets at FVTPL:				
- Quoted investments	5,190,774	-	-	5,190,774
- Collective investment scheme	435,542	-	-	435,542
	<u>5,626,316</u>	-	-	<u>5,626,316</u>

Investments in active listed equities, i.e. quoted investments and collective investment scheme whose values are based on quoted and published market prices in active markets are classified within Level 1. The Fund does not adjust the quoted and published 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

	<u>2024</u> RM	<u>2023</u> RM
Bank balances	50,073	60,203
Deposits with licensed financial institutions	113,151	419,419
	<u>163,224</u>	<u>479,622</u>

6. INVESTMENTS

	<u>2024</u> RM	<u>2023</u> RM
Investments:		
- Quoted investments - local	5,528,243	5,190,774
- Collective investment scheme	465,646	435,542
	<u>5,993,889</u>	<u>5,626,316</u>

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 Net Asset Value</u> %
QUOTED INVESTMENTS				
- LOCAL				
Construction				
Gamuda Berhad	11,757	56,299	61,959	0.99
IJM Corporation Berhad	76,900	131,653	186,867	2.99
Kerjaya Prospek Group Berhad	90,400	110,484	161,816	2.59
Sunway Construction Group Berhad	34,400	59,013	100,448	1.61
		<u>357,449</u>	<u>511,090</u>	<u>8.18</u>
Consumer Products & Services				
Carlsberg Brewery Malaysia Berhad	3,900	89,946	72,150	1.16
Genting Berhad	38,700	181,614	181,890	2.91
Genting Malaysia Berhad	30,300	80,194	82,416	1.32
Heineken Malaysia Berhad	3,100	76,764	72,292	1.16
		<u>428,518</u>	<u>408,748</u>	<u>6.55</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 Net</u> <u>Asset</u> <u>Value</u> %
QUOTED INVESTMENTS – LOCAL				
(CONTINUED)				
Energy				
Dayang Enterprise Holdings Berhad	58,000	108,138	139,780	2.24
Hibiscus Petroleum Berhad	37,120	94,324	96,141	1.54
		202,462	235,921	3.78
Financial Services				
Alliance Bank Malaysia Berhad	32,900	102,545	121,401	1.95
AMMB Holdings Berhad	30,000	117,798	125,700	2.01
CIMB Group Holdings Berhad	56,484	289,261	375,054	6.01
Hong Leong Bank Berhad	6,200	114,507	120,156	1.93
Malayan Banking Berhad	35,190	322,054	340,991	5.47
Public Bank Berhad	44,800	189,258	189,056	3.03
		1,135,423	1,272,358	20.40
Health Care				
Hartalega Holdings Berhad	22,200	55,674	61,050	0.98
Kossan Rubber Industries Berhad	25,800	44,265	50,310	0.81
Top Glove Corporation Berhad	68,300	61,081	54,640	0.88
		161,020	166,000	2.67
Industrial Products & Services				
Ann Joo Resources Berhad	57,100	61,788	63,952	1.02
Kelington Group Berhad	74,200	107,309	197,372	3.16
Malayan Cement Berhad	17,700	67,276	88,323	1.42
Pantech Group Holdings Berhad	61,200	53,544	57,528	0.92

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 Net</u> <u>Asset</u> <u>Value</u> %
QUOTED INVESTMENTS – LOCAL				
(CONTINUED)				
Industrial Products & Services (continued)				
Press Metal Aluminium				
Holdings Berhad	23,400	79,739	108,810	1.74
Sunway Berhad	26,100	51,527	91,350	1.46
Uchi Technologies Berhad	7,600	30,317	29,716	0.48
		451,500	637,051	10.20
Plantation				
Genting Plantations Berhad				
	9,800	61,665	60,270	0.97
Sime Darby Plantation Berhad	6,600	28,199	28,446	0.46
		89,864	88,716	1.43
Property				
LBS Bina Group Berhad	129,500	82,050	93,240	1.50
Malaysian Resources Corporation Berhad	132,200	77,102	89,235	1.43
Matrix Concepts Holdings Berhad	34,400	53,342	61,920	0.99
Sime Darby Property Berhad	149,500	102,790	136,793	2.19
UEM Sunrise Berhad	63,800	53,490	77,198	1.24
		368,774	458,386	7.35
Technology				
Frontken Corporation Berhad				
	49,600	174,844	192,448	3.08
Inari Amertron Berhad	68,800	210,921	222,224	3.56
Malaysian Pacific Industries Berhad	4,100	119,398	127,100	2.04
Unisem M Berhad	53,300	179,211	205,205	3.29

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 Net</u> <u>Asset</u> <u>Value</u> %
QUOTED INVESTMENTS – LOCAL				
(CONTINUED)				
Technology (continued)				
Vitrox Corporation Berhad	10,600	77,005	80,348	1.29
		761,379	827,325	13.26
Telecommunications & Media				
Telekom Malaysia Berhad	13,500	80,207	81,540	1.31
Time Dotcom Berhad	42,900	203,029	222,222	3.56
		283,236	303,762	4.87
Transportation & Logistic				
Malaysia Airports Holdings Berhad	17,000	115,180	169,320	2.71
MISC Berhad	12,700	91,524	97,409	1.56
		206,704	266,729	4.27
Utilities				
Gas Malaysia Berhad	18,800	59,076	65,236	1.05
Tenaga Nasional Berhad	5,500	51,464	62,590	1.00
YTL Corporation Berhad	51,600	79,982	135,708	2.17
YTL Power International Berhad	22,900	53,462	88,623	1.42
		243,984	352,157	5.64
TOTAL QUOTED INVESTMENTS - LOCAL		4,690,313	5,528,243	88.60

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 Net Asset Value</u> %
COLLECTIVE INVESTMENT SCHEME – LOCAL				
Real Estate Investment Trusts				
Axis Real Estate Investment Trust	75,600	141,895	136,836	2.19
IGB Real Estate Investment Trust	101,500	173,716	176,610	2.83
Sunway Real Estate Investment Trust	39,500	61,757	60,040	0.96
YTL Hospitality Real Estate Investment Trust	76,800	92,826	92,160	1.48
		<u>470,194</u>	<u>465,646</u>	<u>7.46</u>
TOTAL COLLECTIVE INVESTMENT SCHEME - LOCAL		470,194	465,646	7.46
TOTAL INVESTMENTS		5,160,507	5,993,889	96.06

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 Net Asset Value</u> %
QUOTED INVESTMENTS - LOCAL				
Consumer Products				
Berjaya Food Berhad	164,600	69,817	151,432	2.48
Carlsberg Brewery Malaysia Berhad	3,900	89,946	84,006	1.38
Genting Berhad	13,300	63,430	61,978	1.02
Guan Chong Berhad	11,700	31,850	28,314	0.46
Heineken Malaysia Berhad	3,700	91,622	98,050	1.61
MBM Resources Berhad	48,200	158,624	164,844	2.70
Padini Holdings Berhad	39,900	121,894	159,201	2.61
		<u>627,183</u>	<u>747,825</u>	<u>12.26</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 Net</u> <u>Asset</u> <u>Value</u> %
QUOTED INVESTMENTS – LOCAL				
(CONTINUED)				
Energy				
Bumi Armada Berhad	238,000	98,117	149,940	2.46
Dayang Enterprise Holdings Berhad	183,000	227,279	245,220	4.02
Dialog Group Berhad	99,400	207,098	234,584	3.85
Hibiscus Petroleum Berhad	204,200	207,553	202,158	3.32
Yinson Holdings Berhad	93,920	220,174	241,374	3.96
		960,221	1,073,276	17.61
Financial Services				
Alliance Bank Malaysia Berhad	26,300	80,062	89,420	1.47
AMMB Holdings Berhad	31,500	123,688	118,125	1.94
CIMB Group Holdings Berhad	61,784	316,820	328,073	5.38
Hong Leong Bank Berhad	9,000	166,221	181,980	2.98
Malayan Banking Berhad	43,090	394,354	369,282	6.06
Public Bank Berhad	75,600	324,543	302,400	4.96
		1,405,688	1,389,280	22.79
Industrial Products				
Kelington Group Berhad	85,000	122,928	124,950	2.05
Press Metal Aluminium Holdings Berhad	42,600	145,166	207,462	3.40
		268,094	332,412	5.45
Plantation				
IOI Corporation Berhad	35,700	158,768	136,017	2.23
Kuala Lumpur Kepong Berhad	5,300	119,249	110,134	1.81
Sime Darby Plantation Berhad	29,200	123,263	124,684	2.04
		401,280	370,835	6.08

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 Net</u> <u>Asset</u> <u>Value</u> %
QUOTED INVESTMENTS – LOCAL				
(CONTINUED)				
Technology				
Frontken Corporation Berhad	19,200	62,471	59,904	0.98
Pentamaster Corporation Berhad	6,600	31,000	32,340	0.53
		<u>93,471</u>	<u>92,244</u>	<u>1.51</u>
Telecommunications & Media				
Axiata Group Berhad	27,900	76,054	83,979	1.38
CelcomDiGi Berhad	35,200	148,262	152,768	2.51
Maxis Berhad	25,900	98,800	106,967	1.75
Time Dotcom Berhad	45,000	212,967	249,750	4.10
		<u>536,083</u>	<u>593,464</u>	<u>9.74</u>
Transportation & Logistic				
Malaysia Airports Holdings Berhad	22,400	139,619	152,096	2.49
MISC Berhad	34,700	250,069	250,534	4.11
		<u>389,688</u>	<u>402,630</u>	<u>6.60</u>
TSR & Warrants				
Yinson Holdings Berhad	12,994	-	8,056	0.13
Utilities				
Gas Malaysia Berhad	57,200	179,741	180,752	2.96
TOTAL QUOTED INVESTMENTS - LOCAL		<u>4,861,449</u>	<u>5,190,774</u>	<u>85.13</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 Net</u> <u>Asset</u> <u>Value</u> %
COLLECTIVE INVESTMENT SCHEME – LOCAL				
Real Estate Investment Trusts				
Axis Real Estate Investment Trust	99,300	186,378	186,684	3.06
IGB Real Estate Investment Trust	106,700	182,616	185,658	3.05
Sunway Real Estate Investment Trust	39,500	61,757	63,200	1.04
		430,751	435,542	7.15
TOTAL COLLECTIVE INVESTMENT SCHEME - LOCAL		430,751	435,542	7.15
TOTAL INVESTMENTS		5,292,200	5,626,316	92.28

7. UNITS IN CIRCULATION

	<u>2024</u> Units	<u>2023</u> Units
At beginning of the financial year	27,108,297	29,344,297
Creation of units arising from applications during the financial year	2,444,000	22,257,000
Cancellation of units during the financial year	(5,767,000)	(24,493,000)
At end of the financial year	<u>23,785,297</u>	<u>27,108,297</u>

8. 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.

9. 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.

10. TAXATION

(a) Tax charge for the financial year

	<u>2024</u> RM	<u>2023</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>2024</u> RM	<u>2023</u> RM
Net income before taxation	872,649	10,304
Tax calculated at a statutory income tax rate of 24%	209,436	2,473
Tax effects of:		
- Investment income not subject to tax	(244,306)	(43,953)
- Expenses not deductible for tax purposes	12,300	16,259
- Restriction on tax deductible expenses	22,570	25,221
Tax expense	-	-

11. TOTAL EXPENSE RATIO ("TER")

	<u>2024</u> %	<u>2023</u> %
TER	1.88	1.74

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.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.68</u>	<u>0.99</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.

13. 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>	
	<u>Units</u>	<u>RM</u>	<u>Units</u>	<u>RM</u>
The Manager	5,740	1,506	5,959	1,340
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>559,973</u>	<u>146,881</u>	<u>675,226</u>	<u>151,858</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 under nominees structure.

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

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.

14. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 31 March 2024 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*	5,183,614	64.44	15,822	65.89
CGS Intl Securities Malaysia Sdn Bhd	667,983	8.30	2,005	8.35
Affin Hwang Investment Bank Berhad	649,948	8.08	2,075	8.64
Maybank Investment Bank Berhad	483,874	6.02	1,452	6.05
MIDF Amanah Investment Bank Berhad	396,102	4.92	1,188	4.95
UOB Kay Hian Securities (M) Sdn Bhd	338,668	4.21	677	2.82
Hong Leong Investment Bank Berhad	221,248	2.75	504	2.10
CIMB Securities Sdn Bhd	69,569	0.87	209	0.87
CLSA Securities Malaysia Sdn Bhd	32,822	0.41	80	0.33
	<u>8,043,828</u>	<u>100.00</u>	<u>24,012</u>	<u>100.00</u>

14. 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*	3,476,105	26.90	10,428	29.91
Affin Hwang Investment Bank Berhad	2,362,213	18.28	7,087	20.33
CGS-CIMB Securities Sdn Bhd	1,420,067	10.99	4,260	12.22
Macquarie Capital Securities (M) Sdn Bhd	822,520	6.37	1,645	4.72
CLSA Securities Malaysia Sdn Bhd	780,616	6.04	1,561	4.48
MIDF Amanah Investment Bank Berhad	698,624	5.41	2,096	6.01
Hong Leong Investment Bank Berhad	697,352	5.40	1,395	4.00
Maybank Investment Bank Berhad	647,280	5.01	1,942	5.57
UOB Kay Hian Securities (M) Sdn Bhd	622,683	4.82	1,245	3.57
JP Morgan Securities Malaysia	593,263	4.59	1,187	3.40
Others	799,293	6.19	2,021	5.79
	<u>12,920,016</u>	<u>100.00</u>	<u>34,867</u>	<u>100.00</u>

* 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 company have been entered into in the normal course of business at agreed terms between the related party.

15. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2024</u> RM	<u>2023</u> RM
Financial assets		
Financial assets at (“FVTPL”)		
• Quoted investments	5,993,889	5,626,316
Financial assets at amortised cost		
• Bank balances	50,073	60,203
• Deposits with licensed financial institutions	113,151	419,419
• Dividend receivables	37,413	12,035
• Amount due from brokers	135,751	-
	<u>336,388</u>	<u>491,657</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	66,432	-
• Accrued management fee	7,813	7,723
• Amount due to Trustee	313	309
• Other payables and accruals	15,800	12,800
	<u>90,358</u>	<u>20,832</u>

**STATEMENT BY MANAGER
RHB MALAYSIA DIVIDEND FUND**

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 Malaysia Dividend Fund (“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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB MALAYSIA DIVIDEND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Malaysia Dividend Fund (“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, comprising a summary of material accounting policies, as set out on pages 11 to 39.

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 MALAYSIA DIVIDEND 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 MALAYSIA DIVIDEND 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 MALAYSIA DIVIDEND 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
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

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*)

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)

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- 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 Lebuhraya 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
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 Astute Management Berhad (APEX) Areca Capital Sdn Bhd CIMB Bank Berhad Hong Leong Bank Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Malayan Banking Berhad Manulife Asset Management (Service) Berhad Phillip Mutual Berhad United Overseas Bank (Malaysia) Berhad UOB Kay Hian Securities (M) Sdn Bhd

RHB ♦ Asset Management

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