

RHB SMALL CAP OPPORTUNITY UNIT TRUST

ANNUAL REPORT 2024

For the financial year ended 31 December 2024

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name	-	RHB Small Cap Opportunity Unit Trust
Fund Category	-	Equity fund (Small-cap fund)
Fund Type	-	Growth

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund aims to achieve long term* capital growth by investing in small capitalisation companies.

* Note: “long term” in this context refers to a period of between 5-7 years.

Strategy

This Fund seeks to achieve its investment objective by investing:

- 70% - 95% of Net Asset Value (“NAV”) in securities of small capitalisation companies; and
- the balance of the NAV shall be invested in liquid assets including money market instruments, deposits and collective investment schemes investing in money market instruments and deposits.

Note: Small market capitalisation means companies with market capitalisation of up to RM5 billion (or its equivalent in foreign currencies) at the point of acquisition or such other prevailing market value as may be determined by the Manager from time to time.

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 very much depend on market opportunities.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on risk-reward.

The risk management strategies and techniques employed by the 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 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 equity value and other available equity investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to 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 the Fund's equity investments into other asset classes such as collective investment schemes, money market instruments and deposits with any 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. In its reallocation, the level of equity investments would normally not be below 20% of its NAV.

Performance Benchmark

Effective from 12 April 2019, the performance of the Fund is benchmarked against the FBM Small Cap Index or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad ("Bursa Malaysia") which is reflective of the Fund's underlying investments.

Prior to 12 April 2019, the performance of the Fund was benchmarked against FBM Fledgling Index or such other equivalent index as may be substituted by Bursa Malaysia which is reflective of the Fund's underlying investments.

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, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions) and any other investments permitted by the Securities Commission from time to time.

Distribution Policy

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

MANAGER’S REPORT

EQUITY MARKET REVIEW

The Kuala Lumpur Composite Index (“KLCI”) improved by 3.89% in January 2024 as one of the best performers in Asia. Strong investor interest in selective themes related to the Property and Construction sector. Some of the themes that gained traction were the Johor-Singapore Special Economic Zone, A nationwide water tariff hike, Talks of more electricity tariff reviews ahead of Tenaga’s Regulatory Period 4 (“RP4”) and the installation of the Johor Sultan as Malaysia’s new Agong. Malaysia saw the second highest net foreign inflow (United States Dollar (“USD”) 145million (“mil”)) after Indonesia (USD534mil) during the month.

The KLCI increased by 2.50% for the second month, bringing its year-to-date (“YTD”) gains to +6.70%. The price action was primarily driven by corporate earnings and the Morgan Stanley Capital International (“MSCI”) quarterly index rebalance. Parliament sessions resumed in February 2024, with the new King giving his inaugural address to politicians. The final day of trading in February 2024 saw turnover reach Ringgit Malaysia (“RM”) 7bil (“bil”).

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) declined by 1.00% in March 2024 but closed higher by 5.60% in the first quarter of the year 2024 (“1Q2024”). As the fourth quarter of year 2023 (“4Q2023”) earnings season was coming to an end, Telcos surprised positively but the Plantations sector saw the biggest disappointment. Foreign net flow turned negative during the month. Notable events were Bank Negara Malaysia (“BNM”) holding the Overnight Policy Rate (“OPR”) at 3.00%, Sime Darby Berhad completing the 100.00% acquisition of UMW Holdings Berhad and Malaysia Airports Holdings Berhad inking the new passenger services charges (“PSC”) for Malaysia, alongside a new Operating Agreement (“OA”) and a potential Turkey sale.

KLCI regained its performance in April 2024, outperforming both Emerging Market (“EM”) and Asia ex-Japan amidst Middle East turbulence and renewed higher rates for longer rhetoric. Key highlights for Malaysia in April 2024 included the announcement of the Large Scale Solar 5 (“LSS5”) programme, Malaysia’s energy exchange for renewable energy exports, and the restructuring plans of Capital A and AAX. The month also saw Malaysia’s continued power reforms, including the LSS5 and Energy Exchange Malaysia (“ENEGEM”), which facilitate cross border sales of green electricity to Singapore and Thailand.

Malaysia continues to outperform Asia ex-Japan and EM markets for the month of May 2024 despite a drop in global yields. Earnings in Malaysia were decent, with most reporting a decent start to 1Q2024. Crude oil’s slide contrasted with metals hitting multi year highs (aluminium) and all-time highs (copper). Companies were announcing their forays into the booming datacentre sector, while Malaysia’s technology space has seen its own semiconductor fund. Key highlights in May 2024 included a salary hike for civil servants, investments from Microsoft and Google, and

the announcement of a RM25bil National Semiconductor Strategy. Merger and acquisition deals were announced for Malaysia Airports, XL Axiata-PT Smartfren, YTL-Ranhill, GHJ Systems, and MPHB Capital.

The KLCI fell 0.40% in June 2024, ending at 1,591 points (“pts”), but it may have seen profit taking after a strong first half of year 2024 (“1H2024”) performance of 9.30%. The KLCI underperformed Indonesia’s Jakarta Stock Exchange Composite Index (“JCI”) and Singapore’s Straits Times Index (“STI”), while Thailand’s Stock Exchange of Thailand (“SET”) saw its third consecutive month of decline. Foreign investors turned net sellers, with net sell flows at RM61 mil, resulting in a slight expansion in the cumulative net foreign outflow to RM0.80bil in 1H2024. Local institutional investors turned net buyers, with net buy flows of RM0.20bil, compared to RM0.90bil in May 2024. Local retail investors remained net sellers for the twelfth month in a row, with net sell flows falling to RM248.30mil. All other key indices, apart from the KLCI, recorded gains for the third consecutive month. The three best performing sectorial indices were Construction (8.40%), Technology (5.10%), and Healthcare (2.30%). The three worst performing sectors were Consumer (-2.30%), Plantation (-1.30%), and Real Estate Investment Trust (“REIT”) (-1.20%).

The KLCI rose 2.20% in July 2024, outperforming the MSCI EM Index and the MSCI All Country Asia ex-Japan Index. Other the Association of Southeast Asian Nations (“ASEAN”) markets, such as Singapore’s STI, the Philippines’ PSEi, and Indonesia’s JCI, also performed well. However, the KLCI outperformed Thailand’s SET, which rebounded after three months of declines. Foreign investors net bought in July 2024, bringing YTD net inflow to RM1.30bil, resulting in positive inflows of RM0.50bil in July 2024. Local institutional investors turned net sellers in July 2024, with net sell flows of RM0.70bil, compared to RM0.20bil in June 2024. Local retail investors remained net sellers for the thirteenth month in a row, with net sell flows more than doubling to RM574.00mil. The construction sector recorded gains for the third consecutive month, with the three best performing sectors being Construction, Property, and Finance. The three worst performing sectors were Healthcare, Technology, and Industrial Production.

The KLCI experienced a volatile month in August 2024, dropping 4.60% to 1,536 pts on 5 August 2024 due to the unwinding of the Japanese Yen (“JPY”) carry trade and United States (“US”) economy concerns. However, it quickly recovered and closed at 1,678 pts, at nearly 4 year high. The KLCI rose 3.30%, driven by strong buying interest from foreign investors, particularly in banks. This brought the KLCI’s gain YTD to 15.40%, primarily driven by net buying from both foreign and local institutional investors. Foreign investors emerged as the largest and only net buyers for the second straight month, with a net buy of RM2.55bil, raising their August 2024 net buy to RM3.10bil. Local institutional investors were the largest net sellers, followed by retail, local nominees, and proprietary investors. In August 2024, the finance sector was the best performing sector, while the technology sector was the worst performing. Historical trends show an average loss of 2.10% or 0.90% in September 2024 over the past 10 years and 44 years.

For the month of September 2024, the KLCI declined by -1.78% closing at 1,649 pts, underperforming global markets which benefitted from the announced stimulus in China. Top performers included IHH Healthcare Berhad, QL Resources Berhad, SDG Centre Kuala Lumpur, Sime Darby Berhad, and MAXIS, while the biggest laggards were Petronas Dagangan Berhad, YTL Corporation Berhad, MISC Berhad, YTL Power International Berhad and Kuala Lumpur Kepong Berhad. Foreigners net bought +RM509mil worth of Malaysian equities in September 2024, while local institutions and retailers net sold -RM460mil and -RM779 mil respectively. Consumer Price Index (“CPI”) and core CPI were stable at +1.90%, with exports remaining strong at +12.14% Year-on-Year (“YoY”) and imports slightly increasing to +26.20% yoy. Malaysian Government Securities (“MGS”) 10-years yield declined slightly to 3.707%, while the RM continued to strengthen, gaining another 4.60% last month. Key drivers for the Malaysia market are China stimulus and United States (“US”) elections, with populist measures and fiscal consolidation expected in the Budget 2025.

The KLCI index fell by 2.90% in October 2024 due to foreign investors taking profits amid rising Middle Eastern tensions, potential costs from the proposed mandatory Employees Provident Fund (“EPF”) contributions for foreign workers, and uncertainties around the US presidential election. Despite this decline, the KLCI maintained a 10.10% YTD gain for the first 10 months of year 2024. The construction, REIT, and healthcare sectors outperformed in October 2024, while the utilities, telecom, and consumer sectors lagged. Foreign investors became net sellers in Malaysian equities after three months of net buying, with a net sell value of RM1,771mil in October 2024. Significant events in October 2024 included Prime Minister Anwar’s announcements regarding the implementation of Goods and Services Tax (“GST”), unveiling the year 2025 national budget, considering a currency pegging mechanism, and proposing a 2.00% dividend income tax. Former Prime Minister Najib Razak was also ordered to enter his defence against multiple charges related to the 1MDB scandal.

In November 2024, the KLCI declined by 0.50% to 1,594 pts due to foreign investors’ profit-taking amidst trade concerns and regional tensions, narrowing the YTD gain to 9.60%. Foreign investors were net sellers while retail investors were net buyers. Healthcare, Plantation, and Utilities sectors performed well, while telecom, energy, and industrial sectors lagged. Major gainers included Sunway, YTL Power, and Petronas Dagangan, with MR.DIY, Petronas Chemicals, and PPB Group Berhad being the biggest losers. Foreign investors posted a net sell of RM3.11bil, with Utilities, Financial Services, and Consumer Products as top net sell sectors. Local institutional investors were the largest net buyers, particularly in Financial Services, Utilities, and Telecom. Key November 2024 events included BNM maintaining the overnight policy rate at 3.00%, Donald Trump’s election as the 47th US president, a 25 basis points (“bps”) US Federal Reserve (“Fed”) interest rate hike, and Malaysia’s 5.30% Gross Domestic Product (“GDP”) growth in third quarter of year 2024 (“3Q2024”) driven by investment and exports recovery.

In December 2024, the KLCI index rose by 3.00%, closing at 1,642 pts and achieving a 12.90% gain for the year 2024. Local institutional investors and proprietary traders were net buyers, while foreign and retail investors were net sellers. Technology, Healthcare, and Utilities sectors performed well, while Financial Services and Consumer Products sectors lagged. YTL Power and Petronas Chemicals were top gainers in December 2024, whereas PPB Group and KLK Resources were the biggest losers. Key events included announcements on proposed targeted RON95 subsidies and significant investments in Malaysia.

EQUITY MARKET OUTLOOK & STRATEGY

The Fund Manager expect heightened market volatility in year 2025 as investors grapple with the incoming policy risks from Trump's presidential comeback. However, many experts believe that Trump will take a refined approach on tariffs, targeted manner rather than blanket, as blanket approach would have an inevitable impact on inflation. The market is now expecting a 50 bps cuts in year 2025 from initial forecast of 100 bps cuts. Hence, the USD is likely to strengthen again due to the expectations of lower than previously expected cuts. Exporters are likely to benefit due to the strengthening of the USD. While inflation driven by subsidy rationalization and compliance costs poses a near-term challenge, a diversified portfolio focusing on defensive sectors, government-supported industries, and inflation-resistant assets can help mitigate risks. Close monitoring of economic policy outcomes and consumer sentiment will be critical for refining investment strategies. With further narrowing of the Fed Fund Rate and OPR spread, this could provide some appreciation stability to the RM going forward. Malaysia is on steady path of economic growth and subsidy reforms with a robust investment pipeline and a more stable political climate. Foreigners have yet to fully appreciate the country's ongoing rejuvenation given their continued underweight position on Malaysia. The Fed's on-going rate down-cycle could help risk appetite for emerging markets resurface, particularly in countries such as Malaysia that are not in the tariff spotlight.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the RHB Small Cap Opportunity Unit Trust registered a return of 17.29%* against its benchmark return of 9.85%*. The Fund outperformed its benchmark by 7.44% over the period under review. Net Asset Value per unit of the Fund was RM0.8270 (2023: RM0.7051) as at 31 December 2024.

During the review financial year, the Industrials sector was the top contributor to the Fund's performance, while the main detractor was the Information Technology sector. Allocation to Sime Darby Property and Southern Cable Group were top contributors and allocation to Cape EMS Berhad and MSM Malaysia Holdings Berhad were the main detractors to the Fund's performance during the financial period.

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

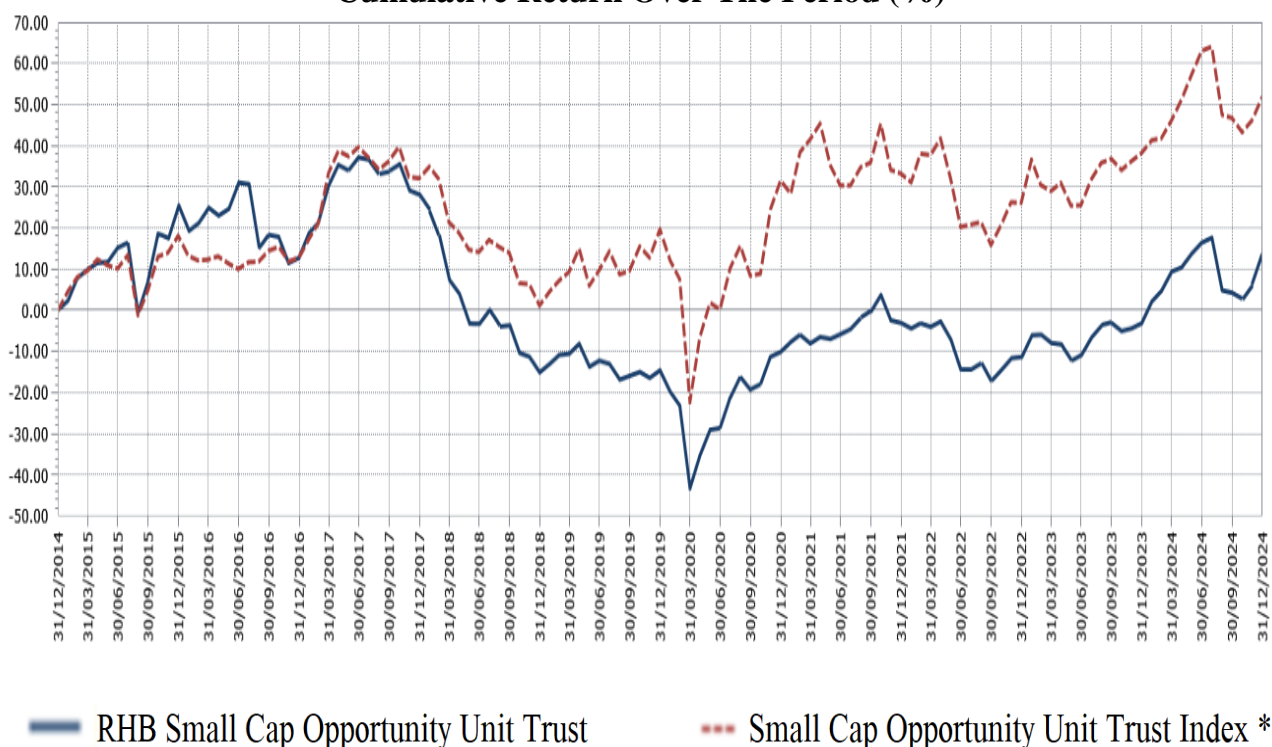
* Source: Lipper Investment Management ("Lipper IM"), 6 January 2025

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 31 December				
	2024	2023	2022	2021	2020
	%	%	%	%	%
RHB Small Cap Opportunity Unit Trust					
- Capital Return	17.29	9.32	(8.76)	7.97	5.51
- Income Return	-	-	-	-	-
- Total Return	17.29	9.32	(8.76)	7.97	5.51
Small Cap Opportunity Unit Trust Index*	9.85	9.57	(5.30)	1.25	9.89

	Average Annual Returns			
	1 Year	3 Years	5 Years	10 Years
	31.12.2023-	31.12.2021-	31.12.2019-	31.12.2014-
	31.12.2024	31.12.2024	31.12.2024	31.12.2024
	%	%	%	%
RHB Small Cap Opportunity Unit Trust	17.29	5.36	5.91	1.28
Small Cap Opportunity Unit Trust Index*	9.85	4.45	4.86	4.26

**Performance of RHB Small Cap Opportunity Unit Trust
for the period from 31 December 2014 to 31 December 2024
Cumulative Return Over The Period (%)**



Source: Lipper IM, 6 January 2025

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

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

* Effective 12 April 2019, the Fund composite benchmark (Small Cap Opportunity Unit Trust Index) was changed from FBM Fledgling Index or such other equivalent index as may be substituted by Bursa Malaysia which is reflective of the Fund's underlying investments to FBM Small Cap Index or such other equivalent index as may be substituted by Bursa Malaysia which is reflective of the Fund's underlying investments. The Fund's composite benchmark performance has been adjusted to reflect the new benchmark.

A combination of benchmark/composite benchmark has been used for the performance computation as follows:

From 1 January 2014 - 11 April 2019	FBM Fledgling Index or such other equivalent index as may be substituted by Bursa Malaysia which is reflective of the Fund's underlying investments.
12 April 2019 onwards	FBM Small Cap Index or such other equivalent index as may be substituted by Bursa Malaysia which is reflective of the Fund's underlying investments.

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 December		
	2024	2023	2022
Net Asset Value (RM million)	29.99	27.88	27.89
Units In Circulation (million)	36.26	39.55	43.24
Net Asset Value Per Unit (RM)	0.8270	0.7051	0.6450

Historical Data	Financial Year Ended 31 December		
	2024	2023	2022
Unit Prices			
NAV - Highest (RM)	0.8901	0.7109	0.7186
- Lowest (RM)	0.7030	0.6353	0.5891
Distribution and Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.69	1.69	1.67
Portfolio Turnover Ratio (PTR) (times) ##	1.01	0.94	0.82

The TER for the financial year was consistent with the previous financial year.

The PTR for the financial year was higher compared with the previous financial year due to more investments 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 December		
	2024	2023	2022
	%	%	%
Equities			
Construction	17.74	6.49	5.34
Consumer Products	3.66	8.60	24.39
Energy	9.31	16.11	12.63
Financial Services	4.81	4.57	6.53
Food	3.96	-	-
Health Care	-	-	2.09
Industrial	7.33	-	-
Industrial Products	23.48	23.00	15.95
Information Technology	0.68	2.50	-
Plantation	1.61	5.71	3.25
Property	4.86	7.57	2.08
Technology	15.56	17.56	13.79
Telecommunications & Media	-	-	1.94
Utilities	-	-	4.02
	<hr/>	<hr/>	<hr/>
	93.00	92.11	92.01
Collective investment scheme	0.28	0.28	0.25
Liquid assets and other current net assets	6.72	7.61	7.74
	<hr/>	<hr/>	<hr/>
	100.00	100.00	100.00

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 SMALL CAP OPPORTUNITY UNIT TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Bank balances	5	496,305	1,450,650
Deposits with licensed financial institutions	5	1,581,413	674,725
Investments	6	27,972,412	25,763,904
Dividend receivables		26,657	51,181
Tax recoverable		1,899	1,664
TOTAL ASSETS		<u>30,078,686</u>	<u>27,942,124</u>
LIABILITIES			
Amount due to Manager		16,586	-
Accrued management fee		37,226	35,027
Amount due to Trustee		1,489	1,401
Other payables and accruals		35,920	21,481
TOTAL LIABILITIES		<u>91,221</u>	<u>57,909</u>
NET ASSET VALUE		<u>29,987,465</u>	<u>27,884,215</u>
EQUITY			
Unit holders' capital		40,896,308	43,488,342
Accumulated losses		<u>(10,908,843)</u>	<u>(15,604,127)</u>
		<u>29,987,465</u>	<u>27,884,215</u>
UNITS IN CIRCULATION (UNITS)	7	<u>36,258,394</u>	<u>39,548,394</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.8270</u>	<u>0.7051</u>

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

RHB SMALL CAP OPPORTUNITY UNIT TRUST
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INCOME			
Dividend income		804,859	675,402
Interest income from deposits with licensed financial institutions		55,982	54,209
Net realised gain on disposal		3,202,814	2,219,380
Net unrealised gain on changes in fair value		1,399,785	164,454
Net foreign currency exchange (loss)/gain		(1,251)	75,244
		<u>5,462,189</u>	<u>3,188,689</u>
EXPENSES			
Management fee	8	(444,571)	(419,989)
Trustee's fee	9	(17,784)	(16,800)
Audit fee		(6,800)	(6,800)
Tax agent's fee		(14,439)	(14,681)
Transaction costs		(265,701)	(235,657)
Other expenses		(17,610)	(17,172)
		<u>(766,905)</u>	<u>(711,099)</u>
Net income before taxation		4,695,284	2,477,590
Taxation	10	-	681
Net income after taxation		<u>4,695,284</u>	<u>2,478,271</u>
Net income after taxation is made up as follow:			
Realised amount		3,296,966	2,231,054
Unrealised amount		1,398,318	247,217
		<u>4,695,284</u>	<u>2,478,271</u>

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

RHB SMALL CAP OPPORTUNITY UNIT TRUST
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Unit holders’ capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 1 January 2023	45,969,528	(18,082,398)	27,887,130
Movement in net asset value:			
Net income after taxation	-	2,478,271	2,478,271
Creation of units arising from applications	457,080	-	457,080
Cancellation of units	(2,938,266)	-	(2,938,266)
Balance as at 31 December 2023	<u>43,488,342</u>	<u>(15,604,127)</u>	<u>27,884,215</u>
Balance as at 1 January 2024	43,488,342	(15,604,127)	27,884,215
Movement in net asset value:			
Net income after taxation	-	4,695,284	4,695,284
Creation of units arising from applications	2,389,089	-	2,389,089
Cancellation of units	(4,981,123)	-	(4,981,123)
Balance as at 31 December 2024	<u>40,896,308</u>	<u>(10,908,843)</u>	<u>29,987,465</u>

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

RHB SMALL CAP OPPORTUNITY UNIT TRUST
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		32,509,835	28,409,978
Purchase of investments		(30,381,224)	(26,304,481)
Dividends received		828,553	671,668
Interest received from deposits with licensed financial institutions		55,982	54,209
Management fee paid		(442,372)	(420,764)
Trustee's fee paid		(17,696)	(16,831)
Payment for other fees and expenses		(23,585)	(37,677)
Tax paid		(235)	(914)
Net cash generated from operating activities		<u>2,529,258</u>	<u>2,355,188</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		2,389,089	457,080
Cash paid for units cancelled		(4,964,537)	(2,938,266)
Net cash used in financing activities		<u>(2,575,448)</u>	<u>(2,481,186)</u>
Net decrease in cash and cash equivalents		(46,190)	(125,998)
Foreign currency translation differences		(1,467)	82,752
Cash and cash equivalents at the beginning of the financial year		<u>2,125,375</u>	<u>2,168,621</u>
Cash and cash equivalents at the end of the financial year	5	<u>2,077,718</u>	<u>2,125,375</u>

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

**RHB SMALL CAP OPPORTUNITY UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

RHB Small Cap Opportunity Unit Trust (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 14 April 1998 as amended via its First Supplemental Master Deed dated 1 June 2009, Second Supplemental Master Deed dated 4 September 2013, Third Supplemental Master Deed dated 2 March 2015, Fourth Supplemental Master Deed dated 25 May 2015, Fifth Supplemental Master Deed dated 11 December 2018 and Sixth Supplemental Master Deed dated 2 February 2023 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 20 April 1998 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 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 achieve long term capital growth by investing in small capitalisation companies.

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 24 February 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 January 2024

The Fund has applied the following standards and amendments for the first time for the financial period beginning 1 January 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 January 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 new MFRS introduces a new structure of profit or loss statement. 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 January 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 three new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investment in associates and joint venture 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, and dividend receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Financial assets (continued)

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

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

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

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

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Financial assets (continued)

Impairment of financial assets

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Financial liabilities

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

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

The Fund's financial liabilities which include amount due to Manager, 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.

2.4 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Income recognition

Dividend income from quoted investments and collective investment 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 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 quoted investments and collective investment schemes are arrived at after accounting for cost of investments, determined on the weighted average cost method.

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

2.6 Taxation

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

2.7 Cash and cash equivalents

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Presentation and functional currency

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

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

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

2.9 Foreign currency translation

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, currency 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk

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

Price risk

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

The Fund is exposed to equity securities and collective investment schemes (other than those arising from interest rate risk) price risk for its investments of RM27,972,412 (2023: RM25,763,904) in equities securities and collective investment schemes.

The sensitivity analysis is based on the assumption that the price of the quoted securities investments and collective investment schemes fluctuate by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- RM1,398,621 (2023: RM1,288,195).

Currency risk

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it is deemed necessary.

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 statement of income and expenses and net asset value is +/- RM38,021 (2023: RM109,431).

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

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial liabilities*</u> RM	<u>Total</u> RM
<u>2024</u>				
Indonesia				
Rupiah	362,332	-	-	362,332
United States				
Dollar	-	421,208	(23,120)	398,088
	<u>362,332</u>	<u>421,208</u>	<u>(23,120)</u>	<u>760,420</u>
<u>2023</u>				
Hong Kong				
Dollar	82,526	-	-	82,526
Indonesia				
Rupiah	717,353	-	-	717,353
United States				
Dollar	-	1,400,420	(11,681)	1,388,739
	<u>799,879</u>	<u>1,400,420</u>	<u>(11,681)</u>	<u>2,188,618</u>

* Comprise of other payables and accruals.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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.

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 and counterparties of the Fund:

	Cash and cash equivalents	Other financial assets*	Total
	RM	RM	RM
<u>2024</u>			
AAA	2,077,718	-	2,077,718
Others	-	26,657	26,657
	<u>2,077,718</u>	<u>26,657</u>	<u>2,104,375</u>
<u>2023</u>			
AAA	2,125,375	-	2,125,375
Others	-	51,181	51,181
	<u>2,125,375</u>	<u>51,181</u>	<u>2,176,556</u>

* Comprise dividend receivables.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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

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

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

	Less than 1 month RM	Between 1 month to 1 year RM
<u>2024</u>		
Amount due to Manager	16,586	-
Accrued management fee	37,226	-
Amount due to Trustee	1,489	-
Other payables and accruals	-	35,920
	55,301	35,920
<u>2023</u>		
Accrued management fee	35,027	-
Amount due to Trustee	1,401	-
Other payables and accruals	-	21,481
	36,428	21,481

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 RM40,896,308 (2023: RM43,488,342) and accumulated losses of RM10,908,843 (2023: RM15,604,127). 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	27,887,812	-	-	27,887,812
- Collective investment scheme	84,600	-	-	84,600
	<u>27,972,412</u>	-	-	<u>27,972,412</u>
<u>2023</u>				
Financial assets at FVTPL:				
- Quoted investments	25,685,904	-	-	25,685,904
- Collective investment scheme	78,000	-	-	78,000
	<u>25,763,904</u>	-	-	<u>25,763,904</u>

Investments in active listed equities, i.e. quoted investments and collective investment scheme whose values are based on published market prices and 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 on valuation of these financial assets are stated in Note 2.2.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised:

	<u>2024</u> RM	<u>2023</u> RM
Bank balances	496,305	1,450,650
Deposits with licensed financial institutions	1,581,413	674,725
	<u>2,077,718</u>	<u>2,125,375</u>

6. INVESTMENTS

	<u>2024</u> RM	<u>2023</u> RM
Investments:		
- Quoted investments - local	27,525,480	24,886,025
- Quoted investments - foreign	362,332	799,879
- Collective investment scheme - local	84,600	78,000
	<u>27,972,412</u>	<u>25,763,904</u>

Investments as at 31 December 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				
<u>MALAYSIA</u>				
Construction				
AME Elite Consortium Berhad	837,600	1,319,964	1,423,920	4.75
Kerjaya Prospek Group Berhad	586,900	777,058	1,297,049	4.33
Kimlun Corporation Berhad	303,200	450,390	363,840	1.21
MN Holdings Berhad	1,180,900	1,119,770	1,476,125	4.92
Pintaras Jaya Berhad	176,800	592,012	274,040	0.91
Sunway Construction Group Berhad	105,000	341,223	486,150	1.62
		<u>4,600,417</u>	<u>5,321,124</u>	<u>17.74</u>
Consumer Products				
Guan Chong Berhad	186,300	539,444	735,885	2.45

6. INVESTMENTS (CONTINUED)

Investments as at 31 December 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)				
<u>MALAYSIA</u> (continued)				
Energy				
Bumi Armada Berhad	1,639,400	888,346	1,073,807	3.58
Dayang Enterprise Holdings Berhad	125,900	241,439	263,131	0.88
Hibiscus Petroleum Berhad	312,500	860,715	612,500	2.04
Wah Seong Corporation Berhad	825,700	905,394	842,214	2.81
		<u>2,895,894</u>	<u>2,791,652</u>	<u>9.31</u>
Financial Services				
Alliance Bank Malaysia Berhad	297,700	761,477	1,440,868	4.81
Food				
Farm Fresh Berhad	639,200	951,969	1,188,912	3.96
Industrial				
Solarvest Holdings Berhad	495,800	757,344	837,902	2.80
Southern Cable Group Berhad	1,105,400	624,806	1,359,642	4.53
		<u>1,382,150</u>	<u>2,197,544</u>	<u>7.33</u>
Industrial Products				
Aurelius Technologies Berhad	360,700	1,079,361	1,262,450	4.21
CPE Technology Berhad	263,700	315,388	246,560	0.82
HSS Engineers Berhad	325,600	139,273	335,368	1.12
Kelington Group Berhad	328,800	846,428	1,173,816	3.92
Kobay Technology Berhad	192,400	444,958	300,144	1.00
Malayan Cement Berhad	111,900	276,554	548,310	1.83

6. INVESTMENTS (CONTINUED)

Investments as at 31 December 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)				
<u>MALAYSIA</u> (continued)				
Industrial Products (continued)				
SAM Engineering &				
Equipment M Berhad	93,500	567,411	407,660	1.36
SKP Resources Berhad	781,600	836,722	930,104	3.10
Supercomnet				
Technologies Berhad	653,600	959,665	888,896	2.96
VS Industry Berhad	837,900	874,433	946,827	3.16
		6,340,193	7,040,135	23.48
Information Technology				
Oppstar Berhad	248,400	368,856	203,688	0.68
Plantation				
Ta Ann Holdings Berhad	112,600	409,097	481,928	1.61
Property				
LBS Bina Group Berhad	688,600	401,092	378,730	1.26
Mah Sing Group Berhad	151,300	263,871	272,340	0.91
Sime Darby Property Berhad	477,700	310,527	807,313	2.69
		975,490	1,458,383	4.86
Technology				
Aemulus Holdings				
Berhad	1,238,500	453,995	371,550	1.24
CNERGENZ Berhad	645,900	466,040	306,802	1.02
CTOS Digital Berhad	794,100	1,099,784	952,920	3.18
Elsoft Research Berhad	667,200	377,731	276,888	0.92
Frontken Corp Berhad	91,900	232,265	409,874	1.37
JHM Consolidation				
Berhad	482,100	304,350	226,587	0.76
KESM Industries Berhad	15,300	140,588	52,938	0.18
Mi Technovation Berhad	339,100	633,695	766,366	2.55

6. INVESTMENTS (CONTINUED)

Investments as at 31 December 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)				
<u>MALAYSIA</u> (continued)				
Technology (continued)				
Pentamaster Corporation				
Berhad	140,500	629,760	584,480	1.95
Unisem M Berhad	129,000	390,072	389,580	1.30
UWC Berhad	103,600	305,854	327,376	1.09
		5,034,134	4,665,361	15.56
TOTAL QUOTED INVESTMENTS				
- LOCAL		24,259,121	27,525,480	91.79
QUOTED INVESTMENTS – FOREIGN				
<u>INDONESIA</u>				
Consumer Products				
Mitra Adiperkasa Tbk PT	927,700	226,420	362,332	1.21
TOTAL INDONESIA		226,420	362,332	1.21
TOTAL QUOTED INVESTMENTS				
- FOREIGN		226,420	362,332	1.21
COLLECTIVE INVESTMENT SCHEME - LOCAL				
<u>MALAYSIA</u>				
Real Estate Investment Trusts				
AME Real Estate				
Investment Trust	60,000	67,800	84,600	0.28
TOTAL COLLECTIVE				
INVESTMENT SCHEME -				
LOCAL		67,800	84,600	0.28
TOTAL INVESTMENTS		24,553,341	27,972,412	93.28

6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of Net</u> <u>Asset</u> <u>Value</u> <u>%</u>
QUOTED INVESTMENTS - LOCAL				
<u>MALAYSIA</u>				
Construction				
AME Elite Consortium Berhad	393,000	549,912	656,310	2.36
Kerjaya Prospek Group Berhad	586,900	777,058	909,695	3.26
Pintaras Jaya Berhad	151,800	584,954	242,880	0.87
		<u>1,911,924</u>	<u>1,808,885</u>	<u>6.49</u>
Consumer Products				
DRB-HICOM Berhad	387,200	542,854	538,208	1.93
Guan Chong Berhad	221,000	587,802	404,430	1.45
MBM Resources Berhad	60,400	206,710	256,096	0.92
Padini Holdings Berhad	114,200	399,350	400,842	1.44
		<u>1,736,716</u>	<u>1,599,576</u>	<u>5.74</u>
Energy				
Bumi Armada Berhad	2,029,200	1,113,593	1,004,453	3.60
Dayang Enterprise Holdings Berhad	643,500	950,280	1,029,600	3.69
Hibiscus Petroleum Berhad	423,500	1,166,268	1,075,690	3.86
Velesto Energy Berhad	1,579,200	399,380	363,216	1.30
Wah Seong Corporation Berhad	1,025,500	815,388	1,020,373	3.66
		<u>4,444,909</u>	<u>4,493,332</u>	<u>16.11</u>
Financial Services				
Alliance Bank Malaysia Berhad	375,600	960,735	1,273,284	4.57
Industrial Products				
Ann Joo Resources Berhad	365,400	455,073	390,978	1.41

6. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> <u>RM</u>	<u>Fair Value</u> <u>RM</u>	<u>% of Net</u> <u>Asset</u> <u>Value</u> <u>%</u>
QUOTED INVESTMENTS - LOCAL				
(CONTINUED)				
<u>MALAYSIA (continued)</u>				
Industrial Products (continued)				
Aurelius Technologies Berhad				
	146,200	411,188	380,120	1.37
CPE Technologies Berhad				
	32,300	34,561	32,139	0.12
HSS Engineers Berhad				
	688,500	294,501	667,845	2.39
Kelington Group Berhad				
	802,100	1,055,683	1,740,557	6.24
Malayan Cement Berhad				
	151,900	375,411	642,537	2.30
Nationgate Holdings Berhad				
	578,700	758,156	873,836	3.13
PA Resources Berhad				
	1,048,400	294,426	283,068	1.02
Pantech Group Holdings Berhad				
	942,600	754,132	848,340	3.04
SAM Engineering & Equipment (M) Berhad				
	84,700	187,475	343,882	1.23
Uchi Technologies Berhad				
	56,400	160,870	209,244	0.75
		4,781,476	6,412,546	23.00
Information Technology				
Genetec Technology Berhad				
	295,300	731,178	696,908	2.50
Plantation				
Ta Ann Holdings Berhad				
	346,500	1,190,546	1,268,190	4.55
TSH Resources Berhad				
	332,500	342,594	324,188	1.16
		1,533,140	1,592,378	5.71
Property				
LBS Bina Group Berhad				
	1,772,200	875,895	1,019,015	3.65
Sime Darby Property Berhad				
	1,132,700	724,754	707,938	2.54
SP Setia Berhad				
	481,100	444,721	384,880	1.38
		2,045,370	2,111,833	7.57

6. INVESTMENTS (CONTINUED)

Investments as at 31 December 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)				
<u>MALAYSIA (continued)</u>				
Technology				
CTOS Digital Berhad	865,900	1,210,448	1,220,919	4.37
Elsoft Research Berhad	414,500	225,529	221,758	0.80
Frontken Corporate Berhad	172,200	435,212	557,928	2.00
GHL Systems Berhad	862,000	750,891	599,090	2.15
Globetronics Technology Berhad	235,400	266,878	381,348	1.37
KESM Industries Berhad	74,500	815,783	526,715	1.89
Mi Technovation Berhad	510,900	824,975	945,165	3.39
Pentamaster Corporate Berhad	96,600	393,778	444,360	1.59
		<u>4,923,494</u>	<u>4,897,283</u>	<u>17.56</u>
TOTAL QUOTED INVESTMENTS - LOCAL		<u>23,068,942</u>	<u>24,886,025</u>	<u>89.25</u>
QUOTED INVESTMENTS – FOREIGN				
<u>HONG KONG</u>				
Consumer Products				
Baozun Incorporation	20,000	145,383	82,526	0.29
TOTAL HONG KONG		<u>145,383</u>	<u>82,526</u>	<u>0.29</u>
<u>INDONESIA</u>				
Consumer Products				
PT Ace Hardware Indonesia Tbk	1,037,000	236,073	222,499	0.80

6. INVESTMENTS (CONTINUED)

Investments as at 31 December 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 - FOREIGN				
(CONTINUED)				
<u>INDONESIA (continued)</u>				
Consumer Products (continued)				
PT Mitra Adiperkasa Tbk	927,700	226,420	494,854	1.77
		462,493	717,353	2.57
TOTAL INDONESIA		462,493	717,353	2.57
TOTAL QUOTED INVESTMENTS				
- FOREIGN		607,876	799,879	2.86
COLLECTIVE INVESTMENT SCHEME - LOCAL				
<u>MALAYSIA</u>				
Real Estate Investment Trusts				
AME Real Estate				
Investment Trust	60,000	67,800	78,000	0.28
TOTAL COLLECTIVE				
INVESTMENT SCHEME -				
LOCAL		67,800	78,000	0.28
TOTAL INVESTMENTS		23,744,618	25,763,904	92.39

7. UNITS IN CIRCULATION

	<u>2024</u> Units	<u>2023</u> Units
At the beginning of the financial year	39,548,394	43,238,394
Creation of units arising from applications during the financial year	2,995,000	655,000
Cancellation of units during the financial year	(6,285,000)	(4,345,000)
At the end of the financial year	<u>36,258,394</u>	<u>39,548,394</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	-	-
Over provision of tax in prior year	-	(681)
	<u>-</u>	<u>(681)</u>

(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	<u>4,695,284</u>	<u>2,477,590</u>
Tax calculated at statutory income tax rate of 24%	1,126,868	594,622
Tax effects of:		
- Investment income not subject to tax	(1,310,925)	(765,285)
- Expenses not deductible for tax purposes	74,037	68,127
- Restriction on tax deductible expenses	110,020	102,536
- Over provision of tax in prior year	-	(681)
Tax expense	<u>-</u>	<u>(681)</u>

11. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>1.69</u>	<u>1.69</u>

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

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>1.01</u>	<u>0.94</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>	
	Units	RM	Units	RM
The Manager	8,322	6,882	6,566	4,630
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>744,602</u>	<u>615,786</u>	<u>854,091</u>	<u>602,220</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 the 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 December 2024 are as follows:

Brokers/ <u>Financial institutions</u>	Value of <u>trades</u> RM	Percentag e of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank Berhad*	40,020,362	63.63	120,364	65.42
Maybank Investment Bank Berhad	5,604,899	8.91	16,435	8.93
CIMB Securities Sdn Bhd (formerly known as KAF Equities Sdn Bhd)	4,399,039	6.99	13,197	7.17
Affin Hwang Investment Bank Berhad	4,022,230	6.39	12,067	6.56
CGS-CIMB Securities Sdn Bhd-Korea Branch	3,783,793	6.02	11,185	6.08
UOB Kay Hian Securities (M) Sdn Bhd	1,260,130	2.00	2,520	1.37
Hong Leong Investment Bank Berhad	829,188	1.32	1,658	0.90
CLSA Securities Malaysia Sdn Bhd	794,207	1.26	1,589	0.86
Citigroup Global Markets Msia Sdn Bhd	613,114	0.98	1,226	0.67
MIDF Amanah Investment Bank Berhad	597,190	0.95	1,792	0.98
Others	976,158	1.55	1,953	1.06
	62,900,310	100.00	183,986	100.00

14. TRANSACTIONS BY THE FUND (CONTINUED)

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

Brokers/ <u>Financial institutions</u>	Value of <u>trades</u> RM	Percentag e of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank Berhad*	16,656,153	30.44	50,387	33.68
Maybank Investment Bank Berhad	10,229,922	18.69	28,568	19.10
CGS-CIMB Securities Sdn Bhd	5,779,959	10.56	16,842	11.26
Affin Hwang Investment Bank Berhad	4,881,320	8.92	14,644	9.79
CGS-CIMB Securities Sdn Bhd-Korea Branch	4,788,968	8.75	9,578	6.40
MIDF Amanah Investment Bank Berhad	3,563,905	6.51	10,692	7.15
UOB Kay Hian Securities (M) Sdn Bhd	2,804,888	5.13	5,610	3.75
CLSA Securities Malaysia Sdn Bhd	1,738,124	3.18	3,476	2.32
Nomura Securities Malaysia Sdn Bhd	1,502,375	2.75	3,005	2.01
KAF Equities Sdn Bhd	1,329,032	2.43	3,883	2.60
Others	1,447,762	2.64	2,896	1.94
	<u>54,722,408</u>	<u>100.00</u>	<u>149,581</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 companies have been entered into in the normal course of business at agreed terms between the related parties.

15. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2024</u> RM	<u>2023</u> RM
Financial assets		
Financial assets at FVTPL		
• Quoted investments - local	27,525,480	24,886,025
• Quoted investments - foreign	362,332	799,879
• Collective investments scheme - local	84,600	78,000
	<u>27,972,412</u>	<u>25,763,904</u>
Financial assets at amortised cost		
• Bank balances	496,305	1,450,650
• Deposits with licensed financial institutions	1,581,413	674,725
• Dividend receivables	26,657	51,181
	<u>2,104,375</u>	<u>2,176,556</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	16,586	-
• Accrued management fee	37,226	35,027
• Amount due to Trustee	1,489	1,401
• Other payables and accruals	35,920	21,481
	<u>91,221</u>	<u>57,909</u>

**STATEMENT BY MANAGER
RHB SMALL CAP OPPORTUNITY UNIT TRUST**

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 31 December 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,

Chin Yoong Kheong
Director

Ng Chze How
Director

24 February 2025

TRUSTEE'S REPORT

To the unit holders of RHB Small Cap Opportunity Unit Trust (“Fund”),

We have acted as Trustee of the Fund for the financial year ended 31 December 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

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
24 February 2025

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB SMALL CAP OPPORTUNITY UNIT TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Small Cap Opportunity Unit Trust (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 December 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 December 2024, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 46.

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 SMALL CAP OPPORTUNITY UNIT TRUST (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 SMALL CAP OPPORTUNITY UNIT TRUST (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 SMALL CAP OPPORTUNITY UNIT TRUST (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 February 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*)

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*)
(*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
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 Fax: 06-292 2212
Penang Office	3rd Floor, 44 Lebuhraya 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 Affin Bank Berhad Alliance Bank Berhad AmBank Berhad AmInvestment Bank Berhad Areca Capital Sdn Bhd Astute Management Berhad (APEX) CIMB Bank Berhad CIMB Private Banking Citibank Berhad Genexus Advisory Sdn Bhd Hong Leong Bank Berhad HSBC Bank (M) Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Manulife Asset Management Service Berhad OCBC Bank (M) Berhad Phillip Mutual Berhad Principal Asset Management Berhad Standard Chartered Bank (M) Berhad Standard Financial Adviser Sdn Bhd United Overseas Bank (M) Berhad UOB Kay Hian Securities (M) Sdn Bhd

RHB ♦ Asset Management

RHB Asset Management Sdn Bhd 198801007231 (174588-X)

Head Office

Level 8, Tower 2 & 3,

RHB Centre, Jalan Tun Razak,

50400, Kuala Lumpur

Tel: +603 9205 8000

Fax: +603 9205 8100

<https://rhbgroup.com/myinvest>