

RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND

ANNUAL REPORT 2024

For the financial year ended 31 July 2024

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name	-	RHB Islamic Global Developed Markets Fund
Fund Category	-	Equity Fund (Shariah-compliant)
Fund Type	-	Growth

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund aims to provide investors with long term* capital growth by investing in Shariah-compliant global equities.

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

Strategy

The Fund seeks to achieve its investment objective through a diversified portfolio of Shariah-compliant equities issued by companies listed on the stock exchanges of Developed Markets[^].

[^] Developed Markets are countries that are most developed in terms of its economy and capital markets. The countries must be high income, open to foreign ownership, and have relative ease of capital movement. Such countries, include, but are not limited to United States of America, United Kingdom, Switzerland, France, Germany, Italy, Netherlands, Spain, Sweden, Japan and Australia.

The Fund’s investments in such companies are not industry or sector specific. The External Investment Manager believes investments in “quality” companies will result in the Fund outperforming its benchmark over the long term. The “quality” screen filters companies that meet the 3 following criteria:

- 1) market capitalisation of USD 500 million or above;
- 2) attractive dividends (companies with dividend yield that are higher than the respective regional indices with a track record of growing dividends progressively); and
- 3) quality income growth (consistent long term capital and dividend growth).

For investments in Shariah-compliant equities listed in Japan stock exchanges, the External Investment Manager will focus its investments in companies with:

- 1) sustainable high return on equity above the market average in the past with the expectation to maintain such high return of equity in the future; and
- 2) return on equity below the market average but are expected to sustain high return on equity compared to market average in the future.

The risk management strategies and techniques employed by the External Investment Manager include observing internal limits of the Fund's investments in terms of its exposure to sectors, countries and stocks, apart from complying with the investment restrictions of the Fund. Additionally, the External Investment Manager reviews the Fund's asset allocation and currency exposure with its quantitative and fixed income departments to review such exposure to the Fund. The External Investment Manager further monitors the Fund's performance and risk against other global equity portfolios to ensure commonality in the active and total risk undertaken amongst portfolios with similar investment universe and objectives.

This Fund's portfolio will be structured as follows:

70% to 98% of Net Asset Value

- Investments in Shariah-compliant equities of companies listed on the stock exchanges of Developed Markets.

2% to 30% of Net Asset Value

- Investments in Shariah-compliant liquid assets including Islamic money market instruments and Placements of Cash.#

These are placements of cash in any Islamic deposits or Islamic investment accounts with any financial institution, which are not embedded or linked to financial derivative instruments.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The External Investment Manager may take temporary defensive positions in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the External Investment Manager may reallocate up to 100% of the Fund's equity investments into other asset classes which are defensive in nature and comply with Shariah requirements, such as Islamic money market instruments and Placements of Cash.

Performance Benchmark

Effective from 1 January 2019, the performance of this Fund is benchmarked against the Dow Jones Islamic Market Developed Markets Index. The benchmark chosen best represents the Fund's investments in terms of geographical location.

Prior to 1 January 2019, the performance of this Fund is benchmarked against the Russell-IdealRatings Islamic Developed ex-Canada Custom Index. The benchmark chosen best represents the Fund's investments in terms of geographical location.

Permitted Investments

This Fund may invest or participate in Shariah-compliant securities listed on any market considered as an Eligible Market[^], unlisted Shariah-compliant securities, Islamic collective investment schemes, Islamic financial derivatives, Islamic liquid assets (including Islamic money market instruments and Shariah-compliant Placements of Cash) and any other Shariah-compliant investments permitted by the Shariah Adviser from time to time. Consequently, all investments for this Fund are to be designated as Shariah-compliant and in this regard, the Shariah Adviser will advise on the selection of investments to ensure compliance with Shariah requirements.

[^] An exchange, government securities market or an over-the-counter market that is regulated by a regulatory authority of that jurisdiction, that is open to the public or to a substantial number of market participants and on which financial instruments are regularly traded.

Distribution Policy

Distribution is of secondary importance and if any, will generally be declared annually and will be reinvested.

MANAGER'S REPORT

MARKET REVIEW

For the financial year ended 31 July 2024, the Fund's benchmark index (Dow Jones Islamic Market Developed market Index) returned 21.07% in Malaysian Ringgit terms ("MYR") and 19.70% in United States Dollar ("USD") during the same period.

At the start of the financial year, global developed equity markets continued to decline amidst high volatility as inflation remained sticky despite the interest rate hike throughout the first half of year 2023. However, the markets started rebounding in November 2023, bolstered by easing inflation and dovish stance from the United States ("US") Federal Reserve ("Fed").

The second half of year 2023 and early year 2024 experienced strong market performance, highlighted by a robust February 2024 where Standard and Poor ("S&P") 500 earnings beat expectations. Notably, despite a 4.80% rise in emerging markets driven by China, developed markets outperformed with Japan's Nikkei 225 hitting a 30-year high. Fixed-income markets, however, faced pressure with a slight decline in global bonds and commodities dropping due to falling gas and agricultural prices.

In April 2024, volatility spiked and global developed equity markets retraced due to weaker US Gross Domestic Product ("GDP") data and higher than expected inflation. Yet, May 2024 saw a notable rebound on the back of broad based rally within the Information Technology ("IT") sector, fueled by optimism on Artificial Intelligence ("AI") and Data Center. The Healthcare sector helped as well with strong performance within Pharmaceutical. The month of July 2024 saw the markets declining, driven by profit taking activities and rotation into small-cap equities. The profit taking was due to high investors' expectations coming into the results and rising concern on the high capital expenditure by Technology companies.

ECONOMIC REVIEW AND OUTLOOK

Global economic growth remained resilient, achieving 3.10% for year 2023 against initial IMF forecasts of 2.90%. The International Monetary Fund ("IMF") projects steady growth at 3.20% for year 2024, with a slight increase to 3.30% in year 2025. US inflation (US Personal Consumer Expenditure ("PCE")) continued to recede throughout the financial year under review, from a peak of 3.70% in September 2023 to 2.90% in July 2024. Expectations are for the PCE to moderate from 2.50% in year 2024 to 2.10% in year 2025. Meanwhile, the Fed is expected to start cutting the interest rate in September 2024 amidst concern on unemployment, with market expecting 4 cuts by end of year 2024. In July 2024, unemployment rate has moved to 4.30%, from 3.60% for the same month last year.

During the financial year under review, the changed of interest rate cut expectations, sticky inflation data, higher than expected unemployment rate and geopolitical risks have caused heightened volatility in the global developed equity markets. These have led to the pullbacks in April 2024 and July 2024. In the near term, market volatility is likely to persist, contributed from the upcoming US election in November 2024, concern on the job markets and unemployment, elevated expectations of earnings and the uncertainty on the magnitude of the interest rate cuts.

The Fund will continue to be invested for the long term in Shariah compliant global equities and the Fund Manager deem to have met the investment objectives for the financial year under review.

REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a total return of 25.02%* and 23.64%* against its benchmark return of 21.07%* and 19.70%* for RM Class and SGD Class respectively. The Fund thus outperformed its benchmark by 3.95% and 3.94% during the financial year under review. The Net Asset Value per unit of the Fund were RM1.5991 and RM4.5048 (31 July 2023: RM1.3434 and RM3.6025) for RM Class and SGD Class respectively as at 31 July 2024. The outperformance was equally driven by both sector allocation and stocks selection, markedly for the Fund Manager holdings within the US. In terms of sectors, the Fund Manager investments within the IT and Healthcare have contributed meaningfully to the strong performance of the Fund. Despite the continued market volatility, the Fund Manager focus on investing in stocks with strong fundamentals and exposure to the structural themes have benefited the Fund as these have helped the Fund to outperform the benchmark. In addition, these approach has helped the Fund to navigate the markets' volatility from the crowded investments themes and hype on high valuation companies. Overall, the Fund adapted to market fluctuations during the financial year under review by adjusting sector exposures and maintaining focus on resilient positions. Continuous monitoring of macroeconomic conditions and strategic adjustments also have ensured robust performance amidst external noises and pressures.

The Fund's long-term strategy of focusing on structural themes remain unchanged. The Fund's core strategy focuses on six key pillars and themes. These themes are: (i) Internet (including digital advertising and cloud services), (ii) Healthcare, aging population and glucagon-like peptide 1 ("GLP-1") diabetes drugs, (iii) New Consumer (including spending on Athleisure, beauty and new entertainment), (iv) Software (including AI Infrastructure and Cyber Security), (v) Technology Hardware (AI, Data Center and Cloud Computing) and (vi) Energy (in particular energy transition names). The focus on long term structural winners remains and

the Fund Manager focus has been on capitalizing on longer term opportunities created by the market selloff.

Overall, despite the strong rebound of the global developed equity markets, volatility remained. This was attributed to geopolitical risks, elevated expectations on economic growth and companies' earnings (especially for high growth stocks) and the uncertainty of the actions for interest cut by the Fed. In particular, expectations on interest rate cut has moved drastically throughout the first half of year 2024. In February 2024, markets were expecting 6 interest rate cuts for the year and it was reduced to 2 in May 2024. Until recently in July 2024, the expectation of interest rate cuts have started to move up again to 4. Lastly, the markets have become increasingly sensitive towards earnings growth, especially on AI, amidst concern on Technology companies to sustainably meet investors' high expectations.

** Source: Lipper Investment Management ("Lipper IM"), 12 August 2024*

MARKET REVIEW AND STRATEGY GOING FORWARD

Looking ahead, the strategy will focus on navigating economic uncertainties while capitalizing on secular growth sectors such Technology, Healthcare and Industrials. At the same time, the Fund will continue to have active positions in defensive sectors as the Fund Manager remain balanced in the Fund Manager investment approach, to weather the market uncertainty moving forward. The Fund Manager bottom up approach remains the same, and the long term structural winners and companies with solid fundamentals should emerge in a stronger position in spite of possible recession scenarios. While the Fund has benefited from several structural themes during the financial year under review, the Fund Manager continue to remain positive on these themes as the investment theses continue to remain in-tact.

Overall, the Fund will remain with its active investing approach by concentrating in the active weights. At present, the portfolio has positions in 49 stocks. The fund aims to leverage strengths in its portfolio while staying responsive to market trends. By balancing diversification with a forward-looking approach, the Fund seeks to optimize shareholder value and achieve long-term investment goals. Lastly, the weakening USD (due to the potential Fed actions and strengthening of MYR) has been a headwind to the Fund. Having said that, the Fund Manager remain on the lookout for an attractive entry point for to hedge MYR against USD in particular.

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 31 July				
	2024	2023	2022	2021	2020
	%	%	%	%	%
RHB Islamic Global Developed Markets Fund - RM Class					
- Capital return	19.03	11.30	(13.36)	30.90	12.72
- Income return	5.03	-	3.52	3.22	3.29
- Total return	25.02	11.30	(10.32)	35.11	16.43
Islamic Global Developed Markets Fund Index**	21.07	16.22	(7.51)	34.26	22.87

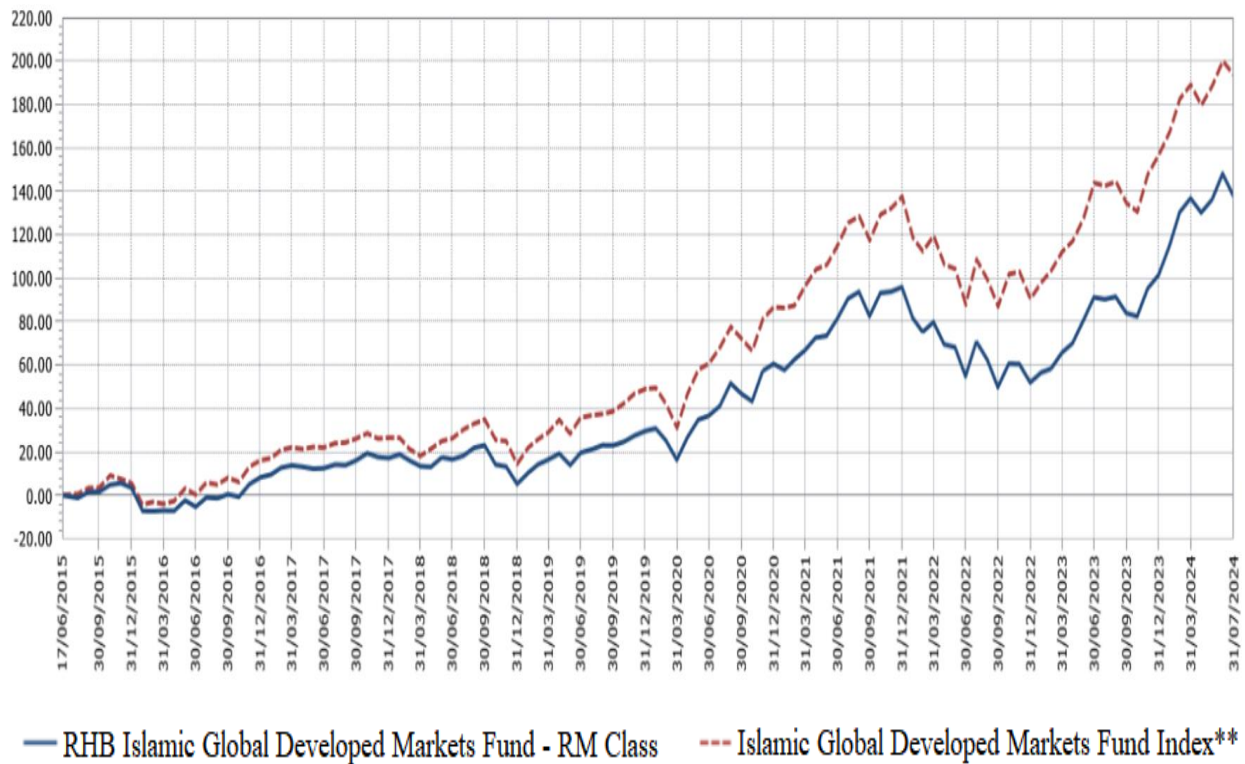
	Annual Total Returns			
	Financial Year/Period Ended 31 July			
	2024	2023	2022	2021
	%	%	%	%
RHB Islamic Global Developed Markets Fund - SGD Class				
- Capital return	23.64	5.45	(13.13)	15.22
- Income return	-	-	-	-
- Total return	23.64	5.45	(13.13)	15.22
Islamic Global Developed Markets Fund Index**	19.70	10.14	(10.44)	11.76

	Average Annual Returns			
	1 Year	3 Years	5 Years	Since Inception
	31.07.2023-	31.07.2021-	31.07.2019-	17.06.2015*-
	31.07.2024	31.07.2024	31.07.2024	31.07.2024
	%	%	%	%
RHB Islamic Global Developed Markets Fund - RM Class	25.02	7.66	14.42	9.95
Islamic Global Developed Markets Fund Index**	21.07	9.17	16.49	12.52

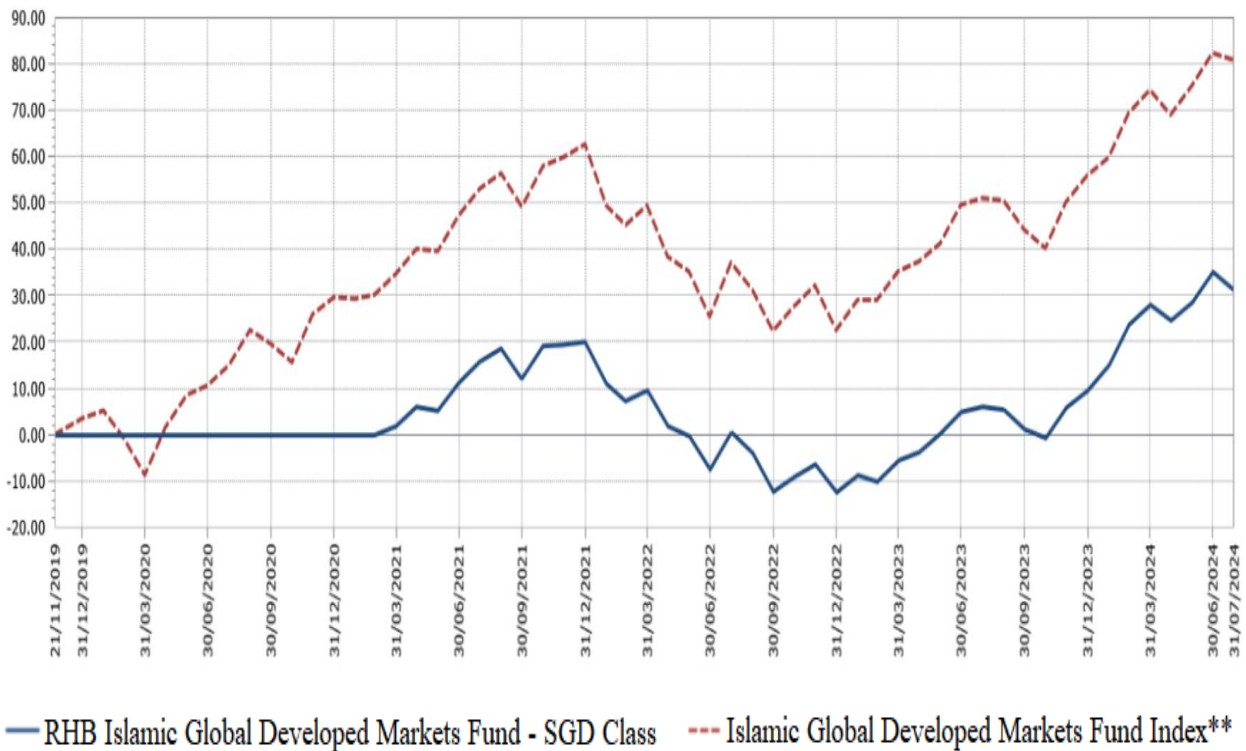
	Average Annual Returns		
	1 Year 31.07.2023- 31.07.2024 %	3 Year 31.07.2021- 31.07.2024 %	Since Inception 21.11.2019* - 31.07.2024 %
RHB Islamic Global Developed Markets Fund - SGD Class	23.64	4.23	5.95
Islamic Global Developed Markets Fund Index**	19.70	5.69	13.43

* Being the last day of Initial Offer Period

**Performance of RHB Islamic Global Developed Markets Fund - RM Class
for the period from 17 June 2015* to 31 July 2024
Cumulative Return Over The Period (%)**



**Performance of RHB Islamic Global Developed Markets Fund - SGD Class
for the period from 21 November 2019* to 31 July 2024
Cumulative Return Over The Period (%)**



* Being the last day of Initial Offer Period

Source: Lipper IM, 12 August 2024

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

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.

** Effective 1 January 2019, the Fund's composite benchmark (Islamic Global Developed Markets Fund Index) was changed from Russell-IdealRatings Islamic Developed ex-Canada Custom Index to Dow Jones Islamic Market Developed Markets Index. 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 17 June 2015 to 31 December 2018	Russell-IdealRatings Islamic Developed ex-Canada Custom Index
1 January 2019 onwards	Dow Jones Islamic Market Developed Markets Index

Fund Size - RM Class	As at 31 July		
	2024	2023	2022
Net Asset Value (RM million)	222.92*	199.83	217.11*
Units In Circulation (million)	139.40	148.75	179.89
Net Asset Value Per Unit (RM)	1.5991*	1.3434	1.2069*

Fund Size - SGD Class	As at 31 July		
	2024	2023	2022
Net Asset Value (RM million)	6.63	1.57	0.97
Units In Circulation (million)	1.47	0.44	0.30
Net Asset Value Per Unit (RM)	4.5048	3.6025	3.2370

Historical Data	Financial Year 31 July		
	2024	2023	2022
Unit Prices			
<u>RM Class</u>			
NAV - Highest (RM)	1.8036*	1.3515	1.4656*
NAV - Lowest (RM)	1.2655*	1.0579	1.1066*
<u>SGD Class</u>			
NAV - Highest (SGD)	1.3894	1.0611	1.2341
NAV - Lowest (SGD)	0.9714	0.8682	0.9040
Distribution and Unit Split			
<u>RM Class</u>			
Gross Distribution Per Unit (sen)	8.0000	-	4.0000
Net Distribution Per Unit (sen)	8.0000	-	3.9755
Distribution date	25.07.2024	-	26.07.2022
NAV before distribution (cum)	1.6889	-	1.1881
NAV after distribution (ex)	1.5902	-	1.1369
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.91	1.91	1.91
Portfolio Turnover Ratio (PTR) (times) ##	0.67	0.54	0.85

* *The figures quoted are ex-distribution*

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

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

DISTRIBUTION

For the financial year under review, the Fund has declared a total net distributions of 8.000 sen per unit, which is equivalent to a net distribution yield of 5.28% based on the average net asset value for RM Class as at financial year.

PORTFOLIO STRUCTURE

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

Sectors	As at 31 July		
	2024 %	2023 %	2022 %
Equities			
Advanced Medical Equipment	3.33	4.87	7.56
Apparel/Accessories	-	1.32	-
Auto/Truck Manufacturers	-	1.51	0.86
Biotechnology & Medical Research	1.07	-	-
Chemicals - Commodity	1.62	1.68	-
Commercial Reits	1.45	-	-
Computer Hardware	-	-	0.82
Construction & Engineering	1.27	1.37	1.67
Consumer Electronics	5.73	5.73	6.28
Electrical Components/Equipment	4.87	8.32	6.48
Financial & Commodity Market Operators	-	1.23	1.07
Financial Services	1.58	2.34	4.08
Food Distribution/Convenience Stores	2.34	3.60	1.59
Food Processing	-	2.52	5.52
Footwear	-	0.69	-
Gold	-	0.96	-
Home Improvement Products & Services			
Retailers	-	1.24	-
Homebuilding	2.31	-	-
Industrial Conglomerates - Industry	2.48	-	-
Industrial Machinery/Equipment	1.55	0.96	-
Integrated Mining	-	0.48	0.50
IT Services/Consulting	2.23	0.85	-
Managed Health Care	2.51	-	-
Medical Equipment/Supplies/Distribution	1.37	-	-
Mining/Metals	-	0.56	0.76
Oil and Gas	2.39	4.86	5.17
Oil Related Services/Equipment	1.66	0.48	0.73
Online Services	4.91	5.17	0.70
Other Speciality Retailers	-	0.82	-
Personal Products	-	-	1.23
Pharmaceuticals	9.44	9.63	10.59
Restaurants	-	-	0.65

PORTFOLIO STRUCTURE (CONTINUED)

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

	As at 31 July		
	2024	2023	2022
	%	%	%
Sectors (continued)			
Equities (continued)			
Retail - Apparel/Accessories	2.76	-	1.27
Retail - Department Stores	4.47	5.79	6.28
Retail - Discount Stores	0.62	-	1.23
Semiconductors	15.09	11.83	7.28
Software	11.38	9.87	12.52
Wireless Telecommunications Services	4.46	5.29	6.70
	92.89	93.97	91.54
Islamic forward foreign currency contracts	-	0.09	-
Liquid assets and other current assets	7.11	5.94	8.46
	100.00	100.00	100.00

The asset allocations have been structured to meet the Fund's intended objective.

SECURITIES FINANCING TRANSACTIONS

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

CROSS TRADE

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

SOFT COMMISSION

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 ISLAMIC GLOBAL DEVELOPED MARKETS FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Bank balances	5	6,153,026	9,374,935
Islamic deposits with licensed financial institutions	5	10,451,366	3,386,082
Investments	6	213,230,739	189,250,752
Amount due from brokers		8,244,881	-
Amount due from Manager		1,567,545	306,279
Dividend receivables		35,604	25,691
Tax recoverable		345,475	254,484
Islamic forward foreign currency contracts	7	-	186,100
TOTAL ASSETS		<u>240,028,636</u>	<u>202,784,323</u>
LIABILITIES			
Amount due to brokers		9,993,646	979,640
Amount due to Manager		122,980	70,851
Accrued management fee		344,081	304,513
Amount due to Trustee		11,469	10,150
Other payables and accruals		14,290	15,367
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>10,486,466</u>	<u>1,380,521</u>
NET ASSET VALUE		<u>229,542,170</u>	<u>201,403,802</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>229,542,170</u>	<u>201,403,802</u>

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

**RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2024 (CONTINUED)**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (EX-DISTRIBUTION*):			
- RM Class*		222,915,116	199,832,329
- SGD Class		6,627,054	1,571,473
		<u>229,542,170</u>	<u>201,403,802</u>
UNITS IN CIRCULATION:			
- RM Class (Units)	9 (a)	139,400,222	148,753,893
- SGD Class (Units)	9 (b)	1,471,114	436,218
		<u>140,871,336</u>	<u>149,190,111</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION*):			
- RM Class (RM)		1.5991*	1.3434
- SGD Class (RM)		4.5048	3.6025
		<u>1.5991*</u>	<u>1.3434</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES (EX-DISTRIBUTION*):			
- RM Class (RM)		1.5991*	1.3434
- SGD Class (SGD)		1.3119	1.0611
		<u>1.5991*</u>	<u>1.3434</u>

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

**RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INCOME			
Dividend income		1,600,633	2,237,829
Profit income from Islamic deposits with licensed financial institutions		112,375	23,520
Net realised gain on disposal		25,758,805	452,007
Net unrealised gain on changes in fair value		17,356,672	23,086,231
Net loss on Islamic forward foreign currency contracts	7	(725,100)	(1,401,700)
Net foreign currency exchange gain		102,400	96,855
		<u>44,205,785</u>	<u>24,494,742</u>
EXPENSES			
Management fee	10	(3,467,122)	(3,462,443)
Trustee's fee	11	(115,571)	(115,415)
Audit fee		(8,200)	(5,900)
Tax agent's fee		(3,800)	(3,800)
Transaction costs		(140,400)	(91,072)
Other expenses		(459,217)	(671,809)
		<u>(4,194,310)</u>	<u>(4,350,439)</u>
Net income before finance cost and taxation		40,011,475	20,144,303
FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)			
Distribution:			
- RM Class	13	(10,514,176)	-

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

**RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
Net income after finance cost and before taxation		29,497,299	20,144,303
Taxation	12	<u>(22,488)</u>	<u>22,488</u>
Net increase in net assets attributable to unit holders		<u>29,474,811</u>	<u>20,166,791</u>
Net increase in net assets attributable to unit holders is made up as follows:			
Realised amount		11,729,825	(3,274,062)
Unrealised amount		<u>17,744,986</u>	<u>23,440,853</u>
		<u>29,474,811</u>	<u>20,166,791</u>

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

**RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	<u>2024</u> RM	<u>2023</u> RM
Net assets attributable to unit holders at the beginning of the financial year	201,403,802	218,080,779
Movement due to units created and cancelled during the financial year:		
Creation of units arising from distribution		
- RM Class	10,514,176	-
Creation of units arising from applications		
- RM Class	146,469,781	35,578,284
- SGD Class	6,503,375	483,770
	<u>152,973,156</u>	<u>36,062,054</u>
Cancellation of units		
- RM Class	(162,780,455)	(72,842,221)
- SGD Class	(2,043,320)	(63,601)
	<u>(164,823,775)</u>	<u>(72,905,822)</u>
Net increase in net assets attributable to unit holders during the financial year	29,474,811	20,166,791
Net assets attributable to unit holders at the end of financial year	<u>229,542,170</u>	<u>201,403,802</u>

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

**RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND
STATEMENT OF CASH FLOWS
FOR FINANCIAL YEAR ENDED 31 JULY 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		142,851,799	122,951,575
Purchase of Shariah-compliant investments		(123,087,584)	(88,016,273)
Dividends received		1,197,584	1,653,299
Profit income received from Islamic deposits with licensed financial institutions		112,375	23,520
Management fee paid		(3,427,554)	(3,480,365)
Trustee's fee paid		(114,252)	(116,013)
Payment for other fees and expenses		(79,158)	(120,731)
Net realised loss on Islamic forward foreign currency contracts		(539,000)	(1,587,800)
Net realised foreign exchange loss		(285,914)	(71,667)
Tax paid		(113,479)	(253,496)
Net cash generated from operating activities		<u>16,514,817</u>	<u>30,982,049</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		151,711,890	35,792,579
Cash paid for units cancelled		(164,771,646)	(72,892,527)
Net cash used in financing activities		<u>(13,059,756)</u>	<u>(37,099,948)</u>
Net increase/(decrease) in cash and cash equivalents		3,455,061	(6,117,899)
Foreign currency translation differences		388,314	168,522
Cash and cash equivalents at the beginning of the financial year		<u>12,761,017</u>	<u>18,710,394</u>
Cash and cash equivalents at the end of the financial year	5	<u>16,604,392</u>	<u>12,761,017</u>

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

**RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Islamic Global Developed Market Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 17 April 2015 as modified by its First Supplemental Deed dated 17 January 2023 (“the Deed”) between RHB Islamic International Asset Management Berhad (“the Manager”) and HSBC Malaysia Trustee Berhad (“the Trustee”).

The Fund was launched on 28 May 2015 and will continue its operations until terminated according to the conditions provided in the Deed. The principal activity of the Fund is to invest in Permitted Investments as defined in the Deed.

The Fund’s activities shall be conducted strictly in accordance with the requirement of the Shariah principles and shall be monitored by the Shariah Adviser of the Fund.

All investments will be subject to the Securities Commission Malaysia (“SC”)’s Guidelines on Unit Trust Funds, SC’s requirements, the Deed, 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 long term capital growth by investing in Shariah-compliant global equities.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of RHB Asset Management Sdn Bhd, effective 1 December 2013. Its principal activities include rendering of Islamic fund management services and management of Islamic unit trust funds.

These financial statements were authorised for issue by the Manager on 25 September 2024.

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 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 revenues 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 August 2023

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

(b) New standards, amendments and interpretations effective after 1 August 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 August 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 August 2024.

The amendment shall be applied retrospectively.

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 payments of principal and profit, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives with licensed financial institutions are measured at fair value through profit or loss.

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

Recognition and measurement

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net gains or losses on investments in the 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 Shariah-compliant investments are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

Islamic derivative investments are Islamic forward foreign currency contracts. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in the statement of income and expenses when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument.

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

2.3 Financial liabilities

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Financial liabilities (continued)

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 brokers, amount due to Manager, accrued management fee, amount due to Trustee, other payables and accruals and net assets attributable to unit holders are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective profit method.

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

The Fund's policies on Islamic derivative instruments are stated in Note 2.2 and Note 2.13.

2.4 Creation and cancellation of units

The unit holders' contribution to the Fund meet the definition of puttable instruments classified as financial liability under MFRS132 "Financial Instruments: Presentation".

The Fund issues two classes of cancellable units, which are cancelled at the unit holders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and the SC's Guidelines on Unit Trust Funds. The units are classified as financial liabilities.

Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value attributable to the unit class. The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unit holders exercise the right to put the unit back to the Fund.

Units are created and cancelled at the unit holder's option at prices based on the Fund's net asset value per share of the respective classes at the close of business on the relevant dealing day. The Fund's net asset value per share of the respective classes is calculated by dividing the net assets attributable to the unit holders of each class of units with the total number of outstanding units for each respective class.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Income recognition

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

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

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

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

Realised gain or loss on Islamic forward foreign currency contracts are measured by the net settlement amount as per the Islamic foreign currency forward contract.

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

2.6 Taxation

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

2.7 Cash and cash equivalents

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

2.8 Distribution

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 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 and counterparty, 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.

2.10 Presentation and functional currency

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 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.

2.12 Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders.

2.13 Islamic derivative financial instruments

The Fund's Islamic derivative financial instruments comprise Islamic forward foreign currency contracts. Islamic derivative financial instruments are initially recognised at fair value on the date derivative contracts are entered into and are subsequently re-measured at their fair value.

The fair value of Islamic forward foreign currency contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the Islamic derivative financial instrument is designated as a hedging instrument, and the nature of the item being hedged. Derivative financial instruments that do not qualify for hedge accounting are classified as FVTPL and accounted for in accordance with the accounting policy set out in note 2.2.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, profit rate risk, currency risk, credit risk, liquidity risk, Shariah specific 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 (other than those arising from profit rate risk) price risk for its investments of RM213,230,739 (2023: RM189,250,752) in quoted Shariah-compliant investments.

The sensitivity analysis is based on the assumption that the price of the quoted Shariah-compliant investments fluctuate by +/-(-) 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/-(-) RM10,661,537 (2023: RM9,462,538).

Profit rate risk

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

Currency risk

Currency risk is associated with financial instruments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. The Fund did not have any significant financial liabilities denominated in foreign currencies as at the financial year end date.

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 deemed necessary.

The analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5%, with all other variables remain constants, the impact on statement of income and expenses and net asset value is +/- RM10,508,615 (2023: +/- RM9,352,157).

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

	Quoted Shariah- compliant investments	Cash and cash equivalents	Other financial assets/ (liabilities)*	Net assets attributable to unit holders	Total
	RM	RM	RM	RM	RM
<u>2024</u>					
Australian					
Dollar	7,063,068	-	6,677	-	7,069,745
Danish Krone	4,171,444	-	-	-	4,171,444
Euro	7,698,533	-	(585,273)	-	7,113,260
Japanese Yen	13,948,087	-	5,507	-	13,953,594
Pound Sterling	3,040,209	-	2,654,207	-	5,694,416
Singaporean					
Dollar	-	1,540,338	211,789	(6,627,054)	(4,874,927)
Swiss Franc	2,461,323	-	-	-	2,461,323
United States					
Dollar	174,848,075	3,529,656	(3,794,279)	-	174,583,452
	<u>213,230,739</u>	<u>5,069,994</u>	<u>(1,501,372)</u>	<u>(6,627,054)</u>	<u>210,172,307</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

The following table sets out the currency risk concentration and counterparty of the Fund: (continued)

	Quoted Shariah- compliant investments	Islamic forward foreign currency contracts	Cash and cash equivalents	Other financial assets/ (liabilities)*	Net assets attributable to unit holders	Total
	RM	RM	RM	RM	RM	RM
<u>2023</u>						
Australian Dollar	4,239,250	-	-	-	-	4,239,250
Danish Krone	4,279,176	-	-	-	-	4,279,176
Euro	12,989,954	-	-	(463,566)	-	12,526,388
Japanese Yen	9,666,724	-	-	-	-	9,666,724
Norwegian Krone	2,883,544	-	-	-	-	2,883,544
Pound Sterling	5,441,878	-	-	-	-	5,441,878
Singapore Dollar	-	-	1,520,958	2,724	(1,571,473)	(47,791)
Swiss Franc	4,320,024	-	-	-	-	4,320,024
United States Dollar	145,430,202	186,100	7,803,633	(490,383)	-	152,929,552
	<u>189,250,752</u>	<u>186,100</u>	<u>9,324,591</u>	<u>(951,225)</u>	<u>(1,571,473)</u>	<u>196,238,745</u>

* Comprise of amount due from/(to) brokers, amount due from/(to) Manager, and dividend receivables.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the Fund. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place Islamic deposits with reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the respective countries stock exchange. 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

	<u>Cash and cash equivalents</u> RM	<u>Islamic foreign currency forward contracts</u> RM	<u>Other financial assets*</u> RM	<u>Total</u> RM
<u>2024</u>				
AAA	13,074,736	-	-	13,074,736
AA-	3,529,656	-	-	3,529,656
Others	-	-	9,848,030	9,848,030
	<u>16,604,392</u>	<u>-</u>	<u>9,848,030</u>	<u>26,452,422</u>
<u>2023</u>				
AAA	12,761,017	186,100	-	12,947,117
Others	-	-	331,970	331,970
	<u>12,761,017</u>	<u>186,100</u>	<u>331,970</u>	<u>13,279,087</u>

* Comprise amount due from brokers, amount due from Manager and dividend receivables.

Liquidity risk

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

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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 brokers	9,993,646	-
Amount due to Manager	122,980	-
Accrued management fee	344,081	-
Amount due to Trustee	11,469	-
Other payables and accruals	-	14,290
Net assets attributable to unit holders*	229,542,170	-
	<u>240,014,346</u>	<u>14,290</u>
<u>2023</u>		
Amount due to brokers	979,640	-
Amount due to Manager	70,851	-
Accrued management fee	304,513	-
Amount due to Trustee	10,150	-
Other payables and accruals	-	15,367
Net assets attributable to unit holders*	201,403,802	-
	<u>202,768,956</u>	<u>15,367</u>

* Outstanding units are redeemed on demand at the unit holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unit holders typically retain them for the medium to long term.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Shariah specific risk

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

Capital risk

The capital of the Fund is represented by net assets attributable to unit holders' of RM229,542,170 (2023: RM201,403,802). The amount of net assets attributable to unit holders 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.

4. FAIR VALUE ESTIMATION (CONTINUED)

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

Fair value hierarchy

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

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

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2024</u>				
Financial assets at FVTPL:				
- Quoted Shariah-compliant investments	213,230,739	-	-	213,230,739
<u>2023</u>				
Financial assets at FVTPL:				
- Quoted Shariah-compliant investments	189,250,752	-	-	189,250,752
- Islamic forward foreign currency contracts	-	186,100	-	186,100
	<u>189,250,752</u>	<u>186,100</u>	<u>-</u>	<u>189,436,852</u>

Investments in active listed equities, i.e. quoted Shariah-compliant investments whose values are based on quoted market prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This include Islamic forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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 comprises:

	<u>2024</u> RM	<u>2023</u> RM
Bank balances	6,153,026	9,374,935
Islamic deposits with licensed financial institutions	10,451,366	3,386,082
	<u>16,604,392</u>	<u>12,761,017</u>

6. INVESTMENTS

	<u>2024</u> RM	<u>2023</u> RM
Investments:		
- Quoted Shariah-compliant investments - foreign	<u>213,230,739</u>	<u>189,250,752</u>

Investments as at 31 July 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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN				
<u>AUSTRALIA</u>				
Commercial Reits				
Goodman Group	31,700	3,293,292	3,335,404	1.45
Pharmaceuticals				
CSL Limited	4,015	3,416,983	3,727,664	1.63
TOTAL AUSTRALIA		<u>6,710,275</u>	<u>7,063,068</u>	<u>3.08</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>DENMARK</u>				
Pharmaceuticals				
Novo Nordisk Ordinary	6,868	2,539,730	4,171,444	1.82
TOTAL DENMARK		2,539,730	4,171,444	1.82
<u>FRANCE</u>				
Electrical				
Components/Equipment				
Schneider Electric SE	1,877	1,378,384	2,078,290	0.90
TOTAL FRANCE		1,378,384	2,078,290	0.90
<u>JAPAN</u>				
Electrical				
Components/Equipment				
Keyence Corporation	1,326	2,866,966	2,666,868	1.16
Murata Manufacturing Co Ltd	27,627	2,948,509	2,825,835	1.23
		5,815,475	5,492,703	2.39
Industrial Conglomerates - Industry				
Hitachi Ltd	56,672	5,992,858	5,687,729	2.48
Retail - Apparel/Accessories				
Fast Retailing Company Limited	2,177	2,808,872	2,767,655	1.21
TOTAL JAPAN		14,617,205	13,948,087	6.08

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>NETHERLANDS</u>				
Semiconductors				
ASML Holding N.V.	1,330	4,365,700	5,620,243	2.45
TOTAL NETHERLANDS		4,365,700	5,620,243	2.45
<u>SWITZERLAND</u>				
Biotechnology & Medical Research				
Lonza Group AG	803	2,200,304	2,461,323	1.07
TOTAL SWITZERLAND		2,200,304	2,461,323	1.07
<u>UNITED KINGDOM</u>				
Homebuilding				
Persimmon PLC	32,455	2,982,129	3,040,209	1.32
TOTAL UNITED KINGDOM		2,982,129	3,040,209	1.32
<u>UNITED STATES OF AMERICA</u>				
Advanced Medical Equipment				
Boston Scientific Corp	9,548	1,816,358	3,239,225	1.41
Thermo Fisher Scientific Inc	1,568	4,244,896	4,416,205	1.92
		6,061,254	7,655,430	3.33

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 2024 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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>UNITED STATES OF AMERICA (CONTINUED)</u>				
Chemicals - Commodity				
New Linde PLC	1,791	2,746,588	3,729,707	1.62
Construction & Engineering				
Jacobs Solutions Inc	4,330	3,030,804	2,909,930	1.27
Consumer Electronics				
Apple Inc	12,907	8,934,578	13,162,447	5.73
Electrical Components/Equipment				
Eaton Corp PLC	2,591	2,350,309	3,626,352	1.58
Financial Services				
Mastercard Inc	1,708	2,599,396	3,636,941	1.58
Food Distribution/Convenience Stores				
Walmart Inc	17,028	4,077,547	5,367,138	2.34
Homebuilding				
D. R. Horton Inc	2,741	1,984,290	2,264,720	0.99
Industrial Machinery/Equipment				
Pentair PLC	8,822	3,123,213	3,559,668	1.55

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 SHARIAH-COMPLIANT				
INVESTMENTS - FOREIGN (CONTINUED)				
<u>UNITED STATES OF AMERICA (CONTINUED)</u>				
IT Services/Consulting				
Accenture PLC	2,051	3,143,085	3,113,843	1.36
Salesforce Inc	1,685	1,356,506	2,002,470	0.87
		<u>4,499,591</u>	<u>5,116,313</u>	<u>2.23</u>
Managed Health Care				
UnitedHealth Group Inc	2,176	<u>5,751,855</u>	<u>5,757,101</u>	<u>2.51</u>
Medical Equipment/Supplies/ Distribution				
Stryker Corporation	2,089	<u>3,365,812</u>	<u>3,141,126</u>	<u>1.37</u>
Oil and Gas				
Exxon Mobil Corporation	10,066	<u>4,219,914</u>	<u>5,481,594</u>	<u>2.39</u>
Oil Related Services/Equipment				
Schlumberger Ltd	17,225	<u>3,897,293</u>	<u>3,819,604</u>	<u>1.66</u>
Online Services				
Meta Platforms Inc	2,603	3,021,804	5,675,632	2.47
Palo Alto Networks Inc	759	718,445	1,131,790	0.50
Uber Technologies Inc	15,054	3,801,880	4,456,680	1.94
		<u>7,542,129</u>	<u>11,264,102</u>	<u>4.91</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>UNITED STATES OF AMERICA (CONTINUED)</u>				
Pharmaceuticals				
Eli Lilly & Co	1,332	2,902,406	4,919,353	2.14
Johnson & Johnson	8,671	6,332,060	6,285,150	2.74
Merck & Co Inc	4,894	2,584,545	2,542,399	1.11
		<u>11,819,011</u>	<u>13,746,902</u>	<u>5.99</u>
Retail - Apparel/Accessories				
Ross Stores Inc	5,406	3,472,556	3,555,592	1.55
Retail - Department Stores				
Amazon.com Inc	11,946	8,703,234	10,256,981	4.47
Retail - Discount Stores				
Target Corporation	2,075	1,671,280	1,433,167	0.62
Semiconductors				
Broadcom Inc	8,403	3,535,166	6,200,091	2.70
Micron Technology	6,565	2,250,330	3,310,686	1.45
Nvidia Corporation	36,274	7,538,361	19,492,046	8.49
		<u>13,323,857</u>	<u>29,002,823</u>	<u>12.64</u>
Software				
Microsoft Corporation	9,125	10,017,915	17,529,702	7.64
MongoDB Inc	2,944	4,031,625	3,411,616	1.49
Servicenow Inc	1,384	3,666,624	5,175,716	2.25
		<u>17,716,164</u>	<u>26,117,034</u>	<u>11.38</u>
Wireless Telecommunication Services				
Alphabet Inc	13,004	5,922,160	10,243,403	4.46
TOTAL UNITED STATES OF AMERICA		<u>126,812,835</u>	<u>174,848,075</u>	<u>76.17</u>
TOTAL INVESTMENTS		<u>161,606,562</u>	<u>213,230,739</u>	<u>92.89</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 2023 are as follows:

<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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN				
<u>AUSTRALIA</u>				
Integrated Mining				
BHP Group Ltd	6,936	965,122	968,982	0.48
Pharmaceuticals				
CSL Limited	4,011	3,244,338	3,270,268	1.63
TOTAL AUSTRALIA		4,209,460	4,239,250	2.11
<u>DENMARK</u>				
Pharmaceuticals				
Novo Nordisk Ordinary	5,875	3,114,995	4,279,176	2.12
TOTAL DENMARK		3,114,995	4,279,176	2.12
<u>FRANCE</u>				
Electrical				
Components/Equipment				
Schneider Electric SE	3,002	2,204,533	2,416,905	1.20
TOTAL FRANCE		2,204,533	2,416,905	1.20
<u>GERMANY</u>				
Footwear				
Puma AG Rudolf Dassler Sport	4,538	1,297,325	1,385,296	0.69
TOTAL GERMANY		1,297,325	1,385,296	0.69

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>JAPAN</u>				
Electrical				
Components/Equipment				
Daikin Industries Ltd	1,768	1,279,818	1,609,269	0.80
Keyence Corporation	1,711	3,699,381	3,461,099	1.72
		<u>4,979,199</u>	<u>5,070,368</u>	<u>2.52</u>
Food Distribution/ Convenience Stores				
Kobe Bussan Co Ltd	24,165	3,053,984	2,904,106	1.44
Industrial				
Machinery/Equipment				
FANUC Ltd	7,708	1,202,198	1,063,279	0.53
Pharmaceuticals				
Astellas Pharma Inc	9,529	601,193	628,971	0.31
TOTAL JAPAN		<u>9,836,574</u>	<u>9,666,724</u>	<u>4.80</u>
<u>NETHERLANDS</u>				
Financial & Commodity				
Market Operators				
Adyen N.V.	295	2,707,078	2,476,761	1.23
Semiconductors				
ASML Holding N.V.	1,376	3,882,433	4,458,882	2.21
TOTAL NETHERLANDS		<u>6,589,511</u>	<u>6,935,643</u>	<u>3.44</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 Asset Value</u> %
QUOTED SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>NORWAY</u>				
Food Processing				
Mowi ASA	36,300	3,980,851	2,883,544	1.44
TOTAL NORWAY		3,980,851	2,883,544	1.44
<u>SWITZERLAND</u>				
Apparel/Accessories				
Compagnie Financiere Richemont	3,648	2,471,927	2,661,529	1.32
Food Processing				
Nestle SA-Reg	2,984	1,646,812	1,658,495	0.82
Semiconductors				
STMicroelectronics N.V.	9,319	2,050,607	2,252,110	1.12
TOTAL SWITZERLAND		6,169,346	6,572,134	3.26
<u>UNITED KINGDOM</u>				
Industrial				
Machinery/Equipment				
Pentair PLC	2,747	799,491	860,461	0.43
Pharmaceuticals				
AstraZeneca PLC	6,584	3,135,534	4,270,003	2.12
GSK PLC	14,598	1,138,396	1,171,875	0.58
		4,273,930	5,441,878	2.70
TOTAL UNITED KINGDOM		5,073,421	6,302,339	3.13

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 Asset Value</u> %
QUOTED SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>UNITED STATES OF AMERICA</u>				
Advanced Medical Equipment				
Boston Scientific Corp	16,228	3,087,124	3,792,288	1.88
Edwards Lifesciences Corp	5,279	2,470,105	1,952,647	0.97
Thermo Fisher Scientific Inc	1,649	4,383,093	4,077,665	2.02
		<u>9,940,322</u>	<u>9,822,600</u>	<u>4.87</u>
Auto/Truck Manufacturers				
Aptiv PLC	4,000	2,159,634	1,973,886	0.98
Cummins Inc	904	979,771	1,062,585	0.53
		<u>3,139,405</u>	<u>3,036,471</u>	<u>1.51</u>
Chemicals - Commodity				
New Linde PLC	1,928	2,849,346	3,394,725	1.68
Construction & Engineering				
Jacobs Solutions Inc	4,867	2,788,737	2,750,940	1.37
Consumer Electronics				
Apple Inc	13,046	6,357,473	11,550,930	5.73
Electrical Components/Equipment				
Eaton Corp PLC	4,159	2,210,124	3,848,644	1.91
Johnson Controls International PLC	10,000	3,132,596	3,134,619	1.56
Rockwell Automation Inc	1,499	2,194,721	2,271,973	1.13
		<u>7,537,441</u>	<u>9,255,236</u>	<u>4.60</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>UNITED STATES OF AMERICA (CONTINUED)</u>				
Financial Services				
Mastercard Inc	2,651	3,961,617	4,710,880	2.34
Food Distribution/Convenience Stores				
Walmart Inc	6,032	3,984,722	4,345,990	2.16
Food Processing				
Mondelez International Inc	1,542	515,865	515,188	0.26
Gold				
Newmont Goldcorp Corp	9,985	2,044,258	1,931,503	0.96
Home Improvement Products & Services Retailers				
Floor & Decor Holdings Inc	2,491	1,202,213	1,289,414	0.64
Lowe's Companies Inc	1,147	1,196,449	1,211,066	0.60
		2,398,662	2,500,480	1.24
IT Services/Consulting				
Salesforce Inc	1,685	1,356,506	1,708,792	0.85
Mining/Metals				
Freeport-McMoRan Inc	5,578	943,581	1,122,503	0.56
Oil and Gas				
Conocophillips	4,780	2,092,838	2,536,096	1.26
EOG Resources Inc	3,268	1,576,967	1,952,018	0.97
Exxon Mobil Corporation	10,949	3,170,091	5,291,988	2.63
		6,839,896	9,780,102	4.86

6. INVESTMENTS (CONTINUED)

Investments as at 31 July 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 Asset Value</u> %
QUOTED SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>UNITED STATES OF AMERICA (CONTINUED)</u>				
Oil Related				
Services/Equipment				
Schlumberger Ltd	3,700	908,700	972,872	0.48
Online Services				
Meta Platforms Inc	5,012	4,265,556	7,196,882	3.57
Palo Alto Networks Inc	2,860	2,442,035	3,221,989	1.60
		6,707,591	10,418,871	5.17
Speciality Retailers				
Ulta Beauty Inc	827	1,737,783	1,657,898	0.82
Pharmaceuticals				
Abbvie Inc	1,625	1,137,657	1,095,505	0.54
Eli Lilly & Co	879	1,023,396	1,800,769	0.89
Merck & Co Inc	6,017	2,941,018	2,892,201	1.44
		5,102,071	5,788,475	2.87
Retail - Department Stores				
Amazon.com Inc	15,515	10,954,663	9,347,722	4.64
Five Below Inc	2,464	1,588,354	2,313,667	1.15
		12,543,017	11,661,389	5.79
Semiconductors				
Advanced Micro Devices Inc	1,945	602,294	1,002,843	0.50
Broadcom Inc	920	2,132,378	3,726,198	1.85
Marvell Technology Inc	8,361	1,847,725	2,454,295	1.22
Micron Technology	6,864	2,175,419	2,208,524	1.10
Nvidia Corporation	3,663	3,184,664	7,714,557	3.83
		9,942,480	17,106,417	8.50

6. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net</u> <u>Asset</u> <u>Value</u> %
QUOTED SHARIAH-COMPLIANT INVESTMENTS - FOREIGN (CONTINUED)				
<u>UNITED STATES OF AMERICA (CONTINUED)</u>				
Software				
Adobe Inc	583	1,226,952	1,435,106	0.71
Microsoft Corporation	8,947	8,022,178	13,545,681	6.72
Servicenow Inc	1,867	4,361,786	4,905,694	2.44
		<u>13,610,916</u>	<u>19,886,481</u>	<u>9.87</u>
Wireless Telecommunication Services				
Alphabet Inc	17,806	<u>7,296,842</u>	<u>10,650,998</u>	<u>5.29</u>
TOTAL UNITED STATES OF AMERICA		<u>112,507,231</u>	<u>144,569,741</u>	<u>71.78</u>
TOTAL INVESTMENTS		<u>154,983,247</u>	<u>189,250,752</u>	<u>93.97</u>

7. ISLAMIC FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 July 2024, there was nil (2023: one) Islamic forward foreign currency contracts outstanding with RHB Islamic Bank Berhad.

If any, the Islamic forward foreign currency contracts entered into was for hedging against the currency exposure arising from the investments in the quoted Shariah-compliant investments denominated in USD.

As the Fund has not adopted hedge accounting, the change in the fair value of the Islamic forward foreign currency contracts is recognised immediately in the statement of income and expenses.

7. ISLAMIC FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

Net loss on Islamic forward foreign currency contracts is as follows:

	<u>2024</u> RM	<u>2023</u> RM
Net loss on Islamic forward foreign currency contracts:		
- Net realised loss on Islamic forward foreign currency contracts	(725,100)	(1,587,800)
- Net unrealised (loss)/gain on Islamic forward foreign currency contracts	-	186,100
	<u>(725,100)</u>	<u>(1,401,700)</u>

Islamic forward foreign currency contracts as at 31 July 2023 are as follows:

<u>Counterparties</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
RHB Islamic Bank Berhad	9,195,600	(9,009,500)	186,100	0.09

As at 31 July 2024, there was nil (31.07.2023: one) Islamic forward foreign currency contracts outstanding with RHB Islamic Bank Berhad.

Set out below are the significant related party balances as at year ended and transactions during the financial year:

Related Party Balances

	<u>31.07.2024</u> RM	<u>31.07.2023</u> RM
Islamic forward foreign currency contracts:		
Balances outstanding with RHB Islamic Bank Berhad	-	186,100

8. SHARIAH INFORMATION OF THE FUND

The following are the Shariah information of the Fund.

(a) Investment Portfolio

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

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

A portion of the cash is maintained in foreign currency accounts outside Malaysia to facilitate the purchase and selling of securities in a particular country. Interest earned, if any, from these accounts shall not be recognised as income to the Fund. The Fund will compute the interest amount received and the interest will be channelled to *Baitulmal* or any other charitable bodies as advised by the Shariah Adviser as part of the Fund's cleansing process.

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

9. UNITS IN CIRCULATION

(a) RM Class

	<u>2024</u> Units	<u>2023</u> Units
At beginning of the financial year	148,753,893	179,890,360
Creation of units during the financial year:		
Arising from applications	89,518,693	29,379,948
Arising from distribution	6,561,518	-
Cancellation of units during the financial year	<u>(105,433,882)</u>	<u>(60,516,415)</u>
At end of the financial year	<u>139,400,222</u>	<u>148,753,893</u>

9. UNITS IN CIRCULATION (CONTINUED)

(b) SGD Class

	<u>2024</u> Units	<u>2023</u> Units
At beginning of the financial year	436,218	298,958
Creation of units arising from applications during the financial year	1,478,072	157,409
Cancellation of units during the financial year	(443,176)	(20,149)
At end of the financial year	<u>1,471,114</u>	<u>436,218</u>

10. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.80% (2023: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

11. 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.

12. TAXATION

(a) Tax charge for the financial year

	<u>2024</u> RM	<u>2023</u> RM
Current taxation	-	20,512
Under/(Over) provision of tax in prior year	22,488	(43,000)
	<u>22,488</u>	<u>(22,488)</u>

12. TAXATION (CONTINUED)

(b) Numerical reconciliation of income tax expense

The numerical reconciliation between the net income income before taxation and after finance cost 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 finance cost and after finance cost	<u>29,497,299</u>	<u>20,144,303</u>
Tax calculated at a statutory income tax rate of 24%	7,079,351	4,834,633
Tax effects of:		
- Investment income not subject to tax	(10,609,388)	(5,858,226)
- Expenses not deductible for tax purposes	2,684,316	194,114
- Restriction on tax deductible expenses	845,721	849,991
- Under/(Over) provision of tax in prior year	<u>22,488</u>	<u>(43,000)</u>
Tax expense	<u>22,488</u>	<u>(22,488)</u>

13. DISTRIBUTION

Distribution to unit holders is derived from the following source:

RM Class

	<u>2024</u> <u>RM</u>
Dividend income	1,174,147
Profit income from Islamic deposits with licensed financial institutions	102,871
Net realised gain on disposal	13,676,687
Net realised foreign currency exchange loss	(274,402)
Net realised loss on Islamic forward foreign currency contracts	(530,283)
	<hr/> 14,149,020
Less: Expenses	(3,634,844)
Net distribution amount	<hr/> <u>10,514,176</u>

Distribution during the financial year

	<u>Sen per unit</u>	
	<u>Gross</u>	<u>Net</u>
25 July 2024	<u>8.0000</u>	<u>8.0000</u>

14. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<hr/> 1.91	<hr/> 1.91

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.

15. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<hr/> 0.67	<hr/> 0.54

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.

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

The number of units held by the related parties are as follows:

RM Class	2024		2023	
	Units	RM	Units	RM
RHB Bank Berhad*	4,136,781	6,615,126	8,070,525	10,841,943
RHB Nominees (Tempatan) Sdn Bhd	14,893,586	23,816,333	36,673,635	49,267,361

**Ultimate holding company of the Manager*

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 Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of penultimate holding company of the Manager, is under the nominees structure.

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

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

17. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 31 July 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> %
Daiwa Capital Markets Hong Kong Ltd	74,546,347	26.32	16,151	13.82
BOFA Securities, Inc	53,401,411	18.86	17,147	14.67
J.P. Morgan Securities Inc New York	52,554,611	18.56	7,680	6.57
Sanford C. Bernstein & CO., LLC.	20,235,064	7.15	5,817	4.98
CLSA Singapore Pte Ltd	20,136,375	7.11	12,315	10.54
Pershing Securities Ltd London	9,287,864	3.28	9,288	7.95
Merrill Lynch International, London	8,290,975	2.93	12,437	10.64
SG Cowen Securities Inc, New York	8,197,326	2.89	1,538	1.31
J.P. Morgan Securities Ltd London	6,953,665	2.46	6,954	5.95
Macquarie Cap (Europe) London	5,108,101	1.80	5,108	4.37
Others	24,467,377	8.64	22,435	19.20
	283,179,116	100.00	116,870	100.00

17. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 July 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> %
Sanford C. Bernstein & CO., LLC.	46,133,607	23.68	10,811	14.00
J.P. Morgan Securities Inc New York	38,759,597	19.90	9,898	12.82
BOFA Securities, Inc	31,539,631	16.19	8,797	11.40
Daiwa Capital Markets Hong Kong Ltd	29,401,926	15.09	7,355	9.52
Exane SA Paris, France	15,895,400	8.16	5,831	7.55
Pershing Securities Ltd London	9,630,154	4.94	9,630	12.47
CLSA Singapore Pte Ltd	8,977,053	4.61	9,874	12.79
Sanford C. Bernstein Ltd London	4,458,769	2.29	4,459	5.78
J.P. Morgan Securities Ltd London	3,988,140	2.05	3,988	5.17
CLSA Australia Pty Ltd	2,597,705	1.34	2,598	3.37
Others	3,398,971	1.75	3,958	5.13
	<u>194,780,953</u>	<u>100.00</u>	<u>77,199</u>	<u>100.00</u>

18. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2024</u> RM	<u>2023</u> RM
Financial assets		
Financial assets at FVTPL		
• Quoted Shariah-compliant investments	213,230,739	189,250,752
• Islamic foreign currency forward contracts	-	186,100
	<u>213,230,739</u>	<u>189,436,852</u>
Financial assets at amortised cost		
• Bank balances	6,153,026	9,374,935
• Islamic deposits with licensed financial institutions	10,451,366	3,386,082
• Amount due from brokers	8,244,881	-
• Amount due from Manager	1,567,545	306,279
• Dividend receivables	35,604	25,691
	<u>26,452,422</u>	<u>13,092,987</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to brokers	9,993,646	979,640
• Amount due to Manager	122,980	70,851
• Accrued management fee	344,081	304,513
• Amount due to Trustee	11,469	10,150
• Other payables and accruals	14,290	15,367
• Net assets attributable to unit holders	229,542,170	201,403,802
	<u>240,028,636</u>	<u>202,784,323</u>

STATEMENT BY MANAGER
RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND

We, Dato' Darawati Hussain and Mohd Najman Bin Md Isa, two of the Directors of RHB Islamic International Asset Management Berhad, 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 July 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 Najman Bin Md Isa
Director

25 September 2024

TRUSTEE'S REPORT

To the unit holders RHB Islamic Global Developed Markets Fund (“the Fund”)

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

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

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
25 September 2024

**REPORT OF THE SHARIAH ADVISER
RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND**

To the unit holders RHB Islamic Global Developed Markets Fund (“the Fund”),

We have acted as the Shariah Adviser of the fund. Our responsibility is to ensure that the procedures and processes employed by RHB Islamic International Asset Management Berhad (“the Manager”) and that the provisions of the Deed are in accordance with Shariah principles.

To the best of our knowledge, after having made all reasonable enquiries, the Manager has operated and managed the Fund in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 July 2024.

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

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

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

Azizi Che Seman
Chairman
Shariah Committee of RHB Islamic Bank Berhad

25 September 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ISLAMIC GLOBAL DEVELOPED MARKETS FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Islamic Global Developed Markets Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 July 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 July 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 material accounting policy information, as set out on pages 14 to 58.

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 ISLAMIC GLOBAL DEVELOPED MARKETS 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 ISLAMIC GLOBAL DEVELOPED MARKETS 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 skepticism 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 ISLAMIC GLOBAL DEVELOPED MARKETS 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
25 September 2024

CORPORATE INFORMATION

MANAGER

RHB Islamic International Asset Management Berhad

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: rhbiiam.enquiry@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8107

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*)

Encik Mohd Farid Bin Kamarudin (*Non-Independent Non-Executive Director*)
(*Resigned with effect from 14 June 2024*)

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

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

Encik Mohd Najman Bin Md Isa (*Chief Executive Officer/Chief Investment Officer*)
(*Appointed with effect from 08 April 2024*)

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

Mr Chin Yoong Kheong

Puan Sharizad Binti Juma'at

CHIEF EXECUTIVE OFFICER

Encik Mohd Najman Bin Md Isa (*Appointed with effect from 08 April 2024*)

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

TRUSTEE	HSBC (Malaysia) Trustee Berhad
EXTERNAL INVESTMENT MANAGER	Nomura Islamic Asset Management Sdn Bhd
SHARIAH ADVISER	RHB Islamic Bank Berhad
PRINCIPAL BANKER	RHB Islamic Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Bank Berhad RHB Investment Bank Berhad RHB Islamic Bank Berhad Areca Capital Sdn Bhd iFAST Capital Sdn Bhd Kenanga Investors Berhad Maybank Berhad OCBC Al-Amin Bank Berhad OCBC Bank (Malaysia) Berhad Phillip Mutual Berhad Standard Chartered Saadiq Berhad UOB Kay Hian Securities (M) Sdn Bhd