

**RHB ISLAMIC BOND FUND**

**SEMI-ANNUAL REPORT 2024**

For the financial period ended 31 March 2024

## **GENERAL INFORMATION ABOUT THE FUND**

### **Name, Category and Type**

- Fund Name - RHB Islamic Bond Fund
- Fund Category - Bond Fund (Shariah-compliant) Fund
- Fund Type - Income

### **Investment Objective, Policy and Strategy**

#### Objective of the Fund

To provide regular income to investors through investments in Islamic debt securities and bonds which are acceptable investment under the principles of Shariah.

#### Strategy

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Minimum of 60% and up to 95% of the Fund's Net Asset Value will be invested in sukuk.
- Minimum of 5% of the Fund's Net Asset Value will be invested in Islamic liquid assets acceptable under the Shariah principle.

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

The Fund will invest in sukuk. Investments must carry a minimum long term or short term credit rating of investment grade as assigned by any Domestic Rating Agencies. To contain credit risk, the Manager will ensure that the diversification of credit rating (and duration standing) in the sukuk portfolio mitigate the overall risk position of the portfolio.

The Manager may also take temporary defensive measures that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions which the Manager deem detrimental to the Fund. The defensive measures that the Manager may undertake are in no way to be deviated from the mandates or breaching any laws and regulations. The Fund's strategies in yield enhancement for the portfolio will also be balanced with other investment needs of the Fund, such as liquidity and risk management. On liquidity management, the Fund will maintain sufficient amount of portfolio in liquid sukuk to accommodate redemption. As for risk management, the portfolio duration is

kept at optimal level where yield enhancement can be optimised on risk adjusted basis, and at the same time, balanced with the need for containing portfolio's volatility.

Hence, during the temporary defensive period, the Manager may choose to increase the asset allocation by allocating more investment into risk free investments which are Islamic money market instruments and Islamic Deposit in adverse market condition.

### **Performance Benchmark**

Effective from 30 September 2023, the performance of the Fund is benchmarked against RHB Islamic Bank Berhad's 12-month Commodity Murabahah Deposit-i rate.

Prior to 30 September 2023, the performance of the Fund is benchmarked against Maybank Islamic Berhad's 12 months Islamic Fixed Deposit-i ("IFD-i") rate.

### **Permitted Investments**

The Fund may invest or participate in sukuk traded on Eligible Markets and/or which are listed on Bursa Malaysia; Shariah-compliant warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market; unlisted Shariah-compliant securities including Shariah-compliant securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; Islamic financial derivatives; Islamic collective investment schemes and Islamic structured products; Government Investment Issues (GII), Islamic accepted bills, Bank Negara Malaysia negotiable notes, cagamas mudharabah bonds and any other Malaysian government approved/guaranteed Islamic issues; sukuk generally in the form of corporate sukuk or Islamic commercial papers issued by private companies or public listed corporations that are traded in Eligible Markets; Islamic liquid assets (Islamic money market instruments and Islamic Deposits); and any other Shariah-compliant investments permitted by the Securities Commission from time to time.

### **Distribution Policy**

Income, if any, will be distributed during the financial year.

## **MANAGER'S REPORT**

### **MARKET REVIEW**

Malaysia Government Securities (“MGS”) market traded mixed in the first 3 months of year 2024 after having a strong run in year 2023 as higher United States (“US”) Treasury yields led to net foreign selling causing the 3-year to 10-year MGS bearing most of the brunt of selling while strong local demand kept the ultra-long end (more than 10 year) MGS well supported, causing the MGS yield curve to flatten. The MGS curve bear-flattened to where the 3-year MGS is now at 3.494%, 5-year at 3.631%, 7-year at 3.771%, 10-year at 3.855%, 15-year at 3.978%, 20-year at 4.071% and 30-year at 4.188%.

Separately, the Malaysian Government Investment Issues (“MGII”) outperformed MGS led by strong local demand and as a result MGII-MGS spread have compressed, with several tenures of MGII yields trading below the MGS yield. (e.g. 3-year, 5-year and 7-year). The MGII closing level is now at 3-year 3.459%, 5-year 3.613%, 7-year 3.753%, 10-year 3.865%, 15-year 3.953%, 20-year 4.113% and 30-year 4.244%.

Corporate bond spreads continue to tighten to fresh record low, due to lower net issuances by corporates and amid strong institutional demand for yield and carry. Notably, the key AAA spreads and AA spreads have compressed to 15 basis points (“bps”) and 35bps respectively as per Bond Pricing Agency Malaysia compilation.

### **ECONOMIC REVIEW AND OUTLOOK**

On the latest economic releases in Malaysia, key highlight was the final reading of Malaysia’s fourth quarter of year 2023 Gross Domestic Product (“GDP”) growth number which was revised lower to 3.00% Year-on-Year (“YoY”), from 3.40% in the advanced estimates, dragged down by softer services and construction growth coupled by contraction in net exports. This brings the full-year 2023 GDP growth to 3.70%, lower than Ministry of Finance’s growth target of 4.00%.

Meanwhile, Malaysia’s Consumer Price Index numbers number in February 2024 rose to 1.80% YoY versus 1.50% in the previous month due to upward adjustments in water bill, public transport (flight, railway) and maintenance, and repair of personal transport equipment. Notably, core inflation which removes food and price-administered goods remain steady at 1.80% YoY.

Bank Negara Malaysia (“BNM”) maintained the Overnight Policy Rate (“OPR”) unchanged at 3.00% in first quarter of year 2024, whilst signalling that the central bank is on a wait and see mode as it monitors the Government’s subsidy rationalisation and revision in the tax rates. In our view, BNM’s guidance for the OPR is neutral as it mentioned that the risks to growth are balanced where downside risks arising from weaker external demand and commodity sector are offset by upside risk from tech and tourism sectors, as well as faster implementation of infrastructure projects.

## MARKET OUTLOOK AND STRATEGY GOING FORWARD

The January 2024 International Monetary Fund (“IMF”) World Economic Outlook Update has updated their year 2024 global growth forecast, revising the outlook higher to 3.10% in year 2024, 0.20% higher from the October 2023 update. The upgrade was mainly on the resilience of the US economy and other large Emerging Market and Developed Market (“DM”) economies and expected fiscal support in China. The projections, while revised higher still remain below the historical average of 3.80%. With the current data trend showing disinflation coupled with steady growth, IMF has reduced the likelihood of a hard landing and risks to global growth are now broadly balanced.

Global risk sentiment in the markets has finally turned since November 2023 with a more fundamental bullishness taking hold, especially after a generally bearish year 2023. The Fund Manager believes that the strategy for the year 2024 is to continue positioning into the current high yield environment, but with a bias toward higher quality credit to mitigate possible recessionary risk and moving further up in duration selectively, especially since the Federal Reserve (“Fed”) is likely at the end of the tightening cycle. The Base case view is for year 2024 to be a positive year for bonds with most DM central banks likely to cut rates from the current levels. For year 2024, Fed’s expectation is for rates to be 4.625%, or about 75bps lower than current levels, while the market in general is expecting close to 100bps of rate cuts by the end of year 2024 at the time of writing.

The outlook for fixed income market in the remainder of year 2024 remain highly positive in our view as global inflationary pressures retreated and the balance of probabilities have also now shifted towards major central banks reversing some of their aggressive tightening in the past two years. Strong domestic demand also continues to underpin the key levels of benchmark MGS and MGII while lower corporate bonds supply also keep spreads compressed.

For Malaysia, the Fund Manager continues to expect BNM to keep the OPR unchanged in year 2024 as inflation remain contained supported by the decline in core inflation to 1.80% YoY seen since January 2024 it came off from its high of 4.20% in year 2022, while growth remains uneven in the country. While BNM indicated that it is monitoring closely for any inflationary impact from the government’s subsidy rationalisation, the Fund Manager believes that these adjustments by the government will be gradual and likely to be a one-off dynamic which should not warrant for a rate hike. This stable OPR environment, coupled by improving supply (e.g. lower government deficit) and demand dynamics by local institutions (e.g. pension funds, insurance companies) augur well for the local fixed income market in our opinion.

Meanwhile, the Malaysian corporate bond and sukuk market are also likely to benefit from the positive momentum in the overall bond market as the Fund Manager expects credit conditions in Malaysia to be broadly stable in year 2024 supported by resilient

domestic growth and a more benign inflationary outlook. The Fund Manager is less positive on the corporate sub-sector as the Fund Manager is cautious of the current market pricing and remain highly selective in any bond selection as investors are no longer adequately compensated for the credit risk undertaken.

In summary, the Fund Manager is constructive of the sukuk market as the Fund Manager still see opportunities within the government and corporate credit securities market. The Fund Manager advocates on positioning the bond portfolio to increase investments whenever exacerbated selling occurs, as yield levels are expected to come off in the later part of year 2024. The stance to monetary policy locally by BNM will continue to be determined by new data but the Fund Manager expects this to be still supportive in light of a broad.

## **REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL PERIOD**

For the financial period under review, the Fund registered a return of 3.03%\* against its benchmark return of 1.38%\*. The Fund thus outperformed its benchmark by 1.65% during the financial period under review. The Net Asset Value per unit of the Fund was RM0.9183 (30.09.2023: RM0.8912) as at 31 March 2024.

The Fund is working to meet its objective to provide investors with higher than average income returns compared to fixed deposits over the medium to long term.

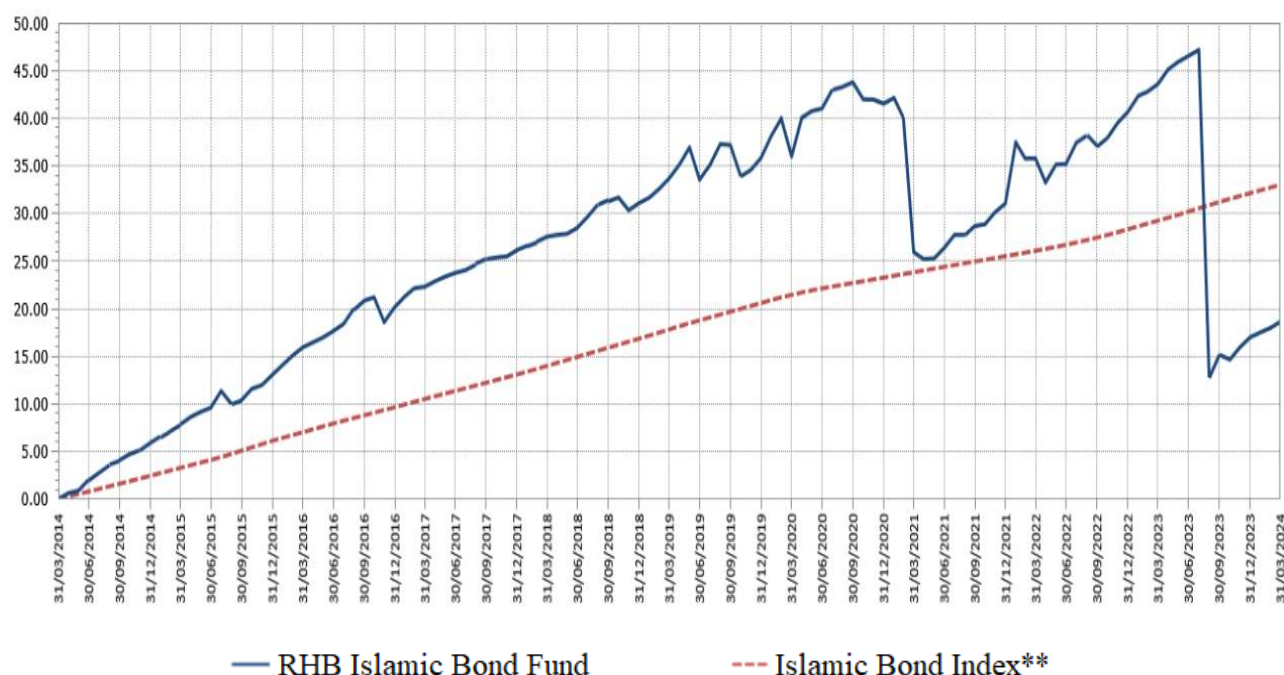
*\* Source: Lipper Investment Management ("Lipper IM"), 22 April 2024*

## PERFORMANCE DATA

	<b>30.09.2023- 31.03.2024 %</b>	<b>Annual Total Returns Financial Year Ended 30 September</b>				
		<b>2023 %</b>	<b>2022 %</b>	<b>2021 %</b>	<b>2020 %</b>	<b>2019 %</b>
RHB Islamic Bond Fund						
- Capital Return	3.03	(18.64)	(1.64)	(17.20)	0.28	(1.11)
- Income Return	-	3.33	8.26	8.08	4.47	5.68
- Total Return	3.03	(15.93)	6.48	(10.51)	4.76	4.51
Islamic Bond Index**	1.38	2.93	2.02	1.85	2.53	3.26

	<b>Average Annual Returns</b>			
	<b>1 Year 31.03.2023- 31.03.2024 %</b>	<b>3 Years 31.03.2021- 31.03.2024 %</b>	<b>5 Years 31.03.2019- 31.03.2024 %</b>	<b>10 Years 31.03.2014- 31.03.2024 %</b>
RHB Islamic Bond Fund	(17.36)	(1.95)	(2.36)	1.73
Islamic Bond Index**	2.92	2.42	2.46	2.89

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



*Source: Lipper IM, 22 April 2024*

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

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

\*\* Effective 30 September 2023, the Fund's composite benchmark (Islamic Bond Index) was changed from Maybank Islamic Berhad's 12 months Islamic Fixed Deposit-i ("IFD-i") rate to RHB Islamic Bank Berhad's 12-month Commodity Murabahah Deposit-i rate. 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 25 November 2002 – 31 December 2015	Maybank Islamic Berhad's 12 Months General Investment Account Rate
From 1 January 2016 – 30 September 2023	Maybank Islamic Berhad's 12 months IFD-i rate
30 September 2023 onwards	RHB Islamic Bank Berhad's 12-month Commodity Murabahah Deposit-i rate



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.

<b>Fund Size</b>	<b>As at 31.03.2024</b>	<b>As at 30 September</b>		
		<b>2023</b>	<b>2022</b>	<b>2021</b>
Net Asset Value (RM million)	135.86	92.07*	119.70*	133.40*
Units In Circulation (million)	147.96	103.31	109.29	119.80
Net Asset Value Per Unit (RM)	0.9183	0.8912*	1.0953*	1.1136*

<b>Historical Data</b>	<b>01.10.2023- 31.03.2024</b>	<b>Financial Year Ended 30 September</b>		
		<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Unit Prices</b>				
NAV - Highest (RM)	0.9181	1.1781*	1.1980*	1.3595*
- Lowest (RM)	0.8861	0.8855*	0.9680*	1.1122*
<b>Distribution and Unit Split</b>				
Gross Distribution Per Unit (sen)	-	2.9500	9.0000	9.0000
Net Distribution Per Unit (sen)	-	2.9500	9.0000	9.0000
Distribution Date	-	25.09.2023	28.09.2022	28.09.2021
NAV before distribution (cum)	-	0.9131	1.1821	1.2031
NAV after distribution (ex)	-	0.8855	1.0898	1.1123
Unit Split	-	-	-	-
<b>Others</b>				
Total Expense Ratio (TER) (%) #	0.62	0.12	1.22	0.11
Portfolio Turnover Ratio (PTR) (times) ##	0.37	0.08	0.27	0.36

\* *The figures quoted are ex-distribution*

# The TER for the financial period was lower compared with the previous financial period due to lower expenses incurred for the financial period under review.

## The PTR for the financial period was higher compared with the previous financial period due to more investments activities for the financial period under review.

## **DISTRIBUTION**

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

## PORTFOLIO STRUCTURE

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

	As at 31 March 2024 %	As at 30 September 2023 %	2022 %	2021 %
<b>Sectors</b>				
Unquoted sukuk	89.97	89.60	97.18	91.68
Liquid assets and other net current assets	10.03	10.40	2.82	8.32
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

## SECURITIES FINANCING TRANSACTIONS

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

## CROSS TRADE

Cross trade transactions carried out during the reported period have been reviewed by the Investment Committee of the Fund in the month of January 2024 to ensure that such transactions are in the best interest of the Fund, transacted on an arm's length (\*) and fair value basis.

*\* Transactions at arm's length refer to transactions entered in the normal course of business at prevailing market price as at the date of cross trade.*

## SOFT COMMISSION

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

**RHB ISLAMIC BOND FUND**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	<u>Note</u>	<u>31.03.2024</u> RM	<u>30.09.2023</u> RM
<b>ASSETS</b>			
Bank balances	5	14,419,435	12,564,858
Investments	6	122,229,520	82,496,154
Amount due from Manager		5,507	891
Other receivables		-	208,274
<b>TOTAL ASSETS</b>		<u>136,654,462</u>	<u>95,270,177</u>
<b>LIABILITIES</b>			
Amount due to Manager		18,362	126,266
Accrued management fee		751,763	-
Amount due to Trustee		11,485	7,760
Distribution payable		-	3,051,888
Other payables and accruals		10,447	13,075
<b>TOTAL LIABILITIES</b>		<u>792,057</u>	<u>3,198,989</u>
<b>NET ASSET VALUE</b>		<u>135,862,405</u>	<u>92,071,188</u>
<b>EQUITY</b>			
Unit holders' capital		190,905,031	151,134,173
Accumulated losses		(55,042,626)	(59,062,985)
		<u>135,862,405</u>	<u>92,071,188</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	8	<u>147,955,325</u>	<u>103,306,826</u>
<b>NET ASSET VALUE PER UNIT (EX-DISTRIBUTION*) (RM)</b>		<u>0.9183</u>	<u>0.8912*</u>

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

**RHB ISLAMIC BOND FUND**  
**UNAUDITED STATEMENT OF INCOME AND EXPENSES**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	<b><u>Note</u></b>	<b><u>01.10.2023- 31.03.2024</u></b> RM	<b><u>01.10.2022- 31.03.2023</u></b> RM
<b>INCOME</b>			
Profit income from Islamic deposits with licensed financial institutions		371,356	185,052
Profit income from unquoted sukuk		2,651,135	2,791,145
Net realised gain on disposal		384,119	116,234
Net unrealised gain on changes in fair value		1,441,479	4,226,652
		<u>4,848,089</u>	<u>7,319,083</u>
<b>EXPENSES</b>			
Management fee	9	(751,763)	(1,116,447)
Trustee's fee	10	(67,079)	(65,249)
Audit fee		(4,714)	(4,688)
Tax agent's fee		(1,933)	(1,922)
Other expenses		(2,241)	(1,083)
		<u>(827,730)</u>	<u>(1,189,389)</u>
Net income before taxation		4,020,359	6,129,694
Taxation	11	-	-
Net income after taxation		<u>4,020,359</u>	<u>6,129,694</u>
Net income after taxation is made up as follow:			
Realised amount		2,436,936	1,744,537
Unrealised amount		1,583,423	4,385,157
		<u>4,020,359</u>	<u>6,129,694</u>

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

**RHB ISLAMIC BOND FUND**  
**UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	<b>Unit holders' <u>capital</u> RM</b>	<b>Accumulated <u>losses</u> RM</b>	<b>Total net asset <u>value</u> RM</b>
Balance as at 1 October 2022	157,151,461	(37,452,256)	119,699,205
Movement in net asset value:			
Net income after taxation	-	6,129,694	6,129,694
Creation of units arising from distribution	9,770,692	-	9,770,692
Creation of units arising from applications	1,379,737	-	1,379,737
Cancellation of units	(11,169,549)	-	(11,169,549)
Balance as at 31 March 2023	<u>157,132,341</u>	<u>(31,322,562)</u>	<u>125,809,779</u>
Balance as at 1 October 2023	151,134,173	(59,062,985)	92,071,188
Movement in net asset value:			
Net income after taxation	-	4,020,359	4,020,359
Creation of units arising from distribution	3,017,055	-	3,017,055
Creation of units arising from applications	53,277,320	-	53,277,320
Cancellation of units	(16,523,517)	-	(16,523,517)
Balance as at 31 March 2024	<u>190,905,031</u>	<u>(55,042,626)</u>	<u>135,862,405</u>

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

**RHB ISLAMIC BOND FUND**  
**UNAUDITED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	<b><u>01.10.2023- 31.03.2024</u></b>	<b><u>01.10.2022- 31.03.2023</u></b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from redemption of investments	1,700,000	1,114,800
Proceeds from sale of investments	31,036,780	4,676,117
Purchase of investments	(69,902,600)	-
Profit received from Islamic deposits with licensed financial institutions	371,356	185,052
Profit received from unquoted sukuk	2,117,461	2,260,473
Management fee paid	-	(1,500,687)
Trustee's fee paid	(63,354)	(64,886)
Payment for other fees and expenses	(11,516)	(1,083)
Net cash (used in)/generated from operating activities	<u>(34,751,873)</u>	<u>6,669,786</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	53,272,704	1,379,737
Cash paid for units cancelled	(16,631,421)	(5,448,510)
Cash paid for income distributions	(34,833)	(95,353)
Net cash generated from/(used in) financing activities	<u>36,606,450</u>	<u>(4,164,126)</u>
Net increase in cash and cash equivalents	1,854,577	2,505,660
Cash and cash equivalents at the beginning of the financial period	<u>12,564,858</u>	<u>15,132,310</u>
Cash and cash equivalents at the end of the financial period	<u>14,419,435</u>	<u>17,637,970</u>

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

**RHB ISLAMIC BOND FUND**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

**1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

The RHB Islamic Bond Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master deed (Shariah funds) dated 12 June 2008 as amended via its first supplemental master deed (Shariah funds) dated 19 June 2009, second supplemental master deed (Shariah funds) dated 18 November 2009, third supplemental master deed (Shariah funds) dated 23 November 2009, fourth supplemental master deed (Shariah funds) dated 13 April 2012, fifth supplemental master deed (Shariah funds) dated 28 May 2012, seventh supplemental master deed (Shariah funds) dated 30 April 2013, eighth supplemental master deed (Shariah funds) dated 24 September 2013, ninth supplemental master deed (Shariah funds) dated 2 March 2015, tenth supplemental master deed (Shariah funds) dated 20 May 2015 and eleventh supplemental master deed (Shariah funds) dated 9 March 2023 (collectively referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and CIMB Islamic Trustee Berhad (“the Trustee”).

The Fund was launched on 25 August 2000 and will continue its operations until terminated according to the conditions provided in the Deeds.

The principal activity of the Fund is to invest in Permitted Investments as defined in the Master Deeds, which includes sukuk, all types of Islamic collective investment schemes, Islamic money market instruments and any other form of investments as may be approved by the relevant authorities from time to time and acceptable under the Shariah principles.

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 Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

The main objective of the Fund is to provide regular income to investors through investments in Islamic fixed income instruments and sukuk which are acceptable investments under the principles of Shariah.

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

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

## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

### **2.1 Basis of preparation of the financial statements**

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial period. 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

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

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

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

The amendment shall be applied retrospectively.



## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial assets**

#### Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as financial assets measured at fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely 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 deposits with licensed financial institutions are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager 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 and financial liabilities at fair value through profit or loss are initially recognised at fair value.

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

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

## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial assets (continued)**

#### Recognition and measurement

Profit income from unquoted sukuk at fair value through profit or loss is recognised in the statement of income and expenses.

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered as per the SC’s Guidelines on Unit Trust Funds.

Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA price for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) Records its basis for using a non-BPA price;
- (ii) Obtains necessary internal approvals to use the non-BPA price; and
- (iii) Keeps an audit trail of all decisions and basis for adopting the market price.

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 a reasonable estimate of fair value due to the short-term nature of the deposits.

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

#### Impairment of financial assets

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

#### Significant increase in credit risk

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

## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial assets (continued)**

#### Definition of default and credit-impaired financial assets

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

#### Write-off

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

### **2.3 Financial liabilities**

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

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

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

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

## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.4 Unit holders' capital**

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

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

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

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

### **2.5 Income recognition**

Profit income from Islamic short-term deposits with licensed financial institutions and unquoted sukuk are 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 gain or loss on sale of unquoted sukuk is measured by the difference between net disposal proceeds and the carrying amount of investments (adjusted for accretion of discount or amortisation of premium).

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 period.

## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.7 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances which is 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 period in which it is approved by the Trustee.

### **2.9 Presentation and functional currency**

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

## **3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks, which include price risk, profit rate 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.

### Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from profit rate risk).

The Fund is exposed to price risk arising from profit rate risk in relation to its investments of RM122,229,520 (30.09.2023: RM82,496,154) in unquoted sukuk. The Fund's exposure to price risk arising from profit rate risk and the related sensitivity analysis are disclosed in "Profit rate risk" below.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Profit rate risk

In general, when profit rates rise, unquoted sukuk prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when profit rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future profit rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted sukuk portfolio management depends on forecasting profit rate movements. Unquoted sukuk with longer maturity and lower yield coupon rates are more susceptible to profit rate movements.

The table below summarises the sensitivity of the Fund's profit or loss after taxation and net asset value as at reporting date to movements in prices of unquoted sukuk held by the Fund as a result of movement in profit rate fluctuation by +/- 1% with all other variables held constant.

<u>% Change in profit rate</u>	<b>Impact on profit or loss after taxation and net asset value</b>	
	<b><u>31.03.2024</u></b>	<b><u>30.09.2023</u></b>
	<b>RM</b>	<b>RM</b>
+ 1%	(399,637)	(308,650)
- 1%	401,720	310,272

The Fund's exposure to profit rate risk arises from investment in money market instruments is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. Credit risk arising from unquoted sukuk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. The risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial assets*</u> RM	<u>Total</u> RM
<b><u>31.03.2024</u></b>				
AAA	6,675,757	-	-	6,675,757
AA1	1,021,494	14,419,435	-	15,440,929
AA3	2,558,480	-	-	2,558,480
AA-	15,660,253	-	-	15,660,253
A+	1,519,497	-	-	1,519,497
A	993,579	-	-	993,579
A-	10,201,071	-	-	10,201,071
A1	11,201,113	-	-	11,201,113
A2	44,143,775	-	-	44,143,775
A3	5,716,540	-	-	5,716,540
Non-rated	22,537,961	-	-	22,537,961
Others	-	-	5,507	5,507
	<u>122,229,520</u>	<u>14,419,435</u>	<u>5,507</u>	<u>136,654,462</u>

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Credit risk (continued)

The following table sets out the credit risk concentration and counterparties of the Fund: (continued)

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial assets*</u> RM	<u>Total</u> RM
<b><u>30.09.2023</u></b>				
AAA	1,598,344	-	-	1,598,344
AA1	-	12,564,858	-	12,564,858
AA3	4,235,678	-	-	4,235,678
AA-	987,829	-	-	987,829
A	10,038,380	-	-	10,038,380
A1	2,964,151	-	-	2,964,151
A2	43,427,681	-	-	43,427,681
BBB	1,503,042	-	-	1,503,042
Non-rated	17,741,049	-	-	17,741,049
Others	-	-	209,165	209,165
	<u>82,496,154</u>	<u>12,564,858</u>	<u>209,165</u>	<u>95,270,177</u>

\* Comprise of amount due from Manager and other 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.

	<b>Less than <u>1 month</u> RM</b>	<b>Between 1 <u>month to 1 year</u> RM</b>
<b><u>31.03.2024</u></b>		
Amount due to Manager	18,362	-
Accrued management fee	751,763	-
Amount due to Trustee	11,485	-
Other payables and accruals	-	10,447
	<u>781,610</u>	<u>10,447</u>
<b><u>30.09.2023</u></b>		
Amount due to Manager	126,266	-
Amount due to Trustee	7,760	-
Distribution payable	3,051,888	-
Other payables and accruals	-	13,075
	<u>3,185,914</u>	<u>13,075</u>

#### 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 equity consisting of unit holders' capital of RM190,905,031 (30.09.2023: RM151,134,173) and accumulated losses of RM55,042,626 (30.09.2023: RM59,062,985). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### **4. FAIR VALUE ESTIMATION**

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

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

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

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial period 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 (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
<b><u>31.03.2024</u></b>				
<b>Financial assets at FVTPL</b>				
- Unquoted sukuk	-	122,229,520	-	122,229,520
<b><u>30.09.2023</u></b>				
<b>Financial assets at FVTPL</b>				
- Unquoted sukuk	-	82,496,154	-	82,496,154

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. Level 2 instruments include unquoted sukuk. 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 comprise:

	<u>31.03.2024</u> RM	<u>30.09.2023</u> RM
Bank balances	14,419,435	12,564,858

#### 6. INVESTMENTS

	<u>31.03.2024</u> RM	<u>30.09.2023</u> RM
Investments:		
- Unquoted sukuk	122,229,520	82,496,154

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows:

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal Value RM</u>	<u>Cost RM</u>	<u>Fair Value RM</u>	<u>% of Net Asset Value %</u>
<b>UNQUOTED SUKUK</b>					
5.100% Affin Islamic Bank Berhad IMTN5 Perpetual AT1 Sukuk Wakalah	A3	2,500,000	2,560,615	2,603,665	1.92
4.660% Affin Islamic Bank Berhad IMTN6 T2 Sukuk Murabahah	A1	2,500,000	2,587,628	2,593,917	1.91
5.600% Alpha Circle Sdn Bhd IMTN 18/11/2022^	C*	378,000	378,000	-	-
5.700% Alpha Circle Sdn Bhd IMTN 18/11/2022^	C*	7,000,000	7,000,000	-	-
6.000% Alpha Circle Sdn Bhd IMTN 31/05/2023^	C*	20,200,000	20,709,320	-	-
4.130% CIMB Islamic Bank Berhad IMTN 27/03/2034	AAA	1,500,000	1,500,849	1,500,834	1.10
5.020% DanaInfra Nasional Berhad IMTN 03/05/2046	Non-rated	2,000,000	2,251,636	2,294,040	1.69
4.150% Dialog Perpetual Sukuk Wakalah Tranche No. 1 16/11/2027	A1	4,000,000	4,045,488	4,007,387	2.95
4.850% DRB-HICOM Berhad IMTN 04/08/2028	A+	1,500,000	1,511,652	1,519,497	1.12
4.119 % GII Murabahah 6/2019 30/11/2034	Non-rated	3,000,000	3,318,729	3,111,517	2.29
3.447% GII Murabahah 1/2021 15/07/2036	Non-rated	5,000,000	5,036,022	4,816,459	3.55
4.755% GII Murabahah 5/2017 04/08/2037	Non-rated	7,500,000	8,686,026	8,197,615	6.03
4.467% GII Murabahah 2/2019 15/09/2039	Non-rated	500,000	549,408	532,371	0.39
5.357% GII Murabahah 2/2022 15/05/2052	Non-rated	3,000,000	3,592,297	3,585,959	2.64
5.770% Jimah East Power Sdn Bhd IMTN 04/12/2029	AA-	1,500,000	1,624,216	1,639,503	1.21

## 6. INVESTMENTS (CONTINUED)

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

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal Value RM</u>	<u>Cost RM</u>	<u>Fair Value RM</u>	<u>% of Net Asset Value %</u>
<b>UNQUOTED SUKUK (CONTINUED)</b>					
6.200% Jimah East Power Sdn Bhd IMTN 04/12/2031	AA-	1,500,000	1,684,144	1,707,035	1.26
4.720% Johor Corporation IMTN 11/06/2027	AAA	5,000,000	5,134,118	5,174,923	3.81
3.850% Leader Energy Sdn Bhd IMTN 16/07/2024	AA-	2,000,000	2,012,853	2,013,133	1.48
5.250% MBSB Bank Berhad IMTN 19/12/2031	A3	3,000,000	3,105,417	3,112,875	2.29
2.500% MEX I Capital Berhad IMTN 22/01/2029	A2**	633,802	633,203	665,738	0.49
2.500% MEX I Capital Berhad IMTN 21/01/2030	A2**	1,519,751	1,517,339	1,601,359	1.18
2.500% MEX I Capital Berhad IMTN 21/01/2037	A2**	8,293,758	7,082,669	8,844,529	6.51
2.500% MEX I Capital Berhad IMTN 21/01/2038	A2**	21,807,692	18,590,767	23,405,279	17.23
2.500% MEX I Capital Berhad IMTN 21/01/2039	A2**	5,187,341	4,211,991	5,620,628	4.14
5.200% MEX I Capital Berhad IMTN 23/01/2040	A2**	3,683,230	2,908,883	4,006,242	2.95
5.700% MEX II Sdn Bhd IMTN 29/04/2027^	D***	10,000,000	10,402,983	-	-
5.800% MEX II Sdn Bhd IMTN 28/04/2028^	D***	15,000,000	15,724,689	-	-
6.000% MEX II Sdn Bhd IMTN 28/04/2030^	D***	7,000,000	7,354,184	-	-
6.200% MEX II Sdn Bhd IMTN 29/04/2032^	D***	11,500,000	12,305,497	-	-
4.460% MNRB Holdings Berhad IMTN 22/03/2034	A1	2,000,000	2,002,444	2,015,624	1.48
4.700% Bank Islam Malaysia Berhad IMTN 17/10/2033	A1	2,500,000	2,553,760	2,584,185	1.90

## 6. INVESTMENTS (CONTINUED)

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

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal Value RM</u>	<u>Cost RM</u>	<u>Fair Value RM</u>	<u>% of Net Asset Value %</u>
<b>UNQUOTED SUKUK (CONTINUED)</b>					
5.130% Solar Management (Seremban) Sdn Bhd IMTN 21/10/2036	AA3	2,000,000	2,078,502	2,028,216	1.49
6.200% Tanjung Bin Energy Sdn Bhd IMTN 16/03/2032	AA3	500,000	510,917	530,264	0.39
3.950% TG Excellence Sukuk Wakalah Tranche 1 27/02/2120	A	1,000,000	993,552	993,579	0.73
4.300% UEM Olive Capital Berhad IMTN 06/12/2028	AA1	1,000,000	1,014,956	1,021,494	0.75
4.670% UEM Sunrise Berhad IMTN 14/02/2031	AA-	9,000,000	9,105,935	9,296,851	6.84
4.800% UiTM Solar Power Dua Sdn Bhd IMTN12 04/03/2033	AA-	1,000,000	1,007,089	1,003,731	0.74
5.800% WCT Holdings Berhad IMTN 27/09/2119 Series 1 Tranche 1	A-	3,000,000	3,002,384	3,006,854	2.21
6.000% WCT Holdings Berhad IMTN 27/09/2119 Series 1 Tranche 2	A-	7,000,000	7,214,027	7,194,217	5.30
<b>TOTAL UNQUOTED SUKUK</b>			<b>187,504,189</b>	<b>122,229,520</b>	<b>89.97</b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 30 September 2023 are as follows:

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal Value RM</u>	<u>Cost RM</u>	<u>Fair Value RM</u>	<u>% of Net Asset Value %</u>
<b>UNQUOTED SUKUK</b>					
5.600% Alpha Circle Sdn Bhd IMTN 18/11/2022^	C*	378,000	378,000	-	-
5.700% Alpha Circle Sdn Bhd IMTN 18/11/2022^	C*	7,000,000	7,000,000	-	-
6.000% Alpha Circle Sdn Bhd IMTN 31/05/2023^	C*	20,200,000	20,709,320	-	-
5.600% BGSM Management Sdn Bhd 27/12/2023	AA3	1,700,000	1,725,948	1,731,510	1.88
4.150% Dialog Perpetual Sukuk Wakalah Tranche No.1 16/11/2027	AA1	3,000,000	3,047,071	2,964,151	3.22
3.726% GII Murabahah 3/2019 31/03/2026	Non-rated	1,400,000	1,469,191	1,432,241	1.55
4.119 % GII Murabahah 6/2019 30/11/2034	Non-rated	3,000,000	3,329,534	3,051,638	3.31
3.447% GII Murabahah 1/2021 15/07/2036	Non-rated	5,000,000	5,035,829	4,695,285	5.10
4.755% GII Murabahah 5/2017 04/08/2037	Non-rated	7,500,000	8,719,375	8,047,153	8.74
4.467% GII Murabahah 2/2019 15/09/2039	Non-rated	500,000	550,555	514,732	0.56
2.500% MEX I Capital Berhad IMTN 22/01/2029	A2**	633,802	632,125	658,776	0.71
2.500% MEX I Capital Berhad IMTN 21/01/2030	A2**	1,519,751	1,514,986	1,579,573	1.72
2.500% MEX I Capital Berhad IMTN 21/01/2037	A2**	8,293,758	7,046,149	8,727,961	9.48
2.500% MEX I Capital Berhad IMTN 21/01/2038	A2**	21,807,692	18,502,462	23,038,802	25.02
2.500% MEX I Capital Berhad IMTN 21/01/2039	A2**	5,187,341	4,189,499	5,504,043	5.98
5.200% MEX I Capital Berhad IMTN 23/01/2040	A2**	3,683,230	2,893,192	3,918,526	4.26
5.700% MEX II Sdn Bhd IMTN 29/04/2027^	D***	10,000,000	10,402,983	-	-

## 6. INVESTMENTS (CONTINUED)

Investments as at 30 September 2023 are as follows: (continued)

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal Value RM</u>	<u>Cost RM</u>	<u>Fair Value RM</u>	<u>% of Net Asset Value %</u>
<b>UNQUOTED SUKUK (CONTINUED)</b>					
5.800% MEX II Sdn Bhd IMTN 28/04/2028 <sup>^</sup>	D***	15,000,000	15,724,689	-	-
6.000% MEX II Sdn Bhd IMTN 28/04/2030 <sup>^</sup>	D***	7,000,000	7,354,184	-	-
6.200% MEX II Sdn Bhd IMTN 29/04/2032 <sup>^</sup>	D***	11,500,000	12,305,497	-	-
6.350% Muamalat AT1 Sukuk Wakalah 29/09/2122	BBB	1,500,000	1,500,522	1,503,042	1.63
5.130% Solar Management (Seremban) Sdn Bhd IMTN 21/10/2036	AA3	2,000,000	2,078,891	1,981,234	2.15
6.200% Tanjung Bin Energy IMTN 16/03/2032 Tranche 22	AA3	500,000	511,309	522,934	0.57
4.980% Tenaga Nasional Berhad IMTN 27/08/2038	AAA	1,500,000	1,577,360	1,598,344	1.74
4.800% UITM Solar 2 IMTN12 04/03/2033	AA-	1,000,000	1,007,120	987,829	1.07
5.800% WCT Holdings Berhad IMTN 27/09/2119 Series 1 Tranche 1	A	3,000,000	3,001,907	3,016,067	3.28
6.000% WCT Holdings Berhad IMTN 27/09/2119 Series 1 Tranche 2	A	7,000,000	7,004,603	7,022,313	7.63
<b>TOTAL UNQUOTED SUKUK</b>			<b>149,212,301</b>	<b>82,496,154</b>	<b>89.60</b>

<sup>^</sup> Maturity date extended to 31/12/2030



## 6. INVESTMENTS (CONTINUED)

### \* Alpha Circle Sdn Bhd (“ACSB”) RM60 million Senior Sukuk Musharakah and RM55 million Junior Sukuk Musharakah

Alpha Circle Sdn Bhd (“ACSB”) has, since 2016, undertaken various re-termining exercises for its Senior Sukuk due to its lumpy debt maturities, and volatile foreign worker permit or Pas Lawatan Kerja Sementara (“PLKS”) volumes owing to changes in government policy relating to the recruitment of foreign workers. In recent years, ACSB’s parent company and concessionaire, NERS Sdn Bhd (“NERS”), has been adversely affected by lower PLKS volumes due to closure of international borders and the restriction on intake of foreign workers amid the pandemic. ACSB has continued to rely on Sukukholders’ indulgence to defer shortfalls on the Senior Sukuk obligations with payments on a piecemeal basis. On 18 January 2023, MARC downgraded ACSB’s rating to C from B after noting that ACSB has continued to face payment delays that have led to a severe liquidity crunch. Payments over the years have, nonetheless, reduced the Senior Sukuk outstanding amount by 92% or RM498 million, from RM540 million to RM42 million currently. The latest payments of the Senior Sukuk made by ACSB amounted to RM10 million on 28 July 2023.

On 15 March 2023, a news article was published on the arrest of several individuals by Malaysian Anti-Corruption Commission (“MACC”) over alleged misappropriation of funds involving a project facilitating the registration, recruitment and biometric security system for foreign workers in the country. Investigations relating to the charges mentioned in the article are still ongoing, although we are not privy to the progress of this investigation. However, Sukukholders were made to understand that there was a diversion of funds with respect to the April 2022 to November 2022 payments from JIM as instructed by the Directors of NERS without the Sukukholders’ and Trustee’s consent (“Misappropriated Funds”).

To avoid a default and risk termination of the concession at the time, Sukukholders collectively agreed to pass resolutions to extend the maturity of the RM60 million Senior Sukuk principal due on 23 March 2023 until further notice from the Sukukholders or until 31 May 2023 (i.e. the concession expiry), whichever is earlier.

Sukukholders were informed by NERS that a lawsuit has been brought by S5 Systems Sdn Bhd (“S5”, which operates and maintains the NERS system) against NERS for amounts owed for services provided. Following a hearing on 3 April 2023, NERS was placed under Judicial Management.

## 6. INVESTMENTS (CONTINUED)

### \* Alpha Circle Sdn Bhd (“ACSB”) RM60 million Senior Sukuk Musharakah and RM55 million Junior Sukuk Musharakah (continued)

While the Judicial Manager (“JM”) has attempted to make contact with Kementerian Dalam Negeri (“KDN”) to negotiate for an extension of the concession, the JM has been unsuccessful in securing a meeting. The concession expired on 31 May 2023, although there was no official notification from KDN at that time. Sukukholders passed resolutions to extend the maturity of the Senior Sukuk to 31 December 2023 and the Junior Sukuk to 31 March 2024 given uncertainties surrounding the concession. On 8 August 2023, Sukukholders were notified that KDN has decided not to grant an extension of the concession via a letter dated 3 August 2023. Without the extension of the concession, there will be no future cash inflows from the concession.

Meanwhile, payments from Jabatan Imigresen Malaysia (“JIM”) for billings for the month of December 2023 up to April 2023 are lower than expected, as the Government has made profit-sharing deductions to the payments (“Profit-Sharing Deductions”). Sukukholders are of the view that such payments were not justified and have requested for the JM to seek clarification from JIM on this. Payment from JIM for May 2023 billing remains outstanding (“May 2023 Payment”).

The JM had provided a Statement of Proposal (“SOP”) to all creditors of NERS on 10 November 2023 for voting during a Creditors’ Meeting on 1 December 2023. The SOP detailed amounts owing to all creditors and the JM’s action plan for recovery, without any mention of the position and ranking of creditors. Sukukholders were generally not agreeable to this as based on the advice of the Trustee’s solicitor, Shook Lin & Bok (“SLB”), the security of Sukukholders may be challenged by the other major creditor of NERS, i.e. S5, at a later stage since a Dissolution Event (“DE”) has not been called. As such, the requisite approval (from creditors holding 75% of the outstanding amounts claimed) to pass the SOP was not obtained.

Sukukholders approved resolutions to call a DE and appoint a receiver and manager (“R&M”) on 28 February 2024. A DE Notice was sent to the issuer on 5 March 2024 and the R&M will be formally appointed on 8 April 2024 to take over the recovery process from the JM.

## 6. INVESTMENTS (CONTINUED)

### \*\* MEX I Capital Berhad (“MEX I Capital”) RM1.126 billion Sukuk Musharakah

The restructuring of the Sukuk Musharakah (“Existing Sukuk”) involving its redemption via an exchange with a new Sukuk Musharakah of RM1.126 billion in nominal value (“New Sukuk”), was completed on 21 January 2022.

RAM Ratings has assigned a rating of A2 to the New Sukuk on 19 January 2022, with a stable outlook premised on the cash flow generation of the Expressway vis-à-vis Sukuk payment obligations and the more restrictive covenants in place to govern the transaction.

In approving the restructuring on 13 October 2021, Sukukholders had agreed that any prevailing claims against the Issuer, Maju Expressway Sdn Bhd (“MESB”) and/or Maju Holdings Sdn Bhd (“Maju Holdings”) shall be nullified once the Existing Sukuk is exchanged with the New Sukuk. Upon the completion of the restructuring, the Sukukholders via the Trustee have withdrawn the notice of appeal for the claims on 18 February 2022.

### \*\*\* MEX II Sdn Bhd (“MEX II”) RM1.30 billion Sukuk Murabahah Programme

On 18 October 2019, MARC had downgraded the rating of MEX II Sdn Bhd’s (“MEX II”) RM1.3 billion Sukuk Murabahah Programme from AA- to A whilst maintaining the rating on a negative outlook premised on rising completion risk and increased uncertainty with regard to completion and associated tolling date of the 16.8-km Lebuhraya KLIA (MEX Extension) project. MARC further placed MEX II’s ratings on MARCWatch Negative on 22 May 2020 due to the lack of construction progress at the Expressway.

On 30 October 2020, MEX II fulfilled its obligation on the Sukuk with a full and timely profit payment of circa RM39 million from monies previously ring-fenced for the sole benefit of Sukukholders in a reserve account.

On 18 November 2020, MARC downgraded MEX II’s ratings to BBB from A and the rating remained on MARCWatch Negative following concerns on MEX II’s timely ability to obtain additional financing to meet its debt obligations in April 2021 and complete a sukuk restructuring exercise.

On 9 February 2021, MARC further downgraded the rating to BB from BBB while maintaining the rating on MARCWatch Negative due to escalating risk that MEX II may not be able to obtain a liquidity line in time to meet Sukuk principal and profit payments of RM68.7 million due on 29 April 2021.

## 6. INVESTMENTS (CONTINUED)

### \*\*\* MEX II Sdn Bhd (“MEX II”) RM1.30 billion Sukuk Murabahah Programme (continued)

On 26 March 2021, MARC downgraded MEX II’s rating to C from BB while maintaining the rating on MARCWatch Negative due to mounting liquidity pressure and the risk of missing the upcoming Sukuk payments on 29 April 2021, further highlighting that MEX II’s viability rests on a successful Sukuk restructuring through which additional funding will be available to complete the Expressway.

On 26 April 2021, Sukukholders holding in aggregate not less than 75% of the nominal value of the Sukuk had consented to the deferment of Sukuk principal and profit amounting to RM68.7 million originally due on (i) 28 April 2021 (i.e., principal payment of RM30 million and the profit payment in respect of this tranche only) and (ii) 30 April 2021 (i.e., profit payments in respect of the other tranches) for 4 months until 27 August 2021.

On 24 August 2021, Sukukholders voted to approve the deferment of Sukuk obligations falling due on 27 August 2021 and 29 October 2021 to 31 December 2021 to buy more time for the proposed restructuring. On 3 January 2022, the Trustee formally declared an Event of Default when MEX II failed to remit the deferred amount on due date of 31 December 2021 upon which the Dissolution Amount of RM1,378,113,337.59 became immediately due and payable to Sukukholders. Resolutions for the Trustee to declare an Event of Default and to subsequently appoint a receiver were passed by Sukukholders earlier. Sukukholders had also earlier formally rejected MEX II’s request to extend the deferment period beyond 31 December 2021 as well as rejected the company’s restructuring proposal.

On 5 January 2022, MEX II applied for a Judicial Management Order (“JM Application”), resulting in an automatic moratorium against enforcement and such other creditor action. The Court had earlier fixed a Hearing on 23 February 2022 for the JM Application as well as for the Trustee (acting for and behalf of the Sukukholders) to seek leave of Court to proceed with enforcement/appointment of a receiver during the automatic moratorium period.

The Court Hearing, however, was postponed several times due to adjournments sought by the legal representative of MEX II and allowed by the Court for the parties to file further documents, from originally 23 February 2022 to 28 February 2022 then to 4 March 2022 and subsequently continued on 8 March 2022. The Judge then decided to reserve his decision to 26 April 2022.

On 26 April 2022, the Court dismissed the Issuer’s application for JM order and further allowed the Trustee’s Leave Application. Pursuant to the favorable outcome, Ernst & Young (“EY”) was appointed as the Receiver and Manager (“R&M”) of the secured property via Extraordinary Resolutions in Writing on 29 April 2022.

## **6. INVESTMENTS (CONTINUED)**

\*\*\* MEX II Sdn Bhd (“MEX II”) RM1.30 billion Sukuk Murabahah Programme (continued)

On 29 April 2022, Notice of Appeals (“Appeals”) were filed by the Issuer against the High Court’s decision and pursuant to case management on 1 September 2022, the High Court has fixed the cases to be heard on 15 May 2023.

On 10 May 2022, the Issuer served Notices of Motion (“NOM”) to preserve its assets until full and final dispose of the Appeal. On 12 August 2022, the Court of Appeal ruled in favour of Sukukholders by dismissing the NOMs.

EY had resigned on 13 February 2023, and BDO Consulting Sdn Bhd (“BDO”) has been appointed to replace EY as the R&M with effect from 27 February 2023. BDO will work with Sukukholders as well as the relevant government authorities and parties to expedite the restructuring of the Sukuk.

On 15 May 2023, the Court of Appeal has ruled in favour of the Sukukholders whereby the appeal sought by MEX II has been unsuccessful. On 15 June 2023, MEX II filed Motions to Appeal to Federal Court. A hearing took place on 26 September 2023, where the Appeal by MEX II was dismissed, exhausting all legal options for MEX II.

The R&M continues to work on a restructuring proposal for MEX II and has submitted a proposal to Kementerian Kerja Raya on 21 November 2023. The proposal is currently under negotiations with the government agencies.

## **7. SHARIAH INFORMATION OF THE FUND**

The following are the Shariah information of the Fund.

### **(a) Investment Portfolio**

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

- (i) Sukuk as listed in the list of approved sukuk issued by the Securities Commission of Malaysia; and
- (ii) Investment or cash placements in Islamic liquid assets in local market, including Islamic money market, Islamic deposits with Islamic financial institutions, Islamic structured products, Islamic financial derivatives and/or Islamic collective investment schemes.

## 8. UNITS IN CIRCULATION

	<b><u>31.03.2024</u></b> <b>Units</b>	<b><u>30.09.2023</u></b> <b>Units</b>
At beginning of the financial period/year	103,306,826	109,288,723
Creation of units during the financial period/year:		
Arising from distribution	3,399,499	8,888,103
Arising from applications	59,820,000	3,627,000
Cancellation of units during the financial period/year	<u>(18,571,000)</u>	<u>(18,497,000)</u>
At end of the financial period/year	<u>147,955,325</u>	<u>103,306,826</u>

## 9. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is based on a profit sharing scheme between the Manager and the Fund at a ratio of 15:85 (01.10.2022-31.03.2023: 15:85) respectively based on the net investment income for the financial period.

## 10. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.10% (01.10.2022-31.03.2023: 0.10%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period, subject to a minimum fee of RM35,000 per annum.

## 11. TAXATION

(a) Tax charge for the financial period

	<b><u>01.10.2023-</u></b> <b><u>31.03.2024</u></b> <b>RM</b>	<b><u>01.10.2022-</u></b> <b><u>31.03.2023</u></b> <b>RM</b>
Current taxation	<u>-</u>	<u>-</u>

## 11. TAXATION (CONTINUED)

### (b) Numerical reconciliation of income tax expense

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

	<b>01.10.2023- 31.03.2024</b>	<b>01.10.2022- 31.03.2023</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>4,020,359</u>	<u>6,129,694</u>
Tax calculated at a statutory income tax rate of 24%	964,886	1,471,127
Tax effects of:		
- Income not subject to tax	(1,163,541)	(1,756,580)
- Expenses not deductible for tax purposes	16,880	16,135
- Restriction on tax deductible expenses	<u>181,775</u>	<u>269,318</u>
Tax expense	<u>-</u>	<u>-</u>

## 12. TOTAL EXPENSE RATIO (“TER”)

	<b>01.10.2023- 31.03.2024</b>	<b>01.10.2022- 31.03.2023</b>
	<b>%</b>	<b>%</b>
TER	<u>0.62</u>	<u>0.91</u>

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

## 13. PORTFOLIO TURNOVER RATIO (‘PTR’)

	<b>01.10.2023- 31.03.2024</b>	<b>01.10.2022- 31.03.2023</b>
PTR (times)	<u>0.37</u>	<u>0.02</u>

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

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

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

	<b>31.03.2024</b>		<b>30.09.2023</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
The Manager	5,523	5,072	5,402	4,814
RHB Capital Nominees (Tempatan) Sdn Bhd	18,678,696	17,152,647	19,065,218	16,990,922

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

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

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

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



## 15. TRANSACTIONS BY THE FUND

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

<b>Brokers/Financial institutions</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
RHB Investment Bank Berhad*	37,477,900	37.11	-	-
Bank Islam Malaysia Berhad	14,035,000	13.90	-	-
CIMB Bank Berhad	12,549,320	12.42	-	-
United Overseas Bank (M) Berhad	9,663,350	9.57	-	-
HSBC Bank Malaysia Berhad	7,184,100	7.11	-	-
Malayan Banking Berhad	6,985,300	6.92	-	-
Hong Leong Investment Bank Berhad	4,020,400	3.98	-	-
CIMB Islamic Bank Berhad	3,531,900	3.50	-	-
Hong Leong Bank Berhad	3,053,100	3.02	-	-
Affin Hwang Investment Bank Berhad	2,500,000	2.47	-	-
	<u>101,000,370</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

## 15. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 30 September 2023 are as follows:

<b>Brokers/Financial institutions</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
RHB Investment Bank Berhad*	8,049,200	52.18	-	-
Hong Leong Investment Bank Berhad	5,875,500	38.09	-	-
CIMB Bank Berhad	1,500,000	9.73	-	-
	<u>15,424,700</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

\* Included in transactions by the Fund are trades with the holding company of the Manager, RHB Investment Bank Berhad. 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.

## 16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<b><u>31.03.2024</u> RM</b>	<b><u>30.09.2023</u> RM</b>
<b>Financial assets</b>		
Financial assets at FVTPL		
• Unquoted sukuk	<u>122,229,520</u>	<u>82,496,154</u>
Financial assets at amortised cost		
• Bank balances	14,419,435	12,564,858
• Amount due from Manager	5,507	891
• Other receivables	-	208,274
	<u>14,424,942</u>	<u>12,774,023</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
• Amount due to Manager	18,362	126,266
• Accrued management fee	751,763	-
• Amount due to Trustee	11,485	7,760
• Distribution payable	-	3,051,888
• Other payables and accruals	10,447	13,075
	<u>792,057</u>	<u>3,198,989</u>

## **STATEMENT BY MANAGER RHB ISLAMIC BOND FUND**

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

On behalf of the Manager,

Dato' Darawati Hussain  
Director

Mohd Farid Bin Kamarudin  
Director

23 May 2024

## TRUSTEE'S REPORT

To the unit holders of RHB Islamic Bond Fund (“Fund”),

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

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

For and on behalf of  
**CIMB Islamic Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
23 May 2024

## **REPORT OF THE SHARIAH ADVISER**

To the unit holders of RHB Islamic Bond Fund (“Fund”),

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

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

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

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

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

Azizi Che Seman  
Chairman  
Shariah Committee of RHB Islamic Bank Berhad

23 May 2024

## CORPORATE INFORMATION

### MANAGER

RHB Asset Management Sdn Bhd

### REGISTERED OFFICE

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

### PRINCIPAL AND BUSINESS OFFICE

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

Email address: rhbam@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8100

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

### BOARD OF DIRECTORS

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

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

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

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

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

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

### INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

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

Mr Chin Yoong Kheong

Puan Sharizad Binti Juma'at

### CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

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

### SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

Filza Zainal Abidin (LS No: 0008413)

## **BRANCH OFFICE**

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

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



<b>TRUSTEE</b>	CIMB Islamic Trustee Berhad
<b>BANKER</b>	RHB Bank Berhad
<b>AUDITORS</b>	PricewaterhouseCoopers PLT
<b>TAX ADVISER</b>	PricewaterhouseCoopers Taxation Services Sdn Bhd
<b>DISTRIBUTORS</b>	RHB Asset Management Sdn Bhd RHB Bank Berhad RHB Investment Bank Berhad RHB Islamic Bank Berhad AmInvestment Bank Berhad Areca Capital Sdn Bhd CIMB Bank Berhad CIMB Private Banking CIMB Islamic Bank Berhad Genexus Advisory Sdn Bhd HSBC Amanah Malaysia Berhad HSBC Bank Malaysia Berhad iFAST Capital Sdn Bhd Kenanga Investor Berhad OCBC Al-Amin Bank Berhad OCBC Bank (Malaysia) Berhad Phillip Mutual Berhad Standard Chartered Bank Malaysia Berhad Standard Financial Adviser Sdn Bhd UOB Kay Hian Securities (M) Sdn Bhd

## **RHB** ♦ Asset Management

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