



A Prudential plc company 

EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

First and foremost, we would like to take this opportunity to thank you for choosing to invest with Eastspring Investments Berhad.

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 September 2024.

You may also download these reports from our website at www.eastspring.com/my

Should you require any assistance, please do not hesitate to contact our Client Services at 03-2778 1000.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'YSH', written in a cursive style.

YAP SIOK HOON

Executive Director/Chief Executive Officer

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FUND INFORMATION

Name of Fund

Eastspring Investments Islamic Equity Income Fund (the "Fund")

Fund Category/ Type

Equity (Shariah)/income

Fund Objective

The Fund seeks to provide a stable income* stream with medium to long-term capital growth.

ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.

* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.

Performance Benchmark

The performance benchmark of the Fund is FTSE Bursa Malaysia EMAS Shariah Index ("FBMS").

Source: www.bursamalaysia.com

Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

Fund Income Distribution Policy

Subject to the availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.

KEY PERFORMANCE DATA FOR THE FINANCIAL YEAR ENDED

| Category | 2024 | 2023 | 2022 |
|--|---------------|---------------|---------------|
| | (%) | (%) | (%) |
| Quoted Shariah-compliant securities | | | |
| Construction | 5.69 | 1.74 | 0.76 |
| Consumer Products & Services | 15.26 | 17.50 | 19.26 |
| Energy | 1.99 | 3.03 | 2.85 |
| Financial Services | 3.93 | 2.34 | 3.63 |
| Health Care | 7.82 | 2.19 | 0.96 |
| Industrial Products & Services | 14.19 | 10.43 | 12.46 |
| Islamic Real Estate Investment Trust | 4.64 | 4.46 | 4.06 |
| Plantation | 3.17 | 9.53 | 5.17 |
| Property | 4.13 | 4.76 | 3.49 |
| Technology | 5.39 | 6.97 | 5.65 |
| Telecommunications & Media | 7.36 | 11.88 | 9.88 |
| Transportation & Logistics | 3.61 | 2.22 | 2.62 |
| Utilities | 14.28 | 13.91 | 10.61 |
| | 91.46 | 90.96 | 81.40 |
| Cash and other assets | 8.54 | 9.04 | 18.60 |
| Total | 100.00 | 100.00 | 100.00 |

KEY PERFORMANCE DATA (CONTINUED)

| Category | 2024 | 2023 | 2022 |
|---|--------|--------|---------|
| Net Asset Value (NAV) (RM'000) | 27,233 | 22,610 | 18,280 |
| Units In Circulation (Units '000) | 46,100 | 45,131 | 37,293 |
| Net Asset Value Per Unit (RM) | 0.5907 | 0.5010 | 0.4902 |
| Highest Net Asset Value Per Unit (RM) [#] | 0.6169 | 0.5040 | 0.5079 |
| Lowest Net Asset Value Per Unit (RM) [#] | 0.4970 | 0.5010 | 0.4902 |
| Total Return (%) | | | |
| - Capital Growth | 17.90 | 2.20 | (13.80) |
| - Income Distribution | - | 4.68 | 4.19 |
| Total Return (%) | 17.90 | 6.99 | (10.19) |
| Gross Distribution Per Unit (RM) | - | 0.0235 | 0.0212 |
| Net Distribution Per Unit (RM) | - | 0.0235 | 0.0212 |
| Total Expense Ratio (TER) (%) [*] | 1.66 | 1.67 | 1.75 |
| Portfolio Turnover Ratio (PTR) (times) [^] | 0.60 | 0.24 | 0.35 |

[#] Figure shown as ex-distribution.

^{*} There were no significant changes to the TER during the period under review.

[^] There were no significant changes to the PTR during the period under review.

KEY PERFORMANCE DATA (CONTINUED)

| | 1 year 1.10.2023 to 30.9.2024 | 3 years 1.10.2021 to 30.9.2024 | 5 years 1.10.2019 to 30.9.2024 |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | (%) | (%) | (%) |

| | | | |
|----------------------|-------|------|------|
| Average total return | 17.90 | 4.24 | 5.98 |
|----------------------|-------|------|------|

| Year ended | 1.10.2023 to 30.9.2024 | 1.10.2022 to 30.9.2023 | 1.10.2021 to 30.9.2022 | 1.10.2020 to 30.9.2021 | 1.10.2019 to 30.9.2020 |
|------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | (%) | (%) | (%) | (%) | (%) |

| | | | | | |
|---------------------|-------|------|---------|------|-------|
| Annual total return | 17.90 | 6.99 | (10.19) | 0.64 | 17.29 |
|---------------------|-------|------|---------|------|-------|

Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

$$\text{Percentage growth} = \frac{\text{NAV}_t - \text{NAV}_0}{\text{NAV}_0}$$

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

$$\text{Performance annualised} = (1 + \text{Percentage Growth})^{1/n} - 1$$

Adjusted for unit split and distribution paid out for the period

n = Number of years

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

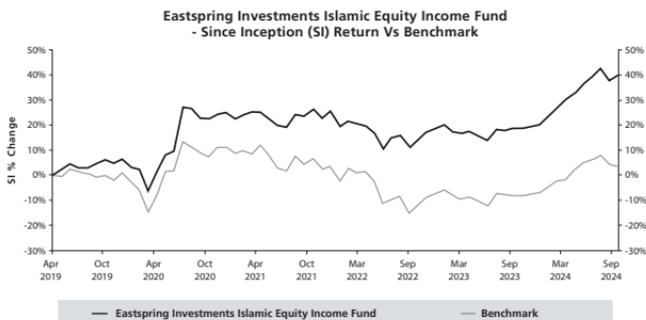
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund registered a return of 33.73%, outperforming the benchmark return of 4.05% by 29.68%.

During the period under review, the Fund registered a return of 17.90%, outperforming the benchmark return of 12.60% by 5.30%.

The outperformance during the period under review was mainly attributed to positive Shariah-compliant stock selections. Performance contributors came from Fund's exposure to industrials and utilities sectors. Meanwhile, exposure to materials and energy were detractors to the fund's performance during the period under review.



The performance is calculated on NAV-to-NAV basis with gross income or dividend reinvested.

Benchmark: FTSE Bursa Malaysia EMAS Shariah Index ("FBMS")

Source: Lipper for Investment Management and www.bursamalaysia.com, as at 30 September 2024.

Past performance of the Fund is not necessarily indicative of its future performance.

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 30 September 2024:

| Income Return | Capital Return* | Total Return | Total Return of Benchmark |
|---------------|-----------------|--------------|---------------------------|
| (%) | (%) | (%) | (%) |
| 0.00 | 17.90 | 17.90 | 12.60 |

* Capital return components (NAV per unit to NAV per unit).

Distribution/ Unit Split

No distribution or unit split were declared for the financial year ended 30 September 2024.

Investment Strategy During the Period Under Review

During the period under review, the Fund increased its position in selected industrials and healthcare Shariah-compliant stocks, while reducing exposure to materials and telecommunication sectors.

The Fund will continue to focus on strong fundamental Shariah-compliant stocks with sustainable earnings growth and good dividend yields.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

| Asset Allocation | 30-Sep 2024 | 30-Sep 2023 | Changes |
|-------------------------------------|----------------|----------------|---------|
| | (%) | (%) | (%) |
| Quoted Shariah-compliant securities | 91.46 | 90.96 | 0.50 |
| Cash and other assets | 8.54 | 9.04 | (0.50) |

Asset Allocation as at 30 September 2024



There were no significant changes in asset allocation of the Fund for the period under review.

State of Affairs of the Fund

There have been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

MARKET REVIEW

Malaysian equities performed relatively well in the 4Q2023. October was a fairly eventful month, with the announcement of Budget 2024 which investors took to be fairly neutral. Within the Budget, subsidies are lower for 2024 at 10% of operating expenditures (versus 14% in 2023), and the announcement of additional infrastructure goodies were announced such as the restoration of LRT3 stations and extension of LRT to mainland. Not long after this, a slew of economic data released in the US, continued to highlight the strength of the US economy, withstanding the surge in interest rates thus far. Investors speculated that this would be a risk for the US Federal Reserve (“Fed”) to remain hawkish on their interest rate policy, providing strength to the US Dollar. The MYR traded at Asian Financial Crisis lows at RM4.79/USD on the 24 October 2023, lowest level in more than 25 years. November was the results reporting month for 3Q2023. Generally, the results reported were weaker and missed expectations more than meet or beat. Those that had exposure to external demand for example tech, came in below, whilst many companies across a broad range of sectors continued to be impacted by cost pressures. Foreign investors turned net buyers of Malaysian equities in November of RM1.6b. December was a quiet month for Malaysian equities, with few events and announcements. However, during the month, the media reported on the proposal of the Johor-Singapore Special Economic Zone, with the MoU to be signed in January 2024. The Prime Minister announced the cabinet reshuffle mid-December, adding 5 new ministers appointed to his cabinet. The cabinet which had 28 ministers previously has been expanded to 31, with two ministerial portfolios split up and the appointment of a second Finance Minister. In December, we saw net foreign buying of RM0.3m for the second month in a row. However, Malaysia ended the year with net foreign outflows of RM2.4b. YTL Corp and YTL Power replaced Westports and Dialog as KLCI constituents effective 18 December 2023.

Malaysian equities started 2024 well, outperforming regional markets as one of the best performing markets. During January, the Johor-Singapore Special Economic Zone (“JS-SEZ”) MoU was signed between Malaysia and Singapore. The agreement with details to develop the economic zone will be signed at the Malaysia-Singapore Leader’s Retreat taking place end of 2024. The key initiatives mentioned as part of this SEZ include the formation of a one-stop business/investment services centre in Johor to facilitate the application process of various approvals and licences necessary for Singapore businesses to set up in Johor; an adoption/ implementation of a passport-free QR code clearance system on both sides; adoption of digitized processed for cargo clearance at land checkpoints; and facilitate the cooperation for renewable energy. On the 31 January 2024, Malaysia saw the installation of a new King, the Sultan of Johor, Sultan Ibrahim, with Sultan Nazrin (the ruler of the state of Perak) was re-elected as deputy King.

The Malaysian equity markets continued its uptrend, reporting a gain for the second month in 2024, and has been reporting monthly gains for the last 5 consecutive months. The Lunar New Year holidays were in February, making a short month even shorter. February also saw corporate earnings reported which were a bit mixed, with weak earnings from plantations and petrochemicals companies. The changes to the MSCI indices as a result of their quarterly index rebalance saw YTL Corp and YTL Power added to the MSCI Asia Pacific Index, whilst Dialog was deleted. The Malaysian Ringgit hit a 26-year low versus the US dollar during the month, at levels last seen during the Asian Financial Crisis.

Taking a breather in March, the Malaysian equity markets, saw foreign investors become net sellers in March of RM2.8b, reversing 4 consecutive months net equity inflows. Newsflow in March was focused on infrastructure. The cabinet approved the Penang LRT, and there was news that there were three concept proposals for the high speed rail ("HSR"). The government finally inked a new operating agreement ("OA") with Malaysia Airports Holdings Berhad, which also saw the additional transit passenger charge approved, and changes to the passenger service charges for KLIA terminal 1, 2 and other airports across Malaysia.

The Malaysian equity markets continued its positive performance in the beginning of 2Q2024, outperforming Emerging Markets and Asia Ex-Japan, amidst the turbulence in the Middle East, recently exacerbated by the Iran-Israel conflict, and the US Fed renewed rhetoric of "higher for longer". On the 13 April 2024, Iran launched dozens of drones towards Israel, escalating tensions and setting the state for a direct military confrontation between the two nations. Thankfully, on the intervention of their allies, this de-escalated quickly post the incident. Domestically, the news for the month was the launch of the Energy Exchange Malaysia ("ENEGEM") by the Ministry of Energy Transition and Water Transformation, inviting interested parties to participate in the inaugural auction for purchasing green electricity from Malaysia's supply system to be supplied to Singapore. The auction will begin with a 100MW pilot run, utilizing the existing interconnection between Singapore and Peninsular Malaysia. On 25 April, Employees Provident Fund ("EPF") announced the restructuring of contributors' accounts, to introduce a new Account 3, which will allow for the flexibility of withdrawals for those members below age 55 years old starting 11 May.

By the middle of the 2Q2024, Malaysian equities continued to register positive performance. The continued uptrend could be due to decent 1Q2024 earnings season, and M&A activities proposed which provided some excitement to the market. May

also saw an influx of data centre announcements from tech giants, as Microsoft CEO committed to USD2bn in investments, and this was followed by Google's USD2bn investments for data centres and cloud services. The technology sector saw significant gains in May, fuelled by net purchases from foreign investors, responding positively to the launch of Malaysia's National Semiconductor Strategy on 28 May. EPF restructured their members' contribution accounts to include an Account 3 (Flexible), for members to contribute 10% of their EPF savings (if they opt in) to Account 3, and future EPF contributions will automatically allocate 10% to Account 3. This together with the PM's announcement of a revised salary scheme for civil servants which will see a hike of up to 13% may help consumer spending to remain resilient.

By the end of 2Q2024, the Malaysian equity markets saw some consolidation which could be related to profit taking activities, following the strong 1H24 performance thus far, where the KLCI outperformed most markets. In the month of June diesel retail price at the pump was raised to RM3.35/litre from RM2.15/litre effective 10 June 2024 across Peninsular Malaysia. June also saw a flurry of news regarding Data Centres with the sale of land by Eco World and UEM Sunrise, and Telekom announced their partnership Singtel's Data Centre unit Nxera to develop data centres. China's Premier Li Qiang was in Malaysia for a three day maiden visit mid-June, and witnessed the signing of 14 memoranda of understanding and agreements involving nine Malaysian ministries.

For most of 3Q2024, Malaysian equity markets performed positively driven partly by a much stronger Malaysian Ringgit, on the expectations of the US Federal Open Market Committee ("FOMC") will cut rates starting September, and better than expected macro data reported for Malaysia. In August, global markets corrected sharply in the beginning of the month, post the surprise BoJ rate hike on the 31 July, and the unwinding of the Yen carry trades. Economic indicators in the US were also of concern, as jobs data was spurring fears of a recession, prompting significant market volatility globally. The confluence of factors led to widespread declines across major stock indices. Thankfully, global markets rebounded soon after. Corporate earnings reported for the 2Q2024 were mostly in line, but the global concerns early in the month spurred many investors to take profits on the mid to smaller cap names, but Financials saw a rally. The tech sector was hit hard from weak corporate earnings reported for the 2Q2024, and the expectation that stronger MYR would be negative for exporters including tech companies. Investors also took profits on property names during the August market sell down as they rotated out to other themes. The oil and gas sector was also affected by weaker crude oil prices as Brent prices trended down from above USD85/bbl to about USD70/bbl on concerns over global growth and demand going forward. By the end of 3Q2024, Malaysian equity markets saw a correction, underperforming regional markets in September. Chinese stocks rallied hard in the last week of September, on the back of China's government stimulus

announcement to provide a supportive stance towards the stock market and economy and focus on stabilizing the property market. Many investors were underweighted on China, and forced to jump back into the market, which may have seen foreign flows diverting out of Malaysia and other markets back to China. Despite that, the Malaysian Ringgit posted its best ever performance after the US Fed rate cuts and news of the Chinese stimulus measures boosted Malaysia's trade outlook. The MYR rallied nearly 13% QTD, hitting a low of RM4.1235 as at 30 September 2024, levels last seen in June 2021.

The FBM KLCI closed the period under review at 1,648.91 points, up 15.8%. The broader FTSE Bursa Malaysia EMAS Shariah Index ("FBMS") Index closed the period under review higher by 16.4%. The MSCI Asia Pacific ex-Japan Index gained by 26.2% in USD terms.¹

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) received soft commissions from brokers/dealers in the form of goods and services which directly assist the investment management of the Fund, including research and advisory services, market analyses, data and quotation services, and computer hardware and software used for and/or in support of the investment process of fund managers. Such soft commissions received are utilised in the investment management of the Fund and are of demonstratable benefit to the Fund and Unitholders. There were no churning of trades.

The Manager and its delegates (if any) have not received any rebates or shared any commissions from any brokers during the same period under review.

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

No securities lending or repurchase transaction have been carried out during the financial period under review.

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EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

STATEMENT BY THE MANAGER

We, Yap Siok Hoon and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 21 to 66 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2024 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

YAP SIOK HOON
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 25 November 2024

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND ("FUND")

We have acted as Trustee of the Fund for the financial year ended 30 September 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments 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 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 Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 25 November 2024

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund for the period covered by these financial statements namely, the year ended 30 September 2024, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

NURUL AQILA SUFIYAH LOKMAN
Designated Shariah Officer

Kuala Lumpur
Date: 25 November 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Islamic Equity Income Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 September 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 30 September 2024, and the statement of comprehensive income, statement of changes in equity 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 21 to 66.

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.

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 the 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- 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
Date: 25 November 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

| | Note | 2024 | 2023 |
|---|------|------------------|------------------|
| | | RM | RM |
| INVESTMENT INCOME | | | |
| Gross dividend income | | 851,267 | 845,436 |
| Profit income from Islamic deposits with licensed financial institutions | | 51,779 | 83,972 |
| Net gain on financial assets at fair value through profit or loss | 7 | 3,379,483 | 825,529 |
| | | <u>4,282,529</u> | <u>1,754,937</u> |
| EXPENSES | | | |
| Management fee | 3 | (355,538) | (306,535) |
| Trustee fee | 4 | (15,712) | (15,000) |
| Audit fee | | (7,000) | (7,000) |
| Tax agent fee | | (4,000) | (3,700) |
| Transaction costs | | (92,050) | (36,876) |
| Other expenses | | (15,775) | (11,320) |
| | | <u>(490,075)</u> | <u>(380,431)</u> |
| PROFIT BEFORE TAXATION | | 3,792,454 | 1,374,506 |
| TAXATION | 5 | - | - |
| PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME | | <u>3,792,454</u> | <u>1,374,506</u> |
| Profit after taxation is made up of the following: | | | |
| Realised amount | | (593,499) | 176,052 |
| Unrealised amount | | 4,385,953 | 1,198,454 |
| | | <u>3,792,454</u> | <u>1,374,506</u> |

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

| | Note | 2024 | 2023 |
|--|------|-------------------|-------------------|
| | | RM | RM |
| ASSETS | | | |
| Cash and cash equivalents | 8 | 2,965,198 | 2,043,133 |
| Financial assets at fair value through profit or loss | 7 | 24,906,428 | 20,565,614 |
| Amount due from Manager | | 323,292 | 130,548 |
| Amount due from brokers | | 73,387 | - |
| Dividends receivable | | 73,120 | 68,629 |
| TOTAL ASSETS | | <u>28,341,425</u> | <u>22,807,924</u> |
| LIABILITIES | | | |
| Accrued management fee | | 32,702 | 27,669 |
| Amount due to Manager | | 50,124 | 18,873 |
| Amount due to Trustee | | 1,417 | 1,233 |
| Amount due to brokers | | 999,599 | 119,462 |
| Other payables and accruals | | 24,010 | 31,150 |
| TOTAL LIABILITIES | | <u>1,107,852</u> | <u>198,387</u> |
| NET ASSET VALUE OF THE FUND | | <u>27,233,573</u> | <u>22,609,537</u> |
| EQUITY | | | |
| Unit holders' capital | | 23,906,714 | 23,075,132 |
| Retained earnings/(accumulated losses) | | 3,326,859 | (465,595) |
| NET ASSET ATTRIBUTABLE TO UNIT HOLDERS | | <u>27,233,573</u> | <u>22,609,537</u> |
| NUMBER OF UNITS IN CIRCULATION | 10 | <u>46,100,403</u> | <u>45,130,572</u> |
| NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM) | | <u>0.5907</u> | <u>0.5010</u> |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

| | Note | Unit holders' capital | Retained earnings/ (accumulated losses) | Total |
|--|------|--------------------------|--|-------------------|
| | | RM | RM | RM |
| Balance as at 1 October 2023 | | 23,075,132 | (465,595) | 22,609,537 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 10,003,203 | - | 10,003,203 |
| Cancellation of units | | (9,171,621) | - | (9,171,621) |
| Total comprehensive income for the financial year | | - | 3,792,454 | 3,792,454 |
| Balance as at 30 September 2024 | | <u>23,906,714</u> | <u>3,326,859</u> | <u>27,233,573</u> |
| Balance as at 1 October 2022 | | 19,106,514 | (826,829) | 18,279,685 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 7,514,563 | - | 7,514,563 |
| Creation of units from distribution | | 984,070 | - | 984,070 |
| Cancellation of units | | (4,530,015) | - | (4,530,015) |
| Distribution (Gross/Net: 2.35 sen) | 6 | - | (1,013,272) | (1,013,272) |
| Total comprehensive income for the financial year | | - | 1,374,506 | 1,374,506 |
| Balance as at 30 September 2023 | | <u>23,075,132</u> | <u>(465,595)</u> | <u>22,609,537</u> |

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

| | Note | 2024 | 2023 |
|---|------|------------------|--------------------|
| | | RM | RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of Shariah-compliant investments | | 13,701,618 | 2,544,299 |
| Purchase of Shariah-compliant investments | | (13,948,249) | (7,327,332) |
| Dividends received | | 843,161 | 829,826 |
| Profit income received from Islamic deposits with licensed financial institutions | | 51,779 | 83,972 |
| Management fee paid | | (350,505) | (301,381) |
| Trustee fee paid | | (15,528) | (15,000) |
| Payment for other fees and expenses | | (30,300) | (30,004) |
| Net cash generated from/(used in) operating activities | | <u>251,976</u> | <u>(4,215,620)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash proceeds from units created | | 9,810,459 | 7,557,623 |
| Payments for cancellation of units | | (9,140,370) | (4,525,020) |
| Distribution paid | | - | (29,202) |
| Net cash generated from financing activities | | <u>670,089</u> | <u>3,003,401</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 922,065 | (1,212,219) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | <u>2,043,133</u> | <u>3,255,352</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 8 | <u>2,965,198</u> | <u>2,043,133</u> |

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

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements is in conformity with the MFRS and IFRS which 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 reported 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.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note K.

a. Standards and amendments to existing standards effective 1 January 2023:

There are no other standards, amendments to standards or interpretations that are effective for financial year 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 January 2023 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 October 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B. INCOME RECOGNITION

Profit income from short-term Islamic deposits placed with licensed financial institutions is recognised on an accrual basis using the effective profit rate 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 asset (after deduction of the loss allowance).

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Realised gain or loss on disposal of quoted Shariah-compliant securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant securities, which is determined on a weighted average cost basis.

C. TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

D. TAXATION

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

E. FUNCTIONAL AND PRESENTATION 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 functional and presentation currency.

F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

- those to be measured subsequently at fair value through profit or loss, 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 equity¹ securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies accrued management fee, amount due to Manager, amount due to Trustee, amount due to brokers and other payables and accruals as financial liabilities measured at amortised cost.

¹ For the purposes of the investments made by the Fund, equity refers to Shariah-compliant equity instruments.

ii. 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. Shariah-compliant investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

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

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

Financial liabilities are derecognised when the obligation under the liabilities is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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 the statement of comprehensive income within “net gain/(loss) on financial assets at fair value through profit or loss” in the financial year in which they arise.

Quoted Shariah-compliant securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Berhad (“Bursa Securities”) at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the quoted Shariah-compliant 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 quoted Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Financial assets and other financial liabilities are subsequently carried at amortised cost using the effective profit rate method.

iii. Impairment for assets carried at amortised costs

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 12 months expected credit losses as any such impairment would be wholly insignificant to the Fund.

iv. 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.

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of obligor's sources of income or assets to generate sufficient future cash flows to pay 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.

G. AMOUNT DUE FROM/(TO) BROKERS

Amount due from and to brokers represent receivables for Shariah-compliant securities sold and payables for Shariah-compliant securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date 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 amount 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 months expected credit losses. Significant financial difficulties of the brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

H. 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 and which are subject to an insignificant risk of changes in value.

I. UNIT HOLDERS' CAPITAL

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those 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 are no contractual obligations 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 profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit 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.

J. DISTRIBUTION

A 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.

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal to the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's Shariah-compliant investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

1. INFORMATION ON THE FUND

Eastspring Investments Islamic Equity Income Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 26 December 2018 (the “Deed”) entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”), followed by First Supplemental Deed dated 20 May 2022 (collectively referred to as the “Deeds”).

The Fund was launched on 8 April 2019 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests in Shariah-compliant equities and Shariah-compliant equity-related securities of listed companies in Malaysia that have consistent track record of dividend distributions and prospect for capital growth or increase in future dividend distributions.

All Shariah-compliant investments will be subjected to the Securities Commission’s (“SC”) Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund.

The Fund seeks to provide a stable income stream with medium to long-term capital growth.

The Manager is a company incorporated in Malaysia and is related to Prudential Plc., a public listed company in the United Kingdom. The principal activity of the Manager is the establishment and management of unit trust funds and asset management.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and exposure to interest rate risk), stock/issuer risk, liquidity risk, fund management risk, non-compliance risk, Shariah status reclassification risk, capital risk and credit/default 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 Deeds.

Financial instruments of the Fund are as follows:

| | Note | Financial assets at amortised cost | Financial assets at fair value through profit or loss | Total |
|-------------------------------------|------|------------------------------------|---|-------------------|
| | | RM | RM | RM |
| 2024 | | | | |
| Cash and cash equivalents | 8 | 2,965,198 | - | 2,965,198 |
| Quoted Shariah-compliant securities | 7 | - | 24,906,428 | 24,906,428 |
| Amount due from Manager | | 323,292 | - | 323,292 |
| Amount due from brokers | | 73,387 | - | 73,387 |
| Dividends receivable | | 73,120 | - | 73,120 |
| | | <u>3,434,997</u> | <u>24,906,428</u> | <u>28,341,425</u> |
| 2023 | | | | |
| Cash and cash equivalents | 8 | 2,043,133 | - | 2,043,133 |
| Quoted Shariah-compliant securities | 7 | - | 20,565,614 | 20,565,614 |
| Amount due from Manager | | 130,548 | - | 130,548 |
| Dividends receivable | | 68,629 | - | 68,629 |
| | | <u>2,242,310</u> | <u>20,565,614</u> | <u>22,807,924</u> |

All liabilities are financial liabilities which are carried at amortised cost.

Market risk

i. Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The table below shows assets of the Fund as at 30 September which are exposed to price risk:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Quoted Shariah-compliant securities | <u>24,906,428</u> | <u>20,565,614</u> |

The following table summarises the sensitivity of the Fund's profit after tax and net asset value to movements in prices of quoted Shariah-compliant securities at the end of each financial reporting year. The analysis is based on the assumptions that the market price of the quoted Shariah-compliant securities increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted Shariah-compliant securities, having regard to the historical volatility of the prices.

| % Change in price | 2024 | | 2023 | |
|-------------------|--------------|--|--------------|--|
| | Market value | Impact on profit after tax and net asset value | Market value | Impact on profit after tax and net asset value |
| | RM | RM | RM | RM |
| +5% (2023: +5%) | 26,151,749 | 1,245,321 | 21,593,895 | 1,028,281 |
| -5% (2023: -5%) | 23,661,107 | (1,245,321) | 19,537,333 | (1,028,281) |

ii. Exposure to interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's investments in Islamic deposits with licensed financial institutions are short-term in nature. Therefore, exposure to interest rate fluctuations is minimal.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All investments carried out for the Fund including placements and deposits are in accordance with Shariah.

Stock/Issuer risk

The Fund is restricted to investment in Shariah-compliant securities issued by and Shariah-compliant securities relating to any issuer of not more than ten percent (10%) of its net asset value. Furthermore, the Fund is restricted to invest in Shariah-compliant securities issued by and Shariah-compliant securities relating to any group of companies of not more than twenty percent (20%) of its net asset value. Under such restrictions, the exposure risk to the Shariah-compliant securities of any single issuer or any one group of companies is minimised.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The Fund maintains sufficient level of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise bank balances, Islamic deposits with licensed financial institutions and other Shariah-compliant instruments which are capable of being converted into cash within 7 days.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 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 | Between 1 month to 1 year | Total |
|--|------------------------------|--|------------------|
| | RM | RM | RM |
| <u>2024</u> | | | |
| Accrued management fee | 32,702 | - | 32,702 |
| Amount due to Manager | 50,124 | - | 50,124 |
| Amount due to Trustee | 1,417 | - | 1,417 |
| Amount due to brokers | 999,599 | - | 999,599 |
| Other payables and accruals | - | 24,010 | 24,010 |
| Contractual undiscounted cash outflows | <u>1,083,842</u> | <u>24,010</u> | <u>1,107,852</u> |
| <u>2023</u> | | | |
| Accrued management fee | 27,669 | - | 27,669 |
| Amount due to Manager | 18,873 | - | 18,873 |
| Amount due to Trustee | 1,233 | - | 1,233 |
| Amount due to brokers | 119,462 | - | 119,462 |
| Other payables and accruals | - | 31,150 | 31,150 |
| Contractual undiscounted cash outflows | <u>167,237</u> | <u>31,150</u> | <u>198,387</u> |

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Funds. With close monitoring by the investment committee, back office system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of unit holders.

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not compliant to the rules set out in the Fund's constitution or the laws that govern the Fund or applicable internal control procedures, or acts of fraudulence or dishonesty.

Non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager.

Shariah status reclassification risk

a. Shariah-compliant equity securities

The risk refers to the risk that the currently held Shariah-compliant equity securities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council (“SAC”) of the Securities Commission (“SC”). If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- i. to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities (“Reclassification”) by the SAC of the SC. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification should be channelled to baitulmal and/or charitable bodies as advised by the Shariah Adviser;
- ii. to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to baitulmal and/or charitable bodies as advised by the Shariah Adviser; or
- iii. to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund’s value.

b. Islamic money market instruments or Islamic deposits

This risk refers to the risk of a possibility that the currently held Islamic money market instruments or Islamic deposits invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such money market instruments or deposits.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM23,906,714 (2023: RM23,075,132) and retained earnings of RM3,326,859 (2023: accumulated losses of RM465,595). 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 Shariah-compliant investment activities of the Fund.

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit income, principals and proceeds from realisation of Shariah-compliant investments.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA1 or higher.

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The credit/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers. 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 concentrations and counterparties of the Fund.

| | Cash and cash equivalents | Dividends receivable | Amount due from Manager | Amount due from brokers | Total |
|--------------------------------------|---------------------------|----------------------|-------------------------|-------------------------|-----------|
| | RM | RM | RM | RM | RM |
| 2024 | | | | | |
| Consumer Products & Services | - | 2,542 | - | - | 2,542 |
| Financial Services | 2,965,198 | - | - | - | 2,965,198 |
| Health Care | - | 9,724 | - | - | 9,724 |
| Property | - | 7,648 | - | - | 7,648 |
| Industrial Products & Services | - | 2,578 | - | - | 2,578 |
| Islamic Real Estate Investment Trust | - | 2,710 | - | - | 2,710 |
| Technology | - | 1,893 | - | - | 1,893 |
| Utilities | - | 46,025 | - | - | 46,025 |
| Other | - | - | 323,292 | 73,387 | 396,679 |
| - NR | - | - | 323,292 | 73,387 | 3,434,997 |
| | 2,965,198 | 73,120 | 323,292 | 73,387 | |

| | Cash and cash equivalents | | Dividends receivable | | Amount due from Manager | | Total | |
|--------------------------------------|---------------------------|----|----------------------|----|-------------------------|---------|------------------|----|
| | RM | RM | RM | RM | RM | RM | RM | RM |
| <u>2023</u> | | | | | | | | |
| Consumer Products & Services | | | | | | | | |
| - NR | - | | 6,046 | | - | | 6,046 | |
| Energy | | | | | | | | |
| - NR | - | | 1,050 | | - | | 1,050 | |
| Financial Services | | | | | | | | |
| - AAA | 1,960,317 | | - | | - | | 1,960,317 | |
| - AA1 | 82,816 | | - | | - | | 82,816 | |
| Health Care | | | | | | | | |
| - NR | - | | 2,318 | | - | | 2,318 | |
| Property | | | | | | | | |
| - NR | - | | 11,017 | | - | | 11,017 | |
| Islamic Real Estate Investment Trust | | | | | | | | |
| - NR | - | | 2,766 | | - | | 2,766 | |
| Technology | | | | | | | | |
| - NR | - | | 3,354 | | - | | 3,354 | |
| Telecommunications & Media | | | | | | | | |
| - NR | - | | 7,770 | | - | | 7,770 | |
| Utilities | | | | | | | | |
| - NR | - | | 34,308 | | - | | 34,308 | |
| Other | | | | | | | | |
| - NR | - | | - | | - | 130,548 | 130,548 | |
| | <u>2,043,133</u> | | <u>68,629</u> | | <u>130,548</u> | | <u>2,242,310</u> | |

None of these financial assets are past due or impaired.

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 traded in active market (such as trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

i. Fair value hierarchy

The following table analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

| | Level 1 | Level 2 | Level 3 | Total |
|--|------------|---------|---------|------------|
| | RM | RM | RM | RM |
| <u>2024</u> | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Quoted Shariah-compliant securities | 24,906,428 | - | - | 24,906,428 |
| <u>2023</u> | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Quoted Shariah-compliant securities | 20,565,614 | - | - | 20,565,614 |

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed quoted Shariah-compliant securities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note F to the financial statements.

- ii. The carrying value of cash and cash equivalents, amount due from Manager, amount due from brokers, dividends receivable and all liabilities are a reasonable approximation of their fair values due to their short-term nature.

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% per annum of the net asset value of the Fund calculated on daily basis.

For the financial year ended 30 September 2024, the management fee is recognised at a rate of 1.50% (2023: 1.50%) per annum on the net asset value of the Fund, calculated on daily basis.

There will be no further liability to the Manager in respect of the management fee other than the amounts recognised above.

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum.

For the financial year ended 30 September 2024, the Trustee fee is recognised at a rate of 0.065% (2023: 0.065%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, calculated on daily basis.

There will be no further liability to the Trustee in respect of the Trustee fee other than the amounts recognised above.

5. TAXATION

| | 2024 | 2023 |
|-------------------------------------|-------------|-------------|
| | RM | RM |
| Tax charged for the financial year: | | |
| Current taxation | - | - |

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

| | 2024 | 2023 |
|--|-------------|-------------|
| | RM | RM |
| Profit before taxation | 3,792,454 | 1,374,506 |
| Tax at Malaysian statutory rate of 24% (2023: 24%) | 910,189 | 329,881 |
| Tax effect of: | | |
| Shariah-compliant investment income not subject to tax | (1,027,807) | (421,185) |
| Expenses not deductible for tax purposes | 30,609 | 16,055 |
| Restriction on the tax deductible expenses for Unit Trust Funds | 87,009 | 75,249 |
| Taxation | - | - |

6. DISTRIBUTION

| | 2024 | 2023 |
|--|---------------------|-----------|
| | RM | RM |
| Distribution to unit holders are from the following sources: | | |
| Prior financial years' realised income | - | 464,295 |
| Dividend income | - | 845,436 |
| Profit income | - | 83,972 |
| Gross realised income | - | 1,393,703 |
| Less: Expenses | - | (380,431) |
| | - | 1,013,272 |
| Gross distribution per unit (sen) | - | 2.35 |
| Net distribution per unit (sen) | - | 2.35 |
| Ex-Date | - 15 September 2023 | |

Gross distribution is derived using total income less total expenses. The distribution is made from current and prior financial years' realised income.

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2024 | 2023 |
|--|------------------|----------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Quoted Shariah-compliant securities | 24,906,428 | 20,565,614 |
| Net gain on financial assets at fair value through profit or loss: | | |
| Realised loss on disposals | (1,006,470) | (372,925) |
| Change in unrealised fair value gain | 4,385,953 | 1,198,454 |
| | <u>3,379,483</u> | <u>825,529</u> |

Quoted Shariah-compliant securities

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2024 | Percentage of net asset value of the Fund |
|--|-----------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Construction</u> | | | | |
| Gamuda Berhad | 133,780 | 673,731 | 1,080,942 | 3.97 |
| Sunway Construction Group Berhad | 103,900 | 202,701 | 467,550 | 1.72 |
| | 237,680 | 876,432 | 1,548,492 | 5.69 |
| <u>Consumer Products & Services</u> | | | | |
| Bermaz Auto Berhad | 102,400 | 221,593 | 229,376 | 0.84 |
| Fraser & Neave Holdings Berhad | 20,100 | 579,912 | 627,522 | 2.30 |
| Guan Chong Berhad | 69,000 | 267,141 | 213,210 | 0.78 |
| Hong Leong Industries Berhad | 85,800 | 875,502 | 1,178,892 | 4.33 |
| MBM Resources Berhad | 92,000 | 442,986 | 541,880 | 1.99 |
| Mr D.I.Y. Group (M) Berhad | 226,100 | 416,320 | 479,332 | 1.76 |
| Oriental Food Industries Holdings Berhad | 127,100 | 131,576 | 233,864 | 0.86 |
| Sime Darby Berhad | 173,200 | 391,276 | 426,072 | 1.56 |
| Three-A Resources Berhad | 253,000 | 260,013 | 228,965 | 0.84 |
| | 1,148,700 | 3,586,319 | 4,159,113 | 15.26 |
| <u>Energy</u> | | | | |
| Dialog Group Berhad | 252,300 | 712,949 | 542,445 | 1.99 |
| <u>Financial Services</u> | | | | |
| Bank Islam Malaysia Berhad | 156,500 | 464,363 | 422,550 | 1.55 |
| Bursa Malaysia Berhad | 68,000 | 569,676 | 647,360 | 2.38 |
| | 224,500 | 1,034,039 | 1,069,910 | 3.93 |

Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2024 | Percentage of net asset value of the Fund |
|---|------------------|------------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Health Care</u> | | | | |
| Hartalega Holdings Berhad | 85,000 | 228,334 | 237,150 | 0.87 |
| IHH Healthcare Berhad | 154,000 | 953,829 | 1,102,640 | 4.05 |
| Kossan Rubber Industries Berhad | 139,200 | 318,165 | 260,304 | 0.96 |
| KPJ Healthcare Berhad | 249,700 | 290,208 | 529,364 | 1.94 |
| | <u>627,900</u> | <u>1,790,536</u> | <u>2,129,458</u> | <u>7.82</u> |
| <u>Industrial Products & Services</u> | | | | |
| Cahaya Mata Sarawak Berhad | 329,000 | 469,291 | 447,440 | 1.64 |
| Engtex Group Berhad | 503,300 | 337,928 | 329,662 | 1.21 |
| Malayan Cement Berhad | 73,700 | 363,341 | 383,240 | 1.41 |
| Powerwell Holdings Berhad | 754,000 | 418,850 | 301,600 | 1.11 |
| Press Metal Aluminium Holdings Berhad | 107,000 | 594,040 | 541,420 | 1.99 |
| Scientex Berhad | 70,700 | 309,473 | 305,424 | 1.12 |
| Solarvest Holdings Berhad | 214,900 | 278,150 | 337,393 | 1.24 |
| Sunway Berhad | 128,900 | 382,631 | 541,380 | 1.99 |
| Uchi Technologies Berhad | 142,300 | 434,306 | 533,625 | 1.96 |
| V.S. Industry Berhad | 140,000 | 166,502 | 137,900 | 0.51 |
| V.S. Industry Berhad - Warrant | 14,000 | - | 2,590 | 0.01 |
| | <u>2,477,800</u> | <u>3,754,512</u> | <u>3,861,674</u> | <u>14.19</u> |

Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at | Percentage of net asset value of the Fund |
|-----------------------------------|----------|----------------|------------------|---|
| | | | 30.9.2024 | |
| | Units | RM | RM | % |
| <u>Islamic Real Estate</u> | | | | |
| <u>Investment Trust</u> | | | | |
| Al-'Aqar Healthcare REIT | 207,000 | 254,590 | 269,100 | 0.99 |
| Axis Real Estate Investment Trust | 86,065 | 151,915 | 157,499 | 0.58 |
| KLCC Property Holding Berhad | 104,400 | 820,873 | 835,200 | 3.07 |
| | 397,465 | 1,227,378 | 1,261,799 | 4.64 |
| <u>Plantation</u> | | | | |
| SD Guthrie Berhad | 180,500 | 790,145 | 864,595 | 3.17 |
| <u>Property</u> | | | | |
| Mah Sing Group Berhad | 135,000 | 216,000 | 232,200 | 0.85 |
| Matrix Concepts Holdings Berhad | 305,900 | 403,224 | 611,800 | 2.25 |
| S P Setia Berhad | 224,200 | 297,621 | 280,250 | 1.03 |
| | 665,100 | 916,845 | 1,124,250 | 4.13 |
| <u>Technology</u> | | | | |
| Frontken Corporation Berhad | 61,000 | 215,352 | 223,870 | 0.82 |
| Inari Amertron Berhad | 135,200 | 374,857 | 392,080 | 1.44 |
| ITMAX System Berhad | 141,700 | 184,279 | 511,537 | 1.88 |
| SNS Network Technology Berhad | 274,000 | 142,490 | 165,770 | 0.61 |
| ViTrox Corporation Berhad | 53,600 | 239,022 | 173,128 | 0.64 |
| | 665,500 | 1,156,000 | 1,466,385 | 5.39 |

Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2024 | Percentage of net asset value of the Fund |
|---|------------------|-------------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Telecommunications & Media</u> | | | | |
| CelcomDigi Berhad | 106,900 | 465,040 | 397,668 | 1.46 |
| Telekom Malaysia Berhad | 175,852 | 973,879 | 1,181,725 | 4.34 |
| TIME dotCom Berhad | 89,500 | 445,446 | 424,230 | 1.56 |
| | <u>372,252</u> | <u>1,884,365</u> | <u>2,003,623</u> | <u>7.36</u> |
| <u>Transportation & Logistics</u> | | | | |
| MISC Berhad | 98,900 | 701,133 | 771,420 | 2.83 |
| Westports Holdings Berhad | 50,000 | 214,270 | 213,500 | 0.78 |
| | <u>148,900</u> | <u>915,403</u> | <u>984,920</u> | <u>3.61</u> |
| <u>Utilities</u> | | | | |
| Gas Malaysia Berhad | 177,200 | 532,274 | 673,360 | 2.47 |
| PETRONAS Gas Berhad | 31,000 | 558,740 | 558,000 | 2.05 |
| Tenaga Nasional Berhad | 184,100 | 2,066,724 | 2,658,404 | 9.76 |
| | <u>392,300</u> | <u>3,157,738</u> | <u>3,889,764</u> | <u>14.28</u> |
| TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES | | | | |
| | <u>7,790,897</u> | <u>21,802,661</u> | <u>24,906,428</u> | <u>91.46</u> |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | <u>3,103,767</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | | <u>24,906,428</u> | |

Quoted Shariah-compliant securities

| Name of counter | Quantity | Aggregate cost | Fair value as at | Percentage of net asset |
|--|-----------|----------------|------------------|-------------------------|
| | | | 30.9.2023 | value of the Fund |
| | Units | RM | RM | % |
| <u>Construction</u> | | | | |
| Gamuda Berhad | 36,407 | 125,183 | 161,283 | 0.71 |
| Sunway Construction Group Berhad | 123,000 | 215,160 | 233,700 | 1.03 |
| | 159,407 | 340,343 | 394,983 | 1.74 |
| <u>Consumer Products & Services</u> | | | | |
| Bermaz Auto Berhad | 162,400 | 351,432 | 404,376 | 1.79 |
| DKSH Holdings (Malaysia) Berhad | 43,900 | 203,787 | 212,037 | 0.94 |
| Fraser & Neave Holdings Berhad | 7,700 | 193,600 | 194,810 | 0.86 |
| Guan Chong Berhad | 64,000 | 177,190 | 138,880 | 0.61 |
| Hong Leong Industries Berhad | 109,600 | 1,118,357 | 974,344 | 4.31 |
| InNature Berhad | 210,200 | 129,232 | 93,539 | 0.41 |
| Mr D.I.Y. Group (M) Berhad | 113,100 | 219,015 | 170,781 | 0.76 |
| MST Golf Group Berhad | 136,900 | 108,879 | 71,188 | 0.31 |
| Nestle (Malaysia) Berhad | 2,500 | 361,761 | 316,250 | 1.40 |
| Oriental Food Industries Holdings Berhad | 187,100 | 193,689 | 220,778 | 0.98 |
| Padini Holdings Berhad | 76,800 | 243,124 | 303,360 | 1.34 |
| Power Root Berhad | 97,000 | 189,538 | 192,060 | 0.85 |
| Sime Darby Berhad | 207,200 | 468,085 | 457,912 | 2.03 |
| Three-A Resources Berhad | 253,000 | 260,013 | 204,930 | 0.91 |
| | 1,671,400 | 4,217,702 | 3,955,245 | 17.50 |
| <u>Energy</u> | | | | |
| Dialog Group Berhad | 211,300 | 660,916 | 447,956 | 1.98 |
| Hibiscus Petroleum Berhad | 210,000 | 199,956 | 237,300 | 1.05 |
| | 421,300 | 860,872 | 685,256 | 3.03 |

Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2023 | Percentage of net asset value of the Fund |
|---|----------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Financial Services</u> | | | | |
| Bank Islam Malaysia Berhad | 101,500 | 315,555 | 217,210 | 0.96 |
| Bursa Malaysia Berhad | 22,000 | 189,618 | 148,280 | 0.66 |
| Syarikat Takaful Malaysia Keluarga Berhad | 46,790 | 266,870 | 162,829 | 0.72 |
| | 170,290 | 772,043 | 528,319 | 2.34 |
| <u>Health Care</u> | | | | |
| Duopharma Biotech Berhad | 136,995 | 348,013 | 164,394 | 0.73 |
| KPJ Healthcare Berhad | 289,700 | 328,264 | 330,258 | 1.46 |
| | 426,695 | 676,277 | 494,652 | 2.19 |
| <u>Industrial Products & Services</u> | | | | |
| PETRONAS Chemicals Group Berhad | 81,400 | 616,426 | 585,266 | 2.59 |
| Press Metal Aluminium Holdings Berhad | 184,000 | 867,098 | 866,640 | 3.83 |
| Scientex Berhad | 39,000 | 180,858 | 144,690 | 0.64 |
| Solarvest Holdings Berhad | 186,000 | 228,780 | 245,520 | 1.09 |
| Uchi Technologies Berhad | 125,300 | 351,787 | 433,538 | 1.92 |
| V.S. Industry Berhad | 79,000 | 83,431 | 80,580 | 0.36 |
| | 694,700 | 2,328,380 | 2,356,234 | 10.43 |

Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at | Percentage of net asset |
|--------------------------------------|-----------|----------------|------------------|-------------------------|
| | | | 30.9.2023 | value of the Fund |
| | Units | RM | RM | % |
| <u>Islamic Real Estate</u> | | | | |
| <u>Investment Trust</u> | | | | |
| Al-'Aqar Healthcare REIT | 150,000 | 180,000 | 187,500 | 0.83 |
| AME Real Estate Investment Trust | 54,000 | 64,920 | 68,580 | 0.30 |
| Axis Real Estate Investment Trust | 85,612 | 151,145 | 157,526 | 0.70 |
| KLCC Property Holding Berhad | 87,400 | 691,855 | 594,320 | 2.63 |
| | 377,012 | 1,087,920 | 1,007,926 | 4.46 |
| <u>Plantation</u> | | | | |
| Hap Seng Plantations Holdings Berhad | | | | |
| | 148,000 | 345,070 | 278,240 | 1.23 |
| IOI Corporation Berhad | | | | |
| | 133,800 | 524,699 | 532,524 | 2.36 |
| Kuala Lumpur Kepong Berhad | | | | |
| | 29,700 | 721,649 | 635,580 | 2.81 |
| Sime Darby Plantation Berhad | | | | |
| | 165,200 | 726,018 | 707,056 | 3.13 |
| | 476,700 | 2,317,436 | 2,153,400 | 9.53 |
| <u>Property</u> | | | | |
| Matrix Concepts Holdings Berhad | | | | |
| | 305,900 | 403,224 | 455,791 | 2.02 |
| S P Setia Berhad | | | | |
| | 235,200 | 248,627 | 242,256 | 1.07 |
| S P Setia Berhad (Preference Shares) | | | | |
| | 77,050 | 29,279 | 36,599 | 0.16 |
| Sime Darby Property Berhad | | | | |
| | 492,000 | 299,080 | 341,940 | 1.51 |
| | 1,110,150 | 980,210 | 1,076,586 | 4.76 |

Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at | Percentage of net asset value of the |
|---------------------------------------|------------------|------------------|------------------|--------------------------------------|
| | | | 30.9.2023 | Fund |
| | Units | RM | RM | % |
| <u>Technology</u> | | | | |
| Genetec Technology Berhad | 126,900 | 330,416 | 303,291 | 1.34 |
| Inari Amertron Berhad | 167,700 | 445,292 | 486,330 | 2.15 |
| ITMAX System Berhad | 151,700 | 162,319 | 274,577 | 1.21 |
| SNS Network Technology Berhad | 661,700 | 166,507 | 165,425 | 0.73 |
| Unisem (M) Berhad | 34,900 | 132,237 | 113,774 | 0.50 |
| ViTrox Corporation Berhad | 31,700 | 282,724 | 235,848 | 1.04 |
| | <u>1,174,600</u> | <u>1,519,495</u> | <u>1,579,245</u> | <u>6.97</u> |
| <u>Telecommunications & Media</u> | | | | |
| Axiata Group Berhad | 155,400 | 621,376 | 386,946 | 1.71 |
| CelcomDigi Berhad | 197,900 | 860,911 | 864,823 | 3.83 |
| Maxis Berhad | 103,200 | 491,170 | 416,928 | 1.84 |
| Telekom Malaysia Berhad | 86,652 | 430,626 | 424,595 | 1.88 |
| TIME dotCom Berhad | 109,500 | 544,987 | 593,490 | 2.62 |
| | <u>652,652</u> | <u>2,949,070</u> | <u>2,686,782</u> | <u>11.88</u> |
| <u>Transportation & Logistics</u> | | | | |
| MISC Berhad | 70,900 | 472,903 | 501,972 | 2.22 |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2023 | Percentage |
|---|------------------|--------------------|----------------------------------|--------------------------------------|
| | | | | of net asset value of the Fund |
| | Units | RM | RM | % |
| <u>Utilities</u> | | | | |
| Gas Malaysia Berhad | 170,000 | 471,709 | 516,800 | 2.29 |
| PETRONAS Gas Berhad | 43,000 | 724,985 | 724,120 | 3.20 |
| Tenaga Nasional Berhad | 190,600 | 2,128,455 | 1,904,094 | 8.42 |
| | <u>403,600</u> | <u>3,325,149</u> | <u>3,145,014</u> | <u>13.91</u> |
| TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES | | | | |
| | <u>7,809,406</u> | <u>21,847,800</u> | <u>20,565,614</u> | <u>90.96</u> |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | <u>(1,282,186)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | |
| | | | <u>20,565,614</u> | |

8. CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|--|------------------|------------------|
| | RM | RM |
| Bank balance with a licensed bank | 104,967 | 82,816 |
| Islamic deposits with licensed financial institution | 2,860,231 | 1,960,317 |
| | <u>2,965,198</u> | <u>2,043,133</u> |

The effective weighted average rate of return of short-term Islamic deposits with licensed financial institution per annum as at the date of the statement of financial position are as follows:

| | 2024 | 2023 |
|--|-------------|-------------|
| | % | % |
| Islamic deposits with licensed financial institution | <u>2.95</u> | <u>2.95</u> |

The Islamic deposits have an average maturity of 1 day (2023: 2 days).

9. SHARIAH INFORMATION OF THE FUND2024 and 2023

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

- a. Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia;
- b. Collective investment schemes which have been verified as Shariah-compliant by the Shariah Adviser; and
- c. Cash placements and liquid assets in local market which are placed in Shariah-compliant instruments.

10. UNITS IN CIRCULATION

| | 2024 | 2023 |
|---|---------------------|---------------------|
| | No. of units | No. of units |
| At the beginning of the financial year | 45,130,572 | 37,292,966 |
| Creation of units during the financial year: | | |
| Arising from applications | 18,283,013 | 14,700,200 |
| Arising from distribution | - | 1,961,080 |
| Cancellation of units during the financial year | (17,313,182) | (8,823,674) |
| At the end of the financial year | <u>46,100,403</u> | <u>45,130,572</u> |

11. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers are as follows:

| Name of brokers | Value of trades | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|---|-------------------|----------------------------|----------------|------------------------------------|
| | RM | % | RM | % |
| <u>2024</u> | | | | |
| RHB Investment Bank Berhad | 3,636,168 | 12.72 | 6,913 | 12.62 |
| CLSA Securities Malaysia Sdn Bhd | 3,364,435 | 11.77 | 6,392 | 11.67 |
| Citigroup Global Markets (M) Sdn Bhd | 2,985,467 | 10.44 | 5,672 | 10.35 |
| Maybank Investment Bank Berhad | 2,871,170 | 10.04 | 5,678 | 10.36 |
| Kenanga Investment Bank Berhad | 2,435,746 | 8.52 | 4,628 | 8.45 |
| CIMB Securities Sdn Bhd | 2,337,740 | 8.18 | 4,442 | 8.11 |
| UOB Kay Hian Securities (M) Sdn Bhd | 1,960,661 | 6.86 | 3,772 | 6.89 |
| J.P. Morgan Securities (Malaysia) Sdn Bhd | 1,678,927 | 5.87 | 3,190 | 5.82 |
| CGS International Securities Malaysia Sdn Bhd | 1,404,274 | 4.91 | 2,668 | 4.87 |
| Affin Hwang Investment Bank Berhad | 1,270,725 | 4.44 | 2,414 | 4.41 |
| Others | 4,644,792 | 16.25 | 9,014 | 16.45 |
| | <u>28,590,105</u> | <u>100.00</u> | <u>54,783</u> | <u>100.00</u> |

| Name of brokers | Value of trades | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|---|------------------|----------------------------|----------------|------------------------------------|
| | RM | % | RM | % |
| <u>2023</u> | | | | |
| RHB Investment Bank Berhad | 1,529,139 | 15.43 | 3,375 | 15.69 |
| Macquarie Capital Securities (Malaysia) Sdn Bhd | 1,099,267 | 11.09 | 2,093 | 9.73 |
| CLSA Securities Malaysia Sdn Bhd | 967,942 | 9.77 | 2,164 | 10.06 |
| CGS – CIMB Securities Sdn Bhd | 939,469 | 9.48 | 3,658 | 17.00 |
| J.P. Morgan Securities (Malaysia) Sdn Bhd | 863,606 | 8.71 | 1,655 | 7.70 |
| Affin Hwang Investment Bank Berhad | 688,757 | 6.95 | 1,330 | 6.18 |
| Kenanga Investment Bank Berhad | 614,976 | 6.20 | 1,184 | 5.50 |
| UOB Kay Hian Securities (M) Sdn Bhd | 557,642 | 5.63 | 1,060 | 4.93 |
| UBS Securities Malaysia Sdn Bhd | 475,185 | 4.79 | 912 | 4.24 |
| Maybank Investment Bank Berhad | 469,904 | 4.74 | 833 | 3.87 |
| Others | 1,706,214 | 17.21 | 3,246 | 15.10 |
| | <u>9,912,101</u> | <u>100.00</u> | <u>21,510</u> | <u>100.00</u> |

All brokers highlighted above are not related to the Manager.

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

The related parties and their relationship with the Fund are as follows:

| Related parties | Relationship |
|--|--|
| Director of Eastspring Investments Berhad | Director of the Manager |
| Eastspring Investments Berhad | The Manager |
| Eastspring Investments Group Private Limited | Immediate holding company of the Manager |
| Prudential Plc | Ultimate holding company of the Manager |

Units held by Manager:

| | 2024 | | 2023 | |
|-------------------------------|--------------|-------|--------------|-------|
| | No. of units | RM | No. of units | RM |
| Eastspring Investments Berhad | 2,373 | 1,402 | 2,373 | 1,189 |

The above units were transacted at the prevailing market price.

The units are held legally and beneficially by the Manager and are within the prescribed limit allowed by the SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to the related parties disclosure mentioned in the financial statements, there were no other significant related parties transactions and balances.

13. TOTAL EXPENSE RATIO ("TER")

| | 2024 | 2023 |
|-----|-------------|-------------|
| | % | % |
| TER | 1.66 | 1.67 |

TER is derived from the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E)}{F} \times 100$$

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (excluding sales and service tax on transaction cost and withholding tax)

F = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM23,697,227 (2023: RM20,424,520).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

| | 2024 | 2023 |
|-------------|------|------|
| PTR (times) | 0.60 | 0.24 |

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial year} + \text{total disposals for the financial year}) \div 2}{\text{Average net asset value of the Fund for the financial year calculated on a daily basis}}$$

where:

total acquisitions for the financial year = RM14,780,650 (2023: RM7,389,931)

total disposals for the financial year = RM13,819,319 (2023: RM2,553,591)

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 25 November 2024.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

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200001028634 (531241-U)

REGISTERED OFFICE

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BUSINESS OFFICE

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TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

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SHARIAH ADVISER

NAME

BIMB SECURITIES SDN BHD

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SALE & PURCHASE OF UNITS

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