
ASTUTE MALAYSIA GROWTH TRUST (AMGT)

UNAUDITED SEMI-ANNUAL REPORT

For The Six Months Financial Period Ended 30 June 2024

ASTUTE MALAYSIA GROWTH TRUST

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1. FUND INFORMATION

FUND NAME	Astute Malaysia Growth Trust (AMGT)
FUND TYPE	Growth
FUND CATEGORY	Equity
FUND INVESTMENT OBJECTIVE	To seek capital appreciation over the medium to long term.
DURATION OF FUND	The fund is an open-ended fund. The fund was launched on 28 July 1997.
PERFORMANCE BENCHMARK	▪ FBM KLCI (Source: Bursa Malaysia through Bloomberg) <i>“The risk profile of the performance benchmark is not the same as the risk profile of the Fund.”</i>
FUND DISTRIBUTION POLICY	Distribution is at the discretion of the Manager. If income distributed, it will be automatically re-invested via issuance of additional Units in the Fund. Generally, in the absence of written instructions from the Unitholders, income for the Fund will be automatically reinvested into additional Units of the Fund at NAV per Unit on income payment date. Unitholders who wish to realise any income can do so by redeeming Units held in the Fund. For reinvestment into additional units, no sales charges will be imposed.

2. FUND PERFORMANCE

Summary of performance data is as follows:

	30.06.2024	30.06.2023	30.06.2022
	RM	RM	RM
Portfolio Composition:			
- Equity securities	88.42	83.67	87.51
- Liquid assets and others	11.58	16.33	12.49
Net Assets Value (RM)	12,444,842	8,204,340	7,352,829
Number of Units in Circulation	48,474,978	43,428,596	37,679,756
Net Asset Value Per Unit (RM)	0.2567	0.1889	0.1951
Highest NAV Price for the period under review (RM)	0.2783	0.2105	0.2236
Lowest NAV Price for the period under review (RM)	0.2131	0.1870	0.1927
Total Return for the period under review (RM)			
- Capital growth	1,658,823	(247,587)	(799,185)
- Income distribution	414,323	316,016	282,399
Gross Distribution Per Unit (RM)	0.009	0.008	0.008
Net Distribution Per Unit (RM)	0.009	0.008	0.008
Total Expenses Ratio (TER) (%)	0.88	0.86*	0.86
<i>*There was no significant changes in the TER.</i>			
Portfolio Turnover Ratio (PTR) (times)	0.30	0.27*	0.35
<i>*the PTR for the financial period was higher compared with previous financial period as there were higher investment activities during the financial period under review.</i>			

	Total Return		Average Total Return	
	AMGT	Index	AMGT	Index
1 Year	40.50	15.50	40.50	15.50
3 Year	33.68	3.75	11.25	1.25
5 Year	49.86	-4.91	9.99	-0.98
Since Inception 29 August 1997	236.19	97.67	8.82	3.65
Annual total return for each of the last five financial year ended				
	AMGT		Index	
31.12.2023	9.58		-2.73	
31.12.2022	-5.61		-4.60	
31.12.2021	4.77		-3.67	
31.12.2020	13.05		2.42	
31.12.2021	10.13		-6.02	

Source: Bloomberg

*Notes:

1. Total returns as at 30.06.2024. Total returns are calculated based on NAV per unit, adjusted for income distribution, if any.
2. The basis of calculation for the average total return is by dividing the total return by the numbers of years.

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

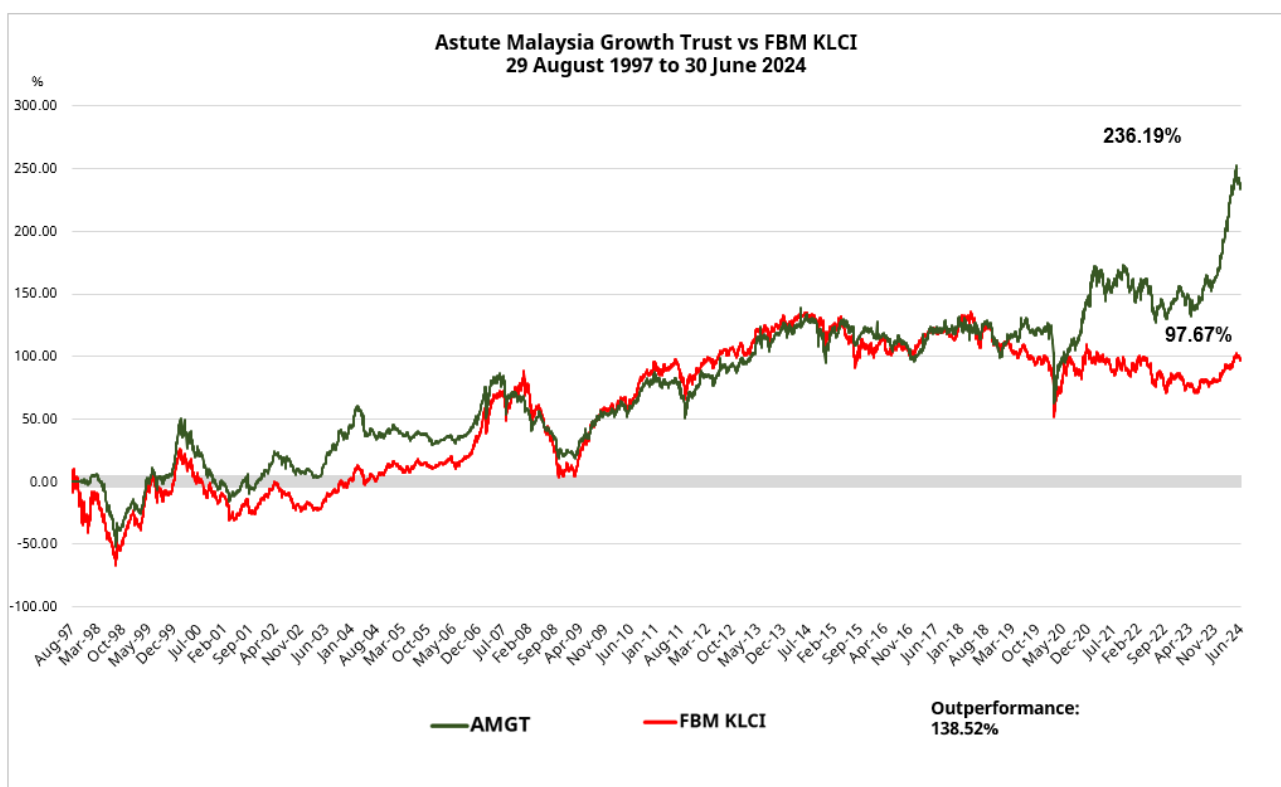
3. MANAGER'S REPORT

The Fund objective was to achieve capital appreciation over medium to long term. For the period of review, the Fund has achieved its investment objective. The Fund had provided a total return of 236.19% since its inception as compare to the benchmark return was 97.67%, the Fund had outperformed the benchmark return by 138.52%.

PERFORMANCE ANALYSIS

For the six-month period ended 30 June 2024, the Fund achieved a return of 24.54% against the benchmark return of 9.31%, resulting in an outperformance against the benchmark of 15.23%. The total NAV of the fund increased to RM 12,444,842 as at 30th June 2024 from RM 9,261,405 as at 31st December 2023. The increase in NAV was mainly due to portfolio value appreciation.

PERFORMANCE OF ASTUTE MALAYSIA GROWTH TRUST BY FBMKLCI SINCE 29 AUGUST 1997 TO 30 JUNE 2024 AMGT HAS OUTPERFORMED THE FBMKLCI BY 138.52%



Source: Bloomberg

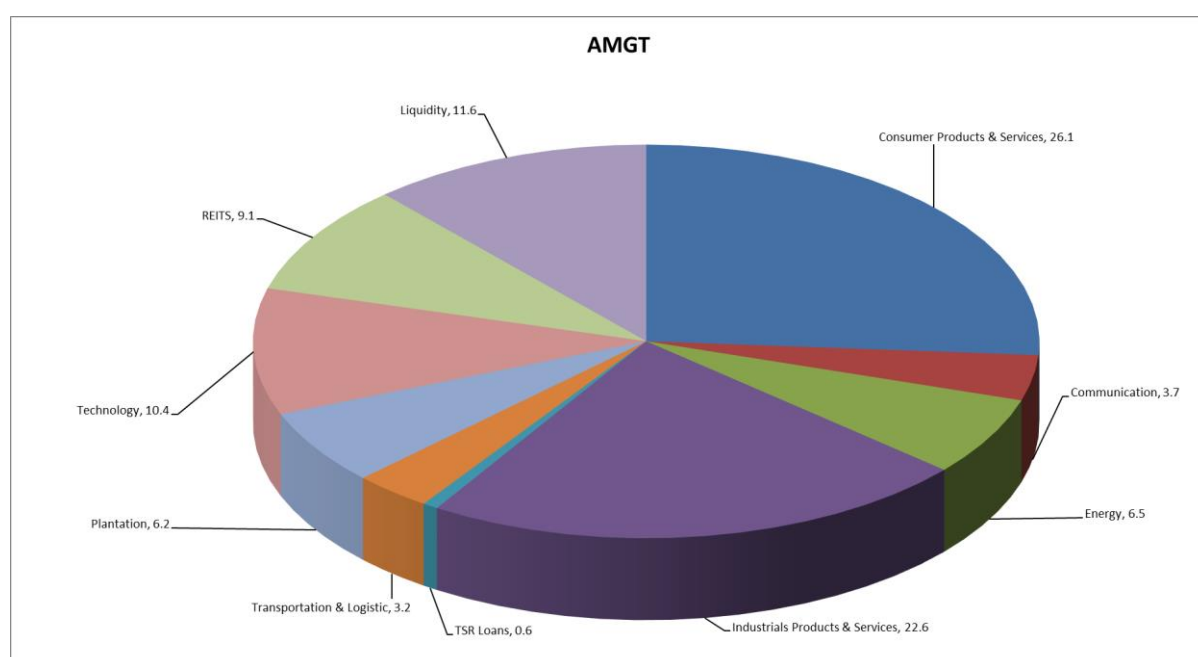
STRATEGIES EMPLOYED

The Fund had adopted the top-down and bottom up approach for its investment strategy. The investment policy was to invest in mostly undervalued companies with good potential of growth.

The fund consists of only in shares or warrants that were listed on the Bursa Malaysia. In term of market sector, the Fund had concentrated mainly in the areas of consumer product and services, industrial, energy and plantation.

Investment strategy will remain centered on well-managed liquid stocks that exhibit good growth prospects with strong earning visibility. Stocks with strong cash flows, decent yield and have proactive capital management will also be considered.

ASSET ALLOCATION



ASSET ALLOCATION BY SECTOR AS AT 30 JUNE 2024

QUOTED SECURITIES	30 JUNE 2024	30 JUNE 2023
Communication	3.7	-
Consumer Products & Services	26.1	26.3
Consumer Discretion	-	3.9
Energy	6.5	8.8
Financial Services	-	4.2
Industrial Products & Services	22.6	10.7
REITS	9.1	6.4
Plantation	6.2	9.3
Technology	10.4	6.1
Transportation & Logistics	3.2	-
Telecommunications & Media	-	2.8
TSR loans	0.6	-
Utilities	-	5.2
Liquidity	11.6	16.3

MARKET REVIEW (JUL-2023 TO JUN-2024)

The US Federal reserve hiked interest rates from 4.5% in February 2023 to 5.5% in July 2023. The robust US economy fuelled expectations of “higher for longer” interest rates. This put pressure on Asian currencies such as the Ringgit which fell to a 25 year low of RM4.79 in Sep-24. The latter in turn weighed down on Bursa Malaysia. Overall, the Ringgit declined by 1.0% against the USD to 4.72 in the period under review. The strong USD was a headwind for Asian equity markets.

The US 10-year bond yield ended 2023 at 3.88%, approximately the same level as the start of the year. The latter rose in 2024 due to a resilient US labour market. The 10 year yield peaked at 4.70% in Apr-24 before easing to 4.40% at the end of Jun-24. The resilient US economy provided strong support for US equity markets.

Between July 2023 and June 2024, Bank Negara kept the Overnight Policy Rate (“OPR”) at 3.0%. The KLCI declined by 2% to 1,455 in 2023. This was due to a lack of positive catalysts, unexciting earnings growth and a weak Ringgit. In 2023, foreigners net sold approximately RM2.3 billion worth of Malaysia equities. However, Bursa Malaysia rebounded by 9.3% in the first 6 months of 2024. This was driven by a confluence of data centre investments, robust FDIs, improved earnings outlook, reasonable valuations and local institutional buying.

MSCI Asia ex-Japan (MXAJ) rose 3.6% in 2023 and a further 8.9% in the first 6M of 2024. The key gainers were Taiwan, India and Korea in 1H 2024. China rallied by 20% from its low in February 2024 as sentiment on the equity market improved. In 2024, Beijing had rolled out a series of measures to revive the stock market and the economy including limiting short selling and promoting a new approach to real estate development while increasing construction spending. Also, the North Asian markets benefit from a bottoming out and anticipated recovery in the technology sector.

MARKET OUTLOOK

US 1Q24 GDP grew by a tepid +1.4% QoQ (3rd revision) in 1Q24. Recent US data show signs of a "Goldilocks" economy. Non-farm payrolls for Jun-24 came in at 206K, a tad higher than consensus. However, the surprise was the US unemployment rate for Jun-24 which came in at 4.1% (the highest since Oct-21). Other signs of cooler activity came from the core PCE numbers which increased by 0.083% in May-24 - the lowest increase since Nov-2020. Finally, June's core CPI of 0.1% MoM for Jun-24 was below consensus expectations of 0.20%. The recent flow of “cooler” data in the US economy raised hopes of a FED rate cut as early as Sep-2024 and provided conditions for equity markets to stay buoyant.

Given that developed economies had raised rates by a wider margin than Asian economies, we expect the former’s rate cuts to be relatively more significant. In our view, this will eventually lead to a weaker USD and stronger Asian currencies moving forward.

We believe the technology sector in Asia will continue to do well. The bottoming out of the export cycle and the recovery in semiconductor demand led by artificial intelligence will support valuations. MSCI AC Asia ex-Japan is trading at a 2024 PER of 13.9x which appears reasonable vs its 10Y range 11.5x to 20.5x [Source: Bloomberg].

For Malaysia, we see a convergence in positive thematises such as data centre investments, FDIs, supply chain relocation, Johor special economic zone and recovery in E&E exports. These themes will support the KLCI for the remainder of 2024.

Finally, we believe the KLCI's valuations remain undemanding i.e. 2024 PER of 14.7x (10Y range 12.4x to 21.7x), PBR of 1.4x (10Y range 1.2x to 2.3x) and 2024 forecast DY of 4.1% (10Y range 2.7% to 5.3%) [Source: Bloomberg]. Our strategy is to invest in companies which have a combination of re-rating potential, strong management and positive catalysts such as earnings, dividends or corporate restructuring. We believe the Malaysia market is capable of trending higher in the coming months.

DISTRIBUTIONS

For the financial period under review, the Fund did not declare any distribution.

STATE OF AFFAIRS OF THE FUND

There were no significant changes in the state of affairs of the financial period and up to the date of Manager's report, not otherwise disclosed in the financial statements.

SECURITIES FINANCING TRANSACTIONS

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

DETAILS OF ANY UNIT SPLIT EXERCISE

The Fund did not carry out any unit split exercise during the financial period under review.

CROSS TRADE

During the financial period under review, no cross-trade transactions were undertaken by the Manager for the Fund.

SOFT COMMISSION

The Manager will retain soft commissions received from stockbrokers, provided they are of demonstrable benefit to the Unit Holders. The soft commissions may take form of goods and services such as data and quotation services, computer software and investment related publications which are incidental to the management of the Fund. Rebates, if any, will be directed to the account of the Fund.

During the period under review, the Manager received data and quotation services and investment related publications which are incidental to the Fund investment.

4. TRUSTEE'S REPORT

To the unit holders of ASTUTE MALAYSIA GROWTH TRUST ("Fund")



Maybank Trustees Berhad (5004-P)
8th Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur, Malaysia
Telephone +603 2070 8833 / 2078 8363
Facsimile +603 2070 9387
www.maybank2u.com.my

TRUSTEE'S REPORT

To the unit holders of ASTUTE MALAYSIA GROWTH TRUST ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 June 2024 and hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Astute Fund Management Berhad has operated and managed the Fund during the financial period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and 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.

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

For Maybank Trustees Berhad
[Company No.: 196301000109 (5004-P)]

A handwritten signature in black ink, appearing to be "NORHAZLIANA BINTI MOHAMMED HASHIM".

NORHAZLIANA BINTI MOHAMMED HASHIM
Head Unit Trust & Corporate Operations
Date: 26 August 2024

5. STATEMENT BY MANAGER



STATEMENT BY MANAGER

We, **Clement Chew Kuan Hock** and **Y.M.Dato' Tunku Ahmad Zahir Bin Tunku Ibrahim**, being two of the directors of **Astute Fund Management Berhad** do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements of **Astute Malaysia Growth Trust Fund** are drawn up in accordance with the Deed, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission Malaysia's Guidelines on Unit Trust Funds so as to give a true and fair view of the financial position of **Astute Malaysia Growth Trust Fund** as at 30 June 2024 and its financial performance, changes in net asset value and cash flows for the financial period then ended.

For and on behalf of the Manager,

ASTUTE FUND MANAGEMENT BERHAD

A handwritten signature in black ink, appearing to read "Clement Chew".

CLEMENT CHEW KUAN HOCK

Director

A handwritten signature in black ink, appearing to read "A. D. Zahir".

**Y.M. DATO' TUNKU AHMAD ZAHIR
BIN TUNKU IBRAHIM**

Director

Kuala Lumpur, Malaysia

Date: 26 August 2024

5.1 STATEMENT OF UNAUDITED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months Financial Period Ended 30 June 2023

	Note	Financial period ended 30.06.2024 RM	Financial period ended 30.06.2023 RM
INVESTMENT INCOME/(LOSS)			
Gross dividend income		244,500	199,006
Interest income from deposits with financial institutions		6,404	12,936
Realise gain/ (loss) on sales of investments		380,612	(112,187)
Unrealised gain/ (loss) on financial assets at fair value through profit and loss ("FVPL")		1,658,823	(248,091)
Other income		4,330	2,191
		<u>2,294,669</u>	<u>(146,955)</u>
LESS: EXPENSES			
Management fee	4	82,219	62,081
Trustee's fee	5	2,741	2,069
Auditors' remuneration		4,370	3,273
Tax agent's fee		1,939	2,366
Administrative expenses		5,617	2,007
Transaction costs		20,478	17,406
		<u>117,364</u>	<u>89,202</u>
NET INVESTMENT INCOME/ (EXPENSES)		2,177,305	(236,157)
FOREIGN EXCHANGE GAIN/ (LOSS):			
- REALISED		42,554	(8,826)
- UNREALISED		82	-
		<u>2,219,941</u>	<u>(244,983)</u>
NET INCOME/ (LOSS) BEFORE TAXATION		2,219,941	(244,983)
INCOME TAX EXPENSE	6	(3,970)	(2,473)
		<u>2,215,971</u>	<u>(247,456)</u>
NET INCOME/ (LOSS) AFTER TAXATION FOR THE FINANCIAL PERIOD		2,215,971	(247,456)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL PERIOD		2,215,971	(247,456)
Total comprehensive income/(expenses) for the financial period is made up as follows:-			
- realised		557,066	1,445
- unrealised		1,658,905	(248,901)
		<u>2,215,971</u>	<u>(247,456)</u>
DISTRIBUTION FOR THE FINANCIAL PERIOD			
Net distribution	7	414,323	316,016
Net distribution per unit ("RM")		0.009	0.008
Gross distribution per unit ("RM")		0.009	0.008

The annexed notes form an integral part of these financial statements.

5.2 STATEMENT OF UNAUDITED FINANCIAL POSITION

At 30 June 2024

	Note	30.06.2024 RM	30.06.2023 RM
ASSETS			
INVESTMENTS			
Quoted investments	8	11,002,612	6,864,527
Deposits with licensed financial institutions	9	1,120,123	1,269,664
		<u>12,122,735</u>	<u>8,134,191</u>
OTHER ASSETS			
Sundry receivables	10	20,516	3,585
Bank balance		431,718	176,880
		<u>452,234</u>	<u>180,465</u>
TOTAL ASSETS		<u>12,574,969</u>	<u>8,314,656</u>
NET ASSET VALUE (“NAV”) AND LIABILITIES			
NAV			
Unitholders’ capital		7,740,096	6,353,308
Retained earnings		4,704,746	1,851,032
TOTAL NAV	11	<u>12,444,842</u>	<u>8,204,340</u>
LIABILITIES			
Sundry payables and accruals	12	114,266	99,845
Amount owing to Manager		15,350	10,133
Amount owing to Trustee		511	338
TOTAL LIABILITIES		<u>130,127</u>	<u>110,316</u>
TOTAL NAV AND LIABILITIES		<u>12,574,969</u>	<u>8,314,656</u>
NUMBER OF UNITS IN CIRCULATION	11.1	<u>48,474,978</u>	<u>43,428,596</u>
NAV PER UNIT (“RM”)		<u>0.2567</u>	<u>0.1889</u>

The annexed notes form an integral part of these financial statements.

5.3 STATEMENT OF UNAUDITED CHANGES IN NET ASSET VALUE

For the Sixth Months Financial Period Ended 30 June 2024

	Note	Unitholders' capital RM	Retained earnings RM	Total RM
At 1 January 2023		5,735,771	2,414,504	8,150,275
Net loss after taxation/Total comprehensive expenses for the financial period		-	(247,456)	(247,456)
Contribution by and distributions to the unitholders of the Fund:				
- Creation of units	11.1	941,756	-	941,756
- Cancellation of units	11.1	(324,219)	-	(324,219)
- Distribution for the period	7	-	(316,016)	(316,016)
Total transactions with unitholders of the fund		617,537	(316,016)	301,521
Balance at 30 June 2023		6,353,308	1,851,032	8,204,340
At 1 January 2024		6,358,308	2,903,098	9,261,406
Net income after taxation/Total comprehensive income for the financial period		-	2,215,971	2,215,971
Contribution by and distributions to the unitholders of the Fund:				
- Creation of units	11.1	2,748,463	-	2,748,463
- Cancellation of units	11.1	(1,366,675)	-	(1,366,675)
- Distribution for the period	7	-	(414,323)	(414,323)
Total transactions with unitholders of the fund		1,381,788	(414,323)	967,465
Balance at 30 June 2024		7,740,096	4,704,746	12,444,842

The annexed notes form an integral part of these financial statements.

5.4 STATEMENT OF UNAUDITED CASH FLOWS

For the Six Months Financial Period Ended 30 June 2024

	30.06.2024	30.06.2023
	RM	RM
CASH FLOW FROM/(FOR) OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	2,889,742	2,176,062
Purchase of investments	(3,649,388)	(2,181,267)
Dividend income received	243,243	194,826
Interest received	6,458	12,677
Management fee paid	(78,436)	(61,890)
Trustee's fee paid	(2,615)	(2,062)
Payment for other expenses	(34,919)	(18,278)
Realised foreign exchange losses	(243)	(8,826)
Other income received	4,330	2,191
	<hr/>	<hr/>
NET CASH FROM/(FOR) OPERATING AND INVESTING ACTIVITIES	(621,828)	113,433
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from units created	2,707,551	941,756
Payment for units cancelled	(1,234,645)	(316,933)
Distribution paid	(414,323)	(316,016)
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES	1,058,583	308,807
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	436,755	422,240
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,115,086	1,024,304
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CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	1,551,841	1,446,544
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The annexed notes form an integral part of these financial statements.

5.5 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the Six Months Financial Period Ended 30 June 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Astute Malaysia Growth Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 28 July 1997, the First Supplemental Deed dated 6 July 1999, the Second Supplemental Deed dated 10 March 2005, the Third Supplemental Deed dated 20 August 2013 and the Fourth Supplemental Deed dated 3 August 2015, between the Manager, Astute Fund Management Berhad, the Trustee, AmTrustee Berhad and the registered unitholders of the Fund. The Fifth Supplemental Deed dated 15 April 2016 was executed for the change of Trustee from AmTrustee Berhad to Maybank Trustees Berhad, the Sixth Supplemental Deed dated 22 April 2022 was executed for the change of the Manager’s name from Apex Investment Services Berhad to Astute Fund Management Berhad, and the Seventh Supplemental Deed dated 11 January 2023 which the amendments essentially entailed on the amendments to the provisions of the Principal Deed to be in line with the Guidelines on Unit Trust Funds revised on 28 November 2022 (“collectively referred to as “the Deeds”) between the Manager, Astute Fund Management Berhad, the Trustee, Maybank Trustees Berhad and the registered unitholders of the Fund.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Seventh Schedule of the Deeds. The Fund commenced operations on 6 August 1997 (date of inception) and will continue its operations until its termination by the Trustee or the Manager as provided under Clauses 7.1, 7.2 and 7.5 of the Deeds.

The investment objective of the Fund is to provide maximum capital growth over the medium to longer-term through a diversified portfolio of principally Malaysian equity securities.

The Manager, Astute Fund Management Berhad, is a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust and wholesale funds.

2. BASIS OF PREPARATION

The financial statements of the Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

2.1 During the current financial period, the Fund has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 & MFRS 9- Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

2. BASIS OF PREPARATION (CONT'D)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Fund's financial statements except as follows:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Fund. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The fund has made updates to the accounting policies presented in Note 3 to financial statements in line with the amendments.

2.2 The Fund has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Classification of Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Fund upon their initial application except as follows:-

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard sets out the new requirements for the presentation and disclosure of information in the primary financial statements and notes. The potential impact of the new standard on the financial statements of the Fund has yet to be assessed.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Fund's accounting policies, the management is not aware of any judgements that have significant effects on the amounts recognised in the financial statements.

There are also no assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Fund is the currency of the primary economic environment in which the Fund operates.

The financial statements of the Fund are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency of the Fund.

3.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either their amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss (FVPL)

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Fund reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Fund has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Fund's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at FVPL

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Unitholders' Capital

Unitholders' capital are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

The unitholders' contributions to the Fund meet the criteria of puttable instruments classified as equity instruments under the revised MFRS 132 - Financial Instruments Presentation. Those criteria include:-

- the units entitle the holder to a proportionate share of the Fund's NAV;
- 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 on substantially on the profit or loss of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(ii) NAV Attributable to Unitholders

NAV attributable to unitholders represents the total NAV in the statement of financial position, which is carried at the redemption amount that would be payable at the end of the reporting period if the unitholders exercised the right to redeem units of the Fund.

Units are created or cancelled at prices based on the Fund's NAV per unit at the time of the creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to the unitholders with the total issued and paid-up units as of that date.

(iii) Distributions

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a reduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 CLASSIFICATION OF REALISED AND UNREALISED GAINS AND LOSSES

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposal of financial instruments classified as part of at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

3.6 IMPAIRMENT OF FINANCIAL ASSETS

The Fund recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, receivables, short-term deposits with financial institutions and Bank balance.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Fund always recognises lifetime expected credit losses for receivables, short-term deposits with financial institutions and Bank balance using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Fund's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3.7 INCOME TAXES

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in changes in NAV).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 OPERATING SEGMENTS

An operating segment is a component of the Fund that engages in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of the Fund's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.9 FAIR VALUE MEASUREMENTS

Fair value is 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

3.10 INCOME RECOGNITION

(a) Dividend Income

Dividend income from investments is recognised when the right to receive dividend payment is established.

(b) Realised Gains or Losses on Sale of Investments

Realised gain or loss on the sale of an investment is recognised based on the sale proceeds less cost which is determined on the weighted average cost basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 INCOME RECOGNITION (CONT'D)

(c) Interest Income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective profit rates applicable.

4. MANAGEMENT FEE

Clauses 6.1, 6.2 and 6.3 of the Deed provide that the Manager is entitled to a management fee computed daily on the net asset value attributable to unitholders of the Fund at a maximum rate of 2% (2023 - 2%) per annum. The management fee recognised in the financial statements is computed based on 1.50% (2023 - 1.50%) per annum for the financial period.

5. TRUSTEE'S FEE

Trustee is entitled to a fee at such rate as may be agreed from time to time between the Manager and the Trustee. The Trustee's fee recognised in the financial statements is computed daily at 0.05% (2023 - 0.05%) per annum of the net asset value attributable to unitholders of the Fund.

6. INCOME TAX EXPENSE

	30.06.2024	30.06.2023
	RM	RM
Current tax expense	3,970	2,473

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial period.

7. DISTRIBUTION FOR THE FINANCIAL PERIOD

Distribution to unitholders during the financial period is from the following sources:

	30.06.2024	30.06.2023
	RM	RM
Taxable income		
Gross dividends	7,218	7,190
Non-taxable income		
Tax-exempt dividends	240,873	155,494
Interest income from deposits	46,425	37,206
Disbursement from REITs	25,806	15,326
Realised gains on sale of investments	87,238	128,987
	<hr/>	<hr/>
	87,238	96,896
Other income	11,789	8,733
	<hr/>	<hr/>
Gross distribution amount	419,349	320,845
Less:-		
Expenses	3,294	3,104
Taxation	1,732	1,725
	<hr/>	<hr/>
Net distribution amount	414,323	316,016
	<hr/>	<hr/>
Units in circulation	46,594,309	40,105,656
Gross distribution per unit ("RM")	0.009	0.008
Net distribution per unit ("RM")	0.009	0.008
	<hr/>	<hr/>
Reinvestment/Entitlement date	24 May 2024	14 April 2023
	<hr/>	<hr/>
Payment date	31 May 2024	28 April 2023
	<hr/>	<hr/>

8. QUOTED INVESTMENTS

	Note	30.06.2024 RM	30.06.2023 RM
Quoted equity investments, at fair value:			
- in Malaysia	8.1	9,329,010	5,677,629
- outside Malaysia	8.2	465,003	661,073
		<hr/>	<hr/>
		9,794,013	6,338,702
Quoted non-equity investments held in Malaysia, at fair value	8.3	1,208,599	525,825
		<hr/>	<hr/>
		11,002,612	6,864,527
		<hr/>	<hr/>

At 30 June 2024	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of the Fund %
8.1 EQUITY INVESTMENTS IN MALAYSIA				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET</u>				
<u>CONSUMER PRODUCTS & SERVICES</u>				
AirAsia X Berhad	168,000	252,470	252,000	2.02
Hong Leong Industrial Berhad	50,400	461,932	560,448	4.50
MBM Resources Berhad	112,700	380,335	596,183	4.80
MSM Malaysia Holdings Berhad	297,700	343,581	693,641	5.57
Spritzer Berhad	195,000	363,209	518,700	4.17
Tomei Consolidated Berhad	363,800	475,568	629,374	5.06
		<hr/>	<hr/>	
		2,277,095	3,250,346	26.12
		<hr/>	<hr/>	
<u>INDUSTRY PRODUCTS AND SERVICES</u>				
Hume Cement Industries Berhad	112,028	80,228	375,294	3.02
Malayan Cement Berhad	145,300	393,479	723,594	5.81
Malaysia Smelting Corporation Berhad	292,000	686,182	747,520	6.01
SKP Resources Berhad	457,000	491,430	525,550	4.22
YBS International Berhad	570,000	422,259	438,900	3.53
		<hr/>	<hr/>	
		2,073,578	2,810,858	22.59
		<hr/>	<hr/>	
<u>TECHNOLOGY</u>				
Frontken Corporation Berhad	181,000	699,136	807,260	6.49
Malaysian Pacific Industries Berhad	12,300	421,095	484,866	3.90
		<hr/>	<hr/>	
		1,120,231	1,292,126	10.39
		<hr/>	<hr/>	
<u>ENERGY</u>				
Dialog Group Berhad	337,000	781,225	805,430	6.47
		<hr/>	<hr/>	

8. QUOTED INVESTMENTS (CONT'D)

At 30 June 2024 (Cont'd)

	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of the Fund %
8.1 EQUITY INVESTMENTS IN MALAYSIA (CONT'D)				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET (CONT'D)</u>				
<u>PLANTATION</u>				
United Plantations Berhad	31,400	477,870	769,300	6.18
<u>TRANSPORT AND LOGISTIC</u>				
Malaysia Airports Holdings Berhad	40,500	299,957	400,950	3.22
TOTAL QUOTED EQUITY INVESTMENTS IN MALAYSIA		7,029,956	9,329,010	74.97

8. QUOTED INVESTMENTS (CONT'D)

At 30 June 2024 (Cont'd)

	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of the Fund %
8.2 EQUITY INVESTMENTS OUTSIDE MALAYSIA				
IN HONG KONG				
<u>COMMUNICATION</u>				
China Mobile Limited	10,000	385,484	465,003	3.74
TOTAL QUOTED EQUITY INVESTMENTS OUTSIDE MALAYSIA		385,484	465,003	3.74
8.3 NON-EQUITY INVESTMENTS IN MALAYSIA				
<u>TSR Loans</u>				
Capital A Berhad - LA	93,100	88,706	79,135	0.64
<u>REITs</u>				
YTL Hospitality Reit	553,500	483,271	669,735	5.38
		571,977	748,870	6.02
8.4 NON-EQUITY INVESTMENTS OUTSIDE MALAYSIA				
IN SINGAPORE				
<u>REITs</u>				
Capitaland Ascott Trust	151,000	517,921	459,729	3.69
TOTAL QUOTED INVESTMENTS		8,505,338	11,002,612	88.42

8. QUOTED INVESTMENTS (CONT'D)

At 30 June 2023	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of the Fund %
8.1 EQUITY INVESTMENTS IN MALAYSIA				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET</u>				
<u>CONSUMER PRODUCTS & SERVICES</u>				
Carlsberg Brewery Malaysia Berhad	13,000	296,366	264,680	3.23
Genting Malaysia Berhad	91,600	279,850	225,336	2.75
Hong Leong Industries Berhad	50,400	461,931	451,584	5.50
Malayan Flour Mills Berhad	498,200	370,766	298,920	3.64
MBM Resources Berhad	112,700	380,335	397,831	4.85
MSM Malaysia Holdings Berhad	249,000	256,129	273,900	3.34
Tomei Consolidated Berhad	233,800	285,234	243,152	2.96
		2,330,611	2,155,403	26.27
<u>ENERGY</u>				
Dialog Group Berhad	170,000	442,723	350,200	4.27
Hibiscus Petroleum Berhad	433,700	440,209	375,150	4.57
		882,932	725,350	8.84
<u>FINANCIAL SERVICES</u>				
Malayan Banking Berhad	40,000	348,163	345,200	4.21
<u>INDUSTRIAL PRODUCTS AND SERVICES</u>				
Hume Cement Industries Berhad-LA	78,420	80,227	184,287	2.25
Malayan Cement Berhad	166,300	450,348	510,541	6.22
Press Metal Aluminium Holdings Berhad	38,600	220,925	181,420	2.21
		751,500	876,248	10.68

8. QUOTED INVESTMENTS (CONT'D)

At 30 June 2023 (Cont'd)

	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of the Fund %
8.1 EQUITY INVESTMENTS IN MALAYSIA (CONT'D)				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET (CONT'D)</u>				
<u>PLANTATION</u>				
Innoprise Plantations Berhad	224,300	355,088	275,889	3.36
United Plantations Berhad	31,400	477,870	486,072	5.92
		832,958	761,961	9.28
<u>TECHNOLOGY</u>				
Frontken Corporation Berhad	25,000	81,193	78,750	0.96
Malaysian Pacific Industries Berhad	3,000	91,692	83,460	1.02
Unisem (M) Berhad	76,000	240,083	227,240	2.77
		412,968	389,450	4.75
<u>UTILITIES</u>				
Taliworks Corporation Berhad	520,266	426,507	424,017	5.17
TOTAL QUOTED EQUITY INVESTMENTS IN MALAYSIA		5,985,639	5,677,629	69.20

At 30 June 2023 (Cont'd)

	Number of Shares	At Cost RM	At Fair Value RM	Percentage of NAV of the Fund %
8.2 EQUITY INVESTMENTS OUTSIDE MALAYSIA				
IN HONG KONG				
<u>COMMUNICATION</u>				
China Mobile Limited	6,000	221,436	228,812	2.79
<u>CONSUMER DISCRETION</u>				
Alibaba Group Holding Ltd.	6,600	408,744	319,087	3.89
<u>TECHNOLOGY</u>				
PAX Global Technology Limited	32,000	118,831	113,174	1.38
TOTAL QUOTED EQUITY INVESTMENTS OUTSIDE MALAYSIA		749,011	661,073	8.06
8.3 NON-EQUITY INVESTMENTS IN MALAYSIA				
<u>REITs</u>				
YTL Hospitality REIT	553,500	483,271	525,825	6.41
TOTAL QUOTED INVESTMENTS		7,217,921	6,864,527	83.67

The foreign currency exposure profile of the above quoted investments is the total amount of the equity securities in each country's stock exchange as disclosed above.

9. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The deposits earn weighted average effective profit rate of 3.00% (30.06.2023 – 2.88%) per annum at the end of the reporting period. The maturity periods of the deposits at the end of the reporting period ranged from 1 to 3 days (30.06.2023 – 1 to 7 days).

10. SUNDRY RECEIVABLES

	30.06.2024 RM	30.06.2023 RM
Dividend receivable	5,332	3,253
Interest receivable from deposits with financial institutions	184	332
Allotment money receivable	15,000	-
	20,516	3,585

11. TOTAL NET ASSET VALUE

	Note	30.06.2024 RM	30.06.2023 RM
Unitholders' capital	11.1	7,740,096	6,353,308
Retained earnings:			
- realised reserve	11.2	2,252,163	2,204,426
- unrealised reserve	11.3	2,452,583	(353,394)
		4,704,746	1,851,032
		12,444,842	8,204,340

11.1 UNITHOLDERS' CAPITAL

	30.06.2024		30.06.2023	
	Number of units	RM	Number of units	RM
As at beginning of the financial period	43,462,386	6,358,308	40,269,753	5,735,771
Creation of units	10,532,370	2,748,463	4,762,429	941,756
Cancellation of units	(5,519,778)	(1,366,675)	(1,603,586)	(324,219)
	48,474,978	7,740,096	43,428,596	6,353,308

11. TOTAL NET ASSET VALUE (CONT'D)

11.2 REALISED RESERVE – DISTRIBUTABLE

	30.06.2024 RM	30.06.2023 RM
Balance as at beginning of the financial period	2,109,420	2,520,311
Net gain/ (loss) for the financial period	2,215,971	(247,456)
Net unrealised (gain)/ loss on valuation of quoted investments transferred to unrealised reserve	(1,658,823)	247,587
Unrealised foreign exchange (gain) transferred to unrealised reserve	(82)	-
Net increase in realised reserve for the financial period	557,066	131
Distribution for the financial period	(414,323)	(316,016)
Balance as at end of the financial period	<u>2,252,163</u>	<u>2,204,426</u>

11.3 UNREALISED RESERVE - NON-DISTRIBUTABLE

	30.06.2024 RM	30.06.2023 RM
Balance as at beginning of the financial period	793,678	(105,807)
Net unrealized gain/(loss) on valuation of quoted investments transferred from realised reserve	1,658,823	(247,587)
Unrealised foreign exchange gain transferred from realised reserve	82	-
Balance as at end of the financial period	<u>2,452,583</u>	<u>(353,394)</u>

12. SUNDRY PAYABLES AND ACCRUALS

	30.06.2024 RM	30.06.2023 RM
Amount due to broker	-	86,295
Redemption money payable	106,118	7,286
Accruals	8,148	6,264
	<u>114,266</u>	<u>99,845</u>

Redemption money payable represents amount payable to unitholders at the end of the reporting period for the cancellation of units.

13. TOTAL EXPENSE RATIO

	30.06.2024	30.06.2023
	%	%
Total Expense Ratio ("TER")	<u>0.88</u>	<u>0.86</u>

The TER includes annual management's fee, annual trustee's fee, auditors' remuneration and other administrative fee and expenses which is calculated as follows:-

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

A = Management fee

B = Trustee's fee

C = Auditors' remuneration

D = Tax agent's fee

E = Administrative expenses

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

The average net asset value of the Fund for the financial period was RM11,022,290 (30.06.2023: RM8,300,423).

14. PORTFOLIO TURNOVER RATIO

	30.06.2024	30.06.2023
	Times	Times
Portfolio Turnover Ratio ("PTR")	<u>0.30</u>	<u>0.27</u>

The portfolio turnover ratio is derived from the following calculation:

$$\text{PTR} = \frac{(\text{Total acquisitions for the financial period} + \text{total disposals for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on daily basis}}$$

Where,

Total acquisitions for the financial period = RM3,649,388 (30.06.2023: RM2,528,108)

Total disposals for the financial period = RM2,889,741 (30.06.2023: RM2,184,015)

15. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Fund Manager as its chief investment decision maker in order to allocate resources to segments and to assess their performance.

The Fund Manager requires such information to allocate the resources more effectively to the following two segments:-

15.1 Geographical segment - allocate resources to invest in various countries; and

15.2 Investment segment - allocate resources to invest in quoted investments and liquid assets.

Investment segment has not been presented as the investments of the Fund are mainly concentrated on equity securities.

15. OPERATING SEGMENT (CONT'D)

GEOGRAPHICAL SEGMENT

The following table provides an analysis of the results and assets by geographical segments:

30.06.2024

	Malaysia RM	Hong Kong RM	Other countries RM	Total RM
INVESTMENT INCOME/(LOSS)				
Segment income/(loss) representing segment results:-				
Gross dividend income	213,655	14,431	16,414	244,500
Interest income from deposits with financial institutions	6,404	-	-	6,404
Realised gain on sale of investments	567,553	(186,941)	-	380,612
Unrealised losses on valuation of investments	1,517,435	199,990	(58,602)	1,658,823
Others income	4,330	-	-	4,330
	2,309,377	27,480	(42,188)	2,294,669
Unallocated expenditure				(117,364)
Net investment expenses				2,177,305
Foreign exchange gains/(losses):				
- realised	-	42,493	61	42,554
- unrealised	82	-	-	82
	82	42,493	61	42,636
Net loss before taxation				2,219,941
Income tax expense				(3,970)
Net loss after taxation				2,215,971
Assets				
Investments:-				
Quoted investments/ Segmental Asset	11,198,003	465,003	459,729	12,122,735
Other assets - unallocated				452,234
Total assets				12,574,969
Liabilities				
Unallocated liabilities				130,127

30.06.2023

	Malaysia RM	Hong Kong RM	Other countries RM	Total RM
INVESTMENT INCOME/(LOSS)				
Segment income/(loss) representing segment results:-				
Gross dividend income	191,214	7,792	-	199,006
Interest income from deposits with financial institutions	12,936	-	-	12,936
Realised gain on sale of investments	(112,187)	-	-	(112,187)
Unrealised losses on valuation of investments	(160,962)	(87,939)	-	(248,901)
Others income	2,191	-	-	2,191
	(66,808)	(80,147)	-	(146,955)
Unallocated expenditure				(89,202)
Net investment expenses				(236,157)
Foreign exchange gains/(losses):				
- realised	-	114	(8,940)	(8,826)
- unrealised	-	-	-	-
	-	114	(8,940)	(8,826)
Net loss before taxation				(244,983)
Income tax expense				(2,473)
Net loss after taxation				(247,456)
Assets				
Investments:-				
Quoted investments/ Segmental Asset	7,473,118	661,073	-	8,134,191
Other assets - unallocated				180,465
Total assets				8,314,656
Liabilities				
Unallocated liabilities				110,316

16. UNITS HELD BY THE MANAGER AND DIRECTORS OF THE MANAGER

The units of the Fund at market value held by directors of the Manager at the end of the reporting period are shown as follows:-

	30.06.2024		30.06.2023	
	Units	RM	Units	RM
Directors of the Manager				
- units held in the Fund at market value	522,717	134,181	500,486	94,542

17. TRANSACTIONS BY THE FUND WITH BROKERS

Transactions by the Fund with brokers during the financial period were as follows:-

30.06.2024	Value of trade		Brokerage fee	
	RM	%	RM	%
CGS International Securities Malaysia Sdn Bhd	2,100,258	32.91	4,360	36.36
Hong Leong Investment Bank Berhad	1,439,799	22.57	2,159	18.00
Maybank Investment Bank Berhad	1,409,767	22.10	2,584	21.55
Affin Hwang Investment Bank Berhad	1,384,011	21.69	2,772	23.12
DBS Vickers Securities Singapore Pte Ltd	46,568	0.73	116	0.97
	6,380,403	100.00	11,991	100.00

30.06.2023	Value of trade		Brokerage fee	
	RM	%	RM	%
CIMB Investment Bank Berhad	1,448,920	32.61	3,099	35.11
Maybank Investment Bank Berhad	1,327,116	29.87	2,723	30.86
Affin Hwang Investment Bank Berhad	1,013,704	22.81	2,002	22.69
Hong Leong Investment Bank Berhad	653,883	14.71	1,000	11.34
	4,443,623	100.00	8,824	100.00

18. RELATED PARTY DISCLOSURES

18.1 IDENTITIES OF RELATED PARTIES

- (a) The Fund has related party relationships with its Manager, Astute Fund Management Berhad, and its Trustee, Maybank Trustees Berhad.
- (b) The Fund also had related party relationships with directors and person related to the Director of the Manager.

18.2 In addition to the balances detailed elsewhere in the financial statements, the Fund carried out the following transactions with the related parties during the financial period:-

	30.06.2024	30.06.2023
	RM	RM
Astute Fund Management Berhad		
- management fee	82,219	62,081
	<hr/>	<hr/>
Maybank Trustees Berhad		
- trustee's fee	2,741	2,069
	<hr/>	<hr/>

	30.06.2024		30.06.2023	
	Units	RM	Units	RM
Directors of the Manager				
- purchase of units in the Fund	2,472	600	2,844	570
- disposal of units in the Fund	86	21	15	3
- distribution of units by the Fund	16,909	4,494	19,246	3,784
	<hr/>	<hr/>	<hr/>	<hr/>
Person related to the Director of the Manager				
- purchase of units in the fund	530,419	117,382	-	-
- disposal of units in the Fund	344	84	3,819	764
- distribution of units by the Fund	36,980	9,829	12,058	2,371
	<hr/>	<hr/>	<hr/>	<hr/>

18.3 Units of the Fund at market value held by related parties at the end of reporting period are as follows:-

	30.06.2024		30.06.2023	
	Units	RM	Units	RM
Person related to the Director of the Manager	1,142,303	293,229	311,589	58,859
	<hr/>	<hr/>	<hr/>	<hr/>

The person related to the Director of the Manager are legal and beneficial owner of the units.

19. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the reporting period are as follows:-

	30.06.2024	30.06.2023
	RM	RM
Hong Kong Dollar	0.6039	0.5954
United States Dollar	4.7157	4.6660
Singapore Dollar	3.4795	-

20. FINANCIAL INSTRUMENTS

The Fund's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Fund's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

20.1 FINANCIAL RISK MANAGEMENT POLICIES

The Fund's policies in respect of the major areas of treasury activity are as follows:-

(a) Foreign Currency Risk

The Fund is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Hong Kong Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Fund's exposure to foreign currencies risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

30.06.2024	Hong Kong Dollar RM	Other Currencies RM	Ringgit Malaysia RM	Total RM
Financial Assets				
Quoted investments	465,003	459,729	10,077,880	11,002,612
Deposits with licensed Financial Institutions			1,120,123	1,120,123
Sundry receivables	-	-	20,516	20,516
Bank balance	-	219,217	212,501	431,718
	<u>465,003</u>	<u>678,946</u>	<u>11,431,020</u>	<u>12,574,969</u>
Financial Liabilities				
Sundry payables and accruals	-	-	114,266	114,266
Amount owing to Manager	-	-	15,350	15,350
Amount owing to Trustee	-	-	511	511
	<u>-</u>	<u>-</u>	<u>130,127</u>	<u>130,127</u>
Net financial assets	465,003	678,946	11,300,893	12,444,842
Less: Net financial assets denominated in the functional currency	-	-	(11,300,893)	(11,300,893)
Currency exposure	<u>465,003</u>	<u>678,946</u>	<u>-</u>	<u>1,143,949</u>

20. FINANCIAL INSTRUMENTS (CONT'D)

20.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Foreign Currency Risk (Cont'd)

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against functional currency of the Fund does not have material impact on the loss after taxation and other comprehensive income of the Fund and hence, no sensitivity analysis is presented.

30.06.2023

30.06.2023	Hong Kong Dollar RM	Other Currencies RM	Ringgit Malaysia RM	Total RM
Financial Assets				
Quoted investments	661,073	-	6,203,454	6,864,527
Deposits with licensed financial institutions	-	-	1,269,664	1,269,664
Sundry receivables	-	-	3,585	3,585
Bank balance	-	18,456	158,424	176,880
	661,073	18,456	7,635,127	8,314,656
Financial Liabilities				
Sundry payables and accruals	-	-	99,845	99,845
Amount owing to Manager	-	-	10,133	10,133
Amount owing to Trustee	-	-	338	338
	-	-	110,316	110,316
Net financial assets	661,073	18,456	7,524,811	8,204,340
Less: Net financial assets denominated in the functional currency	-	-	(7,524,811)	(7,524,811)
Currency exposure	661,073	18,456	-	679,529

(b) Interest Rate Risk

Cash and other fixed income securities are particularly sensitive to movements in interest rates. When interest rate rises, the return on cash and the value of fixed income securities will rise whilst it will be vice versa if there is a fall, thus affecting the NAV of the Fund.

The Fund does not have any significant balances which are subject to interest rate risk as defined in MFRS 7, hence is not exposed to interest rate risk.

(c) Particular Stock Risk

Any major price fluctuations of a particular stock invested by the Fund may adversely or favourably impact the NAV of the Fund. However, due to the diversification nature of the unit trust, the impact would not be as major as investing in one particular stock.

Particular Stock Risk Sensitivity

Particular stock risk sensitivity is not presented as a reasonable possible change in any one equity index will not have a significant impact on the financial performance of the Fund.

Particular Stock Risk Concentration

The Fund's concentration of equity price risk analysed by the Fund's equity instruments by sector is as follows:

Investment Sector	30.06.2024		30.06.2023	
	RM	As a % of NAV	RM	As a % of NAV
Consumer Products & Services	3,250,346	26.12	2,155,403	26.27
Industrial Products & Services	2,810,858	22.59	876,248	10.68
Technology	1,292,126	10.39	502,624	6.13
REITs	1,129,464	9.07	525,825	6.41
Energy	805,430	6.47	725,350	8.84
Plantation	769,300	6.18	761,961	9.28
Communication	465,003	3.74	228,812	2.79
Transportation & Logistics	400,950	3.22	-	-
TSR Loans	79,135	0.64	-	-
Utilities	-	-	424,017	5.17
Financial Services	-	-	345,200	4.21
Consumer Discretion	-	-	319,087	3.89
	<u>11,002,612</u>	<u>88.42</u>	<u>6,864,527</u>	<u>83.67</u>

20. FINANCIAL INSTRUMENTS (CONT'D)

20.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Liquidity and Cash Flows Risk

Liquidity risk refers to the ease to convert investments into cash without significantly incurring loss in value. Stocks issued by smaller companies will face a greater chance of liquidity risk as compared to stocks issued by larger companies. When investing in stocks of smaller companies, the historical volume traded would be analysed to minimise the liquidity risk.

(e) Fund Manager's Risk

The performance of the Fund is also influenced by the expertise of the Fund Manager. The investment committee will oversee the activities and performance of the Fund Manager. There is also the risk that the Fund Manager does not adhere to the investment mandate of the Fund. The investment committee and the compliance unit hold primary functions to ensure that the Fund's investment strategy and mandate are adhered to. A compliance checklist and investment performance report shall be presented for review during the investment committee meeting.

(f) Credit Risk

The Fund's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from sundry receivables.

(i) Credit Risk Concentration Profile

The Fund does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

As the Fund does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

20. FINANCIAL INSTRUMENTS (CONT'D)

20.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(f) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Fund assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Receivables

The Fund applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
30.06.2024				
Current (not past due)	20,516	-	-	20,516
<hr/>				
30.06.2023				
Current (not past due)	3,585	-	-	3,585
<hr/>				

Deposits with Licensed Banks and Bank Balances

The Fund considers the banks and financial institutions have low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Fund is of the view that the loss allowance is immaterial and hence, it is not provided for.

20. FINANCIAL INSTRUMENTS (CONT'D)

20.2 CAPITAL RISK MANAGEMENT

The Manager of the Fund manages the capital of the Fund by maintaining an optimal capital structure so as to support its businesses and maximise unitholders value. To achieve this objective, the Manager of the Fund may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to unitholders or undertake a unit splitting exercise to lower the value per unit of the Fund, thus the units become more affordable to raise more funds.

20.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	30.06.2024	30.06.2023
	RM	RM
Financial Assets		
<u>Mandatorily at FVPL</u>		
Quoted investments	11,002,612	6,864,527
<u>Amortised Cost</u>		
Deposits with licensed financial institution	1,120,123	1,269,664
Sundry receivables	20,516	3,585
Bank balance	431,718	176,880
	<u>1,572,357</u>	<u>1,450,129</u>
Financial Liability		
<u>Amortised Cost</u>		
Sundry payables and accruals	114,266	99,845
Amount owing to Manager	15,350	10,133
Amount owing to Trustee	511	338
	<u>130,128</u>	<u>110,316</u>

20.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	30.06.2024	30.06.2023
	RM	RM
Financial Assets		
<u>Mandatorily at FVPL</u>		
Net losses recognised in profit or loss	2,283,935	(162,082)
<u>Amortised Cost</u>		
Gains recognised in profit or loss	10,734	15,127

20. FINANCIAL INSTRUMENTS (CONT'D)

20.5 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair value of the following financial asset is included in level 1 of the fair value hierarchy.

The financial instruments of the Fund at the end of the reporting period that are carried at fair values analysed into level 1 to 3 are as follows:-

	Fair Value of Financial Instruments Carried at Fair Value			Total Fair value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
30.06.2024					
<u>Financial Asset</u>					
Quoted investments	11,002,612	-	-	11,002,612	11,002,612
30.06.2023					
<u>Financial Asset</u>					
Quoted investments	6,864,527	-	-	6,864,527	6,864,527

The Fund measures its quoted investments that are classified as financial assets at their fair values, determined at their quoted closing prices at the end of the reporting period. These financial assets belong to level 1 of the fair value hierarchy.

There were no transfer between level 1 and level 2 during the financial period.

6. CORPORATE DIRECTORY

<i>Manager</i>	Astute Fund Management Berhad [199701004894 (420390-M)]	
<i>Business Office</i>	3 rd Floor, Menara Dungun 46 Jalan Dungun Damansara Heights 50490 Kuala Lumpur	
<i>Registered Office</i>	No.47-1, Jalan SS 18/6, 47500, Subang Jaya, Selangor Darul Ehsan	
<i>Board of Directors</i>	Clement Chew Kuan Hock	Executive and Non-Independent Director
	Wong Fay Lee	Non-Executive and Non-Independent Director
	Asgari bin Mohd Fuad Stephens	Non-Executive and Non-Independent Director
	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Non-Executive and Independent Director
<i>Investment Committee</i>	Azran bin Osman Rani	Non-Executive and Independent Director
	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Independent Member
	Clement Chew Kuan Hock	Non-Independent Member
	Azran bin Osman Rani	Independent Member
<i>Company Secretaries</i>	Asgari bin Mohd Fuad Stephens	Non-Independent Member (appointed on 26 April 2022)
	Ng Chin Chin (MAICSA 7042650) No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan	
<i>Trustee</i>	Maybank Trustees Berhad [196301000109 (5004-P)] 8 th Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur	
<i>Auditor and Reporting Accountant</i>	Crowe Malaysia PLT (201906000005 (LLP0018817-LCA) & AF-1018) Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	
<i>Taxation Advisers</i>	Mazars Taxation Services Sdn Bhd (579747-A) Wisma Golden Eagle Realty, 11 th Floor, South Block, No.142-A, Jalan Ampang, 50450 Kuala Lumpur, Malaysia	

**BUSINESS OFFICE
ASTUTE FUND MANAGEMENT BERHAD**

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