



ASTUTE QUANTUM FUND (AQF)

UNAUDITED SEMI-ANNUAL REPORT

For Six Months The Financial Period Ended 30 June 2024

ASTUTE QUANTUM FUND

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1. FUND INFORMATION

FUND NAME	Astute Quantum Fund (AQF)
FUND TYPE	Growth and Income
FUND CATEGORY	Mixed Asset
FUND INVESTMENT OBJECTIVE	To invest in stock listed under Bursa Malaysia Main Market. The Fund Manager is allowed to invest in equity up to 100% of the Net Asset Value (NAV) of the Fund. The investment mandate is further subject to a minimum investment of 40% of the NAV, in stocks or fixed income instruments or any other form of investment instruments which provided regular payments of dividends or its equivalent and permitted by the Securities Commission.
DURATION OF FUND	The fund is an open-ended fund. The fund was launched on 19 June 2000.
FUND PERFORMANCE BENCHMARK	Weighted average of: <ul style="list-style-type: none"> ❖ 60% of FBM KLCI ❖ 40% of Maybank Berhad 1-year fixed deposit rate (Source: Bursa Malaysia and Maybank Berhad) <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 RM	30.06.2023 RM	30.06.2022 RM
Portfolio Composition:			
- Equity securities	81.94	89.11	94.34
- Liquid assets and others	18.06	10.89	5.66
Net Assets Value (RM)	1,190,953	305,389	325,389
Number of Units in Circulation	3,770,983	1,428,322	1,559,309
Net Asset Value Per Unit (RM)	0.3158	0.2138	0.2087
Highest NAV Price for the period under review (RM)	0.3276	0.2235	0.2550
Lowest NAV Price for the period under review (RM)	0.2497	0.2049	0.2066
Total Return for the period under review (RM)			
- Capital growth	108,205	14,363	(174,261)
- Income distribution	Nil	Nil	Nil
Gross Distribution Per Unit (RM)	Nil	Nil	Nil
Net Distribution Per Unit (RM)	Nil	Nil	Nil
Total Expenses Ratio (TER) (%)	1.56*	2.29	1.84
<i>*The TER for the financial period was lower compared with the previous corresponding period due to higher average NAV.</i>			
Portfolio Turnover Ratio (PTR) (times)	0.49*	0.31	1.79
<i>*the PTR for the financial period was higher compared with previous financial period as there were higher of investment activities during the financial period under review.</i>			

	Total Return		Average Total Return	
	AQF	Index	AQF	Index
1 Year	47.71	10.29	47.71	10.29
3 Year	29.64	5.64	9.90	1.88
5 Year	50.24	2.67	10.06	0.54
Since Inception 11 May 2010 (re-launch)	26.26	32.57	1.86	2.30
Annual total return for each of the last five financial year ended		AQF	Index	
31.12.2023		16.51	-0.48	
31.12.2022		-15.49	-1.74	
31.12.2021		5.31	-1.36	
31.12.2020		15.76	2.80	
31.12.2019		11.46	-2.35	

Source: Bloomberg

*Notes:

1. Total returns as at 30.06.2023. 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.

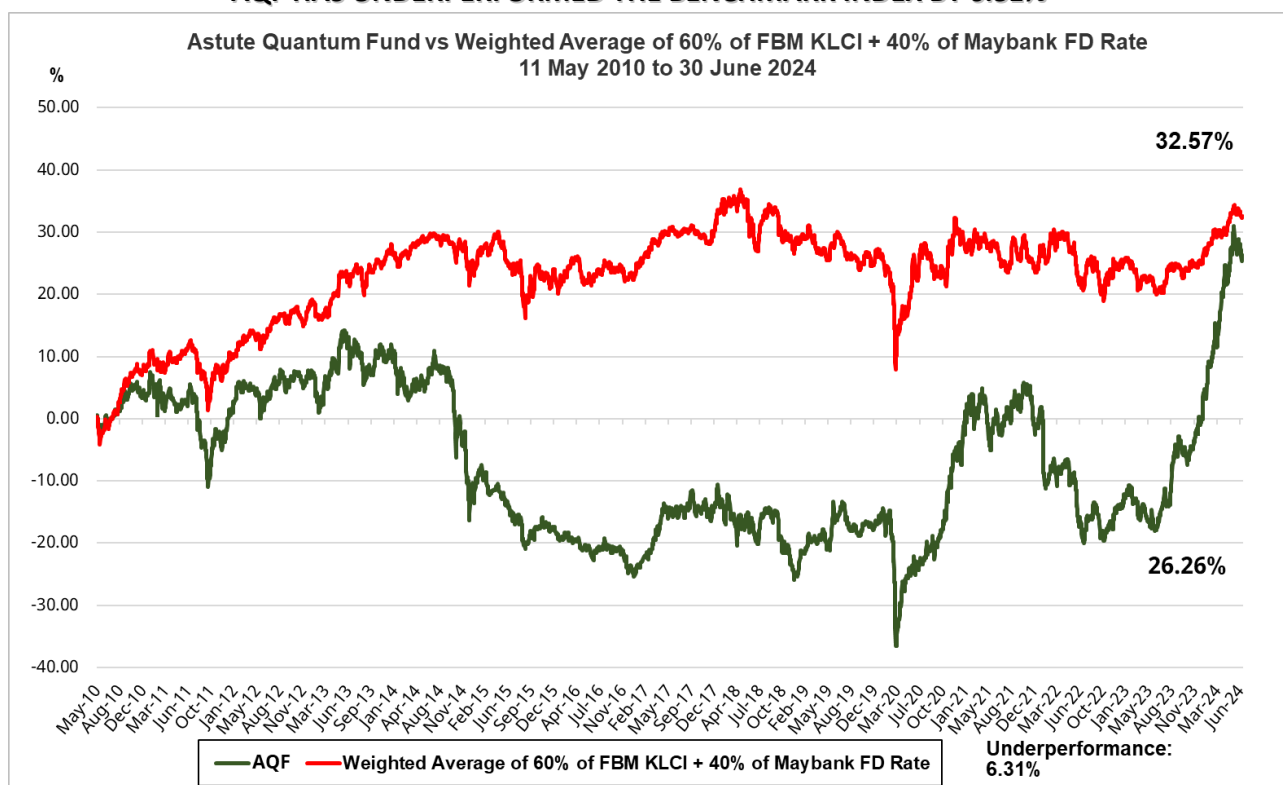
3. MANAGER'S REPORT

The Fund seek to achieve its objective of providing capital growth and income. For the period under review, the Fund has not achieved its investment objective. The Fund had provided a total return of 26.26% as compare to benchmark return of 32.57%. Hence, the Fund had underperformed the benchmark return by -6.31%.

PERFORMANCE ANALYSIS

For the six-month period ended 30 June 2024, the Fund achieved a return of 26.42% against the benchmark return of 6.08%, resulting in an outperformance against the benchmark of 20.34%. The total NAV of the fund increased to RM 1,190,953 as at 30 June 2024 from RM 345,396 as at 31 December 2023. The increase in NAV was mainly due to the portfolio value appreciation and subscription by unit holders.

PERFORMANCE OF ASTUTE QUANTUM FUND VS BENCHMARK INDEX SINCE 11 MAY 2010 TO 30 JUNE 2024 AQF HAS UNDERPERFORMED THE BENCHMARK INDEX BY 6.31%



Source: Bloomberg

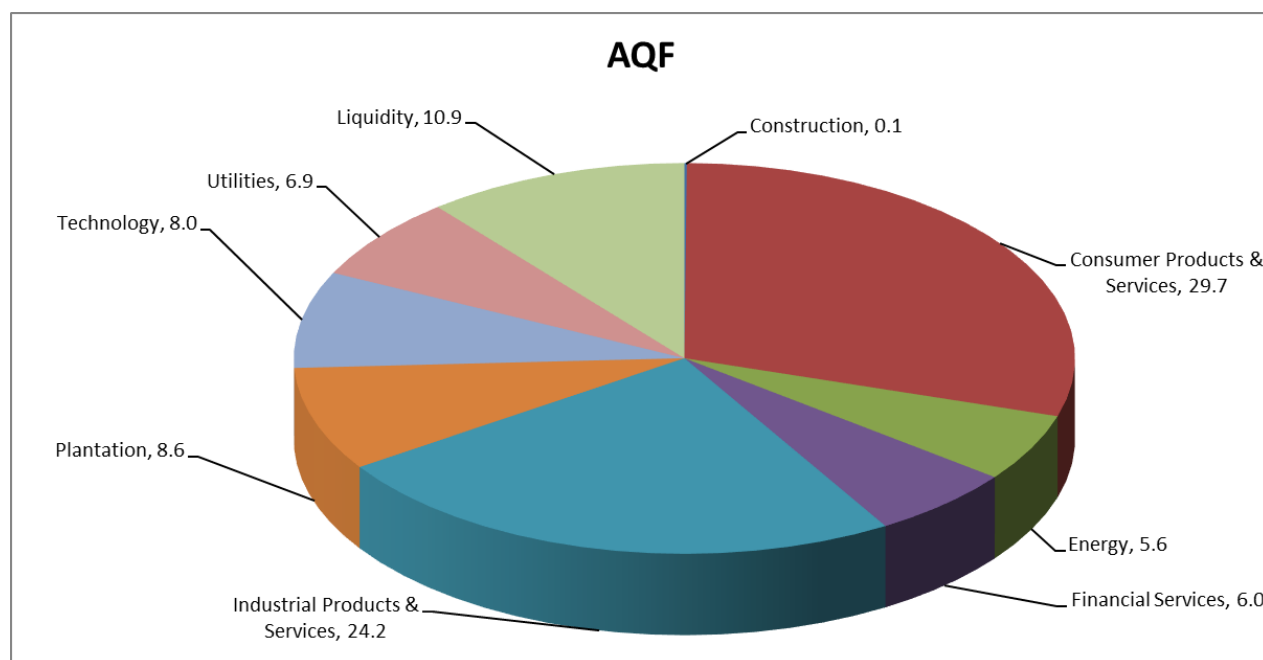
STRATEGIES EMPLOYED

The Fund has adopted a top-down and bottoms up approach as its investment strategy. The investment policy is to invest in mostly undervalued companies with good potential for growth.

The fund consists of only shares or warrants that are listed on Bursa Malaysia. In terms of market sectors, the Fund is mainly concentrated in areas such as financial, energy and consumer products.

The investment strategy will remain centred on well-managed liquid stocks that exhibit good growth prospects with strong earnings visibility. Stocks with strong cash flows, decent yield and has proactive management will also be considered.

ASSET ALLOCATION



ASSET ALLOCATION BY SECTOR ASAT 30 JUNE 2023

QUOTED SECURITIES	30 JUNE 2024	30 JUNE 2023
Construction	-	0.1
Consumer Products & Services	29.0	29.7
Energy	8.4	5.6
Financial Services	3.9	6.0
Industrial Products & Services	17.4	24.2
Plantation	5.9	8.6
Technology	11.8	8.0
Transportation & Logistic	4.8	-
TSR Loans	0.7	-
Utilities	-	6.9
Liquidity	18.1	10.9

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 Fund during the period year 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 TRANSACTION

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 Unitholders. 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 QUANTUM FUND ("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 QUANTUM FUND ("Fund")

We have acted as Trustee of the Fund for the financial year 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 unaudited 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.

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

A handwritten signature in black ink, appearing to be "N. Hashim", written over a horizontal line.

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 Quantum 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 Quantum 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 "Y.M. Dato' Tunku Ahmad Zahir Bin Tunku Ibrahim".

**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 2024

	Note	Financial period ended 30.06.2024 RM	Financial period ended 30.06.2023 RM
INVESTMENT INCOME/(LOSS)			
Gross dividend income		16,994	7,857
Realised (losses)/gains on sale of investments		16,034	(14,854)
Unrealised gains on financial assets at fair value through profit and loss ("FVPL")		108,205	14,363
Other income		944	298
		<u>142,177</u>	<u>7,664</u>
LESS: EXPENSES			
Management fee	4	5,488	2,333
Trustee's fee	5	183	78
Auditors' remuneration		2,540	1,896
Tax agent's fee		1,825	2,366
Administrative expenses		1,471	453
Transaction costs		2,550	1,010
		<u>14,057</u>	<u>8,136</u>
NET INCOME/ (LOSS) BEFORE TAXATION		128,120	(472)
INCOME TAX EXPENSE	6	-	-
NET INCOME/(LOSS) AFTER TAXATION FOR THE FINANCIAL PERIOD		128,120	(472)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL PERIOD		128,120	(472)
Total comprehensive income/ (expenses) for the financial period is made up as follows:			
- realised		19,915	(14,835)
- unrealised		108,205	14,363
		<u>128,120</u>	<u>(472)</u>

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	7	975,918	272,131
OTHER ASSETS			
Sundry receivables		1,998	148
Current tax assets		4,585	4,585
Bank balance		233,415	44,052
		<hr/>	<hr/>
		239,998	48,785
		<hr/>	<hr/>
TOTAL ASSETS		<u>1,215,916</u>	<u>320,916</u>
NET ASSET VALUE (“NAV”) AND LIABILITIES			
NAV			
Unitholders’ capital		866,667	160,537
Retained earnings		324,286	144,852
		<hr/>	<hr/>
TOTAL NAV	8	<u>1,190,953</u>	<u>305,389</u>
LIABILITIES			
Sundry payables and accruals	9	23,586	15,147
Amount owing to Manager		1,333	368
Amount owing to Trustee		44	12
		<hr/>	<hr/>
TOTAL LIABILITIES		<u>24,963</u>	<u>15,527</u>
		<hr/>	<hr/>
TOTAL NAV AND LIABILITIES		<u>1,215,916</u>	<u>320,916</u>
NUMBER OF UNITS IN CIRCULATION			
	8.1	<u>3,770,983</u>	<u>1,428,322</u>
NAV PER UNIT (“RM”)			
		<u>0.3158</u>	<u>0.2138</u>

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

5.3 STATEMENT OF UNAUDITED CHANGES IN NET ASSET VALUE

For the Six Months Financial Period Ended 30 June 2024

	Note	Unitholders' Capital RM	Retained earnings RM	Total RM
At 1 January 2023		189,032	145,324	334,356
Net loss after taxation/Total comprehensive expenses for the financial period		-	(472)	(472)
Contribution by and distributions to the unitholders of the Fund:				
- creation of units	8.1	60	-	60
- cancellation of units	8.1	(28,555)	-	(28,555)
Total transactions with unitholders of the Fund		(28,495)	-	(28,495)
Balance at 30 June 2023		160,537	144,852	305,389
At 1 January 2024		149,228	196,166	345,394
Net income after taxation/Total comprehensive income or the financial period		-	128,120	128,120
Contribution by and distributions to the unitholders of the Fund:				
- creation of units	8.1	740,206	-	740,206
- cancellation of units	8.1	(22,767)	-	(22,767)
Total transactions with unitholders of the Fund		717,439	-	717,439
Balance at 30 June 2024		866,667	324,286	1,190,953

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 OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	98,164	110,214
Purchase of investments	(618,355)	(73,720)
Dividend income received	15,154	7,709
Management fee paid	(4,603)	(2,377)
Trustee's fee paid	(153)	(79)
Payment for other expenses	(9,201)	(8,691)
Other income received	944	298
	<hr/>	<hr/>
NET CASH FROM OPERATING AND INVESTING ACTIVITIES	(518,050)	33,354
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from units created	740,205	60
Payment for units cancelled	(18,293)	(28,555)
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITIES	721,912	(28,495)
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN BANK BALANCE	203,861	4,859
CASH AT BANK AT BEGINNING OF THE FINANCIAL PERIOD	29,554	39,193
	<hr/>	<hr/>
CASH AT BANK AT END OF THE FINANCIAL PERIOD	233,415	44,052
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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 Quantum Fund was constituted pursuant to the execution of a Deed dated 19 June 2000, the First Supplemental Deed dated 20 December 2000, the Second Supplemental Deed dated 9 March 2006, the Third Supplemental Deed dated 23 February 2010 and Fourth Supplemental Deed dated 3 August 2015, between the Manager, Astute Fund Management Berhad, the Trustee, MTrustee Berhad and the registered unitholders of the Fund. The Fifth Supplemental Deed dated 15 April 2016 was executed for the change of Trustee from MTrustee 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 28 June 2000 (commencement date) and will continue its operations until its termination by the Trustee or the Manager as provided under Clauses 7.2 and 7.4 of the Deeds.

The investment objective of the Fund is to invest in stocks listed under the Bursa Malaysia Main Market. The Manager of the Fund is allowed to invest in equity up to 100% of the NAV of the Fund. The investment mandate is further subjected to a minimum investment of 40% of the NAV, in stocks or fixed income instruments or any other form of investment instruments which provide regular payment of dividends or its equivalent and permitted by the Securities Commission Malaysia.

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 (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)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

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.

(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 initially 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 MFRS 132 – Financial Instruments Presentation. Those criteria include:-

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity instruments (Cont'd)

- 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.

(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 cash at bank.

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 cash at bank 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 revenue and incur expenses, including revenues 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 are not 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.

(c) Interest Income

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

4. MANAGEMENT FEE

Clauses 6.1 and 6.2 of the Deed provides 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% (30.06.2023 - 2%) per annum. The management fee recognised in the financial statements is computed based on 1.5% (30.06.2023 - 1.5%) 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% (30.06.2023- 0.05%) per annum of the net asset value attributable to unitholders of the Fund.

6. INCOME TAX EXPENSE

	30.06.2024 RM	30.06.2023 RM
Income tax for the financial period	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (30.06.2023 - 24%) of the estimated assessable profit for the financial period.

7. QUOTED INVESTMENTS

	Note	30.06.2024 RM	30.06.2023 RM
Quoted investments held in Malaysia, at fair value: - equity investments	7.1	975,918	272,131

At 30 June 2024	Number of shares	At cost RM	At Fair value RM	Percentage of NAV of the Fund %
7.1 EQUITY INVESTMENTS IN MALAYSIA				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET</u>				
<u>CONSTRUCTION</u>				
Gamuda Berhad	63	161	415	0.03

7. 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 %
7.1 EQUITY INVESTMENTS IN MALAYSIA (CONT'D)				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET (CONT'D)</u>				
<u>CONSUMER PRODUCTS & SERVICES</u>				
AirAsia X Berhad	24,600	37,767	36,900	3.10
Hong Leong Industries Berhad	6,200	64,098	68,944	5.79
MBM Resources Berhad	9,600	39,069	50,784	4.26
MSM Malaysia Holdings Berhad	21,200	25,494	49,396	4.15
Oriental Holdings Berhad	7,600	49,306	51,604	4.33
Spritzer Berhad	14,800	29,701	39,368	3.31
Tomei Consolidated Berhad	27,700	37,162	47,920	4.02
		282,597	344,916	28.96
<u>ENERGY</u>				
Dialog Group Berhad	34,400	79,784	82,216	6.90
Hibiscus Petroleum Berhad	7,920	20,777	18,454	1.55
		100,561	100,670	8.45
<u>FINANCIAL SERVICES</u>				
Malayan Banking Berhad	4,635	42,939	46,165	3.88
<u>INDUSTRIAL PRODUCTS & SERVICES</u>				
Hume Cement Industries Berhad-LA	16,914	11,983	56,662	4.76
Kelington Group Berhad	6,000	21,786	20,520	1.72
Malayan Cement Berhad	6,800	19,442	33,864	2.84
Malaysia Smelting Corporation Berhad	21,100	48,465	54,016	4.54
SKP Resources Berhad	37,000	38,869	42,550	3.57
		140,545	207,612	17.43
<u>PLANTATION</u>				
Innoprise Plantations Berhad	20,000	28,370	28,200	2.37
United Plantations Berhad	1,700	25,689	41,650	3.50
		54,059	69,850	5.87
<u>TECHNOLOGY</u>				
Frontken Corporation Berhad	14,000	51,068	62,440	5.24
Pentamaster Corporation Berhad	9,500	42,427	47,690	4.00
SMRT Holdings Berhad	32,000	31,622	30,240	2.54
		125,117	140,370	11.79

7. 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 %
7.1 EQUITY INVESTMENTS IN MALAYSIA (CONT'D)				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET (CONT'D)</u>				
<u>TRANSPORT & LOGISTIC</u>				
Malaysia Airports Holdings Berhad	5,800	48,406	57,420	4.82
<u>TSR LOANS</u>				
Capital A Berhad - LA	10,000	9,250	8,500	0.71
TOTAL QUOTED INVESTMENTS		803,635	975,918	81.94

7. 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 %
7.1 EQUITY INVESTMENTS IN MALAYSIA (CONT'D)				
<u>BURSA MALAYSIA SECURITIES</u>				
<u>MAIN MARKET (CONT'D)</u>				
<u>CONSTRUCTION</u>				
Gamuda Berhad	63	161	277	0.09
<u>CONSUMER PRODUCTS & SERVICES</u>				
Carlsberg Brewery Malaysia Berhad	600	13,118	12,216	4.00
Hong Leong Industries Berhad	1,700	15,544	15,232	4.99
Malayan Flour Mills Berhad	25,500	19,638	15,300	5.01
MBM Resources Berhad	5,600	19,069	19,768	6.47
MSM Malaysia Holdings Berhad	19,000	19,618	20,900	6.84
Tomei Consolidated Berhad	6,800	6,496	7,072	2.32
		93,483	90,488	29.63
<u>ENERGY</u>				
Hibiscus Petroleum Berhad	19,800	20,777	17,127	5.61
<u>FINANCIAL SERVICES</u>				
Malayan Banking Berhad	2,135	18,639	18,425	6.03
<u>INDUSTRIAL PRODUCTS & SERVICES</u>				
Ann Joo Resources Berhad	6,300	6,920	6,489	2.12
Hume Cement Industries Berhad - LA	19,840	20,080	46,624	15.27
Malayan Cement Berhad	6,800	19,442	20,876	6.84
		46,442	73,989	24.23
<u>PLANTATION</u>				
United Plantations Berhad	1,700	25,689	26,316	8.62
<u>TECHNOLOGY</u>				
Frontken Corporation Berhad	3,000	9,743	9,450	3.09
Unisem (M) Berhad	5,000	15,695	14,950	4.90
		25,438	24,400	7.99
<u>UTILITIES</u>				
Taliworks Corporation Berhad	25,900	20,695	21,109	6.91
TOTAL QUOTED INVESTMENTS		251,324	272,131	89.11

8. TOTAL NET ASSET VALUE

	Note	30.06.2024 RM	30.06.2023 RM
Unitholders' capital	8.1	866,666	160,537
Retained earnings:			
- realised reserve	8.2	152,004	124,045
- unrealised reserve	8.3	172,283	20,807
		324,287	144,852
		<u>1,190,953</u>	<u>305,389</u>

8. TOTAL NET ASSET VALUE (CONT'D)

8.1 UNITHOLDERS' CAPITAL

	30.06.2024		30.06.2023	
	No. of units	RM	No. of units	RM
As at beginning of the financial period	1,383,033	149,227	1,559,355	189,032
Creation of units	2,460,169	740,206	289	60
Cancellation of units	(72,219)	(22,767)	(131,322)	(28,555)
As at end of the financial period	<u>3,770,983</u>	<u>866,666</u>	<u>1,428,322</u>	<u>160,537</u>

8.2 REALISED RESERVE - DISTRIBUTABLE

	30.06.2024 RM	30.06.2023 RM
Balance as at beginning of the financial period	132,089	138,880
Net gain/(loss) for the financial period	128,120	(472)
Net unrealised (gains) on valuation of quoted investments transferred to unrealised reserve	(108,205)	(14,363)
Net (decrease)/increase in realised reserve for the financial period	19,915	(14,363)
Balance as at end of the financial period	<u>152,004</u>	<u>124,045</u>

8.3 UNREALISED RESERVE – NON-DISTRIBUTABLE

	30.06.2024 RM	30.06.2023 RM
Balance as at beginning of the financial period	64,078	6,444
Net unrealised gains on valuation of quoted investments transferred from realised reserve	108,205	14,363
Balance as at end of the financial period	<u>172,283</u>	<u>20,807</u>

9. SUNDRY PAYABLES AND ACCRUALS

	30.06.2024 RM	30.06.2023 RM
Amount due to broker	-	9,852
Accrued expenses	23,586	5,295
	<u>23,586</u>	<u>15,147</u>

10. TOTAL EXPENSE RATIO

	30.06.2024	30.06.2023
	%	%
Total Expense Ratio (“TER”)	1.56	2.29

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’s fee
- B = Trustee’s fee
- C = Auditors’ remuneration
- D = Tax agent’s fee
- E = Administrative fees and 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 is RM735,668 (30.06.2023 - RM311,776).

11. PORTFOLIO TURNOVER RATIO

	30.06.2024	30.06.2023
	Times	Times
Portfolio Turnover Ratio (“PTR”)	0.49	0.31

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	=	RM618,355	(30.06.2023: RM83,057)
Total disposals for the financial period	=	RM98,164	(30.06.2023: RM110,710)

12. OPERATING SEGMENTS

In accordance with the asset allocation guidelines of the Fund, the Fund can have an exposure in equity and equity-related securities up to 100% of the Fund’s NAV and not less than 40% of the Fund’s NAV.

The Fund only invested in Malaysia and hence no operating segment information is disclosed.

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

	30.06.2024		30.06.2023	
	Units	RM	Units	RM
Director of the Manager	316,291	99,885	316,291	67,623

14. 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	%
Hong Leong Investment Bank Berhad	251,962	36.28	560	34.31
Maybank Investment Bank Berhad	232,937	33.54	542	33.19
CGS International Securities Malaysia Sdn. Bhd.	167,737	24.15	407	24.93
Affin Hwang Investment Bank Berhad	41,795	6.03	124	7.57
	694,431	100.00	1,633	100.00

30.06.2023	Value of trade		Brokerage fee	
	RM	%	RM	%
Maybank Investment Bank Berhad	82,535	42.59	252	38.65
Hong Leong Investment Bank Berhad	59,129	30.51	160	24.54
CIMB Investment Bank Berhad	36,259	18.71	160	24.54
Affin Hwang Investment Bank Berhad	15,858	8.19	80	12.27
	193,781	100.00	652	100.00

15. RELATED PARTY DISCLOSURES

15.1 IDENTITIES OF RELATED PARTIES

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

15.2 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	5,488	2,333
Maybank Trustees Berhad - trustee's fee	183	78

15.3 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
Directors of the Manager				
- purchase of units in the Fund	-	-	-	-
- disposal of units in the Fund	-	-	-	-
- distribution of units by the Fund	-	-	-	-
Person related to the Director of the Manager				
- purchase of units in the fund	452,718	118,069	513,893	109,870
- disposal of units in the Fund	-	-	-	-
- distribution of units by the Fund	-	-	-	-

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

16. FINANCIAL INSTRUMENTS

The Fund's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Fund's business whilst managing its market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

16.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Foreign Currency Risk

The Fund does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(b) Interest Rate Risk

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 analysis is not presented as reasonable possible change in the price of any stock will not have a significant impact on the net loss for the financial period or equity of the Fund at the end of the reporting period.

Particular Stock Risk Concentration

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

	30.06.2024		30.06.2023	
	RM	As a % of NAV	RM	As a % of NAV
Consumer Products & Services	344,916	28.96	90,488	29.63
Industrial Products & Services	207,612	17.43	73,989	24.23
Technology	140,370	11.79	24,400	7.99
Energy	100,670	8.45	17,127	5.61
Plantation	69,850	5.87	26,316	8.62
Transport & Logistic	57,420	4.82	-	-
Financial Services	46,165	3.88	18,425	6.03
TSR Loans	8,500	0.71	-	-
Construction	415	0.03	277	0.09
Utilities	-	-	21,109	6.91
Telecommunications & Media	-	-	-	-
	<u>975,918</u>	<u>81.94</u>	<u>272,131</u>	<u>89.11</u>

16. FINANCIAL INSTRUMENTS (CONT'D)

16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Liquidity and Cash Flows Risk

Liquidity and cash flow risks refer 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 amount owing by 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.

(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.

16. FINANCIAL INSTRUMENTS (CONT'D)

16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(f) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Receivables (Cont'd)

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.

Allowance for Impairment Losses

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2024				
Current (not past due)	1,998	-	-	1,998
<hr/>				
2023				
Current (not past due)	148	-	-	148
<hr/>				

Cash at Bank

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.

16.2 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 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.

16.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	30.06.2024	30.06.2023
	RM	RM
Financial Assets		
<u>Mandatorily at FVPL</u>		
Quoted investments	975,918	272,131
<u>Amortised Cost</u>		
Sundry receivables	1,998	148
Bank balance	233,415	44,052
	<u>235,413</u>	<u>44,200</u>
Financial Liability		
<u>Amortised Cost</u>		
Sundry payables and accruals	23,586	15,147
Amount owing to Manager	1,333	368
Amount owing to Trustee	44	12
	<u>24,963</u>	<u>15,527</u>

16.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	30.06.2024	30.06.2023
	RM	RM
Financial Assets		
<u>Mandatorily at FVPL</u>		
Net gains/(losses) recognised in profit or loss	141,233	7,366
<u>Amortised Cost</u>		
Gains recognised in profit or loss	944	298

16. FINANCIAL INSTRUMENTS (CONT'D)

16.5 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities of the Fund which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values of these assets are included in level 2 of the fair value hierarchy.

	Fair Value of Financial Instruments			Total Fair value RM	Carrying Amount RM
	Carried at Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM		
30.06.2024					
<u>Financial Asset</u>					
Quoted investments	975,918	-	-	975,918	975,918
30.06.2023					
<u>Financial Asset</u>					
Quoted investments	272,131	-	-	272,131	272,131

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.

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial period.

6. CORPORATE DIRECTORY

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

3rd Floor, Menara Dungun,
46, Jalan Dungun
Damansara Heights
50490 Kuala Lumpur