

**midf**   
**AMANAH**

# ANNUAL REPORT

For The Year Ended  
15th March 2022

MIDF AMANAH ASSET MANAGEMENT BERHAD  
Level 3A, Menara MIDF  
82, Jalan Raja Chulan  
50200 Kuala Lumpur

15th March 2022

Dear Unit Holders:

## FUND CATEGORY AND TYPE

Fund Category	Equity
Fund Type	Growth

## ASSET ALLOCATION AS AT 15 MARCH 2022

Shariah-Compliant Equities	86.9%
Islamic Money Market Instruments and Others	13.1%

## PERFORMANCE OF THE FUND

MIDF Amanah Dynamic Fund ("MADF")	15/03/2022	15/03/2021	%
Net Asset Value ("NAV") (RM)	1,573,333	1,959,352	-19.70%
NAV per Unit (RM)	0.6759	0.7707	-12.30%
FBM Hijrah Shariah Index ("FBMHS")	12,337.26	13,737.09	-10.19%

*\*Note: Effective 1 June 2018, FBMHS has been identified as the new benchmark for MADF subsequent to its conversion from a conventional fund to a Shariah-compliant fund.*

For the financial year ended 15 March 2022, the NAV per unit of MADF declined by -12.30% as compared to the FBMHS Index that declined by -10.19%.

The key objective of MADF is to achieve long-term capital growth through investments in equities with superior growth prospects. For the period under review, the Fund did not meet its objective from capital growth perspective while underperforming the benchmark by 2.11% due to overweighted in sectors such as Technology.

The FBMHS has been identified as the benchmark for MADF as it is the closest comparable index.

## EQUITY MARKET REVIEW

Global equity markets advanced in April 2021, with developed market equities posting a return of +4.7%, and continued their upward trajectory since the start of the year as major countries making their way to recovery, given vaccination programs were starting to pick up progressively. Investors also reacted positively to the news of the decent United States (“US”) first-quarter Gross Domestic Product (“GDP”) growth of 6.4%. The strong performance of global equity markets continued in May 2021 as vaccine progress became more apparent in many countries. However, some countries, including Malaysia, experienced a spike in Covid-19 infections leading to fears of potential halting in its economic recovery. Investors are concerned over the stronger-than-expected economic rebound from the Covid-19 pandemic, particularly in developed countries, which may cause higher inflation and tightening monetary policy to happen sooner than anticipated. Halfway through 2021, the bullish sentiment remained intact, with the global equities markets rallied during the second quarter of 2021, extending the positive momentum for a fifth consecutive quarter. The quarter also saw the markets shifted towards growth stocks over value stocks, with the former gained +10.64%, outperforming the latter, which registered returns of +4.09%.

While the vaccine rollouts were making steady progress and restrictions on the activity were being eased further in several major developed markets, the underlying global market sentiment was in a cautious mode in July 2021 as the spread of the more contagious Delta variant of Covid-19 raised concerns that the path to normality may be slower than previously expected. Nevertheless, investors brushed off the Covid-19 concern with equity markets worldwide ended in positive territory in August 2021, on the back of robust economic data and improved Covid-19 vaccination levels. The third quarter of 2021 saw mixed performances across the global equity markets after a sell-off in late September 2021, erasing the quarter’s prior gains amid concerns over continued supply chain disruptions, higher energy prices, potential hike in global profit/interest rates, and rising Covid-19 cases that could potentially derail the global recovery.

After a pullback in September 2021, major equity markets worldwide recovered in October 2021, supported by encouraging 3Q21 corporate earnings. Despite a bullish start to the final quarter of 2021, concerns over rising energy prices and supply chain bottlenecks continued to dominate market sentiments. The combination of solid demand and supply constraints had pushed oil prices to a 7-year high of US\$ 85 per barrel as the recovery demand from the pandemic continues to drive increased energy usage. Global equities fell in November 2021, with fears over several news flows spooking the market. The world saw a spike in the number of Covid-19 cases in mid-November 2021. A new heavily mutated variant of the Covid-19 “Omicron” was recently discovered and first reported in South Africa on the 24th of November 2021. The fifth variant of concern (“VOC”) with more than 30 mutations is believed to be more transmissible and wildly different from any other variant seen to date. In December 2021, global markets were generally in green as Omicron did not appear to have dampened the mood among investors, as the markets continued to exhibit puzzling strength throughout much of the pandemic. The S&P 500 Index gained 4.4% in December 2021 and 26.9% during the year, while the National Association of Securities Dealers Automated Quotations exchange (“NASDAQ”) index was little changed in December 2021 at 0.7% and up by 21.4% in 2021.

The Dow Jones Index was also not too far off, with a gain of 5.4% in December 2021 and 18.7% year to date.

After a strong 2021, it has been a rough start to the year for equity markets globally. High inflation, tensions in eastern Europe, and guidance from Federal Reserve (“Fed”) Chair Jerome Powell, who suggested a hike in March 2022 is highly likely, roiled markets and led to a sharp increase in volatility. Commodities that provide better protection against this inflationary backdrop continued to rally in January 2022. Brent oil reached USD90 a barrel for the first time since October 2014, driven by falling oil stockpiles in the US. The weaknesses seen on the global front have prompted the International Monetary Fund (“IMF”) to downgrade its world economic growth forecast for 2022 to 4.4% from 5.9%. The declining trend continued in February 2022, with Dow Jones, NASDAQ, and S&P 500 declining by -3.53%, -3.43%, and -3.14%, respectively, as investors tried to digest the implications of Russia’s invasion of Ukraine. While the market volatility increased sharply during the month, the US economy remained robust, with the flash composite Purchasing Managers’ Index (“PMI”) rising to 56 in February 2022, compared to 51.1 in January 2022. US inflation also surprised on the upside, with headline CPI rising to 7.5% Year on Year (“YoY”) in January 2022, the fastest pace since 1982.

Regarding Russia’s invasion, the US responded with a broad range of severe sanctions, including banning transactions with the Russian central bank and seeking to stop it from deploying foreign reserves. The US has also cut Russia out of the Swift International Payments System and other economic sanctions.

Our local markets were not spared from the high volatility environment during the period under review, with all indices recording negative returns. Our primary market barometer, the FBM KLCI, recorded a loss of -3.92%, while the broader market index, the FBM Emas Index, suffered a bigger loss of -7.63%. On the Shariah side, both FBM Hijrah Index and FBM Emas Shariah Index recorded a loss of -10.19% and -12.10%, respectively. Only three out of thirteen sectors recorded a positive during the period under review, with Plantation being the best performer with a 10.46% return due to the concern of limited vegetable oil supply worldwide, after the Russian invasion of Ukraine. The Finance sector was also in the green, with a 4.26% return, benefitted from the expectation of profit/interest rate hikes by central banks. On the other hand, Energy and Healthcare were the two worst performers at the end of the spectrum, with -33.4% and -32.2%, respectively.

## **KEY MARKET RISKS**

- Heightened geopolitical risks such as the Ukraine-Russia conflict may derail the global recovery and negatively affect investors’ sentiment.
- Faster than expected profit/interest rate tightening by the US Fed and other central banks worldwide as well as uncertainties surrounding the pace of re-setting the monetary stance may increase market volatility.
- Spike in Covid-19 cases around major world economies may hamper global economic growth, such as the recent lockdown in China.
- Uncertainties over the domestic political scene as the 15th general election draws near.

## INVESTMENT OUTLOOK AND STRATEGY

Markets have already taken investors on a bumpy ride since the start of this year on worries over a more hawkish move by the Federal Reserve and heightened geopolitical strife concerning the escalation tensions surrounding Russia's invasion of Ukraine. The attack on Ukraine will likely add another layer of uncertainties to the global markets, increasing the risks of a wider market gyrations and valuation gaps. The invasion has pushed commodity prices to new highs not seen since 2009 as Russia's invasion of Ukraine threatens key supplies of energy, crops and metals that were already tight as major economies emerged from the pandemic. The spike in commodity prices will exacerbate global inflationary pressures and present the governments with a dilemma on how aggressive they can act to tame inflation without triggering a recession.

Countries around the world are imposing fresh sanctions against Russia over its invasion of Ukraine. The conflict and sanctions may drag on global recovery anticipated earlier. The supply concern is due to the fact that Russia is the world's second most important exporter of oil and also the second greatest source of natural gas. The combatants are also major exporters of other commodities including wheat and corn. We expect the invasion will continue to push inflation higher on the back of eroding purchasing power, adding production costs, and making it more difficult for governments to implement economic policy.

The Malaysian economy is projected to expand by 5.3%-6.3% in 2022, although downside risks remain. Headline inflation is anticipated to remain moderate, given continued spare capacity in the economy and labour market slack. We expect Bank Negara Malaysia ("BNM") to remain accommodative to support and sustain the recovery in 2022. Meanwhile, Malaysia's foreign inflows have been increasing in 2022 amounting to RM3.2 billion as at end-February and are expected to see greater differentiation going forward on the back of the following factors:

- The Malaysia central banks' accommodative stance on rates to sustain growth recovery against hawkish pivots by both the US Federal Reserve and European Central Bank earlier this year.
- Malaysia will stand to benefit from higher oil and gas prices due to Russia's invasion of Ukraine as we are net exporters of crude oil. Brent crude prices had jumped to over USD100 per barrel as Western allies imposed more sanctions on Russia and blocked some Russian banks from the global payments system, which could cause severe disruption to its oil exports.
- The increased revenue from the spikes in demand for palm oil will greatly help Malaysia, which is still recovering from the effects of the Covid-19 pandemic. Crude palm oil ("CPO") prices topped to RM8,000 a tonne as at end-February 2022, as consumers rushed to source the oil amid the shortfall in sunflower oil caused by the Russia-Ukraine crisis. We expect the shortfall in edible oil supplies from Ukraine may continue until the situation improves.
- Malaysian government will not bring back the Movement Control Order ("MCO") and restrictions on movement between states or between districts since the majority of the population have completed at least two doses of the vaccination and also received their Covid-19 booster jabs.

- Malaysia's gross domestic product rose 3.6% in the fourth quarter of 2021, faster than the 3.3% rise forecast in a Reuters poll and up from a 4.5% decline in the previous quarter. The economic recovery is expected to continue in line with improved global and domestic demand. The economic recovery will also likely be boosted by the re-opening of international borders, with Malaysia planning to end mandatory quarantine for inbound travelers.
- Attractive valuations with the FBM KLCI trading at 1.7 standard deviation below mean, provide a good opportunity for value investors to enter Malaysian equities, while the solid dividend yield should also boost the total return for investors.
- Nonetheless, the market is expected to remain volatile driven by macro uncertainties. We are cautiously optimistic on local equity markets and adopting a tactical strategy in light of the highly volatile market conditions. Hence, our investment strategy going forward is premised on the following key tenets:
- We advocate a portfolio strategy that is driven by solid fundamental grounds, focusing on companies with a good track record, solid management, superior growth quality with strong earnings visibility and balance sheet, high dividend yield with high liquidity.
- Capitalizing on market volatilities is deemed crucial in achieving realized gains targets. The portfolio will take advantage of the opportunities in the market to accumulate oversold and under-owned stocks with good growth potential and attractive valuations for return optimization.
- Proactive portfolio construction by balancing the exposure to Value, Growth and Dividend stocks.
- Focus on recovery/re-opening and structural growth themes. For recovery themes, we focus on value and cyclical growth sectors such as Consumer Discretionary, Construction, Industrials and Materials. For structural growth themes, we like sectors such as Technology and Renewable Energy.
- Barring any unforeseen circumstances and significant external shocks, our portfolio tactical equity exposure is expected to be on average between 80% to 85%, as it provides the flexibility for the portfolio to be agile and nimble.

## CURRENT PROFILE OF UNITHOLDINGS BY SIZE

Size of Unitholdings	No. of Unit Holders	No. of Units Held	% of Unit Holders
5000 and below	1,348	1,128,674	93.35
5,001 to 10,000	54	380,215	3.74
10,001 to 50,000	41	730,261	2.84
50,001 to 500,000	1	88,665	0.07
500,001 and above	-	-	-
	<b>1,444</b>	<b>2,327,815</b>	<b>100.00</b>

## PORTFOLIO COMPOSITION

	As at 15.03.2022 %	As at 15.03.2021 %	As at 15.03.2020 %
Consumer Products & Services	15.60	8.30	14.80
Industrial Products & Services	16.00	9.30	20.70
Construction	4.10	7.60	13.90
Property	-	0.70	2.00
Plantation	5.80	3.60	-
Technology	26.90	19.30	9.20
Transportation & Logistics	-	2.60	-
Islamic REITs	3.40	3.10	-
Warrants	0.20	0.10	-
Energy	1.00	10.30	5.20
Healthcare	-	5.20	8.70
Telecommunications & Media	7.40	4.80	-
Utilities	6.50	7.80	10.50
Cash and other Net Assets	13.10	17.30	15.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## PERFORMANCE DATA

		As at 15.03.2022	As at 15.03.2021	As at 15.03.2020
Net Asset Value	[RM]	1,573,333	1,959,352	1,468,244
Units in Circulation	[Units]	2,327,815	2,542,287	2,607,893
Net Asset Value per Unit	[RM]	0.6759	0.7707	0.5630
Highest NAV*	[RM]	0.8002	0.7748	0.7576
Lowest NAV*	[RM]	0.6597	0.4866	0.5659
Total return:				
- Capital Growth	[%]	-12.30	36.89	-22.62
- Income Distribution		Nil	Nil	Nil
Management Expenses Ratio (MER) <sup>1</sup>	[%]	2.94	2.79	2.82
Portfolio Turnover Ratio (PTR) <sup>2</sup>	[X]	1.68	2.63	3.98

### Notes:

- \* The highest/lowest selling and buying prices are adjusted prices after taking into account the distribution of income made at the financial year end ("FYE") (if any).
- <sup>1</sup> MER for the financial year ended 15 March 2022 increased slightly to 2.94% compared to 2.79% registered as at 15 March 2021.
- <sup>2</sup> The PTR for the financial year ended 15 March 2022 was 1.68 times as compared to 2.63 times a year before due to lower trading activities in 2022.

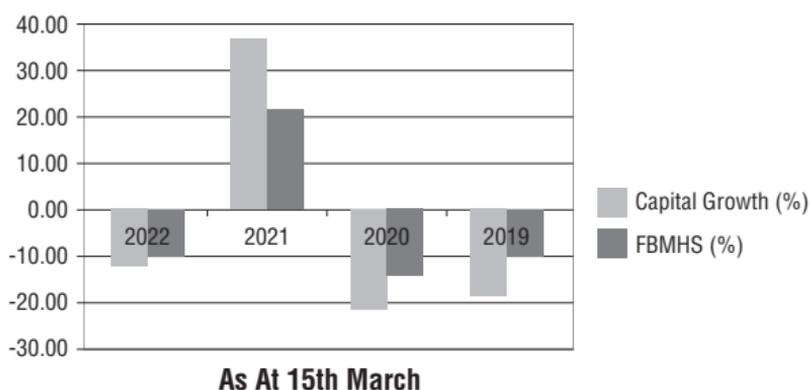
## ANNUAL TOTAL RETURN

MIDF AMANAH DYNAMIC FUND				
As At 15th March	2022	2021	2020	2019
Fund's Return (%)	-12.30	36.89	-22.62	-17.73
*FBMHS (%)	-10.19	21.35	-14.22	-10.36

\*Source: Bloomberg

Note: Effective 1 June 2018, FBMHS has been identified as the new benchmark for MADF subsequent to its conversion from a conventional fund to a Shariah-compliant fund. Therefore, data on the annual total return of the fund against its new comparable benchmark (i.e. FBMHS) for year 2018 are not available.

## MIDF AMANAH DYNAMIC FUND



## AVERAGE TOTAL RETURN

	The Fund	*FBMHS
One year	-12.30	-10.19
Three years	-2.37	-2.17

*\*Note: Effective 1 June 2018, FBMHS has been identified as the new benchmark for MADF subsequent to its conversion from a conventional fund to a Shariah-compliant fund. Therefore, data on the average total return of the fund against its new comparable benchmark (i.e. FBMHS) for Five years are not available.*

Average total return is derived using the following formula:

$$\frac{\text{Total Returns}}{\text{Number of Years Under Review}}$$

Investors are advised that the past performance of the Fund is not an indication of future performance. In addition, the unit price and investment return (if any) may go down as well as up.

Yours faithfully  
MIDF Amanah Asset Management Berhad

Mohamed Sany Mohamed Zainudin  
Director

Date: 28 April 2022

## MANAGER'S REPORT

The Manager hereby submit its report and the audited financial statements of the MIDF Amanah Dynamic Fund ("the Fund") for the financial year ended 15 March 2022.

## PRINCIPAL ACTIVITIES OF THE MANAGER

The principal activities of the Manager are the provision of Islamic fund management and Islamic investment advisory services.

There have been no significant changes in these principal activities during the financial year.

## INVESTMENTS OF THE FUND

A summary of the Fund's investments at cost are as follows:

Sector	Aggregate cost as at	Acquisitions	Disposal	Aggregate cost as at
	16.03.2021 RM	RM	RM	15.03.2022 RM
Construction	135,936	168,404	(242,856)	61,484
Consumer Products & Services	153,778	286,808	(183,483)	257,103
Energy	191,308	151,876	(331,607)	11,577
Healthcare	102,500	57,067	(159,567)	-
Industrial Products & Services	169,139	613,790	(511,181)	271,748
Islamic Real Estate Investment Trust ("REITs")	60,231	47,997	(52,347)	55,881
Plantation	67,183	227,430	(206,969)	87,644
Property	11,596	11,410	(23,006)	-
Technology	371,459	1,028,096	(842,833)	556,722
Telecommunications & Media	87,717	113,584	(65,554)	135,747
Transportation & Logistics	56,347	-	(56,347)	-
Utilities	175,084	240,206	(298,891)	116,399
	<u>1,582,278</u>	<u>2,946,668</u>	<u>(2,974,641)</u>	<u>1,554,305</u>

## Result

	<b>RM</b>
Net loss after tax	<u>(219,502)</u>

In the opinion of the Manager, the result of the operation of the Fund during the financial year has not been substantially affected by any item, transaction or event of a material and unusual nature.

## **INVESTMENT OBJECTIVE**

The objective of the Fund is to achieve long term capital growth through investments in equities with superior growth prospects.

## **MANAGEMENT FEES**

During the financial year, the Manager is entitled to a management fee of RM26,605 (2021: RM26,359). The Manager's fee is computed on a daily basis at 1.50% (2021: 1.50%) per annum of the Net Asset Value ("NAV") of the Fund before deducting the Manager's and Trustee's fees for that particular day.

## **DISTRIBUTION**

Unit holders are given the option whether to reinvest or have payment by cheque for the income due to them (if any). For reinvestment of income distribution, it will be based on the NAV per unit (ex-distribution) at the close of the date the income distribution is declared with sales charge imposed. Besides, the Manager reserves the right to reinvest any distributed income which is less than RM250 as it is not cost efficient to distribute payment of income to the unit holders. As for income distribution paid by cheque, cheques issued to unit holders will become void after 6 months from the distribution payment date. In the event that the cheque is unrepresented for payment upon its expiry date, it would be automatically reinvested into units at NAV per unit of the Fund valued on the expiry date of the cheque.

The Manager did not propose any distribution for the financial year ended 15 March 2022 (2021: Nil).

## **UNIT SPLIT**

No unit split was made during the financial year ended 15 March 2022 (2021: RM Nil).

## **CHANGES IN VALUE OF FUND**

The changes in value of the Fund are reflected in the statement of changes in equity.

## **POLICY ON STOCKBROKING REBATES AND SOFT COMMISSION**

It is our policy to return all rebates from stockbrokers to the respective Funds. However, soft commissions from stockbrokers (if any) will be retained by the Manager only if the goods and services are of demonstrable benefit to the unit holders.

The Manager received soft commissions from stockbrokers in the form of investment tools that were used to support investment decisions, research materials and data quotation services, e.g. Bloomberg, incidental to the investment management of the Fund.

## **DIRECTORS OF THE MANAGER**

The directors of the Manager since the beginning of the current financial year to the date of this report are:

Hasnah Omar

Dato' Charon Wardini Mokhzani

Datuk Joseph Dominic Silva

Tai Keat Chai

Hasman Yusri Yusoff

Mohamed Sany Mohamed Zainudin

Ahlan Nasri Mohd Nasir (resigned effective 2 March 2022)

For and on behalf of the Manager

**MIDF Amanah Asset Management Berhad**

## **HASNAH OMAR**

Director

## **MOHAMED SANY MOHAMED ZAINUDIN**

Director

Kuala Lumpur, Malaysia

Date: 28 April 2022

**To the unit holders of  
MIDF AMANAH DYNAMIC FUND ("Fund"),**

We have acted as Trustee of the Fund for the financial year ended 15 March 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, MIDF AMANAH ASSET MANAGEMENT BERHAD has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

For **AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Chief Executive Officer

Date: 11 April 2022

**SHARIAH ADVISER'S REPORT  
FOR THE FINANCIAL YEAR ENDED 15 MARCH 2022**

**To the unit holders of  
MIDF AMANAH DYNAMIC FUND (“the Fund”)**

We hereby confirm the following:

- 1 To the best of our knowledge, after having made all reasonable enquiries, **MIDF AMANAH ASSET MANAGEMENT BERHAD** has operated and managed the Fund during the period covered by these financial statements in accordance with Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
- 2 The assets of the Fund comprise of Shariah-compliant securities and Islamic money market instruments classified as Shariah-compliant by either the Shariah Advisory Council of the Securities Commission or that of Bank Negara Malaysia.

The Shariah Committee of MIDF Amanah Investment Bank Berhad as Shariah Adviser for **MIDF Amanah Dynamic Fund** consists of the following members:

**DR. MOHAMAD SABRI ZAKARIA**

**ASSOC. PROF. DR. SITI SALWANI RAZALI**

**DR. MUHAMMAD NAJIB ABDULLAH**

**ENCIK AHMAD LUTFI ABDULL MUTALIP @ TALIB**

Signed on behalf of the members,

**DR. MOHAMAD SABRI ZAKARIA**

Chairman, Shariah Committee  
MIDF Amanah Investment Bank Berhad

Date: 12/04/2022

## STATEMENT BY MANAGER

We, Hasnah Omar and Mohamed Sany Mohamed Zainudin, being two of the Directors of MIDF Amanah Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 18 to 50 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MIDF Amanah Dynamic Fund as at 15 March 2022 and of its financial performance, changes in equity and cash flows for the financial year then ended.

On behalf of the Manager

**MIDF Amanah Asset Management Berhad**

**HASNAH OMAR**  
Director

**MOHAMED SANY MOHAMED ZAINUDIN**  
Director

Kuala Lumpur  
Date: 28 April 2022

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of MIDF Amanah Dynamic Fund (“the Fund”), which comprise the statement of financial position as at 15 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 50.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 15 March 2022, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### *Information other than the financial statements and auditors’ report thereon*

The Manager of the Fund (“the Manager”) is responsible for the other information. The other information comprises the information included in the Manager’s report and annual report of the Fund, but does not include the financial statements of the Fund and our auditors’ report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Manager and Trustee for the financial statements***

The Manager is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

***Auditors' responsibilities for the audit of the financial statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MIDF AMANAH DYNAMIC FUND (CONT'D.)

### ***Auditors' responsibilities for the audit of the financial statements (cont'd.)***

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003  
(LLP0022760-LCA) & AF 0039  
Chartered Accountants

Yap Kah Foo  
No. 03574/05/2023 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
Date: 28 April 2022

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 15 MARCH 2022**

	Note	2022 RM	2021 RM
<b>INVESTMENT INCOME</b>			
Dividend income		44,807	43,504
Profit income from Islamic deposits with financial institutions		4,608	5,935
Net (loss)/gain from financial assets at fair value through profit or loss ("FVTPL")	7	(189,393)	573,894
		<u>(139,978)</u>	<u>623,333</u>
<b>EXPENSES</b>			
Manager's fee	3	(26,605)	(26,359)
Trustee's fee	4	(1,419)	(1,406)
Auditors' remuneration		(7,000)	(6,500)
Brokerage fee	12	(18,441)	(24,829)
Tax agent's fee		(2,200)	(2,200)
Administrative expenses		(23,859)	(22,088)
		<u>(79,524)</u>	<u>(83,382)</u>
<b>Net (loss)/income before tax</b>		(219,502)	539,951
Income tax expense	5	-	-
		<u>-</u>	<u>-</u>
<b>Net (loss)/income after tax representing total comprehensive (loss)/income for the financial year</b>		<u>(219,502)</u>	<u>539,951</u>
Net (loss)/income after tax is made up of the following:			
Net realised gain		1,090	224,850
Net unrealised (loss)/gain		(220,592)	315,101
		<u>(219,502)</u>	<u>539,951</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**STATEMENT OF FINANCIAL POSITION  
AS AT 15 MARCH 2022**

	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>ASSETS</b>			
Financial assets at FVTPL	7	1,371,353	1,619,918
Islamic deposits with financial institutions	8	213,000	318,000
Amount due from brokers		-	120,064
Other receivables		7,011	3,149
Cash at bank		2,371	7,179
<b>TOTAL ASSETS</b>		<u>1,593,735</u>	<u>2,068,310</u>
<b>LIABILITIES</b>			
Amount due to brokers		-	86,271
Other payables		14,957	19,073
Due to Manager		5,160	3,422
Due to Trustee		285	192
<b>TOTAL LIABILITIES</b>		<u>20,402</u>	<u>108,958</u>
<b>EQUITY</b>			
Unit holders' capital	10(a)	(502,166)	(335,649)
Retained earnings	10(b), 10(c)	2,075,499	2,295,001
<b>TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,573,333</u>	<u>1,959,352</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,593,735</u>	<u>2,068,310</u>
<b>UNITS IN CIRCULATION</b>	10(a)	<u>2,327,815</u>	<u>2,542,287</u>
<b>NAV PER UNIT (RM)</b>		<u>0.6759</u>	<u>0.7707</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 15 MARCH 2022**

	<b>Unit holders' capital Note 10(a) RM</b>	<b>Retained earnings Note 10(b) and 10(c) RM</b>	<b>Total equity RM</b>
As at 16 March 2020	(286,806)	1,755,050	1,468,244
Total comprehensive income for the financial year	-	539,951	539,951
Creation of units	114,619	-	114,619
Cancellation of units	(163,462)	-	(163,462)
As at 15 March 2021	<u>(335,649)</u>	<u>2,295,001</u>	<u>1,959,352</u>
As at 16 March 2021	(335,649)	2,295,001	1,959,352
Total comprehensive loss for the financial year	-	(219,502)	(219,502)
Creation of units	1,042	-	1,042
Cancellation of units	(167,559)	-	(167,559)
As at 15 March 2022	<u>(502,166)</u>	<u>2,075,499</u>	<u>1,573,333</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 15 MARCH 2022**

	Note	2022 RM	2021 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		3,113,854	4,733,815
Purchase of investments		(3,047,731)	(4,762,081)
Dividends received		40,921	44,159
Profit income received		4,632	5,988
Manager's fee paid		(24,868)	(26,903)
Trustee's fee paid		(1,326)	(1,391)
Audit fee paid		(6,500)	(6,500)
Tax agent's fee paid		(2,200)	-
Payment for other fees and expenses		<u>(20,073)</u>	<u>(9,171)</u>
Net cash generated from/(used in) operating and investing activities		<u>56,709</u>	<u>(22,084)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		1,042	114,619
Cash payment for units cancelled		<u>(167,559)</u>	<u>(163,462)</u>
Net cash used in financing activities		<u>(166,517)</u>	<u>(48,843)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(109,808)	(70,927)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>325,179</u>	<u>396,106</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<u>215,371</u>	<u>325,179</u>
Cash and cash equivalents comprise:			
Cash at bank		2,371	7,179
Islamic deposits with financial institutions	8	<u>213,000</u>	<u>318,000</u>
		<u>215,371</u>	<u>325,179</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

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

The MIDF Amanah Dynamid Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 5 May 1976 and the various Supplemental Deeds between Asia Unit Trusts Berhad (“AUTB”), Amanah Raya Berhad and the Registered Holders of the Fund. The Deed and its respective Supplemental Deeds were consolidated on 18 December 1998. The various Master Supplemental Deeds were executed on 1 November 2001 and 31 October 2002. The Fund will continue its operations until terminated by the Trustee as provided under Part 13.2 of the Master Supplemental Deed dated 1 November 2001. On 6 November 2008, the Fourth Master Supplemental Deed was executed between the AUTB, Amanah Raya Berhad and AmanahRaya Trustees Berhad, whereby Amanah Raya Berhad will transfer and assign its rights, duties and obligations under the Master Deed with respect to the Fund and its assets to AmanahRaya Trustees Berhad. The effective date of the transfer was 28 November 2008. The various Master Supplemental Deeds were executed between 6 November 2008 and 12 April 2018. The Tenth Master Supplemental Deed with respect to the Shariah matters was executed on 12 April 2018.

AUTB, MIDF Amanah Asset Management Berhad and AmanahRaya Trustees Berhad have entered into a novation agreement dated 18 November 2009 to transfer and assign the management of the unit trusts to MIDF Amanah Asset Management Berhad all the rights, duties and obligations on and from the date a Master Supplemental Deed relating to the Fund has been registered with Securities Commission (“SC”) or such other date as may be agreed by the Parties hereto. The effective date of the transfer was 1 January 2010 and subsequent from the date, the Fund changed its name to MIDF Amanah Dynamic Fund.

The principal activity of the Fund is to invest in Authorised Investments as defined in the Deed, which includes Shariah-compliant securities quoted on the Bursa Malaysia Berhad (“Bursa Malaysia”), Islamic deposits and any other form of Islamic financial facility with licensed financial institutions. The registered office of the Fund is located at Level 21, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur.

The Manager, MIDF Amanah Asset Management Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary of Malaysian Industrial Development Finance Berhad, whereas, Permodalan Nasional Berhad (“PNB”) and Yayasan Pelaburan Bumiputra (“YPB”) are the penultimate and ultimate holding companies. The holding companies are incorporated in Malaysia.

The principal activities of the Manager are the provision of the Islamic fund management and Islamic investment advisory services.

The financial statements were approved and authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 28 April 2022.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the Securities Commission’s Guidelines on Unit Trust Funds in Malaysia.

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s functional currency.

### (b) New standards and amendments issued

The Fund has adopted the Standards, Amendments to Standards and Interpretations issued by the Malaysian Accounting Standards Board (“MASB”) which have become effective during the financial year. The adoption of the new pronouncements did not result in any material impact to the financial statements.

As at the date of authorisation of these financial statements, the following Standards, Amendments to Standards and Interpretations have been issued but are not yet effective and have not been adopted by the Fund.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendment to MFRS 16: <i>Covid-19 - Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 Cycle	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### (b) New standards and amendments issued (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Fund plans to adopt the above pronouncements when they become effective in the respective financial years. These pronouncements are expected to have no significant impact to the financial statements of the Fund upon their initial application.

### (c) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition.

#### (i) Financial assets at FVTPL

A financial asset is measured at fair value through profit or loss if:

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit ("SPPP") on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell; or
- At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring asset or liabilities or recognising the gains and losses on them on different bases.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **(c) Financial assets (cont'd.)**

#### **(i) Financial assets at FVTPL (cont'd.)**

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through 'profit or loss'. Dividend income elements of such instruments are recorded separately as 'Dividend income'. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

#### **(ii) Financial assets at amortised cost**

Financial assets at amortised cost are those financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are SPPP on the principal amount outstanding. The Fund includes short term receivables and Islamic deposits with Islamic financial institutions in this classification.

Subsequent to initial recognition, Islamic financial assets are measured at amortised cost using the effective profit rate method. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

### **(d) Impairment of financial assets**

The Fund holds financial assets with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for Expected Credit Losses ("ECL") under MFRS 9 to all its financial assets. Therefore, the Fund does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECL at each reporting date.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### (e) 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 year.

Realised gains and losses on disposals of financial instruments classified as part of FVTPL are calculated using weighted average method. They represent the difference between an instrument's initial carrying amount and disposal proceeds.

### (f) Financial liabilities

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

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

The Fund's financial liabilities which include other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

### (g) Unit holders' capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as Shariah-compliant equity instruments under the revised MFRS 132 *Financial Instruments: Presentation*.

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unit holders by way of distribution and/or adjusted accordingly when units are cancelled.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### (h) Dividend distribution

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's unit holders is accounted for as a deduction from realised reserves except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unit holders' capital. A proposed dividend is recognised as a liability in the period in which it is approved.

### (i) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances and Islamic deposits and Islamic placements with banks and other Islamic financial institutions with an original maturity of three months or less, subject to insignificant risk of changes in value.

### (j) Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Dividend income is recognised when the Fund's right to receive payment is established.

Profit income from Islamic deposits with Islamic financial institutions is recognised using the effective profit rate method.

### (k) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes 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 equity.

No deferred tax is recognised as there are no material temporary differences.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **(l) Segment reporting**

For management purposes, the Fund is managed by two main portfolios, namely (1) Quoted Shariah-compliant securities and warrant and (2) Islamic deposits with financial institutions. Each segment engages in separate business activities and the operating results are regularly reviewed by the Investment Manager and the Oversight Committee. The Fund Manager assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to each investment segment.

### **(m) Significant accounting estimates and judgments**

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **3. MANAGER'S FEE**

The Manager's fee is computed on a daily basis at 1.50% per annum (2021: 1.50%) of the NAV of the Fund, before deducting the Manager's and Trustee's fees for that particular day.

## **4. TRUSTEE'S FEE**

The Trustee's fee is computed on a daily basis at 0.08% per annum (2021: 0.08%) of the NAV of the Fund, before deducting the Manager's and Trustee's fees for that particular day.

## 5. INCOME TAX EXPENSE

	2022 RM	2021 RM
Charge for the financial year	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial year.

The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned from licensed banks and financial institutions is exempted from tax.

A reconciliation of income tax expense applicable to net (loss)/income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2022 RM	2021 RM
Net (loss)/income before tax	(219,502)	539,951
Tax at Malaysian statutory tax rate of 24%	(52,680)	129,588
Effect of income not subject to tax	(11,860)	(149,526)
Expenses not deductible for tax purposes	64,540	19,938
Tax expense for the financial year	<u>-</u>	<u>-</u>

## 6. ZAKAT FOR THE FUND

The Manager does not pay zakat on behalf of its unit holders. Thus, unit holders are advised to pay zakat on their own.

## 7. FINANCIAL ASSETS AT FVTPL

	2022 RM	2021 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant securities	1,368,296	1,618,906
Quoted Shariah-compliant warrants	3,057	1,012
	<u>1,371,353</u>	<u>1,619,918</u>
Net (loss)/gain on financial assets at FVTPL comprised:		
Realised gain on disposals	31,199	258,793
Unrealised changes in fair values	(220,592)	315,101
	<u>(189,393)</u>	<u>573,894</u>

## 7. FINANCIAL ASSETS AT FVTPL (CONT'D.)

Financial assets at FVTPL as at 15 March 2022 are as detailed below:

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH- COMPLIANT SECURITIES</b>				
<b>Construction</b>				
Gamuda Berhad	21,000	61,484	65,100	4.1
<b>Consumer Products &amp; Services</b>				
Bermaz Auto Berhad	18,000	27,878	31,140	2.0
CCK Consolidated Holdings Berhad	36,000	21,033	19,440	1.2
MBM Resources Berhad	18,000	56,801	56,880	3.6
Perak Transit Berhad	177,000	109,736	97,350	6.2
QL Resources Berhad	8,500	41,655	40,120	2.6
	<u>257,500</u>	<u>257,103</u>	<u>244,930</u>	<u>15.6</u>
<b>Energy</b>				
Hibiscus Petroleum Berhad	16,000	11,577	16,320	1.0

## 7. FINANCIAL ASSETS AT FVTPL (CONT'D.)

Financial assets at FVTPL as at 15 March 2022 are as detailed below:  
(cont'd.)

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH- COMPLIANT SECURITIES (CONT'D.)</b>				
<b>Industrial Products &amp; Services</b>				
AWC Berhad Cypark Resources Berhad	18,000	9,590	8,460	0.5
Favelle Favco Berhad	20,000	17,579	16,000	1.0
HSS Engineers Berhad	22,000	49,096	58,300	3.7
HSS Engineers Berhad	128,000	67,935	64,640	4.1
Petronas Chemicals Group Berhad	2,500	20,329	23,000	1.3
P.I.E. Industrial Berhad	5,000	16,710	12,900	0.8
Press Metal Aluminium Holdings Berhad	3,500	20,724	21,420	1.4
SKP Resources Berhad	15,500	26,025	20,150	1.3
V.S. Industry Berhad	33,300	43,760	30,470	1.9
	<u>247,800</u>	<u>271,748</u>	<u>255,340</u>	<u>16.0</u>
<b>Islamic REITs</b>				
KLCC Property Holdings Berhad	<u>8,100</u>	<u>55,881</u>	<u>54,027</u>	<u>3.4</u>

## 7. FINANCIAL ASSETS AT FVTPL (CONT'D.)

Financial assets at FVTPL as at 15 March 2022 are as detailed below:  
(cont'd.)

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH- COMPLIANT SECURITIES (CONT'D.)</b>				
<b>Plantation</b>				
Kuala Lumpur Kepong Berhad	1,400	32,016	36,652	2.3
Sarawak Oil Palms Berhad	8,000	42,476	42,000	2.7
Ta Ann Holdings Berhad	2,500	13,152	12,100	0.8
	<u>11,900</u>	<u>87,644</u>	<u>90,752</u>	<u>5.8</u>
<b>Technology</b>				
D & O Green Technologies Berhad	29,100	137,951	110,580	7.0
Greatech Technology Berhad	30,600	152,403	101,286	6.5
Globetronics Technology Berhad	53,000	84,001	69,430	4.4
Inari Amertron Berhad	24,800	80,401	69,440	4.4
KESM Industries Berhad	3,000	35,524	24,840	1.6
Mi Technovation Berhad	6,000	21,993	10,500	0.7
My E.G.Services Berhad	21,952	18,181	20,525	1.3
Pentamaster Corporation Berhad	5,000	26,268	16,050	1.0
	<u>173,452</u>	<u>556,722</u>	<u>422,651</u>	<u>26.9</u>

## 7. FINANCIAL ASSETS AT FVTPL (CONT'D.)

Financial assets at FVTPL as at 15 March 2022 are as detailed below:  
(cont'd.)

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH- COMPLIANT SECURITIES (CONT'D.)</b>				
<b>Telecommunications &amp; Media</b>				
Telekom Malaysia Berhad	24,000	135,747	116,640	7.4
<b>Utilities</b>				
Mega First Corporation Berhad	5,000	18,207	17,400	1.1
Petronas Gas Berhad	1,300	20,345	21,996	1.4
Tenaga Nasional Berhad	7,000	77,847	63,140	4.0
	<u>13,300</u>	<u>116,399</u>	<u>102,536</u>	<u>6.5</u>
<b>TOTAL QUOTED SHARIAH- COMPLIANT SECURITIES</b>	<u>773,052</u>	<u>1,554,305</u>	<u>1,368,296</u>	<u>86.7</u>

## 7. FINANCIAL ASSETS AT FVTPL (CONT'D.)

Financial assets at FVTPL as at 15 March 2022 are as detailed below:  
(cont'd.)

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH- COMPLIANT WARRANTS</b>				
<b>Consumer Products and Services</b>				
Perak Transit Berhad	9,750	-	1,316	0.1
<b>Industrial Products and Services</b>				
SKP				
Resources Berhad	1,200	-	150	-
V.S. Industry Berhad	4,600	-	1,104	0.1
	<u>5,800</u>	<u>-</u>	<u>1,254</u>	<u>0.1</u>
<b>Transportation &amp; Logistics</b>				
GDEX Berhad	7,500	-	487	-
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>				
	<u>796,102</u>	<u>1,554,305</u>	<u>1,371,353</u>	<u>86.9</u>
<b>ACCUMULATED UNREALISED GAIN/(LOSS)</b>			<u>(182,952)</u>	

## 8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	2022 RM	2021 RM
Islamic deposits with licensed banks	<u>213,000</u>	<u>318,000</u>

The effective average profit rate for short-term Islamic placements as at 15 March 2022 is 1.65% (2021: 1.54%) per annum. The average maturity of the deposits as at 15 March 2022 is 2 days (2021: 3 days).

## 9. SHARIAH INFORMATION OF THE FUND

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

- Shariah-compliant equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission; and
- Islamic cash placements and liquid assets in local market, which are placed in Shariah-compliant investment instruments.

## 10. TOTAL EQUITY

	Note	2022 RM	2021 RM
Unit holders' capital	(a)	(502,166)	(335,649)
Retained earnings			
- Realised and distributable	(b)	2,258,451	2,257,361
- Unrealised reserved and non-distributable	(c)	<u>(182,952)</u>	<u>37,640</u>
Total equity		<u>1,573,333</u>	<u>1,959,352</u>

### (a) Unit holders' capital

	2022		2021	
	Units	RM	Units	RM
As at the beginning of the financial year	2,542,287	(335,649)	2,607,893	(286,806)
Creation of units	1,305	1,042	178,537	114,619
Cancellation of units	<u>(215,777)</u>	<u>(167,559)</u>	<u>(244,143)</u>	<u>(163,462)</u>
As at the end of the financial year	<u>2,327,815</u>	<u>(502,166)</u>	<u>2,542,287</u>	<u>(335,649)</u>

## 10. TOTAL EQUITY (CONT'D.)

### (b) Realised and distributable

	2022 RM	2021 RM
As at the beginning of the financial year	2,257,361	2,032,511
Net realised income	<u>1,090</u>	<u>224,850</u>
As at the end of the financial year	<u>2,258,451</u>	<u>2,257,361</u>

### (c) Unrealised reserve and non-distributable

	2022 RM	2021 RM
As at the beginning of the financial year	37,640	(277,461)
Net unrealised (loss)/income attributable to investments	<u>(220,592)</u>	<u>315,101</u>
As at the end of the financial year	<u>(182,952)</u>	<u>37,640</u>

## 11. UNITS HELD BY MANAGER

For the financial year ended 15 March 2022 and 15 March 2021, no units were held by the Manager.

## 12. TRANSACTIONS WITH RELATED PARTIES AND OTHER INVESTMENT BANKS

	Value of Trade	% of Total Trade	Brokerage Fees	% of Total Brokerage Fees
	RM	%	RM	%
<b>2022</b>				
Affin Hwang Investment Bank Berhad	1,668,755	28.0	5,136	27.9
CIMB Securities Berhad	1,612,742	27.1	4,821	26.1
MIDF Amanah Investment Bank Berhad *	1,398,904	23.5	4,369	23.7
Public Investment Bank Berhad	992,882	16.7	3,216	17.4
Maybank Investment Bank Berhad **	280,192	4.7	899	4.9
<b>TOTAL</b>	<b>5,953,475</b>	<b>100.0</b>	<b>18,441</b>	<b>100.0</b>
<b>2021</b>				
Affin Hwang Investment Bank Berhad	2,189,648	23.7	5,815	23.4
CIMB Securities Berhad	1,791,825	19.4	4,900	19.7
MIDF Amanah Investment Bank Berhad *	2,035,126	22.0	5,534	22.3
Public Investment Bank Berhad	2,007,301	21.7	5,364	21.6
Maybank Investment Bank Berhad **	1,227,199	13.2	3,216	13.0
<b>TOTAL</b>	<b>9,251,099</b>	<b>100.0</b>	<b>24,829</b>	<b>100.0</b>

## **12. TRANSACTIONS WITH RELATED PARTIES AND OTHER INVESTMENT BANKS (CONT'D.)**

\* MIDF Amanah Investment Bank Berhad is a related company of MIDF Amanah Asset Management Berhad, the Manager.

\*\* The parent company of Maybank Investment Bank Berhad is an associate of PNB and YPB.

The Directors of the Manager are of the opinion that transactions with related parties have been entered into in the normal course of business and have been established on terms and conditions agreed between the parties.

## **13. MANAGEMENT EXPENSES RATIO (“MER”)**

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on daily basis. The fees and expenses included Manager’s fee, Trustee’s fee, auditors’ remuneration, tax agent’s fee and other administrative expenses. For the financial year ended 15 March 2022, the MER of the Fund stood at 2.94% (2021: 2.79%).

## **14. PORTFOLIO TURNOVER RATIO (“PTR”)**

The PTR of the Fund is the ratio of the average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund. For the financial year ended 15 March 2022, the PTR of the Fund stood at 1.68 times (2021: 2.63 times).

## **15. SEGMENT INFORMATION**

The Manager of the Fund is responsible for allocating resources available to the Fund in accordance with the overall Islamic investment strategies as set out in the Investment Guidelines of the Fund. The fund is managed by two segments:

- Quoted Shariah-compliant securities and warrants; and
- Islamic deposits with financial institutions.

The investments objective of each segment is to achieve consistent returns from the Islamic investments of each segment while safeguarding capital by investing in diversified Islamic portfolios. There have been no changes in reportable segments in the current financial year. The segment information provided is presented to the Manager and Oversight Committee of the Fund.

## 15. SEGMENT INFORMATION (CONT'D.)

	2022			2021		
	Quoted Shariah- compliant securities and warrants RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant securities and warrants RM	Islamic deposits with financial institutions RM	Total RM
Dividend income	44,807	-	44,807	43,504	-	43,504
Profit income from Islamic deposits with financial institutions	-	4,608	4,608	-	5,935	5,935
Net (loss)/income from investments - financial assets at FVTPL	(189,393)	-	(189,393)	573,894	-	573,894
Total segment operating (loss)/income for the financial year	<u>(144,586)</u>	<u>4,608</u>	<u>(139,978)</u>	<u>617,398</u>	<u>5,935</u>	<u>623,333</u>
Financial assets at FVTPL	1,371,353	-	1,371,353	1,619,918	-	1,619,918
Islamic deposits with financial institutions	-	213,000	213,000	-	318,000	318,000
Amount due from brokers	-	-	-	120,064	-	120,064
Profit receivables	-	10	10	-	34	34
Dividend receivables	7,001	-	7,001	3,115	-	3,115
Total segment assets	<u>1,378,354</u>	<u>213,010</u>	<u>1,591,364</u>	<u>1,743,097</u>	<u>318,034</u>	<u>2,061,131</u>
Amount due to brokers	-	-	-	86,271	-	86,271
Total segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,271</u>	<u>-</u>	<u>86,271</u>

## 15. SEGMENT INFORMATION (CONT'D.)

Expenses of the Fund are not considered part of the performance of any operating segment. The following table provides a reconciliation between the net reportable segment operating (loss)/income and net (loss)/income of the Fund:

	2022 RM	2021 RM
Net reportable segment operating (loss)/income	(139,978)	623,333
Expenses	<u>(79,524)</u>	<u>(83,382)</u>
Net (loss)/income before tax	(219,502)	539,951
Income tax expense	<u>-</u>	<u>-</u>
Net (loss)/income after tax	<u>(219,502)</u>	<u>539,951</u>

Certain assets and liabilities of the Fund are not considered to be any individual segment. The following table provides a reconciliation between the net reportable segment assets and liabilities and total assets and liabilities of the Fund.

	2022 RM	2021 RM
Total segment assets	1,591,364	2,061,131
Cash at bank	<u>2,371</u>	<u>7,179</u>
Total assets of the Fund	<u>1,593,735</u>	<u>2,068,310</u>
Total segment liabilities	-	86,271
Other payables	14,957	19,073
Due to Manager	5,160	3,422
Due to Trustee	<u>285</u>	<u>192</u>
Total liabilities of the Fund	<u>20,402</u>	<u>108,958</u>

## 16. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

The following table analyses the financial assets and liabilities of the Fund in the statement of financial position as at 15 March 2022 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

## 16. FINANCIAL INSTRUMENTS (CONT'D.)

### (a) Classification of financial instruments (Cont'd.)

	Financial assets at FVTPL RM	Financial asset at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2022</b>				
<b>Assets</b>				
Financial assets at FVTPL	1,371,353	-	-	1,371,353
Islamic deposits with financial institutions	-	213,000	-	213,000
Other receivables	-	7,011	-	7,011
Cash at bank	-	2,371	-	2,371
<b>Total financial assets</b>	<b>1,371,353</b>	<b>222,382</b>	<b>-</b>	<b>1,593,735</b>
<b>Liabilities</b>				
Other payables	-	-	14,957	14,957
Due to Manager	-	-	5,160	5,160
Due to Trustee	-	-	285	285
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>20,402</b>	<b>20,402</b>
<b>2021</b>				
<b>Assets</b>				
Financial assets at FVTPL	1,619,918	-	-	1,619,918
Islamic deposits with financial institutions	-	318,000	-	318,000
Amount due from brokers	-	120,064	-	120,064
Other receivables	-	3,149	-	3,149
Cash at bank	-	7,179	-	7,179
<b>Total financial assets</b>	<b>1,619,918</b>	<b>448,392</b>	<b>-</b>	<b>2,068,310</b>
<b>Liabilities</b>				
Amount due to brokers	-	-	86,271	86,271
Other payables	-	-	19,073	19,073
Due to Manager	-	-	3,422	3,422
Due to Trustee	-	-	192	192
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>108,958</b>	<b>108,958</b>

## 16. FINANCIAL INSTRUMENTS (CONT'D.)

### (b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value. The fair values of these financial assets were determined using prices in active markets for identical assets.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2022</b>				
Quoted Shariah-compliant securities	1,368,296	-	-	1,368,296
Quoted Shariah-compliant warrants	3,057	-	-	3,057
	<u>1,371,353</u>	<u>-</u>	<u>-</u>	<u>1,371,353</u>
<b>2021</b>				
Quoted Shariah-compliant securities	1,618,906	-	-	1,618,906
Quoted Shariah-compliant warrants	1,012	-	-	1,012
	<u>1,619,918</u>	<u>-</u>	<u>-</u>	<u>1,619,918</u>

#### Quoted Shariah-compliant securities and quoted Shariah-compliant warrants

Fair value is determined directly by reference to their published market bid prices at the reporting date.

For instruments quoted on Bursa Malaysia, the market bid prices are determined by reference to the theoretical closing market price as published by Bloomberg.

## 16. FINANCIAL INSTRUMENTS (CONT'D.)

### (c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The carrying amounts of the other financial assets and financial liabilities approximate the fair value due to their relatively short term maturity.

## 17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

### (a) Introduction

The Fund maintains Islamic investment portfolios in a variety of listed and unlisted financial instruments as dictated by its Trust Deed and Islamic investment management strategy.

The Fund is exposed to a variety of risks including market risk (which includes profit rate risk, price risk and currency risk), credit risk, and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an Islamic investment in the Fund.

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks. Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Trust Deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act 2007.

### (b) Risk management structure

The Fund's Manager is responsible for identifying and managing risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach within the Fund.

## **17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

### **(c) Risk measurement and reporting system**

Monitoring and managing risks is primarily set up to be performed based on limits established by the Manager (and Investment Manager, if applicable) and Trustee. These limits reflect the Islamic investment strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

### **(d) Risk mitigation**

The Fund has Islamic investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has a Compliance Department to ensure that the Fund complies with the various regulations and guidelines as stipulated in its Trust Deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act 2007.

It is, and has been throughout the current and previous financial years, the Fund's policy is that no derivatives shall be undertaken for either investment risk management purposes or for trading.

### **(e) Excessive risk concentration**

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio in accordance with the Fund's Trust Deed, Investment Manager's guidelines and the Securities Commission's Guidelines on Unit Trust Funds. Portfolio diversification across a number of sectors and industries minimises the risk not only of any single company's securities becoming worthless but also of all holdings suffering uniformly adverse business conditions. Specifically, the Fund's Trust Deed and Securities Commission's Guidelines on Unit Trust Funds limits the Fund's exposure to a single entity/industry sector to a certain percentage of its NAV.

## 17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (f) Market risk

#### (i) Profit rate risk

Profit rate risk is uncertainties resulting from fluctuations in the prevailing level of market profit rates on its Islamic investments and financial position.

As at reporting date, the Fund has no floating rate financial instruments and thus does not have significant exposure to profit rate risk.

#### (ii) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Fund's investments in quoted Shariah-compliant equity securities and warrants.

#### Equity price risk sensitivity

Management's best estimate of the effect on the profit for the financial year and other comprehensive income due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below:

Market index	%	Effect on NAV Increase RM
<b>2022</b>		
Changes in equity price	+10	137,135
<b>2021</b>		
Changes in equity price	+10	161,992

The Management assumed that the movement of FVTPL investments as at 15 March 2022 moves in line with the movement of the Bursa Malaysia KLCI index.

An equivalent decrease in each of the indices shown above would have resulted in an equivalent, but opposite, impact.

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

## 17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (f) Market risk (cont'd.)

#### (ii) Equity price risk (Cont'd.)

##### Equity price risk concentration

The following table sets out the Fund's exposure to equity price risk based on its portfolio of quoted equity instruments as at the reporting date.

	2022		2021	
	Fair value RM	As % of NAV	Fair value RM	As % of NAV
<b>Malaysia</b>	<b>1,371,353</b>	<b>86.9</b>	<b>1,619,918</b>	<b>82.7</b>

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

	2022		2021	
	RM	As % of NAV	RM	As % of NAV
Construction	65,100	4.1	150,650	7.6
Consumer Products & Services	246,246	15.7	162,765	8.3
Energy	16,320	1.0	201,535	10.3
Healthcare	-	-	102,440	5.2
Industrial Products & Services	256,594	16.1	181,254	9.3
Islamic REITs	54,027	3.4	60,489	3.1
Plantation	90,752	5.8	68,781	3.6
Property	-	-	13,700	0.7
Technology	422,651	26.9	378,586	19.3
Telecommu- nications & Media	116,640	7.4	94,405	4.8
Transportation & Logistics	487	-	52,112	2.7
Utilities	102,536	6.5	153,201	7.8
	<b>1,371,353</b>	<b>86.9</b>	<b>1,619,918</b>	<b>82.7</b>

## 17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (g) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unit holders by the Manager are redeemable at the unit holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's Trust Deed.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so and its overall liquidity risk by requiring a 3-day notice period before redemptions.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unit holders. Liquid assets comprise cash, Islamic deposits with Islamic financial institutions and other Shariah-compliant instruments which are capable of being converted into cash within 7 days.

The following table summarises the maturity profile of the Fund's financial assets, financial liabilities and NAV attributable to unit holders in order to provide a complete view of the Fund's contractual commitments and liquidity.

<b>2022</b>	<b>Less than 1 month RM</b>	<b>Total RM</b>
Financial assets:		
Financial assets at FVTPL	1,371,353	1,371,353
Islamic deposits with financial institutions	213,000	213,000
Other assets	9,382	9,382
	<hr/>	<hr/>
Total undiscounted financial assets	1,593,735	1,593,735
Financial liabilities:		
Other liabilities	20,402	20,402
	<hr/>	<hr/>
Total undiscounted financial liabilities	20,402	20,402
NAV attributable to unit holders	1,573,333	1,573,333
	<hr/>	<hr/>
Liquidity gap	-	-
	<hr/>	<hr/>

## 17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (g) Liquidity risk (cont'd.)

	Less than 1 month RM	Total RM
<b>2021</b>		
Financial assets:		
Financial assets at FVTPL	1,619,918	1,619,918
Deposit with financial institutions	318,000	318,000
Amount due from broker	120,064	120,064
Other financial assets	10,328	10,328
Total undiscounted financial assets	<u>2,068,310</u>	<u>2,068,310</u>
Financial liabilities:		
Other financial liabilities	<u>108,958</u>	<u>108,958</u>
Total undiscounted financial liabilities	<u>108,958</u>	<u>108,958</u>
NAV attributable to unit holders	<u>1,959,352</u>	<u>1,959,352</u>
Liquidity gap	<u>-</u>	<u>-</u>

#### (i) Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. Quoted Shariah-compliant equity instruments have been included in the "Less than 1 month" on the assumption that these are highly liquid investments which can be realised should all of the Fund's unit holders' capital are required to be redeemed. For Islamic deposits with financial institutions and other assets, the analysis into maturity groupings is based on the behavioural cash flows, i.e. remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised/maturity dates of debt securities.

#### (ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

## 17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (g) Liquidity risk (cont'd.)

#### (iii) Equity

As unit holders can request for redemption on their units by giving the Manager a 3-day notice period, they have been categorised as having a maturity of “Less than 1 month”. However, the Fund believes that it would be able to liquidate other investments should the need arise to satisfy all the redemption requirements of the Fund.

### (h) Credit risk

#### Credit concentration

Credit concentration risk is associated with the number of underlying Islamic investments or Islamic financial institutions which a Fund invests in or place deposits with. As the Fund is allowed to place Islamic deposits and/or invest in Islamic money market instruments wholly with a single financial institution, the NAV per unit of the Fund would be affected if the financial institution is not able to make timely payments of profit and/or principal.

#### Credit default

This refers to the creditworthiness of the respective Islamic financial institutions which Islamic deposits are placed with and their ability to make timely payment of principal and profit. If the Islamic financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and profit foregone, causing the performance of the Fund to be adversely affected.

### (i) Reclassification of Shariah status risk

There is a risk that the currently held Shariah-compliant securities and warrants in the portfolio of Funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission which is performed twice yearly. If this occurs, the value of the Fund may be affected whereby the Manager will then take the necessary steps to dispose of such securities in accordance with the Shariah Advisory Council's Resolutions and Guidelines.

## 18. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's approved fund size and units in issue at the end of the financial year is disclosed in Note 10(a).

The Fund's objectives for managing capital are:

- (a) To invest in Islamic investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various Islamic investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operation of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current financial year.

## CORPORATE INFORMATION

<b>MANAGER</b>	MIDF Amanah Asset Management Berhad Registration No: 197201000162 (11804-D)
<b>REGISTERED OFFICE</b>	Level 21, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8888
<b>BUSINESS OFFICE</b>	Level 3A, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: <a href="mailto:midfamanah@midf.com.my">midfamanah@midf.com.my</a> Website: <a href="http://www.midf.com.my/index.php/en/what-we-do-en/asset-management">www.midf.com.my/index.php/en/what-we-do-en/asset-management</a>
<b>TRUSTEE</b>	AmanahRaya Trustees Berhad (766894-T) Tingkat 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
<b>BOARD OF DIRECTORS</b>	Hasnah Omar – Chairman Dato' Charon Wardini Mokhzani Datuk Joseph Dominic Silva Tai Keat Chai Hasman Yusri Yusoff Mohamed Sany Mohamed Zainudin Ahlan Nasri Mohd Nasir (resigned effective 2 March 2022)
<b>OVERSIGHT COMMITTEE MEMBERS</b>	Hasman Yusri Yusoff – Chairman Tai Keat Chai Sheikh Shahrudin Sheikh Salim (appointed effective 1 March 2022) Ahlan Nasri Mohd Nasir (resigned effective 1 January 2022)
<b>BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS</b>	Tai Keat Chai – Chairman Hasnah Omar Hasman Yusri Yusoff
<b>COMPANY SECRETARIES</b>	Hadidah Amin (LS 05402) Lailatul Mardhiyah Said Abdullah [LS0010110]
<b>AUDITOR</b>	Ernst & Young Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, 50490 Kuala Lumpur

## CORPORATE INFORMATION (CONT'D.)

<b>TAX ADVISER</b>	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur
<b>SHARIAH ADVISER</b>	MIDF Amanah Investment Bank Berhad (23878-X) (Shariah Committee) Level 21, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur
<b>PRINCIPAL BANKERS</b>	Malayan Banking Berhad (3813-K) Menara Maybank, Jalan Tun Perak, 50050 Kuala Lumpur  OCBC Bank (Malaysia) Berhad (295400-W) 18th Floor, Menara OCBC, 18, Jalan Tun Perak, 50050 Kuala Lumpur



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Website: [www.midf.com.my/index.php/en/what-we-do-en/asset-management](http://www.midf.com.my/index.php/en/what-we-do-en/asset-management)