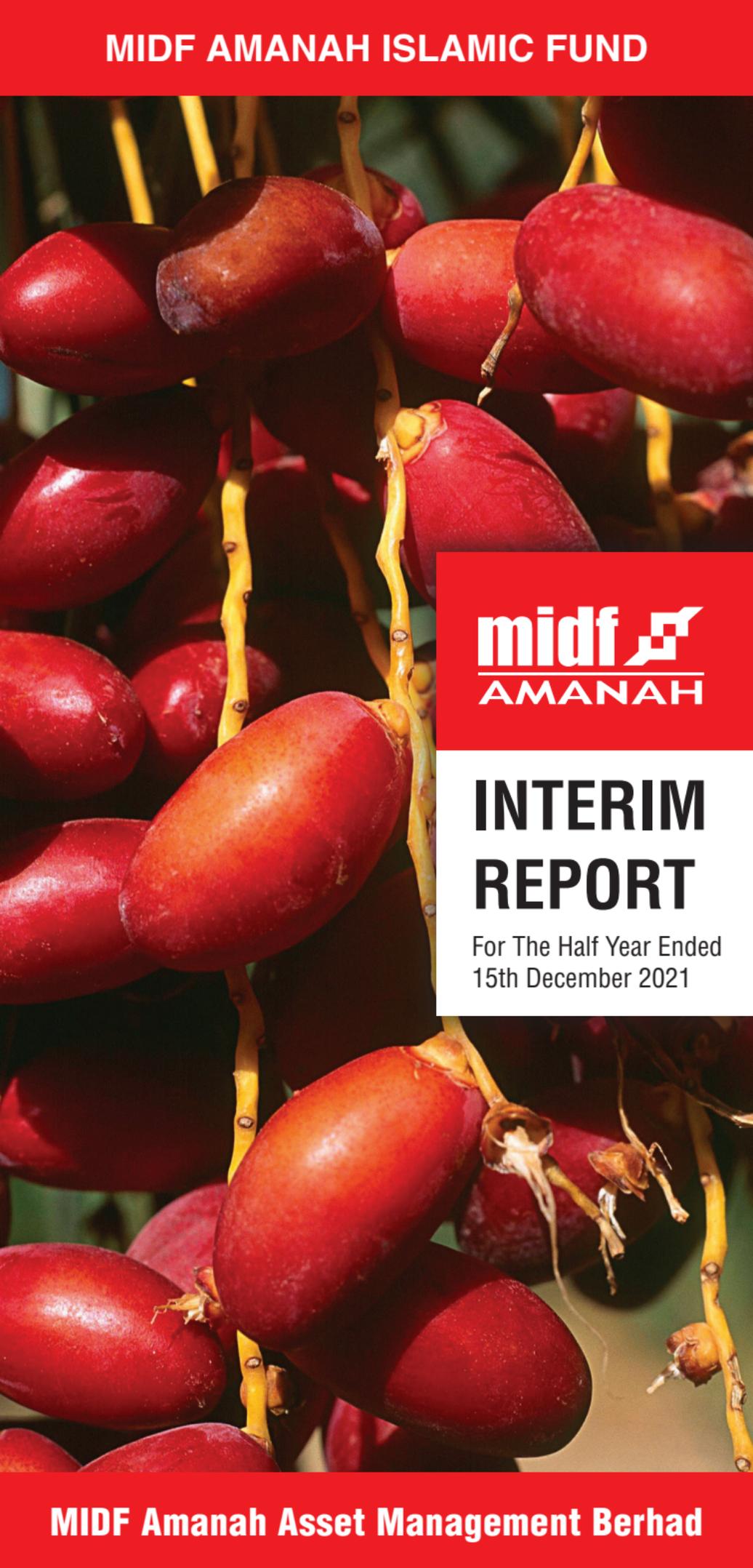


MIDF AMANAH ISLAMIC FUND



midf 
AMANAH

INTERIM REPORT

For The Half Year Ended
15th December 2021

MIDF Amanah Asset Management Berhad

MIDF AMANAH ASSET MANAGEMENT BERHAD
Level 3A, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
15th December 2021

Dear Unit Holders:

FUND CATEGORY AND TYPE

Fund Category	Shariah-compliant Equity
Fund Type	Growth (Islamic)

ASSET ALLOCATION AS AT 15 DECEMBER 2021

Quoted Shariah-compliant Equities and Warrant	83.0%
Islamic Money Market Instruments and Others	17.0%

PERFORMANCE OF THE FUND

MIDF Amanah Islamic Fund ("MAIF")	15/12/2021	15/06/2021	Variance (%)
Net Asset Value ("NAV") (RM)	4,769,559	5,278,887	-9.65
NAV per Unit (RM)	0.3092	0.3152	-1.90
FBM Emas Shariah Index ("FBMS")	11,640.27	12,711.75	-8.43

For the interim period (6 months) ended 15 December 2021, the NAV per unit of MAIF decreased by 1.90%, but managed to outperform the FBMS on a relative basis by 6.53% despite challenging market condition.

The key objective of the MAIF is to achieve long-term capital growth through investments which conform with the principles of Shariah.

The FBMS has been identified as the benchmark for MAIF as it is the closest comparable index.

The outperformance was largely attributed to the fund's heavyweight portfolio holdings in some of benchmark stocks particularly in Technology as well as Industrial Products and Services while underweighted unfavourable sectors such as Healthcare and Construction.

EQUITY MARKET REVIEW

Halfway through 2021, the bullish sentiment continued with the global equity markets rallied during the second quarter of 2021, extending the positive momentum for a fifth consecutive quarter. The positive gains were mainly supported by the accelerating rollout of Covid-19 vaccines prominently in developed economies. The Morgan Stanley Capital International (“MSCI”) World, MSCI Emerging Market, MSCI Asia Pacific recorded gains of +7.31%, +4.42% and +2.16% respectively quarter-on-quarter (“QoQ”) while MSCI ASEAN posted a negative return of -2.76% QoQ. 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%. The strengthening in energy prices and optimism for global economic recovery had driven up commodity prices, with crude oil prices increased +18%.

In July 2021, while the vaccine rollouts making a steady progress and restrictions on activity being eased further in several major developed markets, the underlying global market sentiment was in a cautious mode 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. Emerging market equities continued to lag developed market peers in July 2021 mainly led by weakness in Chinese stock market, registering a negative return of -7.04% while developed market equities registered a positive return of +0.70%. MSCI World and MSCI Europe gained +1.72% and +1.78% respectively over the month, while MSCI Asia Pacific and MSCI ASEAN fell by -5.13% and -3.42% respectively.

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. Nations across the world are moving from pandemic to endemic and encouraging / managing people’s expectations to embrace transition to new normal and learn to live with the virus. Indices across the globe ended the month higher with MSCI World, MSCI Emerging Markets, MSCI Asia Pacific, and MSCI ASEAN gained by as much as +2.35%, +2.42%, +2.27%, +2.37% and +5.51% respectively.

The third quarter of 2021 saw mixed performances across the global equity markets. Equities of developed market were broadly flat over the quarter after a sell-off in late September 2021, erasing the quarter’s prior gains. The MSCI World, MSCI Europe and MSCI EAFE index recorded returns of -0.35%, +0.34% and -1.03% respectively QoQ. Meanwhile, emerging market equities fell sharply, posted negative returns of -8.84% for the quarter amid concerns over continued supply chain disruptions, higher energy prices, potential hike in global interest rates and rising Covid-19 cases that could potentially derail the global recovery. The gradual reopening of businesses globally had significantly driven up commodity prices. Over the third quarter, crude oil, natural gas and crude palm oil prices posted QoQ gains of +4.51%, +60.74%, and +27.79% respectively while metal prices such as aluminium and steel rose +13.11% and +19.25% respectively.

After a pullback in September 2021, major equity markets worldwide recovered in October 2021 supported by encouraging 3Q21 corporate earnings. Major indices ended the month higher with MSCI World, MSCI Europe, MSCI Emerging Markets, and MSCI ASEAN registered returns of +5.6%, +4.5%, +0.9% and +4.3% respectively MoM, while Asia Pacific equities were flat for the month. 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 strong 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 flow that spooks the markets. 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” has just recently been discovered and first reported in South Africa on the 24th November 2021. The fifth variant of concern (“VOC”) which has more than 30 mutations is believed to be more transmissible and wildly different from any other variant seen to date. Companies sensitive to Covid-19 restrictions and highly reliant on reopening, such as airlines and energy, were hit hard. Major indices ended the month lower with MSCI World, MSCI Europe, MSCI Emerging Markets, MSCI Asia Pacific and MSCI ASEAN posted returns of -2.3%, -3.9%, -4.1%, -3.8% and -5.1% respectively MoM.

On the domestic front, the Bank Negara Malaysia (“BNM”) during its final 2021 Monetary Policy Committee (“MPC”) decided to maintain the overnight policy rate (“OPR”) at 1.75%. The decision was made after considering that risks to Malaysia’s economic growth outlook remain weaker than expected on both external and domestic factors. Malaysia’s third-quarter gross domestic product (“GDP”) slipped back into contraction by -4.5% YoY (-3.6% QoQ), mainly due to enhanced lockdown measures imposed to stop the third wave of Covid-19. However, Malaysia’s full-year GDP is on track to achieve growth of between 3% and 4% in 2021 and further expand between 5.5% and 6.5% in 2022.

Malaysian stock market indices across the local bourse ended in red in November 2021 due to investors’ concerns over the negative earnings impact from Cukai Makmur as well as the removal of tax exemptions on foreign source income. The FBM KLCI fell -3.1% MoM in November 2021 to close at 1,513.98 points while the FBM Hijrah Shariah declined the least by -2.4% to close at 12,806.76, outperforming the FBM KLCI due to some renewed buying interest in glove stocks as Covid resurges in Europe. Meanwhile, Mid-Cap and Small-Cap Shariah both were among the top loser declined by -8.1% and -7.8% respectively mainly due to lower retail investor participations. On the sustainability index performance, FTSE4Good Bursa Malaysia fell by -3.7% against FTSE4Good Bursa Malaysia Shariah which fell by -3.3% due to weaker performance of finance stocks. On the sectoral performance, only Healthcare (+0.4%) and Technology (+0.4%) sectors posted positive returns although the gains in both sectors were modest. Energy, Property and Transportation sector were the main laggards registered negative returns of -12.0%, -9.3% and -7.5% respectively.

For the period under review, the FBM Emas Shariah closed at 11,640.27 points, translating to a decrease of -8.43%. The FBM Emas Shariah managed to outperform FBM Hijrah Shariah Index which posted a negative return of -9.24% but lagged behind FBM KLCI which registered a negative return of -6.23%.

INVESTMENT OUTLOOK AND STRATEGY

The lackluster performance of the FBM KLCI was primarily contributed by investors worried about Cukai Makmur or the prosperity tax which will wipe out nominal FBM KLCI earnings growth for the financial year of 2022, and the economy slowing down again because of the new Covid-19 variant, Omicron. The advent of the Omicron variant of the coronavirus risks posing new challenges for central bankers across the world by threatening economic growth while adding to inflation pressures moving forward. With Omicron Covid-19 variant emergence, many countries have put restrictions on travel to the Southern Africa countries in order to at least slow the virus' spread. Malaysia on 2nd December 2021 detected its first case involving the Omicron variant of Covid-19 after a South African national tested positive for it. Malaysia which has reported more than 2.6 million coronavirus cases, has gradually reopened its borders to travellers in recent weeks as infections have slowed amid a high vaccination rate, has temporarily banned the entry of travellers from countries that have reported the Omicron Covid-19 variant or are considered high-risk. The travel ban applies to eight African countries, including South Africa, Zimbabwe, Mozambique and Malawi, but could be extended to other nations where the variant has been detected, such as Britain and the Netherlands. Malaysia will also delay plans to set up Vaccinated Travel Lanes ("VTL") with the affected countries, and reimpose quarantine requirements for Malaysian citizens and long-term residents returning from those nations, regardless of their vaccination status. The spread of the Covid-19 Omicron variant across the world could further delay the travel industry's recovery.

Technology sector will continue to be one of our main core sectors in our portfolio positioning moving forward, as we believe that this sector will be the driver to achieve the stated aims in the 12th Malaysia Plan and expansionary Budget 2022. In addition, the digitalisation of the economy should be prioritised to capitalise on a population that is increasingly adopting the latest technologies to manage their daily lives, such as e-wallets and internet banking. We are also positive on Automotive, underpinned by the recovery of the country's economy as the extension of the sales tax exemption for another six months, until 30th June 2022. Furthermore, the announcement that electric vehicles ("EV") to be completely exempted from import duty, excise duty, and sales tax is also good news as this might spur demand for EVs in Malaysia. On top of that, there will be up to 100% road tax exemption and RM 2,500 income tax relief on the cost of purchasing and installing, renting, or taking up hire purchase facilities, as well as subscription payments of EV charging facilities. We are also overweight on sectors in line with the 12th Malaysia Plan, such as Renewable Energy and Water Utility, Export-oriented sectors such as Electronics Manufacturing Services ("EMS"), and commodities-based sectors such as Energy.

Going into 2022, the growth momentum is expected to improve, supported by expansion in global demand, higher private-sector expenditure in line with the resumption of economic activity and continued policy support. The recovery will be supported by high levels of vaccination, where nearly 76% of the entire population is fully vaccinated, or 95% of adults and 78% of adolescents. Thus far, over 730,000 booster doses have been administered to frontliners as well as vulnerable groups, providing additional safeguards to our health care system in the event of a new wave of Covid-19 cases and more threatening Covid-19 variants. Risks to the growth outlook, however, remain tilted to the downside due to external and domestic factors. A new wave of Covid-19 cases and

heightened domestic political uncertainty will remain our key risks that need to be closely monitored as it will dampen the overall sentiment, forcing investors to shift their asset allocation towards safer assets or worst stay on the sideline. On the external front, our key risks are earlier than expected interest rate hikes by the central banks worldwide and the emergence of new more infectious and lethal Covid-19 variants. Furthermore, geopolitical events such as the deterioration of the US-China relationship, scimmages in the South-China Sea between China and its neighbouring nations on territorial rights, or instability in the Middle Eastern region may also heighten volatility.

As such, our restructuring strategy in essence involves a balanced approach between defensive and cyclical growth industries which are still relevant in the current volatile investment backdrop, necessary to manage portfolio risks effectively. Accordingly, we maintain our Shariah compliant stock selection strategy to remain towards Shariah compliant sectors that are more resilient in growth. Therefore, we will continue to overweight on sectors such as Technology, Exporters, Water Utilities, and Renewable Energy due to better earnings growth potentials and visibility than the other sectors while also inclining towards high dividend-yielding stocks, which provide some defensiveness and are likely to continue doing well in the current low yield environment. Overall, investment strategy going forward will centre around astute stock picking, nibbling value, and cyclical names on weakness, with core holdings in growth, defensive, and high-yielding stocks. 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
5,000 and below	1,114	1,315,835	72.86
5,001 to 10,000	105	735,510	6.87
10,001 to 50,000	236	5,436,981	15.43
50,001 to 500,000	73	7,276,185	4.77
500,001 and above	1	662,590	0.07
	1,529	15,427,101	100.00

PORTFOLIO COMPOSITION

	As at 15.12.2021 %	As at 15.12.2020 %	As at 15.12.2019 %
Construction	4.4	5.4	11.2
Consumer Products & Services	13.5	6.5	6.8
Energy	4.9	5.8	11.5
Finance	-	6.0	7.6
Healthcare	-	20.2	7.0
Industrial Products & Services	21.7	4.5	12.3
Islamic REITs	4.9	2.3	1.9
Plantation	5.9	-	-
Property	-	-	4.2
Technology	13.1	8.4	1.1
Telecommunication & Media	7.4	10.2	5.5
Transportation & Logistics	-	-	3.3
Utilities	6.9	9.2	8.8
Warrants	0.3	-	0.1
Cash and other Net Assets	17.0	21.5	18.7
	100.0	100.0	100.0

PERFORMANCE DATA

		As at 15.12.2021	As at 15.12.2020	As at 15.12.2019
Net Asset Value	[RM]	4,769,559	5,295,390	5,451,866
Units in Circulation	[Units]	15,427,101	17,053,439	15,653,683
Net Asset Value per Unit	[RM]	0.3092	0.3105	0.3483
Highest NAV*	[RM]	0.3406	0.3181	0.3695
Lowest NAV*	[RM]	0.3032	0.2868	0.3268
Total return:				
- Capital Growth	[%]	-0.42	-10.85	4.66
- Income Distribution		Nil	Nil	Nil
Management Expenses Ratio (MER) ¹	[%]	1.01	1.16	0.98
Portfolio Turnover Ratio (PTR) ²	[X]	0.80	1.35	1.13

Notes:

* The highest/lowest NAV are adjusted NAV after taking into account the distribution of income made at the financial year end.

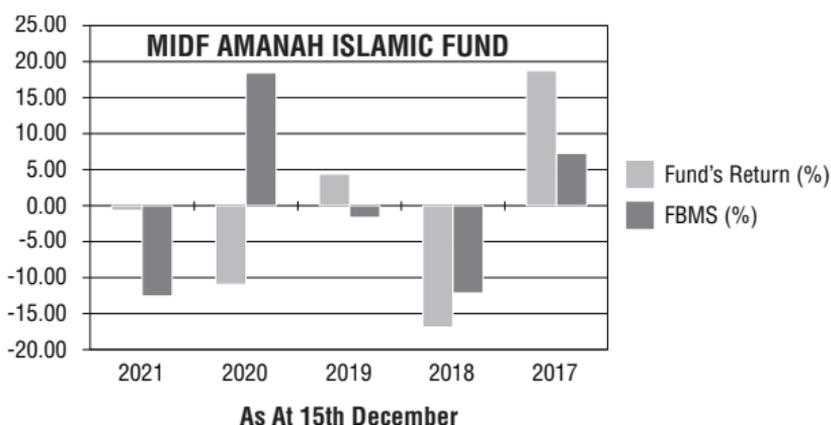
¹ The MER registered for 2021 was 1.01%

² The lower PTR for 2021 of 0.8 was due to lower trading activity compared to 2020.

ANNUAL TOTAL RETURN

MIDF Amanah Islamic Fund As at 15th December	2021	2020	2019	2018	2017
Fund's Return (%)	-0.42	-10.85	4.66	-16.88	19.10
*FBMS (%)	-12.46	18.85	-1.42	-11.97	7.38

*Source: Bursa Malaysia



AVERAGE TOTAL RETURN

As at 15th December	The Fund (%)	FBMS (%)
One Year	-0.42	-12.46
Three Years	-1.96	0.86
Five Years	-1.61	-0.61

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: 26 January 2022

MANAGER'S REPORT

The Manager has pleasure in submitting its report and the unaudited condensed interim financial statements of the MIDF Amanah Islamic Fund ("the Fund") for the six months financial period ended 15 December 2021.

PRINCIPAL ACTIVITIES OF THE MANAGER

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

There have been no significant changes in these principal activities during the six months financial period.

INVESTMENTS OF THE FUND

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

Sector	Aggregate	Acquisitions	Disposals	Aggregate
	cost as at			cost as at
	16.06.2021	RM	RM	15.12.2021
	RM			RM
Construction	266,856	307,799	(363,522)	211,133
Consumer Products & Services	73,463	643,803	(52,584)	664,682
Energy	661,016	324,685	(759,358)	226,343
Healthcare	-	71,773	(71,773)	-
Industrial Products & Services	656,034	996,910	(599,997)	1,052,947
Islamic Real Estate Investment Trust ("REITs")	275,644	25,922	(55,969)	245,597
Plantation	281,343	283,896	(279,499)	285,740
Technology	1,311,716	847,802	(1,556,736)	602,782
Telecom- munications & Media	236,965	174,805	(17,339)	394,431
Transportation & Logistics	96,565	-	(96,565)	-
Utilities	546,017	319,321	(501,910)	363,428
	<u>4,405,619</u>	<u>3,996,716</u>	<u>(4,355,252)</u>	<u>4,047,083</u>
Result				RM
Net loss after tax				<u>(83,371)</u>

In the opinion of the Manager, the result of the operations of the Fund during the six months financial period have 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 which conform with the principles of the Shariah.

MANAGEMENT FEES

During the financial period, the Manager is entitled to a management fee of RM38,839 (15.12.2020: RM38,214). The Manager's fee is computed on a daily basis at 1.50% (15.12.2020: 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 and 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 six months financial period ended 15 December 2021 (15.12.2020: Nil).

UNIT SPLIT

No unit split was made during the six months financial period ended 15 December 2021 (15.12.2020: 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 period to the date of this report are:

Hasnah Omar
Dato' Charon Wardini Mokhzani
Datuk Joseph Dominic Silva
Tai Keat Chai
Ahlan Nasri Mohd Nasir
Hasman Yusri Yusoff
Mohamed Sany Mohamed Zainudin

For and on behalf of the Manager
MIDF Amanah Asset Management Berhad

HASNAH OMAR
Director

MOHAMED SANY MOHAMED ZAINUDIN
Director

Kuala Lumpur, Malaysia
Date: 26 January 2022

**TRUSTEE'S REPORT
FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 15 DECEMBER 2021**

To the Unit Holders of

MIDF AMANAH ISLAMIC FUND

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of MIDF AMANAH ISLAMIC FUND for the six months financial period ended 15 December 2021. In our opinion, MIDF AMANAH ASSET MANAGEMENT BERHAD, the Manager, has operated and managed MIDF AMANAH ISLAMIC FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 15 December 2021.

We are also of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement; and
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement.

Yours faithfully

AMANAHRAYA TRUSTEES BERHAD

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Kuala Lumpur, Malaysia

13 January 2022

**SHARIAH ADVISER'S REPORT
FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 15 DECEMBER 2021**

To the unit holders of

MIDF AMANAH ISLAMIC 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 asset 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 Islamic 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: 17 January 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 unaudited condensed interim financial statements set out on pages 15 to 44 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 Islamic Fund as at 15 December 2021 and of its financial performance, changes in equity and cash flows for the six months financial period then ended.

On behalf of the Manager
MIDF Amanah Asset Management Berhad

HASNAH OMAR
Director

MOHAMED SANY MOHAMED ZAINUDIN
Director

Kuala Lumpur, Malaysia
Date: 26 January 2022

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 DECEMBER**

	16.06.2021 to 15.12.2021	16.06.2020 to 15.12.2020
Note	RM	RM
INVESTMENT INCOME		
Dividend income	59,824	52,796
Profit income from Islamic deposits with financial institutions	7,692	8,239
Net (loss)/gain from financial assets at fair value through profit or loss ("FVTPL")	7 (67,481)	176,133
	<u>35</u>	<u>237,168</u>
EXPENSES		
Manager's fee	3 (38,839)	(38,214)
Trustee's fee	4 (2,046)	(2,038)
Auditors' remuneration	(3,259)	(3,259)
Brokerage's fee	(20,662)	(34,982)
Tax agent's fee	(1,634)	(2,153)
Administrative expenses	(16,967)	(29,282)
	<u>(83,406)</u>	<u>(109,927)</u>
Net (loss)/income before tax	(83,371)	127,241
Income tax expense	5 -	(156)
Net (loss)/income after tax representing total comprehensive (loss)/income for the financial period	<u>(83,371)</u>	<u>127,085</u>
Net (loss)/income after tax is made up of the following:		
Net realised (loss)/gain	(141,032)	114,056
Net unrealised gain	57,661	13,029
	<u>(83,371)</u>	<u>127,085</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 15 DECEMBER 2021**

	Note	15.12.2021 RM	15.06.2021 RM
ASSETS			
Financial assets at FVTPL	7	3,961,111	4,261,986
Islamic deposits with financial institutions	8	828,078	1,117,103
Cash at bank		5,336	3,918
Other receivables		9,232	6,765
TOTAL ASSETS		<u>4,803,757</u>	<u>5,389,772</u>
LIABILITIES			
Amount due to brokers		-	78,452
Other payables		24,561	21,981
Due to Manager		9,125	9,923
Due to Trustee		512	529
TOTAL LIABILITIES		<u>34,198</u>	<u>110,885</u>
EQUITY			
Unit holders' capital	10(a)	1,198,123	1,624,080
Retained earnings	10(b), 10(c)	3,571,436	3,654,807
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV")			
ATTRIBUTABLE TO UNIT HOLDERS	10	<u>4,769,559</u>	<u>5,278,887</u>
TOTAL EQUITY AND LIABILITIES		<u>4,803,757</u>	<u>5,389,772</u>
UNITS IN CIRCULATION	10(a)	<u>15,427,101</u>	<u>16,747,548</u>
NAV PER UNIT (RM)		<u>0.3092</u>	<u>0.3152</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 15 DECEMBER 2021**

	Unit holders' capital Note 10(a) RM	Retained earnings Note 10(b) and (c) RM	Total equity RM
As at 16 June 2020	1,628,535	3,448,115	5,076,650
Total comprehensive income for the financial period	-	127,085	127,085
Creation of units	313,454	-	313,454
Cancellation of units	(221,799)	-	(221,799)
	<u>1,720,190</u>	<u>3,575,200</u>	<u>5,295,390</u>
As at 15 December 2020	1,720,190	3,575,200	5,295,390
As at 16 June 2021	1,624,080	3,654,807	5,278,887
Total comprehensive loss for the financial period	-	(83,371)	(83,371)
Creation of units	53,244	-	53,244
Cancellation of units	(479,201)	-	(479,201)
	<u>1,198,123</u>	<u>3,571,436</u>	<u>4,769,559</u>
As at 15 December 2021	1,198,123	3,571,436	4,769,559

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

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL
PERIOD ENDED 15 DECEMBER 2021**

	16.06.2021	16.06.2020
	to	to
	15.12.2021	15.12.2020
Note	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	4,214,518	6,542,000
Purchase of investments	(4,091,076)	(7,028,173)
Dividends received	57,356	50,905
Profit income received	7,693	8,247
Manager's fee paid	(38,174)	(22,414)
Trustee's fee paid	(2,063)	(2,026)
Audit fee paid	-	(6,500)
Payment for other fees and expenses	(9,903)	(13,715)
	<u>138,350</u>	<u>(471,676)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	53,244	313,454
Cash payment for units cancelled	(479,201)	(221,799)
	<u>(425,957)</u>	<u>91,655</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(287,607)	(380,021)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	1,121,021	1,402,523
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>833,414</u>	<u>1,022,502</u>
Cash and cash equivalents comprise:		
Cash at bank	5,336	4,501
Islamic deposits with financial institutions	8 828,078	1,018,001
	<u>833,414</u>	<u>1,022,502</u>

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

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL
PERIOD ENDED 15 DECEMBER 2021**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The MIDF Amanah Islamic Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 14 May 1971 and the various Supplemental Deeds between Asia Unit Trusts Berhad (“AUTB”), the Trustee - 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 20 March 2015. The Eighth Master Supplemental Deed with respect to the Shariah matters was executed on 17 December 2013.

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 Fund to MIDF Amanah Asset Management Berhad all the rights, duties and obligations on and from the date the Master Supplemental Deed of the Fund has been registered with the Securities Commission or such other date as may be agreed by the Parties hereto. The effective date of the transfer was 1 January 2010 and subsequently, the Fund changed its name to MIDF Amanah Islamic 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 Securities Berhad (Bursa Malaysia), Islamic Accepted Bills, 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 company, respectively. 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 authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 26 January 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited condensed interim financial statements of the Fund have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and IAS 34 Interim Financial Reporting issued by the International Financial Reporting Standards Board (“IASB”) and the Securities Commission’s Guidelines on Unit Trust Funds in Malaysia.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 15 June 2021. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Fund since the year ended 15 June 2021.

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

The significant accounting policies and methods of computation applied by the Fund are consistent with those adopted in the most recent audited financial statement for the year ended 15 June 2021.

(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 period. 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 unaudited condensed interim 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.

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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
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
<i>MFRS 17 Insurance Contracts</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
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.

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

(c) Financial assets (Cont'd.)

(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.

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 'Gross 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 financial institutions in this classification.

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

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

(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.

(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 period.

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 trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

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

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

(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.

(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 placements with banks and other Islamic financial institutions with original maturity of three months or less, which are 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 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 Investment 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 Islamic 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 period.

3. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.50% (15.12.2020: 1.50%) per annum 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% (15.12.2020: 0.08%) per annum of the NAV of the Fund, before deducting the Manager's and Trustee's fees for that particular day.

5. INCOME TAX EXPENSE

	15.12.2021	15.12.2020
	RM	RM
Charge for the financial period	-	156

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

The tax charge for the financial period 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 (loss)/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:

	15.12.2021	15.12.2020
	RM	RM
Net (loss)/income before tax	(83,371)	127,241
Tax at Malaysian statutory rate of 24%	(20,009)	30,538
Effect of income not subject to tax	(9)	(56,508)
Expense not deductible for tax purposes	20,018	26,383
Effect of income at lower tax rate	-	(257)
Tax expense for the financial period	-	156

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

	15.12.2021	15.06.2021
	RM	RM
Financial assets at FVTPL:		
Quoted Shariah-compliant securities	3,947,584	4,261,986
Quoted Shariah-compliant warrant	13,527	-
	<u>3,961,111</u>	<u>4,261,986</u>
	15.12.2021	15.12.2020
	RM	RM
Net (loss)/gain on financial assets at FVTPL comprised:		
Realised (loss)/gain on disposals	(125,141)	163,104
Unrealised changes in fair values	57,661	13,029
	<u>(67,481)</u>	<u>176,133</u>

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

Financial assets at FVTPL as at 15 December 2021 are as detailed below:

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH- COMPLIANT SECURITIES				
Construction				
Gamuda Berhad	74,000	211,133	210,160	4.4
Consumer Products & Services				
Bermaz Auto Berhad	47,000	72,753	70,970	1.5
CCK Consolidated Holdings Berhad	153,600	89,711	81,408	1.7
MBM Resources Berhad	51,000	160,944	158,100	3.3
Perak Transit Berhad	549,000	341,274	334,890	7.0
	<u>800,600</u>	<u>664,682</u>	<u>645,368</u>	<u>13.5</u>
Energy Hibiscus Petroleum Berhad	318,000	226,343	232,140	4.9
Industrial Products & Services				
AWC Berhad	50,000	26,640	27,500	0.6
Favelle Favco Berhad	70,600	162,180	166,616	3.5
HSS Engineers Berhad	327,400	174,509	144,056	3.0
Petronas Chemicals Group Berhad	32,000	260,070	275,520	5.8
P.I.E. Industrial Berhad	16,000	53,474	59,200	1.2
Press Metal Aluminium Holdings Berhad	10,000	53,709	53,000	1.1
SKP Resources Bhd	109,500	183,087	176,295	3.7
V.S. Industry Berhad	103,200	139,278	131,064	2.8
	<u>718,700</u>	<u>1,052,947</u>	<u>1,033,251</u>	<u>21.7</u>

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH- COMPLIANT SECURITIES (CONT'D.)				
Islamic REITs				
KLCC Property Holdings Berhad	35,400	245,597	233,640	4.9
Plantation				
Kuala Lumpur Kepong Berhad	8,900	186,703	189,570	4.0
Sarawak Oil Palms Bhd	26,500	99,037	91,425	1.9
	35,400	285,740	280,995	5.9
Technology				
D & O Green Technologies Berhad	18,000	92,011	103,500	2.2
Greatech Technology Berhad	14,000	86,231	94,220	2.0
Globetronics Technology Bhd	50,000	99,715	84,500	1.8
Inari Amertron Berhad	20,000	68,054	79,000	1.6
KESM Industries Berhad	8,000	95,374	97,600	2.0
Mi Technovation Berhad	10,000	36,635	33,400	0.7
MY E.G. Services Berhad	78,000	73,528	79,560	1.7
Pentamaster Corporation Berhad	10,000	51,234	53,600	1.1
	208,000	602,782	625,380	13.1
Islamic REITs				
KLCC Property Holdings Berhad	35,400	245,597	233,640	4.9

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)				
Plantation				
Kuala Lumpur Kepong Berhad	8,900	186,703	189,570	4.0
Sarawak Oil Palms Bhd	26,500	99,037	91,425	1.9
	<u>35,400</u>	<u>285,740</u>	<u>280,995</u>	<u>5.9</u>
Telecom-munications & Media				
Telekom Malaysia Berhad	68,000	394,431	354,960	7.4
Utilities				
Mega First Corporation Berhad	10,000	36,413	35,200	0.7
Petronas Gas Berhad	6,000	94,047	101,400	2.1
Tenaga Nasional Berhad	21,000	232,968	195,090	4.1
	<u>37,000</u>	<u>363,428</u>	<u>331,690</u>	<u>6.9</u>
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES	<u>2,295,100</u>	<u>4,047,083</u>	<u>3,947,584</u>	<u>82.7</u>
QUOTED SHARIAH-COMPLIANT WARRANT				
Industrial Products & Services Perak Transit Berhad	35,000	-	5,425	0.1
V.S. Industry Bhd	18,240	-	7,570	0.2
SKP Resources Bhd	2,800	-	532	0.0
	<u>56,040</u>	<u>-</u>	<u>13,527</u>	<u>0.3</u>

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
TOTAL FINANCIAL ASSETS AT FVTPL	<u>2,351,140</u>	<u>4,047,083</u>	<u>3,961,111</u>	<u>83.0</u>
ACCUMULATED UNREALISED GAIN/(LOSS)		<u>(85,972)</u>		

8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	<u>15.12.2021</u> RM	<u>15.06.2021</u> RM
Islamic deposits with licensed banks	<u>828,078</u>	<u>1,117,103</u>

The effective average profit rate for short-term Islamic placements as at 15 December 2021 is 1.68% (15 June 2021: 1.68%) per annum. The average maturity of the deposits as at 15 December 2021 is 2 days (15 June 2021: 2 days).

9. SHARIAH INFORMATION OF THE FUND

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

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

10. TOTAL EQUITY

	Note	<u>15.12.2021</u> RM	<u>15.06.2021</u> RM
Unit holders' capital	(a)	1,198,123	1,624,080
Retained earnings			
- Realised and distributable	(b)	3,657,408	3,798,440
- Unrealised reserve and non-distributable	(c)	<u>(85,972)</u>	<u>(143,633)</u>
Total equity		<u>4,769,559</u>	<u>5,278,887</u>

10. TOTAL EQUITY (CONT'D.)**(a) Unit holder's Capital**

	<u>15.12.2021</u>		<u>15.06.2021</u>	
	No. of Units	RM	No. of Units	RM
As at the beginning of the financial period/year	16,747,548	1,624,080	16,733,148	1,628,535
Creation of units	162,689	53,244	1,209,802	362,930
Cancellation of units	<u>(1,483,136)</u>	<u>(479,201)</u>	<u>(1,195,402)</u>	<u>(367,385)</u>
As at the end of the financial period/year	<u>15,427,101</u>	<u>1,198,123</u>	<u>16,747,548</u>	<u>1,624,080</u>

(b) Realised and distributable

	15.12.2021	15.06.2021
	RM	RM
As at the beginning of the financial period/year	3,798,440	3,737,180
Net realised (loss)/income	<u>(141,032)</u>	<u>61,260</u>
As at the end of the financial period/year	<u>3,657,408</u>	<u>3,798,440</u>

(c) Unrealised reserve and non-distributable

	15.12.2021	15.06.2021
	RM	RM
As at the beginning of the financial period/year	(143,633)	(289,065)
Net unrealised income attributable to investments	<u>57,661</u>	<u>145,432</u>
As at the end of the financial period/year	<u>(85,972)</u>	<u>(143,633)</u>

11. UNITS HELD BY MANAGER

For the six months period ended 15 December 2021 and 15 December 2020, 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	%
15.12.2021				
Affin Hwang Investment Bank Berhad	2,632,355	32.0	6,605	32.0
CIMB Securities Berhad	1,788,062	21.7	4,480	21.7
MIDF Amanah Investment Bank Berhad *	1,738,410	21.1	4,363	21.1
Public Investment Bank Berhad	1,479,890	18.0	3,731	18.0
Maybank Investment Bank Berhad**	589,315	7.2	1,483	7.2
	<u>8,228,032</u>	<u>100.0</u>	<u>20,662</u>	<u>100.0</u>
15.12.2020				
Maybank Investment Bank Berhad**	3,324,482	24.3	8,394	24.0
CIMB Investment Bank Berhad	2,945,153	21.5	7,542	21.6
MIDF Amanah Investment Bank Berhad *	2,637,575	19.3	6,795	19.4
Public Investment Bank Berhad	2,589,135	18.9	6,635	19.0
Affin Hwang Investment Bank Berhad	2,183,891	16.0	5,616	16.0
	<u>13,680,236</u>	<u>100.0</u>	<u>34,982</u>	<u>100.0</u>

* 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, auditor’s remuneration, tax agent’s fee and other administrative expenses. For the financial period ended 15 December 2021, the MER of the Fund stood at 1.01% (15.12.2020: 1.16%).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund is the ratio of the average acquisitions and disposal of the Fund for the financial period to the average NAV of the Fund. For the financial period ended 15 December 2021, the PTR of the Fund stood at 0.80 times (15.12.2020: 1.35 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 warrant; and
- Islamic deposits with financial institutions.

The investment 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 Investment Committee of the Fund.

15. SEGMENT INFORMATION (CONT'D.)

	15.06.2021 to 15.12.2021			15.06.2020 to 15.12.2020		
	Quoted Shariah- compliant securities and warrant RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM
Dividend income	59,824	-	59,824	52,796	-	52,796
Profit income from Islamic deposits deposits placement	-	7,692	7,692	-	8,239	8,239
Net (loss)/gain from financial assets at FVTPL	(67,481)	-	(67,481)	176,133	-	176,133
Total segment operating (loss)/income for the financial period	<u>(7,657)</u>	<u>7,692</u>	<u>35</u>	<u>228,929</u>	<u>8,239</u>	<u>237,168</u>
		15.12.2021		15.06.2021		
	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM
Financial assets at FVTPL	3,961,111	-	3,961,111	4,261,986	-	4,261,986
Islamic deposits with financial institutions	-	828,078	828,078	-	1,117,103	1,117,103
Other receivables	9,156	76	9,232	6,688	77	6,765
Total segment assets	<u>3,970,267</u>	<u>828,154</u>	<u>4,798,421</u>	<u>4,268,674</u>	<u>1,117,180</u>	<u>5,385,854</u>
Amount due to brokers	-	-	-	78,452	-	78,452
Total segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,452</u>	<u>-</u>	<u>78,452</u>

15. SEGMENT INFORMATION (CONT'D.)

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

	15.12.2021 RM	15.12.2020 RM
Net reportable segment operating income	35	237,168
Expenses	(83,406)	(109,927)
Net (loss)/income before tax	(83,371)	127,241
Income tax expense	-	(156)
Net (loss)/income after tax	<u>(83,371)</u>	<u>127,085</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.

	15.12.2021 RM	15.06.2021 RM
Total segment assets	4,798,421	5,385,854
Cash at bank	5,336	3,918
Total assets of the Fund	4,803,757	5,389,772
Total segment liabilities	-	78,452
Other payables	24,561	21,981
Due to Manager	9,125	9,923
Due to Trustee	512	529
Total liabilities of the Fund	<u>34,198</u>	<u>110,885</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 December 2021 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
15.12.2021				
Assets				
Financial assets at FVTPL	3,961,111	-	-	3,961,111
Islamic deposits with financial institutions	-	828,078	-	828,078
Other receivables	-	9,232	-	9,232
Cash at bank	-	5,336	-	5,336
Total financial assets	<u>3,961,111</u>	<u>842,646</u>	<u>-</u>	<u>4,803,757</u>
Liabilities				
Other payables	-	-	24,561	24,561
Due to Manager	-	-	9,125	9,125
Due to Trustee	-	-	512	512
Total financial liabilities	<u>-</u>	<u>-</u>	<u>34,198</u>	<u>34,198</u>
15.06.2021				
Assets				
Financial assets at FVTPL	4,261,986	-	-	4,261,986
Islamic deposits with financial institutions	-	1,117,103	-	1,117,103
Other receivables	-	3,918	-	3,918
Cash at bank	-	6,765	-	6,765
Total financial assets	<u>4,261,986</u>	<u>1,127,786</u>	<u>-</u>	<u>5,389,772</u>
Liabilities				
Other payables	-	-	21,981	21,981
Amount due to brokers	-	-	78,452	78,452
Due to Manager	-	-	9,923	9,923
Due to Trustee	-	-	529	529
Total financial liabilities	<u>-</u>	<u>-</u>	<u>110,885</u>	<u>110,885</u>

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
15.12.2021				
Quoted Shariah-compliant securities	3,947,584	-	-	3,947,584
Quoted Shariah-compliant warrant	13,527	-	-	13,527
	<u>3,961,111</u>	<u>-</u>	<u>-</u>	<u>3,961,111</u>
15.06.2021				
Quoted Shariah-compliant securities	<u>4,261,986</u>	<u>-</u>	<u>-</u>	<u>4,261,986</u>

Quoted Shariah-compliant securities and quoted Shariah-compliant warrant

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 closing prices are determined by reference to the theoretical closing market price as published by Bursa Malaysia.

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

The fair value of the other financial assets and financial liabilities that are not carried at fair value approximate the carrying amounts 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.

(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 the 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 risks type 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 that no derivatives shall be undertaken for either investment risk management purposes or for trading.

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

(e) Excessive risk concentration

Concentration risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry. Concentration 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 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.

(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 warrant.

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

(f) Market Risk

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

Equity price risk sensitivity

Management's best estimate of the effect on the profit for the financial period 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
15.12.2021		
Changes in equity price	+10	396,111
15.06.2021		
Changes in equity price	+10	426,199

* The Management assumed that the movement of FVTPL investments as at 15 December 2021 move 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.

Equity price risk concentration

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

	15.12.2021		15.06.2021	
	Fair value RM	% of NAV	Fair value RM	% of NAV
Malaysia	3,961,111	83.0	4,261,986	80.8

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

(f) Market Risk

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

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

	15.12.2021		15.06.2021	
	Fair value RM	% of NAV	Fair value RM	% of NAV
Construction	210,160	4.4	267,626	5.1
Consumer Products & Services	645,368	13.5	73,295	1.4
Energy	232,140	4.9	581,164	11.0
Industrial Products & Services	1,033,251	21.7	691,679	13.1
Islamic REITs	233,640	4.9	272,254	5.2
Plantation	280,995	5.9	261,452	4.9
Technology	625,380	13.1	1,275,458	24.2
Telecom- munication & Media	354,960	7.4	252,150	4.8
Transportation & Logistics	-	-	93,610	1.8
Utilities	331,690	6.9	492,710	9.3
Warrant	13,527	0.3	588	0.0
	<u>3,961,111</u>	<u>83.0</u>	<u>4,261,986</u>	<u>80.8</u>

(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.

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

(g) Liquidity Risk (Cont'd)

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 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.

	Less than 1 month RM	Total RM
15.12.2021		
Financial assets:		
Financial assets held at FVTPL	3,961,111	3,961,111
Islamic deposits with financial institutions	828,078	828,078
Other financial assets	14,568	14,568
	<hr/>	<hr/>
Total undiscounted financial assets	4,803,757	4,803,757
	<hr/>	<hr/>
Financial liabilities:		
Other financial liabilities	34,198	34,198
	<hr/>	<hr/>
Total undiscounted financial liabilities	34,198	34,198
	<hr/>	<hr/>
NAV attributable to unit holders	4,769,559	4,769,559
	<hr/>	<hr/>
Liquidity gap	-	-
	<hr/>	<hr/>
15.06.2021		
Financial assets:		
Financial assets held at FVTPL	4,261,986	4,261,986
Islamic deposits with financial institutions	1,117,103	1,117,103
Other financial assets	10,683	10,683
	<hr/>	<hr/>
Total undiscounted financial assets	5,389,772	5,389,772
	<hr/>	<hr/>
Financial liabilities:		
Other financial liabilities	110,885	110,885
	<hr/>	<hr/>
Total undiscounted financial liabilities	110,885	110,885
	<hr/>	<hr/>
NAV attributable to unit holders	5,278,887	5,278,887
	<hr/>	<hr/>
Liquidity gap	-	-
	<hr/>	<hr/>

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

(g) Liquidity Risk (Cont'd)

(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.

(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 Islamic 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.

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

(h) Credit risk (Cont'd)

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 RiskEquity

There is a risk that the currently held Shariah-compliant securities in the portfolio of the Fund 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 period 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 period.

CORPORATE INFORMATION

MANAGER	MIDF Amanah Asset Management Berhad Registration Number: 197201000162 (11804-D)
REGISTERED OFFICE	Level 21, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8888
BUSINESS OFFICE	Level 3A, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: midfamanah@midf.com.my Website:www.midf.com.my/index.php/en/ what-we-do-en/asset-management
TRUSTEE	AmanahRaya Trustees Berhad (766894-T) Level 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
BOARD OF DIRECTORS	Hasnah Omar – Chairman Dato' Charon Wardini Mokhzani Datuk Joseph Dominic Silva Tai Keat Chai Ahlan Nasri Mohd Nasir Hasman Yusri Yusoff Mohamed Sany Mohamed Zainudin
INVESTMENT COMMITTEE MEMBERS	Hasman Yusri Yusoff - Chairman Tai Keat Chai Ahlan Nasri Mohd Nasir
BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS	Tai Keat Chai – Chairman Hasnah Omar Hasman Yusri Yusoff
COMPANY SECRETARIES	Hadidah Amin (LS 05402) Lailatul Mardhiyah Said Abdullah [LS0010110]
AUDITOR	Ernst & Young Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, 50490 Kuala Lumpur
TAX ADVISER	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, 50490 Kuala Lumpur
SHARIAH ADVISER	MIDF Amanah Investment Bank Berhad (23878-X) (Shariah Committee) Level 21, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur
PRINCIPAL BANKERS	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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If undelivered, please return to:

MIDF Amanah Asset Management Berhad

Registration Number: 197201000162 (11804-D)

Level 3A, Menara MIDF

82, Jalan Raja Chulan, 50200 Kuala Lumpur

Tel: (603) 2173 8488 Fax: (603) 2173 8555

E-mail: midfamanah@midf.com.my

Website: www.midf.com.my/index.php/en/what-we-do-en/asset-management