

MIDF AMANAH STRATEGIC FUND



SEMI ANNUAL REPORT

For The Half Year Ended
15th July 2022

MIDF Amanah Asset Management Berhad

MIDF AMANAH ASSET MANAGEMENT BERHAD

Level 3A, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur

15th July 2022

Dear Unit Holders:

FUND CATEGORY AND TYPE

Fund Category	Equity Fund
Fund Type	Smallcap Fund

ASSET ALLOCATION AS AT 15 JULY 2022

Shariah-compliant Equities	81.20%
Islamic Money Market Instruments and Others	18.80%

PERFORMANCE OF THE FUND

MIDF Amanah Strategic Fund ("MASF")	15/07/2022	15/01/2022	%
Net Asset Value ("NAV") (RM)	13,430,452	15,433,618	-12.98
NAV per Unit (RM)	0.9537	1.0745	-11.24
FBM Small Cap Shariah Index ("FBMSCSM")*	12,479.12	14,500.39	-13.94

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

For the six months period ended 15th July 2022, the NAV per unit of MASF declined by 11.24%, outperforming the FBMSCSM by 2.7% as the latter registered a negative return of -13.94%.

The key objective of MASF is to achieve long-term capital growth through investment in smaller, high-growth companies. For the period under review, the Fund has outperformed its benchmark by +2.7% despite the challenging market environment, although did not meet its objective in achieving capital growth.

The FBMSCSM has been identified as the benchmark for MASF as it is the closest comparable index.

The outperformance was attributed to the higher weightage of Technology and Industrial products that had fared well during the first half of the fund's financial year.

EQUITY MARKET REVIEW

After a strong 2021, it has been a rough start to the year 2022 for equity markets globally, which largely declined in January 2022. 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 rallied, with Brent oil reaching 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 and March 2022 as investors tried to digest the implications of Russia’s invasion of Ukraine. The invasion has caused a global shock, with equities declining and bond yields rising. Moreover, since Russia and Ukraine are key producers of several important commodities, the invasion contributed to a further surge in inflation and supply chain disruptions. Elsewhere, Chinese equities were negatively affected by renewed Covid-19 outbreaks, leading to new lockdowns in some major cities.

Equity markets continued declining in April 2022 and May 2022 and traded mostly mixed as the global markets were reeling from the ongoing war in Ukraine, lockdowns in China, continued supply chain disruptions, and expectations that US interest rates could rise swiftly. US economic data also showed signs of weakening, while persistent inflationary pressures prompted the Fed into more aggressive measures of interest rate hikes. Inflation increased 1.2% in March 2022, a sharp pick-up from February 2022, resulted in the annual inflation rate picking up to 8.5% from 7.9%, its highest level since December 1981.

Global equity markets extended losses in June 2022 as concern on faster interest rate hikes, high Inflation, and Russia’s invasion of Ukraine may cause a recession in several world economies. US equities such as S&P 500, the Dow Jones, and Nasdaq fell by 8.39%, 6.71%, and 8.71%, respectively. European markets were also in red, with major indices such as FTSE 100, Dax, and CAC 40 declining by -5.76%, -11.15%, and -8.44%, respectively. Asian markets also felt the heat, with most equity markets traded lower compared to May 2022, ranging from -1.69% to -13.15%. Only Hang Seng Index and Shanghai Composite Index were the bright spots among the global equity markets, ending in the green with 2.08% and 6.66%, respectively, as prolonged lockdowns were lifted in some major cities.

Our FTSE Bursa Malaysia (FBM) KLCI declined by 8% in June, the biggest monthly drop since the start of the Covid-19 pandemic in March 2020, as investors were spooked by the intensity of central banks worldwide tightening their interest rates, leading to the possibility of a recession. In addition, other factors such as rising local profit/interest rates, the steep decline of crude palm oil prices, and the fact that foreign investors have become net sellers after five months of net buying also hurt the sentiment. As a result, all our local indices were in negative territories during June 2022, with FBM Fledgling being the best performer with a return of -5.1%, while FBM Hijrah Shariah was on the opposite side with a return of -8.8%.

KEY MARKET RISKS

- Heightened geopolitical risks such as the Ukraine-Russia conflict may derail global recovery and negatively affect investors' sentiment.
- Faster than expected 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

The looming recession which is knocking on the doors of the advanced economies is not expected to rear its ugly head in corporate Malaysia supported by positive consumer sentiment whilst the economy continues to attain stability as recently reaffirmed by the Standard & Poor rating outlook, which is the key to economic confidence. The nation's strong economic fundamentals at this juncture would be able to withstand any recessionary risk emanating from the developed economies. Nevertheless, Malaysia may see some softening effect on its economy in the second half with expectations of elevated volatilities.

The government is maintaining its economic growth projection of between 5.3% and 6.3% for 2022. This bright outlook is underpinned by the 5% GDP growth achieved in the first three months of this year. The reopening of the global economy and the improvement in labour market conditions continue to support the recovery of economic activity whilst the services and manufacturing sectors will continue to drive growth. Meanwhile, the inflationary pressures have continued to increase mainly due to elevated commodity prices and strong demand recovery, despite some easing in global supply chain conditions. In pursuit of taming high inflation whilst addressing the impact of Ringgit depreciation, Bank Negara Malaysia has decided to increase the Overnight Policy Rate by another 25 basis points to 2.25% on 6th July 2022 to reduce inflationary pressures.

Nonetheless, several factors that could affect Malaysia's economic growth are the developments surrounding the geopolitical conflict in Ukraine, worsening of Covid-19 situation, prolonged global supply chain disruption, commodity price shocks, rising inflation, aggressive policy tightening by central banks and financial market volatility. The outlook for FBM KLCI is expected to be bumpy in the second half of 2022 and investors are expected to tread cautiously and adopting tactical strategy in light of the highly volatile market conditions. Some of the domestic catalysts for local equity market include:

- **The anticipated GE15.** With the calling for the GE15 is louder, market participants should expect some pre-election rally particularly in the construction and building material sectors.
- **Awaiting 5G rollouts in Malaysia.** Malaysia has decided to go ahead with a Single Wholesale Network (SWN) for 5G, with telcos in town taking a stake of up to 70% of in Digital Nasional Bhd (DNB). The given timeline is to deliver 80% coverage of 5G by 2024 with network quality that is supportive of innovation and digital transformation.
- **Commodity supercycle.** With the elevated tension between Ukraine and Russia, most of the commodity prices were firmly trading in the uptrend tone. Hence, we expect that to translate to earnings at least for another few quarters on commodity related stocks within the energy and plantation sectors given Malaysia is one of the key beneficiaries of the commodity price shocks that are roiling markets around the world.
- **Technology sector could turn attractive.** Following the significant correction of -38% since the last year's peak, we opine that selected technology stocks might turn attractive. We expect the rising adoption in 5G and IoT devices, growing demand in electronic gadgets and the EV trend will remain as the main catalysts for the sector.
- **Undemanding valuations.** The FBMKLCI which is currently trades at -2.5 standard deviation (STD) below 5-year mean (a sharp correction from its peak of +1.5 STD in December 2020 when the index was at 1,685 points), provides a good opportunity for value investors to enter Malaysian equities, while the solid dividend yield of 4.73% further improve the total returns for investors.
- **Net Inflows of domestic Institution.** The return of net local institutional buying in the domestic market of late is encouraging. Better corporate earnings, attractive valuations supported by defensive qualities may further entice greater tractions.

We maintain our Islamic investment strategy, focusing on recovery/re-opening and structural growth themes. For recovery themes, we focus on value and cyclical growth sectors such as Consumer Discretionary, Industrials and Materials. For structural growth themes, we like sectors such as Technology and Renewable Energy. We also remain buyers on market weakness, taking opportunities to buy selectively on dips. Accordingly, our Islamic investment strategy going forward will anchor around astute stock picking, nibbling value, and cyclical names on weakness, with core holdings in growth, defensive, and high-yielding stocks.

CURRENT PROFILE OF UNITHOLDINGS BY SIZE

Size of Unitholdings	No. of Unit holders	No. of Units Held	% of Unit holders
5,000 and below	1,877	2,063,190	75.47
5,001 to 10,000	248	1,739,534	9.97
10,001 to 50,000	313	6,451,857	12.59
50,001 to 500,000	49	3,827,897	1.97
500,001 and above	-	-	-
	2,487	14,082,478	100.00

PORFOLIO COMPOSITION

	As at 15.07.2022 %	As at 15.07.2021 %	As at 15.07.2020 %
Construction	6.60	5.60	8.10
Consumer Products & Services	11.60	9.00	13.30
Energy	2.70	0.40	3.90
Healthcare	0.50	1.70	2.30
Industrial Products & Services	31.10	33.70	26.90
Plantation	0.20	0.50	-
Technology	27.40	34.80	14.30
Transportation & Logistics	0.50	1.00	4.50
Warrants	0.60	-	-
Cash and other Net Assets	18.80	13.30	26.70
	100.00	100.00	100.00

PERFORMANCE DATA

		As at 15.07.2022	As at 15.07.2021	As at 15.07.2020
NAV	[RM]	13,430,452	15,012,552	14,255,632
Units in Circulation	[Units]	14,082,478	14,549,974	15,542,416
NAV per Unit	[RM]	0.9537	1.0318	0.9172
Highest NAV*	[RM]	1.0874	1.0874	0.9990
Lowest NAV*	[RM]	0.9318	0.9318	0.6371
Total Return: - Capital Growth - Income Distribution	[%]	-7.57 Nil	12.49 Nil	-6.67 Nil
Total Expense Ratio (TER) ¹	[%]	0.88	0.88	0.87
Portfolio Turnover Ratio (PTR) ²	[x]	0.14	0.68	0.74

- a) The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).
- b) No cross trade transactions have been carried out during the reported period.

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”).
- ¹ The TER remained at 0.88% in 2022, similar to that registered in 2021.
- ² The PTR for 2022 was lower at 0.14 times as compared to 0.68 times in 2021. The variance was due to lower trading activities in 2022.

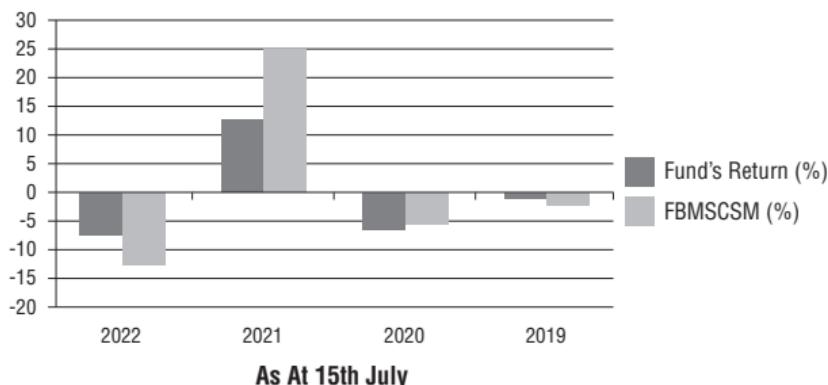
ANNUAL TOTAL RETURN

MIDF AMANAH STRATEGIC FUND				
As At 15th July	2022	2021	2020	2019
Fund's Return (%)	-7.57	12.49	-6.67	-1.09
*FBMSCSM (%)	-13.24	25.21	-5.23	-2.25

* Source: Bloomberg

Note: Effective 1 June 2018, FBMSCSM has been identified as the new benchmark for MASF 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. FBMSCSM) for year 2018 are not available.

MIDF AMANAH STRATEGIC FUND



As At 15th July

AVERAGE TOTAL RETURN

As at 15th July	The Fund	*FBMSC
One Year (%)	-7.57	-13.34
Three Years (%)	-0.99	0.98

**Note: Effective 1 June 2018, FBMSCSM has been identified as the new benchmark for MASF 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. FBMSCSM) for Five years is 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

Azlan Azizuddin
Acting Chief Executive Officer

Date: 5 September 2022

MANAGER'S REPORT

The Manager hereby submit its report and the unaudited condensed interim financial statements of the MIDF Amanah Strategic Fund ("the Fund") for the six months financial period ended 15 July 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 six months financial period.

INVESTMENTS OF THE FUND

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

Sector	Aggregate cost as at 16.01.2022		Disposal	Aggregate cost as at 15.07.2022	
	RM	Acquisitions		RM	RM
Construction	1,059,630	258,004	(339,053)	978,581	
Consumer Products & Services	1,589,261	559,043	(652,882)	1,495,422	
Energy	190,557	321,494	(18,165)	493,886	
Health Care	65,289	-	-	65,289	
Industrial Products & Services	5,066,787	282,454	(351,627)	4,997,614	
Plantation	100,028	-	(74,370)	25,658	
Technology	4,507,916	274,379	(904,771)	3,877,524	
Transportation & Logistics	112,022	-	-	112,022	
	12,691,490	1,695,374	(2,340,868)	12,045,996	
Result					RM
Net loss after tax					1,718,370

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

INVESTMENT OBJECTIVE

The objective is to achieve long term capital growth through investments in smaller, high growth companies.

MANAGEMENT FEES

During the financial period, the Manager is entitled to a management fee of RM107,811 (15.07.2021: RM118,091). The Manager's fee is computed on a daily basis at 1.5% (15.07.2021: 1.5%) per annum of the Net Asset Value ("NAV") of the Fund before deducting the Manager's and Trustees' fee 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 unpresented 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 does not propose any distribution for the financial period ended 15 July 2022 (15.07.2021: Nil).

UNIT SPLIT

No unit split was made during the six months financial period ended 15 July 2022 (15.07.2021: Nil).

CHANGES IN VALUE OF FUND

The changes in value of 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.

During the six months financial period, 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

Datuk Joseph Dominic Silva

Tai Keat Chai

Hasman Yusri Yusoff

Norziana Mohd Inon (Appointed effective 27 May 2022)

Ahlan Nasri Mohd Nasir (Resigned effective 2 March 2022)

Dato' Charon Wardini Mokhzani (Resigned effective 17 May 2022)

Mohamed Sany Mohamed Zainudin (Resigned effective 7 July 2022)

For and on behalf of the Manager

MIDF Amanah Asset Management Berhad

HASNAH OMAR

Director

HASMAN YUSRI YUSOFF

Director

Kuala Lumpur, Malaysia

Date: 5 September 2022

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 15 July 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 period 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: 2 August 2022

**SHARIAH ADVISER'S REPORT
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 JULY 2022**

To the unit holders of
MIDF AMANAH STRATEGIC 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 comprises of instruments that have been classified as Shariah-compliant.

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

DR. MOHAMAD SABRI ZAKARIA

ASSOC. PROF. DR. SITI SALWANI RAZALI

DR. MUHAMMAD NAJIB ABDULLAH

ENCIK AHMAD LUTFI ABDULLIP @ TALIB

Signed on behalf of the members,

DR. MOHAMAD SABRI ZAKARIA

Chairman, Shariah Committee
MIDF Amanah Investment Bank Berhad

Date: 8 August 2022

STATEMENT BY MANAGER

We, Hasnah Omar and Hasman Yusri Yusoff, 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 14 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 Strategic Fund as at 15 July 2022 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

HASMAN YUSRI YUSOFF
Director

Kuala Lumpur, Malaysia
Date: 5 September 2022

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 JULY 2022**

	Note	16.01.2022 to 15.07.2022	16.01.2021 to 15.07.2021
		RM	RM
INVESTMENT INCOME			
Dividend income		440,156	112,181
Profit income from Islamic deposits with financial institutions		20,829	16,905
Net loss from financial asset at fair value through profit or loss ("FVTPL")	7	(2,035,234)	(709,432)
		<u>(1,574,249)</u>	<u>(580,346)</u>
EXPENSES			
Manager's fee	3	(107,811)	(118,091)
Trustee's fee	4	(5,750)	(6,298)
Brokerage's fee		(9,896)	(54,169)
Auditors' remuneration		(3,394)	(3,224)
Tax agent's fee		(1,091)	(1,091)
Administrative expenses		(16,180)	(34,285)
		<u>(144,121)</u>	<u>(217,158)</u>
Net loss before tax		(1,718,370)	(797,504)
Income tax expense	5	-	-
Net loss after tax representing total comprehensive loss for the financial period		(1,718,370)	(797,504)
Net loss after tax is made up of the following:			
Net realised gain		235,146	563
Net unrealised loss		(1,953,516)	(798,067)
		<u>(1,718,370)</u>	<u>(797,504)</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 JULY 2022**

	Note	15.07.2022 RM	15.01.2022 RM
ASSETS			
Financial assets at FVTPL	7	10,901,777	13,500,787
Islamic deposits with financial institutions	8	2,505,918	1,936,076
Other receivables		28,875	20,225
Amount due from brokers		50,977	83,140
Cash at bank		12,230	1,350
TOTAL ASSETS		<u>13,499,777</u>	<u>15,541,578</u>
LIABILITIES			
Other payables		30,728	25,166
Amount due to brokers		-	50,215
Due to Manager		37,148	30,866
Due to Trustee		1,449	1,713
TOTAL LIABILITIES		<u>69,325</u>	<u>107,960</u>
EQUITY			
Unit holders' capital	10(a)	(14,196,881)	(13,912,085)
Retained earnings	10(b), 10(c)	<u>27,627,333</u>	<u>29,345,703</u>
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	10	<u>13,430,452</u>	<u>15,433,618</u>
TOTAL EQUITY AND LIABILITIES		<u>13,499,777</u>	<u>15,541,578</u>
UNITS IN CIRCULATION	10(a)	<u>14,082,478</u>	<u>14,363,314</u>
NAV PER UNIT (RM)		<u>0.9537</u>	<u>1.0745</u>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 JULY 2022**

	Unit holders' capital Note 10(a) RM	Retained earnings Note 10(b) and (c) RM	Total equity RM
As at 16 January 2021	(13,196,258)	29,516,150	16,319,892
Total comprehensive loss for the financial period	-	(797,504)	(797,504)
Creation of units	9,274	-	9,274
Distribution equalisation	(196,331)	-	(196,331)
Cancellation of units	(322,779)	-	(322,779)
 As at 15 July 2021	 (13,706,094)	 28,718,646	 15,012,552
 As at 16 January 2022	 (13,912,085)	 29,345,703	 15,433,618
Total comprehensive loss for the financial period	-	(1,718,370)	(1,718,370)
Creation of units	78,491	-	78,491
Distribution equalisation	(109,976)	-	(109,976)
Cancellation of units	(253,311)	-	(253,311)
 As at 15 July 2022	 (14,196,881)	 27,627,333	 13,430,452

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

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 JULY 2022**

	16.01.2022 to 15.07.2022	16.01.2021 to 15.07.2021
Note	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	2,281,587	10,238,002
Purchase of investments	(1,752,909)	(10,657,076)
Dividends received	429,727	101,484
Profit income received	20,908	16,999
Management fee paid	(112,762)	(120,140)
Trustee's fee paid	(6,014)	(6,407)
Audit fee paid	-	(6,500)
Tax agent fee paid	-	(2,200)
Payment for other fees and expenses	4,981	(35,479)
Net cash generated from/(used in) operating activities	865,518	(471,317)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	128,347	15,400
Cash payment for units cancelled	(413,143)	(525,236)
Net cash used in financing activities	(284,796)	(509,836)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	580,722	(981,153)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	1,937,426	2,177,732
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	2,518,148	1,196,579
Cash and cash equivalents comprise:		
Cash at bank	12,230	8,579
Islamic deposits with financial institutions	8 2,505,918	1,188,000
	2,518,148	1,196,579

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

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 JULY 2022**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The MIDF Amanah Strategic Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 1 June 1970 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 obligation 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 Funds 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 Strategic Fund.

The principal activity of the Fund is to invest in Authorised Investments as defined in the Deed, which includes stocks and shares of companies quoted on the Bursa Malaysia Securities Berhad ("Bursa Malaysia") and short term deposits. 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 Islamic fund management and Islamic investment advisory services.

The unaudited condensed interim financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 5 September 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 January 2022. 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 January 2022.

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 January 2022.

(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 unaudited condensed interim financial statements, the following Standards and Amendments have been issued by the Malaysian Accounting Standards Board (“MASB”) 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 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
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 '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.

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 'at fair value through profit or loss' 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 becomes 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.

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 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 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.)

(I) Segment reporting

For management purposes, the Fund is managed by two main portfolios, namely (1) Quoted Shariah-compliant securities and warrants 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 investment segment.

(m) Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, 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 1.5% (15.07.2021: 1.5%) 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% (15.07.2021: 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

	15.07.2022 RM	15.07.2021 RM
Charge for the financial period	-	-

Income tax is calculated at the Malaysian 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 income tax expense applicable to net loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	15.07.2022 RM	15.07.2021 RM
Net loss before tax	<u>(1,718,370)</u>	<u>(797,504)</u>
Tax at Malaysian statutory rate of 24%	(412,409)	(191,401)
Effect of income not subject to tax	(110,636)	(30,981)
Expenses not deductible for tax purposes	<u>523,045</u>	<u>222,382</u>
Tax expense for the financial period	-	-

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

	15.07.2022 RM	15.01.2021 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant securities	10,819,515	13,500,787
Quoted Shariah-compliant warrants	<u>82,262</u>	-
	<u>10,901,777</u>	<u>13,500,787</u>

	16.01.2022 to 15.07.2022	16.01.2021 to 15.07.2021
	RM	RM
Net loss on financial assets at FVTPL comprised:		
Realised (loss)/gain on disposals	(81,718)	88,635
Unrealised changes in fair values	<u>(1,953,516)</u>	<u>(798,067)</u>
	<u>(2,035,234)</u>	<u>(709,432)</u>

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

Financial assets at FVTPL as at 15 July 2022 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	65,000	220,384	232,700	1.7
IJM Corporation Berhad	50,000	84,675	83,500	0.6
Sunway Construction Group Berhad	370,000	673,522	566,100	4.3
	485,000	978,581	882,300	6.6
Consumer Products & Services				
Bermaz Auto Berhad	136,100	219,015	235,453	1.7
Perak Transit Berhad	1,168,000	849,151	963,600	7.2
Power Root Berhad	138,900	231,144	245,853	1.8
Salutica Berhad	360,000	196,112	115,200	0.9
	1,803,000	1,495,422	1,560,106	11.6
Energy				
Hibiscus Petroleum Berhad	230,000	273,220	188,600	1.4
Wah Seong Corporation Berhad	333,800	220,666	168,569	1.3
	563,800	493,886	357,169	2.7
Health Care				
Pharmaniaga Berhad	114,000	65,289	70,110	0.5

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

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)				
Industrial Products & Services				
Favelle Favco Berhad	356,200	830,566	598,416	4.5
HSS Engineers Berhad	1,964,500	1,111,801	844,735	6.3
P.I.E. Industrial Berhad	333,000	1,012,161	992,340	7.4
Sam Engineering & Equipment (M) Berhad	145,600	260,459	407,680	3.0
SKP Resources Berhad	130,000	211,965	188,500	1.4
Uchi Technologies Berhad	131,200	394,033	388,352	2.9
V.S. Industry Berhad	823,400	1,176,629	757,528	5.6
	3,883,900	4,997,614	4,177,551	31.1
Plantation				
Sarawak Oil Palms Berhad	10,350	25,658	25,978	0.2
Transportation & Logistics				
Straits Inter Logistics Berhad	589,600	112,022	67,804	0.5

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

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)				
Technology				
D & O Green Technologies Berhad	59,000	232,178	217,710	1.6
GHL Systems Berhad	49,000	78,907	59,780	0.5
Greatech Technology Berhad	20,000	102,270	71,000	0.5
Inari Amertron Berhad	232,900	723,547	586,908	4.4
KESM Industries Berhad	49,100	403,684	300,001	2.2
Kronologi Asia Berhad	68,400	35,315	30,438	0.2
MY E.G. Services Berhad	1,292,200	1,248,546	1,033,760	7.7
Pentamaster Corporation Berhad	70,000	253,029	245,000	1.8
Vitrox Corporation Berhad	170,000	800,048	1,133,900	8.5
	2,010,600	3,877,524	3,678,497	27.4
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES				
	9,460,250	12,045,996	10,819,515	80.6

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

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH-COMPLIANT WARRANTS				
Consumer Products & Services				
Perak Transit Berhad	357,000	-	60,690	0.5
Transportation & Logistics				
GDEX Berhad	100,000	-	5,000	-
Industrial Products & Services				
V.S. Industry Berhad	110,480	-	16,572	0.1
TOTAL FINANCIAL ASSETS AT FVTPL				
	10,027,730	12,045,996	10,901,777	81.2
ACCUMULATED UNREALISED LOSS				
			(1,144,219)	

8. ISLAMIC DEPOSITS WITH ISLAMIC FINANCIAL INSTITUTIONS

	15.07.2022	15.01.2022
	RM	RM
Islamic deposits with licensed banks	2,505,918	1,936,076

The effective average profit rate for short-term Islamic placements as at 15 July 2022 is 2.13% (15.01.2022: 1.69%) per annum. The average maturity of deposits as at 15 July 2022 is 1 day (15.01.2022: 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:

- a. 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
- b. Islamic cash placements and liquid assets in local market, which are placed in Shariah-compliant investment instruments.

10. TOTAL EQUITY

	Note	15.07.2022 RM	15.01.2022 RM
Unit holders' capital	(a)	(14,196,881)	(13,912,085)
Retained earnings			
- Realised and distributable	(b)	28,771,552	28,536,406
- Unrealised reserve and non-distributable	(c)	<u>(1,144,219)</u>	<u>809,297</u>
Total equity		<u>13,430,452</u>	<u>15,433,618</u>

(a) Unit holders' Capital

	15.07.2022			
	No. of Units	RM	No. of Units	RM
As at beginning of the financial period/year	14,363,314	(13,912,085)	15,015,972	(13,196,258)
Creation of units	125,049	78,491	482,575	342,762
Distribution equalisation	-	(109,976)	-	(270,362)
Cancellation of units	<u>(405,885)</u>	<u>(253,311)</u>	<u>(1,135,233)</u>	<u>(788,227)</u>
As at the end of the financial period/year	<u>14,082,478</u>	<u>(14,196,881)</u>	<u>14,363,314</u>	<u>(13,912,085)</u>

(b) Realised and distributable

	15.07.2022 RM	15.01.2022 RM
As at the beginning of the financial period/year	28,536,406	28,129,949
Net realised income	<u>235,146</u>	<u>406,457</u>
As at the end of the financial period/year	<u>28,771,552</u>	<u>28,536,406</u>

10. TOTAL EQUITY (CONT'D.)

(c) Unrealised reserve and non-distributable

	15.07.2022 RM	15.01.2022 RM
As at the beginning of the financial period/year	809,297	1,386,201
Net unrealised loss attributable to investments	<u>(1,953,516)</u>	<u>(576,904)</u>
As at end of the financial period/year	<u>(1,144,219)</u>	<u>809,297</u>

11. UNITS HELD BY RELATED PARTIES

For the six months period ended 15 July 2022 and 15 July 2021, no units were held by the Manager.

12. TRANSACTIONS WITH RELATED PARTIES AND OTHER INVESTMENT BANKS

	Value of Trade RM	% of Total Trade %	Brokerage Fees RM	% of Total Brokerage Fees %
15.07.2022				
MIDF Amanah Investment Bank Berhad *	1,227,375	31.0	3,069	31.0
Affin Hwang Investment Bank Berhad	1,009,626	25.5	2,524	25.5
Maybank Investment Bank Berhad **	698,561	17.7	1,746	17.7
Public Investment Bank Berhad	627,065	15.9	1,568	15.8
CIMB Investment Bank Berhad	<u>391,897</u>	<u>9.9</u>	<u>989</u>	<u>10.0</u>
TOTAL	<u>3,954,524</u>	<u>100.0</u>	<u>9,896</u>	<u>100.0</u>

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

	Value of Trade RM	% of Total Trade %	Brokerage Fees RM	% of Total Brokerage Fees %
15.07.2021				
CIMB Investment Bank Berhad	6,062,391	28.2	15,211	28.1
Maybank Investment Bank Berhad **	4,602,060	21.4	11,640	21.5
Public Investment Bank Berhad	3,904,292	18.1	9,798	18.1
MIDF Amanah Investment Bank Berhad *	3,636,739	16.9	9,111	16.8
Affin Hwang Investment Bank Berhad	<u>3,308,721</u>	<u>15.4</u>	<u>8,409</u>	<u>15.5</u>
TOTAL	<u>21,514,203</u>	<u>100.0</u>	<u>54,169</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. TOTAL EXPENSE RATIO (“TER”)

The TER 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 six months financial period ended 15 July 2022, the TER of the Fund stood at 0.88% (15.07.2021: 0.88%).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund is the ratio of the average acquisitions and disposal of the Fund for the six months financial period to the average NAV of the Fund. For the six months financial period ended 15 July 2022, the PTR of the fund stood at 0.14 times (15.07.2021: 0.68 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 period. The segment information provided is presented to the Manager and Investment Committee of the Fund.

	16.01.2022 to 15.07.2022			16.01.2021 to 15.07.2021		
	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	440,156	-	440,156	112,181	-	112,181
Profit income from Islamic deposits with financial institutions	-	20,829	20,829	-	16,905	16,905
Net loss from investments: - financial asset at FVTPL	(2,035,234)	-	(2,035,234)	(709,432)	-	(709,432)
Total segment operating (loss)/ income for the financial period	<u>(1,595,078)</u>	<u>20,829</u>	<u>(1,574,249)</u>	<u>(597,251)</u>	<u>16,905</u>	<u>(580,346)</u>

15. SEGMENT INFORMATION (CONT'D.)

	15.07.2022			15.01.2022		
	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	10,901,777	-	10,901,777	13,500,787	-	13,500,787
Islamic deposits with financial institutions	-	2,505,918	2,505,918	-	1,936,076	1,936,076
Profit receivables	-	28,729	28,729	-	225	225
Dividend receivables	146	-	146	18,300	-	18,300
Amount due from brokers	50,977	-	50,977	83,140	-	83,140
Total segment assets	<u>10,952,900</u>	<u>2,534,647</u>	<u>13,487,547</u>	<u>13,602,227</u>	<u>1,936,301</u>	<u>15,538,528</u>
Amount due to brokers	-	-	-	50,215	-	50,215
Total segment liabilities	-	-	-	50,215	-	50,215

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 and net loss of the Fund:

	16.01.2022 to 15.07.2022	16.01.2021 to 15.07.2021
	RM	RM
Net reportable segment operating loss	(1,574,249)	(580,346)
Expenses	(144,121)	(217,158)
<hr/>		
Net loss before tax	(1,718,370)	(797,504)
Income tax expense	-	-
<hr/>		
Net loss after tax	(1,718,370)	(797,504)

Certain assets and liabilities of the Fund are not considered to be part of 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.

	15.07.2022 RM	15.01.2022 RM
Total segment assets	13,487,547	15,538,528
Due from Manager	-	1,700
Cash at bank	12,230	1,350
<hr/>		
Total assets of the Fund	13,499,777	15,541,578
<hr/>		
Total segment liabilities	-	50,215
Due to Manager	37,148	30,866
Due to Trustee	1,449	1,713
Other payables	30,728	25,166
<hr/>		
Total liabilities of the Fund	69,325	107,960

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 July 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 assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
15.07.2022				
Assets				
Financial assets at FVTPL	10,901,777	-	-	10,901,777
Islamic deposits with financial institutions	-	2,505,918	-	2,505,918
Amount due from brokers	-	50,977	-	50,977
Other receivables	-	28,875	-	28,875
Cash at bank	-	12,230	-	12,230
Total financial assets	10,901,777	2,598,000	-	13,499,777
Liabilities				
Other payables	-	-	30,728	30,728
Due to Manager	-	-	37,148	37,148
Due to Trustee	-	-	1,449	1,449
Total financial liabilities	-	-	69,325	69,325
15.01.2022				
Assets				
Financial assets at FVTPL	13,500,787	-	-	13,500,787
Islamic deposits with financial institutions	-	1,936,076	-	1,936,076
Amount due from brokers	-	83,140	-	83,140
Other receivables	-	20,225	-	20,225
Cash at bank	-	1,350	-	1,350
Total financial assets	13,500,787	2,040,791	-	15,541,578
Liabilities				
Other payables	-	-	25,166	25,166
Amount due to brokers	-	-	50,215	50,215
Due to Manager	-	-	30,866	30,866
Due to Trustee	-	-	1,713	1,713
Total financial liabilities	-	-	107,960	107,960

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). 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
15.07.2022				
Quoted Shariah-compliant securities	10,819,515	-	-	10,819,515
Quoted Shariah-compliant warrants	82,262	-	-	82,262
	10,901,777	_____	_____	10,901,777
15.01.2022				
Quoted Shariah-compliant securities	13,393,737	-	-	13,393,737
Quoted Shariah-compliant warrants	107,050	-	-	107,050
	13,500,787	_____	_____	13,500,787

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 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 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 controlling 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 are primarily set up to be performed based on limits established by the Manager (and Investment Manager, if applicable) and Trustee. These limits reflect the 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 risks types and activities.

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

(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.

(e) Excessive risk concentration

Concentration risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry. 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 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	%	RM	Effect on NAV for the financial period/year Increase
15.07.2022			
Changes in equity price	+10	1,090,178	
15.01.2022			
Changes in equity price	+10	1,350,079	

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

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

(f) Market risk (Cont'd.)

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

Equity price risk sensitivity (Cont'd.)

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 below 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 equity instruments as at the reporting date.

	15.07.2022		15.01.2022	
	Fair value RM	As % of NAV	Fair value RM	As % of NAV
	10,901,777	81.2	13,500,787	87.5

The details of Fund's concentration of equity price analysed by the Fund's equity instruments by sector is stated in Note 7.

(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, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

(g) Liquidity risk (Cont'd.)

The following table summarises the maturity profile of the Fund's units in issue (classified as equity instruments) and financial liabilities. Balances due within six months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) and equity in order to provide a complete view of the Fund's contractual commitments and liquidity.

	Less than 1 month RM	Total RM
15.07.2022		
Financial assets:		
Financial assets held at FVTPL	10,901,777	10,901,777
Islamic deposits with financial institutions	2,505,918	2,505,918
Other financial assets	92,082	92,082
Total undiscounted financial assets	<u>13,499,777</u>	<u>13,499,777</u>
Financial liabilities:		
Other financial liabilities	69,325	69,325
Total undiscounted financial liabilities	<u>69,325</u>	<u>69,325</u>
NAV attributable to unit holders	<u>13,430,452</u>	<u>13,430,452</u>
Liquidity (gap)/surplus	-	-
15.01.2022		
Financial assets:		
Financial assets held at FVTPL	13,500,787	13,500,787
Islamic deposits with financial institutions	1,936,076	1,936,076
Other financial assets	104,715	104,715
Total undiscounted financial assets	<u>15,541,578</u>	<u>15,541,578</u>
Financial liabilities:		
Other financial liabilities	107,960	107,960
Total undiscounted financial liabilities	<u>107,960</u>	<u>107,960</u>
NAV attributable to unit holders	<u>15,433,618</u>	<u>15,433,618</u>
Liquidity (gap)/surplus	-	-

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 be required to be redeemed. For Islamic deposits with financial institutions and other assets, the analysis into maturity groupings is based on behavioural cash flows, i.e. the 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 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 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 period is disclosed in Note 10(a).

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various 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 No: 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) Tingkat 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
BOARD OF DIRECTORS	Hasnah Omar – Chairman Datuk Joseph Dominic Silva Tai Keat Chai Hasman Yusri Yusoff Norziana Mohd Inon (appointed effective 27 May 2022) Ahlan Nasri Mohd Nasir (resigned effective 2 March 2022) Dato' Charon Wardini Mokhzani (resigned effective 17 May 2022) Mohamed Sany Mohamed Zainudin (resigned effective 7 July 2022)
OVERSIGHT COMMITTEE MEMBERS	Hasman Yusri Yusoff – Chairman Tai Keat Chai Sheikh Shahruddin Sheikh Salim (appointed effective 1 March 2022) Ahlan Nasri Mohd Nasir (resigned effective 1 January 2022)
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 Damansara Pusat Bandar Damansara, 50490 Kuala Lumpur

CORPORATE INFORMATION (CONT'D.)

TAX ADVISER	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium, Jalan Damansara, 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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