

MIDF AMANAH ESG MUSTADAMAH FUND

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023 TOGETHER WITH
MANAGER'S REPORT, TRUSTEE'S REPORT, SHARIAH ADVISER'S REPORT AND
STATEMENT BY MANAGER**



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MIDF AMANAH ASSET MANAGEMENT BERHAD

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

15th November 2023

Dear Unitholders:

FUND CATEGORY AND TYPE

Fund Category	ESG Shariah-compliant Equity
Fund Type	Growth

ASSET ALLOCATION AS AT 15 NOVEMBER 2023

Shariah-Compliant Equities	93.8%
Islamic Money Market Instruments and Others	6.2%

PERFORMANCE OF THE FUND

MIDF Amanah ESG Mustadamah Fund (“MAEMF”)	15/11/2023	15/05/2023	%
Net Asset Value (“NAV”) (RM)	10,673,149	10,224,151	4.39
NAV per Unit (RM)	1.0345	1.0044	2.99
FTSE4Good Bursa Malaysia Shariah Index (“F4GBMS”)	912.86	882.15	3.48

**Note: 15 May 2022 is the first financial year of the Fund after the Fund was launched on 18 June 2021. Effective 31 May 2023, F4GBMS has been identified as the new benchmark reference for MAEMF instead of FTSE4 Good Bursa Malaysia Index (F4GBM) as F4GBMS is only available on 15 July 2021, after the launch of the fund.*

For the Semi-Annual Financial Year ended 15 November 2023, the NAV per unit of MAEMF has increased by +2.99% as compared to its absolute return target of 3% (6% per annum), translating to a marginal underperformance of – 0.01%.

The key objective of MAEMF is to achieve long-term capital growth through investments in equities with solid ESG ratings and sustainability considerations. For the period under review, the Fund’s NAV has grown positively even though did not achieve the return objective on the back of the challenging market environment.

EQUITY MARKET REVIEW

After a roller-coaster ride during the first quarter of the year, global equities staged notable recoveries in April 2023, with economic data remained remarkably resilient, on top of better-than-expected China's Q1 GDP number. However, the markets were largely in the red in May 2023 before rebounding in June 2023, driven by Artificial Intelligence-related stocks which provided a leg- lift momentum.

The positive momentum continued in July 2023 after investors became more confident about the idea of a soft landing, as positive economic data has shown cooling inflation. However, with China still grappling with its economy reflected by the renewed concerns in the Chinese property market and weak macroeconomic data, markets registered another red in August 2023. The pessimism continued to grow throughout the third quarter, after the 10-year United States ("US") Treasury yield surged significantly to its highest level since 2007.

On the local front, the FBM KLCI started the year in rather a challenging mode, and the underperformance continued until June 2023 before recovering by 6.0% in July 2023. This was supported by strong buying from foreign investors. However, July 2023 proved to be the outlier as the FBM KLCI turned bearish in August 2023 and September 2023. Bucking the broader trend, the FBM KLCI posted a positive return of +1.26% in October 2023 whilst narrowing its YTD decline to -3.57% to end at 1,442 points. The FBM Hijrah Shariah also advanced by +0.36% in October 2023 (YTD return of -2.71%). Meanwhile, small-cap Indices such as the FBM Small-Cap and FBM Ace were the biggest losers for the month, down by -2.01% and -3.05% respectively as markets' volatility increased. The FTSE4Good Bursa Malaysia Shariah Index posted a negative return of -1.8% YTD as at end October 2023.

KEY MARKET RISKS

- Heightened geopolitical risks such as the long-drawn Ukraine-Russia and Gaza's conflict, may derail global recovery and negatively affect investors' sentiment.
- Deteriorating relationship between the US and China over Taiwan and Tech War.
- Continuation of high-interest rate environment in developed markets, especially in the US and Europe.
- Prolonged weakening of Ringgit due to economic uncertainties will further aggravate capital outflows.
- Worse than-expected economic performance in China may hamper global economic recovery and induce investors to shy away from risky assets.

INVESTMENT OUTLOOK AND STRATEGY

- We believe domestic equities are poised for a tailwind, to be further supported by FBM KLCI's modest valuations of 15x PER, which is still lower than its three-year average of 17x PER.
- While domestic fundamentals remain supportive and valuations are cheap, markets are still concerned on slower global economic growth particularly with China's wobbling economy.
- Having mindful that macro volatility is likely to persist, we advocate a cautiously optimistic stance over the medium to long term.

- Investment exposure shall be strategically positioned within the range of 80% - 85%. Strategy moving forward will be anchored on stock allocation, bottom-up, quality tilted that offer diversification opportunities.
- Stock selection and allocation will remain vital to drive performance, while deployment of tactical and flexible investment strategy is imperative to maintain preservation of capital whilst managing downside risks.
- We will continue to remain committed towards our Sustainable Responsible Investment as well as Environmental, Social, and Governance themes across our investment approach, reinforced by our product launches as well as investment solutions/value propositions.

CURRENT PROFILE OF UNITHOLDINGS BY SIZE

Size of Unitholdings	No of Unitholders	No. of Units Held	% of Unitholders
5000 and below	1	3,040	16.67
5,001 to 10,000	1	10,000	16.67
10,001 to 50,000	2	59,332	33.32
50,001 to 500,000	1	138,024	16.67
500,001 and above	1	10,106,683	16.67
	6	10,317,079	100.00

PORTFOLIO COMPOSITION	As at	As at	As at
	15.11.2023	15.11.2022	15.05.2022
	%	%	%
Construction	-	-	-
Consumer Products & Services	20.7	19.4	15.8
Energy	3.5	-	4.1
Finance	1.0	3.6	5.5
Healthcare	-	-	-
Industrial Products & Services	7.4	13.4	15.1
Infrastructure	-	-	-
Plantation	0.8	12.8	6.3
Property	1.5	-	-
Technology	26.5	7.1	9.0
Telecommunications & Media	13.6	18.0	11.0
Transportations & Logistics	6.4	6.9	4.0
Utilities	12.4	4.3	10.2
Cash and other Net Assets	6.2	14.5	19.0
	100.00	100.00	100.00

PERFORMANCE DATA

		As at 15.11.2023	As at 15.11.2022	*As at 15.05.2022
Net Asset Value	[RM]	10,673,149	10,146,068	10,649,523
Units in Circulation	[Units]	10,317,079	10,179,055	10,176,015
Net Asset Value per Unit	[RM]	1.0345	0.9968	1.0465
Highest NAV*	[RM]	1.0450	1.0519	1.0965
Lowest NAV*	[RM]	0.9902	0.9935	0.9897
Total Return:				
- Capital Growth		3.78	-0.32	4.65
- Income Distribution	[%]	Nil	Nil	Nil
Total Expenses Ratio (TER) ¹	[%]	0.85	0.85	1.43
Portfolio Turnover Ratio (PTR) ²	[x]	0.94	0.55	1.32

Note:

* The Fund was launched on 18 June 2021. As per SC's guideline on Unit Trust Fund, semi-annual report for the fund is not needed to be prepared.

- 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.

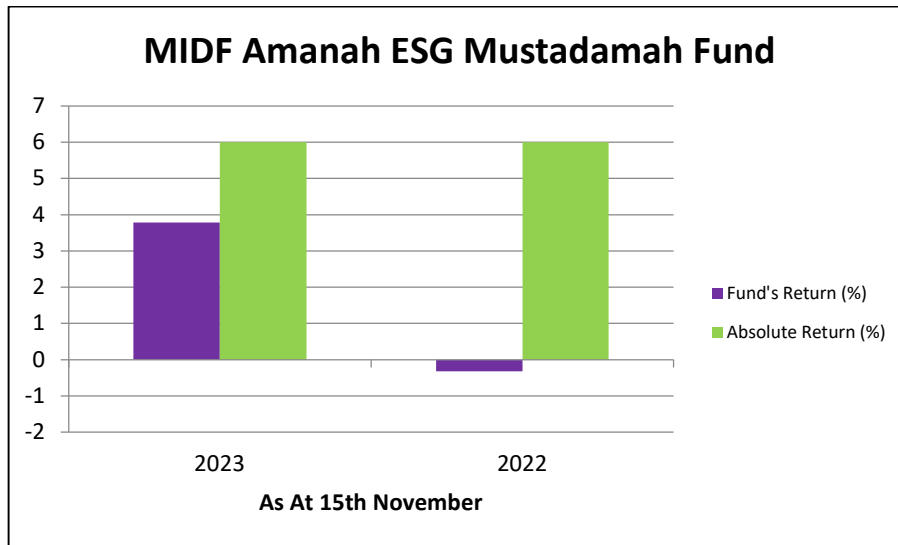
Notes:

* 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") (if any).

1. The TER for the Semi- Annual financial year ended 15 November 2023 stood at 0.85%, status quo compared to November 2022.
2. The PTR for the Semi- Annual financial year ended 15 November 2023 was at 0.94 times higher than that registered in November 2022.

ANNUAL TOTAL RETURN

MIDF AMANAH ESG MUSTADAMAH FUND		
As At 15th November	2023	2022
Fund's Return (%)	3.78	-0.32
Absolute Return Target p.a. (%)	6.00	6.00



AVERAGE TOTAL RETURN

	The Fund	Absolute Return Target
One year	3.78	6.00

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

Shan Kamahl Mohammad
Chief Executive Officer

Date: 5 January 2024

MIDF AMANAH ESG MUSTADAMAH FUND

Manager's Report

The Manager has pleasure in submitting its report and the unaudited condensed interim financial statements of the MIDF Amanah ESG Mustadamah ("the Fund") for the six months financial period ended 15 November 2023.

Principal Activities of the Manager

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

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
	16.05.2023	RM	RM	15.11.2023
	RM			RM
Consumer Products & Services	1,380,324	2,489,837	(1,839,998)	2,030,163
Energy	158,363	628,430	(413,356)	373,437
Financial Services	373,177	-	(265,749)	107,428
Industrial Products & Services	752,686	302,811	(327,352)	728,145
Islamic Real Estate				
Investment Trusts ("REITs")	338,994	-	(338,994)	-
Plantation	369,929	244,285	(528,789)	85,425
Property	-	897,910	(745,910)	152,000
Technology	1,527,236	3,221,357	(2,064,941)	2,683,652
Telecommunications & Media	1,508,120	1,251,690	(1,372,771)	1,387,039
Transportation & Logistics	781,914	740,052	(858,261)	663,705
Utilities	629,312	939,552	(288,818)	1,280,046
	<u>7,820,055</u>	<u>10,715,924</u>	<u>(9,044,939)</u>	<u>9,491,040</u>

Result

	RM
Net income after tax	<u>311,256</u>

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.

MIDF AMANAH ESG MUSTADAMAH FUND

Investment Objective

The objective of the Fund is aims to achieve medium to long term sustainable capital appreciation in an ESG portfolio of Shariah-compliant equities.

Management Fees

During the financial period, the Manager is entitled to a management fee of RM79,010 (15.11.2022: RM76,468). The Manager's fee is computed on a daily basis at 1.5% (15.11.2022: 1.5%) per annum of the Net Asset Value ("NAV") of the Fund before deducting the Manager's and Trustee's fee for that particular day.

Distribution

Unit holders have the option of requesting that income due to them on any income distribution be reinvested in the Fund, if any. The reinvestments will be based on the NAV per unit (ex-distribution) at the close of the date the income distribution is declared. Sales charge will not be imposed on the income distribution reinvestments. The Manager reserves the right to reinvest income distributed in respect of a Fund, which is less than RM250.00, in additional units of the Fund at the NAV per unit of the Fund at the close of the date the income distribution is declared.

Distribution cheques issued to unit holders will become void after 6 months from the distribution payment date. Upon the expiry of the cheque, if it has not been presented for payment, it would be reinvested automatically into units of the respective Fund at NAV per unit valued on the date of the expiry of the cheque.

The Manager does not propose any distribution for the six months financial period ended 15 November 2023 (15.11.2022: Nil).

Unit Split

No unit split was made during the six months financial period ended 15 November 2023 (15.11.2022: Nil).

Changes in Value of Fund

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

MIDF AMANAH ESG MUSTADAMAH FUND

Policy on Stockbroking Rebates and Soft Commission

The Manager or any delegate thereof will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investment of the Fund.

However, soft commissions may be retained by the Manager and its delegate for payment of goods and services such as research material, data and quotation services and investment management tools, which are of demonstrable benefit to unit holders.

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

Tai Keat Chai

Hasman Yusri Yusoff

Shan Kamahl Mohammad

Dato' Azlan bin Shahrim (Appointed on 15 November 2023)

Dato' Seri Diraja Nur Julie Gwee Ariff (Appointed on 15 November 2023)

Datuk Joseph Dominic Silva (Resigned on 15 November 2023)

Norziana Mohd Inon (Resigned on 5 July 2023)

For and on behalf of the Manager

MIDF Amanah Asset Management Berhad

HASNAH OMAR

Director

SHAN KAMAHL MOHAMMAD

Director

Kuala Lumpur, Malaysia

Date: 5 January 2024

MIDF AMANAH ESG MUSTADAMAH FUND

TRUSTEE'S REPORT

For the Financial Period Ended 15 November 2023

To the unit holders of

MIDF AMANAH ESG MUSTADAMAH FUND ("the Fund")

We have acted as Trustee of the Fund for the financial period ended 15 November 2023 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

Kuala Lumpur, Malaysia

Date: 7 December 2023

**SHARIAH ADVISER'S REPORT
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023**

**To the unit holders of
MIDF AMANAH ESG MUSTADAMAH 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 ESG MUSTADAMAH Fund** consists of the following members:

DR. MUHAMMAD NAJIB ABDULLAH

ASSOC. PROF. DR. SITI SALWANI RAZALI

ENCIK AHMAD LUTFI ABDULL MUTALIP @ TALIB

Signed on behalf of the members,

DR. MUHAMMAD NAJIB ABDULLAH
Chairman, MIDF Shariah Committee
MIDF Amanah Investment Bank Berhad

Date: 5 January 2024

MIDF AMANAH ESG MUSTADAMAH FUND

STATEMENT BY MANAGER

We, Hasnah Omar and Shan Kamahl Mohammad, 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 12 to 39 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 ESG Mustadamah Fund as at 15 November 2023 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

SHAN KAMAHL MOHAMMAD

Director

Kuala Lumpur, Malaysia

Date: 5 January 2024

MIDF AMANAH ESG MUSTADAMAH FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023**

		16.05.2023	16.05.2022
		to	to
		15.11.2023	15.11.2022
	Note	RM	RM
INVESTMENT INCOME			
Dividend income		180,595	172,341
Profit income from Islamic deposits with financial institutions		22,353	18,683
Net gain/(loss) from financial asset at fair value through profit or loss ("FVTPL")	7	270,904	(562,925)
		<u>473,852</u>	<u>(371,901)</u>
EXPENSES			
Manager's fee	3	(79,010)	(76,468)
Trustee's fee	4	(2,634)	(2,549)
Brokerage's fee	12	(42,073)	(28,019)
Auditors' remuneration		(3,520)	(3,529)
Tax agent's fee		(2,234)	(1,147)
Administrative expenses		(33,125)	(22,813)
		<u>(162,596)</u>	<u>(134,525)</u>
Net income/(loss) before tax		311,256	(506,426)
Income tax expense	5	-	-
Net income/(loss) after tax representing total comprehensive income/(loss) for the financial period		<u>311,256</u>	<u>(506,426)</u>
Net income/(loss) after tax is made up of the following:			
Net realised gain/(loss)		114	(671,367)
Net unrealised gain		311,142	164,941
		<u>311,256</u>	<u>(506,426)</u>

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

MIDF AMANAH ESG MUSTADAMAH FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 15 NOVEMBER 2023**

	Note	15.11.2023 RM	15.05.2023 RM
ASSETS			
Financial assets at FVTPL	7	10,017,053	8,034,927
Islamic deposits with financial institutions	8	915,074	2,167,230
Other receivables		5,749	39,726
Cash at bank		11,417	13,026
TOTAL ASSETS		10,949,293	10,254,909
LIABILITIES			
Amount due to brokers		237,245	-
Due to Manager		19,942	19,072
Due to Trustee		665	636
Other payables		18,292	11,050
TOTAL LIABILITIES		276,144	30,758
EQUITY			
Unit holders' capital	10(a)	11,010,758	10,873,016
Accumulated loss	10(b), 10(c)	(337,609)	(648,865)
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	10	10,673,149	10,224,151
TOTAL EQUITY AND LIABILITIES		10,949,293	10,254,909
UNITS IN CIRCULATION	10(a)	10,317,079	10,179,055
NAV PER UNIT (RM)		1.0345	1.0044

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

MIDF AMANAH ESG MUSTADAMAH FUND**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023**

	Unit holders' capital Note 10(a) RM	Accumulated loss Note 10(b) and 10(c) RM	Total equity RM
At 16 May 2022	10,870,045	(220,522)	10,649,523
Total comprehensive loss for the financial period	-	(506,426)	(506,426)
Creation of units	2,971	-	2,971
At 15 November 2022	<u>10,873,016</u>	<u>(726,948)</u>	<u>10,146,068</u>
At 16 May 2023	10,873,016	(648,865)	10,224,151
Total comprehensive income for the financial period	-	311,256	311,256
Creation of units	139,763	-	139,763
Cancellation of units	(2,021)	-	(2,021)
At 15 November 2023	<u>11,010,758</u>	<u>(337,609)</u>	<u>10,673,149</u>

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

MIDF AMANAH ESG MUSTADAMAH FUND**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023**

	16.05.2023	16.05.2022
	to	to
	15.11.2023	15.11.2022
Note	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	8,972,833	5,256,389
Purchase of investments	(10,518,171)	(5,939,059)
Dividends received	214,199	165,158
Profit received	22,726	18,912
Manager's fee paid	(78,140)	(77,768)
Trustee's fee paid	(2,605)	(2,593)
Tax agent's fee paid	(2,960)	-
Payment for other fees and expenses	611	(9,668)
Net cash used in operating and investing activities	<u>(1,391,507)</u>	<u>(588,629)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	139,763	2,971
Cash payment for units cancelled	(2,021)	-
Net cash generated from financing activities	<u>137,742</u>	<u>2,971</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(1,253,765)	(585,658)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>2,180,256</u>	<u>2,077,362</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>926,491</u>	<u>1,491,704</u>
Cash and cash equivalents comprise:		
Cash at bank	11,417	13,026
Islamic deposits with financial institutions	8 <u>915,074</u>	<u>2,167,230</u>
	<u>926,491</u>	<u>2,180,256</u>

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

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MIDF Amanah ESG Mustadamah Fund (hereinafter referred to as "the Fund") was constituted pursuant to the executed deed (the "Deed") dated 3 May 2021 between MIDF Amanah Asset Management Berhad (the "Manager") and AmanahRaya Trustees Berhad (the "Trustee"). The Fund was launched on 18 June 2021 and commenced operations on 22 July 2021. As provided in the Deed, the financial year shall end on 15 May annually.

The Fund aims to achieve medium to long term sustainable capital appreciation in an ESG portfolio of Shariah-compliant equities.

The Manager, MIDF Amanah Asset Management Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary of Malaysian Industrial Development Finance ("MIDF"). Information of the penultimate and ultimate holding companies is as disclosed in Note 19.

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

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 January 2024.

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").

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 15 May 2023. 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 May 2023.

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 May 2023.

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(b) Changes in accounting policies

The Fund has adopted the following Standards, Amendments to Standards and Interpretations issued by the Malaysian Accounting Standards Board ("MASB") which have become effective during the financial period.

Amendments to MFRS 17: *Insurance Contracts*

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

Amendments to MFRS 101: *Classification of Liabilities as Current or Non-current*

Amendments to MFRS 101: *Disclosure of Accounting Policies*

Amendments to MFRS 108: *Definition of Accounting Estimates*

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

The adoption of the new pronouncements did not result in any material impact to the unaudited condensed interim financial statements.

(c) MFRSs and Amendments to MFRSs issued but not yet effective

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.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 16: <i>Leases - Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(c) MFRSs and Amendments to MFRSs issued but not yet effective (cont'd)

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.

(d) Financial assets

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

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

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

(i) Financial assets at FVTPL

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

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

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'. Profit earned and dividend revenue elements of such instruments are recorded separately in 'Profit income' and 'Dividend income', respectively. 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.

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(d) Financial assets (cont'd)

(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 SPFP 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, financing and receivables 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.

(e) 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.

(f) 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.

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(g) 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.

(h) Unit holders' capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as Shariah 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.

(i) 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.

(j) 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 an original maturity of three months or less, which are subject to insignificant risk of changes in value.

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(k) Income

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

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

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

(l) 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.

(m) Segment reporting

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

(n) 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.

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

3. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.5% (15.11.2022: 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 0.05% (15.11.2022: 0.05%) 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

	16.05.2023	16.05.2022
	to	to
	15.11.2023	15.11.2022
	RM	RM
Charge for the financial period	<u>-</u>	<u>-</u>

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 income tax expense applicable to net income/(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:

	16.05.2023	16.05.2022
	to	to
	15.11.2023	15.11.2022
	RM	RM
Net income/(loss) before tax	<u>311,256</u>	<u>(506,426)</u>
Tax at Malaysian statutory rate of 24%	74,702	(121,542)
Effect of income not subject to tax	(113,725)	(45,846)
Expense not deductible for tax purposes	39,023	167,388
Tax expense for the financial period	<u>-</u>	<u>-</u>

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

	15.11.2023 RM	15.05.2023 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant securities	10,017,053	8,034,927
	16.05.2023 to 15.11.2023 RM	16.05.2022 to 15.11.2022 RM
Net gain/(loss) on financial assets at FVTPL:		
Realised loss on disposals	(40,238)	(727,866)
Unrealised changes in fair values	311,142	164,941
	<u>270,904</u>	<u>(562,925)</u>

Financial assets at FVTPL as at 15 November 2023 are as detailed below:

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH-COMPLIANT SECURITIES				
Consumer Products & Services				
Bermaz Auto Berhad	567,600	1,287,495	1,407,648	13.2
Fraser & Neave Holdings Berhad	20,700	505,968	560,970	5.3
Sime Darby Berhad	100,000	236,700	240,000	2.2
	<u>688,300</u>	<u>2,030,163</u>	<u>2,208,618</u>	<u>20.7</u>
Energy				
Hibiscus Petroleum Berhad	140,000	373,437	373,800	3.5

MIDF AMANAH ESG MUSTADAMAH FUND**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023****7. FINANCIAL ASSETS AT FVTPL (CONT'D.)**

Financial assets at FVTPL as at 15 November 2023 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)				
Financial Services				
Bursa Malaysia Berhad	16,500	107,428	111,375	1.0
Industrial Products & Services				
Petronas Chemicals Group Berhad	30,000	181,467	220,500	2.1
Uchi Technologies Berhad	162,300	546,678	568,050	5.3
	192,300	728,145	788,550	7.4
Plantation				
Sime Darby Plantation Berhad	20,000	85,425	88,200	0.8
Property				
UEM Sunrise Berhad	200,000	152,000	160,000	1.5
Technology				
Frontken Corporation Berhad	105,000	327,944	343,350	3.2
Inari Amertron Berhad	125,000	339,092	375,000	3.5
MY E.G.Services Berhad	1,330,000	1,059,670	1,064,000	10.0
Pentamaster Corporation Berhad	143,000	641,874	682,110	6.4
UNISEM (M) Berhad	110,000	315,072	358,600	3.4
	1,813,000	2,683,652	2,823,060	26.5

MIDF AMANAH ESG MUSTADAMAH FUND**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023****7. FINANCIAL ASSETS AT FVTPL (CONT'D.)**

Financial assets at FVTPL as at 15 November 2023 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.)				
Telecommunications & Media				
Digi Berhad	83,000	337,661	359,390	3.4
Telekom Malaysia Berhad	210,000	1,049,378	1,096,200	10.2
	<u>293,000</u>	<u>1,387,039</u>	<u>1,455,590</u>	<u>13.6</u>
Transportation & Logistics				
MISC Berhad	<u>93,500</u>	<u>663,705</u>	<u>684,420</u>	<u>6.4</u>
Utilities				
Petronas Gas Berhad	25,200	421,696	433,440	4.1
Tenaga Nasional Berhad	89,000	858,350	890,000	8.3
	<u>114,200</u>	<u>1,280,046</u>	<u>1,323,440</u>	<u>12.4</u>
TOTAL FINANCIAL ASSETS AT FVTPL	<u>3,570,800</u>	<u>9,491,040</u>	<u>10,017,053</u>	<u>93.8</u>
ACCUMULATED UNREALISED GAIN			<u>526,014</u>	

8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	15.11.2023 RM	15.05.2023 RM
Islamic deposits with licensed banks	<u>915,074</u>	<u>2,167,230</u>

The effective average profit rate for short-term placements as at 15 November 2023 is 2.95% (15.05.2023: 2.84%) per annum. The average maturity of deposits as at 15 November 2023 is 1 day (15.05.2023: 3 days).

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

9. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser has confirmed that the 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	15.11.2023 RM	15.05.2023 RM
Unit holders' capital	(a)	11,010,758	10,873,016
Accumulated loss			
- Realised and distributable	(b)	(863,623)	(863,737)
- Unrealised reserve and non-distributable	(c)	526,014	214,872
Total equity		<u>10,673,149</u>	<u>10,224,151</u>

(a) Unit holder's Capital

	15.11.2023		15.05.2023	
	No. of Units	RM	No. of Units	RM
As at the beginning of the period/year	10,179,055	10,873,016	10,176,015	10,870,045
Creation of units	139,984	139,763	3,040	2,971
Cancellation of units	(1,960)	(2,021)	-	-
As at the end of the period/year	<u>10,317,079</u>	<u>11,010,758</u>	<u>10,179,055</u>	<u>10,873,016</u>

(b) Realised and distributable

	15.11.2023 RM	15.05.2023 RM
As at the beginning of the period/year	(863,737)	207,832
Net realised gain/(loss)	114	(1,071,569)
As at the end of the period/year	<u>(863,623)</u>	<u>(863,737)</u>

MIDF AMANAH ESG MUSTADAMAH FUND**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023****10. TOTAL EQUITY (CONT'D)****(c) Unrealised and non-distributable**

	15.11.2023	15.05.2023
	RM	RM
As at the beginning of the period/year	214,872	(428,354)
Net unrealised gain	311,142	643,226
As at the end of the period/year	<u>526,014</u>	<u>214,872</u>

11. UNITS HELD BY RELATED PARTIES

For the six months financial period ended 15 November 2023 and 15 November 2022, 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 %
15.11.2023				
MIDF Amanah Investment Bank Berhad *	4,080,237	20.7	10,201	24.2
TA Securities Holdings Berhad	3,914,041	19.8	3,957	9.4
Kenanga Investment Bank Berhad	2,802,799	14.2	5,606	13.3
CGS-CIMB Securities Sdn Bhd	2,777,548	14.1	6,944	16.5
Public Investment Bank Berhad	2,582,725	13.1	6,457	15.4
Maybank Investment Bank Berhad**	2,477,515	12.6	6,194	14.7
Affin Hwang Investment Bank Berhad	1,085,762	5.5	2,714	6.5
TOTAL	<u>19,720,627</u>	<u>100.0</u>	<u>42,073</u>	<u>100.0</u>

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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 %
15.11.2022				
Affin Hwang Investment Bank Berhad	4,019,427	46.1	10,046	35.8
MIDF Amanah Investment Bank Berhad *	2,142,336	24.5	5,357	19.1
Public Investment Bank Berhad	1,265,656	14.5	3,271	11.7
CIMB Investment Bank Berhad	649,839	7.4	7,703	27.5
Maybank Investment Bank Berhad **	649,839	7.5	1,642	5.9
TOTAL	8,727,097	100.0	28,019	100.0

* 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 EXPENSES 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 November 2023 the TER of the Fund stood at 0.85% (15.11.2022: 0.85%).

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 ended 15 November 2023 to the average NAV of the Fund stood at 0.94 times (15.11.2022: 0.55 times).

MIDF AMANAH ESG MUSTADMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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
- 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 period. The segment information provided is presented to the Manager and Oversight Committee of the Fund.

	16.05.2023 to 15.11.2023			16.05.2022 to 15.11.2022		
	Quoted Shariah- compliant equities RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant equities RM	Islamic deposits with financial institutions RM	Total RM
Dividend income	180,595	-	180,595	172,341	-	172,341
Profit income from Islamic deposits with financial institutions	-	22,353	22,353	-	18,683	18,683
Net gain/(loss) from investments: - financial asset at FVTPL	270,904	-	270,904	(562,925)	-	(562,925)
Total segment operating income/(loss) for the financial period	451,499	22,353	473,852	(390,584)	18,683	(371,901)

	15.11.2023			15.05.2023		
	Quoted Shariah- compliant equities RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant equities RM	Islamic deposits with financial institutions RM	Total RM
Financial assets at FVTPL	10,017,053	-	10,017,053	8,034,927	-	8,034,927
Islamic deposits with financial institutions	-	915,074	915,074	-	2,167,230	2,167,230
Profit receivables	-	74	74	-	447	447
Dividend receivables	5,675	-	5,675	39,279	-	39,279
Total segment assets	10,022,728	915,148	10,937,876	8,074,206	2,167,677	10,241,883
Amount due to broker	237,245	-	237,245	-	-	-
Total segment liabilities	237,245	-	237,245	-	-	-

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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 income/(loss) and net income/(loss) of the Fund:

	16.05.2023	16.05.2022
	to	to
	15.11.2023	15.11.2022
	RM	RM
Net reportable segment operating income/(loss)	473,852	(371,901)
Expenses	(162,596)	(134,525)
Net income/(loss) before tax	<u>311,256</u>	<u>(506,426)</u>
Income tax expense	-	-
Net income/(loss) after tax	<u>311,256</u>	<u>(506,426)</u>

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

	15.11.2023	15.05.2023
	RM	RM
Total segment assets	10,937,876	10,241,883
Cash at bank	11,417	13,026
Total assets of the Fund	<u>10,949,293</u>	<u>10,254,909</u>
Total segment liabilities	237,245	-
Other payables	18,292	11,050
Due to Manager	19,942	19,072
Due to Trustee	665	636
Total liabilities of the Fund	<u>276,144</u>	<u>30,758</u>

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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 November 2023 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
15.11.2023				
Assets				
Financial assets at FVTPL	10,017,053	-	-	10,017,053
Islamic deposits with financial institutions	-	915,074	-	915,074
Other receivables	-	5,749	-	5,749
Cash at bank	-	11,417	-	11,417
Total financial assets	<u>10,017,053</u>	<u>932,240</u>	<u>-</u>	<u>10,949,293</u>
Liabilities				
Other payables	-	-	18,292	18,292
Due to Manager	-	-	19,942	19,942
Due to Trustee	-	-	665	665
Amount due to broker	-	-	237,245	237,245
Total financial liabilities	<u>-</u>	<u>-</u>	<u>276,144</u>	<u>276,144</u>
15.05.2023				
Assets				
Financial assets at FVTPL	8,034,927	-	-	8,034,927
Islamic deposits with financial institutions	-	2,167,230	-	2,167,230
Other receivables	-	39,726	-	39,726
Cash at bank	-	13,026	-	13,026
Total financial assets	<u>8,034,927</u>	<u>2,219,982</u>	<u>-</u>	<u>10,254,909</u>
Liabilities				
Other payables	-	-	11,050	11,050
Due to Manager	-	-	19,072	19,072
Due to Trustee	-	-	636	636
Total financial liabilities	<u>-</u>	<u>-</u>	<u>30,758</u>	<u>30,758</u>

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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); and
- 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
15.11.2023				
Quoted Shariah-compliant securities	10,017,053	-	-	10,017,053
15.05.2023				
Quoted Shariah-compliant securities	8,034,927	-	-	8,034,927

Quoted Shariah-compliant securities

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.

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

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

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(d) Risk mitigation (cont'd)

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

(e) Excessive risk concentration

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

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

(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.

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

Management's best estimate of the effect on the loss for the 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
15.11.2023		
Changes in equity price	+5	500,853
15.05.2023		
Changes in equity price	+5	401,746

The Management assumed that the movement of FVTPL investments as at 15 November 2023 moves in line with the movement of the Bursa Malaysia KLCI index.

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

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

Equity price risk concentration

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

	15.11.2023		15.05.2023	
	Fair value RM	% of NAV	Fair value RM	% of NAV
Malaysia	10,017,053	93.8	8,034,927	78.6

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

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (Cont'd.)

(g) Liquidity risk

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

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

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

	Less than 1 month RM	Total RM
15.11.2023		
Financial assets:		
Financial assets at FVTPL	10,017,053	10,017,053
Islamic deposits with financial institutions	915,074	915,074
Other assets	17,166	17,166
Total undiscounted financial assets	<u>10,949,293</u>	<u>10,949,293</u>
Financial liabilities:		
Other financial liabilities	<u>276,144</u>	<u>276,144</u>
Total undiscounted financial liabilities	<u>276,144</u>	<u>276,144</u>
NAV attributable to unit holders	<u>10,673,149</u>	<u>10,673,149</u>

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(g) Liquidity risk (cont'd.)

	Less than 1 month RM	Total RM
15.05.2023		
Financial assets:		
Financial assets at FVTPL	8,034,927	8,034,927
Islamic deposits with financial institutions	2,167,230	2,167,230
Total undiscounted financial assets	<u>10,254,909</u>	<u>10,254,909</u>
Financial liabilities:		
Other financial liabilities	30,758	30,758
Total undiscounted financial liabilities	<u>30,758</u>	<u>30,758</u>
NAV attributable to unit holders	<u>10,224,151</u>	<u>10,224,151</u>

(i) Financial Assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. Quoted Shariah-compliant equity instruments have been included in the "Less than 1 month" on the assumption that these are highly liquid investments which can be realised should all of the Fund's unit holders' capital are required to be redeemed.

For Islamic deposits with financial institutions and other assets, the analysis into maturity groupings is based on the behavioural cash flows, i.e. remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised/maturity dates of debt securities.

(ii) Financial liabilities

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

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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

(g) Liquidity risk (cont'd.)

(iii) Equity

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

(h) Credit risk

Credit concentration

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

Credit default

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

MIDF AMANAH ESG MUSTADAMAH FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 NOVEMBER 2023

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.

19. CHANGES TO THE HOLDING COMPANIES

Previously, the penultimate and ultimate holding companies of the Manager were Permodalan Nasional Berhad ("PNB") and Yayasan Pelaburan Bumiputra ("YPB"). The holding companies were incorporated in Malaysia.

On 13 April 2023, Bank Negara Malaysia has granted its approval to Malaysia Building Society Berhad ("MBSB") to acquire 100% shareholding in MIDF from MIDF's immediate holding company, PNB.

On 2 October 2023, MBSB completed the acquisition of 480,355,627 ordinary shares in MIDF from PNB, representing 100% of the issued and paid-up share capital of MIDF, for a total consideration of RM1.01 billion comprising 1.05 billion new shares in MBSB at an issue price of RM0.9652 to PNB.

Following the above, MIDF continues to be the immediate holding company of the Manager, the penultimate holding company of the Manager is MBSB, a public limited liability company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Employees Provident Fund ("EPF"), a statutory body established under the Employees Provident Fund Act, 1991 (Act 452) is the ultimate holding company. The holding companies are incorporated in Malaysia.

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 Tai Keat Chai Hasman Yusri Yusoff Shan Kamahl Mohammad Dato' Azlan Shahrim (appointed effective 15 November 2023) Dato' Seri Diraja Nur Julie Gwee Ariff (appointed effective 15 November 2023) Datuk Joseph Dominic Silva (resigned effective 15 November 2023) Norziana Mohd Inon (resigned effective 5 July 2023)
OVERSIGHT COMMITTEE MEMBERS	Hasman Yusri Yusoff - Chairman Tai Keat Chai Sheikh Shahrudin Sheikh Salim
BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS	Tai Keat Chai – Chairman Hasman Yusri Yusoff Norziana Mohd Inon (resigned effective 5 July 2023)
COMPANY SECRETARY	Hadidah Amin (LS 10683) Nor Azita Sarip (MAICSA 7048861) Lailatul Mardhiyah Said Abdullah (LS 10110)(resigned effective 28 April 2023)
AUDITOR	Ernst & Young PLT 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