

**MIDF AMANAH GROWTH FUND**



**midf**   
**AMANAH**

**SEMI  
ANNUAL  
REPORT**

For The Half Year Ended  
15th October 2023

**MIDF Amanah Asset Management Berhad**

## MIDF AMANAH ASSET MANAGEMENT BERHAD

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

15th October 2023

Dear Unit Holders:

### FUND CATEGORY AND TYPE

Fund Category	Equity Fund
Fund Type	Income and Growth Fund

### ASSET ALLOCATION AS AT 15 OCTOBER 2023

Shariah-Compliant Equities	79.1%
Islamic Money Market Instruments and Others	20.9%

### PERFORMANCE OF THE FUND

MIDF Amanah Growth Fund ("MAGF")	15/10/2023	15/04/2023	%
Net Asset Value ("NAV") (RM)	6,309,052	6,505,354	-3.02
NAV per Unit (RM)	0.4833	0.4909	-1.55
FBM Hijrah Shariah ("FBMHS")	11,642.37	11,732.51	-0.77

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

For the half financial Year ended 15 October 2023, the NAV per unit of MAGF decreased by 1.55% compared to the FBMHS which decreased by 0.77%, translating to an underperformance of -0.78%.

The key objective of MAGF is to achieve long-term capital growth through investments in large capitalization, well-established companies. For the period under review, the fund did not meet its objective in growing the NAV. Nonetheless, on a year-to date basis, the Fund has outperformed its benchmark by 2.01% (-0.23% vs -2.24%)

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

## **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 Growth Domestic Product ("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.

Moving to our local markets, 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. The Fund's benchmark Index, FBM Hijrah Shariah, was in a better position than the FBM KLCI. While it saw continuous losses in 2023, the substantial gain registered in July 2023 offset the decline observed during the other five months to end the month of September 2023 with a return of 3.79% year-to-date.

## **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 the 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 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.

## CURRENT PROFILE OF UNITHOLDINGS BY SIZE

Size of Unitholdings	No. of Unit Holders	No. of Units Held	% of Unit Holders
5,000 and below	1,771	2,812,101	78.26
5,001 to 10,000	205	1,451,837	9.06
10,001 to 50,000	240	4,712,587	10.60
50,001 to 500,000	47	4,076,921	2.08
500,001 and above	-	-	-
	<b>2,263</b>	<b>13,053,455</b>	<b>100.00</b>

## PORTFOLIO COMPOSITION

	<b>As at 15.10.2023 %</b>	<b>As at 15.10.2022 %</b>	<b>As at 15.10.2021 %</b>
Construction	2.30	-	7.70
Consumer Products & Services	13.80	6.50	6.10
Energy	-	-	6.10
Finance	-	-	-
Healthcare	6.10	8.70	3.20
Industrial Products & Services	4.40	10.00	6.30
Infrastructure	-	-	-
Plantation	-	-	-
Property	-	-	15.40
Technology	19.30	22.30	15.00
Telecommunications & Media	16.40	19.70	1.60
Transportations & Logistics	-	-	8.40
Utilities	16.80	8.70	21.60
Cash and other Net Assets	20.90	24.10	5.90
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## PERFORMANCE DATA

		As at 15.10.2023	As at 15.10.2022	As at 15.10.2021
Net Asset Value	[RM]	6,309,052	6,031,067	7,315,420
Units in Circulation	[Units]	13,053,445	13,612,970	13,923,708
Net Asset Value per Unit	[RM]	0.4833	0.4430	0.5254
Highest NAV*	[RM]	0.5016	0.4928	0.5257
Lowest NAV*	[RM]	0.4408	0.4417	0.4693
Total Return: - Capital Growth - Income Distribution	[%]	9.10 Nil	-15.68 Nil	9.39 Nil
Total Expense Ratio (TER) <sup>1</sup>	[%]	1.03	0.99	0.96
Portfolio Turnover Ratio (PTR) <sup>2</sup>	[x]	0.31	0.40	0.70

- 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 NAV are adjusted NAV that will be considered of any income distribution made at the financial year end (“FYE”) (if any).

<sup>1</sup> The TER in 2023 increased to 1.03 compared to 0.99 in 2022.

<sup>2</sup> The PTR in 2023 was at 0.31 times compared to 0.4 times in 2022, suggesting a marginally lower trading activities in the period under review.

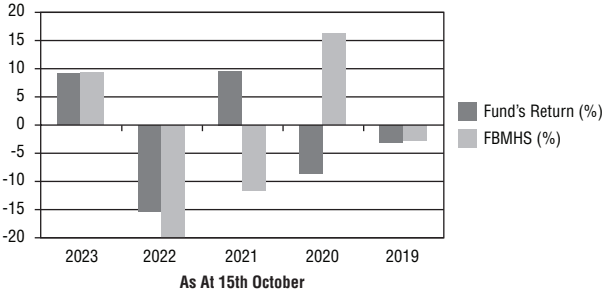
## ANNUAL TOTAL RETURN

MIDF AMANAH GROWTH FUND					
As Of 15th October	2023	2022	2021	2020	2019
Fund’s Return (%)	9.10	-15.68	9.39	-8.93	-3.19
*FBMHS (%)	9.34	-19.93	-12.03	16.45	-3.05

\* Source: Bloomberg

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

## MIDF AMANAH GROWTH FUND



## AVERAGE TOTAL RETURN

	The Fund	*FBMHS
One Year (%)	9.10	9.34
Three Years (%)	0.21	-7.66
Five Years (%)	-2.26	-2.61

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

Average total return is derived using the following formula:

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

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

Yours faithfully  
MIDF Amanah Asset Management Berhad

Shan Kamahl Mohammad  
Chief Executive Officer

Date: 4 December 2023

## MANAGER'S REPORT

The Manager hereby submit its report and the unaudited condensed interim financial statements of the MIDF Amanah Growth Fund ("the Fund") for the six months financial period ended 15 October 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	Disposal	Aggregate
	cost as at			cost as at
	16.04.2023	RM	RM	15.10.2023
	RM	RM	RM	RM
Construction	-	184,484	(45,090)	139,394
Consumer Products & Services	972,191	387,830	(477,319)	882,702
Health Care	900,923	-	(562,078)	338,845
Industrial Products & Services	443,316	-	(207,866)	235,450
Technology	1,018,045	983,838	(732,415)	1,269,468
Telecom- munications & Media	774,448	283,094	-	1,057,542
Utilities	1,087,243	-	-	1,087,243
	<u>5,196,166</u>	<u>1,839,246</u>	<u>(2,024,768)</u>	<u>5,010,644</u>

## RESULTS

Net loss after tax	<u>RM</u> <u>101,876</u>
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In the opinion of the Manager, the results of the operations 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 of the Fund is to achieve long term capital growth through investments in large, well established companies.

## **MANAGEMENT FEES**

During the financial period, the Manager is entitled to a management fee of RM47,252 (15.10.2022: RM48,468). The Manager's fee is computed on a daily basis at 1.5% (15.10.2022: 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 did not propose any distribution for the financial period ended 15 October 2023 (15.10.2022: Nil).

## **UNIT SPLIT**

No unit split was made during the six months financial period ended 15 October 2023 (15.10.2022: 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**

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: 4 December 2023

**TRUSTEE'S REPORT  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED  
15 OCTOBER 2023**

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

We have acted as Trustee of the Fund for the financial period ended 15 October 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: 8 November 2023

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

**To the unit holders of  
MIDF AMANAH GROWTH 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 GROWTH 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: 4 December 2023

## 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 13 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 Growth Fund as at 15 October 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: 4 December 2023

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

		16.04.2023 to 15.10.2023	16.04.2022 to 15.10.2022
	Note	RM	RM
<b>INVESTMENT INCOME</b>			
Dividend income		116,237	83,605
Profit income from Islamic deposits with financial institutions		20,466	16,141
Net loss from financial asset at fair value through profit or loss ("FVTPL")	7	(157,858)	(617,417)
		<u>(21,155)</u>	<u>(517,671)</u>
<b>EXPENSES</b>			
Manager's fee	3	(47,252)	(48,468)
Trustee's fee	4	(2,520)	(2,585)
Brokerage's fee	12	(9,347)	(12,866)
Auditors' remuneration		(3,501)	(3,509)
Tax agent's fee		(1,455)	(1,104)
Administrative expenses		(16,646)	(17,520)
		<u>(80,721)</u>	<u>(86,052)</u>
<b>Net loss before tax</b>		(101,876)	(603,723)
Income tax expense	5	-	-
		<u>-</u>	<u>-</u>
<b>Net loss after tax representing total comprehensive loss for the financial period</b>		<u>(101,876)</u>	<u>(603,723)</u>
Net loss after tax is made up of the following:			
Net realised gain/(loss)		154,274	(367,174)
Net unrealised loss		(256,150)	(236,549)
		<u>(101,876)</u>	<u>(603,723)</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 OCTOBER 2023**

	Note	15.10.2023 RM	15.04.2023 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	4,988,135	5,429,808
Islamic deposits with financial institutions	8	1,409,376	1,086,716
Other receivables		7,496	14,757
Cash at bank		18,358	9,801
<b>TOTAL ASSETS</b>		<u>6,423,365</u>	<u>6,541,082</u>
<b>LIABILITIES</b>			
Other payables		23,470	22,730
Amount due to brokers		78,586	-
Due to Manager		11,599	12,302
Due to Trustee		658	696
<b>TOTAL LIABILITIES</b>		<u>114,313</u>	<u>35,728</u>
<b>EQUITY</b>			
Unit holders' capital	10(a)	(4,226,936)	(4,132,510)
Retained earnings	10(b), 10(c)	10,535,988	10,637,864
<b>TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>6,309,052</u>	<u>6,505,354</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	10	<u>6,423,365</u>	<u>6,541,082</u>
<b>UNITS IN CIRCULATION</b>	10(a)	<u>13,053,445</u>	<u>13,250,639</u>
<b>NAV PER UNIT (RM)</b>		<u>0.4833</u>	<u>0.4909</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 OCTOBER 2023**

	<b>Unit holders' capital Note 10(a) RM</b>	<b>Retained earnings Note 10(b) and 10(c) RM</b>	<b>Total equity RM</b>
At 16 April 2022	(3,816,400)	10,590,270	6,773,870
Total comprehensive loss for the financial period	-	(603,723)	(603,723)
Cancellation of units	(139,080)	-	(139,080)
At 15 October 2022	<u>(3,955,480)</u>	<u>9,986,547</u>	<u>6,031,067</u>
As at 16 April 2023	(4,132,510)	10,637,864	6,505,354
Total comprehensive loss for the financial period	-	(101,876)	(101,876)
Distribution equalisation	(92)	-	(92)
Cancellation of units	(94,334)	-	(94,334)
As at 15 October 2023	<u>(4,226,936)</u>	<u>10,535,988</u>	<u>6,309,052</u>

*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 OCTOBER 2023**

	<b>16.04.2023</b>	<b>16.04.2022</b>
	<b>to</b>	<b>to</b>
	<b>15.10.2023</b>	<b>15.10.2022</b>
<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,114,263	2,706,850
Purchase of investments	(1,767,556)	(2,438,473)
Dividends received	123,669	73,415
Profit received	20,296	16,081
Manager's fee paid	(47,955)	(58,568)
Trustee's fee paid	(2,558)	(2,646)
Audit fee paid	(7,000)	(7,000)
Payment for other fees and expenses	(7,516)	(8,392)
	<u>425,643</u>	<u>281,267</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash payment for units cancelled	(94,426)	(139,080)
	<u>(94,426)</u>	<u>(139,080)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	331,217	142,188
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	1,096,517	1,333,674
	<u>1,427,734</u>	<u>1,475,862</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>1,427,734</u>	<u>1,475,862</u>
Cash and cash equivalents comprise:		
Cash at bank	18,358	12,111
Islamic deposits with financial institutions	8 1,409,376	1,463,751
	<u>1,427,734</u>	<u>1,475,862</u>

*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 OCTOBER 2023**

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

MIDF Amanah Growth Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the executed deed (“the Deed”) dated 2 December 1966 and the various Supplemental Deeds between Asia Unit Trusts Berhad (“AUTB”), the Trustee - Amanah Raya Berhad and the Registered Holders of the Fund. The Deed and its respective Supplemental Deeds were consolidated on 18 December 1998. The various Master Supplemental Deeds were executed on 1 November 2001 and 31 October 2002. The Fund will continue its operations until terminated by the Trustee as provided under Part 13.2 of the Master Supplemental Deed dated 1 November 2001. On 6 November 2008, the Fourth Master Supplemental Deed was executed between the AUTB, Amanah Raya Berhad and AmanahRaya Trustees Berhad, whereby Amanah Raya Berhad will transfer and assign its rights, duties and obligations under the Master Deed with respect to the Fund and its assets to AmanahRaya Trustees Berhad. The effective date of the transfer was 28 November 2008. The various Master Supplemental Deeds were executed between 6 November 2008 and 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 (“the Manager”) and AmanahRaya Trustees Berhad have entered into a novation agreement dated 18 November 2009 to transfer and assign the management of the unit trusts to MIDF Amanah Asset Management Berhad all the rights, duties and obligations on and from the date a Master Supplemental Deed relating to the Fund has been registered with Securities Commission (“SC”) or such other date as may be agreed by the Parties hereto. The effective date of the transfer was 1 January 2010 and subsequent from the date, the Fund changed its name to MIDF Amanah Growth 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 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 (“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 financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 4 December 2023.

## 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 April 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 April 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 April 2023.

### (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 year.

Amendments to MFRS 3: *Reference to the Conceptual Framework*

Amendments to MFRS 116: *Proceeds before Intended Use*

Amendments to MFRS 137: *Onerous Contracts – Cost of Fulfilling a Contract*

Annual Improvements to MFRS Standards 2018-2020 Cycle

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

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

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

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 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

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.

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

### (d) Financial assets

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

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'. 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.

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

### (d) Financial assets (Cont'd.)

#### (ii) Financial assets at amortised cost (Cont'd.)

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.

### (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.

### (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 and sundry creditors are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate method.

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

### (g) Financial liabilities (Cont'd.)

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-complaint 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 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.

### (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.

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

### (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 (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 judgements 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% (15.10.2022: 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 0.08% (15.10.2022: 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

	16.04.2023 to 15.10.2023 RM	16.04.2022 to 15.10.2022 RM
Charge for the financial period	<u>-</u>	<u>-</u>

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:

	16.04.2023 to 15.10.2023 RM	16.04.2022 to 15.10.2022 RM
Net loss before tax	<u>(101,876)</u>	<u>(603,723)</u>
Tax at Malaysian statutory rate of 24%	(24,450)	(144,893)
Effect of income not subject to tax	(32,809)	(23,939)
Expense not deductible for tax purposes	<u>57,259</u>	<u>168,832</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

### 6. ZAKAT FOR THE FUND

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

## 7. FINANCIAL ASSETS AT FVTPL

	15.10.2023 RM	15.04.2023 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant securities	<u>4,988,135</u>	<u>5,429,808</u>
	16.04.2023 to 15.10.2023 RM	16.04.2022 to 15.10.2022 RM
Net loss on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals	98,292	(380,868)
Unrealised loss in fair values	<u>(256,150)</u>	<u>(236,549)</u>
	<u>(157,858)</u>	<u>(617,417)</u>

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

Name of Counter	Quantity/ Nominal Amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH-COMPLIANT SECURITIES</b>				
<b>Construction</b>				
Gamuda Berhad	<u>32,000</u>	<u>139,394</u>	<u>147,200</u>	<u>2.3</u>
<b>Consumer Products &amp; Services</b>				
Fraser & Neave Holdings Berhad	3,000	77,807	78,600	1.2
MR D.I.Y. Group (M) Berhad	196,000	324,899	309,680	4.9
QL Resources Berhad	10,000	51,868	55,300	0.9
Sime Darby Berhad	130,000	294,288	293,800	4.7
UMW Holdings Berhad	<u>28,000</u>	<u>133,840</u>	<u>133,840</u>	<u>2.1</u>
	<u>367,000</u>	<u>882,702</u>	<u>871,220</u>	<u>13.8</u>

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

Financial assets at FVTPL as at 15 October 2023 are as detailed below (cont'd.):

Name of Counter	Quantity/ Nominal Amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)</b>				
<b>Health Care</b>				
IHH				
Healthcare Berhad	40,000	234,191	238,400	3.8
KPJ				
Healthcare Berhad	120,000	104,654	144,000	2.3
	<u>160,000</u>	<u>338,845</u>	<u>382,400</u>	<u>6.1</u>
<b>Industrial Products &amp; Services</b>				
V.S. Industry Berhad	<u>287,000</u>	<u>235,450</u>	<u>279,825</u>	<u>4.4</u>
<b>Technology</b>				
Agmo Holdings Berhad	3,109	-	1,850	0.1
D & O Green Technologies Berhad	139,000	564,498	473,990	7.5
Greatech Technology Berhad	61,000	249,711	254,980	4.0
MY E.G. Services Berhad	<u>590,000</u>	<u>455,259</u>	<u>483,800</u>	<u>7.7</u>
	<u>793,109</u>	<u>1,269,468</u>	<u>1,214,620</u>	<u>19.3</u>
<b>Telecommunications &amp; Media</b>				
Time Dotcom Berhad	97,000	474,051	505,370	8.0
Telekom Malaysia Berhad	<u>105,000</u>	<u>583,491</u>	<u>527,100</u>	<u>8.4</u>
	<u>202,000</u>	<u>1,057,542</u>	<u>1,032,470</u>	<u>16.4</u>

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

Financial assets at FVTPL as at 15 October 2023 are as detailed below (cont'd.):

Name of Counter	Quantity/ Nominal Amount Units	Cost RM	Fair Value RM	% of NAV %
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)</b>				
<b>Utilities</b>				
Gas Malaysia Berhad	75,000	248,993	231,000	3.7
Mega First Corporation Berhad	163,000	564,016	554,200	8.8
Petronas Gas Berhad	16,000	274,234	275,200	4.3
	<u>254,000</u>	<u>1,087,243</u>	<u>1,060,400</u>	<u>16.8</u>
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>	<u>2,095,109</u>	<u>5,010,644</u>	<u>4,988,135</u>	<u>79.1</u>

### ACCUMULATED UNREALISED LOSS

(22,509)

## 8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	15.10.2023 RM	15.04.2023 RM
Islamic deposits with licensed banks	<u>1,409,376</u>	<u>1,086,716</u>

The effective average profit rate for short-term Islamic placements as at 15 October 2023 is 2.85% (15.04.2023: 2.63%) per annum. The average maturity of deposits as at 15 October 2023 is 3 days (15.04.2023: 3 days).

## 9. SHARIAH INFORMATION OF THE FUND

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

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

## 10. TOTAL EQUITY

	Note	15.10.2023 RM	15.04.2023 RM
Unit holders' capital	(a)	(4,226,936)	(4,132,510)
Retained earnings			
- Realised and distributable	(b)	10,558,496	10,404,222
- Unrealised reserve and non-distributable	(c)	<u>(22,508)</u>	<u>233,642</u>
Total equity		<u>6,309,052</u>	<u>6,505,354</u>

### (a) Unit holder's Capital

	15.10.2023		15.04.2023	
	No. of Units	RM	No. of Units	RM
As at the beginning of the period/year	13,250,639	(4,132,510)	13,909,441	(3,816,400)
Creation of units	-	-	61,267	28,839
Distribution equalisation	-	(92)	-	-
Cancellation of units	<u>(197,194)</u>	<u>(94,334)</u>	<u>(720,069)</u>	<u>(344,949)</u>
As at the end of the period/year	<u>13,053,445</u>	<u>(4,226,936)</u>	<u>13,250,639</u>	<u>(4,132,510)</u>

### (b) Realised and distributable

	15.10.2023 RM	15.04.2023 RM
As at the beginning of the period/year	10,404,222	10,800,223
Net realised gain/(loss)	<u>154,274</u>	<u>(396,001)</u>
As at the end of the period/year	<u>10,558,496</u>	<u>10,404,222</u>

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

### (c) Unrealised and non-distributable

	15.10.2023 RM	15.04.2023 RM
As at the beginning of the period/year	233,642	(209,953)
Net unrealised (loss)/income attributable to investments	<u>(256,150)</u>	<u>443,595</u>
As at the end of the period/year	<u>(22,508)</u>	<u>233,642</u>

## 11. UNITS HELD BY RELATED PARTIES

For the six months financial period ended 15 October 2023 and 15 October 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 %
<b>15.10.2023</b>				
Maybank Investment Bank Berhad**	985,680	24.9	2,464	26.3
MIDF Amanah Investment Bank Berhad *	840,640	21.2	2,102	22.5
Public Investment Bank Berhad	766,321	19.3	1,916	20.5
Affin Hwang Investment Bank Berhad	449,668	11.4	1,124	12.0
CIMB Investment Bank Berhad	413,293	10.4	1,033	11.1
TA Securities Holdings Berhad	315,321	8.0	325	3.5
Kenanga Investment Bank Berhad	<u>191,382</u>	<u>4.8</u>	<u>383</u>	<u>4.1</u>
<b>TOTAL</b>	<u>3,962,305</u>	<u>100.0</u>	<u>9,347</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 %
<b>15.10.2022</b>				
Affin Hwang Investment Bank Berhad	2,005,549	39.0	5,014	39.0
CIMB Investment Bank Berhad	959,688	18.6	2,399	18.6
Public Investment Bank Berhad	943,312	18.3	2,358	18.3
MIDF Amanah Investment Bank Berhad *	662,285	12.9	1,656	12.9
Maybank Investment Bank Berhad**	575,721	11.2	1,439	11.2
<b>TOTAL</b>	<b>5,146,555</b>	<b>100.0</b>	<b>12,866</b>	<b>100.0</b>

\* 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 October 2023 the TER of the Fund stood at 1.03% (15.10.2022: 0.99%).

### **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 October 2023 to the average NAV of the Fund stood at 0.31 times (15.10.2022: 0.40 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
- 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.



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

	16.04.2023 to 15.10.2023			16.04.2022 to 15.10.2022		
	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	116,237	-	116,237	83,605	-	83,605
Profit income from Islamic deposits with financial institutions	-	20,466	20,466	-	16,141	16,141
Net loss from investments: - financial asset at FVTPL	(157,858)	-	(157,858)	(617,417)	-	(617,417)
Total segment operating (loss)/income for the financial period	(41,621)	20,466	(21,155)	(533,812)	16,141	(517,671)
period	71,296	4,251	75,547	93,196	2,725	95,921

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

	15.10.2023			15.04.2023		
	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	4,988,135	-	4,988,135	5,429,808	-	5,429,808
Islamic deposits with financial institutions	-	1,409,376	1,409,376	-	1,086,716	1,086,716
Profit receivables	-	371	371	-	200	200
Dividend receivables	7,125	-	7,125	14,557	-	14,557
<b>Total segment assets</b>	<b>4,995,260</b>	<b>1,409,747</b>	<b>6,405,007</b>	<b>5,444,365</b>	<b>1,086,916</b>	<b>6,531,281 0</b>
Amount due to brokers	78,586	-	78,586	-	-	-
<b>Total segment liabilities</b>	<b>78,586</b>	<b>-</b>	<b>78,586</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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:

	<b>16.04.2023</b>	<b>16.04.2022</b>
	<b>to</b>	<b>to</b>
	<b>15.10.2023</b>	<b>15.10.2022</b>
	<b>RM</b>	<b>RM</b>
Net reportable segment operating loss	(21,155)	(517,671)
Expenses	<u>(80,721)</u>	<u>(86,052)</u>
Net loss before tax	(101,876)	(603,723)
Income tax expense	<u>-</u>	<u>-</u>
Net loss after tax	<u><u>(101,876)</u></u>	<u><u>(603,723)</u></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.

	<b>15.10.2023</b>	<b>15.04.2023</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	6,405,007	6,531,281
Cash at bank	<u>18,358</u>	<u>9,801</u>
Total assets of the Fund	<u><u>6,423,365</u></u>	<u><u>6,541,082</u></u>
Total segment liabilities	78,586	-
Other payables	23,470	22,730
Due to Manager	11,599	12,302
Due to Trustee	<u>658</u>	<u>696</u>
Total liabilities of the Fund	<u><u>114,313</u></u>	<u><u>35,728</u></u>

## 16. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

The following table analyses the financial assets and liabilities of the Fund in the statement of financial position as at 15 October 2023 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
<b>15.10.2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	4,988,135	-	-	4,988,135
Islamic deposits with financial institutions	-	1,409,376	-	1,409,376
Other receivables	-	7,496	-	7,496
Cash at bank	-	18,358	-	18,358
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets	<u>4,988,135</u>	<u>1,435,230</u>	<u>-</u>	<u>6,423,365</u>
<b>Liabilities</b>				
Other payables	-	-	23,470	23,470
Due to Manager	-	-	11,599	11,599
Due to Trustee	-	-	658	658
Amount due to brokers	-	-	78,586	78,586
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	<u>-</u>	<u>-</u>	<u>114,313</u>	<u>114,313</u>
<b>15.04.2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	5,429,808	-	-	5,429,808
Islamic deposits with financial institutions	-	1,086,716	-	1,086,716
Other receivables	-	14,757	-	14,757
Cash at bank	-	9,801	-	9,801
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets	<u>5,429,808</u>	<u>1,111,274</u>	<u>-</u>	<u>6,541,082</u>
<b>Liabilities</b>				
Other payables	-	-	22,730	22,730
Due to Manager	-	-	12,302	12,302
Due to Trustee	-	-	696	696
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	<u>-</u>	<u>-</u>	<u>35,728</u>	<u>35,728</u>

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

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); 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
<b>15.10.2023</b>				
Quoted Shariah- compliant securities	<u>4,988,135</u>	<u>-</u>	<u>-</u>	<u>4,988,135</u>
<b>15.04.2023</b>				
Quoted Shariah- compliant securities	<u>5,429,808</u>	<u>-</u>	<u>-</u>	<u>5,429,808</u>

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

## **17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES**

### **(a) Introduction**

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

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

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

### **(b) Risk management structure**

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

### **(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 type and activities.

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

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

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

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

### (e) Excessive risk concentration

Concentration 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.

## 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 profit/(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:

	%	Effect on NAV Increase RM
<b>Market Index</b>		
<b>15.10.2023</b>		
Changes in equity price	+5	249,407
<b>15.04.2023</b>		
Changes in equity price	+5	271,490

The Management assumed that the movement of FVTPL investments as at 15 October 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.

	<b>15.10.2023</b>		<b>15.04.2023</b>	
	Fair value RM	% of NAV	Fair value RM	% of NAV RM
Malaysia	4,988,135	79.1	5,429,808	83.4

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



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

### (g) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unit holders by the Manager are redeemable at the unit holder's option based on the Fund's net asset 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 Shariah-compliant instruments which are capable of being converted into cash within 7 days.

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

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

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

	Less than 1 month RM	Total RM
<b>15.10.2023</b>		
Financial assets:		
Financial assets at FVTPL	4,988,135	4,988,135
Islamic deposits with financial institutions	1,409,376	1,409,376
Other assets	25,854	25,854
	<hr/>	<hr/>
Total undiscounted financial assets	6,423,365	6,423,365
	<hr/>	<hr/>
Financial liabilities:		
Other financial liabilities	114,313	114,313
	<hr/>	<hr/>
Total undiscounted financial liabilities	114,313	114,313
	<hr/>	<hr/>
NAV attributable to unit holders	6,309,052	6,309,052
	<hr/>	<hr/>
Liquidity gap	-	-
	<hr/>	<hr/>
	<b>Less than 1 month RM</b>	<b>Total RM</b>
<b>15.04.2023</b>		
Financial assets:		
Financial assets at FVTPL	5,429,808	5,429,808
Islamic deposits with financial institutions	1,086,716	1,086,716
Other financial assets	24,558	24,558
	<hr/>	<hr/>
Total undiscounted financial assets	6,541,082	6,541,082
	<hr/>	<hr/>
Financial liabilities:		
Other financial liabilities	35,728	35,728
	<hr/>	<hr/>
Total undiscounted financial liabilities	35,728	35,728
	<hr/>	<hr/>
NAV attributable to unit holders	6,505,354	6,505,354
	<hr/>	<hr/>
Liquidity gap	-	-
	<hr/>	<hr/>

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

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

#### (i) Financial Assets

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

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

### (h) Credit risk

#### Credit concentration

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

#### Credit default

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

### (i) Reclassification of Shariah status risk

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

## **18. CAPITAL MANAGEMENT**

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's approved fund size and units in issue at the end of the financial 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.

## **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, 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

<b>MANAGER</b>	MIDF Amanah Asset Management Berhad Registration No: 197201000162 (11804-D)
<b>REGISTERED OFFICE</b>	Level 21, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8888
<b>BUSINESS OFFICE</b>	Level 3A, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: <a href="mailto:midfamanah@midf.com.my">midfamanah@midf.com.my</a> Website: <a href="http://www.midf.com.my/index.php/en/what-we-do-en/asset-management">www.midf.com.my/index.php/en/what-we-do-en/asset-management</a>
<b>TRUSTEE</b>	AmanahRaya Trustees Berhad (766894-T) Tingkat 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
<b>BOARD OF DIRECTORS</b>	Hasnah Omar – Chairman Tai Keat Chai Hasman Yusri Yusoff Shan Kamahl Mohammad Dato' Azlan Shahrin (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)
<b>OVERSIGHT COMMITTEE MEMBERS</b>	Hasman Yusri Yusoff – Chairman Tai Keat Chai Sheikh Shahrudin Sheikh Salim
<b>BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS</b>	Tai Keat Chai – Chairman Hasman Yusri Yusoff Norziana Mohd Inon (resigned effective 5 July 2023)
<b>COMPANY SECRETARIES</b>	Hadidah Amin (LS 10683) Nor Azita Sarip (MAICSA 7048861) Lailatul Mardhiyah Said Abdullah (LS 10110) (resigned effective 28 April 2023)
<b>AUDITOR</b>	Ernst & Young PLT Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, 50490 Kuala Lumpur

## CORPORATE INFORMATION (CONT'D.)

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<b>SHARIAH ADVISER</b>	MIDF Amanah Investment Bank Berhad (23878-X) (Shariah Committee) Level 21, Menara MIDF, 82, Jalan Raja Chulan 50200 Kuala Lumpur
<b>PRINCIPAL BANKERS</b>	Malayan Banking Berhad (3813-K) Menara Maybank, Jalan Tun Perak 50050 Kuala Lumpur
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