



**SEMI  
ANNUAL  
REPORT**

For The Half Year Ended  
15th December 2023

MIDF AMANAH ASSET MANAGEMENT BERHAD  
Level 20, Menara MBSB Bank, PJ Sentral  
Lot 12, Persiaran Barat, Seksyen 52  
46200 Petaling Jaya, Selangor

15th December 2023

Dear Unit Holders:

## FUND CATEGORY AND TYPE

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

## ASSET ALLOCATION AS AT 15 DECEMBER 2023

Shariah-compliant Equities	83.9%
Islamic Money Market Instruments and Others	16.1%

## PERFORMANCE OF THE FUND

MIDF Amanah Islamic Fund ("MAIF")	15/12/2023	15/06/2023	%
Net Asset Value ("NAV") (RM)	4,707,852	4,667,842	0.86
NAV per Unit (RM)	0.3282	0.3181	3.18
FBM Emas Shariah Index ("FBMS")	10,969.75	10,564.53	3.84

For the six (6) months period ending 15 December 2023, the NAV per unit of MAIF increased by 3.18%, underperforming the FBMS by 0.66% as the latter registered a return of 3.84%.

The key objective of MAIF is to achieve long-term capital growth through investments that conform to the principles of Shariah. During the period under review, the Fund achieved its objective in terms of capital growth.

The positive performance was attributed to the higher weightage and tactical allocation of Utilities, Healthcare, and Technology stocks, which have fared well during the period under review.

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

## **EQUITY MARKET REVIEW**

After a roller-coaster ride during the first half of 2023, global markets started the quarter under review in the green, driven by enthusiasm over AI (Artificial Intelligence), which boosted selective technology stocks. The positive sentiment was carried over in July as investors were more confident about the idea of a soft landing, driven by strong labour market and cooling inflation.

However, sentiment took a reverse along the way exerted from the jittery of Chinese markets as the country grappled with renewed concern about its property market and weak macroeconomic data. Global equities declined further in the third quarter after central banks signalled their hawkish stance “higher for longer”, pushing bond yields to hit fresh cycle highs. After a solid gain for shares in the first half of 2023, the United States (“US”) equities posted a negative return in Q3 2023, with the major three indices declining within the 2.6% to 4.1% range.

The weakness continued throughout the third and fourth quarter of 2023 on the back of the persistently high-interest rate environment, resulting in lower global shares and high bond yields. The escalation of geopolitical risk has further dampened investors sentiment amid renewed conflict in the Middle East, resulting in gold prices and the US dollar rallying as investors flee to the safe haven. However, global markets started gaining momentum towards the later part of the year, thanks to tentative signs of economic moderation in the US and falling inflation across developed markets.

Tracking closely the macro sentiment, our market was also under pressure during the period under review, with FBM KLCI, only started gaining ground in July 2023, rallying from the spillover effect of soft-landing expectations in developed countries. The positive sentiment was however short lived, and the market largely traded sideways for the most part of the third and fourth quarter of the year. During the period under review, the Fund’s benchmark FBM Emas Shariah registered more than 3% returns.

## **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 sticky 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

While global growth is expected to moderate in 2024, growing at 2% to 3%, as developed economies will start to feel the pinch of a high-interest rate environment, emerging markets such as Malaysia are poised to be resilient. We expect Malaysia's GDP to grow by 4% to 5% in 2024, buoyed by strong domestic demand and a revival of external trade.

Domestic-oriented sectors will continue to be the top performers in 2024, continuing from what we have seen in 2023, as these sectors will be supported by domestic-oriented catalysts such as the New Industrial Masterplan 2030 (NIMP 2030), National Energy Transition Roadmap (NETR) and mid-term review of the Twelfth Malaysia Plan (12MP). We believe sectors such as Healthcare, Utilities, Property, Consumer, and Construction will benefit from this supportive environment.

Furthermore, we expect global trade to start gaining traction in the second half of 2024 due to improving global stock inventory and global economic data, benefiting our export-oriented players in Technology and Industrial Production and Services. The Technology sector suffered tepid demand throughout 2023 due to softening chip demand and elevated inventory of consumer and mobile devices. However, the fundamentals are gradually improving, with SEMI expecting global fabricators' equipment spending to rebound by 15% YoY to USD97bn in 2024 from USD84bn in 2023. In the EMS space, the consumer appliances-centric players benefit from a demand recovery and potential new launches by end-customers.

While domestic fundamentals and valuations remain supportive, global risk poses a significant challenge to our domestic space as geo-political tension intensified, continuous weakness in China, and a prolonged high-interest rate environment where central banks delay cutting interest rates more than what the markets expect. Hence, we advocate our prudent strategy with selective thematic sector opportunistic and targeted approach, prioritizing on protecting downside risks.

Investment exposure shall be positioned within the range of 80% - 85% of Equity – selective picks and active stock allocation to capitalize on market's opportunity is vital for alpha. The use of our tactical and flexible investment strategy is imperative while prioritizing on protecting portfolio's downside risks is paramount.

## CURRENT PROFILE OF UNITHOLDINGS BY SIZE

Size of Unitholdings	No. of Unit Holders	No. of Units Held	% of Unit Holders
5,000 and below	1,095	1,290,159	74.14
5,001 to 10,000	99	688,198	6.70
10,001 to 50,000	214	4,850,262	14.49
50,001 to 500,000	68	6,855,212	4.60
500,001 and above	1	662,589	0.07
	<b>1,477</b>	<b>14,346,420</b>	<b>100.00</b>

## PORTFOLIO COMPOSITION

	As at 15.12.2023 %	As at 15.12.2022 %	As at 15.12.2021 %
Consumer Products & Services	17.50	5.60	4.40
Construction	3.40	-	13.50
Energy	2.70	11.80	4.90
Finance	-	-	-
Healthcare	1.30	7.40	-
Industrial Products & Services	15.20	11.80	21.70
Property	0.90	-	4.90
Plantation	-	-	5.90
Technology	13.90	13.90	-
Telecommunication & Media	19.10	12.50	13.10
Transportation & Logistics	-	-	7.40
Utilities	9.90	8.10	-
Islamic REITs	-	-	6.90
Warrants	-	0.40	0.30
Cash and other Net Assets	16.10	28.90	17.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## PERFORMANCE DATA

		As at 15.12.2023	As at 15.12.2022	As at 15.12.2021
Net Asset Value	[RM]	4,707,854	4,808,341	4,769,559
Units in Circulation	[Units]	14,346,420	15,119,749	15,427,101
Net Asset Value per Unit	[RM]	0.3282	0.3180	0.3092
Highest NAV*	[RM]	0.3389	0.3221	0.3406
Lowest NAV*	[RM]	0.3127	0.2815	0.3032
Total Return: - Capital Growth - Income Distribution	[%]	3.18 Nil	2.88 Nil	-0.42 Nil
Total Expense Ratio (TER) <sup>1</sup>	[%]	1.02	1.07	1.01
Portfolio Turnover Ratio (PTR) <sup>2</sup>	[x]	0.49	0.85	0.80

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 after taking into account the distribution of income made at the financial year end.*

<sup>1</sup> *The TER for 2023 decreased marginally to 1.02% from 1.07% in 2022.*

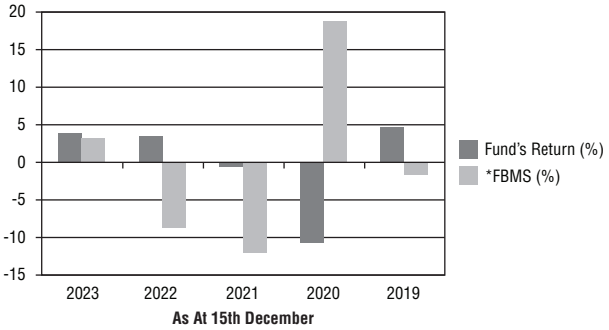
<sup>2</sup> *The PTR for 2023 was at 0.45 times as compared to 0.85 times in 2022, due to lower trading activities in 2023.*

## ANNUAL TOTAL RETURN

MIDF Amanah Islamic Fund					
As at 15th December	2023	2022	2021	2020	2019
Fund's Return (%)	3.21	2.88	-0.42	-10.85	4.66
*FBMS (%)	2.81	-8.34	-12.46	18.85	-1.42

\* *Source: Bloomberg*

## MIDF AMANAH ISLAMIC FUND



## AVERAGE TOTAL RETURN

As at 15th December	The Fund	FBM Shariah
One Year	3.21	2.81
Three Years	-0.59	-5.83
Five Years	-0.28	-0.67

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: 1 February 2024

## MANAGER'S REPORT

The Manager has pleasure in submitting its report and the unaudited condensed interim financial statements of the MIDF Amanah Islamic Fund ("the Fund") for the six months financial period ended 15 December 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 cost as at	Acquisitions	Disposals	Aggregate cost as at
	16.06.2023			15.12.2023
	RM	RM	RM	RM
Construction	-	185,669	(30,060)	155,609
Consumer Products & Services	520,862	836,472	(483,833)	873,501
Energy	394,854	403,426	(675,724)	122,556
Health Care	353,828	-	(294,112)	59,716
Industrial Products & Services	512,350	438,665	(157,241)	793,774
Plantation	-	82,000	(82,000)	-
Property	-	40,140	-	40,140
Technology	417,006	452,456	(237,878)	631,584
Telecom- munications & Media	872,499	26,048	-	898,547
Utilities	539,201	-	(89,735)	449,466
	<u>3,610,600</u>	<u>2,464,876</u>	<u>(2,050,583)</u>	<u>4,024,893</u>
<b>Result</b>				<b>RM</b>
Net income after tax				<u>147,343</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.



## **INVESTMENT OBJECTIVE**

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

## **MANAGEMENT FEES**

During the financial period, the Manager is entitled to a management fee of RM35,281 (15.12.2022: RM34,080). The Manager's fee is computed on a daily basis at 1.50% (15.12.2022: 1.50%) per annum of the Net Asset Value ("NAV") of the Fund before deducting the Manager's and Trustee's fees for that particular day.

## **DISTRIBUTION**

Unit holders 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 six months financial period ended 15 December 2023 (15.12.2022: Nil).

## **UNIT SPLIT**

No unit split was made during the six months financial period ended 15 December 2023 (15.12.2022: Nil).

## **CHANGES IN VALUE OF FUND**

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

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

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: 1 February 2024

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

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

We have acted as Trustee of the Fund for the financial period ended 15 December 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:

We are also of the opinion that:

- 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: 12 January 2024

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

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

We hereby confirm the following:

- 1 To the best of our knowledge, after having made all reasonable enquiries, **MIDF AMANAH ASSET MANAGEMENT BERHAD** has operated and managed the Fund during the period covered by these financial statements in accordance with the 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 MIDF Shariah Committee backing MIDF Amanah Investment Bank Berhad as Shariah Adviser for **MIDF Amanah Islamic 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: 1 February 2024

## 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 46 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MIDF Amanah Islamic Fund as at 15 December 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: 1 February 2024

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

	<b>Note</b>	<b>16.06.2023 to 15.12.2023 RM</b>	<b>16.06.2022 to 15.12.2022 RM</b>
<b>INVESTMENT INCOME</b>			
Dividend income		46,661	60,117
Profit income from Islamic deposits with financial institutions		12,420	11,161
Net gain from financial assets at fair value 'through profit or loss ("FVTPL")	7	153,343	376,964
		<u>212,424</u>	<u>448,242</u>
<b>EXPENSES</b>			
Manager's fee	3	(35,281)	(34,080)
Trustee's fee	4	(1,882)	(1,818)
Brokerage's fee	12	(10,893)	(19,245)
Auditors' remuneration		(3,462)	(3,510)
Tax agent's fee		(1,464)	(2,196)
Administrative expenses		(12,099)	(20,764)
		<u>(65,081)</u>	<u>(81,613)</u>
<b>Net income before tax</b>		147,343	366,629
Income tax expense	5	-	-
<b>Net income after tax representing total comprehensive income for the financial period</b>		<u>147,343</u>	<u>366,629</u>
Net income after tax is made up of the following:			
Net realised gain/(loss)		100,631	(376,407)
Net unrealised gain		46,712	743,036
		<u>147,343</u>	<u>366,629</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 15 DECEMBER 2023**

	Note	15.12.2023 RM	15.06.2023 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	3,948,115	3,487,110
Islamic deposits with financial institutions	8	906,098	1,075,000
Cash at bank		14,276	16,633
Amount due from brokers		-	222,170
Other receivables		897	13,881
<b>TOTAL ASSETS</b>		<u>4,869,386</u>	<u>4,814,794</u>
<b>LIABILITIES</b>			
Amount due to brokers		123,193	104,296
Other payables		29,246	33,288
Due to Manager		8,611	8,870
Due to Trustee		484	498
<b>TOTAL LIABILITIES</b>		<u>161,534</u>	<u>146,952</u>
<b>EQUITY</b>			
Unit holders' capital	10(a)	853,807	961,140
Retained earnings	10(b), 10(c)	3,854,045	3,706,702
<b>TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<u>4,707,852</u>	<u>4,667,842</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,869,386</u>	<u>4,814,794</u>
<b>UNITS IN CIRCULATION</b>	10(a)	<u>14,346,420</u>	<u>14,675,568</u>
<b>NAV PER UNIT (RM)</b>		<u>0.3282</u>	<u>0.3181</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED  
15 DECEMBER 2023**

	<b>Unit holders' capital Note 10(a) RM</b>	<b>Retained earnings Note 10(b) and (c) RM</b>	<b>Total equity RM</b>
As at 16 June 2022	1,142,603	3,333,900	4,476,503
Total comprehensive income for the financial period	-	366,629	366,629
Creation of units	20,050	-	20,050
Cancellation of units	<u>(54,841)</u>	-	<u>(54,841)</u>
As at 15 December 2022	<u>1,107,812</u>	<u>3,700,529</u>	<u>4,808,341</u>
As at 16 June 2023	961,140	3,706,702	4,667,842
Total comprehensive income for the financial period	-	147,343	147,343
Creation of units	5,958	-	5,958
Cancellation of units	<u>(113,291)</u>	-	<u>(113,291)</u>
As at 15 December 2023	<u>853,807</u>	<u>3,854,045</u>	<u>4,707,852</u>

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



**STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED  
15 DECEMBER 2023**

	<b>Note</b>	<b>16.06.2023 to 15.12.2023 RM</b>	<b>16.06.2022 to 15.12.2022 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		2,371,491	3,877,181
Purchase of investments		(2,455,165)	(3,426,198)
Dividends received		59,608	64,604
Profit income received		12,457	11,120
Manager's fee paid		(35,540)	(34,277)
Trustee's fee paid		(1,896)	(1,828)
Audit fee paid		-	(7,000)
Payment for other fees and expenses		<u>(14,881)</u>	<u>(5,110)</u>
Net cash (used in)/generated from operating and investing activities		<u>(63,926)</u>	<u>478,492</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		5,958	20,050
Cash payment for units cancelled		<u>(113,291)</u>	<u>(54,841)</u>
Net cash used in financing activities		<u>(107,333)</u>	<u>(34,791)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(171,259)	443,701
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>1,091,633</u>	<u>676,404</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		<u><u>920,374</u></u>	<u><u>1,120,105</u></u>
Cash and cash equivalents comprise:			
Cash at bank		14,276	9,850
Islamic deposits with financial institutions	8	<u>906,098</u>	<u>1,110,255</u>
		<u><u>920,374</u></u>	<u><u>1,120,105</u></u>

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

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED  
15 DECEMBER 2023**

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

MIDF Amanah Islamic Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 14 May 1971 and the various Supplemental Deeds between Asia Unit Trusts Berhad (“AUTB”), the Trustee - Amanah Raya Berhad and the Registered Holders of the Fund. The Deed and its respective Supplemental Deeds were consolidated on 18 December 1998. The various Master Supplemental Deeds were executed on 1 November 2001 and 31 October 2002. The Fund will continue its operations until terminated by the Trustee as provided under Part 13.2 of the Master Supplemental Deed dated 1 November 2001. On 6 November 2008, the Fourth Master Supplemental Deed was executed between the AUTB, Amanah Raya Berhad and AmanahRaya Trustees Berhad, whereby Amanah Raya Berhad will transfer and assign its rights, duties and obligations under the Master Deed with respect to the Fund and its assets to AmanahRaya Trustees Berhad. The effective date of the transfer was 28 November 2008. The various Master Supplemental Deeds were executed between 6 November 2008 and 20 March 2015. The Eighth Master Supplemental Deed with respect to the Shariah matters was executed on 17 December 2013.

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

The principal activity of the Fund is to invest in Authorised Investments as defined in the Deed, which includes Shariah-compliant securities quoted on the Bursa Malaysia Securities Berhad (Bursa Malaysia), Islamic Accepted Bills, Islamic deposits and any other form of Islamic financial facility with licensed financial institutions. The registered office of the Fund is located at Level 25, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52, 46200 Petaling Jaya, Selangor.

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 1 February 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 June 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 June 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 June 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 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.

## 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 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

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.

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

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

#### (i) Financial assets at FVTPL

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

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

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. 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.

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

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

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

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

### (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 become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

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

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

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

### (h) Unit holders' capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as 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 original maturity of three months or less, which are 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 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 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.

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

The Manager's fee is computed on a daily basis at 1.50% (15.12.2022: 1.50%) per annum of the NAV of the Fund, before deducting the Manager's and Trustee's fees for that particular day.



#### 4. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.08% (15.12.2022: 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

	<b>16.06.2023</b>	<b>16.06.2022</b>
	<b>to</b>	<b>to</b>
	<b>15.12.2023</b>	<b>15.12.2022</b>
	<b>RM</b>	<b>RM</b>
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 before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>16.06.2023</b>	<b>16.06.2022</b>
	<b>to</b>	<b>to</b>
	<b>15.12.2023</b>	<b>15.12.2022</b>
	<b>RM</b>	<b>RM</b>
Net income before tax	<u>147,343</u>	<u>366,629</u>
Tax at Malaysian statutory rate of 24%	35,362	87,991
Effect of income not subject to tax	(50,982)	(107,578)
Expense not deductible for tax purposes	<u>15,620</u>	<u>19,587</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

	15.12.2023 RM	15.06.2023 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant securities	<u>3,948,115</u>	<u>3,487,110</u>
	<b>16.06.2023 to 15.12.2023 RM</b>	<b>16.06.2022 to 15.12.2022 RM</b>
Net gain on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals	106,631	(366,072)
Unrealised changes in fair values	<u>46,712</u>	<u>743,036</u>
	<u>153,343</u>	<u>376,964</u>

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

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair value RM	% of NAV %
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### QUOTED SHARIAH-COMPLIANT SECURITIES

#### Construction

Gamuda Berhad	<u>35,000</u>	<u>155,609</u>	<u>162,750</u>	<u>3.4</u>
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#### Consumer Products & Services

AirAsia X Berhad	132,000	295,529	265,320	5.6
Capital A Berhad	200,000	179,763	172,000	3.7
CCK Consolidated Holdings Berhad	33,000	24,801	27,885	0.5
Fraser & Neave Holdings Berhad	4,000	101,392	108,960	2.3
MR D.I.Y. Group (M) Berhad	103,000	172,060	153,470	3.3
Perak Transit Berhad	<u>88,000</u>	<u>99,956</u>	<u>99,440</u>	<u>2.1</u>
	<u>560,000</u>	<u>873,501</u>	<u>827,075</u>	<u>17.5</u>

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

Financial assets at FVTPL as at 15 December 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>Energy</b>				
Dayang Enterprise Holdings Berhad	22,000	34,038	35,200	0.8
Hibiscus Petroleum Berhad	20,000	48,018	49,000	1.0
Velesto Energy Berhad	180,000	40,500	40,500	0.9
	<u>222,000</u>	<u>122,556</u>	<u>124,700</u>	<u>2.7</u>
<b>Health Care</b>				
IHH Healthcare Berhad	10,000	59,716	60,000	1.3
<b>Industrial Products &amp; Services</b>				
Cahaya Mata Sarawak Berhad	268,000	304,361	286,760	6.1
P.I.E. Industrial Berhad	10,000	31,390	32,300	0.7
SKP Resources Berhad	380,000	357,920	296,400	6.3
Solarvest Holdings Berhad	45,000	59,554	57,150	1.2
V.S. Industry Berhad	50,000	40,549	41,500	0.9
	<u>753,000</u>	<u>793,774</u>	<u>714,110</u>	<u>15.2</u>
<b>Property</b>				
Matrix Concepts Holdings Berhad	25,000	40,140	41,250	0.9

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

Financial assets at FVTPL as at 15 December 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>Telecom- munication &amp; Media</b>				
OCK Group Berhad	508,000	210,616	218,440	4.6
Time Dotcom Berhad	58,000	293,500	306,240	6.5
Telekom Malaysia Berhad	68,000	394,431	373,320	8.0
	<u>634,000</u>	<u>898,547</u>	<u>898,000</u>	<u>19.1</u>
<b>Technology</b>				
AGMO Holdings Berhad	2,189	-	1,160	-
D & O Green Technologies Berhad	60,000	221,589	214,800	4.5
GHL Systems Berhad	72,000	56,654	51,120	1.1
Greatech Technology Berhad	15,000	59,163	71,400	1.5
MY E.G. Services Berhad	381,000	294,178	318,135	6.8
	<u>530,189</u>	<u>631,584</u>	<u>656,615</u>	<u>13.9</u>
<b>Utilities</b>				
Gas Malaysia Berhad	30,000	99,705	96,900	2.1
Mega First Corporation Berhad	84,500	297,599	313,495	6.7
Petronas Gas Berhad	3,000	52,162	53,220	1.1
	<u>117,500</u>	<u>449,466</u>	<u>463,615</u>	<u>9.9</u>

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

Financial assets at FVTPL as at 15 December 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>TOTAL FINANCIAL ASSETS AT FVTPL</b>	<b>2,886,689</b>	<b>4,024,893</b>	<b>3,948,115</b>	<b>83.9</b>
<b>ACCUMULATED UNREALISED LOSS</b>		<b>(76,778)</b>		

## 8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	15.12.2023 RM	15.06.2023 RM
Islamic deposits with licensed banks	<u>906,098</u>	<u>1,075,000</u>

The effective average profit rate for short-term Islamic placements as at 15 December 2023 is 2.95% (15 June 2023: 1.80%) per annum. The average maturity of the deposits as at 15 December 2023 is 1 day (15 June 2023: 2 days).

## 9. SHARIAH INFORMATION OF THE FUND

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

- 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	15.12.2023 RM	15.06.2023 RM
Unit holders' capital	(a)	853,807	961,140
Retained earnings			
- Realised and distributable	(b)	3,930,823	3,830,192
- Unrealised reserve and non-distributable	(c)	(76,778)	(123,490)
Total equity		<u>4,707,852</u>	<u>4,667,842</u>

### (a) Unit holder's Capital

	15.12.2023		15.06.2023	
	No. of units	RM	No. of units	RM
As at the beginning of the financial period/year	14,675,568	961,140	15,237,586	1,142,603
Creation of units	18,362	5,958	84,647	25,862
Cancellation of units	(347,510)	(113,291)	(646,665)	(207,325)
As at the end of the financial period/year	<u>14,346,420</u>	<u>853,807</u>	<u>14,675,568</u>	<u>961,140</u>

### (b) Realised and distributable

	15.12.2023 RM	15.06.2023 RM
As at the beginning of the financial period/year	3,830,192	3,874,276
Net realised income/(loss)	<u>100,631</u>	<u>(44,084)</u>
As at the end of the financial period/year	<u>3,930,823</u>	<u>3,830,192</u>

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

	15.12.2023 RM	15.06.2023 RM
As at the beginning of the financial period/year	(123,490)	(540,376)
Net unrealised income attributable to investments	<u>46,712</u>	<u>416,886</u>
As at the end of the financial period/year	<u>(76,778)</u>	<u>(123,490)</u>

## 11. UNITS HELD BY MANAGER

For the six months period ended 15 December 2023 and 15 December 2022, no units were held by the Manager.

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

	<b>Value of Trade</b>	<b>% of Total Trade</b>	<b>Brokerage Fees</b>	<b>% of Total Brokerage Fees</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
<b>15.12.2023</b>				
MIDF Amanah Investment Bank Berhad*	1,416,532	30.6	3,541	32.5
Maybank Investment Bank Berhad	1,255,741	27.2	3,139	28.8
Public Investment Bank Berhad	1,243,859	26.9	3,110	28.6
TA Securities Holdings Berhad	446,626	9.7	507	4.7
Affin Hwang Investment Bank Berhad	154,766	3.3	387	3.6
Kenanga Investment Bank Berhad	104,566	2.3	209	1.8
	<b>4,622,090</b>	<b>100.0</b>	<b>10,893</b>	<b>100.0</b>

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

	Value of Trade	% of Total Trade	Brokerage Fees	% of Total Brokerage Fees
	RM	%	RM	%
<b>15.12.2022</b>				
Affin Hwang Investment Bank Berhad	2,800,380	36.3	7,001	36.4
Public Investment Bank Berhad	1,625,703	21.0	4,103	21.3
MIDF Amanah Investment Bank Berhad*	1,266,121	16.4	3,168	16.5
Maybank Investment Bank Berhad	1,161,615	15.0	2,791	14.5
CIMB Securities Berhad	872,640	11.3	2,182	11.3
	<u>7,726,459</u>	<u>100.0</u>	<u>19,245</u>	<u>100.0</u>

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

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



### **13. TOTAL EXPENSE RATIO (“TER”)**

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on daily basis. The fees and expenses included Manager’s fee, Trustee’s fee, auditor’s remuneration, tax agent’s fee and other administrative expenses. For the financial period ended 15 December 2023, the TER of the Fund stood at 1.02% (15.12.2022: 1.07%).

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

The PTR of the Fund is the ratio of the average acquisitions and disposal of the Fund for the financial period to the average NAV of the Fund. For the financial period ended 15 December 2023, the PTR of the Fund stood at 0.49 times (15.12.2022: 0.85 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 year. The segment information provided is presented to the Manager and Oversight Committee of the Fund.

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

	15.06.2023 to 15.12.2023			15.06.2022 to 15.12.2022		
	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM
Dividend income	46,661	-	46,661	60,117	-	60,117
Profit income from Islamic deposits with financial institutions	-	12,420	12,420	-	11,161	11,161
Net gain from investments: - financial assets at FVTPL	153,343	-	153,343	376,964	-	376,964
Total segment operating income for the financial period	<u>200,004</u>	<u>12,420</u>	<u>212,424</u>	<u>437,081</u>	<u>11,161</u>	<u>448,242</u>

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

	15.12.2023			15.06.2023		
	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM
Financial assets at FVTPL	3,948,115	-	3,948,115	3,487,110	-	3,487,110
Islamic deposits with financial institutions	-	906,098	906,098	-	1,075,000	1,075,000
Amount due from brokers	-	-	-	222,170	-	222,170
Other receivables	824	73	897	13,771	110	13,881
<b>Total segment assets</b>	<b>3,948,939</b>	<b>906,171</b>	<b>4,855,110</b>	<b>3,723,051</b>	<b>1,075,110</b>	<b>4,798,161</b>
Amount due to brokers	123,193	-	123,193	104,296	-	104,296
<b>Total segment liabilities</b>	<b>123,193</b>	<b>-</b>	<b>123,193</b>	<b>104,296</b>	<b>-</b>	<b>104,296</b>

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

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

	<b>16.06.2023</b>	<b>16.06.2022</b>
	<b>to</b>	<b>to</b>
	<b>15.12.2023</b>	<b>15.12.2022</b>
	<b>RM</b>	<b>RM</b>
Net reportable segment operating income	212,424	448,242
Expenses	(65,081)	(81,613)
Net income before tax	147,343	366,629
Income tax expense	-	-
Net income after tax	<u>147,343</u>	<u>366,629</u>

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

	<b>15.12.2023</b>	<b>15.06.2023</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	4,855,110	4,798,161
Cash at bank	14,276	16,633
Total assets of the Fund	<u>4,869,386</u>	<u>4,814,794</u>
Total segment liabilities	123,193	104,296
Other payables	29,246	33,288
Due to Manager	8,611	8,870
Due to Trustee	484	498
Total liabilities of the Fund	<u>161,534</u>	<u>146,952</u>

## 16. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

The following table analyses the financial assets and liabilities of the Fund in the statement of financial position as at 15 December 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
<b>15.12.2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	3,948,115	-	-	3,948,115
Islamic deposits with financial institutions	-	906,098	-	906,098
Other receivables	-	897	-	897
Cash at bank	-	14,276	-	14,276
<b>Total financial assets</b>	<b>3,948,115</b>	<b>921,271</b>	<b>-</b>	<b>4,869,386</b>
<b>Liabilities</b>				
Other payables	-	-	29,246	29,246
Amount due to brokers	-	-	123,193	123,193
Due to Manager	-	-	8,611	8,611
Due to Trustee	-	-	484	484
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>161,534</b>	<b>161,534</b>

**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>15.06.2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	3,487,110	-	-	3,487,110
Islamic deposits with financial institutions	-	1,075,000	-	1,075,000
Other receivables	-	13,881	-	13,881
Cash at bank	-	16,633	-	16,633
Amount due from brokers	-	222,170	-	222,170
<b>Total financial assets</b>	<b><u>3,487,110</u></b>	<b><u>1,105,514</u></b>	<b><u>-</u></b>	<b><u>4,814,794</u></b>
<b>Liabilities</b>				
Other payables	-	-	33,288	33,288
Due to Manager	-	-	8,870	8,870
Due to Trustee	-	-	498	498
Amount due to brokers	104,296	104,296	-	-
<b>Total financial liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>146,952</u></b>	<b><u>146,952</u></b>

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>15.12.2023</b>				
Quoted Shariah- compliant securities	<u>3,948,115</u>	<u>-</u>	<u>-</u>	<u>3,948,115</u>
<b>15.06.2023</b>				
Quoted Shariah- compliant securities	<u>3,487,110</u>	<u>-</u>	<u>-</u>	<u>3,487,110</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.

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

### (c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation 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 is primarily set up to be performed based on limits established by the Manager (and Investment Manager, if applicable) and Trustee. These limits reflect the Islamic investment strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.



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

### (d) Risk mitigation

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

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

### (e) Excessive risk concentration

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

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

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

### (f) Market Risk

#### (i) Profit rate risk

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

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

#### (ii) Equity price risk

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

#### Equity price risk sensitivity

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

Market Index	%	Effect on NAV Increase RM
<b>15.12.2023</b>		
Changes in equity price	+5	394,812
<b>15.06.2023</b>		
Changes in equity price	+5	174,356

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

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

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

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

### (f) Market Risk (Cont'd.)

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

##### Equity price risk concentration

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

	15.12.2023		15.06.2023	
	Fair value RM	% of NAV	Fair value RM	% of NAV
Malaysia	3,948,115	83.9	3,487,110	74.7

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

### (g) Liquidity Risk

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

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

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

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

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

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

	<b>Less than 1 month RM</b>	<b>Total RM</b>
<b>15.12.2023</b>		
Financial assets:		
Financial assets held at FVTPL	3,948,115	3,948,115
Islamic deposits with financial institutions	906,098	906,098
Other financial assets	15,173	15,173
	<u>4,869,386</u>	<u>4,869,386</u>
Total undiscounted financial assets		
	<u>4,869,386</u>	<u>4,869,386</u>
Financial liabilities:		
Other financial liabilities	161,534	161,534
	<u>161,534</u>	<u>161,534</u>
Total undiscounted financial liabilities		
	<u>161,534</u>	<u>161,534</u>
NAV attributable to unit holders		
	<u>4,707,852</u>	<u>4,707,852</u>
<b>15.06.2023</b>		
Financial assets:		
Financial assets held at FVTPL	3,487,110	3,487,110
Islamic deposits with financial institutions	1,075,000	1,075,000
Other financial assets	252,684	252,684
	<u>4,814,794</u>	<u>4,814,794</u>
Total undiscounted financial assets		
	<u>4,814,794</u>	<u>4,814,794</u>
Financial liabilities:		
Other financial liabilities	146,952	146,952
	<u>146,952</u>	<u>146,952</u>
Total undiscounted financial liabilities		
	<u>146,952</u>	<u>146,952</u>
NAV attributable to unit holders		
	<u>4,667,842</u>	<u>4,667,842</u>

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

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

#### (i) Financial assets

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

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

#### (ii) Financial liabilities

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

#### (iii) Equity

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

### (h) Credit risk

#### Credit concentration

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

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

### (h) Credit risk (Cont'd.)

#### Credit default

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

## 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

<b>MANAGER</b>	MIDF Amanah Asset Management Berhad Registration Number: 197201000162 (11804-D)
<b>REGISTERED OFFICE</b>	Level 25, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Tel: 03 – 2173 8888
<b>BUSINESS OFFICE</b>	Level 20, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: midfamanah@midf.com.my 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) Level 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>	Nor Azita Sarip (MAICSA 7048861) Hadidah Amin (LS 10683) (Resigned effective 1 January 2024) Nor'adilah Arshad LS 10098) (Appointed effective 1 January 2024) 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.)

<b>TAX ADVISER</b>	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur
<b>SHARIAH ADVISER</b>	MIDF Amanah Investment Bank Berhad (23878-X) (Shariah Committee) Level 10, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor
<b>PRINCIPAL BANKERS</b>	Malayan Banking Berhad (3813-K) Menara Maybank, Jalan Tun Perak, 50050 Kuala Lumpur  OCBC Bank (Malaysia) Berhad (295400-W) 18th Floor, Menara OCBC, 18, Jalan Tun Perak, 50050 Kuala Lumpur



If undelivered, please return to:

**MIDF Amanah Asset Management Berhad**

Registration Number: 197201000162 (11804-D)

Level 20, Menara MBSB Bank, PJ Sentral

Lot 12, Persiaran Barat, Seksyen 52

46200 Petaling Jaya, Selangor

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

E-mail: [midfamanah@midf.com.my](mailto:midfamanah@midf.com.my)

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