



SEMI ANNUAL REPORT

For The Half Year Ended
15th July 2023

MIDF AMANAH ASSET MANAGEMENT BERHAD

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

15th July 2023

Dear Unit Holders:

FUND CATEGORY AND TYPE

Fund Category	Equity Fund
Fund Type	Smallcap Fund

ASSET ALLOCATION AS AT 15 JULY 2023

Shariah-compliant Equities	87.8%
Islamic Money Market Instruments and Others	12.2%

PERFORMANCE OF THE FUND

MIDF Amanah Strategic Fund ("MASF")	15/07/2023	15/01/2023	%
Net Asset Value ("NAV") (RM)	13,943,979	14,640,818	-4.76
NAV per Unit (RM)	1.0569	1.0768	-1.85
FBM Small Cap Shariah Index ("FBMSCSM")*	14,316.17	14,091.14	1.60

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

For the six months period ended 15th July 2023, the NAV per unit of MASF has decreased by -1.85% as compared to the benchmark FBMSCSM's return of +1.60%, translating to an underperformance of -3.45%.

The key objective of MASF is to achieve long-term capital growth through investment in smaller, high-growth companies. For the period under review, the Fund has maintained its NAV per unit above the initial price of RM1.00 even though did not achieve the growth objective due to the challenging market conditions.

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

EQUITY MARKET REVIEW

For the period under review, market sentiment was generally bearish, driven mainly by macro headwinds, such as the Covid-19 lockdown in China and aggressive tightening by central banks to tame the increased inflationary pressures.

Despite the inherent risks to the growth outlook, central banks' commitment to bringing inflation under control shook equity markets. Overall, the uncertainty about the global economic outlook remained elevated, reflected by the poor performance of stock markets globally that were mainly in the red. Towards the end of 2022, there were some respites seen in the markets, driven by a positive earnings season, despite the elevated inflationary pressures.

Wrapping up the first half of 2023, our local indices were generally traded in a bearish momentum with key heavyweight benchmark, FBM KLCI ended 1H2023 with a negative return of 7.94% at 1,377 points, being the second worst performing index in the region, after Thailand's SET -9.9%. This was followed by FBM Hijrah Syariah of -6.27%.

KEY MARKET RISKS

- Heightened geopolitical risks such as the long-drawn Ukraine-Russia conflict may derail global recovery and negatively affect investors' sentiment.
- Deteriorating relationship between the United States ("US") and China over Taiwan and Tech War.
- Prolonged interest rate tightening by the US Federal Reserve and other central banks worldwide.
- Continued weakening of Ringgit due to economic uncertainties will further aggravate capital outflows.
- Unprecedented macro headwinds and crises of confidence arising from assets mismanagement such as the banking turmoil in the US and Europe.
- Uncertainties over the domestic political scene as the state elections draws near.

INVESTMENT OUTLOOK AND STRATEGY

The world economy is still recovering from the unprecedented upheavals of the last three years, and macro headwinds have increased uncertainties while worries about stubbornly high inflation persist. Side effects from the prolonged monetary tightening are becoming apparent as banking sector vulnerabilities came into focus during the first quarter of the year. The resulting contagion that rose across the broader financial sector, including nonbank financial institutions had raised concern. Risks to the outlook are heavily skewed to the downside, with the chances of a recession among developed economies lingering.

Malaysia's GDP growth is expected to moderate in 2023 due to slower external demand arising from weakening global trade. Malaysia's economic growth is expected to be slower at 4.2%, moderating from +8.7% last year on the back of higher inflation and slower global growth. Downside risks are mostly externally driven, including geopolitical tensions, elevated price pressures and tighter financial conditions.

Meanwhile, the extreme climate occurrences, such as the current heat wave phenomena and the expected El Nino season during the latter part of 2023, are expected to weigh on economic activities to a certain extent, especially in the agriculture and construction sectors.

We remain cautiously optimistic over the medium to long term and believe that any market pullbacks offer windows of opportunities for selective buying. Malaysian equities are expected to be supported by the reopening theme while easing inflation will bode well for fixed-income assets.

Given the softer and uncertain global economic outlook, it is vital to have a defensive and prudent approach to navigating the uncertainties. Strategy moving forward will be anchored on portfolio rebalancing to position the portfolio: -

- Diversified and balanced strategies remain vital, focusing on companies with visible good growth prospects.
- Nimble investing with a prudent approach, capitalizing on market volatilities to take advantage of the opportunities and rotational interest seen in the market.
- Flexible deployment of investments and careful stock selection is imperative to protect portfolio performance and preservation of capital.
- Deployment of an active asset allocation strategy with equity exposure to average around 85% with peaks on market dips is necessary to manage the portfolio's downside risk.
- Continue to remain committed to our Sustainable Responsible Investment as well as Environmental, Social, and Governance themes across our investment approach, reinforced by our product launches as well as investment solutions/value propositions.

CURRENT PROFILE OF UNITHOLDINGS BY SIZE

Size of Unitholdings	No. of Unit holders	No. of Units Held	% of Unit holders
5,000 and below	1,842	1,993,962	76.15
5,001 to 10,000	237	1,663,934	9.80
10,001 to 50,000	296	6,035,035	12.24
50,001 to 500,000	44	3,500,032	1.82
500,001 and above	-	-	-
	2,419	13,192,964	100.00

PORTFOLIO COMPOSITION

	As at 15.07.2023 %	As at 15.07.2022 %	As at 15.07.2021 %
Construction	4.00	6.60	5.60
Consumer Products & Services	30.90	11.60	9.00
Energy	10.10	2.70	0.40
Healthcare	-	0.50	1.70
Industrial Products & Services	23.10	31.10	33.70
Plantation	0.30	0.20	0.50
Technology	18.20	27.40	34.80
Transportation & Logistics	-	0.50	1.00
Telecommunication & Media	1.20	-	-
Warrants	-	0.60	-
Cash and other Net Assets	12.20	18.80	13.30
	100.00	100.00	100.00

PERFORMANCE DATA

		As at 15.07.2023	As at 15.07.2022	As at 15.07.2021
NAV	[RM]	13,943,797	13,430,452	15,012,552
Units in Circulation	[Units]	13,192,964	14,082,478	14,549,974
NAV per Unit	[RM]	1.0569	0.9537	1.0318
Highest NAV*	[RM]	1.1109	1.0874	1.0874
Lowest NAV*	[RM]	0.9537	0.9318	0.9318
Total Return: - Capital Growth	[%]	10.82	-7.57	12.49
- Income Distribution		Nil	Nil	Nil
Total Expense Ratio (TER) ¹	[%]	0.88	0.88	0.88
Portfolio Turnover Ratio (PTR) ²	[x]	0.68	0.14	0.68

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

Notes:

* The highest / lowest selling and buying prices are adjusted prices after taking into account the distribution of income made at the financial year-end (“FYE”).

¹ The TER remained at 0.88% in 1H2023, similar to that registered in 1H2022.

² The PTR for 1H2023 was higher at 0.68 times as compared to 0.14 times in 1H2022. The variance was due to the slightly higher trading activities in 2023.

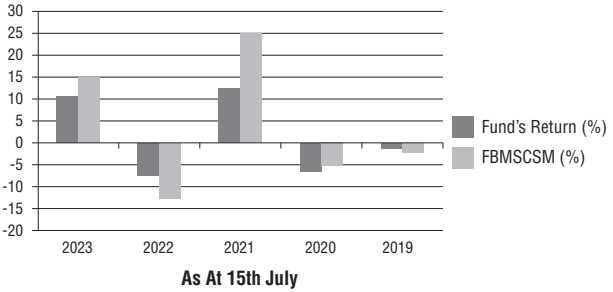
ANNUAL TOTAL RETURN

MIDF Amanah Strategic Fund					
As At 15th July	2023	2022	2021	2020	2019
Fund's Return (%)	10.82	-7.57	12.49	-6.67	-1.09
*FBMSCSM (%)	14.72	-13.24	25.21	-5.23	-2.25

* Source: Bloomberg

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

MIDF AMANAH STRATEGIC FUND



AVERAGE TOTAL RETURN

As at 15th July	The Fund	*FBMSCSM
One Year (%)	10.82	14.72
Three Years (%)	5.08	8.21
Five Years (%)	1.27	3.09

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

Average total return is derived using the following formula:

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

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

Yours faithfully
MIDF Amanah Asset Management Berhad

Shan Kamahl Mohammad
Director

Date: 4 September 2023

MANAGER'S REPORT

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

INVESTMENTS OF THE FUND

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

Sector	Aggregate cost as at	Acquisitions	Disposal	Aggregate cost as at
	16.01.2023			15.07.2023
	RM	RM	RM	RM
Construction	2,284,669	727,692	(2,513,988)	498,373
Consumer Products & Services	2,946,326	4,909,978	(3,764,897)	4,091,407
Energy	983,389	880,020	(736,692)	1,126,717
Health Care	65,289	79,500	(144,789)	-
Industrial Products & Services	2,575,828	1,792,226	(1,652,774)	2,715,280
Plantation	70,759	-	(35,167)	35,592
Technology	2,091,737	1,261,017	(1,445,517)	1,907,237
Transportation & Logistics	69,840	89,200	-	159,040
	<u>11,087,837</u>	<u>9,739,633</u>	<u>(10,293,824)</u>	<u>10,533,646</u>
Result				RM
Net loss after tax				<u>262,782</u>

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

INVESTMENT OBJECTIVE

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

MANAGEMENT FEES

During the financial period, the Manager is entitled to a management fee of RM106,393 (15.07.2022: RM107,811). The Manager's fee is computed on a daily basis at 1.5% (15.07.2022: 1.5%) per annum of the Net Asset Value ("NAV") of the Fund before deducting the Manager's and Trustees' fee for that particular day.

DISTRIBUTION

Unit holders 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 July 2023 (2022: Nil).

UNIT SPLIT

No unit split was made during the financial period ended 15 July 2023 (15.07.2022: 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

Datuk Joseph Dominic Silva

Tai Keat Chai

Hasman Yusri Yusoff

Shan Kamahl Mohammad (Appointed on 10 October 2022)

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 September 2023

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

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

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

Date: 9 August 2023

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

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

We hereby confirm the following:

- 1 To the best of our knowledge, after having made all reasonable enquiries, **MIDF AMANAH ASSET MANAGEMENT BERHAD** has operated and managed the Fund during the period covered by these financial statements in accordance with Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
- 2 The assets of the Fund comprise of instruments that have been classified as Shariah-compliant.

The Shariah Committee of MIDF Amanah Investment Bank Berhad as Shariah Adviser for **MIDF AMANAH STRATEGIC FUND** consists of the following members:

DR. 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, Shariah Committee
MIDF Amanah Investment Bank Berhad

Date: 4 September 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 42 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MIDF Amanah Strategic Fund as at 15 July 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 September 2023

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

	Note	16.01.2023 to 15.07.2023 RM	16.01.2022 to 15.07.2022 RM
INVESTMENT INCOME			
Dividend income		281,060	440,156
Profit income from Islamic deposits with financial institutions		28,113	20,829
Net loss from financial asset at fair value through profit or loss ("FVTPL")	7	<u>(367,157)</u>	<u>(2,035,234)</u>
		<u>(57,984)</u>	<u>(1,574,249)</u>
EXPENSES			
Manager's fee	3	(106,393)	(107,811)
Trustee's fee	4	(5,674)	(5,750)
Brokerage's fee		(43,975)	(9,896)
Auditors' remuneration		(3,472)	(3,394)
Tax agent's fee		(1,392)	(1,091)
Administrative expenses		<u>(43,892)</u>	<u>(16,179)</u>
		<u>(204,798)</u>	<u>(144,121)</u>
Net loss before tax		(262,782)	(1,718,370)
Income tax expense	5	<u>-</u>	<u>-</u>
Net loss after tax representing total comprehensive loss for the financial period		<u>(262,782)</u>	<u>(1,718,370)</u>
Net loss after tax is made up of the following:			
Net realised (loss)/gain		(433,541)	235,146
Net unrealised gain/(loss)		<u>170,759</u>	<u>(1,953,516)</u>
		<u>(262,782)</u>	<u>(1,718,370)</u>

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

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

	Note	15.07.2023 RM	15.01.2023 RM
ASSETS			
Financial assets at FVTPL	7	12,240,809	12,624,241
Islamic deposits with financial institutions	8	2,071,000	2,040,166
Other receivables		6,112	23,375
Cash at bank		19,992	6,396
TOTAL ASSETS		<u>14,337,913</u>	<u>14,694,178</u>
LIABILITIES			
Other payables		22,258	24,501
Amount due to brokers		344,595	-
Due to Manager		25,646	27,334
Due to Trustee		1,435	1,525
TOTAL LIABILITIES		<u>393,934</u>	<u>53,360</u>
EQUITY			
Unit holders' capital	10(a)	(15,127,971)	(14,693,914)
Retained earnings	10(b), 10(c)	29,071,950	29,334,732
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	10	<u>13,943,979</u>	<u>14,640,818</u>
TOTAL EQUITY AND LIABILITIES		<u>14,337,913</u>	<u>14,694,178</u>
UNITS IN CIRCULATION	10(a)	<u>13,192,964</u>	<u>13,596,804</u>
NAV PER UNIT (RM)		<u>1.0569</u>	<u>1.0768</u>

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

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

	Unit holders' capital Note 10(a) RM	Retained earnings Note 10(b) and 10(c) RM	Total equity RM
As at 16 January 2022	(13,912,085)	29,345,703	15,433,618
Total comprehensive loss for the financial period	-	(1,718,370)	(1,718,370)
Creation of units	78,491	-	78,491
Distribution equalisation	(109,976)	-	(109,976)
Cancellation of units	(253,311)	-	(253,311)
As at 15 July 2022	<u>(14,196,881)</u>	<u>27,627,333</u>	<u>13,430,452</u>
As at 16 January 2023	(14,693,914)	29,334,732	14,640,818
Total comprehensive loss for the financial period	-	(262,782)	(262,782)
Creation of units	514	-	514
Distribution equalisation	(155,731)	-	(155,731)
Cancellation of units	(278,840)	-	(278,840)
As at 15 July 2023	<u>(15,127,971)</u>	<u>29,071,950</u>	<u>13,943,979</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 JULY 2023**

	16.01.2023	16.01.2022
	to	to
	15.07.2023	15.07.2022
Note	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	9,717,089	2,281,587
Purchase of investments	(9,435,138)	(1,752,909)
Dividends received	298,257	429,727
Profit income received	28,178	20,908
Management fee paid	(108,082)	(112,762)
Trustee's fee paid	(5,764)	(6,014)
Audit fee paid	(7,000)	-
Payment for other fees and expenses	(9,053)	4,981
	<u> </u>	<u> </u>
Net cash generated from operating activities	<u>478,487</u>	<u>865,518</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	801	128,347
Cash payment for units cancelled	(434,858)	(413,143)
	<u> </u>	<u> </u>
Net cash used in financing activities	<u>(434,057)</u>	<u>(284,796)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	44,430	580,722
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	<u>2,046,562</u>	<u>1,937,426</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u><u>2,090,992</u></u>	<u><u>2,518,148</u></u>
Cash and cash equivalents comprise:		
Cash at bank	19,992	12,230
Islamic deposits with financial institutions	8 <u>2,071,000</u>	<u>2,505,918</u>
	<u>2,090,992</u>	<u>2,518,148</u>

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

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The MIDF Amanah Strategic Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 1 June 1970 and the various Supplemental Deeds between Asia Unit Trusts Berhad (“AUTB”), the Trustee - Amanah Raya Berhad and the Registered Holders of the Fund. The Deed and its respective Supplemental Deeds were consolidated on 18 December 1998. The various Master Supplemental Deeds were executed on 1 November 2001 and 31 October 2002. The Fund will continue its operations until terminated by the Trustee as provided under Part 13.2 of the Master Supplemental Deed dated 1 November 2001. On 6 November 2008, the Fourth Master Supplemental Deed was executed between the AUTB, Amanah Raya Berhad and AmanahRaya Trustees Berhad, whereby Amanah Raya Berhad will transfer and assign its rights, duties and obligation under the Master Deed with respect to the Fund and its assets to AmanahRaya Trustees Berhad. The effective date of the transfer was 28 November 2008. The various Master Supplemental Deeds were executed between 6 November 2008 and 12 April 2018. The Tenth Master Supplemental Deed with respect to the Shariah matters was executed on 12 April 2018.

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

The principal activity of the Fund is to invest in Authorised Investments as defined in the Deed, which includes stocks and shares of companies quoted on the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and short term deposits. The registered office of the Fund is located at Level 21, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur.

The Manager, MIDF Amanah Asset Management Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary of Malaysian Industrial Development Finance Berhad, whereas, Permodalan Nasional Berhad (“PNB”) and Yayasan Pelaburan Bumiputra (“YPB”) are the penultimate and ultimate holding companies. The holding companies are incorporated in Malaysia.

The principal activities of the Manager are the provision of Islamic fund management, 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 4 September 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 January 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 January 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 January 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.

(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.

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

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

Description	Effective for annual periods beginning on or after
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>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 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 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.

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'. Dividend income elements of such instruments are recorded separately as 'Dividend income'. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

(ii) Financial assets at amortised cost

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

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

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

(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 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.

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 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.

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

(l) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

No deferred tax is recognised as there are no material temporary differences.

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

(m) Segment reporting

For management purposes, the Fund is managed by two main portfolios, namely (1) Quoted Shariah-compliant securities and warrants (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 judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.50% (15.07.2022: 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% (15.07.2022: 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

	15.07.2023 RM	15.07.2022 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:

	15.07.2023 RM	15.07.2022 RM
Net loss before tax	<u>(262,782)</u>	<u>(1,718,370)</u>
Tax at Malaysian statutory rate of 24%	(63,068)	(412,409)
Effect of income not subject to tax	(74,201)	(110,636)
Expenses not deductible for tax purposes	<u>137,269</u>	<u>523,045</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

	15.07.2023 RM	15.01.2023 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant securities	12,240,809	12,418,483
Quoted Shariah-compliant warrants	<u>-</u>	<u>205,758</u>
	<u>12,240,809</u>	<u>12,624,241</u>
	16.01.2023 to 15.07.2023 RM	16.01.2022 to 15.07.2022 RM
Net loss on financial assets at FVTPL comprised:		
Realised loss on disposals	(537,916)	(81,718)
Unrealised changes in fair values	<u>170,759</u>	<u>(1,953,516)</u>
	<u>(367,157)</u>	<u>(2,035,234)</u>

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

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH-COMPLIANT SECURITIES				
Construction				
Gamuda Berhad	95,000	380,027	425,600	3.1
WCT Holdings Berhad	269,500	118,346	118,580	0.9
	<u>364,500</u>	<u>498,373</u>	<u>544,180</u>	<u>4.0</u>
Consumer Products & Services				
AirAsia X Berhad	300,000	487,260	471,000	3.4
Bermaz Auto Berhad	406,100	806,843	921,847	6.6
Capital A Berhad	187,000	135,311	158,015	1.1
MBM Resources Berhad	200,000	679,100	710,000	5.1
Padini Holdings Berhad	125,400	487,445	492,822	3.5
Perak Transit Berhad	1,007,200	1,076,082	1,117,992	8.0
Power Root Berhad	221,900	419,366	450,457	3.2
	<u>2,447,600</u>	<u>4,091,407</u>	<u>4,322,133</u>	<u>30.9</u>
Energy				
Uzma Berhad	500,000	338,810	345,000	2.5
Wasco Berhad	1,120,300	787,907	1,058,684	7.6
	<u>1,620,300</u>	<u>1,126,717</u>	<u>1,403,684</u>	<u>10.1</u>

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

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)				
Industrial Products & Services				
Leform Berhad	650,000	138,437	143,000	1.0
P.I.E. Industrial Berhad	315,400	958,341	930,430	6.7
Sam Engineering & Equipment (M) Berhad	130,600	233,540	639,940	4.6
Samaiden Group Berhad	180,100	183,443	214,319	1.5
Sunview Group Berhad	250,000	235,950	237,500	1.7
Uchi Technologies Berhad	299,900	965,569	1,055,648	7.6
	<u>1,826,000</u>	<u>2,715,280</u>	<u>3,220,837</u>	<u>23.1</u>
Plantation				
Sarawak Oil Palms Berhad	15,350	35,592	38,375	0.3
Technology				
D & O Green Technologies Berhad	58,000	224,301	237,800	1.7
Inari Amertron Berhad	100,000	224,188	300,000	2.1
MY E.G. Services Berhad	800,000	622,553	584,000	4.2
Pentamaster Corporation Berhad	10,000	36,147	54,000	0.4
Vitrox Corporation Berhad	170,000	800,048	1,363,400	9.8
	<u>1,138,000</u>	<u>1,907,237</u>	<u>2,539,200</u>	<u>18.2</u>

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

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

Name of Counter	Quantity/ Nominal amount Units	Cost RM	Fair Value RM	% of NAV %
QUOTED SHARIAH- COMPLIANT SECURITIES (CONT'D.)				
Telecommunications & Media				
Celcomdigi Berhad	40,000	159,040	172,400	1.2
TOTAL FINANCIAL ASSETS AT FVTPL	7,451,750	10,533,646	12,240,809	87.8
ACCUMULATED UNREALISED GAIN			1,707,163	

8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	15.07.2023 RM	15.01.2023 RM
Islamic deposits with licensed banks	2,071,000	2,040,166

The effective average profit rate for short-term Islamic placements as at 15 July 2023 is 2.84% (15.01.2023: 2.63%) per annum. The average maturity of deposits as at 15 July 2023 is 3 days (15.01.2023: 3 days).

9. SHARIAH INFORMATION OF THE FUND

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

- 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	15.07.2023 RM	15.01.2023 RM
Unit holders' capital	(a)	(15,127,971)	(14,693,914)
Retained earnings			
- Realised and distributable	(b)	27,364,787	27,798,328
- Unrealised reserve and non-distributable	(c)	1,707,163	1,536,404
Total equity		<u>13,943,979</u>	<u>14,640,818</u>

(a) Unit holders' Capital

	15.07.2023		15.01.2023	
	Units	RM	Units	RM
As at beginning of the financial period/year	13,596,804	(14,693,914)	14,363,314	(13,912,085)
Creation of units	767	514	145,203	92,533
Distribution equalisation	-	(155,731)	-	(291,328)
Cancellation of units	(404,607)	(278,840)	(911,713)	(583,034)
As at end of the financial period/year	<u>13,192,964</u>	<u>(15,127,971)</u>	<u>13,596,804</u>	<u>(14,693,914)</u>

(b) Realised and distributable

	15.07.2023 RM	15.01.2023 RM
As at the beginning of the financial period/year	27,798,328	28,536,406
Net realised loss	(433,541)	(738,078)
As at end of the financial period/year	<u>27,364,787</u>	<u>27,798,328</u>

10. TOTAL EQUITY (CONT'D.)

(c) Unrealised reserve and non-distributable

	15.07.2023 RM	15.01.2023 RM
As at the beginning of the financial period/year	1,536,404	809,297
Net unrealised gain attributable to investments	170,759	727,107
As at end of the financial period/year	<u>1,707,163</u>	<u>1,536,404</u>

11. UNITS HELD BY RELATED PARTIES

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

12. TRANSACTIONS WITH RELATED PARTIES AND OTHER INVESTMENT BANKS

	Value of Trade RM	% of Total Trade %	Brokerage Fees RM	% of Total Brokerage Fees %
15.07.2023				
Affin Hwang Investment Bank Berhad	3,680,026	18.9	9,200	20.9
Public Investment Bank Berhad	3,465,465	17.8	8,665	19.7
MIDF Amanah Investment Bank Berhad *	2,994,955	15.4	7,552	17.2
Kenanga Investment Bank Berhad	2,762,904	14.1	5,526	12.6
TA Securities Holdings Berhad	2,337,520	12.0	2,396	5.4
Maybank Investment Bank Berhad **	2,192,974	11.2	5,482	12.5
CGS -CIMB Securities Sdn Bhd	2,061,698	10.6	5,154	11.7
TOTAL	<u>19,495,542</u>	<u>100.0</u>	<u>43,975</u>	<u>100.0</u>

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

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

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

** The parent company of Maybank Investment Bank Berhad is an associate of PNB and YPB.

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

13. TOTAL EXPENSE RATIO (“TER”)

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on daily basis. The fees and expenses included Manager’s fee, Trustee’s fee, auditor’s remuneration, tax agent’s fee and other administrative expenses. For the six months financial period ended 15 July 2023, the TER of the Fund stood at 0.88% (15.07.2022: 0.88%).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund is the ratio of the average acquisitions and disposal of the Fund for the six months financial period to the average NAV of the Fund. For the six months financial period ended 15 July 2023, the PTR of the fund stood at 0.68 times (15.07.2022: 0.14 times).

15. SEGMENT INFORMATION

The Manager of the Fund is responsible for allocating resources available to the Fund in accordance with the overall Islamic investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed by two segments:

- Quoted Shariah-compliant securities and warrants; and
- Islamic deposits with financial institutions.

The investments objective of each segment is to achieve consistent returns from the investments of each segment while safeguarding capital by investing in diversified portfolios. There have been no changes in reportable segments in the current financial period. The segment information provided is presented to the Manager and Oversight Committee of the Fund.

	16.01.2023 to 15.07.2023			16.01.2022 to 15.07.2022		
	Quoted Shariah compliant securities RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant securities and warrants RM	Islamic deposits with financial institutions RM	Total RM
Dividend income	281,060	-	281,060	440,156	-	440,156
Profit income from Islamic deposits with financial institutions	-	28,113	28,113	-	20,829	20,829
Net loss from investments: - financial asset at FVTPL	(367,157)	-	(367,157)	(2,035,234)	-	(2,035,234)
Total segment operating (loss)/income for the financial period	<u>(86,097)</u>	<u>28,113</u>	<u>(57,984)</u>	<u>(1,595,078)</u>	<u>20,829</u>	<u>(1,574,249)</u>

15. SEGMENT INFORMATION (CONT'D.)

	15.07.2023			15.01.2023		
	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	12,240,809	-	12,240,809	12,624,241	-	12,624,241
Islamic deposits with financial institutions	-	2,071,000	2,071,000	-	2,040,166	2,040,166
Profit receivables	-	440	440	-	506	506
Dividend receivables	5,672	-	5,672	22,869	-	22,869
Total segment assets	<u>12,246,481</u>	<u>2,071,440</u>	<u>14,317,921</u>	<u>12,647,110</u>	<u>2,040,672</u>	<u>14,687,782</u>
Amount due to brokers	<u>344,595</u>	-	<u>344,595</u>	-	-	-
Total segment liabilities	<u>344,595</u>	-	<u>344,595</u>	-	-	-

15. SEGMENT INFORMATION (CONT'D.)

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

	16.01.2023	16.01.2022
	to	to
	15.07.2023	15.07.2022
	RM	RM
Net reportable segment operating loss	(57,984)	(1,574,249)
Expenses	(204,798)	(144,121)
	<u>(262,782)</u>	<u>(1,718,370)</u>
Net loss before tax	(262,782)	(1,718,370)
Income tax expense	-	-
	<u>(262,782)</u>	<u>(1,718,370)</u>

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

	15.07.2023	15.01.2023
	RM	RM
Total segment assets	14,317,921	14,687,782
Cash at bank	19,992	6,396
	<u>14,337,913</u>	<u>14,694,178</u>
Total assets of the Fund	<u>14,337,913</u>	<u>14,694,178</u>
Total segment liabilities	344,595	-
Other payables	22,258	24,501
Due to Manager	25,646	27,334
Due to Trustee	1,435	1,525
	<u>393,934</u>	<u>53,360</u>
Total liabilities of the Fund	<u>393,934</u>	<u>53,360</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 July 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
15.07.2023				
Assets				
Financial assets at FVTPL	12,240,809	-	-	12,240,809
Islamic deposits with financial institutions	-	2,071,000	-	2,071,000
Other receivables	-	6,112	-	6,112
Cash at bank	-	19,992	-	19,992
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets	<u>12,240,809</u>	<u>2,097,104</u>	<u>-</u>	<u>14,337,913</u>
Liabilities				
Other payables	-	-	22,258	22,258
Amount due to brokers	-	-	344,595	344,595
Due to Manager	-	-	25,646	25,646
Due to Trustee	-	-	1,435	1,435
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	<u>-</u>	<u>-</u>	<u>393,934</u>	<u>393,934</u>
15.01.2023				
Assets				
Financial assets at FVTPL	12,624,241	-	-	12,624,241
Islamic deposits with financial institutions	-	2,040,166	-	2,040,166
Other receivables	-	23,375	-	23,375
Cash at bank	-	6,396	-	6,396
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets	<u>12,624,241</u>	<u>2,069,937</u>	<u>-</u>	<u>14,694,178</u>
Liabilities				
Other payables	-	-	24,501	24,501
Due to Manager	-	-	27,334	27,334
Due to Trustee	-	-	1,525	1,525
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	<u>-</u>	<u>-</u>	<u>53,360</u>	<u>53,360</u>

16. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
15.07.2023				
Quoted Shariah-compliant securities	12,240,809	-	-	12,240,809
15.01.2023				
Quoted Shariah-compliant securities	12,418,483	-	-	12,418,483
Quoted Shariah-compliant warrants	205,758	-	-	205,758
	12,624,241	-	-	12,624,241

Quoted Shariah-compliant securities and quoted Shariah-compliant warrants

Fair value is determined directly by reference to their published market bid prices at the reporting date.

For instruments quoted on Bursa Malaysia, the market bid prices are determined by reference to the closing market price as published by Bloomberg.

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

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

17. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

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

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

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

(b) Risk management structure

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

(c) Risk measurement and reporting system

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

(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.

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

(d) Risk mitigation (Cont'd.)

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

(e) Excessive risk concentration

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

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

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

(f) Market Risk

(i) Profit rate risk

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

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

(ii) Equity price risk

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

Equity price risk sensitivity

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

Market Index	%	Effect on NAV Increase RM
15.07.2023		
Changes in equity price	+5	612,040
15.01.2023		
Changes in equity price	+5	631,212

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

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

(f) Market Risk (Cont'd.)

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

Equity price risk sensitivity (Cont'd.)

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

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

Equity price risk concentration

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

	15.07.2023		15.01.2023	
	Fair value RM	% of NAV	Fair value RM	% of NAV
Malaysia	12,240,809	87.8	12,624,241	86.2

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.

	Less than 1 month RM	Total RM
15.07.2023		
Financial assets:		
Financial assets held at FVTPL	12,240,809	12,240,809
Islamic deposits with financial institutions	2,071,000	2,071,000
Other financial assets	26,104	26,104
Total undiscounted financial assets	<u>14,337,913</u>	<u>14,337,913</u>
Financial liabilities:		
Other financial liabilities	393,934	393,934
Total undiscounted financial liabilities	<u>393,934</u>	<u>393,934</u>
NAV attributable to unit holders	<u>13,943,979</u>	<u>13,943,979</u>
Liquidity surplus	<u>-</u>	<u>-</u>
	Less than 1 month RM	Total RM
15.01.2023		
Financial assets:		
Financial assets held at FVTPL	12,624,241	12,624,241
Islamic deposits with financial institutions	2,040,166	2,040,166
Other financial assets	29,771	29,771
Total undiscounted financial assets	<u>14,694,178</u>	<u>14,694,178</u>
Financial liabilities:		
Other financial liabilities	53,360	53,360
Total undiscounted financial liabilities	<u>53,360</u>	<u>53,360</u>
NAV attributable to unit holders	<u>14,640,818</u>	<u>14,640,818</u>
Liquidity surplus	<u>-</u>	<u>-</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 behavioural cash flows, i.e. the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised/maturity dates of debt securities.

(ii) Financial liabilities

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

(iii) Equity

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

(h) Credit risk

Credit concentration

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

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

(h) Credit risk (Cont'd.)

Credit default

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

(i) Reclassification of Shariah status risk

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

18. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's approved fund size and units in issue at the end of the period is disclosed in Note 10(a).

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operation of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current financial period.

CORPORATE INFORMATION

MANAGER	MIDF Amanah Asset Management Berhad Registration No: 197201000162 (11804-D)
REGISTERED OFFICE	Level 21, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8888
BUSINESS OFFICE	Level 3A, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: midfamanah@midf.com.my Website: www.midf.com.my/index.php/en/what-we-do-en/asset-management
TRUSTEE	AmanahRaya Trustees Berhad (766894-T) Tingkat 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
BOARD OF DIRECTORS	Hasnah Omar – Chairman Datuk Joseph Dominic Silva Tai Keat Chai Hasman Yusri Yusoff Shan Kamahl Mohammad (appointed effective 10 October 2022) Norziana Mohd Inon (resigned effective 5 July 2023)
OVERSIGHT COMMITTEE MEMBERS	Hasman Yusri Yusoff – Chairman Tai Keat Chai Sheikh Shahrudin Sheikh Salim
BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS	Tai Keat Chai – Chairman Hasman Yusri Yusoff Norziana Mohd Inon (resigned effective 5 July 2023)
COMPANY SECRETARIES	Hadidah Amin (LS 05402) Nor Azita Sarip (MAICSA 7048861) Lailatul Mardhiyah Said Abdullah (LS 10110) (resigned effective 28 April 2023)
AUDITOR	Ernst & Young PLT Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, 50490 Kuala Lumpur

CORPORATE INFORMATION (CONT'D.)

TAX ADVISER	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, 50490 Kuala Lumpur
SHARIAH ADVISER	MIDF Amanah Investment Bank Berhad (23878-X) (Shariah Committee) Level 21, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur
PRINCIPAL BANKERS	Malayan Banking Berhad (3813-K) Menara Maybank, Jalan Tun Perak, 50050 Kuala Lumpur OCBC Bank (Malaysia) Berhad (295400-W) 18th Floor, Menara OCBC, 18, Jalan Tun Perak, 50050 Kuala Lumpur



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