

# MIDF AMANAH SHARIAH EQUITY FUND

**Quarterly Report (Unaudited)  
As At 30 April 2023**



**MIDF Amanah Asset Management Berhad**  
**Business Registration No.: 197201000162 (11804-D)**  
**Level 3A, Menara MIDF,**  
**82 Jalan Raja Chulan, 50200 Kuala Lumpur**  
**Tel: 03-2173 8888 Fax: 03-2173 8477**

**MIDF AMANAH ASSET MANAGEMENT BERHAD**

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

30 April 2023

Dear Unit Holder:

**FUND INFORMATION**

|                       |   |
|-----------------------|---|
| Fund Name             | MIDF Amanah Shariah Equity Fund   |
| Fund Category         | Shariah-Compliant Equity Wholesale Fund   |
| Fund Type             | Growth  |
| Investment Objective  | The Fund aims to achieve long-term capital growth for investors through investments in a portfolio of Shariah-compliant equities.   |
| Investment Strategy   | The Fund aims to invest at least 70% of its Net Asset Value ("NAV") in Shariah-compliant equities listed in Bursa Malaysia that offer long-term growth potential. The remainder of the Fund's NAV not invested in Shariah-compliant equities will be invested in Islamic Deposits and/or Islamic money market instruments up to a limit of 30% of the Fund's NAV.   |
| Performance Benchmark | FTSE Bursa Malaysia Hijrah Index<br><i>Note: The risk profile of the Fund differs from the risk profile of the benchmark.</i>   |
| Distribution Policy   | Annually, depending on the level of income (if any) the Fund generates and at the discretion* of the Manager after deducting all fees, zakat and expenses including management fee and trustee fee.<br><i>*The Manager has the discretion with due consideration for the best interest of the Fund, to decide on the amount to be distributed to the Unit Holders. If the distribution available is too small or insignificant, the Manager may choose not to distribute the income as the distribution may not be beneficial to the Unit Holders as the total cost to be incurred in such distribution may be higher than the amount available for distribution.</i> |

**CURRENT PROFILE OF UNITHOLDINGS BY SIZE**

| Size of Holdings  | No. Of Accounts | No. Of Units Held |
|-------------------|-----------------|-------------------|
| 5,000 and below   | 0               | 0                 |
| 5,001 to 10,000   | 0               | 0                 |
| 10,001 to 50,000  | 1               | 49,870            |
| 50,001 to 500,000 | 0               | 0                 |
| 500,001 and above | 2               | 11,975,556        |
| <b>TOTAL</b>      | <b>3</b>        | <b>12,025,426</b> |

## PERFORMANCE OF THE FUND

| MIDF Amanah Shariah Equity Fund ("MIDFA-SEF") | As at 30 April 2023 | As at 31 January 2023 | %     |
|---|---------------------|-----------------------|-------|
| NAV (RM)                                      | 9,769,234           | 10,381,570            | -5.90 |
| NAV per Unit (RM)                             | 0.8124              | 0.8633                | -5.90 |
| FTSE Bursa Malaysia Hijrah Index ("FBMHS")    | 11,536.83           | 11,849.61             | -2.64 |

## FUND PERFORMANCE REVIEW

For the Quarter ended 30 April 2023, the NAV per unit of MIDFA-SEF declined by 5.90% while the FTSE Bursa Malaysia Hijrah Shariah ("FBMHS") Index decreased by 2.64%, translating to an underperformance of 3.26% against the benchmark for the period under review.

The key objective of the MIDFA-SEF is to achieve long-term capital growth through investments in Shariah-compliant equities.

The FBMHS Index has been identified as the benchmark for MIDFA-SEF as it is the closest comparable index.

## PERFORMANCE DATA

|                       |         | As At<br>30 April 2023 | As At<br>31 January 2023 |
|-----------------------|---------|------------------------|--------------------------|
| NAV                   | [RM]    | 9,769,234              | 10,381,570               |
| Units in Circulation  | [Units] | 12,025,426             | 12,025,426               |
| NAV per Unit          | [RM]    | 0.8124                 | 0.8633                   |
| Highest NAV*          | [RM]    | 0.8741                 | 0.8633                   |
| Lowest NAV*           | [RM]    | 0.8319                 | 0.7491                   |
| Total return:         |         |                        |                          |
| - Capital Growth      | [%]     | -5.90                  | 14.71                    |
| - Income Distribution |         | NIL                    | NIL                      |

## QUARTERLY TOTAL RETURN OF THE FUND

| As At 30 April 2023<br>(Quarter Ended From 01.02.2023 To 30.04.2023) | ★ The Fund (%) | # FBMHS (%) |
|--|----------------|-------------|
| 3 Months   | -5.90          | -2.64       |

★ Source: Internal Data

# Source: Bloomberg

## **MARKET REVIEW**

After a solid start to the year, major equity markets traded mixed in February 2023 on the back of resilient economic data suggesting that any hope for a pause in interest rate hikes may still be some way off. Our local benchmark, the FBM KLCI, fell in February 2023, down by -2.1% from the persistent inflation fears and earnings risks. Out of the nine local indices that were closely followed, none registered a positive return in February 2023, with FBM Ace being the worst performer with a return of -6.2%.

In March 2023, global markets were largely positive despite the shocks caused by Silicon Valley Bank (SVB). This was followed shortly by further financial sector turmoil in Europe, causing stocks to dip sharply in March 2023 before recovering to finish the month in the green. However, our FBM KLCI continued its bearish momentum to end the first quarter of 2023, with a decline of 4.87%

Positive economic momentum in April 2023 has further supported risk assets despite the ongoing pressure in the banking sector, with developed market equities rising by 1.8%. Bucking the global trend, the FBM KLCI continued its decline, down by 0.47% in April 2023 (-5.32% YTD), dragged down by the highly volatile environment.

## **INVESTMENT OUTLOOK AND STRATEGY**

After a decent start to the year, global equity markets turned volatile due to stresses in the banking system resulting in the closing of three United States (“US”) regional banks, a forced takeover of Credit Suisse, government deposit backstops, and a new special lending facility for banks. Turmoil in the U.S. banking system has led to a conundrum for regulators to balance tensions between price and financial stability. In general, consensus is expecting rates to stay around 5% - 5.25% through 2023.

On the local market, after a strong recovery in 2022, growth is projected to moderate to about 4.5% in 2023 on the back of external headwinds whilst inflation remains elevated. Downside risks are mostly externally driven, including an abrupt global slowdown and larger than envisaged monetary policy tightening by major central banks. A gradual fiscal consolidation strategy, as appropriately set out in the 2023 Budget has signified the authorities commitment to fiscal prudent and reforms, including the upcoming tabling of the Fiscal Responsibility Act, the planned subsidy reform, and plans to develop a medium-term revenue strategy.

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. Strategy for portfolio positioning as below:

- Diversified and balanced strategies remain vital, focusing on companies with visible good growth prospects, decent profit margins, strong cash flow and balance sheet as well as high dividend yield.
- Nimble investing with prudent approach, capitalizing on market volatilities to take advantage of the opportunities and rotational interest seen in the market. Proactive portfolio construction by balancing the exposure to Value, Growth and Dividend stocks.
- Flexible deployment of investments as well as careful stock selection is imperative to protect portfolio performance and preservation of capital.
- Deployment of active asset allocation strategy with equity exposure to average around 85%, peaks on market dips is deemed necessary to manage portfolio's downside risk.

**KEY MARKET RISKS**

- Heightened geopolitical risks with a prolonged Ukraine-Russia conflict may continue to derail global recovery and negatively affect investors' sentiment.
- Sudden weakening of Ringgit due to economic uncertainties making our domestic assets unattractive and cause investors to move away as a result of potential forex exposure losses.
- Unprecedented macro headwinds and crises of confidence arising from assets mismanagement such as the recent banking crisis.
- Prolonged interest rates hike among central bankers worldwide which may dampen bullish view on equity markets.

**CHANGES IN INVESTMENT TEAM**

There is no change in the Investment team.

**FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2023**

**To the unit holders of  
MIDF AMANAH SHARIAH EQUITY 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 Shariah Equity 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,

**-APPROVED VIA EMAIL-**

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

Date: 16/6/2023

**MIDF AMANAH SHARIAH EQUITY FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2023**

|  | Individual Quarter |                 | Cumulative Quarters |                  |
|--|--------------------|-----------------|---------------------|------------------|
|  | 3 Months Ended     | 3 Months Ended  | 9 Months Ended      | 9 Months Ended   |
|  | 30 Apr 2023        | 30 Apr 2022     | 30 Apr 2023         | 30 Apr 2022      |
|  | RM                 | RM              | RM                  | RM               |
| <b>INVESTMENT INCOME</b>   |                    |                 |                     |                  |
| Dividend income  | 66,188             | 86,421          | 188,320             | 183,861          |
| Profit income from Islamic deposits<br>with financial institutions   | 15,489             | 6,340           | 40,661              | 20,512           |
| Net (loss)/gain from financial assets at fair<br>value through profit or loss ("FVTPL")                            | (253,401)          | 54,025          | 780,337             | (26,295)         |
|  | <u>(171,724)</u>   | <u>146,786</u>  | <u>1,009,318</u>    | <u>178,078</u>   |
| <b>EXPENSES</b>  |                    |                 |                     |                  |
| Manager's fee  | (37,489)           | (35,813)        | (109,103)           | (112,145)        |
| Trustee's fee  | (1,250)            | (1,194)         | (3,637)             | (3,738)          |
| Auditors' remuneration   | (1,707)            | (1,585)         | (5,236)             | (4,862)          |
| Brokerage fees   | (14,619)           | (8,742)         | (51,652)            | (33,167)         |
| Tax agent's fee  | (734)              | (536)           | (2,041)             | (1,646)          |
| Administrative expenses  | (12,798)           | (7,049)         | (40,755)            | (23,287)         |
|  | <u>(68,597)</u>    | <u>(54,919)</u> | <u>(212,424)</u>    | <u>(178,845)</u> |
| <b>Net (loss)/income before tax</b>  | (240,321)          | 91,867          | 796,894             | (767)            |
| Income tax expense   | -                  | -               | -                   | (578)            |
| <b>Net (loss)/income after tax representing total<br/>comprehensive (loss)/income for the<br/>financial period</b> | <u>(240,321)</u>   | <u>91,867</u>   | <u>796,894</u>      | <u>(1,345)</u>   |
| Net (loss)/income after tax is made up of the following:   |                    |                 |                     |                  |
| Net realised gain/(loss)   | 528,585            | 139,760         | (330,870)           | 475,409          |
| Net unrealised (loss)/gain   | (768,906)          | (47,893)        | 1,127,764           | (476,754)        |
|  | <u>(240,321)</u>   | <u>91,867</u>   | <u>796,894</u>      | <u>(1,345)</u>   |

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

**MIDF AMANAH SHARIAH EQUITY FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2023**

|  | Note        | 30 Apr 2023<br>RM  | 31 July 2022<br>RM |
|--|-------------|--------------------|--------------------|
| <b>ASSETS</b>  |             |                    |                    |
| Financial assets at FVTPL  |             | 7,452,100          | 7,212,652          |
| Islamic deposits with financial institutions   |             | 2,695,548          | 2,140,142          |
| Other receivables  |             | 2,022              | 2,376              |
| Cash at bank   |             | 17,591             | 13,747             |
| <b>TOTAL ASSETS</b>  |             | <u>10,167,261</u>  | <u>9,368,917</u>   |
| <b>LIABILITIES</b>   |             |                    |                    |
| Due to Manager   |             | 12,587             | 11,452             |
| Due to Trustee   |             | 448                | 410                |
| Other payable  |             | 12,977             | 12,700             |
| <b>TOTAL LIABILITIES</b>   |             | <u>26,012</u>      | <u>24,562</u>      |
| Unit holders' capital  | 1 (a)       | 12,124,600         | 12,124,600         |
| Accumulated losses   | 1 (b) & (c) | <u>(1,983,351)</u> | <u>(2,780,245)</u> |
| <b>TOTAL EQUITY, REPRESENTING NET ASSET<br/>VALUE ("NAV") ATTRIBUTABLE TO<br/>UNIT HOLDERS</b> |             | <u>10,141,249</u>  | <u>9,344,355</u>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |             | <u>10,167,261</u>  | <u>9,368,917</u>   |
| <b>UNITS IN CIRCULATION</b>  | 1 (a)       | <u>12,025,426</u>  | <u>12,025,426</u>  |
| <b>NAV PER UNIT (RM)</b>   |             | <u>0.8433</u>      | <u>0.7770</u>      |

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



**MIDF AMANAH SHARIAH EQUITY FUND****UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2023**

|  | <b>Unit holders'<br/>capital<br/>Note 1 (a)<br/>RM</b> | <b>Accumulated<br/>losses<br/>Note 1 (b) &amp; (c)<br/>RM</b> | <b>Total<br/>equity<br/>RM</b> |
|--|--|---|--------------------------------|
| As at 1 August 2021                                    | 12,204,172   | (2,354,021)   | 9,850,151                      |
| Total comprehensive loss for the<br>financial period   | -  | (1,345)   | (1,345)                        |
| Cancellation of units                                  | (79,572)   | -   | (79,572)                       |
| As at 30 April 2022                                    | <u>12,124,600</u>                                      | <u>(2,355,366)</u>  | <u>9,769,234</u>               |
| As at 1 August 2022                                    | 12,124,600   | (2,780,245)   | 9,344,355                      |
| Total comprehensive income for the<br>financial period | -  | 796,894   | 796,894                        |
| As at 30 April 2023                                    | <u>12,124,600</u>                                      | <u>(1,983,351)</u>  | <u>10,141,249</u>              |

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

**MIDF AMANAH SHARIAH EQUITY FUND**

**UNAUDITED STATEMENT OF CASH FLOW  
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2023**

|  | Individual Quarter |                | Cumulative Quarters |                |
|--|--------------------|----------------|---------------------|----------------|
|  | 3 Months Ended     | 3 Months Ended | 9 Months Ended      | 9 Months Ended |
|  | 30 Apr 2023        | 30 Apr 2022    | 30 Apr 2023         | 30 Apr 2022    |
|  | RM                 | RM             | RM                  | RM             |
| <b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>                          |                    |                |                     |                |
| Proceeds from sale of investments  | 3,039,550          | 1,874,539      | 10,888,922          | 6,519,425      |
| Purchase of investments  | (3,001,751)        | (1,942,633)    | (10,438,087)        | (6,896,109)    |
| Dividend received  | 71,516             | 83,331         | 188,950             | 188,878        |
| Income from Islamic deposits received  | 15,101             | 6,392          | 40,384              | 20,485         |
| Manager's fee paid   | (37,756)           | (36,256)       | (107,968)           | (112,665)      |
| Trustee's fee paid   | (1,258)            | (1,209)        | (3,599)             | (3,755)        |
| Audit fee paid   | (7,000)            | -              | (7,000)             | (6,500)        |
| Tax agent's fee paid   | -                  | -              | -                   | (578)          |
| Payment for other fees and expenses  | (1,448)            | (725)          | (2,352)             | (2,924)        |
| Net cash generated from/(used in) operating and investing activities               | 76,954             | (16,561)       | 559,250             | (293,743)      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                |                     |                |
| Cash payment for units cancelled, representing net cash used in financing activity | -                  | (79,572)       | -                   | (79,572)       |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                        | 76,954             | (96,133)       | 559,250             | (373,315)      |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>                        | 2,636,185          | 1,543,833      | 2,153,889           | 1,821,015      |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>                              | 2,713,139          | 1,447,700      | 2,713,139           | 1,447,700      |
| Cash and cash equivalents comprise:  |                    |                |                     |                |
| Cash at bank   | 17,591             | 6,588          | 17,591              | 6,588          |
| Islamic deposits with financial institutions                                       | 2,695,548          | 1,441,112      | 2,695,548           | 1,441,112      |
|  | 2,713,139          | 1,447,700      | 2,713,139           | 1,447,700      |

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

**MIDF AMANAH SHARIAH EQUITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 APRIL 2023**

**1. TOTAL EQUITY**

|  | Note | 30 April 2023<br>RM | 31 July 2022<br>RM |
|--|------|---------------------|--------------------|
| Unit holders' capital                      | (a)  | 12,124,600          | 12,124,600         |
| Accumulated losses                         |      |                     |                    |
| - Realised and distributable               | (b)  | (2,053,580)         | (1,722,710)        |
| - Unrealised reserve and non-distributable | (c)  | 70,229              | (1,057,535)        |
| Total equity                               |      | <u>10,141,249</u>   | <u>9,344,355</u>   |

**(a) Unit holder's capital**

|   | 30 April 2023     |                   | 31 July 2022      |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Units             | Amount<br>RM      | Units             | Amount<br>RM      |
| As at the beginning of<br>the financial period/year | 12,025,426        | 12,124,600        | 12,123,785        | 12,204,172        |
| Cancellation of units                               | -                 | -                 | (98,359)          | (79,572)          |
| As at the end of<br>the financial period/year       | <u>12,025,426</u> | <u>12,124,600</u> | <u>12,025,426</u> | <u>12,124,600</u> |

**(b) Realised and distributable**

|  | 30 April 2023<br>RM | 31 July 2022<br>RM |
|--|---------------------|--------------------|
| As at beginning of the financial period/year | (1,722,710)         | (1,947,395)        |
| Net realised (loss)/income                   | (330,870)           | 224,685            |
| As at the end of the financial period/year   | <u>(2,053,580)</u>  | <u>(1,722,710)</u> |

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

|  | 30 April 2023<br>RM | 31 July 2022<br>RM |
|--|---------------------|--------------------|
| As at beginning of the financial period/year             | (1,057,535)         | (406,626)          |
| Net unrealised income/(loss) attributable to investments | 1,127,764           | (650,909)          |
| As at the end of the financial period/year               | <u>70,229</u>       | <u>(1,057,535)</u> |

## CORPORATE INFORMATION

|  |   |
|--|---|
| <b>MANAGER</b>   | MIDF Amanah Asset Management Berhad<br>Registration No: 197201000162 (11804-D)  |
| <b>REGISTERED OFFICE</b>   | Level 21, Menara MIDF, 82 Jalan Raja Chulan,<br>50200 Kuala Lumpur<br>Tel: 03 – 2173 8888   |
| <b>BUSINESS OFFICE</b>   | Level 3A, Menara MIDF, 82 Jalan Raja Chulan,<br>50200 Kuala Lumpur<br>Tel: 03 - 2173 8488 (Customer Service Line)<br>Fax: 03 - 2173 8555<br>E-mail: <a href="mailto:_midfamanah@midf.com.my">_midfamanah@midf.com.my</a><br>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)<br>Tingkat 14, Wisma AmanahRaya, No. 2 Jalan Ampang,<br>50508 Kuala Lumpur  |
| <b>BOARD OF DIRECTORS</b>  | Hasnah Omar – Chairman<br>Datuk Joseph Dominic Silva<br>Tai Keat Chai<br>Hasman Yusri Yusoff<br>Norziana Mohd Inon (appointed effective 27 May 2022)<br>Shan Kamahl Mohammad (appointed effective 10 October 2022)<br>Dato' Charon Wardini Mokhzani (resigned effective 17 May 2022)<br>Mohamed Sany Mohamed Zainudin (resigned effective 7 July 2022)                            |
| <b>OVERSIGHT<br/>COMMITTEE MEMBERS</b>                           | Hasman Yusri Yusoff - Chairman<br>Tai Keat Chai<br>Sheikh Shahrudin Sheikh Salim  |
| <b>BOARD AUDIT AND<br/>RISK MANAGEMENT<br/>COMMITTEE MEMBERS</b> | Tai Keat Chai – Chairman<br>Hasman Yusri Yusoff<br>Norziana Mohd Inon (appointed effective 15 August 2022)<br>Hasnah Omar (resigned effective 15 August 2022)   |
| <b>COMPANY SECRETARY</b>   | Hadidah Amin (LS 05402)<br>Nor Azita Sarip (MAICSA 7048861)   |
| <b>AUDITOR</b>   | Ernst & Young PLT<br>Level 23A, Menara Milenium, Jalan Damanlela<br>Pusat Bandar Damansara<br>50490 Kuala Lumpur  |
| <b>TAX ADVISER</b>   | Ernst & Young Tax Consultants Sdn Bhd<br>Level 23A, Menara Milenium, Jalan Damanlela<br>Pusat Bandar Damansara<br>50490 Kuala Lumpur  |
| <b>SHARIAH ADVISER</b>   | MIDF Amanah Investment Bank Berhad (23878-X)<br>(Shariah Committee)<br>Level 21, Menara MIDF, 82 Jalan Raja Chulan,<br>50200 Kuala Lumpur   |
| <b>PRINCIPAL BANKERS</b>   | Malayan Banking Berhad (3813-K)<br>Menara Maybank, Jalan Tun Perak,<br>50050 Kuala Lumpur<br><br>OCBC Bank (Malaysia) Berhad (295400-W)<br>18th Floor, Menara OCBC<br>18 Jalan Tun Perak<br>50050 Kuala Lumpur  |