

MIDF AMANAH SHARIAH EQUITY FUND

**Quarterly Report (Unaudited)
As At 31 October 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

31 October 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 <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. <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
TOTAL	3	12,025,426

PERFORMANCE OF THE FUND

MIDF Amanah Syariah Equity Fund ("MIDFA-SEF")	As at 31 October 2023	As at 31 July 2023	%
NAV (RM)	10,068,075	10,017,807	0.50
NAV per Unit (RM)	0.8372	0.8331	0.49
FTSE Bursa Malaysia Hijrah Index ("FBMHS")	11,586.08	11,779.60	-1.64

FUND PERFORMANCE REVIEW

For the Quarter ended 31 October 2023, the NAV per unit of MIDFA-SEF increased by 0.49% while the fund's benchmark FTSE Bursa Malaysia Hijrah Shariah ("FBMHS") Index declined by 1.64%, translating to an outperformance of 2.13% 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. For the period under review, the Fund achieved its objective in growing the NAV and outperformed the benchmark.

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

PERFORMANCE DATA

		As At 31 October 2023	As At 31 July 2023
NAV	[RM]	10,068,075	10,017,807
Units in Circulation	[Units]	12,025,426	12,025,426
NAV per Unit	[RM]	0.8372	0.8331
Highest NAV*	[RM]	0.8708	0.8741
Lowest NAV*	[RM]	0.8300	0.7328
Total return:			
- Capital Growth	[%]	0.49	7.22
- Income Distribution		NIL	NIL

QUARTERLY TOTAL RETURN OF THE FUND

As of 31 October 2023 (Quarter Ended From 01.08.2023 To 31.10.2023)	★ The Fund (%)	# FBMHS (%)
3 Months	0.49	-1.64

★ Source: Internal Data

Source: Bloomberg

MARKET REVIEW

After a roller-coaster ride during the first quarter of 2023 to some rebounds in the second quarter of 2023, global markets started the quarter under review (August 2023) in the red, contributed by the jittery of Chinese markets as the country grappled with renewed concern on its property market and weak macroeconomic data. Global equities declined further in September 2023 after hawkish central banks signaled their “higher for longer” stance, 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 in October 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 US Dollar rallying as investors fled to the safe haven.

Our market was also under pressure during the period under review, with FBM KLCI declining in August 2023 and September 2023 before recovering slightly in October 2023. During the period, the FBMKLCI dropped by more than 1%. Other than FBM Hijrah Shariah, which declined by 1.64%, major benchmarks such as FBM Emas and FBM Emas Shariah were also in the red. Meanwhile, in terms of sectoral performance, Property, Utilities, and Construction continued dominating in providing alpha, while Telecommunication, Healthcare, Technology, and Plantation were the laggards.

INVESTMENT OUTLOOK AND STRATEGY

- We believe domestic equities are poised for a tailwind, to be further supported by KLCI’s modest valuations of 15x PER, which is still lower than its three-year average of 17x PER.
- While domestic fundamentals remain supportive and valuations are cheap, markets are still concerned on slower global economic growth particularly with China’s wobbling economy.
- Having mindful that macro volatility is likely to persist, we advocate a cautiously optimistic stance over the medium to long term.
- Investment exposure shall be strategically positioned within the range of 80% - 85%. Strategy moving forward will be anchored on stock allocation, bottom-up, quality tilted that offer diversification opportunities.
- Stock selection and allocation will remain vital to drive performance, while deployment of tactical and flexible investment strategy is imperative to maintain preservation of capital whilst managing downside risks.

KEY MARKET RISKS

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

CHANGES IN INVESTMENT TEAM

There is no change in the Investment team for the period under review.

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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: 19 December 2023

MIDF AMANAH SHARIAH EQUITY FUND**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	Cumulative Quarters	
	3 Months Ended	
	31.10.2023	31.10.2022
	RM	RM
INVESTMENT INCOME		
Dividend income	79,028	83,499
Profit income from Islamic deposits with financial institutions	15,246	11,100
Net gain/(loss) from financial assets at fair value through profit or loss ("FVTPL")	24,586	(315,465)
	<u>118,860</u>	<u>(220,866)</u>
EXPENSES		
Manager's fee	(38,657)	(34,843)
Trustee's fee	(1,289)	(1,161)
Auditors' remuneration	(1,760)	(1,765)
Brokerage fees	(16,443)	(20,244)
Tax agent's fee	(744)	(555)
Administrative expenses	(9,699)	(15,043)
	<u>(68,592)</u>	<u>(73,611)</u>
Net income/(loss) before tax	50,268	(294,477)
Income tax expense	-	-
Net income/(loss) after tax representing total comprehensive income/(loss) for the financial period	<u>50,268</u>	<u>(294,477)</u>
Net income/(loss) after tax is made up of the following:		
Net realised gain/(loss)	237,722	(1,134,214)
Net unrealised (loss)/gain	(187,454)	839,737
	<u>50,268</u>	<u>(294,477)</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 31 OCTOBER 2023**

	Note	31.10.2023 RM	31.07.2023 RM
ASSETS			
Financial assets at FVTPL		8,481,982	7,345,109
Islamic deposits with financial institutions		1,758,117	2,685,427
Other receivables		3,543	3,782
Cash at bank		10,911	7,790
TOTAL ASSETS		<u>10,254,553</u>	<u>10,042,108</u>
LIABILITIES			
Due to Manager		12,994	12,615
Due to Trustee		461	449
Amount due to brokers		158,960	-
Other payable		14,063	11,237
TOTAL LIABILITIES		<u>186,478</u>	<u>24,301</u>
Unit holders' capital	1 (a)	12,124,600	12,124,600
Accumulated losses	1 (b) & (c)	(2,056,525)	(2,106,793)
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	1	<u>10,068,075</u>	<u>10,017,807</u>
TOTAL LIABILITIES AND EQUITY		<u>10,254,553</u>	<u>10,042,108</u>
UNITS IN CIRCULATION	1 (a)	<u>12,025,426</u>	<u>12,025,426</u>
NAV PER UNIT (RM)		<u>0.8372</u>	<u>0.8331</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 THREE MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	Unit holders' capital Note 1 (a) RM	Accummulated losses Note 1 (b) & (c) RM	Total equity RM
As at 1 August 2022	12,124,600	(2,780,245)	9,344,355
Total comprehensive loss for the financial period	-	(294,477)	(294,477)
As at 31 October 2022	<u>12,124,600</u>	<u>(3,074,722)</u>	<u>9,049,878</u>
As at 1 August 2023	12,124,600	(2,106,793)	10,017,807
Total comprehensive income for the financial period	-	50,268	50,268
As at 31 October 2023	<u>12,124,600</u>	<u>(2,056,525)</u>	<u>10,068,075</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 THREE MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	Cumulative Quarters	
	3 Months Ended	
	31.10.2023	31.10.2022
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	2,864,513	3,961,995
Purchase of investments	(3,843,244)	(3,947,448)
Dividend received	78,855	84,354
Income from Islamic deposits received	15,658	11,184
Manager's fee paid	(38,279)	(34,821)
Trustee's fee paid	(1,276)	(1,161)
Payment for other fees and expenses	(416)	(415)
Net cash (used in)/generated from operating and investing activities	<u>(924,189)</u>	<u>73,688</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash payment for units cancelled, representing net cash used in financing activity	<u>-</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(924,189)</u>	<u>73,688</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>2,693,217</u>	<u>2,153,889</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>1,769,028</u>	<u>2,227,577</u>
Cash and cash equivalents comprise:		
Cash at bank	10,911	21,260
Islamic deposits with financial institutions	1,758,117	2,206,317
	<u>1,769,028</u>	<u>2,227,577</u>

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 THREE MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

1. TOTAL EQUITY

	Note	31.10.2023 RM	31.07.2023 RM
Unit holders' capital	(a)	12,124,600	12,124,600
Accumulated losses			
-Realised and distributable	(b)	(1,816,963)	(2,055,623)
-Unrealised reserve and non-distributable	(c)	(239,562)	(51,170)
Total equity		<u>10,068,075</u>	<u>10,017,807</u>

(a) Unit holder's capital

	31.10.2023		31.07.2023	
	No of units	Amount RM	No of units	Amount RM
As at the beginning of the financial period/year	12,025,426	12,124,600	12,025,426	12,124,600
Cancellation of units	-	-	-	-
As at the end of 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

	31.10.2023 RM	31.07.2023 RM
As at beginning of the financial period/year	(2,055,623)	(1,722,710)
Net realised gain/(loss)	238,660	(332,913)
As at the end of the financial period/year	<u>(1,816,963)</u>	<u>(2,055,623)</u>

(c) Unrealised reserve and non-distributable

	31.10.2023 RM	31.07.2023 RM
As at beginning of the financial period/year	(51,170)	(1,057,535)
Net unrealised (loss)/income attributable to investments	(188,392)	1,006,365
As at the end of the financial period/year	<u>(239,562)</u>	<u>(51,170)</u>

CORPORATE INFORMATION

MANAGER	MIDF Amanah Asset Management Berhad Registration No: 197201000162 (11804-D)
REGISTERED OFFICE	Level 21, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 – 2173 8888
BUSINESS OFFICE	Level 3A, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: _midfamanah@midf.com.my Website: www.midf.com.my/index.php/en/what-we-do-en/asset-management
TRUSTEE	AmanahRaya Trustees Berhad (766894-T) Tingkat 14, Wisma AmanahRaya, No. 2 Jalan Ampang, 50508 Kuala Lumpur
BOARD OF DIRECTORS	Hasnah Omar – Chairman Tai Keat Chai Hasman Yusri Yusoff Shan Kamahl Mohammad Dato' Azlan 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)
OVERSIGHT COMMITTEE MEMBERS	Hasman Yusri Yusoff - Chairman Tai Keat Chai Sheikh Shahrudin Sheikh Salim
BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS	Tai Keat Chai – Chairman Hasman Yusri Yusoff Norziana Mohd Inon (resigned effective 5 July 2023)
COMPANY SECRETARY	Hadidah Amin (LS 10683) Nor Azita Sarip (MAICSA 7048861) Lailatul Mardhiah Said Abdullah (LS 10110) (resigned effective 28 April 2023)
AUDITOR	Ernst & Young PLT Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur
TAX ADVISER	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur
SHARIAH ADVISER	MIDF Amanah Investment Bank Berhad (23878-X) (Shariah Committee) Level 21, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur
PRINCIPAL BANKERS	Malayan Banking Berhad (3813-K) Menara Maybank, Jalan Tun Perak, 50050 Kuala Lumpur OCBC Bank (Malaysia) Berhad (295400-W) 18th Floor, Menara OCBC 18 Jalan Tun Perak 50050 Kuala Lumpur