



ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED
30 NOVEMBER 2024

AMANAHRAYA ISLAMIC EQUITY FUND

ARIEF

AMANAHRAYA ISLAMIC EQUITY FUND

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AMANAHRAYA ISLAMIC EQUITY FUND ('ARIEF')
FUND INFORMATION
For the Financial Year Ended 30 November 2024

Fund Name	AmanahRaya Islamic Equity Fund ('ARIEF')
Fund Type	Growth Fund
Fund Category	Islamic Equity Fund
Launch date	23 April 2008
Fund's Investment Objective	To provide investors with above average capital growth over a medium to long-term period by investing in a carefully selected portfolio of Shariah-compliant securities.
Fund's Performance Benchmark	FTSE Bursa Malaysia EMAS Shariah Index (obtainable from www.bursamalaysia.com)
Fund's Disribution Policy	Given its investment objective, the Fund is not expected to pay regular distribution.

AMANAHRAYA ISLAMIC EQUITY FUND ('ARIEF')
FUND PERFORMANCE

		30 November 2024	30 November 2023	30 November 2022	30 November 2021	30 November 2020
1	Portfolio Composition					
	Quoted Shariah-compliant equity securities	8,034,516 83	8,147,017 95	7,277,680 85	8,582,779 90	13,785,904 71
	Islamic deposits with financial institutions	2,224,910 23	482,100 5	1,340,444 16	1,004,645 10	8,665,306 44
	Other Assets/(Liabilities)	(546,565) (6)	(18,782) 0	(28,537) 0	(7,235) 0	(2,953,938) (15)
	Total	9,712,861 100	8,610,335 100	8,589,587 100	9,580,189 100	19,497,272 100
2	Total Net Asset Value ('NAV')	RM 9,712,861	8,610,335	8,589,587	9,580,189	19,497,272
3a	NAV per unit	RM 0.5058	0.4481	0.4472	0.4980	0.5087
3b	No. of Units in Circulation	19,203,357 units	19,216,498 units	19,206,336 units	19,236,546 units	38,331,393 units
4a	Highest NAV per unit	RM 0.5796	0.4645	0.5042	0.5345	0.5275
4b	Lowest NAV per unit	RM 0.4446	0.4347	0.4133	0.4915	0.3692
5a	Capital Return	13.28%	0.22%	-10.20%	-2.10%	3.86%
5b	Income Return	2.13%	-	-	-	-
5c	Annual Total Return	15.41%	0.22%	-10.20%	-2.10%	3.86%
6a	Gross Distribution (Per Unit) - Total	1.00 sen	-	-	-	-
6b	Net Distribution Per Unit (Per Unit) - Total	1.00 sen	-	-	-	-
6c	Date of Distribution	29.11.2024	-	-	-	-
6d	NAV per unit, before distribution	0.5186	-	-	-	-
6e	NAV per unit, after distribution	0.5067	-	-	-	-
7	Total Expense Ratio ('TER')	* 1.97%	2.01%	2.00%	1.73%	2.00%
8	Portfolio Turnover Ratio ('PTR')	# 0.89 times	1.07 times	0.12 times	0.57 times	1.95 times
9	Average Total Return:-					
	1-year	15.41%	0.22%	-10.20%	-2.10%	3.86%
	3-year	1.25%	-3.97%	-2.90%	-0.15%	-6.49%
	5-year	1.10%	-2.09%	-5.84%	-2.93%	-2.87%
	10-year	-0.99%	-1.91%	-1.07%	1.42%	2.41%
	Since inception	3.77%	2.44%	2.58%	3.93%	4.53%
	[Launching Date: 23.04.2008]					

NOTE

The calculations of Annual and Average Total Returns are based on the method obtained from Lipper Asia Ltd.

- 1 Capital Return (%) = [(End of period NAV price / Beginning of period NAV price) - 1] x 100
- 2 Income Return (%) = [Gross Distribution / NAV price on ex-distribution date] x 100
- 3 Annual Total Return (%) = Capital Return + Income Return
- 4 Average Total Return (%) = Total Returns / Number of Years Under Review

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may fluctuate.

* Explanation for Differences in Total Expense Ratio ('TER')

The lower of TER from previous year is due to the slightly increase of NAV in current year.

Explanation for Differences in Portfolio Turnover ('PTR')

The lower of PTR from last year is Fund Manager less-active in trading activities during the year under review.

**AMANAHRAYA ISLAMIC EQUITY FUND
MANAGER'S REPORT
For the Financial Year Ended 30 November 2024**

**Fund
Performance
& Investment
Objective**

AmanahRaya Islamic Equity Fund ("ARIEF" or "the Fund") is an Islamic equity fund with investment objective of providing investors with above average capital growth over a medium to long term period by investing in a carefully selected portfolio of Shariah-compliant securities. Given its investment objective, the Fund is not expected to pay a regular distribution of dividends.

For the financial year under review ended 30 November 2024, the Fund registered a return of 15.41% as compared to FTSE Bursa Malaysia EMAS Shariah (FBMS) Index's return of 10.11%, thereby successful in meeting its investment objective of providing above average capital growth to investors.

The Net Asset Value ("NAV") per unit of the Fund stood at RM0.5058 on 30 November 2024, an appreciation of 12.88% from the NAV per unit of RM0.4481 as of 30 November 2023. On the total of NAV basis, the Fund's total NAV increase by RM1.10 million to RM9.71 million as of 30 November 2024 as compared to the previous NAV of RM8.60 million recorded as of 30 November 2023.

Table 1: Analysis of the Fund's Performance

	FYE 30.11.2024	FYE 30.11.2023	FYE 30.11.2022	FYE 30.11.2021	FYE 30.11.2020
NAV Per Unit	0.5058	0.4481	0.4472	0.4980	0.5087
Total NAV	RM9,712,861	RM8,610,335	RM8,589,587	RM9,580,189	RM19,497,272
Fund Return	15.41%	0.22%	(10.20%)	(2.10%)	3.86%
Benchmark	10.11%	1.36%	(11.09%)	(7.75%)	13.41%
Out/(Under) Performance	5.30%	(1.14%)	0.89%	5.65%	(9.55%)

Figure 1: 12-Month Performance of ARIEF versus Benchmark for the financial year ended 30 November 2024

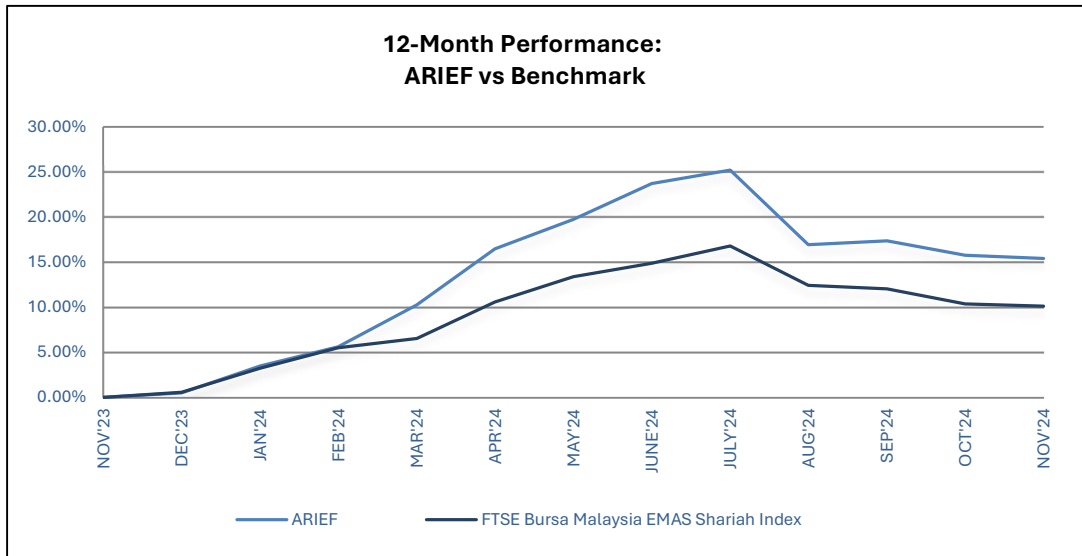
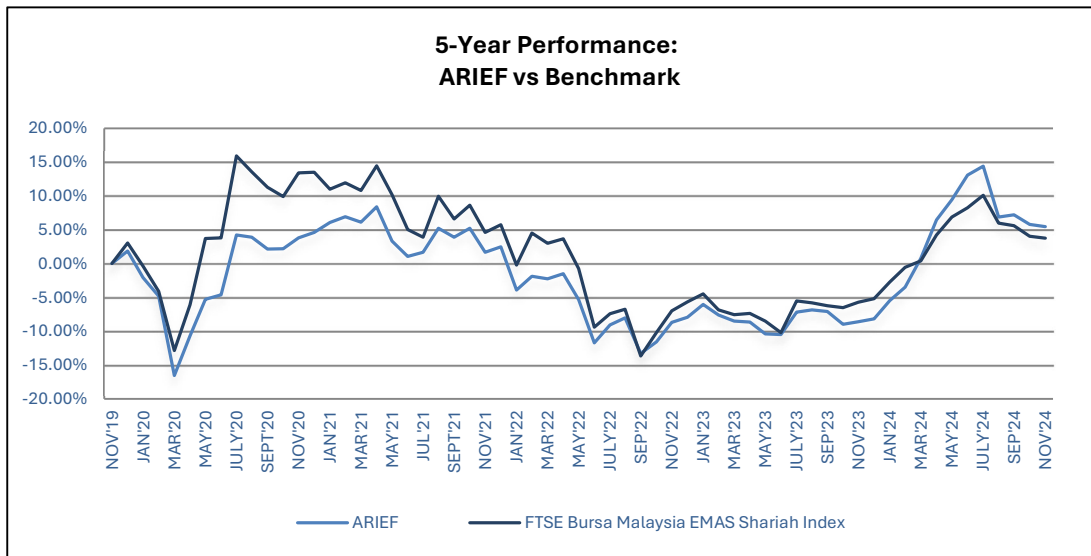


Figure 2: Performance of ARIEF versus Benchmark for the last 5 years



Date of launch: 23 April 2008

Strategy Employed	As stipulated in the Prospectus, the Fund strives to achieve above average capital growth over a medium to long term period by investing in a carefully selected portfolio of Shariah-compliant securities. The Fund had remained invested in a diversified portfolio consisting primarily of high-quality Shariah-compliant equities with strong fundamentals. The Manager also seeks attractively priced companies in undervalued sectors, or in sectors that have strong upward price momentum and growth in earnings per share.																										
Income Distribution	<table border="1" data-bbox="308 517 1449 853"> <thead> <tr> <th></th> <th>30 November 2024</th> <th>30 November 2023</th> </tr> </thead> <tbody> <tr> <td>Gross Distribution</td> <td>1.00 sen per unit</td> <td>-</td> </tr> <tr> <td>Net Distribution</td> <td>1.00 sen per unit</td> <td>-</td> </tr> <tr> <td>Net Income After Taxation & DE*</td> <td>RM1,290,681</td> <td>-</td> </tr> <tr> <td>Distribution for the Financial Year</td> <td>RM191,962</td> <td>-</td> </tr> <tr> <td>No. of Units in Circulation</td> <td>19,203,357 units</td> <td>-</td> </tr> <tr> <td>NAV before Distribution</td> <td>RM0.5186 per unit</td> <td>-</td> </tr> <tr> <td>NAV after Distribution</td> <td>RM0.5058 per unit</td> <td>-</td> </tr> </tbody> </table> <p>* Distribution Equalization</p> <p>Gross distribution per unit derived from realized income for the year less expenses divided by the number of units in circulation, while net distribution per unit derived from gross realized income for the year less expenses and taxation divided by the number of units in circulation.</p>				30 November 2024	30 November 2023	Gross Distribution	1.00 sen per unit	-	Net Distribution	1.00 sen per unit	-	Net Income After Taxation & DE*	RM1,290,681	-	Distribution for the Financial Year	RM191,962	-	No. of Units in Circulation	19,203,357 units	-	NAV before Distribution	RM0.5186 per unit	-	NAV after Distribution	RM0.5058 per unit	-
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Portfolio Composition	<p>The Fund's asset allocation is as per Figure 3 below:</p> <p style="text-align: center;"><u>Figure 3: Asset Allocation for the Fund</u></p> <table border="1" data-bbox="312 1196 1444 1379"> <thead> <tr> <th>Asset Class</th> <th>Asset Allocation</th> <th>30 November 2024</th> <th>30 November 2023</th> </tr> </thead> <tbody> <tr> <td>Shariah-compliant Securities</td> <td>70% - 95%</td> <td>82.72%</td> <td>94.62%</td> </tr> <tr> <td>Islamic liquid assets</td> <td>minimum 5%</td> <td>17.28%</td> <td>5.38%</td> </tr> <tr> <td>Total</td> <td></td> <td>100.00%</td> <td>100.00%</td> </tr> </tbody> </table> <p>During the financial year under review, the Fund had maintained the exposure in Shariah-compliant securities for returns enhancement above the minimum required level of 70%.</p>			Asset Class	Asset Allocation	30 November 2024	30 November 2023	Shariah-compliant Securities	70% - 95%	82.72%	94.62%	Islamic liquid assets	minimum 5%	17.28%	5.38%	Total		100.00%	100.00%								
Asset Class	Asset Allocation	30 November 2024	30 November 2023																								
Shariah-compliant Securities	70% - 95%	82.72%	94.62%																								
Islamic liquid assets	minimum 5%	17.28%	5.38%																								
Total		100.00%	100.00%																								

Sector Allocation of Shariah-compliant Equity is as per Figure 4 below:

Figure 4: Sector Allocation for the Shariah-compliant Equity

Sector Allocation	30 November 2024 (%)	30 November 2023 (%)
Technology	20.12	7.37
Industrial Products & Services	19.53	18.43
Utilities	7.96	10.10
Construction	7.90	1.90
Telecommunication & Media	4.38	5.90
Consumer Products & Services	4.17	11.04
Energy	3.90	7.03
Islamic REITS	3.56	2.14
Health Care	3.36	7.28
Transportation & Logistic	2.65	3.81
Property	2.13	4.76
Financial Services	1.75	5.96
Plantation	1.31	8.90
Cash and Cash Equivalents	17.28	5.38
Total	100.00%	100.00

Market Review

Over 2024, the Malaysian market was robust due to the rising interest by foreign and domestic market players as global investors look to reallocate their resources within the emerging markets as China had fallen off as an attractive investment destination following the Chinese economic slowdown. This was further exacerbated by the tariffs and restrictions imposed upon them by the United States. At first quarter 2024 ("1Q2024"), the market FBMS saw a strong uptrend as it logged in 5.74% gain over the quarter coming off the weakness seen in 2023 driven by the inflow of foreign funds at the beginning of 1Q2024. Towards the end of January 2024 and mid-way through February 2024, foreign funds began pulling back as some U.S economic data indicated a possible resilience in inflation and could perpetuate the need for a higher interest rate environment for longer.

The FBMS Index closed at 7.92% higher over second quarter ("2Q2024") despite the foreign fund outflows during the quarter due to the resilient trading activity among local institutional funds which recorded a net fund inflow of RM4.30 billion on year to date. On foreign fund flows, there was initially a net outflow by the foreign institutions. Towards the end of the quarter, there was a noticeable shift in trajectory from foreign funds as foreign funds began repositioning themselves for the impending rate cuts by the Fed close towards the end of 2024 on the back of the declining inflation rate and abating inflationary pressures.

In domestic news, Malaysia's reported 1Q2024 Gross Domestic Product ("GDP") figures came in stronger than expected at 4.2% year-over year ("YOY") which exceeded consensus' forecasts of 3.9% YOY. The better-than-expected GDP growth was primarily attributed to the higher economic activity across all sectors. One of the highlights during the quarter was that Employees Provident Fund ("EPF") had launched its Account Flexible or Account 3 which would allow EPF contributors to withdraw their EPF contributions at any given time. The launch of Account 3 is expected to help support domestic consumption as consumers would have higher disposal income from this program.

	<p>The FBMS closed -0.9 lower over third quarter 2024 (“3Q2024”) primarily driven by the asset reallocation of institutional investors towards the financial sector which recorded a major run-up during the quarter by +10.5%. Total foreign inflows 3Q2024 came in at RM3.60 billion with the bulk of the inflows being centered around August 2024. The surge in foreign flows into Malaysia was primarily due to the Federal Reserve's 50bps rate cut which came as expected in September and had resulted in some reallocation of assets out of the United States (“U.S.”).</p> <p>Malaysia’s reported second quarter 2024 (“2Q2024”) GDP figures continued to come in stronger than expected as the country's GDP advanced by 5.9% over the quarter. The strength in the country’s GDP growth was underpinned by the higher household spending, an acceleration in exports and an increase in tourist arrivals. The Johor Special Economic Zone saw special attention during the quarter as details regarding the tax incentives and benefits of the zone were released over the quarter and would be rolled out at the start of 2025.</p> <p>Capping off the financial year under review in fourth quarter 2024 (“4Q2024”), the FBMS index logged a decline of -2.05% amid a reallocation of assets by foreign and domestic institutional funds towards China after the Chinese government announced stimuli that was anticipated to supercharge the slowing Chinese economy back into its growth phase.</p> <p>The FBMS Index started the financial year under review at 10,929 points. The benchmark index fell to a low of 10,728 points in December 2023 as trading activity had fallen off closer towards the end of 2023. The FBMS Index closed at 12,034 points, recording a 10.82% return for the financial year under review.</p> <p>(Data and commentary are as of 30 November 2024)</p>
<p>Market Outlook</p>	<p>We expect the Malaysian market to maintain its positive trajectory moving into 2025 as the Malaysian economy is anticipated to grow by 4.5% - 5.5% in 2025 as guided by the Malaysian Ministry of Finance (“MOF”). The resiliency is underpinned by the persistent shift in manufacturing capacities and demand away from China into the ASEAN region which would not only result in an increase in activities but also generate economic value for those within these supply chains. The elevated domestic construction activity would continue to drive the economy as more data centres, infrastructure and properties are built to accommodate the growing economy.</p> <p>Our optimism is backed by our belief that the Malaysian market remains undervalued illustrated by the FBMS’ trailing P/E of 21x on 30 November 2024 against the index’s 5-year trailing mean of 24x.</p> <p>The underpinning factors could provide some insulation from potential global economic volatilities that may stem from the geopolitical uncertainties in 2025. One of the many uncertainties that may arise would be the incoming Trump administration, while business friendly, could implement aggressive tariffs that aim to shift as much economic activity back to the United States and limit China’s technological progress. U.S economic growth is expected to remain within positive territory but a slight slowdown in momentum due to its domestic economic resiliency and could be further driven by further interest rate cuts by the Federal Reserve whom had indicated they intend to cut rates albeit at a slower pace in 2025.</p> <p><i>Source: Wall Street Journal, The Edge, Bloomberg, FOMC, TCB, and MOF</i></p>
<p>Investment Strategy</p>	<p>Global economic growth is expected to remain stable within positive territory moving into 2025 as central banks look to ease their monetary policies amid the easing inflationary pressures. The U.S economic strength may continue to persist supported by the Trump administration’s pro-business policies which would spur domestic and international spending in 2025. Some key risks still remain</p>

	<p>in the form of the continued softness of Chinese economy which show no signs of abating and the turnaround in monetary policies of historically dovish central banks such as the Bank of Japan which could upend hedging and arbitration policies and result in a domino effect across global capital markets.</p> <p>We have a constructive view on domestic equities on the back of the resilience in economic growth and activity underpinned by the preference by global Multi-National Companies (“MNC”) towards Malaysia for its neutrality, high technical knowledge, government stability and relatively cheaper resources. We will maintain high equity exposure due to our positive outlook on the market and will continue to invest in companies with good growth prospects, decent profit margins, strong cash flow and balance sheet. Sector-wise, we continue to favour the construction, technology and manufacturing sectors.</p>
Significant Changes in the State of Affairs of the Fund	<p>The description and explanation are described in Pages 3 to 5 (under ‘Fund Performance & Investment Objective’ and under ‘Strategy Employed’). Overall, other than those described and explained in these paragraphs, there were no significant changes in the state of affairs of the Fund during the financial year and up to the date of the Manager’s Report.</p>
Rebates and Soft Commissions	<p>A soft commission may be retained by the Manager or its delegate for payment of goods and services such as research material, data and quotation services, and investment management tools, which are demonstrably beneficial to the unit holders. Rebates, if any, on stockbroking transactions will be credited to the Fund. All dealings with brokers are executed on terms which are the best available for the Fund.</p> <p>During the financial year under review, the Manager has received soft commissions to pay for research material, data and quotation services which are indirectly beneficial to the unitholders and was no churning of trades.</p>
Cross Trade	<p>No cross-trade transactions have been carried out during the financial year under review.</p>
Securities Financing Transaction	<p>The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.</p>

AMANAHRAYA ISLAMIC EQUITY FUND

STATEMENT BY MANAGER

To the unit holders of
AMANAHRAYA ISLAMIC EQUITY FUND

We, Mohd Razlan Bin Mohamed and Mohamad Shafik Bin Badaruddin, being two of the Directors of AMANAHRAYA INVESTMENT MANAGEMENT SDN. BHD., the Manager of AMANAHRAYA ISLAMIC EQUITY FUND ("the Fund"), do hereby state that, in the opinion of the Manager, the financial statements of the Fund for the year ended 30 November 2024, together with the notes thereto, have been properly drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and the requirements of Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and cash flows for the year then ended.

Signed on behalf of AMANAHRAYA INVESTMENT MANAGEMENT SDN. BHD., being the Manager of AMANAHRAYA ISLAMIC EQUITY FUND, in accordance with a resolution of the Directors dated 22 January 2025.

MOHD RAZLAN BIN MOHAMED
Director

MOHAMAD SHAFIK BIN BADARUDDIN
Managing Director /
Chief Executive Officer

Kuala Lumpur, Malaysia
22 January 2025

AMANAHRAYA ISLAMIC EQUITY FUND

STATEMENT BY TRUSTEE

To the unit holders of
AMANAHRAYA ISLAMIC EQUITY FUND

We, PB Trustee Services Berhad ("the Trustee") have acted as Trustee of AMANAHRAYA ISLAMIC EQUITY FUND ("the Fund") for the year ended 30 November 2024. During the year under review, to the best of our knowledge, we are of the opinion that AmanahRaya Investment Management Sdn. Bhd. ("the Manager") has fulfilled their duties in the following manner:

1. The Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on the Unit Trust Funds in Malaysia, the Capital Market and Services Act 2007 and other applicable laws;
2. The procedures and processes employed by the Manager to value and/or price the units of the Fund are adequate and in accordance with the Deed and relevant regulatory requirements; and
3. The sale, repurchase, creation and cancellation of the Fund's units are carried out in accordance with the Deed, the Guidelines and other relevant regulatory requirements.
4. The distribution to the unit holders of the Fund is in line with the investment objectives of the Fund.

Yours faithfully

For and on behalf of
PB TRUSTEE SERVICES BERHAD
(Company No. 7968-T)

CHEAH KUAN YOON
Chief Executive Officer

Kuala Lumpur, Malaysia
22 January 2025

AMANAHRAYA ISLAMIC EQUITY FUND

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF AMANAHRAYA ISLAMIC EQUITY FUND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AmanahRaya Investment Management Sdn. Bhd. has operated and managed the Fund for the period covered by these financial statements namely, the year ended 30 November 2024, in accordance with Shariah principles and requirements, 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 instruments that have been classified as Shariah-compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

MUHAMMAD SHAHIER SA'MIN
Designated Shariah Person

Kuala Lumpur, Malaysia
22 January 2025

Independent auditors' report to the unit holders of AmanahRaya Islamic Equity Fund ("the Fund")

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmanahRaya Islamic Equity Fund ("the Fund"), which comprise the statement of financial position as at 30 November 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the Fund Information, Fund Performance and Manager's Report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report to the unit holders of AmanahRaya Islamic Equity Fund ("the Fund") (Contd.)

Information other than the financial statements and auditors' report thereon (Contd.)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the unit holders of AmanahRaya Islamic Equity Fund ("the Fund") (Contd.)

Auditors' responsibilities for the audit of the financial statements (Contd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holders of
AmanahRaya Islamic Equity Fund ("the Fund") (Contd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Muhammad Syarizal Bin Abdul Rahim
No. 03157/01/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 January 2025

AMANAHRAYA ISLAMIC EQUITY FUND**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2024**

	Note	2024 RM	2023 RM
INCOME			
Profit on Islamic deposits		30,244	31,357
Realised gain/(loss) on sale of Shariah-compliant investments		219,638	(223,281)
Dividend income		259,884	309,579
Fair value changes on fair value through profits or loss ("FVTPL") investments		1,034,912	145,764
		<u>1,544,678</u>	<u>263,419</u>
EXPENDITURE			
Management fees	3	147,308	129,679
Trustee's fees	4	18,000	18,000
Auditors' remuneration		15,000	15,000
Administrative expenses		12,685	11,190
Transaction cost		61,005	73,313
		<u>253,998</u>	<u>247,182</u>
NET INCOME BEFORE TAXATION		1,290,680	16,237
TAXATION	5	-	-
NET INCOME AFTER TAXATION		<u>1,290,680</u>	<u>16,237</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,290,680</u>	<u>16,237</u>
Net income after taxation is made up of the following:			
Net realised gain/(loss)		255,768	(129,527)
Net unrealised gains		1,034,912	145,764
		<u>1,290,680</u>	<u>16,237</u>
Distribution for the year	6	191,962	-
Gross distribution per unit		<u>1.00 sen</u>	-
Net distribution per unit		<u>1.00 sen</u>	-
Distribution date		<u>29.11.2024</u>	-

The accompanying notes form an integral part of the financial statements.

AMANAHRAYA ISLAMIC EQUITY FUND**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2024**

	Note	2024 RM	2023 RM
ASSETS			
Quoted Shariah-compliant investments	7	8,034,516	8,147,017
Islamic deposits with financial institutions	8	2,224,910	482,100
Amount due from Manager	10	3,621	99
Other receivables	11	12,988	28,430
Cash at bank		5,730	5,802
TOTAL ASSETS		<u>10,281,765</u>	<u>8,663,448</u>
LIABILITIES			
Amount due to Manager	10	12,349	10,661
Amount due to Trustee		10,802	11,652
Amount due to Brokers		329,991	-
Other payables	12	23,800	30,800
Distribution payables		191,962	-
TOTAL LIABILITIES		<u>568,904</u>	<u>53,113</u>
NET ASSET VALUE ("NAV") OF THE FUND	13	<u>9,712,861</u>	<u>8,610,335</u>
EQUITY			
Unit holders' capital		14,235,562	14,231,754
Accumulated losses		(4,522,701)	(5,621,419)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	13	<u>9,712,861</u>	<u>8,610,335</u>
NUMBER OF UNITS IN CIRCULATION	14	<u>19,203,357</u>	<u>19,216,498</u>
NAV PER UNIT		<u>0.5058</u>	<u>0.4481</u>

The accompanying notes form an integral part of the financial statements.

AMANAHRAYA ISLAMIC EQUITY FUND

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2024**

	Unit holders' capital RM	Accumulated losses RM	Total NAV RM
At 1 December 2022	14,227,243	(5,637,656)	8,589,587
Creation of units	13,377	-	13,377
Cancellation of units	(8,866)	-	(8,866)
Total comprehensive income for the year	-	16,237	16,237
At 30 November 2023	14,231,754	(5,621,419)	8,610,335
At 1 December 2023	14,231,754	(5,621,419)	8,610,335
Creation of units	198,961	-	198,961
Cancellation of units	(195,153)	-	(195,153)
Distribution for the year	6	-	(191,962)
Total comprehensive income for the year	-	1,290,680	1,290,680
At 30 November 2024	14,235,562	(4,522,701)	9,712,861

The accompanying notes form an integral part of the financial statements.

AMANAHRAYA ISLAMIC EQUITY FUND**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

	Note	2024 RM	2023 RM
CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES			
Purchase of Shariah-compliant investments		(7,685,880)	(9,729,335)
Proceeds from sale of Shariah-compliant investments		9,321,917	8,709,168
Profit income received		29,826	31,766
Dividend income received		275,744	299,437
Management fee paid		(145,620)	(129,309)
Trustee's fee paid		(18,850)	(17,855)
Payment of other fees and expenses		(34,685)	(25,990)
Net cash generated from/(used in) from operating and investing activities		<u>1,742,452</u>	<u>(862,118)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from creation of units		195,439	13,278
Payment on cancellation of units		(195,153)	(8,866)
Net cash generated from financing activities		<u>286</u>	<u>4,412</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,742,738	(857,706)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>487,902</u>	<u>1,345,608</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>2,230,640</u>	<u>487,902</u>
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash at bank		5,730	5,802
Islamic deposits with financial institutions	8	<u>2,224,910</u>	<u>482,100</u>
		<u>2,230,640</u>	<u>487,902</u>

The accompanying notes form an integral part of the financial statements.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

AMANAHRAYA ISLAMIC EQUITY FUND (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 24 November 2006, and Supplemental Deeds between the Manager, the Trustee, PB Trustee Services Berhad and the Registered Holders of the Fund. With effect from 21 January 2010, AmanahRaya Investment Management Sdn. Bhd. (“ARIM”) was appointed as the Manager for the Fund, replacing AmanahRaya Unit Trust Management Sdn. Bhd. (“ARUTM”) through a business transfer exercise.

The principal activity of the Fund is to invest in “Authorised Investments” as defined under the Seventh Schedule of the Supplemental Deed. The “Authorised Investments” mainly include Shariah-compliant securities, Islamic accepted bills, Islamic deposits, Islamic negotiable instruments and Islamic collective investment schemes. The Fund commenced operations on 23 April 2008 and will continue its operations until terminated by the Trustee as provided under Clause 12 of the Deed.

ARIM is a company incorporated in Malaysia and is a wholly-owned subsidiary company of Amanah Raya Berhad (“ARB”), a public limited liability company, incorporated and domiciled in Malaysia. The principal activities of ARIM are those of fund management, as defined under Schedule 2 of the Capital Markets & Services Act 2007 (“CMSA”), as well as the marketing and management of unit trust funds.

The financial statements were authorised for issue by the Board of Directors of ARIM in accordance with a resolution of the Directors on 22 January 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of Securities Commission’s Guidelines on Unit Trust Funds in Malaysia.

The audited financial statements are presented in Ringgit Malaysia (“RM”).

The significant accounting policies adopted are consistent with those applied in the previous financial year end except for the adoption of new MFRSs, Amendments to MFRSs and IC Interpretations which are effective for the financial year beginning on or after 1 December 2023. These new MFRSs, Amendments to MFRSs and IC Interpretations did not give rise to any significant effect on the financial statements.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (Contd.)

Pronouncements issued but not yet effective:

Description	Effective for financial period beginning on or after
- Amendments to MFRS 107 statement of Cash Flows and MFRS 7 Financial Instruments - <i>Disclosures: Supplier Finance Arrangement</i>	1 January 2024
- Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
- Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
- Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
- Amendments to MFRS 9 and MFRS 7: Amendments to the Classifications and Measurement of Financial Instruments	1 January 2026
- Amendments that are part of Annual Improvements - Volume 11 <ul style="list-style-type: none">- <i>Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards</i>- <i>Amendments to MFRS 7 Financial Instruments: Disclosures</i>- <i>Amendments to MFRS 9 Financial Instruments</i>- <i>Amendments to MFRS 10 Consolidated Financial Statements</i>- <i>Amendments to MFRS 107 Statement of Cash Flows</i>	1 January 2026
- MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
- MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

* These MFRSs, Amendments to MFRSs and IC Interpretations are not relevant to the Fund.

Except for MFRS 18, these new MFRSs, Amendments to MFRSs and IC Interpretations are not expected to have any significant impact to the financial statements upon their initial application.

The Fund is currently in the process of assessing the potential effects of MFRS 18.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies

(a) Financial Instruments

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

The Fund recognises financial assets and financial liabilities in the Statement of Financial Position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

The Fund determines the classification of its financial assets and financial liabilities at initial recognition, and the categories include financial assets at fair value through profit or loss and financial assets at amortised cost.

(b) Financial Assets

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value, and transaction costs are expensed in profit or loss. Trade receivables are measured at their transaction price.

Financial assets at fair value through profit or loss

Financial assets classified as financial assets at fair value through profit or loss are all financial assets acquired for the purpose of generating a profit from short-term fluctuations in price, or financial assets that qualify for neither held at amortised cost nor at fair value through other comprehensive income ("FVOCI").

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with gain and loss recognised in profit or loss.

The fair values of quoted Shariah-compliant investments are determined by reference to last done prices at the close of the business at the reporting date.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(b) Financial Assets (contd.)

Financial assets carried at amortised cost

Financial assets are measured at amortised cost if the assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and profit.

Financial assets at amortised cost require the use of the effective profit method and are subject to MFRS 9 impairment rules.

(c) Impairment of financial assets

The Fund applies the Expected Credit Loss model ("ECL") to financial assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

For amount due from Manager and other receivables, the Fund applies the simplified approach to measure lifetime expected credit losses at all times.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the losses have been determined.

(d) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liabilities.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund includes in this category the amount due to Manager and other short term payables. Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

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

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd)

(e) Unit holders' Capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments.

(f) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and Islamic deposits with financial institutions which have an insignificant risk of changes in value.

(g) Income Recognition

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 is recognised using the effective profit method.

(h) Taxation

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 substantially enacted at the reporting date.

(i) Significant Accounting Estimates and Judgements

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 require a material adjustment to the carrying amount of the asset or liability in the future.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

3. MANAGEMENT FEES

Clause 13.1.2 of the Deed provides that the Manager is entitled to a fee not exceeding 1.50% per annum of Net Asset Value (“NAV”) attributable to the unit holders of the Fund, calculated and accrued daily as agreed between the Manager and Trustee.

The management fee charged for the financial year ended 30 November 2024 is 1.50% per annum (2023: 1.50% per annum) of the NAV of the Fund. The calculation of management fee during the year is based on 365 days.

4. TRUSTEE'S FEES

Clause 13.2.2 of the Deed provides that the Trustee is entitled to a fee not exceeding 0.08% per annum of NAV attributable to the unit holders of the Fund, calculated and accrued daily subject to a minimum fee of RM18,000 per annum.

The Trustee's fee charged for the financial year ended 30 November 2024 is 0.08% per annum (2023: 0.08% per annum) of the NAV of the Fund, subject to a minimum fee of RM18,000 per annum. The calculation of trustee fee during the year is based on 365 days.

5. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable income for the financial year.

Taxation is calculated on investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967. The effective tax rate does not approximate the statutory tax rate mainly due to income exempted from tax in accordance with Section 6 of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net income before tax at the statutory rate of taxation to income tax expense at the effective rate of taxation is as follows:

	2024	2023
	RM	RM
Net income before taxation	1,290,680	16,237
Taxation at Malaysian statutory rate of taxation of 24% (2023: 24%)	309,763	3,897
Tax effects of:		
Income not subject to tax	(370,723)	(63,221)
Expenses not deductible for tax purposes	22,006	24,601
Tax deductible expenses not fully utilised	3,895	3,472
Restriction on tax deductible expenses for unit trust funds	35,059	31,251
Tax expense for the financial year	-	-

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

6. DISTRIBUTION FOR THE YEAR

Distribution to the unit holders are made from the following sources:-

	2024	2023
	RM	RM
Realised profit on Islamic deposits	30,244	-
Realised gain on sale of investments	155,832	-
Dividend income	259,884	-
	<u>445,960</u>	-
Less: Expenses	(253,998)	-
	<u>191,962</u>	-
Gross distribution per unit	<u>1.00 sen</u>	-
Net distribution per unit	<u>1.00 sen</u>	-

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

7. QUOTED SHARIAH-COMPLIANT INVESTMENTS

	2024	2023
	RM	RM
Shariah-compliant equity securities	<u>8,034,516</u>	<u>8,147,017</u>

The Fund's Shariah-compliant investments are classified as financial asset at fair value through profit or loss. The market prices are determined by reference to the last prices at the close of trading as published by Bursa Malaysia Securities Berhad.

The composition of quoted Shariah-compliant equity securities as at 30 November 2024 are as follows:

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

7. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

Name of Counter	Number of Shares Held Units	Aggregate Cost RM	Market Value at 30.11.2024 RM	Market Value over Net Asset Value %
Construction				
Gamuda Berhad	50,000	388,917	445,000	4.58
Sunway Construction Group Berhad	75,000	291,655	322,500	3.32
	<u>125,000</u>	<u>680,572</u>	<u>767,500</u>	<u>7.90</u>
Consumer Products & Services				
Dutch Lady Milk Industries Berhad	5,000	113,488	155,000	1.60
Mr D.I.Y. Group (M) Berhad	138,000	237,963	249,780	2.57
	<u>143,000</u>	<u>351,451</u>	<u>404,780</u>	<u>4.17</u>
Energy				
Dialog Group Berhad	205,000	516,216	379,250	3.90
Financial Services				
Syarikat Takaful Malaysia Keluarga Berhad	45,038	172,148	170,244	1.75
Health Care				
IHH Healthcare Berhad	45,000	265,816	326,700	3.36
Industrial Products and Services				
EG Industries Berhad	150,000	244,614	304,500	3.14
HE Group Berhad	500,000	304,848	267,500	2.75
Kelington Group Berhad	85,000	242,222	296,650	3.05
Malayan Cement Berhad	50,000	246,685	240,000	2.47
Pantech Group Holdings Berhad	350,000	330,740	336,000	3.46
PETRONAS Chemicals Group Berhad	13,000	95,774	60,580	0.62
SKP Resources Berhad	400,000	438,871	392,000	4.04
	<u>1,548,000</u>	<u>1,903,754</u>	<u>1,897,230</u>	<u>19.53</u>

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

7. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

Name of Counter	Number of Shares Held Units	Aggregate Cost RM	Market Value at 30.11.2024 RM	Market Value over Net Asset Value %
Plantation				
Kuala Lumpur Kepong Berhad	6,121	141,575	127,684	1.31
Property				
Sime Darby Property Berhad	145,000	171,900	207,350	2.13
Islamic REITS				
Axis Real Estate Investment Trust	200,000	342,000	346,000	3.56
Technology				
CTOS Digital Berhad	220,000	287,452	279,400	2.88
Frontken Corporation Berhad	71,700	270,297	286,800	2.95
Inari Amertron Berhad	133,600	434,909	368,736	3.80
SFP Tech Holdings Berhad	540,000	391,750	359,100	3.70
Greatech Technology Berhad	80,000	169,200	164,800	1.70
UWC Berhad	115,000	242,029	317,400	3.27
ViTrox Corporation Berhad	54,000	212,330	177,120	1.82
	1,214,300	2,007,967	1,953,356	20.12
Telecommunication & Media				
Axiata Group Berhad	35,000	110,182	81,900	0.84
Telekom Malaysia Berhad	54,098	307,260	343,522	3.54
	89,098	417,442	425,422	4.38
Transportation & Logistic				
Westports Holdings Berhad	60,000	216,377	256,800	2.65
Utilities				
PETRONAS Gas Berhad	5,000	92,404	89,200	0.93
Tenaga Nasional Berhad	50,000	583,286	683,000	7.03
	55,000	675,690	772,200	7.96
Total	3,880,557	7,862,908	8,034,516	82.72

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

7. QUOTED SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

During the year, the Fund reported the following realised gain/(loss) and dividend income for the Shariah-compliant investments:

	2024	2023
	RM	RM
Realised gain/(loss) to profit or loss:		
- Realised gain/(loss) on sale of quoted Shariah-compliant investments	219,638	(223,281)
- Dividend income	259,884	309,579
	<u>479,522</u>	<u>86,298</u>

8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	2024	2023
	RM	RM
Total short-term Islamic deposit	<u>2,224,910</u>	<u>482,100</u>

The weighted average rate of return per annum and average maturity of Islamic deposits with financial institutions as at the reporting date were as follows:

	2024		2023	
	Weighted average rate of return % p.a.	Average Maturity Days	Weighted average rate of return % p.a.	Average Maturity Days
Short-term Islamic deposit	<u>3.05</u>	<u>3</u>	<u>3.00</u>	<u>1</u>

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

9. SHARIAH INFORMATION OF THE FUND

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

- (a) Equity securities listed on Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission ("SC") for the corresponding period; and
- (b) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

10. AMOUNT DUE FROM / (TO) MANAGER

		2024	2023
		RM	RM
Amount due from Manager:			
- Creation of units	(i)	<u>3,621</u>	<u>99</u>
Amount due to Manager:			
- Manager's fee	(ii)	<u>12,349</u>	<u>10,661</u>

- (i) The amount represents amount receivable from the Manager for units subscribed.
- (ii) The amount represents amount payable to the Fund Manager arising from the accruals for Manager's fee at the end of the financial period. The normal credit term for Manager's fee is 10 business days.

11. OTHER RECEIVABLES

	2024	2023
	RM	RM
Dividend receivables	10,530	26,390
Profit income receivable	458	40
Other receivable	<u>2,000</u>	<u>2,000</u>
	<u>12,988</u>	<u>28,430</u>

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

12. OTHER PAYABLES

	2024 RM	2023 RM
Provision for audit fee	15,000	22,000
Provision for tax agent fee	8,800	8,800
	<u>23,800</u>	<u>30,800</u>

13. NET ASSET VALUE OF THE FUND

The components of the equity attributable to unit holders as at the reporting date are as follows:

	Note	2024 RM	2023 RM
Unit holders' capital	14	14,235,562	14,231,754
Accumulated income losses:			
- Realised loss		(4,694,309)	(4,758,115)
- Unrealised gain/(loss)		171,608	(863,304)
		<u>9,712,861</u>	<u>8,610,335</u>

14. UNITS IN CIRCULATION

	2024		2023	
	Units	RM	Units	RM
At beginning of year	19,216,498	14,231,754	19,206,336	14,227,243
Creation of units	358,830	198,961	29,984	13,377
Cancellation of units	(371,971)	(195,153)	(19,822)	(8,866)
At end of year	<u>19,203,357</u>	<u>14,235,562</u>	<u>19,216,498</u>	<u>14,231,754</u>

During the financial year and as at 30 November 2024, the Manager did not hold any units in the Fund but Amanah Raya Berhad held 18,833,063 units in the Fund (30 November 2023: 18,833,063 units).

a) Accumulated realised losses

	2024 RM	2023 RM
At the beginning of the financial year	(4,758,115)	(4,628,588)
Net realised income/(losses) for the financial year	255,768	(129,527)
Distribution (Note 6)	(191,962)	-
At the end of the financial year	<u>(4,694,309)</u>	<u>(4,758,115)</u>

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

14. UNITS IN CIRCULATION (CONTD')

b) Accumulated unrealised gain/(loss)

	2024	2023
	RM	RM
At the beginning of the financial year	(863,304)	(1,009,068)
Net unrealised income for the financial year	1,034,912	145,764
At the end of the financial year	<u>171,608</u>	<u>(863,304)</u>

15. TRANSACTIONS WITH DEALERS

Details of transaction with dealers for the year ended 30 November 2024 are as follows:

Dealer	Value of trade		Brokerage fees	
	RM	%	RM	%
RHB Investment Bank Berhad	3,613,240	20.84	12,459	20.42
Maybank Investment Bank Berhad	3,376,650	19.48	11,487	18.83
Affin Hwang Investment Bank Berhad	3,257,332	18.79	11,384	18.66
UOB Kay Hian Securities (M) Sdn Bhd	2,985,303	17.22	10,488	17.19
TA Securities Sdn Bhd	2,649,463	15.28	10,125	16.60
MIDF Amanah Investment Bank Berhad	1,452,412	8.39	5,062	8.30
	<u>17,334,400</u>	<u>100.00</u>	<u>61,005</u>	<u>100.00</u>

The dealings with the above dealer companies have been transacted at arm's length based on the normal terms in the stockbroking industry. None of the parties mentioned above is related to the Manager.

16. PORTFOLIO TURNOVER RATIO

	2024	2023
Portfolio Turnover Ratio ("PTR")	<u>0.89 times</u>	<u>1.07 times</u>

PTR is the ratio of the average of acquisition and disposals of Shariah-compliant investments for the year to the average net asset value of the Fund for the year calculated on a daily basis.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

17. TOTAL EXPENSE RATIO

	2024	2023
Total Expense Ratio ("TER")	<u>1.97%</u>	<u>2.01%</u>

TER is the ratio of the sum of fees and recovered expenses of the Fund to the average net asset value of the Fund for the year calculated on a daily basis.

18. FINANCIAL INSTRUMENTS

Fair Values

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash at bank, Islamic deposits with financial institutions, other receivables, amount due from Manager and other payables

The carrying balances approximate the fair values due to the relatively short-term maturity of these financial instruments.

(ii) Financial instruments that are carried at fair value

The Fund's investments at FVTPL are carried at the fair value.

(iii) Fair Value Hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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. 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).

As at 30 November 2024 and 30 November 2023, the Shariah-compliant investments are categorised under Level 1.

There were no transfers between Level 1 and Level 2 for both financial year ended.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

19. INVESTMENT SEGMENT INFORMATION

The Manager of the Fund is responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed into one main operating segment which invests in various financial instruments. The following table provides information by financial instruments:

1.12.2023 to 30.11.2024

	Quoted Shariah- compliant equity investments RM	Islamic deposits with financial institutions RM	Total RM
Income			
Profit on Islamic deposits	-	30,244	30,244
Realised gain on sale of Shariah-compliant investment	219,638	-	219,638
Fair value changes on fair value through profits or loss ("FVTPL") investments	1,034,912	-	1,034,912
Dividend income	259,884	-	259,884
	<u>1,514,434</u>	<u>30,244</u>	<u>1,544,678</u>
Unallocated expenditure			(253,998)
Net income before taxation			1,290,680
Taxation			-
Net income after taxation			<u>1,290,680</u>
As at 30.11.2024			
Assets			
Segment assets			
- Shariah-compliant investments	8,034,516	2,224,910	10,259,426
- Other receivables	10,530	458	10,988
	<u>8,045,046</u>	<u>2,225,368</u>	<u>10,270,414</u>
Other unallocated assets			11,351
			<u>10,281,765</u>
Total equity and liabilities			
Unallocated liabilities			568,904
Total equity			<u>9,712,861</u>
			<u>10,281,765</u>

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

19. INVESTMENT SEGMENT INFORMATION (CONTD.)

1.12.2022 to 30.11.2023

	Quoted Shariah- compliant equity investments RM	Islamic deposits with financial institutions RM	Total RM
Income			
Profit on Islamic deposits	-	31,357	31,357
Realised loss on sale of Shariah-compliant investment	(223,281)	-	(223,281)
Fair value changes on fair value through profits or loss ("FVTPL") investments	145,764		145,764
Dividend income	309,579	-	309,579
	<u>232,062</u>	<u>31,357</u>	<u>263,419</u>
Unallocated expenditure			(247,182)
Net gain before taxation			16,237
Taxation			-
Net gain after taxation			<u><u>16,237</u></u>
As at 30.11.2023			
Assets			
Segment assets			
- Shariah-compliant investments	8,147,017	482,100	8,629,117
- Other receivables	26,390	40	26,430
	<u>8,173,407</u>	<u>482,140</u>	<u>8,655,547</u>
Other unallocated assets			7,901
			<u><u>8,663,448</u></u>
Total equity and liabilities			
Unallocated liabilities			53,113
Total equity			<u><u>8,610,335</u></u>
			<u><u>8,663,448</u></u>

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

20. FINANCIAL RISK AND MANAGEMENT POLICIES

(a) Introduction

The Fund is exposed to a variety of financial risks, including market risk (which consists of only interest rate risk), credit risk, liquidity risk and Shariah status reclassification risk. The overall financial risk management objective of the Fund is to mitigate capital losses.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment powers and restrictions stipulated in the Securities Commission's Guidelines on Unit Trust Funds in Malaysia and the Deed of the Fund.

(b) Market Risk

Market risk arises when the fair value or future cash flows of financial instruments fluctuate in response to the activities of individual companies and general market or economic conditions. The market risk is managed through a combination of diversification of investment strategy and also the portfolio asset allocation.

The Fund's market risk is affected primarily the following risks:

(i) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of Shariah-compliant equities as the result of changes in the levels the value of individual Shariah-compliant shares. The equity price risk exposure arises from the Fund's quoted Shariah-compliant equity investments. The Fund manages this risk by investing in a variety of industries within Bursa Malaysia KLCI.

The Manager's best estimate of the effect on the other comprehensive income for a year due to a reasonably possible change of individual Shariah-compliant shares, with all other variables held constant is indicated in the table below. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

20. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(b) Market Risk (Contd.)

(i) Equity price risk (Contd.)

	Changes in Shariah-compliant equity prices %	Effects on total comprehensive income for the year Increase/ (decrease) RM	Effects on Shariah- compliant equity Increase/ (decrease) RM
2024	+10	803,452	803,452
	-10	(803,452)	(803,452)
2023	+10	814,702	814,702
	-10	(814,702)	(814,702)

(ii) Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Fund's profit/(loss) for the year and other comprehensive income to a reasonably possible change in interest rates, with all other variables held constant. The sensitivity is in the effect of the assumed changes in interest rates on the net profit income for one year, based on the profit rate of the financial assets held at the reporting date.

	Changes in basis point*	Effects on Profit and NAV Increase/ (decrease) RM
2024	+25	39
	-25	(39)
2023	+25	3
	-25	(3)

* The assumed changes in basis points for interest rate sensitivity analysis are based on the currently observable market environment.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

20. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(b) Market Risk (Contd.)

(ii) Interest rate risk sensitivity (Contd.)

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

(c) Credit Risk

Credit risk refers to the ability of an issuer or a counterparty to make timely payments of profit, principal and proceeds from realisation of investments. The Manager manages the credit risk by setting counterparty limits and undertaking credit evaluation to minimise such risk.

As at reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of Islamic deposits with financial institutions and other receivables recognised in the statement of financial position.

Credit quality of financial assets

The following analyses the Fund's Islamic deposits with financial institutions and other receivables by rating category:

Credit rating	2024 RM	2023 RM
A-	1,199,060	482,140
AA1	1,026,308	-
Unrated	12,530	28,390
	<u>2,237,898</u>	<u>510,530</u>

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

20. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(d) Liquidity Risk

The Fund maintains sufficient levels of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unit holders. Islamic liquid assets comprise cash, Islamic deposits with financial institutions and other instruments, which are easily converted into cash. The Fund's policy is to always maintain a prudent level of Islamic liquid assets so as to reduce the liquidity risk.

The following table summarises the maturity profile of the Fund's financial liabilities:

	Less than 1 month RM	1 month - 3 months RM	Total RM
2024			
Financial liabilities:			
Amount due to the Brokers	329,991	-	329,991
Amount due to the Manager	12,349	-	12,349
Amount due to the Trustee	10,802	-	10,802
Distribution payable	191,962	-	191,962
Other financial liabilities	-	23,800	23,800
	<u>545,104</u>	<u>23,800</u>	<u>568,904</u>

	Less than 1 month RM	1 month - 3 months RM	Total RM
2023			
Financial liabilities:			
Amount due to the Manager	10,661	-	10,661
Amount due to the Trustee	11,652	-	11,652
Other financial liabilities	-	30,800	30,800
	<u>22,313</u>	<u>30,800</u>	<u>53,113</u>

(e) 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.

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

20. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(f) Shariah Status Reclassification Risk

Shariah-compliant equity securities

The risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC of the SC. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the reclassification effective date by the SAC of the SC. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the reclassification effective date. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the reclassification effective date should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- (ii) to hold such securities if the value of the said securities is below the investment cost on the reclassification effective date until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

Islamic deposits or Islamic collective investment schemes

This risk refers to the risk of a possibility that the currently held Islamic deposits or Islamic collective investment schemes invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such deposits or collective investment schemes.

(g) Risk measurement and reporting system

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

AMANAHRAYA ISLAMIC EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2024

20. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(h) Risk mitigation

The Fund has 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.

The Manager will take reasonable steps to ensure that the above potential risks are managed by:

- Actively monitoring the Fund's asset allocation to ensure minimum impact from any adverse market movements. The Manager will ensure that the investments are carefully selected through fundamental analysis and portfolio diversification.
- Investing the Fund over a wide range of investments of different companies which provides diversification across a number of sectors and industries, minimising the risk not only of any single company's issuance becoming worthless, but also of all holdings suffering uniformly adverse business conditions.

The Manager will seek to reduce all these risks as associated with the Fund by virtue of its experience, by adopting the analytical process and by structuring a broadly diversified investment pool.

(i) Excessive risk concentration

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

In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio in accordance with the Fund's Trust Deed, the 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.

Corporate Information

Fund: AmanahRaya Islamic Equity Fund ('ARIEF')

The Manager	AmanahRaya Investment Management Sdn Bhd (309646-H) Level 59, Vista Tower, The Intermark 348, Jalan Tun Razak 50400 Kuala Lumpur. Tel: (03) 2332 5200 Fax: (03) 2332 5201 Website: www.arim.com.my E-mail: sales@arim.com.my
Board of Directors	Encik Mohd Razlan Bin Mohamed* Datuk Ismail bin Kamaruddin* Encik Ahmad Feizal Bin Sulaiman Khan (<i>Appointed on 6 May 2024</i>) Puan Haliza Aini binti Othman* Puan Azura binti Azman* Encik Mohd Farid Bin Zawawi* (<i>Appointed on 12 November 2024</i>) Encik Mohamad Shafik bin Badaruddin (<i>Managing Director / Chief Executive Officer</i>) Dato' Haji Ramli Bin Chik* (<i>Retired on 1 January 2024</i>) Dato' Ahmad Suhaimi Bin Endut (<i>Resigned on 1 March 2024</i>) <i>*Independent Director</i>
Investment Committee Members	Datuk Ismail bin Kamaruddin* Puan Azura binti Azman* Encik Mohd Farid Bin Zawawi* (<i>Appointed on 12 November 2024</i>) Dato' Ahmad Suhaimi Bin Endut (<i>Resigned on 1 March 2024</i>) <i>*Independent Member</i>
Shariah Adviser	BIMB Securities Sdn Bhd Level 34, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur. Tel: (03) 2613 1600
Company Secretary	Jerry Jesudian A/L Joseph Alexander (MAICSA 7019735) Tingkat 11 Wisma AmanahRaya No 2 Jalan Ampang 50450 Kuala Lumpur
Trustee of the Fund	PB Trustee Services Berhad 17 th Floor, Menara Public Bank No. 146, Jalan Ampang 50450 Kuala Lumpur Tel: (03) 2176 6000 Fax: (03) 2164 3285
Banker of the Fund	Malayan Banking Berhad KL Main Branch Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur

Corporate Information (continued)

Auditor of the Manager and the Fund	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: (03) 7495 8000 Fax: (03) 2095 5332
Tax Consultant of the Fund	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: (03) 7495 8000 Fax: (03) 2095 5332
Senior Management Staff	Encik Mohamad Shafik Bin Badaruddin <i>Managing Director / Chief Executive Officer</i> Encik Abd Razak Bin Salimin <i>Chief Investment Officer</i> Encik Mohd Amir Shah Bin Basir <i>Chief Operating Officer</i> Encik Ridza Bin Ahmad Jalaludin <i>Head of Compliance – Designated Compliance Officer</i>