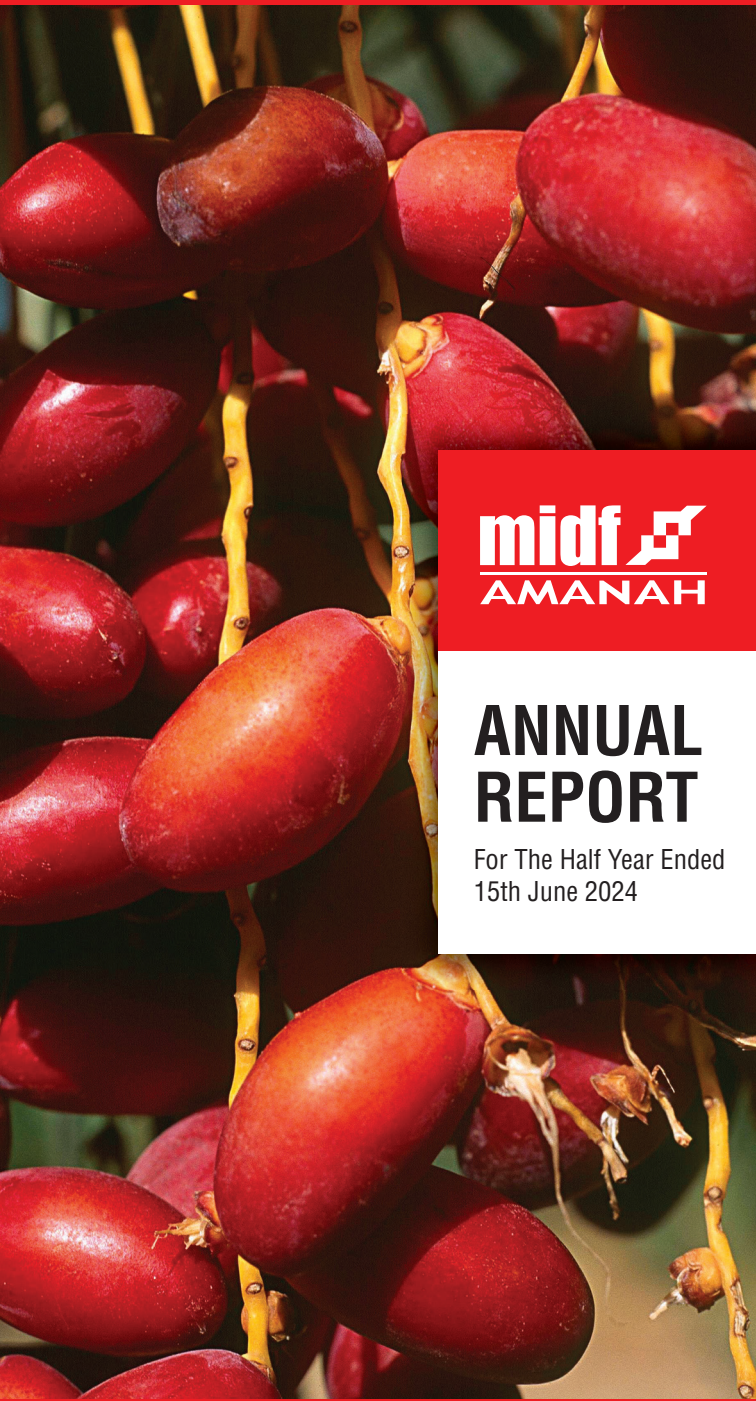


**MIDF AMANAH ISLAMIC FUND**



**midf**   
**AMANAH**

# **ANNUAL REPORT**

For The Half Year Ended  
15th June 2024

**MIDF Amanah Asset Management Berhad**

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

15th June 2024

Dear Unit Holders:

## FUND CATEGORY AND TYPE

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

## ASSET ALLOCATION AS AT 15 JUNE 2024

Shariah-compliant Equities	87.7%
Islamic Money Market Instruments and Others	12.3%

## PERFORMANCE OF THE FUND

MIDF Amanah Islamic Fund ("MAIF")	15/06/2024	15/06/2023	%
Net Asset Value ("NAV") (RM)	5,192,813	4,667,842	11.25
NAV per Unit (RM)	0.3875	0.3181	21.82
FBM Emas Shariah Index ("FBMS")	12,727.48	10,564.53	20.47

For the Financial Year ended 15 June 2024, the NAV per unit of MAIF increased by 21.82%, outperforming the FBMS by 1.35% as the latter registered a return of 20.47%.

The key objective of MAIF is to achieve long-term capital growth through investments which conform to the principles of Shariah. During the period under review, the Fund achieved its objective in terms of capital growth in addition of outperforming its benchmark despite of the market's volatility.

The stronger performance was attributed to the higher weightage and tactical allocation of Utilities, Construction, and Property stocks which have fared well during the fund's financial year.

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

## **EQUITY MARKET REVIEW**

2023 was a year of tales with two halves. The stock market struggled in the first half of the year before staging a strong recovery in the second half as sentiments improved with the anticipation of rate cuts in the US. Combined with the stable momentum of GDP growth rates, this created a conducive backdrop for improved valuations across diverse asset classes.

The upward momentum that began in the second half of 2023 extended into the first half of 2024, fuelled by investor anticipations of improved market conditions. This optimism was underpinned by healthier economic growth domestically, a steadier earnings growth outlook, and traction from the various growth initiatives unveiled in 2023, such as the National Energy Transition Roadmap (NETR) and the Johor-Singapore Special Economic (JS-SEZ) Zone, as well as the datacentre play.

The positive catalysts significantly boosted our markets, with the KLCI leading among MIST markets. The KLCI recorded a substantial year-to-date gain of 9.3%, reaching 1,629 points from 1,455 points at the end of 2023. The FBM Mid 70 index notably rose by 22.1%, while all Bursa Malaysia indices recorded positive returns. Construction emerged as the standout performer, achieving gains of 37.4% for the first half of the year, followed by Utilities with a gain of 34.85%. Property also managed to eke out a 25.38% gain as the JS-SEZ is expected to support the demand for housing.

Local institutional investors played a significant role in the market flow in the first half of the year, emerging as the largest net buyers with a cumulative net buy of RM4.4 billion. This underscores the confidence of big local asset management firms in the market. On the other hand, local retail investors were the largest net sellers of Malaysian equities, with RM3.4 billion. Foreign investors also continued to be the net sellers, following the trend since 2023 with a cumulative net sell of RM816.5 million.

## **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.

## **INVESTMENT OUTLOOK AND STRATEGY**

Our outlook for the local markets remains cautiously optimistic. We anticipate the FBM KLCI to close the year above 1,600 points, reflecting the commendable performance of our markets in the early part of the year. As of 30 June 2024, all indices were in the green year-to-date (YTD), with returns ranging between 8.5% and 22%. The FBM KLCI concluded at 1,629 points, marking a gain of 9.3% since the end of 2023.

Our portfolio performance has continued to improve, driven by our overweight positions in sectors such as Utilities, Construction, and Property, which have recorded gains of up to 20% over the period. While certain sectors have performed strongly, we believe there are opportunities for growth in laggard plays within the Technology and Consumer sectors. Our strategy will remain focused on a sector and thematic-driven approach, supported by bottom-up stock selection to capitalize on market trends and opportunities.

We are encouraged by policy improvements, the expected weakening of the US Dollar, and the upward trend in corporate earnings. The recent positive earnings results released in late May have shown year-on-year improvement and stable quarter-on-quarter performance. Additionally, the stable political environment is crucial for attracting foreign investors, and we anticipate it will further enhance foreign investor confidence, continuing the strong foreign direct investment trend seen in 2023.

The local markets present compelling investment opportunities, trading at a consensus PE ratio of 13.5x compared to its 5-year historical average of 17.6x. Any market pullbacks could offer opportunities to accumulate and bargain-hunt. We remain flexible in our tactical asset allocation to manage portfolio risks and navigate macroeconomic changes. Our top sector recommendations include Utilities, Property, Construction, Consumer, Technology, and Energy. We advocate for a strategic asset allocation within the range of 75% - 80% to ensure a balanced and diversified portfolio strategy.

## CURRENT PROFILE OF UNITHOLDINGS BY SIZE

Size of Unitholdings	No. of Unit Holders	No. of Units Held	% of Unit Holders
5,000 and below	1,093	1,282,876	74.35
5,001 to 10,000	99	688,198	6.74
10,001 to 50,000	211	4,786,969	14.35
50,001 to 500,000	67	6,644,362	4.56
500,001 and above	-	-	-
	<b>1,470</b>	<b>13,402,405</b>	<b>100.00</b>

## PORTFOLIO COMPOSITION

	As at 15.06.2024 %	As at 15.06.2023 %	As at 15.06.2022 %
Consumer Products & Services	11.3	11.0	14.2
Construction	8.5	-	1.1
Energy	1.9	8.2	1.3
Finance	0.6	-	-
Healthcare	1.2	7.9	-
Industrial Products & Services	17.1	10.3	19.2
Property	0.9	-	-
Plantation	1.7	-	6.8
Technology	16.9	9.2	26.1
Telecommunication & Media	20.0	17.6	7.6
Transportation & Logistics	-	-	-
Utilities	7.6	10.5	4.7
Islamic REITs	-	-	4.1
Warrants	-	-	0.2
Cash and other Net Assets	12.3	25.3	14.7
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## PERFORMANCE DATA

		As at 15.06.2024	As at 15.06.2023	As at 15.06.2022
Net Asset Value	[RM]	5,192,813	4,667,842	4,476,503
Units in Circulation	[Units]	13,402,405	14,675,568	15,237,586
Net Asset Value per Unit	[RM]	0.3875	0.3181	0.2938
Highest NAV*	[RM]	0.3900	0.3389	0.3406
Lowest NAV*	[RM]	0.3133	0.2815	0.2818
Total Return: - Capital Growth - Income Distribution	[%]	21.82 Nil	8.27 Nil	-6.79 Nil
Total Expense Ratio (TER) <sup>1</sup>	[%]	2.06	2.08	2.15
Portfolio Turnover Ratio (PTR) <sup>2</sup>	[x]	0.66	1.45	1.19

a) The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).

b) No cross-trade transactions have been carried out during the reported period.

### Notes:

<sup>1</sup> The TER for 2024 decreased marginally to 2.06% from 2.08% in 2023.

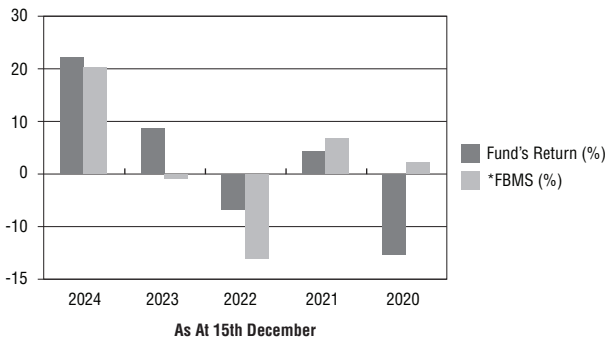
<sup>2</sup> The PTR for 2024 was at 0.66 times as compared to 1.45 times in 2023, due to lower trading activities in 2024.

## ANNUAL TOTAL RETURN

MIDF Amanah Islamic Fund					
As at 15th June	2024	2023	2022	2021	2020
Fund's Return (%)	21.82	8.27	-6.79	3.89	-15.06
*FBMS (%)	20.47	-0.50	-16.48	6.85	0.92

\* Source: Bloomberg

## MIDF AMANAH ISLAMIC FUND



### AVERAGE TOTAL RETURN

As at 15th June	The Fund	FBM Shariah
One Year	21.82	20.47
Three Years	7.94	0.04
Five Years	1.20	0.41

Average total return is derived using the following formula:

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

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

Yours faithfully  
MIDF Amanah Asset Management Berhad

**Shan Kamahl Mohammad**  
Chief Executive Officer

Date: 5 August 2024

## MANAGER'S REPORT

The Manager has pleasure in submitting its report and the audited financial statements of the MIDF Amanah Islamic Fund ("the Fund") for the financial year ended 15 June 2024.

## PRINCIPAL ACTIVITIES OF THE MANAGER

The principal activities of the Manager are the provision of Islamic fund management, Islamic investment advisory services and management of unit trust funds.

There have been no significant changes in these principal activities during the financial year.

## INVESTMENTS OF THE FUND

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

<b>Sector</b>	<b>Aggregate cost as at 16.06.2023 RM</b>	<b>Acquisitions RM</b>	<b>Disposals RM</b>	<b>Aggregate cost as at 15.06.2024 RM</b>
Construction	-	342,753	(30,060)	312,693
Consumer Products & Services	520,862	934,807	(959,125)	496,544
Energy	394,854	287,594	(616,544)	65,904
Financial Services	-	30,998	-	30,998
Health Care	353,828	-	(294,112)	59,716
Industrial Products & Services	512,350	888,885	(735,207)	666,028
Plantation	-	165,091	(82,000)	83,091
Property	-	40,140	-	40,140
Technology	417,006	502,568	(237,878)	681,696
Telecom- munications & Media	872,499	26,048	-	898,547
Utilities	539,201	-	(228,225)	310,976
	<u>3,610,600</u>	<u>3,218,884</u>	<u>(3,183,151)</u>	<u>3,646,333</u>

## Results

Net income after tax	<u>RM</u> <u>992,354</u>
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In the opinion of the Manager, the results of the operations of the Fund during the financial year has not been substantially affected by any item, transaction or event of a material and unusual nature.



## **INVESTMENT OBJECTIVE**

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

## **MANAGEMENT FEES**

During the financial year, the Manager is entitled to a management fee of RM72,023 (15 June 2023: RM70,369). The Manager's fee is computed on a daily basis at 1.50% (15 June 2023: 1.50%) per annum of the Net Asset Value ("NAV") of the Fund before deducting the Manager's and Trustee's fees for that particular day.

## **DISTRIBUTION**

Unit holders have the option of requesting that income due to them on any income distribution be reinvested in the Fund, if any. The reinvestments will be based on the NAV per unit (ex-distribution) at the close of the date the income distribution is declared. Sales charge will not be imposed on the income distribution reinvestments. The Manager reserves the right to reinvest income distributed in respect of a Fund, which is less than RM250.00, in additional units of the Fund at the NAV per unit of the Fund at the close of the date the income distribution is declared.

Distribution cheques issued to unit holders will become void after 6 months from the distribution payment date. Upon the expiry of the cheque, if it has not been presented for payment, it would be reinvested automatically into units of the respective Fund at NAV per unit valued on the date of the expiry of the cheque.

The Manager did not propose any distribution for the financial year ended 15 June 2024 (15 June 2023: Nil).

## **UNIT SPLIT**

No unit split was made during the financial year ended 15 June 2024 (15 June 2023: Nil).

## **CHANGES IN VALUE OF FUND**

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

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

The Manager or any delegate thereof will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investment of the Fund.

However, soft commissions may be retained by the Manager and its delegate for payment of goods and services such as research material, data and quotation services and investment management tools, which are of demonstrable benefit to unit holders.

## **DIRECTORS OF THE MANAGER**

The directors of the Manager since beginning of the current financial year to the date of this report are:

Hasnah Omar

Tai Keat Chai

Hasman Yusri Yusoff

Shan Kamahl Mohammad

Dato' Seri Diraja Nur Julie Gwee Ariff

(Appointed w.e.f. 15 November 2023)

Dato' Azlan bin Shahrim (Appointed w.e.f. 15 November 2023

and resigned w.e.f. 15 July 2024)

Datuk (Dr.) Joseph Dominic Silva (Resigned w.e.f. 15 November 2023)

Norziana Mohd Inon (Resigned w.e.f. 5 July 2023)

For and on behalf of the Manager

**MIDF Amanah Asset Management Berhad**

### **HASNAH OMAR**

Director

### **SHAN KAMAHL MOHAMMAD**

Director

Petaling Jaya, Malaysia

Date: 5 August 2024

**TRUSTEE'S REPORT  
FOR THE FINANCIAL YEAR ENDED 15 JUNE 2024**

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

We have acted as Trustee of the Fund for the financial year ended 15 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, MIDF AMANAH ASSET MANAGEMENT BERHAD has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For **AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**  
Chief Executive Officer

Date: 9 July 2024

**SHARIAH ADVISER'S REPORT  
FOR THE FINANCIAL YEAR ENDED 15 JUNE 2024**

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

We hereby confirm the following:

- 1 To the best of our knowledge, after having made all reasonable enquiries, **MIDF AMANAH ASSET MANAGEMENT BERHAD** has operated and managed the Fund during the period covered by these financial statements in accordance with 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.

For **MBSB BANK BERHAD**

**MOHD BAHRODDIN BADRI**  
Chairman, Shariah Committee  
MBSB Bank Berhad

Date: 5 August 2024

## STATEMENT BY MANAGER

We, Hasnah Omar and Shan Kamahl Mohammad, being two of the directors of MIDF Amanah Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 16 to 46 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MIDF Amanah Islamic Fund as at 15 June 2024 and of its financial performance, changes in equity and cash flows for the financial year then ended.

On behalf of the Manage  
**MIDF Amanah Asset Management Berhad**

**HASNAH OMAR**  
Director

**SHAN KAMAHL MOHAMMAD**  
Director

Petaling Jaya, Malaysia  
Date: 5 August 2024

## **Report on the audit of the financial statements**

### ***Opinion***

We have audited the financial statements of MIDF Amanah Islamic Fund (the "Fund"), which comprise the statement of financial position as at 15 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 46.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 15 June 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting 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 audit 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 information included in the Manager's report and annual report of the Fund, 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.

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 Malaysian Financial Reporting Standards and International Financial Reporting 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 has 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.

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.

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MIDF AMANAH ISLAMIC FUND (CONT'D.)

### ***Auditors' responsibilities for the audit of the financial statements (cont'd.)***

- 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 the 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.

### **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 the 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

Yap Kah Foo  
No. 03574/05/2025 J  
Chartered Accountant

Kuala Lumpur, Malaysia

5 August 2024



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 15 JUNE 2024**

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Dividend income		108,817	134,689
Profit income from Islamic deposits with financial institutions		26,769	26,950
Net gain from financial assets at fair value through profit or loss ("FVTPL")	7	978,676	366,470
		<u>1,114,262</u>	<u>528,109</u>
<b>EXPENSES</b>			
Manager's fee	3	(72,023)	(70,369)
Trustee's fee	4	(3,841)	(3,753)
Auditors' remuneration		(7,000)	(7,000)
Brokerage fee		(14,756)	(33,087)
Tax agent's fee		(3,120)	(3,560)
Administrative expenses		(21,168)	(37,538)
		<u>(121,908)</u>	<u>(155,307)</u>
<b>Net income before tax</b>		992,354	372,802
Income tax expense	5	-	-
		<u>992,354</u>	<u>372,802</u>
<b>Net income after tax representing total comprehensive income for the financial year</b>		<u>992,354</u>	<u>372,802</u>
Net income after tax is made up of the following:			
Net realised loss		(40,086)	(44,084)
Net unrealised gain		1,032,440	416,886
		<u>992,354</u>	<u>372,802</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 15 JUNE 2024**

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Financial assets at FVTPL	7	4,555,283	3,487,110
Islamic deposits with financial institutions	8	911,494	1,075,000
Other receivables		14,552	13,881
Amount due from brokers		-	222,170
Cash at bank		8,121	16,633
<b>TOTAL ASSETS</b>		<u>5,489,450</u>	<u>4,814,794</u>
<b>LIABILITIES</b>			
Other payables		27,855	33,288
Due to Manager		268,257	8,870
Due to Trustee		525	498
Amount due to brokers		-	104,296
<b>TOTAL LIABILITIES</b>		<u>296,637</u>	<u>146,952</u>
<b>EQUITY</b>			
Unit holders' capital	10(a)	493,757	961,140
Retained earnings	10(b), 10(c)	4,699,056	3,706,702
<b>TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<u>5,192,813</u>	<u>4,667,842</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,489,450</u>	<u>4,814,794</u>
<b>UNITS IN CIRCULATION</b>	10(a)	<u>13,402,405</u>	<u>14,675,568</u>
<b>NAV PER UNIT (RM)</b>		<u>0.3875</u>	<u>0.3181</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 15 JUNE 2024**

	<b>Unit holders' capital Note 10(a) RM</b>	<b>Retained earnings Note 10(b) and (c) RM</b>	<b>Total equity RM</b>
As at 16 June 2022	1,142,603	3,333,900	4,476,503
Total comprehensive income for the financial year	-	372,802	372,802
Creation of units	25,862	-	25,862
Cancellation of units	(207,325)	-	(207,325)
As at 15 June 2023	<u>961,140</u>	<u>3,706,702</u>	<u>4,667,842</u>
As at 16 June 2023	961,140	3,706,702	4,667,842
Total comprehensive income for the financial year	-	992,354	992,354
Creation of units	5,957	-	5,957
Cancellation of units	(473,340)	-	(473,340)
As at 15 June 2024	<u>493,757</u>	<u>4,699,056</u>	<u>5,192,813</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 15 JUNE 2024**

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		3,340,239	6,896,113
Purchase of investments		(3,335,058)	(6,369,985)
Dividends received		108,220	131,542
Profit income received		26,695	26,907
Manager's fee paid		(71,046)	(70,268)
Trustee's fee paid		(3,814)	(3,747)
Audit fee paid		(7,000)	(7,000)
Tax agent's fee paid		-	(2,960)
Payment for other fees and expenses		<u>(21,281)</u>	<u>(3,910)</u>
Net cash generated from operating and investing activities		<u>36,955</u>	<u>596,692</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		5,957	25,862
Cash payment for units cancelled		<u>(214,930)</u>	<u>(207,325)</u>
Net cash used in financing activities		<u>(208,973)</u>	<u>(181,463)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(172,018)	415,229
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>1,091,633</u>	<u>676,404</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<u>919,615</u>	<u>1,091,633</u>
Cash and cash equivalents comprise:			
Cash at bank		8,121	16,633
Islamic deposits with financial institutions	8	<u>911,494</u>	<u>1,075,000</u>
		<u>919,615</u>	<u>1,091,633</u>

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

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

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

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

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

The Manager, MIDF Amanah Asset Management Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary of Malaysian Industrial Development Finance Berhad (“MIDF”). Information the penultimate and ultimate holding companies is as disclosed in Note 19.

The principal activities of the Manager are the provision of Islamic fund management, Islamic investment advisory services and management of unit trust funds.

The financial statements were approved and authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 5 August 2024.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s functional currency.

### (b) Changes in accounting policies

The Fund has adopted the following Standards, Amendments to Standards and Interpretations issued by the Malaysian Accounting Standards Board (“MASB”) which have become effective during the financial year.

*MFRS 17: Insurance Contracts*

*Amendments to MFRS 17: Insurance Contracts*

*Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 Comparative Information*

*Amendments to MFRS 101: Disclosure of Accounting Policies*

*Amendments to MFRS 108: Definition of Accounting Estimates*

*Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the new pronouncements did not result in any material impact to the financial statements.

### (c) MFRSs and Amendments to MFRSs issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, Amendments to Standards and Interpretations have been issued but are not yet effective and have not been adopted by the Fund.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

The Fund plans to adopt the above pronouncements when they become effective in the respective financial period. These pronouncements are expected to have no significant impact to the financial statements of the Fund upon their initial application.

### (d) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

#### (i) Financial assets at FVTPL

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

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

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss. Dividend income elements of such instruments are recorded separately as 'Dividend income'. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

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

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

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



## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

### (e) Impairment of financial assets

The Fund holds financial assets with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for Expected Credit Losses (“ECL”) under MFRS 9 to all its financial assets. Therefore, the Fund does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECL at each reporting date.

The Fund’s approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### (f) Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period’s unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting year.

Realised gains and losses on disposals of financial instruments classified as part of FVTPL are calculated using weighted average method. They represent the difference between an instrument’s initial carrying amount and disposal proceeds.

### (g) Financial liabilities

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

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

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

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

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

### (h) Unit holders' capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as Shariah-compliant equity instruments under the revised MFRS 132 Financial Instruments: Presentation.

### (i) Dividend distribution

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's unit holders is accounted for as a deduction from realised reserves except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unit holders' capital. A proposed dividend is recognised as a liability in the period in which it is approved.

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unit holders by way of distribution and/or adjusted accordingly when units are cancelled.

### (j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances and Islamic deposits and Islamic placements with banks and other Islamic financial institutions with original maturity of three months or less, subject to insignificant risk of changes in value.

### (k) Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Dividend income is recognised when the Fund's right to receive payment is established.

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

## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)**

### **(l) Income tax**

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

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

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

### **(m) Segment reporting**

For management purposes, the Fund is managed by two main portfolios, namely (1) Quoted Shariah-compliant securities and (2) Islamic deposits with financial institutions. Each segment engages in separate business activities and the operating results are regularly reviewed by the Investment Manager and the Oversight Committee. The Fund Manager assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to each investment segment.

### **(n) Significant accounting estimates and judgements**

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

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

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

The Manager's fee is computed on a daily basis at 1.50% per annum (15 June 2023: 1.50%) of the NAV of the Fund, before deducting the Manager's and Trustee's fees for that particular day.

#### 4. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.08% per annum (15 June 2023: 0.08%) of the NAV of the Fund, before deducting the Manager's and Trustee's fees for that particular day.

#### 5. INCOME TAX EXPENSE

	2024 RM	2023 RM
Charge for the financial year	<u>-</u>	<u>-</u>

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

The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned from licensed banks and financial institutions is exempted from tax.

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

	2024 RM	2023 RM
Net income before tax	<u>992,354</u>	<u>372,802</u>
Tax at Malaysian statutory rate of 24%	238,165	89,472
Effect of income not subject to tax	(267,423)	(126,746)
Expense not deductible for tax purposes	<u>29,258</u>	<u>37,274</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

#### 6. ZAKAT FOR THE FUND

The Manager does not pay zakat on behalf of its unit holders. Thus, unit holders are advised to pay zakat on their own.

#### 7. FINANCIAL ASSETS AT FVTPL

	2024 RM	2023 RM
Financial assets at FVTPL: Quoted Shariah-compliant securities	<u>4,555,283</u>	<u>3,487,110</u>
Net gain on financial assets at FVTPL comprised:		
Realised loss on disposals	(53,764)	(50,416)
Unrealised gain in fair values	<u>1,032,440</u>	<u>416,886</u>
	<u>978,676</u>	<u>366,470</u>

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

Financial assets at FVTPL as at 15 June 2024 are as detailed below:

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair value RM	% of NAV %
<b>QUOTED SHARIAH-COMPLIANT SECURITIES</b>				
<b>Construction</b>				
Gamuda Berhad	35,000	155,609	228,900	4.4
IJM Corporation Berhad	72,000	157,084	213,120	4.1
	<u>107,000</u>	<u>312,693</u>	<u>442,020</u>	<u>8.5</u>
<b>Consumer Products &amp; Services</b>				
CCK Consolidated Holdings Berhad	33,000	24,801	53,790	1.0
Fraser & Neave Holdings Berhad	4,000	101,392	127,120	2.5
Mr D.I.Y. Group (M) Berhad	139,000	223,410	271,050	5.2
Perak Transit Berhad	192,000	146,941	135,360	2.6
	<u>368,000</u>	<u>496,544</u>	<u>587,320</u>	<u>11.3</u>
<b>Energy</b>				
Dayang Enterprise Holdings Berhad	22,000	34,038	61,820	1.2
Dialog Group Berhad	15,000	31,866	37,500	0.7
	<u>37,000</u>	<u>65,904</u>	<u>99,320</u>	<u>1.9</u>
<b>Financial Services</b>				
Syarikat Takaful Malaysia Keluarga Berhad	8,000	30,998	30,000	0.6
<b>Health Care</b>				
IHH Health Care Berhad	10,000	59,716	62,500	1.2

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

Financial assets at FVTPL as at 15 June 2024 are as detailed below (cont'd.):

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair value RM	% of NAV %
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)</b>				
<b>Industrial Products &amp; Services</b>				
Cahaya Mata Sarawak Berhad	420,000	445,126	588,000	11.3
P.I.E. Industrial Berhad	10,000	31,390	70,800	1.4
Samaiden Group Berhad	40,000	48,144	53,600	1.0
Solarvest Holdings Berhad	45,000	59,554	77,400	1.5
Sunview Group Berhad	80,000	54,408	62,000	1.2
Sunway Berhad	10,000	27,406	38,000	0.7
	<u>605,000</u>	<u>666,028</u>	<u>889,800</u>	<u>17.1</u>
<b>Plantation</b>				
Sarawak Oil Palms Berhad	10,000	27,453	28,800	0.6
Ta Ann Holdings Berhad	15,000	55,638	58,800	1.1
	<u>25,000</u>	<u>83,091</u>	<u>87,600</u>	<u>1.7</u>
<b>Property</b>				
Matrix Concepts Holdings Berhad	25,000	40,140	45,000	0.9

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

Financial assets at FVTPL as at 15 June 2024 are as detailed below (cont'd.):

Name of Counter	Quantity/ nominal amount Units	Cost RM	Fair value RM	% of NAV %
<b>QUOTED SHARIAH-COMPLIANT SECURITIES (CONT'D.)</b>				
<b>Technology</b>				
Agmo Holdings Berhad	2,189	-	1,543	-
D & O Green Technologies Berhad	60,000	221,589	236,400	4.6
GHL Systems Berhad	152,000	106,766	162,640	3.1
Greatech Technology Berhad	15,000	59,163	78,150	1.5
MY E.G.Services Berhad	381,000	294,178	400,050	7.7
	<u>610,189</u>	<u>681,696</u>	<u>878,783</u>	<u>16.9</u>
<b>Telecom- munication &amp; Media</b>				
OCK Group Berhad	508,000	210,616	302,260	5.8
Telekom Malaysia Berhad	68,000	394,431	443,360	8.5
Time Dotcom Berhad	58,000	293,500	295,220	5.7
	<u>634,000</u>	<u>898,547</u>	<u>1,040,840</u>	<u>20.0</u>
<b>Utilities</b>				
Gas Malaysia Berhad	30,000	99,705	109,500	2.1
Mega First Corporation Berhad	60,000	211,271	282,600	5.5
	<u>90,000</u>	<u>310,976</u>	<u>392,100</u>	<u>7.6</u>
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>	<u>2,519,189</u>	<u>3,646,333</u>	<u>4,555,283</u>	<u>87.7</u>
<b>ACCUMULATED UNREALISED GAIN</b>			<u>908,950</u>	

## 8. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

	2024 RM	2023 RM
Islamic deposits with licensed banks	<u>911,494</u>	<u>1,075,000</u>

The effective average profit rate for short-term Islamic placements as at 15 June 2024 is 2.86% (15 June 2023: 2.89%) per annum. The average maturity of the deposits as at 15 June 2024 is 3 days (15 June 2023: 1 day).

## 9. SHARIAH INFORMATION OF THE FUND

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

- Shariah-compliant Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission; and
- Islamic cash placements and liquid assets in local market, which are placed in Shariah-compliant investment instruments.

## 10. TOTAL EQUITY

	Note	2024 RM	2023 RM
Unit holders' capital	(a)	493,757	961,140
Retained earnings			
- Realised and distributable	(b)	3,790,106	3,830,192
- Unrealised and non-distributable	(c)	<u>908,950</u>	<u>(123,490)</u>
Total equity		<u>5,192,813</u>	<u>4,667,842</u>

### (a) Unit holder's capital

	2024		2023	
	No. of units	RM	No. of units	RM
As at the beginning of the financial year	14,675,568	961,140	15,237,586	1,142,603
Creation of units	18,362	5,957	84,647	25,862
Cancellation of units	<u>(1,291,525)</u>	<u>(473,340)</u>	<u>(646,665)</u>	<u>(207,325)</u>
As at the end of the financial year	<u>13,402,405</u>	<u>493,757</u>	<u>14,675,568</u>	<u>961,140</u>



## 10. TOTAL EQUITY (CONT'D.)

### (b) Realised and distributable

	2024 RM	2023 RM
As at the beginning of the financial year	3,830,192	3,874,276
Net realised loss	(40,086)	(44,084)
As at the end of the financial year	<u>3,790,106</u>	<u>3,830,192</u>

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

	2024 RM	2023 RM
As at the beginning of the financial year	(123,490)	(540,376)
Net unrealised gain attributable to investments	<u>1,032,440</u>	<u>416,886</u>
As at the end of the financial year	<u>908,950</u>	<u>(123,490)</u>

## 11. UNITS HELD BY MANAGER

For the financial year ended 15 June 2024 and 15 June 2023, no units were held by the Manager.

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

	Value of trade RM	% of total trade %	Brokerage fees RM	% of total brokerage fees %
<b>2024</b>				
Maybank Investment Bank Berhad	2,008,358	31.6	5,021	34.0
MIDF Amanah Investment Bank Berhad*	1,679,366	26.5	4,198	28.5
Public Investment Bank Berhad	1,297,234	20.5	3,243	22.0
Kenanga Investment Bank Berhad	594,670	9.4	1,189	8.1
TA Securities Holdings Berhad	585,983	9.2	648	4.4
Affin Hwang Investment Bank Berhad	154,767	2.4	387	2.6
CGS-CIMB Securities Berhad	<u>27,894</u>	<u>0.4</u>	<u>70</u>	<u>0.4</u>
<b>TOTAL</b>	<u>6,348,272</u>	<u>100.0</u>	<u>14,756</u>	<u>100.0</u>

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

	Value of trade RM	% of total trade %	Brokerage fees RM	% of total brokerage fees %
<b>2023</b>				
Affin Hwang Investment Bank Berhad	4,343,045	31.9	10,858	32.8
Public Investment Bank Berhad	2,385,044	17.6	6,001	18.2
Maybank Investment Bank Berhad	2,357,074	17.3	5,780	17.5
MIDF Amanah Investment Bank Berhad *	2,112,691	15.6	5,375	16.2
CGS-CIMB Securities Berhad	1,332,777	9.8	3,332	10.1
Kenanga Investment Bank Berhad	599,603	4.4	1,199	3.6
TA Securities Holdings Berhad	465,241	3.4	542	1.6
<b>TOTAL</b>	<u>13,595,475</u>	<u>100.0</u>	<u>33,087</u>	<u>100.0</u>

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

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

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

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on daily basis. The fees and expenses included Manager’s fee, Trustee’s fee, auditors’ remuneration, tax agent’s fee and other administrative expenses. For the financial year ended 15 June 2024, the TER of the Fund stood at 2.06% (15 June 2023: 2.08%).

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

The PTR of the Fund is the ratio of the average acquisitions and disposal of the Fund for the financial year to the average NAV of the Fund. For the financial year ended 15 June 2024, the PTR of the Fund stood at 0.66 times (15 June 2023: 1.45 times).

### **15. 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 by two segments:

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

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

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

	2024			2023		
	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM	Quoted Shariah- compliant securities RM	Islamic deposits with financial institutions RM	Total RM
Dividend income	108,817	-	108,817	134,689	-	134,689
Profit income from Islamic deposits with financial institutions	-	26,769	26,769	-	26,950	26,950
Net gain from investments: - financial assets at FVTPL	978,676	-	978,676	366,470	-	366,470
Total segment operating income for the financial year	<u>1,087,493</u>	<u>26,769</u>	<u>1,114,262</u>	<u>501,159</u>	<u>26,950</u>	<u>528,109</u>
Financial assets at FVTPL	4,555,283	-	4,555,283	3,487,110	-	3,487,110
Islamic deposits with financial institutions	-	911,494	911,494	-	1,075,000	1,075,000
Amount due from brokers	-	-	-	222,170	-	222,170
Other receivables	14,368	184	14,552	13,771	110	13,881
Total segment assets	<u>4,569,651</u>	<u>911,678</u>	<u>5,481,329</u>	<u>3,723,051</u>	<u>1,075,110</u>	<u>4,798,161</u>
Amount due to brokers	-	-	-	104,296	-	104,296
Total segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,296</u>	<u>-</u>	<u>104,296</u>

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

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net reportable segment operating income	1,114,262	528,109
Expenses	(121,908)	(155,307)
Net income before tax	992,354	372,802
Income tax expense	-	-
Net income after tax	<u>992,354</u>	<u>372,802</u>

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	5,481,329	4,798,161
Cash at bank	8,121	16,633
Total assets of the Fund	5,489,450	4,814,794
Total segment liabilities	-	104,296
Other payables	27,855	33,288
Due to Manager	268,257	8,870
Due to Trustee	525	498
Total liabilities of the Fund	<u>296,637</u>	<u>146,952</u>

## 16. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

The following table analyses the financial assets and liabilities of the Fund in the statement of financial position as at 15 June 2024 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

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

### (a) Classification of financial instruments (Cont'd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2024</b>				
<b>Assets</b>				
Financial assets at FVTPL	4,555,283	-	-	4,555,283
Islamic deposit with a financial institution	-	911,494	-	911,494
Cash at bank	-	8,121	-	8,121
Other receivables	-	14,552	-	14,552
<b>Total financial assets</b>	<b>4,555,283</b>	<b>934,167</b>	<b>-</b>	<b>5,489,450</b>
<b>Liabilities</b>				
Other payables	-	-	27,855	27,855
Due to Manager	-	-	268,257	268,257
Due to Trustee	-	-	525	525
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>296,637</b>	<b>296,637</b>
<b>2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	3,487,110	-	-	3,487,110
Islamic deposits with financial institutions	-	1,075,000	-	1,075,000
Cash at bank	-	16,633	-	16,633
Other receivables	-	13,881	-	13,881
Amount due from brokers	-	222,170	-	222,170
<b>Total financial assets</b>	<b>3,487,110</b>	<b>1,327,684</b>	<b>-</b>	<b>4,814,794</b>
<b>Liabilities</b>				
Other payables	-	-	33,288	33,288
Due to Manager	-	-	8,870	8,870
Due to Trustee	-	-	498	498
Amount due to brokers	-	-	104,296	104,296
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>146,952</b>	<b>146,952</b>

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
Quoted Shariah- compliant securities	<u>4,555,283</u>	<u>-</u>	<u>-</u>	<u>4,555,283</u>
<b>2023</b>				
Quoted Shariah- compliant securities	<u>3,487,110</u>	<u>-</u>	<u>-</u>	<u>3,487,110</u>

#### Quoted Shariah-compliant securities

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

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

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

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

## 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### (a) Introduction

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

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

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

### (b) Risk management structure

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

### (c) Risk measurement and reporting system

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

### (d) Risk mitigation

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

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



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

### (e) Excessive risk concentration

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

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

### (f) Market risk

#### (i) Profit rate risk

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

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

#### (ii) Equity price risk

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

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

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

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

**Equity price risk sensitivity**

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

	%	Effect on NAV Increase RM
<b>Market index</b>		
<b>2024</b>		
Changes in equity price	+5	227,764
<b>2023</b>		
Changes in equity price	+5	174,356

The Management assumed that the movement of FVTPL investments as at 15 June 2024 moves in line with the movement of the Bursa Malaysia KLCI index.

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

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

**Equity price risk concentration**

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

	2024		2023	
	Fair value RM	% of NAV RM	Fair value	% of NAV
Malaysia	4,555,283	87.7	3,487,110	74.7

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

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

### (g) Liquidity risk

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

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

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

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

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

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

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

	<b>Less than 1 month RM</b>	<b>Total RM</b>
<b>2024</b>		
Financial assets:		
Financial assets held at FVTPL	4,555,283	4,555,283
Islamic deposits with financial institutions	911,494	911,494
Other financial assets	22,673	22,673
	<u>5,489,450</u>	<u>5,489,450</u>
Total undiscounted financial assets		
Financial liabilities:		
Other financial liabilities	296,637	296,637
	<u>296,637</u>	<u>296,637</u>
Total undiscounted financial liabilities		
NAV attributable to unit holders	5,192,813	5,192,813
Liquidity gap	<u>-</u>	<u>-</u>
<b>2023</b>		
Financial assets:		
Financial assets held at FVTPL	3,487,110	3,487,110
Islamic deposits with financial institutions	1,075,000	1,075,000
Other financial assets	252,684	252,684
	<u>4,814,794</u>	<u>4,814,794</u>
Total undiscounted financial assets		
Financial liabilities:		
Other financial liabilities	146,952	146,952
	<u>146,952</u>	<u>146,952</u>
Total undiscounted financial liabilities		
NAV attributable to unit holders	4,667,842	4,667,842

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

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

#### (i) Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. Quoted Shariah-compliant equity instruments have been included in the "Less than 1 month" on the assumption that these are highly liquid investments which can be realised should all of the Fund's unit holders' capital are required to be redeemed. For Islamic deposits with financial institutions and other assets, the analysis into maturity groupings is based on behavioural cash flows, i.e. the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised/maturity dates of debt securities.

#### (ii) Financial liabilities

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

#### (iii) Equity

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

### (h) Credit risk

#### Credit concentration

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

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

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

#### Credit default

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

### (i) Reclassification of Shariah status risk

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

## 18. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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

## 19. CHANGES IN GROUP STRUCTURE

Previously, the penultimate and ultimate holding companies of the Manager, MIDF Amanah Asset Management Berhad were Permodalan Nasional Berhad (“PNB”) and Yayasan Pelaburan Bumiputra (“YPB”). The holding companies were incorporated in Malaysia.

On 13 April 2023, Bank Negara Malaysia has granted its approval to Malaysia Building Society Berhad (“MBSB”) to acquire 100% shareholding in MIDF from MIDF’s immediate holding company, PNB.

On 2 October 2023, MBSB completed the acquisition of 480,355,627 ordinary shares in MIDF from PNB, representing 100% of the issued and paid-up share capital of MIDF, for a total consideration of RM1.01 billion comprising 1.05 billion new shares in MBSB at an issue price of RM0.9652 to PNB.

Following the above, the penultimate holding company of the Manager is MBSB, a public limited liability company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Employees Provident Fund (“EPF”), a statutory body established under the Employees Provident Fund Act, 1991 (Act 452) is the ultimate holding company.

## CORPORATE INFORMATION

<b>MANAGER</b>	MIDF Amanah Asset Management Berhad Registration Number: 197201000162 (11804-D)
<b>REGISTERED OFFICE</b>	Level 25, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Tel: 03 – 2173 8888
<b>BUSINESS OFFICE</b>	Level 20, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: midfamanah@midf.com.my Website: <a href="http://www.midf.com.my/index.php/en/what-we-do-en/asset-management">www.midf.com.my/index.php/en/what-we-do-en/asset-management</a>
<b>TRUSTEE</b>	AmanahRaya Trustees Berhad (766894-T) Level 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
<b>BOARD OF DIRECTORS</b>	Hasnah Omar – Chairman Tai Keat Chai Hasman Yusri Yusoff Shan Kamahl Mohammad Dato' Azlan Shahrim (appointed effective 15 November 2023 and resigned w.e.f 15 July 2024) Dato' Seri Diraja Nur Julie Gwee Ariff (appointed effective 15 November 2023) Datuk (Dr.) Joseph Dominic Silva (resigned effective 15 November 2023) Norziana Mohd Inon (resigned effective 5 July 2023)
<b>OVERSIGHT COMMITTEE MEMBERS</b>	Hasman Yusri Yusoff – Chairman Tai Keat Chai Sheikh Shahrudin Sheikh Salim
<b>BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS</b>	Tai Keat Chai – Chairman Hasman Yusri Yusoff Norziana Mohd Inon (resigned effective 5 July 2023)
<b>COMPANY SECRETARIES</b>	Nor Azita Sarip (MAICSA 7048861) Nor'adilah Mohd Arshad (LS 10098) (appointed effective 1 January 2024) Hadidah Amin (LS 10683) (resigned effective 1 January 2024) Lailatul Mardhiyah Said Abdullah (LS 10110) (resigned effective 28 April 2023)
<b>AUDITOR</b>	Ernst & Young PLT Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur



## CORPORATE INFORMATION (CONT'D.)

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