



MUAMALAT INVEST ISLAMIC SUKUK FUND 1
(The “Fund”)

ANNUAL REPORT 2025

**Incorporating the Audited
Financial Statements**

For the financial year ended 30 April 2025

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CORPORATE INFORMATION

MANAGER

Muamalat Invest Sdn. Bhd.

REGISTERED OFFICE

30th Floor, Menara Bumiputra, No.21, Jalan Melaka, 50100 Kuala Lumpur

BUSINESS OFFICE AND OFFICE OF THE REGISTRAR

4th Floor, Menara Bumiputra, No.21, Jalan Melaka, 50100 Kuala Lumpur

Tel: 03 – 2615 8175 Fax: 03 – 2070 0157

Email: misb@muamalat.com.my

BOARD OF DIRECTORS

Md. Khairuddin bin Hj. Arshad (Chairman)

Khairul bin Kamarudin

Roshidah binti Abdullah

Khadijah Sairah binti Ibrahim (Executive Director)

SHARIAH ADVISER

Bank Muamalat Malaysia Berhad

COMPANY SECRETARY

Daisy anak Francis (LS0010019)

(SSM Practicing Certificate No. 202008002477)

JOINT COMPANY SECRETARY

Nur Syafiqah binti Mohamad Fuzi (MACS01923)

(SSM Practicing Certificate No. 202308000635)

TRUSTEE

Amanah Raya Trustees Berhad

Level 14, Wisma AmanahRaya

No.2 Jalan Ampang

50508 Kuala Lumpur

PRINCIPAL BANKER

Bank Muamalat Malaysia Berhad

AUDITOR

PricewaterhouseCoopers PLT

10th Floor, 1 Sentral, Jalan Rakyat

KL Sentral, 50706 Kuala Lumpur

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd

10th Floor, 1 Sentral, Jalan Rakyat

KL Sentral, 50706 Kuala Lumpur

FUND INFORMATION

Name of Fund	: Muamalat Invest Islamic Sukuk Fund 1
Period of Trust	: Subject to provisions of the Deed
Fund Category	: Wholesale Sukuk Fund
Fund Type	: Income
Relevant Benchmark	: The 12-month Maybank Islamic Berhad General Investment Account (GIA) rate
Distribution Policy	: Subject to the availability of realised income received from the investment, the Fund will distribute income at least once a year.

INVESTMENT OBJECTIVE, STRATEGY AND POLICY**Investment Objective**

The Fund aims to generate regular income for unitholders.

Investment Strategy and Policy

The Fund seeks to achieve its objective by investing up to 100% of the NAV in sukuk issued by the Government of Malaysia and/or Malaysian corporates with maximum average portfolio remaining maturity of 7 years. The Fund may also invest up to 20% of the NAV in Islamic money market instruments, cash/cash equivalents and other permitted Shariah-compliant investments.

The Manager may also take temporary defensive measures (for up to 6 months) that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economic, political or any other conditions which the Manager deem detrimental to the Fund. This includes any event that requires large creation of units in the Fund – to allow the Manager more time to find suitable sukuk papers to invest in in order to comply with the Fund's asset allocation. The defensive measures that the Manager may undertake are in no way to deviate from the Fund's objective mandates or breaching any laws and regulations.

The Fund's strategies in yield enhancement for the portfolio will also be balanced with other investment needs of the Fund, such as liquidity and risk management. On liquidity management, the Fund will maintain sufficient amount of liquidity to accommodate redemption by unit holders. As for risk management, the portfolio duration is kept at optimal level, subject to the maximum remaining maturity period, where yield enhancement can be optimised on risk adjusted basis, and at the same time, balanced with the need for managing the portfolio's volatility.

Note: Please note that the Fund is neither a capital guaranteed nor a capital protected fund.

MANAGER'S OVERVIEW

We are pleased to present to you the Annual Report of Muamalat Invest Islamic Sukuk Fund 1 ("the Fund") incorporating the Audited Financial Statements for the financial year ended 30 April 2025.

During the financial year under review, the Fund generated a return of 4.94%* while its benchmark recorded a return of 2.69%*. Hence, the Fund outperformed the benchmark by 2.25% during the financial year under review. The Fund has met its investment objective during the financial year under review.

During the financial year under review, the Fund has declared a net distribution of 3.3869 sen per unit on 25 April 2025.

** Source: Novagni Analytics and Advisory Sdn Bhd*

MANAGER'S REPORT

Fund Performance Review

During the financial year under review, the Fund generated a return of 4.94%* while its benchmark recorded a return of 2.69%*. Hence, the Fund outperformed the benchmark by 2.25% during the financial year under review. The Fund has met its investment objective during the financial year under review.

The total units in circulation as of 30 April 2025 are 110,326,468 units and NAV attributable to unit holders is RM1.0444 per unit.

* Source: Novagni Analytics and Advisory Sdn Bhd

Asset Allocation

The Fund's holdings are shown below:-

Asset Class	30 April 2025	30 April 2024
Unquoted Sukuk	94.73%	98.64%
Liquid assets and other net current assets	5.27%	1.36%
Total	100.00%	100.00%

The asset allocation reflects the Fund's strategy to have maximum exposure to the investments.

Strategies and Policies

This Fund aims to generate regular income for unitholders.

During the financial year under review, the Fund generated a return of 4.94%* compared to the benchmark return of 2.69%*. The Fund had outperformed the benchmark by 225 basis points during the financial year under review. The Fund also had fulfilled its objective in providing steady income.

The strategy adopted by the Fund for the financial year under review is in line with the investment strategy of the Fund.

* Source: Novagni Analytics and Advisory Sdn Bhd

Market Review

The year 2024 was the theme of lower quality with higher yielding fixed income assets outperforming the broader investment-grade assets. On the global market, the US Treasury 3-year yields increased by 26 bps year-to-date (closing at 4.27%) while the benchmark 10-year yields expanded by 70 bps year-to-date (closing at 4.58%).

During 2024, local yields were mixed even with the US Federal Reserve's third rate cut of the year that reduces its target rate to between 4.25% and 4.5% in December 2024. Given reductions in borrowing costs that hinged on further progress in lowering high inflation, policymakers are starting to reckon with the prospects for sweeping economic changes under the Trump administration. In the 1Q 2025, the central bank's rate outlook included only two (2) cuts in 2025, rather than the four previously penciled in, catching investors off guard, and sending stocks tumbling while driving up yields and the dollar.

On the local front, the MGS yields flattened at the short end with 3-year declined by 1 bps (closing at 3.48%) and steepened at the longer end with 10-year surged by 8 bps (closing at 3.82%) year-to-date December 2024. The GII saw greater yields flattening at the 3-year sector, down by 16 bps (closing at 3.33%) for the 3-year, while the 10-year yields climbed by 6 bps (closing at 3.83%) for the year. The yields movements largely attributed to a softer-than-expected US core PCE reading, which introduced uncertainty around US inflation conditions. Domestically, a stable inflation rate of 1.8% maintained investor confidence, providing support to local yields.

The Malaysian corporate fixed income market saw the AAA-rated corporate bond and Sukuk yields flat throughout the year 2024. The yields for both AAA-rated corporate bond and sukuk for the 3-year papers were flat at 3.83% as of end December 2024. The yields for 10-year bonds and sukuk both decline by 1 bps closing the year at 4.04%.

Whilst foreign interest for the Malaysian papers fluctuated during the year, the total foreign holdings of MGS and GII closed the year with an increase of 0.52%, which stood at RM254.92 billion as of end December 2024 (December 2023: RM253.59 billion).

The outstanding amount of the Government conventional bond and the Government Islamic Bond (Sukuk) for the year 2024, stood at RM638.83 billion and RM580.80 billion respectively. The conventional Quasi-govt outstanding amount stood at RM20.65 billion, much smaller compared to its Islamic counterpart that stood at RM320.15 billion. For corporate issuances, the conventional bond outstanding amounted RM14.22 billion while the corporate Sukuk was recorded higher at RM423.38 billion.

On the economic front, Malaysia's economy expanded by 5.1% in 2024, marking a notable improvement from the 3.5% growth recorded in the previous year. According to preliminary GDP estimates released by the Department of Statistics Malaysia (DOSM), the stronger performance was primarily driven by the Services and Manufacturing sectors, which collectively contributed 82.5% to total GDP. On the expenditure side, private final consumption remained the dominant growth driver, accounting for 60.7% of GDP during the year.

YTD Malaysian Ringgit has continued to strengthen at 3.50% against the USD. This appreciation was partly attributable to the volatility within the US currency market prompted outflows towards alternative safe-haven assets. The reduced demand for the greenback was influenced by uncertainties surrounding the changing US trade policies, as sentiment on the economic outlook deteriorated further.

According to DOSM, the disinflationary trend continues as producer costs keep declining, evidenced by the Producer Price Index (PPI)'s sharper 3.4% annual drop in April compared to March's 1.9% decrease. This was driven primarily by the mining sector, where prices fell sharply by 17.8% compared to 16.0% in March as demand for mining output weakened significantly.

Malaysia's headline inflation slower increase to 1.8% in 2024, from 2.5% in 2023. The moderation was largely influenced by the Housing, Water, Electricity, Gas & Other Fuels group, which saw a notable rise, primarily due to the increase in sewerage service charges by Indah Water Konsortium (IWK) in January 2024, aimed at covering higher operational costs.

Malaysia's core inflation registered a 1.8% increase in 2024, compared to 3.0% in the previous year. The rise was mainly supported by higher prices in Restaurants & Accommodation Services (3.1%), Food & Beverages (3.0%), and Personal Care, Social Protection & Miscellaneous Goods and Services (3.0%).

In April 2025, DOSM reported that Malaysia's total trade rose 18.2% year-on-year (y-o-y) to RM261.9 billion, driven by strong growth in both exports and imports. Exports increased 16.4% to RM133.6 billion, with domestic exports up 9.1% and re-exports surging 46.0%. Imports jumped 20.0% to RM128.4 billion, led by a significant 114.1% rise in capital goods, though intermediate and consumption goods declined slightly. Despite the overall growth, the trade surplus fell 33.0% y-o-y to RM5.1 billion.

On a month-on-month (m-o-m) basis, exports dipped 2.7% while imports rose 14.1%, causing the trade surplus to drop 79.1%.

(Source: Bank Negara Malaysia and BIX Malaysia)

Market Outlook

Cautious optimism but modest growth is anticipated for 2025. The growth in Malaysia's economy is expected to be driven by domestic demand and sustained investment and exports. Steady labour market with continued wage growth and cash assistance as well as civil servant payrise should support consumption. However, the economy remains vulnerable to external risks namely the global trade tensions and geopolitical conflicts which would influence the overall market and business sentiments. With the recording of 4.4% growth in the Gross Domestic Product (GDP) for first quarter 2025, there potentially room for slower GDP growth trajectory than the initial government's projection of 4.5% - 5.0% for 2025.

The strength in investment is likely to be supported by the private sector. Themes such as artificial intelligence, high technology and knowledge intensive industries would likely be the hype in 2025. The construction sector may also benefit from the growing demand for technology-based centres in this region. With heightened global market uncertainties, investors would often sought for sectors with high resilience, offering stability and defensive traits. Consumer staples, healthcare and utilities could be potential sectors for portfolio consideration.

Malaysia's fixed income market would see further rally in prices should there be heightened global economic vulnerabilities towards the second half of 2025. The US announcement of reciprocal tariffs in April 2025 which seems more aggressive than anticipated have sent bond and sukuk yields downwards. Although, the subsequent 90 days paused on its implementation has provided a short-term breather to the market, the resulting uncertainties will eventually influence the economy and market as we progress.

Any possible moderation of the economic data may have potential for BNM to review its monetary policy in the 2H2025 to stabilise growth. Sovereign bonds and sukuks yields would head lower should OPR easing materialize towards the 2H2025. The widening of corporate and sukuk spread is also anticipated but with limited magnitude given the strong demand for both issuances.

Portfolio Strategy

The global economic outlook remains clouded by persistent uncertainties, including geopolitical tensions, ongoing trade frictions, and uneven growth trajectories across major economies. In Malaysia, these external headwinds—combined with subdued domestic demand and a stable but non-accelerating inflationary environment—have led to rising market speculation that Bank Negara Malaysia (BNM) may adopt a more dovish tone in the quarters ahead.

While no immediate policy action has been confirmed, the evolving macro landscape—including softer inflation prints, a resilient ringgit, and signs of moderation in core CPI—could pave the way for potential monetary easing if downside risks to growth persist. At this juncture, the fund manager is not pre-emptively shifting portfolios for a confirmed rate cut, but is instead positioning strategically to be responsive to dovish signals from BNM.

In view of this uncertain global economic outlook and volatile market condition, the Manager in its opinion will hold a longer-duration sukuk, focusing on high-quality issuers with strong credit ratings and to maintain a tactical trading strategy, seeking for potential capital appreciation where trading opportunities arise while maintaining quality issues to optimize the portfolio return.

(Source: MARC, Bank Negara Malaysia)

PORTFOLIO STRUCTURE

As at 30 April 2025, the Fund has invested circa 94.73% in unquoted sukuk and the balance in liquid assets and other net current assets.

The Fund's holdings are shown below:-

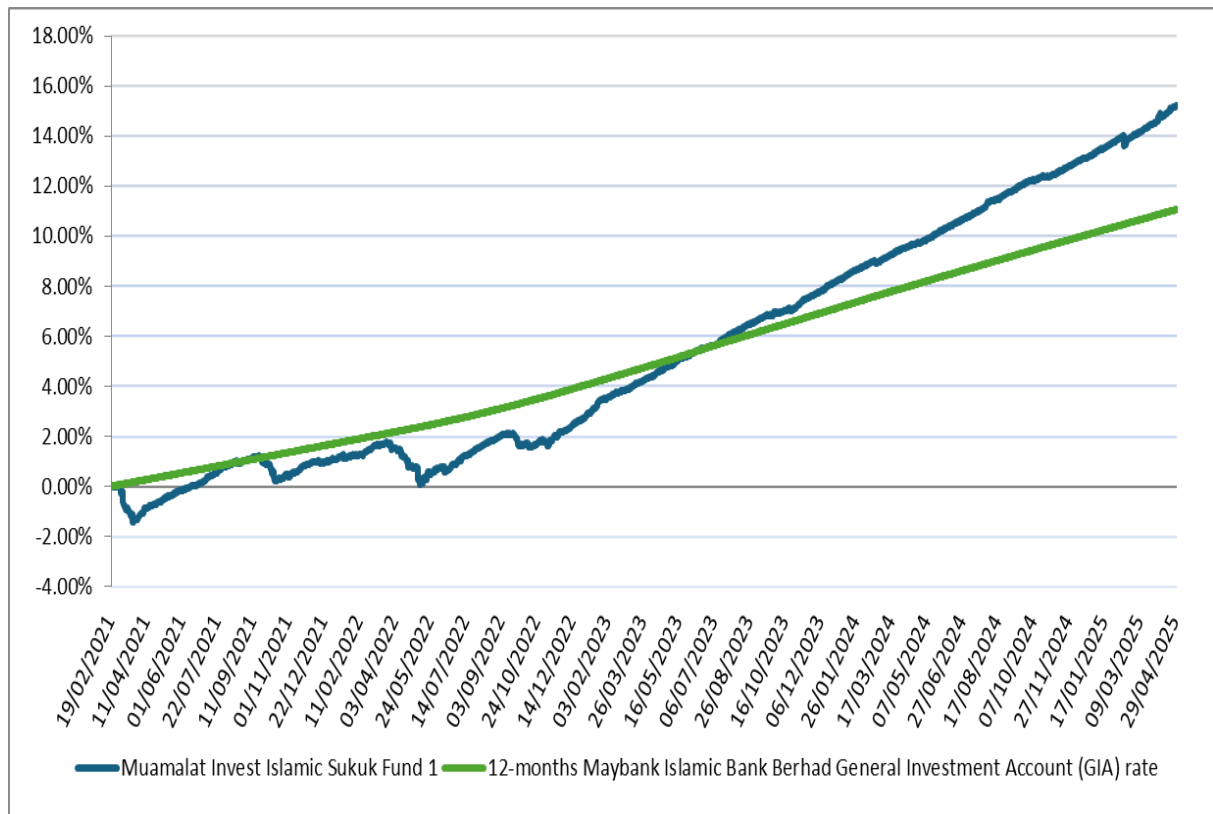
Asset Class	30 April 2025	30 April 2024
Unquoted Sukuk	94.73%	98.64%
Liquid assets and other net current assets	5.27%	1.36%
Total	100.00%	100.00%

The asset allocation reflects the Fund's strategy to have maximum exposure to the investments.

PERFORMANCE OF FUND AND BENCHMARK

	Average Annual Return		
	Since Inception (19-02-2021 – 30-04-2025)	1 Year (01-05-2024 – 30-04-2025)	3 Years (01-05-2022 – 30-04-2025)
Muamalat Invest Islamic Sukuk Fund 1	3.44%	4.94%	4.58%
12-month Maybank Islamic Berhad General Investment Account (GIA) Rate	2.53%	2.69%	2.77%

	Total Return		
	Since Inception (19-02-2021 – 30-04-2025)	1 Year (01-05-2024 – 30-04-2025)	3 Years (01-05-2022 – 30-04-2025)
Muamalat Invest Islamic Sukuk Fund 1	15.23%	4.94%	14.38%
12-month Maybank Islamic Berhad General Investment Account (GIA) Rate	11.06%	2.69%	8.54%

Cumulative Performance Since Inception

* Source: Novagni Analytics and Advisory Sdn Bhd ("Novagni")

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Novagni Database) since inception.

The calculation of the above returns is based on computation methods of Novagni.

Note : Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2025**

	<u>Note</u>	<u>2025</u> <u>RM</u>	<u>2024</u> <u>RM</u>
ASSETS			
Financial assets at fair value through profit or loss	5	109,151,348	108,305,332
Cash and cash equivalents	6	6,135,560	1,545,888
TOTAL ASSETS		<u>115,286,908</u>	<u>109,851,220</u>
LIABILITIES			
Accrued management fee		34,600	32,980
Amount due to Trustee		7,657	7,313
Other payables and accruals	7	17,595	14,039
TOTAL LIABILITIES		<u>59,852</u>	<u>54,332</u>
NET ASSET VALUE		<u>115,227,056</u>	<u>109,796,888</u>
UNITHOLDER'S FUNDS			
Unitholder's capital		110,530,430	106,911,302
Retained earnings		4,696,626	2,885,586
		<u>115,227,056</u>	<u>109,796,888</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>110,326,468</u>	<u>106,857,212</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION*)		<u>1.0444</u>	<u>1.0275*</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025**

	<u>Note</u>	<u>01.05.2024 to 30.04.2025</u> RM	<u>01.05.2023 to 30.04.2024</u> RM
INVESTMENT INCOME			
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		315,037	106,720
Profit income from unquoted sukuk		4,419,712	3,695,706
Net gain on financial assets at fair value through profit or loss	5	953,626	1,437,786
		<u>5,688,375</u>	<u>5,240,212</u>
EXPENSES			
Management fee	9	(202,497)	(181,736)
Trustee's fee	10	(44,980)	(43,273)
Audit fee		(4,650)	(3,705)
Tax agent's fee		(4,650)	(3,754)
Other expenses		(1,430)	(1,381)
		<u>(258,207)</u>	<u>(233,849)</u>
Profit before taxation		5,430,168	5,006,363
Taxation	11	-	-
Profit after taxation and total comprehensive income for the financial year		<u>5,430,168</u>	<u>5,006,363</u>
Profit after taxation is made up of the following:			
Realised amount		4,289,129	3,619,128
Unrealised amount		1,141,039	1,387,235
		<u>5,430,168</u>	<u>5,006,363</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025**

	<u>Unitholder's capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Balance as at 1 May 2024	106,911,302	2,885,586	109,796,888
Movement in net asset value:			
Total comprehensive income for the financial year	-	5,430,168	5,430,168
Creation of units arising from distribution	3,619,128	-	3,619,128
Distribution (Note 12)	-	(3,619,128)	(3,619,128)
Balance as at 30 April 2025	<u>110,530,430</u>	<u>4,696,626</u>	<u>115,227,056</u>
Balance as at 1 May 2023	103,618,049	1,172,476	104,790,525
Movement in net asset value:			
Total comprehensive income for the financial period	-	5,006,363	5,006,363
Creation of units arising from distribution	3,293,253	-	3,293,253
Distribution (Note 12)	-	(3,293,253)	(3,293,253)
Balance as at 30 April 2024	<u>106,911,302</u>	<u>2,885,586</u>	<u>109,796,888</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025**

	<u>Note</u>	<u>01.05.2024 to 30.04.2025</u> RM	<u>01.05.2023 to 30.04.2024</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Purchase of investments		(51,158,500)	(10,329,500)
Proceeds from sale of investments		50,293,850	5,123,952
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions		315,037	106,720
Profit income received from unquoted sukuk		5,391,972	5,312,563
Management fee paid		(200,876)	(217,509)
Trustee's fee paid		(44,635)	(39,507)
Payment for other fees and expenses		(7,176)	(7,000)
Net cash generated/(used in) from operating activities		<u>4,589,672</u>	<u>(50,281)</u>
CASH FLOWS FROM FINANCING ACTIVITY			
Cash proceeds from units created		<u>-</u>	<u>-</u>
Net cash generated from financing activity		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		4,589,672	(50,281)
Cash and cash equivalents at the beginning of the financial year		<u>1,545,888</u>	<u>1,596,169</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>6,135,560</u></u>	<u><u>1,545,888</u></u>
Cash and cash equivalents comprise:			
Shariah-compliant deposits with licensed Islamic financial institutions		6,114,141	1,268,380
Bank balance		21,419	277,508
	6	<u><u>6,135,560</u></u>	<u><u>1,545,888</u></u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025**

1 THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The Muamalat Invest Islamic Sukuk Fund 1 (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 9 February 2021 between Muamalat Invest Sdn Bhd (“the Manager”) and AmanahRaya Trustees Berhad (“the Trustee”). The Fund is governed by the Deed dated 9 February 2021 (referred to as “the Deed”).

The Fund was launched on 19 February 2021 and will continue its operations until terminated as provided under Clause 11 of the Deed.

The principal activity of the Fund is to invest in ‘Permitted Investments’ as defined under The Seventh Schedule of the Deed, which comprises Sukuk, Islamic money market instruments and any other form of Shariah-compliant investments as may be agreed upon between the Manager and the Trustee from time to time.

The Fund’s activities shall be conducted strictly in accordance with the requirement of the Shariah principles and shall be monitored by the Shariah Adviser of the Fund.

All investments are subjected to the Securities Commission Malaysia’s (“SC”) Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deed and Information Memorandum, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

The main objective of the Fund is to aim to generate regular income for unitholders.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of Bank Muamalat Malaysia Berhad. Its principal activity is the provision of Islamic fund management services.

These financial statements were authorised for issue by the Manager on 26 June 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year.

It also requires the Manager to exercise its judgment in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.10.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(a) Standards and amendments to existing standards effective 1 January 2024

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).
- Amendments to MFRS 108 'Definition of Accounting estimates'.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

2.2 Financial assets

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund has not taken the option to irrevocably designate any unquoted sukuk as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely payment of principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Financial assets are initially recognised at fair value. Transaction costs are expensed as incurred in profit or loss.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of comprehensive income in the financial year in which they arise.

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the SC.

Where no such quotations are available, such investments will be valued on a weekly basis or as and when appropriate, by reference to the average indicative yield quoted by three reputable financial institutions in over-the-counter markets at the close of trading. These institutions include investment banks and commercial banks dealing in investments. However, in the absence of reliable quotations, such investments will be valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective deposits, which is a reasonable estimate of fair value due to the short-term nature of the deposits.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective profit method.

(iii) Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

(iii) Impairment of financial assets (continued)

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year/period.

2.3 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.

A financial liability is de-recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. Gains and losses are recognised in statement of income and expenses when the liabilities are de-recognised, and through the amortisation process.

The Fund's financial liabilities which include accrued management fee, amount due to Trustee and other payables and accruals are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

2.4 Distributions

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved by the Board of Directors of the Manager.

2.5 Unitholder's capital

The unitholder's contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the unitholders to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year/period if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Income recognition

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions and unquoted sukuk are recognised on an accrual basis using the effective profit method.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gain or loss on sale of unquoted sukuk is measured by the difference between disposal proceeds and the carrying amount of investments (adjusted for accretion of discount or amortisation of premium).

2.7 Taxation

Current tax expense is determined according to Malaysian tax laws and includes all taxes based upon the taxable profit earned during the financial year.

2.8 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balance and Shariah-compliant deposits held in highly liquid investments with original maturities of three or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9 Presentation and functional currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s presentation and functional currency.

2.10 Critical accounting estimates and judgments in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds’ results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgment are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund’s Shariah-compliant investment, the Manager will ensure that all assets of the Fund under Management will be valued appropriately, that is at fair value and in compliance with SC Guidelines on Unlisted Capital Market Product under the Lodge and Launch Framework.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk (including price risk and profit rate risk) credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Information Memorandum and SC Guidelines on Unlisted Capital Market Product under the Lodge and Launch Framework.

Market risk

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by a unit trust fund might go down or up, sometimes rapidly or unpredictable.

(a) Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from profit rate risk).

The Fund is exposed to price risk arising from profit rate risk in relation to its investments of RM109,151,348 (2024: RM108,305,332) in unquoted sukuk. The Fund's exposure to price risk arising from profit rate risk and the related sensitivity analysis are disclosed in "profit rate risk".

(b) Profit rate risk

In general, when profit rates rise, unquoted sukuk prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when profit rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future profit rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted sukuk portfolio management depends on forecasting profit rate movements. Unquoted sukuk with longer maturity and lower yield coupon rates are more susceptible to profit rate movements.

The table below summarises the sensitivity of the Fund's profit or loss and net asset value as at reporting date to movements in prices of unquoted sukuk held by the Fund as a result of movement in profit rate fluctuation by +/- 1% with all other variables held constant.

	<u>Impact on profit or loss and net asset value</u>	
	<u>2025</u>	<u>2024</u>
	<u>RM</u>	<u>RM</u>
<u>Percentage (%) of change in profit rate</u>		
+ 1%	(188,915)	(82,874)
- 1%	185,832	82,587

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the possibility that the issuer of an instrument will not be able to make timely or full payments of profit or principal repayment on that investment. This may lead to a default in the payment of principal and profit and ultimately a reduction in the value of the Fund. In the case of the Fund, the Manager will endeavour to mitigate this risk by investing in sukuk with a minimum long term credit rating of AA3/AA- and above or a minimum short-term rating of P1/MARC-1 as assigned respectively by RAM or MARC, or its equivalent. In addition, the Manager may invest in unrated sukuk, of which the creditworthiness of the issuers is not affirmed by any independent rating agency. To mitigate these risks, the Manager will conduct a credit valuation process and analysis or obtain secondary credit research encompassing credit analysis and valuation to ascertain the creditworthiness of the issuer of an unrated sukuk.

The risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with the licensed Islamic financial institutions with a minimum credit rating of A3 as rated by RAM or A- as rated by MARC.

The following table sets out the credit risk concentrations of the Fund:

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Other receivable RM	Total RM
<u>2025</u>				
- AAA	5,088,377	6,135,560	-	11,223,937
- AA3	52,862,164	-	-	52,862,164
- AA-	51,200,807	-	-	51,200,807
	<u>109,151,348</u>	<u>6,135,560</u>	<u>-</u>	<u>115,286,908</u>
<u>2024</u>				
- AAA	15,423,085	1,545,888	-	16,968,973
- AA3	31,185,205	-	-	31,185,205
- AA-	51,505,558	-	-	51,505,558
- A+	10,191,484	-	-	10,191,484
	<u>108,305,332</u>	<u>1,545,888</u>	<u>-</u>	<u>109,851,220</u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of Shariah-based liquid assets to meet anticipated payment and cancellations of unit by unitholders. Shariah-based liquid assets comprise cash, short term Shariah-compliant deposits with licensed Islamic financial institutions and other Shariah-compliant instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

	<u>Less than 1 month</u> RM	<u>Between 1 month to 1 year</u> RM	<u>Total</u> RM
<u>As at 30.04.2025</u>			
Accrued management fee	34,600	-	34,600
Amount due to Trustee	7,657	-	7,657
Other payables and accruals	-	17,595	17,595
	<u>42,257</u>	<u>17,595</u>	<u>59,852</u>

	<u>Less than 1 month</u> RM	<u>Between 1 month to 1 year</u> RM	<u>Total</u> RM
<u>As at 30.04.2024</u>			
Accrued management fee	32,980	-	32,980
Amount due to Trustee	7,313	-	7,313
Other payables and accruals	-	14,039	14,039
	<u>40,293</u>	<u>14,039</u>	<u>54,332</u>

Capital risk

The capital of the Fund is represented by equity consisting of unitholder's capital of RM110,530,430 (2024: RM106,911,302) and retained earnings of RM4,696,626 (2024: RM2,885,586). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4 FAIR VALUE ESTIMATION

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

4 FAIR VALUE ESTIMATION (CONTINUED)

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The fair values are based on the following methodologies and assumptions:

- (i) For bank balance, deposits and placements with licensed Islamic financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value due to their short-term nature.
- (ii) The carrying value less impairment of receivables and payables are assumed to approximate their fair values. The carrying values of financial assets and financial liabilities approximate their fair values due to their short-term nature.

Fair value hierarchy

The Fund adopts MFRS 13 “Fair Value Measurement” in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active market 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 (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

4 FAIR VALUE ESTIMATION (CONTINUED)Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2025</u>				
Financial assets at fair value through profit or loss				
- Unquoted sukuk	-	109,151,348	-	109,151,348
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2024</u>				
Financial assets at fair value through profit or loss				
- Unquoted sukuk	-	108,305,332	-	108,305,332
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 instruments include unquoted sukuk. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2025</u> RM	<u>2024</u> RM
Financial assets at fair value through profit or loss:		
- unquoted sukuk	109,151,348	108,305,332
	<u> </u>	<u> </u>
	<u>01.05.2024</u>	<u>01.05.2023</u>
	<u>to 30.04.2025</u>	<u>to 30.04.2024</u>
	RM	RM
Net gain on financial assets fair value through profit or loss comprised:		
- Realised (loss)/gain on sale of investment	(187,413)	50,551
- net unrealised gain on changes in fair values	1,141,039	1,387,235
	<u> </u>	<u> </u>
	<u>953,626</u>	<u>1,437,786</u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Investments at 30 April 2025 are as follows:

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of net asset value %</u>
UNQUOTED SUKUK					
5.58% Anih Bhd					
IMTN 28/11/2025 - Tranche 12	AA-	10,000,000	10,375,628	10,319,873	8.96
5.08% Aquasar Capital Sdn Bhd					
IMTN 18/07/2025	AAA	5,000,000	5,096,671	5,088,377	4.42
6.30% Dynasty Harmony Sdn Bhd					
IMTN 21/12/2029 – Series 3	AA3	5,000,000	5,333,458	5,339,229	4.63
6.55% Dynasty Harmony Sdn Bhd					
IMTN 21/06/2032 – Series 8	AA3	5,000,000	5,431,694	5,397,697	4.68
6.60% Dynasty Harmony Sdn Bhd					
IMTN 21/12/2032 – Series 9	AA3	5,000,000	5,453,134	5,402,830	4.69
5.82% Edra Energy Sdn Bhd					
IMTN 04/07/2025 - Tranche 8	AA3	5,000,000	5,115,362	5,112,379	4.44
5.85% Edra Energy Sdn Bhd					
IMTN 05/01/2026 - Tranche 9	AA3	5,000,000	5,173,097	5,166,409	4.48
5.00% Exsim Capital Resources					
Berhad IMTN 04/06/2029	AA3	10,000,000	10,262,138	10,304,640	8.94
5.80% MMC Corporation Bhd					
IMTN 12/11/2025	AA-	10,000,000	10,378,766	10,380,637	9.02
5.80% MY.E.G Services Berhad					
IMTN 01/03/2027	AA-	5,000,000	5,048,466	5,071,716	4.40
5.80% MY.E.G Services Berhad					
IMTN 16/08/2027	AA-	15,000,000	15,222,235	15,256,334	13.24
5.28% RP Hydro IMTN					
14/01/2031 – Tranche 6	AA3	5,000,000	5,177,639	5,234,818	4.54
5.28% RP Hydro IMTN					
14/01/2031 – Tranche 7	AA3	5,000,000	5,187,981	5,248,454	4.56
6.37% Ranhill Solar Ventures Sdn Bhd					
IMTN 29.11.2038	AA3	5,000,000	5,442,676	5,655,708	4.91
5.20% SHC Capital IMTN Series 14					
23/12/2035	AA-	5,000,000	5,031,805	5,074,190	4.40
5.30% SHC Capital IMTN Series 15					
23/12/2036	AA-	5,000,000	5,013,102	5,098,057	4.42
TOTAL UNQUOTED SUKUK			108,743,852	109,151,348	94.73
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			407,496		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			109,151,348		

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Investments at 30 April 2024 are as follows:

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of net asset value %</u>
UNQUOTED SUKUK					
5.58% Anih Bhd					
IMTN 28/11/2025 - Tranche 12	AA-	10,000,000	10,623,490	10,381,801	9.46
5.08% Aquasar Capital Sdn Bhd					
IMTN 18/07/2025	AAA	5,000,000	5,210,283	5,153,173	4.69
5.45% BGSM Management Sdn Bhd IMTN 28/06/2024	AA3	5,000,000	5,114,468	5,106,422	4.65
5.82% Edra Energy Sdn Bhd					
IMTN 04/07/2025 - Tranche 8	AA3	5,000,000	5,234,411	5,205,577	4.74
5.85% Edra Energy Sdn Bhd					
IMTN 05/01/2026 - Tranche 9	AA3	5,000,000	5,287,422	5,251,860	4.78
5.40% Jimah East Power Sdn Bhd					
IMTN 04/12/2024 - Tranche 8	AA-	5,000,000	5,178,077	5,151,419	4.69
5.65% Malakoff Power Bhd					
IMTN 17/12/2025	AA-	5,000,000	5,312,766	5,207,360	4.74
5.80% MMC Corporation Bhd					
IMTN 12/11/2025	AA-	10,000,000	10,575,468	10,549,126	9.61
5.80% MY.E.G Services Berhad					
IMTN 01/03/2027	AA-	5,000,000	5,048,466	5,070,466	4.62
5.25% Ranhill Powertron II Sdn Bhd IMTN 17/06/2024	AAA	5,000,000	5,111,454	5,104,491	4.66
6.37% Ranhill Solar Ventures Sdn Bhd					
IMTN 29.11.2038	AA3	5,000,000	5,458,237	5,485,331	5.00
4.30% SHC Capital IMTN Series 5 23/12/2026	AA-	5,000,000	4,990,281	4,974,875	4.53
5.50% Tanjung Bin Energy Sdn Bhd					
IMTN 14/03/2025 - Tranche 8	AA3	10,000,000	10,291,421	10,136,015	9.23
5.15% UEM Sunrise Bhd					
IMTN 31/10/2025	AA-	10,000,000	10,143,899	10,170,511	9.26
5.59% Unitapah Sdn Bhd Series 18 12/12/2024	AAA	5,000,000	5,186,770	5,165,421	4.70
5.55% WCT Holdings Bhd					
IMTN 03/01/2025	A+	10,000,000	10,271,961	10,191,484	9.28
TOTAL UNQUOTED SUKUK			109,038,874	108,305,332	98.64
UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			(733,542)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			108,305,332		

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2025</u> RM	<u>2024</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions	6,114,141	1,268,380
Bank balance	21,419	277,508
	<u>6,135,560</u>	<u>1,545,888</u>

Weighted average rate of return per annum of Shariah-compliant deposits with licensed Islamic financial institutions is as follows:

	<u>2025</u>	<u>2024</u>
Weighted average rate of return	<u>3.20%</u>	<u>3.05%</u>
Average days to maturity	<u>5 days</u>	<u>3 days</u>

7 OTHER PAYABLES AND ACCRUALS

	<u>2025</u> RM	<u>2024</u> RM
Audit fee payable	3,673	4,767
Tax agent's fee payable	13,922	9,272
	<u>17,595</u>	<u>14,039</u>

8 NUMBER OF UNITS IN CIRCULATION

	<u>01.05.2024</u> <u>to 30.04.2025</u> Units	<u>01.05.2023</u> <u>to 30.04.2024</u> Units
At the beginning of the financial year	106,857,212	103,650,539
Creation of units arising from distribution during the financial year	<u>3,469,256</u>	<u>3,206,673</u>
At the end of the financial year	<u>110,326,468</u>	<u>106,857,212</u>

9 MANAGEMENT FEE

Clause 12.1 of the Deed provides that the Manager shall be entitled to a fee at a rate agreed between the Manager and the Trustee, and the rate shall not exceed 0.50% per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is 0.20% (2024: 0.20%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

There will be no further liability to the Manager in respect of management fee other than the amount recognised above.

10 TRUSTEE'S FEE

Clause 12.2 of the Deed provides that the Trustee shall be entitled to a fee at a rate agreed between the Manager and the Trustee, and the rate shall not exceed 0.06% per annum of the net asset value of the Fund, calculated on a daily basis.

The Trustee's fee provided in the financial statements is 0.04% (2024: 0.04%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

There will be no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

11 TAXATION

(a) Tax charge for the financial year

	<u>01.05.2024</u> <u>to 30.04.2025</u>	<u>01.05.2023</u> <u>to 30.04.2024</u>
	RM	RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

The numerical reconciliation between the profit before taxation multiplied by the Malaysian statutory income tax rate and the tax expense of the Fund is as follows:

	<u>01.05.2024</u> <u>to 30.04.2025</u>	<u>01.05.2023</u> <u>to 30.04.2024</u>
	RM	RM
Profit before taxation	5,430,168	5,006,363
Tax calculated at a tax rate of 24% (2024: 24%)	1,303,240	1,201,527
Tax effects of:		
- Income not subject to tax	(1,365,209)	(1,257,651)
- Expenses not deductible for tax purposes	12,254	11,618
- Restriction on tax deductible expenses	49,715	44,506
Tax expense	-	-

12 DISTRIBUTION

Distribution to unitholders is from the following source:

	<u>01.05.2024 to 30.04.2025</u>	<u>01.05.2023 to 30.04.2024</u>
	RM	RM
Prior financial year's realised income	3,619,128	3,293,253
	<u> </u>	<u> </u>
<u>Distribution</u>	25.04.2025	25.04.2024
Gross distribution per unit (sen)	3.3869	3.1773
Net distribution per unit (sen)	3.3869	3.1773
	<u> </u>	<u> </u>

Included in the above distribution was an amount of RM3,619,128 (2024: RM3,293,253) made from previous year's realised income.

Gross distribution is derived using total income less total expenses, while net distribution is derived using total income less total expenses and taxation.

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. Distribution was made from previous year's realised gain.

Distribution was automatically reinvested into the Fund (by issuing additional units) based on the net asset value per unit on the next business day of the distribution date, unless the unitholders specifically request for cash distribution.

13 TOTAL EXPENSE RATIO ("TER")

	<u>01.05.2024 to 30.04.2025</u>	<u>01.05.2023 to 30.04.2024</u>
	%	%
TER	0.23	0.22
	<u> </u>	<u> </u>

The TER is the ratio of total fee and recovered expenses of the Fund expressed as a percentage of the Fund's average net asset value.

14 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>01.05.2024 to 30.04.2025</u>	<u>01.05.2023 to 30.04.2024</u>
The PTR for the financial year (times)	0.50	0.07
	<u> </u>	<u> </u>

The PTR is the ratio of the average acquisitions and disposals of the Fund during the financial year to the average net asset value of the Fund.

15 UNITS HELD BY THE MANAGER AND RELATED PARTIES, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Muamalat Invest Sdn Bhd	The Manager
Bank Muamalat Malaysia Berhad	Holding company of the Manager

There were no units held by the Manager, Directors or parties related to the Manager as at the end of the financial year.

There were no related party transactions during the current and previous financial year, nor balances as at end of the current and previous financial year.

16 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions by the Fund for the financial year ended 30 April 2025 are as follows:

<u>Financial institutions</u>	<u>Value of trades RM</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage fees %</u>
Kenanga Investment Bank Berhad	45,785,000	41.08	-	-
RHB Islamic Bank Berhad	35,324,350	31.69	-	-
CIMB Islamic Bank Berhad	10,237,000	9.19	-	-
UOB (Malaysia) Bank Berhad	10,063,000	9.03	-	-
Hong Leong Islamic Bank Berhad	10,043,000	9.01	-	-
	<u>111,452,350</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial year ended 30 April 2024 are as follows:

<u>Financial institutions</u>	<u>Value of trades RM</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage fees %</u>
Bank Islam Malaysia Berhad	5,329,500	34.64	-	-
Maybank Islamic Berhad	5,000,000	32.50	-	-
Hong Leong Islamic Bank Berhad	5,055,500	32.86	-	-
	<u>15,385,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

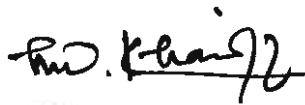
17 FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2025</u> RM	<u>2024</u> RM
<u>Financial assets</u>		
Financial assets at fair value through profit or loss (“FVTPL”)		
- Unquoted sukuk	109,151,348	108,305,332
	<u>109,151,348</u>	<u>108,305,332</u>
Financial assets at amortised cost		
- Shariah-compliant deposits with licensed Islamic financial institutions	6,114,141	1,268,380
- Bank balance	21,419	277,508
	<u>6,135,560</u>	<u>1,545,888</u>
	<u>115,286,908</u>	<u>109,851,220</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
- Accrued management fee	34,600	32,980
- Amount due to Trustee	7,657	7,313
- Other payables and accruals	17,595	14,039
	<u>59,852</u>	<u>54,332</u>
	<u>115,346,760</u>	<u>109,905,552</u>

STATEMENT BY MANAGER

We, **Md Khairuddin bin Hj Arshad** and **Khadijah Sairah binti Ibrahim**, the Director and Executive Director/Chief Executive Officer of Muamalat Invest Sdn. Bhd. ("the Manager"), do hereby state that in the opinion of the Directors of the Manager, the accompanying financial statements set out on pages 10 to 30 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 April 2025 and of its financial performance and cash flows for the financial year ended 30 April 2025 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
Muamalat Invest Sdn. Bhd.



MD KHAIRUDDIN BIN HJ ARSHAD
DIRECTOR



KHADIJAH SAIRAH BINTI IBRAHIM
EXECUTIVE DIRECTOR / CHIEF
EXECUTIVE OFFICER

Kuala Lumpur, Malaysia
26 June 2025

TRUSTEE'S REPORT

To the unit holders of **MUAMALAT INVEST ISLAMIC SUKUK FUND 1** ("Fund"),

We have acted as Trustee of the Fund for the financial year ended 30 April 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, MUAMALAT INVEST SDN BHD 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 Unlisted Capital Market Products Under the Lodge and Launch Framework;
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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For **AMANAHRAYA TRUSTEES BERHAD**



ZAINUDIN BIN SUHAIMI
Chief Executive Officer
Date: 23 June 2025

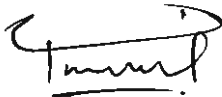
REPORT OF THE SHARIAH ADVISER

To the unitholders of MUAMALAT INVEST ISLAMIC SUKUK FUND I ("Fund"),

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Muamalat Invest Sdn. Bhd. has operated and managed the Fund during the year covered by these financial statements in accordance with the 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 **Bank Muamalat Malaysia Berhad**



Dr Yusri bin Mohamad
Chairman of Shariah Committee for Bank Muamalat Malaysia Berhad

26 June 2025

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDER OF
MUAMALAT INVEST ISLAMIC SUKUK FUND 1**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Muamalat Invest Islamic Sukuk Fund 1 (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 April 2025 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2025, 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 summary of material accounting policies, as set out on pages 10 to 30.

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 Ethics Standards Board for Accountants’ 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 is responsible for the other information. The other information comprises the 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 UNITHOLDER OF
MUAMALAT INVEST ISLAMIC SUKUK FUND 1 (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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 for the financial statements

The Manager of the Fund is responsible for the preparation of the 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 terminate the Fund, or has no realistic alternative but to do so.

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 UNITHOLDER OF
MUAMALAT INVEST ISLAMIC SUKUK FUND 1 (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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 scepticism throughout the audit. We also:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) 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.
- (e) 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 UNITHOLDER OF
MUAMALAT INVEST ISLAMIC SUKUK FUND 1 (CONTINUED)**

OTHER MATTERS

This report is made solely to the unitholder of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
26 June 2025