



**MUAMALAT INVEST ISLAMIC EQUITY FUND**  
**(The “Fund”)**

**ANNUAL REPORT 2024**

**Incorporating the Audited  
Financial Statements**

**For the financial year ended 30 June 2024**

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**CORPORATE INFORMATION**

**MANAGER**

Muamalat Invest Sdn Bhd

**REGISTERED OFFICE**

30<sup>th</sup> Floor, Menara Bumiputra, No.21, Jalan Melaka, 50100 Kuala Lumpur

**BUSINESS OFFICE AND OFFICE OF THE REGISTRAR**

4<sup>th</sup> 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

Roshidah binti Abdullah

Khairul bin Kamarudin

**CHIEF EXECUTIVE OFFICER**

Khadijah Sairah binti Ibrahim

**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**

Maybank Trustees Berhad [196301000109 (5004-P)]

8th Floor, Menara Maybank, 100 Jalan Tun Perak

50050 Kuala Lumpur

**PRINCIPAL BANKER**

Bank Muamalat Malaysia Berhad

**AUDITOR**

PricewaterhouseCoopers PLT

10<sup>th</sup> Floor, Menara TH 1 Sentral, Jalan Rakyat

KL Sentral, 50706 Kuala Lumpur

**TAX ADVISER**

PricewaterhouseCoopers Taxation Services Sdn Bhd

10<sup>th</sup> Floor, Menara TH 1 Sentral, Jalan Rakyat

KL Sentral, 50706 Kuala Lumpur

## FUND INFORMATION

Period of Trust	: Subject to provisions of the Deed
Fund Category	: Equity (Shariah Compliant)
Fund Type	: Equity (Shariah Compliant)
Relevant Benchmark	: FTSE Bursa Malaysia EMAS Shariah Index
Distribution Policy	: The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate – subject to the availability of realised income.

## INVESTMENT OBJECTIVE, STRATEGY AND POLICY

### Investment Objective

The Fund seeks to achieve capital appreciation over medium to long term period.

### Investment Policy and Strategy

The Fund targets an allocation of up to 95% of the Fund's Net Asset Value (NAV) in Shariah-compliant equities and Shariah-compliant equity-related instruments, and a maximum of 30% of the Fund's NAV invested in Islamic money market instruments, Sukuk and/or Islamic liquid assets. The selection of Shariah-compliant equity investments of the Fund will be in line with those in the list of Shariah-compliant securities issued by Shariah Advisory Council of the Securities Commission Malaysia and/or Bank Negara Malaysia.

The portfolio construction process is research driven – combining bottom-up fundamental analysis with top down economic and sector analysis. In identifying investable listed companies, the Manager relies on fundamental research where track records, prospects, business operation and management of the companies are considered. In addition, prospects for the economies and sectors in which the companies operate are also assessed. Analysis is also made on revenue growth, profit margins, sustainability of earnings and/or dividend pay-out, balance sheet and cash flow. In view of its investment objective, the designated fund manager will trade the securities depending on the securities market conditions.

The selection of Sukuk and Islamic money market instruments will depend largely on its credit quality where the respective issuers of Sukuk and Islamic money market instruments are required to possess strong ability to meet their financial obligations and offer highest safety for timely payment of profit and principal.

## MANAGER'S OVERVIEW

We are pleased to present to you the Annual Report of Muamalat Invest Islamic Equity Fund ("the Fund") incorporating the Audited Financial Statements for the financial year ended 30 June 2024.

During the financial year under review, the Fund generated a total return of 29.95%\* compared to the benchmark return of 20.53%\*. Hence, the Fund outperformed the benchmark by 9.43%. The outperformance was mainly attributed to the Fund's sector and stock selection.

There is no distribution made by the Fund during the financial year under review.

\* Source: Novagni Analytics and Advisory Sdn Bhd



## MANAGER'S REPORT

### Fund Performance Review

During the financial year under review, the Fund generated a total return of 29.95%\* compared to the benchmark return of 20.53%\*. Hence, the Fund outperformed the benchmark by 9.43%. The outperformance was mainly attributed to the Fund's sector and stock selection.

During the financial year under review, the Fund's NAV has increased by 29.54% from RM0.6981 to RM0.9043.

The Fund has achieved its investment objective for the financial year under review.

The total units in circulation as at 30 June 2024 are 5,103,041 and NAV attributable to unitholders is RM0.9043 per unit.

*\* Source: Novagni Analytics and Advisory Sdn Bhd*

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

### Asset Allocation

The Fund's holdings are shown below:-

Asset Class	30 June 2024	30 June 2023
Equities	90.63%	91.01%
Liquid assets and other net current assets	9.37%	8.99%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The asset allocation reflects the Fund's strategy and was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

### Strategies and Policies

This Fund aims to achieve capital appreciation over medium to long term period.

During the financial year under review, the Fund generated a total return of 29.95%\* compared to the benchmark return of 20.53%\*. Hence, the Fund outperformed the benchmark by 9.43%. The outperformance was mainly attributed to the Fund's sector and stock selection.

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

### Market Review

The first half of 2024 painted a contrasting picture across global financial landscapes. While the equity markets witnessed a stellar performance, particularly in technology and Artificial Intelligent-related sectors, fixed income markets faced headwinds due to inflationary pressures and a further delay in the interest rate cut.

The US market began 2024 with another stellar performance, witnessing record highs across key indices such as the Dow Jones Industrial Average (DIJA), Standard & Poor 500 (S&P 500), and Nasdaq

Composite (Nasdaq). The Nasdaq Composite, a technology-heavy index, surged an impressive 22.77% in the first half, while the broader S&P 500 rose by a commendable 16.92%. Technology and media stocks continued to drive the equity market performance, with Nvidia Corp leading the way—a remarkable 165.30% increase and becoming the third publicly traded company to achieve a staggering USD\$3 trillion market capitalization after Apple and Microsoft.

Across Asia, markets with significant technology and export components were also the outperformers. Taiwan and Japan, regional powerhouses in technology, led the Asian rally with gains of 36.80% and 25.67%, respectively. In the South East Asian market (ASEAN) countries, Vietnam emerged as the best performer, recording an impressive 11.75% gain by June.

Turning to Malaysia, the data center theme emerged as a key driver, propelling strong gains across diverse sectors like technology, construction, property, and power. The FTSE Bursa Malaysia KLCI (FBMKLCI) Index, a benchmark for the Malaysian stock market, delivered a commendable 10.98% return, surpassing the 1,500-point mark in March – a feat not achieved since May 2022. Interestingly, the FBM Emas Shariah (FBMS) Index, representing Shariah-compliant equities, outperformed the broader market with a stellar 15.13% gain.

However, the rosy picture in equities was counterbalanced by a more cautious outlook in the fixed income market. In the US, the yield on the benchmark 10-year Treasury note climbed significantly to 4.3961% by the end of June, a notable rise from 3.8791% just six months prior. The rise in yield reflected a shift in market sentiment on the Federal Reserve's monetary policy. Initially, expectations of aggressive interest rate cuts totalling 150 basis points were prevalent. However, inflation concerns dampened this optimism, with current estimates pointing towards a single rate cut at most in 2024.

Malaysia followed a similar path, with domestic bond yields also on an upward trend. The 10-year Malaysian government securities closed the first half at 3.861% yield, a slight increase from 3.736% at the end of 2023. This rise mirrors market expectations that the Bank Negara will refrain from interest rate cuts due to stronger economic growth and rising inflationary pressures, especially when the government has planned to announce many measures targeted to reduce subsidies.

The US economy experienced a significant slowdown, with GDP growth plummeting to a mere 1.40% in the first quarter, compared to a robust 3.40% in the preceding quarter. This unexpected deceleration was primarily driven by a surge in imports which reduced first quarter growth by nearly 1 percentage point. Additionally, consumer spending, a vital engine of growth, decelerated to 2.5%, a significant drop from the 3% growth registered in the previous two quarters.

In stark contrast, Malaysia's economic fortunes reversed course. After falling short of expectations with a 3.70% growth rate in 2023, the Malaysian economy displayed renewed momentum in the first quarter of 2024, expanding by 4.20%. This positive trend stemmed from a significant uptick in private expenditure, coupled with a welcome turnaround in export performance. Notably, household spending rose, buoyed by sustained employment growth and an uptick in wages. As a result, market forecasts now point toward a full-year growth rate of 4.40% for the Malaysian economy.

## **Market Outlook**

Volatility in the financial markets has surged significantly over the past few weeks, driven by escalating conflict in the Middle East and intensifying rhetoric from US presidential candidates as the election approaches.

Investors are increasingly concerned about the health of the US economy, which is showing signs of broad-based weaknesses. The job market has been deteriorating, with the unemployment rate rising steadily since the beginning of the year. In July 2024, the unemployment rate reached 4.30%, the highest level since October 2021. Compounding these concerns is a significant contraction in the service sector, a vital component of the US economy. The Service PMI plummeted from 53.8% in May to 48.8% in

June, signalling a contraction as any reading below 50% indicates economic decline. Recent data also reveal that US inflation has further declined to 3.0% in June. Although inflation remains above the long-term target of 2%, the market is anticipating that the Federal Reserve will respond by cutting interest rates by 0.50% in its upcoming September meeting.

Unemployment rate in the US has been rising steadily since the beginning of the year. At the beginning of 2024, market expectations were set on a year characterized by significant interest rate reductions, with an initial forecast anticipating six cuts totalling 150 basis points. However, persistent inflationary pressures led the US Federal Reserve to reconsider such aggressive measures. By May 2024, the market had revised its expectations, anticipating only a single rate cut for the year. Recent data indicate that the US economy continues to face challenges, and the market is now betting that the Federal Reserve will implement a 0.50% rate cut in its upcoming September meeting.

The Federal Reserve kept interest rates unchanged for eight consecutive meetings as of August 1, 2024. However, the market expects the Fed to implement rate cuts in the next three meetings. BNM is expected to maintain the Overnight Policy Rate (OPR) for the rest of the year.

(Source: MARC, Bank Negara Malaysia)

## PORTFOLIO STRUCTURE

As at 30 June 2024, the Fund has invested circa 90.63% in equities and the balance in liquid assets and other net current assets.

The Fund's asset allocations are shown below:-

	As at 30 June			
	2024	2023	2022	2021
Sectors	%	%	%	%
<b>Equities</b>				
Construction	-	-	5.25	3.87
Consumer Products & Services	15.23	3.54	7.17	3.79
Energy	8.51	8.50	-	14.73
Financial Services	13.11	8.37	7.76	3.48
Health Care	1.37	4.47	5.67	16.23
Industrial Products & Services	12.66	12.14	2.63	7.61
Plantations	12.63	13.50	12.58	-
Property	7.38	3.41	-	-
Real Estate Investment Trusts	-	3.92	4.98	5.44
Technology	7.32	15.04	10.93	13.11
Telecommunications & Media	-	6.74	3.85	-
Transportation & Logistics	6.46	5.03	9.36	-
Utilities	5.96	6.35	10.74	9.69
	90.63	91.01	80.92	77.95
Liquid assets and other net current assets	9.37	8.99	19.08	22.05
	100.00	100.00	100.00	100.00

The asset allocation reflects the Fund's strategy and was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

## PERFORMANCE OF FUND AND BENCHMARK

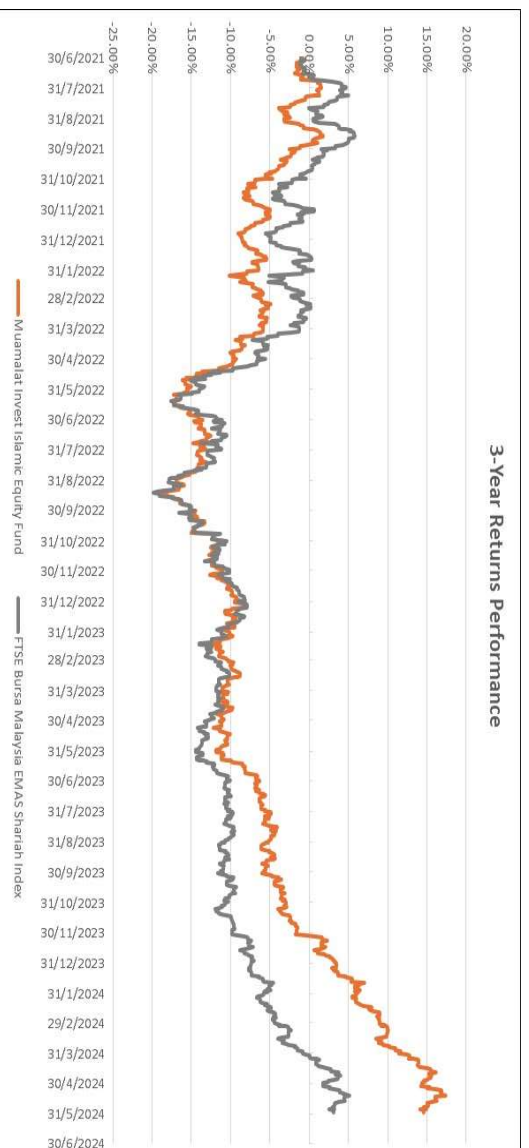
	Average Annual Return			
	Since Inception (03.09.2019 <sup>^</sup> - 30.06.2024)	3 Years (01.07.2021- 30.06.2024)	1 Year (01.07.2023- 30.06.2024)	
Muamalat Invest Islamic Equity Fund				
- Capital Return	-2.00%	4.65%	29.86%	
- Income Return	-	-	-	
Total Return	-2.00%	4.65%	29.86%	
FTSE Bursa Malaysia EMAS Shariah Index	1.43%	1.01%	20.47%	

	Total Return				
	2020 (03.09.2019 <sup>^</sup> - 30.06.2020)	2021 (01.07.2020- 30.06.2021)	2022 (01.07.2021- 30.06.2022)	2023 (01.07.2022- 30.06.2023)	2024 (01.07.2023- 30.06.2024)
Muamalat Invest Islamic Equity Fund	N/A*	-19.23%	-15.55%	4.44%	29.86%
FTSE Bursa Malaysia EMAS Shariah Index	N/A*	1.15%	-13.75%	-0.85%	20.47%

<sup>^</sup> Date of inception

\* The Fund had been dormant since inception until 7 December 2020.

### Cumulative Performance Since Inception



\* Source: Novagui Analytics and Advisory Sdn Bhd ("Novagui")

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Novagui Database) since inception. The calculation of the above returns is based on computation methods of Novagui.

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.

Fund Size	As At 30 June			
	2024	2023	2022	2021
Net Asset Value (RM)	4,614,808	3,562,281	3,410,788	4,039,169
Units In Circulation	5,103,041	5,103,041	5,103,041	5,103,041
Net Asset Value per unit (RM)	0.9043	0.6981	0.6684	0.7915

Historical Data	Financial Year/Period Ended 30 June			
	2024	2023	2022	2021
<b>Unit Prices</b>				
NAV Price - Highest (RM)	0.9296	0.7259	0.8075	0.9802
- Lowest (RM)	0.6980	0.6419	0.6642	0.7892
<b>Distribution and Unit Split</b>				
Gross Distribution Per Unit (sen)	-	-	-	-
Net Distribution Per Unit (sen)	-	-	-	-
Distribution Date	-	-	-	-
NAV before distribution (cum)	-	-	-	-
NAV after distribution (ex)	-	-	-	-
Unit Split	-	-	-	-
<b>Others</b>				
Total Expense Ratio (TER) (%) #	2.27	2.40	2.18	2.76
Portfolio Turnover Ratio (PTR) (times) ##	0.54	0.53	0.77	0.78

# The TER for the financial year was lower compared with previous financial year due to higher average net asset value for the financial year under review.

## The PTR for the financial year was higher compared with previous financial year due to higher equity trades transacted during the financial year under review.

## **FUND SIZE AND PROFILE OF UNIT HOLDINGS BY SIZE**

As at 30 June 2024, the Fund's units in circulation stood at 5,103,041 units with a total of 2 accounts.

<b>Size of Holdings</b>	<b>Account Holders</b>		<b>No. Of Units Held</b>	
	<b>No.</b>	<b>%</b>	<b>Units</b>	<b>%</b>
5,000 and below	1	50.00	1,000	0.02
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	1	50.00	5,102,041	99.98
Total	2	100.00	5,103,041	100.00

## **REBATES AND SOFT COMMISSION**

Dealings on investments of the Fund through brokers or dealers will be on terms which are best available for the Fund. Any rebates from brokers or dealers will be directed to the account of the Fund.

The Fund Manager may only receive soft commission in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments.

During the financial year under review, no soft commission was received from brokers.

## **SECURITIES LENDING OR REPURCHASE TRANSACTION**

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

## **CROSS TRADE**

During the financial year under review, no cross trade transaction has been carried out for the Fund.

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	<u>Note</u>	<u>2024</u> <u>RM</u>	<u>2023</u> <u>RM</u>
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	5	4,182,622	3,241,932
Cash and cash equivalents	6	471,851	361,131
Dividend receivables		6,598	2,640
<b>TOTAL ASSETS</b>		<u>4,661,071</u>	<u>3,605,703</u>
<b>LIABILITIES</b>			
Accrued management fee		11,608	9,034
Amount due to Trustee		15,329	15,409
Other payables and accruals	7	19,326	18,979
<b>TOTAL LIABILITIES</b>		<u>46,263</u>	<u>43,422</u>
<b>NET ASSET VALUE</b>		<u>4,614,808</u>	<u>3,562,281</u>
<b>UNITHOLDERS' FUNDS</b>			
Unitholders' capital		5,001,000	5,001,000
Accumulated losses		(386,192)	(1,438,719)
		<u>4,614,808</u>	<u>3,562,281</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	8	<u>5,103,041</u>	<u>5,103,041</u>
<b>NET ASSET VALUE PER UNIT</b>		<u>0.9043</u>	<u>0.6981</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 JUNE 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
<b>INVESTMENT INCOME</b>			
Dividend income		131,317	125,466
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		8,103	9,900
Net gain on financial assets at fair value through profit or loss	5	1,023,562	116,783
		<u>1,162,982</u>	<u>252,149</u>
<b>EXPENSES</b>			
Management fee	9	(61,666)	(53,044)
Trustee's fee	10	(18,000)	(18,000)
Audit fee		(7,500)	(7,500)
Tax agent fee		(4,844)	(5,000)
Transaction costs		(17,237)	(14,993)
Other expenses		(1,208)	(2,119)
		<u>(110,455)</u>	<u>(100,656)</u>
Profit before taxation		1,052,527	151,493
Taxation	11	-	-
Profit after taxation and total comprehensive income for the financial year		<u>1,052,527</u>	<u>151,493</u>
Profit after taxation is made up of the following:			
Realised amount		476,802	100,366
Unrealised amount		575,725	51,127
		<u>1,052,527</u>	<u>151,493</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 JUNE 2024**

	<b>Unitholders' capital RM</b>	<b>Accumulated losses RM</b>	<b>Total RM</b>
Balance as at 1 July 2023	5,001,000	(1,438,719)	3,562,281
Movement in net asset value:			
Total comprehensive income for the financial year	-	1,052,527	1,052,527
Balance as at 30 June 2024	5,001,000	(386,192)	4,614,808
Balance as at 1 July 2022	5,001,000	(1,590,212)	3,410,788
Movement in net asset value:			
Total comprehensive income for the financial year	-	151,493	151,493
Balance as at 30 June 2023	5,001,000	(1,438,719)	3,562,281

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 JUNE 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Purchase of investments		(2,427,045)	(2,226,811)
Proceeds from sale of investments		2,492,680	2,115,047
Dividends received		127,359	123,823
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions		8,103	9,900
Management fee paid		(59,092)	(48,338)
Trustee's fee paid		(18,080)	(11,754)
Payment for other fees and expenses		(13,205)	(12,567)
Net cash generated from/(used in) operating activities		110,720	(50,700)
Net increase/(decrease) in cash and cash equivalents		110,720	(50,700)
Cash and cash equivalents at the beginning of the financial year		361,131	411,831
Cash and cash equivalents at the end of the financial year	6	471,851	361,131
Cash and cash equivalents comprise:			
Shariah-compliant deposits with licensed Islamic financial institutions		431,051	322,448
Bank balance		40,800	38,683
	6	471,851	361,131

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 JUNE 2024**

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

The Muamalat Invest Islamic Equity Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 18 June 2019 as amended via its First Supplemental Deed dated 29 March 2023 between Muamalat Invest Sdn Bhd (“the Manager”) and Maybank Trustees Berhad (“the Trustee”). The Fund is governed by the Deed dated 18 June 2019 as amended via its First Supplemental Deed dated 29 March 2023 (collectively referred to as “the Deed”).

The Fund was launched on 3 September 2019 and will continue its operations until terminated as provided under Clause 12 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 Shariah-compliant equities and Shariah-compliant equities-related instruments, Islamic deposits and Islamic money market instruments, sukuk and/or Islamic liquid assets and any other form of investments as may be approved by the relevant authorities from time to time and acceptable under the Shariah principles.

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 Unit Trust Funds, SC requirements, the Deed and Prospectus, 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 seek to achieve capital appreciation over medium to long term period.

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 28 August 2024.

**2 MATERIAL ACCOUNTING POLICY INFORMATION**

**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 2.9.

## **2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **2.1 Basis of preparation of the financial statements (continued)**

- (a) Standards and amendments to existing standards effective 1 January 2023

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2023 that have a material effect on the financial statements of the Fund.

- (b) New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023, and have not been early adopted in preparing these financial statements. None of these 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 equity securities 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, and dividend receivables as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

- (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 recognised in profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss when the Fund's right to receive payments is established.

## **2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **2.2 Financial assets (continued)**

#### **(ii) Recognition and measurement (continued)**

Quoted investments are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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.

##### 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.

## **2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **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.

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 Unitholders' capital**

The unitholders' 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 unitholder 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 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.

### **2.5 Income recognition**

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

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is 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 quoted investments is arrived at after accounting for cost of investments, determined on the weighted average cost method.

### **2.6 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 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **2.7 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 months or less are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **2.8 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.

### **2.9 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 Unit Trust Funds.

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 Prospectus and SC Guidelines on Unit Trust Funds.

### 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 the investments of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to quoted equity security price risk (other than those arising from interest rate risk) for its investments of RM4,182,622 (2023: RM3,241,932) in quoted securities investments.

### 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The sensitivity analysis is based on the assumption that the price of the quoted equity security investments fluctuate by +/- 5% with all other variables held constant, the impact on profit after taxation and net asset value is +/- RM209,131 (2023: RM162,097).

#### (b) Profit rate risk

Profit rate risk is the risk that the value of the Fund's investments and its return will fluctuate because of changes in market profit rates.

Profit rate is a general economic indicator that will have an impact on the management of the Fund. The Fund's exposure to the fair value profit rate risk arises from Shariah-compliant deposits with licensed Islamic financial institutions. The profit rate risk is expected to be minimal as the Fund's investments comprise mainly short-term deposits with approved licensed Islamic financial institutions. The Manager overcomes the exposure by way of maintaining deposits with fixed profit rates and maturity on short term basis.

As at the end of each financial year, the Fund is not exposed to a material level of profit rate risk as the deposits are held on a short-term basis.

The Fund is not exposed to cash flow profit rate risk as the Fund does not hold any financial instruments at variable profit rate.

#### Credit risk

Credit risk refers to the possibility that the issuer of an instrument will not be able to make timely payments of profit or principal repayment on the maturity date. 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 minimise this risk by selecting only licensed Islamic financial institutions having 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:

	<b>Cash and cash equivalents</b>	<b>Dividend receivables</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>2024</u></b>			
Financial institutions:			
- AAA	471,851	-	471,851
Others	-	6,598	6,598
	<u>471,851</u>	<u>6,598</u>	<u>478,449</u>
	<b>Cash and cash equivalents</b>	<b>Dividend receivables</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>2023</u></b>			
Financial institutions:			
- AAA	361,131	-	361,131
Others	-	2,640	2,640
	<u>361,131</u>	<u>2,640</u>	<u>363,771</u>



### 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### 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.

	<b><u>Less than 1 month RM</u></b>	<b><u>Between 1 month to 1 year RM</u></b>	<b><u>Total RM</u></b>
<b><u>As at 30.06.2024</u></b>			
Accrued management fee	11,608	-	11,608
Amount due to Trustee	15,329	-	15,329
Other payables and accruals	-	19,326	19,326
	<u>26,937</u>	<u>19,326</u>	<u>46,263</u>
<b><u>As at 30.06.2023</u></b>			
Accrued management fee	9,034	-	9,034
Amount due to Trustee	15,409	-	15,409
Other payables and accruals	-	18,979	18,979
	<u>24,443</u>	<u>18,979</u>	<u>43,422</u>

#### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital of RM5,001,000 (2023: RM5,001,000) and accumulated losses of RM386,192 (2023: RM1,438,719). 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 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.

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 one 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.

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
<b>2024</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Quoted investments	4,182,622	-	-	4,182,622

## 4 FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<b>2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Quoted investments	3,241,932	-	-	3,241,932

Quoted investments, i.e. active listed equities whose values are based on quoted market prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments. 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>2024</u> RM	<u>2023</u> RM
Financial assets at fair value through profit or loss:		
- quoted investments	4,182,622	3,241,932
	<u>2024</u> RM	<u>2023</u> RM
Net gain on financial assets at fair value through profit or loss comprised:		
- realised gain on sale of investments	447,837	65,656
- net unrealised gain on changes in fair values	575,725	51,127
	<u>1,023,562</u>	<u>116,783</u>

Investments as at 30 June 2024 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> RM	<u>Percentage of net asset value</u> %
<b>QUOTED INVESTMENTS</b>				
<b><u>ACE MARKET</u></b>				
<b>TECHNOLOGY</b>				
Agmo Holdings Berhad	380	-	254	0.01
<b><u>MAIN MARKET</u></b>				
<b>CONSUMER PRODUCTS &amp; SERVICES</b>				
DXN Holdings Bhd	420,000	270,302	268,800	5.82
MR D.I.Y Group (M) Bhd	150,000	225,105	291,000	6.31
PPB Group Berhad	10,000	146,716	143,000	3.10
		<u>642,123</u>	<u>702,800</u>	<u>15.23</u>

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

Investments as at 30 June 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost RM</u>	<u>Fair value RM</u>	<u>Percentage of net asset value %</u>
<b>QUOTED INVESTMENTS (CONTINUED)</b>				
<b>ENERGY</b>				
Dialog Group Berhad	60,000	142,194	143,400	3.11
T7 Global Berhad	250,000	105,400	123,750	2.68
Uzma Berhad	110,000	68,827	125,400	2.72
		<hr/>	<hr/>	<hr/>
		316,421	392,550	8.51
		<hr/>	<hr/>	<hr/>
<b>FINANCIAL SERVICES</b>				
Bank Islam Malaysia Berhad	60,000	125,244	149,400	3.24
Bursa Malaysia Berhad	30,000	197,150	265,200	5.75
Syarikat Takaful Malaysia Keluarga Berhad	50,919	172,408	189,928	4.12
		<hr/>	<hr/>	<hr/>
		494,802	604,528	13.11
		<hr/>	<hr/>	<hr/>
<b>HEALTH CARE</b>				
Duopharma Biotech Berhad	50,000	64,800	63,000	1.37
		<hr/>	<hr/>	<hr/>
<b>INDUSTRIAL PRODUCTS &amp; SERVICES</b>				
Pantech Group Holdings Berhad	150,000	114,750	159,000	3.45
Petronas Chemicals Group Berhad	40,000	284,053	252,400	5.47
Press Metal Aluminium Holdings Berhad	30,000	157,959	172,800	3.74
		<hr/>	<hr/>	<hr/>
		556,762	584,200	12.66
		<hr/>	<hr/>	<hr/>
<b>PLANTATION</b>				
IOI Corporation Berhad	40,000	160,872	148,000	3.21
Kuala Lumpur Kepong Berhad	11,000	225,704	227,040	4.92
Sarawak Oil Palms Berhad	40,000	102,088	112,800	2.44
Ta Ann Holdings Berhad	25,000	94,328	95,250	2.06
		<hr/>	<hr/>	<hr/>
		582,992	583,090	12.63
		<hr/>	<hr/>	<hr/>
<b>PROPERTY</b>				
Lagenda Properties Berhad	120,000	147,828	145,200	3.15
Skyworld Development Berhad	300,000	170,490	195,000	4.23
		<hr/>	<hr/>	<hr/>
		318,318	340,200	7.38
		<hr/>	<hr/>	<hr/>

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

Investments as at 30 June 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> RM	Percentage of net <u>asset value</u> %
<b>QUOTED INVESTMENTS (CONTINUED)</b>				
<b>TECHNOLOGY</b>				
CTOS Digital Berhad	70,000	99,910	103,600	2.24
MY E.G. Services Berhad	230,000	232,360	234,600	5.07
		<u>332,270</u>	<u>338,200</u>	<u>7.31</u>
<b>TRANSPORTATION &amp; LOGISTICS</b>				
MISC Berhad	35,000	261,138	298,200	6.46
<b>UTILITIES</b>				
Tenaga Nasional Berhad	20,000	194,233	275,600	5.96
<b>TOTAL QUOTED INVESTMENTS</b>		<b>3,763,859</b>	<b>4,182,622</b>	<b>90.63</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>418,763</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>4,182,622</b>		

Investments as at 30 June 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> RM	Percentage of net <u>asset value</u> %
<b>QUOTED INVESTMENTS</b>				
<b><u>ACE MARKET</u></b>				
<b>TECHNOLOGY</b>				
Agmo Holdings Berhad	1,878	-	1,071	0.03
<b><u>MAIN MARKET</u></b>				
<b>CONSUMER PRODUCTS &amp; SERVICES</b>				
Fraser & Neave Holdings Berhad	5,000	109,987	126,100	3.54

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

Investments as at 30 June 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost RM</u>	<u>Fair value RM</u>	<u>Percentage of net asset value %</u>
<b>QUOTED INVESTMENTS (CONTINUED)</b>				
<b>ENERGY</b>				
Dialog Group Berhad	60,000	142,194	123,600	3.47
T7 Global Berhad	250,000	105,400	111,250	3.12
Uzma Berhad	110,000	68,827	68,200	1.91
		<u>316,421</u>	<u>303,050</u>	<u>8.50</u>
<b>FINANCIAL SERVICES</b>				
Bursa Malaysia Berhad	20,000	132,674	128,800	3.62
Syarikat Takaful Malaysia Keluarga Berhad	50,919	172,408	169,051	4.75
		<u>305,082</u>	<u>297,851</u>	<u>8.37</u>
<b>HEALTH CARE</b>				
Duopharma Biotech Berhad	50,000	64,800	65,000	1.82
Hartalega Holdings Berhad	50,000	94,400	94,500	2.65
		<u>159,200</u>	<u>159,500</u>	<u>4.47</u>
<b>INDUSTRIAL PRODUCTS &amp; SERVICES</b>				
Kelington Group Berhad	80,000	103,599	119,200	3.35
Pantech Group Holdings Berhad	150,000	114,750	111,000	3.12
Petronas Chemicals Group Berhad	20,000	143,884	120,000	3.37
V.S. Industry Berhad	90,000	103,869	81,900	2.30
		<u>466,102</u>	<u>432,100</u>	<u>12.14</u>
<b>PLANTATION</b>				
Kuala Lumpur Kepong Berhad	11,000	225,704	241,560	6.78
Sarawak Oil Palms Berhad	30,000	74,016	73,500	2.06
Sime Darby Plantation Berhad	40,000	155,600	166,000	4.66
		<u>455,320</u>	<u>481,060</u>	<u>13.50</u>
<b>PROPERTY</b>				
Eco World Development Group Berhad	150,000	84,000	121,500	3.41
<b>REAL ESTATE INVESTMENT TRUSTS</b>				
KLCC Property Holdings Berhad	20,000	134,252	139,800	3.92

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

Investments as at 30 June 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost RM</u>	<u>Fair value RM</u>	<u>Percentage of net asset value %</u>
<b>QUOTED INVESTMENTS (CONTINUED)</b>				
<b>TECHNOLOGY</b>				
Globetronics Technology Berhad	120,000	269,629	151,200	4.24
Inari Amertron Berhad	60,000	162,280	164,400	4.62
Mi Technovation Berhad	50,000	72,400	69,000	1.94
MY E.G. Services Berhad	200,000	198,295	150,000	4.21
		<u>702,604</u>	<u>534,600</u>	<u>15.01</u>
<b>TELECOMMUNICATIONS &amp; MEDIA</b>				
Axiata Group Berhad	35,000	93,424	92,750	2.60
Telekom Malaysia Berhad	30,000	148,833	147,300	4.14
		<u>242,257</u>	<u>240,050</u>	<u>6.74</u>
<b>TRANSPORTATION &amp; LOGISTICS</b>				
MISC Berhad	25,000	183,062	179,000	5.03
<b>UTILITIES</b>				
Tenaga Nasional Berhad	25,000	240,607	226,250	6.35
<b>TOTAL QUOTED INVESTMENTS</b>		<b>3,398,894</b>	<b>3,241,932</b>	<b>91.01</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>(156,962)</u>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>3,241,932</b>		

**6 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise:

	<u>2024</u> RM	<u>2023</u> RM
Shariah-based deposits with licensed Islamic financial institutions	431,051	322,448
Bank balance	40,800	38,683
	<u>471,851</u>	<u>361,131</u>

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

	<u>2024</u>	<u>2023</u>
Weighted average rate of return	2.95%	2.95%
Average days to maturity	<u>2 days</u>	<u>4 days</u>

**7 OTHER PAYABLES AND ACCRUALS**

	<u>2024</u> RM	<u>2023</u> RM
Audit fee payable	7,500	7,500
Tax agent's fee payable	9,400	9,400
Sundry payables and accruals	2,426	2,079
	<u>19,326</u>	<u>18,979</u>

**8 NUMBER OF UNITS IN CIRCULATION**

	<u>2024</u> Units	<u>2023</u> Units
At the beginning and end of the financial year	<u>5,103,041</u>	<u>5,103,041</u>

**9 MANAGEMENT FEE**

Clause 13.1 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 1.65% per annum of the net asset value of the Fund, calculated on a daily basis.

Effective 8 December 2020, the management fee provided in the financial statements is 1.50% (2023: 1.50%) 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 13.2 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 0.08% per annum of the net asset value of the Fund subject to a minimum of RM18,000 per annum, calculated on a daily basis.

Effective 8 December 2020, the Trustee's fee provided in the financial statements is 0.08% (2023: 0.08%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

For current financial year, the minimum trustee fee is RM18,000 (2023: RM18,000) per annum.

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>2024</u> RM	<u>2023</u> 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>2024</u> RM	<u>2023</u> RM
Profit before taxation	1,052,527	151,493
Tax calculated at a tax rate of 24% (2023: 24%)	252,606	36,358
Tax effects of:		
- Income not subject to tax	(279,116)	(60,516)
- Expenses not deductible for tax purposes	9,910	9,627
- Restriction on tax deductible expenses	16,600	14,531
Tax expense	-	-

**12 TOTAL EXPENSE RATIO ("TER")**

	<u>2024</u> %	<u>2023</u> %
TER	2.27	2.40

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.

**13 PORTFOLIO TURNOVER RATIO (“PTR”)**

	<u>2024</u>	<u>2023</u>
The PTR for the financial year (times)	0.54	0.53

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.

**14 UNITS HELD BY THE MANAGER AND RELATED PARTIES, SIGNIFICANT RELATED PARTIES 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

The number of units held by the Manager and party related to the Manager are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Units</u>	<u>RM</u>	<u>Units</u>	<u>RM</u>
The Manager	1,000	904	1,000	698
Bank Muamalat Malaysia Berhad	5,102,041	4,613,776	5,102,041	3,561,735
	<u>5,103,041</u>	<u>4,614,680</u>	<u>5,103,041</u>	<u>3,562,433</u>

The units are held beneficially by the Manager for booking purposes and were transacted at the prevailing market price.

Other than the above, there were no units held by Directors or parties related to the Manager as at the end of each financial year. There were no related party transactions and balances during the financial year.

**15 TRANSACTIONS BY THE FUND**

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

<u>Brokers/financial institutions</u>	<u>Value of trades</u> <u>RM</u>	<u>Percentage of total trades</u> <u>%</u>	<u>Brokerage fees</u> <u>RM</u>	<u>Percentage of total brokerage fees</u> <u>%</u>
TA Securities Holdings Berhad	1,625,720	33.09	3,655	33.79
Hong Leong Investment Bank Berhad	1,168,758	23.79	2,341	21.64
BIMB Securities Sdn Bhd	1,161,441	23.64	2,623	24.26
Affin Hwang Investment Bank Berhad	957,416	19.48	2,197	20.31
	<u>4,913,335</u>	<u>100.00</u>	<u>10,816</u>	<u>100.00</u>

## 15 TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 30 June 2023 are as follows:

<u>Brokers/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>
TA Securities Holdings Berhad	1,310,981	34.45	2,959	36.39
BIMB Securities Sdn Bhd	1,122,401	29.49	2,525	31.06
Hong Leong Investment Bank Berhad	586,126	15.40	1,172	14.41
MIDF Amanah Investment Bank Berhad	534,698	14.05	909	11.18
Affin Hwang Investment Bank Berhad	251,539	6.61	566	6.96
	<u>3,805,745</u>	<u>100.00</u>	<u>8,131</u>	<u>100.00</u>

## 16 FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2024 RM</u>	<u>2023 RM</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss ("FVTPL")		
- Quoted investments	<u>4,182,622</u>	<u>3,241,932</u>
Financial assets at amortised cost		
- Shariah-compliant deposits with licensed Islamic financial institutions	431,051	322,448
- Bank balance	40,800	38,683
- Dividend receivables	6,598	2,640
	<u>478,449</u>	<u>363,771</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
- Accrued management fee	11,608	9,034
- Amount due to Trustee	15,329	15,409
- Other payables and accruals	19,326	18,979
	<u>46,263</u>	<u>43,422</u>

**STATEMENT BY MANAGER**

We, Md Khairuddin bin Hj Arshad, the Director and Khadijah Sairah binti Ibrahim, the 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 11 to 31 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 June 2024 and of its financial performance and cash flows for the financial year ended 30 June 2024 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  
CHIEF EXECUTIVE OFFICER

Kuala Lumpur, Malaysia  
28 August 2024

## TRUSTEE'S REPORT

To the unit holders of MUAMALAT INVEST ISLAMIC EQUITY FUND ("Fund"),

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 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 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 Maybank Trustees Berhad  
[Company No.: 196301000109 (5004-P)]



**NORHAZLIANA BINTI MOHAMMED HASHIM**  
Head, Unit Trust & Corporate Operations

Kuala Lumpur, Malaysia


**REPORT OF THE SHARIAH ADVISER**

To the unitholders of MUAMALAT INVEST ISLAMIC EQUITY FUND (“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 requirement 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 Mohamad  
Chairman of Shariah Committee for Bank Muamalat Malaysia Berhad

28 August 2024



## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF MUAMALAT INVEST ISLAMIC EQUITY FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of Muamalat Invest Islamic Equity Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 June 2024, 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 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 1 to 21.

#### 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.

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PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, [www.pwc.com/my](http://www.pwc.com/my)





INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF MUAMALAT INVEST ISLAMIC EQUITY FUND  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (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 UNITHOLDERS OF MUAMALAT INVEST ISLAMIC EQUITY FUND  
(CONTINUED)

REPORT ON 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 UNITHOLDERS OF MUAMALAT INVEST ISLAMIC EQUITY FUND  
(CONTINUED)

OTHER MATTERS

This report is made solely to the unitholders 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*  
PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
28 August 2024