



MUAMALAT INVEST ISLAMIC EQUITY FUND
(The “Fund”)

SEMI-ANNUAL REPORT 2023

**Incorporating the Unaudited
Financial Statements**

For the six months financial period ended 31 December 2023

CONTENTS

	Page
CORPORATE INFORMATION	3
FUND INFORMATION	4
INVESTMENT OBJECTIVE, STRATEGY AND POLICY	4
MANAGER’S OVERVIEW	4
MANAGER’S REPORT	5-10
<ul style="list-style-type: none"> • Fund Performance Review • Asset Allocation • Strategies and Policies • Market Review • Market Outlook • Portfolio Structure • Performance of Fund and Benchmark 	
UNAUDITED FINANCIAL STATEMENTS AND NOTES TO THE UNAUDITED FINANCIAL STATEMENTS	11-31
<ul style="list-style-type: none"> • Unaudited Statement of Financial Position • Unaudited Statement of Comprehensive Income • Unaudited Statement of Changes in Equity • Unaudited Statement of Cash Flows • Notes to the Unaudited Financial Statements 	
STATEMENT BY MANAGER	32
TRUSTEE REPORT	33
REPORT OF THE SHARIAH ADVISER	34

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 (Independent Non-Executive Director)

Mohd Faruk bin Abdul Karim (Executive Director)

SHARIAH ADVISER

Bank Muamalat Malaysia Berhad

COMPANY SECRETARY

Julaida Binti Jufri (LS 0009358)

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

10th Floor, Menara TH 1 Sentral, Jalan Rakyat

KL Sentral, 50706 Kuala Lumpur

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd

10th Floor, Menara TH 1 Sentral, Jalan Rakyat

KL Sentral, 50706 Kuala Lumpur

FUND INFORMATION

Name of Fund	: Muamalat Invest Islamic Equity Fund
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 Strategy and Policy

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 Semi-Annual Report of Muamalat Invest Islamic Equity Fund ("the Fund") incorporating the Unaudited Financial Statements for the six months financial period ended 31 December 2023.

During the financial period under review, the Fund generated a total return of 11.57%* compared to the benchmark return of 5.51%*. Hence, the Fund outperformed the benchmark by 6.06%. The outperformance was mainly attributed by the Fund's sector and stock selection.

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

* Source: Novagni Analytics and Advisory Sdn Bhd

MANAGER'S REPORT

Fund Performance Review

During the financial period under review, the Fund generated a total return of 11.57%* compared to the benchmark return of 5.51%*. Hence, the Fund outperformed the benchmark by 6.06%. The outperformance was mainly attributed by the Fund's sector and stock selection.

During the financial period under review, the Fund's NAV has increased by 11.57% from RM0.6981 to RM0.7789.

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

The total units in circulation as at 31 December 2023 are 5,103,041 and NAV attributable to unitholders is RM0.7789 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	31 December 2023	30 June 2023
Equities	88.59%	91.01%
Liquid assets and other net current assets	11.41%	8.99%
Total	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.

Strategies and Policies

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

During the financial period under review, the Fund generated a total return of 11.57%* compared to the benchmark return of 5.51%*. Hence, the Fund outperformed the benchmark by 6.06%.

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

Market Review

In December, the US stock market saw a significant rally The Dow Jones Industrial Average rose by 4.84% ending at 37,689.54 while the Nasdaq Index, a crucial barometer for US technology stocks, jumped by an impressive 5.52% to close at 15,011.35 On the home front, the FBM KLCI, Malaysia's local benchmark, experienced a slight increase of 0.13% closing at 1,454.66. Simultaneously, the FBM Emas Shariah Index (FBMS Index) saw a modest uptick of 0.54% ending at 10,988.71.

The primary risk to the equity market this year is the escalating geopolitical tension in the Middle East. The conflict in Gaza has the potential to intensify and spill over into neighboring countries such as Yemen, Jordan, Egypt, and Iran. The 2024 US presidential election, slated for November 5 is set to be the highlight of the year. It's highly probable that we'll witness another showdown between Joe Biden and Donald Trump, with Trump currently being the favoured candidate.

We continue to maintain a high asset allocation for domestic equity. The combination of attractive valuations and the potential rebound in external trade outweighs the geopolitical risks.

Market Outlook

In 2023, the United States (US) stock market experienced a notable surge. The Dow Jones Industrial Average climbed by 13.70 percent, while the Nasdaq Index, a proxy for US technology stocks, leapt by an astounding 43.42 percent. Conversely, Malaysia's local benchmark, the FBM KLCI, decreased 2.73 percent. The US stock market's robust performance mirrored its economy's resilience, exceeding expectations. In contrast, Malaysia's economy underperformed, primarily due to weak external factors resulting in negative export growth.

The Malaysian Ringgit has depreciated against the US dollar. The Ringgit ended the year at 4.594, marking a 4.31 percent decrease from the previous year's closing figure of 4.4040. This depreciation of the Ringgit can be attributed to a sluggish economy and a negative interest rate differential between Malaysia and the US. By the end of the year, Malaysia's interest rate stood at 3.00 percent, while the US rate had risen to 5.00 percent.

The US economy has demonstrated remarkable resilience, exceeding initial forecasts. In 2023, the Gross Domestic Product (GDP) grew at an annualized rate of 3.3 percent, significantly above the Federal Reserve's non-inflationary growth rate of approximately 1.8 percent.

China's economic growth was mainly below expectations throughout the year but concluded positively, with the GDP for the entire year increasing by 5.2 percent. This outcome surpassed an official prediction of about 5 percent growth after pandemic lockdowns led to a slowdown in growth in 2022. In 2023, the government announced several initiatives to rejuvenate the struggling real estate sector. In the last quarter, it allocated 500 billion yuan (\$70 billion) from a central government bond worth 1 trillion yuan to finance disaster recovery projects, aiding regions affected by floods and earthquakes.

Based on preliminary estimates, Malaysia's economy grew by 3.8 percent year-on-year, a slowdown compared to the 7.8 percent growth in 2022 and falling short of Bank Negara Malaysia's target of 4 to 5 percent. This deceleration in growth can be attributed to the sluggish global economic growth. Moreover, the downturn in the technology sector has had a significant impact on the exports of semiconductors, a critical component of Malaysia's economy. Temporary factors such as unfavorable weather conditions have also impacted palm oil production, a major export for Malaysia.

In summary, the global economy is navigating a complex environment marked by slowing growth, increasing inflation, and varied regional economic prospects. While some economies like the United States have shown resilience, others like China and Malaysia have encountered challenges.

The onset of 2024 has brought a renewed sense of optimism, a stark contrast to the gloomy outlook that characterized the beginning of 2023. Earlier, the market had forecasted an 80% likelihood of a recession in the Eurozone and a 67% chance of a similar downturn in the US. However, as we transition into 2024, these probabilities have been revised downwards to 65% and 50%, respectively. This year's primary threat to the equity market stems from the escalating geopolitical tensions in the Middle East. The ongoing conflict in Gaza has the potential to escalate and spread to neighbouring countries such as Yemen, Jordan, Egypt, and Iran.

The highlight of the year is undoubtedly the 2024 US presidential election, scheduled for November 5. We'll likely see a repeat face-off between Joe Biden and Donald Trump, with Trump leading the race. While their policies don't differ significantly, Trump's outspoken nature tends to have a more pronounced impact on market sentiment, especially in the short term.

PORTFOLIO STRUCTURE

As at 31 December 2023, the Fund has invested circa 88.59% in equities and the balance in liquid assets and other net current assets.

The Fund's asset allocations are shown below:-

Sectors	As at	As at 30 June		
	31.12.2023	2023	2022	2021
	%	%	%	%
Equities				
Construction	-	-	5.25	3.87
Consumer Products & Services	3.54	3.54	7.17	3.79
Energy	-	8.50	-	14.73
Financial Services	13.30	8.37	7.76	3.48
Health Care	4.98	4.47	5.67	16.23
Industrial Products & Services	8.85	12.14	2.63	7.61
Oil & Gas	7.97	-	-	-
Plantations	7.99	13.50	12.58	-
Property	5.96	3.41	-	-
Real Estate Investment Trusts	-	3.92	4.98	5.44
Shipping & Port	4.58	-	-	-
Technology	8.15	15.04	10.93	13.11
Telecommunications & Media	6.29	6.74	3.85	-
Transportation & Logistics	7.33	5.03	9.36	-
Utilities	8.84	6.35	10.74	9.69
	88.59	91.01	80.92	77.95
Liquid assets and other net current assets	11.41	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

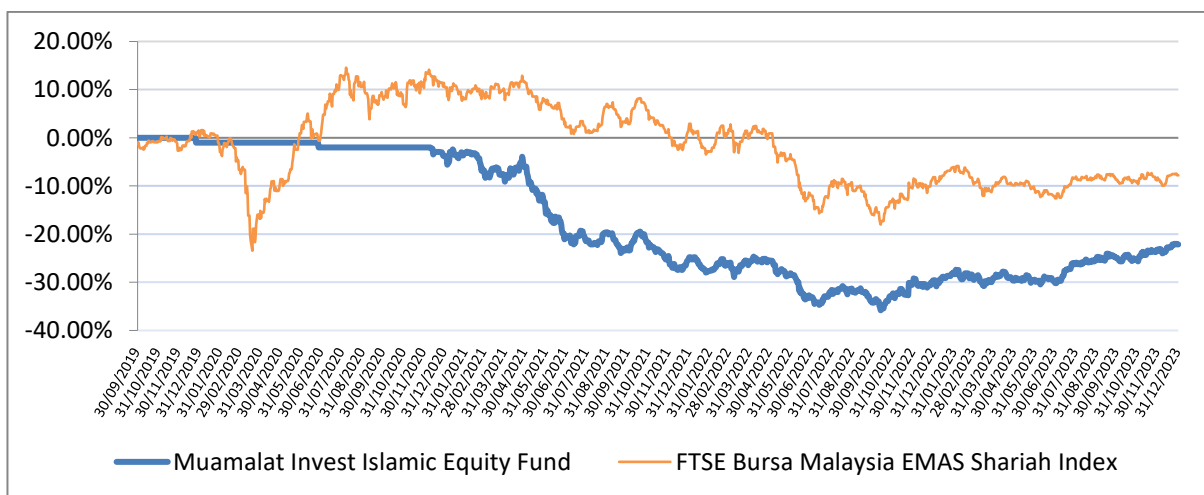
	Average Annual Return			
	Since Inception (03.09.2019 [^] - 31.12.2023)	3 Years (01.01.2021- 31.12.2023)	1 Year (01.01.2023- 31.12.2023)	Period-to-date (01.07.2023- 31.12.2023)
Muamalat Invest Islamic Equity Fund				
- Capital Return	-22.11%	-18.96%	10.58%	11.57%
- Income Return	-	-	-	-
Total Return	-22.11%	-18.96%	10.58%	11.57%
FTSE Bursa Malaysia EMAS Shariah Index	-6.26%	-16.49%	0.46%	5.51%

	Total Return			
	2021 (01.07.2020- 30.06.2021)	2022 (01.07.2021- 30.06.2022)	2023 (01.07.2022- 30.06.2023)	Period-to-date (01.07.2023- 31.12.2023)
Muamalat Invest Islamic Equity Fund	-19.23%	-15.55%	4.44%	11.57%
FTSE Bursa Malaysia EMAS Shariah Index	1.15%	-13.75%	-0.85%	5.51%

[^] Date of inception
2020.

* The Fund had been dormant since inception until 7 December

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.

Fund Size	As At 31 December 2023	As At 30 June			
		2023	2022	2021	2020
Net Asset Value (RM)	3,975,011	3,562,281	3,410,788	4,039,169	980
Units In Circulation	5,103,041	5,103,041	5,103,041	5,103,041	1.000
Net Asset Value per unit (RM)	0.7789	0.6981	0.6684	0.7915	0.9800

Historical Data	Period Ended 31 December 2023	Financial Year/Period Ended 30 June			
		2023	2022	2021	2020
Unit Prices					
NAV Price - Highest (RM)	0.7850	0.7259	0.8075	0.9802	1.000
- Lowest (RM)	0.6997	0.6419	0.6642	0.7892	0.9800
Distribution and Unit Split					
Gross Distribution Per Unit	-	-	-	-	-
Net Distribution Per Unit	-	-	-	-	-
Distribution Date	-	-	-	-	-
NAV before distribution (cum)	-	-	-	-	-
NAV after distribution (ex)	-	-	-	-	-
Unit Split	-	-	-	-	-
Others					
Total Expense Ratio (TER) (%) #	0.97	2.40	2.18#	2.76	2.01
Portfolio Turnover Ratio (PTR) (times) ##	0.18	0.53	0.77#	0.78	-

The TER and PTR for the financial year ended 31 December 2023 were lower compared with previous financial year ended 30 June 2023 due to higher average net asset value for the financial year ended 31 December 2023.

FUND SIZE AND PROFILE OF UNIT HOLDINGS BY SIZE

As at 31 December 2023, the Fund's units in circulation stood at 5,103,041 units with a total of 2 accounts.

Size of Holdings	Account Holders		No. Of Units Held	
	No.	%	Units	%
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 period 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 period under review.

CROSS TRADE

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	<u>Note</u>	<u>31.12.2023</u> RM	<u>30.06.2023</u> RM
ASSETS			
Financial assets at fair value through profit or loss	5	3,521,520	3,241,932
Cash and cash equivalents	6	476,615	361,131
Amount due from stockbrokers		-	-
Dividend receivables		4,910	2,640
TOTAL ASSETS		<u>4,003,045</u>	<u>3,605,703</u>
LIABILITIES			
Accrued management fee		14,633	9,034
Amount due to Trustee		781	15,409
Other payables and accruals	7	12,620	18,979
TOTAL LIABILITIES		<u>28,034</u>	<u>43,422</u>
NET ASSET VALUE		<u>3,975,011</u>	<u>3,562,281</u>
UNITHOLDER'S FUNDS			
Unitholder's capital		5,001,000	5,001,000
Accumulated losses		(1,025,989)	(1,438,719)
		<u>3,975,011</u>	<u>3,562,281</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>5,103,041</u>	<u>5,103,041</u>
NET ASSET VALUE PER UNIT		<u>0.7789</u>	<u>0.6981</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	<u>Note</u>	<u>01.07.2023 to 31.12.2023</u> RM	<u>01.07.2022 to 31.12.2022</u> RM
INVESTMENT INCOME			
Dividend income		51,400	67,038
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		4,124	5,764
Net gain/(loss) on financial assets at fair value through profit or loss	5	399,195	154,974
		<u>454,720</u>	<u>227,776</u>
EXPENSES			
Management fee	9	(28,839)	(26,138)
Trustee's fee	10	(1,539)	(1,394)
Audit fee		(3,657)	(3,716)
Tax agent fee		(2,435)	(2,462)
Transaction costs		(4,766)	(9,328)
Other expenses		(754)	(1,107)
		<u>(41,990)</u>	<u>(44,145)</u>
Profit/(Loss) before taxation		412,730	183,631
Taxation	11	<u>-</u>	<u>-</u>
Profit/(Loss) after taxation and total comprehensive income/(loss) for the financial period		<u><u>412,730</u></u>	<u><u>183,631</u></u>
Profit/(Loss) after taxation is made up of the following:			
Realised amount		6,291	34,684
Unrealised amount		406,439	148,947
		<u><u>412,730</u></u>	<u><u>183,631</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	<u>Unitholder's capital</u> RM	<u>Accumulated losses</u> RM	<u>Total</u> RM
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 period	-	412,730	412,730
Balance as at 31 December 2023	<u>5,001,000</u>	<u>(1,025,989)</u>	<u>3,975,011</u>
Balance as at 1 July 2022	5,001,000	(1,590,212)	3,410,788
Movement in net asset value:			
Total comprehensive loss for the financial period	-	183,631	183,631
Balance as at 31 December 2022	<u>5,001,000</u>	<u>(1,406,581)</u>	<u>3,594,419</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	<u>01.07.2023</u> <u>to 31.12.2023</u>	<u>01.07.2022</u> <u>to 31.12.2022</u>
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Purchase of investments	(616,289)	(1,540,904)
Proceeds from sale of investments	731,131	1,382,756
Dividends received	49,130	54,495
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions	4,124	5,764
Management fee paid	(23,240)	(25,934)
Trustee's fee paid	(16,167)	(10,315)
Payment for other fees and expenses	(13,205)	(63)
Net cash used in operating activities	<u>115,484</u>	<u>(134,201)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Net cash generated from financing activity	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	115,484	(134,201)
Cash and cash equivalents at the beginning of the financial period	<u>361,131</u>	<u>411,831</u>
Cash and cash equivalents at the end of the financial period	<u><u>476,615</u></u>	<u><u>277,630</u></u>
Cash and cash equivalents comprise:		
Shariah-compliant deposits with licensed Islamic financial institutions	441,572	253,313
Bank balance	35,043	24,317
	<u><u>476,615</u></u>	<u><u>277,630</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

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 between Muamalat Invest Sdn Bhd (“the Manager”) and Maybank Trustees Berhad (“the Trustee”). The Fund is governed by the Deed dated 18 June 2019 (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 February 2028.

2 SUMMARY OF SIGNIFICANT 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 period.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

- (a) Standards and amendments to existing standards effective 1 July 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 July 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, amount due from stockbrokers 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 interest calculated on the effective interest method over the period from the date of placement to the date of the statement of financial position, 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 period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, amount due to stockbrokers 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 Unitholder's 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 holder 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. Dividend income is received from financial assets measured at fair value through profit or loss.

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 period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 with licensed Islamic financial institutions that 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.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(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 RM3,521,520 (30.06.2023: RM3,241,932) in quoted securities investments.

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 statement of comprehensive income and net asset value is +/- RM176,076 (30.06.2023: 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 period, 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:

	Cash and cash equivalents RM	Other financial assets* RM	Total RM
<u>31.12.2023</u>			
Financial institutions:			
- AAA	476,615	-	476,615
Others	-	4,910	4,910
	<u>476,615</u>	<u>4,910</u>	<u>481,525</u>

* Comprise dividend receivables

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

	Cash and cash equivalents RM	Other financial assets* RM	Total RM
<u>30.06.2023</u>			
Financial institutions:			
- AAA	361,131	-	361,131
Others	-	2,640	2,640
	<u>361,131</u>	<u>2,640</u>	<u>363,771</u>

* Comprise dividend receivables and amount due from stockbrokers

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.

	<u>Less than 1 month RM</u>	<u>Between 1 month to 1 year RM</u>	<u>Total RM</u>
<u>31.12.2023</u>			
Accrued management fee	14,633	-	16,433
Amount due to Trustee	781	-	781
Other payables and accruals	-	12,620	12,620
	<u>15,414</u>	<u>12,620</u>	<u>28,034</u>
<u>30.06.2023</u>			
Accrued management fee	9,034	-	9,034
Amount due to Trustee	15,409	-	15,409
Other payables and accruals	-	18,979	17,568
Amount due to stockbrokers	-	-	-
	<u>24,443</u>	<u>18,979</u>	<u>43,422</u>

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital of RM5,001,000 (30.06.2023: RM5,001,000) and accumulated losses of RM1,025,989 (30.06.2023: 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 period 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/period 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 period. 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:

4 FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

- 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
<u>31.12.2023</u>				
Financial assets at fair value through profit or loss				
- Quoted investments	3,521,520	-	-	3,521,520
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>30.06.2023</u>				
Financial assets at fair value through profit or loss				
- Quoted investments	3,241,932	-	-	3,241,932
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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>31.12.2023</u> RM	<u>30.06.2023</u> RM
Financial assets at fair value through profit or loss:		
- quoted investments	3,521,520	3,241,932
	<u> </u>	<u> </u>
	<u>01.07.2023</u>	<u>01.07.2022</u>
	<u>to 31.12.2023</u>	<u>to 31.12.2022</u>
	RM	RM
Net gain/(loss) on financial assets fair value through profit or loss comprised:		
- realised gain/(loss) on sale of investments	(7,244)	6,027
- net unrealised gain on changes in fair values	406,439	148,947
	<u> </u>	<u> </u>
	399,195	154,974
	<u> </u>	<u> </u>

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

Investments as at 31 December 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost RM</u>	<u>Fair value RM</u>	<u>Percentage of net asset value %</u>
QUOTED INVESTMENTS				
CONSUMER PRODUCTS & SERVICES				
Fraser & Neave Holdings Berhad	5,000	109,986	140,800	3.54
FINANCIAL SERVICES				
BIMB Holdings Bhd	60,000	125,244	132,600	3.34
Bursa Malaysia Berhad	30,000	197,150	207,300	5.22
Syarikat Takaful Malaysia Keluarga Berhad	50,919	172,408	188,400	4.74
		494,802	528,300	13.30
HEALTH CARE				
Duopharma Biotech Berhad	50,000	64,800	63,000	1.58
Hartalega Holdings Berhad	50,000	94,400	135,000	3.40
		159,200	198,000	4.98
INDUSTRIAL PRODUCTS & SERVICES				
Pantech Group Holdings Berhad	150,000	114,750	135,000	3.12
Petrol Chemical Group Bhd	20,000	143,884	143,200	3.60
V.S. Industry Berhad	90,000	103,869	73,350	1.85
		362,503	351,550	8.85
OIL & GAS				
Dialog Group Bhd	60,000	142,194	124,200	3.12
T7 Global Berhad	250,000	105,400	110,000	2.77
UZMA Bhd	110,000	68,827	82,500	2.08
		316,421	316,700	7.97
PLANTATION				
Kuala Lumpur Kepong Berhad	11,000	225,704	240,020	6.04
Sarawak Oil Palms Berhad	30,000	74,016	77,700	1.95
		299,720	317,720	7.99
PROPERTY				
Eco World Development Group Berhad	100,000	56,000	105,000	2.64
Matrix Concepts Holdings	80,000	118,200	132,000	3.32
		174,200	237,000	5.96

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

Investments as at 31 December 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>
QUOTED INVESTMENTS (CONTINUED)				
SHIPPING & PORT				
MISC Berhad	25,000	183,062	182,250	4.58
TECHNOLOGY				
AGMO Holdings Berhad	380	-	199	0.01
CTOS Digital Berhad	50,000	71,430	70,500	1.77
INARI Amerton Berhad	30,000	71,700	90,300	2.27
MY E.G. Services Berhad	200,000	198,295	163,000	4.10
		341,425	323,999	8.15
TELECOMMUNICATIONS & MEDIA				
Axiata Group Berhad	35,000	94,000	83,300	2.10
Telekom Malaysia Berhad	30,000	148,833	166,500	4.19
		242,833	249,800	6.29
TRANSPORTATION & LOGISTICS				
MISC Berhad	25,000	183,062	187,500	4.58
Westports Holdings Berhad	20,000	79,430	76,000	2.11
		262,492	263,500	7.33
UTILITIES				
Tenaga Nasional Berhad	35,000	336,579	351,400	8.84
TOTAL QUOTED INVESTMENTS		3,272,043	3,521,520	88.59
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		249,477		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		3,521,520		

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

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	<u>Percentage</u> <u>of net</u> <u>asset value</u> %
QUOTED INVESTMENTS				
CONSUMER PRODUCTS & SERVICES				
Fraser & Neave Holdings Berhad	5,000	109,987	126,100	3.54
ENERGY				
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	110,000	68,200	1.91
		316,421	303,050	8.50
FINANCIAL SERVICES				
Bursa Malaysia Berhad	20,000	132,674	128,800	3.62
Syarikat Takaful Malaysia Keluarga Berhad	50,919	172,408	169,051	4.75
		305,082	297,851	8.37
HEALTH CARE				
Duopharma Biotech Berhad	50,000	64,800	65,000	1.82
Hartalega Holdings Berhad	50,000	94,400	94,500	2.65
		159,200	159,500	4.47
INDUSTRIAL PRODUCTS & SERVICES				
Kelington Group Berhad	80,000	103,599	119,200	3.35
Pantech Group Holdings Berhad	150,000	114,750	111,000	3.12
Petronas Chemical Group Berhad	20,000	143,884	120,000	3.37
V.S. Industry Berhad	90,000	103,869	81,900	2.30
		466,102	432,100	12.14
PLANTATION				
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
		455,320	481,060	13.50

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</u> RM	<u>Fair value</u> RM	<u>Percentage of net asset value</u> %
QUOTED INVESTMENTS (CONTINUED)				
PROPERTY				
Eco World Development Group Berhad	150,000	84,000	121,500	3.41
REAL ESTATE INVESTMENT TRUSTS				
KLCC Property Holdings Berhad	20,000	134,252	139,800	3.92
TECHNOLOGY				
Agmo Holdings Berhad	1,878	-	1,071	0.03
Globetronics Technology Berhad	120,000	269,629	144,000	4.22
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	176,000	5.16
		702,604	535,671	15.04
TELECOMMUNICATIONS & MEDIA				
Axiata Group Berhad	35,000	93,424	92,750	2.60
Telekom Malaysia Berhad	25,000	120,250	131,250	3.85
		242,257	240,050	6.74
TRANSPORTATION & LOGISTICS				
MISC Berhad	25,000	183,062	179,000	5.03
UTILITIES				
Tenaga Nasional Berhad	25,000	240,607	226,250	6.35
TOTAL QUOTED INVESTMENTS		3,398,894	3,241,932	91.01
UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		(156,962)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		3,241,932		

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>31.12.2023</u> RM	<u>30.06.2023</u> RM
Shariah-based deposits with licensed Islamic financial institutions	441,572	322,448
Bank balance	35,043	38,683
	<u>476,615</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>31.12.2023</u>	<u>30.06.2023</u>
Weighted average rate of return	3.00%	2.95%
Average days to maturity	3 days	4 day

7 OTHER PAYABLES AND ACCRUALS

	<u>31.12.2023</u> RM	<u>30.06.2023</u> RM
Audit fee payable	5,032	7,500
Tax agent's fee payable	7,588	9,400
Sundry payables and accruals	-	2,079
	<u>12,620</u>	<u>18,979</u>

8 NUMBER OF UNITS IN CIRCULATION

	<u>01.07.2023</u> <u>to 31.12.2023</u> Units	<u>01.07.2022</u> <u>to 30.06.2023</u> Units
At the beginning of and end of the financial period/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.

The management fee provided in the financial statements is 1.50% (2022: 1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

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.

The Trustee's fee provided in the financial statements is 0.08% (2022: 0.08%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

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 period

	01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022
	RM	RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

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

	01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022
	RM	RM
Profit/(loss) before taxation	412,730	183,631
Tax calculated at a tax rate of 24% (2021: 24%)	99,055	44,071
Tax effects of:		
- (Income not subject to tax)/loss not deductible for tax purposes	(109,133)	(54,666)
- Expenses not deductible for tax purposes	2,278	3,430
- Restriction on tax deductible expenses	7,800	7,165
Tax expense	-	-

12 TOTAL EXPENSE RATIO ("TER")

	01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022
	%	%
TER	0.97	1.00

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")

	01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022
The PTR for the financial period (times)	0.18	0.34

The PTR is the ratio of the average acquisitions and disposals of the Fund during the financial period 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:

	31.12.2023		30.06.2023	
	Units	RM	Units	RM
The Manager	1,000	779	1,000	698
Bank Muamalat Malaysia Berhad	5,102,041	3,974,490	5,102,041	3,561,735
	<u>5,103,041</u>	<u>3,975,269</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 the financial year/period.

There were no related party transactions and balances during the financial period.

15 TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 31 December 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>
Affin Hwang Investment Bank Berhad	665,237	49.05	2,388	50.11
BIMB Securities Sdn Bhd	362,815	26.75	1,273	26.71
Hong Leong Investment Bank Berhad	261,150	19.25	864	18.12
TA Securities Holdings Berhad	67,126	4.95	241	5.06
	<u>1,356,327</u>	<u>100.00</u>	<u>4,766</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>31.12.2023 RM</u>	<u>30.06.2023 RM</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss ("FVTPL")		
- Quoted investments	<u>3,521,520</u>	<u>3,241,932</u>
Financial assets at amortised cost		
- Shariah-compliant deposits with licensed Islamic financial institutions	441,572	322,448
- Bank balance	35,043	38,683
- Amount due from stockbrokers	-	-
- Dividend receivables	4,910	2,640
	<u>481,525</u>	<u>363,771</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
- Accrued management fee	14,633	9,034
- Amount due to Trustee	781	15,409
- Other payables and accruals	12,620	18,797
	<u>28,034</u>	<u>43,422</u>

STATEMENT BY MANAGER

We, Md Khairuddin bin Hj Arshad and Khairul bin Kamarudin, two of the Directors of Muamalat Invest Sdn Bhd (“the Manager”), do hereby state that in the opinion of the Directors of the Manager, the accompanying unaudited 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 31 December 2023 and of its financial performance and cash flows for the financial period ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

On behalf of the Manager

MD KHAIRUDDIN BIN HJ ARSHAD
DIRECTOR

KHAIRUL BIN KAMARUDIN
DIRECTOR

Kuala Lumpur
28 February 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 period ended 31 December 2023 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 period 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
28 February 2024

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 period 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 Mohamad
Chairman of Shariah Committee for Bank Muamalat Malaysia Berhad

28 February 2024