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# ASTUTE DANA AL-FAIZ-I (ADAF-I)

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## **UNAUDITED SEMI-ANNUAL REPORT**

For The Six Months Financial Period Ended 31 December 2023

**ASTUTE DANA AL-FAIZ-I**

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CONTENTS	PAGE
1. FUND INFORMATION.....	2
2. FUND PERFORMANCE.....	3
3. MANAGER’S REPORT .....	4
4. TRUSTEE’S REPORT .....	8
5. SHARIAH ADVISER’S REPORT .....	8
6. STATEMENT BY MANAGER .....	10
6.1 STATEMENT OF UNAUDITED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	11
6.2 STATEMENT OF UNAUDITED FINANCIAL POSITION .....	12
6.3 STATEMENT OF UNAUDITED CHANGES IN NET ASSET VALUE .....	13
6.4 STATEMENT OF UNAUDITED CASH FLOWS .....	14
6.5 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS.....	15
7. CORPORATE DIRECTORY .....	39

## 1. FUND INFORMATION

<b>FUND NAME</b>	Astute Dana Al-Faiz-I (ADAF-I)
<b>FUND TYPE</b>	Growth and Income
<b>FUND CATEGORY</b>	Balanced (Islamic)
<b>FUND INVESTMENT OBJECTIVE</b>	<p>Regular income over a short to medium term period and an opportunity for capital appreciation by investing in a diversified portfolio of Shariah-approved Malaysian money market instruments and other investments that may be permitted pursuant to the provisions of the Deed and relevant laws.</p> <p><i>Note: Any material changes to the investment objective of the Fund require Unit holders' approval.</i></p>
<b>DURATION OF FUND</b>	<p>The fund is an open-ended fund.</p> <p>The fund was launched on 13 August 2003.</p>
<b>FUND PERFORMANCE BENCHMARK</b>	<ul style="list-style-type: none"> <li>❖ 50% FBM Emas Shariah Index ("FMBS")</li> <li>❖ 50% 12-months Maybank General Investment Account ("GIA") Rate</li> </ul> <p>(Source: Bursa Malaysia and Malayan Banking Berhad)</p> <p><i>"The risk profile of the performance benchmark is not the same as the risk profile of the Fund."</i></p>
<b>FUND DISTRIBUTION POLICY</b>	<p>Distribution is at the discretion of the Manager. If income distributed, it will be automatically re-invested via issuance of additional Units in the Fund.</p> <p>Generally, in the absence of written instructions from the Unit holders, income for the Fund will be automatically reinvested into additional Units of the Fund at NAV per Unit on income payment date. Unit holders who wish to realise any income can do so by redeeming Units held in the Fund.</p> <p>For reinvestment into additional units, no sales charges will be imposed.</p>

## 2. FUND PERFORMANCE

Summary of performance data is as follows:

	31.12.2023 RM	31.12.2022 RM	31.12.2021 RM
<b>Portfolio Composition:</b>			
- Equity securities	89.67	83.64	86.57
- Fixed income securities	-	-	-
- Liquid assets and others	10.33	16.36	13.43
Net Assets Value (RM)	28,865,402	28,138,431	31,932,914
Number of Units in Circulation	124,116,685	128,884,739	132,553,376
Net Asset Value per Units (RM)	0.2326	0.2183	0.2409
Highest NAV Price for the period under review (RM)	0.2335	0.2185	0.2528
Lowest NAV Price for the period under review (RM)	0.2055	0.1995	0.2315
<b>Total Return for the period under review (RM)</b>			
- Capital growth	4,316,556	570,913	98,894
- Income distribution	Nil	Nil	Nil
Gross Distribution Per Unit (RM)	Nil	Nil	Nil
Net Distribution Per Unit (RM)	Nil	Nil	Nil
Total Expenses Ratio (TER) (%)	0.86*	0.83	0.83
<i>*the TER for the financial period was higher compared with previous financial period due to higher non variable expenses during the reviewed financial period.</i>			
Portfolio Turnover Ratio (PTR) (times)	0.26*	0.18	0.13
<i>*the PTR was higher compared to the previous financial period due to an increased in investment activities during the reviewed financial period</i>			

	Total Return		Average Total Return	
	ADAF-I	Index	ADAF-I	Index
1 Year	10.48	1.78	10.48	1.78
3 Year	7.41	-4.86	2.47	-1.62
5 Year	29.01	5.39	5.80	1.08
Since Inception 28 August 2003	251.18	114.87	12.34	5.64

<b>Annual total return for each of the last five financial year ended</b>		ADAF-I	Index
30.06.2023		0.72	1.13
30.06.2022		-7.75	-6.04
30.06.2021		21.67	1.81
30.06.2020		-8.87	1.56
30.06.2019		2.54	2.10

Source: Bloomberg

\*Notes:

1. Total returns as at 31.12.2023. Total returns are calculated based in NAV per unit, adjusted for income distribution, if any.
2. The basis of calculation for the average total return is by dividing the total return by the numbers of years.

**Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.**

### 3. MANAGER'S REPORT

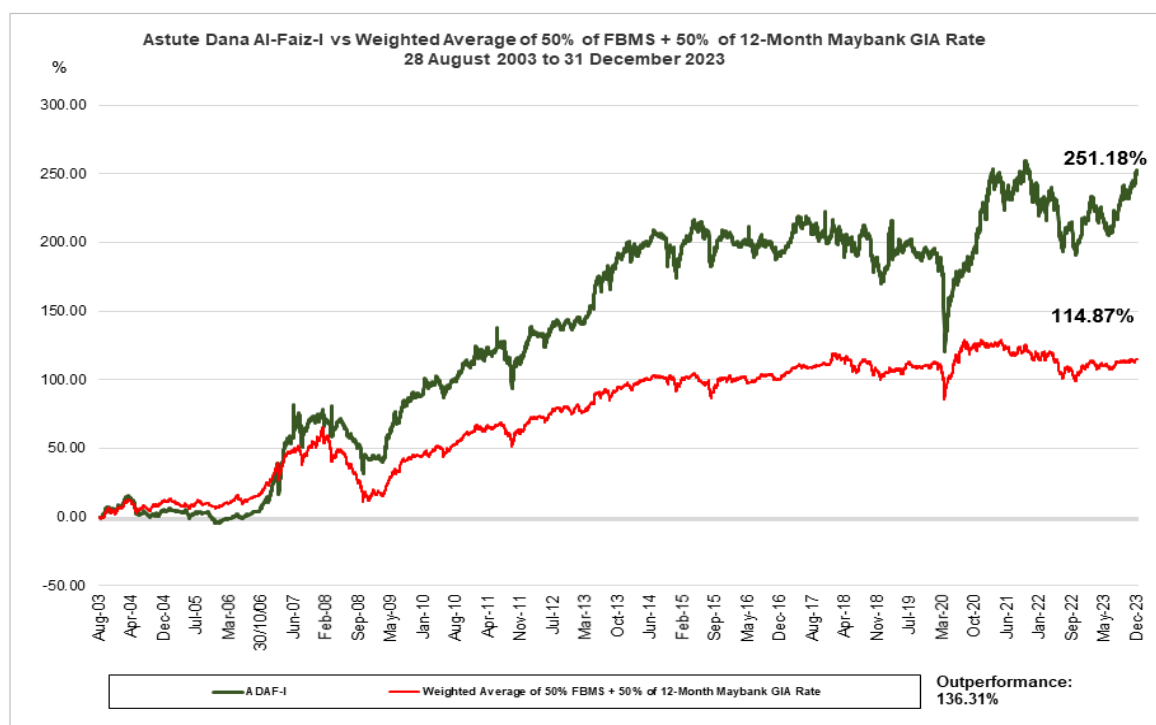
#### FUND'S OBJECTIVE ACHIEVEMENTS

The Fund has achieved its stated objective to provide regular income over a short to medium term period. For the period ended 31<sup>st</sup> December 2023, the Fund had achieved a total return of 251.18% since its inception on 28<sup>th</sup> August 2003. The benchmark return was 114.87% for the same period.

#### PERFORMANCE ANALYSIS

For the six-month period ended 31<sup>st</sup> December 2023, the Fund achieved a positive return of 14.19% against the benchmark return of 3.51%, resulting in an outperformance against the benchmark of 10.68%. The total NAV of the Fund had increased to RM 28,867,164 as at 31<sup>st</sup> December 2023 from RM 26,685,199 as at 30<sup>th</sup> June 2023. The increase in NAV was mainly due to the appreciation in the value of our portfolio holdings.

#### PERFORMANCE OF ASTUTE DANA AL-FAIZ-I VS BENCHMARK INDEX SINCE 28 AUGUST 2003 TO 31 DECEMBER 2023 ADAF-I HAS OUTPERFORMED THE BENCHMARK INDEX 136.31%



Source: Bloomberg

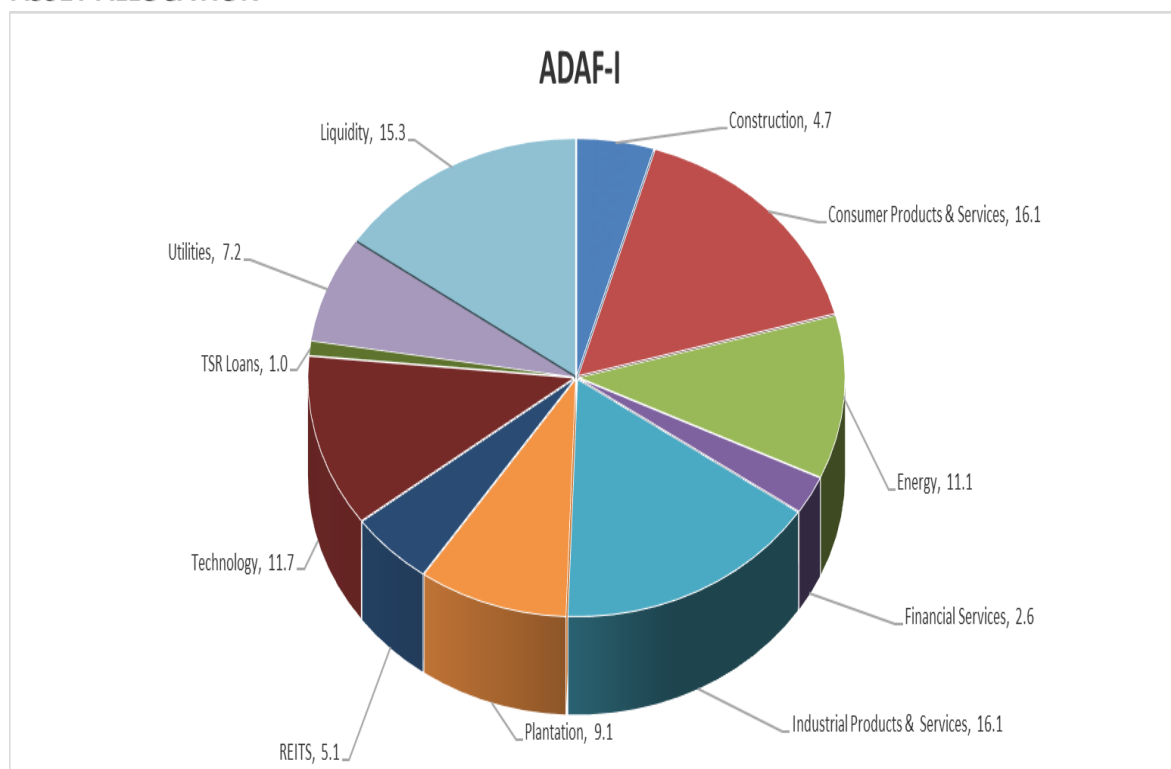
#### STRATEGIES EMPLOYED

The Fund had adopted the top-down and bottom up approach for its investment strategy. The investment policy was to invest in mostly undervalued companies with good potential of growth.

The fund consists of only in shares or warrants that were listed on the Bursa Malaysia. In term of market sector, the Fund had concentrated mainly in the areas of Consumer, Industrial Product, Energy and Technology.

Investment strategy will remain centered on well-managed liquid stocks that exhibit good growth prospects with strong earning visibility. Stocks with strong cash flows, decent yield and have proactive capital management will also be considered.

## ASSET ALLOCATION



## ASSET ALLOCATION BY SECTOR AS AT 31 DECEMBER 2023

<b>QUOTED SECURITIES</b>	<b>31 DEC 2023</b>	<b>31 DEC 2022</b>
Construction	4.7	3.9
Consumer Products & Services	16.1	6.0
Energy	11.1	15.3
Financial Services	2.6	11.3
Industrial Products & Services	16.1	11.7
Plantation	9.1	9.2
REITS	5.1	5.2
TRS Loans	1.0	0.7
Technology	11.7	9.2
Telecommunications & Media	-	3.5
Utilities	7.2	7.7
Liquidity	15.3	16.3

## MARKET REVIEW

Markets entered into the second half of the calendar year 2023 with the spectre of recession fears. This came about after the US Federal Reserve Committee (FOMC) hike the US policy rate by three times, totalling 75 basis points in the first half of calendar year 2023. In August, the US FOMC raised rates by another 25 bps to combat inflation, but inevitably heightened the risk of recession.

The threat of recession weighed on commodity prices, notably in agriculture, petrochemical and industrial metals. Geopolitics also weighed on local and regional markets. Military tensions between China and Taiwan and bans in exports of technologically-sensitive materials and components between China and US added to regional volatility. Amidst the tensions, the lack of policy stimulus in China failed to ignite global and regional demand for products and materials from the rest of Asia.

As policy rates rose further, the US 10-year Treasury yields rose above 5.00% in October. Notwithstanding the above, interest in Malaysia garnered more attention among foreign investors in the second half of 2023. In the last six months, Malaysia posted net foreign inflows in five out of the past six months. From a macro (top-down) standpoint, the inflows were in line with offshore investors' posturing for stronger Asian currencies as the US interest rates peak and a broad US Dollar decline is expected to materialise.

There were also bottom-up driven catalysts that sparked interest in Malaysia in the second half. The conclusion of state elections with a status quo outcome alleviated concerns on political uncertainty and execution of federal government-led initiatives. Hence, pump-priming measures picked up (e.g. infrastructure projects like rail network and road), the National Energy Transition Roadmap (NETR), and joint ventures with foreign multinationals on data centres in Malaysia were among the drivers for construction, property and building material sectors' rallies. These offset the global recessionary concerns.

## MARKET OUTLOOK

Despite fears of global recession, Bloomberg consensus estimates the global and Malaysian economies will continue growing, and are expected to avert recessions. A key premise in averting recession is interest rate cuts and looser monetary conditions in the year ahead.

Based on falling US inflation rates, global and local interest rates have peaked later in 2023. The US interest rate futures market is indicating cuts in interest rates in later in 2024 and going into 2025. We expect Malaysia to follow the global rate cut cycle if this materialises.

Given that developed economies had raised rates by a wider margin against Asian economies, we expect the former's rate cuts to be more pronounced. We expect this will eventually lead to sharper US Dollar declines against Asian currencies, which will bring foreign fund flows into the region and Malaysia.

Falling bond yields that accompany lower interest rates outlook is positive for the technology sector. This sector is also at an inflexion point as the global semiconductor is ticking up and the outlook is promising given the increasing demand for products linked to artificial intelligence, electric vehicles,

and new smartphone models. Falling bond yields is also positive for dividend-yielding stocks, which we expect will perform well when central banks signal rate cuts.

We also expect domestic and policy-driven catalysts to drive markets higher. China's commitment to resuscitate its economy through private sector participation in infrastructure, ease property-related restrictions, and support e-commerce platforms' growth is expected to spur consumption and direct investments. This will draw demand for commodities and exports to China, benefiting the region and the rest of the world.

Similarly, Malaysia's potential re-initiation of megaprojects such as the Malaysia-Singapore high speed rail, and the development of the Johor-Singapore special economic zone may also catalyse the construction and building materials industry further, benefiting contractors and suppliers. Domestic sectors like energy, utilities, consumer discretionary, construction and building materials are preferred exposures as the government pump-prime economies amidst a challenging global economic environment.

### **DISTRIBUTIONS**

For the financial period under review, the Fund did not declare any income distribution.

### **STATE OF AFFAIRS OF THE FUND**

There were no significant changes in the state of affairs of the Fund during the financial period and up until the date of the manager's report, not otherwise disclosed in the financial statements.

### **SECURITIES FINANCING TRANSACTIONS**

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

### **DETAILS OF ANY UNIT SPLIT EXERCISE**

The Fund did not carry out any unit split exercise during the financial year under review.

### **CROSS TRADE TRASACTIONS**

No cross-trade transactions has been carried out during the financial year under review.

### **SOFT COMMISSION**

The Manager will retain soft commissions received from stockbrokers, provided they are of demonstrable benefit to the Unit Holders. The soft commissions may take form of goods and services such as data and quotation services, computer software and investment related publications which are incidental to the management of the Fund. Rebates, if any, will be directed to the account of the Fund.

During the period under review the Manager received data and quotation services and investment related publications which are incidental to the Fund investment.



#### 4. TRUSTEE'S REPORT



**Maybank Trustees Berhad (5004-P)**  
8th Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur, Malaysia  
Telephone +603 2070 8833 / 2078 8363  
Facsimile +603 2070 9387  
[www.maybank2u.com.my](http://www.maybank2u.com.my)

#### TRUSTEE'S REPORT

To the unit holders of ASTUTE DANA AL-FAIZ-I ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 December 2023 and hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Astute Fund Management Berhad has operated and managed the Fund during the financial period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and 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  
[Co. No.: 196301000109 (5004-P)]

A handwritten signature in black ink, appearing to be "NORHAZLIANA BINTI MOHAMMED HASHIM".

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

Date: 27 February 2024

## 5. SHARIAH ADVISER'S REPORT

### SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF ASTUTE DANA AL-FAIZ-I ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Astute Fund Management Berhad (the "Manager") has operated and managed Astute Dana Al-Faiz-I (the "Fund") for the period covered by these financial statements namely, the semi-annual period ended 31 December 2023, 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.
3. We also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah compliant by the Shariah Advisory Council of the SC ("SACSC"). For securities not certified by the SACSC, we have reviewed the said securities and opine that the securities are designated as Shariah compliant.

For and on behalf of the Shariah Adviser,  
**ASTUTE FUND MANAGEMENT BERHAD**



**DATO' DR. HAJI MOHAMAD SABRI BIN HARON**  
Chairman of Shariah Committee

Kuala Lumpur, Malaysia  
Date: 27 February 2024

## 6. STATEMENT BY MANAGER

We, **Clement Chew Kuan Hock** and **Y.M. Dato' Tunku Ahmad Zahir Bin Tunku Ibrahim**, being two of the directors of **Astute Fund Management Berhad**, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements of **Astute Dana Al-Faiz-I** are drawn up in accordance with the Deed, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission Malaysia's Guidelines on Unit Trust Funds so as to give a true and fair view of the financial position of **Astute Dana Al-Faiz-I** as at 31 December 2023 and its financial performance, changes in net asset value and cash flows for the financial period then ended.

For and on behalf of the Manager,

**ASTUTE FUND MANAGEMENT BERHAD**



**CLEMENT CHEW KUAN HOCK**

**Director**



**Y.M. DATO' TUNKU AHMAD ZAHIR  
BIN TUNKU IBRAHIM**

**Director**

Kuala Lumpur, Malaysia

Date: 27 February 2024

**6.1 STATEMENT OF UNAUDITED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Six Months Financial Period Ended 31 December 2023

	Note	31.12.2023 RM	31.12.2022 RM
<b>INVESTMENT INCOME</b>			
Gross dividend income		393,758	483,237
Profit income:			
- Shariah-based deposits		25,446	50,682
Realised gains on sale of investments		(745,453)	263,621
Unrealised gains on financial assets at fair value through profit and loss ("FVPL")		4,316,556	570,913
Other income		12,049	8,566
		<u>4,002,356</u>	<u>1,377,019</u>
<b>LESS: EXPENSES</b>			
Management fee	4	212,845	204,409
Trustee's fee	5	7,142	6,814
Auditors' remuneration		4,681	4,550
Tax agent's fee		1,804	1,274
Administrative expenses		16,519	8,208
Transaction costs		39,614	36,108
		<u>282,605</u>	<u>261,363</u>
<b>NET INCOME BEFORE TAXATION</b>		<b>3,719,751</b>	<b>1,115,656</b>
<b>INCOME TAX EXPENSE</b>	6	<b>(2,511)</b>	<b>(4,500)</b>
<b>NET INCOME AFTER TAXATION FOR THE FINANCIAL PERIOD</b>		<b>3,717,240</b>	<b>1,111,156</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>3,717,240</b>	<b>1,111,156</b>
Total comprehensive income for the financial period is made up as follows:			
- realised		(599,316)	540,243
- unrealised		4,316,556	570,913

The annexed notes form an integral part of these financial statements.

**6.2 STATEMENT OF UNAUDITED FINANCIAL POSITION**

At 31 December 2023

	Note	31.12.2023 RM	31.12.2022 RM
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Quoted investments	7	25,882,690	23,533,610
Shariah-based deposits with licensed financial institutions		1,952,684	3,890,935
		<u>27,835,374</u>	<u>27,424,545</u>
<b>OTHER ASSETS</b>			
Sundry receivables and deposit	8	22,080	124,938
Cash at bank		1,164,670	673,919
		<u>1,186,750</u>	<u>798,857</u>
<b>TOTAL ASSETS</b>		<u>29,022,124</u>	<u>28,223,402</u>
<b>NET ASSET VALUE ("NAV") AND LIABILITIES</b>			
<b>NAV</b>			
Unitholders' capital		26,250,407	27,428,636
Accumulated losses		2,614,995	709,795
<b>TOTAL NAV</b>	9	<u>28,865,402</u>	<u>28,138,431</u>
<b>LIABILITIES</b>			
Sundry payable and accruals	10	118,751	49,231
Amount owing to Manager		36,738	34,587
Amount owing to Trustee		1,233	1,153
<b>TOTAL LIABILITIES</b>		<u>156,722</u>	<u>84,971</u>
<b>TOTAL NAV AND LIABILITIES</b>		<u>29,022,124</u>	<u>28,223,402</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9.1	<u>124,116,685</u>	<u>128,884,739</u>
<b>NAV PER UNIT (RM)</b>		<u>0.2326</u>	<u>0.2183</u>

The annexed notes form an integral part of these financial statements.

### 6.3 STATEMENT OF UNAUDITED CHANGES IN NET ASSET VALUE

For the Six Months Financial Period Ended 31 December 2023

	NOTE	Unitholders' capital RM	Retained earnings RM	Total equity RM
At 1 July 2022		27,544,772	(401,361)	27,143,411
Net gain after taxation/Total comprehensive gain for the financial period		-	1,111,156	1,111,156
Contribution by and distributions to the unitholders of the Fund :				
- creation of units	9.1	652,501	-	652,501
- cancellation of units	9.1	(768,637)	-	(768,637)
Total transactions with unitholders of the fund		(116,136)	-	(116,136)
Balance at 31 December 2022		27,428,636	709,795	28,138,431
At 1 July 2023		27,787,443	(1,102,245)	26,685,198
Net gain after taxation/Total comprehensive gain for the financial period			3,717,240	3,717,240
Contribution by and distributions to the unitholders of the Fund :				
- creation of units	9.1	1,770,734	-	1,770,734
- cancellation of units	9.1	(3,307,770)	-	(3,307,770)
Total transactions with unitholders of the fund		(1,537,036)	-	(1,537,036)
Balance at 31 December 2023		26,250,407	2,614,995	28,865,402

The annexed notes form an integral part of these financial statements.

**6.4 STATEMENT OF UNAUDITED CASH FLOWS**

For the Six Months Financial Period Ended 31 December 2023

	Note	31.12.2023 RM	31.12.2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		8,078,766	5,830,000
Purchase of investments		(6,907,190)	(3,998,546)
Dividend income received		420,169	399,599
Profit on Shariah-based deposits		25,536	50,226
Management fee		(208,466)	(204,161)
Trustee's fee		(6,997)	(6,805)
Payment for other fees and expenses		(66,896)	(56,109)
Other income		2,145	8,566
<b>NET CASH FROM OPERATING AND INVESTING ACTIVITIES</b>		<b>1,337,067</b>	<b>2,022,770</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>			
Proceeds from units created		1,783,669	652,501
Payment for cancelled units		(3,164,345)	(742,116)
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(1,380,676)</b>	<b>(89,615)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(43,609)</b>	<b>1,933,155</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		<b>3,160,963</b>	<b>2,631,699</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	11	<b>3,117,354</b>	<b>4,564,854</b>

The annexed notes form an integral part of these financial statements.

## 6.5 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

Astute Dana Al-Faiz-I (“the Fund”) was constituted pursuant to the execution of a Deed dated 13 August 2003, The First Supplemental Deed dated 14 July 2004, The Second Supplemental Deed dated 25 August 2004 and Third Supplemental Deed dated 20 August 2013 between the Manager, Astute Fund Management Berhad the Trustee, MTrustee Berhad and the registered unitholders of the Fund. The Fourth Supplemental Deed dated 3 August 2015 entered between the Manager and MTrustee Berhad was further modified to include a provision relating to goods and services tax. The Fifth Supplemental Deed dated 15 April 2016 was executed for the change of Trustee from MTrustee Berhad to Maybank Trustees Berhad. The Sixth Supplemental Deed dated 19 March 2018 between the Manager and the Trustee modified the permitted investment and to include provision on unitholders approval. The Seventh Supplemental Deed dated 22 April 2022 between the Manager and the Trustee modified the name of the Manager and the name of Fund, and The Eight Supplemental Deed dated 11 January 2023, was further modified to be in-line with the recent amendments to the relevant guidelines.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Appendices of the Deeds. The Fund commenced operations on 28 August 2003 (date of inception) and will continue its operations until terminated by the Trustee or the Manager as provided under Clauses 7.2 and 7.4 of the Deed. The investment objective of the Fund is to provide regular income over a short to medium term period and an opportunity for capital appreciation by investing in a diversified portfolio of Shariah-compliant money market instruments in Malaysia and other investments that may be permitted pursuant to the provisions of the Deeds and relevant laws.

The Manager, Astute Fund Management Berhad a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust and wholesale funds.

### 2. BASIS OF PREPARATION

The financial statements of the Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

- 2.1 During the current financial period, the Fund has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules



## 2. BASIS OF PREPARATION (CONT'D)

- 2.1 The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Fund's financial statements.
- 2.2 The Fund has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period: -

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Fund upon their initial application.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Fund's accounting policies, the management is not aware of any judgements that have significant effects on the amounts recognised in the financial statements.

There are also no assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

### 3.3 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Fund is the currency of the primary economic environment in which the Fund operates.

The financial statements of the Fund are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency of the Fund.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.3 INCOME RECOGNITION

##### (a) Dividend Income

Dividend income from investments is recognised when the right to receive dividend payment is established.

##### (b) Realised Gains or Losses on Sale of Investments

Realised gain or loss on the sale of an investment is recognised when the sale is contracted, based on the sale proceeds less cost which is determined on the weighted average cost basis.

##### (c) Profit Income

Profit income is recognised on a time proportion basis taking into account the principal outstanding and the effective profit rates applicable.

#### 3.4 INCOME TAXES

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in changes in NAV).

#### 3.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Profit, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt Instruments*

##### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

##### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

##### (iii) Fair Value through Profit or Loss (FVPL)

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Fund reclassifies debt instruments when and only when its business model for managing those assets change.

##### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Fund has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Equity Instruments (Cont'd)*

Dividend income from this category of financial assets is recognised in profit or loss when the Fund's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

##### (b) Financial Liabilities

###### (i) Financial Liabilities at FVPL

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

###### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

##### (c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

###### (i) Unitholders' Capital

Unitholders' capital is classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

The unitholders' contributions to the Fund meet the criteria of puttable instruments 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 NAV;
- the units are the most subordinated class and class features are identical;

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (c) Equity Instruments (Cont'd)

###### (i) Unitholders' Capital (Cont'd)

- there is no contractual obligation 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 on substantially on the profit or loss of the Fund.

###### (ii) NAV Attributable to Unitholders

NAV attributable to unitholders represents the total NAV in the statement of financial position, which is carried at the redemption amount that would be payable at the end of the reporting period if the unitholders exercised the right to redeem units of the Fund.

Units are created or cancelled at prices based on the Fund's NAV per unit at the time of the creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to the unitholders with the total issued and paid-up units as of that date.

###### (iii) Distributions

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

##### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

#### 3.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.7 CLASSIFICATION OF REALISED AND UNREALISED GAINS AND LOSSES

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

Realised gains and losses on disposal of financial instruments classified as part of at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

#### 3.8 IMPAIRMENT OF FINANCIAL ASSETS

The Fund recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, receivables, short-term deposits with financial institutions and cash at bank.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Fund always recognises lifetime expected credit losses for receivables, short-term deposits with financial institutions and cash at bank using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Fund's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

The Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### 4.9 OPERATING SEGMENTS

An operating segment is a component of the Fund that engages in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of the Fund's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.10 FAIR VALUE MEASUREMENTS

Fair value is 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### 4. MANAGEMENT FEE

Clause 14.1 of the Deed provides that the Manager is entitled to a management fee computed daily on the net asset value attributed to unitholders of the Fund at a rate not exceeding 2.0% (1/7/2022 - 31/12/2022 - 2.0%) per annum. The management fee recognised in the financial statements is based on 1.95% (1/7/2022-31/12/2022 - 1.95%) per annum for the financial period.

#### 5. TRUSTEE'S FEE

Clause 14.2 of the Deed provides that the Trustee is entitled to a fee at such rate as may be agreed from time to time between the Manager and the Trustee at a rate not exceeding 0.20% (1/7/2022 - 31/12/2022 - 0.20%) per annum. The Trustee's fee recognised in the financial statements is computed daily at 0.10% (1/7/2022 - 31/12/2022 - 0.10%) per annum of the net asset value attributable to unitholders of the Fund.

#### 6. INCOME TAX EXPENSE

	<b>31.12.2023</b>	<b>31.12.2022</b>
	RM	RM
Income tax for the financial period	2,511	4,500

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial period.

## 7. QUOTED INVESTMENT

	Note	2023 RM	2022 RM
Quoted investments in Malaysia, at fair value:			
- equity investments	7.1	22,687,739	21,865,994
- non-equity investments	7.2	1,749,544	1,667,616
Collective investment scheme	7.3	1,445,407	-
		<u>25,882,690</u>	<u>23,533,610</u>

At 31 December 2023	Number of shares	At cost RM	At fair value RM	Percentage of NAV of the Fund %
<b>7.1 EQUITY INVESTMENTS</b>				
<b><u>BURSA MALAYSIA SECURITIES</u></b>				
<b><u>MAIN MARKET</u></b>				
<b><u>CONSTRUCTION</u></b>				
IJM Corporation Berhad	429,700	788,963	807,836	2.80
WCT Holdings Berhad	1,099,184	1,992,849	544,096	1.88
		<u>2,781,812</u>	<u>1,351,932</u>	<u>4.68</u>
<b><u>CONSUMER PRODUCTS &amp; SERVICES</u></b>				
Malayan Flour Mills Berhad	1,412,800	1,160,418	904,192	3.14
MSM Malaysia Holdings Berhad	1,669,700	2,111,739	2,688,217	9.31
UMW Holdings Berhad	211,100	827,830	1,051,278	3.64
		<u>4,099,987</u>	<u>4,643,687</u>	<u>16.09</u>
<b><u>ENERGY</u></b>				
Dialog Group Berhad	842,300	1,889,035	1,743,561	6.05
Hibiscus Petroleum Berhad	579,520	1,395,188	1,471,981	5.10
		<u>3,284,223</u>	<u>3,215,542</u>	<u>11.14</u>
<b><u>FINANCIAL SERVICES</u></b>				
Syarikat Takaful Malaysia Keluarga Berhad	200,000	661,226	740,000	2.56
<b><u>INDUSTRY PRODUCTS &amp; SERVICES</u></b>				
Cahaya Mata Sarawak Berhad	150,000	172,500	162,000	0.57
Malayan Cement Berhad	734,400	1,991,092	3,106,512	10.76
Press Metal Aluminium Holdings Berhad	287,000	1,801,113	1,380,470	4.78
		<u>3,964,705</u>	<u>4,648,982</u>	<u>16.11</u>
<b><u>PLANTATION</u></b>				
United Plantations Berhad	146,900	2,260,332	2,614,820	9.06



**7.1 EQUITY INVESTMENTS (CONT'D)**TECHNOLOGY

ITMAX System Berhad	260,000	324,511	466,474	1.62
KESM Industries Berhad	88,100	1,283,366	622,867	2.16
Malaysian Pacific Industries Berhad	5,000	137,889	141,000	0.49
MI Technovation Berhad	626,300	828,719	1,158,655	4.01
Unisem (M) Berhad	302,000	838,704	999,620	3.46
		<u>3,413,189</u>	<u>3,388,616</u>	<u>11.74</u>

UTILITIES

Taliworks Corporation Berhad	2,496,000	<u>2,098,919</u>	<u>2,084,160</u>	<u>7.22</u>
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TOTAL QUOTED EQUITY INVESTMENTS		<u>22,564,393</u>	<u>22,687,739</u>	<u>78.6</u>
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**7.2 NON-EQUITY INVESTMENTS**REITS

Axis Real Estate Investment Trust	819,494	<u>1,392,268</u>	<u>1,466,894</u>	<u>5.08</u>
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TSR LOANS

Capital A Berhad – LA	269,833	<u>202,375</u>	<u>232,056</u>	<u>0.80</u>
Capital A Berhad – WA	134,916	<u>-</u>	<u>50,594</u>	<u>0.18</u>
		<u>202,375</u>	<u>282,650</u>	<u>0.98</u>

TOTAL NON-EQUITY INVESTMENTS		<u>1,594,643</u>	<u>1,749,544</u>	<u>6.06</u>
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**7.2 COLLECTIVE INVESTMENTS SCHEME IN MALAYSIA**

Astute Dana Al-Kanz		<u>1,400,000</u>	<u>1,445,407</u>	<u>5.01</u>
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TOTAL QUOTED INVESTMENTS		<u>25,559,036</u>	<u>25,882,690</u>	<u>89.67</u>
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## 7. QUOTED INVESTMENTS (CONT'D)

At 31 December 2022	Number of shares	At cost RM	At fair value RM	Percentage of NAV of the Fund %
<b>7.1 EQUITY INVESTMENTS</b>				
<b><u>BURSA MALAYSIA SECURITIES</u></b>				
<b><u>MAIN MARKET</u></b>				
<b><u>CONSTRUCTION</u></b>				
IJM Corporation Berhad	402,500	765,799	644,000	2.29
WCT Holdings Berhad	1,099,184	1,992,849	439,674	1.56
		2,758,648	1,083,674	3.85
<b><u>CONSUMER PRODUCTS &amp; SERVICES</u></b>				
Malayan Flour Berhad	1,712,800	1,406,826	1,301,728	4.63
Nestle (Malaysia) Berhad	2,700	203,788	378,000	1.34
		1,610,614	1,679,728	5.97
<b><u>ENERGY</u></b>				
Dialog Group Berhad	1,120,700	2,513,406	2,745,715	9.76
Hibiscus Petroleum Berhad	1,448,800	1,395,188	1,550,216	5.51
		3,098,594	4,295,931	15.27
<b><u>FINANCIAL SERVICES</u></b>				
Bank Islam Malaysia Berhad	612,720	1,836,333	1,672,726	5.94
Bursa Malaysia Berhad	122,600	837,395	815,290	2.90
Syarikat Takaful Malaysia Keluarga Berhad	200,000	661,226	688,000	2.45
		3,334,954	3,176,016	11.29
<b><u>INDUSTRIAL PRODUCT &amp; SERVICES</u></b>				
Annjoo Resources Berhad	556,500	609,608	606,585	2.16
Petronas Chemical Group Berhad	734,400	1,991,092	1,556,928	5.53
Press Metal Aluminium Holding Berhad	231,000	1,508,332	1,127,280	4.01
		4,109,032	3,290,793	11.70
<b><u>PLANTATION</u></b>				
Innoprise Plantation Berhad	304,000	517,367	483,360	1.72
United Plantation Berhad	137,900	2,109,034	2,109,870	7.50
		2,626,401	2,593,230	9.22

**7. QUOTED INVESTMENTS (CONT'D)**

At 31 December 2022 (Cont'd)	Number of shares	At cost RM	At fair value RM	Percentage of NAV of the Fund %
<b>7.1 EQUITY INVESTMENTS</b>				
<u>TECHNOLOGY</u>				
ITMAX Systems Berhad	171,000	182,970	242,820	0.86
KESM Industries Berhad	88,100	1,283,366	618,462	2.20
MI Technovation Berhad	529,400	685,869	688,220	2.45
UNISEM (M) Berhad	380,000	1,045,000	1,048,800	3.72
		3,197,205	2,598,302	9.23
<u>TELECOMMUNICATIONS &amp; MEDIA</u>				
Telekom Malaysia Berhad	183,200	1,070,901	989,280	3.52
<u>UTILITIES</u>				
Taliworks Corporation Berhad	2,496,000	2,098,919	2,159,040	7.67
<b>TOTAL QUOTED EQUITY INVESTMENTS</b>		24,715,268	21,865,994	77.72
<b>7.2 NON-EQUITY INVESTMENTS</b>				
<u>REITS</u>				
Axis Real Estate Investment Trust	815,179	1,384,933	1,459,170	5.19
<u>TSR LOANS</u>				
AirAsia Group Berhad – LA	269,833	202,375	182,137	0.65
AirAsia Group Berhad – WA	134,916	0	26,309	0.08
		202,375	208,446	0.73
<b>TOTAL NON-EQUITY INVESTMENTS</b>		1,587,308	1,667,616	5.92
<b>TOTAL QUOTED INVESTMENTS</b>		<b>26,302,576</b>	<b>23,533,610</b>	<b>83.64</b>

**8. SUNDRY RECEIVABLES AND DEPOSIT**

	<b>31.12.2023</b> RM	<b>31.12.2022</b> RM
Dividends receivable	11,590	114,384
Profit receivable from Shariah-based deposit	490	554
Sundry deposit	10,000	10,000
	22,080	124,938

**9. TOTAL NET ASSET VALUE**

	Note	31.12.2023 RM	31.12.2022 RM
Unitholders' capital	9.1	26,250,408	27,428,636
Retained earnings:			
- realised reserve	9.2	2,340,181	3,479,740
- unrealised reserve	9.3	274,813	(2,769,945)
		<u>28,865,402</u>	<u>28,138,431</u>

**9.1 UNITHOLDERS' CAPITAL**

	31.12.2023		31.12.2022	
	No. of units	RM	No. of units	RM
As at beginning of the financial period	130,997,572	27,787,444	129,417,533	27,544,772
Creation of units	7,759,668	1,770,734	3,087,033	652,501
Cancellation of units	(14,640,555)	(3,307,770)	(3,619,827)	(768,637)
As at end of the financial period	<u>124,116,685</u>	<u>26,250,408</u>	<u>128,884,739</u>	<u>27,428,636</u>

**9.2 REALISED RESERVE - DISTRIBUTABLE**

	31.12.2023 RM	31.12.2022 RM
Balance as at beginning of the financial period	2,939,497	2,939,497
Net gain for the financial period	3,717,240	1,111,156
Net unrealised gains on valuation of equity securities transferred to unrealised reserve	(4,316,556)	(570,913)
Net increase in realised reserve for the financial period	(599,316)	540,243
Balance as at end of the financial period	<u>2,340,181</u>	<u>3,479,740</u>

**9.3 UNREALISED RESERVE - NON-DISTRIBUTABLE**

	31.12.2023 RM	31.12.2022 RM
Balance as at beginning of the financial period	(4,041,743)	(3,340,858)
Net unrealised gains on valuation of equity securities transferred from realised reserve	4,316,556	570,913
Balance as at end of the financial period	<u>274,813</u>	<u>(2,769,945)</u>

**10. SUNDRY PAYABLE AND ACCRUALS**

	31.12.2023 RM	31.12.2022 RM
Accrued expenses	5,453	49,231
Redemption money payable	113,298	-
	<u>118,751</u>	<u>49,231</u>

Redemption money payable at the end of the previous reporting period represented amount payable to unitholders for the cancellation of units.

**11. CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	<b>31.12.2023</b>	<b>31.12.2022</b>
	RM	RM
Shariah-based deposits with licensed financial institutions	1,952,684	3,890,935
Cash at a licensed bank	1,164,670	673,919
	<u>3,117,354</u>	<u>4,564,854</u>

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

	<b>31.12.2023</b>	<b>31.12.2022</b>
	%	%
TER	<u>0.86</u>	<u>0.83</u>

The total expense ratio includes annual management fee, annual trustee's fee, auditors' remuneration and other administrative fee and expenses which is calculated as follows:

$$\text{TER} = \frac{(A+B+C+D+E) \times 100\%}{F}$$

A = Management fee

B = Trustee's fee

C = Auditor's remuneration

D = Tax agent's fee

E = Administrative fees and expenses

F = Average net asset value of the Fund calculated on daily basis

The average net asset value of the Fund for the financial period is RM28,335,612 (01/07/2022-31/12/2022 – RM27,199,136).

**13. PORTFOLIO TURNOVER RATIO ("PTR")**

	<b>31.12.2023</b>	<b>31.12.2022</b>
PTR ("Times")	0.26	0.18

The portfolio turnover ratio is derived from the following calculation:

$$\text{PTR} = \frac{(\text{Total acquisition for the financial period} + \text{total disposals for the financial period}) \div 2}{\text{Average net asset value of the Fund for the financial period calculated on daily basis}}$$

Where,

total acquisitions for the financial period = RM6,823,080 (01/07/2022-31/12/2022 – RM 3,998,546)

total disposals for the financial period = RM8,078,765(01/07/2022-31/12/2022 – RM 5,830,000)

#### 14. OPERATING SEGMENTS

Operating segments of the Fund are predominantly investing in quoted equity securities and management of liquid cash by investing in short term deposits.

In accordance with the asset allocation guidelines of the Fund, the Fund can have an exposure in equity and equity-related securities up to 100% and a minimum investment of 40% of the Fund's NAV.

The segmental analysis of the Fund's income, expenses, assets and liabilities are shown in the table below:

	Equity Securities RM	Cash and liquid assets RM	Others RM	Total RM
<b>31.12.2023</b>				
<b><i>Statement of Profit or Loss and Other Comprehensive Income</i></b>				
Investment income	3,964,861	37,495	-	4,002,356
Unallocated expenditure				(282,605)
Net income before taxation				3,719,751
Income tax expense				(2,511)
Net income after taxation				3,717,240
<b><i>Statement of Financial Position</i></b>				
<b>Assets</b>				
Equity securities and deposits	25,882,690	1,952,684	-	27,835,374
Cash at bank	-	1,164,670	-	1,164,670
Other assets	11,590	490	10,000	22,080
Segment assets	25,894,280	3,117,844	10,000	29,022,124
Unallocated assets				-
Total assets				29,022,124
<b>Liabilities</b>				
Segment liability	-	-	156,722	156,722

**14. OPERATING SEGMENTS (CONT'D)**

<b>31.12.2022</b>	Equity Securities RM	Cash and liquid assets RM	Others RM	Total RM
<b><i>Statement of Profit or Loss and Other Comprehensive Income</i></b>				
Investment income	1,317,771	59,248	-	1,377,019
Unallocated expenditure				(261,363)
Net income before taxation				1,115,656
Income tax expense				(4,500)
Net income after taxation				<u>1,111,156</u>
<b><i>Statement of Financial Position</i></b>				
<b>Assets</b>				
Quoted investments and shariah-compliant investment	23,533,610	3,890,935	-	27,424,545
Cash at bank	-	673,919	-	673,919
Other assets	114,384	554	10,000	124,938
Segment assets	<u>23,647,994</u>	<u>4,565,408</u>	<u>10,000</u>	<u>28,223,402</u>
Unallocated assets				-
Total assets				<u>28,223,402</u>
<b>Liabilities</b>				
Segment liability			84,970	<u>84,970</u>

**15. UNITS HELD BY THE MANAGER AND DIRECTORS OF THE MANAGER**

The units of the Fund held by a director of the Manager at the end of the reporting period are shown as follows:-

	<b>31.12.2023</b>		<b>31.12.2022</b>	
	Units	RM	Units	RM
Units held in the Fund by the Director at market value	-	-	-	-

**16. TRANSACTIONS BY THE FUND WITH BROKERS AND FINANCIAL INSTITUTION**

Transactions by the Fund with brokers and a financial institution during the financial period are as follows:-

**31.12.2023**

<b>BROKERS</b>	Value of trade		Brokerage fees	
	RM	%	RM	%
Maybank Investment Bank Berhad	5,469,195	45.20	10,940	48.34
CIMB Investment Bank Berhad	2,494,718	20.61	4,598	20.32
Hong Leong Investment Bank Berhad	2,359,301	19.50	3,536	15.62
Affin Hwang Investment Bank Berhad	1,776,950	14.69	3,557	15.72
	<u>12,100,164</u>	<u>100.00</u>	<u>22,631</u>	<u>100.00</u>

**31.12.2022**

<b>BROKERS</b>	Value of trade		Brokerage fees	
	RM	%	RM	%
Maybank Investment Bank Berhad	4,071,787	41.52	8,629	42.91
CIMB Investment Bank Berhad	3,818,189	38.93	7,653	38.05
Affin Hwang Investment Bank Berhad	1,917,210	19.55	3,830	19.04
	<u>9,807,186</u>	<u>100.00</u>	<u>20,112</u>	<u>100.00</u>

**17. RELATED PARTY DISCLOSURES****17.1 IDENTITIES OF RELATED PARTIES**

- (a) The Fund has related party relationships with its Manager, Astute Fund Management Berhad and its Trustee, Maybank Trustees Berhad.
- (b) The Fund also had related party relationships with a shareholder of the manager.

17.2 In addition to the balances detailed elsewhere in the financial statements, the Fund carried out the following transactions with the related parties during the financial period:-

	<b>31.12.2023</b>	<b>31.12.2022</b>
	RM	RM
Astute Fund Management Berhad:		
- management fee	<u>212,845</u>	<u>204,409</u>
Maybank Trustees Berhad:		
- trustee's fee	<u>7,142</u>	<u>6,814</u>



**17. RELATED PARTY DISCLOSURES (CONT'D)**

17.3 Units of the Fund at market value held by related party at the end of reporting period are as follows:

	<b>31.12.2023</b>		<b>31.12.2022</b>	
	Units	RM	Units	RM
Persons related to the Shareholder of the Manager	-	-	-	-

**18. FINANCIAL INSTRUMENTS**

The Fund's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Fund's business whilst managing its market risk (including foreign currency risk, profit rate risk and equity price risk), credit risk and liquidity risk.

**18.1 FINANCIAL RISK MANAGEMENT POLICIES**

The policies in respect of the major areas of treasury activity are as follows:-

**(a) Foreign Currency Risk**

The Fund does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

**(b) Profit Rate Risk**

Cash and other fixed income securities are particularly sensitive to movements in profit rates. When profit rate rises, the return on cash and the value of fixed income securities will rise whilst it will be vice versa if there is a fall, thus affecting the NAV of the Fund.

The Fund's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to profit rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Fund's deposits with a financial institution are usually rolled-over on a daily/monthly basis.

It is the Fund's policy not to enter into interest rate swap arrangements.

Profit rate risk sensitivity

Profit rate risk sensitivity is not presented as a reasonable possible change in profit rates will not have a significant impact on the net loss for the financial period.

**18. FINANCIAL INSTRUMENTS (CONT'D)****18.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Profit Rate Risk (Cont'd)**Profit rate risk exposure

The following table analyses the Fund's profit rate risk exposure. The Fund's assets and liabilities are included at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

	0-3 months RM	Non-profit rate bearing RM	Total RM	Weighted average effective profit rate %
<b>31.12.2023</b>				
<u>Financial Assets</u>				
Quoted equity securities	-	25,882,690	25,882,690	
Shariah-compliant investments	-	-	-	
Deposit with licensed financial institutions	1,952,684	-	1,952,684	3.05
Other assets	490	1,186,260	1,186,750	
	<b>1,953,174</b>	<b>27,068,950</b>	<b>29,022,124</b>	
<u>Financial Liability</u>				
Other liabilities	-	156,722	156,722	
<b>Total profit sensitivity gap</b>	<b>1,953,174</b>	<b>26,912,228</b>	<b>28,865,402</b>	
<b>31.12.2022</b>				
<u>Financial Assets</u>				
Quoted equity securities	-	23,533,610	23,533,610	-
Deposit with licensed financial institutions	3,890,935	-	3,890,935	2.86
Other assets	554	798,303	798,857	-
	<b>3,891,489</b>	<b>24,331,913</b>	<b>28,223,402</b>	
<u>Financial Liability</u>				
Other liabilities	-	84,971	84,970	
<b>Total profit sensitivity gap</b>	<b>3,891,489</b>	<b>24,246,943</b>	<b>28,138,431</b>	

## (c) Particular Stock Risk

Any major price fluctuations of a particular stock invested by the Fund may adversely or favourably impact the NAV of the Fund. However, due to the diversification nature of the unit trust, the impact would not be as major as investing in one particular stock.

Particular stock risk sensitivity

Particular stock risk sensitivity analysis is not presented as reasonable possible change in the price of any stock will not have a significant impact on the net loss for the financial period or equity of the Fund at the end of the reporting period.

Particular stock risk concentration

The Fund's concentration of equity price risk analysed by the Fund's equity instruments by sector is as follows:-

The Fund's concentration of equity price risk analysed by the Fund's equity instruments by sector is as follows:-

	<b>31.12.2023</b>		<b>31.12.2022</b>	
	RM	As a % of NAV	RM	As a % of NAV
Industry Products & Services	4,648,982	16.11	3,290,793	11.70
Consumer Products & Services	4,643,687	16.09	1,679,728	5.97
Technology	3,388,616	11.74	2,598,302	9.23
Energy	3,215,542	11.14	4,295,931	15.27
Plantation	2,614,820	9.06	2,593,230	9.22
Utilities	2,084,160	7.22	2,159,040	7.67
Reits	1,466,894	5.08	1,459,170	5.19
Unit Trust	1,445,407	5.01	-	-
Construction	1,351,932	4.68	1,083,674	3.85
Financial Services	740,000	2.56	3,176,016	11.29
TSR Loans	282,650	0.98	208,446	0.73
Telecommunications & Media	-	-	989,280	3.52
	<b>25,882,690</b>	<b>89.67</b>	<b>23,533,610</b>	<b>83.64</b>

## (c) Liquidity and Cash Flow Risks

Liquidity and cash flow risks refer to the ease to convert investments into cash without significantly incurring loss in value. Stocks issued by smaller companies will face a greater chance of liquidity risk as compared to stocks issued by larger companies. When investing in stocks of smaller companies, the historical volume traded would be analysed to minimise the liquidity risk.

## 18. FINANCIAL INSTRUMENTS (CONT'D)

### 18.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (d) Fund Manager's Risk

The performance of the Fund is also influenced by the expertise of the Fund Manager. The investment committee will oversee the activities and performance of the Fund Manager. There is also the risk that the Fund Manager does not adhere to the investment mandate of the Fund. The investment committee and the compliance unit hold primary functions to ensure that the Fund's investment strategy and mandate are adhered to. A compliance checklist and investment performance report shall be presented for review during the investment committee meeting.

#### (e) Credit Risk

The Fund's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from amount owing by sundry receivables.

##### Credit risk concentration profile

The Fund does not have any major concentration of credit risk related to any individual customer or counterparty.

#### (f) Credit Risk

##### Exposure to credit risk

As the Fund does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

##### Assessment of Impairment Losses

At each reporting date, the Fund assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

##### *Receivables*

The Fund applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

**18. FINANCIAL INSTRUMENTS (CONT'D)**

## 18.1 Financial Risk Management Policies (CONT'D)

## (f) Credit Risk (cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for receivables is summarised below:-

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>31.12.2023</b>				
Current (not past due)	22,080	-	-	22,080
<b>31.12.2022</b>				
Current (not past due)	124,938	-	-	124,938

*Deposits with Licensed Banks and Cash at Bank*

The Fund considers the banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Fund is of the view that the loss allowance is immaterial and hence, it is not provided for.

## (g) Shariah Specific Risk

The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah compliant. Should the situation arise, necessary steps shall be taken to dispose of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the disposal and thus, adversely affecting the value of the Fund.

## 18.2 CAPITAL RISK MANAGEMENT

The Manager of the Fund manages the capital of the Fund by maintaining an optimal capital structure so as to support its businesses and maximise unitholders value. To achieve this objective, the Manager may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to unitholders or undertake a unit splitting exercise to lower the value per unit of the Fund, thus the units become more affordable to raise more funds.

## 18.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<b>31.12.2023</b>	<b>31.12.2022</b>
	RM	RM
<b>Financial Assets</b>		
<u>Mandatorily at FVPL</u>		
Quoted investments	25,882,690	23,533,610
	<u>25,882,690</u>	<u>23,533,610</u>
<u>Amortised Cost</u>		
Shariah based deposit with financial institution	1,952,684	3,890,935
Sundry receivables	22,080	124,938
Cash at bank	1,164,670	673,919
	<u>3,139,434</u>	<u>4,689,792</u>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Accruals	118,751	49,231
Amount owing to Manager	36,738	34,587
Amount owing to Trustee	1,233	1,153
	<u>156,722</u>	<u>84,971</u>

## 18.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	<b>31.12.2023</b>	<b>31.12.2022</b>
	RM	RM
<b>Financial Assets</b>		
<u>Mandatorily at FVPL</u>		
Net gains recognised in profit or loss	3,964,861	1,317,771
	<u>3,964,861</u>	<u>1,317,771</u>
<u>Amortised Cost</u>		
Gain recognised in profit or loss	37,495	59,248
	<u>37,495</u>	<u>59,248</u>

**18. FINANCIAL INSTRUMENTS (CONT'D)****18.5 FAIR VALUE INFORMATION**

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair value of the following financial asset is included in level 1 of the fair value hierarchy:-

	Fair Value of Financial Instruments Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>31.12.2023</b>					
<u>Financial Asset</u>					
Quoted investments	25,882,690	-	-	25,882,690	25,882,690
<b>31.12.2022</b>					
<u>Financial Asset</u>					
Quoted investments	23,533,610	-	-	23,533,610	23,533,610

The Fund measures its quoted investments that are classified as financial assets at their fair values, determined at their quoted closing prices at the end of the reporting period. These financial assets belong to level 1 of the fair value hierarchy.

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial period.

## 7. CORPORATE DIRECTORY

<b>Manager</b>	Astute Fund Management Berhad [199701004894 (420390-M)]	
<b>Business Office</b>	3 <sup>rd</sup> Floor, Menara Dungun 46, Jalan Dungun Damansara Heights 50490 Kuala Lumpur	
<b>Registered Office</b>	No.47-1, Jalan SS 18/6, 47500 Subang Jaya, Selangor Darul Ehsan	
<b>Board of Directors</b>	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Non-Executive and Independent Director
	Clement Chew Kuan Hock	Executive and Non-Independent Director
	Wong Fay Lee	Non-Executive and Non-Independent Director
	Asgari Bin Mohd Fuad Stephens	Non-Executive and Non-Independent Director
	Azran bin Osman Rani	Non-Executive and Independent Director
<b>Shariah Committee</b>	Prof. Madya Dr. Mohamad Sabri bin Haron	Chairman and Independent Member
	Dr. Ab Halim bin Muhammad	Independent Member
	Mohd Fadhly bin Md. Yusoff	Independent Member
<b>Investment Committee</b>	Y.M. Dato' Tunku Ahmad Zahir bin Tunku Ibrahim	Independent Member
	Azran bin Osman Rani	Independent Member
	Asgari Bin Mohd Fuad Stephens	Non-Independent Member
<b>Secretary</b>	Ng Chin Chin (MAICSA 7042650) No. 47-1, Jalan SS 18/6 47500 Subang Jaya, Selangor Darul Ehsan	
<b>Trustee</b>	<b>Maybank Trustees Berhad [196301000109 (5004-P)]</b> 8 <sup>th</sup> Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur	
<b>Auditor and Reporting Accountant</b>	<b>Crowe Malaysia PLT (201906000005(LLP0018817-LCA) &amp; AF-1018)</b> Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	
<b>Taxation Advisers</b>	<b>Mazars Taxation Services Sdn Bhd (579747-A)</b> Wisma Golden Eagle Realty, 11 <sup>th</sup> Floor, South Block No.142-A, Jalan Ampang 50450 Kuala Lumpur, Malaysia	



**BUSINESS OFFICE  
ASTUTE FUND MANAGEMENT BERHAD**

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