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# ASTUTE DANA AL-KANZ (ADAK)

## **UNAUDITED SEMI-ANNUAL REPORT**

For The Six Months Financial Period Ended 31 December 2023

## ASTUTE DANA AL-KANZ

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## 1. FUND INFORMATION

<b>FUND NAME</b>	Astute Dana Al-Kanz (ADAK)
<b>FUND TYPE</b>	Income
<b>FUND CATEGORY</b>	Money Market (Islamic)
<b>FUND INVESTMENT OBJECTIVE</b>	To seek capital preservation, high level of liquidity and reasonable returns by investing in low risk Shariah-complaint instruments.
<b>DURATION OF FUND</b>	The fund is open-ended fund. The fund was launched on 18 May 2006.
<b>FUND PERFORMANCE BENCHMARK</b>	❖ Malayan Banking Berhad 1 Month Islamic Fixed Deposit-i (Source: Malayan Banking Berhad's website at <a href="https://www.maybank2u.com.my">https://www.maybank2u.com.my</a> ) <i>"The risk profile of the performance benchmark is not the same as the risk profile of the Fund".</i>
<b>FUND DISTRIBUTION POLICY</b>	Income will distributed on an annual basis and subject to availability of distribution surplus.  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.  For reinvestment into additional units, no sales charges will be imposed.

## 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>			
- Shariah-compliant investments	7.56	52.73	21.41
- Liquid assets and others	92.44	47.27	78.59
Net Assets Value (RM)	142,207,447	35,645,775	27,679,297
Number of Units in Circulation	357,558,743	92,865,637	73,988,264
Net Asset Value per Units (RM)	0.3977	0.3838	0.3741
Highest NAV Price for the period under review (RM)	0.3977	0.3838	0.3741
Lowest NAV Price for the period under review (RM)	0.3908	0.3782	0.3701
<b>Total Return for the period under review (RM)</b>			
- Capital growth	Nil	Nil	(947)
- Income distribution	35,406	Nil	Nil
Gross Distribution Per Unit (RM)	0.0003	Nil	Nil
Net Distribution Per Unit (RM)	0.0003	Nil	Nil
Total Expenses Ratio (TER) (%)	0.13*	0.13	0.13
<i>*there were no changes in the TER.</i>			
Portfolio Turnover Ratio (PTR) (times)	0.33*	1.07	0.64
<i>*the PTR was lower compared to the previous financial period due to reduce in investment activities during the reviewed financial period.</i>			

	Total Return		Average Total Return	
	ADAK	Index	ADAK	Index
1 Year	3.69	1.17	3.69	1.17
3 Year	8.87	3.35	2.96	1.12
5 Year	15.53	6.28	3.1	1.25
Since Inception 18 May 2006	59.21	28.35	3.36	1.61

Annual total return for each of the last five financial year ended	ADAK	Index
30.06.2023	3.31	0.30
30.06.2022	2.20	1.30
30.06.2021	2.33	1.40
30.06.2020	3.17	1.40
30.06.2019	3.52	1.40

Source: Bloomberg

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

### 3. MANAGER'S REPORT

#### FUND'S OBJECTIVE ACHIVEMENTS

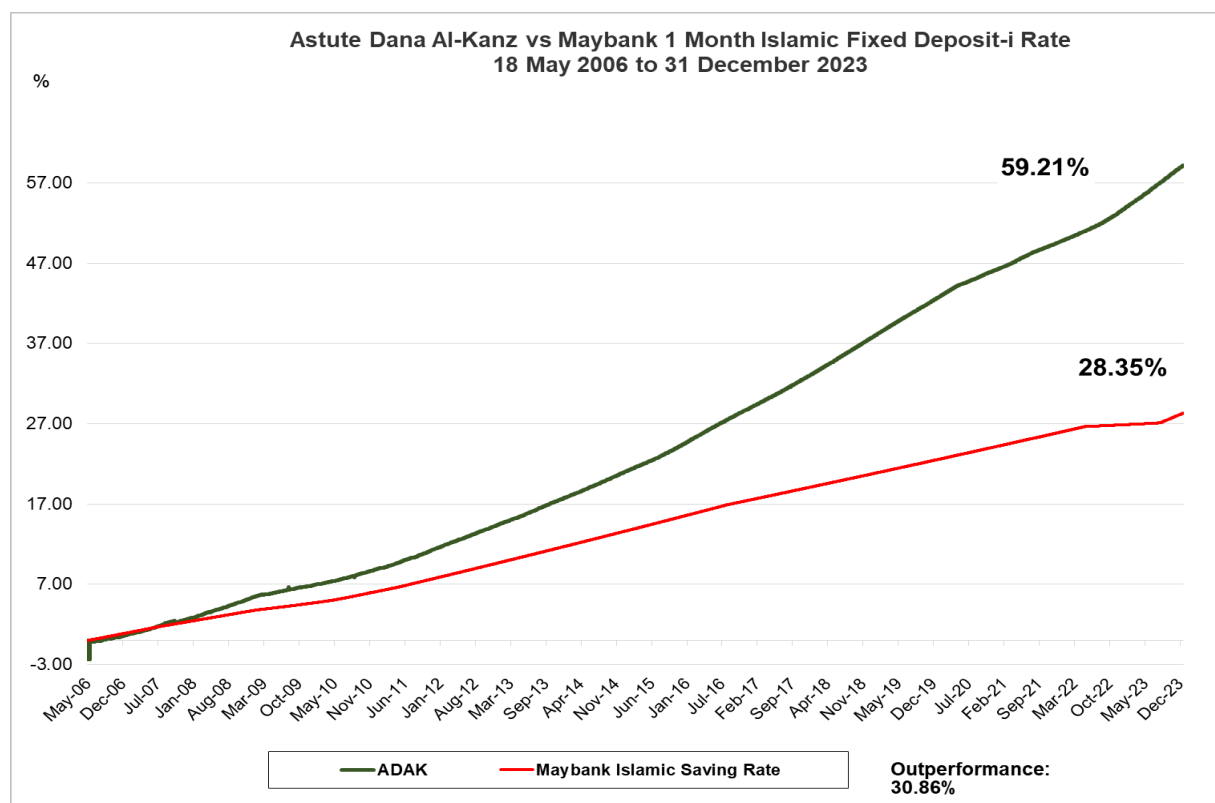
The Fund has achieved its stated objective to seek capital preservation, high level of liquidity and reasonable returns by investing in low risk Shariah-compliant instruments. For the period ended 31 December 2023, the Fund had achieved a total return of 59.21% since its inception on 18 May 2006. The benchmark return was 28.35% for the same period.

#### PERFORMANCE ANALYSIS

For the six-month period ended 31 December 2023, the Fund achieved a positive return of 1.87% against the benchmark return of 1.01%, resulting the outperformance against the benchmark of 0.86%. The total NAV of the Fund increased to RM 142,207,447 as at 31 December 2023 from RM 65,063,362 as at 30 Jun 2023. The increase in NAV was mainly due to new subscription by unit holders.

#### PERFORMANCE OF ASTUTE DANA AL-KANZ VS BENCHMARK INDEX SINCE 18 MAY 2006 TO 31 DECEMBER 2023

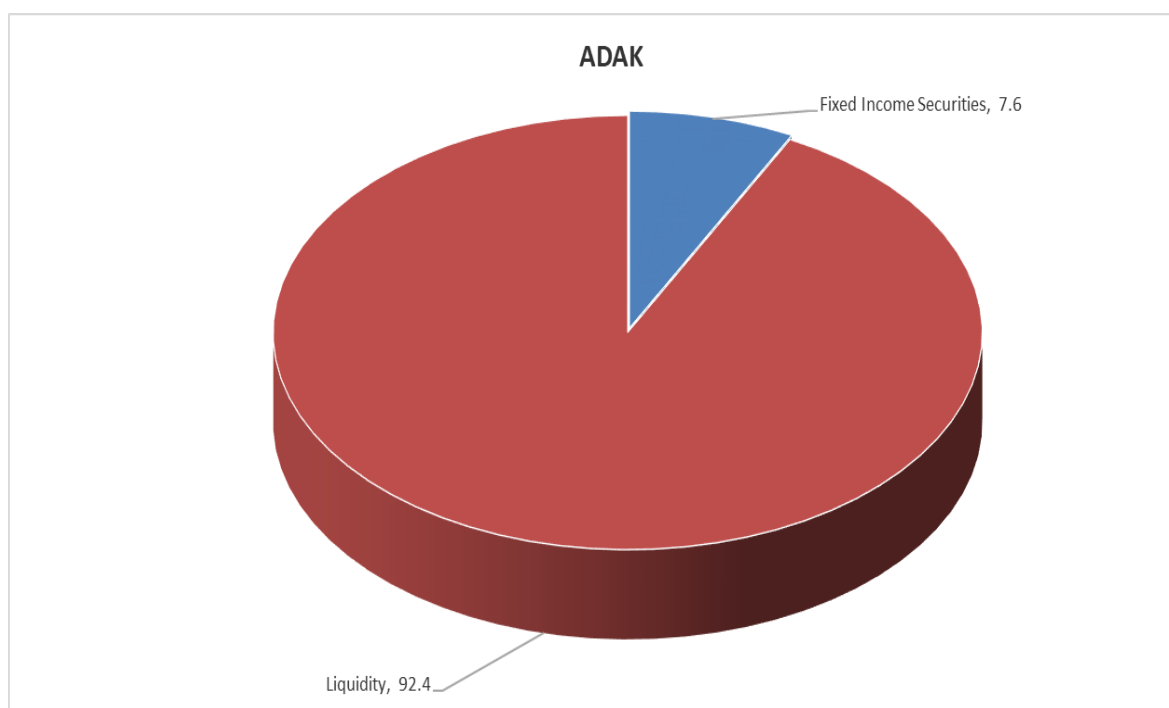
**ADAK HAS OUTPERFORMED THE MAYBANK 1 MONTH ISLAMIC FIXED DEPOSIT-i RATE 30.86%**



## STRATEGIES EMPLOYED

Over the period under review, the Fund maintained a portfolio of short-term Islamic commercial papers and fixed deposits as it focused on providing investors high level of liquidity and capital preservation. Going forward, we will continue to ladder our fixed deposit placements and invest in quality short-term Islamic commercial papers issued by corporates with strong fundamentals.

## 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>
Liquidity	92.4	47.3
Fixed Income Securities	7.6	52.7

## MARKET REVIEW

Bank Negara Malaysia (BNM) left its Overnight Policy Rate (OPR) unchanged at 3.00% for the third straight meeting on 2 Nov 2023. The OPR was last raised by 25bps in May and subsequently held unchanged at Jul, Sep and Nov meetings. November's meeting was the final meeting for the year. The decision was widely expected by us and market consensus.

The tone of the latest monetary policy statement (MPS) was neutral with exactly the same forward guidance given in the Sep statement. While the Monetary Policy Committee (MPC) observed incipient signs of improvement in the electrical and electronics (E&E) sector and China's growth, it also sees continued downside risks to the global growth outlook and expects most central banks to maintain tight monetary policy stance in the near term. BNM reiterated downside global risks from elevated inflation and higher interest rates, escalating geopolitical tensions, and a sharp tightening in financial market conditions.

On the domestic economy, BNM held a positive view that growth would be supported by a further recovery in the labour market, improving tourism activity, a turnaround in the E&E down cycle, and implementation of multi-year investment projects. The central bank opined that measures under Budget 2024 will also provide additional impetus to economic activity next year.

For inflation, BNM continued to see easing momentum of price increases for the rest of this year but highlighted for the first time that the government's intention to review price controls and subsidies in 2024 will affect the outlook for inflation and demand conditions. The MPC kept its standpoint that inflation risks are subject to volatile commodity prices, changes to domestic policy on subsidies and price controls, as well as financial market developments. We share the same view, going by several key uncertainties including trajectory of oil prices as the Middle East crisis continues to unfold, and outcome of domestic policy adjustments for retargeted subsidies and higher service tax rate from 6% to 8% in 2024. We estimated that higher service tax rate will add 0.13ppt (direct impact) to our baseline inflation forecast of 2.8% for next year (MOF est: 2.1%-3.6%) while keeping an eye on the indirect spillovers to other goods and services. The resilience of core inflation that has continued to outpace headline inflation for a year bear watching.

## MARKET OUTLOOK

Based on the current growth and inflation outlook, we do not see any compelling reasons for the OPR to be adjusted either up or down going into 2024. The external environment remains uncertain with more downside risks, which counter a more restrictive monetary policy stance. The potential fallout from the Middle East crisis particularly on oil supplies is the new concern, in addition to ongoing Russia-Ukraine war, US-China geopolitical tensions, and more prolonged slowdown for China's economy with lingering concerns surrounding its property sector and local government debt.

On the other hand, inflation risks are tilted higher given the government's plans to retarget subsidies for electricity and diesel, lift price controls on some food items, as well as raise service tax rate by 2%. Authorities are cognisant on the added cost burden on consumers and businesses. As such, raising rates in this instance may not be a straightforward decision and will ultimately depend on the resilience of demand. Meanwhile, we have seen interbank rates particularly the 3-month KLIBOR rising further by 8bps since early Oct to 3.65% despite OPR being kept unchanged. This is due to

year-end seasonal fund raising by financial institutions, which would not translate to higher borrowing costs for consumers albeit cost of financing for corporates may be affected.

Regarding MYR weakness, BNM added a paragraph in its November MPS, stressing that the developments are not expected to derail Malaysia's growth prospects while continuing to manage risks of heightened volatility, including to provide liquidity, to ensure the orderly functioning of the domestic foreign exchange market. Prior to November's MPC meeting, the central bank has affirmed that monetary policy is not a tool to manage exchange rate fluctuations and they have other mechanisms to stabilise the MYR volatility. MYR has been weighed down by expectations of higher-for-longer Fed rates, demand for safe-haven USD assets, weaker China economy and Renminbi. Nevertheless, we do not see MYR weakness as a catalyst for BNM to raise rates.

The focus of BNM's monetary policy setting is to ensure a sustainable growth momentum of Malaysia's economy. The external environment is expected to stay challenging in 2024 amid geopolitical tensions, elevated price levels and risk of global economic slowdown. Domestic economic outlook is predicted to stay vigilant and resilient underpinned by steady domestic demand. However, stabilisation of core inflation rate and challenging external environment may influence BNM to keep OPR at current levels throughout 2024. The decision will be subjected to the stability of economic growth, the pace of price increases and further improvement in macroeconomic conditions, particularly encouraging labour market and growing domestic demand. From a medium-term perspective, the setting of monetary policy will be able to avert risks that could destabilize the future economic outlook such as persistently high inflation and a further rise in household indebtedness. Given that OPR is already at the normal rate supportive of sustained growth in Malaysia's economy, we maintain our projection for OPR to stay at 3.00% throughout 2024, barring any unexpected swing in the global environment. The next scheduled meeting and rate decision is on 23-24 Jan 2024.

## **DISTRIBUTIONS**

For the financial period under review, the Fund has declared income distribution on 21.09.2023.

## **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 TRANSACTIONS**

No cross-trade transactions have 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

#### TRUSTEE'S REPORT

To the unit holders of ASTUTE DANA AL-KANZ ("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.

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

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-KANZ("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-Kanz (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

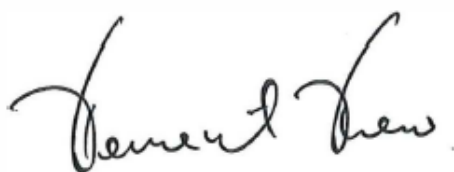
Date: 27 February 2024

## 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-Kanz** 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-Kanz** 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>			
Profit income:			
- Shariah-compliant investments		301,961	299,080
- Shariah-based deposits		826,662	213,336
		<u>1,128,623</u>	<u>512,416</u>
Realised loss on sale of investments		-	-
Unrealised gain on financial assets at fair value through profit and loss ("FVTPL")		-	-
Other income		4,604	1,556
		<u>1,133,227</u>	<u>513,972</u>
<b>LESS: EXPENSES</b>			
Management fee	4	59,264	32,085
Trustee's fee	5	14,816	8,021
Auditors' remuneration		-	-
Tax agent's fee		-	-
Administrative expenses		-	-
		<u>74,080</u>	<u>40,106</u>
<b>NET INCOME BEFORE TAXATION</b>		<b>1,059,147</b>	<b>473,866</b>
<b>INCOME TAX EXPENSE</b>	6	<b>-</b>	<b>-</b>
<b>NET INCOME AFTER TAXATION FOR THE FINANCIAL PERIOD</b>		<b>1,059,147</b>	<b>473,866</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>1,059,147</b>	<b>473,866</b>
Total comprehensive income for the financial period is made up as follows:			
- realised		1,059,147	473,866
-Unrealised		-	-
<b>DISTRIBUTION FOR THE FINANCIAL PERIOD</b>			
Net distribution	7	35,406	-
Net distribution per unit ("RM")		0.0003	-
Gross distribution per unit ("RM")		0.0003	-

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>			
Shariah-compliant investments	8	10,755,529	18,796,834
Shariah-based deposits with licensed financial institutions	9	131,114,317	16,199,635
		<u>141,869,846</u>	<u>34,996,469</u>
<b>OTHER ASSETS</b>			
Sundry receivables		283,634	131,016
Cash at bank		77,229	530,151
		<u>360,863</u>	<u>661,167</u>
<b>TOTAL ASSETS</b>		<u>142,230,709</u>	<u>35,657,636</u>
<b>NET ASSET VALUE (“NAV”) AND LIABILITIES</b>			
<b>NAV</b>			
Unitholders’ capital		130,717,839	26,113,468
Retained earnings		11,489,608	9,532,307
<b>TOTAL NAV</b>	10	<u>142,207,447</u>	<u>35,645,775</u>
<b>LIABILITIES</b>			
Sundry payable and accruals	11	2,633	4,936
Amount owing to Manager		16,503	5,540
Amount owing to Trustee		4,126	1,385
<b>TOTAL LIABILITIES</b>		<u>23,262</u>	<u>11,861</u>
<b>TOTAL NAV AND LIABILITIES</b>		<u>142,230,709</u>	<u>35,657,636</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10.1	<u>357,558,743</u>	<u>92,865,637</u>
<b>NAV PER UNIT (RM)</b>		<u>0.3977</u>	<u>0.3838</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 NAV RM
At 1 July 2022		16,548,875	9,058,441	25,607,316
Net income after taxation/Total comprehensive income for the financial period		-	473,866	473,866
Contribution by and distributions to the unitholders of the Fund :				
- creation of units	10.1	15,710,710	-	15,710,710
- cancellation of units	10.1	(6,146,117)	-	(6,146,117)
Total transactions with unitholders of the fund		9,564,593	-	9,564,593
Balance at 31 December 2022		26,113,468	9,532,307	35,645,775
At 1 July 2023		54,597,495	10,465,867	65,063,363
Net income after taxation/Total comprehensive income for the financial period		-	1,059,147	1,059,147
Contribution by and distributions to the unitholders of the Fund :				
- creation of units	10.1	111,617,211	-	111,617,210
- cancellation of units	10.1	(35,496,867)	-	(35,496,867)
-distribution for the period			(35,406)	(35,406)
Total transactions with unitholders of the fund		76,120,343	(35,406)	76,084,937
Balance at 31 December 2023		130,717,839	11,489,608	142,207,447

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 (FOR)/FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from redemption of investments on maturity		23,557,943	28,785,029
Purchase of investments		(14,700,077)	(39,638,400)
Profit rate income received		1,130,084	426,941
Management fee paid		(53,312)	(30,783)
Trustee's fee paid		(13,328)	(7,696)
Other income received		4,604	1,556
		<hr/>	<hr/>
<b>NET CASH (FOR)/FROM OPERATING AND INVESTING ACTIVITIES</b>		<b>9,925,914</b>	<b>(10,463,353)</b>
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from units created		111,605,969	15,710,710
Payment for cancelled units		(36,896,867)	(6,184,821)
Distribution paid		(35,406)	-
		<hr/>	<hr/>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>74,673,696</b>	<b>9,525,889</b>
		<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>84,599,610</b>	<b>(937,464)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		<b>46,591,936</b>	<b>17,667,250</b>
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	12	<b>131,191,546</b>	<b>16,729,786</b>
		<hr/>	<hr/>

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-Kanz (“the Fund”) was constituted pursuant to the execution of a Deed dated 28 March 2006 (“the Deed”), between the Manager, Astute Fund Management Berhad and the registered unitholders of the Fund. The First 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 Second Supplemental Deed dated 15 April 2016 between the Astute Fund Management Berhad and the Trustee, Maybank Trustees Berhad modified the appointment date for the change of the trustee from MTrustee Berhad to Maybank Trustees Berhad. The Third Supplemental Deed dated 19 March 2018 between the Astute Fund Management Berhad and the Trustee, Maybank Trustees Berhad was further modified to bring it in line with terminology used for Shariah-compliant funds and the recent amendments to the relevant guidelines. The Fourth Supplemental Deed dated 22 April 2022 between the Astute Fund Management Berhad and the Trustee, Maybank Trustees Berhad modified the name of the Manager and the name of Fund. The Fifth Supplemental Deed dated 11 January 2023 between the Manager and the Trustee, 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 Second Schedule of the Deed. The Fund commenced operations on 18 May 2006 (date of inception) and will continue its operations until terminated by the Trustee or the Manager as provided under Clauses 12.1, 12.2 and 12.3 of the Deed. The investment objective of the Fund is to seek capital preservation, a high level of liquidity and reasonable returns by investing in low risk Shariah-compliant instruments.

The Manager is 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.2 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.

#### 3.3 INCOME RECOGNITION

##### **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.

##### **(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.

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

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

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

###### *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

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.

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.

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

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

##### (b) Financial Liabilities

###### (i) Financial Liabilities at Fair Value through Profit or Loss

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.

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 are 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;
- 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.

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

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

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

###### (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.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 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 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.

#### 3.8 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)**

#### **3.9 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 13.1 of the Deed provides that the Manager is entitled to a management fee computed daily on the net asset value attributable to unitholders of the Fund at a maximum rate of 2.0% (1/7/2022 - 31/12/2022 – 2.0%) per annum. The management fee recognised in the financial statements is computed based at 0.2% (1/7/2022 -31/12/2022 – 0.2%) per annum for the financial period.

### **5. TRUSTEE'S FEE**

Trustee is entitled to a fee at such rate as may be agreed from time to time between the Manager and the Trustee. The Trustee's fee recognised in the financial statements is computed daily at 0.05% (1/7/2022 -31/12/2022- 0.05%) per annum of the net asset value attributable to unitholders of the Fund.

### **6. INCOME TAX EXPENSE**

There is no tax expense as the Fund did not earn any taxable income during the financial period.



**7. DISTRIBUTION FOR THE FINANCIAL PERIOD**

Distribution to unitholders during the financial period is from the following sources:

	<b>31.12.2023</b>	<b>31.12.2022</b>
	RM	RM
<b>Taxable income</b>		
Gross dividends	-	-
<b>Non-taxable income</b>		
Tax-exempt dividends	-	-
Interest income from deposits	37,748	-
Other income	67	-
	<hr/>	<hr/>
Gross distribution amount	37,815	-
Less:-		
Expenses	2,409	-
Taxation	-	-
	<hr/>	<hr/>
Net distribution amount	35,406	-
	<hr/>	<hr/>
Units in circulation	118,018,351	-
Gross distribution per unit ("RM")	0.0003	-
Net distribution per unit ("RM")	0.0003	-
	<hr/>	<hr/>
Reinvestment/Entitlement date	21 September 2023	-
	<hr/>	<hr/>
Payment date	27 September 2023	-
	<hr/>	<hr/>

**8. SHARIAH-COMPLIANT INVESTMENTS**

	<b>31.12.2023</b> RM	<b>31.12.2022</b> RM
<b>Financial asset at FVPL</b>		
At nominal value:-		
Islamic Bond Papers	-	-
Islamic Commercial Papers	<u>11,000,000</u>	<u>19,000,000</u>
At fair value:-		
Islamic Bond Papers	-	-
Islamic Commercial Papers	<u>10,755,529</u>	<u>18,796,834</u>

Details of the Shariah-compliant investments, as at 31 December were as follows:-

**ISLAMIC COMMERCIAL PAPERS (“ICP”)****31.12.2023**

Maturity date	Name of issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Percentage of NAV %
16 February 2024	GBG AQRS@5.45 % p.a.	MARC-1IS	6,000,000	5,918,474	5,918,474	4.16
27 June 2024	GBG AQRS@ 6.50% p.a.	MARC-1IS	5,000,000	4,837,055	4,837,055	3.40
			<u>11,000,000</u>	<u>10,755,529</u>	<u>10,755,529</u>	<u>7.56</u>

**31.12.2022**

Maturity date	Name of issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Percentage of NAV %
19 January 2023	SME Bank @3.3% p.a	MARC-1IS	5,000,000	4,959,315	4,959,315	13.91
3 February 2023	PASB @ 3.45% p.a	RAM - P1	5,000,000	4,956,993	4,956,993	13.91
17 February 2023	Titijaya @ 5.6% p.a	MARC-2IS	4,000,000	3,943,540	3,943,540	11.06
17 February 2023	GBG @ 5% p.a	MARC-1IS	5,000,000	4,936,986	4,936,986	13.85
			<u>19,000,000</u>	<u>18,796,834</u>	<u>18,796,834</u>	<u>52.73</u>

## 9. SHARIAH-BASED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The Shariah-based deposits earn weighted average effective profit rate of 3.69% (1/7/2022-31.12.2022 – 3.26%) per annum at the end of the reporting period. The maturity periods of the deposits at the end of the reporting period range from 15 to 183days (1/7/2022-31/12/2022 – 3 to 38 days).

## 10. TOTAL NET ASSET VALUE

	Note	31.12.2023 RM	31.12.2022 RM
Unitholders' capital	10.1	130,717,839	26,113,468
Retained earnings:			
- realised reserve	10.2	11,491,108	9,533,808
- unrealised reserve	10.3	(1,500)	(1,500)
		11,489,608	9,532,308
		<u>142,207,447</u>	<u>35,645,775</u>

### 10.1 UNITHOLDERS' CAPITAL

	31.12.2023		31.12.2022	
	Number of units	RM	Number of Units	RM
As at beginning of the financial period	166,520,316	54,597,495	67,704,647	16,548,875
Creation of units	281,107,946	111,617,211	41,295,186	15,710,710
Cancellation of units	(90,069,519)	(35,496,867)	(16,134,196)	(6,146,117)
As at end of the financial period	<u>357,558,743</u>	<u>130,717,839</u>	<u>92,865,637</u>	<u>26,113,468</u>

### 10.2 REALISED RESERVE - DISTRIBUTABLE

	31.12.2023 RM	31.12.2022 RM
Balance as at beginning of the financial period	10,431,961	9,059,942
Net income for the financial period	1,059,147	473,866
Net unrealised (gain)/loss on valuation of investments transferred to unrealised reserve	-	-
	1,059,147	473,868
Balance as at end of the financial period	<u>11,491,108</u>	<u>9,533,808</u>

**10. TOTAL NET ASSET VALUE (CONT'D)**

## 10.3 UNREALISED RESERVE – NON-DISTRIBUTABLE

	<b>31.12.2023</b> RM	<b>31.12.2022</b> RM
Balance as at beginning of the financial period	(1,500)	(1,500)
Net unrealized (loss)/gain on valuation of equity	-	-
Balance as at end of the financial period	<u>(1,500)</u>	<u>(1,500)</u>

**11. SUNDRY PAYABLES AND ACCRUALS**

	<b>31.12.2023</b> RM	<b>31.12.2022</b> RM
Redemption money payable	-	2,303
Accrued expenses	2,633	2,633
	<u>2,633</u>	<u>4,936</u>

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

**12. 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> RM	<b>31.12.2022</b> RM
Shariah-based deposits with licensed financial institutions (Note 9)	131,114,317	16,199,635
Cash at a licensed bank	77,229	530,151
	<u>131,191,546</u>	<u>16,729,786</u>

**13. TOTAL EXPENSE RATIO ("ter")**

	<b>31.12.2023</b> %	<b>31.12.2022</b> %
TER	<u>0.13</u>	<u>0.13</u>

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

**14. TOTAL EXPENSE RATIO ("TER") (CONT'D)**

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

- A = Management fee  
 B = Trustee's fee  
 C = Auditors' remuneration  
 D = Tax agent's fee  
 E = Administrative fees and expense  
 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 RM58,780,146 (1/7/2022-31/12/2022 – RM32,021,353).

**15. PORTFOLIO TURNOVER RATIO**

	<b>31.12.2023</b>	<b>31.12.2022</b>
PTR ("Times")	0.33	1.07

The portfolio turnover ratio is derived from the following calculation:

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

Where,

total acquisitions for the financial period = RM14,700,077 (1/7/2022-31/12/2022 – RM39,6398,400)

total redemptions for the financial period = RM23,557,941 (1/7/2022/12/2022 – RM28,785,029)

**16. OPERATING SEGMENTS**

The Fund invested predominantly in Shariah-compliant investments and Shariah-based deposits in Malaysia hence no operating segment information is disclosed.

**17. UNITS HELD BY THE MANAGER**

	<b>31.12.2023</b>	
	<b>No. of units</b>	<b>RM</b>
The Manager Astute Fund Management Berhad	17,400,272	6,918,348
	<b>31.12.2022</b>	
	<b>No. of units</b>	<b>RM</b>
The Manager Astute Fund Management Berhad	2,625,361	1,007,614

**18. TRANSACTIONS BY THE FUND WITH BROKERS AND FINANCIAL INSTITUTIONS**

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

	<b>31.12.2023</b>		<b>31.12.2022</b>	
	Value of trade RM	%	Value of trade RM	%
Kenanga Investment Bank Berhad	28,404,668	74.25	44,434,448	48.21
Ambank Berhad	4,953,767	12.95	4,956,993	5.38
CIMB Bank Berhad	4,899,582	12.80	24,819,507	26.93
Maybank Berhad	-	-	7,985,732	8.66
Amlslamic Bank Berhad	-	-	9,977,197	10.82
	<b>38,258,017</b>	<b>100.00</b>	<b>92,173,877</b>	<b>100.00</b>

**19. RELATED PARTY DISCLOSURES**

19.1 Identities of related parties:-

- (a) The Fund has related party relationships with its Manager, Astute Fund Management Berhad and Trustee, Maybank Trustees Berhad; and
- (b) The Fund also had related party relationships with:-
- (i) a corporate shareholder of the Manager;
  - (ii) Companies in which a director of the Manager holds position as director
  - (iii) Companies in which a director of the Manager is a shareholder

19.2 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	RM	RM
Astute Fund Management Berhad:				
- Management fee	59,264		32,085	
Maybank Trustees Berhad:				
- Trustee fee	14,816		8,021	
	<b>31.12.2023</b>		<b>31.12.2022</b>	
	Units	RM	Units	RM
Purchase of units in the Fund by				
-Corporate shareholder of the Manager	-	-	1,967,987	750,000
-Persons related to the Director of the Manager	-	-	14,771,723	5,600,000
-Persons related to the shareholder of the Manager	-	-	-	-

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

19.2 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:- (Cont'd)

	<b>31.12.2023</b>		<b>31.12.2022</b>	
	Units	RM	Units	RM
Disposal of units in the Fund by				
-Corporate shareholder of the Manager	-	-	1,587,301	600,000
-Persons related to the Director of the Manager	5,944,414	2,342,955	-	-
-Persons related to the Shareholder of the Manager	17,686,985	7,000,000	-	-

The Companies connected to the Manager are legal and beneficial owner of the units.

19.3 Units of the Fund at market value held by related parties 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 Directors of the Manager	9,774,589	3,886,377	21,515,377	8,257,602
- Persons related to the Shareholder of the Manager	12,647,243	5,028,544	11,150,203	4,279,448
- Corporate shareholder of the Manager	3,730,319	1,483,175	3,728,160	1,430,868

**19. FINANCIAL INSTRUMENTS**

The Fund's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Fund's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

**20.1 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.

**20. FINANCIAL INSTRUMENTS (CONT'D)****20.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(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 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 income for the financial period.

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>				
<b>Financial Assets</b>				
Shariah-compliant investments	10,755,529	-	10,755,529	5.92
Shariah-based deposits with licensed financial institutions	131,114,317	-	131,114,317	3.69
Other assets	272,393	88,470	360,863	
	<u>142,142,239</u>	<u>88,470</u>	<u>142,230,709</u>	
<b>Financial Liability</b>				
Other liabilities	-	23,262	23,262	
Total profit rate sensitivity gap	<u>142,142,239</u>	<u>65,208</u>	<u>142,207,447</u>	



**20. FINANCIAL INSTRUMENTS (CONT'D)****20.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Profit Rate Risk (Cont'd)**Profit Rate Risk Exposure (Cont'd)

	0-3 months RM	Non-profit rate bearing RM	Total RM	Weighted Average Effective Profit Rate %
<b>31.12.2022</b>				
<b>Financial Assets</b>				
Shariah-compliant investments	18,796,834		18,796,834	4.27
Shariah-based deposits with licensed financial institutions	16,199,635		16,199,635	3.26
Other assets	131,016	530,151	661,167	
	35,127,485	530,157	35,657,636	
<b>Financial Liability</b>				
Other liabilities	-	11,861	11,861	-
Total profit rate sensitivity gap	35,127,485	518,290	35,645,775	

**(c) Particular Stock Risk**

The Fund does not have any quoted investments and hence is not exposed to equity price risk.

**(d) 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.

**(e) 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.

**20. FINANCIAL INSTRUMENTS (CONT'D)****20.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(f) Credit Risk**

The Fund has no exposure to credit risk, or the risk of counterparties defaulting, other than sundry receivables.

Credit Risk Concentration Profile

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

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.

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)	283,634	-	-	283,634
<b>31.12.2022</b>				
Current (not past due)	131,016	-	-	131,016

**20. FINANCIAL INSTRUMENTS (CONT'D)****20.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(f) Credit Risk (Cont'd)***Deposits with Licensed Financial Institutions and Cash at Bank*

The Fund considers the bank 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.

**20.2 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.

**20.3 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>		
Shariah-compliant investments	10,755,529	18,796,834
<u>Amortised Cost</u>		
Shariah-based deposits with financial institutions	131,114,317	16,199,635
Sundry receivables	283,634	131,016
Cash at bank	77,229	530,151
	<u>131,475,180</u>	<u>16,860,802</u>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Sundry payables and accruals	2,633	4,936
Amount owing to Manager	16,503	5,540
Amount owing to Trustee	4,126	1,385
	<u>23,262</u>	<u>11,861</u>

**20. FINANCIAL INSTRUMENTS (CONT'D)****20.4 GAINS AND 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 gain recognised in profit or loss	301,961	299,080
	<hr/>	<hr/>
<u>Loans and Receivables Financial Assets</u>		
Gain recognised in profit or loss	831,266	214,892
	<hr/>	<hr/>

**20.5 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 2 of the fair value hierarchy:-

	Fair Value Financial Instruments			Total Fair Value	Carrying Amount
	Level 1	At Fair Value			
	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
<b>31.12.2023</b>					
Financial Asset:-					
Shariah-compliant investments	-	10,755,529	-	10,755,529	10,755,529
				<hr/>	<hr/>
<b>31.12.2022</b>					
Financial Asset:-					
Shariah-compliant investments	-	18,796,834		18,796,834	18,796,834
				<hr/>	<hr/>

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>	3rd 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>	Dato' 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**

3<sup>rd</sup> Floor, Menara Dungun  
46, Jalan Dungun  
Damansara Heights  
50490 Kuala Lumpur