

MIDF AMANAH SHARIAH MONEY MARKET FUND

**SEMI-ANNUAL REPORT
FOR THE HALF YEAR ENDED
15 APRIL 2024**



***MIDF Amanah Asset Management Berhad
Business Registration No.: 197201000162 (11804-D)
Level 20, Menara MBSB Bank, PJ Sentral,
Lot 12, Persiaran Barat, Seksyen 52
46200 Petaling Jaya, Selangor
Tel: 03-2173 8888 Fax: 03-2173 8477***

MIDF AMANAH ASSET MANAGEMENT BERHAD

Level 20, Menara MBSB Bank, PJ Sentral
Lot 12, Seksyen 52, Persiaran Barat
46200 Petaling Jaya, Selangor Darul Ehsan

15 April 2024

Dear Unit Holders:

FUND CATEGORY AND TYPE

| | |
|---------------|----------------------|
| Fund Category | Islamic Money Market |
| Fund Type | Income (Islamic) |

ASSET ALLOCATION AS AT 15 APRIL 2024

| | |
|---|------|
| Quoted Shariah-compliant securities and Sukuk | 0% |
| Islamic Money Market Instruments and Others | 100% |

PERFORMANCE OF THE FUND

| MIDF Amanah Shariah Money Market Fund ("MASMMF" / or "the Fund") | 15/04/2024 | 15/10/2023 | % |
|---|-------------------|-------------------|----------|
| Net Asset Value ("NAV") (RM) | 41,782,971 | 122,829,794 | -65.98 |
| NAV per Unit (RM) | 1.0012 | 1.0013 | -0.01 |

Note: The units of the Fund have been consolidated with the NAV per unit of RM1.0000 effective 16 December 2019 pursuant to the resolution approved via the unit holders' meeting held on 22 November 2019.

During the interim period as at 15 April 2024, the NAV was maintained at RM1.0000 per unit. The difference of RM0.0012 in the NAV per unit was the distribution payable for the period from 1 April to 15 April 2024, which will be declared in the next financial period of the Fund. The number of units in circulation of the Fund was at 41.7 million and the Fund distributed RM1.51 sen net income per unit, which translated to a net dividend yield of 3.02% per annum. The Fund met its objective in providing capital stability with regular income returns through investment in short-term Islamic placements and Islamic term deposits.

The total NAV contracted significantly over the interim period due to the significant redemption of the fund by one of the major investors.

The Maybank Islamic Overnight Rate has been identified as the benchmark given that it is easily accessible and provides a good indicator on the performance of the Islamic Money Market.

FIXED INCOME / SUKUK MARKET REVIEW

USTs traded lower in 1Q, as the US economy continued to defy expectations for a weakening of economic conditions, underpinned by a labour market that has remained surprisingly resilient, amidst continued moderation in inflation. Benchmark yields rose by 26-40bps for the quarter (4Q23: 67-80bps higher) as the market dialed back significantly on rate cut expectations, with Fed Fund Futures only pointing to 2-3 Fed cuts for 2024 by the end of 1Q, versus 6-7 cuts priced for 2024 as at the end of the preceding quarter. The curve bear-flattened slightly for the quarter, as the front end of the maturity spectrum bore the brunt of the sell off, with 2s10s finishing 1Q at -42bps (4Q23: -37bps). The Fed's Dot plot median projection during the March FOMC continued to point to 3 cuts in total for 2024. Expected the FOMC to begin reducing the Fed Funds Rate in 3Q, and continue to foresee 3 cuts of 25bps in total for 2024, with risk for lesser cuts.

MGS and GII were mixed q/q as overall benchmark yields closed between -6 and +11bps (4Q23: 8-23bps lower) with the 10Y sector underperforming and the 30Y sector registering the best performance. Foreign holdings of overall MYR bonds fell by RM4.6b during the quarter, from RM270.4b as at end 4Q23 to RM265.8b as at end 1Q24. Government auctions in 1Q24 saw better bidding metrics despite higher gross issuance of RM45.0b and no redemptions, with an average BTC of 2.71x across 9 auctions (4Q23: 8 auctions; average BTC 2.24x; gross issuances RM41.0b). BNM left interest rates unchanged during their two policy meets on Jan 24 and Mar 07, and continued to strike a neutral tone in the monetary policy statements; we expect them to continue to stand pat on rates in 2Q and for the remainder of 2024. Inflation is expected to head higher, as continued subsidy rationalization takes place amidst low base effects. BNM is expected to be on the lookout for second round effects, and could change their bias should any materialize. Local bonds could face a more challenging outlook going forward, after performing decently against the weak global bond backdrop in 1Q24.

INVESTMENT OUTLOOK AND STRATEGY

Despite the selloff in the UST market, the local MGS market did not suffer a similar spike in yields. Bonds yields only rose marginally and were relatively supported. This has been attributed to the deep domestic liquidity holdings particularly from GLICs and institutional investors.

With the resilience seen in the domestic bond market, our strategy remains to be tactically overweight duration relative to the benchmark. We focus more on corporate bonds for yield pickup and will consider trading in government bonds if valuations are attractive.

Meanwhile, on the local front, Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 3.00% in its Monetary Policy Committee ("MPC") meeting, in line with market consensus expectations. We expect BNM will be maintained the OPR at 3.00% for the year of 2024. The Fund will continue investing in quality short-term Islamic money market instruments.

CURRENT PROFILE OF UNITHOLDINGS BY SIZE

| Size of Unitholdings | No of Unitholders | No. of Units Held | % of Unitholders |
|----------------------|-------------------|-------------------|------------------|
| 5000 and below | 12 | 16,071 | 50.00 |
| 5,001 to 10,000 | - | - | 0.00 |
| 10,001 to 50,000 | 1 | 15,993 | 4.17 |
| 50,001 to 500,000 | 5 | 1,042,214 | 20.83 |
| 500,001 and above | 6 | 40,658,523 | 25.00 |
| | 24 | 41,732,801 | 100.00 |

PORTFOLIO COMPOSITION

| | As At 15.04.2024 | As At 15.04.2023 | As At 15.04.2022 | As At 15.04.2021 | As At 15.04.2020 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | % | % | % | % | % |
| Quoted Shariah-compliant Securities and Sukuk | - | - | - | - | - |
| Islamic Money Market Instruments and Others | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

| PERFORMANCE DATA | | As at 15.04.2024 | As at 15.04.2023 | As at 15.04.2022 |
|--|---------|-----------------------------|-----------------------------|-----------------------------|
| NAV | [RM] | 41,782,971 | 34,215,192 | 134,289,161 |
| Units in Circulation | [Units] | 41,732,801 | 34,175,158 | 134,189,017 |
| NAV per Unit | [RM] | 1.0000 | 1.0000 | 1.0000 |
| Highest NAV* | [RM] | N/A | N/A | N/A |
| Lowest NAV* | [RM] | N/A | N/A | N/A |
| Total return: | | | | |
| - Capital Growth | [%] | NIL | NIL | NIL |
| - Income Distribution | | 1.51 sen | 1.55 sen | 0.86 sen |
| Total Expenses Ratio (TER) ¹ | [%] | 0.06 | 0.07 | 0.06 |
| Portfolio Turnover Ratio (PTR) ² | [x] | 19.51 | 17.90 | 22.38 |

Notes:

* Not applicable as *the units of the Fund have been consolidated with the NAV per unit of RM1.0000 effective 16 December 2019 pursuant to the resolution approved via the unit holders' meeting held on 22 November 2019.*

The Income Distributions for The Half Financial Year Ended 15th April 2024 are as follows:

- i. 31.10.2023 @ RM0.002715 per unit
- ii. 30.11.2023 @ RM0.002555 per unit
- iii. 31.12.2023 @ RM0.002600 per unit
- iv. 31.01.2024 @ RM0.002490 per unit
- v. 29.02.2024 @ RM0.002300 per unit
- vi. 31.03.2024 @ RM0.002458 per unit

- TER for 2024 was at 0.06% (2023: 0.07%).
- The Fund invested mainly in the placement of short-term deposits only.
- The PTR for 2024 was at 19.51 times as compared to 17.90 times in 2023.

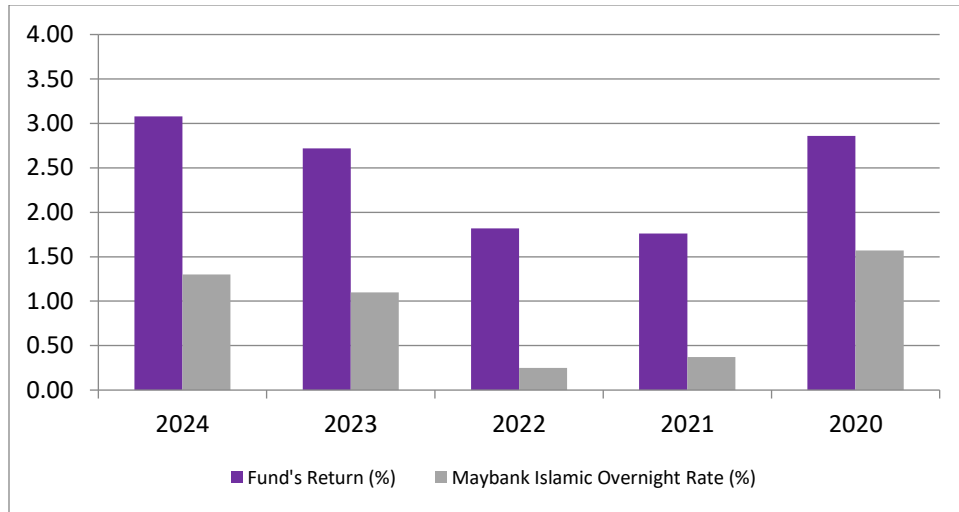
ANNUAL TOTAL RETURN

MIDF Amanah Shariah Money Market Fund

| As at 15th April | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|-------------|-------------|-------------|-------------|-------------|
| Fund's Return | 3.08% | 2.72% | 1.82% | 1.76% | 2.86% |
| Maybank Islamic Overnight Rate* | 1.30% | 1.10% | 0.25% | 0.37% | 1.57% |

The figure reported as above is the gross annual total return of the fund.

*Source : <http://www.maybank2u.com.my>



AVERAGE TOTAL RETURN

| As at 15 th April | The Fund | Maybank Islamic Overnight Rate* |
|------------------------------|----------|---------------------------------|
| One year | 3.08% | 1.30% |
| Three year | 2.54% | 0.88% |
| Five year | 2.47% | 0.92% |

The figure reported as above is the gross average total return of the fund.

*Source : <http://www.maybank2u.com.my>

Average total return is derived using the following formula:

$$\frac{\text{Total Returns}}{\text{Number of Years Under Review}}$$

Investors are advised that the past performance of the Fund is not an indication of future performance. In addition, the unit price and investment return (if any) may go down as well as up.

Yours faithfully
MIDF Amanah Asset Management Berhad

Shan Kamahl Mohammad
Director

Date: 18 July 2024

MIDF AMANAH SHARIAH MONEY MARKET FUND

Manager's Report

The Manager has pleasure in submitting its report and the unaudited condensed interim financial statements of the MIDF Amanah Shariah Money Market Fund ("the Fund") for the six months financial period ended 15 April 2024.

Principal Activities of the Manager

The principal activities of the Manager are the provision of Islamic fund management, Islamic investment advisory services and management of unit trust funds.

There have been no significant changes in these principal activities during the financial period.

Investments of the Fund

The Fund is currently invested in Islamic money market instruments.

Result

| | |
|----------------------|------------------|
| Net income after tax | <u>1,058,586</u> |
|----------------------|------------------|

In the opinion of the Manager, the result of the operation of the Fund during the financial period has not been substantially affected by any item, transaction or event of a material and unusual nature.

Investment Objective

The Fund aims to provide investors with a regular income stream over the short to medium term that complies with Shariah requirements whilst maintaining capital stability.

Management Fees

During the financial period, the Manager is entitled to a management fee of RM34,749 (15.04.2023: RM43,400). The Manager's fee is computed on a daily basis at 0.1% (15.04.2023: 0.1%) per annum of the Net Asset Value ("NAV") of the Fund before deducting the Manager's and Trustee's fees for that particular day.

MIDF AMANAH SHARIAH MONEY MARKET FUND

Distribution

The Fund's distribution policy will be in line with the objective of the Fund. Distribution of income, if any, will be declared at the end of each month depending on the level of income (if any) generated by the Fund and at the discretion of the fund Manager. In the absence of written instructions to the contrary from a unit holder, any income distribution will be reinvested in the Fund. The reinvestments will be based on the NAV per Unit (ex-distribution) at the close of the date the income distribution is declared. Sales charge will not be imposed on the reinvested income distribution.

During the financial period, the income distribution of RM1,173,976 was declared by the Fund (15.04.2023: RM1,482,000), while income distribution of RM1,173,976 was reinvested in the Fund (15.04.2023: RM1,482,000).

Unit Split

No unit split was made during the financial period ended 15 April 2024 (15.04.2023: Nil).

Changes in Value of Fund

The changes in value of fund are reflected in the statement of changes in equity.

Policy on Stockbroking Rebates and Soft Commission

The Manager or any delegate thereof will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investment of the Fund.

However, soft commissions may be retained by the Manager and its delegate for payment of goods and services such as research material, data and quotation services and investment management tools, which are of demonstrable benefit to unit holders.

MIDF AMANAH SHARIAH MONEY MARKET FUND

Directors of the Manager

The directors of the Manager since the date of the last report and as the date of this report are:

Hasnah Omar

Tai Keat Chai

Hasman Yusri Yusoff

Shan Kamahl Mohammad

Dato' Seri Diraja Nur Julie Gwee Ariff (Appointed w.e.f 15 November 2023)

Dato' Azlan bin Shahrin (Appointed w.e.f 15 November 2023 and resigned w.e.f.15 July 2024)

Datuk (Dr.) Joseph Dominic Silva (Resigned w.e.f 15 November 2023)

Norziana Mohd Inon (Resigned w.e.f 5 July 2023)

For and on behalf of the Manager

MIDF Amanah Asset Management Berhad

HASNAH OMAR

Director

SHAN KAMAHL MOHAMMAD

Director

Petaling Jaya, Malaysia

Date: 18 July 2024

TRUSTEE'S REPORT

To the unit holders of MIDF AMANAH SHARIAH MONEY MARKET FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 15 April 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, MIDF AMANAH ASSET MANAGEMENT BERHAD has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and 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

For Maybank Trustees Berhad
[Registration No. : 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM
Head, Unit Trust & Corporate Operations
Date: 20 June 2024

Kuala Lumpur, Malaysia

**SHARIAH ADVISER'S REPORT
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024**

**To the Unitholders of
MIDF AMANAH SHARIAH MONEY MARKET FUND ("the Fund")**

We hereby confirm the following:

- 1 To the best of our knowledge, after having made all reasonable enquiries, **MIDF AMANAH ASSET MANAGEMENT BERHAD** has operated and managed the Fund during the period covered by these financial statements in accordance with Shariah principles 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 of instruments that have been classified as Shariah-compliant.

For **MBSB BANK BERHAD**

MOHD BAHRODDIN BADRI
Chairman, Shariah Committee
MBSB Bank Berhad

Date: 18 July 2024

MIDF AMANAH SHARIAH MONEY MARKET FUND

STATEMENT BY MANAGER

We, Hasnah Omar and Shan Kamahl Mohammad, being two of the directors of MIDF Amanah Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 12 to 32 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MIDF Amanah Shariah Money Market Fund as at 15 April 2024 and of its financial performance, changes in equity and cash flows for the six months financial period then ended.

On behalf of the Manager
MIDF Amanah Asset Management Berhad

HASNAH OMAR
Director

SHAN KAMAHL MOHAMMAD
Director

Petaling Jaya, Malaysia
Date: 18 July 2024

MIDF AMANAH SHARIAH MONEY MARKET FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024**

| | | 16.10.2023 | 16.10.2022 |
|--|-------------|-------------------|-------------------|
| | | to | to |
| | | 15.04.2024 | 15.04.2023 |
| | Note | RM | RM |
| INVESTMENT INCOME | | | |
| Profit income from Islamic deposits placement | | 1,104,478 | 1,446,167 |
| | | <u>1,104,478</u> | <u>1,446,167</u> |
| EXPENSES | | | |
| Manager's fee | 3 | (34,749) | (43,400) |
| Trustee's fee | 4 | (6,949) | (8,680) |
| Auditors' remuneration | | (2,000) | (1,995) |
| Tax agent's fee | | (1,480) | (1,097) |
| For MBSB BANK BERHAD | | (714) | (3,202) |
| | | <u>(45,892)</u> | <u>(58,374)</u> |
| Net income before tax | | 1,058,586 | 1,387,793 |
| Income tax expense | 5 | - | - |
| Net income after tax representing total comprehensive income for the financial period | | <u>1,058,586</u> | <u>1,387,793</u> |
| Net income after tax is made up of the following: | | | |
| Net realised income | | <u>1,058,586</u> | <u>1,387,793</u> |
| | | <u>1,058,586</u> | <u>1,387,793</u> |
| Date: 18 July 2024 | | | |
| Net distribution for the financial period | 9(c) | <u>1,173,976</u> | <u>1,482,000</u> |
| Gross distribution per unit | 9(c) | <u>0.0151</u> | <u>0.0150</u> |
| Net distribution per unit | 9(c) | <u>0.0151</u> | <u>0.0150</u> |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MIDF AMANAH SHARIAH MONEY MARKET FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 15 APRIL 2024**

| | Note | 15.04.2024 RM | 15.10.2023 RM |
|--|------|-------------------|--------------------|
| ASSETS | | | |
| Islamic deposits with financial institutions | 7 | 41,769,606 | 122,690,997 |
| Cash at bank | | 10,408 | 10,378 |
| Other receivables | | 30,156 | 162,463 |
| TOTAL ASSETS | | <u>41,810,170</u> | <u>122,863,838</u> |
| LIABILITIES | | | |
| Due to Manager | | 9,054 | 18,959 |
| Due to Trustee | | 1,052 | 3,033 |
| Other payables | | 17,093 | 12,052 |
| TOTAL LIABILITIES | | <u>27,199</u> | <u>34,044</u> |
| EQUITY | | | |
| Unit holders' capital | 9(a) | 27,021,782 | 107,953,215 |
| Retained earnings | 9(b) | 14,761,189 | 14,876,579 |
| TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS | 9 | <u>41,782,971</u> | <u>122,829,794</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>41,810,170</u> | <u>122,863,838</u> |
| UNITS IN CIRCULATION | 9(a) | <u>41,732,801</u> | <u>122,664,234</u> |
| NAV PER UNIT (RM) | | <u>1.0012</u> | <u>1.0013</u> |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MIDF AMANAH SHARIAH MONEY MARKET FUND

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024**

| | Unit holders' capital Note 9(a) RM | Retained earnings Note 9(b) and 9(c) RM | Total equity RM |
|--|---|--|--------------------------------|
| As at 16 October 2022 | 99,777,983 | 14,845,260 | 114,623,243 |
| Total comprehensive income for the financial period | - | 1,387,793 | 1,387,793 |
| Creation of units from: | | | |
| - Sale | 71,673,956 | - | 71,673,956 |
| - Distribution | 1,482,000 | - | 1,482,000 |
| Distribution | - | (1,482,000) | (1,482,000) |
| Cancellation of units | (153,469,800) | - | (153,469,800) |
| As at 15 April 2023 | <u>19,464,139</u> | <u>14,751,053</u> | <u>34,215,192</u> |
| For MBSB BANK BERHAD | | | |
| As at 16 October 2023 | 107,953,215 | 14,876,579 | 122,829,794 |
| Total comprehensive income for the financial period | - | 1,058,586 | 1,058,586 |
| Creation of units from: | | | |
| - Sale | 6,400,000 | - | 6,400,000 |
| - Distribution | 1,173,976 | - | 1,173,976 |
| Distribution | - | (1,173,976) | (1,173,976) |
| Cancellation of units | (88,505,409) | - | (88,505,409) |
| As at 15 April 2024 | <u>27,021,782</u> | <u>14,761,189</u> | <u>41,782,971</u> |

Date: 18 July 2024

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MIDF AMANAH SHARIAH MONEY MARKET FUND

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024**

| | 16.10.2023 | 16.10.2022 |
|---|--------------------------|--------------------------|
| | to | to |
| | 15.04.2024 | 15.04.2023 |
| Note | RM | RM |
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Income from Islamic deposit placements received | 1,236,785 | 1,574,086 |
| Manager's fee paid | (44,654) | (53,830) |
| Trustee's fee paid | (8,930) | (10,766) |
| Audit fee paid | - | (3,500) |
| Payment for other fees and expenses | 847 | (7,147) |
| Net cash generated from operating and investing activities | <u>1,184,048</u> | <u>1,498,843</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash proceeds from units created | 6,400,000 | 71,673,956 |
| Cash payment for units cancelled | (88,505,409) | (153,469,800) |
| Net cash used in financing activities | <u>(82,105,409)</u> | <u>(81,795,844)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (80,921,361) | (80,297,001) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 122,701,375 | 114,520,469 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | <u>41,780,014</u> | <u>34,223,468</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 10,408 | 18,154 |
| Islamic deposits with financial institutions | 7 41,769,606 | 34,205,314 |
| | <u>41,780,014</u> | <u>34,223,468</u> |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MIDF Amanah Shariah Money Market Fund (hereinafter referred to as 'the Fund') was constituted pursuant to the executed deed ("the Deed") dated 1 April 2004 between Asia Unit Trusts Berhad ("AUTB"), the Trustee – Maybank Trustees Berhad and the Registered Holders of the Fund. The Fund commenced its operations on 5 April 2004 and will continue its operations until terminated by the Trustee as provided under Clause 12 of the Deed.

AUTB, MIDF Amanah Asset Management Berhad and Maybank Trustees Berhad had entered into a novation agreement dated 18 November 2009 to transfer and assign the management of the Fund to MIDF Amanah Asset Management Berhad, including all the rights, duties and obligations according to the Second Supplemental Deed of the Fund registered with the Securities Commission ("SC") on 18 November 2009. The effective date of the transfer was 1 January 2010 and subsequently, the Fund changed its name to MIDF Amanah Islamic Bond Fund.

The Third Supplemental Deed of the Fund was registered with the SC on 18 October 2010 in which the name, investment objective, permitted investments, income distribution payment via cheque and quorum of unit holders' meeting of the Fund were amended. Effective from 1 January 2011, the Fund changed its name to MIDF Amanah Shariah Money Market Fund.

The Fourth Supplemental Deed of the Fund was registered with the SC on 6 June 2013 in which the distribution policy of the Fund as stipulated under the Tenth Schedule of the Supplemental Deed had been removed.

The Fifth Supplemental Deed was registered with the SC on 20 March 2015 in which a provision relating to goods and services tax was included. The amendments to the clause only came to effect on 1 April 2015 upon the implementation of the Goods and Services Tax Act 2014.

The principal activity of the Fund is to invest in Authorised Investments as defined under the Second Schedule of the Deed, which includes sukuk of companies traded on eligible markets and stock exchange, Government Investment Issues, Islamic Accepted Bills, Bank Negara Monetary Notes-i, Cagamas Sukuk, Islamic Money Market instruments and Shariah-based deposits and placements with licensed financial institutions. The Fund will only invest in Shariah-compliant instruments with maturity of seven (7) years or less. The registered office of the Fund is located at Level 25, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52, 46200 Petaling Jaya, Selangor.

The Manager, MIDF Amanah Asset Management Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary of Malaysian Industrial Development Finance Berhad ("MIDF"). Information the penultimate and ultimate holding companies is as disclosed in Note 18.

The principal activities of the Manager are the provision of Islamic fund management, Islamic investment advisory services and management of unit trust funds.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES (CONT'D.)

The financial statements were approved and authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 18 July 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The unaudited condensed interim financial statements of the Fund have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board ("MASB") and IAS 34 *Interim Financial Reporting* issued by the International Financial Reporting Standards Board ("IASB").

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 15 October 2023. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Fund since the year ended 15 October 2023.

The unaudited condensed interim financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. The unaudited condensed interim financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional currency.

The significant accounting policies and methods of computation applied by the Fund are consistent with those adopted in the most recent audited financial statement for the year ended 15 October 2023.

(b) Changes in accounting policies

The Fund has adopted the following Standards, Amendments to Standards and Interpretations issued by the Malaysian Accounting Standards Board ("MASB") which have become effective during the financial period.

MFRS 17: *Insurance Contracts*

Amendments to MFRS 17: *Insurance Contracts*

Amendments 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*

The adoption of the new pronouncements did not result in any material impact to the financial statements.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(c) MFRSs and Amendments to MFRSs issued but not yet effective

As at the date of authorisation of these unaudited condensed interim financial statements, the following Standards, Amendments to Standards and Interpretations have been issued but are not yet effective and have not been adopted by the Fund.

| Description | Effective for annual periods beginning on or after |
|---|--|
| Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i> | 1 January 2024 |
| Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i> | 1 January 2024 |
| Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 121: <i>Lack of Exchangeability</i> | 1 January 2025 |
| Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between Assets between an Investor and its Associate or Joint Venture</i> | Deferred |

The Fund plans to adopt the above pronouncements when they become effective in the respective financial years. These pronouncements are expected to have no significant impact to the financial statements of the Fund upon their initial application.

(d) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Fund become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition.

(i) Financial assets at FVTPL

A financial asset is measured at fair value through profit or loss if:

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit ("SPPP") on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell; or

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(d) Financial assets (Cont'd.)

(i) Financial assets at FVTPL (Cont'd.)

A financial asset is measured at fair value through profit or loss if (cont'd.):

- At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring asset or liabilities or recognising the gains and losses on them on different bases.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. Profit earned and dividend revenue elements of such instruments are recorded separately in 'Profit income' and 'Dividend income', respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

(ii) Financial assets at amortised cost

Financial assets at amortised cost are those financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are SPPP on the principal amount outstanding. The Fund includes short term receivables and Islamic deposits with financial institutions in this classification.

Subsequent to initial recognition, Islamic financial assets are measured at amortised cost using the effective profit rate method. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(e) Impairment of financial assets

The Fund holds financial assets with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for Expected Credit Losses ("ECL") under MFRS 9 to all its financial assets. Therefore, the Fund does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(f) 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 disposals of financial instruments classified as part of FVTPL are calculated using weighted average method. They represent the difference between an instrument's initial carrying amount and disposal proceeds.

(g) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

The Fund's financial liabilities which include other payables and sundry creditors are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(h) Unit holders' capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as Shariah-compliant equity instruments under the revised MFRS 132 *Financial Instruments: Presentation*.

(i) Dividend distribution

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's unit holders is accounted for as a deduction from realised reserves except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unit holders' capital. A proposed dividend is recognised as a liability in the period in which it is approved.

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unit holders by way of distribution and/or adjusted accordingly when units are cancelled.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances and Islamic deposits and Islamic placements with banks and other Islamic financial institutions with original maturity of three months or less, subject to insignificant risk of changes in value.

(k) Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Profit income from the Islamic deposits with financial institutions recognised using the effective profit methods.

(l) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes 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 equity.

No deferred tax is recognised as there are no material temporary differences.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The operating results are regularly reviewed by the Investment Manager and the Oversight Committee. The Fund Manager assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to the segment.

(n) Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(n) Significant accounting estimates and judgments (Cont'd.)

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next period.

3. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 0.1% (15.04.2023: 0.1%) per annum of the NAV of the Fund before deducting the Manager's and Trustee's fees for that particular day.

4. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.02% (15.04.2023: 0.02%) per annum of the NAV of the Fund before deducting the Manager's and Trustee's fees for that particular day.

5. INCOME TAX EXPENSE

| | 16.10.2023 to 15.04.2024 RM | 16.10.2022 to 15.04.2023 RM |
|---------------------------------|--------------------------------------|--------------------------------------|
| Charge for the financial period | - | - |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial period.

The tax charge for the financial period is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned from licensed banks and financial institutions is exempted from tax.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

5. INCOME TAX EXPENSE (CONT'D.)

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

| | 16.10.2023 to 15.04.2024 RM | 16.10.2022 to 15.04.2023 RM |
|--|--|--|
| Net income before tax | 1,058,586 | 1,387,793 |
| Tax at Malaysian statutory rate of 24% | 254,061 | 333,070 |
| Effect of income not subject to tax | (265,075) | (347,080) |
| Expenses not deductible for tax purposes | 11,014 | 14,010 |
| Tax expense for the period | - | - |

6. ZAKAT FOR THE FUND

The Manager does not pay zakat on behalf of its unit holders. Thus, unit holders are advised to pay zakat on their own.

7. ISLAMIC DEPOSITS WITH FINANCIAL INSTITUTIONS

| | 15.04.2024 RM | 15.10.2023 RM |
|----------------------------|--------------------------|--------------------------|
| Islamic deposits with: | | |
| Licensed Islamic banks | 35,161,303 | 102,532,991 |
| Licensed Investments banks | 6,608,303 | 20,158,006 |
| | <u>41,769,606</u> | <u>122,690,997</u> |

The effective average profit rate for short-term Islamic placements as at 15 April 2024 is 3.06% (15.10.2023: 3.29%) per annum. The average maturity of the deposits as at 15 April 2024 is 8 days (15.10.2023: 14 days).

8. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser has confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises Islamic cash placements and liquid assets in local market, which are placed in Shariah-compliant investment instruments.

MIDF AMANAH SHARIAH MONEY MARKET FUND

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024**

9. TOTAL EQUITY

| | Note | 15.04.2024 RM | 15.10.2023 RM |
|------------------------------|------|-------------------|--------------------|
| Unit holders' capital | (a) | 27,021,782 | 107,953,215 |
| Retained earnings | | | |
| - Realised and distributable | (b) | 14,761,189 | 14,876,579 |
| Total equity | | <u>41,782,971</u> | <u>122,829,794</u> |

(a) Unit holder's Capital

| | 15.04.2024 | | 15.10.2023 | |
|--|---------------------|---------------------|----------------------|----------------------|
| | No. of units | RM | No. of units | RM |
| As at beginning of the financial period/year | 122,664,234 | 107,953,215 | 114,489,002 | 99,777,983 |
| Creation of units from: | | | | |
| - Sale | 6,400,000 | 6,400,000 | 168,245,956 | 168,245,956 |
| - Distribution | 1,173,976 | 1,173,976 | 2,336,518 | 2,336,518 |
| Cancellation of units | <u>(88,505,409)</u> | <u>(88,505,409)</u> | <u>(162,407,242)</u> | <u>(162,407,242)</u> |
| As at end of the financial period/year | <u>41,732,801</u> | <u>27,021,782</u> | <u>122,664,234</u> | <u>107,953,215</u> |

(b) Realised and distributable

| | 15.04.2024 RM | 15.10.2023 RM |
|--|--------------------|--------------------|
| As at beginning of the financial period/year | 14,876,579 | 14,845,260 |
| Net realised income | 1,058,586 | 2,367,837 |
| Distribution | <u>(1,173,976)</u> | <u>(2,336,518)</u> |
| As at end of the financial period/year | <u>14,761,189</u> | <u>14,876,579</u> |

(c) Distribution

Details of distribution to unit holders during the financial period/year are as follows:

15.04.2024

| Distribution Ex-date | Reinvestment date | Distribution per unit RM | Total Distribution RM |
|----------------------|-------------------|-----------------------------|--------------------------|
| 31.10.2023 | 1.11.2023 | 0.0027 | 341,390 |
| 30.11.2023 | 1.12.2023 | 0.0026 | 330,428 |
| 31.12.2023 | 1.1.2024 | 0.0026 | 198,249 |
| 31.1.2024 | 1.2.2024 | 0.0025 | 104,342 |
| 29.2.2024 | 1.3.2024 | 0.0023 | 96,526 |
| 31.3.2024 | 1.4.2024 | 0.0025 | 103,041 |
| | | <u>0.0151</u> | <u>1,173,976</u> |

MIDF AMANAH SHARIAH MONEY MARKET FUND

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024**

9. TOTAL EQUITY (CONT'D.)

(c) Distribution (cont'd.)

Details of distribution to unit holders during the financial period/year are as follows (cont'd.):

15.10.2023

| Distribution Ex-date | Reinvestment date | Distribution per unit RM | Total Distribution RM |
|---------------------------------|------------------------------|---|--------------------------------------|
| 31.10.2022 | 1.11.2022 | 0.0024 | 272,172 |
| 30.11.2022 | 1.12.2022 | 0.0025 | 278,760 |
| 31.12.2022 | 1.1.2023 | 0.0028 | 303,336 |
| 31.1.2023 | 1.2.2023 | 0.0031 | 361,226 |
| 28.2.2023 | 1.3.2023 | 0.0025 | 188,722 |
| 31.3.2023 | 1.4.2023 | 0.0022 | 77,784 |
| 30.4.2023 | 1.5.2023 | 0.0022 | 77,858 |
| 31.5.2023 | 1.6.2023 | 0.0023 | 84,400 |
| 30.6.2023 | 1.7.2023 | 0.0024 | 82,378 |
| 31.7.2023 | 1.8.2023 | 0.0024 | 80,211 |
| 31.8.2023 | 1.9.2023 | 0.0025 | 198,375 |
| 30.9.2023 | 1.10.2023 | 0.0027 | 331,296 |
| | | <u>0.0300</u> | <u>2,336,518</u> |

As at 15 April 2024, the gross and net distribution per unit is RM0.0151 based on total units in circulation as at reporting date and total distribution of 41,732,801 units and RM1,173,976 respectively (15.10.2023: gross and net distribution per unit of RM0.0300 based on total units in circulation as at reporting date and total distribution of 122,664,234 units and RM2,336,518 respectively).

The distribution during the financial period/year were made from the following sources:

| | 15.04.2024 RM | 15.10.2023 RM |
|---|--------------------------|--------------------------|
| Investment income | 1,219,868 | 2,440,850 |
| Less: Expenses | <u>(45,892)</u> | <u>(104,332)</u> |
| Total income distribution for the financial period/year | <u>1,173,976</u> | <u>2,336,518</u> |

10. UNITS HELD BY RELATED PARTIES

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

| | 15.04.2024 | | 15.10.2023 | |
|-------------------------------------|---------------------|-------------------|---------------------|--------------------|
| | No. of units | RM | No. of units | RM |
| The Manager | - | - | - | - |
| Related companies of the Manager | <u>12,367,729</u> | <u>12,367,729</u> | <u>100,711,271</u> | <u>100,711,271</u> |

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

10. UNITS HELD BY RELATED PARTIES (CONT'D.)

The related companies of the Manager are the subsidiaries of Malaysian Industrial Development Finance Berhad.

11. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transaction, primarily deposits with licensed financial institutions for the financial period are as follows:

| | Value of placements RM | % of total placements % |
|--|------------------------------|-------------------------------|
| 16.10.2023 to 15.04.2024 | | |
| CIMB Islamic Bank Berhad | 378,874,172 | 29.7 |
| United Oversea Bank (M) Berhad | 219,796,603 | 17.2 |
| Kenanga Investment Bank Berhad | 141,902,792 | 11.1 |
| Amislamic Bank Berhad | 141,619,869 | 11.1 |
| MBSB Bank Berhad * | 136,986,550 | 10.7 |
| Al Rajhi Bank | 90,339,332 | 7.1 |
| Kuwait Finance House (Malaysia) Berhad | 61,590,254 | 4.9 |
| MIDF Amanah Investment Bank Berhad ** | 57,146,660 | 4.5 |
| Alliance Islamic Bank Berhad | 46,640,828 | 3.7 |
| | <u>1,274,897,060</u> | <u>100.0</u> |
| 16.10.2022 to 15.04.2023 | | |
| United Oversea Bank (M) Berhad | 781,111,280 | 52.9 |
| MBSB Bank Berhad * | 135,329,676 | 9.2 |
| CIMB Islamic Bank Berhad | 121,359,175 | 8.2 |
| Alliance Islamic Bank Berhad | 120,456,686 | 8.2 |
| RHB Islamic Bank Berhad | 93,248,558 | 6.3 |
| MIDF Amanah Investment Bank Berhad ** | 73,125,803 | 5.0 |
| Kenanga Investment Bank Berhad | 47,034,904 | 3.2 |
| Amislamic Bank Berhad | 25,852,439 | 1.8 |
| Public Islamic Bank Berhad | 24,578,961 | 1.7 |
| Kuwait Finance House (Malaysia) Berhad | 22,855,000 | 1.4 |
| Others | 32,030,000 | 2.1 |
| | <u>1,476,982,483</u> | <u>100.0</u> |

* MBSB Bank Berhad is a 100% owned subsidiary of Malaysia Building Society Berhad.

** MIDF Amanah Investment Bank Berhad is a related company of MIDF Amanah Asset Management Berhad, the Manager.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

12. TOTAL EXPENSE RATIO ("TER")

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on daily basis. The fees and expenses included Manager's fee, Trustee's fee, auditor's remuneration, tax agent's fee and other administrative expenses. For the financial period ended 15 April 2024, the TER of the Fund stood at 0.06% (15.04.2023: 0.07%).

13. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of the average acquisitions and disposal of the Fund for the financial period to the average NAV of the Fund. For the financial period ended 15 April 2024, the PTR stood at 19.51 times (15.04.2023: 17.90 times).

14. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at at amortised cost based on their respective classification. The significant accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses are recognised:

- (a) all of the Fund's financial assets, comprising Islamic deposits with financial institutions, cash at bank and profit receivable, are classified as financial assets which are measured at amortised cost; and
- (b) all of the Fund's financial liabilities, comprising sundry creditor, amount due to Manager and amount due to Trustee, are classified as other financial liabilities which are measured at amortised cost.

Total profit income recognised on the Fund's financial assets is disclosed in the statement of comprehensive income. The Fund does not have any financial assets or financial liabilities which are carried at fair value.

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the other financial assets and financial liabilities approximate the fair value due to their relatively short term maturity.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

15. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

(a) Introduction

The Fund is exposed to a variety of risks including profit rate risk, credit risk, and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks. Financial risk management is also carried out through sound internal control systems and adherence to the investment restrictions as stipulated in the Trust Deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act 2007.

(b) Risk management structure

The Fund's Manager is responsible for identifying and managing risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach within the Fund.

(c) Risk measurement and reporting system

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Manager (and Investment Manager, if applicable) and Trustee. These limits reflect the investment strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

(d) Risk mitigation

The Fund has Islamic investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has a Compliance Department to ensure that the Fund complies with the various regulations and guidelines as stipulated in its Trust Deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act 2007.

It is, and has been throughout the current and previous financial year, the Fund's policy that no derivatives shall be undertaken for either investment risk management purposes or for trading.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

15. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Profit rate risk

Profit rate risk is uncertainties resulting from fluctuations in the prevailing level of market profit rates on its Islamic investments and financial position.

As at reporting date, the Fund has no floating rate financial instruments and thus does not have significant exposure to profit rate risk.

(f) Credit risk

Credit concentration

Credit concentration risk is associated with the number of underlying Islamic investments or Islamic financial institutions which a Fund invests in or place deposits with. As the Fund is allowed to place Islamic deposits and/or invest in Islamic money market instruments wholly with a single financial institution, the NAV per unit of the Fund would be affected if the financial institution is not able to make timely payments of profit and/or principal.

Credit default

This refers to the creditworthiness of the respective Islamic financial institutions which Islamic deposits are placed with and their ability to make timely payment of principal and profit. If the Islamic financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and profit foregone, causing the performance of the Fund to be adversely affected.

(g) Liquidity Risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unit holders by the Manager are redeemable at the unit holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's Trust Deed.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to redeem units when required to do so and its overall liquidity risk by requiring a 3-day notice period before redemptions.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unit holders. Liquid assets comprise cash, Islamic deposits with financial institutions and other Shariah-compliant instruments which are capable of being converted into cash within 7 days.

MIDF AMANAH SHARIAH MONEY MARKET FUND**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024****15. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(g) Liquidity Risk (Cont'd.)**

The following table summarises the maturity profile of the Fund's financial assets, financial liabilities and NAV attributable to unit holders in order to provide a complete view of the Fund's contractual commitments and liquidity.

| | Less than 1 month RM | Total RM |
|--|-------------------------------------|---------------------|
| 15.04.2024 | | |
| Financial assets: | | |
| Islamic deposits with financial institutions | 41,769,606 | 41,769,606 |
| Other assets | 40,564 | 40,564 |
| Total undiscounted financial assets | <u>41,810,170</u> | <u>41,810,170</u> |
| Financial liabilities: | | |
| Other liabilities | 27,199 | 27,199 |
| Total undiscounted financial liabilities | <u>27,199</u> | <u>27,199</u> |
| NAV attributable to unit holders | <u>41,782,971</u> | <u>41,782,971</u> |
| Liquidity gap | <u>-</u> | <u>-</u> |
| 15.10.2023 | | |
| Financial assets: | | |
| Islamic deposits with financial institutions | 122,690,997 | 122,690,997 |
| Other assets | 172,841 | 172,841 |
| Total undiscounted financial assets | <u>122,863,838</u> | <u>122,863,838</u> |
| Financial liabilities: | | |
| Other liabilities | 34,044 | 34,044 |
| Total undiscounted financial liabilities | <u>34,044</u> | <u>34,044</u> |
| NAV attributable to unit holders | <u>122,829,794</u> | <u>122,829,794</u> |
| Liquidity gap | <u>-</u> | <u>-</u> |

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

16. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's approved fund size and units in issue at the end of the financial period is disclosed in Note 9(a).

The Fund's objectives for managing capital are:

- (a) To invest in Islamic investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (b) To achieve consistent returns while safeguarding capital by using various Islamic investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operation of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current financial period.

17. SEGMENT INFORMATION

The Manager of the Fund is responsible for allocating resources available to the Fund in accordance with the overall Islamic investment strategies as set out in the Investment Guidelines of the Fund.

The Fund invests only in short term Islamic deposits and all of its investments are located in Malaysia, therefore disclosure by business and geographical segment is not presented.

MIDF AMANAH SHARIAH MONEY MARKET FUND

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 15 APRIL 2024

18. CHANGES IN GROUP STRUCTURE

Previously, the penultimate and ultimate holding companies of the Manager, MIDF Amanah Asset Management Berhad were Permodalan Nasional Berhad ("PNB") and Yayasan Pelaburan Bumiputra ("YPB"). The holding companies were incorporated in Malaysia.

On 13 April 2023, Bank Negara Malaysia has granted its approval to Malaysia Building Society Berhad ("MBSB") to acquire 100% shareholding in MIDF from MIDF's immediate holding company, PNB.

On 2 October 2023, MBSB completed the acquisition of 480,355,627 ordinary shares in MIDF from PNB, representing 100% of the issued and paid-up share capital of MIDF, for a total consideration of RM1.01 billion comprising 1.05 billion new shares in MBSB at an issue price of RM0.9652 to PNB.

Following the above, the penultimate holding company of the Manager is MBSB, a public limited liability company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Employees Provident Fund ("EPF"), a statutory body established under the Employees Provident Fund Act, 1991 (Act 452) is the ultimate holding company. The holding companies are incorporated in Malaysia.

CORPORATE INFORMATION

| | |
|--|---|
| MANAGER | MIDF Amanah Asset Management Berhad Registration No: 197201000162 (11804-D) |
| REGISTERED OFFICE | Level 25, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Tel: 03 – 2173 8888 |
| BUSINESS OFFICE | Level 20, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Tel: 03 - 2173 8488 (Customer Service Line) Fax: 03 - 2173 8555 E-mail: _midfamanah@midf.com.my Website: www.midf.com.my/index.php/en/what-we-do-en/asset-management |
| TRUSTEE | AmanahRaya Trustees Berhad (766894-T) Tingkat 14, Wisma AmanahRaya, No. 2 Jalan Ampang, 50508 Kuala Lumpur |
| BOARD OF DIRECTORS | Hasnah Omar – Chairman Tai Keat Chai Hasman Yusri Yusoff Shan Kamahl Mohammad Dato' Azlan Shahrin (appointed effective 15 November 2023 and resigned w.e.f 15 July 2024) Dato' Seri Diraja Nur Julie Gwee Ariff (appointed effective 15 November 2023) Datuk (Dr.) Joseph Dominic Silva (resigned effective 15 November 2023) Norziana Mohd Inon (resigned effective 5 July 2023) |
| OVERSIGHT COMMITTEE MEMBERS | Hasman Yusri Yusoff - Chairman Tai Keat Chai Sheikh Shahrudin Sheikh Salim |
| BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS | Tai Keat Chai – Chairman Hasman Yusri Yusoff Norziana Mohd Inon (resigned effective 5 July 2023) |
| COMPANY SECRETARY | Nor Azita Sarip (MAICSA 7048861) Nor'adilah Mohd Arshad (LS 10098) (appointed effective 1 January 2024) Hadidah Amin (LS 10683) (resigned effective 1 January 2024) Lailatul Mardhiyah Said Abdullah (LS 10110) (resigned effective 28 April 2023) |
| AUDITOR | Ernst & Young PLT Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur |
| TAX ADVISER | Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur |
| SHARIAH ADVISER | MBSB Bank Berhad (Registration No.: 200501033981 (716122-P)) Level 25, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor |
| PRINCIPAL BANKERS | Malayan Banking Berhad (3813-K) Menara Maybank, Jalan Tun Perak, 50050 Kuala Lumpur OCBC Bank (Malaysia) Berhad (295400-W) 18th Floor, Menara OCBC 18 Jalan Tun Perak 50050 Kuala Lumpur |



If undelivered, please return to:

MIDF Amanah Asset Management Berhad

Registration Number: 197201000162 (11804-D)

Level 20, Menara MBSB Bank, PJ Sentral

Lot 12, Persiaran Barat, Seksyen 52

46200 Petaling Jaya, Selangor

Tel: (603) 2173 8488 Fax: (603) 2173 8555

E-mail: midfamanah@midf.com.my

Website: www.midf.com.my/index.php/en/what-we-do-en/asset-management