

Semi-Annual Report for

AmDynamic Sukuk

31 January 2025



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

Investment Manager

AmIslamic Funds Management Sdn Bhd

Shariah Adviser

Amanie Advisors Sdn Bhd

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of AmDynamic Sukuk ("Fund") for the financial period from 1 August 2024 to 31 January 2025.

Salient Information of the Fund

Name	AmDynamic Sukuk ("Fund")
Category/Type	Sukuk / Growth
Objective	The Fund aims to provide capital appreciation by investing primarily in Sukuk both locally and globally. <i>Note:</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>
Duration	The Fund was established on 12 June 2012 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
Performance Benchmark	BPAM Corporates Sukuk Index ("BPAMCSI") (Available at www.aminvest.com) <i>The performance benchmark has been changed from Bloomberg AIBIM Bursa Malaysia Sovereign Shariah Index (BMSSI) because BMSSI has been discontinued by Bloomberg effective 25 July 2015.</i> <i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark.</i>
Income Distribution Policy	Class A and Class B: Income distribution (if any) is incidental.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 January 2025 and for the past three financial years are as follows:				
		As at 31.01.2025 %	As at 31 July		
			2024 %	2023 %	2022 %
	Corporate sukuk	68.33	74.75	86.62	91.48
	Government Investment Issues	18.70	-	-	4.14
Money market deposits and cash equivalents	12.97	25.25	13.38	4.38	
Total	100.00	100.00	100.00	100.00	

Note: The abovementioned percentages are calculated based on total net asset value.

Performance Details

Performance details of the Fund for the financial period ended 31 January 2025 and three financial years ended 31 July are as follows:

	FPE 31.01.2025	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)				
- Class A	8,113,421	6,970,820	6,228,853	14,184,533
- Class B	48,843	2,638,063	2,772,714	2,606,369
Units in circulation				
- Class A	5,286,991	4,526,594	4,289,482	10,257,952
- Class B	32,960	1,773,096	1,976,332	1,954,119
Net asset value per unit (RM)				
- Class A	1.5346	1.5400	1.4521	1.3828
- Class B	1.4819	1.4878	1.4030	1.3338
Highest net asset value per unit (RM)				
- Class A	1.5500	1.5400	1.4710	1.3956
- Class B	1.4975	1.4878	1.4189	1.3462
Lowest net asset value per unit (RM)				
- Class A	1.5008	1.4515	1.3695	1.3479
- Class B	1.4500	1.4024	1.3209	1.3002
Benchmark performance (%)				
- Class A	1.92	5.88	6.79	0.11
- Class B	1.92	5.88	6.79	0.11
Total return (%) ⁽¹⁾				
- Class A	1.92	6.05	6.41	-0.36
- Class B	2.09	6.04	6.41	-0.37
- Capital growth (%)				
- Class A	-0.33	6.05	5.01	-0.47
- Class B	-0.36	6.04	5.19	-0.48
- Income distribution (%)				
- Class A	2.25	-	1.40	0.11
- Class B	2.45	-	1.22	0.11
Gross distribution (sen per unit)				
- Class A	3.5030	-	1.9800	0.1500
- Class B	3.6842	-	1.7100	0.1500
Net distribution (sen per unit)				
- Class A	3.4591	-	1.9300	0.1500
- Class B	3.6410	-	1.6300	0.1500
Total expense ratio (%) ⁽²⁾				
	0.70	1.37	1.23	1.19
Portfolio turnover ratio (times) ⁽³⁾				
	0.79	0.82	0.80	0.29

Note:

(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.

(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.

(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

Average Total Return (as at 31 January 2025)

	AmDynamic Sukuk^(a) %	Benchmark^{** (b)} %
One year		
- Class A	4.52	4.65
- Class B	4.68	4.65
Three years		
- Class A	4.80	4.81
- Class B	4.86	4.81
Five years		
- Class A	2.98	3.89
- Class B	3.02	3.89
Ten years		
- Class A	4.48	4.87
Since launch		
- Class A (20 June 2012)	4.32	4.22
- Class B (16 March 2015)	4.47	4.86

Annual Total Return

Financial Years Ended (31 July)	AmDynamic Sukuk^(a) %	Benchmark^{** (b)} %
2024		
- Class A	6.05	5.88
- Class B	6.04	5.88
2023		
- Class A	6.41	6.79
- Class B	6.41	6.79
2022		
- Class A	-0.36	0.11
- Class B	-0.37	0.11
2021		
- Class A	-2.30	0.65
- Class B	-2.28	0.65
2020		
- Class A	8.38	8.55
- Class B	8.37	8.55

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) BPAM Corporates Sukuk Index ("BPAMCSI") (Available at www.aminvest.com)

** Benchmark – from 20 June 2012 to 25 July 2015

- Bloomberg AIBIM Bursa Malaysia Sovereign Shariah Index (BMSSI).
- from 26 July 2015 onwards - BPAM Corporates Sukuk Index.

The Fund performance is calculated based on net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

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

Fund Performance

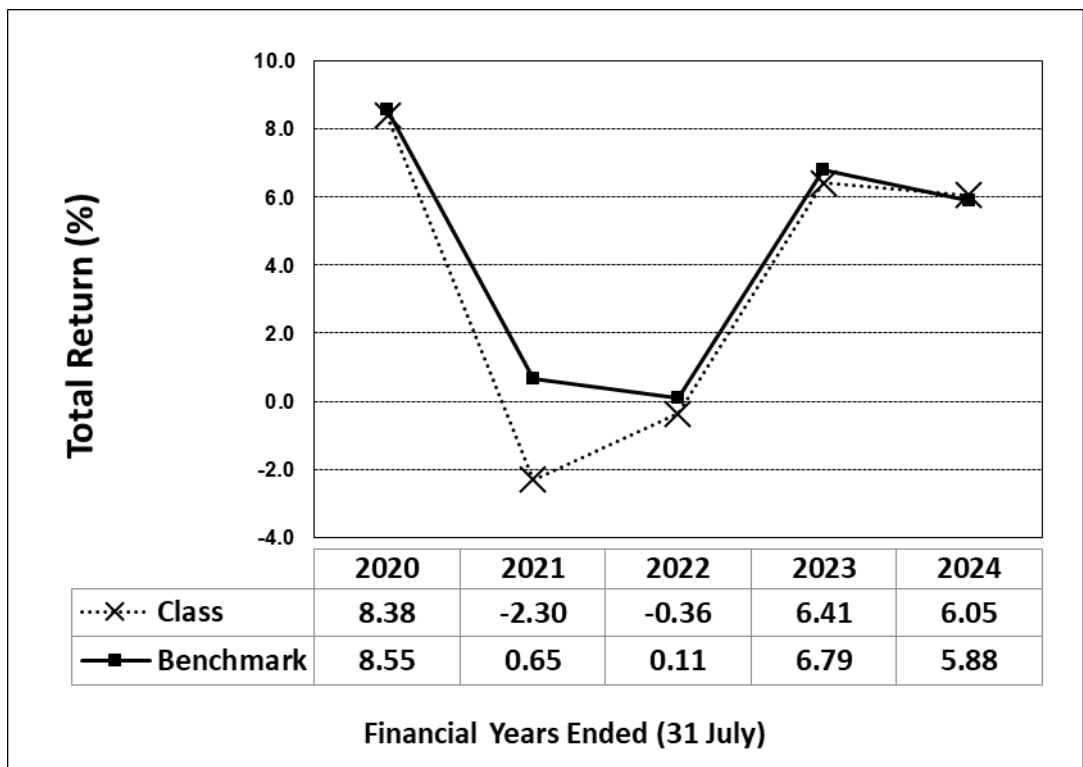
Class A

For the financial period under review, the Fund registered a return of 1.92% comprising of negative 0.33% capital and 2.25% income distribution.

Thus, the Fund's return of 1.92% has registered the same as the benchmark's return.

As compared with the financial year ended 31 July 2024, the net asset value ("NAV") per unit of the Fund decreased by 0.35% from RM1.5400 to RM1.5346, while units in circulation increased by 16.80% from 4,526,594 units to 5,286,991 units.

The following line chart shows comparison between the annual performances of AmDynamic Sukuk – Class A and its benchmark for the financial years ended 31 July.



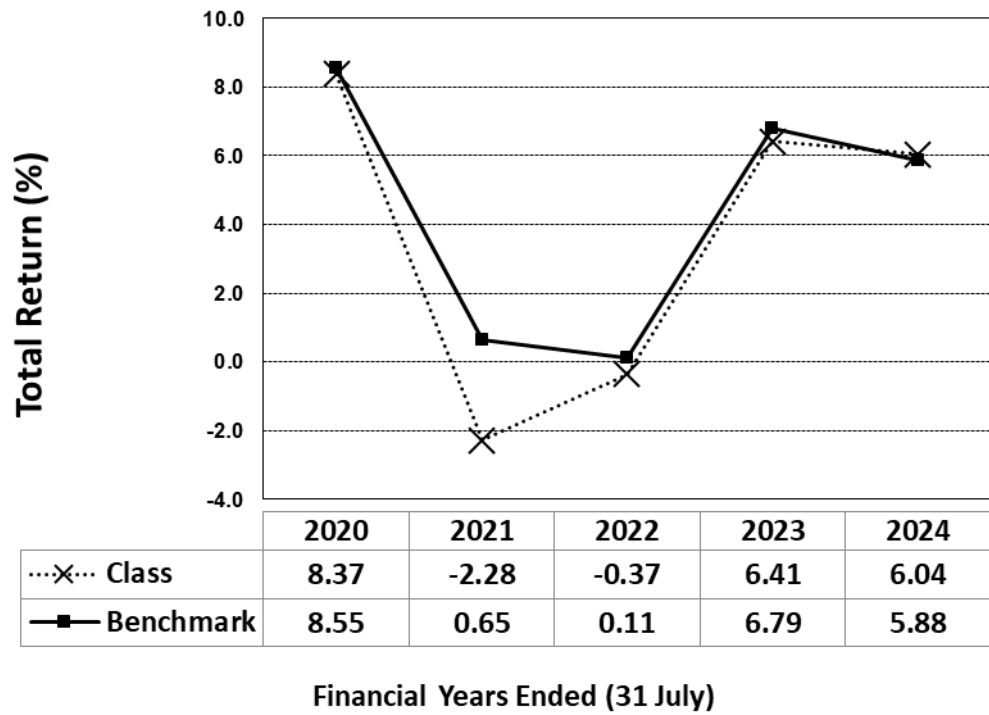
Class B

For the financial period under review, the Fund registered a return of 2.09% comprising of negative 0.36% capital and 2.45% income distribution.

Thus, the Fund's return of 2.09% has outperformed the benchmark's return of 1.92% by 0.17%.

As compared with the financial year ended 31 July 2024, the net asset value ("NAV") per unit of the Fund decreased by 0.40% from RM1.4878 to RM1.4819, while units in circulation decreased by 98.14% from 1,773,096 units to 32,960 units.

The following line chart shows comparison between the annual performances of AmDynamic Sukuk – Class B and its benchmark for the financial years ended 31 July.



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

Strategies and Policies Employed

To achieve the investment objective, the Fund undertakes active management to enhance and optimize returns from investing in sovereign, quasi-sovereign and corporate sukuk. There is no minimum rating for a sukuk purchased or held by the Fund. This is to enable the Manager of the Fund to take a relatively high level of calculated credit risk for the Fund, justified by the relatively high level of expected return. In managing the Fund, the Manager may opt to invest in the investments either directly or via collective investment schemes.

In managing the Fund, the Manager of the Fund employs active tactical duration management; yield curve positioning and credit spread arbitrage. Credit spread arbitrage and yield curve positioning is part of relative value approach that involves analysis of general economic and market conditions and the use of models to analyze and compare expected returns as well as the assumed risks. The Manager will focus on sukuk that would deliver better returns to the Fund for a given level of risk. In addition, the Manager may also consider sukuk with favourable or improving credit outlook that provide the potential for capital appreciation for these investments. The Fund may invest in sukuk of varying maturities. The Fund's investment maturity profile is subject to active tactical duration management in view of the interest rate scenario without any portfolio maturity limitation.

The Fund invests in Malaysia and to a lesser extent, in eligible markets of other countries globally.

Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 January 2025 and 31 July 2024.</p> <table border="1" data-bbox="363 219 1461 495"> <thead> <tr> <th></th> <th>As at 31.01.2025 %</th> <th>As at 31.07.2024 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate sukuk</td> <td>68.33</td> <td>74.75</td> <td>-6.42</td> </tr> <tr> <td>Government Investment Issues</td> <td>18.70</td> <td>-</td> <td>18.70</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>12.97</td> <td>25.25</td> <td>-12.28</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>As at end of financial period 31 January 2025, 68.33% of the Fund's NAV was invested in corporate sukuk, 18.70% was invested in Government Investment Issues and balance of 12.97% was invested in money market deposits and cash equivalents.</p>		As at 31.01.2025 %	As at 31.07.2024 %	Changes %	Corporate sukuk	68.33	74.75	-6.42	Government Investment Issues	18.70	-	18.70	Money market deposits and cash equivalents	12.97	25.25	-12.28	Total	100.00	100.00	
	As at 31.01.2025 %	As at 31.07.2024 %	Changes %																		
Corporate sukuk	68.33	74.75	-6.42																		
Government Investment Issues	18.70	-	18.70																		
Money market deposits and cash equivalents	12.97	25.25	-12.28																		
Total	100.00	100.00																			
Securities Lending / Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").																				
Cross Trade	There were no cross trades undertaken during the financial period under review.																				
Distribution/ Unit splits	<p>During the financial period under review, the Fund declared income distribution, detailed as follows:</p> <p><u>Class A</u></p> <table border="1" data-bbox="368 1137 1445 1272"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit RM (sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>19-Sep-24</td> <td>3.4591</td> <td>1.5501</td> <td>1.5155</td> </tr> </tbody> </table> <p><u>Class B</u></p> <table border="1" data-bbox="368 1375 1445 1509"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit RM (sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>19-Sep-24</td> <td>3.6410</td> <td>1.4976</td> <td>1.4612</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	19-Sep-24	3.4591	1.5501	1.5155	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	19-Sep-24	3.6410	1.4976	1.4612				
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)																		
19-Sep-24	3.4591	1.5501	1.5155																		
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)																		
19-Sep-24	3.6410	1.4976	1.4612																		
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.																				
Rebates and Soft Commission	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																				

Market Review	<p>The Malaysia bond market was slightly bearish in August 2024 as Malaysian Government Securities (MGS) saw yields rose marginally across the curve, despite the lowering of yields in the United States Treasury (UST) curve. Much of the movement in the United States (US) reflects the expectation of an aggressive rate cuts by US Federal Reserve (Fed) while the marginal shift in local MGS curve reflects the absence of local catalyst following a rally in July.</p> <p>In September, MGS yields fell across the curve, in tandem with lowering yields in the UST. In terms of curve movement, MGS curve bull-flattened with rates fallen from 2-6 basis points (bps) month-on-month (MoM) on the long to ultra long-end of the curve, whilst the UST curve bull-steepened with yields lowered by 23-49bps MoM on the short-end of the curve.</p> <p>Malaysian bond market was under pressure in October as investor turned bearish bias, influenced by the sell-off in UST driven by uncertainties surrounding US presidential election and prospect of slower rate cut by US Fed. Sentiment was generally weaker throughout the month despite Budget 2025 tabled by Prime Minister (PM) Anwar on 18 October projected a narrower deficit of -3.8% of Gross Domestic Product (GDP) for 2025. Overall, MGS curve bear flattened, with yields rose 6-22bps on MoM basis in October.</p> <p>In November, the local bond market rallied as investors were influenced by similar bullish sentiment in UST in the later part of the month, coupled with Bank Negara Malaysia (BNM) announcement of the cancellation of the 3-year Government Investment Issue (GII). The lower-than-anticipated government bond supply in the market resulted in a buoyant sentiment with MGS yields fell between 5 and 15bps on MoM basis in November.</p> <p>Malaysian bond market traded marginally weaker in the final month of the year amidst profit taking activities on the back of bearish global bond backdrop and partly contributed by a lack of liquidity in second half of December as many were away for year-end holiday. This was despite positive news from BNM on the announcement of a much smaller than expected final government bond auction for the year. Overall, MGS yields rose 1-4bps, except for the ultra-long end 30-Year MGS which declined 1bps on a MoM basis in December.</p> <p>Local bond market was mixed in January 2025, amidst Malaysia advanced fourth quarter GDP and Consumer Price Index (CPI) for December both came in lower than expectations, and a stronger than anticipated showing for exports for the month. During the first Monetary Policy Committee meeting (MPC) of the year, BNM has decided to maintain the overnight policy rate at 3.0%. Overall, MGS traded firmer with yields fell 1-2bps, except for the ultra-long MGS which increased 1bps on a MoM basis in January.</p>
Market Outlook	<p>Bank Negara Malaysia (BNM) is expected to maintain its current policy rates throughout 2025. This stability in interest rates is anticipated to support the bond market, as it reduces uncertainty and volatility.</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 March 2025

AmDynamic Sukuk

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2025

	Note	31.01.2025 (unaudited) RM	31.07.2024 (audited) RM
ASSETS			
Shariah-compliant investments	4	7,103,635	7,182,506
Amount due from Manager	5(a)	-	420
Amount due from broker	6	-	1,471,992
Profit receivables		4,166	-
Sundry receivable		63	-
Tax recoverable		20	6,113
Shariah-compliant deposit with licensed financial institution	7	849,068	957,076
Cash at banks		229,755	10,207
TOTAL ASSETS		8,186,707	9,628,314
LIABILITIES			
Amount due to Manager	5(b)	13,134	9,141
Amount due to Trustee	8	849	847
Sundry payables and accruals		10,460	9,443
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		24,443	19,431
NET ASSET VALUE (“NAV”) OF THE FUND ATTRIBUTABLE TO UNIT HOLDERS		8,162,264	9,608,883
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:			
Unit holders’ contribution	10(a)(b)	4,975,814	6,359,975
Retained earnings	10(c)(d)	3,186,450	3,248,908
	10	8,162,264	9,608,883
NET ASSET VALUE			
– Class A		8,113,421	6,970,820
– Class B		48,843	2,638,063
		8,162,264	9,608,883
UNITS IN CIRCULATION			
– Class A	10(a)	5,286,991	4,526,594
– Class B	10(b)	32,960	1,773,096
NAV PER UNIT (RM)			
– Class A		1.5346	1.5400
– Class B		1.4819	1.4878

The accompanying notes form an integral part of the unaudited financial statements.

AmDynamic Sukuk

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

	Note	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
SHARIAH-COMPLIANT INVESTMENT INCOME			
Profit income		194,814	200,690
Other income	10(a)(b)	34,289	4,245
Net (loss)/gain from Shariah-compliant investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	(6,180)	164,461
		<u>222,923</u>	<u>369,396</u>
EXPENDITURE			
Manager’s fee	5	(43,313)	(45,752)
Trustee’s fee	8	(5,041)	(5,027)
Audit fee		(2,533)	(2,522)
Tax agent’s fee		(2,067)	(2,061)
Other expenses		(6,848)	(7,010)
		<u>(59,802)</u>	<u>(62,372)</u>
Net income before finance cost and taxation		163,121	307,024
Finance cost - distribution to unit holders			
– Class A		(153,891)	-
– Class B		(64,559)	-
		<u>(218,450)</u>	<u>-</u>
Net (loss)/income before taxation		(55,329)	307,024
Taxation	12	(7,129)	-
Net (loss)/income after taxation, representing total comprehensive (loss)/income for the financial period		<u>(62,458)</u>	<u>307,024</u>
Total comprehensive (loss)/income comprises the following:			
Realised income		35,781	166,456
Unrealised (loss)/gain		(98,239)	140,568
		<u>(62,458)</u>	<u>307,024</u>
Distribution for the financial period			
Net distribution	13	<u>218,450</u>	<u>-</u>
Gross distribution per unit (sen)			
– Class A	13(a)	<u>3.5030</u>	<u>-</u>
– Class B	13(b)	<u>3.6842</u>	<u>-</u>

AmDynamic Sukuk

**STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025 (CONT'D.)**

	Note	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Net distribution per unit (sen)			
– Class A	13(a)	3.4591	-
– Class B	13(b)	3.6410	-

The accompanying notes form an integral part of the unaudited financial statements.

AmDynamic Sukuk

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (Unaudited) FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

	Note	Unit holders' contribution RM	Retained earnings RM	Total RM
At 1 August 2024		6,359,975	3,248,908	9,608,883
Total comprehensive loss for the financial period		-	(62,458)	(62,458)
Creation of units				
- Class A	10(a)	1,815,512	-	1,815,512
- Class B	10(b)	5,000	-	5,000
Reinvestment of distribution				
- Class A	13(a)	153,891	-	153,891
- Class B	13(b)	64,559	-	64,559
Cancellation of units				
- Class A	10(a)	(802,118)	-	(802,118)
- Class B	10(b)	(2,621,005)	-	(2,621,005)
Balance at 31 January 2025		<u>4,975,814</u>	<u>3,186,450</u>	<u>8,162,264</u>
At 1 August 2023		6,301,772	2,699,795	9,001,567
Total comprehensive income for the financial period		-	307,024	307,024
Creation of units				
- Class A		227,525	-	227,525
Cancellation of units				
- Class A		(136,062)	-	(136,062)
- Class B		(288,297)	-	(288,297)
Balance at 31 January 2024		<u>6,104,938</u>	<u>3,006,819</u>	<u>9,111,757</u>

The accompanying notes form an integral part of the unaudited financial statements.

AmDynamic Sukuk

STATEMENT OF CASH FLOWS (Unaudited) FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	8,272,347	5,551,205
Purchases of Shariah-compliant investments	(6,755,445)	(4,791,969)
Profit received	218,429	208,278
Other income	34,227	4,245
Manager's fee paid	(45,602)	(45,583)
Trustee's fee paid	(5,039)	(4,972)
Tax paid	(1,036)	(3,359)
Payments for other expenses	(10,432)	(10,656)
Net cash generated from operating and investing activities	<u>1,707,449</u>	<u>907,189</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	1,820,932	237,005
Payments for cancellation of units	<u>(3,416,841)</u>	<u>(424,359)</u>
Net cash used in financing activities	<u>(1,595,909)</u>	<u>(187,354)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	111,540	719,835
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	<u>967,283</u>	<u>806,834</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u>1,078,823</u>	<u>1,526,669</u>
Cash and cash equivalents comprise:		
Shariah-compliant deposit with licensed financial institution	849,068	1,516,120
Cash at banks	229,755	10,549
	<u>1,078,823</u>	<u>1,526,669</u>

AmDynamic Sukuk

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

1. GENERAL INFORMATION

AmDynamic Sukuk (the “Fund”) was established pursuant to a Deed dated 20 May 2011 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund aims to provide capital appreciation by investing primarily in sukuk both locally and globally. As provided in the Deeds, the financial year shall end on 31 July and the units in the Fund for Class A and Class B were first offered for sale on 12 June 2012 and 16 July 2014 respectively.

The financial statements were authorised for issue by the Manager on 19 March 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

Standards effective during the financial period

The adoption of the following MFRS and amendments to MFRS which became effective during the financial period did not have any material financial impact to the financial statements.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D.)

Standards issued but not yet effective

The new and amended standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
Amendments that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2026
Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i>	
Amendments to MFRS 9 <i>Financial Instruments</i>	
Amendments to MFRS 10 <i>Consolidated Financial Statements</i> *	
Amendments to MFRS 107 <i>Statement of Cash Flows</i>	
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> *	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> *	Deferred

* These MFRS and Amendments to MFRSs are not relevant to the Fund.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Income recognition

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.1 Income recognition (cont'd.)

(i) Profit income

For all profit-bearing financial assets, profit income is calculated using the effective profit method. Effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective profit rate, but not future credit losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, profit income continues to be recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Gain or loss on disposal of Shariah-compliant investments

On disposal of Shariah-compliant investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments. The net realised gain or loss is recognised in profit or loss.

3.2 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 at 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.

3.3 Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.4 Statement of cash flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid Shariah-compliant investments that are readily convertible to cash with insignificant risk of changes in value.

3.5 Distribution

Distribution are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from realised income and recognised in the statement of comprehensive income, as the unit holders' contribution are classified as financial liability as per Note 3.6. Realised income is the income earned from profit income and net gain on disposal of Shariah-compliant investments after deducting expenses, other income and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

3.6 Unit holders' contribution

The unit holders' contributions of the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of unit holders is classified as equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as liabilities.

The Fund issues cancellable units in two classes. Details are disclosed in Note 10.

3.7 Financial instruments – initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.7 Financial instruments – initial recognition and measurement (cont'd.)

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial assets. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) “Day 1” profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a “Day 1” profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

3.8 Financial assets

Classification and measurement

The classification of financial assets depends on the Fund’s business model of managing the financial assets in order to generate cash flows (“business model test”) and the contractual cash flow characteristics of the financial instruments (“SPPP test”). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPP test determines whether the contractual cash flows are solely for payments of principal and profit and the assessment is performed on a financial instrument basis.

Business model

The business model reflects how the Fund manages the financial assets in order to generate cash flows. That is, whether the Fund’s objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then the financial assets are classified as part of “other” business model. Factors considered by the Fund in determining the business model for a portfolio of assets include past experience on how the cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.8 Financial assets (cont'd.)

Classification and measurement (cont'd.)

Cash flow characteristics

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Fund assesses whether the financial assets' contractual cash flows represent solely payment of principal and profit ("SPPP"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic financing arrangement, i.e. profit includes only consideration for time value of money, credit risk, other basic financing risks and a profit margin that is consistent with a basic financing arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPP.

The Fund may classify its financial assets under the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is 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 solely payments of principal and profit on the principal amount outstanding. Financial assets include in this category are Shariah-compliant deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial assets. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the outstanding principal.

These Shariah-compliant investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these Shariah-compliant investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.8 Financial assets (cont'd.)

Classification and measurement (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. 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 FVTPL". Profit earned element of such instrument is recorded in "Profit income".

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

3.9 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective profit method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective profit rate.

3.10 Derecognition of financial instruments

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - the Fund has transferred substantially all the risks and rewards of the asset, or
 - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.10 Derecognition of financial instruments (cont'd.)

(i) Derecognition of financial asset (cont'd.)

For Shariah-compliant investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

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

3.11 Financial instruments – expected credit losses (“ECL”)

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. 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 ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

3.12 Determination of fair value

For Shariah-compliant investments in local fixed income securities, nominal value is the face value of the securities and fair value is determined based on the indicative prices from Bond Pricing Agency Malaysia Sdn. Bhd. plus accrued profit, which includes the accretion of discount and amortisation of premium. Adjusted cost of Shariah-compliant investments relates to the purchased cost plus accrued profit, adjusted for amortisation of premium and accretion of discount, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

3.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.13 Classification of realised and unrealised gains and losses (cont'd.)

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

3.14 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.

The Fund classifies its Shariah-compliant investments as financial assets at FVTPL as the Fund may sell its Shariah-compliant investments in the short-term for profit-taking or to meet unit holders' cancellation of units.

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 the next financial period.

4. SHARIAH-COMPLIANT INVESTMENTS

	31.01.2025	31.07.2024
	RM	RM
Financial assets at FVTPL		
At nominal value:		
Corporate sukuk	5,350,000	6,800,000
Government Investment Issues	1,500,000	-
	<u>6,850,000</u>	<u>6,800,000</u>
		-
At fair value:		
Corporate sukuk	5,577,682	7,182,506
Government Investment Issues	1,525,953	-
	<u>7,103,635</u>	<u>7,182,506</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 January 2025 are as follows:

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate sukuk					
28.05.2027	Exsim Capital Resources Berhad	600,000	610,884	607,213	7.48
27.09.2027	IJM Land Berhad	200,000	203,385	203,491	2.49
16.11.2027	Dialog Group Berhad	700,000	702,063	705,969	8.60
02.12.2030	Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd.	500,000	525,287	517,004	6.44
28.11.2031	Eco World Capital Berhad	500,000	506,281	503,811	6.20
04.12.2031	Jimah East Power Sdn. Bhd.	300,000	337,138	318,146	4.13
15.09.2033	OSK Rated Bond Sdn. Bhd.	500,000	525,894	508,614	6.44
22.11.2034	Malaysian Airports Holdings Berhad	1,000,000	1,015,936	1,007,936	12.45
06.10.2036	Solarpack Suria Sungai Petani Sdn. Bhd.	750,000	827,137	769,125	10.13
09.10.2037	Edra Solar Sdn. Bhd.	300,000	323,677	304,690	3.97
Total corporate sukuk		5,350,000	5,577,682	5,445,999	68.33
Government Investment Issues					
31.07.2028	Government of Malaysia	700,000	701,050	701,083	8.59

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 January 2025 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Government Investment Issues (cont'd.)					
30.11.2034	Government of Malaysia	800,000	824,903	825,204	10.11
Total Government Investment Issues		<u>1,500,000</u>	<u>1,525,953</u>	<u>1,526,287</u>	<u>18.70</u>
Total financial assets at FVTPL		<u>6,850,000</u>	<u>7,103,635</u>	<u>6,972,286</u>	<u>87.03</u>
Excess of fair value over adjusted cost			<u>131,349</u>		

5. AMOUNT DUE FROM/TO MANAGER

	Note	31.01.2025 RM	31.07.2024 RM
(a) Due from Manager			
Creation of units	(i)	<u>-</u>	<u>420</u>
(b) Due to Manager			
Cancellation of units	(ii)	6,282	-
Manager's fee payable	(iii)	<u>6,852</u>	<u>9,141</u>
		<u>13,134</u>	<u>9,141</u>

(i) This represents amount receivable from the Manager for units created.

(ii) This represents amount payable to the Manager for units cancelled.

The normal credit period in the current financial period and previous financial year for creation and cancellation of units is three business days.

(iii) Manager's fee is at a rate of 1.00% (31.07.2024: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis.

The normal credit period in the current financial period and previous financial year for Manager's fee payable is one month.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

6. AMOUNT DUE FROM BROKER

Amount due from broker arose from the sale of Shariah-compliant investments. The settlement period is within two business days from the transaction date.

7. SHARIAH-COMPLIANT DEPOSIT WITH LICENSED FINANCIAL INSTITUTION

	31.01.2025	31.07.2024
	RM	RM
At nominal value:		
Short-term deposit	<u>849,000</u>	<u>957,000</u>
At carrying value:		
Short-term deposit	<u>849,068</u>	<u>957,076</u>

Details of Shariah-compliant deposit with licensed financial institution are as follows:

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
31.01.2025				
Short-term deposit				
03.02.2025	RHB Islamic Bank Berhad	<u>849,000</u>	<u>849,068</u>	<u>10.40</u>

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (31.07.2024: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum of RM10,000 per annum.

The normal credit period in the current financial period and previous financial year for Trustee's fee payable is one month.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

9. NET (LOSS)/GAIN FROM SHARIAH-COMPLIANT INVESTMENTS

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised gains on sale of Shariah-compliant investments	92,059	23,893
– Net unrealised (loss)/gain on changes in fair value of Shariah-compliant investments	(98,239)	140,568
	<u>(6,180)</u>	<u>164,461</u>

10. NAV ATTRIBUTABLE TO UNIT HOLDERS

Total NAV attributable to unit holders is represented by:

	Note	31.01.2025 RM	31.07.2024 RM
Unit holders' contribution			
– Class A	(a)	4,869,950	3,702,665
– Class B	(b)	105,864	2,657,310
Retained earnings			
– Realised income	(c)	3,055,101	3,019,320
– Unrealised gains	(d)	131,349	229,588
		<u>8,162,264</u>	<u>9,608,883</u>

The Fund issues cancellable units in two classes as detailed below:

Classes of units	Currency denomination	Category of investors	Distribution policy
Class A	RM	Mixed	Incidental
Class B	RM	Mixed	Incidental

The different charges and features for each class are as follows:

- (i) Minimum initial investments
- (ii) Entry charges

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

10. NAV ATTRIBUTABLE TO UNIT HOLDERS (CONT'D.)

(a) Unit holders' contribution/Units in circulation - Class A

	31.01.2025		31.07.2024	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	4,526,594	3,702,665	4,289,482	3,351,076
Creation during the financial period/year	1,183,571	1,815,512	1,570,096	2,372,608
Reinvestment of distribution	101,545	153,891	-	-
Cancellation during the financial period/year	(524,719)	(802,118)	(1,332,984)	(2,021,019)
At end of the financial period/year	<u>5,286,991</u>	<u>4,869,950</u>	<u>4,526,594</u>	<u>3,702,665</u>

(b) Unit holders' contribution/Units in circulation - Class B

	31.01.2025		31.07.2024	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	1,773,096	2,657,310	1,976,332	2,950,696
Creation during the financial period/year	3,421	5,000	72,129	105,810
Reinvestment of distribution	44,182	64,559	-	-
Cancellation during the financial period/year	(1,787,739)	(2,621,005)	(275,365)	(399,196)
At end of the financial period/year	<u>32,960</u>	<u>105,864</u>	<u>1,773,096</u>	<u>2,657,310</u>

The Manager charges an exit penalty fee of 1.00% (31.07.2024: 1.00%) on the NAV per unit of the Fund during the financial period. The exit penalty will be recognised as income of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

10. NAV ATTRIBUTABLE TO UNIT HOLDERS (CONT'D.)

(c) Realised – distributable

	31.01.2025	31.07.2024
	RM	RM
At beginning of the financial period/year	3,019,320	2,711,787
Realised income for the financial period/year	254,231	307,533
Finance cost - distribution to unit holders	(218,450)	-
Net realised income for the financial period/year	35,781	307,533
At end of the financial period/year	<u>3,055,101</u>	<u>3,019,320</u>

(d) Unrealised – non-distributable

	31.01.2025	31.07.2024
	RM	RM
At beginning of the financial period/year	229,588	(11,992)
Net unrealised (loss)/gain for the financial period/year	(98,239)	241,580
At end of the financial period/year	<u>131,349</u>	<u>229,588</u>

11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad ("AMMB")	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

There are no units held by the Manager or any other related party as at 31 January 2025 and 31 July 2024.

12. TAXATION

	01.08.2024 to	01.08.2023 to
	31.01.2025	31.01.2024
	RM	RM
Local tax	<u>7,129</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

12. TAXATION (CONT'D.)

Income tax payable is calculated on Shariah-compliant investment income less deduction for permitted expenses as provided under Section 63B of the Income Tax Act, 1967.

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

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Net (loss)/income before taxation	<u>(55,329)</u>	<u>307,024</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(13,279)	73,686
Tax effects of:		
Income not subject to tax	(17,854)	(87,636)
Loss not allowed for tax deduction	25,009	-
Restriction on tax deductible expenses for unit trust fund	9,903	10,426
Non-permitted expenses for tax purposes	3,350	3,384
Permitted expenses not used and not available for future financial periods	-	140
Tax expense for the financial period	<u>7,129</u>	<u>-</u>

13. DISTRIBUTION

Details of distribution to unit holders for the current financial period are as follows:

(a) Class A

	01.08.2024 to 31.01.2025 RM
Gross distribution per unit (sen)	<u>3.5030</u>
Net distribution per unit (sen)	<u>3.4591</u>

(a) Class B

	01.08.2024 to 31.01.2025 RM
Gross distribution per unit (sen)	<u>3.6842</u>
Net distribution per unit (sen)	<u>3.6410</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

13. DISTRIBUTION (CONT'D.)

Details of distribution to unit holders for the current financial period are as follows: (cont'd.)

Financial period ended 31 January 2025

(a) Class A

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
19 September 2024	3.5030	3.4591	153,891

(a) Class B

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
19 September 2024	3.6842	3.6410	64,559

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distributions declared for the financial period ended 31 January 2025 were proposed before taking into account the net unrealised loss of RM98,239 arising during the financial period which is carried forward to the next financial period.

All distributions during the current financial period were sourced from realised income. There were no distributions out of capital.

14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	01.08.2024 to 31.01.2025 % p.a.	01.08.2023 to 31.01.2024 % p.a.
Manager's fee	0.50	0.50
Trustee's fee	0.06	0.06
Fund's other expenses	0.14	0.13
Total TER	<u>0.70</u>	<u>0.69</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

14. TOTAL EXPENSE RATIO (“TER”) (CONT’D.)

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 a daily basis.

15. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of Shariah-compliant investments to the average NAV of the Fund calculated on a daily basis, is 0.79 times (01.08.2023 to 31.01.2024: 0.55 times).

16. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund’s Shariah-compliant investments are made in the form of Shariah-compliant fixed income securities and Islamic money market instruments in Malaysia. The Manager is of the opinion that the risk and rewards from these Shariah-compliant investments are not individually or segmentally distinct and hence, the Fund does not have a separately identifiable business or geographical segments.

17. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 31 January 2025 are as follows:

	Transactions value	
	RM	%
RHB Investment Bank Berhad	2,998,694	21.96
Malayan Banking Berhad	2,832,267	20.74
CIMB Bank Berhad	2,652,764	19.42
United Overseas Bank (Malaysia) Bhd.	1,944,348	14.24
CIMB Islamic Bank Berhad	1,911,075	13.99
Hong Leong Bank Berhad	817,574	5.99
AmBank Islamic Berhad*	500,000	3.66
Total	<u>13,656,722</u>	<u>100.00</u>

* A financial institution related to Manager.

The Manager is of the opinion that the above transactions have been entered in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

The above transactions are in respect of fixed income instruments and money market instruments. Transactions in these Shariah-compliant investments do not involve any commission or brokerage fee.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, management risk, non-compliance risk and Shariah non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of Shariah-compliant investments coupled with stringent compliance to Shariah-compliant investment restrictions as stipulated by the Capital Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds, Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and Services, and the Deeds as the backbone of risk management of the Fund.

(a) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

The Fund's market risk is affected primarily by the following risks:

(i) Rate of return risk

Rate of return risk will affect the value of the Fund's Shariah-compliant investments, given the rate of return movements, which are influenced by regional and local economic developments as well as political developments.

Domestic profit rates on Shariah-compliant deposits and placements with licensed financial institutions are determined based on prevailing market rates.

Although Islamic Fund does not deal with profit-bearing accounts and products, the fluctuation of profit rate may affect the performance of an Islamic Fund.

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund can invest up to 100% of its NAV in Islamic money market instruments and Shariah-compliant fixed income instruments. As such the Fund would be exposed to the risk of sukuk issuers and licensed financial institutions defaulting on their repayment obligations which in turn would affect the NAV of the Fund.

For Shariah-compliant deposit with licensed financial institution, the Fund makes placements with licensed financial institutions with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

(c) 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 assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial liabilities or redeem its units earlier than expected. This is also the risk of the Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavorable prices to meet redemption requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, Shariah-compliant deposit with licensed financial institution and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

The Fund's financial liabilities have contractual maturities of not more than six months.

(d) Single issuer risk

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed based on internal/external ratings.

(e) Regulatory risk

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

(f) Management risk

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the NAV of the Fund.

(g) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with the respective internal policies, the Deeds, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

(h) Shariah non-compliance risk

This is the risk of the Fund not conforming to Shariah Investment Guidelines. The Shariah Adviser for the Fund would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah Investment Guidelines. Note that as the Fund can only invest in Shariah-compliant investments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

AmDynamic Sukuk

STATEMENT BY THE MANAGER

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of AmDynamic Sukuk (the “Fund”) as at 31 January 2025 and of the comprehensive income, the changes in net assets attributable to unit holders and cash flows for the financial period then ended.

For and on behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

19 March 2025

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMDYNAMIC SUKUK ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 January 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds 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 the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
19 March 2025

SHARIAH ADVISER'S REPORT FOR ISLAMIC UNIT TRUST FUND

To the unit holders of AmDynamic Sukuk ("Fund"),

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters: and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 19 March 2025

DIRECTORY

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Tel: (03) 2032 2888 Facsimile: (03) 2031 5210
Email: enquiries@aminvest.com

Postal Address AmFunds Management Berhad
P.O Box 13611, 50816 Kuala Lumpur

*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),
Friday (8.45 a.m. to 5.00 p.m.)*

