

Annual Report for

# AmIslamic Income Jadwa

30 June 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

Amlslamic Funds Management Sdn Bhd  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **Board of Directors**

Chee Li Har  
Zainal Abidin Bin Mohd Kassim  
Azian Binti Kassim  
Goh Wee Peng  
Kevin Wong Weng Tuck

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **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

## **CONTENTS**

- 1** Manager's Report
- 6** Independent Auditors' Report to the Unit Holder
- 10** Statement of Financial Position
- 11** Statement of Comprehensive Income
- 12** Statement of Changes in Equity
- 13** Statement of Cash Flows
- 14** Notes to the Financial Statements
- 30** Statement by the Manager
- 31** Trustee's Report
- 32** Shariah Adviser's Report
- 33** Directory

## MANAGER'S REPORT

Dear Unitholder,

We are pleased to present you the Manager's report and the audited accounts of Amlslamic Income Jadwa ("Fund") for the financial year ended 30 June 2024.

### Salient Information of the Fund

<b>Name</b>	Amlslamic Income Jadwa ("Fund")																																					
<b>Category/Type</b>	Wholesale Islamic Fixed Income / Income																																					
<b>Objective</b>	<p>The Fund is a short to medium-term fixed income fund that aims to provide potentially higher returns than the performance benchmark by investing in Shariah-compliant deposits, Shariah-compliant money market instruments and other permitted investments that are Shariah-compliant as provided in the Deed.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>																																					
<b>Duration</b>	<p>The Fund was established on 30 July 2010 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.</p>																																					
<b>Performance Benchmark</b>	<p>Maybank 1-Month GIA Rate ("MBB") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> / <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a>)</p> <p><i>Note: The above benchmark may be changed to reflect any material change to the Fund's asset allocation range as permitted by the prevailing regulations.</i></p>																																					
<b>Income Distribution Policy</b>	Income distribution (if any) will be paid at Manager discretion.																																					
<b>Breakdown of Unit Holdings by Size</b>	<p>For the financial year under review, the size of the Fund stood at 926 units.</p> <table border="1"> <thead> <tr> <th rowspan="2">Size of holding</th> <th colspan="2">As at 30 June 2024</th> <th colspan="2">As at 30 June 2023</th> </tr> <tr> <th>No of units held</th> <th>Number of unitholder</th> <th>No of units held</th> <th>Number of unitholder</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td>926</td> <td>1</td> <td>926</td> <td>1</td> </tr> <tr> <td>5,001-10,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>10,001-50,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>50,001-500,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>500,001 and above</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>				Size of holding	As at 30 June 2024		As at 30 June 2023		No of units held	Number of unitholder	No of units held	Number of unitholder	5,000 and below	926	1	926	1	5,001-10,000	-	-	-	-	10,001-50,000	-	-	-	-	50,001-500,000	-	-	-	-	500,001 and above	-	-	-	-
Size of holding	As at 30 June 2024		As at 30 June 2023																																			
	No of units held	Number of unitholder	No of units held	Number of unitholder																																		
5,000 and below	926	1	926	1																																		
5,001-10,000	-	-	-	-																																		
10,001-50,000	-	-	-	-																																		
50,001-500,000	-	-	-	-																																		
500,001 and above	-	-	-	-																																		

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 30 June are as follows:			
		<b>As at 30 June</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
		<b>%</b>	<b>%</b>	<b>%</b>
	Government Investment Issues	-	-	44.94
	Money market deposits and cash equivalents	100.00	100.00	55.06
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
<b>Performance Details</b>	Performance details of the Fund for the financial years ended 30 June are as follows:			
		<b>FYE 2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>
	Net asset value (RM)	996	996	202,585,714
	Units in circulation	926	926	188,354,412
	Net asset value per unit (RM)	1.0759	1.0759	1.0756
	Highest net asset value per unit (RM)	1.0759	1.0801	1.0873
	Lowest net asset value per unit (RM)	1.0759	1.0759	1.0722
	Benchmark performance (%)	2.05	1.86	1.04
	Total return (%) <sup>(1)</sup>	0.00	0.03	1.23
	- Capital growth (%)	0.00	0.03	-0.90
	- Income distributions (%)	-	-	2.13
	Gross distributions (sen per unit)	-	-	2.31
	Net distributions (sen per unit)	-	-	2.31
	Total expense ratio (%) <sup>(2)</sup>	6.93	0.17	0.15
	Portfolio turnover ratio (times) <sup>(3)</sup>	-	3.54	0.50
	<i>Note:</i>			
	(1) Total return is the actual return of the Fund for the respective financial 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. The TER increased by 6.76% as compared to 0.17% per annum for the financial year ended 30 June 2023 mainly due to decrease in average fund size.			
	(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.			
	<b>Average Total Return (as at 30 June 2024)</b>			
		<b>Amlslamic Income Jadwa<sup>(a)</sup></b>	<b>MBB<sup>(b)</sup></b>	
		<b>%</b>	<b>%</b>	
	One year	0.00	2.05	
	Three years	0.42	1.65	
	Five years	1.37	1.59	
	Ten years	2.55	2.40	

**Annual Total Return**

Financial Years Ended (30 June)	Amlslamic Income Jadwa <sup>(a)</sup> %	MBB <sup>(b)</sup> %
2024	0.00	2.05
2023	0.03	1.86
2022	1.23	1.04
2021	2.08	1.00
2020	3.56	1.98

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

(b) Maybank 1-Month GIA Rate (“MBB”).

(Available at [www.aminvest.com](http://www.aminvest.com) / [www.maybank2u.com.my](http://www.maybank2u.com.my))

The Fund performance is calculated based on the 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.

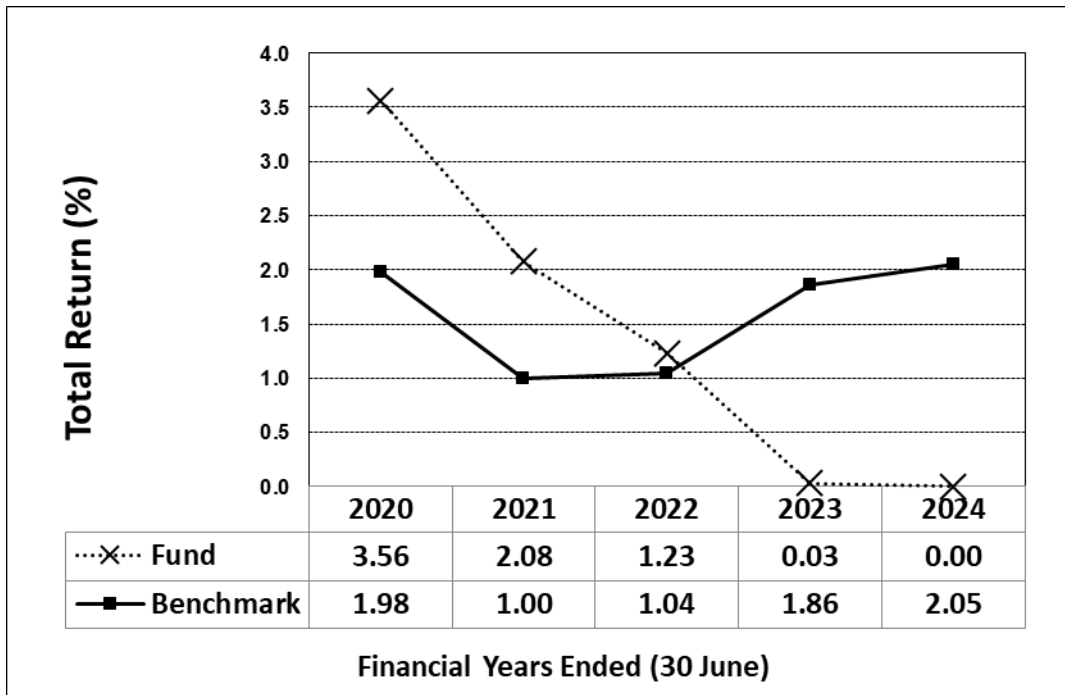
**Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.**

**Fund Performance**

For the financial year under review, the Fund’s return is nil as compared to the benchmark’s return of 2.05%.

As compared with the financial year ended 30 June 2023, the net asset value (NAV) per unit of the Fund is maintained at RM1.0759, while units in circulation remain unchanged at 926 units.

The following line chart shows comparison between the annual performances of Amlslamic Income Jadwa and its benchmark, MBB, for the financial years ended 30 June.



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

<b>Has the Fund achieved its objective?</b>	The Fund did not provide higher returns than the performance benchmark, Maybank 1-month GIA Rate. The underperformance from the benchmark was due to fee expenses and small fund size following full withdrawal by clients.												
<b>Strategies and Policies Employed</b>	The Fund remained inactive following full redemption by investors.												
<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 30 June 2024 and 30 June 2023.</p> <table border="1"> <thead> <tr> <th></th> <th><b>As at 30.06.2024 %</b></th> <th><b>As at 30.06.2023 %</b></th> <th><b>Changes %</b></th> </tr> </thead> <tbody> <tr> <td>Money market deposits and cash equivalents</td> <td>100.00</td> <td>100.00</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> <td><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>As at 30 June 2024, the Fund remains inactive (without investment activity) and has invested 100% of its NAV in money market deposits and cash equivalents.</p>		<b>As at 30.06.2024 %</b>	<b>As at 30.06.2023 %</b>	<b>Changes %</b>	Money market deposits and cash equivalents	100.00	100.00	-	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	<b>As at 30.06.2024 %</b>	<b>As at 30.06.2023 %</b>	<b>Changes %</b>										
Money market deposits and cash equivalents	100.00	100.00	-										
<b>Total</b>	<b>100.00</b>	<b>100.00</b>											
<b>Cross Trades</b>	There were no cross trades undertaken during the financial year under review.												
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial year under review.												
<b>State of Affairs</b>	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.												
<b>Rebates and Soft Commission</b>	During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.												
<b>Market Review</b>	<p>In June 2023, the Malaysia bond market underperformed tracking the bearish sentiment in United States Treasuries (UST) amid hawkish guidance by United States (US) Federal Reserve (Fed) in its forecast of terminal Federal Funds Rate. Malaysia bond market endured a volatile month in July, largely mirroring the movement in the UST amid 25 basis points (bps) rate hike by the US Fed. In August 2023, Malaysian bond market remained subdued as Malaysian Ringgit (MYR) weakness deterred foreign inflows. Domestic yields also took their cues from US rates where better-than-expected employment and resilient US economic growth numbers pushed yield higher. In September, Malaysia government bond saw yields rose further across the curve in tandem with the sell-off in the UST with much of the movement was due to the more hawkish guidance from the US Fed.</p> <p>Malaysia's bond market sentiments took a hit in October 2023, amid the backdrop of (1) a global bond market rout as both 10-year and 30-year UST touched the 5.00% psychological level and (2) concerns over Malaysian government bond supply. The local bond market improved in November on signs of weakening of US economic data and the unwinding of stretched bond bearish positions. The 10-year Malaysian Government Securities (MGS) yield fell 28bps to 3.82% in November 2023, fully recovering the losses in October. Malaysia bond market rally extended in December 2023 albeit at a lower magnitude as global rates continue to decline.</p>												

	<p>Malaysia bond market started 2024 with a sell-off amid profit taking activities and cautious move ahead of US non-farm payroll data announcement. Local bond market traded weaker in early February as risk-off sentiment emerged in global rate after strong US jobs data and higher than expected US inflation prints forced US Fed to push back on dovish market expectations. Malaysian bond market was trading in a tight range of 4-9bps in March 2024.</p> <p>In April 2024, Malaysian bond market underperformed tracking the sell-off in UST as sticky inflation and a resilient labor market have given more reasons for US Fed to stand pat on key rates. Apart from that, thin market liquidity and rising geopolitical risk in the Middle East also dented local bond market sentiment. In May 2024, Malaysian bond market strengthened driven primarily by lower-than-expected US Job data released at the beginning of the month and dovish tone from the US Fed in its post - Federal Open Market Committee (FOMC) meeting speech. Bank Negara Malaysia (BNM) also maintained the Overnight Policy Rate (OPR) at 3.00% during policy meeting with a neutral monetary stance. Overall, the MGS curve bull-flattened in May 2024 with yields declined by 2-12bps on a month-on-month (MoM) basis. In June 2024, Malaysian bond market further strengthened driven by similar movement in the UST as the US economic data showed some signs of moderating inflation. Both US headline and core Personal Consumption Expenditure (PCE) cooled to 2.6% on a year-on-year basis, the lowest level in more than three years. The MGS curve experienced a bull steepening in June 2024, with yields declining by 1 to 6bps on a MoM basis, led by the 3-year and 7-year.</p>
<p><b>Market Outlook</b></p>	<p>With the US Fed poised to cut rates as soon as September 2024, we expect further fund flows from offshore investors to intensify in the coming months. This would provide the catalyst for the market to rally further, especially on the government bonds market. Market liquidity is expected to remain ample with strong demands on bonds on an extended pause on the OPR by BNM.</p> <p>We continue to be overweight on portfolio duration versus the benchmark. For security selection, we prefer corporate bonds for more yield pickup.</p>

Kuala Lumpur, Malaysia  
Amlslamic Funds Management Sdn Bhd

20 August 2024



## **Independent auditors' report to the unit holder of Amlslamic Income Jadwa**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Amlslamic Income Jadwa (the "Fund"), which comprise the statement of financial position as at 30 June 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 10 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Information other than the financial statements and auditors' report thereon*

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

**Independent auditors' report to the unit holder of  
Amlslamic Income Jadwa (cont'd.)**

*Information other than the financial statements and auditors' report thereon (cont'd.)*

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

*Responsibilities of the Manager and the Trustee for the financial statements*

The Manager is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditors' report to the unit holder of  
Amlslamic Income Jadwa (cont'd.)**

*Auditors' responsibilities for the audit of the financial statements (cont'd.)*

As part of an audit in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holder of  
Amlslamic Income Jadwa (cont'd.)**

**Other matters**

This report is made solely to the unit holder of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Ng Sue Ean  
No. 03276/07/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
20 August 2024

**Amlslamic Income Jadwa**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Amount due from Manager		-	31
Cash at banks		1,069	5,186
<b>TOTAL ASSETS</b>		<u>1,069</u>	<u>5,217</u>
<b>LIABILITY</b>			
Sundry payables and accruals		73	4,221
<b>TOTAL LIABILITY</b>		<u>73</u>	<u>4,221</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<u>996</u>	<u>996</u>
<b>EQUITY</b>			
Unit holder’s capital	9(a)	1,498,876	1,498,876
Accumulated losses	9(b)(c)	(1,497,880)	(1,497,880)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDER</b>	9	<u>996</u>	<u>996</u>
<b>UNITS IN CIRCULATION</b>	9(a)	<u>926</u>	<u>926</u>
<b>NAV PER UNIT (RM)</b>		<u>1.0759</u>	<u>1.0759</u>

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

## Amlslamic Income Jadwa

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 RM	2023 RM
<b>SHARIAH-COMPLIANT INVESTMENT INCOME</b>			
Profit income		69	317,223
Net gain from Shariah-compliant investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	-	98,821
		<u>69</u>	<u>416,044</u>
<b>EXPENDITURE</b>			
Manager’s fee	4	-	(16,690)
Trustee’s fee	5	-	(2,544)
Audit fee	6	-	(658)
Tax agent’s fee	7	-	(542)
Other expenses		(69)	(1,644)
		<u>(69)</u>	<u>(22,078)</u>
<b>Net income before taxation</b>		-	393,966
<b>Taxation</b>	11	-	-
<b>Net income after taxation, representing total comprehensive income for the financial year</b>		<u>-</u>	<u>393,966</u>
Total comprehensive income comprises the following:			
Realised loss		-	(1,019,793)
Unrealised gain		-	1,413,759
		<u>-</u>	<u>393,966</u>

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

## Amlslamic Income Jadwa

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Unit holder's capital RM	Accumulated losses RM	Total equity RM
At 1 July 2023		1,498,876	(1,497,880)	996
Balance at 30 June 2024		<u>1,498,876</u>	<u>(1,497,880)</u>	<u>996</u>
At 1 July 2022		204,477,560	(1,891,846)	202,585,714
Total comprehensive income for the financial year		-	393,966	393,966
Creation of units	9(a)	3,800,000	-	3,800,000
Cancellation of units	9(a)	(206,778,684)	-	(206,778,684)
Balance at 30 June 2023		<u>1,498,876</u>	<u>(1,497,880)</u>	<u>996</u>

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

## Amlslamic Income Jadwa

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from maturity of Shariah-compliant investment	-	90,430,000
Profit received	69	1,052,160
Manager's fee paid	-	(45,550)
Trustee's fee paid	-	(5,629)
Tax agent's fee paid	-	(3,843)
Payments for other expenses	(4,186)	(2,111)
Net cash (used in)/generated from operating and investing activities	<u>(4,117)</u>	<u>91,425,027</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	-	3,800,000
Payments for cancellation of units	-	(206,778,684)
Net cash used in financing activities	<u>-</u>	<u>(202,978,684)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,117)</b>	<b>(111,553,657)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b><u>5,186</u></b>	<b><u>111,558,843</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b><u>1,069</u></b>	<b><u>5,186</u></b>
Cash and cash equivalents comprise:		
Cash at banks	<u>1,069</u>	<u>5,186</u>



## Amlslamic Income Jadwa

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

#### 1. GENERAL INFORMATION

Amlslamic Income Jadwa (the “Fund”) was established pursuant to a Deed dated 22 July 2010 as amended by Deeds supplemental thereto (the “Deeds”) between Amlslamic Funds Management Sdn. Bhd. as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holder.

The Fund is a short to medium-term fixed income fund that aims to provide potentially higher returns than the performance benchmark by investing in Shariah-compliant deposits, Islamic money market instruments and other permitted investments that are Shariah-compliant. As provided in the Deeds, the financial year shall end on 30 June and the units in the Fund were first offered for sale on 30 July 2010.

The financial statements were authorised for issue by the Manager on 20 August 2024.

#### 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 (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

##### Standards effective during the financial year

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

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting</i> <i>Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to</i> <i>Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform -</i> <i>Pillar Two Model Rules</i>	1 January 2023

## Amlslamic Income Jadwa

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

#### 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 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
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
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.

###### (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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**3.1 Income recognition (cont'd.)**

(i) Profit income (cont'd.)

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 return used to discount the future cash flows for the purpose of measuring the impairment loss.

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

On disposal of Shariah-compliant investment, 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 investment. 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.

**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 investment that is readily convertible to cash with insignificant risk of changes in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**3.5 Distribution**

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holder is accounted for as a deduction from retained earnings and realised income. Realised income is the income earned from profit income and net gain on disposal of Shariah-compliant investment after deducting expenses 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 holder 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 holder's capital**

The unit holder's capital of the Fund meets the definition of puttable instruments and is classified as equity instruments under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

**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.

(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 asset. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**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.

*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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**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:

*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.

*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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**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 holder. 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**3.12 Determination of fair value**

For Shariah-compliant investment 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.

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 investment as financial assets at FVTPL as the Fund may sell its Shariah-compliant investment in the short-term for profit-taking or to meet unit holder's 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 year.



## Amlslamic Income Jadwa

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

#### 4. AMOUNT DUE TO MANAGER

Manager's fee is at a rate of 0.10% to 0.14% (2023: 0.10% to 0.14%) per annum on the NAV of the Fund, calculated on daily basis. However, there is no Manager's fee for the current financial year.

#### 5. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.018% (2023: 0.018%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum. However, there is no Trustee's fee for the current financial year.

#### 6. AUDIT FEE

The audit fee amounting to RM4,000 (2023: partially borne) is fully borne by the Manager in the current financial year.

#### 7. TAX AGENT'S FEE

The tax agent's fee amounting to RM3,300 (2023: partially borne) is fully borne by the Manager in the current financial year.

#### 8. NET GAIN FROM SHARIAH-COMPLIANT INVESTMENT

	2024 RM	2023 RM
Net gain on financial asset at FVTPL comprised:		
– Net realised loss on sale of Shariah-compliant investment	-	(1,314,938)
– Net unrealised gain on changes in fair value of Shariah-compliant investment	-	1,413,759
	<u>-</u>	<u>98,821</u>

#### 9. TOTAL EQUITY

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holder's capital	(a)	1,498,876	1,498,876
Accumulated losses			
– Realised losses	(b)	<u>(1,497,880)</u>	<u>(1,497,880)</u>
		<u>996</u>	<u>996</u>

## Amlslamic Income Jadwa

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

#### 9. TOTAL EQUITY (CONT'D.)

##### (a) Unit holder's capital/Units in circulation

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	926	1,498,876	188,354,412	204,477,560
Creation during the financial year	-	-	3,524,066	3,800,000
Cancellation during the financial year	-	-	(191,877,552)	(206,778,684)
At end of the financial year	<u>926</u>	<u>1,498,876</u>	<u>926</u>	<u>1,498,876</u>

##### (b) Realised

	2024 RM	2023 RM
At beginning of the financial year	(1,497,880)	(478,087)
Net realised loss for the financial year	-	(1,019,793)
At end of the financial year	<u>(1,497,880)</u>	<u>(1,497,880)</u>

##### (c) Unrealised – non-distributable

	2024 RM	2023 RM
At beginning of the financial year	-	(1,413,759)
Net unrealised gain for the financial year	-	1,413,759
At end of the financial year	<u>-</u>	<u>-</u>

#### 10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

##### Related parties

Amlslamic Funds Management Sdn. Bhd.  
AmInvestment Bank Berhad  
AMMB Holdings Berhad ("AMMB")  
Subsidiaries and associates of AMMB as disclosed in its financial statements

##### Relationships

The Manager  
Holding company of the Manager  
Ultimate holding company of the Manager  
Subsidiaries and associate companies of the ultimate holding company of the Manager

**AmIslamic Income Jadwa**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONT'D.)**

	<b>2024</b>	<b>RM</b>	<b>2023</b>	<b>RM</b>
	<b>Number of units</b>		<b>Number of units</b>	
The Manager*	926	996	926	996

\* The Manager is the legal and beneficial owner of the units.

There are no units held by any other related party as at 30 June 2024 and 30 June 2023.

Other than those disclosed elsewhere in the financial statements, the significant related party balance as at the reporting date is as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Significant related party balance</b>		
<u>AmBank Islamic Berhad</u>		
Cash at banks	557	1,217

**11. TAXATION**

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 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:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	-	393,966
Taxation at Malaysian statutory rate of 24% (2023: 24%)	-	94,552
Tax effects of:		
Income not subject to tax	(17)	(415,436)
Loss not deductible for tax purposes	-	315,585
Restriction on tax deductible expenses for unit trust fund	17	3,782
Non-permitted expenses for tax purposes	-	1,096
Permitted expenses not used and not available for future financial years	-	421
Tax expense for the financial year	-	-

## Amlslamic Income Jadwa

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

#### 12. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager’s fee	-	0.13
Trustee’s fee	-	0.02
Fund’s other expenses	6.93	0.02
Total TER	<u>6.93</u>	<u>0.17</u>

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.

#### 13. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of Shariah-compliant investment to the average NAV of the Fund calculated on a daily basis, is nil (2023: 3.54 times).

#### 14. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund’s Shariah-compliant investment 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 this Shariah-compliant investment are not individually or segmentally distinct and hence the Fund does not have a separately identifiable business or geographical segments.

#### 15. FINANCIAL INSTRUMENTS

##### (a) Classification of financial instruments

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets of the Fund in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**(a) Classification of financial instruments (cont'd.)**

	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>2024</b>		
<b>Financial asset</b>		
Cash at banks	1,069	1,069
<b>Total financial asset</b>	<u>1,069</u>	<u>1,069</u>
<b>2023</b>		
<b>Financial assets</b>		
Amount due from Manager	31	31
Cash at banks	5,186	5,186
<b>Total financial assets</b>	<u>5,217</u>	<u>5,217</u>
	<b>Income, expenses, gains and losses</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Net gain from financial assets at FVTPL	-	98,821
Income, of which derived from:		
– Profit income from financial assets at FVTPL	-	97,007
– Profit income from financial assets at amortised cost	69	220,216
	<u>69</u>	<u>220,216</u>

**(b) Financial instruments that are carried at fair value**

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

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

The following are classes of financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Amount due from Manager
- Cash at banks

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity 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 investment coupled with stringent compliance to Shariah-compliant investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and Service, 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 investment, 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**(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 its repayment obligations which in turn would affect the NAV of the Fund.

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

**(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. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holder. Liquid assets comprise of cash at banks, Shariah-compliant deposits with licensed financial institutions 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 following table presents the undiscounted contractual cash flows from different financial assets classes in the Fund:

	<b>Contractual cash flows (undiscounted)</b>
	<b>0 – 1</b>
	<b>year</b>
	<b>RM</b>
<b>2024</b>	
<b>Financial asset</b>	
Cash at banks	1,069
<b>Total financial asset</b>	<u>1,069</u>
<b>2023</b>	
<b>Financial assets</b>	
Amount due from Manager	31
Cash at banks	5,186
<b>Total financial assets</b>	<u>5,217</u>

**(d) Regulatory risk**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

**(e) Management risk**

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

**(f) Non-compliance risk**

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

**(g) 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 instruments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

**17. CAPITAL MANAGEMENT**

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in Shariah-compliant investments meeting the description, risk exposure and expected return indicated in its Information Memorandum;
- (b) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- (c) To maintain sufficient fund size to make the operations of the Fund cost-efficient.

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



## **Amlslamic Income Jadwa**

### **STATEMENT BY THE MANAGER**

I, Wong Weng Tuck, being the Director of and on behalf of the Board of Directors of Amlslamic Funds Management Sdn. Bhd. (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 and International Financial Reporting Standards so as to give a true and fair view of the financial position of Amlslamic Income Jadwa (the "Fund") as at 30 June 2024 and of the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

**WONG WENG TUCK**

Executive Director

Kuala Lumpur, Malaysia

20 August 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMISLAMIC INCOME JADWA ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Amlslamic Funds Management Sdn. Bhd. has operated and managed the Fund during the year 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 Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
20 August 2024

## SHARIAH ADVISER'S REPORT FOR ISLAMIC WHOLESALE FUND

To the unit holders of Amlslamic Income Jadwa ("Fund"),

We hereby confirm the following:

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

For Amanie Advisors Sdn Bhd

---

Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 20 August 2024

## DIRECTORY

Head Office

9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan, 50200 Kuala Lumpur  
Tel: (03) 2032 2888 Facsimile: (03) 2031 5210  
Email: enquiries@aminvest.com

Postal Address

The Administrator  
AmFunds Management Berhad  
P.O Box 13611, 50816 Kuala Lumpur

*For enquiries about this or any of the other Funds offered by AmIslamic Funds Management Sdn Bhd  
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.)*

03-2032 2888 | [aminvest.com](http://aminvest.com)

Amlslamic Funds Management Sdn Bhd 200801029135 (830464-T)

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

Email: [enquiries@aminvest.com](mailto:enquiries@aminvest.com)