

Annual Report for

# AmIslamic Institutional 1

31 March 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

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of Amlslamic Institutional 1 ("Fund") for the financial year ended 31 March 2024.

### Salient Information of the Fund

<b>Name</b>	Amlslamic Institutional* 1 ("Fund")  <i>*Institutional refers to the potential Sophisticated Investors of the Fund and not to the nature of the investables.</i>				
<b>Category/ Type</b>	Wholesale Islamic Fixed Income / Growth and to a lesser extent income				
<b>Objective</b>	The Fund is a fixed income fund that aims to outperform the benchmark of Quantshop ALL GII Index by investing mainly in Shariah Compliant fixed income instruments.  <i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>				
<b>Duration</b>	The Fund was established on 27 December 2011 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.				
<b>Performance Benchmark</b>	Quantshop ALL GII Index ("GII") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> )				
<b>Income Distribution Policy</b>	Income (if any) will be declared quarterly.  <i>Note: The income could be in the form of units or cash.</i>  <i>Should there be realized income or gains, there may be income distribution declared.</i>				
<b>Breakdown of Unit Holdings by Size</b>	For the financial year under review, the size of the Fund stood at 122,088,085 units.				
	<b>Size of holding</b>	<b>As at 31 March 2024</b>		<b>As at 31 March 2023</b>	
		<b>No of units held</b>	<b>Number of unitholders</b>	<b>No of units held</b>	<b>Number of unitholders</b>
	5,000 and below	-	-	-	-
	5,001-10,000	-	-	-	-
	10,001-50,000	-	-	-	-
	50,001-500,000	-	-	-	-
	500,001 and above	122,088,085	2	119,604,268	2

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 March are as follows:			
		<b>As at 31 March</b>		
		<b>2024</b> %	<b>2023</b> %	<b>2022</b> %
	Corporate sukuk	83.56	86.16	81.46
	Government Investment Issues	15.80	8.26	4.21
	Money market deposits and cash equivalents	0.64	5.58	14.33
<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 three financial years ended 31 March are as follows:			
		<b>FYE 2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>
	Net asset value (RM)	129,402,777	121,731,166	116,851,984
	Units in circulation	122,088,085	119,604,268	115,657,742
	Net asset value per unit (RM)	1.0599	1.0178	1.0103
	Highest net asset value per unit (RM)	1.0720	1.0287	1.0455
	Lowest net asset value per unit (RM)	1.0181	0.9884	1.0103
	Benchmark performance (%)	4.75	5.12	-0.21
	Total return (%) <sup>(1)</sup>	7.14	4.71	3.02
	- Capital growth (%)	4.16	0.86	-0.31
	- Income distributions (%)	2.98	3.85	3.33
	Gross distributions (sen per unit)	3.03	3.89	3.38
	Net distributions (sen per unit)	3.03	3.89	3.38
	Total expense ratio (%) <sup>(2)</sup>	0.24	0.24	0.24
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.37	0.48	0.37
		<i>Note:</i>		
	<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.</i>			
	<i>(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.</i>			
	<i>(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. The decrease in the PTR for 2024 and increase for 2023 were due mainly to investing activities.</i>			
	<b>Average Total Return (as at 31 March 2024)</b>			
		<b>Amlslamic Institutional 1<sup>(a)</sup></b> %	<b>GII<sup>(b)</sup></b> %	
One year		7.14	4.75	
Three years		4.94	3.19	
Five years		4.98	3.87	
Ten years		5.39	4.27	

**Annual Total Return**

Financial Years Ended (31 March)	Amlslamic Institutional 1 <sup>(a)</sup> %	GII <sup>(b)</sup> %
2024	7.14	4.75
2023	4.71	5.12
2022	3.02	-0.21
2021	2.71	3.32
2020	7.40	6.52

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

(b) Quantshop ALL GII Index (“GII”) (Available at [www.aminvest.com](http://www.aminvest.com))

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.**

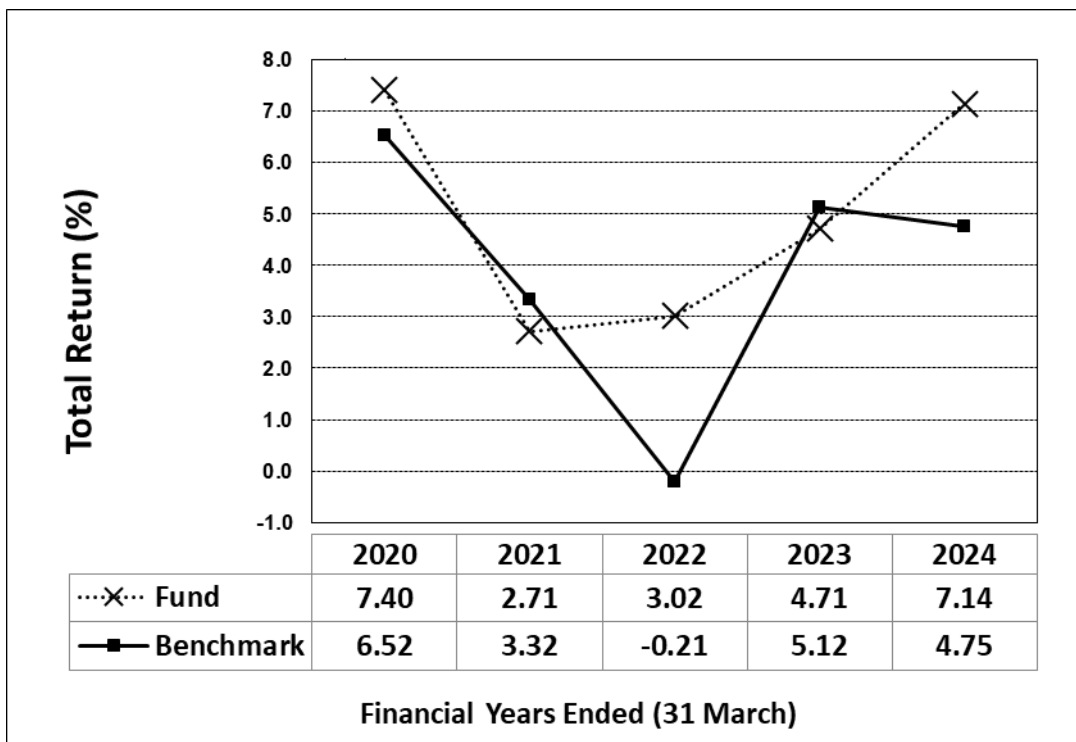
**Fund Performance**

For the financial year under review, the Fund registered a return of 7.14% comprising of 4.16% capital growth and 2.98% income distributions.

Thus, the Fund’s return of 7.14% has outperformed the benchmark’s return of 4.75% by 2.39%.

As compared with the financial year ended 31 March 2023, the net asset value (“NAV”) per unit of the Fund increased by 4.14% from RM1.0178 to RM1.0599, while units in circulation increased by 2.08% from 119,604,268 units to 122,088,085 units.

The line chart following shows comparison between the annual performances of Amlslamic Institutional 1 and its benchmark, GII, for the financial years ended 31 March.



	<b>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>																				
<b>Has the Fund achieved its objective?</b>	The Fund has achieved its objective of outperforming the benchmark by investing in Shariah compliant fixed income securities.																				
<b>Strategies and Policies Employed</b>	For the financial year under review, the Fund remained invested in Sukuk, and within the permitted asset allocation of 40%-100% in Sukuk. The Investment Manager adopted active tactical duration management, yield curve positioning and credit spread arbitrage in buying and selling Sukuk for the Fund. This involves the use of models that analyze and compare expected returns and assumed risk. Under this approach, the Investment Manager will focus on Sukuk that would deliver favorable return given an acceptable level of risk. The Investment Manager may also consider obligations with a more favorable or improving credit or industry outlook that provide the potential for capital appreciation.																				
<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 March 2024 and 31 March 2023.</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31.03.2024 %</th> <th>As at 31.03.2023 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate sukuk</td> <td>83.56</td> <td>86.16</td> <td>-2.60</td> </tr> <tr> <td>Government Investment Issues</td> <td>15.80</td> <td>8.26</td> <td>7.54</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>0.64</td> <td>5.58</td> <td>-4.94</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 31 March 2024, the Fund has 99.36% of its NAV invested in corporate sukuk and Malaysian government bonds with the remaining 0.64% in money market deposits and cash equivalents. Overall sukuk holdings in the portfolio remained high, in line with the Fund prevailing strategy.</p>		As at 31.03.2024 %	As at 31.03.2023 %	Changes %	Corporate sukuk	83.56	86.16	-2.60	Government Investment Issues	15.80	8.26	7.54	Money market deposits and cash equivalents	0.64	5.58	-4.94	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	As at 31.03.2024 %	As at 31.03.2023 %	Changes %																		
Corporate sukuk	83.56	86.16	-2.60																		
Government Investment Issues	15.80	8.26	7.54																		
Money market deposits and cash equivalents	0.64	5.58	-4.94																		
<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>	<p>During the financial year under review, the Fund declared income distributions, detailed as follows:</p> <table border="1"> <thead> <tr> <th>Date of distributions</th> <th>Distributions per unit RM (sen)</th> <th>NAV per unit Cum-Distributions (RM)</th> <th>NAV per unit Ex-Distributions (RM)</th> </tr> </thead> <tbody> <tr> <td>29-Sep-23</td> <td>0.88</td> <td>1.0498</td> <td>1.0410</td> </tr> <tr> <td>29-Dec-23</td> <td>0.91</td> <td>1.0616</td> <td>1.0525</td> </tr> <tr> <td>29-Mar-24</td> <td>1.24</td> <td>1.0721</td> <td>1.0597</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p>	Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)	29-Sep-23	0.88	1.0498	1.0410	29-Dec-23	0.91	1.0616	1.0525	29-Mar-24	1.24	1.0721	1.0597				
Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)																		
29-Sep-23	0.88	1.0498	1.0410																		
29-Dec-23	0.91	1.0616	1.0525																		
29-Mar-24	1.24	1.0721	1.0597																		
<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>Malaysian bond market caught on to slowing United States (US) economy narrative in April 2023. A surge in demand and duration positioning helped to allay concerns of growing long-end supply. In May, local bond market's reaction was relatively muted in reaction to a surprise 25 bps hike by Bank Negara Malaysia (BNM) on 3 May, to raise overnight policy rate (OPR) to its pre-pandemic level of 3.0%. However, as May progress, Malaysia Government Securities (MGS) yield curve was overall traded higher following Federal Open Market Committee (FOMC) May minutes suggested another possible rate hike in June. In June 2023, MGS yield curve bear-flattened with long-end of the curve relatively unchanged, mirroring movement of US Treasuries (UST) following US Federal Reserve (Feds) hawkish guidance in its forecast of terminal Federal Funds Rate despite a no-hike decision during the June FOMC meeting.</p> <p>Malaysia bond market endured a volatile month in July, largely mirroring the movement in the UST amid 25bps rate hike by the US Fed on 26th July. While in August, Malaysian bond market was subdued in as MYR weakness deterred foreign inflows. Domestic yields also took their cues from US rates where better-than-expected employment and resilient GDP growth numbers pushed yield higher. In September, MGS 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 FOMC - despite a no-hike decision in September FOMC meeting.</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 tracking UST curve's bull-flattening move driven by below-consensus economic data and the unwinding of stretched bond bearish positions. The 10-year MGS yield fell 28 bps to 3.82% in November 2023, fully recovering the losses in October 2023. Malaysia bond market rally extended in December 2023 albeit at a lower magnitude as global rates continue to decline. The improved local bond sentiment was also seen in the sovereign bond auctions, as the re-openings of the 5-year and 10-year MGS auction both drew impressive bid-to-cover ratios of 2.74x and 2.21x, respectively.</p> <p>Malaysia bond market started the year 2024 with a sell-off amid profit taking activities and cautious move ahead of US non-farm payroll data announcement. Local market sentiment turned better in the last week of January, tracking UST movements amid lower US Personal Consumption Expenditures readings. 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. Some buying interest returned to ringgit bonds towards the end of February as US rates began to show some signs of stabilization. Malaysian bond market was trading in a tight range of 4-9bps in March 2024. The widely expected pause in BNM policy rate on 7 March 2024 had little impact to the bond market. However, sentiment was later lifted by a relief rally in the US post- FOMC meeting on 21 March 2024. Overall, MGS yield curve remained largely unchanged in March.</p>
<b>Market Outlook</b>	<p>After an encouraging start in the first quarter of 2024, the rally in the bond market appears to have slowed. With bond yield spreads having compressed and the curve bullish flattened, valuations appear to be rich currently although liquidity has not dissipated on continued demand from local investors.</p> <p>We adopt a more cautious view in the 2nd quarter ahead, paying closer attention to economic data emanating from both the domestic economy and the US with growing concerns that the US Fed may not start cutting rates as anticipated given the still-elevated inflation and strong labour market in the US. The good news is that recent volatility in the US market has not significantly affected the sentiment in</p>



	the Malaysian bond market amid strong institutional demand. We expect BNM to remain on hold with the OPR at 3.0% while inflation continues to stay below the policy rate of 3.0%.
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Kuala Lumpur, Malaysia  
AmIslamic Funds Management Sdn Bhd

24 May 2024

## **Independent auditors' report to the unit holders of Amlslamic Institutional 1**

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

#### *Opinion*

We have audited the financial statements of Amlslamic Institutional 1 (the "Fund"), which comprise the statement of financial position as at 31 March 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 11 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 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 holders of  
Amlslamic Institutional 1 (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 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 holders of  
Amlslamic Institutional 1 (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 holders of  
Amlslamic Institutional 1 (cont'd.)**

**Other matters**

This report is made solely to the unit holders 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. 03276/07/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
24 May 2024

## Amlslamic Institutional 1

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Shariah-compliant investments	4	128,577,325	114,942,587
Shariah-compliant deposit with a licensed financial institution	5	2,149,512	8,161,604
Profit receivables		212,250	-
Cash at bank		10,480	11,131
<b>TOTAL ASSETS</b>		<u>130,949,567</u>	<u>123,115,322</u>
<b>LIABILITIES</b>			
Amount due to Manager	6	21,177	21,161
Amount due to Trustee	7	4,421	4,167
Distribution payable		1,513,892	1,351,528
Sundry payables and accruals		7,300	7,300
<b>TOTAL LIABILITIES</b>		<u>1,546,790</u>	<u>1,384,156</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<u>129,402,777</u>	<u>121,731,166</u>
<b>EQUITY</b>			
Unit holders’ capital	9(a)	124,156,443	121,584,418
Retained earnings	9(b)(c)	<u>5,246,334</u>	<u>146,748</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<u>129,402,777</u>	<u>121,731,166</u>
<b>UNITS IN CIRCULATION</b>	9(a)	<u>122,088,085</u>	<u>119,604,268</u>
<b>NAV PER UNIT (RM)</b>		<u>1.0599</u>	<u>1.0178</u>

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

## Amlslamic Institutional 1

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 RM	2023 RM
<b>SHARIAH-COMPLIANT INVESTMENT INCOME</b>			
Profit income		5,498,444	5,117,698
Net gains from Shariah-compliant investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	<u>3,578,656</u>	<u>699,216</u>
		<u>9,077,100</u>	<u>5,816,914</u>
<b>EXPENDITURE</b>			
Manager’s fee	6	(228,050)	(213,930)
Trustee’s fee	7	(50,678)	(47,540)
Audit fee		(4,000)	(4,000)
Tax agent’s fee		(3,300)	(3,300)
Other expenses		<u>(12,550)</u>	<u>(12,235)</u>
		<u>(298,578)</u>	<u>(281,005)</u>
<b>Net income before taxation</b>		8,778,522	5,535,909
<b>Taxation</b>	11	<u>-</u>	<u>-</u>
<b>Net income after taxation, representing total comprehensive income for the financial year</b>		<u>8,778,522</u>	<u>5,535,909</u>
Total comprehensive income comprises the following:			
Realised income		5,250,797	4,621,936
Unrealised gains		<u>3,527,725</u>	<u>913,973</u>
		<u>8,778,522</u>	<u>5,535,909</u>
<b>Distributions for the financial year</b>			
Net distributions	12	<u>3,678,936</u>	<u>4,601,519</u>
Gross distributions per unit (sen)	12	<u>3.03</u>	<u>3.89</u>
Net distributions per unit (sen)	12	<u>3.03</u>	<u>3.89</u>

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

## Amlslamic Institutional 1

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Unit holders' capital RM	Retained earnings/ (Accumulated losses) RM	Total equity RM
At 1 April 2023		121,584,418	146,748	121,731,166
Total comprehensive income for the financial year		-	8,778,522	8,778,522
Reinvestment of distributions	9(a)	2,572,025	-	2,572,025
Distributions	12	-	(3,678,936)	(3,678,936)
Balance at 31 March 2024		<u>124,156,443</u>	<u>5,246,334</u>	<u>129,402,777</u>
At 1 April 2022		117,639,626	(787,642)	116,851,984
Total comprehensive income for the financial year		-	5,535,909	5,535,909
Reinvestment of distributions	9(a)	3,944,792	-	3,944,792
Distributions	12	-	(4,601,519)	(4,601,519)
Balance at 31 March 2023		<u>121,584,418</u>	<u>146,748</u>	<u>121,731,166</u>

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



## Amlslamic Institutional 1

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		41,646,750	49,516,390
Purchases of Shariah-compliant investments		(52,026,550)	(63,832,610)
Profit received		5,609,912	5,297,047
Manager's fee paid		(228,034)	(213,209)
Trustee's fee paid		(50,424)	(47,396)
Tax agent's fee paid		(3,300)	(3,300)
Payments for other expenses		(16,550)	(16,235)
Net cash used in operating and investing activities		<u>(5,068,196)</u>	<u>(9,299,313)</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>			
Distributions paid		<u>(944,547)</u>	<u>(346,119)</u>
Net cash used in financing activity		<u>(944,547)</u>	<u>(346,119)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(6,012,743)	(9,645,432)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		<u>8,172,735</u>	<u>17,818,167</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
		<u>2,159,992</u>	<u>8,172,735</u>
Cash and cash equivalents comprise:			
Shariah-compliant deposit with a licensed financial institution	5	2,149,512	8,161,604
Cash at bank		<u>10,480</u>	<u>11,131</u>
		<u>2,159,992</u>	<u>8,172,735</u>

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

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 1. GENERAL INFORMATION

Amlslamic Institutional 1 (the “Fund”) was established pursuant to a Deed dated 23 December 2011 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 holders.

The Fund is a fixed income fund that aims to outperform the benchmark of RAM Quantshop ALL GII Index by investing mainly in Shariah-compliant fixed income instruments. As provided in the Deeds, the financial year shall end on 31 March and the units in the Fund were first offered for sale on 27 December 2011.

The financial statements were authorised for issue by the Manager on 24 May 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.

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17* Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023 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 Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

Standards issued but not yet effective

The amendments to 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.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
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 and MFRS 7 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 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* These 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

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

(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.

**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 is at the discretion of the Manager. A distribution to the Fund's unit holders 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 investments 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 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' capital**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**3.7 Financial assets – 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.

**3.8 Financial assets – classification and subsequent measurement**

The classification and subsequent measurement of debt instruments held by the Fund are determined based on their business model and cash flow characteristics.

*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 YEAR ENDED 31 MARCH 2024**

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

**3.8 Financial assets – classification and subsequent 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.

**3.9 Financial assets under MFRS 9**

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.

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 date 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 asset. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**3.9 Financial assets under MFRS 9 (cont'd.)**

Classification and measurement (cont'd.)

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

*Financial assets at FVOCI (cont'd.)*

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.

**3.10 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.

**3.11 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 right to receive cash flows from the asset have expired or

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**3.11 Derecognition of financial instruments (cont'd.)**

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

- 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.

**3.12 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.

**3.13 Determination of fair value**

For Shariah-compliant investments in 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**3.14 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.

**3.15 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 year.

**4. SHARIAH-COMPLIANT INVESTMENTS**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL</b>		
At nominal value:		
Corporate sukuk	100,900,000	100,500,000
Government Investment Issue	20,000,000	10,000,000
	<u>120,900,000</u>	<u>110,500,000</u>
At fair value:		
Corporate sukuk	108,136,064	104,882,045
Government Investment Issue	20,441,261	10,060,542
	<u>128,577,325</u>	<u>114,942,587</u>

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

Details of Shariah-compliant investments as at 31 March 2024 are as follows:

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Corporate sukuk</b>						
27.02.2025	TG Excellence Berhad	A	5,000,000	4,967,897	5,054,918	3.84
16.03.2027	Tanjung Bin Energy Sdn. Bhd.	AA	1,000,000	1,023,966	1,012,678	0.79
27.09.2027	IJM Land Berhad	A	1,500,000	1,491,491	1,502,882	1.15
11.10.2027	Gamuda Land (T12) Sdn. Bhd.	AA	5,000,000	5,156,484	5,099,534	3.98
12.11.2027	MMC Corporation Berhad	AA	2,400,000	2,612,277	2,477,828	2.02
17.03.2028	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	5,000,000	5,023,667	5,041,673	3.88
20.04.2028	UMW Holdings Berhad	AA	1,000,000	1,100,322	1,028,531	0.85
12.01.2029	Projek Lebuhraya Usahasama Berhad	AAA	5,000,000	5,301,006	5,288,783	4.10
30.04.2029	Southern Power Generation Sdn. Bhd.	AA	2,000,000	2,137,532	2,042,672	1.65
29.06.2029	PONSB Capital Berhad	AA	10,000,000	10,715,251	10,161,350	8.28
04.10.2029	Johor Port Berhad	AA	5,000,000	5,416,185	5,130,685	4.19

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

Details of Shariah-compliant investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Corporate sukuk (cont'd.)</b>						
09.11.2029	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	5,000,000	5,449,945	5,111,137	4.21
04.12.2030	Jimah East Power Sdn. Bhd.	AA	2,000,000	2,207,970	2,126,717	1.71
27.03.2031	CIMB Islamic Bank Berhad	AAA	5,000,000	5,002,710	5,002,760	3.87
15.09.2031	Tanjung Bin Energy Sdn. Bhd.	AA	1,500,000	1,584,148	1,601,982	1.22
04.12.2031	Jimah East Power Sdn. Bhd.	AA	200,000	227,605	217,881	0.18
04.06.2032	Jimah East Power Sdn. Bhd.	AA	500,000	571,742	532,601	0.44
13.10.2032	Amanat Lebuhraya Rakyat Berhad	AAA	1,800,000	2,003,074	1,902,975	1.55
22.02.2033	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	5,000,000	5,258,992	5,042,836	4.06
23.08.2034	Lebuhraya DUKE Fasa 3 Sdn. Bhd.	AA	1,500,000	1,637,587	1,595,167	1.26
06.10.2037	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	5,000,000	5,507,472	5,176,488	4.26

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

Details of Shariah-compliant investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Corporate sukuk (cont'd.)</b>						
06.07.2038	Johor Corporation	AAA	5,000,000	5,420,033	5,292,967	4.19
24.08.2038	YTL Power International Berhad	AA	5,000,000	5,340,476	5,149,132	4.13
25.08.2038	The Public Sector Home Financing Board	NR*	5,000,000	5,270,584	5,238,226	4.07
26.10.2038	SMJ Sdn. Bhd.	AAA	5,000,000	5,382,477	5,101,077	4.16
23.08.2039	Lebuhraya DUKE Fasa 3 Sdn. Bhd.	AA	5,500,000	6,242,798	5,644,427	4.82
28.06.2047	Tenaga Nasional Berhad	AAA	5,000,000	6,082,373	5,322,745	4.70
<b>Total corporate sukuk</b>			<b>100,900,000</b>	<b>108,136,064</b>	<b>103,900,652</b>	<b>83.56</b>
<b>Government Investment Issue</b>						
30.09.2030	Government of Malaysia	NR*	10,000,000	10,285,160	10,259,994	7.95
15.10.2030	Government of Malaysia	NR*	5,000,000	4,995,898	5,129,313	3.86
14.08.2043	Government of Malaysia	NR*	5,000,000	5,160,203	5,141,933	3.99
<b>Total Government Investment Issue</b>			<b>20,000,000</b>	<b>20,441,261</b>	<b>20,531,240</b>	<b>15.80</b>
<b>Total financial assets at FVTPL</b>			<b>120,900,000</b>	<b>128,577,325</b>	<b>124,431,892</b>	<b>99.36</b>
<b>Excess of fair value over adjusted cost</b>				<b>4,145,433</b>		

\* Non-rated

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

The weighted average effective yield on unquoted Shariah-compliant investments are as follows:

	Effective yield	
	2024	2023
	%	%
Corporate sukuk	4.23	4.67
Government Investment Issue	3.84	3.89

Analysis of the remaining maturity of Shariah-compliant investments as at 31 March 2024 and 31 March 2023 are as follows:

	Less than 1 year RM	1 year to 5 years RM	More than 5 years RM
<b>2024</b>			
At nominal value:			
Corporate sukuk	5,000,000	20,900,000	75,000,000
Government Investment Issue	-	-	20,000,000
<b>2023</b>			
At nominal value:			
Corporate sukuk			
Government Investment Issue	-	24,000,000	76,500,000
	-	-	10,000,000

#### 5. SHARIAH-COMPLIANT DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2024	2023
	RM	RM
At nominal value:		
Short-term deposit	2,149,000	8,161,000
At carrying value:		
Short-term deposit	2,149,512	8,161,604

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 5. SHARIAH-COMPLIANT DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION (CONT'D.)

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

<b>Maturity date</b>	<b>Financial institution</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>2024</b>				
<b>Short-term deposit</b>				
01.04.2024	RHB Islamic Bank Berhad	2,149,000	2,149,512	1.66

The weighted average effective profit rate and weighted average remaining maturities of short-term deposit are as follows:

	<b>Weighted average effective profit rate</b>		<b>Weighted average remaining maturities</b>	
	<b>2024 %</b>	<b>2023 %</b>	<b>2024 Day</b>	<b>2023 Days</b>
Short-term deposit	2.90	2.70	1	3

#### 6. AMOUNT DUE TO MANAGER

	<b>2024 RM</b>	<b>2023 RM</b>
<b>Due to Manager</b>		
Manager's fee payable	21,177	21,161

Manager's fee is at a rate of 0.18% (2023: 0.18%) per annum on the NAV of the Fund, calculated on a daily basis.

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

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (2023: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

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

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 8. NET GAINS FROM SHARIAH-COMPLIANT INVESTMENTS

	2024 RM	2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of Shariah-compliant investments	50,931	(214,757)
– Net unrealised gains on changes in fair value of Shariah-compliant investments	3,527,725	913,973
	<u>3,578,656</u>	<u>699,216</u>

#### 9. TOTAL EQUITY

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holders' capital	(a)	124,156,443	121,584,418
Retained earnings			
– Realised income/(loss)	(b)	1,100,901	(470,960)
– Unrealised gains	(c)	4,145,433	617,708
		<u>129,402,777</u>	<u>121,731,166</u>

##### (a) Unit holders' capital/units in circulation

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	119,604,268	121,584,418	115,657,742	117,639,626
Reinvestment of distributions	<u>2,483,817</u>	<u>2,572,025</u>	<u>3,946,526</u>	<u>3,944,792</u>
At end of the financial year	<u>122,088,085</u>	<u>124,156,443</u>	<u>119,604,268</u>	<u>121,584,418</u>

##### (b) Realised – distributable

	2024 RM	2023 RM
At beginning of the financial year	(470,960)	(491,377)
Net realised income for the financial year	5,250,797	4,621,936
Distributions out of realised income (Note 12)	(3,678,936)	(4,601,519)
At end of the financial year	<u>1,100,901</u>	<u>(470,960)</u>

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

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

	2024 RM	2023 RM
At beginning of the financial year	617,708	(296,265)
Net unrealised gains for the financial year	3,527,725	913,973
At end of the financial year	<u>4,145,433</u>	<u>617,708</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

There are no units held by the Manager or any related party as at 31 March 2024 and 31 March 2023.

#### 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:

	2024 RM	2023 RM
Net income before taxation	<u>8,778,522</u>	<u>5,535,909</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	2,106,845	1,328,618
Tax effects of:		
Income not subject to tax	(2,194,571)	(1,532,492)
Losses not allowed for tax deduction	16,067	136,433
Restriction on tax deductible expenses for unit trust fund	50,128	47,105
Non-permitted expenses for tax purposes	15,961	15,102
Permitted expenses not used and not available for future financial years	<u>5,570</u>	<u>5,234</u>
Tax expense for the financial years	<u>-</u>	<u>-</u>



## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 12. DISTRIBUTIONS

Details of distributions to unit holders for the financial years are as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Gross distributions per unit (sen)	<u>3.03</u>	<u>3.89</u>
Net distributions per unit (sen)	<u>3.03</u>	<u>3.89</u>

<b>Distributions Ex-date</b>	<b>Gross distributions per unit RM (sen)</b>	<b>Net distributions per unit RM (sen)</b>	<b>Total distributions RM</b>
<b>Financial year ended 31 March 2024</b>			
29 September 2023	0.88	0.88	1,061,043
29 December 2023	0.91	0.91	1,104,001
29 March 2024	1.24	1.24	1,513,892
	<u>3.03</u>	<u>3.03</u>	<u>3,678,936</u>

#### **Financial year ended 31 March 2023**

30 June 2022	0.68	0.68	793,479
30 September 2022	1.01	1.01	1,186,603
30 December 2022	1.07	1.07	1,269,909
31 March 2023	1.13	1.13	1,351,528
	<u>3.89</u>	<u>3.89</u>	<u>4,601,519</u>

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Total amount available for distribution	<u>1,100,901</u>	<u>-</u>

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.

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 13. 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	0.18	0.18
Trustee’s fee	0.04	0.04
Fund’s other expenses	0.02	0.02
Total TER	<u>0.24</u>	<u>0.24</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.

#### 14. 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 0.37 times (2023: 0.48 times).

#### 15. 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.

#### 16. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 31 March 2024 are as follows:

	<b>Transaction value</b>	
	<b>RM</b>	<b>%</b>
CIMB Islamic Bank Berhad	2,099,149,539	67.85
RHB Islamic Bank Berhad	637,500,000	20.60
Hong Leong Islamic Bank Berhad	285,156,000	9.22
CIMB Bank Berhad	23,694,731	0.77
Affin Hwang Investment Bank Berhad	11,826,888	0.38
RHB Investment Bank Berhad	11,441,074	0.37
Malayan Banking Berhad	10,554,902	0.34
Bank Islam Malaysia Berhad	7,531,032	0.24
AmBank (M) Berhad*	5,000,000	0.16
Hong Leong Bank Berhad	2,121,533	0.07
Total	<u>3,093,975,699</u>	<u>100.00</u>

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 16. TRANSACTIONS WITH BROKERS (CONT'D.)

\* A financial institution related to the Manager.

The Manager is of the opinion that the above transactions has been entered into 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 Shariah-compliant fixed income instruments and Islamic money market deposits. Transactions in these Shariah-compliant investments do not involve any commission or brokerage fee.

#### 17. 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 and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2024</b>				
<b>Financial assets</b>				
Shariah-compliant investments	128,577,325	-	-	128,577,325
Shariah-compliant deposit with a licensed financial institution	-	2,149,512	-	2,149,512
Profit receivables	212,250	-	-	212,250
Cash at bank	-	10,480	-	10,480
Total financial assets	<u>128,789,575</u>	<u>2,159,992</u>	<u>-</u>	<u>130,949,567</u>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	21,177	21,177
Amount due to Trustee	-	-	4,421	4,421
Distribution payable	-	-	1,513,892	1,513,892
Total financial liabilities	<u>-</u>	<u>-</u>	<u>1,539,490</u>	<u>1,539,490</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

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

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2023</b>				
<b>Financial assets</b>				
Shariah-compliant investments	114,942,587	-	-	114,942,587
Shariah-compliant deposit with a licensed financial institution	-	8,161,604	-	8,161,604
Cash at bank	-	11,131	-	11,131
<b>Total financial assets</b>	<b>114,942,587</b>	<b>8,172,735</b>	<b>-</b>	<b>123,115,322</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	21,161	21,161
Amount due to Trustee	-	-	4,167	4,167
Distribution payable	-	-	1,351,528	1,351,528
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,376,856</b>	<b>1,376,856</b>
			<b>Income, expenses, gains and losses</b>	
			<b>2024</b>	<b>2023</b>
			<b>RM</b>	<b>RM</b>
Net gains from financial assets at FVTPL			3,578,656	699,216
Income, of which derived from:				
- Profit income from financial assets at FVTPL			5,135,193	4,803,529
- Profit income from financial assets at amortised cost			363,251	314,169

## Amlslamic Institutional 1

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

#### 17. FINANCIAL INSTRUMENTS (CONT'D.)

##### (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.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
Financial assets at FVTPL	-	128,577,325	-	128,577,325
<b>2023</b>				
Financial assets at FVTPL	-	114,942,587	-	114,942,587

##### (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 amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Shariah-compliant deposit with a licensed financial institution
- Cash at bank
- Amount due to Manager
- Amount due to Trustee
- Distribution payable

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**18. 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 investments coupled with stringent compliance to Shariah-compliant investments 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 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.

The result below summarised the rate of return sensitivity of the Fund's NAV, or theoretical value due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2024 RM	2023 RM
+100 bps	(8,419,885)	(6,530,088)
-100 bps	9,372,431	7,124,083

**(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 the NAV in Shariah-compliant fixed income instruments. As such the Fund would be exposed to the risk of sukuk issuers and financial institution defaulting on its repayment obligations which in turn would affect the NAV of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**(b) Credit risk (cont'd.)**

**(i) Credit quality of financial assets**

The following table analyses the Fund's portfolio of Islamic debt securities by rating category as at 31 March 2024 and 31 March 2023:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>2024</b>			
AAA	44,924,277	34.94	34.72
AA	51,481,815	40.04	39.78
A	6,459,388	5.02	4.99
NR	25,711,845	20.00	19.87
	<u>128,577,325</u>	<u>100.00</u>	<u>99.36</u>
<b>2023</b>			
AAA	41,162,845	35.81	33.81
AA	57,272,416	49.83	47.05
A	1,469,187	1.28	1.21
NR	15,038,139	13.08	12.35
	<u>114,942,587</u>	<u>100.00</u>	<u>94.42</u>

For Shariah-compliant deposit with a financial institution, the Fund only makes placements with financial institution with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 31 March 2024 and 31 March 2023:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of deposits</b>	<b>As a % of NAV</b>
<b>2024</b>			
P1/MARC-1	<u>2,149,512</u>	<u>100.00</u>	<u>1.66</u>
<b>2023</b>			
P1/MARC-1	<u>8,161,604</u>	<u>100.00</u>	<u>6.70</u>

Cash at bank is held for liquidity purposes and is not exposed to significant credit risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**(b) Credit risk (cont'd.)**

**(ii) Credit risk concentration**

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of islamic debt securities by sectorial distribution as at 31 March 2024 and 31 March 2023:

<b>Sector</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>2024</b>			
Consumer discretionary	11,815,573	9.19	9.13
Energy and utilities	45,798,365	35.62	35.39
Financial services	5,002,710	3.89	3.87
Industrials	4,967,897	3.86	3.84
Public administration	31,131,878	24.21	24.06
Real estate	6,647,975	5.17	5.13
Transportation and storage	23,212,927	18.06	17.94
	<u>128,577,325</u>	<u>100.00</u>	<u>99.36</u>
<b>2023</b>			
Construction and engineering	7,643,551	6.65	6.28
Diversified holdings	2,573,824	2.24	2.11
Industrial products	17,594,986	15.31	14.45
Infrastructures and utilities	49,128,479	42.74	40.36
Mining and petroleum	15,328,927	13.34	12.59
Public finance	17,695,223	15.39	14.54
Transportation	4,977,597	4.33	4.09
	<u>114,942,587</u>	<u>100.00</u>	<u>94.42</u>

There is no geographical risk as the Fund invests only in Shariah-compliant investments in Malaysia.

**(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 holders. Liquid assets comprise of 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.



**Amlslamic Institutional 1**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**(c) Liquidity risk (cont'd.)**

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund:

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1 year RM</b>	<b>1 – 2 years RM</b>	<b>2 – 3 years RM</b>	<b>3 – 4 years RM</b>	<b>4 – 5 years RM</b>	<b>More than 5 years RM</b>
<b>2024</b>						
<b>Financial assets</b>						
Shariah-compliant investments	11,083,888	5,663,601	6,661,404	19,469,358	10,759,065	123,276,945
Shariah-compliant deposit with a licensed financial institution	2,149,512	-	-	-	-	-
Profit receivables	212,250					
Cash at bank	10,480	-	-	-	-	-
<b>Total financial assets</b>	<b>13,456,130</b>	<b>5,663,601</b>	<b>6,661,404</b>	<b>19,469,358</b>	<b>10,759,065</b>	<b>123,276,945</b>
<b>Financial liabilities</b>						
Amount due to Manager	21,177	-	-	-	-	-
Amount due to Trustee	4,421	-	-	-	-	-
Distribution payable	1,513,892	-	-	-	-	-
<b>Total financial liabilities</b>	<b>1,539,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Amlslamic Institutional 1**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**(c) Liquidity risk (cont'd.)**

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund: (cont'd.)

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1 year RM</b>	<b>1 – 2 years RM</b>	<b>2 – 3 years RM</b>	<b>3 – 4 years RM</b>	<b>4 – 5 years RM</b>	<b>More than 5 years RM</b>
<b>2023</b>						
<b>Financial assets</b>						
Shariah-compliant investments	5,363,480	10,597,299	8,276,760	6,097,500	20,011,106	104,885,263
Shariah-compliant deposit with a licensed financial institution	8,162,811	-	-	-	-	-
Cash at bank	11,131	-	-	-	-	-
<b>Total financial assets</b>	<b>13,537,422</b>	<b>10,597,299</b>	<b>8,276,760</b>	<b>6,097,500</b>	<b>20,011,106</b>	<b>104,885,263</b>
<b>Financial liabilities</b>						
Amount due to Manager	21,161	-	-	-	-	-
Amount due to Trustee	4,167	-	-	-	-	-
Distribution payable	1,351,528	-	-	-	-	-
<b>Total financial liabilities</b>	<b>1,376,856</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

**(d) Regulatory risk**

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

**(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 their 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.

**19. CAPITAL MANAGEMENT**

The primary objective of the Fund's capital management is to ensure that it maximises unit holders' value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its Shariah-compliant investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units or make distribution payment.

No changes were made in the objective, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

## **Amlslamic Institutional 1**

### **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 Institutional 1 (the “Fund”) as at 31 March 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

24 May 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMISLAMIC INSTITUTIONAL 1 ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 March 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.

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  
24 May 2024

## SHARIAH ADVISER'S REPORT FOR ISLAMIC WHOLESALE FUND

To the unit holders of Amlslamic Institutional 1 ("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

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Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 24 May 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)