

Quarterly Report for

AmIslamic Institutional 1

30 June 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

Amlslamic Funds Management Sdn Bhd
9th & 10th Floor, Bangunan AmBank Group
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50200 Kuala Lumpur

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

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Tracy Chen Wee Keng
Goh Wee Peng

Shariah Adviser

Amanie Advisors Sdn Bhd

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Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited quarterly accounts of Amlslamic Institutional 1 ("Fund") for the financial period from 1 April 2024 to 30 June 2024.

Salient Information of the Fund

Name	Amlslamic Institutional* 1 ("Fund") <i>*Institutional refers to the potential Sophisticated Investors of the Fund and not to the nature of the investables.</i>				
Category/Type	Wholesale Islamic Fixed Income / Growth and to a lesser extent income				
Objective	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>				
Duration	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.				
Performance Benchmark	Quantshop ALL GII Index ("GII") (Available at www.aminvest.com)				
Income Distribution Policy	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>				
Breakdown of Unit Holdings by Size	For the financial period under review, the size of the Fund stood at 123,138,177 units.				
	Size of holding	As at 30 June 2024		As at 31 March 2024	
		No of units held	Number of unitholders	No of units held	Number of unitholders
	5,000 and below	-	-	-	-
	5,001-10,000	-	-	-	-
	10,001-50,000	-	-	-	-
	50,001-500,000	-	-	-	-
	500,001 and above	123,138,177	2	122,088,085	2

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 June 2024 and for the past three financial years are as follows:				
		As at 30.06.2024 %	As at 31 March		
		2024 %	2023 %	2022 %	
	Corporate sukuk	72.12	83.56	86.16	81.46
	Government Investment Issues	15.68	15.80	8.26	4.21
	Money market deposits and cash equivalents	12.20	0.64	5.58	14.33
	Total	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>				
Performance Details	Performance details of the Fund for the financial period ended 30 June 2024 and three financial years ended 31 March are as follows:				
		FPE 30.06.2024	FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM)	130,900,660	129,402,777	121,731,166	116,851,984
	Units in circulation	123,138,177	122,088,085	119,604,268	115,657,742
	Net asset value per unit (RM)	1.0630	1.0599	1.0178	1.0103
	Highest net asset value per unit (RM)	1.0709	1.0720	1.0287	1.0455
	Lowest net asset value per unit (RM)	1.0564	1.0181	0.9884	1.0103
	Benchmark performance (%)	0.79	4.75	5.12	-0.21
	Total return (%) ⁽¹⁾	1.07	7.14	4.71	3.02
	- Capital growth (%)	0.30	4.16	0.86	-0.31
	- Income distributions (%)	0.77	2.98	3.85	3.33
	Gross distributions (sen per unit)	0.82	3.03	3.89	3.38
	Net distributions (sen per unit)	0.82	3.03	3.89	3.38
	Total expense ratio (%) ⁽²⁾	0.06	0.24	0.24	0.24
	Portfolio turnover ratio (times) ⁽³⁾	0.11	0.37	0.48	0.37
	<i>Note:</i>				
	<i>(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.</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.</i>				

Average Total Return (as at 30 June 2024)

	Amlslamic Institutional 1^(a) %	GII^(b) %
One year	6.20	4.25
Three years	4.59	3.07
Five years	4.45	3.63
Ten years	5.39	4.25

Annual Total Return

Financial Years Ended (31 March)	Amlslamic Institutional 1^(a) %	GII^(b) %
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)

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.

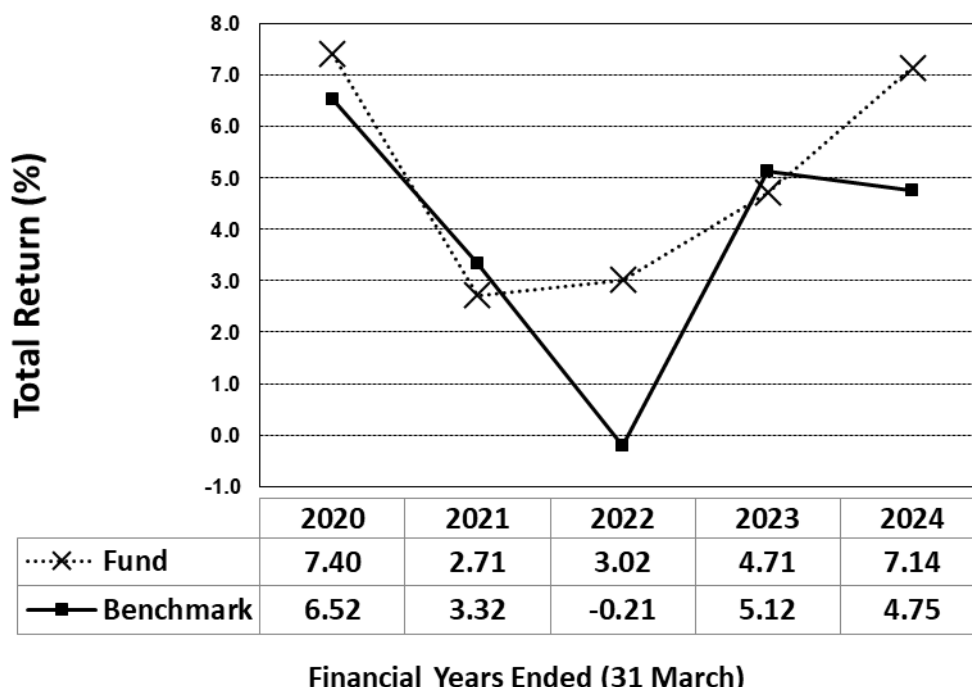
Fund Performance

For the financial period under review, the Fund registered a return of 1.07% comprising of 0.30% capital growth and 0.77% income distributions.

Thus, the Fund's return of 1.07% has outperformed the benchmark's return of 0.79% by 0.28%.

As compared with the financial year ended 31 March 2024, the net asset value ("NAV") per unit of the Fund increased by 0.29% from RM1.0599 to RM1.0630, while units in circulation increased by 0.86% from 122,088,085 units to 123,138,177 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.



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

Strategies and Policies Employed

For the financial period 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.

Portfolio Structure

The table below is the asset allocation of the Fund as at 30 June 2024 and 31 March 2024.

	As at 30.06.2024 %	As at 31.03.2024 %	Changes %
Corporate sukuk	72.12	83.56	-11.44
Government Investment Issues	15.68	15.80	-0.12
Money market deposits and cash equivalents	12.20	0.64	11.56
Total	100.00	100.00	

As at 30 June 2024, the Fund has 72.12% of its NAV invested in corporate sukuk, 15.68% in Government Investment Issues and the remaining 12.20% in money market deposits and cash equivalents. Overall sukuk holdings in the portfolio remained high, in line with the Fund prevailing strategy.

Cross Trades

There were no cross trades undertaken during the financial period under review.

Distribution/ Unit Splits	<p>During the financial period under review, the Fund declared income distribution, detailed as follows:</p> <table border="1" data-bbox="363 219 1439 353"> <thead> <tr> <th data-bbox="363 219 608 315">Date of distribution</th> <th data-bbox="608 219 874 315">Distribution per unit RM (sen)</th> <th data-bbox="874 219 1177 315">NAV per unit Cum-Distribution (RM)</th> <th data-bbox="1177 219 1439 315">NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="363 315 608 353">28-June-24</td> <td data-bbox="608 315 874 353">0.82</td> <td data-bbox="874 315 1177 353">1.0710</td> <td data-bbox="1177 315 1439 353">1.0628</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	28-June-24	0.82	1.0710	1.0628
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
28-June-24	0.82	1.0710	1.0628						
State of Affairs	<p>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 period under review.</p>								
Rebates and Soft Commission	<p>During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>								
Market Review	<p>In April, Malaysian bond market weaken following a sell-off in United States Treasuries (UST) as sticky inflation and a resilient labor market have given more reasons for the United States (US) Federal Reserve (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. Premised on all the developments above, Malaysian Government Securities (MGS) curve was repriced higher by 6 to 16 basis points (bps) on a month-on-month (MoM) basis.</p> <p>Moving towards May, 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. While Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% during policy meeting with a neutral monetary stance, positive sentiment in local bond market was reflected in the three sovereign bond auctions which garnered strong demand and recorded bid-to-cover (BTC) ratio between 1.965x to 3.085x. As investors were adjusting their view that the US Fed is not in a rush to cut rates, local bonds weakened slightly towards end of the month, reflecting the trend in the UST market. Overall, the MGS curve bull-flattened in May with yields declined by 2-12bps on a MoM basis.</p> <p>In the last month of the second quarter 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 (YoY) basis, the lowest level in more than three years. The MGS curve experienced a bull steepening in June, with yields declining by 1 to 6bps on a MoM basis, led by the 3-year and 7-year.</p>								
Market Outlook	<p>With the United States (US) Federal Reserve (Fed) poised to cut rates as soon as September, 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 Overnight Policy Rate (OPR) by Bank Negara Malaysia (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

Amlslamic Institutional 1

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	30.06.2024 (unaudited) RM	31.03.2024 (audited) RM
ASSETS		
Shariah-compliant investments	114,928,138	128,577,325
Amount due from brokers	6,141,851	-
Shariah-compliant deposit with licensed financial institution	10,864,589	2,149,512
Profit receivables	-	212,250
Cash at bank	10,684	10,480
TOTAL ASSETS	<u>131,945,262</u>	<u>130,949,567</u>
LIABILITIES		
Amount due to Manager	20,761	21,177
Amount due to Trustee	4,326	4,421
Distribution payables	1,009,733	1,513,892
Sundry payables and accruals	9,782	7,300
TOTAL LIABILITIES	<u>1,044,602</u>	<u>1,546,790</u>
NET ASSET VALUE ("NAV") OF THE FUND	<u>130,900,660</u>	<u>129,402,777</u>
EQUITY		
Unit holders' capital	125,269,226	124,156,443
Retained earnings	5,631,434	5,246,334
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>130,900,660</u>	<u>129,402,777</u>
UNITS IN CIRCULATION	<u>123,138,177</u>	<u>122,088,085</u>
NAV PER UNIT	<u>1.0630</u>	<u>1.0599</u>

Amlslamic Institutional 1

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

		01.04.2024 to 30.06.2024	01.04.2023 to 30.06.2023
	Note	RM	RM
SHARIAH-COMPLIANT INVESTMENT INCOME			
Profit income		1,405,874	1,370,524
Net gains from Shariah-compliant investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	1	65,404	1,116,097
		<u>1,471,278</u>	<u>2,486,621</u>
EXPENDITURE			
Manager’s fee		(58,749)	(55,554)
Trustee’s fee		(13,055)	(12,345)
Audit fee		(998)	(995)
Tax agent’s fee		(823)	(821)
Other expenses		(2,820)	(3,552)
		<u>(76,445)</u>	<u>(73,267)</u>
Net income before taxation		1,394,833	2,413,354
Taxation		-	-
Net income after taxation, representing total comprehensive income for the financial period		<u>1,394,833</u>	<u>2,413,354</u>
Total comprehensive income comprises the following:			
Realised income		1,628,278	1,360,857
Unrealised (loss)/gain		(233,445)	1,052,497
		<u>1,394,833</u>	<u>2,413,354</u>
Distribution for the financial period			
Net distribution	2	<u>1,009,733</u>	-
Gross distribution per unit (sen)	2	<u>0.82</u>	-
Net distribution per unit (sen)	2	<u>0.82</u>	-

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

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STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 April 2024		124,156,443	5,246,334	129,402,777
Total comprehensive income for the financial period		-	1,394,833	1,394,833
Reinvestment of distribution		1,112,783	-	1,112,783
Distribution	2	-	(1,009,733)	(1,009,733)
Balance at 30 June 2024		<u>125,269,226</u>	<u>5,631,434</u>	<u>130,900,660</u>
At 1 April 2023		121,584,418	146,748	121,731,166
Total comprehensive income for the financial period		-	2,413,354	2,413,354
Reinvestment of distribution		986,001	-	986,001
Balance at 30 June 2023		<u>122,570,419</u>	<u>2,560,102</u>	<u>125,130,521</u>

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

Amlslamic Institutional 1

STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	15,465,949	10,632,300
Purchases of Shariah-compliant investments	(8,076,200)	(10,914,050)
Profit received	1,801,116	1,772,226
Manager's fee paid	(59,165)	(57,051)
Trustee's fee paid	(13,150)	(12,415)
Payments for other expenses	(2,160)	(7,562)
Net cash generated from operating and investing activities	<u>9,116,390</u>	<u>1,413,448</u>
CASH FLOW FROM FINANCING ACTIVITY		
Distribution paid	<u>(401,109)</u>	<u>(365,527)</u>
Net cash used in financing activity	<u>(401,109)</u>	<u>(365,527)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,715,281	1,047,921
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>2,159,992</u>	<u>8,172,735</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>10,875,273</u>	<u>9,220,656</u>
Cash and cash equivalents comprise:		
Shariah-compliant deposit with licensed financial institution	10,864,589	9,209,744
Cash at bank	<u>10,684</u>	<u>10,912</u>
	<u>10,875,273</u>	<u>9,220,656</u>

Amlslamic Institutional 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

1. NET GAINS FROM SHARIAH-COMPLIANT INVESTMENTS

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of Shariah-compliant investments	298,849	63,600
– Net unrealised (loss)/gain on changes in fair value of Shariah-compliant investments	<u>(233,445)</u>	<u>1,052,497</u>
	<u>65,404</u>	<u>1,116,097</u>

2. DISTRIBUTION

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

	01.04.2024 to 30.06.2024 RM
Gross distribution per unit (sen)	<u>0.82</u>
Net distribution per unit (sen)	<u>0.82</u>

Financial period ended 30 June 2024

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
28 June 2024	<u>0.82</u>	<u>0.82</u>	<u>1,009,733</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.

The distribution declared for the financial period ended 30 June 2024 was proposed before taking into account the net unrealised loss of RM233,445 during the financial period which is carried forward to the next financial period.

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

Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 20 August 2024

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*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.)*

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