

Quarterly Report for

AmIslamic Institutional 1

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

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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 July 2024 to 30 September 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 135,083,468 units.				
	Size of holding	As at 30 September 2024		As at 30 June 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	135,083,468	3	123,138,177	2

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 September 2024, 30 June 2024 and for the past three financial years are as follows:					
		As at 30.09.2024 %	As at 30.06.2024 %	As at 31 March		
			2024 %	2023 %	2022 %	
	Corporate sukuk	78.90	72.12	83.56	86.16	81.46
	Government Investment Issues	18.10	15.68	15.80	8.26	4.21
	Money market deposits and cash equivalents	3.00	12.20	0.64	5.58	14.33
	Total	100.00	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 periods ended 30 September 2024, 30 June 2024 and three financial years ended 31 March are as follows:					
		FPE 30.09.2024	FPE 30.06.2024	FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM'000)	142,881	130,901	129,403	121,731	116,852
	Units in circulation (‘000)	135,083	123,138	122,088	119,604	115,658
	Net asset value per unit (RM)	1.0577	1.0630	1.0599	1.0178	1.0103
	Highest net asset value per unit (RM)	1.0770	1.0709	1.0720	1.0287	1.0455
	Lowest net asset value per unit (RM)	1.0577	1.0564	1.0181	0.9884	1.0103
	Benchmark performance (%)	1.77	0.79	4.75	5.12	-0.21
	Total return (%) ⁽¹⁾	1.36	1.07	7.14	4.71	3.02
	- Capital growth (%)	-0.48	0.30	4.16	0.86	-0.31
	- Income distributions (%)	1.84	0.77	2.98	3.85	3.33
	Gross distributions (sen per unit)	1.96	0.82	3.03	3.89	3.38
	Net distributions (sen per unit)	1.96	0.82	3.03	3.89	3.38
	Total expense ratio (%) ⁽²⁾	0.06	0.06	0.24	0.24	0.24
	Portfolio turnover ratio (times) ⁽³⁾	0.31	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 periods/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>					

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

Average Total Return (as at 30 September 2024)

	Amlslamic Institutional 1^(a) %	GII^(b) %
One year	6.42	5.97
Three years	4.76	3.69
Five years	4.11	3.45
Ten years	5.36	4.28

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 GI 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.

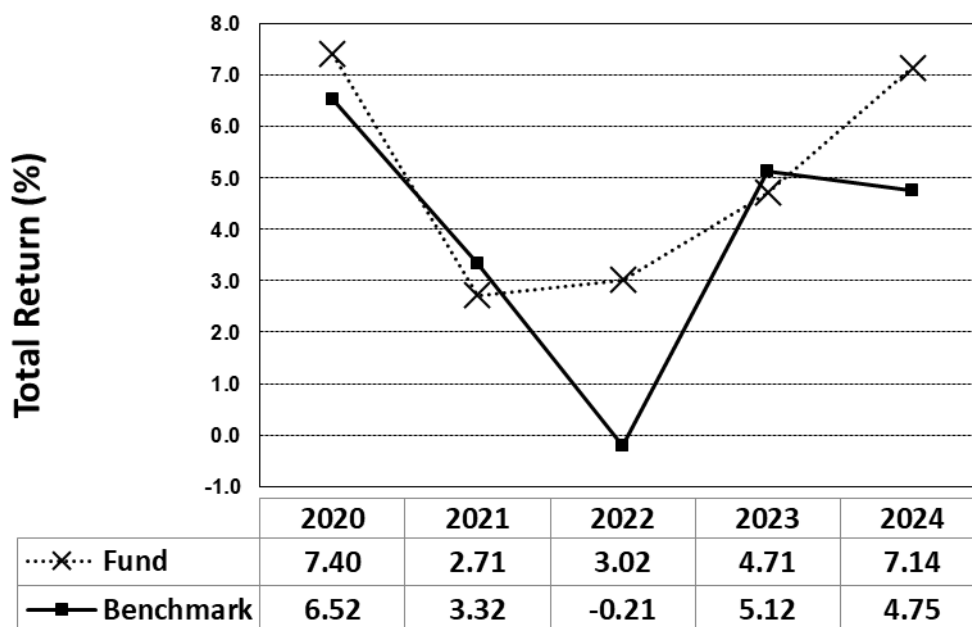
Fund Performance

For the financial period under review, the Fund registered a return of 1.36% comprising of negative 0.48% capital and 1.84% income distribution.

Thus, the Fund’s return of 1.36% has underperformed the benchmark’s return of 1.77% by 0.41%.

As compared with the financial period ended 30 June 2024, the net asset value (“NAV”) per unit of the Fund decreased by 0.50% from RM1.0630 to RM1.0577, while units in circulation increased by 9.70% from 123,138,177 units to 135,083,468 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.



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 September 2024 and 30 June 2024.

	As at 30.09.2024 %	As at 30.06.2024 %	Changes %
Corporate sukuk	78.90	72.12	6.78
Government Investment Issues	18.10	15.68	2.42
Money market deposits and cash equivalents	3.00	12.20	-9.20
Total	100.00	100.00	

As at 30 September 2024, the Fund has 78.90% of its NAV invested in corporate sukuk, 18.10% in Government Investment Issues and the remaining 3.00% 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">30-Sep-24</td> <td data-bbox="608 315 874 353">1.96</td> <td data-bbox="874 315 1177 353">1.0773</td> <td data-bbox="1177 315 1439 353">1.0577</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)	30-Sep-24	1.96	1.0773	1.0577
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
30-Sep-24	1.96	1.0773	1.0577						
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>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 United States Treasuries (UST) touched the 5.00% psychological level and (2) concerns over Malaysian government bond supply following the announcement of large refinancing for long-term funding. As a result, the local bond market saw yields rising, effectively bringing Malaysia Government Securities (MGS) yields back to levels observed at the beginning of the year. 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 28bps 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. Over the month, the MGS curve bull-flattened with yields declined by 3-10bps across the curve led by the 7-year MGS. 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 (BTC) ratios of 2.74x and 2.21x, respectively.</p> <p>In 2024, Malaysia bond market started the year with a sell-off amid profit taking activities. 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 Federal Reserves (Fed) to push back on dovish market expectations. Malaysian bond market was trading in a tight range of 4-9bps in March 2024. In April 2024, Malaysian bond market underperformed, in tandem with the sell-off in UST as sticky inflation and a resilient labor market have given more reasons for the US Fed to stand pat on key rates. Apart from that, thin market liquidity and rising geopolitical risk in the Middle East also dented local bond market sentiment. In May 2024, Malaysian bond market strengthened driven primarily by lower-than-expected US Job data released at the beginning of the month and dovish tone from the US Fed in its post- Federal Open Market Committee (FOMC) meeting speech. Bank Negara Malaysia (BNM) also maintained the Overnight Policy Rate at 3.00% during policy meeting with a neutral monetary stance. Overall, the MGS curve bull-flattened in May 2024 with yields declined by 2-12bps on a month-on-month (MoM) basis. In June 2024, Malaysian bond market further strengthened driven by similar movement in the UST as the US economic data showed some signs of moderating inflation. The MGS curve experienced a bull steepening in June 2024, with yields declining by 1-6 basis points on a MoM basis, led by the 3-year and 7-year. In July 2024, the Malaysian bond market strengthened as it was influenced by similar bullish sentiment in UST on continued disinflation and signs of a tighter labour market. The MGS curve continued bull steepening more strongly than the previous month,</p>								

	<p>with yields declining by 15bps on Month on month (MoM) basis for the 3-year, 5-year, 7-year and 10-year tenures. The ultra-long 20-year and 30-year Malaysian Government Securities (MGS) also rallied with yields falling in the mid- to high-single digit. In August 2024, MGS saw yields rise marginally across the curve, despite the lowering of yields in the United States Treasury (UST) curve. Much of the movement in the United States (US) reflects the expectation of a rate cut heightens in the US while the marginal shift in local MGS curve reflects the absence of local catalyst following a rally in July. In September, MGS yields fell across the curve, in tandem with lowering yields in the UST. In terms of curve movement, MGS curve bull-flattened with rates fallen from 2-6bps MoM on the long to ultra long-end of the curve, whilst the UST curve bull-steepened with yields lowered by 23-49bps MoM on the short-end of the curve.</p>
<p>Market Outlook</p>	<p>With the United States (US) Federal Reserve (Fed) initiating a rate-cutting cycle, we anticipate increased foreign inflows into the domestic bond market, driven by expectations of currency appreciation. Bond yields are likely to remain well-supported, with any corrections expected to be short-lived due to strong demand and liquidity.</p> <p>Despite the domestic bond market rallying since the start of the year, we maintain a positive outlook as we enter into the 4th quarter of 2024. Strong market liquidity and sustained demand for bonds, coupled with an extended pause in the Overnight Policy Rate (OPR) by Bank Negara Malaysia (BNM), support this bullish sentiment.</p>

Kuala Lumpur, Malaysia
Amlslamic Funds Management Sdn Bhd

19 November 2024

Amlslamic Institutional 1

STATEMENT OF FINANCIAL POSITION AS AT 30 September 2024

	30.09.2024 (unaudited) RM	31.03.2024 (audited) RM
ASSETS		
Shariah-compliant investments	138,593,967	128,577,325
Shariah-compliant deposit with licensed financial institution	6,959,553	2,149,512
Profit receivables	-	212,250
Cash at bank	10,931	10,480
TOTAL ASSETS	<u>145,564,451</u>	<u>130,949,567</u>
LIABILITIES		
Amount due to Manager	23,634	21,177
Amount due to Trustee	4,776	4,421
Distribution payable	2,647,636	1,513,892
Sundry payables and accruals	6,970	7,300
TOTAL LIABILITIES	<u>2,683,016</u>	<u>1,546,790</u>
NET ASSET VALUE (“NAV”) OF THE FUND	<u>142,881,435</u>	<u>129,402,777</u>
EQUITY		
Unit holders’ capital	138,013,709	124,156,443
Retained earnings	4,867,726	5,246,334
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>142,881,435</u>	<u>129,402,777</u>
UNITS IN CIRCULATION	<u>135,083,468</u>	<u>122,088,085</u>
NAV PER UNIT	<u>1.0577</u>	<u>1.0599</u>

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

		01.07.2024 to 30.09.2024	01.07.2023 to 30.09.2023
	Note	RM	RM
SHARIAH-COMPLIANT INVESTMENT INCOME			
Profit income		1,487,571	1,371,449
Net gains from Shariah-compliant investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	1	<u>480,649</u>	<u>167,791</u>
		<u>1,968,220</u>	<u>1,539,240</u>
EXPENDITURE			
Manager’s fee		(64,485)	(57,041)
Trustee’s fee		(14,330)	(12,676)
Audit fee		(1,008)	(1,005)
Tax agent’s fee		(832)	(830)
Other expenses		<u>(3,637)</u>	<u>(2,738)</u>
		<u>(84,292)</u>	<u>(74,290)</u>
Net income before taxation		1,883,928	1,464,950
Taxation		<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the financial period		<u>1,883,928</u>	<u>1,464,950</u>
Total comprehensive income comprises the following:			
Realised income		2,532,106	1,206,979
Unrealised (loss)/gain		<u>(648,178)</u>	<u>257,971</u>
		<u>1,883,928</u>	<u>1,464,950</u>
Distribution for the financial period			
Net distribution	2	<u>2,647,636</u>	<u>1,061,043</u>
Gross distribution per unit (sen)	2	<u>1.96</u>	<u>0.88</u>
Net distribution per unit (sen)	2	<u>1.96</u>	<u>0.88</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 JULY 2024 TO 30 SEPTEMBER 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 July 2024		125,269,226	5,631,434	130,900,660
Total comprehensive income for the financial period		-	1,883,928	1,883,928
Creation of units		12,000,000	-	12,000,000
Reinvestment of distribution		744,483	-	744,483
Distribution	2	-	(2,647,636)	(2,647,636)
Balance at 30 September 2024		<u>138,013,709</u>	<u>4,867,726</u>	<u>142,881,435</u>
At 1 July 2023		122,570,419	2,560,102	125,130,521
Total comprehensive income for the financial period		-	1,464,950	1,464,950
Distribution	2	-	(1,061,043)	(1,061,043)
Balance at 30 September 2023		<u>122,570,419</u>	<u>2,964,009</u>	<u>125,534,428</u>

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

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

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	38,237,351	13,456,250
Purchases of Shariah-compliant investments	(54,982,200)	(5,142,500)
Profit received	1,189,091	1,046,180
Manager's fee paid	(61,612)	(56,161)
Trustee's fee paid	(13,880)	(12,622)
Payments for other expenses	(8,289)	(2,728)
Net cash (used in)/generated from operating and investing activities	<u>(15,639,539)</u>	<u>9,288,419</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	12,000,000	-
Distribution paid	(265,250)	-
Net cash generated from financing activities	<u>11,734,750</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,904,789)	9,288,419
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>10,875,273</u>	<u>9,220,656</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>6,970,484</u>	<u>18,509,075</u>
Cash and cash equivalents comprise:		
Shariah-compliant deposit with licensed financial institution	6,959,553	18,497,990
Cash at bank	10,931	11,085
	<u>6,970,484</u>	<u>18,509,075</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

1. NET GAINS FROM SHARIAH-COMPLIANT INVESTMENTS

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
Net gains on financial assets at FVTPL comprised:		
- Net realised gain/(loss) on sale of Shariah-compliant investments	1,128,827	(90,180)
- Net unrealised (loss)/gain on changes in fair value of Shariah-compliant investments	(648,178)	257,971
	<u>480,649</u>	<u>167,791</u>

2. DISTRIBUTION

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

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
Gross distribution per unit (sen)	<u>1.96</u>	<u>0.88</u>
Net distribution per unit (sen)	<u>1.96</u>	<u>0.88</u>

Financial period ended 30 September 2024

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
30 September 2024	<u>1.96</u>	<u>1.96</u>	<u>2,647,636</u>

Financial period ended 30 September 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
29 September 2023	<u>0.88</u>	<u>0.88</u>	<u>1,061,043</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 PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024**

2. DISTRIBUTION (CONT'D.)

The distribution declared for the financial period ended 30 September 2024 was proposed before taking into account the net unrealised loss of RM648,178 arising 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: 19 November 2024

DIRECTORY

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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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