



ANNUAL REPORT

FOR THE FINANCIAL PERIOD
FROM 5 MAY 2022
TO 31 MARCH 2023

AMANAHRAYA SYARIAH INCOME FUND

—•—

ARSIF

AMANAHRAYA SYARIAH TRUST FUND

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AMANAHRAYA SYARIAH INCOME FUND**FUND INFORMATION****For the Financial Year from 5 May 2022 (launch date)
to 31 March 2023**

Fund Name	AmanahRaya Syariah Income Fund ("the Fund")
Fund Type	Income
Fund Category	Sukuk
Fund's Investment Objective	The Fund aim to provide regular stream of monthly income by investing in Islamic money market instruments and sukuk.
Fund's Performance Benchmark	The benchmark of the Fund is Malayan Banking Berhad Al-Mudharabah ("GIA") 1-Month Rate (obtainable from www.maybank2u.com.my)
Fund's Disribution Policy	Subject to availability of income, the Fund will will distribute income on a monthly basis by way of reinvestment in the from of additional units depending on the performance of the Fund.

**AMANAHRAYA SYARIAH INCOME FUND
FUND PERFORMANCE**

		31 March 2023	
1	<u>Portfolio Composition</u>		
	Unquoted Sukuk		199,018,730 89
	Islamic Deposits		21,712,436 10
	Other Assets/(Liabilities)		2,213,386 1
			222,944,552 100
2	Total Net Asset Value ('NAV')	RM	222,944,552
3a	NAV per unit (ex-distribution)	RM	1.0043
3b	No. of Units in Circulation		221,998,259
4a	Highest NAV per unit	RM	1.0089
4b	Lowest NAV per unit	RM	1.0000
5a	Capital Return		0.43%
5b	Income Return		2.79%
5c	Annual Total Return		3.22%
6a	Gross Distribution (Per Unit)		2.75 sen
6b	Net Distribution Per Unit (Per Unit)		2.75 sen
6c	Date of Distribution		31.03.2023
6d	NAV per unit, before distribution		1.0079
6e	NAV per unit, after distribution		1.0043
7	Total Expense Ratio ('TER')	*	0.30%
8	Portfolio Turnover ('PTR')	**	1.03 times
9	<u>Average Total Return:-</u>		
	1-year		3.22%
	3-year		0.00%
	5-year		0.00%
	10-year		0.00%
	Since inception		3.22%
	[Launching Date: 5 May 2023]		

NOTE

The calculations of Annual and Average Total Returns are based on the method obtained from Lipper Asia Ltd.

- 1 Capital Return (%) = [(End of period NAV price / Beginning of period NAV price) - 1] x 100
- 2 Income Return (%) = [Gross Distribution / NAV price on ex-distribution date] x 100
- 3 Annual Total Return (%) = Capital Return + Income Return
- 4 Average Total Return (%) = Total Returns / Number of Years Under Review

**Past performance is not necessarily indicative of future performance
and that unit prices and investment returns may fluctuate.**

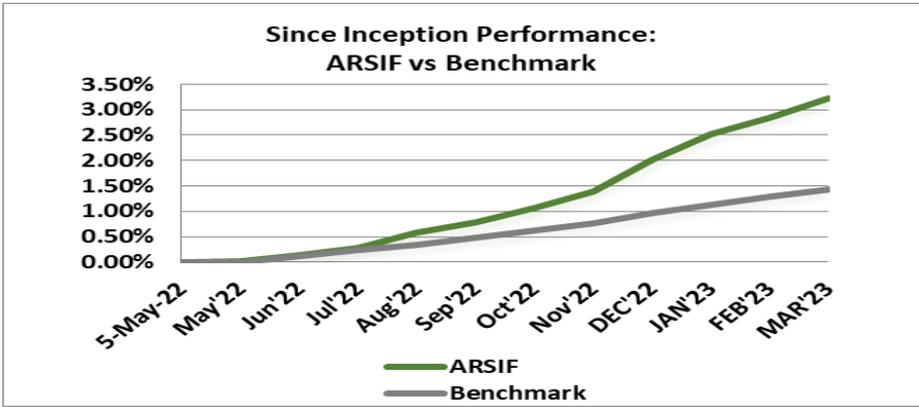
* Explanation for Differences in TER

The TER is at average percentage during the period under review.
The major expenses contributed to the percentage is management and trustee fee.

** Explanation for Differences in PTR

PTR during the period under review is higher due to active in sukuk trading activities as Fund Manager acted proactive to maintain the Fund's asset allocation.

AMANAHRAYA SYARIAH INCOME FUND ('ARSIF')
MANAGER'S REPORT
For the Financial Period From 5 May 2022 (Launch Date) To 31 March 2023

<p>Fund Performance & Investment Objective</p>	<p>This Fund aims to provide regular stream of monthly income by investing in Islamic money market instruments and sukuk.</p> <p>During the financial period under review, the Fund fulfilled its objective in providing steady income and capital preservation despite the challenging market condition. The Fund had outperformed the benchmark, Malayan Banking Berhad Al-Mudharabah (GIA) 1-Month rate and had performed steadily during the period under review.</p> <p>As illustrated in the graphs below, the Fund outperformed the benchmark by 1.78% by registering a total annual return of 3.22% versus the benchmark's 1.44% during the financial period under review.</p> <p>The Net Asset Value ('NAV') per unit of the Fund as of 31 March 2023 was RM1.0043 (ex-distribution). For the financial period from 5 May 2022 (launch date) to 31 March 2023, the Fund declared total gross and net distributions of 2.75 sen per unit. On the total NAV basis, the Fund size as of 31 March 2023 is RM222,944,552.</p> <p>The graphs below illustrate the comparison between the Fund's performance and benchmark's performance:</p> <p><u>Figure 1: Performance for ARSIF versus Benchmark for the Financial Period from 5 May 2022 (launch date) to 31 March 2023.</u></p>  <table border="1"> <caption>Estimated Data for Figure 1: Since Inception Performance: ARSIF vs Benchmark</caption> <thead> <tr> <th>Date</th> <th>ARSIF (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>5-May-22</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>May'22</td> <td>0.05</td> <td>0.05</td> </tr> <tr> <td>Jun'22</td> <td>0.10</td> <td>0.10</td> </tr> <tr> <td>Jul'22</td> <td>0.20</td> <td>0.15</td> </tr> <tr> <td>Aug'22</td> <td>0.35</td> <td>0.25</td> </tr> <tr> <td>Sep'22</td> <td>0.55</td> <td>0.35</td> </tr> <tr> <td>Oct'22</td> <td>0.80</td> <td>0.45</td> </tr> <tr> <td>Nov'22</td> <td>1.20</td> <td>0.60</td> </tr> <tr> <td>DEC'22</td> <td>1.80</td> <td>0.80</td> </tr> <tr> <td>JAN'23</td> <td>2.30</td> <td>1.00</td> </tr> <tr> <td>FEB'23</td> <td>2.70</td> <td>1.20</td> </tr> <tr> <td>MAR'23</td> <td>3.22</td> <td>1.44</td> </tr> </tbody> </table>	Date	ARSIF (%)	Benchmark (%)	5-May-22	0.00	0.00	May'22	0.05	0.05	Jun'22	0.10	0.10	Jul'22	0.20	0.15	Aug'22	0.35	0.25	Sep'22	0.55	0.35	Oct'22	0.80	0.45	Nov'22	1.20	0.60	DEC'22	1.80	0.80	JAN'23	2.30	1.00	FEB'23	2.70	1.20	MAR'23	3.22	1.44
Date	ARSIF (%)	Benchmark (%)																																						
5-May-22	0.00	0.00																																						
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MAR'23	3.22	1.44																																						

Analysis of Fund Performance

	05.05.2022 (Launch date) to 31.03.2023
NAV Per Unit (ex-distribution)	RM1.0043
NAV Per Unit (cum-distribution)	RM1.0079
Total Net Asset Value ('NAV') - RM	RM222,944,552
Benchmark	
-Annual	1.44%
-Since inception	1.44%
Income Return	2.75%
Capital Return	0.43%
Total Return	
-Annual	3.22%
-Since Inception	3.22%
Out/(Under) Performance	
-Annual	1.78%
-Since Inception	1.78%

Launching Date: 5 May 2022

Investment Strategy

ARSIF will invest in Islamic money market instruments and RM-denominated short to medium-term sukuk (with maturity of no longer than five (5) years) with a following minimum credit rating:

- i. Short-term credit rating of P1 by RAM or MARC-1 by MARC; or
- ii. Long-term credit rating of A1 by RAM or A+ by MARC.

If the credit rating of the instruments falls below the minimum rating, the Fund may dispose of the investment. However, the Fund reserves the right to maintain the investment if the downgrade is a temporary event.

The Fund may also invest up to 30% of the Fund's NAV in Islamic negotiable instruments of deposit with tenure up to five (5) years. The issuers of the Islamic negotiable instruments of deposit must have a minimum credit rating of A3 by RAM or A- by MARC.

In the event of a credit downgrade of the issuer below the minimum rating requirement or where the Manager at its discretion view that there is a likelihood of credit default, the Manager may decide to unwind the instruments partially or fully. A credit downgrade means that credit risk has increased but it does not mean that there will be a default. A credit downgrade will generally have no impact on the value of the Islamic negotiable instruments of deposit upon its maturity if a credit default did not occur. However, if the Manager chooses to unwind the instrument prior to its maturity, it may result in capital losses and these losses will be borne by the Fund and reflected in its NAV.

The Fund may also invest in Islamic Collective Investment Schemes ('CIS') provided that such Islamic CIS is consistent with the investment objective of the Fund.

Portfolio Composition

Asset Allocation	Benchmark	31 March 2023
Sukuk	70%	89%
Cash	30%	11%

During the period from 5 May 2022 (launch date) to 31 March 2023, the Fund has maintained the exposure in corporate sukuk for yield enhancement above the minimum level of 70%.

As at 31 March 2023, the Fund's investment is summarized as follows:-

Sector Allocation	31 March 2023 (%)
Real estate	30.16
Financial	30.05
Industrial	26.96
Consumer staples	5.22
Transportation	5.07
Energy	2.54
Total	100.00

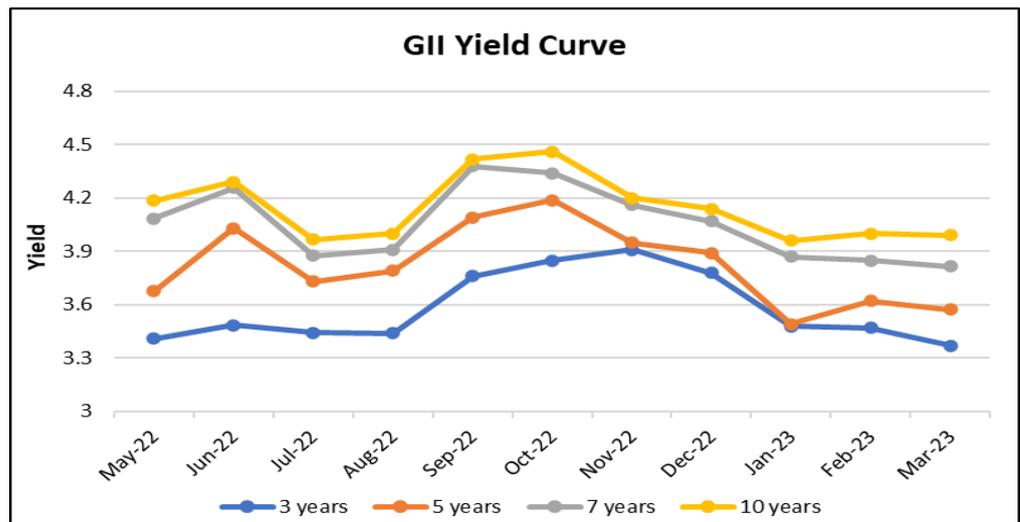
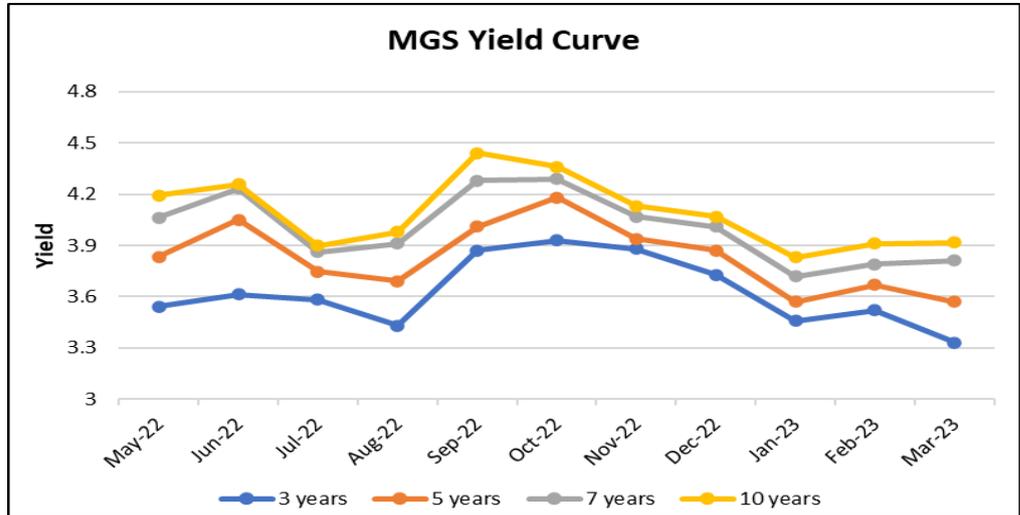
The Fund invests in profitable sectors such as real estate and financial.

Income Distribution

	From 5 May 2022 (launch date) to 31 March 2023
Gross Distribution	2.75 sen per unit
Net Distribution	2.75 sen per unit
Net Income After Taxation	RM5,408,190
Distribution for the Financial Year	RM4,844,194
No. of Units in Circulation	221,998,259 units
NAV before Distribution	RM1.0079 per unit
NAV after Distribution	RM1.0043 per unit

Income distribution per unit is derived from realised income less expenses divided by the number of units in circulation.

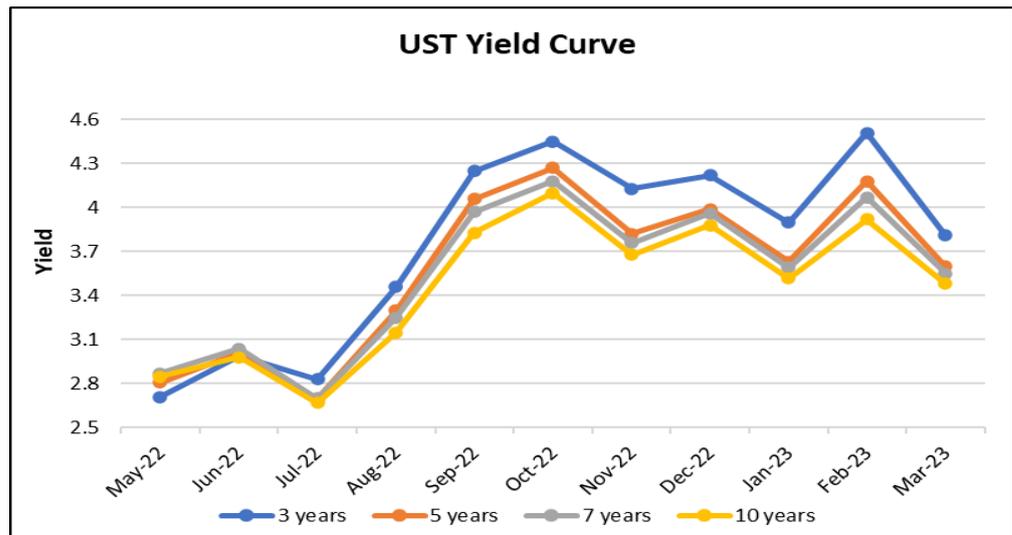
Bond Market Review



Source: Bank Negara Malaysia

Malaysia: In May 2022, local government bonds experienced a significant sell-off, with increased interest rate swap levels leading the decline. This was prompted by the Malaysian Prime Minister's reminder about the rising prices of food and other living costs, which has resulted in inflationary conditions. As a result, benchmark Malaysian Government Securities ("MGS") and Government Investment Issues ("GII") yields increased by 2-12 bps, and the overall secondary market volume reached RM 3.36 billion. GII transactions accounted for 29% of the total trades. The government's efforts to control prices through subsidies are expected to strain the country's finances, like other countries facing similar challenges.

While in March 2023, MGS and GII yields mostly increased moving between -3.0 to 4.3 bps overall. The 10 years MGS yield rose by 1.9 bps to 3.91%, while the 3 years MGS yield fell by 3.0bps to 3.35%. The 10 years GII benchmark closed at 3.69% compared to May 2022 at 4.19% (3 year: 3.30%, 5 year: 3.60% and 7 year: 3.87%). BNM stated that there may have been a slight uptick in yields, possibly indicating that the central bank plans to maintain an accommodative stance despite concerns about domestic inflation.



Source: U.S Department of Treasury

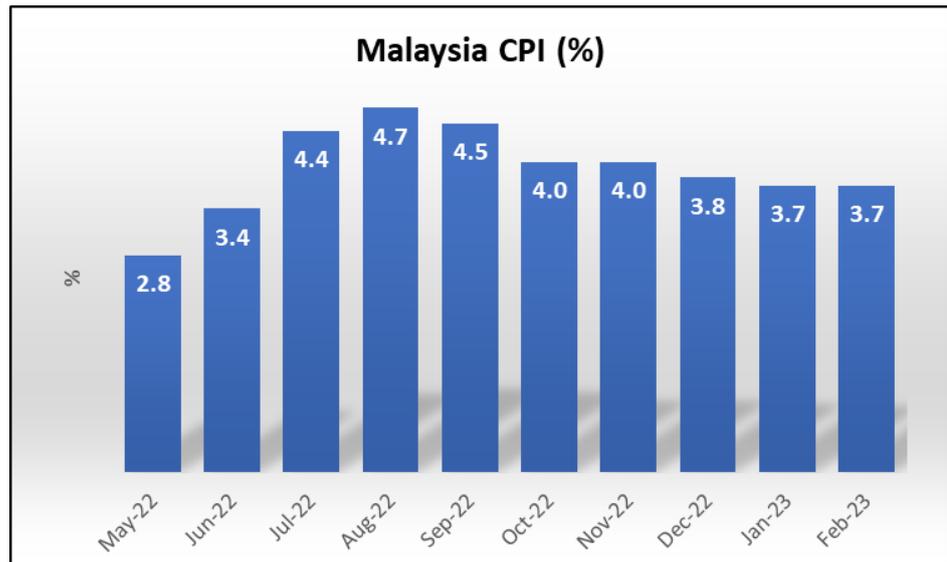
United State: In May 2022, United State ("US") experienced a decline due to renewed concerns about inflation. Economic data supported expectations for significant interest rate hikes, causing benchmark yields to rise by 8-11bps. The yield on the 2 years US note increased by 8 bps to 2.56%, while the closely watched 10 years US note spiked by 11 bps to 2.85%. Bond weakness was evident due to hawkish comments from Fed official Waller, along with stronger than expected reports on US consumer confidence and business conditions in the Chicago area.

While in March 2023, UST yields experienced an upward trend with increases ranging from 3.6 to 28.7 bps. The 10 years US yield initially rose by 14.3 bps to 3.57%, before settling at 3.55% by end of March 2023. Additionally, the 2 years US yield spiked by 28.7 bps to 4.12%, resulting in a deeper yield curve inversion. The demand for treasuries decreased as investor risk aversion eased due to improved sentiments regarding the regional banking crisis, resulting in increased yields for short and medium-term bonds. Market expectations of aggressive rate cuts by the Federal Reserve this year also pulled back, with Fed Funds Futures now indicating a higher year-end policy rate of 4.5%, compared to the 4.0%. UST yields may trend range bound to higher in future, as the recent rate hike and improving banking situation bring some stability to the market.

Economic Review

In the 4th quarter 2022, Malaysia's Gross Domestic Product ("GDP") showed a growth rate of 7.00%, which is lower than the previous quarter's growth rate of 14.2%. However, the monthly economic performance showed steady growth with 7.0% growth in October 2022, 5.70% growth in November 2022, and 8.3% growth in December 2022. The GDP for the 4th quarter 2022 has exceeded the pre-pandemic levels by 7.2%. Overall, Malaysia's economy grew by 8.7% in 2022, which is the highest annual growth rate in the past 22 years, compared to 3.10% growth in the previous year and surpassing the government's forecast for 6.5% to 7%. The central bank has said it expects growth in full-year GDP to moderate to between 4% and 5% in 2023, amid a global slowdown.

Additionally, Bank Negara also highlighted the potential risks of heightened geopolitical tensions, possible supply chain disruptions, and rising global interest rates, emphasizing that they should not be underestimated. However, there is still a chance for higher than anticipated growth in 2023, despite these potential downsides. Bank Negara also provided reassured that Malaysia would not experience a recession, as income and investment figures continued to rise. They predict that the reopening of China's international borders will help boost tourism numbers and alleviate the effects of slowed export growth.



Source: Department of Statistics Malaysia.

Consumer Price Index (CPI) in Malaysia remained at 3.70% to 129.8 points in February 2023 as against 124.50 points in February 2022. The increase in Malaysia's inflation for February 2023 was driven by restaurants & hotels (7.4%), food and non-alcoholic beverages (7.0%) and transportation (3.7%). Malaysia recorded a lower inflation rate than some selected countries, namely the Philippines (8.6%), Euro Zone (8.5%), United States of America (6.0%), Indonesia (5.5%), Republic of Korea (4.8%) and Thailand (3.8%).

Interest rate Review

Date	Change in OPR (%)	OPR Level (%)
19 Jan 2023	0	2.75
03 Nov 2022	+0.25	2.75
08 Sep 2022	+0.25	2.50
06 Jul 2022	+0.25	2.25

Source: Bank Negara Malaysia.

Bank Negara Malaysia (BNM) raise the Overnight Policy Rate (OPR) 3rd times in a row since July 2022 to 2.75%. BNM is expected to adopt a measured and gradual pace of rate hike. Further rate hikes are needed to pre-emptively manage the risk of excessive demand on price pressures. We anticipate that Bank Negara is likely to hike OPR to terminal rate 3.00% in 1H23.

General Strategy

The Fund will take a cautious approach on duration management to reduce interest rate risk and remain overweight on the belly the yield curve for risk-reward management. For credit exposure, the fund will stay within AA/A range credit for yield enhancement.

Significant Changes in the State of Affairs of the Fund

The description and explanation are described in Page 3 and 4 (under 'Fund Performance & Investment Objective' and 'Portfolio Composition') and Page 4 (under 'Investment Strategy'). In overall, other than those described and explained in these paragraphs, there were no significant changes in the situation of the Fund during the financial period and up to the date of Manager's Report.

Rebates and Soft Commissions

A soft commission may be retained by the Manager or its delegate for payment of goods and services such as research material, data and quotation services, and investment management tools which are demonstrably beneficial to unit holders. Rebates, if any, on stockbroking transactions will be credited to the Fund. All dealings with brokers are executed on terms which are the best available for the Fund.

During the financial period under review from 5 May 2022 (launch date) to 31 March 2023, the Manager did not receive or utilize any of the above.

Securities Financing Transaction

The Fund has not undertaken lending or repurchase transactions during the financial year under review.

AMANAHRAYA SYARIAH INCOME FUND

STATEMENT BY MANAGER

To the unit holders of
AMANAHRAYA SYARIAH INCOME FUND

We, Dato' Haji Ramli Bin Chik and Mohamad Shafik Bin Badaruddin, being two of the Directors of AMANAHRAYA INVESTMENT MANAGEMENT SDN. BHD., the Manager of AMANAHRAYA SYARIAH INCOME FUND (“the Fund”), do hereby state that, in the opinion of the Manager, the audited financial statements for the period beginning 5 May 2022 (launch date) to 31 March 2023, together with the notes thereto, have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of Securities Commission's Guideline on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of the Fund as at 31 March 2023, and of its financial performance and cash flows for the year then ended.

Signed on behalf of AMANAHRAYA INVESTMENT MANAGEMENT SDN. BHD., being the Manager of AMANAHRAYA SYARIAH INCOME FUND, in accordance with a resolution of the Directors dated 26 May 2023.

DATO' HAJI RAMLI BIN CHIK
Director

MOHAMAD SHAFIK BIN BADARUDDIN
Managing Director/
Chief Executive Officer

Kuala Lumpur, Malaysia
26 May 2023

AMANAHRAYA SYARIAH INCOME FUND

TRUSTEE'S REPORT

to the unit holders of AMANAHRAYA SYARIAH INCOME FUND (" the Fund")

We have acted as Trustee of the Fund for the period beginning 5 May 2022 (launch date) to 31 March 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries,. AmahahRaya Investment Management Sdn. Bhd. ("the Manager") has operated and managed the Fund during the period covered by these audited financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and Guidelines of Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deeds, and
3. Any creation and cancellation of units are carried out in accordance with the deed and relevant regulatory requirements.

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

For Maybank Trustees Berhad

[Co. No.: 196301000109 (5004-P)]

JUANITA BINTI SUHAIMI

Unit Head, Unit Trust Operations

Kuala Lumpur, Malaysia

26 May 2023

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF AMANAHRAYA SYARIAH INCOME FUND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AmanahRaya Investment Management Sdn. Bhd. has operated and managed the Fund for the period covered by these financial statements namely, the period from 5 May 2022 (launch date) to 31 March 2023, in accordance with 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 comprises instruments that have been classified as Shariah compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

NURUSSA'ADAH NASARUDIN
Designated Shariah Officer

Kuala Lumpur, Malaysia
26 May 2023

Independent auditors' report to the unit holders of AmanahRaya Syariah Income Fund ("the Fund")

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmanahRaya Syariah Income Fund ("the Fund"), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 5 May 2022 (date of launch) to 31 March 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 17 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2023, and of its financial performance and cash flows for the financial period 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 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 Fund Information, Fund Performance and Manager's Report 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 AmanahRaya Syariah Income Fund ("the Fund") (Contd.)

Information other than the financial statements and auditors' report thereon (Contd.)

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 that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation of 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 have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

Independent auditors' report to the unit holders of AmanahRaya Syariah Income Fund ("the Fund") (Contd.)

Auditors' responsibilities for the audit of the financial statements (Contd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement 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 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
AmanahRaya Syariah Income Fund ("the Fund") (Contd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds 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

Muhammad Syarizal Bin Abdul Rahir
No. 03157/01/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 May 2023

AMANAHRAYA SYARIAH INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 5 MAY 2022 (LAUNCH DATE) TO 31 MARCH 2023

	Note	05.05.2022 (launch date) to 31.03.2023 RM
INCOME		
Profit on Islamic deposits and Shariah-compliant investments		5,425,681
Realised loss on sale of Shariah-compliant investments		(8,349)
Amortisation of premium net of accretion of discount of investments		(348,994)
Net fair value changes on fair value through profit or loss ("FVTPL") investments		<u>779,573</u>
		<u>5,847,911</u>
EXPENDITURE		
Management fee	3	369,999
Trustee fee	4	49,522
Auditors' remuneration		15,000
Administrative expenses		<u>5,200</u>
		<u>439,721</u>
NET INCOME BEFORE TAXATION		5,408,190
Taxation	5	<u>-</u>
NET INCOME AFTER TAXATION		<u>5,408,190</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,408,190</u>
Net income after taxation is made up of the following:		
Net realised gain		4,977,611
Net unrealised gain		<u>430,579</u>
		<u>5,408,190</u>
Distribution for the year	6	<u>4,844,194</u>
Gross distribution per unit		<u>2.75 sen</u>
Net distribution per unit		<u>2.75 sen</u>
Distribution date		<u>*</u>

* Every month-end since June 2022 to March 2023

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

AMANAHRAYA SYARIAH INCOME FUND**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Note	2023 RM
ASSETS		
Shariah-compliant investments	7	199,018,730
Islamic deposits with financial institutions	8	21,712,436
Amount due from Manager		808,339
Other receivables	10	2,277,397
Cash at bank		5,940
TOTAL ASSETS		<u>223,822,842</u>
LIABILITIES		
Amount due to Manager		54,486
Amount due to Trustee		7,265
Distribution payable		796,339
Other payables		20,200
TOTAL LIABILITIES		<u>878,290</u>
NET ASSET VALUE ("NAV") OF THE FUND	11	<u>222,944,552</u>
EQUITY		
Unit holders' capital	12	221,886,435
Retained earnings		1,058,117
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	11	<u>222,944,552</u>
NUMBER OF UNITS IN CIRCULATION	12	<u>221,998,259</u>
NAV PER UNIT - EX-DISTRIBUTION		<u>1.0043</u>

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

AMANAHRAYA SYARIAH INCOME FUND

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 5 MAY 2022 (LAUNCH DATE) TO 31 MARCH 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 5 May 2022 (launch date)		-	-	-
Creation of units		245,383,202	-	245,383,202
Cancellation of units		(23,496,767)	-	(23,496,767)
Distribution equalisation during the year		494,121	-	494,121
Total comprehensive income for the year		-	5,408,190	5,408,190
Distribution for the year	6	(494,121)	(4,350,073)	(4,844,194)
At 31 March 2023		221,886,435	1,058,117	222,944,552

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

AMANAHRAYA SYARIAH INCOME FUND

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 5 MAY 2022 (LAUNCH DATE) TO 31 MARCH 2023

	05.05.2022 (launch date) to 31.03.2023 RM
CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES	
Purchase of Shariah-compliant investments	(248,596,500)
Proceeds from sale of Shariah-compliant investments	50,000,000
Profit income received	3,148,285
Management fee paid	(315,513)
Trustee fee paid	(42,258)
Net cash used in operating and investing activities	<u>(195,805,986)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from creation of units	245,191,557
Payment on cancellation of units	(23,619,340)
Distribution paid	(4,047,855)
Net cash generated from financing activities	<u>217,524,362</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,718,376
CASH AND CASH EQUIVALENTS AT LAUNCH DATE	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>21,718,376</u>
CASH AND CASH EQUIVALENTS COMPRISE:	
Cash at bank	5,940
Islamic deposits with financial institutions	21,712,436
	<u>21,718,376</u>

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

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

AMANAHRAYA SYARIAH INCOME FUND (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 1 March 2022 between the Manager, the Trustee, Maybank Trustees Berhad. AmanahRaya Investment Management Sdn. Bhd (“ARIM”) was appointed as the Manager for the Fund.

The Fund was launched on 5 May 2022 and will continue its operations until terminated as provided under Part 12 of the Deed.

The principal activity of the Fund is to invest in “Permitted Investments” as defined under Schedule 7 of the Deed. The “Permitted Investments” mainly include unquoted sukuk, Islamic money market instruments with financial institutions having Islamic banking facilities and Trust Accounts that comply with Shariah requirements.

ARIM is a company incorporated in Malaysia and is a wholly-owned subsidiary company of Amanah Raya Berhad (“ARB”), a public limited liability company, incorporated and domiciled in Malaysia. The principal activities of ARIM are those of fund management, as defined under Schedule 2 of the Capital Markets & Services Act 2007 (“CMSA”) and all amendments thereto, as well as the marketing and management of unit trust funds.

The financial statements were authorised for issue by the Board of Directors of ARIM in accordance with a resolution of the Directors on 26 May 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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”), International Financial Reporting Standards (“IFRS”), the Deeds and the requirements of Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

The audited financial statements are presented in Ringgit Malaysia (“RM”).

The Fund had adopted the new MFRSs, Amendments to MFRSs and IC Interpretations which are effective for the financial year beginning on or after 5 May 2022. These new MFRSs, Amendments to MFRSs and IC Interpretations did not give rise to any significant effect on the financial statements, which as per the following:

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (Contd.)

Standards and annual improvements to standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intend to adopt these standards, if applicable, when they become effective:

Description	Effective for financial period beginning on or after
- MFRS 17 <i>Insurance Contracts and Amendments to MFRS 17*</i>	1 January 2023
- Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information (Amendments to MFRS 17 Insurance Contracts)*</i>	1 January 2023
- Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
- Amendments to MFRS 101 <i>Presentation of Financial Statements: 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 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 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

* These MFRSs, Amendments to MFRSs and IC Interpretations are not relevant to the Fund.

These new MFRSs, Amendments to MFRSs and IC Interpretations are not expected to have any significant impact to the financial statements upon their initial application.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies

(a) Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund recognises financial assets and financial liabilities in the Statement of Financial Position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

The Fund determines the classification of its financial assets and financial liabilities at initial recognition, and the categories include financial assets at fair value through profit or loss and financial assets at amortised cost.

(b) Financial Assets

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value, and transaction costs are expensed in profit or loss. Trade receivables are measured at their transaction price.

Financial assets at fair value through profit or loss

Financial assets classified as financial assets at fair value through profit or loss are all financial assets acquired for the purpose of generating a profit from short-term fluctuations in price, or financial assets that qualify for neither held at amortised cost nor at fair value through other comprehensive income ("FVOCI").

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with gain and loss recognised in profit or loss.

The fair values of unquoted sukuk are determined by reference to prices quoted by a bond pricing agency (BPA) registered with the Securities Commission Malaysia on a daily basis.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(b) Financial Assets (Contd.)

Financial assets measured at amortised cost

Financial assets are measured at amortised cost if the assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and profit.

Financial assets at amortised cost require the use of the effective profit method and are subject to MFRS 9 impairment rules.

(c) Impairment of financial assets

The Fund applies the Expected Credit Loss model (“ECL”) to financial assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

For amount due to Manager and other receivables, the Fund applies the simplified approach to measure lifetime expected credit losses at all times.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the losses have been determined.

(d) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liabilities.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund includes in this category the amount due to Manager, amount due to Trustee and other short term payables. Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(e) Unit holders' Capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments.

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. The amount is either refunded to unit holders by way of distribution and/or adjusted accordingly when the units are cancelled.

(f) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and Islamic deposits with financial institutions which have an insignificant risk of changes in value.

(g) 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.

Profit on Islamic deposits, profit and amortisation of premium on Shariah compliant investments are recognised using the effective profit method.

(h) Taxation

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 substantially enacted at the reporting date.

(i) Significant Accounting Estimates and Judgements

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 require a material adjustment to the carrying amount of the asset or liability in the future.

As disclosed in Note 7 below, the Fund uses market mid prices provided by Bond Pricing Agency Malaysia Sdn. Bhd., a BPA registered with the Securities Commission, in its valuation of the local unquoted sukuk. In the opinion of the Manager, this practice will minimise estimation uncertainty in respect of the valuation of the unquoted sukuk.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

3. MANAGEMENT FEE

Clause 13(1) of the Deed provides that the Manager is entitled to a fee not exceeding 1.00% per annum of Net Asset Value ("NAV") attributable to the unit holders of the Fund, calculated and accrued daily as agreed between the Manager and Trustee.

The management fee charged for the period year ended 31 March 2023 is 0.30% per annum of the NAV of the Fund. The calculation of management fee during the period is based on 331 days.

4. TRUSTEE'S FEE

Clause 13(2) of the Deed provides that the Trustee is entitled to a fee not exceeding 0.04% per annum of Net Asset Value ("NAV") attributable to the unit holders of the Fund, calculated and accrued daily.

The Trustee's fee charged for the financial period ended 31 March 2023 is 0.04% of the NAV of the Fund, subject to a minimum of RM18,000.00 per annum. The calculation of trustee fee during the period is based on 331 days.

5. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the financial period.

Taxation is calculated on investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967. The effective tax rate does not approximate the statutory tax rate mainly due to income exempted from tax in accordance with Section 6 of the Income Tax Act, 1967.

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

	05.05.2022 (launch date) to 31.03.2023 RM
Net income before taxation	<u>5,408,190</u>
Taxation at Malaysian statutory rate of taxation of 24%	1,297,966
Tax effects of:	
Income not subject to tax	(1,403,499)
Expenses not deductible for tax purposes	13,133
Restriction on tax deductible expenses for unit trust funds	83,160
Tax deductible expenses not fully utilised	<u>9,240</u>
Tax expense for the financial period	<u>-</u>

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

6. DISTRIBUTION FOR THE YEAR

Distribution to unit holders are made from the following sources:

	05.05.2022 (launch date) to 31.03.2023 RM
Profit on Islamic deposits and Shariah-compliant investments	5,147,137
Realised loss on sale of Shariah-compliant investments	(8,349)
Amortisation of premium on Shariah-compliant investments	(348,994)
Distribution equalisation	494,121
	<u>5,283,915</u>
Less: Expenses	(439,721)
Taxation	-
	<u>4,844,194</u>
Gross distribution per unit	<u>2.75 sen</u>
Net distribution per unit	<u>2.75 sen</u>
Distribution date	<u>*</u>

* every month-end since June 2022 to March 2023

Detail of distributions to unit holders from 5 May 2022 (launch date) to 31 March 2023 are as follows:-

Distribution ex-date	Payment date	Gross distribution per unit RM	Net distribution per unit RM
31.05.2022	31.05.2022	-	-
30.06.2022	30.06.2022	0.0010	0.0010
29.07.2022	29.07.2022	0.0018	0.0018
30.08.2022	30.08.2022	0.0022	0.0022
30.09.2022	30.09.2022	0.0025	0.0025
28.10.2022	28.10.2022	0.0025	0.0025
30.11.2022	30.11.2022	0.0026	0.0026
30.12.2022	30.12.2022	0.0033	0.0033
31.01.2023	31.01.2023	0.0042	0.0042
28.02.2023	28.02.2023	0.0038	0.0038
31.03.2023	31.03.2023	0.0036	0.0036
		<u>0.0275</u>	<u>0.0275</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.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

7. SHARIAH-COMPLIANT INVESTMENTS

2023
RM

Unquoted Sukuk 199,018,730

The Fund's Shariah-compliant investments are classified as FVTPL and are carried at fair value. The Fund uses market mid prices provided by Bond Pricing Agency Malaysia Sdn. Bhd., a BPA registered with the Securities Commission, in its valuation of the investment.

The composition of unquoted sukuk as at 31 March 2023 are as follows:

Name Of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.03.2023 RM	Fair Value over Net Asset Value %
Al-Dzahab Assets Berhad (AAA) maturing on 29.09.2023	15,000,000	15,441,000	(250,876)	15,174,600	6.81
Anih Berhad (AA) maturing on 29.11.2023	5,000,000	5,101,000	(46,538)	5,043,450	2.26
Anih Berhad (AA) maturing on 29.11.2023	5,000,000	5,101,000	(46,538)	5,043,450	2.26
Exsim Capital Resources Bhd (AA3) maturing on 09.07.2025	30,000,000	29,385,000	79,988	29,639,100	13.29
Golden Assets International Finance Limited (AA3) maturing on 08.04.2027	10,000,000	9,766,000	17,982	10,392,500	4.66
Malaysian Resources Corporation Berhad (AA-) maturing on 14.04.2023	10,000,000	9,964,000	34,686	9,997,100	4.48

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

7. SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

Name Of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.03.2023 RM	Fair Value over Net Asset Value %
Malaysian Resources Corporation Berhad (AA-) maturing on 14.04.2023	5,000,000	4,984,500	14,875	4,998,550	2.24
Malaysian Resources Corporation Berhad (AA-) maturing on 14.04.2023	5,000,000	4,984,500	14,875	4,998,550	2.24
Malaysian Resources Corporation Berhad (AA-) maturing on 14.04.2023	10,000,000	9,965,000	33,208	9,997,100	4.48
Perbadanan Kemajuan Negeri Selangor (AA3) maturing on 31.10.2023	10,000,000	10,116,000	(61,470)	10,038,100	4.50
Sabah Credit Corporation (AA1) maturing on 23.06.2023	10,000,000	10,109,000	(81,460)	10,022,000	4.50
Sinar Kamiri Sdn. Bhd. (AA-) maturing on 29.01.2027	5,000,000	4,936,500	5,008	5,049,450	2.26
TG Excellence Berhad (AA-) maturing on 27.02.2025	5,000,000	4,894,000	2,838	4,888,400	2.20

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

7. SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

Name Of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.03.2023 RM	Fair Value over Net Asset Value %
TG Excellence Berhad (AA-) maturing on 27.02.2025	5,000,000	4,894,000	556	4,888,400	2.20
TG Excellence Berhad (AA-) maturing on 27.02.2025	5,000,000	4,887,500	444	4,888,400	2.20
UEM Sunrise Berhad (AA-) maturing on 19.05.2023	10,000,000	10,085,000	(71,038)	10,006,600	4.49
UEM Sunrise Berhad (AA-) maturing on 19.05.2023	10,000,000	10,022,500	(15,565)	10,006,600	4.49
WCT Berhad (AA-) Maturing on 28.02.2024	39,000,000	39,000,000	-	38,981,280	17.48
Zamarad Assets Berhad (AAA) maturing on 24.11.2023	5,000,000	4,943,500	28,181	4,965,100	2.23
	<u>199,000,000</u>	<u>198,580,000</u>	<u>(340,844)</u>	<u>199,018,730</u>	<u>89.27</u>

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

8. ISLAMIC DEPOSITS WITH A FINANCIAL INSTITUTION

	2023 RM
Total short-term Islamic deposits	<u>21,712,436</u>

Short term Islamic deposit rate of return per annum and average maturity of Islamic deposits with a financial institution as at the reporting date were as follows:

	2023	
	Weighted average rate of return % p.a.	Average Maturity Days
Short-term Islamic deposits	<u>2.80</u>	<u>3</u>

9. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Sukuk as per the list of sukuk available at Bond Info Hub and Fully Automated System For Issuing/Tendering of Bank Negara Malaysia; and
- (b) Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

10. OTHER RECEIVABLES

	2023 RM
Profit income receivable	<u>2,277,397</u>

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

11. NET ASSET VALUE ("NAV") OF THE FUND

The components of the equity attributable to unit holders as at the reporting date are as follows:

	Note	2023 RM
Unit holders' capital	12	221,886,435
Retained earnings		
- Realised reserves		627,538
- Unrealised gain		430,579
		<u>222,944,552</u>

12. UNITS IN CIRCULATION

	05.05.2022 (launch date) to 31.03.2023	
	Units	RM
At launch date	-	-
Creation of units	245,560,663	245,383,202
Cancellation of units	(23,562,404)	(23,496,767)
Distribution equalisation arising from creation and cancellation of units	-	494,121
Distribution equalisation accounted for in distribution	-	(494,121)
At end of period	<u>221,998,259</u>	<u>221,886,435</u>

During the financial period and as at 31 March 2023, the Manager did not hold any units in the Fund.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

13. TRANSACTIONS WITH DEALERS

Details of transaction with dealers for the year ended 31 March 2023 are as follows:

Dealer	Value of Trade RM	Percent of Total Trade %
Affin Hwang Investment Bank Berhad	120,863,000	40.48
MBSB Bank Berhad	54,070,500	18.11
Maybank Nominees (Tempatan) Sdn. Bhd.	50,000,000	16.75
RHB Investment Bank Berhad	43,894,000	14.70
Hong Leong Bank Berhad	19,987,500	6.69
Hong Leong Investment Bank Berhad	9,781,500	3.27
	<u>298,596,500</u>	<u>100.00</u>

During the financial period, there are no fees paid to the above dealers.

The dealings with the above dealers have been transacted at arm's length based on the normal terms in the industry. None of the parties mentioned above are related to the Manager.

14. PORTFOLIO TURNOVER RATIO

	05.05.2022 (launch date) to 31.03.2023
Portfolio Turnover Ratio ("PTR")	<u>1.03 times</u>

PTR is the ratio of the average of acquisition and disposals of Shariah-compliant investments for the period to the average net asset value of the Fund for the year calculated on a daily basis.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

15. TOTAL EXPENSE RATIO

05.05.2022
(launch date)
to
31.03.2023

Total Expense Ratio ("TER") 0.30%

TER is the ratio of the sum of fees and recovered expenses of the Fund to the average net asset value of the Fund for the period calculated on a daily basis.

16. FINANCIAL INSTRUMENTS

Fair Values

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash at bank, Islamic deposits with a financial institution, other receivables, amount due from and other payables

The carrying amounts approximate the fair values due to the relatively short-term maturity of these financial instruments.

(ii) Financial instruments measured at FVTPL

The Fund's FVTPL investments are measured at fair value.

(iii) Fair Value Hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2023, the Shariah-compliant investments are measured under level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 for both financial year ended.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

17. INVESTMENT SEGMENT INFORMATION

The Manager of the Fund is responsible for allocating resources available to the Fund in accordance with the overall investment strategy as set out in the Investment Guidelines of the Fund. The Fund is managed into one main operating segment which invests in various financial instruments. The following table provides information by financial instruments.

05.05.2022 (launch date) to 31.03.2023

	Shariah- compliant investments RM	Islamic deposits with financial institutions RM	Total RM
Income			
Segment income representing segment result	5,394,047	453,864	5,847,911
			<u>5,847,911</u>
Unallocated expenditure			(439,721)
Net income before taxation			5,408,190
Taxation			-
Net income after taxation			<u><u>5,408,190</u></u>

As at 31.03.2023

	Shariah- compliant investments RM	Islamic deposits with financial institutions RM	Total RM
Assets			
Segment assets			
- Shariah-compliant investments	199,018,730	21,712,436	220,731,166
- Profits receivable	2,273,248	4,149	2,277,397
			<u>223,008,563</u>
- Unallocated Assets			814,279
			<u><u>223,822,842</u></u>
Total equity and liabilities			
Unallocated liabilities			878,290
Total equity			<u>222,944,552</u>
			<u><u>223,822,842</u></u>

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES

(a) Introduction

The Fund is exposed to a variety of financial risks, including market risk (which consists of only profit rate risk), credit risk and liquidity risk. The overall financial risk management objective of the Fund is to mitigate capital losses.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment powers and restrictions stipulated in the Securities Commission's Guidelines on Unit Trust Funds in Malaysia and the Deed of the Fund.

(b) Market Risk

Market risk arises when the fair value or future cash flows of financial instruments fluctuate in response to the activities of individual companies and general market or economic conditions. The market risk is managed through a combination of diversification of investment strategy and also the portfolio asset allocation.

Profit rate risk forms the only market risk factor in which the Fund has a significant exposure to, as elaborated below:

(i) Profit rate risk

Cash and unquoted sukuk are particularly sensitive to movements in interest rates. When profit rates rise, the return on cash will rise whereas the valuation of unquoted sukuk will fall and vice versa, thus affecting the NAV of the Fund. When the trend of rising interest rates is anticipated, the exposure to unquoted sukuk will be reduced to an acceptable level.

The Fund seeks to manage this risk by constructing a sukuk portfolio in accordance with the interest rate strategies developed after thorough evaluation of macroeconomic variables.

Profit rate is a general economic indicator that will have an impact on the management of the fund regardless of whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with Shariah requirements.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(b) Market Risk (Contd.)

(ii) Profit rate risk sensitivity

The following table demonstrates the sensitivity of the Fund's profit/(loss) for the year and other comprehensive income to a reasonably possible change in profit rates, with all other variables held constant. The sensitivity is in the effect of the assumed changes in profit rates on:

- (i) the net profit income for one year, based on the floating rate financial assets held at the reporting date; and
- (ii) changes in fair value of Shariah-compliant investments for the year, based on revaluing fixed rate financial assets at the reporting date.

	Changes in basis points*	Sensitivity of profit income and profit increase/(decrease)	Sensitivity of changes in fair value of Shariah- compliant investments increase/(decrease)
		RM	RM
2023	+25	446	(480,500)
	-25	(446)	483,439

- * The assumed changes in basis points for profit rate sensitivity analysis are based on the currently observable market environment.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(b) Market Risk (Contd.)

(iii) Profit rate risk exposure

The following table analyse the Fund's profit rate risk exposure. The Fund's assets and liabilities are included at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

	Less than 1 month RM	1 month to 1 year RM	More than 1 year RM	Not exposed to profit rate movement RM	Total RM
2023					
Assets:					
Shariah-compliant investments	29,991,300	109,281,180	59,746,250	-	199,018,730
Islamic deposits with financial institutions	21,712,436	-	-	-	21,712,436
Amount due from Manager				808,339	808,339
Other assets	5,940	2,277,397	-	2,277,397	4,560,734
Total assets	51,709,676	111,558,577	59,746,250	3,085,736	226,100,239
Liabilities:					
Other liabilities	-	-	-	878,290	878,290
Total liabilities	-	-	-	878,290	878,290
Total interest rate sensitivity gap	51,709,676	111,558,577	59,746,250	2,207,446	225,221,949

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(c) Credit Risk

Credit risk is the risk of an issuer or a counterparty in failing to make timely payments of profit, principal and proceeds from realisation of investments. The Manager manages the credit risk by setting counterparty limits and undertaking credit evaluation to minimise such risk.

As at reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position.

Credit quality of financial assets

The following table analyses the Fund's investments by rating category as at 31 March 2023:

Credit rating	2023	
	RM	% of NAV
AAA	20,139,700	9.03
AA3	50,069,700	22.46
AA1	10,022,000	4.50
AA-	108,700,430	48.76
AA	10,086,900	4.52
	<u>199,018,730</u>	<u>89.27</u>

Credit risk concentration

The table below analyses the Fund's investments by sectorial distribution:

Sector	2023	
	RM	% of NAV
Real estate	60,042,600	26.93
Financial	59,800,800	26.83
Industrial	53,646,480	24.06
Consumer staples	10,392,500	4.67
Transportation	10,086,900	4.52
Energy	5,049,450	2.26
	<u>199,018,730</u>	<u>89.27</u>

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(d) Liquidity Risk

The Fund maintains sufficient levels of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unit holders. Islamic liquid assets comprise cash, Islamic deposits with financial institutions and other instruments, which are easily converted into cash. The Fund's policy is to always maintain a prudent level of Islamic liquid assets so as to reduce the liquidity risk.

The following table summarises the maturity profile of the Fund's financial liabilities:

	Less than 1 month RM	1 month - 3 months RM	Total RM
As at 31 March 2023			
Financial liabilities:			
Amount due to manager	54,486	-	54,486
Amount due to trustee	7,265	-	7,265
Distribution payable	796,339	-	796,339
Other payables	-	20,200	20,200
	<u>858,090</u>	<u>20,200</u>	<u>878,290</u>

(e) Risk management structure

The Fund's Manager is responsible for identifying and controlling risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach within the Fund.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(f) Risk measurement and reporting system

Monitoring and controlling risks are to be performed based on limits established by the Manager and Trustee. These limits reflect the investment strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall capacity of bearing risks or overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

(g) Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager has also established a Compliance Department to ensure that the Fund complies with the various regulations and guidelines as stipulated in its Trust Deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act, 2007.

The Manager will take reasonable steps to ensure that the above potential risks are managed by:

- Actively monitoring the Fund's asset allocation to ensure minimal impact from any adverse market movements. The Manager will ensure that the Shariah-compliant investments are carefully selected through fundamental analysis and portfolio diversification. The Manager will also focus on the credit qualities of the Shariah-compliant investments, which must be of good investment grade of at least A ratings or equivalent by Rating Agency of Malaysia ("RAM"), Malaysian Rating Corporation Berhad ("MARC") or any other similar rating establishment.
- Investing the Fund over a wide range of Shariah-compliant investments of different companies which provides diversification across a number of sectors and industries, minimising the risk not only of any single company's issuance becoming worthless and also of all holdings suffering uniformly adverse business conditions.
- Lengthening or shortening the Fund's average maturity period of the Shariah-compliant investments (within the Fund's objective) in anticipation of changing interest rates.

The Manager will seek to reduce all these risks as associated with the Fund by virtue of its experience, by adopting the analytical process and by structuring a broadly diversified investment pool.

AMANAHRAYA SYARIAH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(h) Excessive concentration risk

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio in accordance with the Fund's Trust Deed, the Manager's guidelines and the Securities Commission's Guidelines on Unit Trust Funds. Portfolio diversification across a number of sectors and industries minimises the risk not only of any single company's securities becoming worthless but also of all holdings suffering uniformly adverse business conditions. Specifically, the Fund's Trust Deed and Securities Commission's Guidelines on Unit Trust Funds limits the Fund's exposure to a single entity/industry sector to a certain percentage of its NAV.

19. COMPARATIVE

There are no comparative figures presented as this is the first set of financial statements prepared since the launch of the Fund on 5 May 2022.

Corporate Information

Fund: AmanahRaya Syariah Income Fund ('ARSIF')

The Manager	AmanahRaya Investment Management Sdn Bhd (309646-H) Level 7 & 8, Wisma AmanahRaya No 2 Jalan Ampang 50508 Kuala Lumpur Tel: (03) 2687 5200 Fax: (03) 2687 5300 Website: www.arim.com.my E-mail: sales@arim.com.my
Board of Directors	Dato' Haji Ramli bin Chik* Datuk Ismail bin Kamaruddin* Dato' Ahmad Suhaimi bin Endut Encik Mohd Razlan bin Mohamed* Puan Haliza Aini binti Othman* Puan Azura binti Azman* Encik Mohamad Shafik bin Badaruddin (<i>Managing Director / Chief Executive Officer</i>) <i>*Independent Director</i>
Investment Committee Members	Dato' Ahmad Suhaimi bin Endut Encik Mohd Razlan bin Mohamed* Datuk Ismail bin Kamaruddin* Puan Azura binti Azman* <i>*Independent Member</i>
Shariah Adviser	BIMB Securities Sdn Bhd 32 nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: (03) 2613 1600 Fax: (03) 2613 1799
Company Secretary	Jerry Jesudian A/L Joseph Alexander (MAISCA 7019735) Tingkat 11 Wisma AmanahRaya No 2 Jalan Ampang 50450 Kuala Lumpur
Trustee of the Fund	Maybank Trustees Berhad (196301000109 (5004-P)) 8 th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur. Tel: (03) 2070 8833 Fax: (03) 2070 9387
Banker of the Fund	Malayan Banking Berhad KL Main Branch Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur.

Corporate Information (continued)

Auditor of the Manager and the Fund	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: (03) 7495 8000 Fax: (03) 2095 5332
Tax Consultant of the Fund	Ernst & Young Tax Consultants Sdn Bhd Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: (03) 7495 8000 Fax: (03) 2095 5332
Senior Management Staff	Encik Mohamad Shafik Bin Badaruddin <i>Managing Director / Chief Executive Officer</i> Encik Mohd Amir Shah Bin Basir <i>Chief Operating Officer</i> Encik Ridza bin Ahmad Jalaludin <i>Head of Compliance – Designated Compliance Officer</i>