



ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED
31 JULY 2023

AMANAH RAYA UNIT TRUST FUND ARUTF

AMANAHRAYA UNIT TRUST FUND ('ARUTF')
FUND INFORMATION
For the Financial Year Ended 31 July 2023

Fund Name	AmanahRaya Unit Trust Fund ('ARUTF')
Fund Type	Growth and Income
Launch date	21 September 2006
Fund Category	Bond
Fund's Investment Objective	To provide regular income and capital growth over the medium to long-term through investments predominantly in debt securities, money market instruments and Trust Accounts.
Fund's Performance Benchmark	The benchmark of the Fund is 70% quant shop MGS Bond Index (Medium Sub – Index) + 30% 12-months Fixed Deposit Rate. You can obtain the information on the benchmark from the quant shop website (www.fundslogic.com) and maybank2u website (http://www.maybank2u.com.my).
Fund's Disribution Policy	The Fund aims to make an income distribution once a year.

AMANAHRAYA UNIT TRUST FUND ('ARUTF')
FUND PERFORMANCE

		31 July 2023		31 July 2022		31 July 2021		31 July 2020		31 July 2019	
		RM	%	RM	%	RM	%	RM	%	RM	%
1	<u>Portfolio Composition</u>										
	Corporate Bonds	25,416,000	92	86,751,880	82	93,211,110	82	87,469,170	86	72,358,850	83
	Commercial Papers	-	-	9,977,178	9	9,976,712	9	9,980,438	10	-	0
	Short-term Deposits	1,824,313	7	9,763,979	9	13,324,340	12	10,313,559	10	20,899,956	24
	Other Assets/(Liabilities)	459,399	1	(1,204,638)	(1)	(2,424,705)	(2)	(5,481,490)	(5)	(5,946,516)	(7)
		27,699,712	100	105,288,399	100	114,087,457	100	102,281,677	100	87,312,290	100
2	Total Net Asset Value ('NAV')	RM	27,699,712	105,288,399	114,087,457	102,281,677	87,312,290				
3a	NAV per unit (ex-distribution)	RM	1.0773	1.0623	1.0663	1.0690	1.0415				
3b	No. of Units in Circulation		25,713,108	99,114,625	106,996,915	95,682,822	83,830,263				
4a	Highest NAV per unit	RM	1.1167	1.0910	1.1107	1.1477	1.1201				
4b	Lowest NAV per unit	RM	1.0624	1.0609	1.0662	1.0415	1.0415				
5a	Capital Return		1.40%	-0.39%	-0.28%	2.62%	-0.38%				
5b	Income Return		3.80%	2.84%	4.26%	7.68%	7.70%				
5c	Annual Total Return		5.20%	2.45%	3.98%	10.30%	7.32%				
6a	Gross Distribution (Per Unit)		4.00 sen	3.00 sen	4.50 sen	8.00 sen	8.00 sen				
6b	Net Distribution Per Unit (Per Unit)		4.00 sen	3.00 sen	4.50 sen	8.00 sen	8.00 sen				
6c	Date of Distribution		31 July 2023	29 July 2022	30 July 2021	30 July 2020	31 July 2019				
6d	NAV per unit, before distribution	RM	1.1173	1.0921	1.1112	1.1488	1.1215				
6e	NAV per unit, after distribution	RM	1.0773	1.0623	1.0663	1.0688	1.0415				
7	Total Expense Ratio ("TER")	*	1.09%	1.07%	1.07%	1.09%	1.10%				
8	Portfolio Turnover Ratio ("PTR")	#	0.82 times	0.78 times	0.77 times	2.79 times	2.45 times				
9	<u>Average Total Return:-</u>										
	1-year		5.20%	2.45%	3.98%	10.30%	7.32%				
	3-year		4.01%	5.83%	7.69%	7.75%	5.20%				
	5-year		6.52%	6.25%	6.52%	6.63%	5.21%				
	10-Year		5.95%	5.65%	6.04%	6.62%	6.15%				
	Since inception [Launching Date: 21.09.2006]		7.50%	7.25%	7.39%	7.37%	6.45%				

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 Total Expense Ratio ('TER')

TER for financial year ended 31 July 2023 is slightly higher compared to last year due to decrease in NAV.

Explanation for Differences in Portfolio Turnover ('PTR')

The increased of PTR as at financial year ended 31 July 2023 was due to active bond trading activities.

AMANAHRAYA UNIT TRUST FUND ('ARUTF')
MANAGER'S REPORT
For the Financial Year Ended 31 July 2023

**Fund
Performance
&
Investment
Objective**

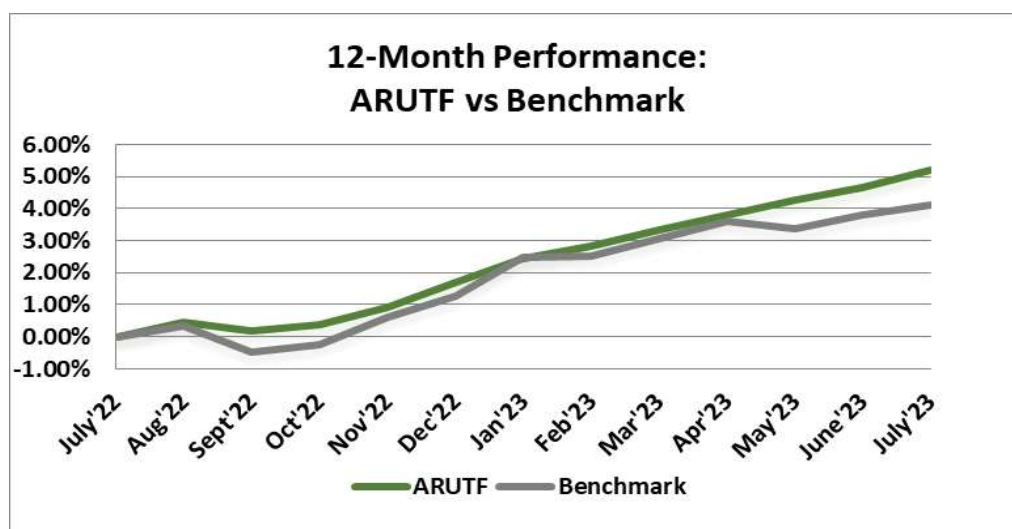
The Fund aims to provide investors with regular income and capital growth over the medium to long-term period through investments in a portfolio of predominantly in debt securities, money market instruments and Trust Accounts.

During the year under review, the Fund has achieved its objective in providing regular income and capital growth over the medium to long-term. For the financial year ended 31 July 2023, the Fund outperformed the Benchmark of 70% RAM QuantShop MGS Medium Index and 30% Maybank 1-year Fixed Deposit Rate of 4.12% to register an annual return of 5.20%.

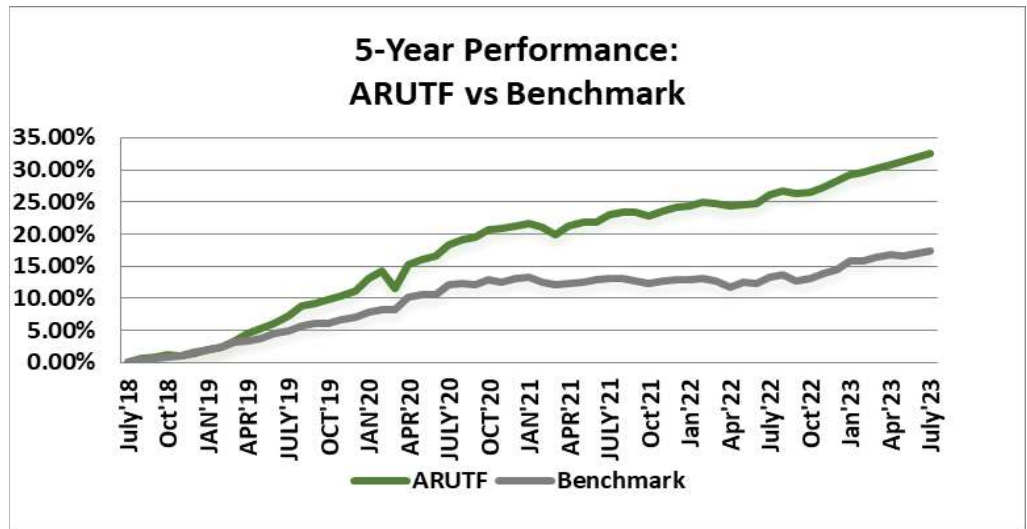
The Fund has registered a 5-years total return of 32.61% compared to the benchmark total return of 17.36%. The Net Asset Value ("NAV") per unit of the Fund as at 31 July 2022 was RM1.0623 and it increased to RM1.0773 as at 31 July 2023. For the financial year ended 31 July 2023, the Fund had declared gross and net annual distribution at 4.00 sen per unit. On the total NAV basis, the Fund's NAV decreased from RM105.29 million as of 31 July 2022 to RM27.70 million as of 31 July 2023 due to significant redemption from corporate unitholders.

The graphs below illustrate the comparison between the Fund's performance and benchmark's performance during the 12-month and 5-year review periods.

Performance of ARUTF vs Benchmark for the FYE 31 July 2023



5-Year Performance of ARUTF vs Benchmark



Analysis of Fund Performance

	1/8/2022 - 31/7/2023	1/8/2021 - 31/7/2022	1/8/2020 - 31/7/2021	1/8/2019 - 31/7/2020	1/8/2018 - 31/7/2019
NAV Per Unit (ex-distribution)	RM1.0773	RM1.0623	RM1.0663	RM1.0690	RM1.0415
Total Net Asset Value ('NAV') – RM Million	RM27.70	RM105.29	RM114.09	RM102.28	RM87.31
Benchmark					
- Annual	4.12%	0.16%	0.97%	7.31%	4.80%
- 10 years	36.37%	34.23%	38.63%	58.48%	39.04%
Income Return	3.80%	2.84%	4.26%	7.68%	7.70%
Capital Return	1.40%	-0.39%	-0.28%	2.62%	-0.38%
Total Return					
- Annual	5.20%	2.45%	3.98%	10.30%	7.32%
- 10 Years	59.46%	56.53%	60.42%	101.24%	61.48%
Out/(Under) Performance					
- Annual	1.08%	2.29%	3.01%	2.99%	2.52%
-10 Years	23.09%	22.30%	21.79%	42.76%	22.44%

Income Distribution		31 July 2023	31 July 2022			
	Gross Distribution	4.00 sen per unit	3.00 sen per unit			
	Net Distribution	4.00 sen per unit	3.00 sen per unit			
	Net Income After Taxation & DE*	RM3,229,924	RM2,689,037			
	Distribution for the Financial Year	RM991,711	RM2,960,589			
	No. of Units in Circulation	25,713,108 units	99,114,625 units			
	NAV before Distribution	RM1.1173 per unit	RM1.0921 per unit			
	NAV after Distribution	RM1.0773 per unit	RM1.0623 per unit			
	Gross distribution per unit derived from realized income less expenses divided by the number of units in circulation, while net distribution per unit derived from gross realized income less expenses and taxation divided by the number of units in circulation.					
	*DE: Distribution Equalisation					
Portfolio Composition & Sector Allocation	<u>Portfolio Composition</u>					
	Asset Allocation	Benchmark	As at 31 July 2023	As at 31 July 2022	As at 31 July 2021	As at 31 July 2020
			As at 31 July 2019			
Fixed Income	70%	92%	92%	90%	95%	83%
Cash	30%	8%	8%	10%	5%	17%
	During the financial year under review, the Fund had maintained the exposure in corporate bond for yield enhancement above the minimum required level of 70%.					
	As of 31 July 2023, the Fund's investment is summarized as follows:					
	Sector Allocation & Rating Distribution					
	Sector Allocation	2023 (%)	2022%			
	Consumer Discretionary	7.76	5.13			
	Diversified Holdings	-	10.01			
	Energy & Utilities	19.90	20.61			
	Financial	11.79	5.12			
	Industrials	38.97	23.29			
	Real Estate	21.58	35.84			
	Total	100.00	100.00			

	<table border="1"> <thead> <tr> <th data-bbox="435 255 756 293">Rating Distribution</th> <th data-bbox="756 255 1016 293">2023 (%)</th> <th data-bbox="1016 255 1275 293">2022 (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="435 293 756 338">AA3</td> <td data-bbox="756 293 1016 338">15.77</td> <td data-bbox="1016 293 1275 338">25.76</td> </tr> <tr> <td data-bbox="435 338 756 383">AA-</td> <td data-bbox="756 338 1016 383">29.72</td> <td data-bbox="1016 338 1275 383">15.41</td> </tr> <tr> <td data-bbox="435 383 756 427">A+</td> <td data-bbox="756 383 1016 427">31.13</td> <td data-bbox="1016 383 1275 427">30.34</td> </tr> <tr> <td data-bbox="435 427 756 472">A</td> <td data-bbox="756 427 1016 472">23.38</td> <td data-bbox="1016 427 1275 472">18.18</td> </tr> <tr> <td data-bbox="435 472 756 517">P2</td> <td data-bbox="756 472 1016 517">-</td> <td data-bbox="1016 472 1275 517">10.31</td> </tr> <tr> <td data-bbox="435 517 756 555">Total</td> <td data-bbox="756 517 1016 555">100.00</td> <td data-bbox="1016 517 1275 555">100.00</td> </tr> </tbody> </table>			Rating Distribution	2023 (%)	2022 (%)	AA3	15.77	25.76	AA-	29.72	15.41	A+	31.13	30.34	A	23.38	18.18	P2	-	10.31	Total	100.00	100.00
Rating Distribution	2023 (%)	2022 (%)																						
AA3	15.77	25.76																						
AA-	29.72	15.41																						
A+	31.13	30.34																						
A	23.38	18.18																						
P2	-	10.31																						
Total	100.00	100.00																						
Market Review	<p data-bbox="424 658 683 687"><u>Bond Market Review</u></p> <p data-bbox="424 719 1458 943">Malaysia: There was a general decline in yields for Malaysian Government Securities ("MGS") and Government Investment Issues ("GII"), with changes ranging from -8.2 bps to 2.6 bps overall. The 10 years MGS yield saw a slight decrease of 4.8 bps to 3.84%, while the 20 years MGS yield increased by 1.9 bps to 4.12%. Going forward, the previous flattening of the yield curve could be reversed, given expectations of peaking interest rates, yet it is also subject to the trajectory of global and domestic Gross Domestic Product ("GDP") growth.</p> <p data-bbox="424 974 1458 1162">United State: 10 years United States Treasury ("UST") yield ended higher around 4.0% as investors reacted to hawkish remarks by the US Fed Chairman whereby, he is open to the possibilities of more interest rate hikes to fully combat the United State persistently high inflation rate. The 10 years and 3 years UST yield spread remains inverted at - 70 bps as the short-end underperformed due to its sensitivity to policy rate movements.</p> <p data-bbox="424 1193 1458 1382">Moreover, the Fed had decided to hike interest rates to 5.25% to 5.50%. The Fed remains strongly committed to reducing inflation to 2% and has opened the possibility for additional hikes. Nonetheless, the market expects the Fed to maintain interest rates from 5.25% to 5.50% before a 25bps rate cut in the first quarter of 2024. However, the Fed may be open to the possibility of one more 25 bps rate hike before end-2023 to ensure its inflation target is achieved.</p> <p data-bbox="424 1413 649 1442"><u>Economic Review</u></p> <p data-bbox="424 1473 1458 1662">The Malaysian economy grew by 5.60% in the first quarter of 2023, exceeding expectations for the quarter, mainly attributable to improving labour market, low-base effect from 2022 and recovery in sectors such as construction and agriculture. The Malaysian GDP growth is anticipated to linger around 4.4% for full year of 2023, supported by domestic factors including healthy labour market, better tourist arrivals and pro-business policies tabled in the revised Budget 2023.</p> <p data-bbox="424 1693 1458 1984">Malaysia's headline inflation eased to 2.40% year over year ("Y-O-Y") in June 2023 (May 2023: 2.80% Y-O-Y). This downward trajectory in inflation is expected to persist as the Malaysian economy maintains a moderate growth pace due to softened external export demand and falling energy prices. Moving forward, inflation is projected to remain flattish due to normalizing demand and cost factors. Nevertheless, inflation growth could be tempered by the domestic policy movements and potential impact of volatility from the Fed monetary stance. Having said that, the projected inflation rate for the full year of 2023 is estimated to be at 2.8%, before easing to 2.5% in 2024.</p>																							

	<p>United State Dollar/Ringggit Malaysia ("USD/MYR") exchange rate improved to 4.54% in July 2023, but remained weak compared to its pre-pandemic levels. The MYR is expected to trade sideways with a potential upward bias against the USD in the short term and is projected to reach 4.50% by the end of 2023. Our projections are supported by the completion of the Fed hiking cycle in the second half of 2023 and stronger support for the MYR amid Malaysia's robust domestic growth.</p> <p><u>Interest rate Review</u></p> <table border="1" data-bbox="427 544 1450 819"> <thead> <tr> <th>Date</th> <th>OPR Level (%)</th> <th>Change in OPR (%)</th> </tr> </thead> <tbody> <tr> <td>06 Jul 2023</td> <td>0.00</td> <td>3.00</td> </tr> <tr> <td>03 May 2023</td> <td>+0.25</td> <td>3.00</td> </tr> <tr> <td>09 Mar 2023</td> <td>0.00</td> <td>2.75</td> </tr> <tr> <td>19 Jan 2023</td> <td>0.00</td> <td>2.75</td> </tr> <tr> <td>03 Nov 2022</td> <td>+0.25</td> <td>2.75</td> </tr> <tr> <td>08 Sep 2022</td> <td>+0.25</td> <td>2.50</td> </tr> <tr> <td>6 Jul 2022</td> <td>+0.25</td> <td>2.25</td> </tr> </tbody> </table> <p><i>Source: Bank Negara Malaysia.</i></p> <p>In July 2023 Monetary Policy Committee ("MPC") meeting, Bank Negara Malaysia ("BNM") has decided to keep the OPR unchanged at 3.00%. The decision was influenced by factors such as minimal inflation risks, the central bank's forex intervention measures, and its view of the global economy. The highest forecast for the peak OPR remains at 3.25%, with the risks slightly leaning towards a projection of 3.00%.</p>	Date	OPR Level (%)	Change in OPR (%)	06 Jul 2023	0.00	3.00	03 May 2023	+0.25	3.00	09 Mar 2023	0.00	2.75	19 Jan 2023	0.00	2.75	03 Nov 2022	+0.25	2.75	08 Sep 2022	+0.25	2.50	6 Jul 2022	+0.25	2.25
Date	OPR Level (%)	Change in OPR (%)																							
06 Jul 2023	0.00	3.00																							
03 May 2023	+0.25	3.00																							
09 Mar 2023	0.00	2.75																							
19 Jan 2023	0.00	2.75																							
03 Nov 2022	+0.25	2.75																							
08 Sep 2022	+0.25	2.50																							
6 Jul 2022	+0.25	2.25																							
<p>General Strategy</p>	<p>The Fund will take on 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 range credit for yield enhancement.</p>																								
<p>Significant Changes in the State of Affairs of the Fund</p>	<p>The description and explanation are described in Pages 3-4 (under 'Fund Performance & Investment Objective'). In overall, other than those described and explained in these paragraphs, there were no significant changes in the state of affairs of the Fund during the financial period and up to the date of Manager's Report.</p>																								
<p>Rebates and Soft Commissions</p>	<p>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.</p> <p>During the financial year under review, the Manager did not receive or utilize any of the above.</p>																								

Cross Trade	Cross trade transactions have been carried out during the financial year under review and Trustee of the Fund has reviewed that such transactions are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on the fair value basis.
Securities Financing Transaction	The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

AMANAHRAYA UNIT TRUST FUND

STATEMENT BY MANAGER

To the unit holders of
AMANAHRAYA UNIT TRUST 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 UNIT TRUST FUND ("the Fund"), do hereby state that, in the opinion of the Manager, the financial statements of the Fund for the financial year ended 31 July 2023, together with the notes thereto, have been properly drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") 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 July 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 UNIT TRUST FUND, in accordance with a resolution of the Directors dated 25 September 2023.

DATO' HAJI RAMLI BIN CHIK
Director

MOHAMAD SHAFIK BIN BADARUDDIN
Managing Director /
Chief Executive Officer

Kuala Lumpur, Malaysia
25 September 2023

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF AMANAHRAYA UNIT TRUST FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 July 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **AmanahRaya Investment Management Sdn. Bhd.** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
25 September 2023

Independent auditors' report to the unit holders of AmanahRaya Unit Trust Fund ("the Fund")

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmanahRaya Unit Trust Fund ("the Fund"), which comprise the statement of financial position as at 31 July 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 15 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2023, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information of the Fund, 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 Unit Trust 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 Unit Trust 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 Unit Trust 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 Rahim
No. 03157/01/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
25 September 2023

AMANAHRAYA UNIT TRUST FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	Note	2023 RM	2022 RM
INCOME			
Interest income		3,348,310	5,360,904
Realised losses on sale of investments		(815,455)	(584,267)
Accretion of discount net of amortisation of premium		(7,798)	353,590
Net foreign currency exchange gains		43	185
Other income		14	4
Unrealised gain/(loss) from financial assets at fair value through profit or loss ("FVTPL") investments		1,443,657	(1,232,416)
		<u>3,968,771</u>	<u>3,898,000</u>
EXPENDITURE			
Management fee	3	679,848	1,127,523
Trustee's fee	4	33,992	56,376
Auditors' remuneration		15,000	15,000
Administrative expenses		10,007	10,064
		<u>738,847</u>	<u>1,208,963</u>
NET INCOME BEFORE TAXATION		3,229,924	2,689,037
TAXATION	5	-	-
NET INCOME AFTER TAXATION		<u>3,229,924</u>	<u>2,689,037</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,229,924</u>	<u>2,689,037</u>
Net income after taxation is made up of the following:			
Net realised gains		1,786,224	3,921,268
Net unrealised gain/(loss)		1,443,700	(1,232,231)
		<u>3,229,924</u>	<u>2,689,037</u>
Distribution for the year	6	<u>991,711</u>	<u>2,960,589</u>
Gross distribution per unit		<u>4.00 sen</u>	<u>3.00 sen</u>
Net distribution per unit		<u>4.00 sen</u>	<u>3.00 sen</u>
Distribution date		<u>31.07.2023</u>	<u>29.07.2022</u>

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

AMANAHRAYA UNIT TRUST FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	Note	2023 RM	2022 RM
ASSETS			
Investments	7	25,416,000	96,729,058
Deposits with financial institutions	8	1,824,313	9,763,979
Amount due from Manager		991,481	675,055
Other receivables	9	429,421	1,343,947
Cash at bank		74,835	9,739
TOTAL ASSETS		28,736,050	108,521,778
LIABILITIES			
Amount due to Manager	10	23,264	248,037
Amount due to Trustee		1,163	4,553
Distribution payable		991,711	2,960,589
Other payables		20,200	20,200
TOTAL LIABILITIES		1,036,338	3,233,379
NET ASSET VALUE ("NAV") OF THE FUND	11	27,699,712	105,288,399
EQUITY			
Unit holders' capital		26,647,598	101,880,980
Retained earnings		1,052,114	3,407,419
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	11	27,699,712	105,288,399
NUMBER OF UNITS IN CIRCULATION	12	25,713,108	99,114,625
NAV PER UNIT - EX DISTRIBUTION		1.0773	1.0623

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

AMANAHRAYA UNIT TRUST FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 August 2021		109,897,462	4,189,995	114,087,457
Creation of units		14,314,952	-	14,314,952
Cancellation of units		(22,331,434)	-	(22,331,434)
Distribution equalisation during the year		(511,024)	-	(511,024)
Total comprehensive income for the year		-	2,689,037	2,689,037
Distribution for the year	6	511,024	(3,471,613)	(2,960,589)
At 31 July 2022		101,880,980	3,407,419	105,288,399
At 1 August 2022		101,880,980	3,407,419	105,288,399
Creation of units		20,684,475	-	20,684,475
Cancellation of units		(95,917,857)	-	(95,917,857)
Distribution equalisation during the year		(4,593,518)	-	(4,593,518)
Total comprehensive income for the year		-	3,229,924	3,229,924
Distribution for the year	6	4,593,518	(5,585,229)	(991,711)
At 31 July 2023		26,647,598	1,052,114	27,699,712

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

AMANAHRAYA UNIT TRUST FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

	2023	2022
	RM	RM
CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES		
Purchase of investments	(18,799,840)	(84,782,779)
Proceeds from sale of investments	90,733,300	89,778,450
Interest received	4,262,836	5,414,833
Management fee paid	(747,649)	(1,135,736)
Trustee fee paid	(37,382)	(56,787)
Other income	57	189
Payment of other fees and expenses	(25,014)	(24,865)
Net cash generated from operating and investing activities	<u>75,386,308</u>	<u>9,193,305</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from creation of units	21,583,026	15,552,646
Payment on cancellation of units	(101,883,315)	(23,534,042)
Distribution paid	(2,960,589)	(4,772,409)
Net cash used in from financing activities	<u>(83,260,878)</u>	<u>(12,753,805)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,874,570)	(3,560,500)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>9,773,718</u>	<u>13,334,218</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>1,899,148</u>	<u>9,773,718</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	74,835	9,739
Deposits with financial institutions	1,824,313	9,763,979
	<u>1,899,148</u>	<u>9,773,718</u>

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

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

AMANAHRAYA UNIT TRUST FUND (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 21 August 2006 and Supplemental Deeds dated 6 January 2010 and 9 March 2015 (collectively referred to as “the Deed”), between the Manager and the Trustee, CIMB Islamic Trustee Berhad for the Registered Holders of the Fund. With effect from 21 January 2010, AmanahRaya Investment Management Sdn. Bhd. (“ARIM”) was appointed as the Manager for the Fund, replacing AmanahRaya Unit Trust Management Sdn. Bhd. (“ARUTM”) through a business transfer exercise.

The principal activity of the Fund is to invest in “Permitted Investments” as defined under schedule 2 of the Deed. The “Permitted Investments” mainly include deposits with financial institutions, money market instruments and Malaysian corporate bonds and debt securities. The Fund commenced operations on 21 September 2006 and will continue its operations until terminated by the Trustee as provided under Clause 25 of the Deed.

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 25 September 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 Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

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

The significant accounting policies adopted are consistent with those applied in the previous financial year end except for the adoption of new MFRSs, Amendments to MFRSs and IC Interpretations which are effective for the financial year beginning on or after 1 August 2022. These new MFRSs, Amendments to MFRSs and IC Interpretations did not give rise to any significant effect on the financial statements.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (Contd.)

Pronouncements issued but not yet 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: International Tax Reform - Pillar Two Model Rules</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 107 <i>Statement of Cash Flow and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</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 UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies

(a) Financial Assets

Financial assets 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 at amortised cost.

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 FVTPL 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 fixed income securities are determined by reference to prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission Malaysia on a daily basis.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(a) Financial Assets (Contd.)

Financial assets carried 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 interest.

Financial assets at amortised cost require the use of the effective interest method and are subject to MFRS 9 impairment rules. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(b) 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 from 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 loss has been determined.

(c) Financial Liabilities

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

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 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 interest method.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(c) Financial Liabilities (Contd.)

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.

(d) 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 units are cancelled.

(e) 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.

(f) 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.

Interest income is recognised using the effective interest method.

(g) 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.

(h) 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.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(h) Significant Accounting Estimates and Judgements (Contd.)

As disclosed in Note 7 below, the Fund uses market mid prices provided by Bond Pricing Agency Malaysia Sdn. Bhd., a bond pricing agency 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.

3. MANAGEMENT FEE

Clause 24(1) of the Deed provides that the Manager is entitled to a fee not exceeding 1.75% 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 financial year ended 31 July 2023 is 1% per annum (2022: 1% per annum) of the NAV of the Fund. The calculation of management fee during the year is based on 365 days.

4. TRUSTEE'S FEE

Clause 24(4) of the Deed provides that the Trustee is entitled to a fee not exceeding 0.07% per annum of the NAV attributable to the unit holders of the Fund, calculated and accrued daily basis.

The Trustee's fee charged for the financial year ended 31 July 2023 is 0.05% per annum (2022: 0.05% per annum) of the NAV of the Fund. The calculation of trustee fee during the year is based on 365 days.

5. TAXATION

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable income for the financial year.

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.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

5. TAXATION (CONTD.)

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:

	2023	2022
	RM	RM
Net income before taxation	<u>3,229,924</u>	<u>2,689,037</u>
Taxation at Malaysian statutory rate of taxation of 24% (2022: 24%)	775,182	645,369
Tax effects of:		
Income not subject to tax	(952,505)	(935,520)
Expenses not deductible for tax purposes	10,560	15,946
Restriction on tax deductible expenses for unit trust fund	150,087	246,784
Tax deductible expenses not fully utilized	<u>16,676</u>	<u>27,421</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

6. DISTRIBUTION FOR THE YEAR

Distribution to unit holders are made from the following sources:

	2023	2022
	RM	RM
Interest income	3,348,310	4,911,253
Realised losses on sale of investments	(815,455)	(584,267)
Accretion of discount net of amortisation of premium	(7,798)	353,590
Distribution equalisation	(4,593,518)	(511,024)
Previous financial years' realised gain	<u>3,799,019</u>	<u>-</u>
	1,730,558	4,169,552
Less: Expenses	<u>(738,847)</u>	<u>(1,208,963)</u>
	<u>991,711</u>	<u>2,960,589</u>
Gross distribution per unit	<u>4.00 sen</u>	<u>3.00 sen</u>
Net distribution per unit	<u>4.00 sen</u>	<u>3.00 sen</u>

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

7. INVESTMENTS

	2023 RM	2022 RM
Islamic Commercial Paper ("ICP")	-	9,977,178
Unquoted Sukuk	25,416,000	86,751,880
	<u>25,416,000</u>	<u>96,729,058</u>

The Fund's investments are classified as FVTPL financial assets and are carried at fair value. The Fund uses market mid prices provided by Bond Pricing Agency Malaysia Sdn. Bhd., a bond pricing agency registered with the Securities Commission, in its valuation of the FVTPL financial assets.

The composition of unquoted sukuk as at 31 July 2023 are detailed below:

Name of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.7.2023 RM	Fair Value over Net Asset Value %
DRB-Hicom Berhad (A+) maturing on 12.12.2029	2,000,000	1,988,200	3,159	1,973,200	7.12
Exsim Capital Resources Sdn. Bhd. (AA3) maturing on 04.09.2025	2,000,000	2,006,320	(2,507)	1,991,460	7.19
Exsim Capital Resources Sdn. Bhd. (AA3) maturing on 11.12.2026	1,000,000	1,031,400	(181)	1,005,420	3.63
George Kent Malaysia Berhad (A+) maturing on 26.03.2026	2,000,000	2,002,200	(1,117)	2,012,120	7.26

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

7. INVESTMENTS (CONTD.)

Name of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.7.2023 RM	Fair Value over Net Asset Value %
SAJ Capital Sdn. Bhd. (AA-) maturing on 26.01.2028	1,000,000	1,030,300	(5,017)	1,045,000	3.77
Sinar Kamiri Sdn. Bhd. (AA-) maturing on 30.01.2036	2,000,000	2,119,600	(57,453)	2,020,820	7.30
Tanjung Bin Energy Sdn. Bhd. (AA3) maturing on 16.03.2026	1,000,000	1,006,500	(1,701)	1,010,290	3.65
Tropicana Corporation Berhad (A) maturing on 14.05.2027	3,000,000	3,010,200	(4,219)	2,976,840	10.75
TG Excellence Sdn Bhd (A+) maturing on 27.02.2025	4,000,000	3,889,950	17,527	3,926,120	14.17
UEM Sunrise Berhad (AA-) maturing on 15.04.2024	2,500,000	2,498,750	457	2,506,500	9.05
UiTM Solar Power 2 Sdn Bhd (AA-) maturing on 05.03.2032	1,000,000	1,004,300	(806)	981,100	3.54

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

7. INVESTMENTS (CONTD.)

Name of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.7.2023 RM	Fair Value over Net Asset Value %
WCT Holdings Berhad (A) maturing on 03.03.2119	3,000,000	3,002,100	(178)	2,966,700	10.71
WCT Holdings Berhad (AA-) maturing on 28.02.2024	1,000,000	1,000,000	-	1,000,430	3.62
	<u>25,500,000</u>	<u>25,589,820</u>	<u>(52,036)</u>	<u>25,416,000</u>	<u>91.76</u>

8. DEPOSITS WITH FINANCIAL INSTITUTIONS

The weighted average effective interest rates (“WAEIR”) per annum and average maturity of deposits with financial institutions as at the reporting date were as follows:

	2023		2022	
	WAEIR % p.a.	Average Maturity Days	WAEIR % p.a.	Average Maturity Days
Short-term deposits	<u>3.00</u>	<u>2</u>	<u>2.25</u>	<u>1</u>

9. OTHER RECEIVABLES

	2023 RM	2022 RM
Interest income receivable	427,421	1,341,947
Deposit	2,000	2,000
	<u>429,421</u>	<u>1,343,947</u>

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

10. AMOUNT DUE TO MANAGER

	2023 RM	2022 RM
Redemption of units	-	156,973
Manager's fee payable	23,264	91,064
	<u>23,264</u>	<u>248,037</u>

11. NET ASSET VALUE OF THE FUND

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

	Note	2023 RM	2022 RM
Unit holders' capital	12	26,647,598	101,880,980
Retained earnings			
- Realised reserves		1,173,687	4,972,692
- Unrealised losses		(121,573)	(1,565,273)
		<u>27,699,712</u>	<u>105,288,399</u>

12. UNIT HOLDERS' CAPITAL

	2023		2022	
	Units	RM	Units	RM
At beginning of year	99,114,625	101,880,980	106,996,915	109,897,462
Creation of units	20,302,852	20,684,475	14,098,011	14,314,952
Cancellation of units	(93,704,369)	(95,917,857)	(21,980,301)	(22,331,434)
Distribution equalisation arising from creation and cancellation	-	(4,593,518)	-	(511,024)
Distribution equalisation distributed	-	4,593,518	-	511,024
At end of year	<u>25,713,108</u>	<u>26,647,598</u>	<u>99,114,625</u>	<u>101,880,980</u>

During the current and previous financial year end, the Manager and ARB did not hold any units in the Fund.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

13. TRANSACTIONS WITH DEALER

Details of transactions with dealers for the financial year ended 31 July 2023 are as follows:

Dealer	Value of Trade RM	Percent of Total Trade %
MBSB Bank Berhad	66,471,180	59.85
CIMB Islamic Bank Berhad	23,401,499	21.07
UOB Bank Berhad	13,269,135	11.95
RHB Investment Bank Berhad	3,448,334	3.11
Malayan Banking Berhad	2,498,750	2.25
Hong Leong Bank Berhad	1,708,767	1.54
Hong Leong Islamic Bank Berhad	256,322	0.23
	<u>111,053,987</u>	<u>100.00</u>

During the financial year, there were no fees paid to the above dealers.

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

14. PORTFOLIO TURNOVER RATIO

	2023 RM	2022 RM
Portfolio Turnover Ratio ("PTR")	<u>0.82 times</u>	<u>0.78 times</u>

PTR is the ratio of the average sum of acquisition and disposals of investments for the year to the average NAV of the Fund for the year calculated on a daily basis.

15. TOTAL EXPENSE RATIO

	2023 RM	2022 RM
Total Expense Ratio ("TER")	<u>1.09%</u>	<u>1.07%</u>

TER is the ratio of total expenses of the Fund expressed as a percentage of the average net asset value attributable to unit holders of the Fund for the financial year calculated on a daily basis.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

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 and cash equivalents, other receivables, amount due to/from Manager, amount due to Trustee and other payables

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

(ii) Investments

The methods for deriving the fair value of investments are as per note 2.2 (h).

(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 July 2023 and 31 July 2022, the investments are measured under level 2 of the fair value hierarchy.

There was no transfer between level 1 and level 2 for both financial year ended.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 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 strategies as set out in the Investment Guidelines of the Fund. The Fund is managed as one main operating segment which invests in various financial instruments. The following table provides information by financial instruments.

	Unquoted fixed income securities RM	Deposits with financial institutions RM	Total RM
1.8.2022 to 31.7.2023			
Income			
Segment income representing segment result	3,726,797	241,960	3,968,757
Unallocated income			14
			<u>3,968,771</u>
Unallocated expenditure			(738,847)
Net income before taxation			<u>3,229,924</u>
Taxation			-
Net income after taxation			<u>3,229,924</u>
	Unquoted fixed income securities RM	Deposits with financial institutions RM	Total RM
As at 31.7.2023			
Assets			
Segment assets			
- Investments	25,416,000	1,824,313	27,240,313
- Others	427,271	150	427,421
			<u>27,667,734</u>
Other unallocated assets			1,068,316
			<u>28,736,050</u>
Total equity and liabilities			
Unallocated liabilities			1,036,338
Total equity			<u>27,699,712</u>
			<u>28,736,050</u>

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

17. INVESTMENT SEGMENT INFORMATION (CONTD.)

	Unquoted fixed income securities RM	Deposits with financial institutions RM	Total RM
1.8.2021 to 31.7.2022			
Income			
Segment income representing segment result	3,760,351	137,645	3,897,996
Unallocated income			4
			<u>3,898,000</u>
Unallocated expenditure			(1,208,963)
Net income before taxation			<u>2,689,037</u>
Taxation			-
Net income after taxation			<u>2,689,037</u>
As at 31.7.2022			
Assets			
Segment assets			
- Investments	96,729,058	9,763,979	106,493,037
- Others	1,339,549	2,398	1,341,947
			<u>107,834,984</u>
Other unallocated assets			686,794
			<u>108,521,778</u>
Total equity and liabilities			
Unallocated liabilities			3,233,379
Total equity			<u>105,288,399</u>
			<u>108,521,778</u>

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 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 interest 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.

Interest rate risk and currency risk form the market risk factors in which the Fund has a significant exposure, which is further elaborated below:

Interest rate risk

Deposits with financial institutions and fixed income securities are particularly sensitive to movements in interest rates. When interest rates rise, the return on deposits with financial institutions will rise while the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. When the interest rates trend is anticipated to rise, the exposure to fixed income securities will be reduced to an acceptable level.

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

Interest 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 interest rates, with all other variables held constant. The sensitivity is in the effect of the assumed changes in interest rates on:

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

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(b) Market Risk (Contd.)

Interest rate risk sensitivity (Contd.)

	Changes in basis points*	Sensitivity of interest income and profit increase/(decrease) RM	Sensitivity of changes in fair value of investments (decrease)/increase RM
2023	+25	25	(166,297)
	-25	(25)	169,887
2022	+25	67	(819,760)
	-25	(67)	842,549

* The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Interest rate risk exposure

The following table analyses the Fund's interest rate risk exposure. The Fund's assets and liabilities are included at fair value and categorised by the earlier of contractual repricing or maturity dates.

	Less than 1 month RM	1 month to 1 year RM	More than 1 year RM	Non-interest bearing RM	Total RM	Effective interest rate %
2023						
Assets:						
Investments	-	3,506,930	21,909,070	-	25,416,000	5.37
Deposits with financial institutions	1,824,313	-	-	-	1,824,313	3.00
Other assets	-	-	-	1,495,737	1,495,737	
Total assets	1,824,313	3,506,930	21,909,070	1,495,737	28,736,050	
Liabilities:						
Other liabilities	1,016,138	20,200	-	-	1,036,338	
Total liabilities	1,016,138	20,200	-	-	1,036,338	
Total interest sensitivity gap	808,175	3,486,730	21,909,070	1,495,737	27,699,712	

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(b) Market Risk (Contd.)

Interest rate risk exposure (Contd.)

	Less than 1 month RM	1 month to 1 year RM	More than 1 year RM	Non-interest bearing RM	Total RM	Effective interest rate %
2022						
Assets:						
Investments	9,977,178	9,976,800	76,775,080	-	96,729,058	4.89
Deposits with financial institutions	9,763,979	-	-	-	9,763,979	2.25
Other assets	-	-	-	2,028,741	2,028,741	
Total assets	19,741,157	9,976,800	76,775,080	2,028,741	108,521,778	
Liabilities:						
Other liabilities	3,213,179	20,200	-	-	3,233,379	
Total liabilities	3,213,179	20,200	-	-	3,233,379	
Total interest sensitivity gap	16,527,978	9,956,600	76,775,080	2,028,741	105,288,399	

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore, the Fund will necessarily be subject to foreign exchange risks.

The Fund's policy is to limit the total of all its foreign currency-denominated investments up to 20% of its net asset value, with total exposure to any single foreign currency at not more than 20% of its net asset value.

(c) Credit Risk

Credit risk refers to the ability of an issuer or a counterparty to make timely payments of interest, 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.

AMANAHRAYA UNIT TRUST FUND**NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023****18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)****(c) Credit Risk (Contd.)****Credit quality of financial assets**

The following table analyses the Fund's investments by rating category as at 31 July 2023 and 31 July 2022:

Credit rating	2023		2022	
	RM	% of NAV	RM	% of NAV
AA3	4,007,170	14.47	24,917,800	23.67
AA-	7,553,850	27.27	14,904,900	14.16
A+	7,911,440	28.56	29,345,700	27.87
A	5,943,540	21.46	17,583,480	16.70
P2	-	-	9,977,178	9.47
	<u>25,416,000</u>	<u>91.76</u>	<u>96,729,058</u>	<u>91.87</u>

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

Sector	2023		2022	
	RM	% of NAV	RM	% of NAV
Consumer discretionary	1,973,200	7.12	4,957,650	4.71
Energy & utilities	5,057,210	18.26	19,940,150	18.94
Financial	2,996,880	10.82	4,948,100	4.70
Industrial	9,905,370	35.76	22,527,280	21.40
Real Estate	5,483,340	19.80	34,669,578	32.93
Diversified Holdings	-	-	9,686,300	9.19
	<u>25,416,000</u>	<u>91.76</u>	<u>96,729,058</u>	<u>91.87</u>

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(d) Liquidity Risk

The Fund maintains sufficient levels of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unit holders. Liquid assets comprise cash at bank, 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 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
2023			
Financial liabilities:			
Amount due to Manager	23,264	-	23,264
Amount due to the Trustee	1,163	-	1,163
Distribution payable	991,711	-	991,711
Other financial liabilities	-	20,200	20,200
	<u>1,016,138</u>	<u>20,200</u>	<u>1,036,338</u>
2022			
Financial liabilities:			
Amount due to Manager	248,037	-	248,037
Amount due to the Trustee	4,553	-	4,553
Distribution payable	2,960,589	-	2,960,589
Other financial liabilities	-	20,200	20,200
	<u>3,213,179</u>	<u>20,200</u>	<u>3,233,379</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.

(f) Risk measurement and reporting system

Monitoring and controlling risks is primarily set up 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 the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

AMANAHRAYA UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(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 also has 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 minimum impact from any adverse market movements. The Manager will ensure that the investments are carefully selected through fundamental analysis and portfolio diversification. The Manager will also focus on the credit quality of the investments, which must be of good investment grade of at least BBB ratings or equivalent by Rating Agency of Malaysia, Malaysian Rating Corporation Berhad or any other similar rating establishment.
- Investing the Fund over a wide range of 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, but also of all holdings suffering uniformly adverse business conditions.
- Lengthening or shortening the Fund's average maturity period of the 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 UNIT TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2023

18. FINANCIAL RISK AND MANAGEMENT POLICIES (CONTD.)

(h) Excessive risk concentration

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.

Corporate Information

Fund: AmanahRaya Unit Trust Fund ('ARUTF')

The Manager	AmanahRaya Investment Management Sdn Bhd 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>
Company Secretary	Jerry Jesudian A/L Joseph Alexander (MAICSA 7019735) Tingkat 11 Wisma AmanahRaya No 2 Jalan Ampang 50450 Kuala Lumpur
Trustee of the Fund	CIMB Islamic Trustee Berhad Level 6, Wisma CIMB No. 11, Jalan 4/83A Off Jalan Pantai Baru 59200 Kuala Lumpur Tel: (03) 2261 9978 Fax: (03) 2261 9886
Banker of the Fund	CIMB Bank Berhad Wisma Genting Branch Ground Floor, Wisma Genting 28 Jalan Sultan Ismail 50250 Kuala Lumpur
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

Corporate Information (Continued)

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 Amir Shah Bin Basir <i>Chief Operating officer</i> Encik Ridza bin Ahmad Jalaludin <i>Head of Compliance – Designated Compliance officer</i>