



# ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED  
31 JULY 2022

## AMANAH RAYA UNIT TRUST FUND ARUTF

## **AMANAHRAYA UNIT TRUST FUND**

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**AMANAHRAYA UNIT TRUST FUND ('ARUTF')**  
**FUND INFORMATION**  
**For the Financial Year Ended 31 July 2022**

Fund Name	AmanahRaya Unit Trust Fund ('ARUTF')																																							
Fund Type	Growth and Income																																							
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 ( <a href="http://www.fundslogic.com">www.fundslogic.com</a> ) and maybank2u website ( <a href="http://www.maybank2u.com.my">http://www.maybank2u.com.my</a> ).																																							
Fund's Disribution Policy	The Fund aims to make an income distribution once a year.																																							
Breakdown of Unitholdings of ARUTF as at 31 July 2022	<table><tr><th>Size of Holdings</th><th>No. of Unit Holders</th><th>% of Unit Holders</th><th>No. of Units Held</th><th>% of Units Held</th></tr><tr><td>5,000 and below</td><td>6</td><td>38</td><td>7,201</td><td>0.01</td></tr><tr><td>5,001 to 10,000</td><td>1</td><td>6</td><td>5,756</td><td>0.01</td></tr><tr><td>10,001 to 50,000</td><td>5</td><td>31</td><td>147,449</td><td>0.15</td></tr><tr><td>50,001 to 500,000</td><td>0</td><td>0</td><td>0</td><td>0.00</td></tr><tr><td>500,001 and above</td><td>4</td><td>25</td><td>98,954,219</td><td>99.84</td></tr><tr><td>Total</td><td>16</td><td>100</td><td>99,114,625</td><td>100.00</td></tr></table>					Size of Holdings	No. of Unit Holders	% of Unit Holders	No. of Units Held	% of Units Held	5,000 and below	6	38	7,201	0.01	5,001 to 10,000	1	6	5,756	0.01	10,001 to 50,000	5	31	147,449	0.15	50,001 to 500,000	0	0	0	0.00	500,001 and above	4	25	98,954,219	99.84	Total	16	100	99,114,625	100.00
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**AMANAHRAYA UNIT TRUST FUND ('ARUTF')**  
**FUND PERFORMANCE**

		31 July 2022		31 July 2021		31 July 2020		31 July 2019		31 July 2018	
1	<u>Portfolio Composition</u>					RM	%	RM	%	RM	%
	Corporate Bonds	86,751,880	82	93,211,110	82	87,469,170	86	72,358,850	83	79,959,404	87
	Commercial Papers	9,977,178	9	9,976,712	9	9,980,438	10	-	0	-	0
	<u>Deposits with financial institutions:</u>										
	Short-term Deposits	9,763,979	9	13,324,340	12	10,313,559	10	20,899,956	24	10,548,365	12
	Other Assets/(Liabilities)	(1,204,638)	(1)	(2,424,705)	(2)	(5,481,490)	(5)	(5,946,516)	(7)	1,129,555.00	1
		105,288,399	100	114,087,457	100	102,281,677	100	87,312,290	100	91,637,324	100
2	Total Net Asset Value ('NAV')	RM	105,288,399	114,087,457		102,281,677		87,312,290		91,637,324	
3a	NAV per unit (ex-distribution)	RM	1.0623	1.0663		1.0690		1.0415		1.0450	
3b	No. of Units in Circulation		99,114,625	106,996,915		95,682,822		83,830,263		87,579,999	
4a	Highest NAV per unit	RM	1.0910	1.1107		1.1477		1.1201		1.0450	
4b	Lowest NAV per unit	RM	1.0609	1.0662		1.0415		1.0415		1.0015	
5a	Capital Return		-0.39%	-0.28%		2.62%		-0.38%		5.00%	
5b	Income Return		2.84%	4.26%		7.68%		7.70%		0.00%	
5c	Annual Total Return		2.45%	3.98%		10.30%		7.32%		5.00%	
6a	Gross Distribution (Per Unit)		3.00 sen	4.50 sen		8.00 sen		8.00 sen		-	
6b	Net Distribution Per Unit (Per Unit)		3.00 sen	4.50 sen		8.00 sen		8.00 sen		-	
6c	Date of Distribution		29 July 2022	30 July 2021		30 July 2020		31 July 2019			
6d	NAV per unit, before distribution	RM	1.0921	1.1112		1.1488		1.1215		-	
6e	NAV per unit, after distribution	RM	1.0623	1.0663		1.0688		1.0415		-	
7	Total Expense Ratio ("TER")	*	1.07%	1.07%		1.09%		1.10%		1.17%	
8	Portfolio Turnover Ratio ("PTR")	#	0.78 times	0.77 times		2.79 times		2.45 times		0.46 times	
9	<u>Average Total Return:-</u>										
	1-year		2.45%	3.98%		10.30%		7.32%		4.10%	
	3-year		5.83%	7.69%		7.75%		5.20%		4.15%	
	5-year		6.25%	6.52%		6.63%		5.21%		4.05%	
	10-Year		5.65%	6.04%		6.62%		6.15%		5.81%	
	Since inception [Launching Date: 21.09.2006]		7.25%	7.39%		7.37%		6.45%		5.94%	
<b>NOTE</b>											
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')

For both financial year ended 31 July 2022 and 31 July 2021 are no changes in TER.

# Explanation for Differences in Portfolio Turnover ('PTR')

The increased of PTR as at financial year ended 31 July 2022 was due to active bond trading activities.

**AMANAHRAYA UNIT TRUST FUND ('ARUTF')**  
**MANAGER'S REPORT**  
**For the Financial Year Ended 31 July 2022**

**Fund  
Performance  
&  
Investment  
Objective**

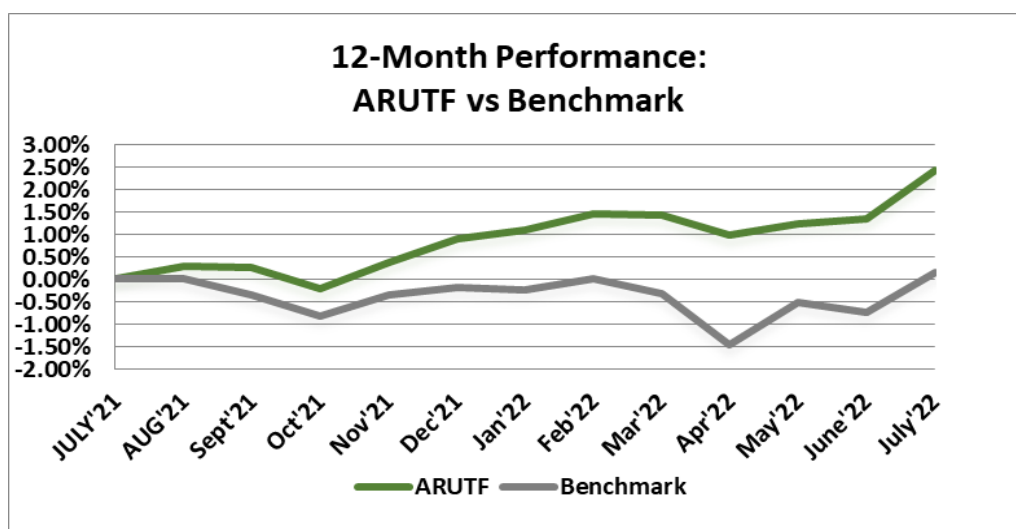
The Fund aims to provide investors with regular income and capital growth over the medium to long-term period through investments in a portfolio of predominantly in debt securities, money market instruments and Trust Accounts.

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 2022, the Fund outperformed the Benchmark of 70% RAM QuantShop MGS Medium Index and 30% Maybank 1-year Fixed Deposit Rate by 2.25% to register an annual return of 2.45%.

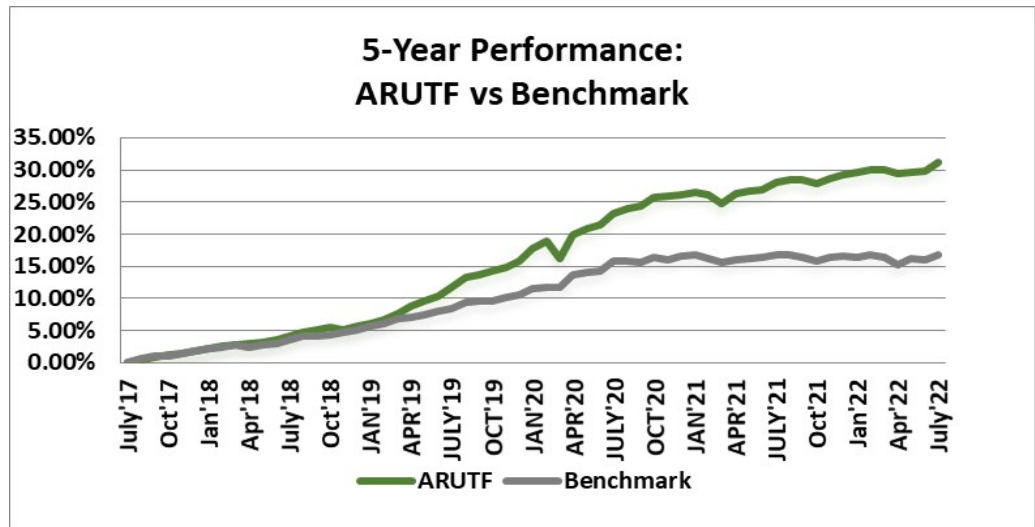
The Fund has registered a 5-years total return of 31.26% compared to the benchmark total return of 16.84%. The Net Asset Value ('NAV') per unit of the Fund as at 31 July 2021 was RM1.0663 and it decreased to RM1.0623 as at 31 July 2022. For the financial year ended 31 July 2022, the Fund had declared gross and net annual distribution at 3.00 sen per unit. On the total NAV basis, the Fund's NAV decreased by 8.36% to RM105.29 million from the previous recorded NAV of RM114.09 million as at 31 July 2021.

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 2022



#### 5-Year Performance of ARUTF vs Benchmark



#### Analysis of Fund Performance

	1/8/2021 - 31/7/2022	1/8/2020 - 31/7/2021	1/8/2019 - 31/7/2020	1/8/2018 - 31/7/2019	1/8/2017 - 31/7/2018
NAV Per Unit (ex-distribution)	RM1.0623	RM1.0663	RM1.0690	RM1.0415	RM1.0450
Total Net Asset Value ('NAV') – RM Million	RM105.29	RM114.09	RM102.28	RM87.31	RM91.64
Benchmark					
- Annual	0.16%	0.97%	7.31%	4.80%	3.6%
- 10 years	34.23%	38.63%	58.48%	39.04%	46.37%
Income Return	2.84%	4.20%	7.68%	7.70%	0%
Capital Return	-0.39%	-0.23%	2.62%	-0.38%	5.00%
Total Return					
- Annual	2.45%	3.98%	10.30%	7.32%	5.00%
- 10 Years	56.53%	60.42%	101.24%	61.48%	70.00%
Out/(Under) Performance					
- Annual	2.29%	3.01%	2.99%	2.52%	0.50%
-10 Years	22.30%	21.79%	42.76%	22.44%	23.63%

<b>Income Distribution</b>							
<b>Portfolio Composition &amp; Sector Allocation</b>	<b>Portfolio Composition</b>						
	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 2022, the Fund's investment is summarized as follows:						
	<b>Sector Allocation &amp; Rating Distribution</b>						

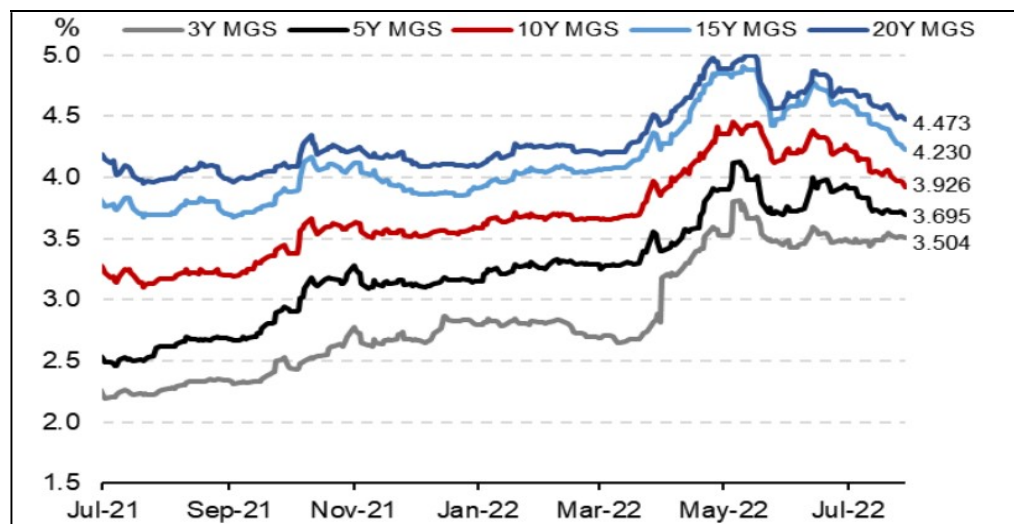


Rating Distribution	%
P2	10.31
A	18.18
AA-	15.41
A+	30.34
AA3	25.76
<b>Total</b>	<b>100.00</b>

## Market Review

### Bond Market Review

**Figure 1: MGS Yield Trend**



Source: Bank Negara Malaysia

**Malaysia:** July 2022, MGS and GII yields fell last week, moving between -14.7bps to -1.5bps overall. As shown in the figure 1, the 10Y MGS fell by 8.9bps to 3.93%, reaching its lowest level since March, whilst the 30Y MGS yield decreased by 14.7bps to 4.578%. While 3Y and 5Y MGS are closed at 3.51% and 3.69% respectively. The demand for our local bonds remained strong, steered by lower global bond yields as recession remained a major concern and despite the US Fed raising rates by another 75bps. For the long-term outlook, market have revised down end-2022 10Y MGS yield target to 4.35% from 4.60%, due to global bond yields may register lower than initially expected amid growing recessionary risk.



**Figure 2: UST Yield Trend**



Source: U.S Department of the Treasury

**United State:** UST yields mostly decreased during end of July 2022, especially the short-end and middle of the curve, moving between -16.2bps to 4.0bps overall. The 10Y UST yield fell by 9.2bps to 2.66%, its lowest level since April, whilst the 30Y UST rose by 4.0bps to 3.01%. While for 2Y and 5Y UST closed at 2.89% and 2.68%. The demand for short and middle-term UST soared after the Fed raised the Funds Rate (FFR) to 2.50%, hence increase the market concerns that the US economy would be driven into recession.

### **Economic Review**

Malaysia's GDP expanded to 8.9% as compared to 5.0% in previous quarter. Overall the economy recorded a growth of 6.9% for the 1H2022, compared to 7.0% in 1H2021. The grew is fuelled by a surge in consumption underpinning the recovery of services and manufacturing.

The resource-rich economy is gaining traction on bottled up demand from the easing of mobility restrictions, rising employment and firmer prices for the country's commodity exports. The government now expects full-year GDP growth at the upper end of its 5.3%-6.3% forecast.

CPI increased 4.4%% in July 2022 to 127.9 as against 122.5 in the same month of the preceding year. The increase was mainly driven by an increase of 6.9% in the food items. The increase in Malaysia's inflation in July 2022 also was due to low base effect last year as result of the electricity bill discount from 5% to 40% under PEMULIH package from July to September 2021.

The inflation for the period of January to July 2022 increased 2.8% as compared to the same period of the previous year. On a monthly basis, the inflation increased 0.4% as compared to June 2022. The increase was mainly attributed by Restaurants & Hotels (0.8%) and Food & Non-Alcoholic Beverages (0.7%). This was followed by Furnishings, Household Equipment & Routine Household Maintenance (0.6%) and Transport (0.5%).

	<p><b><u>Interest rate Review</u></b></p> <table><tr><th>Date</th><th>OPR Level (%)</th><th>Change in OPR (%)</th></tr><tr><td>6 Jul 2022</td><td>2.25</td><td>+0.25</td></tr><tr><td>11 May 2022</td><td>2.00</td><td>+0.25</td></tr><tr><td>3 Mar 2022</td><td>1.75</td><td>0</td></tr><tr><td>20 Jan 2022</td><td>1.75</td><td>0</td></tr><tr><td>3 Nov 2021</td><td>1.75</td><td>0</td></tr><tr><td>9 Sept 2021</td><td>1.75</td><td>0</td></tr><tr><td>8 Jul 2021</td><td>1.75</td><td>0</td></tr></table> <p>Source: Bank Negara Malaysia.</p> <p>Bank Negara Malaysia (BNM) increased the Overnight Policy Rate (OPR) from 1.75% to 2.00% on July 2022. As per table above, it has been almost a year that the OPR maintained its level at 1.75% before it starts to increase in May 2022.</p> <p>In July 2022 statement, BNM stated that it would continue to assess the evolving conditions and their implications on the overall outlook for domestic inflation and growth. Any adjustments to the monetary policy settings going forward will be done in a measured and gradual manner, ensuring that the monetary policy remains accommodative to support sustainable economic growth in an environment of price stability.</p> <p>We expected that BNM will continue to gradually raise the OPR to 3.00% by 1H2023, for further normalization of monetary policy as the country's economic growth and inflation gain momentum.</p>	Date	OPR Level (%)	Change in OPR (%)	6 Jul 2022	2.25	+0.25	11 May 2022	2.00	+0.25	3 Mar 2022	1.75	0	20 Jan 2022	1.75	0	3 Nov 2021	1.75	0	9 Sept 2021	1.75	0	8 Jul 2021	1.75	0
Date	OPR Level (%)	Change in OPR (%)																							
6 Jul 2022	2.25	+0.25																							
11 May 2022	2.00	+0.25																							
3 Mar 2022	1.75	0																							
20 Jan 2022	1.75	0																							
3 Nov 2021	1.75	0																							
9 Sept 2021	1.75	0																							
8 Jul 2021	1.75	0																							
<b>General Strategy</b>	<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>																								
<b>Significant Changes in the State of Affairs of the Fund</b>	<p>The description and explanation are described in Pages 3-4 (under 'Fund Performance &amp; Investment Objective') and Page 4 (under 'Strategy Employed'). 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>																								
<b>Rebates and Soft Commissions</b>	<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>																								

## **AMANAHRAYA UNIT TRUST FUND**

### **STATEMENT BY MANAGER**

To the unit holders of  
AMANAHRAYA UNIT TRUST FUND

We, Dato' Haji Ramli Bin Chik and Hassan Bin Ibrahim, 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 2022, 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 2022, 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 30 September 2022.

**DATO' HAJI RAMLI BIN CHIK**  
Director

**HASSAN BIN IBRAHIM**  
Director

Kuala Lumpur, Malaysia  
30 September 2022

**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 2022 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:

- a) Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
- b) Valuation and pricing is carried out in accordance with the deed; and
- c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

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

For and on behalf of  
**CIMB Islamic Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
30 September 2022

## **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 2022, 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 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2022, 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 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. 03157/01/2023 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
30 September 2022

# AMANAHRAYA UNIT TRUST FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Note	2022 RM	2021 RM
<b>INCOME</b>			
Interest income		5,360,904	5,243,402
Realised (loss)/gain on sale of investments		(584,267)	2,595,357
Accretion of discount net of amortisation of premium		353,590	345,724
Net foreign currency exchange gain/(loss)		185	(17)
Other income		4	4
Unrealised losses from financial assets at fair value through profit or loss ("FVTPL") investments		(1,232,416)	(2,717,265)
		<u>3,898,000</u>	<u>5,467,205</u>
<b>EXPENDITURE</b>			
Management fee	3	1,127,523	1,122,195
Trustee's fee	4	56,376	56,110
Auditors' remuneration		15,000	15,000
Administrative expenses		10,064	11,740
		<u>1,208,963</u>	<u>1,205,045</u>
<b>NET INCOME BEFORE TAXATION</b>		2,689,037	4,262,160
<b>TAXATION</b>	5	-	-
<b>NET INCOME AFTER TAXATION</b>		<u>2,689,037</u>	<u>4,262,160</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>2,689,037</u>	<u>4,262,160</u>
Net income after taxation is made up of the following:			
Net realised gains		3,921,268	6,979,442
Net unrealised losses		(1,232,231)	(2,717,282)
		<u>2,689,037</u>	<u>4,262,160</u>
<b>Distribution for the year</b>	6	<u>2,960,589</u>	<u>4,772,409</u>
<b>Gross distribution per unit</b>		<u>3.00 sen</u>	<u>4.50 sen</u>
<b>Net distribution per unit</b>		<u>3.00 sen</u>	<u>4.50 sen</u>
<b>Distribution date</b>		<u>29.07.2022</u>	<u>30.07.2021</u>

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

**AMANAHRAYA UNIT TRUST FUND****STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2022**

	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>
<b>ASSETS</b>			
Investments	7	96,729,058	103,187,822
Deposits with financial institutions	8	9,763,979	13,324,340
Amount due from Manager		675,055	1,064,193
Other receivables	9	1,343,947	1,397,875
Cash at bank		9,739	9,878
<b>TOTAL ASSETS</b>		<b>108,521,778</b>	<b>118,984,108</b>
<b>LIABILITIES</b>			
Amount Due to Manager	10	248,037	99,278
Amount Due to Trustee		4,553	4,964
Distribution payable		2,960,589	4,772,409
Other payables		20,200	20,000
<b>TOTAL LIABILITIES</b>		<b>3,233,379</b>	<b>4,896,651</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>	11	<b>105,288,399</b>	<b>114,087,457</b>
<b>EQUITY</b>			
Unit holders' capital		101,880,980	109,897,462
Retained earnings		3,407,419	4,189,995
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	11	<b>105,288,399</b>	<b>114,087,457</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12	<b>99,114,625</b>	<b>106,996,915</b>
<b>NAV PER UNIT - EX DISTRIBUTION</b>		<b>1.0623</b>	<b>1.0663</b>

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 2022

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
<b>At 1 August 2020</b>		97,991,564	4,290,112	102,281,676
Creation of units		26,882,295	-	26,882,295
Cancellation of units		(14,976,397)	-	(14,976,397)
Distribution equalisation during the year		410,132	-	410,132
Total comprehensive income for the year		-	4,262,160	4,262,160
Distribution for the year	6	(410,132)	(4,362,277)	(4,772,409)
<b>At 31 July 2021</b>		<b>109,897,462</b>	<b>4,189,995</b>	<b>114,087,457</b>
<b>At 1 August 2021</b>		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)
<b>At 31 July 2022</b>		<b>101,880,980</b>	<b>3,407,419</b>	<b>105,288,399</b>

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 2022**

	<b>2022 RM</b>	<b>2021 RM</b>
<b>CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES</b>		
Purchase of investments	(84,782,779)	(88,906,897)
Proceeds from sale of investments	89,778,450	83,392,500
Interest received	5,414,833	4,976,504
Management fee paid	(1,135,736)	(1,114,060)
Trustee fee paid	(56,787)	(55,703)
Other income/(expense)	189	(13)
Payment of other fees and expenses	(24,865)	(31,240)
Net cash generated from/(used in) operating and investing activities	<u>9,193,305</u>	<u>(1,738,909)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	15,552,646	28,020,445
Payment on cancellation of units	(23,534,042)	(15,743,725)
Distribution paid	(4,772,409)	(7,586,610)
Net cash (used in)/generated from financing activities	<u>(12,753,805)</u>	<u>4,690,110</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(3,560,500)	2,951,201
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<u>13,334,218</u>	<u>10,383,017</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u>9,773,718</u>	<u>13,334,218</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	9,739	9,878
Deposits with financial institutions	<u>9,763,979</u>	<u>13,324,340</u>
	<u>9,773,718</u>	<u>13,334,218</u>

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

## **AMANAHRAYA UNIT TRUST FUND**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022**

#### **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 30 September 2022.

#### **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 2021. 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 2022

#### 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
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"	1 January 2022
- Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations) *	1 January 2022
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets) *	1 January 2022
- Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts) *	1 January 2022
- MFRS 17 - Insurance Contracts *	1 January 2023
- Amendments to MFRS 17 Insurance Contracts *	1 January 2023
- Initial application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contracts) *	1 January 2023
- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
- Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes) *	1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) *	To be announced

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

##### 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.



## AMANAHRAYA UNIT TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

##### 2.2 Summary of Significant Accounting Policies (contd.)

###### (a) Financial Assets (contd.)

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 quoted investments are determined by reference to prices quoted by an exchange agency at the close of the business at the reporting date.

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.

The fair value of collective investment schemes are determined by reference to the net asset value ("NAV") as at reporting date.

## AMANAHRAYA UNIT TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022

#### 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 trade receivables, the Fund apply 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 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 2022**

#### **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 2022**

#### **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 bid prices provided by Bond Pricing Agency Malaysia Sdn. Bhd., a bond pricing agency registered with the Securities Commission, in its valuation of the local corporate bond. In the opinion of the Manager, this practice will minimise estimation uncertainty in respect of the valuation of the corporate bond.

#### **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 2022 is 1% per annum (2021: 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 2022 is 0.05% per annum (2021: 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% (2021: 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 2022****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:

	<b>2022 RM</b>	<b>2021 RM</b>
Net income before taxation	<u>2,689,037</u>	<u>4,262,160</u>
Taxation at Malaysian statutory rate of taxation of 24% (2021: 24%)	645,369	1,022,918
Tax effects of:		
Income not subject to tax	(935,520)	(1,312,129)
Expenses not deductible for tax purposes	15,946	16,284
Restriction on tax deductible expenses for unit trust funds	27,421	27,293
Tax deductible expenses not fully utilized	<u>246,784</u>	<u>245,634</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:

	<b>2022 RM</b>	<b>2021 RM</b>
Interest income	4,911,253	2,626,241
Realised (loss)/gain on sale of investments	(584,267)	2,595,357
Accretion of discount net of amortisation of premium	353,590	345,724
Distribution equalisation	<u>(511,024)</u>	<u>410,132</u>
	4,169,552	5,977,454
Less: Expenses	<u>(1,208,963)</u>	<u>(1,205,045)</u>
	<u>2,960,589</u>	<u>4,772,409</u>
Gross distribution per unit	<u>3.00 sen</u>	<u>4.50 sen</u>
Net distribution per unit	<u>3.00 sen</u>	<u>4.50 sen</u>

# AMANAHRAYA UNIT TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022

### 7. INVESTMENTS

	2022 RM	2021 RM
Islamic Commercial Paper ("ICP")	9,977,178	9,976,712
Unquoted Sukuk	86,751,880	93,211,110
	<u>96,729,058</u>	<u>103,187,822</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 ICP as at 31 July 2022 are detailed below:

Name of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.7.2022 RM	Fair Value over Net Asset Value %
Titijaya Land Sdn. Bhd. (P2) maturing on 17.08.2022	<u>10,000,000</u>	<u>9,876,493</u>	<u>100,685</u>	<u>9,977,178</u>	<u>9.48</u>

The composition of unquoted sukuk as at 31 July 2022 are detailed below:

Name of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.7.2022 RM	Fair Value over Net Asset Value %
Country Garden Real Estate Sdn. Bhd. (AA3) maturing on 20.03.2023	10,000,000	10,000,000	-	9,976,800	9.48
DRB-Hicom Berhad (A+) maturing on 12.12.2029	10,000,000	9,941,000	10,281	9,686,300	9.20

**AMANAHRAYA UNIT TRUST FUND**

**NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022**

**7. INVESTMENTS (CONTD.)**

<b>Name of Counter</b>	<b>Nominal Value RM</b>	<b>Aggregate Cost RM</b>	<b>Discount Accreted/ (Premium Amortised) RM</b>	<b>Fair Value at 31.7.2022 RM</b>	<b>Fair Value over Net Asset Value %</b>
Exsim Capital Resources Sdn. Bhd. (AA3) maturing on 23.08.2039	5,000,000	5,015,800	(1,923)	4,948,100	4.70
George Kent Malaysia Berhad (A+) maturing on 26.03.2026	5,000,000	5,005,500	(1,733)	4,943,800	4.70
Golden Assets International Finance Limited (AA3) maturing on 08.04.2027	5,000,000	5,011,000	(1,026)	4,957,650	4.71
SAJ Capital Sdn. Bhd. (AA-) maturing on 26.01.2028	5,000,000	5,151,500	(459)	5,159,650	4.90
Sinar Kamiri Sdn. Bhd. (AA-) maturing on 30.01.2036	5,000,000	5,299,000	(85,717)	5,024,750	4.77
Tanjung Bin Ernergy Sdn. Bhd. (AA3) maturing on 16.03.2026	5,000,000	5,032,500	(88)	5,035,250	4.78
Tropicana Corporation Berhad (A+) maturing on 14.05.2027	15,000,000	15,051,000	(13,854)	14,715,600	13.98



# AMANAHRAYA UNIT TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022

### 7. INVESTMENTS (CONTD.)

Name of Counter	Nominal Value RM	Aggregate Cost RM	Discount Accreted/ (Premium Amortised) RM	Fair Value at 31.7.2022 RM	Fair Value over Net Asset Value %
UITM Solar Power Dua Sdn. Bhd. (AA-) maturing on 05.03.2031	5,000,000	5,021,500	(2,388)	4,720,500	4.48
WCT Holdings Berhad (A) maturing on 03.03.2119	8,000,000	8,005,600	(473)	7,814,880	7.42
WCT Holdings Berhad (A) maturing on 03.03.2119	10,000,000	9,880,000	301	9,768,600	9.27
	<u>88,000,000</u>	<u>88,414,400</u>	<u>(97,079)</u>	<u>86,751,880</u>	<u>82.39</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:

	2022		2021	
	WAEIR % p.a.	Average Maturity Days	WAEIR % p.a.	Average Maturity Days
Short-term deposits	<u>2.25</u>	<u>1</u>	<u>1.76</u>	<u>2</u>

### 9. OTHER RECEIVABLES

	2022 RM	2021 RM
Interest income receivable	1,341,947	1,395,875
Deposit	<u>2,000</u>	<u>2,000</u>
	<u>1,343,947</u>	<u>1,397,875</u>

**AMANAHRAYA UNIT TRUST FUND****NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022****10. AMOUNT DUE TO MANAGER**

	<b>2022 RM</b>	<b>2021 RM</b>
Redemption of units	156,973	-
Manager's fee payable	91,064	99,278
	<u>248,037</u>	<u>99,278</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:

	<b>Note</b>	<b>2022 RM</b>	<b>2021 RM</b>
Unit holders' capital	12	101,880,980	109,897,462
Retained earnings			
- Realised reserves		4,972,692	4,523,037
- Unrealised losses		<u>(1,565,273)</u>	<u>(333,042)</u>
		<u>105,288,399</u>	<u>114,087,457</u>

**12. UNIT HOLDERS' CAPITAL**

	<b>2022</b>		<b>2021</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
At beginning of year	106,996,915	109,897,462	95,682,822	97,991,564
Creation of units	14,098,011	14,314,952	25,788,750	26,882,295
Cancellation of units	(21,980,301)	(22,331,434)	(14,474,657)	(14,976,397)
Distribution equalisation arising from creation and cancellation	-	(511,024)	-	410,132
Distribution equalisation distributed	-	511,024	-	(410,132)
At end of year	<u>99,114,625</u>	<u>101,880,980</u>	<u>106,996,915</u>	<u>109,897,462</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 2022

#### 13. TRANSACTIONS WITH STOCKBROKING COMPANIES

Details of transactions with dealers for the financial year ended 31 July 2022 are as follows:

<b>Stock Broker</b>	<b>Value of Trade RM</b>	<b>Percent of Total Trade %</b>
AffinHwang Investment Bank Berhad	44,552,695	25.41
CIMB Islamic Bank Berhad	40,000,000	22.81
Kenanga Investment Bank Berhad	39,507,479	22.54
RHB Investment Bank Behad	36,226,625	20.67
CIMB Bank Berhad	10,000,000	5.70
UOB Bank Berhad	5,015,800	2.86
	<u>175,302,599</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

	<b>2022 RM</b>	<b>2021 RM</b>
Portfolio Turnover Ratio ("PTR")	<u>0.78 times</u>	<u>0.77 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

	<b>2022 RM</b>	<b>2021 RM</b>
Total Expense Ratio ("TER")	<u>1.07%</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 2022

#### 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 2022 and 31 July 2021, 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 2022

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

**AMANAHRAYA UNIT TRUST FUND**

**NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022**

**17. INVESTMENT SEGMENT INFORMATION (CONTD.)**

	<b>Unquoted fixed income securities RM</b>	<b>Deposits with financial institutions RM</b>	<b>Total RM</b>
<b>1.8.2020 to 31.7.2021</b>			
<b>Income</b>			
Segment income representing segment result	5,329,556	137,645	5,467,201
Unallocated income			4
			5,467,205
Unallocated expenditure			(1,205,045)
Net income before taxation			4,262,160
Taxation			-
<b>Net income after taxation</b>			<b>4,262,160</b>
<b>As at 31.7.2021</b>			
<b>Assets</b>			
Segment assets			
- Investments	103,187,822	13,324,340	116,512,162
- Others	1,393,971	1,904	1,395,875
			117,908,037
Other unallocated assets			1,076,071
			<b>118,984,108</b>
<b>Total equity and liabilities</b>			
Unallocated liabilities			4,896,651
Total equity			114,087,457
			<b>118,984,108</b>

## **AMANAHRAYA UNIT TRUST FUND**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022**

#### **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**

Cash and other fixed income securities are particularly sensitive to movements in interest rates. When interest rates rise, the return on cash will rise with 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 2022

### 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
<b>2022</b>	+25	67	(819,760)
	-25	(67)	842,549
<b>2021</b>	+25	183	(1,537,267)
	-25	(183)	1,614,592

\* 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 re-pricing 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 %
<b>2022</b>						
<b>Assets:</b>						
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	
<b>Total assets</b>	<b>19,741,157</b>	<b>9,976,800</b>	<b>76,775,080</b>	<b>2,028,741</b>	<b>108,521,778</b>	
<b>Liabilities:</b>						
Other liabilities	3,213,179	20,200	-	-	3,233,379	
<b>Total liabilities</b>	<b>3,213,179</b>	<b>20,200</b>	<b>-</b>	<b>-</b>	<b>3,233,379</b>	
<b>Total interest sensitivity gap</b>	<b>16,527,978</b>	<b>9,956,600</b>	<b>76,775,080</b>	<b>2,028,741</b>	<b>105,288,399</b>	



# AMANAHRAYA UNIT TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022

### 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 %
2021						
<b>Assets:</b>						
Investments	9,976,712	-	93,211,110	-	103,187,822	4.85
Deposits with financial institutions	13,324,340	-	-	-	13,324,340	1.76
Other assets	-	-	-	2,471,946	2,471,946	
Total assets	<u>23,301,052</u>	<u>-</u>	<u>93,211,110</u>	<u>2,471,946</u>	<u>118,984,108</u>	
<b>Liabilities:</b>						
Other liabilities	<u>4,876,651</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>4,896,651</u>	
Total liabilities	<u>4,876,651</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>4,896,651</u>	
Total interest sensitivity gap	<u>18,424,401</u>	<u>(20,000)</u>	<u>93,211,110</u>	<u>2,471,946</u>	<u>114,087,457</u>	

##### 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 2022

### 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 2022 and 31 July 2021:

Credit rating	2022		2021	
	RM	% of NAV	RM	% of NAV
AA3	24,917,800	23.67	-	-
AA-	14,904,900	14.16	44,749,100	39.22
A+	29,345,700	27.87	30,516,550	26.75
A	17,583,480	16.70	17,945,460	15.73
P2	9,977,178	9.47	9,976,712	8.74
	<u>96,729,058</u>	<u>91.87</u>	<u>103,187,822</u>	<u>90.44</u>

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

Sector	2022		2021	
	RM	% of NAV	RM	% of NAV
Property	34,669,578	32.93	25,154,912	22.05
Construction	27,475,380	26.10	23,013,310	20.17
Power	14,780,500	14.04	31,018,600	27.19
Diversified Holdings	9,686,300	9.20	10,270,500	9.00
Infrastructure	5,159,650	4.90	-	-
Plantation	4,957,650	4.70	-	-
Toll Road	-	-	13,730,500	12.03
	<u>96,729,058</u>	<u>91.87</u>	<u>103,187,822</u>	<u>90.44</u>

## AMANAHRAYA UNIT TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2022

#### 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, 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
<b>2022</b>			
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>
<b>2021</b>			
Financial liabilities:			
Amount due to Manager	99,278	-	99,278
Amount due to the Trustee	4,964	-	4,964
Distribution payable	4,772,409	-	4,772,409
Other financial liabilities	-	20,000	20,000
	<u>4,876,651</u>	<u>20,000</u>	<u>4,896,651</u>

##### (e) Risk management structure

The Fund's Manager are 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 2022**

#### **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 2022**

#### **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')

<b>The Manager</b>	<b>AmanahRaya Investment Management Sdn Bhd</b> Level 7 & 8, Wisma AmanahRaya No 2 Jalan Ampang 50508 Kuala Lumpur Tel: (03) 2687 5200 Fax: (03) 2687 5300 Website: <a href="http://www.arim.com.my">www.arim.com.my</a> E-mail: <a href="mailto:sales@arim.com.my">sales@arim.com.my</a>
<b>Board of Directors</b>	Dato' Haji Ramli bin Chik* Encik Hassan bin Ibrahim* Datuk Ismail bin Kamaruddin* Encik Ahmad Suhaimi bin Endut Encik Mohd Razlan bin Mohamed* Puan Haliza Aini binti Othman*  <i>*Independent Director</i>
<b>Investment Committee Members</b>	Encik Hassan bin Ibrahim* Encik Ahmad Suhaimi bin Endut Encik Mohd Razlan bin Mohamed* Datuk Ismail bin Kamaruddin*  <i>*Independent Member</i>
<b>Company Secretary</b>	Jerry Jesudian A/L Joseph Alexander (MAICSA 7019735) Tingkat 11 Wisma AmanahRaya No 2 Jalan Ampang 50450 Kuala Lumpur
<b>Trustee of the Fund</b>	<b>CIMB Islamic Trustee Berhad</b> Level 6, Wisma CIMB No. 11, Jalan 4/83A Off Jalan Pantai Baru 59200 Kuala Lumpur Tel: (03) 2261 9978 Fax: (03) 2261 9886
<b>Banker of the Fund</b>	<b>CIMB Bank Berhad</b> Wisma Genting Branch Ground Floor, Wisma Genting 28 Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Auditor of the Manager and the Fund</b>	<b>Ernst &amp; Young</b> Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: (03) 7495 8000 Fax: (03) 2095 5332

## Corporate Information

### *(Continued)*

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