



abr dn Islamic World Equity Fund

Semi Annual Report

31 December 2023

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FUND INFORMATION

Name of Fund abrdn Islamic World Equity Fund

Fund Category / Type Equity (Islamic) / Growth

Fund Objective The Fund seeks to achieve capital appreciation in the long term through investments in Shariah-compliant equities and equity-related securities.

Fund Benchmark MSCI ACWI Islamic (Shariah) Index

**Fund Income
Distribution Policy** As the investment objective of the Fund is to provide capital appreciation, distribution of income, if any, is incidental.

FUND PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

| Sector Allocation | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 |
|-----------------------------------|--------------|--------------|--------------|--------------|
| | % | % | % | % |
| Shariah-Compliant Equities | | | | |
| Consumer Discretionary | 0.81 | 2.81 | 2.86 | 1.4 |
| Consumer Products | 17.58 | 13.51 | 15.26 | 19.1 |
| Consumer Staples | 0 | 0 | 0 | 0 |
| Energy | 2.15 | 0 | 0 | 0 |
| Healthcare | 24.87 | 27.83 | 26.46 | 27.3 |
| Industrials | 3.56 | 5.17 | 5.14 | 4.8 |
| Industrials products | 14.67 | 13.44 | 12.38 | 7.6 |
| Information Technology | 19.00 | 18.68 | 19.48 | 25.5 |
| Materials | 7.57 | 8.74 | 6.89 | 4.7 |
| Telecommunication Services | 2.61 | 1.35 | 0 | 0 |
| Real Estate | 4.90 | 5.31 | 3.8 | 4.4 |
| Others | 0 | 1.39 | 1.45 | 0 |
| Cash | 2.28 | 1.76 | 6.3 | 5.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

| Country Allocation | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 |
|--------------------|--------------|--------------|--------------|--------------|
| | % | % | % | % |
| Australia | 6.03 | 7.29 | 7.6 | 13 |
| Brazil | 0 | 0 | 0 | 0 |
| Canada | 0 | 0 | 0 | 0 |
| China | 1.39 | 1.66 | 1.5 | 0 |
| Denmark | 2.38 | 3.81 | 3.5 | 0 |
| France | 10.88 | 7.7 | 5.7 | 5.7 |
| Germany | 3.05 | 2.71 | 0 | 3.6 |
| Hong Kong | 0 | 0 | 0 | 1.5 |
| Indonesia | 2.08 | 0.78 | 1.2 | 1.4 |
| India | 3.82 | 4.22 | 4.1 | 4.2 |
| Italy | 2.51 | 1.08 | 0 | 2.8 |
| Japan | 1.64 | 1.73 | 1.1 | 2.1 |
| South Korea | 2.32 | 1.94 | 0 | 0 |
| Netherlands | 4.91 | 5.34 | 5.4 | 3.3 |
| New Zealand | 1.13 | 1.99 | 3.1 | 0 |
| Mexico | 0 | 0 | 0 | 1 |
| Singapore | 1.34 | 1.35 | 0 | 0 |
| South Africa | 1.51 | 0.73 | 0 | 0 |
| Spain | 0 | 0 | 0 | 1.4 |
| Sweden | 3.79 | 3.87 | 4 | 2.6 |
| Switzerland | 3.87 | 5.54 | 9.1 | 13 |
| Taiwan | 0 | 0 | 3.9 | 3.7 |
| Turkey | 0 | 0 | 0 | 0 |
| United Kingdom | 4.91 | 10.17 | 9.4 | 7.7 |
| United States | 40.16 | 36.33 | 34.2 | 27.8 |
| Cash | 2.28 | 1.76 | 6.3 | 5.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

FUND PERFORMANCE DATA (CONTINUED)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

| | 2023 | 2022 | 2021 |
|--|-----------------|-----------------|-----------------|
| | A Class- MYR | A Class- MYR | A Class- MYR |
| Total NAV (RM' million) | 736.80 | 568.00 | 612.24 |
| NAV per unit (RM) | 0.6264 | 1.9943 | 2.5558 |
| Unit in Circulation (million) | 1,176.24 | 284.815 | 239.553 |
| Highest NAV | 2.4168 | 2.1690 | 2.6074 |
| Lowest NAV | 0.5577 | 1.8656 | 2.3386 |
| Return of the Fund (%) | 3.2045 | 4.0432 | 9.6251 |
| - Capital Return (%) | 3.2045 | 4.0432 | 9.6251 |
| - Income Return (%) | Nil | Nil | Nil |
| Gross Distribution per Unit (sen) | Nil | Nil | Nil |
| Net Distribution per Unit (sen) | Nil | Nil | Nil |
| Total Expense Ratio(TER) (%) | 0.91 | 0.91 | 0.92 |
| Portfolio Turnover Ratio (PTR) (times) | 0.22 | 0.10 | 0.35 |

Source: CIMB Bank Berhad & Citibank Bhd

Class A- MYR

| Average Total Return | 1 year | 3 years | 5 years |
|----------------------|------------|--------------|--------------|
| | 31.12.2022 | (annualised) | (annualised) |
| | to | to | to |
| | 31.12.2023 | 31.12.2020 | 31.12.2018 |
| | (%) | to | to |
| | | 31.12.2023 | 31.12.2023 |
| | | (%) | (%) |
| Fund | 25.64 | 7.04 | 12.09 |

Source: Lipper for Investment Management as at 31 Dec 2023

| Annual Total Return | 1 year | 1 year | 1 year | 1 year | 1 year | 1 year |
|---------------------|------------|------------|------------|------------|------------|------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 | 31.12.2017 |
| | to | to | to | to | to | to |
| | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
| | (%) | (%) | (%) | (%) | (%) | (%) |
| Fund | 25.64 | -21.97 | 25.10 | 16.52 | 23.79 | -10.60 |

Source: Lipper for Investment Management as at 31 Dec 2023

FUND PERFORMANCE DATA (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

Basis of calculation and assumption made in calculating the returns

The performance figures are a comparison of the growth/decline in NAV for the stipulated period, taking into account all the distributions payable (if any) during the stipulated period.

An illustration of the above would be as follows:

| | | |
|----------------|---|---|
| Capital Return | = | NAV per Unit End / NAV per Unit Beginning - 1 |
| Income Return | = | Income Distribution per Unit / NAV per Unit Ex-Distribution |
| Total Return | = | Capital Return x Income Return - 1 |

Class A- MYR

| | | |
|----------------|---|---|
| Capital Return | = | $\{NAV \text{ per Unit @ } 31/12/2023 \div NAV \text{ per Unit @ } 30/06/2023 - 1\} \times 100$ |
| | = | $\{0.6264 \div 2.4278 - 1\} \times 100$ |
| | = | <u>3.2045%</u> |
| Income Return | = | $\{Income \text{ Distribution per Unit} \div NAV \text{ per Unit Ex-Distribution}\} \times 100$ |
| | = | <u>Nil</u> |
| Total Return | = | $\{[(1 + Capital \text{ Return}) \times (1 + Income \text{ Return})] - 1\} \times 100$ |
| | = | $\{[(1 + 3.2045\%) \times (1 + 0\%)] - 1\} \times 100$ |
| | = | <u>3.2045%</u> |

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

MANAGER'S REPORT

Fund Performance

The abrdn Islamic World Equity Fund increased by 4.70% in Malaysian Ringgit terms over the six months to the end of December 2023, compared with the 5.19% total return of its benchmark, the MSCI AC World Islamic Index.

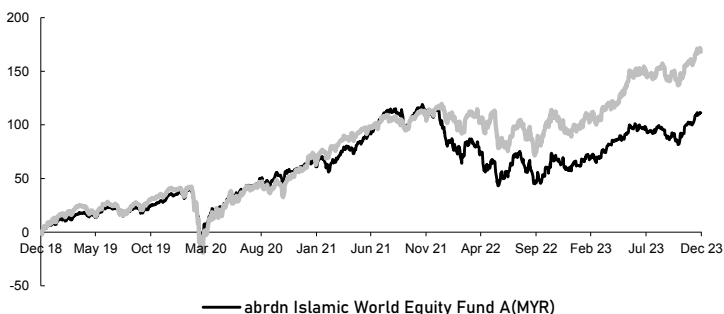
Given the performance during the period under review, we believe the Fund's objective is being met to provide investors with capital appreciation through long term investments in Shariah-compliant equities.

Class A- MYR

| Income Return % | Capital Return % | Total Return of Fund % | Total Return of Benchmark % |
|-----------------|------------------|------------------------|-----------------------------|
| 0.00 | 4.70 | 4.70 | 5.19 |

Fund Performance (Continued)

FUND RETURN (LAST 5 FINANCIAL PERIOD) VS BENCHMARK



Benchmark: MSCI ACWI Islamic (Shariah) Index

Source: Lipper for Investment Management as at 31 Dec 2023

Note:

This information is prepared by abrdn Islamic Malaysia Sdn.Bhd for information purposes only. Past performance of the Fund is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Market Review

Global stock markets rose strongly over the period. After central banks in Western economies had raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation, inflationary pressures continued to ease in many countries. Meanwhile, global economic growth held up better than investors expected, defying fears of a recession triggered by higher rates. As US and eurozone inflation continued to trend down, investor hopes rose that an end to interest-rate rises could be in sight.

MANAGER'S REPORT (CONTINUED)

Market Review (continued)

Towards the end of the period, global equities notably recovered in November and December as reassuring inflation trends led to investors looking ahead to the prospect of rate cuts in 2024.

US equities performed well over the period. A strong performance by the technology sector, especially artificial intelligence-related stocks, was supportive. Faced with a relatively robust economy, the US Federal Reserve (Fed) continued to tighten policy. In July its 25-bp increase took the target range for the fed funds rate to 5.25-5.50%, the highest level since 2001. However, at its December meeting, the Fed not only maintained the target at 5.25-5.50%, but also signalled three potential rate cuts for 2024.

European equities rose over the period. Investor sentiment improved due to declining annual inflation over the period, driven by falling energy prices as supply issues eased. The European Central Bank (ECB) continued to raise rates over the period as it strove to bring the annual inflation rate down to its 2% target.

Stock markets in the Asia Pacific (excluding Japan) region rose. Markets in the region were supported by signs that high annual inflation globally was beginning to subside, with fears diminishing that the world economy could be tipped into a recession by interest-rate hikes. However, Chinese share prices fell over the period. This was due to investor concerns about the country's highly indebted property sector, geopolitical tensions with the US and an ongoing regulatory crackdown. As a result, the Chinese authorities announced various stimulus measures aimed at boosting investor sentiment.

Performance Review

The Fund's modest underperformance came as negative sector allocation effects eclipsed positive stock selection effects. Our overweight in healthcare and underweight in technology weighed on relative returns. In terms of stock selection, industrials was the standout sector for the portfolio.

At the stock level, the portfolio's underweight in **Microsoft** weighed on relative returns. The company issued strong results during the period with its cloud computing platform, Azure, seeing good momentum alongside margin expansion. **Lonza** also detracted as its shares sold off as the company announced larger-than-expected headwinds from the falling away of Covid-19/Moderna benefits in 2023 and the prospect of an extended recovery. Its guided capital expenditure ratio was also below expectations, which implies lower sales growth targets. Elsewhere, the exposure to **AstraZeneca** weighed on returns as the company announced that trials for its drug Imfinzi did not achieve statistical significance for the treatment of patients with stage III non-small cell lung cancer. While disappointing, we do not see this drug as central to the growth story as the company's pipeline of new drugs is diverse.

On the positive side, **Lululemon** was among the top performers for the period. It rallied on the back of continued strong trading momentum in a challenging economic backdrop. Strength in China, better inventories and gross margins led to earnings upgrades for the year. **Trane Technologies** was another positive as the stock rallied on the back of strong quarterly results with revenues for 2023 revised upwards. **Novo Nordisk** benefited from positivity surrounding GLP1 medication. The company pre-released guidance in mid-October with beats at the top and bottom line driven by higher net pricing in the US.

MANAGER'S REPORT (CONTINUED)

Performance Review (Continued)

In portfolio activity, we introduced the following stocks:

- **Hubbell**, which, through its utility business, gives us exposure to grid modernisation spending in the US.
- **Marvell**, as we are more positive than the market on its medium-term growth outlook.
- **Synopsys**, as we are optimistic for structural growth in semiconductor design.
- **Canadian Pacific Kansas City**, as the company has the strongest growth outlook amongst North American railway businesses.
- **Emerson**, following its re-introduction to the Islamic index. It should benefit from increased market share within global automation. The shift to an asset-light business model has freed up more cash flow and returns to shareholders.

Against these, we divested Croda, Spirax Sarco, ARB Corp, Auckland International and Johnson & Johnson as these were low conviction buys and capital was allocated to names where the upside is more material. We sold Assa Abloy, Merck, Syngene International, DSV and Veralto as they are no longer included in the benchmark. Elsewhere, we exited Dechra ahead of a takeover deal.

Outlook

Macroeconomic uncertainties remain at large with scrutiny over data and predictions as to when a pause or pivot in interest rate direction will occur. Geopolitical pressures remain elevated throughout the world. Recessionary concerns are all too present as global growth stagnates while inflationary pressures remain. Our main focus for the portfolio is at the stock level, ensuring the portfolio is well diversified on both a regional and sector basis, and robust enough to preserve capital in periods of market weakness. We aim to have exposure to higher quality businesses with the financial strength to withstand volatility and which are exposed to strong structural drivers for long term growth.

Investment Strategy

As bottom-up stock pickers, our asset allocation is a default and the sum of the individual companies, rather than being driven by top-down allocation. We are looking to manage portfolios that are concentrated, but also diversified in terms of our holdings' businesses. As a result, the top-down views from a geographical and sector perspective do not provide a true visibility of the diversification of the portfolio.

Pertaining to the current country weightings, the portfolio holds a notable overweight in France due to the investments in **Kering**, **L'Oréal**, **Sanofi**, **Schneider Electric** and **TotalEnergies**. We also have an overweight exposure to the Netherlands, due to the holdings in **ASML Holding** and **DSM-firmenich**. Against these, we are underweight to the US. Having said that, we hold several US stocks, including consumer goods giant **Procter & Gamble**, sportswear brand **Lululemon**, and pharmaceutical company Pfizer, among others.

By sector, we like companies in industrials, such as **Schneider Electric** and Swiss vacuum valve producer **VAT Group**. Conversely, we are underweight to the materials sector, as there are other more attractive investment ideas in other sectors.

Securities financing transaction

The fund has not undertaken any securities lending or repurchase transactions (collectively referred as "securities financing transactions").

MANAGER'S REPORT (CONTINUED)

Cross trade transactions No cross trade transaction have been carried out during the reported period, and this has been reviewed by the oversight function.

Analysis of fund Performance

| Share Class A - MYR | 31.12.2023 % | 30.06.2023 % | Change % |
|---------------------|-----------------|-----------------|-------------|
| NAV (RM Million) | 736.801 | 669.508 | 10.05 |
| NAV/Unit (RM) | 0.6264 | 2.4278 | -74.20 |

The fund's NAV increased by 6.98% to 568.003 million as at 31 Dec 2022. While, the NAV per unit increased by 4.04% during the period.

Asset Allocation

| | As at 31.12.2023 % | As at 31.12.2022 % | As at 31.12.2021 % |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Shariah-Compliant Equities | 97.72 | 98.24 | 93.70 |
| Cash | 2.28 | 1.76 | 6.30 |
| Total | 100.00 | 100.00 | 100.00 |

Distribution/ Unit Split

There was a unit split exercise done on 1st September 2023.

State of Affairs of the Fund

There has been no significant change to the state of affairs of the Fund, nor any circumstances that materially affected any interests of the unitholders during the period under review

Soft Commissions

Soft commissions received from brokers or dealers are retained by the management company only if the goods and services provided are of demonstrable benefit to unitholders of the Fund as per requirements of Clause 9.20 and 9.21 of the Guidelines on Unit Trust Funds.

During the period under review, the Manager and its delegates (if any) did not receive any soft commissions from stockbrokers or dealers.

UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

| | | 01.07.2023 to 31.12.2023 | 01.07.2022 to 31.12.2022 |
|--|------|--------------------------------|--------------------------------|
| | Note | RM | RM |
| SHARIAH-COMPLIANT NET INVESTMENT INCOME/(LOSS) | | | |
| Dividend income | | 4,620,610 | 3,386,336 |
| Other income | | 4,783 | 3,765 |
| Net gain/(loss) on financial assets at fair value through profit or loss (Shariah-compliant) | 6 | 29,922,404 | 26,145,713 |
| Net foreign currency exchange (loss)/gain | | <u>(2,487,029)</u> | <u>(1,230,150)</u> |
| | | <u>32,060,769</u> | <u>28,305,664</u> |
| EXPENSES | | | |
| Management fee | 3 | 5,899,613 | 5,009,618 |
| Trustee's fees | 4 | 134,848 | 114,506 |
| Audit fee | | 5,485 | 4,563 |
| Tax agent's fee | | 6,981 | 21,603 |
| Transaction costs | | 213,308 | 96,129 |
| Custodian's fee | | 52,248 | 42,080 |
| Other expenses | | <u>1,035,021</u> | <u>448,105</u> |
| | | <u>7,347,504</u> | <u>5,736,604</u> |
| CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | 24,713,264 | 22,569,060 |
| Taxation | 5 | (374,851) | (586,393) |
| (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>24,338,413</u> | <u>21,982,667</u> |
| Net profit/(loss) after taxation and total comprehensive income/(loss) comprises the following: | | | |
| Realised amount | | 50,775,745 | 53,728,646 |
| Unrealised amount | | <u>(26,437,332)</u> | <u>(31,745,979)</u> |
| | | <u>24,338,413</u> | <u>21,982,667</u> |

UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

| | Note | 31.12.2023 | 30.06.2023 |
|---|------|--------------------|--------------------|
| | | RM | RM |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | 11,103,156 | 10,003,349 |
| Financial assets at fair value through profit or loss (Shariah-compliant) | 6 | 722,728,423 | 657,598,634 |
| Amount due from stockbrokers | | - | - |
| Amount due from Manager | | | |
| - Creation of units | | 6,414,186 | 5,753,315 |
| Dividends receivable | | 190,976 | 1,109,784 |
| TOTAL ASSETS | | <u>740,436,740</u> | <u>674,465,082</u> |
| CURRENT LIABILITIES | | | |
| Amount due to stockbroker | | - | - |
| Amount due to Manager | | | |
| - Management fee | | 1,012,873 | 2,772,827 |
| - Cancellation of units | | 2,573,185 | 2,125,072 |
| Amount due to Trustee | | 23,151 | 21,490 |
| Other payables and accruals | | 26,517 | 37,776 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS) | | <u>3,635,727</u> | <u>4,957,165</u> |
| NET ASSET VALUE OF THE FUND | | <u>736,801,013</u> | <u>669,507,917</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS REPRESENTED BY: | | <u>736,801,013</u> | <u>669,507,917</u> |
| FAIR VALUE OF OUTSTANDING UNITS | | | |
| - CLASS A - MYR | | <u>736,801,013</u> | <u>669,507,917</u> |
| | | <u>736,801,013</u> | <u>669,507,917</u> |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | 9 | | |
| - CLASS A - MYR | | 1,176,165,202 | 275,770,360 |

**UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONTINUED)**

| | Note | 31.12.2023 | 30.06.2023 |
|--|------|------------|------------|
| | | RM | RM |
| NAV PER UNIT (RM) | | | |
| – CLASS A - MYR | | 0.6264 | 2.4278 |
| NAV PER UNIT (IN RESPECTIVE CURRENCIES) | | | |
| – CLASS A - MYR | | MYR 0.6264 | MYR 2.4278 |
| – CLASS A - USD | | - | - |
| – CLASS A - SGD | | - | - |
| – CLASS A - AUD | | - | - |
| – CLASS I - MYR | | - | - |

**UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO UNIT HOLDERS**

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

| | 01.07.2023 | 01.07.2022 |
|--|--------------|--------------|
| | to | to |
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD | 669,507,917 | 530,943,140 |
| Movement due to units created and cancelled during the financial period: | | |
| Creation of units arising from applications | 122,897,171 | 57,137,438 |
| Cancellation of units | (79,942,487) | (42,060,132) |
| | 42,954,684 | 15,077,306 |
| Net increase/(decrease) in net assets attributable to unitholders during the financial period: | | |
| Net profit after taxation | 24,338,413 | 21,982,667 |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD | 736,801,013 | 568,003,113 |

UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

| | Note | 01.07.2023 to 31.12.2023 RM | 01.07.2022 to 31.12.2022 RM |
|---|------|--------------------------------------|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of Shariah-compliant investments | | 133,316,947 | 49,305,398 |
| Purchase of Shariah-compliant investments | | (168,524,331) | (69,156,536) |
| Other income received | | 4,783 | 3,765 |
| Dividends received | | 5,539,419 | 4,168,089 |
| Management fee paid | | (7,659,566) | (4,072,176) |
| Trustee's fee paid | | (133,187) | (112,973) |
| Payment for other fees and expenses | | (1,699,153) | (774,617) |
| Net realised foreign exchange loss | | (2,498,250) | (879,530) |
| Net cash generated from operating activities | | <u>(41,653,250)</u> | <u>(21,518,580)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from creation of units | | 122,236,300 | 60,233,989 |
| Payments for cancellation of units | | (79,494,375) | (42,772,500) |
| Net cash used in financing activities | | <u>42,741,925</u> | <u>17,461,489</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | 1,088,675 | (4,057,091) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | | 10,003,349 | 10,459,256 |
| EFFECT ON FOREIGN CURRENCY EXCHANGE | | <u>11,134</u> | <u>(350,619)</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | 7 | <u>11,103,158</u> | <u>6,051,546</u> |
| Cash and cash equivalent comprise of: | | | |
| Bank balances | 7 | <u>11,103,158</u> | <u>6,051,546</u> |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards ("MFRS").

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise its their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

(a) Standards, amendments to published standards and interpretations that are effective:

- Annual Improvements to MFRS 9 "Fees in the '10 per cent' Test for Derecognition of Financial Liabilities. When entities restructure their loans with the existing lenders, MFRS 9 requires management to quantitatively assess the significance of the difference between cash flows of the existing and new loans (commonly known as the '10% test'). This amendment to MFRS 9 clarifies that only fees paid or received between the borrower and the lender are included in the 10% test. Any fees paid to third parties should be excluded. This amendment will impact the result of the 10% test and accordingly affect the amount of gain or loss recognised in profit or loss. An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
- Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract. The amendments clarify that direct cost of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The amendments shall be applied to contracts for which the entity has yet to fulfil all its obligations at the beginning of annual reporting period in which the amendments are first applied. Comparative information is not restated.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) The standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

i. Financial period beginning on/ after 1 July 2023

- Amendments to MFRS 101 - Classification of liabilities as current or non-current. The narrow-scope amendments to MFRS 101 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what MFRS 101 means when it refers to the 'settlement' of a liability.
- The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

ii. Financial period beginning on/after 1 July 2024

- Amendments to MFRS 101 - Classification of liabilities as current or non-current (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 'Financial Instruments: Presentation' does not impact the current or non-current classification of the convertible instrument.

The amendments shall be applied retrospectively.

- Amendments to MFRS 101 – Non-current liabilities with covenants (effective 1 January 2024) specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of liability as current or non-current, even if the covenant is only assessed after the reporting date.

The amendments shall be applied retrospectively.

The Fund will apply these standards when effective. These standards are not expected to have a significant impact on the Fund's financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

B. INCOME RECOGNITION

Profit income from Islamic deposits placed with licensed financial institutions is recognised on a time proportionate basis using the effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Realised gains and losses on sale of quoted Shariah-compliant investments are accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant investments, determined on a weighted average cost basis.

Shariah non-compliant investments will be disposed-off the soonest practical. In the event the investment resulted in gain (through capital gain and/or dividend), the gain is to be channelled to baitulmal or any other charitable bodies as advised by the Shariah Adviser and approved by the Trustee. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the Manager. The amount is recognised as an expense in profit or loss.

C. TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the profit or loss as expenses.

D. TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based on the taxable profit earned during the financial year.

Tax on investment income from foreign investments are based on the tax regime of the respective countries that the Fund invests in.

Withholding tax on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

E. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

F. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

G. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost

The Fund classifies its Shariah-compliant investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate quoted Shariah-compliant equities as fair value through other comprehensive income.

The contractual cash flows of the Fund's sukuk are solely payments of principal and profit ("SPPI"). However, these quoted Shariah-compliant equities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to Manager, amount due to Trustee and other payables and accruals as financial liabilities measured at amortised cost.

The contractual cash flows of the Fund's sukuk are solely payments of principal and profit ("SPPI"). However, these quoted Shariah-compliant equities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

G. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to Manager, amount due to Trustee and other payables and accruals as other financial liabilities measured at amortised cost.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-dates, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities 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.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category including the effects of foreign transactions are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit and loss in the financial year which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in profit and loss as part of gross dividend income when the Fund's right to receive payments is established.

Quoted Shariah-compliant securities are valued at the last done market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the date of the statement of financial position.

Foreign quoted Shariah-compliant securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

G. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

If a valuation based on the market price does not represent the fair value of the quoted Shariah-compliant securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Islamic deposits with licensed Islamic financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective Islamic deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

(iii) Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these Shariah-compliant instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is truly aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

G. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtors' financial difficulty;
- it is becoming probable that debtor will enter bankruptcy or other financial reorganisation;
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Write-off

The Fund write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write offs/recoveries during the financial year.

H. AMOUNT DUE FROM/TO STOCKBROKERS

Amount due from and amount due to stockbrokers represent receivables for Shariah-compliant securities sold and payables for Shariah-compliant securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from the stockbrokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the broker, probability that the stockbrokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

I. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J. CREATION AND CANCELLATION OF UNITS

The unit holders' capital of the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in two classes of units, known respectively as Class A, targeted at retail investors and Class I, targeted at institutional investors, which are cancelled at the unit holder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unit holder exercises the right to put back the unit to the Fund.

Each class of units are also offered in different currency denominations, i.e. Ringgit Malaysia, United States Dollars, Singapore Dollars and Australian Dollars. The United States Dollars, Singapore Dollars and Australian Dollars denominated classes are not offered for sale for the financial period ended 31 December 2023 and 30 June 2023.

Units are created and cancelled at the unit holder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

K. INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Profit not distributed is included in net assets attributable to unit holders.

L. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the statement of financial position.

M. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

M. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- Part of the Fund's cash is denominated in RM for the purpose of making settlement of the creation and cancellation.
- The Fund's units are denominated in RM.
- The Fund's significant expenses are denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

1. INFORMATION ON THE FUND

The Fund was constituted under the name of Aberdeen Standard Islamic World Equity Fund (the “Fund”) pursuant to the execution of a Deed dated 10 September 2012 as amended by the Supplemental Deed dated 11 March 2013, Second Supplemental Deed dated 27 March 2015, Third Supplemental Deed dated 16 October 2015, Fourth Supplemental Deed dated 13 November 2018 and Fifth Supplemental Deed dated 5 October 2020 was entered into between Aberdeen Standard Islamic Investments (Malaysia) Sdn Bhd (the “Manager”) and CIMB Islamic Trustee Berhad (the “Trustee”) in relation to the change of trustee. During the period, Sixth Supplemental Deed dated 23 February 2022 (collectively referred to as the “Deeds”) was entered in relation to the change of fund’s name from Aberdeen Standard Islamic World Equity Fund to abrdn Islamic World Equity Fund w.e.f 1st April 2022 and manager’s name from Aberdeen Standard Islamic Investments (Malaysia) Sdn. Bhd. to abrdn Islamic Malaysia Sdn. Bhd.

The Fund seeks to achieve capital appreciation in the long term through investments in Shariah-compliant equities and equity related securities. The Fund is a multi-class Fund which offers Class A, targeted at retail investors and Class I, targeted at institutional investors. Each class of units are also offered in different currency denominations, i.e. Ringgit Malaysia, United States Dollars, Singapore Dollars and Australian Dollars. The United States Dollars, Singapore Dollars and Australian Dollars denominated classes are not offered for sale for the financial period ended 31 December 2023.

All investments will be subjected to the Securities Commission (“SC”)’s Guidelines on Unit Trust Funds, SC’s requirements, the Deeds approved and the objective of the Fund, except where exemptions or variations have been approved by SC, internal policies and procedures and the Fund’s objective.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of Unit Trust Funds.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (including price risk and currency risk), credit risk, liquidity risk, non-compliance risk, reclassification of Shariah status risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the prospectus and the SC’s Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments of the Fund are as follows (continued):

| | Note | Receivables | Financial assets at fair value through profit or loss | Total |
|-------------------------------------|------|-------------------|--|--------------------|
| As at 31 December 2023 | | RM | RM | RM |
| Cash and cash equivalents | 7 | 11,103,156 | - | 11,103,156 |
| Quoted Shariah-compliant securities | 6 | - | 722,728,423 | 722,728,423 |
| Amount due from Manager | | 6,414,486 | - | 6,414,186 |
| Dividends receivable | | 190,976 | - | 190,976 |
| | | <u>17,708,317</u> | <u>722,728,423</u> | <u>740,436,740</u> |

| | Note | Receivables | Financial assets at fair value through profit or loss | Total |
|-------------------------------------|------|-------------------|--|--------------------|
| As at 30 June 2023 | | RM | RM | RM |
| Cash and cash equivalents | 7 | 10,003,349 | - | 10,003,349 |
| Quoted Shariah-compliant securities | 6 | - | 657,598,634 | 657,598,634 |
| Amount due from Manager | | 5,753,315 | - | 5,753,315 |
| Dividends receivable | | 1,109,784 | - | 1,109,784 |
| | | <u>16,866,448</u> | <u>657,598,634</u> | <u>674,465,082</u> |

All current liabilities are financial liabilities which are carried at amortised cost.

Market risk

(i) Price risk

Price risk arises mainly due to uncertainty on the future prices of Shariah-compliant investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments of the Fund are as follows (continued):

Market risk (continued)

(i) Price risk (continued)

The table below shows the financial instruments of the Fund which are exposed to price risk.

| | 31.12.2023 | 30.06.2023 |
|---|-------------------|-------------------|
| | RM | RM |
| Quoted Shariah-compliant securities designated at fair value through profit or loss | 722,728,423 | 657,598,634 |

The following table summarises the sensitivity of the Fund's net asset value (NAV) and profit after taxation to movements in prices of investments at the end of the reporting period. The analysis is based on the assumptions that the market price of investments fluctuates by 5% with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in investments, having regard to the historical volatility of the prices.

| % change in price of quoted Shariah-compliant securities | Market value | Impact on profit after tax/NAV |
|---|---------------------|---------------------------------------|
| | RM | RM |
| As at 31 December 2023 | | |
| -5% | 686,592,002 | (36,136,421) |
| 0% | 722,728,423 | - |
| +5% | <u>690,478,566</u> | <u>36,136,421</u> |
| As at 30 June 2023 | | |
| -5% | 624,718,702 | (32,879,932) |
| 0% | 657,598,634 | - |
| +5% | <u>690,478,566</u> | <u>32,879,932</u> |

(ii) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/loss. The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(ii) Currency risk (continued)

| | Cash and cash equivalents | Quoted shariah- compliant securities RM | Amount due from Stock brokers RM | Dividends receivable RM | Total RM |
|-------------------------------|---------------------------------|---|--|-------------------------------|-------------|
| As at 31 December 2023 | | | | | |
| AUD | - | 42,191,474 | - | 88,272 | 42,279,746 |
| CAD | - | - | - | 10,477 | 10,477 |
| CHF | - | 30,913,596 | - | - | 30,913,596 |
| DKK | 633 | 29,625,170 | - | - | 29,625,803 |
| EUR | - | 105,687,899 | - | - | 105,687,899 |
| GBP | - | 46,382,374 | - | - | 46,382,374 |
| HKD | - | 10,249,807 | - | - | 10,249,807 |
| IDR | - | 3,403,646 | - | - | 3,403,646 |
| INR | - | 22,495,536 | - | - | 22,495,536 |
| JPY | - | 9,052,345 | - | - | 9,052,345 |
| SEK | 217 | 23,064,016 | - | - | 23,064,233 |
| SGD | - | 11,706,585 | - | - | 11,706,585 |
| USD | 1,013,524 | 215,060,808 | - | 92,226 | 216,166,558 |
| ZAR | - | 7,488,551 | - | - | 7,488,551 |
| | 1,014,374 | 557,321,807 | - | 190,976 | 558,527,156 |

| | Cash and cash equivalents | Quoted shariah- compliant securities RM | Amount due from Stock brokers RM | Dividends receivable RM | Total RM |
|---------------------------|---------------------------------|---|--|-------------------------------|-------------|
| As at 30 June 2023 | | | | | |
| AUD | - | 48,925,569 | - | 87,471 | 49,013,040 |
| CHF | - | 28,832,597 | - | - | 28,832,597 |
| DKK | 636 | 25,666,702 | - | - | 25,667,338 |
| EUR | - | 139,151,371 | - | 66,133 | 139,217,504 |
| HKD | - | 10,045,190 | - | 421,777 | 10,466,967 |
| IDR | - | 14,444,745 | - | 313,369 | 14,758,114 |
| INR | 83,297 | 28,111,025 | - | 15,211 | 28,209,534 |
| GBP | - | 52,736,629 | - | - | 52,736,629 |
| JPY | - | 11,374,287 | - | 46,979 | 11,421,266 |
| SEK | 206 | 27,082,283 | - | - | 27,082,489 |
| SGD | - | 9,386,061 | - | - | 9,386,061 |
| USD | 316,358 | 254,927,999 | - | 119,680 | 255,364,037 |
| ZAR | - | 6,914,176 | - | 39,163 | 6,953,339 |
| | 400,497 | 657,598,634 | - | 1,109,784 | 659,108,915 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(ii) Currency risk (continued)

The table below summarises the sensitivity of the Fund's investments fair value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables remain assumption that the foreign exchange rate changes by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

| As at 31 December 2023 | Change in price | | Impact on profit |
|------------------------|-----------------|---|------------------|
| | | % | after tax/NAV |
| | | | RM |
| AUD | 5 | | 2,113,987 |
| CAD | 5 | | 524 |
| CHF | 5 | | 1,545,680 |
| DKK | 5 | | 1,481,290 |
| EUR | 5 | | 5,284,395 |
| GBP | 5 | | 2,319,119 |
| HKD | 5 | | 512,490 |
| IDR | 5 | | 170,182 |
| INR | 5 | | 1,124,777 |
| JPY | 5 | | 452,617 |
| SEK | 5 | | 1,153,212 |
| SGD | 5 | | 585,329 |
| USD | 5 | | 10,808,328 |
| ZAR | 5 | | 374,428 |

| As at 30 June 2023 | Change in price | | Impact on profit |
|--------------------|-----------------|---|------------------|
| | | % | after tax/NAV |
| | | | RM |
| AUD | 5 | | 2,450,652 |
| CHF | 5 | | 1,441,630 |
| DKK | 5 | | 1,283,367 |
| EUR | 5 | | 6,960,875 |
| HKD | 5 | | 523,348 |
| IDR | 5 | | 737,906 |
| INR | 5 | | 1,410,477 |
| GBP | 5 | | 2,636,831 |
| JPY | 5 | | 571,063 |
| SEK | 5 | | 1,354,124 |
| SGD | 5 | | 469,303 |
| USD | 5 | | 12,768,202 |
| ZAR | 5 | | 347,667 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the risk that an issuer or counterparty will default on its contractual obligation to make timely payments of profit, principals and proceeds resulting in financial loss to the Fund. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units receivable from the Manager and redemption of units payable to the Manager are governed by the SC's Guidelines on Unit Trust Funds.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in Shariah-compliant investments are settled/paid upon delivery using approved stockbrokers.

The following table sets out the credit risk concentration of the Fund:

| | Cash and cash equivalents | Amount due from Stockbroker | Amount due from Managers | Dividends receivable | Total |
|------------------------|---------------------------|-----------------------------|--------------------------|----------------------|------------|
| As at 31 December 2023 | RM | RM | RM | RM | RM |
| Finance | | | | | |
| - AA1 | 11,103,156 | - | - | - | 11,103,156 |
| - NR | - | - | - | - | - |
| Energy | | | | | |
| -NR | - | - | - | - | - |
| Healthcare | | | | | |
| - NR | - | - | - | 92,226 | 92,226 |
| Industrial Products | | | | | |
| -NR | - | - | - | 10,477 | 10,477 |
| Information Technology | | | | | |
| - NR | - | - | - | - | - |
| Materials | | | | | |
| -NR | - | - | - | - | - |
| Real Estate | | | | | |
| - NR | - | - | - | 88,272 | 88,272 |
| Others | | | | | |
| - NR | - | - | 6,414,186 | - | 6,414,186 |
| | 11,103,156 | - | 6,414,186 | 190,975 | 17,708,317 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

The following table sets out the credit risk concentration of the Fund:

| | Cash and cash equivalents | Amount due from Stockbroker | Amount due from Managers | Dividends receivable | Total |
|------------------------|---------------------------------|-----------------------------------|--------------------------------|-------------------------|------------|
| As at 30 June 2023 | RM | RM | RM | RM | RM |
| Consumer Products | | | | | |
| - NR | - | - | - | - | - |
| Finance | | | | | |
| - AA1 | 10,003,349 | - | - | - | 10,003,349 |
| - NR | - | - | - | - | - |
| Energy | | | | | |
| - NR | - | - | - | 66,133 | 66,133 |
| Healthcare | | | | | |
| - NR | - | - | - | 221,034 | 221,034 |
| Industrial Products | | | | | |
| -NR | - | - | - | - | - |
| Information Technology | | | | | |
| - NR | - | - | - | - | - |
| Materials | | | | | |
| -NR | - | - | - | - | - |
| Real Estate | | | | | |
| - NR | - | - | - | 509,248 | 509,248 |
| Others | | | | | |
| - NR | - | - | 5,753,315 | 313,369 | 6,066,684 |
| | 10,003,349 | - | 5,753,315 | 1,109,784 | 16,866,448 |

All financial assets of the Fund as at the end of the financial period are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower NAV and profit after tax of the Fund. The Manager manages this risk by maintaining sufficient level of Islamic liquid assets to meet anticipated payment and cancellations of units by unitholders. Islamic liquid assets comprise cash, Islamic deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows.

| | Between | | Total |
|--|----------------------|----------------------|-------------|
| | Less than 1 month | 1 month to 1 year | |
| As at 31 December 2023 | RM | RM | RM |
| Amount due to stockbroker | - | - | - |
| Amount due to the Manager | | | |
| - Management fee | 1,012,873 | - | 1,012,873 |
| - Cancellation of units | 2,573,185 | - | 2,573,185 |
| Amount due to Trustee | 23,151 | - | 23,151 |
| Other payables and accruals | - | 26,517 | 26,517 |
| Net assets attributable to unit holders* | 736,801,013 | - | 736,801,013 |
| Contractual undiscounted cash outflows | 740,410,224 | 26,517 | 740,436,740 |

| | Between | | Total |
|--|----------------------|----------------------|-------------|
| | Less than 1 month | 1 month to 1 year | |
| As at 30 June 2023 | RM | RM | RM |
| Amount due to stockbroker | - | - | - |
| Amount due to the Manager | | | |
| - Management fee | 2,772,827 | - | 2,772,827 |
| - Cancellation of units | 2,125,072 | - | 2,125,072 |
| Amount due to Trustee | 21,490 | - | 21,490 |
| Other payables and accruals | - | 37,776 | 37,776 |
| Net assets attributable to unit holders* | 669,507,916 | - | 669,507,916 |
| Contractual undiscounted cash outflows | 674,427,305 | 37,776 | 674,465,081 |

* Units are deemed on demand at the unit holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unit holders of these instruments typically retain them for the medium to long term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not in compliance with the rules set out in the Fund's constitution or the law that governs the Fund, applicable internal control procedures, or act fraudulently or dishonestly. It also includes the risk of the Manager not complying with internal control procedures.

The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager.

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission, the Shariah Adviser or the Shariah Boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value hierarchy

- (i) The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
- Level 1 : Quoted prices (unadjusted) in active market 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 (that is, as prices) or indirectly (that is, derived from prices).
 - Level 3 : Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

| | Level 1 | Level 2 | Level 3 | Total |
|--|-------------|---------|---------|-------------|
| As at 31 December 2023 | RM | RM | RM | RM |
| Financial assets at fair value through profit or loss at inception | | | | |
| - quoted Shariah-compliant securities | 722,728,423 | - | - | 722,728,423 |
| | | | | |
| As at 30 June 2023 | | | | |
| Financial assets at fair value through profit or loss at inception | | | | |
| - quoted Shariah-compliant securities | 657,598,634 | - | - | 657,598,634 |
| | | | | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value hierarchy (continued)

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note G.

- (i) The carrying values of cash and cash equivalents, amount due from Manager, dividends receivable and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

3. MANAGEMENT FEE

In accordance with Clause 13.1.3 of the Deeds, the maximum rate of the annual management fee shall be 2.00% per annum of the net asset value of the Fund.

For the financial period ended 31 December 2023 and 31 December 2022, the management fee for the respective unit classes are as follows:

| Class A | Class I |
|-----------------|-----------------|
| 1.75% per annum | 1.00% per annum |

There will be no further liability to the Manager in respect of management fee other than the amount recognised above.

4. TRUSTEE'S AND CUSTODIAN FEES

In accordance with Clause 13.2.2 of the Deeds, the maximum rate of annual Trustee's fee shall be up to 0.04% per annum (30.06.2023: 0.04% per annum) for each unit class, calculated daily based on the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum (excluding foreign custodian fees and charges) (2022: RM15,000).

For the financial period ended 31 December 2023, the Trustee's fee is recognised at a rate of 0.04% (2022: 0.04%) per annum for each unit class.

There will be no further liability to the Trustee in respect of trustee's fee other than the amount recognised above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

5. TAXATION

| | 01.07.2023 to 31.12.2023 | 01.07.2022 to 31.12.2022 |
|---------------------------------------|--------------------------------|--------------------------------|
| | RM | RM |
| Tax charged for the financial period: | | |
| - Current taxation - foreign | 374,851 | 586,393 |

The numerical reconciliation between profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

| | | |
|---|-------------|-------------|
| Net profit/ (loss) before taxation | 24,713,264 | 22,569,060 |
| Tax at Malaysian statutory rate of 24% (2020: 24%) | 5,931,183 | 5,416,574 |
| Tax effects of: | | |
| - Investment income not subject to tax | (7,694,549) | (6,107,578) |
| - Investment income subject to different tax rates | (227,414) | (226,327) |
| - Expenses not deductible for tax purposes | 602,231 | 126,939 |
| - Restriction on tax deductible expenses for unit trust funds | 1,275,501 | 1,083,063 |
| - Non-permitted expenses for tax purposes | 346,177 | 173,382 |
| - Permitted expenses not used not available for future years | 141,722 | 120,340 |
| Taxation | 374,851 | 586,393 |

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31.12.2023 | 30.06.2023 |
|--|--------------|-------------|
| | RM | RM |
| Designated at fair value through profit or loss at inception | | |
| - quoted Shariah-compliant securities (Note (a)) | 722,728,423 | 657,598,634 |
| Net gain/(loss) on financial assets at fair value through profit or loss | | |
| - Realised | 50,775,745 | 3,640,648 |
| - Unrealised | (26,437,332) | 145,297,345 |
| | 24,338,413 | 148,937,993 |

(a) Quoted Shariah-compliant investments

| Name of counter | Quantity | Aggregate cost | Fair value as at 31.12.2023 | Percentage of NAV |
|-------------------------------|----------|-------------------|--------------------------------|----------------------|
| | Units | RM | RM | % |
| AUSTRALIA | | | | |
| <u>Health Care</u> | | | | |
| Cochlear Limited | 12,954 | 8,035,678 | 12,130,757 | 1.65 |
| <u>Information Technology</u> | | | | |
| Altium Limited | 85,400 | 8,572,276 | 12,544,689 | 1.70 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31.12.2023 | Percentage of NAV |
|------------------------------|----------|----------------|-----------------------------|-------------------|
| | Units | RM | RM | % |
| AUSTRALIA | | | | |
| <u>Real Estate</u> | | | | |
| Goodman Group | 220,812 | 11,516,533 | 17,516,027 | 2.38 |
| CANADA | | | | |
| <u>Industrials</u> | | | | |
| Canadian Pacific Kansas City | 21,098 | 7,242,474 | 7,664,491 | 1.04 |
| DENMARK | | | | |
| <u>Health Care</u> | | | | |
| Novo Nordisk A/S | 35,036 | 8,851,526 | 16,654,005 | 2.26 |
| FRANCE | | | | |
| <u>Consumer Products</u> | | | | |
| Kering | 3,899 | 10,581,044 | 7,896,526 | 1.07 |
| L'Oreal SA | 10,687 | 14,344,348 | 24,445,848 | 3.32 |
| | 14,586 | 24,925,392 | 32,342,374 | 4.39 |
| <u>Energy</u> | | | | |
| Total Energies SE | 50,983 | 13,346,572 | 15,941,017 | 2.16 |
| <u>Health Care</u> | | | | |
| Sanofi San | 23,600 | 10,644,630 | 10,752,384 | 1.46 |
| <u>Industrials</u> | | | | |
| Schneider Electric SA | 20,778 | 12,441,584 | 19,171,662 | 2.60 |
| GERMANY | | | | |
| <u>Materials</u> | | | | |
| Linde Public Limited Company | 11,434 | 12,559,918 | 21,392,594 | 2.90 |
| HONG KONG | | | | |
| <u>Real Estate</u> | | | | |
| China Resources Land Limited | 508,000 | 8,363,403 | 8,370,231 | 1.14 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31.12.2023 | Percentage of NAV |
|---------------------------------------|------------|-------------------|--------------------------------|----------------------|
| | Units | RM | RM | % |
| INDIA | | | | |
| <u>Healthcare</u> | | | | |
| Asian Paints Limited | 86,118 | 11,777,527 | 16,179,332 | 2.20 |
| INDONESIA | | | | |
| <u>Consumer Products</u> | | | | |
| PT Ace Hardware Indonesia Tbk | 24,250,000 | 9,989,025 | 5,210,851 | 0.71 |
| <u>Telecommunications & Media</u> | | | | |
| Telekom Indonesia Persero TBK | 7,507,300 | 9,321,936 | 8,850,040 | 1.20 |
| IRELAND | | | | |
| <u>Industrial Products</u> | | | | |
| Trane Technologies Plc | 19,336 | 11,970,143 | 21,670,237 | 2.94 |
| JAPAN | | | | |
| <u>Healthcare</u> | | | | |
| Asahi Intecc Co. Ltd | 125,300 | 12,054,933 | 11,714,759 | 1.59 |
| KOREA | | | | |
| <u>Information Technology</u> | | | | |
| Samsung Electronics Co.,Ltd | 3,126 | 16,114,309 | 17,093,113 | 2.32 |
| NETHERLANDS | | | | |
| <u>Consumer Products</u> | | | | |
| Ferrari NV Race | 11,326 | 10,455,513 | 17,545,713 | 2.38 |
| <u>Information Technology</u> | | | | |
| Asml Holding N.V. | 8,209 | 17,985,623 | 28,404,914 | 3.86 |
| SINGAPORE | | | | |
| <u>Information Technology</u> | | | | |
| Singapore Telecommunications | 1,088,600 | 9,299,814 | 9,366,406 | 1.27 |
| SOUTH AFRICA | | | | |
| <u>Health Care</u> | | | | |
| Clicks Group Ltd | 151,430 | 11,305,385 | 12,392,891 | 1.68 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31.12.2023 | Percentage of NAV |
|-------------------------------|----------|----------------|-----------------------------|-------------------|
| | Units | RM | RM | % |
| SWEDEN | | | | |
| <u>Industrials Products</u> | | | | |
| Atlas Copco Aktiebolag | 272,299 | 15,385,698 | 21,547,165 | 2.92 |
| SWITZERLAND | | | | |
| <u>Health Care</u> | | | | |
| DSM-Firmenich AG | 32,100 | 20,298,766 | 14,990,040 | 2.03 |
| Lonza Group | 4,102 | 11,565,188 | 7,921,078 | 1.08 |
| | 36,202 | 31,863,954 | 22,911,118 | 3.11 |
| <u>Industrials Products</u> | | | | |
| Vat Group Ltd | 9,023 | 7,540,729 | 20,763,574 | 2.82 |
| UNITED KINGDOM | | | | |
| <u>Health Care</u> | | | | |
| Astrazeneca Plc | 32,335 | 15,534,601 | 20,077,333 | 2.72 |
| UNITED STATES | | | | |
| <u>Consumer Products</u> | | | | |
| Lululemon Athletica Inc | 10,700 | 15,218,524 | 25,138,323 | 3.41 |
| Procter & Gamble Co | 36,503 | 19,598,634 | 24,579,326 | 3.34 |
| Target Corporation | 16,500 | 15,297,469 | 10,797,921 | 1.47 |
| | 63,703 | 50,114,627 | 60,515,571 | 8.21 |
| <u>Healthcare</u> | | | | |
| Boston Scientific Corporation | 40,300 | 9,431,741 | 10,705,162 | 1.45 |
| Danaher Crop | 12,274 | 13,590,890 | 13,047,343 | 1.77 |
| Medtronic Plc | 34,800 | 14,820,245 | 13,173,048 | 1.79 |
| Pfizer Inc. | 64,827 | 10,622,320 | 8,575,961 | 1.16 |
| Resmed Inc. | 16,627 | 10,839,827 | 13,142,503 | 1.78 |
| | 168,828 | 59,305,024 | 58,644,017 | 7.96 |
| <u>Industrials</u> | | | | |
| Emerson Electric Co | 23,900 | 9,941,851 | 10,688,822 | 1.45 |
| Hubbell Inc -CI B | 10,000 | 13,622,775 | 15,114,324 | 2.05 |
| | 33,900 | 23,564,626 | 25,803,146 | 3.50 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31.12.2023 | Percentage of NAV |
|--|------------|----------------|-----------------------------|-------------------|
| | Units | RM | RM | % |
| UNITED STATES | | | | |
| <u>Information Technology</u> | | | | |
| Adobe Inc. | 7,536 | 16,472,227 | 20,659,003 | 2.80 |
| Analog Devices | 17,413 | 13,642,034 | 15,887,318 | 2.16 |
| Manhattan Associates Ord | 14,822 | 7,660,515 | 14,664,809 | 1.99 |
| Marvell Technology Inc | 73,256 | 18,893,665 | 20,301,015 | 2.76 |
| Microsoft Corporation | 32,597 | 52,409,482 | 56,324,443 | 7.64 |
| Synopsys Inc | 7,157 | 18,221,945 | 16,933,533 | 2.30 |
| Tetra Technologies Inc | 19,300 | 11,254,896 | 14,803,927 | 2.01 |
| | 172,081 | 138,554,764 | 159,574,049 | 21.66 |
| <u>Real Estate</u> | | | | |
| Prologis Inc | 16,300 | 8,950,250 | 9,983,963 | 1.36 |
| Total quoted Shariah-compliant investments - foreign | 35,060,097 | 597,588,469 | 722,728,423 | 98.09 |

Accumulated unrealised gain on financial assets at fair value through profit or loss
Total financial assets at fair value through profit or loss

125,139,954

722,728,423

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.06.2023 | Percentage of NAV |
|-------------------------------|----------|----------------|-----------------------------|-------------------|
| | Units | RM | RM | % |
| AUSTRALIA | | | | |
| <u>Consumer Products</u> | | | | |
| ARB Corporation Limited | 64,781 | 6,076,541 | 5,756,319 | 0.86 |
| <u>Health Care</u> | | | | |
| Cochlear Limited | 12,954 | 8,035,678 | 9,219,414 | 1.38 |
| <u>Information Technology</u> | | | | |
| Altium Limited | 85,400 | 5,572,276 | 9,796,045 | 1.46 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.06.2023 | Percentage of NAV |
|------------------------------|----------|-------------------|--------------------------------|----------------------|
| | Units | RM | RM | % |
| AUSTRALIA | | | | |
| <u>Real Estate</u> | | | | |
| Goodman Group | 220,812 | 11,516,533 | 13,768,963 | 2.06 |
| DENMARK | | | | |
| <u>Industrials</u> | | | | |
| DSV Panalpina A/S | 12,750 | 12,640,164 | 12,495,321 | 1.87 |
| <u>Health Care</u> | | | | |
| Novo Nordisk A/S | 17,518 | 8,851,526 | 13,171,381 | 1.97 |
| FRANCE | | | | |
| <u>Consumer Products</u> | | | | |
| Kering | 3,400 | 9,308,455 | 8,753,787 | 1.31 |
| L'Oreal SA | 10,687 | 14,344,348 | 23,243,171 | 3.47 |
| | 14,087 | 23,652,802 | 31,996,958 | 4.78 |
| <u>Energy</u> | | | | |
| Total Energies SE | 23,400 | 6,159,325 | 6,261,791 | 0.94 |
| <u>Health Care</u> | | | | |
| Sanofi San | 23,600 | 10,644,630 | 11,801,399 | 1.76 |
| <u>Industrials</u> | | | | |
| Schneider Electric SA | 20,778 | 12,441,584 | 17,612,607 | 2.63 |
| GERMANY | | | | |
| <u>Materials</u> | | | | |
| Linde Public Limited Company | 11,434 | 12,559,918 | 20,349,576 | 3.04 |
| HONG KONG | | | | |
| <u>Real Estate</u> | | | | |
| China Resources Land Limited | 508,000 | 8,363,403 | 10,045,190 | 1.50 |
| INDIA | | | | |
| <u>Healthcare</u> | | | | |
| Asian Paints Limited | 267,350 | 7,692,254 | 11,637,480 | 1.74 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.06.2023 | Percentage of NAV |
|--|------------|----------------|-----------------------------|-------------------|
| | Units | RM | RM | % |
| INDIA | | | | |
| <u>Materials</u> | | | | |
| Asian Paints Limited | 86,118 | 11,777,527 | 16,473,545 | 2.46 |
| INDONESIA | | | | |
| <u>Consumer Products</u> | | | | |
| PT Ace Hardware Indonesia Tbk | 24,250,000 | 9,989,025 | 5,095,967 | 0.76 |
| <u>Telecommunications & Media</u> | | | | |
| Telekom Indonesia Persero TBK | 7,507,300 | 9,321,936 | 9,348,778 | 1.40 |
| IRELAND | | | | |
| <u>Industrial Products</u> | | | | |
| Trane Technologies Plc | 21,947 | 13,586,508 | 19,592,261 | 2.93 |
| JAPAN | | | | |
| <u>Healthcare</u> | | | | |
| Asahi Intecc Co. Ltd | 125,300 | 12,054,933 | 11,374,287 | 1.70 |
| KOREA | | | | |
| <u>Information Technology</u> | | | | |
| Samsung Electronics Co.,Ltd | 3,126 | 16,114,309 | 16,633,325 | 2.48 |
| NETHERLANDS | | | | |
| <u>Consumer Products</u> | | | | |
| Ferrari NV Race | 11,326 | 10,455,513 | 17,273,621 | 2.58 |
| <u>Information Technology</u> | | | | |
| Asml Holding N.V. | 7,209 | 15,233,856 | 24,338,766 | 3.64 |
| NEW ZEALAND | | | | |
| <u>Industrials</u> | | | | |
| Auckland International Airport Limited | 425,793 | 8,444,402 | 10,384,829 | 1.55 |
| SINGAPORE | | | | |
| <u>Telecommunications & Media</u> | | | | |
| Singapore Telecommunications | 1,088,600 | 9,299,814 | 9,386,061 | 1.40 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.06.2023 | Percentage of NAV |
|------------------------------|----------|-------------------|--------------------------------|----------------------|
| | Units | RM | RM | % |
| SOUTH AFRICA | | | | |
| <u>Health Care</u> | | | | |
| Clicks Group Ltd | 107,100 | 8,457,748 | 6,914,176 | 1.03 |
| SWEDEN | | | | |
| <u>Industrials Products</u> | | | | |
| Assa Abloy Ab | 78,600 | 8,468,521 | 8,796,895 | 1.31 |
| Atlas Copco Aktiebolag | 272,299 | 15,385,698 | 18,285,388 | 2.73 |
| | 350,899 | 23,854,219 | 27,082,283 | 4.05 |
| SWITZERLAND | | | | |
| <u>Health Care</u> | | | | |
| DSM-Firmenich AG | 18,950 | 14,467,320 | 9,516,653 | 1.42 |
| Lonza Group | 4,102 | 11,565,188 | 11,415,132 | 1.71 |
| | 23,052 | 26,032,508 | 20,931,784 | 3.13 |
| <u>Industrials Products</u> | | | | |
| Vat Group Ltd | 9,023 | 7,540,729 | 17,417,465 | 2.60 |
| UNITED KINGDOM | | | | |
| <u>Health Care</u> | | | | |
| Astrazeneca Plc | 28,492 | 13,137,392 | 19,064,630 | 2.85 |
| Dechra Pharmaceuticals Plc | 79,194 | 15,914,759 | 17,321,998 | 2.59 |
| | 107,686 | 29,052,151 | 36,386,628 | 5.43 |
| <u>Industrials</u> | | | | |
| Croda International Plc | 23,900 | 8,605,745 | 7,978,992 | 1.19 |
| Spirax Sarco Engineering plc | 13,610 | 10,909,234 | 8,371,009 | 1.25 |
| | 37,510 | 19,514,979 | 16,350,001 | 2.44 |
| UNITED STATES | | | | |
| <u>Consumer Products</u> | | | | |
| Lululemon Athletica Inc | 10,700 | 15,218,524 | 18,903,182 | 2.82 |
| Procter & Gamble Co | 35,677 | 18,670,385 | 25,268,162 | 3.77 |
| Target Corporation | 16,500 | 15,297,469 | 10,158,135 | 1.52 |
| | 62,877 | 49,186,378 | 54,329,479 | 8.11 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted Shariah-compliant investments (Continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.06.2023 | Percentage of NAV |
|--|-------------------|--------------------|-----------------------------|-------------------|
| | Units | RM | RM | % |
| UNITED STATES | | | | |
| <u>Healthcare</u> | | | | |
| Boston Scientific Corporation | 40,300 | 9,431,741 | 10,174,364 | 1.52 |
| Danaher Crop | 10,143 | 13,020,678 | 11,362,213 | 1.70 |
| Johnson & Johnson Com | 21,800 | 16,295,495 | 16,841,944 | 2.52 |
| Medtronic Plc | 27,800 | 12,160,353 | 11,431,572 | 1.71 |
| Merck & Co Inc | 18,273 | 8,456,792 | 9,841,545 | 1.47 |
| Pfizer Inc. | 64,827 | 10,622,320 | 11,098,659 | 1.66 |
| Resmed Inc. | 11,590 | 7,590,620 | 11,820,072 | 1.77 |
| | <u>194,733</u> | <u>77,577,999</u> | <u>82,570,369</u> | <u>12.33</u> |
| <u>Information Technology</u> | | | | |
| Adobe Inc. | 7,790 | 15,840,214 | 17,779,629 | 2.66 |
| Analog Devices | 17,413 | 13,642,034 | 15,833,251 | 2.36 |
| Manhattan Associates Ord | 16,813 | 8,689,532 | 16,685,552 | 2.34 |
| Microsoft Corporation | 5,300 | 5,817,916 | 8,424,211 | 1.26 |
| Tetra Technologies Inc | 19,300 | 11,254,896 | 14,750,181 | 2.20 |
| | <u>66,616</u> | <u>55,244,592</u> | <u>72,472,824</u> | <u>10.82</u> |
| <u>Real Estate</u> | | | | |
| Prologis Inc | 16,300 | 8,950,250 | 9,329,741 | 1.39 |
| Total quoted Shariah-compliant securities | <u>35,785,379</u> | <u>558,896,012</u> | <u>657,598,634</u> | <u>98.22</u> |
| Accumulated unrealised gain on financial assets at fair value through profit or loss | | <u>98,702,622</u> | | |
| Total financial assets at fair value through profit or loss | | <u>657,598,634</u> | | |

7. CASH AND CASH EQUIVALENTS

| | 31.12.2023 | 30.06.2023 |
|---------------|-------------------|-------------------|
| | RM | RM |
| Bank balances | <u>11,103,156</u> | <u>10,003,349</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

8. SHARIAH INFORMATION OF THE FUND

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

1. Transactions and investment holdings were within the Morgan Stanley Capital International All Country World ("MSCI ACWI") Islamic (Shariah) Index ("the Index"); and
- (ii) Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

9. NUMBER OF UNITS IN CIRCULATION

Number of units in circulation is represented by:

| | Note | 31.12.2023 | 30.06.2023 |
|---|------|---------------|--------------|
| | | No. of units | No. of units |
| Class A - MYR | (a) | 1,176,165,202 | 275,770,360 |
| Class A - USD | (b) | - | - |
| Class A – SGD | (c) | - | - |
| Class A – AUD | (d) | - | - |
| Class I – MYR | (e) | - | - |
| | | 1,176,165,202 | 275,770,360 |
| (a) Class A - MYR | | | |
| | | 31.12.2023 | 30.06.2023 |
| | | No. of units | No. of units |
| At the beginning of the financial period/year | | 275,770,360 | 276,996,260 |
| Add: Creation of units arising from applications during the financial period/year | | 995,457,018 | 56,976,841 |
| Less: Cancellation of units during the financial period/year | | (95,062,176) | (58,202,741) |
| At the end of the financial period/year | | 1,176,165,202 | 275,770,360 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

9. NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) Class A - USD

| | 31.12.2023 | 30.06.2023 |
|---|---------------------|---------------------|
| | No. of units | No. of units |
| At the beginning of the financial period/year | - | - |
| Add: Creation of units arising from applications during the financial period/year | - | - |
| Less: Cancellation of units during the financial period/year | - | - |
| At the end of the financial period/year | - | - |

(c) Class A - SGD

| | 31.12.2023 | 30.06.2023 |
|---|---------------------|---------------------|
| | No. of units | No. of units |
| At the beginning of the financial period/year | - | - |
| Add: Creation of units arising from applications during the financial period/year | - | - |
| Less: Cancellation of units during the financial period/year | - | - |
| At the end of the financial period/year | - | - |

(d) Class A - AUD

| | 31.12.2023 | 30.06.2023 |
|---|---------------------|---------------------|
| | No. of units | No. of units |
| At the beginning of the financial period/year | - | - |
| Add: Creation of units arising from applications during the financial period/year | - | - |
| Less: Cancellation of units during the financial period/year | - | - |
| At the end of the financial period/year | - | - |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

9. NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) Class I - MYR

| | 31.12.2023 | 30.06.2023 |
|---|---------------------|---------------------|
| | No. of units | No. of units |
| At the beginning of the financial period/year | - | - |
| Add: Creation of units arising from applications during the financial period/year | - | - |
| Less: Cancellation of units during the financial period/year | - | - |
| At the end of the financial period/year | - | - |

10. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/dealers for the financial period ended 31 December 2023 are as follows:

| Name of broker/dealer | Value of trades | Percentage of total trades | Percentage of of total brokerage fees | |
|------------------------------|----------------------------|---|--|---------------|
| | | | Brokerage fees | fees |
| | RM | % | RM | % |
| Goldman Sachs Lon | 40,025,746 | 14.26 | 23,678 | 15.19 |
| Canaccord Genuity Sdy | 34,839,994 | 12.41 | 17,420 | 11.17 |
| Citibank N.A. | 31,850,485 | 11.35 | 19,406 | 12.45 |
| Nordea Bank Finland Plc, Nyc | 23,841,062 | 8.49 | 10,765 | 6.91 |
| Merrill Lynch Lon | 17,449,527 | 6.22 | 8,586 | 5.51 |
| Barclays Bank Dub | 17,359,802 | 6.19 | 8,488 | 5.44 |
| Wells Fargo Securities, Ll | 16,386,999 | 5.84 | 8,193 | 5.26 |
| Rbc Dexia Investor Services | 11,345,507 | 4.04 | 4,852 | 3.11 |
| Jefferies Intl Ltd Lon | 11,216,581 | 4.00 | 7,060 | 4.53 |
| Jarden Securities Limited Nz | 9,392,318 | 3.35 | 6,575 | 4.22 |
| Others | 66,946,271 | 23.85 | 40,874 | 26.22 |
| | 280,654,291 | 100.00 | 155,897 | 100.00 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

10. TRANSACTIONS WITH BROKERS/DEALERS (CONTINUED)

Details of transactions with the top 10 brokers/dealers for the financial period ended 31 December 2022 are as follows:

| Name of broker/dealer | Value | Percentage | Brokerage | Percentage of total |
|-----------------------------|--------------------|---------------|---------------|---------------------|
| | of trades | of total | fees | brokerage |
| | RM | % | RM | % |
| Nordea Bank Finland Plc NYC | 18,972,649 | 22.57 | 10,871 | 26.64 |
| Exane EUR | 17,232,069 | 14.70 | 12,062 | 11.44 |
| RBC Dexia Investor Services | 9,226,268 | 7.03 | 4,613 | 13.79 |
| CFS CA SYD | 9,024,979 | 5.94 | 1,812 | 9.47 |
| JP Morgan Secs NYC | 8,998,713 | 5.69 | 6,189 | 4.39 |
| Goldman Sachs LON | 8,750,536 | 5.45 | 7,680 | 8.69 |
| Instinet LON | 7,885,703 | 5.15 | 5,520 | 4.44 |
| Merrill Lynch Lon | 6,619,293 | 4.81 | 3,292 | 6.34 |
| MKM Partners MY | 5,817,916 | 4.72 | 2,909 | 6.90 |
| Citibank N.A. | 5,563,930 | 3.60 | 3,895 | 3.49 |
| Others | 20,369,878 | 20.34 | 7,758 | 4.43 |
| | 118,461,933 | 100.00 | 66,602 | 100.00 |

11. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

| Related parties | Relationship |
|---|--|
| abrdn Islamic Malaysia Sdn. Bhd. | The Manager |
| abrdn Malaysia Sdn Bhd | Immediate holding company of the Manager |
| abrdn Plc ("abrdn") | Ultimate holding company of the Manager |
| Subsidiaries and associates of abrdn Group as disclosed in its financial statements | Subsidiary and associated companies of the ultimate holding company of the Manager |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

11. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

Units held by the Manager and parties related to the Manager

There were no units held by the Manager and parties related to the Manager as at the end of the financial period.

Significant related party transactions and balances

In addition to related party disclosure mentioned elsewhere in the financial statements, there were no other significant related party transactions and balances.

12. TOTAL EXPENSES RATIO ("TER")

| | 31.12.2023 | 31.12.2022 |
|---------|------------|------------|
| TER (%) | 0.91 | 0.91 |

TER is derived from the following calculation:

| | | |
|-----|---|--|
| TER | = | $\frac{(A + B + C + D + E) \times 100}{F}$ |
| A | = | Management fee |
| B | = | Trustee's fees |
| C | = | Auditor's remuneration |
| D | = | Tax agent's fee |
| E | = | Other expenses excluding Goods & Services Tax ("GST") on transaction costs |
| F | = | Average NAV of the Fund calculated on a daily basis |

The average NAV of the Fund for the financial period calculated on a daily basis is RM676,139,965 (2022: RM570,904,790).

13. PORTFOLIO TURNOVER RATIO ("PTR")

| | 31.12.2023 | 31.12.2022 |
|-------------|------------|------------|
| PTR (times) | 0.22 | 0.10 |

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

Where: Total acquisition for the financial period = RM168,646,966 (2022: RM69,223,241)
 Total disposal for the financial period = RM133,226,274 (2022: RM49,275,973)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

14. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision maker is responsible for the performance of the Fund and considers the business to have a single operating segment.

The internal reporting provided to the chief operating decision maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision maker is responsible for the performance of the Fund and considers the business to have a single operating segment.

There were no changes in the reportable operating segment during the financial period.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 28 February 2024.

STATEMENT BY THE MANAGER

TO THE UNITHOLDERS OF ABRDN ISLAMIC WORLD EQUITY FUND

We, Gerald Michael Ambrose @ Johari Ali Bin Abdullah and Joanne Marie Lopez, being the Directors of **abrdn Islamic Malaysia Sdn. Bhd.**, do hereby state that, in our opinion as the Manager, the financial statements set out on pages 10 to 48 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards in Malaysia and International Financial Reporting Standards.

For and on behalf of the Manager,
abrdn Islamic Malaysia Sdn. Bhd.

GERALD MICHAEL AMBROSE @ JOHARI ALI BIN ABDULLAH
Chief Executive Officer

JOANNE MARIE LOPEZ
Director

Kuala Lumpur
28 February 2024

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF ABRDN ISLAMIC WORLD EQUITY FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **abrdn Islamic Malaysia Sdn. Bhd.** has operated and managed the Fund during the period 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 requirement.

For and on behalf of
CIMB Islamic Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
28 February 2024

SHARIAH ADVISER'S REPORT

TO THE UNITHOLDERS OF ABRDN ISLAMIC WORLD EQUITY FUND

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, abrdn Islamic Malaysia Sdn. Bhd. has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant except for DSV A/S, Target Corp and Spirax-Sarco Engineering Plc which have been reclassified as Shariah non-compliant. While noted that DSV A/S and Spirax-Sarco Engineering Plc have been disposed on 13 July 2023 and 21 November 2023 respectively, Target Corp shall be disposed in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosure in the Fund's prospectus.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
28 February 2024

DISTRIBUTORS

CIMB BANK BERHAD

ADDRESS : Menara Bumiputra Commerce,
No.11, Jalan Raja Laut,
50350, Kuala Lumpur.

HOTLINE NO. : 1 300 880 900

WEBSITE : www.cimbbank.com.my

FUNDSUPERMART.COM

ADDRESS : Level 29, Menara Standard Chartered,
No. 30, Jalan Sultan Ismail,
50250, Kuala Lumpur.

HOTLINE NO. : (603) 2149 0567

WEBSITE : www.fundsupermart.com.my

HSBC BANK MALAYSIA

ADDRESS : HSBC Bank Malaysia Berhad,
No. 2 Leboh Ampang,
50100 Kuala Lumpur.

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50250 Kuala Lumpur

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OCBC BANK (MALAYSIA) BERHAD

ADDRESS : 19th Floor, Menara OCBC,
18 Jalan Tun Perak,
50050, Kuala Lumpur.

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WEBSITE : <https://ocbc.com.my/>

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No. 12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

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FAX NO. : (603) 2166 6417

WEBSITE : www.phillipmutual.com

STANDARD CHARTERED SAADIQ BERHAD

ADDRESS : Menara Standard Chartered
No. 30 Jalan Sultan Ismail
50250 Kuala Lumpur

HOTLINE NO. : 1300 888 888 / (603) 7711 8888

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KENWEALTH BY KENANGA

ADDRESS : Kenanga Wealth Management
Level 13 Kenanga Tower
237 Jalan Tun Razak, 50400 Kuala Lumpur.

HOTLINE NO. : (603) 2332 8810 (ext. 8189)

WEBSITE : <http://www.kenwealth.com/>

AMBANK (M) Berhad

ADDRESS : AmBank (M) Berhad
Level 30 Menara AmBank
No.8 Jalan Yap Kwang Seng, 50450 Kuala Lumpur.

HOTLINE NO. : (603) 2167 3000

GREAT EASTERN TAKAFUL

ADDRESS : Menara Great Eastern, Level 10
303 Jalan Ampang
50450 Kuala Lumpur

WEBSITE : <https://www.greateasterntakaful.com/>

FWD TAKAFUL

ADDRESS : 29th Floor Menara Shell,
No. 211 Jalan Tun Sambanthan,
50470 Kuala Lumpur, Malaysia.

WEBSITE : www.fwd.com.my

DISTRIBUTORS (CONTINUED)

MCIS INSURANCE BHD

ADDRESS : Wisma MCIS, Jalan Barat,
46200 Petaling Jaya,
Selangor, Malaysia

WEBSITE : www.mcis.my

PRUDENTIAL BSN

ADDRESS : Menara Prudential,
Persiaran TRX Barat, 55188 Tun Razak Exchange,
Kuala Lumpur

WEBSITE : www.prubsn.com.my

Raiz

HOTLINE NO. : +603 2714 6114

WEBSITE : www.raiz.com.my

AL RAJHI BANKING AND INVESTMENT CORPORATION (MALAYSIA) SDN. BHD

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50100 Kuala Lumpur, Malaysia

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UOB KAY HIAN WEALTH ADVISORS

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50480 Kuala Lumpur

WEBSITE : <https://www.uwealth.com.my/>

For the latest list of our distributors, please refer to our website at
<https://www.abrdn.com/en-my/investor>

DISCLAIMER

Investors should read and understand the master prospectus dated 25 April 2022 in respect of abrdn Islamic World Equity Fund (collectively, “Master Prospectus”) as well as the Product Highlights Sheet in respect of AIWEF which can be obtained at our office or from any of our approved distributors, or seek relevant professional investment advice, before making any investment decision. A copy of the Master Prospectus has been registered with the Securities Commission of Malaysia (“the SC”). Investors should consider the fees and charges involved before investing. Investments in the unit trusts are not deposits in, obligations of, or guaranteed or insured by abrdn Islamic Malaysia Sdn. Bhd. (the “Manager”), and are subject to investment risks, including the possible loss of the principal amount invested. Unit values and income therefrom may fall or rise. Past performance is not indicative of future performance. Units will only be issued on receipt of the application form referred to in and accompanying the Master Prospectus, subject to the terms and conditions therein. Investors are advised to read and understand the contents of the unit trust loan financing risk statement before deciding to borrow/seek financing facility to purchase units.

The information herein shall not be disclosed, used or disseminated, in whole or part, and shall not be reproduced, copied or made available to others. The Manager reserves the right to make changes and corrections to the information, including any opinions or forecasts expressed herein at any time, without notice.

The registration of the Master Prospectus dated 25 April 2022 with the SC does not indicate that the SC recommended or endorsed the product and service. This document has not been reviewed by the SC.

abrdn Islamic Malaysia Sdn. Bhd.
Registration Number: 200801026015 (827342-W)

