



Manulife

Investment Management

Manulife
Investment
Al-Faid

Annual Report

for the financial year ended 31 July 2024

MANULIFE INVESTMENT AL-FAID

CONTENTS	PAGE
1 General Information	1
2 Manager's Report	2
3 Policy On Stockbroking Rebates And Soft Commissions	9
4 Statement By The Manager	10
5 Trustee's Report	11
6 Shariah Adviser's Report	12
7 Independent Auditors' Report	13
8 Statement Of Comprehensive Income	15
9 Statement Of Financial Position	16
10 Statement Of Changes In Equity	17
11 Statement Of Cash Flows	18
12 Material Accounting Policy Information	19
13 Notes To The Financial Statements	24
14 Corporate Information	39

1 GENERAL INFORMATION

1.1 THE TRUST

The Fund commenced operations on 30 June 2003 and will continue its operations until terminated as provided under Clause 48.2 of the Deed.

1.2 FUND TYPE / CATEGORY

Growth / Equity (Islamic)

1.3 BASE CURRENCY

Ringgit Malaysia (RM)

1.4 OBJECTIVE OF THE FUND

The Fund seeks to provide Unit Holders with medium- to long-term capital growth through investments in a diversified portfolio of equities which are Shariah-compliant.

Note: Any material changes to the Fund's investment objective would require Unit Holders' approval.

1.5 DISTRIBUTION POLICY

Income distribution (if any) is incidental.

1.6 PERFORMANCE BENCHMARK

FTSE Bursa Malaysia EMAS Shariah Index (obtainable via Bursa Malaysia's website: www.bursa-malaysia.com).

Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of this performance benchmark.

1.7 INVESTMENT STYLE AND STRATEGY

The Fund invests mainly in a diversified portfolio of Shariah-compliant equities listed in Bursa Malaysia. Islamic liquid assets such as Islamic money market instruments and Islamic deposits are only used to maintain liquidity position and also as a short-term alternative should the equity market become extremely volatile. The Fund may invest in investments directly or via Islamic Collective Investment Schemes (CISs).

The Fund Manager adopts a bottom-up approach in identifying companies with growth and earnings prospects. The Fund may also invest in companies that have the potential of becoming blue chip Shariah-compliant securities (established companies with earnings track record of at least 5 years) in future. The primary focus is on the underlying growth fundamental of the company although other factors such as macroeconomic variables, liquidity conditions and political risk factors are also considered important.

The Fund Manager emphasises strongly on internal research. Frequent company visits are made in order to obtain local knowledge and corporate information. Besides using traditional valuation yardsticks such as price earnings (P/E) ratio, price to book (P/BV) ratio and price/earnings to growth (PEG) ratio, the Fund Manager focuses on the company's capital structure, intrinsic value, cash flow, replacement costs, revised net asset value (RNAV), management and potential growth trend.

Under adverse market conditions (due to economic, political or any other negative conditions for investments), the Fund Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to such conditions. Under such situations, a large proportion of the Fund may be temporarily invested in Islamic liquid assets such as Islamic money market instruments and Islamic deposits.

During the financial year under review, the Fund remained guided by its investment objective of achieving medium- to long-term capital growth through investments in a diversified portfolio of equities which are Shariah-compliant.

MANULIFE INVESTMENT AL-FAID

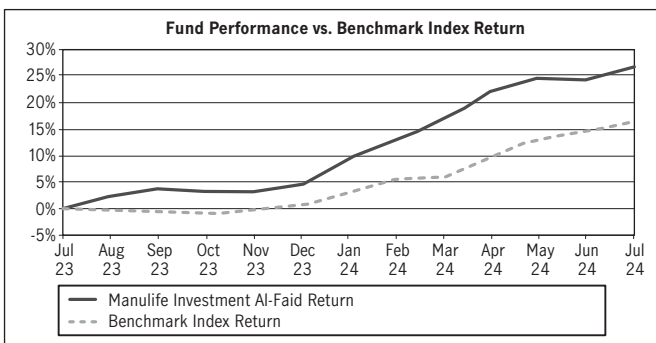
2 MANAGER'S REPORT

2.1 FUND PERFORMANCE

For the financial year ended 31 July 2024, the Fund generated a return of 26.79%. The Fund outperformed its benchmark, which increased by 16.52%. The outperformance was mainly due to stock selection in the energy, industrial products, and telco sectors. However, the outperformance was partially offset by positions in the property and construction sectors.

The distribution of 2.52 sen per unit on 29 July 2024 had the effect of reducing the NAV per unit of the Fund and the ex-distribution NAV per unit was RM0.3427.

The graph below compares the 12-month performance of the Fund against its benchmark return:



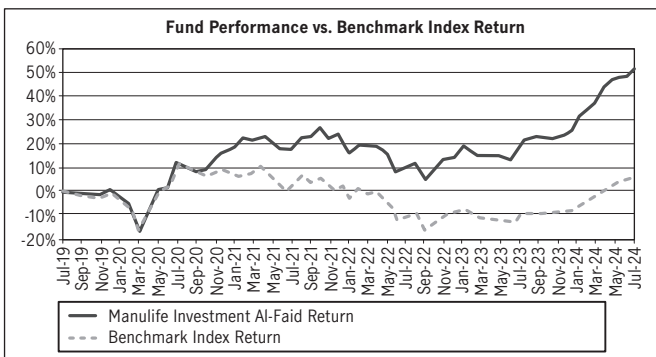
Source: Lipper, Morningstar & RIMES

Fund Size

The Fund's total NAV increased to RM255.22mil from RM180.16mil during the financial year under review.

Fund Returns

(a) The graph below compares the 5-year performance of the Fund against its benchmark return:



Source: Lipper, Morningstar & RIMES

MANULIFE INVESTMENT AL-FAID

(b) Average Total Return of the Fund:

For the financial year ended 31 July 2024	Fund (% p.a.)	Benchmark (% p.a.)
1 year	26.79	16.52
3 years	8.57	1.94
5 years	8.56	1.23
Investment Commencement Date: 30 June 2003		

Source: Lipper, Morningstar & RIMES

(c) Annual Total Return of the Fund:

For the financial year ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 July 2024	26.79	16.52
31 July 2023	8.71	2.03
31 July 2022	(7.14)	(10.91)
31 July 2021	5.08	(10.35)
31 July 2020	12.11	11.97
Investment Commencement Date: 30 June 2003		

Source: Lipper, Morningstar & RIMES

BASES OF CALCULATION

1. Net Asset Value (NAV)

Net Asset Value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.

2. Net Asset Value per unit

Net Asset Value per unit is the Net Asset Value of the Fund divided by the total number of units in circulation, at the valuation point.

3. Fund's Return

Fund's return can be calculated based on the computation methods as follows:

Daily Total Fund's Return = $\frac{\{[\text{End NAV (Ex-distribution)} - \text{Beginning NAV} + \text{Dividend Distribution}] / \text{Beginning NAV}\} \times 100\%}$

Total Fund's Return = Total fund's return for the period is derived from geometrically linking together the daily total fund's returns.

The linking formula is = $[(1 + R_1) \times (1 + R_2) \times \dots \times (1 + R_n)] - 1$

where: R_1 is the first daily return for the period,
 R_2 is the second daily return for the period, and
 R_n is the last daily return for the period.

Average Total Return = Annualised Total Return
 $[(1 + \text{Total fund's return for the period})^{\frac{\text{Actual number of days in a year}}{\text{number of days during the period}}} - 1] \times 100\%$

MANULIFE INVESTMENT AL-FAID

The following table shows other financial and performance data of the Fund for the past three financial years:

Fund Data	31 July 2024	31 July 2023	31 July 2022
NAV (RM)	255,223,845	180,162,885	161,768,936
Units in Circulation ('000)	746,812	622,556	587,448
NAV (RM per unit)	0.3418	0.2894	0.2754
Highest / Lowest NAV (RM per unit)	0.3721 / 0.2872	0.3047 / 0.2580	0.3727 / 0.2695
Total Fund Return (%)	26.79	8.71	(7.14)
Capital Growth (%)	18.11	5.08	(19.14)
Income Distribution (%)	7.35	3.45	14.84
Final Distribution			
Gross (RM per unit)	0.0252	0.0100	0.0400
Net (RM per unit)	0.0252	0.0100	0.0400
Ex-Date	29.07.2024	27.07.2023	27.07.2022
Total Expense Ratio (%)	1.60	1.60	1.59
Portfolio Turnover Ratio (times)	0.49	0.52	0.70

NOTES

(i) Total Expense Ratio (TER)

TER is computed based on the total fees and expenses excluding transaction costs incurred by the Fund divided by the average Fund size calculated on a daily basis.

$$\frac{\text{Fees of the unit trust fund} + \text{Recovered expenses of the unit trust fund}}{\text{Average value of the unit trust fund calculated on a daily basis}} \times 100$$

Where:

Fees = All ongoing fees deducted / deductible directly from the unit trust fund in respect of the period covered by the total expense ratio, expressed as a fixed amount, calculated on a daily basis. This would include the annual management fee, the annual trustee fee and any other fees deducted / deductible directly from the unit trust fund;

Recovered expenses = All expenses recovered from/ charged to the unit trust fund, as a result of the expenses incurred by the operation of the unit trust fund, expressed as a fixed amount. This should not include expenses that would otherwise be incurred by an individual investor (e.g. brokerage, taxes and levies); and

Average value of the unit trust fund = The NAV of the unit trust fund, including unit trust net income value of the fund, less expense on an accrued basis, in respect of the period covered by the total expenses ratio, calculated on a daily basis.

The TER for the financial year is consistent with previous financial year.

MANULIFE INVESTMENT AL-FAID

(ii) Portfolio Turnover Ratio (PTR)

PTR is computed based on the average of the acquisitions and disposals of investments of the Fund divided by the average Fund size calculated on a daily basis.

$$\frac{[\text{Total acquisitions of the fund for the year} + \text{Total disposals of the fund for the year}]/2}{\text{Average value of the unit trust fund calculated on a daily basis}}$$

Average value of the unit trust fund calculated on a daily basis

The PTR for the financial year is lower as compared with previous financial year mainly due to the increase in average NAV.

Impact on NAV Arising From Distribution Distributed For The Past Three Financial Years:

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
29.07.2024	0.3666	(0.0252)	0.3414
27.07.2023	0.2994	(0.0100)	0.2894
27.07.2022	0.3080	(0.0400)	0.2680

The Manager wishes to highlight that past performance of the Fund is not an indication of its future performance.

The price of units and the investment returns may go down, as well as up.

2.2 ASSET ALLOCATION

Asset allocation for the past three financial years:

Sector Allocation	% of Net Asset Value		
	31 July 2024	31 July 2023	31 July 2022
Energy	14.55	13.27	6.55
Technology	14.23	11.68	9.65
Plantation	13.83	12.54	11.04
Industrial Products & Services	9.32	13.31	13.12
Utilities	9.11	10.07	16.19
Consumer Products & Services	7.15	9.97	6.44
Financial Services	6.05	7.06	6.63
Properties	6.05	5.05	4.55
Telecommunications & Media	4.94	2.74	8.56
Construction	3.51	1.58	3.15
Transportation & Logistics	3.34	1.45	1.44
Health care	2.56	4.70	5.41
Islamic Real Estate Investment Trusts (i-REITs)	0.20	0.60	1.20
Quoted Shariah-compliant Investments	94.84	94.02	93.93
Unquoted Shariah-compliant Investments	0.04	-	-
Islamic Deposits With Licensed Financial Institutions	5.32	4.92	6.75
Other Assets & Liabilities	(0.20)	1.06	(0.68)

As at 31 July 2024, the Fund was 94.88% invested in Malaysian Shariah-compliant equities and 5.12% in Islamic deposits and other assets and liabilities. The Fund saw a notable increase in allocation to the technology, telco, and construction sectors, while a decrease in allocation to the utilities, consumer products and healthcare sectors.

MANULIFE INVESTMENT AL-FAID

2.3 MARKET REVIEW

For the financial year under review (1st August 2023 to 31st July 2024), global equity markets were mostly positive, except for the Chinese markets. The MSCI World Index gained 16.6%, outperforming MSCI ex Japan Index which increased 3.9%. The Nasdaq Composite Index registered a 22.7% gain over the period driven by optimism in the AI space. In China, Shanghai Composite Index fell 10.7% over the period as weak economic recovery and real estate sector weakness weighed on market sentiment.

The rebound in economic activities and massive fiscal support fuelled inflation in many countries, particularly the developed markets. The US Federal Reserve (Fed) started its interest rate hiking cycle, increasing rate gradually from virtually zero in early 2022 to 5.25-5.50% in July 2023. The 10-year US Treasury yield peaked above 5% in October 2023 but came down to below 4% in December, and the equity market rebounded strongly towards the end of 2023. All three major US indices continued its upward trend in 2024 and reached all-time highs in July 2024, driven by mega-cap Technology stocks on AI play, as well as optimism that the Fed would deliver rate cuts later this year. Despite the aggressive rate hikes, the US economy continued to be relatively resilient during the period under review, though the labour market softened towards the end of the period. The weaker than expected US Consumer Price Index (CPI) reading early in the month of July, combined with weaker US labour market data, supported the case for the Fed to begin cutting rates soon. Markets are now projecting the first Fed rate cut to happen in September and are currently pricing almost three US rate cuts in 2024. Meanwhile, the tech sector started to come under pressures in July after the underwhelming earnings reporting by the 'magnificent seven' companies, as investors grew more sceptical about the potential returns from investment into artificial intelligence (AI).

In Europe, the European Central Bank (ECB) also raised interest rate aggressively to combat inflation, with the deposit rate increasing from -0.5% to 4.0% between July 2022 and September 2023. Meanwhile, the economic outlook for the Eurozone seems to be improving. Manufacturing Purchasing Manager Index (PMI) increased from 45.7 in April to 47.3 in May, the highest in more than a year. The reduced rate of decline could signal a potential stabilisation of manufacturing activities. Eurozone inflation increased to 2.6% YoY in July (vs 2.5% YoY in June), while policymakers raised their annual average headline inflation outlook for 2024 to 2.5% from 2.3% previously. Despite inflation worries, the ECB cut its interest rate by 25 bps to 3.75% in the June policy meeting, as widely expected. According to ECB President Christine Lagarde, interest rates are not on a linear downwards path and policymakers could at times wait more than one meeting before cutting them again.

In China, the real estate market remained a drag to the economy as there were warnings that the wave of mortgage payment suspensions and delayed property completion could impact China's financial system. To support recovery, China's central bank cut interest rate on both 1-year loan prime rate and 1-year medium term lending facility rate, and further relaxed housing measures to boost property and consumer demand. Moreover, the government approved the issuance of RMB1 trillion in additional sovereign debt, lifting the 2023 budget deficit from 3.0% to around 3.8%. In February, a number of markets supporting measures such as restriction on short selling activities and government national funds buying into onshore market boosted market confidence. The increased investor interest in the attractively valued Chinese equities led to a strong rebound in the market. However, market sentiment was dampened in May when US president Joe Biden announced steep tariff increases on Chinese imports including on electric vehicles, batteries, computer chips and medical products. The Chinese equity markets have since drifted downwards due to the continued challenges in the real estate sector and the spillover effects on the broad economy. In an effort to provide more liquidity to the financial system and stimulate lending, the Chinese authorities have implemented measures such as cutting the reverse repo rate and lowering the benchmark loan prime rate.

For Malaysia, the FBM KLCI Index charted a strong 11.4% gain during the period. Construction, utilities, and property sectors were the outperformers with increases of 78.3%, 76.9% and 46.8% respectively. The gains were driven by a slew of announcements of data centre investments by US technology giants in Malaysia. During the period under review, Malaysia also launched the National Energy Transition Roadmap and proposed the revival of Malaysia-Singapore High Speed Rail. In Budget 2024, the government projected a lower fiscal deficit of 4.3% of GDP in 2024 compared to 5.0% of GDP in 2023. The budget exhibited a mild expansionary stance, reflecting a positive outlook for GDP growth ranging from 4% to 5%.

MANULIFE INVESTMENT AL-FAID

Overall, the FBM KLCI Index underperformed the broader markets as the FBM EMAS Shariah Index and FBM EMAS Index were up by 16.5% and 16.9% respectively. Relative to the region, the FBM KLCI Index outperformed the MSCI Asia ex-Japan Index which was up by 3.9%. The top performing markets were Taiwan (+29.5%), India (+22.9%), and Malaysia (+11.4%), while the underperforming markets were Thailand (-15.1%), Hong Kong (-13.6%) and Hang Seng China Enterprise Index (H-shares) (-11.5%).

2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

During the month of June, the US added a solid 206,000 jobs, beating expectations, and continuing a remarkably strong run in the new jobs data. However, the good news was neutralised by the unemployment rate that ticked up to 4.1%, a sign of slacking labour market. The jobs report seems to have affirmed investors' view that the US economy is slowing, but not in an alarming way that would justify aggressive rate cuts. Meanwhile, inflation in the US cooled to 3.0% from 3.3% in May, softer than market forecast of 3.1%. The softer inflation data provided clear evidence that inflation is slowing gradually and meaningfully, which is the direction that the Fed officials wanted in contemplating the next rate cuts. On the political front, the uncertainty continued with the latest being Biden dropping out of the presidential race, while endorsing Vice President Kamala Harris as the new candidate.

In the UK, the Labour Party won a landslide victory in the recent general election, with Keir Starmer replacing Rishi Sunak as the new Prime Minister. This has dramatically reshaped the political landscape in the UK after the Conservatives imploded following 14 years of rule. Markets have been sanguine in the face of projected Labour victory, sending gauges of volatility to near multi-year lows across currency and bond markets.

During the month of July, we saw more good news in the local market. After almost 6 years of maintaining an underweight rating on Malaysia, JPMorgan has upgraded its call to neutral. The decision was driven by several key factors such as 1) policy reforms; 2) the influx of data centre (DC) investments; and 3) a significant infrastructure buildout. Many were impressed by the bold steps taken by the Malaysian government in cutting subsidies, a move often considered as controversial and sensitive. During the Monetary Policy Committee (MPC) meeting in July, Bank Negara Malaysia (BNM) kept interest rate unchanged at 3.0% and noted the expansion in the local economy bolstered by resilient domestic demand and positive turnaround in exports. BNM expects exports to be further lifted by the global tech upcycle as well as continued strength in the non-electrical and electronics goods. Further boost is expected from stronger tourist arrivals and spending. Malaysian Industrial Production Index (IPI) growth in May moderated to +2.4% YoY as compared to +6.1% YoY in the previous month (vs consensus' +3.6% YoY). Main culprits were softer growth in mining, manufacturing, and electricity production. Meanwhile, Malaysian GDP growth in 2Q24 of 5.8% YoY surpassed all estimates on the back of broad-based gains from manufacturing to consumption, indicating a recovery seen in the earlier part of the year that is gathering momentum.

Rolling into the month of August will be the corporate results season for 2Q24. This will provide the much-needed guidance for the outlook in 2H24 and beyond. Net foreign fund flows in the month of July were encouraging and has turned the YTD flow to net positive. We believe market will continue to be driven by positive catalysts such as: 1) effective domestic policy reforms; 2) continuous momentum from infrastructure investment and data centre development; 3) decent valuation with recovery in place; 4) attractive dividend; 5) potential Ringgit improvement against USD; and 6) domestic consumption recovery. We will continue to maintain our well-balanced portfolio and pick quality names to enhance our portfolio return.

2.5 SECURITIES FINANCING TRANSACTIONS

During the financial year under review, the fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").

2.6 CROSS TRADE TRANSACTIONS

During the financial year under review, no cross-trade transactions have been carried out.

MANULIFE INVESTMENT AL-FAID

2.7 STATES OF AFFAIRS

NOTIFICATION OF CHANGES

The First Supplemental Master Prospectus dated 20 October 2023 has been issued to make the following updates:

1. an update to the bases for valuation of the assets of the Fund; and
2. the revision to the minimum investment amount of the Fund.

The Master Prospectus dated 20 October 2023 is available in the website:
www.manulifeim.com.my

3 POLICY ON STOCKBROKING REBATES AND SOFT COMMISSIONS

It is the Manager's policy not to enter into soft-dollar arrangements. Exceptions have to be assessed on a case-by-case basis in accordance to the Manager's policy prior to entering into any soft-dollar arrangement.

The Manager may retain soft commissions provided by any brokers or dealers if the soft commissions bring direct benefit or advantage to the management of the Fund. Any dealings with the brokers or dealers are executed on terms which are the most favourable to the Fund and there is no churning of trades. Any rebates/shared commissions should be credited to the account of the Fund concerned.

During the financial year under review, soft commissions have not been received by the Management Company.

4 STATEMENT BY THE MANAGER

We, Edmond Cheah Swee Leng and Chong Soon Min, being two of the Directors of Manulife Investment Management (M) Berhad (“the Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, material accounting policy information and notes to the financial statements, 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 July 2024 and of its financial performance, changes in equity and cash flows of the Fund for the financial year ended 31 July 2024 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and the International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

MANULIFE INVESTMENT MANAGEMENT (M) BERHAD

EDMOND CHEAH SWEE LENG

DIRECTOR

CHONG SOON MIN

DIRECTOR

Kuala Lumpur

25 September 2024

5 TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF MANULIFE INVESTMENT AL-FAID ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 July 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Manulife Investment Management (M) Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
25 September 2024

MANULIFE INVESTMENT AL-FAID

6 SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF MANULIFE INVESTMENT AL-FAID

We hereby confirm:

To the best of our knowledge, after having made all reasonable enquiries, Manulife Investment Management (M) Berhad has operated and managed the Fund during the financial year/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

The assets of the Fund comprise of instruments that have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or the SAC of Bank Negara Malaysia. As for the instruments which are not classified as Shariah-compliant by the SAC of the Securities Commission Malaysia, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

For ZICO Shariah Advisory Services Sdn Bhd

DR. AIDA OTHMAN
Designated Person Responsible For Shariah Matters Relating To the Fund

Kuala Lumpur
25 September 2024

7 INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF MANULIFE INVESTMENT AL-FAID

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Manulife Investment Al-Faid ("the Fund") give a true and fair view of the financial position of the Fund as at 31 July 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 July 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, as set out on pages 15 to 38.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

MANULIFE INVESTMENT AL-FAID

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTER

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
25 September 2024

MANULIFE INVESTMENT AL-FAID

8 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Profit income from Islamic deposits with licensed financial institutions at amortised cost		310,715	246,368
Gross dividend income		6,444,334	6,713,049
Net gain on financial assets at fair value through profit or loss	6	45,947,561	10,214,683
		52,702,610	17,174,100
EXPENSES			
Manager's fee	3	3,106,003	2,502,502
Trustee's fee	4	124,240	100,100
Auditors' remuneration		7,500	7,500
Tax agent's fee		3,000	3,000
Other expenses		62,518	22,147
Transaction costs		650,535	625,088
		3,953,796	3,260,337
PROFIT BEFORE TAXATION		48,748,814	13,913,763
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		48,748,814	13,913,763
Profit after taxation is made up as follows:			
Realised		16,869,568	6,747,219
Unrealised		31,879,246	7,166,544
		48,748,814	13,913,763

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

MANULIFE INVESTMENT AL-FAID

9 STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2024

	Note	<u>31.07.2024</u>	<u>31.07.2023</u>
		RM	RM
ASSETS			
Cash and cash equivalents	7	13,575,445	8,873,891
Financial assets at fair value through profit or loss	6	242,162,924	169,382,608
Amount due from Manager		995,625	2,120,959
Amount due from stockbrokers		622,555	3,061,256
Dividends receivable		-	35,314
TOTAL ASSETS		<u>257,356,549</u>	<u>183,474,028</u>
LIABILITIES			
Amount due to Manager			
- Manager's fee		314,046	220,704
- Cancellation of units		129,592	3,482
Amount due to Trustee		12,562	8,828
Amount due to stockbrokers		1,647,393	3,052,309
Other payables	8	29,111	25,820
TOTAL LIABILITIES		<u>2,132,704</u>	<u>3,311,143</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>255,223,845</u>	<u>180,162,885</u>
EQUITY			
Unit holders' capital		194,436,854	151,307,447
Retained earnings		60,786,991	28,855,438
		<u>255,223,845</u>	<u>180,162,885</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	2	<u>255,223,845</u>	<u>180,162,885</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>746,811,876</u>	<u>622,555,591</u>
NAV PER UNIT		<u>0.3418</u>	<u>0.2894</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

MANULIFE INVESTMENT AL-FAID

10 STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
BALANCE AS AT 1 AUGUST 2023	151,307,447	28,855,438	180,162,885
Movement in unit holders' contribution:			
Creation of units arising from applications	53,084,650	-	53,084,650
Creation of units arising from distribution	17,494,258	-	17,494,258
Cancellation of units	(26,772,504)	-	(26,772,504)
Total comprehensive income	-	48,748,814	48,748,814
Distribution (Note 16)	(676,997)	(16,817,261)	(17,494,258)
BALANCE AS AT 31 JULY 2024	<u>194,436,854</u>	<u>60,786,991</u>	<u>255,223,845</u>
	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
BALANCE AS AT 1 AUGUST 2022	141,216,143	20,552,793	161,768,936
Movement in unit holders' contribution:			
Creation of units arising from applications	24,981,413	-	24,981,413
Creation of units arising from distribution	6,008,900	-	6,008,900
Cancellation of units	(20,501,227)	-	(20,501,227)
Total comprehensive income	-	13,913,763	13,913,763
Distribution (Note 16)	(397,782)	(5,611,118)	(6,008,900)
BALANCE AS AT 31 JULY 2023	<u>151,307,447</u>	<u>28,855,438</u>	<u>180,162,885</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

MANULIFE INVESTMENT AL-FAID

11 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Purchase of Shariah-compliant investments		(115,986,774)	(88,637,855)
Sale of Shariah-compliant investments		89,748,837	79,744,393
Dividends received		6,263,593	6,721,646
Profit income received		310,715	246,368
Manager's fee paid		(3,012,661)	(2,480,212)
Trustee's fee paid		(120,506)	(99,208)
Audit fee paid		(7,500)	(6,300)
Tax agent's fee paid		(2,700)	(3,000)
Payment for other fees and expenses		(55,040)	(55,451)
		(22,862,036)	(4,569,619)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		54,209,984	22,992,093
Payments for cancellation of units		(26,646,394)	(20,547,157)
		27,563,590	2,444,936
Net cash generated from financing activities			
Net increase/(decrease) in cash and cash equivalents		4,701,554	(2,124,683)
Cash and cash equivalents at beginning of the financial year		8,873,891	10,998,574
		13,575,445	8,873,891
Cash and cash equivalents at end of the financial year	7		
Cash and cash equivalents comprise:			
Islamic deposits with licensed financial institutions		13,564,748	8,865,294
Bank balance in a licensed bank		10,697	8,597
	7	13,575,445	8,873,891

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

12 MATERIAL ACCOUNTING POLICY INFORMATION

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. The policies have been consistently applied to all the financial years presented, unless otherwise stated.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and the International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS 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 revenues and expenses during the reported financial year. It also requires the Manager to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. There are no significant areas of judgement or complexity that have significant effect on the amounts recognised in the financial statements. There are no critical accounting estimates and assumptions used in the preparation of the financial statements of the Fund for the financial year ended 31 July 2024.

(i) Standards and amendments to existing standards effective 1 January 2023

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 August 2023 that have a material effect on the financial statements of the Fund.

(ii) New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted.

A number of new standards, amendments to standards or interpretations are effective for annual periods beginning after 1 August 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B 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 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 principal and profit. However, these Shariah-compliant securities 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 Shariah-compliant investments are measured at fair value through profit or loss.

MANULIFE INVESTMENT AL-FAID

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from stockbrokers and dividends receivables as financial assets at amortised costs as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the assets. Shariah-compliant investments are initially recognised at fair value. Transaction costs are recognised as expenses in the statement of comprehensive income.

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial year which they arise.

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

Quoted Shariah-compliant securities in Malaysia 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.

Unquoted Shariah-compliant security is valued at the Initial Public Offering ("IPO") issue price as announced in Bursa Securities.

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 bases approved by the Trustee after appropriate technical consultation.

Islamic deposits with licensed 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. The Manager considers both historical analysis and forward looking information in determining any expected credit loss. The Manager 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.

(iv) Significant increase in credit risk

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

MANULIFE INVESTMENT AL-FAID

(v) Definition of default and credit-impaired financial assets

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

(vi) Write-off

The Fund writes 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.

C INCOME RECOGNITION

Profit income from Islamic deposits placed with licensed financial institutions is recognised on 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 on quoted Shariah-compliant investments is recognised on the ex-dividend date.

Realised gains or losses on disposal of quoted Shariah-compliant securities is calculated based on the difference between the net disposal proceeds and the carrying amount of Shariah-compliant investments, determined on a weighted average cost basis.

D EXPENSES

Expenses are accounted for on an accrual basis and charged to the statement of comprehensive income. Expenses arising from net disposal of Shariah-compliant investments are recognised as transaction costs (Note K to the financial statements).

E CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and Islamic deposits held in highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

F AMOUNTS DUE FROM/TO STOCKBROKERS

Amounts due from and to stockbrokers represent receivables for quoted Shariah-compliant securities sold and payables for quoted 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 the amount due from the stockbroker 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 stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If 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 the Manager as any contractual payment which is more than 30 days past due.

MANULIFE INVESTMENT AL-FAID

G 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.

H DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution to unit holders is recognised in the statement of changes in equity upon approval by the Trustee.

Distribution equalisation is the amount attributable to net realised income that is included in the price of units created or units cancelled by the Fund during the reporting year.

I FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date. The information presented herein represents the estimates of fair values as at the date of statement of financial position.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

A range of methodologies and assumptions has been used in deriving the fair values of the Fund's financial instruments as at the date of statement of financial position. The total fair value of each financial instrument is not materially different from the total carrying value.

A range of methodologies and assumptions has been used in deriving the fair values of the Fund's financial instruments as at the date of statement of financial position. The total fair value of each financial instrument is not materially different from the total carrying value.

The fair values are based on the following methodologies and assumptions:

(a) Short-term Islamic deposits with licensed financial institutions

For Islamic deposits and placements with licensed financial institutions with maturities of less than three months, the carrying value is a reasonable estimate of fair value. For Islamic deposits and placements with maturities of three months and above, the estimated fair value is based on discounted cash flows using prevailing Islamic interbank money market rates at which similar Islamic deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

(b) Quoted Shariah-compliant investments

The estimated fair value is based on quoted and observable market prices.

(c) Other short-term Islamic financial instruments

Other short-term Islamic financial instruments comprise amount due from/to Manager, amount due from/to stockbrokers, dividends receivable, amount due to Trustee and other payables. The carrying values of the assets and liabilities are assumed to approximate their fair values due to the short tenure of less than one year.

J TAXATION

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

MANULIFE INVESTMENT AL-FAID

K TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose of 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 statement of comprehensive income as expenses.

13 NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

1 INFORMATION ON THE FUND

Manulife Investment Al-Faid ("the Fund") was established pursuant to a Master Deed dated 31 January 2002, as amended and supplemented by subsequent Supplemental Deeds (hereinafter referred to as "the Deed") between Manulife Investment Management (M) Berhad ("the Manager") and HSBC (Malaysia) Trustee Berhad ("the Trustee").

The principal activity of the Fund is to invest in "Investments" as defined under Clause 1 of the Deed, which includes Shariah-compliant securities of companies listed on Bursa Malaysia Berhad, unlisted sukuk and short-term Islamic money market investments. The Fund commenced operations on 30 June 2003 and will continue its operations until terminated as provided under Clause 48.2 of the Deed.

The main objective of the Fund is to provide unit holders with medium- to long-term capital growth through investments in a diversified portfolio of equities which are Shariah-compliant.

The Manager of the Fund, a company incorporated in Malaysia, is a wholly-owned subsidiary of Manulife Holdings Berhad, a public limited liability company, incorporated and domiciled in Malaysia, and listed on the main market of Bursa Malaysia. Its principal activities are the management of unit trusts and private retirement schemes, fund management activities and financial planning.

The financial statements were authorised for issue by the Manager on 25 September 2024.

2 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over their lifespan are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if the unit holders exercise the right to put the units back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

3 MANAGER'S FEE

In accordance with the Deed, the Manager is entitled to Manager's fee at a rate of not exceeding 1.50% per annum of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

For the financial year, the Manager is entitled to Manager's fee at a rate of 1.50% per annum (2023: 1.50% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

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

MANULIFE INVESTMENT AL-FAID

4 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee at a rate of not exceeding 0.25% per annum of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis, subject to a minimum fee of RM30,000 per annum.

For the financial year, the Trustee is entitled to a fee of 0.06% per annum (2023: 0.06% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

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

5 TAXATION

	2024	2023
	RM	RM
Current taxation :	-	-
	-	-

Numerical reconciliation between profit before taxation multiplied by the Malaysian statutory tax rate and tax expenses of the Fund is as follows:

	2024	2023
	RM	RM
Profit before taxation	48,748,814	13,913,763
Tax calculated at Malaysian tax rate of 24% (2023: 24%)	11,699,715	3,339,303
Tax effect in respect of:		
- Expenses not deductible for tax purposes	201,670	180,080
- Restriction on tax deductible expenses for unit trust funds	747,241	602,401
- Investment income not subject to tax	(12,648,626)	(4,121,784)
Tax expenses	-	-

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.07.2024	31.07.2023
	RM	RM
Financial assets at fair value through profit or loss		
- Quoted Shariah-compliant investments (a)	242,068,228	169,382,608
- Unquoted Shariah-compliant investment (b)	94,696	-
	242,162,924	169,382,608
	2024	2023
	RM	RM
Net gain on financial assets at fair value through profit or loss		
- Realised	14,068,315	3,048,139
- Unrealised	31,879,246	7,166,544
	45,947,561	10,214,683

MANULIFE INVESTMENT AL-FAID

(a) QUOTED SHARIAH-COMPLIANT INVESTMENTS

<u>QUOTED SHARIAH-COMPLIANT INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 31.07.2024</u> RM	<u>Fair value as at 31.07.2024 expressed as percentage of net asset value of Fund</u> %
31.07.2024				
ACE MARKET				
INDUSTRIAL PRODUCTS & SERVICES				
YBS International Berhad	2,646,200	1,891,389	2,408,042	0.93
TECHNOLOGY				
LGMS Berhad	3,631,100	4,348,320	5,555,583	2.18
Oppstar Berhad	922,900	1,036,563	1,264,373	0.50
TT Vision Holdings Berhad	4,895,500	4,643,497	5,580,870	2.19
	<u>9,449,500</u>	<u>10,028,380</u>	<u>12,400,826</u>	<u>4.87</u>
MAIN MARKET				
CONSTRUCTION				
Binastra Corporation Berhad	263,600	200,336	324,228	0.13
Gamuda Berhad	299,666	1,347,524	2,355,375	0.92
IJM Corporation Berhad	1,793,600	4,257,778	6,277,600	2.46
	<u>2,356,866</u>	<u>5,805,638</u>	<u>8,957,203</u>	<u>3.51</u>
CONSUMER PRODUCTS & SERVICES				
DKSH Holdings Malaysia Berhad	344,400	2,753,878	1,756,440	0.69
Fraser & Neave Holdings Berhad	238,300	6,343,063	7,349,172	2.88
Karex Berhad	4,293,600	3,476,969	3,542,220	1.39
MR D.I.Y. Group (M) Berhad	634,000	1,265,781	1,331,400	0.51
Padini Holdings Berhad	945,600	2,935,615	3,205,584	1.26
Power Root Berhad	685,900	1,423,404	1,063,145	0.42
	<u>7,141,800</u>	<u>18,198,710</u>	<u>18,247,961</u>	<u>7.15</u>
ENERGY				
Dayang Enterprise Holdings Berhad	2,089,300	2,179,800	5,954,505	2.33
Deleum Berhad	2,038,800	1,831,795	2,568,888	1.01
Dialog Group Berhad	3,732,100	8,167,309	9,479,534	3.71
Hibiscus Petroleum Berhad	3,275,380	8,171,751	7,893,666	3.09
Uzma Berhad	3,294,100	2,236,390	3,623,510	1.42
Wasco Berhad	6,248,000	5,740,603	7,622,560	2.99
	<u>20,677,680</u>	<u>28,327,648</u>	<u>37,142,663</u>	<u>14.55</u>
FINANCIAL SERVICES				
Bank Islam Malaysia Berhad	2,553,300	6,601,838	6,357,717	2.49
Bursa Malaysia Berhad	384,500	3,319,671	3,675,820	1.44
Syarikat Takaful Malaysia Keluarga Berhad	1,448,608	5,373,711	5,403,308	2.12
	<u>4,386,408</u>	<u>15,295,220</u>	<u>15,436,845</u>	<u>6.05</u>
HEALTH CARE				
Duopharma Biotech Berhad	948,151	2,131,241	1,137,781	0.44
IHH Healthcare Berhad	857,600	5,365,395	5,402,880	2.12
	<u>1,805,751</u>	<u>7,496,636</u>	<u>6,540,661</u>	<u>2.56</u>

MANULIFE INVESTMENT AL-FAID

<u>QUOTED SHARIAH- COMPLIANT INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 31.07.2024</u> RM	<u>Fair value as at 31.07.2024 expressed as percentage of net asset value of Fund</u> %
INDUSTRIAL PRODUCTS & SERVICES				
Cahaya Mata Sarawak Berhad	4,601,500	7,151,381	6,672,175	2.61
CPE Technology Berhad	3,550,200	4,361,712	4,508,754	1.77
Hiap Teck Venture Berhad	4,022,400	1,741,323	1,729,632	0.68
HSS Engineers Berhad	1,208,900	1,423,404	1,583,659	0.62
Malayan Cement Berhad	226,300	1,294,093	1,303,488	0.51
Pantech Group Holdings Berhad	1,866,100	1,292,232	2,034,049	0.80
SKB Shutters Corporation Berhad	147,600	165,917	154,980	0.06
Thong Guan Industries Berhad	1,852,300	3,952,520	3,426,755	1.34
	<u>17,475,300</u>	<u>21,382,582</u>	<u>21,413,492</u>	<u>8.39</u>
ISLAMIC REAL ESTATE INVESTMENT TRUST (i-REITs)				
AME Real Estate Investment Trust	207,200	234,136	304,584	0.12
Axis Real Estate Investment Trust	111,861	203,816	202,468	0.08
	<u>319,061</u>	<u>437,952</u>	<u>507,052</u>	<u>0.20</u>
PLANTATION				
Genting Plantations Berhad	1,014,300	5,846,906	5,781,510	2.27
Jaya Tiasa Holdings Berhad	7,275,600	8,728,797	8,075,916	3.16
Kuala Lumpur Kepong Berhad	145,305	3,213,664	3,063,029	1.20
Sarawak Oil Palms Berhad	1,804,250	5,383,640	5,196,240	2.04
Ta Ann Holdings Berhad	1,659,392	5,976,762	6,654,162	2.60
TSH Resources Berhad	5,467,300	5,874,065	6,560,760	2.56
	<u>17,366,147</u>	<u>35,023,834</u>	<u>35,331,617</u>	<u>13.83</u>
PROPERTY				
Eco World Development Group Berhad	1,545,100	2,118,337	2,734,827	1.07
Lagenda Properties Berhad	2,972,000	4,107,044	3,982,480	1.56
Matrix Concepts Holdings Berhad	2,389,050	3,362,431	4,539,195	1.78
MKH Berhad	548,000	759,610	750,760	0.29
Skyworld Development Berhad	5,484,700	3,205,266	3,427,938	1.35
	<u>12,938,850</u>	<u>13,552,688</u>	<u>15,435,200</u>	<u>6.05</u>
TECHNOLOGY				
Elsoft Research Berhad	1,538,700	1,060,369	861,672	0.34
Genetec Technology Berhad	3,844,400	8,601,001	8,265,460	3.24
JF Technology Berhad	2,248,800	2,559,000	1,866,504	0.73
KESM Industries Berhad	263,300	1,782,205	1,629,827	0.64
MY E.G. Services Berhad	11,369,562	9,149,878	11,255,866	4.41
	<u>19,264,762</u>	<u>23,152,453</u>	<u>23,879,329</u>	<u>9.36</u>
TELECOMMUNICATIONS & MEDIA				
Telekom Malaysia Berhad	898,963	5,278,746	6,265,772	2.47
TIME dotCom Berhad	1,231,700	6,390,717	6,330,938	2.47
	<u>2,130,663</u>	<u>11,669,463</u>	<u>12,596,710</u>	<u>4.94</u>

MANULIFE INVESTMENT AL-FAID

<u>QUOTED SHARIAH- COMPLIANT INVESTMENTS</u>	<u>Quantity Units</u>	<u>Cost of shares RM</u>	<u>Fair value as at 31.07.2024 RM</u>	<u>Fair value as at 31.07.2024 expressed as percentage of net asset value of Fund %</u>
TRANSPORTATION & LOGISTICS				
MISC Berhad	679,000	4,953,248	5,968,410	2.34
Westports Holdings Berhad	568,000	1,975,058	2,544,640	1.00
	<u>1,247,000</u>	<u>6,928,306</u>	<u>8,513,050</u>	<u>3.34</u>
UTILITIES				
Gas Malaysia Berhad	1,297,700	4,321,517	4,632,789	1.82
Mega First Corporation Berhad	1,799,600	6,424,467	8,710,064	3.41
Petronas Gas Berhad	175,900	3,127,085	3,201,380	1.25
Tenaga Nasional Berhad	476,800	5,540,580	6,713,344	2.63
	<u>3,750,000</u>	<u>19,413,649</u>	<u>23,257,577</u>	<u>9.11</u>
TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS	<u>122,955,988</u>	<u>218,604,548</u>	<u>242,068,228</u>	<u>94.84</u>

(b) UNQUOTED SHARIAH-COMPLIANT INVESTMENTS

<u>UNQUOTED SHARIAH- COMPLIANT INVESTMENTS</u>	<u>Quantity Units</u>	<u>Cost of shares RM</u>	<u>Fair value as at 31.07.2024 RM</u>	<u>Fair value as at 31.07.2024 expressed as percentage of net asset value of Fund %</u>
31.07.2024				
<u>INITIAL PUBLIC OFFERING ("IPO")</u>				
EPB Group Berhad #	169,100	94,696	94,696	0.04
TOTAL UNQUOTED SHARIAH - COMPLIANT INVESTMENT	<u>169,100</u>	<u>94,696</u>	<u>94,696</u>	<u>0.04</u>
TOTAL SHARIAH-COMPLIANT INVESTMENTS	<u>123,125,088</u>	<u>218,699,244</u>	<u>242,162,924</u>	<u>94.88</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>23,463,680</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>242,162,924</u>		

During the financial year, a total of 40,000,000 shares of EPB Group Berhad were made available for Initial Public Offering ("IPO") at a cost of RM0.56 per share by way of private placement. Subsequent to the financial year ended 31 July 2024, EPB Group Berhad began trading on the ACE market on 23 August 2024 at a price of RM 0.62 per share.

MANULIFE INVESTMENT AL-FAID

QUOTED SHARIAH- COMPLIANT INVESTMENTS	Quantity	Cost of shares	Fair value as at 31.07.2023	Fair value as at 31.07.2023 expressed as percentage of net asset value of Fund
	Units	RM	RM	%
31.07.2023				
ACE MARKET				
TECHNOLOGY				
Aemulus Holdings Berhad	1,373,100	1,116,395	473,719	0.26
Genetec Technology Berhad	2,200,700	5,540,069	5,369,708	2.98
LGMS Berhad	1,333,800	1,374,873	1,480,518	0.82
TT Vision Holdings Berhad	1,349,300	1,429,294	1,538,202	0.86
	<u>6,256,900</u>	<u>9,460,631</u>	<u>8,862,147</u>	<u>4.92</u>
MAIN MARKET				
CONSTRUCTION				
IJM Corporation Berhad	1,860,500	3,035,066	2,846,565	1.58
CONSUMER PRODUCTS & SERVICES				
Berjaya Food Berhad	589,500	362,837	400,860	0.22
DKSH Holdings Malaysia Berhad	344,400	2,753,878	1,694,448	0.94
Fraser & Neave Holdings Berhad	190,500	5,046,690	4,762,500	2.65
Karex Berhad	2,897,300	2,322,604	1,622,488	0.90
MBM Resources Berhad	714,600	2,566,108	2,472,516	1.37
MR D.I.Y. Group (M) Berhad	965,800	1,507,814	1,419,726	0.79
Padini Holdings Berhad	945,600	2,935,615	3,763,488	2.09
Power Root Berhad	885,900	1,838,451	1,824,954	1.01
	<u>7,533,600</u>	<u>19,333,997</u>	<u>17,960,980</u>	<u>9.97</u>
ENERGY				
Dayang Enterprise Holdings Berhad	4,639,500	4,567,395	6,495,300	3.60
Deleum Berhad	1,701,000	1,521,087	1,530,900	0.85
Dialog Group Berhad	2,324,400	5,512,819	5,346,120	2.97
Hibiscus Petroleum Berhad	808,300	860,839	751,719	0.42
Uzma Bhd	2,526,200	1,384,096	1,831,495	1.02
Velesto Energy Berhad	19,299,500	2,388,423	4,438,885	2.46
Wasco Berhad (formerly known as Wah Seong Corporation Berhad)	3,540,200	2,490,503	3,504,798	1.95
	<u>34,839,100</u>	<u>18,725,162</u>	<u>23,899,217</u>	<u>13.27</u>
FINANCIAL SERVICES				
Bank Islam Malaysia Berhad	2,012,800	5,286,802	4,428,160	2.46
Bursa Malaysia Berhad	608,500	5,253,628	4,083,035	2.27
Syarikat Takaful Malaysia Keluarga Berhad	1,207,908	4,387,761	4,203,520	2.33
	<u>3,829,208</u>	<u>14,928,191</u>	<u>12,714,715</u>	<u>7.06</u>
HEALTH CARE				
Duopharma Biotech Berhad	948,151	2,131,241	1,232,596	0.68
IHH Healthcare Berhad	450,900	2,828,539	2,682,855	1.49
KPJ Healthcare Berhad	3,964,500	3,838,708	4,559,175	2.53
	<u>5,363,551</u>	<u>8,798,488</u>	<u>8,474,626</u>	<u>4.70</u>

MANULIFE INVESTMENT AL-FAID

QUOTED SHARIAH- COMPLIANT INVESTMENTS (Continued)	Quantity Units	Cost of shares RM	Fair value as at 31.07.2023 expressed as percentage of net asset value of Fund	
			Fair value as at 31.07.2023 RM	percentage of net asset value of Fund %
INDUSTRIAL PRODUCTS & SERVICES				
Cahaya Mata Sarawak Berhad	4,915,900	7,640,004	5,210,854	2.89
Dufu Technology Corporation Berhad	213,700	451,690	406,030	0.23
Hiap Teck Venture Berhad	5,277,000	2,330,806	1,820,565	1.01
Kobay Technology Berhad	175,900	495,691	353,559	0.20
Malayan Cement Berhad	968,800	2,702,952	3,138,912	1.74
Pantech Group Holdings Berhad	2,191,400	1,517,495	1,709,292	0.95
SKP Resources Berhad	1,298,300	1,991,994	1,233,385	0.68
Sunway Berhad - Preference Shares	857,680	857,680	1,423,749	0.79
Thong Guan Industries Berhad	483,400	1,248,818	995,804	0.55
UCHI Technologies Berhad	537,930	1,227,941	1,850,479	1.03
	<u>16,920,010</u>	<u>20,465,071</u>	<u>18,142,629</u>	<u>10.07</u>
ISLAMIC REAL ESTATE INVESTMENT TRUST (i-REITs)				
AME Real Estate Investment Trust	207,200	234,136	252,784	0.14
Axis Real Estate Investment Trust	453,063	825,793	824,575	0.46
	<u>660,263</u>	<u>1,059,929</u>	<u>1,077,359</u>	<u>0.60</u>
PLANTATION				
Kuala Lumpur Kepong Berhad	176,571	3,925,486	4,117,636	2.28
Sarawak Oil Palms Berhad	1,710,650	5,144,361	4,464,796	2.48
Ta Ann Holdings Berhad	1,436,392	5,218,748	5,343,378	2.97
TSH Resources Berhad	5,006,500	5,374,389	5,206,760	2.89
United Plantations Berhad	217,100	3,431,555	3,469,258	1.92
	<u>8,547,213</u>	<u>23,094,539</u>	<u>22,601,828</u>	<u>12.54</u>
PROPERTY				
Glomac Berhad	2,410,680	1,544,292	819,631	0.46
Lagenda Properties Berhad	2,943,200	4,072,585	3,472,976	1.93
Matrix Concepts Holdings Berhad	2,577,750	3,628,013	3,660,405	2.03
Sime Darby Property Berhad	1,868,332	2,015,064	1,139,683	0.63
	<u>9,799,962</u>	<u>11,259,954</u>	<u>9,092,695</u>	<u>5.05</u>
TECHNOLOGY				
Elsoft Research Berhad	1,485,700	1,032,014	831,992	0.46
GHL Systems Berhad	1,180,600	1,903,357	962,189	0.53
Inari Amertron Berhad	1,919,900	4,971,653	5,798,098	3.22
JF Technology Berhad	1,533,400	1,969,804	1,387,727	0.77
MY E.G. Services Berhad	4,187,335	3,373,157	3,203,311	1.78
	<u>10,306,935</u>	<u>13,249,985</u>	<u>12,183,317</u>	<u>6.76</u>
TELECOMMUNICATIONS & MEDIA				
Telekom Malaysia Berhad	829,463	4,236,580	4,221,967	2.34
TIME dotCom Berhad	132,600	281,104	712,062	0.40
	<u>962,063</u>	<u>4,517,684</u>	<u>4,934,029</u>	<u>2.74</u>

MANULIFE INVESTMENT AL-FAID

<u>QUOTED SHARIAH- COMPLIANT INVESTMENTS</u> (Continued)	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 31.07.2023</u> RM	<u>Fair value as at 31.07.2023 expressed as percentage of net asset value of Fund</u> %
TRANSPORTATION & LOGISTICS				
Westports Holdings Berhad	744,300	2,612,426	2,605,050	1.45
UTILITIES				
Gas Malaysia Berhad	1,192,900	3,944,426	3,590,629	1.99
Mega First Corporation Berhad	1,712,600	6,132,900	5,668,706	3.15
Petronas Gas Berhad	176,700	3,200,151	3,018,036	1.67
Tenaga Nasional Berhad	1,219,800	13,979,574	11,710,080	6.50
	<u>4,302,000</u>	<u>27,257,051</u>	<u>23,987,451</u>	<u>13.31</u>
TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS	<u>111,925,605</u>	177,798,174	<u>169,382,608</u>	<u>94.02</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		(8,415,566)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>169,382,608</u>		

7 CASH AND CASH EQUIVALENTS

	<u>31.07.2024</u> RM	<u>31.07.2023</u> RM
Islamic deposits with licensed financial institutions	13,564,748	8,865,294
Bank balance in a licensed bank	10,697	8,597
	<u>13,575,445</u>	<u>8,873,891</u>

Weighted average rates of return are as follows:

	<u>31.07.2024</u> %	<u>31.07.2023</u> %
Short-term Islamic deposits with licensed financial institutions	<u>2.95</u>	<u>2.95</u>

The Islamic deposits have an average maturity of 2 days (31.07.2023: 1 day).

MANULIFE INVESTMENT AL-FAID

8 OTHER PAYABLES

	<u>31.07.2024</u>	<u>31.07.2023</u>
	RM	RM
Auditors' remuneration	7,500	7,500
Tax agent's fee	3,000	2,700
Sundry payables and accruals	18,611	15,620
	<u>29,111</u>	<u>25,820</u>

9 SHARIAH INFORMATION OF THE FUND

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

- (a) Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or SAC of Bank Negara Malaysia for the financial year under review; and
- (b) Liquid assets in the local market which are placed in the Shariah-compliant investments and/or instruments.

10 UNITS IN CIRCULATION

	<u>31.07.2024</u>	<u>31.07.2023</u>
	No. of units	No. of units
At beginning of the financial year	622,555,591	587,447,548
Add: Creation of units arising from applications	156,162,179	86,568,512
Add: Creation of units arising from distribution	51,048,316	20,741,802
Less: Cancellation of units	(82,954,210)	(72,202,271)
At end of the financial year	<u>746,811,876</u>	<u>622,555,591</u>

11 BROKERS' TRANSACTIONS

The details of transactions with brokers by value of trades are as follows:

<u>Name of brokers</u>	Percentage of total trades		Brokerage fees	Percentage of total brokerage fees	
	Value of trades RM	%		RM	%
2024					
CIMB Investment Bank Berhad	30,994,213	15.35	61,802	15.34	
CLSA Limited	23,823,131	11.80	47,639	11.82	
UOB Kay Hian Securities (Malaysia) Sdn Bhd	22,724,960	11.26	45,460	11.28	
Instinet Pacific Limited	22,058,516	10.93	44,135	10.95	
Public Investment Bank Berhad	20,047,544	9.93	40,075	9.95	
RHB Investment Bank Berhad	17,016,013	8.43	34,042	8.45	
Affin Hwang Investment Bank Berhad	15,752,585	7.80	31,551	7.83	
Maybank Investment Bank Berhad	16,065,170	7.96	31,300	7.77	
Kenanga Futures Sdn Bhd	14,160,205	7.01	28,320	7.03	
JP Morgan Securities (Malaysia) Sdn Bhd	6,529,501	3.23	13,042	3.24	
Others	12,720,155	6.30	25,595	6.34	
	<u>201,891,993</u>	<u>100.00</u>	<u>402,961</u>	<u>100.00</u>	

MANULIFE INVESTMENT AL-FAID

Name of brokers	Percentage of total trades		Brokerage fees	Percentage of total brokerage fees
	Value of trades RM	of total trades %	RM	%
2023				
CIMB Investment Bank Berhad	26,631,015	15.39	52,445	14.86
Kenanga DMG Futures Sdn Bhd	24,909,480	14.39	49,792	14.11
UOB Kay Hian Securities (Malaysia) Sdn Bhd	20,372,263	11.77	40,738	11.55
RHB Investment Bank Berhad	17,327,166	10.01	34,665	9.82
Maybank Investment Bank Berhad	14,939,643	8.63	31,567	8.95
JP Morgan Securities (Malaysia) Sdn Bhd	13,855,294	8.01	27,707	7.85
CLSA Limited	12,221,401	7.06	24,424	6.92
Affin Hwang Investment Bank Berhad	10,953,553	6.33	21,929	6.22
Instinet Pacific Limited	10,114,211	5.84	20,248	5.74
Public Investment Bank Berhad	9,144,109	5.28	18,270	5.18
Others	12,581,582	7.29	31,045	8.80
	<u>173,049,717</u>	<u>100.00</u>	<u>352,830</u>	<u>100.00</u>

As at the end of each financial year, there were no transactions with related parties.

12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related parties</u>	<u>Relationship</u>
Manulife Investment Management (M) Berhad	The Manager
Manulife Financial Corporation ("Manulife")	Ultimate holding company of the Manager
Manulife Holdings Berhad	Immediate holding company of the Manager
Directors of Manulife Investment Management (M) Berhad	Directors of the Manager
Subsidiaries and associates of Manulife as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager
Manulife PRS-Moderate Fund	Fund managed by the Manager
Manulife PRS-Growth Fund	Fund managed by the Manager
Manulife PRS-Conservative Fund	Fund managed by the Manager

There were no units held by the Manager as at 31 July 2024 and 31 July 2023 respectively.

	31.07.2023		31.07.2023	
	No. of units	RM	No. of units	RM
HSBC (Malaysia) Trustee Berhad for Manulife PRS-Moderate Fund	5,995,750	2,049,347	-	-
HSBC (Malaysia) Trustee Berhad for Manulife PRS-Growth Fund*	122,991	42,038	-	-
HSBC (Malaysia) Trustee Berhad for Manulife PRS-Conservative Fund	812,008	277,544	-	-

MANULIFE INVESTMENT AL-FAID

* The units are held legally and beneficiary

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

The Manager is of the opinion that all transactions with the related companies have been entered into at agreed terms between the related parties.

13 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u>	<u>2023</u>
	%	%
TER	<u>1.60</u>	<u>1.60</u>

TER represents expenses including Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other expenses (excluding SST on transaction cost and withholding tax) expressed as an annual percentage of the Fund's average net asset value calculated on a daily basis.

14 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.49</u>	<u>0.52</u>

PTR represents the average of total acquisitions and disposals of Shariah-compliant investments in the Fund for the financial year over the Fund's average net asset value calculated on a daily basis.

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (including price risk and interest rate risk), credit risk, liquidity 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 all rules and regulations as stipulated by the Securities Commission's Guidelines on Unit Trust Funds.

Market risk

(a) Price risk

Price risk arises mainly from uncertainty about future prices of Shariah-compliant investments. It represents the potential loss the Fund may 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 Shariah-compliant investment portfolio.

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

	<u>31.07.2024</u>	<u>31.07.2023</u>
	RM	RM
Financial assets at fair value through profit or loss		
- Quoted Shariah-compliant investments (Note 6a)	242,068,228	169,382,608
- Unquoted Shariah-compliant investment (Note 6b)	94,696	-
	<u>242,162,924</u>	<u>169,382,608</u>

MANULIFE INVESTMENT AL-FAID

The following table below summarises the sensitivity of the Fund's profit/(loss) after taxation and net asset value to price risk movements of quoted Shariah-compliant securities as at the end of each reporting date. The analysis is based on the assumptions that the market price of quoted Shariah-compliant securities fluctuates by 5% with all other variables being held constant, and that fair value of the Fund's quoted Shariah-compliant investments moved according to the historical correlation of the index. Disclosures as shown are in absolute terms, changes and impact could be positive or negative.

As at:	Changes in price	Impact on profit after taxation	Impact on net asset value
	%	RM	RM
<u>31.07.2024</u>			
Financial assets at fair value through profit or loss			
- Quoted Shariah-compliant investments	5	12,103,411	12,103,411
- Unquoted Shariah-compliant investments	5	4,735	4,735
		12,108,146	12,108,146
<u>31.07.2023</u>			
Financial assets at fair value through profit or loss			
- Quoted Shariah-compliant investments	5	8,469,130	8,469,130

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate.

The Fund's exposure to the interest risk is mainly confined to Islamic deposits with financial institutions. The Manager overcomes this exposure by way of maintaining Islamic deposits on short-term basis. Therefore, the Fund's exposure to interest rate fluctuation is minimal.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Manager manages the credit risk by undertaking credit evaluation to minimise such a risk.

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

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Berhad.

The settlement terms of the proceeds from the creation of units receivable by the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

MANULIFE INVESTMENT AL-FAID

The maximum exposure to credit risk before any credit enhancements in the carrying amount of the financial assets is as set out below:

As at	Neither Past Due Nor Impaired				
	Cash and cash equivalents	Amount due from Manager	Amount due from stock-brokers	Dividends receivable	Total
	RM	RM	RM	RM	RM
<u>31.07.2024</u>					
AAA	13,575,445	-	264,909	-	13,840,354
AA1	-	-	357,646	-	357,646
Not rated	-	995,625	-	-	995,625
	<u>13,575,445</u>	<u>995,625</u>	<u>622,555</u>	<u>-</u>	<u>15,193,625</u>

As at	Neither Past Due Nor Impaired				
	Cash and cash equivalents	Amount due from Manager	Amount due from stock-brokers	Dividends receivable	Total
	RM	RM	RM	RM	RM
<u>31.07.2023</u>					
AAA	8,873,891	-	-	-	8,873,891
Not rated	-	2,120,959	3,061,256	35,314	5,217,529
	<u>8,873,891</u>	<u>2,120,959</u>	<u>3,061,256</u>	<u>35,314</u>	<u>14,091,420</u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining a sufficient level of Islamic liquid assets to meet anticipated payments and cancellations of units by unit holders. The Islamic liquid assets comprise cash at bank, Islamic deposits with licensed financial institutions and other Shariah-compliant instruments which are capable of being converted into cash within 7 days.

The following table analyses the Fund's financial assets and 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 following table are the contractual undiscounted cash flows.

As at	Within one month to one year		Total
	month	year	
	RM	RM	
<u>31.07.2024</u>			
<u>Financial assets</u>			
Cash and cash equivalents	13,575,445	-	13,575,445
Financial assets at fair value through profit or loss	242,162,924	-	242,162,924
Amount due from Manager	995,625	-	995,625
Amount due from stockbrokers	622,555	-	622,555
	<u>257,356,549</u>	<u>-</u>	<u>257,356,549</u>

MANULIFE INVESTMENT AL-FAID

	Within one month	Within one month to one year	Total
	RM	RM	RM
<u>Financial liabilities</u>			
Amount due to Manager			
- Manager's fee	314,046	-	314,046
- Cancellation of units	129,592	-	129,592
Amount due to Trustee	12,562	-	12,562
Amount due to stockbrokers	1,647,393	-	1,647,393
Other payables	-	29,111	29,111
	<u>2,103,593</u>	<u>29,111</u>	<u>2,132,704</u>

<u>As at</u>	Within one month	Within one month to one year	Total
	RM	RM	RM
<u>31.07.2023</u>			
<u>Financial assets</u>			
Cash and cash equivalents	8,873,891	-	8,873,891
Financial assets at fair value through profit or loss	169,382,608	-	169,382,608
Amount due from Manager	2,120,959	-	2,120,959
Amount due from stockbrokers	3,061,256	-	3,061,256
Dividends receivable	35,314	-	35,314
	<u>183,474,028</u>	<u>-</u>	<u>183,474,028</u>

<u>Financial liabilities</u>			
Amount due to Manager			
- Manager's fee	220,704	-	220,704
- Cancellation of units	3,482	-	3,482
Amount due to Trustee	8,828	-	8,828
Amount due to stockbrokers	3,052,309	-	3,052,309
Other payables	-	25,820	25,820
	<u>3,285,323</u>	<u>25,820</u>	<u>3,311,143</u>

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant investments in the portfolio of Islamic 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 Malaysia, the Shariah Advisory Council of Bank Negara Malaysia or the relevant Shariah Supervisory Board of an approved Islamic index. If this occurs, the Manager will take the necessary steps to dispose of such securities.

There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM194,436,854 (31.07.2023: RM151,307,447) and retained earnings of RM60,786,991 (31.07.2023: RM28,855,438). 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 unit holders. 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 unit holders and benefits for other stakeholders, and to maintain a strong capital base to support the development of the investment activities of the Fund.

MANULIFE INVESTMENT AL-FAID

Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 2).
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets at fair value through profit or loss consisting of RM242,068,228 (31.07.2023: RM169,382,608) is classified within level 1 of fair value hierarchy and RM94,696 (31.07.2023: RMnil) is classified within level 3 of the fair value hierarchy.

16 DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	<u>2024</u>	<u>2023</u>
	RM	RM
Dividend income		
Profit income from Islamic deposit with licensed financial institution at amortised cost	6,444,334	6,713,048
Realised gain on financial assets at fair value through profit or loss	304,699	244,972
	<u>13,951,060</u>	<u>1,842,606</u>
	20,700,093	8,800,626
Distribution equalisation	676,997	397,782
Less:		
Expenses	(3,882,832)	(3,189,508)
	<u>17,494,258</u>	<u>6,008,900</u>
Gross distribution per unit (sen)	<u>2.52</u>	<u>1.00</u>
Net distribution per unit (sen)	<u>2.52</u>	<u>1.00</u>
Ex-date	<u>29.07.2024</u>	<u>27.07.2023</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of realised gains or income available for distribution.

14 CORPORATE INFORMATION

MANAGER

Manulife Investment Management (M) Berhad
Registration No.: 200801033087 (834424-U)
13th Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur

BOARD OF DIRECTORS

Dato' Dr Zaha Rina Binti Zahari (Independent)
Edmond Cheah Swee Leng (Independent)
Gianni Fiacco (Non-Independent)
Vibha Hamsi Coburn (Non-Independent)
Wong Boon Choy (Non-Independent)
Chong Soon Min (Jason) (Non-Independent Executive)

INVESTMENT MANAGER

Manulife Investment Management (M) Berhad
Registration No: 200801033087 (834424-U)
No.10th Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur

TRUSTEE OF THE FUND

HSBC (Malaysia) Trustee Berhad
Registration No: 193701000084 (1281-T)
Level 19, Menara IQ, Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur

AUDITORS

PricewaterhouseCoopers PLT
Registration No: LLP0014401-LCA & AF 1146
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur

TAX CONSULTANTS

Deloitte Tax Services Sdn Bhd
Registration No: 197701005407 (36421-T)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur

SHARIAH ADVISER

ZICO Shariah Advisory Services Sdn. Bhd
Registration No: 200701011429 (769433-D)
Level 13A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

MANULIFE INVESTMENT AL-FAID

HEAD OFFICE

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E-mail : MY_CustomerService@manulife.com
Website: www.manulifeim.com.my

BRANCH OFFICES

Kota Bharu

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Jalan Dusun Muda, Sek 26
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Kelantan
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Fax: (09) 747-2588

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Perdana Heights
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Penang

1-2-18, Elit Avenue,
Jalan Mayang Pasir 3,
11950 Bayan Baru,
Penang
Tel: (04) 611-9944 / 618-0044
Fax: (04) 618-0505

Ipoh

No. 1, 1A & 1B
Pusat Perdagangan Canning 2
Pusat Perdagangan Canning
31400 Ipoh
Perak Darul Ridzuan
Tel: (05) 541-6839
Fax: (05) 541-6627

Dataran Sunway

26-2 & 28-2, Jalan PJU 5/8
Dataran Sunway
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Tel: (03) 6140-8101 / 6140-8102
Fax: (03) 6140-8103

Shah Alam

30-1, Block 5,
Jalan Setia Prima (S)
U13/S, Setia Alam,
Seksyen U13,
40170 Shah Alam
Selangor Darul Ehsan
Tel: (03) 3362-6668
Fax: (03) 3362-6662

MANULIFE INVESTMENT AL-FAID

Klang

No. 3-1 & 3-2,
Jalan Mahogani 5/K507,
Bandar Botanic,
41200 Klang
Selangor Darul Ehsan
Tel: (03) 3318-6088
Fax: (03) 3318-4011

Kuala Lumpur

2nd Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur
Tel: (03) 2719-9204

Seremban

160-2, Taipan Senawang
Jalan Taman Komersil Senawang 1
Taman Komersil Senawang
70450 Seremban
Negeri Sembilan
Tel: (06) 671-5019
Fax: (06) 678-0016

Melaka

No. 87-01 & 87-02
Jalan Melaka Raya 25
Taman Melaka Raya 1
75000 Melaka
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Fax: (06) 282-0587

Johor Bahru

No. 1-01, Jalan Setia Tropika 1/15
Taman Setia Tropika
81200 Johor Bahru
Johor Darul Takzim
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Fax: (07) 234-4620

Kuching

No. 63 & 65, 2nd Floor
Jalan Tun Jugah
93350 Kuching
Sarawak
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Fax: (082) 593-382

Miri

Lot. 3554, 1st & 2nd Floor
Block 5 MCLD
Jalan Miri Pujut
101 Commercial Centre
98000 Miri
Sarawak
Tel: (085) 325-770
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Bintulu

No. 2, Lot 3288, 1st Floor
Parkcity Commerce Square
Jalan Tun Ahmad Zaidi
97000 Bintulu
Sarawak
Tel: (086) 343-288
Fax: (086) 343-289

MANULIFE INVESTMENT AL-FAID

Sibu

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Jalan Tun Abang Haji Openg
96000 Sibu
Sarawak
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Kota Kinabalu

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Sabah
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Sandakan

Taman Nasalim Shoplot,
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Fax : (089) 226 868



Manulife

Investment Management

Manulife Investment Management (M) Berhad

200801033087 (834424-U)

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