



**PERMODALAN BSN BERHAD**

A Wholly-Owned Subsidiary of BSN

# **BSN DANA WAKAF AL-IKHLAS**

## **ANNUAL REPORT**

**For the Financial Year Ended 31 December 2023**

## **BSN DANA WAKAF AL-IKHLAS**

<b>CONTENTS</b>	<b>PAGE</b>
<b>1. FUND INFORMATION</b>	<b>2</b>
<b>2. FUND PERFORMANCE</b>	<b>3</b>
<b>3. MANAGER'S REPORT</b>	<b>6</b>
<b>4. STATEMENT BY MANAGER</b>	<b>13</b>
<b>5. TRUSTEE'S REPORT</b>	<b>14</b>
<b>6. SHARIAH ADVISER'S REPORT</b>	<b>15</b>
<b>7. INDEPENDENT AUDITORS' REPORT</b>	<b>16</b>
<b>8. STATEMENT OF FINANCIAL POSITION</b>	<b>19</b>
<b>9. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>	<b>20</b>
<b>10. STATEMENT OF CHANGES IN NET ASSET VALUE</b>	<b>21</b>
<b>11. STATEMENT OF CASH FLOWS</b>	<b>22</b>
<b>12. NOTES TO THE FINANCIAL STATEMENTS</b>	<b>23</b>

**MANAGER’S REPORT**

Dear Unit Holders,

Permodalan BSN Berhad act as a Manager and AmanahRaya Trustees Berhad act as a Trustee for BSN Dana Wakaf Al-Ikhlas, are pleased to present the Annual Report of BSN Dana Wakaf Al-Ikhlas for the financial year ended 31 December 2023.

**1. FUND INFORMATION**

BSN Dana Wakaf Al-Ikhlas (“the Fund”)																			
Fund Type	Income Fund																		
Fund Category	Mixed Asset Shariah Fund																		
Investment Objective	<p>The Fund aims to provide investors with income and capital appreciation through a diversified portfolio of Shariah-compliant investments over medium to long term period.</p> <p>The Fund also aims to facilitate investors who wish to channel part of their income distributions for wakaf purposes.</p> <p>Note: Any material changes to the investment objectives of the Fund would require the unitholders approval.</p>																		
Performance Benchmark	<p>A combination of 50% FBMSHA Index and 50% Maybank 1-Month GIA Islamic Fixed Deposit (tier 1)</p> <p>Note: FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA).</p>																		
Distribution Policy	<p>Subject to the availability of income, the Fund will distribute income on an annual basis, after the end of its first financial year. Distribution, if any, will be based on total units held by the unitholder on the entitlement date of which 50% will be distributed as Wakaf Asset(s) while the remaining 50% will be reinvested*. The latter units will be automatically credited into unitholder’s investment account in the form of additional units at no cost, based on the NAV per unit at the end of the business day of the income declaration date (ex-distribution date).</p> <p><i>* An investor should note that the wakaf portion of the Fund refers only to the 50% of declared income distribution and not the whole income distribution declared.</i></p>																		
Unit Holdings	<p>On 31 December 2023, a total of 4 people have invested in BSN Dana Wakaf Al-Ikhlas. Breakdown of unit holdings are as follows:</p> <table border="1"> <thead> <tr> <th>Size of Holdings</th> <th>No. of Unitholders</th> <th>No. Of Units Held</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td>-</td> <td>-</td> </tr> <tr> <td>5,001 – 10,000</td> <td>2</td> <td>13,527</td> </tr> <tr> <td>10,001 – 50,000</td> <td>1</td> <td>14,204</td> </tr> <tr> <td>50,001 – 500,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>500,001 and above</td> <td>1</td> <td>100,000,000</td> </tr> </tbody> </table>	Size of Holdings	No. of Unitholders	No. Of Units Held	5,000 and below	-	-	5,001 – 10,000	2	13,527	10,001 – 50,000	1	14,204	50,001 – 500,000	-	-	500,001 and above	1	100,000,000
Size of Holdings	No. of Unitholders	No. Of Units Held																	
5,000 and below	-	-																	
5,001 – 10,000	2	13,527																	
10,001 – 50,000	1	14,204																	
50,001 – 500,000	-	-																	
500,001 and above	1	100,000,000																	

## BSN DANA WAKAF AL-IKHLAS

### 2. FUND PERFORMANCE

#### 2.1 Achievement of BSN Dana Wakaf Al-Ikhlis

For the financial year ended 31 December 2023, BSN Dana Wakaf Al-Ikhlis (“the Fund”) registered a return of -0.65% as compared to its Benchmark return of 1.31%, thus underperformed the Benchmark’s return by 1.96 percentage points.

For the period under review, the Fund did not declare any dividend distribution. Due to challenging market condition in the 2023, the Fund was unable to meet its investment objectives of providing investors with capital appreciation and income opportunities during the period under review.

#### 2.2 Asset Allocations

Asset allocations for BSN Dana Wakaf Al-Ikhlis are as follows:

Components of Asset Portfolio	%	%
	2023	25.03.2022 - 31.12.2022
Quoted Shariah-compliant equity investments	60.67	74.13
Quoted Islamic collective investment schemes: Islamic Real Estate Investment Trusts (“REITs”)	3.10	2.84
Cash and other net assets	36.23	23.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

#### 2.3 Asset Allocation by Sector

Sector	RM	RM
	2023	25.03.2022 - 31.12.2022
Construction	559,751	1,264,765
Consumer Products & Services	2,102,101	1,780,098
Energy	1,273,358	1,628,878
Financial Services	711,493	2,039,782
Health Care	-	471,900
Industrial Products & Services	1,920,223	1,637,201
Plantation	2,484,341	669,607
Property	1,472,262	885,969
Collective Investment Schemes - REITS	753,594	697,320
Technology	1,610,427	2,567,099
Telecommunication & Media	797,340	1,730,350
Transportation & Logistics	-	1,185,440
Utilities	1,849,977	2,313,673
Cash	8,041,942	5,215,590

## BSN DANA WAKAF AL-IKHLAS

### 2.4 Financial Information for the year 2022 and 2023

Particulars	2023	25.03.2022 - 31.12.2022
Net Asset Value (RM)	24,362,131	24,516,127
Net Asset Value per Unit (RM)	0.2436	0.2451
Unit In Circulation	100,027,731	100,015,000
Selling Price per Unit (RM)	0.2436	0.2451
Buying Price per Unit (RM)	0.2436	0.2451
Selling Price per Unit (High) (RM)	0.2510	0.2505
Buying Price per Unit (High) (RM)	0.2510	0.2505
Selling Price per Unit (Low) (RM)	0.2372	0.2386
Buying Price per Unit (Low) (RM)	0.2372	0.2386
Total Fund Return (%)	(0.65)	(1.96)
Capital Growth (%)	(0.65)	(1.96)
Income Return (%)	-	-
Performance Fee (RM)	-	-
Gross Distribution per Unit (Sen)	-	-
Net Distribution per Unit (Sen)	-	-
Date of payment	-	-
Total Expenses Ratio (%) :	2.86	1.92
Portfolio Turnover Ratio (times) :	1.50	0.72

#### 2.4.1 Total Expenses Ratio

The Total Expenses Ratio for the financial year is higher than previous financial year mainly due to decrease in average net asset value of the fund. No performance fees incurred and included in total expenses ratio during the financial year.

#### 2.4.2 Portfolio Turnover Ratio

The Portfolio Turnover Ratio for the financial period is higher than previous financial year mainly due to increase in trading activities during the financial period under review.

#### 2.4.3 Distribution of Income

There was no distribution was make out of the fund's capital, no breakdown of distribution sourced from income and capital, neither in value nor percentage of total distribution amount during the financial period under review.

## BSN DANA WAKAF AL-IKHLAS

### BASES OF CALCULATION

**i. Portfolio Composition**

Portfolio composition is calculated according to the market price on 31 December 2023.

**ii. Net Asset Value (NAV)**

NAV is the value of all the assets of the Fund less the value of all the liabilities at the valuation point divided by the number of units in circulation.

**iii. Selling Price per Unit**

The price payable by the applicant for a Unit pursuant to a successful application. Selling price per Unit is the NAV per Unit as at the valuation point and does not include any sales charge which may be imposed.

**iv. Buying Price per Unit**

The price payable to a unit holder pursuant to a successful application. Buying price per Unit is the NAV per Unit as at the valuation point and does not include any redemption charge which may be imposed.

**v. Capital Growth**

Capital growth is the difference of the purchase price from year to year.

**vi. Distribution of Income**

The distribution of income is calculated on the gross dividend divided by the selling price per Unit on the first day of the financial year.

$$\frac{\text{Gross Dividend}}{\text{Sale Price on The First Day of the same year}} \times 100$$

**vii. Total Expenses Ratio**

This ratio is calculated based on the ratio of the sum of fees and the recovered expenses of the unit trust fund to the average value of the unit trust fund calculated on a daily basis.

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

**viii. Portfolio Turnover Ratio**

The calculation is as follows:

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

**Note: Past performance of the Fund is not an indication of its future performance.**

**Unit prices and investment returns may go down, as well as up.**

## BSN DANA WAKAF AL-IKHLAS

### 3. MANAGER'S REPORT

#### 3.1 Fund and Benchmark Performance

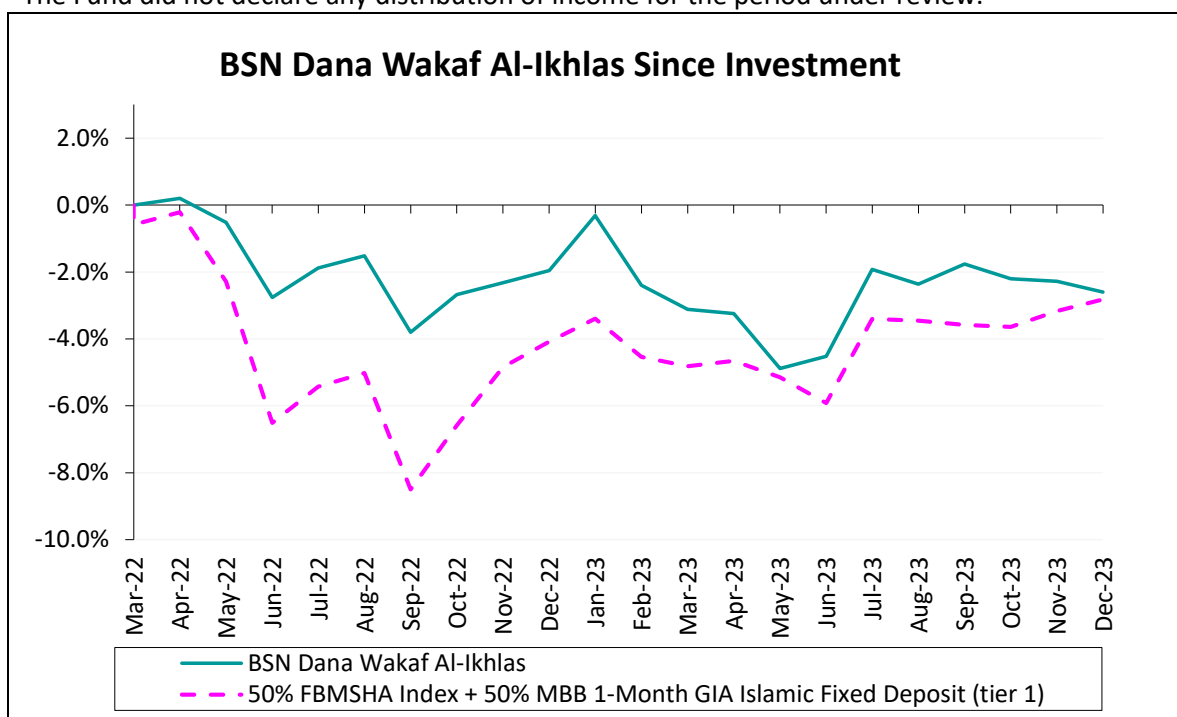
Since inception, the Fund recorded a return of -2.60%, outperforming the benchmark return of -2.82% by 0.22 percentage points.

The selected performance benchmark for the Fund is 50% FBM Emas Shariah Index + 50% Maybank 1-month GIA Islamic Fixed Deposit (tier 1).

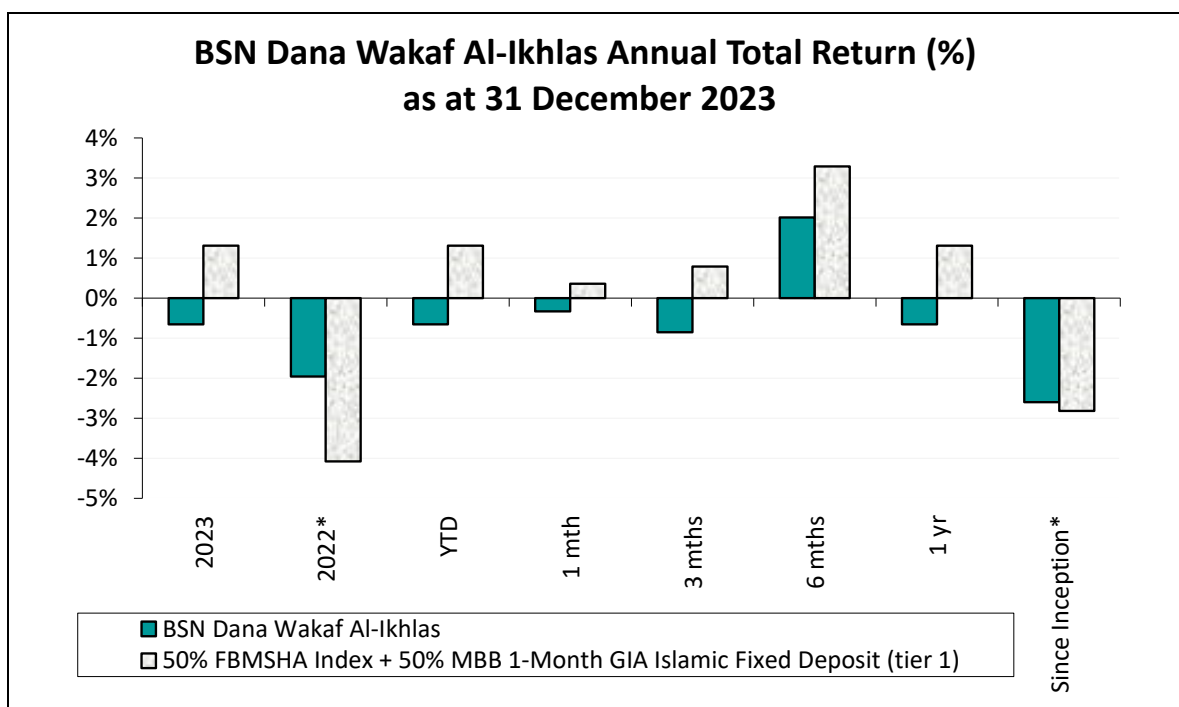
Our strategy is to remain focus on companies that are consistently paying attractive dividend yields and have potential earnings growth over the medium- to long-term.

As of 31 December 2023, the Fund has 63.77% exposure to Shariah-compliant equities and 36.23% exposure to cash. The total NAV of the Fund is RM24.36 million whereas the NAV per unit is RM0.2435.

The Fund did not declare any distribution of income for the period under review.



## BSN DANA WAKAF AL-IKHLAS

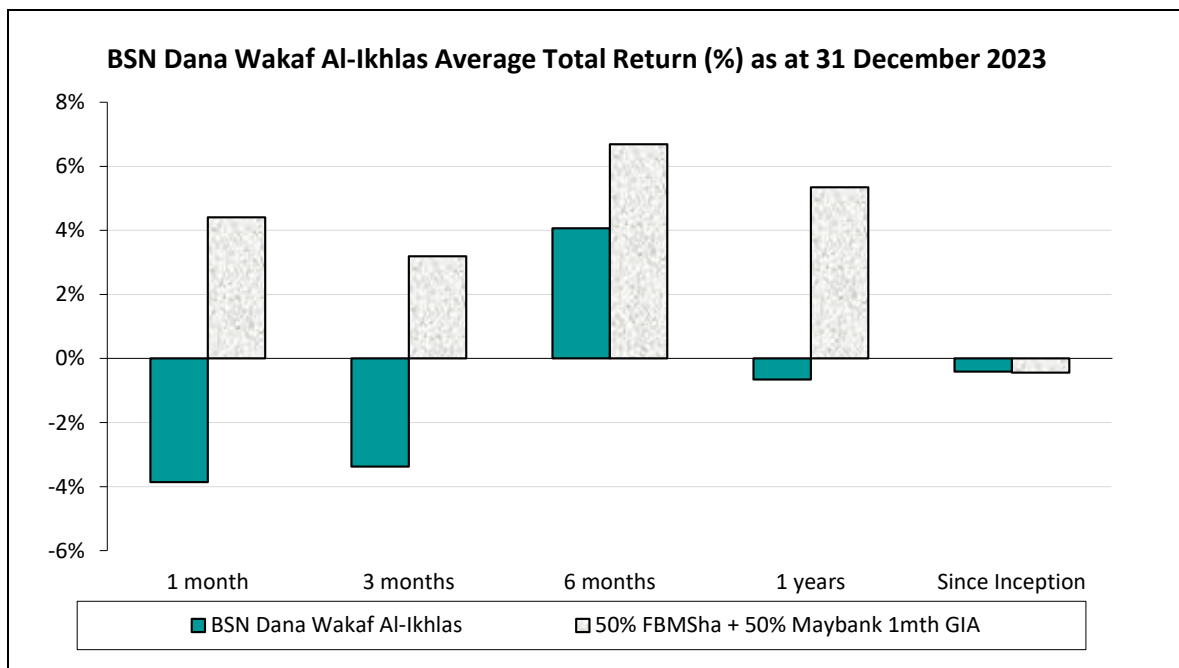


Annual Total Return		
%	BSN Dana Wakaf Al-Ikhlas	50% FBM EMAS Shariah Index + 50% MBB 1-Month GIA Islamic Fixed Deposit (tier 1)
2023	(0.65)	1.31
2022*	(1.96)	(4.08)
1 month	(0.33)	0.36
3 months	(0.86)	0.79
6 months	2.01	3.29
1 year	(0.65)	1.31
Since Inception*	(2.60)	(2.82)

\*starts from 25 March 2022



**BSN DANA WAKAF AL-IKHLAS**



Average Total Return (%)		
	1 year 1 Jan 2023 to 31 Dec 2023	Since Inception
BSN Dana Wakaf Al-Ikhlas	(0.65)	(0.41)
Benchmark*	5.35	(0.44)

\*50% FBM EMAS Shariah Index + 50% MBB 1-Month GIA Islamic Fixed Deposit (tier 1)

Source: All performance figures have been verified by Novagni Analytics and Advisory Sdn. Bhd.

**Note: Past performance of the Fund is not an indication of its future performance.  
Unit prices and investment returns may go down, as well as up.**

## **BSN DANA WAKAF AL-IKHLAS**

### **3.2 Investment Policies**

The Fund seeks to achieve its investment objective by investing between 20% to 80% of the Fund's NAV into the various asset classes that include Shariah-compliant equities, sukuk, Islamic money market instruments and/or Islamic deposits. Shariah-compliant equity-related securities here include Shariah-compliant rights, warrants (only those capable of being converted into new shares) and Shariah-compliant securities going for listing. The Fund may also invest in Islamic Collective Investment Schemes (CIS).

### **3.3 Economic and Market Review**

#### **3.3.1 Economic Review**

The inflation rate dropped to 1.5% in November 2023 from 1.8% in October, lower than market forecasts of 1.7%. It was the lowest recorded since February 2021, with food prices rising the least in nearly 2 years. Cost also eased for health (2.3% vs 2.4% in October), recreation & culture (0.6% vs 0.7%), education (2.0% vs 2.1%), and restaurants (4.3% vs 4.6%). Meanwhile, prices edged higher for housing (1.7% vs 1.6%) and transport (0.1% vs flat reading). Core inflation (excluding volatile items of fresh food and administered cost) increased 2.0% year-on-year (YoY), the softest rise since March 2022.

Retail trade grew 4.4% YoY in November 2023, supported by retail sales in non-specialised stores, which grew 6.5% to RM23.4 billion. The index of retail sales over the internet went down 1.0% YoY. For seasonally adjusted value, retail sales in non-specialised stores rose 6.5% (vs 6.1% in October), retail sales in other goods in specialised stores grew 3.7% (vs 2.2%) and retail sales of other household equipment in specialised stores increased 3.7% (vs 2.0%).

Producer prices shrank 1.5% YoY in November 2023, after a 0.3% drop in October. It was the second straight month of decline in producer prices, amid decreases in prices of manufacturing (-1.4% vs -0.7%), electricity & gas supply (-0.6% vs -0.5%), mining & quarrying (-4.7% vs 0.5%) and agriculture, forestry & fishing (-0.4% vs 3.8%). Water supply inflation, on the other hand, was steady at 0.1%.

The unemployment rate declined to 3.3% in November 2023 from 3.6% in the same month a year earlier. The unemployment rate returned to the pre-pandemic level, with the number of unemployed dropped by 5.3% from a year earlier YoY to 569,200, while employment increased 2.0% to a record high of 16.43 million. Meantime, the labour force participation rate rose to 70.1% from 69.8% last year.

### **3.3.2 Market Review**

The global equity market ended 2023 on a positive note despite several significant hurdles, from multiyear-high interest rates to the ongoing war in Ukraine and genocide in the Middle East. Investors' concerns over rising interest rates, slowing economic growth and high inflation subsided in 2023, and investors enthusiasm for artificial intelligence technology fueled one of Nasdaq Composite's best annual total returns since 2009.

The US equity market ended positively boosted by the US Federal Reserve (Fed) adopting a more flexible stance on monetary policy in 2024. Most growth stocks, particularly the technology sector, outperformed their value counterparts globally. The robust gains in the large-cap benchmark in 2023 were driven by a small group of mega-cap companies termed as the "Magnificent 7", which contributed roughly 70% to the S&P 500 gains in 2023. While economic data remained resilient, there were signs that the US economy is cooling.

The FBMKLCI posted -2.7% return in 2023 in line with the Asian market but lagging behind the global market. The local bourse had undergone two major setbacks during the year when it plummeted in March following the banking crisis in the US and Europe but managed to recover, before plunging to its trough in June following the political uncertainties in the State Election. Amongst the sectors that saw strong performance during the year were Utilities (+51.4%), Properties (+34.2%) and Construction (+25.8%). The 3Q2023 result season showed more positive surprises and improvement as misses-to-beats ratio narrowed to 1.3x from 2.2x in 2Q2023. The mid-cap equities have performed the best as FBM70 recorded 12.3% rise as it has limited impact of banking turmoil in US and Europe towards global banking stock sentiments.

### **3.4 Market Outlook and Strategy**

The market consensus is expecting the US economy to achieve a soft-landing in 2024. The probability of higher Fed rate has been plummeting particularly after the November FOMC (Federal Open Market Committee) meeting as the market is now convinced the Fed is done with rate hike and some are anticipating several rate cuts in 2024. With the expectation of a pause in rate hike, we expect the Ringgit to recover vis-à-vis US Dollar. The strengthening Ringgit would generally attract an inflow of foreign funds.

China is no longer a major bane to the world as its property slump near its trough as compared to 12 months ago and its external trade showing some signs of levelling-off, China is not a major bane to the world. With Beijing announcing that industrial policy to overtake boosting demand as the economic priority in 2024, we expect the giant economy to recover albeit at a slower pace.

## BSN DANA WAKAF AL-IKHLAS

Domestically, economic reform initiatives will be an important component to attract and develop new sources of foreign direct investments. The key catalysts for equities going forward include global macroeconomic developments, the US monetary policy narrative, China's economic recovery, MYR/USD performance, state of corporate earnings, and progress on the fiscal reform agenda. Looking ahead into prospects for 2024, we are encouraged by the increasing likelihood that the monetary policy tightening cycle is close to peaking.

### 3.5 Distribution of Income

There was no distribution of income declared for the financial year ended 31 December 2023.

### 3.6 Policy on Rebates and Soft Commissions

For the financial period under review, the Manager received a soft commissions from brokers in the form of research materials. Any soft commissions received from the broker which are in the form of research material that assists in the decision-making process relating to the Fund's investment may be retained by the Manager. The soft commissions received was for the benefit of the fund and there was no churning of trades. Any stock broking rebates received by the Manager will be directed to the account of the Fund.

### 3.7 Investment Allocation by Sector

Sector	Cost At	Purchase	Sold	Mark up/ down to	Value At
	01.01.2023	At Cost	At Cost	market value	31.12.2023
	RM	RM	RM	RM	RM
Construction	1,340,101	1,647,645	(2,443,937)	15,942	559,751
Consumer Products	1,800,458	6,216,323	(5,867,543)	(47,137)	2,102,101
Energy	1,499,222	7,525,824	(7,691,433)	(60,254)	1,273,358
Financial Services	2,086,243	1,895,950	(3,258,175)	(12,524)	711,493
Health Care	489,667	-	(489,667)	-	-
Industrial Products	1,684,189	1,795,346	(1,522,239)	(37,072)	1,920,223
Plantation	737,693	2,246,677	(505,380)	5,350	2,484,341
Property	904,191	1,548,562	(1,007,180)	26,689	1,472,262
REITS	712,820	663,598	(591,539)	(31,284)	753,594
Technology	2,755,061	5,664,679	(6,824,676)	15,362	1,610,427
Telecommunication	1,719,362	1,949,051	(2,895,625)	24,553	797,340
Transportation	1,118,650	1,262,432	(2,384,111)	-	-
Utilities	2,384,126	2,551,843	(3,125,911)	39,919	1,849,977
	<u>19,231,782</u>	<u>34,967,931</u>	<u>(38,607,417)</u>	<u>(60,457)</u>	<u>15,534,866</u>

### 3.8 Separation Unit

There is no separation unit performed during the financial year ended 31 December 2023.

## **BSN DANA WAKAF AL-IKHLAS**

### **3.9 State of Affairs of the Fund**

There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review. However, the company secretary and one of the independent director have resigned and have been replaced.

### **3.10 Changes Made to the Fund's Prospectus**

In relation to this Fund, a First Supplemental Deed dated 17 January 2023 has been executed and a Replacement Prospectus dated 18 September 2023 has been registered by the SC and has been issued as well as published together with the summary of amendments (SOA), disclosing all changes (significant changes and changes other than significant changes, should be highlighting the current and revised positions) on PBSN's website at [www.pbsn.com.my](http://www.pbsn.com.my). The effective date of the mentioned changes is 18 September 2023. Amongst the revisions in the Replacement Prospectus are updates to the definitions, profiles of the Manager, Trustee and Shariah Adviser, investment restrictions and limits, policy on rebates and soft commission, distribution channels, risk management strategies, editorial amendments, and standardization of terminologies etc. The notification letter has been sent to the unitholders on 28 August 2023 highlighting the key amendments made to the Replacement Prospectus. Please visit [www.pbsn.com.my](http://www.pbsn.com.my) for more information pertaining to the Replacement Prospectus and the SOA.

### **3.11 Circumstances that materially affects any interest of the Unit holders**

During the financial year under review, there were no circumstances that materially affect any interest of the unit holders.

### **3.12 Cross-trade**

No cross-trade transactions have been carried out during the financial year under review.

### **3.13 Securities Financing Transactions**

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

## **BSN DANA WAKAF AL-IKHLAS**

### **4. STATEMENT BY MANAGER**

We, **KAMARI ZAMAN BIN JUHARI** and **ASARAF ABOO BAKAR**, being two of the Directors of **PERMODALAN BSN BERHAD** (“the Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of **BSN DANA WAKAF AL-IKHLAS** as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended and comply with the requirements of the Deed.

Signed on behalf of the Board in accordance  
with a resolution of the Directors of the Manager,

**KAMARI ZAMAN BIN JUHARI**  
Director

**ASARAF ABOO BAKAR**  
Director

Kuala Lumpur  
Date : 26 February 2024

## **BSN DANA WAKAF AL-IKHLAS**

### **5. TRUSTEE’S REPORT**

To the unit holders of **BSN DANA WAKAF AL-IKHLAS (“Fund”)**,

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, PERMODALAN BSN 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 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 **AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Chief Executive Officer

Date: 19 February 2024

## **BSN DANA WAKAF AL-IKHLAS**

### **6. SHARIAH ADVISER'S REPORT**

To the unit holders of **BSN DANA WAKAF AL-IKHLAS (Fund)**,

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, **PERMODALAN BSN BERHAD** 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 instruments that have been classified as Shariah-compliant.

For **TAWAFUQ CONSULTANCY SDN BHD**

**MUHAMMAD AIMAN MOHAMAD SALMI, CPIF CSAA**  
Director/ Principal Consultant

Kuala Lumpur  
Date: 26 February 2024



## **BSN DANA WAKAF AL-IKHLAS**

### **7. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF BSN DANA WAKAF AL-IKHLAS**

#### **Report on the Audit of the Financial Statements**

##### *Opinion*

We have audited the financial statements of **BSN DANA WAKAF AL-IKHLAS** ("the Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policy information and other explanatory information, as set out on pages 19 to 49.

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

##### *Basis for Opinion*

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

##### *Independence and Other Ethical Responsibilities*

We are independent of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International 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 information included in the annual report of the Fund, 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 the this other information, we are required to report that fact. We have nothing to report in this regard.

## **BSN DANA WAKAF AL-IKHLAS**

### *Responsibilities of the Manager and Trustee for the Financial Statements*

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

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

### *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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager' 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.

## **BSN DANA WAKAF AL-IKHLAS**

- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements 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 unitholders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**DELOITTE PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

**SITI HAJAR BINTI OSMAN**  
**Partner - 03061/04/2025 J**  
**Chartered Accountant**

26 February 2024

**BSN DANA WAKAF AL-IKHLAS****8. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
<b>Assets</b>			
<b>Investment</b>			
Quoted Shariah-compliant equity investments	5	15,534,866	18,872,082
<b>Other Assets</b>			
Islamic deposits with licensed financial institutions	6	8,015,000	5,210,000
Dividend receivables		69,878	95,250
Profit income receivables		21,478	22,594
Amount owing from broker	7	2,977,663	581,153
Bank balances		5,464	5,590
<b>Total Asset</b>		<u>26,624,349</u>	<u>24,786,669</u>
<b>Unitholders' Fund and Liabilities</b>			
<b>Liabilities</b>			
Accrued expenses		21,850	20,800
Amount owing to broker	7	2,207,231	214,519
Amount owing to Manager	8	34,036	34,187
Amount owing to Trustee	9	1,031	1,036
<b>Total Liabilities</b>		<u>2,264,148</u>	<u>270,542</u>
<b>Unitholders' Fund</b>			
Unitholders' contribution	10(a)	25,006,856	25,003,750
Accumulated losses	10(b)(c)	(646,655)	(487,623)
<b>Net Asset Value ("NAV") Attributable to Unitholders</b>		<u>24,360,201</u>	<u>24,516,127</u>
<b>Total Unitholder's Fund and Liabilities</b>		<u>26,624,349</u>	<u>24,786,669</u>
<b>Number of Units in Circulation</b>	10(a)	<u>100,027,731</u>	<u>100,015,000</u>
<b>NAV Per Unit (Ex-Distribution)</b>		<u>0.2435</u>	<u>0.2451</u>

(The accompanying Notes form an integral part of the Financial Statements)

**BSN DANA WAKAF AL-IKHLAS****9. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

(With comparative figures for the period from 25 March 2022 (date of lunch) to 31 December 2022)

	Note	1.1.2023 to 31.12.2023 RM	25.03.2022 to 31.12.2022 RM
<b>Investment Income</b>			
Net loss on financial assets at fair value through profit or loss:			
Realised loss on sales of Shariah-Compliant equity investments		(617,922)	(303,705)
Unrealised gain/(loss) on changes in fair values	10(c)	299,243	(359,700)
Dividend income		608,699	388,977
Profit income from Islamic deposits		247,954	227,322
		<hr/>	<hr/>
Gross Income/(Loss)		537,974	(47,106)
<b>Expenditure</b>			
Management fee	11	(402,020)	(288,647)
Trustee's fee	12	(12,182)	(8,747)
Auditor's remuneration		(17,000)	(16,000)
Tax agent's fee		(4,629)	(4,800)
Administrative expenses		(261,175)	(122,323)
		<hr/>	<hr/>
Total Expenditure		(697,006)	(440,517)
		<hr/>	<hr/>
<b>Loss before tax</b>		(159,032)	(487,623)
Tax expense		-	-
		<hr/>	<hr/>
<b>Loss for the year/period, representing total comprehensive loss for the year/period</b>		<u>(159,032)</u>	<u>(487,623)</u>
<b>Loss for the year/period, representing total comprehensive loss for the year/period comprises the following:</b>			
Realised loss	10(b)	(458,275)	(127,923)
Unrealised gain/(loss)	10(c)	299,243	(359,700)
		<hr/>	<hr/>
		<u>(159,032)</u>	<u>(487,623)</u>
<b>Distribution for the financial year/period:</b>			
Net distributions	13	-	-
Gross/Net distribution per unit (sen)	13	-	-
		<hr/>	<hr/>

(The accompanying Notes form an integral part of the Financial Statements)

**BSN DANA WAKAF AL-IKHLAS****10. STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(With comparative figures for the period from 25 March 2022 (date of launch) to 31 December 2022)

	<u>Note</u>	<b>Unitholders' contribution RM</b>	<b>Accumulated losses RM</b>	<b>Total RM</b>
<b>As at 25 March 2022 (Date of launch)</b>		-	-	-
Loss for the period, representing total comprehensive loss for the period		-	(487,623)	(487,623)
Distribution to unitholders of the Fund:				
Creation of units	10(a)	25,003,750	-	25,003,750
<b>As at 31 December 2022</b>		25,003,750	(487,623)	24,516,127
<b>As at 1 January 2023</b>		25,003,750	(487,623)	24,516,127
Loss for the year, representing total comprehensive loss for the year		-	(159,032)	(159,032)
Distribution to unitholders of the Fund:				
Creation of units	10(a)	3,301	-	3,301
Cancellation of units	10(a)	(195)	-	(195)
Total transactions with unitholders of the Fund		3,106	-	3,106
<b>As at 31 December 2023</b>		25,006,856	(646,655)	24,360,201

(The accompanying Notes form an integral part of the Financial Statements)

**BSN DANA WAKAF AL-IKHLAS****11. STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

(With comparative figures for the period from 25 March 2022 (date of lunch) to 31 December 2022)

	<b>1.1.2023 to 31.12.2023 RM</b>	<b>25.03.2022 to 31.12.2022 RM</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of Shariah-complaint equity investments	35,592,984	6,220,140
Purchase of Shariah-complaint equity investments	(32,975,215)	(26,122,261)
Dividend received	631,041	293,727
Profit income received	249,070	204,728
Management fee paid	(402,171)	(254,460)
Trustee's fee paid	(12,187)	(7,711)
Auditors' remuneration paid	(16,000)	-
Tax agent's fee paid	(4,800)	(800)
Payment of administrative expenses	(260,954)	(121,523)
	<hr/>	<hr/>
Net Cash From/(Used In) Operating and Investing Activities	2,801,768	(19,788,160)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	3,301	25,003,750
Payments for cancellation of units	(195)	-
	<hr/>	<hr/>
Net Cash From Financing Activities	3,106	25,003,750
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,804,874	5,215,590
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD</b>	5,215,590	-
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD</b>	8,020,464	5,215,590
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents comprise of:</b>		
Islamic deposits with licensed financial institutions	8,015,000	5,210,000
Bank balances	5,464	5,590
	<hr/>	<hr/>
	8,020,464	5,215,590
	<hr/> <hr/>	<hr/> <hr/>

(The accompanying notes form an integral part of the financial statements)

## **BSN DANA WAKAF AL-IKHLAS**

### **12. NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

#### **1. GENERAL INFORMATION**

The Fund was constituted pursuant to the execution of a Deed dated 7 January 2022 and First Supplemental Deed dated 17 January 2023 between Permodalan BSN Berhad (“the Manager”), AmanahRaya Trustees Berhad (“the Trustee”) and registered unitholders of the Fund.

The principal activity of the Fund is to invest in a portfolio of equity, equity-related securities, debentures, money market instruments and any such other securities and/or instruments as may be determined by the Manager that comply with Shariah requirements. Any material change to the investment objective of the Fund would require the unitholders’ approval. The Fund launch and commenced operation on 25 March 2022.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of Bank Simpanan Nasional (“BSN”). The Manager is principally engaged in the management of unit trust funds and fund management activities. The registered office and principal place of business of the Manager is located at Tingkat 2, Blok A, Wisma Bank Simpanan Nasional, 117 Jalan Ampang, 50450 Kuala Lumpur.

These financial statements were authorized for issue by the Board of Directors of the Manager in accordance with a resolution of directors on 26 February 2024.

#### **2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

##### **Adoption of Amendments to MFRSs**

In the current financial year, the Fund adopted all the new MFRSs and Amendments to MFRSs issued by Malaysian Accounting Standards Board (“MASB”) that are effective for annual financial periods beginning on or after 1 January 2023 as follows:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 9 and MFRS 17 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transactions

The adoption of the above does not give rise to any material financial effects on the financial statements of the Fund.



## BSN DANA WAKAF AL-IKHLAS

### Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs which were in issue but not yet effective and not early adopted by the Fund are as listed below:

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to MFRS 107 and MFRS 7	Supplier Financing Arrangements <sup>1</sup>
Amendments to MFRS 121	Lack of Exchangeability <sup>2</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture <sup>2</sup>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

<sup>3</sup> Effective date deferred to a date to be determined and announced by MASB, with earlier application still permitted.

The Manager of the Fund anticipates that the abovementioned applicable Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective. The adoption of these applicable new MFRS and Amendments to MFRSs will have no material impact on the financial statements of the Fund in the period of initial application.

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

**3.1 Basis of Accounting**

The financial statements of the Fund have been prepared under the historical cost convention except for certain financial assets and financial liabilities which are measured at fair values as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value-in-use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

**3.2 Functional and Presentation Currency**

The financial statements are measured using the currency of the primary economic environment in which the Fund operates (“functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also its functional currency.

## **BSN DANA WAKAF AL-IKHLAS**

### **3.3 Financial Instruments**

#### **(i) Recognition and Initial Measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issuance.

#### **(ii) Financial Instrument Categories and Subsequent Measurement**

##### Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

##### *(a) Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objectives is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The financial assets are not designated as FVTPL. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The effective profit method is a method of calculating the amortised cost of a financial asset and of allocating the profit income over the relevant period. The effective profit rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instruments but does not consider future credit losses. Significant fees and transaction costs integral to the effective profit rate, as well as premiums or discounts are also considered.

##### *(b) Fair value through profit or loss ("FVTPL")*

All financial assets not measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminate or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised at FVTPL are subsequently measured at their fair value. Net gains or losses, including any profit or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at FVTPL, are subject to impairment assessment.

## **BSN DANA WAKAF AL-IKHLAS**

### Financial Liabilities

Financial liabilities are classified as measured at amortised cost.

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

#### *(a) Financial Liabilities Measured Subsequently at Amortised Cost*

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortised cost using the effective cost method.

The effective cost method is a method of calculating the amortised cost of a financial liability and of allocating profit charges over the relevant period. The effective charges is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective charges, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Fund's significant other financial liabilities include accrued expenses, amounts owing to a broker, Manager and Trustee which are initially measured at fair value and subsequently measured at amortised cost.

#### **(iii) Derecognition**

A financial asset or a part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in Shariah-compliant equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### **(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

## **BSN DANA WAKAF AL-IKHLAS**

### **3.4 Impairment of Financial Assets**

The Fund assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

The measurement of expected credit losses (“ECL”) is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the financial assets’ gross carrying amount at the end of each reporting year. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Fund applies the simplified approach under MFRS 9 which requires expected lifetime loss to be recognised from initial recognition. The expected loss allowance is based on provisional matrix.

### **3.5 Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the amount required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material.

At the end of each reporting period, provisions are reviewed and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Fund will be required to settle the obligations.

### **3.6 Unitholders’ Contribution**

The unitholders’ contribution of the Fund meets the definition of puttable instruments and is classified as equity instruments.

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Distribution equalisation is accounted for at the date of creation and cancellation of units of the Fund. It represents the average amount of distributable income or loss included in the creation and cancellation prices of units.

### **3.7 Net Asset Value Attributable to Unitholders**

Net asset value attributable to unitholders represents the redemption amount that would be payable if the unitholders exercised the right to redeem units of the Fund at the end of the reporting period.

## **BSN DANA WAKAF AL-IKHLAS**

### **3.8 Income Recognition**

Realised gain or loss on disposal of investments represents the difference between the net disposal proceeds and the carrying amount of the investments, computed on the weighted average cost basis.

Unrealised gains or losses comprise changes in the fair value of financial instruments for the reporting period.

Dividend income from investments is recognised when the right to receive dividend payment is established.

Profit income from Islamic deposits is recognised on a time proportion basis that reflects the effective yield on the asset.

### **3.9 Income Tax**

There is no tax charge as profit income derived by the Fund is exempted pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act, 1967. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act, 1967.

Pursuant to Public Ruling No. 7/2013 in Unit Trust Funds and Paragraph 12B, Schedule 6 of the Income Tax Act, 1967, single-tier dividends distributed by a resident company will be exempted from tax in Malaysia.

Pursuant to Public Ruling No. 5/2017 Taxation of Unit Holders of Real Estate Investment Trust/Property Trust Funds, unit holders are not required to declare the income from REIT as the tax withheld is a final tax.

### **3.10 Classification of Realised and Unrealised Gains and Losses**

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal proceeds.

### **3.11 Dividend Distributions**

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' contribution. The amount is either refunded to unitholder by way of distribution and/or adjusted accordingly when units are cancelled.

A proposed dividend distribution is recognised as a liability in the period in which it is approved.

## **BSN DANA WAKAF AL-IKHLAS**

### **3.12 Operating Segments**

For management purposes, the Fund is organised into one main operating segment, which invests in various types of Shariah-compliant equity investments and Islamic deposits. All of the Fund's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

### **3.13 Statement of Cash Flows**

The Fund adopts the direct method in the preparation of statement of cash flows.

Cash and cash equivalents consist of bank balances and Islamic deposits, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

## **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates and judgements 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.

### **4.1 Critical judgements in applying accounting policies**

In the process of applying the Fund's accounting policies, which are described in Note 3 above, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

### **4.2 Key sources of estimation uncertainty**

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**BSN DANA WAKAF AL-IKHLAS****5. QUOTED SHARIAH-COMPLIANT EQUITY INVESTMENTS**

Details of quoted Shariah-compliant equity investments are as follows:

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Construction</b>								
AME Elite Consortium Berhad	-	-	-	-	173,500	288,475	215,140	0.88
Gamuda Berhad	121,950	543,809	559,751	2.30	279,900	1,051,626	1,049,625	4.28
	<u>121,950</u>	<u>543,809</u>	<u>559,751</u>	<u>2.30</u>	<u>453,400</u>	<u>1,340,101</u>	<u>1,264,765</u>	<u>5.16</u>



**BSN DANA WAKAF AL-IKHLAS**

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Consumer Products and Services</b>								
AEON Co. (M) Berhad	-	-	-	-	257,800	382,834	353,186	1.44
Berjaya Food Berhad	8,568	5,827	5,141	0.02	-	-	-	-
CAB Cakaran Corporation Berhad	543,800	382,342	380,660	1.56	-	-	-	-
CCK Consolidated Holdings Berhad	379,100	311,200	314,653	1.29	-	-	-	-
Focus Point Holdings Berhad	223,300	177,951	158,543	0.65	-	-	-	-
Petronas Dagangan Berhad	29,400	654,485	642,096	2.64	20,500	436,500	471,500	1.92
Power Root Berhad	-	-	-	-	146,400	320,044	304,512	1.24
Sime Darby Berhad	-	-	-	-	283,000	661,080	650,900	2.65
YX Precious Metal Berhad	2,108,800	617,434	601,008	2.47	-	-	-	-
	<u>3,292,968</u>	<u>2,149,239</u>	<u>2,102,101</u>	<u>8.63</u>	<u>707,700</u>	<u>1,800,458</u>	<u>1,780,098</u>	<u>7.25</u>

**BSN DANA WAKAF AL-IKHLAS**

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Energy</b>								
Dialog Group Berhad	-	-	-	-	126,100	290,119	308,945	1.26
Hibiscus Petroleum Berhad	295,180	766,408	749,757	3.08	672,400	715,672	719,468	2.93
Malaysia Marine and Heavy Engineering Holdings Berhad	982,400	514,775	471,552	1.94	-	-	-	-
Velesto Energy Berhad	226,300	52,430	52,049	0.21	4,003,100	493,431	600,465	2.45
	<u>1,503,880</u>	<u>1,333,613</u>	<u>1,273,358</u>	<u>5.23</u>	<u>4,801,600</u>	<u>1,499,222</u>	<u>1,628,878</u>	<u>6.64</u>
<b>Financial Services</b>								
Bank Islam Malaysia Berhad	-	-	-	-	337,700	948,468	921,921	3.76
Bursa Malaysia Berhad	-	-	-	-	105,300	705,389	700,245	2.86
Malaysia Building Society Berhad	904,700	668,968	642,337	2.64	-	-	-	-
RCE Capital Berhad	22,600	55,049	69,156	0.28	-	-	-	-
Syarikat Takaful Malaysia Keluarga Berhad	-	-	-	-	121,400	432,386	417,616	1.70
	<u>927,300</u>	<u>724,017</u>	<u>711,493</u>	<u>2.92</u>	<u>564,400</u>	<u>2,086,243</u>	<u>2,039,782</u>	<u>8.32</u>

**BSN DANA WAKAF AL-IKHLAS**

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Health Care</b>								
Kossan Rubber Industries Berhad	-	-	-	-	429,000	489,667	471,900	1.92
	-	-	-	-	429,000	489,667	471,900	1.92
<b>Industrial Products and Services</b>								
Dufu Technology Corporation Berhad	-	-	-	-	29,700	87,607	53,163	0.22
Econframe Berhad	1,250,000	1,150,000	1,025,000	4.21	-	-	-	-
Petronas Chemicals Group Berhad	-	-	-	-	121,300	1,057,961	1,043,180	4.26
UCHI Technologies Berhad	241,300	807,295	895,223	3.67	165,400	538,621	540,858	2.21
	1,491,300	1,957,295	1,920,223	7.88	316,400	1,684,189	1,637,201	6.69

**BSN DANA WAKAF AL-IKHLAS**

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Plantation</b>								
IOI Corporation Berhad	196,100	792,829	770,673	3.16	103,500	433,462	419,175	1.71
Kuala Lumpur Kepong Berhad	-	-	-	-	11,200	304,231	250,432	1.02
Sime Darby Plantation	54,700	244,069	243,962	1.00	-	-	-	-
Ta Ann Holdings Berhad	231,600	809,794	847,656	3.48	-	-	-	-
TSH Resources Berhad	638,000	632,298	622,050	2.55	-	-	-	-
	<u>1,120,400</u>	<u>2,478,990</u>	<u>2,484,341</u>	<u>10.19</u>	<u>114,700</u>	<u>737,693</u>	<u>669,607</u>	<u>2.73</u>
<b>Property</b>								
Lagenda Properties Berhad	402,300	471,241	498,852	2.05	-	-	-	-
Matrix Concepts Holdings Berhad	220,200	360,547	363,330	1.49	602,700	904,191	885,969	3.61
S P Setia Berhad	762,600	613,784	610,080	2.50	-	-	-	-
	<u>1,385,100</u>	<u>1,445,572</u>	<u>1,472,262</u>	<u>6.04</u>	<u>602,700</u>	<u>904,191</u>	<u>885,969</u>	<u>3.61</u>

**BSN DANA WAKAF AL-IKHLAS**

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Real Estate Investment Trusts ("REIT")</b>								
AME REIT	-	-	-	-	26,420	29,855	30,911	0.13
Axis REIT	401,198	750,757	718,144	2.95	230,598	433,392	412,771	1.68
KLCC REIT	5,000	34,122	35,450	0.15	37,800	249,573	253,638	1.03
	<u>406,198</u>	<u>784,879</u>	<u>753,594</u>	<u>3.10</u>	<u>294,818</u>	<u>712,820</u>	<u>697,320</u>	<u>2.84</u>
<b>Technology</b>								
D & O Green Technologies Berhad	-	-	-	-	124,900	504,933	534,572	2.18
Dagang Nexchange Berhad	-	-	-	-	808,400	645,965	412,284	1.68
Frontken Corporation Berhad	-	-	-	-	270,900	765,552	834,372	3.40
Globetronics Technology Berhad	266,400	428,180	431,568	1.77	-	-	-	-
Inari Amertron Berhad	148,800	438,874	447,888	1.84	301,100	838,611	785,871	3.21
MY E.G Services Berhad	288,100	233,848	234,801	0.96	-	-	-	-
Unisem (Malaysia) Berhad	149,900	494,162	496,169	2.04	-	-	-	-
	<u>853,200</u>	<u>1,595,064</u>	<u>1,610,426</u>	<u>6.61</u>	<u>1,505,300</u>	<u>2,755,061</u>	<u>2,567,099</u>	<u>10.47</u>

**BSN DANA WAKAF AL-IKHLAS**

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Telecommunication and Media</b>								
Telekom Malaysia Berhad	95,600	507,802	530,580	2.18	197,300	1,079,927	1,065,420	4.35
Time Dotcom Berhad	49,400	264,985	266,760	1.09	135,700	639,435	664,930	2.71
	<u>145,000</u>	<u>772,787</u>	<u>797,340</u>	<u>3.27</u>	<u>333,000</u>	<u>1,719,362</u>	<u>1,730,350</u>	<u>7.06</u>
<b>Transportation and Logistics</b>								
MISC Berhad	-	-	-	-	123,200	880,427	924,000	3.77
Westports Holdings Berhad	-	-	-	-	68,800	238,223	261,440	1.07
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,000</u>	<u>1,118,650</u>	<u>1,185,440</u>	<u>4.84</u>

**BSN DANA WAKAF AL-IKHLAS**

Name of company	2023				2022			
	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %	Number of shares	Purchase cost RM	Market value RM	Market value as a percentage of NAV %
<b>Utilities</b>								
Gas Malaysia Berhad	185,300	583,124	594,813	2.44	221,200	719,596	721,112	2.94
Mega First Corporation Berhad	-	-	-	-	157,200	582,260	521,904	2.13
Petronas Gas Berhad	38,900	653,820	676,860	2.78	32,900	549,170	563,248	2.30
Taliworks Corporation Berhad	-	-	-	-	586,600	533,099	507,409	2.07
Tenaga Nasional Berhad	57,600	573,114	578,304	2.37	-	-	-	-
	<u>281,800</u>	<u>1,810,058</u>	<u>1,849,977</u>	<u>7.59</u>	<u>997,900</u>	<u>2,384,125</u>	<u>2,313,673</u>	<u>9.44</u>
Total portfolio investment	<u>11,529,096</u>	15,595,323	<u>15,534,866</u>	<u>63.77</u>	<u>11,312,918</u>	19,231,782	<u>18,872,082</u>	<u>76.97</u>
Unrealised loss on changes in fair value (Note 10(c))		<u>(60,457)</u>				<u>(359,700)</u>		
Fair value of quoted Shariah-compliant equity investments		<u>15,534,866</u>				<u>18,872,082</u>		

## BSN DANA WAKAF AL-IKHLAS

### 6. ISLAMIC DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective profit rates for the Islamic deposits with licensed financial institutions ranged from 2.65% to 3.96% (2022: 1.55% to 3.20%) per annum. The deposits have a maturity period of 1 day to 92 days (2022: 1 day to 90 days).

### 7. AMOUNT OWING FROM/(TO) BROKER

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Amount owing from broker in respect of:		
Sales of Shariah-compliant equity investments	<u>2,977,663</u>	<u>581,153</u>
Amount owing to broker in respect of:		
Purchase of Shariah-compliant equity investments	<u>(2,207,231)</u>	<u>(214,519)</u>

Amount owing from/(owing to) broker is unsecured and interest free (2022: interest free). The settlement period is within 2 to 3 working days from the deal date.

### 8. AMOUNT OWING TO MANAGER

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Amount owing to Manager in respect of:		
Management fee	<u>34,036</u>	<u>34,187</u>

Amount owing to Manager is unsecured, interest free (2022: interest free) and payable on demand.

### 9. AMOUNT OWING TO TRUSTEE

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Amount owing to Manager in respect of:		
Management fee	<u>1,031</u>	<u>1,036</u>

Amount owing to Trustee is unsecured, interest free (2022: interest free) and payable on demand.



## BSN DANA WAKAF AL-IKHLAS

### 10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	2023 RM	2022 RM
Unitholders' contribution	(a)	25,006,856	25,003,750
Accumulated losses:			
- Realised loss - distributable	(b)	(586,198)	(127,923)
- Unrealised loss - non-distributable	(c)	(60,457)	(359,700)
		<u>(646,655)</u>	<u>(487,623)</u>
		<u>24,360,201</u>	<u>24,516,127</u>

#### (a) Unitholders' contribution/units in circulation

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the year/period	100,015,000	25,003,750	-	-
Creation during the year/period	13,527	3,301	100,015,000	25,003,750
Cancellation during the year/period	<u>(796)</u>	<u>(195)</u>	<u>-</u>	<u>-</u>
At end of the year/period	<u>100,027,731</u>	<u>25,006,856</u>	<u>100,015,000</u>	<u>25,003,750</u>

#### (b) Realised loss - distributable

	Note	2023 RM	2022 RM
At beginning of the year/period		(127,923)	-
Net realised loss for the year/period	13	<u>(458,275)</u>	<u>(127,923)</u>
At end of the year/period		<u>(586,198)</u>	<u>(127,923)</u>

**BSN DANA WAKAF AL-IKHLAS****(c) Unrealised loss - non-distributable**

	Note	2023 RM	2022 RM
At beginning of the year/period		(359,700)	-
Net unrealised gain/(loss) for the year/period		<u>299,243</u>	<u>(359,700)</u>
At end of the year/period	5	<u>(60,457)</u>	<u>(359,700)</u>

**11. MANAGEMENT FEE**

Under the Replacement Master Prospectus dated 18 September 2023 that replacing the Prospectus dated 25 March 2023 provides that the Manager is entitled to an annual management fee of up to 1.65% (2022: 1.65%) per annum of the NAV of the Fund calculated on a daily basis.

**12. TRUSTEE'S FEE**

Under the Replacement Master Prospectus dated 18 September 2023 that replacing the Prospectus dated 25 March 2022 provides that the Trustee is entitled to an annual Trustee's fee of 0.05% (2022: 0.05%) of the NAV of the Fund calculated on a daily basis.

**13. DISTRIBUTIONS**

The distribution to unitholders is from the following sources:

	<u>Note</u>	1.1.2023 to 31.12.2023 RM	25.3.2022 to 31.12.2022 RM
Realised loss on sale of Shariah-Compliant equity investments		(617,922)	(303,705)
Dividend income		608,699	388,977
Profit income from Islamic deposits		247,954	227,322
Other income		-	-
Undistributed realized loss for the year/period carried forward	10(b)	<u>458,275</u>	<u>127,923</u>
		697,006	440,517
Less:			
Total expenditure		<u>(697,006)</u>	<u>(440,517)</u>
Total amount of distributions		<u>-</u>	<u>-</u>
Gross/Net distribution per unit (sen)		<u>-</u>	<u>-</u>

**BSN DANA WAKAF AL-IKHLAS****14. TRANSACTIONS WITH BROKERS**

Transactions with brokers during the financial period are as follows:

Brokers	2023				2022			
	Transaction value		Brokerage fees and commissions		Transaction value		Brokerage fees and commissions	
	RM	%	RM	%	RM	%	RM	%
Affin Hwang Investment Bank Berhad	8,199,318	11.24	29,321	12.20	545,101	1.65	2,076	1.77
BIMB Securities Sdn Bhd	14,066,837	19.28	43,296	18.02	8,093,937	24.45	26,779	22.83
CGS-CIMB Securities Sdn Bhd	4,595,221	6.30	11,822	4.92	4,522,092	13.65	18,188	15.50
Credit Suisse (Malaysia) Sdn Bhd	1,221,541	1.67	4,650	1.93	991,431	2.99	3,774	3.22
Apex Securities Berhad	9,284,941	12.73	28,029	11.66	3,190,778	9.64	10,629	9.06
M&A Securities Sdn Bhd	7,841,176	10.75	24,661	10.26	6,659,842	20.12	22,128	18.87
Maybank Investment Bank Berhad	7,979,021	10.94	28,378	11.81	3,054,886	9.23	10,635	9.07
MIDF Amanah Investment Bank Berhad	9,697,093	13.29	34,199	14.23	2,699,435	8.15	10,331	8.81
RHB Investment Bank Berhad	10,072,274	13.80	35,972	14.97	3,349,665	10.12	12,745	10.87
	<u>72,957,422</u>	<u>100.00</u>	<u>240,328</u>	<u>100.00</u>	<u>33,107,167</u>	<u>100.00</u>	<u>117,285</u>	<u>100.00</u>

## BSN DANA WAKAF AL-IKHLAS

### 15. UNITS HELD BY THE MANAGER AND RELATED PARTIES

As of the end of the reporting period, the total number and value of units held by the Manager and related parties are as follows:

	2023		2022	
	Number of units	Value at NAV RM	Number of units	Value at NAV RM
Bank Simpanan Nasional (Holding company of the Manager)	100,000,000	24,350,000	100,000,000	24,510,000
Permodalan BSN Berhad (the Manager, wholly-owned by BSN)	-	-	796	195
	<u>100,000,000</u>	<u>24,350,000</u>	<u>100,000,796</u>	<u>24,510,195</u>

The directors of the Manager are of the opinion that the transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

### 16. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the financial year ended 31 December 2023 is 2.86% (2022: 1.92%). It is the ratio of all the fees deducted from the Fund including management fee, Trustee's fee, auditors' remuneration, tax agent's fee plus expense charged to the Fund expressed as a percentage of the Fund's average NAV, calculated on a daily basis.

### 17. PORTFOLIO TURNOVER RATIO

The portfolio turnover ratio of the Fund for the financial year ended 31 December 2023 is 1.50 times (2022: 0.72 times). It is the ratio of average of the total acquisitions and disposals of investment in the Fund to the average NAV of the Fund, calculated on a daily basis.

### 18. OPERATING SEGMENTS

The Investment Committee of the Manager, being the operating decision-maker, makes the strategic decision on the resource allocation of the Fund. The decisions are based on an integrated investment strategy to ensure the Fund achieves its targeted return with an acceptable level of risk within the portfolio.

The Investment Committee is responsible for the performance of the Fund by investing a minimum of 20% to 80% of the Fund's NAV in Shariah-compliant equities, sukuk, Islamic money market instruments and/or Islamic deposits. On top of that, the fund may invest at least 30% of

## BSN DANA WAKAF AL-IKHLAS

the total Shariah-compliant equities in any top 30 component stocks of the Fund's equities benchmark (FBMSHA) that can potentially outperform the market.

On this basis, the Investment Committee considers the business of the Fund to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investments strategy and the Fund's performance is evaluated on an overall basis.

The internal reporting provided for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

There were no changes in the reportable operating segments during the financial year.

### 19. FINANCIAL RISK MANAGEMENT

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

##### Categories of Financial Instruments

	2023 RM	2022 RM
<b>Financial assets</b>		
<b>Carried at FVTPL:</b>		
Quoted Shariah-compliant equity investments	15,534,866	18,872,082
<b>Amortised cost:</b>		
Islamic deposits with licensed financial institutions	8,015,000	5,210,000
Dividend receivables	69,878	95,250
Profit income receivables	21,478	22,594
Tax recoverable	-	-
Amount owing from broker	2,977,663	581,153
Bank balances	5,464	5,590
	<u>26,624,349</u>	<u>24,786,669</u>
<b>Financial liabilities:</b>		
<b>Amortised cost:</b>		
Accrued expenses	21,850	20,800
Amount owing to broker	2,207,231	214,519
Amount owing to Manager	34,036	34,187
Amount owing to Trustee	1,031	1,036
	<u>2,264,148</u>	<u>270,542</u>

The Fund's activities are exposed to market risk, credit risk and liquidity risk. The Fund's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment powers and restrictions stipulated in the Securities Commission's Guidelines on Islamic Capital Market Products and Services in Malaysia.

## BSN DANA WAKAF AL-IKHLAS

### (a) Market Risk

Market risk arises due to changing market conditions as a result of regulatory, political, economic and business environment. Such changes can result in stock market fluctuations which may affect the Fund's underlying investments which will cause the NAV of the Fund to fall or rise. Market risk cannot be eliminated but may be reduced through diversification. The Manager diversify the portfolio and monitor the investment climate and market conditions to take measures, where necessary and appropriate, to mitigate this risk.

#### Price Risk

Price risk is the risk that the fair values of equity securities decrease as a result of changes in the level of equity indices and the value of individual securities. It is the Fund's policy to maximise returns for the least amount of risk and the Manager selects securities that are fundamentally sound with good growth potential.

The Fund's Shariah-compliant securities are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund's overall market position is monitored on a daily basis by the Fund's Investment Manager.

The Fund only invests in Shariah-compliant securities issued in Malaysia and the Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures.

The table below shows the diversification of the Fund's investment portfolio as at the end of the reporting period.

<b>2023</b>		
<b>Industry</b>	<b>RM</b>	<b>% NAV</b>
Construction	559,751	2.30
Consumer products and services	2,102,101	8.63
Energy	1,273,358	5.23
Financial services	711,493	2.92
Industrial products and services	1,920,223	7.88
Plantation	2,484,341	10.19
Property	1,472,262	6.04
REIT	753,594	3.10
Technology	1,610,426	6.61
Telecommunication and media	797,340	3.27
Utilities	1,849,977	7.59
	<u>15,534,866</u>	<u>63.77</u>

## BSN DANA WAKAF AL-IKHLAS

2022 Industry	RM	% NAV
Construction	1,264,765	5.16
Consumer products and services	1,780,098	7.25
Energy	1,628,878	6.64
Financial services	2,039,782	8.32
Health care	471,900	1.92
Industrial products and services	1,637,201	6.69
Plantation	669,607	2.73
Property	885,969	3.61
REIT	697,320	2.84
Technology	2,567,099	10.47
Telecommunication and media	1,730,350	7.06
Transportation and logistics	1,185,440	4.84
Utilities	2,313,673	9.44
	<u>18,872,082</u>	<u>76.97</u>

The overall market position is monitored on a daily basis by the Manager. The Manager will determine which industry may benefit from current and future changes in the economy when undergoing the process of sector allocation. The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's daily NAV.

If prices for quoted Shariah-compliant investments as at the end of the reporting period strengthened by 5% with all other variables being held constant, the Fund's profit before taxation and NAV would have improved by RM776,743 (2022: RM 943,604). A 5% weakening in the quoted prices would have had an equal but opposite effect on the profit before taxation and NAV respectively. This is for illustration purposes only and is not an indication of future variances.

The Manager has in place a system for the monitoring of the Fund's transactions to ensure compliance with the SC's Guidelines on Unit Trust Funds in Malaysia and the Fund's limits and investment restrictions in accordance with the parameters in the Deed.

## BSN DANA WAKAF AL-IKHLAS

### (b) Credit Risk

Credit risk refers to the inability of an issuer or a counterparty to make timely payments of profit, principal and proceeds from realisation of investments.

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

For amount owing from broker, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. All transactions in listed Shariah-compliant securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of Shariah-compliant securities sold is only made once the broker has received payment. Payment is made on a purchase once the Shariah-compliant securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

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 in Malaysia.

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Islamic deposits with licensed financial institutions	8,015,000	5,210,000
Dividend receivables	69,878	95,250
Profit income receivables	21,478	22,594
Amount owing from broker	2,977,663	581,153
Bank balances	5,464	5,590
	<u>11,089,483</u>	<u>5,914,587</u>

### (c) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund maintains sufficient level of liquid assets with minimum level of 10% of the NAV of the Fund to meet anticipated payments and cancellation of units by unitholders. Islamic money market instruments which include Islamic term deposits, Islamic repurchase agreements and short term cash placements with licensed financial institutions, will be used to maintain the Fund's liquidity position and as a short term alternative measure when the equity market experiences excessive volatility.



## **BSN DANA WAKAF AL-IKHLAS**

The Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the SC's Guidelines on Unit Trust Funds in Malaysia and any Guidance Notes issued by the SC from time to time or other laws or regulations pertaining to unit trusts.

As of the current and previous financial year, all the financial liabilities of the Fund are due on demand or within one year from the end of the reporting period.

### **(d) Capital Risk Management**

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

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

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has a Compliance Department to ensure that the Fund complies with the various regulations and guidelines stipulated in its Trust Deed, the SC's Guidelines on Unit Trust Funds in Malaysia.

It is, and has been throughout the current and previous financial year, the Fund's policy that no derivatives shall be undertaken for either investment risk management purposes.

The capital is represented by unitholders' subscription to the Fund. The amount of capital can change significantly on a daily basis as the fund is subject to daily redemption and subscription at the discretion of unitholders. The Manager manages the Fund's capital in accordance with its objective, while maintaining sufficient liquidity to meet unitholders' redemption.

## BSN DANA WAKAF AL-IKHLAS

### (e) Fair Value of Financial Instruments

Except as detailed in the table below, the carrying amounts of the financial assets and financial liabilities as reported in the statement of financial position as at 31 December 2023 and 31 December 2022 approximate their fair values due to the relatively short-term nature of these financial instruments.

#### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2023</b>				
<b>Financial asset at FVTPL</b>				
Quoted Shariah-compliant equity investments	<u>15,534,866</u>	<u>-</u>	<u>-</u>	<u>15,534,866</u>
<b>2022</b>				
<b>Financial asset at FVTPL</b>				
Quoted Shariah-compliant equity investments	<u>18,872,082</u>	<u>-</u>	<u>-</u>	<u>18,872,082</u>

## **BSN DANA WAKAF AL-IKHLAS**

### **CORPORATE INFORMATION**

#### **MANAGER**

Permodalan BSN Berhad : 199401034061 (319744-W)  
License No.for Capital Market Services : CMSL/A0156/2007

#### **REGISTERED/ BUSINESS OFFICE**

Tingkat 2, Blok A,  
Wisma Bank Simpanan Nasional,  
117, Jalan Ampang,  
50450 Kuala Lumpur  
E - mail : info@pbsn.com.my  
Tel : 03 - 2634 2200  
Faks : 03 - 2177 1300  
Website : www.pbsn.com.my

#### **BOARD OF DIRECTORS**

Encik Asaraf bin Aboo Bakar  
Encik Kamari Zaman bin Juhari  
Encik Norahmadi bin Sulong  
Datin Zainab binti Hj. Md. Shariff  
Puan Sharizad binti Juma'at (resigned w.e.f 3 April 2023)  
Puan Tursina binti Yaacob (appointed w.e.f 1 July 2023)  
Encik Mohamad Hamdi bin Mohamad Khir

#### **CHIEF EXECUTIVE OFFICER**

Encik Mohamad Hamdi bin Mohamad Khir

#### **COMPANY SECRETARY**

Puan Nor Eliza Binti Musa (MAICSA No 1035207) (resigned w.e.f 1 March 2023)  
Puan Salamiah Binti Senusi LS0009988 (appointed w.e.f 1 January 2023)  
Puan Wong Zhao Jin (appointed w.e.f 1 January 2023)

#### **ADVOCATES & SOLICITORS**

SOON, GAN DION & PARTNERS  
1st Floor, No. 73, Jalan SS 21/1A  
Damansara Utama  
47400 Petaling Jaya

#### **PRINCIPAL BANKER**

Affin Islamic Bank Berhad  
Kuala Lumpur Main,  
133, Jalan Bunus  
Off Jalan Masjid India  
50100 Kuala Lumpur

#### **TRUSTEE**

AmanahRaya Trustees Berhad : 200701008892 (766894-T)  
Level 14, Wisma AmanahRaya,  
No 2, Jalan Ampang,  
50508 Kuala Lumpur

## **BSN DANA WAKAF AL-IKHLAS**

### **SHARIAH ADVISER**

Tawafuq Consultancy Sdn Bhd: 201501036171 (1161491-M)  
Suite 10.01, Level 10, Menara Atlan  
161B, Jalan Ampang  
Persiaran KLCC  
50450 Kuala Lumpur

### **AUDITOR**

Deloitte PLT (LLP0010145-LCA)  
Chartered Accountants (AF0080)  
Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

### **TAX ADVISER**

CROWE KL TAX SDN BHD (10709-X)  
(Formerly know as Crowe Horwath KL Tax Sdn Bhd)  
Level 15, Tower C  
Megan Avenue 2  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

### **INDEPENDENT CONSULTANT**

Novagni Analytics and Advisory Sdn Bhd : 199501033943 (363145-W)  
Level 42, Menara TH Perdana  
1001, Jalan Sultan Ismail  
50250 Kuala Lumpur

# BSN DANA WAKAF AL-IKHLAS

**Managed by Permodalan BSN Berhad:** 199401034061 (319744-W)

**Tingkat 2, Blok A,  
Wisma Bank Simpanan Nasional,  
117, Jalan Ampang, 50450 Kuala Lumpur  
Tel: 03-2634 2200 Fax : 03-2177 1300  
Email: [info@pbsn.com.my](mailto:info@pbsn.com.my)  
Website: [www.pbsn.com.my](http://www.pbsn.com.my)**