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**The 15th International Conference on
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Driving the Agenda
for a Sustainable Humane Economy**



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Contents

<i>Note from the Guest Editors</i>	1
Research Articles	
Enhancing Indonesia's Islamic Economy Ecosystem: Innovative Legal and Institutional Strategic Approach <i>Sutan Emir Hidayat</i> <i>Dece Kurniadi</i> <i>M. Adam Hervanda</i> <i>M. Adam Prawira</i> <i>Aulia Nugraha</i> <i>Adelina Zuleika</i>	3
Assessing The Performance of Unit Trust Waqf Funds in Malaysia <i>Ahmad Fawwaz Mohd Nasaruddin</i> <i>Azniza Hartini Azrai Azaimi Ambrose</i> <i>Aini Afifah Mohd Safee</i>	27
Islamic Economics and Finance for a Sustainable Humane Economy: Whither <i>Homo Islamicus</i> ? <i>Mohd Mahyudi</i>	43
The Real Challenge for Islamic Economics and Finance: <i>Homo Economislamicus</i> <i>Ali Polat</i>	59
Islamic Economic Systems and Sustainable Development: Islamic Capitalism versus <i>Insanism</i> (Islamic Humanism) <i>Habib Ahmed</i>	79

Social Welfare Provision within an Integrated Three-Sector Economic Framework <i>Bushra Abu Saiid</i> <i>Mohd Nizam Barom</i>	103
Wealth for Welfare: The Role of Islamic Social Finance Institutions in Sustainable Human Economic Development <i>Mehmet Bulut</i> <i>Adam Dembele</i>	129
Islamic Worldview, Economics and Islamic Economics <i>Sayyid Tahir</i>	155
Examination of Preservation of Wealth as a Prime Limb of <i>Maqāṣid Al-Sharī‘ah</i> to Justify Bitcoin in Islamic Jurisprudence <i>M A K Mohamed Bishrul Rifath</i> <i>Dr. Ataollah Rahmani</i> <i>M J M Arafath Careem</i>	179
Zakāt, a ‘Use it or Distribute it Tax’ on Wealth <i>Salman Syed Ali</i>	201

Transliteration Table: Consonants

Arabic	Roman		Arabic	Roman
ب	b		ط	ṭ
ت	t		ظ	ẓ
ث	th		ع	‘
ج	j		غ	gh
ح	ḥ		ف	f
خ	kh		ق	q
د	d		ك	k
ذ	dh		ل	l
ر	r		م	m
ز	z		ن	n
س	s		ه	h
ش	sh		و	w
ص	ṣ		ء	’
ض	ḍ		ي	y

Transliteration Table: Vowels and Diphthongs

Arabic	Roman		Arabic	Roman
اَ	a		أَ، آَ، إِيَّ	an
أُ	u		أُوَّ	un
إِ	i		إِيَّ	in
آَ، آِ، إِيَّ،	ā		أُوَّ	aw
أُوَّ	ū		إِيَّ	ay
إِيَّ	ī		أُوَّ	uww, ū (in final position)
			إِيَّ	iyy, ī (in final position)

Source: ROTAS Transliteration Kit: <http://rotas.iium.edu.my>

Assessing The Performance of Unit Trust Waqf Funds in Malaysia

Ahmad Fawwaz Mohd Nasaruddin*
Azniza Hartini Azrai Azaimi Ambrose**
Aini Afifah Mohd Safee***

Abstract: The Securities Commission Islamic Fund and Wealth Management Blueprint 2017 was the precursor for the establishment of *waqf-featured* funds in Malaysia. This is in line with the intention of Bank Negara Malaysia to employ social finance for the delivery of social goods and services. To date, there are five unit trust funds and one wholesale fund that are linked with *waqf*. The former are the Makmur myWakaf Fund, PMB-An-Nur Waqf Income Fund, Kenanga Waqf Al-Ihsan Fund, Maybank Mixed Assets-I Waqf Fund, and BSN Dana Wakaf Al-Ikhlas. Yet to the knowledge of the researchers, there is a dearth of studies that examine the performance of these funds. This could be attributed to the fact that the first unit trust *waqf-featured* fund, the Makmur myWakaf Fund, was only launched in 2021. Therefore, this study aims to compare the performance of unit trust *waqf* funds and identify the top consistent fund. By employing the modified Sharpe ratio method, we found that the top consistent fund is PMB An-Nur Waqf fund while the Makmur myWakaf fund should be considered for further analysis. This study is significant to aid investors in making sound decision in regards to unit trust *waqf* investments and may help the finance regulatory institution to further develop the social finance landscape in Malaysia.

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Keywords: *Waqf*, unit trust *waqf-featured* funds, unit trust *waqf*, cash *waqf*, Sharpe ratio, Treynor ratio

Abstrak: Rangka Kerja Pelan Induk Dana dan Pengurusan Kekayaan Islam oleh Suruhanjaya Sekuriti 2017 merupakan perintis kepada penubuhan dana berteraskan wakaf di Malaysia. Langkah ini selaras dengan hasrat Bank Negara Malaysia untuk menggunakan kewangan sosial dalam menyampaikan barangan dan perkhidmatan sosial. Setakat ini, terdapat lima dana unit amanah dan satu dana borong yang dikaitkan dengan wakaf. Dana-dana unit amanah tersebut ialah Dana Wakaf myWakaf Makmur, Dana Pendapatan Wakaf PMB-An-Nur, Dana Wakaf Al-Ihsan Kenanga, Dana Aset Campuran-I Wakaf Maybank, dan Dana Wakaf Al-Ikhlas BSN. Namun, setakat pengetahuan kami, hanya terdapat sedikit kajian yang meneliti prestasi dana-dana ini. Keadaan ini mungkin disebabkan oleh fakta bahawa dana unit amanah wakaf yang pertama, iaitu Dana Wakaf myWakaf Makmur, hanya dilancarkan pada tahun 2021. Oleh itu, kajian ini bertujuan untuk membandingkan prestasi dana unit amanah wakaf dan mengenal pasti dana yang paling konsisten terbaik. Dengan menggunakan kaedah nisbah Sharpe yang diubahsuai, kami mendapati bahawa dana paling konsisten terbaik ialah Dana Wakaf PMB An-Nur, manakala Dana myWakaf Makmur perlu dipertimbangkan untuk analisis lanjut. Kajian ini signifikan untuk membantu pelabur membuat keputusan yang wajar berkenaan pelaburan unit amanah wakaf dan boleh membantu institusi pengawal selia kewangan untuk membangunkan lagi landskap kewangan sosial di Malaysia.

Kata kunci: Wakaf, dana Amanah saham berciri wakaf, wakaf Amanah saham, wakaf tunai, nisbah Sharpe, nisbah Treynor.

Introduction

The launch of the Makmur myWakaf Fund by BIMB Investment Management on 3 March 2021 marked a significant milestone in the Islamic capital markets industry in Malaysia. As the first unit trust *waqf-featured* fund, this fund stands out for its adherence to *Shari'ah*-based principles in mobilising funds for the betterment of society. With its focus on healthcare, education, community empowerment, and social finance, the Makmur myWakaf Fund combines investment returns with societal needs, offering a unique investment opportunity (Bank Islam Malaysia Berhad Investment, 2021).

Other fund houses in Malaysia, the likes of PMB Investment Berhad, Kenanga Investors Berhad, Maybank Asset Management

Sdn Bhd, and Permodalan BSN Berhad, have also introduced *waqf* funds. These initiatives align with the Securities Commission Islamic Fund and Wealth Management Blueprint 2017, which emphasise the development of *waqf* funds. To date, there are five-unit trust *waqf* funds available in Malaysia, catering to both retail and corporate investors. These funds include the Makmur myWakaf Fund, PMB-An-Nur Waqf Income Fund, Kenanga Waqf Al-Ihsan Fund, Maybank Mixed Assets-I Waqf Fund, and BSN Dana Wakaf Al-Ikhlas (Securities Commission Malaysia, 2022).

Moreover, these launch of unit trust *waqf* fund is a notable contribution in the realm of cash *waqf*. The primary objective of the fund is to generate investment returns while directing a portion of those returns towards charitable causes, such as healthcare, education, and community empowerment. By investing in this fund, individuals not only have the potential for financial growth but also the chance to contribute to societal betterment. This innovative approach combines the principles of Islamic finance with the noble concept of giving back to the community. Through cash *waqf*, the fund enables individuals to fulfil their religious and social responsibilities by supporting initiatives that have a positive impact on society.

However, the introduction of Unit Trust *Waqf-featured* Funds in Malaysia has not received substantial participation compared to other retail funds, resulting in relatively low Asset Under Management (AUM). According to the Lipper database and Securities Commission Malaysia (2022), the AUM for Unit Trust *Waqf* Funds stands at only RM46.63 million as of end 2022, representing a mere 0.02% of the Total *Shari'ah* AUM of RM205.9 billion. Given the importance of supporting cash *waqf* through fund management institutions, it is crucial to evaluate the performance and sustainability of Unit Trust *Waqf-featured* Funds. This evaluation aims to gain insights into the funds' ability to generate consistent returns, providing valuable information for potential investors.

Therefore, it is crucial to analyse the performance of Unit Trust *Waqf-featured* Funds and identify funds that demonstrate consistent returns over a specified period. By identifying funds with sustained and reliable performance, investors can make well-informed investment decisions based on the funds' track record. Precisely, this article aims

to: (1) compare the performance of Unit Trust *Waqf-featured* Funds in Malaysia, and (2) identify the top consistent unit trust *waqf* fund based on its performance. This analysis aims to address inquiries surrounding the performance and sustainability of Unit Trust *Waqf-featured* Funds, ultimately contributing to the growth and participation in cash *waqf* through commercial funds.

Cash *Waqf*: A Brief Sketch

Cash *waqf* can be defined as the confinement of cash or share certificates for the use of stipulated philanthropic causes (Ambrose & Asuhaimi, 2021). It was first practiced during *Dawlah Uthmaniyyah* where cash *waqf* was certified permissible by the Hanafi madhhab on the grounds of *istihsān bi al 'urf* (juristic preference based on custom) (Mauluddin & Rahman, 2018). Although the Maliki madhhab and the prevalent opinion in the Shafi'e madhhab disallows cash *waqf* (Ambrose & Asuhaimi, 2021), other authoritative legal institution allows the use of cash *waqf*. For example, Section 20 of the Wakaf (State of Selangor) Enactment 2015 recognises movable property, such as cash, as one of the types of *mawquf* (corpus of *waqf*). In the year 2007, the National Fatwa Council Islamic Affairs of Malaysia has also ruled that cash *waqf* is permissible (Ambrose, Aslam, & Hanafi, 2018). In fact, Resolution No.140 (16/6) of the International Council of Fiqh Academy deems that cash is an acceptable *mawquf* since the principal of cash can remain while benefits are being derived (Mohsin, 2014). The benefits of cash can be derived via investment or *qard hasan* (benevolent loan).

Depending on the multifaceted scholarly opinions of *waqf*, cash *waqf* can be endowed either permanently or temporarily (Ambrose & Peredaryenko, 2022). The Shafi'e and Hanbali madhhabs, as well as Abu Yusuf and Imam Muhammad bin Hasan of the Hanafi madhhab, opine that *waqf* can only be given infinitely. Meanwhile, Imam Abu Hanifah, the father of the Hanafi madhhab views *waqf* as *'ariyah* (transfer of usufruct instead of property) and therefore assumes that *waqf* can be given finitely. As a matter of fact, the Proceedings of the National Council for Islamic Religious Affairs of Malaysia (Muzakarah Majlis Kebangsaan Bagi Hal Ehwal Agama Islam Malaysia) has ruled temporary *waqf* as permissible (Jabatan Kemajuan Islam Malaysia, 2026).

Just like any other types of *waqf*, cash *waqf* is regulated by the three key restrictions of *waqf* (irrevocability, inalienability, and perpetuity) even though the *waqf* is temporary (Ambrose & Asuhaimi, 2021). Although cash may be given as *waqf* temporarily, the *waqf* must not be revoked within a stipulated period that must be agreed early on. As such, the cash cannot be sold, inherited, or gifted to others during the said stipulated period. “Along the same line of reasoning, the perpetuity restriction is applied within the *waqf* endowment period, infinite or finite” (Ambrose & Asuhaimi, 2021, p.3).

The Concept of *Waqf-featured* Funds

Waqf-featured funds “facilitates the offering of Islamic unit trusts and Islamic wholesale funds with a specific aim to channel a whole or a portion of income generated for *waqf* purposes” (Securities Commission Malaysia, 2023). Note that this paper only concentrates on Islamic unit trust and not Islamic wholesale funds.

The fact that the benefits of cash can be derived from investment and can be given as *waqf* either temporarily or permanently, brings about the concept of *waqf-featured* funds. The permissibility for temporary *waqf* coincides nicely with the option for investors to liquidate the *waqf-featured* funds whenever without needing to continuously provide benefits to the *mawquf* ‘*alayh* (*waqf* recipients or beneficiaries).

Yet not many academic studies have been conducted along the lines of *waqf-featured* funds until circa 2018. Before then, most studies had concentrated on i-REITS linked *waqf* such as Ramlee, Embi and Sultan (2015), Abdullah and Saiti (2016), Hasan and Sulaiman (2016), as well as Senawi (2018). One reason may be the exemplars of internal REITs in the *waqf* asset migration exercise practiced in Singapore (Karim, 2010) and Al-Aqar KPJ Healthcare REITS that is linked with *waqf* efforts (Hasan & Sulaiman, 2016). Another reason could be the nature of cash that is viewed as temporary (due to the time value of money). The notion of a temporary *mawquf* was still out of favour as opposed to permanent *mawquf* the likes of real estates. This may be due to the fact that the Shafi’*e madhhab* do not recognise temporary *waqf* (Ambrose and Peredaryenko, 2022) and Muslim Malaysians are adherers to said *madhhab*.

This is not to claim that there was no such implementation of unit trust *waqf*. Dompot Dhuafa (DD) for instance, although not in a strict unit trust *waqf* sense, is one of the pioneering *waqf* institution in Southeast Asia that invests cash *waqf*. Since 2005, Tabung Wakaf Indonesia has acted as the fund manager of the cash *waqf* received by DD to which the pool of cash is invested in *mudarabah* savings account and small and medium sized industries, as well as equity participation with Baitul Maal wat Tamwil (an Islamic microfinance institution) (Candra & Rahman, 2010). However, cash *waqf* investment brings a pivotal issue concerning the key restriction of perpetuity; by investing, it is difficult to guarantee in absolute that the *mawquf* will remain intact.

The nudge by Securities Commission Malaysia is the quintessential motivation. Securities Commission Malaysia (2014) suggested that cash *waqf* be invested in products from the Islamic capital market the likes of Islamic unit trust, Islamic real estate investment trust (i-REITS), and others. This nudge may be the precursor to realise the intention of Bank Negara Malaysia in employing social finance for the mobilisation of social goods and services (Bank Negara Malaysia, 2023). Due to this, conceptual studies in cash *waqf* unit trust gradually picked. Examples of studies include Sulaiman and Hasan (2017), Ambrose, Aslam and Hanafi (2018), Khaliq, Hussin and Mohammad (2019), and Sulaiman and Hasan (2020).

Waqf-featured Funds in Malaysia

At present, there are five unit trust funds that operate as a *waqf-featured* fund. The first such fund is Makmur MyWakaf Fund that was launched in early March 2021 (The Star Online, 2021). Throughout the same year, PMB-An-Nur Waqf Income Fund was launched in late March (Idris, 2021), Kenanga Waqf Al-Ihsan Fund in April (Kenanga Investment Bank, 2021), and Maybank Mixed Assets-I Waqf Fund in May (The Edge Markets, 2021). On the other hand, BSN Dana Wakaf Al-Ikhlas was launched in 2022 (Arifin, 2022).

Makmur MyWakaf Fund

Makmur MyWakaf Fund is a Qualified Sustainable and Responsible Investment (SRI) Fund, operating in accordance with the Guidelines on Sustainable and Responsible Investment Funds. The fund falls under the category of Islamic-ESG Malaysia Equity. CIMB Islamic Trustee Berhad

acts as the Trustee, while BIMB Investment Management Berhad serves as the Manager. For asset allocation, the fund may invest between 10% to 90% of its Net Asset Value (NAV) into Shariah-compliant equities and Shariah-compliant equity-related securities. Additionally, between 10% to 90% of the NAV may be allocated to Islamic fixed income instruments, Islamic money market instruments, and Islamic deposits. The performance benchmark for the fund is a combination of 50% 12-month Term Deposit-i Tawarruq of Bank Islam Malaysia Berhad and 50% FTSE Emas Shariah Index (BIMB Investment Management, 2022). As of 31 March 2023, the Makmur MyWakaf Fund had an AUM of RM8.04 million. However, there was a decrease in AUM, and as of 30 April 2023, the AUM dropped to RM7.84 million (sourced from the Lipper database)

PMB-An-Nur Waqf Income Fund

PMB-An-Nur Waqf Income Fund is managed by PMB Investment Berhad, with CIMB Islamic Trustee Berhad acting as the Trustee. Amanie Advisors Sdn Bhd serves as the Shariah Adviser, and Waqaf An-Nur Corporation Berhad is the associated Waqf Institution. The performance benchmark for the fund is a combination of 50% FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA) and 50% Maybank 12-months Islamic Fixed Deposit. In terms of asset allocation, the fund may allocate up to 60% of its Net Asset Value (NAV) to Shariah-compliant equities and Shariah-compliant equity-related securities. Additionally, the fund may invest up to 100% of its NAV in a combination of sukuk, Islamic money market instruments, Islamic deposit placements, and other Shariah-compliant permitted investments (PMB Investment, 2022).

Kenanga Waqf Al-Ihsan Fund

Kenanga Waqf Al-Ihsan Fund is managed by Kenanga Investors Berhad, with RHB Trustees Berhad serving as the Trustee and IBFIM acting as the Shariah Adviser. Yayasan Waqaf Malaysia (YWM) has been appointed as the recipient of the Waqf Asset. It utilises a performance benchmark composed of 60% FTSE-Bursa Malaysia Emas Shariah Index and 40% Maybank 12-month Islamic Fixed Deposit-i rate. In terms of asset allocation, the fund may invest up to 60% of its Net Asset Value (NAV) in Shariah-compliant equities and Shariah-compliant equity-related securities. Additionally, up to 40% of the NAV may be allocated to sukuk (including up to 5% in unrated sukuk), while the

remaining portion of the NAV will be invested in Islamic money market instruments and placed in Islamic deposits (Kenanga Investors Berhad, 2022). As of 30 April 2023, the fund had an AUM of RM5.04 million, which decreased to RM4.95 million as of 31 May 2023 (sourced from the Lipper database).

Maybank Mixed Assets-I Waqf Fund

Maybank Mixed Assets-I Waqf Fund, managed by Maybank Asset Management Sdn Bhd, was launched on 3 May 2021. Amanie Advisors Sdn Bhd acts as the Shariah Adviser, while RHB Trustees Berhad serves as the Trustee for the fund. The associated Waqf Institution is Yayasan Waqaf Malaysia. The fund's performance benchmark is set as the Maybank 12-month Islamic deposit rate plus 2.00%. In terms of asset allocation, the fund may allocate between 30% to 70% of its Net Asset Value (NAV) to sukuk, and another 30% to 70% to Shariah-compliant equities and Shariah-compliant equity-related securities. Additionally, the fund has the flexibility to invest up to 20% of its NAV in Islamic collective investment schemes and up to 20% in Islamic liquid assets (Maybank Asset Management, 2022). As of 31 May 2023, the Maybank Mixed Assets-I Waqf Fund had an AUM of RM0.58 million, representing a slight decrease from the previous month's AUM of RM0.59 million (sourced from the Lipper database).

BSN Dana Wakaf Al-Ikhlas

BSN Dana Wakaf Al-Ikhlas is a Mixed Asset Shariah Fund managed by Permodalan BSN Berhad. AmanahRaya Trustees Berhad serves as the Trustee, while Tawafuq Consultancy Sdn Bhd acts as the Shariah Adviser. The Waqaf Administrator for the fund is Yayasan Waqaf Malaysia. Besides, the performance benchmark for the fund is a combination of 50% FBMSHA Index (FTSE Bursa Malaysia EMAS Shariah Index) and 50% Maybank 1-Month GIA Islamic Fixed Deposit (Tier 1). In terms of asset allocation, the fund may invest between 20% to 80% of its Net Asset Value (NAV) in securities exposures, including Shariah-compliant equities, Islamic Collective Investment Schemes (CIS), and Shariah-compliant linked instruments such as rights and warrants. Additionally, between 20% to 80% of the NAV may be allocated to sukuk, Islamic money market instruments, and Islamic deposits (Permodalan BSN, 2022). As of 30 April 2023, the BSN Dana Wakaf Al-Ikhlas had an AUM of RM24.19 million. However, there was

a decrease in AUM and as of 31 May 2023, the AUM stood at RM23.79 million (sourced from the Lipper database).

Among the other unit trust *waqf-featured* funds, the PMB-An-Nur Waqf Income Fund stands out as the only fund that exhibited an increase in AUM in May 2023. While other funds experienced fluctuations or declines in their AUM, the PMB-An-Nur Waqf Income Fund saw its AUM grow from RM7.66 million as of 30 April 2023 to RM7.81 million as of 31 May 2023. This increase highlights the fund's ability to attract additional investments and manage its assets effectively (sourced from the Lipper database). Table 1 summarises other details of the unit trust *waqf-featured* funds.

Table 1: Details of Unit Trust Waqf-featured Funds in Malaysia

Fund Name	Makmur myWakaf Fund	PMB-An-Nur Waqf Income Fund	Kenanga Waqf Al-Ihsan Fund	Maybank Mixed Assets-I Waqf Fund	BSN Dana Wakaf Al-Ikhlas
Fund Manager	BIMB Investment Management Berhad	PMB Investment Berhad	Kenanga Investors Berhad	Maybank Asset Management Sdn Bhd.	Permodalan BSN Berhad
Shariah Adviser	BIMB Securities Sdn Bhd	Amanie Advisors Sdn Bhd	IBFIM	Amanie Advisors Sdn Bhd	Tawafuq Consultancy Sdn Bhd
Fund Category (Mainly which Assets)	Mixed Assets (Shariah)	Mixed Assets (Shariah)	Mixed Assets (Shariah)	Mixed Assets (Shariah)	Mixed Assets (Shariah)
Local or International Fund (Based on currency and benchmark)	Local	Local	Local	Local	Local
Fund Type (Portfolio Emphasis - (Growth vs value))	Income	Income and growth	Income and growth	Income and growth	Income and growth

Data and Methodology

Data for this study is collected from the Refinitiv database. We compiled monthly data of the five unit trust *waqf* funds (UTWF) from April 2021 until June 2023. For comparative purpose, we choose FTSE Bursa Malaysia EMAS Shariah Index, an index with the biggest number of shariah constituent as it would make a more fitting comparison given the nature of the shariah market participants in Malaysia. It also allows us to compare the performance of the UTWF with the stock market index.

This study is built to answer two objectives, namely, to compare the performance of UTWF in Malaysia and to identify the top consistent UTWF based on its performance. Fund performance measurement is an ongoing study in finance, and its method has gone through a long history of evolutions. The Sharpe ratio was first established as an extension to the Markowitz portfolio theory. It builds upon the notion that investors are rational asset pickers, and the return of the funds will lie within the normal distribution. By calculating for the risk-adjusted return, Sharpe ratio enables investors to rank and select funds based on a very clear criterion.

Although it started as an ex-ante study, many found it equally useful as ex post especially to rank the performance of fund or its manager. This study falls into the latter category. The equation to capture the Sharpe ratio ex post then should be:

$$S_r = \frac{R_p - R_f}{\sigma_p} \quad (1)$$

where S_r is the Sharpe ratio of the fund i , R_p is the average return of the fund, R_f as the proxy of risk-free return and σ_p is the standard deviation of the portfolio excess return. The higher Sharpe Ratio would indicate a better performing fund.

However, things might be a little bit complicated when the fund recorded a negative or marginal excess return. Academicians (refer to Hodoshima, 2019; Nagi and Benedek, 2021 and Xu et al., 2022 among others) suggest several adjustments to the basic equation to optimise the findings. Echoing that spirit, we prepared a modified Sharpe ratio via maximum likelihood of outperforming the risk-free return. A similar approach was initially credited to McLeod and van Vuuren (2004) and

most recently used by Xu et al. (2022). The modified Sharpe ratio now would reveal the probabilistic equivalent:

$$\text{Max Sharpe Ratio} = Pr\left(z \geq \frac{R_f - R_p}{\sigma_p}\right) \text{ where } z \sim N(0,1) \quad (2)$$

By adopting this approach, the selection process is now focusing on the fund with the highest maximum probability of outperforming the risk-free return.

Finally, to check for robustness, we conducted the test of Treynor Ratio on the UTWF which allows us to measure the importance of the systematic risk towards decision making. Similar to the original Sharpe Ratio, Treynor Ratio postulates the rational pricing model and provides suggestion on the best fund based on the highest risk-return trade-off criterion. Its computation resembles Sharpe but for the usage of beta (β) as the denominator replacing the standard deviation.

$$T_r = \frac{R_p - R_f}{\beta_p} \quad (3)$$

Data Analysis and Result

We begin our analysis by calculating the result of all three ratios by implementing a segmentation on the time. We run the test first by using the whole data period. Next, we re-run the test based on yearly data to control for any one-off perennial effect, especially given the effect of the pandemics are still looming. Note that the study in 2021 consists of period between April and December due to the data limitation. Below are the tables to illustrate our findings using all three methods together with the ranking for the data sample.

Table 2: The Whole Data

Fund Name	Sharpe Ratio	Rank	Modified Sharpe Ratio	Rank	Treynor Ratio	Rank
BSN Dana Wakaf Al-Ikhlas	-1.8774	5	0.0302	5	-4.1426	5
Kenanga Waqf Al-Ihsan	-1.4844	4	0.0688	4	-2.7988	4
Maybank Mixed Assets-I Waqf	-2.1089	6	0.0175	6	-4.3180	6

Makmur myWakaf MYR	-1.1352	3	0.1282	3	-2.2748	3
PMB-An-Nur Waqf	-0.3358	1	0.3688	1	-1.1279	2
*KLCI Emas Shariah index	-0.8033	2	0.2109	2	-0.0269	1

Table 3: April 2021 to December 2021

Fund Name	Sharpe Ratio	Rank	Modified Sharpe Ratio	Rank	Treynor Ratio	Rank
BSN Dana Wakaf Al-Ikhlas						
Kenanga Waqf Al-Ihsan	-1.1015	2	0.1353	2	-1.7228	4
Maybank Mixed Assets-I Waqf	-2.5507	4	0.0054	4	-3.9139	5
Makmur myWakaf	-1.2641	3	0.1031	3	-1.7063	3
PMB-An-Nur Waqf	-0.5317	1	0.2975	1	-0.9689	2
*KLCI Emas Shariah index	-2.7114	5	0.0034	5	-0.0282	1

Note: The data for BSN Dana Wakaf Al-Ikhlas is not available during this sample period.

Table 4: January 2022 to December 2022

Fund Name	Sharpe Ratio	Rank	Modified Sharpe Ratio	Rank	Treynor Ratio	Rank
BSN Dana Wakaf Al-Ikhlas	-1.9269	6	0.0270	6	-4.1059	6
Kenanga Waqf Al-Ihsan	-1.3760	4	0.0844	4	-2.9752	3
Maybank Mixed Assets-I Waqf	-1.6460	5	0.0499	5	-4.0267	5
Makmur myWakaf	-0.9392	2	0.1738	2	-2.0506	2
PMB-An-Nur Waqf	-1.0213	3	0.1536	3	-3.1843	4
*KLCI Emas Shariah index	-0.6726	1	0.2506	1	-0.0277	1

Table 5: January 2023 to June 2023

Fund Name	Sharpe Ratio	Rank	Modified Sharpe Ratio	Rank	Treynor Ratio	Rank
BSN Dana Wakaf Al-Ikhlas	-2.2954	5	0.0109	5	-4.7403	5
Kenanga Waqf Al-Ihsan	-0.1599	2	0.4365	2	-0.2958	3
Maybank Mixed Assets-I Waqf	-3.6815	6	0.0001	6	-7.1869	6
Makmur myWakaf	-1.7171	4	0.0430	4	-4.5741	4
PMB-An-Nur Waqf	0.1500	1	0.4401	1	0.4456	1
*KLCI Emas Shariah index	-0.6208	3	0.2674	3	-0.0223	2

Some interesting findings can be seen from the above tables. PMB outperform other funds including the KLCI Emas Index as the shariah stock proxy. Indirectly, it implies the potential of UTWF to serve as an alternate investment which provide a more stable risk and compensate a stronger return than the market. This is found to be true regardless of the technique used in the study. PMB is also found to be the most desirable stocks except for the year of 2022 as it was outperformed by Makmur myWakaf and were unable to beat the market. Hence, an in-depth investigation on the matters surrounding its performance in 2022 would be appreciated. However, there is no significant difference between Sharpe Ratio and Modified Sharpe Ratio as per the ranking. Treynor ranking however seems to be different which suggest the nature of systematic risk.

Conclusion

For a rational profit seeking investor, the PMB An-Nur Waqf fund or the Makmur myWakaf fund should be the choice for investment. Although the Makmur myWakaf outperform all other UTWF in year 2022 only, it will be wise to conduct further analysis to determine its performance in the future. This study is limited in the frequency of data and its simplicity. As such, later studies should consider daily frequency and other sophisticated methods of analysis. Sophisticated method of analysis may provide further insight on the performance of the UTWF.

This study has also limited its scope on financial return; it will be monumental to study the social return (or the extent of social impact) of these UTWF. This way, socially responsible investors can deliberate between financial return and social return in making sound investment decision.

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(i) Al-Bukhārī, 88:204 (where 88 is the book number, 204 is the ḥadīth number)

(ii) Ibn Hanbal, vol. 1, p. 1

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(i) Al-Bukhārī, M. (1981). *Ṣaḥīḥ al-Bukhārī*. Beirut: Dār al-Fikr.

(ii) Ibn Ḥanbal, A. (1982). *Musnad Aḥmad Ibn Ḥanbal*. Istanbul: Cagri Yayinlari.

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Note from the Guest Editors

Research Articles

Sutan Emir Hidayat, Dece Kurniadi, M. Adam Hervanda, M. Adam Prawira, Aulia Nugraha & Adelina Zuleika

Enhancing Indonesia's Islamic Economy Ecosystem:
Innovative Legal and Institutional Strategic Approach

**Ahmad Fawwaz Mohd Nasaruddin, Azniza Hartini Azrai
Azaimi Ambrose & Aini Afifah Mohd Safee**

Assessing The Performance of Unit Trust Waqf Funds in Malaysia

Mohd Mahyudi

Islamic Economics and Finance for a Sustainable
Humane Economy: Whither *Homo Islamicus*?

Ali Polat

The Real Challenge for Islamic Economics and Finance:
Homo Economislamicus

Habib Ahmed

Islamic Economic Systems and Sustainable Development:
Islamic Capitalism versus *Insanism* (Islamic Humanism)

Bushra Abu Saiid & Mohd Nizam Barom

Social Welfare Provision within an Integrated
Three-Sector Economic Framework

Mehmet Bulut & Adam Dembele

Wealth for Welfare: The Role of Islamic Social Finance
Institutions in Sustainable Human Economic Development

Sayyid Tahir

Islamic Worldview, Economics and Islamic Economics

**M A K Mohamed Bishrul Rifath, Dr. Ataollah Rahmani
& M J M Arafath Careem**

Examination of Preservation of Wealth as a
Prime Limb of *Maqāsid Al-Sharī'ah* to Justify
Bitcoin in Islamic Jurisprudence

Salman Syed Ali

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